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## Highlights of FY2024 Q3 YTD Results

### Solid performance continued in sales

Net sales increased by 28.5% YoY.
ARR [1] increased 26.8% YoY to ¥39,420 million

### Adjusted operating profit [2] increased substantially, with improved profit margin

Adjusted operating profit increased by 136.5% YoY.
Adjusted operating profit margin for the third quarter alone was high, at 16.3%, reflecting decreases in cost of sales ratio and SG&A ratio.

### Sansan, the sales DX solution, experienced continued solid growth

Sansan net sales up 16.6% YoY.
The pace of growth in recurring sales accelerated further in Q3 with steady progress in developing the sales force.

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




[Title]
Sansan reports a 136.5% YoY increase in adjusted operating profit, with Sansan continuing its growth and the Eight Business achieving profitability with higher sales and profit

[Lead]
This is a transcription of the April 11, 2025 presentation of Sansan, Inc.'s third quarter results for the fiscal year ending May 31, 2025.

[Speaker]
Muneyuki Hashimoto, Director, Executive Officer, CFO

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Muneyuki Hashimoto (hereinafter, Hashimoto): Thank you for attending our earnings results presentation today. I am Muneyuki Hashimoto, CFO of the Company. Today, I will walk you through the highlights of our financial results for Q3 of the fiscal year ending May 31, 2025.

## Highlights of FY2024 Q3 YTD Results

1 Financial Results for FY2024 Q3

### Highlights of FY2024 Q3 YTD Results

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Please turn to page 4. Here are the highlights of our year-to-date results for Q3 of the fiscal year ending May 31, 2025.

First, net sales were up 28.5% YoY, with consolidated ARR amounting to about ¥39,420 million as of February 28, 2025.

Second, adjusted operating profit increased by 136.5% YoY. For Q3 alone, we achieved the adjusted operating profit margin of as high as 16.3%.

Third, Sansan, our sales DX solution, further accelerated the pace of growth in recurring sales in Q3, due primarily to the effects of the recruitment of sales force implemented in the previous fiscal year and subsequent development thereof. This resulted in a solid net sales growth of 16.6% YoY.

**Overview of Financial Results**

1 Financial Results for FY2024 Q3

## Overview of Financial Results

**Net sales for Q3 up 30.2% YoY, indicating strong growth.**
**Adjusted operating profit and other line-item profits increased substantially with the growth in net sales coupled with an improvement in gross profit margin and a decrease in SG&A ratio.**

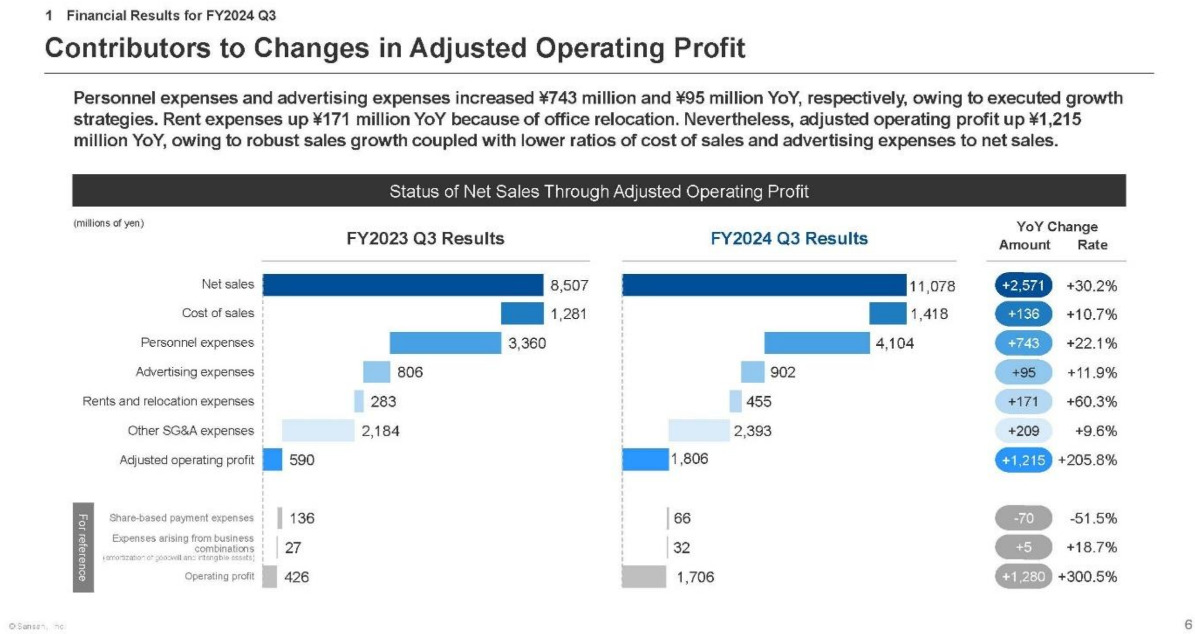
| Financial Results (millions of yen) | FY2023 Q3 Results | FY2024 Q3 Results | FY2024 YoY | (For Reference) FY2024 Q3YTD Results | (For Reference) FY2024 YoY |
|---|---|---|---|---|---|
| Net sales | 8,507 | 11,078 | +30.2% | 31,137 | +28.5% |
| Gross profit | 7,226 | 9,660 | +33.7% | 27,001 | +30.8% |
| Gross profit margin | 84.9% | 87.2% | +2.3 pts. | 86.7% | +1.5 pts. |
| Adjusted operating profit | 590 | 1,806 | +205.8% | 2,634 | +136.5% |
| Adjusted operating profit margin | 6.9% | 16.3% | +9.4 pts. | 8.5% | +3.9 pts. |
| Ordinary profit | 409 | 1,715 | +318.7% | 1,854 | +173.6% |
| Profit attributable to owners of parent | 322 | 1,377 | +326.9% | 1,697 | +243.0% |
| EPS | ¥2.57 | ¥10.69 | +316.5% | ¥13.47 | +241.8% |




