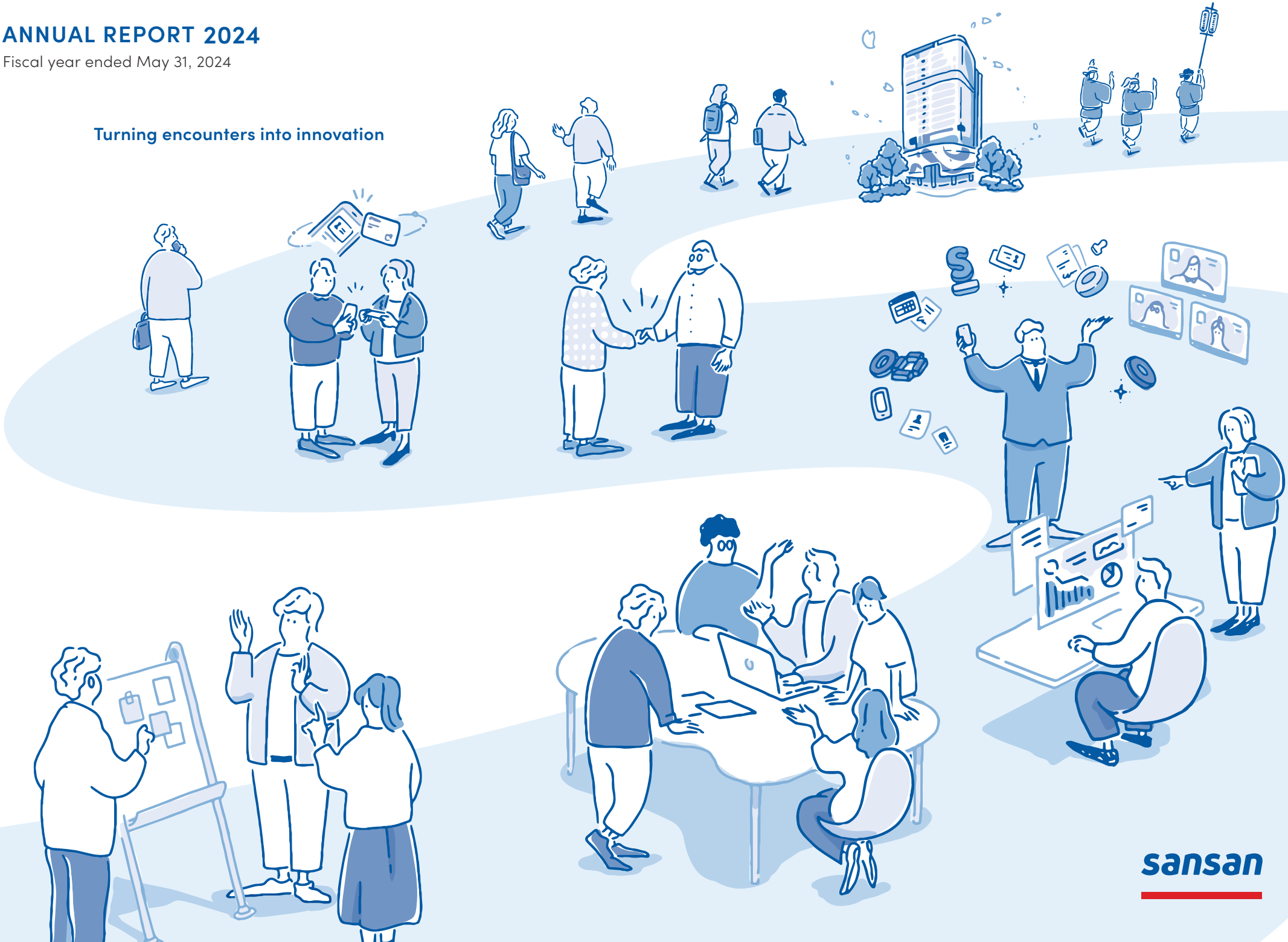
ANNUAL REPORT 2024

Fiscal year ended May 31, 2024

Turning encounters into innovation



sansan

Our Philosophy

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.

Vision

Become business infrastructure

Transport networks, electrical grids, the internet.
These are some of the roads of society.

We believe another road is possible.
A new form of infrastructure for the business world.

This road connects people with people, companies with companies,
and turns everyday business into innovation.

We aim to be that new road, that business infrastructure.

Values

Face your mission and love your work
Lead the customer
Anticipate the experience
Make decisions with determination and intent
Find a faster way
Leverage all strengths
Appreciate and be inspired
Don't fear change, and challenge yourself

Premise

Balancing security and convenience



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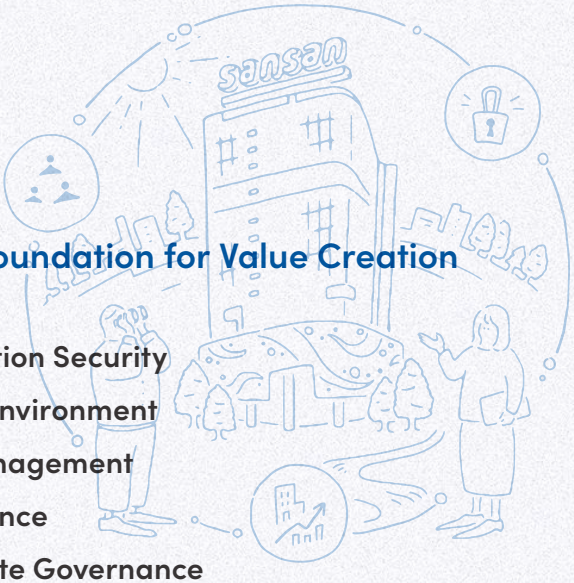

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Editorial Policy

Reporting period | FY2023 (June 1, 2023 to May 31, 2024)　**Organization scope** | Sansan, Inc. and group companies

Key Points of the Annual Report 2024

In our 2024 report, we have strengthened both quantitative and qualitative disclosure with a focus on a medium-to-long-term perspective to more concretely communicate the future vision our group aims to achieve. We have also sought to clearly explain how our sustainability initiatives are linked to strengthening corporate value and driving business growth. Also, while we had previously enhanced the directors' messages to convey the culture and spirit of the company, we have now also incorporated more employee, we have incorporated more employee insights to provide authentic explanations.

The cover illustration outlines the current outlook and initiatives we are undertaking as we enter a new phase. It shows how we look ahead to achieving our vision, debate our purpose, and evolve our solutions, and the employees who engage with this corporate culture.

Past Annual Reports



☐ Annual Report 2020

Our first annual report aimed to concisely communicate information including our company overview, strategies, and management foundation.



☐ Annual Report 2021

Our second annual report focused on enhancing non-financial information, covering sustainability policies and ESG initiatives.



☐ Annual Report 2022

Our third annual report emphasized including more direct voices through messages from people inside and outside the company to better communicate our value creation narrative.



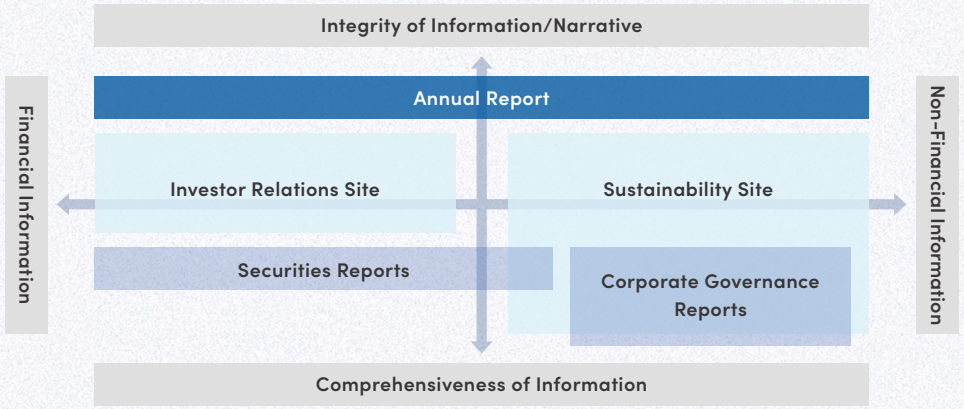
☐ Annual Report 2023

Our fourth annual report structured the information around our material issues (priority issues), using long-term, medium-term, and short-term timelines to provide a deeper understanding of our value creation activities.

Reference Guidelines

- ☐ International Integrated Reporting Framework (IIRF)
- ☐ Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- ☐ Global Reporting Initiative (GRI) Standards
- ☐ SDG Compass
- ☐ Guidance for Collaborative Value Creation
- ☐ Sustainability Accounting Standards Board (SASB) Standards
- ☐ World Intellectual Capital/Assets Initiative (WICI) Resources

Information Disclosure System



▼ Please refer to the Investor Relations Site.
https://ir.corp-sansan.com/en/ir.html

▼ Please refer to the Sustainability Site.
https://www.corp-sansan.com/sustainability

Disclaimer Regarding Forward-Looking Statements

This report may contain future assumptions, prospects, and forecasts based on plans. These forward-looking statements are based on the information available at the time of the report's preparation and on certain assumptions we accept as reasonable. 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 the like; and other future factors. Therefore, the actual performance announced may vary depending on these factors. The Company assumes no responsibility for any damage caused through the use of information in this report. Additionally, regarding new information and future events, the Company has no obligation to revise or officially announce revisions to the future prospects in this report.

Continuing to Create New Value That Will Change the World

Representative Director, CEO, CPO
Chika Terada

We will continue to offer value that only we can create, achieving strong growth in our new stage.



Business Environment in FY2023

In May 2023, COVID-19 was downgraded to a Class 5 disease under Japan's Infectious Disease Control Law, and this past year did indeed mark the beginning of the post-COVID business environment. Two years ago, in our Annual Report 2022, I reflected on FY2021, a year when face-to-face encounters nearly vanished. I stated that I was responsible for ensuring we shifted gears and turned COVID-19 into a growth opportunity. I believed that, looking back, our efforts during the pandemic would prove to be a major turning point. We proceeded to overhaul Sansan, Bill One, and Eight. In FY2022, we returned to our pre-pandemic divisional system and focused on maximizing sales in each business to break through to a higher growth stage.

Looking back on the business environment this past year, as the overall economy recovered from the pandemic, we see Sansan experience a substantial change with the return of business card use. The same was true for Eight. For Bill One, which had been enjoying a strong tailwind leading up to the launch of Japan's invoice system in October 2023, we experienced considerable environmental changes, including the end of the last-minute surge in demand that coincided with the launch.

Moreover, businesspeople have become much better at knowing how best to use online or offline interactions, after their various attempts to use online platforms for different purposes, from meetings to social gatherings, during the pandemic. Compared with then, companies have become more genuinely enthusiastic and proactive about digital transformation (DX). At Sansan, our mission is "Turning encounters into innovation," and we have focused on the fundamental value of leading our customers' DX efforts in their business operations.

Review of FY2023

In FY2023, both net sales and adjusted operating profit[1] showed strong performance. The growth rate of net sales is our most important management indicator, and in FY2023, net sales exceeded the upper limit of the initial forecast range (28–32% year-on-year increase), accelerating to 33.8 billion yen, a 32.8% YoY increase. Adjusted operating profit reached 1.7 billion yen, an 81.5% YoY increase, surpassing the midpoint of our initial forecast range.

Sansan bolstered its sales system while recruiting new talent to reignite growth in the post-COVID era. Looking at the past two years, we see that Sansan's sales productivity[2] has improved by about 13% and the number of subscriptions shows robust growth, leading to solid sales increases.

Bill One continued to show high growth, with ARR[3] surpassing the initial target of 7 billion yen, going beyond 7.6 billion yen. Even after the new invoice system came into effect and orders driven by external factors decreased, we continued to achieve high sales growth by promoting Bill One's fundamental value as an accounting DX solution that facilitates fast monthly closing.

Eight achieved quarterly profitability in FY2022, and we aimed to achieve full-year profitability in FY2023. Strong performance of B2B solutions, supported by more subscriptions, price revisions, and steady growth in B2C, led to increased revenue. By shifting to business operations focused on profitability, we achieved full-year profitability for the first time since the service's launch, meeting our goal. Eight's next target is to achieve profitability when including allocated corporate expenses, while continuing sales growth.

While our overseas business has yet to reach a scale where its status warrants a full explanation, we have still made progress. We opened Sansan Global Development Center, Inc. in Cebu, Philippines, we are recruiting engineers, and we established an office in Bangkok, Thailand, to strengthen sales. We are gradually increasing our new customer base.

With Eight achieving profitability and Bill One showing strong growth as a new pillar of our business, our strategic focus is on creating the next growth driver for the medium-to-long term. We already have several new solutions, including those from group companies such as CREATIVE SURVEY. Now, we need to focus on whether we can genuinely set these on a growth trajectory. If we determine that we can develop them as a third pillar alongside Sansan and Bill One, we will actively invest management resources in them. We are currently at the stage of nurturing these solutions to prepare them for such an investment mode.

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)
[2] Orders per field salesperson
[3] ARR: Annual recurring revenue

Seizing Environmental Changes as Opportunities to Strengthen Our Business Foundation



Growth Strategies for Sansan and Bill One

While strengthening our solutions and improving sales productivity, in FY2023, we focused on recruiting talent to strengthen Sansan's sales system. We increased our field sales personnel by about 29% and are making progress in developing these new hires into effective team members. In addition to acquiring new customers, we've made steady progress upselling to existing customers, consistently achieving negative churn.[1] Although Sansan's business growth has accelerated again after the pandemic, usage is still limited in many companies. Sansan's user base currently represents only about 4% of Japan's total working population. Even within Japan alone, there is potential for several dozen-fold expansion. We will focus on both new customer acquisition and upselling to existing customers to continue maximizing business growth.

To grow the Bill One Business further, we will continue strengthening its sales system while adding new features to expand its applicable domains. Since launching Bill One in May 2020, this solution has mainly grown around its invoice-receiving function. In February 2022, we added an invoice-issuing function, and in June 2023, we entered the FinTech domain by introducing a corporate credit card. From June 2024, we began offering Bill One Expense, an expense settlement function using the Bill One Business Card. And from September 2024, we started providing a payment reconciliation function that covers the entire process from invoice issuance to reconciliation. In our sales activities for Bill One Expense, we've been greatly encouraged by the positive feedback, with customers expressing strong support for its concept of "Eliminate reimbursed expenses for fast monthly closing." By the end of FY2023, Bill One had acquired more than 2,800 paid subscriptions, and the number of companies in the invoice network connected to Bill One reached about 182,000. However, as there are approximately two million companies in Japan, Bill One's rapidly expanding network is still small compared with the total potential market. Like Sansan, Bill One has ample room for growth, facing a target market that could be several dozen times larger than its client base.

[1] A state where the increase in revenue from existing subscriptions exceeds the decrease in revenue due to service cancellations

Focusing on the Fundamental Value of Our Solutions to Reignite Strong Growth



Medium-Term Financial Policy Through FY2026

Until recently, we aimed for a sustained growth rate in the mid-20% range or higher for our medium-term sales outlook. At the beginning of FY2024, we announced our medium-term financial policy for the three years through FY2026, projecting a sales compound annual growth rate (CAGR) of 22–27% over the three years and an adjusted operating profit margin of 18–23% for FY2026. We formulated and announced these figures with confidence in our ability to achieve them. At the same time, this financial policy should not hinder our essential business growth, investments, and management initiatives.

The capital markets have received our financial policy positively, and we're often asked what our business portfolio might look like in three years. However, rather than imagining medium-term figures as the sum of individual businesses such as Sansan, Bill One, and Eight, I think of them in terms of what we can achieve by constantly directing management resources to our most productive solutions. Our past experience informs this approach. During the pandemic, when Sansan's sales struggled and productivity declined, we achieved growth by flexibly shifting sales resources to Bill One and optimizing their allocation. In publishing our medium-term financial policy, we decided to provide some underlying guidance on our growth potential simulations, given the increased communication opportunities with the capital markets through strengthened IR activities.

Regarding the outlook for FY2026, we are confident that, as long as we can continue our current practices, we can even exceed these projections. These practices are about producing innovation. We pride ourselves on proposing unique added value to society that only we can provide and turning it into successful businesses. Even now, we continue to take on innovative challenges one by one, asking ourselves, "Can we create a solution from a different angle with Sansan?" and "Can we develop a solution with Bill One to solve these issues?" Products drive innovation. I am deeply committed to solution development and also serve as Chief Product Officer (CPO), which gives me confidence in our medium-term outlook.

First, we will strive to exceed the performance forecast we've set for FY2024, aiming to deliver solid results. Based on these results, when formulating the outlook for the following fiscal year, we will develop our solutions with the goal of providing an even more optimistic outlook than that in the figures shown in this financial policy. In FY2024, we will focus on strengthening our solutions and creating innovation by expanding Bill One's functions, in what we call Model 4, and through new solutions now being developed for Sansan.



Embracing the Challenge of Creative Destruction of Products

Serving the dual roles of CEO and CPO can bring unique aspects, but there are also drawbacks from being unable to dedicate myself full-time to CPO duties, which can be frustrating. Innovation stems from products, and I recognize the importance of developing a suitable CPO, including from a succession-planning perspective.

However, as CPO, in addition to reaching Model 4 with Bill One, I've recently found myself wanting to devote all my available time to revisiting the concept of Virtual Cards. Currently, Virtual Card Exchange is possible between Sansan users and between Eight users. However, it's not yet a societal standard. With physical business cards, you don't need to ask if someone uses them before the exchange, but with digital ones, you need to ask, "Do you use Sansan or Eight?" This gets in the way of widespread adoption. My highest priority now as CPO is creating an experience where even those who don't use Sansan or Eight can receive Virtual Cards smoothly. Our users should be able to give out Virtual Cards as a "quasi-business card," alternative to paper ones. I believe we can start moving mountains once we refine this experience and clarify the reasons for companies to promote Virtual Cards.

Our company has been digitizing paper business cards, but looked at another way, you could say we're digitizing information that was originally data and then printed on paper. Paper business cards are certainly convenient and have underpinned our business, and with the end of the pandemic and the return of paper business cards, our business environment has recovered. Nevertheless, I want to achieve complete digitization of business cards. Paper business cards also fall within the scope of our creative destruction, and we are striving to develop a product for that.

Passing on Our Corporate Culture

We have disclosed our medium-term financial policy, but if there is anything that could hinder our business growth, it would be when innovation stopped at our company. We continue to work toward creating innovation and investing resources in highly productive solutions. Corporate culture is crucial to keeping innovation going.

We have actively expanded our workforce over the past few years, with about half of our current employees joining within the last three years. Maintaining and strengthening our innovation-driven corporate culture while quickly developing these new colleagues into effective team members is our immediate management challenge.

We have always valued being a mission-driven company. Our mission is "Turning encounters into innovation." We also have the "Katachi of Sansan," which includes our vision (the ideal we aim for), values (code of conduct), and premise (the basic assumption in our work). We conduct comprehensive training to ensure that all new members understand and share these elements of our corporate philosophy. During this training, I personally take the opportunity to engage in dialogue with members who are two to three months into their employment. While it's difficult to gauge whether the culture is being maintained and strengthened from these interactions alone, at company-wide events such as our all-hands meetings held several times a year, I can see our members united as one and confirm that our mission-driven corporate culture is indeed being firmly upheld.

As CEO, my opportunities for direct dialogue with all employees within the organization are limited. However, since founding the company, I've consistently strived to fully engage with anything happening within a 5-meter radius around me. I say what needs to be said and step to the front lines when I feel something isn't right.

What presence do we want to have, and should we have, in society? Embracing our purpose and passing on a strong culture



Looking Ahead to the Next 100 Years

Over the past year, we've had company-wide discussions about our purpose, envisioning where we should be 100 years from now. While we typically prioritize fast decision-making, we are deliberately taking our time to discuss this purpose.

In the 17 years since our establishment, we've valued being a mission-driven company, constantly pursuing growth without stopping innovation. This direction will not change, but the word "mission" carries a nuance of something to be completed. Looking 100 years ahead, we wanted to consider a purpose with a more abstract, lasting connotation, which is why we initiated these discussions.

As with previous revisions to our mission and values, we are involving as many employees as possible, regardless of their tenure, in these purpose discussions. We are debating various aspects: the role of our purpose, how it differs from our mission, how to interpret it, and the specific language to use in describing it. We have just entered the third phase of these discussions. While all employees are involved, this isn't a democratic decision; ultimately, it will be a management decision based on everyone's input. We might solidify our direction by the end of 2024, but we have not set a strict deadline. We are open to continuing discussions into next year, and if our deliberations lead us there, we might even decide not to establish a formal purpose.

Fanning the Flame of Innovation

Having emerged from the COVID-19 pandemic with reignited business growth, we have entered what could be called our fourth phase, clearly distinct from the third phase we entered with our stock market listing in FY2019.

Last year, I mentioned in the Annual Report our vision for 100 years from now: to be a company with overwhelming originality and a definite presence in our field while maintaining our relative position as a listed company and IT company. This vision remains unchanged, and to realize it, we aim to continuously create new value that will change the world.

We see numerous opportunities for innovation, and our focus is simply to keep expanding on these. Innovation is not dependent on M&A or similar strategies. What may appear as discontinuous change is actually the result of continuous efforts, becoming visible only when the value we have created reaches a level that changes society. Therefore, it is crucial to accumulate innovations one after another.

For 17 years, I have approached digitization of business cards with the belief that "once a flame is lit, it can surely be made bigger. After all, it's already burning." At the core of this thinking is the conviction that companies fundamentally need innovation, which is why the continuous innovation of improving our solutions will make us who we are 100 years from now.

As the CEO, I recognize my responsibility as a catalyst for innovation. However, considering the company's evolution over a 100-year period, it's crucial to ensure that this catalytic role does not overly rely on any one individual.

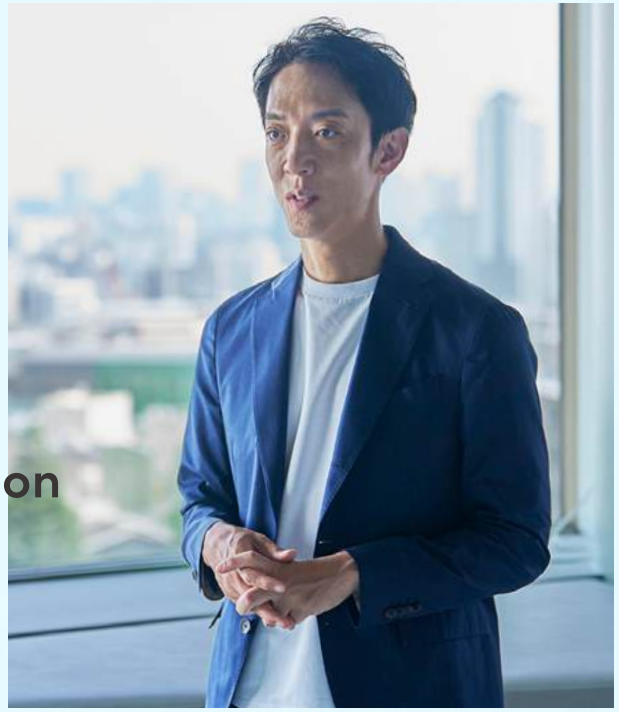
Fostering an Organization with a Growth Mindset

We continue to demand that our talent achieve results, which I firmly believe means providing them with growth opportunities. This year, I have been conveying to our staff that a growth mindset is a necessary attitude for achieving results.

A growth mindset is generally explained as the belief that a person's abilities can be developed through experience and effort. It might also be described as self-transformation ability or self-growth ability. All people, including me, have different facets to their personalities. Within me, there is a growth mindset side and its counterpart, a fixed mindset side. When a diverse group of individuals are placed in the Sansan organization and space, which side of themselves is more likely to be stimulated? I want us to be an organization where the growth mindset is stimulated and activated. Articulating this concept of a growth mindset was a significant evolution in fostering such a corporate culture.

If this culture becomes sustainable, taking also into consideration our succession planning for 100 years from now, it could be a substitute for the growth leadership that I have maintained so far.

Shaping Our Future
100 Years Ahead
Through Continuous Innovation



Sustainability Initiatives

Regarding sustainability, I am also the material issue owner for the key area "Conserve the Environment Through Business." Achieving carbon neutrality for Scope 1+2[1] emissions and reaching 120 million uses of paperless functions in our solutions are our long-term goals until FY2029 for addressing climate change issues and efficiently using natural resources. While our current business growth for Sansan and Bill One is sufficiently fast, as a human being, when I consider issues that could determine humanity's survival, such as climate change and the environment, I constantly wonder whether our efforts are enough. I continue to push our initiatives forward while reflecting on our efforts, because it's so difficult to feel like we are making enough of an impact.

[1] Scope 1 is calculated by aggregating direct GHG emissions from our own office and facilities. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office





To Our Stakeholders

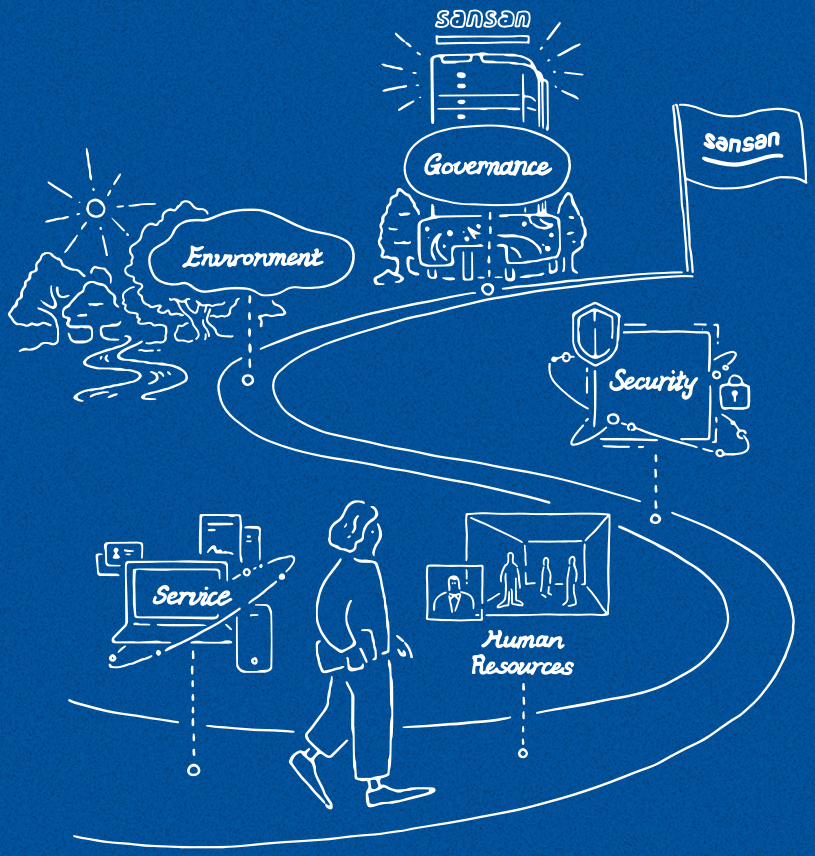
Having thought about our stakeholders for the five years we have been a listed company, I feel the most fundamental way to increase corporate value is to grow our business—nothing more, nothing less. We announced our medium-term financial policy and share buyback program partly because we wanted capital markets to factor in our future growth potential correctly. Admittedly, we also felt our stock was undervalued.

As CEO, I have actively engaged in IR meetings with Japanese and overseas investors. Particularly for overseas institutional investors, as there are no SaaS companies like ours outside Japan, I have explained our business environment and initiatives carefully and in detail, which I feel has broadened understanding and appreciation of our company.

We aim to continue creating innovations that produce new value and change the world. The value we have accumulated has reignited our business growth. While there is substantial room for growth in Japan alone, we want to be more ambitious and fan the flame of innovation globally, and we are willing to try any approach to achieve this. I invite all our stakeholders to watch as we move ahead, and I look forward to your continued support.

Representative Director, CEO, CPO

Chika Terada



Chapter 1

Value Creation Story

Chapter 1 explains our value creation process, including our business model, competitive advantages, and sustainability initiatives. It details what kind of value we create based on our management resources. As special features, we highlight initiatives aimed at realizing our long-term vision and provide an interview with the COO about the social value our solutions create.

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History of the Sansan Group



We have developed innovative technologies and operational practices to provide solutions that solve diverse challenges that companies and businesspeople face. Since FY2023, the 17th year since our founding, we have been in a stage of higher growth with a reigniting net sales growth rate.

2007	June	SAN SAN, Inc. founded (now Sansan, Inc.)
	September	Link Knowledge (now sales DX solution "Sansan") launched
2012	February	Eight: business card app launched
2013	April	Raised approximately 500 million yen through third-party allocation of new shares
	August	Broadcasted first Sansan TV commercial
2014	March	Relocated head office to Tokyo's Shibuya Ward and changed legal name to Sansan, Inc.
2015	October	Established group company Sansan Global Pte. Ltd. (Singapore)
2016	January	Raised approximately 2 billion yen through third-party allocation of new shares
2017	July	Raised approximately 4.2 billion yen through third-party allocation of new shares
2018	December	Raised approximately 3 billion yen through third-party allocation of new shares
2019	June	Listed on the Mothers Section of the Tokyo Stock Exchange and raised approximately 2.1 billion yen through a public offering of shares
	July	Raised approximately 4.7 billion yen through third-party allocation of new shares
2020	May	Cloud-based invoice management solution "Bil One" launched
	August	Acquired logmi, Inc. as a group company
2022	January	Contract database "Contract One" launched
2023	March	Acquired CREATIVE SURVEY INC. as a group company
	April	Established group company, Sansan Global Development Center, Inc. (Philippines)
		Acquired Institute of Language Understanding Inc. as a group company
2024	April	Established group company, Sansan Global (Thailand) Co.,Ltd.
	September	Relocated head office to Shibuya Sakura Stage



* The graph indicates net sales for fiscal years ended in May (figures prior to the year ended May 2016 are non-consolidated, while subsequent figures are consolidated)

Founding era (FY2007–2011)

Sansan, the company, was founded in June 2007 and we launched under the name Link Knowledge. It was a solution for managing and sharing business card information internally in companies. The Eight: business card app for individual professionals was launched in February 2012. Until FY2011, we worked on service development with little capital, as we had greatly limited access to financing.

Growth era (FY2012–2018)

Increased activity in the venture capital market from FY2012 made it easier for unlisted companies to raise funds. We capitalized on this change and raised over 10 billion yen by FY2018. We also expanded our marketing activities, including through TV commercials, before any other companies in the SaaS industry did so. Our first TV commercial was award-winning and attracted national attention in Japan. These commercials have significantly contributed to raising the profile of our company and solutions.

Innovation era (FY2019–2022)

After we were listed on the Mothers market of the Tokyo Stock Exchange (TSE) in June 2019, we were then transferred to the TSE's Prime Market. Owing to the solid growth of our existing solutions and the expansion of our business domains and diversification of our solutions through the creation of new solutions, we have continuously realized growth in net sales in every fiscal year, even amid the major changes to the business environment in the COVID-19 pandemic.

FY2023 onward

Following the COVID-19 pandemic, which greatly transformed company practices and how professionals work, we have now entered a new phase. We have continued our growth to date and, as a result, our business scale has expanded and we have put a sufficient foundation in place. Therefore, we have announced a medium-term financial policy aiming not only for solid growth in net sales but also for faster profit growth. We are bringing together the strengths of the Group and reigniting our business growth by relocating the head office to Shibuya Sakura Stage in September 2024 and consolidating several separate locations.

Solution Histories

sansan

Manage your contacts, maximize your business

We have renewed the Sansan concept from a cloud-based business card and contact management solution to a sales DX solution, and we continue to evolve it with expanded functions and other innovations.

Net sales ····· 22,889 million yen (FY2023)
Highlights ····· Sansan has been #1 in the business card management services market for corporations for 11 consecutive years since 2013[1] / Subscriptions: 9,693 (FY2023)

Year that service / function, etc., was started

2007 Link Knowledge (now Sansan) launched
2009 Bulk email sending service
2011 Salesforce[2] integration
2012 International version of Link Knowledge (now Sansan)
2013 Solution name changed to Sansan / Smartphone business card acquisition Mobile App
2014 Mobile App
2015 API opened, aimed at becoming business infrastructure
2016 Integrated with corporate information provided by TEIKOKU DATABANK
2018 Sansan Customer Intelligence[3]
2020 Virtual Cards (digital business cards) / Risk Intelligence powered by LSEG/KYCC
2021 Contact Inbox (email signature extraction)
2022 Corporate database
2023 New customer acquisition solutions[4] / Smart activity management / Sending direct messages
2024 Added location information to the corporate database

[1] Latest Trends in Business Card Management Services in Sales Support DX 2024 (January 2024, Seed Planning, Inc. survey, in Japanese)
[2] Salesforce is a trademark of Salesforce.com, inc., and is used here with permission [3] Now Sansan Data Hub
[4] A group of functions that can provide an integrated service for everything from preparing sales lists with a high likelihood of receiving orders to client approaches

BillOne powered by Sansan

Receive, digitize & centralize your invoices. Fast monthly closing.

The cloud-based invoice management solution "Bill One" has grown rapidly into a solution with an ARR[5] exceeding 7.6 billion yen in the four years since the solution was launched (as of May 2024).

Net sales ····· 6,168 million yen (FY2023)
Highlights ····· Bill One has had the top market share in the cloud invoice receiving service market for two consecutive years[6] / Paid subscriptions: 2,816 (FY2023)

Year that service / function, etc., was started

2020 Cloud-based invoice management solution "Bill One" launched
2021 Journaling function / Original invoice storage option
2022 Invoice issuing function / Postal mail agent / JIIMA certification[7]
2023 Acquired Purchase invoice option/ Bill One Business Card corporate credit card / PO matching / Qualified invoice assessment function
2024 Bill One Expense, an expense settlement function / Bill One Issue, a payment reconciliation function

[5] ARR: Annual recurring revenue [6] Deloitte Tohmatsu MIC Research Institute Co.,Ltd., "The Market of Online Invoice Receiving Solution Growing at a Staggering Rate" (MIC IT Report, November 2023; in Japanese) [7] A system under which JIIMA issues this certification when it is determined as satisfying the statutory requirements of the Electronic Bookkeeping Act

eight

One-touch business card exchange and management

We are developing a variety of unique solutions against the backdrop of having a large number of registered users. In FY2023, we achieved positive adjusted operating profit[8] for the full fiscal year for the first time since the solution launched.

Net sales ····· 3,548 million yen (FY2023)
Highlights ····· Eight business card app usage rate #1[9] / Number of Eight Team subscriptions: 4,608 (FY2023)

☐ Eight: business card app

Year that service / function, etc., was started

2012 Eight: business card app launched
2013 Business card exchange request function / Message function
2014 Scan anytime, anywhere
2015 Feed function / Profile page editing function / Eight Premium B2C service / Collaboration with the electronic edition of the *Nihon Keizai Shimbun*
2016 Virtual Card Exchange function using QR Codes[10] and Bluetooth
2017 Group message function
2020 Skill Tags function / Enhanced the Virtual Cards Exchange function
2023 One-touch business card exchange
2024 My Eight Card card-type Virtual Cards

☐ Eight Team: business card sharing solution

Year that service / function, etc., was started

2017 Eight Company Premium (now Eight Team) B2B service launched
2021 Eight Collaboration and Eight Company Premium renewed to Eight Team
2023 Integration of functions with HubSpot CRM / Integration with Kintone operations development app

☐ Business Events

First year event was held

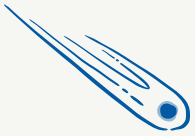
2018 Meets
2020 Climbers
2021 DX CAMP / Business IT & SaaS EXPO
2022 SME Leaders' Summit / Startup JAPAN EXPO
2023 Eight Networking EXPO

[8] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of Intangible assets)
[9] Survey on business card app for individuals (November 2023, Conducted by MACROMILL, INC.) [10] QR Code is a registered trademark of DENSO WAVE INCORPORATED

Value Creation Process

We address material issues while focusing on social issues and external environments. We generate a diverse array of solutions by channeling a range of management resources into our business model. The outcomes these solutions produce bolster our management resources, establishing a process by which we can deliver sustainable value to society.







Social Issues/ External Environment

- Low productivity in sales activities due to inefficient information collection and management and the lack of data utilization
- Addressing new tasks related to changes in laws and new invoicing systems
- Analog workflows that hinder realization of diverse work styles

P002 Our Philosophy

Corporate Philosophy

Mission

Turning encounters into innovation

P018 Analysis of Inputs and Outcomes

Input

Management Capital

- **Financial Capital**: Sound Financial Structure
- **Social Capital**: Recognition and Credibility of Services
- **Human Capital**: Diverse, Talented Workforce
- **Intellectual Capital**: Technology for Digitizing Analog Information
- **Natural Capital**: Conservation of the Natural Environment Through Business Activities

P026 Sustainability Initiatives

Material Issues (Priority Issues)

1. Balancing Security and Convenience
2. Transforming Work Through Innovative Digital Transformation Services
3. Respecting Employee Diversity and Producing Innovation
4. Establishing a Firm Management Structure to Support Rapid Business Growth
5. Conserving the Environment Through Business





P016 Business Model and Business Portfolio

Business Model

Encounters × Analog to Digital

P044 Business Strategies by Segment

Output

Cloud-based solutions that promote digital transformation (DX) and reshape how we work

- sansan
- BillOne powered by Sansan
- ContractOne powered by Sansan
- eight

P018 Analysis of Inputs and Outcomes

Outcome

Results We Deliver

- **Financial Capital**: Increased Economic Value
- **Social Capital**: Expanding Value Provided Through Services
- **Human Capital**: Organization with a Diverse Workforce
- **Intellectual Capital**: Unrivaled Competitive Advantages
- **Natural Capital**: Environmental Contributions

P023 Special Feature: Toward Realizing Our Long-Term Vision

Vision

Become business infrastructure

Values / Premise

Management Structure

P074 Information Security | P080 Risk Management | P082 Compliance | P084 Corporate Governance





Business Model and Business Portfolio

Our main services are cloud-based solutions that promote digital transformation (DX) and reshape how we work, solving business challenges for companies and individuals, and contributing to operational efficiency and productivity improvements. All our solutions share the common features of focusing on "connections between people and companies" and "digitizing analog information."

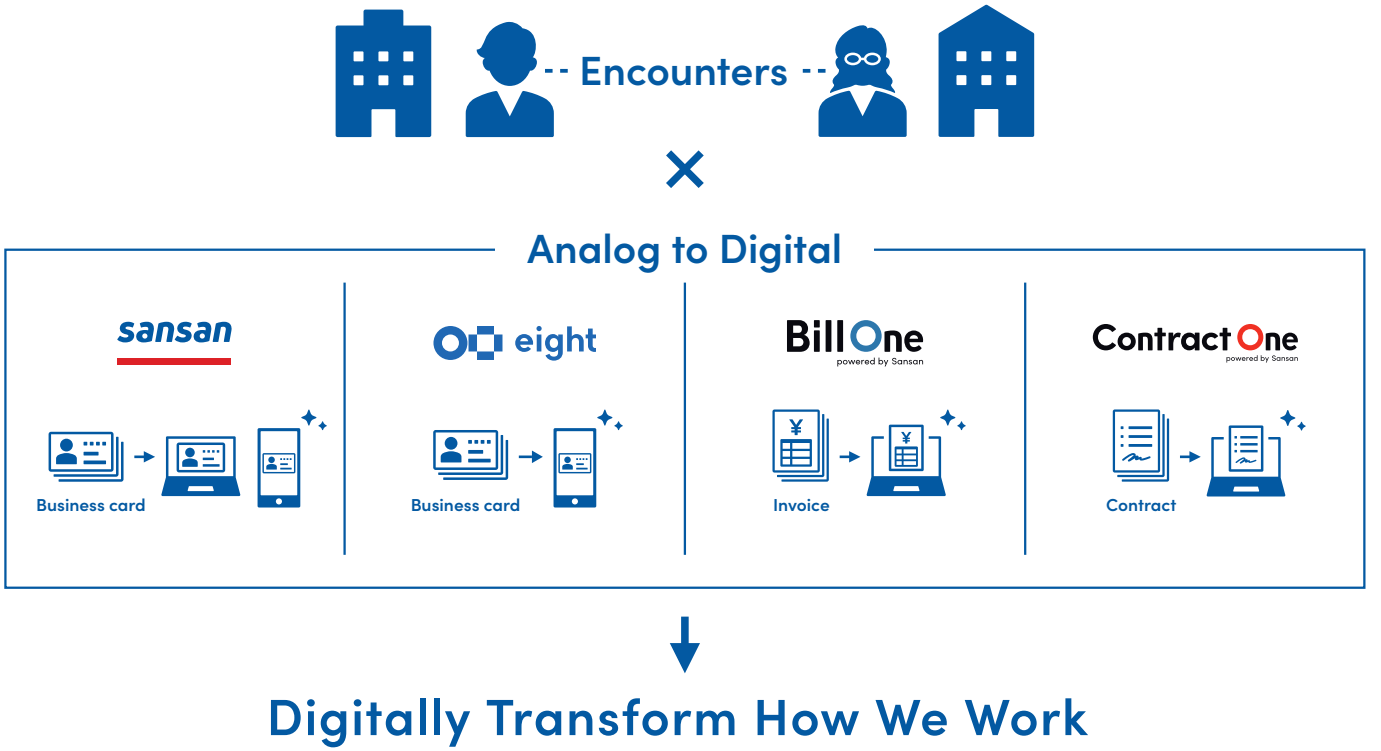
A Shared Business Model

We focus on business encounters between people and companies, providing DX solutions that turn these encounters into business opportunities and reshape how we work.

