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MEMBERSHIP

July 11, 2024

## Consolidated Financial Results for FY2023 Q4 (Under Japanese GAAP)

Company name: Sansan, Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4443  
 URL: <https://www.corp-sansan.com/>  
 Representative: Chikahiro Terada, Representative Director & CEO  
 Inquiries: Muneyuki Hashimoto, Director, Executive Officer, CFO  
 TEL: +81-3-6758-0033  
 Scheduled date of annual general meeting of shareholders: August 27, 2024  
 Scheduled date to commence dividend payment: –  
 Scheduled date to file annual securities report: August 28, 2024  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

### 1. Consolidated financial results for the fiscal year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net sales       |      | Adjusted operating profit (Note 1) |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |   |
|-------------------|-----------------|------|------------------------------------|------|------------------|--------|-----------------|--------|---|---|
|                   | Millions of yen | %    | Millions of yen                    | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | % |
| May 31, 2024      | 33,878          | 32.8 | 1,709                              | 81.5 | 1,337            | 571.2  | 1,224           | 903.3  | 953                                     | – |
| May 31, 2023      | 25,510          | 24.9 | 942                                | 28.9 | 199              | (68.5) | 122             | (87.4) | (141)                                   | – |

Note: Comprehensive income For the fiscal year ended May 31, 2024: ¥924 million [–%]  
 For the fiscal year ended May 31, 2023: ¥(63) million [–%]

| Fiscal year ended | Basic earnings per share | Diluted earnings per share | Return on equity | Ordinary profit/total assets | Operating profit/net sales |
|-------------------|--------------------------|----------------------------|------------------|------------------------------|----------------------------|
|                   | Yen                      | Yen                        | %                | %                            | %                          |
| May 31, 2024      | 7.59                     | 7.47                       | 7.1              | 3.6                          | 3.9                        |
| May 31, 2023      | (1.13)                   | –                          | (1.2)            | 0.4                          | 0.8                        |

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended May 31, 2024: ¥– million  
 For the fiscal year ended May 31, 2023: ¥(287) million

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

## (2) Consolidated financial position

|              | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|--------------|-----------------|-----------------|-----------------------|----------------------|
| As of        | Millions of yen | Millions of yen | %                     | Yen                  |
| May 31, 2024 | 37,592          | 14,772          | 37.3                  | 111.30               |
| May 31, 2023 | 31,200          | 13,190          | 40.6                  | 105.18               |

Reference: Equity

As of May 31, 2024: ¥14,005 million

As of May 31, 2023: ¥12,660 million

## (3) Consolidated cash flows

|                   | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| May 31, 2024      | 5,483                                | (3,180)                              | 1,431                                | 24,729                                     |
| May 31, 2023      | 3,848                                | 1,364                                | 523                                  | 20,985                                     |

## 2. Cash dividends

|  | Annual dividends  |                    |                   |                 |             | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|-------------------|--------------------|-------------------|-----------------|-------------|------------------------------|-----------------------------|---|
|  | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total       |                              |                             |   |
| Fiscal year ended May 31, 2023             | Yen<br>–          | Yen<br>0.00        | Yen<br>–          | Yen<br>0.00     | Yen<br>0.00 | Millions of yen<br>–         | %<br>–                      | %<br>–  |
| Fiscal year ended May 31, 2024             | –                 | 0.00               | –                 | 0.00            | 0.00        | –                            | –                           | –   |
| Fiscal year ending May 31, 2025 (Forecast) | –                 | 0.00               | –                 | 0.00            | 0.00        |                              | –                           |   |

## 3. Consolidated earnings forecasts for the fiscal year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

(Percentages indicate year-on-year changes.)

|                                 | Net sales              |                    | Adjusted operating profit |                     |
|---------------------------------|------------------------|--------------------|---------------------------|---------------------|
|                                 | Millions of yen        | %                  | Millions of yen           | %                   |
| Fiscal year ending May 31, 2025 | 43,026<br>to<br>44,042 | 27.0<br>to<br>30.0 | 3,012<br>to<br>4,404      | 76.2<br>to<br>157.6 |

Note: For line-item profits or losses under operating profit or loss, Sansan, Inc. (the “Company”) refrains from disclosing a concrete forecast because it is difficult to make a reasonable estimate of share-based payment expenses, which may vary significantly depending on the level of the Company’s stock price, and some non-operating income or expenses. For details, please refer to “(4) Future outlook” under “1. Qualitative information on consolidated financial results for the fiscal year ended May 31, 2024” on page 7 of the attached materials.

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - Changes in accounting policies due to other reasons: None
  - Changes in accounting estimates: None
  - Restatement: None

(3) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

|                    |                    |
|--------------------|--------------------|
| As of May 31, 2024 | 125,835,416 shares |
| As of May 31, 2023 | 125,410,584 shares |

- b. Number of treasury shares at the end of the period

|                    |            |
|--------------------|------------|
| As of May 31, 2024 | 871 shares |
| As of May 31, 2023 | 871 shares |

- c. Average number of outstanding shares during the period

|                                |                    |
|--------------------------------|--------------------|
| Fiscal year ended May 31, 2024 | 125,614,516 shares |
| Fiscal year ended May 31, 2023 | 125,162,268 shares |

**(Reference) Overview of non-consolidated financial results**

**Non-consolidated financial results for the fiscal year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

|                   | Net sales       |      | Operating profit |        | Ordinary profit |        | Profit          |   |
|-------------------|-----------------|------|------------------|--------|-----------------|--------|-----------------|---|
|                   | Millions of yen | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen | % |
| Fiscal year ended |                 |      |                  |        |                 |        |                 |   |
| May 31, 2024      | 32,519          | 30.5 | 1,559            | 385.0  | 1,443           | 170.6  | 1,151           | – |
| May 31, 2023      | 24,926          | 24.3 | 321              | (53.0) | 533             | (67.7) | (473)           | – |

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen                      | Yen                        |
| May 31, 2024      | 9.16                     | 9.02                       |
| May 31, 2023      | (3.78)                   | –                          |

**(2) Non-consolidated financial position**

|              | Total assets    | Net assets      | Equity-to-asset ratio | Net assets per share |
|--------------|-----------------|-----------------|-----------------------|----------------------|
| As of        | Millions of yen | Millions of yen | %                     | Yen                  |
| May 31, 2024 | 37,386          | 15,046          | 38.5                  | 114.50               |
| May 31, 2023 | 31,124          | 13,352          | 41.4                  | 106.47               |

Reference: Equity

As of May 31, 2024: ¥14,408 million

As of May 31, 2023: ¥12,895 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the forecasts due to various factors.

## Attached Material

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## 1. Qualitative information on consolidated financial results for the fiscal year ended May 31, 2024

### (1) Operating results

Under the mission of “Turning encounters into innovation” and the vision of “Become business infrastructure,” the Company group (the “Group”) is providing cloud-based solutions that promote digital transformation (DX) and reshape how people work, leading to encounters with people and companies that become business opportunities by using approaches that combine systems that use technology and manpower to digitize analog information with cloud software.

