



August 14, 2026

Consolidated Financial Results for the Fifth Quarter of the Fiscal Year Ending August 31, 2026 (Fifteen Months Ended June 30, 2026)

[Japanese GAAP]

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Stock code: 9628

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Listing: Tokyo Stock Exchange

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Fiscal Year Ending August 31, 2026 (April 1, 2025 – June 30, 2026)

(1) Consolidated Operating Results (Cumulative)

(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 ending Aug. 31, 2026	49,041	-	3,638	-	3,430	-	4,705	-
Fiscal year ended Mar. 31, 2025	31,984	42.5	4,521	19.3	4,363	14.8	4,721	99.8

Note: Comprehensive income for the 5Q (million yen)

Fiscal year ended Jun. 30, 2026:	4,712 (-%)
Fiscal year ended Mar. 31, 2025:	4,721 (99.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ending Aug. 31, 2026	217.56	-
Fiscal year ended Mar. 31, 2025	230.96	-

Notes: 1. The fiscal year ending August 2026 is a transitional period due to a change in the fiscal year-end, and is an irregular accounting period of 17 months from April 1, 2025 to August 31, 2026. Therefore, for the 5Q of fiscal year ending August 31, 2026, the year-on-year changes are not presented.
2. For the fiscal year ended March 2025, full-year figures are presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Fiscal year ending Aug. 31, 2026	74,760	44,965	60.1
Fiscal year ended Mar. 31, 2025	63,053	37,172	59.0

Reference: Shareholder's equity (million yen) As of Jun. 30, 2026: 44,965 As of Mar. 31, 2025: 37,172

2. Dividends

	Dividend per share						
	1Q-end	2Q-end	3Q-end	4Q-end	5Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	-	12.00	-	-	-	25.00	37.00
Fiscal year ending Aug. 31, 2026	-	-	28.50	-	-		
Fiscal year ending Aug. 31, 2026 (forecast)						28.50	57.00

Notes: 1. Revisions to the most recently announced dividend forecast: None

2. Following the change in fiscal year-end, the dividend forecast covers the 17-month period from April 1, 2025 to August 31, 2026.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending August 31, 2026 (April 1, 2025 – August 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
	59,300	-	4,200	-	4,040	-	4,520	-	214.32

Notes: 1. Revisions to the most recently announced consolidated forecast: None

2. Following the change in the fiscal period, the consolidated earnings forecast covers the 17-month period from April 1, 2025 to August 31, 2026, and as this fiscal year will be a 17-month accounting period, the year-on-year changes are omitted.

* Notes

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

9 new companies: Cocolonet Co., LTD., Tamanoya CO., LTD., Kanno Trading Co., LTD., With Wedding CO., LTD., Fleur CO., LTD., Heartline CO., LTD., Kitakanto Gojo Center CO., LTD., Kigetsudo Celeo CO., LTD.,
KANNO VIET NAM TRADING COMPANY LIMITED

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, others: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting-based estimates: None
- 4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2026: 24,200,000 shares As of Mar. 31, 2025: 23,000,000 shares

2) Number of treasury shares at the end of the period

As of Jun. 30, 2026: 546,652 shares As of Mar. 31, 2025: 2,535,420 shares

3) Average number of shares outstanding during the period (cumulative up to the 5Q)

As of Jun. 30, 2026: 21,629,038 shares As of Mar. 31, 2025: 20,440,401 shares

Note: 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 (259,200 shares as of March 31, 2025 and 150,400 shares as of June 30, 2026).

* Review of the attached quarterly consolidated financial statements by a certified public accountant or audit firm: Yes (voluntary)

* 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, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 6 for forecast assumptions and notes of caution for usage.

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[Interim Review Report]

1. Overview of Results of Operations

The Company, by a resolution to partially amend the Articles of Incorporation at the Annual General Meeting of Shareholders held on June 25, 2025, changed the fiscal year-end (end date of the fiscal year) from March 31 to August 31. As a transitional measure, the current consolidated fiscal year is an irregular accounting period of 17 months, from April 1, 2025 to August 31, 2026. Accordingly, no comparison with the previous fiscal year is presented.

