ANNUAL REPORT 2023

Year ended May 31, 2023

Turning encounters into innovation

sansan

— Our Philosophy

Mission

Turning encounters into innovation

Our world is built on encounters; they are the very basis of society.
People encounter people.
Companies encounter companies.

We believe these connections bring innovation,
which in turn leads to new ways of working and doing business.

By developing innovative products,
we change how people and companies value their encounters,
and even change how those encounters take place.

Vision

Become business infrastructure

Transport networks, electrical grids, the internet.
These are some of the roads of society.

We believe another road is possible.
A new form of infrastructure for the business world.

This road connects people with people, companies with companies,
and turns everyday business into innovation.

We aim to be that new road, that business infrastructure.

Values

Face your mission and love your work

Lead the customer

Anticipate the experience

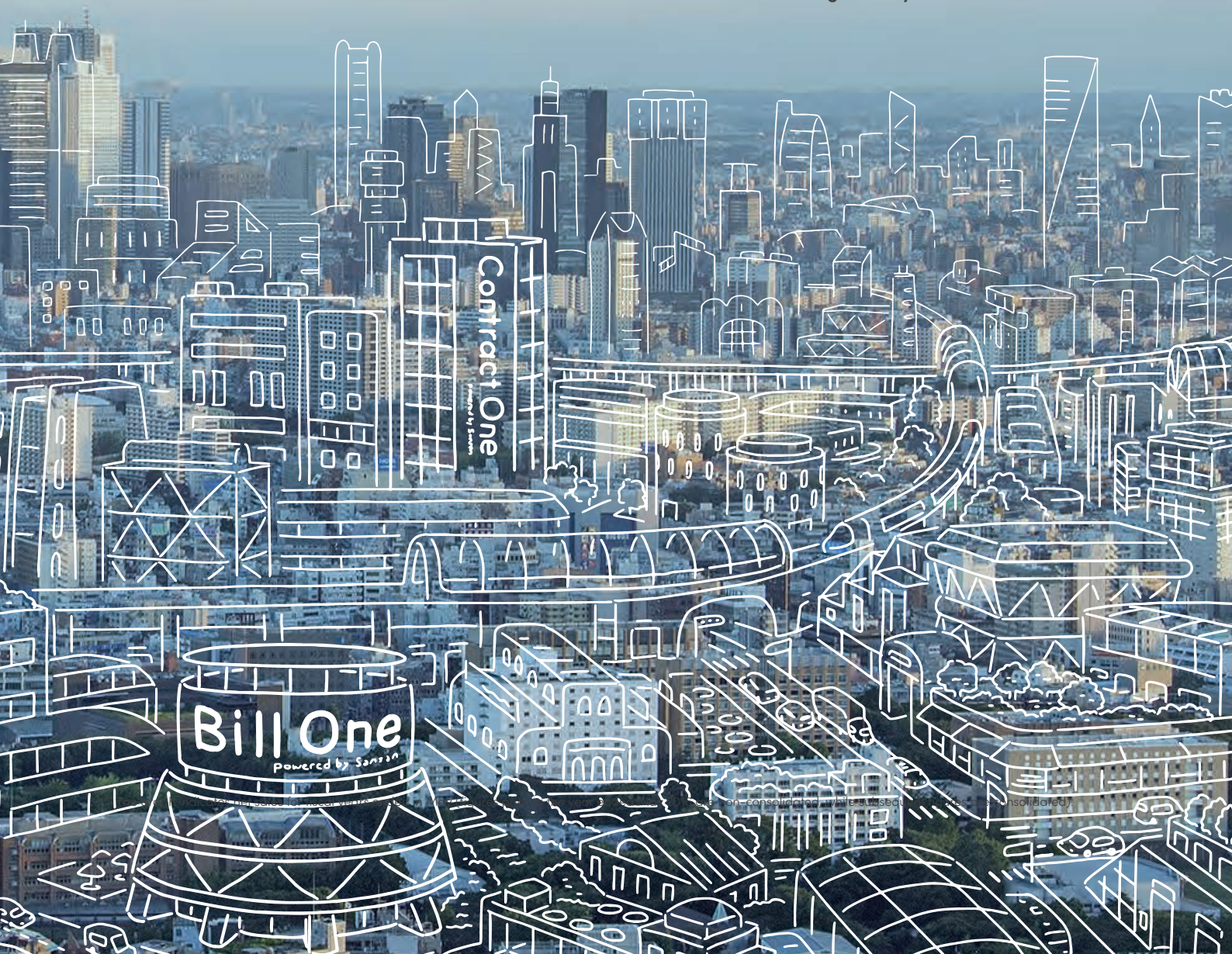**Make decisions with determination and intent**

Find a faster way

Leverage all strengths

Appreciate and be inspired

Don't fear change, and challenge yourself

Premise

Balancing security and convenience

– History

Since our founding, we have provided services that help solve diverse issues that companies and businesspeople face. As a leading software-as-a-service (SaaS) company in Japan, we have done this by developing innovative technologies and creative operational practices. Aiming to realize our vision of "Become business infrastructure," we will pursue new solutions that address uncovered needs within societal issues as we seek sustainable business growth and increased corporate value.

FY2012 – FY2018

Strengthening investments through large-scale fundraising

FY2012
Raised approximately 500 million yen through third-party allocation of new shares

FY2013
Broadcast first Sansan TV commercial
Changed legal name to Sansan, Inc.
Raised approximately 1.4 billion yen through third-party allocation of new shares

FY2015
Established Sansan Global Pte. Ltd. (Singapore)
Raised approximately 2 billion yen through third-party allocation of new shares

FY2017
Raised approximately 4.2 billion yen through third-party allocation of new shares

FY2018
Raised approximately 3 billion yen through third-party allocation of new shares

FY2007– FY2011

Founding and launch of business

FY2007
SAN SAN, Inc. (now Sansan, Inc.) founded

Net sales (millions of yen) *1

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
23	139	270	401	560	815	1,289	1,963	3,151	4,839	7,324	10,206

The company, Sansan, was founded in June 2007 and launched under the name Link Knowledge. It was a service for internally managing and sharing business card information in companies. Until FY2011, we worked to launch our business with little capital, as we had greatly limited access to financing.
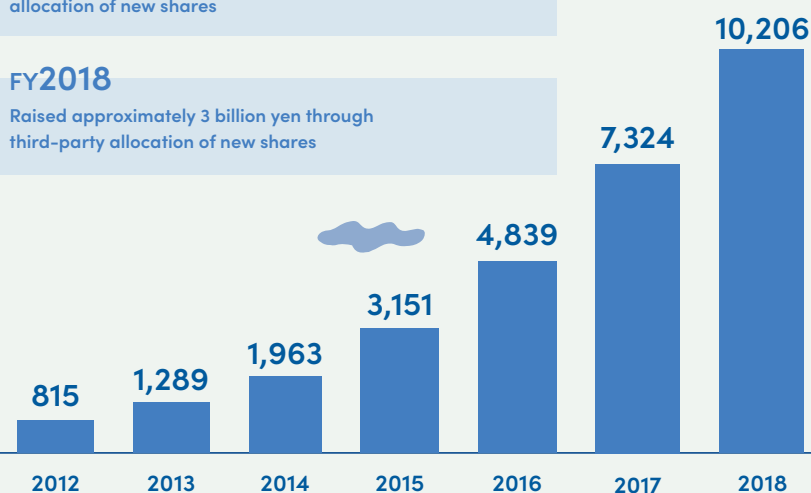
The increased activity in the venture capital market from FY2012 made it easier for unlisted companies to raise funds. We capitalized on this change and raised over 10 billion yen by FY2018. We also expanded our marketing activities including through TV commercials. Our first TV commercial was award-winning and attracted national attention. These commercials have significantly contributed to raising the profile of our company and services.

sansan

Expanding business fields

FY2023
Acquired Institute of Language
Understanding Inc. as a group company

FY2019
Listed on the Mothers Section of the Tokyo Stock Exchange and raised approximately 2.1 billion yen through a public offering of shares
Raised approximately 4.7 billion yen through third-party allocation of new shares

FY2020
Acquired logmi, Inc. as a group company
Listed on the First Section of the Tokyo Stock Exchange

FY2021
Acquired Diamond Corporate Data Services, Inc. as a group company
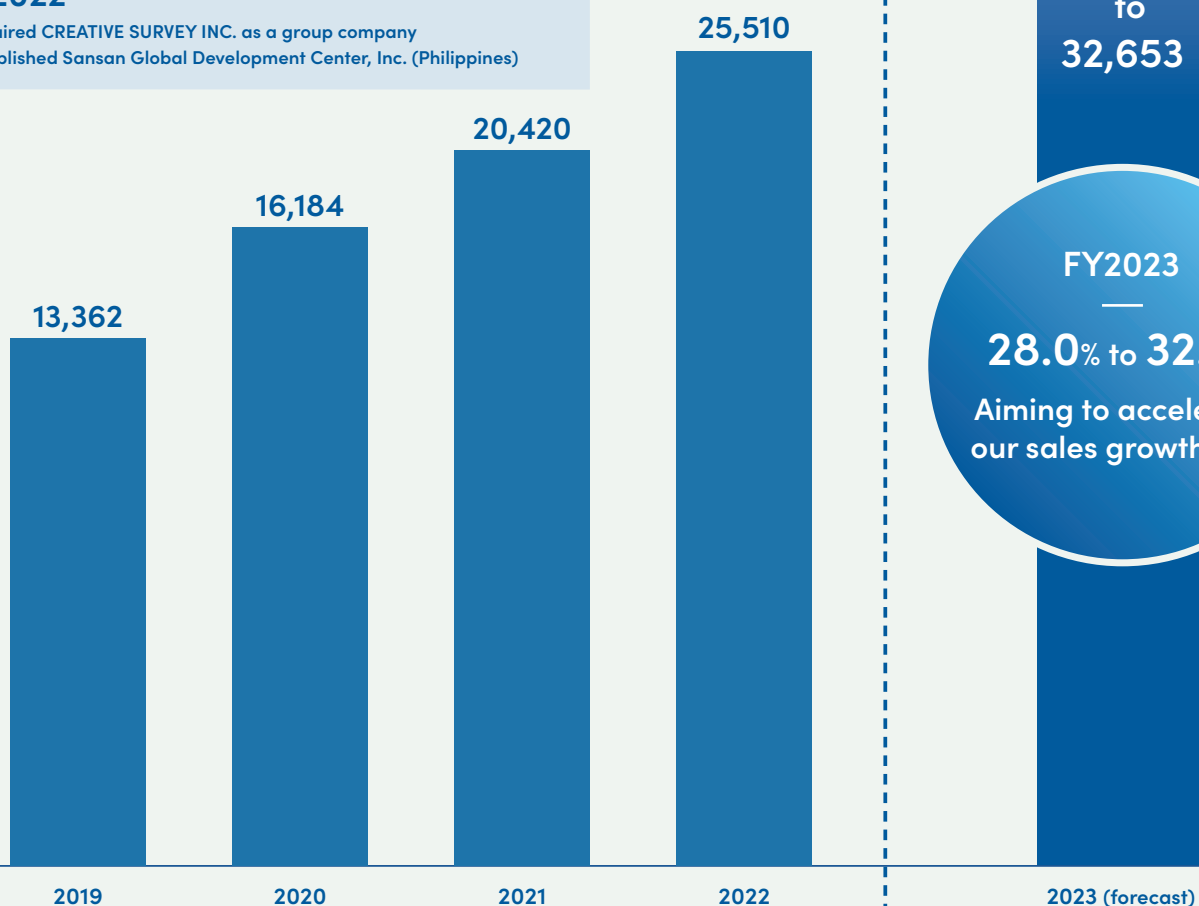Transferred to the Prime Market on the Tokyo Stock Exchange

FY2022
Acquired CREATIVE SURVEY INC. as a group company
Established Sansan Global Development Center, Inc. (Philippines)

33,674
to
32,653

25,510

20,420

16,184

13,362

FY2023
—
28.0% to **32.0**%
Aiming to accelerate
our sales growth rate

| 2019 | 2020 | 2021 | 2022 | 2023 (forecast) |

After we were listed on the Mothers Section of the Tokyo Stock Exchange (TSE) in FY2019 we were then transferred to the TSE's Prime Market. From 2020, we began leveraging our technology and expertise from Sansan and Eight to expand our services to business fields such as invoicing and contracts. In May 2020, we launched the cloud-based invoice management solution Bill One, and in January 2022 the contract database Contract One. We also added a corporate business card option to Bill One in June 2023, and thereby entered the fintech space.

*1 The graphs show results for fiscal years ended May 31 (figures prior to FY2015 are non-consolidated, while subsequent figures are consolidated).

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Annual Report 2023

Reporting Period | FY2022 (June 1, 2022 to May 31, 2023)

Disclaimer Regarding Forward-Looking Statements

This report may contain future assumptions, prospects, and forecasts based on plans. However, these forward-looking statements are based on the information available at the time of the report's preparation, and on certain assumptions we accept as reasonable. Sansan, Inc. ("the Company") does not promise to achieve these. Major differences may occur between the forecast and the actual performance, including changes in economic conditions, consumer needs, and user preferences; competition with other companies; changes in laws, regulations, and others; and other future factors. Therefore, the actual performance announced may vary depending on these factors. The Company assumes no responsibility for any damage caused through the use of information in this report. Additionally, regarding new information and future events, the Company has no obligation to revise or officially announce revisions to the future prospects in this report.

Editorial Policy

This annual report aims to clearly communicate financial and non-financial information on the company, based on an integrated approach. We aim to provide a deeper understanding among our stakeholders, including shareholders and investors, of our value creation narrative and the progress of our business activities toward achieving the Group's mission and vision.

For more detailed information about us, please refer to our IR and sustainability sites, which provide comprehensive disclosures.

IR Information Disclosure

Integrity

Annual Report

Non-Finance ← → **Finance**

- Sustainability site
- Corporate Governance Reports

- Securities Reports
- Financial Results
- Presentation Materials
- Business Reports · IR site

Comprehensiveness
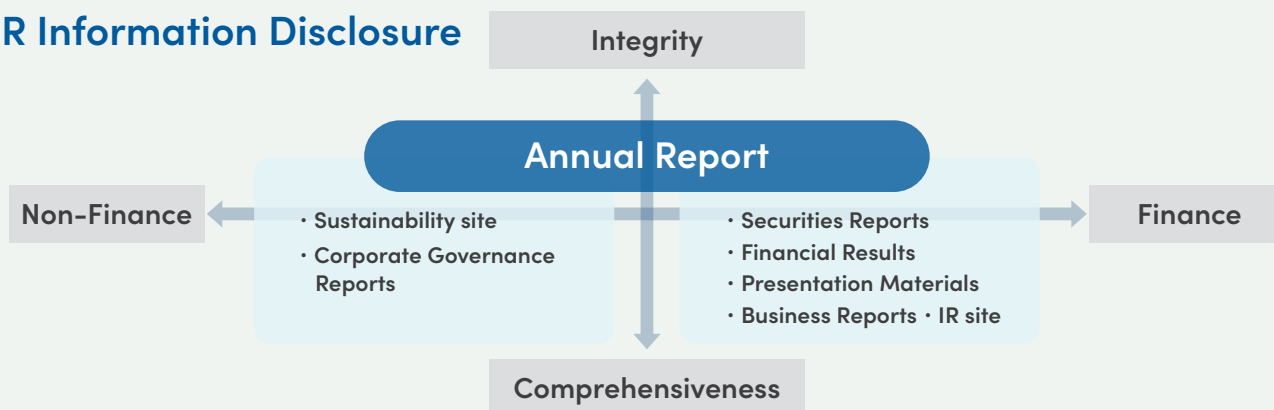
Reference Guidelines

In preparing this report, we referred to the guidelines on the right and sought our stakeholders' opinions and requests to strengthen the content.

- International Integrated Reporting Framework
- Guidance for Collaborative Value Creation
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- Sustainability Accounting Standards Board (SASB) Standards
- Global Reporting Initiative (GRI) Standards
- World Intellectual Capital/Assets Initiative (WICI) resources
- SDG Compass

Key Points of the Annual Report 2023

To support the understanding of our value creation efforts, in this report we have reorganized information along a timeline of long-term, medium-term, and short-term, anchored on material issues (priority issues). We cover not just the FY2029 quantitative targets for material issues but also their positioning in our value creation model and strategies. The messages from each director introduce the background and our aspirations behind setting material issue targets, conveying our unique value creation narrative for improving sustainable corporate value.

– Past Annual Reports –
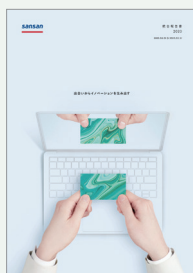
Annual Report 2020

Our first annual report aimed to concisely communicate information including our company overview, strategies, and management foundation.

Annual Report 2021

Our second annual report focused on enhancing non-financial information, covering sustainability policies and ESG initiatives.
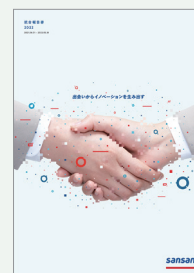
Annual Report 2022

Our third annual report emphasized including more direct voices through messages from people inside and outside the company to better communicate our value creation narrative.
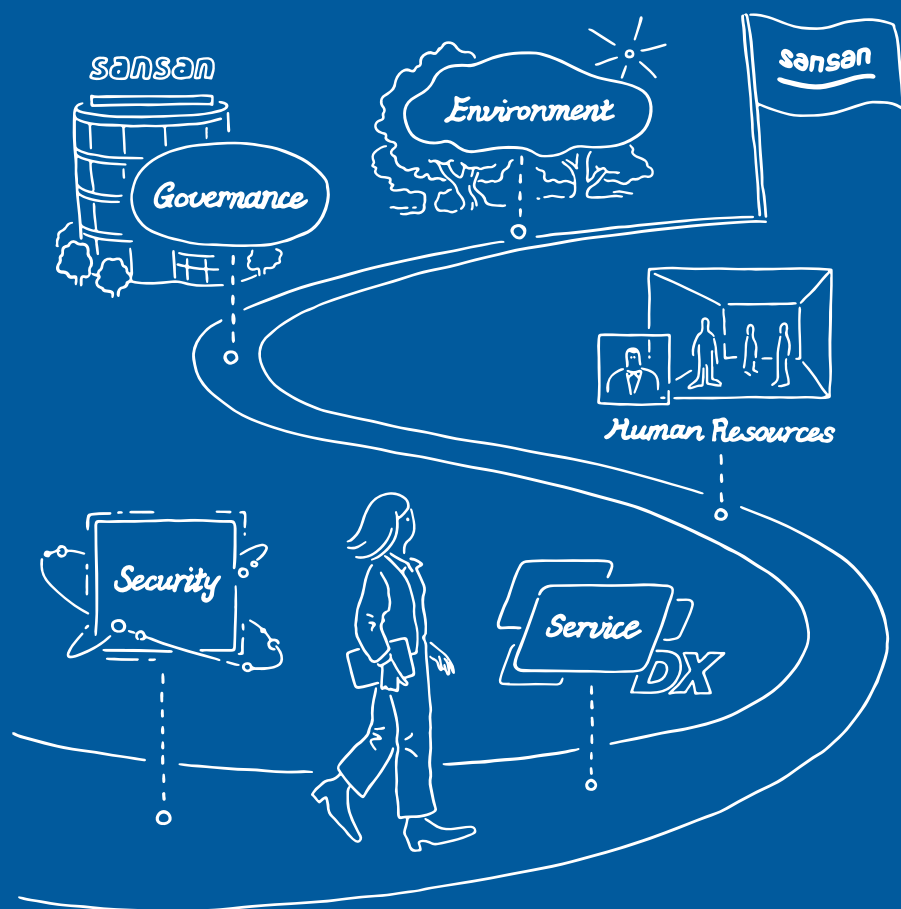
Chapter 1

Story

Chapter 1 covers our efforts to sustainably increase our corporate value, with material issues (priority issues) as a central aspect. This includes the CEO's message, long-term goals, management resources and the results we deliver, and social value, all outlined within the framework of our value creation model.

CONTENTS

01

CEO Message

Representative Director & CEO

Chika Terada

Reigniting Sales Expansion and Entering a Stage of Higher Growth

FY2022 in Review

The past year has been a changeover period as the world's people have shifted from with-COVID to post-COVID. The pandemic is generally said to have generated a tailwind for digital transformation (DX). In reality, the business environment has differed greatly depending on the nature of individual services and products. For Sansan, our group's backbone and a service developed for business card–based contact management, we came up against a headwind in which face–to–face contact dramatically declined. We therefore embarked on a large-scale product redesign that would normally have taken about 10 years, yet we completed it in just 2 years amid COVID. Sansan has now evolved into a value-added sales DX solution, encompassing not just business cards but also a range of touchpoints, while integrating a corporate database.

In last year's annual report, I said I wanted to look back in 3 or 5 years and see the COVID period as a significant turning point for our growth. While it's still too early to judge, with our product renewal timing coinciding with broader economic reopening, I felt our business growth reigniting, especially in the second half of FY2022.

Another standout was Bill One, our invoice management service launched in May 2020. With tailwinds from workstyle reforms during the pandemic, Bill One has grown rapidly beyond internal targets. Recent drivers include growing demand for compliance with Japan's Electronic Bookkeeping Act, updated in January 2022, and the Invoicing System beginning from October 2023. But legal compliance is not Bill One's main purpose. This solution helps to digitize accounting processes and accelerate monthly settlement. Although I'm pleased with Bill One's sharp growth, I'm even more gratified when users tell us it has sped up their monthly financial closing.

Meanwhile, Eight, with 3.3+ million users, creates value not simply as a revenue driver but as infrastructure, powering data utilization within Sansan. Going forward, we will prioritize early profitability over topline growth in Eight's business strategy.

Direction for FY2023

This July, we announced a full-year net sales forecast of 28% to 32% year-on-year growth. This is the first time in 4 years we have announced a sales growth rate around 30%. While we've been expanding our business scale, this factors into shifting Eight from topline growth to a profit focus, powerfully demonstrating accelerated growth for FY2023. At the same time, I recognize this year we must prove this growth rate is not a one-time event but rather is our new standard.

To achieve this, our first priority was an organizational overhaul. Pre-COVID, we operated under a divisional system of separate business units, but during the pandemic, we switched to a sales structure that would optimize resources by redirecting Sansan personnel to the rapidly growing Bill One. However, with Sansan's product overhaul, we have seen record-high new order values quarter basis, confirming that the market is now embracing Sansan not just

for business card management but as a sales DX solution. This gives us confidence to play offense again. Accordingly, this June, we reverted to a divisional system. Changing from pursuing optimization during the pandemic to now pursuing maximization reflects the growth reignition we currently feel. I'm excited that with Sansan, which accounts for most of our consolidated net sales, leading the way, we're again entering a stage of igniting growth for the entire company.

> ## Achieving discontinuous growth through continuous accumulation of steady progress

Toward Medium-to-Long-Term Growth

I categorize our history thus far in three phases. Phase 1 was our founding in 2007 and our startup. Phase 2 was the period until our IPO in 2019, when we strengthened investments through major fundraising. Phase 3 is the period since going public. In this journey, we've progressed step-by-step, like steadily adding layers. Personally, I strongly desire discontinuous growth, but continuous accumulation of steady progress is the work required to achieve it. Now, though, I feel an even stronger conviction that we're on the right path, and a sense that our stride is accelerating, and the ground covered with each step is expanding. Through renewed growth

acceleration, we will enter a new fourth stage, a step higher than Phase 3. With this coinciding with our planned office relocation next year, I feel that we're at an inflection point qualitatively as well.

In June 2023, we launched the Bill One Business Card corporate credit card as an optional Bill One feature. From Bill One's launch, we have tracked, as an internal KPI, invoice volume per year on the platform, which reached 16 trillion yen on an annualized basis by April 2023. With this transaction volume, we sought to provide more value to customers, entering fintech for the first time by launching this corporate card. Accounting teams spend a great

deal of time collecting receipts and invoices and matching them to credit card statements for reconciliation. This is an analog process that slows the monthly closing of accounts. By providing the Bill One Business Card to automate this matching, we eliminate this bottleneck. As a standalone corporate card, many competitors exist, but as a value-adding Bill One option, it is unique. Existing customers have already welcomed the card as a way to accelerate their monthly settlements, but the real leap in growth is still to come. Of course, as transaction volume through the corporate card scales 10x or 100x, it will affect our balance sheet, but we will draw on

established corporate card business practices to pinpoint management strategies and establish an appropriate risk management system to support business growth.

In addition to Sansan, Bill One, and Eight, our lineup now includes Contract One, our contract database that digitizes all types of contracts, facilitating their utilization as company assets. Although each has challenges to overcome to grow as a core pillar, once we get through these, I envision creating an integrated product combining all these solutions. The issue of how to move toward that goal is a topic for consideration over the medium-to-long term.

Sustainability-Oriented Management

FY2022 was also a year in which we clearly established our stance on sustainability. First, we identified 10 material issues (priority issues) across five areas, appointing a director as the owner of each. We also set quantitative targets for each issue. I recognize that we're only at the beginning of integrating sustainability and management, and I intend to accelerate our initiatives moving forward.

Among the 10 issues, I was assigned ownership of "Conserve the Environment Through Business." To address the issue of climate change, we set a target of achieving carbon neutrality for Scope 1 and 2 emissions by FY2029. In terms of efficient use of natural resources, we established a goal of increasing the number of transactions using paperless functions on our solutions to 120 million.

Environmental issues are existential, not merely business concerns—they will determine humanity's survival. In today's world, no one can dismiss this as unimportant. Sustainability initiatives are undoubtedly critical. In setting our FY2029 target, we considered whether to aim for complete carbon neutrality immediately or start with a 50% reduction. However, as a cloud software provider, our IT services business model does not inherently produce a large carbon footprint compared with other industries. In other words, pursuing early carbon neutrality would not greatly disrupt our business model. Naturally then, we're firmly committed to achieving our FY2029 target, and, as a show of our strong determination, we will steadily execute detailed plans toward this target. Also, the process of integrating sustainability into our management reaffirmed for me that our solutions themselves promote a paperless society. Thus, expanding our business contributes to societal sustainability. We accordingly set a highly ambitious target for usage of paperless functions on our solutions as a KPI.

