



Tokyo Stock Exchange, Prime Market
Stock code: 9628

SAN HOLDINGS, INC.

**Financial Results for the
Second Quarter of the Fiscal Year Ending March 31, 2025
Briefing Materials for Institutional Investors**

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



SAN HOLDINGS, INC.

November 28, 2024

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1. First Half of FY3/25 Financial Overview

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

 **SAN HOLDINGS, INC.**



First Half of FY3/25 Financial Highlights

1. Although the average revenue per funeral was down because of smaller funerals, operating revenue increased 7.5% because of an increase in the number of funerals.
2. In September 2024, SAN HOLDINGS used a tender offer to acquire KIZUNA HOLDINGS Corp., making this company a consolidated subsidiary.
3. SG&A expenses up 39.4% mainly because of one-time expenses involving the KIZUNA HOLDINGS acquisition.
4. Operating profit decreased 8.2% and operating margin was 13.7% (-2.4pt). Excluding the acquisition expenses, operating profit was up 177 million yen, resulting in higher revenue and earnings in the first half.

*The KIZUNA HOLDINGS acquisition date for accounting purposes is August 31, 2024, which is a difference of under three months with the end of the first half. As a result, KIZUNA HOLDINGS is not included in first half consolidated revenue and earnings and is included only in the consolidated balance sheet.

Overview of First Half of FY3/25 Consolidated Results of Operations

	First Half of FY3/24	First Half of FY3/25	YoY change		Initial forecast*	
			Amount	%	FY3/25	Results vs. fct.
(Millions of yen)						
Operating revenue	10,407	11,186	779	7.5%	24,300	54.0%
Operating expenses	7,991	8,614	623	7.8%	18,733	54.0%
SG&A expenses	744	1,037	293	39.4%	1,746	40.6%
Operating profit	1,671	1,534	-137	-8.2%	3,820	59.8%
(Operating margin)	(16.1%)	(13.7%)	-2.4pt		(15.7%)	
Ordinary profit	1,684	1,564	-119	-7.1%	3,830	59.2%
Profit attributable to owners of parent	1,085	943	-142	-13.1%	2,450	61.5%

*FY3/25 forecasts were announced on May 10, 2024.

Overview of FY3/25 Quarterly Consolidated Results of Operations

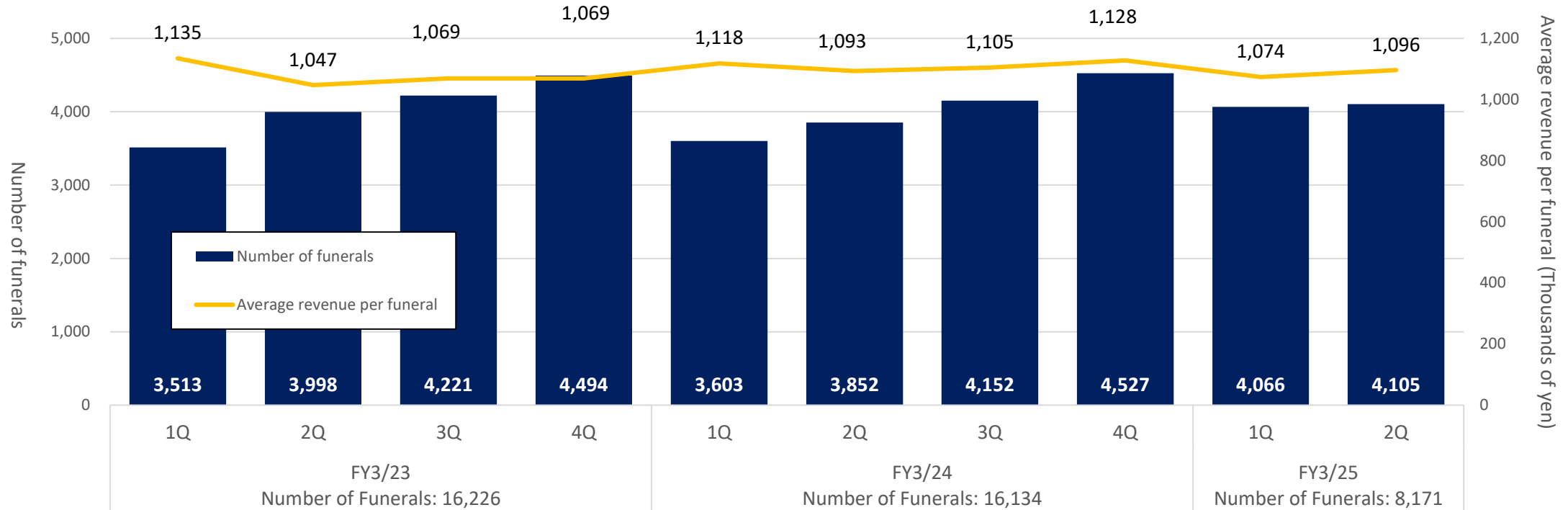
(Millions of yen)	1Q Results	YoY change %	2Q Results	YoY change %
Operating revenue	5,518	8.6%	5,667	6.4%
Operating expenses	4,230	7.1%	4,383	8.4%
SG&A expenses	442	19.2%	594	59.5%
Operating profit	845	11.0%	688	-24.3%
(Operating margin)	(15.3%)	0.3pt	(12.2%)	-4.9pt
Ordinary profit	863	12.7%	700	-23.7%
Profit	551	10.9%	392	-33.3%

Use the chart generator on the SAN HOLDINGS website to see changes in major quarterly results items for the past three years.
<https://www.san-hd.co.jp/ir/finance/chart.html#gyouseki1>

The Group's Number of Funerals and Average Revenue Per Funeral

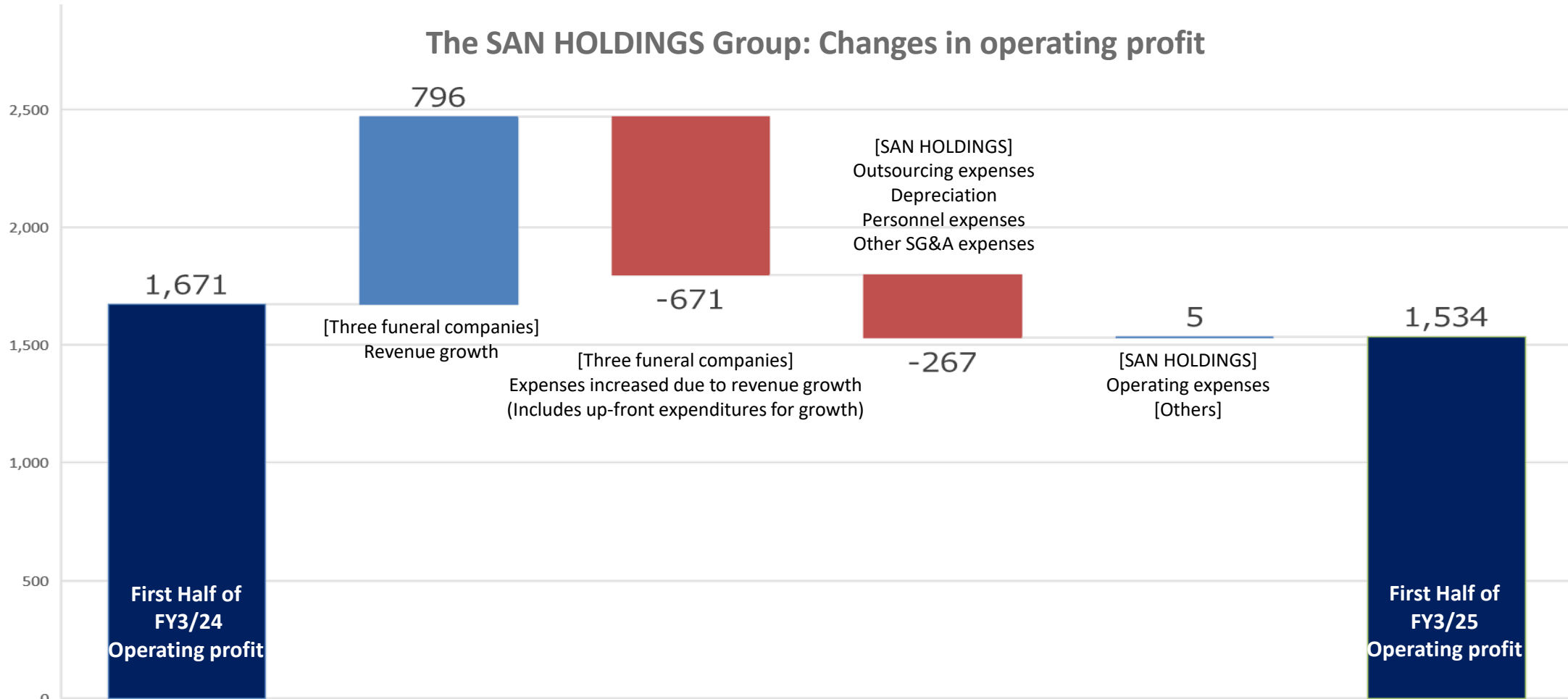
- Funeral service revenue increased 7.6% YoY
- Number of funerals increased 9.6% YoY
- Average revenue per funeral decreased 1.8% YoY because of smaller funerals

Quarterly number of funerals and average revenue per funeral



Changes in Operating Profit

- First half SG&A expenses include one-time expenses associated with the KIZUNA HOLDINGS tender offer and acquisition.



