

Turning encounters
into innovation



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

Performance Highlights Fiscal 2020 (fiscal year ended May 2021)



Annual growth rate of consolidated net sales

21.1%



ARR^{*1}

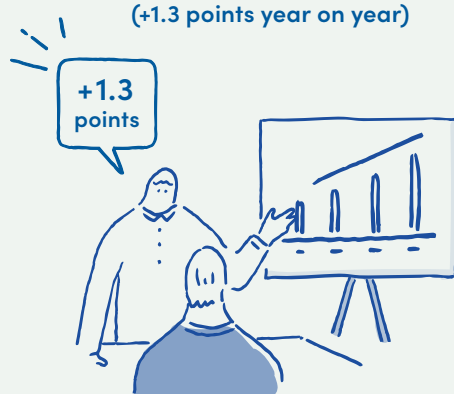
16,137 million yen

(+22.6% year on year)

Consolidated gross profit margin

87.7%

(+1.3 points year on year)



Consolidated number of employees

954

(+241 year on year)

*1 Annual Recurring Revenue

*2 Monthly results for the end of each fiscal-year month in the Sansan Business (including some new services other than "Sansan," unaudited)

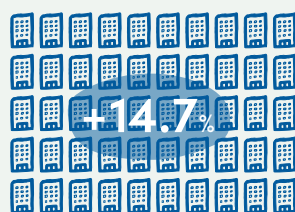
*3 Ratio of decrease in monthly fees associated with contract cancellations to total monthly fees from existing "Sansan" subscriptions

*4 "Latest trends in business card management services and sales services [SFA/CRM/online business card exchange]," December 2020, Seed Planning, Inc.

*5 Number of authenticated users who registered their business card in their profile after downloading the app

*6 Average number of monthly active users, domestic business SNS apps, January–December 2020 (App Store + Google Play), January 2021, App Annie research

Sansan



Number of
"Sansan" subscriptions
7,744
(+14.7% year on year)



+4.9%

Monthly sales per
subscription²
170,000 yen
(+4.9% year on year)



+0.03 points

Average monthly churn
rate over past 12 months³

0.63%

(+0.03 points year on year)



+0.7 points

Market share⁴

83.5%

(+0.7 points year on year)



Annual growth rate of
recurring net sales

23.6%

Eight



Number of "Eight" users⁵
2.92
million people
(+0.21 million year on year)



Number of "Eight Company
Premium" subscriptions
2,253
(+46.8% year on year)



Share in business card
management apps⁶

No.1



Annual growth rate of
B2B service sales

66.3%

Bill One



Number of "Bill One"
paid subscriptions

239

(Service started in May 2020)



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Editorial Policy

The objective of this annual report is to convey to all of Sansan's stakeholders, in an easy to understand way, the Group's progress and achievements to date, as well as both financial and non-financial information concerning

the strategic story behind our efforts to realize the Group's mission and vision. In the editing process, we referred to the International Integrated Reporting Framework and other materials.

Reporting Period


Fiscal 2020 (from June 1, 2020, to May 31, 2021)

Disclaimer Regarding Forward-Looking Statements

This report may contain future assumptions, prospects and forecasts based on plans, but these forward-looking statements are based on the information that was available to us at the time of the report's preparation, and on certain assumptions that we assume to be reasonable, and 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 a number of other future factors. Therefore, the actual performance announced may vary depending on these various factors, and the Company assumes no responsibility for any damage caused through the use of information in this report. In addition, regarding new information and future events, the Company has no obligation to revise or officially announce revisions to the future prospects published in this report.

CEO Message



With the unique mission of
“Turning encounters into
innovation,” our vision is to
“Become business
infrastructure”

Chika Terada

Representative Director & CEO

First off, I would like to express my deep sorrow for all who passed away from the COVID-19 pandemic and extend my heartfelt condolences to all who were affected by the disease and to their families and associates. I would also like to express my gratitude to everyone who has worked to combat the pandemic and keep society functioning.



The Group's First Vision since our Founding, Formulated with Firm Resolve

We have long been engaging in business with the mission of "Turning encounters into innovation," but at the beginning of 2021, for the first time since the Group was founded, we decided to formulate a vision that puts into words what we should aim for as a company. It is summed up in the phrase, to "Become business infrastructure." To use a metaphor, infrastructure is a type of road that people use usually without being aware of it. Various roads act as infrastructure supporting modern life—water mains, electrical grids, gas lines, the internet. We take no small pride in having created a new market in the business world. What we want to aim for as a company, however, is to become a new road that no one has ever thought of before. In the business scene, we want to be the road that brings people to places they could not get to before and to new vistas they had never seen before. We aim to be the new road, the business structure that connects people with people, companies with companies, and turns everyday business into innovation.

Up to now, we have always wanted us to be a mission-driven company. Our goal was not simply to create a

company but for us to exist to fulfill a mission, to be more like a project than an organization. To this end, we recognized the need for a mission, which is the company's reason for existence, but did not feel the need to spell out the kind of company we should be—in other words, a corporate vision. But now that the business has grown steadily and we have gone public, the number of stakeholders surrounding the Group is increasing daily. We came to realize the need to show society what kind of company we are, and so decided to formulate a vision. In the business scene, I wonder how many companies have succeeded in becoming like infrastructure by following their own unique mission. Even declaring we want to "Become business infrastructure" in the first place is not something that can be said off-handedly. I am very proud that we have been able to tackle this challenge head on. That is precisely why I am firmly resolved in my desire for the company to strive to reach the point where we are widely recognized by society as a form of business infrastructure that continues to generate a new business culture and customs—in other words, innovation.

We are working to build corporate value while minimizing risks associated with the COVID-19 pandemic and embracing change as opportunity.

Review of Fiscal 2020

Since its establishment in 2007, the Group has been taking on the digitization of printed business cards and has refined the technology and operations used in digitizing business cards to achieve an accuracy rate of 99.9%. As a result, “Sansan” has grown into a service with an 83.5% share^{*1} of the market for contact management services for corporations. The service boasts more than 7,700 subscribers. Moreover, we have created new businesses by leveraging the competitive advantages we have cultivated—the technology and structure for digitizing analog information—beyond business cards and into fields such as invoices and contracts.

Since the outbreak of the

COVID-19 pandemic, rapid changes have occurred in the global economy and across society as a whole. In the corporate sphere, ways of working online or that are not premised on face-to-face contact have proliferated, while demands are mounting for changes in behavior in line with efforts to drastically improve labor productivity and efficiency. For the Group, this pandemic presents both potential risks and potential opportunities. One short-term change in society has been a decline in the chance to exchange printed business cards, with fewer direct interactions between business people. Thanks to our business model, there has been no immediate impact on our performance, but we do not want

the situation to be drawn out. By contrast, from a longer-term perspective, this crisis can also be seen as a once-in-a-lifetime opportunity in terms of disseminating new services and functions online, which will feed into changes in people’s existing habits and behaviors.

Looking back on the fiscal year ended May 31, 2021 (fiscal 2020), the Group faced a difficult business environment, a situation which was neither completely positive nor negative. We struggled throughout the year with how to weather this situation and with how we could identify new business opportunities. With consolidated net sales up 21.1% year on year to 16,184 million yen, the reality is that the pandemic





prevented us from achieving the growth we had wanted. Nevertheless, even in a less-than-ideal business environment, with the pandemic being much more prolonged than initially anticipated, we were still able to achieve a certain level of growth, once again confirming the strength of the business foundation we have carefully built up over the years.

As a new initiative, “Sansan” started offering a “Virtual Cards” function in June 2020. We had been planning and preparing for this before the COVID-19 outbreak, but decided to roll it out far sooner than planned in response to changes in the business environment. A little more than a year has passed since the service started, and the frequency of use has more than doubled from where it started, and continues to grow steadily. In addition, in the Eight Business, we held a large-scale online event, called “Climbers,” as part of our efforts to augment monetization of our B2B services. The event drew the participation of many business people. We also launched new services seeking to create a new event tech service market in Japan,

including “Seminar One” a service that efficiently supports and maximizes the effectiveness of companies’ business seminars, and “Eight ONAIR,” an intelligent business event matching and hosting system that draws together various events and is easy for anyone to join.

Among our new initiatives, one that I have the highest hopes for is “Bill One,” our online invoice receiving solution. Launched only in May 2020, “Bill One” has already achieved remarkable growth in terms of acquiring new subscriptions and expanding monthly recurring revenue. It is no exaggeration to say that in over 20 years of experience of being involved in business, this is the first time I have felt a service being driven by such a tailwind, and the pandemic is acting as part of that tailwind. We have taken various steps to further grow this business, such as setting up a new dedicated “Bill One” unit, stepping up recruitment of staff, and airing TV commercials. Furthermore, with the aim of expanding the network made up of all the companies that have contact with our services, we have begun offering a Small Business Plan, which allows

businesses with 100 or fewer employees to use certain basic functions free of charge. In operating the “Bill One” service, we incur a certain variable cost depending on usage status, so there is a risk in making the service available for free, but our vision to “Become business infrastructure” prompted us to make this decision. I would like to promote this business as a major step toward the Group’s becoming business infrastructure that supports Japan’s digital transformation (DX).

In terms of corporate actions, in January 2021, we changed our listing to the First Section of the Tokyo Stock Exchange. We were not able to do this at the time of our IPO since we did not meet certain criteria, but personally, I take the new listing as proof that we were able to resolve our long standing issue. With the relisting, we can expect to expand the shareholder base and improve liquidity, and in my view we have established an environment in which we can work to enhance our essential corporate value.

*1 “Latest trends in business card management services and sales services [SFA/CRM/online business card exchange],” December 2020, Seed Planning, Inc.

Moving toward Medium-Term Sales Growth

Taking a broad retrospective look at the Group from its founding to the present day, although modest in scale, I am struck by the fact that we have been able to build up a new market with our own hands and lead its development. Looking from the present to the future, however, not only in the global market but in Japan as well, the value we have offered businesses in addressing challenges and realizing potential is still small. Even “Sansan,” our current main business, has a penetration rate of less than 3% among Japan’s working population, leaving a massive unexplored territory. So, when it comes to services in the newly started fields of invoices, contracts, and business events and seminars, it goes without saying that there is also huge unexplored territory in the markets and much room for growth.

We never had any existing businesses to emulate for the services and value we have created so far. Rather, we took on the challenge of developing unprecedented business models with the aim of providing a completely new business culture and customs. In the process, in numerous respects, including product development, marketing, and providing value to users, we have built up a solid track record by trying every available means to add links to the value chain one by one, little by little. Going forward as well, I do not see us departing significantly from this attitude: We will continue to pursue the realization of business growth, steadily and accurately.

In terms of key medium-term management indicators, at present we are in the phase of aspiring to boost consolidated sales. All that is needed to do this is for each of our services to grow. For the services the Group currently provides, we continued to capitalize on the strengths we had cultivated to expand into an array of new fields, envisioning that each new service would create synergies with existing services as we went along. In other words, in my view we have what can be called a multiproduct business portfolio. Under the mission of “Turning encounters into innovation,” the portfolio has the nature of a DX service that changes the way people work, starting with business events which are forums where people meet, followed by contact management and customer information management services, and feeding into services to streamline various business flows such as contract and invoice processing.

In July 2021, we reorganized the Group to optimize our business framework around these multiproduct areas. This is one of the biggest reorganizations we have undergone since the Group’s inception. Specifically, this time we assigned an officer to each major product area, who is responsible for everything from development strategy planning to profit monitoring as well as participating in business planning. By concentrating responsibility in this way, we have established a framework that allows autonomous decision-making and action in individual

product areas while accelerating the pace of growth. Also, under the former organizational structure engineering functions were dispersed among various divisions, but by establishing a new Engineering Division and consolidating engineering functions there, we now have a framework that takes us to the next level in terms of the optimal utilization of resources and the cultivation of developers. Moreover, to achieve optimal resource allocation, the sales and marketing departments have also been consolidated under a newly established Business Division. Now it will be possible, for example, to allocate resources even more responsively and flexibly to products with higher growth potential. This will greatly improve per capita sales productivity and I expect will make a strong contribution to the growth of the business.

Our efforts to achieve medium- and long-term increases in consolidated sales and accelerate the growth rate are not limited to such realignment. I would also like to pursue various investments after carefully assessing business conditions and weighing the opportunities available. The current pandemic makes it difficult to predict the business environment down the road, but on the whole, by minimizing risks and seizing them as opportunities, and by turning change into chance, we would like to keep our sights fixed on the possibility of tracing a growth curve over the longer term that exceeds current expectations.



We will continue contributing to building a sustainable society while strengthening financial and non-financial initiatives.

Achieving a Sustainable Increase in Corporate Value

Governance is another critical factor in striving for a sustainable increase in corporate value. Many of the services we provide are expanding rapidly while carving out new markets. In this context, I believe it is necessary to constantly optimize our form of governance not only to meet the demands of society but also to align with this kind of business phase. I would like our governance framework to evolve daily as we seek to strike a balance between reinforcing management oversight and enhancing the speed of business execution. We have also positioned the recruitment of human resources as one of our growth strategies, but personnel development after hiring is also a key theme. I am keenly aware that our people are indispensable and play an extremely important role in the growth of our business and in preserving and amplifying our competitive advantages. We will continue working not only to establish an internal framework that fosters human resources development, but also strive to ensure diversity by hiring people from a wide range of backgrounds.

I believe that helping to address social issues through our business activities is how the Group can best

contribute to building a sustainable society and that this will, in the end, lead to the Group's own sustainable growth and to greater corporate value. With this conviction, we have been engaging in environmental and social initiatives for some time. In terms of the environment, we are carrying out "Scan for Trees," an activity to support reforestation and recovery in disaster-stricken areas based on business cards, our initial business and the starting point for all our services. In this activity, we plant a tree every time the total number of business cards digitized in our "Sansan" service reaches the equivalent of one tree. As of September 2021 we had planted a total of 9,520 trees.

With regard to society, in addition to supporting data utilization for government agencies and NPOs, our range of activities includes a project to support children's education through business cards. In the Kodomo Meishi (Kids' Business Cards) Project, we create and distribute free business cards for children and hold workshops. Through the exchange of business cards, this project helps children treasure the value of every encounter and the importance of working with

others to create something. Recently, we have also begun supporting the establishment of a private college in the small town of Kamiyama, Tokushima Prefecture, where our remote satellite office is located. Kamiyama Marugoto College of Design, Technology, and Entrepreneurship (provisional name) is preparing to open in April 2023. Guided by the concept of being "a school that changes the future of humanity through technology and design," the college will encourage the development of entrepreneurs who will change our world. Through our support of the college, we are confident that we can help build a world where working people will naturally use the Group's DX services as business infrastructure and more creatively achieve innovation.

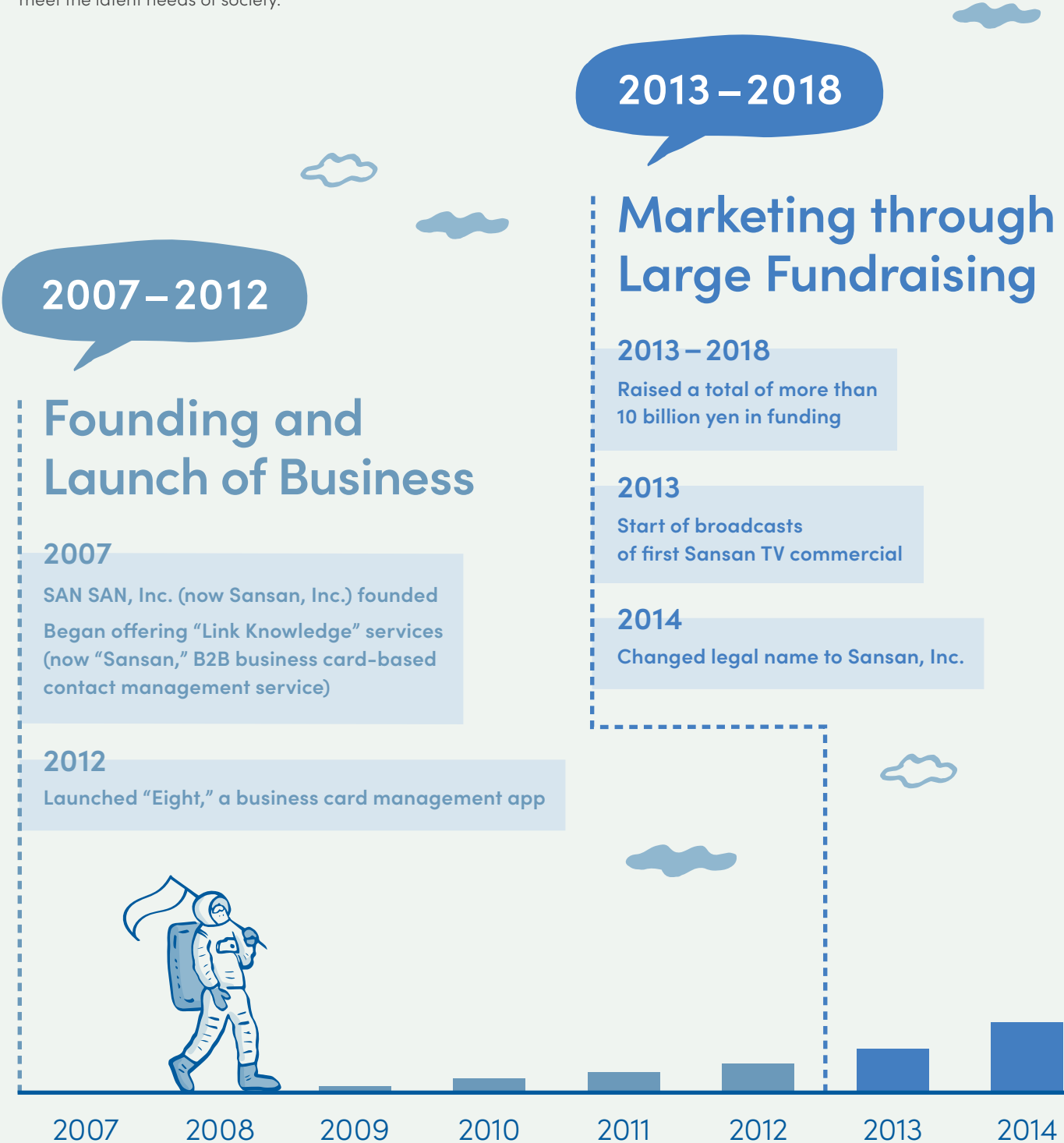
By vigorously promoting these various financial and non-financial initiatives, we would like to accelerate the development of our businesses and maximize shareholder and corporate value over the longer term. I look forward to your continued support and encouragement for the Group in the future.

