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Security code: 4443

August 3, 2020

To Our Shareholders

Chikahiro Terada  
Representative Director & CEO  
**Sansan, Inc.**  
Aoyama Oval Building 13F, 5-52-2  
Jingumae, Shibuya-ku, Tokyo

## Notice of the 13th Annual General Meeting of Shareholders

We are pleased to announce the 13th Annual General Meeting of Shareholders of Sansan, Inc. (the “Company”), which will be held as indicated below.

In view of prevailing circumstances with respect to spread of novel coronavirus disease (COVID-19), we ask that our shareholders refrain from attending the meeting regardless of their health. We furthermore recommend that our shareholders exercise their voting rights prior to the meeting either by sending us the enclosed voting form via postal mail or otherwise voting via electronic means (the internet, etc.). Please exercise your voting rights by no later than August 25, 2020 (Tuesday), 5:00 p.m. (JST) after examining the attached Reference Documents for the General Meeting of Shareholders.

- 1. Date and Time:** August 26, 2020 (Wednesday), 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)
- 2. Venue:** West Suite, B1F, The Strings Omotesandoh  
3-6-8, Kita-Aoyama, Minato-ku, Tokyo

**3. Purpose of the Meeting:**

**Matters to be reported:**

1. Business Report and Consolidated Financial Statements for the 13th Term (from June 1, 2019 to May 31, 2020) and the results of audit of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee
2. Non-consolidated Financial Statements for the 13th Term (from June 1, 2019 to May 31, 2020)

**Matters to be resolved:**

- Proposal No. 1** Partial Amendments to the Articles of Incorporation
- Proposal No. 2** Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 3** Election of Two Directors Who Are Audit & Supervisory Committee Members

- ⊙ Whereas we will hold the general meeting of shareholders upon having taken measures necessary to prevent spread of COVID-19, we ask that you refrain from attending the meeting on the day of the event regardless of your health. We furthermore recommend that you exercise your voting rights prior to the meeting either in writing or via the internet, etc. For instructions on exercising voting rights in writing or via the internet, please refer to pages 3 to 4. Please note that we will make further information available on the Company’s website (<https://ir.corp-sansan.com/en/ir/stock/meeting.html>) if there are any changes between now and the date of the meeting with respect to the meeting’s date, time, venue or format otherwise.
- ⊙ At the general meeting of shareholders, those attending will be required to wear face masks. Attendees must also undergo temperature checks and will be asked to disinfect their hands with alcohol-based sanitizer at the reception. We thank you in advance for your understanding and cooperation in this regard. Shareholders who are found to have fevers and

shareholders who appear to be unwell may be refused entry. There will be a limited number of seats available given that the venue will be arranged with extra distance between seats to prevent the spread of infectious diseases. As such, you may be refused entry to the meeting upon having arrived at the venue. We appreciate your understanding.

- ⊙ Please understand that souvenirs or meals for shareholders who attend the meeting will not be provided.
- ⊙ When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception.
- ⊙ If any amendments have been made to items to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements, revised items will be posted on the Company's website described above.
- ⊙ Pursuant to the provisions of relevant laws and regulations and Article 14 of the Company's Articles of Incorporation, the items listed below are posted on the Company's website described above. The documents provided with this notice are a part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Committee in preparing its audit report, as well as a part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by Financial Auditor in preparing its audit reports.
  - (1) Business Report  
Principal offices, Major lenders, Share acquisition rights, Summary of details of limited liability agreements with the Company's officers, Financial Auditor, and System to ensure the properness of business operations (Internal control system)
  - (2) Consolidated Financial Statements  
Consolidated statement of changes in equity and Notes to consolidated financial statements
  - (3) Non-consolidated Financial Statements  
Non-consolidated statement of changes in equity and Notes to non-consolidated financial statements

#### Livestreaming of the General Meeting of Shareholders

We plan to provide via the internet a livestreaming of the day's proceedings of the meeting. You can view the livestream by accessing the URL shown below. Please note that shareholders will not be able to participate in the exercise voting rights at the venue or ask questions from the livestream. On livestreaming, care will be taken to avoid showing the faces of shareholders present in the livestream, but some shareholders' faces may inevitably be shown.

The URL for livestreaming: <https://jp.corp-sansan.com/agm/2020>

- \* Depending on your equipment and internet connection environment, it may not be possible to view the livestream. Please note that we are unable to respond to inquiries regarding methods for connecting to the internet or methods for viewing the livestream.
- \* The livestream may be interrupted due to inevitable reasons such as troubles with the internet connection or other equipment.

## Guidance on Exercising Voting Rights

Exercise of voting rights at the general meeting of shareholders is shareholders' important right.

Please by all means exercise your voting rights after examining the attached Reference Documents for the General Meeting of Shareholders.

There are three methods to exercise your voting rights as indicated below.

<p style="text-align: center;"><b>Attend the Meeting</b></p> <p>Please present the enclosed voting form at the reception.</p> <hr/> <p style="text-align: center;">Date and time</p> <p style="text-align: center;"><b>August 26, 2020 (Wednesday), 10:00 a.m. (JST)</b> (Reception starts at 9:00 a.m.)</p>	<p style="text-align: center;"><b>Exercise the voting rights in writing (by mail)</b></p> <p>Please indicate whether you are for or against each proposal on the enclosed voting form, and return the form to us.</p> <hr/> <p style="text-align: center;">Exercise due date</p> <p style="text-align: center;"><b>To be returned to us no later than August 25, 2020 (Tuesday), 5:00 p.m. (JST)</b></p>	<p style="text-align: center;"><b>Exercise the voting rights via the internet</b></p> <p>Please indicate whether you are for or against the proposals following the instructions on the next page.</p> <hr/> <p style="text-align: center;">Exercise due date</p> <p style="text-align: center;"><b>No later than August 25, 2020 (Tuesday), 5:00 p.m. (JST)</b></p>
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- Please note that your voting via the internet, etc. shall prevail, if you exercise your voting rights both in writing (by mail) and via the internet, etc. If you exercise your voting rights more than once via the internet, etc., only the last vote shall be deemed effective.

## Instructions for the Exercise of Voting Rights via the Internet, etc.

### By scanning the QR code ("Smart Exercise")

You can log-in to the website for exercise of voting rights without entering the voting rights exercise code and password.

1. Please scan the QR code printed on the voting form at the bottom right with your smartphone or tablet.
  - \* QR code is a registered trademark of DENSO WAVE INCORPORATED.
2. Then please follow the instructions on the screen and indicate your approval or disapproval.

### The exercise of voting rights by "Smart Exercise" is available only once.

In case if you want to change your vote after exercising your voting rights, please access the website for PC and log in by entering the "voting rights exercise code" and "password" indicated in the voting form, to exercise your voting rights again.

