



May 14, 2020

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020**[Japanese GAAP]**

Company name: SAN HOLDINGS, INC. Listing: Tokyo Stock Exchange, First Section
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 Scheduled date of Annual General Meeting of Shareholders: June 24, 2020
 Scheduled date of payment of dividend: June 25, 2020
 Scheduled date of filing of Annual Securities Report: June 25, 2020
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

*(All amounts are rounded down to the nearest million yen)***1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2020	21,281	2.5	3,091	5.2	3,064	4.3	1,856	(12.1)
Fiscal year ended Mar. 31, 2019	20,766	3.5	2,940	10.6	2,936	10.8	2,112	34.3

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2020: 1,856 (down 12.1%)
 Fiscal year ended Mar. 31, 2019: 2,112 (up 34.3%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2020	165.81	-	6.8	9.6	14.5
Fiscal year ended Mar. 31, 2019	188.04	-	8.4	9.6	14.2

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2020: - Fiscal year ended Mar. 31, 2019: -
 Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	31,874	27,315	85.7	2,471.96
As of Mar. 31, 2019	31,326	26,070	83.2	2,320.93

Reference: Shareholder's equity (million yen) As of Mar. 31, 2020: 27,315 As of Mar. 31, 2019: 26,070

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019. Net assets per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2020	3,267	(769)	(1,681)	6,427
Fiscal year ended Mar. 31, 2019	2,695	(1,281)	(583)	5,611

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2019	-	27.00	-	30.00	57.00	320	15.2	1.3
Fiscal year ended Mar. 31, 2020	-	30.00	-	16.00	-	349	18.8	1.3
Fiscal year ending Mar. 31, 2021 (forecast)	-	16.00	-	16.00	32.00		40.7	

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019. The dividends for the fiscal year ended March 31, 2019 and 2Q-end of the fiscal year ended March 31, 2020 are the actual amounts before the stock split. The dividends for the fiscal year ended March 31, 2020 are the amounts after the stock split.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	8,300	(20.0)	(230)	-	(260)	-	(160)	-	(14.48)
Full year	19,400	(8.8)	1,500	(51.5)	1,460	(52.4)	880	(52.6)	79.64

Note: Net income per share is calculated based on the average number of shares outstanding during the period, which uses the number of shares outstanding as of March 31, 2020 (excluding treasury shares).

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None
 Newly added: - Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, others: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting-based estimates: None
- 4) Restatements: None

(3) Number of outstanding shares (common shares)

- 1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2020:	12,164,016 shares	As of Mar. 31, 2019:	12,164,016 shares
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- 2) Number of treasury shares at the end of the period

As of Mar. 31, 2020:	1,113,767 shares	As of Mar. 31, 2019:	931,428 shares
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- 3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2020:	11,197,427 shares	Fiscal year ended Mar. 31, 2019:	11,232,622 shares
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Notes: 1. SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019. The number of shares outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

2. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan of 136,600 shares are included in the treasury shares that are deducted from the number of shares for calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020

(April 1, 2019 – March 31, 2020)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2020	5,549	9.0	2,286	13.3	2,261	15.0	1,696	(0.2)
Fiscal year ended Mar. 31, 2019	5,092	6.7	2,017	18.6	1,966	17.1	1,701	38.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2020	151.54	-
Fiscal year ended Mar. 31, 2019	151.44	-

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	29,239	26,686	91.3	2,415.00
As of Mar. 31, 2019	28,465	25,600	89.9	2,279.12

Reference: Shareholders' equity (million yen): As of Mar. 31, 2020: 26,686 As of Mar. 31, 2019: 25,600

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019. Net assets per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Note concerning forward-looking statements

- 1. Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the management of SAN HOLDINGS at the time the materials were prepared, but are not promises by SAN HOLDINGS regarding future performance. Actual results may differ materially from the forecasts. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 5 for forecast assumptions and notes of caution for usage.
- 2. SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2019. The net income per share forecast for the fiscal year ending March 31, 2021 is adjusted to reflect the stock split.

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1. Overview of Results of Operations

(1) Results of Operations

In the fiscal year that ended on March 31, 2020, the Japanese economy continued to recover slowly during the first three quarters despite the risk of a slowdown in global economic growth. The economy in Japan was supported by internal demand fueled by strong consumer spending and corporate capital expenditures as the labor market and personal income steadily improved.

In the fiscal year's fourth quarter, the COVID-19 outbreak that began in February had a severe impact on the Japanese economy. Demand from foreign tourists plummeted and there were steep drops in exports, manufacturing and consumer spending.

In Japan's funeral market, the number of people who attend funerals is declining. As a result, there are also decreases in the number of courtesy gifts given to mourners in return for condolence money, food provided at funerals, and other items associated with funerals. There was only a limited number of cases where normal funerals cannot be held, not allowing mourners to view the deceased for a final farewell. However, an increasing number of funerals now have only a small number of mourners to prevent the spread of COVID-19. In addition, corporate funerals and other large funerals attended by many people have been postponed or canceled.

