



Grow the new Story.
New logistics, nurturing a new society together.

SG Holdings Co., Ltd.

Results Presentation for FY2024/3

April 30, 2024

| | | |
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Highlights of FY2024/3

In the Delivery Business, number of packages remained weak due to factors such as the impact of a decline in real wages. The average unit price rose by efforts to receive appropriate freight tariffs despite negative factors including increase in the percentage of small packages.

In the Logistics Business, the volume of ocean and air cargo decreased due to concerns about a slowdown in economic growth against the backdrop of monetary tightening to control inflation. Freight rates increased in some areas but remained at a low level overall.

As a result, consolidated financial results for FY2024/3 were lower than the previous year but landed in line with results forecasts.

● Industry

- Major land transportation companies including SG Holdings Group have made price revisions in response to limiting overtime in the "2024 problem⁽¹⁾" and rapid acceleration of inflation
- The government announced the "Policy Package for Logistics Innovation" in June 2023 and the "Emergency Package for Logistics Innovation" in October to encourage the realization of sustainable logistics as measures to address the "2024 problem"
- International transportation demand remained low due to a slowdown in the global economy

● Overview of the Group's performance

- The number of both BtoB and BtoC packages decreased because of the weakening consumer spending after price adjustment
- The average unit price rose due to a revision of reported fares in April 2023 and efforts to receive appropriate freight tariffs in each transaction
- TMS⁽²⁾ sales decreased due to the impact of a drop off in business related to COVID-19 despite continued proposal sales by GOAL^{®(3)}
- The Group implemented measures to strengthen relationships with internal and external resources from the beginning of the fiscal year, including raising employee salaries and reviewing outsourcing fee
- The volume of ocean and air cargo decreased due to concerns about a slowdown in economic growth. Freight rates remained at a low level
- The Group started the process of delisting Expolanka Holdings PLC with the aim of establishing an optimal governance structure and strengthening inter-group cooperation

Notes (1) 2024 Problem: Problems triggered by promotion of workplace reform relevant laws. The limit for overtime work of 960 hours per year is applied to vehicle drivers starting from April 1, 2024, leading to decrease in number of packages that can be transported
(2) TMS: Transportation Management System. A value added transportation service other than express package delivery service utilizing the Group's logistics network.
(3) GOAL[®] is a registered trademark of SG Holdings Co., Ltd.

Summary of consolidated financial results

| (Units: billions of yen) | FY2023/3 | FY2024/3 | YoY (%) |
|--|-------------------|------------------|---------|
| Operating revenue | 1,434.6 | 1,316.9 | 91.8% |
| Operating income [Operating margin] | 135.2 [9.4%] | 89.2 [6.8%] | 65.9% |
| Ordinary income | 137.9 | 90.8 | 65.9% |
| Net income attributable to owners of the parent | 126.5 | 58.2 | 46.1% |

Note (1) Amounts less than 100 million yen are rounded down.

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■ Results of the Group [YoY change]

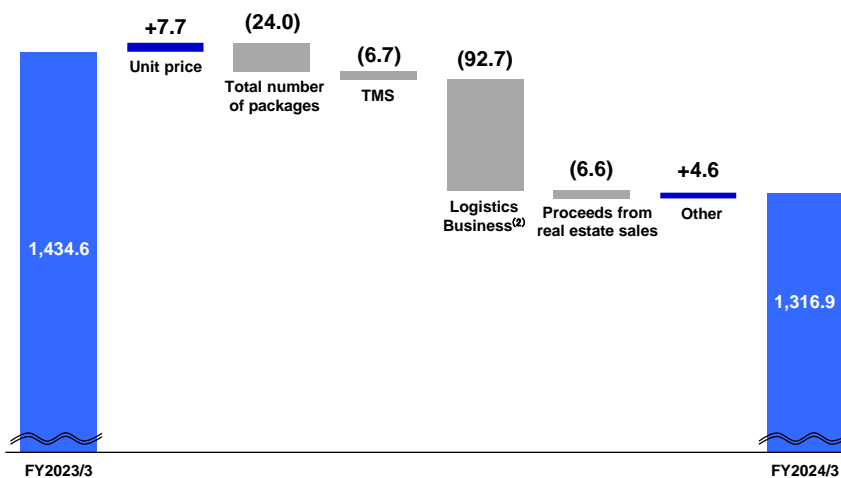
- Operating revenue: (117.6) billion yen
- Operating income: (46.0) billion yen
- Ordinary income: (47.0) billion yen
- Net income attributable to owners of the parent : (68.2) billion yen

[Reference]

- Return on Equity : 10.3% [FY2023/3: 24.1%]

Analysis of changes in operating revenue

(Units: billions of yen)



Notes (1) Amounts less than 100 million yen are rounded down. (2) Excluding TMS.