Specifically, the Group is developing solutions to promote DX for corporate sales activities, invoicing work, contract work, etc. Moreover, as a result of reforming awareness regarding DX, changes to working styles, and greater attention being given to SaaS (Software as a Service) products, the DX market is forecast to reach ¥8,035.0 billion by FY2030 (an expected increase of ¥4,015.3 billion from FY2023) (Note 1), while the SaaS market in Japan is forecast to reach ¥2,099.0 billion by FY2027 (an expected increase of ¥686.2 billion from FY2023) (Note 2). A sales DX solution Sansan, provided by the Company, holds 82.4% share (Note 3) of the B2B business card management service market, and this market has seen approximately 16-fold expansion from 2013 to 2022 in conjunction with the growth in the Company’s services. In addition, Bill One, a cloud-based invoice management solution provided by the Company, captured the number one market share of the online invoice receiving solution in terms of net sales (Note 4), with this market seeing a 156.8% increase year on year in FY2022.

Consolidated financial results for the fiscal year ended May 31, 2024 (the “fiscal year under review”) are as follows.

|   | (Millions of yen)                 |                                   |            |
|---|-----------------------------------|-----------------------------------|------------|
|   | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 | YoY change |
| Net sales                               | 25,510                            | 33,878                            | +32.8%     |
| Gross profit                            | 21,827                            | 28,814                            | +32.0%     |
| Adjusted operating profit               | 942                               | 1,709                             | +81.5%     |
| Ordinary profit                         | 122                               | 1,224                             | +903.3%    |
| Profit attributable to owners of parent | (141)                             | 953                               | –          |

In the fiscal year under review, backed by the positive order situation, the Group engaged in strengthening the sales structure for Sansan and Bill One, as well as enhancing functions for each service, aiming for further growth of net sales. In Eight Business, the Group worked to increase future profitability.

Consequently, results were strong in the fiscal year under review with net sales increasing 32.8% year on year, gross profit increasing 32.0% year on year (with a gross profit margin of 85.1%). Adjusted operating profit increased 81.5% year on year mainly due to a decline in the ratio of advertising expenses to net sales, in addition to an increase in net sales. Meanwhile, ordinary profit increased 903.3% year on year mainly due to the absence of one-off expenses related to trust-type stock options recorded in the previous fiscal year, as well as the increase in adjusted operating profit. Furthermore, profit attributable to owners of parent turned into black (¥141 million of loss for the previous fiscal year) on the back of strong ordinary profit, despite the recording of loss on valuation of investment securities of ¥380 million in extraordinary losses.

- Notes:
1. Based on Market Edition and Corporate Edition of 2024 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute
  2. Based on 2023 New Software Business Markets by Fuji Chimera Research Institute
  3. Based on Latest Trends in Business Card Management Services in Sales Support DX 2024 (January 2024, surveyed by Seed Planning, in Japanese)
  4. Deloitte Tohmatsu MIC Research Institute, “The Market of Online Invoice Receiving Solution Continues to Grow at a Staggering Rate” (MIC IT Report, November 2023)

Results by segment are as follows.

(i) Sansan/Bill One Business

This business segment includes services such as sales DX solution Sansan, and cloud-based invoice management solution Bill One.

Results for Sansan/Bill One Business in the fiscal year under review are as follows.

|   | (Millions of yen)                 |                                   |             |
|---|-----------------------------------|-----------------------------------|-------------|
|   | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 | YoY change  |
| Net sales (Note 5)                                    | 22,516                            | 29,948                            | +33.0%      |
| Sansan  | 19,793                            | 22,889                            | +15.6%      |
| Sansan recurring sales                                | 18,688                            | 21,509                            | +15.1%      |
| Sansan other sales                                    | 1,104                             | 1,379                             | +24.9%      |
| Bill One  | 2,414                             | 6,168                             | +155.5%     |
| Others  | 308                               | 889                               | +188.1%     |
| Adjusted operating profit                             | 7,005                             | 8,675                             | +23.8%      |
| <b>Sansan</b>   |                                   |                                   |             |
| Number of subscriptions                               | 8,969<br>subscriptions            | 9,693<br>subscriptions            | +8.1%       |
| Monthly recurring sales per subscription              | ¥184 thousand                     | ¥197 thousand                     | +7.1%       |
| Last 12 months average of monthly churn rate (Note 6) | 0.44%                             | 0.42%                             | (0.02) pts. |
| <b>Bill One</b>                                       |                                   |                                   |             |
| MRR (Note 7)  | 316                               | 640                               | +102.5%     |
| Number of paid subscriptions                          | 1,581<br>subscriptions            | 2,816<br>subscriptions            | +78.1%      |
| Monthly recurring sales per paid subscription         | ¥200 thousand                     | ¥227 thousand                     | +13.5%      |
| Last 12 months average of monthly churn rate (Note 6) | 0.64%                             | 0.33%                             | (0.31) pts. |

- Notes: 5. The sum of sales to external customers and intersegment sales or transfers  
6. Ratio of decrease in MRR associated with subscription cancellations to total MRR for existing subscriptions for each service  
7. Monthly Recurring Revenue

a. Sansan

In addition to working on strengthening the sales structure through hiring personnel, the Group has been optimizing the pricing structure and reviewing the fee settings taking into account the market environment, the status of service enhancements, and other factors. As a result, the number of subscriptions and the monthly recurring sales per subscription remained strong, up 8.1% year on year and 7.1% year on year, respectively. Furthermore, the last 12-month average of monthly churn rate was 0.42%, a decrease of 0.02 percentage points year on year, maintaining a churn rate as low as less than 1%.

As a result, net sales in Sansan increased 15.6% year on year, of which recurring sales (fixed revenue) were up 15.1% year on year and other sales were up 24.9% year on year.

b. Bill One

In addition to working on strengthening the sales structure with a focus on hiring personnel, we have been optimizing the pricing structure and reviewing the fee settings taking into account the market environment, the status of service enhancements, and other factors. As a result, steady progress has been made in acquiring new subscriptions, mainly from medium and large enterprises, and the number of paid subscriptions and the monthly recurring sales per paid subscription were up 78.1% year on year and 13.5% year on year, respectively. Furthermore, the last 12-month average of monthly churn rate was 0.33%, a decrease of 0.31 percentage points year on year, maintaining a churn rate as low as less than 1%.

As a result, ARR (Note 8) in Bill One as of May 31, 2024 amounted to ¥7,680 million, while net sales increased 155.5% year on year.

Also, to seek further in sales, the Group strived to expand its sales areas by working to develop new functions, including Bill One Issue, which enables users to complete all the processes from invoice issuing to payment reconciliation, and Bill One Expenses, which utilizes our Bill One Business Card service.

