



May 10, 2024

**Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024****[Japanese GAAP]**

Company name: SAN HOLDINGS, INC. Listing: Tokyo Stock Exchange  
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Scheduled date of Annual General Meeting of Shareholders: June 25, 2024

Scheduled date of payment of dividend: June 26, 2024

Scheduled date of filing of Annual Securities Report: June 26, 2024

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, 2024 (April 1, 2023 – March 31, 2024)**

(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, 2024	22,437	3.6	3,789	(2.0)	3,800	(1.1)	2,363	(15.1)
Fiscal year ended Mar. 31, 2023	21,663	8.3	3,868	14.6	3,843	13.5	2,783	36.4

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2024: 2,363 (down 15.1%)  
 Fiscal year ended Mar. 31, 2023: 2,783 (up 36.4%)

	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, 2024	114.38	-	7.3	10.3	16.9
Fiscal year ended Mar. 31, 2023	131.92	-	9.1	11.0	17.9

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2024: 35  
 Fiscal year ended Mar. 31, 2023: (12)

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. 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, 2024	37,585	32,877	87.5	1,610.89
As of Mar. 31, 2023	36,229	31,615	87.3	1,508.46

Reference: Shareholder's equity (million yen) As of Mar. 31, 2024: 32,877 As of Mar. 31, 2023: 31,615

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. 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, 2024	3,170	(1,442)	(1,159)	9,748
Fiscal year ended Mar. 31, 2023	3,262	(594)	(923)	9,179

**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			
Fiscal year ended Mar. 31, 2023	Yen -	Yen 21.00	Yen -	Yen 23.00	Yen 44.00	Million yen 467	% 16.7	% 1.5
Fiscal year ended Mar. 31, 2024	Yen -	Yen 23.00	Yen -	Yen 12.00	Yen -	Million yen 489	% 20.5	% 1.5
Fiscal year ending Mar. 31, 2025 (forecast)	Yen -	Yen 12.00	Yen -	Yen 12.00	Yen 24.00		% 20.0	

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. The interim and year-end dividends for the fiscal year ended March 31, 2023 and the interim dividend for the fiscal year ended March 31, 2024 are the actual amounts before the stock split. The year-end dividends for the fiscal year ended March 31, 2024 and afterward are the amount after the stock split.

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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	11,370	9.3	1,600	(4.3)	1,610	(4.4)	1,030	(5.1)	50.47
Full year	24,300	8.3	3,820	0.8	3,830	0.8	2,450	3.7	120.04

Notes: 1. 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, 2024 (excluding treasury shares).

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

#### \* Notes

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): Yes

Newly added: 1 (Tokyo Ceremony Co., Ltd.) 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, 2024: 23,400,000 shares As of Mar. 31, 2023: 23,400,000 shares

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

As of Mar. 31, 2024: 2,990,388 shares As of Mar. 31, 2023: 2,441,444 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024: 20,660,465 shares Fiscal year ended Mar. 31, 2023: 21,099,204 shares

Notes: 1. SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. 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 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 (266,800 shares as of March 31, 2023 and 262,800 shares as of March 31, 2024).

#### Reference: Summary of Non-consolidated Financial Results

##### 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(April 1, 2023 – March 31, 2024)

(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, 2024	6,683	8.7	3,029	12.3	2,996	12.3	2,398	1.0
Fiscal year ended Mar. 31, 2023	6,147	3.0	2,697	(1.1)	2,668	(1.4)	2,375	23.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2024	116.08	-
Fiscal year ended Mar. 31, 2023	112.59	-

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. 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, 2024	33,992	31,262	92.0	1,531.76
As of Mar. 31, 2023	32,766	29,964	91.4	1,429.71

Reference: Shareholders' equity (million yen): As of Mar. 31, 2024: 31,262 As of Mar. 31, 2023: 29,964

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

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.

