sansan

Sansan, Inc. ANNUAL REPORT 2020

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sansan

ANNUAL REPORT
2020

Year ended May 31, 2020

Turning encounters into innovation



Our Philosophy: The “Katachi” of Sansan

Mission

Turning encounters into innovation

Our world is built on encounters; they are the very basis of society.

People encounter people. Companies encounter companies.

We believe these connections bring innovation, which in turn leads to new ways of working and doing business.

By developing innovative products, we change how people and companies value their encounters, and even change how those encounters take place.



Values

Face your mission and love your work

Make the most of your strengths

Envisage outcomes

Make decisions with determination and intent

Fast is better than slow

Value those around you

Lead the customer

Don’t avoid change, and challenge yourself

Premise

Balancing security and convenience

Performance Highlights

Fiscal year ended May 31, 2020

Annual growth rate of consolidated net sales

30.9%

Consolidated gross profit margin

86.4%

(+2.1 points year on year)

Consolidated operating profit

¥757 million

(+¥1,607 million year on year)

Consolidated number of employees

713

(+164 compared with May 31, 2019)

Notes:

*1 Monthly results for May 2020 in the Sansan Business (including some new services other than "Sansan," unaudited)

*2 Ratio of decrease in monthly fees associated with contract cancellations to total monthly fees from existing "Sansan" subscriptions

*3 Sales share of companies in the contact management services for corporations based on *Contact Management Service Market and SFA/CRM Businesses 2020* by Seed Planning, Inc. released in January 2020

*4 Fixed revenue with regard to "Sansan" (unaudited)

*5 Number of confirmed users who registered their business card to their profile after downloading the application

*6 Share of contact management application services (from our survey on number of active users of contact management app services in Japan's major business categories, November 2018)

Sansan Business

Number of "Sansan" subscriptions

6,754 subscriptions

(+16.0% compared with May 31, 2019)

Monthly sales per subscription*1

¥161,000

(+3.2% year on year)

Average monthly churn rate over past 12 months*2

0.60%

(-0.08 points year on year)

Market share*3

82.8%

(+0.9 points year on year)

Annual growth rate of recurring net sales*4

30.0%

Eight Business

Number of "Eight" users*5

2.7 million people

(+0.26 million compared with May 31, 2019)

Number of "Eight Company Premium" subscriptions

1,535 subscriptions

(+85.4% compared with May 31, 2019)

Share in mobile contact management apps*6

No. 1

Annual growth rate of B2B service sales

139.8%

History

2007	June	SAN SAN, Inc. (now Sansan, Inc.) founded
2007	Sept.	Began offering “Link Knowledge” services (now “Sansan,” B2B business card-based contact management service)
2012	Feb.	Launched “Eight,” a business card management app
2013	Apr.	Raised approximately ¥0.5 billion through third-party allotment of shares
2013	Aug.	Changed the name of “Link Knowledge” to “Sansan”
2013	Aug.	Start of broadcasts of first Sansan TV commercial
2013	Oct.	Established Sansan Corporation (in state of Delaware, USA)
2014	Mar.	Moved head office to Jingumae, Shibuya-ku, Tokyo Changed legal name to Sansan, Inc.
2014	May	Raised approx. ¥1.4 billion through third-party allotment of shares
2015	Oct.	Established Sansan Global PTE. LTD. (Singapore)
2016	Jan.	Raised approx. ¥2.0 billion through third-party allotment of shares
2017	July	Raised approx. ¥4.2 billion through third-party allotment of shares
2019	June	Listed on Tokyo Stock Exchange Mothers section, raised approx. ¥2.1 billion by issuing publicly offered shares
2019	July	Raised approx. ¥4.7 billion through third-party allotment of shares
2020	May	Began offering “Bill One” online invoice receiving service
2020	June	Began providing “Virtual Cards” function with “Sansan”
2020	Aug.	logmi, Inc. became a subsidiary
2020	Oct.	Launched “Sansan Seminar Manager,” B2B seminar management system

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Editorial Policy

This report succinctly explains, from both financial and non-financial information perspectives, an overview of Sansan, Inc. and information such as its business strategies and management foundation for all its stakeholders. During the editing process, we referred to the International Integrated Reporting Framework released by the International Integrated Reporting Council (IIRC) in November 2013.

Reporting Period

Fiscal year 2019 (from June 1, 2019, to May 31, 2020)

Disclaimer Regarding Forward-looking Statements

This report may contain future assumptions, prospects and forecasts based on plans, but these forward-looking statements are based on the information that was available to us at the time of the report’s preparation, and on certain assumptions that we assume to be reasonable, and Sansan, Inc. (“the Company”) does not promise to achieve these. Major differences may occur between the forecast and the actual performance, including changes in economic conditions, consumer needs and user preferences; competition with other companies; changes in laws, regulations and others; and a number of other future factors. Therefore, the actual performance announced may vary depending on these various factors, and the Company assumes no responsibility for any damage caused through the use of information in this report. In addition, regarding new information and future events, the Company has no obligation to revise or officially announce revisions to the future prospects published in this report.



Chika Terada
Representative Director & CEO

Turning Encounters into Innovation

Having adopted “Turning encounters into innovation” as its mission, the Group is developing services that lead to solutions to the various issues faced by companies and business people. We are currently striving to innovate in the field of business “encounters” and “connections” as people’s work styles change because of the novel coronavirus (COVID-19) pandemic.

Sansan engages in corporate activities under the theme of “encounters” and we believe in the power of encounters.

Sansan’s Corporate Vision

The Group’s mission includes the strong belief that, “Creating new encounters leads to innovation,” “The power of encounters leads to innovation in working and doing business,” and that “We can change how business encounters take place.”

As in our mission, we engage in corporate activities under the theme of “encounters” and believe in the power of encounters. In the world of 100 years ago, and 100 years from now, even with advances in artificial intelligence and other technology, when something new begins, there were and probably still will be encounters between people and companies. In a sense, “Turning encounters into innovation” is an inevitable part of encounters, and we believe that innovation can only be created through encounters and relationships between people.

If one were to take our mission at its face value, it would seem as if we think of ourselves as the protagonist. That is not the case. Rather, in the world we want to achieve, our role is that of an infrastructure or a platform, which often goes unnoticed. Currently, a large number of companies use our “Sansan” service, and it is likely it contributes to the everyday occurrence of someone meeting someone else. Those two people, however, may not feel that “Sansan” itself was the reason that their encounter occurred. We want to build a platform that maximizes the potential of encounters by integrating our services with the encounters of everyday life and business so well that our existence will essentially be taken for granted.

After it has occurred, meeting someone seems like it was inevitable. In reality, however, encounters are phenomena that rely a lot on coincidence. Our corporate vision is to take on this phenomena and work step by step to maximize their value in order to be able to create encounters. We will do this by providing ways for people and companies who should meet to do so, providing encounters that lead to innovation, and eventually being able to recommend people or companies for users to meet.



Where is Sansan heading now? Toward making the services we provide into business infrastructure.

Sansan's Present Position

With this concept in mind, the Group has been taking on the digitization of paper business cards since its establishment in 2007, and has created technology to digitize business cards with an accuracy rate of 99.9%. As a result, "Sansan" has grown into a service with, in terms of sales, an 82.8% share* of the market for the contact management services for corporations. In addition, consolidated net sales have continued to grow steadily since our founding, and in the fiscal year ended May 31, 2020 (fiscal year 2019), they increased to 13,362 million yen (up 30.9% year on year).

To be quite frank, all of our personnel, including the founding members, do not yet feel that we can say "we have accomplished something," but the fact remains that we have formed a business and have grown to a certain corporate scale. We are proud we have had a hand in building a new market. The sense I have is that we have created an unprecedented business model with the aim of providing completely new business culture and customs, rather than rehashing a model that has succeeded in the United States or imitating an existing business. When we first started, we were providing our products while marketing the value of managing business cards to everyone. Behind the scenes, we had created a system for digitizing business cards that also involved human effort. To make the process more user friendly for our customers, we distributed scanners that read business cards, put together a team to scan business cards, and connected our value chain by various means, while accumulating the value from each of these slowly but surely. As a result, we have now reached the point when it can be termed a "market."

However, the sense of having not yet achieved something is because what we are currently able to access is still very limited in relation to business challenges and potential. I think the drive we possess for responding to customer needs, which we have continuously been doing, can be applied to other business areas as well. We are not taking on challenges because what we are doing has become popular or mainstream. We have been taking on this business on the major premise that innovation can be created precisely because there are hidden customer needs, customer issues, and markets. That attitude will not change in the future.

Currently, we are aware that we are considered one of the few cloud-based software as a service (SaaS) vendors in the Japanese market. I would like us to maintain our awareness of being one of Japan's top runners and to aim for quality that can be widely used both in Japan and globally.

*Sales share of companies in the contact management services for corporations (Based on *Contact Management Service Market and SFA/CRM Businesses 2020* by Seed Planning, Inc. released in January 2020)

Sansan's Purpose and Social Value

Since the founding of Sansan, Inc., we have been trying to impact society in a way that shows we have brought change because we took on these challenges. Uniqueness, a desire for change, and creativity are ambitions I have had since the time of Sansan's founding and even from before that time. We have been developing our business with these ambitions in mind, but if Sansan did not exist, our current customers would not be using other products or services. They would likely be operating in a world without them. This could be said to be the reason for our existence and one of the values we provide to society.

In addition, against the backdrop of the COVID-19 global pandemic, the ideal form of social and corporate activities are now being largely called into question. With the current environment, in the years to come (referred to as the "with COVID" era), it is quite possible that society will demand responses to the new business environment—including diverse work styles, such as remote working and remote/online sales activities—and, with them, behavioral changes aimed at drastically improving labor productivity and efficiency.

Now, if we go back to our mission and think about what we at Sansan can provide to society now, and what value we should provide in the years to come, it is of course all about taking on the challenges associated with encounters. I believe that applying the means we have cultivated so far to adjacent business areas will bring about innovation. This means not only the services that we are currently providing but also, as a business platform, offering a variety of solutions that can solve the problems faced by companies and business people, while further expanding and deepening service value on an ongoing basis. I would also like to provide services that will be recognized as business infrastructure.

With the current COVID-19 pandemic, there are areas that up to now have not been fully realized—areas in which we should be confronting challenges, and areas where we can make an impact. One example is the area of online encounters. Online meetings give rise to problems, such as perhaps not knowing the positions or responsibilities of the other parties and not being able to mutually exchange information in a smooth manner. I would like to create our new value by facing the challenges of these kinds of encounters in the coming era.

Sansan's Sustainability

The social issue of digitalization is something that I think both we and society must continue to tackle. We have been providing the "Virtual Cards" function since June 2020; however, we did not suddenly start this because of COVID-19 pandemic, but rather it was built on a foundation that we have been working on for many years, and we are developing it with the idea of solving the problems that customers and business people have. Our approach is not to suddenly say, "Let's change," but rather to realize a world in which the old and the new can meet. For example, in the field of business cards, the behavior and value of exchanging paper business cards in the real world will remain unchanged. At the same time, in the world we want to realize, new value and behavior for exchanging business cards online will be added, and digitization in society as a whole will gradually progress.

Also, from an environmental point of view, the fact that business cards are paper is something that we have been continuing to address since our inception. We currently return an amount equivalent to the paper used for business cards to the forest by planting one new tree in an area affected by a natural disaster for every tree's worth of business cards that have been digitized on "Sansan." As a result of digitization, I think that paper will eventually not be used for business cards at all, which will lead to the conservation of the natural environment.

In the Sansan Business, the brand message is "Uncover your hidden networks. Find opportunities. Make deals." As a company that contributes to solving the problems faced by corporations, we are also proactively investing in improving work environments and developing human resources in our own company. For example, we have been making efforts to respond to the diversification of work and work environments, such as by establishing satellite offices even before the trend began to attract attention in Japan.

In order to nurture our business, we have been increasing our growth rate by proactively hiring, so we are focusing on securing and training employees. From the perspective of employee development, when compared with other companies, many of our internal systems are unique. For example, I do not believe there are many companies that can say they have dedicated internal coaches. At the Group, each and every measure is not only for our employees, but also for the purpose of realizing our mission and for accelerating the pace of our continuous business growth. We design each measure after giving due consideration to what kind of internal system is needed. I believe that first creating an environment in which we can continue to take on challenges is important for nurturing employees.



Business Environment Changes and Awareness of Current Situation

In fiscal year 2019, many opportunities arose from facing the impact of the COVID-19 pandemic. Most of them are issues of how to manage a business and how to manage an organization when it is difficult to make forecasts. As a result, we were only able to grow much as was expected at the beginning of the term due to negative impact, but we believe that we have achieved a certain amount of growth due to accumulated foundational strength.

For us, the COVID-19 pandemic presents both risks and opportunities. In the short term, reducing interactions between people, including business people, naturally reduces chances to exchange business cards. From the perspective of our business model, there is no risk of sudden impact on our business performance, but it will have an impact as the situation continues. In contrast, this presents a unique opportunity to popularize the "Virtual Cards" function, which is our focus at the moment. In this way, the situation is not completely positive nor negative for the Group, and if these changes can be turned into opportunities, it may be possible to create a growth curve that could exceed expectations. The COVID-19 pandemic represents a major environmental change that no one has ever experienced before. What is more, since the areas of business on which Sansan focuses—"encounters" and "connections"—have been disrupted, I feel we are now at a critical moment in which we need to turn change into growth opportunities.

Currently, we are focusing on new initiatives that include, but are not limited to, the previously mentioned "Virtual Cards" function. For my part, it is not my intention to develop a comprehensive business by diversifying the portfolio at random. As far as Sansan is concerned, there are fields in which we can contribute to solving social issues, and if they match our mission, we will proactively develop them. I would like to make sure that each and every business remains close to our mission and grows steadily. Therefore, new business development is not a short-term move, but a measure that is implemented on the basis of a medium- to long-term perspective.

