



**Prime Market, Tokyo Stock Exchange**  
**Securities code: 9628**

## **SAN HOLDINGS, INC.**

# **Revision of the Numerical Targets in the 10-Year Vision and the Medium-Term Management Plan (Detailed) (FY2025-2027)**

**Be a dependable end-of-life partner by moving even closer to the senior generation and their family members**



**SAN HOLDINGS, INC.**

**August 18, 2025**

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# Review of the Medium-term Management Plan (FY2022-2024)

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1.

Be a dependable end-of-life partner by moving even closer to the  
senior generation and their family members

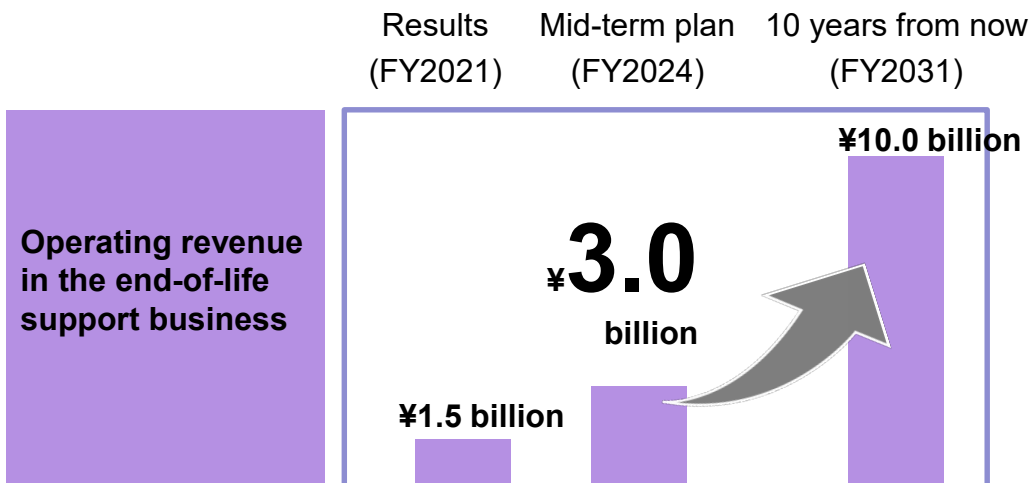
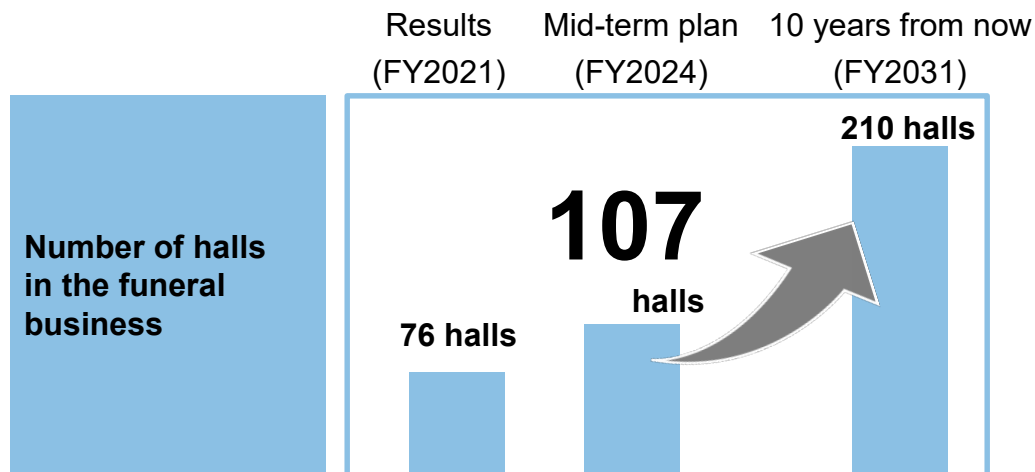


SAN HOLDINGS, INC.

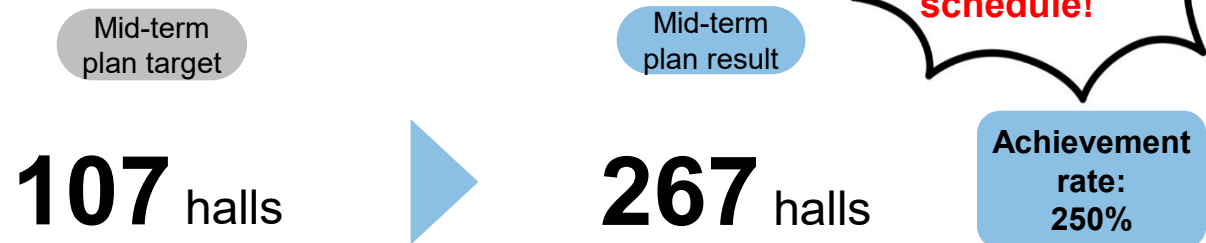
# Review of the Medium-term Management Plan (FY2022-2024)

## ■ Progress toward medium- to long-term targets in the 10-Year Vision

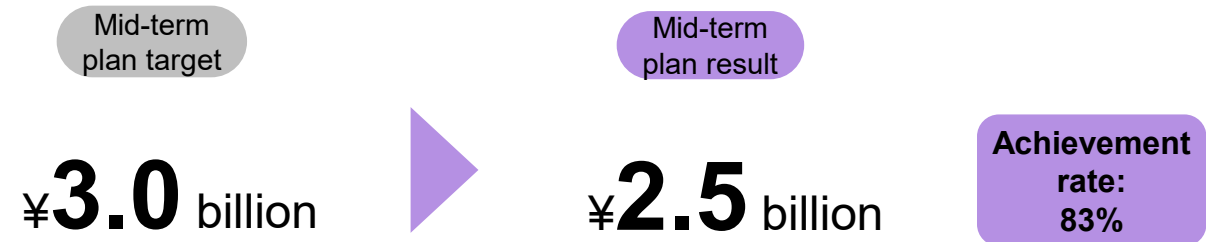
[Medium- to long-term targets of the new 10-Year Vision]



[Achievement status of FY2024 targets]



In September 2024, the number of halls increased significantly due to the consolidation of Kizuna HD as a subsidiary, and the targets set for FY2031 in the new 10-Year Vision were achieved ahead of schedule.



