



Tokyo Stock Exchange, Prime Market
Stock code: 9628

SAN HOLDINGS, INC.

Results of Operations

(Fiscal Year Ended March 31, 2024)

**Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members**



SAN HOLDINGS, INC.

May 21, 2024

Contents

1.	FY3/24 Financial Overview	P.03
2.	KOEKISHA Financial Highlights	P.10
3.	SOU-SEN and TARUI Financial Highlights	P.13
4.	FY3/25 Revenue and Earnings/Dividend Forecasts	P.16
5.	Progress in Medium-term Management Plan.....	P.20
6.	Initiatives for Sustainability.....	P.26
7.	Shareholder Distribution Policy.....	P.30



1.

FY3/24 Financial Overview

**Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members**

 **SAN HOLDINGS, INC.**



FY3/24 Financial Highlights

1. Operating revenue increased 3.6% mainly because of higher average revenue per ordinary funeral and an increase in the number of large funerals.
2. Operating expenses increased 4.8% and SG&A expenses increased 5.0%. This was the result of planned up-front expenditures for growth, including expenditures for personnel and recruiting, and IT system depreciation.
3. Operating profit decreased 2.0% and operating margin was 16.9% (-1.0pt)
4. Made Tokyo Ceremony Co., Ltd., a wholly owned subsidiary as part of activities for growth of the funeral business, a key goal of the current medium-term management plan.
5. For the growth of the end-of-life support business, another key goal of this management plan, the customer services unit of KOEKISHA was divested and absorbed by wholly owned subsidiary Life Forward CO., LTD., Ltd., on April 1, 2024.

Overview of FY3/24 Consolidated Results of Operations

	FY3/23	FY3/24	YoY change		Initial forecast*		
			Amount	%	FY3/24	Amount	%
(Millions of yen)							
Operating revenue	21,663	22,437	773	3.6%	22,700	-262	-1.2%
Operating expenses	16,325	17,104	779	4.8%	17,577	-472	-2.7%
SG&A expenses	1,470	1,543	73	5.0%	1,563	-19	-1.2%
Operating profit	3,868	3,789	-78	-2.0%	3,570	219	6.1%
(Operating margin)	(17.9%)	(16.9%)	-1.0pt		(15.7%)	+1.2pt	
Ordinary profit	3,843	3,800	-43	-1.1%	3,560	240	6.7%
Profit attributable owners of parent	2,783	2,363	-420	-15.1%	2,270	93	4.1%

*FY3/24 forecasts were announced on May 11, 2023.

Overview of FY3/24 Quarterly Consolidated Results of Operations

(Millions of yen)	1Q Results	YoY change %	2Q Results	YoY change %	3Q Results	YoY change %	4Q Results	YoY change %
Operating revenue	5,081	4.6%	5,325	1.9%	5,711	1.5%	6,319	6.1%
Operating expenses	3,948	7.7%	4,042	2.7%	4,416	8.2%	4,697	1.2%
SG&A expenses	370	6.2%	373	7.2%	397	11.7%	402	-3.5%
Operating profit	761	-9.2%	910	-3.6%	897	-24.3%	1,219	35.6%
(Operating margin)	(15.0%)	-2.3pt	(17.1%)	-1.0pt	(15.7%)	-5.4pt	(19.3%)	4.2pt
Ordinary profit	766	-7.2%	918	-2.1%	890	-24.1%	1,225	35.1%
Profit	497	-5.5%	588	-15.0%	564	-21.1%	712	-16.1%

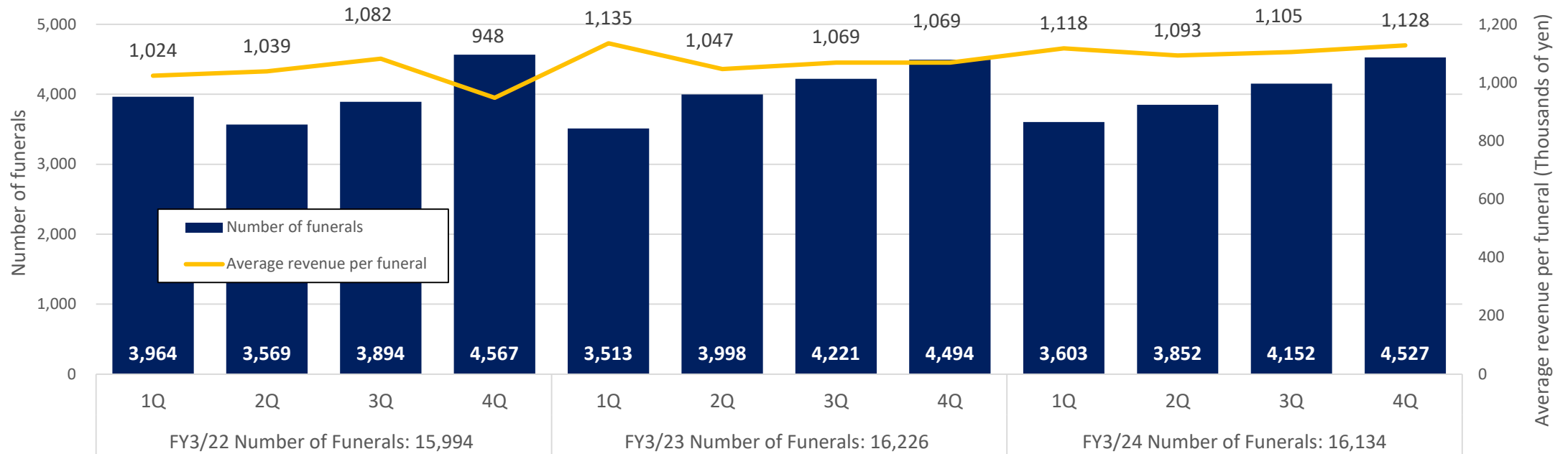
Use the chart generator on the SAN HOLDINGS website to see changes in major quarterly results items for the past three years.

<https://www.san-hd.co.jp/ir/finance/chart.html#gyouseki1>

The Group's Number of Funerals and Average Revenue Per Funeral

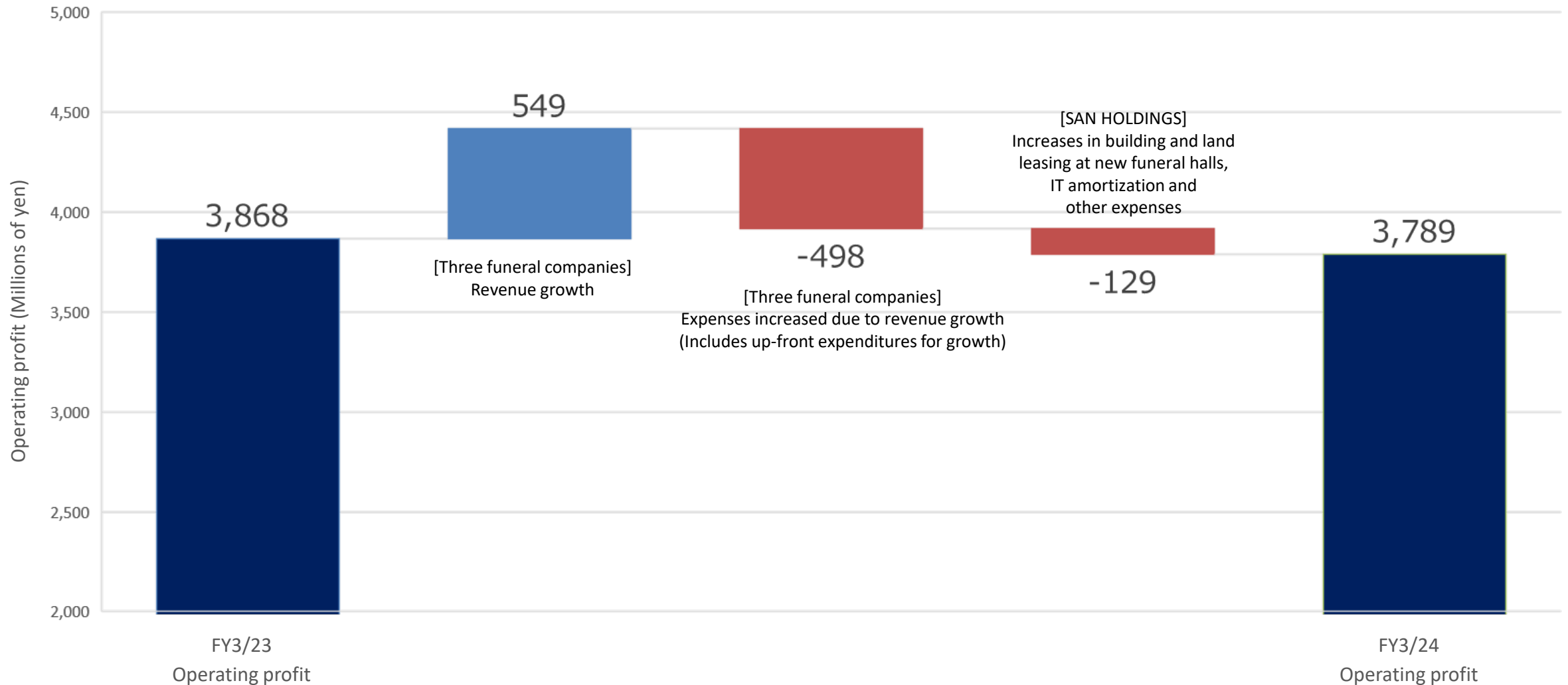
- Number of funerals: No change from FY3/23 due to declines in deaths and funerals involving the pandemic.
- Average revenue per funeral: Increased 31,000 yen (2.9%) in FY3/24 because of more large funerals and a recovery of average revenue per ordinary funeral.

