

# Presentation Materials for Sansan, Inc.

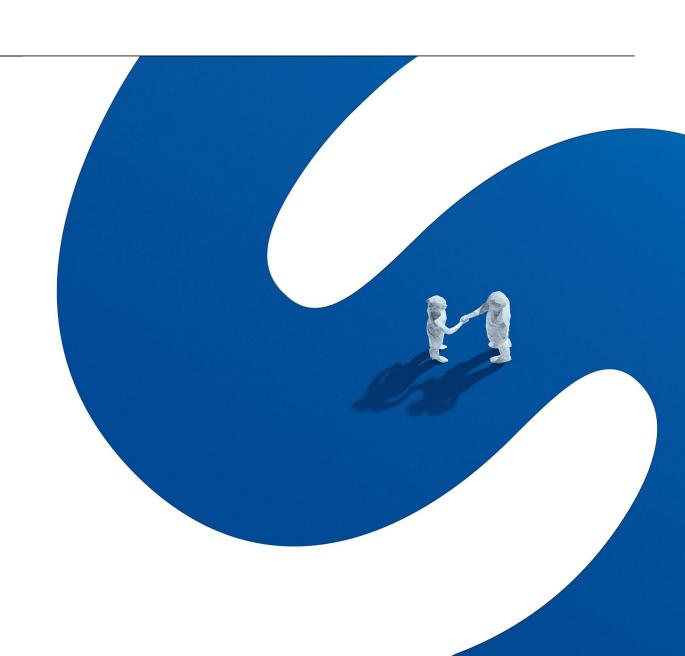
#### **Mission and Vision**

**Mission** 

## Turning encounters into innovation

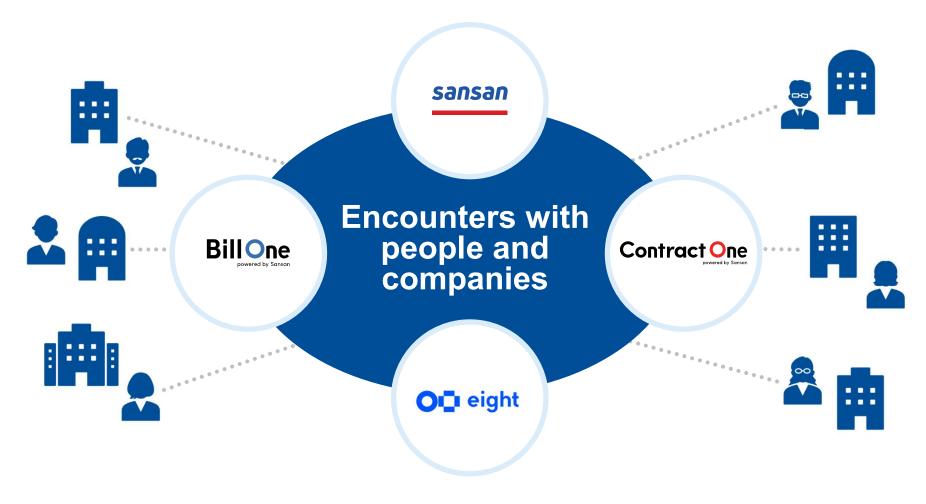
Vision

Become business infrastructure



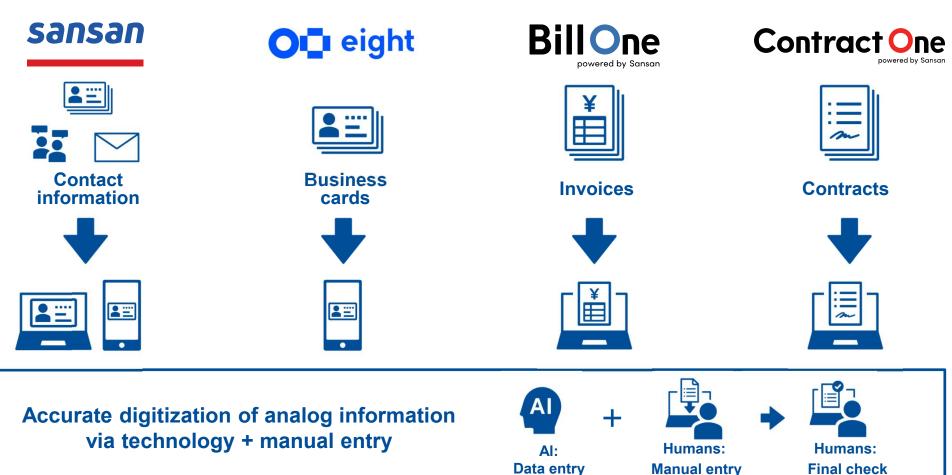
## **Digitally Transform How You Work**

Offering a business database that reshapes how people work and connects encounters with people and companies to business opportunities.

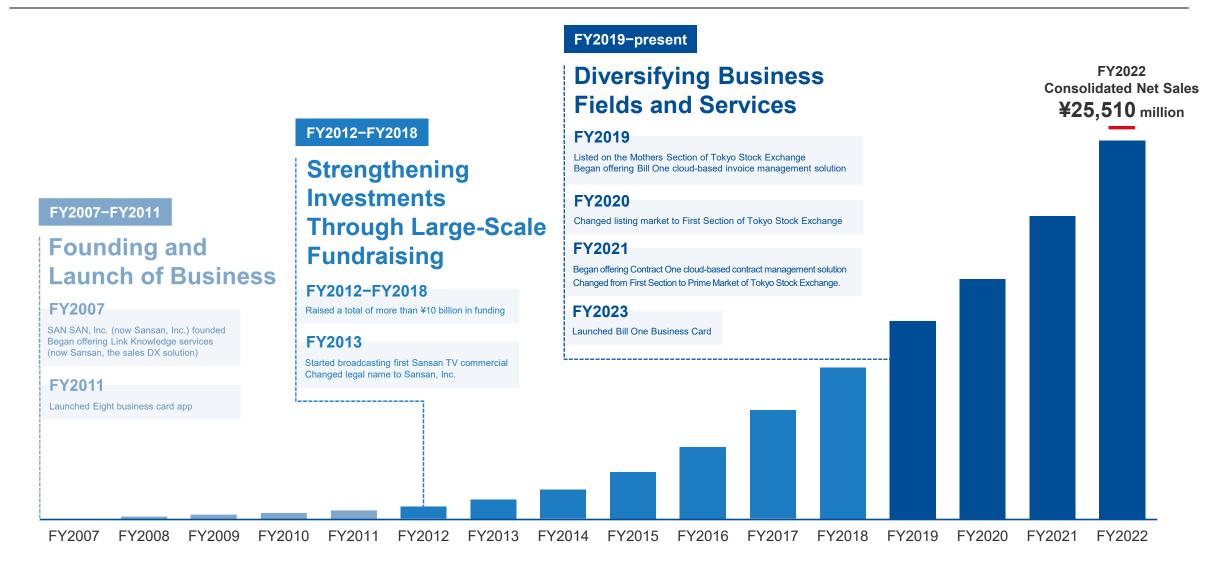


## SaaS Focused on Analog-to-Digital

Paper and other analog workflows remain, leaving room for digitization to greatly improve efficiency. We digitize analog information quickly and accurately to improve business productivity and provide convenience through data usage.



## History (1)

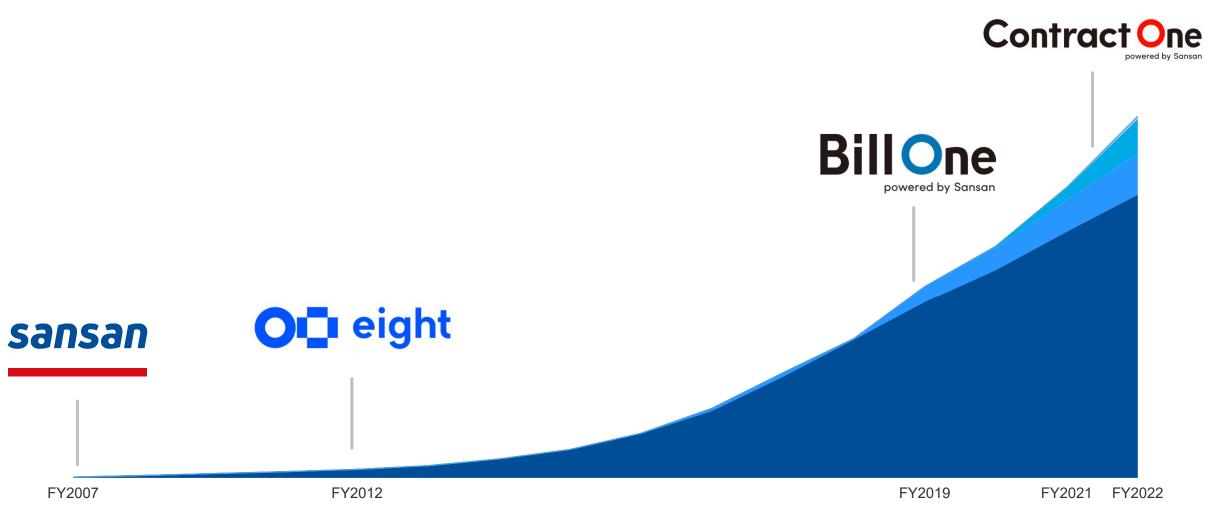


<sup>(1)</sup> The graph indicates net sales for fiscal years ended in May (figures prior to the year ended May 2016 are non-consolidated, while subsequent figures are consolidated).