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## 1. Overview of Results of Operations

### (1) Results of Operations

In the fiscal year that ended on March 31, 2024, the Japanese economy continued to recover as consumer spending slowly increased as people went on outings again following the end of the pandemic and the labor market and personal income improved. The outlook for the economy is extremely unclear because of geopolitical risk involving tension in many areas of the world, the rising cost of resources, and increasing wages and prices.

In Japan's funeral industry, where we operate, the demand for funeral services is expected to continue to grow until 2040 as the number of people in Japan who are at least 65 years old increases. Although there is no change in the fundamental role of funerals as a valuable place to say farewell to the deceased, there is an increasing tendency for people to have small and simple funerals. The main reasons are the rising number of families consisting only of parents and children (nuclear families) and the pandemic. Competition in Japan's funeral market is intense, especially for small funerals, as funeral companies speed up the opening of new locations nationwide, the number of websites that match funeral requirements with funeral companies increases, and for other reasons. Currently, M&A and other activities for the reorganization of the funeral and end-of-life support business sectors are increasing.

In May 2022, SAN HOLDINGS announced a New 10-Year Vision that defines the goals for the SAN HOLDINGS Group as the group looks ahead to its 100th anniversary in 2032. As one step for accomplishing this vision, a medium-term management plan covering the three-year period ending in March 2025 is under way. The plan has the primary goals of achieving the growth of the funeral business and the growth of the end-of-life support business.

In March 2023, we launched ENDING HAUS. as a brand for family funerals with outstanding quality at reasonable prices. This is part of core activities for the growth of the funeral business, which is one of the main goals of the medium-term management plan. Seven funeral halls were opened during the current fiscal year including four ENDING HAUS locations. During the current medium-term management plan, we plan to add 31 funeral halls by opening new halls, mainly using the ENDING HAUS brand, and using M&A. On January 4, 2024, we acquired Tokyo Ceremony Co., Ltd., which specializes in family funerals. Now a wholly owned subsidiary, this company is well known in the Tokyo area as a provider of high-quality services involving funerals. We will accelerate the further strengthening and expansion of our infrastructure for providing outstanding services.

Growth of the end of life support business is one of our most important goals. On February 8, 2024, SAN HOLDINGS announced the divestiture of a business unit by KOEKISHA and the absorption of the business unit by wholly owned subsidiary Life Forward. Since its establishment by SAN HOLDINGS in April 2020, Life Forward has focused on strengthening customer relations and marketing capabilities in the end of life support business. Combining the activities of KOEKISHA for support before and after funerals with the service functions of Life Forward is expected to result in an even stronger framework for providing quality services to meet the diversifying needs of customers and lead to more growth of the end of life support business.

During the current fiscal year, funeral service revenue at the three funeral companies of the SAN HOLDINGS Group was 2.2% higher than one year earlier. Although the number of funerals decreased 0.6%, the average revenue per funeral was up 2.8%, which was mainly the result of higher revenue at ordinary funerals (less than 5 million yen). The number of deaths in Japan during the current fiscal year was lower than one year earlier because of the end of the increase in the number of deaths caused by the pandemic that had continued throughout 2022 and into early 2023. Furthermore, there was an increase in the number of large funerals (more than 5 million yen) following the low level of these funerals during the pandemic.

In addition, sales of products and services associated with funerals increased as there were higher sales mainly of family altars and fixtures and courtesy gifts.

Operating expenses increased 4.8%. The main reasons were higher personnel and recruiting expenses to handle more funerals as new funeral halls are added and to strengthen the workforce to support more sales growth,

higher building and land leasing expenses due to new funeral halls, and higher up-front advertising expenses. Selling, general and administrative expenses increased 5.0%. This was attributable primarily to higher software depreciation expenses due to the start of operations of a core IT system.