(1) Results of Operations

During the 15 months of the current cumulative consolidated period (hereinafter, the “current period”), the Japanese economy showed some signs of weakness due in part to concerns over continued price increases and the impact of the situation in the Middle East, but continued to show a gradual recovery trend. On the other hand, uncertainty surrounding the economy and prices remains high due to factors such as the impact of rising crude oil prices.

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. Currently, M&A and other activities for the reorganization of the funeral and end-of-life support business sectors are increasing.

SAN HOLDINGS is promoting the medium-term management plan (FY2025 to FY2027) with the goal of achieving the growth of the funeral business and the growth of the end-of-life support business set forth in the 10-Year Vision, which defines the direction and desired future state for our Group as we approach our 100th anniversary in 2032.

In the above medium-term management plan, which prioritizes the growth of the funeral business, we aim to open 550 group halls nationwide by FY2031, as set forth in the 10-Year Vision, through a combination of new hall openings by our company and network expansion via mergers and acquisitions in major cities across Japan.

As part of this initiative, in February 2026, the Group made Cocolonet CO., LTD. a consolidated subsidiary through a share exchange. The business development area of the SAN HOLDINGS Group has come to span 21 prefectures, from Hokkaido to Kyushu, making it possible to provide secure and reliable services across Japan. We will continue to strive for further growth as Japan’s largest listed dedicated funeral business company.

In the other key focus area, the growth of the end-of-life support business, we aim to contribute to improving the quality of life for many seniors and their families by providing various values throughout the life-ending stage of the senior generation. 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 are working to provide a safe and secure lifestyle through high-quality care and support services, including the operation of rehabilitation-focused day service facilities and the provision of home-visit medical massage services.

The consolidated operating results for the current period recorded operating revenue of 49,041 million yen. Regarding expenses, operating expenses amounted to 40,424 million yen, and selling, general and administrative expenses amounted to 4,978 million yen. The main increases in expenses were attributable to 921 million yen in amortization of goodwill resulting from the consolidation of Kizuna Holdings Corp. and other companies as subsidiaries, hall-opening-related costs, mainly rent expenses on land and buildings, and recruitment expenses and personnel expenses associated with hiring personnel in preparation for future business growth. In addition, the consolidated results for the current period include the results of the COCOLONET Group segment (April 2026 to June 2026). As a result, operating profit amounted to 3,638 million yen.

Ordinary profit amounted to 3,430 million yen, due to a recording of 227 million yen for interest expenses, resulting from borrowings for the TOB (tender offer) of Kizuna Holdings Corp., etc.

In addition, as extraordinary income, a gain on negative goodwill of 2,810 million yen was recorded in connection with the consolidation of Cocolonet CO., LTD. Accordingly, quarterly net profit attributable to owners of parent after deducting tax expenses was 4,705 million yen.

During the current period, funeral service revenue of the Group’s funeral companies amounted to 41,288 million yen. Due to the

diversification of funeral formats, the opening of our own family funeral halls, and the consolidation of Kizuna Holdings Corp., whose main business is family funerals, as a subsidiary, the proportion of family funerals in the total number of funerals conducted by the Group has increased, which has been a factor pushing down the average revenue per funeral. However, the total number of funerals conducted and funeral service revenue for the Group as a whole have increased as a result of these measures and the consolidation of Cocolonet CO., LTD. as a subsidiary. Revenue from the sale of merchandise and provision of services related to funerals remained steady, mainly driven by sales of return gifts at a later date and fee income from post-funeral procedures.

The SAN HOLDINGS Group has segments based on companies, primarily the four funeral companies and SAN HOLDINGS, the holding company. In previous fiscal years, there were five reportable segments: KOEKISHA Group, SOU-SEN Group, TARUI Group, KIZUNA Group and Holding Company Group. During the period under review, the reportable segment “COCOLONET Group” was added due to the consolidation of Cocolonet CO., LTD.

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.

a. KOEKISHA Group

At KOEKISHA CO., LTD., the core company of the KOEKISHA Group, the number of deaths in this company’s business area decreased year-on-year, resulting in a significant impact. However, this company maintains its competitive advantage in both the Tokyo metropolitan area and the Kinki region, and maintains or improves its market share in its business area. We recognize that the current situation of mortality reduction constitutes a transitional phase due to a reactive decline following excess mortality (mortality exceeding that predicted based on past data). It is expected that, as this impact subsides, demand related to funeral services will return to a recovery trend. In addition, the average revenue per funeral decreased due to an increased proportion of direct funerals (cremation only) in the total number of funerals conducted, as well as a decrease in large-scale funerals (funerals exceeding 5 million yen). On the other hand, sales of products and services associated with funerals increased as sales of return gifts and commissions received for post-funeral procedures and related services increased.

