

English Translation

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-Corporate Governance Report

Sansan, Inc.

Latest Revision:	September 2, 2022
Company:	Sansan, Inc.
Representative:	Chikahiro Terada Representative Director & CEO
TSE Code:	4443
Contact:	Muneyuki Hashimoto Director, Executive Officer, CFO +81-3-6419-3131

The corporate governance of Sansan, Inc. (the “Company”) is described below.

I Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

1. Basic Approach **Updated**

Under the mission of “Turning encounters into innovation” and the vision of “Become business infrastructure,” the Company is developing businesses. The Company provides an innovative service to the very nature of business and encounters, and the cloud-based solutions that promote digital transformation and reshape how we work to companies and businesspersons facing various business issues. Through this service, the Company will maximize sustainable corporate value and contribute to society while recognizing the importance of gaining the continued trust of all stakeholders.

Based on this recognition, the Company has adopted the system of a company with Audit & Supervisory Committee for the purpose of further improving its corporate governance and enhancing the soundness and transparency of management by reinforcing the supervisory function of the directors. The Company will secure the transparency of management decision-making and the supervision of business execution by having an Audit & Supervisory Committee. At the same time, the Company 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.

[Reasons for not Implementing Principles of the Corporate Governance Code] Updated

[Supplementary Principle 2.4.1 Voluntary and Measurable Goals for Ensuring Diversity]

In order to realize the Group’s stated mission and to accelerate business growth, the Company believes that it is vital to maximize the growth of each and every employee and continue sustainable growth. Thus, the Company is working on initiatives aimed at developing the environment and formulating human resource strategies also from the perspective of ensuring diversity, to maximize the productivity of the Company and its employees. Under the policy to aggressively recruit and promote outstanding talents regardless of attributes such as gender, nationality, and disabilities, the Company does not establish target values for each attribute since the bias of attributes depending on occupation including Engineer exists as an external factor and in order to provide all employees with fair opportunities for assessment and promotion. However, considering the situation of ensuring diversity, we are

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continuing to deepen our awareness of issues, particularly with regard to the ratio of women and the ratio of women in management positions, and responding through the expansion, etc. of various internal systems in order to achieve a higher level than the current level.

[Supplementary Principle 4.1.3 Succession Plan]

The Company regards a succession plan for the CEO and other top executives as an important issue in the long term and believes that it is a matter that should be considered going forward.

[Supplementary Principle 4.10.1 Use of Optional Approach]

The Company is a company with Audit & Supervisory Committee and seeks to enhance overall governance functions of the Board of Directors by multilaterally utilizing the monitoring function of the Audit & Supervisory Committee that consists only of Outside Directors. In addition to the fact that half of the Audit & Supervisory Committee consists of women, each of the Outside Directors has a wide range of abundant knowledge and experience, and we believe that we have established an adequate system in terms of diversity and skills, including gender.

Based on these situations, in order to avoid issues arising from setting up organizations whose purposes overlap, such as an issue of making a decision-making process complicated or conflicted, the Company considers that it has no need to separately set up any optional advisory committees that mainly consist of Independent Outside Directors.

The Audit & Supervisory Committee deliberates on the appointment and dismissal of Directors, and the Company has a policy of deciding the details of individual remuneration for Directors after confirming the intentions of all Outside Directors, in order to establish a system for appropriate involvement and advice.

[Disclosure Based on Principles of the Corporate Governance Code] Updated

[Principle 1.4 Cross-Shareholdings]

From the viewpoint of corporate governance, the Company will not conduct cross-shareholdings for the purpose of merely securing stable shareholders. If the Company conducts cross-shareholdings, the Company will do so only after the Board of Directors examines whether the cross-shareholdings are reasonable and appropriate.

[Principle 1.7 Related Party Transactions]

The Company has established the Rules on Management of Related Party Transactions and strictly operates and properly monitors transactions through a system where an authorized person specified in the Company's internal rules approves those transactions in advance with respect to appropriateness of the details and decision methods of those transactions, and the Company subsequently, after the approval, receives reports on the status, etc. of those transactions.

Even for transactions other than those specified above, the Company checks where there were any transactions with its directors and their close relatives by conducting an individual examination on directors once a year. Moreover, the Company properly discloses related party transactions in accordance with the provisions of the Companies Act, the Financial Instruments and Exchange Law and other applicable laws and regulations as well as the rules of the Tokyo Stock Exchange.

[Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion of Core Human Resources]

<Views on Ensuring Diversity and the Status Thereof>

In order to realize the Group's stated mission and vision and to accelerate business growth, the Company believes that it is vital to

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maximize the growth of each and every employee and continue sustainable growth. Thus, the Company is working on initiatives aimed at developing the environment and formulating human resource strategies also from the perspective of ensuring diversity, to maximize the productivity of the Company and its employees. Under the policy to aggressively recruit and promote outstanding talents regardless of attributes such as gender, nationality, and disabilities, the Company provides all employees fair opportunities for assessment and promotion.

With respect to the status of ensuring diversity as of the first day of the month preceding the filing of this Report, females accounted for 34.6% of all employees, and the share of females at managerial positions was 18.0%. The percentage of foreign employees was 3.2%. Furthermore, in the performance evaluation in the fiscal year ended May 31, 2022, the results for women exceed that of men with regard to promotion ratio by gender. Although the target values for each attribute have not been established, the ratio of promotions for women has been on a trend of improvement.

<Voluntary and Measurable Goals for Ensuring Diversity>

As the Company provides all employees fair opportunities for assessment and promotion, it does not establish target values for each attribute since the bias of attributes depending on occupation including Engineer exists as an external factor. However, considering the situation of ensuring diversity, we are continuing to deepen our awareness of issues, particularly with regard to the ratio of women and the ratio of women in management positions, and responding through the expansion, etc. of various internal systems in order to achieve a higher level than the current level.

<Policies on Training Human Resources and Developing Work Environments to Ensure Diversity and Status of Implementation>

For the Group to achieve sustainable growth, it is crucial that we hire many talented professionals with diverse career backgrounds, and then improve our sales, development, and managerial structures. In order to establish work environments and arrangements that substantially fuel employee motivation for talented professionals who share an understanding of the Group's corporate philosophy and business activities, we allow our staff to work remotely under certain conditions regardless of the COVID-19 pandemic to support flexible workstyles, and introduced the "Strength Matching" system to objectively analyze, recognize, and share the strengths of each and every employee, and the Peer Bonus system. The Company is developing frameworks that will enable our people to respect each other's diversity and advantages, and the Company to synergize their ability to contribute to the organization and business by utilizing the capabilities of employees in a timely and appropriate manner. Also, as initiatives to respect and foster unrestricted ideas and the willingness to take on challenges in employees, we introduced such systems as "Many Projects" employee-originated project system and "Geek Seek" engineering skills promotion system, through which we establish a framework to encourage employees to develop their capacity on their own initiative. Moreover, the Company has made it possible to select working styles that match employees' individual situations in order to support their career formation while they also handle parenting/nursing care, and realized flexible working styles that respect employees' intentions and desires through the establishment and application of various employment categories by establishing "OYACO," the support system for handling both parenting and work, as well as establishing price difference subsidies for unlicensed nurseries until three years old and subsidy systems for usage fees for babysitters, housework support, etc., making it possible for both female employees, who bear the majority of the burden, which includes pregnancy, giving birth and parenting, because of their gender, and male employees who take on the burden of parenting to actively participate in a genderless manner.

