— **Individual Business Strategies**

| Special Feature | **A Message from Our Business Managers**

Major Shift After 15 Years: Moving to our Next Business Phase with a Multi-product Structure

Two of our founding members, Kei Tomioka, who oversees the business side of Sansan/Bill One, and Kenji Shiomi, who oversees Eight and the Engineering Division, discuss our past and future, and shed light on the company's vision.

Director, Executive Officer, CISO, DPO,
Managing Executive (Engineering Division, Eight Division)

Kenji Shiomi

Director, Executive Officer, CRO,
Managing Executive (Business Division)

Kei Tomioka

Developing Products and Functions to Support Our Growth

From Link Knowledge to Sansan, then Eight and Bill One, tell us about your respective businesses and technological developments to date.

Kei Tomioka: Our CEO, Chika Terada, came up with the concept for Link Knowledge to overcome challenges he experienced while working at a trading company that had a wealth of human networks but couldn't share them effectively because of its organizational structure. Chika realized that sharing the information on the business cards each employee held would create huge sales opportunities for the company. That's how our business started.

Kenji Shiomi: In the beginning, we called it Business Card OS. The idea was to make business cards an operating system for corporate activities. We decided on the product name Link Knowledge only after founding the company.

Tomioka: Link Knowledge was launched on October 1, 2007. The functionality was very simple – users would scan a business card, then, on the back end, we would convert it into data that could be searched for and referenced online. Our daily efforts, such as sales activities and technological improvements, led to more than 1,500 companies adopting our service by April 2013. That made us the market leader. In August 2013, we changed the service's name to Sansan. This name embodies our vision of changing the way people work by turning business encounters, as represented by business cards, into assets and connecting one person to another (or one San with another San, in Japanese). We therefore decided to promote its value as being a B2B cloud-based business card contact management service. We also launched our industry's first TV commercial as part of these efforts. This led to much wider recognition, and it felt as though our business had leaped ahead by one or two phases.

As Sansan has developed, how have its functions evolved?

Tomioka: Alongside building accurate databases through the use of human data entry operators, we decided to create the ability to share business card contact information within organizations to increase their revenue. Specifically, we now provide functionality suitable for customer management and marketing, such as automatic sharing of information about personnel transfers and the ability to send bulk emails, enhancing companies' sales abilities.

Shiomi: Back then, I was already concentrating on Eight, which we launched in 2012. At the time, we felt Link Knowledge was expanding too slowly as a business. So, we decided it would be better to release a product for individuals, broadening our base all at once. To achieve this goal, we established a new compact business division and proceeded to develop Eight, a business card management tool aimed at individuals.

Synergy Between Sansan and Eight

What are the synergies between these two major businesses?

Tomioka: There has been tremendous growth in Eight users since its release as an app for individual users. This has also majorly impacted Sansan. Sansan's TV commercials produced outstanding results, but again, as a service for businesses, its reach is limited. Eight, however, is for individuals, so its user base is an order of magnitude broader. This has positively impacted Sansan, too. Many people use Eight yet they have never heard of Sansan. Eight's reputation and brand recognition have created a great deal of business for Sansan.

Shiomi: Of course, these are the synergistic effects we had hoped for, but we still need to make much more progress. Right now, Eight has about three million users, but unless we increase that number significantly, we won't make exchanging business cards on Eight commonplace.

Tomioka: We've also had requests from Sansan users. For example, we were asked if updating business cards on Eight could also update information on Sansan regarding personnel shifts. In this way, there are areas of overlap between businesspeople and companies, and there are synergies between the two products or aspects that can be linked to value for our users.

Special Feature A Message from Our Business Managers

The Need for Customer Success

What role do you think the customer success approach plays in Sansan's growth?

Tomioka: Customer success entails a straightforward task. As the name implies, it supports our users' success. Users need to accurately input information about their connections and continuously update it. Supporting habitual use is the key to achieving this behavior. Customer success helps support this goal in a down-to-earth way. Kenji actually first established the Customer Success Department.

Shiomi: Sansan and Eight aren't instantly useful or valuable after you install them. They only produce value after you import contact information. That's why Chika has asked us to focus on making sure this initial step takes place.

Tomioka: We understand that it's a hassle to import business cards from different departments and staff into Sansan. Simply urging people to use our product by saying, "All you have to do is scan them in," isn't enough. Initially, we went to users' offices to scan and digitize enormous numbers of business cards. It was so much work that my fingers got tired.

Shiomi: I think such down-to-earth actions are vital and the best way to achieve customer success. In fact, we're still scanning business cards on behalf of our users.

