



August 14, 2025

To Whom It May Concern:

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Representative Director  
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## **Formulation of the Medium-Term Management Plan (Detailed)**

On May 8, 2025, the Company announced the “Revision of the Numerical Targets in the 10-Year Vision and the Medium-term Management Plan (Overview) and Action to Implement Management that is Conscious of Cost of Capital and Stock Price”. As for the Medium-term Management Plan (detailed), we have been proceeding with discussions to further elaborate the overall design of our group strategy, with the aim of announcing it around August 2025.

We have formulated the Medium-term Management Plan (detailed), which was approved at the Board of Directors meeting held today. Accordingly, we would like to inform you of the details as follows.

### **1. Details of the Medium-Term Management Plan (FY2025-FY2027)**

Based on the results of achieving the target of expanding the funeral business, we have formulated the Medium-Term Management Plan (FY2025–FY2027) as the next step toward realizing our “10-Year Vision,” starting in FY2025. Under the policy of “Take the next step toward realizing our 10-Year Vision! Take on new challenges without fear of change!”, we will continue to strengthen our efforts to further enhance corporate value and achieve further growth, with the aim of steadily realizing our 10-Year Vision.

#### **(1) Four Priority Themes**

##### **1. Growth**

We will continue to actively promote the opening of stores in major cities across Japan in order to expand our business foundation. In terms of measures to increase the number of stores, we will accelerate our in-house expansion centered on the family funeral brands “ENDING HAUS” and “Famille Corp.,” while also utilizing M&A and partnerships with other businesses to achieve growth for the Group as a whole. In addition, in the end-of-life support business, we will promote sales growth and business expansion through the development of new services, the expansion of existing businesses, and the expansion of grief care support activities.

##### **2. Quality**

We will strengthen our quality management system to provide high-quality, high-value-added services that are the source of our corporate value, and further refine the quality of our services, which is one of

our strengths. We will also work to enhance measures for the early development of human resources who provide funeral services and ensure quality, with the aim of improving our service provision capabilities. We will continue to strive to provide the most satisfying and memorable services in Japan, thereby differentiating ourselves from our competitors and establishing a sustainable competitive advantage.

### 3. Change

As part of our efforts to transform our business, we will promote post-merger integration (PMI) with Kizuna Holdings Corp., and proceed with the sharing of functions and expertise, as well as the integration and optimization of overlapping functions. This will improve management efficiency and further enhance the governance structure of the Group as a whole. Furthermore, with the integration of Kizuna Holdings Corp., we will change our accounting period, which is currently during the busiest time of the year (end of March), to the end of August, thereby mitigating the impact of seasonal fluctuations on operating revenue and improving operational efficiency.

### 4. Sustainability

In order to achieve sustainable growth and enhance corporate value over the mid- to long term, we will focus on human capital management and promote the recruitment and development of human resources with the skills and expertise necessary to achieve our vision. We will establish the “San Business Academia,” an educational institution for both individuals within and outside the Group, to strengthen our human resource development foundation, and we will continue to implement measures to improve engagement and strengthen our organizational capabilities.

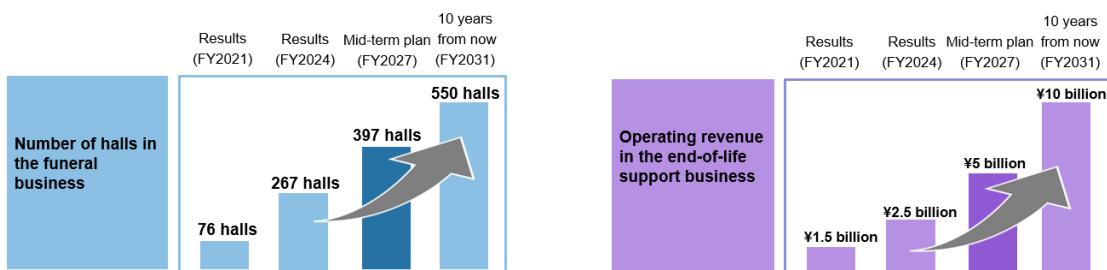
In addition, we will strive to enhance corporate value and achieve a PBR ratio of 1x as soon as possible through management practices that take into account capital costs and capital profitability. In addition to improving efficiency by adopting ROE as a capital profitability indicator, we will promote the disclosure of our capital allocation policy, strengthen our IR functions, and enhance shareholder returns based on a progressive dividend policy. Furthermore, through proactive ESG and SDGs initiatives, we will strive to achieve both the resolution of social issues and the enhancement of corporate value.