Also, to respond to the increase in employees of foreign nationality, we are developing an environment in which our people, regardless of nationality, can understand the Company's mission and status, for example, by making it a general rule to include an

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English translation for any group-wide notices.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company has no corporate pension fund plan.

[Principle 3.1 Full Disclosure]

(i) Corporate philosophy, etc.

The Company's corporate philosophy, code of conduct, "The Katachi of Sansan," and management strategies, etc. are described on the Company's website (<https://corp-sansan.com/>) and its Annual Securities Reports (available in Japanese only) posted on the website.

(ii) Basic views and basic policies on corporate governance

For the Company's basic views and basic policies on corporate governance, please refer to "I. 1. Basic Approach" in this Corporate Governance Report.

(iii) Policies and procedures in determining remuneration for directors

The Company made the decision regarding the policy for deciding the details of remuneration, etc. for Directors at a meeting of the Board of Directors. The amount of remuneration for Directors who are Audit & Supervisory Committee Members is decided following discussion by all Audit & Supervisory Committee Members within the limit of the total remuneration amount resolved at the General Meeting of Shareholders. Furthermore, at the meeting of the Board of Directors held in July 2022, the Company resolved to introduce the following partial changes to the policy on determination of officer remuneration, etc. for the fiscal year ending May 31, 2023 and subsequent fiscal years and stock options with share price conditions, which is non-monetary remuneration, to individual remuneration of Directors (excluding Audit & Supervisory Committee Members) on the condition that it is approved and resolved at the General Meeting of Shareholders.

The details of the decision policy regarding the details of individual remuneration, etc. for Directors are as follows.

a. Policy for determining the amount or calculation method of individual remuneration, etc. of Directors regarding basic remuneration (fixed monetary remuneration)

The amount of individual basic remuneration for Directors (excluding those who are Audit & Supervisory Committee Members) shall be updated and determined each fiscal year within the limits of the total amount of remuneration resolved at the General Meeting of Shareholders, taking into consideration the responsibilities and business execution status of each Director and the Company's performance and economic conditions.

The amount of individual basic remuneration for Directors who are Audit & Supervisory Committee Members is decided following discussion by all Audit & Supervisory Committee Members within the limit of the total remuneration amount resolved at the General Meeting of Shareholders.

b. Introduction and decision policy for performance-linked remuneration and non-monetary remuneration

The introduction of a performance-linked remuneration plan or a non-monetary remuneration plan for individual Directors shall require a resolution of the Board of Directors.

When introducing such a remuneration plan, the Board of Directors shall also pass a resolution on the details of the plan, the policy for determining the amount (calculation method), and the ratio of each form of remuneration that constitutes the individual

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remuneration, etc.

With regard to individual remuneration of Directors (excluding those who are Audit & Supervisory Committee Members) from the fiscal year ending May 31, 2023 onward, stock options with share price conditions may be granted as medium- to long-term incentive remuneration. The ratio of these stock options to basic remuneration shall be decided and appropriate limits and conditions shall be set based on the business environment, remuneration level at other companies, etc. in order to make the stock options incentives that encourage the maximization of Directors' performance and willingness to contribute in addition to appropriate risk taking as a result of the further strengthening of the link with shareholder value.

c. Policy for determining the timing and conditions of payment and grant of remuneration, etc. to Directors

The remuneration, etc. of Directors shall, in principle, be fixed remuneration on a monthly basis. This shall not apply in cases where expenses to be paid as remuneration are separately incurred. The timing of when to grant stock options with share price conditions introduced as individual remuneration of Directors (excluding those who are Audit & Supervisory Committee Members) from the fiscal year ending May 31, 2023 onward is being considered based on stock options granted in the past, number of years in office, etc.

d. Matters concerning the delegation of decisions on remuneration, etc.

Individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) shall be determined by resolution of the Board of Directors, and shall be subject to approval by a majority of the Directors and all Outside Directors. As a means to incentivize Directors apart from the remuneration system, the Company has introduced the Stock Acquisition Rights Trust and the Performance Target-linked Stock Acquisition Rights (Stock Options with Charge), which aims to provide an incentive to current and future Directors of the Group to improve corporate value over the medium to long term. The number of shares distributed to each eligible recipient is decided based on their position, expected role (mission grade), etc.

(iv) Policies and procedures in nomination of candidates for directors and dismissal of directors

The Company stipulates in the Articles of Incorporation that the number of directors (excluding Audit & Supervisory Committee Members) shall not exceed 8 and that the number of directors who are Audit & Supervisory Committee Members shall not exceed 5. The Company appoints members who constitutes the Board of Directors, taking into account the balance between experience, knowledge and skills and diversity. Currently, the Company has 9 Directors (male: 7, female: 2), 3 of whom are Independent Outside Directors.

In nominating candidates for directors (excluding Audit & Supervisory Committee Members), the Company nominates, based on its policy, persons who have extensive knowledge and experience in the relevant business, are expected to greatly contribute to the Company through the relevant business, fulfill their duties as directors and contribute to improving corporate value.

In nominating candidates for directors who are Audit & Supervisory Committee Members, the Company nominates, based on its policy, persons who are expected to offer opinions on overall management leveraging their knowledge on corporate management based on their extensive business experience, such as persons who have experience of serving as officers of other companies and legal experts who are familiar with corporate legal affairs, accounting and compliance matters.

In appointment procedure for directors (excluding Audit & Supervisory Committee Members), Representative Director & CEO proposes persons who meet the requirements of the Company's policy as candidates for directors and obtains an opinion of the Audit & Supervisory Committee. Then, the Board of Directors discusses and submits such proposal to the General Meeting of Shareholders for resolution.

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In appointment procedure for directors who are Audit & Supervisory Committee Members, Representative Director & CEO proposes persons who meet the requirements of the Company's policy as candidates for directors and obtains consent of the Audit & Supervisory Committee. Then, the Board of Directors discusses and submits such proposal to the General Meeting of Shareholders for resolution.

The Board of Directors and the Audit & Supervisory Committee monitor and supervise the status of business execution by each director. If they determine that any director is disqualified, they will discuss whether or not to dismiss such director.

(v) Reasons for individual nominations of candidates for directors

Reasons for appointment of Directors are described on the Notice of Annual General Meeting of Shareholders and Annual Securities Reports, etc. posted on the Company's website (<https://corp-sansan.com/>).

[Supplementary Principle 3.1.3 Initiatives, Etc. on Sustainability]

The Company formulated the "Sustainability Policy" by resolution of the Board of Directors meetings and specified the "significant ESG issues (materiality)" for the Company to work on preferentially, and the details are as follows.

- Sustainability Policy

Under the mission of "Turning encounters into innovation," the Group has established its vision to "Become business infrastructure," and provides the cloud-based solutions that promote digital transformation and reshape how we work by changing encounters with people and companies into business opportunities. The Group contributes to the establishment of a sustainable society using its contributions to the solving of issues through these business activities, and believes this will lead to the Group's sustainable growth and improvement of corporate value. After taking into consideration various factors including the business climate surrounding the Group, financial conditions, and business stage, the Group promotes various activities to realize sustainability through collaboration and cooperation with all stakeholders.

