



August 5, 2021

**Summary of Consolidated Financial Results  
for the First Quarter of the Fiscal Year Ending March 31, 2022  
(Three Months Ended June 30, 2021)**

[Japanese GAAP]

Company name: SAN HOLDINGS, INC. Listing: Tokyo Stock Exchange, First Section  
Stock code: 9628 URL: <https://www.san-hd.co.jp>  
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Scheduled date of filing of Quarterly Report: August 12, 2021

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

*(All amounts are rounded down to the nearest million yen)***1. Consolidated Financial Results for the Three Months Ended June 30, 2021****(April 1, 2021 – June 30, 2021)**

(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                             | %      |
| Three months ended Jun. 30, 2021 | 4,917             | 21.2   | 934              | 256.4  | 939             | 258.3  | 610                                     | 274.7  |
| Three months ended Jun. 30, 2020 | 4,055             | (18.6) | 262              | (55.5) | 262             | (55.0) | 162                                     | (56.7) |

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2021: 610 (up 274.7%)  
Three months ended Jun. 30, 2020: 162 (down 56.7%)

|                                  | Net income per share | Diluted net income per share |
|----------------------------------|----------------------|------------------------------|
|                                  | Yen                  | Yen                          |
| Three months ended Jun. 30, 2021 | 55.31                | -                            |
| Three months ended Jun. 30, 2020 | 14.75                | -                            |

Note: Beginning with the first quarter of the fiscal year ending on March 31, 2022, SAN HOLDINGS started to apply the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020). All figures for the three months ended June 30, 2021 incorporate this accounting standard.

(2) Consolidated financial position

|                     | Total assets | Net assets  | Equity ratio |
|---------------------|--------------|-------------|--------------|
|                     | Million yen  | Million yen | %            |
| As of Jun. 30, 2021 | 32,477       | 28,831      | 88.8         |
| As of Mar. 31, 2021 | 32,387       | 28,548      | 88.1         |

Reference: Shareholder's equity (million yen) As of Jun. 30, 2021: 28,831 As of Mar. 31, 2021: 28,548

Note: Beginning with the first quarter of the fiscal year ending on March 31, 2022, SAN HOLDINGS started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures as of June 30, 2021 incorporate this accounting standard.

**2. Dividends**

|   | Dividend per share |        |        |          |       |
|---|--------------------|--------|--------|----------|-------|
|   | 1Q-end             | 2Q-end | 3Q-end | Year-end | Total |
|   | Yen                | Yen    | Yen    | Yen      | Yen   |
| Fiscal year ended Mar. 31, 2021             | -                  | 16.00  | -      | 17.00    | 33.00 |
| Fiscal year ending Mar. 31, 2022            | -                  | -      | -      | -        | -     |
| Fiscal year ending Mar. 31, 2022 (forecast) | -                  | 17.00  | -      | 17.00    | 34.00 |

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)**

(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 | 9,500             | 10.4 | 1,370            | 76.7 | 1,360           | 77.8 | 850                                     | 77.8 | 77.50                |
| Full year  | 19,760            | 4.7  | 2,570            | 0.8  | 2,540           | 0.1  | 1,590                                   | 1.7  | 144.98               |

Notes: 1. Revisions to the most recently announced consolidated forecast: Yes

2. 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 June 30, 2021 (excluding treasury shares).

**\* Notes**

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

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

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

|                      |                   |                      |                   |
|----------------------|-------------------|----------------------|-------------------|
| As of Jun. 30, 2021: | 12,164,016 shares | As of Mar. 31, 2021: | 12,164,016 shares |
|----------------------|-------------------|----------------------|-------------------|

2) Number of treasury shares at the end of the period

|                      |                  |                      |                  |
|----------------------|------------------|----------------------|------------------|
| As of Jun. 30, 2021: | 1,197,417 shares | As of Mar. 31, 2021: | 1,091,017 shares |
|----------------------|------------------|----------------------|------------------|

3) Average number of shares outstanding during the period

|                                   |                   |                                   |                   |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Three months ended Jun. 30, 2021: | 11,036,739 shares | Three months ended Jun. 30, 2020: | 11,050,118 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

Note: The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan of 135,800 shares as of June 30, 2021 and 136,100 shares as of June 30, 2020 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.