Even prior to the COVID-19 crisis, the number of people who attend funerals was declining. The main reasons are the increasing age of the deceased and mourners and the decline in the number and strength of personal relationships in local communities and through work. In addition, the increasing diversity of the values and preferences of the people of Japan is having an increasing influence on funeral formats and expenditures.

Funeral companies are responding to these changes in many ways. Examples include building small funeral halls with distinctive features, providing innovative services, using internet matching sites and other channels to increase the volume of business, and starting businesses outside the funeral category.

In the fiscal year that ended in March 2020, SAN HOLDINGS started a three-year medium-term management plan as was announced on May 9, 2019. Based on a new corporate philosophy for the SAN HOLDINGS Group, the plan has the central goal of making SAN HOLDINGS an organization that provides total support for the final stage of life. All group companies are committed to progress regarding all eight key objectives of the new plan: firmly establish the new corporate philosophy, create a more powerful workforce, improve the quality of services, increase operating efficiency, broaden the lineup of end-of-life support, make new businesses more profitable, extend the funeral business to more areas of Japan, and upgrade risk management.

During the fiscal year, we opened four funeral halls, KOEKISHA Korien Hall in the city of Neyagawa in Osaka prefecture in April 2019, TARUI Funeral Hall in Kitaokubo in June 2019 in the city of Akashi in Hyogo prefecture, KOEKISHA Kawanishi-Tada Hall in the city of Kawanishi in Hyogo prefecture in December 2019, and KOEKISHA Hirakata-Deyashiki Hall in the city of Hirakata in Osaka prefecture in February 2020.

In addition, we opened POSSIBLE Kotoen in the city of Nishinomiya in Hyogo prefecture in November 2019, the third location in our business that provides day-care services centered on rehabilitation.

In one step for the growth of the end-of-life support business, we established Life Forward CO., LTD. on April 1, 2020 as was announced on February 20, 2020. The company's head office is Minato-ku, Tokyo, and the president is Yasuko Miyajima. Operations are scheduled to begin in July. The new company will provide platform services for the purpose of supporting the lives of senior citizens, primarily during the final stage of life, including the period immediately before and after a funeral.

During the fiscal year, the number of funerals at the SAN HOLDINGS Group increased 2.1% because of increases in the number of funerals at group companies KOEKISHA and TARUI. Despite the negative effect of COVID-19 that began in late February 2020, the average revenue per funeral was 0.5% higher than in the previous fiscal year. This increase was the result of the success of activities at all three funeral companies to

raise the revenue at ordinary funerals. Sales of products and services associated with funerals were higher, mainly due to sales of family altars and altar fixtures, despite the negative effect of COVID-19.

Operating expenses increased 1.4% year on year primarily because of higher personnel expenses and advertising expenses and an increase in rent and other expenses due to the opening of new funeral halls. Selling, general and administrative expenses increased 9.7% because of increases in personnel expenses, recruiting expenses and other reasons.

Operating revenue increased 2.5% year on year to 21,281 million yen. Earnings were higher as well with operating profit up 5.2% to 3,091 million yen and ordinary profit up 4.3% to 3,064 million yen. However, profit before income taxes decreased because of an impairment loss for funeral halls and other non-current assets and the payment of penalties for the early cancelation of real estate leases. As a result, profit attributable to owners of parent decreased 12.1% to 1,856 million yen.

Business segment performance was as follows.

1) The KOEKISHA Group

The number of ordinary funerals (less than 5 million yen) increased at KOEKISHA CO., LTD., the core company of the KOEKISHA Group, in both the Kansai and Tokyo areas. Average revenue per funeral was higher because of activities to promote products and services for added value.

In the Tokyo area, the number of large funerals (more than 5 million yen) increased despite the negative impact of COVID-19 that started in late February.

As a result, the overall number of funerals was up 2.5% year on year and funeral service revenue increased 3.1%.

Sales of products and services associated with funerals were higher than one year earlier. This was the result of increases in sales of family altars and fixtures and in commissions received.

Operating expenses increased mainly because of higher rent expenses due to the opening of funeral halls since the second half of the previous fiscal year and an increase in depreciation.

Sales in the KOEKISHA Group segment were 17,635 million yen, up 2.9% year on year, and the segment profit was 1,742 million yen, up 8.7%.

2) The SOU-SEN Group

At SOU-SEN CORPORATION, although the number of funerals decreased 1.2% year on year, funeral service revenue increased 1.2% because of higher average revenue per funeral. This increase was attributable to measures in response to the declining size of funerals and the large number of relatively large funerals during the fiscal year.

Sales of products and services associated with funerals were higher than one year earlier. This was the result of higher sales of condolence money courtesy gifts and family altars and fixtures.

Operating expenses increased even though a decline in expenses for rent reduced fixed expenses. Personnel expenses increased and there were higher expenses for supplies and maintenance because of the remodeling of the SOU-SEN Sakaiminato and SOU-SEN Hitsu funeral halls.

Sales in the SOU-SEN Group segment were 1,449 million yen, up 2.9% year on year, and the segment profit was 44 million yen, up 20.7%.

3) The TARUI Group

At TARUI CO., LTD., the number of funerals increased 2.4% mainly because of more funerals at newly opened and renovated locations. Average revenue per funeral decreased due to the larger number of small family funerals and a higher share of lower priced funerals. The result was a 0.5% decrease in funeral service revenue.

