

## Business Model

# Digital Transformation Business Model

We provide cloud-based solutions that promote digital transformation and reshape how people work, and these services are all supported by a common business model. The model is focused on business encounters between businesspeople and companies. A key characteristic of the model is its ability to solve various business-related issues, such as improving operational efficiency and boosting productivity, through the digitization of analog information and the promotion of the use of the resulting data. Japan

### A Shared Business Model

We provide digital transformation solutions that turn encounters between businesspeople and companies into business opportunities and reshape how people work. Specifically, we offer services in a wide range of areas, such as sales, billing, and contracting. These services are all supported by a shared business model that is based on our mission of turning encounters into innovation. Our services are all centered on business-related encounters between people and companies. We also solve business-related issues by providing analog-to-digital solutions that can digitize all kinds of corporate information, customer contact information, and documents and workflow generated in billing and contract work. Our solutions also promote the use of the resulting data in the running of businesses, helping companies and businesspeople improve their operational efficiency and boost their productivity. In Japan, many companies still rely on inefficient analog workflows based on paper. The widespread nature of this issue is evidenced by the fact that it has prompted the Japanese government to establish the new Digital Agency and the fact that various companies and organizations are treating the promotion of digital transformation as an issue of the highest urgency. In light of this situation, we believe that there is still ample room to make further efficiency gains through digitization and that our versatile business model can

still relies on analog, inefficient operations for many different business situations. In light of this, we believe our business model is highly versatile and can be applied to various business fields. Since our company's founding, we have continued to refine the technologies that we use for digitizing analog information, which are what make our business model possible. This process of refinement is a definite source of competitive advantage for us.

readily be applied to a wide range of fields.

Enabling analog to digital is a unique approach that combines cloud software with technologies for the above mentioned digitization. All our cloud-based services are done with application of high-level security. Our services' security and trustworthiness are essential pillars for our business. Our technologies for quickly and accurately digitizing analog information are another competitive advantage across our services. Since we began, we have faced this digitization challenge head-on, refining our technologies to achieve both 99.9% accuracy and speed when converting data. Our namesake Sansan solution has grown to lead<sup>\*1</sup> the market for contact management services for corporations. Bill One, launched in 2020, has also gained top market share for cloud invoice receiving services<sup>\*2</sup>. These digitizing technologies are highly versatile and applicable to other fields. Given that many social issues in Japan arise from reliance on analog processes, our business model is highly sustainable.

<sup>\*1</sup> "Latest Trends in Business Card Management Services and Sales Services [SFA/CRM/Online Business Card Exchange]," December 2020, Seed Planning, Inc.  
<sup>\*2</sup> Deloitte Tohmatsu MIC Research Institute Co., Ltd., "Cloud Invoice Receiving Services Market Expected to Grow at a Staggering Rate: Current and Future," MIC IT Report, July 2022

## Digitizing Technologies

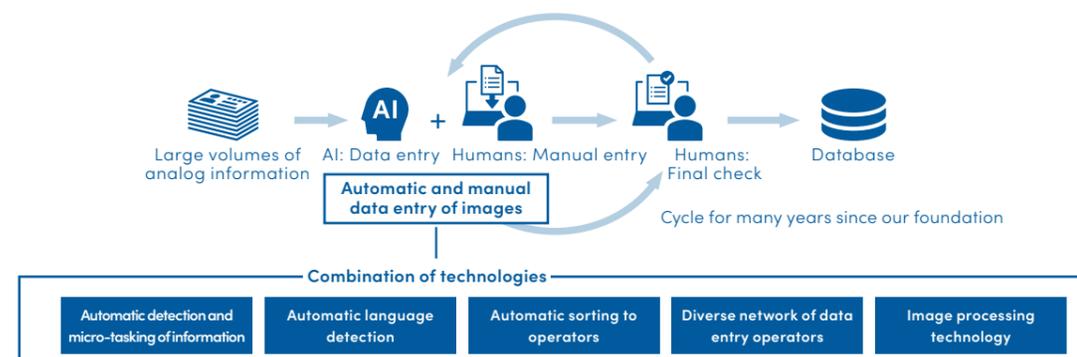
### Achieving 99.9% Accurate Digitization

Our solutions digitize a wide variety of analog (i.e., paper-based) information, such as business cards and invoices. We achieve this by combining AI technology, which evolves through machine learning etc., with manual input. Manual input is always needed to supplement the accuracy, as it is difficult for not only our proprietary technology, but any widespread optical character recognition (OCR) systems to achieve 99.9% accuracy on its

own. The structure of our operation is such that we digitize large volumes of analog information accurately, quickly, and at a low cost. This involves boosting the ratio of automated digitization through our own AI research within our research and development (R&D) Department, while creating a flow that efficiently integrates the power of hundreds of thousands of human operators.

### Digitizing Analog Information

Rapid and accurate digitization of large volumes of analog information



### For Business Card

#### 1. Scan or take a photo

Using our scanner or smartphone app, a user scans or takes a photo of a business card. The captured image is relayed to our data center.

#### 2. Image processing

The background is corrected by image processing technology and whitening to make the text more visible and easier to read.

#### 3. Classification

Clusters of characters on the image are identified and classified into categories such as company name, names, job title and more.

#### 4. Segmentation

To ensure security, the images undergo a segmentation process that renders them unusable as standalone information.

#### 5. Data entry

Each segment is automatically entered using machine processing. Data that cannot be confirmed by machine-based automatic input is entered manually.

### Structures and Technologies That Enable Highly Accurate Digitization

#### "GEES" Digitization System

This is our unique operation system that securely, accurately, and efficiently digitizes large volumes of business cards.

#### AI and Image Recognition Technology

We use various image recognition technologies along with our independently developed AI to digitize business cards at high speed and with high accuracy.

#### NineOCR

Our proprietary OCR technology digitizes email addresses with 99.7% or higher accuracy. We are developing and researching it for the application of all information on business cards.