

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



燦ホールディングス株式会社
SAN HOLDINGS

SAN HOLDINGS, INC.

Results of Operations

(First Half of the Fiscal Year Ending March 31, 2024)

November 20, 2023

Tokyo Stock Exchange, Prime Market
Stock code: 9628

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First Half of FY3/24 Financial Overview

Be a dependable end-of-life partner by emphasizing with the
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1H FY3/24 Results

- **1H revenue up and earnings down YoY as initially announced**
- **Revenue up mainly because of higher revenue per ordinary funeral and an increase in sales of products and services associated with funerals**
 - The pct. of small, simple funerals slightly increased and there was an increase in average revenue per ordinary funeral.
 - Sales of products and services associated with funerals increased.
 - The trend toward smaller funerals caused by the pandemic slowed.
- **SG&A expenses increased mainly due to expenses for growth in the future.**
 - 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
 - Higher building and land leasing expenses due to the opening of new funeral halls
 - Higher advertising expenses as up-front investment
 - An increase in depreciation expenses of software due to the start of operations of a core IT system
- **As a result, operating profit decreased 6.2%.**

Earnings Forecasts

- **Forecast higher revenue and lower earnings with no revisions to the initial forecast**
 - Up-front expenses for adding funeral halls as planned
 - Increases in personnel and recruiting expenses to hire people required for expected growth in the number of funerals
 - The pandemic is no longer a significant risk concerning results of operations.

Dividend Forecast

- **No changes to the initial dividend forecast: interim dividend of 23.0 yen per share and year-end dividend of 11.5 yen (after the stock split)**
- **Plan to pay an annual dividend of 34.5 yen (after the stock split), up 2 yen per share (dividend increase for the 8th consecutive year)**
Expected dividend payout ratio: 21.4%

*Calculated based on the number of treasury shares as of March 31, 2023.

1H FY3/24 Revenue and Earnings

- Operating revenue increased 3.2% YoY and operating profit decreased 6.2% (as initially announced).
The operating margin decreased 1.6 percentage points to 16.1% but is still higher than the medium-term plan target of 15.5%.
- Revenue increased mainly because of higher revenue per ordinary funeral and an increase in sales of products and services associated with funerals.
- Operating expenses increased because of higher personnel and recruiting expenses as planned to increase the number of funerals for the opening of new funeral halls and to strengthen the workforce in preparation for sales growth, higher building and land leasing expenses due to the opening of new funeral halls, and higher up-front advertising expenses.
- In SG&A expenses, depreciation expenses of software increased due to the start of operations of a core IT system.

(Millions of yen)

	FY3/23 1H	FY3/24 1H	YoY change		Initial forecast (Announced on May 11, 2023)	
			%	Amount	Fiscal year	Results vs. Fct.
Operating revenue	10,083	10,407	3.2%	323	22,700	45.8%
Operating expenses	7,602	7,991	5.1%	388		
SG&A expenses	697	744	6.7%	46		
Operating profit	1,782	1,671	-6.2%	-110	3,570	46.8%
Operating margin	17.7%	16.1%	-1.6pt		15.7%	
Ordinary profit	1,763	1,684	-4.5%	-79	3,560	47.3%
Profit attributable to owners of parent	1,218	1,085	-10.9%	-133	2,270	47.8%
Net income per share (Yen)	57.48	52.32	-9.0%	-5.16	109.37	47.8%

Quarterly Revenue and Earnings

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- 2Q revenue was up and earnings were down just as in the 1Q.
- The number of funerals and revenue per funeral in the 2Q were higher than in the 1Q.
- The 2Q operating margin was higher than in the 1Q.

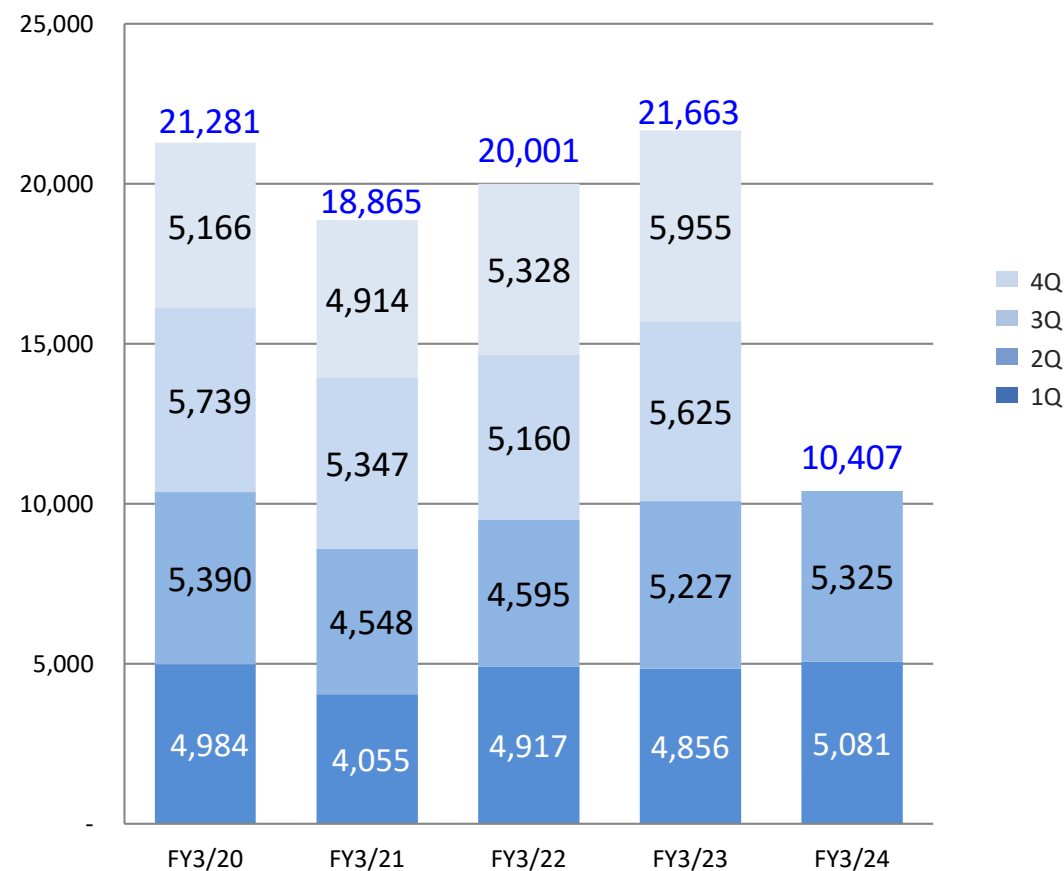
(Millions of yen)	FY3/23 1Q	FY3/24 1Q	YoY change %	FY3/23 2Q	FY3/24 2Q	YoY change %
Operating revenue	4,856	5,081	4.6%	5,227	5,325	1.9%
Operating expenses	3,667	3,948	7.7%	3,934	4,042	2.7%
SG&A expenses	349	370	6.0%	348	373	7.2%
Operating profit	838	761	-9.2%	943	910	-3.6%
Operating margin	17.3%	15.0%	-2.3pt	18.1%	17.1%	-1.0pt
Ordinary profit	825	766	-7.2%	937	918	-2.1%
Profit attributable owners of parent	526	497	-5.5%	692	588	-15.0%

Quarterly Revenue and Earnings

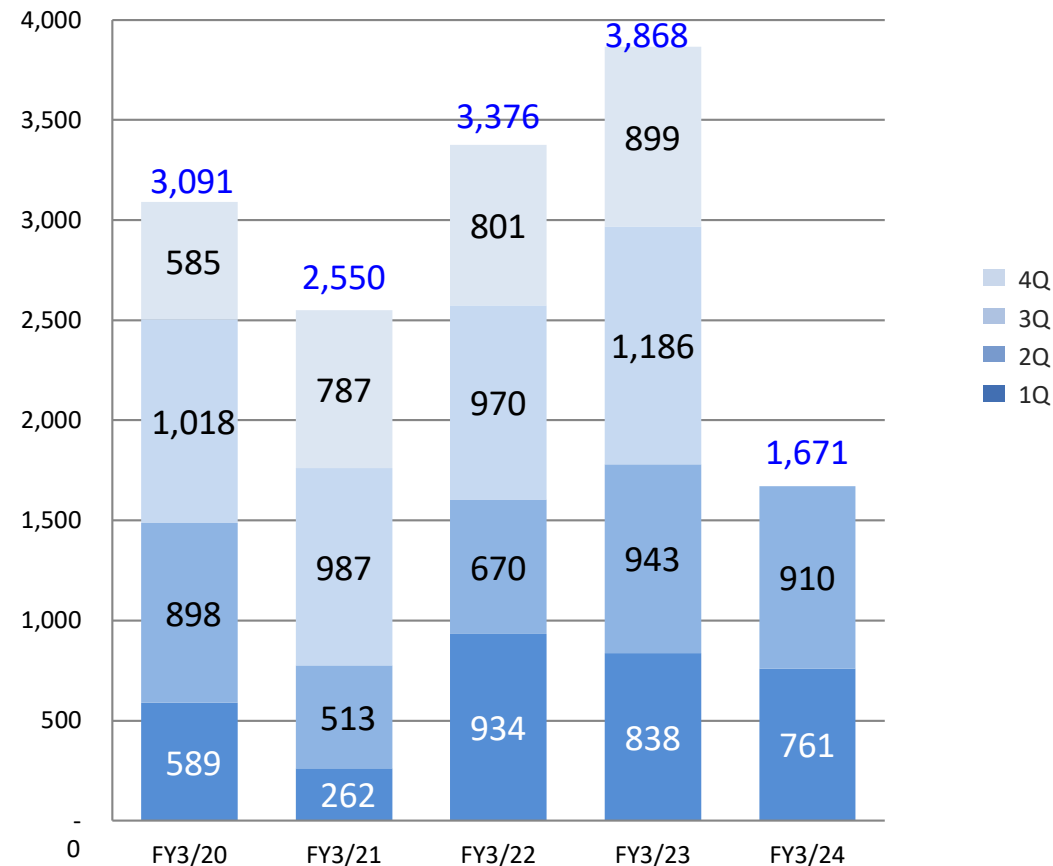
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- Record-high 1H revenue, surpassing 1H FY3/20, which was before the pandemic.
- 1H operating profit was the second highest ever, below one year earlier due to planned up-front investments for growth in the following years.

(Millions of yen) **Quarterly operating revenue**



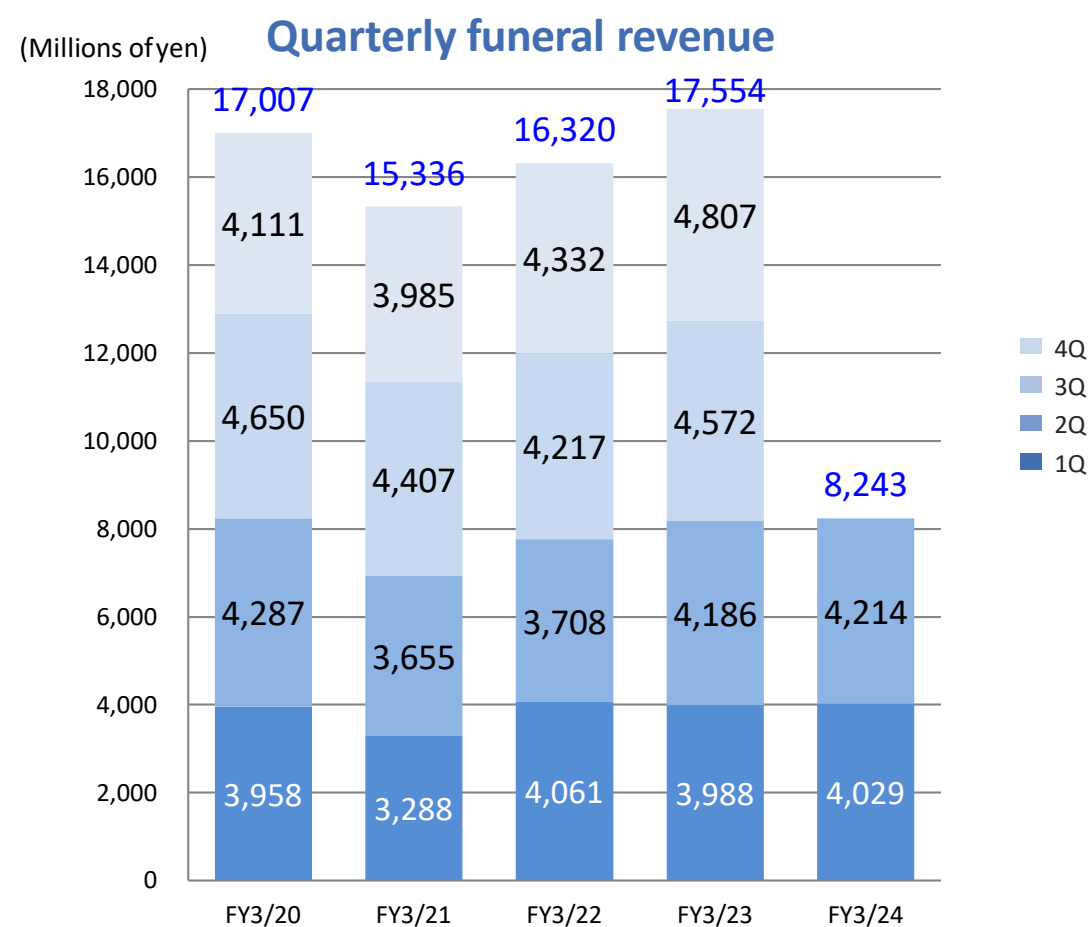
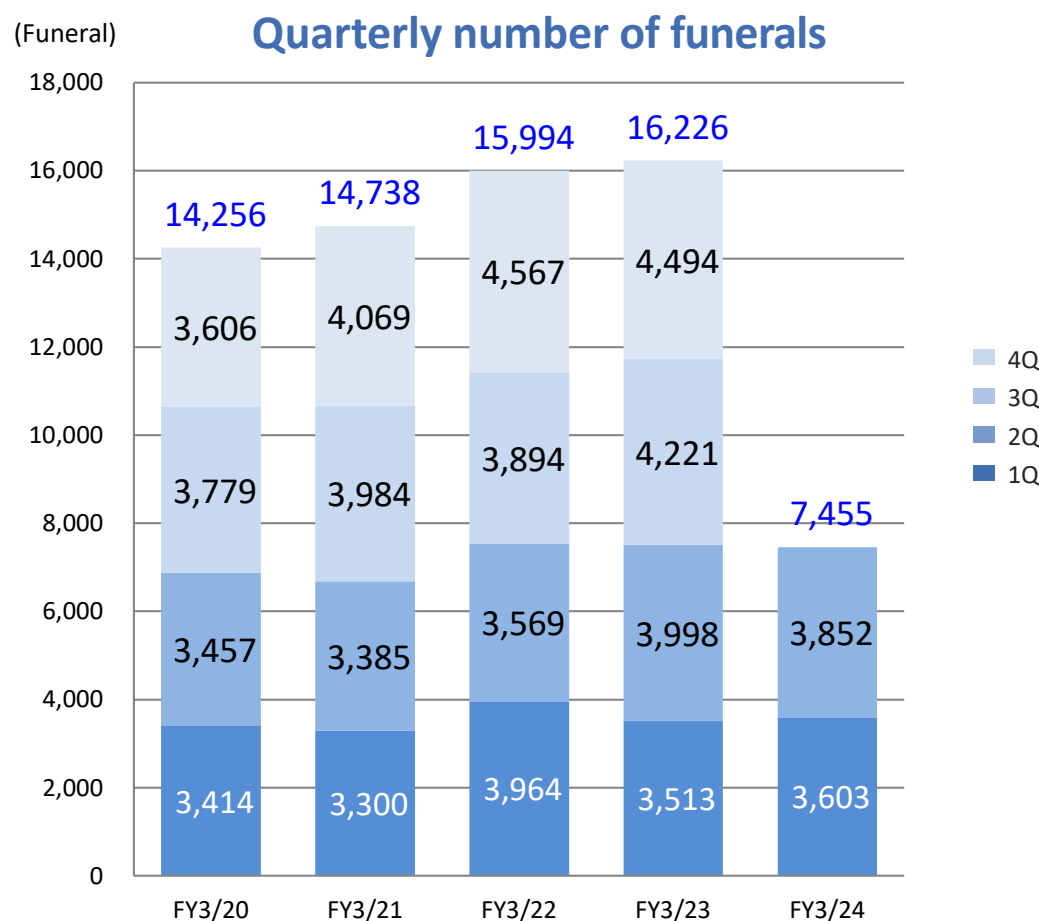
(Millions of yen) **Quarterly operating profit**