We fell short of our targets due to delays in new businesses such as nursing care services caused by the impact of COVID-19, and a decrease in the unit price of gifts and other items due to the reduction in the scale of funerals.

# Review of the Medium-term Management Plan (FY2022-2024)

## ■ Medium-term management plan: Achievement status of numerical targets

[Operating revenue]

FY2024: ¥**31.98** billion

FY2024: 139% compared to the medium-term management plan

Significant increase in operating revenue

Achieved

[Operating profit/margin]

FY2024: ¥**4.52** billion, **14.1%**

FY2024: 125% (-1.7pt) compared to the medium-term management plan

Significant increase in operating profit

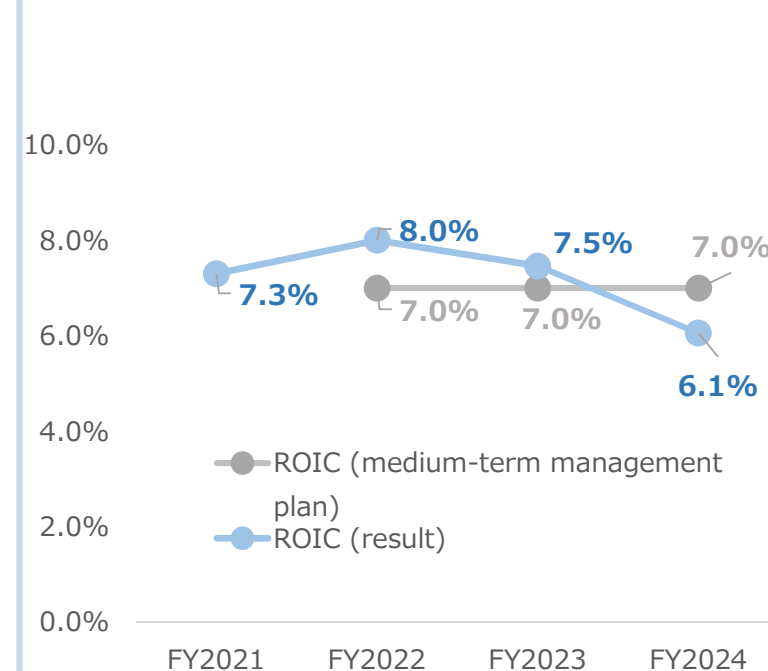
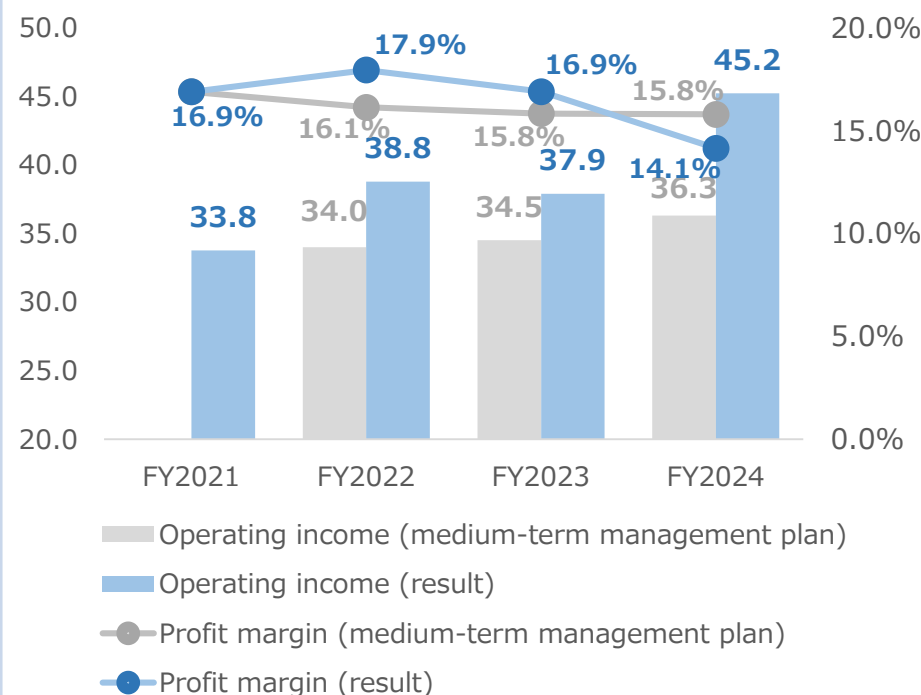
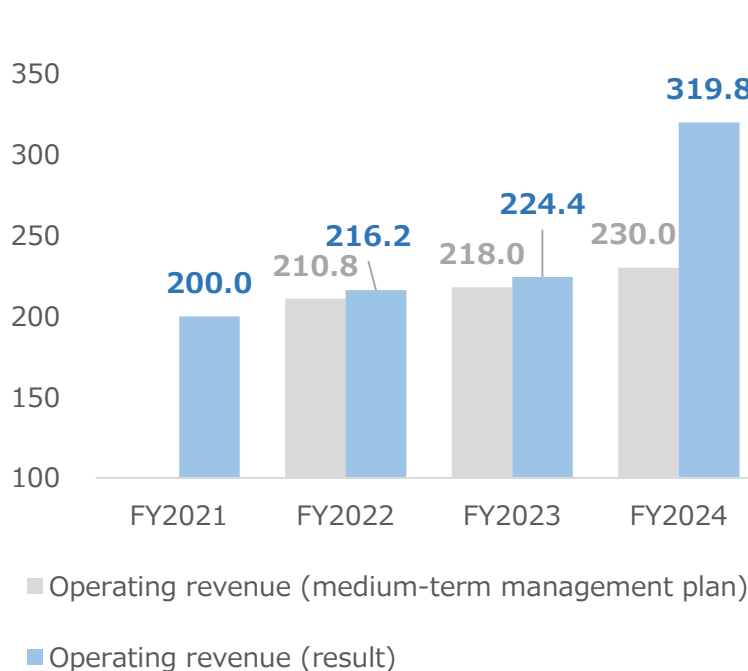
Achieved

