



October 15, 2026

Consolidated Financial Results for the Fiscal Year Ended August 31, 2026

[Japanese GAAP]

Company name: SAN HOLDINGS, INC.

Stock code: 9628

Listing: Tokyo Stock Exchange

URL: <https://www.san-hd.co.jp>

Representative: Satoshi Harishima, President and Representative Director

Contact: Yoshiyuki Yokota, Director, Executive Officer, General Manager of Corporate Planning

Department

Tel: +(81)6-6226-0038

Scheduled date of Annual General Meeting of Shareholders:

November 27, 2026

Scheduled date of payment of dividend:

November 30, 2026

Scheduled date of filing of Annual Securities Report:

November 26, 2026

Preparation of supplementary materials for financial results:

Yes

Holding of financial results meeting:

Yes (for analysts)

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

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

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Aug. 31, 2026	57,736	-	3,954	-	3,734	-	4,562	-
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 (million yen)

Fiscal year ended Aug. 31, 2026: 4,580 (-%)

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

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Aug. 31, 2026	208.74	-	11.2	5.5	6.8
Fiscal year ended Mar. 31, 2025	230.96	-	13.5	8.7	14.1

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Aug. 31, 2026: 35

Fiscal year ended Mar. 31, 2025: 64

Note: The fiscal year ended 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. Accordingly, percentage changes from the previous fiscal year are not presented for the fiscal year ended August 31, 2026.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 31, 2026	73,750	44,601	60.5	1,898.74
As of Mar. 31, 2025	63,053	37,172	59.0	1,816.41

Reference: Shareholder's equity (million yen)

As of Aug. 31, 2026: 44,601

As of Mar. 31, 2025: 37,172

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Aug. 31, 2026	4,462	(5,130)	(6,140)	9,421
Fiscal year ended Mar. 31, 2025	5,476	(12,102)	9,518	12,640

2. Dividends

	Dividend per share							Total dividends	Dividend payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	4Q-end	5Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2025	-	12.00	-	-	-	25.00	37.00	766	16.0	2.2
Fiscal year ended Aug. 31, 2026	-	-	28.50	-	-	28.50	57.00	1,268	27.3	3.1
Fiscal year ending Aug. 31, 2027 (forecast)	-	20.50	-	-	-	20.50	41.00		58.4	

Note: Due to the change in the fiscal year-end, the dividend information covers the 17-month period from April 1, 2025 to August 31, 2026.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending August 31, 2027 (September 1, 2026 – August 31, 2027)

(Percentage figures represent year-on-year changes for the full fiscal year.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	49,100	-	3,430	-	3,280	-	1,650	-	70.24

- Notes: 1. Net income per share is calculated based on the average number of shares outstanding during the period, which uses the number of shares outstanding as of August 31, 2026 (excluding treasury shares).
2. The previous fiscal year was an irregular 17-month period from April 1, 2025 to August 31, 2026. Accordingly, percentage changes from the previous fiscal year are not presented.

* 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: 1 company: With Wedding Co., LTD.,

With Wedding was absorbed through an absorption-type merger with Tamanoya CO., LTD. as the surviving company, effective August 1, 2026.

(2) 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

(3) Number of outstanding shares (common shares)

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

As of Aug. 31, 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 Aug. 31, 2026: 709,919 shares As of Mar. 31, 2025: 2,535,420 shares

3) Average number of shares outstanding during the period

As of Aug. 30, 2026: 21,855,954 shares As of Mar. 31, 2025: 20,440,401 shares

Note: Shares of SAN HOLDINGS held by the Employee Shareholding ESOP Trust account (259,200 shares for the fiscal year ended March 31, 2025 and 150,400 shares for the fiscal year ended August 31, 2026) are included in treasury shares at the end of the fiscal year and in treasury shares deducted when calculating the average number of shares outstanding during the fiscal year.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2026 (April 1, 2025 – August 31, 2026)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Aug. 31, 2026	9,610	-	3,468	-	3,390	-	2,803	-
Fiscal year ended Mar. 31, 2025	6,783	1.5	2,631	(13.2)	2,450	(18.2)	4,535	89.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Aug. 31, 2026	128.27	-
Fiscal year ended Mar. 31, 2025	221.89	-

