

To whom it may concern:

Company name	Sansan, Inc.
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Notification Regarding Conclusion of Capital and Business Alliance Agreement with Fringe81 Co., Ltd. and Acquisition of Preferred Stock (Additional Investment) by Underwriting of Capital Increase through Third-party Allotment of Shares

At a meeting of its Board of Directors held on May 19, 2021, Sansan Inc. (“the Company”) resolved to conclude a capital and business alliance agreement with Fringe81 Co., Ltd. (hereinafter “Fringe81”). As described below, the Company also resolved to acquire preferred stock (additional investment) in accordance with a third-party allotment conducted by Fringe81.

1. Purposes of and Reasons for the Capital and Business Alliance and Acquisition of Preferred Stock (Additional Investment)

Having adopted as its mission “Turning encounters into innovation” and its vision to “Become business infrastructure,” the Company is developing and deploying services that lead to solutions for the numerous issues faced by both companies and individual businesspeople. We primarily provide “Sansan,” a B2B business card-based contact management service that enables users to digitize business cards in order to visualize and share the networks between individuals as data, “Eight” a business card management app that incorporates a system of social networking service, and “Bill One” an online invoice receiving solution.

In addition to its Internet advertisement service, on which the company has been working since its inception, Fringe81 also provides “Unipos” service which is a peer recognition and bonus service that enables employees to send gratitude and praise with words and points on a regular basis. An HR tech service that utilizes IT to improve operations in the human resources field, “Unipos” is now even more sought after as new work styles become more prevalent in the COVID-19 pandemic. The service possesses unique features that contribute to deepening mutual understanding between employees, raise motivation, and strengthen interdepartmental cooperation.

At present, in addition to working toward achieving further growth in its Sansan Business and monetization of the Eight Business, the Group is aiming to realize improvements in shareholder value and enterprise value over the medium- to long-term, while actively working to create new businesses that leverage the strengths of the Group and to accelerate the development of those businesses. Under these circumstances, in December 2020 we entered into a capital and business alliance agreement (hereinafter referred to as “the Previous Agreement”) with Fringe81 to improve the value of mutual services and promote sales activities through collaboration between “Sansan” and “Unipos.” We have been conducting various studies and initiatives with regard to collaboration, etc. (hereinafter referred to as “the Initiatives”). On this occasion, the Previous Agreement was terminated with the consent of both companies, and a capital and business alliance contract once again concluded, and we will further strengthen the relationship between the two companies and promote the Initiatives by making an additional investment in accordance with the third-party allotment of shares being implemented by Fringe81. Furthermore, if “Unipos” grows into a service of a certain scale as a result of the Initiatives, we will consider making Fringe81 a consolidated subsidiary in the future and pursuing further synergistic effects. Even after having made Fringe81 a consolidated

subsidiary, the policy is for the Company to maintain Fringe81's stock listing.

2. Details of the Capital and Business Alliance

(1) Details of the Capital Alliance

At the time of the Previous Agreement, the Company acquired 366,200 shares of Fringe81 common stock. On this occasion, the plan is to acquire 1,900 shares of Class A preferred stock that Fringe81 will newly issue by the third-party allocation method for 1,900 million yen. It is planned that the total amount of funds required for acquiring the Class A preferred stock will be provided through borrowing from financial institutions.

In addition, Class A preferred stock bestows the right to request acquisitions in consideration of Fringe81 common stock, and thus the Company is considering making Fringe81 a consolidated subsidiary through the exercise of said right to request acquisitions. For details, please refer to "6. Outlook (2) Matters concerning the acquisition of Fringe81 as a consolidated subsidiary."