Quarterly number of funerals and average revenue per funeral



Changes in Operating Profit

The SAN HOLDINGS Group: Changes in operating profit



Changes in the Balance Sheet

(Millions of yen)	March 31, 2023	March 31, 2024	YoY change	Major items	
Current assets	11,039	11,835	796	Cash and deposits	597
				Trade accounts receivable and contract assets	443
Non-current assets	25,189	25,750	560	Property, plant and equipment	40
				Intangible assets	401
				Investments and other assets	118
Total assets	36,229	37,585	1,356		
Current liabilities	3,559	3,636	76	Trade accounts payable	35
				Provision for bonuses	45
Non-current liabilities	1,054	1,071	17	Asset retirement obligations	48
				Long-term accounts payable-other	-63
Total liabilities	4,613	4,708	94		
Total net assets	31,615	32,877	1,262	Retained earnings	1,877
				Treasury shares	-631
Total liabilities and net assets	36,229	37,585	1,356		

Use the chart generator on the SAN HOLDINGS website to see changes in major balance sheet items during the past 10 years.
<https://www.san-hd.co.jp/ir/finance/chart.html#gyouseki1>

2.

KOEKISHA Financial Highlights

Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members

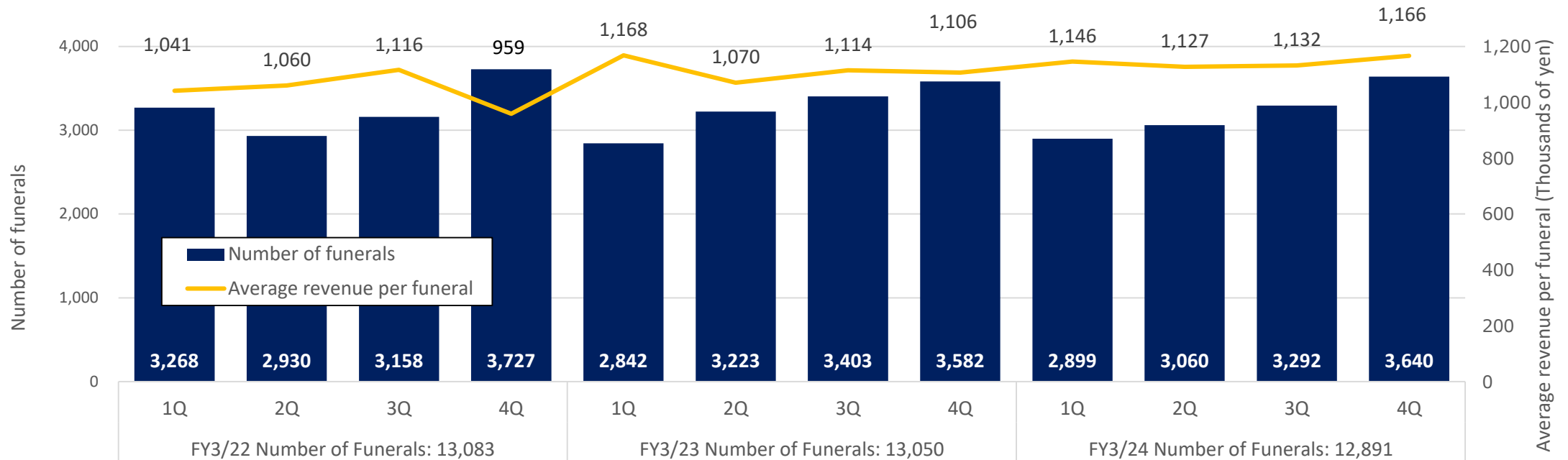


SAN HOLDINGS, INC.

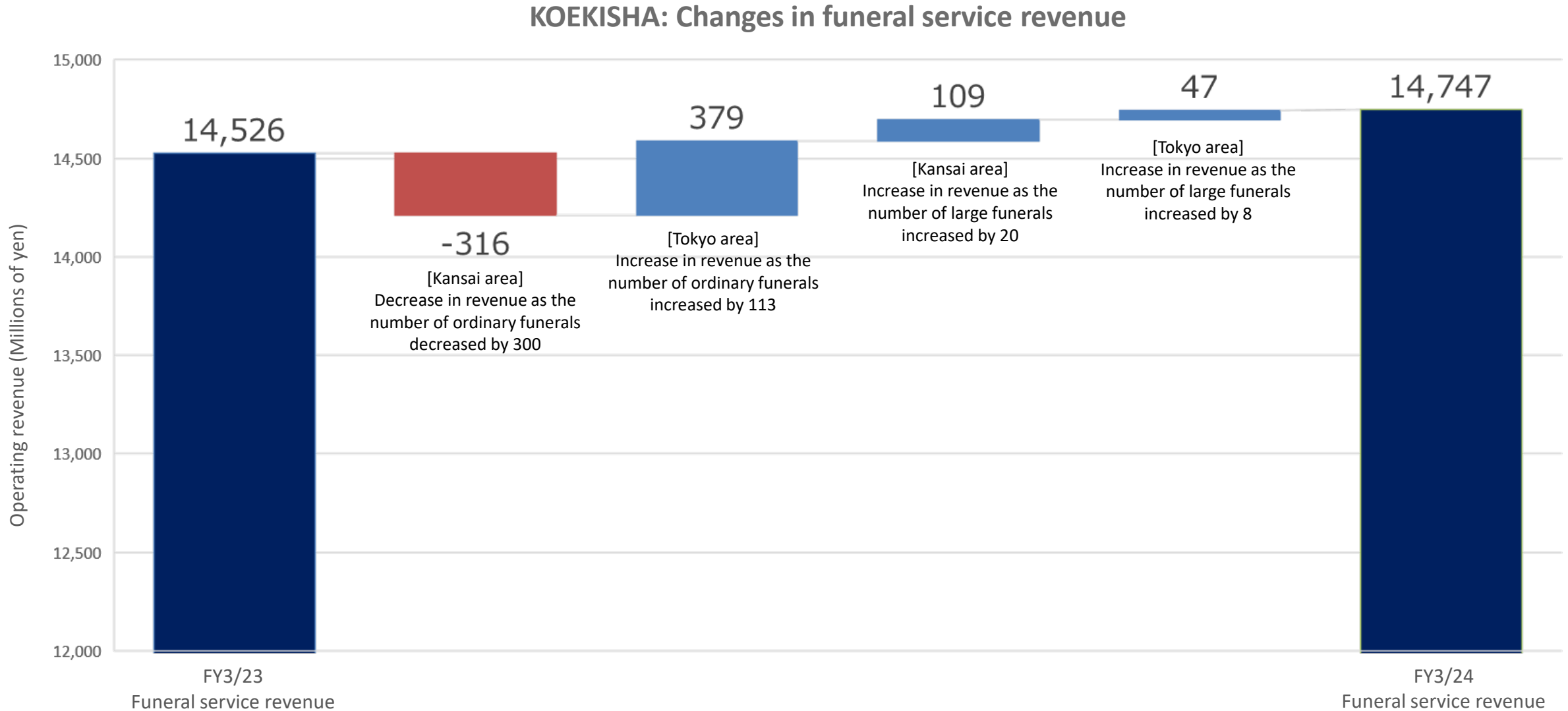
KOEKISHA: Number of Funerals and Average Revenue Per Funeral

- Number of funerals: Decreased by 159 (1.2%) in FY3/24 due to declines in deaths and funerals involving the pandemic.
- Average revenue per funeral: Increased 30,000 yen (2.7%) in FY3/24 because of more large funerals and a recovery of average revenue per ordinary funeral.

Quarterly number of funerals and average revenue per funeral



KOEKISHA: Increase/Decrease in Funeral Service Revenue



3. **SOU-SEN and TARUI Financial Highlights**

**Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members**



SAN HOLDINGS, INC.