Note: 8. Annual Recurring Revenue

c. Others

The Group focused on the launch of new services including Contract One, a contract DX solution service, utilizing the strengths, knowledge, know-how, etc. cultivated through existing services. In addition, CREATIVE SURVEY INC. became a consolidated subsidiary in March 2023 and its contributions to consolidated earnings have been recorded from the fourth quarter of the fiscal year ended May 31, 2023.

As a result, net sales of others were up 188.1% year on year.

As a result of these efforts, net sales increased 33.0% year on year and adjusted operating profit increased 23.8% year on year in Sansan/Bill One Business.

(ii) Eight Business

This business segment includes Eight, a business card app, as well as logmi series event transcription service.

Results for Eight Business in the fiscal year under review are as follows.

|   | (Millions of yen)                 |                                   |                         |
|---|-----------------------------------|-----------------------------------|-------------------------|
|   | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 | YoY change              |
| Net sales (Note 9)                        | 2,867                             | 3,548                             | +23.8%                  |
| B2C services                              | 303                               | 347                               | +14.7%                  |
| B2B services                              | 2,563                             | 3,200                             | +24.8%                  |
| Adjusted operating profit                 | (170)                             | 314                               | -                       |
| <b>Eight</b>                              |                                   |                                   |                         |
| Number of Eight users<br>(Note 10)        | 3.31 million<br>people            | 3.72 million<br>people            | +0.41 million<br>people |
| Number of subscriptions for<br>Eight Team | 3,703<br>subscriptions            | 4,608<br>subscriptions            | +24.4%                  |

Notes: 9. The sum of sales to external customers and intersegment sales or transfers

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



a. B2C services

As a result of the enhancement of functions such as the virtual card exchange function, the number of Eight users totaled 3.72 million, an increase of 0.41 million year on year, and net sales from B2C services increased 14.7% year on year.

b. B2B services

The Group worked on strengthening monetization of the various services. As a result, net sales from B2B services increased 24.8% year on year. In addition, the number of subscriptions for Eight Team increased 24.4% year on year.

As a result of these efforts, net sales in Eight Business increased 23.8% year on year. In the meantime, the Group succeeded in returning adjusted operating profit to the black for the full year at ¥314 million (compared with ¥170 million of loss for the previous fiscal year) as a result of our efforts to operate business with an emphasis on profitability, as well as of increased net sales.

## (2) Financial position

|                                  | (Millions of yen)  |                    |            |
|----------------------------------|--------------------|--------------------|------------|
|                                  | As of May 31, 2023 | As of May 31, 2024 | YoY change |
| Total assets                     | 31,200             | 37,592             | +6,391     |
| Total liabilities                | 18,009             | 22,819             | +4,809     |
| Total net assets                 | 13,190             | 14,772             | +1,581     |
| Total liabilities and net assets | 31,200             | 37,592             | +6,391     |

### Assets

Total assets at the end of the fiscal year under review were ¥37,592 million, up ¥6,391 million from the end of the previous fiscal year. This was primarily due to increases of ¥3,760 million in cash and deposits, ¥1,643 million in leasehold deposits, ¥354 million in deferred tax assets, ¥280 million in prepaid expenses, and ¥213 million in goodwill, which were partially offset by decreases of ¥251 million in buildings and structures and ¥135 million in software.

### Liabilities

Total liabilities at the end of the fiscal year under review were ¥22,819 million, up ¥4,809 million from the end of the previous fiscal year. This was primarily due to increases of ¥2,930 million in advances received mainly as a result of receiving a lump-sum payment for the contract term from customers, ¥710 million in long-term borrowings as a result of incremental borrowings, ¥245 million in provision for bonuses, and ¥371 million in current portion of long-term borrowings, which were partially offset by a decrease of ¥228 million in accounts payable - other.

### Net assets

Net assets at the end of the fiscal year under review were ¥14,772 million, up ¥1,581 million from the end of the previous fiscal year. This was primarily due to increases of ¥192 million each in share capital and capital surplus as a result of the exercise of share acquisition rights, ¥181 million in share acquisition rights, ¥953 million in retained earnings due to the recording of profit attributable to owners of parent.

## (3) Cash flows

|  | (Millions of yen)                 |                                   |            |
|--|-----------------------------------|-----------------------------------|------------|
|  | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 | YoY change |
| Cash flows from operating activities       | 3,848                             | 5,483                             | +1,634     |
| Cash flows from investing activities       | 1,364                             | (3,180)                           | -          |
| Cash flows from financing activities       | 523                               | 1,431                             | +908       |
| Cash and cash equivalents at end of period | 20,985                            | 24,729                            | +3,744     |

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review totaled ¥24,729 million, an increase of ¥3,744 million compared with the end of the previous fiscal year (up 17.8% year on year). This increase includes the effect of foreign exchange fluctuations of ¥10 million on net cash.

The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

#### Cash flows from operating activities

Net cash provided by operating activities totaled ¥5,483 million (compared with ¥3,848 million provided in the previous fiscal year).

The main factors for the increase in net cash were increases of ¥2,928 million in advances received, ¥298 million in trade payables of, and ¥233 million in provision for bonuses; and the recording of non-cash expenses of ¥889 million in depreciation, ¥180 million in share-based payment expenses, and ¥380 million in loss on valuation of investment securities. The main factors for the decrease in net cash were a decrease of ¥239 million in accounts payable - other, an increase of ¥265 million in prepaid expenses, and income taxes paid of ¥215 million.

#### Cash flows from investing activities

Net cash used in investing activities totaled ¥3,180 million (compared with ¥1,364 million provided in the previous fiscal year).

This was primarily due to cash outflows from payments of leasehold deposits of ¥1,980 million, purchase of investment securities of ¥572 million, purchase of intangible assets of ¥348 million, purchase of property, plant and equipment of ¥217 million, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥136 million, which were partially offset by cash inflows from proceeds from refund of leasehold deposits of ¥285 million.

#### Cash flows from financing activities

Net cash provided by financing activities totaled ¥1,431 million (compared with ¥523 million provided in the previous fiscal year).

This was primarily due to cash inflows from proceeds from long-term borrowings of ¥1,800 million and proceeds from issuance of shares of ¥367 million, which were partially offset by cash outflows from repayments of long-term borrowings of ¥717 million.

#### **(4) Future outlook**

With the new medium-term financial policy for the period from the fiscal year ending May 31, 2025 to the fiscal year ending May 31, 2027, the Group is aiming for consistent, solid growth in sales and accelerated growth in adjusted operating profit.

For net sales, which is the most important management indicator, we aim to achieve a three-year compound average growth rate (CAGR) of 22% to 27%. For adjusted operating profit, we aim to achieve profit margin of 18% to 23% by the fiscal year ending May 31, 2027, and eventually achieve a long-term target of 30% or higher by accelerating growth while making investments for sales growth in each business.

