

**sansan**

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Turning encounters  
into innovation



# Presentation Materials for FY2022 Q1

Sansan, Inc. October 13, 2022

# Disclaimer

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In preparing these materials, Sansan, Inc. (“the Company”) relies upon and assumes the accuracy and completeness of all available information. However, the Company makes no representations or warranties of any kind, expresses or implies, about the completeness and accuracy. This presentation may contain future assumptions, prospects and forecasts based on planning, but these forward-looking statements are based on the information that is currently available to us, and on certain assumptions that we assume to be reasonable, but the Company does not promise to achieve these. Major differences may occur between the forecast and the actual performance, including changes in economic conditions, consumer needs and user preferences; competition with other companies; changes in laws, regulations and others; and a number of other future factors. Therefore, the actual performance announced may vary depending on these various factors. In addition, the Company has no obligation to revise or publish the future prospects posted on this site.

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**2** Full-year Forecasts

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## **1** Consolidated Financial Results for FY2022 Q1

## 2 Full-year Forecasts

## Highlights of FY2022 Q1 Results

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### **Consolidated net sales up 24.3% YoY**

Net Sales: Sansan/Bill One Business 23.7% growth, Eight Business 25.8% growth  
ARR <sup>(1)</sup>: 21.9% growth to ¥20,809 million

### **Steady progress made against full-year earnings forecasts**

No change to consolidated earnings forecasts announced at beginning of fiscal year  
Decrease in adjusted operating profit <sup>(2)</sup> due to strengthening of personnel recruitment and marketing activities, in line with plan.

### **High growth continued for Bill One cloud-based invoice management solution**

Bill One MRR <sup>(1)</sup> up 332.1% YoY, to ¥140 million  
ARR (as of August 2022) was ¥1,690 million

<sup>(1)</sup> Following review of calculation method, FY2021 Q1 value for annual recurring revenue changed

<sup>(2)</sup> Operating profit+ share-based payment expenses+ expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

## Overview of Consolidated Financial Results

**Net sales up 24.3% YoY, but adjusted operating profit decreased because of growth investments**  
**Profit at each stage under ordinary profit decreased owing to large gain on sale of investment securities recorded in same period of previous year.**

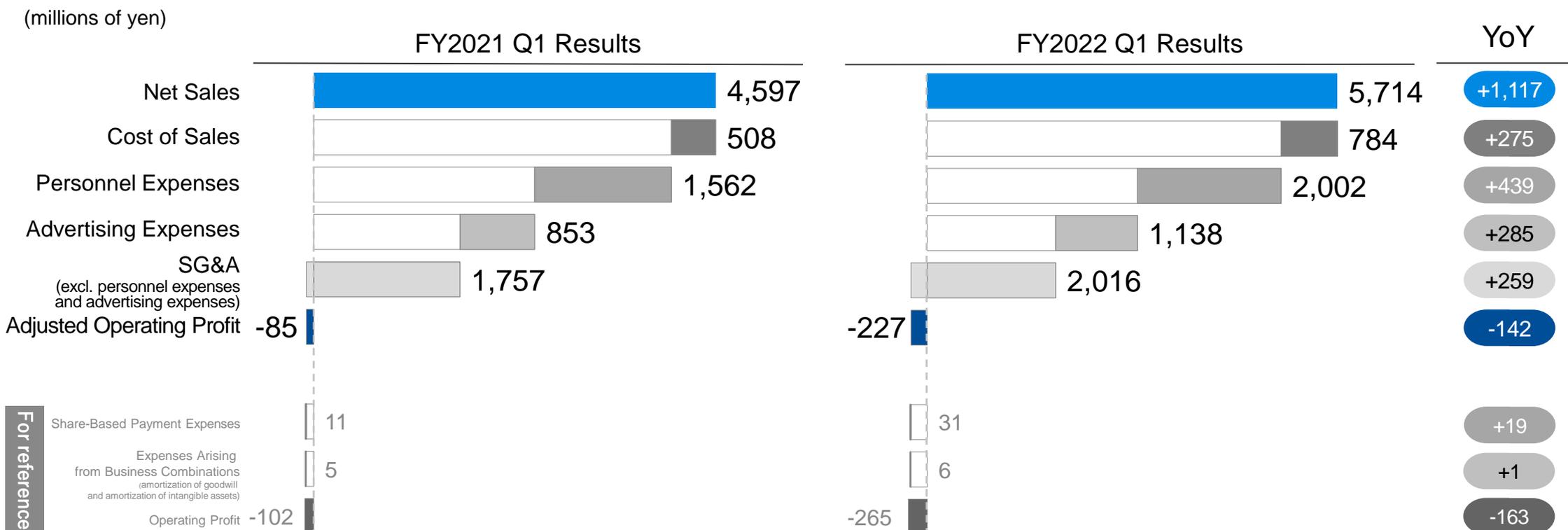
		FY2021	FY2022	
		Q1 Results	Q1 Results	YoY
(millions of yen)				
<b>Consolidated Results</b>	Net Sales	4,597	5,714	+24.3%
	Gross Profit	4,088	4,930	+20.6%
	Gross Profit Margin	88.9%	86.3%	-2.6 pt.
	Adjusted Operating Profit	-85	-227	—
	Adjusted Operating Profit Margin	—	—	—
	Ordinary Profit	754	-173	—
	Profit Attributable to Owners of Parent	652	-325	—
	EPS <sup>(1)</sup>	5.23 yen	-2.61 yen	—

(1) As the Company conducted a four-for-one common stock split effective December 1, 2021, EPS was calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended May 31, 2022.

# Factors Contributing to Changes in Adjusted Consolidated Operating Profit

**Personnel expenses up ¥439 million (28.1%), and advertising expenses up ¥285 million (33.4%) YoY, because of strengthening of personnel recruitment and advertising activities, respectively**

## Status of Consolidated Net Sales/Adjusted Operating Profit



## Results by Segment

Increased net sales and adjusted operating profit (reduced deficit) in both Sansan/Bill One and Eight Businesses. Adjustments amount (adjusted operating loss) up ¥250 million YoY, owing to more employees, etc.

		FY2020	FY2021	
		Q1 Results	Q1 Results	YoY
		(millions of yen)		
Net Sales	Consolidated	4,597	5,714	+24.3%
	Sansan/Bill One Business	4,160	5,147	+23.7%
	Eight Business	424	533	+25.8%
	Others	13	55	+308.0%
	Adjustments	-1	-21	—
Adjusted Operating Profit	Consolidated	-85	-227	—
	Sansan/Bill One Business	1,142	1,221	+6.9%
	Eight Business	-176	-135	—
	Others	2	-9	—
	Adjustments	-1,054	-1,304	—

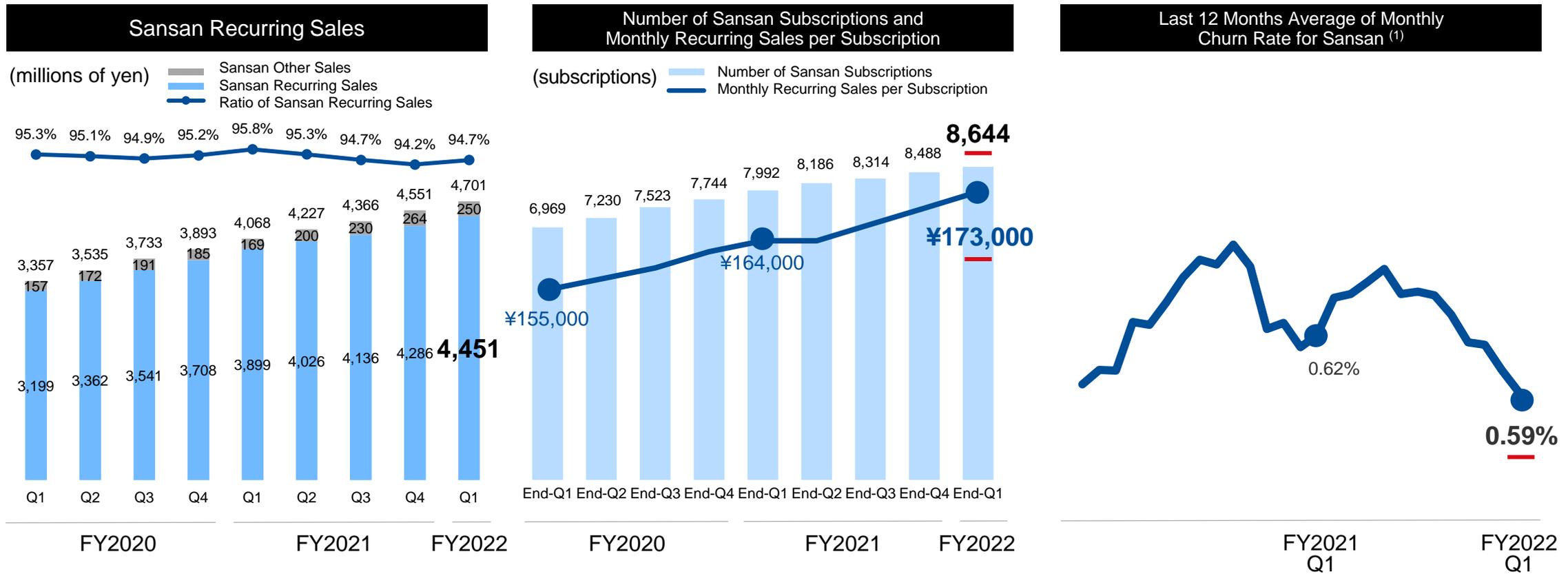
## Sansan/Bill One Business Overview

Against backdrop of Sansan's steady growth and high growth of Bill One, net sales up 23.7% YoY  
Even while investing in Sansan and Bill One's growth, adjusted operating profit up 6.9% YoY

		FY2020	FY2021	
		Q1 Results	Q1 Results	YoY
		(million yen)		
Sansan/Bill One Business	Net Sales	4,160	5,147	+23.7%
	Sansan	4,068	4,701	+15.5%
	Sansan Recurring Sales	3,899	4,451	+14.1%
	Sansan Other Sales	169	250	+48.1%
	Bill One	89	401	+346.1%
	Others	2	44	+1,916.7%
	Adjusted Operating Profit	1,142	1,221	+6.9%
	Adjusted Operating Profit Margin	27.5%	23.7%	-3.8 pt.

# Sansan/Bill One Business : Sansan Recurring Sales, Number of Sansan Subscriptions and Monthly Recurring Sales per Subscriptions, Last 12 Months Average of Monthly Churn Rate for Sansan

**Sansan recurring sales up 14.1% YoY, Sansan other net sales up 48.1%.  
 Number of subscriptions up 8.2% YoY and monthly recurring sales per subscription up 5.5% YoY.  
 Last 12 months average of monthly churn rate has remained low, at 1% or less.**



(1) Ratio of decreased monthly fees associated with contract cancellations to total monthly fees for existing contracts

## Sansan/Bill One Business : Sansan Development Schedule

Use of some post-product reform functions commenced June 2022.