Regarding expenditures, the Company is making investments in hall opening-related costs and recruitment and personnel expenses to expand its hall network in preparation for future business growth.

Sales in this segment were 24,361 million yen, and the segment profit was 2,671 million yen.

b. SOU-SEN Group

At the SOU-SEN Group, centered on SOU-SEN Corp., the number of funerals conducted was affected by a decrease in the number of deaths in its business areas. However, we have maintained our competitive advantage in our business areas, and our market share has been maintained or increased. The average revenue per funeral remained at a stable level due to the maintenance of the average revenue per general funeral and an increase in the number of funerals of a relatively large scale conducted. In addition, sales of products and services associated with funerals increased as sales of return gifts and commissions received for post-funeral procedures and related services increased.

Sales in this segment were 1,999 million yen, and the segment profit was 179 million yen.

c. TARUI Group

At TARUI CO., LTD. of the TARUI Group, the number of funerals conducted was affected by a decrease in the number of deaths in its business areas. However, we have maintained our competitive advantage in our business areas, and our market share has been maintained or increased. In addition, as the proportion of direct funerals (cremation only) in the total number of funerals conducted increased, the average revenue per funeral decreased, which was a factor pushing down funeral service revenue. Revenue from the sale of merchandise and provision of services related to funerals increased, mainly driven by memorial services and fee income from post-funeral procedures.

Sales in this segment were 2,517 million yen, and the segment profit was 414 million yen.

d. KIZUNA Group

The KIZUNA Group is composed of Kizuna Holdings Corp. and its subsidiaries: Famille Corp., Hanakoma and Bizenya. While actively opening new funeral halls, we were significantly affected by intensifying competition and a decrease in the number of deaths in our business areas.

Net sales in this segment amounted to 17,661 million yen, but due to an increase in fixed costs associated with the opening of new funeral halls and the recording of 892 million yen in amortization of goodwill, a segment loss of 2 million yen was recorded.

e. COCOLONET Group

The COCOLONET Group, newly added as a reportable segment from the current period, consists of Cocolonet CO., LTD., a subsidiary of the Company, and its subsidiaries. The deemed acquisition date was March 31, 2026, and in addition to the balance sheet, the statement of income has been consolidated from April 2026.

Sales in this segment were 2,250 million yen, and the segment profit was 106 million yen.

f. Holding Company Group

At SAN HOLDINGS,INC., the holding company of the Group, real estate income from operating subsidiaries increased. Operating expenses were mainly attributable to fixed costs, including rent expenses on land and buildings, associated with strategic new hall openings. In addition, one-time expenses of 379 million yen were recorded in connection with the consolidation of Cocolonet CO., LTD. as a subsidiary.

Sales in this segment were 8,783 million yen, and the segment profit was 2,926 million yen.

(2) Financial Position

Assets

Current assets at the end of the fifth quarter (hereinafter referred to as the “end of the current period”) were 14,242 million yen, down 1,024 million yen from the end of the previous fiscal year. This was due to a decrease of 3,333 million yen in cash and deposits as a result of the payment of income taxes payable, expenditures associated with investments in new funeral halls, and the repayment of borrowings, despite an increase associated with the consolidation of Cocolonet CO., LTD. as a subsidiary.

Non-current assets were 60,517 million yen, up 12,730 million yen from the end of the previous fiscal year. This was mainly due to an increase in property, plant and equipment of 10,243 million yen resulting from increases in buildings and structures and land following the consolidation of Cocolonet CO., LTD., and an increase in investment securities of 1,800 million yen. In addition, intangible assets decreased by 1,068 million yen due to the progress of amortization of goodwill.

As a result, total assets increased 11,706 million yen from the end of the previous fiscal year to 74,760 million yen.

Liabilities

Current liabilities at the end of the current period were 7,444 million yen, a decrease of 2,220 million yen compared with the end of the previous fiscal year. This was mainly due to decreases in short-term borrowings of 500 million yen and income taxes payable of 2,052 million yen.

