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Security code: 4443

August 6, 2021

To Our Shareholders

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

Notice of the 14th Annual General Meeting of Shareholders

We are pleased to announce the 14th 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 30, 2021 (Monday), 5:00 p.m. (JST) after examining the attached Reference Documents for the General Meeting of Shareholders.

- 1. Date and Time:** August 31, 2021 (Tuesday), 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)
- 2. Venue:** ONDEN, TRUNK (HOTEL) 1F, 5-31 Jingumae, Shibuya-ku, Tokyo
(Please refer to the venue guide map at the end, the venue is different from the previous year.)
- 3. Purpose of the Meeting:**
 - Matters to be reported:**
 1. Business Report and Consolidated Financial Statements for the 14th Term (from June 1, 2020 to May 31, 2021) 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 14th Term (from June 1, 2020 to May 31, 2021)
 - Matters to be resolved:**
 - Proposal No. 1** Partial Amendments to the Articles of Incorporation
 - Proposal No. 2** Election of Five 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, etc., 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 entrance. 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. **If you plan on attending the meeting, please cooperate in alleviating congestion by accessing the URL address for the venue's temperature-checking system by scanning the QR code printed on the last page of the report, ensure that necessary registration is in place before your arrival, and any other measures.**
- ⊙ **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, 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 (Only available in Japanese)

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 of 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/agm2021/>

- * 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;">Attend the Meeting</p> <p>Please present the enclosed voting form at the reception.</p> <hr/> <p style="text-align: center;">Date and time</p> <hr/> <p style="text-align: center;">August 31, 2021 (Tuesday), 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)</p>	<p style="text-align: center;">Exercise the voting rights in writing (by mail)</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> <hr/> <p style="text-align: center;">To be returned to us no later than August 30, 2021 (Monday), 5:00 p.m. (JST)</p>	<p style="text-align: center;">Exercise the voting rights via the internet</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> <hr/> <p style="text-align: center;">No later than August 30, 2021 (Monday), 5:00 p.m. (JST)</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>

*Only available in Japanese

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 only from Japan)

(Business hours: 9:00 a.m. - 9:00 p.m.) (JST)

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, 2020 to May 31, 2021)

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” and the vision of “Become business infrastructure,” the Group is developing services to promote digital transformation (DX) to change the working styles of companies and businesspeople facing various business issues by using new approaches that combine “systems that use technology and manual input to digitize analog data” with “cloud software.”

In the fiscal year under review, the Group engaged in initiatives such as strengthening the sales structure, including strategic hiring, in order to realize continuous growth of net sales. Furthermore, the Group enhanced various functions for “Sansan,” a B2B business card-based contact management service, and “Eight,” a business card management app.

Moreover, as a result of working on strengthening the sales structure and conducting advertising, focused on TV commercials, aimed at realizing growth in “Bill One,” the Group acquired 239 paid subscriptions in the fiscal year under review, which constituted high growth of 73.2% compared to February 28, 2021. By working on personnel hiring, advertising activities, and making improvements to the service, the Group aims to amass more than 1,000 paid subscriptions by May 31, 2022.

In addition, the Company made logmi, Inc. (hereinafter “logmi”) a consolidated subsidiary in August 2020, and is striving to further improve the service values of both companies through the introduction of the various know-how, etc. that the Group has accumulated up until now. Furthermore, in May 2021, the Company entered into a Capital and Business Alliance Agreement with Fringe81 Co., Ltd. (hereinafter “Fringe81”) with a view to make it into a consolidated subsidiary in the future.

Moreover, the Company obtained approval from Tokyo Stock Exchange, Inc. to change its market listing from Mothers market of said exchange to the First Section of said exchange, effective January 21, 2021.

As a result, net sales for the fiscal year under review totaled ¥16,184,553 thousand (up 21.1% year on year), and despite the negative impact from the COVID-19 pandemic, results were overall solid. Gross profit totaled ¥14,192,200 thousand (up 23.0% year on year), and gross profit margin was 87.7% (up 1.3 points year on year). Operating profit was ¥736,613 thousand (down 2.7% year on year) due to an increase in advertising expenses, personnel expenses, etc. to promote strategies to realize growth in the medium to long term in light of the steady progress in business performance. Ordinary profit was ¥375,062 thousand (down 13.9% year on year), and profit attributable to owners of parent was ¥182,654 thousand (down 46.2% year on 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 12-fold expansion from 2012 to 2019. The Sansan Business, operated by the Company, holds an 83.5% 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 DX, and greater attention being attracted to the SaaS

(Software as a Service) products. As for the DX market, its worth in 2030 is forecasted to be ¥3,042.5 billion (an increase of ¥2,251.3 billion since 2019) (Note 2.), while the SaaS market in Japan is forecasted to reach ¥1,117.8 billion by 2024 (an increase of ¥516.2 billion since 2019) (Note 3.).

For the fiscal year under review, the Company engaged in 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.” While the spread of COVID-19 negatively affected the acquisition of new subscriptions, we succeeded in enhancing our sales system and steadily acquired new customers among major manufacturers and medium to small enterprises. As a result, at the end of the fiscal year under review, the number of “Sansan” subscriptions increased steadily to 7,744, up 14.7% year on year. In addition, monthly sales per subscription rose only slightly to ¥170 thousand, up 4.9% year on year due to sluggishness in some sales comprised of fees for the service of providing “Sansan” during the initial adoption period as a result of the effect of COVID-19. As a result of carrying out ongoing initiatives to expand use among existing customers to achieve a stronger customer foundation, the average monthly churn rate over the past 12 months (Note 4.) was 0.63% (an increase of 0.03 points year on year), maintaining a low churn rate of below 1% despite COVID-19 pandemic.