[ROIC]

FY2024: **6.1%**

FY2024: -0.9pt compared to the medium-term management plan

Not achieved



The consolidation of Kizuna HD as a subsidiary resulted in a significant increase in operating revenue for FY2024, and operating profit also increased due to the aforementioned profit increase and strong sales.

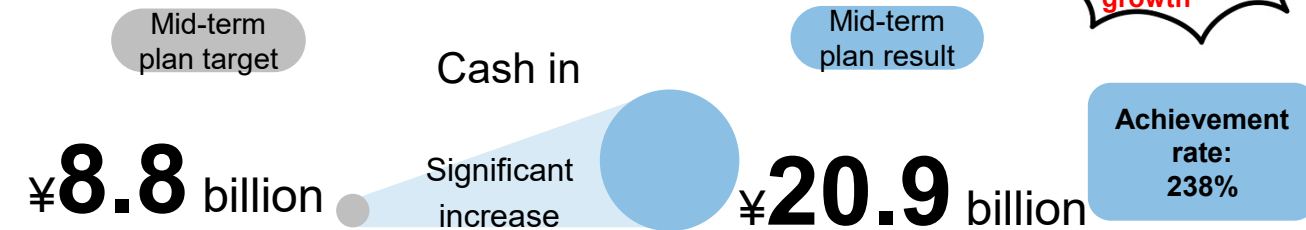
On the other hand, operating profit margin and ROIC declined mainly due to the amortization of goodwill associated with the consolidation of Kizuna HD as a subsidiary.

# Review of the Medium-term Management Plan (FY2022-2024)

## ■ Medium-term management plan: Achievement status of capital allocation

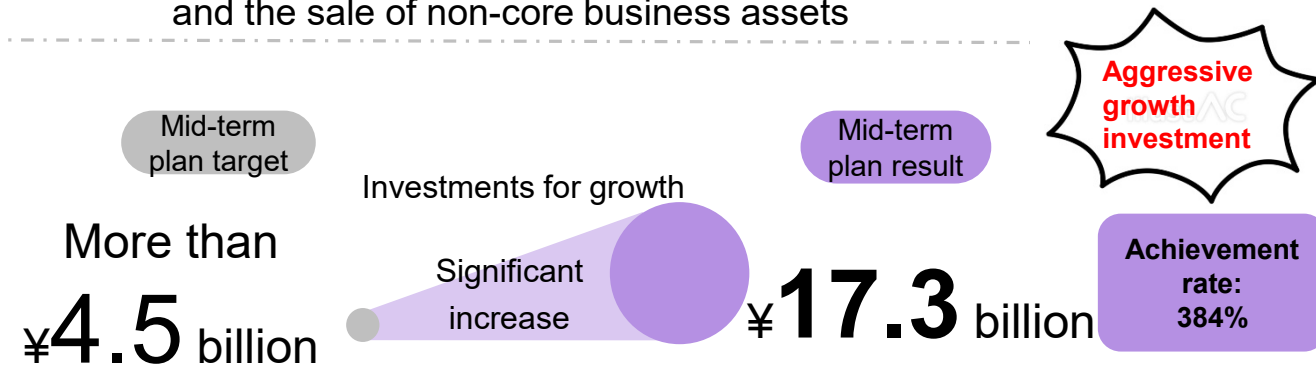
[Capital allocation targets and results]

		Mid-term plan target	Mid-term plan result
Cash in	Operating cash flow	¥8.8 billion	¥11.6 billion
	Utilization of cash on hand and interest-bearing debt	- billion yen	¥5.3 billion
	Asset sale	- billion yen	¥3.9 billion
	Total	¥8.8 billion	¥20.9 billion



In addition to an increase in operating cash flow, funds for aggressive growth investments were procured through borrowing and the sale of non-core business assets

		Mid-term plan target	Mid-term plan result
Cash out	Investments	Growth investments (store openings and M&A)	More than ¥4.5 billion
		Maintenance investments, etc.	¥1.0 to ¥1.5 billion
		Subtotal	More than ¥5.5 billion
	Shareholder returns	Dividend	¥1.4 billion
		Purchase of treasury shares	¥1.0 billion
		Subtotal	¥2.5 billion
	Total		¥20.9 billion



We actively invested in growth and significantly expanded our business scale through two M&A deals (Kizuna HD and Tokyo Ceremony).  
In addition, with regard to shareholder returns, we conducted a purchase of treasury shares amounting to 1 billion yen

