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To whom it may concern:

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Notification Regarding Booking of Deferred Tax Assets and Extraordinary Losses, and Differences in Consolidated Financial Results as Compared with Consolidated Full-Year Earnings Forecasts or Actual Results for Previous Fiscal Year

Sansan, Inc. ("the Company") announces today that it has booked the following deferred tax assets and extraordinary losses in the financial results for the fiscal year ended May 31, 2024 ("FY2023"). In addition, the Company announces the differences between the consolidated financial results for FY2023 and the consolidated full-year earnings forecasts for FY2023 announced on July 13, 2023 or the actual results for the previous fiscal year ("FY2022"), as follows.

1. Details of Deferred Tax Assets

As a result of careful consideration of the recoverability of deferred tax assets based on FY2023, future performance trends and other factors, the Company recorded deferred tax assets and deferred income taxes of ¥(363) million (negative figure denotes a tax benefit) for FY2023.

2. Details of Extraordinary Losses

With regard to some of the investment securities held by the Company, the Company recorded under extraordinary losses a ¥380 million loss on valuation of investment securities due to impairment, because the market price had dropped significantly compared with their acquisition price.

3. Differences between Actual Results for FY2023 and Forecasts for FY2023 or Actual Results for FY2022

	Net sales	Adjusted operating profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (a)	32,653 to 33,674	1,240 to 1,852	—	—	—	—
Actual results for FY2023 (b)	33,878	1,709	1,337	1,224	953	7.59
Change (b-a)	1,225 to -204	469 to -142	—	—	—	—
Change (%)	3.8 to 0.6	37.9 to -7.7	—	—	—	—
Actual results for FY2022 (c)	25,510	942	199	122	-141	-1.13

Change (b-c)	—	—	1,138	1,102	1,094	—
Change (%)	—	—	571.2	903.3	—	—

Note: Adjusted operating profit = operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets).

Note: 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.

4. Reasons for Differences

(Difference from consolidated full-year earnings forecasts)

The difference between the actual adjusted operating profit and the lower end of the forecast range was due to continued strong sales.

(Difference from actual results for the previous fiscal year)

The differences in operating profit and ordinary profit were due to continued strong sales and the absence of one-off expenses related to trust-type stock options incurred in the previous fiscal year. Also, the difference at the level of profit attributable to owners of parent was mainly due to a decrease in extraordinary losses compared to the previous fiscal year and the abovementioned booking of deferred income taxes, on top of the difference at the level of ordinary profit.