Chika Terada

Representative Director & CEO

Value Creation History

As a leading SaaS company in Japan, the Group has since its founding provided services that help solve the business issues faced by companies and business people, using a novel approach that combines cloud-based software with original technology. We will pursue sustainable growth as we continue working to create new services that meet the latent needs of society.



2019 – present

Multifaceted Growth

2019

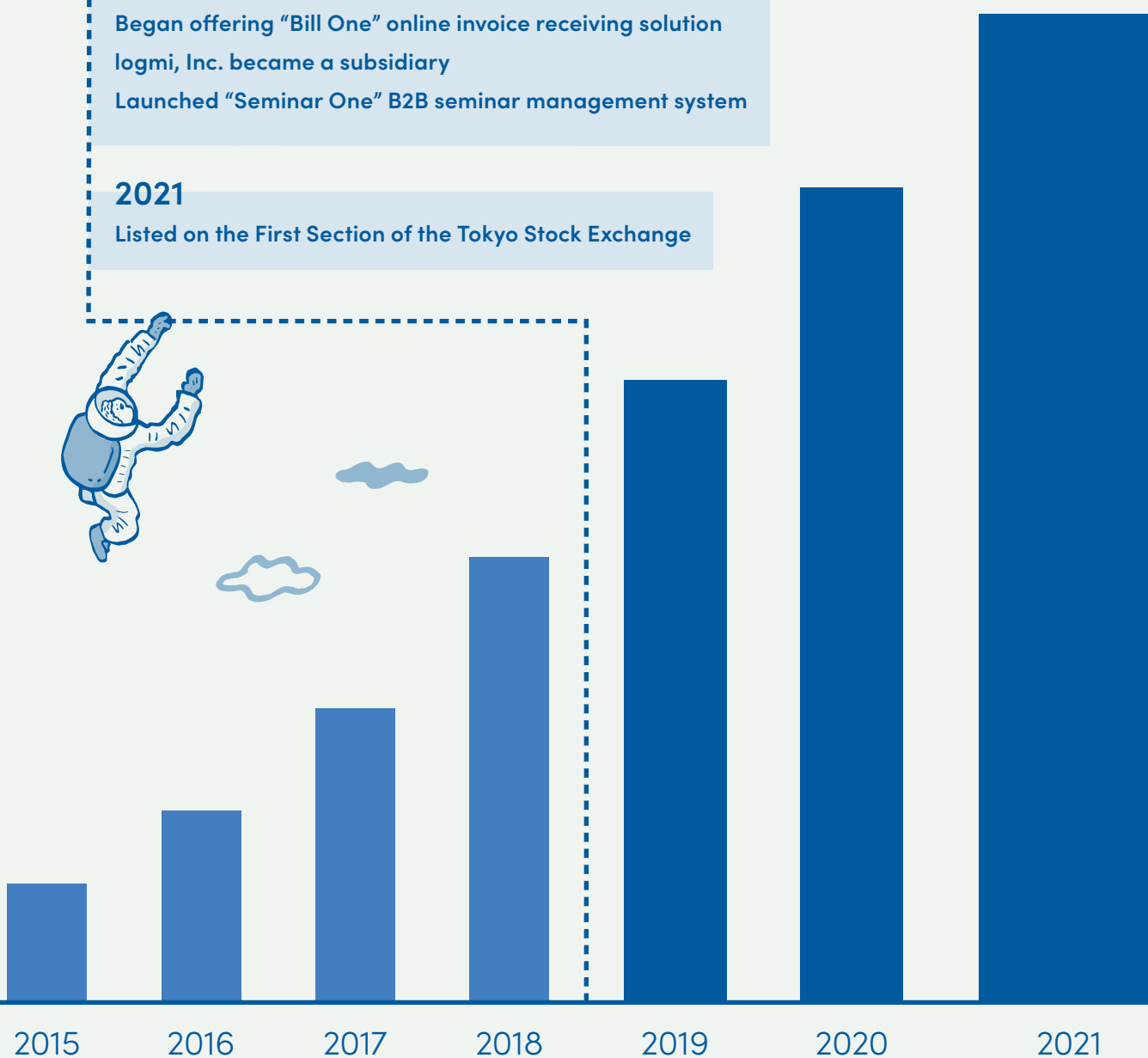
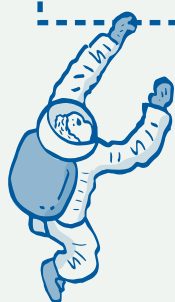
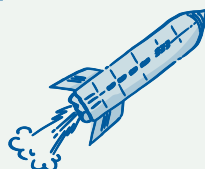
Listed on the Mothers Section of the Tokyo Stock Exchange

2020

Began offering “Bill One” online invoice receiving solution
logmi, Inc. became a subsidiary
Launched “Seminar One” B2B seminar management system

2021

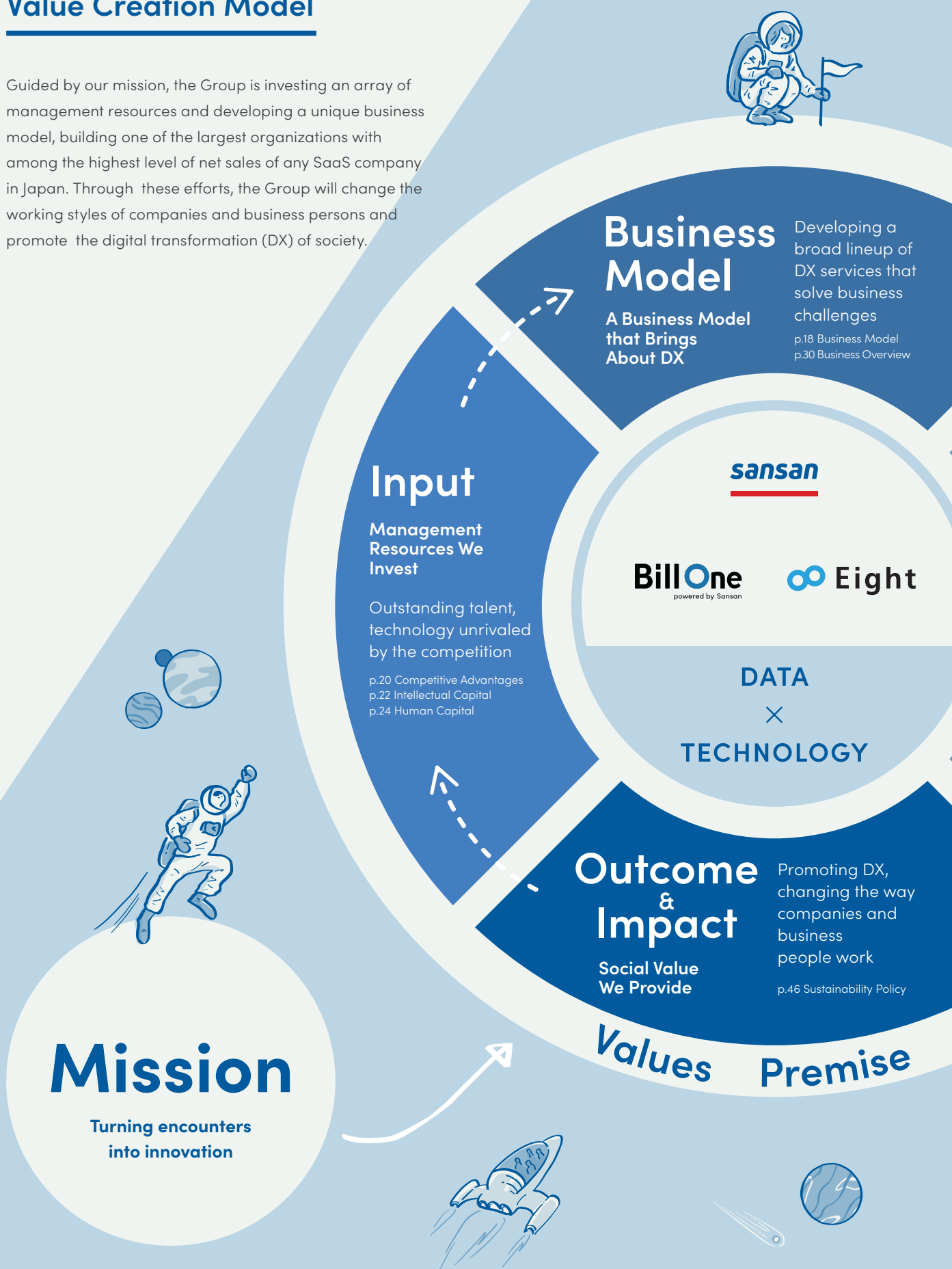
Listed on the First Section of the Tokyo Stock Exchange

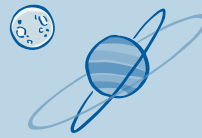


*The graph indicates net sales for fiscal years ended in May (figures prior to the year ended May 2016 are non-consolidated, while subsequent figures are consolidated).

Value Creation Model

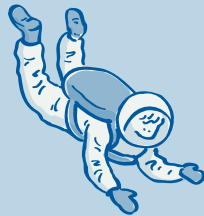
Guided by our mission, the Group is investing an array of management resources and developing a unique business model, building one of the largest organizations with among the highest level of net sales of any SaaS company in Japan. Through these efforts, the Group will change the working styles of companies and business persons and promote the digital transformation (DX) of society.





Vision

Become business
infrastructure



Input Management Resources We Invest

Financial Capital Cash and deposits: 12,389 million yen / Shareholder capital: 10,892 million yen

Social, Relationship Capital Cloud-based solutions that promote DX and reshape how we work / Strong brand awareness in Japan

Human Capital Number of employees: 954 / Number of engineering staff: 314 / Systems in place for raising security awareness

Intellectual Capital Structure for digitization / Education and training, AI technology

Output Results We Deliver

Financial Capital Compound annual growth rate for net sales over five years: 38.7% / Net sales: 16,184 million yen / Gross profit margin: 87.7%

Social, Relationship Capital Total number of subscriptions: Over 10,000 / Number of "Eight" users: Over 2.9 million / Sales share of market for contact management services for corporations: 83.5%

Human Capital Industry-leading SaaS sales and marketing professionals in Japan: 377 / Protection of Individual Information Person qualifications: 811 / Ratio of women in management positions: 14.8%

Intellectual Capital "Sansan" and "Bill One" digitization accuracy: 99.9% / Patents: 8 (19 pending)

Natural Capital Cumulative number of trees planted: 9,520 trees (as of the end of September 2021)

Output

Results We Deliver

One of the largest organizations with among the highest level of net sales of any SaaS company in Japan

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Outcome & Impact Social Value We Provide

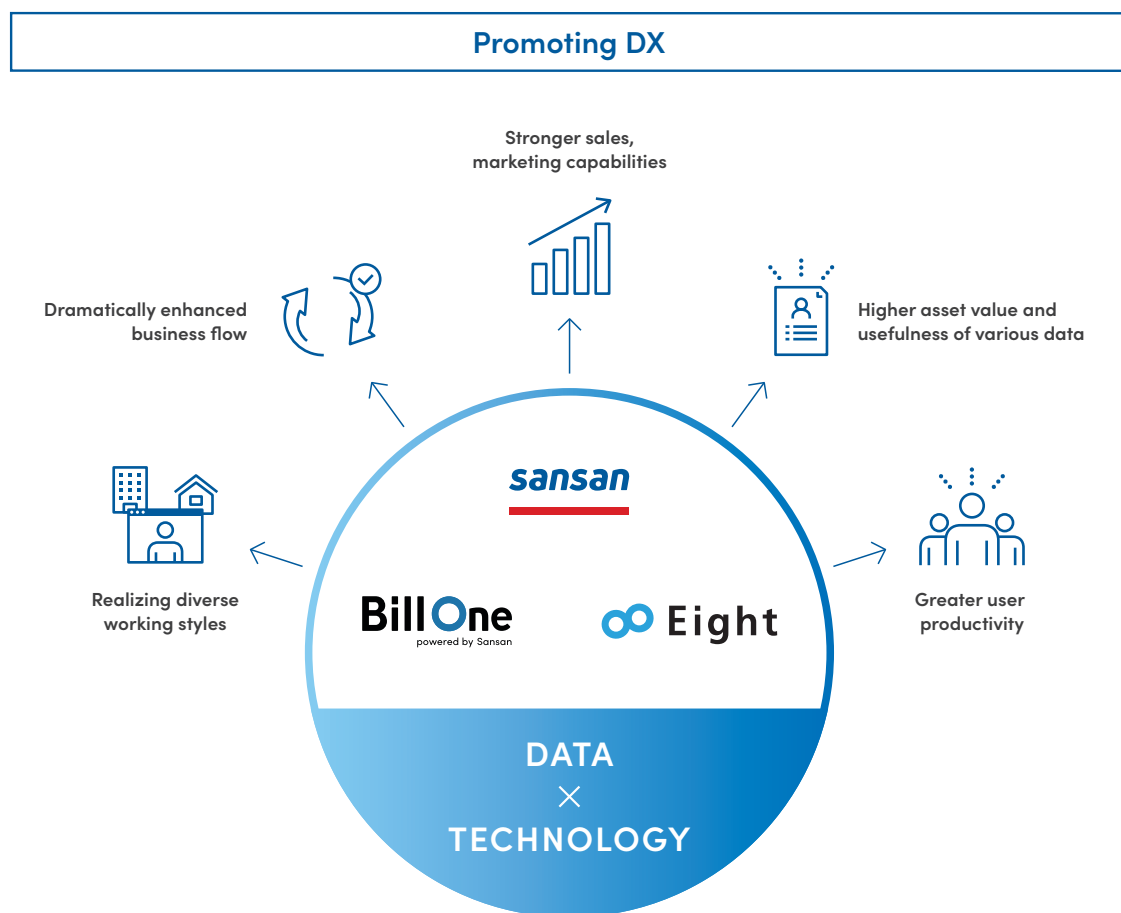
Promoting DX, enhancing corporate productivity, promoting working style reforms, generating new business opportunities through data utilization, creating innovation, contributing to the economy through advanced technological research

(Fiscal year ended May 31, 2021)

Business Model

A Business Model that Brings About Digital Transformation (DX)

Offering Services that Solve Business Challenges for
Companies and Individuals



A Shared Business Model

The business models of the Group's main services share many similarities. The services we provide in fields such as business cards, invoices, and contracts are designed to overcome business challenges for the

companies and individuals who use them. Our services help improve productivity, boost work flexibility, and ultimately bring about DX. In developing these services, we have adopted a unique method

that combines “cloud software” with “a structure for digitizing analog information using technological and human capabilities.” Our main fee model is subscription-based (monthly billing), which offers a source of continuous income. Our standard service period is an annual contract. As a result, it is relatively easy to forecast future business performance, and we can expect our business model to achieve steady growth.

Another major common characteristic of our services is that they have the property of being a business platform that makes effective use of various types of business information which has been accurately converted into data. Each service is cloud-based, and basically designed so that various functions can be used by all business people in a range of situations, regardless of industry or sector, time or place. The purpose of their use is rooted in fundamental business needs. The model is based on autonomously accumulating business data, including business card information, and building up a database as the

service is used. The post-subscription churn rate therefore tends to be low. In addition, because our services are based on data with 99.9% accuracy, they are highly scalable and readily linked to other services for the purpose of data utilization. In other words, we believe that the services provided by our Group can be positioned as either the gateway or the center of an ecosystem made up of an array of business tools.