The group-wide results for Q3 alone is as shown on page 5. Net sales were up 30.2% YoY, indicating an accelerated growth in Q3. Gross profit margin was up 2.3 percentage points YoY due to the improvement in the information digitization operation, which helped increase the profit margin of Bill One.

Adjusted operating profit margin increased 9.4 percentage points YoY to a highest-ever 16.3% thanks to the growth in net sales, coupled with an improvement in gross profit margin and a decrease in SG&A ratio. Both ordinary profit and profit attributable to owners of parent increased substantially owing to a decrease in share-based payment expenses.

**Contributors to Changes in Adjusted Operating Profit**




Please turn to page 6. I will explain the contributors to the changes in adjusted operating profit. On top of the robust growth in net sales of 30.2%, the cost of sales ratio fell by 2.3 percentage points, improving the gross profit margin.

Looking at SG&A expenses, while personnel expenses increased by ¥743 million YoY, the ratio of personnel expenses to net sales fell by 2.3 percentage points. Similarly, advertising expenses increased by ¥95 million YoY, but the ratio of advertising expenses to net sales fell by 1.3 percentage points. As a result, adjusted operating profit was up ¥1,215 million YoY, with the profit margin improved by 9.4 percentage points.

We have recorded approximately ¥700 million of office relocation expenses for H1 of the current fiscal year, which ended the recording of one-off expenses. Accordingly, Q3 saw only a ¥171 million increase in rent expenses, which will be incurred on a recurring basis going forward.

## Results by Segment

1 Financial Results for FY2024 Q3

### Results by Segment

**Sansan/Bill One business achieved solid growth in net sales and substantial growth in adjusted operating profit.**
**Eight business substantially increased net sales and achieved adjusted operating profitability.**

| | (millions of yen) | FY2023 Q3 Results | FY2024 Q3 Results | FY2024 YoY | (For Reference) FY2024 Q3YTD Results | (For Reference) FY2024 YoY |
|---|---|---|---|---|---|---|
| Net Sales | Consolidated | 8,507 | 11,078 | +30.2% | 31,137 | +28.5% |
| | Sansan/Bill One Business | 7,646 | 9,668 | +26.5% | 27,412 | +26.5% |
| | Eight Business | 771 | 1,324 | +71.8% | 3,460 | +51.8% |
| | Others | 121 | 122 | +0.9% | 364 | -3.9% |
| | Adjustments | -30 | -36 | – | -99 | – |
| Adjusted Operating Profit | Consolidated | 590 | 1,806 | +205.8% | 2,634 | +136.5% |
| | Sansan/Bill One Business | 812 | 1,680 | +106.9% | 2,677 | +52.3% |
| | Eight Business | -196 | 154 | – | 39 | – |
| | Others | -25 | -29 | – | -83 | – |

Please see page 7 for an overview of each segment.

The Sansan/Bill One business achieved solid top line growth and an increase in adjusted operating profit. The Eight business substantially increased net sales, achieving adjusted operating profitability for both Q3 and year-to-date results.