- Significant Issues (Materiality)

- Significant Field 1: Coexistence of security and convenience (Significant Issues: (1) Provision of safe and stable infrastructure services (2) Protection of data privacy and thorough information security)
- Significant Field 2: Reformation of how people work through innovative DX services (Significant Issues: (3) Promotion of DX services that contribute to an increase in productivity (4) Creation of innovative business infrastructure)
- Significant Field 3: Creation of innovation that respects the diversity of human resources (Significant Issues: (5) Promotion of recruitment, training and activities (6) Promotion of diversity & inclusion)
- Significant Field 4: Establishment of a strong management foundation that supports rapid business growth (Significant Issues: (7) Strengthening of corporate governance (8) Thorough compliance)
- Significant Field 5: Protection of the natural environment through business activities (Significant Issues: (9) Response to climate change issues (10) Efficient usage of natural resources)

The specified processes, details, etc. for the above materiality are expected to be disclosed on the Company's website and the integrated report in the future.

Also, environmental and social initiatives that were launched in 2011 are appropriately reviewed through deliberation by the Board of Directors, as the wings of activities are expanded in line with the forms and size of responsibilities that the Company should bear as a listed company. Currently, the Company actively pursues NEXT, its CSV activities under the concept "What we can do

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now, for the future,” and engages mainly in the following initiatives to contribute to society and to the growth of its business.

- Scan for Trees

This is an effort to support environmental issues and regional reconstruction by planting trees, the raw material of business cards.

We plant trees in regions in need according to the number of documents scanned through Sansan's services. So far, we have planted 11,357 trees. (As of July 2022)

- Sansan for NPOs

This is our project to support NPOs working on solving social issues. We provide the business card management service for medium to small enterprises Eight Team, offered with special details that make it easy to implement, even for NPOs that have difficulty investing in IT.

- Kodomo Meishi (Kids' Business Cards) Project (Education Support)

We produce and give away kids' business cards, and hold workshops and other events for children. Through these activities, the project provides educational support for children who are the businesspersons of the future in an aim to help them treasure the diversity and importance of encounters and foster their interests in working.

- Supporting establishment of Kamiyama Marugoto College of Design, Technology, and Entrepreneurship (Education Support)

By supporting the establishment of Kamiyama Marugoto School of Technology which encourages the development of entrepreneurs taking advantage of IT technologies, we aim to foster human resources who can contribute to the digital transformation of Japanese companies through startups and job placements.

- Yoiko for CSR

We introduced a system in which the Company supports employee-planned and employee-implemented CSR activities through funding of activity costs, granting of leave, and so on. It aims to achieve social contribution and productivity improvement through interaction among employees.

<Initiatives on Investments in Human Resources and Intellectual Properties>

The Company's initiatives on investments in human resources are as described in the statement for Supplementary Principle 2.4.1. Also, for investments in intellectual properties, we conduct, through patent offices, investigations, etc. on infringement of patents on software and programs developed and designed by the Company to reduce the risks of infringement of third-party rights. We also invest a certain amount to fund the promotion of patent applications, etc. through hosting of regular intellectual property discovery meetings in collaboration with patent offices in an aim to uncover potential intellectual properties. In addition, by providing employee incentives through the establishment of the Employee Invention Rules, we boost the motivation of employees and encourage more patent applications, which leads to enhancing the Company's technological strengths and trust.

<Disclosure Based on TCFD Recommendations>

The Group, in relation to issues surrounding climate change, the ascertaining and monitoring of business risks and opportunities under an appropriate system, and the raising of the ability to respond to issues, is regarded as an extremely important initiative for the promotion of the migration to a low carbon economy or carbon-free society, and has the objective of stable economic development and the securing of a foundation for day to day life, etc.

Under such concepts, the Company has expressed its support for the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD), and makes disclosures based on this framework as shown below.

(i) Governance

Including our responses to climate change issues, the Group's various policies and important matters that contribute to the

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realization of sustainability are among the items discussed and decided on at Board of Directors' meetings.

In the case of responses to issues relating to climate change, we have set up a Climate Change Response Project - consisting of corporate departments, such as the IR Office, Office Strategy Department, and the Finance and Accounting Department - under the supervision of the Representative Director and are reviewing our responses. Under this project, matters such as various climate change-related indicators as well as business risks and opportunities that have been examined, collected, specified, etc. are supervised after receiving annual reports by the Board of Directors. Business strategies and plans are then decided upon after having given due consideration to the important matters.

(ii) Strategy

To strengthen its ability to respond and adapt to a business environment in which the temperature rise due to climate change is held down to less than 2°C, the Group mainly utilizes scenarios that include the Intergovernmental Panel on Climate Change (IPCC)'s Shared Socioeconomic Pathways (SSP1-2.6) and Representative Concentration Pathways. After analyses of the scenarios, we identify the business risks and opportunities posed by climate change and formulate response strategies.

With regard to transition risks and opportunities, such as the tightening of laws and regulations and the introduction of carbon taxes in each country, we will respond by reducing greenhouse gas (GHG) emissions, establishing a policy for using renewable energy, and promoting a variety of initiatives from medium- to long-term perspectives. In addition, many of the measures to deal with transition risks, physical risks, and opportunities related to our services are already being addressed as part of our growth strategy. In the years to come, however, we will also consider efforts to reduce costs by diversifying and optimizing various services, including electric power.

(iii) Risk management

In consultation with the directors in charge of each field and its Climate Change Response Project, the Group is conducting scenario analyses, identifying climate-related business risks and opportunities, assessing their importance, calculating their financial impact, and reviewing its countermeasures.

These matters are next reported to the Board of Directors on an annual basis, and the Board of Directors decides on business strategies and plans after considering important matters, including these risks and countermeasures. Important climate change-related risks are also integrated and managed with the results of company-wide risk analyses conducted through, for example, internal audits.

(iv) Indicators and targets

The Group has selected GHG emissions as a climate change-related appraisal metric, and calculated and disclosed actual GHG emissions for the last two years.

With regard to the setting of targets for each metric, in addition to external factors such as global trends and the status of laws and regulations in Japan, we are currently promoting a comprehensive study based on internal factors to enhance future disclosures. The internal study thus covers the progress of strategies and measures in each of our businesses, risks and opportunities, etc. The content of specific risks and opportunities identified under the scenario analyses, financial impacts, countermeasures and other information is disclosed.

[Supplementary Principle 4.1.1 Scope of Authority Delegated to the Management]

The Company has a policy to determine the following matters through resolution of the Board of Directors in accordance with the provisions of the Rules on the Board of Directors: (1) Matters prescribed by the Companies Act and other laws and regulations; (2)

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Matters prescribed by the Articles of Incorporation; (3) Matters delegated by resolution of the General Meeting of Shareholders; and (4) Other important matters on management.

As for other important matters on management, the Company decides on the materiality of such matters based on factors such as the scale of such matters. In addition, in order to expedite a decision-making process for business execution, the Company stipulates in the Articles of Incorporation that the execution of certain important duties may be delegated to directors, and establishes the Rules on Organization, Segregation of Duties and Administrative Authority pursuant to which the Company delegates its authority to executive directors and executive officers, etc. as appropriate.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The Company nominates persons, as candidates for independent Outside directors, who have diverse and specialist knowledge, experience and deep insight required to provide the Company with advice on management and to fulfill their supervisory function among from persons who meet standards set by financial instruments exchanges, taking into consideration other specific conditions.

[Supplementary Principle 4.11.1 Board Composition]

The Company stipulates in the Articles of Incorporation that the number of Directors (excluding Audit & Supervisory Committee Members) shall not exceed 8 and that the number of Directors who are Audit & Supervisory Committee Members shall not exceed 5. Currently, the Company has appointed 9 Directors (male: 7, female: 2).