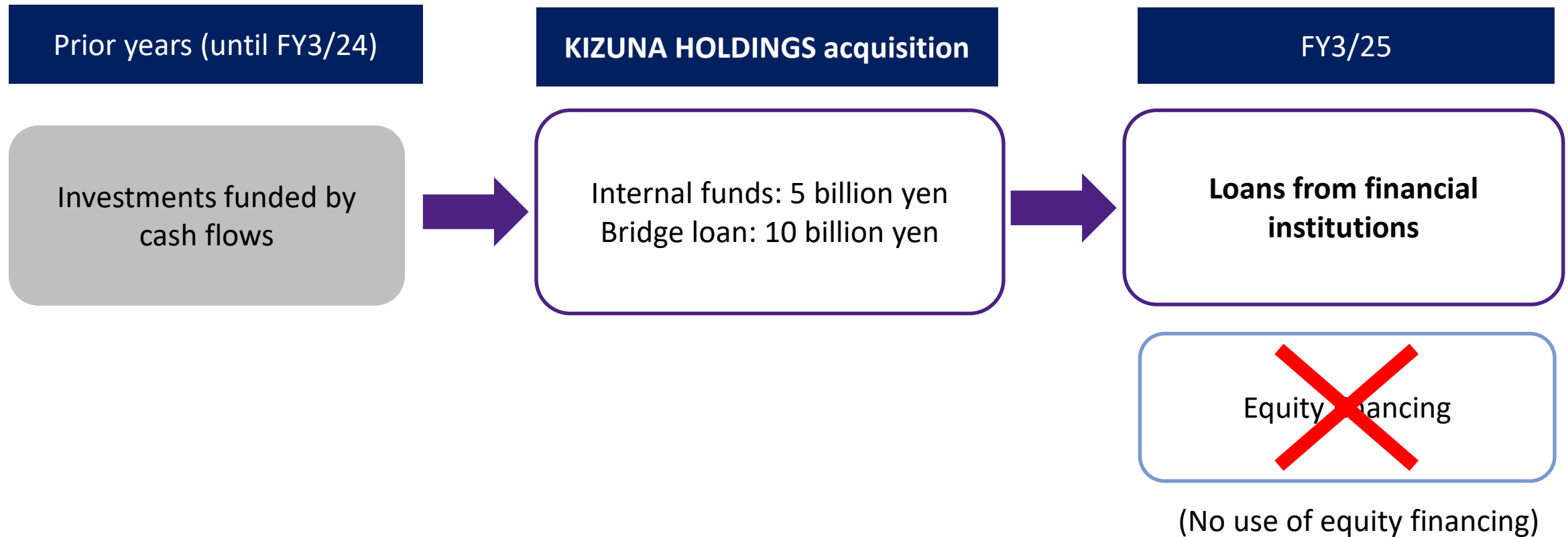
Changes in the Balance Sheet

(Millions of yen)	March 31, 2024	September 30, 2024	Change	Major items	
Current assets	11,835	10,176	-1,659	Cash and deposits	-1,795
Non-current assets	25,750	46,558	20,808	Property, plant and equipment	8,353
				Intangible assets	11,281
				Investments and other assets	1,173
Total assets	37,585	56,735	19,150		
Current liabilities	3,636	15,791	12,155	Short-term borrowings	10,400
				Current portion of long-term borrowings	1,454
Non-current liabilities	1,071	7,110	6,039	Long-term borrowings	4,538
Total liabilities	4,708	22,902	18,194		
Total net assets	32,877	33,832	955	Total shareholders' equity	753
				Non-controlling interests	201
Total liabilities and net assets	37,585	56,735	19,150		

Use the chart generator on the SAN HOLDINGS website to see changes in major balance sheet items during the past 10 years.
<https://www.san-hd.co.jp/ir/finance/chart.html#gyouseki1>

Procuring Funds for Investments

- A bridge loan was used to fund the KIZUNA HOLDINGS acquisition. This loan is expected to be replaced with long-term debt within one year.
- There is no plan to use equity financing for this acquisition.



2.

KOEKISHA Financial Highlights

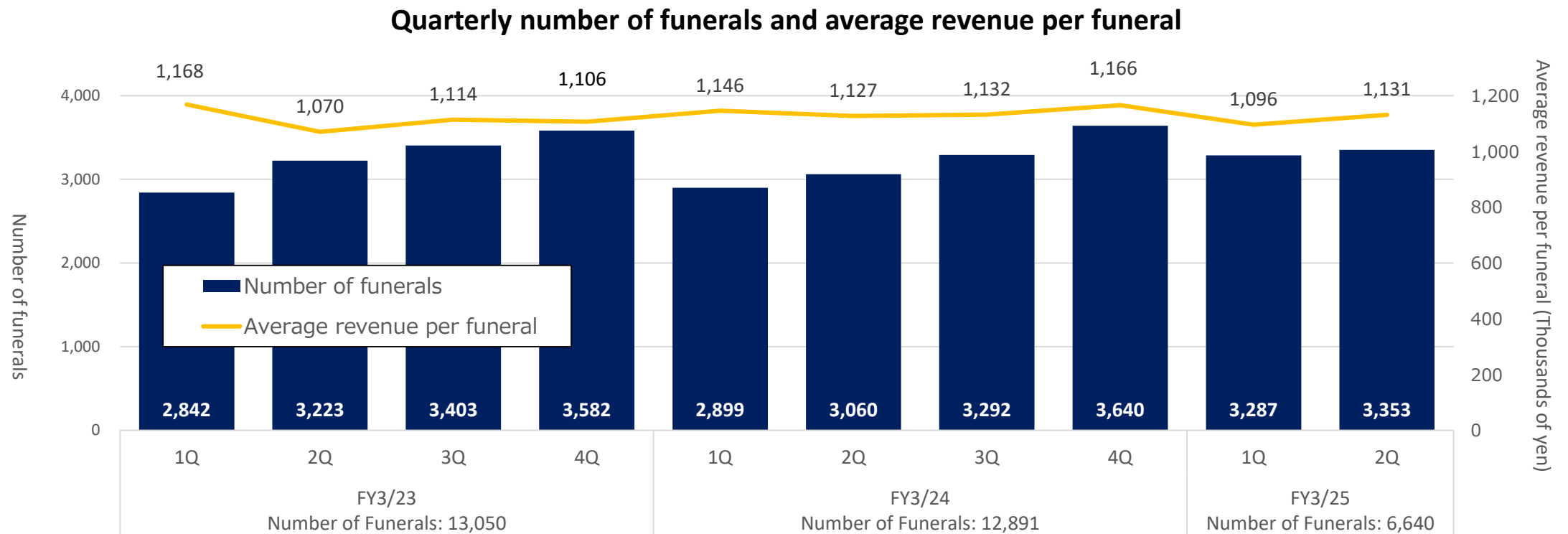
**Be a dependable end-of-life partner by empathizing with
the senior generation and their family members**



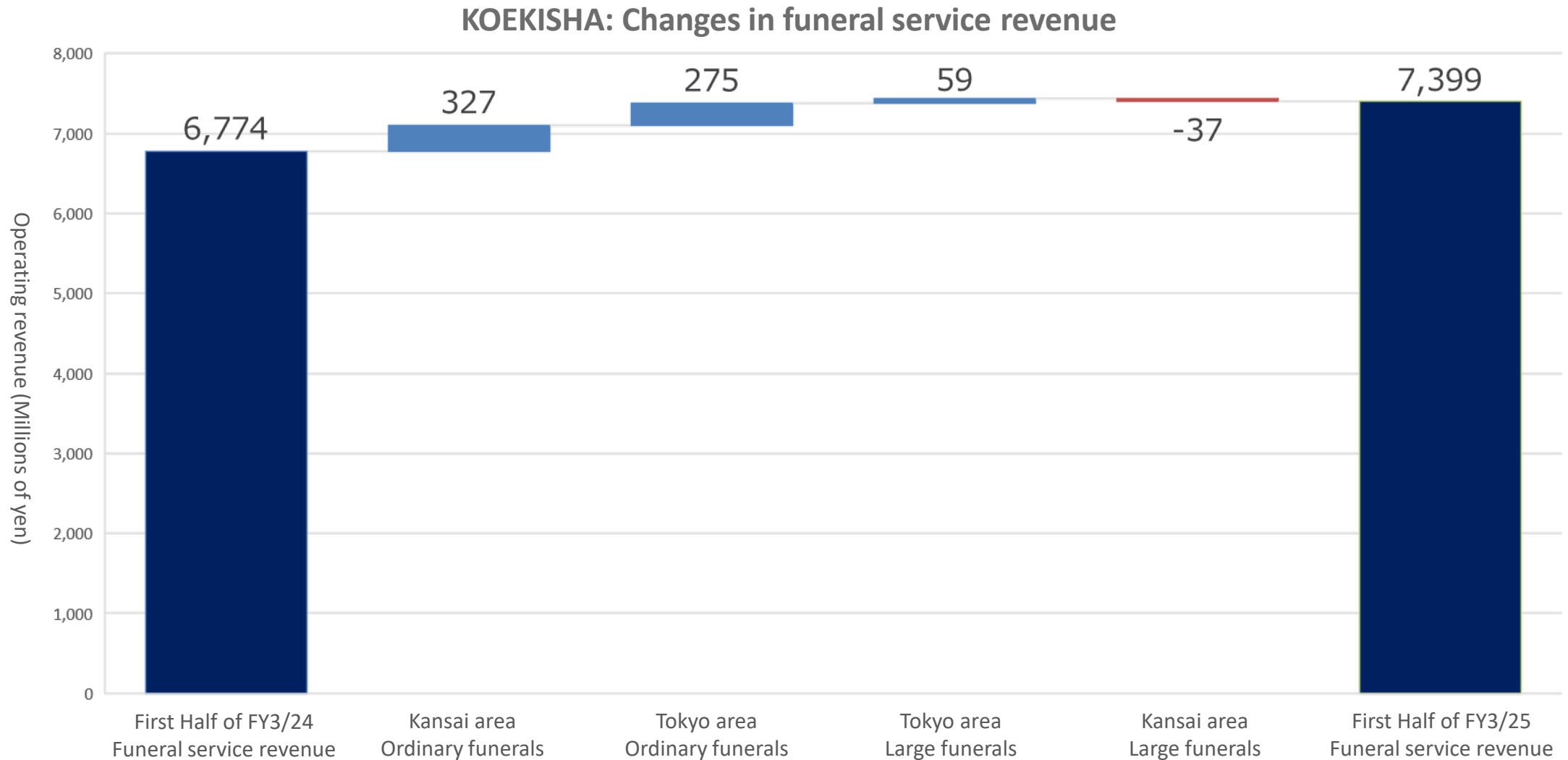
SAN HOLDINGS, INC.