#### **Launch of Main Solutions**

Founded in FY2007 and started offering Sansan.

Created multiple solutions since then; Bill One, launched in 2020, has achieved rapid growth.

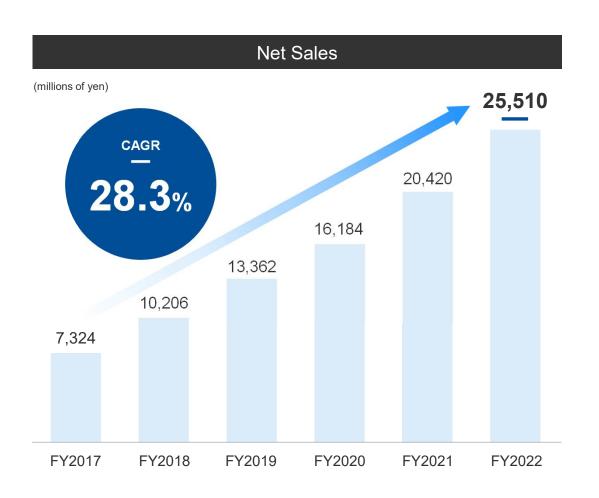


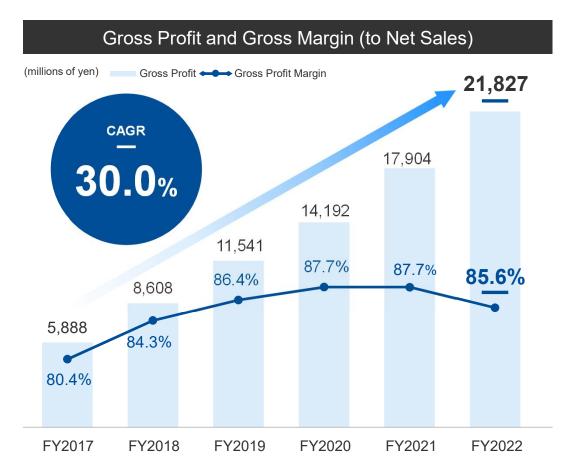
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## **Consolidated Financial Results (FY2017–FY2022)**

Achieved high growth rate in both net sales and gross profit.

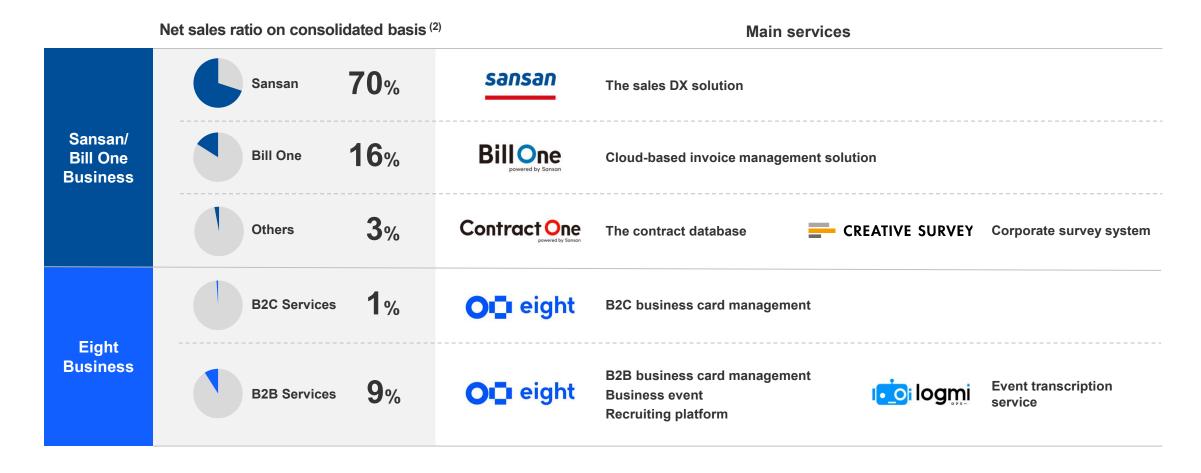




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## **Overview of Reporting Segments**

Comprises two reporting segments (1).

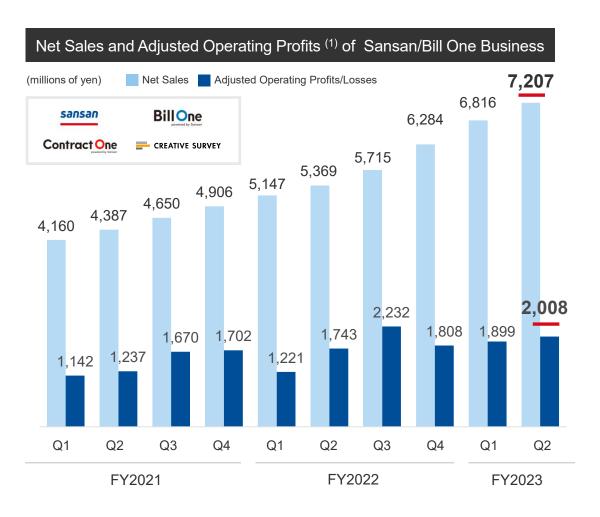


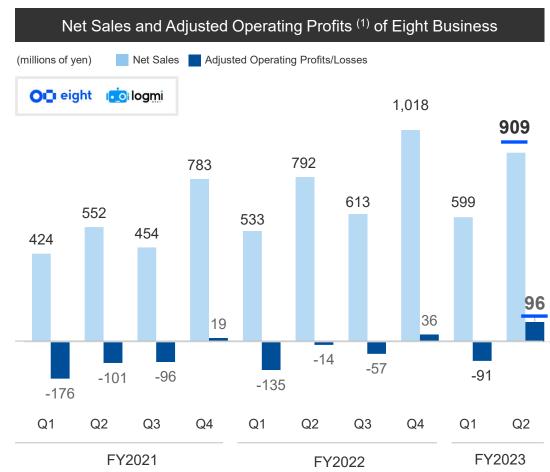
<sup>(1)</sup> The few other services not included in reportable segments are recorded in "Others," while elimination of intra-company transactions (sales), and costs not allocated to segments are recorded in "Adjustments." (2) FY2023 Q2 YTD

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## Results by Segments (FY2021Q1–FY2023Q1)

Steady growth in both Sansan/Bill One and Eight businesses.





<sup>(1)</sup> Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

## **Medium-Term Financial Targets (FY2022–FY2024)**

Aim to solid sales growth and stable profit growth.

#### Important management indicators

Continued consolidated net sales growth of mid-20% range or higher

### Improvement of adjusted consolidated profit margin in each fiscal year

Sansan/Bill One Business

Recording adjusted operating profit of ¥10 billion+ for Sansan and Bill One in FY2024 (excluding "Others" in Sansan/Bill One Business segment) **Eight Business** 

Recording stable adjusted operating profit for full year

## **Company Highlights**

Unique Sansan with Steady Growth and Vast Room for Development



2 Rapidly Expanding Bill One and High Growth Potential



- 3 Strong Competitive Advantages Common to All Services
- Further Growth Opportunities Through New Service Developments
  That Leverage Sophisticated Systems and Technologies
- 5 Shift to Profitability-Focused Business Operation



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## **Company Highlights**

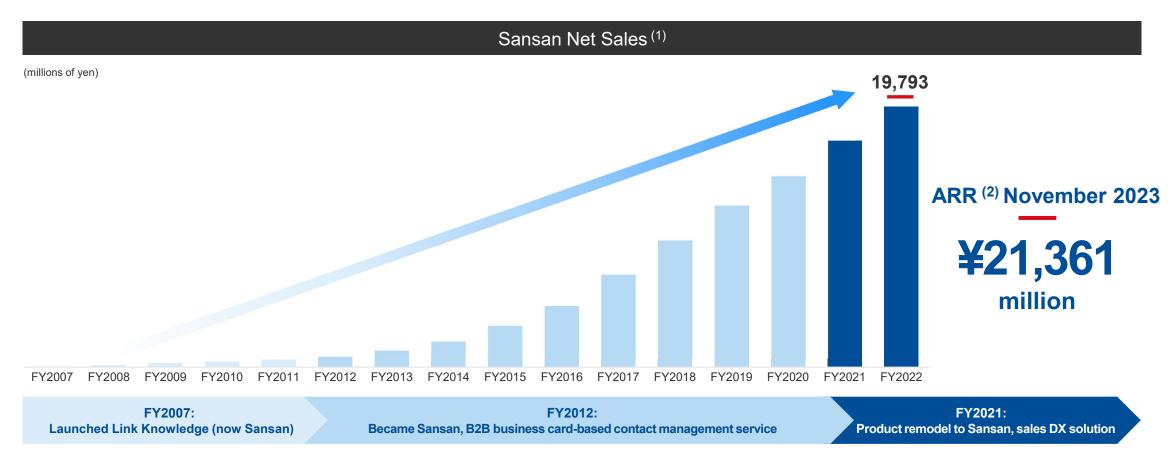
Sansan/Bill One Business
Unique Sansan with Steady Growth and Vast Room for Development



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#### Sansan: Net Sales

Since service launched in FY2006, it has continually evolved and grown to have the largest SaaS net sales in Japan. We remodeled it from a business card-based contact management service to the sales DX solution in FY2021.



<sup>(1)</sup> Indicates net sales for fiscal years ended in May. Prior to FY2019, indicates net sales of the former Sansan business segment.

