

**Anticipated High-Interest Items in Q3 Results  
for Fiscal Year Ending May 31, 2025 (“FY2024”)**

■ **Consolidated Results/Others**

**Q1: Why did your sales growth rate increase during Q3?**

The increase reflects the steady progress among our services. Specifically, sales revenue from Sansan increased by 18.0% and sales revenue from Eight increased by 71.8%, with solid growth in B2C services and huge growth in B2B services. Sales revenue from Bill One remains high.

**Q2: What factors contributed to the increase in the gross profit margin?**

This is primarily due to an increase in the gross profit margin of Bill One as a result of improved operation to digitize analog information.

**Q3: Adjusted operating profit increased beyond the rate of revenue growth. In particular, profit margin for Q3 was up. What factors contributed to this result?**

Adjusted operating profit margin improved with the growth in net sales coupled with an improvement in gross profit margin and a decrease in the ratio of advertising expenses to net sales. Alongside these factors, the ratio of personnel expenses to net sales decreased in Q3, bringing adjusted operating profit margin to a record high of 16.3%. It is also worth noting that, whereas we recorded approx. ¥0.7 billion of one-off relocation expenses in H1 due to the head office relocation, we no longer recorded such expenses in Q3 and beyond, allowing for a better bottom line.

**Q4: What factors contributed to the large increase in profit attributable to owners of parent?**

The increase reflects the fact that we recorded gain on sale of investment securities in Q2 after selling a portion of our shareholdings.

**Q5: How is your progress against the full-year forecasts?**

Both net sales and adjusted operating profit are progressing steadily within the range of the full-year forecasts.

## ■ Sansan/Bill One Business

### **Q6: What factors contributed to the increase in growth rate in Sansan's recurring sales in Q3?**

This increase reflects the record high number of new contracts won in the 3-month period of Q2, a result of strengthening the sales team structure by developing new sales personnel. Normally, it takes one to two months for new contracts to be reflected in actual results of net sales and the number of subscriptions. With this time lag, Q3 saw substantial growth in number of new contracts won and in monthly recurring sales per subscription, which explains the accelerated growth in Sansan's recurring sales.

The amount of new contracts won during the 3-month period of Q3 increased by 43.4% YoY, indicating strong results.

### **Q7: Compared to Q2, you recorded a net increase in Bill One's number of paid subscriptions but a decrease in its monthly recurring sales per paid subscription. What contributed to these results?**

We saw a net increase in the number of paid subscriptions but a decrease in monthly recurring sales per paid subscription because, in the course of hiring and training new sales personnel, we made progress in winning relatively small-scale customers. You should know that our monthly recurring sales per paid subscription tend to fluctuate by quarter, reflecting the scale and type of contracts won.

### **Q8: In Q3, the net increase in Bill One's monthly recurring revenue (MRR) fell short of the net increase in Q2. What factors contributed to this result?**

It was a result of us winning fewer new contracts than we did in Q2. The number of new contracts won tends to be lower in Q3 compared to Q2, as the quarter falls at the end of the calendar year, and this seasonal effect was particularly prominent in the period under review. We also experienced a dip in sales productivity that was worse than expected.

Efforts remain ongoing to enhance training of Bill One's sales personnel. These efforts are beginning to bear fruit.

## ■ Eight Business

### **Q9: Quarterly net sales are usually higher in Q2 and Q4 than in the other quarters, but this year they were higher in Q3 than in Q2. What factors contributed to this result?**

The main factor was that we held several business events in Q3. In previous years, we would hold large-scale business events in Q2 and Q4, meaning that relatively few events would be held in Q3. This year, however, we established an internal system that enabled us to hold more events.

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