- \* You will be transferred to the website for PC by scanning the QR code again.

### By entering the voting rights exercise code and password

Website for exercise of voting rights:

<https://www.tosyodai54.net>

1. Please access the website for exercise of voting rights.
2. Please enter the "voting rights exercise code" indicated in the voting form.
3. Please enter the "password" indicated in the voting form.
4. Then please follow the instructions on the screen and indicate your approval or disapproval.

If you have any questions on how to exercise your voting rights via the internet using a personal computer, smartphone, or mobile phone, please contact:

**Tokyo Securities Transfer Agent Co., Ltd.**  
**Phone: 0120-88-0768 (toll free)**  
(Business hours: 9:00 a.m. - 9:00 p.m.)

Institutional investors can exercise their voting rights via the "Electronic Voting Rights Exercise Platform" for institutional investors operated by ICJ, Inc.

**(Attached Documents)**

**Business Report**

(From June 1, 2019 to May 31, 2020)

**1. Status of the corporate group**

**(1) Status of operations for the fiscal year under review**

**(i) Progress and results of operations**

Under the mission of “Turning encounters into innovation,” the Group is developing services tied to solving various issues that companies and business people face, such as business card management, by using new approaches that combine “technology and data-input-based business card digitization systems” with “cloud software.”

In the fiscal year ended May 31, 2020, the Company engaged in initiatives, such as strengthening the sales structure through strategic hiring, aimed at realizing continuous growth of net sales and expanding its optional functions usable within “Sansan,” a cloud-based business card management service. Some negative effects arose in the period from March to May 2020 due to the impact of the spread of a novel coronavirus (COVID-19), which included impacts on the number of new subscriptions acquired for the Sansan Business, and the holding of business events in the Eight Business. Moreover, we recorded extraordinary losses and non-operating expenses associated with the cancellation of a large-scale conference sponsored by the Company that was to be held in March 2020, a partial review of recruitment plans and other factors.

As a result, net sales totaled ¥13,362,370 thousand (up 30.9% year on year), gross profit totaled ¥11,541,051 thousand (up 34.1% year on year), and gross profit margin was 86.4% (up 2.1 points year on year) in the fiscal year under review. Although currently still in a phase of implementing aggressive investment aimed at maximizing shareholder value and corporate value over the medium to long term, the steady growth in net sales allowed us to move into the black with operating profit of ¥757,266 thousand (compared with operating loss of ¥849,739 thousand in the previous fiscal year). Ordinary profit totaled ¥435,444 thousand (compared to ordinary loss of ¥891,689 thousand in the previous fiscal year), due to the recording of loss on cancellation of rental contracts of a portion of office of ¥187,784 thousand in non-operating expenses. In addition, profit attributable to owners of parent totaled ¥339,670 thousand (compared to loss attributable to owners of parent of ¥945,539 thousand in the previous fiscal year).

Results by segment are as follows.

**a. Sansan Business**

The Company is developing services in the B2B business card management service market. As the Company has grown, this market has seen 18-fold expansion from 2010 to 2018. The Sansan Business, operated by the Company, holds an 82.8% share (Note 1.) in this market. Moreover, further expansion of the size of this market is continuing, which is mainly a result of recent changes to employee working styles like remote work due to the spread of COVID-19, new ways of thinking toward digital transformation, and greater attention being attracted to the SaaS (Software as a Service) products. As for the digital transformation market, its worth in 2021 is forecasted to be ¥1,435.7 billion (an increase of ¥870.4 billion since 2017) (Note 2.), while the SaaS market in Japan is forecasted to reach ¥817.4 billion by 2023 (an increase of ¥337.6 billion since 2018) (Note 3.).

For the fiscal year under review, the Company continued to engage in initiatives, such as strengthening the sales structure through strategic hiring and expanding its optional functions, aimed at further increasing the number of subscriptions and the monthly sales per subscription for “Sansan.” As a result, in addition to progress in the use of our services by major manufacturers and government agencies, the Company has also steadily acquired new

subscriptions among medium to small enterprises due to a revision of pricing strategy. At the end of the fiscal year under review, the number of “Sansan” subscriptions totaled 6,754, up 16.0% year on year. On the other hand, monthly sales per subscription rose only slightly to ¥161 thousand, up 3.2% year on year due to decreases in some sales regarding new contracts in May 2020 as a result of the spread of COVID-19. Furthermore, as a result of carrying out ongoing initiatives to expand use among existing customers to achieve a stronger customer foundation, the last 12 months average of monthly churn rate (Note 4.) was 0.60%, an improvement of 0.08 points year on year.

As a result, net sales for the fiscal year under review totaled ¥12,284,335 thousand (up 27.4% year on year), of which recurring net sales (fixed revenue) in “Sansan” totaled ¥11,169,485 thousand (up 30.0% year on year). Segment profit totaled ¥4,794,017 thousand (up 64.8% year on year).

In “Sansan,” against a backdrop of remote working and working styles that use the internet rapidly expanding, the Company has started to provide “Virtual Cards” function from June 16, 2020. By using the function, “Sansan” users will be able to easily send their business card information using the internet. As backed by the report by the government advisory body set up to examine COVID-19, and the conclusions of various industry groups, there is a rising social need for the exchange of business cards online as a new working styles necessary for the long-term prevention of the spread of COVID-19. Therefore, by meeting this need through the function, we will further raise the service value.

(Notes) 1. Based on “Contact Management Service Market and SFA/CRM Businesses 2020” by Seed Planning, Inc.

2. Based on “2018 Outlook of the Digital Transformation Market” by Fuji Chimera Research Institute

3. Based on “2019 New Software Business Markets” by Fuji Chimera Research Institute

4. Average monthly churn rate over the past 12 months, which is the ratio of decrease in monthly fees associated with contract cancellations to total monthly fees from existing contracts (past results also changed in line with the revision of calculation method)

#### b. Eight Business

In the Eight Business, the Company bases the business on the application that enables users to use the profile management and business card management features at no cost. On top of this, the Company provides the B2C services, “Eight Premium,” for individuals who want access to extra user functions and the B2B services such as “Eight Company Premium,” a service that allows the sharing of business cards registered on “Eight” within a company, “Eight Ads,” a service that enables advertisements to be disseminated to “Eight” users, “Meets,” a business event that increases productivity by efficiently matching buyers and sellers, and “Eight Career Design,” a recruitment related service that enables hiring companies (corporate client users) to approach job seekers (individual users) on the job search platform.

In the fiscal under review, the Company worked on strengthening monetization of the B2B service through “Eight Company Premium” and other methods. As a result, the number of “Eight Company Premium” subscriptions at the end of the fiscal year under review totaled 1,535, an increase of 85.4% year on year and the number of “Eight” users (Note 5.) totaled 2.70 million, an increase of 0.26 million year on year. During the period from March to May 2020, the holding of some business events such as “Meets” were canceled due to the impact of the spread of COVID-19.