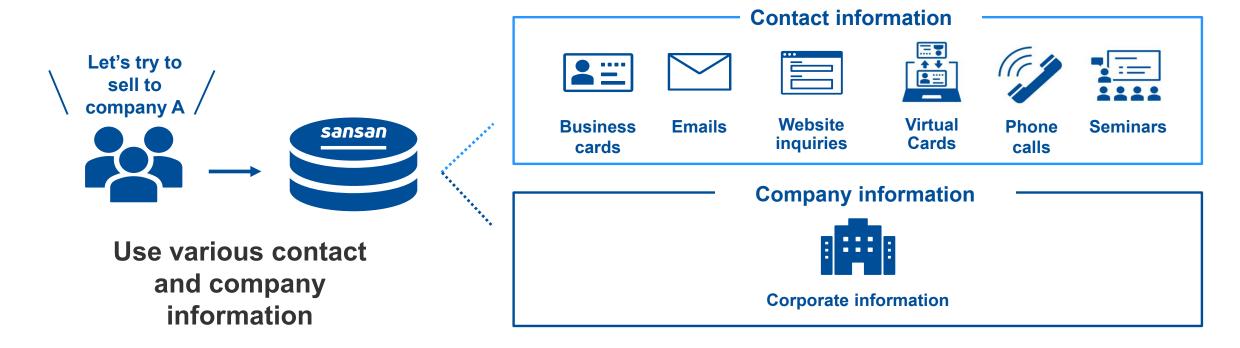
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<sup>(2)</sup> Annual Recurring Revenue

#### Sansan: Service Outline

Improving productivity and strengthening the sales force through the use of various contact and corporate information



#### Resolve issues in sales activities

Missing sales opportunities because of lack of correct customer information

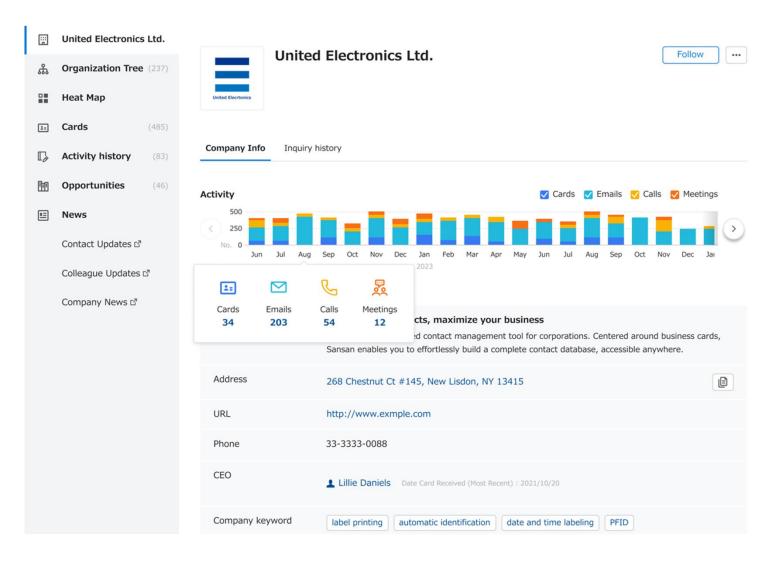




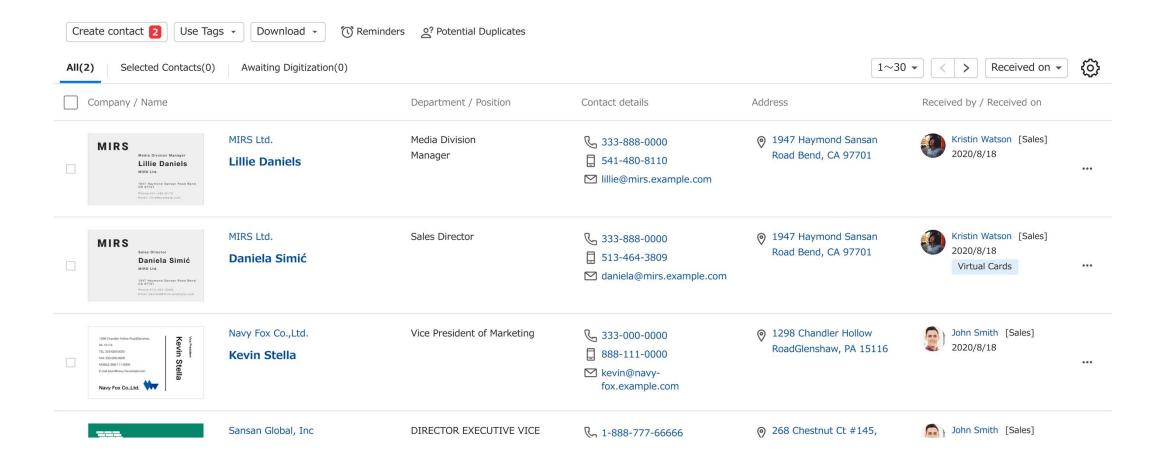
Inefficiencies from analog work



## Sansan: Integrating a range of corporate data



## Sansan: Digitizing contact information to visualize internal human networks



## Sansan: Overwhelming Market Share and Solid Customer Base

Has gained high level of brand recognition among B2B services and established a dominant market share. Built a solid customer base backed by Japan's highest SaaS management expertise, which has been cultivated since we began.

#### Dominant Brand Recognition and Market Share in B2B Strong Sales Organization and Solid Customer Base Sales share in 2022 (1) SaaS expertise cultivated over the 16 years since our founding METI Ministry of Economy, Trade and Industry **MIZUHO NOMURA** Sansan Marubeni **ITOCHW** AGC **TOYOTA DENSO Panasonic SoftBank** O NTT NEC

KIRIN

**KOBELCO** 

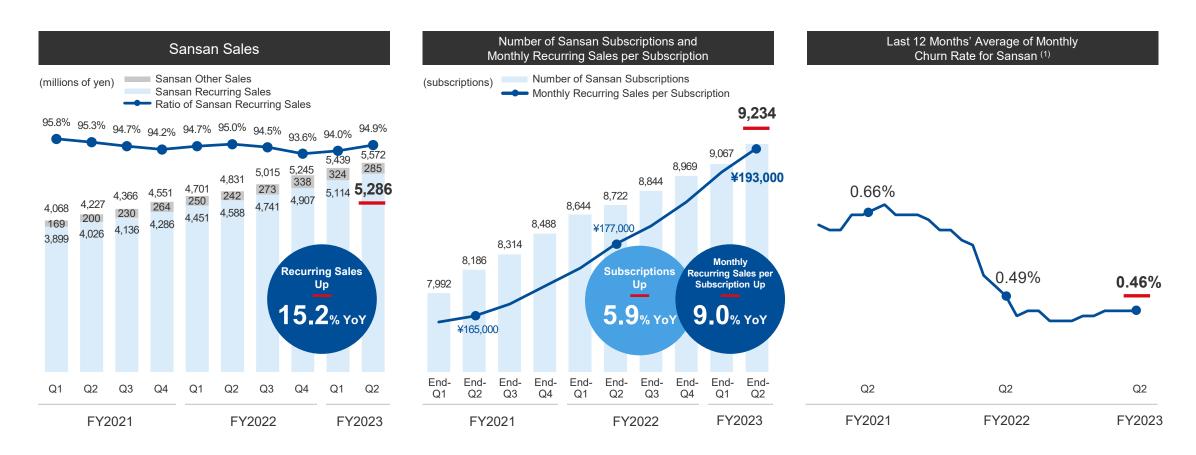
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<sup>(1)</sup> Based on Latest Trends in Business Card Management Services in Sales Support DX 2024 (January 2024, survey by Seed Planning, in Japanese)

#### Sansan: Recent Business Performance

Continuous growth in recurring sales, number of subscriptions and monthly recurring sales per subscription. Last 12 months average of monthly churn rate has remained low, at 1% or less.



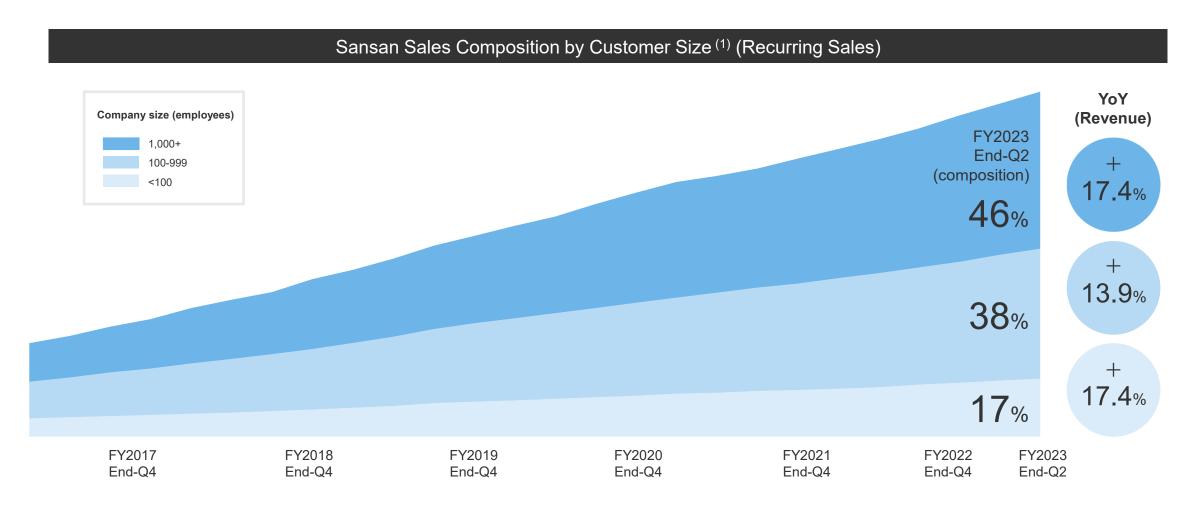
<sup>(1)</sup> Ratio of decreased MRR associated with contract cancellations to total MRR for existing contracts of Sansan