Note: The fiscal year ended 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. Accordingly, percentage changes from the previous fiscal year are not presented for the fiscal year ended August 31, 2026.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended Aug. 31, 2026	53,337	41,024	76.9	1,746.44
Fiscal year ended Mar. 31, 2025	48,959	35,371	72.2	1,728.43

Reference: Shareholder's equity (million yen)
Fiscal year ended Aug. 31, 2026: 41,024
Fiscal year ended Mar. 31, 2025: 35,371

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

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

Note concerning forward-looking statements

1. Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the management of SAN HOLDINGS at the time the materials were prepared, but are not promises by SAN HOLDINGS regarding future performance. Actual results may differ materially from the forecasts. Please refer to “1. Overview of Results of Operations, (4) Outlook” on page 8 for forecast assumptions and notes of caution for usage.

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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 current consolidated fiscal year (hereinafter referred to as the "current fiscal year"), the Japanese economy showed signs of a moderate recovery despite the impact of rising prices and the situation in the Middle East. Meanwhile, uncertainty surrounding the economy and prices remained high, including the impact of rising crude oil prices and the depreciation of the yen on 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. Meanwhile, the number of deaths from July 2025 to June 2026 was approximately 1.55 million, showing a downward trend of approximately 5.8% compared with the period from July 2024 to June 2025 (Source: Preliminary Vital Statistics, Ministry of Health, Labour and Welfare). The Company's business has also been affected by this trend. 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. 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. In addition, we are expanding our support services provided before and after funerals, including end-of-life planning consultations, sales of return gifts, Buddhist altars and their fittings, and real estate brokerage services.

The consolidated operating results for the current period recorded operating revenue of 57,736 million yen. Regarding expenses, operating expenses amounted to 47,964 million yen, and selling, general and administrative expenses amounted to 5,817 million yen. The main factors behind the increase in expenses were amortization of goodwill of 1,104 million yen resulting from the consolidation of Kizuna Holdings Corp. (now Famille Corp.: On September 1, 2026, an absorption-type merger was carried out, with Famille Corp. as the surviving company and Kizuna Holdings Corp. as the absorbed company) and other companies as subsidiaries, as well as costs associated with opening new locations, mainly rent expenses, and recruitment and personnel expenses related to hiring employees 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 August 2026). As a result, operating profit amounted to 3,954 million yen.

The main changes in non-operating income and expenses included interest income of 46 million yen, interest expenses of 273 million yen on borrowings and other debt, and demolition and removal costs of 47 million yen associated with renovations of

funeral halls and other facilities. As a result, ordinary profit amounted to 3,734 million yen.

The main changes in extraordinary income and losses included a gain on negative goodwill of 2,810 million yen arising from the consolidation of Cocolonet CO., LTD. as a subsidiary and impairment losses of 520 million yen. Accordingly, net profit attributable to owners of parent after deducting tax expenses was 4,562 million yen.

During the current period, funeral service revenue of the Group's funeral companies amounted to 48,216 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. Meanwhile, the number of funerals conducted and funeral service revenue for the Group as a whole increased due to marketing initiatives, sales promotion measures, and other efforts, as well as the consolidation of Cocolonet CO., LTD. as a subsidiary. Revenue from the sale of funeral-related products and the provision of related services remained steady, primarily from fees for post-funeral procedures and other services.

Previously, the Group had five reportable segments based on company groups centered on four funeral service companies and the Company: "KOEKISHA Group," "SOU-SEN Group," "TARUI Group," "KIZUNA Group," and "Holding Company Group." However, during the current fiscal year, Cocolonet CO., LTD. became a consolidated subsidiary, and "COCOLONET Group" was newly added as a reportable segment.

The "KOEKISHA Group" includes KOEKISHA CO., LTD., EXCEL SUPPORT SERVICE CO., LTD., which provides support for KOEKISHA's funeral services, nursing care services, and meal services at senior care facilities, and Life Forward CO., LTD., which operates end-of-life support businesses.

Business segment performance was as follows.

1) KOEKISHA Group

The number of deaths in the Company's operating areas declined, which adversely affected its business. Nevertheless, the Company maintained its competitive advantage in both the Tokyo metropolitan area and Kinki regions and retained its market share in its operating areas. In addition, average revenue per funeral declined, mainly due to an increase in the proportion of direct cremations (cremation only) in the total number of funerals conducted. Meanwhile, revenue from the sale of funeral-related products and the provision of related services increased, primarily from fees for post-funeral procedures and other services.