Vision for 100 Years in the Future

While we set FY2029 sustainability targets, I increasingly think about Sansan in the much longer term of, say, 100 years from now. Looking not about 5 or 10 years into the future, but rather a century—a time when I won't be present in the company—surprisingly brings many things into focus, as well as many more opportunities to consider our corporate purpose.

We highly value being a mission-driven company. Our mission is "Turning encounters into innovation," and our vision to "Become business infrastructure" is shared by everyone in Sansan. We also have values that represent a code of conduct, and a premise that expresses the basic assumption in our work. We have refined these concepts in our philosophy, and the words used to articulate them, through extensive and repeated company-wide discussions, and we will continue adapting them to suit the times.

Our current envisioned future is to become indispensable business infrastructure for customers, as stated in our vision. But no customer explicitly asks for "business infrastructure." They use our solutions, recognize the value provided, and increase use until they realize that our solutions have become so mission-critical that business would come to a stop without Sansan. This is the level of impact on business availability and daily utility we aim for in our infrastructure role.

So, how do we get there? The key is continually delivering innovative value proposals to the market and society. Business card management is now an established market, but it originated from the common frustration I saw with many people around me struggling with this task, leading me to propose digitizing and sharing cards company-wide—the genesis of Sansan. Bill One adapted our business card digitization expertise for a new domain, invoices, creating another market. This is what I sense. Establishment of Kamiyama Marugoto College of Design, Technology, and Entrepreneurship is another value-creation proposal. Someone conceiving and delivering new ideas shapes enduring purpose, even 100 years from now. Accumulating innovative proposals that create new value that has never before existed, bringing them to life, and ultimately attaining irreplaceable business infrastructure status—this is my vision.

One hundred years from now, while still maintaining our relative position as a listed company and an IT company, I want us to have an absolute presence and overflowing uniqueness within those areas. We should continually deliver original customer experiences only we can provide, with overwhelming originality and unmatched global prominence. This is the kind of company I envision.

We have also begun global expansion, primarily with Bill One, in countries like Singapore and Thailand, with initial user adoption. We will decisively pursue growth in the global market over the medium-to-long term.
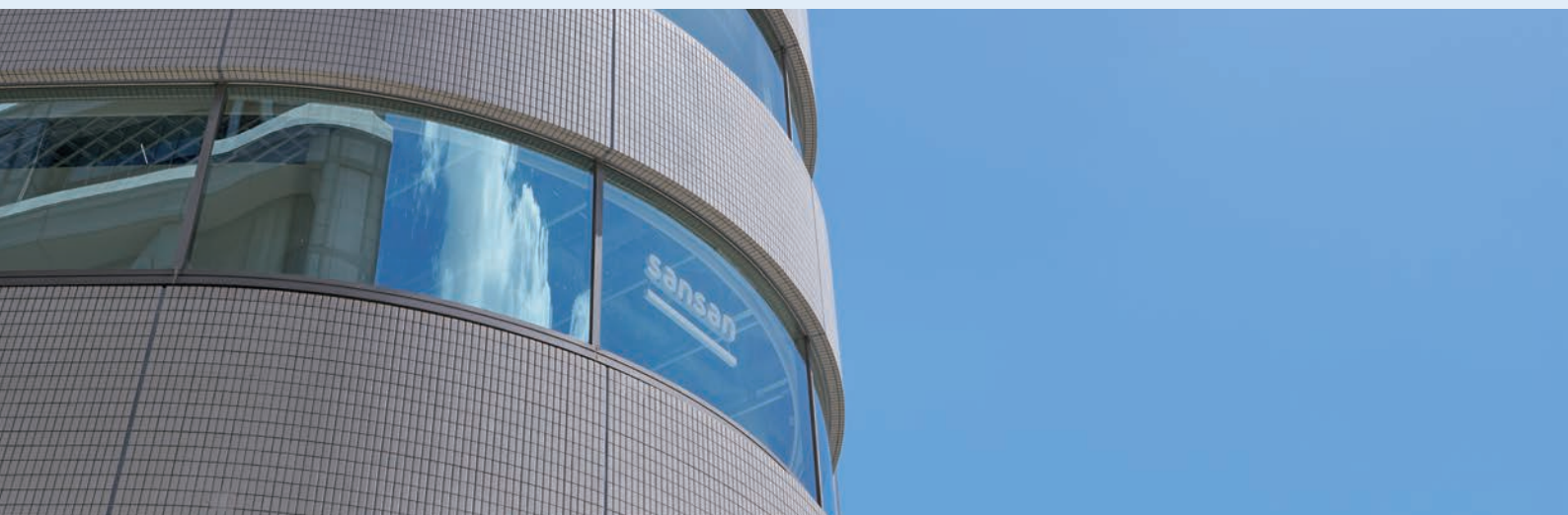
> ❝ **Solving issues by proposing unprecedented services for the market and society.** ❞

Source of Value Creation

Our medium-to-long-term value creation has two engines: the ability to conceive innovative proposals and the horsepower to deliver them as real experiences. This process of creating new value lacks any sense of betting on trends, such as in seeing how a certain other company seems to be doing well or a certain business will grow in the years ahead. Rather, we take the opposite stance of realizing our own unprecedented proposals and finding meaning and excitement in creating value through them.

In the IT services space especially, overseas players like those in the U.S. are ahead, with many services in Japan termed "Japanese versions" of existing foreign services. Sansan is completely different. So,

while explaining our business and value to new audiences can be challenging, the fact that we provide solutions not yet seen globally aids understanding.

We propose and deliver solutions that do not yet exist anywhere else in the world. The fact Sansan is made up of people who embrace this challenge is a major strength of the company. Pioneering initiatives require tremendous drive to realize, and we have that ability, with a track record and strength to keep delivering. People with ideas and the abilities to make them real are the source of our value creation.

Hiring and nurturing such talent is the most critical management issue for our medium-to-long-term growth, and a company-wide

priority. At the same time, envisioning Sansan in 100 years, we need to start considering succession planning. In May 2023, we established a Nomination and Remuneration Advisory Committee, but apart from discussions there, on the execution side, we're also beginning to study succession planning concepts, researching examples at other founder-led firms. Yet, 16 years since founding Sansan, we're still climbing step by step with the summit not yet in sight. Even as we proceed with discussions on successor development, my passion and sense of responsibility are undiminished for leading the management as founder and driving growth to see Sansan become business infrastructure.

To Our Stakeholders

In our dialogues with various stakeholders, I truly appreciate those in the capital markets who have a deep understanding of Sansan—who recognize and have a high regard for our uniqueness. As a company dedicated to turning original ideas into business, I hope

you will continue to focus on our originality going forward.

With our efforts during the pandemic clearly starting to produce results, we will now reignite net sales growth. The overall DX tailwind continues, and within this growth market, we will constantly pursue

added value that Sansan alone can deliver. I invite all our stakeholders to watch as we move ahead, and I look forward to your continued support.

Chika Terada
Representative Director & CEO

Long-Term Goals

To realize our vision of "Become business infrastructure," we have set sustaining solid sales growth and achieving profit growth that surpasses sales growth as long-term financial goals. We have also established quantitative targets for material issues (priority issues) for FY2029 as non-financial indicators and are working to achieve them.

FY2022 Results	FY2023 Forecasts	FY2024 (Medium-Term Financial Goals)

Medium-Term Financial Goals (FY2022 – FY2024)

Financial Goals		FY2022 Results	FY2023 Forecasts	FY2024 (Medium-Term Financial Goals)
	Consolidated Net Sales	• 22,510 million yen • +24.9% YoY	• 32,653 to 33,674 million yen • +28.0% to +32.0% YoY	Maintain growth rate in the mid-20% range or higher
	Adjusted Consolidated Operating Profit	• 942 million yen • +28.9% YoY	• 1,240 to 1,852 million yen • +31.7% to +96.6% YoY	
	Adjusted Consolidated Operating Profit Margin	• 3.7% • +0.1 pts. YoY	• 3.8% to 5.5% • +0.1 pts. to +1.8 pts. YoY	Improve profit margin every fiscal year

Material Issues (Priority issues)		
	Balance Security and Convenience	• Number of major incidents 0 • Proportion of those qualified as Protection of Individual Information Person 88.0%
	Transform Work Through Innovative Digital Transformation Services	• Number of items converted from analog to digital information using our services [1] 190 million • Number of users of our services [1] 5.73 million people
	Respect Employee Diversity and Producing Innovation	• Proportion of recruitment through referrals 12.0% • Unipos [2] posting rate 59.6% • Ratio of female employees in management positions [3] 17.8% • Ratio of female employees [3] 34.9%
	Establish a Firm Management Structure to Support Rapid Business Growth	• Ratio of female Directors 22.2% • Number of significant compliance violations 0 • Proportion of employees receiving compliance-related training 100%
	Conserve the Environment Through Business	• Scope 1+2 [4] 851 t-CO_2 • Number of uses of paperless functions in our services [1] 10 million

*1 Results for the Company's services are aggregated for Sansan, Bill One, Contract One, and Eight. *2 Unipos is a service centered on the peer bonus system provided by Unipos, Inc.
*3 Results and targets presented here are for the Company on a non-consolidated basis. *4 Scope 1 is calculated by aggregating direct GHG emissions from our own office and facilities. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office.
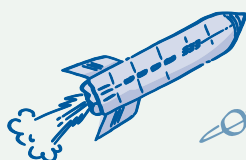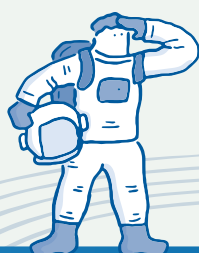
FY2029 Long-Term Goals

Sustain solid sales growth and achieve profit growth that surpasses sales growth

- Number of major incidents 0
- Proportion of those qualified as Protection of Individual Information Person maintained at 80% or higher

- Number of items converted from analog to digital information using our services 500 million
- Number of users of our services 20 million people

- Proportion of recruitment through referrals 35%
- Unipos posting rate 80%
- Ratio of female employees in management positions 30% or higher
- Ratio of female employees 45% or higher

- Ratio of female Directors 30% or higher
- Number of significant compliance violations 0
- Proportion of employees receiving compliance-related training 100%

- Scope 1+2 carbon neutral
- Number of uses of paperless functions in our services 120 million

Realizing a sustainable society and business growth

Vision

Become business infrastructure

Material Issues (Priority Issues)

We believe that contributing to resolving social issues through our business activities will contribute to building a sustainable society, which in turn will lead to our sustainable growth and increase our corporate value. Based on this belief, we consider a variety offactors in our sustainability initiatives, such as the business environment, our management performance, and our business stage. We then promote these initiatives in collaboration and cooperation with all stakeholders.

Initiatives for Material Issues (Priority Issues)

In June 2022, our Board of Directors identified key material issues (priority issues) regarding the environment, society, and governance. In 2023, we set quantitative targets for these issues for FY2029. Our directors took on the role of material issue owners for each priority area, clarifying responsibility for addressing these challenges. Under each material issue owner's supervision, we examine and track progress on initiatives to achieve our targets. Important matters are discussed and decided on by the Board of Directors.

We will strive to resolve these issues through our core business, thereby contributing to achieving the United Nations SDGs and, consequently, to building a sustainable society.

FY2029 Targets for Material Issues (Priority Issues)

	Area	Material Issues	Metrics and FY2029 Targets [1]	Related SDGs	Material Issue Owner
(1)	**Balance Security and Convenience** Along with convenience, we are implementing measures to ensure our employees maintain data privacy and information security, thereby providing society with highly safe and stable services.	1. Provide safe and stable infrastructure solutions 2. Ensure robust protection of data privacy and information security	• Number of major incidents 0 • Proportion of those qualified as Protection of Individual Information Person maintained at 80% or higher		**Kenji Shiomi** Director, Executive Officer, CISO, DPO, Engineering Division Head (→P62 CISO, DPO, Engineering Division Head Message)
(2)	**Transform Work Through Innovative Digital Transformation Services** To become business infrastructure, we will leverage our strengths in digitization to develop and provide innovative digital transformation (DX) services that significantly improve social and economic productivity.	3. Promote DX services that improve productivity 4. Create innovative business infrastructure	• Number of items converted from analog to digital information using our services [2] 500 million • Number of users of our services [2] 20 million people		**Kei Tomioka** Director, Executive Officer, COO (→P40 COO Message)
(3)	**Respect Employee Diversity and Producing Innovation** To produce innovation that helps solve business challenges through the power of encounters, we promote the creation and provision of opportunities and environments for our diverse workforce to enjoy success.	5. Promote the recruitment, development, and success of human resources 6. Promote diversity, equity and inclusion	• Proportion of recruitment through referrals 35% • Unipos [3] posting rate 80% • Ratio of female employees in management positions 30% or higher • Ratio of female employees: 45% or higher		**Yuta Ohma** Director, Executive Officer, CHRO (→P52 CHRO Message)

*1 Results and targets presented here are for the Company on a non-consolidated basis. *2 Results for the Company's services are aggregated for Sansan, Bill One, Contract One, and Eight. *3 Unipos is a service centered on the peer bonus system provided by Unipos Inc.

(4)	**Establish a Firm Management Structure to Support Rapid Business Growth** To support our growth, we will strengthen corporate governance and ensure compliance to reinforce our management structure.	7. Strengthen corporate governance 8. Ensure compliance	• Ratio of female Directors 30% or higher • Number of significant compliance violations 0 • Proportion of employees receiving compliance-related training 100%	**Muneyuki Hashimoto** Director, Executive Officer, CFO (→P32 CFO Message)
(5)	**Conserve the Environment Through Business** We will promote conservation of the environment by addressing climate change issues through our business activities, including promoting DX, supporting paperless work, and introducing environmentally friendly solutions.	9. Address climate change issues 10. Use natural capital efficiently	• Scope 1+2 carbon neutral • Number of uses of paperless functions in our services [4] 120 million	**Chika Terada** Representative Director & CEO (→P10 CEO Message)

Process for Identifying Material Issues

Process for Identifying Materialities — 1	Process for Identifying Materialities — 2	Process for Identifying Materialities — 3
Selection of Materiality Candidates We have selected materialities of high relevance by referring to the Sustainability Accounting Standards Board (SASB) guidelines and the SDGs, as well as through dialog and discussion between our Board members and institutional investors.	**Assessing the Importance of Materialities** Our directors assessed each of the materialities selected through process (1) along two axes: importance to society (stakeholders) for achieving sustainability, and importance to our company for achieving our vision and business growth.	**Discussions and Decisions by the Board of Directors** The Board of Directors discussed and deliberated the results of the evaluation in process (2) and identified 10 materialities organized into 5 areas.

External Expert's Comments on Sansan's Material Issues

Executive Director
Investment Banking Business
Development Dept.
Sustainable Finance Dept.
NOMURA SECURITIES CO., LTD.

Minoru Hayashida, Ph.D.

To address low labor productivity in Japan, based on its corporate philosophy of "Turning encounters into innovation," Sansan, Inc. has set out a value creation narrative to achieve its vision to "Become business infrastructure." Specifically, through its business model of encounters combined with turning analog into digital, it aims to generate social impacts such as digital transformation for society and highly productive corporate activities. Given efforts over the past year to advance materiality initiatives, Sansan can perhaps now convey its value creation narrative to stakeholders with greater specificity and clarity. There is a good balance between the company's unique material issues directly linked to creating social impact and those that are management foundations. Setting material issue owners and ambitious targets/indicators ensures initiatives stay effective. Addressing the material issue of "Create innovative business infrastructure," can make this an important issue for both Sansan and greater society, bringing the company closer to realizing its vision and improving labor productivity in Japan. I look forward to this.

*4 Scope 1 is calculated by aggregating direct GHG emissions from our own offices and facilities. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office.

Value Creation Model

We are committed to addressing challenges in society by channeling both human and intellectual resources into a unique business model, anchored by our mission, material issues (priority issues), and management structure. This commitment has spurred us to introduce digitally transformative solutions that reshape how businesses and professionals work. Through these endeavors' impacts and the value they bring to society, we strive to achieve our vision and establish a virtuous cycle that enables continuous and sustainable value creation.

P2 Corporate Philosophy
Corporate Philosophy

Mission

Turning encounters into innovation

P22 Management Resources

Input

Management Resources

Financial Capital
Sound Financial Structure

Social Capital
Recognition and Credibility of Services

Human Capital
Diverse, Talented Workforce

Intellectual Capital
Technology for Digitizing Analog Information

Natural Capital
Conservation of the Natural Environment Through Business Activities

Social Issues/ External Environment

- Low productivity in sales activities due to inefficient information collection and management and the lack of data utilization
- Addressing new tasks related to changes in laws and new tax systems
- Analog workflows that hinder realization of diverse work styles

P18 Material Issues

Material Issues (Priority Issues)

1 Balance Security and Convenience

2 Transform Work Through Innovative Digital Transformation Services

3 Respect Employee Diversity and Producing Innovation

4 Establish a Firm Management Structure to Support Rapid Business Growth

5 Conserve the Environment Through Business

Management Structure

P44 Business Strategies by Segment

Output

Cloud-based solutions that promote digital transformation and reshape how we work

sansan

Bill One
powered by Sansan

Contract One
powered by Sansan
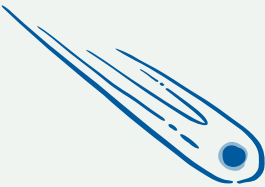
eight

P24 Business Model

Business Model

Encounters × Analog to Digital

Values   Premise

**P22
Results We Deliver**

Outcome

Results We Deliver

Financial Capital
Increased Economic Value

Social Capital
Expanding Value Provided Through Services

Human Capital
Organization with Diverse Workforce

Intellectual Capital
Unrivaled Competitive Advantages

Natural Capital
Environmental Contributions

Vision

Become business infrastructure

P80 Corporate Governance

P88 Compliance

P68 Information Security

P90 Risk Management

– Management Resources and the Results We Deliver

Investing an array of resources, such as talented staff and advanced technology, into our business model to address our material issues (priority issues) has produced many benefits, including increased economic value. Resources required for further growth, corresponding actions, and related material issues by capital type are given below.

Capital Type	Financial Capital	Social Capital
Input **Management Resources**	**Sound Financial Structure** • Total assets 31,200 million yen • Cash and deposits 21,114 million yen • Shareholder capital 12,454 million yen To maximize sales growth, we are building a sound financial structure suited to our current business phase that requires agile and proactive investment to capture growth opportunities. We are executing appropriate investment strategies while maintaining a stable balance between business growth and financial health.	**Recognition and Credibility of Services** • Strong brand recognition of Sansan • Credibility of our services Our ongoing TV advertising since 2013 has secured high recognition for Sansan among B2B services in Japan. Meanwhile, our solutions' operational performance has earned us a high degree of trust from user companies.
Outcome **Results We Deliver**	**Increased Economic Value** • Net sales 25,510 million yen • Compound annual growth rate for net sales over 5 years 28.3% • Gross profit margin 85.6% Our consolidated net sales reached record highs, owing to Sansan's solid growth and Bill One's high growth, resulting in a 28.3% five-year average annual growth rate. Meanwhile, our gross profit margin remained in the mid-80% range, owing to cost reductions such as business operation innovations and related actions.	**Increasing the Value of Our Services** • Analog data items digitized by our solutions [1] 190 million • Total users [1] 5.73 million • Total subscriptions [2] approx. 14,000 • Sansan has the top market share [3] • Bill One has the top market share [4] • Major incidents 0 We aim to provide digital transformation solutions that reshape how people work, and our efforts to strengthen our solutions' functionality and expand sales have led to 190 million analog data items digitized and 5.73 million total users. Both Sansan and Bill One have steadily increased subscriptions and acquired the top market share in Japan.
Resource Shortages and Countermeasures	While we have secured sufficient funding for our current operations, new business creation or aggressive use of M&A strategies may require funding exceeding the current cash reserves, causing shortages. We therefore must enable flexible fundraising to strengthen our financial base.	Although no critical incidents have occurred with our solutions to date, handling important business data requires continually improving service credibility. We therefore are thoroughly strengthening risk management and response measures across our solutions, especially information security. At the same time, our marketing aims to boost recognition of Sansan and its brands.
Related Material Issues (Priority Issues)	• Promote DX services that improve productivity • Create innovative business infrastructure	• Promote DX services that improve productivity • Create innovative business infrastructure • Provide safe and stable infrastructure solutions • Ensure robust protection of data privacy and information security • Strengthen corporate governance • Ensure compliance

*1 Aggregated results for Sansan, Bill One, Contract One, and Eight *2 Total number of paid subscriptions for Sansan, Bill One, Contract One, and Eight Team *3 Latest Trends in Business Card Management Services in Sales Support DX 2023 (December 2022, Seed Planning, Inc., survey; in Japanese) *4 Deloitte Tohmatsu MIC Research Institute, "The Present and Future of the Market of Online Invoice Receiving Solution Expected to Grow at a Staggering Rate" (MIC IT Report, July 2022) *5 Employees in STEM divisions include employees in engineering, R&D, and creator positions, including regular employees and

Human Capital	Intellectual Capital	Natural Capital
Diverse, Talented Workforce • **Consolidated employees 1,399** • **Employees in STEM divisions *5 420** • **Unipos usage *6** • **Initiatives for raising security awareness**	**Technology for Digitizing Analog Information** • **Digitization with 99.9% accuracy** • **AI and image recognition technology**	**Initiatives to Reduce Environmental Impact** • **Providing paperless functionality in our solutions** • **"Scan for Trees" tree-planting activities**
Human resources are the foundation for creating value. Accordingly, we strive to strengthen our talent recruitment. In visualizing cases that were commended within the company, we help to instill our corporate culture and boost employee engagement. Additionally, our information security measures require all employees to acquire Personal Information Protection Specialist qualification.	Our solutions share a common strength in the form of our technology for rapidly and highly accurately digitizing analog information. And we will further improve our digitization mechanisms by developing and refining AI and image recognition technologies. We can then apply this strength to different business fields, helping to further expand our own business.	We work to address climate change, efficient use of natural capital, and other issues through business activities such as promoting digital transformation, supporting paperless processes, and introducing environmentally friendly solutions.
Organization with Diverse Workforce • **Referral hiring rate 12.0%** • **Unipos posting rate *6 59.6%** • **Female managers *7 17.8%** • **Female employees *7 34.9%** • **Proportion of those qualified as Protection of Individual Information Person *7 88.0%**	**Unrivaled Competitive Advantages** • **Analog data items digitized by our solutions *2 190 million** • **Rate of automatic digitization of analog information** • **Patents 10 (38 pending)**	**Environmental Contributions** • **Paperless transactions on our solutions *1 10 million** • **Scope 1+2 GHG emissions *8 851 t-CO$_2$** • **Total trees planted 14,787 (as of September 2023)**
By strengthening our recruitment and training of diverse staff members through referral hiring (employees' introduction of candidates) and other initiatives, we have built an organization with a high level of expertise in SaaS sales and marketing. Additionally, our respect for diversity and efforts to improve the work environment have resulted in our personnel containing 17.8% female managers and 34.9% female employees.	Our efforts to research and develop the technologies that support our digitization mechanisms have increased our automatic digitization rate through technology alone, while expanding our solutions has led to 190 million analog data items digitized through our solutions. We also engage in research and development related to using business data, and we have acquired various patents that heighten our solutions' competitive advantages.	Expanding our solutions and promoting the use of environmentally friendly features has led to 10 million paperless transactions on our solutions. And in an effort to enrich the natural environment, including forests and water, we plant trees in disaster-affected areas in Japan, with 14,787 trees planted as of September 2023.
While our growth thus far has been supported by human talent, realizing further growth will require hiring more outstanding human resources. We plan to hire around 420 people in FY2023, and we treat this as an urgent management priority.	Expanding solutions, including overseas, and creating new ones, requires not only enhancing existing technology but also acquiring new technology. We therefore are working to improve our recruitment efforts and work environments to attract engineering talent with experience and knowledge in a variety of fields.	While our GHG emissions are low compared with other industries, given our business model and the nature of our sector, our emissions may rise with business expansion. We therefore will undertake initiatives to achieve carbon neutrality and increase the positive impact on the environment through wider adoption of our solutions.
• **Promote the recruitment, development, and success of human resources** • **Promote diversity, equity and inclusion** • **Ensure robust protection of data privacy and information security**	• **Provide safe and stable infrastructure solutions** • **Ensure robust protection of data privacy and information security**	• **Address climate change issues** • **Use natural capital efficiently** • **Promote DX services that improve productivity** • **Create innovative business infrastructure**

– Business Model

Our business model is focused on encounters between businesspeople and companies. A key characteristic of this model is its ability to solve various business-related issues, such as improving operational efficiency and boosting productivity, through digitizing analog information and promoting use of the resulting data. Japan still relies on analog and inefficient processes in many different business situations. Given this, our business model is highly versatile and can be applied to many different business fields.