Our solutions encompass sales, accounting, and legal affairs. Each area is different, but a common characteristic is that the business operations involved in each solution relate to the results of encounters and connections between people and companies.

All our solutions are cloud-based software offering a high level of security. They all digitize analog information and promote data utilization to improve operational efficiency and productivity. For example, in sales, we digitize analog information such as paper business cards and other customer contact information; in accounting, we digitize received paper invoices; and in the legal domain, we digitize paper contracts.

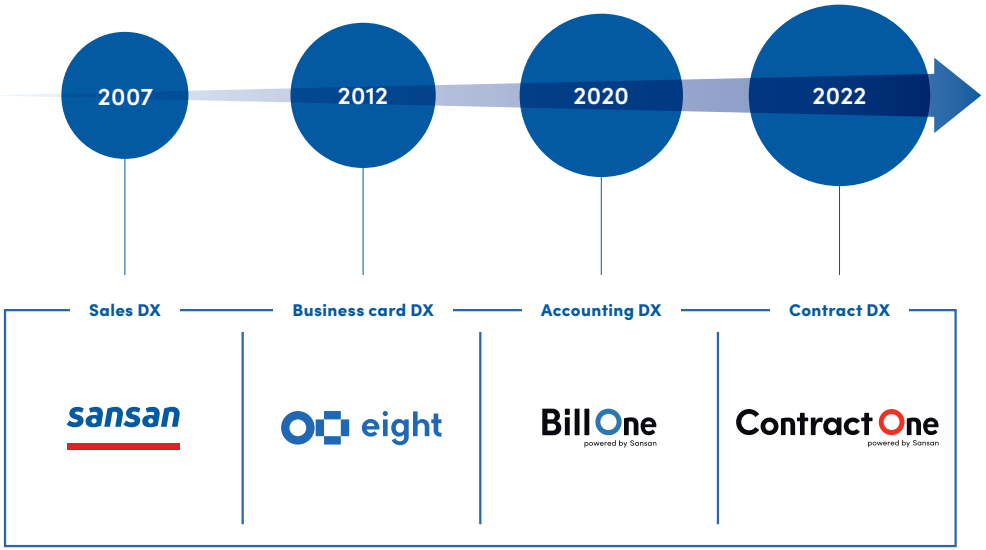
Japanese business situations and workflows present many challenges stemming from analog processes, and low productivity due to delayed digitization has become a societal issue. As DX is expected to advance in society, our business model is highly sustainable. Moreover, we digitize analog information through a unique method that combines technology with human input. This proprietary technology and the safety and credibility we have built for our solutions form an important shared business foundation for these solutions.



Expanding Business Domains

After launching Sansan in 2007 as a corporate business card management service (now the sales DX solution), we began offering the Eight business card app for individuals in 2012. Operating these business card and contact management solutions required technology and operations that accurately digitize paper business cards (analog information) at low cost and high speed, and we have continuously fine-tuned these capabilities. Aiming to apply this technology and operations for digitizing analog information to other areas, we entered the accounting domain with the Bill One cloud-based invoice management solution in 2020. We further expanded into the legal field, launching the Contract One contract database in 2022.

The range of business data our solutions handle has greatly increased as our business domains have expanded. We expect being able to handle new types of data as we enter new fields in the future. Meaningfully connecting these data would allow us to provide users with even more unique value.



Characteristics of Our Business Portfolio

Our business portfolio comprises multiple services at different phases in terms of net sales growth rate and adjusted operating profit[1] margin.

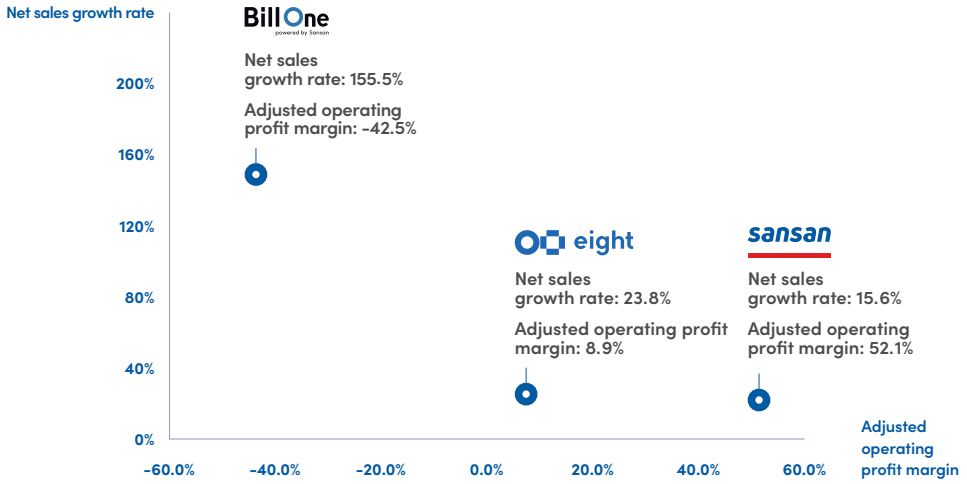
Sansan, which accounts for a large portion of our total net sales, achieves stable net sales growth rate and a high adjusted operating profit margin. We reinvest some of the Sansan-generated cash into Bill One, which has a high net sales growth rate, to achieve steady growth in overall net sales. Although Eight accounts for a smaller portion of the total, it contributes to overall performance growth by achieving a stable net sales growth rate and recording a positive adjusted operating profit.

To achieve discontinuous growth, we plan to invest cash in promising new businesses and M&A opportunities, building a business portfolio that can balance net sales growth with profit growth.

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

[Net Sales Growth Rate and Adjusted Operating Profit Margin of Main Services]

Based on FY2023 results. Adjusted operating profit margin is before allocation of corporate expenses.



Analysis of Inputs and Outcomes



We analyzed the benefits of investing an array of management resources into our business model. The table below shows the results. We also describe the resources we currently lack and the countermeasures we need for further value creation.

Capital Type	Input Management Capital		Outcome Results We Deliver	
Financial Capital	**Sound Financial Structure** ● Total assets: 37,592 million yen ● Cash and deposits: 24,874 million yen ● Shareholder capital: 13,792 million yen	Considering net sales growth rate as the most important management indicator, we are building a sound financial structure suited to our current business phase, which requires agile and proactive investment to seize opportunities. We are executing appropriate investment strategies while maintaining a balance between business growth and financial health.	**Increased Economic Value** ● Net sales: 33,878 million yen ● Profit attributable to owners of parent: 953 million yen ● Cash flows from operating activities: 5,483 million yen ● Free cash flow*1 : 2,303 million yen	Net sales and profit attributable to owners of parent both showed strong performance, owing to growth in each business. Based on this growth, we are generating stable cash flow from operating activities and free cash flow.
Social Capital	**Recognition and Credibility of Services** ● Strong brand recognition of our main solutions ● Credibility of our main solutions	Continuous advertising, including TV commercials, has secured high recognition for Sansan and Bill One among B2B services in Japan. Meanwhile, our solutions' operational performance has earned us a high degree of trust from user companies.	**Increasing the Value of Our Services** ● Analog data items digitized by our solutions: 240 million ● Total users: 7.89 million ● Sansan has the top market share*2 ● Bill One has the top market share*3 ● Major incidents: 0	Our efforts to strengthen our solutions' functionality and expand sales have steadily led to 240 million analog data items digitized and 7.89 million users. Both Sansan and Bill One have maintained the top market share in Japan, and we have kept the number of major incidents at zero.
Human Capital	**Diverse, Talented Workforce** ● Consolidated employees: 1,899 ● Employees in STEM divisions*4 : 529 ● Unipos*5 usage ● Information security measures	We increase our workforce every fiscal year, with recruiting and training talent and ensuring diversity as our key growth strategies. We also use a service that visualizes various instances of praise within the company to instill our corporate culture and boost employee engagement. Additionally, our information security measures require executives and all employees to acquire Protection of Individual Information Person qualification.	**Organization with Diverse Workforce** ● Female employees*6 : 36.7% ● Female managers*6 : 17.8% ● Referral hiring rate: 10.3% ● Unipos posting rate: 54.3% ● Proportion of those qualified as Protection of Individual Information Person*6 : 86.7%	Recruitment through referrals (employees' introduction of candidates) was 10.3% and the Unipos posting rate was 54.3%, indicating a high level of employee engagement with the company amid active recruitment. Our personnel include 36.7% female employees and 17.8% female managers, showing progress in ensuring diversity. The proportion of those qualified as Protection of Individual Information Person remained high, at 86.7%.
Intellectual Capital	**Technology for Digitizing Analog Information** ● Digitization with 99.9% accuracy ● Various technologies supporting digitization	Our technology for rapidly and highly accurately digitizing analog information is a major strength. We will further improve our technologies and mechanisms that support digitization, allowing us to enhance the operational efficiency of existing businesses and smoothly apply them to new business fields.	**Unrivaled Competitive Advantages** ● Improvement in automatic digitization rate ● Analog data items digitized by our solutions: 240 million	Continuously improving our digitization technologies and mechanisms has improved our automatic digitization rate through technology alone. Expanding our solutions has led to 240 million analog data items digitized through our solutions.
Natural Capital	**Initiatives to Conserve the Natural Environment** ● Providing paperless functionality in our primary solutions ● "Scan for Trees" tree-planting activities	We support the realization of a paperless society. We do this by providing functions in our primary solutions that allow business data to be exchanged in the cloud and without the use of paper media. We also allocate part of our revenue to tree-planting, helping to conserve water resources and biodiversity through forest regeneration.	**Environmental Contributions Through Business Activities** ● Paperless transactions on our solutions: 10 million ● Total trees planted: 17,606 (as of August 2024) ● Scope 1+2*7 GHG*8 emissions: 999 t-CO_2	Efforts to expand our primary solutions have led to 10 million paperless transactions on our solutions. Also, as of August 2024, we had planted 17,606 trees, and our GHG emissions (Scope 1+2), which we use as an evaluation indicator for climate change, were 999 t-CO_2.

*1 Cash flows from operating activities + cash flows from investing activities *2 Latest Trends in Business Card Management Services in Sales Support DX 2024 (January 2024, Seed Planning, Inc. survey, in Japanese) *3 Deloitte Tohmatsu MIC Research Institute Co.,Ltd., "The Market of Online Invoice Receiving Solution Growing at a Staggering Rate" (MIC IT Report, November 2023) *4 Calculated for employees in engineering, R&D, and creator positions, including regular employees and contract employees of the Company and its overseas subsidiaries *5 We use a Peer Bonus® platform service provided by Unipos Inc. The platform involves all employees *6 Results are for the Company on a non-consolidated basis *7 Scope 1 is calculated by aggregating direct GHG emissions from our own o!ce and facilities. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office *8 GHG: greenhouse gas

Capital Type	Capital Shortages and Countermeasures	Related Material Issues (Priority Issues)
Financial Capital	We have sufficient funding for operating existing businesses in line with our medium-term financial policy. However, if the use of the Bill One Business Card corporate credit card expands more rapidly than expected, if we create a new business requiring substantial cash, or if we actively pursue M&A opportunities, our needs may exceed our current cash and deposits, causing shortages. Therefore, we will maintain appropriate communication with the capital markets to continuously strengthen the diversity and flexibility of potential funding methods.	□ Promote digital transformation (DX) solutions that improve productivity □ Create innovative business infrastructure
Social Capital	Many of the solutions we provide are based on new concepts that create markets as they grow, so they may not be well known. Therefore, we continuously strengthen our advertising to maintain and improve brand power and recognition. Also, any incident could cause a loss of the credibility necessary for future sales for solutions that handle large amounts of critical data. Therefore, we treat information security measures as our top management priority and minimize security risks in each solution by implementing all possible measures involving all executives and employees.	□ Promote DX solutions that improve productivity □ Create innovative business infrastructure □ Provide safe and stable infrastructure solutions □ Ensure robust protection of data privacy and information security □ Strengthen corporate governance □ Ensure compliance
Human Capital	The outlook figures set in our medium-term financial policy assume a certain increase in our number of employees, mainly in our sales departments. Therefore, our current workforce has insufficient human capital necessary for business growth. As a result, we prioritize investment in human capital above all other management resources. We use various channels to recruit more talented individuals who share our philosophy and business vision. We are developing and building environments and systems where they can work with high motivation. For FY2024, we plan to recruit about 550 people, including new graduates and mid-career hires.	□ Promote the recruitment, development, and success of human resources □ Promote diversity, equity and inclusion □ Ensure robust protection of data privacy and information security
Intellectual Capital	Further improving the efficiency of existing business operations, expanding overseas, or entering new fields and creating new solutions requires enhancing existing technologies and acquiring new technologies that will lead to business growth. Currently, these are insufficient. We, therefore, are working to improve our technological capabilities through recruitment of talented engineers with experience and knowledge in a variety of fields, and through investment in and monitoring of cutting-edge technologies worldwide.	□ Provide safe and stable infrastructure solutions □ Ensure robust protection of data privacy and information security
Natural Capital	We have set a target of 120 million paperless transactions on our solutions by FY2029, but the current performance is still at a low level and the absolute amount of positive impact on the environment is insufficient. We are working on aggressive business expansion as our solutions' expansion directly leads to positive environmental effects. At the same time, we strive to achieve carbon neutrality for Scope 1 and Scope 2 to reduce the negative impacts of business expansion.	□ Address climate change issues □ Use natural capital efficiently □ Promote DX solutions that improve productivity □ Create innovative business infrastructure

Cultivated Competitive Advantages

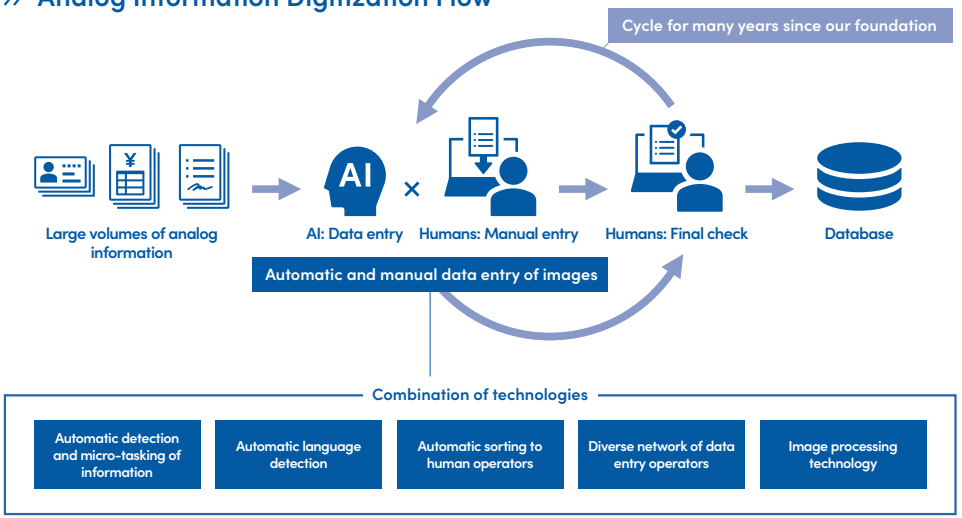
Our technology for rapidly and accurately digitizing large volumes of analog information can be used in many fields, making it our group's greatest competitive edge. By efficiently combining technology with manual operations, we achieve a 99.9% accuracy rate that OCR[1] technology alone cannot attain.

[1] OCR: Optical character/Reader

Mechanisms and Technologies for Digitizing Large Volumes of Analog Information

As our business and service areas expand, the analog information our solutions digitize, such as business cards and invoices, is increasing yearly. Human correction enables 99.9% digitization accuracy. But optimizing digital processing alone is not enough. For example, the Bill One invoice proxy receiving service requires envelopes to be opened manually. Therefore, an optimal structure is required to address this increasing demand and provide rapid digitization. Through research in AI technology, we are increasing the proportion of automation in digitization, building unique operations to bolster overall efficiency, and achieving low-cost, fast, and accurate digitization.

Analog Information Digitization Flow

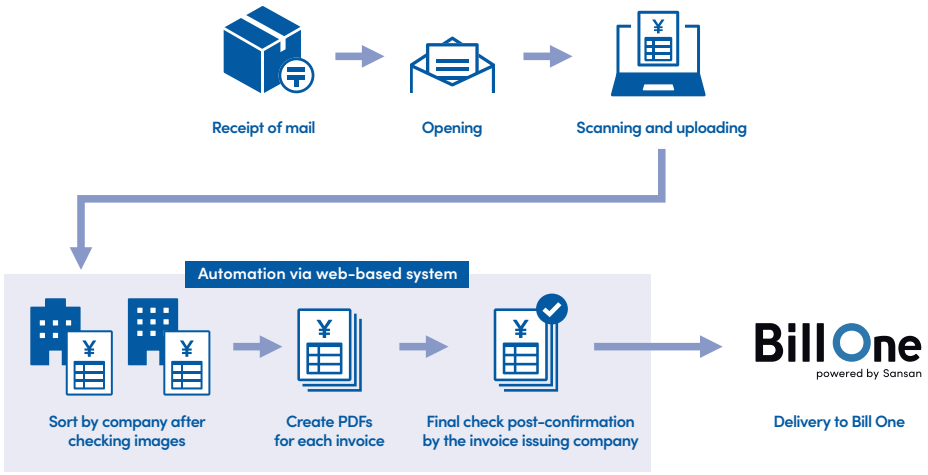


Makuhari Scan Center: Supporting Digitization Processes for Multiple Solutions

The Makuhari Scan Center integrates scanning operations for multiple solutions, such as Sansan and Bill One, greatly enhancing analog digitization capabilities by integrating technology and operations. Traditionally, invoice digitization heavily relied on manual operations and processes, such as opening envelopes, sorting, categorization, and scanning. The invoice workload also tends to substantially increase at certain times of the month, creating challenges in personnel acquisition and training.

Integrating scanning operations for multiple solutions allows for flexible responses, accommodating each solution's flow of work. Our optimization also minimizes physical processes in each scanning stage, and our improvements in web-based processing have further improved scalability. The Makuhari Scan Center plays a vital role in efficient and flexible processing, supporting our solutions' growth.

[Advancing Operational Automation]

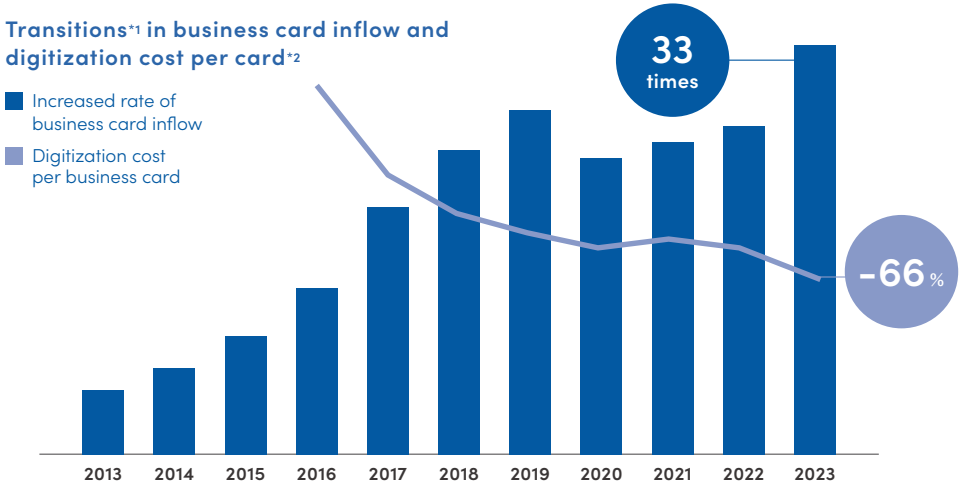


Research and Development Supporting High Precision and Rapid Digitization

Accurate and rapid digitization of analog information is supported by AI technology research in our R&D departments, system building in our data operation departments, and system development. The evolution of our NineOCR[1] engine optimized for business cards has dramatically improved Sansan's automatic digitization rate. We are now working to expand our core technology of business card digitization to other areas, such as Bill One and Contract One, for more advanced digitization operations.

[1] A proprietary OCR engine design for business cards and developed using Sansan's accumulated digitization expertise

Transitions*1 in business card inflow and digitization cost per card*2



*1 Transition from the peak of digitization cost *2 Inflow numbers and cost for Sansan

Proprietary Digital Operations System

Our proprietary operation systems, GEES and Bill One Entry, enable secure, accurate, and efficient digitization of large volumes of analog information.

GEES Business Card Digitization System

The evolution of our unique OCR engine, NineOCR, has greatly improved Sansan's automatic digitization rate of business cards.



1 Business card scan or photo

When users scan or photograph a business card, the captured image is sent to our data center.



2 Image processing

Business card images undergo image processing technology for background adjustments and whitening to make characters stand out and improve readability.



3 Item classification

Text blocks on a business card are automatically detected, divided, and classified into items such as company name, first and last name, title, address, email address, and company logo.



4 Segmenting of classified items

Images of classified items, including personal information such as names, phone numbers, and email addresses, are segmented where necessary to the extent they have no value as information, thereby ensuring security.



5 Data entry

Data entry for each item is performed by machine processing or by individual staff conducting manual input, although automation has been improved through enhancements to NineOCR.

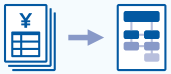
Bill One Entry Invoice Digitization System

We accurately identify and digitize payment processing information from the many numbers and dates found on invoices, which have formats unique to each company.



1 Receipt of data

When a user uploads an invoice or when an invoice sent to the Bill One Center is uploaded by an operator on their behalf, the invoice image is sent to our digitization center. Using our unique OCR and learning engine, the invoicing company is then identified and the digitization process for the client company begins.



2 Identification of data items

A combination of engines specialized for each item are used to identify the part of the invoice image that needs to be digitized and which item it corresponds to in the accounting process, such as account information, registration numbers, amount, and payment due date.



3 Accurate digitization via AI and humans

Although large volumes of information are automated quickly with AI, manual input is also performed when automatic input is deemed inaccurate.



4 Data correction

Incorrect items commonly seen on invoices[2] are identified by referencing unique rules to prevent them from being simply digitized.

[2] For example, nonexistent dates such as February 31, XXXX

Evolution of NineOCR, an OCR Engine Optimized for Business Cards

NineOCR is our proprietary OCR engine designed for business cards, developed using our accumulated digitization expertise. NineOCR greatly increases efficiency in automatic digitization of business cards and provides an improved user experience. While image accuracy via other OCR engines may vary, NineOCR give highly accurate digitization regardless of how an image was captured. Along with digitizing typical items on business cards, such as names and email addresses, it can also digitize items such as titles, company names, addresses, and URLs with high accuracy, delivering results in just 0.3 seconds.[1] This ability lets users quickly send emails or make calls after capturing business card information, greatly improving the user experience. NineOCR's evolution strengthens our group's competitiveness and contributes to improving users' productivity.

[1] Digitization speed through NineOCR's functions; different from delivery speed to users

Our Technologies That Support Digitization

Image recognition

Proprietary image recognition technology and AI to digitize analog information rapidly and with high accuracy

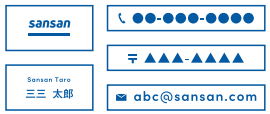
Smart capture

Enabling delivery of results to users within seconds of image capture



Item segmentation

Identifying fields from business card designs without reading text



Language detection

Determining the language without reading text



Mistake detector

Learns error patterns to predict the possibility of mistakes



Combining duplicates

Organizes data by identifying and consolidating information for people with the same name or company



[COLUMN] Supporting DX Through Evolving Technology and Operations

Users starting with digital transformation (DX) must first convert their analog assets into digital, usable information. Digitization is an entry point for solving various user challenges, such as productivity and operational efficiency, and is becoming increasingly important.

Accuracy and speed are the most obvious value that users expect from digitization. Therefore, we must first meet our users' expectations consistently. One of our group's strengths is data accuracy, where human effort is crucial for guaranteeing a 99.9% accuracy rate. Initially, Sansan's card digitization process was entirely manual, conducted by two human operators entering matching data from a card. However, as our business has grown and the volume of analog information has continued to increase, leveraging technology has become vital for maintaining speed while digitizing information securely.

Our users' expectations are clear, but there were no predefined methods or previous examples for realizing them. Therefore, we believe in sincerely working toward value for our users, providing continuous improvements while envisioning an ideal end state. The expertise and systems our group has built over 17 years extend beyond technology for identifying and accurately entering valuable information to include scanning operations that convert paper documents into electronic data. We will continue refining our approach so that it becomes recognized and commended as a model of operational excellence internally and externally. We are focused not just on meeting user expectations but also on supporting and leading DX in greater society.



Head of Digitization Department (Engineering Division)

Shimpei Nagai

Special Feature

Toward Realizing Our Long-Term Vision

We implement initiatives such as data strategies and service integration to ensure our group's solutions become a standard part of every professional's working life. We have also begun discussions on our purpose among our employees about our group's role and reason for existence in business scenarios over the next 100–200 years.

Become Business Infrastructure

Originally, our mission as SAN SAN business card database was to help shape the future of 21st-century Japan by providing information solutions that create new value and boost productivity for Japan-based companies and their employees. After several transitions, in 2012, we redefined business cards as "business encounters" and we continued to expand our business under the new mission of "Creating a resource from everyday business encounters and transforming the way the world works." New cultures, new businesses, and all types of innovation are produced from encounters between people and companies, and we have conducted our business activities with the aim of generating innovation and innovative value in society through these encounters.

In 2021, our group presented its first ever vision. At that time, we had just begun diversifying our solutions, backed by business assets such as our proprietary technology and operations for digitizing analog information. Around this time, we also introduced the Bill One solution, focusing on invoices that result from business encounters between companies. By broadly redefining things other than business cards also as the results of encounters in business, we expanded the abilities of our core competencies, transforming inefficient and analog work arising in different business scenarios and even changing the encounter scenarios themselves, thus greatly expanding our business potential.

As our business areas expanded and we went public, our employee numbers increased, and our group's stakeholders continued to grow. We felt the need to re-examine who we are and what our aims are, and to clearly communicate this to society, leading us to our current vision to "Become business infrastructure." This vision has helped us clarify the image we should embody and improve our employees' understanding of our corporate philosophy, including our mission, and it has been a major catalyst in accelerating our growth as a company.

Vision

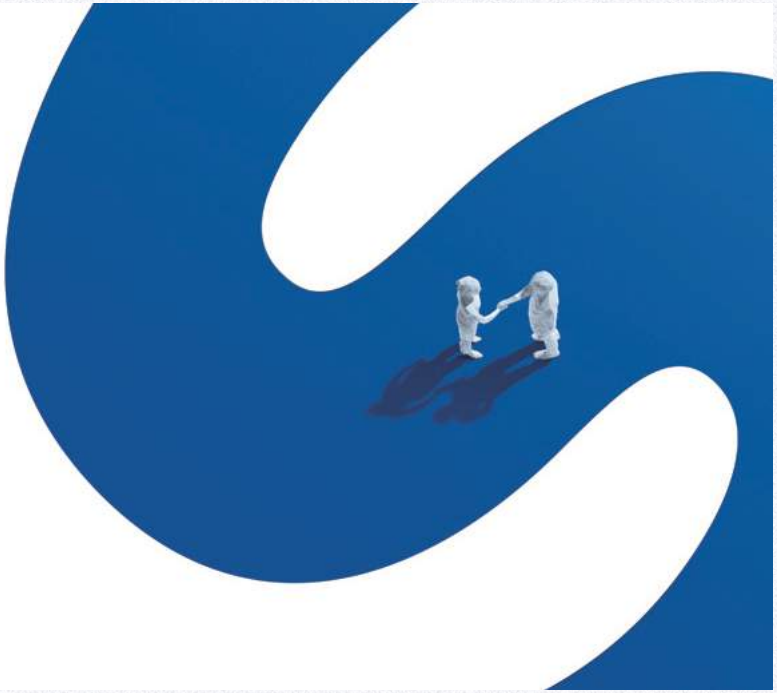
Become business infrastructure

Transport networks, electrical grids, the internet.
These are some of the roads of society.

We believe another road is possible.
A new form of infrastructure for the business world.

This road connects people with people, companies with companies, and turns everyday business into innovation.

We aim to be that new road, that business infrastructure.



Focusing on Our Purpose

Our mission-driven culture is the source of our growth and strength. We believe our significant growth is owed to all employees aligning with our mission. We determine yearly themes based on our business phase that year and continually adapt to changing times, while improving our strengths and compensating for our weaknesses, fostering a new culture that serves as a driver of growth. Our vision to "Become business infrastructure," presented in 2021, was also the theme we set during our growth period in 2015.

In FY2023, we decided to focus on our corporate purpose. We have always adapted our mission, vision, and values to the changing times, and since our founding, we have revised them many times through all-employee meetings (Katachi discussions).

Similarly, in the future, our current mission and vision of "Turning encounters into innovation" and "Become business infrastructure" could also change. Based on that, we saw the importance of reflecting on our intrinsic value and identity, which are the DNA of the Sansan Group and which we should preserve for the future so we can evolve our mission-driven culture, a core strength, and achieve further growth. This realization led to the start of discussions on our purpose.

When discussing our philosophy, we prioritize a process involving all employees rather than top-down decisions by the directors. The launch of these discussions on our purpose was incorporated into the introductory training for new graduates joining our company in 2024 to make them aware of their role in shaping the future of the Sansan Group. All employees then were divided into 246 teams, each comprising members with different job types, departments, tenures, etc., and they spent 4,233 hours discussing themes such as "What value will the Sansan Group create 100 years from now?" and "What is the corporate purpose of our company that connects us to the future?"

After these discussions involving all employees, further discussions will be held among representatives from each team and among senior management, with output refined at each stage, before final discussions among top management centering on the directors. The discussions are still in progress. Currently, though we have not yet produced a specifically worded statement, all employees can now articulate the significance and strengths of our group in their own words, making this process a vital opportunity to bolster our corporate culture.







A Future in Which We Are Business Infrastructure

A future in which our solutions have become business infrastructure is one where most business processes typically rely on what we provide. That means businesspeople using our solutions daily, not even conscious of their convenience. This use will be a common activity.

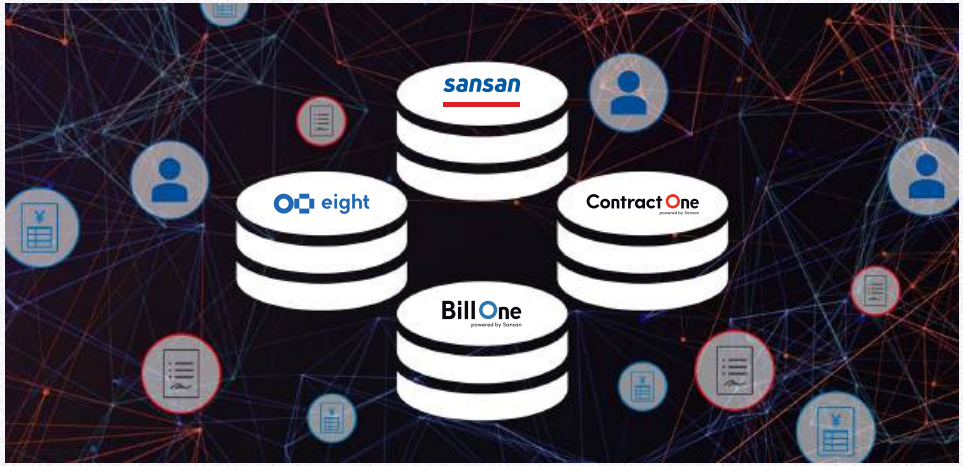
For example, while going to meet a client using Sansan's route search solutions, they might check contract status or business relationships via Contract One or Bill One and review the latest news, business performance, and colleague connections via Sansan's company database. At the meeting, they would effortlessly exchange Virtual Cards using Sansan or Eight, and then seamlessly transition into the main objective of the visit.

As our business areas have expanded, the types and volume of business data we handle also have significantly increased. To realize the type of future mentioned above, we must generate, organize, and use individual business data from individual pieces of analog information, and provide innovative solutions and data usage opportunities by organically connecting diverse and extensive sets of business data. Layering interactions between people and companies on top of this and maximizing our group's unique value offering are essential for realizing a future in which we have "Become business infrastructure" and for achieving further business growth.

Specifically, the Sansan sales DX solution provides features that let user companies effectively use a range of information on companies and people, and information on contact activity with the company, thereby helping to improve sales productivity and maximize revenue. The cloud-based invoice management solution "Bill One" substantially helps to streamline complex tasks by generating and organizing data that can be used for conducting accounting processes. The Contract One contract database accurately digitizes contract information and offers features that enable companywide use of data such as contract details, transaction histories, and relationships with other companies. Until now, opportunities to effectively use data have been contained within each individual solution, but in the medium-to-long term, we aim to significantly increase the value of our solutions and data by integrating our solutions and offering opportunities to use data across them.

Integrating Sansan and Contract One has already started. Combining contact information on individuals and companies from business cards and emails stored in Sansan with information on clients, contract periods, and content stored in Contract One strengthens the practical use of the data in business. For Sansan, contract history is added as a form of new contact information for a company. Apart from a company's contact information, users can now also check previous business conducted under past contracts, which can be used for sales activities. For Contract One, leveraging the company information and risk assessment functions in Sansan enables efficient pre-contract screening and other related activities.

Such data integration will ultimately link all our solutions in a meaningful way and let us provide value as business infrastructure, in line with our vision. Moreover, this aligns with the intrinsic value we must offer to society. That is, we will digitize encounters such as paper business card exchanges and invoicing, and their results, use them to generate innovation, connect them to the future, and transform them into value. Our aim is for our solutions to become indispensable for all companies and businesspeople, and to continue to function as infrastructure supporting business growth far into the future.



Sustainability Initiatives

We believe that helping resolve social issues through our business activities will contribute to building a sustainable society. This, in turn, will lead to our sustainable growth and increase our corporate value.
We consider various factors in our sustainability initiatives, such as the business environment, our management and our management performance and business stage.
We then promote these initiatives in collaboration and cooperation with all stakeholders.

Governance in Sustainability

We have identified key material issues (priority issues) regarding the environment, society, and governance and set quantitative targets for these issues for FY2029. We also have appointed our directors as material issue owners (officers) for each issue. Under their supervision, we examine response policies and the content of initiatives. The Board of Directors receives reports every year and supervises matters contributing to realizing sustainability, including the examined content. The Board discusses and decides on important matters. We also regard risks and other such factors when dealing with sustainability as either synonymous with or closely related to risks that could significantly impact our management and business. We analyze and identify these as part of our company-wide risk management.

Identification of Material Issues

The identification of material issues in the Board of Directors in 2022 was conducted based on the following processes.

Identification process 1

Selecting Material Issue Candidates

We selected highly relevant material issue candidates by referring to international guidelines and principles, namely, the Sustainability Accounting Standards Board (SASB) standards and the goals and targets in the Sustainable Development Goals (SDGs). We formed a list of all candidate items considering our group's business structure and then established forums for discussions on the theme of ESG with our directors and some of our institutional investors. We then reflected the opinions and feedback obtained there in our selections.

Identification process 2

Assessing Each Candidate's Importance

A report on each candidate selected through Identification process 1 was made for the Board of Directors and it was agreed that the material issues in our group would be selected from among the candidates. We decided that the selection method should be that all directors, including the Outside Directors, assess each candidate along two axes: importance to society (stakeholders) for achieving sustainability, and importance to our group for achieving our vision and business growth. We then held discussions based on the aggregate results of those assessments.

Identification process 3

Discussions and Decisions by the Board of Directors

We aggregated the results of the assessments in Identification process 2, reported to the Board of Directors, held discussions and deliberations about their respective importance and content, and identified 10 material issues organized into five areas. Subsequently, we appointed owners for each issue, established FY2029 quantitative targets, and held discussions and deliberations in the Board before making decisions.

Content of the Material Issues

We have identified 10 material issues organized into five areas and appointed one director to each area as the material issue owner.

Priority area 1

Balancing Security and Convenience

Along with convenience, we implement measures to ensure our employees maintain data privacy and information security, thereby providing society with highly safe and stable services.

Material issues

1. Provide safe and stable infrastructure services
2. Ensure protection of data privacy and robust information security

Material issue owner

Director, Executive Officer, CIO,*1 CISO,*2 DPO,*3 Engineering Division Head, Eight Division Head
Kenji Shiomi



Priority area 2

Transforming Work Through Innovative Digital Transformation Services

To become business infrastructure, we will leverage our strengths in digitization to develop and provide innovative digital transformation (DX) services that significantly improve social and economic productivity.

Material issues

3. Promote DX services that improve productivity
4. Create innovative business infrastructure

Material issue owner

Director, Executive Officer, COO*4
Kei Tomioka



Priority area 3

Respecting Employee Diversity and Producing Innovation

To produce innovation that helps solve business challenges through the power of encounters, we promote the creation of opportunities and the provision of environments for our diverse workforce to enjoy success.

Material issues

5. Promote the recruitment, development, and success of human resources
6. Promote diversity, equity, and inclusion

Material issue owner

Director, Executive Officer, CHRO*5
Yuta Ohma



Priority area 4

Establishing a Firm Management Structure to Support Rapid Business Growth

We will strengthen corporate governance and ensure compliance to reinforce our management structure that supports our growth.

Material issues

7. Strengthen corporate governance
8. Ensure compliance

Material issue owner

Director, Executive Officer, CFO*6
Muneyuki Hashimoto



Priority area 5

Conserving the Environment Through Business

We will promote conservation of the environment by addressing climate change issues through our business activities, including promoting DX, supporting paperless work, and introducing environmentally friendly solutions.

Material issues

9. Address climate change issues
10. Use natural capital efficiently

Material issue owner

Representative Director & CEO,*7 CPO*8
Chika Terada



*1 CIO: Chief Information Officer *2 CISO: Chief Information Security Officer *3 DPO: Data Protection Officer *4 COO: Chief Operating Officer *5 CHRO: Chief Human Resources Officer *6 CFO: Chief Financial Officer *7 CEO: Chief Executive Officer *8 CPO: Chief Product Officer

2030 Targets and Status of Initiatives for the Material Issues

At the 2023 Board of Directors meeting, we decided the metrics for each material issue and the FY2029 quantitative targets. We believe, in addressing sustainability, it is important to take a longer-term perspective, set ambitious targets, and then undertake various measures while conducting a review each fiscal year, and we ensure that we can quantitatively analyze our progress.

	Priority area 1		Priority area 2		Priority area 3				Priority area 4			Priority area 5	
	Balance Security and Convenience		Transform Work Through Innovative DX Services		Respect Employee Diversity and Produce Innovation				Establish a Firm Management Structure to Support Rapid Business Growth			Conserve the Environment Through Business	
	1 Provide safe and stable infrastructure services 2 Ensure protection of data privacy and robust information security		3 Promote DX services that improve productivity 4 Create innovative business infrastructure		5 Promote the recruitment,development, and success of human resources 6 Promote diversity, equity, and inclusion				7 Strengthen corporate governance 8 Ensure compliance			9 Address climate change issues 10 Use natural capital efficiently	
Metrics	Number of major incidents	Proportion of those qualified as Protection of Individual Information Person	Number of items converted from analog to digital information using our solutions	Number of users of our solutions	Proportion of recruitment through referrals	Unipos*2 posting rate	Ratio of female employees in management positions	Ratio of female employees	Ratio of female directors	Number of significant compliance violations	Proportion of employees receiving compliance-related training	GHG*3 emissions Scope 1+2*4	Number of uses of paperless functions in our solutions
FY2029 Long-Term Goals*1	0	Maintain at 80% or higher	500 million	20 million	35%	80%	30% or higher	45% or higher	30% or higher	0	100%	Carbon neutral	120 million
FY2023 Results*1 (YoY)	0 (–)	86.7% (–1.3 pts.)	240 million (+27.5%)	7.89 million (+37.7%)	10.3% (–2.7 pts.)	58.1% (–1.5 pts.)	17.8% (–)	36.7% (+1.8 pts.)	22.2% (–)	0 (–)	100% (–)	999 t-CO_2 (+17.4%)	10 million (+44.0%)
Main Measures	▪ Carefully handling and protecting information are top management priorities, and all executives and employees implement all measures ▪ Promote understanding of personal information protection qualifications through pre-employment guidance and in-house training →P074 Information Security		▪ Reinforce our sales organization to strengthen sales abilities for our solutions ▪ Strengthen marketing activities with the objective of stimulating demand for our solutions ▪ Improve the convenience of our solutions by adding new functionalities and updating existing functions →P030 Special Feature: Social Value Created by Our Solutions →P044 Business Strategies by Segment		▪ Strengthen in-house events and campaigns for increasing the proportion of recruitment through referrals ▪ Execute plans for company-wide cultural diffusion aimed at promoting and consolidating the use of Unipos ▪ Carefully handling and protecting information are top management priorities, and all executives and employees implement all measures ▪ Strengthen public relations for the achievements of diverse employees and implement life event support measures for improving the ratio of female employees →P055 CHRO's Message / →P059 Human Capital				▪ Form a statistical population through appropriate review of the Director Appointment Policy and improvement of the ratio of female executive officers ▪ Ensure robust compliance education and awareness for all executives and employees →P035 CFO's Message →P082 Compliance →P084 Corporate Governance			▪ Start and strengthen various initiatives for reducing GHG emissions ▪ Reinforce and increase the convenience of digital information usage functions in our solutions →P005 CEO's Message →P076 Global Environment	

*1 Targets and results presented here are for the Company on a non-consolidated basis *2 We use a Peer Bonus® platform service provided by Unipos Inc. The platform involves all employees *3 GHG: greenhouse gas *4 Scope 1 is calculated by aggregating direct GHG emissions from our own o!ce and facilities. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office

Stakeholder Engagement

We believe that when aiming for sustainable business growth and increased corporate value it is important to accurately identify expectations, concerns, demands, etc. concerning our group through engagement with various stakeholders, and to reflect this in our management and business activities. Based on this thinking, we actively promote initiatives for building trusting and collaborative relationships with our stakeholders.

