



Presentation Material for FY2019 Q2

January 14, 2020
Sansan, Inc.

Thank you for joining our briefing today.

I am Terada and I am the CEO of Sansan, Inc.

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Now, I would like to explain the highlights of the first half of the fiscal year results and the growth strategies and so on.

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2 Main Management Topics

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4 Full-year Forecasts

5 Consolidated Financial Results (three-month results)

First, I'll give the highlights of the first half of the fiscal year financial results.

Highlights

- **Net Sales +32.5%. Operating Profit Returns to Profit, High growth has continued**

Net Sales : Sansan Business +27.5%, Eight Business +139.8%

Operating Profit : Sansan Business +65.3%, Eight Business +142 million yen (decreased loss)

- **Progressing as forecast announced on July 12, 2019**

As planned, progress rate of operating profit decreased due to advertising activities centered on TV commercials

- **Started aggressively expanding into new and peripheral areas in Sansan Business**

Joint development of anti-social forces check option with Refinitiv Japan K.K.

Capital and business alliance concluded with WingArc1st Inc.

Net sales increased by 32.5%, and contrasting with the loss in the same period in the previous year, operating profit returned to the black.

Although the progress rate of operating profit against the full-year forecast seems lower, this was due to the advertising activities centered on TV commercials in the second quarter.

This measure was in line with the plan. In the first half of the fiscal year, both net sales and operating profit made steady progress against the full-year forecast announced at the beginning of the fiscal year.

In the second quarter, we actively promoted the Sansan Business in new and peripheral areas.

Overview of Consolidated Financial Results

Net sales continued to grow at a high year-on-year rate
Operating profit returned to profit due to increased net sales

Consolidated Results	FY2018	FY2019	
	Q2YTD Results	Q2YTD Results	YoY
Net Sales	4,750	6,294	+32.5%
Gross Profit ⁽¹⁾	3,967	5,378	+35.7%
Gross Profit Margin ⁽¹⁾	83.5%	85.5%	+2.0pt
Operating Profit	-407	109	—
Operating Profit Margin	—	1.7%	—
Ordinary Profit	-423	17	—
Profit Attributable to Owners of Parent	-430	-91	—

⁽¹⁾ Business card entry costs in the Eight Business are recorded in SG&A

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Here's an overview of our consolidated figures.

Net sales increased by 32.5% compared to the same period last year to 6,294 million yen.

Operating profit increased to 109 million yen.

The gross profit margin improved by 2.0 points to 85.5% and remained at a high level.

Results by Segment

Net sales and operating profit (decreased loss) increased in both Sansan and Eight Businesses

(millions of yen)	FY2018		FY2019	
	Q2YTD Results	Q2YTD Results	YoY	
Net Sales				
Consolidated	4,750	6,294	+32.5%	
Sansan Business	4,539	5,789	+27.5%	
Eight Business	210	504	+139.8%	
Operating Profit				
Consolidated	-407	109	—	
Sansan Business	1,278	2,112	+65.3%	
Eight Business	-608	-466	—	
Adjustments	-1,076	-1,536	—	

Here are the detailed results by segment.

In the Sansan Business, net sales increased by 27.5% compared to the same period last year, up to 5,789 million yen and operating profit increased by 65.3% to 2,112 million yen.

The growth rate is slowing down as the scale of net sales increases, but we are currently working on increasing the number of salespeople and expect that the effects will gradually appear from the second half and onward.

Eight Business net sales increased 139.8% compared with the same period in the previous year to ¥504 million, and high growth continued.

In accordance with the increase in net sales, the operating loss decreased by ¥142 million to ¥466 million.

With regard to the adjustment amount, the negative amount increased, but this was due to the increases in, for example, recruiting expenses due to the strengthening of personnel throughout the company and rents.

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Next, with regard to the main topics for the second quarter, I would like to cover two points.

Both are related to the new and peripheral areas in the Sansan Business.

Sansan Business: Main Initiatives in New and Peripheral Areas (1)

Joint development with Refinitiv Japan K.K. of anti-social forces check option

Function Overview



Automation of anti-social forces check



Creation of confirmation list



List API linkage

- ✓ Checks against anti-social forces database just by scanning business cards
- ✓ Prevents check omissions and greatly reduces man-hours for compliance personnel
- ✓ Scheduled to be implemented in March 2020
- ✓ As an option of “Sansan,” about 20% of monthly usage fee assumed as additional cost

Refinitiv Japan K.K. Overview

REFINITIV 

- ✓ World's leading financial data provider
- ✓ Providing services to more than 40,000 companies and institutions in around 190 countries
- ✓ Providing the highly reliable “World-Check” information provision solution to comply with corporate regulations and identify potential financial crimes
- ✓ Can be used for customer due diligence, anti-money laundering measures, sanctions and screening for terrorist financing

The first point concerns the anti-social forces check option, which are being jointly developed with Refinitiv Japan K.K.

Currently, we are advancing development with implementation targeted for March 2020 for this, a function to complete the anti-social forces check automatically by simply scanning a business card.


While identifying risky companies by aggregating the company name data of the business card information that has undergone digitization with the same company's compliance-related database, if applicable, a notification will be displayed on “Sansan” so that those exchanging business cards and legal personnel will be immediately aware of the risk.

Amid the recently increasing awareness of, for example, risk management and governance in each company, we believe that this function can provide value such as faster and more efficient anti-social forces checks and in preventing dependence on the business concerned.

This function is planned to be provided as an optional “Sansan” function, and a service fee will be estimated individually for each company, but it is assumed that the monthly usage fee will increase by about 20%.

Sansan Business: Main Initiatives in New and Peripheral Areas (2)

Concluded capital and business alliance agreement with WingArc1st Inc., and acquired 11.44% of shares

Alliance Overview	WingArc1st Inc. Overview
<p>Business Alliance</p> <ul style="list-style-type: none"> ✓ Deployment of “MotionBoard” as an application that can be used on “Sansan” (expansion of business card data and customer information analysis functions) ✓ Implementation of cross-selling through mutual sales activities 	<p style="text-align: center;">WingArc1st</p> <ul style="list-style-type: none"> ✓ Net sales 17.2 billion yen, operating profit 4.9 billion yen (fiscal year ended February 2019) ✓ Providing data empowerment solutions that analyze and visualize data as well as software infrastructure solution services, etc.
<p>Capital Alliance</p> <ul style="list-style-type: none"> ✓ Investment amount: 4,998 million yen ✓ Ownership: 11.44% 	<p style="text-align: center;"></p> <ul style="list-style-type: none"> ✓ Dashboards for visualizing accumulated data ✓ Combines a myriad ways of expressing data, real-time processing and ease of operation and maintenance with support for data analysis/utilization
<p>Others</p> <ul style="list-style-type: none"> ✓ Sansan Representative Director and CEO Chika Terada appointed outside director of WingArc1st Inc. ✓ Scheduled to be implemented by 2020 	

The second point is our capital and business alliance with WingArc1st Inc., which was announced on November 1.

As part of the business alliance, we will develop WingArc1st’s “MotionBoard” service as an application that can be used on our “Sansan” service.

“MotionBoard” is an information usage dashboard service that can integrate and make visual a variety of information and data that exists both inside and outside companies. Making “MotionBoard” operable on “Sansan” will enable various analyses linked to business card data, that is, accurate customer information. We believe that we can provide value, including decision support and business improvement, to user companies.

We will also implement cross-selling through mutual sales activities.