Digitally Transform How People Work
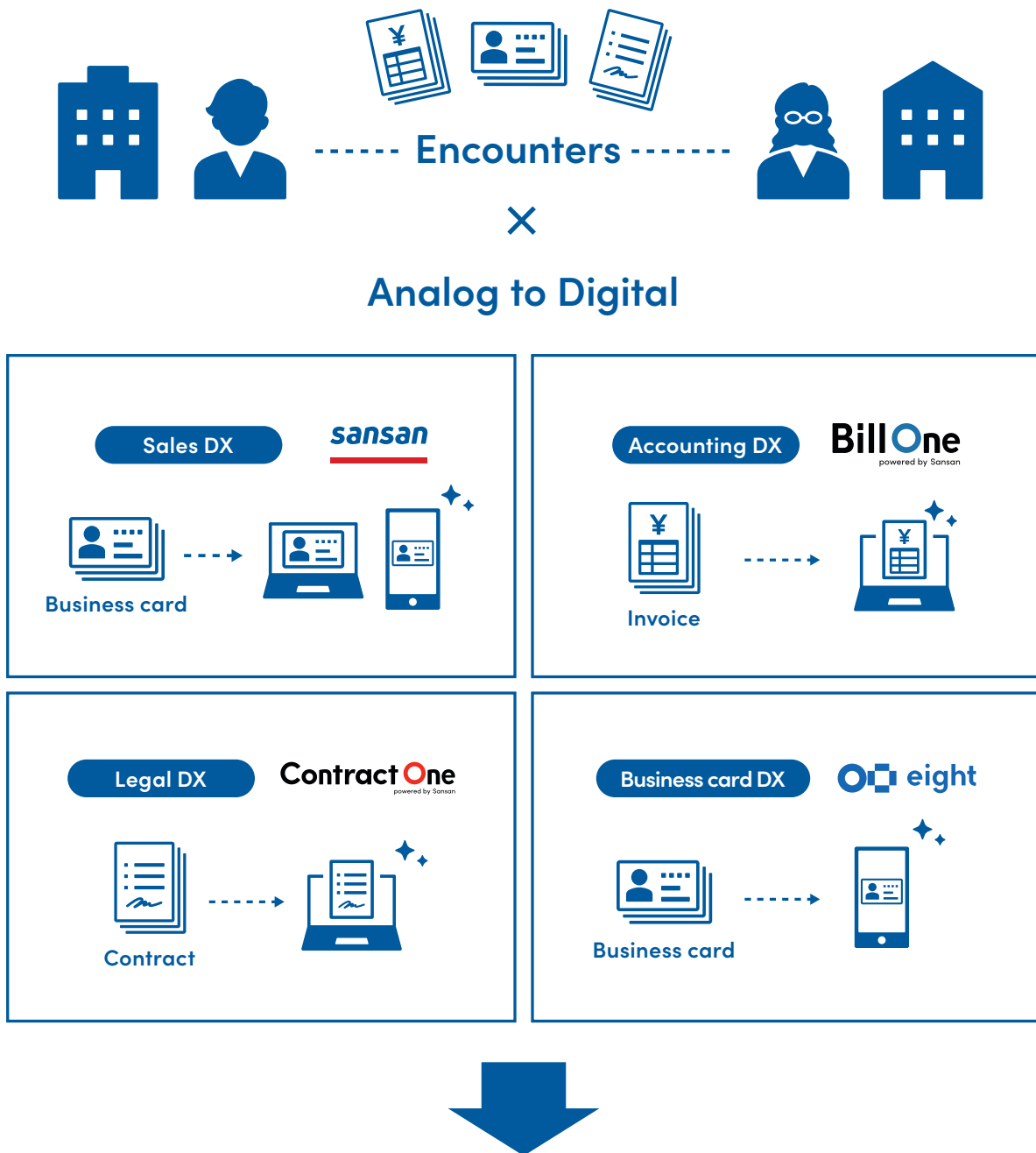
A Shared Business Model

We provide digital transformation(DX) solutions that turn encounters between businesspeople and companies into business opportunities and reshape how people work. Specifically, we offer solutions in a wide range of areas, such as sales, billing, and contracting, all operating under a shared business model. Per our corporate mission, each of these solutions is centered on business-related encounters between people and companies. Our solutions digitize myriad types of analog information resulting from these encounters, such as corporate information, customer contact information, and documents generated in billing and contracts, and promote their use as data. In this way, our solutions help companies and businesspeople improve operational efficiency and boost productivity.

We deliver this value through a unique approach combining cloud software with a technique for digitizing analog information using both technology and human resources. All our solutions operate under stringent security measures, with our track record of service safety and trustworthiness as an important foundation of our business. Our technologies for quickly and accurately digitizing analog information can be applied across business domains and represent our greatest competitive advantage. Since we began, we have faced this digitization challenge head-on, refining our technologies to achieve both speed and 99.9% accuracy when digitizing data. Our namesake Sansan solution has grown to lead [1] the market for business card management services for corporations. Bill One, launched in 2020, has also gained top market share for cloud invoice receiving solutions. [2]

Many social issues in Japan arise from reliance on analog processes. While companies are urgently pursuing solutions through DX, substantial inefficiency remains in workflows. The significant room for efficiency gains through digitization means our business model, underpinned by technology for digitizing analog information, is highly sustainable.

[1] "Latest Trends in Business Card Management Services for Sales Support DX 2023," December 2022, Seed Planning, Inc.
[2] 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

Main Solutions and Optional Features We Offer

Service/Option (Year Launched)	Business Domain	Analog Processes to Optimize	Analog Information Digitized
Sansan sales DX solution (2007)	Corporate sales activities	• Managing paper business cards • Utilizing and managing scattered contact information	• Business cards • Emails • Website inquiries • Seminars • Phone calls
Bill One cloud-based invoice management solution (2020)	Corporate invoicing-related operations	• Operations involving paper invoices • Compliance with laws and regulations	• Invoices
Bill One Business Card (2023)	Corporate credit card payment operations	• Operations involving paper receipts • Compliance with laws and regulations	• Receipts when making credit card payments • Credit card statement information
Contract One contract database (2022)	Corporate contract document operations	• Operations involving paper contracts • Compliance with laws and regulations	• Contracts documents
Eight business card app (2012)	Individual business activities	• Managing paper business cards • Managing personal network	• Business cards

Mechanisms and Technologies for Digitizing Analog Information

Our solutions such as Sansan, Bill One, and Contract One digitize many types of analog (i.e., paper-based) information, such as business cards, invoices, and contracts. We achieve this by combining AI technology, evolved through means such as machine learning, with manual input. Human intervention is always needed to supplement accuracy because it is difficult for not only our proprietary technology but also any widely

used optical character recognition (OCR) system to independently achieve 99.9% accuracy. Our operational structure digitizes 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 and development, while creating a flow that efficiently integrates the power of hundreds of thousands of human operators.

Analog Information Digitization Flow

Rapid and accurate digitization of large volumes of analog information

Large volumes of analog information → AI: Data entry × Humans: Manual entry → Humans: Final check → Database

Automatic and manual data entry of images

Cycle for many years since our foundation

Combination of technologies

| Automatic detection and micro-tasking of information | Automatic language detection | Automatic sorting to operators | Diverse network of data entry operators | Image processing technology |

– R&D and System Development Underpinning Highly Accurate Digitization

The accurate digitization of business cards in Sansan and Eight is enabled by AI research as well as optimization of operational flows, system development, and other innovations generated by our R&D and digitization departments. We are now applying our core business

card digitization capabilities to expand into other areas with Bill One, Contract One, and other solutions, with the aim of establishing advanced digitization workflows for various kinds of documents.

GEES Business Card Digitization System

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

1 Business card scan or photo

2 Image correction

3 Classify each item

4 Intercepted classified items

5 Input process

| Company | Sansan, Inc. |
| Name | Taro Sansan |
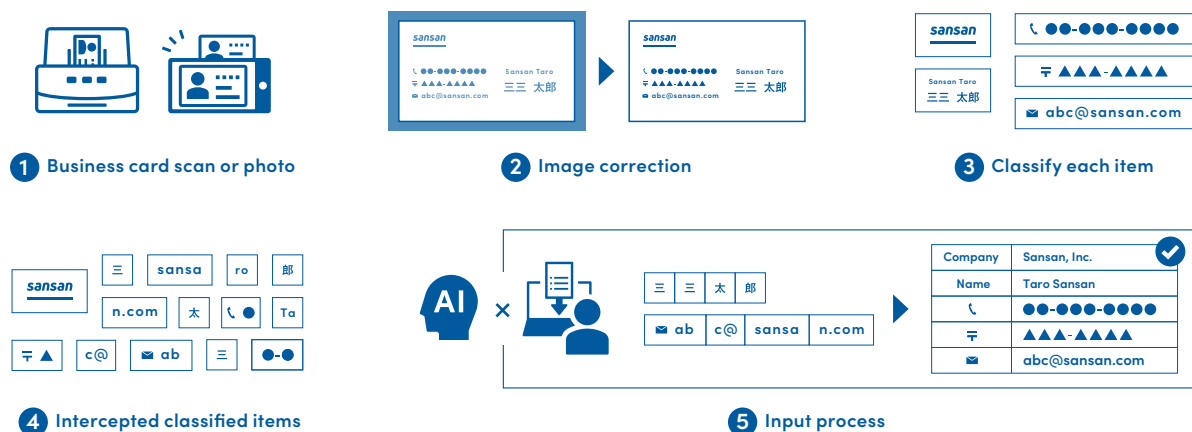
Image Recognition Technology

We use proprietary image recognition technology and AI to digitize analog information rapidly and with high accuracy.
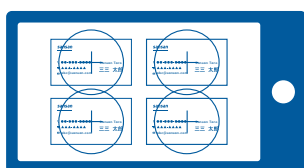
Smart capture

Technology enabling delivery of results to users within seconds of image capture
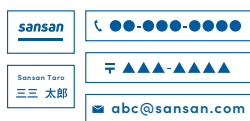
Item segmentation

Identifying fields from business card designs without reading text

Language detection

Determining the language without reading text

Mistake detector

Learns error patterns to predict the possibility of mistakes

NineOCR (OCR Engine Optimized for Business Cards)

Our proprietary OCR technology digitizes email addresses at 99.7% or higher accuracy. Development is underway for full business card applicability.
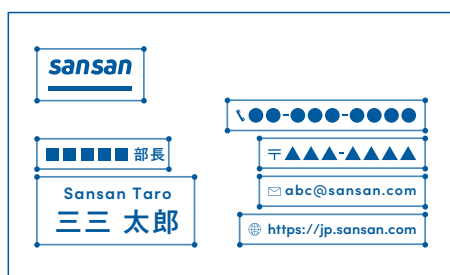
Matching Names

This technology organizes data by identifying and consolidating information for people with the same name or company.
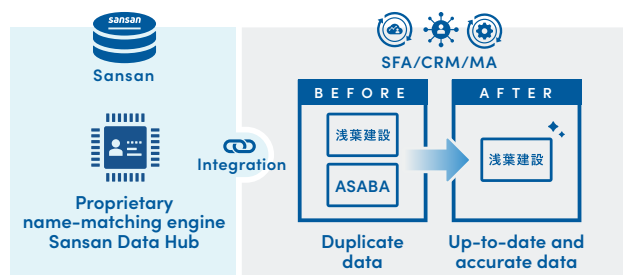
Extracting Items from Documents (Invoices and Contracts)

When digitizing invoices and contracts, we use information-extraction technology tailored to the unique text and layouts of such documents, increasing automated digitization rates.

1. Structuring 2. Graphing 3. GNN[3] 4. Tag prediction → Extraction of invoice amounts

*3 Abbreviation for Graph Neural Network, which learns feature values of elements on a graph and estimates changes.

Technology-Driven Evolution of Digitization Workflow

When Sansan was launched, all of our business card digitization was done manually, with two operators inputting each card to match data and ensure accuracy. However, this process lacked the speed to meet rising demand, which in turn limited service growth. By establishing an R&D organization, we were able to optimize human workflows through simplified input and apply AI via machine learning. Now, Sansan's automated digitization rate has risen to around 80%, and per-card costs have dropped to less than 1/20 of what they originally were.

– Social Value

Our solutions for advancing digital transformation (DX) greatly improve users' productivity. The solutions' positive impact on society and the economy will be maximized when they are more widely used in business situations and recognized as essential, in other words, when they function as business infrastructure. Based on this thinking, we pursue initiatives to continually increase the social value provided through our business activities.

Material Issues (Priority Issues)

Among the five priority areas identified in 2022, under "Transform work through innovative DX services," we have defined "Promote DX services that improve productivity" and "Create innovative business infrastructure" as material issues. We have established long-term quantitative targets for FY2029 to address these issues, aiming to achieve 500 million analog data items digitized by our solutions and 20 million users.

Materiality Targets

Area	Material Issue	FY2029 Target		FY2022 Result
Transform work through innovative DX services	Promote DX services that improve productivity	Number of items converted from analog to digital information using our services [1]	500 million	190 million
	Create innovative business infrastructure	Number of users of our services [1]	20 million	5.73 million

*1 Results for the Company's services are aggregated for Sansan, Bill One, Contract One, and Eight.

Visualizing and Monitoring Social Value

Our DX solutions' social impact lies in greatly improving societal productivity and increasing economic value by efficiently solving business challenges. However, activities aimed at socio-economic change have multiple short- and long-term impacts, making comprehensive and accurate impact measurement difficult. Therefore, guided by the SDG Compass, etc., we have set "analog data items digitized by our solutions" (output of service usage) and "users" (service penetration), as proxy indicators for social value.

The materiality owners – Director, Executive Officer, COO – regularly monitor these indicators and discuss related initiatives.

– Promote DX Services that Improve Productivity

For "Promote DX services that improve productivity," an issue closely related to our business and unique to our company, we have set "analog data items digitized by our solutions" as the assessment indicator. With 190 million data items achieved in FY2022, we have ambitiously set 500 million in FY2029.

– Create Innovative Business Infrastructure

"Create innovative business infrastructure" represents our corporate vision itself, making it highly important for us. We use "users" as the assessment indicator, and achieved 5.73 million users in FY2022. For FY2029, we have an ambitious aim of 20 million, as we strive to expand our service penetration.

Social Value of Our Services

NX NIPPON EXPRESS

– Sansan Implementation Drives Sales Management Transformation

NIPPON EXPRESS CO., LTD.

Nippon Express successfully built a data-driven sales framework by sharing customer and business negotiation information across locations company-wide. Despite recognizing the importance of using data for effective sales activities, the company was hindered by a lack of organized internal customer information management and utilization. It decided to introduce Sansan for company-wide information sharing and promoted its utilization under the upper management's commitment. This let the company expand the range of proposals its sales staff made, by combining the more than one million corporate data items in Sansan with its own customer touchpoint data and developing sales scenarios leveraging internal network information. Also, with multiple sales contact points for the same customer across locations, information sharing had been an issue. Using Sansan's reports feature made real-time sharing possible, enabling representatives to discuss sales strategies based on the latest information and receive prompt feedback from their superiors.

DBJ 日本政策投資銀行

– Improving Accounting Operations Through Bill One

Development Bank of Japan Inc.

With a massive volume of paper invoices received, the Development Bank of Japan (DBJ) introduced Bill One and achieved productivity improvements. Aiming to improve operations through digitalization, the company implemented various operational improvements but faced challenges with remaining analog accounting workflows. It received around 20,000 paper invoices annually, and the need to process mailed invoices prevented remote work and required huge amounts of manual effort for data entry and visual confirmation in the organization's system. Looming additional accounting workload to comply with Japan's revised Electronic Bookkeeping Act and Invoicing System underscored the need to overhaul workflows. Moreover, in financial businesses, a high level of security is essential. Referencing Sansan's track record, DBJ decided on Bill One based on its accuracy in paper invoice digitization and the solution's trustworthiness. By using Bill One, DBJ expects to save 4,000 work hours per year in paper invoice handling.

Strategies

Chapter 2 presents reflections on the past and explanations on future growth strategies from our finance, business, human resources, and technology leaders. It also covers human capital, information security, and the environment, with details on quantitative targets and initiatives for related material issues (priority issues).

CONTENTS

02

Establishing a Sound Fnancial Structure to Support Reigniting Growth

CFO Message

Director, Executive Officer, CFO

Muneyuki Hashimoto

Review of FY2022

For FY2022, our consolidated net sales rose 24.9% year on year, to 25,510 million yen, and adjusted operating profit climbed 28.9%, to 942 million yen. These were solid results overall. Ordinary profit fell 87.4%, to 122 million yen, due to factors such as higher share-based payment expenses and lower gains on sales of investment securities versus the previous year. Profit attributable to owners of the parent amounted to 141 million yen net loss, due mainly to recording a loss on valuation of investment securities as an extraordinary loss. Although we posted a net loss, the causes were one-time factors, and both net sales and adjusted operating profit, which reflect business fundamentals, remained strong. Annual recurring revenue (ARR), another key metric, also showed strong growth, at 28.3%. Achieving our net sales growth forecast disclosed at the beginning of the fiscal year and maintaining adjusted operating profit growth exceeding net sales growth indicates we maintained firm control of our finances.

Sansan delivered steady 15.0%

net sales growth through product renewal and a strengthened sales structure. Bill One nearly tripled its growth year on year, greatly surpassing its 3 billion yen ARR target, at around 3.8 billion yen. Although Eight's growth was slightly stalled, contributions from business events turned its Q4 adjusted operating profit positive, steadily reducing the full-year loss.

Outlook for FY2023

With strong FY2022 business performance, overall, we are in an excellent position for further acceleration. Accordingly, we forecast year-on-year net sales growth of 28.0% to 32.0% for FY2023 After being in the 20% range the past 3 years, we are positive about again projecting growth in the 30% range, even as the company's overall size expands.

While aggressively increasing personnel to maximize sales, we continue targeting adjusted operating profit growth exceeding sales growth. Factoring in one-time costs such as our head office move and Bill One invoice receipt center relocation, we forecast adjusted operating margin to rise by 0.1 to 1.8 points year on year.

We have started to feel Sansan's growth acceleration since FY2022, and Bill One is also seeing a sharp rise in order increases ahead of Japan's Invoicing System launch in October 2023. As with the Bill One Business Card launched in June 2023, we will continue our products' evolution by adding options that improve user convenience. While we do not currently perceive any major concerns or risks in our business, we cannot yet fully predict how the order pace will change after the

Invoicing System is implemented. We expect large enterprises to be ready for this transition, and we will closely monitor the situation from October onward, hoping the system spreads to small- and medium-sized enterprises as well.

The Bill One Business Card, which we expect to gain momentum going forward, is our first foray into fintech. Taking on credit risk introduces new financial considerations, but rather than being overly conservative, we will consider establishing a framework to manage a proper amount of risk as the business scales. Our aim is to provide solid support so that more customers can use the Bill One Business Card.

Medium-Term Financial Goals

Regarding our medium-term financial goals, last year in this report, I stated that we were still in the first stage of our growth and that growing net sales was vital. Even with FY2022 now behind us, growing net sales will remain our top priority for the next few years.

Given our recent robust net sales growth, we have revised our medium-term goal for net sales growth through FY2024 upward from being in the 20% range or higher set a year ago to being in the mid-20% range or higher.

Regarding profit, while sustaining steady and robust net sales growth, we are seeking to improve our adjusted operating profit rates each fiscal year, aiming to achieve both sales and profit growth. This demonstrates our strong determination to steadily grow the top line and maintain profit growth rates even as we continue to invest for growth. We have already

established a solid revenue base that can generate profits even if we continue to make the necessary investments. Our FY2024 goals include 10 billion yen or more in combined adjusted operating profit for Sansan and Bill One, and stable profitability for Eight.

Asset Allocation and Growth Investment

Under our current asset allocation approach, cash flows generated by Sansan are allocated to Bill One's growth. This structure will become even clearer as Eight achieves full-year profitability.

Our growth investments are mainly in recruitment and advertising. We determine asset allocation based on human resource productivity and sales efficiency metrics such as new orders per sales rep, as well as customer lifetime value. With both metrics now very high, conditions are favorable for investing. In terms of economic rationale, we believe that accelerating growth investments will lead to a dramatic scaling up of our businesses. Regarding recruitment, we have set an aggressive target of approximately 420 hires on a consolidated basis in FY2023. If order efficiency does not decline with the increased headcount, we intend to continue aggressive recruitment.

As part of our growth investments, we will also continue considering M&A and minority investments as opportunities arise. Although not large allocations, recently we invested in CREATIVE SURVEY INC. in March 2023 and in Institute of Language Understanding Inc. in June 2023. For CREATIVE SURVEY, we aim to drive growth by combining its corporate survey system and other SaaS businesses with our

sales and marketing expertise and owned technology. With Institute of Language Understanding, we plan to maximize future business value by incorporating its knowledge database and language understanding engine into features and operations within our solutions.

Approach to M&A and Minority Investment

M&A and minority investment are vital topics for management. Our entire leadership team carefully assesses each deal and makes investment decisions. Key points in assessing a target's potential include acceleration of new orders and low churn rate as indicated by MRR growth. We scrutinize expected mutual synergies from combining the target with our technology, expertise, brand, and other assets, as well as quantitative impacts on our financial statements and financial risks if made a group company. We discuss possible deals individually and carefully, including exit and divestment conditions. We may consider a target as an investment candidate without near-term synergies from M&A if we see potential to scale as a SaaS business. However, in considering making a target a group company, it is also important that it should contribute

to achieving our mission and vision, creating a logical narrative. After bringing a company into our group, we proactively dispatch executives and pursue business collaborations and joint projects for smooth post-merger integration. We also promote measures that help make the target company more efficient, such as partially integrating back-office operations.

Fundraising

As of the end of May 2023, we had approximately 21 billion yen in cash on hand and we are generating sufficient operating cash flow, ensuring the funds required for business operations. Our recognition and credibility have also risen, and our fundraising environment is better than ever, based on a sound financial structure including financial liquidity and robust performance. While prioritizing balance sheet soundness in our financial strategy, if additional funding needs arise from large M&A deals that could accelerate our growth or steep expansion of the Bill One Business Card service going forward, along with using our own funds, we will flexibly determine the optimal financing methods, including borrowing from financial institutions and equity financing.

Returns to Shareholders

We understand shareholder expectations for returns are increasing as we achieve profit growth. Shareholder returns are an important management issue for us, and I constantly consider the best way to maximize returns to our shareholders in formulating financial strategy. As I described, our present growth stage presents opportunities where accelerating growth investment can lead to exponential business growth. We believe allocating funds generated from business expansion to further growth investments will maximize shareholder value by strengthening our financial position and maintaining stability while expanding our business. For now, as we are in a growth investment phase, we will consider returns to shareholders, such as dividends, as a medium-to-long-term issue.

With our fundraising environment in place, there is no need to retain excessive standby funds, considering the efficiency of capital costs. We expect Bill One, our current focus for investment, to achieve steady profitability soon if current trends continue. When that happens, we will discuss our capital policy including shareholder returns based on the group's overall growth

Track Record of Group Companies

logmi, Inc.	Diamond Corporate Data Services, Inc.	CREATIVE SURVEY INC.	Institute of Language Understanding Inc.
August 2020	August 2021	March 2023	June 2023
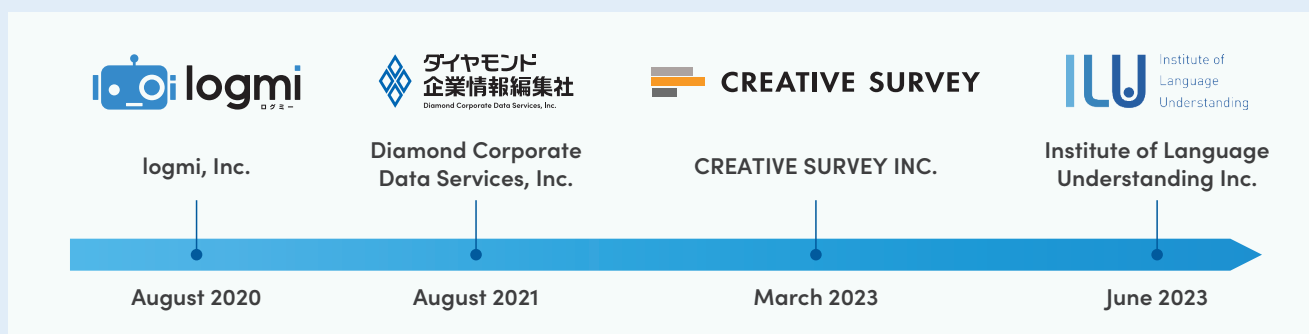
Cash Flow *1

(millions of yen)

■ Cash flows from Operating Activities
■ Cash flows from Investing Activities
■ Cash flows from Financing Activities

	FY2018	FY2019	FY2020	FY2021	FY2022
Operating	1,072	2,822	3,011	3,123	3,848
Investing	−2,282	−7,189	−551	−1,014	1,364
Financing	3,132	11,563	−2,902	909	523
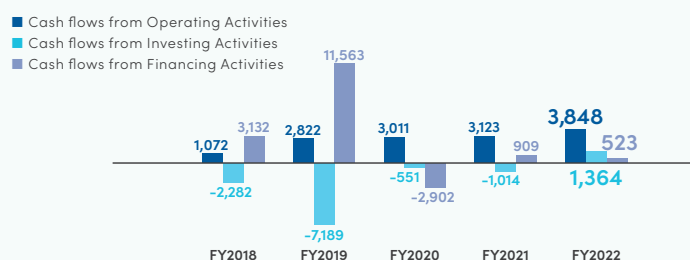
Consolidated Net Sales to Adjusted Operating Profit *1

(millions of yen)

FY2022

Net Sales	25,510
Cost of Sales	3,683
Personnel Expenses	8,349
Advertising Expenses	3,306
Other SG&A Expenses	9,229
Adjusted Operating Profit	942
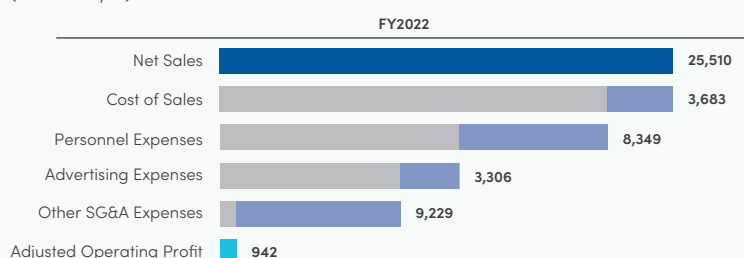
Total Assets, Net Assets *1

(millions of yen)

■ Total Assets
■ Net Assets

	FY2018	FY2019	FY2020	FY2021	FY2022
Total Assets	9,079	22,819	24,310	26,292	31,200
Net Assets	3,372	10,552	12,584	12,093	13,190
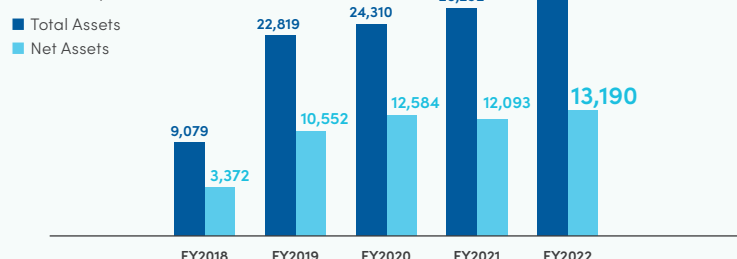
*1 The graphs show results for fiscal years ended May 31.

strategy, financial conditions, and business environment.