As for expenditures, these were mainly attributable to investments in costs associated with opening new locations, as well as recruitment and personnel expenses related to hiring employees, to expand the Company's network of locations in preparation for future business growth.

Sales in this segment were 27,381 million yen, and the segment profit was 2,826 million yen.

2) SOU-SEN Group

In the SOU-SEN Group, centered on SOU-SEN CO., LTD., the number of funerals conducted decreased due to a decline in the number of deaths in its operating areas. Meanwhile, the Group maintained its competitive advantage in its operating areas and increased its market share. Average revenue per funeral remained stable, supported by the maintenance of average revenue per general funeral. In addition, revenue from the sale of funeral-related products and the provision of related services increased, primarily from fees for post-funeral procedures and other services.

Sales in this segment were 2,259 million yen, and the segment profit was 199 million yen.

3) TARUI Group

At TARUI CO., LTD. of the TARUI Group, the number of funerals conducted decreased due to a decline in the number of deaths in its operating areas. Meanwhile, the company maintained its competitive advantage and market share in its operating areas. Average revenue per funeral declined due to an increase in the proportion of direct cremations (cremation only) in the total number of funerals conducted, which contributed to a decrease in 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 2,849 million yen, and the segment profit was 456 million yen.

4) KIZUNA Group

The KIZUNA Group consists of Famille Corp., Hanakoma Co., Ltd., and Bizenya Co., Ltd. Due to the irregular fiscal year, the consolidation period covers 18 months, from March 2025 to August 2026. Funeral service revenue increased in the current fiscal year as the Group's results contributed for the full period (compared with the six-month period from September 2024 to February

2025 in the previous fiscal year).

Sales in this segment amounted to 21,061 million yen, but due to an increase in fixed costs associated with the opening of new funeral halls and the recording of 1,071 million yen in amortization of goodwill, a segment loss of 86 million yen was recorded.

5) 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 its statement of income has been included in the consolidated financial statements since April 2026.

Sales in this segment were 3,922 million yen, and the segment profit was 265 million yen.

6) 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 9,610 million yen, and the segment profit was 2,937 million yen.

(2) Financial Position

Assets

Current assets at the end of the current fiscal year were 13,576 million yen, down 1,690 million yen from the end of the previous fiscal year. This was due to an increase in cash and deposits resulting from the consolidation of Cocolonet CO., LTD. as a subsidiary, while payments of income taxes payable, expenditures related to investments in new funeral halls, and repayments of borrowings resulted in a decrease of 3,218 million yen.

Non-current assets were 60,173 million yen, up 12,387 million yen from the end of the previous fiscal year. This was mainly due to an increase of 9,803 million yen in property, plant and equipment, including buildings and structures and land, and an increase of 1,721 million yen in investment securities following the consolidation of Cocolonet CO., LTD. as a subsidiary. In addition, intangible assets decreased by 1,302 million yen due to the progress of amortization of goodwill.

As a result, total assets increased 10,696 million yen from the end of the previous fiscal year to 73,750 million yen.

Liabilities

Current liabilities at the end of the current period were 7,319 million yen, a decrease of 2,344 million yen compared with the end of the previous fiscal year. This was mainly due to a decrease of 500 million yen in short-term borrowings and a decrease of 1,876 million yen in income taxes payable.

Non-current liabilities were 21,828 million yen, an increase of 5,611 million yen from the end of the previous fiscal year. This was mainly due to a decrease in long-term borrowings of 3,495 million yen and the recognition of advances for prepaid transactions (deposits received before the provision of services for ceremony preparatory mutual aid businesses) of 8,596 million yen in connection with the consolidation of Cocolonet CO., LTD.

As a result, total liabilities increased 3,267 million yen from the end of the previous fiscal year to 29,148 million yen.

Net assets

Net assets were 44,601 million yen at the end of the current period, up 7,429 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 transactions, and the recording of profit attributable to owners of parent of 4,562 million yen, while dividends of 1,112 million yen were paid.

Consequently, the equity ratio increased 1.5 percentage points from the end of the previous fiscal year to 60.5%.

(3) Cash Flows

Cash and cash equivalents at the end of the current fiscal year decreased by 6,808 million yen to 9,421 million yen, despite an increase of 3,589 million yen attributable to Cocolonet CO., LTD.