Consolidated earnings forecasts for the fiscal year ending May 31, 2025 are as follows.

| (Millions of yen)                |                                   |                                    |                              |
|----------------------------------|-----------------------------------|------------------------------------|------------------------------|
|                                  | Fiscal year ended<br>May 31, 2024 | Fiscal year ending<br>May 31, 2025 | YoY change                   |
| Net sales                        | 33,878                            | 43,026<br>to<br>44,042             | +27.0%<br>to<br>+30.0%       |
| Sansan/Bill One Business         | 29,948                            | 37,734<br>to<br>38,483             | +26.0%<br>to<br>+28.5%       |
| Sansan                           | 22,889                            | 26,552<br>to<br>26,781             | +16.0%<br>to<br>+17.0%       |
| Bill One                         | 6,168                             | 9,870<br>to<br>10,486              | +60.0%<br>to<br>+70.0%       |
| Eight Business                   | 3,548                             | 4,683<br>to<br>4,896               | +32.0%<br>to<br>+38.0%       |
| Adjusted operating profit        | 1,709                             | 3,012<br>to<br>4,404               | +76.2%<br>to<br>+157.6%      |
| Adjusted operating profit margin | 5.0%                              | 7.0%<br>to<br>10.0%                | +2.0 pts.<br>to<br>+5.0 pts. |

Net sales are expected to increase 27.0% to 30.0% year on year due to the anticipated solid growth of Sansan products and continued high growth of Bill One. We expect net sales in Sansan/Bill One Business to increase by 26.0% to 28.5% year on year mainly due to progress made in onboarding sales representatives newly hired in the previous fiscal year for both Sansan and Bill One. Within this increase, we forecast for Sansan to see a 16.0% to 17.0% increase year on year, and for Bill One to see a 60.0% to 70.0% increase year on year. Net sales in the Eight Business are expected to increase 32.0% to 38.0% year on year with event services and Eight Team serving as growth drivers.

Among selling, general and administrative expenses, we expect increases in personnel expenses and advertising expenses of around 29% and 16% year on year, respectively. In addition, adjusted operating profit is expected to increase 76.2% to 157.6% year on year as a result of an increase in rent expenses and incurrence of relocation-related costs associated with the relocation of the head office.

For line-item profits or losses under operating profit or loss, the Company refrains from disclosing a concrete forecast because it is difficult to make a reasonable estimate of share-based payment expenses, which may vary significantly depending on the level of the Company's stock price, and some non-operating income or expenses.

## **2. Basic concept regarding selection of accounting standards**

In consideration of comparability with other companies in Japan, the Group applies Japanese generally accepted accounting principles (Japanese GAAP).

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheet

(Millions of yen)

|  | As of May 31, 2023 | As of May 31, 2024 |
|--|--------------------|--------------------|
| <b>Assets</b>                              |                    |                    |
| <b>Current assets</b>                      |                    |                    |
| Cash and deposits                          | 21,114             | 24,874             |
| Accounts receivable - trade                | 1,180              | 1,229              |
| Prepaid expenses                           | 604                | 884                |
| Other                                      | 341                | 715                |
| Allowance for doubtful accounts            | (32)               | (34)               |
| <b>Total current assets</b>                | <b>23,207</b>      | <b>27,671</b>      |
| <b>Non-current assets</b>                  |                    |                    |
| <b>Property, plant and equipment</b>       |                    |                    |
| Buildings and structures                   | 1,281              | 1,291              |
| Accumulated depreciation                   | (717)              | (977)              |
| Buildings and structures, net              | 564                | 313                |
| Other                                      | 446                | 529                |
| Accumulated depreciation                   | (240)              | (323)              |
| Other, net                                 | 206                | 206                |
| <b>Total property, plant and equipment</b> | <b>770</b>         | <b>520</b>         |
| <b>Intangible assets</b>                   |                    |                    |
| Software                                   | 827                | 691                |
| Goodwill                                   | 706                | 919                |
| Other                                      | 0                  | 0                  |
| <b>Total intangible assets</b>             | <b>1,533</b>       | <b>1,610</b>       |
| <b>Investments and other assets</b>        |                    |                    |
| Investment securities                      | 3,705              | 3,799              |
| Leasehold deposits                         | 885                | 2,528              |
| Deferred tax assets                        | 595                | 950                |
| Other                                      | 502                | 511                |
| <b>Total investments and other assets</b>  | <b>5,689</b>       | <b>7,790</b>       |
| <b>Total non-current assets</b>            | <b>7,993</b>       | <b>9,920</b>       |
| <b>Total assets</b>                        | <b>31,200</b>      | <b>37,592</b>      |

(Millions of yen)

|  | As of May 31, 2023 | As of May 31, 2024 |
|--|--------------------|--------------------|
| <b>Liabilities</b>   |                    |                    |
| <b>Current liabilities</b>   |                    |                    |
| Accounts payable - trade   | 338                | 637                |
| Current portion of long-term borrowings                              | 558                | 930                |
| Accounts payable - other   | 1,929              | 1,701              |
| Income taxes payable   | 206                | 315                |
| Accrued consumption taxes  | 410                | 676                |
| Advances received  | 10,729             | 13,660             |
| Provision for bonuses  | 601                | 846                |
| Other  | 207                | 235                |
| <b>Total current liabilities</b>                                     | <b>14,982</b>      | <b>19,004</b>      |
| <b>Non-current liabilities</b>                                       |                    |                    |
| Long-term borrowings   | 2,838              | 3,549              |
| Provision for retirement benefits for directors (and other officers) | –                  | 53                 |
| Retirement benefit liability   | –                  | 58                 |
| Deferred tax liabilities   | –                  | 1                  |
| Other  | 188                | 152                |
| <b>Total non-current liabilities</b>                                 | <b>3,027</b>       | <b>3,815</b>       |
| <b>Total liabilities</b>   | <b>18,009</b>      | <b>22,819</b>      |
| <b>Net assets</b>  |                    |                    |
| <b>Shareholders' equity</b>  |                    |                    |
| Share capital  | 6,582              | 6,774              |
| Capital surplus  | 4,178              | 4,371              |
| Retained earnings  | 1,695              | 2,648              |
| Treasury shares  | (2)                | (2)                |
| <b>Total shareholders' equity</b>                                    | <b>12,454</b>      | <b>13,792</b>      |
| <b>Accumulated other comprehensive income</b>                        |                    |                    |
| Valuation difference on available-for-sale securities                | 156                | 134                |
| Foreign currency translation adjustment                              | 49                 | 79                 |
| <b>Total accumulated other comprehensive income</b>                  | <b>206</b>         | <b>213</b>         |
| Share acquisition rights   | 457                | 638                |
| Non-controlling interests  | 72                 | 128                |
| <b>Total net assets</b>  | <b>13,190</b>      | <b>14,772</b>      |
| <b>Total liabilities and net assets</b>                              | <b>31,200</b>      | <b>37,592</b>      |

**(2) Consolidated statement of income and consolidated statement of comprehensive income**  
**Consolidated statement of income**