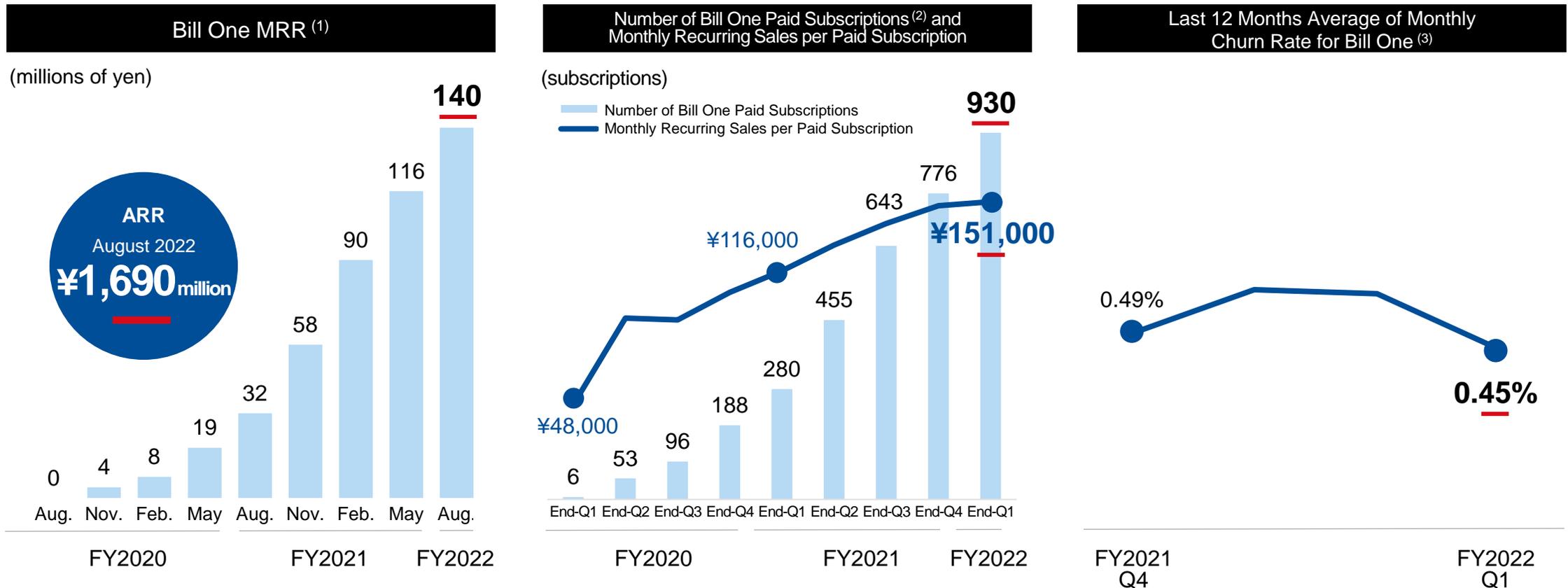
Plan to install functions that display email contact information and enable searches after October 2022.

FY2021		FY2022	
Q 3	Q 4	Q 1	Q 2
<ul style="list-style-type: none"> <li>• Added Contact Inbox function (December)</li> </ul>	<ul style="list-style-type: none"> <li>• Browsing of company information (March)</li> <li>• Add website inquiry form integration (May)</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened integration with Teikoku Databank (June)</li> <li>• Risk Intelligence for companies/people (August)</li> </ul>	<ul style="list-style-type: none"> <li>• Email contact display and search functions (August)</li> <li>• DM solution function</li> </ul> <p>(additions as necessary)</p>

# Sansan/Bill One Business : Bill One MRR, Paid Subscriptions, and Monthly Recurring Sales per Paid Subscription, Last 12 Months Average of Monthly Churn Rate for Bill One

**MRR up 332.1% YoY, ARR (as of August 2022) was ¥1,690 million**

**Number of paid subscriptions up 232.1% YoY, monthly recurring sales per paid subscription up 30.2% YoY, last 12 months average of monthly churn rate has remained low, at 0.45%**



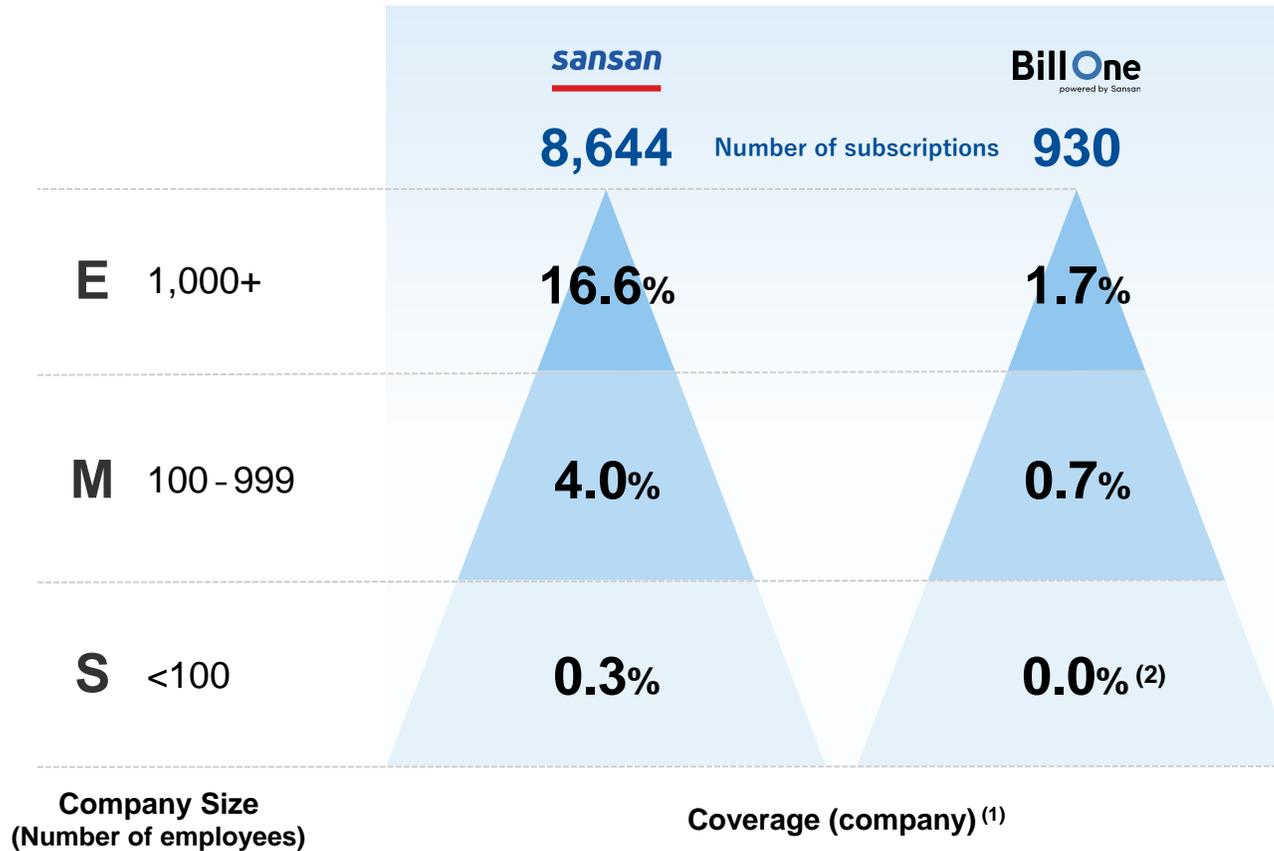
(1) Following review of calculation method, values prior to FY2021 Q4 changed.

(2) Values up to FY2021 Q4 end changed following revision of aggregation timing, from when subscription completion concluded to start of service use (when calculation method prior to revision applied, value for FY2022 Q1 was 1,015 subscriptions).

(3) Ratio of decrease in monthly fees associated with contract cancellations to total monthly fees from existing Bill One subscriptions.

# Sansan/Bill One Business : Bill One User Company Coverage by Company Size

Based on Sansan performance, significant scope for coverage expansion in Bill One's usage by major companies



**Vast room  
for new development**

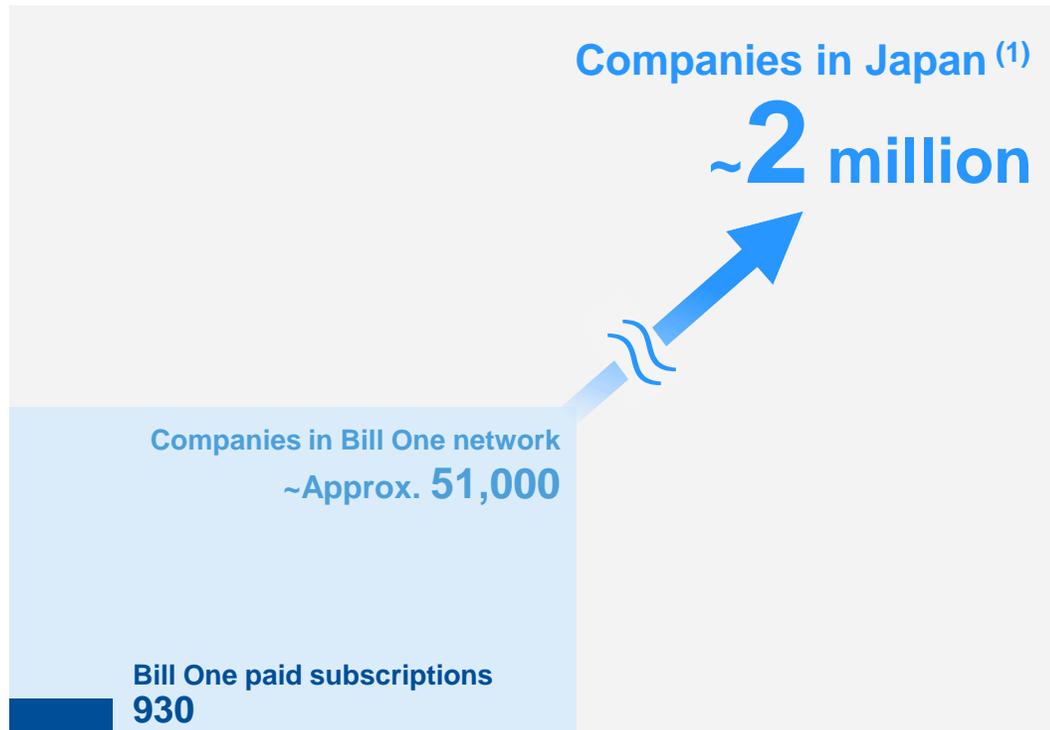
(1) The coverage is calculated with the number of subscription in each services for FY2022 Q1 end as the numerator and the number based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau as the denominator

(2) Bill One paid subscriptions only.