**Sansan/Bill One Business Overview**

1 Financial Results for FY2024 Q3

## Sansan/Bill One Business Overview

**Sansan showed solid growth, and Bill One continued a high-growth trend, resulting in the segment sales up 26.5% YoY. Adjusted operating profit for Q3 up 106.9% YoY, despite growth investments primarily for Bill One.**

| | (millions of yen) | FY2023 | FY2024 | | (For Reference) FY2024 | |
|---|---|---|---|---|---|---|
| | | Q3 Results | Q3 Results | YoY | Q3YTD Results | YoY |
| Sansan/ Bill One Business | Net sales | 7,646 | 9,668 | +26.5% | 27,412 | +26.5% |
| | Sansan | 5,746 | 6,783 | +18.0% | 19,532 | +16.6% |
| | Sansan recurring sales | 5,445 | 6,403 | +17.6% | 18,463 | +16.5% |
| | Sansan other sales | 300 | 379 | +26.1% | 1,068 | +17.2% |
| | Bill One | 1,680 | 2,561 | +52.4% | 7,017 | +64.4% |
| | Others | 218 | 323 | +48.2% | 862 | +34.5% |
| | Adjusted operating profit | 812 | 1,680 | +106.9% | 2,677 | +52.3% |
| | Adjusted operating profit margin | 10.6% | 17.4% | +6.8 pts. | 9.8% | +1.7 pts. |





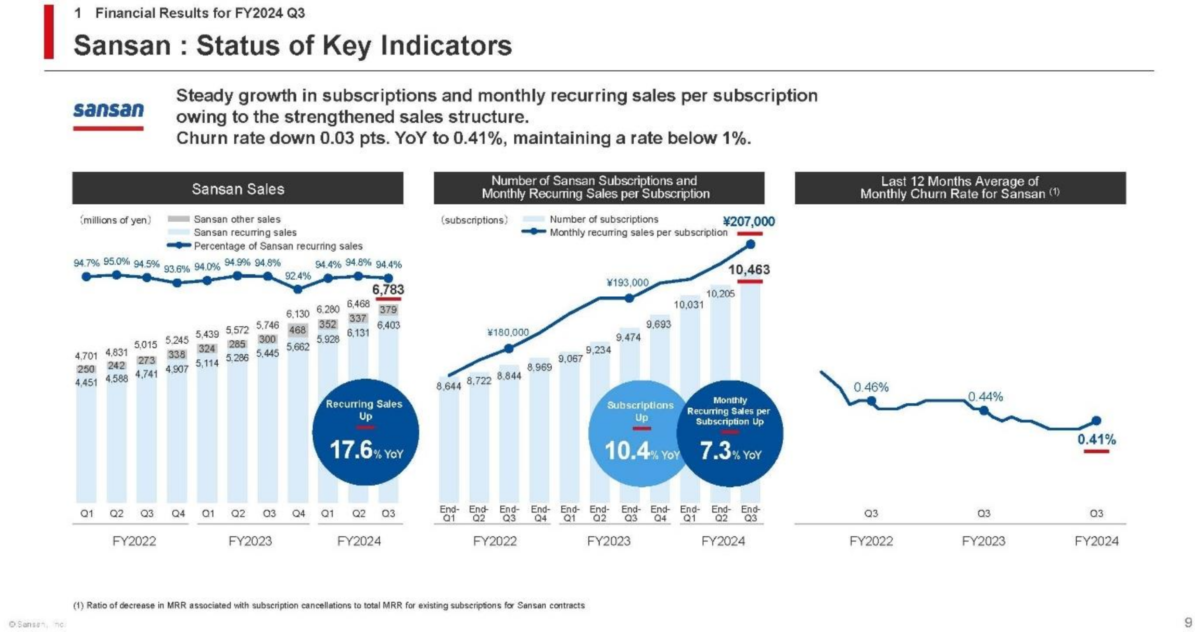
From page 8, I would like to discuss our performance by segment.

First, the Sansan/Bill One business. Net sales for Q3 were up 26.5% YoY. Breaking it down by service, Sansan accelerated the pace of growth, achieving an 18.0% increase YoY.

In addition, Bill One continued its high-growth trend with a 52.4% increase YoY. Adjusted operating profit for Q3 was up 106.9% YoY, as an increase in personnel expenses associated with the hiring of sales force was more than offset by the growth in net sales, improved gross profit margin for Bill One, and a reduced ratio of SG&A expenses to net sales resulting from a decrease in advertising expenses.

The number of subscriptions for our contract database service, Contract One, increased by 113 from the end of the same period last year, bringing the total to 323, showing steady growth. In addition, the services provided by CREATIVE SURVEY INC., our group company under this segment, are also growing steadily.

**Sansan : Status of Key Indicators**




Let me explain the KPIs for Sansan, which you can find on page 9.