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## Sansan: Sales Composition by Customer Size (Recurring Sales)

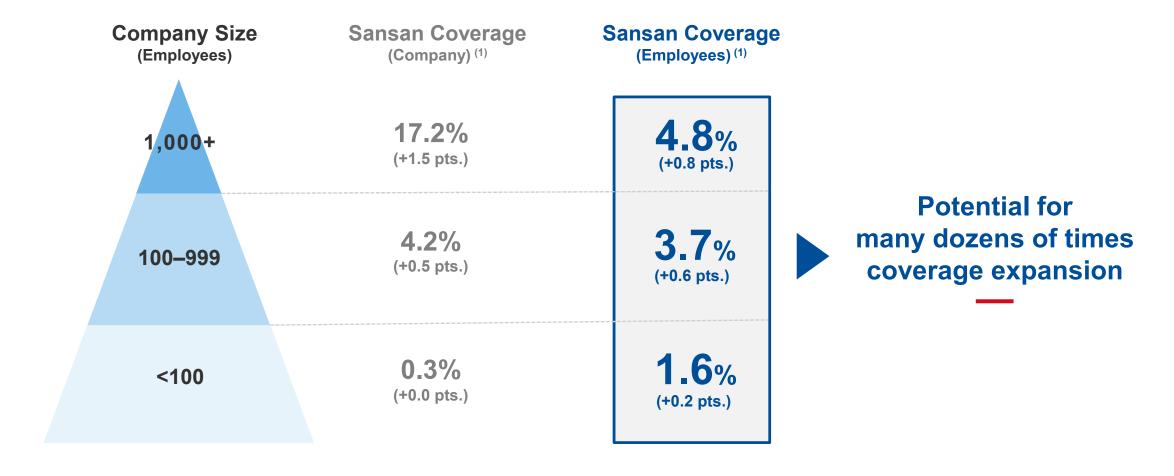
Companies with more than 1,000 employees drive overall growth and have the highest sales ratio.



<sup>(1)</sup> Created based on Sansan monthly fee amounts (unaudited), values from graphs up to and including FY2023 Q2 end changed following review of calculation method.

## Sansan: Potential Market Size of Sansan in Japan (TAM)

The number of users within current customers is limited, and there is room for many dozens of times more coverage expansion.



<sup>(1)</sup> Sansan coverage is calculated with the number of subscriptions and total number of IDs in Sansan for FY2023 Q2 end as the number based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator.

## **Company Highlights**

1 Unique Sansan with Steady Growth and Vast Room for Development

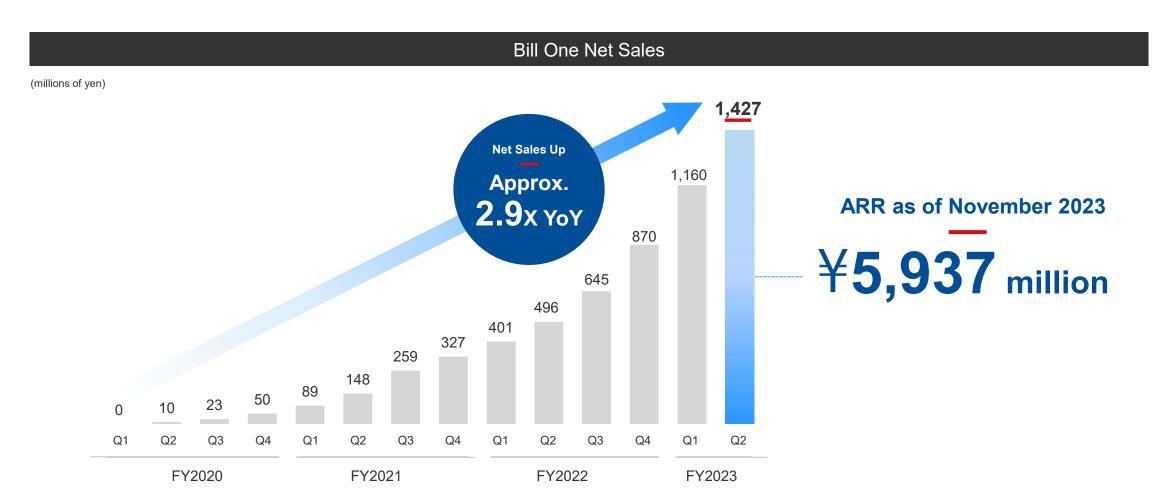
2 Sansan/Bill One Business
Rapidly Expanding Bill One and High Growth Potential



- 3 Strong Competitive Advantages Common to All Services
- **4** Further Growth Opportunities Through New Service Developments That Leverage Sophisticated Systems and Technologies
- 5 Shift to Profitability-Focused Business Operation

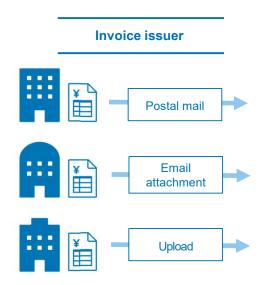
#### **Bill One: Net Sales**

Rapid growth in net sales since May 2020 service launch, exceeding T2D3 trajectory. ARR exceeded ¥5.9 billion, as of Novemver 2023.

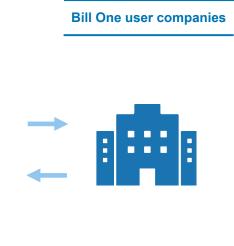


#### **Bill One: Service Outline**

Making all forms of invoices receivable online, while promoting DX of invoice operations through accurate digitization. Following the introduction of Bill One, customers can smoothly handle various legal amendments and fast monthly closing of financial accounts.







#### Resolve Issues in Invoicing Work

Receiving and managing paper invoices is time-consuming and labor-intensive

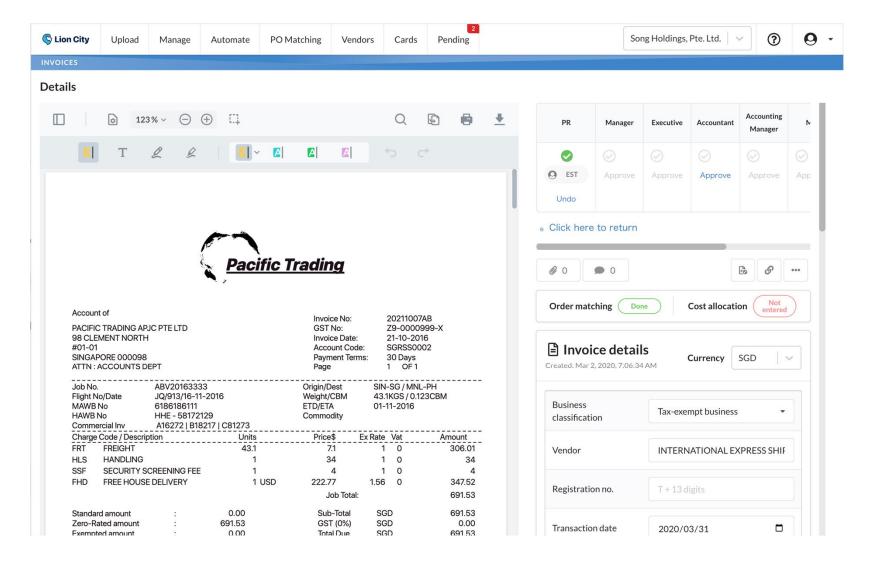


Personnel forced to come to the workplace to process paper invoices



<sup>(1)</sup> Digitization accuracy when conditions specified by Sansan, Inc. are met.

## Bill One: Accurately digitizing paper, PDF, and other invoices



## Bill One: Background of Service Launch

Applying Sansan's technology and operational expertise to solve challenges in Invoicing work.

#### **Issues of Analog Operations**

#### Issues in Sales Activities



- Burden of paper-based business card management
- Fragmented contact information across different touchpoints
- Low productivity

sansan

Resolving issues through digitalization and visualization of contact information

#### Issues in Invoicing Work



- Burden of paper-based invoicing work
- Compliance with various legal regulations
- Low productivity



Resolving issues through digitized invoices receipt

Applied Sansan's analog information digitization technology to Bill One.

## Bill One: External Environment in Invoicing Arena

Japan's invoicing System entered into effect in October 2023 and the grace period for the Electronic Bookkeeping Act concluded in the end of December 2024. Various changes are expected to occur in the environment surrounding invoices, such as end of transitional measures of Invoicing System.



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#### **Bill One: Market Share and Customers**

Achieved #1 share of sales in the cloud invoice receiving service market.

Regardless of company size, acquiring customers from various types of businesses.