## Sansan/Bill One Business : Size of Potential Market and Bill One ARR

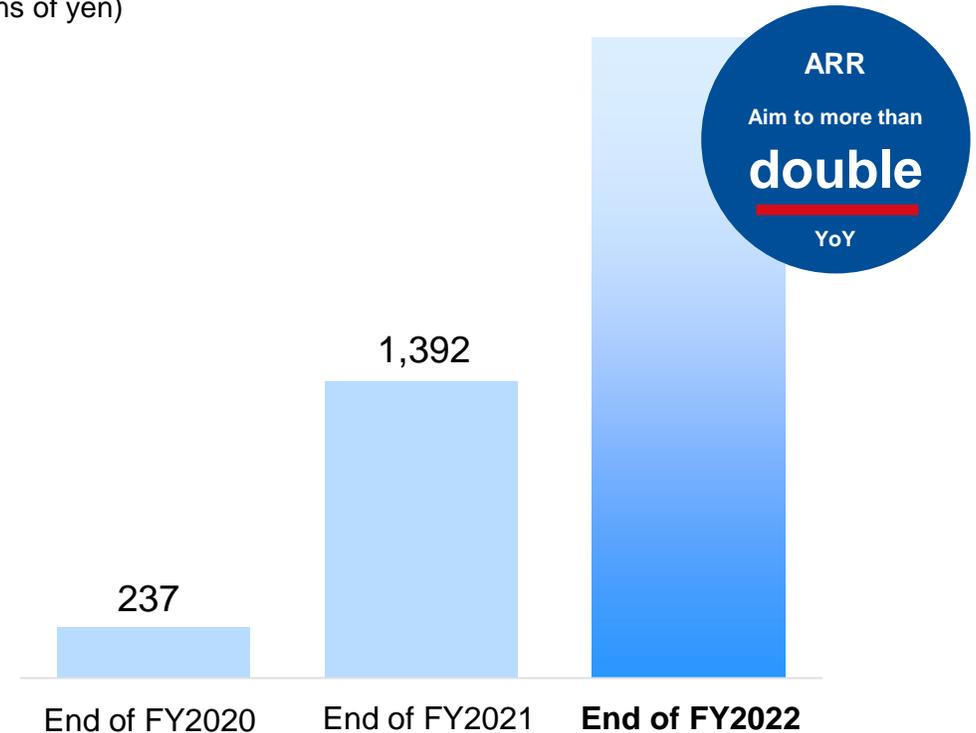
Since all companies are targeted regardless of their industry or size, vast room for development exists in Japan. Aiming to more than double ARR YoY by end of FY2022.

Size of Potential Market <sup>(1)</sup>



Bill One ARR <sup>(2)</sup>

(millions of yen)



(1) Based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau.

(2) Following review of calculation method for Bill One MRR, values prior to end of previous fiscal year changed.

## Eight Business Overview

**Sales up 25.8% YoY owing to expansion of B2B services.  
Adjusted operating loss shrank by ¥40 million YoY.**

		FY2020	FY2021		
		Q1 Results	Q1 Results	YoY	
		(millions of yen)			
Eight Business	Net Sales	424	533	+25.8%	
	B2C Services	71	72	+2.1%	
	B2B Services	352	460	+30.6%	
	Adjusted Operating Profit	-176	-135	—	
	Adjusted Operating Profit Margin	—	—	—	
	Number of Eight Users <sup>(1)</sup>	2.96 million people	3.15 million people	+0.18 million people	
	Number of Eight Team Subscriptions	2,342	3,008	+28.4%	

(1) Number of confirmed users who registered their business card to their profile after downloading the app.

## Eight Business: Net Sales, Adjusted Operating Profit

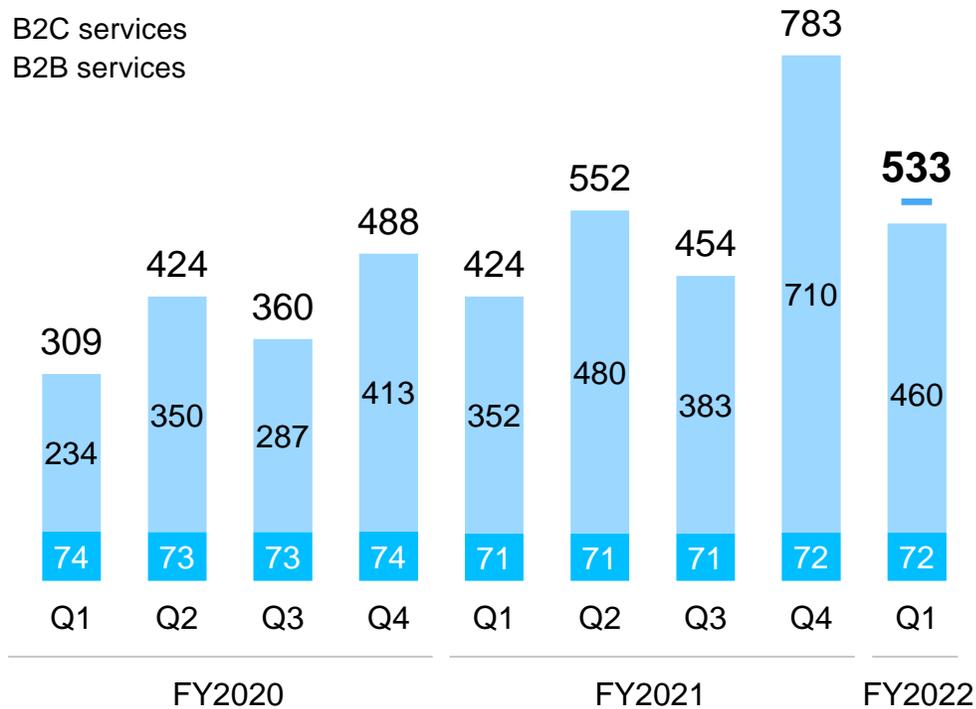
Decrease in B2B service net sales compared with previous Q4 because of factors that include absence of large-scale business events.

Plan to aim for adjusted operating profit to return to profitability for FY2022.

Net Sales

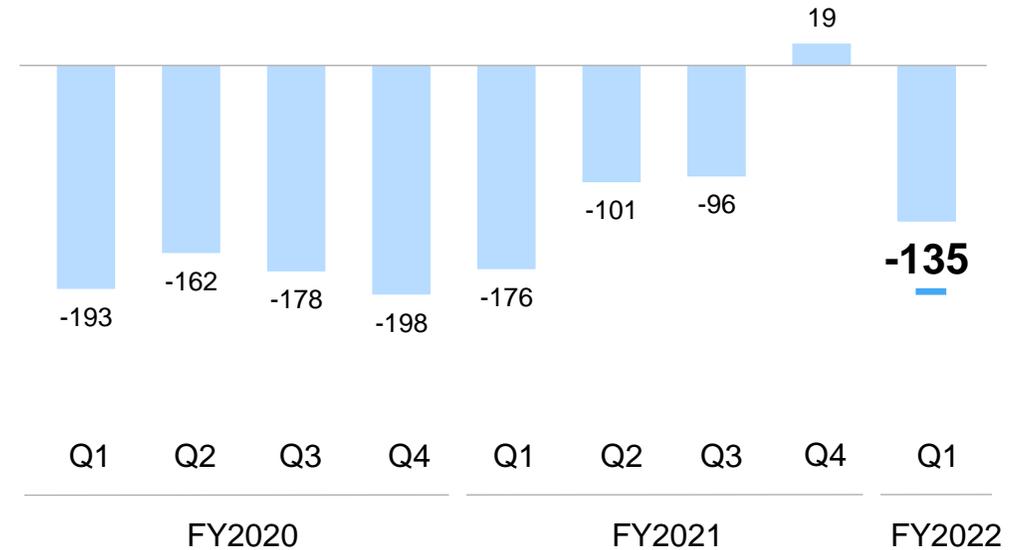
(millions of yen)

- B2C services
- B2B services



Adjusted Operating Profit

(millions of yen)



# Contents

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1 Consolidated Financial Results for FY2022 Q1

**2** Full-year Forecasts

## Consolidated Financial Forecasts

**No change to consolidated earnings forecast announced at beginning of fiscal year.**

**Aim for solid growth in consolidated net sales and growth in adjusted consolidated operating profit that exceeds sales growth in FY2022.**

		FY2021	FY2022 <sup>(1)</sup>	
		(millions of yen)	Full-year Results	Full-year Forecasts
<b>Consolidated Forecasts</b>	Sales	20,420	25,117 ~25,764	+23.0% ~+26.2%
	Sansan/Bill One Business	18,105	21,998 ~22,632	+21.5% ~+25.0%
	Eight Business	2,213	2,900 ~3,010	+31.0% ~+36.0%
	Adjusted Operating Profit	730	917 ~1,288	+25.5% ~+76.3%
	Adjusted Operating Profit Margin	3.6%	3.7% ~5.0%	+0.1 pt. ~+1.4 pt.

(1) We do not disclose specific forecast figures for operating profit (loss) and below as it is difficult to make a reasonable estimate of expenses related to stock-based compensation, which may vary significantly depending on the level of our stock price, and certain non-operating profit (loss) and other items.

# Medium-Term Financial Targets (FY2022–FY2024)

Aiming for solid growth in net sales and stable profit growth

## Important management indicators

1

Consolidated net sales

Continue solid growth in the 20%+ range or higher

2

Adjusted consolidated operating profit

Improvement of profit margin in each fiscal year

**Sansan/Bill One Business**

Recording adjusted operating profit of ¥10 billion or more for Sansan and Bill One

(excluding Other, such as new services in Sansan/Bill One Business segment)