KOEKISHA: Number of Funerals and Average Revenue Per Funeral

- Number of funerals: Up 11.4% YoY mainly because of a larger number of ordinary funerals (less than 5 million yen) due to newly opened funeral halls.
- Average revenue per funeral: Down 2.0% YoY because of a higher percentage of simple funerals (only cremation).



KOEKISHA: Increase/Decrease in Funeral Service Revenue



3. SOU-SEN and TARUI Financial Highlights

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

 **SAN HOLDINGS, INC.**

SOU-SEN Financial Highlights

- Number of funerals was about the same as one year earlier
- Average revenue per funeral declined due to a higher percentage of simple funerals

	First Half of FY3/24	First Half of FY3/25	YoY change	
			Amount	%
Number of funerals	720	720	0	0.0%
Average revenue per funeral (Thousands of yen)	910	876	-34	-3.8%
Operating revenue (Millions of yen)	766	726	-40	-5.2%
Operating profit (Millions of yen)	63	50	-13	-19.9%

Note: Operating revenue and operating profit are based on segment information.

TARUI Financial Highlights

- Number of funerals increased mainly at new halls for small funerals
- Average revenue per funeral decreased because of smaller funerals

	First Half of FY3/24	First Half of FY3/25	YoY change	
			Amount	%
Number of funerals	776	811	35	4.5%
Average revenue per funeral (Thousands of yen)	1,047	1,034	-13	-1.3%
Operating revenue (Millions of yen)	891	908	17	1.9%
Operating profit (Millions of yen)	159	163	4	2.4%

4.

FY3/25 Forecasts

**Be a dependable end-of-life partner by empathizing with
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 **SAN HOLDINGS, INC.**



Highlights of FY3/25 Forecasts

1.

SAN HOLDINGS is currently examining the impact of consolidation of KIZUNA HOLDINGS on the consolidated forecast. An announcement will be made when details are determined.

2.

[Overall] FY3/25 is the final year of the current medium-term management plan. Aiming to accomplish the New 10-Year Vision that defines goals for 2032.

3.

[Plan for investments] Plan to add 16 funeral halls for growth of the funeral business. Many activities, including M&A and business alliances, to expand operations to all areas of Japan.



5.

Progress in Medium-term Management Plan

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



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The New 10-Year Vision Our Two Initiatives

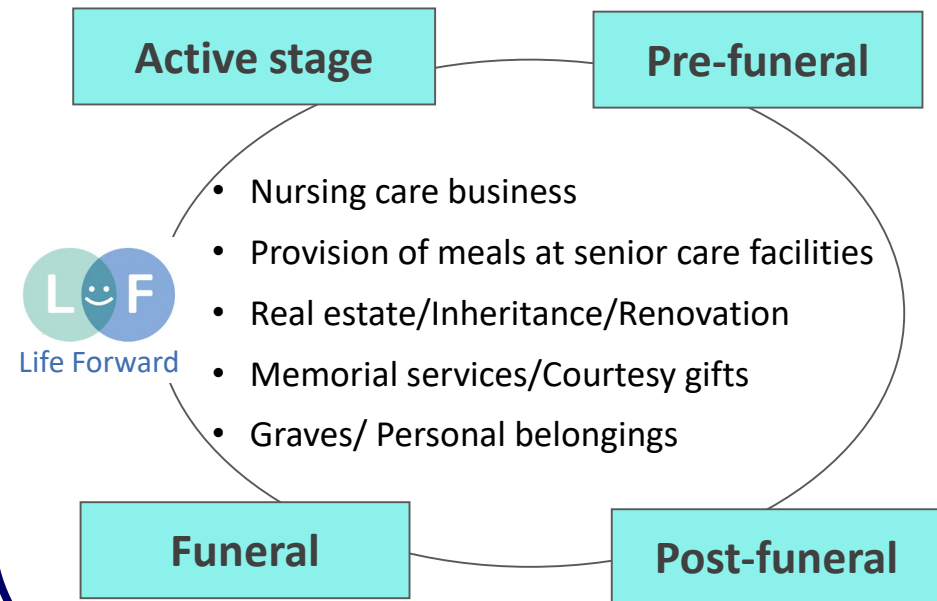
1. Growth of the funeral business

210 funeral halls including all major cities of Japan by 2032, the 100th anniversary of the SAN HOLDINGS Group



2. Growth of the end-of-life support business

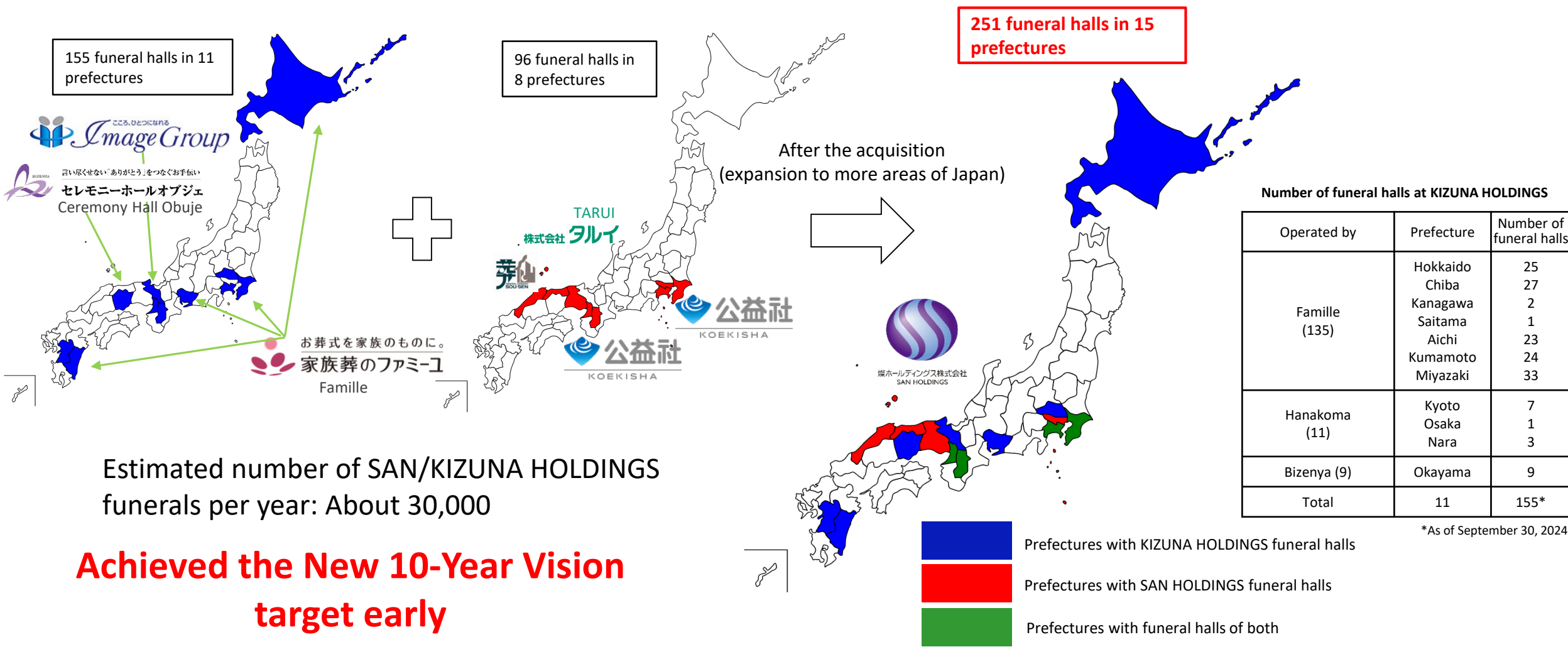
Build a business model for becoming a “senior life support partner”



Medium-term Management Plan

Key Strategies: 1. Growth of the Funeral Business

SAN HOLDINGS used a tender offer to acquire KIZUNA HOLDINGS in September 2024



Estimated number of SAN/KIZUNA HOLDINGS funerals per year: About 30,000

Achieved the New 10-Year Vision target early

Expected Synergies of the Acquisition

More sources of earnings

- Joint activities for sales of products and services
- More products and services after funerals and more areas where embalming is offered
- More areas where end-of-life support services are available
- Family funeral halls in all major cities of Japan

Optimization of resources

- Joint use of infrastructure functions
- Joint purchasing for higher productivity
- Joint utilization of internal expertise
- Higher productivity due to integrating numerous functions

KIZUNA HOLDINGS Acquisition Reasons and Goals

Goal – Support for Japan’s Aging Population

We are dedicated to maintaining Japan’s culture of placing importance on funerals and on relationships that link families, ancestors and others.

