



Chapter 3

Governance

Chapter 3 explains the governance supporting our sustainable business growth, including interviews with outside directors. It also includes quantitative targets and initiatives related to material issues (priority issues) for corporate governance, compliance, and risk management.

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Further Strengthening Monitoring to Support Agile Decision-Making

Outside Directors' Message

Outside Director, Audit & Supervisory Committee Member (Chair of the Audit & Supervisory Committee and Chair of the Nomination and Remuneration Advisory Committee)

Maki Suzuki

Reflecting on 1 Year Since Appointment as an Outside Director

I assumed the role of Outside Director in August 2022. I had heard Sansan described as a “serious company” beforehand, and over this past year, I’ve come to understand what that means. At first, I was concerned whether the information-sharing system for outside directors would be adequate, as Sansan lacks any full-time Audit & Supervisory Committee members. But the Committee

secretariat has handled this very diligently, so I don’t currently see any major issues. In Board meetings, Chair and CEO Terada personally explains how the executive side considered each proposal. When outside directors request additional information or materials, a sincere response is provided by the next meeting. There have also been instances where questions raised by outside directors prompted Mr. Terada to review the discussion process and direct the executive side to rectify and improve points that weren’t considered internally. The

organization and review of matters for Board deliberation are carefully examined internally, leaving me with the impression of a company that doesn’t let issues or suggestions raised at Board meetings end there, but instead responds earnestly. An atmosphere is also fostered at Board meetings wherein outside directors can freely state opinions and proposals. Since 2022, outside directors have held discussions with executive officers, who openly share not only their enthusiasm on projects and products they oversee but also medium-to-long-term

visions and challenges to achieve them. I feel this passion and agility, evident in the company’s growth momentum, represent Sansan’s culture and translate to the speed of management decisions at Board meetings.

The Role of Outside Directors Serving as Audit & Supervisory Committee Members

The role of outside directors, in response to shareholder demands, is to oversee management with a view to achieving sustainable growth and medium-to-long-term improvement of corporate value, which makes it important to candidly state opinions. I am chair of the Audit & Supervisory Committee, which is responsible for operational and financial audits of directors’ execution of duties. In this capacity, over the past year, I have taken the lead in ensuring meetings don’t just become places to listen to and approve internal reports and explanations, but rather that each Committee member leverages their expertise to state opinions and compile suggestions for the Board. As a Committee comprising only outside directors, we coordinate especially closely with the Internal Auditing Department responsible for internal controls, consciously establishing and enhancing a system to quickly comprehend information that could potentially impact company management. The discussions with executive officers also provide highly meaningful opportunities for outside directors to deepen our understanding of the company. The Board’s quick decision-making helps improve corporate value, and appropriate monitoring is vital

to ensure it goes smoothly. While respecting fast decision-making, It is important to have systems in place to check and verify how initiatives are executed, what results they produce, and what risks they entail.

Improving Monitoring

For effective and appropriate monitoring, we are strengthening coordination with the secretariats for compliance and the Audit & Supervisory Committee. Especially for internal whistleblowing reports shared by the compliance secretariat, we carefully listen to each case, scrutinize the facts, then discuss within the Committee whether individual resolution is warranted or whether organizational/systemic issues are involved, and we respond accordingly.

In the various matters the Board deliberates, materials the company prepares in advance indicate risks and pros/cons have been thoroughly examined, so there aren’t many agenda items I feel pose compliance risks. Points that outside directors raise are reported to the Board early on, and there’s a noticeable intent to make improvements satisfactory to us. For our part, we don’t conclude matters with the Board resolution for internal projects and investments discussed; we request subsequent follow-up reports. If the returns and synergies initially assumed for investments don’t materialize as expected, we step up our monitoring, including by reconfirming future strategies. This past year, there was a case in which we continued deliberations for about six months on the transfer of an equity interest in an investee, including the transfer price’s

appropriateness. Even on days with no scheduled Board meetings, Audit & Supervisory Committee members use opportunities when they’re together to receive progress reports from investment strategy members when necessary. This allows an agile and flexible process.

Evaluating Board Effectiveness

We evaluate Board effectiveness annually through a questionnaire that all directors complete. This examines how well the Board fulfills the roles our shareholders expect. By working through the PDCA cycle based on the evaluation results, we aim to strengthen governance. The Board’s responsibilities, size, member composition, meeting frequency, and decision-making process are appropriate. The information provided to the Board also seems adequate, with materials sharing a multi-faceted analysis of the pros, cons, etc., of each proposal. The Board being chaired by CEO Terada, rather than an outside director, may become an issue to consider depending on Sansan’s future growth stage, but it does not impede substantive discussions.

Audit & Supervisory Committee meetings held after Board meetings provide opportunities for each member to reflect on Board deliberations, based on their own expertise and specialization, and freely discuss any questions, opinions, or perceived risks.

Establishing a Nomination and Remuneration Advisory Committee

An optional Nomination and Remuneration Advisory Committee

was newly established in May 2023, and I was appointed chair. The nomination, appointment, and dismissal of directors, as well as determining their remuneration, are vital to monitoring. With this Committee's establishment, we reorganized the remuneration system and introduced performance-linked compensation for directors. This represented major progress in governance from the perspective of independence, objectivity, and accountability regarding director nomination and remuneration.

I recognize the issue of how much we can stimulate and enrich discussions in this Committee as my responsibility. Introducing performance-linked compensation including non-financial metrics and director nominations will require further discussion on how much outside directors should proactively provide input, based on existing 360-degree feedback system. Formulating a succession plan is also an important long-term issue, and I hope to develop a plan that earns the understanding of shareholders.

Issues for Strengthening Governance

We must address issues across different timeframes to further strengthen our governance. A short-term consideration I propose is establishing opportunities, separate from Board meetings, to hear individual directors' views. Board meetings involve sharing polished materials and substantial discussion of agenda items, including medium-to-long-term management issues and business direction. However, time constraints limit free discussion of topics not on agendas. Board

members' free discussion of a specific theme, while sharing the executive side's passion and the outside directors' insights, could spur new realizations and ideas while further improving monitoring. I hope that such open discussions involving outside directors will help raise corporate value.