As a result, net sales for the fiscal year under review totaled ¥14,583,951 thousand (up 18.7% year on year), of which recurring net sales (fixed revenue) in “Sansan” totaled ¥13,800,163 thousand (up 23.6% year on year) and other net sales totaled ¥783,787 thousand (down 29.7% year on year). Segment profit totaled ¥6,143,129 thousand (up 28.1% year on year).

- (Notes) 1. Based on “Latest trends in business card management services and sales services [SFA/CRM/online business card exchange]” by Seed Planning, Inc.
2. Based on “2020 Outlook of the Digital Transformation Market” by Fuji Chimera Research Institute
3. Based on “2020 New Software Business Markets” by Fuji Chimera Research Institute
4. Ratio of decrease in monthly fees associated with subscription cancellations to total monthly fees for existing subscriptions for “Sansan.”

b. Eight Business

In the Eight Business, the Company bases the business on the business card management app “Eight” 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 Marketing Solutions,” 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 year under review, the Company worked on strengthening monetization of various B2B services through “Eight Company Premium” and other methods, and held two “Climbers” events online as new business events targeting young businesspeople. For the second event, which was held in May 2021, the Company received the highest number of entries for one of its events. In addition, aiming to increase the number of users of “Eight,” the Company started providing “Eight ONAIR,” business event media, in May 2021 to provide business event information to “Eight” users and support event organizers in attracting

attendees to events. As a result, the number of “Eight Company Premium” subscriptions at the end of the fiscal year under review totaled 2,253, an increase of 46.8% year on year and the number of “Eight” users (Note 5.) totaled 2.92 million, an increase of 0.21 million year on year. Additionally, results from our consolidated subsidiary logmi began to contribute to results in September 2020 (recorded in the segment’s B2B services sales).

As a result, net sales for the fiscal year under review totaled ¥1,604,351 thousand (up 48.8% year on year), of which net sales from B2C services totaled ¥296,722 thousand (up 1.8% year on year), and net sales from B2B services totaled ¥1,307,629 thousand (up 66.3% year on year). Segment loss was recorded at ¥732,622 thousand (compared to ¥894,281 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 to external customers by business segment

(Thousands of yen, unless otherwise noted)

Business segment	13th term (Fiscal year ended May 31, 2020) (Previous fiscal year)		14th term (Fiscal year ended May 31, 2021) (Fiscal year under review)		Year-on-year change	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Change (%)
Sansan Business	12,284,335	91.9	14,583,951	90.1	2,299,615	18.7
Eight Business	1,078,035	8.1	1,600,601	9.9	522,566	48.5
Total	13,362,370	100.0	16,184,553	100.0	2,822,182	21.1

(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 ¥239,663 thousand. In addition, the Company acquired software of ¥659,247 thousand, including in-house and contracted development.

(iii) Financing activities

Not applicable.

(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

As of June 1, 2020, the Company acquired an additional 14.8% of the outstanding shares of EventHub Co., Ltd., making it an equity-method affiliate of the Company with an investment ratio of 25.9%.

On September 14, 2020, the Company acquired additional shares of SATORI, Inc., an equity-method affiliate of the Company, increasing its stake to 35.4%.

On August 31, 2020, the Company acquired 70.1% of the outstanding shares of logmi, making it a consolidated subsidiary of the Company.

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

Categories	11th term (Fiscal year ended May 31, 2018)	12th term (Fiscal year ended May 31, 2019)	13th term (Fiscal year ended May 31, 2020)	14th term (Fiscal year under review) (Fiscal year ended May 31, 2021)
Net sales (Thousands of yen)	7,324,098	10,206,014	13,362,370	16,184,553
Ordinary profit (loss) (Thousands of yen)	(3,077,015)	(891,689)	435,444	375,062
Profit (loss) attributable to owners of parent (Thousands of yen)	(3,085,890)	(945,539)	339,670	182,654
Basic earnings (loss) per share (Yen)	(168.44)	(40.42)	10.98	5.86
Total assets (Thousands of yen)	5,299,026	9,079,116	22,819,768	24,310,195
Net assets (Thousands of yen)	1,312,523	3,372,965	10,552,621	12,584,898
Net assets per share (Yen)	(311.50)	114.60	338.89	403.57

(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 11th 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.
logmi, Inc.	JPY16,350,000	70.1	Digital media business/IT consulting/planning, production and operation of websites/planning and holding of event seminars

(4) Issues to be addressed

As its corporate philosophy, the Group has established its mission of “turning encounters into innovation” and its vision to “become business infrastructure.” In order to realize this mission and vision, we are developing services to promote digital transformation (DX) to change the working styles of companies and businesspeople facing various business issues, and we believe that the

implementation of these business activities will lead to the maximization of shareholder and corporate value.

The major management issues and issues to be addressed as identified by the Company to realize the mission and vision 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, “Sansan” continues to generate consistent growth, although there was a certain degree of constraint during the COVID-19 pandemic. To achieve further growth in the future, we will continue to promote the spread and expansion of functions that support new working styles in the face of the COVID-19 pandemic and promote corporate DX, such as “Virtual Cards” and optional functions that promote data utilization, thereby enhancing the value of Sansan as a component of the Sansan business platform. In addition, we will work to increase our number of subscriptions largely by strengthening our sales structure. We will also work to gain new customers 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 the development of various B2B services utilizing the “Eight” network, such as the recruitment-related service “Eight Career Design” and the advertising service “Eight Marketing Solutions.” In addition, we aim to further increase our user count by offering greater convenience particularly with respect to the “Virtual Cards” function and our business event medium “Eight ONAIR.”

