

NEWS RELEASE

Company name: SG Holdings Co., Ltd.
 Representative: Eiichi Kuriwada, Chairperson, CEO and President
 (Code number: 9143, TSE Prime Market)
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Notice Regarding Secondary Offering of Shares

SG Holdings Co., Ltd. (the "Company") hereby announces that the Company has resolved to approve the implementation of a secondary offering of shares of common stock of the Company as set forth below at a meeting of its Board of Directors held on September 6, 2022.

1. Offering by way of purchase and underwriting by the underwriters

(1) Class and number of shares to be offered	10,081,700 shares of common stock of the Company
(2) Sellers and the number of shares to be offered	MUFG Bank, Ltd.: 5,631,700 shares Sumitomo Mitsui Banking Corporation: 4,450,000 shares
(3) Offer price	Undetermined. The offer price will be determined on the Offering Price Determination Date in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting, etc. of Securities of the Japan Securities Dealers Association, after taking into account market demand and other conditions, based on the preliminary pricing terms calculated by multiplying by a factor between 0.90 and 1.00, the closing price of the shares of common stock of the Company in regular trading on the Tokyo Stock Exchange, Inc. (rounding down to the nearest one yen) on a certain date between Wednesday, September 14, 2022 and Tuesday, September 20, 2022 (the "Offering Price Determination Date") (or the closing price on the day immediately preceding the Offering Price Determination Date, if no closing price was recorded on the Offering Price Determination Date).
(4) Method of offering	The offering will be by a secondary offering (the "offering by way of purchase and underwriting by the underwriters"), and the underwriters will purchase and underwrite all shares. Part of such shares may be sold to foreign investors in international markets primarily in Europe and Asia (but excluding the United States and Canada).
(5) Commissions for underwriters	The underwriters will not receive an underwriting fee, but instead will receive the aggregate amount of the difference between the offer price and the underwriting value (the trading value per share to be received by the sellers from the underwriters), as the underwriters' proceeds.
(6) Subscription period	The period between the business day immediately following the Offering Price Determination Date and the second business day following the Offering Price Determination Date.
(7) Share unit for subscription	100 shares

(8) Advance on subscription	Same as the offer price per share
(9) Settlement date	A certain date between Thursday, September 22, 2022 and Wednesday, September 28, 2022; provided that such date will be the fifth business day following the Offering Price Determination Date.
(10) Approval for the offer price and all other matters necessary for the offering by way of purchase and underwriting by the underwriters will be entrusted solely to the Representative Director of the Company or the person delegated by the Representative Director of the Company.	

2. Offering by way of over-allotment (Please refer to <Reference> 2. below.)

(1) Class and number of shares to be offered	Shares of common stock of the Company: 1,500,000 shares The aforementioned number of shares to be offered represents the maximum number of shares to be offered and the actual number of shares may decrease or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions. The number of shares to be offered will be determined on the Offering Price Determination Date, after taking into account market demand and other conditions.
(2) Seller	The designated underwriter
(3) Offer price	Undetermined. The offer price will be determined on the Offering Price Determination Date. The offer price will be the same as that in the offering by way of purchase and underwriting by the underwriters.
(4) Method of offering	In connection with the offering by way of purchase and underwriting by the underwriters, the designated underwriter will, after taking into account market demand and other conditions, carry out the secondary offering of up to 1,500,000 shares of common stock of the Company to be borrowed from certain shareholders of the Company.
(5) Subscription period	Same as that in the offering by way of purchase and underwriting by the underwriters.
(6) Share unit for subscription	100 shares
(7) Advance on subscription	Same as the offer price per share.
(8) Settlement date	Same as that in the offering by way of purchase and underwriting by the underwriters.
(9) Approval for the offer price and all other matters necessary for the offering by way of over-allotment will be entrusted solely to the Representative Director of the Company or the person delegated by the Representative Director of the Company.	

<Reference>

1. Purpose of the secondary offering of shares

The Company has determined to carry out this secondary offering of shares as some of the shareholders have expressed their intention to sell their shares of the Company against a backdrop of an increasing trend of reviewing cross-shareholdings, among Japanese companies, to comply with corporate governance code and, among financial institutions, to cope with the international financial regulations. Through this secondary offering of shares, the Company aims to further deepen the investors' understanding of the Company, as well as to improve the distribution of, and enhance the liquidity of, the shares of the Company.

2. Offering of shares by way of over-allotment, etc.

The offering of shares by way of over-allotment refers to an offering, in connection with and in addition to the offering by way of purchase and underwriting by the underwriters, in which the designated underwriter will, after taking into account market demand and other conditions, carry out the offering of up to 1,500,000 shares of common stock of the Company to be borrowed from certain shareholders of the Company. While 1,500,000 shares are scheduled to be offered under the offering of shares by way of over-allotment, such number of shares represents the maximum number of shares to be offered and the actual number of shares may decrease or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions.

In the event that the offering of shares by way of over-allotment is carried out, the designated underwriter will be granted by the aforementioned shareholders of the Company an option to purchase additional shares of common stock of the Company (the "Green Shoe Option") up to the number of shares in the offering by way of over-allotment in addition to the shares in the offering by way of purchase and underwriting by the underwriters, exercisable during the period beginning on the settlement date of the offering by way of purchase and underwriting by the underwriters and the offering by way of over-allotment, and ending on Tuesday, September 27, 2022 (provided that, if the settlement date is on or after Tuesday, September 27, 2022, such exercise period will be Tuesday, September 27, 2022).