Stakeholder	Customers	Shareholders and Investors	Business Partners	Employees	Local Community and NPOs
Overview of the Initiatives	We strive to provide our customers with a stable supply of safe and secure solutions so we can continue to deliver new value that leads to the resolution of issues.	To meet our shareholders' expectations, we work on accurate and fair information disclosure and active creation of opportunities enabling interactive dialogue, among other measures.	We strive to build appropriate cooperative relationships and information management systems with our business partners and provide safe and secure services, based on fair and equitable transactions.	To achieve our mission and vision, we strive to develop opportunities and environments for our diverse employees to succeed.	Based on the concept of "What we can do now, for the future," we work to resolve social issues and create shared value through our core business as a member of the community.
Examples of Main Initiatives	▪ Daily support by the Customer Success Department ▪ Establishing an inquiries contact for the solutions ▪ Information transmission through the website, social media, etc. ▪ Holding of events and seminars	▪ Information transmission through the General Meeting of Shareholders, financial results announcements, timely disclosure, etc. ▪ Holding of various briefings for institutional investors and individual investors ▪ Publishing the Annual Report ▪ Establishing an investor relations inquiries contact	▪ Daily communication through purchasing activities ▪ Thorough implementation of compliance and risk checks ▪ Developing operational provisions concerning purchasing, etc. ▪ Managing contractors' safety	▪ Establishing opportunities with the participation of all employees to discuss and revise our philosophy ▪ Implementing an engagement survey ▪ Developing internal systems and consultation contacts ▪ Implementing training and seminars	▪ Sansan for NPOs ▪ Scan for Trees ▪ Kodomo Meishi (Kids' Business Cards) Project ▪ Supporting the Kamiyama Marugoto College of Design, Technology, and Entrepreneurship ▪ Legacy Giving Japan Supporting Will for Japan ▪ Yoiko for CSR

Policy on Constructive Dialogue with Shareholders and Investors

In principle, the IR department handles dialogue with shareholders, with the CEO, CFO, and other business officers participating where reasonable. The IR department promotes constructive dialogue through regular exchanges and information-gathering together with each internal department and the group companies and we also identify shareholders from the shareholder registry to understand our shareholder composition. The CEO and CFO regularly present financial results briefings for analysts and institutional/individual investors, and we disclose such information on our website. The IR department compiles views and concerns identified through these dialogues, reports them to the Board of Directors as appropriate, and discusses responses with relevant departments.

Major Investor Relations Activities for FY2023

In FY2023, we actively engaged in investor relations, including participation in multiple conferences, direct CEO, CFO, and IR department visits to institutional investors overseas, and creation of new briefings enabling interactive dialogue. We held 401 dialogues with institutional investors and analysts, including 121 with Japanese institutional investors, 242 with overseas institutional investors, and 38 with securities analysts. In addition to these dialogues, our briefings for institutional investors and analysts included four financial results briefings, one CEO meeting, and one IR Day, which is a forum for intensive business explanations. We also held two briefings for individual investors.

Special Feature

Social Value Created by Our Solutions

We believe the value our solutions provide to society greatly improves overall productivity through the digitization of analog information.
We also see our role as becoming business infrastructure by continuing to offer innovative solutions.



Creating Social Value Through Our Mission

Director, Executive Officer, COO

Kei Tomioka

The Social Value We Create

"Turning encounters into innovation."Since our founding, we have been dedicated to our mission and grown by staying true to it. As COO, I am committed to tying the realization of our mission to sales and profit growth.

We create various forms of value for society. One is generating innovations that make the world better. Innovation emerges when people with diverse ideas meet. Through our solutions, people can have encounters they might have otherwise missed, allowing them to connect with those they should meet. This embodies our mission of "Turning encounters into innovation."

Another substantial social value we create is supporting value creation for businesspeople, companies, and organizations through our solutions. Society faces numerous challenges, and organizations such as companies and public institutions, along with the businesspeople working there, confront these issues daily. Waste is one obstacle hindering efforts to solve these social issues. We develop our solutions with the intent of using digitization to eliminate waste in analog processes as much as possible. Through these solutions, we support professional in using their limited time for more valuable work, thus encouraging innovation in society, and this is another way we contribute value.

Becoming Irreversible Business Infrastructure

When we acquire new customers or renew contracts with existing ones, I feel the value our solutions create spreads through society. Each of these instances genuinely makes me happy. However, if this expansion remains confined to Japan, we can't say we are truly creating innovation for society. In this sense, seeing overseas customers use our solutions gives me a stronger sense of our value's reach.

In FY2023, I was particularly impressed with the adoption of Bill One by TAKENAKA CORPORATION's Thailand subsidiary. In Thailand, the culture of paper and handwritten signatures remains even stronger than in Japan, with most business documents exchanged in paper form. At THAI TAKENAKA INTERNATIONAL LTD. accounting staff were previously stationed at each construction site to manage and process paper invoices received from various suppliers, including those providing materials and transportation.

I had the opportunity to observe the sorting of more than 2,000 paper invoices per month at our scanning center. Managing and processing this large volume of invoices with non-standardized formats placed a great burden on the sites. If we continued in this analog way, this process would be prone to human error. I was present when Bill One digitized these massive bundles of invoices for the first time for the customer. It felt like a moment when our solution was truly creating social value. Initially, there was some psychological resistance to changing long-standing workflows and habits, but we prepared for this by holding multiple training sessions before implementation. Once the system went into use, the personnel realized they had no desire to go back to paper-based invoice exchanges. This was the innovation that occurred.



The process of creating value for society involves overcoming challenges together with our customers and step by step. Through this steady process our solutions gradually become established and permeate society as business infrastructure.

Transforming Work

Transforming work through digital transformation (DX) solutions is one of our key focus areas. In this area, we have set targets for two material issues (priority issues) to achieve by FY2029: 500 million items of information converted from analog to digital using our solutions, and 20 million users of our solutions.

Digitizing analog information has been our strongest core competence since our founding. In a society where many paper-based analog processes persist, our DX solutions focus on eliminating as much waste as possible and improving operational efficiency. This will allow businesspeople to spend more time on tasks that truly matter. The number of analog data items digitized is a straightforward metric measuring these contributions. Similarly, the number of users measures how many people have benefited from operational efficiency gains through digitization.

In FY2023, we saw progress beyond our initial expectations. We achieved 240 million items digitized and 7.89 million users, which I consider good results. Achieving our goals in the remaining six years will still be challenging. However, if we increase the number of users and grow our business, resulting in increased corporate value, we can confidently say we are creating real value for society.

Creating Impact Through Business Growth

In last year's Annual Report, I discussed our shift in business strategy from optimization to maximization. In FY2023, each of our solutions made solid progress toward maximization.

Going forward, Sansan will expand its recognition as a sales DX solution. It will do so by enhancing its corporate information database. In the future, we aim to evolve it into a sales DX solution centered on a corporate information database overseas as well. In Japan, we will elevate Bill One into a solution that accelerates monthly closing based on three pillars: invoice receipt, issuing, and expense reimbursement centered on corporate credit cards. Globally, we aim to accelerate growth by capturing robust demand through solutions that address the characteristics and needs of each country and region. This will include accounting systems and business practices. We aim for Contract One to achieve growth comparable to that of Bill One. We are also considering new solutions to follow these.

We will continue to grow our business steadily and, as a result, generate both qualitative and quantitative impacts on society.

Director, Executive Officer, COO

Kei Tomioka

The Social Value of Sansan

[CASE_1]

Building a Customer Database Across an Entire Company

Kobe Steel, Ltd.

Client company Kobe Steeel, Ltd. successfully introduced Sansan and integrated it with Salesforce[1] to build a company-wide customer database, saving work hours in business operations and promoting DX through data utilization.

The company struggled with often not being able to immediately access necessary information because customer information management depended on individuals. Therefore, for effective company-wide use of the personal network assets developed through many transactions, it was necessary to create a comprehensive database of customer information and an environment in which it could be used effectively. Another issue was that distribution of email newsletters to customers, a sales measure, was ineffective.

Sansan was introduced on a trial basis and interviews with employees using it showed it was well received for its usability and accurate character recognition. It was expected to save -4,000 work hours per year in operations such as business card management, which led to its company-wide introduction. For email distribution, it had been necessary to input email addresses one at a time into the address field, but by using Sansan's functions, the number of those work hours was reduced and data such as open rates could be viewed on Sansan after emails were sent, which is also useful for marketing. Efficient collection of necessary details, such as company information, recent news, and past contact histories of visited destinations, before going on sales visits also became possible, which led to establishing a foundation for sales activities that better leveraged organizational abilities.

[1] Salesforce is a trademark of Salesforce.com, inc., and is used here with permission



[CASE_2]

Building a Foundation for Digital Marketing

THE SHIZUOKA BANK, LTD.

Client company THE SHIZUOKA BANK, LTD. successfully expanded the effects of its digital marketing while improving productivity. The company introduced Sansan to develop its customer database and build an environment in which it can utilize the personal networks of other departments and superiors.

One issue the bank faced was that customer information management and communication were dependent on individuals. It introduced Sansan bank-wide, creating an environment in which digitized business card information could be confirmed on smartphones, which streamlines operations and strengthens sales abilities. The bank also aimed to develop a customer database for use in digital marketing.

After introducing Sansan, business card information began to be shared within the bank, and by being able to visualize the person-to-person connections at the staff level, the bank was able to leverage the personal networks of other departments and superiors in its sales activities. It also was able to reduce the work hours spent searching for and organizing paper business cards. This task used to take about 15 minutes per person per month.Additionally, more than 300,000 business cards have been digitized in the 16 months since introducing Sansan and the number of email addresses that can be approached has increased roughly tenfold.

Introducing Sansan let the bank digitize information that was previously acquired through manual footwork and depended on specific individuals. This made it possible to use this information for digital marketing, which has been a major achievement moving into the future. The bank is now working on studies for identifying highly likely prospects through digital marketing techniques.



The Social Value of Bill One

[CASE_1]

Streamlining Invoice Operations Through the Eliminating Invoice Scanning

Meiji Co., Ltd.

Client company Meiji Co., Ltd. improved productivity company-wide by introducing Bill One. This has saved 900 work hours per month that were previously needed for scanning paper invoices, while streamlining invoice-related operations.

With the aim of improving productivity company-wide, Meiji has been revamping its accounting system and making accounting-related receipts completely paperless. However, a problem arose in that, of the roughly 20,000 invoices handled within the company each month, 15,000 were paper invoices, and the scanning work was taking more work hours than anticipated. Estimation of the hours through demonstration tests and other means found as many as 900 hours per month on a company-wide scale. About 70% of paper invoices can now be received through Bill One, greatly reducing the work hours required for scanning.

Also, in the past, each on-site staff member who received the invoices managed them. However, with the spread of remote work, staff members sometimes were not in the office and could not confirm the invoices, or had to come to the office only to check email and postal mail or to place an official seal on the invoices. After introducing Bill One, use of the grouping function enabled sharing of invoice information and status among members.

By using Bill One, the company has been able to streamline its entire accounting operations, going paperless and substantially reducing operating time. The company is now working to build an environment that allows it to focus on more essential operations and is working on appropriate staffing arrangements.



[CASE_2]

Reducing Mistakes and Inefficient Operations in Paper Invoice Processing

Union Co., Ltd.

Client company Union Co., Ltd. by introducing Bill One, has successfully reduced mistakes, such as omission of the processing of paper invoices and duplicate payments, as well as inefficient operations in the management of original documents.

A great deal of inefficient work was occurring in the company because most of the invoices it handled were paper. The workflow also involved handwriting payment requests, the prescribed in-house format, getting a stamp of approval, and then submitting them. Therefore, the submission sometimes was forgotten or the deadline passed without the official stamp because the supervisor was absent, resulting in omitted processing. Also, as some electronic invoices received by email were printed out on paper for processing, there was a risk of printing them out again even though they had already been processed, resulting in duplicate payments.

Introducing Bill One made it possible to receive invoices and manage their status online, which streamlined workflows and reduced these risks. Significantly reduced filing work for invoices was another effect of introducing Bill One. Previously, about 300 paper invoices had to be bound together with string and filed to store them as originals, but now, they can be stored in Bill One, so there are far fewer instances where paper invoices are handled as originals. The risk of losing or omitting the processing of invoices, another issue, also has been eliminated, and removing the work hours previously required to fill in the in-house prescribed formats has boosted employee productivity.





Chapter 2

Strategy for Value Creation

Chapter 2 presents our newly established medium-term financial policy and explains the financial and business-specific strategies to achieve these goals, along with recent performance, through messages from the CFO and business unit leaders. It also introduces our human capital initiatives, with a message from the CHRO, and outlines our R&D initiatives. Additionally, we include a special feature summarizing our international expansion efforts.

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Heading into a New Phase with a Robust Structure and Increased Confidence in Sales and Profit Growth



CFO's Message

Director, Executive Officer, CFO
Muneyuki Hashimoto

Review of FY2023

Overall, I would evaluate FY2023 as an exceptionally good year. In last year's Annual Report 2023, I said that the company, as a whole, was in an excellent position to accelerate growth. This fiscal year's performance exceeded our initial forecasts for both net sales and adjusted operating profit,[1] with room to spare.

For FY2023, we had projected year-on-year sales growth of 28.0–32.0%. However, we achieved a 32.8% increase, to 33,878 million yen. Even excluding the impact of newly consolidated companies from M&A deals, our organic growth rate reached 30.2%, surpassing the upper limit of the range we had projected. Our ARR[2] also grew strongly, up 30.9% year on year to 33,270 million yen. Adjusted operating profit rose by 81.5% year on year, to 1,709 million yen, driven by strong growth in net sales. This performance exceeded the median of our initial forecast range. We actively recruited new employees this fiscal year as part of our growth strategy. Consequently, personnel expenses were up 36.2% year on year, outpacing our net sales growth rate. However, the increase in advertising expenses was limited to 19.0%. As a result, our adjusted operating profit margin improved by 1.3 pts. year on year, to 5.0%.

Profit attributable to owners of the parent significantly improved from the net loss recorded in the previous fiscal year, reaching 953 million yen (vs. a loss of 141 million yen in the previous year). This improvement mainly owed to a substantial increase in ordinary profit, a decrease in extraordinary losses compared with the previous fiscal year (which included a 980 million yen loss on valuation of investment securities), and the recording of income taxes–deferred. I believe we have firmly achieved the results that capital markets expected regarding financial

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)
[2] ARR: Annual recurring revenue

performance. Moreover, employee motivation and the overall atmosphere within the company are very positive. All in all, I consider it a satisfying year.

Evaluation and Challenges of Each Solution

In FY2023, we aggressively increased our workforce to maximize sales. For the Sansan sales DX solution, the effect of this increase in personnel surpassed our initial expectations, leading to a higher number of subscriptions and robust sales growth. Sansan continues to evolve beyond its conventional role as a business card and contact management solution, steadily advancing as a sales DX solution. We also have continued to achieve steady growth by realizing a positive return on our investment in human capital.

For the Eight business card app, we achieved our first quarterly profit in the fourth quarter of the previous fiscal year. For this fiscal year, we targeted profitability for the full year. We also focused on profitability in our solution offerings, clarifying which areas to concentrate on and which to de-emphasize. Partly owing to this shift in business operations, we achieved full-year profitability for the first time since the solution's launch, meeting our initial expectations. While both B2B and B2C solutions are growing steadily, Eight Team (providing business card management in Eight) and the event business are particularly driving sales growth. I believe the foundation for Eight's overall business has been solidly established.

For our cloud-based invoice management solution "Bill One", we certainly benefited from tailwinds related to Japan's invoice system implementation in autumn 2023, including a last-minute increase in demand. Bill One's growth rate slowed somewhat in the latter half of FY2023, but the post-invoice system growth rate aligns with expectations. In fact, throughout this year, I feel we achieved growth beyond what the tailwinds alone provided. Bill One's ARR reached 7,680 million yen, exceeding our initial target of 7,000 million yen, and the average monthly churn rate over the past 12 months remained extremely low, at 0.33%. We have also expanded Bill One's scope beyond invoice receipt, launching the Bill One Business Card last year and introducing Bill One Expense and Bill One Issue from June 2024. The performance contribution from these newly expanded areas and functions will be in the future. We actively recruited talent in FY2023, and as these new hires become productive members, we expect even more growth as we deploy Bill One with its new functions through a more robust sales system.

Additionally, CREATIVE SURVEY INC., which joined the Sansan Group in FY2022, strongly contributed to our full-year performance. Contracts for the Contract One contract database also steadily increased.

	(millions of yen)	FY2022	FY2023		(Reference) FY2023	
		Full-Year Results	Full-Year Results	YoY	Q4 Results	YoY
Net Sales	Consolidated	25,510	33,878	+32.8%	9,644	+31.5%
	Sansan/Bill One Business	22,516	29,948	+33.0%	8,278	+31.7%
	Eight Business	2,867	3,548	+23.8%	1,267	+24.5%
	Others	198	519	+161.3%	140	+163.3%
	Adjustments	-72	-137	—	-42	—
Adjusted Operating Profit*1	Consolidated	942	1,709	+81.5%	595	+227.3%
	Sansan/Bill One Business	7,005	8,675	+23.8%	2,386	+32.0%
	Eight Business	-170	314	—	321	+792.1%
	Others	-36	-79	—	-17	—
	Adjustments*2	-5,856	-7,201	—	-2,095	—

*1 Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets) *2 Corporate costs not allocated to reporting segments, primarily general administrative costs not attributable to any segment. Starting from the first quarter of FY2024, costs will be allocated to each segment based on specific rules

FY2024 Performance Outlook

For FY2024, we expect net sales to increase by 27.0–30.0% year on year, reaching 43,026–44,042 million yen. This includes projected year-on-year growth of 16.0–17.0% for Sansan, 60.0–70.0% for Bill One, and 32.0–38.0% for Eight.

We anticipate adjusted operating profit to increase by 76.2–157.6% year on year, reaching 3,012–4,404 million yen. This translates to an expected improvement in the adjusted operating profit margin of 2.0-5.0 pts. year on year.

Regarding major costs for FY2024, we continue to anticipate personnel and advertising expense increases. We also expect increased costs associated with our headquarters relocation in the first half of the year. These costs will mainly involve moving-related expenses and double rent payments before and after the move, but these are one-time costs that will not recur in FY2025 and beyond.

Announcement and Positioning of the Medium-Term Financial Policy

At the time of our FY2023 financial results announcement, we published our medium-term financial policy for the three years from FY2024 to FY2026. In our FY2021 financial results announcement, we had set medium-term financial

targets for FY2022–2024, aiming for net sales growth in the 20%+ range and improvement in the adjusted operating profit margin each fiscal year. Two years after that announcement, we could see that we are close to achieving these initial targets, which is the main reason for announcing our new medium-term financial policy.

Going beyond our previous disclosures by quantitatively publishing specific profit levels, I feel the market has responded positively to this announcement. We had sensed a considerable gap between the market consensus regarding our three-year growth trajectory and our own projections of achievable business and profit growth. Therefore, we felt we needed to provide more quantitative guidance in this medium-term financial policy to bridge this gap. Additionally, Eight achieved full-year profitability in FY2023, and we can now see a path for continued growth for Bill One following the invoice system implementation. The increased ease of forecasting our performance also supported the publication of a financial policy that includes quantitative profit guidance.

There's also a reason why we are calling our three-year numerical targets a "medium-term financial policy." Many listed companies announce medium-term management plans that typically start with a focus on business strategies for the medium term and then accumulate numerical targets based on these strategies. However, we are not changing our business strategies or actions just to publish medium-term figures. Rather, the numbers shown in this financial policy merely indicate the sales and profits we expect to achieve in three years if we continue with our current business policies. Also, as we continually consider and implement the optimal investment allocation to maximize our sales growth rate, we have not accumulated these figures by business segment. Therefore, there is no breakdown by business, nor is it used internally for business management. To avoid confusion with typical medium-term management plans, we chose to call it a medium-term financial policy. Internally, we are aiming for much higher target figures than those shown here.

Risks and Opportunities for Sales Growth

In our medium-term financial policy, we announced a net sales CAGR(Compound Annual Growth Rate) of 22.0–27.0% through FY2026. As a result, we project net sales for FY2026 to be 61,518–69,396 million yen.

Regarding the adjusted operating profit margin, while executing necessary investments for sales growth, we aim to achieve even faster growth than before, targeting 18.0–23.0% in FY2026. The sales growth rate remains our most important management indicator. However, given our expanded business scale and stable profit-generating financial foundation, we now have the basis to considerably expand our profit margin as well.

As mentioned earlier, this disclosure represents the level we expect to achieve if we continue our business operations along existing lines. In other words, the various new initiatives we are now preparing are measures to potentially outperform these projections. New service development, new areas for Bill One, and potential M&A deals are not factored into this outlook.

If we were to identify any potential downside risk to our outlook, it would be a decline in productivity per employee. Maintaining productivity has two aspects: what can be ensured through systems and individual awareness. Particularly concerning awareness, as we aggressively recruit talent and rapidly expand our workforce, there is a risk of our corporate ethos and culture being diluted, leading to "big company disease" and potentially decreasing productivity. We carefully share our mission-driven corporate culture and philosophy, which we have cherished since our founding, with all new employees, and we conduct ongoing training.

Moreover, our reignition of growth is helping us with securing first-rate talent, and the overall mood and motivation within the company are improving daily. There is great enthusiasm for creating new things and improving existing ones, and given our current status, this risk is highly unlikely to materialize.

Business Portfolio

Our main solutions are at different phases in terms of the net sales growth rate and adjusted operating profit margin.

Sansan accounted for nearly 68% of our total sales in FY2023. Its net sales growth rate rose from 15.0% in FY2022 to 15.6% this fiscal year. The adjusted operating profit margin (before the allocation of headquarters expenses) stood at 52.1%, demonstrating high profitability. For FY2024, we expect the net sales growth rate to tick up to 16.0–17.0%, and with this acceleration, we anticipate the adjusted operating profit margin to increase further.

Bill One, which has grown rapidly in recent years, accounted for over 18% of our total sales in FY2023. Its net sales this fiscal year grew by 155.5% year on year. However, maintaining this growth rate will become difficult as its scale increases, so we expect a more moderate growth rate going forward. While Bill One is not yet profitable because of its recent launch, we anticipate the profit margin to increase as the fiscal year progresses, and we aim for profitability as soon as possible. The Bill One Business Card, launched in 2023, is also growing steadily. As our balance sheet has become more robust, there is currently no need for additional funding, but we hope to quickly expand our scale to a stage where we can consider raising funds.

Eight, which accounts for over 10% of our total sales, saw a net sales growth rate of 23.8% year on year, greatly exceeding the guidance announced at the beginning of the fiscal year. However, this growth rate is somewhat more modest than before, as we scaled down some solutions through refinement and focusing to achieve full-year profitability. We did achieve profitability, with an

adjusted operating profit margin of 8.9%. We believe we can pursue further improvement in both sales growth and profitability for Eight, and we are aiming for 32.0–38.0% year-on-year sales growth in FY2024.

Capital Allocation

Regarding capital allocation, while predicting the scale of future cash flows is challenging, we plan to allocate capital based on the assumption of increasing profitability. Our policy is to focus on growth investments in highly efficient businesses while maintaining and expanding the shareholder returns we initiated this fiscal year.

For growth investments, as Eight achieved full-year profitability this fiscal year, we will now channel some of the cash that Sansan and Eight generated into Bill One, which continues to show strong growth.

Recruitment and advertising continue to be the mainstay of our growth investments. In FY2023, we focused heavily on recruitment, but we view FY2024 as a time to concentrate on developing the recruited talent. Therefore, we are planning more moderate recruitment than in FY2023. Productivity and sales efficiency metrics, such as the value of orders per sales staff and customer lifetime value, are the key indicators we consider when making capital allocation decisions.

We will continue to invest in advertising, but not in line with sales growth; the rate of increase will be quite moderate. In the future, the proportion of both personnel expenses and advertising expenses to net sales will decrease.

We will also continue considering M&A opportunities and investments in new business areas as they arise. In such areas, logmi, Inc., which we made a group company in 2020 and handles transcription media, is already creating synergy by supporting Eight's business growth. Including such group companies, we already see potential for future growth in some new businesses that have established their foundations. We will make decisions about additional investments while monitoring their progress.

We currently do not set specific investment limits for M&A deals or new businesses. We make investment decisions on a case-by-case basis, maintaining some leeway to make investments that we deem necessary at the appropriate time.

[Creation of Cash Flow]



*1 Cash flows from operating activities + cash flows from investing activities
*2 Excluding the spending on the security deposit arising from relocation of the head office, free cash flow is 4.2 billion yen (free cash flow margin: 12.6%)

Returns to Shareholders

We are in a business growth phase, and strengthening our financial position, bolstering our internal reserves, and reinforcing investments for business expansion will lead to the greatest return for our shareholders. This remains our fundamental view.

In FY2023, we achieved strong performance results. Moreover, as indicated in our medium-term financial policy, we are more confident that we can accelerate profit growth while continuing to invest for sales growth. Consequently, we determined that our financial situation now allows for returns to our shareholders. After comprehensively considering recent stock price trends and the dilution rate due to stock option issuances, we initiated a share buyback program with an upper limit of 300 million yen as part of our shareholder return initiative.

Our overall financial position has strengthened considerably. In FY2023, we recruited a record number of personnel, and even with such investments, we achieved definite profit growth, with our cash on hand increasing to 24.8 billion yen. While the upper limit for the share buyback is around 300 million yen, which is still a relatively small return, our business portfolio as a company has become more established, and our outlook's overall profitability and certainty have improved. Therefore, we will continue to consider flexibly implementing share buybacks going forward. In the medium term, we aim to disclose a quantitative shareholder return policy. We also intend to implement shareholder returns through dividends when our profit stage shifts to the next phase.

Fundraising

Regarding the need for fundraising, considering our cash-on-hand level at the end of May 2024 and our ability to generate sufficient operating cash flow, we are securing enough funds for business operations. Our recognition and

credibility have also improved, and our fundraising environment is better than ever, based on a sound financial structure, including financial liquidity and robust performance.

Although a "world with interest" has returned to Japan, this has little impact on us for the above reasons. Our balance sheet is sound and if additional funding needs arise from large M&A deals that could accelerate our growth or steep expansion of the Bill One Business Card corporate credit card going forward, along with using our own funds, we will flexibly determine the optimal financing methods. These include borrowing from financial institutions and equity financing.

Regarding market conditions, we have seen environmental changes, such as rapid yen depreciation, over the past year. However, the scale of our overseas business is still limited. While we plan to grow our overseas business in the future, we currently expect our domestic business to grow at a rate that far exceeds the growth of our overseas operations. Therefore, the impact of foreign exchange fluctuations on our performance should be very minimal.

Strengthening Governance and Ensuring Compliance

Among our material issues (priority issues), I am responsible for strengthening corporate governance and ensuring compliance.

Looking back on the past year, we have made significant progress in governance. A year has passed since we established the Nomination and Remuneration Advisory Committee in May 2023. During this time, we partially revised the remuneration for Directors (excluding Audit & Supervisory Committee members) and introduced performance-linked bonuses as short-term incentive compensation and stock compensation-type stock options as non-monetary remuneration. Additionally, the performance targets affecting compensation now include profit in addition to the existing sales targets. Executive compensation is a priority consideration in corporate governance, so the implementation of these necessary measures is a step forward. Also, following approval at the August 2024 General Meeting of Shareholders, the ratio of independent Outside Directors to internal directors became 5:5. We also initiated a new practice of holding open discussion sessions among Board members from FY2023. These discussions have energized long-term perspective debates on topics such as our medium-term financial policy and case studies of other growing companies. I believe this governance enhancement contributes to a sustainable increase in our corporate value.

Regarding compliance, we have met our current targets, and we believe it is essential to continue maintaining this level through system development and various initiatives.

Dialogue with Stakeholders

As a forerunner in Japan's SaaS industry, we have grown by highly valuing a pioneering spirit of delivering unprecedented solutions.

We have been actively engaged in investor relations since going public in 2019. In FY2023, I visited three locations in Europe, the United States, and Asia and had many opportunities for dialogue with overseas institutional investors. More investors now understand our intellectual capital, such as the technology for digitizing analog information that underpins Sansan and Bill One. As CFO, I am pleased to see an increase in well-informed institutional investors and a broadening domestic and international investor base.

The results of our shift toward maximizing sales over the past two years are now evident, with our sales growth rate reignited. In FY2023, the rate exceeded 30% for the first time in a while, and multiple businesses are now contributing to profits. In this respect as well, our growth



stage has advanced to the next level.

Our corporate growth achievement also helps us attract top talent. Every day, I see our employees engaging in their work with high energy and motivation while feeling a sense of growth. While it's difficult to quantitatively explain how this sense of progress translates into performance, I have firm confidence in our further growth.

In the autumn of 2024, we relocated our head office to Shibuya, a part of Tokyo where venture companies are growing into leading Japanese tech companies. From our new headquarters, we'll also be able to see the Japan headquarters of global tech companies. While feeling the growth momentum of the entire area, we are also aware of our relatively early growth stage. As a leading company in Japan's SaaS industry, we will continue to grow while developing new markets.

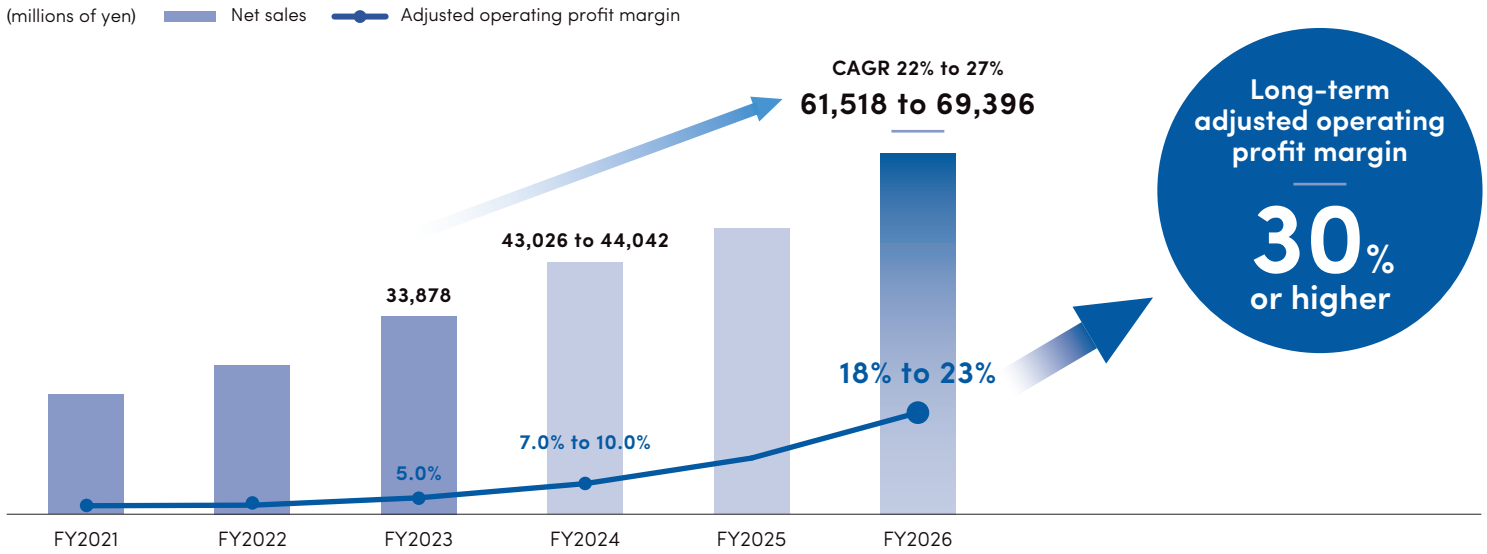
Director, Executive Officer, CFO

Muneyuki Hashimoto

Medium-Term Financial Policy

To maximize medium-to-long-term shareholder and corporate value, we have established a new medium-term financial policy for the period from FY2024 to FY2026. While maintaining steady growth in net sales and making necessary investments, we will accelerate the growth of adjusted operating profit[1] even more than before.

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)



Medium-Term Financial Policy

At the beginning of FY2022, we announced medium-term financial targets aiming to balance net sales growth and adjusted operating profit growth from FY2022 to FY2024. Considering our steady performance to date, we set out a new three-year policy at the beginning of FY2024.

Under the new medium-term financial policy, we aim to continue steady net sales growth and accelerate adjusted operating profit growth from FY2024 to FY2026. For net sales, our most important management indicator, we expect a three-year CAGR (Compound Annual Growth Rate) of 22% to 27%. We also aim to accelerate growth in adjusted operating profit, even after making necessary investments for net sales growth, targeting an adjusted operating profit margin of 18% to 23% for FY2026.

In our medium-to-long-term outlook for major costs, we expect the cost of sales ratio to decrease due to improved profitability of Bill One. We also anticipate that the S&M[2] to net sales ratio and G&A[3] to net sales ratio will decrease in line with past trends, and we believe we can achieve a long-term adjusted operating profit margin of 30% or higher.

[2] S&M (Sales and Marketing): Total of advertising expenses, personnel expenses related to sales promotion, and common expenses

[3] G&A (General and Administrative): Total of personnel expenses for corporate departments and related common expenses, etc.

Medium-to-Long-Term Management Strategy

We formulate and execute strategies based on appropriate performance evaluation indicators for each business. In the Sansan/Bill One Business, considering the vast potential market size for both Sansan and Bill One, we focus on maximizing net sales as the most important indicator while simultaneously working to increase the growth rate of adjusted operating profit.

For the Eight Business, we prioritize profitability in our operations. We believe it's important to steadily grow adjusted operating profit while efficiently increasing net sales.

Advancing these strategies requires that we hire a great deal of outstanding talent and ensure the diversity of our human resources. It is also important to address security risks and strengthen technological abilities, so we are positioning these as common efforts across all our businesses and are actively promoting them. We are also pursuing discontinuous growth through the creation of new services based on our competitive advantages, which we have cultivated to date centered on our technology for digitizing analog information, and through the active use of M&As backed by our cash generation capabilities in our existing businesses.

Access to a Vast Market

The digital transformation (DX) market related to our services continues to expand due to changing mindsets regarding DX, evolving work styles, and growing interest in SaaS businesses. The DX market is expected to reach 8,035 billion yen in FY2030 (an increase of 4,015.3 billion yen from the FY2023 estimate),[1] while the domestic Japanese SaaS market is projected to reach 2,099 billion yen in FY2027 (an increase of 686.2 billion yen from the FY2023 estimate).[2]

The documents our services handle, such as business cards and invoices, are still frequently used in paper form, leaving significant room for improving operational efficiency. Estimating the potential market size for each service, Sansan's user base as of the end of May 2024 represents only about 4% of Japan's total working population, indicating vast room for expansion. As for Bill One, we had 2,816 paid subscriptions as of the end of May 2024, but considering that the service targets approximately two million companies in Japan, its coverage rate is extremely low, suggesting enormous growth potential.

[1] Market Edition and Company Edition of 2024 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute
[2] 2023 New Software Business Markets by Fuji Chimera Research Institute

Recruiting and Training Talent and Ensuring Diversity

To achieve sustainable growth, we must hire talented professionals with diverse experience, and improve our sales and development structures. We will create environments and systems that motivate talented human resources that share our philosophy and business vision. We will also ensure diversity among our human resources.

Addressing Security Risks

We continuously strengthen our information management systems to protect the many personal and other important information assets we handle through our services. We diligently implement information protection measures, such as strict management of information assets, based on information security and personal information protection policies, and will continue to reinforce and improve our systems and management.

Enhancing Technological Strengths

As accurate digitization technology is a significant competitive advantage for us and is the common foundation for our services' growth, we must continually improve and strengthen it. We will hire talented engineers from Japan and abroad and invest in and monitor advanced technologies to further improve our technological abilities.

Creating New Solutions

By extending the strengths and knowledge cultivated in our existing services, centered on our technology for digitizing analog information, to other domains, we have created new services that promote corporate DX. We will continue to create and expand new services in business areas where there is still significant room for efficiency improvements through digitization.

Utilizing M&A

We will promote measures leading to increased corporate value for each company in our group by effectively utilizing our management resources and business operation know-how, working to create synergies. While also making necessary investments for the growth of our main services, we are already generating stable operating cash flow and free cash flow[3]. Therefore, we position M&A as one of our key strategies for further growth and will actively consider such opportunities.

[3] Cash flows from operating activities + cash flows from investing activities

Short-Term Management Performance and Plans

For FY2023, both net sales and adjusted operating profit[1] were strong, with net sales notably exceeding the upper end of the full-year forecast range.
In FY2024, we will strive to continue the steady net sales growth and enhance our adjusted operating profit margin while making necessary investments for business growth.

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

(millions of yen)	FY2023		FY2023	
	Full-Year Forecasts	YoY	Full-Year Results	YoY
Net sales	32,653 to 33,674	+28.0% to +32.0%	33,878	+32.8%
Sansan/Bill One Business	29,046 to 29,835	+29.0% to +32.5%	29,948	+33.0%
Sansan	22,664 to 22,861	+14.5% to +15.5%	22,889	+15.6%
Bill One	5,673 to 6,156	+135.0% to +155.0%	6,168	+155.5%
Eight Business	3,153 to 3,354	+10.0% to +17.0%	3,548	+23.8%
Adjusted operating profit	1,240 to 1,852	+31.7% to +96.6%	1,709	+81.5%
Adjusted operating profit margin	3.8% to 5.5%	+0.1 pts. to +1.8 pts.	5.0%	+1.3 pts.

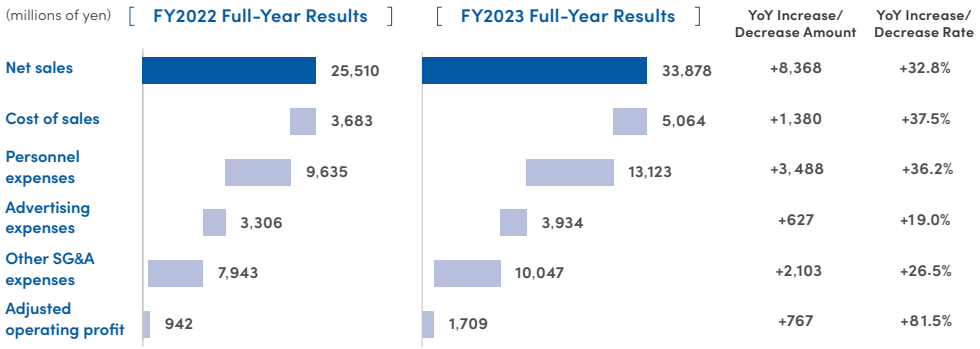
FY2023 Results

Our FY2023 plans adopted a range forecast to reflect various foreseeable scenarios and based on factors such as the status of new orders for Sansan and Bill One, usage of the Bill One Business Card, a Bill One option, and progress in our recruitment efforts, which is one of our growth strategies. Accordingly, we set reasonable maximums and minimums, targeting net sales growth of 28.0–32.0% year on year and adjusted operating profit growth of 31.7–96.6% with a 0.1–1.8 pts. rise in adjusted operating profit margin. In this context, the Sansan/Bill One Business mainly bolstered the sales organization through recruitment as well as expanding functionality, and worked to optimize its price structures based on the market environment and the status of the strengthening solutions, among other factors. Under a management policy focused on profitability, the Eight Business aimed to achieve positive adjusted operating profit for the full fiscal year, bolstered the business event service, and implemented price revisions and other measures in Eight Team.

Therefore, actual FY2023 results were strong, with net sales up 32.8% year on year, exceeding the upper limit of the forecast range. Adjusted operating profit rose 81.5% year-on-year mainly owing to net sales growth, with a 1.3 pts. increase in the adjusted operating profit margin, to 5.0%. These results exceeded the median values of their ranges. For our main solutions, Sansan's net sales were up 15.6% year on year and their steady growth continued. Note that new order values were at a record high in the fourth quarter, and further sales growth can be expected going forward. Bill One's net sales grew 155.5% year on year, and high growth has continued. They have grown steadily since October 2023, when Japan's invoice system was launched, leading to strong results throughout the fiscal year. Even though we underwent price revisions, the Eight Business achieved positive adjusted operating profit for the full fiscal year for the first time since the solution was launched, owing to factors such as Eight Team subscriptions steadily increasing and the event business producing strong results.

Factors Behind the Increase/Decrease in Adjusted Operating Profit

In FY2023, we strengthened recruitment efforts and, owing to this and other factors, personnel expenses increased 36.2% (3,488 million yen) year on year. Meanwhile, advertising expenses rose 19.0% (627 million yen) year on year lower than net sales growth, and owing to this and other factors, adjusted operating profit increased 81.5% (767 million yen) year on year and the adjusted operating profit margin improved 1.3 pts.