We are a funeral company and an end-of-life support company that people can trust for services with outstanding quality for the creation of new forms of value in the funeral culture of Japan.

Acquisition and Japan’s Funeral Market

- * An evolving business climate
- * Differences in information available to businesses and consumers
- * Trust and reliability that is required of companies providing end-of-life services

Medium-term Management Plan

Key Strategies: 2. Growth of the End-of-life Support Business

Sale of end-of-life services and products

Real estate brokerage service

Support provided before and after funerals
Graves/family altars
Inheritance procedures

Help with issues involving Japan's aging population



New services
★
Funerals with no chief mourner

Operation of senior care facilities for rehabilitation
Provision of meals at senior care facilities

Funerals with No Chief Mourner to Meet Needs of Singles and Couples

A portfolio of support that encompasses services of KOEKISHA as well as the services of legal experts and other professionals

公益社が提供するサービスと行政書士・司法書士などが提供するサービスを組み合わせてお選びください。

公益社が提供するサービス

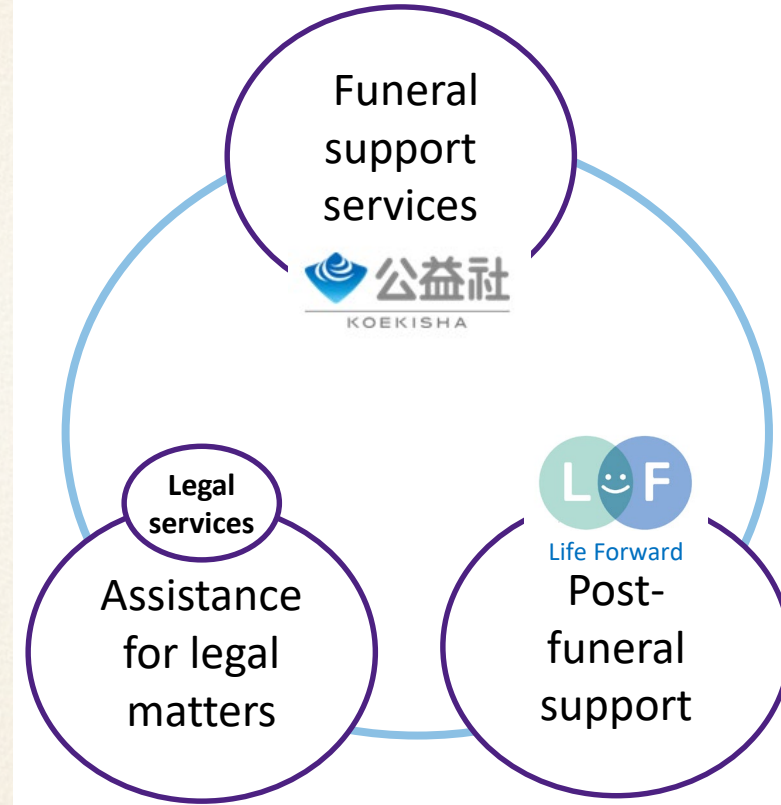
行政書士・司法書士などが提供するサービス

	家族葬プラン	一日葬プラン	火葬プラン		安心安全プラン	ベーシックプラン	ライトプラン
<ul style="list-style-type: none"> ● 枕飾り ● 安置室使用料 ● 寝台車 ● 本骨壺 ● 棺 ● 帷子 	○	○	○	プラス +	○	○	○
<ul style="list-style-type: none"> ● 祭壇 ● ドライアイス ● 中陰後飾り ● 会館使用料 ● 白木位牌 ● 霊柩車 (30kmまで。超過する距離は追加料金が必要です。) ● 告別式サポート ● 造影写真 ● 通夜サポート 	○	○	—		○	○	—
<ul style="list-style-type: none"> ● 任意後見契約 ● 死後事務委任契約 基本セット (死亡届、喪主代行、死亡地(病院など)の私物撤去・撤収) <p>下記の中から★3つ分までお選びいただけます。 (★1つにつき50,000円で追加契約可)</p> <ul style="list-style-type: none"> ● 遺言書作成サポート 基本料金[★★★] ● 納骨・永代供養に関する手続 基本料金[★★] ● 施設又は自宅の撤去に関する手配 基本料金[★★] ● 尊厳死宣言公正証書作成 基本料金[★] ● 医療費等の清算・公共料金等の支払い 基本料金[★] ● 関係者への連絡 基本料金[★] ● 行政手続届出 基本料金[★] <ul style="list-style-type: none"> ● 身元保証人サービス 基本料金 ● みまもりサービス 基本料金 	○	○	○		○	○	○

その他終活サービス(公益社がご案内するサービス)

- ホームセキュリティ ● 家事代行・ハウス クリーニング ● 生前整理 ● 不動産リフォーム・売却・活用 ● 高齢者住宅紹介 ● ライフプランニング ● 相続対策
- 法要・返礼品 ● 仏壇・位牌の修復・洗浄 ● 処分・買い替え ● 手元供養 ● 墓じまい・改葬・墓地購入 ● 樹木葬・散骨の手配・代行 ● 遺品整理・買取

※お申し込み時には審査があります。審査の結果、契約を見送らせていただく場合があります。
 ※別途費用(公認手数料・火葬料金など)が必要になります。
 ※契約者様の状況によっては、遺言書の作成(別途お見積り)が必要になる場合があります。
 ※対応可能エリアは、原則公益社大阪本社の営業エリアになります。
 ※契約者様ご逝去時の状況によっては、生前にご希望されていた通りの葬儀執行・死後事務委任実行が困難になる場合があります。その場合は葬儀社・死後事務委任受任者の双方で協議し、対応を決定いたします。
 ※葬儀の生前契約に關して、お客様のご希望とお見積り額の増減が発生する場合には、いったん限額手続(有料)を取り、再契約(追加費用発生)を行う場合があります。
 ※「公益社が提供するサービス」におけるプラン価格は、一部会員価格です。入会金が別途発生する場合があります。
 ※「公益社がご案内するサービス」では、公益社の関連企業や提携法人がサービスを提供いたします。



Total support for services required by consumers

Social Issues Involving Japan's Aging Population

How and when should I prepare for the end of my life?



Isolation

Many types of risk

Dying alone



SAN HOLDINGS

"We want to provide assistance for eliminating worries about funerals as well as before and after a funeral"

A society where people can live with confidence

The ability to enjoy a fulfilling life

Placing importance on dignity

Funerals with no need to designate a chief mourner





6.

Initiatives for Sustainability

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



SAN HOLDINGS, INC.

Initiatives for Sustainability

Our purpose is to be a dependable end-of-life partner by empathizing with the senior generation and their family members

Measures to fight climate change

- Increase use of embalming method
→ Smaller amount of dry ice
- Increase use of solar panels at funeral halls
→ Currently 16 funeral halls

Upgrade governance for an even stronger framework for management

- Strengthen education concerning compliance
- Reinforce data security measures

Use end-of-life support to be a source of comfort and confidence

- Provide ideal places to say farewell to the deceased
→ Family funeral halls
14 ENDING HAUS locations
- More services for seniors living alone
- Growth of the end-of-life support business
→ Start of the new funeral with no chief mourner service
- Provide grief counseling and support
→ 21st year of the Hidamari Club that provides support for families following a death

Quality that earns the confidence, trust and satisfaction of customers

- High-quality services, products and buildings
→ Started an internal service certification program
- More directors of funerals and other ceremonies certified by the Ministry of Health, Labour and Welfare
→ 325 people: No. 1 in Japan
- More embalmers certified by the International Funeral Science Association in Japan
→ 29 people: No. 1 in Japan

Training activities and corporate culture reform

- Human resource management
Training for maintaining a workforce that is self-reliant, able to take actions on their own, and committed to outstanding hospitality
- Numerical assessments of employee engagement
- Further workplace safety and hygiene management improvements

Corporate Social Responsibility

1. Embalming

Embalming can often return the appearance of the deceased to an almost life-like state to facilitate a better experience for saying farewell.

2.

Aid following disasters and support for surviving family members

- We have provided assistance following many natural disasters and major accidents, such as the 1985 Japan Air Lines crash, the 1995 Great Hanshin-Awaji Earthquake, the 2011 Great East Japan Earthquake and tsunami, and the 2024 Noto Peninsula Earthquake. A framework is in place to assist with transporting the deceased, supplying vehicles and other activities.
- Support also includes the transport of foreigners who pass away in Japan to their home countries and of Japanese who pass away in another country back to Japan.

3.