Strengthening Governance and Ensuring Compliance

Among our material issues (priority issues), I'm responsible for strengthening corporate governance and ensuring compliance. While identifying material issues through internal discussions, we reconfirmed some practices already implemented but not formally systemized. In the past year, we also made major progress in developing a system to strengthen governance with the introduction of variable compensation for directors, an increased number of independent directors, establishment of a Nomination and Remuneration Advisory Committee, and enhancement of Compliance Committee structure. To further strengthen our governance structure, we concluded that diversity needs to be expanded and set a target of raising the ratio of female Board members from the current 22% to 30% or higher by FY2029. We are firmly committed to achieving this.

Regarding compliance, we have met our current targets, and we believe it is essential to maintain this level through system development and various initiatives.

Dialogue with Stakeholders

We are one of Japan's largest SaaS companies. As a forerunner representing Japan's SaaS industry, we highly value a pioneering spirit of delivering unprecedented solutions and products and take pride in driving our business forward.

Since going public in 2019, we have been actively engaged in investor relations with institutional investors, holding around 100 meetings per quarter. Through these, we have firmly communicated that we are not just a business card and contact management company, given the rapid growth of the Bill One business. More stakeholders now have a better understanding of our intellectual capital, such as our technology for digitizing analog information, which lets us provide not only Sansan but also Bill One.

With confidence from the expectations of investors both in Japan and overseas, we will continue blazing trails into new markets as a leading Japanese SaaS company.

Muneyuki Hashimoto
Director, Executive Officer, CFO

Medium-Term Management Policy

Our medium-term financial targets aim to maximize shareholder and corporate value for FY2022 to FY2024. Our targets are based on our current business phases. To achieve them, we will harness our management resources to the fullest and advance growth strategies to maximize each business. Hiring top talent and addressing security risks are among the measures to fortify our management foundation.

Key Management Indicators and Medium-Term Targets

Continued consolidated net sales growth of mid-20% range or higher

Improvement of adjusted consolidated profit margin in each fiscal year

Sansan/Bill One Business

Recording adjusted operating profit of ¥10 billion+ for Sansan and Bill One in FY2024 (excluding "Others" in Sansan/Bill One Business segment)

Eight Business

Recording stable adjusted operating profit for full year

Achieving net sales and profit growth is our medium-term target for FY2022 to FY2024.

We aim to first maintain solid growth at or above the mid-20% range for consolidated net sales, our most critical management indicator. Previously, our target for consolidated net sales for FY2022 to FY2024 was growth in the 20% range or higher, but we revised this target given our robust performance in FY2022. We have also adopted adjusted operating profit, [1] 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 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 [2] in FY2024, and stable full-period adjusted operating profit for Eight.

*1 Operating Profit + Share-based Payment Expenses + Expenses Arising from Business Combinations (amortization of goodwill and amortization of intangible assets)
*2 Excluding "Others" in Sansan/Bill One Business segment

Management Strategy

We formulate and execute strategies for each business based on key management indicators. For the Sansan/Bill One Business, given the vast potential market size, we are currently prioritizing maximizing sales revenue while envisioning medium-term profit maximization. For the Eight Business, on the other hand, we operate with a greater focus on profitability, aiming for the business to

contribute to overall company profit growth early on. In addition, securing outstanding talent, addressing security risks, and enhancing technical capabilities are positioned as company-wide initiatives. We are also working to achieve discontinuous growth by creating new services centered on our mission and competitive advantages.

Focal Points in Our Service Development

Point 1	Encounters	– Focusing on person–to–person, company–to–company encounters
Point 2	**From Analog to Digital**	– Including paper, analog business flows remain, and thus there is substantial room for optimization through digitization

– Ample Market Opportunity and a Highly Stable Revenue Model

Greater remote work, DX, and interest in SaaS continue to expand our market. The DX market is expected to reach 5,195.7 billion yen in 2030 (up 3,813.6 billion yen from 2020), [3] and the domestic SaaS market is expected to reach 1,668.1 billion yen in 2026 (up 579.0 billion yen from 2022). [4]

Paper business cards, invoices, and contracts are still used, leaving significant room for more efficient and effective operations. All our services have substantial potential. Sansan has an 81.6% [5] market share for corporate contact management services, but only about 3% [6] of Japan's working population as users. Bill One enjoys the market's top share of sales for online invoice receiving solutions, but only 1,581 paid subscriptions, leaving ample room for expansion. Bill One's subscription–based invoice network, including free subscribers and companies that invoice them, comprises only approx. 90,000 Japanese companies as of May 31, 2023, about 4% [6] of the total, suggesting considerable growth potential.

Sansan's and Bill One's monthly subscription–based billing models are expected to generate ongoing revenue with stable and continuous growth. Each has an average monthly churn rate below 1.0% over the last 12 months, letting us maximize customer lifetime value by increasing sales per contract.

[3] Based on Market Edition and Vendor Strategy Edition of 2022 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute
[4] Based on 2022 New Software Business Markets by Fuji Chimera Research Institute
[5] Based on Latest Trends in Business Card Management Services in Sales Support DX 2023 (December 2022, survey by Seed Planning, in Japanese)
[6] Based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator.

– Recruiting and Training Talent and Ensuring Diversity

To achieve sustainable growth, we must hire talented professionals with diverse experience, and improve our sales, development, and managerial structures. We will create environments and systems that motivate talented human resources that share our philosophy and business vision. We will also ensure diversity among our human resources.

– Strengthening of Management Systems for Security Risks

We continuously strengthen our information management systems to protect the many personal and other important information assets we handle. We diligently implement protection measures, such as strict management of information assets, based on personal information protection and information security policies, and will continue to reinforce and improve our systems and management.

– Enhancing Technological Strengths

As accurate digitization technology drives our competitiveness and is the common foundation for our services' growth, we must continually improve and strengthen it. We will hire talented engineers and invest in and monitor advanced technologies to improve our technological abilities and build a top engineering team.

– Short–Term Results and Plans

In the first year of our three-year medium-term plan through FY2024, we addressed growth strategies including product renewal of Sansan in FY2022, achieving our initial consolidated net sales and adjusted operating profit plans, and making steady progress toward medium-term targets. In the second year, FY2023, we will aim to reignite consolidated sales growth and achieve stable profit growth by maximizing Sansan and Bill One sales.

FY2022 Results

| (millions of yen) | Forecasts for FY2022 | | Full-Year Results for FY2022 | |
	Official Announcement	YoY	Results	YoY
Net Sales	25,117 to 25,764	+23.0% to +26.2%	25,510	+24.9%
Sansan/Bill One Business	21,998 to 22,632	+21.5% to +25.0%	22,516	+24.4%
Sansan	—	—	19,793	+15.0%
Bill One	—	—	2,414	+192.2%
Eight Business	2,900 to 3,010	+31.0% to +36.0%	2,867	+29.5%
Adjusted Operating Profit[*1]	917 to 1,288	+25.5% to +76.3%	942	+28.9%
Adjusted Operating Profit Margin	3.7% to 5.0%	+0.1 pts. to +1.4 pts.	3.7%	+0.1 pts.

Consolidated Results

– Financial Results

Our FY2022 plans targeted consolidated net sales growth of 23.0% to 26.2% year on year and adjusted operating profit growth of 25.5% to 76.3% with a 0.1 to 1.4-point rise in adjusted operating margin. We adopted a range forecast because of the difficulty in accurately predicting the impact of the Sansan product renewal, although this effect was partly incorporated, and set a reasonable maximum and minimum.

Actual FY2022 results were consolidated net sales up 24.9% year on year and gross profit up 21.9% (85.6% gross profit margin), a solid performance overall.

Adjusted consolidated operating profit rose 28.9%, mainly owing to sales growth, with a 0.1-point increase year on year in the adjusted consolidated operating margin, to 3.7%, aligning with our forecast range and medium term financial targets. For our main solutions, Sansan recovered sales productivity and new orders from Q2 with the renewal, delivering steady results. Bill One greatly exceeded initial growth assumptions with strengthened sales and improved functionality. For Eight, however, lower-than-expected recruitment services results led us to shift to profitability-focused operations.

– Non-Financial Results

Key FY2022 non-financial outcomes included identifying material issues (priority issues) and enhancing the disclosure of sustainability-related information. We disclosed information on our sustainability initiatives on our website, ESG data, and TCFD recommendations, which we have endorsed. As a key management strategy, we strengthened recruitment efforts aimed at net sales growth, which resulted in 194 more consolidated employees year on year – a steady increase to 1,399 in

total. Compliance-related training completion reached 100% for all officers and employees. This resulted from our initiatives to ensure compliance.

See the following pages for details on other non-financial initiatives.

- P56 Human Capital
- P66 R&D
- P68 Information Security
- P70 Environment
- P80 Corporate Governance
- P88 Compliance
- P90 Risk Management

Accelerating sales growth over the same period in the previous year, we will aim for 28.0% to 32.0% YoY growth in consolidated net sales.

We forecast a 0.1 to 1.8-point improvement in the adjusted consolidated operating profit margin YoY.

FY2023 Plans

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<tr><td rowspan="2" colspan="2"></td><td colspan="2">FY2022</td><td colspan="2">FY2023</td></tr>
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	(millions of yen)	FY2022 Full-Year Results	FY2022 YoY	FY2023 Full-Year Forecasts	FY2023 YoY
	Net Sales	25,510	+24.9%	32,653 to 33,674	+28.0% to +32.0%
	Sansan/Bill One Business	22,516	+24.4%	29,046 to 29,835	+29.0% to +32.5%
	Sansan	19,793	+15.0%	22,664 to 22,861	+14.5% to +15.5%
Consolidated Results	Bill One	2,414	+192.2%	5,673 to 6,156	+135.0% to +155.0%
	Eight Business	2,867	+29.5%	3,153 to 3,354	+10.0% to +17.0%
	Adjusted Operating Profit[*1]	942	+28.9%	1,240 to 1,852	+31.7% to +96.6%
	Adjusted Operating Profit Margin	3.7%	+0.1 pts.	3.8% to 5.5%	+0.1 pts. to +1.8 pts.

– Financial Plans

For FY2023 consolidated net sales, we forecast acceleration of 3.1 to 7.1 points year on year, to 28.0% to 32.0% growth, factoring in Sansan's steady growth and Bill One's continued high growth. By segment, we are targeting 29.0% to 32.5% year-on-year net sales growth for Sansan and Bill One, with sales structure enhancements and feature upgrades to maximize sales of both solutions. These projections include a 14.5% to 15.5% year-on-year increase for Sansan and 135.0% to 155.0% for Bill One. Although sales growth will slow in the Eight Business segment with a basic policy focused on profitability, we anticipate 10.0% to 17.0% growth through efforts to strengthen popular event services. The adjusted consolidated operating profit margin is projected at 3.8% to 5.5%, a rise of 0.1 to 1.8 points year on year, owing to solid sales growth, despite an expected increase in selling, general, and administrative expenses resulting from investments for growth. We adopted a range forecast to reflect a variety of foreseeable scenarios based on factors such as the status of new orders for Sansan and Bill One, the level of usage of the Bill One Business Card, and progress in our recruitment efforts, which is one of our growth strategies. Accordingly, we set a reasonable maximum and minimum.

– Non-Financial Plans

We plan to implement full-fledged sustainability efforts in FY2023. We have already established FY2029 quantitative targets for material issues (priority issues) and appointed inside directors as owners of each issue. Personnel strategies include hiring around 420 people on a consolidated basis while implementing measures to secure top talent, including increasing the female employee and manager ratios and raising starting pay. We will also strengthen non-financial initiatives such as establishing a Nomination and Remuneration Advisory Committee to reinforce governance and managing GHG emissions.

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

From Optimization to Maximization

COO Message

Director, Executive Officer, COO

Kei Tomioka

Shift to a Divisional System

In June 2023, the company restructured its sales system. What prompted this and what is the new strategy?

Maximizing each business is our primary aim. In July 2021, we moved away from the system of different divisions and consolidated sales under one unified division, emphasizing resource optimization.

This pivot was driven by the struggle faced in new Sansan sales efforts when the rapid rise of remote work during the pandemic decreased the exchange of business cards. But it was a favorable climate for Bill One. Bill One met corporate needs because it eliminated the need for employees to physically come to the office to receive invoices. Balancing sales resources became an issue, and we focused defensively on client retention with Sansan and on aggressive expansion to meet high demand with Bill One. So, we reorganized for optimization, believing it better to have flexible resource allocation with a standardized sales organization than to stick with the vertical division system.

However, in the fourth quarter of the fiscal year ended May 2023, Sansan saw a recovery from the pandemic, achieving record new orders on a quarterly basis, aided by a June 2022 product update. With this, we considered that Sansan could shift to a more aggressive stance, like Bill One. We re-adopted the divisional sales structure, shifting from a system focused on optimization to one aiming for maximization. This was with the belief that accelerating both products would contribute to overall growth.

Aiming to Maximize Each Product

With last year's update of Sansan, what is your vision for its future?

Our intention is for Sansan to not only manage contact information, but also contribute to corporate revenue creation. We see it evolving into a sales DX (digital transformation) service that utilizes corporate information, as well as business cards, emails, and other points of contact, based on the concept of "maximizing revenues through business card management." This represents a major shift.

Before its update, Sansan's core function was to accurately digitize exchanged business cards, allowing users to see who in the company had exchanged cards with whom. However, the pandemic changed business practices. Face-to-face meetings declined and online interactions increased. Without physical card exchanges, it became difficult to determine accurate job titles and contact details, which made it harder to act on these encounters. Simply managing and searching through paper business cards no longer improved sales efficiency. We also aimed to tackle an old problem: approaching people with whom you

haven't exchanged business cards. So, we changed Sansan to make it more useful as a solution for sales activities.

Two primary features underscore this transformation. First, it's a corporate information including, as standard, over one million data items detailing companies and their executives. This helps users research businesses or individuals they haven't interacted with.

The second feature is contact point expansion. Post-pandemic, many business dealings occur without business card exchanges, and rely on online discussions and email. So, Sansan has now expanded beyond paper business cards, integrating means of contact like emails, calls, and online seminars, which can be stored and visualized. Of particular note is the email integration feature released in June 2023. This not only identifies email correspondents but also visualizes interaction frequency, providing insights into communication depth. This is extremely useful for planning sales strategies. For instance, with Sansan integrated with customers' email servers, users can share information such as how many staff/employee have emailed a certain person in a certain company, or how many times a certain employee has emailed that person.

Combining these features, we rebranded Sansan. However, its reputation as a sales DX tool and sales database hasn't fully permeated the market. So, there's a pressing need to communicate its abilities beyond just contact management, and to both prospective and existing customers.

What is the strategy for Bill One?

Bill One has experienced strong growth beyond our initial expectations, which is quite encouraging. We think that we've been able to achieve such rapid growth because of Bill One's ability to address business challenges in accounting and offer substantive value. We believe that another reason for its current success is its pioneering role in shaping an entirely new market niche that is focused on the receipt of invoices.

The development of Bill One was initially prompted by a proposal made by our internal accounting team. The concept was then discussed over the course of 2–3 years. After analyzing the biggest challenges in accounting workflows, we identified our primary concern: how to complete monthly settlements quickly and with minimal hassle.

We soon realized that the receipt of invoices was a bottleneck in this process, developed our product to address this issue, and successfully launched this as a new business.

Typically, several different departments handle the organization-wide receipt of invoices. This sometimes leads to invoices getting lost internally. Not knowing where an invoice is, receiving invoices with errors, and spending time following up with each of the people responsible are some of the common headaches faced by accountants in most companies.

Bill One's solution for this is to digitize all invoices, whether they are paper-based or PDFs, at our center, so that accountants no longer need to spend their time following up with the relevant department or individual. As further benefits, this also removes the risk of losing invoices, and it ensures a clear trail of every received invoice.

We see FY2023 as a major turning point, with revisions to Japanese legislation creating an advantageous situation for the use of Bill One. Specifically, the Invoicing System will be started in Japan in October 2023, and then, from January 2024, the amended Electronic Bookkeep-

ing Act will enter into force, tightening regulations on the archiving of electronic transaction records. As of the conclusion of FY2022, Bill One had 1,581 paid subscribers. However, when considering the number of companies that send invoices via Bill One, as well as our free users, the Bill One network actually includes around 90,000 companies. We aim to expand this network further in search of even greater growth opportunities. Also, in June 2023, we added the Bill One Business Card, a corporate credit card, as an option with the Bill One service. We're optimistic about our ability to expand beyond just invoices and make further inroads into fintech.

How is Contract One progressing?

Contract One is still in its early stages, where we are working toward product/market fit. We are currently developing the features needed to make it a service that enables corporate revenue creation by digitizing contracts. When it comes to contract-related work, it is of course important to reduce the workload for legal staff and ensure contract fulfillment and effectiveness. At the same time, however, we believe that transforming important contract information into a company-wide asset also contributes to enhanced corporate performance.

Status of the Business Units

Having discussed the sales system renewal and product evolution, where does each stand now?

Our sales system overhaul has yielded benefits for staff

Contributing to Societal Sustainability Through Our Business

The company, in its material issues (priority topics), has ambitious aims such as "digitizing 500 million analog data items" and "reaching 20 million users." Can you speak to the rationale and challenges of these targets?

We are determined to tackle the challenges faced by society through our business, with the broader goal of fostering societal sustainability. Japanese industry is still grappling with inefficiencies, low productivity, and a variety of other issues stemming from its paper-reliant culture. In such an environment, we're optimistic that our proven ability to support companies in transitioning from analog to digital can be a catalyst for change.

As part of our corporate philosophy, we make "Turning encounters into innovation" our mission. It is also our vision to "Become business infrastructure." We believe that the more our user base grows, the more new ideas and meaningful encounters will be generated. We of course recognize that these targets are highly ambitious in light of where we stand today. Nevertheless, we're convinced of the importance of setting bold quantitative targets to have a substantial impact on society. We aim to achieve sustained business growth by addressing these material issues (priority issues).

development. Previously, when sales resources were shared, an individual salesperson would be responsible for not just one of Sansan, Bill One, and Contract One, but all three, which made training burdensome and time-consuming. And since Bill One requires deep knowledge of not only accounting but also recent changes to legislation, it was challenging for sales rep to find their legs. Now, sales personnel can focus on a single product, which means that they are able to receive more specialized training and this in turn allows them to get up to speed more quickly than before.

We can also see clear evidence of stronger collaboration between sales and marketing, and our product teams are now better aligned with business units, which accelerates feedback cycles. As we move forward, we'll concentrate on developing features that maximize customer value and enhance the appeal of our products to the market.

On the sales side, there is still potential that we have yet to tap into, especially in terms of regional expansion. In Japan, in addition to our existing footholds in Tokyo, Osaka, Nagoya, and Fukuoka, we've now established a sales office in Hiroshima. We consider nationwide expansion and the bolstering of our sales resources to be crucial for disseminating our products' value, and we have therefore made talent sourcing a top priority.

International Expansion

What is your global strategy?

We've made Bill One the current focus of our strategy for international expansion. We've launched Sansan in Singapore and other locations, but the pandemic reduced the frequency of business card exchanges there even more than in Japan, making card-centric solutions less viable than before.

On the other hand, pilot sales of Bill One in Singapore were better than expected, and we have even received inquiries from Thailand. About 95% of invoice interactions in Thailand are paper-based. Such a heavy reliance on paper documents means that there are many issues for which Bill One offers a solution, and our strategy is to first focus on targeting Japanese companies that are operating in Thailand. We also see significant potential elsewhere in Southeast Asia, especially among the countries in Thailand's vicinity.

Kei Tomioka
Director, Executive Officer, COO

Business Strategies by Segment

As we strive to achieve our mid-term financial goals, we aim to maximize sales while improving profitability in the Sansan/Bill One Business, and achieve full-year profitability in the Eight Business. In FY2022, we embarked on strategies aimed at achieving business growth. These included a renewal of the Sansan sales DX solution, strengthening the sales structure of the Bill One cloud-based invoice management solution to maintain high growth, and improving the profitability of the Eight business card app.

Structure of Reportable Business Segments

We operate under two reportable segments: Sansan/Bill One and Eight.

The Sansan/Bill One Business accounts for 88% of consolidated net sales, making it our primary segment. Within this segment, the Sansan sales DX solution, our founding service, accounts for 78% of consolidated net sales. Although the Bill One cloud-based invoice management solution launched in May 2020 accounts for only 9% of consolidated net sales, its share is expanding each fiscal year amid continued high growth. The Contract One contract database launched in January 2022 is also included here.

The Eight Business accounts for 11% of consolidated net sales. It offers the Eight business card app for individual professionals, and we are offering solutions to monetize its network of 3.3+ million registered users.

Net Sales by Segment *1
(millions of yen)
- ■ Sansan/Bill One Business
- ■ Eight Business
- ■ Others/Adjustments

2,867   126

FY2022
25,510

22,516
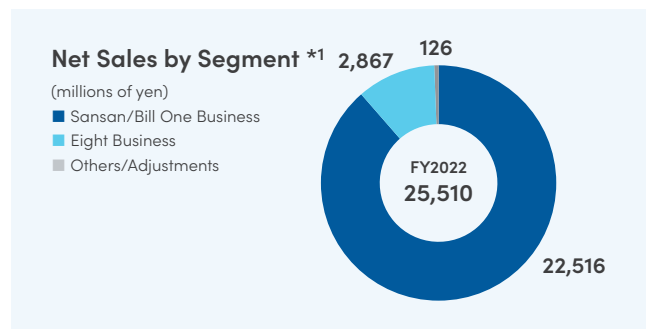
*1 Elimination of intra-company transactions (sales), and costs not allocated to segments are recorded in "Adjustments.", The graphs show results for fiscal years ended May 31.

Overview of Segments

Sansan/Bill One Business	
Sansan	**sansan**
Bill One	**Bill One** powered by Sansan
Others	**Contract One** powered by Sansan / **CREATIVE SURVEY** *2

Eight Business	
B2C Services	**eight** -Eight Premium
B2B Services	**eight** -Eight Team -DX Camp / -Meets -Business IT & Saas EXPO / -Climbers -Eight Career Design / **logmi** *3

*2 Service provided by CREATIVE SURVEY INC., a consolidated subsidiary   *3 Service provided by logmi, Inc., a consolidated subsidiary

Sansan/Bill One Business

The Sansan/Bill One Business provides solutions for corporate customers, including the Sansan sales DX solution, Bill One cloud-based invoice management solution, and Contract One contract database. Each solution resolves business challenges, transforming how companies and businesspeople work and driving DX by digitizing analog information to increase business efficiency and enable effective data use.

Main Solutions and Optional Features in the Sansan/Bill One Business

Service/Option (Year Launched)	Business Domain	Analog Processes to Optimize	Analog Information Digitized
Sansan sales DX solution (2007)	Corporate sales activities	• Managing paper business cards • Utilizing and managing scattered contact information	• Business cards • Emails • Website inquiries • Seminars • Phone calls
Bill One cloud-based invoice management solution (2020)	Corporate invoice-related operations	• Operations involving paper invoices • Compliance with laws and regulations	• Invoices
Bill One Business Card (2023)	Corporate credit card payment operations	• Operations involving paper receipts • Compliance with laws and regulations	• Receipts when making credit card payments • Credit card statement information
Contract One contract database (2022)	Corporate contract document operations	• Operations involving paper contracts • Compliance with laws and regulations	• Contract documents

– FY2022 Financial Results *4

In FY2022, Sansan/Bill One Business net sales increased 24.4% year on year, mainly owing to Sansan's solid growth and Bill One's continued high growth. Our adjusted operating profit increased 21.8% year on year, owing to higher net sales.

Looking at individual solutions, we renewed Sansan from a cloud-based contact management service to a sales DX solution, making efforts to add new features. Leveraging these new functionalities, we focused on strengthening sales abilities to acquire new users and upsell to existing users. In particular, we reinforced the sales organization targeting medium- and large-sized companies. Sansan's net sales resultantly grew 15.0% year on year, maintaining steady progress.

For Bill One, we worked to sustain high growth by bolstering the sales organization through hiring as well as expanding the solution's functions. Consequently, May 2023 MRR increased 172.8% year on year, ARR reached 3,798 million yen, and Bill One net sales were up 192.2% year on year.

For Contract One, we focused on launching the solution leveraging the strengths, insights, and expertise cultivated through our existing solutions.

For FY2023, we forecast net sales growth of 29.0% to 32.5% year on year for the Sansan/Bill One Business.

Sales Breakdown
(millions of yen)
- ■ Sansan
- ■ Bill One
- ■ Others (Contract One, etc.)/Adjustments
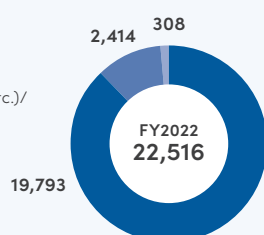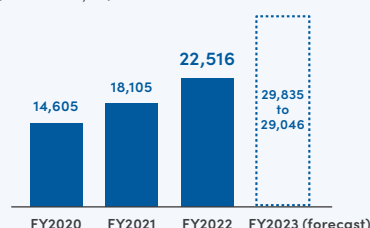
FY2022 22,516

2,414
308
19,793

Net Sales
(millions of yen)

FY2020	FY2021	FY2022	FY2023 (forecast)
14,605	18,105	22,516	29,835 to 29,046

Adjusted Operating Profit
(millions of yen)

FY2020	FY2021	FY2022
5,290	5,752	7,005
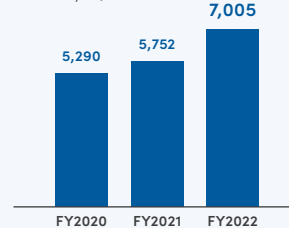
*4 The graphs show results for fiscal years ended May 31.

Manage your contacts, maximize your business

sansan

– Sansan – Sales DX Solution

Launched in 2007, the Sansan sales DX solution creates a unique database for each client by combining corporate and contact information, strengthening the sales abilities of organizations and individuals based on the concept of "Manage your contacts, maximize your business."