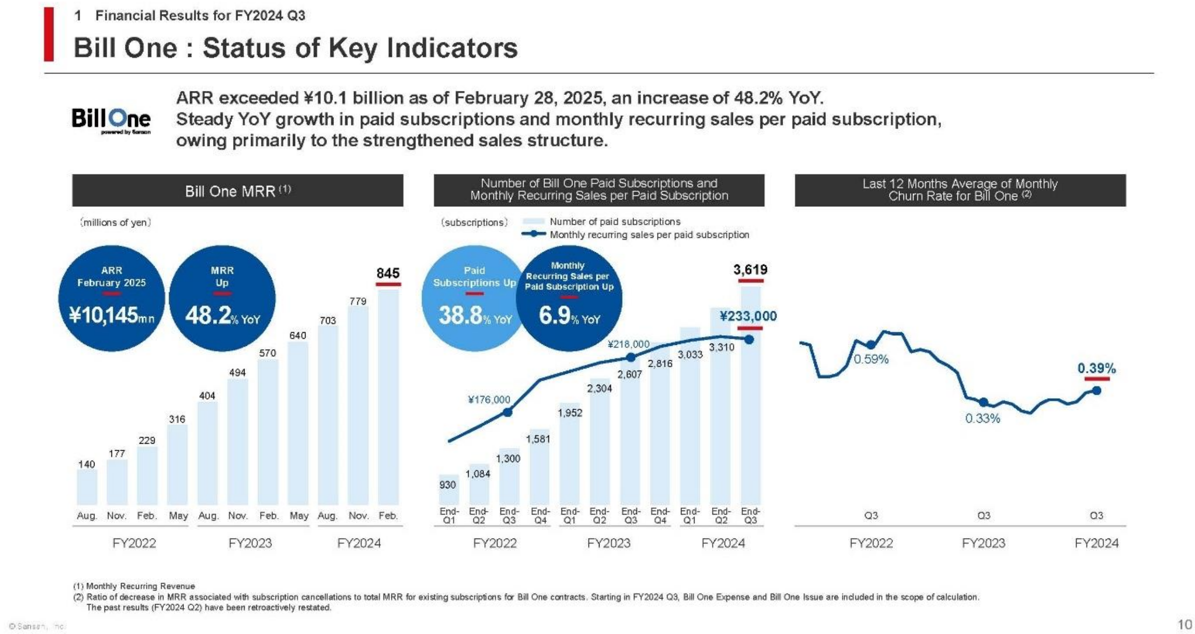
As you can see on the graph on the left-hand side, Sansan's recurring sales increased by 17.6% YoY, showing solid performance.

On the graph in the middle, you see the number of Sansan subscriptions and the monthly recurring sales per subscription. As a result of a progress in acquiring smaller customers in the course of training the sales force we hired in the previous fiscal year, the number of subscriptions increased by 10.4% YoY, and monthly recurring sales per subscription increased by 7.3% YoY, delivering solid results.

On the graph on the right, you see the last 12-month average of monthly churn rate for Sansan, which stood at 0.41% at the end of Q3, maintaining a low level below 1%.

For your reference, let me give you an update on new contracts won in Q3. The amount of new contracts here includes several different types: some are already reflected in net sales for Q3 while others will be recognized in Q4 and beyond. Overall, however, the amount increased by 43.4% YoY, showing a strong performance.

**Bill One : Status of Key Indicators**




Next, let us move on to the KPIs for Bill One. Please turn to page 10.

The graph on the left shows MRR of Bill One, which increased by 48.2% YoY as of February 28, 2025. The graph in the middle indicates the progress of training the sales force, which has expanded substantially. With steady progress in acquiring relatively small-scale customers, the number of paid subscription increased by 38.8% YoY.

Monthly recurring sales per paid subscription increased by 6.9% YoY. The amount decreased QoQ simply because of the nature of this business, which tends to fluctuate from quarter to quarter depending on the size and format of the contracts won.

The graph on the right-hand side shows the last 12-month average of monthly churn rate for Bill One, which remained at a very low level of 0.39%. These KPIs include the results of Bill One Expense and Bill One Issue, although still small in scale.

Let me discuss the most recent status of orders. At the time of the previous earnings results announcement, the amount of contracts won and the net increase in MRR for Q2 exceeded those for Q1, indicating a reversal in the trend. However, the amount of contracts won and the net increase in MRR for Q3 fell below the figures for Q2.

Growth of contracts won in Q3 tends to be weaker than in Q2 partly affected by the year-end and New Year holidays, and this seasonal factor had a significant impact on Q3 results. Another factor was the temporary decline in productivity, which was steeper than our expectations.

We are continuing our efforts to develop and strengthen Bill One sales force, and we believe these efforts are gradually bearing fruit.