In response to changes in the business environment, we will initiate strategies based on both continuous innovation in existing businesses and addressing challenges in new businesses.

Sansan's Growth Strategies

As a B2B-focused tech company, the Group has been creating and expanding its own products and markets. We will continue to strive for business growth based on both continuous innovation in existing businesses in order to expand potential markets, and uniquely addressing challenges as a Group in initiatives that leverage our expertise to create completely new markets. In implementing these, our basic strategy is to contribute to the promotion of corporate digital transformation (DX) in order to respond to the changes of a business environment in the "with COVID" era.

To bring about evolution in our existing businesses, we started the new "Sansan Plus" business strategy for the Sansan Business in March 2020, and this will further enhance the value of "Sansan" as a business platform by making effective use of data. We have also started new businesses—including "Bill One," which enables the online receipt and centralized management of invoices, and our "Contract One" contract digitization solution—through the horizontal development of our business card digitization technology. In addition, we have launched the new event tech business, which is designed to improve the efficiency of business events, and we will take on each of these businesses and steadily nurture them.

With regard to growth investment, our policy of properly identifying opportunities and making investments remains unchanged. In August 2020, logmi, Inc.—which provides transcription services for speeches, talks, and press conferences and delivers that information media to numerous people—became the Group's subsidiary. In the years to come, I would like to continue proactively utilizing these types of investments as we implement our growth strategies. Then the Group as a whole will strive to reach the point where we are widely recognized by society as a form of business infrastructure.



Value Creation Story

Amid new trends that include work-style reforms and the promotion of digital transformation, the Sansan Group is solving a range of issues faced by companies and business people by utilizing contact management and other products, technologies, and data.

INPUT

Management Resources We Invest

Financial Capital

- Cash and deposits ¥12,815 million
- Shareholder capital ¥10,557 million

Social/Relationship Capital

- Main services provided
  - "Sansan" B2B business card-based contact management service
  - "Eight" business card management app
  - "Bill One" online invoice receiving service
- High level of brand recognition in Japan

Human Capital

- Number of employees 713
- Number of employees who are engineers 180
- Systems in place for raising security awareness
  - Mandatory acquisition of Protection of Personal Information qualifications by employees
  - CISO appointed

Intellectual Capital

- Data integration division, the Data Strategy & Operation Center (DSOC), conducts R&D for "digitization" and "data utilization"
- Various educational and training systems in place
- Technology and operations related to digitization (structure for digitization)
- AI technologies

(Fiscal year ended May 31, 2020)

BUSINESS MODEL

Our Philosophy: The "Katachi" of Sansan

Mission

Turning encounters into innovation

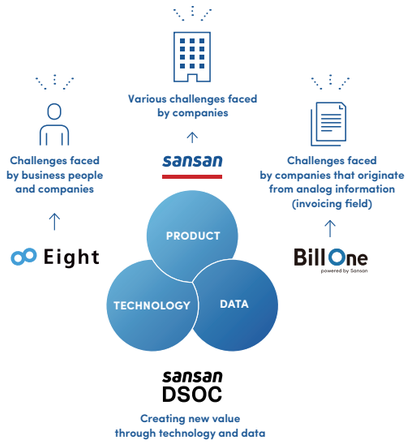
Values

Face your mission and love your work
Make the most of your strengths
Envisage outcomes
Make decisions with determination and intent
Fast is better than slow
Value those around you
Lead the customer
Don't avoid change, and challenge yourself

Premise

Balancing security and convenience

Business Service Fields



OUTPUT

Results We Deliver

Financial Capital

- Compound annual growth rate for net sales over the five years 46.8%
- Net sales ¥13,362 million
- Gross profit margin 86.4%
- Operating profit ¥757 million
- Operating cash flow ¥2,822 million

Social/Relationship Capital

- Number of "Sansan" and "Eight" subscriptions
  More than 8,000 subscriptions
- Number of "Eight" users
  More than 2.7 million people
- Sales share of companies in contact management services for corporations 82.8%

Human Capital

- Number of leading SaaS sales and marketing personnel in Japan 283
- Number of persons qualified to Protection of Personal Information qualifications 603
- Ratio of women in management positions 11.1%

Intellectual Capital

- "Sansan" business card digitization accuracy 99.9%
- Patents 7 (11 patents pending)

Natural Capital

- Cumulative number of trees planted 7,227 trees

(Fiscal year ended May 31, 2020)

OUTCOME & IMPACT

Social Value We Provide

Promotion of Work-style Reform

We promote diverse work styles, such as remote working, by enabling all cloud-based operations

Improvement of Corporate Productivity

The digitization of analog information shortens operations and improves efficiency

Data Utilization Creates New Business Opportunities

New business opportunities are created by sharing and analyzing data-based digitaized business information

Promotion of Digital Transformation

The digitization of various types of analog business information, including business cards, turns any business data into an asset, solves corporate problems, and changes the ways people work

Creation of Innovation

We help create new forms of innovation that leverage technological capabilities

Economic Contribution through Advanced Technological Research

We contribute to technological improvement through research built up in the process of improving services

Contributing to Achievement of the SDGs



Stakeholders

- Shareholders
- Employees
- Business partners
- Corporate users
- Individual users
- NPOs

Business Model

Developing services that help solve the various challenges faced by companies and business people

Focusing on a new method that combines “cloud software” with “a structure for digitizing business cards using technological and human capabilities,” the Group has a mission of “Turning encounters into innovation” and is developing services, such as contact management, that will lead to solutions for the various challenges faced by companies and business people. We mainly operate two businesses: the Sansan Business, which develops the “Sansan” B2B business card-based contact management service that digitizes business cards, and visualizes and shares the connections between people; and the Eight Business, which develops the “Eight” business card management app that incorporates the structure of a social networking service and turns business cards into business connections. Business cards, which are handled by both services, possess very unique value. Commonly exchanged in business encounter situations, they contain accurate information that represents the business person. There is also great value in the career history of business card exchanges in themselves, but even now business cards are still essentially treated as pieces of paper, so there is a lot of room to increase the efficiency of business card operation and management methods in the years to come.

Business Platform Development

Business Platforms that Effectively Use Data

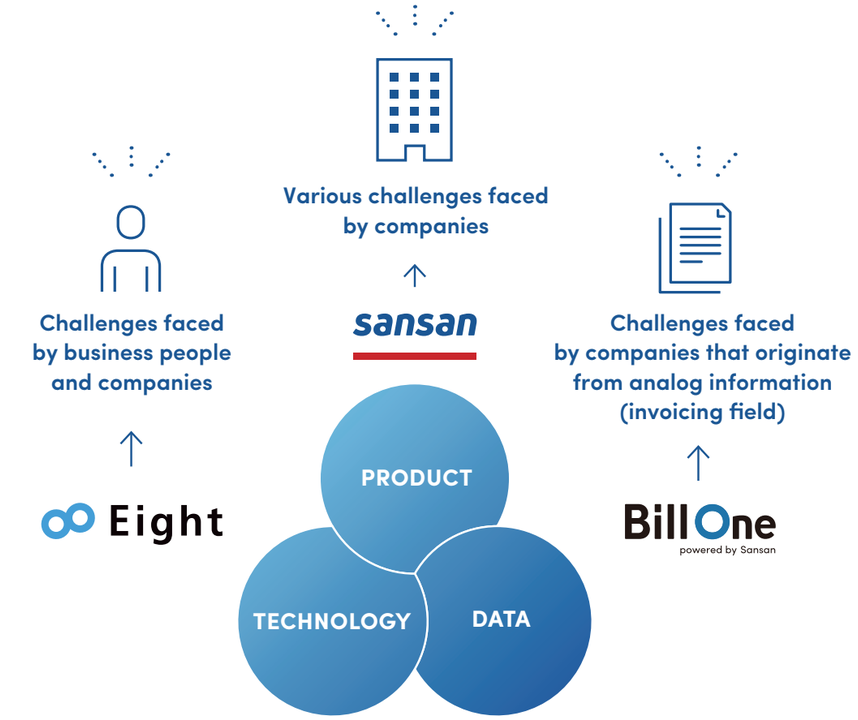
The Group’s main service, “Sansan” provides various solutions centered on the digitization of business card information with an accuracy of 99.9%. This service forms one of two business platforms that promote and support the evolution and development of corporate activities, such as improving the productivity of user companies and creating new business opportunities, by utilizing data-based business contact information. For example, in addition to the obvious management and search functions for digitized business card, the “Sansan” service features a range of other highly convenient functions. These include bulk e-mail to the business card owner, the management of business projects with a company, the confirmation of news information linked to a company, and the confirmation of contract information managed by external business tools.

Since “Eight,” which is mainly provided for individuals, can be used over a lifetime regardless of a user’s career changes, it is possible to accumulate and effectively utilize the contact information acquired throughout a lifetime of business.

Business Platform Characteristics

“Sansan” and “Eight” have something in common in that they digitize business cards, and we consider there to be great potential in this. First of all, since business cards are held by many business people, regardless of industry or occupation, and used in a variety of situations, the Group’s services meet the requirements for a business platform and are easy to use widely. Second, since the model is one in which a database of customer, individual, and company information is being automatically built through the accurate digitization of business cards, the platforms are characterized by a high continuous utilization rate. Third and finally, many of the business tools used by business people find their start point in correct customer information, and thus we believe that the Group’s services, which can automatically guarantee accuracy without the need for data to be entered manually, can be positioned as the entry point for an ecosystem consisting of a line of business tools.

Business Service Fields



sansan DSOC

Creating new value through technology and data



Competitive Advantage

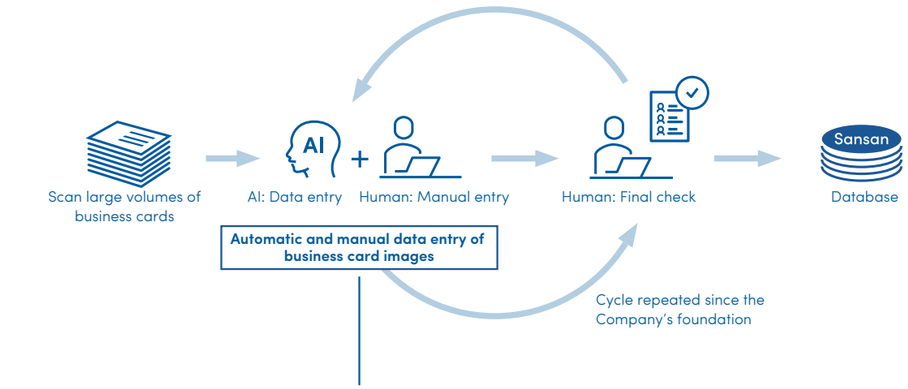
Competitiveness grounded in the structure and technology that enables business card digitization with 99.9% accuracy

The accuracy of business card digitization in cloud-based contact management services is a key element of the essential quality and competitiveness of the service, and "Sansan" has achieved 99.9% accuracy. The Group's technological capability and proprietary structure are the source of our competitiveness, and we have established operations that are unsurpassed by our competitors.

Structure and Operation of Business Card Digitization

In our service, we digitize business cards by combining AI technology evolving through machine learning and manual input by humans. Currently, although automatic data conversion technology using optical character recognition (OCR) technology is commonplace, it is not possible to achieve 99.9% accuracy with any OCR system, and it is necessary to manually complement digitization accuracy. The Group has established a workflow to digitize large volumes of business cards quickly and at low cost through the R&D department's research into AI technology to increase the accuracy of automatic data entry, and a system of several thousands of operators in Japan and overseas.

Prompt and accurate digitization of a large volume of business card information



Business Card Digitization Workflow

When the user scans or takes a photo of a business card with a dedicated scanner or smartphone application, the captured business card image is sent to us. The business card image is background-processed by image processing technology, and the characters are processed into an easy-to-read state by image correction processes, like increasing color contrast, that make the characters stand out.

Next, after dividing the clusters of characters on the business card by a fully automated machine process, we classify each item, such as by company name, first and last name, title, email address and company logo. Also, taking security into account, the images that include first and last names, telephone numbers, email addresses and similar information undergo a fragmentation process until they can no longer be used as information.

After that, items that cannot be input automatically by machine are input manually. With regard to email addresses, 99.7% of them are input automatically by a DSOC OCR system developed. In the input process, two or more operators input the same image to prevent input mistakes, and the input process is performed until the results match to improve digitization accuracy. Since there is a certain regularity to manual input errors, after aggregating the divided data into information on one business card, we analyze the data using deep learning AI to complement the accuracy of data conversion.

In this workflow, with the exception of some difficult processes, each task is simplified by subdividing each business card into about 20 processes, which enables the work to be carried out by anyone from anywhere in the world. In the case of manual input, several thousands of operators in Japan and overseas are involved in the work process, realizing a workflow that instantly digitizes large volumes of business cards.

In addition, we are conducting our own research into increasing the accuracy of digitization and using AI technology to determine language of character, extract company logos, determine facial photographs to realize a structure that enables highly accurate digitization of business cards with all designs and character formats.

Service UI/UX Refined since Sansan's Foundation

Since its founding in 2007, the Group created its own market for contact management services for corporations, and the Group remains a pioneer and leader in this market with a share* of 82.8%.

Since we began the service, we have been working on a daily basis to improve convenience and expand functions based on various unique ideas and feedback from users. Currently, we are moving beyond the contact management function to develop "Sansan" as a business platform that can be used by every employee in a company, and realizing a user interface/user experience (UI/UX) that allows members to smoothly experience the various functions that efficiently make use of business card and customer information.

*Sales share of companies in the contact management services for corporations based on *Contact Management Service Market and SFA/CRM Businesses 2020* by Seed Planning, Inc. released in January 2020

Solid Customer Base

At the commencement of service, "Sansan" was mainly used by small and medium-sized enterprises, but as we focused on marketing activities, its use by large enterprises gradually expanded. As of May 31, 2020, we have more than 6,700 subscriptions in every area of business and are building a solid customer base by advancing installations at financial institutions, where higher levels of security are being demanded by society, and other initiatives.