The designated underwriter may purchase on the Tokyo Stock Exchange, Inc. shares of common stock of the Company up to the number of shares in the offering by way of over-allotment (a "syndicate covering transaction"), for the purpose of returning the shares borrowed from the aforementioned shareholders of the Company (the "Borrowed Shares"), during the period beginning on the day immediately following the last day of the subscription period for the offering by way of purchase and underwriting by the underwriters and the offering by way of over-allotment, and ending on Tuesday, September 27, 2022 (the "syndicate covering transaction period"). All shares of common stock of the Company purchased through syndicate covering transactions by the designated underwriter will be used for the purpose of returning the Borrowed Shares. During the syndicate covering transaction period, the designated underwriter may choose not to carry out any syndicate covering transactions or may cease to conduct syndicate covering transactions before the number of shares purchased reaches the number of shares in the offering by way of over-allotment.

Also, the designated underwriter may carry out stabilizing transactions in connection with the offering by way of purchase and underwriting by the underwriters and the offering by way of over-allotment, in which case the shares of common stock of the Company purchased through such stabilizing transactions may wholly or partially be used for the purpose of returning the Borrowed Shares.

Any remaining, unreturned portion of the Borrowed Shares, following the return of shares using shares purchased through syndicate covering transactions and stabilizing transactions, will be returned using shares acquired by the designated underwriter through its exercise of the Green Shoe Option.

Determination of whether or not the offering by way of over-allotment is to be carried out, along with the number of shares to be offered in such offering, if such offering is to be carried out, will be made on the Offering Price Determination Date. In the event that the offering by way of over-allotment is not to be carried out, none of the borrowing of shares of common stock of the Company by the designated underwriter from the aforementioned shareholders, the Green Shoe Option to the designated underwriter by the aforementioned shareholders, or any syndicate covering transactions on the Tokyo Stock Exchange, Inc. will be carried out.

3. Lock-up

In connection with the offering by way of purchase and underwriting by the underwriters, MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation, the sellers, and Shinsei Kosan Co., Ltd., SGH Culture and Sports Promotion Foundation, Sumitomo Life Insurance Company, Mitsui Sumitomo Insurance Company, Limited, Sagawa Printing Co., Ltd., Isuzu Motors Limited and Tanaka Sangyo Co., Ltd., the shareholders of the Company, have agreed with the designated underwriter that they will not sell shares of common stock of the Company (excluding sales through the offering by way of purchase and underwriting by the underwriters, etc.), during the period beginning on the Offering Price Determination Date and ending on the date that is 180 days from and

including the settlement date of the offering by way of purchase and underwriting by the underwriters (the "lock-up period"), without the prior written consent of the designated underwriter.

The Company has also agreed with the designated underwriter that it will not, without the prior written consent of the designated underwriter, issue or dispose shares of common stock of the Company, issue securities convertible into or exchangeable for shares of common stock of the Company, or issue securities that represent the right to acquire or receive shares of common stock of the Company (excluding the issuance or delivery of shares of common stock of the Company by way of stock splits and the issuance or delivery of shares of common stock of the Company under the performance-based stock compensation plan, etc.), during the lock-up period.

In either of the aforementioned cases, the designated underwriter has the right to wholly or partially waive the aforementioned agreements at its own discretion, even during the lock-up period.

4. Other matters

On March 30, 2016, the Company and Sagawa Express Co., Ltd. entered into a capital and business alliance agreement with Hitachi Transport System, Ltd., and based on such alliance, the Company holds 6,210,600 shares of common stock of Hitachi Transport System, Ltd. as of September 6, 2022.

However, the Company is reviewing its capital relationship with Hitachi Transport System, Ltd., and it may, after taking into account the timing and conditions, wholly or partially sell shares of common stock of Hitachi Transport System, Ltd. at any time.

On the other hand, on April 28, 2022, HTSK Co., Ltd., an entity indirectly owned and operated by Kohlberg Kravis Roberts & Co. L.P., announced its intention to commence a tender offer for the shares of common stock of Hitachi Transport System, Ltd. by late September 2022.

The Company may apply for the tender offer if the timing and conditions are consistent with its intention, and even if the Company does not apply for the tender offer, it may sell its shares of common stock of Hitachi Transport System, Ltd. through market transactions or otherwise.

If the Company sells its shares of common stock of Hitachi Transport System, Ltd. at a price equal to or higher than book value thereof by either of the above methods, the Company may receive an extraordinary profit corresponding to the number and price of the shares to be sold, which may affect the financial condition and results of operations of the group.

The price per share of common stock of Hitachi Transport System, Ltd. held by the Company at the time of acquisition was JPY 2,707.

Note:

This document is a press release to publicly announce the secondary offering of the shares of common stock of the Company, and it has not been prepared for the purpose of soliciting investments or other conduct of similar nature whether in Japan, the United States, or elsewhere.

When making an investment, investors are advised to do so based on their sole judgement after reviewing "the Prospectus on the Secondary Offering of Shares" and amendments thereto, if any, prepared by the Company.

This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.