Market Share in Cloud Invoice Receiving Services (1)





#### Customers Running Bill One



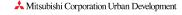












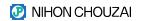














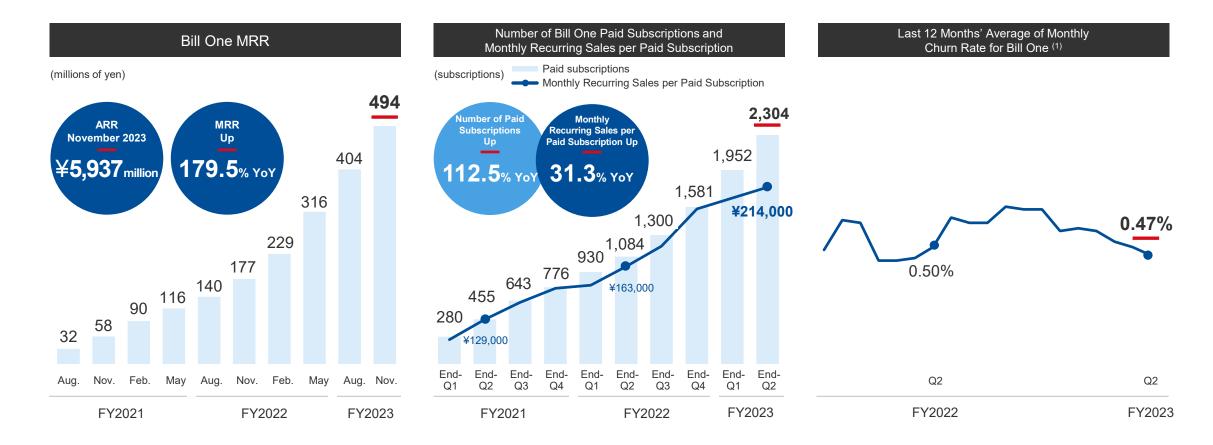






#### **Bill One: Recent Business Performance**

ARR as of August 2023 was ¥4,859 million, Continuous growth in both number of paid subscriptions/monthly recurring sales per paid subscription. Last 12 months average of monthly churn rate has remained low, at 1% or less.



<sup>(1)</sup> Ratio of decreased MRR associated with contract cancellations to total MRR for existing contracts of Bill One

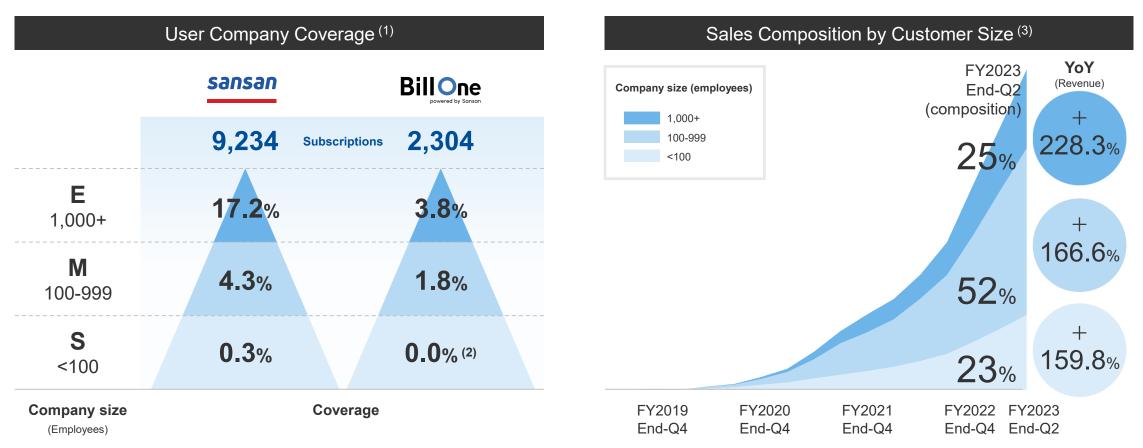
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## Bill One: Room for Expanded Medium- and Large-Sized Company Coverage

High sales growth in all company sizes.

Penetration for large companies is still low compared to Sansan, and there is vast room for growth.



<sup>(1)</sup> The coverage is calculated with the number of subscription in each services for FY2023 Q2 end as the numerator and the number based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator

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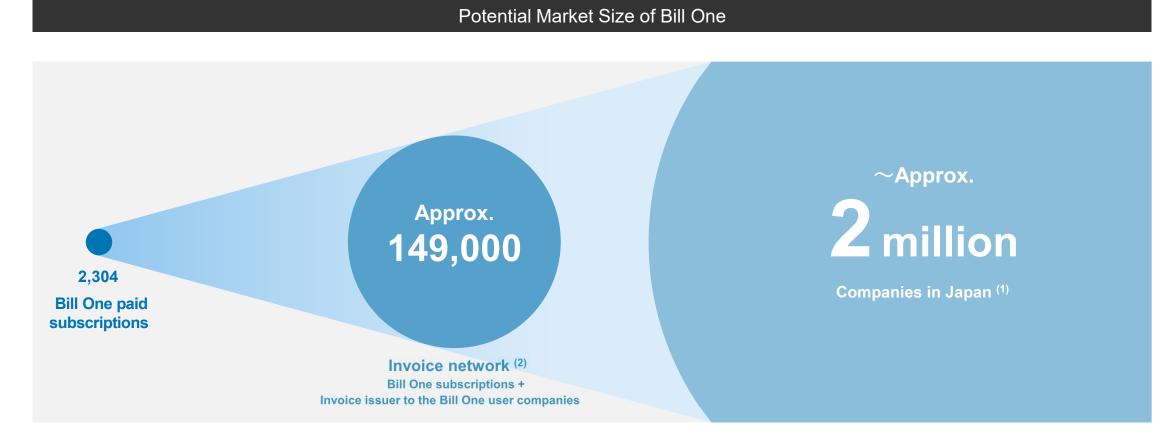
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<sup>(2)</sup> Paid subscriptions only

<sup>(3)</sup> Created based on Bill One MRR

## Bill One: Potential Market Size of Bill One in Japan (TAM)

Since all companies are targeted, regardless of industry or size, vast room for development exists in Japan.

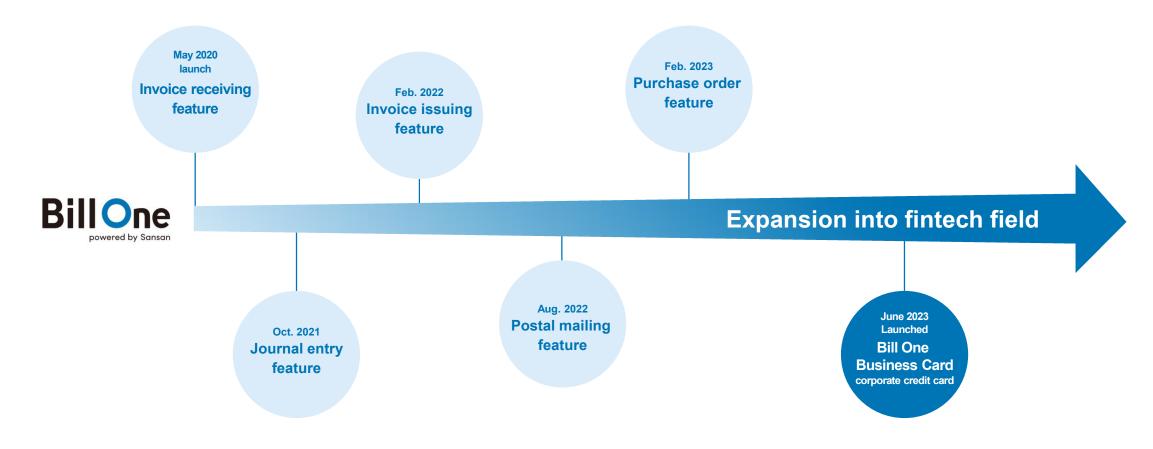


<sup>(1)</sup> Based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau

<sup>(2)</sup> Paid subscriptions + free subscriptions + companies that send invoices to paid and free subscriptions

## Bill One: Entry into New Business Field

Added features, such as invoice issuing, after service launch in May 2020. In June 2023, launched Bill One Business Card corporate credit card, backed by increased invoice network participating companies.



#### Bill One: Bill One Business Card Function Outline

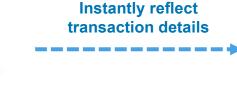
The Bill One Business Card, a corporate credit card that is available as an option with Bill One, boosts efficiency in corporate credit card payments, contributing to even faster monthly financial closing.

Users can effectively adapt to the Invoicing System and Electronic Bookkeeping Act, while reducing fraud risk.





Issue cards and process payments on Bill One



Request receipt submission after usage automatically









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#### 1. Centralized control

- Card issuance is available on Bill One.
- Reduces the workload to lend and manage cards.

#### 2. Security measures

- Limits and restrictions on usage amount and purposes.
- Minimizes fraud risk.