CISO and Managing Executive (DSOC) Message

We now have a solid foundation in the field of digitizing analog information. The next phase is to activate the data.

Satoru Joraku　Director, CISO, DPO, Managing Executive (DSOC)

Sansan's Competitive Advantage

The operational process of digitizing business card information is unique to the Group, even among the technology that we have cultivated in the field of digitizing analog information. We have built a system to rapidly digitize business cards—that are non-uniform and have diverse designs—with an accuracy of 99.9%, no matter the condition of the imagery, using OCR (optical character recognition) and AI (artificial intelligence) OCR technology combined with human effort. In regards to the human input of business card data, our structure combines a number of operators and this helps to deal with varying volumes of work and to control costs. As a result, we have been able to cultivate advanced technological capacity and know-how in the analog-to-digital field, meaning we now have a significant competitive advantage. Since the analog-to-digital field is not limited to business cards, currently we are also achieving digitization of documents such as invoices by utilizing these systems.

Moreover, while the road from R&D to final product is generally long, we are able to provide, for example, new functions at an early stage within "Sansan," our B2B business card-based contact management service. Another characteristic of the Group is our rapid system for turning R&D into products. This system has enabled us to evolve in a different direction to traditional growth trajectories, and has contributed to the evolution of our products. I personally want to aim for research that truly contributes to business, and believe our working environment is one where our researchers can also readily feel like they are contributing to society.

Risks for Sansan

The most important risk the Group must address is information security. The premise of our corporate philosophy is "Balancing security and convenience," and we similarly treat information security awareness in management as an issue of utmost importance. The priority given to information security is evident in the fact the Group's first CxO (chief officer) position established was the CISO (Chief Information Security Officer) position.

We undertake nearly every information security measure imaginable, however, one initiative that is characteristic of the Group is the penetration test. In our business field it is generally common to run tests that attack web services from the outside. However, because there are issues with the information security literacy of employees and operational points of weakness, there is a risk that could lead to serious problems. Therefore, we undertake penetration tests on our internal systems. We gain new insight from every test conducted, and we make sure to conduct internal audits to ensure these tests are not run superficially. In terms of employees' information security literacy, and because protecting personal information is the very basis of our business, we ensure employees have a basic understanding of information security by requiring all employees to obtain Protection of Personal Information qualifications.

Opportunities for Sansan

While the Group has until now cultivated technology for digitizing analog information and developed our own OCR engine, in the future we want to do away with the human input of business card data as much as possible. To achieve this, we are developing our own technology in the AI OCR domain, which we hope to utilize in various areas in the future.

While we have achieved a certain level of results in the analog-to-digital field, I believe our next step is to become a data company. The mission of our data integration division, the Data Strategy & Operation Center (DSOC), is "Activating Business Data," and we want to help create a world where business data can be further utilized. While each piece of data has value, its value is significantly increased when combined together. For example, information such as a business contact's change in position or company could become a business opportunity. We want to provide an environment that increases business opportunities by grasping the timing of changes for individuals and businesses in an opportune manner.

Since building databases requires not just data collection but also prediction, we believe that machine learning will become even more important in the future. I think in general a company's development team would be made up of data scientists and image processing experts, however, we currently also include economists and social scientists among our roughly twenty researchers at DSOC. By having economists and social scientists on our team of researchers, we can conduct research on social issues that need solving and on the value that products that will provide, and have a unique system of research and development that makes the most of diversity. We will pursue new opportunities from a data perspective by making the most of our unique strengths and characteristics.

Sansan's next step is to become a data company and help to increase business opportunities.



Satoru Joraku
Director, CISO, DPO,
Managing Executive (DSOC)

Data Integration Division: DSOC

An organization that takes on business data related to all encounters and creates new value

DSOC (Data Strategy & Operation Center) is a data integration division consisting of a service development department, the role of which is to generate data, and an R&D department that develops research and new technologies to utilize that data. In conjunction with continuing to support the business growth of Sansan's services by taking on all kinds of business data and building databases of encounters, DSOC is continuing to operate as an organization that drives business growth by creating new value through R&D.

How DSOC Was Established

Previously, both "Sansan" and "Eight" had their own input departments to digitize business cards. As the two services grew and responded to the increasing demand for business card digitization, the reliance on manually inputting the data led to delays in digitization—up to three months for delivery—and became a hindrance to business growth. We therefore integrated the input departments of the two services, each of which had a different digitization process, and newly established the Data Integration Division, or DSOC, as the division responsible for operational efficiency and the research and development of automated input by machines. Since we have achieved accurate digitization of business cards, we are also conducting research into data utilization that will create new services and functions by analyzing and organizing that data. In addition, the information on contacts derived from business card data and the exchange of business cards is very unique and highly attractive as a research subject. This has increased DSOC's hiring competitiveness and the center has become a research organization with many excellent engineers and researchers.

The data we are handling today is expanding beyond business cards. We are bringing new value to our services and supporting business growth by taking on all kinds of business data—such as corporate disclosure information, including press releases and business results, as well as invoices and contracts and by undertaking R&D that brings about innovation through "encounters."

Efforts to Generate Useful Data

We generate useful data by accurately digitizing all kinds of business information, including business cards. For business cards, we are researching and developing image recognition technology and managing operations to realize accurate digitization of business card. For example, we are running "GEES," our one-of-a-kind system, which digitizes large volumes of business cards accurately and efficiently. We made full use of AI to make "GEES" into a system that effectively utilizes human resources from around the world, while ensuring accuracy and security, by dividing the scanned business card images to make the work units smaller. We make it easier to digitize business card information by means of AI that we have independently researched and developed. These include smart capture technology that automatically digitizes information; technology to predict where information like first and last name, company name, address, telephone number, and email is located; technology that learns the errors that commonly occur in the digitization of business cards and predicts business cards with the possibility of errors in advance; and technology that determines the language of characters written on business cards.

Data Utilization That Creates New Value

Utilizing the accurate and large amount of data generated, we are making efforts toward the improvement of services, the addition of new functions, and the creation of new businesses. For example, we provide "Sansan Labs," which allows users to experience firsthand a new "Sansan" functionality via the research that the DSOC's R&D Department is doing on various topics. One of the features, "Colleague Knowledge Search," allows users to search on "Sansan" for colleagues with knowledge about a particular industry or discipline by entering keywords, which can be used for selecting project members and collecting information within a company. In this way, we are contributing to business growth by conducting R&D that is readily applicable to actual business.

"Eight Company Score": An Index to Broadly and Effectively Quantify a Company's Brand and Reputation

There is a growing focus on ESG investing, which is investing in companies that are highly rated for the social impact of their businesses or business sustainability rather than just corporate financial indicators. The "Eight Company Score" is based on a questionnaire survey targeting users of the business card management app "Eight," and it enables the quantification of stakeholders' evaluations of a company, which has never been numerically scored before. Research so far has shown that this index is linked to shareholder value, corporate performance, and risk, and we believe it is also relevant to social issues (the S in ESG). In the future, we will conduct further research to examine in more detail the relationship between this indicator and corporate growth and sustainability.

Excellent Engineering Personnel and R&D

DSOC's R&D members include data scientists, specialists in machine learning, image analysis and natural language processing, specialists who hold the Kaggle Grandmaster* qualification, and researchers who perform network analysis based on social science knowledge. In addition to widely sharing the results and knowledge obtained from R&D conducted by our excellent engineers and researchers in presentations at international conferences and in research reports, we also conduct joint research with outstanding third-party experts from around the world.

*Kaggle, the online community of data scientists and machine learning practitioners, data scientists from all over the world compete to create the best models to solve data science challenges, and about 10 Japanese people are ranked as Kaggle Grandmasters.

Joint Research Wins Prize at "NetSci 2019" International Conference

The data visualization art installation entitled "Dawn of Innovation," which presents the connections between companies in visual form, received the "Visualization Prize" for the best artwork utilizing network data at "NetSci 2019," one of the largest international network science conferences. The winning art installation arose from the efforts of the "Sansan Data Discovery" joint research platform, in which the DSOC and outside experts collaborate. This piece emphasized and helped visualize the weak connections that lead to innovation via a three-sided display about 10 meters wide and a multi-channel sound system.









Yuta Ohma
Director, CHRO, Managing Executive (HR Department)

CHRO Message

Sansan has a mission-driven corporate culture where all employees move in the same direction propelled by a desire to achieve our mission.

Yuta Ohma　Director, CHRO, Managing Executive (HR Department)

HR and Organizational Characteristics of Sansan

In terms of human and intellectual capital, I believe the most unique feature of the Group is that we are an organization with a mission-driven environment. We have a clearly defined mission, and all employees can express why Sansan exists. I also believe our corporate culture fully reflects what our strategies are to achieve our mission, and what our key values are.

I believe one key reason we have built this kind of corporate culture is the fact we discuss with all our employees what kind of mission and values we want. Since 2010, we have had whole-company discussions every two years about who we are as a company and what kind of company we want to become in future. I think the fact that our employees have a deep understanding of our corporate vision, and a strong sense of ownership when it comes to achieving it, are unique aspects of the Group.

Securing Talented Human Resources

At the Group, we believe in all working together as one to achieve our mission, which is the driving force that ensures all our employees move in a unified direction and reflects how we progress by helping out other departments when they are in need. Looking back, I believe we have continually been able to employ many talented staff who have contributed to our corporate growth. I think a major factor in this is that when we link together our mission and organization, right through to our products, it creates an easy to understand and relatable story.

Moreover, for an organization to absorb and grow from the excellent expertise of its talented human resources, I believe it is vital to encourage communication between various employees. To this end, not only do we proactively create opportunities for employees to actively mix with other departments, we also hold various unique human resource initiatives so that a large number of employees will take part in these opportunities.

Improving Employee Engagement

Every month we survey our employees regarding human resources (HR) and index the collected responses into several categories to quantitatively grasp employee engagement. We analyze and utilize these indicators whenever we hold an HR initiative, and utilize the findings in subsequent initiatives. In the HR field it is common to intuitively make decisions from a qualitative perspective, however, with a purely qualitative assessment, decisions can often be detached from reality. Therefore, we make appropriate judgments on employee engagement through this quantitative approach. Moreover, the Group is still in its growth stage. With the future expansion in scale of Sansan in mind, we are considering promoting high-performing employees to important positions at an early stage. In this way, we are working to improve employee engagement while building an environment where all employees can grow through HR initiatives suited to a company in a growth phase.

Compensation System

To achieve sustainable growth of our business we believe enhancing our executive capacity is of utmost importance. To aid in this, we are reviewing our systems for compensation and evaluation as appropriate. First, in July 2020, we decided to issue performance-based stock options (Performance Target-linked Stock Acquisition Rights) for management from executive officers and above. The purpose of this stock option system is, of course, to directly increase the commitment of management. We believe this system will incentivize certain execution of business plans by management that will lead to increased corporate value.

Second, regarding systems for employee compensation and evaluation, we have introduced a discretionary bonus system and mission grade system, and we believe we have an evaluation system befitting our current growth phase. This mission grade system does not just reward employees based on performance evaluations but is designed to compensate factoring in future expectations. The system enables promotions and changes to compensation based on future expectations and roles and enables leveraging of the growth of each employee. Moreover, we have introduced a 360° evaluation system whereby team members quantitatively evaluate each other. Under this system, employees that continually maintain a high performance that lives up to the expectations of their colleagues are compensated and given positions accordingly. It is then hoped the growth of these employees for whom we have expectations will lead to even greater growth of the entire organization by encouraging growth in their team members and colleagues in other departments.

We are improving employee engagement and contributing to corporate growth by implementing HR initiatives suited to our current growth phase.

Systems and Structures to Support Corporate Growth

Improving productivity and maximizing the achievements of each and every employee

To realize the Group's stated mission and accelerate business growth, we believe that it is essential for each and every employee to deeply understand and share our mission and values, maximize all kinds of achievements, and continue sustainable growth. For the same reason, we are undertaking improvements in the working environment to increase the employee productivity.

Systems and Structures to Promote Greater Understanding of Sansan and Enliven Internal Communication

"Katachi" Discussions

We regularly provide opportunities for all employees to discuss the corporate philosophy. Because everyone addresses our values and culture together, these are important opportunities from various perspectives, including employee development and productivity improvement.

Know Me

We have set up a system to subsidize food and drink expenses when three employees who work in different department have a meal together. This system contributes to vitalizing internal exchanges and improving the quality of work of each employee.

Sansan TV

To promote greater understanding of Sansan, we broadcast a video content version of the internal newsletter that summarizes various internal initiatives and features interviews with successful employees.

Education and Training Systems to Help Employees Acquire Knowledge and Improve Skills

Coacher

With the aim of improving employees' business skills, we have put in place a system that allows employees with specialized qualifications as business coaches to provide one-on-one coaching. These coaches support employees who wish to improve their skills by helping them to identify their growth areas and create specific action plans.

Geek Seek

This system for engineers, researchers, and designers subsidizes the cost of books and tools necessary for acquiring knowledge and improving work efficiency, as well as the fees for participating in events. By encouraging employees to acquire a wide range of knowledge and increase their skills, we aim to achieve related improvements in service quality.

Systems to Enable a Variety of Work Styles

Yey

This is a telecommuting system that allows employee to adjust their working environments according to their work content. The aim of providing flexible work styles is to improve work productivity.

Donicho

A system that allows employees to exchange a working day on a weekday for a day on the weekend. The aim of allowing each employee to control the days he or she comes into the office is to improve work productivity.

MOM

A system that subsidizes the full amount of nursery fees and taxi fares when picking up and dropping off children. We also provide an added boost to returning employees who have taken maternity leave or childcare leave.

KISS

By having a system to subsidize expenses related to babysitters and housekeeping services, we are supporting both working parents and the raising of children overall.



CFO Message

We aim to improve corporate value and shareholder value by ensuring financial soundness and promoting growth investment.