Funerals and Funeral Revenue at Group Companies

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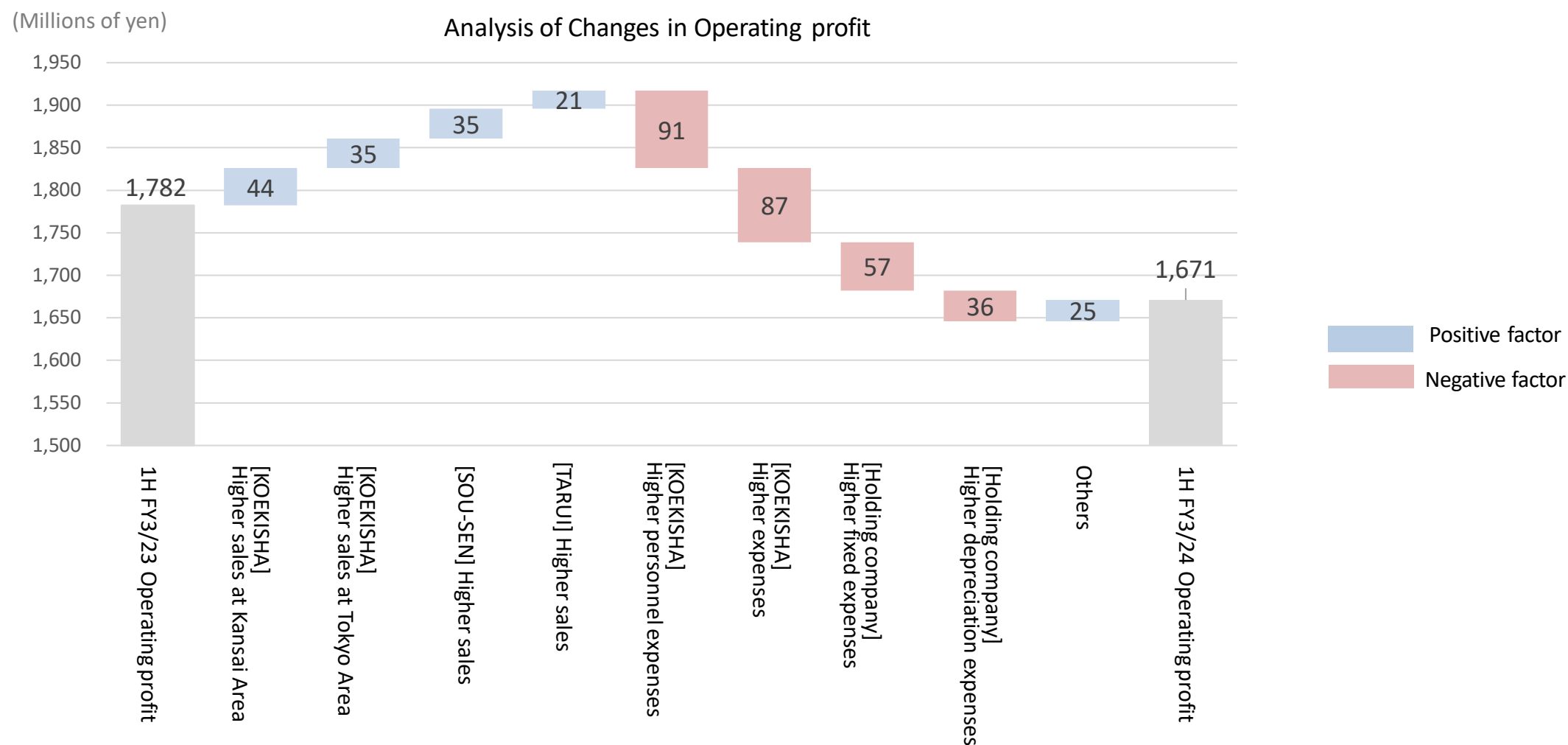
- The number of funerals was about the same as in 1H FY3/23, the result of no change in the number of deaths in Japan, a big decline in the number of pandemic death funerals, and an increase due to opening new funeral halls.
- 1H funeral revenue increased mainly because of an increase in average revenue per ordinary funeral.



Analysis of Changes in Operating Profit

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Operating profit benefited from higher revenue, mostly at the three funeral companies. However, operating profit was down because of higher personnel, funeral hall opening and advertising expenses (up-front investments for future growth), higher building and land leasing expenses due to the opening of new funeral halls (at the holding company), and higher software depreciation expenses due to the start of operations of a core IT system (at the holding company).



Changes in Assets in the Balance Sheet

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- Assets decreased ¥190 million.
- Property, plant and equipment decreased ¥27 million due partly to capital expenditures of ¥380 million for new funeral halls and renovations and depreciation of ¥400 million.
Intangible assets were up ¥29 million because of additional software for the new core IT system.
- Cash and deposits decreased ¥255 million due to expenditures for these investments and for distributions to shareholders.

(Millions of yen)	March 31, 2023	September 30, 2023	Change
Current assets	11,039	10,854	-184
Cash and deposits	9,192	8,937	-255
Trade accounts receivable and contract assets	919	982	63
Non-current assets	25,189	25,184	-5
Property, plant and equipment	22,483	22,456	-27
Buildings and structures	9,840	9,604	-235
Construction in progress	14	217	203
Intangible assets	398	428	29
Investments and other assets	2,308	2,299	-8
Total assets	36,229	36,038	-190

Reference:

Capital expenditures on PP&E: ¥182 million (1H FY3/24)
(excluding construction in progress)
Depreciation expenses of PP&E: ¥400 million (1H FY3/24)

Note: Only major accounts are shown.

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Changes in Liabilities and Net Assets in the Balance Sheet

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- Current liabilities decreased mainly due to decreases in trade accounts payable and income taxes payable.
- In shareholders' equity, retained earnings increased despite stock repurchases of ¥310 million in 1H FY3/24. The equity ratio increased 2.1 percentage points from the end of the previous fiscal year to 89.3%.

(Millions of yen)	March 31, 2023	September 30, 2023	Change
Current liabilities	3,559	2,821	-738
Trade accounts payable	993	827	-165
Income taxes payable	666	457	-208
Non-current liabilities	1,054	1,026	-28
Lease obligations	174	182	8
Long-term accounts payable-other	64	7	-56
Total liabilities	4,613	3,847	-766
Shareholders' equity	31,615	32,190	575
Retained earnings	25,153	25,994	841
Treasury shares	(1,594)	(1,877)	-282
Total net assets	31,615	32,190	575
Total liabilities and net assets	36,229	36,038	-190
Equity ratio	87.3%	89.3%	2.1pt

Note: Only major accounts are shown.

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Funerals and Funeral Revenue at KOEKISHA

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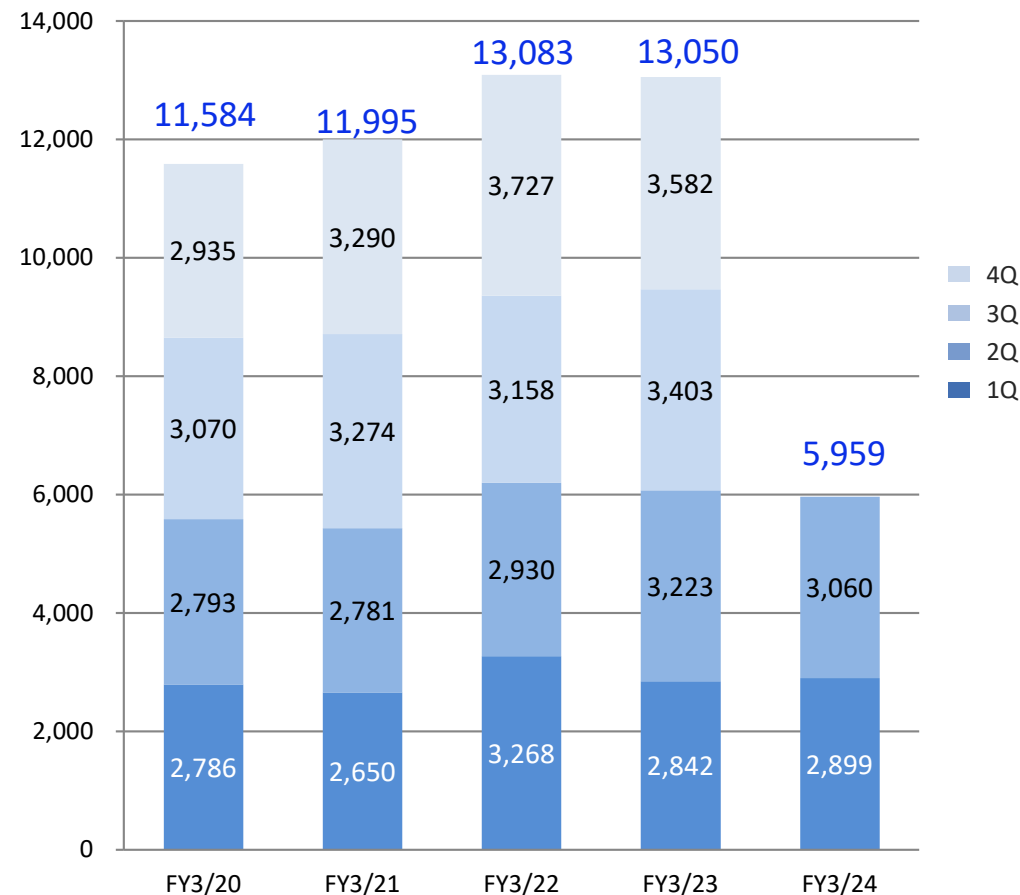
KOEKISHA: Number of Funerals and Revenue

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- (Number of deaths) There was a higher than usual number of deaths in 2022 and early in 2023, but from the beginning of FY3/24, the number of deaths started returning to normal and is mostly the same as FY3/23.
- (Number of funerals) Down 1.7% YoY but up 1.5% after excluding pandemic death funerals
- (Funeral revenue) A small increase because of higher revenue per ordinary funeral

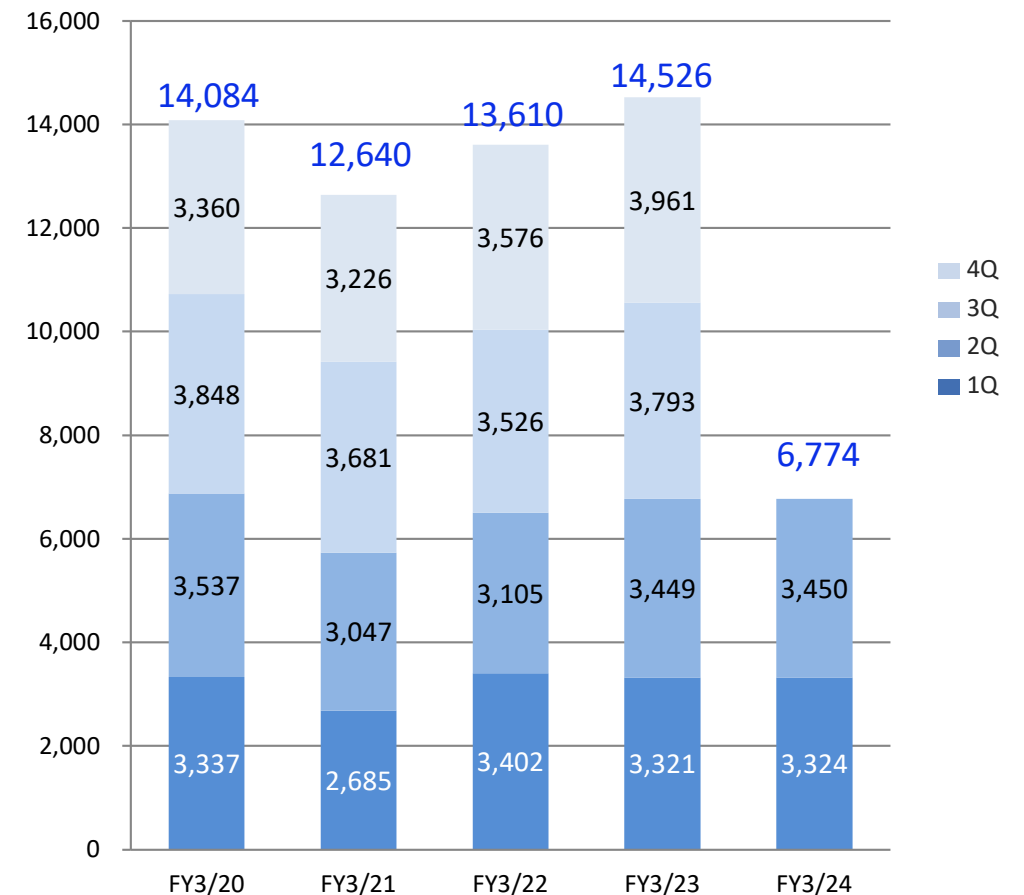
(Funerals)