The Company appoints members who constitutes the Board of Directors, taking into account the balance between experience, knowledge and skills and diversity. In addition, starting from the 14th Annual General Meeting of Shareholders, the skill matrix of candidates for Directors and the reasons for nomination of each candidate are included in the Convocation Notice, in order to disclose the skill composition of the management team that the Company should have. In addition, Independent Outside Directors include those who themselves have corporate experience and those who concurrently serve as directors of other companies. Thus, the Company has established a system in which it can expect to receive opinions that are not based on those of the Company itself. Skill matrix of the management team is described on the Notice of the 15th Annual General Meeting of Shareholders posted on the Company's website (<https://corp-sansan.com/>).

[Supplementary Principle 4.11.2 Status of Concurrent Positions of Directors]

The status of major concurrent positions of directors are described on the Notice of Annual General Meeting of Shareholders and Annual Securities Reports, etc. posted on the Company's website (<https://corp-sansan.com/>). The Company has confirmed that all directors who have concurrent positions can properly perform their roles and responsibilities at the Company.

[Supplementary Principle 4.11.3 Summary of Analysis and Evaluation Results of Effectiveness of Board of Directors]

The Board of Directors of the Company conducts Effectiveness Evaluation of the Board of Directors as an initiative to evaluate the extent to which the roles expected of them have been fulfilled with respect to the management, etc. delegated to the Board by shareholders, and based on the evaluation results, the Board carries out a PDCA cycle on its own to enhance corporate governance. For the Effectiveness Evaluation of the Board of Directors in the fiscal year ended May 31, 2022, we conducted a questionnaire survey on the effectiveness of the Board or Directors, etc. targeting all directors. The survey results were brought to the Audit & Supervisory Committee for discussion, and based on the opinions obtained, the Board discussed the survey results, shared common

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perceptions, and decided on the policy for improvements. The survey results for the current fiscal year indicated that, for the major items of the questionnaire—namely, “Responsibilities of the Board,” “Board size and composition,” “Frequency of Board meetings,” “Decision-making process of the Board,” and “Quality of information provided to the Board”—there were many opinions that evaluated these items as Appropriate or Generally Appropriate. Therefore, we determined that the effectiveness of the Board was ensured in the current fiscal year.

Going forward, as the Company’s business scale and social responsibilities as a listed company continue to expand, the necessity to further deepen deliberations of the Board of Directors and enhance the training system for Directors was identified. The Company will formulate improvement plans for the creation of training opportunities, etc. for Directors based on trends through the improvement of the appropriateness of agenda items, the establishment of discussions that turn specific examples into subjects for discussion, etc., and make continuous efforts to improve the effectiveness of the Board.

[Supplementary Principle 4.14.2 Training Policy for Directors]

In order to ensure that directors fully perform their management supervisory and audit functions, the Company facilitates improvement of discussion at meetings of the Board of Directors by distributing and explaining materials for the meetings of the Board of Directors in advance and providing relevant information. In addition, for the Audit & Supervisory Committee that consists of Outside Directors, the Company has deployed dedicated employees to assist the Audit & Supervisory Committee’s smooth execution of its duties. Such employees are engaged in timely reporting and provision of information upon request of the Audit & Supervisory Committee by participating in major meetings, accessing important documents, etc. The Company also provides directors with opportunities to participate in training sessions provided by third-party institutions at the Company’s expense.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

The Company believes that, for sustainable growth and the medium- to long-term enhancement of corporate value, it is important to actively conduct dialogues with investors, including shareholders, and to properly reflect insight gained in management. Accordingly, the Company willingly accepts interviews from shareholders and investors based on the following:

- (i) The Company has set up a department in charge of IR and appointed Director, Executive Officer, CFO Muneyuki Hashimoto as executive officer in charge of the department.
- (ii) The Company has established a system to work with related departments in connection with opinions and requests of shareholders identified at the dialogues.
- (iii) CEO, CFO and the department in charge of IR take the initiative in holding financial results briefings for analysts and institutional investors, and the Company discloses information on its website and has direct dialogue with shareholders, investors, etc. in and outside Japan.
- (iv) The department in charge of IR takes the initiative in discussing actions for opinions and concerns of shareholders identified at the dialogues and reports such actions to the Board of Directors, as necessary.
- (v) To properly manage insider information, the Company has established the Rules on Timely Disclosure and the Rules on Management of Insider Trading and manage insider information in accordance with the provisions of those rules.

2. Capital Structure

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Foreign Shareholding Ratio **Updated**

From 20% to less than 30%

[Status of Major Shareholders] **Updated**

Name or Designation	Number of Shares Held (Shares)	Shareholding Ratio (%)
Chikahiro Terada	41,432,920	33.16
The Master Trust Bank of Japan, Ltd. (Trust account)	17,699,800	14.16
DCM Ventures China Fund (DCM VII), L.P.	5,420,000	4.34
A-Fund, L.P.	5,120,000	4.10
Custody Bank of Japan, Ltd. (Trust account)	4,859,900	3.89
Kei Tomioka	4,160,000	3.33
Kenji Shiomi	2,320,000	1.86
CNK, Inc.	2,047,080	1.64
BBH BOSTON CUSTODIAN FOR NEXT GENERATION CONNECTIVITY ASIA FUND A SERIES T621052	1,772,100	1.42
Toru Akaura	1,720,000	1.38

Controlling shareholders (excluding parent company)	-
Existence of parent company	None

Supplementary information

-

3. Corporate Attributes

Listed Stock Exchange and Market Segment Updated	Tokyo Stock Exchange Prime Market
Fiscal Year-End	May
Category of Business	Information, Telecommunications
Number of Employees (consolidated) as of the end of the previous fiscal year Updated	1,000 or more
Sales (consolidated) as of the end of the previous fiscal year	From ¥10 billion to less than ¥100 billion
Number of consolidated subsidiaries as of the end of the previous fiscal year	Less than 10 companies

4. Guidelines for measures to protect minority shareholders when conducting transactions with controlling shareholders

-

5. Other special circumstances that may have a material impact on corporate governance

Not applicable

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II Management Framework regarding Management-Related Decision-Making, Execution and Supervision, and Other Corporate Governance Matters

1. Matters regarding organizational structure and operations, etc.

Organization Form	Company with Audit & Supervisory Committee
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[Directors]

Number of Directors Stipulated in the Articles of Incorporation	13
Term of Office of Directors Stipulated in the Articles of Incorporation	1 year
Chairman of the Board of Directors	Chief Executive Officer (CEO)
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Outside Directors Designated as Independent Officers	3

■ Outside Directors' Relationship with the Company (1) **Updated**

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Maki Suzuki	Attorney											
Toru Akaura	From another company											
Toko Shiotsuki	From another company											
Taro Saito	From another company											

* Selection criteria regarding relationship with the Company

○: shows the item is/was applicable to the Outside Director either currently or until recently

△: shows the item was applicable to the Outside Director in the past

●: shows the item is/was applicable to a close relative of the Outside Director either currently or until recently

▲: shows the item was applicable to a close relative of the Outside Director in the past

a. Executive of the Company or its subsidiaries

b. Non-executive Director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides

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compensation as a Director/Audit & Supervisory Committee member

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Audit & Supervisory Committee member himself/herself only)

i. Executive of a company, between which and the Company Outside Directors/Audit & Supervisory Committee member are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Relationship with the Company (2) **Updated**