Grief counseling and support

Hidamari Club – 20 years of support for families following a death



*A Hidamari Club gathering



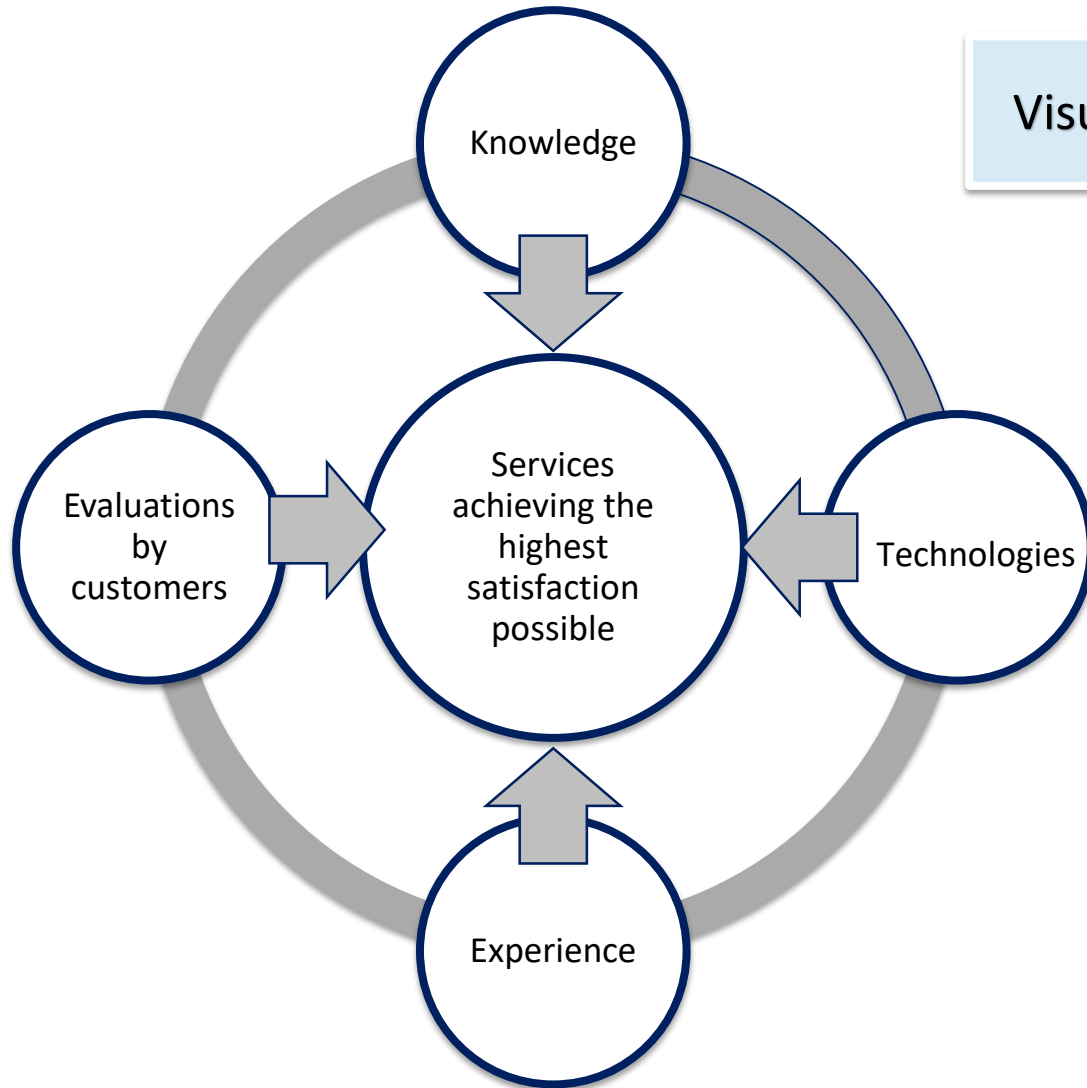
Human Resource Management

1. Linkage of strategies for management and human resources
2. Awareness of and commitment to the corporate philosophy and purpose
Recruiting and training activities
3. Recruit and train people with the skills and professional expertise required for accomplishing the goals of business strategies
→ Started a funeral/ceremony director certification system
4. Policy for upgrading working environment
Train people for maintaining a workforce that is self-reliant and able to take actions on their own, backed by a firm commitment to hospitality
5. Corporate culture
Position the engagement score based on employee surveys as the most important KPI and constantly monitoring this score



Recruiting and Training Activities

Started Training for Official Funeral/Ceremony Director Certification



Visualization of services for funerals provided by certified directors

Directors identify issues and make improvements on their own initiative



Establish goals after earning Grade 1 funeral/ceremony director certification

*Grade 1 funeral/ceremony director certification by the Ministry of Health, Labour and Welfare requires passing an examination concerning knowledge about every aspect of funerals. Certified directors have extensive knowledge and skills concerning consultations for funerals of all types, the operation of funeral halls, services involving other ceremonies, and many other subjects.



7.

Shareholder Distribution Policy

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



SAN HOLDINGS, INC.



Shareholder Distribution Policy

- Aim for growth of shareholder distributions based on dividend stability

Dividend policy

Distributing earnings to shareholders is one of our highest priorities.

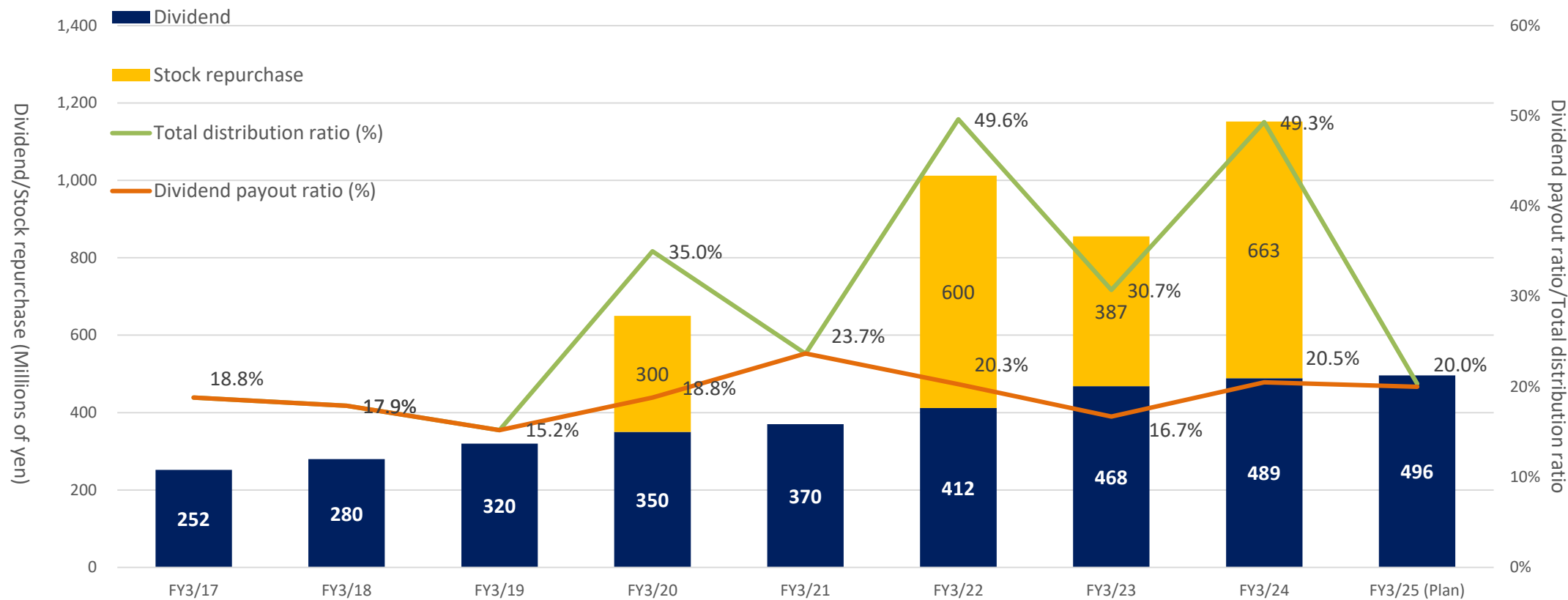
For the dividend, our policy is to aim for a higher dividend based on a commitment to dividend stability. Dividends reflect consolidated sales and earnings, cash flows, the need to retain earnings for investments for medium and long-term growth, the need to maintain financial soundness and other factors.

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.