Operating expenses decreased because of the lower cost of supplies, maintenance and other items. There were higher advertising expenses for attracting customers and higher rent and other expenses associated with the newly opened TARUI Funeral Hall in Kita-Okubo.

Sales in the TARUI Group segment were 1,817 million yen, down 1.0% year on year, and the segment profit was 324 million yen, down 4.4%.

4) Holding Company Group

Operating revenue at SAN HOLDINGS increased primarily because of the growth in dividend income.

In operating expenses, there were increases mainly in personnel expenses, recruiting and recruitment advertising expenses for group companies, other expenses involving recruiting activities, and rent and depreciation associated with newly opened locations of group companies.

Sales in the Holding Company Group segment were 5,549 million yen, up 9.0% year on year, and the segment profit was 2,261 million yen, up 15.0%.

(2) Financial Position

Assets

Current assets at the end of the current fiscal year were 7,264 million yen, up 613 million yen from the end of the previous fiscal year. This was mainly due to an increase of 817 million yen in cash and deposits while there was a decrease of 156 million yen in trade accounts receivable.

Non-current assets were 24,610 million yen, down 66 million yen from the end of the previous fiscal year. This was primarily due to a decrease in land because of the sale of the former Kishiwada Hall of KOEKISHA, the normal depreciation of various assets, and an impairment loss of 79 million yen, while there was an increase in property, plant and equipment resulting from funeral hall additions and renovations.

As a result, total assets increased 547 million yen from the end of the previous fiscal year to 31,874 million yen.

Liabilities

Current liabilities at the end of the current fiscal year were 3,105 million yen, down 687 million yen from the end of the previous fiscal year. This was mainly due to decreases of 280 million yen in trade accounts payable and 900 million yen in current portion of long-term borrowings, the result of the repayment of a loan upon its maturity, while there was an increase of 508 million yen in income taxes payable.

Non-current liabilities were 1,453 million yen, a decrease of 11 million yen from the end of the previous fiscal year. This was mainly due to a decrease in long-term accounts payable-other, while there were increases in lease obligations and asset retirement obligations.

As a result, total liabilities decreased 698 million yen from the end of the previous fiscal year to 4,558 million yen.

Net assets

Net assets were 27,315 million yen at the end of the current fiscal year, up 1,245 million yen from the end of the previous fiscal year. The main factors include a 1,517 million yen increase in retained earnings due to a 1,856 million yen profit attributable to owners of parent, while there was a decrease of 274 million yen in treasury shares resulting from purchase and disposal of treasury shares, and dividend payments of 339 million yen.

Consequently, the equity ratio increased 2.5 percentage points from the end of the previous fiscal year to 85.7%.

(3) Cash Flows

Cash and cash equivalents at the end of the current fiscal year was 6,427 million yen, up 816 million yen over the end of the previous fiscal year.

The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 3,267 million yen (2,695 million yen provided in the previous fiscal year). The main factors include profit before income taxes of 2,886 million yen and depreciation of 855 million yen.

Cash flows from investing activities

Net cash used in investing activities was 769 million yen (1,281 million yen used in the previous fiscal year). Negative factors include purchase of property, plant and equipment of 792 million yen for the construction of funeral halls and other reasons.

Cash flows from financing activities

Net cash used in financing activities was 1,681 million yen (583 million yen used in the previous fiscal year). The main factors include repayments of long-term borrowing of 919 million yen, cash dividends paid of 339 million yen and purchase of treasury shares of 299 million yen.

(4) Outlook

Predicting when the global COVID-19 crisis will end and its impact on the economies of countries worldwide is impossible. As a result, the outlook for the Japanese economy is extremely uncertain.

In Japan's funeral market, the business climate is likely to remain challenging because of COVID-19.

The highest priority of the SAN HOLDINGS Group is protecting customers, business partners, and employees and their families from COVID-19. We will continue providing funeral and other services to our customers while remaining committed to this priority.

At this time, there is no way to foresee when the COVID-19 crisis will end. We have established the following forecast while incorporating the significant risk concerning the potential effects of this crisis on results of operations.

Earnings forecasts for the fiscal year ending March 31, 2021 are as follows:

Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2021 (Results for the fiscal year ended March 31, 2020 are shown in parentheses.)

Operating revenue	19,400 million yen	(21,281 million yen)
Operating profit	1,500 million yen	(3,091 million yen)
Ordinary profit	1,460 million yen	(3,064 million yen)
Profit attributable to owners of parent	880 million yen	(1,856 million yen)

Assumptions used for this forecast

The forecast assumes that COVID-19 will continue to affect revenue and earnings until the end of December 2020. To estimate the effects of COVID-19, we assume that current conditions will continue during the fiscal year's first half, which ends in September, making this a period of no growth. We also assume that market conditions will start returning to normal in the third quarter of the fiscal year (October to December), making this a period of recovery.