(Millions of yen)

|   | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 |
|---|-----------------------------------|-----------------------------------|
| Net sales   | 25,510                            | 33,878                            |
| Cost of sales   | 3,683                             | 5,064                             |
| Gross profit  | 21,827                            | 28,814                            |
| Selling, general and administrative expenses                | 21,627                            | 27,477                            |
| Operating profit  | 199                               | 1,337                             |
| Non-operating income  |                                   |                                   |
| Interest income   | 4                                 | 4                                 |
| Subsidy income  | 14                                | 16                                |
| Gain on sale of investment securities                       | 291                               | –                                 |
| Surrender value of insurance policies                       | –                                 | 12                                |
| Other   | 18                                | 16                                |
| Total non-operating income                                  | 328                               | 49                                |
| Non-operating expenses                                      |                                   |                                   |
| Interest expenses   | 13                                | 16                                |
| Foreign exchange losses                                     | 18                                | 25                                |
| Commission expenses   | 7                                 | 3                                 |
| Loss on investments in investment partnerships              | 38                                | 40                                |
| Share of loss of entities accounted for using equity method | 287                               | –                                 |
| Loss on withdrawal from business                            | –                                 | 27                                |
| Penalty loss on cancellation of rental contracts            | –                                 | 19                                |
| Other   | 39                                | 29                                |
| Total non-operating expenses                                | 405                               | 163                               |
| Ordinary profit   | 122                               | 1,224                             |
| Extraordinary income  |                                   |                                   |
| Gain on reversal of share acquisition rights                | 0                                 | 2                                 |
| Gain on sale of investment securities                       | –                                 | 37                                |
| Gain on sale of shares of subsidiaries and associates       | 619                               | –                                 |
| Gain on step acquisitions                                   | 196                               | –                                 |
| Total extraordinary income                                  | 817                               | 40                                |
| Extraordinary losses  |                                   |                                   |
| Loss on retirement of non-current assets                    | 54                                | 15                                |
| Loss on sale of investment securities                       | –                                 | 13                                |
| Loss on valuation of investment securities                  | 980                               | 380                               |
| Total extraordinary losses                                  | 1,035                             | 409                               |
| Profit (loss) before income taxes                           | (96)                              | 855                               |
| Income taxes - current                                      | 264                               | 301                               |
| Income taxes - deferred                                     | (203)                             | (363)                             |
| Total income taxes  | 60                                | (61)                              |
| Profit (loss)   | (156)                             | 917                               |
| Profit (loss) attributable to non-controlling interests     | (15)                              | (35)                              |
| Profit (loss) attributable to owners of parent              | (141)                             | 953                               |



**Consolidated statement of comprehensive income**

(Millions of yen)

|  | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| Profit (loss)  | (156)                             | 917                               |
| Other comprehensive income                                     |                                   |                                   |
| Valuation difference on available-for-sale securities          | 70                                | (22)                              |
| Foreign currency translation adjustment                        | 22                                | 29                                |
| Total other comprehensive income                               | 93                                | 7                                 |
| Comprehensive income   | (63)                              | 924                               |
| Comprehensive income attributable to                           |                                   |                                   |
| Comprehensive income attributable to owners of parent          | (48)                              | 960                               |
| Comprehensive income attributable to non-controlling interests | (15)                              | (35)                              |

**(3) Consolidated statement of changes in equity**

Fiscal year ended May 31, 2023

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 6,426                | 4,023           | 1,384             | (1)             | 11,832                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 155                  | 155             | –                 | –               | 311                        |
| Purchase of treasury shares                          | –                    | –               | –                 | (0)             | (0)                        |
| Change in scope of application of equity method      | –                    | –               | 452               | –               | 452                        |
| Profit (loss) attributable to owners of parent       | –                    | –               | (141)             | –               | (141)                      |
| Net changes in items other than shareholders' equity | –                    | –               | –                 | –               | –                          |
| Total changes during period                          | 155                  | 155             | 310               | (0)             | 622                        |
| Balance at end of period                             | 6,582                | 4,178           | 1,695             | (2)             | 12,454                     |

|  | Accumulated other comprehensive income                |   |  | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|---|--|--------------------------|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                          |                           |                  |
| Balance at beginning of period                       | 85  | 26                                      | 112  | 142                      | 5                         | 12,093           |
| Changes during period                                |   |   |  |                          |                           |                  |
| Issuance of new shares                               | –   | –                                       | –  | –                        | –                         | 311              |
| Purchase of treasury shares                          | –   | –                                       | –  | –                        | –                         | (0)              |
| Change in scope of application of equity method      | –   | –                                       | –  | –                        | –                         | 452              |
| Profit (loss) attributable to owners of parent       | –   | –                                       | –  | –                        | –                         | (141)            |
| Net changes in items other than shareholders' equity | 70  | 22                                      | 93   | 314                      | 66                        | 474              |
| Total changes during period                          | 70  | 22                                      | 93   | 314                      | 66                        | 1,097            |
| Balance at end of period                             | 156   | 49                                      | 206  | 457                      | 72                        | 13,190           |

Fiscal year ended May 31, 2024

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 6,582                | 4,178           | 1,695             | (2)             | 12,454                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 192                  | 192             | –                 | –               | 384                        |
| Profit (loss) attributable to owners of parent       | –                    | –               | 953               | –               | 953                        |
| Net changes in items other than shareholders' equity | –                    | –               | –                 | –               | –                          |
| Total changes during period                          | 192                  | 192             | 953               | –               | 1,337                      |
| Balance at end of period                             | 6,774                | 4,371           | 2,648             | (2)             | 13,792                     |

|  | Accumulated other comprehensive income                |   |  | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|---|--|--------------------------|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                          |                           |                  |
| Balance at beginning of period                       | 156   | 49                                      | 206  | 457                      | 72                        | 13,190           |
| Changes during period                                |   |   |  |                          |                           |                  |
| Issuance of new shares                               | –   | –                                       | –  | –                        | –                         | 384              |
| Profit (loss) attributable to owners of parent       | –   | –                                       | –  | –                        | –                         | 953              |
| Net changes in items other than shareholders' equity | (22)  | 29                                      | 7  | 181                      | 55                        | 244              |
| Total changes during period                          | (22)  | 29                                      | 7  | 181                      | 55                        | 1,581            |
| Balance at end of period                             | 134   | 79                                      | 213  | 638                      | 128                       | 14,772           |

