



November 11, 2021

**Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2022
(Six Months Ended September 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>
Representative: Satoshi Harishima, President and Representative Director
Contact: Yoshiyuki Yokota, Director, Executive Officer, General Manager of Corporate Planning Department
Tel: +(81)6-6226-0038

Scheduled date of filing of Quarterly Report: November 12, 2021

Scheduled date of payment of dividend: December 6, 2021

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for analysts)

*(All amounts are rounded down to the nearest million yen)***1. Consolidated Financial Results for the Six Months Ended September 30, 2021****(April 1, 2021 – September 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	%
Six months ended Sep. 30, 2021	9,512	10.6	1,604	107.0	1,604	109.7	1,038	117.1
Six months ended Sep. 30, 2020	8,604	(17.1)	775	(47.9)	765	(48.7)	478	(51.2)

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2021: 1,038 (up 117.1%)
Six months ended Sep. 30, 2020: 478 (down 51.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2021	94.58	-
Six months ended Sep. 30, 2020	43.24	-

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 six months ended September 30, 2021 incorporate this accounting standard.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2021	32,648	29,113	89.2
As of Mar. 31, 2021	32,387	28,548	88.1

Reference: Shareholder's equity (million yen) As of Sep. 30, 2021: 29,113 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 September 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	-	17.00	-	-	-
Fiscal year ending Mar. 31, 2022 (forecast)	-	-	-	17.00	-

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
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: None

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 Sep. 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 Sep. 30, 2021:	1,299,417 shares	As of Mar. 31, 2021:	1,091,017 shares
----------------------	------------------	----------------------	------------------

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2021:	10,976,690 shares	Six months ended Sep. 30, 2020:	11,056,391 shares
---------------------------------	-------------------	---------------------------------	-------------------

Note: The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan of 135,300 shares as of September 30, 2021 and 136,100 shares as of March 31, 2021 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 5 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	5
2. Quarterly Consolidated Financial Statements and Notes	6
(1) Quarterly Consolidated Balance Sheet	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	8
Quarterly Consolidated Statement of Income	
For the Six-month Period	8
Quarterly Consolidated Statement of Comprehensive Income	
For the Six-month Period	9
(3) Quarterly Consolidated Statement of Cash Flows	10
(4) Notes to Quarterly Consolidated Financial Statements	11
Going Concern Assumption	11
Significant Changes in Shareholders' Equity	11
Changes in Accounting Policies	11
Segment and Other Information	12
Subsequent Events	14

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first half of the fiscal year ending in March 2022, the global COVID-19 pandemic continued to severely impact the Japanese economy, but the economy has been recovering. Japan's exports and industrial production continued to increase, although some sectors were affected by limited supplies of some parts. Furthermore, corporate earnings and overall business sentiment is improving. The pandemic is still holding down the number of jobs and personal income and exerting significant downward pressure on consumer spending for restaurants, hotels and other types of services. Due to this situation, Japan's economy is still not growing.

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. During the pandemic, families of the deceased are not providing food during wakes and at funerals for safety and only a small number of people are attending these events. For safety during funeral ceremonies, funeral companies are suggesting to clients the use of online attendance or dividing attendance into several small groups to prevent close contact with other mourners. Companies are also using the internet for seminars and preliminary funeral consultations. Due to this environment, funeral companies in Japan are determining how the pandemic has changed funerals and how funerals have not been changed by this crisis in order to meet needs involving funerals after the 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.

A Productivity Improvement Project started in 2019 for the purpose of conducting business operations more efficiently. KOEKISHA, the group's core company, is taking actions based on this project to increase its operating margin by improving the tasks performed by funeral personnel, reexamining their roles and using other measures.

In the end of life support business, Life Forward Co., Ltd. operates an internet platform for the services of this business. This company enlarged its lineup of services in April 2021 in order to begin providing assistance for Buddhist memorial services, inheritance planning, final arrangements prior to death concerning assets and other matters, and the sorting of the deceased's belongings. Life Forward is a source of information about funeral companies, cemeteries and other items in the Tokyo and Osaka areas and plans to expand this information service to all areas of Japan during the fiscal year ending in March 2023. In addition, since April 2021, Life Forward has been using the consultation skills of end-of-life counselors at this company's contact center to work as an alliance partner 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.