Non-current liabilities were 22,350 million yen, an increase of 6,133 million yen from the end of the previous fiscal year. This was mainly due to a decrease in long-term borrowings of 2,990 million yen and the recognition of advances for prepaid transactions (deposits received before the provision of services for ceremony preparatory mutual aid businesses) of 8,598 million yen in connection with the consolidation of Cocolonet CO., LTD.

As a result, total liabilities increased 3,913 million yen from the end of the previous fiscal year to 29,794 million yen.

Net assets

Net assets were 44,965 million yen at the end of the current period, up 7,792 million yen from the end of the previous fiscal year. This was mainly due to an increase of 2,835 million yen in capital surplus resulting from business combinations and other factors, and an increase of 4,705 million yen due to quarterly profit attributable to owners of parent, while 1,112 million yen in dividends of surplus was paid. In addition, with respect to treasury shares, while 1,626 million yen was recorded for the disposal of treasury shares, from May 18, 2026, the Company carried out the purchase of treasury shares with an upper limit of 500 million yen on the total purchase price, in order to enhance returns to shareholders and improve equity efficiency, as well as to implement a flexible equity policy in response to changes in the business environment. The purchase amount was 267 million yen as of the end of June.

Consequently, the equity ratio increased 1.1 percentage points from the end of the previous fiscal year to 60.1%.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no changes to the consolidated earnings forecast for the fiscal year ending August 2026 from the forecast announced on May 15, 2026.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY3/25 (March 31, 2025)	FY8/26 (June 30, 2026)
Assets		
Current assets		
Cash and deposits	12,663	9,330
Notes receivable - trade, operating accounts receivables and contract assets	-	1,832
Trade accounts receivable and contract assets	1,708	-
Securities	-	655
Merchandise and finished goods	176	578
Raw materials and supplies	56	106
Other	675	1,772
Allowance for doubtful accounts	(13)	(33)
Total current assets	15,267	14,242
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,988	21,859
Land	13,107	17,272
Leased assets, net	1,367	1,401
Other, net	1,152	1,325
Total property, plant and equipment	31,615	41,859
Intangible assets		
Goodwill	11,278	10,356
Trademark rights	836	768
Other	809	730
Total intangible assets	12,924	11,856
Investments and other assets		
Long-term loans receivable	216	213
Investment securities	162	1,962
Guarantee deposits	1,767	2,117
Other	1,116	2,535
Allowance for doubtful accounts	(17)	(27)
Total investments and other assets	3,245	6,801
Total non-current assets	47,786	60,517
Total assets	63,053	74,760

(Millions of yen)

	FY3/25 (March 31, 2025)	FY8/26 (June 30, 2026)
Liabilities		
Current liabilities		
Trade accounts payable	1,482	1,328
Short-term borrowings	500	-
Current portion of long-term borrowings	2,531	2,508
Lease liabilities	176	190
Income taxes payable	2,268	216
Provision for bonuses	681	631
Provision for bonuses for directors (and other officers)	59	46
Other	1,965	2,522
Total current liabilities	9,664	7,444
Non-current liabilities		
Long-term borrowings	13,588	10,597
Lease liabilities	998	1,034
Asset retirement obligations	1,270	1,705
Provision for employee stock ownership plan trust	69	32
Advances for prepaid transactions	-	8,598
Other	291	383
Total non-current liabilities	16,217	22,350
Total liabilities	25,881	29,794
Net assets		
Shareholders' equity		
Capital	2,568	2,568
Capital surplus	5,488	8,324
Retained earnings	31,003	34,596
Treasury shares	(1,888)	(530)
Total shareholders' equity	37,172	44,958
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	3
Foreign currency translation adjustment	-	2
Total accumulated other comprehensive income	-	6
Total net assets	37,172	44,965
Total liabilities and net assets	63,053	74,760

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

(Millions of yen)