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

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

Note concerning forward-looking statements

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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 4 for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first quarter of the fiscal year ending in March 2022, although the pandemic is continuing to affect the Japanese economy, exports and production in Japan continued to increase as the global economy recovers. Corporate earnings are improving and capital expenditures are rebounding. Despite these positive signs, there is significant downward pressure on consumer spending in the service sector, such as restaurants and hotels, and consumer spending overall remains sluggish.

Activities of consumers were restricted in Japan's large cities during almost the entire first quarter because of a state of emergency and other steps in response to the increasing number of infections caused by the delta variant. Although there are expectations for progress with vaccinations, the outlook for the Japanese economy is still uncertain.

In Japan's funeral industry, companies are continuing to provide services for saying farewell to the deceased while taking many actions to ensure the safety of customers, employees and all other involved with funerals during the pandemic. Small funerals are increasing because of the pandemic. Funeral companies are carefully determining aspects of funerals that have not changed and aspects that have changed due to the pandemic. For example, people are attending funerals remotely and using the internet for seminars and preliminary funeral consultations. Due to this environment, funeral companies in Japan are examining the proper roles of their services, as well as how to provide those services, in order to meet the needs involving funerals after this pandemic ends.

The fiscal year ending in March 2022 is the final year of the current medium-term management plan. The plan has three priorities: increase operating efficiency, broaden the lineup of end-of-life support and extend the funeral business to more areas of Japan.

Life Forward CO., LTD. is the primary provider of services in the end-of-life support business. This company enlarged its lineup of services in April 2021 in order to begin providing assistance for Buddhist memorial services, inheritance planning, and making final arrangements prior to death concerning assets and other matters. In addition, Life Forward is using the consultation skills of end-of-life counselors at this company's contact center to work as an alliance partner starting in April 2021 with a company that provides life support services to seniors. In May, Life Forward and another company jointly developed a funeral insurance policy that includes end-of-life consultations.

Plans have been finalized for the opening of six funeral halls during the current fiscal year. The new locations include KOEKISHA Hall in Nagai (Sumiyoshi-ku, Osaka), Nerima Hall of KOEKISHA (Nerima-ku, Tokyo) and Kokubunji Hall of KOEKISHA (Kokubunji city, Tokyo). The other three locations will be announced later. The addition of these six funeral halls will result in the achievement of the three-year medium-term plan goal of opening 13 halls.

During the first quarter, the number of funerals at the SAN HOLDINGS Group increased 20.1% year on year because of increases in the number of funerals at all three group companies. Funeral service revenue was up 23.5% because of an increase in average revenue per funeral resulting from a higher percentage and higher prices of large funerals.

Sales of products and services associated with funerals were also higher than one year earlier because the larger number of funerals increased opportunities to sell these items. The establishment of a sales framework that reflects the challenges created by the pandemic also contributed to sales growth.

There was a small decrease in personnel expenses even though the number of funerals increased in the first quarter, chiefly at KOEKISHA. This decline was the result of using the proper number of people in response to the larger number of simple funerals due to the pandemic and of rigorous measures to control personnel expenses. As a result, operating expenses increased only 5.5% and selling, general and administrative expenses were down 1.2%.

Operating revenue increased 21.2% year on year to 4,917 million yen. Earnings were higher as well with operating profit up 256.4% to 934 million yen and ordinary profit up 258.3% to 939 million yen. Profit attributable to owners of parent increased 274.7% to 610 million yen.

The SAN HOLDINGS Group is composed of segments based on companies, primarily the three funeral companies and SAN HOLDINGS, the holding company. There are four reportable segments: KOEKISHA Group, SOU-SEN Group, TARUI Group and Holding Company Group. The KOEKISHA Group segment includes the revenue and earnings of Life Forward CO., LTD., which started operating in the fiscal year that ended in March 2021.

Business segment performance was as follows. Revenue and earnings were higher than one year earlier in all segments.