With regard to this capital increase through the third-party allotment of shares, it is assumed that the underwriting of this capital increase through third-party allotment and each proposal for an amendment of the Articles of Incorporation relating to capital increases will be approved at Fringe81's Ordinary General Meeting of Shareholders, which is scheduled to be held on June 29, 2021. For more information, please refer to "Notice Concerning Re-signing of Capital and Business Alliance Agreement with Sansan, Inc., Issuance of Preferred Stock by Third-Party Allotment, Change of Trade Name and Partial Amendment of Articles of Incorporation (Japanese only)," released by Fringe81 on May 19, 2021.

(2) Details of the Business Alliance

In aiming for mutual improvements in their enterprise value over the medium- to long-term, the Company and Fringe81 are planning to implement the following business alliances.

1. "Sansan" and "Unipos" Alliance

Looking ahead to joint service provision through collaboration between "Sansan" and "Unipos," the Company will utilize its customer base and consider supporting Fringe81's sales activities. In addition, discussions were held with a view toward future service cooperation between "Sansan" and "Unipos," whereby for 12 months from the date specified by the Company some Fringe81 development engineers will undertake developments based on the Unipos product measures separately agreed between the two companies. In the event that the two companies are able to confirm certain achievements resulting from the abovementioned development measures, the Company will hold discussions with Fringe81 on functional cooperation with "Sansan," covering sales and marketing methods, economic conditions and other aspects.

2. Cooperation on Advertisement Services

In the Eight Business marketing solution services handled by the Company, we will receive business provision from Fringe81 that will contribute to medium- to long-term business growth. Specifically, Fringe81 will undertake the development of a new system and support the definition and implementation of requirements for the renewal of the advertisement distribution system used by the Company.

3. Provision of SaaS Service-related Sales and Marketing Know-how, etc.

The Company will provide Fringe81 with a variety of expertise, such as sales and marketing know-how cultivated in the SaaS business.

4. Dispatch of Executives, etc.

The Company reserves the right to appoint two candidates as external directors of Fringe81. The plan is for the proposals for the election of the two members nominated by the Company to be submitted to the Ordinary General Meeting of Shareholders of Fringe81, which is scheduled to be held on June 29, 2021.

3. Overview of Fringe81

(1)	Company Name	Fringe81 Co., Ltd
(2)	Location	43F Sumitomo Fudosan Roppongi Grand Tower, 3-2-1 Roppongi,

	Minato-ku, Tokyo																						
(3) Representative	Representative Director & CEO Yuzuru Tanaka																						
(4) Description of Business	Development of/consulting on Internet advertising technologies Provision of web services in the HR tech area, etc.																						
(5) Capital	807 million yen (As of March 31, 2021)																						
(6) Founded	November 2012																						
(7) Major Shareholders and Shareholding Ratio	<table border="0"> <tr> <td>Yuzuru Tanaka</td> <td>37.17%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>9.40%</td> </tr> <tr> <td>cyber communications inc.</td> <td>4.64%</td> </tr> <tr> <td>Sansan, Inc.</td> <td>3.07%</td> </tr> <tr> <td>SBI SECURITIES Co., Ltd.</td> <td>2.45%</td> </tr> <tr> <td>Minoru Matsushima</td> <td>1.97%</td> </tr> <tr> <td>Rakuten Securities, Inc.</td> <td>1.82%</td> </tr> <tr> <td>Takanori Nakamura</td> <td>1.76%</td> </tr> <tr> <td>Dentsu Digital Investment Limited Partnership</td> <td>1.66%</td> </tr> <tr> <td>Yu Higashiyama</td> <td>1.44%</td> </tr> </table> (As of March 31, 2021)			Yuzuru Tanaka	37.17%	Custody Bank of Japan, Ltd. (Trust Account)	9.40%	cyber communications inc.	4.64%	Sansan, Inc.	3.07%	SBI SECURITIES Co., Ltd.	2.45%	Minoru Matsushima	1.97%	Rakuten Securities, Inc.	1.82%	Takanori Nakamura	1.76%	Dentsu Digital Investment Limited Partnership	1.66%	Yu Higashiyama	1.44%
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Yu Higashiyama	1.44%																						
(8) Relationship with the Company	Capital Relationship	The Company holds 366,200 shares of common stock of the company. There are no other notable items. (As of May 19, 2021)																					
	Personnel Relationship	None																					
	Business Relationship	In addition to the use of the Company's service "Sansan" by Fringe81, there are transactions relating to the use of Fringe81's service "Unipos" by the Company.																					
	Related Party Status	None																					
(9) Financial Position and Performance in the Past 3 Fiscal Years (JGAAP)																							
Consolidated fiscal year ended	March 31, 2019	March 31, 2020	March 31, 2021																				
Net Assets	1,479	568	330																				
Total Assets	3,749	3,348	2,889																				
Net Assets per Share (yen)	149.94	55.12	24.27																				
Revenue	6,828	6,371	1,964																				
Operating Profit	213	-478	-517																				
Ordinary Profit	211	-478	-528																				
Net Income Attributable to Owners of Parent	259	-900	-852																				
Earnings per Share (yen)	26.48	-91.48	-81.61																				
Dividend per Share (yen)	—	—	—																				