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Information on Applicable Items	Reasons for Appointment
Maki Suzuki	○	○	Shintaro Sato Law Office Attorney	Ms. Suzuki possesses specialist knowledge in corporate legal affairs and compliance, etc., as well as a wealth of insight in judicial precedents in her career as an attorney. The Company has appointed her as an Outside Director in the anticipation that she can provide meaningful opinions on the Company's management from a legal perspective as well as diversity. In addition, there is no special relationship between Ms. Suzuki and the Company and she is unlikely to have conflicts of interest with general shareholders. Therefore, the Company has designated her as an Independent Director.
Toru Akaura	○		Incubate Fund KK Representative Director	As a Representative Director at Incubate Fund KK, Mr. Akaura possesses many years of professional experience in the venture capital business together with a wealth of experience as a director of other companies and has cultivated broad insights through these experiences. He is appointed as an Outside Director in the anticipation that he will offer advice and suggestions with regard to all areas of

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				management and investing in companies.
Toko Shiotsuki	○	○	CyberAgent, Inc. Director and Full-time Audit and Supervisory Committee member	<p>Ms. Shiotsuki has degrees as a junior accountant and a doctor of jurisprudence (professional), and has extensive experience in business companies, including serving as a full-time Audit & Supervisory Committee member of a listed company by leveraging her broad insight in accounting, auditing and legal affairs. The Company has appointed her as an Outside Director in the anticipation that she will present meaningful opinions from the perspective of auditing and supervision as well as diversity.</p> <p>In addition, there is no special relationship between Ms. Shiotsuki and the Company and she is unlikely to have conflicts of interest with general shareholders. Therefore, the Company has nominated her as an Independent Director.</p>
Taro Saito	○	○	dof Inc. Representative Director	<p>As a Representative Director at dof Inc., Mr. Saito possesses many years of work experience in branding and communication design together with extensive experience as an officer at other companies, and has cultivated broad insights through these experiences. He is appointed as an Outside Director in the anticipation that he will provide advice and suggestions concerning the general management and corporate governance of the Company.</p> <p>In addition, there is no special relationship between Mr. Saito and the Company and he is unlikely to have conflicts of interest with general shareholders. Therefore, the Company has designated him as an Independent Director.</p>

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[Audit & Supervisory Committee]

■The Committee's Composition and Attributes of Its Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	4	0	0	4	Outside Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee

Appointed

■Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

Since all of the 4 Audit & Supervisory Committee Members of the Company are Outside Directors, they fulfill their duties as Audit & Supervisory Committee Members from an independent standpoint. In addition, the Office for the Audit & Supervisory Committee has been established as an organization to assist the duties of the Audit & Supervisory Committee. If an employee is assigned to assist the duties of the Audit & Supervisory Committee, that employee shall be able to assist the duties of the Audit & Supervisory Committee independently, without being subject to the chain of command of a director who is not an Audit & Supervisory Committee member. The evaluation and assignment of the employee shall be determined with prior notice to, and consent of, the Audit & Supervisory Committee.

■Cooperation among the Audit & Supervisory Committee, Accounting Auditors and Internal Auditing Department

Furthermore, Audit & Supervisory Committee Members and the Internal Auditing Department promote the sharing of information through their attendance at audit reviews that are held regularly by the Accounting Auditor. At the same time, by continually exchanging opinions on the presence of audit-related problems and issues going forward, the Company promotes the establishment of internal controls essential for its sound management and continued development, as well as the evaluation and verification of the operation status and effectiveness thereof.

[Voluntary Establishment of Nomination/Remuneration Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee

None

[Independent Directors]

Number of Independent Directors

3

■Matters Related to Independent Directors **Updated**

Based on the independence standards for independent officers stipulated by the Tokyo Stock Exchange, the Company has designated Ms. Suzuki, Ms. Shiotsuki, and Mr. Saito as independent directors because they have no transactions at all with the Company and

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they are unlikely to have conflicts of interest with general shareholders.

[Incentives]

Implementation of Measures to Provide Incentives to Directors **Updated**

Introduction of a stock-option system with share price conditions as non-monetary remuneration, introduction of a stock-option system with charge

■Supplementary Explanation **Updated**

With the aim of improving the medium- to long-term shareholder value and corporate value of the Company, under the objectives of further improving the incentives of the Directors of the Company, as well as to share further value with shareholders, the Company has introduced and granted stock options with share price conditions as non-monetary remuneration for Directors of the Company (excluding those who are Audit & Supervisory Committee Members). Also, as a means to incentivize Directors apart from the remuneration system, the Company has introduced the Stock Acquisition Rights Trust and the Performance Target-linked Stock Acquisition Rights (Stock Options with Charge), which aims to provide an incentive to current and future Directors of the Group to improve corporate value over the medium to long term.

Recipients of Stock Options

Directors, Outside Directors, Employees, Subsidiaries' Directors, Subsidiaries Employees, Others

■Supplementary Explanation

The Group has adopted the stock-option system with the aim of linking medium- to long-term growth and the improvement of corporate value with benefits received by the recipients of stock options, and increasing the motivation of the recipients to contribute to the Company. The number of stocks distributed to each recipient is decided based on position, expected role (mission grade), etc.

[Director Remuneration]

Disclosure of Individual Director's Remuneration

No Individual Disclosure

■Supplementary Explanation

Since no director is paid in excess of a total of ¥100 million in remuneration etc., individual remuneration amounts are not shown. Furthermore, the total amount of directors' remuneration is disclosed separately in the Annual Securities Report.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

■Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The details of the policies and procedures in determining remuneration for Directors are described on Principles 3.1 (iii) of "Disclosure Based on Principles of the Corporate Governance Code" of this Corporate Governance Report.

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[Support System for Outside Directors and/or Corporate Auditors]

In order to ensure that directors fully perform their management supervisory and audit functions, the Company facilitates improvement of discussion at meetings of the Board of Directors by distributing and explaining materials for the meetings of the Board of Directors in advance and providing relevant information. In addition, for the Audit & Supervisory Committee that consists of Outside Directors, the Company has deployed dedicated employees to assist the Audit & Supervisory Committee's smooth execution of its duties. Such employees are engaged in timely reporting and provision of information upon request of the Audit & Supervisory Committee by participating in major meetings, accessing important documents, etc. The Company also provides directors with opportunities to participate in training sessions provided by third-party institutions at the Company's expense.

2. Matters on Functions such as Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

An overview of the Company's corporate governance structure is described below.

Board of Directors

The Board of Directors consists of 9 Directors, including 4 Directors who are members of the Audit & Supervisory Committee. All directors who are members of the Audit & Supervisory Committee are Outside Directors. The Company has invited as Outside Directors persons such as those with experience as a director at other companies and legal experts with a detailed knowledge of corporate legal affairs and compliance, as well as persons with expertise in the field of accounting, in order to promote the establishment of a system that enables the Company to conduct management decision-making from a broader perspective and to supervise management from outside the Company, while utilizing their insights on corporate management based on their wealth of business experience. In addition, in accordance with Article 427, paragraph (1) of the Companies Act, the Company has entered agreements with its Outside Directors to limit their liability for damages under Article 423, paragraph (1) of said Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for under laws and regulations.

In order to conduct effective and prompt decision-making, the Board of Directors holds a regular Board of Directors meeting once a month in principle, as well as holding extraordinary meetings as needed. 17 meetings were held in the fiscal year ended May 31, 2022.

The Board of Directors functions both as a body for supervising the operations of directors and a body for making decisions on important management matters, in compliance with the Articles of Incorporation and laws and regulations.