	FY8/26 (Apr. 1, 2025 – Jun. 30, 2026)
Operating revenue	49,041
Operating expenses	40,424
Operating gross profit	8,616
Selling, general and administrative expenses	
Remuneration for directors (and other officers)	446
Salaries	876
Bonuses	69
Provision for bonuses	107
Provision for bonuses for directors (and other officers)	46
Outsourcing expenses	808
Provision of allowance for doubtful accounts	12
Depreciation	398
Goodwill amortization	921
Other	1,289
Total selling, general and administrative expenses	4,978
Operating profit	3,638
Non-operating income	
Interest income	23
Dividend income	0
Share of profit of entities accounted for using equity method	35
Miscellaneous income	62
Total non-operating income	122
Non-operating expenses	
Interest expenses	227
Miscellaneous losses	102
Total non-operating expenses	329
Ordinary profit	3,430
Extraordinary income	
Received insurance proceeds	53
Gain on negative goodwill	2,810
Other	0
Total extraordinary income	2,864
Extraordinary losses	
Loss on retirement of non-current assets	45
Disaster losses	30
Other	6
Total extraordinary losses	83
Profit before income taxes	6,212
Income taxes-current	1,365
Income taxes-deferred	140
Total income taxes	1,506
Profit	4,705
Profit attributable to owners of parent	4,705

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY8/26 (Apr. 1, 2025 – Jun. 30, 2026)
Profit	4,705
Other comprehensive income	
Valuation difference on available-for-sale securities	3
Foreign currency translation adjustment	2
Total other comprehensive income	6
Comprehensive income	4,712
including	
Comprehensive income attributable to owners of parent	4,712
Comprehensive income attributable to non-controlling interests	-

(3) Notes to Consolidated Financial Statements

Financial Reporting Framework

The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (however, the omission of certain disclosures as prescribed in Article 4, Paragraph 2 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements is applied).

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Effective February 1, 2026, the Company conducted a share exchange in which the Company became the wholly owning parent company and Cocolonet CO., LTD. became the wholly owned subsidiary, resulting in an increase of 2,716 million yen in capital surplus and a decrease of 1,458 million yen in treasury shares.

Quarterly Consolidated Statement of Cash Flows

The quarterly consolidated statement of cash flows for the fifth quarter of the current consolidated cumulative period has not been prepared. Depreciation expenses (including amortization expenses related to intangible assets excluding goodwill) and goodwill amortization for the fifth quarter of the current consolidated cumulative period are as follows.

	FY8/26 (Apr. 1, 2025 – Jun. 30, 2026)
Depreciation	2,743 million yen
Goodwill amortization	921 million yen

Segment and Other Information

Segment information

First 15 months of FY8/26 (Apr. 1, 2025 - Jun. 30, 2026)

1. Information related to operating revenue, profit or loss for each reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment							Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	KOEKISH A Group	SOU-SEN Group	TARUI Group	KIZUNA Group	COCOLONET Group	Holding Company Group	Total		
Operating revenue									
Funeral service revenue	19,116	1,753	2,304	16,984	1,128	-	41,288	-	41,288
Other	5,145	245	213	673	1,121	-	7,399	-	7,399
Revenue from contracts with customers	24,262	1,999	2,517	17,658	2,250	-	48,688	-	48,688
Other revenue	-	-	-	-	-	352	352	-	352
External operating revenue	24,262	1,999	2,517	17,658	2,250	352	49,041	-	49,041
Inter-segment operating revenue and transfers	98	0	0	3	-	8,430	8,532	(8,532)	-
Total	24,361	1,999	2,517	17,661	2,250	8,783	57,574	(8,532)	49,041
Segment profit or loss	2,671	179	414	(2)	106	2,926	6,296	(2,865)	3,430

Notes: 1. Contents of adjustment to segment profit are as follows.

(Millions of yen)

	Amount
Elimination of amount equivalent to dividends paid to the holding company by consolidated subsidiaries	(2,865)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	(0)
Total	(2,865)

2. Segment profit is adjusted to be consistent with ordinary profit recorded in the consolidated statement of income.

2. Information related to revisions for reportable segments

As a result of the share exchange under which Cocolonet CO., LTD. became a wholly owned subsidiary, the Company has newly added the “COCOLONET Group” as a reportable segment in the current consolidated fiscal year.

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Significant impairment losses on non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on negative goodwill

Gain on negative goodwill was booked in the COCOLONET Group segment as SAN HOLDINGS has

acquired the shares of Cocolonet Co., LTD. and included this company in the scope of consolidation in FY8/26. This event resulted in a gain on negative goodwill amounting to 2,810 million yen. Please note that this is an extraordinary income and is not included in the segment profit.