SOU-SEN Financial Highlights

- Number of funerals: Decreased by 58 (3.7%) in FY3/24
- Average revenue per funeral: Increased 46,000 yen (5.5%) in FY3/24 because of a contribution of higher revenue per ordinary funeral resulting from a larger number of mourners at funerals.

	FY3/23	FY3/24	YoY change	
			Amount	%
Number of funerals	1,589	1,531	-58	-3.7%
Average revenue per funeral (Thousands of yen)	841	887	46	5.5%
Operating revenue (Millions of yen)	1,515	1,560	44	2.9%
Operating profit (Millions of yen)	139	155	16	11.6%

Note: Operating revenue and operating profit are based on segment information.

TARUI Financial Highlights

- Number of funerals: Increased by 125 (7.9%) in FY3/24 because of a large number of orders for funerals, mainly at new locations.
- Average revenue per funeral: Increased 7,000 yen (1.0%) in FY3/24 as revenue at ordinary funerals continued to climb, making a contribution to revenue growth.

	FY3/23	FY3/24	YoY change	
			Amount	%
Number of funerals	1,587	1,712	125	7.9%
Average revenue per funeral (Thousands of yen)	1,065	1,072	7	1.0%
Operating revenue (Millions of yen)	1,831	1,993	161	8.8%
Operating profit (Millions of yen)	371	452	81	21.8%

4.

FY3/25 Revenue and Earnings/Dividend Forecasts

Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members



SAN HOLDINGS, INC.



Highlights of FY3/25 Forecasts

1. [Overall] Many activities to achieve the goals of the medium-term management plan. Activities based on the plan's strategies include growth of the funeral and end-of-life support businesses, building a more powerful foundation for business operations, and improving the quality of services. Also, many recruiting activities to add the people needed for these activities.
2. [Operating revenue] Forecast a larger number of funerals because the increasing number of deaths in Japan and the opening of more funeral halls. Also aiming for higher revenue from products and services associated with funerals.
3. [Operating expenses] Personnel and recruiting expenses are increasing because of many activities to recruit people needed for the planned growth of operations. The forecast also reflects the outlook for higher advertising expenses to generate sales and higher expenses involving the opening and operation of new funeral halls.
4. [Plan for investments] Plan to add 16 funeral halls for growth of the funeral business and planning to use M&A often to meet customers' needs and further upgrade the quality of services.

FY3/25 Forecasts

	FY3/24 Results	FY3/25 Forecast	YoY change	
			Amount	%
(Millions of yen)				
Operating revenue	22,437	24,300	1,863	8.3%
Operating profit	3,789	3,820	31	0.8%
Operating margin	(16.9%)	(15.7%)	-1.2pt	
Ordinary profit	3,800	3,830	30	0.8%
Profit	2,363	2,450	87	3.7%

FY3/25 Dividend Forecast

- Plan for 9th consecutive years of higher dividends.

(Yen)	FY3/23	FY3/24	FY3/25 Forecast
Dividend per share	44.0	35.0	24.0
(Pre-split adjustment)		(47.0)	(48.0)
Interim	21.0	23.0	12.0
(Pre-split adjustment)			(24.0)
Year-end	23.0	12.0	12.0
(Pre-split adjustment)		(24.0)	(24.0)
Payout ratio (consolidated)	16.7%	20.5%	20.0%

*SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023.



5.

Progress in Medium-term Management Plan

**Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members**



SAN HOLDINGS, INC.

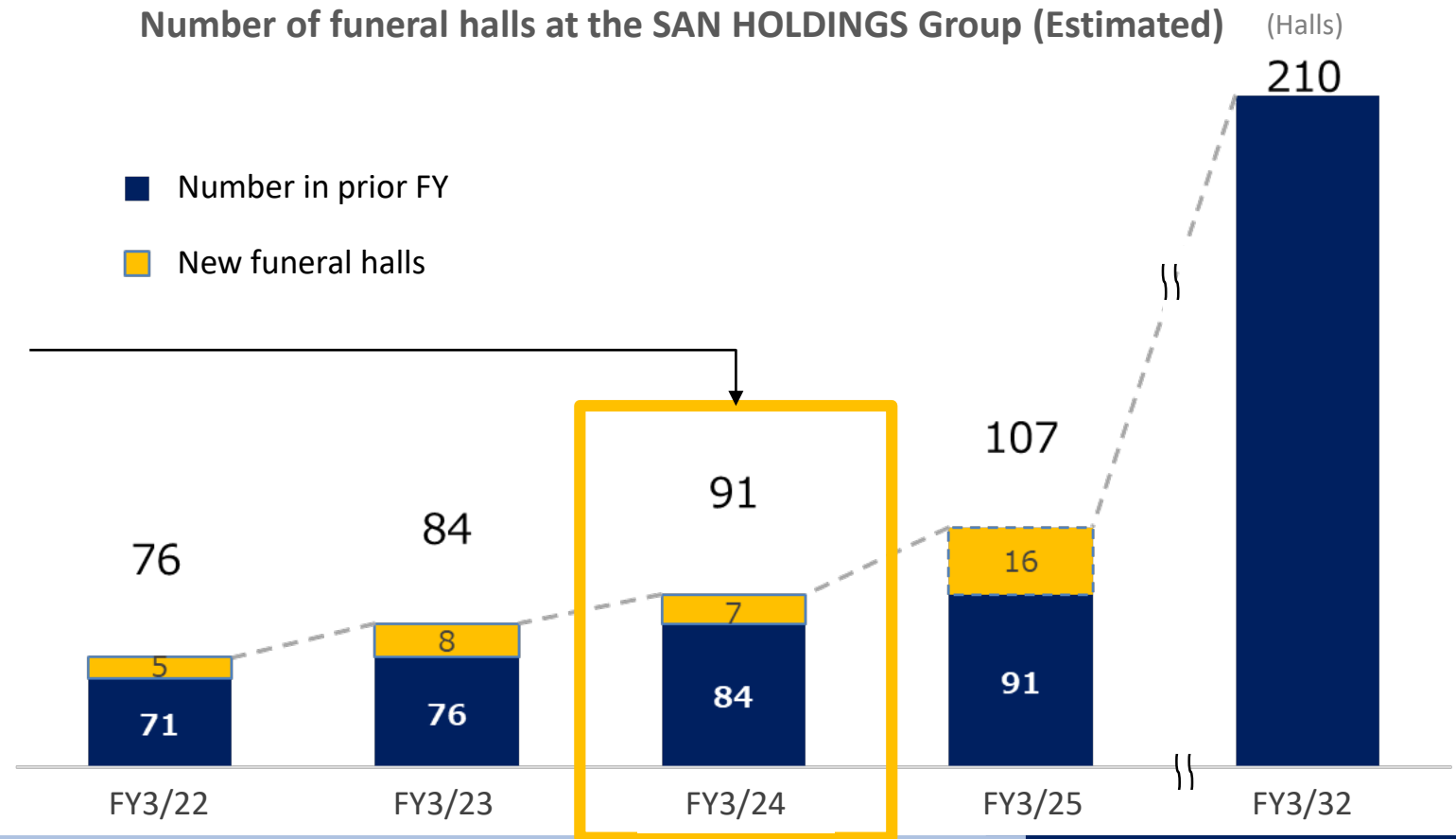
Key Goals: Growth of the Funeral Business (Network Expansion)

- Seven of eight new locations planned for FY3/24 started operating during the year. The eighth, where construction was delayed, opened in May 2024.
- In FY3/25, 16 new locations are planned and schedules for nine have been finalized as of May 2024.

Number of Funeral Halls by Location
(as of March 31, 2024)

Operated by	Prefecture	As of March 31, 2023	Opened during FY3/24	Total
KOEKISHA Tokyo	Tokyo	16		16
	Chiba		1	1
	Kanagawa	2	1	3
KOEKISHA Osaka	Osaka	28	4	32
	Nara	4		4
	Hyogo	8		8
SOU-SEN	Tottori	10		10
	Shimane	4		4
TARUI	Hyogo	12		12
Tokyo Ceremony	Kanagawa		1	1
Total		84	7	91

Number of funeral halls at the SAN HOLDINGS Group (Estimated) (Halls)



Key Goals: Growth of the Funeral Business (Store Openings)

- Four of the seven of the new funeral halls opened in FY3/24 use the new ENDING HAUS brand.