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

Cash flows from operating activities

Cash flows from operating activities increased 4,462 million yen (an increase of 5,476 million yen in the previous period). This was mainly due to an increase in cash resulting from profit before income taxes of 5,853 million yen, depreciation of 3,246 million yen, and amortization of goodwill of 1,104 million yen, partially offset by income taxes paid of 3,492 million yen and other payments.

Cash flows from investing activities

Cash flows from investing activities decreased 5,130 million yen (a decrease of 12,102 million yen in the previous period). This was mainly due to the expenditures of 5,089 million yen for the acquisition of property, plant and equipment and other items.

Cash flows from financing activities

Cash flows from financing activities decreased 6,140 million yen (an increase of 9,518 million yen in the previous period). This was due to cash outflows of 3,730 million yen for repayments of long-term borrowings and 1,112 million yen for dividends paid.

(4) Outlook

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

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

Our outlook for the fiscal year ending in August 2027 is as follows.

The annual number of deaths in Japan was approximately 1.55 million from July 2025 to June 2026, a decrease of approximately 5.8% compared with the period from July 2024 to June 2025 (Source: Preliminary Vital Statistics, Ministry of Health, Labour and Welfare). Although the funeral business is affected by annual fluctuations in the number of deaths, we expect revenue to increase by strengthening efforts to secure more funeral services through opening new locations, marketing initiatives, sales promotion measures, and other efforts, as well as implementing measures to minimize the decline in average revenue per funeral amid the trend toward smaller and simpler funerals. In the end-of-life support business, we will enhance long-term support for customers and their families by strengthening services from end-of-life planning through post-funeral support, operating rehabilitation-focused day care facilities, and expanding meal services at senior care facilities.

In the next fiscal year, we will continue to expand the funeral business by opening new locations, including through M&A. In addition, the results of Cocolonet CO., LTD. will contribute for the full fiscal year.

Regarding expenses, we expect costs associated with opening new locations, mainly rent expenses, as well as recruitment and personnel expenses related to hiring employees in preparation for future business growth. Regarding general and administrative expenses, while the one-time expenses incurred during the current fiscal year in connection with the consolidation of Cocolonet CO., LTD. as a subsidiary will no longer arise, amortization of goodwill related to Kizuna Holdings Corp. will continue.

Consolidated Earnings Forecasts for the Fiscal Year Ending August 31, 2027

Operating revenue	49,100 million yen
Operating income	3,430 million yen
Ordinary income	3,280 million yen
Profit attributable to owners of parent	1,650 million yen

*Cautionary statement with respect to earnings forecasts

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

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

Distributing earnings to shareholders is one of our highest priorities. 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.

Regarding dividends for the current fiscal year, the interim dividend was 28.5 yen per share, and the year-end dividend will be 28.5 yen per share, as previously forecast. As a result, the annual dividend for the current fiscal year (the 17-month period from April 1, 2025 to August 31, 2026) will be 57 yen per share, with a payout ratio of 27.3%. (This is equivalent to an annual dividend of 40 yen when converted to a 12-month period.)

For the next fiscal year, based on the above dividend policy, we plan to pay an annual dividend of 41 yen per share (an interim dividend and a year-end dividend of 20.5 yen each, with a forecast payout ratio of 58.4%).

2. Basic Approach to the Selection of Accounting Standards

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

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

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY3/25 (As of Mar. 31, 2025)	FY8/26 (As of Aug. 31, 2026)
Assets		
Current assets		
Cash and deposits	12,663	9,445
Accounts receivable and contract assets	1,708	1,904
Merchandise and finished goods	176	513
Raw materials and supplies	56	100
Other	675	1,649
Allowance for doubtful accounts	(13)	(35)
Total current assets	15,267	13,576
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,988	21,642
Machinery, equipment and vehicles, net	20	174
Tools, furniture and fixtures, net	443	572
Land	13,107	17,289
Leased assets, net	1,367	1,264
Construction in progress	688	476
Total property, plant and equipment	31,615	41,419
Intangible assets		
Goodwill	11,278	10,174
Trademark rights	836	755
Other	809	692
Total intangible assets	12,924	11,622
Investments and other assets		
Long-term loans receivable	216	209
Deferred tax assets	751	1,547
Investment securities	162	1,883
Guarantee deposits	1,767	2,123
Other	364	1,393
Allowance for doubtful accounts	(17)	(25)
Total investments and other assets	3,245	7,131
Total non-current assets	47,786	60,173
Total assets	63,053	73,750