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2 Main Management Topics

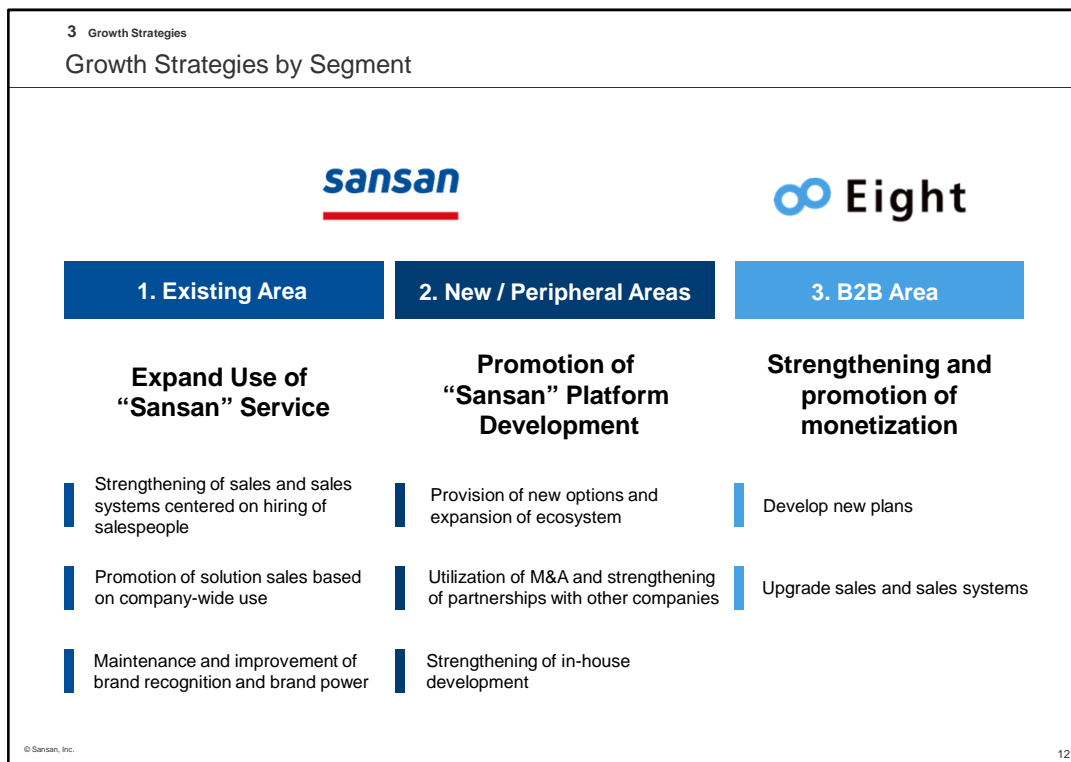
3 **Growth Strategies**

4 Full-year Forecasts

5 Consolidated Financial Results (three-month results)

Next, I'll explain our future growth strategies.

Growth Strategies by Segment



We are currently working to achieve medium- to long-term growth in net sales in three major areas, and I would like firstly to present an outline.

The first is to promote the further expansion of “Sansan” use in existing areas of the Sansan Business.

As a measure toward this end, while continuing to promote advertising to a certain extent as before, we are currently working to strengthen the sales department, mainly by increasing the number of salespeople.

The second area is the initiatives related to the new and peripheral areas in the Sansan Business, which were introduced earlier as topics.

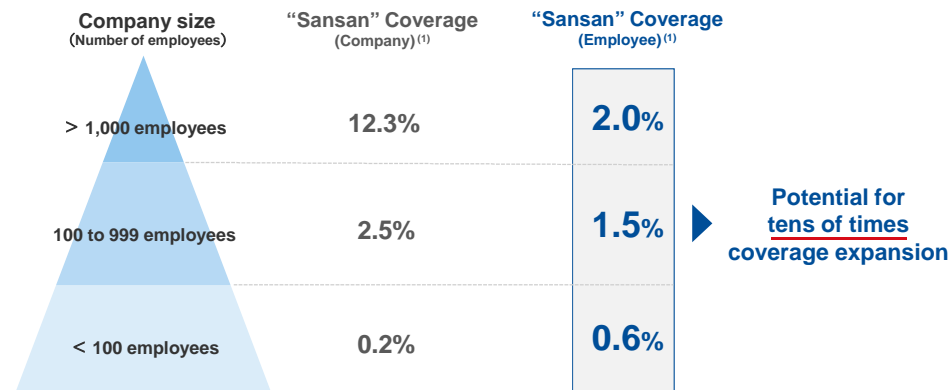
We will add a variety of optional functions and promote the development of “Sansan” as a platform.

The third area is strengthening monetization in the B2B domain in the Eight Business.

In addition to strengthening the sales and sales structure in existing monetization plans, we will also work on the development of new plans, etc.

Potential Market Size in Japan (TAM)

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



(1) "Sansan" coverage is calculated with the number of subscription and total number of IDs in "Sansan" for FY2019 Q2e as the numerator and the number based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau as the denominator.

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Firstly, with regard to the first area, that of the existing Sansan Business areas, I would like to explain the thinking behind the markets we regard as targets.

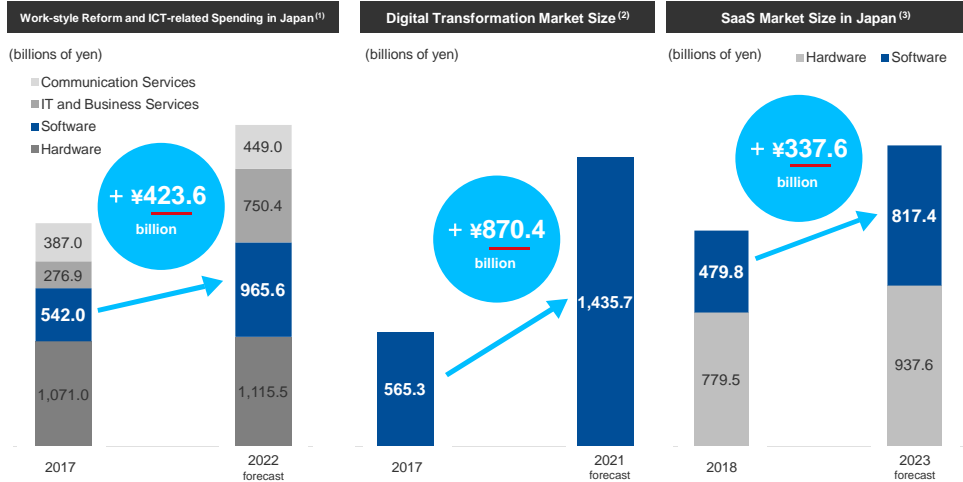
We said that Sansan's market share has already reached 81.9%, but there is still much room for this market to grow.

For instance, the proportion of Sansan users to all employees working in Japan is about 1%, meaning we theoretically have only fulfilled approximately 1% of our potential, and have the capacity for several tens of times growth.

Of course that is only theoretical, but we believe that at least 10 to 20 times growth is realistic.

