



May 8, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025**[Japanese GAAP]**

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Stock code: 9628

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Scheduled date of Annual General Meeting of Shareholders:

June 25, 2025

Scheduled date of payment of dividend:

June 26, 2025

Scheduled date of filing of Annual Securities Report:

June 26, 2025

Preparation of supplementary materials for financial results:

Yes

Holding of financial results meeting:

Yes (for analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)**(1) Consolidated Operating Results**

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2025	31,984	42.5	4,521	19.3	4,363	14.8	4,721	99.8
Fiscal year ended Mar. 31, 2024	22,437	3.6	3,789	(2.0)	3,800	(1.1)	2,363	(15.1)

Note: Comprehensive income (million yen)

Fiscal year ended Mar. 31, 2025: 4,721 (up 99.8%)

Fiscal year ended Mar. 31, 2024: 2,363 (down 15.1%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2025	230.96	-	13.5	8.7	14.1
Fiscal year ended Mar. 31, 2024	114.38	-	7.3	10.3	16.9

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2025: 64

Fiscal year ended Mar. 31, 2024: 35

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2025	63,053	37,172	59.0	1,816.41
As of Mar. 31, 2024	37,585	32,877	87.5	1,610.89

Reference: Shareholder's Equity (million yen)

As of Mar. 31, 2025: 37,172

As of Mar. 31, 2024: 32,877

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. Net assets per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2025	5,669	(12,427)	9,649	12,640
Fiscal year ended Mar. 31, 2024	3,170	(1,442)	(1,159)	9,748

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2024	-	23.00	-	12.00	-	489	20.5	1.5
Fiscal year ended Mar. 31, 2025	-	12.00	-	25.00	37.00	766	16.0	2.2
Fiscal year ending Mar. 31, 2026 (forecast)	-	20.00	-	20.00	40.00		29.9	

Notes: 1. SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. For the 2Q-end of the fiscal year ended March 31, 2024, the actual dividend amount before the stock split is mentioned.

2. Subject to the approval of the "Partial Amendment to the Articles of Incorporation" at the 96th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2025, we plan to change the fiscal year-end from the current March 31 to August 31. The dividend forecasts for the fiscal year ending August 31, 2026 (17 months) are currently under examination and will be announced once the details are finalized.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	41,700	30.4	4,900	8.4	4,750	8.9	2,775	(41.2)	133.90

Notes: 1. Net income per share is calculated based on the average number of shares outstanding during the period, which uses the number of shares outstanding as of March 31, 2024 (excluding treasury shares).
2. Subject to the approval of the “Partial Amendment to the Articles of Incorporation” at the 96th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2025, we plan to change the fiscal year-end from the current March 31 to August 31. The forecasts for the consolidated financial results for the fiscal year ending August 31, 2026 (17 months) are currently under examination and will be announced once the details are finalized.

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 4 (Kizuna Holdings Corp., Famille Corp., Hanakoma Corp., Bizenya Corp.)

Excluded: -

(2) 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

(3) Number of outstanding shares (common shares)

- 1) Number of shares outstanding at the end of the period (including treasury shares)
As of Mar. 31, 2025: 23,000,000 shares As of Mar. 31, 2024: 23,400,000 shares
2) Number of treasury shares at the end of the period
As of Mar. 31, 2025: 2,535,420 shares As of Mar. 31, 2024: 2,990,388 shares
3) Average number of shares outstanding during the period
Fiscal year ended Mar. 31, 2025: 20,440,401 shares Fiscal year ended Mar. 31, 2024: 20,660,465 shares

Notes: 1. SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. The number of shares outstanding at the end of the period, the number of treasury shares at the end of the period and the average number of shares outstanding during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.
2. The SAN HOLDINGS’ stock held by the Employee Stock Ownership Plan are included in the treasury shares that are deducted from the number of shares for calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period (262,800 shares as of March 31, 2024 and 259,200 shares as of March 31, 2025).