Operating revenue

- We forecast an increase in the number of ordinary funerals at existing and new locations at all three group funeral companies based on the expected rate of growth in the number of deaths in Japan. The number of large funerals is expected to decrease significantly in order to prevent the spread of COVID-19.
- The SAN HOLDINGS Group plans to open four funeral halls during the fiscal year, all in the third and fourth quarters.
- For average revenue per funeral, we expect that the same negative effect of COVID-19 that occurred in March and April will continue as long as the effects of this crisis exist.
- We forecast a decrease in sales of products and services associated with funerals because of the smaller number of people who attend funerals due to concerns about COVID-19.

Expenses

- We expect higher expenses for supplies, depreciation, rent and other items in association with funeral hall additions and renovations.
- Due to the decline in sales because of COVID-19, we predict lower direct expenses as well as a decline in the portion of personnel expenses linked to the volume of services provided and sales.

At this time, we expect that COVID-19 will reduce fiscal year operating revenue by 2.7 billion yen and operating profit by 1.5 billion yen.

We will continue to monitor upcoming effects of COVID-19 to determine when the activities of customers are likely to return to normal. In addition, we will continue to respond to uncertainty in our market while preserving our financial soundness.

Changes in the COVID-19 pandemic and other events involving this crisis may have a significant negative effect on the validity of the assumptions used for our forecast. In this event, we will promptly announce a revised forecast based on new assumptions.

*Cautionary statement with respect to earnings forecasts

Forecasts incorporate risks and uncertainties because these statements are based on judgements made by using information available to the management of SAN HOLDINGS and its group companies. Actual results may differ materially from the forecasts due to changes in the economy and market conditions of the SAN HOLDINGS and its group companies as well as a number of other factors.

(5) Basic Policy for Profit Distribution and Dividends for the Current and Next Fiscal Years

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 our consolidated performance and financial condition, the need to retain earnings for investments for medium and long-term growth, financial soundness and other applicable 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 marketing, IT systems and other strategic investments with emphasis on constructing funeral halls in the Osaka and Tokyo areas. The objective is to use retained earnings for strengthening our business foundation and increasing corporate value.

For the fiscal year that ended in March 2020, shareholders received an interim dividend of 15 yen per share (after the October 2019 stock split) and we plan to pay a year-end dividend of 16 yen per share. This will result in a fiscal year dividend of 31 yen per share (after the October 2019 stock split) and a dividend payout ratio of

18.8%.

For the fiscal year ending in March 2021, based on our dividend policy and forecast for this fiscal year, we plan to continue consistently raising the dividend by paying interim and year-end dividends of 16 yen per share. This will result in a fiscal year dividend of 32 yen and an expected dividend payout ratio of 40.7%.

2. Basic Approach to the Selection of Accounting Standards

SAN HOLDINGS Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being because shareholders, creditors and business partners in Japan account for most stakeholders, there is no plan to procure funds from overseas, and all business activities are conducted in Japan.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/19	FY3/20
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
Assets		
Current assets		
Cash and deposits	5,611,704	6,428,795
Trade accounts receivable	650,570	493,588
Merchandise and finished goods	101,825	89,380
Raw materials and supplies	41,916	54,039
Income taxes receivable	75,183	-
Other	170,740	199,629
Allowance for doubtful accounts	(1,139)	(1,234)
Total current assets	6,650,801	7,264,198
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,375,544	9,390,883
Machinery, equipment and vehicles, net	45,527	56,195
Tools, furniture and fixtures, net	128,699	106,864
Land	12,344,809	12,247,709
Leased assets, net	435,793	470,711
Construction in progress	32,524	11,195
Total property, plant and equipment	22,362,898	22,283,558
Intangible assets	89,937	97,222
Investments and other assets		
Long-term loans receivable	237,136	220,375
Deferred tax assets	456,074	478,828
Beneficial interests in real estate trust	539,662	498,159
Guarantee deposits	704,147	723,667
Other	295,248	329,074
Allowance for doubtful accounts	(8,915)	(20,858)
Total investments and other assets	2,223,353	2,229,246
Total non-current assets	24,676,189	24,610,028
Total assets	31,326,991	31,874,226

	(Thousands of yen)	
	FY3/19	FY3/20
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
Liabilities		
Current liabilities		
Trade accounts payable	1,017,115	736,264
Current portion of long-term borrowings	919,992	19,992
Lease obligations	103,954	115,028
Asset retirement obligations	-	9,598
Accounts payable-other	718,925	607,011
Income taxes payable	99,028	607,732
Accrued consumption taxes	162,098	317,318
Provision for bonuses	523,513	491,757
Provision for bonuses for directors (and other officers)	49,571	60,372
Other	198,369	140,277
Total current liabilities	3,792,567	3,105,353
Non-current liabilities		
Long-term borrowings	25,030	5,038
Lease obligations	368,125	404,373
Asset retirement obligations	320,236	382,817
Provision for employee stock ownership plan trust	-	14,287
Long-term deposits received	221,813	235,476
Long-term accounts payable-other	529,202	411,085
Total non-current liabilities	1,464,408	1,453,079
Total liabilities	5,256,975	4,558,432
Net assets		
Shareholders' equity		
Share capital	2,568,157	2,568,157
Capital surplus	5,488,615	5,491,381
Retained earnings	19,027,330	20,544,571
Treasury shares	(1,014,088)	(1,288,316)
Total shareholders' equity	26,070,015	27,315,794
Total net assets	26,070,015	27,315,794
Total liabilities and net assets	31,326,991	31,874,226