Amid the COVID-19 pandemic, many companies have faced the need to implement systems for working from home and enhance their operating infrastructure. In addition to these efforts to enable diverse working styles, a further pressing issue for companies is the need to raise productivity by revising inefficient workflows. There is also growing public interest in DX and SaaS businesses, and in harnessing data effectively to create new growth opportunities. Faced with these social issues, the Group is striving to provide services that bring about DX by facilitating changes in the way companies and individuals work in a variety of areas.

“Sansan” Use Case Study (Logistics Company)

The user was a company that had been facing challenges with its analog sales process. In the effort to build a marketing function from scratch, “Sansan” enabled the company to strengthen its sales and marketing capabilities. By combining “Sansan” with owned media and marketing automation tools, the company was able to digitize its customer contact points and conduct data analysis. The outcome was a 15-fold increase in inquiry volume compared to the volume before the introduction of “Sansan.” Visualization of the company’s sales activities also yielded significant results, including enabling a more timely response to customer issues. Sales staff reported a range of benefits from the service, including enabling them to broaden the scope of their proposals and deepen their relationships with customers.

“Bill One” Use Case Study (Consumer Goods Manufacturer)

Having noticed inefficiencies arising from its paper-based invoicing operations, the company used “Bill One” to drastically improve its existing workflow, enabling a diversity of working styles. The company had been receiving most invoices on paper due to preferences of its clients. The internal payment approval flow had led to the duplication of system- and paper-based forms. The introduction of “Bill One” enables all invoices to be received online, and the entire workflow, from confirmation by the person in charge to approval of payment, can be centrally managed on the system. This has enhanced operational efficiency. In addition, since it is no longer necessary to go to the office to process paper invoices, the company is able to promote remote work.

Competitive Advantages

Competitiveness as the Source of Value Creation

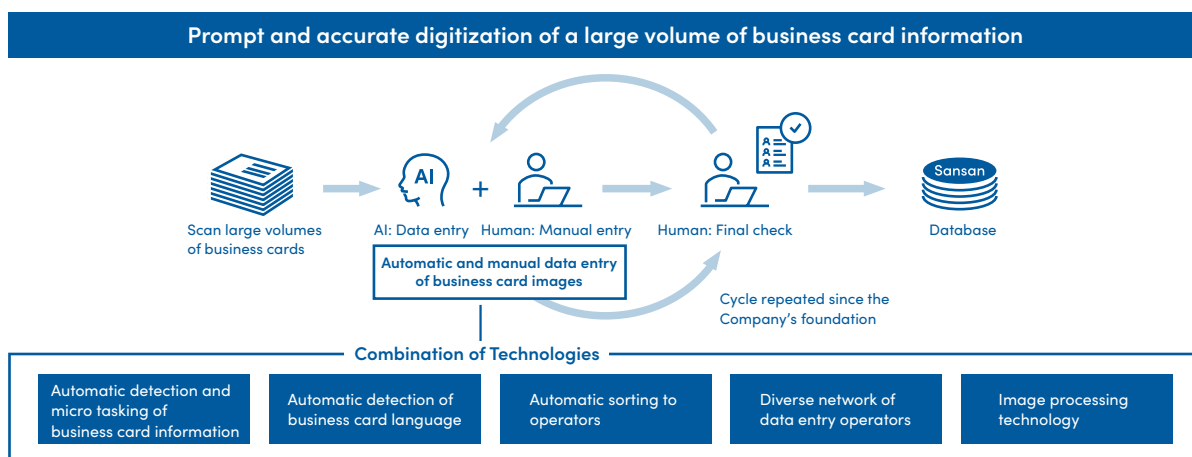
Strong Competitive Advantages Built up as a Market Pioneer

Digitization Operation with 99.9% Accuracy

In our service, we digitize a wide variety of analog information, such as business cards and invoices, by combining AI technology that evolves through machine learning with manual input. Although automatic data conversion using optical character recognition (OCR) technology is commonplace, it is not yet possible to achieve 99.9% accuracy with any OCR system. This makes it

necessary to complement digitization accuracy with manual input. The Group is building an operation to convert large volumes of analog information into data accurately, quickly, and at low cost. This involves boosting the ratio of automatic digitization by means of AI research at its R&D organization, while creating a flow that efficiently combines the power of hundreds of thousands of operators.

Business Card Digitization Flow



1. Scan or Photograph

Using a dedicated scanner or smartphone application, a user scans or takes a photograph of a business card. The captured business card image is sent to our data center.

2. Image Processing

The business card image is processed using image processing technology. The background is corrected by whitening or other image correction processes to make the text stand out, making it easier to read.

3. Item Classification

Clusters of characters on the business card are automatically identified and classified into various categories such as company name, first name, title, email address, and company logo.

4. Segmentation

Since the classified items include first and last names, phone numbers, email addresses, and other personal information, for security reasons, the images undergo a segmentation process that renders them unusable as information.

5. Data Entry

Each fragmented item is automatically entered using machine processing. If the data cannot be confirmed by machine-based automatic input, it is entered manually.

Structures and Technologies that enable Highly Accurate Data Processing

“GEES” Digitization System

This is our unique operation system, which digitizes a large volume of business cards securely, accurately, and efficiently.

AI and Image Recognition Technology

We use a range of image recognition technologies and AI that we have developed independently to digitize business cards at high speed with high accuracy.

“DSOC OCR”

We are developing and researching the application of our unique OCR technology to all business cards, to automatically digitize email addresses with an accuracy of over 99.7%.

Strong Brand Recognition of “Sansan” in Japan

The “Sansan” service has secured a high level of recognition among B2B services in Japan. This is due in part to TV commercials we have aired continually since 2013 to raise awareness of our service. The correspondingly high level of recognition the Company has earned as a whole has been a major asset as we work to ensure the reliability and security of the various services provided by our Group. Our 9th TV commercial aired in August 2021 (image at right).



Strong Marketing and Sales Organization

Since our founding in 2007, we have pioneered the market for cloud-based contact management solutions for businesses. By providing services as a market leader, we have accumulated a high level of marketing and sales expertise related to SaaS business in Japan. Since fiscal 2018, we have been

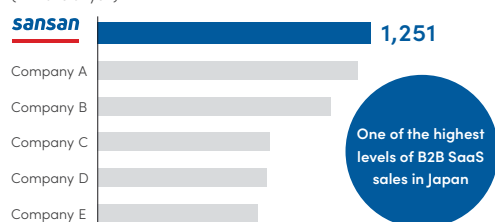
focusing on maximizing consolidated sales as a key growth strategy. As part of this strategy, we have been working to strengthen our sales departments through measures such as recruiting and training personnel, and continue to refine our expertise.

Dominant Market Position Backed by Strong Competitive Advantages

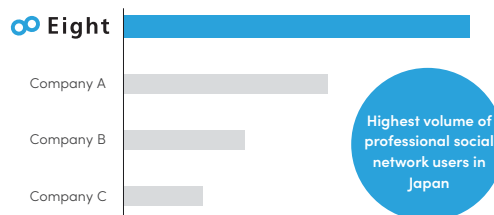
The “Sansan” and “Eight” services provided by the Group have achieved the No.1 position in Japan in key indicators such as sales and user numbers.

Domestic B2B SaaS Monthly Sales (MRR)^{*1}

(Millions of yen)



Domestic Professional Social Network Monthly Active Users^{*2}



^{*1} “Sansan” shows monthly sales of the Sansan business in May 2021 (unaudited); MRR indicates monthly recurring revenue.

^{*2} Average number of monthly active users, domestic business SNS apps, January–December 2020 (App Store + Google Play), January 2021, App Annie research

Intellectual Capital

R&D as a Source of Competitive Strength

Taking on a Wide Array of Business Data and Creating New Value and Competitive Advantage

Our Technical Organization—Past and Present

The Group's technical organization includes a research and development organization that specializes in handling data, as well as dedicated development organizations for each service. The data research and development organization has two functions. One function is to conduct R&D in areas close to existing services, such as the operational process of digitizing analog information, which is a competitive advantage. The other function is to research the creation of new data-based businesses. At the time of Sansan's founding, each of our businesses had its own operations department for digitizing business cards. As each service grew, however, these operations could not keep pace with rising demand for business card digitization. As this presented an obstacle to business growth, we subsequently consolidated the departments

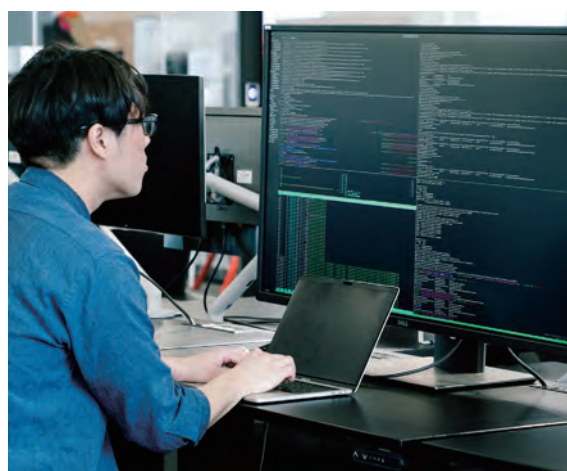
into a shared data research organization. Further, in July 2021, we reorganized not only the data research organization but also the development organizations for each service under a single cross-sectional headquarters, consolidating engineering functions that had been dispersed throughout the Company.

The goal was to build a robust technical organization that will enhance our technical capabilities and use our R&D resources effectively. This will enable us to create multiple products simultaneously as we expand our business domains beyond business card management to invoices, contracts, business events and seminars. We also aim to hone the skills of our engineering personnel, providing opportunities to grow by experiencing a range of product development, and building our organization into one of Japan's leading engineering groups.

Talented Engineering Personnel

In its approach to hiring, the Group's technical organization places a high priority on diversity. As a result, we have specialists with diverse backgrounds and expertise, whether new graduates or mid-career hires. For example, we have data scientists in the Company who are active on Kaggle^{*1} and PhD holders. In terms of fields of expertise, we have engineers who specialize in image processing, machine learning and data science related to digitization operation, as well as researchers in humanities fields such as social science and economics.

^{*1} Kaggle is an online community of data scientists and machine learning practitioners in which data scientists from all over the world compete to create the best models for solving data science challenges. About 10 Japanese people are ranked as Kaggle Grandmasters.



Supporting Business Growth with Data Research

Since our founding, we have worked relentlessly to digitize business card information rapidly, accurately, and at low cost. As a result of that effort, the ability to digitize analog information with 99.9% accuracy has become a core competence of our group. Today, the data we interact with is not limited to business card information, the evidence of an encounter between people. It also includes business information such as personnel changes and corporate news, as well as the business documents, such as invoices and contracts, which

are the evidence of encounters between companies doing business. As the data we handle expands in this way, we are keenly aware of the importance of using of data to provide value. We have thus organized the roles of our data research organizations into three categories: data generation, data organization, and data utilization. The first involves generating data from analog information collected in business. The second involves organizing that data by normalizing and enriching it. The third category focuses on utilizing the data.

Data Generation

Before data can be utilized, business information must be digitized accurately. However, analog information on a business card consists of a variety of designs and formats. Accurately converting that information into data using only machines ushers in a host of technical challenges, such as ensuring consistent image quality regardless of the environment in which the image is captured. To ensure accurate and efficient data conversion, we have combined our proprietary AI and image recognition technology with manual data entry operations. The outcome of continuous data generation has been a dramatic increase in the ratio of machine-based digitization. Today, the cost of data generation per business card is less than a tenth of what it was when the Company was founded, while the speed of data generation has increased tens of thousands of times.

Data Organization

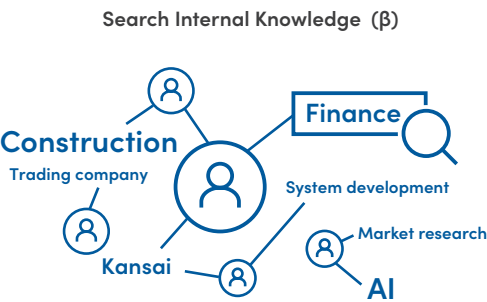
Digital transformation continues to raise expectations for companies to use a variety of business data. However, major obstacles remain when it comes to companies effectively using the data they have accumulated in their databases. For example, some information may be incomplete due to out-of-date company names or missing entries. In other cases, the data may be scattered across various business tools that were introduced over time. We have developed technology that normalizes and updates data, enriches it by adding on a variety of information, and organizes it as a foundation for effective business use. For example, with "Sansan," if the name of a company in the digitized data changes, it can be updated. Using the business card information, the new company information is then added to the database.

Data Utilization

The data research organization conducts research into issues that arise in business. It provides new value to users by effectively integrating the accurate databases generated by our various services. For example, "Sansan" provides "Sansan Labs," which includes features for optimizing sales activities and for effectively using the knowledge and personal connections of people within a company. In addition, with the objecting of providing administrative support for the revitalization and disaster recovery activities of regional governments, we are using the "Eight" business network to research "business-related population," an original index we developed to measure the degree to which business people in one region are engaged with those in other regions. We also carry out R&D to support government agencies. (see p. 49)

"Sansan Labs": Shaping the Business Scene of the Future

With the "Search Internal Knowledge" feature, users can search for colleagues who have knowledge in a specific industry or field by simply entering keywords. Or they can search on a colleague's name to check what knowledge they have. This feature can be used to select project members and gather information within a company. There is also a "Hot Lead Recommendations" feature that supports sales activities by displaying information such as key persons in sales call destinations from registered business cards.



Account-Based Marketing (ABM) Dashboard 3(β)

Business Management			
Technology			
Planning		5	
Sales			
	Section Manager	Head of department	Officer

Human Capital

Structures to Support the Growth of Our People and Our Business

Instilling Our Corporate Culture and Maximizing the Achievements of Each Employee

A Mission-Driven Corporate Culture

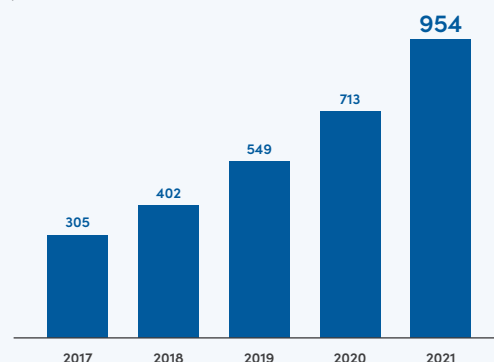
We want all our employees to continually maximize their achievements based on a firm understanding of and alignment with our mission and vision. We see this as essential for realizing the Group's corporate philosophy and accelerating business growth. With this in mind, we create opportunities to discuss our values internally. All employees consider together what our values should be and how we should uphold them to realize the Group's mission and vision. Continually reviewing our corporate philosophy in this way encourages every employee to think about the actions they should take. Such discussions give us a crucial opportunity as a company not only to foster employee growth but also to strengthen the organization. Through these discussions, we have instilled a mission-driven corporate culture throughout our organization.



A Talented and Diverse Workforce

The growth of the Group has been supported by our talented workforce, which totals nearly 1,000 employees. Throughout our organization, in functions ranging from development to sales and back office, our teams are made up of people with diverse specialties and backgrounds. At Sansan, we value our corporate philosophy and the mission-driven corporate culture we have developed since our founding. One of the most important criteria in the hiring process is whether a candidate matches these ideals. Past experience with hiring has borne this out. The more a candidate matches our ideals, the easier it is for our corporate philosophy and the individual's ambitions to align. This in turn makes it more likely that the candidate will contribute meaningfully after being hired.

Number of Employees (each fiscal year ended May 31)
(persons)



Unique Employee Empowerment

An organization grows by absorbing the expertise of its talent. Communication between employees is vital for sustaining that growth. For this reason, we have

been taking steps to improve our working environment, aiming to increase employee productivity.

Promoting Greater Understanding of Sansan and Fostering Lively Internal Communication

"Katachi" Discussions

We regularly provide venues for all employees to discuss the corporate philosophy. Because everyone addresses our values and culture together, these are crucial opportunities from the perspective of employee development and productivity improvement.

Know Me

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

Sansan Values Star Award

Using "Unipos," a service for peer evaluation and commendation, we have a system for employees to send praise to each other along with offering a small tip. We set aside occasions to give awards to employees who embody our values and receive the largest number of tips.

Sansan TV

To promote greater understanding of Sansan and foster more lively internal communication, we broadcast a video content version of the internal newsletter that summarizes various internal initiatives and features interviews with successful employees.

Knowledge Acquisition and Skills Improvement

Coacher

With the aim of improving employees' business skills, we have put in place a system that allows employees with specialized qualifications in business or educational coaching to provide one-on-one coaching.

Ocean

This system subsidizes costs associated with language learning, such as lessons with school instructors and the purchase of reference books. In this way we are supporting employees who need to learn English or Japanese, an important initiative as we develop our overseas business and hire more foreign employees.

Enabling a Variety of Working Styles

Telecommuting System

This is a system that allows employees to choose to work from home, up to a certain number of days per month. The ability to flexibly combine the working styles of office and home will lead to increased work productivity.

KISS

This system subsidizes the cost of babysitters and housekeeping services to support employees who need to balance work and child-rearing.