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2025	6,783	1.5	2,631	(13.2)	2,450	(18.2)	4,535	89.1
Fiscal year ended Mar. 31, 2024	6,683	8.7	3,029	12.3	2,996	12.3	2,398	1.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2025	221.89	-
Fiscal year ended Mar. 31, 2024	116.08	-

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended Mar. 31, 2025	48,959	35,371	72.2	1,728.43
Fiscal year ended Mar. 31, 2024	33,992	31,262	92.0	1,531.76

Reference: Shareholders’ equity (million yen): As of Mar. 31, 2025: 35,371 As of Mar. 31, 2024 31,262

Note: SAN HOLDINGS conducted a 2-for-1 common stock split on October 1, 2023. Net assets per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Note concerning forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the management of SAN HOLDINGS at the time the materials were prepared, but are not promises by SAN HOLDINGS regarding

future performance. Actual results may differ materially from the forecasts. Please refer to “1. Overview of Results of Operations, (4) Outlook” on page 5 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended March 31, 2025 (hereinafter referred to as the “period under review”), the Japanese economy has recovered moderately, mainly due to improvements in the employment and income situations and a recovery in inbound demand, although relatively weak developments have been seen in some sectors. On the other hand, uncertainty surrounding the economy and commodity prices has continued to be high, due to factors such as policy developments in the United States and the prolonged, unstable international situation.

In Japan’s funeral industry, where we operate, the demand for funeral services is expected to continue to grow until 2040 as the number of people in Japan who are at least 65 years old increases. There is no change in the fundamental role of funerals as a valuable place to say farewell to the deceased. However, a shift is taking place as the types of funerals become more diverse. For example, many people prefer a funeral for only family members and other close acquaintances or a one-day funeral. The result is a decline in average revenue per funeral. Furthermore, funeral companies in Japan are adding more locations and there are more companies that operate websites for selecting a funeral company. Intense competition to receive orders for small funerals is one of the most significant results of these events.

We have set goals for “Expansion of the funeral business” and “Expansion of the end-of-life support business” in the “10-Year Vision (announced in May 2022)” that sets forth the direction and ideal image of the SAN HOLDINGS Group to follow as we approach our 100-year founding in 2032. The period under review is the final year of the “Medium-term Management Plan (FY2022-FY2024)” that we have promoted along the “10-Year Vision.”

As a core of the priority item “Expansion of the funeral business” of the above-mentioned Medium-term Management Plan, we have launched a family funeral brand “ENDING HAUS” that provides “reasonably priced but high-quality services,” and during the period under review, we opened seven funeral halls in the Tokyo metropolitan area and three funeral halls in the Kinki region, bringing the total to 18 funeral halls since the launch of the brand in 2023. In addition, in September 2024, the SAN HOLDINGS Group acquired Kizuna Holdings Corp. as a consolidated subsidiary through a tender offer (TOB). With this consolidation, the business development area of the SAN HOLDINGS Group has come to span 16 prefectures, from Hokkaido to Kyushu, making it possible to provide secure and reliable services across Japan. With the number of funerals handled in a year approximately 33,000 and the number of own funeral halls 267 (as of March 31, 2025), we have achieved 210 funeral halls targeted for FY2031 set in the “10-Year Vision.” We will continue to strive for further growth as Japan’s largest listed funeral business company.

Regarding another priority item, “Expansion of the end-of-life support business,” we have begun offering a new product for seniors living alone, “Funeral without a chief mourner.” This new service combines funeral services with legal services provided by administrative and judicial scriveners. In addition, with increased funerals performed, we have expanded our post-funeral support, including the sale of return gifts, Buddhist altars and their fittings, and real estate brokerage. Moreover, based on the needs of local communities, we have opened day-care facilities specializing in rehabilitation, aiming to realize safe lifestyles through high-quality care.

The consolidated results for the period under review are the sum of the consolidated results of SAN HOLDINGS, INC. from April 2024 to March 2025, and Kizuna Holdings Corp. from September 2024 to February 2025. Operating profit, ordinary profit, and profit attributable to owners of parent for the period under review include goodwill amortization of 357 million yen arising from the consolidation of Kizuna Holdings Corp. (deemed acquisition date: August 31, 2024). For details on the results of the KIZUNA Group segment, including Kizuna Holdings Corp., please refer to the notes on segment information, etc.)

Operating revenue for the period under review was 31,984 million yen, up 42.5% year-on-year, and operating profit was 4,521 million yen, up 19.3% year-on-year.

Ordinary profit was 4,363 million yen, up 14.8% year-on-year. Extraordinary income included a gain on sale of non-current assets of 3,403 million yen due to the transfer of beneficial interests in real estate trust regarding the land and building of “Kitahama Excel Building,” a non-core business asset. An impairment loss of 319 million yen was recorded as an extraordinary loss. Profit attributable to owners of parent after deducting tax expenses was 4,721 million yen, up 99.8% year-on-year.