As a result, net sales for the fiscal year under review totaled ¥1,078,035 thousand (up 90.3% year on year), of which net sales from B2C services totaled ¥289,286 thousand (up 21.7% year on year), and net sales from B2B services totaled ¥788,748 thousand (up 139.8% year on year)

year). Segment loss was recorded at ¥894,281 thousand (compared to ¥1,212,980 thousand in the previous fiscal year) due to being in the phase in which upfront investments were being made to increase future profitability.

(Note) 5. Number of confirmed users who registered their business card to their profile after downloading the application

Net sales by business segment

(Thousands of yen, unless otherwise noted)

Business segment	12th term (Fiscal year ended May 31, 2019) (Previous fiscal year)		13th term (Fiscal year ended May 31, 2020) (Fiscal year under review)		Year-on-year change	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Change (%)
Sansan Business	9,639,479	94.4	12,284,335	91.9	2,644,856	27.4
Eight Business	566,535	5.6	1,078,035	8.1	511,499	90.3
Total	10,206,014	100.0	13,362,370	100.0	3,156,356	30.9

(ii) Capital expenditures

Mainly as a result of construction to expand floor space at the head office and repair work, the Company acquired property, plant and equipment such as facilities attached to buildings of ¥225,535 thousand. In addition, the Company acquired software of ¥666,371 thousand, including in-house and contracted development.

(iii) Financing activities

Upon having listed its shares on the Tokyo Stock Exchange Mothers market as of June 19, 2019, the Company has accordingly procured funds amounting to ¥2,103,750 thousand through issuance of new shares.

In July 2019, the Company has increased its capital amounting to ¥4,739,748 thousand by means of third-party allotment.

In November 2019, long-term borrowings of ¥2,000,000 thousand were procured from Mizuho Bank, Ltd., ¥2,000,000 thousand from Sumitomo Mitsui Banking Corporation, and ¥1,000,000 thousand from MUFG Bank, Ltd.

In December 2019, long-term borrowings of ¥150,000 thousand were procured from Sumitomo Mitsui Banking Corporation.

In February 2020, long-term borrowings of ¥330,000 thousand were procured from MUFG Bank, Ltd.

(iv) Business transfer, absorption-type company split or incorporation-type company split

Not applicable.

(v) Acquisition of other companies' business

Not applicable.

- (vi) Succession of rights or duties related to the businesses of other corporations, etc. due to absorption-type merger or absorption-type company split

Not applicable.

- (vii) Acquisition or disposal of shares or other equity interests, or share acquisition rights in other companies

Not applicable.

## (2) Changes in assets and profit and loss in and at the end of the most recent three fiscal years

Categories	10th term (Fiscal year ended May 31, 2017)	11th term (Fiscal year ended May 31, 2018)	12th term (Fiscal year ended May 31, 2019)	13th term (Fiscal year under review) (Fiscal year ended May 31, 2020)
Net sales (Thousands of yen)	4,839,233	7,324,098	10,206,014	13,362,370
Ordinary profit (loss) (Thousands of yen)	(780,055)	(3,077,015)	(891,689)	435,444
Profit (loss) attributable to owners of parent (Thousands of yen)	(790,126)	(3,085,890)	(945,539)	339,670
Basic earnings (loss) per share (Yen)	(47.18)	(168.44)	(40.42)	10.98
Total assets (Thousands of yen)	3,489,520	5,299,026	9,079,116	22,819,768
Net assets (Thousands of yen)	172,627	1,312,523	3,372,965	10,552,621
Net assets per share (Yen)	(160.42)	(311.50)	114.60	338.89

(Note) The Company conducted a stock split at 10,000-for-1 on June 15, 2018 based on resolution at the meeting of the Board of Directors held on May 29, 2018. Basic earnings (loss) per share and net assets per share are calculated on the assumption that the stock split had been made at the beginning of the 10th term.

## (3) Major subsidiaries

Company name	Share capital	Investment ratio of the Company (%)	Description of major businesses
Sansan Global PTE. LTD.	SGD5,620,000	100.0	Sales operations and marketing services agency for Singapore region and other locations
Sansan Corporation	USD46,000	100.0	Sales vendor and agency for some settlement services for U.S. region.

## (4) Issues to be addressed

The Group has established the corporate mission (Note) of “Turning encounters into innovation.” Underpinned by that mission, we engage in business activities with the aim of creating services that help address various challenges facing companies and business professionals, and are furthermore committed to ensuring that such business activities help maximize shareholder and corporate value.

(Note) The mission of the Group is as follows.

“Turning encounters into innovation”

Our world is built on encounters; they are the very basis of society.



We believe they bring innovation, which in turn leads to new ways of working and doing business.

By developing innovative products, we change how people value their encounters, and even change how those encounters take place.

The major management issues and issues to be addressed as identified by the Company to realize the mission are outlined below.

(i) Further growth of Sansan Business

Having established a series of business processes extending from marketing activities to the receiving of new orders, we continue to generate consistent growth and will actively implement various measures to achieve further growth going forward. More specifically, we will take steps to further heighten our service value by bringing about more widespread use of newly introduced “Virtual Cards” function, particularly given the prevailing environment in midst of the COVID-19 pandemic. We will also promote the “Sansan Plus” strategy of heightening the value of Sansan as a component of the Sansan business platform largely by equipping the Sansan service with various functions that encourage data use. In addition, we will work to increase our number of subscriptions largely by strengthening our sales structure and developing a wide range of sales activities through our domestic and international offices as we’ve been doing thus far. We will also work to gain large-scale subscriptions premised on the notion of all staff members in a user company accessing the services (company-wide use) and promoting greater service use among existing customers. Through these ongoing initiatives, we will take steps to further increase net sales per subscription.

(ii) Monetizing the Eight Business

In order to more rapidly monetize the business overall, we will strengthen development of our various B2B services such as our “Eight Company Premium” service that allows in-house sharing of business cards registered on the “Eight” platform, and our “Eight Ads” service that enables advertisements to be disseminated to “Eight” users. In addition, we aim to further increase our user count by offering greater convenience particularly with respect to “Virtual Cards” function.