Tailwind of Market Environment

The work-style reform and digital transformation is boosting the need for cloud-based contact management



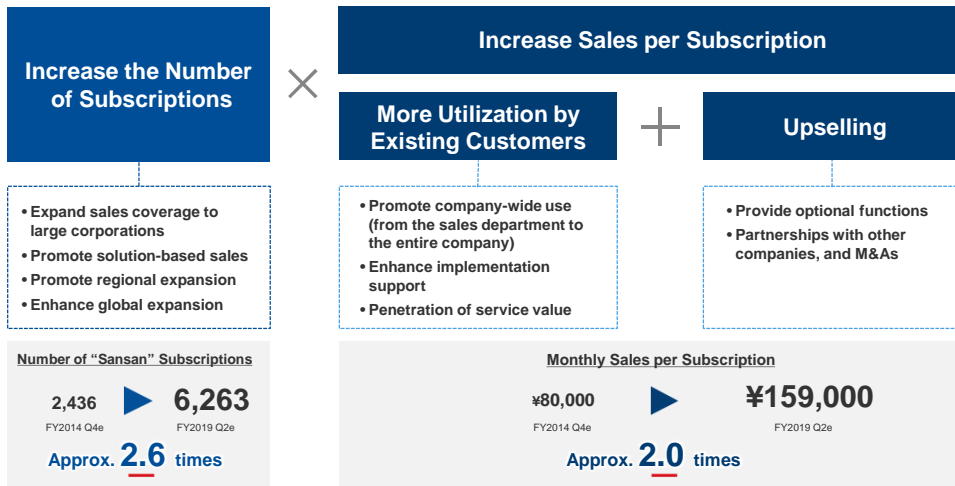
(1) Based on "2018 to 2022 Outlook of Work-style Reform and ICT-related Spending in Japan: by Hardware, Software, IT and Business Services, Communication Services" by IDC Japan (December 2018)
 (2) Based on "2018 Outlook of the Digital Transformation Market" by Fuji Chimera Research Institute
 (3) Based on "2019 New Software Business Markets" by Fuji Chimera Research Institute

Acceleration of work-style reform and digital transformation will boost needs for cloud-based contact management.

We aim to leverage these trends to achieve high growth for our business.

Strategy for Continuous Growth in Net Sales

Achieve growth through an increase in both the number of subscriptions and sales per subscription



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This explains Sansan's growth strategy in detail. We think that an increase in both the number of subscriptions and sales per subscription are required.

From the second half of the previous fiscal year, we have been working to strengthen our sales department, focusing on increasing the number of salespeople. To increase the number of subscriptions, we are establishing a sales system for medium- and large-sized companies and promoting a wide range of sales activities through domestic and overseas bases.

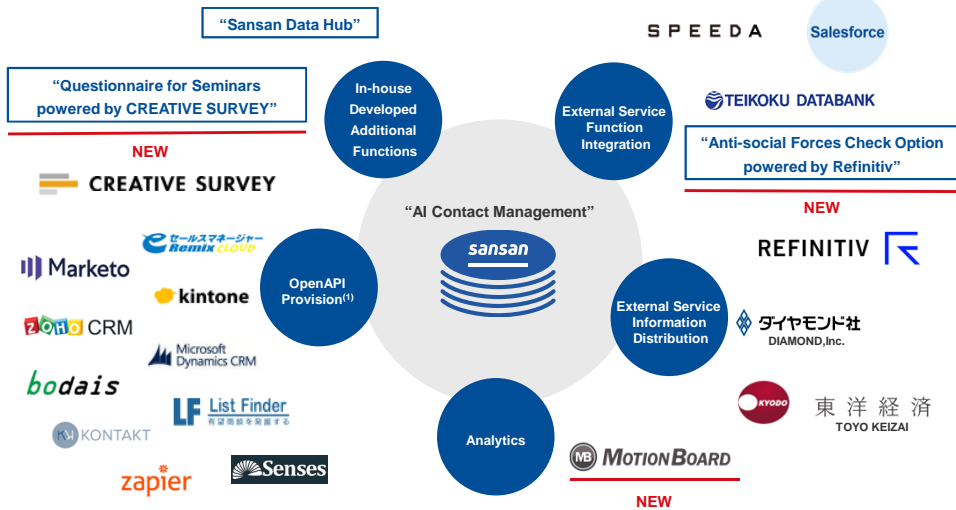
As it will take at least six months after recruiting the salespeople for them to be up and running, there will not be a sudden big impact. We expect that the effects will gradually appear from the second half of the current fiscal year onwards.

At the same time, we are working to increase net sales per subscription by acquiring large-scale subscriptions on the assumption that these will be used by an entire company and by promoting their greater use by existing customers.

For example, the Ministry of Economy, Trade and Industry installed "Sansan" at some of its bureaus in 2015. The Ministry decided to expand the introduction of "Sansan" on a trial basis with the aim of sharing business card information widely within the Ministry and using "Sansan" efficiently for it to form a solid basis for a personal networking platform.

Improving the Value of Business Platform

Providing various functions and services by treating business card management as portal



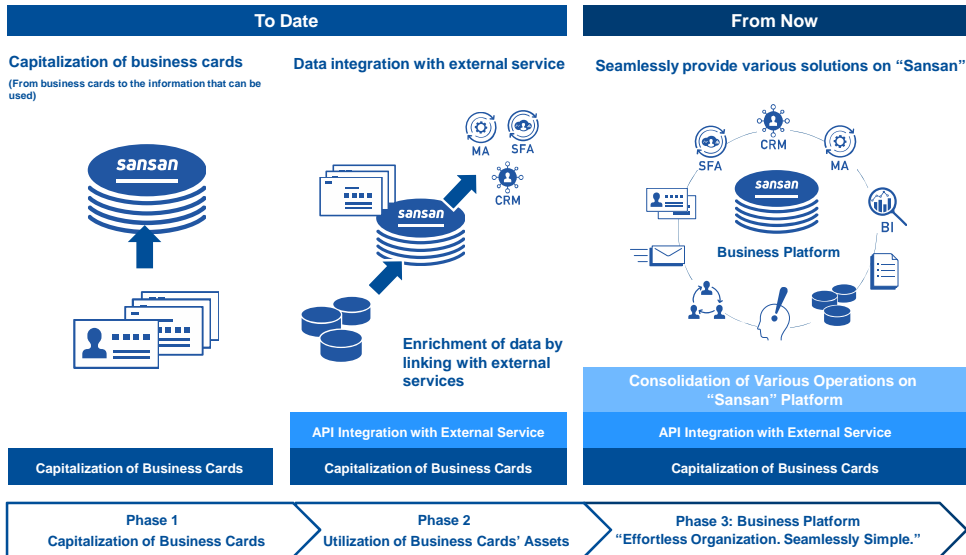
(1) OpenAPI provided to more than 50 other companies' services, including Sales Force Automation, Customer Relationship Management, Marketing Automation
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Next, with regard to the second area, that of the Sansan Business new and peripheral areas, I would like to explain the improving the value of business platform.

As a reference, this diagram shows the main options offered by "Sansan" and the status of external service integration etc.

Evolution of "Sansan" as a Platform

Provide solutions to consolidate various operations on "Sansan" platform



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Even now, "Sansan" functions not only in the capitalization of business cards but also possesses functions to, for example, link with external tools—such as SFA, CRM and marketing automation—by the use of Open API, etc., and functions that enable the acquisition and utilization of information from external services. We are also seeking improvements in user convenience.

And we have provided specific examples on several occasions before, but in addition to these developments, we would like to aim for improvements in its value as a business platform by adding a variety of options that function via the "Sansan" application.

In other words, we will connect various operations that already exist in the business flow of the client company with "Sansan" and provide various solutions that can be seamlessly handled on "Sansan".

In the years to come, when adding the various functions, we will consider actively utilizing not only in-house developments but also, as alternatives, partnerships with other companies and M&A.