Funeral service revenue for the period under review at Group funeral companies was up 49.9% year-on-year. From the period under review, the profit or loss of Kizuna Holdings Corp. from September 2024 to February 2025 has been included in the scope of consolidated results. The number of funerals performed by the entire Group increased by 61.9% year-on-year due to a year-on-year

increase in the number of funerals of the three companies and the consolidation of Kizuna Holdings Corp. The unit price of funeral service decreased 7.4% year-on-year due to an increase in the number of family funerals. In addition, sales of products and services associated with funerals increased as sales of food and commissions received for real estate brokerage services increased.

As for expenses, operating expenses increased 41.6% year-on-year due to the effect of the consolidation of Kizuna Holdings Corp. (For details on the business performance of the KIZUNA Group segment, including Kizuna Holdings Corp., please refer to the notes on segment information, etc.) Also, selling, general, and administrative expenses increased due to one-off expenses associated with the consolidation of Kizuna Holdings Corp., recruitment expenses related to hiring personnel for future business growth, and personnel expenses, etc. As for goodwill amortization (amortization period: 16 years) due to the consolidation of Kizuna Holdings Corp., six months' worth of goodwill has been posted for the period under review. As a result, selling, general, and administrative expenses increased 110.3% year-on-year.

The equity-method profit associated with GRAN CEREMO TOKYO CO., LTD. was 64 million yen. This funeral company was established in April 2022 and is 51% owned by Kosaido Holdings Co., Ltd. and 49% owned by SAN HOLDINGS.

The SAN HOLDINGS Group has segments based on companies, primarily the three funeral companies and SAN HOLDINGS, the holding company. In previous fiscal years, there were four reportable segments: KOEKISHA Group, SOU-SEN Group, TARUI Group and Holding Company Group. During the period under review, the reportable segment "KIZUNA Group" was added due to the consolidation of Kizuna Holdings Corp.

The KOEKISHA Group segment includes KOEKISHA CO., LTD., EXCEL SUPPORT SERVICE CO., LTD., where operations include funeral support services for the funerals of KOEKISHA, senior care services, food services for senior care facilities and other activities, and Life Forward CO., LTD., which operates an internet platform for end-of-life services and other assistance.

Business segment performance was as follows.

1) KOEKISHA Group

At KOEKISHA CO., LTD., a core company of the KOEKISHA Group, funeral service revenue as a whole increased 10.7% compared to the previous period due to an increase in the number of funerals performed for general funerals (funerals with a value of 5 million yen or less) as a result of the opening of new branches and the average cost of funerals which remained unchanged from the previous period. In addition, sales of products and services associated with funerals increased as sales of food and commissions received for real estate brokerage services increased.

Expenses increased from the previous period due to an increase in recruitment expenses related to the hiring of personnel in preparation for future business growth, an increase in personnel expenses associated with sales expansion, and an increase in expenses for rent of space, land, etc., related to the opening of new branches.

Sales in this segment were 20,427 million yen, up 10.4% year-on-year, and the segment profit was 3,091 million yen, up 31.6%.

2) SOU-SEN Group

In the SOU-SEN Group centering on SOU-SEN Corporation, funeral service revenue increased 6.1% year-on-year due to an increase in the number of funerals centering on general funerals, despite an increase in the percentage of direct cremations (incineration only) and a slight decrease in the unit price of funerals. Revenue from the sale of products and provision of services associated with funerals decreased from the previous period due to a slowdown in the sale of gifts for return at a later date.

Sales in this segment were 1,623 million yen, up 4.0% year-on-year, and the segment profit was 204 million yen, up 31.1%.

3) TARUI Group

Funeral service revenue at TARUI Co., Ltd. of the TARUI Group increased 6.3% year-on-year due to a favorable trend in the number of funerals performed, despite a slight decrease in the unit price of funerals performed for general funerals. Revenues from the sale of products and provision of services associated with funerals increased from the previous period due to an increase in memorial services.

Sales in this segment were 2,113 million yen, up 6.0% year-on-year, and the segment profit was 512 million yen, up 13.2%.

4) KIZUNA Group

This new segment beginning with the period under review is the operations of consolidated subsidiary Kizuna Holdings Corp. and its three subsidiaries: Famille Corp., Hanakoma Corp., and Bizenya Corp.

Sales in this segment were 7,459 million yen, and the segment profit was 366 million yen due to recording temporary tender offer-related expenses of approximately 226 million yen associated with becoming a subsidiary and amortization of goodwill of 357 million yen.

5) Holding Company Group

Operating revenue at SAN HOLDINGS, INC. of the Holding Company Group increased 1.5% year-on-year due to an increase in real estate management revenue, despite a decrease in dividend income.