(iii) Development of new services

We have embarked on new business opportunities that involve media formats other than business cards, drawing on our technologies for digitizing business cards at 99.9% accuracy which we developed in conjunction with the “Sansan” and “Eight” platforms. Such business pursuits include our “Bill One” service for digitizing and taking online receipt of invoices, and our “Contract One” solution for digitizing contractual documents. We will redouble our efforts to develop such services going forward. Largely with the aim of preventing further spread of COVID-19, companies have been striving to diversify working arrangements by setting up remote work measures, while also calling for greater productivity. Amid that scenario, substantial challenges persist particularly in terms of the notion that many employees must maintain a physical presence in the workplace in order to gain access to and process paper documents with respect to invoicing and contractual work. When it comes to services that address such challenges inherent in remote work and BCP (business continuity plans), we will establish business processes that underpin those services and otherwise engage in efforts geared to providing such services consistently.

(iv) Recruiting and training outstanding talent

For the Group to achieve sustainable growth, it is crucial that we hire many talented professionals with diverse career backgrounds, and then improve our sales, development and managerial structures. We have been actively engaging in recruitment efforts geared to hiring highly motivated and talented professionals who share an understanding of the Group’s mission and business activities, and will furthermore persist with our efforts to establish work environments and arrangements that substantially fuel employee motivation.

(v) Continuous strengthening of the management system

Given that the Group handles substantial volumes of personal information, it is crucial that we continuously strengthen our system for managing information. We continue to take the utmost care with respect to implementing measures for safeguarding personal information, and we will persist in our efforts to strengthen and maintain our in-house systems and management approaches in that regard going forward.

(vi) Enhancing technological strengths

Our technological capabilities for digitizing business card data constitute the wellspring of the Group's competitive strengths and act as a common platform underpinning growth of both our Sansan Business and Eight Business segments. As such, we must continuously improve and strengthen such technological capabilities. We will accordingly engage in initiatives to improve our technological capabilities through efforts that involve hiring outstanding technical experts while also investing in and monitoring cutting-edge technologies.

**(5) Major businesses (as of May 31, 2020)**

Business segment	Description of business:
Sansan Business	Provision of "Sansan," a B2B cloud-based business card management service
Eight Business	Provision of "Eight," a business card management app

**(6) Employees (as of May 31, 2020)**

(i) Employees of the corporate group

Business segment	Number of employees
Sansan Business	417
Eight Business	98
Other businesses	198
Total	713

(Notes) 1. The numbers of employees stated above indicate numbers of employed personnel (excluding individuals seconded from the Group to companies outside the Group, and including individuals seconded to the Group from companies outside the Group). In addition to the total number of employees stated above (permanent employees and contract employees), the Group also employs 334 individuals as temporary employees and dispatched employees.

2. Comparative data from the previous fiscal year has not been stated because the current fiscal year is the first for which the Company has furnished such employment figures.

(ii) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
710	Increased by 161	32.3	2.5 years

(Note) The number of employees stated above indicates the number of employed personnel (excluding individuals seconded from the Company to other companies, and including individuals seconded to the Company from other companies). In addition to the total number of employees stated above (permanent employees and contract employees), the Company also employs 332 individuals as temporary employees and dispatched employees.

**(7) Other significant matters concerning status of the corporate group**

The Company was listed on the Tokyo Stock Exchange Mothers market on June 19, 2019.

## 2. Status of the Company

### (1) Shares (as of May 31, 2020)

- (i) Total number of authorized shares 117,700,000 shares  
(ii) Total number of issued shares 31,138,853 shares

- (Notes) 1. The Company's shares were listed on the Tokyo Stock Exchange Mothers market on June 19, 2019.  
2. The total number of issued shares has been increased by 500,000 shares upon implementation of a capital increase by issuing new shares through a public offering with a payment date of June 18, 2019.  
3. The total number of issued shares has increased by 1,126,500 shares upon implementation of a capital increase by issuing new shares through a third-party allotment relating to secondary offering of the Company's shares through over-allotment with a payment date of July 17, 2019.  
4. The total number of issued shares has increased by 80,000 shares upon exercise of share acquisition rights on December 20, 2019.

- (iii) Number of shareholders 2,844

### (iv) Major Shareholders

Name of Shareholders	Number of shares held (shares)	Percentage of total shares (%)
Chikahiro Terada	10,870,000	34.91
DCM Ventures China Fund (DCM VII), L.P.	1,355,000	4.35
A-Fund, L.P.	1,280,000	4.11
Japan Trustee Services Bank, Ltd. (Trust Account)	1,187,000	3.81
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,131,100	3.63
Kei Tomioka	1,040,000	3.34
Trustee of specified trust of money other than money trust: SMBC Trust Bank Ltd.	1,010,000	3.24
JP MORGAN CHASE BANK 385632	906,347	2.91
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	790,189	2.54
Kenji Shiomi	580,000	1.86

(Note) The Company does not hold treasury shares.

## (2) Officers

### (i) Directors (as of May 31, 2020)

Position	Name	Responsibilities and significant concurrent positions outside the Company
Representative Director & CEO	Chikahiro Terada	Executive Officer and CEO
Director	Kei Tomioka	Executive Officer and Executive in charge of Sansan Division
Director	Kenji Shiomi	Executive Officer and Executive in charge of Eight Division
Director	Satoru Joraku	Executive Officer, CISO, DPO, and Executive in charge of DSOC
Director	Yo Tanaka	Executive Officer and Executive in charge of Office Strategy Department
Director	Yuta Ohma	Executive Officer, CHRO, and Executive in charge of Human Resources Department
Director (Audit & Supervisory Committee Member)	Yasuko Yokosawa	Counsel Attorney at TMI Associates
Director (Audit & Supervisory Committee Member)	Toru Akaura	General Partner of Incubate Capital Partners Outside Director of S-Pool, Inc. Outside Audit & Supervisory Board Member of Double Standard Inc.
Director (Audit & Supervisory Committee Member)	Osuke Honda	General Partner of DCM Holdings Co., Ltd. Outside Director of Coubic Inc. Outside Director of atama plus Inc. Outside Director of PECO Co., Ltd. Outside Director of UNION TEC CO., LTD.
Director (Audit & Supervisory Committee Member)	Yoshiki Ishikawa	Director of Cancer Scan Co., Ltd. Director of Campus for H Inc. Representative Director of Well-being for Planet Earth Foundation Outside Director of Gaiax Co. Ltd. Outside Director of SEPTENI HOLDINGS CO., LTD.

- (Notes) 1. Director Yuta Ohma was newly elected at the 12th Annual General Meeting of Shareholders held on August 20, 2019, and assumed office as of the same date.
2. Directors Yasuko Yokosawa, Toru Akaura, Osuke Honda and Yoshiki Ishikawa are Outside Directors.
3. The Company appoints full-time Audit & Supervisory Committee support personnel to assist the Audit & Supervisory Committee in performing the duties, and these personnel maintain a grasp of information through participating in major meetings and reading important documents. Accordingly, as an environment is in place for the adequate fulfillment of auditing operations through the internal control system, full-time Audit & Supervisory Members are not selected.
4. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Directors who are Audit & Supervisory Committee Members Yasuko Yokosawa and Yoshiki Ishikawa have been designated as independent officers as provided for by the aforementioned exchange.
5. As of September 1, 2019, Director Yo Tanaka has been placed in charge of the Office Strategy Department, from the Corporate Management Department, previously.

