

**Anticipated High-Interest Items in Q1 Results
for Fiscal Year Ending May 31, 2024**

- **Consolidated Results, Others**

Q1: What are the factors behind the net sales growth rate reaching the 30% range?

In addition to the solid performance of Sansan, where new subscriptions have continued to recover since previous Q2, the increase in net sales growth rate is because Bill One continued to gain new subscriptions from medium- and large-sized companies, resulting in a strong performance. The addition of new Group companies has also contributed to the growth rate acceleration, and the contribution of newly consolidated subsidiaries to business was about 3.2 points in FY2023 Q1, out of a Q1 net sales growth rate of 31.3%.

Q2: What factors contributed to adjusted operating profit and operating profit returning to profit?

In addition to steady sales growth, this was mainly due to a portion of the originally planned advertising expenses will be recorded from Q2 onwards. There are no major changes to the originally anticipated full-year expense plan.

Also, with regard to operating profit returning to the black, this was partly due to the recording of negative share-based payment expenses. This was because negative amounts were recorded in part of the stock-remuneration-type stock options with stock price condition, the cost of which fluctuates depending on the Company's stock price at the end of each quarter.

Q3: What factors caused the large increase in net sales in the "Other" business segment?

This was due to the contribution of Institute of Language Understanding Inc., which became a Group company in June 2023.

The company conducts contract development using large-scale knowledge databases and language understanding engine technologies. The company's technology is expected to have a high synergistic effect with our core technologies, such as OCR and natural language processing. In particular, we hope that by combining the company's technology with Contract One, which is conducting research into the use of generative pre-trained transformers (GPT), we will be able to develop products of even higher quality.

In addition to Institute of Language Understanding Inc., "Other" sales include Diamond Corporate Data Services, Inc.

- Sansan/Bill One Business

Q4: What factors contributed to the improvement in adjusted operating profit margin?

Although the Sansan/Bill One business segment as a whole made growth investments, such as in strengthening its sales structure, the improvement was due to Sansan's profit increasing faster than its net sales growth and to Bill One's deficit also narrowing as its net sales grew.

Q5: What were the factors behind Sansan's net sales growth rate continuing to accelerate over three consecutive quarters?

This was because, in June 2022, the product was remodeled from a cloud-based business card contact management service to a service for sales DX. As a result of having undertaken product-strengthening activities, which included more than one million items of corporate information and a function to visualize a variety of contact information, such as e-mails and seminars as well as business cards, there were improvements in the average monthly churn rate over the past 12 months and in the order situation from previous Q2 onwards, and recurring sales performed solidly.

Q6: The net increases in the number of Sansan subscriptions are slowing down. What are the factors behind this?

This is because we are allocating Sansan's sales resources to concentrate on acquiring new subscriptions from medium- and large-sized companies. Additionally, in Q1, there was a decrease of 82 subscriptions brought about by subscription consolidation associated with reviews of some option plans, which also contributed to the slowdown in the number of subscriptions increase. However, this impact is temporary and only occurred in Q1, and the impact on sales was extremely small. Excluding this impact, the net increase in the number of subscriptions increased compared with previous Q4, indicating steady business progress.

Q7: What caused Bill One's highest ever net increase in quarterly MRR?

This is because, as a result of having strengthened the sales structure and marketing activities, the acquisition of new medium- and large-sized companies progressed smoothly, and both the number of paid subscriptions and the monthly recurring sales per paid subscription were strong. In addition, after October 2023, it is expected that sales activities will be temporarily affected due to the tightening of accounting operations immediately after the start of the Invoicing System in Japan. Nevertheless, in the second half of the current fiscal year, we expect demand to increase operational efficiency again in response to the Invoicing System and the revision of the Electronic Bookkeeping Act.

Q8: What factors accelerated the "Other" net sales growth rate?

This was mainly due to the contribution of the performance from CREATIVE SURVEY INC., which was newly consolidated in previous Q4. Please note that, besides CREATIVE SURVEY INC., Contract One is included under Other net sales.

- **Eight Business**

Q9: As the Company operates Eight business with a focus on profitability, what were the factors that led to the recording of an adjusted operating loss?

In the case of this Q1, the main reason was that we did not hold any large-scale business events, which was in line with our initial plan. This fiscal year, we are aiming to achieve positive adjusted operating profit for the full year, as sales are expected to increase in Q2 and Q4, when we plan to hold large-scale business events.

Q10: What is the purpose or aim behind renewing Eight from the contact and career management app to the business card app?

By adding new functions, we have strengthened the app as a specialized app for the Virtual Card exchange and business card management.

Mainly, the new One-touch business card exchange function, which allows users to exchange business cards by simply holding their smartphones at each other, can solve problems associated with paper business cards, such as running out of business cards and losing business cards that have been exchanged.

Currently, the Eight Business is operating with a focus on profitability, but following this renewal, we can expect a further increase in user numbers, which will have a positive effect when considering medium- to long-term business growth.

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