In operating expenses, fixed costs such as expenses for rent of space, land, etc., increased mainly in association with the opening of new branches.

Selling, general, and administrative expenses were also affected by temporary expenses associated with the consolidation of Kizuna Holdings Corp., as well as increases in personnel expenses and depreciation of new systems, etc.

Sales in this segment were 6,783 million yen, up 1.5% year-on-year, and the segment profit was 2,300 million yen, down 24.0%.

(2) Financial Position

Assets

Current assets at the end of the current fiscal year were 15,267 million yen, up 3,431 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of 2,873 million yen.

Non-current assets were 47,786 million yen, up 22,036 million yen from the end of the previous fiscal year. This was mainly due to an increase in property, plant, and equipment of 9,091 million yen caused by an increase in buildings and structures and leased assets resulting from the consolidation of Kizuna Holdings Corp., and an increase in goodwill of 11,045 million yen.

As a result, total assets increased 25,467 million yen from the end of the previous fiscal year to 63,053 million yen.

Liabilities

Current liabilities at the end of the current fiscal year were 9,664 million yen, up 6,027 million yen from the end of the previous fiscal year. This was mainly due to increases of 500 million yen in short-term borrowings and 2,531 million yen in current portion of long-term borrowings resulting from consolidation of Kizuna Holdings Corp..

Non-current liabilities were 16,217 million yen, an increase of 15,145 million yen from the end of the previous fiscal year. This was mainly due to increases of long-term borrowings resulting from consolidation of Kizuna Holdings Corp..

As a result, total liabilities increased 21,173 million yen from the end of the previous fiscal year to 25,881 million yen.

Net assets

Net assets were 37,172 million yen at the end of the current fiscal year, up 4,294 million yen from the end of the previous fiscal year.

This was mainly due to the recording of profit attributable to the owners of the parent of 4,721 million yen and the payment of dividend of surplus of 496 million yen.

The equity ratio decreased 28.5 percentage points from the end of the previous fiscal year to 59.0%.

(3) Cash Flows

Cash and cash equivalents at the end of the current fiscal year was 12,640 million yen, up 2,892 million yen over the end of the previous fiscal year.

The cash flow components during the current fiscal year and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 5,669 million yen (3,170 million yen provided in the previous fiscal year).

This was mainly due to increases in funds resulting from profit before income taxes of 7,435 million yen, depreciation of 1,475 million yen, and a gain on sale of property, plant and equipment of 3,404 million yen, and a decrease in income taxes, etc., paid of 1,379 million yen.

Cash flows from investing activities

Cash flows from investing activities decreased 12,427 million yen (a decrease of 1,442 million yen in the previous period).

This was mainly due to a decrease in funds caused by expenditures of 2,201 million yen for acquiring property, plant, and equipment, expenditures of 13,061 million yen for acquiring shares of subsidiaries resulting from the consolidation of Kizuna Holdings Corp., etc.

Cash flows from financing activities

Cash flows from financing activities increased 9,649 million yen (a decrease of 1,159 million yen in the previous period).

This increase in funds was mainly due to proceeds of 10,851 million yen from long-term borrowings resulting from the consolidation of Kizuna Holdings Corp., despite a decrease in funds due to dividends paid of 496 million yen.

(4) Outlook

As for the outlook, while the domestic economy is expected to maintain its moderate recovery trend, the business environment is expected to continue to be highly uncertain as the resource prices and commodity prices continue to rise due to the unstable international situation.

In the funeral industry, the demand for funerals is forecast to continue to increase until 2040 due to the rising number of people in Japan who are at least 65 years old. On the other hand, the diversity of funeral styles is increasing as lifestyles and preferences change in Japan. As a result, we anticipate a continuation of the shift to small and simple funerals.

Our outlook for the fiscal year ending in March 2026 is as follows.

In the funeral business, we expect an increase in sales by strengthening the acquisition of funerals at existing and newly opened branches, and minimizing the decline in the unit price of funerals amid the trend toward smaller and simpler funerals, while increases in the number of deaths are expected at the three existing funeral companies, in addition to the full-year contribution of results from Kizuna Holdings Corp. (six months in the period under review), which became a consolidated subsidiary in September 2024. In the end-of-life support business, we will enhance the long-term support of our customers and their families by strengthening functions from end-of-life to post-funeral services, operating day-care facilities that specialize in rehabilitation, and expanding the provision of meals at senior care facilities. In the fiscal year ending in March 2026, we will again add funeral halls, including by using acquisitions as we meet customers' needs and further improve the quality of our services. In terms of expenses, increases in personnel expenses and costs for opening and maintenance of funeral halls are expected due to business expansion in operating expenses, and general and administrative expenses will be affected by the elimination of temporary expenses associated with the consolidation of Kizuna Holdings Corp., which was incurred in the period under review, and an increase of goodwill amortization.