(iii) Expanding the online invoice receiving solution “Bill One”

Bill One’s unique model of making all invoices available online has been well received, and the service has continued to grow at a high rate since its launch in May 2020. Because the service can be used by all companies in Japan, regardless of industry or size, there is a great deal of room for coverage expansion, and we will actively implement a variety of measures to further expand the use of “Bill One.” Specifically, in order to maximize sales, we will strengthen our sales activities, advertising and marketing activities centered on TV commercials, and other activities against the backdrop of a business management structure that has been reorganized to enable flexible and agile resource allocation.

(iv) Creation of new services

A variety of efficiency issues are accumulating in the various business workflows of companies, and the Group is focusing on creating new services that promote corporate DX by leveraging the strengths and knowledge it has cultivated through its existing services. Specifically, the Group has begun providing services in the areas of contracts as well as business events and seminars, and will continue to establish these business processes and expand their stable provision, as well as promote efforts to create new services.

(v) Recruiting and training outstanding talent and ensuring diversity

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 efforts geared to establishing work environments and arrangements that substantially fuel employee motivation for talented professionals who share an understanding of the Group’s corporate philosophy and business activities, and will furthermore persist with our efforts to ensure diversity of our people.

(vi) Continuous strengthening of the management system against security risks

Given that the Group handles substantial volumes of important information assets such as 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, including strict management of information assets based on our Policy on Personal Information Protection and Information Security Policy, and we will persist in our efforts to strengthen and maintain our in-house systems and management approaches in that regard going forward.

(vii) Enhancing technological strengths

As technology to accurately digitize analog information is the wellspring of the Group's competitive strengths and acts as a common platform underpinning growth of the various services the Group provides, we believe it is important to continuously improve and strengthen this technology. We will accordingly engage in initiatives to improve our technological capabilities and become a leading group of technical experts in Japan, through efforts that involve hiring outstanding technical experts while also investing in and monitoring cutting-edge technologies.

(5) Major businesses (as of May 31, 2021)

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, 2021)

(i) Employees of the corporate group

Business segment	Number of employees	Increase from the previous fiscal year-end
Sansan Business	546	129
Eight Business	117	19
Other businesses	291	93
Total	954	241

(Note) 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 388 individuals as temporary employees and dispatched employees.

(ii) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
928	Increased by 218	32.3	2.6 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 383 individuals as temporary employees and dispatched employees.

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

The Company obtained approval from Tokyo Stock Exchange, Inc. to change the Company's shares from being listed on the Mothers market of said exchange to being listed on the First Section of said exchange, effective January 21, 2021.

2. Status of the Company

(1) Shares (as of May 31, 2021)

(i) Total number of authorized shares 117,700,000 shares

(ii) Total number of issued shares 31,183,645 shares

(Notes) 1. Total number of issued shares includes 40 shares of treasury stock.

2. The Company's shares changed markets from the Tokyo Stock Exchange's Mothers market to the First Section of the Tokyo Stock Exchange, effective January 21, 2021.

3. The total number of issued shares has increased by 44,792 shares due to exercise of share acquisition rights during the fiscal year.

(iii) Number of shareholders 3,197

(iv) Major shareholders

Name of shareholders	Number of shares held (shares)	Percentage of total shares (%)
Chikahiro Terada	10,358,230	33.22
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,383,400	7.64
DCM Ventures China Fund (DCM VII), L.P.	1,355,000	4.35
A-Fund, L.P.	1,280,000	4.10
Kei Tomioka	1,040,000	3.34
Custody Bank of Japan, Ltd. (Trust Account)	1,014,900	3.25
GOLDMAN SACHS INTERNATIONAL	776,100	2.49
JP MORGAN CHASE BANK 385632	746,449	2.39
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	641,995	2.06
Kenji Shiomi	580,000	1.86

(Note) Percentage of total shares is calculated after deducting treasury shares.

(2) Officers

(i) Directors (as of May 31, 2021)

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	Yuta Ohma	Executive Officer, CHRO, and Executive in charge of Human Resources Department
Director	Muneyuki Hashimoto	Executive Officer, CFO, and Executive in charge of Finance & Accounting Department
Director (Audit & Supervisory Committee Member)	Yasuko Yokosawa	Counsel Attorney at TMI Associates
Director (Audit & Supervisory Committee Member)	Toru Akaura	Representative Director of Incubate Fund KK 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 atama plus Inc. Outside Director of PECO Co., Ltd. Outside Director of Magic Moment Co., Ltd. Outside Director of CraftBank, inc.
Director (Audit & Supervisory Committee Member)	Yoshiki Ishikawa	Director of Cancer Scan Co., Ltd. Representative Director of Well-being for Planet Earth Foundation Outside Director of Gaiax Co. Ltd. Outside Director of SEPTENI HOLDINGS CO., LTD.

(Notes) 1. Changes in Directors during the fiscal year under review were as follows:

- i) Muneyuki Hashimoto was newly elected Director at the 13th Annual General Meeting of Shareholders held on August 26, 2020, and assumed office as of the same date.
 - ii) Yo Tanaka retired from his position as Director at the conclusion of the 13th Annual General Meeting of Shareholders held on August 26, 2020.
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 part of organizational reforms carried out on July 1, 2021, the responsibilities and significant concurrent duties of Directors have changed as follows.
 - i) Director Kei Tomioka has gone from being in charge of the Sansan Division to being in charge of the Business Division. In conjunction with this new appointment he has assumed the role of CRO (Chief Revenue Officer).
 - ii) Director Kenji Shiomi has been given the additional appointment of being in charge of the Engineering Division. In conjunction with this new appointment, he has assumed the role of CTO (Chief Technology Officer).
 - iii) Director Muneyuki Hashimoto has been given the additional appointment of being in charge of the General Affairs & Legal Department and the Office Strategy Department.