In the medium-term, I hope to see internal appointment of female directors. We also need to closely monitor our proactive talent development initiatives. Human resources are directly linked to business growth, and a recent revision of salaries has improved employee motivation and engagement and controll of the turnover rate, which are positives. However, post-hiring development seems somewhat trial and error; so, while I don't perceive any major issues for now, we need to monitor the impact of Sansan's more dynamic personnel evaluation system, with potential downgrades depending on performance, on human resources. Challenges arising from workforce and organizational expansion, including leave and turnover rates, are also discussed at each Audit & Supervisory Committee meeting. When investigating internal whistleblowing cases, we will continue to check for any hidden risks in the personnel system.

A long-term issue is formulating a succession plan. Internal discussions have begun on what Sansan would like to be, for example, 100 years from now, as part of deliberations on our purpose. As an outside director, I hope to actively engage in such discussions, which will help develop successor talent and a succession plan.

Toward Strengthening Corporate Value

Fast decision-making is one of Sansan's strengths, as seen across various aspects of management. For instance, to achieve further growth, the company reverted from a multi-product sales structure to a divisional system based on the current state of orders and other factors. The response to trust-type stock options is another recent good example. Here, the company decided to retroactively apply withholding tax to exercised options and provide financial reimbursement or alternative compensation to directors and employees for their increased burden. This considered both immediate concerns and long-term perspectives, demonstrating incredible teamwork and swift decision-making. CEO Terada's sincerity in personally explaining this decision to employees is commendable.

While such flexible decisions do often succeed, the outside directors' role is to question them and to encourage multi-faceted review. I don't want to impede quick decision-making while the company has growth momentum, but I hope to properly fulfill my monitoring role through expertise- and experience-based advice on legal risks, the basis for decisions, and other matters, thereby helping to bolster Sansan's corporate value.

Maki Suzuki

Outside Director, Audit & Supervisory Committee Member

Outside Directors Column

- Board Discussions

Based on my years of experience at a venture capital firm engaging with company management teams, I highly appreciate Sansan's Board atmosphere wherein outside directors can freely state opinions, as well as the quick and sincere response by inside directors like CEO Terada when outside input provides fresh insight. To further strengthen the Board's function and improve governance going forward, inside directors must fulfill accountability through preparation to stimulate discussion, while outside directors must deepen their understanding of the company's services and related businesses.



Outside Director,
Audit & Supervisory
Committee Member

Toru Akaura

- Risk Management

Sansan, given its business of handling critical corporate information, must prepare for a range of risks, including information security. Current efforts seem substantial, with preventative measures and guidelines for the occurrence of risks that are currently foreseeable, and quantitative targets set for the material issue of "Ensure robust protection of data privacy and information security." However, with the company broadening its business domain and expanding overseas, it must watch for new risks never faced before. We therefore will strengthen risk management through exhaustive discussions.



Outside Director,
Audit & Supervisory
Committee Member

Toko Shiotsuki



Outside Director,
Audit & Supervisory
Committee Member

Taro Saito

- Sustainability

Sustainability is an important management topic, and I recognize that it's of great interest to stakeholders. Sansan has undertaken sustainability initiatives, including the establishment of material issues, since 2022, and in 2023, internal directors set long-term quantitative targets for the respective areas in which they were appointed as materiality owners. I appreciate the progress-from-basics approach, but full-scale integration of sustainability and management has only just begun. To further develop these efforts themselves, I intend to firmly state opinions as an outside director and a stakeholder.

Corporate Governance

We recognize the importance of sustainably maximizing corporate and social value, as well as the need to gain the continued trust of all stakeholders. Accordingly, we have defined “strengthening corporate governance” as a priority material issue and are undertaking various initiatives to further ensure sound and transparent management, including enhancing Board oversight and thorough implementation of an internal control system.

Material Issue (Priority Issue)

Among the five priority areas identified in 2022, we have identified “Strengthen corporate governance” as a material issue under “Establish a Firm Management Structure to Support Rapid Business Growth.” In August

2023, we established a long-term quantitative target for FY2029 for this material issue, namely raising the percentage of female Board members to at least 30%, for which we are taking various measures.

Materiality Target

Area	Material Issue	FY2029 Target		FY2022 Result
Establish a Firm Management Structure to Support Rapid Business Growth	Strengthen corporate governance	Ratio of female Directors	30% or higher	22.2%

Efforts to Enhance Corporate Governance

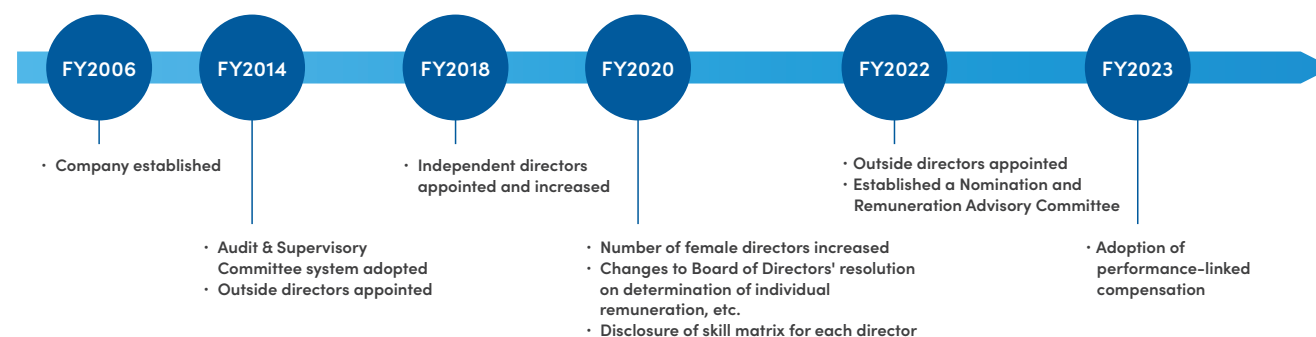
We have taken a range of measures for enhancing corporate governance to achieve management soundness and transparency.

In FY2022, we increased the number of independent directors and established an optional Nomination and Remuneration Advisory Committee to enhance the independence, objectivity, and accountability

of the Board's functions related to nomination and remuneration.