Flextime System for Engineering Staff

Every employee can freely adjust their daily starting and quitting hours within the designated total working hours. This enables a variety of working styles and improves work productivity.

MOM

This system fully subsidizes nursery fees and also subsidizes taxi fares for child drop-off and pick-up. We also actively encourage employees who have taken maternity or childcare leave to return to work.



Yuta Ohma

Director, Executive Officer,
CHRO

Sansan started out with just five members. Now in our 14th year, as of the end of May 2021, the consolidated number of employees had grown to 954. One of our key management strategies has been to attract strong talent. That is how we achieved such dramatic growth while creating a new market for cloud-based contact management solutions for businesses. Based on this strategy, over the years we have worked to strengthen our recruiting activities. As a result, we have been able to hire many talented people who match our mission-driven corporate culture. This strategy remains unchanged today, as we continue to accelerate our expansion into new business fields. To continue attracting talented people, we will inculcate our corporate philosophy across the Group while also working to establish systems to support a more diverse workforce, including empowering the career advancement of female employees and hiring foreign employees. We are committed to continuing to support each and every employee so that they can maximize their achievements.

Opportunities and Risks

Pursuing Opportunities while Dealing with Risks

We Take Every Possible Means to Minimize Security Risks while Pursuing a Broad Array of Business Opportunities.

Digital Transformation (DX) Is Opening Up Vast Business Opportunities

Our Group provides various cloud-based services that make use of data. While awareness of DX is increasing in Japan, the fact remains that most companies have not been able to fully take DX on board. Each business field still seems to have its fair share of inefficient workflows. We see this climate as presenting major business opportunities for us, a tailwind serving not only to help expand the Group's existing services but also to help develop new services that draw on our strengths, the technologies and expertise we have cultivated over the years.

Often in the development of cloud-based services, convenience and security come into conflict. We believe that for the growth of the Group, however, it is critical to maintain the best possible balance between the two elements. The premise of our corporate philosophy is "Balancing security and convenience." We pursue every possible measure to ensure that users can take advantage of each of our services safely and securely. So, while keeping a close eye on security risks, we are pursuing and increasing the convenience of each service.

Privacy Protection and Information Security Measures

The services provided by the Group offer various functions to manage information such as business cards for corporate and individual users. We position the handling and protection of personal information and other vital information assets as our most critical management concern. Having formulated policies for the protection of personal information and for information security, the Group rigorously manages information assets and takes every possible measure

to minimize risk. In our security system, in order to be able to respond quickly and in all directions to privacy and security risks, executive officers themselves assume the roles of CISO^{*1}, DPO^{*2}, and Personal Information Protection Managers. We have also set up a CSIRT^{*3}, a department specializing in information security across the Group.

^{*1} Chief Information Security Officer

^{*2} Data Protection Officer

^{*3} Computer Security Incident Response Team

CISO

Has responsibility and authority for the security and risk management of information systems. Oversees information security risk measures and management methods.

DPO

Main role is to monitor compliance with the EU General Data Protection Regulation (GDPR). Oversees the organization's management activities regarding data protection in accordance with legal regulations.

Personal Information Protection Managers

Supervise the status of compliance with guidelines established by the Personal Information Protection Commission, manage implementation and operation of the personal information protection management system.

CSIRT

An organization that gathers information on events that may pose a threat to information security and system vulnerabilities, monitors signs of cyberattacks and other risks, and formulates response measures and procedures.

Initiatives to Guarantee Security

Initiatives to Provide Safe Services

To offer safe services to customers, the Group carries out service vulnerability diagnostics either through a third-party agency or an in-house team of specialists.

We also provide a variety of security functions that enable users to use our services safely and securely.



Two-Factor
Authentication



Link to Active
Directory



IP Address
Restrictions



Access Control



Usage Log
Download



Cacheless Mode

Data Protection Initiatives

Since the Company was founded in 2007, we have had in place a Personal Information Protection Management System (PMS) as a measure to protect data, establishing an environment to deal with the protection of data within the company. We have also built a system that can

monitor various key data around the clock, year round by fully leveraging the latest security technology. Also, we test the security level of the system by hiring white hat hackers from outside agencies to intentionally carry out cyberattacks, and shore up any weaknesses.

Thorough Employee Education on Information Security

It is mandatory for all employees to acquire Protection of Individual Information Person qualifications. If they do not pass the exam after a certain period of time, in principle, any salary increases will be put on hold until they do. In

addition, we have rigorous procedures for handling personal and confidential information, with a specialized department conducting internal audits of information systems and the privacy protection practices of each employee.



Satoru Joraku

Executive Officer, CDO, CIO,
CISO, DPO

Since our founding, we have taken the handling of information assets to be our most critical management issue. When the Company started, all employees could fit in the same room, so there were no issues with having rules that relied on people's basic honesty. Now the Group has close to 1,000 employees. To ensure the safe, secure operation of our services, stronger risk measures are needed to create an environment where employees can concentrate on their work. In particular, we have embraced the concept of "zero trust," which is based on the premise that "nothing is trustworthy by default." Specifically, we have introduced a protection system for each terminal and a fraud detection mechanism based on user behavior, adjusted for remote work and various other working styles. We have also implemented and reinforced a system to strictly limit access permission for highly confidential databases. While we had already been conducting security monitoring of each product, we have now created a log infrastructure to enable integrated monitoring. Going forward, in addition to enhanced security monitoring operations and early detection of vulnerabilities, we will work to build a risk management system into our new business framework.

CFO Message



We aim to enhance corporate value by building a sound financial structure and making appropriate growth investments.

Muneyuki Hashimoto

Director, Executive Officer, CFO

Overview of Fiscal 2020 Results

In fiscal 2020 (the fiscal year ended May 2021), the business environment in Japan continued to require extremely difficult navigation, with the impact of the COVID-19 pandemic going on longer than anticipated and increasingly cautious corporate investment sentiment. This notwithstanding, our annual recurring revenue was up by 21.1% year on year to 16,137 million yen, one of the highest levels among SaaS companies in Japan. In addition, we were able to make aggressive investments to accelerate the pace of sales growth, such as to reinforce recruiting and the sales and development system, and in marketing activities. In particular, for our newly launched “Bill One” service, as a result of TV commercials and other advertising activities, the number of paid subscriptions continued to rise briskly throughout the fiscal period, reaching

239 at the end of May 2021. As an initiative to strengthen and expand the business portfolio, we also made logmi, Inc. a consolidated subsidiary in August 2020 and worked to further enhance the service value of both companies. In May 2021, we formed a capital and business alliance with Unipos Inc., with a view to future consolidation, and took other steps to expand our business strategy options and future growth potential by actively pursuing investment opportunities. I am aware that our ability to make such aggressive investments in the midst of an adverse business environment and uncertainties over the pandemic stems from the combined fruit of numerous measures we have taken so far while maintaining a stable balance between business development and financial soundness.

Financial Strategies for Further Growth

The Group is currently in the phase of seeking to maximize the sales growth rate by investing responsively and flexibly to capture growth opportunities. Consequently, I recognize that having a sound financial structure is critical in terms of management strategy. We have so far succeeded in building a stable foundation, largely buttressed by the Sansan business, which accounts for more than 90% of consolidated net sales. This business has a subscription-based fee model (monthly charges), which offers a source of continuous income. Also underpinning the financial structure is the low churn

rate for “Sansan,” whose average monthly churn rate over the past 12 months has been well below 1.0%. Since this service operates on an annual subscription basis, future business results are relatively easy to forecast, and its business model is expected to demonstrate steady growth. Going forward, we will continue to allocate investments appropriately across the business portfolio, including in new services, to further enhance corporate value. At the same time, by reinforcing financial monitoring and boosting productivity, we will work to build an even stronger financial structure and maximize the sales growth rate.

Outlook for Fiscal 2021

In fiscal 2021 (the fiscal year ending May 2022), although we assume uncertainties in the business environment will continue, we project that the growth rate of consolidated sales will accelerate, increasing between 3.9 points and 6.9 points year on year. This reflects our expectations that each business will grow steadily while the fallout of the pandemic will subside. Although protraction of the pandemic has cast doubt on the 30% growth in consolidated net sales we had originally forecast for fiscal 2021, we plan to implement various strategies during the period to achieve strong sales growth that will position the Group to again take

up the challenge of 30% growth from fiscal 2022. Specifically, while continuing to engage in Group-wide recruitment activities, chiefly in sales departments, we will step up marketing activities for “Sansan” that were held back during the pandemic, as well as TV commercials and other advertising activities for the fast-growing “Bill One” service. In our efforts to reinforce each service and expand the portfolio, we have positioned the use of acquisitions and various other investment opportunities as a key management strategy, and will actively explore such opportunities while carrying out appropriate risk management.

Dialogue with Stakeholders

Having obtained the approval of the Tokyo Stock Exchange, on January 21, 2021 we changed the listing for the Company's stock from the Mothers section to the First Section of the TSE. We would like to express our sincere gratitude to our shareholders, investors, and other stakeholders who have supported us. Going forward, we will continue to put growth strategies in place that maximize consolidated sales and develop various frameworks fitting for a company listed on the TSE prime market to further enhance corporate value. Moreover, especially in a business environment made uncertain by the pandemic, we believe it is crucial to actively disclose information and so will enhance both our financial and non-financial disclosure and work to engage in highly trustworthy dialogue with stakeholders.



Business Overview

Increasingly Diversified Business Portfolio

Generating Synergies by Linking Multiple Products to Multiple Services

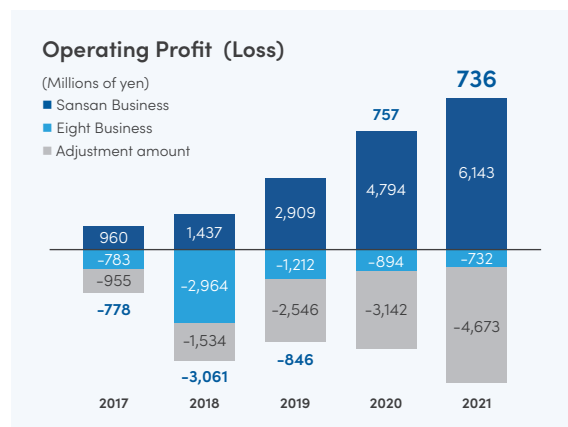
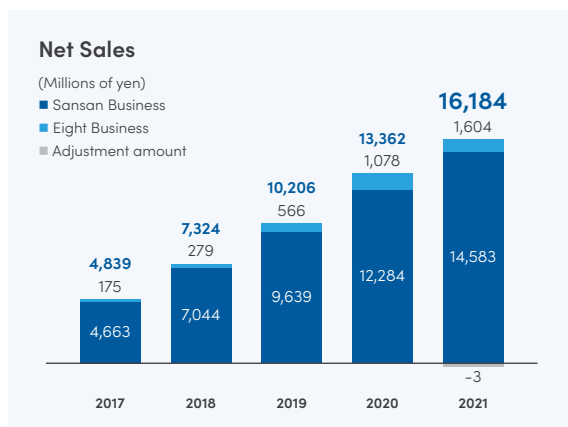
Two Reporting Segments

The Group's business consists of two reporting segments: the Sansan Business and the Eight Business. The Sansan Business, which operates the "Sansan" B2B business card-based contact management service, is a pillar supporting the growth of the Group. It accounted for approximately 90% of consolidated net sales for fiscal 2020. The Eight Business, which

develops the "Eight" business card management app, is pursuing the monetization of its network, one of the largest professional social networks in Japan, by offering a variety of fee-based services. In addition, we have been focusing on developing new services, among which the "Bill One" online invoice receiving solution continues to demonstrate strong growth.



Results by Segment (each fiscal year ended May 31)



Main B2B Services (Multiproduct)

We have built up a multiproduct business portfolio, having developed B2B services that advance digital transformation (DX), changing the way companies

and business people work, in areas ranging from business cards, invoices, and contracts to business events.

Business Card

B2B business card-based contact management service

sansan

Business Alliance

Risk Intelligence powered by Refinitiv/KYCC
Salesforce Opportunity Integration^{*1}
CloudSign Contract Management
Contacts Analysis powered by MotionBoard
Survey Tool powered by CREATIVE SURVEY

^{*1} Salesforce is a trademark of salesforce.com, inc., and is used with permission

Business Card Ordering/Printing

Business card ordering service

sansan
名刺メーカー

Invoice

Online invoice receiving solution

Bill One
powered by Sansan

Contract

Cloud-based contract digitization solution

Contract One
powered by Sansan

Organizational Communications

Peer recognition and bonus service^{*2}

Unipos

^{*2} Service provided by Unipos Inc., a capital and business alliance partner

Event/Seminar

B2B seminar management system

Seminar One
powered by Sansan

Media that transcribes all documents

logmi

Data Utilization

Data integration/utilization service

Data One
powered by Sansan

Business Management System for Accelerating Growth

We restructured our organization in July 2021 with the aim of efficiently accelerating business growth. In particular, we expect to see positive effects from our

newly established product-based organization and new Engineering Division and Business Division.

Product-Based Organization

The organization is built around our main products, which include "Sansan" and "Bill One." General managers assigned to each product area take responsibility for key tasks such as business strategy planning and profit monitoring as well as participating in business planning. This framework gives each product area the autonomy to pursue growth.

Engineering Division

We have consolidated the development departments and data research organizations of each product into a single headquarters. This will enable the effective use of R&D resources and development of skilled personnel. Each of our engineering personnel will harness their expertise to support the growth of the business and help us realize our mission. We aim for our technical organization to become one of Japan's leading engineering groups.

Business Division

We have consolidated the sales and marketing departments of "Sansan" and "Bill One" and other products into one headquarters. This will enable us to allocate optimal sales and marketing resources even more responsively and flexibly to products with high growth potential, which will help accelerate business growth and lead to greater productivity.

Change in Reporting Segments

In fiscal 2020, our two reporting segments were Sansan Business and Eight Business. Sales related to new services such as "Bill One" were allocated to each segment based on a fixed proportion, while the majority of operating expenses were adjustments not allocated to either segment. Effective from fiscal 2021 (beginning June 1, 2021), the Group has changed to having two reporting segments: Sansan/Bill One Business, and Eight Business. Through this change, we aim to strengthen our business promotion and management system, while making the Group's business more transparent to capital markets.

Sansan Business

Sansan Business Overview

With its Origins in the Digitization of Business Card Information, a Digital Transformation (DX) Service that can Change the Way Companies and Business People Work.

Description of Service

“Sansan” is a DX service that changes the way companies and business people work by enabling a wide range of data use centered on technologies that can accurately digitize business card information. “Sansan” digitizes with 99.9% accuracy the business cards users scan, generating a database with relevant organization and contact information. In addition to allowing users to spend significantly less time on inefficient business card management tasks, it offers powerful features for using data. The basic design centers on employees within a company sharing business card data, which enables the data to be leveraged effectively as a company asset by visually representing previously hidden social networks in the organization. As a business platform for solving a range of business challenges, the service also offers features that enable users to send and receive business cards online, as well as various optional features.

Basic Features

- Cloud-based business card contact management (email delivery, capturing of email signatures, contact management, personnel change information, internal communication tool)
- Virtual Cards

Optional Features

- Data One
- Sansan Meishi Maker
- Risk Intelligence powered by Refinitiv/KYCC
- Survey Tool powered by CREATIVE SURVEY
- CloudSign Contract Management
- Salesforce Opportunity Integration^{*1}
- Contacts Analysis powered by MotionBoard

*1 Salesforce is a trademark of salesforce.com, inc., and is used with permission

Fee Model

For our basic plan, we provide a plan that is used by all the employees in the user company. The monthly usage fee is made up of the license fee, calculated based on the number of business cards digitized by the user company, plus the usage fee for optional features and the scanner rental fee. The license fee is based, not on actual data volume generated each month, but on an estimate of annual data volume. When the service is introduced, we offer additional services for a fee,

such as the digitization of large volumes of business cards stored on paper and onboarding support. Before introducing our basic plan, we offered a plan that charged a fee based on the number of users (number of subscription IDs). A certain number of user companies still subscribe to this plan. This plan is for limited use by a specific department within the user company. Both plans are based on annual contracts.

Future Strategies

"Sansan" leads the market for cloud-based contact management solutions for businesses, with an 83.5%^{*2} share. We continue to achieve steady growth in this market, as shown by indicators such as the number of "Sansan" user IDs, which was up 35% year on year at the end of fiscal 2020. Nevertheless, the ratio of "Sansan" users to the total workforce in Japan remains at approximately 2%^{*3}.

We believe, therefore, that our services have plenty of room for growth, and are targeting such growth primarily through the following strategies.

^{*2} "Latest trends in business card management services and sales services [SFA/CRM/online business card exchange]," December 2020, Seed Planning, Inc.
^{*3} Denominator calculated based on the 2016 Economic Census of Activity (Statistics Bureau, Ministry of Internal Affairs and Communications); nominator calculated based on the total number of "Sansan" subscriptions and IDs.

Increasing Subscriptions and Monthly Sales per Subscription

To drive growth in subscriptions, we are stepping up recruiting activities aimed at expanding our sales structure for large corporate users while also strengthening our distribution structure through regional expansion. At the same time, to increase monthly sales per subscription, we are working to promote more widespread use of the service within user companies and to roll out optional features that provide new added value.