**Eight Business**

Recording stable adjusted operating profit for full year

# Appendix



# Sansan Group Overview



# Mission and Vision

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## Mission

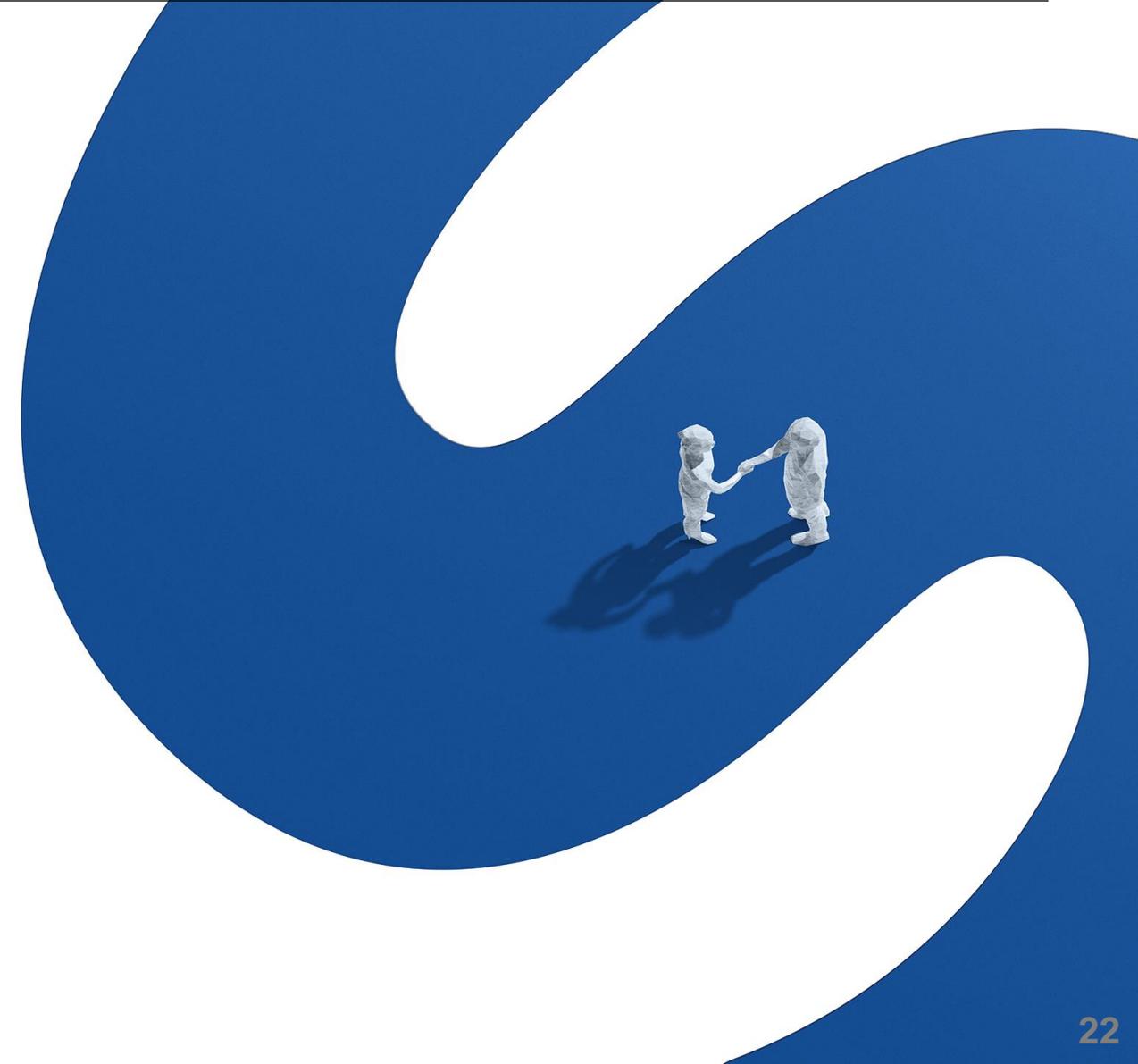
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**Turning encounters  
into innovation**

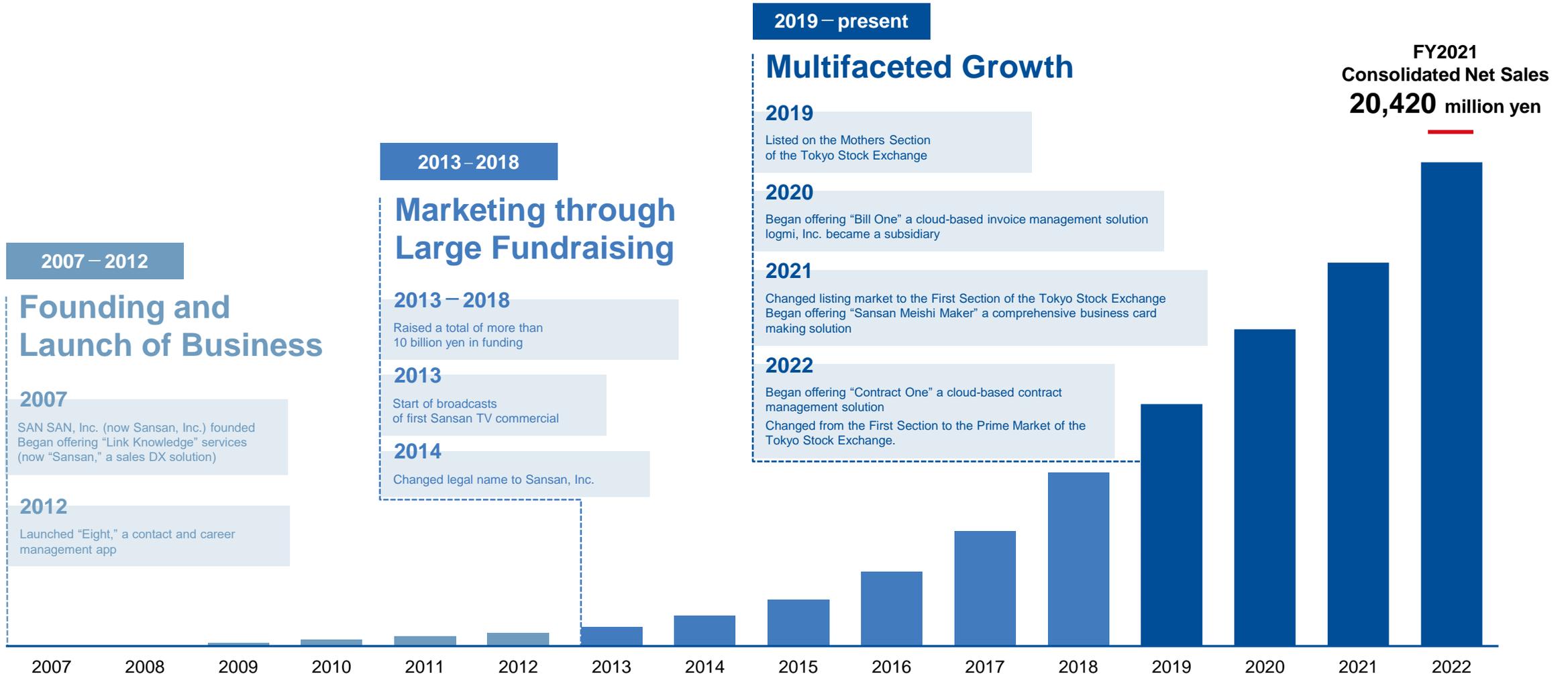
## Vision

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**Become business  
infrastructure**



# History



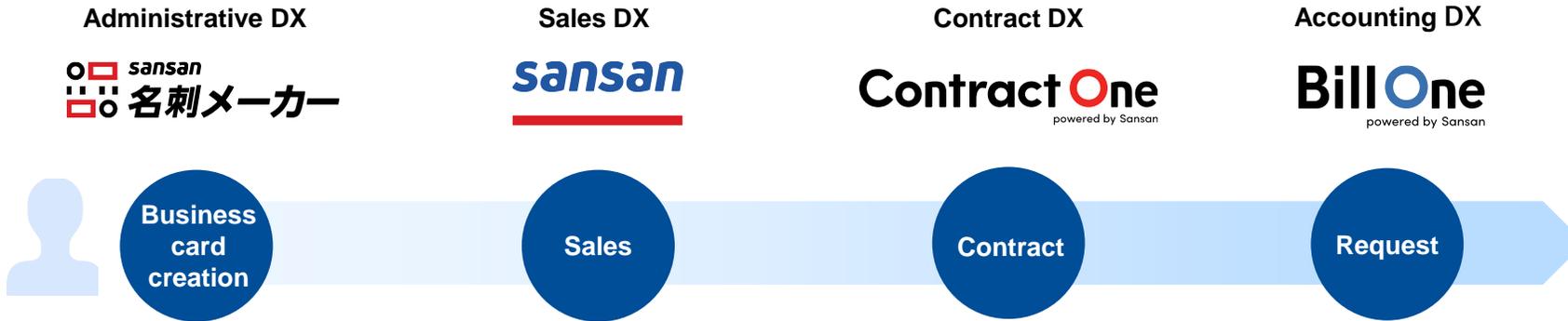
(1) The graph indicates net sales for fiscal years ended in May (figures prior to the year ended May 2016 are non-consolidated, while subsequent figures are consolidated)

# Digitally Transform How You Work

Offering a business database that reshapes how people work and that connects encounters with people and companies with business opportunities.

Developing services in business flows in various fields.

