# IR Day 2025 Transcription of Mid-Term Financial Policy for Enhancing Corporate Value by CFO

sansan

IR Day 2025

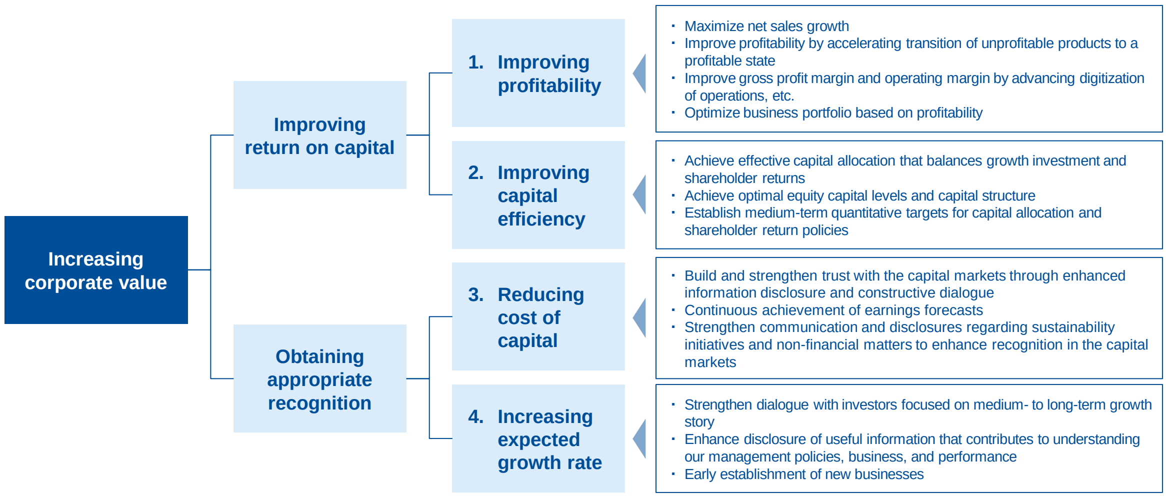
## Mid-Term Financial Policy for Enhancing Corporate Value

Sansan, Inc. | October 30, 2025

I am Muneyuki Hashimoto, the CFO.

In my session, I will discuss our medium-term financial policy aimed at enhancing corporate value, as well as our approach to future growth investments.

## Policy for Realizing Management That Is Conscious of Cost of Capital and Stock Price






This is our initiatives in line with the Tokyo Stock Exchange’s guidance on “Management that is Conscious of Cost of Capital and Stock Price. “

I will explain each of the following four perspectives:

・Improving profitability

・Improving capital efficiency

・Reducing cost of capital

・Increasing expected growth rate

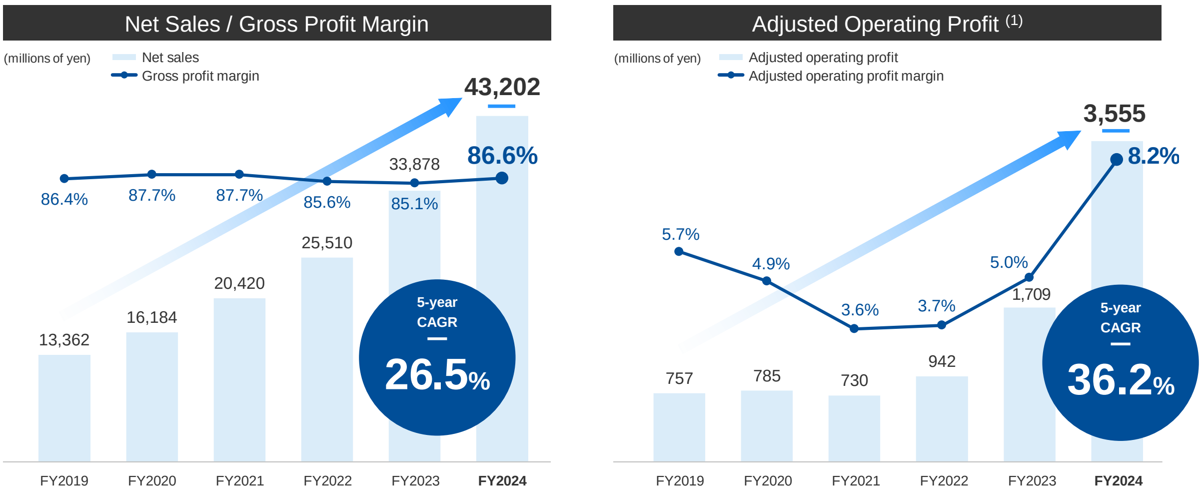
# 1. Initiatives to Improve Profitability