(millions of yen)	FY2023		FY2024	
	Full-Year Results	YoY	Full-Year Forecasts	YoY
Net sales	33,878	+32.8%	43,026 to 44,042	+27.0% to +30.0%
Sansan/Bill One Business	29,948	+33.0%	37,734 to 38,483	+26.0% to +28.5%
Sansan	22,889	+15.6%	26,552 to 26,781	+16.0% to +17.0%
Bill One	6,168	+155.5%	9,870 to 10,486	+60.0% to +70.0%
Eight Business	3,548	+23.8%	4,683 to 4,896	+32.0% to +38.0%
Adjusted operating profit	1,709	+81.5%	3,012 to 4,404	+76.2% to +157.6%
Adjusted operating profit margin	5.0%	+1.3 pts.	7.0% to 10.0%	+2.0 pts. to +5.0 pts.

FY2024 Plans

For FY2024 net sales, we forecast 27.0–30.0% growth year on year, factoring in Sansan's steady growth and Bill One's continued high growth. By segment, we expect that the Sansan/Bill One Business net sales will grow 26.0–28.5% year-on-year owing to factors such as the sales personnel recruited in FY2023 getting up to speed. These projections include a 16.0–17.0% year-on-year increase for Sansan and 60.0–70.0% for Bill One. We expect that the Eight Business net sales will increase 32.0–38.0% year on year, with the popular event services and Eight Team driving growth.

Regarding the main breakdown of the selling, general, and administrative expenses, we will continue recruitment aiming at sales structure enhancements. However, we expect that the number of hires will decrease year on year and, therefore, we anticipate that personnel expenses will rise about 29% year on year. We also expect that advertising expenses will be up about 16% year on year. Additionally, because of our head office relocation, we expect an increase in rents and that relocation-related expenses will be incurred. For these reasons, we expect adjusted operating profit to increase approximately 76.2–157.6% year on year and the adjusted operating profit margin to increase 2.0–5.0 pts. meaning that the pace of profit growth will accelerate.

It is difficult to accurately forecast the effect from optimizing the price structures of Sansan and Bill One; therefore, in FY2024 as well, we have adopted range forecasts within a reasonable scope.

Forecast of Costs Resulting from Head Office Relocation

We plan to relocate our head office in the first to second quarters of FY2024. Relocation-related expenses are expected, including one-time costs, such as accelerated amortization and repair expenses in the current head office, and a one-time increase in rents due to the double rent incurred during the relocation period. As a result, the one-time costs from the relocation are expected to be approximately 700 million yen.

[COLUMN]

Head Office Relocated to Shibuya Sakura Stage Which Takes the Sakura, an Emblem of Encounters, as Its Symbol

We are relocating our head office to Shibuya Sakura Stage aiming to consolidate our multiple locations scattered around the head office and bring together the strengths of all of our solutions and employees to further ignite our business growth. We also aim to develop an environment in which we can accommodate future personnel increases.

Shibuya Sakura Stage is an office building in the Sakuragaoka part of Shibuya, Tokyo, an area with the sakura (cherry blossom) as its symbol. The cherry blossom also symbolizes encounters, such as what happens when the area is bustling with people during its annual Shibuya Sakura Festival. This location greatly aligns with our mission of "Turning encounters into innovation" and, going forward, our entire company will continue working to deliver globally viable solutions from Sakuragaoka, Shibuya, and aim to realize our vision to "Become business infrastructure."



We relocated our head office to Shibuya Sakura Stage, which is adjacent to Shibuya Station.

Business Strategies by Segment

Under our medium-term financial policies, we aim to achieve steady growth for Sansan, continue high growth for Bill One, and expand revenue for Eight. We also are continuously working on launching new solutions, such as Contract One, and growing each of the solutions offered by our group companies.

Segment Structure

Our group's reporting segments consist of the Sansan/Bill One business and Eight business.

The Sansan/Bill One business is our main segment, accounting for over 80% of our consolidated net sales. Notably, the Sansan sales DX solution, established at our founding, accounts for 68% of consolidated net sales. The Bill One cloud-based invoice management solution, introduced in May 2020, continues its high growth rate and accounted for 18% of consolidated net sales in FY2023. Other solutions in this segment include the Contract One contract database, launched in January 2022.

The Eight business represents 10% of consolidated net sales. Primarily, it involves the Eight business card app, which has more than 3.7 million registered users. We aim to expand revenue by providing corporate solutions that leverage this user network.

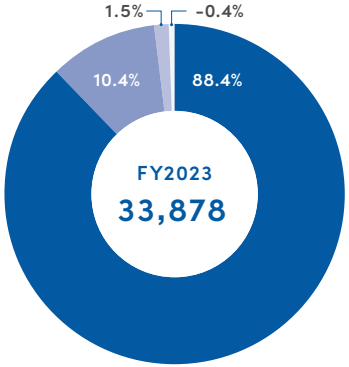
[Consolidated Net Sales and Adjusted Consolidated Operating Profits]

(millions of yen)	FY2021	FY2022	FY2023	YoY
Net sales	20,420	25,510	33,878	+32.8%
Sansan/Bill One Business	18,105	22,516	29,948	+33.0%
Eight Business	2,213	2,867	3,548	+23.8%
Others	126	198	519	+161.3%
Adjustments	-25	-72	-137	–
Adjusted consolidated operating profit	730	942	1,709	+81.5%
Sansan/Bill One Business	5,752	7,005	8,675	+23.8%
Eight Business	-355	-170	314	–
Others	-22	-36	-79	–
Adjustments*1	-4,643	-5,856	-7,201	–
Adjusted consolidated operating profit margin	3.6%	3.7%	5.0%	+1.3 pts.
Sansan/Bill One Business	31.6%	31.1%	29.0%	-2.1 pts.
Eight Business	–	–	8.9%	–
Others	–	–	–	–

*1 Corporate costs not allocated to reporting segments, primarily general administrative costs not attributable to any segment. Starting from the first quarter of FY2024, costs will be allocated to each segment based on specific rules

[Net Sales by Segment*2]

(millions of yen)



Sansan/Bill One Business
Eight Business
Others
Adjustments

*2 Internal net sales or transfers between segments (elimination of intra-company transactions) are recorded as adjustments

Main Solutions in Each Segment

Sansan/Bill One Business			
Sansan	Sales DX solution	sansan	**Manage your contacts, maximize your business** The sales DX solution that centrally manages business cards and contacts, and company information, as well as sales history, enabling the sharing of this data companywide to increase net sales while reducing costs.
Bill One	Cloud-based invoice management solution	Bill One powered by Sansan	**Receive, digitize & centralize your invoices. Fast monthly closing.** An invoice management solution for online receipt of all invoices, accelerating companywide invoice operations.
Others	Contract database	Contract One powered by Sansan	**Work differently, work better, with the contract database** A contract database that accurately digitizes all contracts, making contract data usable in daily operations and transforming habits not only in managerial divisions but also in business divisions.
Others	Multi-channel form	Ask One powered by Sansan	**Capture every business opportunity at every customer touchpoint** A multi-channel form that collects customer feedback from all touchpoints and supports continuous improvements in customer experience.
Eight Business			
B2C Services	Business card app	eight	**One-touch business card exchange and management** A business card app that connects valuable encounters with just a touch and automatically provides updates with information on contacts' career changes, for smart updating.
B2B Services	Event transcription service	logmi Biz / logmi Finance / logmi Tech	**Logging the world. Changing the world** An event transcription service that logs complete transcriptions of press conferences, events, and interviews, delivering valuable information to a broader audience.

Sansan/Bill One Business

The Sansan/Bill One business includes our founding Sansan sales DX solution, the Bill One cloud-based invoice management solution, the Contract One contract database, and solutions from CREATIVE SURVEY Inc., a group company. Owing to Sansan's steady growth and Bill One's continued high growth, net sales for FY2023 were up 33.0% year on year. Although the profit margin decreased because of the hiring of sales personnel and reinforcement of marketing activities aimed at sales growth, the sales increase resulted in a 23.8% year-on-year growth in adjusted operating profit.[1]

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

[Performance of the Sansan/Bill One Business]

(millions of yen)	FY2021	FY2022	FY2023	YoY
Net sales	18,105	22,516	29,948	+33.0%
Sansan	17,214	19,793	22,889	+15.6%
Bill One	826	2,414	6,168	+155.5%
Others	64	308	889	+188.1%
Adjusted operating profit	5,752	7,005	8,675	+23.8%
Adjusted operating profit margin	31.8%	31.1%	29.0%	-2.1 pts.

Sansan – Sales DX Solution

Launched in 2007, the Sansan sales DX solution simultaneously realizes sales expansion and cost reductions through centrally managed business cards and contacts, corporate information, and sales history shared company-wide, based on the concept of "Manage your contacts, maximize your business."

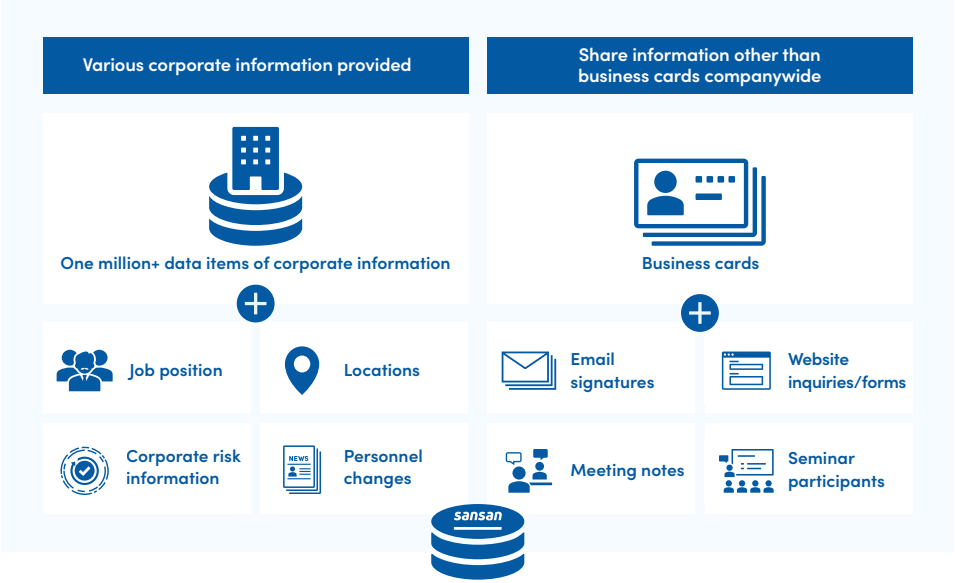
Manage your contacts, maximize your business

sansan

Service Overview

Company contact information is extremely valuable, but often it is not effectively utilized because it is managed individually and in analog formats. In Sansan, along with business card information, various contact activity information, such as emails and website inquiries, can be accumulated and visualized. Additionally, more than One million items of corporate data are accessible, regardless of whether there is previous contact information. Combining this information allows building of a unique database for each user company. Using Sansan, business card and contact-related tasks can be streamlined to improve productivity and reduce costs, while effectively using contact information can maximize business opportunities and expand sales. For example, Sansan enables efficient discovery of new sales prospects and the latest information about client companies to be shared within the organization, strengthening the abilities of individual sales staff. Integration with external systems to use this data allows for advanced sales strategies to be planned and executed, maximizing overall organizational sales results.

The pricing model offers a basic plan for all employees to use Sansan. Monthly fees include license costs calculated based on the size and purpose of the user company, plus scanner rental fees, etc. Additional services, such as digitizing large amounts of business cards stored in paper form and support for introducing the solutions, are provided for an additional fee during implementation.



Positioning

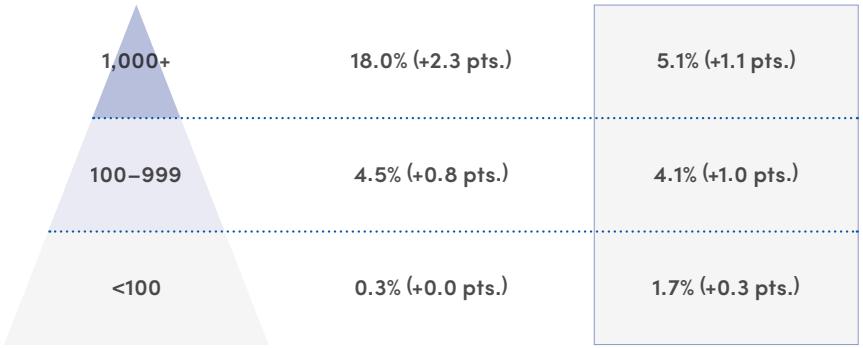
Sansan has gained high recognition in Japan from its aggressive advertising, including TV commercials. It also has built a solid customer base using top-level SaaS management expertise cultivated since the solution launched. It is widely used by companies of all sizes, from small businesses to large corporations with tens of thousands of employees and across various industries.

As a result, Sansan has established a dominant position with an 82.4% share of net sales in the corporate business card management service market,[1] gaining high credibility for its service.

[1] Latest Trends in Business Card Management Services in Sales Support DX 2024 (January 2024, Seed Planning, Inc. survey, in Japanese)

Potential Market Size

While Sansan boasts an overwhelming market share in Japan, the coverage by company remains low, suggesting substantial room for expansion. Even user companies do not always implement the full-employee usage provided in the basic plan, suggesting even greater potential for expansion when viewing the total working population in Japan.



*1 Sansan coverage is calculated with the number of subscriptions and total number of IDs in Sansan for FY2023 end as the numerator and the number based on the Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator

FY2023 Performance

In FY2023, we strengthened our sales organization through recruitment and optimized the pricing system and fees based on the market environment and status of service improvement. Key KPI performance resultantly showed an 8.1% increase in subscriptions and a 7.1% increase in monthly stock net sales per contract year on year. Last 12 months average of monthly churn rate was 0.42%, a 0.02-pts.decrease year on year, maintaining a low level of below 1%. Consequently, Sansan's net sales steadily increased 15.6% year on year.

Sansan Key KPIs	FY2021	FY2022	FY2023	YoY
Subscriptions	8,488 subscriptions	8,969 subscriptions	9,693 subscriptions	+8.1%
Monthly recurring sales per subscription	¥170,000	¥184,000	¥197,000	+7.1%
Last 12 months average of monthly churn rate*2	0.62%	0.44%	0.42%	-0.02 pts.

*2 The percentage of MRR that decreased because of churn out of the total MRR from existing subscriptions for the service

Growth Strategy

Owing to influences such as service updates implemented since 2022 and post-COVID demand recovery, Sansan's average sales productivity[2] over the past 12 months rose by about 13% from June 2022 to May 2024. With productivity improvement as a backdrop, we recently focused on strengthening our sales organization, increasing field sales staff by about 29% over roughly two years. Aside from acquiring new customers, we are also working on expanding sales with existing customers, achieving a stable state of negative churn[3] in which the revenue increase from existing subscriptions exceeds the revenue lost from cancellations.

[2] Sum of orders per field salesperson
[3] A state where the increase in revenue from existing subscriptions exceeds thedecrease in revenue due to service cancellations

[COLUMN]

Continuing Simple, Robust Growth in Sansan Business, a Group Pillar

Since it began, Sansan has leveraged business card-based network management as a strength, but it has now greatly evolved into the sales digital transformation (DX) solution through "Manage your contacts, maximize your business." While strengthening features for managing personal networks, such as digitizing business card exchanges and email communications and visualizing personal connections, we have expanded Sansan's functionality into a robust sales database. This includes One million+ data items of corporate information and 200,000 executive profiles – viewable even without exchanging contacts – as well as contact information such as emails, phone calls, and sales meetings, which can be shared and used companywide.

Business situations have returned to being offline post-COVID, traditional needs such as business card management are resurging, while demand for database-related features for setting sales targets using corporate databases is also increasing. We are confident Sansan will become an essential tool for these expanding sales activities.

Review of FY2023

Net sales increased 15.6% year on year. Accelerating Sansan's net sales growth rate, our group's largest business, was a significant positive, creating overall favorable results.

The primary driver behind these results was the solution's renewal under the concept of "Manage your contacts, maximize your business." By expanding new features and information and streamlining existing features, we redefined the sales DX solution to simply conveyhow Sansan can boost sales and improve sales productivity. At the same time, we optimized the licensing structure and fees, updating our sales strategy according to customer size and focusing on improving sales productivity. At the beginning of the period, we also strengthened our sales structure, substantially expanding the productivity of newly hired sales staff.

Actions for FY2024

Our progress period strategy involves implementing the optimized licensing structure and more appropriate pricing we have established. Sales under this new structure started in February 2024 and are expected to contribute to FY2024 results. We are actively promoting new subscriptions under the structure and we will make substantial efforts. The sales structure, reinforced by new hires, is anticipated to improve per-person sales productivity, aiming for robust growth through their synergistic effects.

Toward Further Growth

Sansan has relentlessly pursued user business growth through the concept of "Manage your contacts, maximize your business," securing 9,693 subscriptions by the end of May 2024. However, we believe we have not fully conveyed the value we can offer as a sales DX solution. We are first aiming to solidify market recognition of our customer management offerings, derived from business card and contact management. Sales strategies can be formulated based on One million+ data items of corporate information and locations, enabling the creation of targeted approach lists. We aim to strengthen how Sansan's service value as a form of customer management is conveyed and expand its features, making it an indispensable solution for users' sales activities.



Executive Officer,
Sansan Division Head

Yasumasa Ogawa

Bill One – Cloud-Based Invoice Management Solution

Launched in 2020, the Bill One cloud-based invoice management solution is based on the concept of "Receive, digitize & centralize your invoices. Fast monthly closing." Thus, it supports faster decision-making by streamlining companywide accounting tasks.

Receive, digitize & centralize your invoices.
Fast monthly closing.

Bill One
powered by Sansan

Service Overview

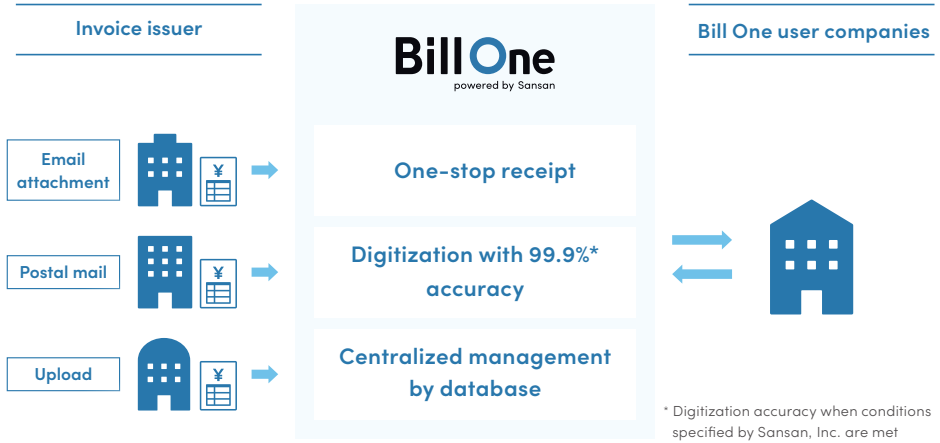
Paper invoices still dominate in accounting, resulting in numerous analog and inefficient tasks, such as managing mail, circulating documents for internal approval, and entering invoice details for payment. Needing to receive paper invoices also requires being physically present in a workplace, which hinders diverse working styles.

The Bill One cloud-based invoice management solution can receive invoices in various formats, such as paper and PDF, digitizing them with high accuracy, allowing users to access correctly digitized invoice information from the beginning and with no extra effort. Workflows such as confirmation and approval tasks can be completed within the cloud system. Invoice information is centrally managed in a searchable database, enabling cost control through data utilization and maximizing future revenue through producing sales opportunities.

We are also enhancing integration with accounting systems, other services from different companies, and options such as invoice issuing and proxy postal delivery.

In June 2023, we launched the Bill One Business Card corporate credit card, and in June 2024, we introduced Bill One Expense, aimed at using this card to eliminate expense reimbursements. September 2024 marks the start of offering Bill One Issue, allowing seamless processing from invoice issuing to receipt reconciliation.

The fee model for receiving services includes initial fees for environment creation and customer success support, alongside monthly digitization fees based on the number of invoices to be digitized. Receiving services such as invoice issuing and expense settlement features are offered under a separate fee model.



* Digitization accuracy when conditions specified by Sansan, Inc. are met

Positioning

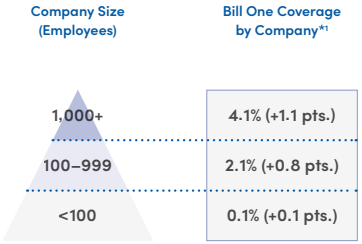
Bill One uses technology for digitizing analog information that has been developed through Sansan. This, along with its high reliability in service operations, makes it widely used across industries, from small businesses to large corporations with employees numbering in the tens of thousands, including major financial groups and manufacturers.

As a result, it has secured the #1[1] net sales share among Japan's cloud-based invoice management solutions.

[1] Deloitte Tohmatsu MIC Research Institute Co.,Ltd., "The Market of Online Invoice Receiving Solution Growing at a Staggering Rate" (MIC IT Report, November 2023)

Potential Market Size

Bill One is a solution that can be used by companies across all industries and business types, making approximately two million companies in Japan potential targets. Although it has already secured the top market share in the invoice receiving service market, we see significant room for growth given the very low coverage rate among these two million companies.



*1 Bill One coverage is calculated with the number of subscriptions for FY2023 end as the numerator and the number based on the Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator

FY2023 Performance

We strengthened our sales organization mainly through recruitment and optimized the pricing system and fees based on the market environment and service improvements. As a result, main KPI performance, as evidenced through the steady acquisition of new contracts among medium- to large-sized businesses, showed a 78.1% increase with a 13.5% increase in monthly stock net sales per contract year on year. Last 12 months average of monthly churn rate was 0.33%, -0.31 pts. from last year, maintaining a low level below 1%. Consequently, Bill One's net sales increased 155.5% year on year, showing continued high growth.

Bill One Key KPIs	FY2021	FY2022	FY2023	YoY
MRR*2	116 million yen	316 million yen	640 million yen	+102.5%
Paid subscriptions	776 subscriptions	1,581 subscriptions	2,816 subscriptions	+78.1%
Monthly recurring sales per paid subscription	149,000 yen	200,000 yen	227,000 yen	+13.5%
Last 12 months average of monthly churn rate*3	0.49%	0.64%	0.33%	-0.31 pts.

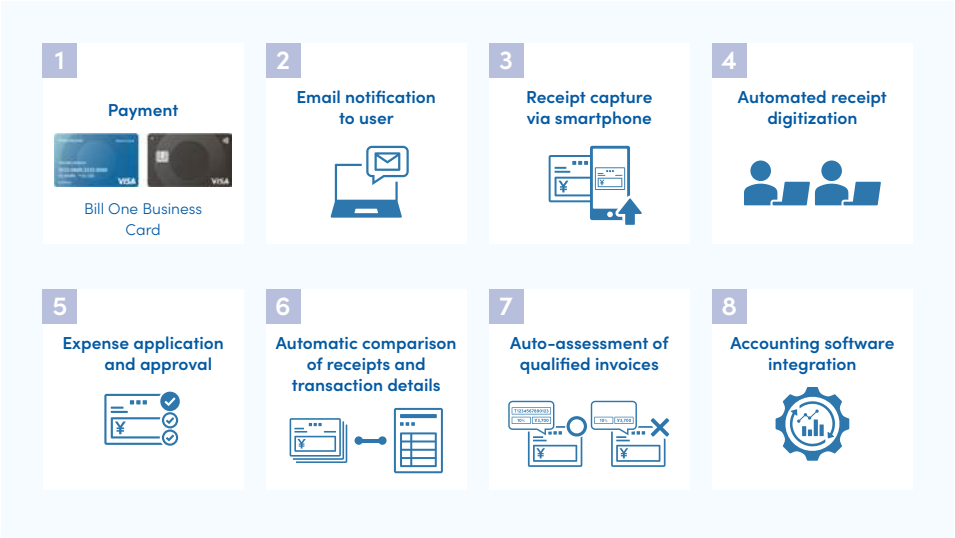
*2 MRR: Monthly recurring revenue *3 The percentage of MRR that decreased because of churn out of the total MRR from existing subscriptions for the service

Growth Strategy

For Bill One, we will continue to reinforce our sales structure by strengthening recruitment and implementing measures to turn new hires into valuable assets. We are also working on expanding our range of features and expanding into new areas.

In June 2024, we launched Bill One Expense. This solution streamlines the traditional reimbursed expense process and aims to eliminate these expenses by using the Bill One Business Card corporate credit card introduced in June 2023. These services make a business' payment operations more efficient, accelerating monthly settlements and contributing to medium-to-long-term growth for Bill One.

[Expense Settlement Flow]



[Main value provided by Bill One Expense]

1 Elimination/reduction of expense reimbursement
Reduces various costs associated with cash usage. Lightens personal financial burdens from needing to be reimbursed for expenses and eliminates the risk of inappropriate expense use

2 Complete online process
Online handling of everything from receipt submission to approval, journal entry, and storage of vouchers

3 Automation of legal compliance tasks
Automates tasks arising from compliance with the Electronic Bookkeeping Act and Invoicing System

[COLUMN]

Bill One Leverages Entire Group' Strengths for Discontinuous Growth

Bill One is a solution designed for fast monthly closing. While various DX services for accounting tasks exist, most are designed to make individual tasks more convenient. Bill One's value is its higher-level aim for fast monthly closing. This benefit is crucial for companies as it directly impacts management decision-making. The same concept applies not only to the core invoice receiving function, but also to Bill One Expense launched in June and Bill One Issue launched in September.

Review of FY2023

Four years have passed since the solution's launch in 2020. FY2023 was a pivotal year, marked by the key implementation of the Invoicing System. It was a year of capturing sales opportunities, transforming them into results, and minimizing the negative impacts. The essence of Bill One's value in fast monthly closing was truly tested. We initially set a goal of doubling our ARR[1] to 7 billion yen. Midway through the year, we revised this target to 7.5 billion yen, ultimately achieving 7.6 billion yen.

Actions for FY2024

To further fuel growth, we substantially strengthened our sales structure in FY2023, and we continue to focus on recruitment in our progress period. Responses have been positive toward the Bill One Expense (launched in May 2024) concept of "Eliminate reimbursed expenses for fast monthly closing," so we have established a small but specialized sales team and aim to scale up our solutions even more. For our current main feature, the invoice receipt solution, we will apply suitable price adjustments while evolving its functions, further solidifying the foundation for Bill One's overall growth. We have also been building functionality for Bill One Issue, launching in autumn 2024 as a solution to streamline invoice issuing and post-issue payment reconciliation.

Toward Further Growth

Bill One's robust growth has been fueled by the data digitization technologies developed at Sansan and our brand power in attracting high-quality talent, our product development ability, and security measures that meet financial institutions' demands. These strengths and our ability to sustain business investments represent the combined strengths of our entire group. The accounting DX area has many players offering various services, and this competition is expected to intensify. However, we will continue to leverage our strengths, such as accurate digitization technology and robust operations, to offer solutions that fast monthly closing rather than simply improving accounting efficiency.

Specifically, we will continue to focus on invoice receiving and investing in personnel and development resources to capture a dominant market share. Maintaining and improving productivity is a vital challenge because scaling up our organization will become increasingly important. We will focus on maintaining high productivity for each sales staff member and, while keeping in mind the development of solutions in adjacent fields experiencing rapid growth following Bill One Receive, aim for discontinuous growth.



Executive Officer, Bill One Division Head

Katsuya Ohnishi

[1] ARR: Annual recurring revenue

Contract One – Contract Database

Launched in 2022, the Contract One contract database aims to help people work differently and work better, digitalizing all paper and electronic contracts to contribute to corporate revenue generation.

**Work differently, work better,
with the contract database**

Contract One
powered by Sansan

Service Overview

While electronic contracts are becoming increasingly common, some companies still prefer paper contracts, making managing digital and analog information complex. Users simply send paper contracts to Sansan and then Contract One scans and accurately digitizes them on the users' behalf. For electronic contracts, Contract One allows for receiving PDF contracts through vendor integration and digitizes them so users can build a consolidated contract. This database helps in adhering to contract terms and enables efficient post-conclusion tasks, such as reviewing terms based on market conditions or strategies, thus helping produce sales opportunities and maximize revenue.

Our pricing model includes initial setup fees for implementation support and digitization of existing contracts by dedicated consultants, along with monthly fees calculated based on the number of contracts user companies digitize.

Growth Strategy

Contract One is currently in the launch phase, with 222 subscriptions signed as of the end of May 2024.

We are working on strengthening functions to improve value for users. For example, in March 2024, we launched a "contract tree" that automatically links related contracts, and "contract status assessment," which automatically evaluates contract validity. The overarching perspective provided aims to reduce risks due to individual contract management and streamline contract-related tasks companywide. We will continue expanding functionality alongside other actions to strengthen sales and contribute to the group's growth.

Ask One – Multi-Channel Form

The Ask One multi-channel form aims to "Capture every business opportunity at every customer touchpoint," increasing opportunities for business discussions, order acceptance, and contract renewal rates for B2B companies.

**Capture every business opportunity at every
customer touchpoint**

Ask One
powered by Sansan

Service Overview

Companies have various customer contact points, but many are managed separately and, thus, underutilized.

Ask One integrates input interfaces for all customer touchpoints, whether online, offline, internal, or external, providing unified management of contact information. This ensures no customers are overlooked and that all are converted into business opportunities, offering a multi-channel form solution.

The basic functionality is the same, but we pursue a multi-brand strategy with clear target segmentation, offering Ask One for B2B companies and CREATIVE SURVEY for B2C companies.

Eight Business

The Eight business includes the Eight business card app and our group company, logmi Inc. Driven by services such as the SME-targeted business card and contact management solution Eight Team and business events, our net sales for FY2023 were up 23.8%. We also saw an annual surplus in adjusted operating profit for the first time, supported by a transition to business operations focused on profitability in addition to net sales growth.

[Performance of the Eight Business]

(millions of yen)	FY2021	FY2022	FY2023	YoY
Net sales	2,213	2,867	3,548	+23.8%
B2C services	286	303	347	+14.7%
B2B services	1,927	2,563	3,200	+24.8%
Adjusted operating profit	-355	-170	314	–
Adjusted operating profit margin	–	–	8.9%	–

Eight – Business Card App

Launched in 2012, the Eight business card app helps individuals exchange and manage business cards through the concept of “One-touch business card exchange and management,” boosting productivity. Eight also supports companies in solving business challenges through its business card and contact management solutions and the various services that use Eight’s network.

One-touch business card exchange and management

eight

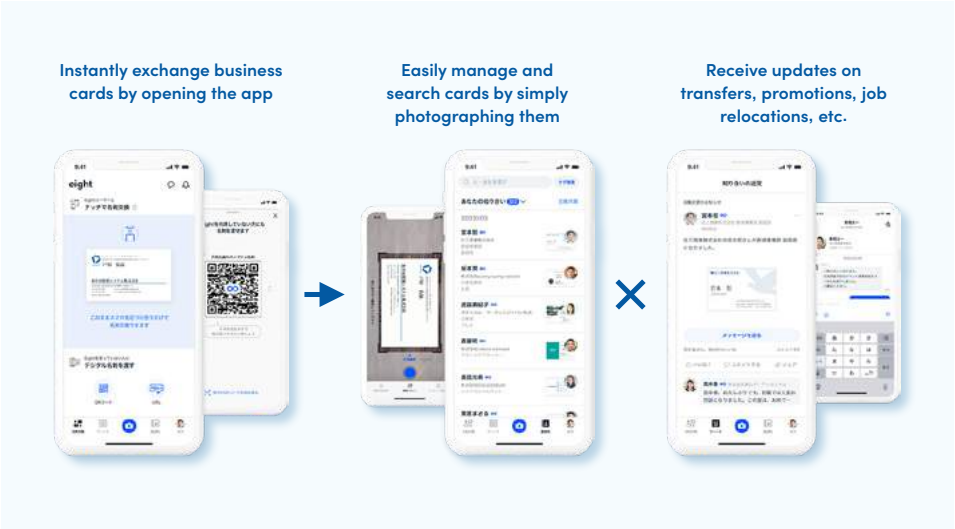
Service Overview

Eight is primarily an app for individual use. An account is created when users register their business card, enabling them to use the basic features for free. Users can create and manage a profile covering their entire business life by entering in past business cards. After registering business cards from previous exchanges, if the card-holders are also Eight users, users can connect on Eight and automatically receive updates on their contacts’ promotions, transfers, and job changes, making it easy to keep track of their status.

With rapid technological advancements and the proliferation of cloud services enabling business to be conducted entirely online, we anticipate a growing demand for digital business card exchanges over traditional paper ones. Eight is equipped with Virtual Card Exchange functions that allow instant card exchanges simply by holding two smartphones near each other. Even non-Eight users can exchange Virtual Cards via QR Code[1] or URL.

Our business model includes paid services for both individual and corporate users. Individual paid services offer premium business card management functions. For corporate users, we offer services such as business events to attract Eight users and earn fees from exhibiting companies, as well as business card and contact management solutions for SMEs, such as Eight Team.

[1] QR Code is a registered trademark of DENSO WAVE INCORPORATED



FY2023 Performance

In our B2C services (individual paid services), the normalization of business post-COVID and the expansion of functions such as Virtual Card Exchange have boosted the number of Eight users by 410,000 year on year, reaching 3.72 million and resulting in a 14.7% increase in net sales. For our B2B services (corporate paid services), the number of Eight Team subscriptions increased 24.4% year on year, and strengthening monetization of various services, including large-scale business events, led to a 24.8% rise in net sales.

Eight Key KPIs	FY2021	FY2022	FY2023	YoY
Eight users*	3.10 million	3.31 million	3.72 million	+0.41 million
Eight Team subscriptions	2,819 subscriptions	3,703 subscriptions	4,608 subscriptions	+24.4%

* Number of users that downloaded the application and registered their own business cards

Growth Strategy

We achieved profitability on an adjusted operating profit basis in FY2023 and will continue to operate focusing on profitability. We aim to continue strengthening our successful business events and Eight Team's steady growth.

In May 2024, we also launched the My Eight Card Virtual Card, embedded with an NFC chip. Users register their Eight business card information and a card can be received by holding a smartphone over it. While this may not contribute to short-term performance, we expect it to promote the future spread of Virtual Cards and facilitate our solutions' use as common infrastructure.



logmi – Event Transcription Service

The logmi series is based on the concept of "Logging the world. Changing the world." It aims to transcribe every word from various events, ensuring outstanding content is brought to wider audiences. It delivers accurate information to everyone involved in business, enhances knowledge and education, and fosters new possibilities, thereby improving the world.

logmi – Event Transcription Service

logmi Biz

logmi Finance

logmi Tech

Service Overview

High-quality content disseminated at events often fails to reach those who are not present, leading to valuable information being overlooked.

The logmi series is an event transcription service that transcribes notable speeches and discussions from various events, providing a solution that makes such valuable information accessible to everyone in the business.

logmi Biz delivers content from events and conferences on IT, innovation, companies, etc., to business leaders who are highly sensitive to information. logmi Finance provides information from earnings calls and other events tailored to analysts and institutional investors to a broad range of stakeholders, especially individual investors. logmi Tech offers information on the latest technologies, engineering skills, and career advancement.

[COLUMN]

Event DX: Innovating Business Events with the Power of Technology

As trade shows and conferences regain their peak activity, Eight's event-hosting business is also experiencing accelerated growth.

Having been through the COVID-19 pandemic, people have once again realized the importance of physical meetings. The pandemic also underscored the vital role of physical touchpoints in leveraging new business opportunities. This realization has led many companies to recognize the value of events as a platform for networking, gearing up their participation.



Executive Officer,
Head of Event Business (Eight Division)

Takuya Ishimoto

From the attendees' perspective, the explosion of online events during the pandemic has diversified methods of efficiently obtaining information, emphasizing the need for a compelling reason to attend physical trade shows. Events by Eight focus on acquiring knowledge and information and on the intrinsic value of encounters, aiming to facilitate intentional and meaningful connections. This innovation lies in using proprietary technology to offer recommendations, creating a highly productive environment in which exhibitors and attendees can meet their targets efficiently.

Review of FY2023

Acknowledging the unique value Eight brings to B2B events, FY2023 marked a period of strong growth, in which we felt the most substantial impacts to date. The event business grew 51% year on year, greatly contributing to Eight's first annual full profitability. The realization of these essential business encounters has increased repeat exhibitor rates and led to upsells such as expanded exhibition space. FY2023 was also significant as the first year of using the Eight business card app to enhance the event experience. Requiring the Eight app for entry at hosted trade shows, such as Startup Japan and Eight EXPO, transformed the attendee experience, successfully standardizing one-touch business card exchanges, and eliminating the need for physical cards.

As a result, digitizing the records of business card exchanges and lowering the barriers to these exchanges have created an entirely new trade show experience, encouraging encounters. Integration with the Eight app marked a substantial advancement in event DX during this year.

Actions for FY2024

The success of these newly launched events over the past two years has increased repeat rates and established a continuous revenue cycle. Notably, our trade show business has thrived, garnering high praise from exhibitors because of improved techniques in attracting goal-oriented attendees, with many expressing the desire to expand their exhibition space at future events. The DX CAMP series was successful in Tokyo and Osaka, showing promise for local expansion. We plan to respond to the demand for events in Fukuoka, Nagoya, and other cities for FY2024. Meanwhile, the Meets series, which includes niche, intensive events, such as the Strategic Summit for Corporate Planning and the Strategic Summit for Accounting, has been successful, and we aim to expand to different professional sectors. Alongside robust growth in existing events, we are also launching new events, which we anticipate will drive medium-to-long-term growth.

Toward Further Growth

Having tested numerous new approaches to determine winning strategies, we have finally settled on Eight's unique method of event hosting and success principles. We are transitioning into a phase in which we will focus on greatly scaling up individual events instead of hosting numerous small events. For our event business, larger-scale events involving tens of thousands of attendees and hundreds of sponsors are more profitable because of multiplied profit margins. Therefore, we will steer our operations with scalability in mind. At the same time, even smaller-scale events, such as those in the DX CAMP series that gather only a select few executives, offer a very high gross profit margin. We will further establish both types of events as vital drivers of growth.

Accelerating Business Growth through Human Resources



CHRO's Message

Director, Executive Officer, CHRO
Yuta Ohma

The Role of HR in Strengthening Corporate Value

The "Katachi of Sansan" encompasses our corporate philosophy, including our mission, vision, and values. Similarly, the "Katachi of the Human Resources Division" articulates what HR team members should focus on. This latter Katachi has already evolved to version 3.1, and it clearly states that the division's mission is to "Expand the potential of people and organizations, and accelerate business growth."

I built my career in sales and continued in that role for about five years after joining Sansan. In 2015, I was transferred from sales to the Human Resources division, where I remain today. Even then, I viewed HR not as a cost center but as a profit center. I still believe HR is one of the departments that can provide the most leverage for business growth. The previous executive in charge of HR shared this view, and all current members of the division share the desire to be a force that accelerates business growth.

In Annual Report 2023, I said that "we advance human resource measures with determination and intent." When the division members propose new plans, I always confirm their determination and intent—why they believe the plan will contribute to business growth. Even after greenlighting an initiative, we continually question whether it's truly contributing to business growth. Our belief that the division should drive Sansan's growth never wavers.

Contributing to Both Sales and Profit Growth

In considering how the Human Resources Division contributes to business growth, we're mindful of the "Rule of 40," often used as an indicator of growth and profitability for SaaS companies. This rule checks whether the sum of

the sales growth rate and our adjusted operating profit[1] margin exceeds 40%. While hiring can drive sales growth, improving human resource efficiency is crucial for profit growth within an expanding organization.

In FY2023, our largest investment for sales growth was in talent acquisition, with a particular focus on hiring sales staff. We hired faster than ever, bringing in about 620 new employees over the year, including both new graduates and mid-career hires. FY2023 saw sales growth exceeding our initial expectations, and our HR initiatives definitely contributed to this performance.

Employee productivity is pivotal in profit growth. We work to improve human resource efficiency by analyzing the "competency coefficient," an indicator related to the value of new orders per sales employee. In FY2023, as a strategy to quickly develop newly hired talent, we established a Human Resource Business Partner (HRBP) team within each division, positioned as something like HR staff officers to division heads. These HRBP managers handle the entire onboarding process, from recruitment to integration and development of new hires into capable members. We assigned six high-performing sales personnel to HRBP roles. Even with up to 40 new sales department hires in a single month, we were able to increase human resource efficiency through the HRBPs, contributing to sales and profit growth.

High-performing sales personnel also excel in talent acquisition. The candidates we seek, given our high expectations, often also have offers from other companies. Persuading such candidates to choose us is similar to sales activities and making attractive proposals to customers to win orders. In FY2023, it was highly impactful to deliberately take top sales talent off service sales and redirect them to driving recruitment and onboarding.

We will continue making substantial hires in FY2024, but at a slightly slower pace than last year. Instead, we will focus more on improving the efficiency of our rapidly expanded workforce to drive profit growth. Increasing the competency coefficient of our more than 2,000 consolidated employees by even 1% or 2% should substantially impact our performance.

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

Building an Organization Where All Employees Demonstrate a Growth Mindset

We must not allow the rapid expansion of our workforce to dilute our mission-driven culture, which we have valued so highly. We continue to implement the Sansan Culture Onboarding Program (SCOP), which intensively exposes new hires to the "Katachi of Sansan," as we consider this a crucial mechanism for sustaining our mission-driven culture. While we assess each hire based on their fit with our culture, we try to further improve this fit through a five-day program immediately after they join, where the Human Resources Division facilitates discussions about our values.