**2.**

## **Revision of the Numerical Targets in the 10-Year Vision**

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**Be a dependable end-of-life partner by moving even closer to the senior generation and their family members**

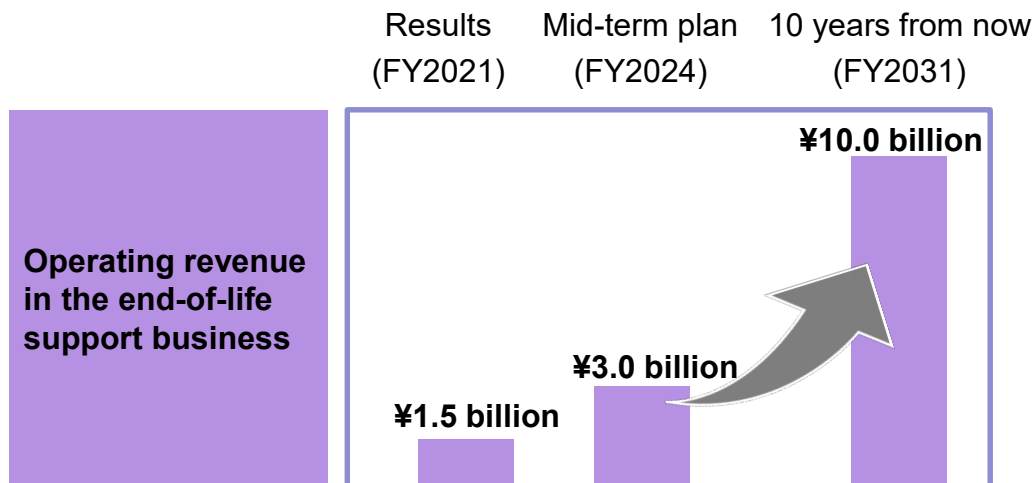
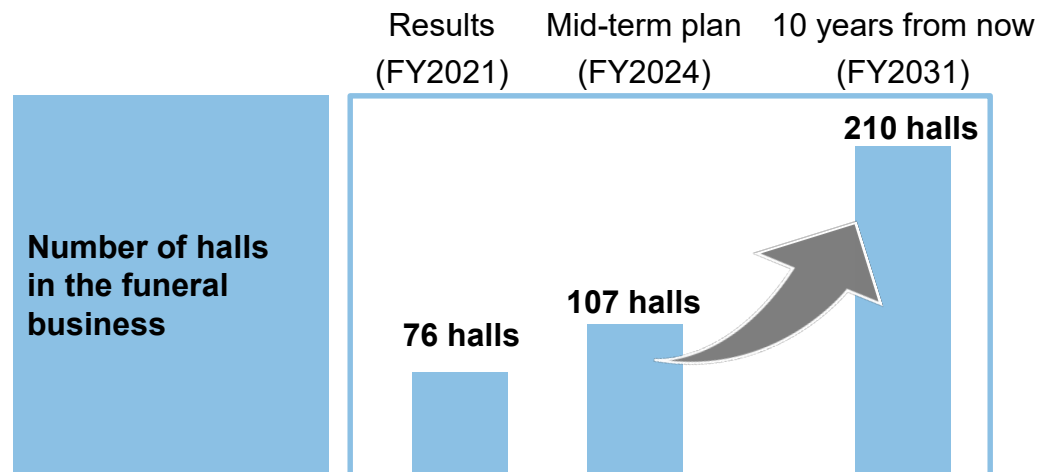


**SAN HOLDINGS, INC.**

# Revision of the Numerical Targets in the 10-Year Vision

- The target number of funeral halls in our 10-Year Vision has been achieved ahead of schedule, so we have raised the target number of funeral halls to 550 and aim to further expand our business.

[10-Year Vision targets before revision]



[After review]

Before revision

Number of halls

After revision

210 halls

550 halls

Aim for further expansion

Compared to previous target: 262%

Achieved targets ahead of schedule in FY2024. We will continue to expand our business to major cities throughout Japan.

We aim to expand into new areas and increase the number of halls to 550 through company expansion and M&A.

Before revision

Net sales

After revision

¥10.0 billion

¥10.0 billion

No change

Although we failed to achieve our targets for FY2024 due to delays in new business expansion caused by COVID-19, we will strengthen our efforts to achieve growth and aim to achieve our targets by FY2031.



### **3. Medium-term management plan (FY2025-2027)**

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**Be a dependable end-of-life partner by moving even closer to the senior generation and their family members**



**SAN HOLDINGS, INC.**

# Medium-term management plan (FY2025-2027)

## ■ Policy

**Take the next step toward realizing our 10-Year Vision!  
Take on new challenges without fear of change!**

- The direction we should take and the ideal vision we should pursue as we move toward the 100th anniversary of the company's founding

By becoming a “dependable end-of-life partner by moving even closer to the senior generation and their family members,” we will provide services that give our customers the highest level of satisfaction and inspiration in Japan, grow our business, and contribute to a society where people live to be 100 years old.

## ■ Background to formulation

In recent years, the end-of-life industry, particularly the funeral industry, has undergone significant changes, with new entrants from other industries joining the ranks of existing companies.

The environment surrounding our business is changing significantly due to changes in customers' attitudes and values toward funerals, fierce competition among operators nationwide, and industry restructuring through active M&A activities.

Today, Japan is facing a declining population and a rapidly aging society, but in this rapidly changing society, various issues are arising, and there is a need for seamless provision of “end-of-life” support services and products.