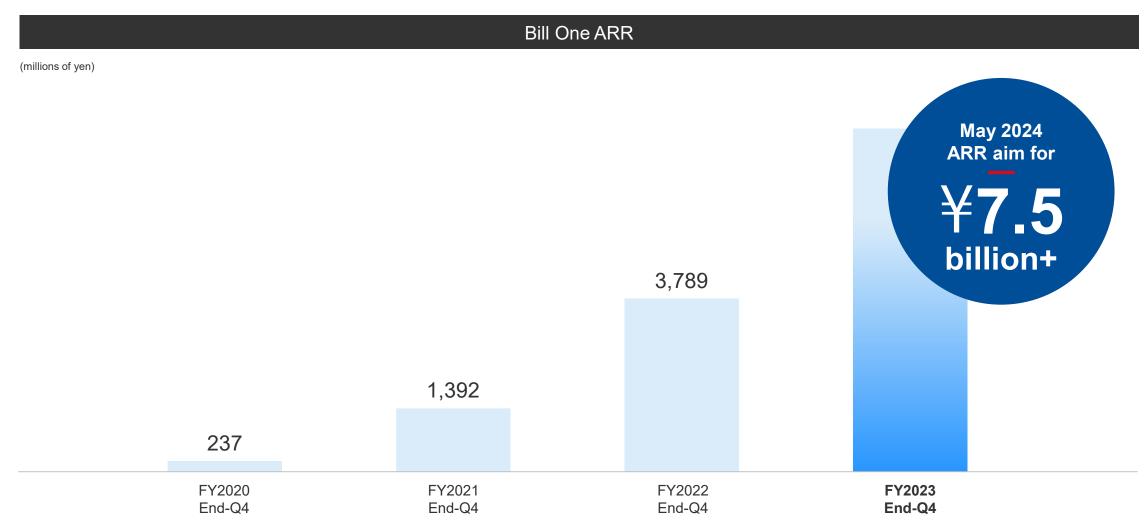
## 3. Automatic reconciliation of transaction details and receipts.

- Receipts are digitized at 99.9% <sup>(1)</sup> accuracy by the end of the next business day.
- Transaction details and receipts are automatically matched.

<sup>(1)</sup> Digitization accuracy when conditions specified by Sansan, Inc. are met.

## **Bill One: ARR Targets for Bill One**

Aiming for ARR of ¥7.5 billion+ by the end of FY2023.



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## **Our Strengths**

Establishing one of the largest SaaS positions in Japan based on technology for digitizing analog information.

Technology for digitizing

analog information

Unique operations that combine Al technology with manual inputs

Strong brand
Recognition
in Japan

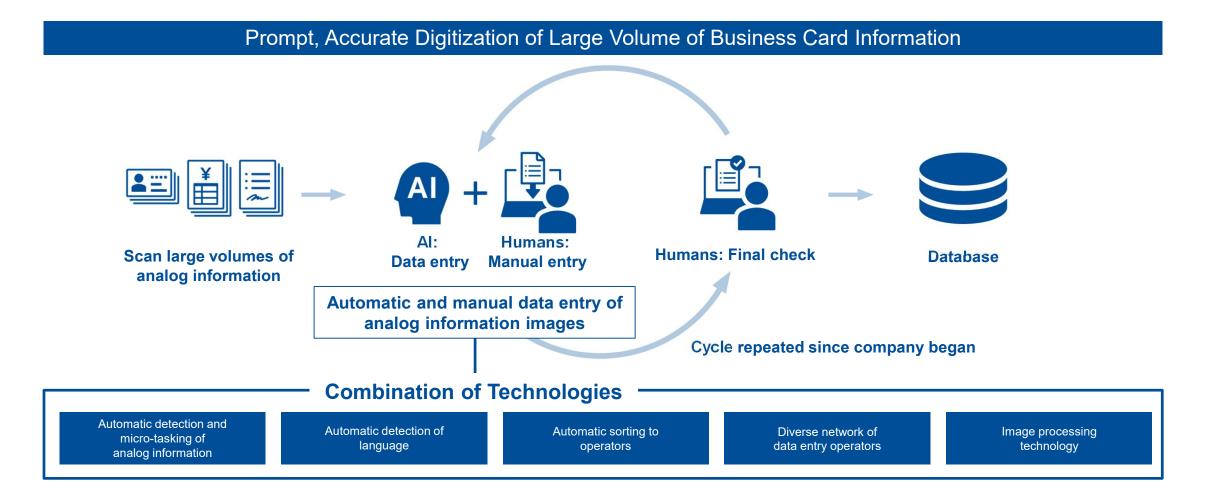
Strong brand recognition of Sansan has contributed greatly to gaining trust in each service Strong sales and marketing

Organizations

As one of the largest SaaS companies in Japan, possesses advanced expertise and sales/marketing organizations

## **Operation and Technologies for Digitizing Analog Information**

Establishment of analog information digitization operation structure unsurpassed by competitors.



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4 Further Growth Opportunities Through New Service Developments That Leverage Sophisticated Systems and Technologies

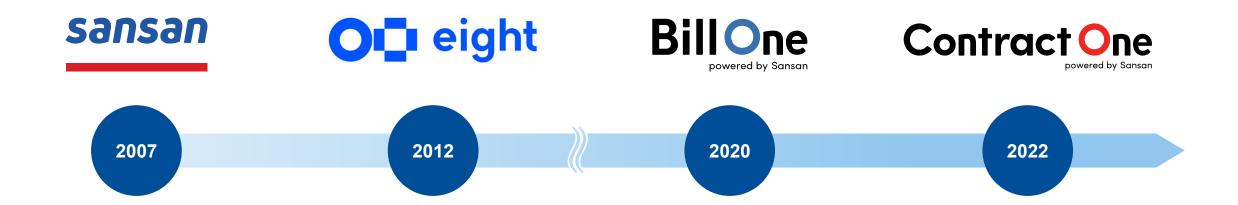
## **Focal Points in Our Service Development**

Under our avowed mission of Turning encounters into innovation, developing B2B services that realize DX for business fields where analog business flows remain.

# Point 1 **Encounters** Focusing on person-to-person, company-to-company encounters Point 2 Including paper, analog business flows remain, **From Analog to Digital** and thus there is substantial room for optimization through digitization

## **Service Deployment in Various Business Fields**

By horizontally deploying our accumulated technology and know-how, creating services and building multi-product structures in various business fields.



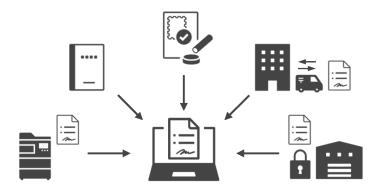
4 Further Growth Opportunities Through New Service Developments That Leverage Sophisticated Systems and Technologies

### **Contract One: Service Outline and Strengthened Function**

Contract One accurately digitizes all contracts within a company, building a comprehensive internal contract database and enabling organization-wide use of contract information.

Began offering document search function using GPT and integration function with Sansan.

#### Service Outlines





Accurately digitize contracts, which are an integral corporate asset, to create a comprehensive database of transaction terms and conditions. The ability to automatically associate related contracts enables organization-wide management of contracts from a comprehensive perspective, helping to maximize corporate profits.

#### Contract One Al



Contract One Al leverages the Azure OpenAl Service from Microsoft and offers a feature that instantly summarizes and displays digitized contract information, primarily focusing on areas such as counterparties, overview, and duration.

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## **Eight: Service Outline**

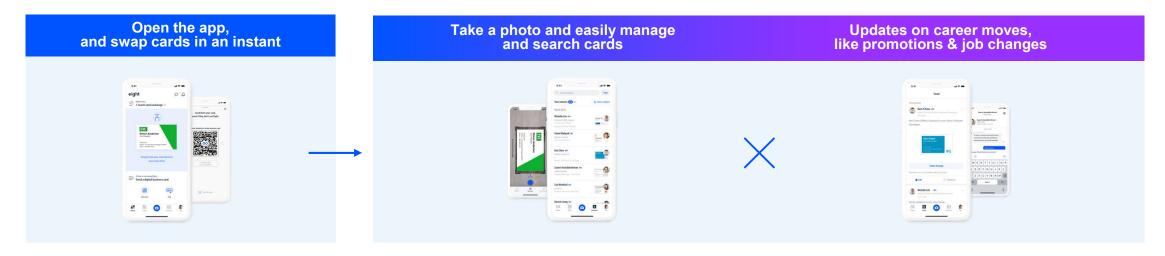
Business card app used by 3.4 million+ professionals; enables one-touch business card exchange and smart contract management.

One-touch business card exchange, smart contact management

**Eight- Business card app** 



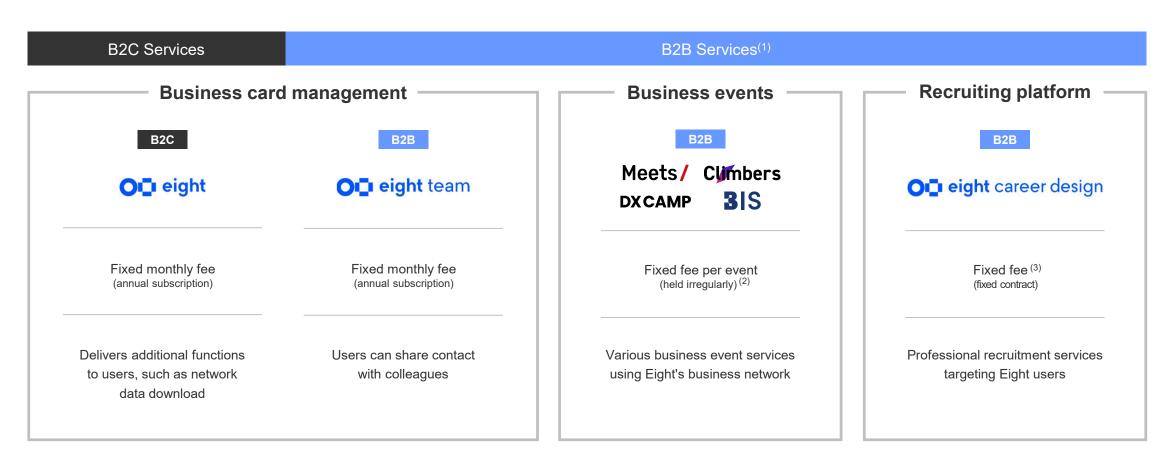
business card app for turning all your encounters into contacts and opportunities, at a touch



Offering apps for potential opportunities though business card exchange and management

# **Eight: Strengthening and Promotion of Monetization Plans**

Augmenting and accelerating monetization by strengthening corporate services that leverage network of 3.4 million+ users.