Additionally, subject to the approval of the "Partial Amendment to the Articles of Incorporation" at the 96th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2025, we plan to change the fiscal year-end from the current March 31 to August 31. The forecasts for the consolidated financial results for the next period mentioned below are for 12 months from April 1, 2025, to March 31, 2026, as this is a transitional period for the change in the accounting period. The forecasts for the consolidated financial results for the fiscal year ending August 31, 2026 (17 months), after the change in the accounting period, are currently under examination and will be announced once the details are finalized.

Consolidated Earnings Forecasts (12 months) (Results for the fiscal year ended March 31, 2025 are shown in parentheses.)

Operating revenue	41,700 million yen	(31,984 million yen)
Operating income	4,900 million yen	(4,521 million yen)
Ordinary income	4,750 million yen	(4,363 million yen)
Profit attributable to owners of parent	2,775 million yen	(4,721 million yen)

*Cautionary statement with respect to earnings forecasts

Forecasts incorporate risks and uncertainties because these statements are based on judgements made by using information available to the management of SAN HOLDINGS and its group companies. Actual results may differ materially from the forecasts due to changes in the economy and market conditions of the SAN HOLDINGS and its group companies as well as a number of other factors.

(5) Basic Policy for Profit Distribution and Dividends for the Current and Next Fiscal Years

Distributing earnings to shareholders is one of our highest priorities. With regard to the distribution of dividends from surplus, the Company will adopt a progressive dividend policy, taking into consideration factors such as consolidated business performance and financial position, the need to secure internal reserves for medium and long-term growth investments, and financial soundness, and will continue to maintain or increase dividends in principle without reducing them. In addition, we will consider repurchasing stock in a flexible manner that takes into account the stock price and other applicable factors. Retained earnings are used mainly for IT systems, M&A and other strategic investments with emphasis on constructing funeral halls. The objective is to use retained earnings for strengthening our business foundation and increasing corporate value.

For the fiscal year that ended in March 2025, shareholders received an interim dividend of 12 yen per share and we plan to pay a year-end dividend of 25 yen per share. This will result in a fiscal year dividend of 37 yen per share and a 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%.

Additionally, subject to the approval of the “Partial Amendment to the Articles of Incorporation” at the 96th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2025, we plan to change the fiscal year-end from the current March 31 to August 31. The period corresponding to the dividend forecasts is 12 months, between April 1, 2025 and March 31, 2026. We plan to pay a dividend of 40 yen per share, based on the dividend policy described above. (Forecast dividend payout ratio 29.9%) The dividend forecasts for the fiscal year ending August 31, 2026 (17 months), after the change in the accounting period, are currently under examination and will be announced once the details are finalized.

2. Basic Approach to the Selection of Accounting Standards

SAN HOLDINGS Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being because shareholders, creditors and business partners in Japan account for most stakeholders, there is no plan to procure funds from overseas, and all business activities are conducted in Japan.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

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

(Millions of yen)

	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	9,789	12,663
Accounts receivable and contract assets	1,362	1,708
Merchandise and finished goods	137	176
Raw materials and supplies	25	56
Consumption taxes refund receivable	18	-
Other	504	675
Allowance for doubtful accounts	(2)	(13)
Total current assets	11,835	15,267
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,859	15,988
Machinery, equipment and vehicles, net	16	20
Tools, furniture and fixtures, net	114	443
Land	12,250	13,107
Leased assets, net	230	1,367
Construction in progress	52	688
Total property, plant and equipment	22,524	31,615
Intangible assets		
Goodwill	233	11,278
Trademark rights	-	836
Other	566	809
Total intangible assets	799	12,924
Investments and other assets		
Long-term loans receivable	152	216
Deferred tax assets	648	751
Beneficial interests in real estate trust	455	-
Investment securities	120	162
Guarantee deposits	821	1,767
Other	241	364
Allowance for doubtful accounts	(13)	(17)
Total investments and other assets	2,426	3,245
Total non-current assets	25,750	47,786
Total assets	37,585	63,053

(Millions of yen)