(Millions of yen)

	FY3/25 (As of Mar. 31, 2025)	FY8/26 (As of Aug. 31, 2026)
Liabilities		
Current liabilities		
Trade accounts payable	1,482	1,353
Short-term borrowings	500	-
Current portion of long-term borrowings	2,531	2,459
Lease liabilities	176	187
Income taxes payable	2,268	392
Accrued consumption taxes	504	291
Provision for bonuses	681	655
Provision for bonuses for directors (and other officers)	59	44
Other	1,460	1,934
Total current liabilities	9,664	7,319
Non-current liabilities		
Lease liabilities	998	1,003
Long-term borrowings	13,588	10,092
Asset retirement obligations	1,270	1,726
Provision for employee stock ownership plan trust	69	32
Advances for prepaid transactions	-	8,596
Other	291	377
Total non-current liabilities	16,217	21,828
Total liabilities	25,881	29,148
Net assets		
Shareholders' equity		
Share capital	2,568	2,568
Capital surplus	5,488	8,324
Retained earnings	31,003	34,453
Treasury shares	(1,888)	(762)
Total shareholders' equity	37,172	44,583
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	12
Foreign currency translation adjustment	-	5
Total accumulated other comprehensive income	-	18
Total net assets	37,172	44,601
Total liabilities and net assets	63,053	73,750

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)
Operating revenue	31,984	57,736
Operating expenses	24,216	47,964
Operating gross profit	7,767	9,771
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	273	529
Salaries and allowances	555	1,028
Bonuses	95	68
Provision for bonuses	82	144
Provision for bonuses for directors (and other officers)	59	44
Outsourcing expenses	824	897
Provision of allowance for doubtful accounts	(2)	16
Advertising expenses	3	11
Depreciation	206	463
Goodwill amortization	380	1,104
Other	767	1,508
Total selling, general and administrative expenses	3,246	5,817
Operating profit	4,521	3,954
Non-operating income		
Interest income	4	46
Dividend income	0	0
Share of profit of entities accounted for using equity method	64	35
Miscellaneous income	27	87
Total non-operating income	95	169
Non-operating expenses		
Interest expenses	79	273
Syndicated loan fee	131	-
Dismantling and removal expense	13	47
Miscellaneous losses	30	68
Total non-operating expenses	254	389
Ordinary profit	4,363	3,734
Extraordinary income		
Gain on sale of non-current assets	3,404	1
Received insurance proceeds	-	53
Gain on negative goodwill	-	2,810
Other	-	0
Total extraordinary income	3,404	2,866
Extraordinary losses		
Loss on sale of non-current assets	-	1
Loss on retirement of non-current assets	12	63
Loss on valuation of shares of subsidiaries	-	99
Impairment loss	319	520
Disaster losses	-	32
Other	-	29
Total extraordinary losses	331	746
Profit before income taxes	7,435	5,853
Income taxes-current	2,933	1,568
Income taxes-deferred	(218)	(277)
Total income taxes	2,714	1,291
Profit	4,721	4,562
Profit attributable to owners of parent	4,721	4,562

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)
Profit	4,721	4,562
Other comprehensive income		
Valuation difference on available-for-sale securities	-	12
Foreign currency translation adjustment	-	5
Total other comprehensive income	-	18
Comprehensive income	4,721	4,580
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,721	4,580
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,568	5,505	27,030	(2,226)	32,877	32,877
Changes during period						
Dividends of surplus			(496)		(496)	(496)
Profit attributable to owners of parent			4,721		4,721	4,721
Purchase of treasury shares				(0)	(0)	(0)
Disposal of treasury shares				40	40	40
Gains on disposal of treasury shares		29			29	29
Cancellation of treasury shares		(46)	(251)	297	-	-
Total changes during period	-	(16)	3,972	338	4,294	4,294
Balance at end of period	2,568	5,488	31,003	(1,888)	37,172	37,172

FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,568	5,488	31,003	(1,888)	37,172
Changes during period					
Dividends of surplus			(1,112)		(1,112)
Profit attributable to owners of parent			4,562		4,562
Purchase of treasury shares				(500)	(500)
Disposal of treasury shares				167	167
Gains on disposal of treasury shares		119			119
Changes in scope of consolidation		2,716		1,458	4,175
Net changes in items other than shareholders' equity during the fiscal year					-
Total changes during period	-	2,835	3,449	1,125	7,411
Balance at end of period	2,568	8,324	34,453	(762)	44,583