Additionally, to further improve Board functionality, performance-linked bonuses will be paid to directors (excluding Audit & Supervisory Committee members) annually from FY2023 as a short-term incentive for business performance improvements.

Progress in Strengthening Corporate Governance*1



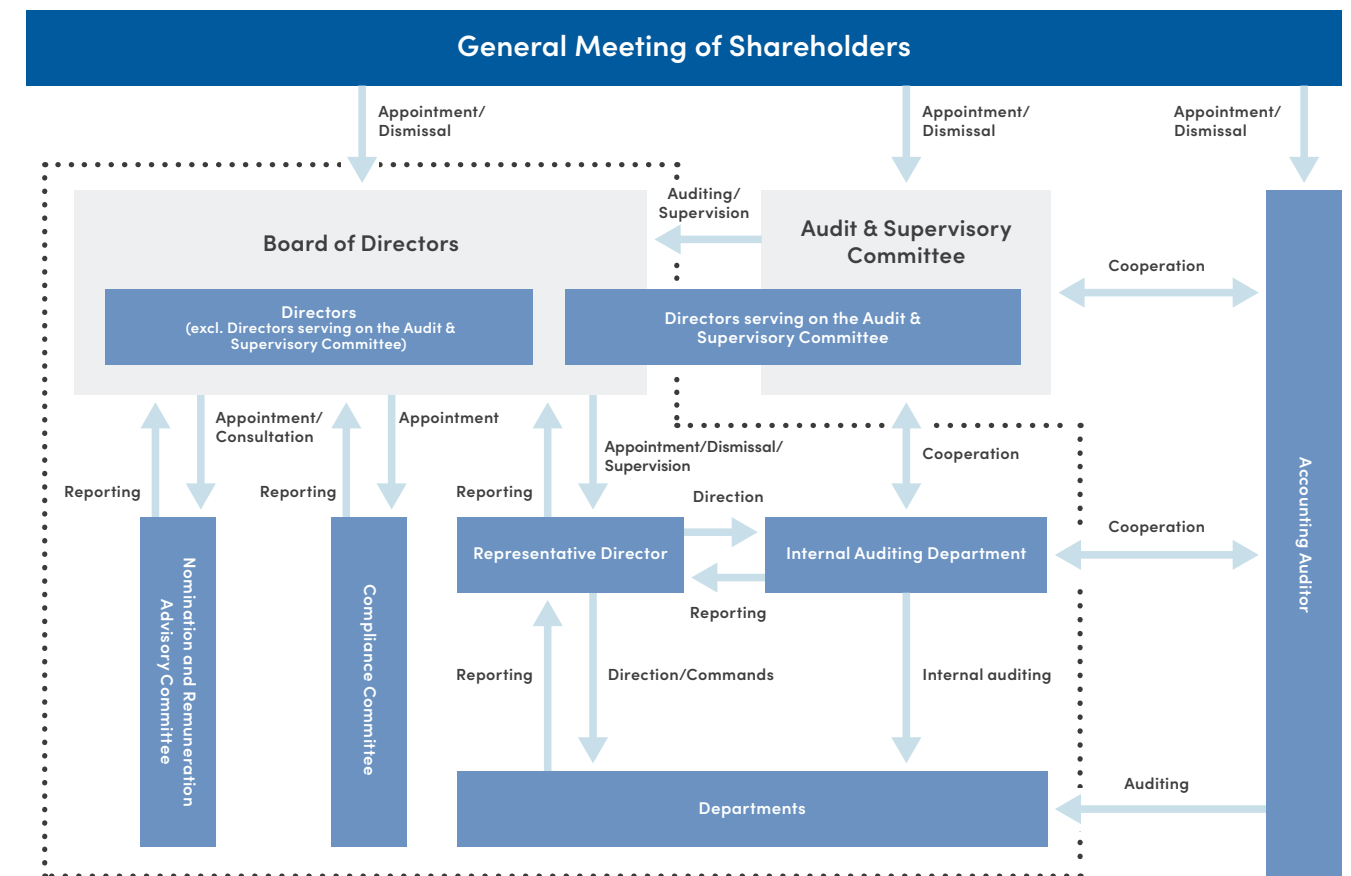
*1 Graph shows progress for each year ended in May.

Corporate Governance Structure

As a company with an Audit & Supervisory Committee, we have established a Nomination and Remuneration Advisory Committee as an optional committee. We have adopted our current governance structure on the

belief that it can facilitate enhanced Board decision-making and oversight as well as swift business execution, enabling transparent, fair, and speedy management decision-making.

Corporate Governance System



Corporate Governance System

Organizational Form	Company with Audit & Supervisory Committee	Optional Committees	Nomination and Remuneration Advisory Committee
Directors	9 (including 4 outside directors)	Incentives Provided to Directors	Performance-linked bonuses and a stock option system have been introduced
Directors' Terms	Directors: 1 year (Directors serving on the Audit & Supervisory Committee: 2 years)	Accounting Auditor	KPMG AZSA LLC
Audit & Supervisory Committee Members	4 (including 4 outside directors)	Corporate Governance Report	https://www.corp-sansan.com/sustainability/governance/corporate_governance/

Board of Directors

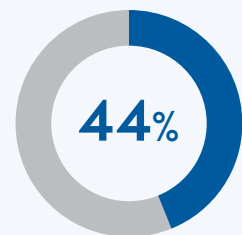
Our Articles of Incorporation set the number of directors (excluding Audit & Supervisory Committee members) at up to 8 and Audit & Supervisory Committee member directors at up to 5. We currently have nine directors (7 male, 2 female), appointed for balance of experience, insight, competencies, and diversity, including gender, international perspective, and career. We aim to have at least 30% female directors by FY2029 in view of the importance of gender, at least one-third of directors be independent outside directors, and at least 1 Audit &

Supervisory Committee member with substantial finance and accounting knowledge.