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

(Thousands of yen)

	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Operating revenue	20,766,984	21,281,066
Operating expenses	16,484,384	16,716,596
Operating gross profit	4,282,600	4,564,470
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	181,172	184,120
Salaries and allowances	338,322	359,599
Bonuses	53,286	56,949
Provision for bonuses	49,820	49,562
Provision for bonuses for directors (and other officers)	49,571	60,482
Outsourcing expenses	105,081	138,024
Provision of allowance for doubtful accounts	287	12,751
Advertising expenses	48,022	66,931
Depreciation	31,242	25,631
Other	485,743	518,601
Total selling, general and administrative expenses	1,342,550	1,472,654
Operating profit	2,940,049	3,091,815
Non-operating income		
Interest income	3,762	3,483
Dividend income	4	4
Insurance claim income	53,123	16,582
Reversal of reserve for loss on dissolution of employee's pension fund	21,627	-
Rental income from company housing	3,728	3,642
Miscellaneous income	12,961	12,352
Total non-operating income	95,207	36,065
Non-operating expenses		
Interest expenses	9,249	2,137
Dismantling removal expense	39,007	24,461
Casualty loss	43,093	21,557
Miscellaneous loss	6,934	15,599
Total non-operating expenses	98,284	63,756
Ordinary profit	2,936,971	3,064,124
Extraordinary income		
Gain on sales of non-current assets	3,154	15,362
Gain on termination of retirement benefit plan	142,747	-
Total extraordinary income	145,901	15,362
Extraordinary losses		
Loss on retirement of non-current assets	4,262	6,710
Loss on sales of non-current assets	-	5
Impairment loss	59,697	150,818
Cancellation penalty	-	35,572
Total extraordinary losses	63,960	193,106
Profit before income taxes	3,018,913	2,886,380
Income taxes-current	617,115	1,052,498
Income taxes-deferred	289,609	(22,754)
Total income taxes	906,725	1,029,744
Profit	2,112,188	1,856,635
Profit attributable to owners of parent	2,112,188	1,856,635

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY3/19	FY3/20
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Profit	2,112,188	1,856,635
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	2,112,188	1,856,635
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,112,188	1,856,635
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,568,157	5,488,615	17,212,808	(1,013,908)	24,255,673	24,255,673
Changes during period						
Dividends of surplus			(297,665)		(297,665)	(297,665)
Profit attributable to owners of parent			2,112,188		2,112,188	2,112,188
Purchase of treasury shares				(180)	(180)	(180)
Total changes during period	-	-	1,814,522	(180)	1,814,341	1,814,341
Balance at end of period	2,568,157	5,488,615	19,027,330	(1,014,088)	26,070,015	26,070,015

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,568,157	5,488,615	19,027,330	(1,014,088)	26,070,015	26,070,015
Changes during period						
Dividends of surplus			(339,395)		(339,395)	(339,395)
Profit attributable to owners of parent			1,856,635		1,856,635	1,856,635
Purchase of treasury shares				(449,693)	(449,693)	(449,693)
Disposal of treasury shares				175,466	175,466	175,466
Gains on disposal of treasury shares		2,765			2,765	2,765
Total changes during period	-	2,765	1,517,240	(274,227)	1,245,778	1,245,778
Balance at end of period	2,568,157	5,491,381	20,544,571	(1,288,316)	27,315,794	27,315,794

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY3/19	FY3/20
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from operating activities		
Profit before income taxes	3,018,913	2,886,380
Depreciation	808,446	855,789
Impairment loss	59,697	150,818
Loss on retirement of property, plant and equipment	4,262	6,710
Increase (decrease) in allowance for doubtful accounts	(4,888)	12,038
Increase (decrease) in provision for bonuses	24,354	(31,755)
Increase (decrease) in provision for bonuses for directors (and other officers)	3,713	10,801
Increase (decrease) in provision for employee stock ownership plan trust	-	14,287
Increase (decrease) in retirement benefit liability	(159,819)	-
Increase (decrease) in provision of reserve for loss on dissolution of employees' pension fund	(690,837)	-
Interest and dividend income	(3,766)	(3,488)
Interest expenses	9,249	2,137
Loss (gain) on sales of property, plant and equipment	(3,154)	(15,356)
Decrease (increase) in trade receivables	(32,560)	156,982
Decrease (increase) in inventories	(4,490)	322
Increase (decrease) in trade payables	205,257	(280,850)
Increase (decrease) in accrued consumption taxes	(78,182)	155,220
Decrease (increase) in other assets	67,493	19,433
Increase (decrease) in other liabilities	696,034	(199,521)
Subtotal	3,919,721	3,739,948
Interest and dividends received	12	15
Interest paid	(8,917)	(976)
Income taxes paid	(1,216,374)	(546,526)
Income taxes refund	592	75,183
Net cash provided by (used in) operating activities	2,695,034	3,267,644
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,202,906)	(792,609)
Proceeds from sales of property, plant and equipment	3,154	112,456
Purchase of intangible assets	(10,107)	(30,505)
Loan advances	-	(371)
Collection of loans receivable	5	5
Proceeds from cancellation of insurance funds	-	8,846
Other proceeds	17,402	14,400
Other payments	(89,057)	(81,844)
Net cash provided by (used in) investing activities	(1,281,510)	(769,621)
Cash flows from financing activities		
Repayments of long-term borrowings	(170,392)	(919,992)
Purchase of treasury shares	(180)	(299,911)
Repayments of finance lease obligations	(115,514)	(122,587)
Dividends paid	(297,665)	(339,395)
Net cash provided by (used in) financing activities	(583,753)	(1,681,887)
Net increase (decrease) in cash and cash equivalents	829,770	816,136
Cash and cash equivalents at beginning of period	4,781,933	5,611,704
Cash and cash equivalents at end of period	5,611,704	6,427,841