Dividend Payout Ratio and Total Distribution Ratio

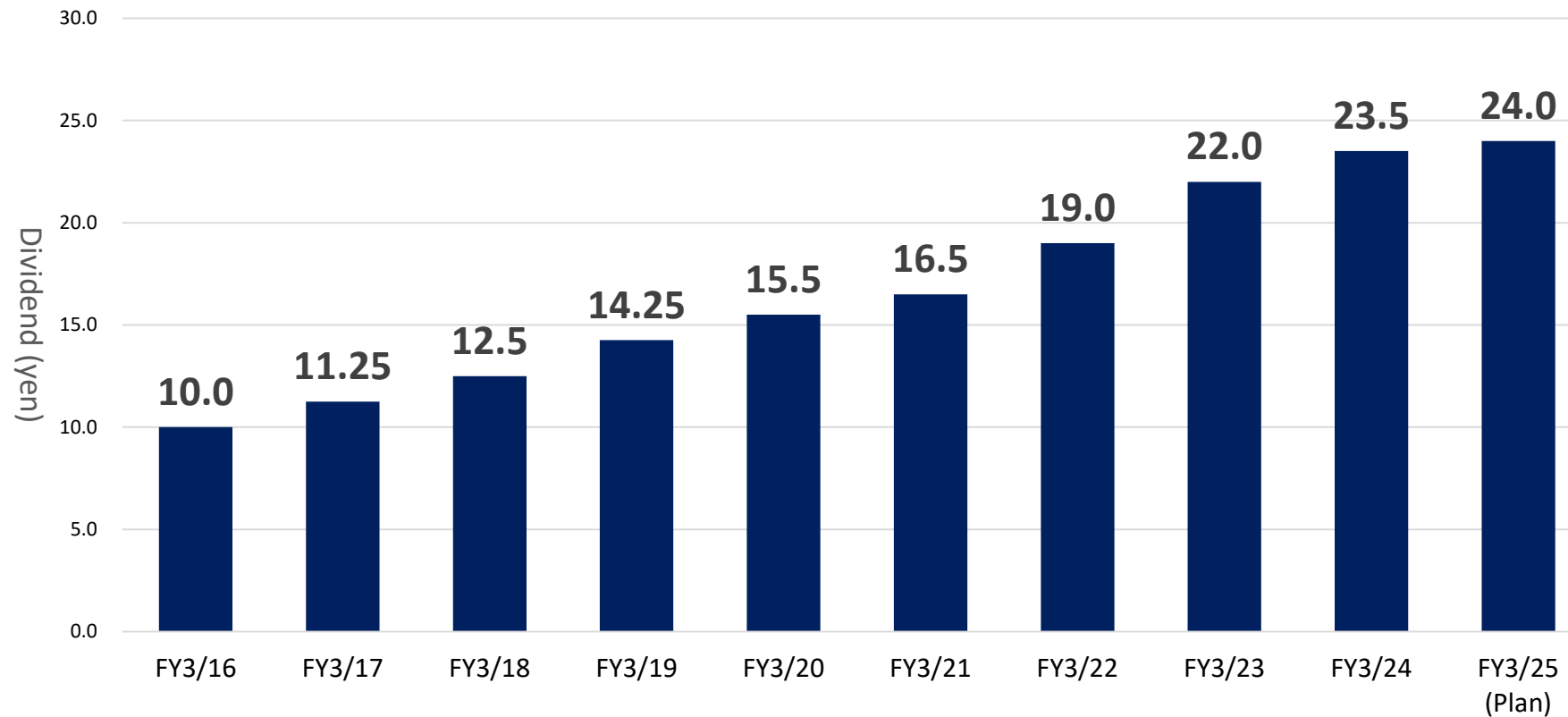
Dividend payout ratio and total distribution ratio



DPS	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25 (Plan)
	¥11.25	¥12.5	¥14.25	¥15.5	¥16.5	¥19.0	¥22.0	¥23.5	¥24.0

Dividend per Share

- No change from the initial forecast. Plan for 9th consecutive year of higher dividends.
- The planned dividend for FY3/25 is 24 yen per share, the sum of a 12 yen interim dividend and 12 yen year-end dividend.



*SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2019 and October 1, 2023.



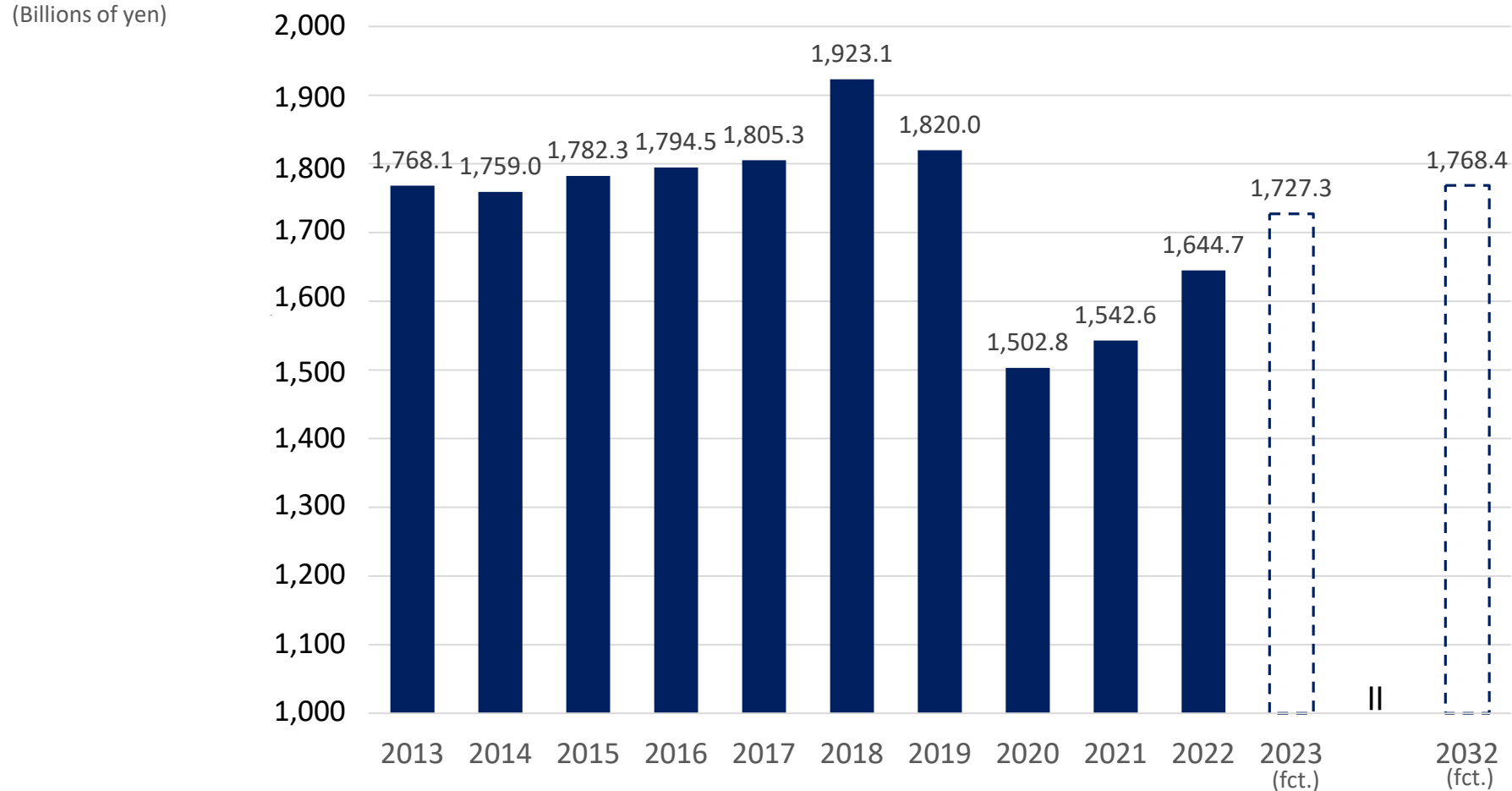
Appendix

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



The Funeral Market in Japan

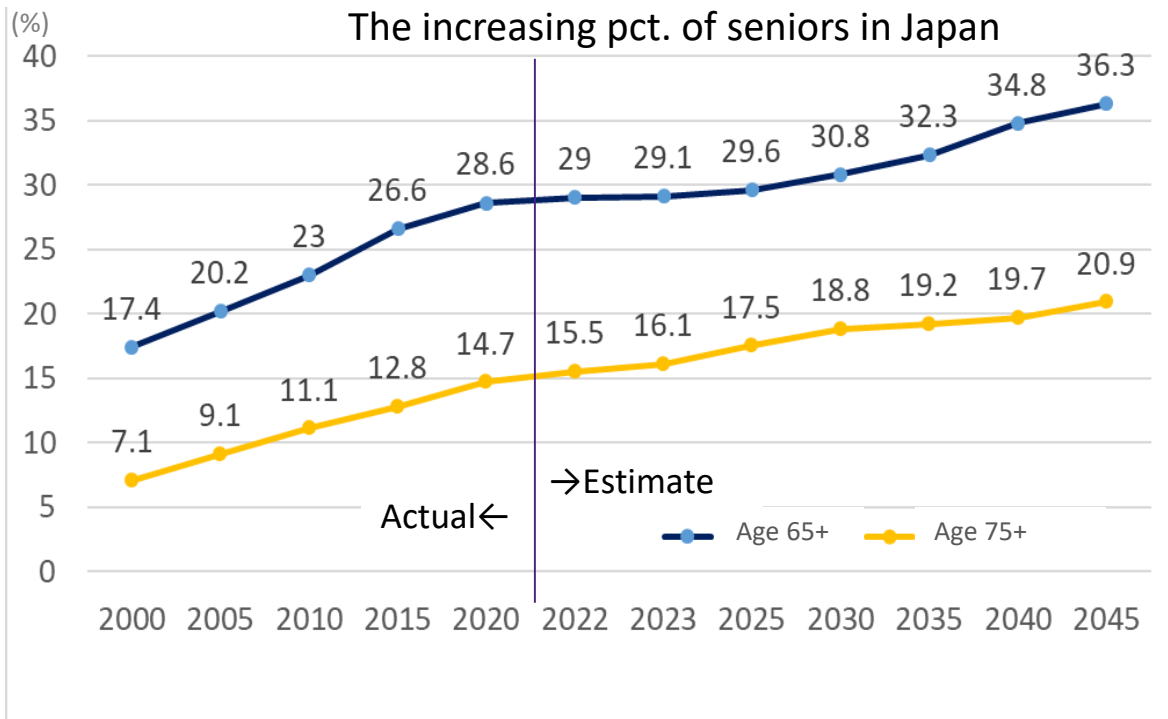
- Funeral business revenue fell almost 20% in 2020 because of the pandemic. In the following years, there has been a steady increase in small and simple funerals. The main causes are the rising number of nuclear family households in Japan and a shift in preferences due to the pandemic.