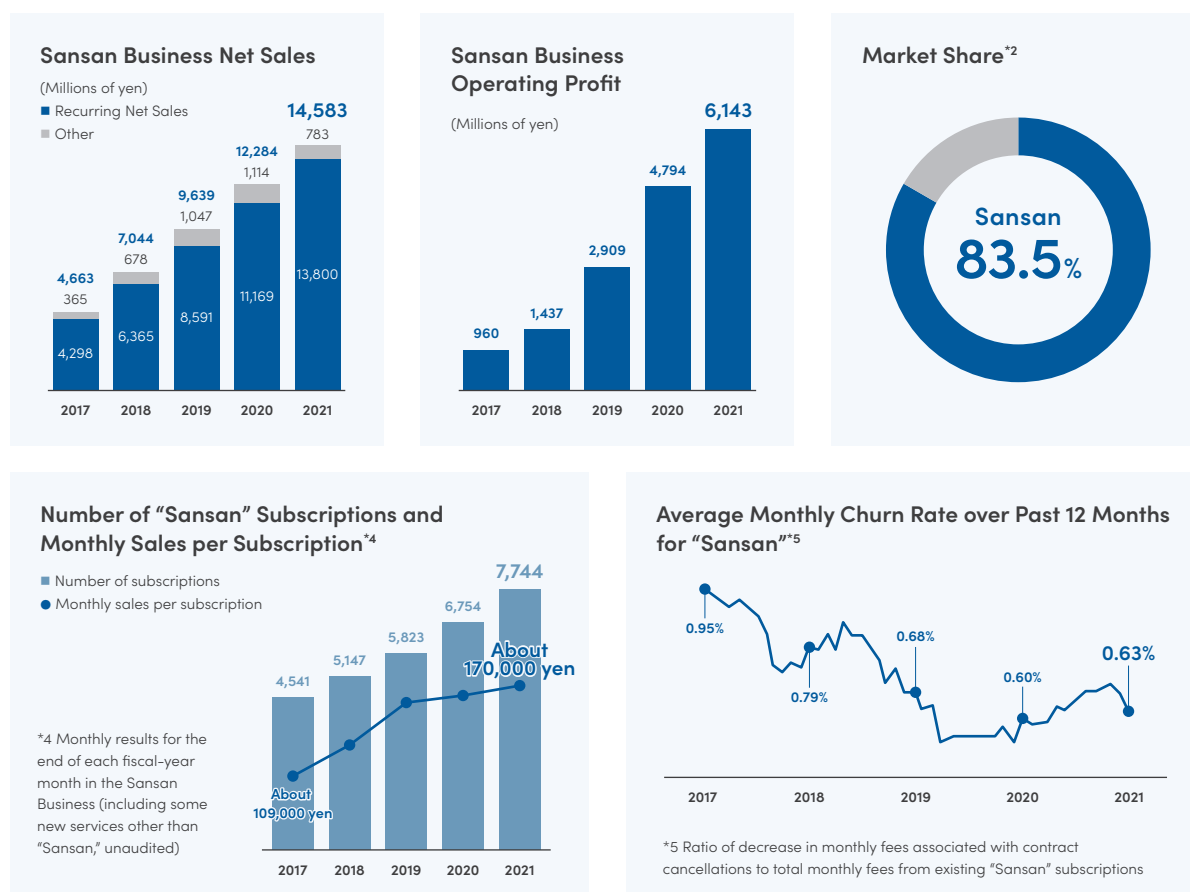
Building the Value of "Sansan" as a Business Platform

Having drawn on OpenAPI technology and pursued tie-ups with outside services, we are further enhancing the "Sansan" service by providing optional features that can aggregate the various tasks and pieces of information that are generated in the course of doing business. In this way, we aim to build the value of "Sansan" as a business platform for supporting companies in their DX initiatives. (see p. 34)

Expanding Use of "Virtual Cards"

Although the COVID-19 pandemic has brought about an increase in online discussions and meetings, this has made it impossible to exchange business cards face-to-face. This has given rise to the problems of not knowing people's names or who the key person is in meetings. The "Virtual Cards" function is a solution to such problems, which is helping to support new ways of working and enhance the value of our services.

Sansan Business Results (each fiscal year ended May 31)



Sansan Business

How “Sansan” Brings About DX

Delivering Value as a Business Platform that Solves a Wide Range of Business Challenges

From Business Card Management to a Business Platform that Helps Companies Solve an Array of Business Challenges

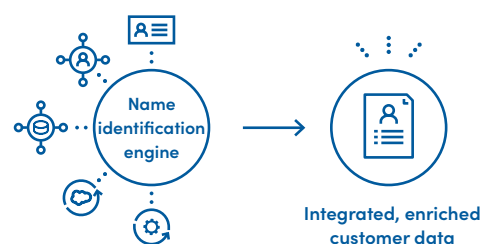
“Sansan” is more than just a tool for business card management. The service also offers numerous other features, ranging from sales and marketing optimization to compliance enhancement. The many features that have been added to the “Sansan” service and are used by customers stem from the accurate customer database that has been built up through the main business card management function. The accurate customer information is highly scalable for business

use, as well as highly compatible with cloud-based services that continue to find increasing use among companies. “Sansan” is therefore a service that meets many of the criteria needed for a business platform. By pursuing both in-house development and collaboration with outside partners, we will expand the optional features that can be used in connection with “Sansan” and reinforce its development as a business platform.

Data Integration

The customer information companies accumulate is often either incomplete due to factors such as omissions in inputting or fragmented due to the database being managed by multiple tools. Situations like these pose a major challenge to the effective use of data. “Data One” organizes databases by cleansing, integrating, and enriching data that user companies have accumulated to date, and can also create sales lists from the organized data.

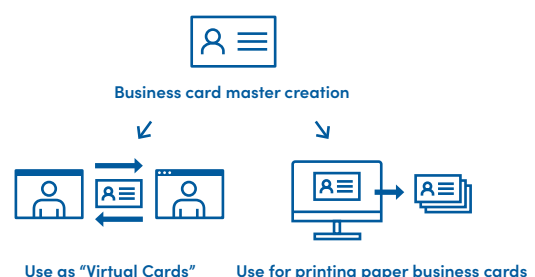
“Data One”



Business Card Creation and Ordering

“Sansan Meishi Maker” is a service that makes it easy to create and order business cards. In addition to enabling the more efficient creation of business cards, customers register the master data of their own cards on the “Sansan” service, which can then be used as their Virtual Card. We believe that promoting the use of “Sansan Meishi Maker” will feed into expanding the use of “Virtual Cards,” a key aspect of our business strategy.

“Sansan Meishi Maker”



Tie-Up between Various Operations

We are working to enhance and expand optional features that enable the consolidation of various operations on “Sansan.” Our aim is to connect the accurate customer database of “Sansan” with other operations, enabling greater efficiency and optimization for a range of operations. To add these optional features, we are not only carrying out development in-house but also strengthening integration with the services of outside partners. One example is “Risk Intelligence powered by Refinitiv/KYCC”

KYCC,” a function that allows users to check data related to antisocial forces and other compliance data simply by scanning a business card. This helps prevent oversights and significantly reduces the workload of compliance personnel. Other functions include the ability to verify contract information on “Sansan,” conduct questionnaires required for seminars integrated with “Sansan,” and ascertain “Salesforce”^{*1} business negotiation information along with internal network and business partner information.

“Risk Intelligence powered by Refinitiv/KYCC”



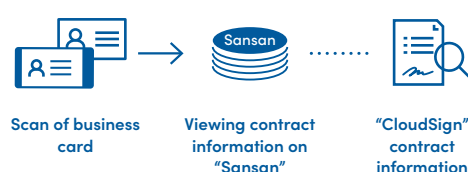
“Survey Tool powered by CREATIVE SURVEY”



“Salesforce Opportunity Integration”^{*1}



“CloudSign Contract Management”



^{*1} Salesforce is a trademark of salesforce.com, inc., and is used with permission



Kei Tomioka

Director, Executive Officer, CRO,
Managing Executive (Business
Division), General Manager of
Sansan Unit

Our overriding focus in the Sansan business is on addressing the potential business challenges of our customers. The first step in doing this is to identify those issues. Then we create ways of delivering the proper functions to solve them. This is a powerful process for evolving our product. The corporate reorganization we undertook in July 2021 was the biggest change in the Group’s history. It involves a strategy for truly evolving “Sansan” by uniting the sales and product organizations, the front-line contact points for customers. As a specific initiative, for example, we work with small and medium-sized companies that are struggling to manage their business due to the pandemic. We are helping them to move beyond customer contact management into a realm of deeper data utilization where they can find prospective customers easily. For large corporations that need to address compliance risk issues, we will enhance the value that only “Sansan” can provide, such as by helping to strengthen governance by offering a system that automatically detects fraud risks. Just as “Sansan” opened up the contact management market, it has the power to change the way companies work. Through our services, we will enable DX and deliver new value to the market.

Eight Business

Eight Business Overview

A Business Card Management App Enabling Contact Information to Be Used Effectively as a Professional Social Network

Description of Service

Unlike “Sansan,” which is used through a corporate subscription, “Eight” is a business card management app whose basic design is geared toward individuals. Users need only register their own business card information to use its basic features for free. As a basic feature, users can manage their business cards on “Eight” using the dedicated app, simply by taking pictures of business cards they have collected using a dedicated app. The app also offers a feature which enables users to manage their business career profile by adding their own previous business cards and details such as work experience and skills. If the owner of a business card saved to “Eight” is also an “Eight” user, both users can connect with each other on the app, which also functions as a professional social network. This allows the use of a variety of network features, such as exchanging messages between users and receiving notifications when business card

information is updated. The app also features “Virtual Cards.” By bringing together all of these features, “Eight” maximizes the use of business encounters that individuals have accumulated as assets and also serves as a business platform to help business people solve the problems they face.

Basic Features

- Business card management
- Profile management
- Messaging feature
- Social network
- Notifications about updates to contacts' business cards
- Business news
- Virtual Cards
- Virtual background
- Event information

Fee Model

While the basic features of “Eight” are available free of charge, it also offers a premium service for individuals. For businesses, in addition to business

card management, we also provide a variety of premium services that use the “Eight” network.

B2C Services (premium service for individuals)

Business card management service	“Eight Premium”	Fixed monthly fee	This service allows the use of optional features such as downloading business card data or digitizing all items of business cards.
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B2B Services (premium service for businesses)

Business Card Management Service	"Eight Company Premium"	Fixed monthly fee (annual subscription)	This is a service that allows companies to manage their business cards using "Eight." Mainly geared toward small businesses, it is differentiated from "Sansan" both in terms of its target users and features.
Advertisement Service	"Eight Marketing Solutions"	Pay-for-use charges based on delivery volume ^{*1} (fixed-term subscription)	This is a service that enables distribution of advertisements to "Eight" users via the app timeline.
Business Events	"Meets"	Fixed fee ^{*2} (pay-for-use charges)	This is an event service that addresses challenges such as acquiring business leads by enabling companies to optimize the way they attract customers.
	"Climbers"	Fixed fee ^{*2} (pay-for-use charges)	This is a large-scale event service that enables a variety of PR and marketing activities targeting the young business people and executives who participate.
Recruiting Platform	"Eight Career Design"	Fixed monthly fee ^{*3} (fixed-term subscription)	"Eight Career Design" is a recruiting platform that companies can use to approach "Eight" users.

^{*1} There is a minimum ad placement fee and also a normal advertisement menu. ^{*2} There are multiple fee settings depending on the type of event held, etc.

^{*3} There is an additional charge when a decision to hire is made.

Future Strategies

"Eight" is Japan's leading business card management app and professional social network^{*4}. It has a large user base, which we are working to expand further. The overall business is in a phase of upfront investment, with basic features provided to individuals

free of charge. To target future earnings, we are focusing on augmenting monetization of B2B services.

^{*4} "Average number of monthly active users, domestic business SNS apps, January–December 2020 (App Store + Google Play)," January 2021, App Annie research

Expanding Use of "Eight ONAIR"

We are working to expand the use of "Eight ONAIR," launched in May 2021. By consolidating an array of business event information on the "Eight ONAIR" platform, we will raise user awareness of "Eight" as a highly convenient service, and attract new users previously difficult to reach. We also expect to increase the active user rate of the "Eight" service by targeting existing users who do not frequently access the app, which was previously intended for business card management.

Expanding Use of "Virtual Cards"

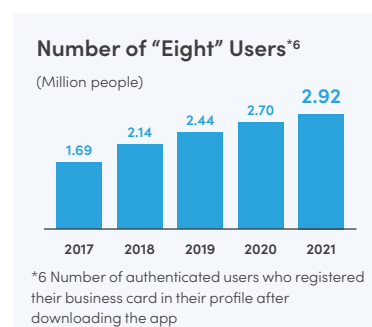
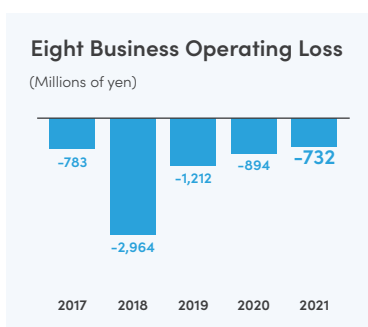
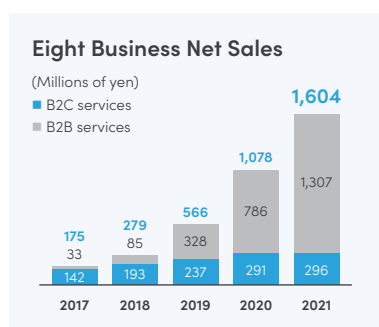
To further expand use of the "Virtual Cards" feature, "Eight" released a virtual background with QR code^{*5} in May 2020. In addition, in August 2020, we enhanced the connectivity with "Sansan" to enable smooth online business card exchange between "Sansan" and "Eight" users. We are also actively working to create opportunities for use in conjunction with business events.

^{*5} QR Code is a registered trademark of DENSO WAVE INCORPORATED

Augmenting Monetization of B2B Services

In tandem with augmenting monetization of our existing B2B services, we are also working to develop new services. Our second "Climbers," a new business event for young business people, attracted the largest number of entries of any event we have hosted to date. In August 2020, the Group acquired shares of logmi, Inc., a company that operates transcription media for seminars and events, making it into a consolidated subsidiary. We now operate logmi as part of the Eight Business, and we are strengthening this business as one of our main B2B services.

Eight Business Results (each fiscal year ended May 31)



Eight Business

An Evolving Business Network

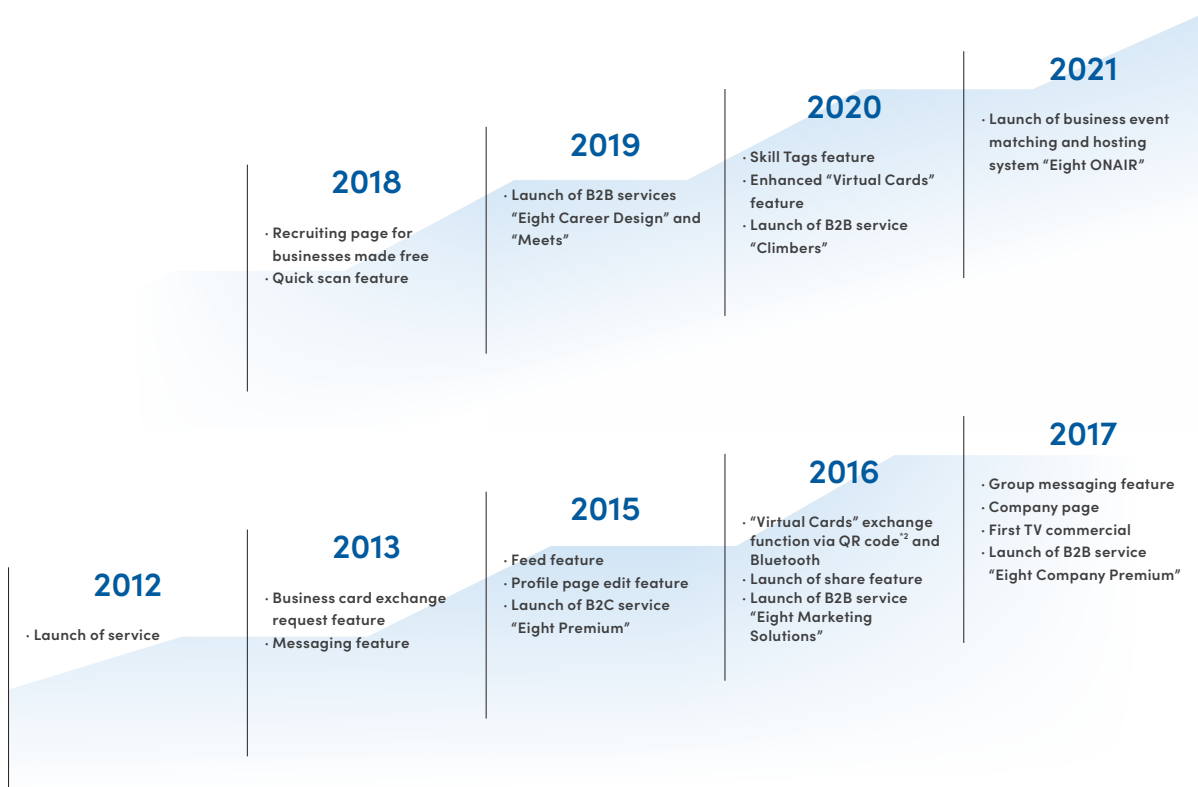
A Business Platform that Creates New Encounters from Personal Business Connections

Becoming a Business Network

"Eight" is a business card management app that focuses on consolidating people's business connections as information and managing them as assets. We have been expanding its features since its launch in 2012. Specifically, by adding messaging, profile, and "Virtual Cards" features, we have cultivated "Eight" from being an app for simply storing business card information into an app that capitalizes on business connections. As a result of these efforts,

the number of "Eight" users had grown to more than 2.9 million as of May 2021. It has evolved beyond a business card management app to become the professional social network with the highest utilization rate^{*1} in Japan.