We will take the next step forward by implementing the second cycle of the "Medium-term management plan (FY2025-2027)," providing services that satisfy and impress our customers more than any other companies in Japan, growing our business, and contributing to a society where people can live to 100 years of age, thereby realizing our 10-Year Vision.

## Medium-term management plan (FY2025-2027)

**Take the next step toward realizing our 10-Year Vision!**  
**Take on new challenges without fear of change!**

### ■ Key themes

#### Growth

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

#### Quality

1. A stronger infrastructure for Japan's best services that achieve outstanding customer satisfaction

#### Change

1. Promotion of post-merger integration (PMI) with Kizuna Holdings
2. Increased efficiency in management and business operations due to the change in the accounting period

#### Sustainability

1. Enhancing corporate value through management practices that take into account capital costs and capital profitability.
2. Promotion of human resource management
3. Active initiatives toward ESG and SDGs

# Medium-term management plan (FY2025-2027)

## ■ Key theme

### Growth

#### 1. Growth of the funeral business

Expanding business areas to major cities nationwide, focusing on family funeral brands (Ending Haus, Famille Corp.)

- Expansion through opening our own stores (focusing on Ending Haus and Famille Corp.)
- Expansion through M&A and partnerships with other companies

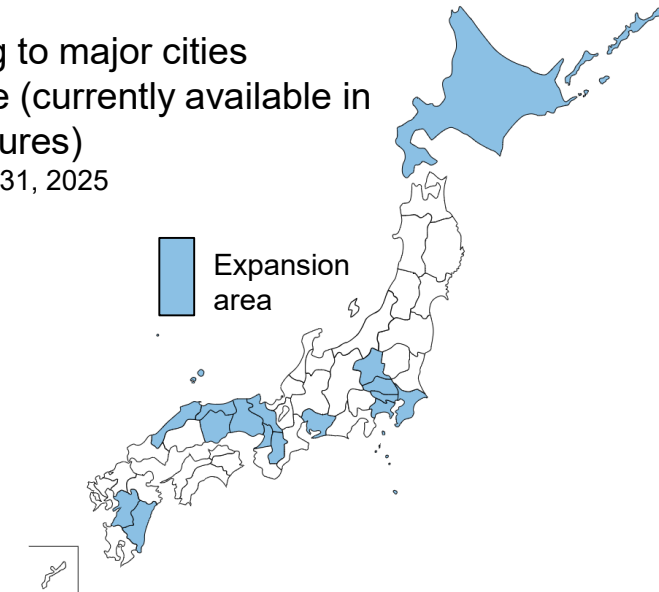
#### 2. Growth of the end-of-life support business

Expanding our end-of-life support services from end-of-life planning to post-funeral arrangements to provide long-term support for our customers and their families.

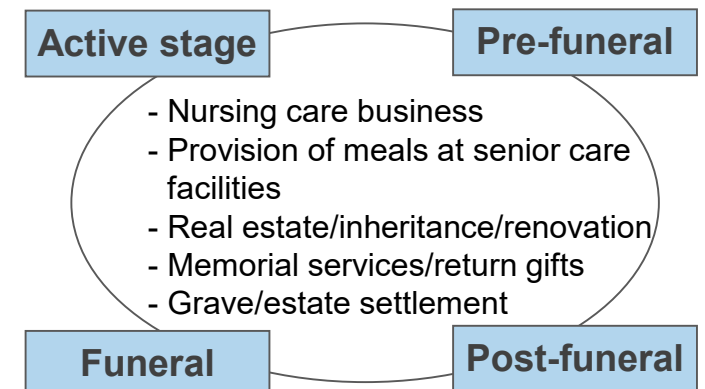
- Expansion of sales of existing end-of-life support services
- Development of new value-added services
- Expansion and enhancement of our service menu
- Expansion of grief care support activities

Expanding to major cities nationwide (currently available in 16 prefectures)

\*As of March 31, 2025



Establishment of a “senior life support partner” model



# Medium-term management plan (FY2025-2027)

## ■ Key theme

### Quality

#### 1. A stronger infrastructure for Japan's best services that achieve outstanding customer satisfaction

Strengthen the quality management system to provide high-quality, high-value-added services that are the source of corporate value.  
Also, promote the early training of human resources who provide funeral services.

- Enhance mechanisms for identifying issues and improving quality through thorough customer surveys.
- Quickly train human resource who provide funeral services and maintain the high quality of these people.
- Create and provide new value-added products and services.

# Medium-term management plan (FY2025-2027)

## ■ Key theme

### Change

#### 1. Promotion of post-merger integration (PMI) with Kizuna Holdings

Promote the sharing of functions and expertise with Kizuna Holdings, and the integration and optimization of overlapping functions.

- Establishment of governance structure (decision-making functions, budget control, standardization of management reports, etc.)
- Strengthening and improving the quality of family funerals by utilizing Kizuna HD's expertise in family funerals.
- Effective utilization of SAN HD's functions (embalming, grief care, etc.) in areas where Kizuna HD operates
- Integration and enhancement of overlapping functions
- Implementation of joint purchasing

#### 2. Increased efficiency in management and business operations due to the change in the accounting period

In conjunction with the consolidation of the fiscal year with Kizuna Holdings, the accounting period has been changed from the end of March to the end of August to mitigate the impact of seasonal fluctuations in operating revenue and improve operational efficiency.