Quarterly number of funerals



(Millions of yen)

Quarterly funeral revenue



KOEKISHA: Increase/Decrease in Number of Funerals and Revenue

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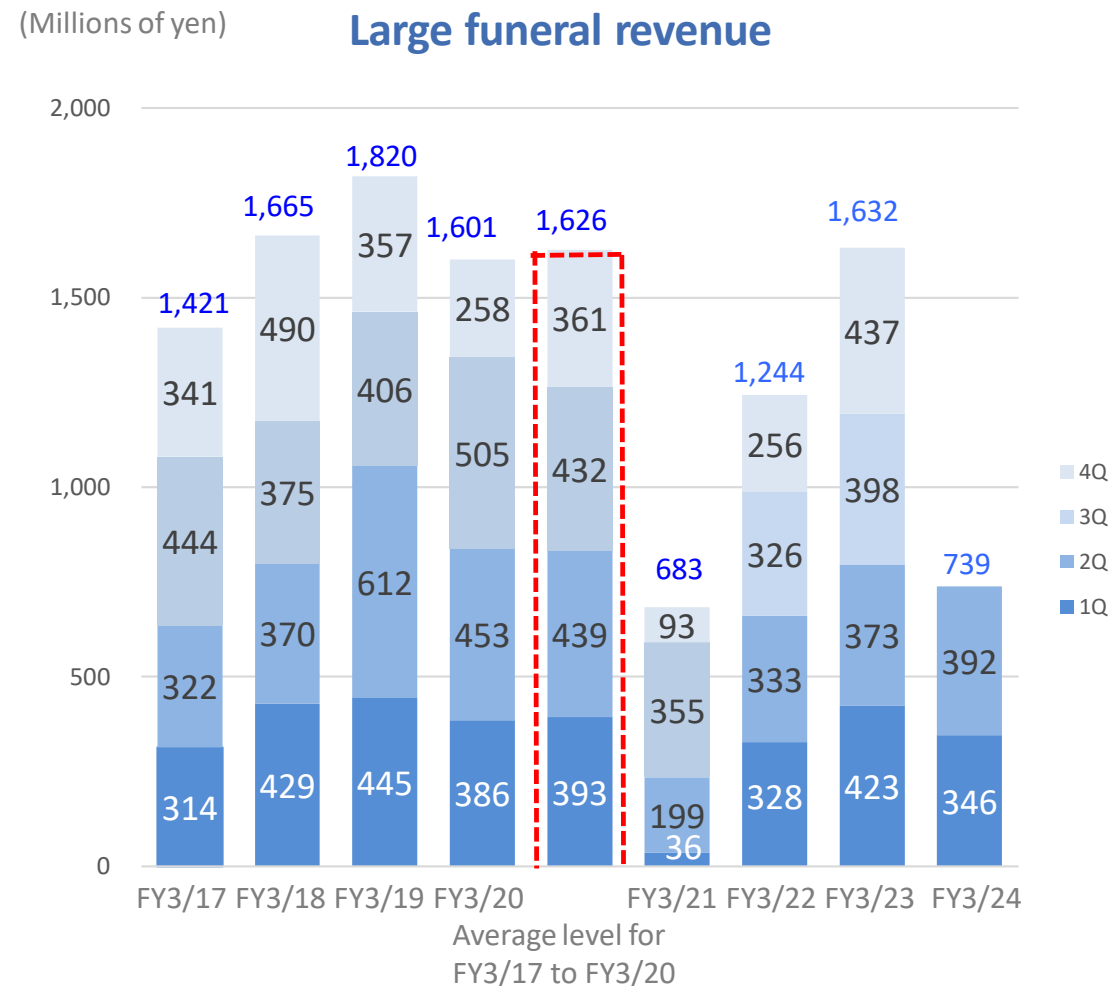
- Kansai area ordinary funerals decreased mainly because of fewer pandemic death funerals. The effect on revenue was small in relation to the change in the number of funerals.
- The Tokyo area was mainly responsible for higher ordinary funeral revenue.
- Large funeral revenue decreased primarily because of lower revenue per funeral due to large funerals with very high revenue one year earlier.

	Large funerals (More than ¥5 million)	Ordinary funerals	Total
Top: Number of funerals			
Bottom: Revenue (Millions of yen)			
Tokyo area	(3)	13	10
	(93)	59	(33)
Kansai area	4	(120)	(116)
	35	1	37
Total	1	(107)	(106)
	(58)	61	3

KOEKISHA: Large Funeral Revenue

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- In FY3/21, company funerals, farewell events and other large funeral (more than ¥5 million) revenue fell to well under half of the pre-pandemic level. But revenue recovered starting in FY3/23.
- 1H revenue was down 7.3% because of lower revenue per funeral, while the number of funerals increased by 1 from one year earlier.



At KOEKISHA, the number of funerals decreased 1.7% but revenue per funeral increased 1.8%.

Regional performance

- Lower revenue per funeral in the Tokyo area

The number of ordinary funerals (less than ¥5 million) in the Tokyo area increased and revenue per funeral was higher. But revenue per funeral for all funerals in this area decreased due to a decline in the large funeral category.

- Decrease in the number of funerals but higher revenue per funeral in the Kansai area

The number of ordinary funerals (less than ¥5 million) decreased 2.6% mainly because of fewer pandemic death funerals. Revenue increased in this area due to higher revenue per funeral.

Top: Number of funerals

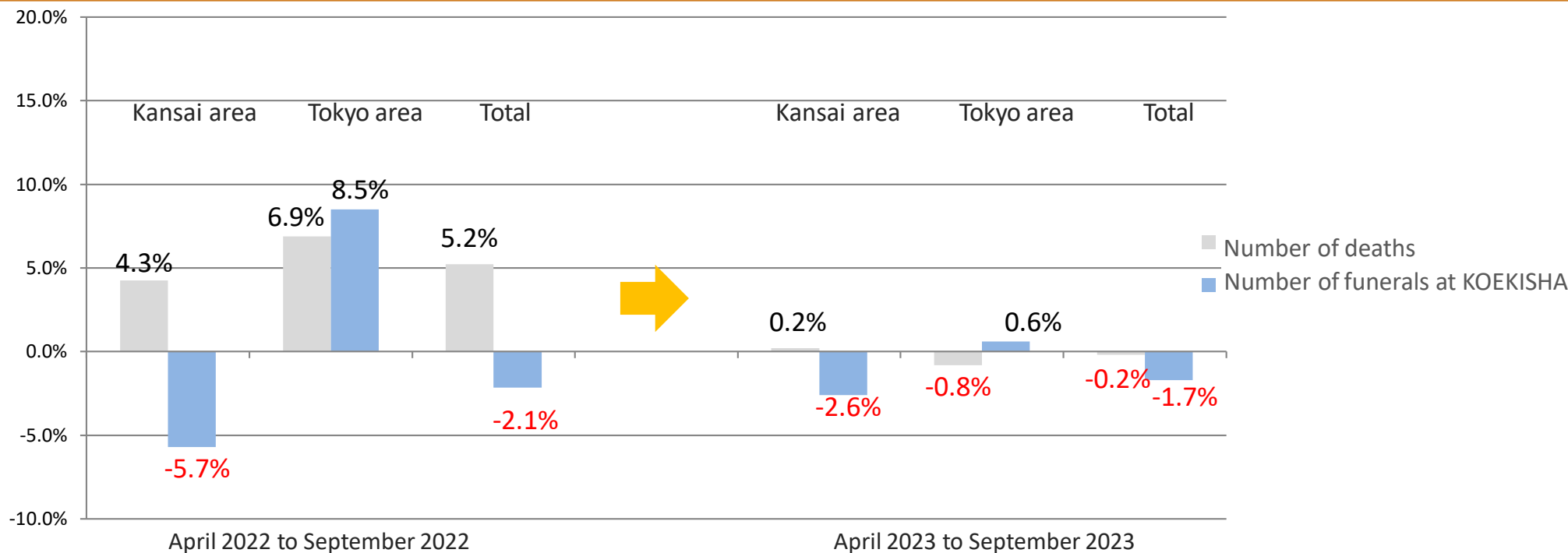
Bottom: Revenue (Thousands of yen)

	All			Tokyo area			Kansai area		
	1H FY3/23	1H FY3/24	Change	1H FY3/23	1H FY3/24	Change	1H FY3/23	1H FY3/24	Change
KOEKISHA funerals	6,065	5,959	-1.7%	1,678	1,688	0.6%	4,387	4,271	-2.6%
	1,116	1,136	1.8%	1,397	1,369	-2.0%	1,008	1,044	3.6%

Market share estimates are based on comparisons of the rate of changes in numbers of deaths and funerals.

(Kansai area) Market share is declining as competitors open new locations and the number of pandemic death funerals decreases. After excluding pandemic funerals, market share is higher because of a 1.9% increase in the number of funerals.

(Tokyo area) Mainly due to the addition of more funeral halls, market share is increasing even as the number of deaths declines.



Note: In the second half of FY3/22, there were a large number of extra deaths from pandemic or non-pandemic causes in Tokyo, Kanagawa and Osaka prefectures. In the first half of FY3/23, there were a large number of extra deaths as well, but this time due only to the pandemic. (Data compiled by SAN HOLDINGS based on the “Japan Excess and Below Expected Mortality Dashboard” of the National Institute of Infectious Diseases)

SOU-SEN and TARUI Financial Highlights

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- Revenue per funeral increased due to rising number of mourners.
- Revenue increased 11.1% YoY.
- Much higher earnings offset increases in personnel, operating and fixed expenses.

	1H FY3/23	1H FY3/24	Change	YoY
Number of funerals	721	720	-1	-0.1%
Average price of funerals (Thousands of yen)	829	910	81	9.7%
Operating revenue (Millions of yen)	689	766	77	11.1%
Operating profit (Millions of yen)	45	63	18	37.7%

Notes: 1. Operating revenue and operating profit are based on segment information.
2. Operating profit is before the allocation of parent company expenses.

- The number of funerals increased mainly at new funeral halls for small funerals.
- Revenue per funeral decreased, mainly for ordinary funerals, but operating revenue was 2.5% higher than one year earlier.
- Earnings decreased because of higher operating expenses, mainly personnel expenses and expenses for opening new funeral halls.

	1H FY3/23	1H FY3/24	Change	YoY
Number of funerals	725	776	51	7.0%
Average price of funerals (Thousands of yen)	1,111	1,047	-64	-5.8%
Operating revenue (Millions of yen)	869	891	22	2.5%
Operating profit (Millions of yen)	168	159	-9	-4.9%

Notes: 1. Operating revenue and operating profit are based on segment information.
2. Operating profit is before the allocation of parent company expenses.

FY3/24 Forecasts (Revenue and Earnings/Dividends)

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FY3/24

- There are no revisions to the consolidated forecast announced at the beginning of FY3/24.

Forecast lower earnings mainly because of planned up-front expenditures for future growth

- Up-front expenses of ¥230 million for opening 8 funeral halls
- Increase of ¥620 million in personnel and recruiting expenses to hire people required for expected growth in the number of funerals
- One-time contribution to FY3/23 earnings of the ¥280 million gain on the sale of the land of the former Takarazuka funeral hall

(Millions of yen)

	(1) FY3/24 Forecast	YoY change		(2) 1H FY3/24 Results	(1)-(2)	(2) vs. 2H FY3/23	
		%	Amount			%	Amount
Operating revenue	22,700	4.8%	1,036	10,407	12,292	6.2%	712
Operating profit	3,570	-7.7%	-298	1,671	1,898	-9.0%	-187
Operating margin	15.7%	-2.1pt		16.1%	15.4%	-2.6pt	
Ordinary profit	3,560	-7.4%	-283	1,684	1,875	-9.8%	-204
Profit	2,270	-18.4%	-513	1,085	1,184	-24.3%	-380

FY3/24

- No changes to the initial dividend forecast: interim dividend of 23.0 yen per share and year-end dividend of 11.5 yen (after the stock split)
→ Plan to pay an annual dividend of 34.5 yen (after the stock split), up 2 yen per share from one year earlier (dividend increase for the 8th consecutive year)
- Expected dividend payout ratio: 21.4%

(Yen)

	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	Before stock split FY3/24		After stock split FY3/24
Annual dividend	57.00	-	33.00	38.00	44.00	46.00	(Forecast)	-
Interim	27.00	30.00	16.00	17.00	21.00	23.00	→	23.00
Year-end	30.00	16.00	17.00	21.00	23.00	23.00	(Forecast)	11.50
Payout ratio (consolidated)	15.2%	18.8%	23.7%	20.3%	16.7%	21.4%	(Forecast)	21.4%

Note 1: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019.

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

Note 3: Forecast payout ratio for FY3/24 was calculated based on the number of treasury shares as of March 31, 2023.