^{*1} "Average number of monthly active users, domestic business SNS apps, January–December 2020 (App Store + Google Play)," January 2021, App Annie research



^{*2} QR Code is a registered trademark of DENSO WAVE INCORPORATED

Network-Based Monetization Plan Unique to “Eight”

“Eight” not only has a large user base and a high active user rate, but its network is distinctive in that profile information registered by users is generated from their own business card information. This means the network

is strongly suited to a business context. We are leveraging the network to create various B2B services, such as advertising, business events, and recruiting services (see p. 37), with a view to augmenting monetization.

Initiatives to Enhance Network Value

“Eight” has been able to constantly expand the user base without incurring sizable user acquisition costs. Going forward, however, further enhancing the network’s value will necessitate further expanding the

user base and improving the active user rate. The Group is currently working on the development and delivery of new services and functions to support the achievement of these goals.

Business Event Matching and Hosting System “Eight ONAIR”

Launched in May 2021, “Eight ONAIR” is a highly convenient service both for event participants and organizers. Participants can discover the most relevant event information for themselves from the “Eight ONAIR” tab on “Eight.” Since they have previously registered their own profile information on “Eight,” they can easily participate in an event with just one click. Organizers can use the “Eight” network to share event information for free by simply entering the event information. Since the participant data information derives from accurately digitized business card information, it is possible to acquire high-quality lead information. We will continue to constantly

expand the number of events posted. In this way, we expect not only to increase the active user rate among existing users, but also to help acquire new user groups that were difficult to reach so far.



Kenji Shiomi

Director, Executive Officer,
CTO, Managing Executive
(Engineering Division, Eight
Division)

“Eight,” the business card management app, has evolved from a simple business card management service into a platform for capitalizing on the information contained in business cards. To target future growth in this area, we believe we have to find ways of evolving “Eight” into a platform that can provide more value than ever to users in the context of digital-to-digital interactions. For example, with the “Climbers” business event for young business people, we were able to attract one of the largest crowds ever by making use of the “Eight” network. This represents a value that is unique to “Eight” that is not possible through the “Sansan” service. We are currently working on a range of further initiatives to augment the monetization of our various B2B services and deliver new services to users. By leveraging the user base and wealth of valuable data of “Eight,” our hope is that it will become a platform for creating new encounters, and we will build up the platform into a major earnings driver for the Group, taking its place alongside “Sansan” and “Bill One.”

New Services

Creating and Delivering New Services

Using Strengths of Existing Services to Expand into Business Fields Where Digital Transformation (DX) Is in Demand

Increasing Need for Business Innovation Based on DX

The COVID-19 pandemic added to the many challenges already facing businesses as they strive to achieve efficiency in their workflows. Companies now have to adapt to changing working styles, including remote work and sales activities conducted without face-to-face meetings. For many companies, business innovation based on DX has become a pressing issue. Against this backdrop, the DX market^{*1} is expected to reach 3,042.5 billion yen in 2030 (a 2,251.3 billion yen increase compared to 2019),

while the domestic SaaS market^{*2} is expected to reach 1,117.8 billion yen in 2024 (a 516.2 billion yen increase compared to 2019). Growth will be driven by shifting awareness of DX and interest in SaaS business spurred by changes in employment and working styles, the use of big data, and the obsolescence of existing systems.

*1 "2020 Future Outlook for the Digital Transformation Market" Fuji Chimera Research Institute, Inc.

*2 "New Markets in Software Business: 2020 Edition" Fuji Chimera Research Institute, Inc.

Creating New Services that Facilitate DX

The Group is working to create new services that facilitate DX for companies, leveraging the strengths and knowledge we have accumulated through our existing services. Specifically, we are applying our technology for digitizing analog information—originally developed for business cards—to other business fields, to deliver new services for invoices and contracts. Processing invoices and filing contracts involve many inefficient workflows conducted through the exchange of paper documents. The Group's services make it possible to accept invoice data online and simultaneously digitize the entire array of related workflows. For this reason, companies are increasingly adopting our services as solutions to their DX challenges. We are also working on providing new services that streamline workflows in the field of business events and seminars. In these fields, many analog workflows such as fax and mail still serve as the mainstream methods

of attracting customers in Japan. Moreover, the rapid shift to online events in the wake of the pandemic has caused a sharp rise in new issues unique to online venues. In response to these issues, we are supporting businesses in their DX by combining existing services and functions the Group has created to date to create solutions that can address a wide range of challenges. Such efforts led not only to the launch of our existing "Sansan" service but also to a number of new B2B services, which now constitute what could be described as a multiproduct business portfolio. Going forward, we will work to ensure that this multiproduct portfolio gains widespread recognition as a form of "Business infrastructure." To this end, we will not only enhance the functions of each service and steadily expand distribution, but also continue to address many potential customer issues as we focus on creating our next new service.

Business Fields that the Group Takes on

Business Cards

sansan

Eight

Expanding technology to digitize analog
information into other fields

Generating synergies by combining with
existing services

Invoices

Bill One
powered by Sansan

Business Events and Seminars

Seminar One
powered by Sansan

Contracts

Contract One
powered by Sansan

Smart Entry
by Eight オンライン名刺

Smart Pamphlet
by Eight オンライン名刺

Cloud-Based Contract Digitization Solution “Contract One”

“Contract One” is a contract-related business solution using our unique technology and operations. Because contracts rely mostly on paper, they involve inefficient processes such as collating, stamping, and mailing, which are a major impediment to companies’ efforts to boost productivity by introducing remote working and other new working styles. Moreover, from the perspective of complying with the Act Concerning Preservation of Electronic Books, which is due to be revised in January 2022, revising contract management workflows is a management issue for many companies. “Contract One” addresses these issues and supports the efficiency of contract management and utilization of contract information for user companies, as well as helping to realize new working styles. Specifically, by accurately digitizing paper-based contracts through the “smart ledger” function, all contract information, both paper-based and electronic, can be centrally managed, leading to the visualization and effective use of contract information. In addition, we are planning to add features to improve workflows that are made inefficient by the need for a person to be physically present when concluding paper-based contracts.

Contract One
powered by Sansan

New Services

Online Invoice Receiving Solution

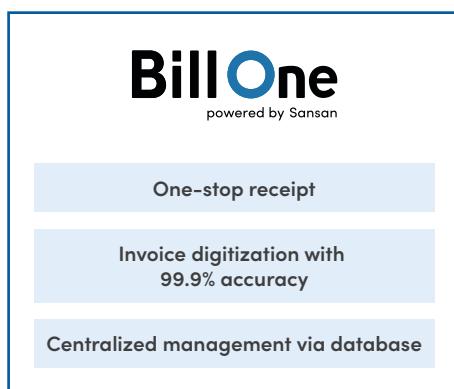
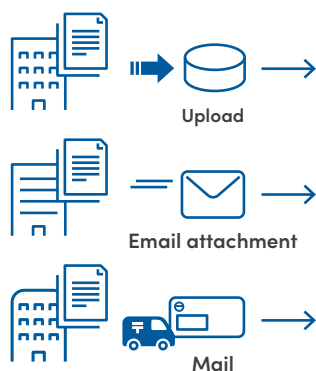
Fast Monthly Closing and More Efficient Work by Enabling Users to Receive, Digitize, and Centralize Invoices

Service Description

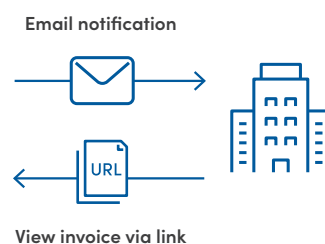
"Bill One" is a DX solution that helps companies make faster business decisions by allowing the online receipt of all invoices sent to multiple offices and departments of a company in both paper and PDF formats, boosting the efficiency of invoicing work across the organization. Paper invoices are received by the "Bill One" scanning center on behalf of the customer and converted into data quickly, with 99.9% accuracy. "Bill One" also digitizes PDF files and other invoices received by email or other means. In addition to enabling digitized invoices to be viewed on a cloud

platform, various workflows such as invoice confirmation and approval can be completed online, helping to expedite monthly accounting procedures. Moreover, invoice information is centrally managed in a highly searchable database, making it easy to search for data. This not only improves business productivity, but also enables the use of data to control costs, generate sales opportunities, and maximize future profit opportunities. The data can also be used in conjunction with other companies' services, such as accounting systems.

Company issuing the invoice



"Bill One" user companies



Ability to Receive All Invoices Online

Users can receive online invoices sent in various formats and by various means. Issuers can continue to send invoices as before, simply by changing the sending address. The system supports remote work and paper-free operations.

Building Business Flows to Respond to Regulatory Revisions

Invoicing has reached a turning point in Japan, as reflected in the revision of the Act Concerning Preservation of Electronic Books and the introduction of a standardized invoicing system, and has become a management issue for companies. "Bill One" is a service that helps solve such issues, making it possible to build business flows that respond to regulatory revisions.

Improving Productivity Not Only in Accounting But Across the Entire Organization

"Bill One" boosts productivity by digitizing various work flows involved in accounting. In addition, by digitizing invoice-related exchanges internally and with companies that issue invoices, the solution speeds up invoice delivery and accelerates monthly accounting operations.

Fee Model

The fee for using “Bill One” consists of an initiation fee including onboarding support by a dedicated consultant and a monthly fee that is calculated based on the number of invoices to be digitized at the user

company. For corporations with 100 employees or fewer, we offer a Small Business Plan in which the initial and monthly fees are waived, subject to certain conditions.

External Environment and Business Issues that “Bill One” Addresses

While DX and the realization of new ways of working have become pressing issues for companies, most invoicing continues to be analog. This requires people to come to the office to process paper invoices—an obstacle to adopting remote work. There have been moves in Japan to address these issues for both public- and private-sector entities, such as the revision of the Act Concerning Preservation of Electronic Books and introduction of a standardized invoicing system. Along with other member companies and organizations

in the E-Invoice Promotion Association, the Group is actively engaging in discussions with a view to the introduction of an invoicing system, slated for October 2023. Sansan was appointed as organizing company for the Association in September 2021. We see this environment as a tailwind driving more widespread growth in the “Bill One” service. We have already received highly positive feedback for the service’s role in supporting some small and medium-sized companies that had lagged behind in digitalization.

Future Strategies

Like “Sansan,” “Bill One” is a service that targets all companies in Japan, regardless of their industry or size. We therefore see it as having vast market

potential. We are working to expand its penetration further, mainly through the following measures.

Strengthening Sales and Marketing Activities

In our recent organizational restructuring, we established an operating structure that enables us to allocate resources even more responsively and flexibly. Against this backdrop, we will work to expand sales activities, implement cross-selling with “Sansan,” and further expand our sales structure through more active recruitment. We will also strengthen our advertising and marketing activities in TV commercials and other areas.

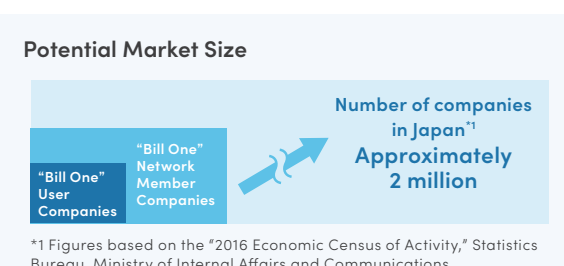
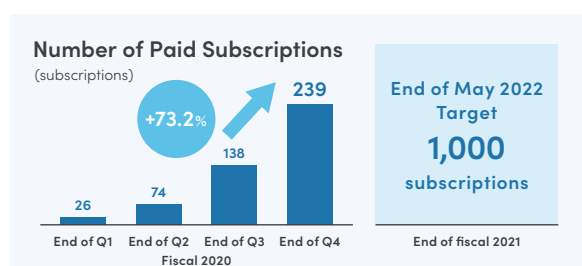
Increasing the Number of Companies Participating in the “Bill One” Network

The network consists of companies that exchange invoices on the “Bill One” platform (senders and recipients). Since each user will receive invoices from multiple senders, the number of companies participating in the network will expand at a faster rate than the number of users. We are working to further expand the network by offering it free of charge to some small and medium-sized companies.

Enhancing Features through In-House Development and Outside Collaboration

In addition to accounting operations, invoice data can be used to optimize procurement applications and to generate sales opportunities. We are therefore positioning enhancing functionality in this service as a highly critical measure. Going forward, instead of solely pursuing in-house development, we plan to expand tie-ups with the core systems of other companies, including their accounting systems.

“Bill One” Paid Subscriptions and Potential Market Size



New Services

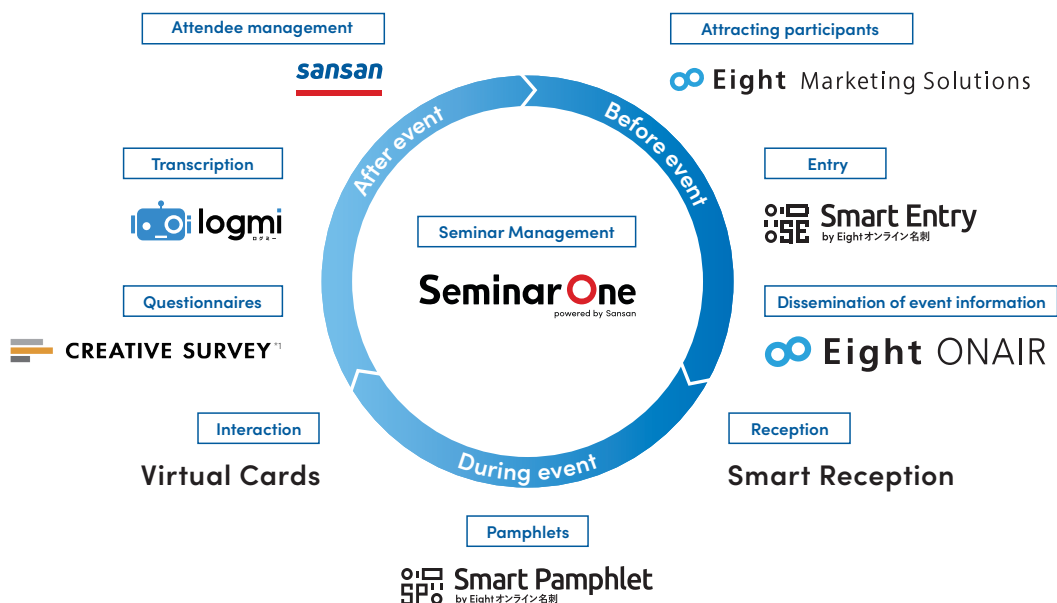
Event Tech Services

Bringing Services Together to Solve the Challenges of Business Events and Seminars

Event Tech Services Portfolio

Businesses in Japan host a wide variety of events, from exhibitions and conferences to small seminars. However, event management is rife with many inefficient, analog management flows. We believe that many fields offer substantial room for optimization through digitalization. Challenges in business event management are not limited to offline events. The rapid shift to online events in the wake of the COVID-19 pandemic has also unearthed many other issues. In offline pre-event activities to attract customers, for example, the mainstream approach still relies on analog processes such as announcements through direct mail marketing and event registration via fax. For online events

also, entering information into an online registration form is time-consuming for participants. In many cases information is omitted, or incorrect information is entered. In response, the Group has combined various services to create an event tech service portfolio that offers an array of solutions aimed at solving the full range of operational and management issues that arise before, during, and after business events and seminars. Going forward, we will expand our portfolio by strengthening existing services and creating new services. Over the longer term, we hope to grow the event tech service into a major earnings driver for the Group.