Regarding corporate culture, this past year, we were advancing internal discussions about our purpose from the viewpoint of sustainable organizational growth—what kind of company we want to be and be seen as 50 and 100 years from now. This led us to consider the organizational culture necessary for succession planning, contemplating under what circumstances CEO Terada might step down from his role. While there are no short-term plans for him to hand over management to someone else, I believe it was a significant step forward that we discussed what culture we need, while envisioning the company's future, and that we were able to define it as a growth mindset.

Since our founding, we have relentlessly pursued our objectives, which we have articulated with heart and soul as "changing the world" and "creating innovation." Behind this, our executives, including CEO Terada, have been setting goals so ambitious that employees might question why they are so lofty. Our executives continually said, "We'll get there" and "We can do it," encouraging organizational growth. We had many accomplishments, but even when we did not achieve something, we learned from it and considered how to make things possible next time, aiming for the next stage. In this sense, we've already cultivated a certain degree of growth mindset as part of our culture. Rather than being held back by feelings of exhaustion or tired voices saying things are impossible in the face of high goals, we think positively about how to get closer to achieving challenging ambitions, and we use this to drive our own growth. We strive to be an organization where all employees have such a growth mindset and demonstrate it from the bottom up. We are aiming for that kind of powerful organization.



Improving Employee Engagement

We have been consistently conducting employee engagement surveys for the past three years. I'm delighted to say that in FY2023, we achieved our highest engagement score ever. While these scores tend to be higher when there are many new employees, business performance is the

most strongly correlated factor. FY2023 saw reignited net sales growth. Our analysis is that this growth momentum in the business divisions has spread not just within business divisions but company-wide, including the back office, which is reflected in the high organizational engagement.

Additionally, our eNPS℠[1], which measures whether employees would recommend their company to others, has improved to around zero. This is significant considering that the average for Japanese companies is said to be between −40 and −50. It's a testament to the pride that many of our employees take in being part of the Sansan Group, which makes me very happy.

[1] eNPS℠ stands for Employee Net Promoter Score. It is a service mark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc. The eNPS℠ is obtained by subtracting the percentage of Detractors from the percentage of Promoters of working for the Company

Striving to Achieve Our Material Issues

Promoting the recruitment, development, and success of human resources is one of our material issues. We have set a goal of 35% for recruitment through referrals by FY2029. While referral hires have been steadily increasing, the rate did not grow as much as we had hoped in FY2023, due to a high overall number of new hires, resulting in a 10.3% referral rate.

The posting rate on Unipos[2], where employees send appreciation messages to each other, was 58.1% vs. our target of 80%. In Unipos posts, users can add hashtags like #FaceYourMissionAndLoveYourWork and #MakeDecisionsWithDeterminationAndIntent along with their appreciation messages. This year, there was a new hashtag, #GrowthMindset, which sparked a movement to appreciate members demonstrating this mindset and share stories about their actions.

Regarding our other material issue of promoting diversity, equity, and inclusion(DEI), we aim for 30%+ female managers and 45%+ female employees by FY2029. By the end of FY2023, the ratio of female managers was 17.8%, the same as last year, so we will advance the creation of diverse role models and strengthen our efforts to present career paths. In June, female executive officers increased from one to two. Despite the limited number of women with technical backgrounds in the talent market, our ratio of female employees gradually increased to 36.7% in FY2023, up from 34.9% the previous year.

[2] We use a Peer Bonus® platform service provided by Unipos Inc. The platform involves all employees



Promoting Diversity, Equity, and Inclusion

We are advancing diversity, equity, and inclusion initiatives, led by the DEI & Wellness Group we established in 2023, with a strong emphasis on ensuring fairness.

Regarding gender diversity, we have extended our HR policies, such as congratulatory and condolence payments, to include same-sex partnerships. We are also promoting internal awareness of diversity through activities such as hosting lectures by LGBTQ individuals.

In terms of nationalities, we are steadily becoming more diverse across the Group, with Sansan Global Development Center, Inc., in Cebu, expanding to about 70 members.

For employment of people with disabilities, we are not only upholding the legally required employment rate as we rapidly expand our workforce, but also actively hiring for roles with high business contribution. To accommodate expansion of our Operations Center, which handles our core competency of digitizing analog information, we have relocated it to Chiba City, Chiba Prefecture, and we are strengthening recruitment of people with disabilities who can contribute to its success.

Regarding new graduate recruitment, as Sansan's presence has grown, we have raised our starting salary for new graduates to an industry-leading 5.6 million yen/year. As a result, the number of new graduates set to join in April 2025 has greatly increased from 70 last year to 120, with applications up by 1.4 times. Performance analysis of new hires shows that new graduates assigned to sales roles are performing exceptionally well, with high performers being promoted 1.3 times faster than mid-career hires. We plan to further strengthen our new graduate recruitment, maintaining high standards for talent quality, as we expect accelerated growth from these hires.

Recognizing HR Challenges

One HR challenge we need to address is how to implement HR policies that are best designed for specific departments and job types. In FY2023, we focused on recruiting sales staff, but to operate our business, we need to reinforce all job types, including technical roles, creative positions, and back-office functions. The backgrounds and work styles of sales staff and engineers differ considerably. We will consider building HR systems optimized for each job type and department while comprehensively identifying issues in existing practices, such as evaluation systems and compensation surveys.

Correcting the gender pay gap observed among employees in higher mission grades (internal role levels) is another challenge. We believe this gap is partly due to our existing system inevitably creating wage differences for employees working reduced hours while balancing childcare and family caregiving responsibilities. Female employees returning from maternity or childcare leave can choose work arrangements such as shorter working hours if they wish, but there must be HR measures that will prevent them from feeling they have to restrict themselves from working the way they want. Because our mission is "Turning encounters into innovation," we value people working in the same space and place, which has inevitably fostered an office-centric culture that emphasizes coming into the office. Even if office days are reduced to three per week, some employees balancing work and childcare might still find it too much. We believe that designing workflows that allow for even more flexible working arrangements, beyond reduced hours or flextime, could help correct the gender pay gap, and we recognize the need for such initiatives. We will carefully examine potential operational challenges that might arise from introducing such measures, and we will consider them with an open mind.



Message to Stakeholders

During the COVID-19 pandemic that began in 2020, remote work became the norm, leading to situations where people did not meet or exchange business cards at all. Some might have thought we were a company that could disappear at any moment back then. While our growth rate did temporarily decrease during the pandemic, we continued to strive for growth. As the post-COVID society came into view in 2023, we set "breaking through" as our theme and reignited our growth rate. Our organization also greatly expanded. Having achieved this breakthrough, we are now embracing a growth mindset and aiming to shift to a new phase. As we enter this new phase, the landscape is changing. I already sense signs of this. As CHRO, I will continue to focus on our expanded organization and our people, who are the source of our value creation. Maximizing and optimizing our human capital will contribute substantially to our business growth in FY2024 and beyond.

Director, Executive Officer, CHRO

Yuta Ohma

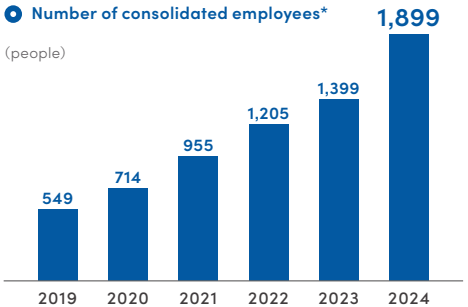
Human Capital

Human resources are one of the most important management resources and the rapid growth we have achieved thus far owes to the success of our talented human resources.
For further growth, we will continue to advance measures including promotion of the recruitment, development, and success of human resources, and of diversity, equity, and inclusion.

Recruitment and Development of Human Resources Who Contribute to Business Growth

We actively recruit human resources as part of our key growth strategies. As of the end of May 2024, our consolidated workforce reached 1,899 employees, comprising talented individuals from diverse backgrounds across various parts of the organization, such as development, sales, and back-office operations.

One of our group's strengths is that even as our organization expands rapidly, we have maintained a corporate culture that resonates with and embodies our mission and vision. During recruitment, we emphasize our candidates having high expertise and skills as well as alignment with our company's philosophy and culture. We believe that human resources whose personal aspirations align with the corporate philosophy and culture are more likely to succeed after joining. Building and maintaining this mission-driven corporate culture has functioned effectively for our recruitment activities, letting us hire many talented and diverse individuals. In addition to recruiting top talent, we endeavor to create systems and environments that help human resources grow and succeed, letting them leverage their diverse knowledge and ideas to drive further growth for those around them.



*As of the end of May each fiscal year

Our Recruitment System That Supports Organizational Expansion

In June 2023, we conducted organizational restructuring with an eye on further business growth. We shifted from a structure with sales for each solution consolidated under one organization to business divisions with separate sales organizations for each solution. We significantly shifted our policy from resource optimization to net sales maximization, and we recognize that recruiting and securing talent is a vital management issue.

To promote large-scale recruitment, we established HRBP[1] organization based on our belief that we need to strengthen our on-the-ground recruitment abilities rather than leave recruitment solely to the Human Resources Division. There is an HRBP organization within each division. The group gain a deep understanding of each organization's unique needs based on its business strategy. The groups collaborate with the Human Resources Division to develop optimal recruitment plans, training, and evaluations tailored to each organization. This structure lets us execute flexible recruitment strategies suiting the characteristics of each business, and recruit optimal human resources for each division.

At the same time, in recruitment, we launched a cross-department operational planning team within the Human Resources Division to integrate our overall recruitment operations. This approach enables optimal recruitment for each department and improves efficiency. And to strengthen our recruiting abilities, we are formulating a common brand for all positions and divisions and strengthening our dissemination of information.

[1] HRBP (Human resources business partner): Responsible for supporting business growth from a human and organizational perspective, acting as a partner to department managers and people in charge

Strengthening Referral Hiring

Since 2015, our employee referral-based hiring system, called My Myaku, has provided benefits such as covering meal costs when making referrals and reward payments when referrals are hired. The hiring success rate through My Myaku is significantly greater than that from standard procedures, greatly contributing to our most important growth strategy of talent acquisition. As employees approach people they want to work with, My Myaku hires also tend to have less mismatch with the company and lower early resignation rates than standard hires. And since the promotion of My Myaku requires employees who think so highly of the company that they refer close friends and acquaintances, we place importance on the percentage of recruitment through referrals as an indicator to quantitatively measure organizational health. Recruitment through referrals was 10.3% in FY2023. By strengthening the My Myaku system and promoting its use by all employees, we aim to reach 35% by FY2029.

To promote referral hiring, we raise awareness by using digital signage placed throughout our office floors and internal videos to encourage active use of the My Myaku program. We also host a monthly event called Sansan Bar, where employees and potential candidates can interact, attracting 50+ participants each time. These measures aim to build a system that lets us introduce and recruit more talented human resources.

Promoting Human Resources Development and Success

Amid rapid organizational growth, we believe that accelerating personal growth is the most important measure for maintaining and improving productivity without compromising it. Therefore, we actively promote the development and success of human resources after recruitment.

We have adopted a Mission Grade System for personnel evaluation, which determines the level of job authority, responsibility, and treatment according to different grades. These grades are determined based on performance and future expectations, leveraging growth for each individual. For HR evaluations, we assess individual contributions based on the quarterly set targets and use a 360-degree evaluation system. This approach ensures fair assessments by comprehensively incorporating feedback from direct supervisors and from colleagues and stakeholders from other departments, promoting employee growth and strengthening overall organizational performance. We also conduct a monthly engagement survey of regular and contract employees, analyzing the results to inform on areas such as self-management and organizational management, and company-wide systems and policies.

Boosting Engagement

[For individuals]

- ☐ Geek Seek (subsidized book purchases and study groups)
- ☐ Jump! (internal recruiting system)
- ☐ Oyaco (support system for balancing childcare and work)
- ☐ Coacher & Career Talk (coaching and career consultations)
- ☐ Full coverage of Low-dose contraceptive costs
- ☐ Engagement surveys

[For surroundings]

- ☐ Strength Matching (sharing of self-introductions, including career summaries and personality assessments)
- ☐ Mitsukacchi (Peer Bonus®[1] using Unipos)
- ☐ Yoiko (internal club activities)
- ☐ Sansan Value Star (employee recognition awards)
- ☐ Know Me, Yoriai (social event subsidy system)
- ☐ Coacher Team (group coaching)

[Organizational aspects]

- ☐ Office-centric
- ☐ My Myaku recruitment (referral hiring)
- ☐ Culture-focused recruitment
- ☐ Katachi discussions (activities to spread the company philosophy with participation by all employees)
- ☐ Long-term internships

[1] Peer Bonus® is a registered trademark of Unipos Inc.

[COLUMN] HR Measures for Increasing Engagement and Productivity

The group has many unique HR systems, all designed with an awareness of boosting individual productivity and linking personal growth to company growth. These systems are designed on three levels: individual-focused, colleague relationship-building, and company-wide, aiming to support holistic growth.

To encourage job satisfaction and personal growth for each employee, we implement initiatives such as one-on-one meetings with supervisors, OKRs,[2] and a performance evaluation system that does not rely on seniority or tenure (Mission Grade System). We also have programs such as Jump! to encourage employees to take on new challenges that leverage their strengths through internal recruitment and career advice, as well as Coacher, a coaching program providing one-on-one coaching sessions for those facing career or development challenges.

In line with our value of "Leverage all strengths," we believe that building strong relationships with team members is important for maximizing team results. All new employees joining the company do Enneagram[3] personality tests and StrengthsFinder[4] tests, and their strengths are presented to their respective departments through Strength Matching. This information is also recorded in the talent management tool, made accessible within the company. The tool includes career summaries, which helps visualize and share each person's strengths and career information organization-wide, supporting relationship-building within related departments and company-wide.

Teams that want to participate in group coaching can join the Coacher Team program, which improves mutual understanding and is a workshop to define the team's direction and goals.

For organizational measures, we hold the all-employee S1 Meeting twice a month. This meeting is a forum for sharing the company's policies and culture among all employees. We also host a company-wide half-day meeting every six months, at which each department head provides a summary of their business and shares policies with all employees.

[2] OKR (Objectives and key results): Goals and key outcomes
[3] A personality assessment tool that categorizes habitual thoughts and behavior patterns into nine types
[4] A talent assessment tool developed by the U.S. company Gallup, classifying individual talents into 34 strengths



Head of Employee Success Department (Human Resources Division)

Konosuke Hirayama

Fostering IT Talent for the Future

We support the Kamiyama Marugoto College of Design, Technology, and Entrepreneurship, a private technical college that opened in 2023. The school aims to nurture people who create things and possess the ability to make things happen – that is, people who can change society. By supporting this institution in creating future innovators, we aim to fulfill our mission of "Turning encounters into innovation" and to help develop IT human resources who will transform the world.

Specifically, we participate as a scholarship partner[1] and support multiple students as Sansan Scholars. Young employees from our group, including sales and business planning staff, designers, engineers, and other diverse roles, participate as mentors, offering year-round support programs to the students. The content of these programs varies by school year. We decide activity policies based on assignments set by the school and provide support.

The College now has students up to the second year. First-year students are given the task of presenting on a company's appeal and second-year students devise future businesses that leverage a company's strengths. Mentors share their respective knowledge and experience in presentation and design and in the structure and necessary functions of companies, how services are developed, and other aspects. The support initiatives simultaneously promote the growth of the employees who participate as mentors, and contribute to developing the group's human resources, such as in the expectation they will become candidates for management positions.

[1] Companies that have made contributions or donations to scholarship funds for the purpose of making tuition virtually free



[COLUMN]

Top Gun Development Program for New Graduates

Our growth strategies include efforts for recruiting and developing new graduates. We expect that human resources who have grown with our corporate philosophy as their DNA will become part of our management layer in the future, creating a cycle in which the company's culture is naturally strengthened from within and without external intervention. In FY2023, we hired 74 new graduates.

After completing the basic onboarding training, employees in general positions enter a results-focused training program called Top Gun. Instead of preparing tasks specifically for training, we set missions based on that fiscal year's actual business challenges, so that each individual's accumulated achievements and growth directly contribute to business growth. For the 2024 new graduates, the assignment was to create a new growth driver from a specific industry within Bill One and achieve the target MRR[2] per person.

The 48 new graduate general employees were divided into groups, regardless of their roles, and took on the entire process of securing orders themselves. This included developing strategies to achieve their goals, securing appointments, conducting negotiations, closing deals, and collaborating with the Customer Success Department. In terms of the system for promoting the Top Gun project, high-performing employees from the field in each division are involved as managers. In addition to business processes, they foster an understanding of the solution's strengths and the company's culture, supporting the new employees in quickly becoming effective workers and succeeding over the long term.

Achieving the per person MRR target is no easy task, especially for those with no actual business experience. There are many failures, but we believe that accumulating these failures provides opportunities for growth, and that breaking through a barrier becomes a successful experience that boosts confidence. To rapidly advance in one's career, aiming for consistent, high-level achievements within a set period as a business professional is what leads to overwhelming growth.

[2] MRR: Monthly recurring revenue



Executive Officer, Head of Recruitment Management Department (Human Resources Division)

Kojiro Osa

Fostering Corporate Culture as the Foundation of Human Capital

The group values having a mission-driven culture. We collectively refer to our mission, vision, and values as the "Katachi of Sansan." Each year, we set a theme that addresses short-term focus areas.

The theme for 2024 is "growth mindset." As our organization continues to expand, each individual's growth becomes a driver of business growth, directly contributing to the company's overall growth. By combining each person's growth mindset with our corporate philosophy, including our mission, we cultivate a culture that serves as the foundation of our group's human capital. To that end, we are enhancing our various training programs to ensure that each employee, starting from their entry into the company and through various opportunities, engages with the company culture and the annual themes.

Sansan Culture Onboarding Program (SCOP)

Our organization continues to expand, and about half of our current employees have joined within the past three years. To ensure that employees from various backgrounds can quickly succeed, it is important to align their careers and personal growth with our group's mission, vision, values, and corporate philosophy as soon as possible. To achieve this, we use two of the five days of our SCOP onboarding program, which starts on the employees' first day, for deepening their understanding of our corporate philosophy and values. Even after being assigned to a position, for six months after joining the company, we provide monthly opportunities as part of SCOP to engage in discussions with managers from employees' own departments and other departments, as well as with executives, about our mission, vision, and values, aiming to help employees learn more deeply through experience.

5-Day Program	Learn about our group's knowledge.
Katachi Training (CEO), Katachi Salon (directors), Katachi Salon (executive officers)	Hear directly from the CEO, directors, and executive officers about their thoughts on the "Katachi of Sansan."
Katachiba (group managers)	Together with group managers, employees articulate their thoughts on the "Katachi of Sansan" in relation to their own work.
Katachi Offsite Meeting	Based on the training thus far, employees deepen their understanding by discussing the "Katachi of Sansan" in their own words.

Spreading Our Corporate Culture Through Company-Wide Meetings

We hold all-employee company-wide meetings twice a month as opportunities to align with our corporate philosophy and discuss the future. These meetings aim to strengthen security awareness, which is crucial for delivering our services, deepen understanding of our values, and reflect on our mission and vision. Every quarter, our CEO reviews progress toward goals and outlines the policies and goals for the next quarter. We also incorporate various content, including updates on financial results, the latest status of each solution, and discussions by executives, managers, and general employees on topics related to the year's theme as well as the company's mission, vision, and values. This is designed to ensure that all employees can have an equal understanding of the company's policies, status, and culture.



Sansan Value Star (SVS) Awards

At company-wide half-day meetings held twice a year, we present Sansan Value Star awards to the individuals, teams, or projects that best embody the year's theme and values. We also recognize the new graduate who achieved the fastest results, with a newcomer award. During the award presentation, supervisors and colleagues share stories that explain the reasons behind the recipient's recognition. Detailed stories are later distributed via internal company media. Therefore, rather than just being awards, SVS provides valuable content for other employees to learn from and be inspired by, showcasing how challenges were managed and results were achieved.

Usage of Unipos

We use the Unipos platform, which involves participation by all employees and focuses on Peer Bonuses®[1] to promote the dissemination of our corporate culture and improve employee engagement. In Unipos, employees can send appreciatory comments and "tips" to each other for their contributions at work, making good actions visible to the entire company. Employees can post on Unipos with different tags based on our mission, vision, values, and the year's theme, aiming to express gratitude directly and make actions related to the corporate philosophy and direction visible to everyone. Therefore, we position it as a way to help permeate our corporate philosophy and culture. As a quantitative goal related to material issues, we aim to achieve an 80% posting rate by FY 2029. The posting rate was 58.1% in FY2023. To further promote the use of Unipos, we regularly recognize actions that best embody the corporate philosophy from among Unipos posts, raising awareness through internal communications.

[1] Peer Bonus® is a registered trademark of Unipos Inc.

[COLUMN]

Redefining the Mission at Group Companies

At our group companies, the Institute of Language Understanding and logmi, we are working to redefine their missions to adapt to changing business environments and societal roles. As employees had different perspectives on the value they provide to society, we used our company's established discussion processes while encouraging each employee to reflect on fundamental questions such as, "Why do we do our work?" and "What is our societal mission?" Through this, we ultimately aim to formulate a mission, vision, and values, and we are currently at the stage where the mission has been finalized.

At the Institute of Language Understanding, we conducted a day-long intensive session. While everyone shared a core philosophy, it became clear that not everyone was aligned in the same direction. The company's technological strength lies in its building of an advanced knowledge database that, for example, can determine whether the Japanese word yabai is used positively or negatively based on the context. Though this strength is shared, not everyone was on the same page about its potential or desired impact on society. Amid the day of discussions, we defined the mission as "Maximizing the value of language and consistently exceeding customer expectations."

At logmi, which has the mission of "Logging the world. Changing the world," we conducted a half-day workshop focusing on its Finance business, discussing the core value it provides. We determined that if investors read the transcripts of logmi Finance business results presentations, which are accurately and very transparently recorded, including Q&A sessions, it will help these investors understand the background and thinking that may not be conveyed from IR materials alone, making it easier to invest in companies. In other words, we defined this business' core value as "Opening up IR to everyone."

At our company and our group companies, we are formulating missions that leverage each company's strengths. Through united efforts by all group employees, we will help foster a corporate culture that serves as a source for business growth.



Executive Officer, CCO*, Head of Corporate Branding Team

Takeshi Muro

* COO: Chief Communication Officer

Promoting Diversity, Equity, and Inclusion

Under our policy of actively recruiting and promoting talented human resources regardless of specific attributes, such as background or gender, we provide all employees with fair evaluation and promotion opportunities. We emphasize leveraging each employee's strengths and are working on establishing a working environment in which everyone can maximize their abilities and team performance, as well as designing various internal systems. We are committed to engaging fairly with each professional without judging based on attributes such as background, gender, or nationality.

Supporting the Success of Diverse Human Resources

We have raised "Respect Employee Diversity and Producing Innovation" as a priority area. We create opportunities and maintain environments that enable success for all highly diverse human resources. We also focus efforts on supporting women's success, aiming at a target of 30%+ female employees in management positions and 45% female employees by FY2029[1].

[1] Targets and results presented here are for the Company on a non-consolidated basis

☐ Colorful Talk

Understanding each other's backgrounds is the first step in supporting diverse human resources. With the aim of visualizing diversity within the company, we share content under the theme of "Producing innovation through diversity," including stories of career changes within the company and male employees' experiences with parental leave. This approach showcases a variety of career paths and work styles.

☐ Oyaco

We have overhauled our support system to assist parents working at Sansan and help them stay committed to their work. This includes subsidies for the difference in fees for unlicensed daycare, a concierge service for finding childcare, and subsidies for after-school care expenses, aimed at helping employees balance work and parenting.

☐ Full Coverage of Low-Dose Contraceptive Costs

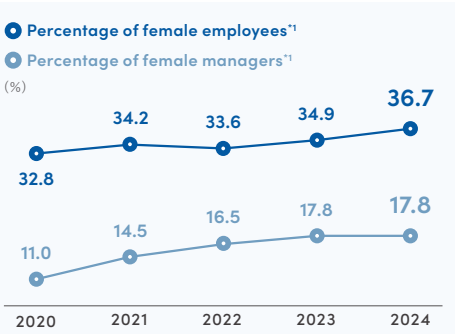
We offer a service that fully covers the cost of low-dose contraceptives prescribed through online consultations, with the aim of helping employees manage menstrual and premenstrual syndrome symptoms, heightening daily performance, and boosting productivity. This service helps reduce lost work time for individuals.

☐ Various Consultation Services

We provide consultation services for career counseling by qualified professionals, as well as on life events such as maternity leave and childcare leave, parenting and childcare, and nursing care and caregiving. We also offer gender-related consultation on LGBTQ issues, consultation with occupational physicians experienced in obstetrics and gynecology, and access to external counseling services, tailored to individual needs.

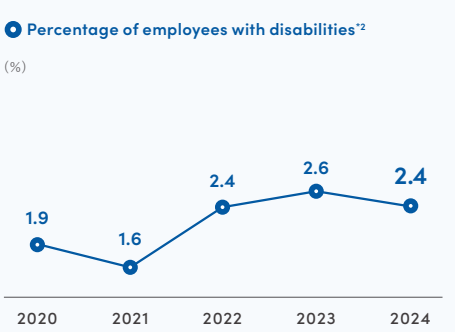
Building a Workplace Environment That Embraces Diverse Cultures

We established Sansan Global Development Center, Inc. in the Philippines as a group company, which led to 6.2% of employees with foreign/non-Japanese nationality as of the end of FY2023. We include English alongside Japanese in internal documents and announcements, provide simultaneous interpretation in English during company-wide meetings, and offer procedural support through bilingual employees. We also implement the same SCOP onboarding program as in Japan to promote cultural integration. Additionally, as we are developing our overseas business and hiring more non-Japanese employees, we have established our Ocean language learning support system, which supports employees learning English or Japanese by subsidizing associated costs, such as lessons and book purchases.

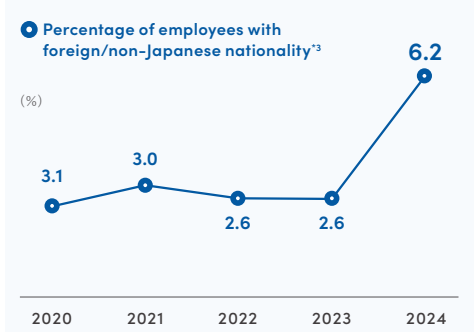


*1 Results for fiscal years ended May 31. Calculated for regular employees and contract employees of the Company on a non-consolidated basis





*2 Once the necessary changes have been made, calculated on the fiscal year ending in March (April to March of the following year)



*3 Calculated for regular employees and contract employees of the Company and all of its overseas subsidiaries (excludes domestic subsidiaries)

[COLUMN]

Employment and Support for People with Disabilities

We began hiring people with disabilities in 2014 and continued to meet the statutory employment rate for people with disabilities in 2022 and 2023. We do not simply aim to meet the statutory rate, rather, we hire for roles directly connected to our business operations. In employing people with disabilities, understanding and consideration of their unique characteristics and matching their abilities to appropriate roles are vital. From the beginning of our hiring, we maintain a fundamental belief in expecting performance toward realizing our mission from all employees equally. This aligns with our company's value of "Leverage all strengths" and is based on our policy of hiring individuals for existing roles where they can use their strengths, rather than creating jobs solely for the purpose of their employment.

Currently, we mainly hire people with disabilities in the data entry department. However, it took us a long time to arrive at our current approach, as we explored which types of individuals could leverage their strengths in which roles, how to design recruitment to ensure long-term success, and what kind of support would be needed. We initially focused on mainly hiring for business card digitization tasks. Although this work can be performed remotely once a certain level of proficiency is reached, the relatively long training period required for developing that proficiency meant that it was only suitable for those who could commute to the office. Therefore, we expanded our hiring to include roles involving the digitization and image processing of business documents such as invoices and contracts for Bill One and Contract One, where the process is different from business card data entry and allows for a shorter training period.

For retention support, dedicated members of the Human Resources Division handle the process, creating an onboarding program that considers individuals' specific characteristics and ensures that employees with disabilities can easily understand their tasks and feel comfortable asking questions without hesitation. After a certain training period is completed, we have a system in place that allows for fully remote work, providing a stable and secure work environment. Some employees with disabilities have been with us for over 10 years. In addition, we have fair expectations for everyone to demonstrate their strengths. Even in employment of people with disabilities, we apply the same evaluation criteria and performance expectations for data entry tasks.



Group Manager
DEI & Wellness Group, Employee Success Department (Human Resources Division)

Sayoko Wagatsuma

R&D

Since our founding, we have been committed to accurately digitizing business cards and contact information. This commitment has made our technology for digitizing analog information a source of competitive advantage. We have established a Research and Development (R&D) Department specializing in handling data, with the aim of leveraging the business data generated by this technology and creating new value.

R&D Policy

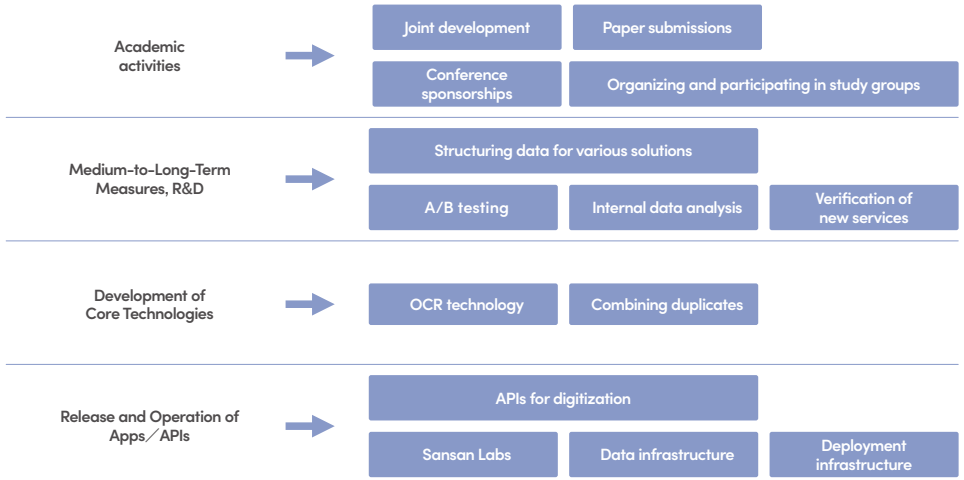
The R&D Department further strengthens core technologies such as OCR[1] and combining duplicates, and applying these technologies to new business areas. Beyond R&D, the department is involved in providing and managing apps that support various solutions, creating advantages in each solution.

Mindful of being an organization that promotes business growth, the department employs user- and technology-driven approaches to improve internal and external productivity. It does this by making improvements based on user needs and feedback, and determining the next research directions, all while maintaining close collaboration with other departments.

As the amount of business data it handles continues to grow, the R&D Department strongly recognizes the importance of the value provided by effectively using this data, as it is expected to solve a wider range of issues. The department is also engaged in R&D aimed at contributing to each solution over the medium and long terms.

[1] OCR: Optical character recognition/reader

[Flow of Organizing and Utilizing Various Forms of Business Data]



R&D Organization

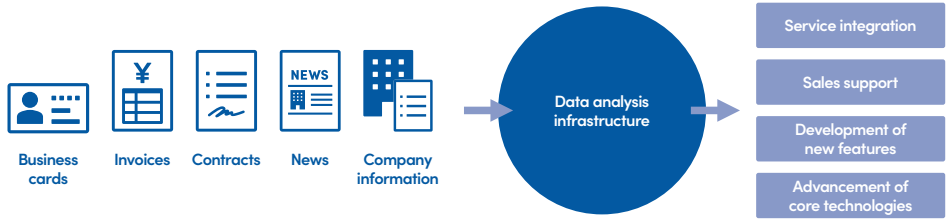
As of the end of May 2024, the R&D Department had 59 members, including specialists with diverse backgrounds and expertise. Alongside data scientists active in natural language process (NLP) and machine learning, and those who achieved Grandmaster level on Kaggle,[2] we have researchers from humanities fields such as the social sciences, economics, and political science, all undertaking R&D to strengthen product value. The department also has engineers who handle design, development, and implementation of features and systems, ensuring rapid application of R&D outcomes in our products. The department's data engineers design and develop data analysis platforms, contributing to our operations by organizing various business data.

[2] Kaggle hosts competitions for data scientists worldwide to competeon designing the best models for specific challenges. Approximately 10 Japanese data scientists hold the top-level title of Kaggle Grandmaster

[R&D Initiatives]

Image processing, recognition	Natural language processing	Machine learning	Data science, causal inference	Data visualization, product management

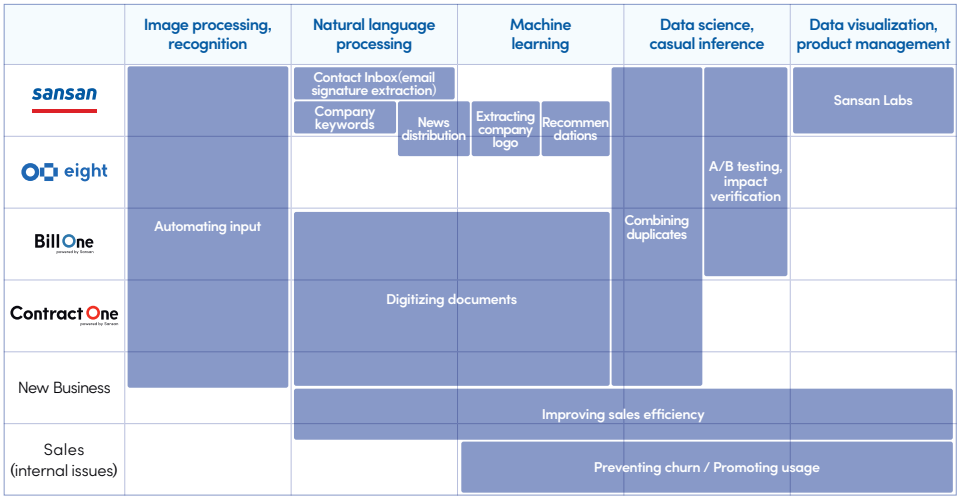
[Flow of Organizing and Utilizing Various Forms of Business Data]



R&D Examples

The R&D Department's efforts create technological advantages in each of our solutions. Integration among solutions using a wealth of business data improves the value provided and leads to the creation of new business ideas. The department's research results are also used in sales activities, contributing greatly to our overall business growth.

[R&D Initiatives]



Development of New Viola AI-OCR

Conventional general OCR technologies were able to simply read characters, but they could not determine which parts of a business card indicated the name or address. With the advent of generative AI, it now has become possible to identify and distinguish names. However, even when using high-functioning generative AI, identifying and determining business card information are still imperfect. To address this, the R&D Department developed the proprietary generative Viola AI, with a focus on future service implementation. Viola specializes in reading text. It uses the document images we have accumulated as training data, which enables it to achieve highly accurate text recognition and an understanding of digitization rules. For example, without requiring pre-processing, Viola can recognize and read information such as people's names, email addresses, and company names with high accuracy. And when support for a new language is needed, it can learn and validate large amounts of data in one business day.

Each of our solutions' digitization systems are already highly precise, but there are areas where human intervention is conducted to ensure quality, which incurs certain costs for operation design and personnel management. Similarly, the R&D Department independently developed the NineOCR[1] engine optimized for business cards, which has already achieved complete standalone business card reading. By leveraging Viola and NineOCR, our two independently developed OCR technologies, we will accelerate the digitization of documents across various solutions while reducing the previously incurred costs.

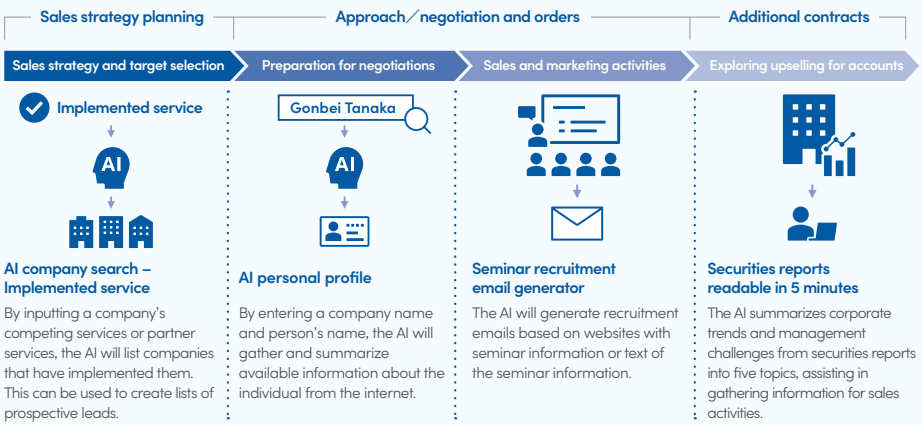
[1] A proprietary OCR engine design for business cards and developed using Sansan's accumulated digitization expertise

Sansan Labs

Sansan Labs, which provides experimental features developed by the R&D Department, does not conduct development based on the needs of many users, but rather to quickly shape functions that use advanced technologies such as generative AI or that are specific for particular users, with the goal of setting trends through proof-of-concept experiments. Under its speed-focused policy, Sansan Labs aims to develop 50 apps annually, taking approximately one month from planning to release for each. These experimental features are quickly made available, using the business contact information accumulated on Sansan to support various activities, such as improving sales efficiency, strengthening sales strategies, and making higher-quality proposals.

Through its rapid development cycles and experimental approach, Sansan Labs aims to expand the Sansan product lineup, capture potential needs, and swiftly respond to market trends.

[Use Cases of Sansan Labs (Examples)]



Support for Sales Activities

The R&D department provides various support functions for sales activities within the company. It is working on utilizing business data, aggregated in company-wide databases, to enhance our sales activities.

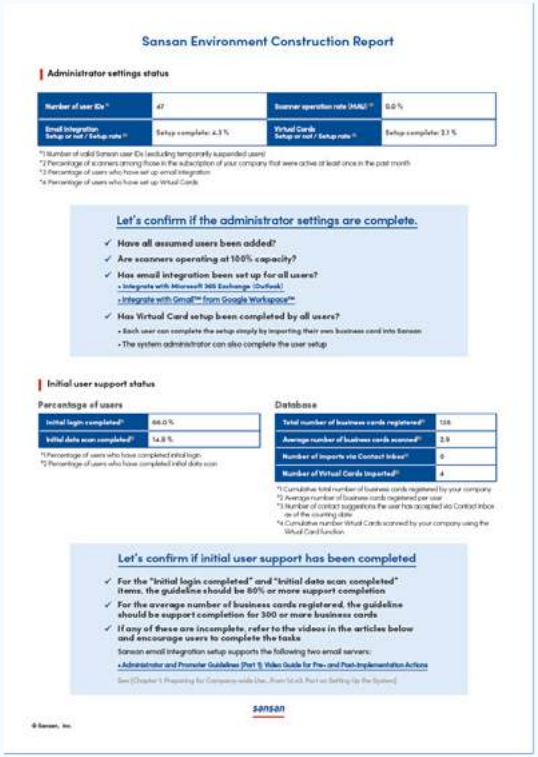
For example, for Customer Success staff handling ongoing support for existing clients, the department developed functions for recommending which accounts to focus resources on and alerting staff about customers that are likely to cancel their contracts.

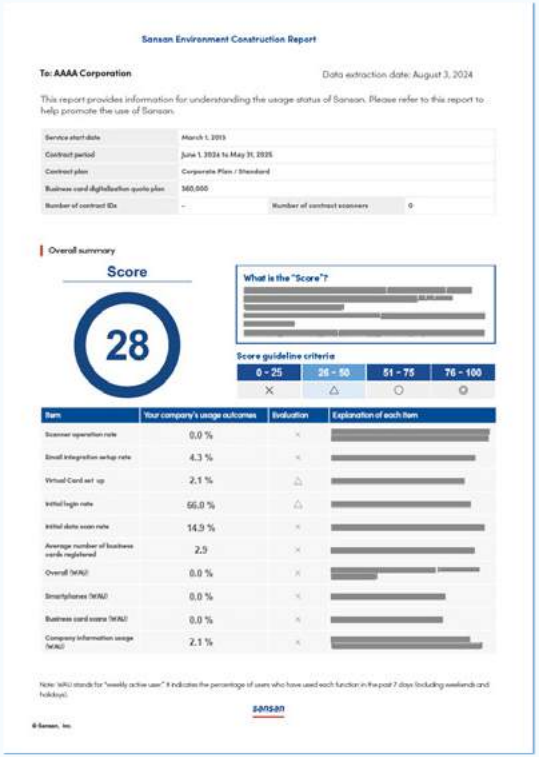
The department also conducts R&D to support various tasks, such as displaying a health score indicating the relationship with the customer, and automatically generating usage reports showing existing users' access status and actual use of functions.