Muneyuki Hashimoto
Director, CFO,
Managing Executive (Finance & Accounting Department)

Results for Fiscal Year 2019 and Forecast for Fiscal Year 2020

In the fiscal year ended May 31, 2020 (fiscal year 2019), the first year in which Sansan was listed on the stock exchange, we achieved a year on year consolidated net sales growth rate of 30.9% and overall profit for multi-step profit or loss. Although the COVID-19 pandemic had a negative impact on results in the fourth quarter, we have been able to promote growth strategies that included the strengthening of the sales structure and enhancing the convenience of Sansan Business services.

In fiscal year 2020, the sales growth rate is expected to slow temporarily due to the impact of the COVID-19 pandemic, but we will work to strengthen investment in order to re-accelerate the growth rate. We are aiming for a net sales growth rate of 30% or more in the fiscal year ending May 31, 2022 (fiscal year 2021).

Investment Policy for Sales Growth

Previously, the Group had been investing in hiring employees mainly to handle marketing activities focused on TV commercials, and to increase sales personnel and engineers in the Sansan Business in order to further raise awareness of existing services and expand the use of services by current customers. In addition to these investments, as a measure to realize further growth, from now on we plan to enhance investment aimed at expanding the spread of the newly provided "Virtual Cards" function, and accelerating new business development utilizing the proprietary technologies that we have cultivated so far. In achieving growth, I would also like to proactively utilize M&A and other strategies.

Sound Financial Structure

As we are currently in the phase of making flexible investments in accordance with growth opportunities, free cash flow may fluctuate significantly depending on the fiscal year due to the acquisition of investment securities, among other factors. When, however, free cash flow is calculated excluding expenditures from the acquisition of investment securities, we returned to full-year profit in fiscal year 2019.

Accounting for 90% of consolidated net sales, the Sansan Business operations are centered on a subscription model (monthly billing) that is expected to generate continuous income. In addition, as the "Sansan" service is characterized by an average monthly churn rate over past the 12 months that has remained at the low level of 1.0% or less, and also by operating on an annual subscription basis, its future business results are relatively easy to forecast and its business model is expected to show steady growth.

The Group was listed on the TSE Mothers Section in June 2019. During that time the Group raised approximately ¥6.8 billion through the issuance of new shares and exercising the overallotment option for a third-party allocation of shares, and as of May 31, 2020, cash equivalents amounted to approximately ¥12.8 billion, which forms a stable financial base.

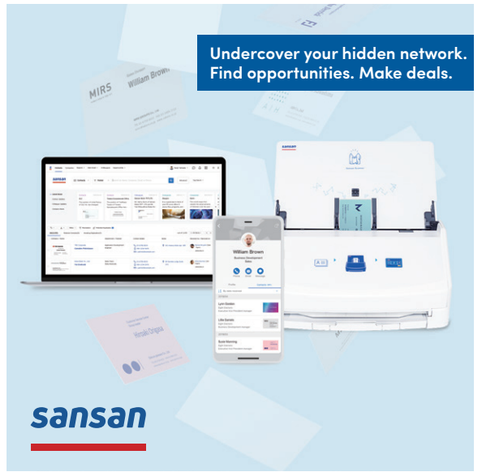
Business Strategies

Realizing growth of the Sansan Business and the Eight Business and creating new initiatives utilizing proprietary technology

The Group's business is comprised of two segments: the Sansan Business, which develops "Sansan," a B2B business card-based contact management service that digitizes business cards, and visualizes and shares the connections between people; and the Eight Business, which develops the "Eight" business card management app, which incorporates the structure of a social networking service to turn business cards into business connections. The Sansan Business accounted for 92% of consolidated net sales in the fiscal year ended May 31, 2020, and has continued to grow steadily as a pillar of the Group's earnings. While the Eight Business is in the early investment phase, and we are implementing various measures to attain profitability, net sales continue to increase primarily for B2B services. In addition, we are starting new businesses in fields beyond business cards by utilizing the proprietary technology and structure to digitize analog information that we have cultivated in our two existing businesses.

Two Business Segments

Sansan Business



"Sansan" is a B2B business card-based contact management service tool for corporations. Centered on business cards, Sansan enables the effortless building of a complete contact database accessible anywhere.

Eight Business



"Eight" is a business card management app that allows users to upload business cards to create a personalized business network accessible anywhere.

Overview of Business Strategies

Since the Sansan Business and the Eight Business are each in their own growth stage, the Group is currently conducting management with a focus on the growth of consolidated net sales. In addition to realizing the growth of the "Sansan" and "Eight" services, we are proactively working to create new businesses in areas beyond business cards, such as invoicing, and in new fields, like event tech, by utilizing the structure and proprietary technology we have cultivated. In promoting existing businesses and new initiatives, we will strive to maximize corporate value by proactively implementing a variety of measures, including M&A and other growth investment, in addition to strengthening marketing activities and the recruitment of human resources.

Sansan Business	Expand use of "Virtual Cards" function	Increase number of subscriptions and sales per subscription	Improve business platform value
Eight Business	Strengthen B2B service monetization	Expand use of "Virtual Cards" function	
New Initiatives	"Bill One" online invoice receiving service	Event Tech Business	

Main Strategies of Sansan Business

The "Sansan" utilization rate is still low when viewed in terms of the number of companies and employees present in Japan, and so we believe that there is plenty of leeway for growth in sales. As a strategy for achieving that, we are working to increase the number of subscriptions and sales per subscription. In addition to strengthening our sales structure to increase the number of subscriptions, we are working to increase sales per subscription by promoting the expansion of use by existing customers and the introduction of optional functions.

Given the spread of COVID-19 pandemic, there are increasing social needs regarding the online exchange of business cards as part of a new way of working. We believe that promoting the spread of the "Virtual Cards" function will support corporate activities, expand utilization under existing "Sansan" subscriptions, improve the rate of continued utilization, and lead to the acquisition of new subscriptions. In addition, by adding a variety of optional functions compatible with the "Sansan" application, we aim to increase its value as a business platform that encourages data utilization and brings about improvements in productivity.

Main Strategies of Eight Business

The Eight Business is in the early investment phase, and we will be implementing various measures for monetization. To accelerate the monetization of the entire business, we aim to further increase the number of users by strengthening the development of B2B services—including business card management for corporations, advertising services, business events, and recruitment-related services—and improving the convenience of the "Virtual Cards" function.

New Initiatives

Using the technology cultivated in "Sansan" and "Eight" for digitizing business cards with 99.9% accuracy, we have started new businesses, and we will be strengthening the development of "Bill One," our online invoice receiving service.

In addition, through our "Event Tech Business" for business event organizers and operators, we are providing solutions to the problems inherent in each process for various seminars and events from the start of the event to during and after the event. In addition to the development of new services, we will be accelerating and strengthening our efforts in the event tech area by combining various existing services within the Group.

By proactively creating new businesses, we hope to establish new drivers of medium- to long-term performance improvement.



Kei Tomioka
Director, Managing Executive
(Sansan Division)

Sansan Business

We will improve customer value based on our concept of “Uncover your hidden network. Find opportunities. Make deals.”

Kei Tomioka Director, Managing Executive (Sansan Division)

Sansan’s Concept

The most important thing for the Sansan Business is to improve customer value. Due to software’s characteristics—the fact that the specifications can be changed in accordance with the needs of the times—I have always considered it important for software to have a concept. If there is no pivot point when updating specifications, the result will be a product similar to those of other companies, and customers will not need it. A software’s concept could also be defined as the value it provides to the customer. For “Sansan,” the B2B business card-based contact management service, the message is “Uncover your hidden network. Find opportunities. Make deals,” and its value is solving various business issues and changing the way companies work. Under the mission of “Turning encounters into innovation,” I believe that the strength of “Sansan” lies in being centered on that concept.

Another characteristic of “Sansan” is that the average monthly churn rate over the past 12-month is as low as 0.60% (as of May 31, 2020). Business card contact management was a service that previously did not exist, so I believe that these results are due to the accumulated efforts we have made in our first year to figure out how to improve customer value not one company at a time, but actually one person at a time.

Expectations for the Sansan Business

The market potential of the Sansan Business is sufficient, and the challenge now lies in how to expand it. Given the changing world, including the COVID-19 pandemic, I think the question is how can we evolve our concepts and services. To achieve these goals, we have been providing the “Virtual Cards” function since June 2020, and it is important to us to make the use of this function even more widespread. The ability to innovate the form of encounters has been our largest theme since our inception, and the COVID-19 pandemic has presented us with a great opportunity. Although I think that the COVID-19 pandemic may accelerate digitization, I also think it will take steady efforts and time to change the business practice and culture of exchanging real business cards—especially in Japan. Therefore, we will not only improve functionality, but also proactively work to create more opportunities for use and ways for people to experience the service.

The Potential of “Encounters” and “Connections”

We are currently placing a particular focus on popularizing the “Virtual Cards” function, but we are also working on a strategy to further enhance the convenience of data utilization and increase the value of “Sansan” as a business platform. We added a variety of highly convenient functions that improve work efficiency to “Sansan” through the “Sansan Plus” business strategy, launched in March 2020, which uncovers deeper customer value. With regard to horizontal developments, or services that are different from “Sansan,” “Bill One,” an online invoice receiving service, and “Contract One,” a contract digitization solution, are among the services that utilize the business card digitization technologies we have accumulated until now.

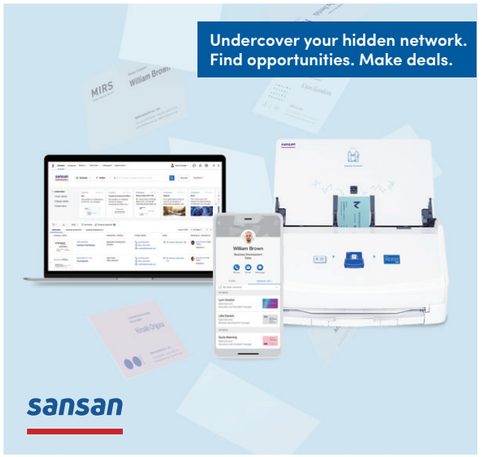
In terms of strengthening the customer value of “Sansan,” the development of the “Virtual Cards” function is moving ahead of schedule, and I think it represents a large key for us. The “Virtual Cards” function has a very high networking effect because the information from encounters is digitized from the start. In the years ahead, I think that the vertical “Sansan” developments and the other previously mentioned horizontal developments will gradually be connected. In other words, if the “Virtual Cards” function becomes widespread, information on “connections” will be accumulated, and I believe that this will work positively for the other, horizontally developed services.

The biggest feature of our service is that we handle data from “connections,” or in the business field, it means the data from company-to-company connections. We believe that there will be a higher possibility of success in areas we can develop around the keywords, “encounters” and “connections.” In the future, we want our services to work behind the scenes in various applications as well as in the field of connections, and despite not being noticed very much, to play an important infrastructure-like role. For example, “Sansan Data Hub,” which is currently provided as an optional function of “Sansan,” connects various services and enables data integration. In this way, even if customers rarely have the chance to see it, we believe that if we can build a business platform that will serve as a hub for various services, we will be able to build an even stronger foundation.

We will pursue the expansion of the “Virtual Cards” function and maximize the value from data utilization.

Undercover your hidden network. Find opportunities. Make deals. “Sansan” B2B business card-based contact management service

With a concept of “Undercover your hidden network. Find opportunities. Make deals,” the Sansan Business is providing its “Sansan” B2B business card-based contact management service digitizes business cards while visually presenting and sharing the connections between people. The sales targets for “Sansan” are not individual users but companies, and it is designed to be a business platform used by all employees within a company.



Main Functions of “Sansan”

- Business card management/ sharing/search
- Master information for companies
- Master information for people
- Organizational tree generation
- Linkage for TEIKOKU DATABANK
- Notification of personnel transfer information
- News feed
- Financial statement analysis reports
- Sales support via One to One email delivery
- Opportunity
- Contact management
- “Sansan Data Hub”
- Business card-related API
- Email newsletter delivery
- Internal contact book
- Internal messages
- Security management
- Other management functions

Service Overview

“Sansan” can digitize business cards with an accuracy of 99.9%, and by simply scanning business cards corporate users can utilize various highly convenient functions based on the information from correctly digitized business cards. For example, by using the business card data management/search function, the time that was previously inefficiently spent on managing and searching with paper business cards can be significantly reduced, and it is possible to improve productivity and make of sales activities more efficient. Since the basic design is to share the business card information held by each employee within a company or organization, use of the “Sansan” service leads to the visualization of previously hidden personal connections and their effective utilization as company assets. The service is also equipped with a wide range of client management functions, such as personnel transfer news that notifies users of individuals’ latest information, and a bulk email function.

In addition, we offer a variety of other optional functions, and by linking both our own developments and third-party services, we are developing a business platform service that makes more effective use of correctly digitized business card information and contact information.

Fee Model

For our basic plan, we provide a plan that is used by all the employees in the user company. The monthly usage fee is made up of the license fee, calculated based on the number of business cards digitized by the user company, plus the usage fee for optional functions and the scanner rental fee. When the service is introduced, for a fee we provide additional services, such as the digitization of large volumes of business cards stored on paper and onboarding support.

Future Strategies

“Sansan” enjoys a market share of 82.8%*1 in the B2B cloud-based business card management service market, in which it was a pioneering service. However, when viewed in terms of the number of companies and employees present in Japan, the coverage rate of “Sansan” is still low, and the ratio of the number of “Sansan” users to the total number of employees in Japan remains a low, at approximately 2%. We therefore believe that there is plenty of leeway for growth in sales, and the strategies geared toward achieving that mainly work on the following.

Expanding the Use of “Virtual Cards” Function

Business communication that does not require personal contact has been in demand since the spread of COVID-19 pandemic began, but while online meetings and interviews have been increasing, face-to-face exchanges of business card have not been possible. This has given rise to problems such as not knowing other individuals’ names in meetings, not knowing who the key individual is, and decreased efficiency in sales activities. “Virtual Cards” provide solutions to the issues corporations are currently facing, and we will work to expand the use of this function to support new work styles and behaviors.