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Accumulated other comprehensive income	
Balance at beginning of period	-	-	-	37,172
Changes during period				
Dividends of surplus				(1,112)
Profit attributable to owners of parent				4,562
Purchase of treasury shares				(500)
Disposal of treasury shares				167
Gains on disposal of treasury shares				119
Changes in scope of consolidation				4,175
Net changes in items other than shareholders' equity during the fiscal year	12	5	18	18

Total changes during period	12	5	18	7,429
Balance at end of period	12	5	18	44,601

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	7,435	5,853
Depreciation	1,475	3,246
Impairment loss	319	520
Goodwill amortization	380	1,104
Gain on negative goodwill	-	(2,810)
Loss on retirement of property, plant and equipment	12	63
Increase (decrease) in allowance for doubtful accounts	2	9
Increase (decrease) in provision for bonuses	53	(222)
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	(14)
Increase (decrease) in provision for employee stock ownership plan trust	9	(36)
Interest and dividend income	(4)	(24)
Interest expenses	79	273
Syndicated loan fee	131	-
Loss (gain) on sale of property, plant and equipment	(3,404)	(0)
Share of loss (profit) of entities accounted for using equity method	(64)	(35)
Decrease (increase) in trade receivables	66	303
Decrease (increase) in inventories	(13)	102
Increase (decrease) in trade payables	73	(401)
Increase (decrease) in accrued consumption taxes	186	(281)
Other	(66)	(141)
Subtotal	6,672	7,507
Interest and dividends received	24	110
Interest paid	(79)	(273)
Income taxes paid	(1,400)	(3,492)
Income taxes refund	258	658
Other	-	(47)
Cash flows from operating activities	5,476	4,462
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,201)	(5,089)
Proceeds from sale of property, plant and equipment	3,811	29
Purchase of intangible assets	(226)	(162)
Purchase of investment securities	-	(60)
Purchase of investment securities	(228)	(100)
Proceeds from sales and redemption of securities and investment securities	-	918
Payments for acquisition of shares of subsidiaries resulting in a change in the scope of consolidation	(13,061)	-
Loan advances	(0)	(28)
Proceeds from collection of loans receivable	1	9
Other proceeds	11	75
Other payments	(210)	(722)
Cash flows from investing activities	(12,102)	(5,130)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	100	(500)
Proceeds from long-term borrowings	10,851	-
Expenditures due to repayment of long-term borrowings	(724)	(3,730)
Purchase of treasury shares	(0)	(500)
Repayments of finance lease liabilities	(79)	(297)
Dividends paid	(496)	(1,112)
Payments of syndicated loan fees	(131)	-
Cash flows from financing activities	9,518	(6,140)

Net increase (decrease) in cash and cash equivalents	2,892	(6,808)
Cash and cash equivalents at beginning of period	9,748	12,640
Increase in cash and cash equivalents due to newly consolidated subsidiaries	-	3,589
Cash and cash equivalents at end of period	12,640	9,421

(5) Notes to Consolidated Financial Statements

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.

Reclassifications

Consolidated Balance Sheet

"Accounts payable - other" under "Current liabilities," which had been presented separately until the previous consolidated fiscal year, has been included in "Other" under "Current liabilities" from the current consolidated fiscal year due to its decreased materiality.

As a result, 1,054 million yen previously presented as "Accounts payable - other" under "Current liabilities" in the consolidated balance sheet for the previous fiscal year has been reclassified as "Other" under "Current liabilities."

Similarly, "Long-term deposits received" and "Long-term accounts payable - other" under "Non-current liabilities," which had also been presented separately, have been included in "Other" under "Non-current liabilities" from the current consolidated fiscal year due to their decreased materiality.

As a result, 290 million yen previously presented as "Long-term deposits received" and 1 million yen as "Long-term accounts payable - other" under "Non-current liabilities" in the consolidated balance sheet for the previous fiscal year have been reclassified as "Other" under "Non-current liabilities."

Consolidated Statement of Income

"Demolition and removal costs," which were included in "Miscellaneous losses" under "Non-operating expenses" in the previous consolidated fiscal year, have been presented separately from the current consolidated fiscal year because they exceeded 10% of non-operating income. To reflect this change in presentation, the figures for the previous consolidated fiscal year have been reclassified.