Social Issues and Needs

Accurately obtaining company names, customer names, job titles, and contact details and using them efficiently is crucial for sales. However, customer contact information from business cards, emails, meeting records, seminar attendance information, etc., is managed by individual employees, meaning companies are not effectively utilizing this valuable information. Management is also often analog, so there is much potential for digitization to improve operational efficiency. The pandemic increased online meetings and reduced opportunities to exchange business cards, which makes it even more critical to obtain accurate information on business partners and manage and utilize contact information. When contacting companies for the first time, few details, such as sales, industry, employee numbers, and regions, are known, making it challenging to identify appropriate sales targets and develop efficient sales strategies.

Service Overview

Sansan lets users view over 1 million corporate data items, including previously uncontacted companies. They can accumulate and visualize contact points, including emails and website inquiries – not just business cards. Such corporate and contact information forms a unique database for each company. This enables efficient discovery of new leads and sharing of the latest information, boosting individual sales rep' efforts. Moreover, when integrated with external systems, data can be used for planning and executing sophisticated, customer-specific sales strategies to maximize overall sales.

Sansan's business model includes a basic plan for company-wide use, with licensing fees based on company size and usage, plus other fees for, say, scanner rental. We also offer paid services for introducing Sansan, such as digitizing stacks of business cards and implementation support.

Share information other than business cards company-wide

Business cards +

- Email signatures
- Website inquiries/forms
- Meeting notes
- Seminar participants

Various corporate information provided

1 million+ data items of corporate information +

- Job/position
- Locations
- Corporate risk information
- Personnel changes

sansan

Strategy

Although Sansan targets all companies, only about 3%*5 of the working population in Japan uses our services, leaving ample room for further domestic expansion.

In June 2022, we rebranded the product as a sales DX solution to pursue future growth. Based on this, we will continue expanding functions related to corporate and contact information, thereby improving Sansan's value as a business database. We will also expand monthly recurring sales per subscription by strengthening our sales structure to increase subscriptions, as well as by acquiring new customers and promoting expanded use by existing customers, based on the idea that all employees at user companies will utilize our solutions (company-wide use).

Sansan Potential Market Size *5

Company Size (Employees)	Sansan Coverage by Company (YoY)	Sansan Coverage by Employee (YoY)
1,000+	16.3% (+0.2 pts.)	4.5% (+0.4 pts.)
100–999	3.9% (+0.0 pts.)	3.3% (+0.3 pts.)
<100	0.3% (+0.0 pts.)	1.6% (+0.5 pts.)

*5 Sansan coverage is calculated with the number of subscriptions and total number of IDs in Sansan for FY2022 end as the numerator and the number based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator.

Receive, digitize & centralize your invoices. Fast monthly closing.

Bill One
powered by Sansan

– Bill One – Cloud-Based Invoice Management Solution

Launched in 2020, the Bill One cloud-based invoice management solution supports faster managerial decision-making by streamlining company-wide accounting operations, based on the concept of "Receive, digitize & centralize your invoices. Fast monthly closing."

Social Issues and Needs

Paper invoices are still more common than digital, and analog processes such as managing mailed documents, circulating invoices for internal approval, and manually entering invoice details substantially lower efficiency. Having to come to work to deal with paper invoices also impedes diversifying work styles. Companies in Japan must also adapt to new frameworks such as the amended Electronic Bookkeeping Act and the new Invoicing System, which will likely make invoicing more complex.

Service Overview

Bill One can handle and accurately digitize paper, PDF, and other invoices from different locations and departments. Users don't have to enter the data themselves. Instead, they can access correctly digitized invoice information from the start and complete review and approval, etc., in the cloud. This information is centrally managed in a highly searchable database, so customers can use it for controlling costs and uncovering sales opportunities to maximize future revenue.

We are also integrating Bill One with accounting and other third-party systems, and are expanding optional features. We provide various functionalities besides invoice issuance and proxy postal delivery, including launching the Bill One Business Card in June 2023.

Bill One's business model comprises an initial setup fee, including implementation support by a specialized consultant, and a monthly fee based on number of invoices digitized.

Optional functions include invoice issuance and a corporate card. For companies with 100 or fewer employees, we offer a Small Business Plan with no initial and monthly fees, subject to certain conditions.

Bill One

powered by Sansan

Invoice issuer

Postal mail →

Email attachment →

Upload →

One-stop receipt

Digitization of invoices with 99.9% *6 accuracy

Centralized management by database

Bill One user companies
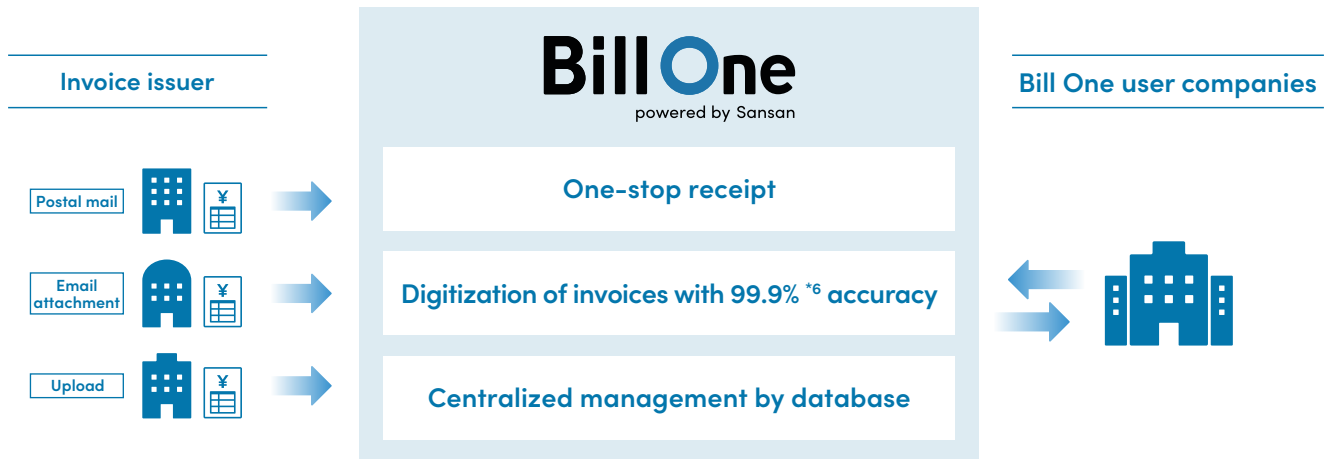
*6 Digitization accuracy when conditions specified by Sansan, Inc. are met.

Strategy

Bill One targets companies from all industries and of all sizes. Counting subscribers using the free service and companies sending invoices to paid subscribers, our invoice network covered approximately 90,000 companies, only about 4% *7 of all companies in Japan, as of May 31, 2023. We therefore see vast potential for further growth.

With this potential in mind, we are working to continue high sales growth, aiming for ARR of 7+ billion yen in May 2024. Specifically, to maximize sales, we will expand paid subscriptions by reinforcing our sales headcount and strengthening marketing activities. We will also work to further increase monthly sales per paid subscription by expanding functionality to improve user convenience and strengthening the sales structure for medium- and large-sized companies.

Bill One Potential Market Size

Companies in Japan *7

~Approx. **2**million

Invoice network Approx. **90,000**

Bill One Paid Subscriptions **1,581**

*7 The number of total companies in Japan based on statistics from the Ministry of Internal Affairs and Communications' 2021 Economic Census for Business Activity Survey.

Bill One Business Card

With Bill One enjoying strong growth and an expanding number of companies in its invoice network, we have started adding new features and entering new business areas. In June 2023, we launched the Bill One Business Card as an optional feature, expanding into the fintech domain.

Companies face analog challenges in corporate credit card operations, such as collecting receipts and invoices and spending time reconciling these with credit card statements, in addition to being pressed to comply with the new Invoicing System.

The Bill One Business Card addresses these issues, enabling centralized management of corporate card operations within Bill One. Transactions made with the card are instantly linked to that company's Bill One screen after use.

This enables automated reconciliation of card statements and receipts. Uploaded receipts are digitized within the next business day, and alerts are displayed for discrepancies versus statement amounts, streamlining receipt reconciliation that accounting staff previously did manually. Moreover, requests to upload receipts are automatically sent from Bill One to users after card use, eliminating the need for accounting staff to individually chase users for submission. The card also facilitates compliance with laws and regulations, including the Invoicing System, while reducing risks of unauthorized use.

The business model comprises income from digitizing receipts and from transaction fees.

Build your contract database,
maximize your business

Contract One
powered by Sansan
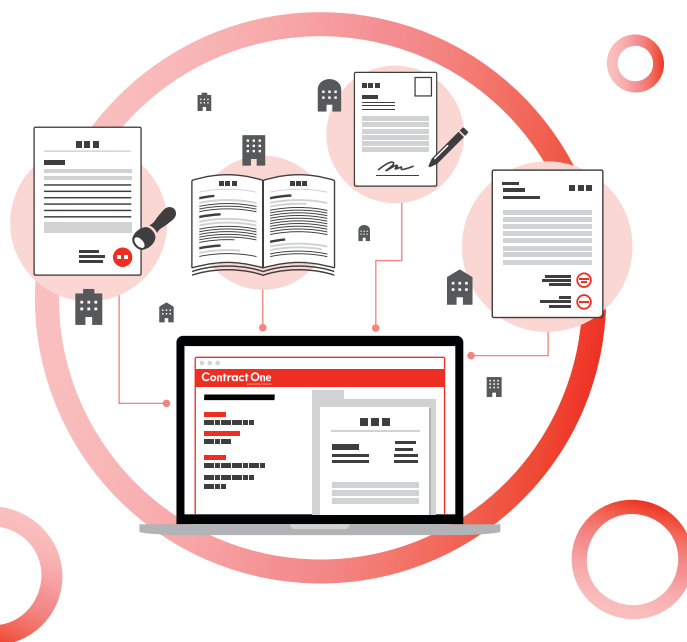
– Contract One – Contract Database

Launched in 2022, the Contract One contract database digitizes contracts in paper and electronic formats, contributing to corporate revenue generation based on the concept of "Build your contract database, maximize your business."

Social Issues and Needs

Electronic formats are becoming more prevalent these days in business-to-business contracting. However, some companies still prefer paper documents. This combination of paper and electronic formats complicates contract management. And since contract information is not centrally managed, it cannot be utilized as an effective business asset.

Moreover, while contract terms should of course be adhered to, post-signing tasks, such as revising contracts based on market environment, business conditions, and strategies, are also crucial.

Service Overview

For paper contracts, users simply mail them to us, and Contract One scans and accurately digitizes them. For e-contracts, compatibility with e-contracting vendors allows Contract One to receive electronic contract data in PDF format and digitize it. This lets users build a centralized contract database for unified management. Moreover, users can easily leverage contract information from the database, leading to new business opportunities and maximizing revenue.

The business model offers a pricing plan comprising an initial setup fee that includes implementation support by a specialized consultant and digitization of existing contracts, plus monthly fees calculated based on the number of contracts digitized for the client company.

Strategy

Since launching Contract One in January 2022, we have remained focused on starting up the service, and had secured 145 subscriptions as of May 31, 2023. We are working to improve user value through various functional improvements. In July 2023, we added a new feature leveraging GPT generative AI to offer in-document search capabilities and a contract summary function. With summarization, users can search for necessary contracts by company name or other parameters, then view easy-to-understand summaries in a format similar to bullet points. This enables not just legal staff but also sales staff unfamiliar with legal terminology to easily grasp contract outlines. We are currently developing functions to enable systematic contract management and checking of contract status to support negotiations with business partners.

Going forward, we will continue efforts to improve product-market fit by developing additional user revenue-improving functionalities, aiming to further Contract One's contribution to our overall growth.

Eight Business

The Eight Business mainly provides the Eight business card app and offers paid services for individuals and companies as monetization plans. Under a management policy focused on profitability, we aim to achieve positive adjusted operating profit for the full fiscal year.

Main Service in the Eight Business

Service/Option (Year Launched)	Business Domain	Analog Processes to Optimize	Analog Information Digitized
Eight business card app (2012)	Individual business activities	·Managing paper business cards ·Managing personal network	• Business cards

– FY2022 Financial Results *8

In FY2022, we strengthened the monetization of our paid services for companies (B2B services), thereby increasing Eight Business net sales by 29.5% year on year. This increase resulted in a reduction of the adjusted operating loss by 185 million yen compared with the same period for the previous year.

With normalizing business amid the waning pandemic, Eight users grew by 200,000 year on year to 3.31 million, driving a 6.0% year-on-year rise in individual paid service (B2C service) sales. Various B2B service monetization efforts, such as holding large business events, led to a 33.0% year-on-year increase in B2B service sales.

The net sales growth rate for the Eight Business is forecast to rise from 10.0% to 17.0% in FY2023, and we are aiming to achieve positive adjusted operating profit for the full fiscal year.

*8 The graphs show results for fiscal years ended May 31.

Sales Breakdown
(millions of yen)
■ B2B Services
■ B2C Services
303
FY2022 2,867
2,563

Net Sales
(millions of yen)
1,582 — FY2020
2,213 — FY2021
2,867 — FY2022
3,354 to 3,153 — FY2023 (forecast)

Adjusted Operating Profit
(millions of yen)
–732 — FY2020
–355 — FY2021
–170 — FY2022

One-touch business card exchange, smart contact management
Eight – Business card app
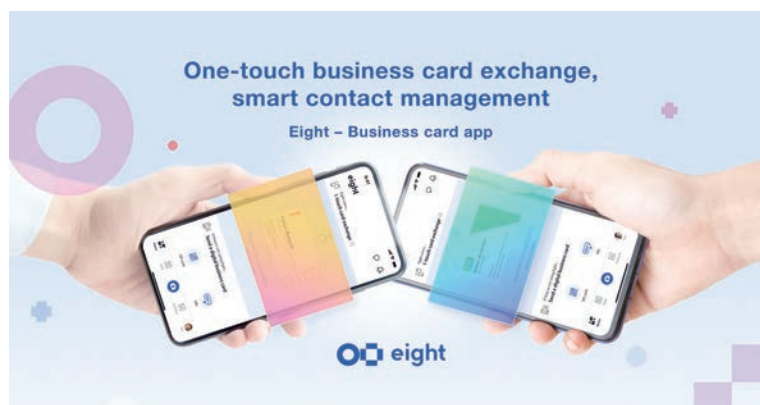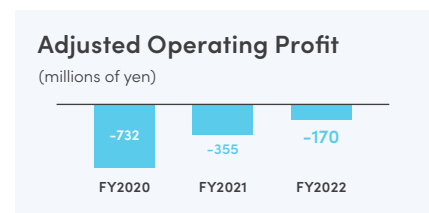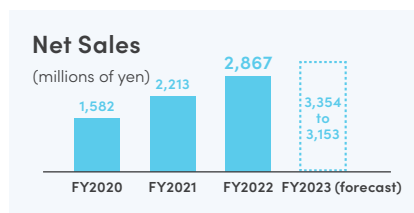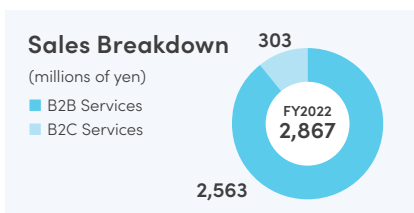
– Eight – Business Card App

Launched in 2012, Eight, a business card app for individuals, supports businesspeople by enabling smart management of their business cards and contacts based on the concept of "One-touch business card exchange and management."

Social Issues and Needs

When networking for business, it is important to acquire accurate information about contacts and to maintain connections, even if the other party, for instance, changes jobs. However, using analog-based paper business cards makes it difficult to access and update information, meaning that business encounters are not fully utilized. Problems such as forgetting one's own card or losing someone else's also frequently occur with paper business card exchanges.

Different aspects of our daily lives are also expected to be digitized in the future. The pandemic accelerated changes such as staying at home and adopting remote work. Notably, the spread of digital technology has progressed at an astounding pace, with smartphone-based payment methods expanding rapidly.

In business as well, the proliferation of cloud services enabling completely online workflows means paper business cards are likely to give way to demand for exchanging digital cards using only a smartphone.

Service Overview

The Eight app is geared toward individual, rather than company, use. Registering one's own business card information upon first using the app gives free access to basic features. Users can also create and manage their career profile by adding in business cards received throughout their professional lives. The app includes a feature for instantly exchanging Virtual Cards just by users bringing their smartphones near one other. Exchanged cards get automatically updated, letting users stay informed about contacts' promotions, transfers, job changes, and other career moves. Exchanging cards with non-users of Eight can be done via QR Code *9 or URL.

The business model is based on providing paid services to individuals and companies. The paid service for individuals allows use of premium contact management features. For companies, the paid service mainly offers participation at business events attracting Eight users, and business card management services for small and medium-sized enterprises.

*9 "QR Code" is a registered trademark of Denso Wave Incorporated.

Strategy

From the second half of FY2022, we have shifted to management focused on profitability, aiming to achieve positive adjusted operating profit for the full FY2023.

While the net sales growth rate might decrease from revising the monetization plan to improve profitability, we will continue pursuing steady growth by enhancing our successful business events and revising the pricing strategy for business card and contact management services. In September 2023, looking ahead to recovering post-pandemic business card exchange opportunities, we renewed Eight's functionality as an app focused on business cards under the new concept of "One-touch business card exchange and management." Specifically, we expect this refocus on digital business card exchange and card management will help to further expand the user base and lead to stronger monetization going forward.

DX for Business Card Exchange

Our motive in launching the Eight business card app in 2012 was a desire to revolutionize the very act of exchanging business cards. Despite the digitization of various business tools amid the DX trend, analog-based paper business cards have remained mainstream, unchanged even with the spread of our namesake Sansan solution. Even after launching Eight, we had yet to generate major change in card exchange practices, but we believe the new Virtual Card Exchange function added in September 2023 can evolve the card exchange experience. Its key distinguishing feature is enabling complete card exchange through the app, eliminating the need for physical, paper cards. Since Eight also incorporates business card management and social media functions, cards can be managed by smartphone alone, and users can stay updated about their contacts, including transfers, promotions, job changes, and other career moves. We envision the Virtual Card Exchange function being used in all situations where businesspeople gather offline, such as sales meetings, conferences, and networking events. By promoting this function through Sansan-hosted conferences like Climbers Startup JAPAN 2023 in November 2023, and collaborations with event companies, we will advance the experience of business encounters, making it smarter.

We Advance Human Resource Measures with Determination and Intent

CHRO Message

Director, Executive Officer, CHRO

Yuta Ohma

Qualities We Seek in Talent

Sansan places importance on being a mission-driven company. While we offer Sansan, Bill One, Contract One, Eight, and other solutions, it's unlikely that anyone would join us with a specific passion for, say, business cards or invoices. We've expressed our aspirations through our mission of "Turning encounters into innovation" and vision to "Become business infrastructure."

Our solutions, linked to these ideals, create new forms of value in the world. This clarity draws talent with whom our mission and vision resonate deeply, or those attracted to our story and the way everything at Sansan is connected, including our solutions.

We seek people who make decisions with determination and intent – one of our values. As they advance management and business strategies, individuals should

reflect on their determination and intent. They won't develop new value if they merely implement their superiors' decisions without personal determination. Individuals must drive the organization forward with their own determination and intent. This approach is absolutely essential for core talent. Of course, individuals' determination and intent may sometimes not perfectly match the direction that management or the organization have set.

Management and other superiors in the organization aren't always right about every point. If people feel a certain directive might not benefit the company, they should constructively challenge it. Such individuals should be at the heart of our operations. An organization's forward momentum hinges on each member's passion and determination. At Sansan, we constantly ask, "What do you want to do?" Even as we're in a phase of business expansion and active recruitment, we continue to emphasize those who can make decisions with determination and intent.

Solidifying and Instilling a Mission-Driven Corporate Culture

Every new graduates and mid-career hire at Sansan undergoes a 5-day intensive program on our corporate philosophy, known as the Katachi (shape) of Sansan, including our mission, vision, and values, through the Sansan Culture Onboarding Program (SCOP) before joining their team. This program delves into questions such as: Why do encounters lead to innovation? Under what conditions can we become business infrastructure? Which values are pivotal in achieving our mission and vision? Each value's significance is discussed, including why it was chosen. For example, for "Make decisions with determination and intent," we explain that if an employee were to ask a supervisor, "Which of 3 options is better?" the likely response would be, "Which one would you choose to implement?" This underscores our focus on individual determination.

We also show how our values have evolved since the company began, explaining why some values were removed and the background of those decisions. Nothing is set in stone at Sansan; we can change as needed. This flexibility is another important value we aim to preserve.

Besides the SCOP, about once every 2 years, we hold a company-wide Katachi discussion in which the entire staff reviews and reaffirms our corporate philosophy. We debate topics such as Sansan's future trajectory and the values we should prioritize moving forward. Staff from all roles, departments, and lengths of service split into 100+ mixed teams and engage in these discussions for 3+ hours. Most recently, we held sessions for each department to discuss what is necessary to achieve overwhelming, breakthrough growth. We invest this time because engagement leads to retaining top talent, which is the foundation for future financial returns.

Employee Engagement

At Sansan, we conduct monthly engagement surveys for all regular and contract employees. Our engagement scores consistently exceed industry averages but haven't yet reached the top tier. We analyze these monthly results together with HR data, such as attendance and performance reviews. For example, past data shows patterns of what happens before leaves of absence and resignations. Now, similar trends trigger alerts, promoting collaboration with the relevant department so we can retain talent.

We also verify the impact of various HR initiatives and internal events through these surveys. Beyond the company-wide Katachi discussion, we advance HR measures, such as salary revisions and introduction of new systems, with determination and intent. Verifying their impact is, therefore, crucial. In November 2022, we introduced the Yoriai system, making the free space at our Omotesando head office available from 6 p.m. onward for internal communication. We track which employees use this system the most and the resultant benefits they perceive. Using our surveys to gauge the cost-effectiveness of such initiatives in boosting engagement lets us make continual improvement.

Recognition of Medium-to-Long-Term Issues

In June 2023, we shifted from a structure with sales for all products consolidated under one organization to business divisions with separate sales organizations for each product. We've significantly shifted our policy from resource optimization to net sales maximization, and we recognize that recruiting and securing talent is a vital management issue for business growth. We now see that expanding our sales team in particular will inherently drive business growth. While we've achieved a certain level of performance by continuing selective hiring, rapidly expanding hiring numbers is a top priority, though it is challenging. Our recruitment target for FY2023 is around 420 people on a consolidated basis. Of these, about 200 will be in sales, which includes customer success and marketing. Engineers and creators will make up over 30% of the total, with the rest in branding, corporate, HR, and other back-office roles supporting our mission.

To recruit and secure top talent,

we raised the starting annual salary for new graduates by 10–11% to 5.6 million yen. Although we've historically analyzed and adjusted compensation based on market benchmarks, this hike is our most substantial one yet, reflecting our strong determination and intent to reach industry-leading pay levels. Moving forward, we'll continue to maintain highly competitive pay aligned with talent market trends.

At the same time, it's important to make performance reviews more appropriate for ensuring that deserving employees are suitably rewarded. Our mission grade system determines rank based not only on past results but also future expectations and roles, with downgrades possible if performance doesn't improve. We've adopted a 360-degree feedback system for evaluations, by which individuals are assessed by colleagues in various positions. Supervisors are instructed to talk with their team members about gaps they need to bridge in line with mission grade criteria, and the expectations for advancing to the next grade based on grade descriptions.

Our shift to a divisional structure

has increased the number of departments and managerial positions. Post-restructuring, many people are now temporarily holding dual managerial responsibilities. As we ease out these overlapping roles, we also see a chance to showcase the depth and breadth of positions available for future career growth. Accordingly, our focus will be on further supporting and enabling our top talent so they can thrive.

Promoting the Recruitment, Development, and Success of Human Resources

I am the owner responsible for two material issues (priority issues): "Promote the recruitment, development, and success of human resources" and "Promote diversity, equity and inclusion."

For "Promote the recruitment, development, and success of human resources," we've set the goals for targets for FY2029 of 35% referral-based hiring and an 80% Unipos posting rate. For referral-based hiring, we track the eNPS score trend for the question, "Would you recommend us to others you know outside the company?" in our monthly engagement survey. We hope to significantly improve our current score, which is around –10, to speed up our recruitment.

The Unipos platform lets employees commend each other using a point system. This helps boost motivation across the board. Each person has a point balance, with received points converting to monetary compensation. "Appreciate and be inspired" is one of our values, and even before introducing Unipos, we had a system with a different tool for employees

to commend colleagues who exemplified our values. Our current Unipos posting rate is around 60%. Increasing this rate will encourage employees to embody our values, and it will improve engagement and foster our corporate culture. While there's a cost associated with using Unipos, it's undoubtedly outweighed by the positive impact on the entire organization, beyond hiring an employee with an annual salary equivalent to that cost.

Promoting Diversity, Equity and Inclusion

Regarding "Promote diversity, equity and inclusion," our goals are to have 30%+ female managers and 45%+ female employees by FY2029. Ideally, we want both to be 50%, but given that they are currently 18% and 35%, respectively, these targets will still be challenging.

To achieve these quantitative targets, we're focusing on making our HR systems more comprehensive. Our Oyaco program subsidizes costs like non-accredited nursery schools and after-school care for all child-rearing employees, irrespective of gender. We also provide support specifically for women, such as menstrual leave and contraceptive prescription services.

While each of these systems may, on their own, seem like individual welfare benefits, our HR policy is fundamentally based on decisions we have made with determination and intent regarding whether or not a given system contributes to improved productivity and accelerated business growth. Contraceptive prescription was first introduced for interested employees as a way of trialing services from femtech ventures. We then verified the resulting productivity gains compared with costs before full adoption. Enhancing childcare support resulted from the company's search for what it could do to facilitate an early return to work, assuming employees will take maternity and childcare leave. We found out that it is more productive for an employee on parental leave to return than to hire a replacement, prompting us to make aggressive investment in this direction.