*1 Services provided by the Group's equity-method affiliates

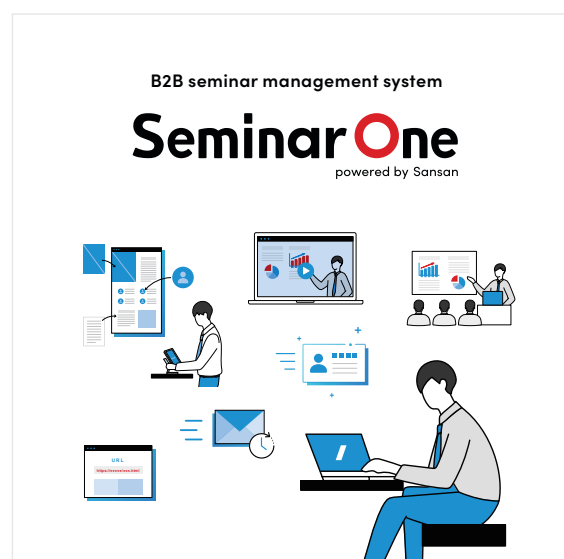
Overview of Main Services

Among event tech services, our main service is a bundle of solutions that address issues related to the management of business seminars. The pandemic has driven rapid growth in the demand for online seminars. However, as we look beyond

to the post-pandemic era, we can expect that a hybrid seminar format, a blend of offline and online elements, will become the norm. The following main services offer solutions that we expect to be effective for any format.

“Seminar One”

This B2B seminar management system enables easy and effective event management for seminars. Specifically, it offers a package of seminar-specific features that allow even users without specialized knowledge to manage event operations, ranging from creating an application page to holding the seminar itself and managing reception, as well as building an accurate visitor database. In addition, the system supports users in efficiently producing results by leveraging seminars in their marketing and sales activities, such as importing seminar data into marketing automation tools. Integration with “Sansan” also makes it possible to manage participants’ customer data. The pricing model consists of an initiation fee for system onboarding and a monthly billing plan based on the number of seminars held and the number of leads secured.



“Smart Entry”

This is a new generation data entry system that uses “Virtual Cards” information provided by the “Sansan” and “Eight”. Registration forms for events and requests for information are time-consuming to fill out. Registrants often quit midway through or enter incorrect information. With this service, the registrant simply takes a picture of the QR code^{*1} with their smartphone and the precise information from their “Virtual Card” is sent to the form to complete registration. Moreover, even if registrants do not have a “Virtual Card” they can use the service simply by taking a picture of a business card.



^{*1} QR Code is a registered trademark of DENSO WAVE INCORPORATED

“Smart Pamphlet”

This service enables pamphlets to be distributed and received online. Distributing pamphlets at offline seminars and exhibitions is a key marketing tactic for companies, but one that still involves many analog workflows such as printing, transporting, and managing pamphlets in large quantities. With this service, a user company can simply post the brochure data to a setup screen to generate a

QR code^{*1} that links to the relevant information. Visitors can then view the brochure that they receive as data by simply scanning the QR code.^{*1} Visitors’ “Virtual Card” information is simultaneously sent to the host company, enabling it to approach potential customers and maximize business opportunities while optimizing its operations.

Sustainability Policy

Aiming for a Sustainable Society








Pursuing Sustainable Growth in Corporate Value by Enhancing Transparency and Contributing to Society through Business

Sustainability Policy

Guided by our mission of “Turning encounters into innovation” and with a vision of seeking to “Become business infrastructure,” we are expanding our range of services. We believe the contributions we make to solving social issues through our business activities will help to build a sustainable society, which will in turn lead to the Group’s sustainable growth and the enhancement of corporate

value. This enables us to pursue the sustainable growth of our business while maximizing corporate value. Based on sound corporate management, and taking stock of the environment, business conditions, and business stage of the Group, we will pursue sustainability activities that lead to growth by identifying and addressing what we can do now, for the sake of the future, through our core businesses.

Our Approach to the Sustainable Development Goals (SDGs)

Development Goals	The Group's Approach	Initiatives and Structures
	Systems and Working Environment to Support Women's Careers To achieve our corporate mission and vision and accelerate corporate growth, we believe it is vital for each and every employee to maximize their output and maintain sustainable growth. To this end, so, we are working to establish environments to increase employee productivity. In addition to the maternity leave system for female employees, we have established a system to encourage the early return to work following childcare leave, aiming to create a comfortable working environment for all employees regardless of gender.	“MOM” (see p. 25) “KISS” (see p. 25)
	Solving Company Issues and Contributing to Changes in Working Styles through Our Services The Group's services make up a business platform that enables a wide range of cloud-based tasks, helping companies pursue digital transformation (DX) and working style reforms, including remote working. Our services contribute to increased productivity by accelerating work processes and help generate new sales opportunities by enhancing data utilization.	Providing services to solve social issues (see p. 30)
	Contributing to an Information Technology Society Because the Group handles business cards and other highly confidential business information, information security is critical. We are committed to ensuring security, and have mechanisms in place to prevent information leaks in our systems and operations. The digitization and data utilization teams in our R&D organization release several research reports each year. We are also supporting the establishment of a technical college, with the aim of encouraging the development of entrepreneurs who will change our world.	Information security initiatives (see p. 26) Original technology development and research reports by the R&D organization (see p. 22) Supporting Establishment of Kamiyama Marugoto College of Design, Technology, and Entrepreneurship (provisional name) (see p. 49)
	Services that Enable Paperless Operations We see substantial room for optimizing the way business tools such as business cards and other paper-based business tools are used and managed. The “Virtual Cards” and “Smart Pamphlets” that our Group provides both solve business problems and make transactions paperless by enabling analog information to be digitized and used as data.	“Virtual Cards” (see p. 32) “Smart Pamphlets” (see p. 45)
	Conserving Forests by Planting Trees We recognize the importance to society of restoring natural capital in order to achieve sustainable business activities. We plant one tree in a disaster-affected area of Japan every time the total number of business cards digitized in our “Sansan” service reaches the equivalent of one tree.	“Scan for Trees” (see p. 47)
	Service to Strengthen Corporate Compliance One of the optional features of “Sansan” is the ability to comprehensively check uploaded business card information for any connection to antisocial forces. Through this service, we are supporting companies in their efforts to strengthen their compliance.	Offering “Risk Intelligence powered by Refinitiv/KYCC” (antisocial forces check) (see p. 35)
	Using Partnerships to Solve Social Issues To ensure that non-profit organizations can use “Sansan” services over the long term, we offer customized special pricing plans for NPOs. We also share the knowledge and results obtained by our R&D organization with government agencies to support their policy planning and implementation.	“Sansan for NPOs” (see p. 48) Supporting Evidence-Based Policy Making (EBPM) (see p. 49)

Environmental Conservation Activities Linked to Business

We contribute to the sustainability of natural capital through business cards, the starting point of all our services.

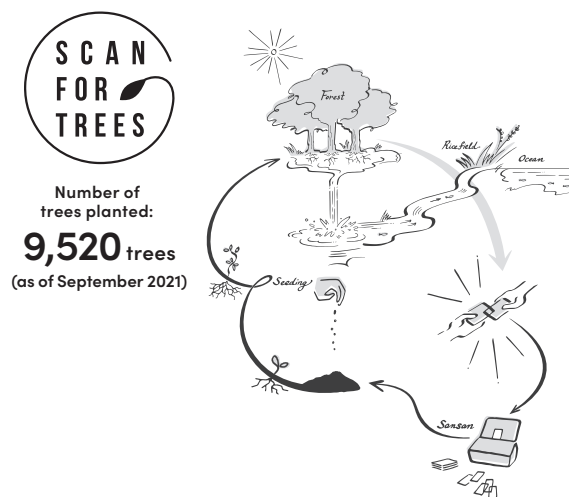
Policy for Addressing Climate Change

The Group's business centers on the planning, development, and sales of cloud-based solutions that promote digital transformation and reshape how we work. As we do not expect a significant business impact from climate change issues, our disclosure is not based on the Task Force on

Climate-related Financial Disclosure (TCFD), but we see dealing with such issues as vital to stable economic development and the foundation of people's lives. We are pursuing measures including energy conservation, digitization of documents, and allocating part of earnings to tree planting.

"Scan for Trees"

Every time the number of business cards digitized in our "Sansan" service reaches the equivalent that can be produced from one tree, a tree is planted in a needed area, such as in Miyako City, Iwate Prefecture, Osaki City, Miyagi Prefecture, and other areas affected by the Great East Japan Earthquake. Our count includes scanned paper business cards, "Virtual Cards," and other digitally imported cards. Even in an era of greater remote work, we are using business cards, the starting point for all our services, to support reforestation and restoration of disaster-affected areas.



Tree Planting Activities

Miyako City in Iwate Prefecture has thriving agriculture, forestry, and fishing industries and was renowned as one of Japan's best fishing grounds, but the Great East Japan Earthquake caused extensive damage to coastal fishing. Pastures in Osaki City in Iwate were abandoned by farmers forced to withdraw from the livestock trade after the earthquake. Through our tree planting in these areas, new trees will grow into forests over decades. Abundant water sources there will benefit the soil on lower ground and support the restoration of towns and fishing grounds.

Social Initiatives

Highly Diverse Social Activities

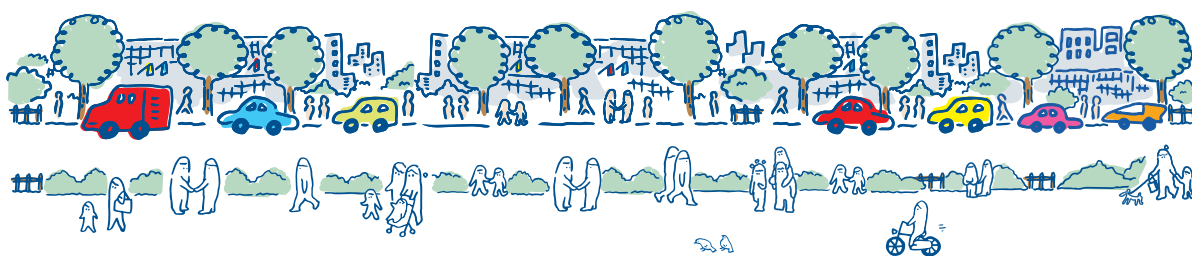
We Conduct Social Activities from a Wide Range of Perspectives, including Encounters and Connections with People, Data, and Technology.

“Kodomo Meishi Project”

We provide children with their own business cards in an educational support project mainly geared toward preschool and early elementary school children. In this Kodomo Meishi (kids’ business cards) Project, we create original business cards that reframe children’s favorite activities as types of work. This helps children understand the meaning of encounters between adults that begin with exchanging business cards. Using workshops and other formats, we also communicate the value of all encounters and the importance of working with others to create something. We also distribute original picture books about encounters using business cards, to encourage parent-child communication that starts with reading together.

“Hajimete no Meishi”

“Hajimete no Meishi (their first business card)” is a free online service that allows children to create business cards with their dream as their future job. Exchanging these cards with family and friends gives children a chance to talk about their dreams and learn more about their parents’ work, and hopefully also develop a sense of self-worth. The service is used as a communication tool at family days, nursery school workshops, sponsored events, and other Group-organized events.



“Sansan for NPOs”

We give support to NPOs through Group services. Specifically, our B2B business card-based contact management service, “Sansan,” which has been widely adopted by small businesses with several employees as well as major corporations and government agencies, is also provided in an NPO service plan with a customized special pricing plan so that NPOs can continue to utilize the services over the long term. To engage in social

contribution activities, it is important for NPOs to build long-term relationships with the government and philanthropists. At the same time, NPOs often do not have sufficient resources for managing contacts. By creating a pricing plan that makes it easier to adopt “Sansan,” with its focus on business cards and various functions that go beyond just managing and sharing contacts, we support the social contribution activities of NPOs.

Supporting Establishment of Kamiyama Marugoto College of Design, Technology, and Entrepreneurship (provisional name)

We are supporting the establishment of Kamiyama Marugoto College of Design, Technology, and Entrepreneurship (provisional name). Through our support of this school, which has the concept of being “a school that changes the future of humanity through technology and design,” we encourage the development of entrepreneurs who will change our world. The college will offer courses on cutting-edge technology in areas such as IT and software as well as design focusing on user interface and user experience that give shape to ideas. The curriculum will seek to foster an entrepreneurial spirit to create social change, and raise up “people who can accomplish great things by creating great things,” who can launch business

ventures that bring about social change in any context. The Group has set up a support office to provide the college with marketing, design, PR, and other knowledge cultivated through our business operations. We are aiming at building a world where working people will naturally use Sansan’s services as business infrastructure and more creatively achieve innovation.



“Yoiko for CSR”

We have a program “Yoiko for CSR” through which we support socially beneficial activities planned and carried out by our employees. When a group of three or more employees engages in social contribution activities, our support system includes special leave for CSR activities, support for activity expenses, and permission to use our business sites nationwide. As part of our CSV activities, this initiative aims to raise the Company’s social value and improve productivity by promoting interaction among employees.

“Chotto de Motto for Mama”

Based on the idea that small adjustments can make a difference, this program supports returning mothers, offering advice on dealing with work and incorporating childcare into life planning. In roundtable discussions and webinars, mothers working at Sansan share tips and insights to help colleagues balance work and childcare without losing a sense of fulfillment. We also help foster career building by holding seminars for mothers within and outside the Group.

Supporting Evidence-Based Policy Making

Through the Group’s data-related research and development, we support efforts by government agencies to apply Evidence-Based Policy Making (EBPM). EBPM is the notion that policy formulation should be based on rational evidence after clarifying policy objectives, rather than relying on ad hoc episodes. We support policy planning and implementation by government agencies using data from the “Eight” business network to the extent permitted by the terms of use. After analyzing anonymized data, we provide knowledge and findings that serve as information and data (evidence) relevant to policy evaluation and verification.

“Business-Related Population”

A “related population” falls between a region’s resident population and the “exchange population” of visiting tourists. Drawing on the expertise of Sansan researchers and data scientists with social science backgrounds, we developed a unique index that captures “business-related populations” in terms of business connections based on business card exchange data, which can clarify degrees of interaction between business people and local municipalities not previously available. We are working to apply this to regional revitalization policy, monitoring of regional vitality, and other regional development efforts.

Governance Initiatives

Corporate Governance

Establishing a Governance Structure to Ensure Sound, Transparent Management



Yasuko Yokosawa

Outside Director,
Audit & Supervisory
Committee Member

Interview with an Outside Director

This fiscal year marks my fourth year since becoming an outside director at Sansan. So far, I have participated in discussions of the Board of Directors and offered insights, mainly from the standpoint of maintaining solid governance, drawing from my experience to date as a lawyer working in corporate management and M&A. I also chair the Audit & Supervisory Committee, whose four members are all outside members, three of whom are independent officers. As members of the Audit & Supervisory Committee, each of us oversees management from our own professional ethical standpoint. Our opinions are then consolidated and submitted to the Board of Directors.

Having first listed on the Mothers section of the Tokyo Stock Exchange in 2019, the Company changed its market listing to the First Section of the TSE in 2021. In the process of preparing for these corporate actions, governance

topics were actively discussed at Board meetings. For example, regarding topics related to human resources, such as promoting the career advancement of women and ensuring diversity, as a female executive myself who is raising children, I have had many opportunities to draw on my knowledge from my experience as a lawyer working on labor cases. I believe the Group has done well in providing a supportive working environment and well-organized systems for childcare support. I feel that some work remains, however, in terms of the recruitment of women. In terms of job positions in the Group, hiring of women in the development area has not made as much progress as in the sales and back office areas. While it is important to address this issue through recruitment activities, part of the problem is the low proportion of women with a STEM background in

society as a whole. The Group is working to confront this larger social issue as well, supporting the establishment of Kamiyama Marugoto College of Design, Technology, and Entrepreneurship (provisional name), a college focusing on the concepts of technology and design. My hope is that these activities will have a positive social impact in the future.

In terms of evaluating the business side, I think a major strength of the Group is the speed of its management overall. When I joined Sansan as an outside director, the core parts of the main business, “Sansan,” were already in place. We were discussing how the Group could expand the value of the service for users and increase its popularity in society. The Group addressed these priorities through appropriate measures such as reinforcing recruiting, revising its sales structure, and undertaking a major reorganization. I also feel that it is particularly commendable that, even amid the COVID-19 pandemic, the Group has been able to achieve growth by creating new businesses, such as the “Bill One” online invoice receiving solution.

Going forward, to enhance its reputation in the TSE

prime market, I believe the Group must first and foremost maximize business performance. Many of the Group’s client companies have overseas businesses. I see potential for the Group eventually to evolve its services so that they can be used in transactions around the world. It can then become a Japanese company with a truly global business. Further discussions on governance will also be necessary going forward. The Group is growing rapidly while creating new markets. This makes it critical to constantly optimize governance to address each business phase. While ensuring sound, transparent management, it will be important to keep pace with the speed of business execution by continuously strengthening management supervision and reviewing the organizational structure.