(ii) Remuneration, etc. for Directors

a. Total amount of remuneration etc. for the fiscal year under review

Categories	Number of recipients	Amount of remuneration (Millions of yen)
Directors (excluding Directors who are Audit & Supervisory Committee Members) [of which Outside Directors]	6 [-]	128 [-]
Directors who are Audit & Supervisory Committee Members [of which Outside Directors]	4 [4]	13 [13]
Total [of which Outside Directors]	10 [4]	141 [13]

(Notes) 1. Amounts of remuneration, etc. for Directors do not include employee salaries of Directors who also served as employees.

2. The total annual amount of remuneration paid to Directors (excluding Directors who are Audit & Supervisory Committee Members) shall not exceed ¥300 million (however, this does not include employee salaries), as resolved at the Extraordinary General Meeting of Shareholders held on January 30, 2019.

3. The total annual amount of remuneration paid to Directors who are Audit & Supervisory Committee Members shall not exceed ¥50 million, as resolved at the Extraordinary General Meeting of Shareholders held on January 30, 2019.

b. Total amount of officer remuneration, etc. received by outside officers from subsidiaries

Not applicable.

(iii) Outside officers

a. Significant concurrent positions at other companies and relationships between the Company and such other companies

Categories	Name	Concurrent positions	Relationship with the Company
Outside Director	Yasuko Yokosawa	Counsel Attorney at TMI Associates Attorney	There is no special interest.
Outside Director	Toru Akaura	General Partner of Incubate Capital Partners	There is no special interest.
		Outside Director of S-Pool, Inc.	A business relationship exists between said company and the Company relating to Sansan services. However the amount of those transactions for both parties is immaterial (less than 1% of the Company's sales) and the business relationship is not significant in terms of the occurrence of special interests.
		Outside Audit & Supervisory Board Member of Double Standard Inc.	There is no special interest.
Outside Director	Osuke Honda	General Partner of DCM Holdings Co., Ltd.	The investment funds which said company established, "A-Fund, L.P.," "DCM Ventures China fund (DCM VII), L.P.," and "DCM VII, L.P." are shareholders of the Company.
		Outside Director of Coubic Inc.	There is no special interest.
		Outside Director of atama plus Inc.	There is no special interest.
		Outside Director of PECO Co., Ltd.	There is no special interest.
		Outside Director of UNION TEC CO., LTD.	There is no special interest.
Outside Director	Yoshiki Ishikawa	Director of Cancer Scan Co., Ltd.	A business relationship exists between said company and the Company relating to Sansan services. However the amount of those transactions for both parties is immaterial (less than 1% of the Company's sales) and the business relationship is not significant in terms of the occurrence of special interests.
		Director of Campus for H Inc.	There is no special interest.
		Representative Director of Well-being for Planet Earth Foundation	There is no special interest.
		Outside Director of Gaiax Co. Ltd.	A business relationship exists between said company and the Company relating to Sansan services. However the amount of those transactions for both parties is immaterial (less than 1% of the Company's sales) and the business relationship is not significant in terms of the occurrence of special interests.
		Outside Director of SEPTENI HOLDINGS CO., LTD.	A business relationship exists between said company and the Company relating to Sansan services. However the amount of those transactions for both parties is immaterial (less than 1% of the Company's sales) and the business relationship is not significant in terms of the occurrence of special interests.

b. Major activities during the fiscal year under review

Categories	Name	Attendance and statements contribution
Outside Director (Audit & Supervisory Committee Member)	Yasuko Yokosawa	She attended all 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Committee held during the fiscal year under review. She accordingly furnishes remarks as necessary from an objective standpoint as an independent officer, drawing on her extensive insight and experience as an attorney at law.
Outside Director (Audit & Supervisory Committee Member)	Toru Akaura	He attended all 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He accordingly furnishes remarks as necessary, drawing on his longstanding work experience in the venture capital business and his extensive insight serving as an officer at other companies.
Outside Director (Audit & Supervisory Committee Member)	Osuke Honda	He attended all 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He accordingly furnishes remarks as necessary, drawing on his longstanding work experience in the venture capital business and his extensive insight serving as an officer at other companies.
Outside Director (Audit & Supervisory Committee Member)	Yoshiki Ishikawa	He attended all 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He accordingly furnishes remarks as necessary from an objective standpoint as an independent officer, from the perspective of a corporate manager and drawing on his wide-ranging insight in data sciences and other fields as a researcher.



**(3) Basic policy regarding control of company**

The Company believes that those who control decisions regarding financial and operational policy should strive to concentrate business resources in a manner that maximizes corporate value and augments the Company's mutual interests with its shareholders with the aim of consistently achieving sustainable growth.

Whereas the Company has not adopted anti-takeover measures at this point in time, we will continue to review matters flexibly while monitoring changes with respect to social affairs and other circumstances.

**(4) Policy on determination of dividends of surplus and others**

Recognizing the importance of properly returning profits to its shareholders, the Company's basic policy is to pay stable dividends while ensuring a balance with internal reserves. However, given that our business remains in the growth stage at this point in time, we seek to enhance internal reserves to facilitate business expansion, in addition to strengthening our financial position. As such, we accordingly deem that making allocations for business expansion will lead to the greatest return on profits to our shareholders.

During the fiscal year under review, we are placing top priority on undertaking investment that aims to achieve medium- to long-term growth, and have accordingly opted to forgo payment of a dividend this fiscal year. We intend to use the internal reserves as a financial resource for strengthening our financial position and expanding our business.

Our Board of Directors acts as the body for making decisions regarding dividends of surplus, etc. based on our basic policy of furnishing dividends twice annually in the form of an interim dividend and a year-end dividend, in the event that we opt to implement a dividend of surplus. In addition, as the Articles of Incorporation of the Company stipulates that, "the dividend of surplus, etc., shall be determined in accordance with the provisions of Article 459, paragraph (1) of the Companies Act, and unless otherwise specified by laws and regulations, will be determined by a resolution by the Board of Directors."