Existing funeral brand



KOEKISHA Hall in Minoh (Minoh, Osaka) opened in January 2024



Mizonokuchi Hall of KOEKISHA (Takatsu-ku, Kawasaki) opened in February 2024

New funeral brand



ENDING HAUS Nishiyodogawa (Nishiyodogawa-ku, Osaka) opened in December 2023



ENDING HAUS Nishifuna (Nishifunabashi, Chiba) opened in March 2024



ENDING HAUS Mito (Higashiosaka, Osaka) opened in February 2024



ENDING HAUS Ishikiri (Higashiosaka, Osaka) opened in March 2024

Key Goals: Growth of the Funeral Business (M&A)

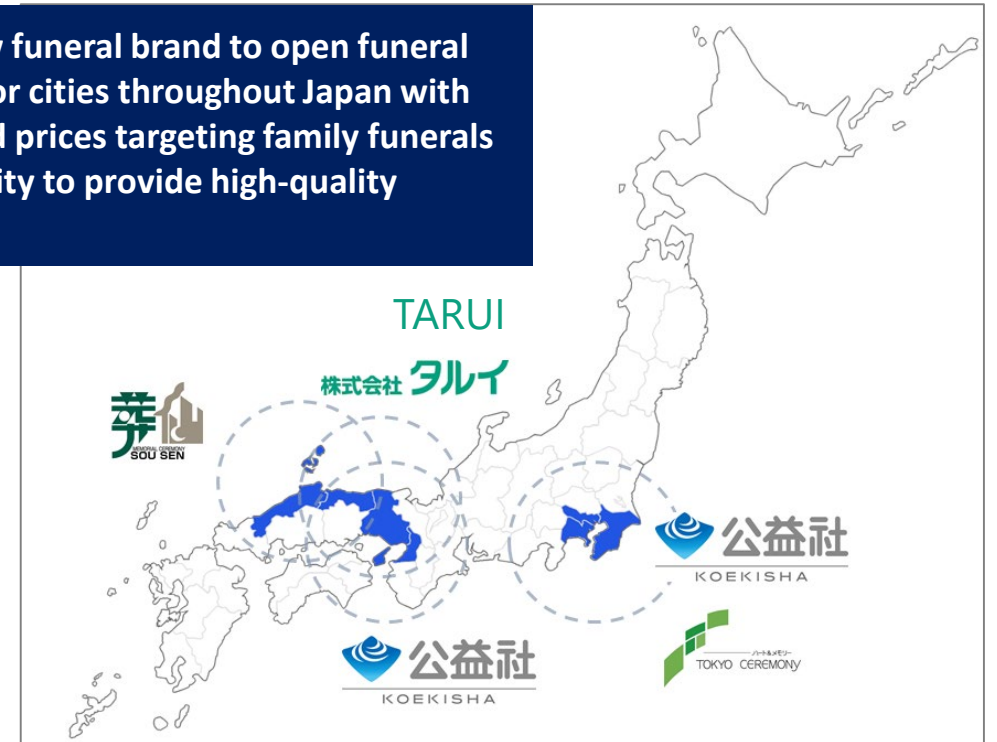
- One of the seven new FY3/24 locations was an acquisition due to making Tokyo Ceremony a wholly owned subsidiary.
- Faster expansion of coverage of the Tokyo area (Tokyo, Kanagawa, Chiba)

M&A



Family Funeral Service Itoshie
Kamisueyoshi Hall
(Tsurumi-ku, Yokohama)
Joined the Group in January 2024

Use the new funeral brand to open funeral halls in major cities throughout Japan with facilities and prices targeting family funerals and the ability to provide high-quality services.



* KOEKISHA absorbed Tokyo Ceremony Co., Ltd. on April 1, 2024.

Key Goals: Growth of the End-of-life Support Business (Reorganization)

- In February 2024, KOEKISHA announced the divestiture of its customer services unit and transfer to subsidiary Life Forward. This reorganization was completed in April 2024.

Support provided before and after funerals

- Funerals/Ceremonies ○Household altars/fixtures ○Courtesy gifts
- Graves/Interment of ashes ○Inheritance procedures ○Belongings
- Real estate ○ Estate ○Renovation



KOEKISHA
Customer Services unit



Life Forward CO., LTD.



Integration synergies

Combining customer contact in the funeral business with operations of the Life Forward contact center is expected to further upgrade the ability to provide proposals that accurately meet customers' needs.

Integration will increase points of contact with customers.

→ Enables proposals for customers extending from end-of-life support consultations to support and services after a funeral.

Reorganization will eliminate redundant tasks and allow the use of unified business systems.

→ Higher efficiency of management and clerical tasks and lower cost of business operations

Services of the End-of-Life Support Business

1

Support provided before and after funerals

Memorial services, family altars and fixtures, courtesy gifts, inheritance, gravestones, insurance, inheritance procedures, belongings, real estate brokerage service

→ In FY3/24, sales increased because of more measures for the growth of sales of family altars and fixtures and courtesy gifts.

2

Day care service facilities specializing in rehabilitation

Acquired operational expertise while the pandemic pushed back the start of operations.

The first facility, POSSIBLE Takarazuka Nakayamadera opened in June 2023.

→ POSSIBLE Ashiya opened in May 2024; planning to open more locations.

Provision of meals at senior care facilities

→ Currently providing meals at 10 facilities and sales activities continue for foodservice contracts at more senior care facilities.

3

Operation of Minna-ga-eranda-shukatsu (end-of-life services for everyone) portal site

Provides products and services by using the end-of-life services site for seniors

→ A larger lineup of services for seniors living alone in order to cover an even broader range of needs

6.

Initiatives for Sustainability

**Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members**



SAN HOLDINGS, INC.



Initiatives for Sustainability

- Our purpose is to be a dependable end-of-life partner by emphasizing with the senior generation and their family members. As one step to accomplish this goal, we have created a materiality table that shows critical issues and the associated initiatives.

	Materiality	Initiatives
E	Measures to fight climate change	<ul style="list-style-type: none"> • Increase use of embalming method requiring a smaller amount of dry ice • Increase use of solar panels at funeral halls
S	Use end-of-life support to be a source of comfort and confidence	<ul style="list-style-type: none"> • Provide ideal places to say farewell to the deceased • More services for seniors living alone • Growth of the end-of-life support business • Provide grief counseling and support
	Quality that earns the confidence, trust and satisfaction of customers	<ul style="list-style-type: none"> • High-quality services, products and buildings (existing brands and the new funeral brand) • More directors of funerals and other ceremonies certified by the Ministry of Health, Labour and Welfare • More embalmers certified by the International Funeral Science Association in Japan
	Human resources: training activities for maintaining a workforce that is self-reliant and able to take actions on their own, backed by a firm commitment to hospitality, and a corporate culture reform	<ul style="list-style-type: none"> • More employee engagement (including giving everyone a sound understanding of the corporate philosophy and purpose) • Further workplace safety and hygiene management improvements
G	Upgrade governance for an even stronger framework for management	<ul style="list-style-type: none"> • Strengthen education concerning compliance • Reinforce data security measures

Hidamari Club – 20 Years of Support for Families following a Death

- Grief counseling and support programs are increasing at local governments and other places. The SAN HOLDINGS Group started the Hidamari Club in 2003 to assist family members with the grieving process and in other ways.

Hidamari Club Activities

1. A place for bereaved people to gather
 2. Face-to-face/online meetings every month
 3. Presentations by professionals and members
 4. A place and time where people can speak freely with confidence
- ✓ *More than 1,000 people have participated in these activities.
 - ✓ *A 20th anniversary event was held in March 2024.



*What is grief counseling and support?

This process assists people who have lost, or soon will lose, a family member or other close acquaintance deal with the loss and recover. These activities include numerous ways to handle numerous problems that can occur following a death.



Human Resource Management

1. Linkage of strategies for management and human resources
2. Awareness of and commitment to the corporate philosophy and purpose
3. Recruiting and training activities
Recruit and train people with the skills and professional expertise required for accomplishing the goals of business strategies
4. Policy for upgrading working environment
Train people for maintaining a workforce that is self-reliant and able to take actions on their own, backed by a firm commitment to hospitality
5. Corporate culture
Position the engagement score based on employee surveys as the most important KPI and constantly monitoring this score

7.

Shareholder Distribution Policy

**Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members**



SAN HOLDINGS, INC.



Shareholder Distribution Policy

- Aim for growth of shareholder distributions based on dividend stability

Dividend policy

Distributing earnings to shareholders is one of our highest priorities.

For the dividend, our policy is to aim for a higher dividend based on a commitment to dividend stability. Dividends reflect consolidated sales and earnings, cash flows, the need to retain earnings for investments for medium and long-term growth, the need to maintain financial soundness and other factors.

In addition, we will consider repurchasing stock in a flexible manner that takes into account the stock price and other applicable factors.

