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NEWS RELEASE

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Notice Concerning Disposal of Treasury Shares by Third-Party Allotment for the Introduction of an Incentive Plan for SG Holdings Employees

SG Holdings Co., Ltd. (hereinafter, the “Company”) hereby announces that, at a meeting held today, the Board of Directors resolved to dispose of treasury shares by third-party allotment (hereinafter referred to as “Disposal of Treasury Shares”) as follows.

1. Overview of Disposal

(1) Disposal date	May 29, 2025
(2) Class and number of shares to be disposed of	Common shares: 3,879,400 shares
(3) Disposal price	1,513.5 yen per share
(4) Total disposal amount	5,871,471,900 yen
(5) Disposal recipient	The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account)
(6) Other	The Disposal of Treasury Shares is subject to the effectiveness of the securities registration statement filed pursuant to the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposal

At the meeting held on March 28, 2025, and at the meeting held today, the Board of Directors resolved to introduce an employee incentive plan called the “Stock Grant ESOP Trust” (hereinafter referred to as the “ESOP Trust”) for the Group’s employees (hereinafter referred to as “employees”).

For an overview of the ESOP Trust, please refer to the “Notice Concerning Introduction of Incentive Plan for SG Holdings Employees” published on March 28, 2025, and the “Notice Concerning Introduction of Incentive Plan for SG Holdings Employees (Determination of Details)” published today.

The Disposal of Treasury Shares is in connection with the introduction of an ESOP Trust and involves the disposal of treasury shares to The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account), which is a joint trustee under the Stock Grant ESOP Trust agreement (hereinafter referred to as the “Trust Agreement”) to be entered into between the Company and Mitsubishi UFJ Trust and Banking Corporation, through third-party allotment.

The number of shares to be disposed of is the number of shares expected to be delivered to employees during the duration of the trust in accordance with the Share Delivery Rules, and the scale of dilution is 0.61% (rounded to two decimal places) of the total number of issued shares (640,394,400 shares) (as of March 31, 2025, based on the total number of voting rights of 6,254,013 shares, representing 0.62% of the total voting rights).

The shares of the Company allotted through the Disposal of Treasury Shares will be delivered to employees who meet certain requirements in accordance with the Share Delivery Rules, and since it is not expected that the shares resulting from the Disposal of Treasury Shares will be released into the stock market at one time, the impact on the secondary market is expected to be minimal, and we have determined that the number of shares to be disposed of and the scale of dilution are reasonable.

For an overview of the ESOP Trust, please refer to the “Notice Concerning Introduction of Incentive Plan for SG Holdings Employees (Determination of Details)” announced today.

Overview of the Trust Agreement

Type of trust:	Money trust other than money trusts for specific individual management (trusts for the benefit of others)
Purpose of trust:	Granting incentives to the Company’s employees
Settlor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	The Company’s employees who meet the beneficiary requirements
Trust Administrator:	A third party (certified public accountant) who has no interest in the Company
Trust contract date:	May 26, 2025 (scheduled)
Duration of trust:	May 26, 2025 to August 31, 2028 (scheduled)
Starting date of the Plan:	May 26, 2025 (scheduled)
Exercising voting rights:	Voting rights of the Company’s shares will be exercised in accordance with the instructions of the Trust Administrator reflecting the status of voting by the beneficiary candidates.

3. Basis for Calculating the Disposal Price and Specific Details

In order to exclude arbitrariness regarding the disposal price and determine a price based on recent stock price trends, the Company has followed the “Guidelines Concerning Handling of Allotment of New Shares to Third Party, Etc.” issued by the Japan Securities Dealers Association, and set the disposal price as 1,513.5 yen, which is the closing price of the Company’s shares on the business day prior to the date of the resolution of the Board of Directors regarding the Disposal of Treasury Shares (May 8, 2025) as quoted by Tokyo Stock Exchange, Inc. (hereinafter referred to as “the Tokyo Stock Exchange”). The closing price of the Company’s shares on the business day prior to the resolution of the Board of Directors was adopted because it represents the market value immediately prior to the resolution of the Board of Directors and was deemed to be objective and reasonable as a basis for calculation.

In addition, all of the Company’s Audit & Supervisory Board Members (four in total, including three Outside Audit & Supervisory Board Members) have expressed their opinion that the above disposal price is not particularly advantageous and is lawful.