Main Options of "Sansan"

"Sansan Data Hub"

Available

A service that integrates and enriches all internal customer data and accelerates marketing from data integration

"Anti-social Forces Check Option powered by Refinitiv"

Planned for March 2020

Checks against anti-social forces database just by scanning business cards. Prevents check omissions and greatly reduces number of compliance personnel

"Questionnaire for Seminars powered by CREATIVE SURVEY"

Available

Questionnaire solution that can provide the questionnaire function necessary for B2B company seminars integrated with "Sansan"

Use of "MotionBoard"

Planned for 2020

Linking with business card data (customer information) on "Sansan," aggregating, analyzing and presenting in visual form a variety of information and data from inside and outside a company

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Here are some specifics on the main optional functions.

"Sansan Data Hub" on the upper left is a function that has been covered several times, such as in past financial result materials. It is an option that enables the consolidation and enrichment of customer data existing in a company.

For example, "Sansan Data Hub" can be useful for data that can be utilized for advanced marketing activities by preventing the double registration of data managed on CRM/SFA, such as "Salesforce," or on an MA tool like "Marketo," and by adding a variety of additional information.

In addition, "Sansan Questionnaire for Seminars powered by CREATIVE SURVEY" on the bottom left is a new optional function we launched in November.

This is a solution function that can provide the "Sansan"-linked questionnaire function required for seminars and other events.

These are just some examples, and we would like to add many more such options.

Strengthening and Promotion of Monetization Plans

Accelerate and strengthen the development of paid plans for B2B

B2B	
Paid plan for corporations: "Eight Company Premium"	Enables users to share their contacts with colleagues Targeting small companies with under 20 employees
Ad. Delivery: "Eight Ads"	A service for delivering ads to "Eight" users Timely and targeted advertising to career-oriented professionals
Business events: "Meets"	An event matching "buyers" and "sellers" from within "Eight" Uses proprietary technology to accurately match business people together
Recruiting platform: "Eight Career Design"	Recruitment services targeting "Eight" users Provides a new and unique targeted hiring method to the market
B2C	
Paid plan for individuals: "Eight Premium"	Delivers additional functions to users, such as network data downloads Expand the overall number of "Eight" users, including free plan

Third is the monetization of the Eight Business in the B2B area.

There are currently monetization plans for companies, as you can see, but we will work on strengthening the system to expand sales and developing new plans.

And we will aim for profitability of the Eight Business in the near future.

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At the end of my part, I'd like to talk about our full-year Forecasts.

Consolidated Financial Forecasts

**Full-year outlook unchanged from initial forecast.
Net sales are expected to increase by 35.4%, and profit is expected.**

(millions of yen)	FY2018	FY2019	
	Full-year Results	Full-year Forecasts (announced on Jul. 12)	YoY
Consolidated Forecasts			
Net Sales	10,206	13,816	+35.4%
Operating Profit	-849	724	—
Operating Profit Margin	—	5.2%	—
Ordinary Profit	-891	670	—
Profit Attributable to Owners of Parent	-945	Turn Black ⁽¹⁾	—

(1) Sansan, Inc. ("the Company") is expecting an increased estimate of taxable income due to improved performance in the medium term. Accordingly, it is possible that the Company will record income taxes -deferred mainly due to an increase in deferred tax assets pertaining to tax loss carryforward in FY2019, but as it is difficult to detail the amount to be recorded in income taxes -deferred based on prospective business performance, etc. for FY2020, concrete forecasts for profit attributable to owners of parent are not disclosed.

Lastly, regarding the full-year forecast, there is no change from the initial announcement.

In fiscal 2019, consolidated net sales are expected to increase by 35.4% to 13,816 million yen, mainly due to the continued growth of the Sansan Business and the monetization of the Eight Business.

In addition, with the increase in net sales, we expect to make profits.

Next, Hashimoto will explain the details of the second quarter financial results.

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(three-month results)

I am Hashimoto and I am the CFO of Sansan, Inc.

Now, I will explain the quarterly results for the second quarter.

Overview of Consolidated Financial Results (three-month results)

**Both net sales and profits increased year on year (decreased loss)
Despite operating loss, operating results are on track**

(millions of yen) Consolidated Results	FY2018	FY2019		(FY)FY2019	
	Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
Net Sales	2,466	3,194	+29.5%	6,294	+32.5%
Gross Profit ⁽¹⁾	2,075	2,746	+32.3%	5,382	+35.7%
Gross Profit Margin ⁽¹⁾	84.2%	86.0%	+1.8pt	85.5%	+2.0pt
Operating Profit	-477	-139	—	109	—
Operating Profit Margin	—	—	—	1.7%	—
Ordinary Profit	-478	-175	—	17	—
Profit Attributable to Owners of Parent	-484	-197	—	-91	—

⁽¹⁾ Business card entry costs in the Eight Business are recorded in SG&A

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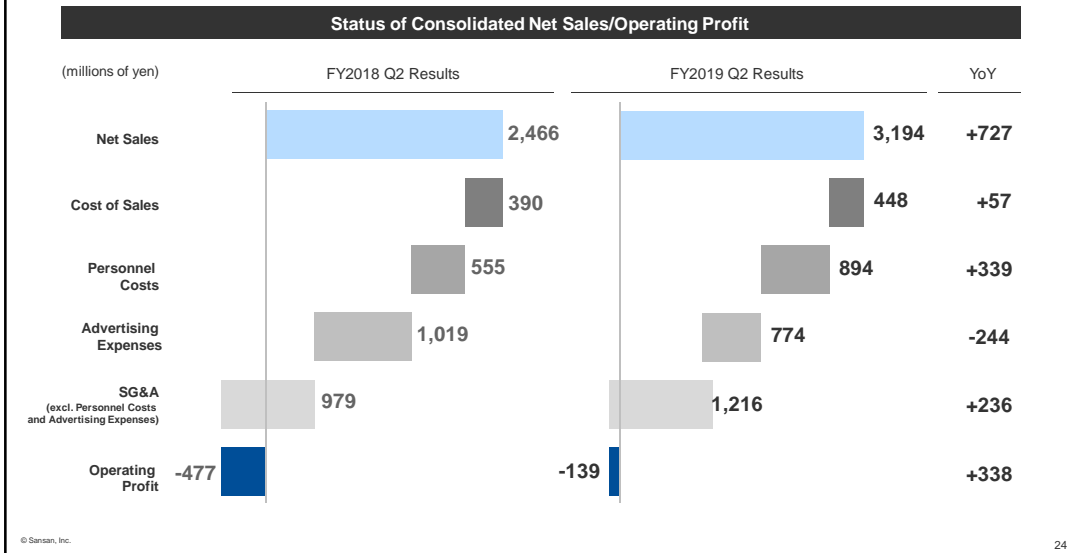
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Here's an overview of our consolidated figures for the second quarter.

Net sales increased by 29.5% compared to the same period last year, up to 3,194 million yen.

With regard to operating profit, second-quarter net sales were negative due to the strengthening of advertising activities centered on TV commercials, but due to the increase in net sales, there was a ¥338 million improvement compared with the same period of the previous year.