Increasing the Number of Subscriptions and Sales per Subscription

In order to increase the number of contracts, we are working to expand the sales structure for large companies and strengthening the sales structure to promote regional expansion, as well as working to enhance our onboarding programs and training programs to improve the productivity of every salesperson.

At the same time, to increase sales per subscription, we are promoting companywide use to companies in which services are limited to certain sales divisions or secretarial offices, and enhancing support services for initial introduction and operation. We are also working to enhance optional functions that provide new added value.

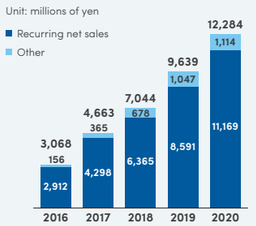
Improving Business Platform Value

We have been seeking improvements in “Sansan” user convenience by providing, for example, functions that utilize open API to connect with other companies’ services, and other external tools, as well as functions to acquire and utilize information from external services.

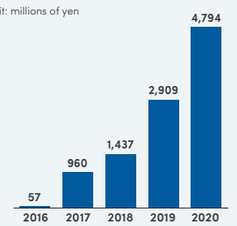
In addition to these developments, we are aiming to increase the service’s value as a business platform by providing optional functions on “Sansan” that can aggregate the various information and procedures generated in the business process. We are also promoting the development of “Sansan Plus,” which enables us to add our proprietary services and the services of other companies as optional functions.

Sansan Business Results (fiscal years ended May 31)

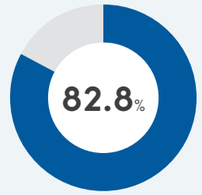
Net Sales



Operating Profit

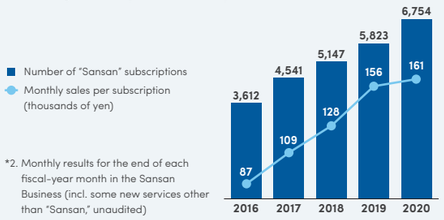


Market Share*1



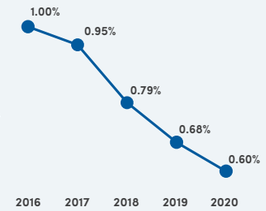
*1. Sales share of companies in contact management services for corporations based on *Contact Management Service Market and SFA/CRM Businesses 2020* by Seed Planning, Inc. released in January 2020

Number of “Sansan” Subscriptions and Monthly Sales per Subscription*2



*2. Monthly results for the end of each fiscal-year month in the Sansan Business (incl. some new services other than “Sansan,” unaudited)

Average Monthly Churn Rate Over Past 12 Months*3 of “Sansan”



*3. Ratio of decrease in monthly fees associated with contract cancellations to total monthly fees from existing “Sansan” subscriptions (monthly results for the end of each fiscal-year month)

Linking Various Operations through “Sansan Plus”

We are strengthening the development of “Sansan” as a business platform to effectively utilize business card information and correctly digitized customer data in various operations, and “Sansan Plus” is a business strategy that promotes this development. Instead of a conventional search for business card information registered on “Sansan,” the concept is searching for something specific by utilizing the business card information registered on “Sansan.” For example, various individual pieces of information, such as contract information and anti-social forces information managed by legal affairs and compliance departments, are aggregated in the scanned business card information and can be confirmed via “Sansan.” This enables digitization and optimization of a wide range of tasks, such as shortening the time needed for various formerly time-consuming tasks for internal confirmation and other work.

Three Concepts that Comprise “Sansan Plus”

When strengthening the business platform development of “Sansan,” we consider it an important strategy to collaborate with partners who have systems, functions, and all kinds of know-how that we do not possess to respond to various issues that user companies face depending on their business. “Sansan Plus” comprises three concepts: “Sansan Plus App,” “Sansan Plus Consulting,” and “Sansan Plus Integration”. Through these, we are promoting the addition of optional functions on “Sansan” integrated with the services of other companies, as well as digitization support, and consulting on data utilization.

Sansan Plus App

“Sansan Plus App” is a package of optional functions usable within the “Sansan” service by integrating “Sansan” with other companies’ services. This provides unprecedented value and functionality, such as minimizing and optimizing various work tasks, by serving as entry point for integrating business card information registered to “Sansan” with these external services. For example, the optional functions we are providing include “Risk Intelligence powered by Refinitiv,” which enables checks against an anti-social forces database and compliance information on “Sansan” just by scanning a business card, and “CloudSign Contract Management,” which enables the checking of contract information via “Sansan.”

Sansan Plus Consulting

We provide comprehensive consulting support for corporate digitalization and data utilization by building on the basic functions of “Sansan,” such as B2B business card-based contact management service, client management functions like opportunity, and the bulk email function, and making use of “Sansan Plus App’s” optional functions. We are collaborating with Accenture Japan Ltd as our consulting partner.

Sansan Plus Integration

Company-driven digitalization requires the effective integration of internal data and the building of one master database. However, many companies suffer from data management issues, such as the data managed by their business tools being not up to date because the data for one business partner is scattered, or business partner information has been being registered multiple times within the same management tool. We are collaborating with toBe Marketing, inc. and Realize Corporation on “Sansan Plus Integration,” which is a consulting service to integrate data scattered throughout a user company.

Linking Various Operations

sansan+

sansan+ APP

Optional Functions That Can Be Added to “Sansan”

Optional Functions

- “Risk Intelligence powered by Refinitiv”
- “Survey Tool powered by CREATIVE SURVEY”
- “Salesforce Opportunity Integration”*
- “CloudSign Contract Management”

*A trademark of salesforce.com, inc., Salesforce is used with permission.

sansan+ Consulting

Utilizes the “Sansan” Services to Comprehensively Support Corporate Digitalization

Sansan Plus Partner Specializing in Data Utilization

Accenture Japan Ltd

sansan+ Integration

Consultation to Integrate Data Scattered Throughout the Companies

Sansan Partners Specializing in Data Utilization

toBe marketing, inc.
Realize Corporation

Sansan Plus App: optional functions that can be added to “Sansan”

Risk Intelligence powered by Refinitiv



Checks against an anti-social forces database can be performed automatically just by scanning a business card, preventing any omissions of checks and significantly reducing workload for compliance personnel

Survey Tool powered by CREATIVE SURVEY



Questionnaire solution that can provide the questionnaire function required for B2B company seminars integrated with “Sansan”

Salesforce Opportunity Integration*



“Sansan” users can ascertain “Salesforce” business negotiation information along with internal network and business partners’ corporate information

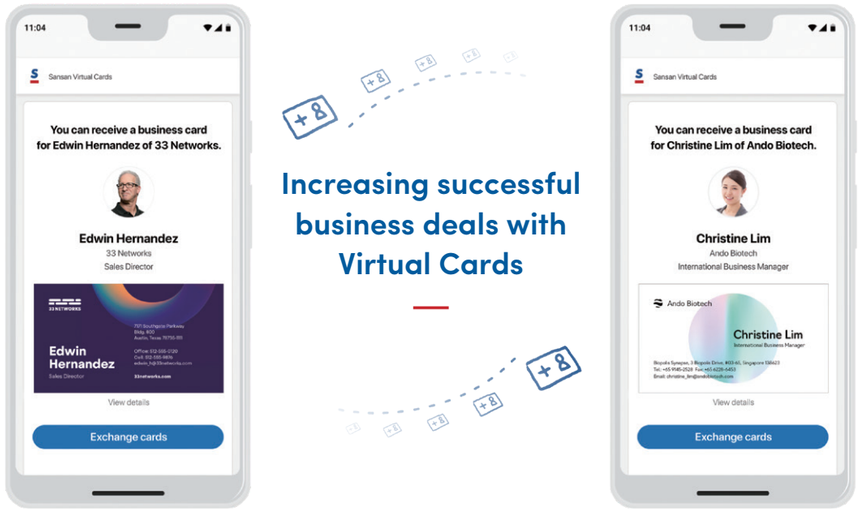
CloudSign Contract Management



Contract information can be viewed simply by scanning a business card, which shortens contract verification work and reduces the workload of legal staff

New Focus on “Virtual Cards” Function

With remote and online work styles increasing rapidly, “Sansan” launched a new online business card service, “Virtual Cards,” in June 2020. This service allows users to easily send and receive business cards online. We see uptake of this function as an important facet of our strategy to grow the value of the “Sansan” business platform and are undertaking a variety of related initiatives.



Background and Concept of the Function

Online communications grew rapidly as a result of companies introducing work styles and establishing environments to enable remote working that do not require personal contact as part of measures to prevent the spread of COVID-19 pandemic. Consequently, issues have arisen in online meetings and business negotiations, such as not knowing the precise positions or departments of participants, or who the key person is, and has resulted in decreased efficiency in sales activities.

Business cards contain exact information, which includes elements like job position and department. The act of exchanging business cards comes with important contact information such as when and which people have met. Sansan’s “Virtual Cards” function, launched in June 2020, is a solution to issues companies are currently facing. The function helps both enable new work styles and helps companies to increase their sales ability and secure a greater percentage of contracts without losing the value of traditional business cards and the act of exchanging business cards. Our greatest challenge is to change the established business practice of exchanging paper business cards, and try to expand the use of “Virtual Cards.” We plan to improve functions through internal development and collaboration with other companies’ services, as well as implement initiatives to promote use.

About the Funtion

“Sansan” users can generate a personal link to their virtual business card and easily send it to anyone. If a user has uploaded a profile picture, the photo data can be sent along with the user’s name, email, and job title. If the recipient is a “Sansan” or an “Eight” user, then both parties can receive and exchange “Virtual Cards” easily. Even if the recipient is not a “Sansan” or “Eight” user, they can still receive business card information as an image or in the vCard format. By using the designated link or a QR Code*1 to upload a photo of their physical card or filling out a form with their details, a non-member can send their own business card back in return.

“Virtual Cards” can be utilized in various situations. They can be shared by email with other participants before a meeting or via an online meeting messaging tool. They can also be exchanged with several people using a single link at an event or seminar.

*1 QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Initiatives to Expand Use of “Virtual Cards”

In order to expand use of “Virtual Cards,” we are currently working on providing opportunities to encourage increased use, such as strengthening collaboration with other companies and services, and online business events.



Connectivity with “Eight”

In August 2020, we launched a new function to connect “Virtual Cards” with our business card management app, “Eight,” to strengthen the card exchange function. This enables “Sansan” and “Eight” users to smoothly receive and send “Virtual Cards.”

Connectivity with Third-Party Service “Microsoft Teams”*2

“Microsoft Teams” users can now exchange “Virtual Cards” for “Sansan” before an online business negotiation using the “Microsoft Teams” calendar function. “Microsoft Teams” is an application in “Microsoft 365”*3 that functions as a collaboration hub to facilitate teamwork. Every day, more than 75 million people use the service globally (as of April 2020).

*2 Microsoft, Microsoft 365, and Microsoft Teams are registered trademarks of Microsoft Corporation in the US and other countries.
*3 Microsoft 365 is the name of a service provided by Microsoft Corporation.

Business Conference Held In-house

We held an online business conference, “Sansan Evolution Week,” in June 2020.
The event had over 6,000 participants, and livestreamed panels of the latest technologies and solutions to help businesses. In order to promote the use of the “Virtual Cards” function, not only participants but presenters and sponsors were able to exchange “Virtual Cards,” and more than 3,000 exchanges took place.



Eight Business

We will improve our value as a business network capable of making the best use of personal connections.

Kenji Shiomi　Director, Managing Executive (Eight Division)

How the Eight Business Was Launched

At the time of Sansan's founding, I was involved in the development of the Sansan Business. About three years after that, I started thinking it would take a considerable amount of time to change the habit of exchanging business cards and to change society. In addition, although the business card data is a user company asset, the personal connections themselves belong to the individual. Therefore, in developing services related to business card exchanges, we thought that we should explore the possibilities of both corporations and individuals, and the Eight Business was created to provide services for the latter. Since personal contacts are stored in various locations, we were aiming for a solution that enabled them to be integrated and managed.

Strengths of the Eight Business

Among the tools that business people use on a personal basis, if we were to exclude news media, I believe that the Group's "Eight" business card management app is one of the most useful services. More than eight years have passed since we launched the service, and as a result of continuous trial and error, we have been able to achieve a successful number of users and gained a level of recognition, which is an advantage at this point in time. Since the Group's services, including the "Sansan" brand, store valuable information for users, it is important that they can be used with peace of mind, and the fact that we have that image means that we possess an essential strength.

Challenges Facing the Eight Business

In developing the "Eight" service, it is of course indispensable to increase the number of users and necessary to bring about improvements in its value as a network. However, if you invest solely to increase the value of your network, it will be difficult to monetize your business, so it is necessary to keep both wheels turning. At present, it is important to strike a proper balance because we are developing the core parts of "Eight" to improve value as a business platform, as well as related services.

I think the current COVID-19 pandemic provides added impetus for the business. Originally, "Eight" was created as a service under the theme of transitioning from analog-to-digital, but the current trend of demand for paper-free online business card exchange conforms with the world we are aiming for. Our thinking is that we will confidently ride these waves presented by digitization, and, while making the necessary corrections, completely roll out the functions that the "Eight" service possesses and capture needs. For example, the quality of data for our recruitment-related services need further improvement. I think that the value of those kinds of services can be further improved if a forum can be developed where someone's skills can be presented in a more attractive manner.

Value Improvement through Digitalization

At present, we provide four B2B services—business card management services for corporations, advertising services, business event services, and recruitment-related services—and our policy is to develop these services in a well-balanced manner. When considering business monetization, it is important to first expand B2B services. However, I would also like to strengthen the fee-based "Eight Premium" plan for individuals. As a lifetime service for business people, I would like to create new mechanisms for it because I think it will be possible to make more use of the "Eight" business card profile for personal use as well.