As a result, the 43 million yen previously presented as "Miscellaneous losses" under "Non-operating expenses" in the consolidated statement of income for the previous fiscal year has been reclassified as 13 million yen in "Demolition and removal costs" and 30 million yen in "Miscellaneous losses."

Additional Information

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

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

(1) Outline of transactions

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

(2) SAN HOLDINGS stock remaining in the trust

The book value (excluding associated expenses) of SAN HOLDINGS stock held by the trust is shown as treasury shares in the net assets section of the consolidated balance sheet. As of March 31, 2025, the trust held 259,000 shares of SAN HOLDINGS with a book value of 142 million yen. As of August 31, 2026, the trust held 150,000 shares of SAN HOLDINGS with a book value of 82 million yen.

Segment and Other Information

Segment information

1. Overview of reportable segment

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

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

Accordingly, the Group consists of segments based on company groups centered on nine funeral service companies and the Company, and has six reportable segments: "KOEKISHA Group," "SOU-SEN Group," "TARUI Group," "KIZUNA Group," "COCOLONET Group," and "Holding Company Group."

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

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

Segment profit for reportable segments is based on ordinary profit.

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

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

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Reportable segment							Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	KOEKISH A Group	SOU-SEN Group	TARUI Group	KIZUNA Group	COCOLONET Group	Holding Company Group	Total		
Operating revenue									
Funeral service revenue	16,317	1,441	1,952	7,190	-	-	26,902	-	26,902
Other	4,056	181	161	268	-	-	4,667	-	4,667
Revenue from contracts with customers	20,374	1,623	2,113	7,458	-	-	31,569	-	31,569
Other revenue	-	-	-	-	-	415	415	-	415
External operating revenue	20,374	1,623	2,113	7,458	-	415	31,984	-	31,984
Inter-segment operating revenue and transfers	52	0	0	0	-	6,368	6,422	(6,422)	-
Total	20,427	1,623	2,113	7,459	-	6,783	38,407	(6,422)	31,984
Segment profit	3,091	204	512	366	-	2,300	6,475	(2,112)	4,363
Segment assets	6,670	528	1,652	24,844	-	48,925	82,620	(19,567)	63,053
Other items									
Depreciation (Note 3)	177	11	25	444	-	815	1,475	-	1,475
Goodwill amortization	23	-	-	357	-	-	380	-	380
Interest income	5	0	7	1	-	7	21	(16)	4
Interest expenses	5	-	-	37	-	53	96	(16)	79
Share of profit of entities accounted for using equity method	-	-	-	-	-	64	64	-	64
Increase in property, plant and equipment and intangible assets	141	1	34	1,097	-	1,269	2,544	-	2,544
Unamortized balance of goodwill	210	-	-	11,068	-	-	11,278	-	11,278

FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)

(Millions of yen)

	Reportable segment							Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	KOEKISH A Group	SOU-SEN Group	TARUI Group	KIZUNA Group	COCOLONET Group	Holding Company Group	Total		
Operating revenue									
Funeral service revenue	21,470	1,974	2,609	20,235	1,927	-	48,216	-	48,216
Other	5,794	283	240	820	1,995	-	9,134	-	9,134
Revenue from contracts with customers	27,264	2,258	2,849	21,056	3,922	-	57,351	-	57,351
Other revenue	-	-	-	-	-	384	384	-	384
External operating revenue	27,264	2,258	2,849	21,056	3,922	384	57,736	-	57,736
Inter-segment operating revenue and transfers	117	0	0	5	-	9,226	9,349	(9,349)	-
Total	27,381	2,259	2,849	21,061	3,922	9,610	67,086	(9,349)	57,736
Segment profit	2,826	199	456	(86)	265	2,937	6,599	(2,865)	3,734
Segment assets	5,521	448	1,506	23,784	17,218	52,866	101,344	(27,594)	73,750
Other items									
Depreciation (Note 3)	229	18	56	1,501	154	1,285	3,246	-	3,246
Goodwill amortization	33	-	-	1,071	-	-	1,104	-	1,104
Interest income	10	0	15	9	28	56	121	(74)	46
Interest expenses	12	-	-	158	0	176	348	(74)	273
Share of profit of entities accounted for using equity method	-	-	-	-	-	35	35	-	35
Increase in property, plant and equipment and intangible assets	233	72	54	1,981	618	2,726	5,687	-	5,687
Unamortized balance of goodwill	177	-	-	9,997	-	-	10,174	-	10,174

Note: 1. Contents of adjustments are as follows.