Factors Contributing to Changes in Consolidated Operating Profit

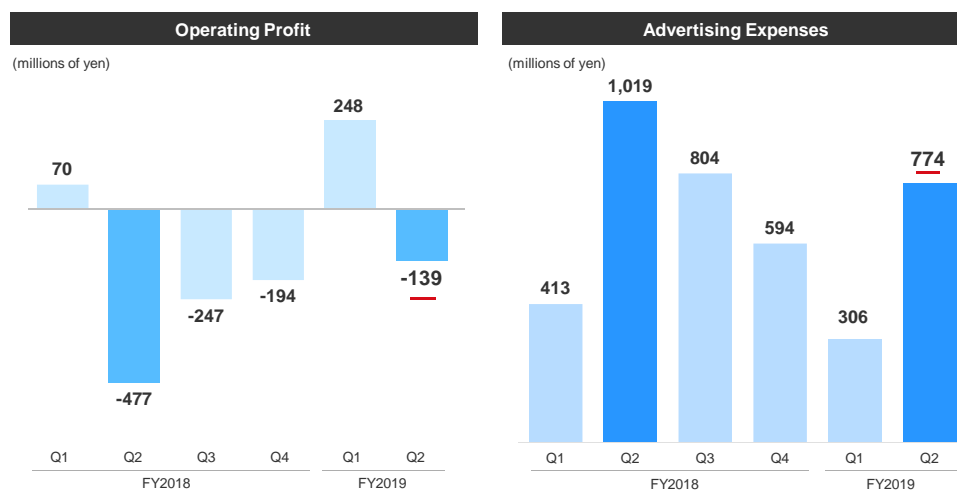
Operating profit improved due to higher net sales and lower advertising expenses

I will explain the background to the improvement in operating profit.

In the second quarter, personnel expenses and other SG&A expenses increased due to the progress made in the recruiting of personnel, but the negative amount decreased due to the increase in net sales and a decrease in advertising expenses.

Quarterly Results of Consolidated Operating Profit and Advertising Expenses

In Q2, profits are less likely to be generated compared with other quarters due to increased advertising expenses
As planned, in this Q2 we carried out advertising activities centered on TV commercials



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Here are the quarterly operating profit and advertising expenses from the previous year.

We tend to strengthen advertising activities centered on TV commercials in the second quarter, and as a result operating profit is difficult to generate in this quarter.

As in the previous year, operating profit in the second quarter was negative due to the broadcasting of TV commercials, but this was as planned at the beginning of the fiscal year.

Advertising expenses in the third and fourth quarters are expected to be lower than in the second quarter.

Overview of Consolidated Balance Sheet

Investment securities increased due to capital and business partnership with WingArc1st Inc. Borrowed 5.0 billion yen as stock acquisition cost

(millions of yen)	FY2018	FY2019	
	Full-year Results	Q2 Results	Chg of Amount
Current Assets	6,298	13,177	+6,878
Cash and Deposits	5,627	12,407	+6,780
Non-current Assets	2,780	8,031	+5,251
Investment Securities	1,093	6,112	+5,019
Total Assets	9,079	21,208	+12,129
Current Liabilities	5,428	6,909	+1,480
Non-current Liabilities	277	4,172	+3,894
Long-term Loans Payable	233	4,123	+3,889
Total Liabilities	5,706	11,081	+5,375
Total Net Assets	3,372	10,127	+6,754
Total Liabilities and Net Assets	9,079	21,208	+12,129

Next, I will give an overview of the consolidated balance sheet.

Due to the financing associated with the IPO and other factors, there has been a large change from the end of the previous fiscal year, but there were two major changes in the latest second quarter.

Mr. Terada explained the capital and business alliance with WingArc1st, and investment securities increased ¥5,019 million mainly due to the acquisition of shares associated with this alliance.

In addition, long-term borrowings under non-current liabilities increased by ¥3,889 million due to the effect of ¥5 billion in bank borrowing for the purpose of the share acquisition cost.

Sansan Business Overview

Operating profit margin greatly improved thanks to continued net sales growth
Profit margin declined compared with Q1 due to having implemented TV commercials in Q2, but as planned

(millions of yen)	FY2018	FY2019		FY: FY2019	
	Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
Sansan Business					
Net Sales	2,346	2,941	+25.4%	5,789	+27.5%
Operating Profit	400	848	+111.9%	2,112	+65.3%
Operating Profit Margin	17.1%	28.9%	+11.8pt	36.5%	+8.3pt
Number of "Sansan" Subscriptions	5,616 subscriptions	6,263 subscriptions	+11.5%		
Monthly Sales per Subscription ⁽¹⁾	146,000 yen	159,000 yen	+8.9%		
Last 12 Months Average of Monthly Churn Rate ⁽²⁾	0.79%	0.54%	-0.25pt		
Number of Employees	255 persons	357 persons	+102 persons		

(1) Monthly results for the end of Q1 in the Sansan Business (incl. some new services other than "Sansan", unaudited)

(2) Ratio of decrease in monthly fees associated with contract cancellations to total monthly fees for existing contracts

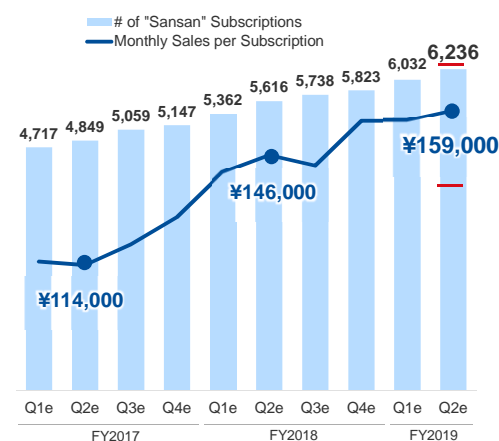
Here are the detailed results by segment.

First of all, in the Sansan Business, net sales increased by 25.4% compared to the same period last year, up to 2,941 million yen and operating profit increased by 111.9% to 848 million yen.

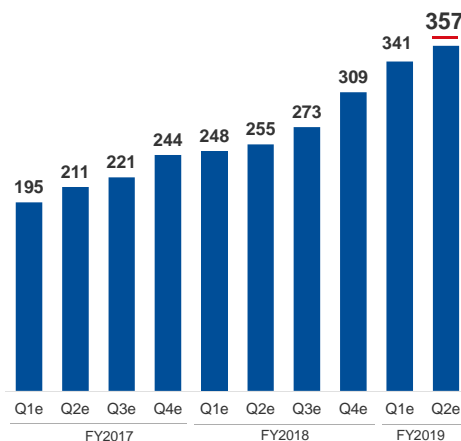
Operating profit margin improved by 11.8 points due to the increase in net sales and the decrease in advertising expenses.

Sansan Business: Number of "Sansan" Subscriptions, Monthly Sales and Number of Employees

Number of subscriptions and monthly sales per subscription have grown steadily
Pace of personnel recruitment, which is mainly for sales department, slowed down slightly but is planned to accelerate in second half

Number of "Sansan" Subscriptions and Monthly Sales per Subscription ⁽¹⁾

Number of Employees in Sansan Business



(1) Monthly results for the end of Q1 in the Sansan Business (incl. some new services other than "Sansan", unaudited)

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Regarding the status of KPIs, The number of contracts for "Sansan" increased 11.5% to 6,263, and average monthly sales per contract increased 8.9% to 159,000 yen.

For the cumulative second quarter, this represents the largest order ever received.