In Q4, we will bolster our marketing activities in line with the plan, including TV commercials, on the back of the steady profits earned so far at the end of Q3. We expect these efforts will lead to stronger results for orders received in Q4 as compared to Q3.

**Eight Business Overview**

1 Financial Results for FY2024 Q3

## Eight Business Overview

eight

**Net sales for Q3 up 71.8% YoY on contributions from strong B2B and steady B2C services.**
**In line with increased net sales, the business achieved adjusted operating profitability for Q3, up ¥351 million YoY.**

| | (millions of yen) | FY2023 Q3 Results | FY2024 Q3 Results | FY2024 YoY | (For Reference) FY2024 Q3YTD Results | (For Reference) FY2024 YoY |
|---|---|---|---|---|---|---|
| Eight Business | Net sales | 771 | 1,324 | +71.8% | 3,460 | +51.8% |
| | B2C services | 88 | 102 | +16.0% | 296 | +16.3% |
| | B2B services | 682 | 1,222 | +79.0% | 3,163 | +56.2% |
| | Adjusted operating profit | -196 | 154 | – | 39 | – |
| | Number of Eight users (1) | 3.52 million people | 4.00 million people | +0.48 million people | | |
| | Number of Eight Team subscriptions | 4,397 subscriptions | 5,236 subscriptions | +19.1% | | |

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





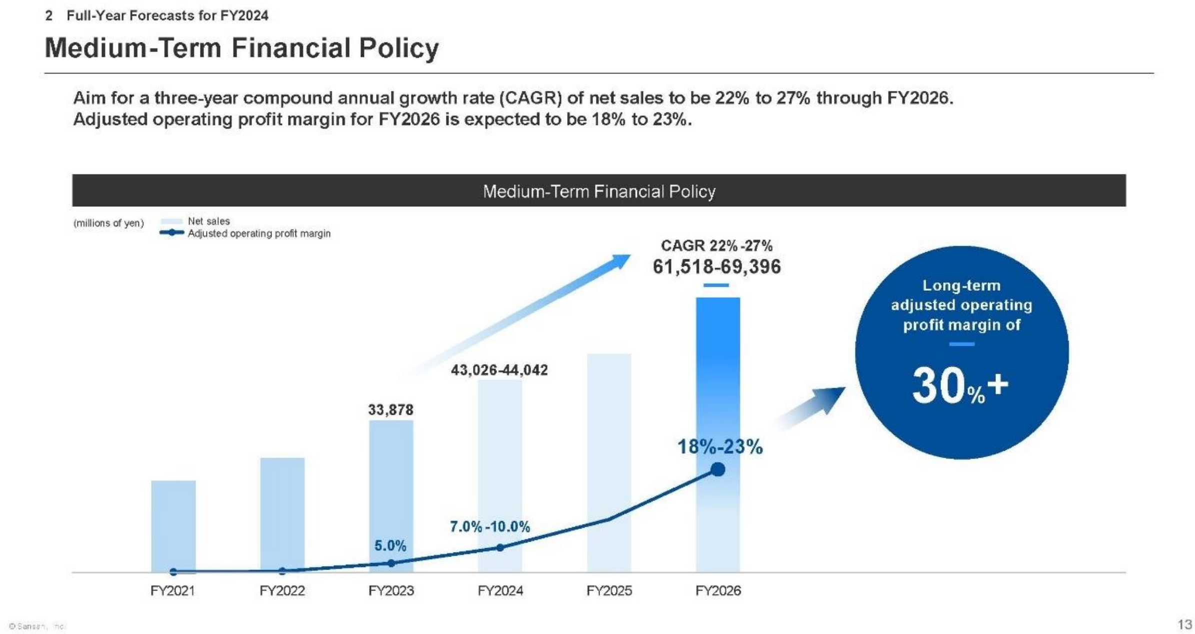
Let us move on to the Eight business. Please turn to page 11.

The B2C service continued to perform well. The B2B service grew strongly, thanks to the consistently steady performance of Eight Team and business events we held during Q3.

Previously, the number of events held in Q3 was relatively low because we usually hold large-scale business events in Q2 and Q4. However, with the establishment of an in-house operational structure for this business, we were able to hold more events in Q3.

As a result, net sales for Q3 were up 71.8% YoY, with adjusted operating profit up by ¥351 million YoY. As such, the Eight business achieved adjusted operating profitability for both Q3 and Q3 year-to-date.

**Medium-Term Financial Policy**




Now let me discuss our full-year forecasts for the fiscal year ending May 31, 2025. We have made no changes to our medium-term financial policy announced in July 2024, but I will reiterate the key points.