**(4) Consolidated statement of cash flows**

(Millions of yen)

|  | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| <b>Cash flows from operating activities</b>                          |                                   |                                   |
| Profit (loss) before income taxes                                    | (96)                              | 855                               |
| Depreciation   | 898                               | 889                               |
| Amortization of goodwill   | 39                                | 111                               |
| Loss (gain) on sale and retirement of non-current assets             | 54                                | 15                                |
| Share-based payment expenses   | 296                               | 180                               |
| Gain on reversal of share acquisition rights                         | (0)                               | (2)                               |
| Loss (gain) on sale of shares of subsidiaries and associates         | (619)                             | -                                 |
| Loss (gain) on sale of investment securities                         | (291)                             | (24)                              |
| Loss (gain) on valuation of investment securities                    | 980                               | 380                               |
| Loss (gain) on investments in investment partnerships                | 38                                | 40                                |
| Share of loss (profit) of entities accounted for using equity method | 287                               | -                                 |
| Loss (gain) on step acquisitions                                     | (196)                             | -                                 |
| Increase (decrease) in allowance for doubtful accounts               | 29                                | 1                                 |
| Increase (decrease) in provision for bonuses                         | 113                               | 233                               |
| Interest and dividend income   | (4)                               | (4)                               |
| Interest expenses  | 13                                | 16                                |
| Decrease (increase) in trade receivables                             | (391)                             | (16)                              |
| Decrease (increase) in prepaid expenses                              | (101)                             | (265)                             |
| Decrease (increase) in other assets                                  | (118)                             | (199)                             |
| Increase (decrease) in trade payables                                | 71                                | 298                               |
| Increase (decrease) in accounts payable - other                      | 780                               | (239)                             |
| Increase (decrease) in advances received                             | 2,423                             | 2,928                             |
| Increase (decrease) in accrued consumption taxes                     | 15                                | 255                               |
| Increase (decrease) in other liabilities                             | (6)                               | 58                                |
| Other, net   | 111                               | 183                               |
| <b>Subtotal</b>  | <b>4,328</b>                      | <b>5,698</b>                      |
| Interest and dividends received                                      | 4                                 | 4                                 |
| Proceeds from insurance income                                       | -                                 | 12                                |
| Interest paid  | (13)                              | (16)                              |
| Income taxes paid  | (471)                             | (215)                             |
| <b>Net cash provided by (used in) operating activities</b>           | <b>3,848</b>                      | <b>5,483</b>                      |

(Millions of yen)

|  | Fiscal year ended<br>May 31, 2023 | Fiscal year ended<br>May 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| <b>Cash flows from investing activities</b>  |                                   |                                   |
| Purchase of property, plant and equipment  | (200)                             | (217)                             |
| Purchase of intangible assets  | (480)                             | (348)                             |
| Purchase of investment securities  | (359)                             | (572)                             |
| Proceeds from sale of investment securities  | 1,406                             | 67                                |
| Proceeds from sale of shares of subsidiaries and associates                                    | 1,601                             | –                                 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation               | –                                 | (136)                             |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 46                                | –                                 |
| Payments for investments in capital  | (500)                             | –                                 |
| Payments of leasehold deposits   | (214)                             | (1,980)                           |
| Proceeds from refund of leasehold deposits   | –                                 | 285                               |
| Other, net   | 64                                | (278)                             |
| <b>Net cash provided by (used in) investing activities</b>                                     | <b>1,364</b>                      | <b>(3,180)</b>                    |
| <b>Cash flows from financing activities</b>  |                                   |                                   |
| Net increase (decrease) in short-term borrowings   | (140)                             | –                                 |
| Proceeds from long-term borrowings   | 900                               | 1,800                             |
| Repayments of long-term borrowings   | (527)                             | (717)                             |
| Proceeds from issuance of shares   | 307                               | 367                               |
| Proceeds from issuance of share acquisition rights   | 22                                | 19                                |
| Other, net   | (39)                              | (38)                              |
| <b>Net cash provided by (used in) financing activities</b>                                     | <b>523</b>                        | <b>1,431</b>                      |
| Effect of exchange rate change on cash and cash equivalents                                    | 4                                 | 10                                |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                    | <b>5,739</b>                      | <b>3,744</b>                      |
| Cash and cash equivalents at beginning of period   | 15,245                            | 20,985                            |
| <b>Cash and cash equivalents at end of period</b>  | <b>20,985</b>                     | <b>24,729</b>                     |

**(5) Notes to consolidated financial statements**

**Going concern assumption**

Not applicable.

**Significant changes in the amount of shareholders' equity**

Not applicable.

**Segment information**

a. Segment information

1. Description of reportable segments

The reportable segments used by the Group are components for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors, in particular, to make decisions about resources to be allocated to the segments and assess their performance.

In the operation of its business activities, the Group has established business divisions and companies to engage in specific services, and it formulates comprehensive strategies for the services that each business division and company provides.

Accordingly, the Group's operations are made up of segments engaged in specific services under the basic operating structures of business divisions or companies, and it has two reportable segments of Sansan/Bill One Business and Eight Business.

Descriptions of the services belonging to each segment are stated below.

| Reportable segments      | Description of services in segment   |
|--------------------------|--|
| Sansan/Bill One Business | Provision of "Sansan," a service for sales DX, "Bill One," a cloud-based invoice management solution, etc. |
| Eight Business           | Provision of "Eight," as well as the event transcription service logmi series                              |

2. Methods of calculating the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method used for business segments reported is the same as the description in "Matters forming the basis of preparing the consolidated financial statements."

3. Information on the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended May 31, 2023

(Millions of yen)

|                                   | Reportable segments             |                   |        | Others<br>(Note) 1 | Total  |
|-----------------------------------|---------------------------------|-------------------|--------|--------------------|--------|
|                                   | Sansan/<br>Bill One<br>Business | Eight<br>Business | Total  |                    |        |
| Net sales                         |                                 |                   |        |                    |        |
| Sales to external customers       | 22,512                          | 2,864             | 25,376 | 134                | 25,510 |
| Intersegment sales or transfers   | 4                               | 2                 | 7      | 64                 | 72     |
| Total                             | 22,516                          | 2,867             | 25,384 | 198                | 25,582 |
| Segment profit (loss)<br>(Note) 2 | 7,005                           | (170)             | 6,835  | (36)               | 6,798  |
| Other items                       |                                 |                   |        |                    |        |
| Depreciation                      | 523                             | 15                | 538    | 0                  | 538    |

- Notes: 1. The “Others” category is a business segment that is not included in the reportable segments, and includes subsidiaries’ businesses.
2. Segment profit (loss) is shown as adjusted operating profit (loss), which is the sum of operating profit (loss) plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets).

(Millions of yen)

|  | Sansan/<br>Bill One<br>Business | Eight<br>Business | Others | Adjustments<br>(Note 1) | Amount<br>recorded in<br>consolidated<br>statement of<br>income |
|--|---------------------------------|-------------------|--------|-------------------------|---|
| Segment profit (loss)  | 7,005                           | (170)             | (36)   | (5,856)                 | 942   |
| Share-based payment expenses (Note 2)                          | 315                             | 136               | –      | 251                     | 702   |
| Amortization of goodwill and amortization of intangible assets | 12                              | 20                | 7      | –                       | 39  |
| Operating profit (loss)  | 6,677                           | (326)             | (43)   | (6,107)                 | 199   |

- Notes: 1. The adjustments stated are the amounts of corporate expenses not attributable to any reportable segment and mostly consist of general and administrative expenses. Depreciation included in adjustments as corporate expenses is ¥359 million.
2. Expenses related to the monetary compensation and payment of alternative wages, etc. to employees, etc. of the Group pertaining to trust-based stock options are included in share-based payment expenses.
3. Segment assets and liabilities have not been shown, as information relating to assets and liabilities are not regularly provided to the chief operating decision maker and are not subject to the assessment of performance.
4. Intersegment sales or transfers are based on actual market price.