## Digital Transformation (DX) for B2B



## DX for B2C



## Work styles that will change with use of business databases

Users can immediately find information they need



Information is easy to manage and can be shared immediately

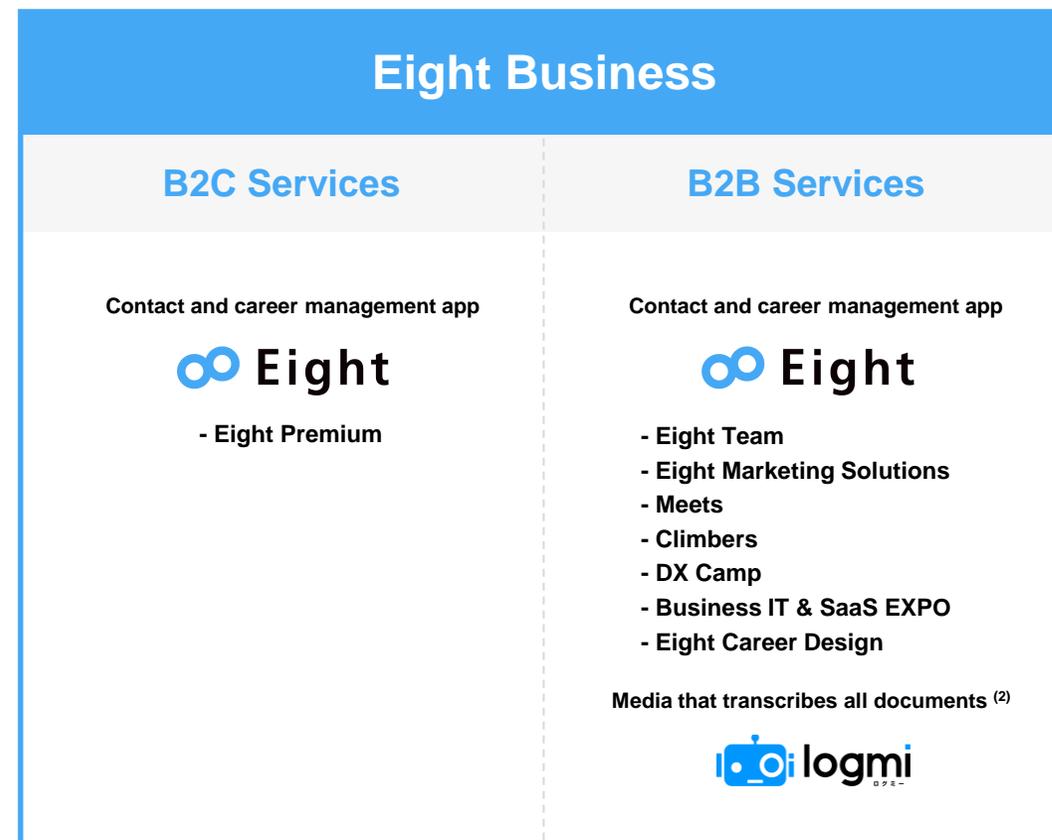
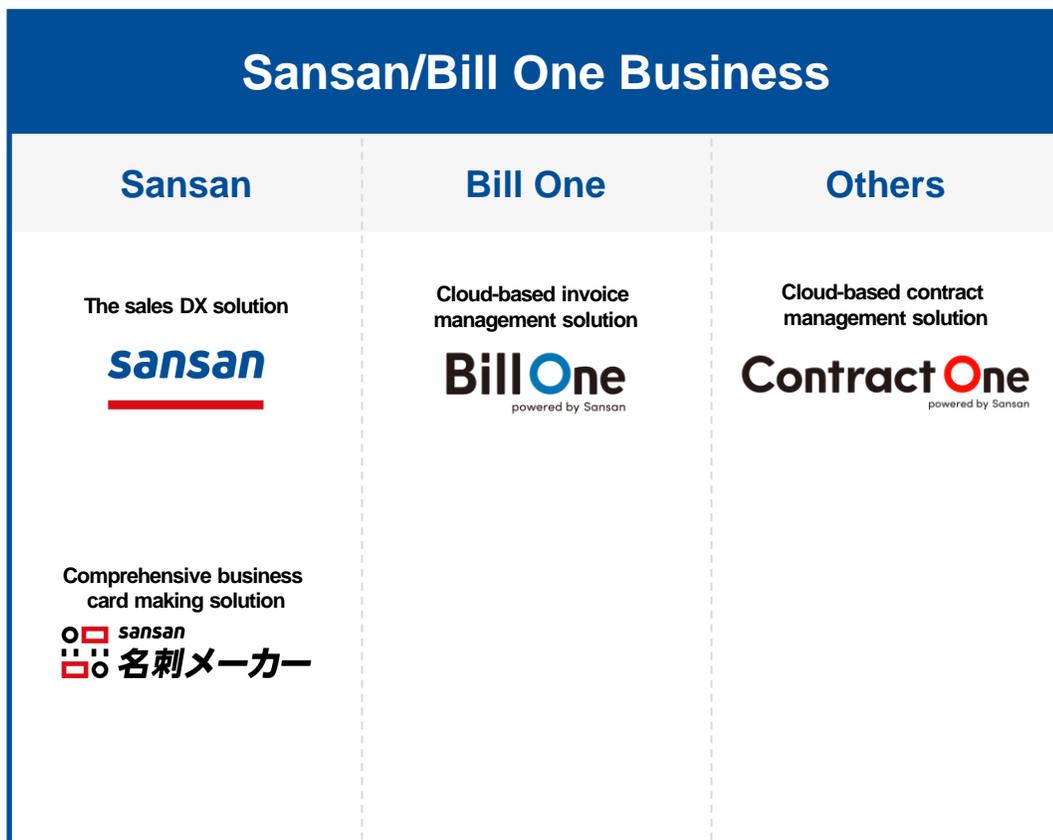


Easy to analyze and utilize information and make decisions based on data



# Overview of Reporting Segments

Comprises two reporting segments, the Sansan/Bill One Business and Eight Business. <sup>(1)</sup>



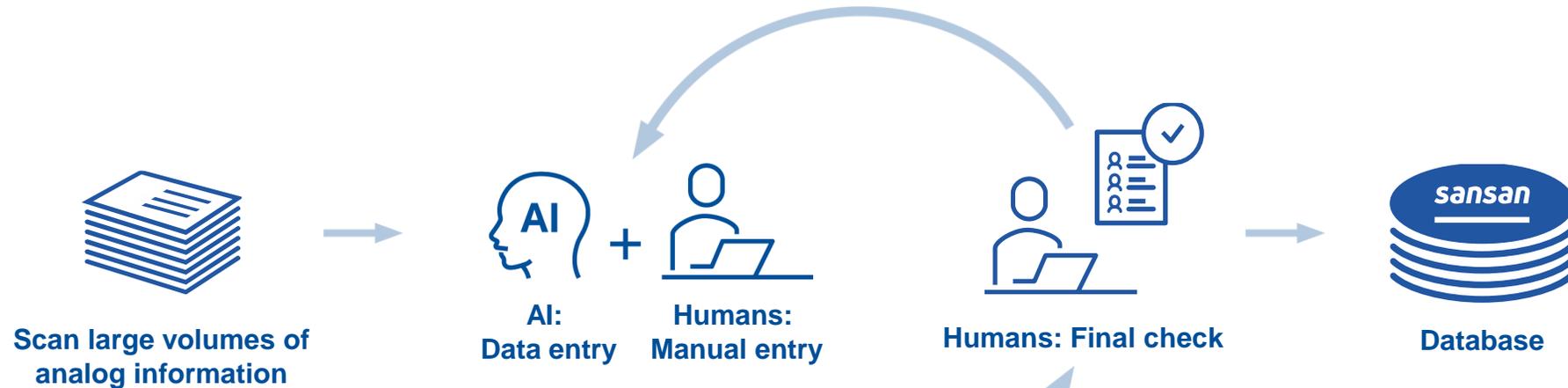
(1) From FY2021 (June 1, 2021), following a change in the recognition method for certain services, the reportable segments were changed to Sansan/Bill One Business and Eight Business. Of note, the few other services not included in reportable segments are recorded in "Others," while elimination of intra-company transactions (sales), and costs not allocated to segments are recorded in "Adjustments."

(2) Services provided by logmi, Inc., a consolidated subsidiary

# Operation and Technologies for Digitizing Analog Information

Establishment of analog information digitization operation structure unsurpassed by competitors.

Prompt, accurate digitization of large volume of business card information



Automatic and manual data entry of analog information images

Cycle repeated since company began

## Combination of Technologies

Automatic detection and micro-tasking of analog information

Automatic detection of language

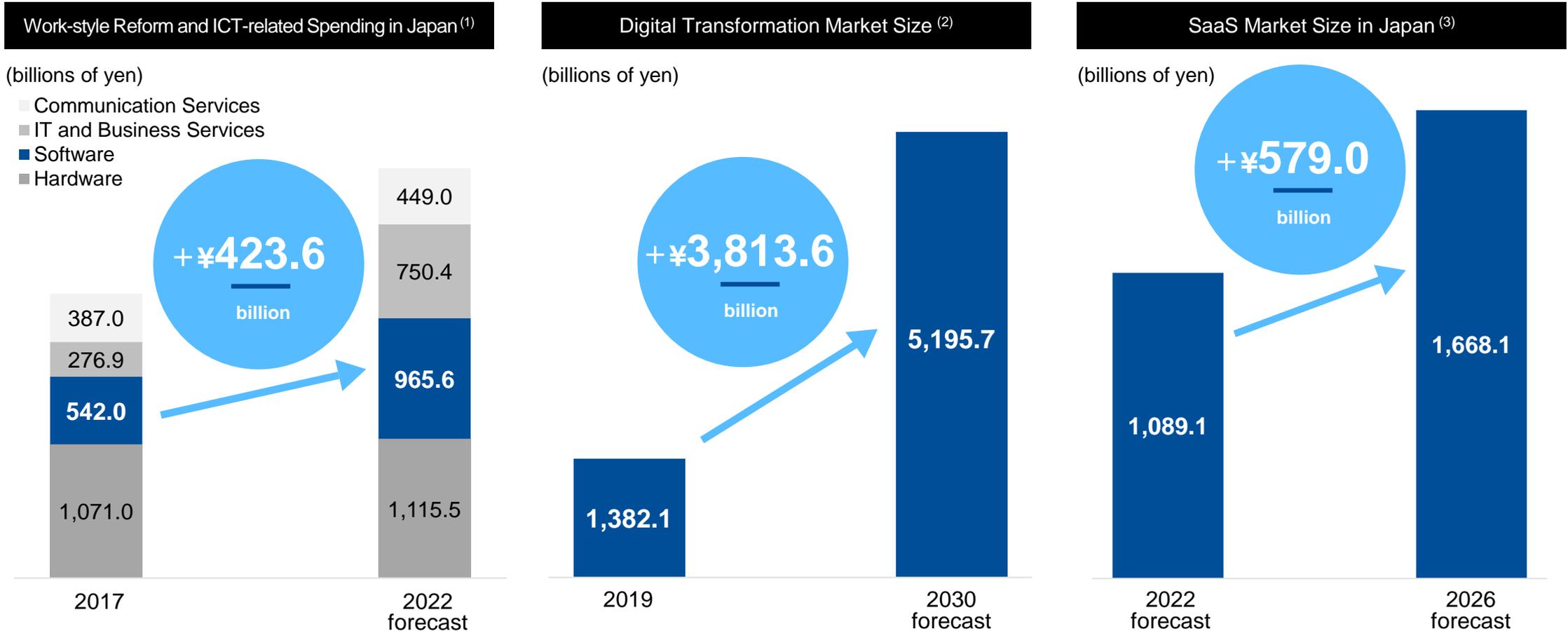
Automatic sorting to operators

Diverse network of data entry operators

Image processing technology

# Tailwind of Market Environment

## Work-style reform and digital transformation are boosting the need for cloud-based solutions



(1) Based on 2018 to 2022 Outlook of Work-style Reform and ICT-related Spending in Japan: by Hardware, Software, IT and Business Services, Communication Services by IDC Japan (December 2018).

(2) Based on Market Edition and Vendor Strategy Edition of 2022 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute.

(3) Based on 2022 New Software Business Markets by Fuji Chimera Research Institute.