	FY3/24 (As of Mar. 31, 2024)	FY3/25 (As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Trade accounts payable	1,029	1,482
Lease liabilities	88	176
Accounts payable-other	741	1,054
Short-term borrowings	-	500
Current portion of long-term borrowings	-	2,531
Income taxes payable	685	2,268
Provision for bonuses	566	681
Provision for bonuses for directors (and other officers)	60	59
Other	463	910
Total current liabilities	3,636	9,664
Non-current liabilities		
Lease liabilities	168	998
Long-term borrowings	-	13,588
Asset retirement obligations	561	1,270
Provision for employee stock ownership plan trust	59	69
Long-term deposits received	281	290
Long-term accounts payable-other	1	1
Total non-current liabilities	1,071	16,217
Total liabilities	4,708	25,881
Net assets		
Shareholders' equity		
Share capital	2,568	2,568
Capital surplus	5,505	5,488
Retained earnings	27,030	31,003
Treasury shares	(2,226)	(1,888)
Total shareholders' equity	32,877	37,172
Total net assets	32,877	37,172
Total liabilities and net assets	37,585	63,053

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

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Operating revenue	22,437	31,984
Operating expenses	17,104	24,216
Operating gross profit	5,332	7,767
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	178	273
Salaries and allowances	356	555
Bonuses	65	95
Provision for bonuses	47	82
Provision for bonuses for directors (and other officers)	60	59
Outsourcing expenses	210	824
Provision of allowance for doubtful accounts	5	(2)
Advertising expenses	2	3
Depreciation	86	206
Goodwill amortization	-	380
Other	528	767
Total selling, general and administrative expenses	1,543	3,246
Operating profit	3,789	4,521
Non-operating income		
Interest income	2	4
Dividend income	0	0
Share of profit of entities accounted for using equity method	35	64
Miscellaneous income	20	27
Total non-operating income	58	95
Non-operating expenses		
Interest expenses	0	79
Syndicated loan fee	-	131
Miscellaneous losses	47	43
Total non-operating expenses	47	254
Ordinary profit	3,800	4,363
Extraordinary income		
Gain on sale of non-current assets	-	3,404
Other	-	0
Total extraordinary income	-	3,404
Extraordinary losses		
Loss on retirement of non-current assets	17	12
Impairment loss	152	319
Other	1	-
Total extraordinary losses	171	331
Profit before income taxes	3,629	7,435
Income taxes-current	1,357	2,933
Income taxes-deferred	(91)	(218)
Total income taxes	1,265	2,714
Profit	2,363	4,721
Profit attributable to owners of parent	2,363	4,721

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Profit	2,363	4,721
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	2,363	4,721
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,363	4,721
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,568	5,488	25,153	(1,594)	31,615	31,615
Changes during period						
Dividends of surplus	-	-	(485)	-	(485)	(485)
Profit attributable to owners of parent	-	-	2,363	-	2,363	2,363
Purchase of treasury shares	-	-	-	(662)	(662)	(662)
Disposal of treasury shares	-	-	-	30	30	30
Gains on disposal of treasury shares	-	16	-	-	16	16
Total changes during period	-	16	1,877	(631)	1,262	1,262
Balance at end of period	2,568	5,505	27,030	(2,226)	32,877	32,877

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,568	5,505	27,030	(2,226)	32,877	32,877
Changes during period						
Dividends of surplus	-	-	(496)	-	(496)	(496)
Profit attributable to owners of parent	-	-	4,721	-	4,721	4,721
Purchase of treasury shares	-	-	-	(0)	(0)	(0)
Disposal of treasury shares	-	-	29	40	69	69
Total changes during period		(16)	3,972	338	4,294	4,294
Balance at end of period	2,568	5,488	31,003	(1,888)	37,172	37,172