4. Information about assets for each reportable segment

The amount of assets in the reportable segment of COCOLONET Group has increased by 17,192 million yen for the fifth quarter of the current consolidated cumulative period, compared to the last day of the previous fiscal year, due to the acquisition of the shares of Cocolonet CO, LTD. and inclusion into the scope of consolidation in FY8/26.

Business Combinations, etc.

Business combination through a simplified share exchange

SAN HOLDINGS, INC. (hereinafter referred to as the “Company”) and Cocolonet CO., LTD. (hereinafter referred to as “Cocolonet”) resolved at their respective Board of Directors meetings held on October 23, 2025, to conduct a share exchange (hereinafter referred to as the “Share Exchange”) under which the Company will become the wholly owning parent company and Cocolonet will become its wholly owned subsidiary, and entered into a share exchange agreement on the same date.

1. Overview of the business combination

(1) Name and Business of the Wholly Owned Subsidiary in the Share Exchange

Name of the Wholly Owned Subsidiary: Cocolonet CO., LTD.

Description of Businesses: funeral business, stone materials business, wedding business, floral business, and funeral preparatory mutual aid business

(2) Purpose of the Share Exchange

As part of the Company’s initiatives addressing the key priorities outlined in its 10-Year Vision announced in May 2022, namely, the expansion of the funeral business and the growth of the end-of-life support business, the Company has been utilizing M&A strategies, and the M&A with Cocolonet is intended to achieve mutual complementation of store opening regions and to create synergies not only in the funeral business but also in related peripheral businesses.

(3) Effective date of the Share Exchange

February 1, 2026 (The deemed acquisition date: March 31, 2026)

(4) Method of the Share Exchange

This Share Exchange will make the Company the wholly owning parent company under the Share Exchange and Cocolonet CO., LTD. the wholly owned subsidiary under the Share Exchange. This share exchange was approved at the extraordinary general meeting of shareholders of Cocolonet CO., LTD. held on December 23, 2025, with February 1, 2026 as the effective date. In addition, pursuant to Article 796, Paragraph 3 of the Companies Act, the Company is not required to obtain a resolution of its general meeting of shareholders, as the transaction will be conducted as a simplified share exchange.

(5) Company name after the business combination

The name remains the same.

(6) Ratio of voting rights acquired

100%

(7) Main reason for selecting the company to acquire

The Company acquired all of Cocolonet Co., LTD.'s shares in consideration for shares.

2. Period of the acquired company’s financial results included in the quarterly consolidated statement of income for the cumulative consolidated period

From April 1, 2026 to June 30, 2026

3. Matters related to the calculation of acquisition cost

(1) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition: Common shares of the Company	4,175 million yen
Acquisition cost:	4,175 million yen

(2) Allotment under the Share Exchange

Company name	SAN HOLDINGS, INC. (Wholly owning parent company under the Share Exchange)	Cocolonet CO., LTD. (Wholly owned subsidiary under the Share Exchange)
Allotment ratio for the Share Exchange	1	0.90
Number of shares to be delivered through the Share Exchange	Common shares of the Company: 3,134,389 shares	

Note: For each common share of Cocolonet stock, shares of SAN HOLDINGS common stock in the amount of 0.90 shares was allotted and delivered.

4. Description and amount of major acquisition-related costs

Advisory fees, etc.: 379 million yen

5. Amount and cause of gain on negative goodwill

(1) Amount of gain on negative goodwill

2,810 million yen

The amount of gain on negative goodwill has been provisionally calculated because the allocation of the acquisition cost has not yet been completed.

(2) Cause

As the fair value of the net assets at the time of acquisition of the acquired company's shares exceeded the acquisition cost, the difference is recognized as a gain on negative goodwill.

Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements

August 7, 2026

To the Board of Directors, SAN HOLDINGS, INC.

Deloitte Touche Tohmatsu LLC Osaka Office

Katsufumi Takami
Certified public accountant
Designated limited liability partner, managing partner

Tatsuya Yasuba
Certified public accountant
Designated limited liability partner, managing partner

Naomi Furuta
Certified public accountant
Designated limited liability partner, managing partner

Auditor's Conclusion

Our audit firm conducted an interim review of the quarterly consolidated financial statements of SAN HOLDINGS, INC. for the fifth quarter (from April 1, 2026 to June 30, 2026) of the current consolidated fiscal period beginning April 1, 2025 and ending August 31, 2026, as well as for the cumulative consolidated period up to the fifth quarter (from April 1, 2025 to June 30, 2026) as presented in the "Attached Materials" section of the Quarterly Financial Results, including the quarterly consolidated balance sheet, the quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income, and related notes.