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries: 4

Primary consolidated subsidiaries:

KOEKISHA CO., LTD.

EXCEL SUPPORT SERVICE CO., LTD.

SOU-SEN CORPORATION

TARUI CO., LTD.

2. Application of the Equity Method

Not applicable.

3. Fiscal years of consolidated subsidiaries

The fiscal year of all consolidated subsidiaries ends on the closing date of consolidated financial statements.

4. Accounting policies

(1) Valuation standards and methods for principal assets

a. Marketable securities

Available-for sale securities

Securities with market quotations

Stated at market value on the balance sheet date. (Valuation difference is included directly in net assets.

Cost of securities sold is determined by the moving-average method.)

Securities without market quotations

Stated at cost determined by the moving-average method.

b. Inventories

Stated at cost determined by the moving-average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation and amortization of principal assets

a. Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings (excluding attached facilities) acquired on or after April 1, 1998, as well as facilities attached to buildings and structures acquired on or after April 1, 2016 on which depreciation is calculated by the straight-line method.

Assets with acquisition cost of at least 100 thousand yen and less than 200 thousand yen are depreciated by the straight-line method over three years.

Useful lives of principle assets are as follows:

Buildings and structures: 10 - 50 years

Machinery, equipment and vehicles: 3 - 15 years

Tools, furniture and fixtures: 3 - 15 years

b. Intangible assets (excluding leased assets)

Amortization of intangible assets is calculated by the straight-line method.

Software for internal use is amortized over an expected useful life of five years by the straight-line

method.

c. Leased assets

The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

Finance lease transactions without transfer of ownership for which the lease transaction commenced on or before March 31, 2008, are accounted for in accordance with the method applicable to regular lease transactions.

d. Long-term prepaid expenses

Long-term prepaid expenses are calculated by the straight-line method.

(3) Recognition of significant allowances

a. Allowance for doubtful accounts

Allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio and bad receivables based on case-by-case determination of collectibility.

b. Reserve for bonuses

To prepare for employee bonus obligation, an allowance equal to the estimated bonus obligations in the current fiscal year is provided.

c. Provision for bonuses for directors (and other officers)

To prepare for directors' bonuses, an allowance equal to the estimated bonus obligations in the current fiscal year is provided.

d. Provision for employee stock ownership plan trust

To prepare for distribution of SAN HOLDINGS stock to employees, an allowance equal to the estimated amount in the current fiscal year is provided.

(4) Scope of cash and cash equivalents on consolidated statement of cash flows

Cash and cash equivalents consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible and present insignificant risk of change in value.

(5) Other significant matters for preparation of the consolidated financial statements

a. Accounting for land trust

Based on financial statements sent by a trust bank, balance sheet items are included in beneficiary right of real estate in trust, while items in income statements are included in operating revenue or operating expenses.

b. Accounting for consumption taxes

All amounts stated are exclusive of national and local consumption taxes.

c. Application of consolidated taxation system

The consolidated taxation system has been applied.

With regard to the transition to the group tax sharing system that was established by the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 8 of 2020) and the non-consolidated tax system items that were revised by this act, the SAN HOLDINGS Group has not applied "Guidance on Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) Article 44 pursuant to "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, March 31, 2020) Article 3. Consequently, deferred tax assets and deferred tax liabilities are based on the tax law before the revision.

Reclassifications

Consolidated Statement of Income

“Rental income from company housing,” which was included in “Miscellaneous income” under non-operating income in the previous fiscal year, is presented separately from the current fiscal year since the amount exceeded 10% of non-operating income. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, “Miscellaneous income” of 16,689 thousand yen presented under “Non-operating income” in the previous fiscal year’s consolidated statement of income is reclassified and divided into “Rental income from company housing” of 3,728 thousand yen and “Miscellaneous income” of 12,961 thousand yen.

Additional Information

Distribution of SAN HOLDINGS stock to employees, etc. using a trust

SAN HOLDINGS is using this distribution of stock as an incentive plan to heighten motivation for contributing to the growth of corporate value. The distribution of stock will increase benefits for employees of SAN HOLDINGS and its subsidiaries and is expected to give employees a stronger feeling of belonging to a unified team and participating in management. This will give employees a stronger commitment to the medium and long-term growth of sales and earnings and to increasing the stock price.