The expansion of the funeral hall network continued during the first half of the fiscal year. KOEKISHA Hall in Nagai (Sumiyoshi-ku, Osaka) opened in September 2021, Nerima Hall of KOEKISHA opened in October 2021 (Nerima-ku, Tokyo), Kokubunji Hall of KOEKISHA (Kokubunji city, Tokyo) opened in November 2021, and Ikoma Hall of KOEKISHA (Ikoma city, Nara) is scheduled to open in February 2022. In addition, two funeral halls will be opened by SOU-SEN in the San-in region of Japan by the end of the current fiscal year (Details have not been officially announced). This will result in six more locations during this fiscal year and a total of 10 new funeral halls during the current three-year management plan, which has the goal of 13 new funeral halls. Activities will continue to expand the operations to more areas of Japan.

During the first half, the number of funerals at the SAN HOLDINGS Group increased 12.7% year on year because of increases in the number of funerals at all three group companies. There was a small decrease in average revenue per funeral resulting from the positive effect on revenue per funeral of the higher number of large funerals and the negative effect of a decline in average revenue per ordinary funeral. As a result, funeral service revenue was up 11.9%.

Sales of products and services associated with funerals were also higher than one year earlier because the number of funerals increased.

At the core KOEKISHA Group, there were many activities for improving operating efficiency and controlling personnel expenses, which are key goals of the medium-term management plan. As a result, operating expenses increased only 1.1% and selling, general and administrative expenses were up 0.4%.

Operating revenue increased 10.6% year on year to 9,512 million yen. Earnings were higher as well with operating profit up 107% to 1,604 million yen and ordinary profit up 109.7% to 1,604 million yen. Profit attributable to owners of parent increased 117.1% to 1,038 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 13.7% higher than one year earlier. COVID-19 deaths are responsible for about 40% of this increase. Average revenue per funeral decreased because of the increase in funerals for COVID-19 deaths and the larger number of small funerals.

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 to about 80% of the pre-pandemic revenue in the first half of the fiscal year that ended in March 2020.

At KOEKISHA, the number of funerals increased 14.1% year on year and funeral service revenue increased 13.5% to about 5% below than the pre-pandemic revenue in the first half of the fiscal year that ended in March 2020.

Sales of products and services associated with funerals, such as family altars and courtesy gifts, were also higher than one year earlier. The main reasons were more opportunities to sell these items because of the increase in the number of funerals and the establishment of a framework for selling these products and services during the pandemic.

Although the number of funerals increased, personnel expenses decreased mainly because of rigorous measures to control these expenses. There was only a marginal increase in the direct expense ratio. Expenses were higher because of more large funerals and an increase in sales of memorial service items, courtesy gifts and other items. The increase in direct expenses was held down by activities to improve operating efficiency, which is a key goal of the current medium-term management plan.

Sales in the KOEKISHA Group segment were 7,901 million yen, up 12.3% year on year, and the segment profit was 907 million yen, up 959%.

2) The SOU-SEN Group

At SOU-SEN CORPORATION, the number of funerals mostly in or near the cities of Yonago and Sakaiminato increased 9.4% year on year. Although more people are holding simple funerals, the average revenue per funeral was effectively the same as one year earlier after excluding the effect of the absence of large funerals. As a result, funeral service revenue increased 8.5%. 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 627 million yen, up 6.4% year on year, and the segment profit was 6 million yen, compared with a loss of 9 million yen one year earlier.

3) The TARUI Group

At TARUI CO., LTD., the number of funerals was 6.3% 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. As a result, funeral service revenue increased 1.6%. Sales of products and services associated with funerals decreased, although there were higher sales involving Buddhist memorial services and sermons and some other items.

Sales in the TARUI Group segment were 794 million yen, up 0.6% year on year, and the segment profit was 110 million yen, up 7.8%.

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 3,789 million yen, up 36.5% year on year, and the segment profit was 2,236 million yen, up 80.5%.

(2) Explanation of Financial Position

Assets

Current assets at the end of the second quarter were 7,745 million yen, down 149 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 305 million yen in cash and deposits, while there was an increase of 84 million yen in trade accounts receivable and contract assets and an increase in prepaid expenses relating to property tax.

Non-current assets were 24,903 million yen, up 411 million yen from the end of the previous fiscal year. Property, plant, and equipment increased 371 million yen because buildings and structures and construction in progress increased due to the construction of funeral halls that are to begin operating during the current fiscal year. Intangible assets increased 42 million yen because of an increase in software in progress relating to investment in information systems.