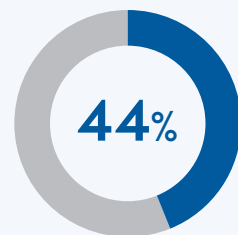
We disclose director candidates' skills matrix and reasons for nomination in shareholder meeting convocation notices, etc., to present the appropriate skills composition for our management team. Our independent outside directors include those with entrepreneurship experience and concurrent roles as outside directors of other companies, creating a structure where independent and objective perspectives can be expressed.

Composition of the Board of Directors

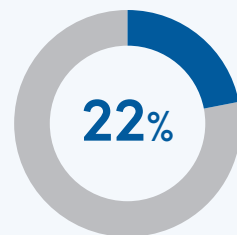
Ratio of Outside Directors



Ratio of Independent Directors



Ratio of Female Directors



- Board Activities

In FY2022, we held 17 Board meetings with 100% director attendance. Topics included management plans, business/investment strategies, and other fundamental

matters on growth; organizational reforms and personnel strategy to maximize net sales; sustainability matters such as material issues (priority issues); and governance.

Audit & Supervisory Committee

The Audit & Supervisory Committee comprises 4 directors (all independent outside directors). Together, they have expertise in areas such as legal affairs and accounting, executive experience at other companies, and independent perspectives on corporate management. Each brings their own professional ethics perspective to management oversight. They give their opinions on

directors' performance of duties at Board of Directors and other meetings. They meet monthly to monitor governance and its operational status, and to audit and supervise directors' daily activities, including performance of duties. They also meet with the Internal Auditing Department and accounting auditors, sharing information for auditing.

- Audit & Supervisory Committee Activities

In FY2022, we held 13 Audit & Supervisory Committee meetings, with 100% attendance. Main discussion topics were audit policies and plans and advisory opinions on

nomination and remuneration of directors (excluding Audit & Supervisory Committee members). Other topics included approval of nominees for Audit & Supervisory

Committee members.

The Audit & Supervisory Committee also held discussions with each executive director to confirm

the status of their areas of responsibility and with the representative director to check his management policies, offering opinions as a committee in response.

Nomination and Remuneration Advisory Committee

We established a Nomination and Remuneration Advisory Committee on May 1, 2023. It comprises at least three members appointed by Board resolution, with independent outside directors as a majority to ensure independence. The chair is appointed from the independent outside director members by Committee

resolution. The Committee deliberates and provides recommendations to the Board on matters including nomination, dismissal, and remuneration of directors (excluding Audit & Supervisory Committee members) and other matters consulted by the Board. The Board makes determinations based on Committee recommendations.

- Nomination and Remuneration Advisory Committee Activities

The Nomination and Remuneration Advisory Committee was established on May 1, 2023, and has held one meeting in FY2022 with 100% attendance by members. Specific matters deliberated included policies and

procedures for nominating directors and determining remuneration for directors (excluding Audit & Supervisory Committee members).

Key Initiatives

To further enhance the level of corporate governance, we evaluate the effectiveness of the Board of Directors

to improve its functions and formulate various policies to ensure our management is highly transparent.

- Evaluation of the Effectiveness of the Board of Directors

We conducted an annual effectiveness evaluation of the Board of Directors' business management, etc., as delegated by shareholders. The Board incorporates the results in its own PDCA cycle to enhance corporate governance.

In FY2022, all directors were surveyed on Board effectiveness. The Audit & Supervisory Committee deliberated and expressed opinions on the results. The Board then discussed the results, formed its understanding, and decided on steps for improvement. The evaluation confirmed the Board's effectiveness, mostly finding that its performance was appropriate or mostly appropriate on the major assessment items: the

Board's responsibilities, its size and composition, meeting frequency, its decision-making process, and the quality of information it receives.

To continually improve Board effectiveness based on our scale and social responsibility as a listed company, we will provide opportunities to discuss medium-to-long-term management issues and business direction in director training, foster multifaceted perspectives incorporating outside director insights, and further strengthen our management foundation, as well as enhance information provision to deepen outside directors' understanding of our business and direction and provide more materials and information to aid Board deliberations.

- Policy and Process of Determining Remuneration

To determine policy for matters such as director remuneration (excluding Audit & Supervisory Committee members) the Board of Directors consults the Nomination and Remuneration Advisory Committee and incorporates its recommendations. The July 2023 Board meeting partially revised the policy for FY2023 onward to pay

performance-linked bonuses as short-term incentive compensation and, subject to the General Meeting of Shareholders' approval, to grant stock compensation-type stock options for directors as non-monetary compensation (excluding Audit & Supervisory Committee members).

Determination of the Amount of Individual Remuneration and Calculation Methods for Basic Remuneration (Fixed Monetary Remuneration) and Performance-Linked Compensation for Directors

Individual monetary remuneration for directors (excluding Audit & Supervisory Committee members) comprises basic (fixed monetary) remuneration and annual performance-linked bonuses as short-term incentives for business performance improvements. Individual basic remuneration is determined annually within the limit resolved at the General Meeting of Shareholders based on responsibilities, performance, our business performance, and the economy, etc. Individual performance-linked bonuses are 0-200% based on progress

against annual performance targets, set each year within the limit resolved at the General Meeting of Shareholders considering directors' responsibilities and other factors. Consolidated net sales, our foremost management indicator, is used for annual performance targets. Remuneration for Audit & Supervisory Committee directors is deliberated by all Committee members and set within the limit resolved at the General Meeting of Shareholders.

Introduction and Determination of Non-Monetary Remuneration

Directors' individual remuneration (excluding Audit & Supervisory Committee members) may include price-linked and stock compensation-type stock options as medium-to long-term incentives. Their ratio to basic remuneration, appropriate limits, and conditions are set based on business environment and other companies' remuneration levels, etc., to maximize directors' performance and motivation, strengthen

correlation with the stock price, and encourage appropriate risk-taking. A Board of Directors resolution is required for introducing other non-monetary remuneration. The Board also decides, based on the Nomination and Remuneration Advisory Committee's recommendations, how such remuneration and its amount (formula) are determined, and the proportion of each type for each individual.