Fiscal year ended May 31, 2024

(Millions of yen)

|                                    | Reportable segments             |                   |        | Others<br>(Note) 1 | Total  |
|------------------------------------|---------------------------------|-------------------|--------|--------------------|--------|
|                                    | Sansan/<br>Bill One<br>Business | Eight<br>Business | Total  |                    |        |
| Net sales                          |                                 |                   |        |                    |        |
| Sales to external<br>customers     | 29,938                          | 3,542             | 33,481 | 397                | 33,878 |
| Intersegment sales or<br>transfers | 9                               | 5                 | 14     | 122                | 137    |
| Total                              | 29,948                          | 3,548             | 33,496 | 519                | 34,016 |
| Segment profit (loss)<br>(Note) 2  | 8,675                           | 314               | 8,989  | (79)               | 8,910  |
| Other items                        |                                 |                   |        |                    |        |
| Depreciation                       | 474                             | 8                 | 483    | 0                  | 484    |

- Notes: 1. The “Others” category is a business segment that is not included in the reportable segments, and includes subsidiaries’ businesses.
2. Segment profit (loss) is shown as adjusted operating profit (loss), which is the sum of operating profit (loss) plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets).

(Millions of yen)

|   | Sansan/<br>Bill One<br>Business | Eight<br>Business | Others | Adjustments<br>(Note 1) | Amount<br>recorded in<br>consolidated<br>statement of<br>income |
|---|---------------------------------|-------------------|--------|-------------------------|---|
| Segment profit (loss)   | 8,675                           | 314               | (79)   | (7,201)                 | 1,709   |
| Share-based payment<br>expenses (Note 2)                                | 67                              | 27                | –      | 164                     | 260   |
| Amortization of<br>goodwill and<br>amortization of<br>intangible assets | 51                              | 20                | 39     | –                       | 111   |
| Operating profit (loss)   | 8,556                           | 266               | (118)  | (7,366)                 | 1,337   |

- Notes: 1. The adjustments stated are the amounts of corporate expenses not attributable to any reportable segment and mostly consist of general and administrative expenses. Depreciation included in adjustments as corporate expenses is ¥405 million.
2. Expenses related to the monetary compensation and payment of alternative wages, etc. to employees, etc. of the Group pertaining to trust-based stock options are included in share-based payment expenses.
3. Segment assets and liabilities have not been shown, as information relating to assets and liabilities are not regularly provided to the chief operating decision maker and are not subject to the assessment of performance.
4. Intersegment sales or transfers are based on actual market price.

b. Information associated with reportable segments

1. Information for each product or service

This information is omitted because the same information has been presented in Segment information.



2. Information for each region

(1) Net sales

This has been omitted because net sales to external Japanese customers account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

This has been omitted because the value of property, plant and equipment in Japan accounts for more than 90% of the value of property, plant and equipment on the consolidated balance sheet.

3. Information for each of main customers

This has been omitted because there is no external customer that accounts for 10% or more of net sales recorded on the consolidated statement of income.

c. Disclosure of impairment losses on non-current assets for each reportable segment

Fiscal year ended May 31, 2023

Not applicable.

Fiscal year ended May 31, 2024

Not applicable.

d. Amortization and unamortized balance of goodwill for each reportable segment

Fiscal year ended May 31, 2023

(Millions of yen)

|                          | Sansan/Bill One Business | Eight Business | Corporate and eliminations | Total |
|--------------------------|--------------------------|----------------|----------------------------|-------|
| Amortization of goodwill | 12                       | 20             | 7                          | 39    |
| Goodwill                 | 503                      | 145            | 57                         | 706   |

Fiscal year ended May 31, 2024

(Millions of yen)

|                          | Sansan/Bill One Business | Eight Business | Corporate and eliminations | Total |
|--------------------------|--------------------------|----------------|----------------------------|-------|
| Amortization of goodwill | 51                       | 20             | 39                         | 111   |
| Goodwill                 | 451                      | 125            | 341                        | 919   |

e. Information about gain on bargain purchase for each reportable segment

Not applicable.

**Per share information**

(Yen)

|                                 | Fiscal year ended May 31, 2023<br>(from June 1, 2022 to May 31, 2023) | Fiscal year ended May 31, 2024<br>(from June 1, 2023 to May 31, 2024) |
|---------------------------------|---|---|
| Net assets per share            | 105.18  | 111.30  |
| Basic earnings (loss) per share | (1.13)  | 7.59  |
| Diluted earnings per share      | –   | 7.47  |

Notes: 1. Diluted earnings per share for the fiscal year ended May 31, 2023 are not described here because, although there are potentially dilutive shares, basic loss per share was recorded.

2. Basis for calculation of basic earnings (loss) per share and diluted earnings per share is as follows:

|   | Fiscal year ended May 31, 2023<br>(from June 1, 2022 to May 31, 2023) | Fiscal year ended May 31, 2024<br>(from June 1, 2023 to May 31, 2024)   |
|---|---|---|
| Basic earnings (loss) per share   |   |   |
| Profit (loss) attributable to owners of parent<br>(Millions of yen)   | (141)   | 953   |
| Amounts not attributable to common shareholders<br>(Millions of yen)  | –   | –   |
| Profit (loss) attributable to owners of parent related to common shares<br>(Millions of yen)  | (141)   | 953   |
| Average number of common shares outstanding during the period<br>(Shares)   | 125,162,268   | 125,614,516   |
|   |   |   |
| Diluted earnings per share  |   |   |
| Adjustments to profit attributable to owners of parent<br>(Millions of yen)   | –   | –   |
| Increase in number of common shares<br>(Shares)   | –   | 1,986,773   |
| [Of which share acquisition rights]<br>(Shares)   | –   | [1,986,773]   |
| Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects | –   | Stock Options 2021<br>(6th Share Acquisition Rights)<br>188 units (75,200 shares)<br>Stock Options 2023<br>(10th Share Acquisition Rights)<br>1,243 units (124,300 shares)<br>Stock Options 2023<br>(11th Share Acquisition Rights)<br>1,420 units (142,000 shares) |

## Events after the reporting period

### *Issuance of 13th Share Acquisition Rights*

A resolution has been passed to issue the 13th Share Acquisition Rights (hereinafter in this item, “Share Acquisition Rights”) to the employees of the Company at the Board of Directors’ meeting held on July 11, 2024 in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act of Japan.