Through these initiatives, we will respond to changing social needs, establish our position as a leading company in the end-of-life care sector, and achieve sustainable corporate value enhancement.

## (2) Numerical targets in the medium-term management plan

Growth targets of the medium-term management plan are as below:

- Funeral business: We plan to open 130 halls (including M&A)
- End-of-life support business: We will increase annual operating revenue 5 billion yen by FY2027 (including M&A)



Through the above-mentioned actions, we aim to achieve operating revenue of 50.5 billion yen and operating profit of 5.8 billion yen in the final fiscal year (FY2027). In addition, we have designated ROE\*

as our key capital efficiency indicator, aiming to maintain a stable ROE of **8% or higher** over the medium to long term.

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

	(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

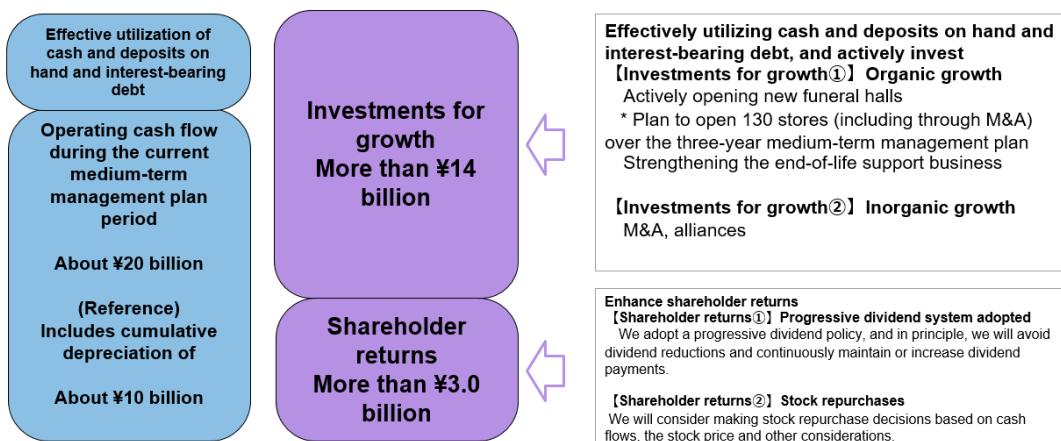
### (3) Regarding the capital allocation policy

Under this medium-term management plan, we aim to achieve a stable ROE of 8% or higher over the medium to long term by promoting action to implement management that is conscious of cost of capital and stock price. To achieve this, we will continue to make proactive growth investments, building on the previous medium-term management plan period. Over the next three years, we plan to generate approximately 20 billion yen in operating cash flow, and along with effectively utilizing cash and deposits on hand and interest-bearing debt, we will allocate over 14 billion yen to investments for growth to drive revenue expansion. Regarding shareholder returns, we plan to distribute 3 billion yen or more, and our dividend policy adopts a progressive dividend approach, aiming, in principle, not to reduce dividends, and to continuously maintain or increase dividend payments. Additionally, we will flexibly consider share repurchases based on cash flow conditions and stock price trends.

#### ■ 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) Other

Please also refer to the attached materials.

## 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)

1.