First, our initiatives to improve profitability.

1. Initiatives to Improve Profitability

## Past Performance Trend




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



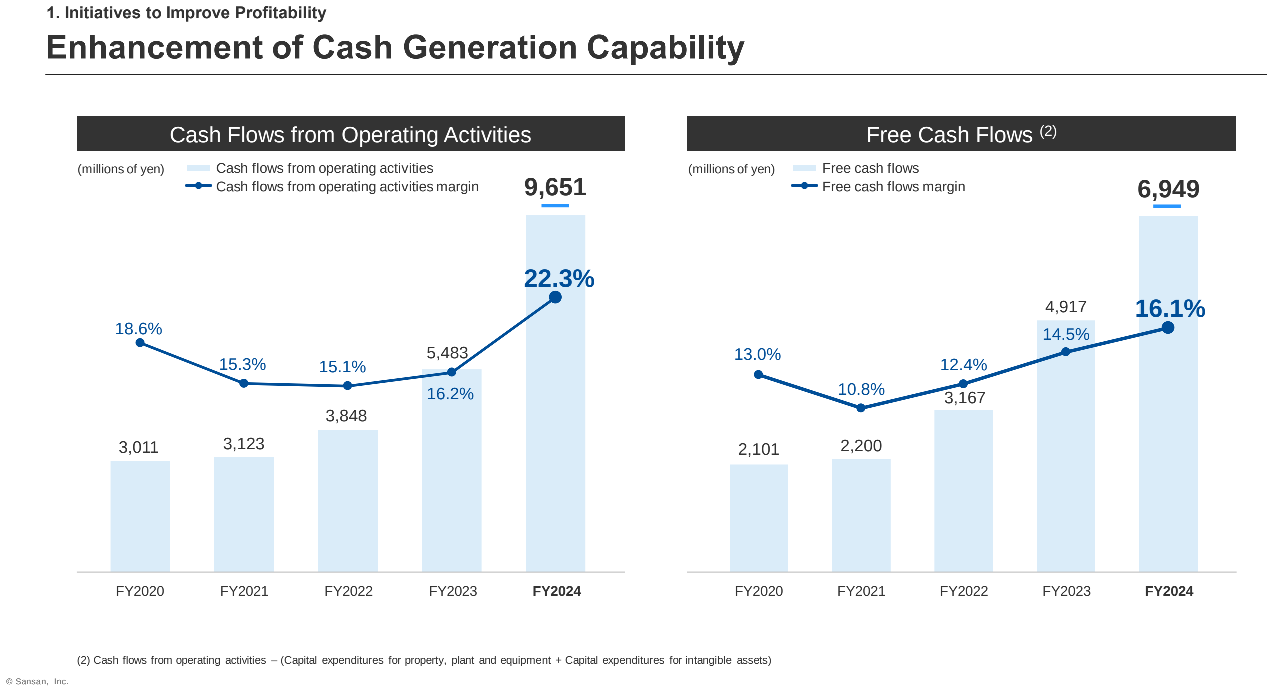
Over the past five years, our steady growth in Sansan, together with the rapid expansion of Bill One, has driven net sales CAGR of 26.5%.