- Response to issues related to financial closing operations for the consolidated accounting period
- Ensuring comparability of performance reports, etc. in response to changes in the accounting period

# Medium-term management plan (FY2025-2027)

## ■ Key theme

### Sustainability

#### 1. Enhancing corporate value through management practices that take into account capital costs and capital profitability

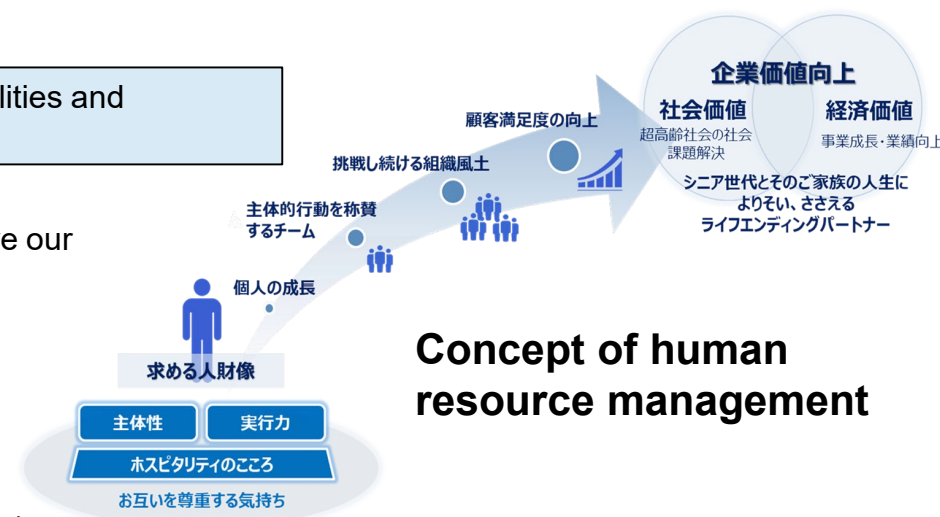
We will strive to enhance corporate value and achieve a PBR ratio of more than 1x as soon as possible through management practices that take into account capital costs and capital profitability.

- Initiatives to improve capital efficiency and setting capital efficiency targets
- Disclosure of capital allocation policy and use of funds in accordance with that policy
- Review of shareholder return policy
- Strengthening IR

#### 2. Promotion of human resource management

The source of our value creation is our human resources, so we strive to improve our abilities and engagement through education, training, and daily work.

- Recruit and develop human resources with the skills and expertise necessary to achieve our vision.
- Launch of “SAN Business Academia,” a human resource development and educational institution for both inside and outside the Group
- Continue specific initiatives to improve engagement



### Concept of human resource management

# Medium-term management plan (FY2025-2027)

## ■ Key theme

### Sustainability

### 3. Active initiatives toward ESG and SDGs

We will continue to actively engage in ESG and SDGs initiatives and contribute to solving social issues.

- Measures to fight climate change
- Provide ideal places to say farewell to the deceased through embalming.
- Support for transporting foreign visitors to Japan back to their home countries and transporting overseas travelers to Japan
- Expansion of grief care activities by the “Hidamari no Kai” bereavement support program
- More services for seniors living alone

\*Embalming: Embalming is a technique used to prepare the body for a dignified farewell by disinfecting, sterilizing, preserving, restoring, and applying makeup to the body to make it look as close as possible to how it appeared in life.

\*Grief care: Supporting people who are grieving the death of someone close to them, helping them recover from their grief.



# Medium-term management plan (FY2025-2027)

## ■ Growth targets of the medium-term management plan

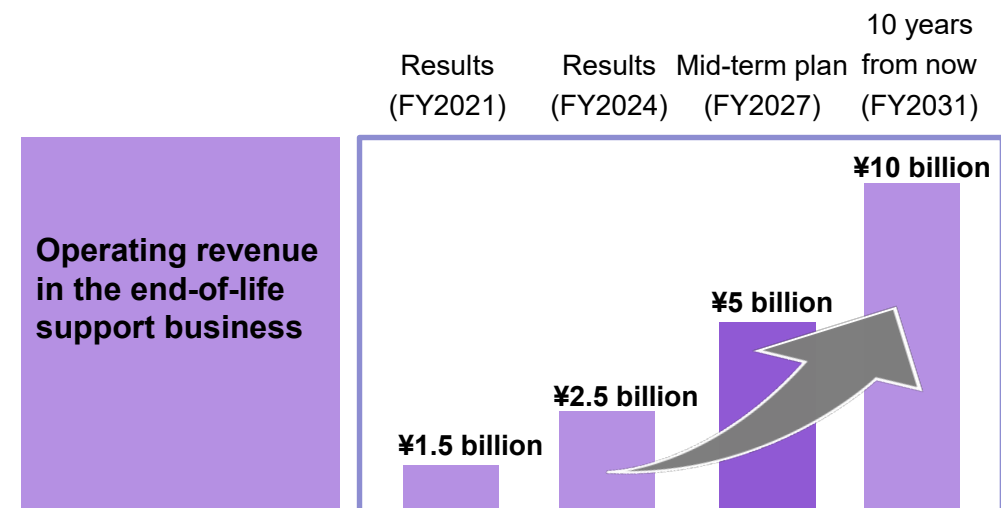
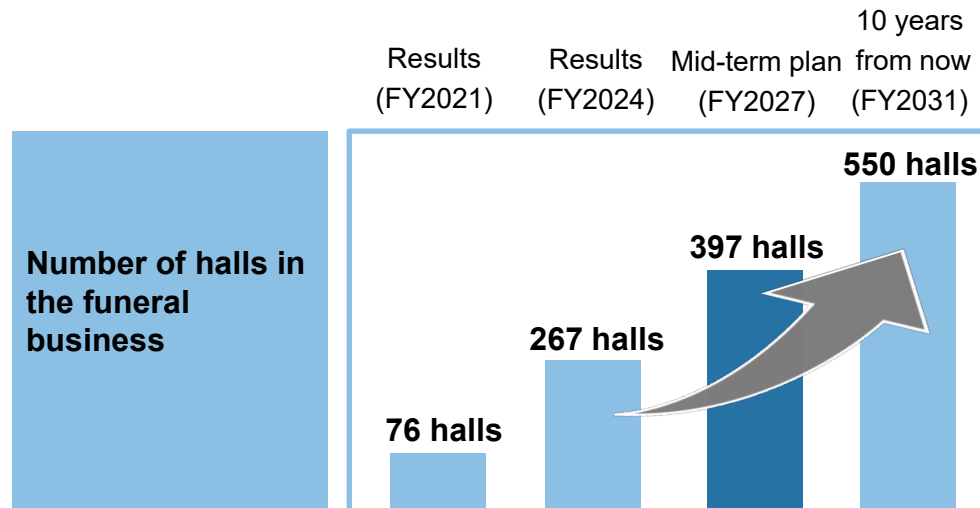
- For the growth of the funeral business:  
Target for the number of newly opened halls over the next 3 years: 130
- For the growth of the end-of-life support business:  
Operating revenue target for FY2027: 5 billion yen