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

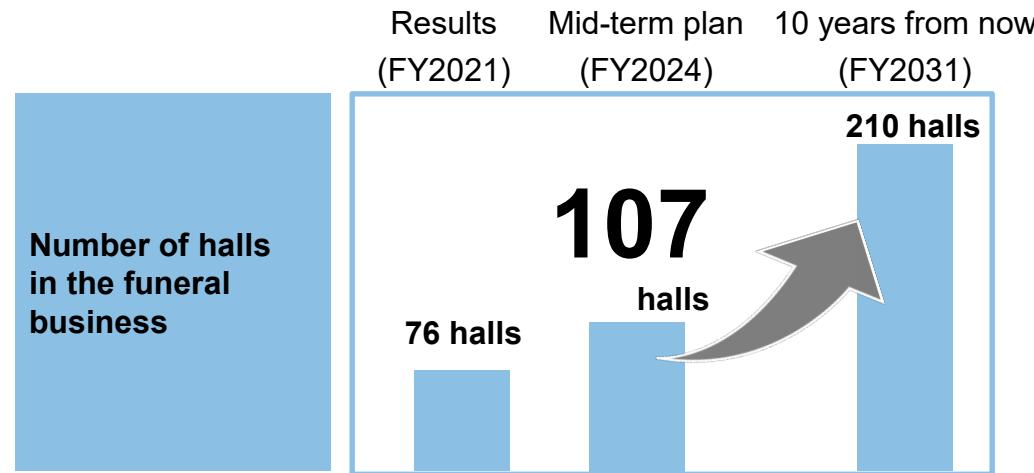


**SAN HOLDINGS, INC.**

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

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

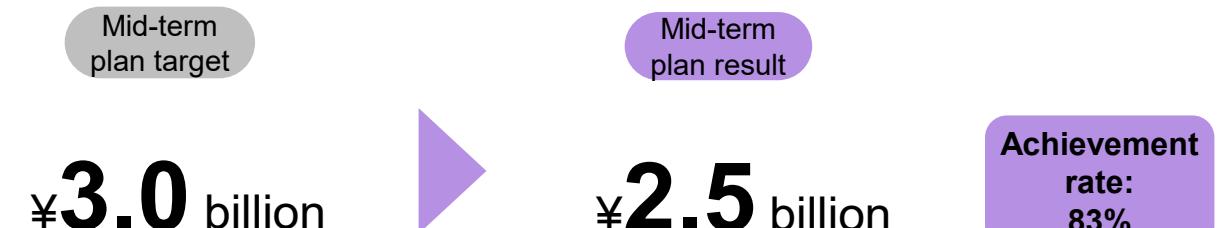
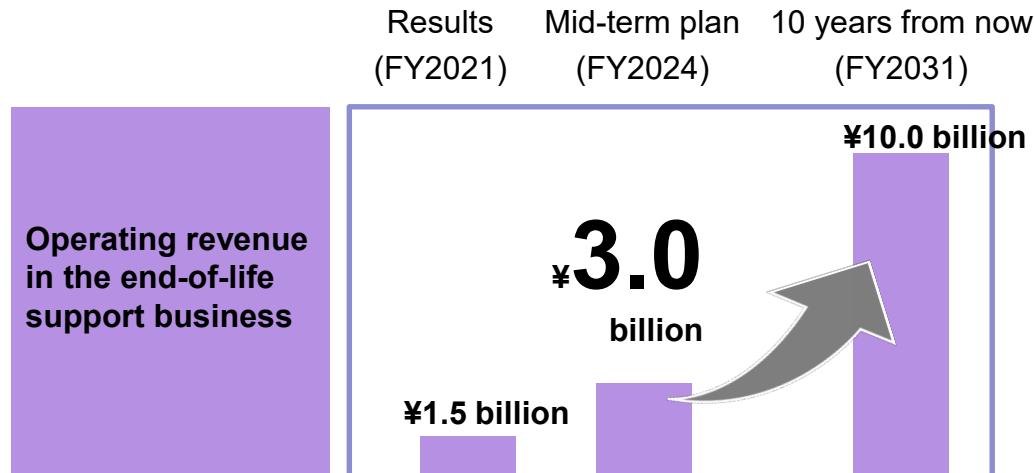
[Medium- to long-term targets of the new 10-Year Vision]