Regarding diversity, we will also expand employment of people with disabilities and people from other countries. While we have already ensured that our current employment rate for individuals with disabilities exceeds legal mandates, going forward, we will create environments where they can directly contribute to our business and profitability, such as through digitizing business cards or invoices. Regarding foreign employees, accelerating Bill One's overseas expansion starts with hiring engineering talent at our development center in Cebu, Philippines. With a vision for a more multinational workforce, we'll also increase hiring of people from other countries for our Japan-based engineering team, which is now predominantly Japanese. As we expand globally, it's imperative to understand each country's laws, business customs, religions, and cultures, focusing on ensuring that we create organizations and environments that are psychologically safe and respect human rights.

Final Thoughts

Recruiting and securing talent are top management priorities as we look to reignite our growth. Even as we expand the scale, it's vital to not only preserve but also strengthen our mission-driven culture. This past year, I've had the opportunity to discuss with our CEO the DNA that Sansan wants to maintain. As a group of individuals with determination and intent, our goal is for every member to remain highly motivated and continually create new types of value. As the CHRO, I'm committed to fostering such an organization and environment. The only way is one where there is determination. Holding onto this belief, we will keep moving forward.

Yuta Ohma
Director, Executive Officer, CHRO

– Human Capital

Talent is an essential management resource. Our ability to achieve high growth while creating new markets owes to the successes of our talented human resources. To ensure our future growth, we must provide environments that welcome diversity and allow all staff, whatever their background, to work with great motivation. Through this approach, we are working to create innovations that solve business challenges, through measures including promoting our employees' success.

Material Issues (Priority Issues)

Among the five priority areas identified in 2022, under "Respect Employee Diversity and Producing Innovation," we define "Promoting the recruitment, development, and success of human resources" and "Promoting diversity, equity and inclusion" as material issues. In August 2023, we established long-term quantitative targets for FY2029, including 35% referral-based hiring, an 80% Unipos posting rate, and a minimum of 30% female managers and 45% female employees. We are working on initiatives to achieve these targets.

Materiality Targets

Area	Material Issue	FY2029 Target		FY2022 Result
Respect Employee Diversity and Producing Innovation	Promote the recruitment, development, and success of human resources	Referral-based hiring rate	35%	12.0%
		Unipos[1] posting rate	80%	59.6%
	Promote diversity, equity and inclusion	Ratio of female managers	30% or higher	17.8%
		Ratio of female employees	45% or higher	34.9%

*1 We use a peer bonus platform service, provided by Unipos Inc., that involves all employees.

Recruiting, Developing, and Promoting Human Resources

Continuously strengthening recruitment is an essential element of our growth strategy. As of May 31, 2023, we had approximately 1,400 employees, and our various organizations, including development, sales, and back office, comprise talented individuals from diverse backgrounds. We emphasize hiring employees with strong expertise and skills, and who have a mission-driven attitude that matches our corporate philosophy. This emphasis stems from our belief that people whose ideals match our corporate philosophy, such as our mission, vision, and values, are more likely to be successful after joining. Our mission-driven corporate culture has been an effective tool for recruiting, letting us hire a range of highly capable individuals. We are also developing systems and environments that not only enable our staff to succeed, but also allow our organization to absorb their knowledge and promote their growth and success, so they also develop those around them.

Number of Employees[2]
(people)

FY2018	FY2019	FY2020	FY2021	FY2022
549	714	955	1,205	1,399
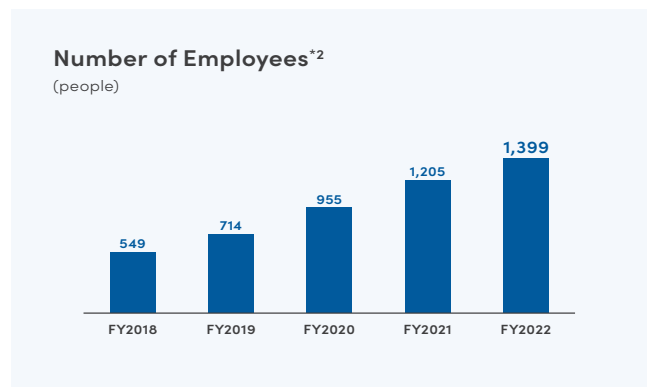
*2 The graphs show results for fiscal years ended May 31.

Referral-Based Hiring

Since 2015, we have had an employee referral-based hiring system called My Myaku, which provides benefits such as covering meal costs when making referrals and reward payments when referrals are hired, to promote referral-based hiring. The hiring success rate through My Myaku is about 10 times that from standard procedures, greatly contributing to our most crucial growth strategy: talent acquisition. Moreover, as employees themselves approach people they want to work with, My Myaku hires tend to have less mismatch with the company and lower early resignation rates than standard hires. Also, since the promotion of My Myaku requires employees who think so highly of the company that they will refer close friends and acquaintances, we place importance on the referral-based hiring rate as an indicator to

quantitatively measure organizational health.

Our referral-based hiring rate was 12.0% in FY2022. By enhancing the My Myaku system and promoting its use by all employees, we aim to reach 35% by FY2029.

Unipos

We use the all-employee peer bonus® culture platform service Unipos to visualize internal instances of commendation within the company. This instills our corporate culture and boosts employee engagement. On the Unipos platform, provided by Unipos Inc., employees can send small tips that can be converted to compensation to colleagues, along with comments of praise for good work and contributions. Sharing

commendations on Unipos makes good employee actions visible company-wide, which should improve employee engagement. The accumulated data can also be leveraged in human resource initiatives.

The Unipos posting rate by our employees was 59.6% in FY2022. By promoting its use, we aim to reach 80% by FY2029.

Unipos: An Embodiment of Our Values

Guided by our value of "Appreciate and be inspired," we emphasize a culture in which employees commend each other. Unipos is used throughout the company because it fully embodies this value. We encourage employees to post on Unipos adding various tags based on our mission, vision, values, and annual theme, because we believe that commending actions related to our philosophy and direction in a forum visible to all employees, rather than just expressing gratitude directly, helps instill those ideals and culture. We also conduct PR for employees, such as, within the company, regularly commending and publicizing exemplary actions that best embody our corporate philosophy, from among the posts on Unipos. As a result, in FY2022 over 80%[*3] of employees were

commended on Unipos, with approximately 45,000 posts.

*3 Calculated for regular employees and contract employees of Sansan, Inc. and Sansan Global Pte. Ltd.

Happy Values Day

 # lead-the-customer

Thank you for letting me sit in on the business negotiation. You took the lead in every situation - the pre-meeting briefing, the negotiation itself, and emailing the client. It was an amazing learning experience for me. I'd appreciate more opportunities like this in the future!

– Program for New Employees

Our Sansan Culture Onboarding Program (SCOP) is a 6-month training program for mid-career hires. Together with their colleagues, new hires familiarize themselves with Sansan's philosophy, company culture, journey, and products, helping them get up to speed so they can quickly deliver results contributing to our mission and vision. In FY2022, employee participation time in SCOP totaled approximately 5,600 hours.

SCOP starts with a 5-day program upon joining, including after being assigned to a worksite. The training covers not only basics like administrative onboarding procedures and internal systems, but also opportunities to hear from department representatives about aspects such as product details, development processes, and key technologies. We also provide opportunities to hear about our corporate philosophy (Katachi of Sansan) and historical changes from the CEO, directors, executive officers, group managers, and other members, and to discuss them. The goal is to foster deeper understanding of our corporate culture by having new hires articulate concepts themselves rather than just receiving information. Employees who have completed the training have given positive feedback, with remarks like, "After being assigned to a worksite, I've often referred back to the corporate philosophy as a guide for decisions," and "Learning about the company as a whole has allowed me to better understand my department's role."

SCOP Contents

5-day program	Learn basics about Sansan, the company.
Katachi Training (CEO) / Katachi Salon (directors) / Katachi Salon (executive officers)	Hear thoughts on our corporate philosophy, the "Katachi of Sansan," from the CEO, directors, and executive officers.
Katachiba (group managers)	Together with group managers, verbalize one's own thoughts on the Katachi in relation to one's own work.
Katachi Offsite Meeting	Deepen understanding by articulating the Katachi in one's own words based on the training so far.
Nanahachi (senior colleagues)	Build internal connections through interactions with senior colleagues.

– Developing IT Talent

We help to foster entrepreneurs by supporting the Kamiyama Marugoto College of Design, Technology, and Entrepreneurship, built on the concept of "A school changing humanity's future through technology and design." We believe our support contributes to the development of IT talent in Japan and is in line with our material issue of "Promote the recruitment, development, and success of human resources." To facilitate this support, we established an internal department that offers marketing, design, PR, and other insights cultivated through our business.

Kamiyama Marugoto College of Design, Technology, and Entrepreneurship

In April 2023, the Kamiyama Marugoto College of Design, Technology, and Entrepreneurship, a private technical college, opened in the town of Kamiyama in Japan's Tokushima Prefecture. Unlike conventional technical colleges, which focus on technical education, Kamiyama Marugoto lets students simultaneously study technology, design, and entrepreneurship, with the goal of nurturing people who can accomplish great things by creating great things – that is, people who can change society. Students receive a 5-year integrated education from ages 15 to 20 in a residential college, living together with their peers. The curriculum includes practical aspects, such as exercises and experiments, as well as lecture-style classes. During classes, students not only work on their assigned tasks but also develop practical problem-solving skills through bidirectional communication fostered by small group discussions, group work, and debates. Besides classes, the college also provides students with opportunities to grow independently through extracurricular activities and interactions with the local community.

Kamiyama Marugoto College
of Design, Technology, and
Entrepreneurship
Executive Director

Takaki Matsuzaka

The Kamiyama Marugoto College of Design, Technology, and Entrepreneurship curriculum centers on those three pillars: technology, design, and entrepreneurship. Intensive programming fundamentals and design methods using software are taught. The weekly Wednesday Night event has hosted 25 entrepreneur guest lecturers in 12 groups thus far. Student-launched projects, such as programming contests and agricultural activities with local residents, are flourishing. We have also initiated a Sansan-supported scholarship program, in which recipients have already started learning about corporate collaborations. Going forward, we will remain committed to developing students with the power to change humanity's future.

Promoting Diversity, Equity and Inclusion

Our policy is to actively recruit and promote talent without focusing on attributes such as background or gender, and to give all employees fair evaluations and promotion opportunities. Through the design of

various internal systems and training, we ensure that all employees are treated fairly as professionals, without judgment based on specific attributes.

– Supporting Women's Careers

Our ratio of female managers and employees has increased to 17.8% and 34.9% [4] as of May 31, 2023. To achieve our FY2029 targets of 30%+ and 45%+ we will continue monitoring and conducting fair and unbiased evaluations.

We have designed systems to enable women to play more active roles. For example, our Oyaco system helps women, who are unequally burdened by pregnancy, childbirth, and childcare, better balance motherhood and

work. It subsidizes extra fees for non-accredited nursery schools until age 3. We also support use of babysitters and housekeeping services. To continue career development while balancing childcare and nursing care, employees can choose work styles that suit their circumstances. We also apply employment classifications that enable flexible ways of working, respecting our employees' wills and motivations.
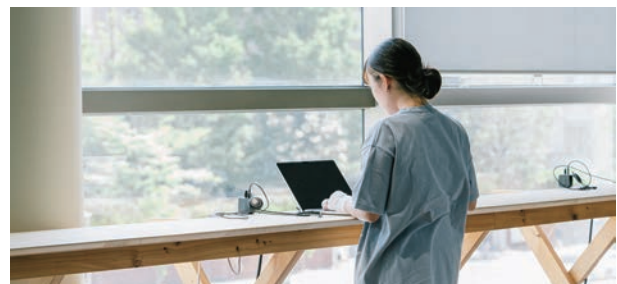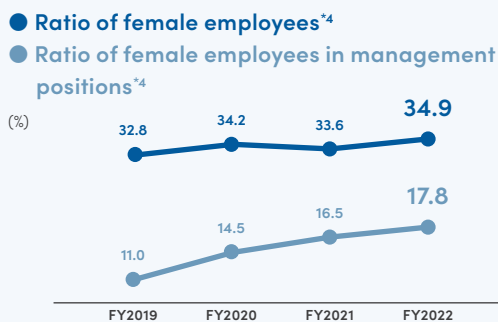
● Ratio of female employees[4]
● Ratio of female employees in management positions[4]

(%)

32.8 34.2 33.6 **34.9**

11.0 14.5 16.5 **17.8**

FY2019 FY2020 FY2021 FY2022

*4 The graphs show results for fiscal years ended May 31. Calculated for regular employees and contract employees of the Company on a non-consolidated basis.

– Promoting Employment of Foreign Nationals and People with Disabilities

As we seek to aggressively expand overseas, we are focusing on hiring non-Japanese employees. These accounted for 2.6% of employees[5] as of May 31, 2023. We strive to create a corporate culture that embraces diversity while realizing our mission, by creating opportunities for interaction between non-Japanese employees at overseas locations and Japanese employees in Japan, and by encouraging communication.

Our ratio of employees with disabilities [6] as of March 31, 2023, was 2.6%. We are working to create and expand employment opportunities for people with disabilities.

*5 The graphs show results for fiscal years ended May 31. Calculated for regular employees and contract employees of Sansan, Inc. and Sansan Global Pte. Ltd.
*6 The graphs show results for fiscal years ended March 31. Calculated for regular, contract, and part-time employees of the Company on a non-consolidated basis.

Ratio of Non-Japanese Employees [5]

(%)

2.4 3.1 3.0 2.6 **2.6**

FY2018 FY2019 FY2020 FY2021 FY2022

Ratio of Employees with Disabilities [6]

(%)

2.1 1.9 1.6 2.4 **2.6**

FY2018 FY2019 FY2020 FY2021 FY2022
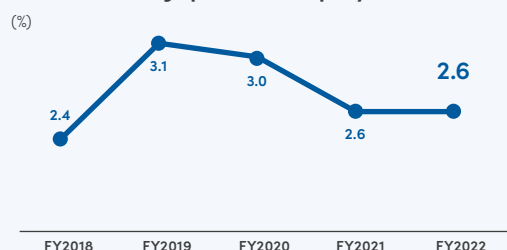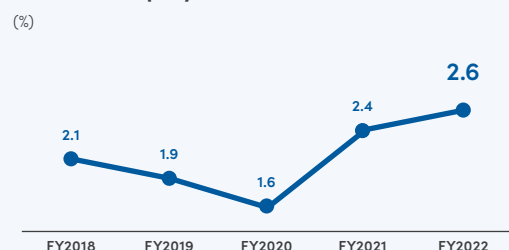
Unique Human Resources Systems

Active communication among employees is necessary for the organization to absorb its talent's expertise and enable each employee to achieve further growth. We have implemented initiatives and environmental improvements for that purpose, investing 12 million yen in employee exchange initiatives in FY2022.

In addition to existing programs like the Know Me meal cost subsidy and Yoiko club activity, in October 2022, we newly established Yoriai to spark innovation through internal encounters, providing free drinks and snacks in the head office free space after work hours along with events to create opportunities for gathered members to interact, invigorating communication. Through September 2023, more than half of our employees had joined Yoriai since it began.

– Promoting Greater Understanding of Sansan and Fostering Lively Internal Communication

Company-Wide Katachi Discussions

We regularly provide opportunities for all employees to discuss our corporate philosophy. Having all members address the company's values and culture is an essential opportunity for employee growth and productivity.

Sansan Values Star Award

Through Unipos, employees commend each other, along with small tips. We also have occasions to recognize employees who received many tips for embodying our values.

Know Me

We have set up a system to subsidize dining expenses when three employees in different departments have a meal together. This contributes to stimulating internal exchanges and improving the quality of each employee's work.

– Creating Opportunities for Employee Growth and Enhancing Engagement

Mission Grade System

We have an evaluation system defining authority, responsibility, treatment, etc., by grade, determined based on performance and future expectations, leveraging growth for each individual.

Peer Evaluation System

We use a 360-degree feedback system wherein colleagues evaluate each other. Comprehensively incorporating evaluations from colleagues in various positions enables greater fairness.

Engagement Survey

We conduct a monthly engagement survey of regular employees and contract employees, analyzing the results to inform areas such as self-management and organizational management, and company-wide systems and policies.

– Knowledge Acquisition and Skills Improvement

Coacher

With the aim of identifying issues concerning growth based on individual growth potential and opportunities, and encouraging action, we implemented a system that allows individuals to receive coaching from employees certified as educational coaches.

Geek Seek

Aiming to improve our services, we established a system to subsidize the purchase of publications, tools, and event participation expenses for our engineers, researchers, and designers to acquire knowledge and work more efficiently.

Ocean

As we are developing our overseas business and hiring more non-Japanese employees, we have established a system to support employees learning English or Japanese by subsidizing associated costs, such as lessons and book purchases.

– Enabling a Variety of Working Styles

Oyaco
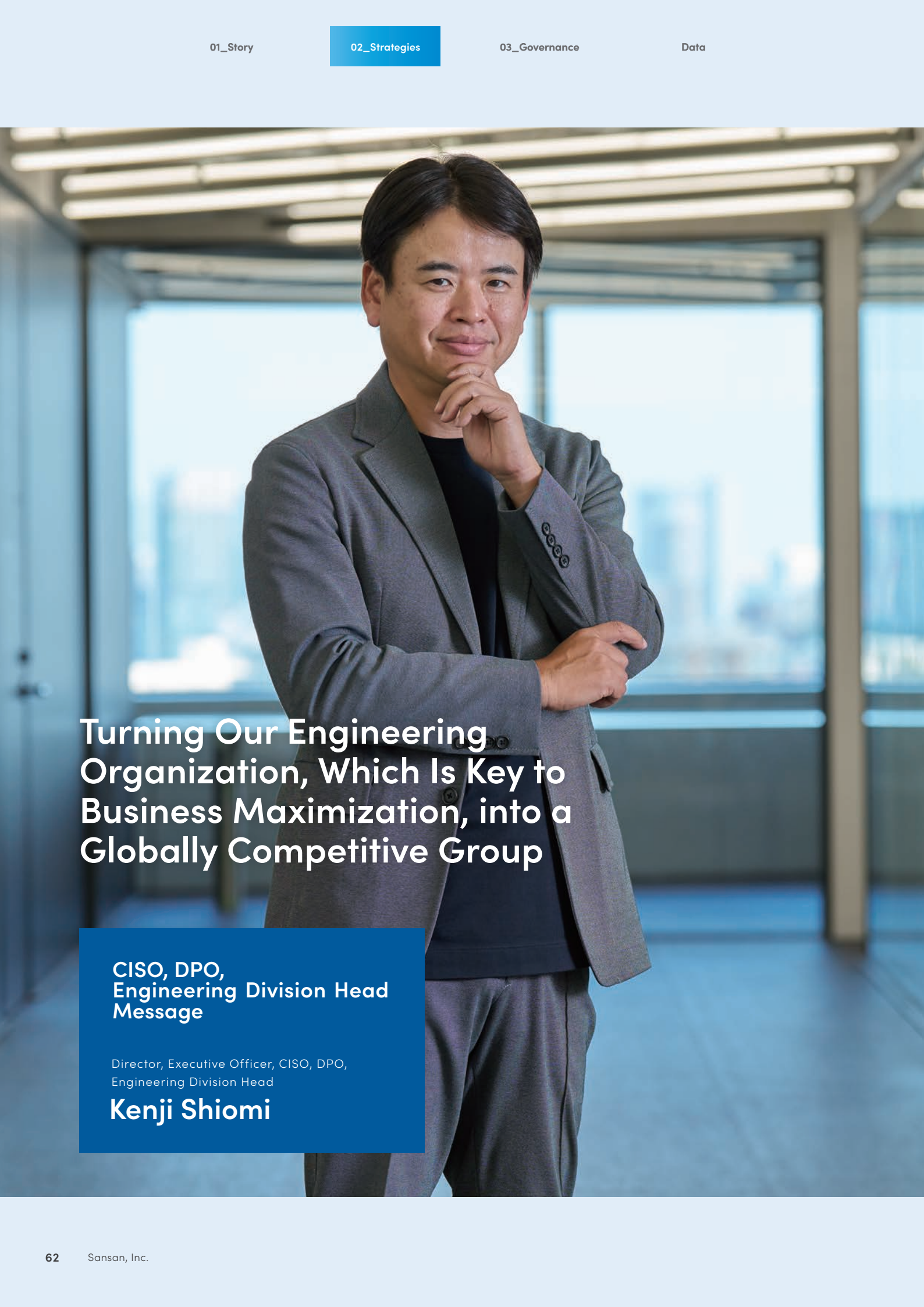
This system partially subsidizes fees for non-accredited nursery schools, babysitters, and childcare, helping female employees to return from maternity or childcare leave more easily and helping employees to balance work and parenting.

Flextime System for Engineering and Creative Staff

This system lets engineering and creative staff freely adjust their daily starting and ending times within set total working hours, enabling a variety of workstyles and improving work productivity.

Telecommuting System

This system lets employees work from home a certain number of days per month, increasing work productivity by flexibly combining office and home workstyles.

Turning Our Engineering Organization, Which Is Key to Business Maximization, into a Globally Competitive Group

**CISO, DPO,
Engineering Division Head
Message**

Director, Executive Officer, CISO, DPO,
Engineering Division Head

Kenji Shiomi

Pursuit of a High-Level Engineering Organization

How has the engineering organization evolved and what's your current assessment of it?

We began with Sansan as our only product. But when we introduced Eight, we established a separate development team, distinct from Sansan's. Historically, we've set up dedicated engineering teams for each new product.

As our product lineup expanded, some downsides to this approach became evident. Notably, there were inconsistencies in evaluating engineers and problems with resource fluidity. Since recruitment was product-specific, flexibly reallocating talent across products became a challenge and caused resource inefficiencies.

We responded to this by consolidating all engineering groups into a single Engineering Division in July 2021. We unified the hiring process, and over the following 2 years, our engineering staff grew about 150%, fortifying our organization. The division expanded from 7 departments to 13. From a numbers perspective, this no doubt increased our organizational

strength.

Regarding quality, our research and development (R&D) outcomes are now more effectively applied across all products. While cross-product R&D was practiced even before the Engineering Division came to be, the unified approach has sharpened R&D's alignment with specific product needs. For instance, our Sansan Labs R&D unit is now experimentally integrating its data research into Sansan's features. A significant portion of these functionalities emerges from the R&D team's initiatives, marking a notable uptick in dynamism.

When considering our engineers' career paths, we also realized the potential benefits of them working across multiple products simultaneously. By providing opportunities to gather diverse product experiences, we believe we've uplifted both the breadth and depth of their professional growth.

Has there been any change in the engineering organization since the sales team underwent a structural shift in June 2023?

The sales structure has transitioned from optimization to maximization. While maintaining a policy of

efficient development, we're now directing efforts toward maximizing each business line. Our engineers are also actively seeking ways to contribute effectively to this company-wide shift in focus to maximization by, for example, deepening their collaboration with related departments to better understand their requirements and ensure tighter alignment with our products.

Addressing the Growth of Engineers

How do you approach the recruitment, development, and evaluation of engineers?

The consolidation of engineering teams within the Engineering Division allowed us to thoroughly review and redesign our training policies and evaluation criteria. This overhaul has resulted in noticeably higher quality and skills in our engineers, leading to greater productivity.

In terms of evaluation, we've rolled out the Mission Grade System tailored for specialists like engineers and designers. This system assigns a grade depending on the specific role or "mission" an individual is given. The mission grades' appropriateness is verified through quarterly one-on-one sessions between engineers and their senior managers, typically those at the department head level. While our formal appraisals are yearly, these quarterly sessions offer a crucial touchpoint for developmental feedback.

Regarding inter-product talent movement, as we pivot toward a business maximization strategy, we're committed to ensuring that engineers can build careers across

different products, such as from Eight to Sansan or Bill One. Our training methods are also designed to suit our engineers' particular career aspirations, whether they see themselves continuing as professionals or evolving into managers.

Realizing Business Maximization

How does the engineering organization intend to contribute to the company's growth?

With many of our business lines growing incredibly fast, the Engineering Division's primary role is to meet our products' evolving needs. Regrettably, our current output isn't keeping pace with the volume of development items requested. Deciding the order in which to tackle each product's items is a pressing concern. Greater development power, in other words, higher productivity, would eliminate such worries. So, our immediate focus is on determining how to increase the number of development items we release each quarter and how to boost organizational output.

Above all, to maximize business,

we need more team members. When considering how the engineering organization can contribute to company growth, recruitment is the primary task. Our extensive data is one of our distinctive assets. New team members can find it very satisfying to use this data to generate novel value. As part of our broader societal vision, we're committed to leading and energizing Japan's tech sector. In recruiting, we underscore our company's unique value proposition.

Aiming for Global Presence

Sansan now has a development base overseas. What's the rationale behind this decision and the future strategy?

We established the Sansan Global Development Center in Cebu, Philippines, in 2023. While the current staff numbers around 20, we're aiming for 200 in the next 2 years. The Center's purpose isn't to supplement our Japan-based resources but rather to develop products specifically for international markets. This includes customizing offerings like Sansan and Bill One for overseas audiences and developing new features specific to them. For

now, our focus is on Asian markets such as Singapore.

We chose to set up in the Philippines based on the country's abundance of English-proficient talent and the relative ease of hiring highly qualified engineers there. Given the younger demographic and the many IT students, we foresee an increasing amount of engineering talent in the coming years.

Balance Security and Convenience

The company has highlighted "Provide safe and stable infrastructure services" and "Ensure robust protection of data privacy and information security" as material issues (priority issues) and has set the measurable goals of "zero significant incidents" and "maintaining a Protection of Individual Information Person rate of at least 80%." What's the rationale behind these decisions?

Security has always been vital to our company, and the principle of balancing security and convenience is embedded in our philosophy. We've been firmly committed to security since our founding. As the CISO, I'm responsible for raising awareness of security throughout the company. I share security updates monthly in all-hands meetings, covering recent cyber risks, industry case studies, and practical measures that every team member can embrace. Going forward, we will continue to emphasize education and awareness to raise each employee's security acumen.

We're also strengthening our security framework. As in the world in general, we face daily threats from cyberattacks. We constantly evaluate our range of defense and response granularity

to protect all our solutions. In 2023, we established specialized groups within our Information Security Department: one for cybersecurity, another for obtaining security-related certifications, and a Security Management Group. Though we've always had departmental security measures, this overarching organization ensures a heightened, cohesive defense strategy company-wide.