### [Growth of the funeral business]

Number of newly opened halls over the next 3 years: 130

### [Growth of the end-of-life support business]

Operating revenue for FY2027: 5 billion yen



# Medium-term management plan (FY2025-2027)

## ■ Numerical targets

We will set ROE\*1 as our key capital efficiency indicator and aim to achieve a stable ROE of **8% or higher** over the medium to long term. Additionally, we have added EBITDA, which indicates the ability to generate cash, as a key indicator

\*1 Adjusted ROE excluding the impact of one-time gains and losses

[Reason for adopting ROE] Until now, we have used ROIC as a capital indicator, but in order to focus more on the efficiency of shareholders' equity from the shareholders' perspective and promote efficiency improvements, we have decided to adopt ROE as a capital indicator.

[Reason for adopting EBITDA] As a result of M&A, goodwill amortization expenses increased, making it difficult to assess the company's earning power based on operating profit alone, so EBITDA, which indicates the ability to generate cash from operating activities, was added.

EBITDA = Operating profit + Depreciation expense + Goodwill amortization expense

(Millions of yen)

	FY2025 in the mid-term plan *2	FY2026 in the mid-term plan	FY2027 in the mid-term plan
Operating revenue	59,300	46,900	50,500
Operating profit	6,470	5,190	5,800
Operating profit margin	10.9%	11.1%	11.5%
EBITDA	10,410	8,240	9,100
ROE	Aim to achieve 8% or higher		

\*2 Please note that FY2025 will be an irregular 17-month accounting period

# Medium-term management plan (FY2025-2027)

## ■ Initiatives to achieve the ROE target

By achieving the following points, we aim to realize management that is conscious of cost of capital and stock price, and **maintain a stable ROE of 8% or higher over the medium to long term**

### 1. We will continue to actively make investments for growth to drive further advancement.

Over the three-year medium-term management plan, we plan to invest 14 billion yen or more in investments for growth

Funeral business: We plan to open 130 halls (including M&A)

End-of-life support business: Promotion of investments aimed at expanding the business area (including M&A)

### 2. We will achieve consolidated operating profit of 5.8 billion yen in FY2027, the final year of the medium-term management plan.

By actively investing in growth, strengthening the profitability of existing halls and businesses, and post-merger integration (PMI) with Kizuna HD to improve operational efficiency, we will achieve the numerical targets for FY2027

### 3. We will improve shareholder returns.

Over the three-year medium-term management plan, we plan to allocate 3 billion yen or more for shareholder returns.

Dividends of surplus: We adopt a progressive dividend policy, continuously maintaining or increasing dividend payments.