Audit & Supervisory Committee

The Company's Audit & Supervisory Committee comprises 4 directors who are members of the Audit & Supervisory Committee. All Committee Members are Outside Directors. Directors who are members of the Audit & Supervisory Committee include attorneys or persons who possess an independent perspective on corporate management. Thus, the Company has established a structure in which management supervision is conducted from the standpoint of each Committee member's professional ethics.

Directors who are members of the Audit & Supervisory Committee express opinions on directors' execution of business at meetings of the Board of Directors and other meetings.

The Audit & Supervisory Committee monitors the vision of governance and its operational status. In order to audit and supervise

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the everyday activities of the directors, including the directors' performance of duties, the Audit & Supervisory Committee implements audits based on the audit plan and holds meetings of the Audit & Supervisory Committee once a month while convening meetings with the Internal Auditing Department and Accounting Auditors, and sharing information necessary for auditing. During the fiscal year ended May 31, 2022, the Company held 12 meetings of the Audit & Supervisory Committee.

Functions of nomination and remuneration decisions

The methods for determining nomination and remuneration are described on Principles 3.1 (iii) and (iv) of "Disclosure Based on Principles of the Corporate Governance Code" of this Corporate Governance Report.

Status of Internal Audits, Audit & Supervisory Committee's Audits, and Financial Audits

Internal Audits.

The head of the Internal Auditing Department and 1 dedicated person belonging to the Internal Auditing Department are in charge of the Company's internal auditing. The objective of internal auditing is to examine and evaluate the effectiveness of internal controls established and operated at the Company, and to point out matters that require improvement and offer advice toward making improvement in order to contribute to achievement of the Company's management targets and stable business operations. The Internal Auditing Department makes an internal audit plan each fiscal year, implements internal auditing after receiving the approval of the CEO, and reports results of auditing to Representative Directors and the division that was subject to auditing while pointing out matters to the said department in order to realize improvements, and checking the status of improvements. The Internal Auditing Department cooperates with the Audit & Supervisory Committee and shares information necessary for auditing.

Audit & Supervisory Committee's Audits

The Company's Audit & Supervisory Committee consists of 4 members, all of whom are Outside Directors.

Based on the Audit & Supervisory Committee's guidelines, the Audit & Supervisory Committee carries out audit operations in line with auditing standards, auditing policies, the Audit Plan, auditing methods, etc. decided by the Audit & Supervisory Committee.

The Audit & Supervisory Committee checks whether the Company's internal control systems are being established and operated appropriately, receives regular reports on the comprehensive implementation status of audits from the Internal Auditing Department, and shares information at the meeting of the Audit & Supervisory Committee. Furthermore, in order to foster sufficient communication and deepen mutual awareness between Audit & Supervisory Committee Members and the Representative Director, they exchange opinions under the theme of significant auditing issues, etc. By attending meetings of the Board of Directors, etc., each Audit & Supervisory Committee member receives information regarding the status of business execution, and by giving their opinions regarding this, audits and monitors the legality and suitability, and ensures appropriate business execution.

In addition, the Audit & Supervisory Committee monitors and verifies whether the Accounting Auditors maintain their independence and implement appropriate audits, and receives reports from the Accounting Auditors regarding the performance of their duties and requests explanations when necessary. Moreover, the Audit & Supervisory Committee receives notification from the Accounting Auditors regarding steps to improve the "systems for ensuring that the performance of the duties is being carried out properly" (as enumerated in each item of Article 131 of the Regulation on Corporate Accounting) in compliance with the "Quality Control Standard for Audit" (adopted by the Business Accounting Council on October 28, 2005), etc., and requests explanations when necessary.

Furthermore, Ms. Maki Suzuki, an Outside Director who is a member of the Audit & Supervisory Committee, is a qualified attorney

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and she offers recommendations and advice on the Company's legal affairs from her standpoint as an expert. Outside Director Toko Shiotsuki, who is also an Audit & Supervisory Committee member, has degrees as a junior accountant and a doctor of jurisprudence (professional), and has extensive knowledge of finance and accounting.

Financial Audits

The Company has concluded an auditing contract with KPMG AZSA LLC. There is no relationship of special interest between the Company and this auditor or its employees who conduct audits. The names of the certified public accountants who executed the audit and the composition of the assistants involved in the audit work are stated below.

1. Names of the certified public accountants who execute the audit:
Osamu Takagi, Designated Limited Liability Partner and Executive Partner
Genta Tsuru, Designated Limited Liability Partner and Executive Partner
2. Composition of assistants involved in the audit work:
7 certified public accountants
8 other individuals

3. Reasons for adopting the current corporate governance structure

From the perspective of further strengthening the auditing and oversight functions of the Board of Directors through the further enhancement of corporate governance, the Company transitioned from being a company with a Board of Auditors to a company with Audit & Supervisory Committee on August 18, 2015. The Company made this transition in order to leverage the functions of Outside Directors, who do not personally execute business operations. Members of the Audit & Supervisory Committee, who possess auditing authority and voting rights at meetings of the Board of Directors appropriately oversee the directors' execution of business in terms of both legality and validity. With this transition to a company with Audit & Supervisory Committee, the Company believes it will enhance the fairness, transparency, and effectiveness of management.

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III Implementation of Measures for Shareholders and Other Stakeholders

1. Efforts to ensure that the General Shareholder Meeting is active and well-facilitated and that voting rights are exercised smoothly **Updated**

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company endeavored to promptly send the Convocation Notice at least three weeks prior to the date of the General Meeting of Shareholders.
Scheduling General Shareholder Meeting to Avoid Peak Days	<p>The Company has scheduled its General Shareholder Meeting for August, when the general shareholder meetings of other companies are not expected to be intensively held.</p> <p>The Company will avoid scheduling its General Shareholder Meeting on peak days so that as many shareholders as possible can attend.</p>
Allowing Electronic Exercise of Voting Rights	The Company has made it possible to exercise voting rights via the Internet in order for every shareholder to actively exercise voting rights.
Participating in the Electronic Voting Platform and Other Efforts to Encourage Institutional Investors to Exercise their Voting Rights	The Company has commenced the utilization of the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English	The Company posts the Japanese and English versions of the Convocation Notice on the Company's website on the same day.
Other	In order to ensure sufficient time for shareholders to consider the agenda, the Company began posting the Convocation Notice on its website and TDnet prior to sending the Convocation Notice. Furthermore, in addition to receiving questions related to the purpose of the meeting in advance of the shareholders' meeting, the Company held a fully online general meeting of shareholders (virtual-only shareholders meeting) from the 15th Annual General Meeting of Shareholders. The Company revitalized and streamlined the general meeting of shareholders and mitigated the risk of infectious diseases, such as COVID-19, and large-scale disasters, such as natural disasters, by livestreaming the proceedings on the day, and receiving the exercise of voting rights, questions and motions from shareholders viewing the livestream.