Progress in Medium-term Management Plan



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Key Goals of the Medium-term Plan Growth of the funeral business

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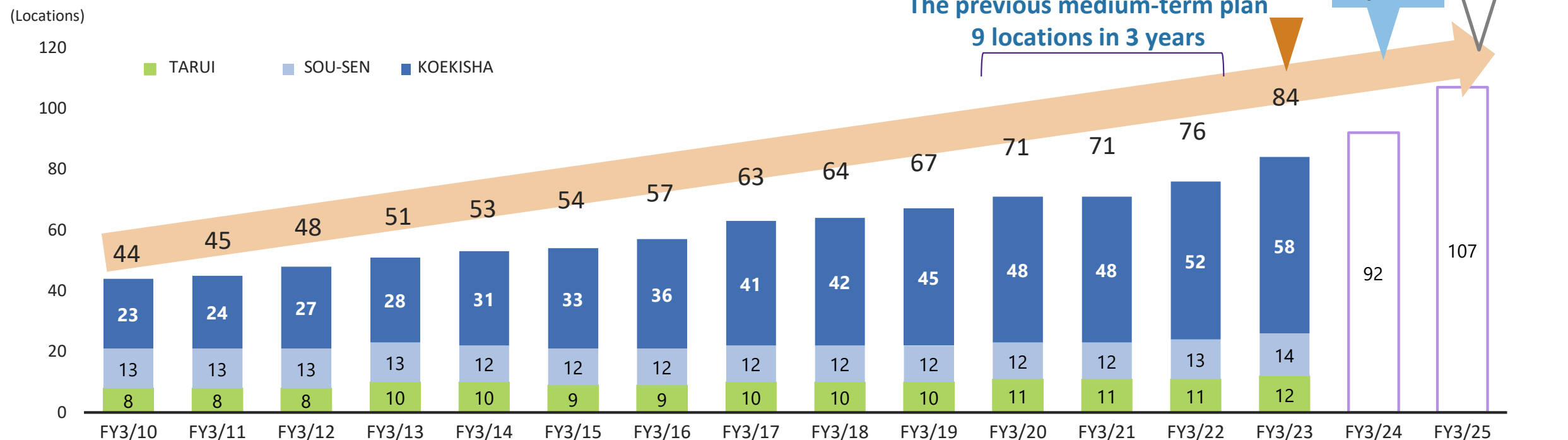
- Add new funeral halls faster, mainly by using the ENDING HAUS funeral brand that was launched in March 2023

- Plan to open 8 funeral halls during FY3/24, the second year of the current medium-term plan
- 84 SAN HOLDINGS group funeral halls as of November 2023

(KOEKISHA: 18 in Tokyo area, 40 in Kansai area/ SOU-SEN: 14/ TARUI: 12)

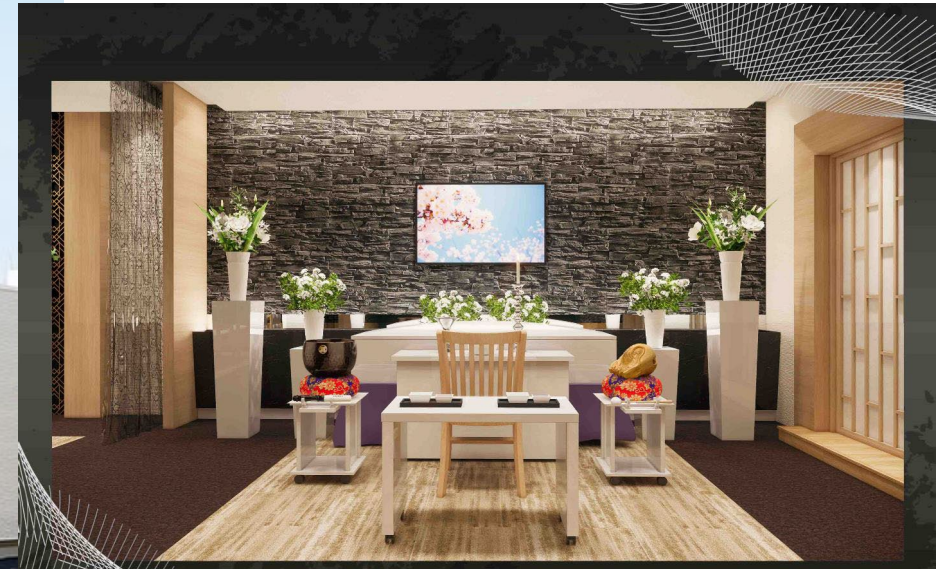
The current medium-term plan
The goal is 31 new locations for 3 years

SAN HOLDINGS Group Funeral Halls

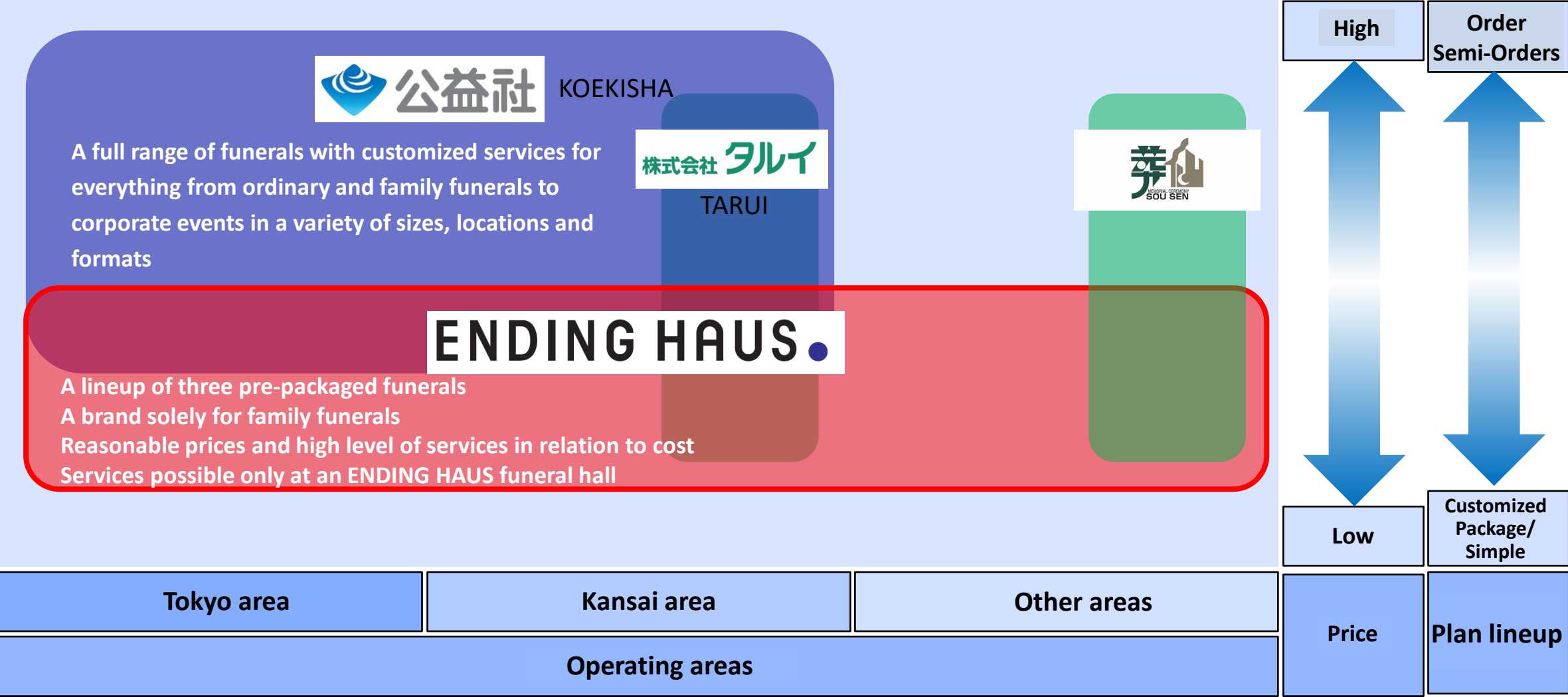


Funerals handled by professionals at reasonable prices

ENDING HAUS.



Positioning of ENDING HAUS



Growth of the ENDING HAUS Funeral Hall Network

- Plan to open 2 ENDING HAUS funeral halls in January and February 2024.
→ This will increase the number of locations to 6.

KOEKISHA in Kansai area

- ENDING HAUS Daito (Daito, Osaka) opened on March 28, 2023
- ENDING HAUS Osaka Tsurumi (Tsurumi-ku, Osaka) opened on March 28, 2023
- ENDING HAUS Nishiyodogawa (Nishiyodogawa-ku, Osaka) is scheduled to open in January 2024
- ENDING HAUS Mito (Higashiosaka, Osaka) is scheduled to open in February 2024



KOEKISHA in Tokyo area

- ENDING HAUS Higashiyotsugi (Katsushika-ku, Tokyo) opened on March 28, 2023
- ENDING HAUS Shinkoiwa (Katsushika-ku, Tokyo) opened on March 28, 2023

New KOEKISHA Funeral Halls

- Plan to open 2 KOEKISHA funeral halls in January and February 2024.
→ This will increase the number of locations to 56.

KOEKISHA in Kansai area

- KOEKISHA Hall in Minoh (Minoh, Osaka) is scheduled to open in January 2024



KOEKISHA in Tokyo area

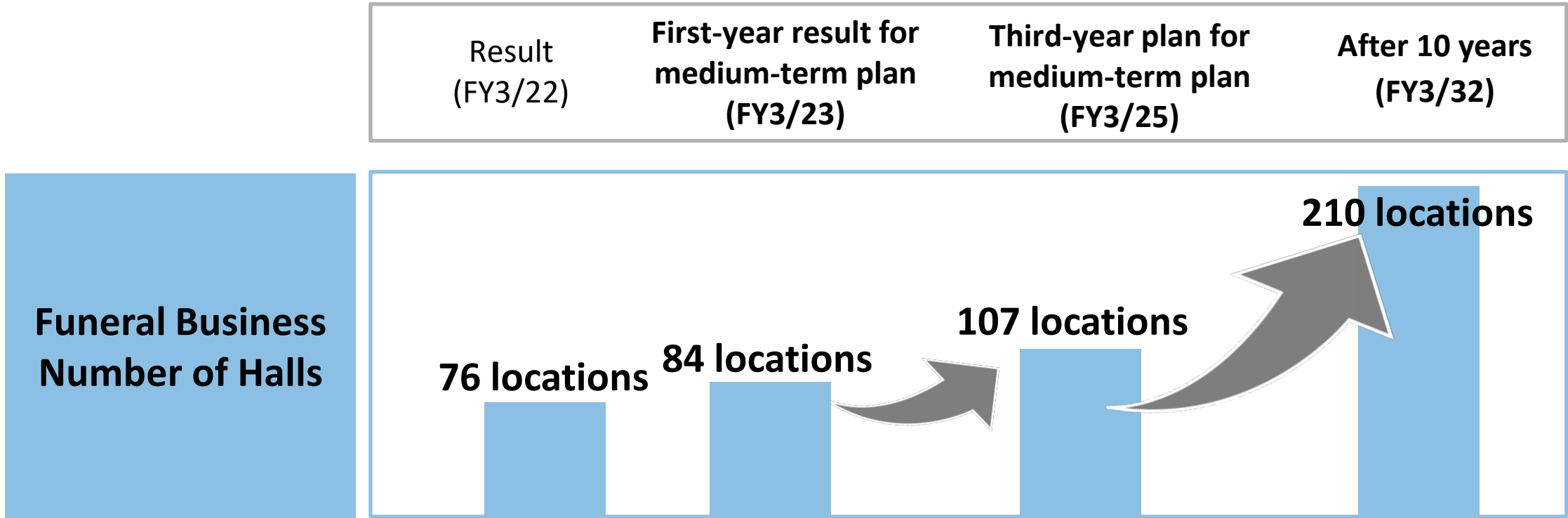
- Mizonokuchi Hall of KOEKISHA (Takatsu-ku, Kawasaki) is scheduled to open in February 2024



The New 10-Year Vision

Two Initiatives: Funeral Halls in All Areas of Japan

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



Key Goals of the Medium-term Plan

Growth of the End-of-life Support Business

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1. A growing selection of products and services provided by the end-of-life portal site for seniors



Continuing to add partner companies

2. A growing selection of support services before and after a funeral



Started a real estate brokerage service

3. Rehabilitation day-care facilities serving a large number of people



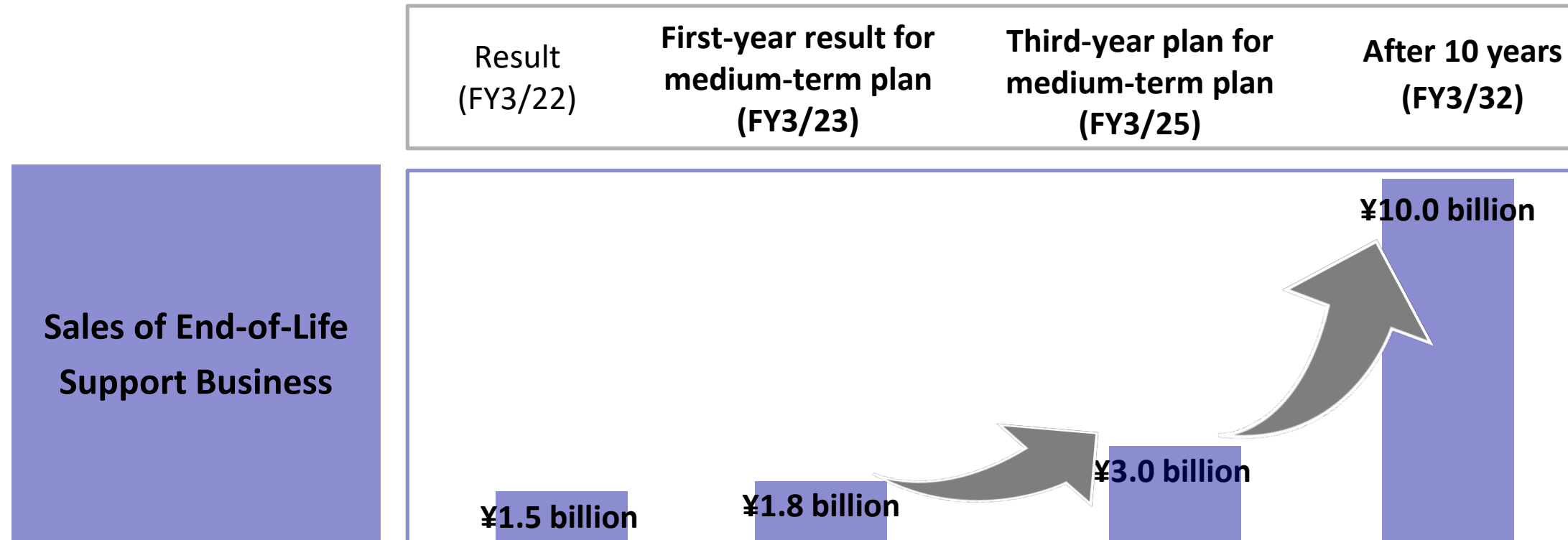
4 locations, including POSSIBLE Takarazuka Nakayamadera (Hyogo prefecture), which opened in June 2023

4. Meal services for more senior care facilities (Tokyo area in addition to Kansai area)



Meals provided to 8 facilities, including 2 recently added locations

- To contribute to improving our customers' quality of life, we continue expanding our end-of-life support business and use the final stage of life for the provision of an even larger range of value by creating new businesses and services.