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■ Performance [YoY change]

- Average unit price: 648 yen [+5 yen]
- Total number of packages: 1,373 million packages [(37) million packages]
- TMS: 113.0 billion yen [(6.7) billion yen]

[Reference] Increase/decrease in operating days:

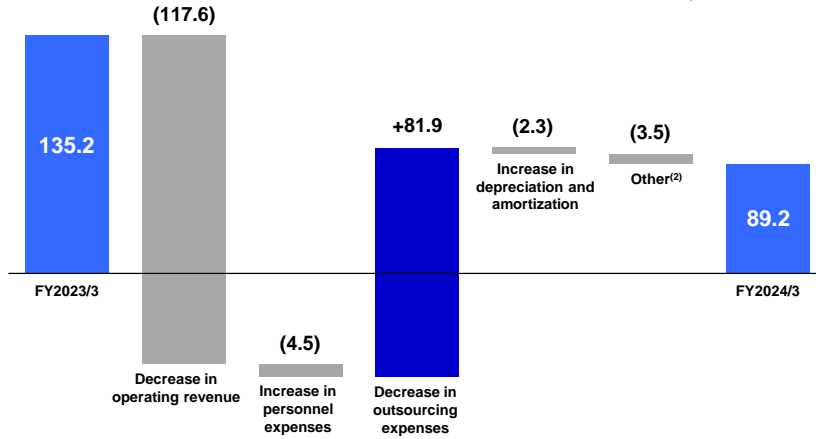
Weekdays ±0, Saturdays ±0, Sundays and holidays +1

■ Expolanka Performance [Logistics Business]

- Operating revenue: 113.8 billion yen [YoY change: (93.5) billion yen, YoY: 54.9%]

Analysis of changes in operating income

(Units: billions of yen)



Notes (1) Amounts less than 100 million yen are rounded down. (2) "Other" includes fuel expenses.

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Breakdown of main operating expenses

(Units: billions of yen)

| Subjects | FY 2024/3 | YoY Change | YoY (%) | Main factors |
|---------------------------------|-----------|------------|---------|--|
| Personnel expenses | 434.6 | +4.5 | 101.0% | Raised salary of employees, decrease in the number of packages, etc. |
| Outsourcing expenses | 590.9 | (81.9) | 87.8% | Decrease in Logistics Business revenue, etc. |
| Depreciation and amortization | 35.0 | +2.3 | 107.2% | Acquisition of property, plant and equipment and intangible assets, etc. |
| Other [including fuel expenses] | 167.0 | +3.5 | 102.1% | Increased purchasing vehicles for sale, etc. |
| Total | 1,227.7 | (71.5) | 94.5% | |

Results by segment

| (Units: billions of yen) | FY2023/3 | FY2024/3 | YoY (%) |
|--------------------------------|----------|----------|---------|
| Total operating revenue | 1,434.6 | 1,316.9 | 91.8% |
| Delivery Business | 1,047.3 | 1,028.5 | 98.2% |
| Logistics Business | 314.8 | 219.7 | 69.8% |
| Real Estate Business | 19.5 | 12.6 | 64.6% |
| Other Businesses | 52.8 | 56.0 | 106.1% |
| Total operating income | 135.2 | 89.2 | 65.9% |
| Delivery Business | 99.7 | 81.5 | 81.7% |
| Logistics Business | 19.2 | (4.8) | – |
| Real Estate Business | 9.9 | 7.1 | 71.8% |
| Other Businesses | 4.2 | 3.4 | 79.5% |
| Adjustments | 2.0 | 2.0 | 98.7% |

Note (1) Amounts less than 100 million yen are rounded down.

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■ Breakdown of main changes in operating income [YoY change]

- Delivery Business: (18.2) billion yen
 - Raised salary of employees
 - Revision of outsourcing fee
 - Decrease in the number of packages
 - Decrease in TMS sales

[the impact of a drop off in business related to COVID-19, etc.]
- Logistics Business: (24.0) billion yen
 - Decrease in volume of ocean and air cargo and drop in freight rates
- Real Estate Business: (2.7) billion yen
 - Difference due to scale of real estate properties for sale

Overview of results by segment

Delivery Business

- The number of both BtoB and BtoC packages decreased because of the weakening consumer spending after price adjustment
- The average unit price rose due to a revision of reported fares in April 2023 and efforts to receive appropriate freight tariffs in each transaction
- TMS sales decreased due to the impact of a drop off in business related to COVID-19 despite continued proposal sales by GOAL®
- The Group continued with initiatives to improve productivity and customer convenience, including the introduction of services such as “delivery schedule notification” on the communication app “LINE” and commencement of a demonstration experiment of the logistics industry’s first “AI-equipped loading robot”