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2. IR Activities **Updated**

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	We strive to provide shareholders and investors with information in a transparent, fair and continuous manner. Our guidelines on IR activities and information disclosure methods are posted on our website. (IR policy: https://ir.corp-sansan.com/en/ir/policy.html)	
Regular Investor Briefings for Individual Investors	We are making efforts to distribute information online by participating in briefings for individual investors such as posting content in video format on the Company's website. Furthermore, we have prepared a page on our website for individual investors, and posted materials for the explanation of the Company and links for new investors.	No
Regular Investor Briefings for Analysts and Institutional Investors	Representative Director & CEO and Directors hold financial results briefings for analysts and institutional investors once every quarter, and provide explanations on business results, management policy, and other matters. Furthermore, the video and script of these briefings are posted on the Company's website.	Yes
Regular Investor Briefings for Overseas Investors	Once every quarter, the English translation of the explanation and Q&A session at the financial results briefing is available on the Company's website. Furthermore, the Company holds telephone conferences, conferences, etc. with overseas institutional investors in Europe, the Americas, Asia, etc.	Yes

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	Supplementary Explanations	Explanation by Representative
Posting of IR Materials on the Website	<p>The Company posts information on its website, such as financial briefings, timely disclosure materials, annual securities reports, quarterly financial briefing, notice of the annual general meeting of shareholders, presentation materials for the general meeting of shareholders, annual reports, factbooks, presentation material on financial results, supplementary presentation material on financial results, and items that are expected to be of high interest in financial results. Main IR materials are disclosed in Japanese and English at the same time. Materials for the explanation of the Company and other information are posted on the page for individual investors.</p> <p>(The Company's website: https://www.corp-sansan.com/)</p>	
Establishment of Department in Charge of IR	<p>IR Lead: Director, Executive Officer, CFO, Managing Executive (Corporate Division)</p> <p>IR Department: IR Team, Corporate Division</p>	
Other	<p>- Issuance of Annual Reports</p> <p>We have published an annual report every year since 2020. "Sansan, Inc. Annual Report 2021," published in October 2021, was selected as a "Highly Improved Annual Report" by an asset management institution of the Government Pension Investment Fund (GPIF), and received "Honors" in the Traditional Annual Reports category at the International ARC Awards, one of the world's largest annual reports competitions organized by the independent awards organization MerComm, Inc. of the United States.</p>	

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3. Measures to Ensure Due Respect for Stakeholders **Updated**

	Supplementary Explanation
Establishment of Internal Rules for Respecting the Position of Stakeholders	The Company's mission is "Turning encounters into innovation," and it provides an innovative service to the very nature of business and encounters. Through this service, the Company will maximize sustainable corporate value and contribute to society while recognizing the importance of gaining the continued trust of all stakeholders.
Implementation of Environmental Conservation Activities, CSR Activities, etc.	<p>- Initiatives Related to Sustainability</p> <p>Initiatives Related to Sustainability are described on Supplementary Principle 3.1. (iii) of "Disclosure Based on Principles of the Corporate Governance Code" of this Corporate Governance Report. The Company posts details of each activity on the Company's website.</p> <p>- Adoption to ESG indices</p> <p>As of the end of June 2022, the Company has been included in the MSCI Japan Empowering Women Index. The index is composed of the top 700 stocks by market capitalization (MSCI Japan IMI Top 700 Index) and companies that excel in gender diversity within their industries, based on a gender diversity score developed by MSCI.</p>
Development of Policies on Information Provision to Stakeholders	The Company's basic guideline for investor relations activities is to provide accurate, fair, and timely disclosure of information to all stakeholders, including its shareholders and investors, in accordance with the Financial Instruments and Exchange Act, other laws and regulations, and the "Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities, etc." provided by the Tokyo Stock Exchange. The Company's policy is to also proactively disclose information that does not fall under the above categories, but is considered important for the understanding of the Company, through the Company's website and financial results briefings, etc. Additionally, the Company is striving to expand disclosure of non-financial information through the annual reports and its website. (Integrated Report: https://ir.corp-sansan.com/en/ir/library/report.html)

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IV Matters Related to the Internal Control System

1. Basic Views on the Internal Control System and the Progress of System Development **Updated**

The Company strives to maintain and enhance corporate governance by the establishment and strict operation of an internal control system based on the Basic Policy on Internal Control System, which was determined by the Board of Directors.

a) System to ensure that the execution of duties by directors and employees complies with laws and regulations as well as the Articles of Incorporation (System for Strict Compliance with Laws and Regulations and the Articles of Incorporation).

1. Directors and employees carry out appropriate corporate activities based on high ethical standards and comply with laws and regulations and internal rules such as the Articles of Incorporation in accordance with the Company's corporate philosophy and code of conduct, "The Katachi of Sansan."

2. Implement internal audits by the Internal Auditing Department, an independent entity under the direct supervision of the CEO, to verify if execution of business operations is being conducted based on laws and regulations, the Articles of Incorporation, and internal and other rules while at all times strive to make improvements when issues are discovered.

b) System for storage and management of information related to execution of duties by directors (Information Storage and Management System)

1. The Company shall appropriately prepare, store and manage documents, business forms, various information such as records made in an electronic format based on the Rules on Information Asset Management, after classifying according to level of confidentiality.

2. Directors may access these documents and records at any time.

c) Rules and other systems for managing risk of loss (Risk Management System)

1. Appropriately manage a host of potential risks in the Company's business activities through the establishment of internal rules and a response system.

2. Give utmost priority to the appropriate handling of personal information, appoint a person in charge of personal information protection, and make efforts to minimize the risks associated with the management of personal information by establishing internal rules centered on a set of basic regulations for the protection of personal information.

3. Reduce information security risks by appointing a chief information officer with responsibility and authority for information security risks and risk management and establishing rules on management of information systems.

4. Directors immediately report to the Audit & Supervisory Committee in the event of any kind of risk arising that may cause a major loss to the Company.

d) System to ensure that the duties of the directors are being carried out efficiently (System for Securing Efficiency)

1. Hold regular meetings comprising directors once a month and convene extraordinary meetings as needed in accordance with laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors in order to audit the status of business execution by discussing and making decisions on important matters, and receiving reports from executive directors.

2. Establish a suitable and efficient decision-making system through developing internal rules such as the Rules on the Board of Directors, and clarifying areas of responsibility and authority.

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e) System to ensure the properness of business operations of the corporate group composed of the Company and its subsidiaries
(Internal Control of Corporate Group)

1. The Company and its subsidiaries, etc., which comprise the Sansan Group, have held up a policy to carry out appropriate corporate activities based on high ethical standards and to comply with their respective corporate philosophy and code of conduct as well as applicable laws and regulations and internal rules, such as the Articles of Incorporation, and endeavor to develop fair and responsible business to contribute to sustainable growth of the Sansan Group.
2. As the basic policy for involvement in management of its subsidiaries, the Company has established the Rules on Management of Subsidiaries and maintains a system in which group governance can function, such as concluding business management agreements with the subsidiaries pursuant to said regulations.
3. The Internal Auditing Department implements regular audits in order to verify if the business operations of the Company and its subsidiaries are in compliance with laws and regulations, the Articles of Incorporation, internal rules, and other regulations.

f) Internal control system for financial reporting (System to ensure properness of financial reporting)

1. In order to secure the properness of financial reporting of the Company and its subsidiaries, the Company develops and appropriately operates internal rules, including the Basic Policy on Internal Controls Related to Financial Reporting, based on the Financial Instruments and Exchange Law and other laws and regulations in Japan and overseas that apply to the Company and its subsidiaries.
2. Develop and operate a monitoring system for financial reporting and establish a system for timely and appropriate reporting when internal control system problems or defects are identified through the monitoring system.
3. In terms of information infrastructure, make effective and efficient use of the internal control system for financial reporting and respond appropriately with respect to General Control and Application Control.

g) Matters related to the Office that assists the duties of the Audit & Supervisory Committee.

Matters related to the independence of members of that Office and matters on ensuring the practicability of instructions to those members (Establishing an Office and Office member for the Audit & Supervisory Committee), (Independence of the Office for the Audit & Supervisory Committee), (Ensuring practicability of instructions to the Office of the Audit & Supervisory Committee).