[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%**

Significant increase in operating profit

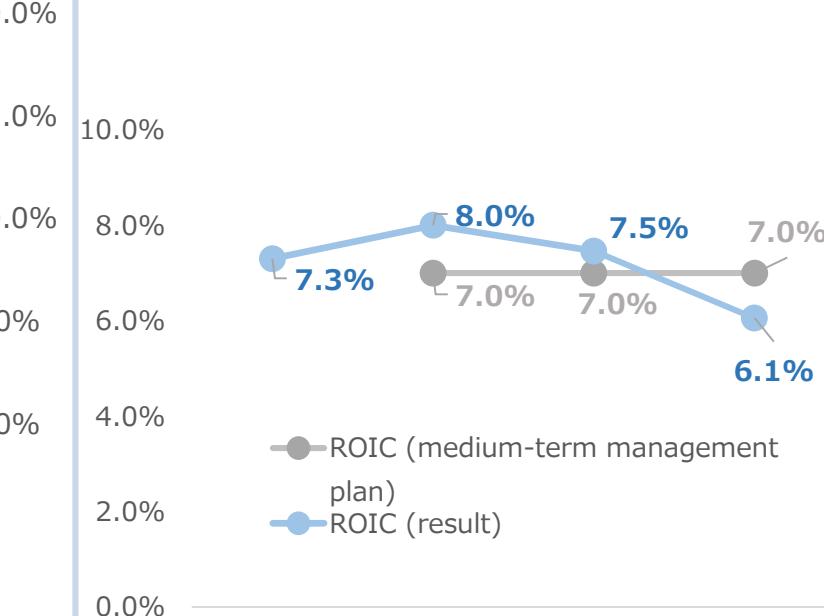
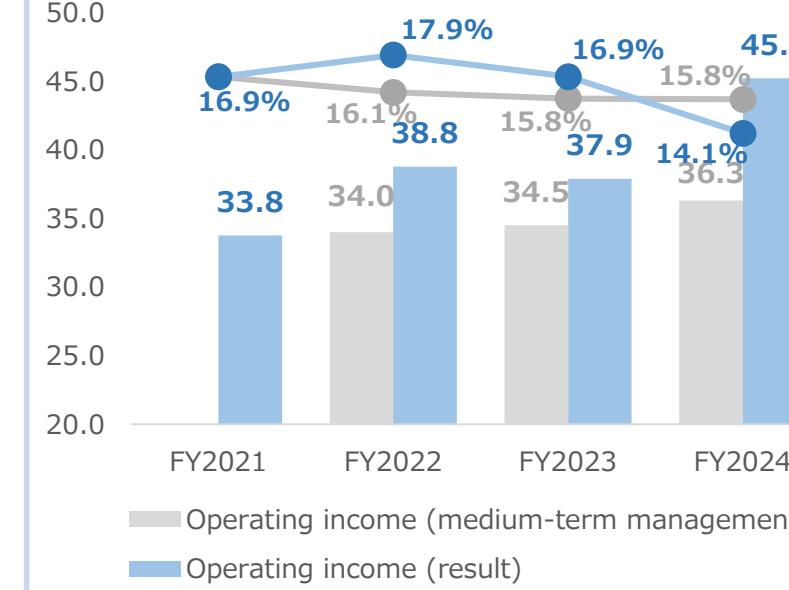
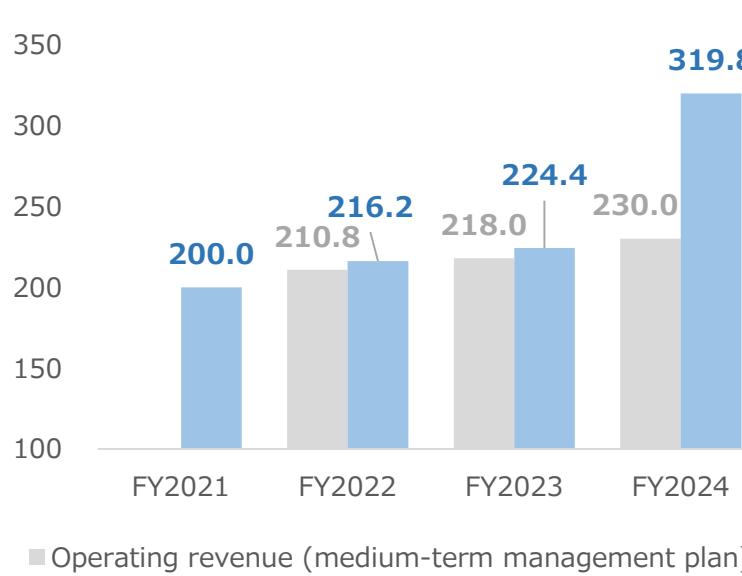
Achieved

[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.

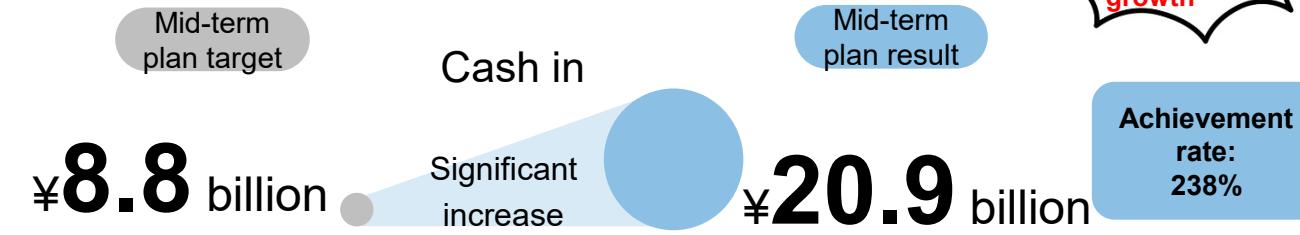
# Review of the Medium-term Management Plan (FY2022-2024)

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

[Capital allocation targets and results]

