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Securities code: 4443

August 5, 2024

To Our Shareholders

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

Notice of the 17th Annual General Meeting of Shareholders

We are pleased to announce the 17th Annual General Meeting of Shareholders of Sansan, Inc. (the “Company”), which will be held as indicated below.

This Annual General Meeting of Shareholders (“this Shareholders Meeting”), based on the provisions of laws and regulations, and the Company’s Articles of Incorporation, will be a general meeting of shareholders without a designated location (a “virtual-only shareholders meeting” that is held online only).

This Shareholders Meeting shall not have a venue at which shareholders may attend in person, so please do participate online. For details on the environment and procedures, etc., required in order to participate, please refer to “Operational Arrangements for the Virtual-only Shareholders Meeting” on page 4. In addition, if you do not attend the meeting on the day, or even if you do plan to attend, in order to prepare for instances of communication problems, etc., voting rights can be exercised beforehand in writing or via the internet, etc., so please consider the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than August 26, 2024 (Monday), 5:00 p.m. (JST).

- 1. Date and Time:** August 27, 2024 (Tuesday), 10:00 a.m. (JST)
*Login is scheduled to be available from around 9:30 a.m.
*In the event that this Shareholders Meeting cannot be held on the date and time above for reasons such as communications problems, it will be held on the reserve date and time, August 29, 2024 (Thursday) at 10:00 a.m. (JST). If the Company decides to hold this Shareholders Meeting on the reserve date and time, an announcement to that effect will be made on the Company’s website: <https://ir.corp-sansan.com/en/ir/stock/meeting.html>
- 2. Event Format:** This Shareholders Meeting shall be a general meeting of shareholders without a designated location.
*Please participate via the website designated by the Company (“Sansan Shareholders Meeting Website”). Please refer to the guide on page 4 for details on the website URL, access and login method, and procedural method, etc., required in order to participate.
*As the event is being held entirely online, there is no venue.

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 17th Term (from June 1, 2023 to May 31, 2024) 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 17th Term (from June 1, 2023 to May 31, 2024)

Matters to be resolved:

- Proposal No. 1** Election of Seven Directors (Excluding Those Who Are Audit & Supervisory Committee Members)
- Proposal No. 2** Election of Two Directors Who Are Audit & Supervisory Committee Members
- Proposal No. 3** Election of One Substitute Director Who Is an Audit & Supervisory Committee Member
- Proposal No. 4** Revision to the Amount of Remuneration for Directors (Excluding Those Who Are Audit & Supervisory Committee Members)

4. Matters Concerning Measures for Electronic Provision

When convening this Shareholders Meeting, the Company takes measures for providing information in electronic format, and posts items subject to measures for electronic provision on the Company's website.

The Company's website:

<https://ir.corp-sansan.com/en/ir/stock/meeting.html>

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

* Please access the above website, enter or search for the Company's name or Securities code (4443), and select "Basic Information," "Documents for Public Inspection/PR Information" and "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]" in that order.

- ⊙ The method of communication to be used to exchange information in the proceedings of this Shareholders Meeting will be the internet.
- ⊙ If there is no indication of approval or disapproval for each proposal on your voting rights exercise form, we will treat the vote as an approval.
- ⊙ If a shareholder who exercised their voting rights beforehand in writing or via the internet, etc. attends this Shareholders Meeting and exercises their voting rights again, the content exercised at the Shareholders Meeting shall be treated as valid. It should be noted that in the event of participating in this Shareholders Meeting upon having exercised voting rights beforehand, but the exercising of voting rights could not be confirmed on the day, the content exercised beforehand in writing or via the internet, etc. shall be treated as valid.
- ⊙ For instructions on exercising voting rights in writing or via the internet, etc., please refer to pages 7 to 8.
- ⊙ In the event of any modifications to matters for the provision of information in electronic format, the modification details will be posted on the respective websites where they are posted.
- ⊙ The results of the resolutions of this Shareholders Meeting shall be posted on the Company's website described above after the ending of the Shareholders Meeting, instead of the sending of a written notification of resolutions.
- ⊙ In the event of significant hindrance having been caused to the proceedings of this Shareholders Meeting due to communication problems, etc., the Chair may decide to postpone or resume the Shareholders Meeting, and therefore, a resolution to that effect shall be passed at the beginning of the Shareholders Meeting. If the Chair has decided to postpone or resume based on such a resolution, the postponed or resumed meeting shall be held on the reserve date and time, August 29, 2024 (Thursday) at 10:00 a.m. (JST), and a statement to that effect shall be promptly posted on the aforementioned website of the Company. In addition, any other change, etc., that occurs to the operation of this Shareholders Meeting shall be notified on the aforementioned website of the Company.
- ⊙ We are planning to accept in advance any questions about the objectives of this Shareholders Meeting via the website designated by the Company, so please use this if you have any such questions. Please refer to the information on pages 4 to 6 for details.