Leveraging the revenue structure unique to SaaS and our strong competitive advantage built on proprietary technologies, we have achieved a high gross profit margin of over 80%.

Furthermore, we expect continued improvement in our profit margin through enhanced operational efficiency enabled by generative AI.

We place emphasis on adjusted operating profit, which is defined as operating profit plus share-based payment expenses and amortization related to M&A activities. Driven by improved profitability across our solutions, this metric has been growing at a pace exceeding that of revenue.

As our revenue grows, profits are expanding at an even faster pace — demonstrating a profit structure with strong operating leverage. We are now in a phase where we can achieve growth in both revenue and profit.




This trend of increasing revenue and profit is directly reflected in our cash flow.

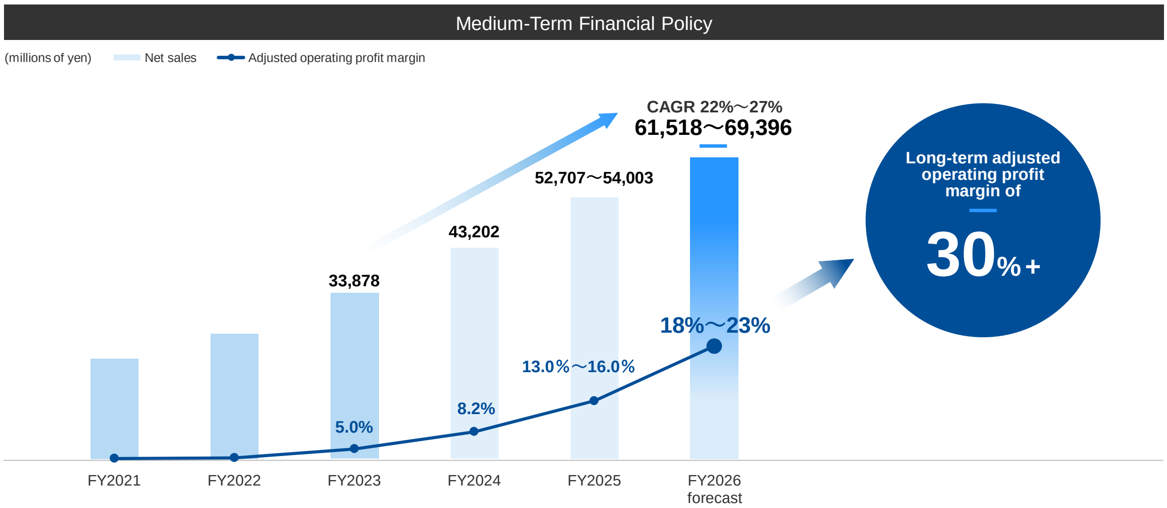
Operating cash flow remains positive and continues to show an upward trend.

In the previous fiscal year, FY2024 or Fiscal Year ending May 2025, we recorded a one-time expenditure of about 2 billion yen related to the relocation of our headquarter office. Nevertheless, our free cash flow margin reached 16.1%.

Looking ahead, we expect free cash flow to continue expanding, providing us with ample capacity for growth investments and future shareholder return.