Logistics Business

- Ocean and air cargo volumes decreased due to concerns about a slowdown in economic growth against the backdrop of monetary tightening to control inflation
- Although there were increases in ocean and air freight rates in some areas, it remained at a low level overall
- In Japan, revenue and income decreased due to the impact of a drop off in business related to COVID-19 despite continued proposal sales by GOAL®

Real Estate Business

- Real estate holdings were sold in the fourth quarter according to the plan

Other Businesses

- There was a recovery in sales of new vehicles that were stagnated in the previous fiscal year due to the impact of semiconductor shortage and other factors
- BPO transactions decreased

Consolidated Statement of Cash Flows

Major cash flow items

| (Units: billions of yen) | FY2023/3 | FY2024/3 |
|--|----------|----------|
| Cash flows from operating activities | 165.3 | 77.6 |
| Cash flows from investing activities | 28.0 | (41.3) |
| Free cash flows ⁽²⁾ | 193.4 | 36.2 |
| Cash flows from financing activities | (105.4) | (70.3) |
| Net increase (decrease) in cash and cash equivalents | 90.8 | (30.9) |
| Cash and cash equivalents at the end of the year | 178.2 | 147.2 |

Notes (1) Amounts less than 100 million yen are rounded down. (2) Free cash flows = cash flows from operating activities + cash flows from investing activities.
(3) FY2023/3 includes proceeds from the sale of shares of LOGISTEED, Ltd. (name changed from Hitachi Transport System, Ltd. on April 1, 2023) held by the Company.

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■ Consolidated cash flows

(Units: billions of yen)

| | |
|--|--------|
| • Cash flows from operating activities | 77.6 |
| Major components: | |
| Income before income taxes | 88.5 |
| Depreciation and amortization | 34.8 |
| Amortization of goodwill | 1.9 |
| Foreign exchange losses (gains) | 2.8 |
| Loss on disposal of long-lived assets | 2.0 |
| Net changes in trade notes and accounts receivable | (3.0) |
| Net changes in inventories | 2.9 |
| Net changes in deposits received | 5.8 |
| Income taxes paid | (59.0) |
| • Cash flows from investing activities | (41.3) |
| Major components: | |
| Purchases of property, plant and equipment | (35.2) |
| Purchases of intangible assets | (6.5) |
| • Cash flows from financing activities | (70.3) |
| Major components: | |
| Net changes in short-term bank loans | (1.7) |
| Proceeds from long-term loans payable | 3.4 |
| Repayment of long-term bank loans | (20.8) |
| Repayments of lease obligations | (9.2) |
| Purchase of treasury shares | (9.9) |
| Cash dividends paid | (33.4) |

Consolidated Balance Sheet

| (Units: billions of yen) | FY2023/3 | FY2024/3 | (Units: billions of yen) | FY2023/3 | FY2024/3 |
|---|--------------|--------------|--|--------------|--------------|
| Current assets | 406.5 | 397.3 | Liabilities | 337.5 | 306.7 |
| Cash and deposits | 178.2 | 147.2 | Accounts payable | 76.5 | 78.4 |
| Accounts receivable and other receivables | 185.3 | 189.9 | Interest-bearing debt | 97.2 | 84.7 |
| Inventories | 21.9 | 37.5 | Other | 163.7 | 143.5 |
| Other current assets | 21.0 | 22.6 | | | |
| Non-current assets | 498.4 | 499.6 | Net assets | 567.4 | 590.2 |
| Property, plant and equipment | 392.2 | 387.9 | Portion attributable to owners of the parent | 553.8 | 577.5 |
| Goodwill ⁽²⁾ | 7.1 | 8.3 | Non-controlling interests | 13.5 | 12.7 |
| Other non-current assets ⁽²⁾ | 98.9 | 103.3 | | | |
| Total assets | 904.9 | 897.0 | Total liabilities and net assets | 904.9 | 897.0 |

Notes (1) Amounts less than 100 million yen are rounded down.

(2) Revised the results for end of FY2023/3 due to finalization of accounting process of business combinations with Trans American and Locher Evers International that were carried out in the previous fiscal year.

■ Equity ratio

- Equity ratio: 64.4% [+3.2 points from end of previous fiscal year]

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Consolidated earnings and dividend forecast

| | FY2024/3 results | FY2025/3 earnings forecast | YoY (%) |
|--|---------------------|-------------------------------|---------|
| (Units: billions of yen) | | | |
| Operating revenue | 1,316.9 | 1,380.0 | 105% |
| Operating income [Operating margin] | 89.2 [6.8%] | 96.0 [7.0%] | 108% |
| Ordinary income | 90.8 | 97.0 | 107% |
| Net income attributable to owners of the parent | 58.2 | 64.5 | 111% |
| (Units: yen) | | | |
| Dividend per share | Interim | 26 | +1 |
| | Year-end | 25 | |
| | Total | 51 | |

Note (1) Amounts less than 100 million yen are rounded down.