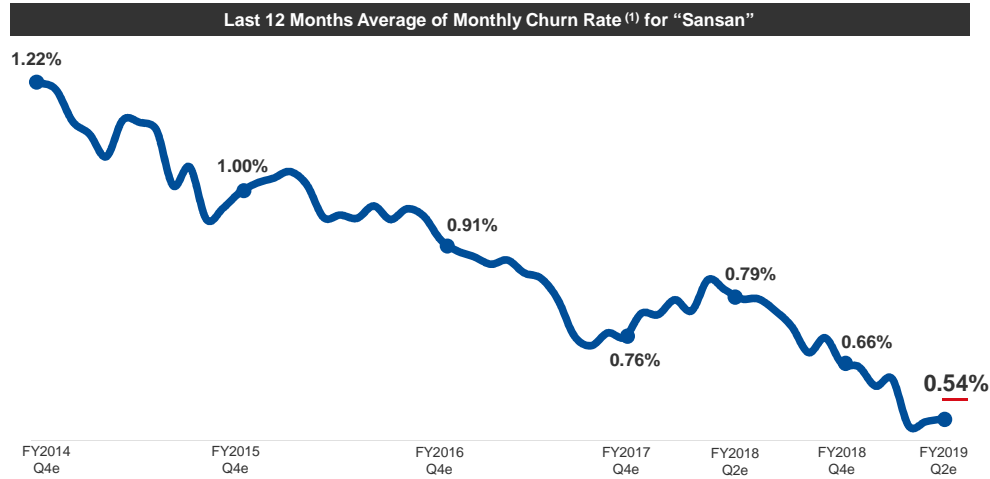
In existing contracts, monthly sales per subscription are expanding steadily. On the other hand, the growth rate slowed down for the first half, due to the effect of increasing the number of salespeople, and new contracts were acquired from relatively small companies.

The number of employees in the Sansan Business as a whole was 357, an increase of 102.

The number of employees increased by 16 compared with the end of the first quarter, and the pace of increase was somewhat moderate, but we expect that recruitment will accelerate in the second half and thereafter.

Sansan Business: Last 12 Months Average of Monthly Churn Rate

Average churn rate over the last 12 months improved by 0.25 points compared to the same period last year, and remained at a low level

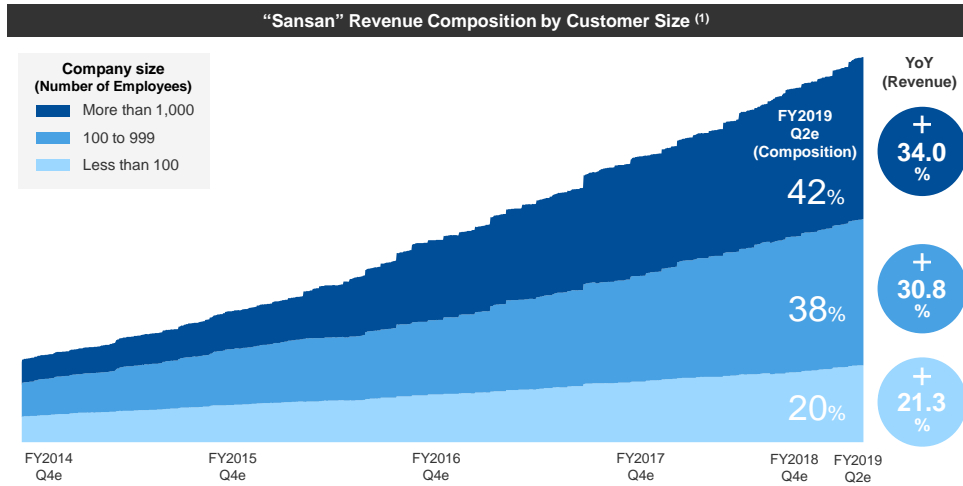


(1) Ratio of decrease in monthly fees associated with contract cancellations to total monthly fees for existing contracts

The average monthly churn rate for the last twelve months is 0.54% and remains at very low level.

Sansan Business: "Sansan" Revenue Composition by Customer Size

Revenue ratio from larger customers with large sales per subscription continues to rise



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When breaking down Sansan's revenue by client size (employee number), as with previous trends, revenue from large companies (over 1,000 employees) increased by 34.0% year-on-year.

From the second half of the previous fiscal year, we have increased the number of employees in the sales department and are working on strengthening sales activities for large companies, however it takes some time for these additional staff to make their presence felt, so this measure has not yet fully effected our business results.

We aim for net sales growth while continuing hiring, strengthening training and education for salespeople.

Eight Business Overview

**Net sales continued to show high year-on-year growth due to strengthened monetization
B2B paid services are driving growth**

(millions of yen)	FY2018	FY2019		FY: FY2019	
	Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
Eight Business					
Net Sales	120	253	+110.2%	504	+139.8%
B2C Services	56	71	+25.6%	143	+27.7%
B2B Services	63	181	+185.4%	361	+267.6%
Operating Profit	-310	-227	—	-466	—
Operating Profit Margin	—	—	—	—	—
Number of “Eight” Users ⁽¹⁾	2.29 million people	2.58 million people	+0.29 million people		
Number of “Eight Company Premium” Subscriptions ⁽²⁾	466 subscriptions	1,164 subscriptions	+149.8%		

(1) Number of confirmed users who registered their business card to their profile after downloading the application

(2) “Eight Company Premium” enables users to share their contacts with colleagues (targeting small companies with under 20 employees)

© Sansan, Inc.

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Finally, I'll explain about Eight business.

Net sales increased 110.2% year-on-year to 253 million yen thanks to strengthening monetization of B2B services etc.

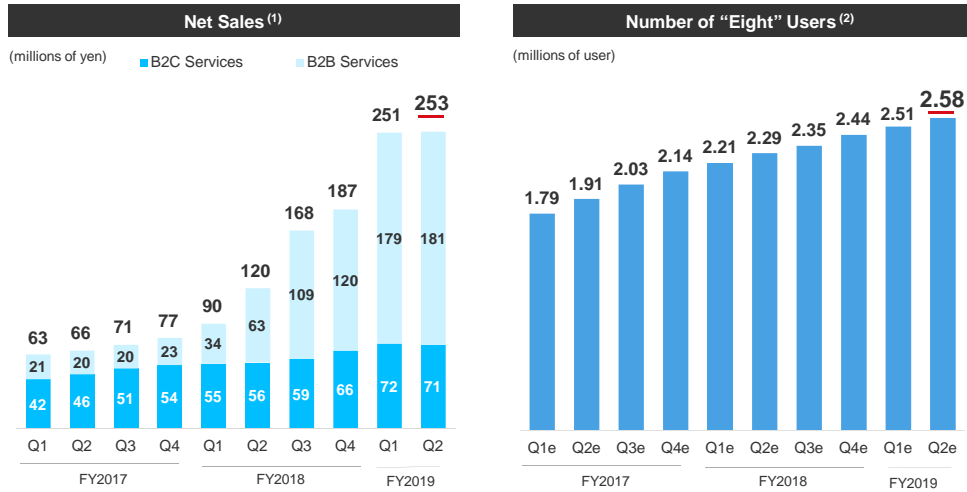
Operating loss decreased by 83 million yen to 227 million yen due to increased net sales.

The number of “Eight Company Premium” subscriptions was 1,164, an increase of 149.8% year-on-year.

Compared with the first quarter, the year-on-year growth rate of net sales declined due to the decrease in the number of meetings for the business event “Meets.”

Eight Business: Net Sales and “Eight” Users

Continued growth of net sales and number of “Eight” users



The number of “Eight” users, with an increase of 0.29 million over the same period last year to 2.58 million.

That brings me to the end of our presentation.

Thank you.