1. Initiatives to Improve Profitability

# Medium-Term Financial Policy





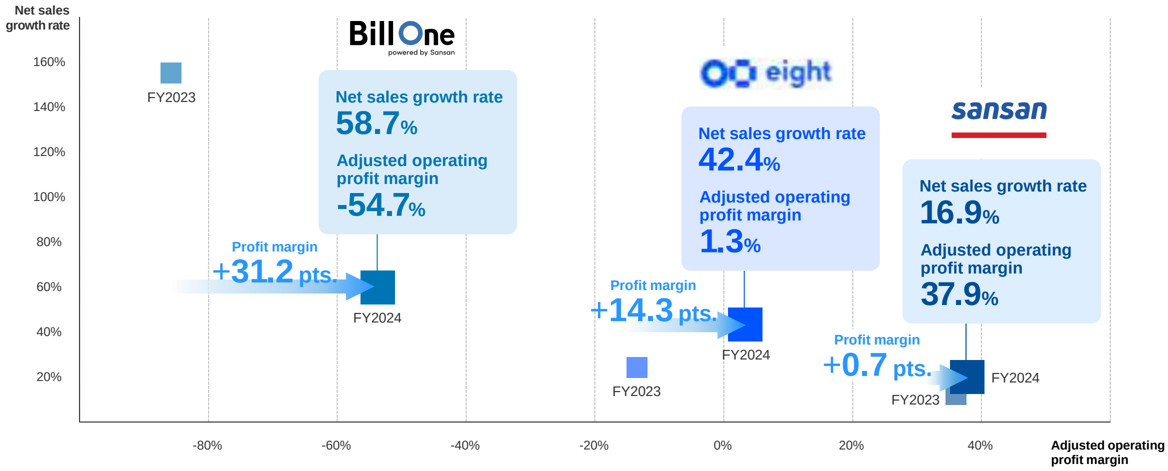

As part of our medium-term financial policy, we aim to achieve net sales CAGR of 22 to 27% over the three-year period from FY2024 to 26, and an adjusted operating profit margin of 18 to 23% for FY2026.

In FY24, our first year under the plan, we have achieved results in line with our targets, and the outlook disclosed for the second year, FY25, also remains at a sound and achievable level.

Our performance in the first quarter of the current fiscal year has remained solid, and we are making steady progress toward achieving our targets for the final year of the plan.

1. Initiatives to Improve Profitability

## Net Sales Growth Rate and Adjusted Operating Profit Margin by Product






As we work toward improving our profit margins, I would like to provide an overview of the profitability of our key solutions.

In FY2024, Sansan maintained steady net sales growth and achieved a profit margin of 37.9%, exceeding the previous year's level.

Bill One is currently in a phase requiring upfront investment and is operating at a loss; however, its ARR has surpassed 10 billion yen, and significant progress has been made in improving profitability.

If the net sales growth continues, we believe that Bill One could reach profitability by the fiscal year ending May 2027.

And in the medium to long term, Bill One is also expected to achieve a high profit margin similar to Sansan.

Eight has achieved full-year profitability, driven by its net sales growth.

As you can see, each of our key solutions is at a different stage of development, but all have shown improvements in profitability. Over the long term, we aim to achieve an adjusted operating margin of 30% or higher on a company-wide basis.

# 2. Initiatives to Improve Capital Efficiency



Next, regarding improvements in capital efficiency.



## Capital Allocation Priorities

| | | | |
|---|---|---|---|
| 1 Growth Investment | Strengthening existing businesses | Creating new businesses | M&A |
| 2 Shareholder Returns | [1] Share buybacks | | |
| | [2] Dividends | | |



I will explain our approach to capital allocation.

We are still in a growing phase, and our top priority for capital allocation remains growth investments.

Our growth investments include strengthening existing businesses, creating new businesses, and M&A.

For example, in our existing businesses, continued investment in Sansan service has led to a reacceleration in net sales growth in the previous fiscal year.