#### 1) The KOEKISHA Group

At KOEKISHA CO., LTD., the core company of this segment, the number of ordinary funerals (less than 5 million yen) was 22.7% higher than one year earlier. COVID-19 deaths are responsible for about half of this increase. Average revenue per funeral decreased. Although the number of funerals for COVID-19 deaths increased, the significant restrictions on how these funerals are held exerted downward pressure on revenue.

KOEKISHA has established a framework for holding large funerals (more than 5 million yen) accompanied by extensive measures for protection against COVID-19 infections. The result was an increase in revenue from one year earlier, which is about 85% of the pre-pandemic revenue in the first quarter of the fiscal year that ended in March 2020.

At KOEKISHA, the number of funerals increased 23.3% year on year and funeral service revenue increased 26.7%, which is about 2% higher than the pre-pandemic revenue in the first quarter of the fiscal year that ended in March 2020.

Sales of products and services associated with funerals were also higher than one year earlier because of the recovery in the number of funerals. Family altars and fixtures and courtesy gifts made contributions to sales.

Operating expenses were higher than one year earlier. An increase in orders for large funerals from other companies and higher sales of memorial service items, courtesy gifts and other items raised direct expenses. Despite these expenses, there was only a small increase in the direct expense ratio mainly because of activities to make business operations more efficient. In addition, there was a very small decrease in personnel expenses.

Sales in the KOEKISHA Group segment were 4,094 million yen, up 24.9% year on year, and the segment profit was 557 million yen, compared with a loss of 91 million yen one year earlier.

#### 2) The SOU-SEN Group

At SOU-SEN CORPORATION, the number of funerals mostly in or near the cities of Yonago and Sakaiminato increased 9.1% year on year. The average revenue per funeral increased slightly even though more people prefer small funerals and funeral service revenue was 9.2% higher than one year earlier. Sales of products and services associated with funerals decreased, although there were higher sales of food and some other categories.

Sales in the SOU-SEN Group segment were 316 million yen, up 6.5% year on year, and the segment profit was 10 million yen, compared with a loss of 1 million yen one year earlier.

#### 3) The TARUI Group

At TARUI CO., LTD., the number of funerals was 10.3% higher than one year earlier mainly because of more funerals at locations that were remodeled to handle small funerals. Average revenue per funeral was down slightly. As a result, funeral service revenue increased 10.1%. Sales of products and services associated with funerals decreased.

Sales in the TARUI Group segment were 412 million yen, up 6.6% year on year, and the segment profit was 59 million yen, up 18.7%.

#### 4) Holding Company Group

Operating revenue at SAN HOLDINGS increased because of an increase in dividend income.

Sales in the Holding Company Group segment were 2,724 million yen, up 59.0% year on year, and the segment profit was 1,968 million yen, up 105.6%.

### (2) Explanation of Financial Position

#### Assets

Current assets at the end of the first quarter were 7,915 million yen, up 20 million yen from the end of the previous fiscal year. This was mainly due to an increase of 104 million yen in trade accounts receivable and contract assets and an increase in deposits paid for income taxes receivable and purchase of treasury shares, while there was a decrease of 593 million yen in cash and deposits.

Non-current assets were 24,562 million yen, up 69 million yen from the end of the previous fiscal year. Property, plant, and equipment increased 141 million yen. Depreciation reduced the book value of assets, primarily buildings and structures, but the construction in progress increased because of the construction of funeral halls that are to begin operating during the current fiscal year. Investments and other assets decreased 118 million yen mainly because of a decline in deferred tax assets.

As a result, total assets increased 90 million yen from the end of the previous fiscal year to 32,477 million yen.

#### Liabilities

Current liabilities at the end of the first quarter were 2,407 million yen, down 134 million yen from the end of the previous fiscal year. This was mainly due to decreases of 70 million yen in trade accounts payable, 324 million yen in income taxes payable and 302 million yen in provision for bonuses, while there were increases in deposits received for withholding taxes on dividends and accrued consumption taxes.

Non-current liabilities were 1,238 million yen, a decrease of 59 million yen from the end of the previous fiscal year. This was mainly due to a decrease in lease obligations.