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

Cash in



Cash in

Significant increase

¥20.9 billion

Cash out

	Mid-term plan target	Mid-term plan result
Investments		
Growth investments (store openings and M&A)	More than ¥4.5 billion	<b>¥17.3 billion</b>
Maintenance investments, etc.	¥1.0 to ¥1.5 billion	<b>¥1.1 billion</b>
Subtotal	More than ¥5.5 billion	<b>¥18.4 billion</b>
Shareholder returns		
Dividend		<b>¥1.4 billion</b>
Purchase of treasury shares		<b>¥1.0 billion</b>
Subtotal		<b>¥2.5 billion</b>
Total		<b>¥20.9 billion</b>

Mid-term plan target

More than  
¥4.5 billion

Investments for growth

Significant increase

Mid-term plan result

¥17.3 billion

Achievement rate: 384%

## 2.

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

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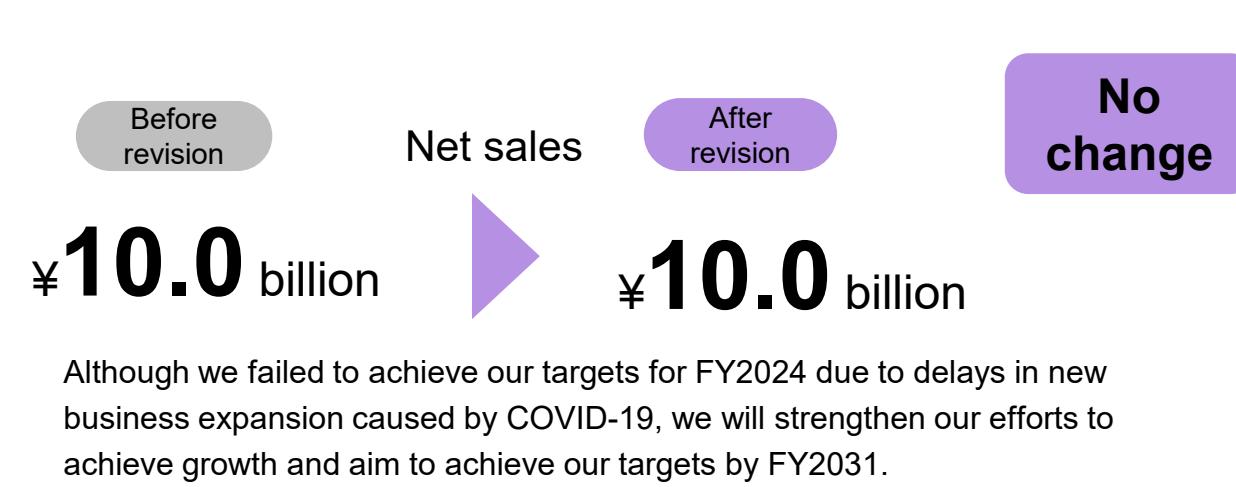
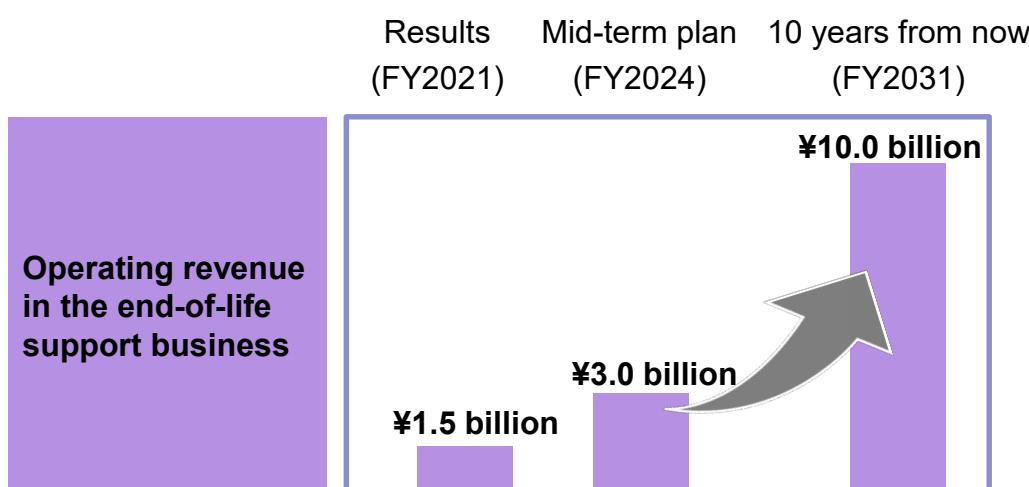
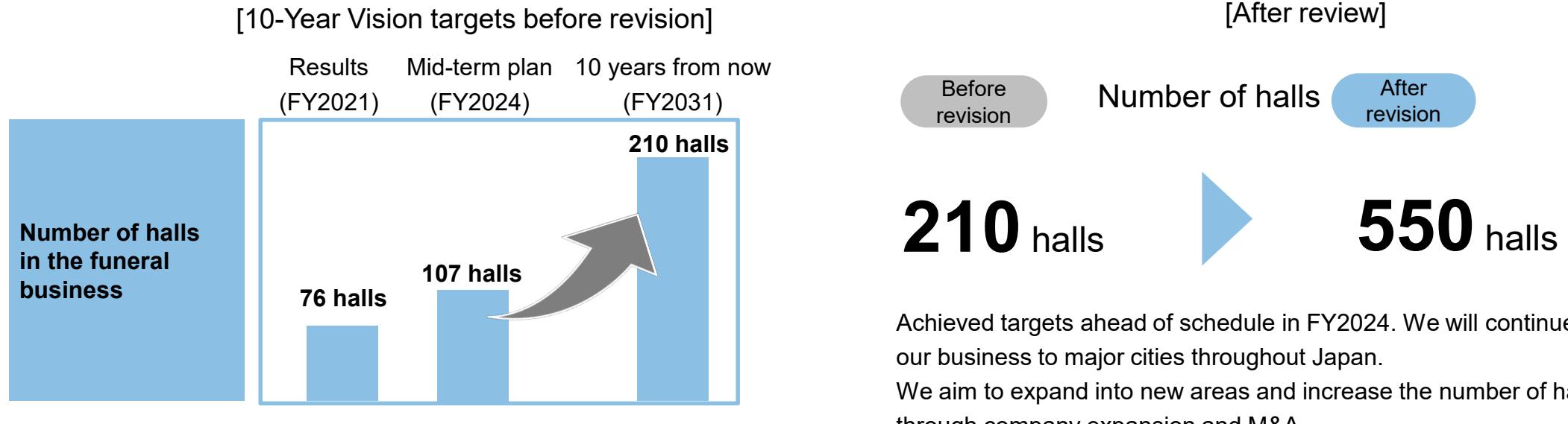
**Be a dependable end-of-life partner by moving even closer to the senior generation and their family members**