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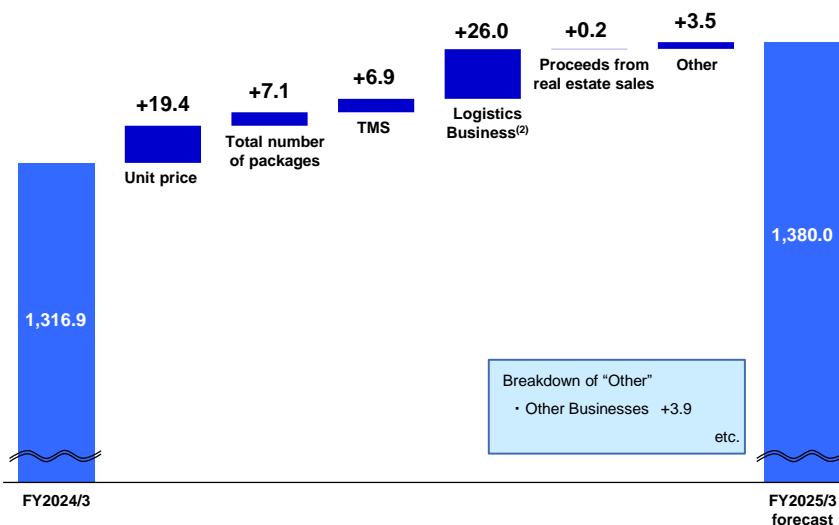
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■ Earnings forecast for FY2025/3 [YoY change]

- Operating revenue: +63.0 billion yen
- Operating income: +6.7 billion yen
- Ordinary income: +6.1 billion yen
- Net income attributable to owners of the parent : +6.2 billion yen

Analysis of changes in operating revenue forecast

(Units: billions of yen)



Notes (1) Amounts less than 100 million yen are rounded down. (2) Excluding TMS.

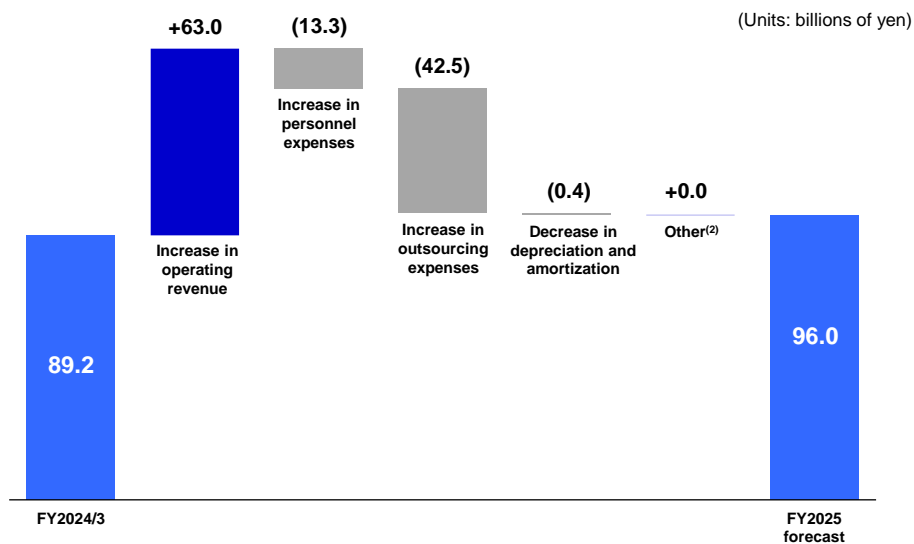
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■ Earnings forecast for FY2025/3

- Average unit price: 662 yen [YoY change +14 yen]
- Total number of packages: 1.38 billion packages [YoY change +10 million packages]
- TMS: 120.0 billion yen [YoY 106%]

Analysis of changes in operating income forecast



Notes (1) Amounts less than 100 million yen are rounded down. (2) "Other" includes fuel expenses

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■ Earnings forecast for FY2025/3

- Personnel expenses: 448.0 billion yen [YoY 103%]
- Outsourcing expenses: 633.5 billion yen [YoY 107%]
- Depreciation and amortization: 35.5 billion yen [YoY 101%]

Dividend forecast

Dividend Policy

- Consolidated payout ratio of 30% or higher
- Aiming to increase dividends from the previous year

FY2024/3 result

Express package delivery : Weak demand for the full year
Expolanka: Continued decline in the international transportation, downturn in earnings due to stagnant freight rates

→ Deviation from initial earnings forecast

Achievement of net income attributable to owners of the parent :81.5%

Outlook for FY2025/3

Express package delivery: A certain recovery in demand is expected, receiving appropriate freight tariffs, cost increase due to response to the 2024 problem, etc.

Expolanka: Expansion of international transportation, recovery of business performance due to cost review, etc.