Operating revenue increased 3.6% year on year to 22,437 million yen. Operating profit was down 2.0% to 3,789 million yen due to planned up-front investments for future growth. Ordinary profit decreased 1.1% to 3,800 million yen. After taxes, profit attributable to owners of parent was 2,363 million yen, 15.1% lower than in the previous fiscal year. The equity-method profit associated with GRAN CEREMO TOKYO CO., LTD. was 35 million yen. This funeral company was established in April 2022 and is 51% owned by Kosaido Holdings Co., Ltd. and 49% owned by SAN HOLDINGS.

The SAN HOLDINGS Group has 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 KOEKISHA CO., LTD., EXCEL SUPPORT SERVICE CO., LTD., where operations include funeral support services for the funerals of KOEKISHA, senior care services, food services for senior care facilities and other activities, and Life Forward CO., LTD., which operates an internet platform for end-of-life services and other assistance. Tokyo Ceremony is included only in the consolidated balance sheet because an acquisition date of March 31, 2024, is used for preparation of the financial statements.

Business segment performance was as follows.

#### 1) The KOEKISHA Group

At KOEKISHA CO., LTD., the core company of this segment, the average revenue per funeral increased 2.8% year on year but the number of funerals decreased 1.2% year on year due to a smaller number of pandemic death funerals. As a result, funeral service revenue increased 1.5% year on year.

Sales of products and services associated with funerals were higher than one year earlier because of heightened emphasis on these sales that resulted mainly in an increase in family altars and fixtures, and courtesy gifts.

Operating expenses were higher because of the higher personnel and recruiting expenses to increase the number of funerals for the opening of new funeral halls and to strengthen the workforce in preparation for sales growth, and higher up-front advertising expenses

Sales in the KOEKISHA Group segment were 18,502 million yen, up 3.2% year on year, and the segment profit was 2,349 million yen, down 3.8%.

#### 2) The SOU-SEN Group

At SOU-SEN Corporation, the number of funerals decreased 3.7% year on year. Average revenue per funeral continued to increase due to rising number of mourners. The result was a 1.5% increase in funeral service revenue. Sales of products and services associated with funerals were higher than one year earlier because of heightened emphasis on these sales that resulted mainly in an increase in sales of courtesy gifts and of family altars and fixtures.

Sales in the SOU-SEN Group segment were 1,560 million yen, up 2.9% year on year, and the segment profit was 155 million yen, up 11.6%.

#### 3) The TARUI Group

At TARUI CO., LTD., the number of funerals remained strong, increasing 7.9% from one year earlier due to more funerals mainly at new halls for small funerals. The average revenue per funeral increased 0.7% and funeral service revenue increased 8.7%. Sales of products and services associated with funerals increased mainly due to an increase in sales of family altars and fixtures.

Sales in the TARUI Group segment were 1,993 million yen, up 8.8% year on year, and the segment profit was 452 million yen, up 21.8%.

#### 4) Holding Company Group

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

Fixed expenses were higher mainly because of building and land leasing and depreciation expenses at new funeral halls.

Sales in the Holding Company Group segment were 6,683 million yen, up 8.7% year on year, and the segment profit was 3,027 million yen, up 14.0%.

### (2) Financial Position

#### Assets

Current assets at the end of the current fiscal year were 11,835 million yen, up 796 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of 597 million yen and an increase in accounts receivable and contract assets of 443 million yen each.

Non-current increase 560 million yen from the end of the previous fiscal year. The increase was attributable primarily to a 40 million yen increase in property, plant and equipment, the net result of an increase in construction in progress mainly due to investments in new halls and a decrease due to depreciation, a 401 million yen increase in intangible assets mainly caused by an increase in goodwill and a 118 million yen increase in investments.

As a result, total assets increased 1,356 million yen from the end of the previous fiscal year to 37,585 million yen.

#### Liabilities

Current liabilities at the end of the current fiscal year were 3,636 million yen, up 76 million yen from the end of the previous fiscal year. This was mainly due to increases of 35 million yen in accounts payable-trade and 45 million yen in provision for bonuses.

Non-current liabilities were 1,071 million yen, an increase of 17 million yen from the end of the previous fiscal year. This was mainly due to a decrease in long-term accounts payable-other and an increase in asset retirement obligations.