**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.



### 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

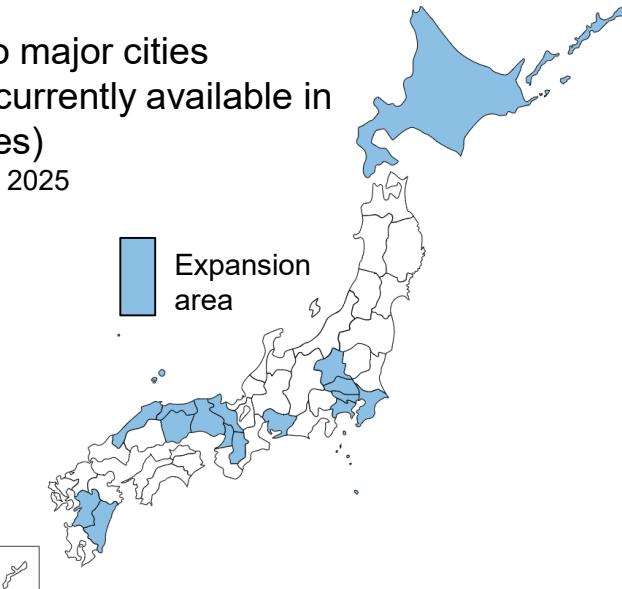
### Growth

#### 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

Expanding to major cities nationwide (currently available in 16 prefectures)  
\*As of March 31, 2025

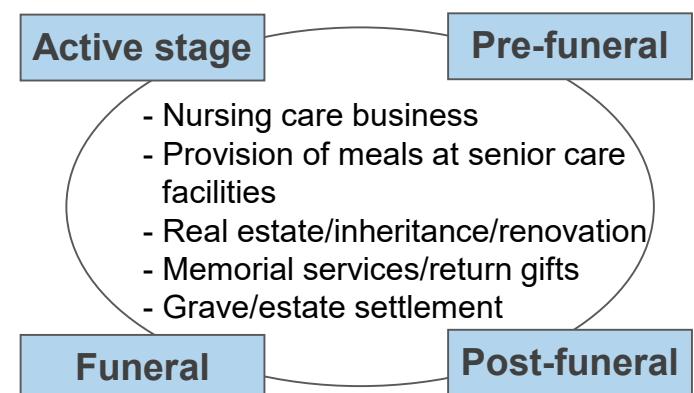


#### 2. Growth of the end-of-life support business

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 high value-added services
- Expansion and enhancement of our service menu
- Expansion of grief care support activities