→ Overall revenue and income are expected to increase

despite continuous increase in costs and investments to maintain express package delivery network

FY2024/3 dividend

Revised dividend forecast to the same price as last year in light of downturn in earnings

**Annual dividend
51 yen**

[YoY ±0 yen, consolidated payout ratio 54.9%]

FY2025/3 dividend forecast

Aim to increase dividends from the previous year in accordance with the dividend policy

**Annual dividend
52 yen**

[YoY +1 yen, consolidated payout ratio 50.4%]

Consolidated earnings forecast (FY2025/3 H1)

| (Units: billions of yen) | FY2024/3 H1 results | FY2025/3 H1 earnings forecast | YoY (%) |
|--|------------------------|----------------------------------|---------|
| Operating revenue | 643.3 | 673.0 | 105% |
| Operating income [Operating margin] | 38.6 [6.0%] | 39.5 [5.9%] | 102% |
| Ordinary income | 39.2 | 40.0 | 102% |
| Net income attributable to owners of the parent | 25.2 | 26.0 | 103% |

Note (1) Amounts less than 100 million yen are rounded down.

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■ Forecast for FY2025/3 H1 [YoY change]

- Operating revenue: +29.6 billion yen
- Operating income: +0.8 billion yen
- Ordinary income: +0.7 billion yen
- Net income attributable to owners of the parent: +0.7 billion yen

Earnings forecast by segment

| (Units: billions of yen) | FY2024/3 results | FY2025/3 earnings forecast | YoY (%) |
|--------------------------------|------------------|----------------------------|---------|
| Total operating revenue | 1,316.9 | 1,380.0 | 105% |
| Delivery Business | 1,028.5 | 1,062.0 | 103% |
| Logistics Business | 219.7 | 246.0 | 112% |
| Real Estate Business | 12.6 | 12.0 | 95% |
| Other Businesses | 56.0 | 60.0 | 107% |
| Total operating income | 89.2 | 96.0 | 108% |
| Delivery Business | 81.5 | 82.0 | 101% |
| Logistics Business | (4.8) | 3.0 | - |
| Real Estate Business | 7.1 | 7.0 | 98% |
| Other Businesses | 3.4 | 3.5 | 102% |
| Adjustments | 2.0 | 0.5 | 25% |

Note (1) Amounts less than 100 million yen are rounded down.

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■ Earnings forecasts by segment [YoY change]

- Operating revenue +63.0 billion yen
 - Delivery Business +33.4 billion yen
 - Logistics Business +26.2 billion yen
 - Real Estate Business (0.6) billion yen
 - Other Businesses + 3.9 billion yen

- Operating income +6.7 billion yen
 - Delivery Business +0.4 billion yen
 - Logistics Business +7.8 billion yen
 - Real Estate Business (0.1) billion yen
 - Other Businesses +0.0 billion yen
 - Adjustments (1.5) billion yen

- Logistics Business: Assumptions for the earnings forecast
 - Forecast of Expolanka's earnings and volume of freight
 - Earnings:
 - Operating revenue: 136.0 billion yen [YoY 119%]
 - Operating income: 0.1 billion yen [YoY -]
 - Volume of freight:

| | | |
|-------|---------|-------------|
| Air | 110kt | [YoY 109%] |
| Ocean | 170kTEU | [YoY 114%] |
 - The exchange rate is assumed to be \$ 1 = 146 yen
 - *Expolanka's earnings are based on IFRS accounting standards

| | | |
|----|--|--------------|
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Mid-term Management Plan “SGH Story 2024”

Fiscal 2022-2024 Mid-term Management Plan SGH Story 2024

<Basic Policy>

Creation of next-generation competitive advantages to realize sustainable growth

<Key Strategies>

- (1) Enhancement of comprehensive logistics solutions (GOAL[®])
- (2) Expansion of management resources leading to the creation of competitive advantages
- (3) Further advancement of governance

Management strategy

(1) Enhancement of comprehensive logistics solutions (GOAL[®])

- Promotion of services aimed at solving social and environmental issues such as decarbonization
- Expansion of TMS/3PL networks and enhancement of ancillary solutions
- Strengthening of international and overseas services
- Improvement of profitability through enhancement of service and improvement of efficiency in express package delivery service

(2) Expansion of management resources leading to the creation of competitive advantages

- Strengthening domestic and overseas transportation network including alliances
- Investment in human capital and improvement of employee engagement
- Creation of competitive advantages through investment in DX
- Creation of new value through open innovation

(3) Further advancement of governance

- Creation of governance structure that meet global standards
- Ongoing advancement of compliance

Progress of Key Strategies of “SGH Story 2024”

Progress of Key Strategies

- Initiatives and investments aimed at stable growth of express package delivery services in mid- to long term progressed
- Accelerating the establishment of a growth base such as the acquisition of new services and new areas other than express package delivery is an issue
- Meanwhile, there is an urgent need to secure internal and external resources to maintain the network in the changing domestic environment