As a result, total liabilities increased 94 million yen from the end of the previous fiscal year to 4,708 million yen.

#### Net assets

Net assets were 32,877 million yen at the end of the current fiscal year, up 1,262 million yen from the end of the previous fiscal year.

The main factors include profit attributable to owners of parent of 2,363 million yen, an 1,877 million yen increase in retained earnings due to dividend payments of 485 million yen and purchase of treasury shares in an amount of 662 million yen.

Consequently, the equity ratio increased 0.2 percentage points from the end of the previous fiscal year to 87.5%.

### (3) Cash Flows

Cash and cash equivalents at the end of the current fiscal year was 9,748 million yen, up 568 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 3,170 million yen (3,262 million yen provided in the previous fiscal year).

Positive factors include profit before income taxes of 3,629 million yen and depreciation of 941 million yen. Negative factors include an increase in trade receivables of 434 million yen and income taxes paid of 1,656 million yen.

#### Cash flows from investing activities

Net cash used in investing activities was 1,442 million yen (594 million yen used in the previous fiscal year).

Negative factors include purchase of property, plant and equipment of 942 million yen for construction of new funeral halls and renovation and rebuilding of existing funeral halls, payments of 252 million yen due to building of a new core IT system and purchase of shares of subsidiaries of 206 million yen.

#### Cash flows from financing activities

Net cash used in financing activities was 1,159 million yen (923 million yen used in the previous fiscal year).

The main factors include cash dividends paid of 485 million yen and purchase of treasury shares of 662 million yen.

### (4) Outlook

We expect the recovery of the Japanese economy to continue during the fiscal year ending in March 2025. However, the economic outlook will probably remain extremely uncertain because of persistent inflation as tension and instability around the world raise prices of imported goods. In the funeral industry, the demand for funerals is forecast to continue to increase until 2040 due to the rising number of people in Japan who are at least 65 years old. On the other hand, the diversity of funeral styles is increasing as lifestyles and preferences change in Japan. As a result, we anticipate a continuation of the shift to small and simple funerals.

Our outlook for the fiscal year ending in March 2025 is as follows.

Existing funeral halls and new locations are increasing activities to receive orders for funerals as the number of deaths in Japan continues to climb. Funeral halls are also working on minimizing the decline in sales per wedding caused by the tendency for people to have small and simple funerals. As a result, we forecast an increase in funeral sales. In the end of life support business, we are strengthening services for support before and after funerals and aiming for growth of rehabilitation day care services and the foodservice business for senior care facilities. The goal is to provide even more and better support for many years to customers and their family members. In the fiscal year ending in March 2025, we will again add funeral halls, including by using acquisitions, in accordance with the medium-term management plan as we meet customers' needs and further improve the quality of our services. We also plan to increase the workforce to support the growth of business operations.

Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (Results for the fiscal year ended March 31, 2024 are shown in parentheses.)

Operating revenue	24,300 million yen	(22,437 million yen)
Operating profit	3,820 million yen	(3,789 million yen)
Ordinary profit	3,830 million yen	(3,800 million yen)
Profit attributable to owners of parent	2,450 million yen	(2,363 million yen)

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

For the fiscal year that ended in March 2024, shareholders received an interim dividend of 23 yen per share and we plan to pay a year-end dividend of 12 yen per share. This will result in a fiscal year dividend of 23.50 yen per share and a dividend payout ratio of 20.5%. (SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023)

For the fiscal year ending in March 2025, based on our dividend policy, we plan to pay interim and year-end dividends of 12 yen per share. This will result in a fiscal year dividend of 24 yen and an expected dividend payout ratio of 20.0%.