As a result, total liabilities decreased 193 million yen from the end of the previous fiscal year to 3,646 million yen.

#### Net assets

Net assets were 28,831 million yen at the end of the first quarter, up 283 million yen from the end of the previous fiscal year.

The main factors include a 410 million yen increase in retained earnings due to profit attributable to owners of parent of 610 million yen and dividend payments of 190 million yen and purchase of treasury shares in an amount of 127 million yen in the first quarter.

Consequently, the equity ratio increased 0.7 percentage points from the end of the previous fiscal year to 88.8%.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

The consolidated forecast for the fiscal year ending in March 2022 has been revised as announced in the “Notice of Revision to Earnings Forecast” (Japanese version only) released today (August 5, 2021).

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

|   | (Millions of yen)               |  |
|---|---------------------------------|--|
|   | FY3/21<br>(As of Mar. 31, 2021) | First quarter of FY3/22<br>(As of Jun. 30, 2021) |
| Assets  |                                 |  |
| Current assets                                |                                 |  |
| Cash and deposits                             | 7,042                           | 6,449  |
| Trade accounts receivable                     | 452                             | -  |
| Trade accounts receivable and contract assets | -                               | 556  |
| Merchandise and finished goods                | 114                             | 94   |
| Raw materials and supplies                    | 47                              | 53   |
| Other   | 239                             | 763  |
| Allowance for doubtful accounts               | (1)                             | (1)  |
| Total current assets                          | 7,895                           | 7,915  |
| Non-current assets                            |                                 |  |
| Property, plant and equipment                 |                                 |  |
| Buildings and structures, net                 | 9,289                           | 9,182  |
| Land  | 12,247                          | 12,247   |
| Leased assets, net                            | 397                             | 364  |
| Other, net                                    | 219                             | 500  |
| Total property, plant and equipment           | 22,153                          | 22,295   |
| Intangible assets                             | 155                             | 201  |
| Investments and other assets                  |                                 |  |
| Long-term loans receivable                    | 202                             | 198  |
| Beneficial interests in real estate trust     | 493                             | 497  |
| Guarantee deposits                            | 736                             | 761  |
| Other   | 761                             | 618  |
| Allowance for doubtful accounts               | (10)                            | (10)   |
| Total investments and other assets            | 2,183                           | 2,065  |
| Total non-current assets                      | 24,492                          | 24,562   |
| Total assets                                  | 32,387                          | 32,477   |

|  | (Millions of yen)               |  |
|--|---------------------------------|--|
|  | FY3/21<br>(As of Mar. 31, 2021) | First quarter of FY3/22<br>(As of Jun. 30, 2021) |
| <b>Liabilities</b>                                       |                                 |  |
| <b>Current liabilities</b>                               |                                 |  |
| Trade accounts payable                                   | 613                             | 542  |
| Current portion of long-term borrowings                  | 5                               | -  |
| Lease obligations  | 117                             | 117  |
| Income taxes payable                                     | 413                             | 88   |
| Provision for bonuses                                    | 484                             | 182  |
| Provision for bonuses for directors (and other officers) | 31                              | 8  |
| Other  | 876                             | 1,467  |
| <b>Total current liabilities</b>                         | <b>2,541</b>                    | <b>2,407</b>                                     |
| <b>Non-current liabilities</b>                           |                                 |  |
| Lease obligations  | 322                             | 287  |
| Provision for employee stock ownership plan trust        | 27                              | 31   |
| Asset retirement obligations                             | 410                             | 411  |
| Other  | 536                             | 508  |
| <b>Total non-current liabilities</b>                     | <b>1,297</b>                    | <b>1,238</b>                                     |
| <b>Total liabilities</b>                                 | <b>3,839</b>                    | <b>3,646</b>                                     |
| <b>Net assets</b>  |                                 |  |
| <b>Shareholders' equity</b>                              |                                 |  |
| Share capital  | 2,568                           | 2,568  |
| Capital surplus  | 5,492                           | 5,492  |
| Retained earnings  | 21,749                          | 22,159   |
| Treasury shares  | (1,261)                         | (1,389)  |
| <b>Total shareholders' equity</b>                        | <b>28,548</b>                   | <b>28,831</b>                                    |
| <b>Total net assets</b>                                  | <b>28,548</b>                   | <b>28,831</b>                                    |
| <b>Total liabilities and net assets</b>                  | <b>32,387</b>                   | <b>32,477</b>                                    |