# Company Overview (1)

Company name	Sansan, Inc.
Founded	June 11, 2007
Head office	Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo
Other locations	Branch offices: Kansai, Fukuoka, Chubu Satellite offices: Tokushima, Kyoto, Fukuoka, Hokkaido, Niigata
Group companies	Sansan Global Pte. Ltd. (Singapore) Sansan Corporation (United States) logmi, Inc.
Representative	Chika Terada
Employees	1,199
Capital	¥6,450 million
Net sales	¥20,420 million (FY2021)
Classification by shareholder type	Domestic financial institutions: 20.19%; security firms: 1.32%; other domestic corporations: 2.17%; foreign financial institutions and individuals: 28.47%; individuals and others: 47.85% (As of May 2022)

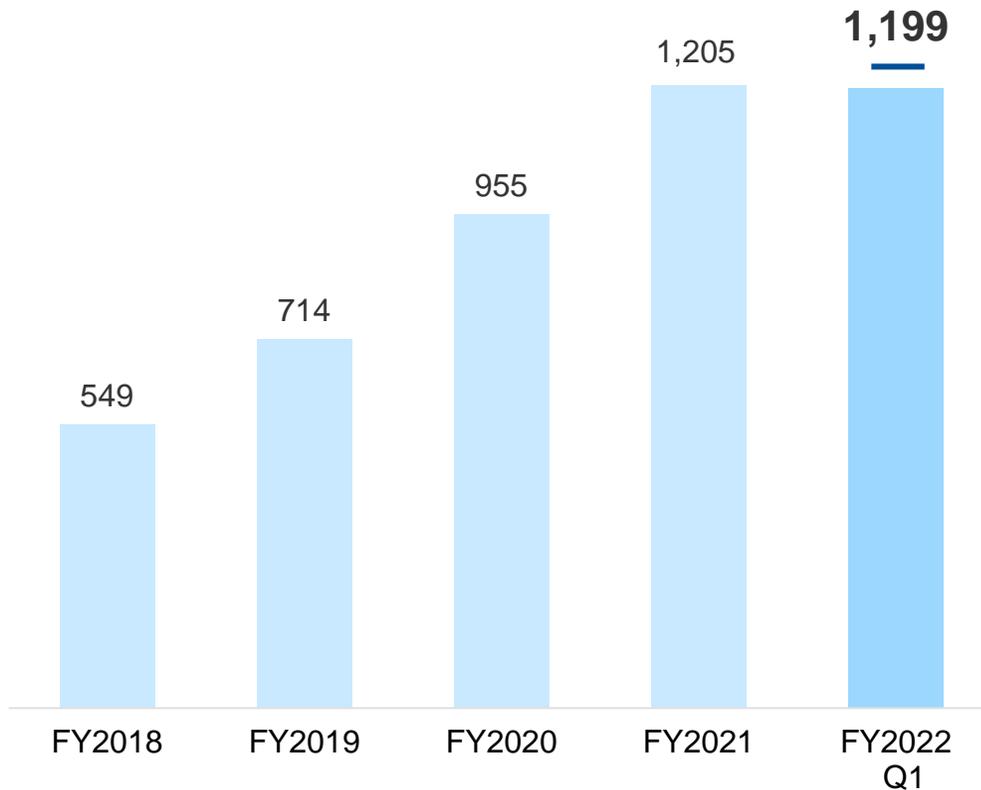


(1) As of August 31, 2022 (consolidated results)

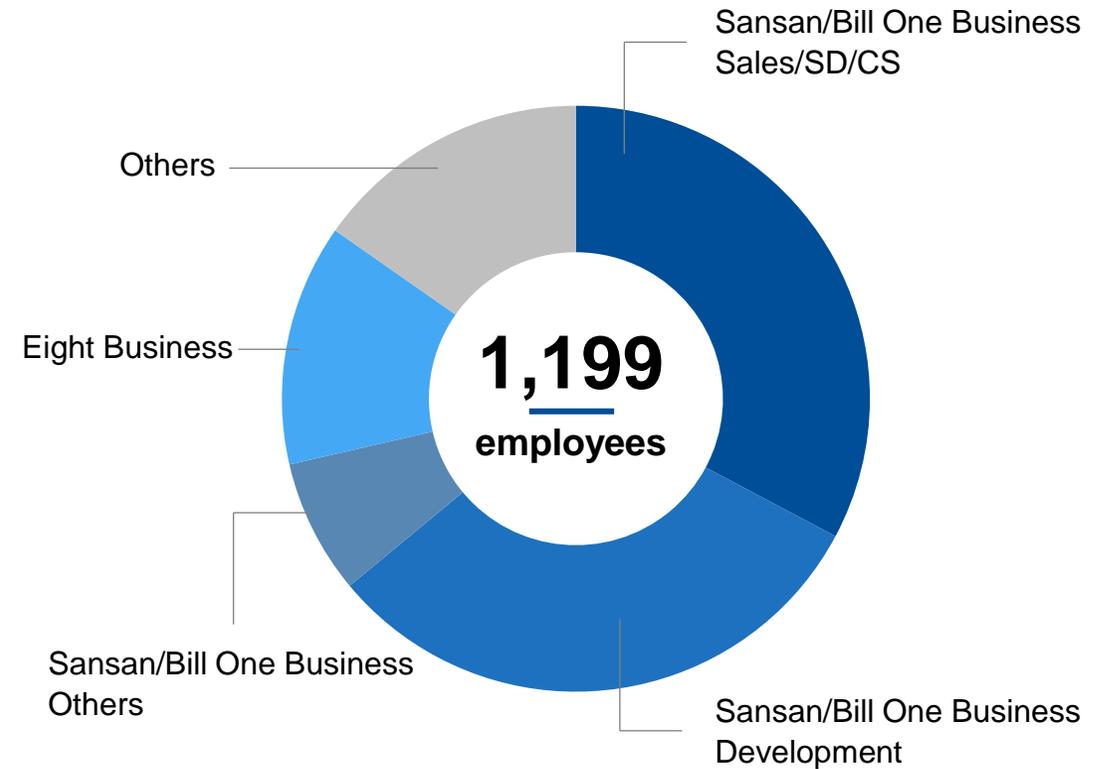
# About Employees

## Number of Employees <sup>(1)</sup>

(persons)



## Breakdown by Organization <sup>(2)</sup>



(1) Following review of calculation method, FY2019 to FY2021 values for annual recurring revenue changed

(2) As of August 31, 2022

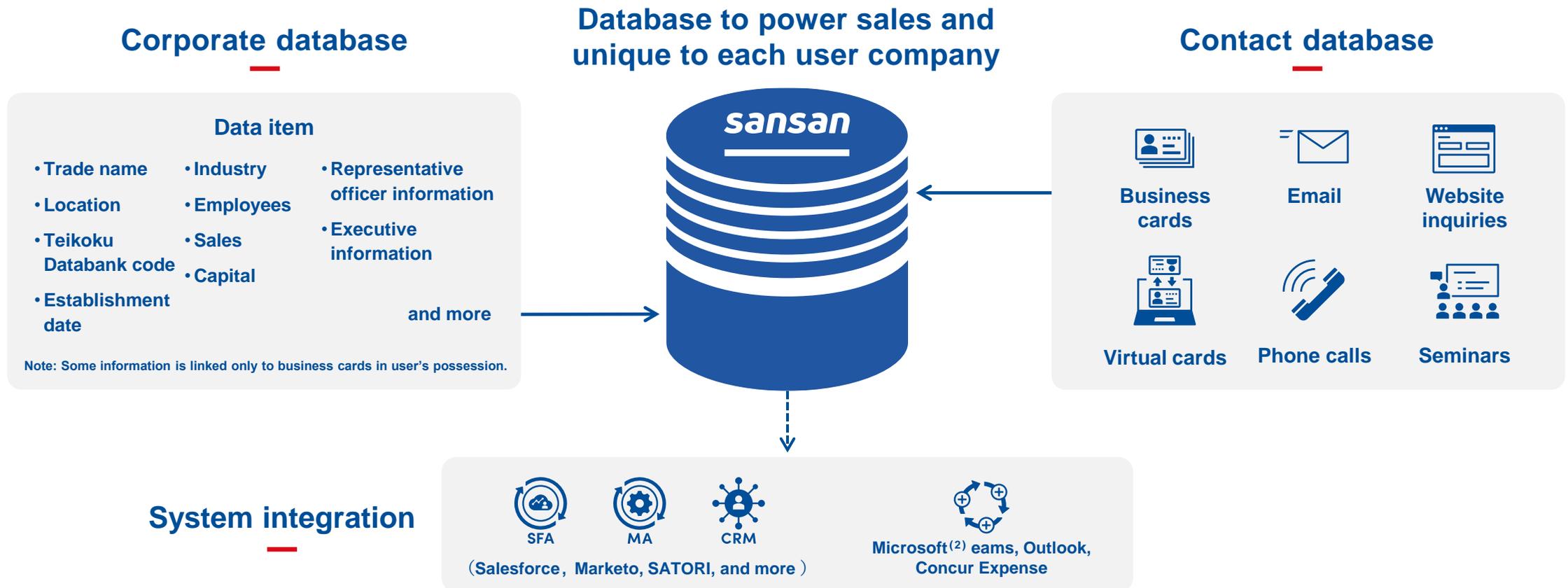
# Sansan/Bill One Business

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# Sansan: Product Reform of Database to Power Your Sales

Reformed product from business card/contact management service to service for sales DX.  
Building databases unique to user companies by combining company information and contact databases.

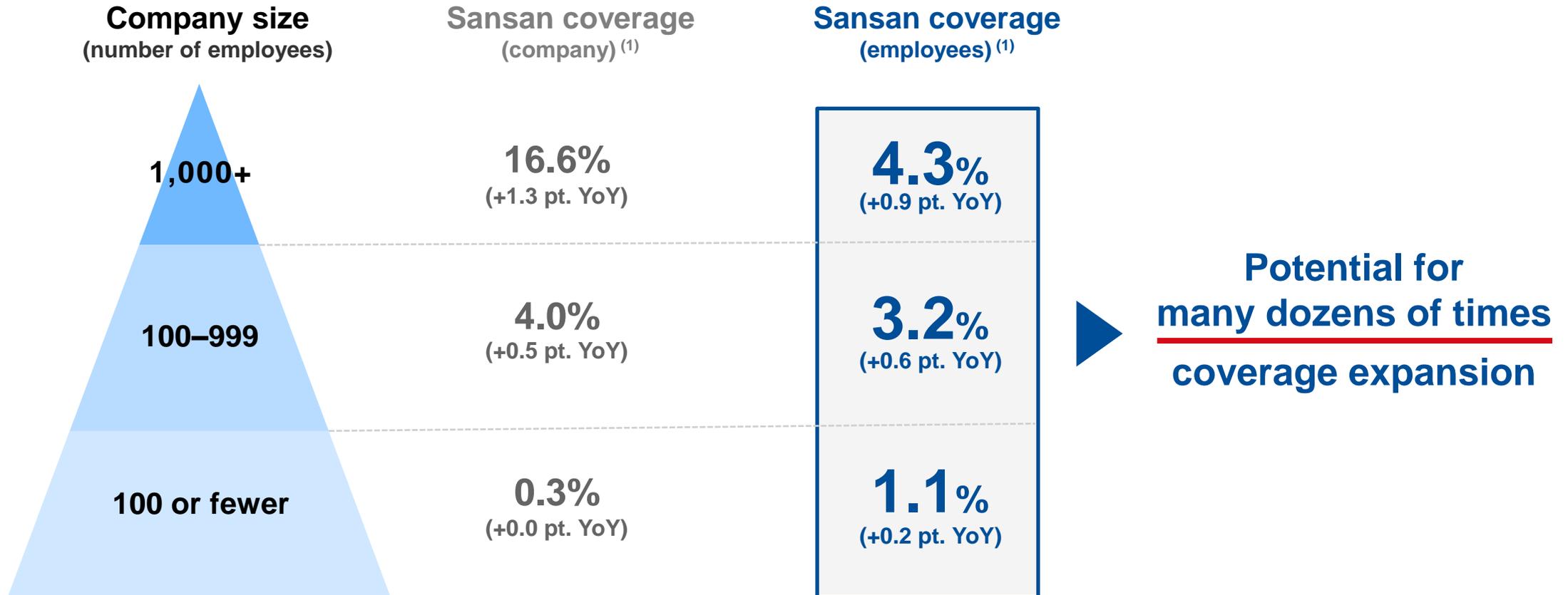


(1) Salesforce is a registered trademark of salesforce.com, Inc.