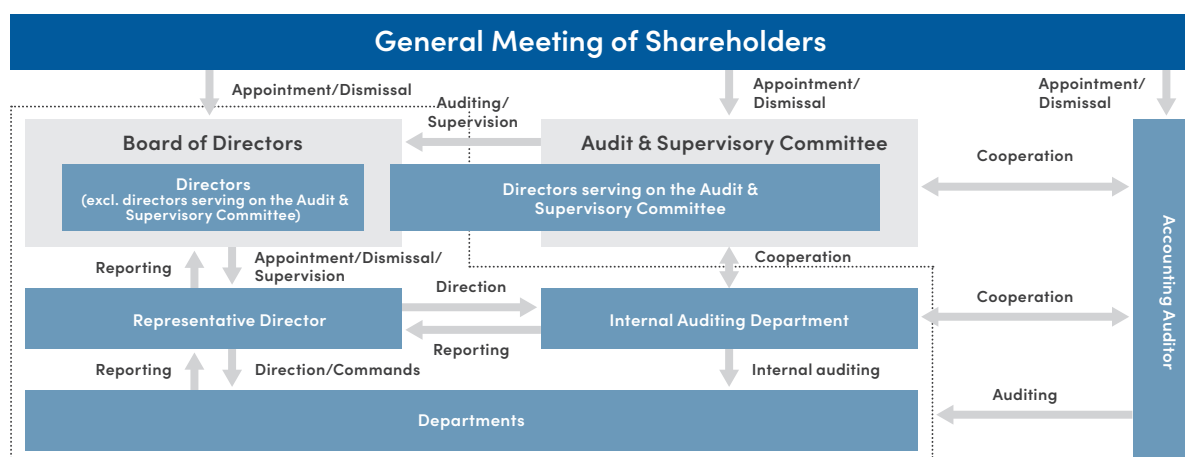
The Group has newly established a vision for its services, to “Become business infrastructure.” Achieving this vision calls first for the Group itself to create a new culture and new customs. It must become a company that is highly valued in society. With this firmly in mind, I look forward to continuing to work with management to achieve sustainable improvement in corporate value.

Corporate Governance System

The Group will maximize sustainable corporate value and contribute to society while recognizing the importance of gaining the continued trust of all stakeholders. Under such an approach, the Company has adopted a corporate system that establishes an Audit & Supervisory Committee with the aim of further enhancing corporate governance and further improving the soundness and transparency of management. To this end, we will strengthen the supervisory function of

the Board of Directors. We will secure the transparency of management decision-making and the supervision of business execution by having an Audit & Supervisory Committee. At the same time, we will establish an internal control system based on the Basic Policy on Internal Control Systems determined by the Board of Directors and ensure its thorough operation while striving to maintain and strengthen corporate governance.

Corporate Governance System



Governance Initiatives

Board of Directors

The Board of Directors of the Company consists of nine directors, including four directors who are members of the Audit & Supervisory Committee, all of whom are outside directors. The Company invites as outside directors persons with executive experience at other companies or legal experts with detailed knowledge of corporate legal affairs and compliance. The Company has thus established a system that enables outside directors to conduct management decision-making from a

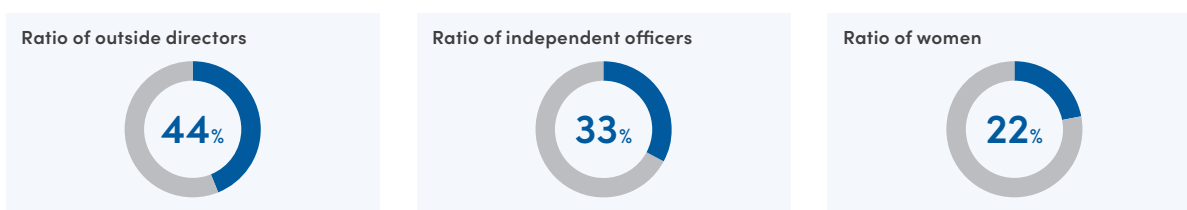
broader perspective and supervise management from outside the Company, while drawing on their insights into corporate management based on a wealth of practical experience. To conduct efficient and prompt decision-making, the Board of Directors holds a regular meeting once a month in principle, as well as holding extraordinary meetings as needed. Outside directors attended all Board meetings in fiscal 2020 and offered advice and recommendations.

Audit & Supervisory Committee

The Company's Audit & Supervisory Committee comprises four directors who are members of the Audit & Supervisory Committee. All Committee members are outside directors, three of whom are independent officers. Directors who are members of the Audit & Supervisory Committee include those who have expertise in areas such as legal affairs, accounting, and compliance, persons with executive experience at other companies, or persons who possess an independent perspective on corporate management. Thus, we have established a structure for carrying out management supervision from the standpoint of each member's professional

ethics. Directors who are members of the Audit & Supervisory Committee express opinions on directors' performance of duties at meetings of the Board of Directors and other meetings as appropriate. To monitor the vision of governance and its operational status and to audit and supervise the daily activities of directors, including their performance of duties, the Audit & Supervisory Committee conducts audits based on the audit plan and holds Committee meetings once a month. In addition, the Committee convenes meetings with the Internal Auditing Department and accounting auditors and shares information necessary for auditing.

Composition of the Board of Directors (as of August 2021)



Outside Directors and Independent Officers

All four directors who are members of the Audit & Supervisory Committee are outside directors under Japanese corporate law, and three of them are independent officers. The Company's policy is to select outside directors who have executive experience at other companies or legal experts with detailed knowledge

of corporate legal affairs and compliance, who can be expected to express opinions on overall corporate management drawing on a wealth of practical experience and insights into corporate management. In August 2021, Toko Shiotsuki was newly appointed as an outside director (independent officer).

Outside Directors and Reason for Appointment

Yasuko Yokosawa (Outside/Independent)

As a counselor at TMI Associates, Yasuko has specialized knowledge and experience in areas such as corporate legal affairs and compliance. The Company appointed her as an outside director with the expectation that she will provide opinions from a legal perspective, such as on legal arrangements related to our new business strategies. She has also been designated as an independent officer.

Toru Akaura (Outside)

As a general partner at Incubate Fund, Toru possesses many years of professional experience in the venture capital business together with a wealth of executive experience at other companies, and has cultivated broad insights through these experiences. The Company appointed him as an outside director with the expectation that he will offer advice and suggestions regarding overall management and corporate investment.

Yoshiki Ishikawa (Outside/Independent)

As a researcher in preventive medicine and behavioral science, Yoshiki has expertise in the fields of data science, human resources strategy, and sustainability, among others, as well as professional corporate experience. The Company appointed him as an outside director with the expectation that he will provide opinions and suggestions from various perspectives cultivated through this experience. He has also been designated as an independent officer.

Toko Shiotsuki (Outside/Independent)

With assistant certified public accountant qualifications and a Doctor of Jurisprudence degree, Toko possesses a wealth of corporate experience, including serving as director and full-time Audit and Supervisory Committee member of CyberAgent, Inc. The Company appointed her as an outside director with the expectation that she will provide meaningful opinions, including regarding diversity. She has also been designated as an independent officer.

Evaluation of Effectiveness of the Board of Directors

The Board of Directors is striving to achieve more sophisticated corporate governance. To this end, as a measure to assess the role expected of management,

the Company carries out an evaluation of the Board's effectiveness. Based on the results of this evaluation, the Board of Directors implements its own PDCA cycle.

Evaluation Process and Results for Fiscal 2020

A questionnaire was administered to all directors concerning the effectiveness of the Board of Directors and other issues. After receiving a report on the deliberations and opinions expressed by the Audit & Supervisory Committee regarding the questionnaire results, the Board of Directors discussed the evaluation results, coming to a shared awareness and deciding on steps for improvement. In the results of the fiscal 2020 questionnaire, many respondents stated that the Board's performance was appropriate or mostly appropriate in terms of the responsibilities of the Board of Directors, the Board's size

and make-up of members, the frequency of Board meetings, the Board's decision-making process, and the quality of information provided. The Company thus judged that the effectiveness of the Board of Directors had been ensured. Taking into consideration the view that the Board of Directors needs to carry out deeper discussions, such as by enhancing the training system for directors and revising matters to be submitted to the Board of Directors, the Company will formulate a roadmap for improvement and take other ongoing measures to improve effectiveness of the Board.

Process of Deciding Remuneration

The amount of remuneration for directors who are Audit & Supervisory Committee members is determined following discussion by all Audit & Supervisory Committee members, within the limit of total remuneration amounts resolved at the General Meeting of Shareholders. Until now, decisions about the amount of individual remuneration for directors (excluding Audit & Supervisory Committee members)

were delegated to the Representative Director. However, this method has been changed and, starting from fiscal 2021, such matters will be decided by a resolution of the Board of Directors. Moreover, the content of remuneration to be resolved by the Board will be reviewed by independent officers in advance, and decided based on their report.

Composition of Remuneration

In principle, remuneration for directors consists of fixed monthly remuneration. As a means to incentivize directors apart from the remuneration system and in addition to the stock-option system, which was introduced with the aim of further raising director motivation and enthusiasm for improving Group business performance, the Group

has introduced a new share subscription rights trust and performance target-linked new share subscription rights, which aim to provide directors with incentives to improve corporate value over the medium to long term. The number of shares distributed to each eligible recipient is decided based on factors such as their position and expected role.

Governance Initiatives

Directors



Name	Chika Terada	Kei Tomioka	Kenji Shiomi	Yuta Ohma
Position	Representative Director, Executive Officer, & CEO ^{*1} Managing Executive (Internal Auditing Department)	Director, Executive Officer, CRO ^{*2} Managing Executive (Business Division), General Manager of Sansan Unit	Director, Executive Officer, CTO ^{*3} Managing Executive (Engineering Division, Eight Division)	Director, Executive Officer, CHRO ^{*4}
Profile	Chika began his career with Mitsui & Co., Ltd. After moving to the IT Marketing Division, he relocated to Silicon Valley to work with local venture companies to develop their Japan-focused businesses. After returning to Japan, Chika launched an internal venture and worked for an affiliated company, after which he founded Sansan, Inc. in 2007.	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 led business efforts for the Sansan B2B cloud-based contact management service. Now, as CRO, he oversees company-wide operating revenue.	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 email systems for major mobile carriers. Since 2012, he has been in charge of the Eight B2C business card management app. Now, as CTO, he oversees the company-wide technology strategy.	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.
Number of Shares Held ^{*6}	10,358,230	1,040,000	580,000	22,000
Board Meeting Attendance				
Fiscal 2020	17 out of 17 times	17 out of 17 times	17 out of 17 times	17 out of 17 times
Skills, Diversity				
Corporate Management	●	●	●	●
Data, Information Security	●	●	●	
Finance, Accounting, Legal				
Personnel, HR Development				●
Global-Mindedness	●	●	●	
ESG, SDGs	●			

*1 CEO: Chief Executive Officer *2 CRO: Chief Revenue Officer *3 CTO: Chief Technology Officer *4 CHRO: Chief Human Resources Officer *5 CFO: Chief Financial Officer *6 As of May 2021



Muneyuki
Hashimoto

Director, Executive Officer, CFO^{TS} Managing Executive (General Affairs & Legal Department, Office Strategy Department)

Muneyuki worked for foreign securities companies in Tokyo and New York for nearly nine years, providing M&A and financing advisory services. He then moved to a group company of the Development Bank of Japan to work in private equity. He joined Sansan, Inc. in 2017, and was appointed CFO in 2018 to lead the company's financial strategy.

13,300

17 out of 17 times



Yasuko Yokosawa

Outside Director, Audit & Supervisory Committee Member

Outside Independent

Yasuko is a Legal Counsel at TMI Associates. Having registered with the Dai-Ichi Tokyo Bar Association in 2002 and working with a major IT company, she has been in her current position since 2017. In August 2018, she became an Outside Director of Sansan, Inc. Possessing specialist knowledge, including with regard to corporate legal affairs and compliance, she mainly advises on legal matters.

0

17 out of 17 times



Toru Akaura

Outside Director, Audit & Supervisory Committee Member

Outside

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.

430,000

17 out of 17 times



Yoshiki Ishikawa

Outside Director, Audit & Supervisory Committee Member

Outside Independent

A public health researcher and doctor, Yoshiki is currently active in the field of behavioral and data science. He also possesses experience in business startups, having been a director with several companies. He became an Outside Director of Sansan, Inc. in January 2019. In addition to his knowledge in the field of data analysis and utilization, he makes general management recommendations.

0

17 out of 17 times



Toko Shitsuki

Outside Director, Audit & Supervisory Committee Member

Outside Independent

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.

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Corporate and Financial Information

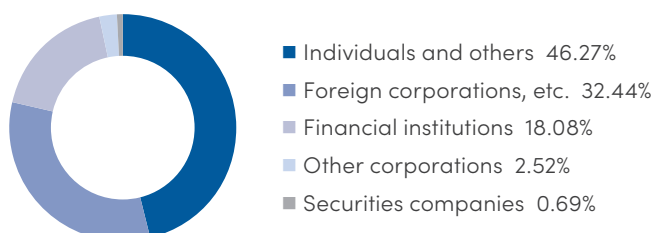
Company Information^{*1}

Legal name:	Sansan, Inc.
Location of head office:	Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo 150-0001, Japan
Sites:	Branch offices: Osaka, Nagoya, Fukuoka Satellite offices: Tokushima, Kyoto, Fukuoka, Hokkaido, Niigata
Group companies:	Sansan Global Pte. Ltd. (Singapore) Sansan Corporation (United States) logmi, Inc.
Established:	June 11, 2007
Representative:	Chika Terada
Employees:	954 (consolidated)
Capital:	6,312 million yen

Basic Share Information^{*1}

Stock code:	4443
Exchange:	Tokyo Stock Exchange, First Section
Fiscal year:	June 1 to May 31 of the following year
Manager of shareholder register:	Tokyo Securities Transfer Agent Co., Ltd.
Share unit number:	100 shares
Total number of shares issued:	31,183,645
Total number of shareholders:	3,197

Shareholder composition:

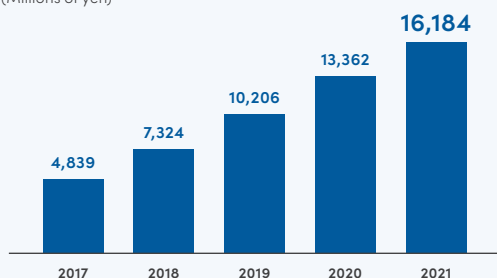


^{*1} As of May 2021

Consolidated Financial Statements (each fiscal year ended May 31)

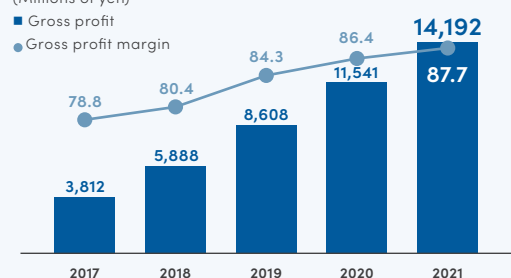
Net Sales

(Millions of yen)



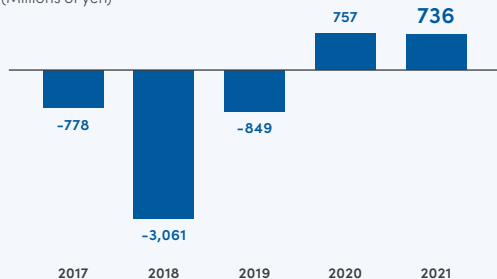
Gross Profit

(Millions of yen)



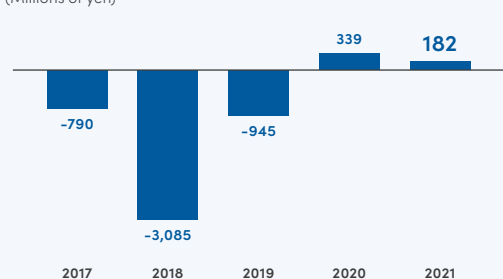
Operating Profit (Loss)

(Millions of yen)



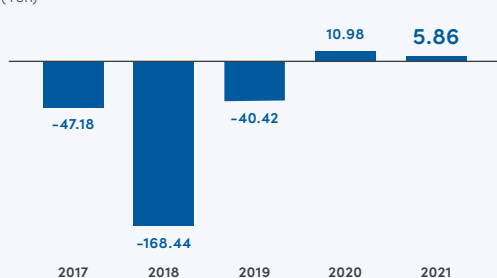
Profit (Loss) Attributable to Owners of Parent

(Millions of yen)



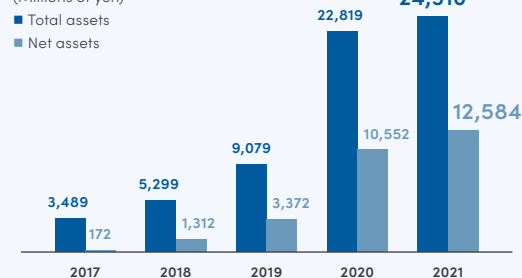
Basic Earnings per Share (EPS)

(Yen)



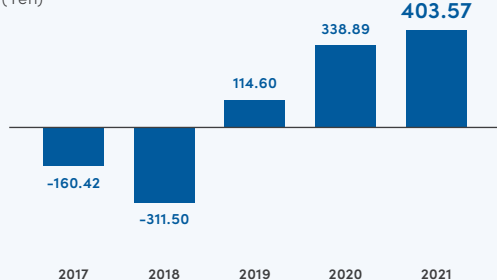
Total Assets / Net Assets

(Millions of yen)



Net Assets per Share (BPS)

(Yen)



Cash Flow

(Millions of yen)