**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**

(Millions of yen)

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	9,192	9,789
Accounts receivable and contract assets	919	1,362
Merchandise and finished goods	122	137
Raw materials and supplies	29	25
Income taxes refund receivable	197	258
Consumption taxes refund receivable	23	18
Other	556	245
Allowance for doubtful accounts	(1)	(2)
Total current assets	11,039	11,835
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,840	9,859
Machinery, equipment and vehicles, net	29	16
Tools, furniture and fixtures, net	106	114
Land	12,250	12,250
Leased assets, net	242	230
Construction in progress	14	52
Total property, plant and equipment	22,483	22,524
Intangible assets		
Goodwill	-	233
Other	398	566
Total intangible assets	398	799
Investments and other assets		
Long-term loans receivable	166	152
Deferred tax assets	551	648
Beneficial interests in real estate trust	475	455
Investment securities	85	120
Guarantee deposits	794	821
Other	243	241
Allowance for doubtful accounts	(9)	(13)
Total investments and other assets	2,308	2,426
Total non-current assets	25,189	25,750
Total assets	36,229	37,585

	(Millions of yen)	
	FY3/23	FY3/24
	(As of Mar. 31, 2023)	(As of Mar. 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Trade accounts payable	993	1,029
Lease liabilities	94	88
Accounts payable-other	754	741
Income taxes payable	666	685
Accrued consumption taxes	291	222
Provision for bonuses	520	566
Provision for bonuses for directors (and other officers)	58	60
Other	180	241
Total current liabilities	3,559	3,636
Non-current liabilities		
Lease liabilities	174	168
Asset retirement obligations	512	561
Provision for employee stock ownership plan trust	49	59
Long-term deposits received	253	281
Long-term accounts payable-other	64	1
Total non-current liabilities	1,054	1,071
Total liabilities	4,613	4,708
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,568	2,568
Capital surplus	5,488	5,505
Retained earnings	25,153	27,030
Treasury shares	(1,594)	(2,226)
Total shareholders' equity	31,615	32,877
Total net assets	31,615	32,877
Total liabilities and net assets	36,229	37,585

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

(Millions of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Operating revenue	21,663	22,437
Operating expenses	16,325	17,104
Operating gross profit	5,338	5,332
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	172	178
Salaries and allowances	338	356
Bonuses	67	65
Provision for bonuses	58	47
Provision for bonuses for directors (and other officers)	58	60
Outsourcing expenses	194	210
Provision of allowance for doubtful accounts	0	5
Advertising expenses	6	2
Depreciation	41	86
Other	530	528
Total selling, general and administrative expenses	1,470	1,543
Operating profit	3,868	3,789
Non-operating income		
Interest income	2	2
Dividend income	0	0
Share of profit of entities accounted for using equity method	-	35
Miscellaneous income	28	20
Total non-operating income	31	58
Non-operating expenses		
Interest expenses	0	0
Dismantling removal expense	24	30
Share of loss of entities accounted for using equity method	12	-
Non-deductible consumption tax	7	6
Miscellaneous losses	11	11
Total non-operating expenses	56	47
Ordinary profit	3,843	3,800
Extraordinary income		
Gain on sale of non-current assets	292	-
Other	1	-
Total extraordinary income	293	-
Extraordinary losses		
Loss on retirement of non-current assets	6	17
Impairment losses	3	152
Other	-	1
Total extraordinary losses	9	171
Profit before income taxes	4,127	3,629
Income taxes-current	1,320	1,357
Income taxes-deferred	22	(91)
Total income taxes	1,343	1,265
Profit	2,783	2,363
Profit attributable to owners of parent	2,783	2,363

**Consolidated Statement of Comprehensive Income**

	(Millions of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Profit	2,783	2,363
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	2,783	2,363
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,783	2,363
Comprehensive income attributable to non-controlling interests	-	-

**(3) Consolidated Statement of Changes in Equity**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions 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	5,494	23,402	(1,835)	29,629	29,629
Changes during period						
Dividends of surplus			(450)		(450)	(450)
Profit attributable to owners of parent			2,783		2,783	2,783
Purchase of treasury shares				(387)	(387)	(387)
Disposal of treasury shares				27	27	27
Gains on disposal of treasury shares		12			12	12
Cancellation of treasury shares		(18)	(582)	600	-	-
Total changes during period	-	(5)	1,750	240	1,985	1,985
Balance at end of period	2,568	5,488	25,153	(1,594)	31,615	31,615