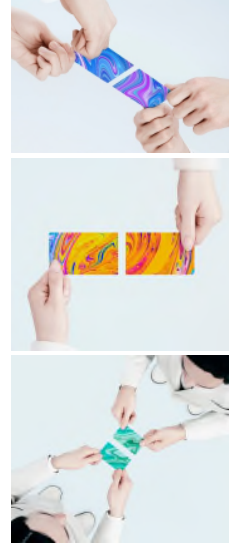
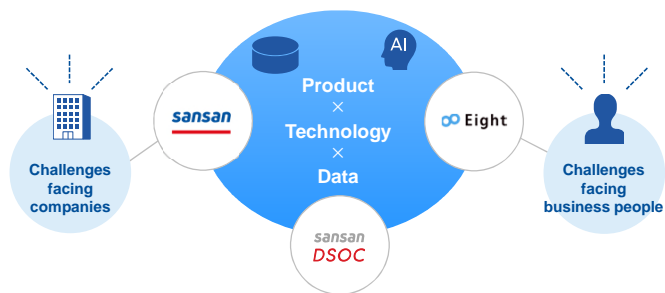
Appendix



Mission

Turning Encounters into Innovation

— A Business Platform to Challenge the World —



Overview of Businesses and Services

Platforms to transform business and individual contact information into assets

sansan

Effortless Organization. Seamlessly Simple.

The No.1 share in contact management service, gathering all business cards held by the company, to transform business cards into valuable assets



- More than **6,200** subscriptions constituting the customer base
- Monthly churn rate below **1.0%** ⁽¹⁾

o Eight

Business Social Networking Based on Business Card Information

Eight is a personal business card app that builds your own business network with imported business cards

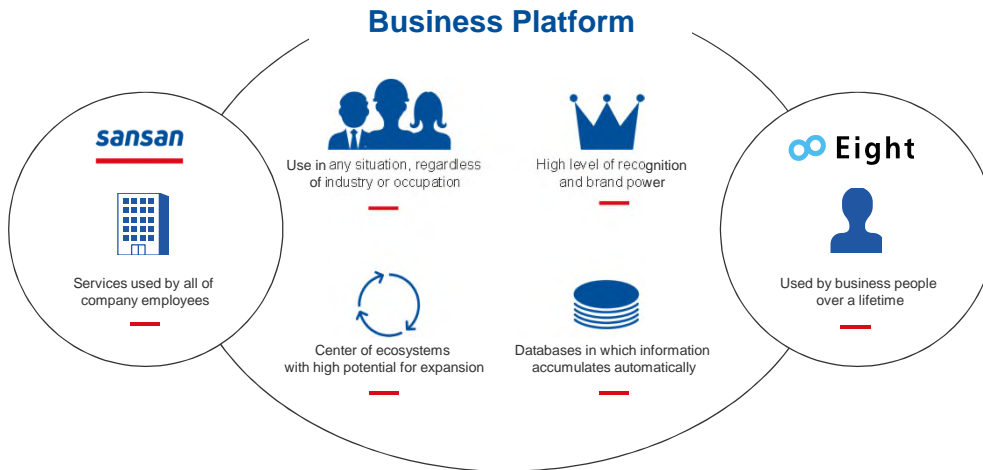


- **No.1** share in mobile contact management apps
- More than **2.5 million** users ⁽²⁾

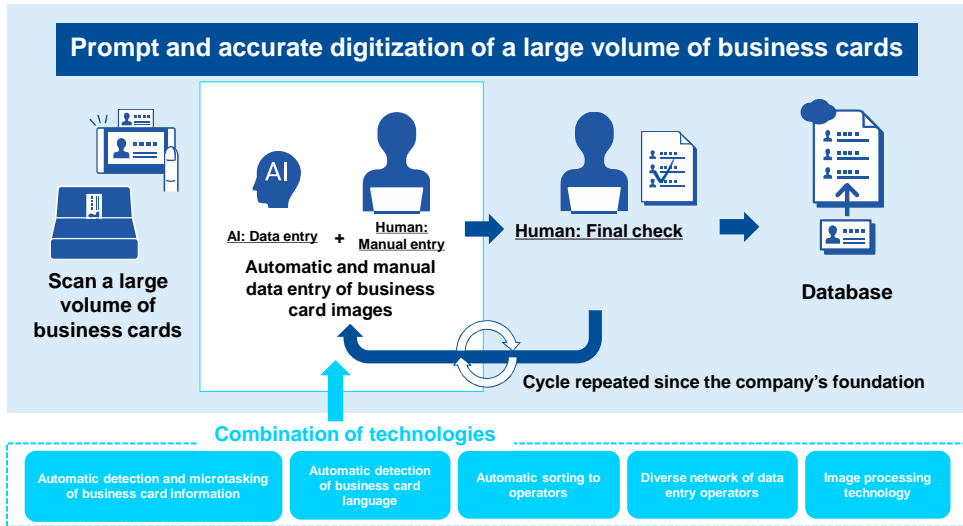
(1) Average monthly churn rate over the past 12 months, which is the ratio of decrease in monthly fees associated with contract cancellations to total monthly fees from existing contracts
(2) Number of confirmed users who registered their business card to their profile after downloading the application

Features Characterizing the Business Platforms

**Establish a solid position as a business platform
while diversifying medium- to long-term growth opportunities**



The establishment of a business card digitization operation structure unsurpassed by competitors

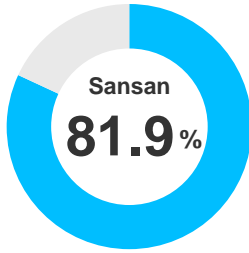


Competitive Edge: Overwhelming Market Share and Solid Customer Base

Sansan, the contact management market pioneer, has acquired overwhelming market share and diverse set of customers

Overwhelming Market Share and Recognition

Sales share in 2017 ⁽¹⁾



Fifth TV commercial title:
We know the customer 2017, "Our boss missed an opportunity" ⁽²⁾



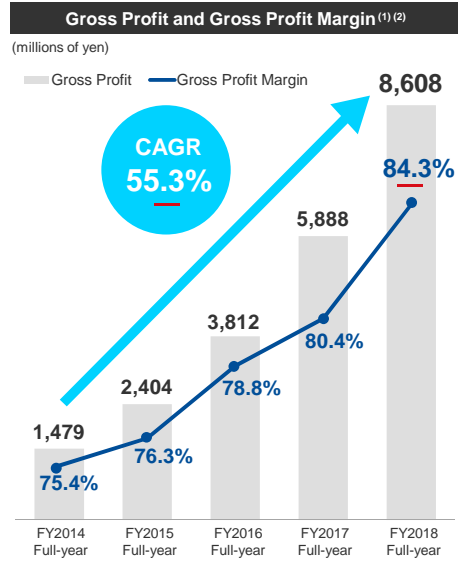
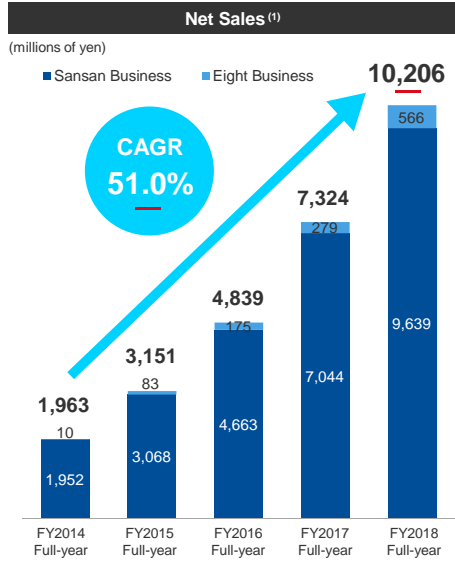
Seventh TV commercial
broadcast from November 4, 2019