6. Through a resolution passed at the general shareholders meeting of Fringe81, held on June 29, 2021, Directors Kei Tomioka and Muneyuki Hashimoto were appointed as outside directors of that company. As a result, these positions were added to their significant concurrent positions.

(ii) Summary of details of limited liability agreements

In accordance with Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into agreements with each of the Directors who are Audit & Supervisory Committee Members to limit their liability for damages under Article 423, paragraph (1) of the Companies Act.

The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.

(iii) Summary of details of indemnification agreements

The Company has entered into indemnification agreements with Directors (excluding those who are Audit & Supervisory Committee Members) Chikahiro Terada, Kei Tomioka, Kenji Shiomi, Satoru Joraku, Yuta Ohma, and Muneyuki Hashimoto, and Directors who are Audit & Supervisory Committee Members Toru Akaura, Osuke Honda, Yasuko Yokosawa, and Yoshiki Ishikawa as provided for under Article 430-2, paragraph (1) of the Companies Act, under which the Company shall indemnify them for the expenses provided for in item (i) and the loss provided for in item (ii) of said paragraph to the extent provided for in laws and regulations. However, in order to ensure that the appropriateness of the execution of duties by the Company's officers is not impaired by said indemnification agreement, the following items are not covered by the indemnification.

- Portion of litigation expenses that exceeds the amount of expenses normally required
- If the Company is to compensate for damages, etc., in the event that the indemnified Director (below, the "indemnified person") is liable to the Company under Article 423, paragraph (1) of the Companies Act, the portion of the damages, etc. that relates to such liability
- All of the damages, etc. for which the indemnified person is liable due to his/her malicious intent or gross negligence in performing his/her duties

In addition, even after the Company has paid compensation to the indemnified person, the indemnified person shall return all or part of the compensation to the Company in the following cases.

- All of the compensated expenses, etc., if it is found that the indemnified person has performed his/her duties for the purpose of gaining unjust benefits for him/herself or a third party or causing damage to the Company
- If it is found that all or part of the expenses, etc. compensated under this agreement cannot be compensated, the portion of the compensated expenses, etc. that cannot be compensated under this agreement
- In the event that the indemnified person receives compensation from an insurer in accordance with an insurance contract that the Company concludes with an insurer, which promises that the insurer will cover the damages that may arise due to the indemnified person assuming responsibility for the execution of his/her duties or receiving a claim related to the pursuit of such responsibility, and which names the indemnified person as the insured, the portion of expenses, etc. for which compensation was received

There are no relevant matters concerning the performance of the indemnification agreement.

(iv) Summary of details of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured includes Directors (excluding Directors who are Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, Executive Officers, and Directors of subsidiaries of the Company (the "Officers, etc."). By resolution of the Board of

Directors, the insureds do not bear any of the insurance premiums. Under this insurance policy, the insured will be compensated for the damages incurred by the Company or its subsidiaries as a result of a claim for damages arising from the insured's conduct as an officer of the Company or its subsidiaries. However, in order to ensure that the appropriateness of the execution of duties by the insured is not impaired, the following cases are not covered.

- Cases in which the Company or its officers have illegally obtained profits or benefits
- Actions taken with the full knowledge that they are in violation of laws and regulations or the Company's internal regulations, etc.

(v) Remuneration, etc. for Directors

a. Policy, etc. on determination of the details of officer remuneration, etc.

The Company's Board of Directors adopted a resolution at its meeting held on February 16, 2021 regarding the policy for deciding the details of remuneration, etc. for Directors. In addition, at the meeting of the Board of Directors held on May 18, 2021, a resolution was passed to change the method of determining the details of individual remuneration, etc. for Directors (excluding those who are Audit & Supervisory Committee Members) from delegation to Representative Directors to determination by resolution of the Board of Directors. At the time of the resolution by the Board of Directors, the Company will consult with the independent officers regarding the details of the resolution in advance and receive their report. As a result, from the 15th fiscal year onward, decisions on the details of individual remuneration, etc. for Directors (excluding those who are Audit & Supervisory Committee Members) will be made by resolution of the Board of Directors.

In addition, the determination of the details of individual remuneration, etc. for Directors (excluding those who are Audit & Supervisory Committee Members) for the current fiscal year has been delegated to President (Executive Officer/CEO) Chikahiro Terada, based on a resolution of the extraordinary meeting of the Board of Directors held on August 26, 2020, as it was before the resolution of the above determination policy. The reason for the delegation was that the Representative Director was judged to be the most suitable person to determine the details of individual remuneration, etc., based on the responsibilities and business execution status of each Director, as well as the Company's performance and economic conditions. The Board of Directors has determined that the details of the individual remuneration, etc. are in line with the above decision-making policy because the Board of Directors has held prior consultations on the determination of the individual remuneration and the Representative Director has made decisions based on the results of such prior consultations.