I think that Sansan is still fulfilling a role in connecting analog and digital, but I think we are not yet providing sufficient value in terms of digital-to-digital communications. One of my goals for the future is to allow users to easily make note of encounters through digital interactions and create an environment where users will be able to recall them at the necessary time or necessary step. When someone has numerous business connections, many of them will be weak and tend to become buried. If you have seen someone familiar while outside the office, but cannot match the face to the name, I think many people have hesitated to strike up a conversation. If there were, however, an app function that could provide a name on the spot, the situation would change. I think that changing casual situations in everyday life is also one way to create innovation. This kind of issue with encounters, which everyone has, is something I would like to solve.

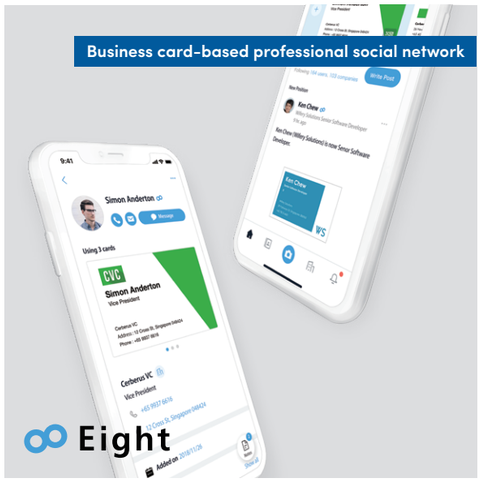
We will accelerate monetization and, in the future, grow the Eight Business into our second-largest earnings pillar after the Sansan Business.



Kenji Shiomi
Director, Managing Executive (Eight Division)

Business Card-based Professional Social Network
The business card management app “Eight”

Built from the concept of “Business card-based professional social network,” the Eight Business provides the business card management app, “Eight,” which goes beyond simply managing business cards to incorporate of social media elements in an all-new business networking service. Users need to register in order to use “Eight,” however, unlike the corporate registration model of “Sansan,” users register as individuals. Using “Eight” can help business people resolve issues such as “not being able to make the most of business encounters” and “not being able to easily access business card information.”



No. 1 share in mobile contact management apps*1

More than 2.7 million users*2

Basic Functions of “Eight”

- Business card management
- Profile management
- Messaging function
- “Virtual Cards” function
- Notifications about contacts in network

*1 Share of contact management application services (from our survey on number of active users of contact management app services in Japan’s major business categories, November 2018)
*2 Number of verified users who have registered their own business card on their profile after downloading the application

Service Description

The “Eight” business card management app is provided for individual users, and its basic functions can be used for free. Users can manage their digitized business card information in the cloud simply by photographing their business cards using the in-app camera function. Also, it enables users to manage their business career profile by adding their own previous business cards and details such as work experience and skills. Additionally, since the user is connected through the application to other “Eight” users for whom they have digitized business cards, they can use the application’s networking functions, such as receiving automatic notifications when the business card information of a contact changes, or the ability to contact other users using the messaging function.

The service also has the “Virtual Cards” function that can be used on both PCs and smartphones. By creating a personal link on “Eight” for their “Virtual Cards,” users can easily send the card to someone else. Users can also generate a virtual background embedded with a QR Code*3 that they can set up and use as their background for online meeting services. Furthermore, even if the recipient is not a “Sansan” or “Eight” user, they can download business card information as an image or in the vCard format.

*3 QR Code is a registered trademark of DENSO WAVE INCORPORATED

Premium Services and Subscription Types

While the basic features are free, “Eight” offers several premium services for individuals and corporations.

B2B Service

Paid Plan for Corporations: “Eight Company Premium”
(Fixed monthly fee/annual subscription)

This service uses “Eight” to manage business cards at corporations. This service allows “Eight” users within a company to share, search, and view each other’s card information. The service is different from “Sansan” in both target market and functions, since the main target for “Eight” is small businesses of about 20 employees or fewer.

Advertising Service: “Eight Ads” (Pay-for-use charges that depend on delivery volume*4/contract for a fixed period)

“Eight Ads” is an online advertising service for “Eight” users. This service enables clients to catch the attention of business users in a timely manner by placing ads within the “Eight” app’s timeline, and through the creation and editing of original business tie-up advertising.

Business Events: “Meets”
(Fixed-fee per event*5)

“Meets” is an event service that enables maximum customer attraction utilizing proprietary “Sansan” technology for companies with issues such as those trying to obtain business leads. The service analyzes areas of interest and trends from “Eight” users’ business networks and matches companies with potential clients of interest.

Recruiting Platform: “Eight Career Design”
(Fixed monthly fee*6 /contract for a fixed period)

“Eight Career Design” is a recruitment-related service whereby companies can approach “Eight” users. The service uses “Eight” proprietary technology to create a system for approaching potential recruitment candidates with effective timing, and features functions for recommending optimal candidates, and a scouting function through which direct contact can be made.

B2C Service

Paid Plan for Individuals: Eight Premium (Fixed monthly fee)

This service enables use of additional functions such as being able to download business card data and priority input to digitize business cards more quickly than in the free plan.

*4 There is a minimum advertisement placement price and also a normal advertisement menu.
*5 There are multiple fee settings depending on the type of event held, etc.
*6 There is an additional charge when a decision to hire is made.

Growth Strategy

“Eight” is Japan’s leading mobile business card management app*1 and has many users. However, its basic functions are provided free of charge and its overall business is still in a phase where investment is a priority. Therefore, we are implementing the following main initiatives to achieve monetization.

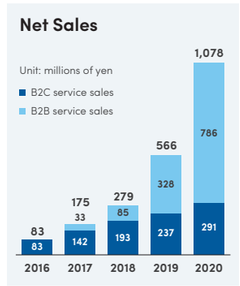
Strengthening Monetization of B2B Services

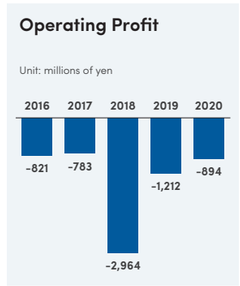
We are strengthening the monetization of each premium service by strengthening our product and sales capacities, and developing new monetization plans. Also, in August 2020, logmi, Inc. became a subsidiary, and will be operated under the Eight Business as part of achieving medium- to long-term growth.

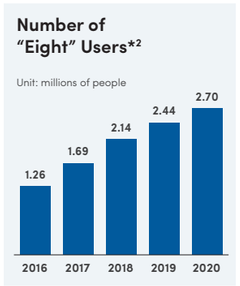
Expanding Use of “Virtual Cards”

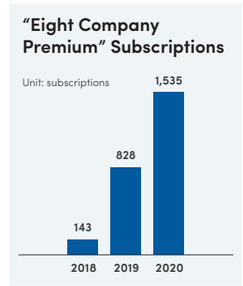
We are working to expand the number of users of “Virtual Cards” by, for example, working to make the service even more convenient to use. In August 2020, we strengthened the connection between “Eight” and “Sansan,” enabling users of each service to smoothly exchange “Virtual Cards.”

Performance of Eight Business (fiscal years ended May 31)









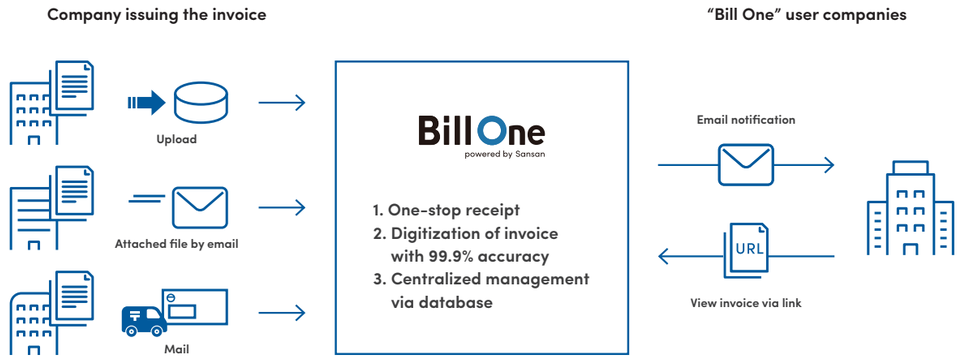
Acceleration of New Business Development

New Business Initiative Utilizing Technology for Digitizing Analog Information: “Bill One”

During the COVID-19 pandemic, business operation that does not require personal contact has been in demand, and to achieve this digital transformation has become an urgent issue. In order to solve this social issue, we are using the technology to accurately digitize business cards that we cultivated in our existing businesses, namely, our technology and structure for digitizing analog information, and we have launched new services in other fields. The Group aims to make these new initiatives into medium- to long-term growth drivers while supporting companies from a variety of fields and perspectives.

Service Description

“Bill One” is a service that allows the online centralized management of paper and PDF invoices—digitized with an accuracy of 99.9%—that come scattered all over to various offices and departments. Paper invoices are digitized after “Bill One” receives them on behalf of the user, while “Bill One” automatically collects and digitizes PDF invoices that are attached to emails. This allows the user company to receive all kinds of invoices online, while the companies sending invoices can continue to send them as they always have without any extra effort.



1. One-stop receipt

Companies just need to send their invoices in the same manner as always, and “Bill One” collates them.

2. Digitization of invoice with 99.9% accuracy

Our digitization of invoices achieves exceptional 99.9% accuracy using “Sansan” technological and operational know-how from years of accurately digitizing business cards.

3. Centralized management via database

Digitized invoices can be managed centrally in a dedicated database. Compared to managing paper-based invoices, this system allows them to be searched easily and further utilized through links with other systems.

Benefits of Using “Bill One”

Enables Remote Working

With companies forced to shift to remote working to prevent the spread of the COVID-19 pandemic, they have been faced with serious issues related to invoice administrative tasks such as employees having to go into the office to receive and process paper-based invoices. “Bill One” allows all invoice-related administrative tasks to be handled online—from receiving bills and checking their content, to approving payments. This helps companies achieve their remote working goals since employees no longer need to go into the office to deal with invoices arriving at various different work sites and departments.

Shorter Invoicing Turnaround

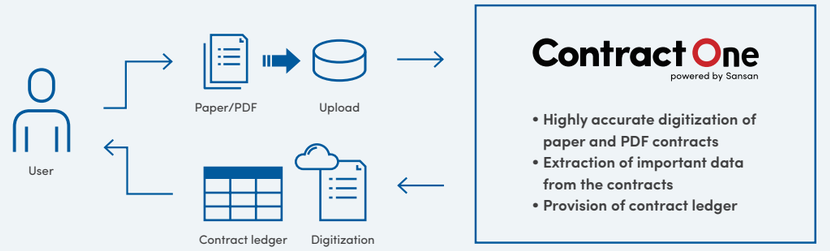
In Japan, there are innumerable types of invoice formats depending on the issuing company. “Bill One” allows for both the accurate digitizing of invoices in a multitude of formats—using technology refined through “Sansan” business card digitization—and the viewing of the invoice data within the application. This process allows the accounting team to simultaneously progress with digitizing bills and viewing them to sort invoices and process payments. Also, because users can check the overall situation of incoming bills it decreases redundancies, which speeds up the monthly closing of accounts. Moreover, because invoices can be searched or the details viewed at any time, the auditing process goes more smoothly.

Increasing Organizational Productivity

Using “Bill One” helps an organization increase its overall productivity by negating the need for office staff to do tasks such as opening and sorting mail as well as collecting, receiving, and distributing invoices. Furthermore, combining “Bill One” with invoice data analysis, and robotic process automation (RPA) to automate routine tasks, can help to maximize future revenue by controlling costs and creating new sales opportunities.

Solution for Digitizing Contracts: “Contract One”

“Contract One” is a solution that allows the digitization of paper and PDF contracts, managing of important items, and the aggregation of that data into a database so it can be centrally managed. This not only improves the efficiency of searching and sharing the contracts, but because it enables the content of contracts to be analyzed and improved, this can also support increased productivity for corporate legal tasks. We are providing this technology to Bengo4.com, Inc. for its “CloudSign AI” service.



- Helping companies revise and improve their legal affairs and contracts through digitization
- Risk management

Digital Support for the Operation of Business Events and Seminars through the Event Tech Business

In Japan, various business events are held—from large exhibitions to small seminars—and in the B2B field there is an assumption that people need places in which to connect with businesses. Business events, however, still have many areas in need of innovation, and the rapid shift to online events in the wake of the COVID-19 pandemic has given rise to many new issues. Event tech are solutions that use technology to address the challenges of event management by improving the efficiency of event management, improve the satisfaction of participants, and maximize the event's effects. Internationally, this industry has been gaining attention since before the COVID-19 pandemic, with the event management software market alone said to be worth ¥500 billion globally. In the process of holding our own events and providing event services, we have strongly felt the need for event tech, and have been preparing to enter the industry through investment and independent technological development. We plan to make event tech a key revenue source after the Sansan and Eight Businesses in the medium-to long-term by strengthening business development through the creation of new services and by combining various existing Group services.

