

## Medium-Term Management Policy

# Aiming for Sales and Profit Growth

We have set medium-term financial targets that are aimed at increasing shareholder and corporate value for the period from the fiscal year ending May 2023 to the fiscal year ending May 2025. These targets are based on our current business phases and the scales

of investment required for attaining sales growth. In order to achieve the targets, for each business, we will promote growth strategies and a range of management strategies that strengthen their common foundation.

### Key Management Indicators and Medium-Term Targets

Our medium-term goal for the period from the fiscal year ending May 2023 to the fiscal year ending May 2025 is to achieve sales and profit growth. For the most critical management indicator, consolidated net sales, we aim to first maintain solid growth in the 20% range or higher. Second, we have adopted adjusted operating profit,<sup>1</sup> which excludes share-based payment expenses and expenses arising from business combination, as a key profit indicator. We aim to improve our adjusted operating profit margins each consolidated fiscal year

while making the necessary investments for sales growth in each business segment. To improve profitability, we are aiming at adjusted operating profit of 10 billion yen or more combined for Sansan and Bill One<sup>2</sup> in the fiscal year ending May 31, 2025, and a stable adjusted operating profit for the full period for Eight.

<sup>1</sup> Operating Profit + Share-based Payment Expenses + Expenses Arising from Business Combinations (amortization of goodwill and amortization of intangible assets)

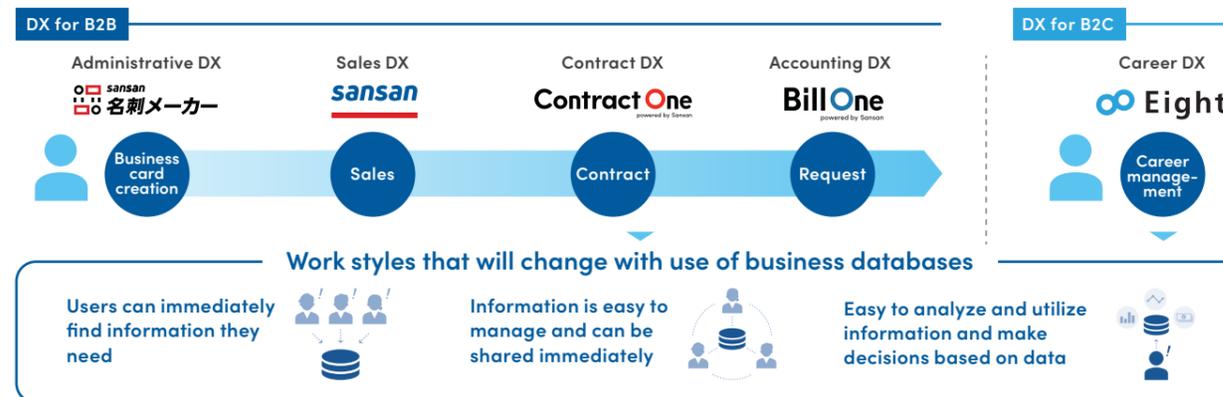
<sup>2</sup> Excluding "Others" such as new services in Sansan/Bill One Business segment

<b>1</b>	<b>Consolidated Net Sales</b>	<b>Continue solid growth in the 20% range or higher</b>		
<b>2</b>	<b>Adjusted Consolidated Operating Profit</b>	<p style="text-align: center;"><b>Improved profit margins at each fiscal year end</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; background-color: #e6f2ff; padding: 5px;"> <p><b>Sansan/Bill One Business</b> Over 10 billion yen in total adjusted operating profit from Sansan and Bill One in the fiscal year ending May 2025 (excluding "Others" such as new services in the same segments)</p> </td> <td style="width: 50%; background-color: #e6f2ff; padding: 5px;"> <p><b>Eight Business</b> Stable adjusted operating profit for the entire year</p> </td> </tr> </table>	<p><b>Sansan/Bill One Business</b> Over 10 billion yen in total adjusted operating profit from Sansan and Bill One in the fiscal year ending May 2025 (excluding "Others" such as new services in the same segments)</p>	<p><b>Eight Business</b> Stable adjusted operating profit for the entire year</p>
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### Management Strategy

We are developing digital transformation services that reshape how people work, linking encounters between people and companies with business opportunities. We established a multi-product structure from the perspective of a company's business flow, encompassing areas that range from recruitment to sales, contracts, and billing. There is a vast potential market offering

major business opportunities. Accordingly, we are actively hiring talented human resources and strengthening our technological capabilities with the aim of getting our revolutionary digital transformation service widely recognized as a form of business infrastructure and realizing sustainable growth.



### Our Technical Organization — Past and Present

Greater remote work, digital transformation, and interest in SaaS continue to expand our market. The digital transformation and domestic SaaS markets are expected to reach 5,195.7 billion yen by 2030 (an increase of 3,813.6 billion yen since 2020),<sup>3</sup> and 1,668.1 billion yen by 2026 (an increase of 579.0 billion yen since 2022),<sup>4</sup> respectively.

Analog/paper business cards, invoices, and contracts are still used daily, leaving significant room for greater operational efficiency and more effective utilization. All our services have substantial market potential. For example, Sansan has an 83.1%<sup>5</sup> share of the market for contact management services for corporations, but only about 3%<sup>6</sup> of Japan's total working population as users. Meanwhile, Bill One has built an invoice network among subscribing companies, including free subscribers, and

companies that invoice them, but as of May 31, 2022, this was only 41,000 companies, about 2%<sup>6</sup> of the total in Japan. Both therefore have ample room for expansion. Sansan and Bill One's monthly-subscription-based billing models are very attractive. They are expected to generate ongoing revenue with stable and continuous growth, each has a monthly churn rate averaging below 1.0% over the last 12 months, and they let us maximize customer lifetime value by increasing sales per contract.

<sup>3</sup> Based on Market Edition and Vendor Strategy Edition of 2022 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute

<sup>4</sup> Based on 2022 New Software Business Markets by Fuji Chimera Research Institute

<sup>5</sup> Latest Trends in Business Card Management Services in Sales Support DX 2022 (December 2021, Seed Planning, Inc. survey, in Japanese)

<sup>6</sup> The denominator, the total number of companies and employees in Japan, is calculated based on statistics from the Ministry of Internal Affairs and Communications' 2016 Economic Census for Business Activity Survey.

### Recruiting and Training Talented Human Resources and Ensuring Diversity

To achieve sustainable growth, it is crucial that we hire many talented professionals with diverse career backgrounds, and improve our sales, development, and managerial structures. We will create environments and

systems in which talented human resources who are in tune with our philosophy and business can work with high levels of motivation. We will also work to ensure diversity among our human resources.

### Continued Strengthening of Management System for Security Risks

Handling large amounts of personal and other important information assets, we emphasizes continuously enhancing its information management systems. Having formulated personal information protection

and information security policies, we closely monitor personal information protection measures, such as strict management of information assets, and will continue to enhance and improve internal systems and management.

### Enhancing Technological Strengths

As accurate digitization technology drives our competitiveness and is the common foundation for our services' growth, we must improve and strengthen it

constantly. We will hire talented engineers, and invest in and monitor advanced technologies to improve our technological abilities and build a top team of engineers.