The details of the decision policy regarding the details of individual remuneration, etc. for Directors are as follows.

i) Policy for determining the amount or calculation method of individual remuneration, etc. of Directors regarding basic remuneration (fixed monetary remuneration)

The amount of individual basic remuneration for Directors (excluding those who are Audit & Supervisory Committee Members) shall be updated and determined each fiscal year within the limits of the total amount of remuneration resolved at the General Meeting of Shareholders, taking into consideration the responsibilities and business execution status of each Director and the Company's performance and economic conditions.

The amount of individual basic remuneration for Directors who are Audit & Supervisory Committee Members shall be determined by consultation of all Audit & Supervisory Committee Members within the limits of the total amount of remuneration resolved at the General Meeting of Shareholders.

ii) Introduction and decision policy for performance-linked remuneration and non-monetary remuneration

The introduction of a performance-linked remuneration plan or a non-monetary remuneration plan for individual Directors shall require a resolution of the Board of Directors.

When introducing such a remuneration plan, the Board of Directors shall also pass a resolution on the details of the plan, the policy for determining the amount (calculation

method), and the ratio of each form of remuneration that constitutes the individual remuneration, etc.

- iii) Policy for determining the timing and conditions of payment and grant of remuneration, etc. to Directors

The remuneration, etc. of Directors shall, in principle, be fixed remuneration on a monthly basis. This shall not apply in cases where expenses to be paid as remuneration are separately incurred.

- iv) Matters concerning the delegation of decisions on remuneration, etc.

Individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the 14th fiscal year shall be determined through prior consultation by the Board of Directors, and the determination of the details thereof shall be left to the discretion of the Representative Director. Individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the 15th and subsequent fiscal years shall be determined by resolution of the Board of Directors, and shall be subject to approval by a majority of the Directors and all Outside Directors.

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

Categories	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of applicable officers
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.	
Directors (excluding Directors who are Audit & Supervisory Committee Members) [of which Outside Directors]	140 [-]	140 [-]	- [-]	- [-]	7 [-]
Directors who are Audit & Supervisory Committee Members [of which Outside Directors]	16 [16]	16 [16]	- [-]	- [-]	4 [4]
Total [of which outside officers]	157 [16]	157 [16]	- [-]	- [-]	11 [4]

- (Notes) 1. The above table includes one Director (excluding Directors who are Audit & Supervisory Committee Members) who retired at the conclusion of the 13th Annual General Meeting of Shareholders held on August 26, 2020.
2. Amounts of remuneration, etc. for Directors do not include employee salaries of Directors who also served as employees.
3. 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. Number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of said General Meeting of Shareholders was five.
4. 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. Number of Directors who are Audit & Supervisory Committee Members at the conclusion of said General Meeting of Shareholders was four.

- c. Total amount of officer remuneration, etc. received by outside officers from subsidiaries
Not applicable.

(vi) 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	A business relationship exists between said firm and the Company relating to legal 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	Toru Akaura	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.
		Representative Director of Incubate Fund KK	There is no special interest.
		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 atama plus 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 Director of PECO Co., Ltd.	There is no special interest.
		Outside Director of Magic Moment Co., Ltd.	There is no special interest.
		Outside Director of CraftBank, inc.	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 and Eight 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.
		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.

Categories	Name	Concurrent positions	Relationship with the Company
		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, statements contribution and overview of the duties carried out in the expected roles
Outside Director (Audit & Supervisory Committee Member)	Yasuko Yokosawa	She attended all 17 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, including providing opinions on legal arrangements related to the Company's new business strategies, etc., drawing on her extensive insight and experience as an attorney at law.
Outside Director (Audit & Supervisory Committee Member)	Toru Akaura	He attended all 17 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He accordingly provides opinions on the Company's investment and financial strategies and business growth, as well as comments from a bird's-eye view of overall management, 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 17 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He accordingly provides opinions on the Company's investment and financial strategies and business growth, as well as comments from a bird's-eye view of overall management, 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 17 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, with a focus on providing opinions in the areas of data science, human resource strategy, and sustainability, 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, 2021)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	13,542,182	Current liabilities	10,243,213
Cash and deposits	12,389,111	Accounts payable - trade	195,216
Accounts receivable - trade	571,096	Short-term borrowings	200,000
Prepaid expenses	469,588	Current portion of long-term borrowings	1,085,568
Other	117,263	Accounts payable - other	1,175,172
Allowance for doubtful accounts	(4,877)	Income taxes payable	154,825
Non-current assets	10,768,012	Accrued consumption taxes	271,263
Property, plant and equipment	504,899	Advances received	6,719,677
Buildings and structures	419,849	Provision for bonuses	359,373
Other	85,049	Other	82,115
Intangible assets	1,209,187	Non-current liabilities	1,482,083
Software	1,023,375	Long-term borrowings	879,423
Goodwill	185,662	Deferred tax liabilities	571,290
Other	149	Other	31,369
Investments and other assets	9,053,926	Total liabilities	11,725,297
Investment securities	8,344,948	Net assets	
Leasehold deposits	702,472	Shareholders' equity	10,892,863
Other	6,505	Share capital	6,312,946
		Capital surplus	4,053,338
		Retained earnings	526,839
		Treasury shares	(262)
		Accumulated other comprehensive income	1,623,260
		Valuation difference on available-for-sale securities	1,622,129
		Foreign currency translation adjustment	1,130
		Share acquisition rights	65,886
		Non-controlling interests	2,888
		Total net assets	12,584,898
Total assets	24,310,195	Total liabilities and net assets	24,310,195

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

Consolidated statement of income

(From June 1, 2020 to May 31, 2021)

(Thousands of yen)