Various Issues Related to Holding Events

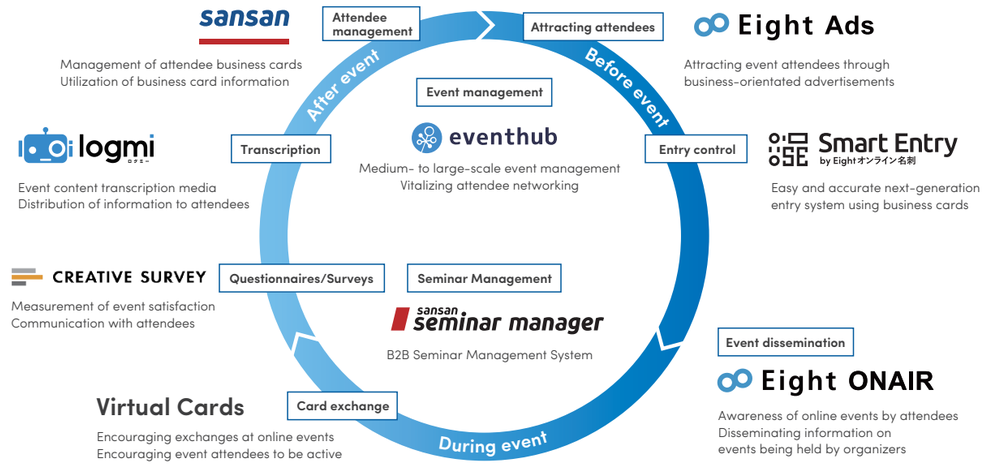
First, in terms of offline pre-event activities to attract participants, currently analog techniques such as making announcements through direct mail marketing and event registration via fax are mainstays. There are many cases where managing participant information takes a lot of effort because of the use of paper or the need to input data into spreadsheets by hand. If accurate information on the estimated customer demographics needed for marketing is not gathered, then there is the problem of the event not resulting in effective marketing measures. In the case of online events as well, entering information into web forms is troublesome for participants and often information is shortened or incorrect information.

Second, during an event there are cases where—particularly at offline events such as large exhibitions—signing in takes time, participants cannot find their intended booth, or the booth attendee is absent and conversations cannot be had. Online events also have issues such as participants not being able to mingle amongst themselves and not achieve business negotiations.

Finally, after an event there are cases where despite conducting a paper-based questionnaire, the obtained survey results lack reliability due to mistakes or incomplete answers by those who filled it in. Also, even in the case of digital surveys, unless it is managed in an integrated manner, there can be issues such as difficulty in linking to the company's customer database.



Service Portfolio for Solving Issues Faced When Holding Business Events

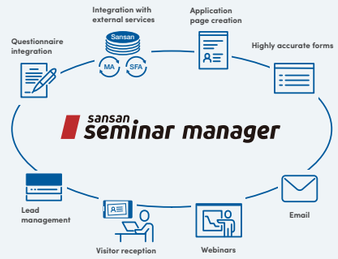


The Group has been preparing to enter the event tech industry through investment and our own development since 2019. Examples of investment are CREATIVE SURVEY Inc., a company offering survey services for use in finding participant satisfaction levels in seminars and events, and the event platform, EventHub Co., Ltd. Also, in August 2020, we made logmi, Inc., a company that operates transcription media for seminars and events, a Group subsidiary. As for our own development, we have begun to provide "Smart Entry" for making the event registration process easier and "Sansan Seminar Manager" to make operating and managing seminars easier for corporations. Within the "Eight" business network we have also developed "Eight ONAIR," which enables the broadcasting of events and the ability to attract participants.

As a result, we have been able to develop a portfolio of services to solve the issues that arise at each stage of a seminar and event, from overall management to the moments before, during, and after events. Currently, this is an aggregation of individual services, however, in the medium term we envision the provision of an integrated package of services and a system to technologically support events from all directions. While we are still newly creating our event tech business in Japan, within three years we aim to have a total of 3,000 companies adopting our services.

B2B Seminar Management System: "Sansan Seminar Manager"

Traditionally, there have been various issues with holding business events and seminars such as "the effort it takes to hold them and in ability to accurately register and manage attendees." In response to these issues, "Sansan Seminar Manager" provides a range of seminar operation services from application page creation and attendee forms, to reception, holding of webinars, and collating questionnaires. Through this, we help achieve high-quality event management and the development of accurate databases of attendees, and support user companies in efficiently and effectively managing seminars.



CSV Activities

Utilizing Our Core Business to Contribute to Solving Social Issues

The Group believes sustainably growing our business will lead not only to solving social issues, but also maximizing shareholder and corporate value. We are engaged in creating shared value (CSV) activities to solve social issues through our core business activities, under the concept of "NOW," which is "Not someday. Get started now!"

Not someday. Get started now!

We believe it is vital to begin to take action through our core business activities to help to solve issues precisely because our company is still growing, instead of waiting until we have grown larger.

Support based on our size

By recognizing the importance of sustainable support activities, we will continue to give support that is the right fit for our company through our business activities.

Embodying our corporate mission

Similar to our business activities, we also implement our CSV activities under "NOW" as an embodiment of our corporate philosophy, including our mission and values.

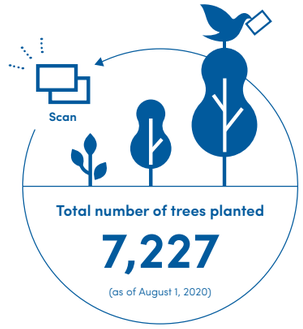
Our Approach to the Sustainable Development Goals (SDGs)

We have organized the Group approach and activities regarding the SDGs as adopted by the United Nations.

Systems and Working Environment to Support Women's Careers	In order to achieve our corporate mission and accelerate corporate growth, we believe it is vital for every employee to maximize his or her output and maintain sustainable growth, and so we are working to establish environments to increase the productivity of employees. With regard to female employees, we promote the early return to work from maternity leave and childcare leave through a system that supports the enrollment in and attendance of—and commute to—kindergarten facilities by covering the entire cost of the facilities and partial cost of taxis, as well as a system to subsidize the cost of babysitters to support female employees balancing work and family.
Solving Company Issues and Contributing to Changes in Work Styles through Our Services	The Group services are a business platform enabling various cloud-based tasks. These services also promote companies' diverse work styles such as remote working, and—because they reduce time taken for work processes—contribute to creating new sales opportunities for companies by improving productivity and data utilization.
Contributing to an Information Technology Society	The Group handles business cards and other highly confidential business information, so information security is a matter of importance and we take measures to prevent information leaks and ensure security. In addition, "Sansan's" R&D department is continually researching and developing systems for both digitizing and utilizing data and releases several research reports every year. We will contribute to creating new innovations by utilizing these technological strengths.
Conserving Forests by Planting Trees: "Scan for Trees"	We recognize the social importance of restoring natural capital in order to maintain sustainable business activities, and are carrying out our CSV activity, "Scan for Trees," through our core business. We plant one tree—in areas in Japan impacted by disasters—every time the total number of business cards digitized via "Sansan" reaches the equivalent of one tree. We have now planted a total of 7,227 trees (as of August 1, 2020).
Service to Strengthen Corporate Compliance	One of "Sansan's" optional functions is the ability to comprehensively check uploaded business card information for any connection to anti-social forces. "Sansan" users can automatically check for anti-social connections by simply scanning a business card with their dedicated scanner or smartphone application. Thus, we reduce the workload of employees responsible for legal affairs, help companies avoid certain decisions when deciding whether it is safe to do business with an individual, and minimize management risk. Through this service, we are supporting companies in strengthening their corporate compliance.
Supporting NPO Activities: "Sansan for NPOs"	To ensure non-profit organization can use "Sansan" services over the long term, we customized special pricing plans for NPOs. We are contributing to solving social issues by supporting the activities of a variety of NPOs.

Scan for Trees

"Sansan" plants one tree every time the total number of business cards—digitized in our cloud-based business card management service for corporations—reaches the equivalent of one tree. So far, we have planted trees in areas in Japan affected by disasters such as Miyako City, Iwate Prefecture, and Osaki City, Miyagi Prefecture. Through business cards, the origin of our services, we are working toward the restoration of forests and of those areas affected by disasters.





Tree Planting Activities in 2019: Osaki City, Miyagi Prefecture

Since the Great East Japan Earthquake and tsunami of 2011, the land formerly harvested for hay in Osaki City, Miyagi Prefecture was left abandoned and unharvested as a result of decreased demand for pastureland after the withdrawal of local livestock farmers. On one block of pastureland, we planted 300 trees in November 2019. This tree planting initiative, after the trees have grown for the next several decades, will restore the forest in this abandoned pastureland, and the abundant water resources cultivated by the forest will benefit farmland and help replenish peoples' lives.

Sansan for NPOs

We give support to NPOs through the Group services. Our B2B business card-based contact management service, "Sansan," which has been widely adopted by small businesses of several employees and major corporations and government agencies, is also provided in an NPO service plan with a customized special pricing plan so that NPOs can continue to utilize the services over the long term. When NPOs engage in social contribution activities, it is important to build long-term relationships with the government and philanthropists. At the same time, NPOs often do not have sufficient resources for managing contacts. By creating a pricing plan that makes it easier to adopt "Sansan," with its focus on business cards and various functions that go beyond just managing and sharing contacts, we support the social contribution activities of NPOs.

Japan Blind Football Association

The Japan Blind Football Association—that pursues a vision of a society in which everyone can lead fulfilling lives regardless of visual impairment—has been using "Sansan for NPO" since 2010 to attract participants in order to raise greater awareness of blind football. After the introduction of the system, the NPO was able to share contacts, which had previously been unstandardized, and better visualize its sales activities. While experiencing improvements in the workflow to attract participants and increased productivity, the organization has also reported that their exposure in the media has increased as a result of marketing activities using the "Sansan" bulk email function.

Yoiko for CSR

We have a program "Yoiko for CSR" through which we support socially beneficial activities that are planned and carried out by our employees. When a group of three or more employees engages in social contribution activities, our support system includes special leave for CSR activities, support for activity expenses, and permission to use our business sites nationwide. The objective of this initiative is to raise the company's social value through "NOW," and to improve productivity by promoting interaction among employees.

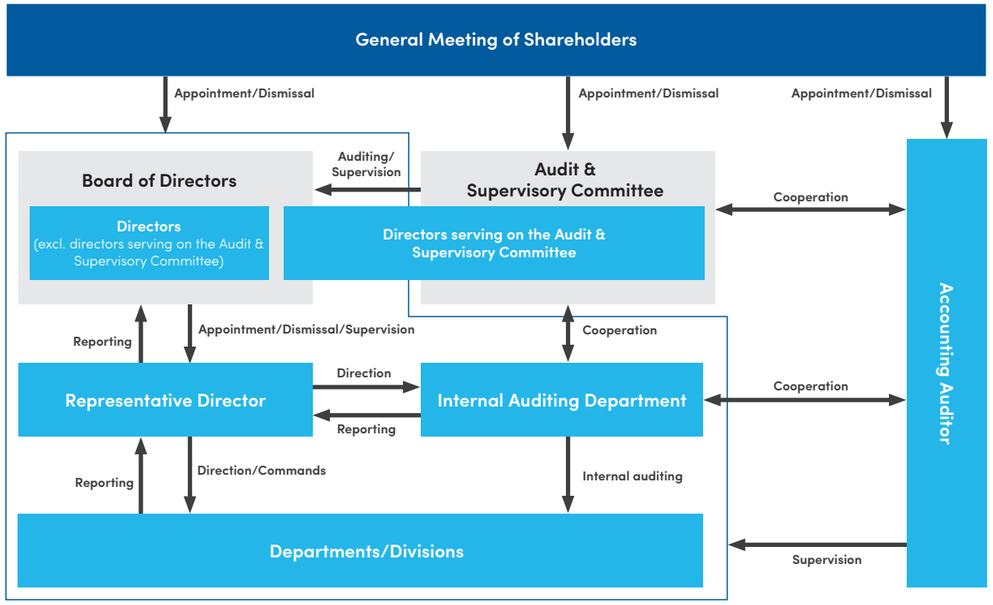


Corporate Governance

Establishing a Governance Structure to Secure Soundness and Transparent Management

The Group will maximize sustainable corporate value and contribute to society while recognizing the importance of gaining the continued trust of all stakeholders. Under this kind of approach, we adopt a corporate system that establishes an Audit & Supervisory Committee with the aim of further enhancing corporate governance and further improving the soundness and transparency of management. To this end, we will strengthen the supervisory function of the Board of Directors. We will secure the transparency of management decision-making and the supervision of business execution by having an Audit & Supervisory Committee. At the same time, we will establish an internal control system based on the Basic Policy on Internal Control Systems determined by the Board of Directors and ensure its thorough operation while striving to maintain and strengthen corporate governance.

Corporate Governance System



Board of Directors

The Board of Directors consists of 10 directors, including 4 directors who are members of the Audit & Supervisory Committee. All directors who are members of the Audit & Supervisory Committee are outside directors. The Company has invited as outside directors persons such as those with experience as a director at other companies and legal experts with a detailed knowledge of corporate legal affairs and compliance. The Company has established a system that enables outside directors to conduct management decision-making from a broader perspective and to supervise management from outside the Group, while utilizing their insights on corporate management based on their wealth of business experience. In order to conduct effective and prompt decision-making, the Board of directors holds a regular Board of Directors meeting once a month in principle, as well as holding extraordinary meetings as needed. The Board of Directors functions both as a body for supervising the operations of directors and a body for making decisions on important management matters, in compliance with the Articles of Incorporation and laws and regulations. The outside directors attended all meetings of the Board of Directors in fiscal year 2019 and offered advice and recommendations.

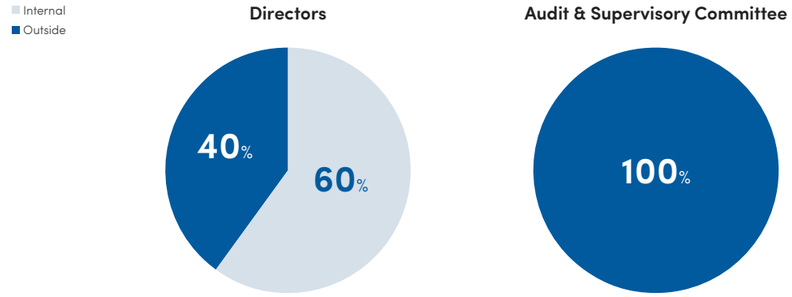
Audit & Supervisory Committee

The Company's Audit & Supervisory Committee comprises 4 directors who are members of the Audit & Supervisory Committee. All Committee members are outside directors. Directors who are members of the Audit & Supervisory Committee include attorneys, persons with executive experience at other companies, or persons who possess an independent perspective on corporate management. Thus, we have established a structure in which management supervision is conducted from the standpoint of each committee member's professional ethics. Directors who are members of the Audit & Supervisory Committee express opinions on directors' execution of business at meetings of the Board of Directors and other meetings. The Audit & Supervisory Committee monitors the vision of governance and its operational status. In order to audit and supervise the everyday activities of the directors, including the directors' performance of duties, the Audit & Supervisory Committee implements audits based on the audit plan and holds meetings of the Audit & Supervisory Committee once a month while convening meetings with the Internal Auditing Department and accounting auditors, and sharing information necessary for auditing.