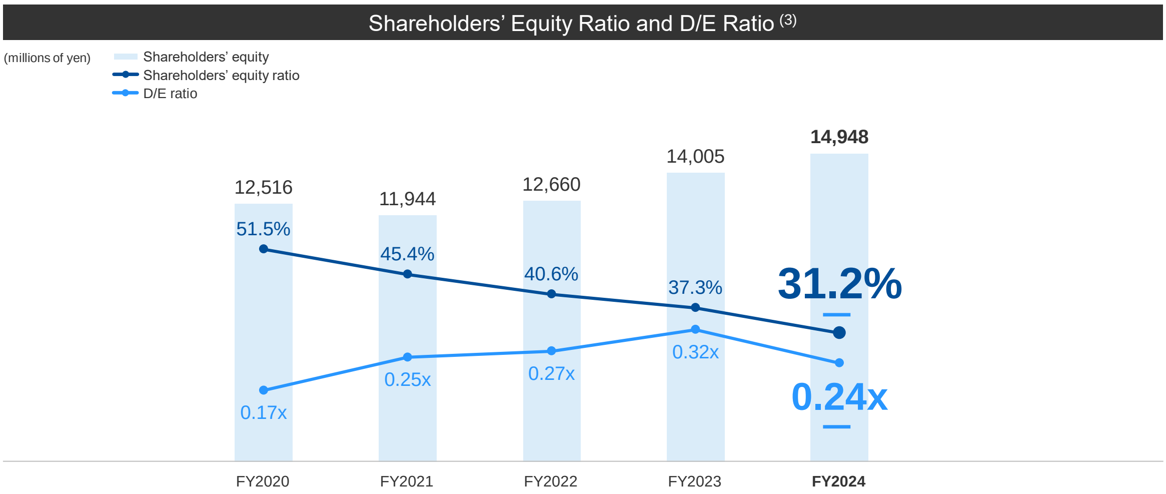
In our new business, Contract One, which we launched as a new initiative, we expect net sales growth of over 70% for the current fiscal year, clearly reflecting the positive results of our investments.
Furthermore, we will actively pursue M&A opportunities involving companies in closely related or highly synergetic business domains, as well as those with outstanding technologies.

On the other hand, regarding shareholder returns, it is difficult to present a quantitative policy at this stage due to the limited distributable amount under the Japanese Companies Act.
However, in terms of priority, we intend to conduct share buybacks first, followed by dividend payments.
In fact, in July 2024, we conducted our first-ever share buyback. Going forward, we plan to respond flexibly based on our financial position and market conditions.

Looking ahead, we plan to clarify our capital allocation policy at an appropriate time, with a view to expanding free cash flow and distributable amounts, in order to maximize capital efficiency and shareholder value.

2. Initiatives to Improve Capital Efficiency

## Balancing Financial Soundness and Appropriate Leverage




(3) Interest-bearing debt included in the numerator of the D/E ratio consists of the followings: Short-term borrowings, Current portion of long-term borrowings, Long-term borrowings



Although our shareholders' equity ratio has declined from around 50% in the past to the low 30% range today, we view this as a result of optimizing capital efficiency through proactive growth investments and the strategic use of borrowings.

Since our listing, we have maintained an appropriate level of equity in line with business growth and profitability, without securing an excessive amount of capital through equity financing.

Our D/E ratio has remained in the range of 0.17 to 0.32 times, and considering our future profit growth and cash flow expansion, we believe that there is still enough room to appropriately leverage debt while maintaining a sound financial position.

In considering future growth investments and shareholder returns, we intend to prioritize the use of internal funds first, followed by the flexible use of debt, in order to further enhance our capital efficiency.

# 3. Initiatives to Reduce Cost of Capital



Next, I will explain our efforts to reduce cost of capital.

From a practical standpoint, we believe that disclosing appropriate earnings forecasts and reliably achieving them strengthens our credibility with capital markets. And then, it helps suppress risk premiums, and ultimately leads to a lower cost of capital.
Furthermore, in addition to our financial initiatives, we are actively promoting sustainability efforts as part of our non-financial initiatives.