(2) Microsoft Teams, Teams, and Microsoft Outlook are registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.

# Sansan: Potential Market Size of Sansan in Japan (TAM)

The number of users within current customers is limited, and there's room for many dozens of times more coverage expansion.



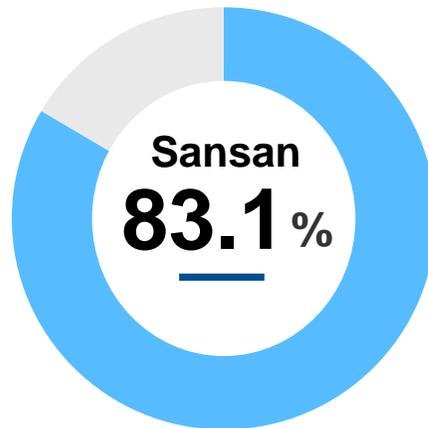
(1) Sansan coverage is calculated with the number of subscription and total number of IDs in Sansan for FY2022 Q1 end as the numerator and the number based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau as the denominator (because of a review of the definition of calculation, the value at FY2021 Q1 end was revised).

# Sansan: Market Share and Customers

Has gained high level of brand recognition among B2B services and established a dominant market share. Building a solid customer base backed by Japan's top SaaS management expertise, cultivated since the company's founding.

## Dominant brand recognition and market share in B2B

Sales share in 2020 <sup>(1)</sup>



## Strong sales organization and solid customer base

### SaaS expertise cultivated over the 15 years since founding



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

# Sansan: Service Plans

## Providing basic company-wide use plan

	A. Basic company-wide use plan	B. Previous plan (ID subscription)	Timing of payment
1 <b>Initial cost</b> (initial costs)	<b>12 months' license cost</b> Cost for digitizing existing business cards	<b>Cost based on number of contract IDs</b> Digitization costs for business cards already held (upper limit placed on number of business cards)	Start of contract
2 <b>Customer Success Plan</b> (initial costs)	<b>Offer introduction support plans with individual quotation</b> Costs for implementation and operational support of Sansan services		Start of contract
3 <b>Scanner</b> (running costs)	<b>Monthly ¥10,000 per scanner</b> Rent scanners and tablets to customers based on number of office floors and/or branches		Start or renewal of contract
4 <b>License cost</b> (running costs)	<b>Determined based on company size and usage</b> (annual subscription) Tens of thousands to millions of yen per subscription	<b>Setting based on number of contract IDs</b> (annual subscription) Fixed billing for each ID (upper limit placed on number of business cards digitized)	Start or renewal of contract

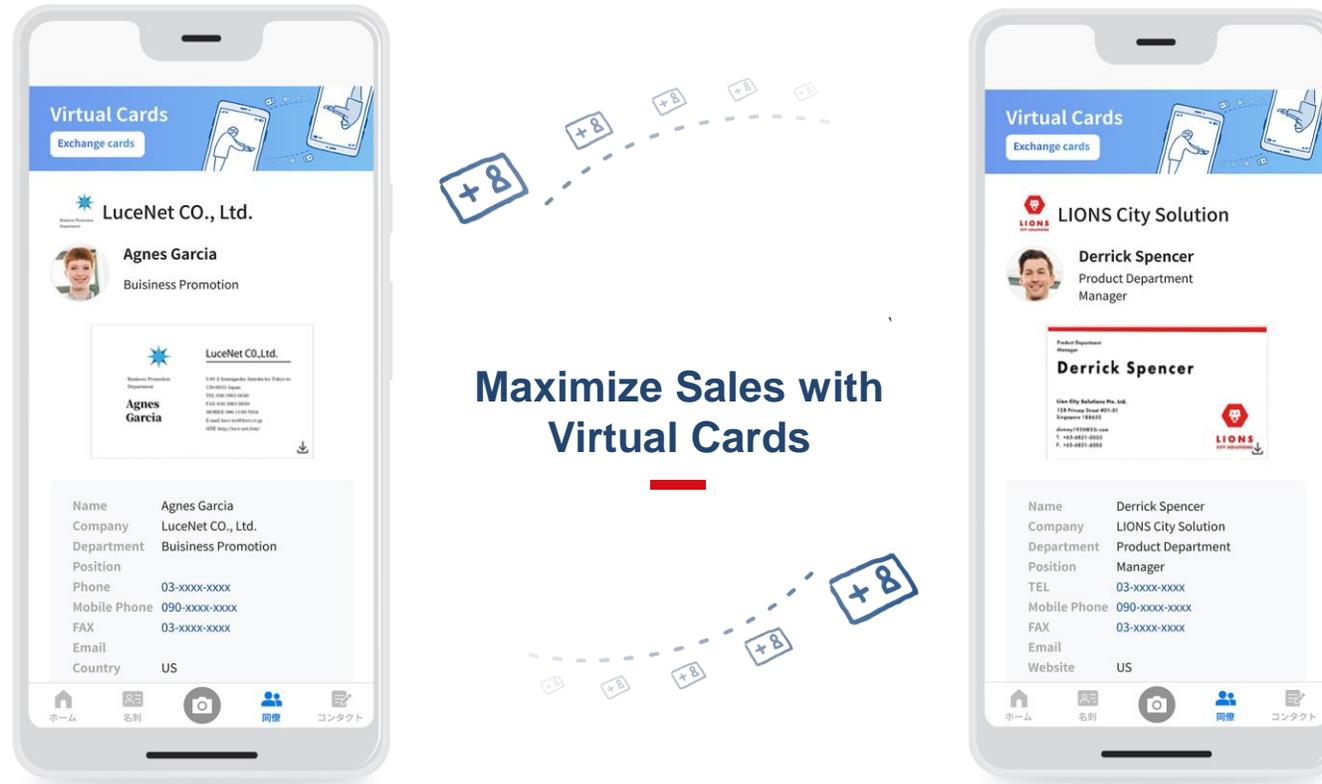
# Sansan: Number of Subscriptions and Monthly Recurring Sales per Subscription

Achieve growth through increases in both the number of subscriptions and monthly recurring sales per subscription.



## Sansan: Expanding Use of Virtual Cards Function

Started providing Virtual Cards function in June 2020 amid expansion of new work styles, such as remote work. Stronger syncing between our other segment and other companies, such as Eight with Microsoft Teams <sup>(1)</sup> and Google Calendar <sup>(2)</sup>.



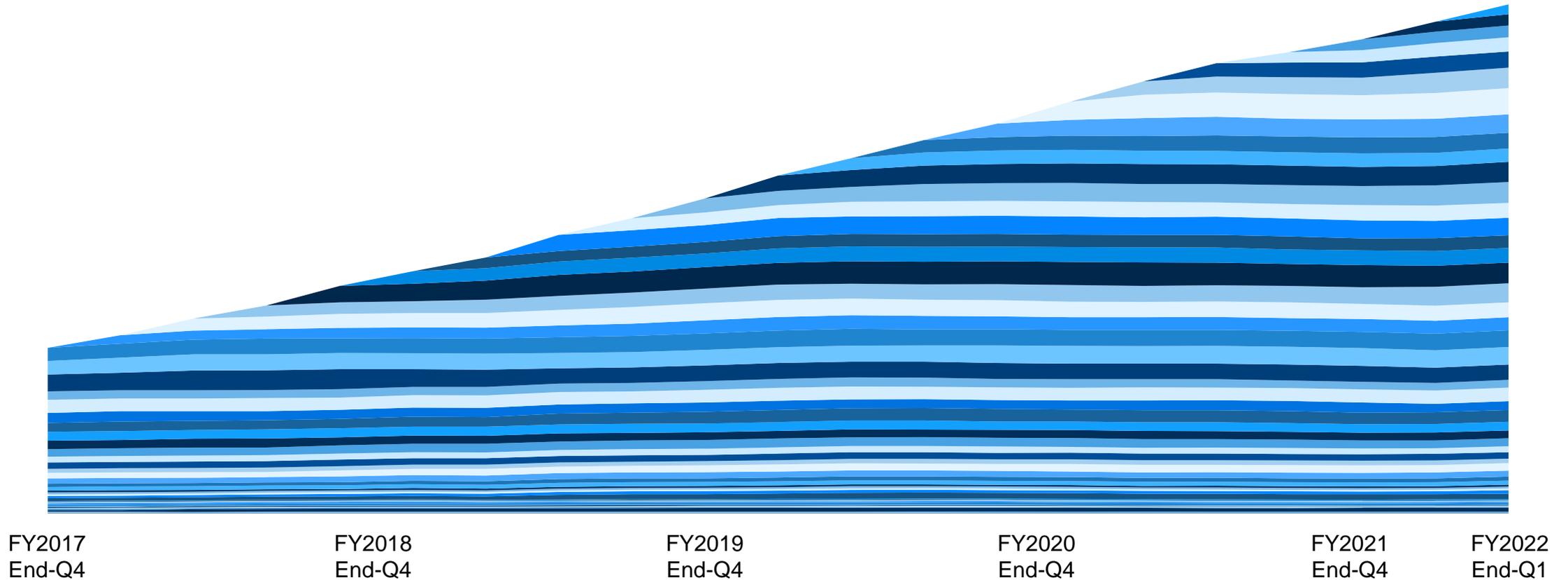
(1) Microsoft 365 is registered trademarks of Microsoft Corporation in the U.S. and other countries.

(2) Google Workspace and Google Calendar are trademarks of Google LLC.