<sup>(1)</sup> B2B services in the Eight business include event transcription services for the media logmi Biz, logmi Finance and logmi Tech provided by logmi, Inc.

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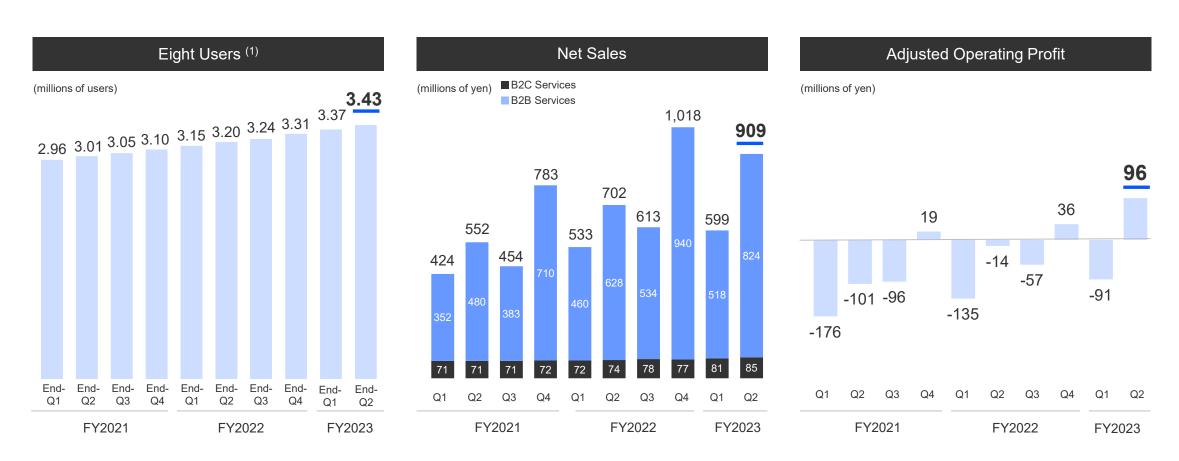
<sup>(2)</sup> There is an additional charge when a decision to hire is made.

<sup>(3)</sup> There are multiple fee settings depending on the type of event held, etc.

## **Eight: Recent Business Performance**

YoY increases in Eight user numbers and net sales continuing.

Shifting to emphasis on boosting profitability, while achieving moderate top-line growth.



<sup>(1)</sup> Number of confirmed users who registered their business card to their profile after downloading the app.

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# **Appendix**

# Sansan Group Overview

#### Sansan Group Overview

## **Company Overview** (1)

Company name Sansan, Inc.

Founded June 11, 2007

Head office Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo, Japan

Other locations

Branch offices: Tokyo, Osaka, Fukuoka, Aichi
Satellite offices: Tokushima, Kyoto, Niigata

Group companies Sansan Global Pte. Ltd. (Singapore)

Sansan Global Development Center, Inc. (Philippines)

logmi, Inc.

Diamond Corporate Data Services, Inc.

CREATIVE SURVEY INC.

Institute of Language Understanding Inc.

Representative Chika Terada

Employees 1,598

Capital ¥6,688 million

Net sales ¥25,510 million (FY2022)

Classification by shareholder type

Individuals and others: 43.25%; foreign financial institutions and individuals: 32.84%;

domestic financial institutions: 14.86%; other domestic corporations: 6.36%;

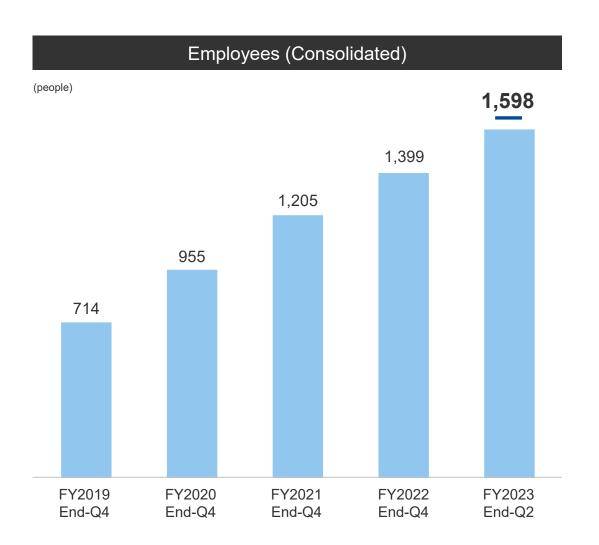
security firms: 2.69%



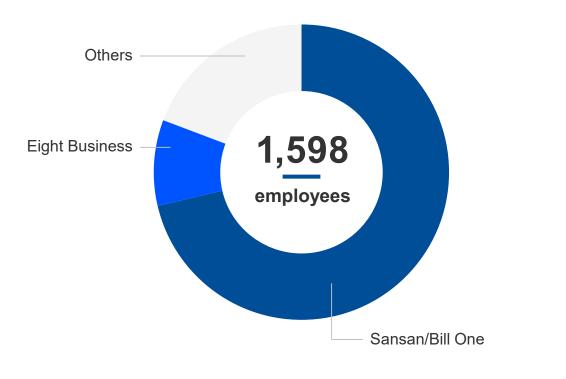




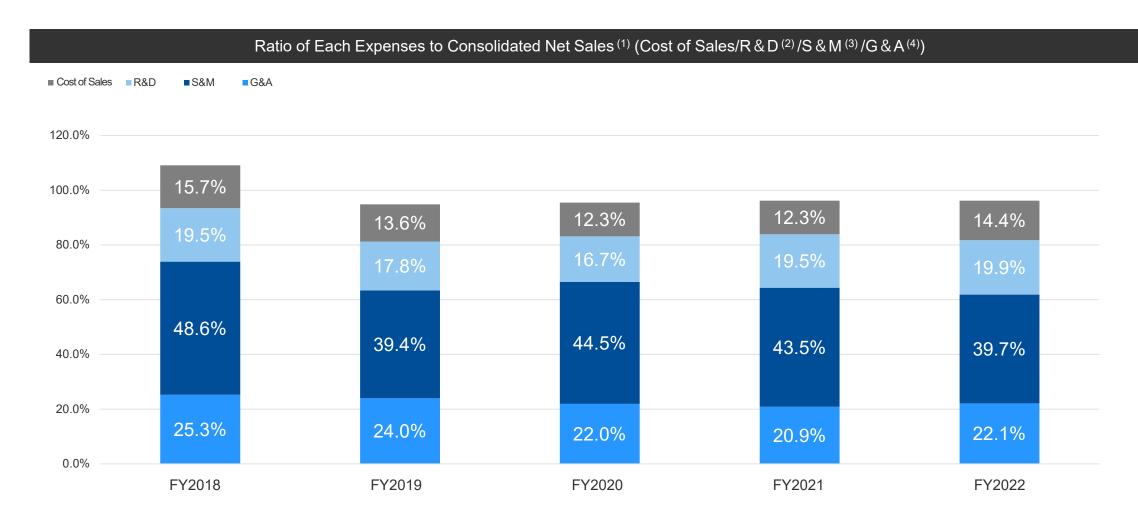
## **About Employees**



#### Breakdown by Organization (1)



### Ratio of Net Sales to Each Expenses



<sup>(1)</sup> Unaudited

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<sup>(2)</sup> Research and Development (total personnel costs, server costs, common costs, etc. related to research and development)

<sup>(3)</sup> Sales and Marketing (total advertising costs and personnel costs, common costs related to advertising and sales promotion)

<sup>(4)</sup> General and Administrative (total personnel costs and common costs related to corporate departments)

# **Breakdown of Expenses in Adjustment Amount** (1)

	FY2022	FY2023		(For Reference) FY2023	
(millions of yen)	Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
Advertising expenses	17	18	+4.5%	30	+4.4%
Personnel expenses	341	447	+31.2%	876	+32.8%
Personnel expenses Server and PC expenses	138	174	+26.6%	350	+30.1%
Rent	244	264	+8.2%	500	+4.3%
Rent Recruiting expenses	69	92	+31.6%	159	+29.8%
Others	623	717	+15.2%	1,436	+21.9%
Others  Personnel-related expenses  Office-related expenses  Others	184	236	+28.5%	461	+26.9%
Office-related expenses	194	202	+4.1%	378	+8.5%
Others	244	278	+13.9%	595	+28.0%
Total	1,434	1,714	+19.5%	3,353	+22.4%

<sup>(1)</sup> the amounts of corporate expenses not attributable to any reportable segment and mostly consist of general and administrative expenses

## **Track Record of Company Consolidation**

To achieve discontinuous growth, promote company consolidation, etc.