Please turn to page 13. We are aiming for a net sales CAGR to a 22% to 27% range over the next three years. For adjusted operating profit margin, we target at an 18% to 23% range for the fiscal year ending May 31, 2027, while making necessary investments to support sales growth.

The profit margin for Q3 alone came to 16.3%, which we see as indicating steady progress toward achieving our medium-term financial policy. In terms of the operating profit margin in the long term, we believe we can achieve at least 30% once the business growth rate becomes comparable to market averages.

**Full-Year Forecasts for FY2024**

2 Full-Year Forecasts for FY2024

## Full-Year Forecasts

**Both net sales and adjusted operating profit for the first 9 months, progressing steadily within the range of the full-year forecasts.**
**The full-year forecasts remain unchanged from what was initially announced.**

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

(1) We do not disclose specific forecast figures for operating profit (loss) and the other line-item profits (losses) below as it is difficult to make a reasonable estimate of expenses related to share-based payment expenses, which may vary significantly depending on the level of our stock price, and certain non-operating income or expenses and other items.




Please turn to page 14 for the full-year forecasts for the fiscal year ending May 31, 2025.

Looking at the progress of Q3 year-to-date results against the full-year forecasts, both net sales and adjusted operating profit are trending steadily within the forecast range. Accordingly, we have left unchanged the forecast figures announced at the beginning of the fiscal year.

This concludes my presentation. Thank you very much.

**Q&A : Recent sales productivity for Bill One contracts**

Questioner: You mentioned sales productivity in your explanation of the level of contracts for Bill One. Please elaborate a little more on the specifics of what is happening and what measures you are taking to address it, and your views on future improvements.

Hashimoto: We define sales productivity as the amount of contracts that each salesperson wins in a month, namely the net increase in MRR. We monitor the monthly figure as a KPI, and the amount of contracts won in Q3 did not increase as we had hoped.

For Bill One, we hired a lot of sales staff around the time the Invoicing System was introduced. In the process of training the sales staff, some measures worked well, but as an overall trend, it takes a little longer for the newly hired sales staff to become productive enough.

To address this, we are reviewing our training system and working on measures to shorten the time it takes for them to become productive enough. While we are starting to see some results, the point I was trying to make in my earlier explanation is that we were somewhat slow in carrying out these measures.

**Q&A: Attach rates for Bill One Expenses and Bill One Issue**

Questioner: What percentage of existing customers of Bill One subscribe to Bill One Expense and Bill One Issue? Please tell us the attach rates. Do you acquire new customers by marketing Bill One Expense and Bill One Issue independently rather than offering them as add-ons? Please tell us your current situation with up-selling and cross-selling.

Hashimoto: While the Bill One Issue service has launched in 2022, we added a new function of accounts receivable clearing in September 2024. We are currently marketing the new service, along with Bill One Expenses, starting with customers of Bill One.

Although we are winning some new customers, when you look at the whole numbers for Bill One Expenses and Bill One Issue subscriptions, most of them are existing customers of Bill One.

We have been approaching our customers one by one, and we feel that the numbers are gradually coming up. However, please note that the attach rate is not that high at this point.

Questioner: How do you view the attach rate in terms of progress against your expectations? Do you think it should have performed a little better?

Hashimoto: Although we did not make any specific projections for the attach rate, if we look at the actual results for net sales, subscriptions and net increase in MRR, we see that they are in line with or slightly exceeding our plans.

**Q&A: Status of expenditures on advertising and human resources**

Questioner: I would like to ask you about SG&A expenses for Q3. Advertising expenses have decreased compared to the previous quarter. From what I remember, you mentioned that you would be investing in advertising in H2, so it seems the figure is weaker than expected. I also get the impression that the number of people hired is low. Is this because of the expense recognition timing difference? Or did you execute everything as planned? Please tell us about the situation with your expenses.

Hashimoto: If you look at the Q3 year-to-date figures of personnel expenses, our actual figures fell short of the recruitment plan, and the full-year results are likely to come in below the plan as well.

The reason behind this is that the sales productivity of Bill One has not improved as we had expected. Rather than continuing to recruit large numbers of people to expand the sales force before improving productivity, we have decided to take an approach of slightly curbing recruitment to improve productivity. Accordingly, the number of hires will be somewhat lower than the initial plan for the fiscal year.

I see the year-to-date advertising expenses to be broadly on track through to Q3, and in Q4 we will be investing more than initially planned. However, by reallocating the unused budget for personnel expenses to advertising expenses, we will try to ensure this will not affect the company-wide operating profit margin and adjusted operating profit for the full year. We plan to increase advertising expenses a little to drive growth into the next fiscal year.

Questioner: Do you plan to allocate the advertising budget for Q4 mainly on Bill One? Or do you plan to spend it also on Sansan, which has been performing well?