# Sansan: Accumulation of Net Sales by Service-in Timing (Recurring Sales)

Stably achieving negative churn rate <sup>(1)</sup>

Sansan Sales Stack-up: Accumulation of Net Sales by Service-in Timing <sup>(2)</sup> (Recurring Sales)

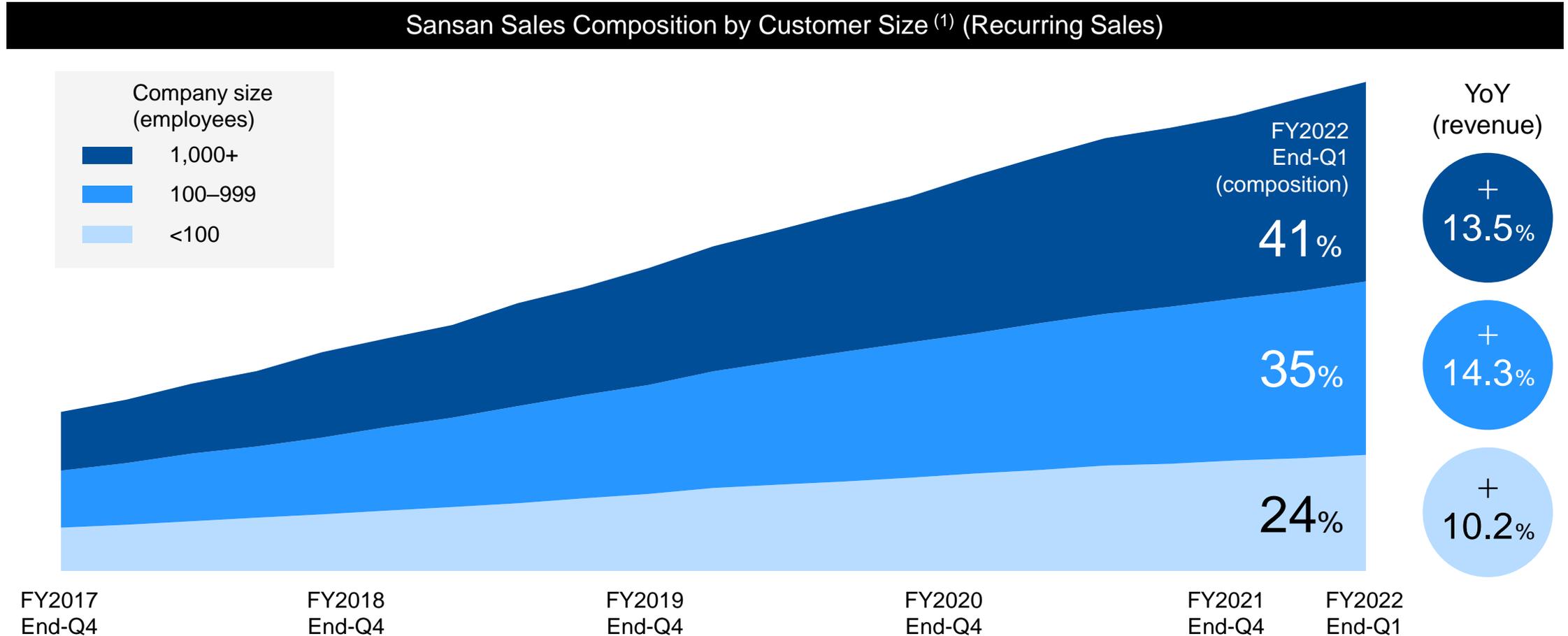


(1) Status where increase of revenue generated by the existing subscriptions is greater than revenue reduced resulting from cancellation

(2) Created based on monthly Sansan license charge (unaudited), values from graphs up to and including FY2021 Q4 end changed following review of calculation method.

# Sansan: Sales Composition by Customer Size (Recurring Sales)

No significant change in revenue composition ratio by customer size.



(1) Created based on Sansan monthly fee amounts (unaudited), values from graphs up to and including FY2021 Q3 end changed following review of calculation method.

# Bill One: Service Outline

Invoice issuing to be offered as an optional function from July 2022.

Planning response to eligible invoice issuance, supporting corporate invoicing systems from both receipt and issuing side.

## Side issuing the invoice



Postal mail



Email attachment



Upload



## Bill One

powered by Sansan

### One-stop receipt

On behalf of users, Bill One aggregates invoices sent in various formats and by various methods.

### Digitization of invoices with 99.9% accuracy

AI, OCR, and input operators digitize invoices with high accuracy of 99.9%.  
Email notification to person in charge that invoice has been received or that digitization has been completed.

### Centralized management by database

In addition to the digitized invoices being centrally managed in a dedicated database, provide functions to enable connectivity with other systems.

## Bill One user companies



# Bill One: Market Share and Customers

Achieved #1 share of sales in the cloud invoice receiving service market.  
Regardless of company size, acquiring customers from various types of businesses.

## Market Share in Cloud Invoice Receiving Services <sup>(1)</sup>

**Bill One**  
powered by Sansan

Share of Sales  
in Cloud Invoice  
Receiving Service Market  
—  
**No.1**

## Customers Running Bill One



(1) Deloitte Tohmatsu MIC Economic Research Institute, "The Present and Future of the Market of Online Invoice Receiving Solution Service Market, Expected to Grow at a Staggering Rate" (MIC IT Report, July 2022).

# Bill One: External Environment in Invoicing Arena

Planning to start invoicing system applications from October 2023.

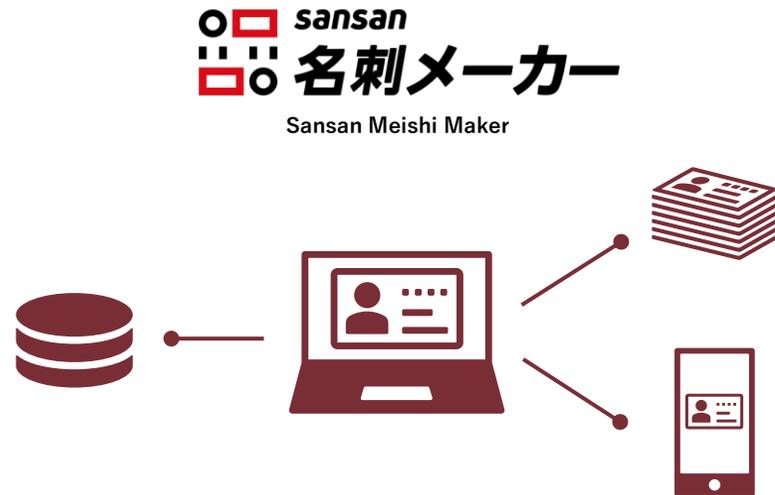
Review not only of invoice receipt but also of issuance operations in demand.



## Sansan Meishi Maker and Contract One: Service Outlines

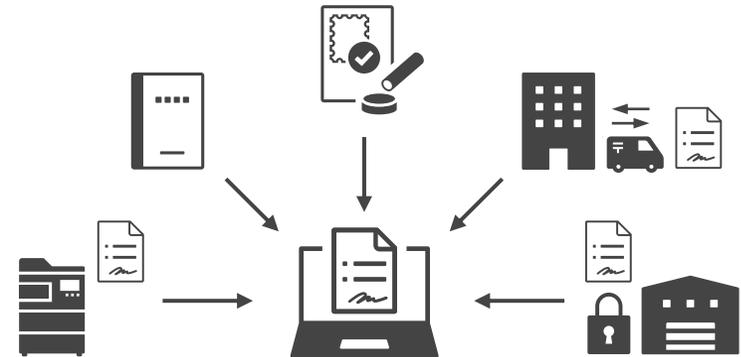
**Sansan Meishi Maker: Comprehensive business card making solution that streamlines management departments' creating business cards**

**Contract One: Cloud-based contract management solution that completes contract operations online and realizes centralized management**



The service enables one-stop business card creation and ordering on Sansan, Google Workspace<sup>(1)</sup>, Microsoft Outlook<sup>(2)</sup>, and Microsoft Teams<sup>(2)</sup>, as well as centralized management of business card creation, ordering, and management operations in the cloud.

### Contract One powered by Sansan



Accurate digitization of contracts enables centralized data management of both paper and electronic contract information, and contract-related tasks such as sealing, storage, and management can be done online. Provides functions to visualize contract operations, improve operational efficiency, and encourage risk management.

(1) Google Workspace is a trademark of Google LLC.

(2) Microsoft Teams, Teams, and Microsoft Outlook are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

# Eight Business



## Eight: Service Outline

App used by more than 3 million businesspeople as a service to resolve problems that individuals face in business, including career-building

Challenges facing businesspeople

Not making the most out of business encounters

Lack sufficient access to business card information

Autonomous career building not possible

Offering a lifetime app for business

Manage your contacts and your career

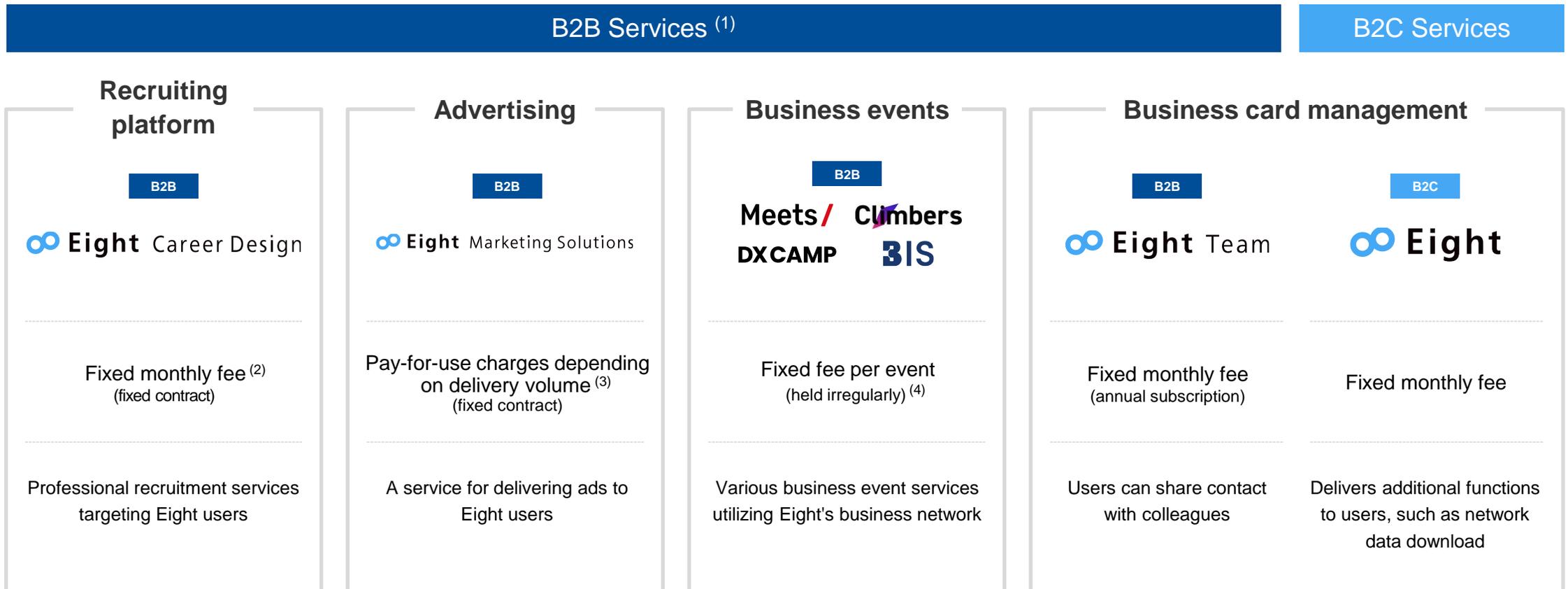
Contact and career management app



- Automatically creates profiles
- Management and search of contact information
- Latest information reaches users
- Users see career information
- Reaches scouts from companies

# Eight: Strengthening and Promotion of Monetization Plans

Augmenting and accelerating monetization by strengthening corporate services that leverage network of more than 3 million users.



(1) B2B services in the Eight business include event transcription services for the media logmi Biz, logmi Finance and logmi Tech provided by logmi, Inc.

(2) There is an additional charge when a decision to hire is made. (3) There is a minimum advertisement placement price and a normal advertisement menu. (4) There are multiple fee settings depending on the type of event held, etc.

***sansan***