Determining the Timing and Conditions of Payment/Distribution of Director Remuneration

Directors' fixed remuneration is paid monthly. Performance-linked bonuses adopted as directors' individual compensation (excluding Audit & Supervisory Committee members) are paid at a fixed time in an annual lump sum. The timing of providing/

distributing price-linked and compensation-type stock options is set based on factors such as past distributions and years of service. This does not preclude other compensation that may arise separately.

Matters Related to Determining Remuneration Content

Individual remuneration for directors (excluding Audit & Supervisory Committee members) is determined by the Board based on the Nomination and Remuneration Advisory Committee's recommendations. Price-linked and stock

compensation-type stock options must be approved by the General Meeting of Shareholders, and the meeting agenda is determined by the Board based on the Nomination and Remuneration Advisory Committee's recommendations.

- Policies and Procedures in Nominating Candidates for Directors and Dismissing Directors

The Articles of Incorporation stipulate that directors (excluding Audit & Supervisory Committee members) and Committee members shall not exceed 8 and 5, respectively. We balance experience, knowledge, and skills, and value diversity when appointing them.

For non-Committee directors, we nominate people with extensive relevant business knowledge and experience, who should contribute greatly, fulfill their duties as directors, and improve our corporate value.

For the Committee, we nominate individuals who can guide our management with their abundant experience

and knowledge, such as executives at other companies or experts in law, accounting, and compliance.

The Representative Director proposes candidates meeting these policies, and the Board makes nominations based on the Nomination and Remuneration Advisory Committee's recommendations.

The Board monitors and supervises directors' performances, and, after consulting the Nomination and Remuneration Advisory Committee, will deliberate the dismissal of any director not meeting requirements.

- Internal Controls

To continually enhance corporate governance, we set up and ensure full operation of an internal control system based on our Basic Policies on Internal Control Systems.

Under these policies, directors and employees conduct appropriate corporate activities with high ethical standards following our corporate philosophy.

Our Internal Auditing Department, an independent body directly under the Representative Director, ensures the system's thorough operation. It conducts regular audits to ensure compliance with laws, the Articles of Incorporation, and internal regulations, advises on uncovered issues, and monitors improvements.

- Training Policy for Directors

We provide documents, explanations, etc., in advance to support fuller Board deliberations and directors' auditing and supervisory functions. A secretariat helps the Audit & Supervisory Committee, comprising outside directors,

function smoothly. With access to key meetings and documents, it can promptly provide required materials. It also arranges expenses-paid third-party training for directors.

- Strengthening of Group Governance

Under the Rules on Management of Subsidiaries, our basic policy for subsidiaries, we strive for a system that strengthens governance, including management agreements with subsidiaries pursuant to these Rules.

The Internal Auditing Department regularly audits subsidiaries to ensure compliance with laws, the Articles of Incorporation, and internal regulations.

- Policies Regarding Tax

We ensure and improve tax compliance and pay taxes fairly, based on a strong sense of ethics and responsibility to contribute to national and community development.

We comply with laws and regulations in all countries and regions where we operate.

Approach to Taxation

- We reduce taxation risks through taxation planning, fulfilling our responsibility as a taxpayer by appropriately declaring and paying taxes.
- Our tax planning is not aimed at avoiding tax, such as using non-substantial entities in tax havens or arbitrarily avoiding tax in a manner inconsistent with our business objectives.
- We calculate foreign transaction prices under each country or region's laws and regulations and the arm's length principle.
- We respond sincerely to authorities' disclosure requests and maintain good relationships with them.
- We clarify how to process transactions for which tax interpretations are unclear through thorough review with tax advisors.

- Constructive Dialogue with Shareholders

Proactive dialogue with shareholders and other investors for properly grasping and reflecting their expectations, concerns, needs, etc., into our management and activities is essential for sustainable growth and medium-to-long-term enhancement of corporate value.

In FY2022, we actively sought such interactive dialogue, including meeting with institutional investors at

conferences, and CEO and CFO visits to them overseas. We held 376 meetings: 127 with Japanese institutional investors, 180 with overseas institutional investors, 54 with securities analysts, and 15 others. We held 4 financial results briefings for institutional investors and 1 individual investor briefing.

Policy on Constructive Dialogue with Shareholders

- In principle, the IR department, overseen by the Director, Executive Officer, CFO, and Managing Executive (Corporate Division), handles dialogue with shareholders, with CEO and CFO participation where reasonable.
- The IR department promotes constructive dialogue through regular exchanges and information-gathering together with relevant departments. We also identify shareholders from the shareholder registry at the end of each May to understand our shareholder composition.
- Our CEO and CFO regularly present financial results briefings for analysts and institutional/individual investors, disclosing presentations on our website.
- The IR department compiles views and concerns from shareholder dialogues, reports them to the Board as appropriate, and discusses responses with relevant departments.
- We adhere to Timely Disclosure Regulations and Insider Trading Control Regulations, established to manage insider information.

Directors

**Name**
Chika Terada**Name**
Kei Tomioka**Name**
Kenji Shiomi**Name**
Yuta Ohma**Name**
Muneyuki Hashimoto**Name**
Maki Suzuki**Name**
Toru Akaura**Name**
Toko Shitsuki**Name**
Taro Saito