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions 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	5,488	25,153	(1,594)	31,615	31,615
Changes during period						
Dividends of surplus			(485)		(485)	(485)
Profit attributable to owners of parent			2,363		2,363	2,363
Purchase of treasury shares				(662)	(662)	(662)
Disposal of treasury shares				30	30	30
Gains on disposal of treasury shares		16			16	16
Total changes during period	-	16	1,877	(631)	1,262	1,262
Balance at end of period	2,568	5,505	27,030	(2,226)	32,877	32,877

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	4,127	3,629
Depreciation	882	941
Impairment losses	3	152
Loss on retirement of property, plant and equipment	6	17
Increase (decrease) in allowance for doubtful accounts	(1)	4
Increase (decrease) in provision for bonuses	93	45
Increase (decrease) in provision for bonuses for directors (and other officers)	9	2
Increase (decrease) in provision for employee stock ownership plan trust	10	9
Interest and dividend income	(2)	(2)
Interest expenses	0	0
Loss (gain) on sale of property, plant and equipment	(292)	-
Share of loss (profit) of entities accounted for using equity method	12	(35)
Decrease (increase) in trade receivables	(159)	(434)
Decrease (increase) in inventories	(2)	(11)
Increase (decrease) in trade payables	141	22
Increase (decrease) in accrued consumption taxes	66	(76)
Other, net	(209)	402
Subtotal	4,686	4,666
Interest and dividends received	0	0
Interest paid	(0)	(0)
Income taxes paid	(1,407)	(1,656)
Income taxes refund	-	196
Other, net	(16)	(36)
Net cash provided by (used in) operating activities	3,262	3,170
Cash flows from investing activities		
Purchase of property, plant and equipment	(780)	(942)
Proceeds from sale of property, plant and equipment	462	-
Purchase of intangible assets	(220)	(252)
Purchase of shares of subsidiaries	-	(206)
Loan advances	-	(4)
Proceeds from collection of loans receivable	1	1
Other proceeds	12	40
Other payments	(69)	(76)
Net cash provided by (used in) investing activities	(594)	(1,442)
Cash flows from financing activities		
Purchase of treasury shares	(387)	(662)
Repayments of finance lease liabilities	(85)	(11)
Dividends paid	(450)	(485)
Net cash provided by (used in) financing activities	(923)	(1,159)
Net increase (decrease) in cash and cash equivalents	1,744	568
Cash and cash equivalents at beginning of period	7,435	9,179
Cash and cash equivalents at end of period	9,179	9,748

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

Not applicable.

**Reclassifications**

Consolidated Statement of Income

“Reversal of allowance for doubtful accounts,” “Subsidy income” and “Rental income from company housing,” which were separately presented under non-operating income in the previous fiscal year, are included in “Miscellaneous income” from the current fiscal year. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, “Reversal of allowance for doubtful accounts” of 2 million yen, “Subsidy income” of 9 million yen and “Rental income from company housing” of 5 million yen under non-operating income are reclassified and divided into “Miscellaneous income.”

**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 March 31, 2023, the trust held 266,000 shares of SAN HOLDINGS with a book value of 146 million yen. As of March 31, 2024, the trust held 262,000 shares of SAN HOLDINGS with a book value of 144 million yen.

Note: SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2023. The above number of treasury shares is based on the number of shares after the stock split.

**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 methods for reportable segments are the same as those used for preparing the consolidated financial statements.”