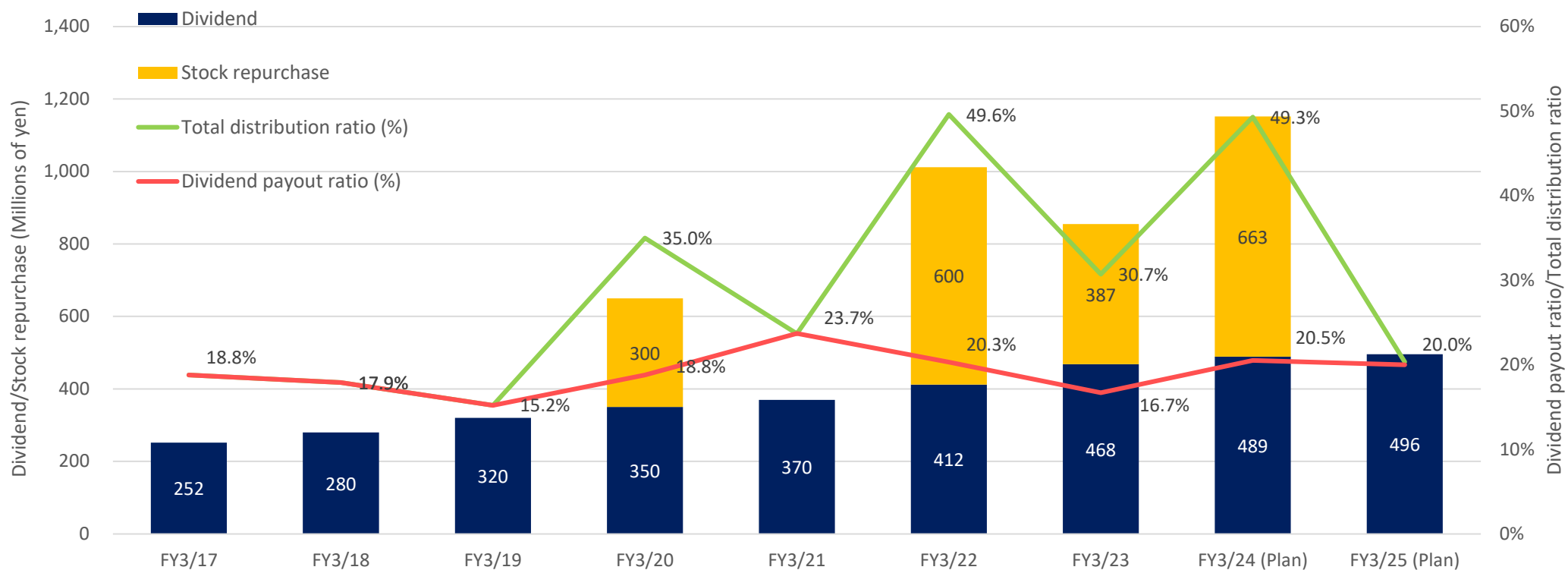
Retained earnings are used mainly for IT systems, M&A and other strategic investments with emphasis on constructing funeral halls. The objective is to use retained earnings for strengthening our business foundation and increasing corporate value.

Dividend Payout Ratio and Total Distribution Ratio

➤ Total distribution ratio for FY3/24 is 49.3%

*SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019 and October 1, 2023. Dividends have not been adjusted for the October 2023 stock split.

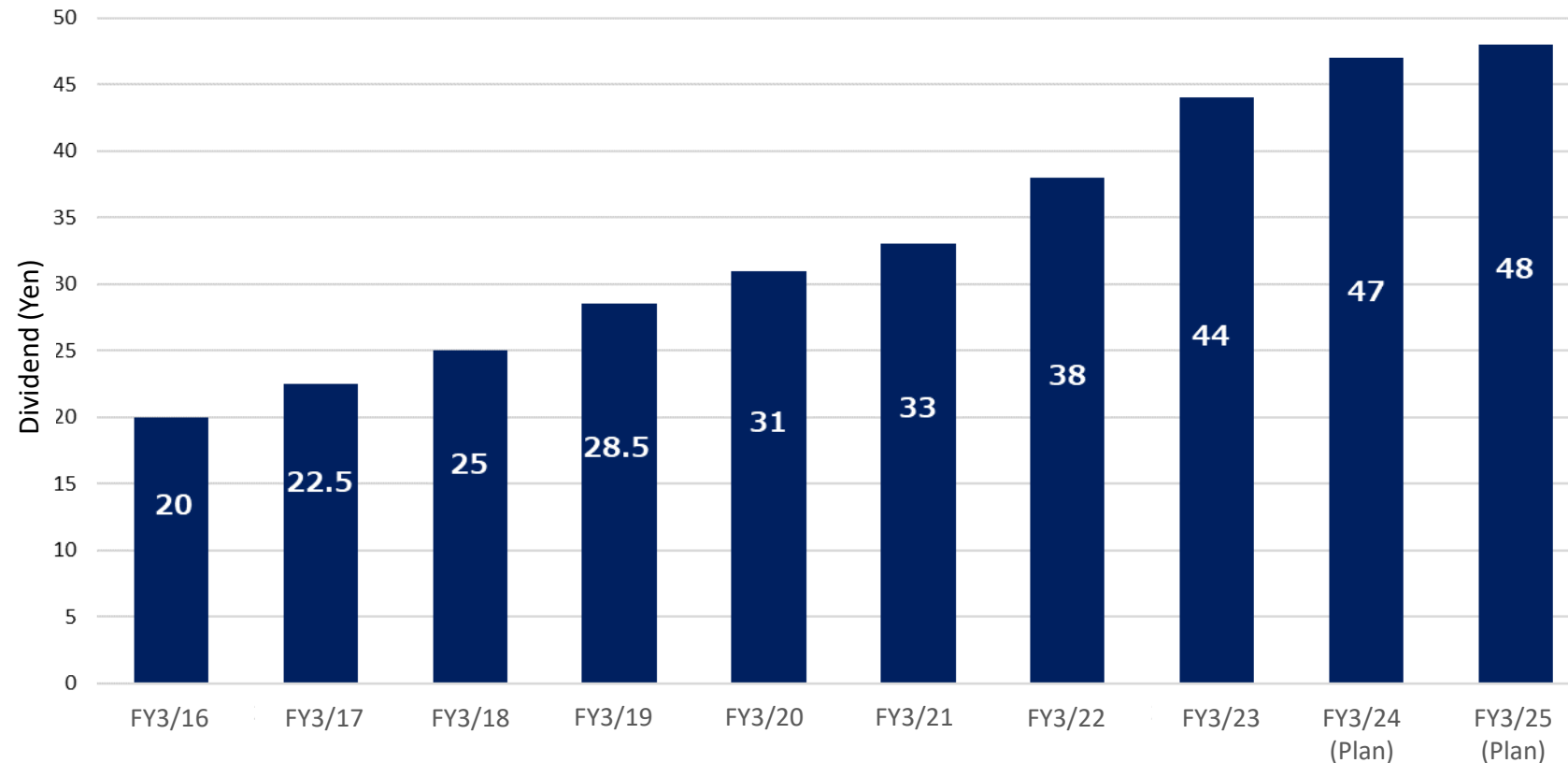
Dividend payout ratio and total distribution ratio



DPS	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24 (Plan)	FY3/25 (Plan)
	¥22.5	¥25.0	¥28.5	¥31.0	¥33.0	¥38.0	¥44.0	¥47.0	¥48.0

Dividend per Share

- The planned dividend for FY3/24 is 47 yen per share, the sum of a 23 yen interim dividend and 12 yen year-end dividend. This dividend does not reflect the 2-for-1 stock split on October 1, 2023. Plan for 9th consecutive years of higher dividends.



*SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019 and October 1, 2023. Dividends have not been adjusted for the October 2023 stock split.