**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**  
**Quarterly Consolidated Statement of Income**  
**(For the Three-month Period)**

|  | (Millions of yen)  |  |
|--|--|--|
|  | First three months of FY3/21<br>(Apr. 1, 2020 – Jun. 30, 2020) | First three months of FY3/22<br>(Apr. 1, 2021 – Jun. 30, 2021) |
| Operating revenue  | 4,055  | 4,917  |
| Operating expenses                                       | 3,478  | 3,671  |
| Operating gross profit                                   | 577  | 1,246  |
| Selling, general and administrative expenses             |  |  |
| Remuneration for directors (and other officers)          | 45   | 48   |
| Salaries   | 93   | 85   |
| Bonuses  | 8  | 6  |
| Provision for bonuses                                    | 14   | 17   |
| Provision for bonuses for directors (and other officers) | 7  | 8  |
| Provision of allowance for doubtful accounts             | (1)  | 0  |
| Depreciation   | 5  | 5  |
| Other  | 142  | 138  |
| Total selling, general and administrative expenses       | 315  | 311  |
| Operating profit   | 262  | 934  |
| Non-operating income                                     |  |  |
| Interest income  | 0  | 0  |
| Dividend income  | 0  | 0  |
| Subsidy income   | -  | 3  |
| Miscellaneous income                                     | 4  | 2  |
| Total non-operating income                               | 5  | 7  |
| Non-operating expenses                                   |  |  |
| Interest expenses  | 0  | 0  |
| Miscellaneous losses                                     | 5  | 2  |
| Total non-operating expenses                             | 5  | 2  |
| Ordinary profit  | 262  | 939  |
| Extraordinary income                                     |  |  |
| Gain on sale of non-current assets                       | 0  | -  |
| Total extraordinary income                               | 0  | -  |
| Extraordinary losses                                     |  |  |
| Loss on retirement of non-current assets                 | 0  | 4  |
| Total extraordinary losses                               | 0  | 4  |
| Profit before income taxes                               | 261  | 935  |
| Income taxes-current                                     | 23   | 181  |
| Income taxes-deferred                                    | 74   | 143  |
| Total income taxes                                       | 98   | 324  |
| Profit   | 162  | 610  |
| Profit attributable to owners of parent                  | 162  | 610  |

**Quarterly Consolidated Statement of Comprehensive Income****(For the Three-month Period)**

(Millions of yen)

|  | First three months of FY3/21<br>(Apr. 1, 2020 – Jun. 30, 2020) | First three months of FY3/22<br>(Apr. 1, 2021 – Jun. 30, 2021) |
|--|--|--|
| Profit   | 162  | 610  |
| Comprehensive income   | 162  | 610  |
| Comprehensive income attributable to:                          |  |  |
| Comprehensive income attributable to owners of parent          | 162  | 610  |
| Comprehensive income attributable to non-controlling interests | -  | -  |

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Changes in Accounting Policies****Application of the Accounting Standard for Revenue Recognition**

Beginning with the first quarter of the fiscal year ending on March 31, 2022, SAN HOLDINGS started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Based on this standard, revenue expected to be received in exchange for the provision of promised goods and services is recognized when the control of the goods and services is transferred to customers. Accordingly, SAN HOLDINGS has changed its method of recognizing revenue from membership fees when goods or services are provided, whereas it previously recognized revenue at the time of payment.

In addition, revenue from the provision of services was previously recognized at the time of completion of services. SAN HOLDINGS has changed to a method of recording revenue over a certain period of time by estimating the progress of the relevant performance obligation.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment prescribed in the proviso to Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting policies, if it is applied prior to the first quarter of the current fiscal year, is added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year. The new accounting policies are then applied beginning with this amount of retained earnings.