3. Initiatives to Reduce Cost of Capital

## Initiatives for Sustainability

| | Priority Areas | Material Issues | Metrics | Targets for FY2029 (4) | Material Issue Owner |
|---|---|---|---|---|---|
| 1 | **Balance Security and Convenience**<br>Besides convenience, we also implement measures to ensure that our employees maintain data privacy and information security, thereby providing society with a highly safe and stable service. | 1. Provide safe and stable infrastructure services<br>2. Ensure robust protection of data privacy and Information security | Number of major incidents | 0 | <br>**Kenji Shiomi**<br>Director, Executive Officer, CISO, DPO, Engineering Division Head |
| | | | Proportion of those qualified as Protection of Individual Information Person | maintained at 80%+ | |
| 2 | **Transform Work Through Innovative DX Services**<br>To become business infrastructure, we will leverage our strengths in digitization to develop and provide innovative DX services that substantively improve social and economic productivity. | 3. Promote DX services that improve productivity<br>4. Create innovative business infrastructure | Number of items converted from analog to digital information using our services (5) | 500 million | <br>**Kei Tomioka**<br>Director, Executive Officer, COO |
| | | | Number of users of our services (5) | 20 million people | |
| 3 | **Respect Employee Diversity and Producing Innovation**<br>To produce innovation that helps solve business challenges through the power of encounters, we promote creation and provision of opportunities and environments for our diverse workforce to succeed. | 5. Promote recruitment, development, and success of human resources<br>6. Promote diversity, equity, and inclusion | Proportion of recruitment through referrals | 35% | <br>**Yuta Ohma**<br>Director, Executive Officer, CHRO |
| | | | Unipos (6) (peer bonus) posting rate | 80% | |
| | | | Ratio of female employees in management positions | 30%+ | |
| | | | Ratio of female employees | 45%+ | |

(4) Results and targets presented here are for the Company on a non-consolidated basis.
(5) Results for the Company's services are aggregated for Sansan, Bill One, Contract One and Eight.
(6) Unipos is a service centered on the peer bonus system provided by Unipos, Inc.



Based on international guidelines and feedback from our stakeholders, we have identified social issues closely aligned with our business as our material issues, and for each of these we have set quantitative targets toward FY2029.

3. Initiatives to Reduce Cost of Capital

## Initiatives for Sustainability

| | Priority Areas | Material Issues | Metrics | Targets for FY2029 | Material Issue Owner |
|---|---|---|---|---|---|
| 4 | **Establish a Firm Management Structure to Support Rapid Business Growth**<br>To support our growth under a multiproduct structure, we will reinforce our management structure by strengthening corporate governance and ensuring compliance. | 7. Strengthen corporate governance<br>8. Ensure compliance | Ratio of female Directors | 30%+ | <br>**Muneyuki Hashimoto**<br>Director, Executive Officer, CFO |
| | | | Number of significant compliance violations | 0 | |
| | | | Proportion of employees receiving compliance-related training | 100% | |
| 5 | **Conserve the Environment Through Business**<br>We will promote environmental conservation by addressing climate change issues through our business activities, including advancing DX, supporting paperless work, and introducing environmentally friendly services. | 9. Address climate change issue<br>10. Use natural capital efficiently | Scope 1+2 (7) | carbon neutral | <br>**Chika Terada**<br>Representative Director, CEO, CPO |
| | | | Number of uses of paperless functions in our services | 120 million | |

(7) 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.



Each material issue is overseen by a designated director, and we have established a system to review progress at semi- annual meetings and report the outcomes to the Board of Directors.

3. Initiatives to Reduce Cost of Capital

## Major External Evaluations and Ratings

| Categories | Awards \| Evaluations | | | |
|---|---|---|---|---|
| Annual Reports | Nikkei Integrated Award | Excellence | International ARC Award | Silver |
| Website | Nikko All Markets Ranking in Japan Corporate Websites | Best Excellence | Daiwa Internet IR Award | Excellence |
| | Gomez IR Site Ranking | Bronze | Gomez ESG Site Ranking | Excellence |
| Index | FTSE Blossom Japan Index | Selected | FTSE Blossom Japan Sector Relative Index | Selected |
| Rating | MSCI | A | CDP | B- |



These initiatives have been positively recognized externally, earning us solid evaluations in ESG ratings such as those by MSCI, and inclusion in ESG-related index by FTSE.