ESG and the Sustainable Development Goals



■ Continue to step up CSR activities

- Use business operations to play a role in dealing with social issues and other problems.
- Grief care, natural disaster responses and other types of support

■ Activities to protect the environment

- Building a business infrastructure with measures to lower energy use
- Activities to help create a sustainable society

Social

Enhancement of grief care	<ul style="list-style-type: none"> Hidamari Club meetings for grief care are a place where family members can receive support from many sources following a funeral. Started in December 2003, the Hidamari Club has reached its 20th anniversary and has more than 1,000 members.
Embalming	<ul style="list-style-type: none"> Embalming can often return the appearance of the deceased to an almost life-like state to facilitate a better experience for saying farewell. Embalming was performed for may pandemic deaths. (Started in Osaka in November 2022 and in Tokyo in June 2023)
On-site services for natural disasters	<ul style="list-style-type: none"> Some employees, including embalmers, are qualified as reserve military personnel who are called for assistance following a natural disaster. These individuals help transport people who died during the disaster and provide other assistance.
International transport	<ul style="list-style-type: none"> Assistance for dealing with the complex procedures required for the international transport of the deceased <ul style="list-style-type: none"> (1) Transport of the deceased from another country to Japan (2) Transport of the deceased from Japan to another country

Environment

TCFD compliance	<ul style="list-style-type: none"> Statement of support submitted in October 2022
Use of environmentally responsible products	<ul style="list-style-type: none"> Started selling a new eco-coffin in November 2022 Expanding the product lineup
Use of recyclable materials and packaging	<ul style="list-style-type: none"> Paper bags, envelopes and other items use recyclable materials Started in August 2022
Reduction of GHG emissions	<ul style="list-style-type: none"> Use of hybrid hearses and transport vehicles; goal is about 80% share in 2024 vs. 30% in 2021 Increasing use of embalming is lowering the use of dry ice
Energy conservation	<ul style="list-style-type: none"> Installation of solar panels at 2 funeral halls Installation of LED lights when building new funeral halls and renovating existing locations: 15 funeral halls

Governance

Compliance with internal controls	<ul style="list-style-type: none"> Internal audits, compliance training programs
Established effective risk management system	<ul style="list-style-type: none"> Risk management activities all year based on a FY action plan

Human Resource Management at the SAN HOLDINGS Group

Be a dependable end-of-life partner by emphasizing with the
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Basic Concept of Human Resource Management

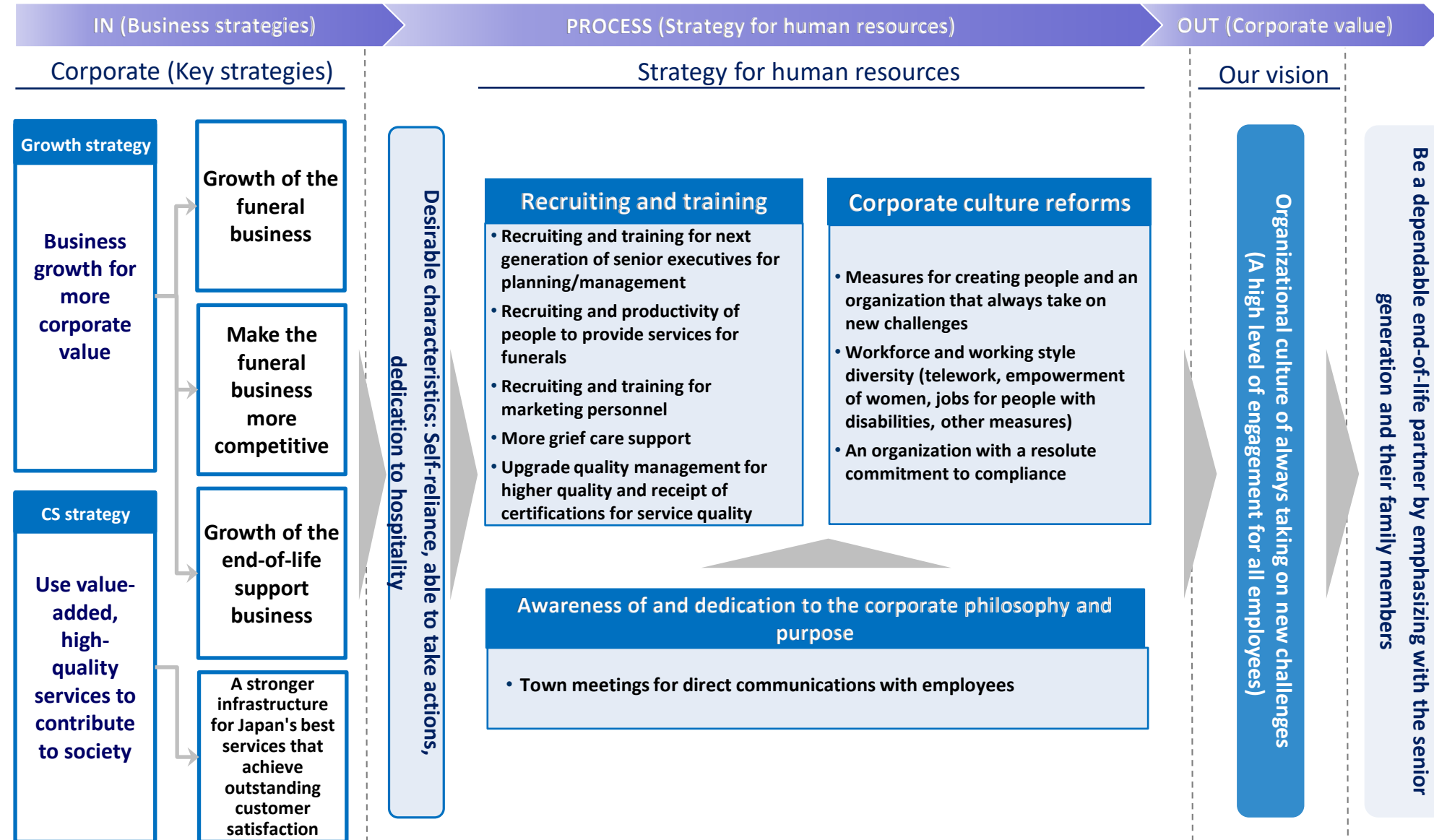
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- SAN HOLDINGS uses human resource management to accomplish its purpose:
Be a dependable end-of-life partner by emphasizing with the senior generation and their family members.



The Human Resources Strategy Story

■ Accomplishing our purpose by maintaining a culture of always taking on new challenges



Medium-term Management Plan Shareholder Distribution Policy (FY3/23-FY3/25)

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

- **SAN HOLDINGS conducted a 2-for-1 stock split with a record date of September 30, 2023.**

→ Lowering the cost of an investment unit of SAN HOLDINGS stock is expected to increase the stock's liquidity and **make the stock accessible to a broader range of investors.**

Schedule of stock split

Public notice of record date: Monday, September 4, 2023

Record date: Saturday, September 30, 2023

Effective date: Sunday, October 1, 2023

*Effectively Friday, September 29, 2023 as September 30 was a business holiday of the shareholder registry administrator.

Dividend Forecast

(Yen)						Before stock split	After stock split
	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/24
Annual dividend	57.00	-	33.00	38.00	44.00	46.00	-
Interim	27.00	30.00	16.00	17.00	21.00	23.00	23.00
Year-end	30.00	16.00	17.00	21.00	23.00	23.00	11.50
Payout ratio (consolidated)	15.2%	18.8%	23.7%	20.3%	16.7%	21.4%	21.4%

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019.

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

The FY3/24 year-end and annual dividend forecasts announced on May 11, 2023 have been adjusted due to this split, resulting in no change in these forecasts after reflecting the split.

Repurchase of Stock

Our policy on stock repurchase

We position stock repurchase as one way for distributing earnings to shareholders. We will consider repurchasing stock while taking into account the capital capacity, stock price and other applicable factors.

Repurchase of stock announced on November 9, 2023 (Third repurchase during the current medium-term plan)

Details of repurchase

Type of shares to be repurchased:	Common shares
Total number of shares to be repurchased:	Up to 350,000 shares (1.69% of total number of shares outstanding, excluding treasury shares)
Total value of shares to be repurchased:	Up to ¥350 million
Repurchase schedule:	From November 10, 2023 to April 30, 2024
Method of repurchase:	Purchase on the Tokyo Stock Exchange

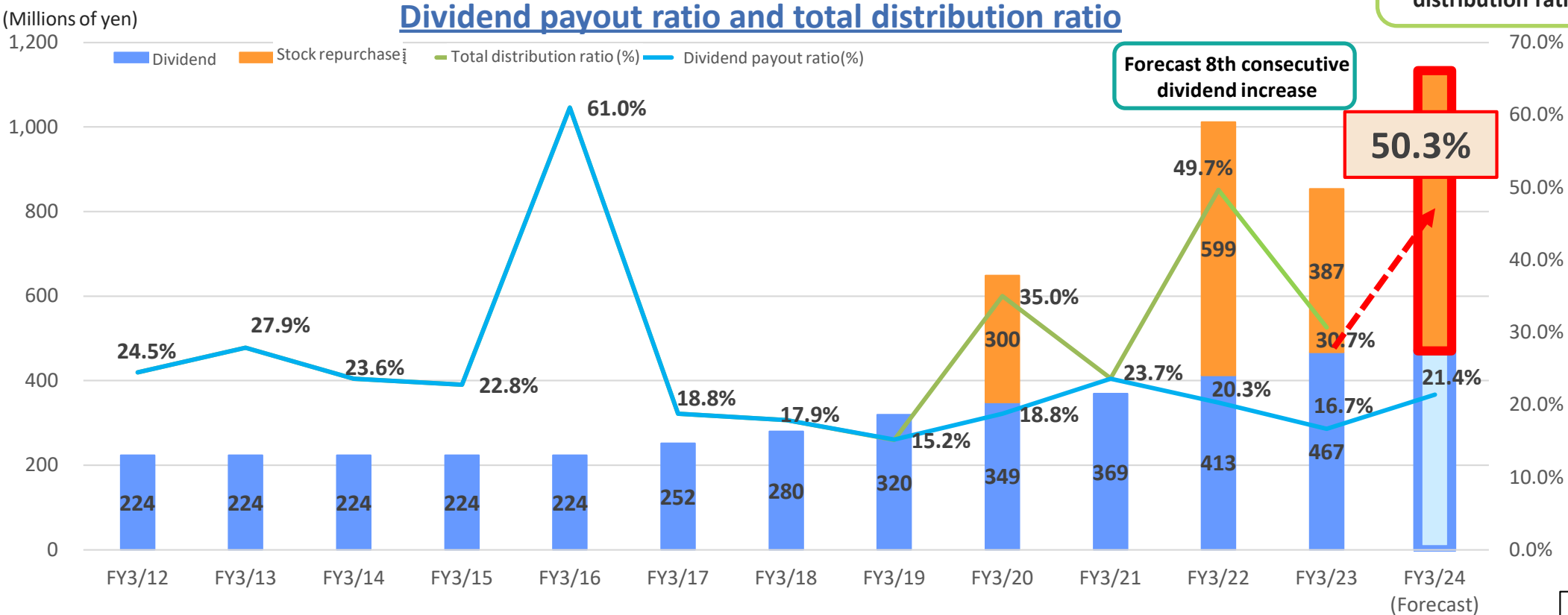
(Previous stock repurchases during the current medium-term plan)

- 1st Repurchased 193,500 shares for ¥349 million between May 13 and October 18, 2022
- 2nd Repurchased 157,500 shares for ¥349 million between February 14 and June 13, 2023

Shareholder Distribution Policy

Increase distributions to shareholders based on dividend stability

Our goal is to increase the distribution of earnings to shareholders from a medium to long-term perspective. Dividends reflect consolidated sales and earnings, cash flows, the need to retain earnings for investments for medium to long-term growth, the need to maintain financial soundness and other factors. Our policy is to increase the dividend consistently even when the business climate is challenging based on dividend stability. Furthermore, we will consider repurchasing stock while taking into account the capital capacity, stock price and other applicable factors.