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

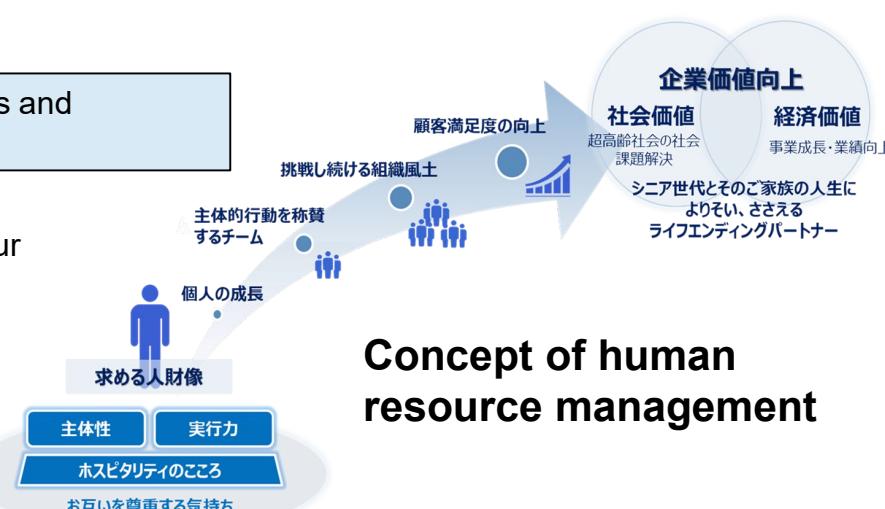
We will strive to enhance corporate value and achieve a PBR ratio of more than 1x as soon as possible through management practices that take into account capital costs and capital profitability.

- 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



# 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:

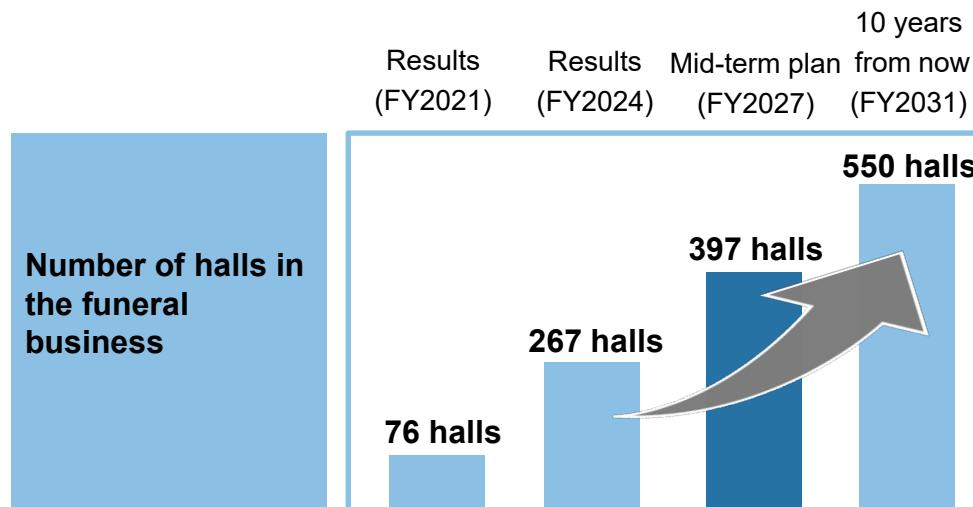
Target for the number of newly opened halls over the next 3 years: 130

### ■ For the growth of the end-of-life support business:

Operating revenue target for FY2027: 5 billion yen

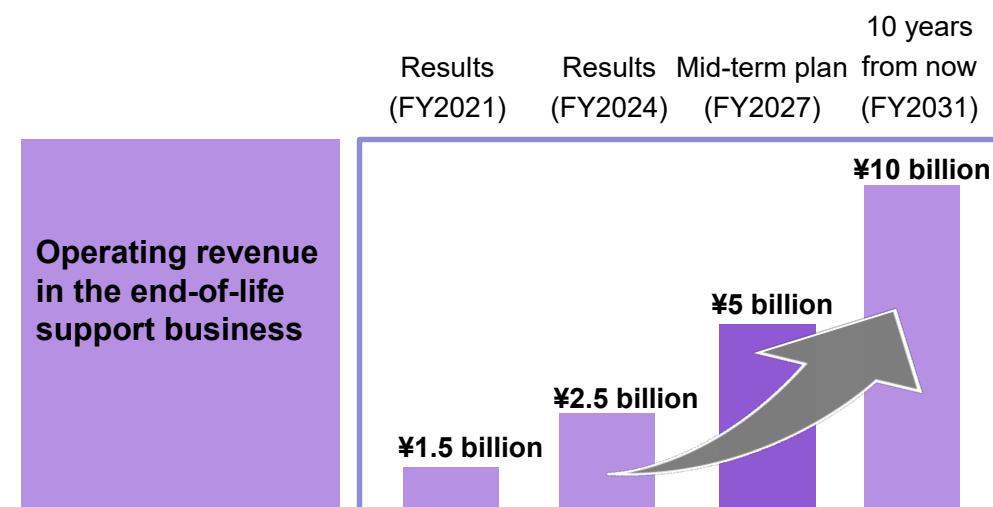
#### [Growth of the funeral business]