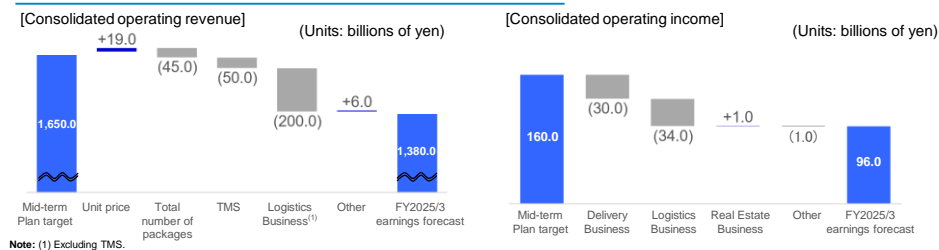
| | Results | Tasks |
|--|--|---|
| Enhancement of comprehensive logistics solutions (GOAL[®]) | <ul style="list-style-type: none"> ● Improvement of productivity of express package delivery ● Receiving appropriate freight tariff ● Increase in TMS, 3PL and global business transactions | <ul style="list-style-type: none"> ● Further improvement in quality and efficiency in Express Package Delivery ● Acquiring new services and new areas |
| Expansion of management resources leading to the creation of competitive advantages | <ul style="list-style-type: none"> ● Start of investment in large transfer centers ● AI-equipped loading robot R&D ● Strengthening relationship with partner companies | <ul style="list-style-type: none"> ● Recruiting and developing highly specialized personnel ● Acceleration of open innovation ● Maintaining and securing internal and external resources with a view to 2030 |
| Further advancement of governance | <ul style="list-style-type: none"> ● Establishment of internal controls for overseas subsidiaries | <ul style="list-style-type: none"> ● Change and stabilization of Expolanka governance structure |

Progress of Key Strategies of “SGH Story 2024”

Management Targets and Outlook for FY2025/3

- Neither express package delivery nor any of the logistics areas other than express package delivery are expected to reach the initial forecasts for FY2025/3
- Express package delivery
 - Decrease in the number of packages and rising costs arising from changes in the macroeconomic environment caused by inflation and other factors
 - Although progress was made in receiving appropriate freight tariffs and improving productivity, further efforts are required
- Other than express package delivery
 - Expolanka did not recover as expected due to the business environment deteriorating more than the anticipated reactionary drop, and the organization is being rebuilt for future growth
 - Although TMS grew significantly due to one-off special demand, there has been a reactionary drop and accelerating the pace of growth is an issue

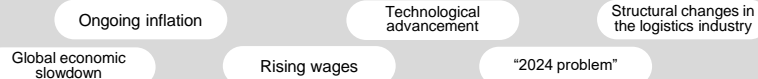
Difference between the management targets and FY2025/3 forecasts



Progress of Key Strategies of “SGH Story 2024”

Environmental Awareness and Key Points for FY2025/3

Key Aspects of Business Environment Awareness



Key Points for FY2025/3

- Entry into growth areas and expansion of new business
 - Aiming to build a foundation for growth with entering the market with our own resources and considering to acquire external resources
- Maintaining and securing internal and external resources required for business continuity
 - Strengthening relationships with partners, improving employee engagement and increasing internal resources
- Restructuring of cost structure to continuously support our business
 - Investment in labor savings and automation to improve productivity

**Achieving Basic Policy of “SGH Story 2024”:
Creation of Next generation Competitive Advantages to Realize Sustainable Growth**

| | | |
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Summary of consolidated financial results (single quarters)

| (Units: billions of yen) | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|---|----------------|---------|----------------|---------|----------------|---------|----------------|---------|----------------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Operating revenue | 318.5 | 82.3% | 324.8 | 89.2% | 351.8 | 96.6% | 321.7 | 100.8% | 1,316.9 | 91.8% |
| Operating income [Operating margin] | 18.8 [5.9%] | 56.6% | 19.8 [6.1%] | 64.3% | 33.0 [9.4%] | 77.8% | 17.5 [5.4%] | 61.1% | 89.2 [6.8%] | 65.9% |
| Ordinary income | 18.7 | 52.6% | 20.4 | 66.4% | 34.5 | 79.3% | 17.0 | 61.3% | 90.8 | 65.9% |
| Net income attributable to owners of the parent | 11.8 | 50.8% | 13.3 | 46.9% | 23.0 | 41.2% | 9.9 | 53.6% | 58.2 | 46.1% |

Note (1) Amounts less than 100 million yen are rounded down.