Based on the interim review we conducted, nothing has come to our attention that causes us to believe that the above quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (however, the omission of certain disclosures as prescribed in Article 4, Paragraph 2 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements is applied).

Basis for Auditor's Conclusion

We conducted our quarterly review in accordance with the quarterly review standards generally accepted in Japan. Our responsibilities under the quarterly review standards are described in Auditor's Responsibilities for the Quarterly Review of the Consolidated Financial Statements. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan (including the provisions applicable to the audits of financial statements of entities with significant public interest) and have fulfilled our other ethical responsibilities as auditors. We believe that the evidence we have obtained provides a sufficient basis for expressing our conclusion.

Responsibilities of Management, Corporate Auditors, and the Audit & Supervisory Board for the Quarterly Consolidated Financial Statements

Management's responsibility is to prepare the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (however, the omission of certain disclosures as prescribed in Article 4, Paragraph 2 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements is applied). This includes establishing and operating such internal controls as management determines necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the statements on a going concern basis, and, if necessary, disclosing matters related to the going concern in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (however, the omission of certain disclosures as prescribed in

Article 4, Paragraph 2 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements is applied).

The responsibility of the auditors and the Audit & Supervisory Board Members is to monitor the execution of duties by Directors in establishing and operating the financial reporting process.

Auditor's Responsibility in the Interim Review of the Quarterly Consolidated Financial Statements

The auditor's responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report based on the interim review conducted by the auditor.

The auditor, in accordance with the Interim Review Standards generally accepted as appropriate and fair in Japan, exercises professional judgment and maintains professional skepticism throughout the review process to carry out the following procedures.

- The auditor conducts inquiries, analytical procedures, and other interim review procedures primarily directed at management and those responsible for financial and accounting matters. The interim review procedures are limited in scope compared to an audit of financial statements for a fiscal year conducted in accordance with Auditing Standards generally accepted in Japan.
- If it is determined that there is significant uncertainty related to events or conditions that may cast substantial doubt concerning the going concern assumption, based on the evidence obtained, the auditor concludes whether or not there are any matters that would lead the auditor to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (however, the omission of certain disclosures as prescribed in Article 4, Paragraph 2 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements is applied). Furthermore, if significant uncertainty related to the going concern assumption is identified, the interim review report is required to either draw attention to the related notes in the quarterly consolidated financial statements or, if the notes regarding the significant uncertainty are inadequate, express a qualified or adverse conclusion on the quarterly consolidated financial statements. The auditor's conclusion is based on evidence obtained up to the date of the interim review report. However, due to future events or circumstances, the company may no longer be able to continue as a going concern.
- The auditor evaluates whether the presentation and disclosures in the quarterly consolidated financial statements contain any matters that would lead the auditor to believe that they are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (however, the omission of certain disclosures as prescribed in Article 4, Paragraph 2 of the Tokyo Stock Exchange Standards for Preparing Quarterly Financial Statements is applied).
- The auditor obtains evidence regarding the financial information of the company and its consolidated subsidiaries, which forms the basis for expressing a conclusion on the quarterly consolidated financial statements. The auditor is responsible for the direction, supervision, and review of the interim review of the quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusion.

The auditor reports to the Audit & Supervisory Board Members regarding the planned scope and timing of the interim review, as well as significant findings identified during the review.

The auditor reports to the Audit & Supervisory Board Members that the auditor has complied with the professional ethics regulations regarding independence in Japan, and also reports on any matters reasonably considered to affect the auditor's independence, as well as on any measures taken to eliminate threats to independence or safeguards applied to reduce such threats to an acceptable level.

Conflict of Interest

There is no conflict of interest to be reported between the company and its consolidated subsidiaries and this audit firm or its partners, pursuant to the provisions of the Certified Public Accountants Act.

Notes: 1. The original copy of the above interim review report is separately retained by the Company (the quarterly financial results disclosure company).

2. XBRL data and HTML data are not included in the scope of the interim review.