Status of Attendance of Outside Directors at Board of Directors and Audit & Supervisory Committee Meetings in the Fiscal Year Ended May 31, 2020

Name	Board of Directors	Audit & Supervisory Committee
Yasuko Yokosawa	100%	100%
Toru Akaura	100%	100%
Osuke Honda	100%	100%
Yoshiki Ishikawa	100%	100%

Ratio of Outside Directors (fiscal year ended May 31, 2020)



Outside Directors and Independent Officers

All four directors who comprise the Audit & Supervisory Committee are independent outside directors under Japanese corporate law. The Group's policy is to select outside directors who have executive experience at other companies, or who are legal experts in corporate legal affairs and compliance, and who can be expected to express their opinions on overall corporate management based on their wealth of practical experience. The Group has also appointed two outside directors as independent officers in accordance with the standards such as those for independent officers stipulated by the Tokyo Stock Exchange, Inc.

Outside Directors and Reason for Appointment



Yasuko Yokosawa Independent

Outside Director/Audit & Supervisory Committee Member

As a counselor at TMI Associates, Yasuko has specialized knowledge in areas such as corporate legal affairs and compliance, as well as business knowledge gained through her experience of being dispatched to a major IT company. Therefore, we have selected her with the expectation that she will provide opinions based on her understanding of the Group business domain.



Toru Akaura

Outside Director/Audit & Supervisory Committee Member

As a general partner at Incubate Fund, Toru possesses many years of professional experience in the venture capital business together with a wealth of experience as a director of other companies and has cultivated broad insights through these experiences. He is appointed as an outside director in the anticipation that he will offer advice and suggestions about all areas of management. Also, in addition to Toru holding 430,000 general shares of Sansan, Inc. (as of May 31, 2020), we are invested in funds that Toru has an indirect relationship with. Besides this, Toru has no interests with the Group including personal relationships, capital relationships, or trading relationships.



Osuke Honda

Outside Director/Audit & Supervisory Committee Member

As a general partner of DCM Ventures, Osuke possesses diverse professional experience in the venture capital business together with a wealth of experience as a director of other companies and has cultivated broad insights through these experiences. He is appointed as an outside director in the anticipation that he will offer advice and suggestions about all areas of management. DCM Ventures, which Osuke is affiliated with, operates the A Fund, L.P., the DCM Ventures China Fund (DCM VII), L.P., and DCM VII, L.P., which, as of May 31, 2020 held a total of 2,770,000 general shares of Sansan, Inc. Besides this, Osuke has no interests with the Group including personal relationships, capital relationships, or trading relationships.



Yoshiki Ishikawa Independent

Outside Director/Audit & Supervisory Committee Member

Yoshiki possesses a wealth of specialist knowledge as a Doctor of Medicine and as a data scientist in the data analysis and utilization domain. He is appointed as an outside director in the anticipation that he will offer advice and suggestions from his perspective as a business person, cultivated through his professional experience in founding his own company and in being involved in company management. Moreover, before becoming a director of the Group, the company Yoshiki belongs to was contracted by the Group for consulting and analysis work, however, since being appointed as a director of the Group, these contracts have been dissolved. Besides this, Yoshiki has no interests with the Group including personal relationships, capital relationships, or trading relationships.

Efforts to Ensure that the General Meeting of Shareholders is Active and that Voting Rights Are Exercised Smoothly

Early Notification of the General Meeting of Shareholders	The Group endeavored to promptly send the Convocation Notice at least three weeks prior to the date of the 13th Annual General Meeting of Shareholders.
Scheduling the General Meeting of Shareholders to Avoid Peak Days	The Group has scheduled its General Meeting of Shareholders for August, when other companies' general meetings of shareholders are not expected to be held. The Company will avoid scheduling its General Meeting of Shareholders on peak days so that as many shareholders as possible can attend.
Allowing Electronic Exercise of Voting Rights	The Group has made it possible to exercise voting rights via the Internet beginning with the 13th Annual General Meeting of Shareholders in order for every shareholder to actively exercise voting rights.
Participating in the Electronic Voting Platform and Other Efforts to Encourage Institutional Investors to Exercise Their Voting Rights	The Group has commenced the utilization of the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc. beginning with the 13th Annual General Meeting of Shareholders.
Providing Convocation Notice in English	The Group posts the Japanese and English versions of the Convocation Notice on the Company's website on the same day.
Others	In order to ensure sufficient time for shareholders to consider the agenda, to stimulate activity at the General Meeting of Shareholders, and to facilitate the exercise of voting rights, the Group began posting the Convocation Notice on its website prior to sending the Convocation Notice from the 13th Annual General Meeting of Shareholders.

IR Activities

Preparation and Publication of Disclosure Policy	We strive to provide shareholders and investors with information in a transparent, fair and continuous manner. Our basic policy on investor relations (IR) activities and information disclosure methods are posted on our website.
Regular Investor Briefings for Individual Investors	We believe this is a matter that should be considered going forward.
Regular Investor Briefings for Analysts and Institutional Investors	The Representative Director and CEO and Directors hold financial results briefings for analysts and institutional investors four times a year (once every quarter), and provide explanations on business results, management policy, and other matters. Furthermore, the video and script of these briefings are posted on the IR section of our website.
Regular Investor Briefings for Overseas Investors	The presentation materials on financial results with attached English script are posted on the IR section of our website. Furthermore, the Group provides information to overseas institutional investors in Europe, the Americas, Asia, etc. through telephone conferences, conferences, etc., and in November 2019, the Representative Director and CEO and Executive Officers visited institutional investors in North America.
Posting of IR Materials on the Website	The Group posts various IR materials on our website, such as financial briefings, timely disclosure materials, securities reports, quarterly financial briefing, notice of the Annual General Meeting of Shareholders, presentation materials for the General Meeting of Shareholders, presentation material on financial results, supplementary presentation material on financial results, and frequently asked questions. The main IR materials are disclosed in Japanese and English at the same time.
Establishment of the Department (and Head) of IR	IR Lead: Muneyuki Hashimoto, Director, CFO, Managing Executive (Finance & Accounting Department) IR Department: IR Group

Directors (excluding directors serving on the Audit & Supervisory Committee)



Chika Terada
Representative Director & CEO

Chika began his career with Mitsui & Co., Ltd. After moving to the IT Marketing Division, he relocated to Silicon Valley to work with local venture companies to develop their Japan-focused businesses. After returning to Japan, Chika launched an internal venture and worked for an affiliated company, after which he founded Sansan, Inc. in 2007.



Kei Tomioka
Director, Managing Executive (Sansan Division)

Kei began his career with Oracle Corporation Japan, and was based in Shanghai and Bangkok to take charge of market development across Greater China, Southeast Asia, and India. Since cofounding Sansan, Inc. in 2007, Kei has headed up the Sansan Division, and also currently leads the Group's global expansion.



Kenji Shiomi
Director, Managing Executive (Eight Division)

At Bussan System Integration Co. Ltd. (now Mitsui Knowledge Industry [MKI]), Kenji was responsible for designing and developing digital satellite broadcasting systems and mail systems for major mobile phone carriers. Kenji cofounded Sansan, Inc. in 2007 and currently manages business strategy as head of the Eight Division.



Satoru Joraku
Director, CISO*1, DPO*2,
Managing Executive (DSOC*3)

Satoru cofounded Sansan, Inc. in 2007 and he initially led the product development of the B2B business card-based contact management service, "Sansan." Currently, he serves as the Director of Sansan's research hub DSOC, which conducts the analysis and application of the collected data, as well as the refining of the digitization technology, whilst also driving and implementing the internal security measures as CISO.



Yuta Ohma
Director, CHRO*4,
Managing Executive (HR Department)

Yuta began his career with a venture company in recruitment, where he gained experience in launching a consulting service. He subsequently became involved in starting a recruitment company. Yuta joined Sansan, Inc. in 2010 as a manager in sales, and later served as the head of HR. He was appointed Director and CHRO in 2019 to develop strategies in optimizing the value of its workforce.



Muneyuki Hashimoto
Director, CFO, Managing Executive
(Finance & Accounting Department)

Muneyuki worked for foreign securities companies in Tokyo and New York for nearly nine years, providing M&A and finance advisory services. Subsequently, he moved to a group company of the Development Bank of Japan to work in investment management. He joined Sansan, Inc. in 2017 and was appointed Director and CFO in 2020 to lead the Group's financial strategy.

Directors of the Audit & Supervisory Committee



Yasuko Yokosawa
Independent

Outside Director, Audit & Supervisory Committee Member

Yasuko is a Legal Counsel at TMI Associates. Having registered with the Dai-Ichi Tokyo Bar Association in 2002 and working with a major IT company, she has been in her current position since 2017. In August 2018, she assumed the position of Outside Director of Sansan, Inc. Possessing specialist knowledge, including with regard to corporate legal affairs and compliance, she advises principally on legal matters.



Toru Akaura
Outside Director, Audit & Supervisory Committee Member

Toru is a General Partner at Incubate Fund. Following his involvement in investment development tasks at Japan Associated Finance Co., Ltd. (now JAFCO Co., Ltd.), he founded his own venture capital company. He has been in his current position since September 2010. Having assumed the position of Outside Director of Sansan, Inc. in August 2007, he makes general management recommendations.



Osuke Honda
Outside Director, Audit & Supervisory Committee Member

A General Partner at DCM Ventures, Osuke previously worked at Mitsubishi Corporation and then at Apax Globis Partners & Co (now GLOBIS CAPITAL PARTNERS & Co.). Having assumed the position of Outside Director of Sansan, Inc. in April 2018, he draws on his extensive experience of investment and business management in making general management recommendations.



Yoshiki Ishikawa
Independent

Outside Director, Audit & Supervisory Committee Member

A public health researcher and doctor, Yoshiki is currently active in the field of behavioral and data science. He also possesses experience in business startups, having been a director with several companies. He assumed the position of Outside Director of Sansan, Inc. in January 2019. In addition to his knowledge in the field of data analysis and utilization, he makes general management recommendations.

Executive Officers

Koichi Ikegami
Executive Offcer, Managing Executive
(General & Legal Affairs Department)

Takuya Ishimoto
Executive Officer, Eight Division,
Head of Marketing Solutions Department

Hirofumi Ohtsu
Executive Officer, CPO, Managing Executive
(Product Strategy Team)

Katsuya Ohnishi
Executive Officer, Bill One Division Head

Yasumasa Ogawa
Executive Officer, Eight Division,
Head of Eight Career Department

Yousuke Kato
Executive Officer, Sansan Division,
Head of Enterprise Sales Department

Hiroshi Senju
Executive Officer, Sansan Division,
Head of Global Sales Development
Department; CEO, Sansan Global PTE. LTD.

Yo Tanaka
Executive Officer, Managing Executive
(Office Strategy Department),
Sansan Division Deputy Head

Yasushi Tanabe
Executive Officer, CBO, Managing Executive
(Brand Communication Department)

Kyosuke Nishizawa
Executive Officer, Sansan Division,
Head of Business Strategy,
Sales Development, and Customer Success

Yuki Hayashi
Executive Officer, Managing Executive
(Business Development Department)

Shigemoto Fujikura
Executive Officer, CTO

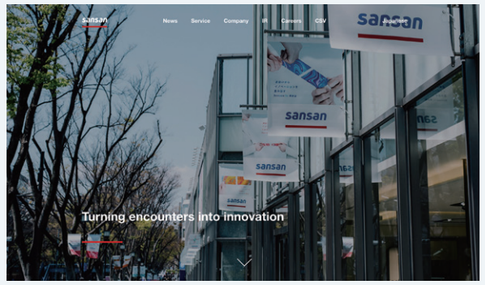
*1 CISO: Chief Information Security Officer
*2 DPO: Data Protection Officer
*3 DSOC: Data Strategy and Operation Center
*4 CHRO: Chief Human Resources Officer
*5 CBO: Chief Brand Officer

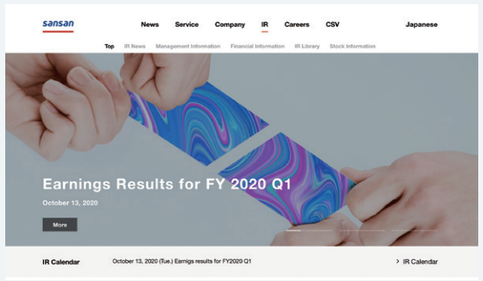
Independent Independent Director

Company Information (as of May 31, 2020)

Legal name:	Sansan, Inc.
Established:	June 11, 2007
Location of Omotesando Head Office:	Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo 150-0001, Japan
Employees:	713 (consolidated)
Capital:	¥6,236 million

Corporate Website





https://www.corp-sansan.com

Share Information (as of May 31, 2020)

Basic Information

Stock code:	4443
Exchange:	Tokyo Stock Exchange, Mothers
Fiscal year:	June 1 to May 31 of the following year
Record date of surplus dividend:	Interim dividend: November 30 End of term dividend: May 31
Annual General Meeting of Shareholders:	Within three months of the end of the fiscal year
Manager of shareholder register:	Tokyo Securities Transfer Agent Co., Ltd.
Share unit number:	100 shares
Method of public notice:	Electronic public notice*

*However, if due to unforeseen circumstances such as an incident preventing online notification, a public notice will be published in *The Nikkei* newspaper.

Share Status

Total number of shares issued:	31,138,853
Total number of shareholders:	2,844

Shareholder Composition