Segment profit	(Millions of yen)	
	FY3/25	FY8/26
Elimination of amount equivalent to dividends paid to the holding company by consolidated subsidiaries	(2,110)	(2,865)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	(1)	(0)
Total	(2,112)	(2,865)

Segment assets	(Millions of yen)	
	FY3/25	FY8/26
Stock of subsidiaries held by the holding company	(17,695)	(21,870)
Adjustment of allowance for doubtful accounts related to the netting elimination of assets and liabilities	442	518
Elimination of inter-segment transactions	(2,313)	(6,242)
Total	(19,567)	(27,594)

2. Segment profit is adjusted to be consistent with ordinary profit recorded in the consolidated statement of income.
3. Depreciation under other items include amortization of long-term prepaid expenses.
4. As a result of a share exchange with Cocolonet CO., LTD. during the current consolidated fiscal year, "Cocolonet Group" has been newly added as a reportable segment.

The segment information for the previous consolidated fiscal year has been prepared and disclosed based on the reportable segment classifications used in the current consolidated fiscal year.

Related information

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

1. Information by product or service

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

2. Information by region

(1) Operating revenue

Not applicable because there are no external operating revenue outside Japan.

(2) Property, plant and equipment

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

FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)

1. Information by product or service

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

2. Information by region

(1) Operating revenue

Not applicable because there are no external operating revenue outside Japan.

(2) Property, plant and equipment

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

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

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

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

FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)

(Millions of yen)

	KOEKISHA Group	SOU-SEN Group	TARUI Group	KIZUNA Group	COCOLONET Group	Holding Company Group	Total
Impairment loss	1	-	-	236	49	232	520

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

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

Not applicable.

FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)

Not applicable.

Information related to gain on bargain purchase for each reportable segment

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

Not applicable.

FY8/26 (Apr. 1, 2025 – Aug. 31, 2026)

In the "Cocolonet Group" segment, a gain on negative goodwill was recognized as a result of the acquisition of shares of Cocolonet CO., LTD., making it a consolidated subsidiary. The gain on negative goodwill recognized as a result of this transaction amounted to 2,810 million yen. As the gain on negative goodwill is classified as extraordinary income, it is not included in segment profit.

Per Share Information

	FY3/25 (Apr. 1, 2024 –Mar. 31, 2025)	FY8/26 (Apr. 1, 2025 –Aug. 31, 2026)
Net assets per share	1,816.41 yen	1,898.74 yen
Net income per share	230.96 yen	208.74 yen

- Notes: 1. Diluted net income per share is not presented because there are no latent shares with a dilutive effect.
2. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan is included in the treasury shares that are deducted from the number of shares outstanding at the end of the period for calculating the net assets per share.
3. The SAN HOLDINGS' stock held by the Employee Stock Ownership Plan of 262,000 shares as of March 31, 2025 and 259,000 shares as of August 31, 2026 are included in the treasury shares that are deducted from the number of shares for calculating the average number of shares outstanding for the determination of net income per share.
4. The basis of calculating the net income per share is as follows:

	FY3/25 (Apr. 1, 2024 –Mar. 31, 2025)	FY8/26 (Apr. 1, 2025 –Aug. 31, 2026)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	4,721	4,562
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common shares (Millions of yen)	4,721	4,562
Average number of shares outstanding (Shares)	20,440,401	21,855,954
Summary of latent shares not included in the calculation of the diluted net income per share since there was no dilutive effect	-	-

Subsequent Events

Not applicable.

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 for which the acquired company's results are included in the consolidated statement of income

From April 1, 2026 to August 31, 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

(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.

6. Amounts of assets and liabilities accepted on the date of business combination, and their main breakdown

Current assets	5,403 million yen
Non-current assets	11,864 million yen
Total assets	17,267 million yen
Current liabilities	1,203 million yen
Non-current liabilities	9,079 million yen
Total liabilities	10,282 million yen

7. Estimated amount of impact on the consolidated statement of income for the current consolidated fiscal year, assuming the business combination had been completed at the beginning of the current consolidated fiscal year, and the method of calculation

It is not presented due to the difficulty in estimating the amount for the current consolidated fiscal year.