Item	Amount	
Net sales		16,184,553
Cost of sales		1,992,352
Gross profit		14,192,200
Selling, general and administrative expenses		13,455,587
Operating profit		736,613
Non-operating income		
Interest income	612	
Dividend income	57,475	
Subsidy income	10,544	
Cancellation penalty income	3,654	
Gain on sale of investment securities	32,897	
Other	1,788	106,972
Non-operating expenses		
Interest expenses	23,378	
Commission expenses	25,232	
Foreign exchange losses	1,829	
Penalty loss on cancellation of rental contracts	92,953	
Loss on investments in investment partnerships	12,746	
Share of loss of entities accounted for using equity method	285,143	
Other	27,239	468,522
Ordinary profit		375,062
Extraordinary income		
Gain on reversal of share acquisition rights	47	47
Extraordinary losses		
Loss on retirement of non-current assets	4,695	4,695
Profit before income taxes		370,414
Income taxes - current	202,530	
Income taxes - deferred	(13,109)	189,421
Profit		180,993
Loss attributable to non-controlling interests		1,661
Profit attributable to owners of parent		182,654

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

Non-consolidated balance sheet

(As of May 31, 2021)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	13,291,488	Current liabilities	10,195,330
Cash and deposits	12,143,990	Accounts payable - trade	193,759
Accounts receivable - trade	543,938	Short-term borrowings	200,000
Prepaid expenses	464,735	Current portion of long-term borrowings	1,085,568
Other	143,601	Lease obligations	30,636
Allowance for doubtful accounts	(4,777)	Accounts payable - other	1,168,607
Non-current assets	11,318,984	Income taxes payable	154,675
Property, plant and equipment	501,986	Accrued consumption taxes	267,497
Buildings	415,635	Advances received	6,689,385
Tools, furniture and fixtures	40,055	Deposits received	46,639
Leased assets	38,688	Provision for bonuses	357,082
Other	7,607	Other	1,477
Intangible assets	1,023,525	Non-current liabilities	1,482,083
Software	1,023,375	Long-term borrowings	879,423
Trademark right	149	Lease obligations	30,083
Investments and other assets	9,793,472	Deferred tax liabilities	571,290
Investment securities	6,232,392	Other	1,286
Shares of subsidiaries and associates	2,858,159	Total liabilities	11,677,414
Leasehold deposits	696,841	Net assets	
Other	6,080	Shareholders' equity	11,245,043
		Share capital	6,312,946
		Capital surplus	4,053,338
		Legal capital surplus	4,053,338
		Retained earnings	879,019
		Other retained earnings	879,019
		Voluntary retained earnings	150,073
		Retained earnings brought forward	728,946
		Treasury shares	(262)
		Valuation and translation adjustments	1,622,129
		Valuation difference on available-for-sale securities	1,622,129
		Share acquisition rights	65,886
		Total net assets	12,933,059
Total assets	24,610,473	Total liabilities and net assets	24,610,473

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

Non-consolidated statement of income

(From June 1, 2020 to May 31, 2021)

(Thousands of yen)

Item	Amount	
Net sales		16,042,731
Cost of sales		1,964,282
Gross profit		14,078,448
Selling, general and administrative expenses		13,312,600
Operating profit		765,848
Non-operating income		
Interest income	268	
Dividend income	57,475	
Subsidy income	5,984	
Cancellation penalty income	3,654	
Gain on sale of investment securities	32,897	
Other	1,881	102,161
Non-operating expenses		
Interest expenses	23,341	
Commission expenses	25,232	
Foreign exchange losses	1,978	
Penalty loss on cancellation of rental contracts	92,953	
Loss on investments in investment partnerships	12,746	
Other	27,239	183,491
Ordinary profit		684,517
Extraordinary income		
Gain on reversal of share acquisition rights	47	47
Extraordinary losses		
Loss on retirement of non-current assets	4,695	4,695
Profit before income taxes		679,870
Income taxes - current	202,380	
Income taxes - deferred	(13,109)	189,271
Profit		490,598

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

Audit Report on the Consolidated Financial Statements

Independent Auditor's Report

July 20, 2021

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Hiroyuki Nakamura
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 related notes of Sansan, Inc. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group"), as at May 31, 2021 and for the year from June 1, 2020 to May 31, 2021 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.

Emphasis of Matter

As mentioned in Notes regarding significant events after reporting period in Notes to the consolidated financial statements, the Company sold a portion of its shares held by the Company on July 20, 2021 under a resolution of the Board of Directors held on July 14, 2021.

Our opinion is not modified with respect to this matter.

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, and for such internal control as management determines is necessary to enable the preparation 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 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 and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 modify our opinion. 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.

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

We 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 20, 2021

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Hiroyuki Nakamura
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 related notes, and the supplementary schedules (the “financial statements and others”) of Sansan, Inc. (the “Company”) as at May 31, 2021 and for the year from June 1, 2020 to May 31, 2021 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 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.

Emphasis of Matter

As mentioned in Notes regarding significant events after reporting period in Notes to the non-consolidated financial statements, the Company sold a portion of its shares held by the Company on July 20, 2021 under a resolution of the Board of Directors held on July 14, 2021.

Our opinion is not modified with respect to this matter.

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, and for such internal control as management determines is necessary to enable the preparation of the 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 the Company'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 and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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 is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 modify our opinion. 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.