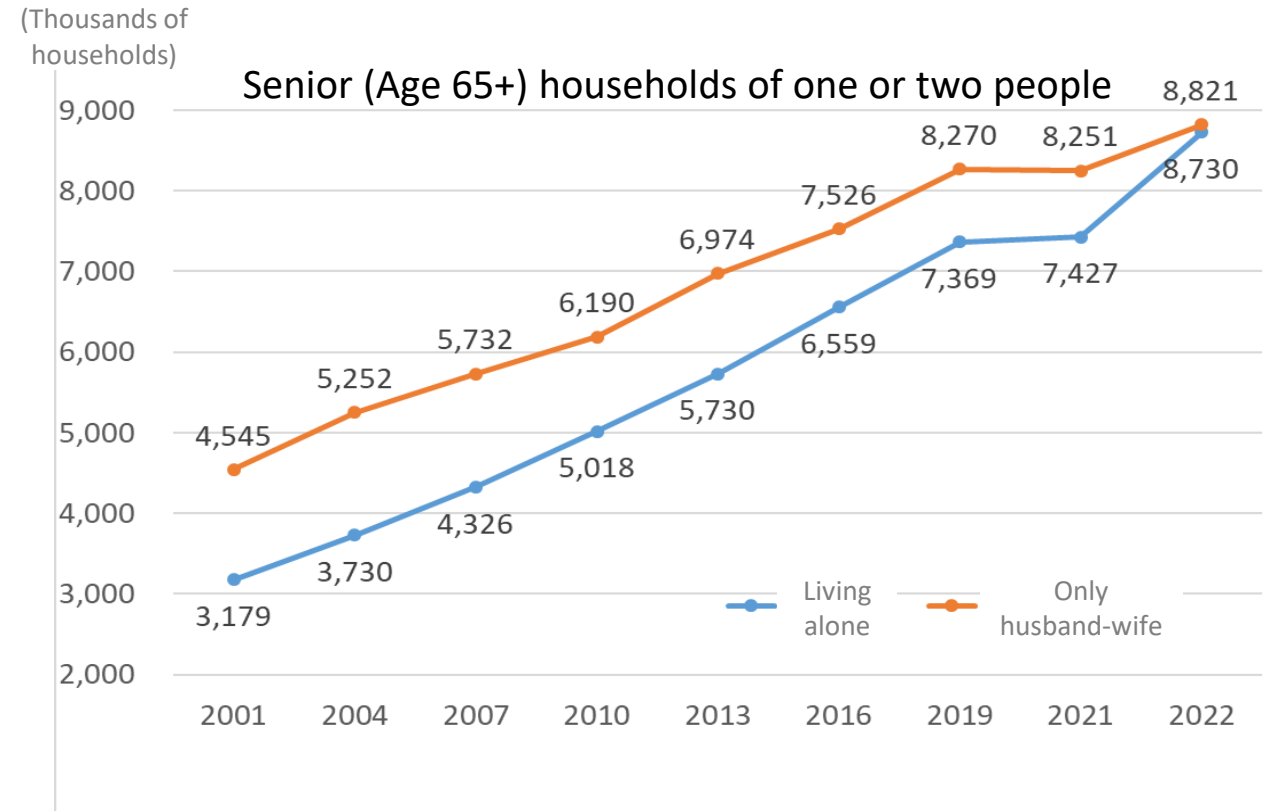
Source: The Funeral Business Today and Outlook 2023, Yano Research Institute Ltd. (August 2023)

Senior Market Growth

- Steady increases in the pct. of seniors and the number of senior households consisting of a husband and wife or only one person



Source: "Statistics on the Elderly in Japan" (September 2023), Ministry of Internal Affairs and Communications, "Population Census" for 2000-2022 and "Population Projections" for 2022 and 2023. From 2025: "Population Projections for Japan (2023 Estimates)" Births (Medium) and deaths (Medium) estimates, National Institute of Population and Social Security Research

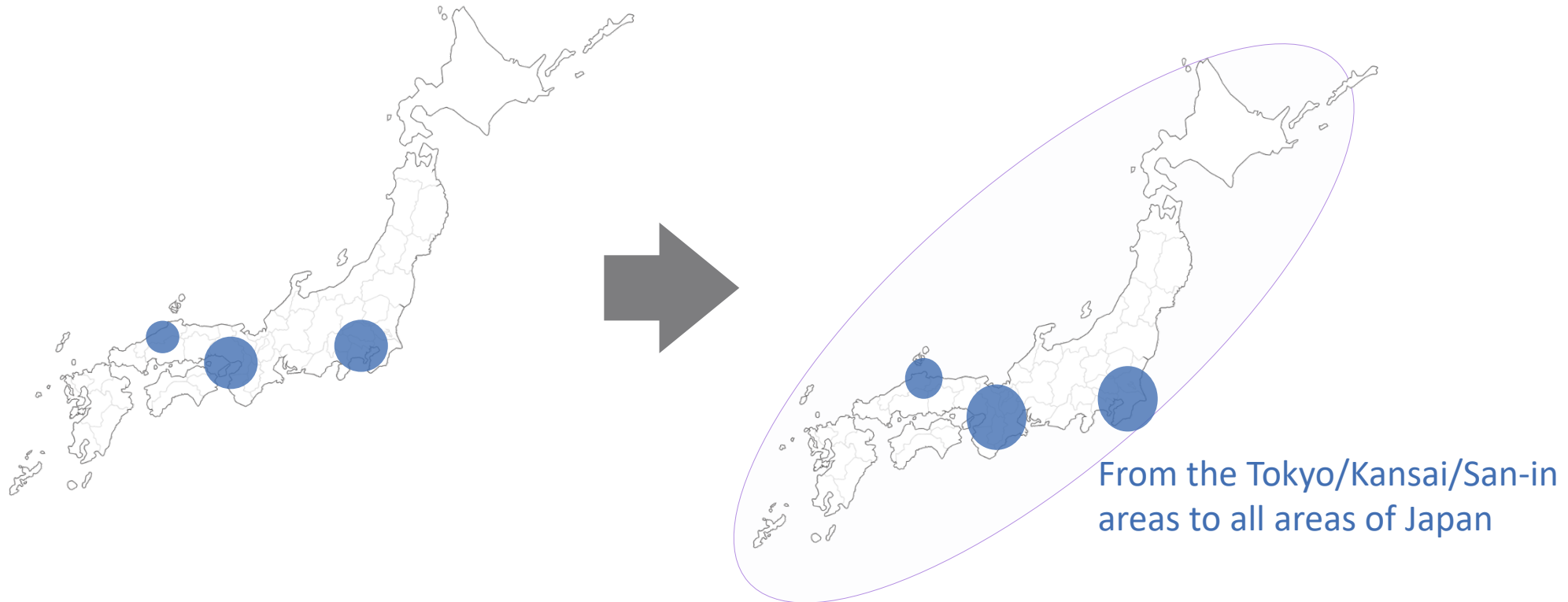


Source: Outline of Comprehensive Survey of Living Conditions 2022, Ministry of Health, Labour Welfare

The New 10-Year Vision

Our Two Initiatives: Funeral Halls in All Areas of Japan

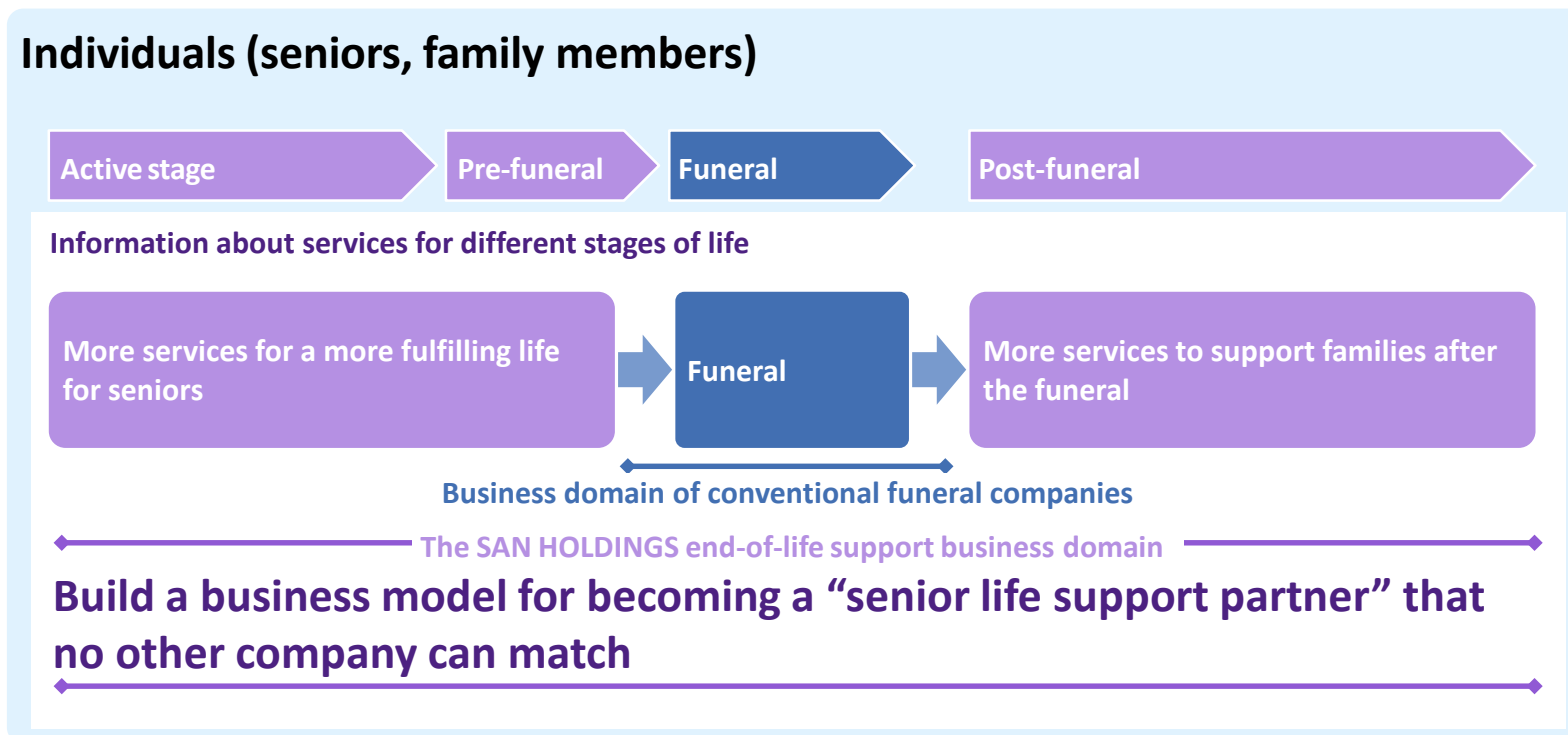
1. To be a source of services that satisfy a broad spectrum of customers, we will expand our operations from the Tokyo/Kansai/San-in areas to all areas of Japan.