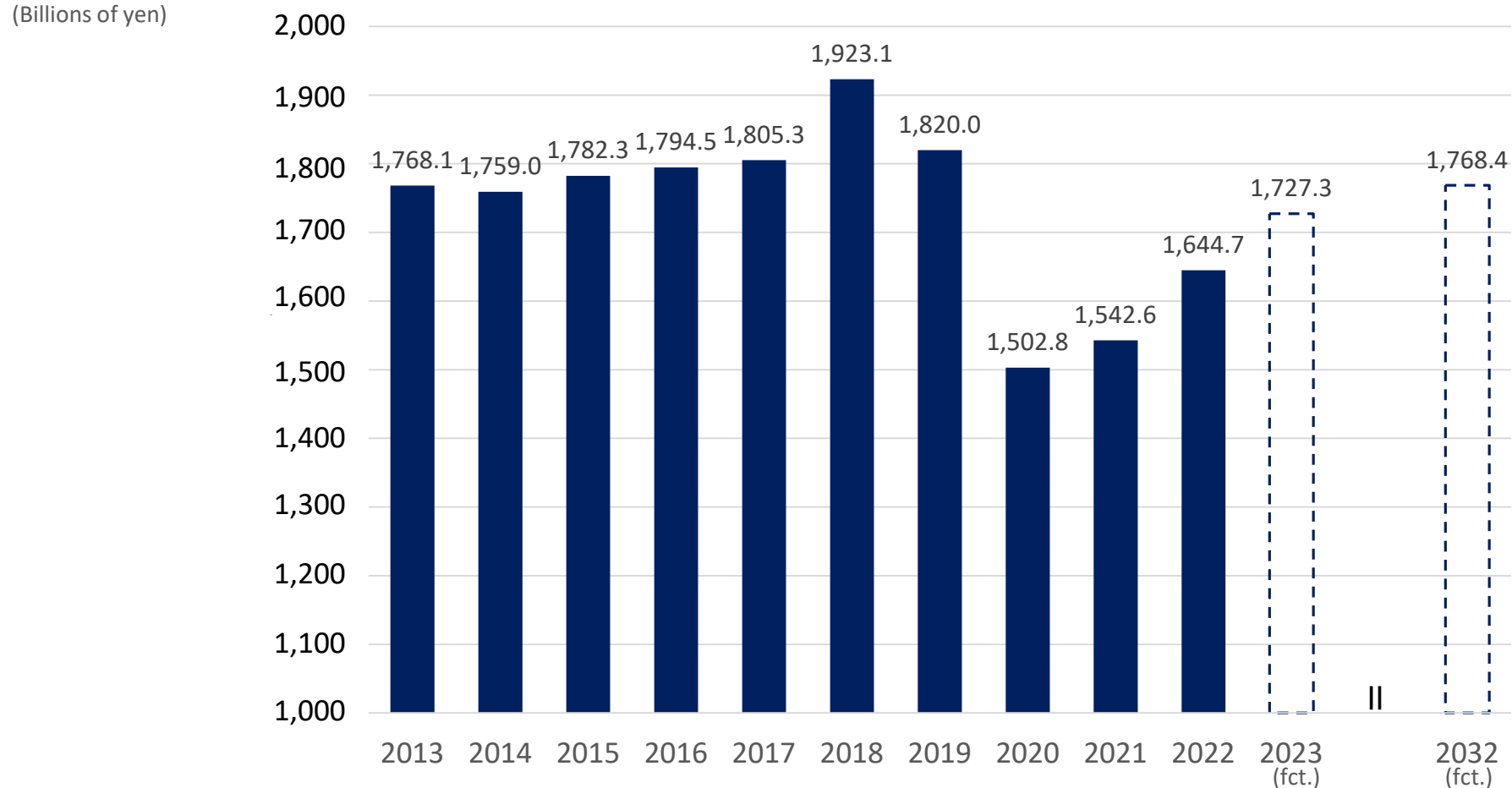
Appendix

**Be a dependable end-of-life partner by emphasizing with
the senior generation and their family members**



The Funeral Market in Japan

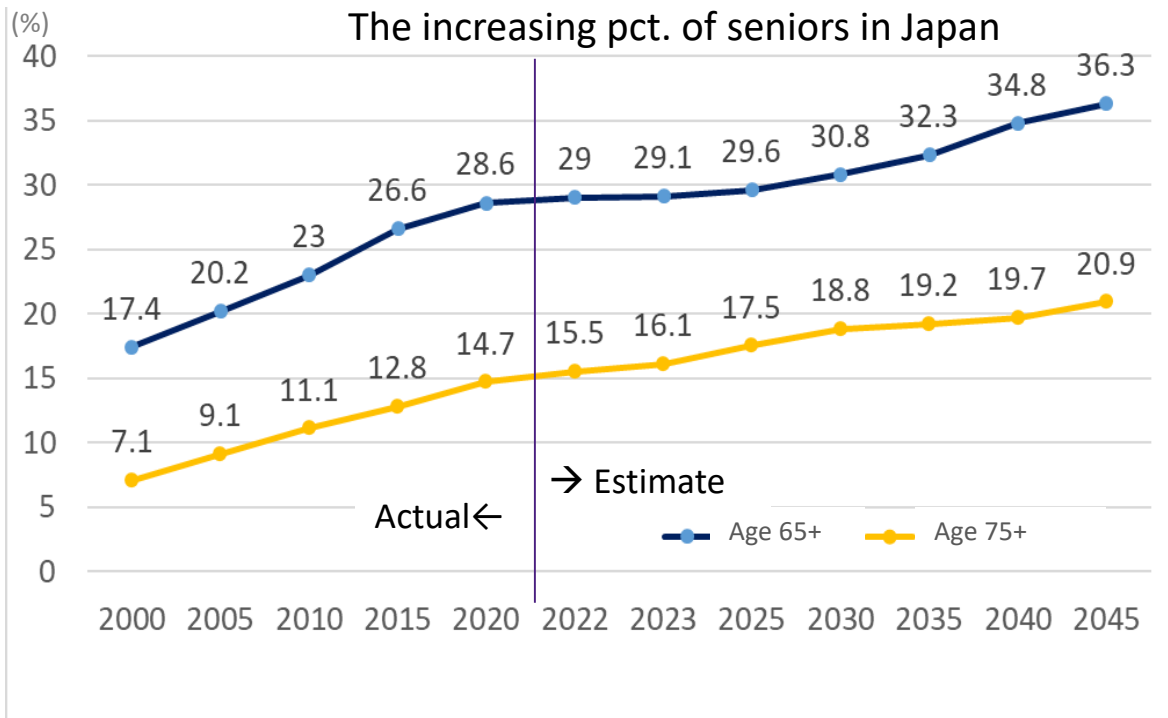
- Funeral business revenue fell almost 20% in 2020 because of the pandemic. In the following years, there has been a steady increase in small and simple funerals. The main causes are the rising number of nuclear family households in Japan and a shift in preferences due to the pandemic.



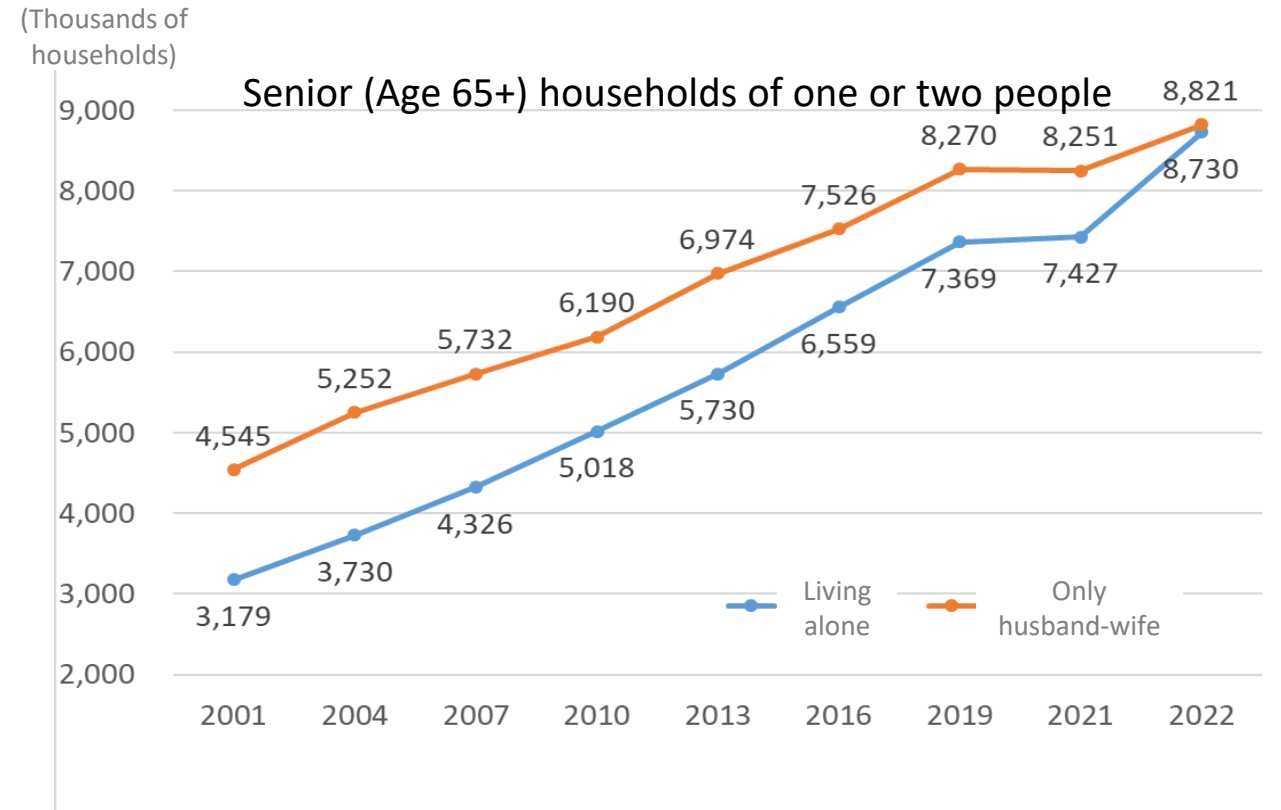
Source: The Funeral Business Today and Outlook 2023, Yano Research Institute Ltd. (August 2023)