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

We 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 14th fiscal year (from June 1, 2020 to May 31, 2021). 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 while utilizing methods via telephone or the internet. We also attended meetings of the Board of Directors and other important meetings using an online format; received from the Directors, employees, etc. 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 using an online format, 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 20, 2021

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

Following the promulgation and enforcement of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (the “Amended Industrial Competitiveness Act”), a listed company is now allowed to hold its general meeting of shareholders without the designation of its place (such as a fully online general meeting of shareholders) through stipulation in its Articles of Incorporation. As a result, taking into consideration the various changes in the environment surrounding shareholders, such as the recent spread of novel coronavirus disease (COVID-19), the Company will hold a fully online general meeting of shareholders as the best means to ensure the interests of shareholders, and shareholders will be able to attend the general meeting of shareholders via the internet.

While the Company has been forced to hold physical general meetings of shareholders in order to comply with laws and regulations up until now, by amending the Articles of Incorporation to make meaningful use of the Amended Industrial Competitiveness Act, the Company intends to add Article 11, paragraph (2) of the Articles of Incorporation in order to create an environment in which shareholders who have been unable to attend general meetings of shareholders for various reasons can attend with peace of mind, and to revitalize, streamline, and facilitate general meetings of shareholders.

The partial amendments to the Articles of Incorporation by this proposal shall become effective subject to confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice.

With regard to the concerns raised by some proxy advisory firms regarding companies that have submitted proposals similar to the Company’s proposal, after thorough deliberation, the Company has come to the conclusion that this proposal will not hinder meaningful dialogue between the Company and its shareholders, and that after this proposal is approved and adopted, the Company will be able to swiftly and flexibly determine its policy on holding general meetings of shareholders with a view to creating opportunities for interaction with its shareholders.

2. Contents of amendments

Details of the amendments are as follows.

(Underlined parts denote those amended.)

Current Articles of Incorporation	Proposed amendments
<p>Article 11 (Convocation)</p> <p>An annual general meeting of shareholders of the Company shall be convened within three months after the end of each fiscal year. An extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 11 (Convocation)</p> <p>(1) An annual general meeting of shareholders of the Company shall be convened within three months after the end of each fiscal year. An extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p>(2) <u>The Company may hold its general meeting of shareholders without the designation of its place.</u></p>

Proposal No. 2 Election of Five 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 five 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) <u>Reelection</u>	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	10,358,230
2	Kei Tomioka (May 26, 1976) <u>Reelection</u>	Apr. 1999 Joined Oracle Corporation Japan June 2007 Director of the Company (current position) June 2021 Outside Director of Fringe81 Co., Ltd. (current position) <Responsibility in the Company> Executive Officer, CRO, and Executive in charge of Business Division	1,040,000
3	Kenji Shiomi (August 12, 1970) <u>Reelection</u>	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, CTO, and Executive in charge of Engineering Division and Eight Division	580,000
4	Yuta Ohma (September 27, 1983) <u>Reelection</u>	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
5	Muneyuki Hashimoto (January 10, 1982) <u>Reelection</u>	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 Aug. 2020 Director of the Company (current position) June 2021 Outside Director of Fringe81 Co., Ltd. (current position) <Responsibility in the Company> Executive Officer, CFO, and Executive in charge of Finance & Accounting Department, General Affairs & Legal Department and Office Strategy Department	13,300

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. The stated number of the Company's shares owned by each candidate is current as of the end of the fiscal year under review (May 31, 2021).
 3. Reasons for nomination as candidates for Directors
 - (1) Chikahiro Terada has served as the Company's Representative Director consistently since its establishment and has many years of management experience. He also has demonstrated strong leadership as the chief officer of planning strategies and execution of operations in all aspects of the Company's business, and has achieved timely and appropriate decision-making and management supervision. Accordingly, the Company has nominated him as a candidate to continue serving as Director.
 - (2) Kei Tomioka founded the Company together with Representative Director Chikahiro Terada, and has contributed to the Company's business expansion and sales maximization by utilizing his knowledge in the sales department, not only by growing the Sansan Business into the Company's main business as Executive in charge, but also by promoting the Company's overseas business development as the head of the global department. Accordingly, the Company has nominated him as a candidate to continue serving as Director.
 - (3) Kenji Shiomi founded the Company together with Representative Director Chikahiro Terada, and has consistently been in charge of the launch and operation of the Eight Business as Executive in charge. He has promoted the service expansion and monetization of the Eight Business and led the development department with his knowledge as an engineer, contributing to business expansion and sales maximization by strengthening the Company's products. Accordingly, the Company has nominated him as a candidate to continue serving as Director.
 - (4) Yuta Ohma joined the Company after gaining business start-up and management experience at human resources and recruiting company. After working as a manager in the sales department, he is currently the chief officer of the human resources department and is responsible for planning and executing practical human resources development and recruiting strategies from a front-line perspective. He has the qualifications and track record to flexibly and strategically oversee the strengthening of human capital, which is essential for the Company's business growth. Accordingly, the Company has nominated him as a candidate to continue serving as Director.
 - (5) Muneyuki Hashimoto, after working in the securities and financial fields in Japan and overseas, has been leading the Company's financial strategy as CFO since joining the Company, and has contributed to the Company's growth and business expansion by leading the listing and market change of the Company's shares and planning and executing strategies for the effective use of procured funds. Accordingly, the Company has nominated him as a candidate to continue serving as Director.
 4. The Company has entered into an indemnification agreement with Chikahiro Terada, Kei Tomioka, Kenji Shiomi, Yuta Ohma and Muneyuki Hashimoto as stipulated in Article 430-2, Paragraph (1) of the Companies Act, and a summary of the contents of the agreement is provided on page 14 of the Business Report. If this proposal is approved and adopted, the Company plans to renew said agreements.
 5. The Company has entered into a directors and officers liability insurance policy, as stipulated in Article 430-3, Paragraph (1) of the Companies Act, and a summary of the contents of the agreement is provided on pages 14 to 15 of the Business Report. The scope of the insured includes Directors (excluding Directors who are Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, Executive Officers, and Directors of subsidiaries of the Company. Each of the candidates is already included as an insured under the policy, and will continue to be included as an insured if this proposal is approved and adopted. The Company plans to renew said policy following the conclusion of the insurance period.