The New 10-Year Vision

Our Two Initiatives: Growth of the End-of-Life Support Business

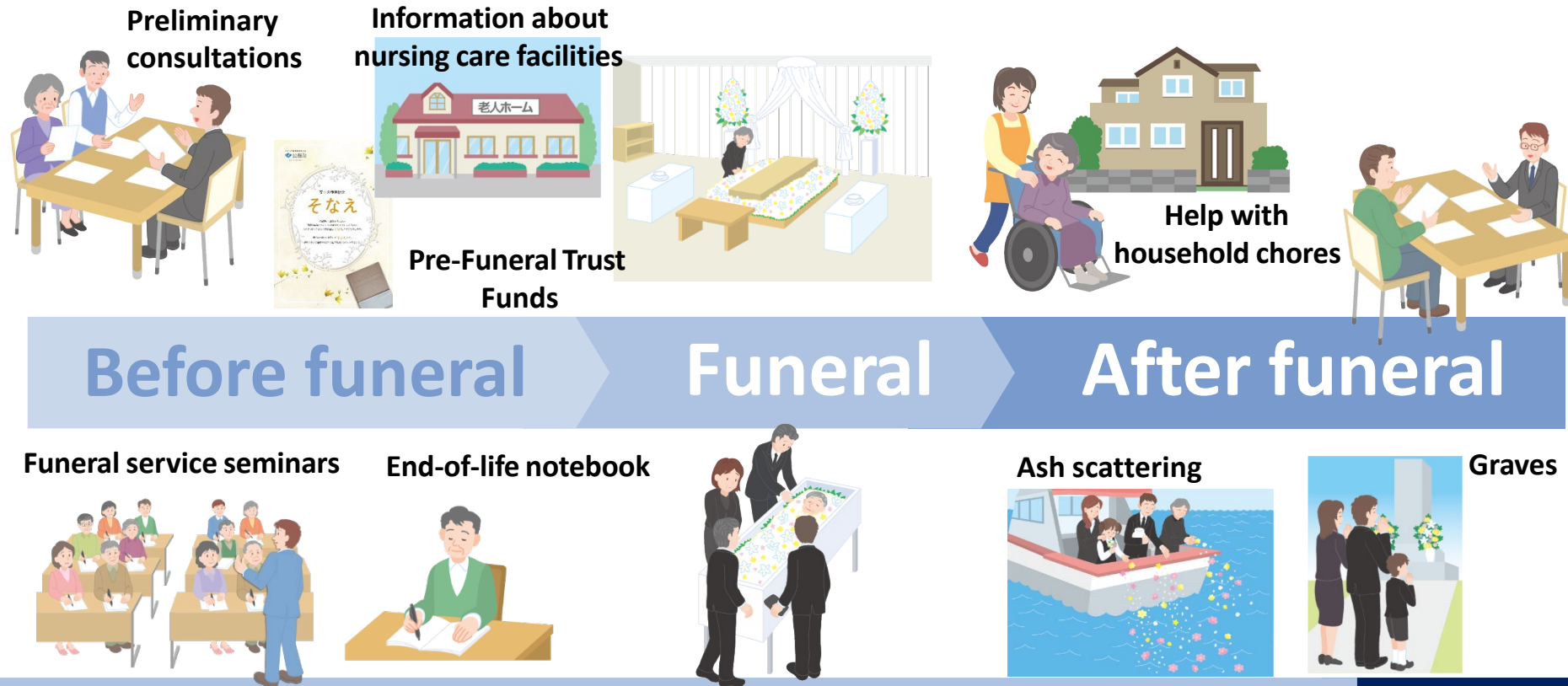
2. We are **dedicated to improving our customers' quality of life** by providing a variety of end-of-life support. To accomplish this, our goals are **more growth of the end-of-life support business** and addition of new businesses and services in order to be a source of new forms of value.



The New 10-Year Vision

The End-of-Life Support Business

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.



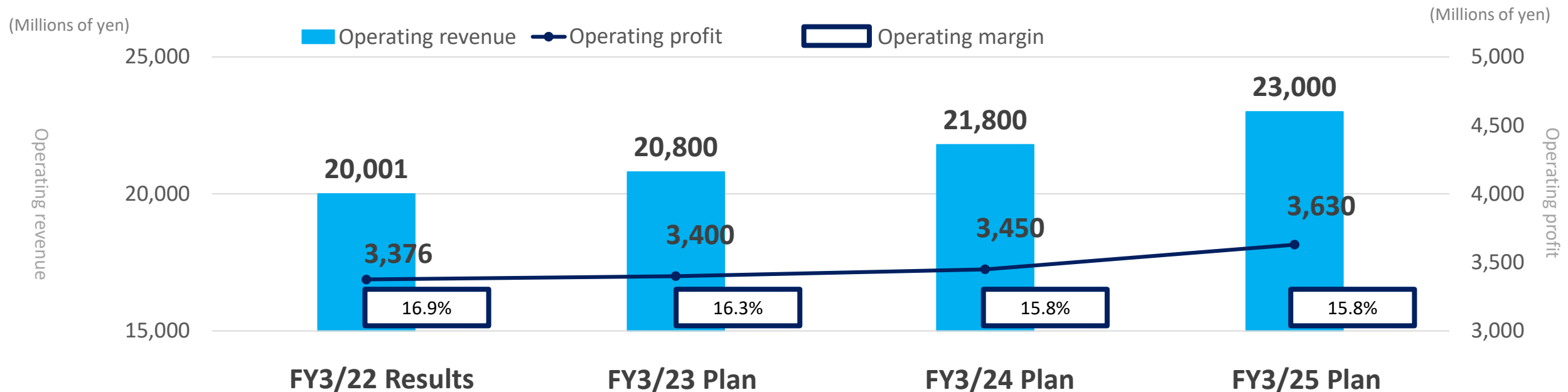
The Key Goals of the Medium-term Management Plan (FY3/23-FY3/25)

We are dedicated to using business activities to contribute to society and increase corporate value to **be a dependable end-of-life partner by empathizing with the senior generation and their family members.**

Growth	Business growth for more corporate value			CS	Use value-added, high-quality services to contribute to society	
Growth of the funeral business		Growth of the end-of-life support business		Make the funeral business more competitive		A stronger infrastructure for Japan's best services that achieve outstanding customer satisfaction
<p>Speed up the expansion of the funeral hall network, mainly by using the new funeral brand, to cover more areas of Japan and serve more customers.</p>		<p>Expand the end-of-life support business, extending from when people are still active through the post-funeral stage, for long-term support for customers and their family members. Develop this business into another core business.</p>		<p>Build a framework for the SAN HOLDINGS Group to provide high-quality services with efficiency.</p>		<ul style="list-style-type: none"> ■ Upgrade quality management, the key to providing the outstanding services that are the source of corporate value. ■ Quickly train people who provide funeral services and maintain the high quality of these people. ■ Increase customer satisfaction
<p>A more powerful foundation for business operations</p> <ul style="list-style-type: none"> ■ Use recruiting and training activities to increase the overall strength of the SAN HOLDINGS Group. ■ Personnel systems for fully utilizing a diverse and skilled workforce and encouraging innovations; establishment of a sound employee education infrastructure. ■ Continue improving the efficiency of all operations of the SAN HOLDINGS Group. ■ Many activities involving the environment, society and governance (ESG). 						

Goals of the Medium-term Management Plan (FY3/23 to FY3/25)

- Revenue and earnings growth to achieve operating revenue of ¥23.0 billion and operating profit of ¥3.63 billion in FY3/25.
- Although there will initially be expenses for strategic measures (expenditures for recruiting, personnel and opening new funeral halls), the plan's goals are an operating margin of at least 15.5% and an ROIC of at least 7.0%.



ROIC	7.3%	7.0%	7.0%	7.0%
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*ROIC = Operating profit after tax / Invested capital

Invested capital = Interest-bearing debt + Net assets, Operating profit after tax = Operating profit x (1 – Effective tax rate)

Medium-term Management Plan Capital Allocation

- 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.

**Medium-term plan
operating CF of about
¥8.8 billion**

**(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 made based on cash flows, the stock price and other considerations.

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