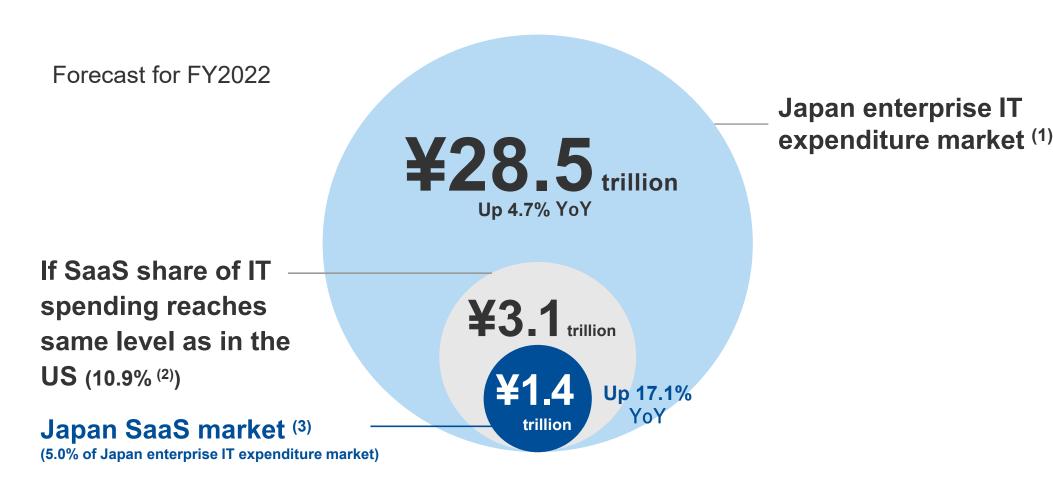
#### iogmi **CREATIVE SURVEY** ダイヤモンド企業情報編集社 **Diamond Corporate** Institute of Language logmi, Inc. **CREATIVE SURVEY INC.** Data Services, Inc. Understanding Inc. Period of **August** March **August** June 2020 2021 Consolidation 2023 2023 FY of consolidation FY2020 Q2 FY2021 Q1 FY2022 Q4 FY2023 Q1 Sansan/Bill One Business **Eight Business Business segment** Others Others B2B services Others

Track Record of Company Consolidation

# Sansan/Bill One Business

#### **Domestic SaaS Market Potential**

Based on US market trends and other factors, the Japanese SaaS market is expected to expand considerably.



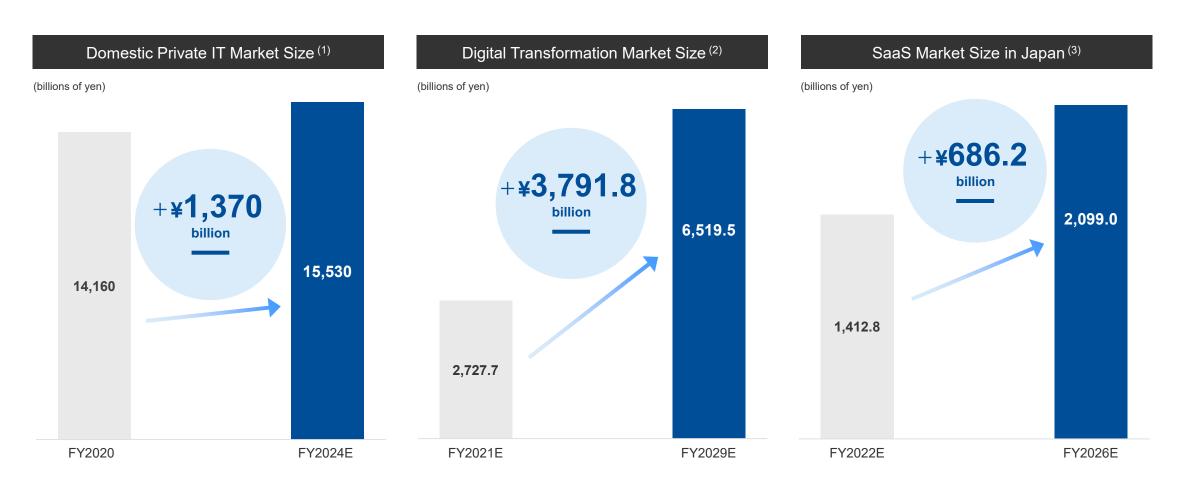
<sup>(1)</sup> Based on Enterprise IT expenditure forecast by Japanese industry by Gartner Japan

<sup>(2)</sup> Prepared by Sansan, Inc. from United States IT Spending Market Outlook by EMR and Software as a Service - United States by Statista Market Forecast

<sup>(3)</sup> Based on 2023 New Software Business Markets by Fuji Chimera Research Institute

#### **Tailwind of Market Environment**

#### Digital transformation is boosting the need for cloud-based solutions



<sup>(1)</sup> Based on 2023 IT Investment by Japanese Companies: Facts and Forecasts, Yano Research Institute Ltd.

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<sup>(2)</sup> Based on Market Edition and Vendor Strategy Edition of 2023 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute

<sup>(3)</sup> Based on 2023 New Software Business Markets by Fuji Chimera Research Institute.

#### Sansan: Service Plans

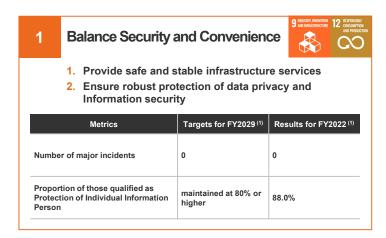
A. Basic company-wide use plan B. Previous plan (ID subscription) Timing of payment -Cost by number of contract IDs 12 months' license cost **Initial Cost** At start of Digitization costs for business cards already held contract Cost for digitizing existing business cards (initial costs) (upper limit placed on number of business cards) 2 Customer Offer introduction support plans with individual quotation At start of Success Plan contract Costs for implementation and operational support of Sansan services (initial costs) 3 At start or Monthly ¥10,000/scanner Scanner renewal of Rent scanners and tablets to customers based on number of office floors and/or branches (running costs) contract **Determined according to company** Setting by number of contract IDs At start or (annual subscriptions) License cost size and usage (annual subscriptions) renewal of (running costs) Fixed billing for each ID (upper limit placed on the Tens of thousands to millions of yen per subscription contract number of business cards digitized)

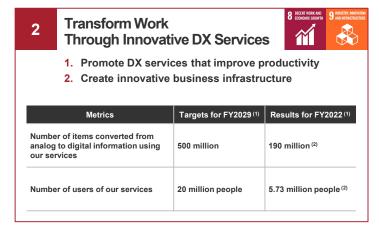
# **Initiatives for Sustainability**

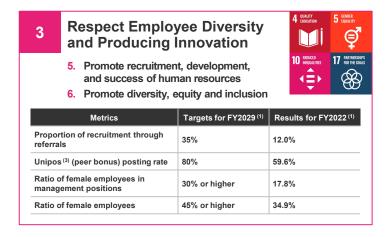
## **Material Issues (Priority Issues)**

Identified key material issues (priority issues) relating to environment, society, and governance and set long-term quantitative targets.

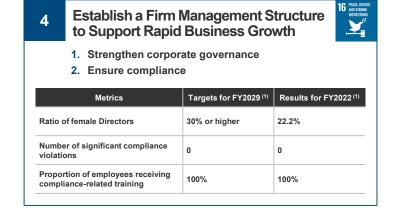
Working to resolve these issues through our core business, we aim to contribute to achieving the SDGs and building a sustainable society.

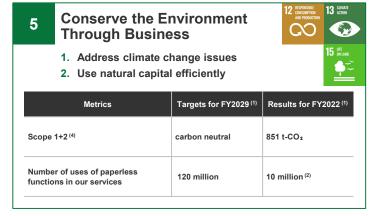






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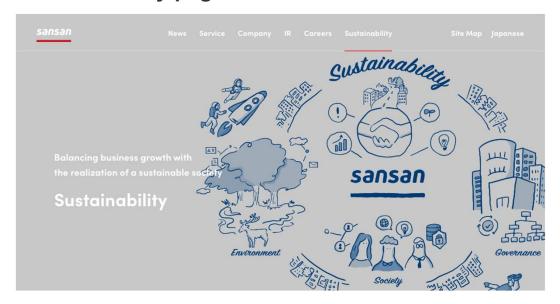


- (1) Results and targets presented here are for the Company on a non-consolidated basis. (2) Results for the Company's services are aggregated for Sansan, Bill One, Contract One and Eight.
- (3) Unipos is a service centered on the peer bonus system provided by Unipos, Inc. (4) Scope 1 is calculated by aggregating direct GHG emissions from our own offices and facilities. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office

### **Expansion and Upgrading of Sustainability Information**

Uploaded new sustainability page to our corporate website in October 2022. Published Annual Report 2023, expanding sustainability information such as identification of materialities and establishment of materiality owners.

#### - Sustainability page



Japanese: https://jp.corp-sansan.com/sustainability English: https://www.corp-sansan.com/sustainability

#### - Annual Report



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Japanese: https://ir.corp-sansan.com/ja/ir/library/report.html English: https://ir.corp-sansan.com/en/ir/library/report.html

#### **External Evaluations**

Acquired various external evaluations regarding ESG Rating, Annual Report and IR website.

#### **ESG** Rating

#### MarCamm Ina [International AD

#### IR website

MSCI (1)

MSCI ESG RATING "A"



MerComm, Inc. International ARC Awards

**Annual Report** 

PDF Version of Annual Report Bronze



Daiwa Investor Relations

Commendation Award2023
Bronze



**FTSE** 

FTSE Blossom Japan Sector Relative Index



Government Pension Investment Fund

Excellent Integrated Report
Most-Improved Integrated Report

Nikko Investor Relations Co.,Ltd

All Markets Ranking in Japan Corporate Websites AAA



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# sansan