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	3,629	7,435
Depreciation	941	1,475
Impairment losses	152	319
Goodwill amortization	-	380
Loss on retirement of property, plant and equipment	17	416
Increase (decrease) in allowance for doubtful accounts	4	2
Increase (decrease) in provision for bonuses	45	53
Increase (decrease) in provision for bonuses for directors (and other officers)	2	(1)
Increase (decrease) in provision for employee stock ownership plan trust	9	9
Interest and dividend income	(2)	(4)
Interest expenses	0	79
Syndicated loan fee	-	131
Loss (gain) on sale of property, plant and equipment	-	(3,404)
Share of loss (profit) of entities accounted for using equity method	(35)	(64)
Decrease (increase) in trade receivables	(434)	66
Decrease (increase) in inventories	(11)	(13)
Increase (decrease) in trade payables	22	73
Increase (decrease) in accrued consumption taxes	(76)	186
Other, net	402	(296)
Subtotal	4,666	6,845
Interest and dividends received	0	24
Interest paid	(0)	(79)
Income taxes paid	(1,656)	(1,379)
Income taxes refund	196	258
Other, net	(36)	-
Net cash provided by (used in) operating activities	3,170	5,669
Cash flows from investing activities		
Purchase of property, plant and equipment	(942)	(2,201)
Proceeds from sale of property, plant and equipment	-	3,486
Purchase of intangible assets	(252)	(226)
Purchase of investment securities	-	(228)
Purchase of shares of subsidiaries	(206)	(13,061)
Loan advances	(4)	(0)
Proceeds from collection of loans receivable	1	1
Other proceeds	40	11
Other payments	(76)	(210)
Net cash provided by (used in) investing activities	(1,442)	(12,427)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(624)
Proceeds from long-term borrowings	-	10,851
Purchase of treasury shares	(662)	-
Repayments of finance lease liabilities	(11)	(79)
Dividends paid	(485)	(496)
Net cash provided by (used in) financing activities	(1,159)	9,649
Net increase (decrease) in cash and cash equivalents	568	2,892
Cash and cash equivalents at beginning of period	9,179	9,748
Cash and cash equivalents at end of period	9,748	12,640

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

Not applicable.

Changes in Accounting Policies**Application of Accounting Standard for Current Income Taxes**

SAN HOLDINGS has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022) from the beginning of the current fiscal year.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of this revised accounting standard and with Paragraph 65-2, Item 2 of Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policies has no effect on the consolidated financial statements.

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, SAN HOLDINGS has applied the Implementation Guidance on Accounting Standard for Tax Effect Accounting beginning with the first half of the current fiscal year. This change in accounting policies has been applied retrospectively and the consolidated financial statements for the previous fiscal year are shown after this restatement. This change in accounting policies has no effect on the consolidated financial statements in the previous fiscal year.

Reclassifications

Non-operating “Dismantling removal expense” (13 million yen in the current fiscal year) and “Non-deductible consumption tax” (15 million yen in the current fiscal year), which were presented separately in the previous period, are included in “Miscellaneous losses” in non-operating expenses from the period under review because their quantitative materiality has decreased.

Also, “Syndicated loan fee” under “Non-operating income” is presented separately from the period under review as it has exceeded 10/100 of total non-operating income.

Additional Information**Distribution of SAN HOLDINGS stock to employees, etc. using a trust**

SAN HOLDINGS is using this distribution of stock as an incentive plan to heighten motivation for contributing to the growth of corporate value. The distribution of stock will increase benefits for employees of SAN HOLDINGS and its subsidiaries and is expected to give employees a stronger feeling of belonging to a unified team and participating in management. This will give employees a stronger commitment to the medium and long-term growth of sales and earnings and to increasing the stock price.

(1) Outline of transactions

The incentive plan uses a trust established and funded by SAN HOLDINGS to purchase at once a sufficient number of shares of SAN HOLDINGS common stock for upcoming distributions. Employees who meet the designated requirements will receive points granted in accordance with stock distribution rules established by the directors of SAN HOLDINGS and its subsidiaries. The points are subsequently used to determine the number of shares of SAN HOLDINGS common stock to be received by employees from the trust. Points reflect each person’s job and other factors. There is no cost to employees because SAN HOLDINGS covers the entire cost of stock purchases made by the trust.

(2) SAN HOLDINGS stock remaining in the trust

The book value (excluding associated expenses) of SAN HOLDINGS stock held by the trust is shown as treasury shares in the net assets section of the consolidated balance sheet. As of March 31, 2024, the trust held 262,000 shares of SAN HOLDINGS with a book value of 144 million yen. As of March 31, 2025, the trust held 259,000 shares of SAN HOLDINGS with a book value of 142 million yen.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are SAN HOLDINGS' constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance. SAN HOLDINGS, which is the holding company, determines strategies and performs management functions for all group companies.

SAN HOLDINGS oversees the operations of subsidiaries that provide funeral-related services and leases real estate used for funeral halls and other facilities. All subsidiaries conduct business activities involving their respective services and products in accordance with the strategies determined by SAN HOLDINGS.

Consequently, the SAN HOLDINGS Group is composed of segments based on company group, primarily the six funeral companies and SAN HOLDINGS, the holding company, and there are five reportable segments: KOEKISHA Group, SOU-SEN Group, TARUI Group, KIZUNA Group, and Holding Company Group.