Annual Reports and the sustainability information on our website have received high acclaim and multiple awards both in Japan and internationally.

Through these initiatives, we have strengthened trust in both financial and non-financial areas, ultimately contributing to a reduction in our cost of capital.

# 4. Initiatives to Increase Expected Growth Rate



Finally, I will explain our initiatives to increase expected growth rate.

We are committed to engaging in meaningful disclosure and dialogue with investors to ensure our business growth is properly understood and fairly evaluated.



## Major Investor Relations Activities

**Dialogues with institutional investors and analysts**
**445**

**Conferences**
**8**

**Briefings for individual investors**
**2**

**Briefings for investors**
**Financial results briefings 4 / CEO meeting 1**

**IR fairs for individual investors**
**1**

**Overseas roadshows**
**Visit to U.S. 1 / Visit to U.K. 1 / Visit to Hong Kong and Singapore 1**

In FY2024, we held 445 meetings with institutional investors and analysts.

In addition, we are expanding dialogue through various channels, including financial results briefings, overseas roadshows led by top management, and presentations for individual investors.

4. Initiatives to Increase Expected Growth Rate

## Enhancement of Information Disclosure




As part of our proactive disclosure efforts, we are also focusing on the preparation of our annual report. The latest edition is scheduled to be published tomorrow, October 31st.

In this report, we present our value creation story in a structured manner and provide a comprehensive perspective of how the evolution of our corporate philosophy is reflected in our culture and strategies.

## (Reposted)
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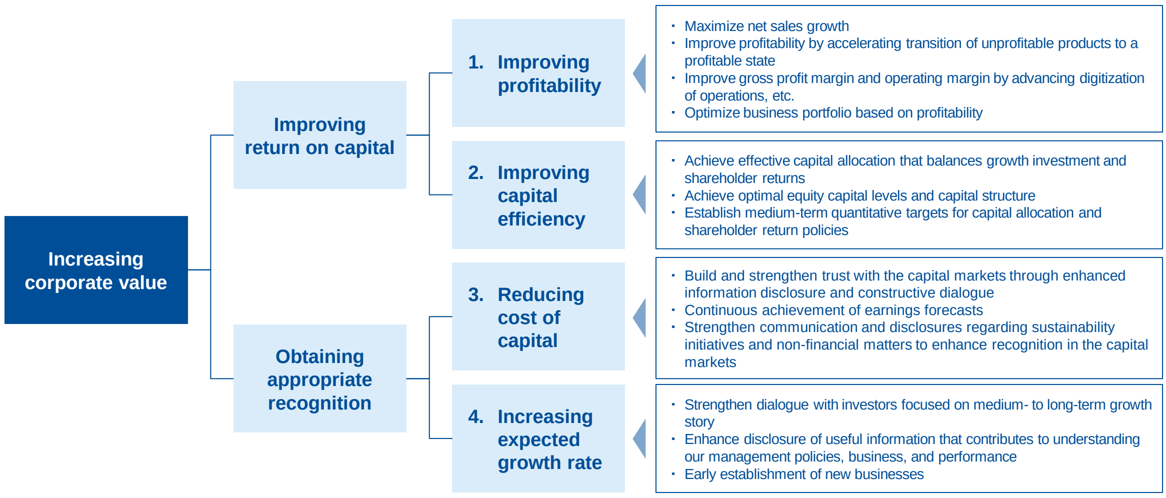




To conclude, let me summarize four key takeaways:

• Further enhance profitability by achieving both net sales and profit growth

• Optimize capital allocation and shareholder returns while maintaining a focus on growth investments.

• Promote initiatives to reduce cost of capital, including those related to sustainability

• Increase our expected growth rate through active dialogue with the capital markets.

Through these efforts, we aim to achieve sustainable enhancement of our corporate value.

Thank you very much for your attention.