## Consolidated balance sheet

(As of May 31, 2020)

(Thousands of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
Current assets	13,840,192	Current liabilities	8,335,558
Cash and deposits	12,815,225	Accounts payable - trade	102,922
Accounts receivable - trade	441,060	Short-term borrowings	20,000
Prepaid expenses	410,582	Current portion of long-term borrowings	1,267,490
Consumption taxes receivable	338	Accounts payable - other	596,265
Other	176,606	Income taxes payable	225,471
Allowance for doubtful accounts	(3,621)	Accrued consumption taxes	429,584
Non-current assets	8,979,576	Advances received	5,289,822
Property, plant and equipment	414,467	Provision for bonuses	289,551
Buildings and structures	351,416	Other	114,449
Other	63,051	Non-current liabilities	3,931,588
Intangible assets	926,064	Long-term borrowings	3,892,598
Software	925,803	Other	38,990
Other	261	Total liabilities	12,267,147
Investments and other assets	7,639,043	<b>Net assets</b>	
Investment securities	6,941,596	Shareholders' equity	10,557,879
Leasehold deposits	549,412	Share capital	6,236,650
Deferred tax assets	145,185	Capital surplus	3,977,043
Other	2,850	Retained earnings	344,184
		Accumulated other comprehensive income	(15,921)
		Foreign currency translation adjustment	(15,921)
		Share acquisition rights	10,663
		Total net assets	10,552,621
Total assets	22,819,768	Total liabilities and net assets	22,819,768

(Note) Amounts less than ¥1 thousand are rounded down.

## Consolidated statement of income

(From June 1, 2019 to May 31, 2020)

(Thousands of yen)

Item	Amount	
Net sales		13,362,370
Cost of sales		1,821,319
Gross profit		11,541,051
Selling, general and administrative expenses		10,783,785
Operating profit		757,266
Non-operating income		
Interest income	1,989	
Cancellation penalty income	3,007	
Subsidy income	2,198	
Other	1,030	8,226
Non-operating expenses		
Interest expenses	18,681	
Share issuance costs	28,102	
Stock market listing expenses	15,410	
Commission expenses	19,458	
Foreign exchange losses	1,012	
Loss on investments in investment partnerships	2,285	
Loss on cancellation of rental contracts	187,784	
Share of loss of entities accounted for using equity method	51,247	
Other	6,064	330,047
Ordinary profit		435,444
Extraordinary losses		
Loss on retirement of non-current assets	8,428	
Impairment loss	37,854	
Loss on cancellation of events	54,087	100,370
Profit before income taxes		335,074
Income taxes - current	140,588	
Income taxes - deferred	(145,185)	(4,596)
Profit		339,670
Profit attributable to owners of parent		339,670

(Note) Amounts less than ¥1 thousand are rounded down.

## Non-consolidated balance sheet

(As of May 31, 2020)

(Thousands of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
Current assets	13,655,361	Current liabilities	8,336,840
Cash and deposits	12,634,206	Accounts payable - trade	102,922
Accounts receivable - trade	440,484	Short-term borrowings	20,000
Prepaid expenses	408,393	Current portion of long-term borrowings	1,267,490
Other	175,898	Lease obligations	27,468
Allowance for doubtful accounts	(3,621)	Accounts payable - other	600,829
Non-current assets	9,225,845	Income taxes payable	225,471
Property, plant and equipment	414,467	Accrued consumption taxes	429,584
Buildings	348,727	Advances received	5,289,352
Tools, furniture and fixtures	18,132	Deposits received	81,609
Leased assets	44,918	Provision for bonuses	288,263
Other	2,689	Other	3,847
Intangible assets	926,064	Non-current liabilities	3,931,588
Software	925,803	Long-term borrowings	3,892,598
Patent right	65	Lease obligations	35,536
Trademark right	195	Other	3,454
Investments and other assets	7,885,313	<b>Total liabilities</b>	<b>12,268,428</b>
Investment securities	5,399,070	<b>Net assets</b>	
Shares of subsidiaries and associates	1,791,585	Shareholders' equity	10,602,115
Leasehold deposits	546,622	Share capital	6,236,650
Deferred tax assets	145,185	Capital surplus	3,977,043
Long-term prepaid expenses	2,850	Legal capital surplus	3,977,043
		Retained earnings	388,421
		Other retained earnings	388,421
		Voluntary retained earnings	150,073
		Retained earnings brought forward	238,347
		Share acquisition rights	10,663
		<b>Total net assets</b>	<b>10,612,778</b>
<b>Total assets</b>	<b>22,881,207</b>	<b>Total liabilities and net assets</b>	<b>22,881,207</b>

(Note) Amounts less than ¥1 thousand are rounded down.

## Non-consolidated statement of income

(From June 1, 2019 to May 31, 2020)

(Thousands of yen)

Item	Amount	
Net sales		<b>13,358,382</b>
Cost of sales		1,821,317
Gross profit		<b>11,537,065</b>
Selling, general and administrative expenses		10,778,411
Operating profit		758,654
Non-operating income		
Interest income	94	
Cancellation penalty income	3,007	
Other	1,030	4,132
Non-operating expenses		
Interest expenses	18,681	
Share issuance costs	28,102	
Stock market listing expenses	15,410	
Commission expenses	19,458	
Foreign exchange losses	804	
Loss on investments in investment partnerships	2,285	
Loss on cancellation of rental contracts	187,784	
Other	6,064	278,591
Ordinary profit		484,195
Extraordinary losses		
Loss on retirement of non-current assets	8,428	
Impairment loss	37,854	
Loss on cancellation of events	54,087	100,370
Profit before income taxes		383,825
Income taxes - current	140,588	
Income taxes - deferred	(145,185)	(4,596)
Profit		388,421

(Note) Amounts less than ¥1 thousand are rounded down.

## Audit Report on the Consolidated Financial Statements

### Independent Auditor's Report

July 14, 2020

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC  
Tokyo Office, Japan

Atsuki Kanezuka  
Designated Engagement Partner  
Certified Public Accountant

Genta Tsuru  
Designated Engagement Partner  
Certified Public Accountant

#### **Opinion**

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to consolidated financial statements of Sansan, Inc. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group"), as at May 31, 2020 and for the fiscal year from June 1, 2019 to May 31, 2020 in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## Audit Report on the Non-consolidated Financial Statements

### Independent Auditor's Report

July 14, 2020

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC  
Tokyo Office, Japan

Atsuki Kanezuka  
Designated Engagement Partner  
Certified Public Accountant

Genta Tsuru  
Designated Engagement Partner  
Certified Public Accountant

#### **Opinion**

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the notes to non-consolidated financial statements, and the supplementary schedules (the "financial statements and others") of Sansan, Inc. (the "Company") as at May 31, 2020 and for the fiscal year from June 1, 2019 to May 31, 2020 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.