2. Calculation method for net sales, profit or loss, assets, and other items for each reportable segment

The accounting methods for reportable segments are the same as those used for preparing the consolidated financial statements.

Segment profit for reportable segments is based on ordinary profit.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets, and other items for each reportable segment, and breakdown of revenue

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

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

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	KOEKISHA Group	SOU-SEN Group	TARUI Group	KIZUNA Group	Holding Company Group	Total		
Net sales								
Funeral service revenue	16,317	1,441	1,952	7,190	-	26,902	-	26,902
Other	4,056	181	161	268	-	4,667	-	4,667
Revenue from contracts with customers	20,374	1,623	2,113	7,458	-	31,569	-	31,569
Other revenue	-	-	-	-	415	415	-	415
External sales	20,374	1,623	2,113	7,458	415	31,984	-	31,984
Inter-segment sales and transfers	52	0	0	0	6,368	6,422	(6,422)	-
Total	20,427	1,623	2,113	7,459	6,783	38,407	(6,422)	31,984
Segment profit	3,091	204	512	366	2,300	6,475	(2,112)	4,363
Segment assets	6,670	528	1,652	24,844	48,925	82,620	(19,567)	63,053
Other items								
Depreciation (Note 3)	177	11	25	444	815	1,475	-	1,475
Goodwill amortization	23	-	-	357	-	380	-	380
Interest income	5	0	7	1	7	21	(16)	4
Interest expenses	5	-	-	37	53	96	(16)	79
Share (loss) of profit of entities accounted for using equity method	-	-	-	-	64	64	-	64
Increase in property, plant and equipment and intangible assets	141	1	34	1,097	1,462	2,737	-	2,737
Unamortized balance of goodwill	210	-	-	11,068	-	11,278	-	11,278

Notes: 1. Contents of adjustments are as follows.

To segment profit

(Millions of yen)

	FY3/24	FY3/25
Elimination of amount equivalent to dividends paid to the holding company by consolidated subsidiaries	(2,184)	(2,110)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	(0)	(1)
Total	(2,185)	(2,112)

To segment assets

(Millions of yen)

	FY3/24	FY3/25
Stock of subsidiaries held by the holding company	(3,035)	(17,695)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	468	442

	FY3/24	FY3/25
Elimination of inter-segment transactions	(2,643)	(2,313)
Total	(5,209)	(19,567)

2. Segment profit is adjusted to be consistent with ordinary profit recorded in the consolidated statement of income.
3. Depreciation under other items include amortization of long-term prepaid expenses.
4. Starting from the period under review, Tokyo Ceremony Co., Ltd. has been merged with KOEKISHA CO., LTD.

Related information

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

1. Information by product or service

Omitted since sales to external customers in the category of a single product or service exceeded 90% of operating revenue on the consolidated statement of income.

2. Information by region

(1) Net sales

Not applicable because there are no external sales outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

1. Information by product or service

Omitted since sales to external customers in the category of a single product or service exceeded 90% of operating revenue on the consolidated statement of income.

2. Information by region

(1) Net sales

Not applicable because there are no external sales outside Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside Japan.

Information related to impairment losses on non-current assets for each reportable segment

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

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

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	KOEKISHA Group	SOU-SEN Group	TARUI Group	KIZUNA Group	Holding Company Group	Total
Impairment loss	5	-	-	274	38	319

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

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

Not applicable.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

Not applicable.

Information related to gain on bargain purchase for each reportable segment

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

Not applicable.

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

Not applicable.

Per Share Information

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net assets per share	1,610.89 yen	1,816.41 yen
Net income per share	114.38 yen	230.96 yen

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

2. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan is included in the treasury shares that are deducted from the number of shares outstanding at the end of the period for calculating the net assets per share.

3. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan of 262,000 shares as of March 31, 2024 and 259,000 shares as of March 31, 2025 are included in the treasury shares that are deducted from the number of shares for calculating the average number of shares outstanding for the determination of net income per share.

4. SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2023. Net assets per share and net income per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

5. The basis of calculating the net income per share is as follows:

	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	2,363	4,721
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common shares (Millions of yen)	2,363	4,721
Average number of shares outstanding (Shares)	20,660,465	20,440,401
Summary of latent shares not included in the calculation of the diluted net income per share since there was no dilutive effect	-	-

Note: SAN HOLDINGS conducted a 2-for-1 stock split on October 1, 2023. The average number of shares outstanding has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Subsequent Events

Not applicable.

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.