Results by segment (single quarters)

| (Units: billions of yen) | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|--------------------------------|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Total operating revenue | 318.5 | 82.3% | 324.8 | 89.2% | 351.8 | 96.6% | 321.7 | 100.8% | 1,316.9 | 91.8% |
| Delivery Business | 251.9 | 97.5% | 252.9 | 97.7% | 279.5 | 98.1% | 244.0 | 99.6% | 1,028.5 | 98.2% |
| Logistics Business | 51.2 | 44.9% | 55.0 | 60.9% | 57.1 | 88.8% | 56.2 | 122.5% | 219.7 | 69.8% |
| Real Estate Business | 1.8 | 97.6% | 1.9 | 110.6% | 1.7 | 98.9% | 7.0 | 49.9% | 12.6 | 64.6% |
| Other Businesses | 13.4 | 108.3% | 14.8 | 112.6% | 13.4 | 101.6% | 14.2 | 102.2% | 56.0 | 106.1% |
| Total operating income | 18.8 | 56.6% | 19.8 | 64.3% | 33.0 | 77.8% | 17.5 | 61.1% | 89.2 | 65.9% |
| Delivery Business | 17.1 | 78.2% | 17.3 | 79.2% | 31.5 | 85.6% | 15.3 | 80.9% | 81.5 | 81.7% |
| Logistics Business | (1.1) | – | (0.5) | – | (1.0) | – | (2.1) | – | (4.8) | – |
| Real Estate Business | 1.1 | 110.9% | 1.1 | 119.4% | 1.1 | 104.8% | 3.7 | 54.2% | 7.1 | 71.8% |
| Other Businesses | 1.1 | 92.1% | 1.1 | 91.4% | 0.6 | 73.8% | 0.4 | 50.0% | 3.4 | 79.5% |
| Adjustments | 0.4 | 68.8% | 0.6 | 125.4% | 0.7 | 402.7% | 0.1 | 18.6% | 2.0 | 98.7% |

Note (1) Amounts less than 100 million yen are rounded down.

Results of Expolanka

| (Units: billions of yen) | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|------------------------------------|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Operating Revenue | 24.4 | 27.8% | 27.6 | 44.3% | 30.3 | 82.8% | 31.4 | 153.2% | 113.8 | 54.9% |
| Operating income | (2.0) | - | (1.0) | - | (2.2) | - | (1.8) | - | (7.2) | - |
| Air Volume (kt) ⁽²⁾ | 21 | 65.2% | 25 | 85.3% | 25 | 103.8% | 27 | 158.7% | 100 | 95.7% |
| Ocean Volume (kTEU) ⁽²⁾ | 40 | 51.8% | 46 | 91.5% | 29 | 78.6% | 32 | 90.6% | 149 | 73.5% |

Note (1) Amounts less than 100 million yen are rounded down. (2) Rounded down to the nearest whole number.

Status of the products and services

Delivery Business: Status of number of packages and unit price

| (Millions of packages, yen) | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|------------------------------------|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Total number of packages | 341 | 96.9% | 338 | 97.4% | 369 | 98.0% | 324 | 97.1% | 1,373 | 97.3% |
| Hikyakyu Express ⁽²⁾⁽⁴⁾ | 329 | 97.1% | 326 | 97.6% | 356 | 98.1% | 312 | 97.1% | 1,325 | 97.5% |
| Other ⁽³⁾ | 11 | 91.5% | 11 | 92.1% | 12 | 95.0% | 11 | 95.5% | 47 | 93.5% |
| Average unit price | 643 | 100.5% | 647 | 100.6% | 655 | 101.2% | 648 | 101.2% | 648 | 100.9% |

e-Collect⁽⁴⁾: Status of number of packages and value of payments settled

| (Millions of packages, billions of yen) | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|---|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Number of packages | 14 | 87.8% | 14 | 88.4% | 15 | 89.4% | 13 | 90.8% | 58 | 89.1% |
| Value of payments settled | 179.8 | 90.3% | 173.5 | 89.3% | 201.8 | 91.7% | 161.4 | 91.6% | 716.6 | 90.7% |

Status of TMS

| (Billions of yen) | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|-------------------|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Sales | 26.9 | 94.0% | 27.6 | 90.1% | 30.4 | 95.5% | 27.9 | 98.3% | 113.0 | 94.4% |

Sales by region

| (Billions of yen) | FY2024/3 | | YoY (%) | |
|-------------------|-------------------|-------|---------|-------|
| | Operating revenue | | | |
| Japan | 1,316.9 | 91.8% | 1,164.2 | 97.6% |
| Overseas | 152.7 | 63.2% | | |

Notes (1) Amounts less than 100 million yen are rounded down. (2) Hikyakyu Express shows the number of packages Sagawa Express Co., Ltd. notified to the Ministry of Land, Infrastructure, Transport and Tourism. (3) Other shows the number of packages by Hikyakyu Large Size Express⁽⁴⁾ and other companies. (4) Hikyakyu Express, Hikyakyu Large Size Express and e-collect are registered trademarks of SG Holdings Co., Ltd. in Japanese.