Guided by protocols from our Security Management Group, we conduct drills such as penetration testing, which is a simulated external attack designed to pinpoint vulnerabilities and formulate solutions. Routine system vulnerability checks, aided at times by external partners, make our defenses even stronger.

Regarding our target of maintaining a proportion of those qualified as Protection of Individual Information Person rate of at least 80%, it's mandatory that our managerial staff obtain this qualification, which is a pivotal security measure. Achieving 80% certification in an organization of roughly 1,400 members is challenging, but it's an essential priority. Given that we handle a range of business data, including personal information, it's critical that we engage in security measures across our entire company.

However, since security enhancements are inherently defensive, they might impair convenience with strict rules and other restrictions. Instead of ensuring safety at the cost of efficiency, we must consider measures that safeguard security while not compromising operational efficiency. Bluntly speaking, if not using various services or tools was the best

security measure, it would be a total loss. As a SaaS company offering IT services, our growth depends on adopting new things. While recognizing this intrinsic quality, we also understand that maintaining a vigilant commitment to security is paramount.

Aiming to Assemble the World's Premier Group of Engineers

Finally, could you elaborate on the strengths of the company's engineering organization?

A hallmark of our engineering organization is our development environment that seamlessly integrates technical expertise into our products, backed by the foundation of accumulated high-precision business data.

Our ability to deliver R&D outcomes relatively directly to our users is another of our strengths. We take pride in our robust R&D structure, and among our researchers are data analysts and talent skilled in image recognition, which gives us a significant source of competitive advantage. Our research objectives are not academically advanced output, but

rather the practical enhancement of our products through R&D. So, we emphasize close links between our product development engineering teams and R&D units. Our R&D personnel take part in product development, collaborating with product engineers to tackle real-world challenges.

Another big strength is our environment that fosters our engineers' growth. As individuals, our employees can align their personal growth with the growth of the company and its business, making it easier for them to feel their careers are progressing. We're also planning to bolster our overseas expansion in the future, offering opportunities for our teams to be active on a global stage. We intend to make the most of these strengths to reinforce our engineering organization.

Kenji Shiomi
Director, Executive Officer, CISO, DPO, Engineering Division Head

– R&D

Our unceasing focus since our founding on accurately digitizing business cards has made our technology for digitizing analog information a source of competitive advantage. Beyond business cards—evidence of people's encounters—the data we now handle has expanded to include evidence of encounters between companies, such as invoices and contracts. To strengthen this core technology and generate new value enhancements by utilizing business data, we have established a research and development department specializing in handling data.

R&D Policy

The R&D department advances our core technologies and applies them in new business areas, creating advantages in each product. Moreover, as the scope of the business data we handle grows, there is increased potential for resolving various challenges through effective data utilization. Consequently, we engage in R&D with a strong awareness of the importance of the value provided by utilizing data.

R&D Organization

As of the end of May 2023, the R&D department has 30 members, including specialists with diverse backgrounds and expertise. For example, alongside data scientists active on Kaggle [1], we have researchers from humanities fields such as the social sciences and economics, all undertaking R&D to enhance product value. The department also has engineers who handle design, development, and implementation of features and systems, ensuring rapid application of R&D outcomes in our products. The department's data engineers design and develop data analysis platforms, contributing to our operations by organizing a variety of business data.

*1 Kaggle hosts competitions for data scientists worldwide to compete on designing the best models for specific challenges. About 10 Japanese data scientists hold the top-level title of Kaggle Grandmaster.

R&D Examples

The R&D department's efforts create various technological advantages in each of our products and its research results are also used in sales activities, contributing greatly to our overall business growth.

Various R&D Initiatives

	Image Processing/ Recognition	Natural Language Processing			Machine Learning		Data Science, Causal Inference		Data Visualization, Product Management
sansan	Automating input	Company keywords	Email signature extraction	News distribution	Extracting company logos	Recommendations	Name-based data consolidation	A/B testing, impact verification	Sansan Labs
eight									
Bill One		Digitizing documents							
Contract One									
New business									
Sales (In-house tasks)		Improving sales efficiency (sales)							
			Preventing churn, promoting usage (customer success)						

– Sansan Labs

Sansan Labs, which provides experimental features developed by the R&D department, also carries out R&D in generative AI and functions in 2023 to boost sales and marketing efficiency by leveraging GPT's text generation capabilities and high summarization accuracy.

The Seminar Recruitment Email Creator automatically generates email copy to attract attendees for events such as seminars and exhibitions, instead of sales and marketing staff writing them.

The 5-Minute Securities Report summarizes the issues and current status of four key topics in corporate securities reports—management/organization, market environment, products/services, and governance—into text that is readable in 5 minutes.

– Leveraging GPT in Contract One

We have been working to enhance the functionality of Contract One to increase its value. In 2023, we added a feature that uses GPT to summarize contract documents. Users can search for necessary contracts by company name, move to the AI Summary tab, and view the documents summarized concisely in a format similar to bullet points that is understandable without legal expertise. This enables not only legal staff but also sales staff unfamiliar with specialized legal jargon to easily grasp contract outlines.

– Supporting Sansan/Bill One Sales Activities

We are making efforts to utilize business data aggregated in company-wide databases to support our sales activities. For example, for customer success staff handling ongoing support for existing clients, we developed functions for recommending which accounts to focus resources on and alerting staff about customers who are likely to cancel their contracts. We also conduct R&D to support various tasks, such as displaying a health score indicating the relationship with the customer, automatically generating usage reports showing existing users' access status and actual use of functions, among other data.

Pursuing Outcomes and Speed in R&D

Engineering Division,
R&D Department
Deputy Head

Takenori Oshima

At Sansan, we place importance on integrating R&D with business and are committed to delivering results. Even if a measure is technically meritorious, if misaligned with business direction, we will seek optimal alternatives. We also value researchers' willingness to solve problems on their own initiative. When the R&D department was still new, R&D efforts were based on product team requests, but now researchers themselves look at the products' purpose, actively identifying issues and taking the lead in finding solutions. For example, researchers' experiencing first-hand Bill One's invoice receipt and scanning workflow sparked improvement ideas. This mindset not only boosts business results but also researcher motivation. We also obsess over swiftly providing R&D results to products. For instance, in new functionality development at Sansan Labs, we aim for a one-week timeframe from idea to feature provision. By pursuing the fastest turnaround time possible, we accelerate R&D cycles and drive business results through speed.

Information Security

Convenience and security often clash in the development of cloud services. Maintaining a delicate balance between the two is crucial for enhancing business productivity. Our corporate philosophy aims at balancing security and convenience. We therefore have made this a key area of focus. Apart from ensuring convenience, we will also implement measures to maintain data privacy and information security, thereby providing society with highly safe and stable solutions.

Material Issues (Priority Issues)

Among the five priority areas identified in 2022, under "Balance Security and Convenience", we identified "Provide safe and stable infrastructure services" and "Ensure robust protection of data privacy and information security" as material issues. In August

2023, we established long-term quantitative targets for FY2029 for each material issue. We are now working on measures to achieve zero significant incidents and maintain a Protection of Individual Information Person qualifications rate of at least 80%.

Materiality Targets

Area	Materila Issue	FY2029 Target		FY2022 Result
Balance Security and Convenience	Provide safe and stable infrastructure services	Number of major incidents	0	0
	Ensure robust protection of data privacy and information security	Proportion of those qualified as Protection of Individual Information Person	Maintained at 80% or higher	82.3%

Management Structure

We strictly manage information assets under personal information protection and information security policies. Our directors serve as the CISO [1] and DPO [2] to ensure quick and comprehensive responses to privacy and security risks. Our dedicated Information Security Department's CSIRT [3] monitors potential threats, system vulnerabilities, and signs of cyber-attacks, and develops response policies and procedures. Since our founding

in 2007, we have maintained a Personal Information Protection Management System (PMS) and a robust data protection environment. We employ the latest security technology to monitor important information at all times.

[1] Chief Information Security Officer
[2] Data Protection Officer
[3] Computer Security Incident Response Team

Information Security Initiatives

Our services facilitate users' management and use of important data, including personal information. Careful handling of information is therefore a top management

priority. We further minimize risk through rigorous security training for all executives and employees, third-party certification, various technical measures, and other efforts.

– Education on Information Security

To encourage correct understanding of the Act on the Protection of Personal Information and safe data management, all our executives and employees must acquire Protection of Individual Information Person qualifications, with a FY2029 target of maintaining an acquisition rate of 80%+. Salary increases are, in principle, suspended if an employee does not pass the exam within a certain period after joining the company. Employees regularly learn about information security and personal information protection. They receive training upon hiring and annually, and the director in charge updates the entire staff monthly on security initiatives and topics. We have strict information asset handling procedures, such as prohibiting storage of personal and confidential information on PCs. Our Internal Auditing Department appoints security committee members from among employees to strengthen security awareness through the use of a mutual security auditing system.

– Third-Party Certifications

We are committed to obtaining third-party security-related certifications and periodically renewing them to ensure that users can use our services safely and securely. For example, we obtained Privacy Mark in 2007. In 2022, our products Sansan and Bill One obtained ISO/IEC 27001 certification, an international standard for information security. These certifications strengthen our information security and give our services further credibility.

– Technical Measures

We implement various security measures with the goal of providing safe services. These include vulnerability assessments and penetration testing by our specialized in-house departments.

Encryption of All Data Center Transmissions

Alongside establishing firewalls, all external transmissions to our data centers when accessed from outside are made with advanced encryption using user-authenticated HTTPS.

Vulnerability and Penetration Testing by Security Specialists

We hire external organizations to find system vulnerabilities and conduct penetration testing based cyber-attacks, so we can check our security level and fix any problems.

Deleting Images After Business Cards Are Scanned

Sansan scanners contain software that prevents unauthorized external access. Image data is deleted from the scanners after business cards are scanned.

High Service Availability

All our servers are load-balanced, ensuring prompt service recovery in the event of a failure. Our data centers are also redundantly configured to minimize the risk of functional and service outages in the event of a disaster.

CSIRT Initiatives

Engineering Division, Information Security Department, CSIRT Group
Group Manager

Tatsuya Kawamura

Our CSIRT group implements surveillance systems to guard against various threats. CSIRT collects and monitors data logs to ensure robust and effective responses to external attacks and suspicious activities. If any suspicious event is detected, a response is immediately decided upon and coordinated with the relevant departments. We undergo annual penetration tests that inform how we strengthen our monitoring processes and now include our products in log collection. To bolster product security, CSIRT and product teams collaborate right from the design stage. This approach not only ensures safety at an early stage, but also curtails the potentially expanding costs of post-release countermeasures. We also consistently revisit our security protocols, including the rollout of two-factor authentication for our existing products.

– Environment

We recognize that addressing global environmental issues is extremely important for sustainable social and economic development, and a universal challenge worldwide. To help resolve these issues, we are working to transition to a decarbonized society and conserve water resources and biodiversity through forest conservation, while promoting conservation of the natural environment through our business activities. Additionally, by proactively disclosing the status of our activities, we will promote communication with society on environmental matters.

Material Issues (Priority Issues)

Among the five priority areas identified in 2022, under "Conserve the Environment Through Business," we recognized "Address climate change issues" and "Use natural capital efficiently" as materialities. In August 2023, we established long-term quantitative targets for FY2029, including carbon neutrality for the combined values of Scope 1 and 2 GHG emissions. At the same time, we are striving to reach 120 million uses of our paperless functionality, enabling business data exchange in the cloud through our solutions, without paper.

Materiality Targets

Area	Material Issue	FY2029 Target		FY2022 Result
Conserve the Environment Through Business	Address climate change issues	Scope 1 + 2 [*1]	Carbon neutral	851 t–CO_2
	Use natural capital efficiently	Number of uses of paperless functions in our services [*2]	120 million	13 million

*1 Scope 1 is calculated by aggregating direct GHG emissions from our own offices and facilities. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office.
*2 Results for the Company's services are aggregated for Sansan, Bill One, Contract One, and Eight.

Initiatives to Conserve the Natural Environment

We recognize the importance of understanding our business activities' impact on nature and are committed to taking informed and appropriate conservation actions. For example, we allocate a portion of our profits to tree-planting activities, aiming to conserve water resources and biodiversity through forest preservation. A defining feature of our primary services is that they lessen the environmental footprint by digitizing analog information. By expanding and promoting these services, as well as advancing digital transformation (DX) and championing paperless initiatives, we will contribute to conservation of the natural environment.

– Support for Paperless Business Operations Through Provided Services

Our primary services share the ability to digitize documents, thereby supporting corporate digital transformation. In particular, paper documents such as business cards, invoices, and contracts are creating operational efficiency issues for companies. Sansan and Eight address this by enabling virtual business card exchange, while Bill One makes it possible to receive and issue invoices in the cloud. Exchanging business data in this way facilitates paperless environments and contributes to environmental conservation.

– Scan for Trees: Tree-Planting Activities

In the Scan for Trees project, trees are planted where needed in disaster-affected areas. The number of trees planted is based on the number of documents digitized through our Sansan, Bill One, and Contract One solutions.

Paper documents such as business cards, invoices, and contracts often start from wood. This project is designed to enrich aspects of the natural environment, such as forests and water, through our solutions. Thus far, we have planted trees in Miyako City, Iwate Prefecture, and Osaki City, Miyagi Prefecture, which were affected by the 2011 Great East Japan Earthquake, and in Yamato Town, Kamimashiki District, Kumamoto Prefecture, which was damaged by the 2016 Kumamoto Earthquake. More than 10,000 trees have been planted since the project began. We now also count digital documents, such as virtual business cards and PDF invoices. Through these efforts, we support the recovery of forests and reconstruction of disaster-affected areas even as online work becomes more commonplace.

SCAN FOR TREES

Number of trees planted:
14,787
(as of September 30, 2023)
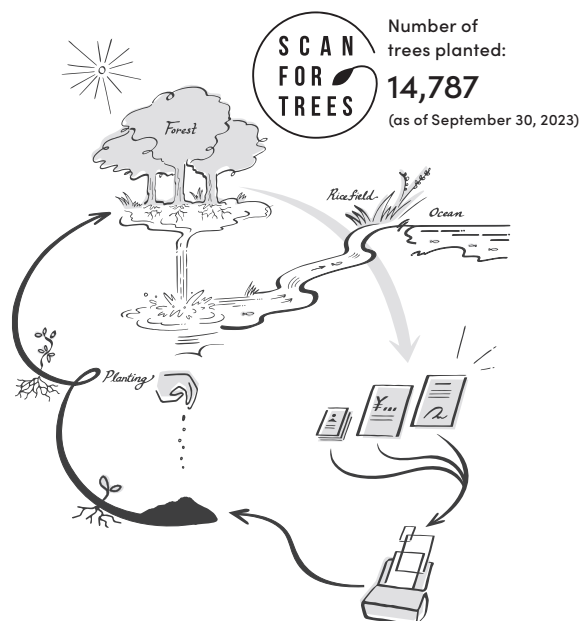
Biodiversity

NPO Environmental Relations
Atsuko Suzuki, President

NPO Environmental Relations undertakes the "Present Trees" project, which plants trees in places needing reforestation such as damaged forests and unforested land, enlists supporters, interacts with local residents, and nurtures the forest for 10 years. We have contributed to reforestation and regional revitalization in 50 locations nationwide. Sansan has supported this project through "Scan for Trees," reforesting approximately 5 hectares. We are truly grateful to everyone at the company. Forests play many vital roles such as providing clean water, fostering beautiful nature and diverse organisms, and preventing global warming. With 70% of Japan covered in forest, creating forests builds the nation. The intensifying "Nature Positive" [3] and "30 by 30" [4] initiatives involve the government certifying areas with conserved biodiversity as Nature Coexistence Sites and subsequently registering them in an international database as OECMs. [5] On the other hand, the number of barren clear-cut areas unable to be replanted is increasing, taking over 100 years to revert to forest. To expand OECMs in disaster-prone Japan, rapidly decreasing barren land is imperative, and "Scan for Trees" is effective for this purpose. We hope to collaborate with Sansan on biodiversity to achieve "30 by 30."

[3] Halting and reversing biodiversity loss by 2030
[4] Target to effectively conserve at least 30% of land and sea as healthy ecosystems by 2030
[5] Areas outside protected zones like national parks that contribute to conserving biodiversity

Disclosure Based on TCFD Recommendations

Sansan has a system for identifying and monitoring climate change business risks and opportunities, and enhancing our response to them. This is vital for transitioning to a low-carbon economy and a decarbonized society, while ensuring stable economic development and securing foundations for people's livelihoods. We support the Task Force on Climate-related Financial Disclosures' (TCFD's) recommendations and make disclosures under this framework as follows.

1. Governance

Our Board of Directors makes policies and decisions that help achieve sustainability. Climate change is a top-priority material issue for us, and, under the responsibility and supervision of the Representative Director, we have established a Climate Change Response Project comprising the IR Team, Office Strategy Department, and Finance & Accounting Department, among others, and are reviewing our responses. The Board scrutinizes annual reports from the project detailing climate change-related metrics and business risks and opportunities and reflects them in our business strategies and plans.

2. Strategy

We have examined the following temperature rise scenarios (mainly from the Intergovernmental Panel on Climate Change's Shared Socioeconomic Pathways (SSP) and Representative Concentration Pathways) to understand how business conditions would be affected, and better respond and adapt: limited to 1.5°C (SSP1-1.9), below 2°C (SSP1-2.6), and a 4°C increase (SSP5-8.5). The table on the right shows our business risks, opportunities, and responses.

Our analysis covers all operations at short (present to 2025), medium (up to 2030), and long (up to 2050) timeframes. We have categorized the profit impact by annual amount: less than 1 billion yen is "small"; 1 to 3 billion yen is "medium"; and exceeding 3 billion yen is "large."

3. Risk Management

Domain-specific directors collaborate with the Climate Change Response Project to analyze climate scenarios, identify business risks and opportunities, assess their importance and profit impact, and consider measures. Findings are presented annually to the Board of Directors, which reflects them in business strategies and plans. Important climate change-related risks are managed together with other risks identified by internal audits and other company-wide analyses.

4. Metrics and Targets

Our past 3 years' GHG emissions, [1] our climate change metric, are shown below.

In FY2023, we set the goal of achieving carbon neutrality by 2030 for Scope 1 and 2 emissions. As we strive to meet it, we will also consider various internal and external factors to establish a reduction target for Scope 3 emissions.

GHG Emissions [6][7][8]

Item	Unit	FY2020	FY2021	FY2022
Scope 1	t-CO_2	0	0	0
Scope 2 (location-based)	t-CO_2	477	639	840
Scope 2 (market-based)	t-CO_2	525	668	851
Scope 1 and 2 (market-based)	t-CO_2	525	668	851
Scope 3	t-CO_2	–	15,679	18,638
Scope 1, 2, and 3 (market-based)	t-CO_2	–	16,347	19,489
Scope 1, 2, and 3 emissions intensity (per net sales)	t-CO_2/hundred million yen	–	81.7	78.2

*6 Non-consolidated results of Sansan, Inc., aggregated, covering 97.7% of the group's business (non-consolidated sales as a percentage of consolidated sales) as of FY2022.
*7 Scope 1 aggregates direct GHG emissions from our owned offices and facilities. Scope 2 aggregates indirect GHG emissions through each office's use of purchased electricity, thermal energy, etc. Scope 3 aggregates GHG emissions throughout the entire value chain (categories 1-15), excluding Scope 1 and 2.
*8. Results prior to FY2021 have been recalculated, owing to refinements in the aggregation method.

Climate Change-Related Risks and Opportunities

1) Identifying Risks

Type		Scenario Analysis	Risks	Timeframe	Profit Impact (Annual)		Response Measures
					1.5°C/Below 2°C Scenario	4°C Scenario	
Transition risks	Market	Overall environmental awareness in society grows, leading to gradually decreased use of paper-based business tools and increased use of digital information.	Decreased frequency and significance of using some of our services, which digitize paper business cards, invoices, contracts, etc., to enhance productivity.	Short to medium	Small	Small	Offer added value equivalent to or greater than that of digitizing analog information by expanding convenient features focused on the use of digital information, thereby improving our platform's value.
		Societal demand and need for clean energy rises, resulting in surging energy prices and, due to global warming, an increase in the cooling load for information and communication equipment.	Increased operational costs due to higher prices for resources such as servers and electricity that are essential for Sansan, which primarily operates on a SaaS business model.	Medium to long	Small to medium	Small	Reduce costs by optimizing the procurement of essential resources and materials, including servers and electricity. And improve efficiency through energy-saving measures to reduce energy consumption.
	Law and regulation	Many countries and regions tighten regulations related to GHG emissions, with new carbon taxes or higher tax rates being introduced as part of carbon pricing.	Increased costs to purchase non-fossil certificates and credits for carbon offsetting, including tax burden.	Medium to long	Small	Small	Reduce tax burdens and carbon offsetting costs by expanding the use of renewable energy and improving energy efficiency through energy-saving measures.
Physical risks	Acute	The intensity and frequency of natural disasters such as torrential rains and floods increase, causing significant damage.	Flooding of the servers we use and the facilities that digitize paper invoices and other documents, causing service outages, as well as damage to the documents of our user companies that we store, diminishing our services' value.	Medium to long	Small to medium	Small to large	Ensure service continuity during natural disasters by using multiple servers for system redundancy, decentralizing essential service operation sites, and preparing emergency manuals as part of our business continuity plan (BCP).

2) Identifying Opportunities

Type	Scenario Analysis	Opportunity	Timeframe	Profit Impact (Annual)		Response Measures
				1.5°C/Below 2°C Scenario	4°C Scenario	
Product/ service	Overall environmental awareness in society grows, increasing demand for services that help reduce paper use. Also, with rising temperatures heightening the risk of infectious diseases, non-face-to-face and contactless business activities increase, elevating the importance of using digital information.	Increasing demand for our range of digital transformation (DX) solutions that help reduce the use of paper while streamlining various workflows via the use of digital information.	Medium to long	Small to medium	Small	Expand convenient features focused on the use of digital information to improve the value offered to users, and strengthen sales and marketing activities to stimulate even greater demand.

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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03

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 forseeable, 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

– 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.

Outside Director,
Audit & Supervisory
Committee Member

Taro Saito

— 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]

FY2006	FY2014	FY2018	FY2020	FY2022	FY2023

- Company established

- Audit & Supervisory Committee system adopted
- Outside directors appointed

- Independent directors appointed and increased

- Number of female directors increased
- Changes to Board of Directors' resolution on determination of individual remuneration, etc.
- Disclosure of skill matrix for each director

- Outside directors appointed
- Established a Nomination and Remuneration Advisory Committee

- Adoption of performance-linked compensation

[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
44%	**44**%	**22**%
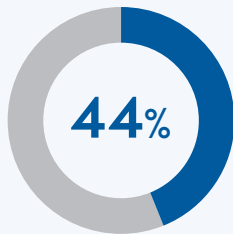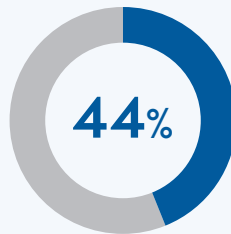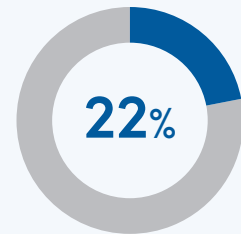
– Board Activities

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 mediun-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	Kei Tomioka	Kenji Shiomi	Yuta Ohma
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)
Responsibilities and significant concurrent position at outside company	–	Sansan Global Pte. Ltd. CEO Outside Director of Unipos Inc.	Sansan Global Development Center, Inc. President	–
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.
Date of appointment as director	June 2007	June 2007	June 2007	August 2019
Number of shares held *8	41,432,920	4,160,000	2,320,000	90,300
Attendance at Board of Directors meetings				
FY2022	17 of 17 times	17 of 17 times	17 of 17 times	17 of 17 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

Muneyuki Hashimoto

Director, Executive Officer, CFO, *7 Managing Executive (Corporate Division)

Outside Director of Unipos Inc.

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 Suzuki

Outside Director, Audit & Supervisory Committee Member

Outside | Independent

Attorney at Shintaro Sato Law Office

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 Akaura

Outside Director, Audit & Supervisory Committee Member

Outside | Independent

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.

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 Shiotsuki

Outside Director, Audit & Supervisory Committee Member

Outside | Independent

Director (Full-time Audit and Supervisory Committee member) of CyberAgent, Inc.

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.

Taro Saito

Outside Director, Audit & Supervisory Committee Member

Outside | Independent

Representative Director of dof Inc., Outside Director of CARTA HOLDINGS Inc., Outside Director of for Startups, Inc., Outside Director of ZOZO, Inc.

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.

	Muneyuki Hashimoto	Maki Suzuki	Toru Akaura	Toko Shiotsuki	Taro Saito
Appointed	August 2020	August 2022	August 2007	August 2021	August 2022
Shares	81,200	0	1,720,000	0	0
Attendance	17 of 17 times	13 of 13 times	17 of 17 times	17 of 17 times	13 of 13 times
		●	●	●	●
		●	●	●	●
	●		●	●	●
	●	●		●	
		●			
	●	●	●		●

· 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 quantitative targets for FY2029 including measures to achieve zero significant compliance violations and a 100% compliance-related training completion rate on insider trading, harassment prevention, etc.