Senior Market Growth

- Steady increases in the pct. of seniors and the number of senior households consisting of a husband and wife or only one person



Source: "Statistics on the Elderly in Japan" (September 2023), Ministry of Internal Affairs and Communications, "Population Census" for 2000-2022 and "Population Projections" for 2022 and 2023. From 2025 : "Population Projections for Japan (2023 Estimates)" Births (Medium) and deaths (Medium) estimates, National Institute of Population and Social Security Research

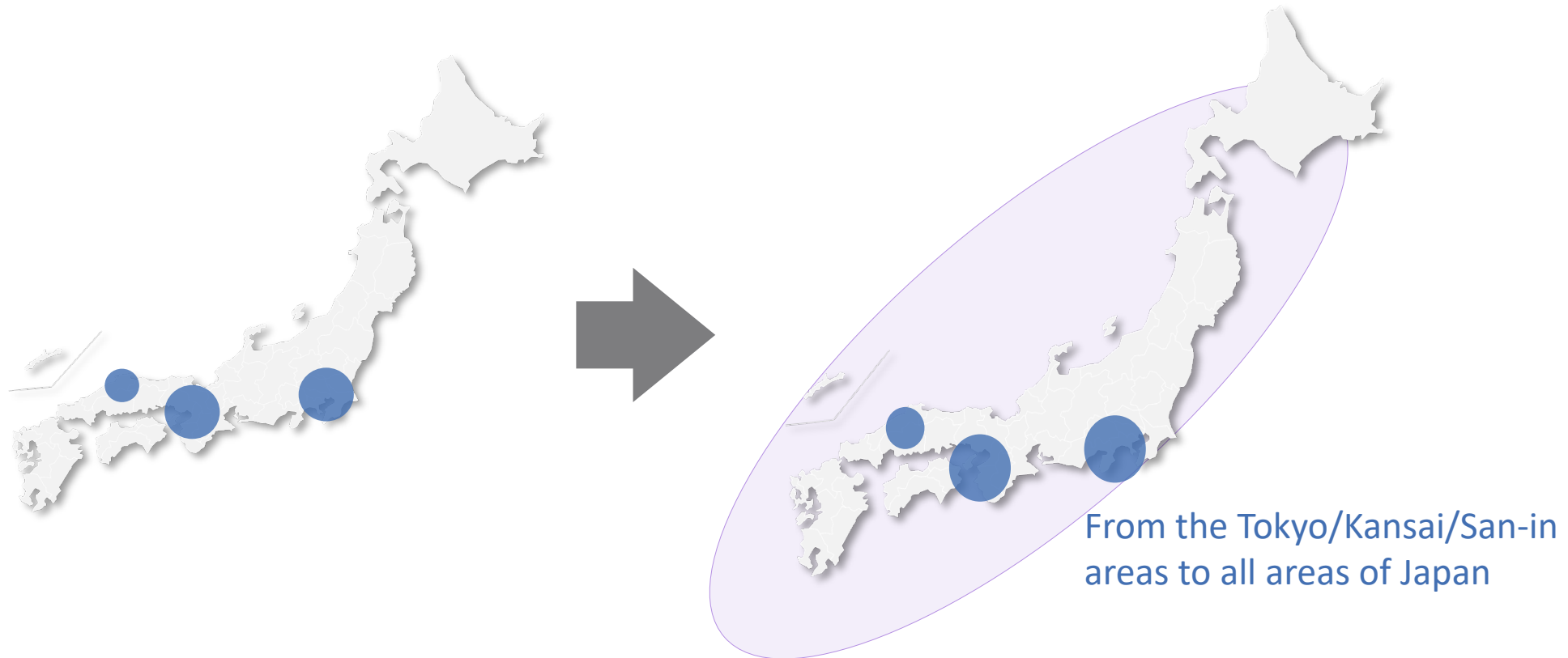


Source: Outline of Comprehensive Survey of Living Conditions 2022, Ministry of Health, Labour Welfare

The New 10-Year Vision

Our Two Initiatives: Funeral Halls in All Areas of Japan

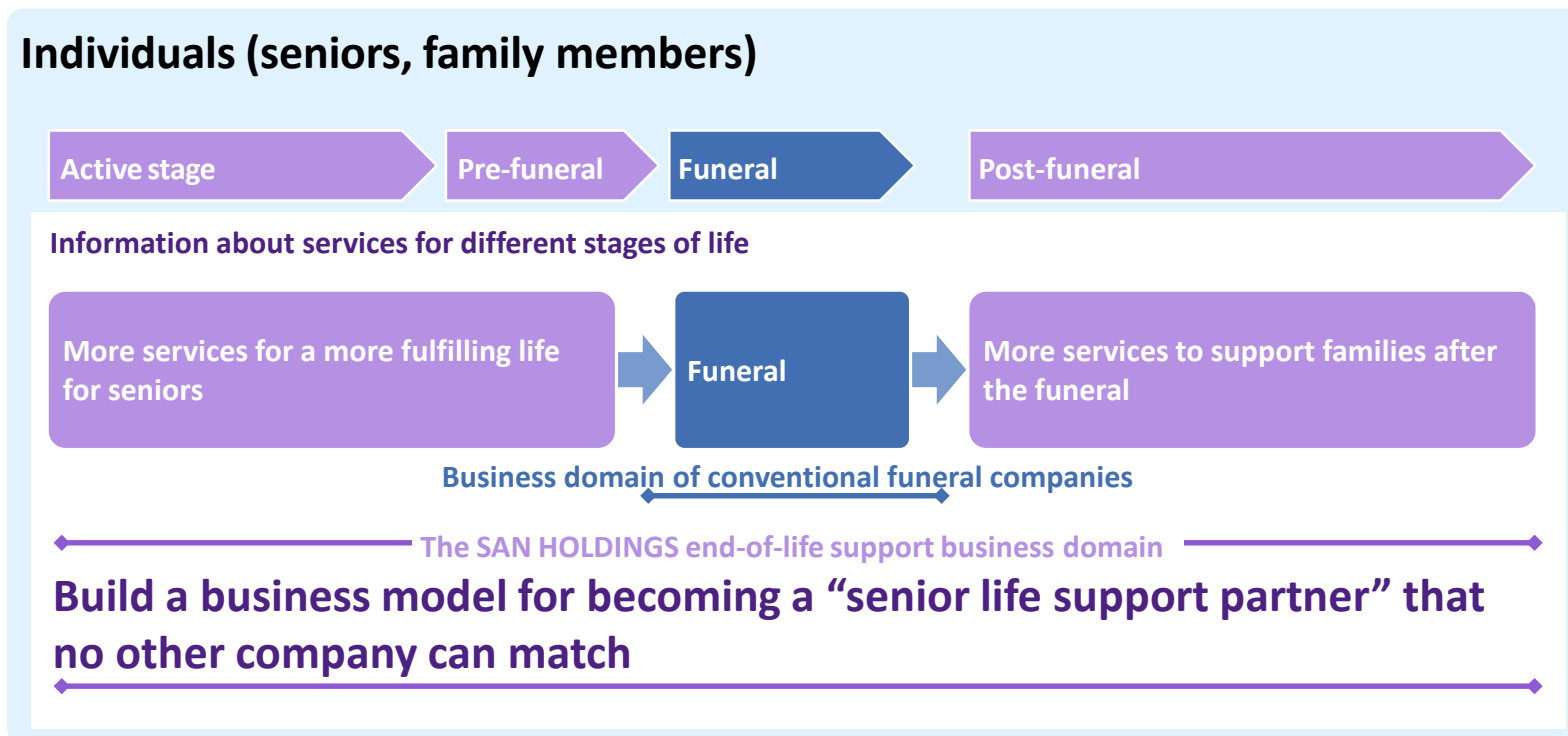
1. To be a source of services that satisfy a broad spectrum of customers, we will expand our operations from the Tokyo/Kansai/San-in areas to all areas of Japan.