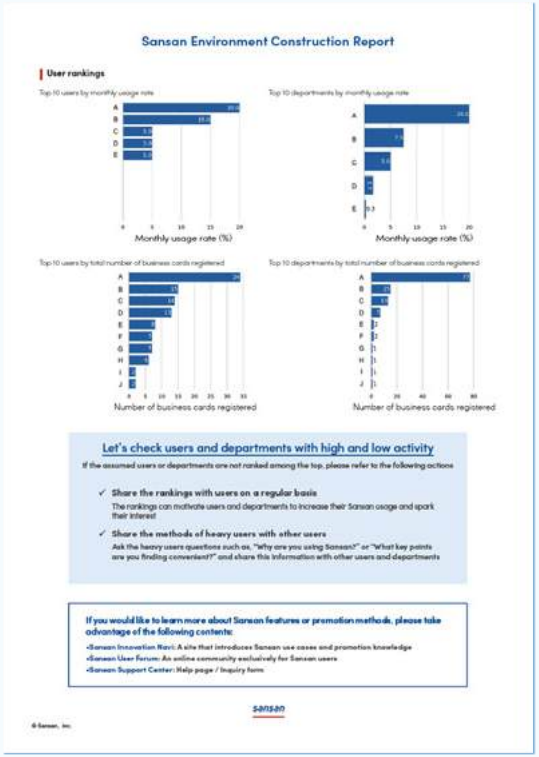
In the Technical Support and Customer Success staff's handling of internal inquiries, the R&D Department uses generative AI to not only provide answers with accurate information but also offer relevant information for arriving at a solution when no answers are available, aiming to reduce the workload for internal inquiries.

[Sansan Usage Reports]

This app generates a one-click summary report of each company's usage of Sansan. These reports show the strengths and areas for improvement related to user companies' usage status at a glance and offer ideas to encourage usage. This tool is effective in reducing the workload of Customer Success staff and providing support to user companies.







[COLUMN]

Leading the Future of Products Through R&D

The R&D Department emphasizes a product-first approach. Rather than conducting R&D solely for technological development and advancement, the department identifies the issues that products have and develops and provides technologies to solve them. To make solid contributions to products, the department is conscious of maximizing results. It focuses on where limited resources can produce the greatest results; namely, it improves usability and, by extension, drives business growth. Our technology for digitizing analog information is a source of competitive advantage. In OCR, we have developed technologies such as smart capture that recognizes business cards and delivers digitized results to users within seconds, and item segmentation that identifies fields such as people's names and company names from images. We also are working to improve digitization accuracy by using AI to analyze digitization errors identified through human review and derive certain patterns. As a result of our dedication to our product-first approach, the accuracy and speed of automatically digitizing business cards, which we consider a core technology for our group to refine, have reached unrivaled strength.

We are solving current issues and challenging ourselves to realize product visions for the future. For example, in our rapidly growing Bill One business, we forecast the demand for several years ahead and make proposals that go beyond simple technology. We do this considering factors such as how far we can reach, but not exceed, with the existing resources and technology, and if we can take a certain approach to address a certain issue. These proposals involve various departments and help to guide the product in the direction it should be heading in the coming years. As a new initiative, for Contract One, R&D Department members are concurrently serving as product managers. The role of the product managers is to plan, strategize, design, develop, and sell the solution by formulating a roadmap and developing the necessary functions from there. By fostering engineers with such a mindset, we aim to be able to support immediate issues and medium-term issues from an R&D perspective.

Naturally, at the same time, as new technologies such as generative AI continue to emerge, the R&D Department is also working on concepts and demonstrations to explore how to leverage these new technologies in our products to deliver even greater value. Our vision is made possible by the diverse talent and high-quality data that let us turn R&D into significant achievements. With its product-first perspective, the R&D Department identifies what is essential for the product, and it uses technology to support critical aspects for business growth, from solving arising issues to realizing the future product vision. It thereby strongly supports the solutions offered to users and leads products toward the future.



Head of R&D Department (Engineering Division)

Takenori Oshima

[COLUMN]

New Business Development That Drives Continuous Tackling of Challenges

When considering new businesses, we are strongly mindful of our group's mission of "Turning encounters into innovation." To achieve this mission, we must continue to take on challenges and new business development is one way to do this. This is not business development entailing simple digitization or operational efficiency improvements, but rather a mission that in which we face society, propose new value, and revolutionize the way business is conducted. Our group's strength in new business development lies in the technological foundation built through R&D, which is premised on the social implementation of products rather than just theoretical ideas. We want to leverage this foundation to create the next wave of innovative solutions.

For example, Contract One, based on the technologies our company has developed that accurately digitize analog information, enables paper contracts to be accurately converted into digital contract data and stored in the cloud for centralized management and utilization. To organize this contract data, we must streamline operations while implementing them in actual workflows. Therefore, we handle everything from binding paper contracts to stamping and mailing on the customer's behalf, and then digitize them, allowing all contract management to be completed within the same solution.

Our goal is to revolutionize how business is conducted. When people think of cloud services related to contracts, they often first think of digitizing stamp or signature processes. However, we believe that digitization's real benefit lies in leveraging the content itself. By using contract data, we provide unique value that drives more efficient business processes and reduces risks; thus, revolutionizing business.

Since our founding, we have developed business focused on business cards and contacts as data that indicates business encounters. By adding the significance and outcomes of these encounters in the form of invoices and contracts, we can achieve even greater business evolution. In practice, by integrating Sansan with Contract One, it becomes possible to confirm a list of contract information alongside the data on connections among people and companies managed within Sansan. These and other features produce a synergistic effect for the value we can offer through our solutions.

When accumulating connections of people to people and companies to companies, we discover through R&D new value only our group can generate, turn this into new solutions as new businesses, and create further innovation. To continue turning "Turning encounters into innovation." we will keep developing solutions by tackling sustained challenges and contributing to the growth of society and our business.



Executive Officer, CBDO*

Yuki Hayashi

* CBDO: Chief Business Development Officer

Special Feature

Strengthening International Expansion

We pursue international expansion to realize our vision to "Become business infrastructure" in Japan and globally.
In 2023, to further accelerate our international expansion, we established Sansan Global Development Center, Inc., focused on developing features for global markets.

History of International Expansion

Business cards are used around the world and international expansion has been a goal since our founding. In 2015, our ninth year, we established the overseas subsidiary, Sansan Global Pte. Ltd., in Singapore. We chose Singapore as a sales and marketing base because of its similar business card culture to Japan. Many companies already using our solutions in Japan had expanded there, numerous regional headquarters making decisions on Southeast Asia are located there, and it is an English-speaking country. We initially promoted the Sansan sales DX solution there, targeting Japanese companies.

In 2020, we launched the Bill One cloud-based invoice management solution in Japan. As the COVID-19 pandemic greatly reduced opportunities for business card exchanges outside Japan, we shifted our focus to Bill One for international expansion.

Among ASEAN countries, Thailand uses paper documents extensively because of its business practices and systems, such as requiring handwritten signatures and original document retention for tax certificates and receipts. It is the only advanced ASEAN country that mandates storing original paper invoices, and indeed, 95% of invoices handled via Bill One there are paper-based.

Since 2018, the Thai government has been promoting adoption of electronic invoices, which is resulting in a mix of paper and electronic invoices in many accounting operations. We established Sansan Global (Thailand) Co., Ltd. in 2024 to further strengthen our sales structure. We did this considering the abovementioned climate and the expected increase in market size as demand grows for invoice digitization to improve accounting productivity.

We now have sales, customer success, and corporate function departments, as well as data digitization centers, in both Singapore and Thailand. Through Sansan and Bill One, we have users in 15 countries in Asia and 64 countries worldwide.



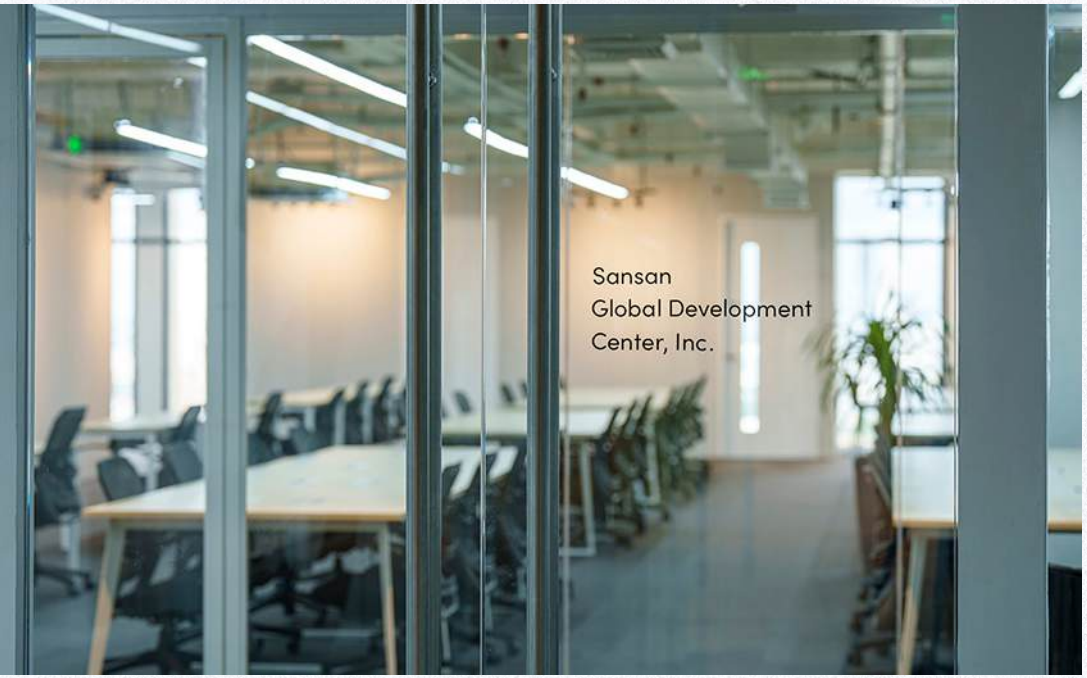
Global Development Center Accelerating International Expansion

Developing new businesses in international markets requires development resources who can respond to global needs. Development tailored to local business practices and systems (i.e., localization) is necessary even when expanding existing solutions. We established Sansan Global Development Center, Inc. in the Philippines in 2023 to secure abundant resources not only in Japan but also globally, and to develop features that anticipate users' needs.

Software engineers in the Philippines tend to be employed in project-based outsourcing models, in which job instability, balance between corporate and talent demand and supply, and security all pose challenges. Our Global Development Center is not an offshore development[1] site based on outsourcing models. Rather, it exists independently from our Japanese development organization, where overseas members develop features primarily for international markets while communicating with Japanese members.

Software engineers are the second-highest paid professionals in the Philippines after pilots, even surpassing accountants. To attract and retain high-caliber talent, we focus on employee empowerment and skills improvement programs, some of which are the same as those in our Japanese development organization. Our office in the Cebu Business Park district can accommodate up to 100 people. It is equipped with a recreation area to facilitate employee interaction, creating a comfortable working environment. We plan to hire more staff to meet business needs.

[1] Outsourcing software development and other tasks to overseas companies, subsidiaries, or entities with lower costs



[COLUMN]

International Expansion Strategy for Bill One

When we first launched Bill One in Singapore, we broadly acquired potential customers through online seminars on topics such as paperless operations. However, once the solution was in use, we found that, unlike Japan with its unified systems, such as the Electronic Bookkeeping Act, each industry has different workflows and requires features for invoice receipt to payment. As Bill One was still in its early stages and had limited features and development resources for international markets, we focused our sales and development resources on industries where existing features could provide solutions, considering this the quickest way to market acceptance.

Among our users, companies in the construction industry were sending staff to numerous construction sites to sort invoices directly received there and to communicate with headquarters. This was complicated and carried a high risk of loss, and companies could face government penalties for missed payments to subcontractors. These factors meant they faced many issues in invoice-related operations. Therefore, we decided to focus on the construction industry for product development, customer acquisition, and deepening usage. Focusing on one industry ultimately led to a broader understanding of operations and maximized the effects of implementation.

This industry-specific market development approach based on our construction customers in Singapore generated successful case studies that have attracted users in Thailand and other countries. As a result, while focusing on Singapore and Thailand, we are now expanding into many countries, including Kenya, Cambodia, and Bangladesh. We are also extending our industry-specific approach to other sectors as we expand into manufacturing and other industries in Thailand.

Launching Full-Scale International Expansion to Transform Global Business



Director, Executive Officer,
CIO, CISO, DPO,
Engineering Division Head,
Eight Division Head

Kenji Shiomi

International Expansion Envisioned from the Start

Since we began, we have run our business with the intent of developing IT solutions from Japan for the world. A couple of decades ago, I worked in the United States for about two years. Even then, IT was predominantly U.S.-led, with Japan seeming a lap behind. While Japanese manufacturing has established a presence to be proud of globally, in the IT sector, no Japanese companies dominate the world stage. To me, this felt like a weighty issue.

Japan does not lack in its quality or quantity of IT talent. However, in terms of service expansion, it has not been successful. For starters, Japanese IT companies, including their talent, have not ventured overseas. We need to go beyond Japan ourselves and become a global tech company. I have come to believe we need to run our business with the determination to do that.

Sansan, Eight, and Bill One, our main solutions, all digitize analog information still found in many business situations, promoting its use as data. This aspect not only improves operational efficiency and productivity for companies and businesspeople, it also transforms business situations themselves. Business situations are not limited to Japan. We can develop solutions that address issues shared across countries. In doing so, we can change business situations not just in Japan but worldwide, and even evolve them into something better. We also feel this is a responsibility.

Seventeen years after starting out, as we continue to grow as a company and have established a substantial business foundation, we are finally ready to fully scale up our international business. Currently, I spend 30–40% of my time strengthening and expanding our new Global Development

Center in Cebu, Philippines. As our international business expansion has progressed over the past couple of years, managers and others in the Engineering Division have started relearning English or expressing interest in working overseas in the future. Our overall perspective has been raised, with our sights set on the world. Personally, I aim to expand our business with the goal of eventually deriving half of our sales from outside Japan.

Developing Solutions for International Markets in Cebu

After establishing our subsidiary in Singapore in 2015, we opened Sansan Global Development Center, Inc. in Cebu, Philippines in 2023. In April 2024, we incorporated our representative office in Bangkok, Thailand, as a local subsidiary. Our international expansion is finally gaining traction and, at our current stage, we are about to make significant strides.

Until now, our basic strategy for international markets has been to provide services to Japanese companies expanding overseas. Our solutions are now used in 64 countries, primarily in the Asia-Pacific region. To scale up our international business in earnest, we must ensure that many local companies in each country use our solutions, even as we use Japanese companies as a foothold. This requires a system for modifying and evolving our solutions to meet local needs and laws. Our Global Development Center in Cebu plays this role.



The Philippines has a young population, with an average age in the mid-20s, and the country evokes a strong sense of growth. People are highly motivated and many aspire to succeed through their work. While Manila is overwhelmingly the country's economic center, Cebu is a city focusing on IT education, with three major universities. For its size, Cebu produces many engineers, and compared with manufacturing, fewer IT companies have advanced into the city, so the competition is not as intense as in Manila. We also observed talent mobility among major U.S. IT companies and IT consulting firms in Cebu, so we judge it to be the optimal location for our first development center in the English-speaking world.

The Global Development Center has already expanded to 70 members, and we are establishing the technological foundation to handle localization for various countries. Developing this in an English-speaking country has the advantage of being able to deliver developed features directly, without language barriers in user interface (UI) design and specification understanding. Technology for digitizing analog information is one of our core competencies. We will build a system under which the handling of local languages is done locally in each country and the development of solutions to technical issues common across countries will be centralized in Japan and the Sansan Global Development Center in Cebu.

Securing Top Talent to Capture Strong Local Demand

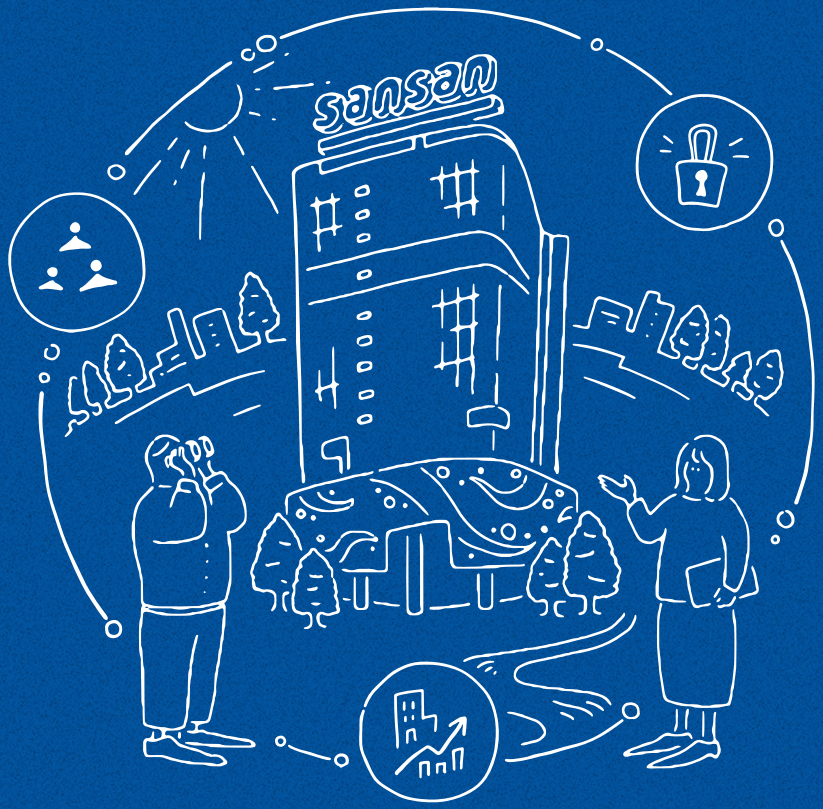
Languages, cultures, and customs differ by country and region, but the needs for business card and contact management, and invoice management, are universal. We already are confident that we can compete successfully in international markets by adjusting our solutions to local needs. Particularly for invoice management, we have identified a strong and consistent demand across different countries and regions. We aim to provide Bill One to meet this demand, to accelerate our international business' expansion.

Outside Japan, the ability to quickly grasp and respond to local-specific needs and regulations is important. As in Japan, securing top talent is crucial for business expansion. Over the past two years, our Engineering Division has focused on recruiting and developing talent in Japan, and we are now proud to say that we have our strongest team to date, both in terms of quality and quantity. Outside Japan, under the Engineering Division's philosophy of, "What we want to be Engineers who change how the world does business," we are focusing on recruiting high-caliber talent with an emphasis on quality. We are already attracting people drawn to the theme of changing business situations themselves and who share our mission, vision, and values. I believe they find it attractive to work with us because they can do bigger work than at a small venture, while being able to more closely align their personal growth with the company's growth compared with big tech firms.

Our business is growing rapidly, and as the Head of the Engineering Division, I feel that our development is still not fully meeting business demands, which is a challenge. To address this, I want to find the best talent, including overseas. In our international operations, I want to develop our solutions to a level where we can confidently say they provide solid value to local companies and are widely accepted, helping to expand our international sales.

Director, Executive Officer, CIO, CISO, DPO,
Engineering Division Head,
Eight Division Head

Kenji Shiomi



Chapter 3

Foundation for Value Creation

Chapter 3 explains various foundations that support our value creation process, focusing on corporate governance initiatives, along with information security measures, responses to global environmental issues, risk management status, and compliance practices. We also include messages from all Outside Directors discussing the challenges we face and the status of our efforts to address them.

CONTENTS

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P076 - Global Environment
P080 - Risk Management
P082 - Compliance
P084 - Corporate Governance
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Information Security

Our solutions facilitate the management and use of various types of data, which means careful handling and protection of information is a top management priority. All our executives and employees take an array of measures to consistently minimize security risks and provide highly secure solutions.

Information Security Structure

A director serves as the CISO,[1] DPO,[2] and personal information protection manager to address privacy and security risks quickly and comprehensively. Our Information Security Department is also a specialized department overseeing information security and cybersecurity across the group. The Information Security Department has CSIRT[3] capabilities and operates an in-house SOC,[4] conducting continuous monitoring and threat analysis.

Our product security team strengthens the security of our products and addresses vulnerabilities. Since our founding in 2007, we have maintained a personal information protection management system, created an environment for handling data protection internally, and used the latest security technologies to monitor various critical information 24/7/365.

The Information Security Department and each product's development are directly under the CISO's supervision. The CISO participates in management meetings, regularly reporting on security and risk situations, and makes important decisions regarding information security and cybersecurity at the management level.

As an advisory body to the CISO, we hold biweekly information security and privacy committee meetings with the Head of the Information Security Department and the Head of the General Affairs & Legal Department, who oversees privacy compliance. These meetings analyze threats in the company's environment and review various risk countermeasures.

[1] CISO: Chief Information Security Officer
[2] DPO: Data Protection Officer
[3] CSIRT: Computer Security Incident Response Team. The team gathers information on events that potentially threaten information security and system vulnerabilities, monitors signs of cyberattacks and other risks, and formulates response measures and procedures
[4] SOC: Security Operation Center. A specialized team that monitors networks and systems 24/7/365, collects and analyzes logs, and proposes countermeasures when incidents occur

Information Security Initiatives

We aim to minimize risks through systems and rules and by thoroughly educating all executives and employees on security, obtaining third-party certifications, and implementing various technical measures.

Various Regulations and Their Purpose

We are strengthening our management and control systems against anticipated risks, such as information leaks and cyberattacks, through information security regulations and rules, and guidelines established for each solution. We also conduct an annual review of each of them to ensure they remain up to date.

☐ Personal Information Protection Regulations

We have procedures for the proper handling of personal information to satisfy the Japanese Industrial Standards JIS Q 15001.

☐ Information Asset Management Regulations

We have procedures for managing information assets to ensure they are properly and safely managed and effectively used.

☐ Product Security Guidelines

We have guidelines for each solution regarding the security functions they should have and how they should be operated.

☐ Rules for Technical Safety Management of Information Systems

We have rules for the technical safety management of information systems.

Education on Information Security

We will continue to focusing on education and awareness activities to encourage correct understanding of the Act on the Protection of Personal Information and safe data management, raise company-wide security awareness, and improve the security level of each executive and employee.

☐ Acquisition of Protection of Individual Information Person Qualification

All executives and employees must acquire this qualification. Salary increases are, in principle, suspended if an employee does not pass the exam within a certain period after joining the company.

☐ Regular Learning Opportunities

All executives and employees receive training on information security and personal information protection upon hiring and annually thereafter.

☐ Raising Awareness Among Executives and Employees

The director serving as the CISO updates updates all executives and employees monthly on security initiatives and topics.

☐ Thorough Implementation of Information Asset Handling Procedures

We clearly categorize information assets in accordance with their confidentiality and define management measures for each of them. We appoint security committee members from among employees and conduct mutual audits among employees to ensure thorough implementation of these measures.

Defense System Against Threats

We have built a defense and monitoring system and supporting structure to ensure we uphold users' confidence as we handle important data and provide solutions in the face of increasingly complex cybersecurity and information security threats.

We have adopted a multi-layered defense architecture including network communication control. Each terminal has EDR[1] installed, enabling prompt investigation and response by our in-house SOC when anomalies are detected.

Our newly established product security team works on consistent security improvements from the development stage of each solutions. We have also organized the CSIRT to immediately respond to incidents.

[1] EDR: Endpoint detection and response. Technology that continuously monitors and responds to threats on terminals and devices, such as PCs and servers connected to communication networks

Monitoring Activities by In-House SOC

In cooperation with external vendors, we conduct 24/7/365 monitoring for cyberattacks and promptly investigate and respond to any detected anomalies. We also monitor to prevent unauthorized actions on internal information devices.

Regular Implementation of Threat Countermeasures

We regularly conduct vulnerability assessments and penetration tests for each solution. We also conduct penetration tests in our internal environment and targeted attack email and BCP[2] drills for executives and employees.

[2] BCP: Business continuity plan

Certifications Obtained

Privacy Mark

Operation of our personal information protection management system (PMS) is evaluated in accordance with audit criteria based on the Japanese Industrial Standards JIS Q 15001:2017 (Personal Information Protection Management System – Requirements). We obtained this certification in 2007. By implementing a PMS, we strengthen our management system through initiatives to prevent risks from materializing, establishment of systems and response procedures for incidents, appropriate responses to emergencies, and prevention of recurrence.

ISO/IEC 27001 and ISO/IEC 27017

We have obtained ISO/IEC 27001 certification, an international standard for information security management systems (ISMS), and ISO/IEC 27017 certification, an international standard for cloud security applied to the provision and use of cloud services. We also are working toward obtaining ISO/IEC 27701 certification for Sansan, aiming to build a privacy protection management system that meets global standards.

ISMAP for Low-Impact Use (ISMAP-LIU)

The Information system Security Management and Assessment Program (ISMAP) evaluates and registers cloud services that comply with the Japanese government's security requirements in advance. This is aimed at ensuring high-level security during procurement and contributing to smooth implementation. ISMAP for Low-Impact Use (ISMAP-LIU) is a system for SaaS used for low-risk operations and information processing. The management standards are based on JIS Q 27001, JIS Q 27002, JIS Q 27014, JIS Q 27017, and others, and include international and unified standards mainly for content related to incident response, structured with reference to SP 800-53. In September 2024, our sales digital transformation (DX) solution, Sansan, became the first cloud service to be registered on the ISMAP-LIU Cloud Service List.

[COLUMN] Information Security Department's Initiatives and Philosophy

Our Information Security Department aims to become a leader in the SaaS industry. We strive to maintain the highest industry standards for our own security level and actively share and circulate best practices and lessons both internally and externally, aiming to elevate the entire industry's security standards.

In 2023, we established a product security team as a new initiative. In the development process of each solution and feature, the security team is involved from the initial design stage under the security by design[3] concept, not just in the final vulnerability assessment stage. This approach facilitates the development of inherently secure and safe services. In our annual penetration tests, we completed the 2023 test with almost no breaches. We pride ourselves on having industry-leading detection and defense capabilities that can prevent breaches even by Japan's top white hat hackers.

The rapid progress of corporate DX has increased security risks across society since the COVID-19 pandemic. Robust security provides assurance to customers and business partners and is essential for developing a digital society, bringing substantial benefits beyond corporate boundaries.

We will continue to actively promote security measures and provide safe and reliable services. We believe our efforts will support society-wide DX and be a driving force in creating a sustainable future.

[3] A strategy to ensure product security from the planning and design stages



Head of Information Security Department (Engineering Division)

Ryu Takewaki

Global Environment

We contribute to environmental conservation by supporting paperless operations in society through our core business activity: digital transformation (DX) solutions. We actively disclose the status of these activities to promote communication with society regarding the environment.

Basic Approach to Environmental Management

Addressing global environmental issues, a common challenge worldwide, is crucial for the sustainable development of society and the economy. In line with this perspective, we have identified "Address climate change issues" and "Use natural capital efficiently" as priority material issues (priority issues) regarding the environment that we must address.

We will contribute to the transition to a decarbonized society by reducing electricity consumption and introducing environmentally friendly solutions to solve these issues.

Moreover, we will allocate part of our revenue to forest regeneration activities as we strive to conserve water resources and biodiversity. We will also continue to preserve the natural environment through our business activities, such as supporting paperless operations in society via our DX solutions.

Initiatives to Conserve the Natural Environment

Our primary solutions efficiently convert analog information, primarily paper-based media in business workflows, into data and promote its utilization. This contributes to the progress of DX for user companies.

Our solutions include features that enable the modernization of business practices and establishment of new operational workflows by using digital information from the start and without the need for paper media. Therefore, we believe increased adoption of our solutions—in other words, our business activities themselves—will help reduce environmental impact and, consequently, conserve the natural environment. We also allocate part of our revenue to tree-planting activities, helping to conserve water resources and biodiversity through forest regeneration.

Supporting Paperless Business Operations Through Our Solutions

Our primary solutions enable the exchange of business data in the cloud without using paper media. In this way, they support the realization of paperless operations.

The sales DX solution "Sansan" includes a Virtual Card (digital business card) feature that allows online business card exchange without paper cards, between Sansan users and with non-users through QR Codes[1] or URLs. The Eight: business card app includes similar functionality and a one-touch business card exchange feature that lets users exchange information simply by holding their smartphones near each other. Cloud-based invoice management solution "Bill One" encourages issuance and receipt of invoices in non-paper formats, with PDFs being the majority of invoices handled.

In promoting these initiatives, we have set an ambitious quantitative goal of, by FY2029, having 120 million transactions using paperless functions on our solutions. In FY2023, owing to the steady expansion of our primary solutions and the addition of new features, the actual number reached 10 million (a 44.0% year-on-year increase), showing steady progress toward our goal.

[1] QR Code is a registered trademark of DENSO WAVE INCORPORATED

"Scan for Trees" Tree-Planting Activities

Paper documents, such as business cards, invoices, and contracts handled by our main solutions—Sansan, Bill One, and Contract One—often start from wood. Focusing on this point, every time the number of documents digitized through these solutions equals the paper produced from one tree, we plant a tree in an area needing reforestation.

We have planted trees in Miyako City, Iwate Prefecture, and Osaki City, Miyagi Prefecture, which were affected by the 2011 Great East Japan Earthquake, and in Yamato Town, Kumamoto Prefecture, which was affected by the 2016 Kumamoto earthquakes. To further promote this project, we have now expanded the definition of digitized documents to include not only paper but also Virtual Cards and PDF invoices. Since the project began in June 2016, we have planted more than 17,606 trees (as of August 2024). We will continue striving to maintain and improve water resources and biodiversity through forest regeneration.

SCAN FOR TREES

Number of trees planted:
17,606
(as of August 2024)

“Scan for Trees” Activity Report

With our “Scan for Trees” initiative, we plant trees through the “Present Tree” project, led by the NPO Environmental Relations. This project supports forest regeneration and the development of surrounding areas. To date, we have planted 17,606 trees (as of August 2024) at three locations, with 50 employees from our group taking part in the planting.

2016: Tree Planting in Miyako City, Iwate Prefecture

We started tree planting at the “Present Tree in Miyako” site in the Kawai district of Miyako City, Iwate Prefecture. Miyako, with its ria coastline and abundant alpine plants in the mountainous areas, has thriving agriculture, forestry, and fishing industries. However, the 2011 Great East Japan Earthquake severely damaged the coastal fishing industry. As the planting site is close to the source of the Hei River, well-known for salmon spawning, the forest created by planting trees will supply clean water to the sea, helping to regenerate rich fishing grounds. In two years, we planted about 2,500 trees and installed a *Meishi no mori* (Business Card Forest) sign to commemorate the completion of planting. We can expect the fishing area to revitalize as these trees grow.

2018: Tree Planting in Osaki City, Miyagi Prefecture

Since 2018, we have planted trees at the “Present Tree in Miyagi Osaki” site in Osaki City, Miyagi Prefecture. Osaki has vast, fertile rice fields and a rich ecosystem with diverse flora and fauna. We have planted more than 9,000 trees in areas such as livestock grazing land abandoned following the Great East Japan Earthquake. This forest will eventually nurture clean water, supporting rice cultivation and ecosystems downstream of the Arao and Eai Rivers.

2020: Tree Planting in Yamato Town, Kumamoto Prefecture

In 2020, we began planting trees at the “Present Tree in Kumamoto Yamato” site in Yamato Town, Kumamoto Prefecture. Yamato is home to the Tsujunkyo Bridge, a national treasure which provides water for organic agriculture and a rich ecosystem. The earthquakes and heavy rains in 2016 damaged the bridge and terraced rice fields, and reconstruction work continues. We have planted more than 4,500 trees on deforested land overlooking these fields, helping to protect the diverse wildlife.





Top: View after tree planting at Present Tree in Miyako (September 2019)
Bottom: Tree planting activity at Present Tree in Miyagi Osaki (October 2019)

Disclosure Based on TCFD Recommendations

Regarding climate change, we determine and oversee business risks and opportunities under an appropriate system. In raising our ability to respond to issues, we aim, for example, at stable economic development and securing the foundations for people's livelihoods, and we see this as a vital initiative in advancing the transition to a low-carbon economy. Based on this idea, we have expressed support for the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD) and make disclosures based on this framework as follows.

1. Governance

We discuss and make decisions on various policies and important matters that contribute to realizing sustainability at Board of Directors' meetings. We have identified addressing climate change as one of the material issues (priority issues) that we should proactively address. Under the supervision of the representative director in charge, the IR & Sustainability Department, and the Finance & Accounting Department study the issue. Matters that include various metrics relating to climate change, as well as business risks and opportunities are received and supervised in annual reports by the Board of Directors. Business strategies and plans are then decided upon after duly considering the important matters.

2. Strategy

To strengthen our ability to respond and adapt to the changes in the business environment caused by climate change, we mainly use scenarios including the Intergovernmental Panel on Climate Change (IPCC)'s Shared Socioeconomic Pathways to analyze business environments in which temperature increases are limited to 1.5° C (SSP1-1.9) or below 2° C (SSP1-2.6), as well as those in which 4° C increases (SSP5-8.5). Figures 2 and 3 (p. 79) show the business risks, opportunities, and responses we have identified based on the above.

The analysis covers all businesses of the Group, with short-term analysis covering from the present to 2025, medium-term analysis covering until 2030, and long-term analysis covering until 2050. Profit impact is shown as small for cases with an annual impact of less than 1 billion yen, medium for cases with an impact between 1 billion yen and less than 3 billion yen, and large for cases with an impact of 3 billion yen or more.

3. Risk Management

In consultation with the directors in charge of each field, the IR & Sustainability Department, and the Finance & Accounting Department, we conduct scenario analyses to identify climate-related business risks and opportunities, assess their importance, calculate their financial impact, and review countermeasures. These matters are next reported annually to the Board of Directors, which decides on business strategies and plans after considering important matters including the risks and countermeasures. Important climate change-related risks are also integrated and managed with the results of company-wide risk analyses conducted through internal audits etc.

4. Metrics and Targets

We have selected GHG[1] emissions as a climate change-related assessment metric. The table below shows actual GHG emissions over the last three years.

We have set a carbon neutrality target by 2030 as part of our reduction goals for Scope 1[2] and Scope 2[3] emissions. In addition to embarking on various initiatives to achieve these targets, we continue to comprehensively consider the establishment of Scope 3[4] reduction targets, taking into account a variety of internal and external factors.

[1] GHG: greenhouse gas
[2] Scope 1 aggregates direct GHG emissions from our owned offices and facilities
[3] Scope 2 aggregates indirect GHG emissions through each office's use of purchased electricity, thermal energy, etc.
[4] Scope 3 aggregates GHG emissions throughout the entire value chain (categories 1–15), excluding Scopes 1 and 2

【Fig 1*】

Item	Unit	FY2021	FY2022	FY2023
Scope 1	t-CO_2	0	0	0
Scope 2 (location-based)	t-CO_2	639	840	1,021
Scope 2 (market-based)	t-CO_2	668	851	999
Scope 1 and 2 (market-based)	t-CO_2	668	851	999
Scope 3	t-CO_2	15,679	18,638	21,509
Scope 1, 2, and 3 (market-based)	t-CO_2	16,347	19,489	22,508
Scope 1, 2, and 3 emissions intensity (per net sales)	t-CO_2/hundred million yen	81.7	78.2	69.3

*Non-consolidated results of Sansan, Inc., aggregated. The FY2023 results cover 96.0% of the group's business (non-consolidated sales as a percentage of consolidated sales)

【Fig 2】 **Business Risk Identification**

Type		Scenario Analysis	Business Risks	Time Frame	Profit Impact (Annual)		Countermeasures
					1.5°C/Below 2°C Scenario	4°C Scenario	
Transition risks	Market	Increasing environmental awareness across society, the use of various paper-based business tools is gradually declining, while the utilization of digital information is expanding.	The frequency and importance of utilization of some functions of our service that digitizes paper business cards, invoices, contracts, and other documents to improve productivity may decrease.	Short to medium term	Small	Small	Provide added value equal to or greater than the value of digitizing analog information by expanding highly convenient functions centered on the use of digital information and enhancing its value as a platform.
		Social demand and requirement for the use of clean energy will increase, and various energy prices are soaring. Additionally, the increased global warming is resulting in an increased cooling load for information and communication equipment.	Increases in server prices and various energy prices such as electricity, which are essential for our business centered on a SaaS-type business model, will lead to higher operating expenses.	Medium to long term	Small to medium	Small	Reduce costs by optimizing procurement of necessary resources and materials, including servers and electricity, and improve efficiency by implementing energy-saving measures to reduce energy use.
	Law and regulation	Many countries and regions will tighten regulations on GHG emissions, and new carbon taxes and higher tax rates will be introduced as carbon pricing.	The expenses associated with tax burdens, as well as the cost of purchasing non-fossil fuel certificates and credits for carbon offsetting, may increase.	Medium to long term	Small	Small	Reduce tax burdens and carbon offset costs by increasing the use of renewable energy and improving energy efficiency through the implementation of energy saving.
Physical risks	Acute	Natural disasters such as torrential rains and floods that cause extensive damage are becoming more severe and more frequent.	Flooding our servers and digitalization centers responsible for tasks such as digitizing paper invoices, leading to service disruptions, as well as the damage to the stored documents of service user companies, resulting in a decline in our service value.	Medium to long term	Small to medium	Small to large	As part of the business continuity plan (BCP), ensure service continuity during natural disasters by using multiple servers for system redundancy, decentralizing important service operation sites, and preparing manuals for emergencies.

【Fig 3】 **Business Opportunity Identification**

Type	Scenario Analysis	Business Opportunities	Time Frame	Profit Impact (Annual)		Countermeasures
				1.5°C/Below 2°C Scenario	4°C Scenario	
Products and services	Growing environmental awareness across society will increase demand for services that help reduce paper use. Additionally, the increased risk of infectious diseases associated with rising temperatures has led to a rise in non-face-to-face and non-contact business activities, increasing the importance of using digital information.	The demand for our various DX solutions, which are equipped with functions to curb the use of paper while improving the efficiency of various workflows through the use of digital information, may expand.	Medium to long term	Small to medium	Small	Enhance the value provided to users by expanding highly convenient functions centered on the use of digital information, and stimulate further demand by strengthening the sales and marketing activities.

Risk Management

As a provider of solutions handling business cards, invoices, and other important information, our management and business risks include those related to information security. We are developing management systems and measures to counter all identified risks while strengthening the managerial foundation that supports our rapid business growth.

Managing Risks

We actively fortify our risk management system and risk response methods for risks that could significantly impact our business. Understanding the changes in our business environment, we implement measures including preventing risks from occurring and responding if they do occur.

Risk Identification and Analysis Process

Following our internal audit regulations, we formulate audit plans, and all departments regularly review potential risks in the audit process, and risk analysis tables are created compiling the assessments of the identified risks and response plans for each fiscal year. The tables each department creates are compiled by the Internal Auditing Department and reported to the Representative Director, who can discuss risk response plans with officers in each department as needed.

Incident Guidelines

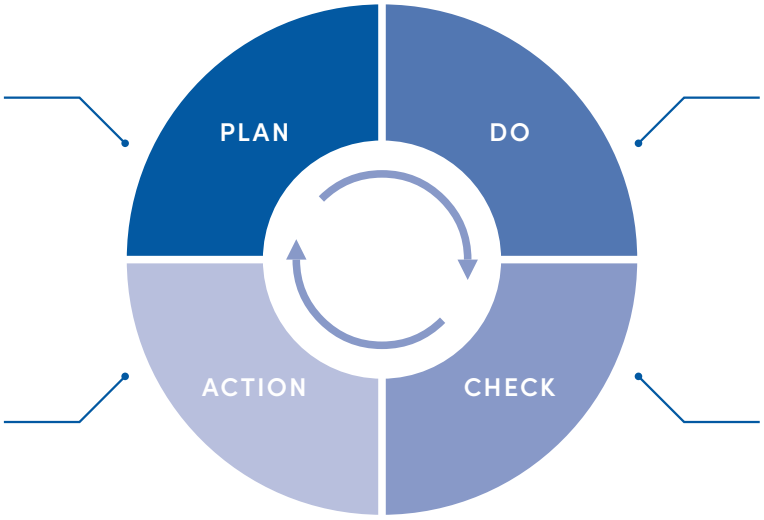
We have established guidelines for handling incidents such as disasters, accidents, unauthorized access, or vulnerabilities that could affect service delivery. The guidelines set out department-specific organization, command chains, decision criteria, and response procedures. Incidents are categorized based on confidentiality, integrity, and availability, with priorities assigned for each type. Decision-makers are designated for incident assessment and response within each department.