Product Management During COVID-19

Bill One, the cloud-based invoice management solution is seeing excellent results. How do you view its future in light of COVID-19?

Tomioka: We released Bill One in 2020, and as of May 31, 2022, it has 776 paid subscriptions. It was in the works for three or four years. We kept going back and forth on it internally, and finally completed a simple but excellent product. That was at the onset of the pandemic, and we launched it believing it would help our users work remotely. We also feel that revisions to Japan's laws have given it a boost.

Shiomi: Invoices can be physical documents sent by post or PDFs sent by email, with the format varying from company to company. So, our initial idea was to take advantage of Sansan's technology and operations, which we've used to accurately digitize business cards, another non-standard document, for over a decade. In the future, we plan to incorporate invoice issuing functions, alongside the receiving options, to comply with the new Japanese invoice system scheduled to be introduced in October 2023.

What are your thoughts on Sansan?

Tomioka: We have redefined Sansan, turning it into a sales DX solution. For the first time since our founding, we've shifted away from the keywords "business card" and are now betting on something else entirely. This shift involves producing more value from more complex encounters by including a corporate database as standard and enabling customer information from email signatures and web forms to be stored. We've been working on Sansan for 15 years and we're determined to create a foundation for the next 10–15 years through this relaunch.

What about Eight?

Shiomi: Currently, we're shifting toward the concept of Eight as a tool for shaping your own career, and we're evolving it into a tool you can use throughout your working life. Specifically, we're focusing on ensuring it meshes well with factors like career changes, learning, and event participation. Based on these developments, we hope to double our current number of users, including those outside Japan.

The Aim of Our Multi-product Structure

The new multi-product structure consists of three organizations: the Business Division, Product Unit, and Engineering Division. Why was it arranged that way?

Tomioka: Before the change, we had a product-based business structure with salespeople and engineers in each organization. However, as we increased our product numbers, we had redundant resources and operations that slowed us down in certain areas. In

response, we brought together our sales and marketing divisions to produce the Business Division and our development and research organizations to produce the Engineering Division, shifting to a structure in which these two divisions work reciprocally to lead our products' growth.

Shiomi: Our initial product-based structure was the most logical way to find solutions for each division. However, as we increased our product numbers, it felt like our engineers were becoming too dispersed. We believed that bringing them together to create a common foundation for our products would help accelerate product launches and growth. This structure would also let us share technologies that had only been used on Sansan with Eight, and bring Bill One's technologies to other products. We still have a long way to go, but this new structure is helping us redeploy and improve technology throughout the company.

From your respective standpoints, what do you hope to achieve in the future?

Shiomi: Fifteen years have passed since our founding. We now have enough members to take on even

bigger challenges. I also believe our business concept has become clearer. Therefore, I think we're ready to progress one more step toward our mission of Turning encounters into innovation, so this will be my area of focus.
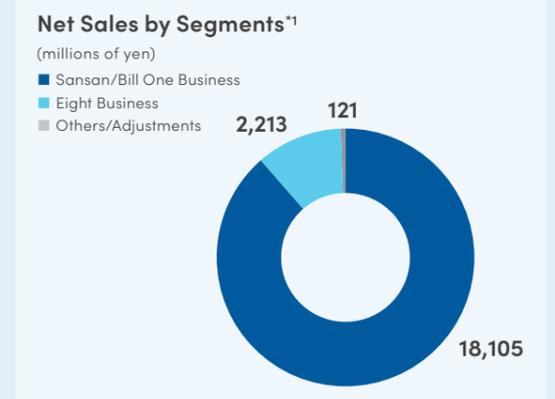
Tomioka: We're at a significant turning point for our company. I want to put my energies into finding the best method for relaunching Sansan, the sales DX solution, which we recently revamped, to enable change and thus contribute to our mission and vision. I hope you'll keep following our progress.

Structure of Reportable Business Segments

Our reportable segments consist of the Sansan/Bill One and Eight.
Sansan/Bill One provides services to businesses, and our founding service, the Sansan sales DX solution, accounts for about 87% of consolidated net sales and is a pillar of our growth. Bill One, a cloud-based invoice management solution within the same market segment, has continued to grow at a high rate since its launch in May 2020.
Eight is a contact and career management app. We're monetizing its network of more than 3 million registered users by providing a variety of corporate facing services.

Net Sales by Segments[1]
(millions of yen)
- ■ Sansan/Bill One Business
- ■ Eight Business
- ■ Others/Adjustments

2,213   121

18,105

*[1] As of May 2022. The few other services not included in reportable segments are recorded in Other, while elimination of intra-company transactions (sales), and costs not allocated to segments are recorded in Adjustments.