Hashimoto: We will invest in both. Exactly as you mentioned, we will also allocate funds to the well-performing Sansan.

**Q&A: Impact of tariffs**

Questioner: Let me ask you about the risk posed by the new tariffs. I do not believe they have a direct impact on Sansan or Bill One. However, I understand that you have enterprise customers in the manufacturing sector. Have you experienced any cancellations or requests to postpone business meetings due to the impact of the tariffs?

Do you think that your Sansan and Bill One services remain highly defensive, even amid the risk of a downturn in business sentiment? Or do you recognize a certain level or potential risk of a slowdown in business?

Hashimoto: Honestly speaking, we have not heard anything particular from the front line, and we do not expect this issue to have many direct implications on our business.

While we may eventually see customers' business environment deteriorates, we do not expect any significant changes in the business environment for the foreseeable future.

**Q&A: Improvement in profit margin**

Questioner: I would like to ask you about the improvement in profit margins. To start with, which costs are you trying to reduce in cost of sales? Please also explain the sustainability of the cost structure improvements.

Hashimoto: In both Sansan and Bill One, costs for digitizing analog information represent a relatively large proportion of the total cost.

For example, digitizing business cards involves both manpower and technology. Costs for servers, systems, and personnel expenses take up a considerable proportion of the total cost.

For both Bill One and Sansan, we can reduce costs further by automating more process of digitization. At present, Sansan has a fairly high rate of automation, successfully digitizing analog information without requiring a lot of manual processing. The gross profit margin has improved with the further increase in the automation rate.

The automation rate improves in proportion to the amount of data accumulated, and Bill One is still in the process of improving because it has a relatively short operating history. In the most recent period, the gross profit margin of Bill One has improved more, partly because its automation rate made greater progress than Sansan.

Bill One, in particular, incurs a certain cost when invoices come in paper form. So, the cost structure improves with a decrease in the percentage of paper invoices. Gross profit margin has been improving as a result of decrease in paper invoices as a result of both our internal efforts and the environmental factor such as the postage price hike.

**Q&A: Prospects for Bill One growth in the next fiscal year**

Questioner: I would like to ask you about Bill One. What is your feeling about the momentum in the amount of new contracts in Q3? When looking at the amount of increase, do you expect it to level off over the next fiscal year? Or do you feel it has the potential to expand? Please share with us again your impressions and strategies.

Hashimoto: For Bill One, with the end of the last-minute demand surge before the introduction of the Invoice System, the net increase in MRR, or the net increase in recurring stock sales, has been gradually decreasing in the recent few quarters.

As I explained earlier, the amount of net increase for Q2 was larger than that for Q1, reversing the dwindling trend. We hoped the reversal trend would keep the momentum going into Q3, but actually it didn't.

We believe that net increase has been falling mainly because our sales productivity has not increased. In other words, it is largely due to internal factors. Looking at the business environment, we do not see any major changes after the end of the impact of the Invoice System. We also believe there is still sufficient market needs, and we do not see any major changes in the competitive environment.

We have not yet drawn up the figures for the next fiscal year, but we expect that the rate of net sales growth will decrease as our scale increases, and we definitely want to exceed the figures for this fiscal year in terms of the net increase in sales.

That said, we are not yet in the stage where we can confidently say that figures will easily exceed the current level. I think the net increase will go up if we can make improvements by achieving targeted numbers and making headway in personnel development.

**Q&A: Feasibility of unit prices**

Questioner: I have a question about the unit price. When Bill One and Sansan expand into small and medium enterprises (SMEs) in the future, I think it is unlikely that SMEs will be ready to pay over ¥200 thousand per month for Bill One.

Then do you think it is realistic to expect the unit price to continue to trend downward? Or if it does not decline, please tell us your thoughts on asking small-scale customers to pay more than ¥200 thousand per month.

Hashimoto: I suppose there are probably a considerable gap in our definitions and images of SMEs.

For example, we do not think our Sansan service will deliver satisfactory value to companies with 10 to 20 employees at the unit price we charge. So, rather than that, we first introduce such customers to our Eight business card management service.

For Bill One, we believe SMEs that receive between 100 and 300 invoices each month will find sufficient value in our service and see it as highly cost-effective.

On the other hand, for customers who receive around 30 to 40 invoices each month, it may be more cost-effective and a higher return on investment to digitize and input the data by themselves rather than using Bill One. Therefore, we also offer free services for such customers.

While we also view SMEs as a segment and are marketing to this sector, I would like you to understand that we are not selling to very small companies, but rather, marketing to customers of a certain scale.