Creating risk analysis table

- Identify and clarify risks
- Risk assessment
- Determine the response plans and risk owners
- Report to the Representative Director

Implementing response plan

- Implement risk owner-led measures including the reduction, avoidance, transfer, etc. of risks



Improving risk response plan

- Improve the risk response plans based on incidents that occurred
- Revise the risk impacts and correct the risk assessment for the next fiscal year onward

Risk monitoring

- Confirm whether there have been any incidents based on the risk analysis tables
- In internal audits, confirm whether each department is appropriately implementing risk response plans

Risk and Response Categories

Category	Item	Description of risks	Responses
Information security risks	(1) Handling of personal information	■ Natural disasters,accidents, unauthorized access from the outside with a malicious intention, and internal leak, loss, alteration or abuse of customer information by intention or negligence	■ Establishment and operation of a personal information protection management system ■ Obtaining Privacy Mark certification ■ Obtaining ISO/IEC 27001 and ISO/IEC27017 certifications ■ Requiring all officers and employees to obtain the qualification of Protection of Individual Information Person ■ Collection of information on new legal regulations in Japan and overseas, and implementation of necessary countermeasures ■ Thorough legal compliance, and safe management of outsourcing contractors
	(2) Equipment and network stability	■ Obstacles posed to the Group's equipment and use of network due to natural disasters such as fire and earthquake, external breakage, system failures due to human errors, or any other unanticipated events	■ Distribution of load to multiple servers and regular backups ■ Establishment of a real-time access log check function and a system to immediately give notice of any software failure ■ Recovery training assuming the time of failure occurrence
Risks to services	(3) Service failures, etc.	■ Occurrence of various bugs in the Group's applications, software and systems ■ Detection of any critical bug that poses an obstacle to the operation of the Group's businesses	■ Building and maintenance of the highly reliable development structure ■ Formulating and implementing of incident guidelines for services
Risks from external environment	(4) Internet access environments	■ Introduction of new regulations on internet use, and occurrence of an adverse effect	■ Collection of information on internet-related legal regulations, etc. as well as extraction of issues and implementation of solutions
	(5) Cloud business	■ Significant downturn in demand for cloud services themselves	■ Creation of new value offered ■ Proactive adoption of new technologies ■ Protection of intellectual property rights through patent acquisition, etc. ■ Promotion of M&A, and capital and business alliances
	(6) Responding to technological innovations	■ Delay in responding to technological innovations, etc. ■ Incurrence of unexpected development expenses, etc.	
	(7) Competition	■ Intensified competition with existing business operators and new entrant operators ■ Intensified competition due to appearance of any other company's service with a revolutionary concept	
	(8) Natural disasters	■ Delay or suspension of business due to largescale natural disasters including earthquakes and typhoons	■ Establishment of BCP*1 manual

Category	Item	Description of risks	Responses
Investment risks	(9) Upfront investments in advertising and promotions	■ Large increase in expenditures due to changes in the policy and plans for advertising and promotions	■ Monitoring of cost-effectiveness of advertising and promotions
	(10) Investments such as corporate acquisitions	■ Delay in a business plan after an acquisition or investment	■ Implementation of sufficient due diligence for target companies ■ Thorough monitoring and follow-ups for target companies
	(11) System infrastructure investments	■ Unexpected additional investment in hardware and software for stable operation of services	■ Thorough monitoring of access from the outside ■ Design of appropriate system infrastructure investment according to the business expansion
Human risks	(12) Establishment of management control system	■ Delay in establishment of the business structure and the internal management structure according to the business size	■ Thorough development of the internal management structure in line with increases in operations and employees
	(13) Training and securing human resources	■ Shortfall in excellent human resources ■ Delay in securing sales staff in the Sansan/Bill One Business and loss of them	■ Aggressive recruitment of human resources ■ Strengthening of the structure by internally fostering personnel, etc ■ Development of the working environment
	(14) Dependence on specific individuals	■ Occurrence of any event that brings difficulties for Chika Terada, Representative Director, to continue operations	■ Creation of a structure that does not excessively depend on him ■ Mutual information sharing among executives and strengthening of the management organization
Legal risks	(15) Laws and regulations	■ Impact of enactment of new privacy-related regulations, laws regulating internetrelated business operators, and relevant laws, etc. applicable in line with the expansion of the business environment in Japan and overseas	■ Collection of information on legal regulations, etc. as well as extraction of issues and implementation of solutions
	(16) Intellectual property right infringement, etc.	■ A claim for damage or injunction request from a third party on the grounds of infringement of patent right or trademark right ■ A third party's infringement of intellectual property rights held by the Group	■ Implementation of survey on intellectual property right infringement via patent firms ■ Patent applications and registrations ■ Implementation of legal actions
Overseas risks	(17) Launching overseas	■ Occurrence of risks specific to overseas that are difficult to address ■ Delay in monetarization of the overseas business	■ Collection of information on regions where the Group has developed its businesses as well as extraction of issues and implementation of solutions ■ Formulation of appropriate business plans
Others	(18) Granting incentives	■ Dilution of value of shares held by existing shareholders through exercise of stock options issued*2	■ Design of stock options with adequate consideration of the market environment, impact on existing shareholders, etc.

*1 BCP: Business continuity plan *2 The number of shares granted as stock options as of August 8, 2024, was 3,494,576, accounting for 2.77% of the total number of issued shares

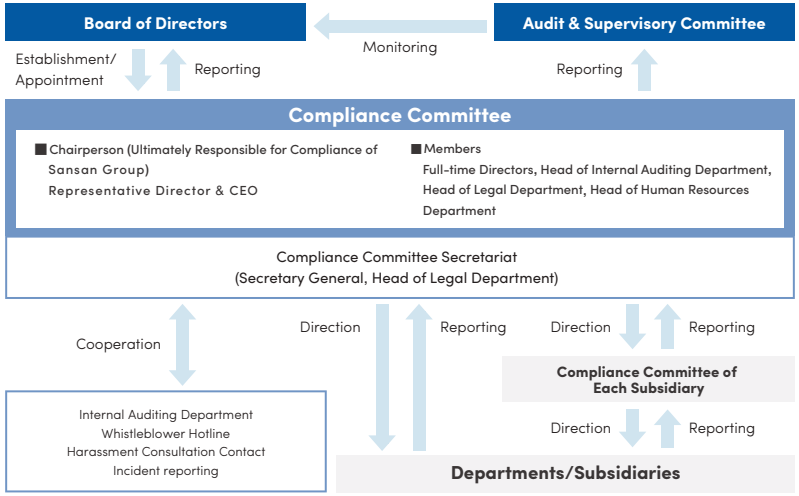
Compliance

In line with our philosophy, our basic policy is to conduct corporate activities with high ethical standards, considering it essential to develop our business fairly and responsibly. Under this approach, we implement initiatives to raise all employees' compliance awareness.

Compliance Structure

We have established a Compliance Committee under our Compliance Regulations, which define basic matters related to compliance. The Committee, chaired by the Representative Director & CEO, who has ultimate responsibility for compliance, comprises full-time Directors and the Heads of the Internal Auditing Department, Legal Department, and Human Resources Department. It helps formulate related policies and measures and provides overall compliance monitoring. Specifically, we have designed a program that integrates the compliance-promoting structure and systems and we operate it based on a plan-do-check-act (PDCA) cycle.

Any compliance violations occurring in group companies are reported to the Compliance Committee Secretariat and a system to oversee group compliance has been established. The Committee meets twice a year and as needed in the event of misconduct or other irregularities.



Efforts to Ensure Legal Compliance

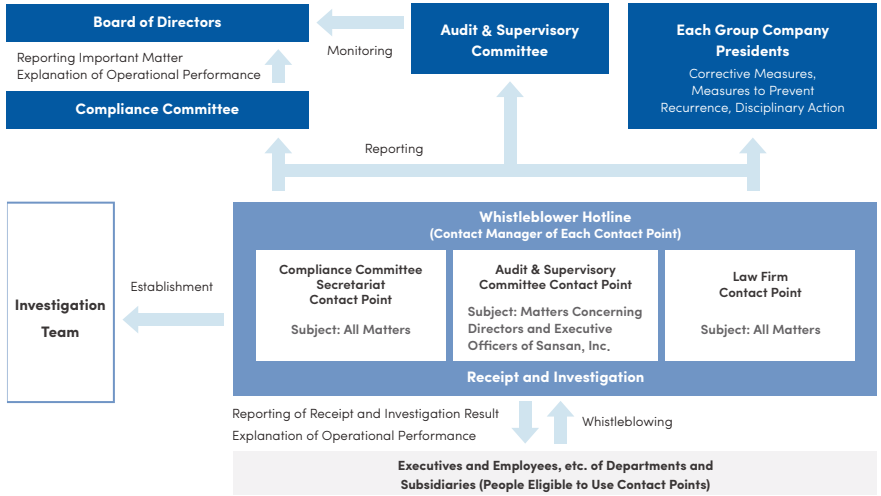
In line with our Compliance Regulations and the program the Compliance Committee has established, we implement measures such as a system for detecting wrongdoing and violations, and awareness raising and training for executives and employees.

Through these measures, we strive to ensure comprehensive compliance and bolster a management structure that supports rapid business growth.

Whistleblowing System

Our whistleblowing system, operated based on our Whistleblowing System Regulations, promptly identifies and deals with information on legal violations or potential violations.

The system is available to all executives and employees of all group companies (including contract, temporary, and part-time employees, as well as contracted workers), in addition to



former employees. An internal contact handled by the Compliance Committee Secretariat, external contact outsourced to a law firm, and external contact consisting solely of Outside Directors serving on the Audit & Supervisory Committee serve as the three contact points. Whistleblowers can make anonymous reports by email, by using a dedicated form, or by postal mail. After receiving the report, the contact will report to the Compliance Committee and the Audit & Supervisory Committee and conduct a fair and impartial investigation. If illegal activities are uncovered, necessary corrective and recurrence prevention measures will be implemented and the perpetrator(s) disciplined in accordance with our work rules. To protect whistleblowers, we designate specific individuals to handle reports and investigations, impose confidentiality obligations, and thoroughly manage information that could identify whistleblowers or report contents.

Our Whistleblowing System Regulations prohibit disadvantageous treatment of whistleblowers, such as dismissal. If such treatment occurs, we take remedial measures and discipline the perpetrator(s) in accordance with our work rules.

[Number of Whistleblowing Reports]

FY2020	FY2021	FY2022	FY2023
9 cases	11 cases	14 cases	20 cases

Prevention of Bribery and Corruption

Raising awareness of bribery and corruption is vital to accelerating our business development in Japan and overseas. Accordingly, we have established basic anti-bribery principles and specific behavioral guidelines. We do not tolerate actions that violate Japanese or foreign anti-bribery laws, which include Japan's Penal Code and Unfair Competition Prevention Act, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act. We use these guidelines to do our utmost to prevent bribery-related acts (including facilitation payments).

▼ Basic policy regarding prevention bribery and corruption:
https://www.corp-sansan.com/anti-bribery/

Basic Policy on Antisocial Forces

We have a basic policy against antisocial forces and groups that threaten social order and safety, including organized crime groups, their members and associates, companies affiliated with such groups, corporate extortionists, racketeers disguised as social activists, groups engaging in specialized intellectual crimes, and other similar entities. We fully recognize the importance of blocking all ties with antisocial forces from the perspective of social responsibility, compliance, and corporate defense, and all our executives and employees strive to ensure the appropriateness of and safety in our duties by complying with this policy.

Basic Policy on Human Rights

Respecting human rights is imperative as we aim to expand our business in Japan and globally. We have established a basic policy, approved by the Board of Directors, as a guideline for promoting human rights initiatives.

▼ Basic Policy on Human Rights:
https://www.corp-sansan.com/human_rights/

Various Training Programs

We regularly conduct compliance training for all executives and employees to strengthen awareness and knowledge of legal compliance.

▼ Status of training initiatives:
https://www.corp-sansan.com/sustainability/esgdata/

Internal Audits

The Internal Auditing Department is directly under the Representative Director & CEO. It conducts periodic internal audits of each department and organization to confirm their compliance with internal regulations. Specifically, it provides suggestions and guidance for improving operations and confirms that suggested improvements are implemented. Results are then reported to the Representative Director & CEO and the audited departments. The Department also meets regularly with the Audit & Supervisory Committee and accounting auditor to share information.

Comprehensive Auditing

We confirm that our business operations and asset and facility management are appropriate through independent and objective internal audits covering all our business activities, including organizational operations and business processes.

Security Audits

Through independent and objective audits, we confirm whether our security, including our personal information protection management system (JIS Q 15001:2023), and information system management operations that handle information assets, are adequately maintained and performed.

Corporate Governance

We recognize the importance of sustainably maximizing corporate value and contributing to society, and the need to gain all stakeholders' continued trust. Therefore, we are working to further strengthen corporate governance to improve management soundness and transparency.

Corporate Governance Efforts

After our establishment, we adopted the organizational form of a Company with an Audit & Supervisory Committee and appointed four Outside Directors in FY2015. In FY2019, we selected and increased the Independent Directors, and sought to ensure and increase their independence. In FY2021, we also aimed to diversify the composition of the Board of Directors by appointing two female Directors, and we disclosed the skill matrix of the Directors. We also changed the method of determining Directors' individual remuneration (excluding Audit & Supervisory Committee members) from the Representative Director's sole decision to a Board of Directors resolution. In FY2022, we introduced price-linked stock options to share value with the shareholders and increase medium-to-long-term incentives for the Directors. Additionally, we increased the Independent Directors to four and established the Nomination and Remuneration Advisory Committee, an optional advisory body, to strengthen the independence, objectivity, and accountability of the Board's functions related to nomination and remuneration.

In FY2023, we introduced annual performance-linked bonuses for Directors (excluding Audit & Supervisory Committee members) as a short-term incentive for business performance improvements. From FY2024, we increased the Outside Directors and Independent Directors to five to further strengthen decision-making and oversight by the Board and ensure its independence.

Progress in Strengthening Corporate Governance

FY2007
- Company established

FY2015
- Audit & Supervisory Committee system adopted
- Outside Directors appointed

FY2019
- Independent Directors appointed
- Independent Directors increased

FY2021
- Number of female Directors increased
- Disclosed skill matrix for Directors
- Changed method of determining individual remuneration

FY2022
- Introduced price-linked stock options
- Independent Directors increased
- Established a Nomination and Remuneration Advisory Committee

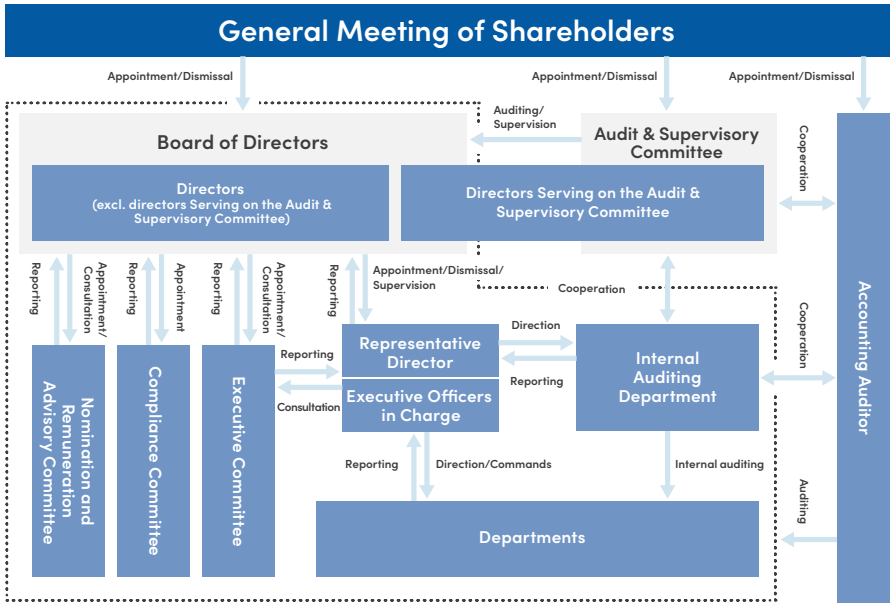
FY2023
- Introduced performance-linked bonuses

FY2024
- Outside Directors increased
- Independent Directors increased

Enhancing Corporate Governance [1]

We are a Company with an Audit & Supervisory Committee, and we have established the Nomination and Remuneration Advisory Committee as an optional committee and the Executive Committee as an advisory body on business execution. We have adopted our current governance structure with the belief it can facilitate stronger Board decision-making and oversight, as well as swift business execution, enabling transparent, fair, and fast management decision-making.

[1] Information presented here is as of August 31, 2024 (FY2024)

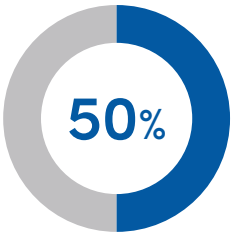


Board of Directors [1]

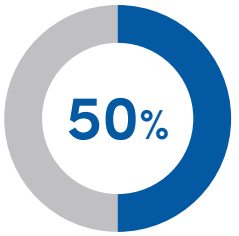
Our Board of Directors comprises seven Directors (excluding Audit & Supervisory Committee members) (including two Outside Directors) and three Directors serving on the Audit & Supervisory Committee (all three are Outside Directors), for a total of 10 (five full-time, five outside) Directors.

The Board members are appointed for balance of experience, insight, competencies, and diversity, including gender, international perspective, career, and age. We aim for at least 30% female Directors by FY2029 in view of the importance of gender, and to combine this with an appropriate scale of the Board considering factors such as our management policies and business. We also appoint at least one-third of Directors as Independent Outside Directors, and at least one Director serving on the Audit & Supervisory Committee who has substantial finance and accounting knowledge.

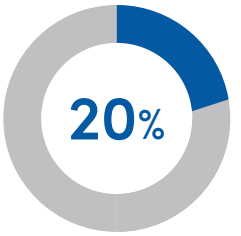
Composition of the Board of Directors [1]



Ratio of Outside Directors



Ratio of Independent Directors



Ratio of Female Directors

Board Activities

To ensure efficient and fast decision-making by the Board of Directors, the Ordinary Board of Directors meeting is held, in principle, once a month, and Extraordinary Board of Directors meetings are held as needed. In accordance with laws and regulations and our Articles of Incorporation, the Board deliberates and decides on management plans and other important matters and receives reports from the Executive Directors to conduct supervision of the status of business execution.

In FY2023, we held 15 Board meetings with 99.3% Director attendance. The Board deliberated on a wide range of themes, including management plans, business strategies and other matters concerning sustainability, matters concerning compliance and governance, and matters concerning organization and personnel strategy. From FY2023, to revitalize the Board and train the Directors, we established a forum for free discussion after concluding a Board meeting, with lively discussions on a variety of measures that help improve our medium-to-long-term corporate value and simulations, etc. based on those measures. Note that the medium-term financial policy disclosed in July 2024 was formulated after these discussions.

Evaluation of the Effectiveness of the Board of Directors

We annually evaluate the effectiveness of the Board of Directors' business management and other functions, as delegated by the shareholders, in an effort to evaluate the extent to which the Board is fulfilling the roles expected of it. Based on the results of the evaluation, the Board carries out its own plan-do-check-act (PDCA) cycle to bolster corporate governance.

All Directors were assessed in FY2023. The Audit & Supervisory Committee deliberated and expressed opinions on the results. The Board then deliberated, formed its understanding, and decided on steps for improvement. The evaluation confirmed the Board's effectiveness in the fiscal year under review, mostly finding that its performance was appropriate or mostly appropriate on the major assessment items: the Board's responsibilities, its size and composition, meeting frequency, its decision-making process, and the quality of information it receives.

From the results of the effectiveness evaluation in the previous fiscal year, we received many opinions that the introduction of the free discussions after a Board meeting, which we commenced from the fiscal year under review, had an effect to some extent, and many people hoped that such discussions would continue. In response, we further improved the setting of themes and running the discussion to make the free discussion a forum for the active exchange of opinions based on each Director's diverse perspectives, insight, and experience. Through these changes, we will aim to reinforce the insight of each Director and the Board's decision-making function and oversight, thereby further enhancing the Board's effectiveness.

Audit & Supervisory Committee [1]

The Audit & Supervisory Committee comprises three Directors, all of whom are Outside Directors. The Directors serving on the Committee include attorneys, people with insight on finance and accounting, and people experienced in corporate management. Each brings their own professional ethics perspective to management oversight. They give their opinions on Directors' performance of duties at the Board of Directors and other meetings.

[1] Information presented here is as of August 31, 2024 (FY2024)

Audit & Supervisory Committee Activities

The Audit & Supervisory Committee meets monthly to monitor governance and its operational status, and to audit and supervise Directors' daily activities, including performance of duties, and conducts audits based on auditing plans. It also meets with the Internal Auditing Department and accounting auditors, sharing information for auditing.

In FY2023, we held 13 Committee meetings, with 100% attendance. The Committee deliberated, reported, and debated on topics including audit policies, audit plans, audits of the status of Directors' performance of duties, internal control system audits, the results of the effectiveness evaluation of the Board of Directors, and the operational status of compliance and the whistleblowing system. It also exchanged views of important auditing issues to ensure sufficient communication between the Committee members and the Representative Director and deepen mutual understanding.

Nomination and Remuneration Advisory Committee

To strengthen the Board of Directors' function regarding Directors' nomination and remuneration, as well as accountability regarding independence and objectivity, we have established the Nomination and Remuneration Advisory Committee as an optional Committee with the appropriate involvement of Independent Outside Directors.

The Committee comprises three or more members appointed by Board resolution, with Independent Outside Directors as a majority to ensure independence. The Chair is selected from the Independent Outside Director members by Committee resolution.

The Committee deliberates in advance and provides recommendations to the Board on nomination, appointment and dismissal, and remuneration of Directors (excluding Audit & Supervisory Committee members) and other matters on which the Board is consulted, and the Board makes decisions based on the recommendations.

Nomination and Remuneration Advisory Committee Activities

In FY2023, we held three Nomination and Remuneration Advisory Committee meetings, with 100% attendance. The Committee deliberated on matters concerning the selection of Director candidates in the 16th shareholder meeting, matters concerning the policy for determining the remuneration of Directors (excluding Audit & Supervisory Committee members), determination procedures and individual remuneration, and matters concerning remuneration proposals for the Directors (excluding Audit & Supervisory Committee members) in the 16th shareholder meeting.

Executive Committee

We established the Executive Committee as an advisory body for business execution, and developed a structure that contributes to appropriate and fast business execution by the Board of Directors, responsible officers, etc. The Committee comprises of all the full-time Directors and responsible officers and is held as needed. It is operated with an awareness of the agility and flexibility of business execution and decision-making. For example, depending on the advisory matters, non-members may be invited to attend.

Policy and Process of Determining Director Remuneration

The policies for determining the remuneration of Directors (excluding Audit & Supervisory Committee members) are determined in the Board of Directors meeting based on the Nomination and Remuneration Advisory Committee's recommendations. The remuneration of Directors not serving on the Audit & Supervisory Committee (excluding Outside Directors) comprises the basic remuneration as fixed monetary remuneration, performance-linked bonuses as short-term incentive compensation, and price-linked stock options and stock compensation-type stock options as medium-to-long-term incentive compensation. Note that, considering their roles and duties, the remuneration of the Outside Directors not serving on the Committee and the Directors serving on the Committee shall be only the basic remuneration, which is fixed monetary remuneration.

Policy for the Determination of the Amount of Individual Remuneration and Calculation Methods for Basic Remuneration (Fixed Monetary Remuneration) and Performance-Linked Compensation for Directors

Individual monetary remuneration for Directors not serving on the Audit & Supervisory Committee (excluding Outside Directors) comprises basic (fixed monetary) remuneration and annual performance-linked bonuses as short-term incentives for business performance improvements. Only basic (fixed monetary) remuneration is paid to Outside Directors not serving on the Committee.

The individual basic remuneration of Directors not serving on the Committee is updated and determined annually within the limit resolved at the General Meeting of Shareholders based on responsibilities, performance, our business performance, the economy, etc. The individual performance-linked bonuses of Directors not serving on the Committee (excluding Outside Directors) are updated and determined annually, based on progress against annual performance targets, set each year within the limit resolved at the General Meeting of Shareholders considering Directors' responsibilities and other factors. For each fiscal year, an individual base bonus amount is set as the basis for calculation, along with a payment coefficient in accordance with progress against performance targets. The amount calculated by multiplying the base bonus amount by the payment coefficient in the range of 0–200% is paid. We use net sales and adjusted operating profit,[1] which are important management indicators, for the performance targets for each fiscal year. If the progress against performance targets is 100%, the ratio of total performance-linked bonuses to total monetary remuneration is estimated at approximately 15%.

Individual basic remuneration for Directors serving on the Audit & Supervisory Committee is deliberated by all Committee members and set within the limit resolved at the General Meeting of Shareholders.

[1] Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

Introduction of and Policy for Determining Non-Monetary Remuneration

Individual remuneration of Directors not serving on the Audit & Supervisory Committee (excluding Outside Directors) may include price-linked and stock compensation-type stock options as medium-to-long-term incentives.

Their ratio to basic remuneration, appropriate limits, and conditions are set based on the business environment and other companies' remuneration levels, etc., to maximize Directors' performance and motivation, strengthen the correlation with the stock price, and encourage appropriate risk-taking. A Board of Directors resolution is required for introducing other non-monetary remuneration. The Board also decides, based on the Nomination and Remuneration Advisory Committee's recommendations, how such remuneration and its amount (formula) are determined, and the proportion of each type for each individual.

Policy for Determining the Timing and Conditions of the Level/Payment/Distribution of Director Remuneration

Directors' remuneration is designed by using the officers' remuneration database of an external research organization to reference the remuneration levels of companies of a similar business scale as ours and belonging to related industries under similar business conditions. Directors' fixed remuneration is paid monthly. Performance-linked bonuses are paid at a fixed time in an annual lump sum. The timing of providing/distributing price-linked and compensation-type stock options, and their conditions, etc. are set based on factors such as past distributions and years of service. This does not preclude other compensation that may arise separately.

Matters Related to Determining Remuneration Content

The Board determines Individual remuneration for Directors not serving on the Audit & Supervisory Committee based on the Nomination and Remuneration Advisory Committee's recommendations. Price-linked and stock compensation-type stock options for Directors not serving on the Audit & Supervisory Committee (excluding Outside Directors) must be approved by the General Meeting of Shareholders, and the meeting agenda is determined by the Board based on the Nomination and Remuneration Advisory Committee's recommendations.

Additionally, to provide an incentive separate from the remuneration system, we have introduced paid performance target-linked share options for subscription for our Directors (excluding Audit & Supervisory Committee members) and executive officers on the condition that they achieve a performance target with consolidated net sales as the indicator, with the objective of inducing a medium-to-long-term increase in our shareholder value and corporate value. The number of these share options granted to each eligible person is determined in accordance with their position, given roles (mission grade), and other factors.

Policies and Procedures in Nominating Candidate Directors and Dismissing Directors

The Articles of Incorporation stipulate that Directors (excluding Audit & Supervisory Committee members) and Directors serving on the Audit & Supervisory Committee shall not exceed eight and five, respectively. We balance experience, knowledge, and skills, and value diversity when appointing them. We also require that attendance of at least 75% is ensured at the Board of Directors meeting when nominating candidates for Directors.

Policy for Nominating Candidates for Directors (Excluding Audit & Supervisory Committee Members)

Our policy for full-time Directors is to appoint people with extensive knowledge and experience in the businesses fields they are responsible for, who can be expected to drive the businesses and organizations they are responsible for and make appropriate decisions and supervise management appropriately. Our policy for Outside Directors is to appoint people who can be expected to make appropriate decisions, supervise management appropriately, and provide management advice from an objective and expert perspective, based on their experience as officers at other companies, their high level of expertise, and their deep insight.

Policy for Nominating Candidates for Directors Serving on the Audit & Supervisory Committee

Our policy is to appoint personnel who can be expected to make appropriate decisions by using their high level of expertise and abundant experience in areas such as corporate management, finance, accounting, financing, corporate law, and compliance, and to audit and supervise the directors' performance of duties and offer opinions on management in general.

Process of Nominating and Dismissing Candidates for Directors

The Representative Director proposes candidates meeting these policies, and the Board nominates them based on the Nomination and Remuneration Advisory Committee's recommendations. When the Board makes these decisions, it obtains in advance the opinion of the Audit & Supervisory Committee regarding the candidate directors (excluding Audit & Supervisory Committee members) and the consent of the Audit & Supervisory Committee regarding candidates for directors serving on the Audit & Supervisory Committee.

The Board monitors and supervises Directors' performance, and, after consulting with the Nomination and Remuneration Advisory Committee, deliberates on the dismissal of any director not meeting requirements.

Skills Required of Director Candidates

We have identified the following six skills the Board of Directors must possess to execute our management policies and management strategies, and we appoint Directors with consideration for their diversity and balancing of these skills.

Skill	Reason for selecting skill	Definition
Corporate management	To reshape how companies and businesspeople facing various business issues work, develop solutions that drive digital transformation (DX), achieve sustainable growth for our company, and resolve social issues in the context of major changes in the business environment, we need Directors with experience in corporate management and experience managing organizations, such as business divisions and headquarters, as senior executives.	Experience as a Director or as a senior executive in organizational management
Data, information security	To develop and provide highly convenient, safe, and stable services and leverage our strengths in digitization to develop and provide innovative DX solutions, we need Directors with business experience in the data domain and abundant knowledge and experience in information security.	Experience in business, technology development, research and development in the IT and SaaS industries, and experience in information security-related operations and management
Finance, accounting	To ensure appropriate financial reporting, build a financial foundation, and make growth investments such as new businesses, research and development, M&A, etc., we need Directors with business experience in financing and knowledge and experience in finance and accounting.	Knowledge, operational experience, and management experience in finance, financing, and accounting in corporate management
Legal	To fortify our management foundation to support our business growth by strengthening corporate governance and thoroughly implementing compliance, we need Directors with knowledge and experience in the corporate governance, legal, and compliance areas.	Knowledge, operational experience, and management experience in corporate governance, legal affairs, and compliance
Personnel and labor matters, HR development	To promote the recruitment, development, and success of human resources, as well as diversity, equity, and inclusion, and to create and provide opportunities and environments for our diverse workforce to enjoy success, we need Directors with business experience in HR development and abundant knowledge and experience in personnel and labor matters.	Knowledge, operational experience, and management experience in staff development, organization development, and personnel and labor matters
Global experience	To promote the overseas business of DX solutions and conduct important decision-making and supervision for their management, including strengthening development capabilities and technical capabilities, etc., we need Directors with global business experience and abundant knowledge and experience in the overseas business environment.	Experience of being posted, stationed, or residing overseas, and business experience in overseas business, overseas investment, etc.

Support Structure for Directors

We provide documents, explanations, etc., in advance to support Board deliberations and Directors' management supervision and auditing functions. The full-time members of a secretariat help the Audit & Supervisory Committee, comprising Outside Directors, function smoothly. With access to key meetings and documents, the secretariat members can promptly provide materials the Committee needs. It also arranges expenses-paid, third-party training for directors.

Group Governance

We have developed a group policy, etc. commonly applied to the subsidiaries, and under the Rules on Management of Subsidiaries, our basic policy concerning the involvement in management of our subsidiaries, we strive for a system that strengthens governance, including management agreements with subsidiaries pursuant to these Rules. The Internal Auditing Department regularly audits subsidiaries to ensure compliance with laws, the Articles of Incorporation, and internal regulations.

Cross-Shareholdings

Regarding the classification of investment shares held for pure investment purposes and investment shares held for other than pure investment purposes, we judge that investment shares held exclusively for the purpose of receiving profits from fluctuations in share values or dividends on shares are investment shares for pure investment purposes and other investment shares are investment shares for other than pure investment purposes.

When considering the acquisition of investment shares held for other than pure investment purposes, the Board of Directors verifies the reasonableness and advisability of holding the shares, considering such matters as whether holding the shares will lead to a medium-to-long-term increase in our corporate value owing to business synergies or other factors, whether it will negatively impact our financial soundness, and whether the holding ratio and acquisition amount exceed the reasonably necessary range. From a corporate governance perspective, we will not hold cross-shareholdings for the sole purpose of securing stable shareholders. If we intend to hold cross-shareholdings, the Board will scrutinize the reasonableness and appropriateness of the holding before it is implemented.

Remuneration for Each Officer Category [1]

Officer category	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)			Number of applicable officers (Number of persons)
		Fixed remuneration	Performance-linked remuneration	Stock option	
Directors (excluding persons who are Audit & Supervisory Committee Members and Outside Directors)	305	229	14	61	5
Outside Directors (Audit & Supervisory Committee Member)	23	23	-	-	4

[1] FY2023 Result

Remuneration for Certified Public Accountants for Audits, etc.

Category	FY2022		FY2023	
	Remuneration based on audit and attestation services (millions of yen)	Remuneration based on services other than auditing (millions of yen)	Remuneration based on audit and attestation services (millions of yen)	Remuneration based on services other than auditing (millions of yen)
Reporting company	32	-	37	-
Consolidated subsidiaries	-	-	-	-
Total	32	-	37	-

Directors

Name	**Chika Terada**	**Kei Tomioka**	**Kenji Shiomi**	**Yuta Ohma**	**Muneyuki Hashimoto**
Birth of date	December 29, 1976	May 26, 1976	August 12, 1970	September 27, 1983	January 10, 1982
Position	Representative Director & CEO,*1 CPO*2	Director, Executive Officer, COO,*3 Managing Executive (Sansan Division, Bill One Division)	Director, Executive Officer, CIO,*4 CISO,*5 DPO,*6 Managing Executive (Engineering Division, Eight Division)	Director, Executive Officer, CHRO,*7 Managing Executive (Human Resources Division)	Director, Executive Officer, CFO,*8 Managing Executive (Corporate Division)
Responsibilities and concurrent positions at other companies	–	Outside Director of Unipos Inc.	–	–	Outside Director of Unipos Inc.
Profile	Chika began his career with Mitsui & Co., Ltd. During that time, he relocated to Silicon Valley to help local venture firms develop their Japan-focused efforts. In 2007, he founded Sansan, Inc., providing digital transformation (DX) services that change how people work, including the namesake Sansan sales DX solution. In 2021, Sansan, Inc. was listed on the First Section of the Tokyo Stock Exchange (now TSE Prime Market Index). In 2023, Chika was appointed as Chairperson of the newly opened Kamiyama Marugoto College of Design, Technology, and Entrepreneurship.	Kei began his career with Oracle Corporation Japan, and was based in Shanghai and Bangkok, taking charge of market development across Greater China (China, Hong Kong, Taiwan), Southeast Asia, and India. In 2007, Kei co-founded Sansan, Inc. and has led business efforts for Sansan, the sales DX solution. As COO, he oversees Sansan and other B2B SaaS businesses. Since 2023, he has served as CEO of Sansan Global Pte. Ltd.	Kenji co-founded Sansan, Inc. in 2007, after working with Bussan System Integration Co., Ltd. (now Mitsui Knowledge Industry Co., Ltd.), where he designed and developed mail systems for major mobile carriers. Since 2012, he has been in charge of the Eight business card app. Now as Engineering Division Head, he oversees the company-wide technology strategy and strengthens its engineering group. In 2023, he also assumed the role of President of Sansan Global Development Center, Inc.	Yuta began his career at a human resources company, where he helped launch a consulting service. He then went independent and served as a Director for a venture firm in recruitment. Yuta joined Sansan, Inc. in 2010 as a Manager in sales and later became the head of HR. As Chief Human Resources Offier (CHRO), he leads strategies for optimizing the value and productivity of Sansan's workforce.	Muneyuki worked for foreign securities companies in Tokyo and New York for nearly 9 years, providing M&A and financing advisory services. He then moved to a group company of the Development Bank of Japan Inc. to work in private equity. He joined Sansan, Inc. in 2017, and was appointed CFO in 2018 to lead the company's financial strategy.
Date of appointment as director	June 2007	June 2007	June 2007	August 2019	August 2020
Number of shares held*9	9,415,900	4,160,000	2,285,000	138,112	179,192
Attendance at Board of Directors meetings*10	15 of 15 times	15 of 15 times	15 of 15 times	15 of 15 times	15 of 15 times
Committee membership	Executive Committee	Executive Committee	Executive Committee	Executive Committee Nomination and Remuneration Advisory Committee	Executive Committee
Skills, diversity Corporate management	●	●	●	●	●
Data, information security	●	●	●	–	–
Finance, accounting	–	–	–	–	●
Legal	–	–	–	–	●
Personnel and labor matters, HR development	–	–	–	●	–
Global experience	●	●	●	–	●
Primary reasons for above designation	□ Founder and Representative Director □ Worked for another company in the U.S. □ Chairperson, Kamiyama Marugoto College of Design, Technology, and Entrepreneurship	□ Co-Founder and Director □ COO □ CEO of a group company which oversees the business divisions □ Worked for another company focused on Asia	□ Co-Founder and Director □ CISO, DPO, and leads the Engineering Division □ Group company Representative Director □ Worked for a company in the U.S.	□ Director □ Director of another company □ CHRO	□ Director □ CFO □ Officer in Charge of the Legal Department □ M&A and financing advisory services in Japan and the U.S.
Priority areas related to sustainability under the control of this director	Conserving the Environment Through Business	Transforming Work Through Innovative Digital Transformation Services	Balancing Security and Convenience	Respecting Employee Diversity and Producing Innovation	Establishing a Firm Management Structure to Support Rapid Business Growth
Reasons for nomination	Chika Terada has served as the Company's Representative Director consistently since its establishment and has many years of management experience. He also has demonstrated strong leadership as CEO in planning strategies and executing operations in all aspects of the Company's business, and has achieved timely and appropriate decision-making and management supervision.	Kei Tomioka, as a co-founder, COO, and an executive in charge, has driven growth of the Company's main Sansan/Bill One business, promoted business development in Japan and overseas, and helped maximize business expansion and sales by drawing on his knowledge of sales operations.	Kenji Shiomi is a co-founder of the Company and has promoted service expansion and monetization as executive in charge of the Eight Business. As CISO and executive in charge of the Engineering Division, he has led the development and information security divisions, contributing to business expansion and sales maximization by strengthening the Company's products.	Yuta Ohma, as CHRO and executive in charge of the Human Resources Division, is responsible for planning and executing practical human resources development and recruiting strategies, and promoting development of personnel policies and systems, which are increasingly difficult in a growing and diversifying organization. He contributes to expanding human capital and business growth, essential for the Company's business expansion.	Muneyuki Hashimoto has contributed to achieving the business plan through directing the Company's financial strategy and managing its business performance as CFO and executive in charge of the Corporate Division. Through his supervision and management of investment strategies and corporate affairs, he has also played a role in business expansion and strengthening corporate governance.

*1 CEO: Chief Executive Officer *2 CPO: Chief Product Officer *3 CCO: Chief Operating Officer *4 CIO: Chief Information Officer *5 CISO: Chief Information Security Officer *6 DPO: Data Protection Officer *7 CHRO: Chief Human Resources Officer
*8 CFO: Chief Financial Officer *9 As of the end of May 2024 *10 FY2023 Results

Name / Birth of date	Toru Akaura August 7, 1968	Taro Saito November 24, 1972	Maki Suzuki July 4, 1977	Toko Shiotsuki January 9, 1973	Tsunehiro Shirota September 22, 1982
Position	Director [Outside] [Independent]	Director [Outside] [Independent]	Director, Audit & Supervisory Committee Member [Outside] [Independent]	Director, Audit & Supervisory Committee Member [Outside] [Independent]	Director, Audit & Supervisory Committee Member [Outside] [Independent]
Responsibilities and concurrent positions at other companies	Outside Director of S-Pool, Inc., Outside Director of jig.jp co., ltd., General Partner at Incubate Fund KK, External Director of ispace, Inc., Outside Audit & Supervisory Board Member of Double Standard Inc.	Representative Director of dof Inc., Outside Director of CARTA HOLDINGS Inc., Director of CC Corporation, Outside Director of for Startups, Inc., Outside Director of ZOZO, Inc.	Attorney at Shintaro Sato Law Office, Outside Director and Audit & Supervisory Committee Member of nms Holdings Corporation, Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD	Director (Full-time Audit and Supervisory Committee member) of CyberAgent, Inc.	–
Profile	Toru is a General Partner at Incubate Fund. Following his involvement in investment development tasks at Japan Associated Finance Co., Ltd. (now JAFCO Group Co., Ltd.), he founded his own venture capital company. Having become an Outside Director of Sansan, Inc. in August 2007, he makes general management recommendations.	After working with DENTSU Inc., Taro founded dof inc. and became its CEO in 2009. He is also working as a Communication Designer. Taro became an Outside Director of Sansan, Inc. in August 2022. He provides recommendations on general management issues based on his extensive experience as a communication designer and the insights he has acquired as a board member of several companies.	Maki, an attorney at law, was admitted to the New York State Bar Association after working since 2003 at TMI Associates. She joined the Shintaro Sato Law Office in 2017 and has been a member of the Dai-Ni Tokyo Bar Association since 2021. She became an Outside Director of Sansan, Inc. in August 2022. Her expertise is in corporate legal affairs and compliance, and she provides recommendations from a legal and diversity perspective.	Toko is a Director at CyberAgent, Inc., a Junior Accountant, and a Juris Doctor. After working with Japan Airlines Co,. Ltd., she joined CyberAgent as a Standing Auditor, and in 2017 became a Director. Toko became an Outside Director of Sansan, Inc. in August 2021. She gives guidance on auditing and diversity, applying accounting and legal knowledge along with corporate experience.	Tsunehiro worked at Lehman Brothers Japan Inc. and Barclays Capital Securities Japan, Ltd. before joining Evernote Corporation, where he served as Vice President in several parts of the company. He then became a partner at WiL, LLC (World Innovation Lab). He was appointed as an Outside Director of Sansan, Inc. in August 2024. Tsunehiro uses his extensive experience to provide recommendations from an investment, financial, and corporate governance perspective.
Date of appointment as director	August 2007	August 2022	August 2022	August 2021	August 2024
Number of shares held	1,720,000	0	0	0	0
Attendance at Board of Directors meetings	15 of 15 times	14 of 15 times	15 of 15 times	15 of 15 times	–
Committee membership	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee	Audit & Supervisory Committee Nomination and Remuneration Advisory Committee	Audit & Supervisory Committee	Audit & Supervisory Committee
Skills, diversity – Corporate management	●	●	–	●	●
Data, information security	–	–	–	–	–
Finance, accounting	–	–	–	●	●
Legal	–	–	●	●	–
Personnel and labor matters, HR development	–	–	●	–	–
Global experience	●	●	●	–	●
Primary reasons for above designation	□ Representative Director of a venture capital company operating domestically and internationally	□ Representative Director of another company □ Has lived in the U.S.	□ Attorney in Japan and New York □ Legal expertise in corporate law, compliance, and labor matters	□ Director and auditor at another company □ Assistant public accountant □ Doctor of Jurisprudence (professional)	□ Vice President of a company in the U.S. □ M&A and financing advisory services □ Venture capital investment in software and internet fields
Priority areas related to sustainability under the control of this director	–	–	–	–	–
Reasons for nomination	Toru Akaura has many years of venture capital experience, extensive experience as an officer in other companies, and a wide range of knowledge. He can be expected to make appropriate decisions, supervise management, and provide managerial advice on general management and corporate investment from an objective and professional perspective.	Taro Saito has many years of experience in branding and communication design, along with extensive experience and a wide range of insight acquired as an officer in other companies. He can be expected to provide appropriate decision-making and management supervision from an objective and professional perspective, as well as managerial advice on general management and corporate governance.	Maki Suzuki has experience as an officer at other companies and has gained expert knowledge in corporate legal affairs and compliance, as well as extensive knowledge of case law through judicial precedents in her career as an attorney at law. In addition to auditing and supervising the Directors' execution of duties, she can be expected to offer meaningful opinions on the Company's management, including diversity.	Toko Shiotsuki has degrees as a junior accountant and a Doctor of Jurisprudence (professional) and has extensive experience in other companies, leveraging her broad insight in accounting, auditing, and legal affairs. In addition to auditing and supervising the Directors' execution of duties, she can be expected to offer meaningful opinions on the Company's management, including diversity.	Tsunehiro Shirota has abundant experience and broad insight from domestic and international M&A, fundraising, and startup investments, as well as considerable knowledge of finance and accounting. In addition to auditing and supervising the Directors' execution of duties, he can be expected to provide meaningful opinions on the Company's management from the perspectives of investment, finance, and corporate governance.