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 Toru Akaura and Osuke Honda 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	Toru Akaura (August 7, 1968) <u>Reelection</u>	<p>Apr. 1991 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.)</p> <p>Oct. 1999 Established Incubate Capital Partners, General Partner</p> <p>Mar. 2000 Outside Director of S-Pool, Inc. (current position)</p> <p>Aug. 2007 Outside Director of the Company</p> <p>Sept. 2010 Representative Director of Incubate Fund KK (current position)</p> <p>Oct. 2014 Outside Audit & Supervisory Board Member of Double Standard Inc.</p> <p>Aug. 2015 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>June 2021 Outside Director of Double Standard Inc. (current position)</p>	430,000
2	Toko Shiotsuki (January 9, 1973) <u>New election</u>	<p>Apr. 1996 Joined Japan Airlines Co., Ltd.</p> <p>Oct. 1999 Passed the second exam for certified public accountants</p> <p>July 2000 Standing Auditor of CyberAgent, Inc.</p> <p>Mar. 2007 Juris Doctor, The University of Tokyo School of Law</p> <p>Dec. 2017 Director (Full-time Audit and Supervisory Committee member) of CyberAgent, Inc. (current position)</p>	—

- (Notes)
1. There is no special interest between any of the candidates and the Company. Although Toru Akaura holds 430,000 shares of the Company's common stock, and the Company has also invested in a fund indirectly related to Mr. Akaura, there are no other personal, capital, or business or other interest relationships between the two parties.
 2. Toru Akaura and Toko Shiotsuki are candidates for outside Director.
 3. Reasons for nomination as candidates for outside Directors who are Audit & Supervisory Committee Members and outline of their expected roles
 - (1) Toru Akaura, as Representative Director of the Incubate Fund, has long-term work experience in the venture capital business and extensive experience as an officer of other companies, as well as a wide range of insight cultivated through such experience. 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 provide advice and recommendations on general management and corporate investment. His term of office as outside Director of the Company will be 14 years upon the conclusion of this meeting.
 - (2) Toko Shiotsuki has degrees as a junior accountant and a doctor of jurisprudence (professional), and has extensive experience in business companies, including serving as a Director (full-time Audit & Supervisory Committee Member) of CyberAgent, Inc. by leveraging her broad insight in accounting, auditing and legal affairs. The Company has nominated her as a candidate for outside Director who is an Audit & Supervisory Committee Member because she can be expected to provide meaningful opinions on the Company's management from the perspective of auditing and supervision as well as diversity. Furthermore, she satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent officer conditional upon the approval and adoption of this proposal.

4. The Company has entered into an agreement with Toru Akaura to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. If this proposal is approved and adopted, the Company plans to renew said agreement with him, and to also enter into an agreement of the same content with Toko Shiotsuki. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.
5. The Company has entered into an indemnification agreement with Toru Akaura as stipulated in Article 430-2, Paragraph (1) of the Companies Act, and a summary of the contents of the agreement is provided on page 14 of the Business Report. If this proposal is approved and adopted, the Company plans to renew said agreement with him, and to also enter into an agreement of the same content with Toko Shiotsuki.
6. The Company has entered into a directors and officers liability insurance policy, as stipulated in Article 430-3, Paragraph (1) of the Companies Act, and a summary of the contents of the agreement is provided on pages 14 to 15 of the Business Report. The scope of the insured includes Directors (excluding Directors who are Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, Executive Officers, and Directors of subsidiaries of the Company. Toru Akaura is already included as an insured under the policy, and will continue to be included as an insured if this proposal is approved and adopted. In addition, Toko Shiotsuki will be newly included as an insured under the relevant policy if this proposal is approved and adopted. The Company plans to renew said policy following the conclusion of the insurance period.

[Reference] About the skills matrix for Director candidates

What is the skills matrix?

The skills matrix is a list of the combination of skills, such as knowledge, education and experience, as well as the diversity of each Director in order for the board of directors to fulfill its supervisory function. The purpose of the matrix is to contrast the knowledge and experience of directors required by the Company in light of its management strategy with that of current Directors and candidates for Directors, to disclose that the Board of Directors as a whole has a balanced composition and that the appointment of Directors is appropriate in line with the management strategy.

The Company nominates candidates for Directors in consideration of the balance of knowledge, experience and ability, as well as diversity. If Proposals No. 2 and No. 3 of this general meeting of shareholders are approved and adopted as proposed, the expertise and experience of each Director, including the current Directors, will be as follows.

Name	Specialty and experience					
	Corporate management	Information security in the data domain	Finance & accounting/ Legal affairs	Personnel/ Human resources development	International experience	ESG SDGs
Chikahiro Terada	✓	✓			✓	✓
Kei Tomioka	✓	✓			✓	
Kenji Shiomi	✓	✓			✓	
Yuta Ohma	✓			✓		
Muneyuki Hashimoto	✓		✓		✓	
Yasuko Yokosawa			✓		✓	
Toru Akaura	✓				✓	
Yoshiki Ishikawa	✓			✓	✓	✓
Toko Shiotsuki	✓		✓			