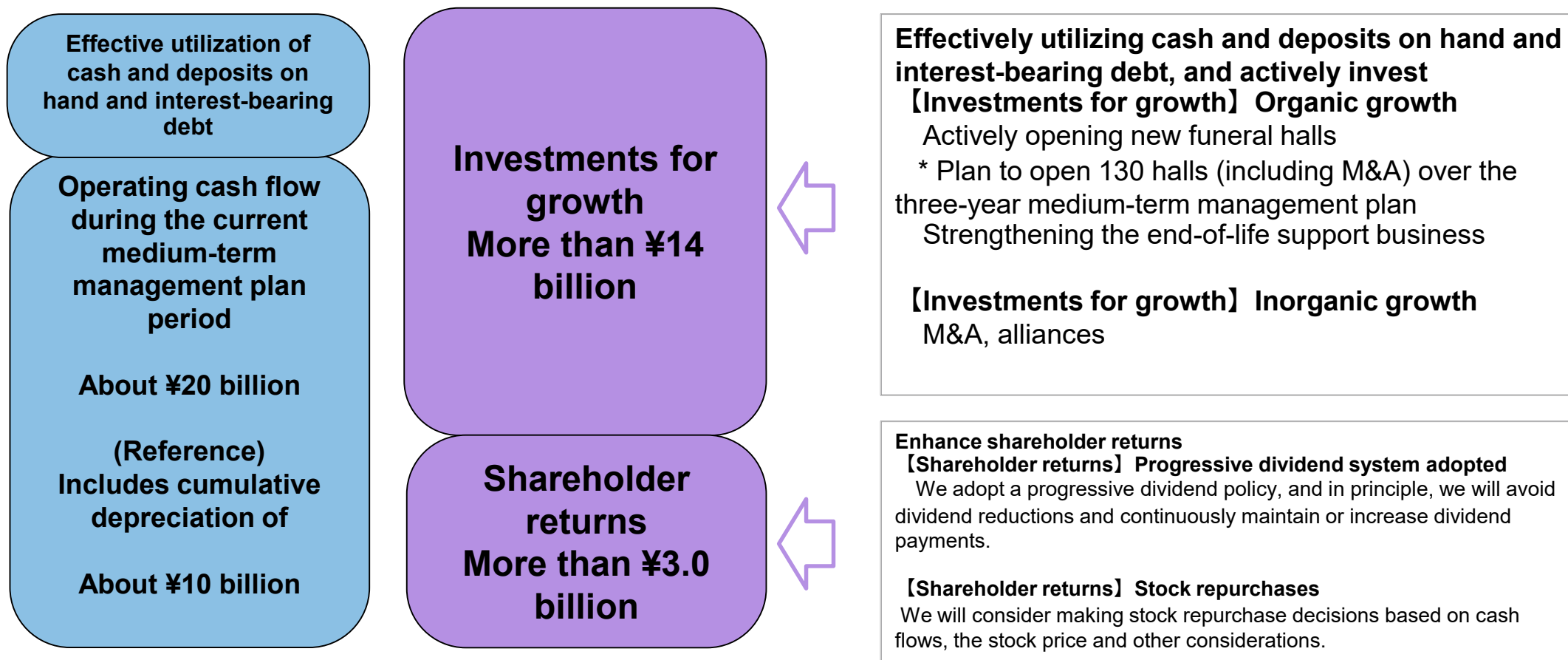
Purchase of treasury shares: We will flexibly implement share buybacks, taking into account cash flow conditions and stock price trends

\* Please note that FY2025 will be an irregular 17-month accounting period

# Medium-term management plan (FY2025-2027)

## ■ Capital allocation policy for the three-year medium-term management plan

- Generate approximately 20 billion yen in operating cash flow over the three-year medium-term management plan
  - At the same time, while effectively utilizing cash and deposits on hand and interest-bearing debt, allocate over 14 billion yen to investments for growth to drive revenue expansion.
- Through these efforts, we aim to enhance shareholder returns and increase shareholder value.



\* Please note that FY2025 will be an irregular 17-month accounting period

**4.**

## **Change in shareholder return policy**

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**Be a dependable end-of-life partner by moving even closer to the senior generation and their family members**



**SAN HOLDINGS, INC.**

# Change in shareholder return policy

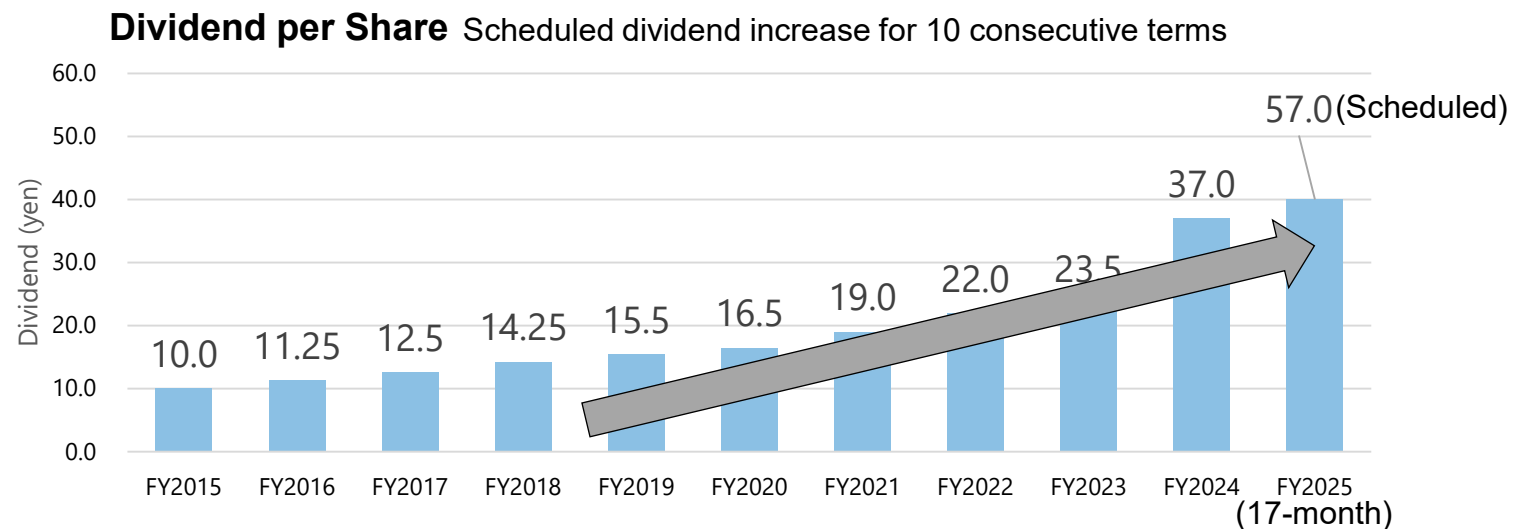
■ We are aiming to enhance shareholder returns based on progressive dividends with the aim of further rewarding our shareholders.

Distributing earnings to shareholders is one of our highest priorities.

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.



\*Please note that FY2025 will be an irregular 17-month accounting period