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.
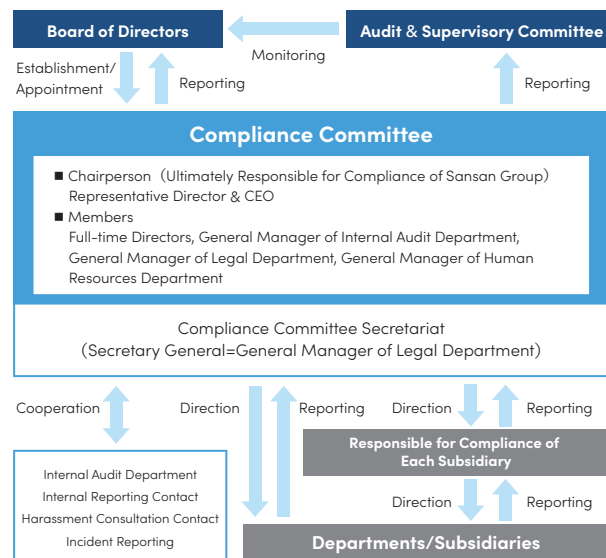
Efforts to Ensure Legal Compliance

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.
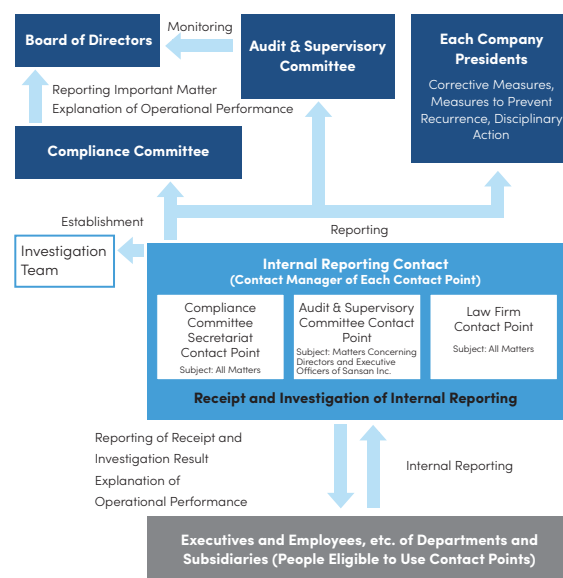
Number of Whistleblowing Reports (cases)

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 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.

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.

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	• 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	• Establish and operate a personal information protection management system • Privacy Mark certification • ISMS, ISO27017 certification • Require all employees to acquire Protection of individual Information Person • Gather information on new legal regulations in Japan and overseas, and implement necessary responses • Ensure compliance with laws and regulations and manage contractors' safety
	2) Equipment and network stability	• 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	• Conduct load balancing and periodic backups across multiple servers • Set up real-time access log checking functions and an immediate notification system for software failures • Conduct recovery training based on failure scenarios
Risks to services	3) Service failures, etc.	• Problems arising in our applications, software, and/or systems • Discovery of critical defects that could interfere with our business operations	• Build and maintain a highly reliable development system • Develop and implement incident guidelines for services
Risks from external environment	4) Internet access environments	• New internet usage regulations being introduced and having adverse effects	• Gather information on internet-related legal regulations, identify issues, and implement solutions
	5) Cloud business	• Increased competition due to the emergence of groundbreaking services from other companies • Demand for cloud services falling significantly below our expectations	• Create new value • Proactively introduce new technologies • Protect our intellectual property rights by obtaining patents, etc. • Promote M&A, and capital and business alliances
	6) Responding to technological innovations	• Slow responses to technological innovations, etc. • Unexpected development costs, etc.	
	7) Competition	• Increased competition from existing operators and new entrants	
Investment risks	8) Upfront investments in advertising and promotions	• Significantly increased expenditures due to changes in advertising policies and plans	• Monitor cost effectiveness of advertising activities
	9) Investments such as corporate acquisitions	• Delayed business planning after an acquisition or investment	• Conduct sufficient due diligence on target companies • Carefully monitor and follow up with target companies
	10) System infrastructure investments	• Unexpected additional investments in hardware and software to ensure stable operation of services	• Carefully monitor external access • Design appropriate system infrastructure investments to accommodate business expansion
Human risks	11) Establishment of management control system	• Delays in building a business structure and internal management system to accommodate the scale of our business	• Develop rigorous internal control systems in line with business and employee growth
	12) Training and securing human resources	• Lack of qualified personnel • Delays in securing sales personnel for the Sansan/Bill One Business, and loss of sales personnel	• Actively recruit human resources • Strengthen systems through internal training, etc. • Improve working environments
	13) Dependence on specific individuals	• Occurrence of any event that makes it difficult for Representative Director Chika Terada to continue working for any reason	• Ensure company structure is not overly reliant on the Representative Director • Strengthen information-sharing among board members and the managing organization
Legal risks	14) Laws and regulations	• Impacts of new privacy-related laws and regulations in Japan and overseas, as well as laws regulating internet-related businesses	• Gather information on legal regulations, etc., identify issues, and implement solutions
	15) Intellectual property right infringement, etc.	• Claims for damages or injunctions from third parties for patent or trademark infringement • Third-party infringement of our intellectual property	• Conduct patent infringement searches through patent firms • Apply for and register trademarks • Implement legal measures
Overseas risks	16) Overseas expansion	• Difficulty addressing risks specific to foreign countries • Delays in monetizing overseas businesses	• Gather information, identify issues, and implement solutions in regions where business is to be developed • Formulate appropriate business plans
Others	17) Granting incentives	• Dilution of existing shareholders' shares from exercising issued stock options [*1]	• 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.

Data

CONTENTS

ESG Data

– Environment [1]

	Unit	FY2020	FY2021	FY2022
Energy consumed				
Electricity	MWh	728	1,044	1,399
Gas [2]	thousand Nm^3	68	84	107
Total energy consumed [3]	GJ	10,361	14,193	18,643
Water usage [4]				
Total water withdrawn	m^3	2,329	4,096	6,425
Municipal potable water	m^3	237	290	461
Grey water	m^3	2,091	3,805	5,963
GHG emissions [5]				
Scope 1	t-CO_2	0	0	0
Scope 2 (location-based)	t-CO_2	477	639	840
Scope 2 (market-based)	t-CO_2	525	668	851
Scope 1 and 2 (market-based)	t-CO_2	525	668	851
Scope 3	t-CO_2	–	15,679	18,638
Category 1: Purchased goods and services	t-CO_2	–	12,270	15,147
Category 2: Capital goods	t-CO_2	–	2,098	1,631
Category 3: Fuel- and energy-related activities not included in scope 1 or scope 2	t-CO_2	–	133	175
Category 4: Upstream transportation and distribution	t-CO_2	–	107	141
Category 5: Waste generated in operations	t-CO_2	–	13	16
Category 6: Business travel	t-CO_2	–	85	310
Category 7: Employee commuting	t-CO_2	–	165	330
Category 8: Upstream leased assets	t-CO_2	–	–	–
Category 9: Downstream transportation and distribution	t-CO_2	–	–	–
Category 10: Processing of sold products	t-CO_2	–	–	–
Category 11: Use of sold products	t-CO_2	–	–	–
Category 12: End-of-life treatment of sold products	t-CO_2	–	0	0
Category 13: Downstream leased assets	t-CO_2	–	805	884
Category 14: Franchises	t-CO_2	–	–	–
Category 15: Investments	t-CO_2	–	–	–
Others	t-CO_2	–	–	–
Scope 1, 2 and 3 (market-based)	t-CO_2	–	16,347	19,489
Scope 1,2 and 3 emissions intensity (per net sales)	t-CO_2/hundred million yen	–	81.7	78.2

[1] The table above shows calculations for the Company's non-consolidated results and covers 97.7% (percentage of non-consolidated net sales to consolidated net sales) of our business scope as of FY2022.
[2] After calculating the consumption per office area using the actual results in certain offices where the consumption can be determined, gas consumption is calculated by multiplying this value by the total area of all offices where gas can be used.
[3] Using the calculation method based on the Energy Conservation Law, total energy consumed is calculated based on the total values of electricity and gas consumption.
[4] Total water withdrawn is calculated based on the amount of water used per employee is calculated using the actual results at Sansan offices where the amount of usage per person can be determined, and the value is then multiplied by the total number of employees. In addition, due to the refinement of the aggregation method, the results prior to fiscal year ended May 31, 2022 have been recalculated.
[5] Scope 1 is calculated by aggregating direct GHG emissions from the offices and facilities owned by the Company. Scope 2 is calculated by aggregating by indirect GHG emissions from the use of purchased electricity and thermal energy in each office. Scope 3 is calculated by aggregating the GHG emissions of the entire value chain (Categories 1 through 15), excluding Scope 1 and Scope 2. In addition, due to the refinement of the aggregation method, the results prior to FY2021 have been recalculated.

– Society *6

	Unit	FY2020	FY2021	FY2022
Composition of employees				
Number of employees	persons	934	1,172	1,326
Percentage of female	%	34.2	33.6	35.2
Percentage of foreign nationals	%	3.0	2.6	2.6
Percentage of employees located offshore *7	%	1.0	0.8	0.7
Percentage of employees with disabilities *8*9	%	1.6	2.4	2.6
Number of employees in STEM divisions *10	persons	313	404	420
Percentage of female	%	12.1	13.1	13.1
Percentage of female creators	%	46.9	53.8	55.6
Number of employees in Business division *11	persons	614	766	897
Percentage of female	%	45.1	44.5	45.0
Number of managers	persons	145	182	202
Percentage of female	%	14.5	16.5	17.8
Recruitment				
Number of new graduates	persons	34	70	74
Percentage of female	%	23.5	28.6	25.7
Number of mid-career	persons	231	260	232
Percentage of female	%	31.2	34.0	41.4
Percentage of recruitment through referrals	%	–	–	12.0
Other human resources related *12				
Average length of service	years	2.6	2.8	3.1
Male	years	2.7	2.8	3.1
Female	years	2.6	2.9	3.2
Average annual salary	yen	6,275,941	6,661,892	7,063,337
Male	yen	6,580,904	6,988,923	7,431,655
Female	yen	5,549,397	5,896,162	6,244,215
Average age	years old	33.6	32.4	32.4
Male	years old	33.8	32.6	32.7
Female	years old	33.1	32.0	32.0

	Unit	FY2020	FY2021	FY2022
Turnover rate	%	6.3	9.8	12.9
Male	%	7.2	10.2	13.8
Female	%	4.2	8.8	10.7
Percentage of paid holidays taken *9	%	60.6	68.6	75.1
Percentage of parental leave taken	%	58.5	74.5	73.2
Male	%	39.3	61.8	64.8
Female	%	100.0	100.0	100.0
Percentage of employees returning to work after parental leave	%	100.0	100.0	100.0
Male	%	100.0	100.0	100.0
Female	%	100.0	100.0	100.0
Unipos posting rate *13	%	59.4	62.3	59.6
Number of appreciation posts in Unipos *13	subscriptions	Approx. 36,000	Approx. 49,000	Approx. 45,000
Percentage of employees praised in Unipos *13	%	83.3	86.0	84.7
Average response rate for engagement survey	%	87.6	85.8	82.6
Average response rate for stress checks	%	80.1	71.7	77.9
Training related				
Total participation time for Katachi-related training *14	hours	−	−	Approx. 5,600
Investments in Geek Seek *15	million yen	25	39	43
Investments in measures for interaction among employees	million yen	3	5	12
Total number of participants in internal coaching	persons	−	−	Approx. 800
Information security related				
Proportion of those qualified as Protection of Individual Information Person	%	81.8	82.3	88.0
Number of major incidents	cases	0	0	0

*6 In principle, the table above shows calculations for regular employees and contract employees of the Company and its subsidiary, Sansan Global Pte. Ltd. In addition, the number of employees and ratios are calculated based on actual results as of the end of each fiscal year.
*7 As of the end of May 2023, we have employees from 19 nations including Japan.
*8 Calculated for regular employees, contract employees and part-timers of the Company.
*9 Once the necessary changes have been made, calculated on the fiscal year ending in March (April to March of the following year).
*10 Number of employees in STEM divisions are calculated for engineers, R&D, and creators.
*11 Number of employees in Business divisions are calculated for regular employees and contract employees outside of the STEM divisions.
*12 Calculated for regular employees.
*13 We are utilizing a peer bonus-centered, all-employee participation platform service provided by Unipos Inc.
*14 Total time spent by all employees participating in opportunities to discuss our philosophy, etc.
*15 We aggregate the amount of subsidies for STEM Division employees to purchase books and tools and to participate in events.

– Governance *16

	Unit	FY2020	FY2021	FY2022
Board of Directors *17				
Number of Directors	persons	10	9	9
Percentage of female	%	10.0	22.2	22.2
Percentage of outside	%	40.0	44.4	44.4
Percentage of independent	%	20.0	33.3	44.4
Number of Board of Directors' meetings	meetings	17	17	17
Percentage of attendance	%	100.0	99.4	100.0
Audit & Supervisory Committee				
Number of Directors serving on the Audit & Supervisory Committee	persons	4	4	4
Percentage of female	%	25.0	50.0	50.0
Percentage of outside	%	100.0	100.0	100.0
Percentage of independent	%	50.0	75.0	100.0
Number of Audit & Supervisory Committee meetings	meetings	13	12	13
Percentage of attendance	%	100.0	100.0	100.0
Others				
Number of whistle-blowing reports	cases	9	11	14
Number of significant compliance violations	cases	0	0	0
Proportion of employees receiving compliance-related training	%	100.0	100.0	100.0
Percentage of participants taking insider trading regulation training	%	100.0	100.0	100.0
Percentage of participants taking harassment prevention training	%	100.0	–	100.0
Percentage of participants taking training on joining the company	%	100.0	100.0	100.0

*16 The table above shows calculations for the Company's non-consolidated results. In addition, the number of directors and ratios are calculated based on actual results as of the end of each fiscal year.
*17 Calculated including Directors serving on the Audit & Supervisory Committee.

Consolidated Financial Statements

– Consolidated B/S

(millions of yen)

Assets	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Current Assets							
Cash and Deposits	2,004	3,546	5,627	12,815	12,389	15,432	21,114
Accounts Receivable – Trade	165	207	318	441	571	756	1,180
Prepaid Expenses	460	255	322	410	469	478	604
Allowance for Doubtful Accounts	–5	–4	–2	–3	–4	–3	–32
Others	38	157	30	176	117	194	341
Total Current Assets	**2,668**	**4,166**	**6,298**	**13,840**	**13,542**	**16,856**	**23,207**
Non-Current Assets							
Total Property, Plant and Equipment	113	164	406	414	504	806	770
Total Intangible Assets	498	602	835	926	1,209	1,147	1,533
Software	497	601	834	925	1,023	917	827
Goodwill	–	–	–	–	185	229	706
Total Investments and Others Assets	208	365	1,538	7,639	9,053	7,481	5,689
Investment Securities	–	–	1,093	6,941	8,344	6,262	3,705
Deferred Tax Assets	–	–	–	145	–	416	595
Others	–	365	444	697	708	803	1,388
Total Non-Current Assets	**820**	**1,132**	**2,780**	**8,979**	**10,768**	**9,435**	**7,993**
Total Assets	**3,489**	**5,299**	**9,079**	**22,819**	**24,310**	**26,292**	**31,200**

(millions of yen)

Liabilities	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Current Liabilities							
Short-Tern Borrowings	296	13	18	20	200	–	–
Current Portion of Long-Term Borrowings	113	94	133	1,267	1,085	477	558
Advances Received	2,100	2,798	3,923	5,289	6,719	8,199	10,729
Accounts Payable -Other	320	654	770	596	1,175	1,081	1,929
Others	278	259	584	1,161	1,062	1,749	1,764
Total Current Liabilities	**3,109**	**3,819**	**5,428**	**8,335**	**10,243**	**11,507**	**14,982**
Non-Current Liabilities							
Long-Term Borrowings	190	127	233	3,892	879	2,547	2,838
Deferred Tax Liabilities	–	–	–	–	571	–	–
Others	16	39	43	38	31	144	188
Total Non-Current Liabilities	**207**	**166**	**277**	**3,931**	**1,482**	**2,691**	**3,027**
Total Liabilities	**3,316**	**3,986**	**5,706**	**12,267**	**11,725**	**14,199**	**18,009**

Net Assets	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Total Shareholders' Equity	179	1,315	3,369	10,557	10,892	11,832	12,454
Accumulated Other Comprehensive Income	–6	–2	–7	–15	1,623	112	206
Share Acquisition Rights	–	–	10	10	65	142	457
Non-Controlling Interests	–	–	–	–	2	5	72
Total Net Assets	**172**	**1,312**	**3,372**	**10,552**	**12,584**	**12,093**	**13,190**
Total Liabilities and Net Assets	**3,489**	**5,299**	**9,079**	**22,819**	**24,310**	**26,292**	**31,200**

– Consolidated P/L

(millions of yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net Sales	4,839	7,324	10,206	13,362	16,184	20,420	25,510
Cost of Sales	1,026	1,435	1,597	1,821	1,992	2,515	3,683
Gross Profit	3,812	5,888	8,608	11,541	14,192	17,904	21,827
Gross Profit Margin	78.8%	80.4%	84.3%	86.4%	87.7%	87.7%	85.6%
SG&A	4,590	8,950	9,458	10,783	13,455	17,272	21,627
Adjusted Operating Profit [*18]	–778	–3,061	–849	757	785	730	942
Adjusted Operating Profit Margin	–	–	–	5.7%	4.9%	3.6%	3.7%
Operating Profit	–778	–3,061	–849	757	736	631	199
Operating Profit Margin	–	–	–	5.7%	4.6%	3.1%	0.8%
Non-Operating Income	9	10	16	8	106	1,042	328
Non-Operating Expenses	11	26	58	330	468	705	405
Ordinary Profit	–780	–3,077	–891	435	375	968	122
Extraordinary Income	–	–	4	–	0	105	817
Extraordinary Losses	3	1	50	100	4	165	1,035
Profit (Loss) Before Income Taxes	–784	–3,078	–937	335	370	908	–96
Total Income Taxes	6	7	7	–4	189	56	60
Profit (Loss) Attributable to Owners of Parent	–790	–3,085	–945	339	182	857	–141
Profit (Loss) Attributable to Owners of Parent Margin	–	–	–	2.5%	1.1%	4.2%	–
EPS (yen) [*19]	–11.79	–42.11	–10.10	2.75	1.47	6.87	–1.13
SG&A	4,590	8,950	9,458	10,783	13,455	17,272	21,627
Advertising Expenses	1,573	4,478	2,831	2,022	2,824	2,969	3,306
Personnel Expenses	1,282	1,689	2,411	3,701	4,745	6,758	8,349
Server/PC-Related Expenses	303	513	735	844	1,008	1,285	1,719
Rents	235	308	523	693	810	921	1,059
Recruiting Expenses	107	182	338	443	489	678	636
Share-Based Payment Expenses	–	–	–	–	33	72	702
Expenses Arising from Business Combinations (Amortization of Goodwill and Amortization of Intangible Assets)	–	–	–	–	15	25	39
Others	1,088	1,777	2,618	3,079	3,577	4,560	5,814

*18 Operating Profit + Share-Based Payment Expenses + Expenses Arising from Business Combinations (amortization of Goodwill and amortization of Intangible Assets)
*19 As the Company conducted a four-for-one common stock split effective December 1, 2021, EPS were calculated on the assumption that the stock was split at the beginning of FY2016.

– Consolidated C/F

(millions of yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Cash Flows from Operating Activities							
Profit (Loss) before Income Taxes	–784	–3,078	–937	335	370	908	–96
Depreciation	236	366	459	615	691	768	898
Loss (Gain) on Sale of Investment Securities	–	–	–	–	–32	–979	–291
Share of Loss (Profit) of Entities Accounted for Using Equity Method	–	–	–	51	285	609	287
Decrease (Increase) in Notes and Accounts Receivable – Trade	–60	–41	–111	–118	–121	–183	–391
Decrease (Increase) in Prepaid Expenses	–100	204	–67	–84	–50	12	–101
Increase (Decrease) in Accounts Payable – Other	–122	333	50	–108	620	–90	780
Increase (Decrease) in Advances Received	896	697	1,125	1,366	1,401	1,479	2,423
Income Taxes Paid	–3	–6	–7	–7	–246	–144	–471
Others	137	–85	560	824	346	743	810
Cash Flows from Operating Activities	198	–1,609	1,072	2,822	3,011	3,123	3,848
Cash Flows from Investing Activities							
Purchase of Property, Plant and Equipment	–91	–72	–316	–260	–273	–468	–200
Purchase of Intangible Assets	–250	–408	–574	–535	–636	–453	–480
Purchase of Investment Securities	–	–	–1,093	–5,901	–336	–2,555	–359
Proceeds from Sales of Investment Securities	–	–	–	–	1,680	3,224	1,406
Others	–34	–198	–298	–491	–985	–760	998
Cash Flows from Investing Activities	–376	–679	–2,282	–7,189	–551	–1,014	1,364
Cash Flows from Financing Activities							
Net Increase (Decrease) in Short-Term Borrowings	89	–283	4	2	173	–200	–
Proceeds from Long-Term Borrowings	200	50	290	5,460	–	3,250	900
Repayments of Long-Term Borrowings	–130	–131	–145	–686	–3,220	–2,190	–527
Proceeds from Issuance of Shares	–	4,206	2,989	6,820	152	209	307
Others	–7	–15	–6	–32	–7	–159	–17
Cash Flows from Financing Activities	151	3,826	3,132	11,563	–2,902	909	523
Effect of Exchange Rate Change on Cash and Cash Equivalents	–3	4	0	–1	2	3	4
Net Increase (Decrease) in Cash and Cash Equivalents	–29	1,541	1,922	7,194	–440	3,021	5,739
Cash and Cash Equivalents at the Beginning of Period	2,033	2,004	3,546	5,468	12,663	12,223	15,245
Cash and Cash Equivalents at the End of Period	2,004	3,546	5,468	12,663	12,223	15,245	20,985

Results by Segment

– P/L by Business Segment

(millions of yen)

	FY2020	FY2021	FY2022
Net Sales (Total)	16,184	20,420	25,510
Sansan/Bill One Business	14,605	18,105	22,516
Sansan	14,519	17,214	19,793
Sansan Recurring Sales [20]	13,811	16,349	18,688
Sansan Other Sales	707	865	1,104
Bill One	84	826	2,414
Others	1	64	308
Eight Business	1,582	2,213	2,867
B2C Services	296	286	303
B2B Services	1,286	1,927	2,563
Others	–	126	198
Adjustments	–3	–25	–72
Adjusted Operating Profit (Total)	785	730	942
Sansan/Bill One Business	5,290	5,752	7,005
Eight Business	–732	–355	–170
Others	–	–22	–36
Adjustments	–3,772	–4,643	–5,856
Adjusted Operating Profit Margin	4.9%	3.6%	3.7%
Sansan/Bill One Business	36.2%	31.8%	31.1%
Eight Business	–	–	–
Others	–	–	–

– KPI by Business Segment

(millions of yen)

	FY2020	FY2021	FY2022
Sansan/Bill One Business			
Number of Sansan Subscriptions (Subscriptions)	7,744	8,488	8,969
Monthly Recurring Sales per Sansan Subscription (Thousands of yen)	162	170	184
Last 12 Months Average of Monthly Churn Rate for Sansan[21]	0.63%	0.62%	0.44%
Bill One MRR [22]	19	116	316
Number of Bill One Paid Subscriptions (Subscriptions)	188	776	1,581
Monthly Recurring Sales per Bill One Paid Subscription (Thousands of yen)	105	149	200
Last 12 Months Average of Monthly Churn Rate for Bill One [21]	–	0.49%	0.64%
Eight Business			
Number of Eight Users [23] (Tens thousands of persons)	292	310	331
Number of Eight Team Subscriptions (Subscriptions)	2,253	2,819	3,703

*20 Fixed revenue with regard to Sansan (unaudited)
*21 Ratio of decrease in monthly fees associated with contract cancellations to total monthly fees for existing contracts
*22 Monthly Recurring Revenue
*23 Number of users that downloaded the application and registered their own business cards

– Company and Stock Information

Company Information[1]

Company Name	Sansan, Inc.
Head Office	Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo 150-0001, Japan
Group Companies	Sansan Global Pte. Ltd. (Singapore) Sansan Global Development Center, Inc. (Philippines) logmi, Inc. Diamond Corporate Data Services, Inc. CREATIVE SURVEY INC. Institute of Language Understanding Inc.
Founded on	June 11, 2007
Capital	6,633 million yen (as of August 31, 2023)

Stock Information[2]

Stock Code	4443
Stock Exchange Registration	Tokyo Stock Exchange, Prime Market
Fiscal Year	June 1 – May 31
Shareholder Registry Administrator	Tokyo Securities Transfer Agent Co., Ltd.
Number of Shares Constituting One Trading Unit	100
Total Number of Issued Shares	125,410,584
Number of Shareholders	8,050

Distribution of Shares by Shareholder Type

■ Individuals and others	47.33%
■ Foreign financial institutions and individuals	28.98%
■ Domestic financial institutions	20.71%
■ Other domestic corporations	1.71%
■ Securities	1.28%

[1] As of October 31, 2023
[2] As of May 31, 2023

Main Shareholders

Name	Number of shares	Shareholding ratio
Chikahiro Terada	41,432,920	33.04%
The Master Trust Bank of Japan ,Ltd. (Trust Account)	17,183,400	13.70%
Custody Bank of Japan, Ltd. (Trust Account)	6,486,100	5.17%
Kei Tomioka	4,160,000	3.32%
MSIP CLIENT SECURITIES	3,484,900	2.78%
DCM Ventures China Fund (DCM VII), L. P.	3,314,000	2.64%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	2,412,276	1.92%
Kenji Shiomi	2,320,000	1.85%
STATE STREET BANK AND TRUST COMPANY 505303	2,200,200	1.75%
CNK, Inc.	2,047,080	1.63%

External Evaluation

– ESG

We received an "A" rating in the MSCI ESG Rating provided by MSCI. We have also been selected as a constituent of the "FTSE Blossom Japan Sector Relative Index," an index designed by FTSE to measure the performance of Japanese companies with high ESG (environmental, social, governance) ratings.

– Annual Report

The Government Pension Investment Fund (GPIF) selected Sansan, Inc.'s Annual Report for 2022 as an "excellent integrated report" and a "most-improved integrated report."

We also received a Bronze Award in the PDF Version of Annual Reports category at the International ARC Awards, hosted by MerComm, Inc., an independent awards organization in the U.S.

– Corporate Website

Our corporate website was selected as an "Excellent Site," an overall award given as part of the "FY2022 Corporate Website Quality Ranking Survey of All Japanese Listed Companies." The survey is published by Nikko Investor Relations Co., Ltd., which conducts surveys and evaluations of the quality of the websites of all listed companies from an independent perspective. Surveys are published annually.

Website Information

- Corporate Website   https://www.corp-sansan.com/
- Investor Relations   https://ir.corp-sansan.com/en/ir.html
- Sustainability site   https://www.corp-sansan.com/sustainability/

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