(Note) In millions of yen unless specified otherwise.

(Note) The per-share indices for the fiscal year ended March 31, 2019, are calculated on the assumption that the 1:4 stock split of common shares that was implemented on July 1, 2018, occurred at the start of the fiscal year ended March 31, 2019.

4. Number of Shares to Be Acquired, Acquisition Price and Status of Shares Owned before/after Acquisition

(1) Number of shares owned before acquisition	Common stock 366,200 shares (Number of voting rights: 3,662, ownership ratio 3.07%)
(2) Number of shares to be acquired	Class A preferred stock 1,900 shares (0 voting rights)

(3)	Acquisition cost	1,900 million yen
(4)	Number of shares owned after acquisition	Common stock 366,200 shares, Class A preferred stock 1,900 shares (Number of voting rights: 3,662, ownership ratio 3.07%)

(Note) Ownership ratio indicates the ratio of voting rights owned to the total number of shares outstanding.

5. Schedule

(1)	Date of Board of Directors' resolution	May 19, 2021
(2)	Date of conclusion of capital and business alliance agreement	May 19, 2021
(3)	Fringe81's Ordinary General Meeting of Shareholders	June 29, 2021 (planned)
(4)	Share acquisition execution date	June 30, 2021 (planned)

6. Outlook

(1) Impact on business performance

This capital and business alliance and acquisition of additional investment are expected to contribute to the Group's performance over the medium- to long-term. At present, they will thus not have a significant impact on the Company's consolidated financial results for the current fiscal year.

(2) Matters concerning acquisition of Fringe81 as a consolidated subsidiary

In the event that Fringe81's Unipos Business achieves a certain level of growth as a result of having proceeded with this capital and business alliance and the acquisition of additional investment, it has been agreed with Fringe81 that the policy (hereinafter referred to as "the Policy") will be to make Fringe81 a consolidated subsidiary for the purpose of pursuing further synergistic effects. Even after having made Fringe81 a consolidated subsidiary, the policy is for the Company to maintain Fringe81's stock listing.

In response to this third-party allotment of Fringe81 shares, discussions on the Policy have been held with Development Bank of Japan Inc. (hereinafter "DBJ"), which is also planning to acquire Fringe81 Class A preferred stock. The Company has reached agreement and entered into a shareholder agreement with DBJ. Under the terms of the shareholder agreement, the Company reserves the right from DBJ to exercise the call option for Fringe81 Class A preferred stock one year after the share acquisition execution date. DBJ has also agreed with the Company that it has the right to exercise put options related to the shares after three years have passed since the share acquisition execution date. After having exercised an appropriate call option or put option, in the event that the Company exercises the right to request acquisition in consideration of the common stock related to the Class A preferred stock, it is expected that the subsidiary of the Company would be transferred. Should the need arise for the timely disclosure of relevant information, this will be promptly disclosed.