Plan to increase the total shareholder distribution ratio

Forecast 8th consecutive dividend increase

50.3%

DPS	¥20.0	¥20.0	¥20.0	¥20.0	¥20.0	¥22.5	¥25.0	¥28.5	¥31.0	¥33.0	¥38.0	¥44.0	¥46.0
Dividend payout ratio	24.5%	27.9%	23.6%	22.8%	61.0%	18.8%	17.9%	15.2%	18.8%	23.7%	20.3%	16.7%	21.4%

After stock split
¥34.5

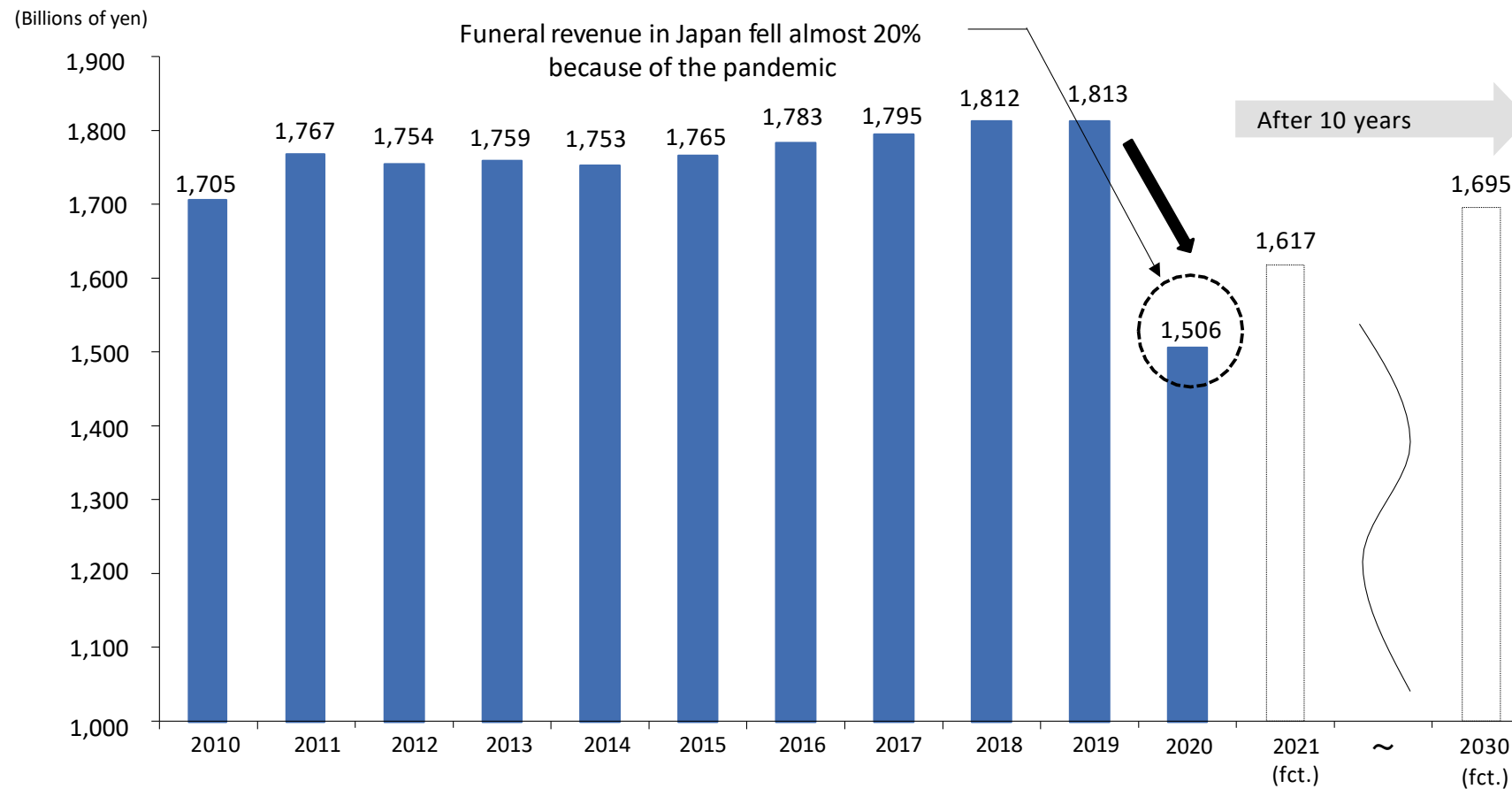
Reference Materials

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

Market Size in the Funeral Business

43

- No prospects for significant growth of Japan's funeral market, but the market is expected to remain relatively steady.
 - Revenue per funeral is declining because of smaller funerals and the pandemic.
 - The number of deaths in Japan will continue to increase.

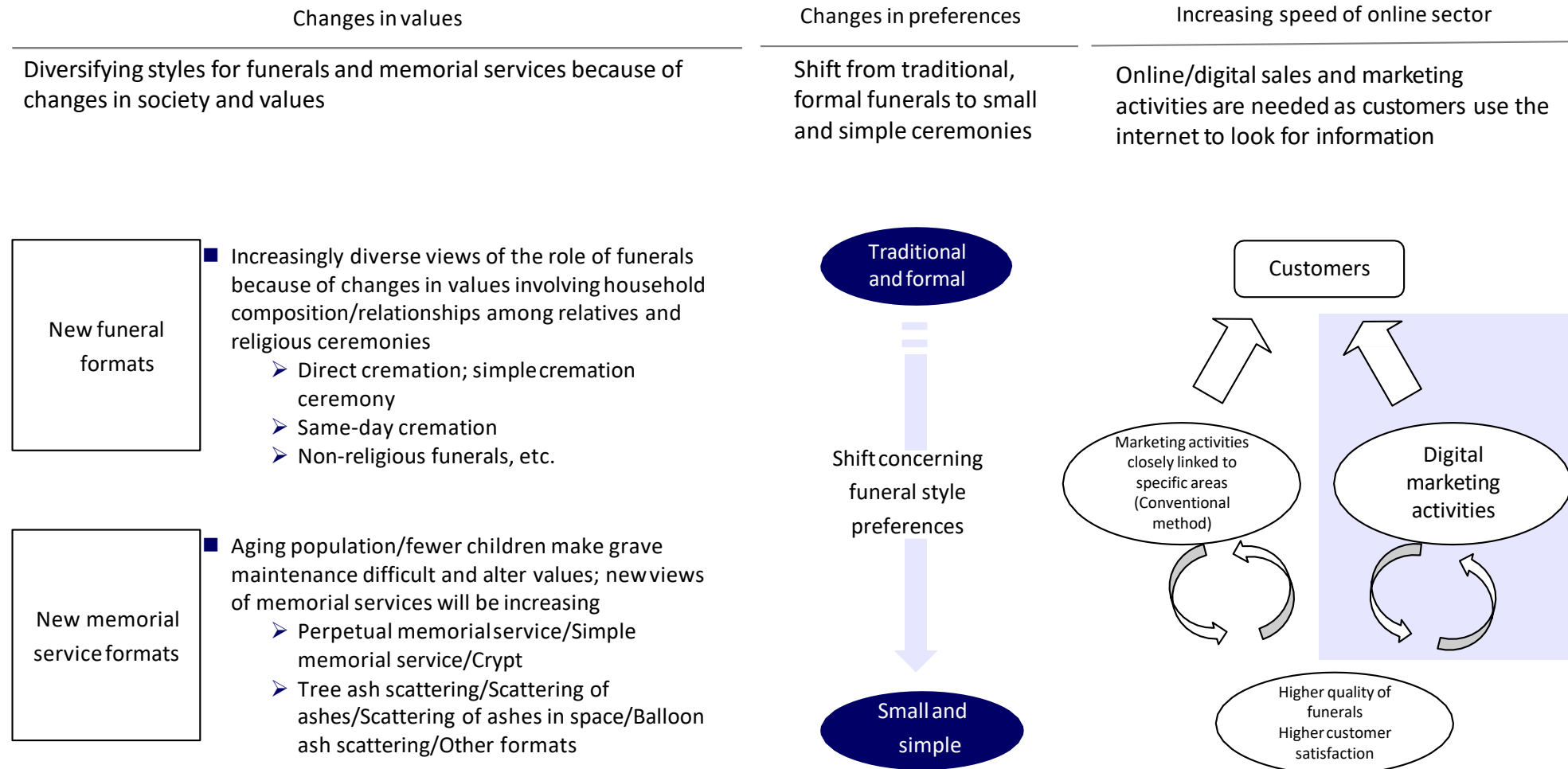


Source: The Funeral Business Today and Outlook, Yano Research Institute Ltd. (2021 edition)

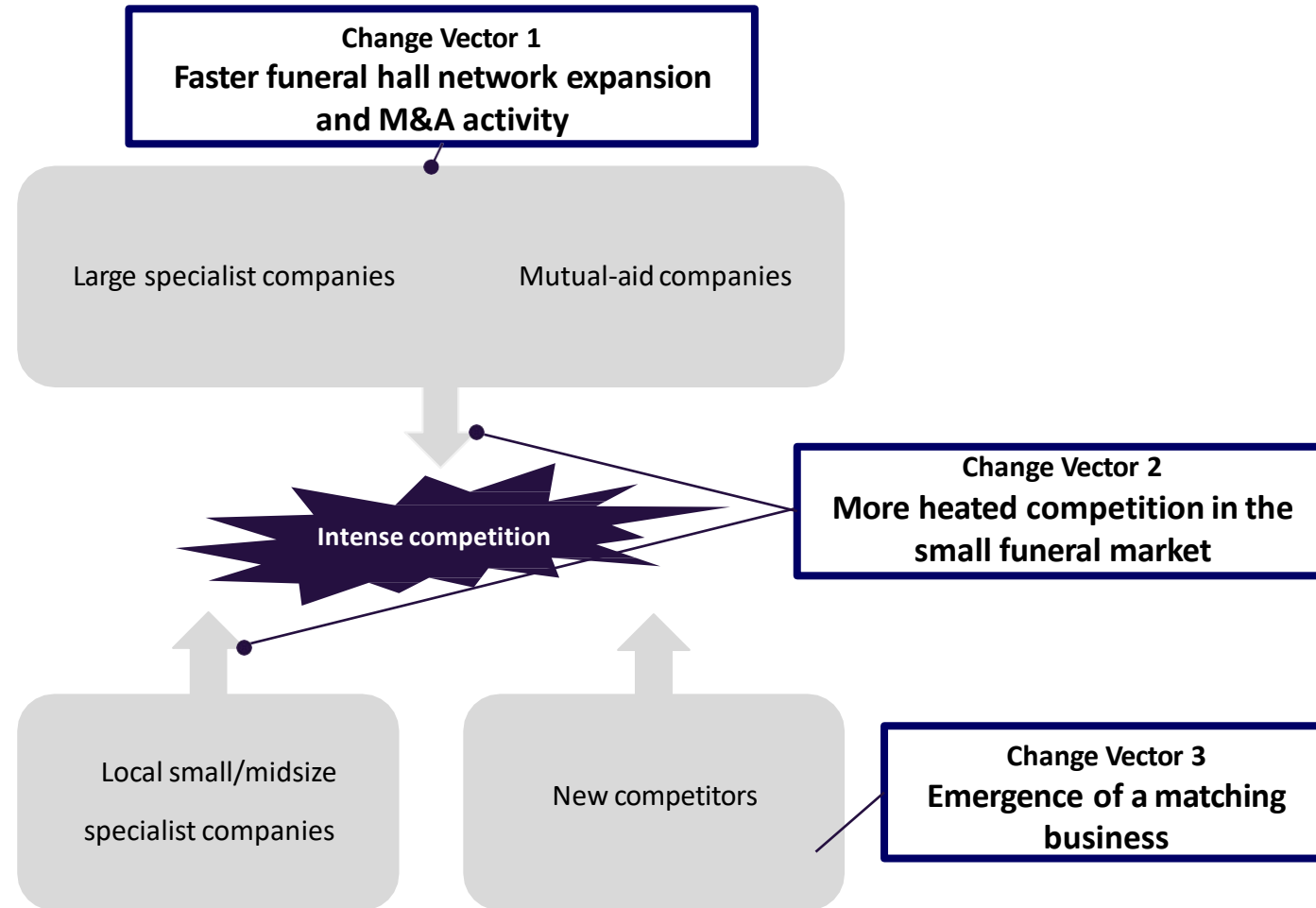
*Funeral revenue is calculated by multiplying average revenue per funeral (including beverages and courtesy gifts) by the number of funerals (95% of deaths).