As a result, total assets increased 261 million yen from the end of the previous fiscal year to 32,648 million yen.

Liabilities

Current liabilities at the end of the second quarter were 2,324 million yen, down 217 million yen from the end of the previous fiscal year. This was mainly due to decreases of 41 million yen in trade accounts payable and 169 million yen in income taxes payable.

Non-current liabilities were 1,210 million yen, a decrease of 86 million yen from the end of the previous fiscal year. This was mainly due to decreases in lease obligations and long-term accounts payable-other.

As a result, total liabilities decreased 304 million yen from the end of the previous fiscal year to 3,535 million yen.

Net assets

Net assets were 29,113 million yen at the end of the second quarter, up 565 million yen from the end of the previous fiscal year.

The main factors include 838 million yen increase in retained earnings due to profit attributable to owners of parent of 1,038 million yen and dividend payments of 190 million yen and purchase of treasury shares in an amount of 299 million yen in the second quarter.

Consequently, the equity ratio increased 1.1 percentage points from the end of the previous fiscal year to 89.2%.

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

The fifth wave and largest wave of the pandemic in Japan, which occurred in most areas of the country, started in late June. The number of cases began to decline in the middle of August as people used numerous measures for safety and more people received vaccinations. On September 30, all states of emergency in Japan were terminated. Despite this progress, there may be a sixth wave of infections during the winter and the outlook for the pandemic remains unclear.

There are no revisions to the consolidated forecast for the fiscal year ending March 31, 2022 that was announced on May 13, 2021. We will closely monitor infection status and if upcoming changes in the severity of the pandemic have a significant negative effect on the validity of the assumptions used for this forecast, we will promptly announce a revised forecast based on new assumptions.

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

	(Millions of yen)	
	FY3/21 (As of Mar. 31, 2021)	Second quarter of FY3/22 (As of Sep. 30, 2021)
Assets		
Current assets		
Cash and deposits	7,042	6,737
Trade accounts receivable	452	-
Trade accounts receivable and contract assets	-	537
Merchandise and finished goods	114	89
Raw materials and supplies	47	47
Other	239	334
Allowance for doubtful accounts	(1)	(1)
Total current assets	7,895	7,745
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,289	9,547
Land	12,247	12,247
Leased assets, net	397	343
Other, net	219	386
Total property, plant and equipment	22,153	22,525
Intangible assets	155	197
Investments and other assets		
Long-term loans receivable	202	193
Beneficial interests in real estate trust	493	514
Guarantee deposits	736	751
Other	761	731
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	2,183	2,180
Total non-current assets	24,492	24,903
Total assets	32,387	32,648

	(Millions of yen)	
	FY3/21 (As of Mar. 31, 2021)	Second quarter of FY3/22 (As of Sep. 30, 2021)
Liabilities		
Current liabilities		
Trade accounts payable	613	571
Current portion of long-term borrowings	5	-
Lease obligations	117	114
Income taxes payable	413	243
Provision for bonuses	484	417
Provision for bonuses for directors (and other officers)	31	17
Other	876	959
Total current liabilities	2,541	2,324
Non-current liabilities		
Lease obligations	322	266
Provision for employee stock ownership plan trust	27	33
Asset retirement obligations	410	430
Other	536	481
Total non-current liabilities	1,297	1,210
Total liabilities	3,839	3,535
Net assets		
Shareholders' equity		
Share capital	2,568	2,568
Capital surplus	5,492	5,494
Retained earnings	21,749	22,587
Treasury shares	(1,261)	(1,536)
Total shareholders' equity	28,548	29,113
Total net assets	28,548	29,113
Total liabilities and net assets	32,387	32,648

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

	(Millions of yen)	
	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)
Operating revenue	8,604	9,512
Operating expenses	7,204	7,281
Operating gross profit	1,399	2,230
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	89	94
Salaries	182	169
Bonuses	8	6
Provision for bonuses	33	40
Provision for bonuses for directors (and other officers)	15	17
Provision of allowance for doubtful accounts	(0)	0
Depreciation	10	10
Other	285	287
Total selling, general and administrative expenses	623	626
Operating profit	775	1,604
Non-operating income		
Interest income	1	1
Dividend income	0	0
Subsidy income	-	5
Miscellaneous income	9	8
Total non-operating income	11	15
Non-operating expenses		
Interest expenses	0	0
Dismantling removal expense	17	9
Miscellaneous losses	4	6
Total non-operating expenses	21	16
Ordinary profit	765	1,604
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on retirement of non-current assets	5	5
Total extraordinary losses	5	5
Profit before income taxes	760	1,599
Income taxes-current	199	545
Income taxes-deferred	82	15
Total income taxes	282	561
Profit	478	1,038
Profit attributable to owners of parent	478	1,038