As a result, operating revenue decreased by 23 million yen, and operating gross profit, operating profit, ordinary profit and profit before income taxes decreased by 18 million yen, respectively. Profit attributable to owners of parent decreased by 13 million yen and the balance of retained earnings at the beginning of the current fiscal year decreased by 9 million yen.

Due to the application of the Accounting Standard for Revenue Recognition, trade accounts receivable that were presented in the current assets section of the consolidated balance sheet in the previous fiscal year is, from the first quarter of the current fiscal year, included in trade accounts receivable and contract assets. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the previous fiscal year's consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), SAN HOLDINGS has not presented information on revenue from contracts with customers broken down for the first quarter of the previous fiscal year.

**Segment and Other Information**

## I. First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)

## 1. Information related to net sales, profit or loss for each reportable segment (Millions of yen)

|                                      | Reportable segment |                  |                |                             |       | Adjustment<br>(Note 1) | Amounts<br>shown on<br>quarterly<br>consolidated<br>statement of<br>income<br>(Note 2) |
|--------------------------------------|--------------------|------------------|----------------|-----------------------------|-------|------------------------|--|
|                                      | KOEKISHA<br>Group  | SOU-SEN<br>Group | TARUI<br>Group | Holding<br>Company<br>Group | Total |                        |  |
| Net sales                            |                    |                  |                |                             |       |                        |  |
| External sales                       | 3,270              | 297              | 386            | 101                         | 4,055 | -                      | 4,055  |
| Inter-segment sales<br>and transfers | 7                  | -                | -              | 1,612                       | 1,619 | (1,619)                | -  |
| Total                                | 3,277              | 297              | 386            | 1,713                       | 5,675 | (1,619)                | 4,055  |
| Segment profit (loss)                | (91)               | (1)              | 50             | 957                         | 914   | (652)                  | 262  |

Notes: 1. Contents of adjustment to segment profit (loss) are as follows.

(Millions of yen)

|  | Amount |
|--|--------|
| Elimination of amount equivalent to dividends paid to the holding company by consolidated subsidiaries     | (652)  |
| Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities | 0      |
| Total  | (652)  |

2. Segment profit (loss) is adjusted to be consistent with ordinary profit recorded in the quarterly consolidated statement of income.

## 2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable.

## II. First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)

## 1. Information related to net sales, profit or loss for each reportable segment and breakdown of revenue

(Millions of yen)

|   | Reportable segment |                  |                |                             |       | Adjustment<br>(Note 1) | Amounts<br>shown on<br>quarterly<br>consolidated<br>statement of<br>income<br>(Note 2) |
|---|--------------------|------------------|----------------|-----------------------------|-------|------------------------|--|
|   | KOEKISHA<br>Group  | SOU-SEN<br>Group | TARUI<br>Group | Holding<br>Company<br>Group | Total |                        |  |
| Net sales                                   |                    |                  |                |                             |       |                        |  |
| Funeral service<br>revenue                  | 3,383              | 274              | 380            | -                           | 4,038 | -                      | 4,038  |
| Other                                       | 701                | 42               | 31             | -                           | 775   | -                      | 775  |
| Revenue from<br>contracts with<br>customers | 4,084              | 316              | 412            | -                           | 4,814 | -                      | 4,814  |
| Other revenue                               | -                  | -                | -              | 102                         | 102   | -                      | 102  |
| External sales                              | 4,084              | 316              | 412            | 102                         | 4,917 | -                      | 4,917  |
| Inter-segment sales<br>and transfers        | 9                  | -                | -              | 2,621                       | 2,630 | (2,630)                | -  |
| Total                                       | 4,094              | 316              | 412            | 2,724                       | 7,548 | (2,630)                | 4,917  |
| Segment profit                              | 557                | 10               | 59             | 1,968                       | 2,596 | (1,656)                | 939  |

Notes: 1. Contents of adjustment to segment profit are as follows.

(Millions of yen)

|  | Amount  |
|--|---------|
| Elimination of amount equivalent to dividends paid to the holding company by consolidated subsidiaries     | (1,658) |
| Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities | 1       |
| Total  | (1,656) |

2. Segment profit is adjusted to be consistent with ordinary profit recorded in the quarterly consolidated statement of income.

## 2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

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.*