*Excludes temple/shrine expenses, cremation, household altars and gravestones

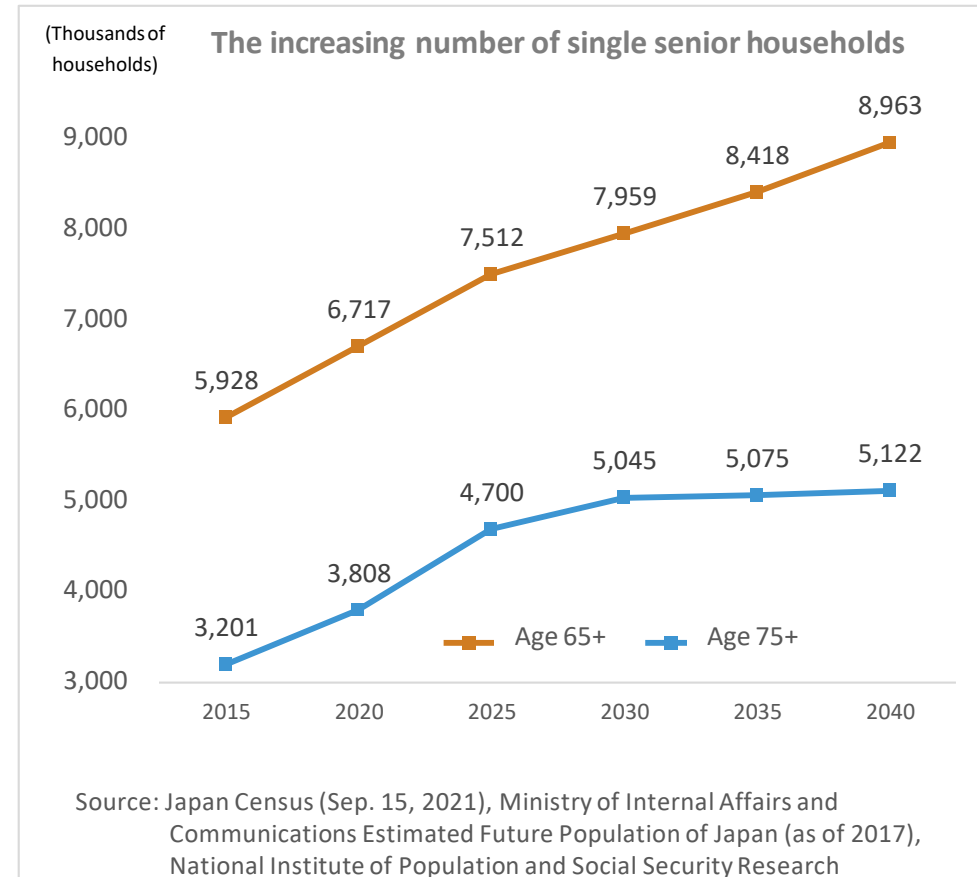
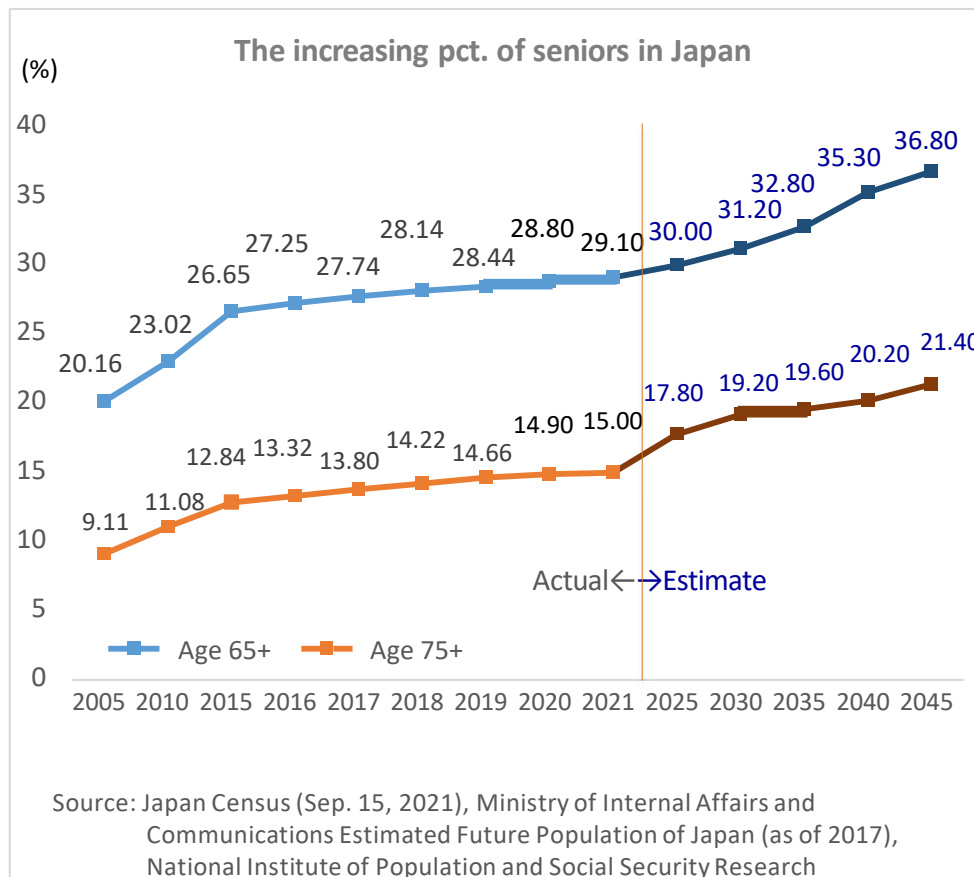
- Dramatic shifts in the nature of the funeral market resulting from changes in people's values and preferences and the increasing speed of the growth of online services.



- Qualitative changes are significantly altering the competitive dynamics of Japan's funeral market.



- Japan's population of seniors is increasing steadily.
 - Growth of the senior market will be fueled by the increasing number of seniors and the diversification of seniors' life styles.
- Household size is falling as nuclear families increase; more seniors living alone.
 - The demand among seniors for support services is expected to grow.



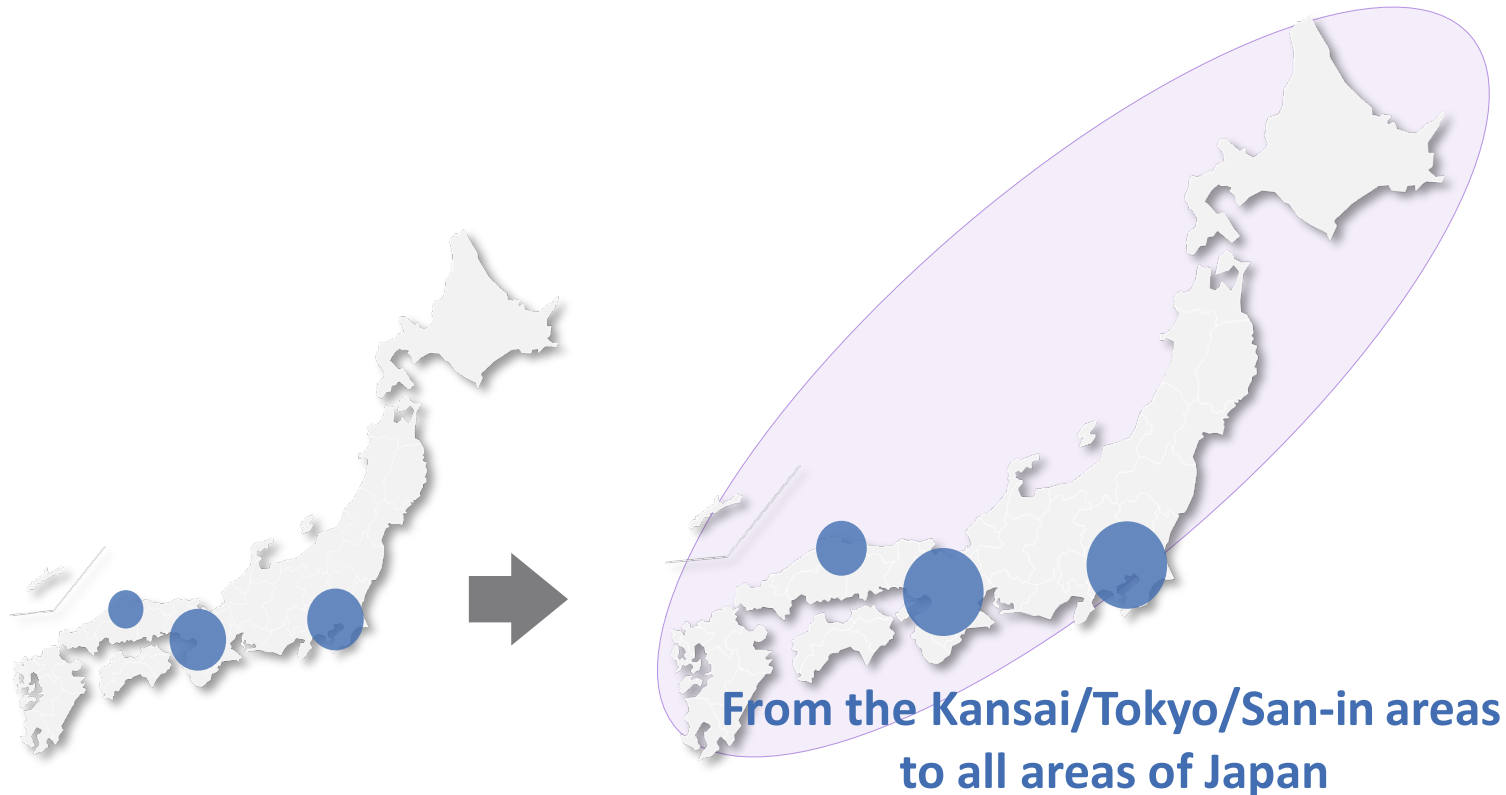
We are using strengths and knowledge acquired during 90 years of operations since its inception for growth in the funeral and other businesses by expanding the scope of activities in the end-of-life support business domain.

We provide the end-of-life services that seniors need to enjoy fulfilling lives with confidence as well as to be a source of support concerning a variety of issues involving people's lives.

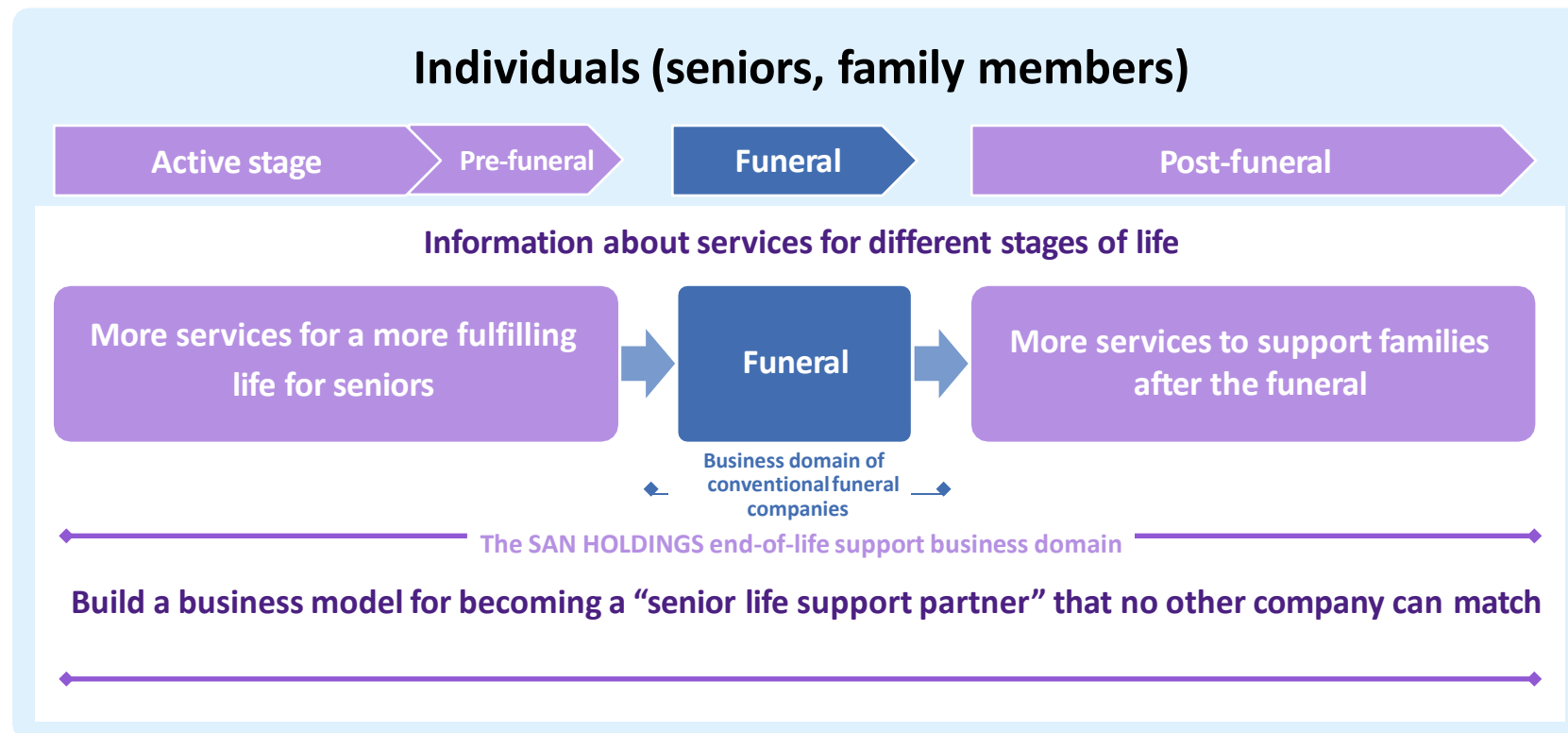
SAN HOLDINGS Group Strengths

- (1) **More than 15,000 funerals** every year and **84 funeral halls** (as of November 2023)
- (2) 315 experienced **funeral directors** (as of November 2022)
- (3) An **embalming staff** of 25 (as of April 2023)
- (4) **Total support** extending from the final years to needs after a funeral
- (5) An **end-of-life support business** that draws on the extensive knowledge and experience of the SAN HOLDINGS Group
- (6) One of Japan's leaders in the **company funeral and farewell event** sector
- (7) Operation of the **Hidamari Club** for grief care and other support following a funeral