**Q&A: Factors driving the growth of CREATIVE SURVEY INC.**

Questioner: You commented that CREATIVE SURVEY INC. has been growing steadily. Please tell us what kind of changes you are seeing.

Hashimoto: Although it is growing, it is still small in size. We hope to see it have a greater impact on our overall business.

Originally, this company provided customers with a system for conducting surveys, or questionnaires, in a form of SaaS.

They are now able to provide a variety of services on the same system. While the company name is CREATIVE SURVEY INC., they are also offering similar services under the brand name Ask One.

As such, the sales have been steadily growing, as the approach of marketing a single system under multiple brands has been successful.

**Q&A: Utilization of generative AI**

Questioner: Do you have any information you can share about new businesses that use generative AI?

Hashimoto: Across the company, we are putting a lot of effort into utilizing generative AI. In terms of functionality, Sansan, our sales DX solution, applies AI in small and detailed ways, for example, to summarize and present the outline of the business of the company we are approaching. For Contract One, our contract management service, we use the technology for AI-powered contract review.

In this way, we are also undertaking initiatives to leverage what generative AI can do, taking full advantage of its unique capabilities as main driver.

**Q&A: Achievement of profitability for the Eight Business**

Questioner: I assume that the Eight Business turns profitable on a full-year basis. Please share your thoughts on the progress so far and the pace at which it reached profitability.

Hashimoto: It has been over ten years since we launched the Eight Business. While it took a long time to achieve profitability, various services have been developed on the Eight platform, making the business steadily stronger. That said, the profit margin is still not high, so I think we should take the next challenge to improve the profit margin as we promote the business.

However, if we try to increase profits by cutting back on investment, that will eventually lose steam. Therefore, I think it is vital to steadily make investments while increasing sales.

Now that we have achieved profitability, we believe we have the strength to make the necessary investments. We are not considering making particularly large investments, but we should continue to make certain investments and conduct business in a way that allows us to post profits and grow sales at the same time, while continuing to make certain investments. We would like to maintain good control over this path in the next fiscal year and beyond.

**Q&A: Progress of the Eight Business and future outlook**

Questioner: For the Eight Business, you have explained that the number of events held increased YoY because you have established an in-house operational structure by Q3. Please share with us the trend and situation, including the percentage increase YoY. Can we assume that the number of events held will continue to grow in Q4 and the next fiscal year?

Hashimoto: We believe that running our event business requires a certain level of human resources. Unlike a software-based business, it simply holds exhibitions online events. Therefore, if we can secure the necessary human resources and increase the number of events we hold, our sales will grow accordingly.

Or, revenue will grow as the scale of the event itself becomes larger, even if the staff numbers do not increase. With online events, we can expect a certain size of audience, and with exhibitions held in rental venues, we estimate revenues to expand in proportion to the number of our people, albeit with some limitations.

I believe that the number of events has steadily increased this year because we have been able to secure enough human resources to hold multiple events.

In the next fiscal year, we will be hiring additional personnel, and also pursuing a larger scale for the events. I believe we have a system in place to ensure sustainable sales.

However, this does not necessarily mean that we will be able to maintain the same level of sales growth as in this fiscal year. While we continue to aim at maximizing growth, at this point, I have a feeling that the growth rate is likely to decline slightly.

**Q&A: Outlook for recovering sales productivity at Bill One**

Questioner: Looking at the productivity of Bill One, I think 2025 saw an over 10% QoQ increase in MRR. What is your outlook on the time frame for returning to this growth trend? Please tell us whether you expect a recovery in the coming Q4 or it will take a little longer.

Hashimoto: We are not yet at the stage to give you any concrete information. For us, Q4 is the time of a year when we see the strongest sales results. So, we want to see the performance in Q4 before making any decisions about the outlook for Bill One in the next fiscal year. At this point, the accuracy of our projections remains limited.

Aside from quantitative figures, however, I have a feeling that we will be able to confirm a trend of recovery and improvement in sales productivity at some point in the next fiscal year.

For example, new modules, such as expense reimbursement and invoice issuance, are also starting to show solid results. For Bill One, we are doubling down our efforts to build a solid sales structure, meaning a structure that enables each sales rep to generate a steady flow of sales. When these efforts start to pay off, we believe we will see higher sales productivity and an upward trend in Bill One's growth rate.

Questioner: Sansan has been showing increasing productivity and contributing to recurring sales. Do you think it take more than six months to improve the sales productivity of Bill One?

Hashimoto: Sansan's growth rate in recurring sales has returned to the current levels for the first time in about three and a half years. It took that long partly due to the impact of COVID-19. However, this has given us a confidence that we can achieve a recovery even after such a long period of time.

For Bill One, we do not intend to spend that much time, but I am reasonably confident that we will get the figures back on track.