The New 10-Year Vision

Our Two Initiatives: Growth of the End-of-Life Support Business

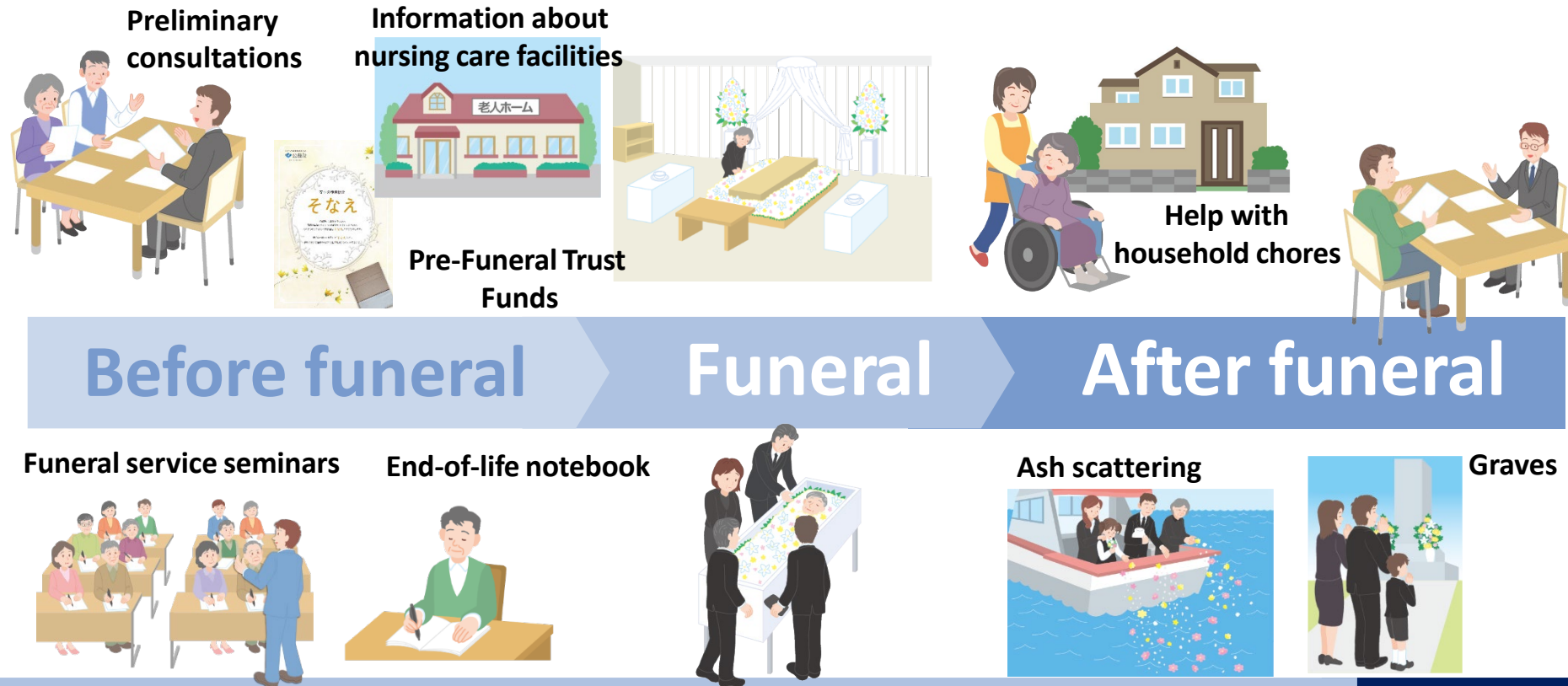
2. We are **dedicated to improving our customers' quality of life** by providing a variety of end-of-life support. To accomplish this, our goals are **more growth of the end-of-life support business** and addition of new businesses and services in order to be a source of new forms of value.



The New 10-Year Vision

The End-of-Life Support Business

This business contributes to society as a source of services and products needed for people to enjoy a fulfilling life style with confidence during the final stage of life. Activities include support for daily activities, preparations for this final stage and a variety of other support.



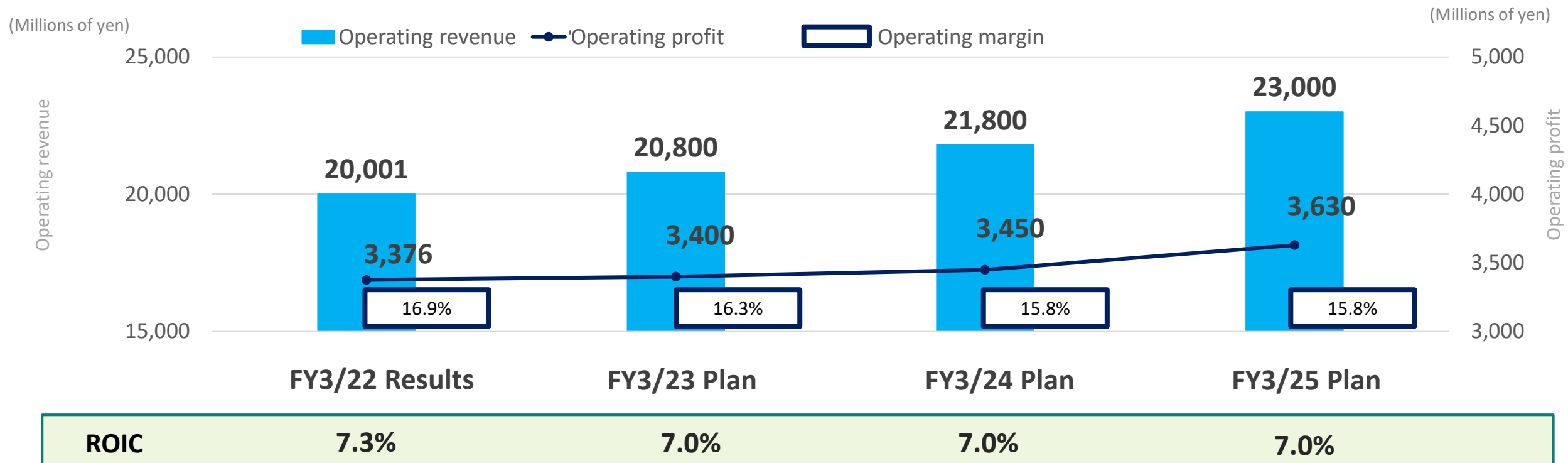
The Five Key Goals of the Medium-term Management Plan (FY3/23-FY3/25)

We are dedicated to using business activities to contribute to society and increase corporate value as **Be a dependable end-of-life partner by emphasizing with the senior generation and their family members.**

Growth	Business growth for more corporate value			3	Use value-added, high-quality services to contribute to society
	Growth of the funeral business	Growth of the end-of-life support business	Make the funeral business more competitive		A stronger infrastructure for Japan's best services that achieve outstanding customer satisfaction
	Speed up the expansion of the funeral hall network, mainly by using the new funeral brand, to cover more areas of Japan and serve more customers.	Expand the end-of-life support business, extending from when people are still active through the post-funeral stage, for long-term support for customers and their family members. Develop this business into another core business.	Build a framework for the SAN HOLDINGS Group to provide high-quality services with efficiency.		<ul style="list-style-type: none"> ■ Upgrade quality management, the key to providing the outstanding services that are the source of corporate value. ■ Quickly train people who provide funeral services and maintain the high quality of these people. ■ Increase customer satisfaction
<p>A more powerful foundation for business operations</p> <ul style="list-style-type: none"> ■ Use recruiting and training activities to increase the overall strength of the SAN HOLDINGS Group. ■ Personnel systems for fully utilizing a diverse and skilled workforce and encouraging innovations; establishment of a sound employee education infrastructure. ■ Continue improving the efficiency of all operations of the SAN HOLDINGS Group. ■ Many activities involving the environment, society and governance (ESG). 					

Goals of the Medium-term Management Plan (FY3/23 to FY3/25)

- Revenue and earnings growth to achieve operating revenue of ¥23.0 billion and operating profit of ¥3.63 billion in FY3/25.
- Although there will initially be expenses for strategic measures (expenditures for recruiting, personnel and opening new funeral halls), the plan's goals are an operating margin of at least 15.5% and an ROIC of at least 7.0%.



*ROIC = Operating profit after tax / Invested capital

Invested capital = Interest-bearing debt + Net assets, Operating profit after tax = Operating profit x (1 – Effective tax rate)

Medium-term Management Plan Capital Allocation

- Large investments are planned for business growth. During the plan's three years, operating cash flows are expected to be more than ¥8.8 billion. Investments involving existing facilities will be ¥1.0 to ¥1.5 billion and investments for growth will be more than ¥4.5 billion.

**Medium-term plan
operating CF of about
¥8.8 billion**

**(Reference) Includes
cumulative
depreciation of about
¥3.0 billion**

**Investments in existing
facilities
About ¥1.0 to ¥1.5 billion**

The basic policy is to hold renovations of existing facilities to below depreciation.

**Investments for growth
More than ¥4.5 billion**

Organic growth
Rapidly open more funeral halls
Strengthen the end-of-life business
Inorganic growth
M&A, alliances

Shareholder distributions

Dividends
Maintain stability while aiming for dividend growth
Stock repurchases
Stock repurchase decisions will be made based on cash flows, the stock price and other considerations.