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

(Millions of yen)

	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)
Profit	478	1,038
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	478	1,038
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	478	1,038
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)
Cash flows from operating activities		
Profit before income taxes	760	1,599
Depreciation	471	417
Loss on retirement of property, plant and equipment	5	5
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	(120)	(67)
Increase (decrease) in provision for bonuses for directors (and other officers)	(45)	(13)
Interest and dividend income	(1)	(1)
Interest expenses	0	0
Loss (gain) on sale of property, plant and equipment	(0)	-
Decrease (increase) in trade receivables	64	(84)
Decrease (increase) in inventories	1	24
Increase (decrease) in trade payables	(211)	(41)
Increase (decrease) in accrued consumption taxes	(183)	(51)
Other, net	(121)	61
Subtotal	618	1,846
Interest and dividends received	0	0
Interest paid	(0)	(0)
Income taxes paid	(715)	(719)
Income taxes refund	-	0
Net cash provided by (used in) operating activities	(97)	1,127
Cash flows from investing activities		
Purchase of property, plant and equipment	(533)	(816)
Proceeds from sale of property, plant and equipment	0	-
Purchase of intangible assets	(68)	(61)
Proceeds from collection of loans receivable	0	-
Other proceeds	23	38
Other payments	(12)	(31)
Net cash provided by (used in) investing activities	(590)	(869)
Cash flows from financing activities		
Repayments of long-term borrowings	(9)	(5)
Purchase of treasury shares	-	(299)
Repayments of finance lease obligations	(59)	(68)
Dividends paid	(178)	(190)
Net cash provided by (used in) financing activities	(248)	(564)
Net increase (decrease) in cash and cash equivalents	(936)	(307)
Cash and cash equivalents at beginning of period	6,427	7,038
Cash and cash equivalents at end of period	5,491	6,731

(4) 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 18 million yen, and operating gross profit, operating profit, ordinary profit and profit before income taxes decreased by 15 million yen, respectively. Profit attributable to owners of parent decreased by 10 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 half of the previous fiscal year.

Segment and Other Information

I. First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)

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

	Reportable segment					Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total		
Net sales							
External sales	7,022	589	789	202	8,604	-	8,604
Inter-segment sales and transfers	14	-	0	2,573	2,588	(2,588)	-
Total	7,037	589	789	2,776	11,192	(2,588)	8,604
Segment profit (loss)	85	(9)	102	1,239	1,417	(652)	765

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

(Thousands 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 six months of FY3/22 (Apr. 1, 2021 – Sep. 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 (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	KOEKISHA Group	SOU-SEN Group	TARUI Group	Holding Company Group	Total		
Net sales							
Funeral service revenue	6,493	529	727	-	7,751	-	7,751
Other	1,390	97	66	-	1,554	-	1,554
Revenue from contracts with customers	7,884	627	794	-	9,306	-	9,306
Other revenue	-	-	-	206	206	-	206
External sales	7,884	627	794	206	9,512	-	9,512
Inter-segment sales and transfers	16	0	0	3,583	3,600	(3,600)	-
Total	7,901	627	794	3,789	13,112	(3,600)	9,512
Segment profit	907	6	110	2,236	3,261	(1,656)	1,604

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.

Subsequent Events

Repurchase of treasury shares

The SAN HOLDINGS Board of Directors approved a resolution on November 11, 2021 to repurchase its own shares pursuant to Article 156 of the Companies Act, which is applicable in lieu of Article 165, Paragraph 3 of this act.

(1) Reason for stock repurchase

SAN HOLDINGS is repurchasing stock to distribute more earnings to shareholders and for greater flexibility regarding actions involving capital in response to changes in the operating environment.

(2) Type of shares and total number of shares to be repurchased

SAN HOLDINGS common stock: Up to 200,000 shares

(3) Total value of shares to be repurchased

Up to 300 million yen

(4) Repurchase schedule

From November 12, 2021 to March 24, 2022

(5) Method of repurchase

Purchase on the Tokyo Stock Exchange

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.