Position	Representative Director & CEO, *1 CPO *2	Director, Executive Officer, COO, *3 Managing Executive (Sansan Division, Bill One Division)	Director, Executive Officer, CISO, *4 DPO, *5 Managing Executive (Engineering Division, Eight Division)	Director, Executive Officer, CHRO, *6 Managing Executive (Human Resources Division)	Director, Executive Officer, CFO, *7 Managing Executive (Corporate Division)	Outside Director, Audit & Supervisory Committee Member	Outside Director, Audit & Supervisory Committee Member	Outside Director, Audit & Supervisory Committee Member	Outside Director, Audit & Supervisory Committee Member
Responsibilities and significant concurrent position at outside company	—	Sansan Global Pte. Ltd. CEO Outside Director of Unipos Inc.	Sansan Global Development Center, Inc. President	—	Outside Director of Unipos Inc.	Attorney at Shintaro Sato Law Office	Representative Director of Incubate Fund KK, Outside Director of S-Pool, Inc., Outside Audit & Supervisory Board Member of Double Standard Inc., Outside Director of jig.jp co., Ltd., External Director of ispace, Inc.	Director (Full-time Audit and Supervisory Committee member) of CyberAgent, Inc.	Representative Director of dof Inc., Outside Director of CARTA HOLDINGS Inc., Outside Director of for Startups, Inc., Outside Director of ZOZO, Inc.
Profile	Chika began his career with MITSUI & CO., LTD. During that time, he relocated to Silicon Valley to help local venture firms develop their Japan-focused efforts. In 2007, he founded Sansan, Inc., providing digital transformation (DX) services that change how people work, including the namesake Sansan sales DX solution. In 2021, Sansan, Inc. was listed on the First Section of the Tokyo Stock Exchange (now TSE Prime Market Index).	Kei began his career with Oracle Corporation Japan, and was based in Shanghai and Bangkok, taking charge of market development across Greater China (China, Hong Kong, Taiwan), Southeast Asia, and India. In 2007, Kei co-founded Sansan, Inc. and has led business efforts for Sansan, the sales DX solution. As COO, he oversees Sansan and other B2B SaaS businesses. From 2023, he has served as CEO of Sansan Global Pte. Ltd.	Kenji co-founded Sansan, Inc. in 2007, after working with Bussan System Integration Co., Ltd. (now MITSUI KNOWLEDGE INDUSTRY CO., LTD.), where he designed and developed mail systems for major mobile carriers. Since 2012, he has been in charge of the Eight business card app. Now as Engineering Division Head, he oversees the company-wide technology strategy and strengthens its engineering group. In 2023, he also assumed the role of President of Sansan Global Development Center, Inc.	Yuta began his career at a human resources company, where he helped launch a consulting service. He then went independent and served as a director for a venture firm in recruitment. Yuta joined Sansan, Inc. in 2010 as a Manager in sales and later became the head of HR. As Chief Human Resources Officer (CHRO), he leads strategies for optimizing the value and productivity of Sansan's workforce.	Muneyuki worked for foreign securities companies in Tokyo and New York for nearly 9 years, providing M&A and financing advisory services. He then moved to a group company of the Development Bank of Japan Inc. to work in private equity. He joined Sansan, Inc. in 2017, and was appointed CFO in 2018 to lead the company's financial strategy.	Maki, an attorney at law, was admitted to the New York State Bar Association after working since 2003 at TMI Associates. She joined the Shintaro Sato Law Office in 2017 and has been a member of the Dai-Ni Tokyo Bar Association since 2021. She became an Outside Director of Sansan, Inc. in August 2022. Her expertise is in corporate legal affairs and compliance, and she provides recommendations from a legal and diversity perspective.	Toru is a General Partner at Incubate Fund. Following his involvement in investment development tasks at Japan Associated Finance Co., Ltd. (now JAFCO Group Co., Ltd.), he founded his own venture capital company. Having become an Outside Director of Sansan, Inc. in August 2007, he makes general management recommendations.	Toko is a Director at CyberAgent, Inc., a Junior Accountant, and a Juris Doctor. After working with Japan Airlines Co. Ltd., she joined CyberAgent as a Standing Auditor, and in 2017 became a Director. Toko became an Outside Director of Sansan, Inc. in August 2021. She gives guidance on auditing and diversity, applying accounting and legal knowledge along with corporate experience.	After working with DENTSU INC., Taro founded dof inc. in 2009 and became its CEO. He is also working as a Communication Designer. Taro became an Outside Director of Sansan, Inc. in August 2022. He provides recommendations on general management issues based on his extensive experience as a communication designer and the insights he has acquired as a board member of several companies.
Date of appointment as director	June 2007	June 2007	June 2007	August 2019	August 2020	August 2022	August 2007	August 2021	August 2022
Number of shares held *8	41,432,920	4,160,000	2,320,000	90,300	81,200	0	1,720,000	0	0
Attendance at Board of Directors meetings									
FY2022	17 of 17 times	17 of 17 times	17 of 17 times	17 of 17 times	17 of 17 times	13 of 13 times	17 of 17 times	17 of 17 times	13 of 13 times
Committee membership									
Audit & Supervisory Committee						●	●	●	●
Nomination and Remuneration Advisory Committee	●			●		●	●	●	●
Skills, diversity									
Corporate management	●	●	●	●	●		●	●	●
Data, information security	●	●	●						
Finance, accounting, legal					●	●		●	
Personnel, HR development				●		●			
Global-mindedness	●	●	●		●	●	●		●
Sustainability	●								
Primary reasons for above designation	· Founder · Representative Director · Worked in the U.S. · Chairperson, Kamiyama Marugoto College of Design, Technology, and Entrepreneurship	· Co-Founder · Director · Worked for a company focused on Asia	· Co-Founder · Director · CISO, DPO, and leads the Engineering Division · Worked in the U.S.	· Director · CHRO · Director at another company	· Director · CFO · M&A and financing advisory services in Japan and the U.S.	· Attorney in Japan and New York · Legal expertise in corporate law, compliance, and labor matters	· Representative director of a venture capital company operating domestically and internationally	· Full-time auditor at another company · Assistant public accountant · Doctor of Jurisprudence	· Representative director of another company · Has lived in the U.S.

*1 Chief Executive Officer *2 Chief Product Officer *3 Chief Operating Officer *4 Chief Information Security Officer *5 Data Protection Officer *6 Chief Human Resources Officer *7 Chief Financial Officer *8 As of May 31, 2023

- Compliance

In line with our philosophy, our basic policy is to conduct appropriate corporate activities with high ethical standards. We consider it essential to develop our business fairly and responsibly, using the added value we generate as a source of competitiveness. Under this approach, we have identified “Ensure compliance” as a priority material issue and strive to instill compliance awareness among all employees.