1. Establish an Office under the direct control of the Audit & Supervisory Committee and designate an Office member to assist the duties of the Committee's members on a full-time basis.
2. The supervisory authority over that Office member is to belong exclusively to the Audit & Supervisory Committee and the appointment, transfer, performance evaluation, disciplinary action, and other matters regarding the member require the approval of, and prior notification to, the Audit & Supervisory Committee.

h) System for submitting reports to the Audit & Supervisory Committee, which includes the system for directors and employees to report to the Audit & Supervisory Committee

1. Directors and employees shall promptly inform the Audit & Supervisory Committee of any matter that may have a significant impact on the Company and the implementation status of internal audits as well as legal matters, and provide necessary reports and information in response to requests from the Audit & Supervisory Committee.

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2. Formulate rules for a Whistle-Blower System and ensure the operation of an appropriate reporting system based on the stipulations of the Whistle-Blower System. The Company shall not treat any director or employee unfavorably on the basis of said director or employee using the System to give a report to the Audit & Supervisory Committee.

i) Other: Systems for ensuring the effectiveness of audits by the Audit & Supervisory Committee (Systems for ensuring the effectiveness of audits by the Audit & Supervisory Committee)

1. The CEO shall meet regularly with the Audit & Supervisory Committee and Accounting Auditor to exchange of opinions and communicate effectively.

2. The Audit & Supervisory Committee shall meet regularly with the Accounting Auditor, cooperate with the Internal Auditing Department, and exchange information at all times.

3. Payments of costs incurred in the process of executing the duties of the Audit & Supervisory Committee Member shall be addressed upon a request for payment.

2. Basic Views on Eliminating Anti-Social Forces **Updated**

a. Basic Views on Eliminating Anti-Social Forces

The Company shall conduct fair and responsible corporate activities by the formulation of its Basic Policy on Eliminating Anti-Social Forces and its dissemination inside and outside the Company as well as the securing and maintaining of a compliance system through the development and operation of all internal rules.

b. Status of the Company's preparedness for the elimination of antisocial forces

(a) Status of the preparedness of internal rules

All executives and employees of the Company shall comply with the Basic Policy on Eliminating Anti-Social Forces and other internal rules and establish a system to promote the elimination of such forces.

Additionally, by establishing Detailed Rules on Investigations into Anti-social Forces for Sales Management and Detailed Rules on External Procurement Transactions as operational rules, the Company has built a system for preventing transactions with anti-social forces.

(b) Special department with responsibility for countermeasures in relation to anti-social forces and person responsible for the prevention unreasonable demands

The Company has established the following system for responding to antisocial forces.

1. Person with overall responsibility: Executive in charge of Corporate Division

2. Division with overall responsibility: Legal Team

3. Responding division: The department dealing with that business partner

(c) Method for addressing the elimination of anti-social forces

i. New business partners, shareholders, and executives

As a general principle, the Company uses a private sector tool to ascertain whether or not new business partners, shareholders, and executives have relationships with anti-social forces.

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At the commencement of business, the Company inserts a wording in all contracts in which the partner guarantees that they have no relationship with anti-social forces, and a contract cancellation clause to be invoked in the event that the partner does have such relationship.

ii. Existing business partners

Using a price sector investigative tool, the Company carries out checks on all existing business partners to ascertain whether or not they have relationships with anti-social forces. In addition to taking the usual precautions, the Company also implements investigations and checks to a certain extent.

iii. The Company has a system for dissolving relationships with existing business partners if it comes to light that they are anti-social forces or are suspected of being such forces.

(d) Status of cooperation with external specialist organizations

The Company continuously studies the importance of eliminating anti-social forces through external lectures and seminars. Additionally, the Company has established cooperative ties with the police, the Center for Removal of Criminal Organizations, and legal counsel.

(e) Status of efforts to gather and manage information related to anti-social forces

The Company consolidates information on anti-social forces with the responsible division, thereby centralizing the gathering and management of information.

(f) Implementation status of training activities

On joining the Company, new employees submit a written pledge confirming that they have no relationships with anti-social forces and the Company explains the importance of eliminating anti-social forces.

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Other Matters

1. Adoption of Anti-Takeover Measures

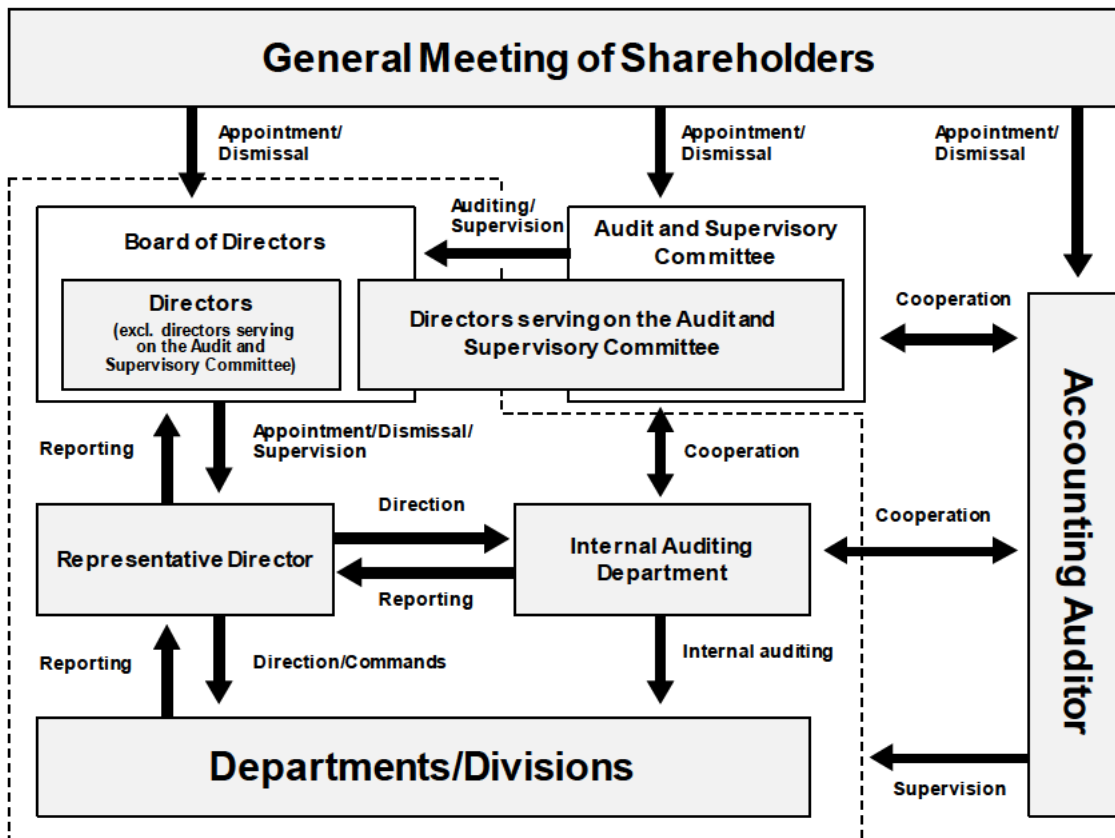
Adoption of anti-takeover measures	No
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2. Other matters concerning corporate governance system, etc.

A flow chart describing the Company's corporate governance and timely disclosure systems is attached for reference.

[Chart 1]

Corporate Governance System



English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

[Chart 2]

Timely Disclosure System

