



May 8, 2025

To Whom It May Concern:

Company name: SAN HOLDINGS, INC.
Representative name: Satoshi Harishima, President and Representative
Director
(Securities code: 9628, Prime Market, Tokyo Stock Exchange)
Inquiries: Yoshiyuki Yokota, Director, Executive Officer, General
Manager of Corporate Planning Department
(Tel: +81-6-6226-0038)

Notice of Change in Shareholder Return Policy and Distribution of Dividends of Surplus (Dividend Increase)

The Company hereby announces that it has resolved, at a meeting of its Board of Directors held today, to propose the following changes to its dividend policy and the distribution of dividends of surplus (dividend increase) with a record date of March 31, 2025, to be submitted for approval at the 96th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2025.

1. Change in shareholder return policy

(1) Reason for change

Distributing earnings to shareholders is one of our highest priorities. Regarding the distribution of dividends of surplus, the Company will take into consideration factors such as consolidated performance and financial condition, the need to retain earnings for investments for medium and long-term growth, and financial soundness, and will decide whether to pay dividends. The Company has decided to make changes to its shareholder return policy in order to further enhance shareholder returns and realize greater corporate value.

(2) Details of change

1) Before changes

For the dividend, our policy is to aim for a higher dividend based on a commitment to dividend stability. Dividends reflect our consolidated performance and financial condition, the need to retain earnings for investments for medium and long-term growth, financial soundness and other applicable factors. In addition, we will consider repurchasing stock in a flexible manner that takes into account the stock price and other applicable factors. Retained earnings are used mainly for IT systems, M&A and other strategic investments with emphasis on constructing funeral halls. The objective is to use retained earnings for strengthening our business foundation and increasing corporate value.

2) After changes

For the dividend, our policy is to maintain or increase dividends in principle without reducing them with a progressive dividend policy. Dividends reflect our consolidated performance and financial condition, the need to retain earnings for investments for medium and long-term growth, financial soundness and other applicable factors. In addition, we will consider repurchasing stock in a flexible manner that takes into account the stock price and other applicable factors. Retained earnings are used mainly for IT systems, M&A and other strategic investments with emphasis on constructing funeral halls. The objective is to use retained earnings for strengthening our business foundation and increasing corporate value.

3) Timing of changes

The change will be applied from the year-end dividend for the fiscal year ended March 31, 2025.

2. Dividends of surplus

(1) Details of dividends

| | Determined amount | Most recent dividend forecast (Announced on May 10, 2024) | Results for the previous fiscal year (FY ended Mar. 31, 2024) |
|------------------------------|--|--|---|
| Record date | March 31, 2025 | Same as left | March 31, 2024 |
| Dividend per share | Interim dividend 12.00 yen Year-end dividend 25.00 yen | 24.00 yen | Interim dividend 23.00 yen Year-end dividend 12.00 yen |
| Total amount of dividends | 496,639,000 yen | - | 485,441,000 yen |
| Effective date | June 26, 2025 | - | June 26, 2024 |
| Source of dividends | Retained earnings | - | Retained earnings |

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

The amount of dividends paid for the FY ended March 31, 2024 is the actual amount before the stock split.

(2) Reason

Based on the new dividend policy, the dividend per share will be increased by 13 yen from 24 yen per share, as announced on May 10, 2024, to 37 yen per share (dividend payout ratio of 16.0%). Excluding special factors for the current fiscal year (gain on sale of non-current assets due to transfer of beneficial interests in real estate trust), the dividend payout ratio is 32.1%.