Material Issues (Priority Issues)

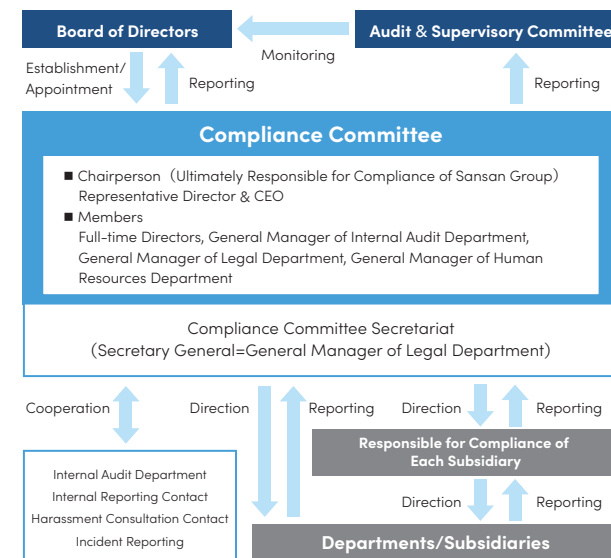
Among the five priority areas identified in 2022, under “Establish a Firm Management Structure to Support Rapid Business Growth,” we identified “Ensure compliance” as a material issue. In August 2023, we established long-term

Materiality Targets

Area	Material Issue	FY2029 Target		FY2022 Result
Establish a Firm Management Structure to Support Rapid Business Growth	Ensure compliance	Number of significant compliance violations	0	0
		Proportion of employees receiving compliance-related training	100%	100%

Management Structure

We have established a Compliance Committee chaired by the Representative Director, who also has ultimate responsibility for compliance, and comprising full-time Directors and the General Managers of the Internal Auditing Department, Legal Department, and Human Resources Division. The Compliance Committee helps formulate related policies and measures and provides overall compliance monitoring. Specifically, we have designed a program that integrates the structure and systems aimed at promoting compliance, and we operate it based on the PDCA cycle. Any compliance violations occurring in each group company are reported to the Compliance Committee Secretariat, and a system to oversee group compliance has been set up. The Committee meets once a year, in principle, and as needed in the event of misconduct or other irregularities.



Efforts to Ensure Legal Compliance

Under our Compliance Regulations, which define basic matters related to compliance, we strive to ensure thorough compliance by implementing measures such

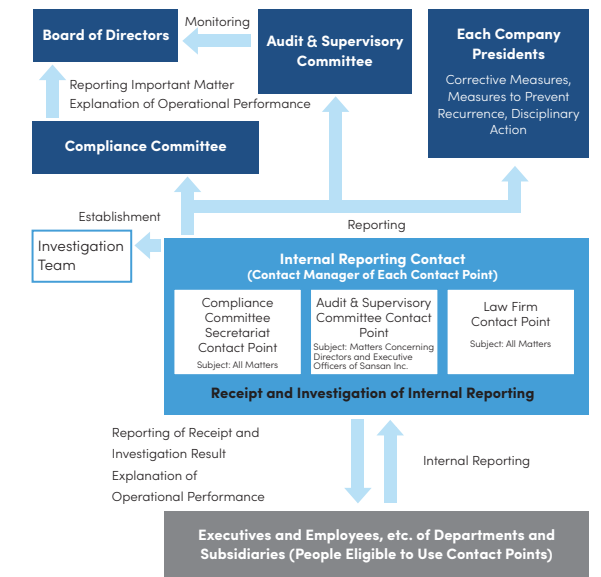
as a system for detecting wrongdoing and violations, as well as awareness raising and training for officers and employees.

- Establishing a Whistleblower Hotline

We have a whistleblowing system to promptly identify and deal with information on legal violations or potential violations. The system is available to all employees (including contract, temporary, and part-time employees) and former employees. There are three contact points: an internal contact handled by the Internal Auditing Department, an external contact outsourced to a law firm, and an external contact managed by the Audit & Supervisory Committee. In accordance with the Whistle-Blower Protection Act, consultation contents and whistleblower privacy are protected at the reporting stage, and whistleblowers are fully protected from disadvantageous treatment. The external contacts are also fully independent from the company. In addition to the whistleblower hotline, a harassment consultation contact has been established and is managed by the Human Resources Division under strict confidentiality, so employees can feel secure in discussing harassment issues.

How the Whistleblowing System Works

Whistleblowers can make anonymous reports by email, using a dedicated form, or by postal mail to each contact. After receiving the report, the contact will report to the Compliance Committee and the Audit & Supervisory Committee and conduct a fair and impartial investigation. If illegal activities are uncovered, necessary corrective and recurrence prevention measures will be implemented.



Number of Whistleblowing Reports (cases)

FY2020	FY2021	FY2022
9	11	14

- Conducting Internal Audits

The Internal Auditing Department is directly under the Representative Director. It conducts periodic internal audits of each department and organization to confirm their compliance with internal regulations. Specifically, it provides suggestions and guidance for

Comprehensive Auditing

The Internal Auditing Department confirms that our business operations and asset and facility management are appropriately executed and managed, through independent and objective audits covering all our business activities, including organizational operations and business processes.

improving operations and confirms that suggested improvements are made. Results are then reported to the Representative Director and the audited departments. It also meets regularly with the Audit & Supervisory Committee and accounting auditor to share information.

Security Audits

Through independent and objective audits, the Internal Auditing Department confirms whether our security, including our personal information protection management system (JIS), as well as information system management operations that handle information assets, are adequately maintained and performed.

Implementing Compliance Training

We ensure all officers and employees undertake training on preventing workplace harassment and correctly understand factors causing harassment, such as abuse of one's position of power and lack of awareness of power dynamics, as well as inadequate understanding and

knowledge about different values. Besides formulating management policies to prevent insider trading, we strive to improve officers' and employees' awareness and knowledge of legal compliance through regular seminars and training sessions on relevant regulations.

- Risk Management

Through our services, we deal with vital corporate information such as business cards and invoices, which raises information security-related risks, such as handling of personal information and system infrastructure. Changes in the internet usage environment, technological innovations, and shifts in user behavior also pose highly uncertain risks. We are developing management systems and measures to counter these risks while strengthening the managerial foundation that supports our rapid business growth.

Managing Risks

We are actively fortifying our risk management system and methods against risks that could significantly impact on our business. Recognizing the likelihood of risks and

understanding the changes in our business environment, we regularly review potential risks and prepare measures including preventing the risks from manifesting.