⊙ The documents sent to shareholders who have requested delivery of the documents do not include the following items, which are part of the documents audited by the Audit & Supervisory Committee or the Financial Auditor in preparing the Audit Report or the Accounting Audit Report, pursuant to laws and regulations and Article 14 of the Articles of Incorporation of the Company. Please refer to the “Notice of the 17th Annual General Meeting of Shareholders” posted on each of the respective websites listed above for information on said items.

(1) Business Report

Changes in assets and profit and loss in and at the end of the most recent three fiscal years, Issues to be addressed, Major businesses, Principal offices, Employees, Major lenders, Other significant matters concerning status of the corporate group, Shares, Share acquisition rights, Financial Auditor, System to ensure the properness of business operations (Internal control system), Basic policy regarding control of company, and Policy on determination of dividends of surplus and others

(2) Consolidated Financial Statements

Consolidated balance sheet, Consolidated statement of income, Consolidated statement of changes in equity, and Notes to consolidated financial statements

(3) 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

(4) Audit Report

Audit Report on the Consolidated Financial Statements, Audit Report on the Financial Statements, and Audit Report of the Audit & Supervisory Committee

[Operational Arrangements for the Virtual-only Shareholders Meeting]

The Company will hold this Shareholders Meeting by the “virtual-only shareholders meeting” method. At this Shareholders Meeting, shareholders with voting rights will be able to view live video, exercise their voting rights, ask questions about the purposes of the Shareholders Meeting, or submit motions, etc., by accessing the dedicated website designated by the Company for the Shareholders Meeting on the day (Sansan Shareholders Meeting Website), and participating online.

Please note that this Shareholders Meeting shall not have a venue at which shareholders may attend in person, so please do participate online. Shareholders exercising their voting rights are asked to either exercise their voting rights beforehand in writing or via the internet, or to exercise them on the day of the Shareholders Meeting via the “Sansan Shareholders Meeting Website” designated by the Company.

Details such as the URL of the Sansan Shareholders Meeting Website, access and login method, and procedural methods, etc., required in order to participate are provided below.

In addition, the website will be accepting questions, etc., beforehand, so please do make use of it.

*Please be sure to read the following notes prior to using the website.

1. Date and time of broadcast

August 27, 2024 (Tuesday) from 10:00 a.m. (JST)

*Login is scheduled to be available from around 9:30 a.m.

*However, if this Shareholders Meeting could not be held under the date and time described above due to the impact of communications problems, etc., it will be held on the reserve date and time, August 29, 2024 (Thursday) at 10:00 a.m. (JST).

2. About the attendance method

- (1) Please access the Sansan Shareholders Meeting Website by going to the URL below using your personal computer or other devices.

Sansan Shareholders Meeting Website: <https://web.sharely.app/login/sansan-17> (in Japanese)

- (2) Once connected, please enter your “shareholder number,” “zip code,” and “number of shares held” as stated in the voting rights exercise form in accordance with the screen prompts to log in.

Please be sure to prepare your “shareholder number,” “zip code,” and “number of shares held” prior to posting the voting rights exercise form.

*Please refer to the help page at the URL stated below for any other questions.

Help page website: <https://sharely.zendesk.com/hc/ja/> (in Japanese)

3. How to ask questions

If you have any questions about the purposes of this Shareholders Meeting, please log in to the Sansan Shareholders Meeting Website stated above on the day of the event, and then ask the question in accordance with the instructions of the Chair. In addition, shareholders who are not attending this Shareholders Meeting on the day may ask questions prior to the meeting via the website during the period stated below.

Please note that each shareholder may ask up to two questions, and questions may be up to 150 characters in length. We ask that you do try to keep your questions brief so that their content can be accurately understood. It should be noted that on the day of the meeting, we shall focus on questions that relate to the purposes of this Shareholders Meeting, and which do not overlap with other questions; we may not be able to respond to all of the questions asked.

Method for asking questions prior to the meeting

- (1) Please access the website for acceptance of questions prior to the Sansan Shareholders Meeting by going to the URL below using your personal computer, smartphone or other devices.

[Website for acceptance of questions prior to the meeting]

https://web.sharely.app/e/sansan-17/pre_question (in Japanese)

- (2) Once connected, please enter your “shareholder number,” “zip code,” and “number of shares held” as stated in the voting rights exercise form in accordance with the screen prompts to log in. After you have logged in, please enter your question(s) that relate to the purposes of this Shareholders Meeting.

<Period for acceptance of questions prior to the meeting>

August 1, 2024 (Thursday) 10:00 a.m. to August 26, 2024 (Monday) 5:00 p.m. (JST)

*It is planned for the explanations provided on the day of the Shareholders Meeting to focus on the matters that are thought to be of particular interest to all shareholders.