### 13th Share Acquisition Rights

|   |  |
|---|--|
| Number of share acquisition rights  | 2,231 units  |
| Class and number of shares to be acquired upon exercise of share acquisition rights                           | 223,100 common shares of the Company<br>(100 shares per one unit of share acquisition right) |
| Exercise price of share acquisition rights  | ¥178,300 per unit of share acquisition right   |
| Issue price and amount of capital paid in upon issuance of shares due to exercise of share acquisition rights | Issue price per share: ¥1,783<br>Amount of capital paid in per share: ¥892                   |
| Allotment date of share acquisition rights  | August 7, 2024   |
| Persons to whom share acquisition rights are to be allotted   | The Company’s employees: 103 persons   |
| Exercise period of share acquisition rights   | From July 12, 2026 to July 11, 2034  |
| Conditions of exercise of share acquisition rights  | *  |

- (\*) 1. The employees who have been allotted the Share Acquisition Rights (hereinafter, “Holders of the Share Acquisition Rights”) may exercise their Share Acquisition Rights if, on a specific day between the allotment date of the Share Acquisition Rights and the end date of the exercise period (July 11, 2034), the closing price of the common share of the Company in regular trading on the Tokyo Stock Exchange exceeds ¥3,987.  
However, if a stock split or reverse stock split is carried out after the allotment date, the value will be adjusted according to the following formula (rounded up to the nearest yen unit):

$$\text{Share Price after Adjustment} = \frac{\text{Share Price before Adjustment}}{\text{Ratio of Stock Split (or Reverse Split)}} \times 1$$

2. Holders of the Share Acquisition Rights are required to be any one of directors, corporate auditors, or employees of the Company or the Company’s subsidiaries and associates even at the time of the exercise of the Share Acquisition Rights; provided, however, that this shall not apply to the case where the Company’s Board of Directors recognizes that there are justifiable reasons such as retirement due to the expiration of the term of office, retirement at the mandatory retirement age.
3. In the event that a holder of the Share Acquisition Rights dies, the exercise of the Share Acquisition Rights by his or her heirs shall not be permitted.
4. The pledging of the Share Acquisition Rights or establishment of a security interest shall not be permitted.
5. If the exercise of the Share Acquisition Rights causes the total number of issued shares of the Company to exceed the total number of authorized shares, such Share Acquisition Rights may not be exercised.
6. The Share Acquisition Right may not be exercised for less than one unit of the Share Acquisition Right.

*Issuance of 14th Share Acquisition Rights (Share Options with Charge)*

A resolution has been passed to issue the 14th Share Acquisition Rights (hereinafter in this item, “Share Acquisition Rights”) to the directors and executive officers of the Company at the Board of Directors’ meeting held on July 11, 2024 in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act of Japan.

14th Share Acquisition Rights

|   |   |
|---|---|
| Number of share acquisition rights  | 800 units   |
| Class and number of shares to be acquired upon exercise of share acquisition rights                           | 80,000 common shares of the Company<br>(100 shares per one unit of share acquisition right) |
| Issue price of share acquisition rights   | ¥18,500 per unit of share acquisition right   |
| Exercise price of share acquisition rights  | ¥178,300 per unit of share acquisition right  |
| Issue price and amount of capital paid in upon issuance of shares due to exercise of share acquisition rights | Issue price per share: ¥1,783<br>Amount of capital paid in per share: ¥892                  |
| Allotment date of share acquisition rights  | September 5, 2024   |
| Persons to whom share acquisition rights are to be allotted   | The Company’s directors: 5 persons<br>The Company’s executive officers: 13 persons          |
| Exercise period of share acquisition rights   | From September 5, 2025 to September 4, 2034   |
| Conditions of exercise of share acquisition rights  | *   |

- (\*)
1. The directors and executive officers who have been allotted the Share Acquisition Rights (hereinafter, “Holders of the Share Acquisition Rights”) may exercise their Share Acquisition Rights if net sales in the Company’s consolidated statement of income for the fiscal year ending May 31, 2025, exceed ¥43,303 million. In the event that the Board of Directors determines that it is not appropriate to use actual sales figures for the assessment of net sales due to a change in applicable accounting standards or the occurrence of an event such as a corporate acquisition that significantly affects the Company’s business results, the Company may, to the extent reasonable, eliminate the effect of such corporate acquisition or other events and adjust the actual sales figures used for the assessment. In addition, in the event of material changes in the concept of items to be referred to, due to the application of International Financial Reporting Standards, changes in the fiscal year end and other reasons, the indicators to be referred to shall be separately determined by the Company’s Board of Directors.
  2. Holders of Share Acquisition Rights are required to be any one of directors, corporate auditors, employees of the Company or the Company’s subsidiaries and associates even at the time of the exercise of Share Acquisition Rights; provided, however, that this shall not apply to the case where the Company’s Board of Directors recognizes that there are justifiable reasons such as retirement due to the expiration of the term of office, retirement at the mandatory retirement age.
  3. In the event that a holder of Share Acquisition Rights dies, the exercise of the Share Acquisition Rights by his or her heirs shall not be permitted.
  4. The pledging of the Share Acquisition Rights or establishment of a security interest shall not be permitted.
  5. If the exercise of the Share Acquisition Rights causes the total number of issued shares of the Company to exceed the total number of authorized shares, such Share Acquisition Rights may not be exercised.
  6. The Share Acquisition Right may not be exercised for less than one unit of the Share Acquisition Right.

### *Share Repurchase*

A resolution was passed at the Board of Directors' meeting held on July 11, 2024 regarding the following matters pertaining to share repurchases, pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Article 165, Paragraph 3 of the same Act.

#### 1. Reason for Share Repurchase

In addition to the Company's strong performance for the fiscal year ended May 31, 2024 that was driven by growth in our main business, we have set medium-term financial strategies to accelerate profit growth while continuing to invest for sales growth from the fiscal year ending May 31, 2025 through the fiscal year ending May 31, 2027. Based on these circumstances, we have determined that we are now in a financial condition to return profits to shareholders. Specifically, we will repurchase our own shares as part of our shareholder returns, taking into consideration share price trends and the share dilution ratio resulting from the issuance of share options.

#### 2. Details of Share Repurchase

|  |  |
|--|--|
| (1) Class of shares to be repurchased        | Common shares of the Company   |
| (2) Total number of shares to be repurchased | 200,000 shares (maximum)<br>(up to 0.16% of the total number of shares issued and outstanding (excluding treasury shares)) |
| (3) Total purchase price                     | ¥300 million (maximum)   |
| (4) Period of repurchase                     | From July 12, 2024 to August 31, 2024  |
| (5) Method of repurchase                     | Market purchases on the Tokyo Stock Exchange   |

#### (Reference) Treasury shares held as of May 31, 2024

|   |                    |
|---|--------------------|
| Total number of shares issued and outstanding (excluding treasury shares) | 125,834,545 shares |
| Total number of treasury shares   | 871 shares         |