Further Invigorating Discussions and Strengthening Monitoring Under Our New Governance Structure



Outside Directors' Messages

Outside Director,
Audit & Supervisory Committee Member
(Chair of the Audit & Supervisory Committee and Chair of the Nomination and Remuneration Advisory Committee)

Maki Suzuki

Working to Improve Governance

It has been two years since I took on the role of Outside Director and Chair of the Audit & Supervisory Committee. As we continually assess the effectiveness of our governance, in FY2023, we pursued two additional initiatives to stimulate further discussion – an essential action for further improvements – aimed at stronger monitoring functions.

In one initiative, we aim to efficiently prioritize agenda items at Board meetings. Therefore, we have minimized explanations on topics that can be adequately understood from meeting materials. This allows more time for thorough discussion on subjects that require it. The change resulted in our discussions becoming livelier and improved their overall quality, and other directors have also noted these improvements. The other initiative was for introducing an open discussion time after Board meetings, starting in the second half of the fiscal year. During this time, we freely discuss future-focused topics, such as our simulations as we aim for a one-trillion-yen market capitalization and medium-term financial policies over the next 10–20 years. Although we have not reached a conclusion on the management capital required, timelines, or methods for realizing this goal, we are sharing various simulations, including those from other companies, aligning executives' perspectives, and continuing meaningful discussions.

Discussions at Board Meetings

Looking back on the past year of Board meetings, we have actively debated topics such as acquiring treasury shares and relocating our head office. Our Outside Directors have offered suggestions on acquiring treasury shares, considering aspects such as the current stock price trends, dilution rate from stock options, and returns to shareholders. They also made suggestions on the appropriateness of the total purchase amount and future return policies.

Understanding the execution side's perspectives and management challenges is essential for further invigorating

Board discussions. With this goal in mind, as Chair of the Audit & Supervisory Committee, I interviewed executive officers over the past year. In addition to operational concerns, given the significant expansion of our team in recent years, I also asked about the state of on-site employees and progress with talent development. Each department has been advancing creative initiatives to develop its staff and I confirmed that there were no particular concerns.

New Governance Structure

After receiving approval at the General Meeting of Shareholders in August, a new outside director has joined, bringing the total to five, equaling the number of inside directors. We also changed from the previous structure in which all Outside Directors concurrently served as Audit & Supervisory Committee members. Two of the five Outside Directors no longer hold this dual role as part of efforts to differentiate roles. We hope to better use their individual expertise and insights to strengthen Sansan's management monitoring.

Sansan aims for a 30% female director ratio for the Board of Directors by FY2029 to promote diversity, although we still face challenges in this regard. To achieve this goal, we must develop female directors from within the company. Currently, the number of female directors increased from one to two, with hopes that this will, in the future, help nurture promotion of women to the director level at Sansan.

Regarding the Audit & Supervisory Committee

Close collaboration between the Committee and the Internal Auditing Department is critical, as we do not have full-time Audit & Supervisory Committee members. We previously shared inquiries and provided opinions between the two based on internal audit results. However, going forward, we plan to establish a system for holding regular meetings between the Chair of the Audit & Supervisory Committee and the Secretariat/Internal Auditing Department to have advanced and more in-depth discussions on internal audit policies.

I also hope to involve other Audit & Supervisory Committee members in the executive interviews I have been conducting as Chair. Using the information obtained from these interviews and the Committee, we aim to create a system with appropriate sharing and collaboration with Outside Directors who are not Committee members.

Regarding the Nomination and Remuneration Advisory Committee

We have been discussing a new Board structure within the Nomination and Remuneration Advisory Committee from August 2024, which is to include the appointment of Outside Directors. We also were informed at the Board that discussions on our purpose, looking 100 years into the future, are progressing internally as of FY2023, although specific succession plans have yet to be formulated. Awareness of succession planning among executives is increasing, and we will continue to progress with these considerations.

Toward Strengthening Corporate Value

Fast decision-making under the CEO's strong leadership, which drives steady growth, is a notable feature of our management. Decisions to stop something are generally harder and involve more hesitation than starting something. However, the speed at which we decide to halt initiatives when things do not seem to work out – such as reversing the organizational restructuring for resource optimization implemented during the pandemic or withdrawing from unprofitable businesses – is impressive. Sansan's sincere commitment to addressing social issues is deeply rooted throughout the company. Each employee possessing the ability to create the systems necessary for problem-solving is a strength for Sansan. During discussions on our financial



policies, I sense the management team's rigorous approach to numbers, and I do not perceive any significant issues or concerns with our current management.

I see my role as offering appropriate suggestions based on decision-making and legal risks, respecting the need for quick and flexible judgment. Under strong leadership, all Outside Directors, including me, are responsible for closely monitoring management decisions to ensure they are not made incorrectly or taken in a different direction.

Sansan has transitioned to a new phase by introducing a medium-term financial policy. To continue this policy, I intend to continue judicious monitoring and by deepening my understanding of our evolving services, contribute to strengthening corporate value by offering management advice.

Outside Director,
Audit & Supervisory Committee Member
(Chair of the Audit & Supervisory Committee and Chair of the Nomination and Remuneration Advisory Committee)

Maki Suzuki

[COLUMN]

Measures for Strengthening Corporate Value

Based on my many years of experience in venture capital and as an Outside Director at multiple companies, my role is to provide overall advice and oversight to management, including on investment projects, such as M&A.

When formulating the medium-term financial policy announced in July 2024, the Board accurately assessed feedback from IR activities, which indicated that institutional investors demanded more disclosure. Our discussions on this were broad-ranging and covered the benefits of disclosure and the constraints it might produce, such as the risk that forecast figures might hinder bold decisions for business growth. Profit outlook disclosure was a focal point, but by using multiple simulations, we determined we are well-equipped to sustain adequate profits while investing in net sales growth, and we concluded that disclosure is necessary for strengthening corporate value.

In July–August 2024, we undertook our first acquisition of treasury shares as part of returns to shareholders. When determining the number and value of shares to be acquired, I recommended in-depth discussions on the policy for returns, given its positioning as an initiative for such returns. Though we are unable to formulate and disclose at this time, we intend to continue discussions toward announcing a quantitative medium-term policy.

Having previously served on the Audit & Supervisory Committee, I have focused solely on my Outside Director role since August 2024, following the 17th Annual General Meeting of Shareholders. Thus, I believe I now have more time and energy to focus on areas or themes for which shareholders likely expect me to be more involved. In FY2024, I will continue to ensure transparency and soundness in our management and contribute to strengthening corporate value.



Outside Director

Toru Akaura

[COLUMN]

Stimulating Discussion Within the Board of Directors

I was appointed as an Outside Director and Audit & Supervisory Committee member in August 2022. However, since the August 2024 Annual General Meeting of Shareholders, I have served solely as an Outside Director. Given my career in branding and communication design and serving as an Outside Director at multiple companies, I aim to advise and oversee matters related to overall management and corporate governance at Sansan.

My impression is that our Board of Directors has an atmosphere where members, including Outside Director, can speak freely, and each agenda item is thoroughly discussed. However, I felt further stimulating discussions could improve the Board's quality, so I used the Board's effectiveness evaluations to suggest creating opportunities for all Directors to have freer expression.

This suggestion led to open discussions around set themes after Board meetings from the second half of FY2023, which have improved internal Directors' accountability and deepened Outside Directors' understanding of our services. These discussions also built the foundation for the medium-term financial policy announcement in July 2024. Clarifying topics to be discussed more thoroughly as part of Board operations also has helped energize discussions. All these measures can be seen as beneficial from the perspective of the Board's quality and functioning.

Using other opportunities, I also engage in wide-ranging discussions with the CEO, from corporate and service branding matters to human resource strategies in the marketing domain. Continuing forward, I aim to help advance our governance, ensuring all Directors, not only I, play even more substantial roles and help Sansan grow.



Outside Director

Taro Saito

[COLUMN]

Transparent and Informative Disclosure

I am serving my fourth term as an outside director and Audit & Supervisory Committee member. With more than 20 years' experience as a full-time executive at other IT companies, I have learned that it is crucial in this constantly evolving industry to quickly adapt the business and organization to environmental changes. Leveraging my experience in accounting, auditing, and legal fields, along with directors' duties, such as auditing and supervising, I aim to provide meaningful input, including from the perspective of diversity, as one of the few female directors.

Our corporate value has gradually increased from the latter half of FY2023 to FY2024, indicating increased expectations from more shareholders. I believe the fundamentals of communication should involve fair, accurate, and timely information disclosure, no matter whether the stakeholders are institutional or individual, domestic or overseas.

As such, when it was found necessary to issue a corrective disclosure in August 2024 because of errors in calculating net asset value per share recorded in previous years' financial results and securities reports, we knew it would be crucial to address it sincerely. Metrics per share are essential information, so, from an accounting auditor's perspective, this mistake requires us to improve internal creation and verification processes and advice and oversight to prevent recurrence.

The fundamental role of Outside Directors and the Committee is to supervise management and voice opinions impartially, unrestrained by internal relationships, contributing to medium- and long-term strengthening of corporate value. Large, public, corporate scandals are often rooted in poor internal norms and cultures. The Outside Directors' role is essential in preventing our company from making these mistakes and maintaining and bolstering the current corporate culture, and I am committed to continually upholding these principles as I perform my duties.



Outside Director,
Audit & Supervisory
Committee Member

Toko Shiotsuki

[COLUMN]

Appropriate Governance for Each Phase of Business

I assumed the role of outside director and Audit & Supervisory Committee member following approval at the 17th Annual General Meeting of Shareholders in August 2024. Briefly, my career includes working with U.S. securities firms and global funds in domestic and overseas M&A, fundraising and investment in startups, as well as serving as Vice President at a U.S. software company.

Since Sansan's listing in 2019, it has solidly grown its core business, created Bill One, and achieved significant growth. While developing new services, Sansan has entered a new phase aimed at multifaceted business growth, such as entering fintech and more fully expanding overseas, including creating development centers. Going forward, actively using M&A as a key growth strategy is also possible.

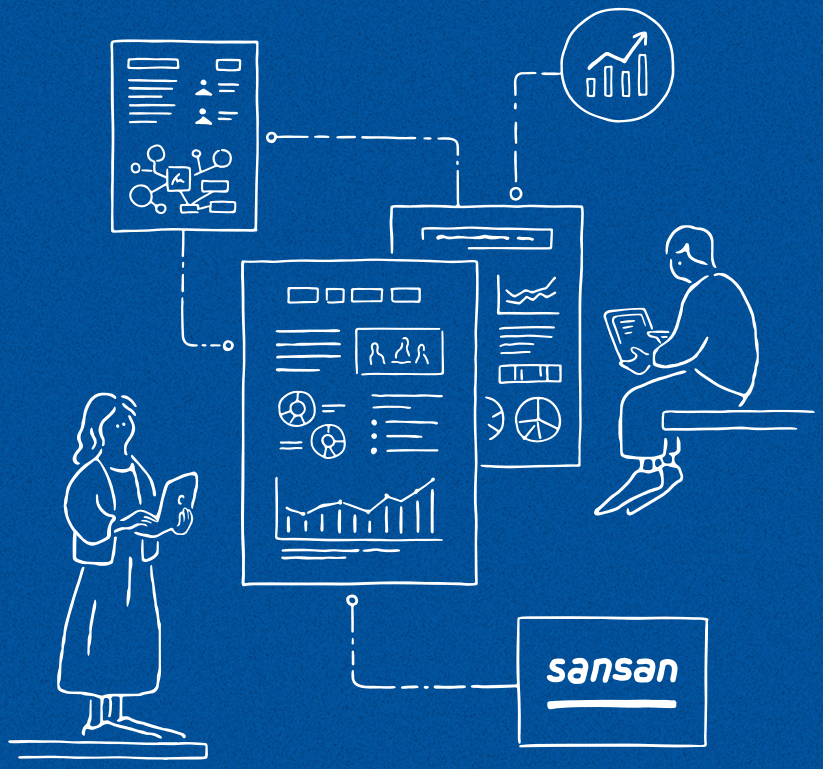
In this phase, it is necessary to accurately seize opportunities that lead to growth and link them to results, so it is important to increase the speed of business execution. At the same time, it means that governance becomes even more critical because of the many options available. As we achieve business growth and increase our corporate value, our stakeholders will expand more than ever. As a result, shareholders may more frequently question our governance, and the perspectives and issues they raise will diversify.

To address these challenges, I intend to use my experience in business and maintain balance between business execution and oversight, fulfilling the advisory and supervisory functions of an Outside Director. As of August 2024, the number of members in the Audit & Supervisory Committee has decreased for reasons including clarifying roles. As a Committee member, I am determined to meet this critical role's requirements responsibly.



Outside Director,
Audit & Supervisory
Committee Member

Tsunehiro Shirota



Data

ESG data, consolidated financial statements, and results by segment are presented in a long-term data format.

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P097 - ESG Data

P100 - Consolidated Financial Statements

P103 - Results by Segment

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ESG Data

[Environment*1]

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Energy consumed					
Electricity	MWh	728	1,044	1,399	**1,719**
Gas*2	thousand Nm^3	68	84	107	**120**
Total energy consumed*3	GJ	10,361	14,193	18,643	**22,399**
Water usage*4					
Total water withdrawn	m^3	2,329	4,096	6,425	**6,722**
Municipal potable water	m^3	237	290	461	**572**
Grey water	m^3	2,091	3,805	5,963	**6,149**
GHG*5 emissions					
Scope 1*6	t-CO_2	0	0	0	**0**
Scope 2*7 (location-based)	t-CO_2	477	639	840	**1,021**
Scope 2 (market-based)	t-CO_2	525	668	851	**999**
Scope 1 and 2 (market-based)	t-CO_2	525	668	851	**999**
Scope 3*8	t-CO_2	–	15,679	18,638	**21,509**
Category 1 Purchased goods and services	t-CO_2	–	12,270	15,147	**18,854**
Category 2 Capital goods	t-CO_2	–	2,098	1,631	**498**
Category 3 Fuel- and energy-related activities not included in scope 1 or scope 2	t-CO_2	–	133	175	**206**
Category 4 Upstream transportation and distribution	t-CO_2	–	107	141	**127**
Category 5 Waste generated in operations	t-CO_2	–	13	16	**13**
Category 6 Business travel	t-CO_2	–	85	310	**427**
Category 7 Employee commuting	t-CO_2	–	165	330	**425**
Category 8 Upstream leased assets	t-CO_2	–	–	–	–
Category 9 Downstream transportation and distribution	t-CO_2	–	–	–	–
Category 10 Processing of sold products	t-CO_2	–	–	–	–
Category 11 Use of sold products	t-CO_2	–	–	–	–
Category 12 End-of-life treatment of sold products	t-CO_2	–	0	0	**0**
Category 13 Downstream leased assets	t-CO_2	–	805	884	**961**
Category 14 Franchises	t-CO_2	–	–	–	–
Category 15 Investments	t-CO_2	–	–	–	–
Others	t-CO_2	–	–	–	–
Scope 1, 2, and 3 (market-based)	t-CO_2	–	16,347	19,489	**22,508**
Scope 1, 2, and 3 emissions intensity (per net sales)	t-CO_2/ hundred million yen	–	81.7	78.2	**69.3**

*1 The table above shows calculations for the Company's non-consolidated results and covers 96.0% (percentage of non-consolidated net sales to consolidated net sales) of our business scope as of FY2023 *2 After calculating the consumption per office area using the actual results in certain offices where the consumption can be determined, gas consumption is calculated by multiplying this value by the total area of all offices where gas can be used *3 Using the calculation method based on the Energy Conservation Law, total energy consumed is calculated based on the total values of electricity and gas consumption *4 Total water withdrawn is calculated based on the amount of water used per employee is calculated using the actual results at our headquarters, where the amount of usage per person can be determined, and the value is then multiplied by the total number of employees *5 GHG: greenhouse gas *6 Scope 1 is calculated by aggregating direct GHG emissions from the offices and facilities owned by the Company *7 Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office *8 Scope 3 is calculated by aggregating the GHG emissions of the entire value chain (Categories 1 through 15), excluding Scope 1 and Scope 2

[Society*1]

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Composition of employees					
Number of employees	persons	934	1,172	1,326	**1,782**
Percentage of female	%	34.2	33.6	35.2	**36.4**
Percentage of foreign nationals*2	%	3.0	2.6	2.6	**6.2**
Percentage of employees located offshore	%	1.0	0.8	0.7	**4.5**
Percentage of employees with disabilities*3*4	%	1.6	2.4	2.6	**2.4**
Number of employees in STEM divisions*5	persons	313	404	420	**529**
Percentage of female	%	12.1	13.1	13.1	**14.9**
Percentage of female creators	%	46.9	53.8	55.6	**60.0**
Number of employees in Business division*6	persons	614	766	897	**1,243**
Percentage of female	%	45.1	44.5	45.0	**45.7**
Number of managers	persons	145	182	202	**215**
Percentage of female	%	14.5	16.5	17.8	**18.1**
Recruitment					
Number of new graduates	persons	34	70	74	**74**
Percentage of female	%	23.5	28.6	25.7	**36.5**
Number of mid-career	persons	231	260	232	**546**
Percentage of female	%	31.2	34.0	41.4	**37.7**
Percentage of recruitment through referrals	%	–	–	12.0	**12.9**
Other human resources related*7					
Average length of service	years	2.6	2.8	3.1	**2.8**
Male	years	2.7	2.8	3.1	**2.8**
Female	years	2.6	2.9	3.2	**2.8**

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Average annual salary	yen	6,275,941	6,661,892	7,063,337	**7,516,251**
Male	yen	6,580,904	6,988,923	7,431,655	**7,999,431**
Female	yen	5,549,397	5,896,162	6,244,215	**6,578,935**
Average age	years old	33.6	32.4	32.4	**32.0**
Male	years old	33.8	32.6	32.7	**32.4**
Female	years old	33.1	32.0	32.0	**31.3**
Turnover rate	%	6.3	9.8	12.9	**9.9**
Male	%	7.2	10.2	13.8	**10.5**
Female	%	4.2	8.8	10.7	**8.9**
Percentage of paid holidays taken*4	%	60.6	68.6	75.1	**74.0**
Percentage of parental leave taken	%	58.5	74.5	73.2	**70.9**
Male	%	39.3	61.8	64.8	**53.7**
Female	%	100.0	100.0	100.0	**100.0**
Percentage of employees returning to work after parental leaveafter parental leave	%	100.0	100.0	100.0	**98.5**
Male	%	100.0	100.0	100.0	**97.8**
Female	%	100.0	100.0	100.0	**100.0**
Unipos*8 posting rate	%	59.4	62.3	59.6	**58.1**
Number of appreciation posts in Unipos	posts	Approx. 36,000	Approx. 49,000	Approx. 45,000	**48,862**
Percentage of employees praised in Unipos	%	83.3	86.0	84.7	**82.7**
Average response rate for engagement survey	%	87.6	85.8	82.6	**79.5**
eNPS℠*9 (degree of recommendation of the workplace)	%	–	–	-12.5	**-0.6**
Average response rate for stress checks	%	80.1	71.7	77.9	**76.4**

*1 In principle, the table above shows calculations for regular employees and contract employees of the Company and its subsidiary. In addition, the number of employees and ratios are calculated based on actual results as of the end of each fiscal year *2 As of the end of May 2024, we have employees from 21 nations including Japan *3 Calculated for regular employees, contract employees and part-timers of the Company *4 Calculated on the fiscal year ending in March (April to March of the following year) *5 Calculated for employees in engineering, R&D, and creator positions, including regular employees and contract employees of the Company and its overseas subsidiaries *6 Number of employees in Business divisions are calculated for regular employees and contract employees outside of the STEM divisions *7 Calculated for regular employees *8 We use a Peer Bonus® platform service provided by Unipos Inc. The platform involves all employees *9 eNPS℠ stands for Employee Net Promoter Score. It is a service mark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc. The eNPS℠ is obtained by subtracting the percentage of Detractors from the percentage of Promoters of working for the Company

[Society]

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Training related					
Total participation time for Katachi-related training*1	hours	–	–	Approx. 5,600	**Approx. 15,000**
Investments in Geek Seek*2	million yen	25	39	43	**43**
Investments in measures for interaction among employees	million yen	3	5	12	**16**
Total number of participants in internal coaching	persons	–	–	Approx. 800	**748**
Information security related					
Proportion of those qualified as Protection of individual Information Person	%	81.8	82.3	88.0	**86.7**
Number of major incidents	cases	0	0	0	**0**
Total participation time for information security related training	hours	–	–	–	**5,181**
Others					
Expenditures for donations, sponsorship money and other	million yen	9	11	19	**23**

*1 Total time spent by all employees participating in opportunities to discuss our philosophy, etc.
*2 We aggregate the amount of subsidies for STEM Division employees to purchase books and tools and to participate in events

[Governance*3]

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Board of Directors*4					
Number of Directors	persons	10	9	9	**9**
Percentage of female	%	10.0	22.2	22.2	**22.2**
Percentage of outside	%	40.0	44.4	44.4	**44.4**
Percentage of independent	%	20.0	33.3	44.4	**44.4**
Number of Board of Directors' meetings	meetings	17	17	17	**15**
Percentage of attendance	%	100.0	99.4	100.0	**99.3**
Audit & Supervisory Committee					
Number of Directors serving on the Audit & Supervisory Committee	persons	4	4	4	**4**
Percentage of female	%	25.0	50.0	50.0	**50.0**
Percentage of outside	%	100.0	100.0	100.0	**100.0**
Percentage of independent	%	50.0	75.0	100.0	**100.0**
Number of Audit & Supervisory Committee meetings	meetings	13	12	13	**13**
Percentage of attendance	%	100.0	100.0	100.0	**100.0**
Compliance					
Number of whistle-blowing reports	cases	9	11	14	**20**
Number of significant compliance violations	cases	0	0	0	**0**
Number of legal actions taken by the authorities regarding corruption, bribery, etc.	cases	0	0	0	**0**
Number of violations of the code of conduct and ethical standards	cases	0	0	0	**0**
Bribery	cases	0	0	0	**0**
Number of cases of personal information leakage or data theft/loss*5	cases	0	0	0	**0**
Proportion of employees receiving compliance-related training	%	100.0	100.0	100.0	**100.0**
Percentage of participants taking compliance training	%	–	–	–	**100.0**
Percentage of participants taking anti-bribery training	%	–	–	–	**100.0**
Percentage of participants taking training on respect for human rights	%	–	–	–	**100.0**
Percentage of participants taking training on personal information protection and information security	%	100.0	100.0	100.0	**100.0**
Percentage of participants taking insider trading regulation training	%	100.0	100.0	100.0	**100.0**
Percentage of participants taking harassment prevention training	%	100.0	–	100.0	**100.0**
Percentage of participants taking training on joining the company	%	100.0	100.0	100.0	**100.0**
Political contributions	yen	0	0	0	**0**

*3 The table above shows calculations for the Company's non-consolidated results. In addition, the number of directors and ratios are calculated based on actual results as of the end of each fiscal year *4 Calculated including Directors serving on the Audit & Supervisory Committee *5 We compile the number of cases reported to the Personal Information Protection Commission and other national regulatory authorities

Consolidated Financial Statements

[Consolidated B/S]

(millions of yen)

Assets	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Current assets								
Cash and deposits	2,004	3,546	5,627	12,815	12,389	15,432	21,114	**24,874**
Accounts receivable - trade	165	207	318	441	571	756	1,180	**1,229**
Prepaid expenses	460	255	322	410	469	478	604	**884**
Allowance for doubtful accounts	-5	-4	-2	-3	-4	-3	-32	**-34**
Others	38	157	30	176	117	194	341	**715**
Total current assets	2,668	4,166	6,298	13,840	13,542	16,856	23,207	**27,671**
Non-current assets								
Total property, plant and equipment	113	164	406	414	504	806	770	**520**
Total intangible assets	498	602	835	926	1,209	1,147	1,533	**1,610**
Software	497	601	834	925	1,023	917	827	**691**
Goodwill	–	–	–	–	185	229	706	**919**
Total investments and others assets	208	365	1,538	7,639	9,053	7,481	5,689	**7,790**
Investment securities	–	–	1,093	6,941	8,344	6,262	3,705	**3,799**
Deferred tax assets	–	–	–	145	–	416	595	**950**
Others	–	365	444	697	708	803	1,388	**3,039**
Total non-current assets	820	1,132	2,780	8,979	10,768	9,435	7,993	**9,920**
Total assets	3,489	5,299	9,079	22,819	24,310	26,292	31,200	**37,592**

(millions of yen)

Liabilities	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Current liabilities								
Short-term borrowings	296	13	18	20	200	–	–	–
Current portion of long-term borrowings	113	94	133	1,267	1,085	477	558	**930**
Advances received	2,100	2,798	3,923	5,289	6,719	8,199	10,729	**13,660**
Accounts payable - other	320	654	770	596	1,175	1,081	1,929	**1,701**
Others	278	259	584	1,161	1,062	1,749	1,764	**2,712**
Total current liabilities	3,109	3,819	5,428	8,335	10,243	11,507	14,982	**19,004**
Non-current liabilities								
Long-term borrowings	190	127	233	3,892	879	2,547	2,838	**3,549**
Deferred tax liabilities	–	–	–	–	571	–	–	–
Others	16	39	43	38	31	144	188	**266**
Total non-current liabilities	207	166	277	3,931	1,482	2,691	3,027	**3,815**
Total liabilities	3,316	3,986	5,706	12,267	11,725	14,199	18,009	**22,819**
Net assets								
Total shareholders' equity	179	1,315	3,369	10,557	10,892	11,832	12,454	**13,792**
Accumulated other comprehensive income	-6	-2	-7	-15	1,623	112	206	**213**
Share acquisition rights	–	–	10	10	65	142	457	**638**
Non-controlling interests	–	–	–	–	2	5	72	**128**
Total net assets	172	1,312	3,372	10,552	12,584	12,093	13,190	**14,772**
Total liabilities and net assets	3,489	5,299	9,079	22,819	24,310	26,292	31,200	**37,592**

[Consolidated P/L]

(millions of yen)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Net sales	4,839	7,324	10,206	13,362	16,184	20,420	25,510	**33,878**
Cost of sales	1,026	1,435	1,597	1,821	1,992	2,515	3,683	**5,064**
Gross profit	3,812	5,888	8,608	11,541	14,192	17,904	21,827	**28,814**
Gross profit margin	78.8%	80.4%	84.3%	86.4%	87.7%	87.7%	85.6%	**85.1%**
SG&A	4,590	8,950	9,458	10,783	13,455	17,272	21,627	**27,477**
Adjusted operating profit*1	-778	-3,061	-849	757	785	730	942	**1,709**
Adjusted operating profit margin	–	–	–	5.7%	4.9%	3.6%	3.7%	**5.0%**
Operating profit	-778	-3,061	-849	757	736	631	199	**1,337**
Operating profit margin	–	–	–	5.7%	4.6%	3.1%	0.8%	**3.9%**
Non-operating income	9	10	16	8	106	1,042	328	**49**
Non-operating expenses	11	26	58	330	468	705	405	**163**
Ordinary profit	-780	-3,077	-891	435	375	968	122	**1,224**
Extraordinary income	–	–	4	–	0	105	817	**40**
Extraordinary losses	3	1	50	100	4	165	1,035	**409**
Profit (loss) before income taxes	-784	-3,078	-937	335	370	908	-96	**855**
Total income taxes	6	7	7	-4	189	56	60	**-61**
Profit (loss) attributable to owners of parent	-790	-3,085	-945	339	182	857	-141	**953**
Profit (loss) attributable to owners of parent margin	–	–	–	2.5%	1.1%	4.2%	–	**2.8%**
EPS (yen)*2	-11.79	-42.11	-10.10	2.75	1.47	6.87	-1.13	**7.59**

(millions of yen)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SG&A	4,590	8,950	9,458	10,783	13,455	17,272	21,627	**27,477**
Advertising expenses	1,573	4,478	2,831	2,022	2,824	2,969	3,306	**3,934**
Personnel expenses*3	1,476	1,946	2,743	4,237	5,435	7,724	9,635	**13,123**
Server/pc-related expenses	303	513	735	844	1,008	1,285	1,719	**2,055**
Rents	235	308	523	693	810	921	1,059	**1,153**
Recruiting expenses	107	182	338	443	489	678	636	**1,222**
Share-based payment expenses	–	–	–	–	33	72	702	**260**
Expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)	–	–	–	–	15	25	39	**111**
Others	895	1,520	2,272	2,542	2,838	3,594	4,528	**5,616**

*1 Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets) *2 As the Company conducted a four-for-one common stock split effective December 1, 2021, EPS were calculated on the assumption that the stock was split at the beginning of FY2016 *3 Personnel expenses include employee salaries and allowances, employee bonuses, provision for employee bonuses, provision for retirement benefits, and employee legal welfare expenses

[Consolidated C/F]

(millions of yen)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cash flows from operating activities								
Profit (loss) before income taxes	-784	-3,078	-937	335	370	908	-96	**855**
Depreciation	236	366	459	615	691	768	898	**889**
Loss (gain) on sale of investment securities	–	–	–	–	-32	-979	-291	**-24**
Share of loss (profit) of entities accounted for using equity method	–	–	–	51	285	609	287	–
Decrease (increase) in notes and accounts receivable - trade	-60	-41	-111	-118	-121	-183	-391	**-16**
Decrease (increase) in prepaid expenses	-100	204	-67	-84	-50	12	-101	**-265**
Increase (decrease) in accounts payable - other	-122	333	50	-108	620	-90	780	**-239**
Increase (decrease) in advances received	896	697	1,125	1,366	1,401	1,479	2,423	**2,928**
Income taxes paid	-3	-6	-7	-7	-246	-144	-471	**-215**
Others	137	-85	560	824	346	743	810	**1,571**
Cash flows from operating activities	198	-1,609	1,072	2,822	3,011	3,123	3,848	**5,483**
Cash flows from investing activities								
Purchase of property, plant and equipment	-91	-72	-316	-260	-273	-468	-200	**-217**
Purchase of intangible assets	-250	-408	-574	-535	-636	-453	-480	**-348**
Purchase of investment securities	-	-	-1,093	-5,901	-336	-2,555	-359	**-572**
Proceeds from sales of investment securities	-	-	-	-	1,680	3,224	1,406	**67**
Others	-34	-198	-298	-491	-985	-760	998	**-2,109**
Cash flows from investing activities	-376	-679	-2,282	-7,189	-551	-1,014	1,364	**-3,180**
Cash flows from financing activities								
Net increase (decrease) in short-term borrowings	89	-283	4	2	173	-200	-140	–
Proceeds from long-term borrowings	200	50	290	5,460	–	3,250	900	**1,800**
Repayments of long-term borrowings	-130	-131	-145	-686	-3,220	-2,190	-527	**-717**
Proceeds from issuance of shares	–	4,206	2,989	6,820	152	209	307	**367**
Others	-7	-15	-6	-32	-7	-159	-17	**-18**
Cash flows from financing activities	151	3,826	3,132	11,563	-2,902	909	523	**1,431**
Effect of exchange rate change on cash and cash equivalents	-3	4	0	-1	2	3	4	**10**
Net increase (decrease) in cash and cash equivalents	-29	1,541	1,922	7,194	-440	3,021	5,739	**3,744**
Cash and cash equivalents at the beginning of period	2,033	2,004	3,546	5,468	12,663	12,223	15,245	**20,985**
Cash and cash equivalents at the end of period	2,004	3,546	5,468	12,663	12,223	15,245	20,985	**24,729**

Results by Segment

[P/L by Business Segment]

(millions of yen)

	FY 2020	FY 2021	FY 2022	FY 2023
Net sales	16,184	20,420	25,510	**33,878**
Sansan/Bill One Business	14,605	18,105	22,516	**29,948**
Sansan	14,519	17,214	19,793	**22,889**
Sansan recurring sales*1	13,811	16,349	18,688	**21,509**
Sansan other sales	707	865	1,104	**1,379**
Bill One	84	826	2,414	**6,168**
Others	1	64	308	**889**
Eight business	1,582	2,213	2,867	**3,548**
B2C services	296	286	303	**347**
B2B services	1,286	1,927	2,563	**3,200**
Others	–	126	198	**519**
Adjustments	-3	-25	-72	**-137**
Adjusted operating profit (Total)*2	785	730	942	**1,709**
Sansan/Bill One Business	5,290	5,752	7,005	**8,675**
Eight Business	-732	-355	-170	**314**
Others	-	-22	-36	**-79**
Adjustments*3	-3,772	-4,643	-5,856	**-7,201**
Adjusted operating profit margin	4.9%	3.6%	3.7%	**5.0%**
Sansan/Bill One Business	36.2%	31.8%	31.1%	**29.0%**
Eight Business	–	–	–	**8.9%**
Others	–	–	–	–

[KPI by Business Segment]

	FY 2020	FY 2021	FY 2022	FY 2023
Sansan/Bill One Business				
Number of Sansan subscriptions (subscriptions)	7,744	8,488	8,969	**9,693**
Monthly recurring sales per Sansan subscription (thousands of yen)	162	170	184	**197**
Last 12 months average of monthly churn rate*4 for Sansan	0.63%	0.62%	0.44%	**0.42%**
Bill One MRR*5 (millions of yen)	19	116	316	**640**
Number of Bill One paid subscriptions (subscriptions)	188	776	1,581	**2,816**
Monthly recurring sales per Bill One paid subscription (thousands of yen)	105	149	200	**227**
Last 12 months average of monthly churn rate*4 for Bill One	–	0.49%	0.64%	**0.33%**
Eight Business				
Number of Eight users*6 (million)	2.92	3.10	3.31	**3.72**
Number of Eight Team subscriptions (subscriptions)	2,253	2,819	3,703	**4,608**

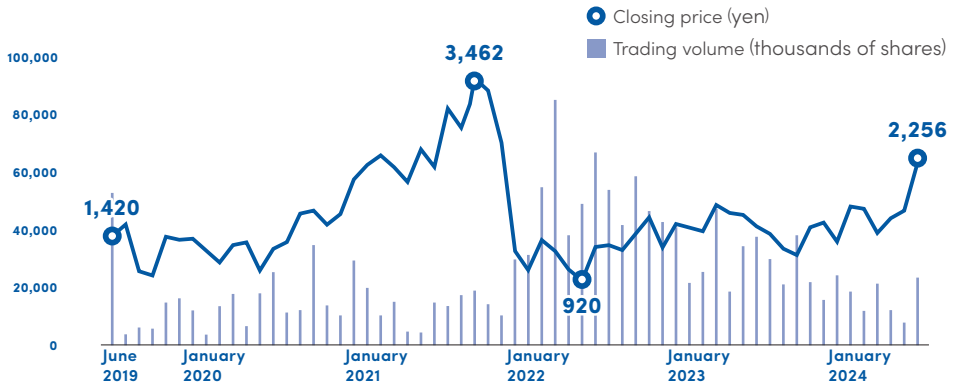
*1 Fixed revenue with regard to Sansan *2 Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets) *3 Corporate costs not allocated to reporting segments, primarily general administrative costs not attributable to any segment. Starting from the first quarter of FY2024, costs will be allocated to each segment based on specific rules *4 The percentage of MRR that decreased because of churn out of the total MRR from existing subscriptions for the service *5 MRR: Monthly recurring revenue *6 Number of users that downloaded the application and registered their own business cards

Company and Stock Information

Company Information

Company Name	Sansan, Inc.
Head Office	Shibuya Sakura Stage 28F, 1-1 Sakuragaoka-cho, Shibuya-ku, Tokyo 150-6228, Japan
Group Companies	Sansan Global Pte. Ltd. (Singapore) Sansan Global Development Center, Inc. (Philippines) Sansan Global (Thailand) Co.,Ltd. (Thailand) logmi, Inc. Diamond Corporate Data Services, Inc. CREATIVE SURVEY INC. Institute of Language Understanding Inc.
Founded on	June 11, 2007
Capital	6,774 million yen (as of May 31, 2024)
Employees	1,899 (as of May 31, 2024)

Stock Price and Trading Volume Trends*



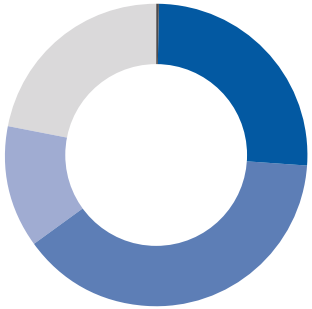
* The Company conducted a four-for-one common stock split effective December 1, 2021. Past results have been retroactively adjusted to reflect this split

Stock Information[1]

Stock Code	4443
Stock Exchange Registration	Tokyo Stock Exchange, Prime Market
Fiscal Year	June 1 – May 31
Shareholder Registry Administrator	Tokyo Securities Transfer Agent Co., Ltd.
Number of Shares Constituting One Trading Unit	100
Total Number of Issued Shares	125,835,416
Number of Shareholders	7,286

Distribution of Shares by Shareholder Type

Individuals and others	21.49 %
Foreign investors	39.12 %
Domestic financial institutions	12.99 %
Other domestic corporations	26.14 %
Securities	0.25 %



Major Shareholders

Name	Number of shares	Shareholding ratio
CNK, Inc.	32,809,100	26.07%
JPLLC CLIENT ASSETS-SK J	11,311,935	8.99%
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,636,500	8.45%
Chikahiro Terada	9,415,900	7.48%
MSCO CUSTOMER SECURITIES	9,064,300	7.20%
PERSHING - DIV. OF DLJ SECS. CORP.	4,579,500	3.64%
Kei Tomioka	4,160,000	3.31%
Custody Bank of Japan, Ltd. (Trust Account)	3,897,100	3.10%
Kenji Shiomi	2,285,000	1.82%
MSIP CLIENT SECURITIES	1,835,500	1.46%

[1] As of May 31, 2024

External Evaluation

ESG	MSCI ESG RATINGS AA	MSCI ESG Rating AA	MSCI*	The MSCI ESG Ratings analyze and evaluate how well companies manage their environmental, social, and governance risks.
	FTSE Blossom Japan Index	Selected for FTSE Blossom Japan Index	FTSE	These indices are created by FTSE Russell, a global index provider. They are designed to measure the performance of companies demonstrating strong environmental, social, and governance (ESG) practices. They are widely used for creating and evaluating sustainable investment funds and other financial products, and are used by the Government Pension Investment Fund (GPIF) for ESG investment stock selection.
	FTSE Blossom Japan Sector Relative Index	Selected for FTSE Blossom Japan Sector Relative Index		
Annual Report	ARC AWARDS INTERNATIONAL XXXVIII 2024 WINNER	Silver Award in Traditional Annual Report Category	MerComm, Inc. International ARC Awards	The world's largest annual report competition hosted by MerComm, Inc., an independent evaluation organization in the United States.
	—	Most-Improved Integrated Report	Government Pension Investment Fund (GPIF)	GPIF asks its Japan-based equity investment managers to select "excellent integrated reports" and "most-improved integrated reports," with each institution selecting up to 10 companies.
Corporate Website	WITH GRADE AAA Corporate Websites 2023 Nikko Investor Relations Co.,Ltd All Markets Ranking in Japan	Best Site in the Overall Category	Nikko Investor Relations Co., Ltd.'s All Japanese Listed Companies' Website Ranking	This survey evaluates the extent to which the websites of 3,970 listed companies in Japan provide elements that enable stakeholders to obtain information and understand a company's situation. It is based on 164 objective evaluation criteria set from three perspectives: ease of understanding, ease of use, and amount of information.
	Internet IR Commendation Award 2023 Daiwa Investor Relations	Excellence Award	Daiwa Investor Relations Internet IR Awards 2023	This survey evaluates the websites of 4,048 listed companies in Japan based on the concept of 5T&C: Timely, Transparent, Traceable, Trustworthy, and Total (Comprehensive) + Communication (Interactive).

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Website Information

Corporate Website https://www.corp-sansan.com **Investor Relations Site** https://ir.corp-sansan.com/en/ir.html **Sustainability Site** https://www.corp-sansan.com/sustainability/



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