(1) Outline of transactions

The incentive plan uses a trust established and funded by SAN HOLDINGS to purchase at once a sufficient number of shares of SAN HOLDINGS common stock for upcoming distributions. Employees who meet the designated requirements will receive points granted in accordance with stock distribution rules established by the directors of SAN HOLDINGS and its subsidiaries. The points are subsequently used to determine the number of shares of SAN HOLDINGS common stock to be received by employees from the trust. Points reflect each person’s job and other factors. There is no cost to employees because SAN HOLDINGS covers the entire cost of stock purchases made by the trust.

(2) SAN HOLDINGS stock remaining in the trust

The book value (excluding associated expenses) of SAN HOLDINGS stock held by the trust is shown as treasury shares in the net assets section of the consolidated balance sheet. As of the end of the current fiscal year, the trust held 136,000 shares of SAN HOLDINGS with a book value of 149,781 thousand yen.

Note: SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2019. The above number of treasury shares is based on the number of shares after the stock split.

Disposal of treasury shares for restricted stock compensation

The SAN HOLDINGS Board of Directors approved a resolution on July 18, 2019 for the disposal of treasury shares for use as restricted stock compensation. The payment procedure for these shares were completed on August 6, 2019.

(1) Summary of disposal of treasury shares

1. Deadline	August 6, 2019
2. Type and number of shares	SAN HOLDINGS common stock: 12,300 shares
3. Price	2,313 yen per share
4. Total proceeds	28,449,900 yen
5. Allocation of shares	<p>4 directors of SAN HOLDINGS: 7,100 shares (Note 1)</p> <p>5 executive officers of SAN HOLDINGS: 1,600 shares</p> <p>5 directors of subsidiaries of SAN HOLDINGS: 1,500 shares (Notes 1 and 2)</p> <p>6 executive officers of subsidiaries of SAN HOLDINGS: 2,100 shares (Note 2)</p> <p>Note 1: except external directors</p> <p>Note 2: except individuals who serve concurrently as directors and executive officers</p>
6. Other	SAN HOLDINGS has submitted the Securities Registration Statement regarding this disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

Note: SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2019. The above number of shares is based on the number of shares before the stock split.

(2) Purposes and reasons for the disposal of treasury shares

The SAN HOLDINGS Board of Directors approved a resolution on July 18, 2019 for the disposal of treasury shares for use in a compensation plan that distributes restricted stock to directors (excluding external directors) of SAN HOLDINGS. The purpose is to expose these directors to the same risks and rewards associated with stock price movements as all other SAN HOLDINGS shareholders and to further increase their motivation to contribute to an increase in the stock price and the growth of corporate value.

Notes to Consolidated Statement of Income

Impairment loss

The Group recognized impairment losses on the following groups of assets.

Use	Location	Item	Impairment loss (Thousands of yen)
Funeral halls	Amagasaki, Hyogo	Buildings and structures, tools, furniture and fixtures, leased assets	60,850
Funeral halls	Setagaya-ku, Tokyo	Buildings and structures	60,640
Nursing care facilities	Minoh, Osaka	Buildings and structures, leased assets, others	17,129
Restaurants	Kita-ku, Osaka	Buildings and structures, machinery, equipment and vehicles, tools, furniture and fixtures, others	12,197

Grouping of assets is based on the asset classification used for managerial accounting.

Since the asset groups located in Amagasaki, Hyogo, Setagaya-ku, Tokyo and Minoh, Osaka have generated continuous losses from their operating activities, the book values of these asset groups were reduced to the recoverable amounts, and the amount of reduction was recognized as an impairment loss and presented under extraordinary losses.

The amount of impairment loss on the asset group in Amagasaki, Hyogo consists of 58,395 thousand yen for buildings and structures, 695 thousand yen for tools, furniture and fixtures and 1,760 thousand yen for leased assets. The amount of impairment loss on the asset group in Setagaya-ku, Tokyo consists of 60,640 thousand yen for buildings and structures. The amount of impairment loss on the asset group in Minoh, Osaka consists of 12,125 thousand yen for buildings and structures, 4,070 thousand yen for leased assets and 933 thousand yen for others.

The recoverable amount of the asset group in Setagaya-ku, Tokyo was measured at its net selling price, based on the appraisal of a real estate appraiser.

The book values of asset groups located in Amagasaki, Hyogo and Minoh, Osaka were reduced to the memorandum values because it was determined that their recoverability is low since these assets are mainly for leasing.

The book value of the asset group in Kita-ku, Osaka was reduced to the recoverable amount, and the amount of reduction was recognized as an impairment loss and presented under extraordinary losses, due to the decision to close the location.

The amount of impairment loss on this asset group consists of 9,389 thousand yen for buildings and structures, 671 thousand yen for machinery, equipment and vehicles, 954 thousand yen for tools, furniture and fixtures and 1,182 thousand yen for others.