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.

Effective utilization of cash and deposits on hand and interest-bearing debt

Operating cash flow during the current medium-term management plan period

About ¥20 billion

(Reference)  
Includes cumulative depreciation of

About ¥10 billion

Investments for growth  
More than ¥14 billion

Shareholder returns  
More than ¥3.0 billion

Effectively utilizing cash and deposits on hand and interest-bearing debt, and actively invest

**【Investments for growth】 Organic growth**

Actively opening new funeral halls

\* Plan to open 130 halls (including M&A) over the three-year medium-term management plan  
Strengthening the end-of-life support business

**【Investments for growth】 Inorganic growth**  
M&A, alliances

Enhance shareholder returns

**【Shareholder returns】 Progressive dividend system adopted**

We adopt a progressive dividend policy, and in principle, we will avoid dividend reductions and continuously maintain or increase dividend payments.

**【Shareholder returns】 Stock repurchases**

We will consider making stock repurchase decisions based on cash flows, the stock price and other considerations.

## 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

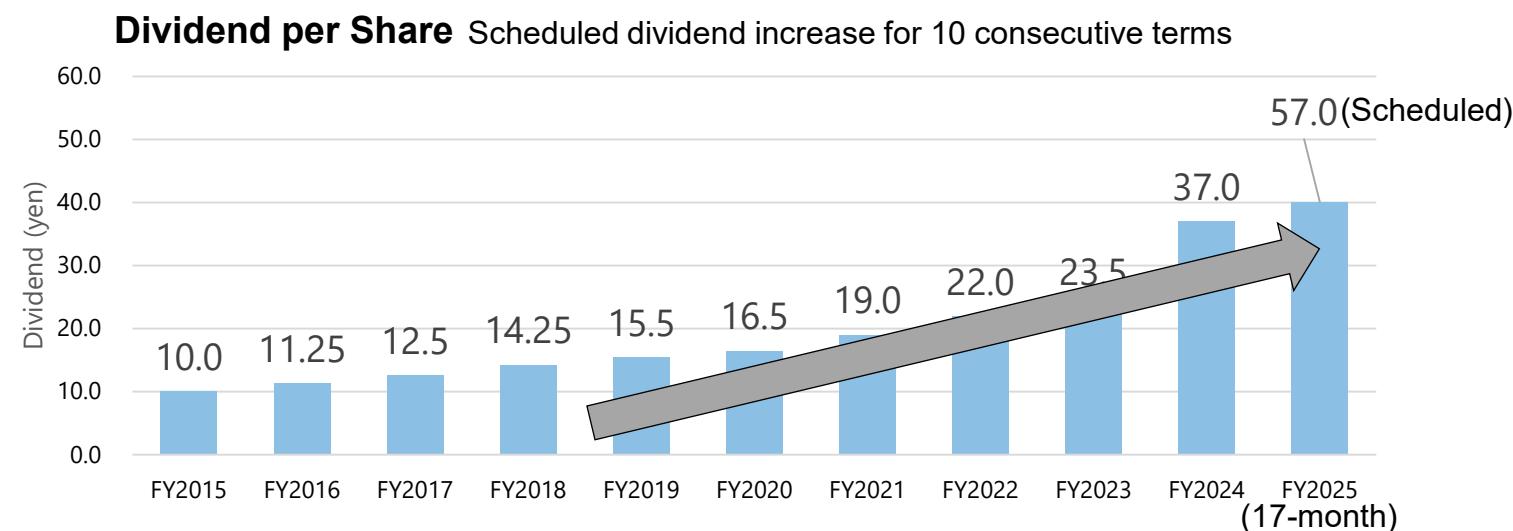
■ We are aiming to enhance shareholder returns based on progressive dividends with the aim of further rewarding our shareholders.

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