Segment profit for reportable segments is 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, and breakdown of revenue

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions 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							
Funeral service revenue	14,525	1,337	1,690	-	17,553	-	17,553
Other	3,377	178	141	-	3,697	-	3,697
Revenue from contracts with customers	17,902	1,515	1,831	-	21,250	-	21,250
Other revenue	-	-	-	413	413	-	413
External sales	17,902	1,515	1,831	413	21,663	-	21,663
Inter-segment sales and transfers	31	-	0	5,734	5,766	(5,766)	-
Total	17,934	1,515	1,831	6,147	27,430	(5,766)	21,663
Segment profit	2,442	139	371	2,655	5,609	(1,766)	3,843
Segment assets	6,216	463	1,491	32,753	40,925	(4,696)	36,229
Other items							
Depreciation (Note 3)	186	11	29	656	882	-	882
Interest income	6	0	4	12	22	(19)	2
Interest expenses	9	-	-	10	19	(19)	0
Share (loss) of profit of entities accounted for using equity method	-	-	-	(12)	(12)	-	(12)
Investment in equity-method affiliates	-	-	-	98	98	-	98
Increase in property, plant and equipment and intangible assets	96	10	17	909	1,035	-	1,035

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions 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							
Funeral service revenue	14,754	1,358	1,837	-	17,951	-	17,951
Other	3,713	201	155	-	4,070	-	4,070
Revenue from contracts with customers	18,467	1,560	1,993	-	22,021	-	22,021
Other revenue	-	-	-	416	416	-	416
External sales	18,467	1,560	1,993	416	22,437	-	22,437
Inter-segment sales and transfers	34	-	0	6,267	6,302	(6,302)	-
Total	18,502	1,560	1,993	6,683	28,740	(6,302)	22,437
Segment profit	2,349	155	452	3,027	5,985	(2,185)	3,800
Segment assets	6,641	443	1,595	34,114	42,795	(5,209)	37,585
Other items							
Depreciation (Note 3)	178	13	27	721	941	-	941
Interest income	6	0	5	12	23	(21)	2
Interest expenses	9	-	-	11	21	(21)	0
Share (loss) of profit of entities accounted for using equity method	-	-	-	35	35	-	35
Increase in property, plant and equipment and intangible assets	150	11	7	1,082	1,251	-	1,251
Unamortized balance of goodwill	233	-	-	-	233	-	233

Notes: 1. Contents of adjustments are as follows.

To segment profit (Millions of yen)

	FY3/23	FY3/24
Elimination of amount equivalent to dividends paid to the holding company by consolidated subsidiaries	(1,765)	(2,184)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	(1)	(0)
Total	(1,766)	(2,185)

To segment assets (Millions of yen)

	FY3/23	FY3/24
Stock of subsidiaries held by the holding company	(2,512)	(3,035)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	1,116	468
Elimination of inter-segment transactions	(3,300)	(2,643)
Total	(4,696)	(5,209)

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

**Related information**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

## 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.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

## 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**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total
Impairment loss	-	-	3	-	3

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total
Impairment loss	4	-	-	147	152

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

Not applicable.

**Information related to gain on bargain purchase for each reportable segment**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

Not applicable.

**Per Share Information**

(Yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	1,508.46	1,610.89
Net income per share	131.92	114.38

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

2. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan is included in the treasury shares that are deducted from the number of shares outstanding at the end of the period for calculating the net assets per share.
3. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan of 266,000 shares as of March 31, 2023 and 262,000 shares as of March 31, 2024 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. SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2023. 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.
5. The basis of calculating the net income per share is as follows:

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	2,783	2,363
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common shares (Millions of yen)	2,783	2,363
Average number of shares outstanding (Shares)	21,099,204	20,660,465
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, 2023. 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****Retirement of Treasury Shares**

The SAN HOLDINGS Board of Directors approved a resolution on May 10, 2024 to retire shares in accordance with Article 178 of the Companies Act.

(1) Type of shares to be retired:

SAN HOLDINGS common stock

(2) Total number of shares to be retired:

400,000 shares (1.71% of total shares outstanding prior to the retirement)

(3) Planned date of retirement:

May 31, 2024

(4) Total number of shares to be retired:

23,000,000 shares

*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.*