In our opinion, the financial statements and others referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the financial statements and others in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and others, management is responsible for assessing whether it is appropriate to prepare the financial statements and others with the assumption of the Company's ability to continue as a going concern, disclosing matters related to going concern, as applicable in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Statements and Others**

Our objectives are to obtain reasonable assurance about whether the financial statements and others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the financial statements and others based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and others.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and others, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the financial statements and others is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the financial statements and others and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and others or, if such disclosures are inadequate, to express a qualified opinion with exceptions on the financial statements and others. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and others, including the disclosures, and whether the financial statements and others represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

**Audit Report of the Audit & Supervisory Committee**

**Audit Report**

The Audit & Supervisory Committee audited the Directors’ performance of their duties during the 13th fiscal year (from June 1, 2019 to May 31, 2020). The Committee hereby reports the method and result thereof as follows.

1. Auditing method and its contents

The Audit & Supervisory Committee periodically received reports from Directors, employees and other relevant personnel, sought explanations as necessary, and expressed its opinions with respect to content of resolutions by the Board of Directors concerning matters stipulated in Article 399-13, paragraph (1), item (i) (b) and (c) of the Companies Act as well as the status of development and operation of the systems established pursuant to such resolutions (internal control systems), and conducted audits based on the methods described below.

- (1) Pursuant to the Audit & Supervisory Committee standards as stipulated by the Audit & Supervisory Committee, and in accordance with audit policy, audit plans and requirements for Audit & Supervisory Committee Member segregation of duties, we endeavored to facilitate communication with the Directors, Executive Officers, the Internal Audit Department, etc., and strove to collect information and improve the audit environment. We also attended important meetings; received from the Directors and others reports on the status of performance of their duties; sought explanations as necessary; reviewed important written decisions and other documents; and investigated the operational and financial status of the head office and other principal offices, etc. As for subsidiaries, we endeavored to facilitate communication with and exchange of information with directors, audit & supervisory board members, etc. of the subsidiaries, and received reports from these subsidiaries on the status of their businesses as necessary.
- (2) We monitored and verified whether or not the Financial Auditor has properly carried out audits while maintaining its independence. We also received reports from the Financial Auditor on the performance of its duties and have asked it to provide explanations when necessary. In addition, we sought explanations as necessary, upon having received notice from the Financial Auditor that the “systems for ensuring that the performance of the duties is being carried out properly” (matters stipulated in each item of Article 131 of the Regulation on Corporate Accounting) have been developed in accordance with the “Quality Control Standard for Audit” (Business Accounting Council, October 28, 2005), etc.

Based on the methods described above, we reviewed the Business Report and supplementary schedules attached thereto, the Non-consolidated Financial Statements (Non-consolidated balance sheet, Non-consolidated statement of income, Non-consolidated statement of changes in equity, and Notes to non-consolidated financial statements), supplementary schedules attached thereto, and the Consolidated Financial Statements (Consolidated balance sheet, Consolidated statement of income, Consolidated statement of changes in equity, and Notes to consolidated financial statements).

2. Audit results

(1) Audit results of the Business Report, etc.

- (i) We deem that the Business Report and supplementary schedules attached thereto fairly represent the situation of the Company in accordance with relevant laws and regulations, and the Articles of Incorporation.
- (ii) We deem there to be no misconduct or material fact constituting a violation of relevant laws and regulations, or the Articles of Incorporation, regarding the Directors in performing their duties.
- (iii) We deem that resolutions of the Board of Directors regarding the internal control systems are appropriate in content. We also deem there to be no issues to be pointed out with respect to the Directors in performing their duties regarding the internal control systems.

(2) Audit results of the Non-consolidated Financial Statements and supplementary schedules attached thereto

We deem that the methods and results of audits performed by the Financial Auditor, KPMG AZSA LLC, are appropriate.

(3) Audit results of the Consolidated Financial Statements

We deem that the methods and results of audits performed by the Financial Auditor, KPMG AZSA LLC, are appropriate.

July 21, 2020

Audit & Supervisory Committee of Sansan, Inc.

Chairman of the Audit & Supervisory Committee Yasuko Yokosawa [Seal]

Audit & Supervisory Committee Member Toru Akaura [Seal]

Audit & Supervisory Committee Member Osuke Honda [Seal]

Audit & Supervisory Committee Member Yoshiki Ishikawa [Seal]

(Note) Audit & Supervisory Committee Members Yasuko Yokosawa, Toru Akaura, Osuke Honda and Yoshiki Ishikawa are outside directors as defined in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Partial Amendments to the Articles of Incorporation

#### 1. Reasons for the proposal

Underpinned by the mission of “Turning encounters into innovation,” the Group develops services that help address various challenges encountered by companies and business professionals, centered on the “Sansan” B2B cloud-based business card management service and the “Eight” business card management app incorporating a social networking services framework. Moreover, we aim to augment functionality and content of the respective services by providing solutions that enlist technologies amassed by the Company thus far and holding private conferences, business events and other such activities.

We currently seek to engage in agile and flexible business development with respect to our solution services and event-related initiatives, which we have thus far regarded as extensions to our existing services, and accordingly view them as areas of business necessary in terms of achieving the Company’s mission. As such, we are amending Article 2 (Purposes) of the current Articles of Incorporation, by listing additional business activities of the Company.

#### 2. Contents of amendments

Details of the amendments are as follows.

(Underlined parts denote those amended.)

Current Articles of Incorporation	Proposed amendments
<p>Article 1 (Text omitted)</p> <p>Article 2 (Purposes)</p> <p>The purpose of the Company shall be to engage in the following business activities:</p> <p>(1) Operations as a provider of application services using the internet</p> <p>(2) Operations involving information processing and data input services, and subcontracting operations thereof</p> <p>(3) Planning, design, development, maintenance, operation, and sales of information systems</p> <p>(4) Consulting operations related to corporate management, sales, and information systems</p> <p>(5) Employment placement business</p> <p>(6) Temporary staffing business and outsourcing operations</p> <p>(7) Operations involving services for providing information</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> <p><u>(8)</u> Publishing, printing and advertising agency business</p> <p><u>(9)</u> Leasing, rental, and sales of information and communications equipment, and office equipment</p> <p><u>(10)</u> Planning, production and sales of copyrighted works including illustrations, music and videos</p> <p><u>(11)</u> All businesses that are incidental to those mentioned in the preceding items.</p> <p>Article 3 to Article 33 (Text omitted)</p>	<p>Article 1 (Unchanged)</p> <p>Article 2 (Purposes)</p> <p>The purpose of the Company shall be to engage in the following business activities:</p> <p>(1) Operations as a provider of application services using the internet</p> <p>(2) Operations involving information processing and data input services, and subcontracting operations thereof</p> <p>(3) Planning, design, development, maintenance, operation, and sales of information systems</p> <p>(4) Consulting operations related to corporate management, sales, and information systems</p> <p>(5) Employment placement business</p> <p>(6) Temporary staffing business and outsourcing operations</p> <p>(7) Operations involving services for providing information</p> <p><u>(8) Event planning and implementation, and business of providing services in relation thereof</u></p> <p><u>(9) Business of providing services to support digitization of business operations</u></p> <p><u>(10)</u> Publishing, printing and advertising agency business</p> <p><u>(11)</u> Leasing, rental, and sales of information and communications equipment, and office equipment</p> <p><u>(12)</u> Planning, production and sales of copyrighted works including illustrations, music and videos</p> <p><u>(13)</u> All businesses that are incidental to those mentioned in the preceding items.</p> <p>Article 3 to Article 33 (Unchanged)</p>

**Proposal No. 2** Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all six Directors (excluding those who are Audit & Supervisory Committee Members; the same applies throughout this proposal) will expire upon the conclusion of this meeting. In that regard, the Company proposes the election of six Directors.

