

To whom it may concern:

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Notification Regarding Trust-Type Stock Options Introduced by the Company

In "Taxation on Stock Options (Q&A)," which the National Tax Agency published on May 30, 2023, the Agency announced its opinion ("National Tax Agency's opinion") that when an employee and others acquires shares by exercising trust-type stock option ("trust SO") rights, these are regarded as a substantial salary from a company. At the same time, the Agency requested that companies pay the withholding income tax on trust SO rights that had been exercised in the past.

In light of this situation having held discussions with and sought verification from external experts, Sansan, Inc. ("the Company") announces its decision with regard to the handling of the trust SOs that the Company has already implemented. Details of the decision are as set out below.

1. Status of Trust SOs Introduced by the Company

For the purposes of providing incentives to the Company's directors and Group employees to improve corporate value over the medium to long term and retaining talented human resources, the Company issued trust SOs on January 31, 2019, based on a resolution passed at the Extraordinary General Meeting of Shareholders held on January 9, 2019 and on the Companies Act. Their status as of the end of the fiscal year ended May 2023 is shown in the table below. For details such as the issuance procedure, please refer to "4. [Information on the Company] 1 [Total number of shares, etc.] (2) [Stock acquisition rights, etc.] (1) [Stock option plans] (c) 4th issue of stock acquisition rights" in the Securities Report submitted on August 31, 2022.

Number of trust SO shares issued/granted	2,138,444 (1.71%)
Of which number of shares that had been exercised as of end of May 2023	323,120 (0.26%)
Of which number of shares that remained unexercised as of end of May 2023	1,612,324 (1.29%)

Note: The difference between the number of issued/granted shares and the number of exercised/unexercised shares is the number of lapsed shares. In addition, the ratio indicates the ratio to the total number of shares issued as of the end of the fiscal year ended May 2023.

Prior to the announcement of the National Tax Agency's opinion, since the Company did not treat the stock as salary income when the employees exercised their rights and acquired the stock, the Company had previously not applied withholding tax to the trust SO rights that had been exercised.

2. Details of Response

Based on the National Tax Agency's opinion at this time, the Company will retroactively apply withholding tax pertaining to trust SO rights that have been exercised. However, in view of the purpose of introducing trust SOs, in the case of employees and others registered with the Group, the Company will, under certain preconditions and rules, provide compensation in cash for part of the additional burden increase. Alternative salaries, etc., will also be paid in cash for trust SO rights that have not been exercised. None of the trust SOs granted to the Company's directors have been exercised, and with regard to some of the trust SOs, the rights to which have not been exercised, these will be partly paid as alternative monetary payments in the same way as employees, etc. On the other hand, considering the realization that the

initially anticipated incentives were not being achieved through the trust SOs, in aiming to improve the Company's shareholder value and corporate value over the medium to long term, for the purposes of further improving motivation and morale as well as securing talented human resources, the Company have resolved to submit a proposal at the 16th Annual General Meeting of Shareholders, which is scheduled to be held on August 29, 2023, to grant stock remuneration-type stock options with stock price condition planned under certain preconditions and rules to the Company's directors. For details, please refer to the "Notification Regarding Stock Remuneration-Type Stock Options (Stock Acquisition Rights) with Stock Price Condition to Directors of the Company" disclosed today.

3. Outlook

The total amount of compensatory and alternative salary payments to the Group's employees and others, as well as the costs associated with these payments is ¥499 million (recorded under selling, general and administrative expenses). This is reflected in the "Financial Results for FY2022 Q4" disclosed today. However, we plan to include expenses such as payments to directors of the Company and stock remuneration-type stock options with stock price condition in the financial results from the fiscal year ending May 2024 onwards. The Company announced today its full-year earnings forecasts for the fiscal year ending May 31, 2024, but as reasonably estimating share-based payment expenses, which may fluctuate greatly depending on the Company's stock price level, and some other non-operating income and expenses are beset with difficulties, specific forecast figures are disclosed for net sales and adjusted operating profit only. As the above expenses are planned to be adjusted for operating profit as share-based payment expenses, there will be no impact on the financial forecast figures announced today.

As this marks the conclusion of the Company's response at this time, and that no new compensation or payments will be made in the future, this expense is temporary and will have no impact on the Group's essential business growth. The Company will be amending the Company's tax returns for the fiscal years ended May 2021 and May 2022, but are expecting the impact on business results to be minor. If there are any additional matters that should be disclosed, these will be promptly notified.