Solid Customer Base with more than 6,200 Subscriptions



(1) Sales share of companies in the contact management services for corporations based on "Contact Management Service Market and SFA/CRM Businesses" by Seed Planning, Inc. released in November 2018
(2) Won the top prize in the service and culture section of the 71th Dentsu Advertising Awards

Business Performance (FY2014 to FY2018)

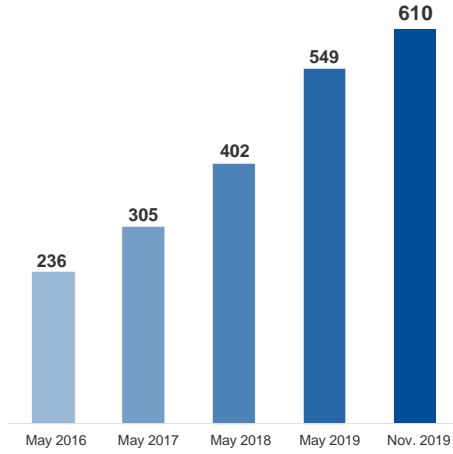


(1) Results for FY2015 and before are unaudited
 (2) Business card entry costs in the Eight Business are recorded in SG&A

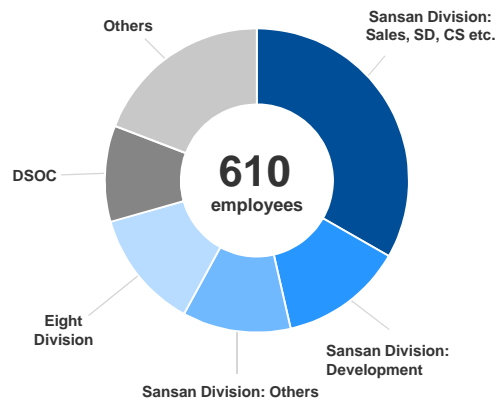
About Employees

Number of Employees ⁽¹⁾

(persons)



Breakdown by Organization ⁽²⁾



(1) Non-consolidated basis in FY2015 and before, and consolidated-basis since FY2016
(2) As of the November 30, 2019

Company Overview

Company Name	Sansan, Inc.
Foundation	June 11, 2007
Head Office	Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo
Other locations	Branch offices: Osaka, Nagoya, Fukuoka Satellite offices: Kamiyama Lab (Tokushima), Sansan Innovation Lab (Kyoto), Nagaoka Lab, Sapporo Lab
Subsidiaries	Sansan Global PTE. LTD. (Singapore) Sansan Corporation (United States)
CEO	Chika Terada
Number of Employees	610 (As of November 30, 2019)
Capital	¥6,234 million
Net Sales	¥10,206 million (FY2018)
Classification by Type of Shareholder	Domestic Financial Institutions:15.90%, Security Firms:1.76%, Other Domestic Corporations:3.43%, Foreign Financial Institutions and Individuals:27.72%, Individuals and Others:51.19% (As of November 30, 2019)

Basic Features of "Sansan"

"Sansan" offers contact management features to transform unutilized business cards into assets



Challenges facing companies

- Business card information not shared within the office
- Insufficient internal communication
- Not aware of the value of business card information

Basic features of "Sansan"

Business card management/utilization

"AI Contact Management" Digitizes business card data with 99.9% accuracy



Major features

Contact management



- Business card search
- Business card sharing
- Smartphone app
- Person profile
- News feed
- Company search
- Organizational tree
- E-mail delivery

Customer management



User benefits

Productivity Streamlined operations Cost reduction
Creation of business opportunities

Basic Service Plan for "Sansan"

Service price for "Sansan" is determined by the following four features ⁽¹⁾

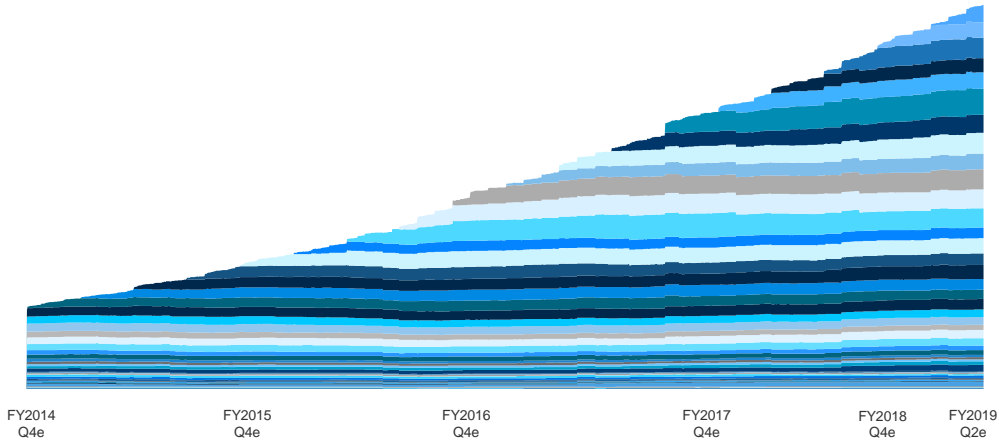
1 Initial cost <small>(Initial costs)</small>	12 months' license cost Cost for digitizing all existing business cards	Timing of payment At the start of the contract At the start of the contract At the start or renewal of the contract At the start or renewal of the contract
2 Customer Success Plan <small>(Initial costs)</small>	Offer ¥200,000, ¥600,000 and ¥1,500,000 plans ⁽²⁾ Costs for implementation and operational support of Sansan's services	
3 Scanner <small>(Running costs)</small>	Monthly ¥10,000 per scanner Rent scanners and tablets to customers, whose number responds to the number of their office floors, and/or the number of branches	
4 License cost <small>(Running costs)</small>	Determined according to the monthly number of exchanged business cards Tens of thousands to millions of yen per subscription ⁽³⁾	

(1) "Sansan" also offers other options including security control, etc.
 (2) Sansan also offers annual subscription plans according to license cost
 (3) Assumes company-wide usage of "Sansan" service

"Sansan" Revenue Stack-up: Accumulation of Net Sales by Service-in Timing

Continued achievement of negative churn ⁽¹⁾

"Sansan" Revenue Stack-up: Accumulation of Net Sales by Service-in Timing ⁽²⁾



(1) Status where increase of revenue generated by the existing subscriptions is greater than revenue reduced as a consequence of cancellation
(2) Created based on monthly "Sansan" license charge (unaudited)

Service Outline of "Eight"

SNS platform for business with the largest number of active users in Japan



Challenges facing business people

- Is not making the most out of business encounters
- Lacks sufficient access to business card information
- Desire to use business SNS without becoming friends

Digitize business cards with high level of accuracy by using technologies developed through Sansan Division

Offering a lifetime SNS platform for business

Profile Management



Contact Management Communications



Connect with Companies (information gathering)



Monetize opportunities

B2C Model

Paid plan for individuals:
"Eight Premium"

B2B Model

Paid plan for corporations:
"Eight Company Premium"

Ad. delivery:
"Eight Ads"

Business events:
"Meets"

Recruiting platform:
"Eight Career Design"

sansan