- Risk Identification and Analysis

Following our internal audit regulations, we formulate audit plans, regularly identify and analyze risks during

our audit process, assess risks based on their frequency and impact, and strive for prevention or early detection.

- Incident Guidelines

We have established guidelines for handling incidents such as disasters, accidents, unauthorized access, or vulnerabilities that could affect service delivery. The guidelines set out department-specific organization, command chains, decision criteria, and response

procedures. Incidents are categorized based on confidentiality, integrity, and availability, with priorities assigned for each type. Additionally, decision-makers are designated for incident judgments and responses within each department.

BCP Response to Large-Scale Disasters

To prepare for large-scale emergencies, such as natural disasters, we have established a business continuity plan (BCP) that encompasses structural measures and specific action plans. This includes staffing arrangements and alternative operations that we would adopt during essential utility disruptions. Specifically, the BCP would be implemented company-wide in the event of an earthquake with an intensity of six or higher at our head office or upon management consensus. If the BCP were activated, we would adhere to pre-established departmental manuals, focusing

on business continuity and early resumption. Each department creates manuals considering strategies for business continuation, potential damage assessment, impact analysis, recovery objectives, and alternative plans for large-scale disasters, with periodic reviews and revisions. We also have established a disaster response manual that is aimed at ensuring personnel safety and stable operations during emergencies, prioritizes our employees' safety, and defines organizational structures and responses for crisis scenarios.

- Risk and Response Categories

Classification	Item	Details	Responses
Information security risks	1) Handling of personal information	<ul style="list-style-type: none">Leaks, loss, falsification, or unauthorized use of customer information due to natural disasters, accidents, malicious and/or unauthorized access by external parties, and intentional acts or negligence by inside parties	<ul style="list-style-type: none">Establish and operate a personal information protection management systemPrivacy Mark certificationISMS, ISO27017 certificationRequire all employees to acquire Protection of individual Information PersonGather information on new legal regulations in Japan and overseas, and implement necessary responsesEnsure compliance with laws and regulations and manage contractors' safety
	2) Equipment and network stability	<ul style="list-style-type: none">System failures due to natural disasters such as fires and earthquakes, external damage, human error, or other unexpected events that interfere with the use of our equipment and network	<ul style="list-style-type: none">Conduct load balancing and periodic backups across multiple serversSet up real-time access log checking functions and an immediate notification system for software failuresConduct recovery training based on failure scenarios
Risks to services	3) Service failures, etc.	<ul style="list-style-type: none">Problems arising in our applications, software, and/or systemsDiscovery of critical defects that could interfere with our business operations	<ul style="list-style-type: none">Build and maintain a highly reliable development systemDevelop and implement incident guidelines for services
Risks from external environment	4) Internet access environments	<ul style="list-style-type: none">New internet usage regulations being introduced and having adverse effects	<ul style="list-style-type: none">Gather information on internet-related legal regulations, identify issues, and implement solutions
	5) Cloud business	<ul style="list-style-type: none">Increased competition due to the emergence of groundbreaking services from other companiesDemand for cloud services falling significantly below our expectations	<ul style="list-style-type: none">Create new valueProactively introduce new technologiesProtect our intellectual property rights by obtaining patents, etc.Promote M&A, and capital and business alliances
	6) Responding to technological innovations	<ul style="list-style-type: none">Slow responses to technological innovations, etc.Unexpected development costs, etc.	
	7) Competition	<ul style="list-style-type: none">Increased competition from existing operators and new entrants	
Investment risks	8) Upfront investments in advertising and promotions	<ul style="list-style-type: none">Significantly increased expenditures due to changes in advertising policies and plans	<ul style="list-style-type: none">Monitor cost effectiveness of advertising activities
	9) Investments such as corporate acquisitions	<ul style="list-style-type: none">Delayed business planning after an acquisition or investment	<ul style="list-style-type: none">Conduct sufficient due diligence on target companiesCarefully monitor and follow up with target companies
	10) System infrastructure investments	<ul style="list-style-type: none">Unexpected additional investments in hardware and software to ensure stable operation of services	<ul style="list-style-type: none">Carefully monitor external accessDesign appropriate system infrastructure investments to accommodate business expansion
Human risks	11) Establishment of management control system	<ul style="list-style-type: none">Delays in building a business structure and internal management system to accommodate the scale of our business	<ul style="list-style-type: none">Develop rigorous internal control systems in line with business and employee growth
	12) Training and securing human resources	<ul style="list-style-type: none">Lack of qualified personnelDelays in securing sales personnel for the Sansan/ Bill One Business, and loss of sales personnel	<ul style="list-style-type: none">Actively recruit human resourcesStrengthen systems through internal training, etc.Improve working environments
	13) Dependence on specific individuals	<ul style="list-style-type: none">Occurrence of any event that makes it difficult for Representative Director Chika Terada to continue working for any reason	<ul style="list-style-type: none">Ensure company structure is not overly reliant on the Representative DirectorStrengthen information-sharing among board members and the managing organization
Legal risks	14) Laws and regulations	<ul style="list-style-type: none">Impacts of new privacy-related laws and regulations in Japan and overseas, as well as laws regulating internet-related businesses	<ul style="list-style-type: none">Gather information on legal regulations, etc., identify issues, and implement solutions
	15) Intellectual property right infringement, etc.	<ul style="list-style-type: none">Claims for damages or injunctions from third parties for patent or trademark infringementThird-party infringement of our intellectual property	<ul style="list-style-type: none">Conduct patent infringement searches through patent firmsApply for and register trademarksImplement legal measures
Overseas risks	16) Overseas expansion	<ul style="list-style-type: none">Difficulty addressing risks specific to foreign countriesDelays in monetizing overseas businesses	<ul style="list-style-type: none">Gather information, identify issues, and implement solutions in regions where business is to be developedFormulate appropriate business plans
Others	17) Granting incentives	<ul style="list-style-type: none">Dilution of existing shareholders' shares from exercising issued stock options^{*1}	<ul style="list-style-type: none">Design stock options with due consideration of market conditions and impacts on existing shareholders

^{*1} The number of shares granted as stock options as of July 31, 2023 was 3,459,544 shares, which account for 2.76% of the total number of issued shares.