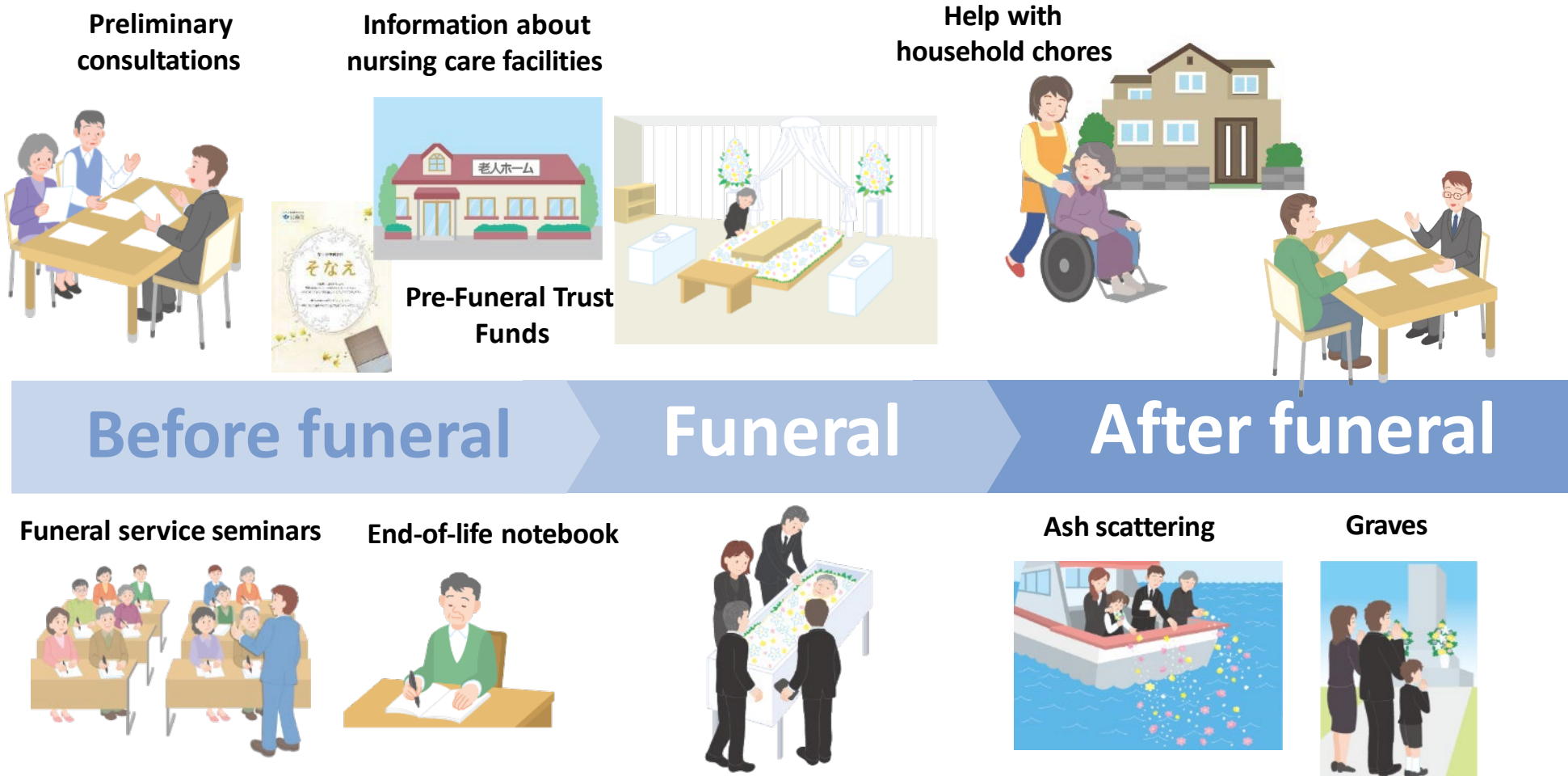
1. **To be a source of services that satisfy a broad spectrum of customers, we will expand our operations from the Kansai/Tokyo/San-in areas to all areas of Japan.**



2. **To contribute to improving our customers' quality of life, we continue expanding our end-of-life support business** and use the final stage of life for the provision of an even larger range of value by creating new businesses and services.



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



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

**Operating CF of
about ¥8.8 billion
during the
medium-term plan**

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

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

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

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

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

**Shareholder
distributions**

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

(Reference) E-Mail Service (Started on March 1, 2023)

The e-mail service provides registered users with press releases and other corporate news, TV programs, updates of official SAN HOLDINGS notes and other information. Visit the SAN HOLDINGS website to register for this service.



<https://www.san-hd.co.jp/>

The screenshot displays the SAN HOLDINGS website with a focus on the 'E-Mail Service' registration process. The header includes the company name 'サンホールディングス株式会社' and navigation links. A large image shows a man in a suit presenting a tablet to an elderly couple. A blue box on the right contains the text: 'ライフエンディングのトータルサポート企業としてシニアライフをサポート'.

The 'ニュースリリース' (News Release) section lists several announcements from March 2023, each with a date, category, and a link to the full text (PDF format). The categories include '役員・組織・人事' (Board/Structure/HR), 'その他' (Others), '取締役会決議' (Board Resolution), and '決算・業績' (Financial Results/Performance).

A red arrow points from the QR code and the URL below to the 'E-Mail Service' registration link in the bottom right corner of the website screenshot.

ニュースリリース

2023年04月03日 役員・組織・人事 自己株式の取得状況に関するお知らせ (PDF形式: 125KB)

2023年03月29日 その他 当社が紹介された日経CNBCのIR番組の動画配信が開始されました。

2023年03月29日 その他 ライフエンディングの最新情報をお届けする『サンホールディングスHeartful Vol.8』を発行。移住(ライフエンディングプラン)は今の転機に不安だらけの老後ではなく、希望に満ちた未来に「が」テーマ (PDF形式: 293KB)

2023年03月27日 取締役会決議 取締役会の新ブランド展開のお知らせ (PDF形式: 464KB)

2023年03月27日 取締役会決議 サンホールディングスグループ お客様の価値観の変化に対応した 取締役会の新ブランド展開 (PDF形式: 642KB)

2023年03月27日 役員・組織・人事 子会社の組織の名称変更に関するお知らせ (PDF形式: 153KB)

2023年03月23日 役員・組織・人事 取締役および執行役員の担当・経歴等に関するお知らせ (PDF形式: 127KB)

2023年03月23日 役員・組織・人事 子会社の組織変更に関するお知らせ (PDF形式: 152KB)

2023年03月23日 役員・組織・人事 子会社役員の変動に関するお知らせ (PDF形式: 122KB)

2023年03月23日 役員・組織・人事 子会社の取締役および執行役員の専任・担当に関するお知らせ (PDF形式: 126KB)

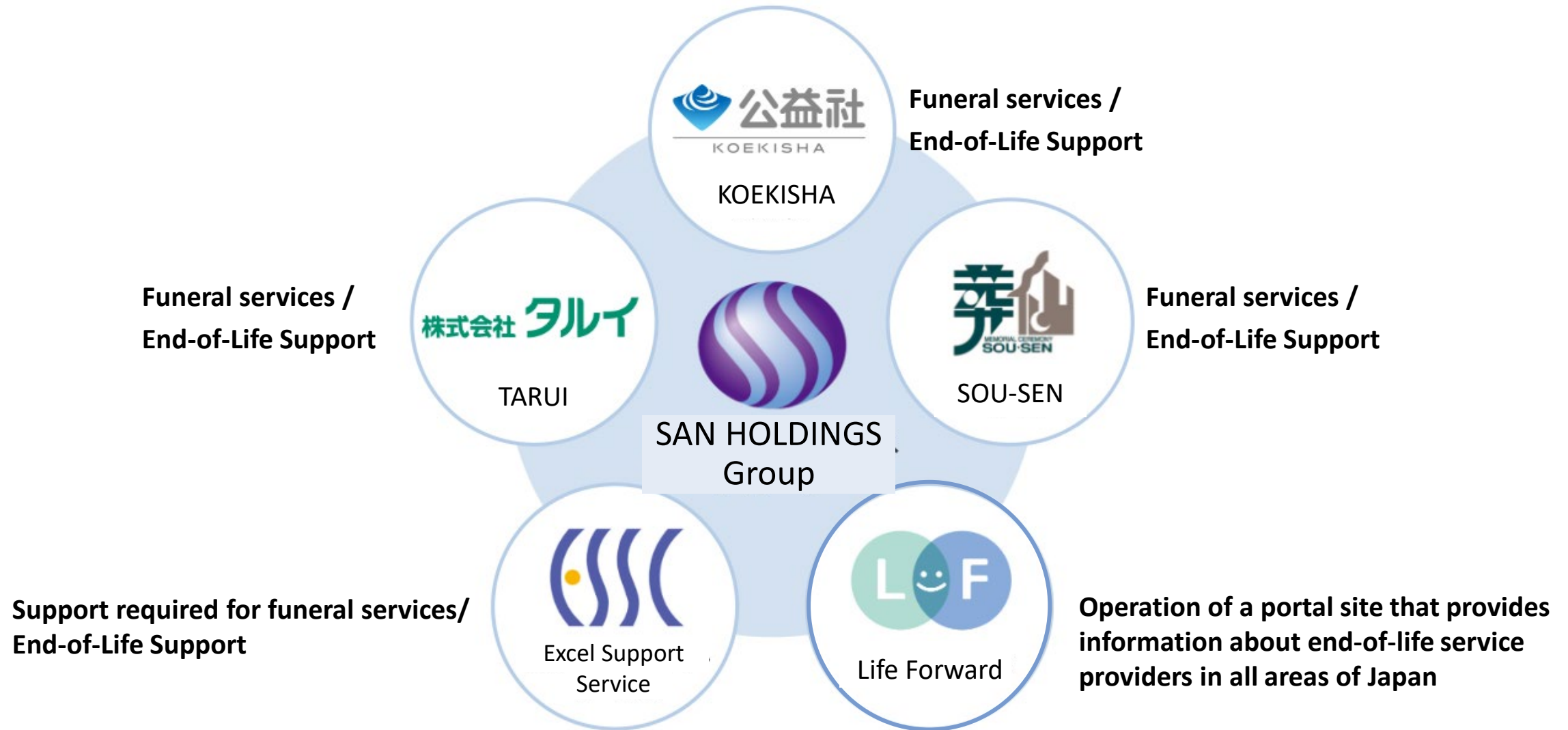
2023年03月23日 役員・組織・人事 子会社の役員人事に関するお知らせ (PDF形式: 115KB)

2023年03月01日 その他 当社の最新情報をメールでお届けする「メール配信サービス」を開始しました。

2023年03月01日 決算・業績 2023年3月期第3四半期決算短信(英語版)を掲載いたしました。

2023年03月01日 役員・組織・人事 自己株式の取得状況に関するお知らせ (PDF形式: 125KB)

メール配信サービス



Company Overview

Name: SAN HOLDINGS, INC.
Established: October 2, 1944 (Founded in August 1932)
Capital: ¥2,568.15 million
Listing: Tokyo Stock Exchange, Prime Market
Stock code 9628
Operating revenue: ¥21,663 million (FY3/23)

Current Areas of Operations

Tokyo area (Tokyo, Kanagawa)
Kansai area (Osaka, Hyogo, Nara)
San-in region (Tottori, Shimane)

The Funeral Industry

Japan has no regulatory agency and no regulations for funeral companies

Reference: There were about 1.39 million deaths in Japan in 2022 and this is expected to increase to about 1.7 million by 2040. In 2022, funeral revenue was estimated to be about ¥1,607 billion (1.37 million deaths x ¥1,173,000).

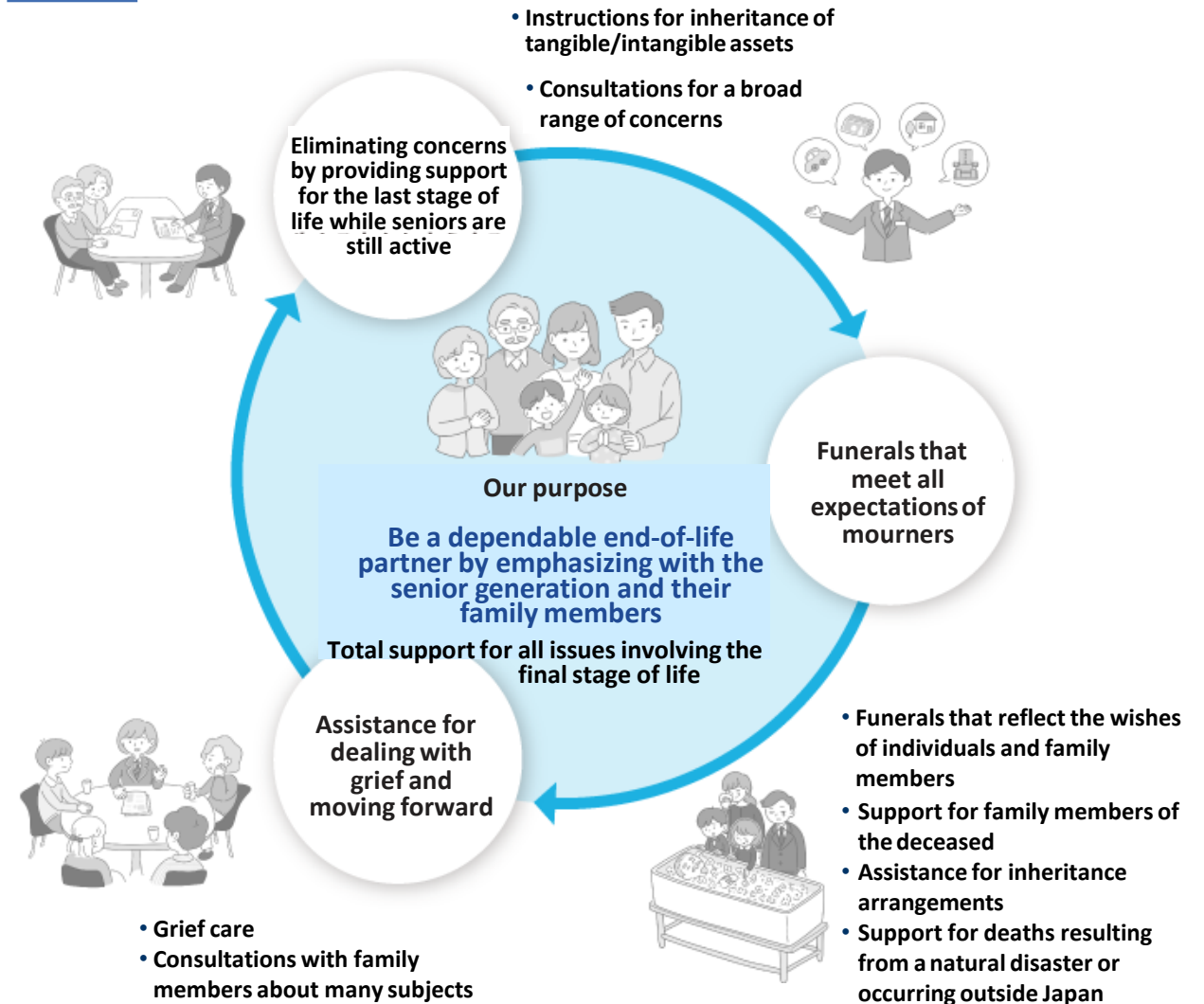


(Reference) The Corporate Philosophy and Purpose of the SAN HOLDINGS Group

Corporate Philosophy



Purpose



Cautions

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. Actual results may differ materially from the forecasts.

Inquires: Corporate Planning Department, SAN HOLDINGS, INC.
TEL: +(81)6-6226-0038

November 20, 2023

Live webcasts of results of operations for the first half of
the fiscal year ending March 31, 2024

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