The recoverable amount of this asset group is zero, measured by the value in use.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are SAN HOLDINGS' constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

SAN HOLDINGS, which is the holding company, determines strategies and performs management functions for all group companies. SAN HOLDINGS oversees the operations of subsidiaries that provide funeral-related services and leases real estate used for funeral halls and other facilities. All subsidiaries conduct business activities involving their respective services and products in accordance with the strategies determined by SAN HOLDINGS.

Consequently, the SAN HOLDINGS Group is composed of segments based on company group, primarily the three funeral companies and SAN HOLDINGS, the holding company, and there are four reportable segments: KOEKISHA Group, SOU-SEN Group, TARUI Group and Holding Company Group.

2. Calculation method for net sales, profit or loss, assets, and other items for each reportable segment

The accounting method used for reportable business segments are generally the same as those described in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Segment profit for reportable segments are based on ordinary profit.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets, and other items for each reportable segment

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total		
Net sales							
External sales	17,118,496	1,409,134	1,834,995	404,357	20,766,984	-	20,766,984
Inter-segment sales and transfers	24,766	138	81	4,688,353	4,713,340	(4,713,340)	-
Total	17,143,263	1,409,272	1,835,077	5,092,711	25,480,325	(4,713,340)	20,766,984
Segment profit	1,603,038	36,563	339,004	1,966,166	3,944,773	(1,007,801)	2,936,971
Segment assets	5,570,196	356,756	1,074,835	28,465,564	35,467,353	(4,140,362)	31,326,991
Other items							
Depreciation (Note 3)	189,864	15,045	38,161	565,374	808,446	-	808,446
Interest income	6,277	1	2,215	4,239	12,734	(8,972)	3,762
Interest expenses	485	248	-	17,488	18,221	(8,972)	9,249
Increase in property, plant and equipment and intangible assets	225,598	15,063	184,303	934,106	1,359,072	-	1,359,072

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Reportable segment					Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total		
Net sales							
External sales	17,611,322	1,449,660	1,817,297	402,786	21,281,066	-	21,281,066
Inter-segment sales and transfers	24,386	-	50	5,147,165	5,171,601	(5,171,601)	-
Total	17,635,708	1,449,660	1,817,348	5,549,951	26,452,668	(5,171,601)	21,281,066
Segment profit	1,742,493	44,128	324,151	2,261,545	4,372,318	(1,308,194)	3,064,124
Segment assets	5,518,127	365,234	1,154,192	29,239,191	36,276,745	(4,402,518)	31,874,226
Other items							
Depreciation (Note 3)	215,727	13,362	40,222	586,477	855,789	-	855,789
Interest income	6,292	1	2,241	4,282	12,818	(9,334)	3,483
Interest expenses	809	160	-	10,502	11,472	(9,334)	2,137
Increase in property, plant and equipment and intangible assets	240,269	14,462	10,877	720,196	985,806	-	985,806

Notes: 1. Contents of adjustments are as follows.

To segment profit	(Thousands of yen)	
	FY3/19	FY3/20
Elimination of amount equivalent to dividends paid to the holding company by consolidated subsidiaries	(1,008,000)	(1,308,000)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	198	(194)
Total	(1,007,801)	(1,308,194)

To segment assets	(Thousands of yen)	
	FY3/19	FY3/20
Stock of subsidiaries held by the holding company	(2,562,585)	(2,512,585)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	1,375	151,211
Elimination of inter-segment transactions	(1,579,152)	(2,041,144)
Total	(4,140,362)	(4,402,518)

2. Segment profit is adjusted to be consistent with ordinary profit recorded in the consolidated statement of income.
3. Depreciation under other items include amortization of long-term prepaid expenses.

Related information

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

1. Information by product or service

Omitted since sales to external customers in the category of a single product or service exceeded 90% of operating revenue on the consolidated statement of income.

2. Information by region

(1) Net sales

Not applicable because there are no external sales outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

1. Information by product or service

Omitted since sales to external customers in the category of a single product or service exceeded 90% of operating revenue on the consolidated statement of income.

2. Information by region

(1) Net sales

Not applicable because there are no external sales outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

Information related to impairment losses on non-current assets for each reportable segment

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total
Impairment loss	4,917	-	-	54,780	59,697

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total
Impairment loss	68,218	-	-	82,600	150,818

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

Not applicable.

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

Not applicable.

Information related to gain on bargain purchase for each reportable segment

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

Not applicable.

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

Not applicable.

Per Share Information

(Yen)

	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net assets per share	2,320.93	2,471.96
Net income per share	188.04	165.81

Notes: 1. Diluted net income per share is not presented because there are no latent shares.

2. SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2019. Net assets per share and net income per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

3. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan of 136,000 shares are included in the treasury shares that are deducted from the number of shares for calculating the average number of shares outstanding for the determination of net income per share.

4. The basis of calculating the net income per share is as follows:

	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	2,112,188	1,856,635
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent applicable to common shares (Thousands of yen)	2,112,188	1,856,635
Average number of shares outstanding (Shares)	11,232,622	11,197,427
Summary of latent shares not included in the calculation of the diluted net income per share since there was no dilutive effect	-	-

Note: SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2019. The average number of shares outstanding has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Subsequent Events

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.