Breakdown of operating expenses

Major expense items in consolidated accounts

(Units: billions of yen)

| | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|---------------------------------|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Total operating expenses | 299.6 | 84.7% | 305.0 | 91.5% | 318.8 | 99.1% | 304.1 | 104.8% | 1,227.7 | 94.5% |
| Personnel expenses | 109.5 | 99.0% | 108.7 | 100.9% | 111.9 | 102.1% | 104.3 | 102.2% | 434.6 | 101.0% |
| Outsourcing expenses | 142.2 | 71.9% | 145.7 | 81.8% | 157.8 | 96.5% | 145.1 | 108.8% | 590.9 | 87.8% |
| Fuel expenses | 3.0 | 95.3% | 3.7 | 107.0% | 3.2 | 98.8% | 2.9 | 101.6% | 12.9 | 100.8% |
| Depreciation and amortization | 8.3 | 103.7% | 8.4 | 104.7% | 8.9 | 108.5% | 9.3 | 111.8% | 35.0 | 107.2% |
| Other expenses | 36.4 | 107.7% | 38.3 | 106.4% | 36.7 | 99.2% | 42.4 | 97.1% | 154.0 | 102.2% |

Major expense items in Delivery Business

(Units: billions of yen)

| | Q1 | | Q2 | | Q3 | | Q4 | | Full year | |
|---------------------------------|----------|---------|----------|---------|----------|---------|----------|---------|-----------|---------|
| | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) | FY2024/3 | YoY (%) |
| Total operating expenses | 246.6 | 99.3% | 247.5 | 99.4% | 259.9 | 99.7% | 239.0 | 100.7% | 993.2 | 99.8% |
| Personnel expenses | 91.3 | 98.6% | 90.4 | 101.1% | 92.8 | 101.6% | 84.9 | 100.7% | 359.5 | 100.5% |
| Outsourcing expenses | 120.7 | 99.4% | 121.7 | 98.1% | 131.3 | 98.6% | 118.9 | 100.8% | 492.7 | 99.2% |
| Fuel expenses | 3.0 | 96.1% | 3.6 | 106.8% | 3.1 | 99.3% | 2.8 | 100.6% | 12.7 | 100.8% |
| Depreciation and amortization | 5.3 | 98.9% | 5.5 | 102.9% | 5.6 | 101.9% | 6.1 | 109.8% | 22.6 | 103.4% |
| Other expenses | 26.1 | 101.7% | 26.2 | 98.0% | 26.9 | 98.5% | 26.2 | 98.8% | 105.5 | 99.2% |

Note (1) Amounts less than 100 million yen are rounded down.

Status of employees, vehicles and locations

| (Employees, vehicles, locations) | | FY2023/3 | FY2024/3 |
|---|-----------------------------|----------------------|----------------------|
| Total number of employees [number of partner employees ⁽¹⁾ within] | Total | 94,087 [41,819] | 93,401 [41,094] |
| | Delivery Business | 75,105 [32,321] | 73,749 [31,549] |
| | Logistics Business | 13,891 [7,104] | 14,805 [7,368] |
| | Real Estate Business | 98 [-] | 97 [2] |
| | Other Businesses | 4,223 [2,206] | 4,049 [1,983] |
| | Corporate (common) | 770 [188] | 701 [192] |
| Sagawa Express | Number of vehicles | 26,270 | 25,992 |
| | Number of major locations | 852 | 847 |
| | Transfer centers | 22 | 22 |
| | Sales offices | 427 | 427 |
| | Small stores ⁽²⁾ | 403 | 398 |

Notes (1) Average number of employees during the period. (2) Total number of service centers and delivery centers.

Reference: Outlook for Consolidated Free Cash Flow

Major cash flow items

| (Units: billions of yen) | FY2024/3 results | FY2025/3 outlook ⁽³⁾ |
|--------------------------------------|---------------------|------------------------------------|
| Cash flows from operating activities | 77.6 | 134.0 |
| Cash flows from investing activities | (41.3) | (58.0) |
| Free cash flows ⁽²⁾ | 36.2 | 76.0 |

■ Major investments in FY2024/3 (results)⁽³⁾

| | | |
|---------------------------------------|---|------------------|
| - Real estate and facility investment | : | 20.0 billion yen |
| - Vehicle investment | : | 15.0 billion yen |
| - IT investment | : | 7.5 billion yen |

■ Major investments in FY2025/3 (outlook)⁽³⁾

| | | |
|---------------------------------------|---|------------------|
| - Real estate and facility investment | : | 33.0 billion yen |
| - Vehicle investment | : | 19.0 billion yen |
| - IT investment | : | 7.0 billion yen |

Notes (1) Amounts less than 100 million yen are rounded down. (2) Free cash flows = cash flows from operating activities + cash flows from investing activities.
(3) Figures are approximate values.



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