Opinion regarding the suitability of this proposal was obtained beforehand from the Audit & Supervisory Committee.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Chikahiro Terada (December 29, 1976)	Apr. 1999      Joined Mitsui & Co., Ltd. Feb. 2006      General Manager of Corporate Management Department, of Mitsui Bussan Secure Directions, Inc. June 2007      Representative Director & CEO of the Company (current position) <Responsibility in the Company> Executive Officer and CEO	10,870,000
2	Kei Tomioka (May 26, 1976)	Apr. 1999      Joined Oracle Corporation Japan June 2007      Director of the Company (current position) <Responsibility in the Company> Executive Officer and Executive in charge of Sansan Division	1,040,000
3	Kenji Shiomi (August 12, 1970)	Apr. 1994      Joined Bussan System Integration Co. Ltd. (now MITSUI KNOWLEDGE INDUSTRY CO., LTD.) Apr. 2005      Joined Wisdom Networks Co., Ltd. June 2006      President of United Portal Co., Ltd. June 2007      Director of the Company (current position) <Responsibility in the Company> Executive Officer and Executive in charge of Eight Division	580,000
4	Satoru Joraku (December 29, 1975)	Apr. 1999      Joined Nihon Unisys Software Ltd. (now Nihon Unisys, Ltd.) June 2007      Director of the Company (current position) <Responsibility in the Company> Executive Officer, CISO, DPO, and Executive in charge of DSOC	200,000
5	Yuta Ohma (September 27, 1983)	Apr. 2006      Joined WORKPORT, inc. Oct. 2008      Joined Blast Co., Ltd., Director Feb. 2010      Joined the Company Aug. 2019      Director (current position) <Responsibility in the Company> Executive Officer, CHRO, and Executive in charge of Human Resources Department	22,000

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	* Muneyuki Hashimoto (January 10, 1982)	Apr. 2004      Joined Lehman Brothers Japan Inc. Sept. 2008      Joined Barclays Capital Securities Japan Limited Jan. 2013      Joined DBJ Investment Advisory Co., Ltd. Nov. 2017      Joined the Company Nov. 2018      Executive Officer (current position) <Responsibility in the Company> Executive Officer, CFO, and Executive in charge of Finance & Accounting Department	11,300

- (Notes) 1. New candidate for Director is indicated by an asterisk (\*).
2. There is no special interest between any of the candidates and the Company.

### Proposal No. 3 Election of Two Directors Who Are Audit & Supervisory Committee Members

The terms of office of Directors who are Audit & Supervisory Committee Members Yasuko Yokosawa and Yoshiki Ishikawa will expire at the conclusion of this meeting. Therefore, the Company proposes the election of two Directors who are Audit & Supervisory Committee Members.

In addition, prior consent of the Audit & Supervisory Committee has been obtained for the submission of this proposal.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yasuko Yokosawa (June 11, 1977)	<p>Oct. 2002 Registered at Dai-Ichi Tokyo Bar Association Joined TMI Associates</p> <p>Apr. 2010 Seconded to Yahoo Japan Corporation</p> <p>Jan. 2017 Counsel Attorney at TMI Associates (current position)</p> <p>Aug. 2018 Outside Director (Audit &amp; Supervisory Committee Member) of the Company (current position)</p>	–
2	Yoshiki Ishikawa (February 27, 1981)	<p>Mar. 2003 Graduated from the School of Health Science and Nursing, Faculty of Medicine, The University of Tokyo</p> <p>Mar. 2005 Completed Graduate School of Medicine, The University of Tokyo</p> <p>Mar. 2008 Completed Harvard School of Public Health</p> <p>Nov. 2008 Founder and Director of Cancer Scan Co., Ltd. (current position)</p> <p>June 2013 Doctor of Medicine at Jichi Medical University</p> <p>Sept. 2014 Founder and Director of Campus for H Inc. (current position)</p> <p>Sept. 2018 Representative Director of Well-being for Planet Earth Foundation</p> <p>Jan. 2019 Outside Director (Audit &amp; Supervisory Committee Member) of the Company (current position)</p> <p>Mar. 2019 Outside Director of Gaiax Co. Ltd. (current position)</p> <p>Dec. 2019 Outside Director of SEPTENI HOLDINGS CO., LTD. (current position)</p>	–

- (Notes)
1. There is no special interest between any of the candidates and the Company.
  2. Yasuko Yokosawa and Yoshiki Ishikawa are candidates for outside Director.
  3. The Company has entered into agreements with Yasuko Yokosawa and Yoshiki Ishikawa to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. If this proposal is approved and adopted, the Company plans to renew these agreements with them. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.
  4. Yasuko Yokosawa and Yoshiki Ishikawa currently serve as outside Directors of the Company. Their respective terms of office as outside Director are two years with respect to Yasuko Yokosawa, and one year and seven months with respect to Yoshiki Ishikawa upon the conclusion of this meeting.
  5. Reasons for nomination as candidates for outside Directors who are Audit & Supervisory Committee Members
    - (1) Yasuko Yokosawa has never in the past been involved in the management of a company. However, she possesses specialist knowledge regarding corporate legal affairs and compliance as an attorney at law. The Company has nominated her as a candidate to continue serving as outside Director who is an Audit & Supervisory Committee Member in anticipation that she will accordingly furnish feedback and opinions from a legal perspective.
    - (2) Yoshiki Ishikawa serves as executive director and outside officer at multiple companies including a start-up company that he founded. He also continually provides advice to the Company's business operations from a

neutral standpoint drawing on his wide-ranging insight largely developed through his data sciences research as a researcher of preventative medicine. The Company has nominated him as a candidate to continue serving as outside Director who is an Audit & Supervisory Committee Member in anticipation that he will accordingly furnish valuable feedback and opinions drawing on his perspective as a manager and a professional in the science and technology sector.

6. The Company has submitted notification to the Tokyo Stock Exchange that Yasuko Yokosawa and Yoshiki Ishikawa have been designated as independent officers as provided for by the aforementioned exchange. If this proposal is approved and adopted, the Company plans for their designation as independent officers to continue.