4. About motions

If you would like to submit a motion for this Shareholders Meeting, please log in to the Sansan Shareholders Meeting Website stated above on the day of the event, and then submit this in accordance with the instructions of the Chair. Please be advised that we will be unable to adopt motions that cannot be judged as such due to factors including text data being transmitted by a method other than that specified by the Chair.

5. How to exercise voting rights

In addition to exercising voting rights beforehand in writing or via the internet, etc., voting rights may be exercised on the day of the Shareholders Meeting via the internet through the use of the Sansan Shareholders Meeting Website.

Shareholders who would like to exercise their voting rights on the day of this Shareholders Meeting are asked to exercise their voting rights in accordance with the instructions of the Chair, while watching the progress of the proceeds via the live broadcast.

If a shareholder who exercised their voting rights beforehand in writing or via the internet, etc. attends this Shareholders Meeting and exercises their voting rights again, the content exercised at the Shareholders Meeting shall be treated as valid. It should be noted that in the event of participating in this Shareholders Meeting upon having exercised voting rights beforehand, but the exercising of voting rights could not be confirmed on the day, the content exercised beforehand in writing or via the internet, etc. shall be treated as valid.

6. Content on the policy for measures against issues relating to the method of communication used for the exchanging of information during the proceedings of this Shareholders Meeting

At this Shareholders Meeting, we will use a system for which measures against communication issues have been taken, and we shall have multiple members of specialist staff available to handle any measures against communication issues on the day of the Shareholders Meeting. However, in preparation for where significant hindrance is caused to the proceedings due to a communications issue, on the day of this Shareholders Meeting, there shall be deliberations on a resolution allowing the Chair discretion to postpone or resume the Shareholders Meeting, and in addition, a response manual that includes the method for notifying shareholders shall be prepared prior to the meeting.

7. Content of the policy for consideration to the securing of the interests of all shareholders who have difficulty using the internet as the communication method for the exchanging of information in the proceedings of this Shareholders Meeting

Shareholders intending to exercise their voting rights but who have difficulty using the internet are asked to exercise their voting rights beforehand by returning the provided voting rights exercise form.

8. About the handling of attendance by proxy

Shareholders who would like to attend this Shareholders Meeting by proxy are asked to designate one other shareholder with voting rights in accordance with the provisions of laws and regulations as well as the Company's Articles of Incorporation. Shareholders who would like to attend by proxy must submit a document stating their intent to attend by proxy (power of attorney) to the Company prior to this Shareholders Meeting. Please write your e-mail address on the form before sending it to the address stated below.

<Contact address for documents relating to attendance by proxy>

Attn. General Meeting of Shareholders Secretary's Office of Sansan, Inc., Aoyama Oval Building 3F, 5-52-2 Jingumae, Shibuya-ku, Tokyo, 150-0001

<Submission deadline>

Must arrive by August 20, 2024 (Tuesday)

*Please refer to the URL below for the template for the power of attorney.

<https://sharely.zendesk.com/hc/ja/articles/4407904256791> (in Japanese)

Points to Note

- Depending on the progression of the general meeting of shareholders and the content of the question, there may be cases where not all questions can be answered.
- When submitting questions and motions, etc., in the event of acting against the purpose of this Shareholders Meeting, which is a valuable forum for dialog with all shareholders, such as by repeatedly sending the same content, sending an excessive amount of text data, sending content that is unrelated to the purposes of this Shareholders Meeting, that harms privacy or honor, or that is inappropriate due to other reason, etc., or in the event of it being determined that hindrance is being caused to the progression of deliberations of this Shareholders Meeting and to the stable operation of the systems for this Shareholders Meeting, at the order of the Chair or at the decision of the Secretary's Office in response to the instructions of the Chair, the communications of such a shareholder may be forcibly blocked.
- On the day of the event we will endeavor to provide a stable transmission and will have prepared a manual containing specific procedures for cases where a communications problem occurs, however there may be cases where, due to the communication environment of the shareholder viewing the transmission, communication problems occur such as where the video or audio of the live broadcast is disrupted or temporarily interrupted, and where there is a slight time lag between transmission and reception.
- We are unable to accept any liability for any connection failure, delay, or audio difficulties thought to be caused by an issue with the communications environment on the shareholder side on the day of the general meeting of shareholders.
- We ask that shareholders bear the connection charges and communication fees, etc., required in order to view the meeting.
- The provision of video and audio data to third parties, the performance of a public screening on social media, etc., reprinting, duplicating, recording, taping, and the provision of login information to third parties, are prohibited. In addition, the provision of ID and password to third parties is prohibited.
- Please refer to the FAQ below for any other questions concerning the distribution system.

<https://sharely.zendesk.com/hc/ja/sections/360009585533> (in Japanese)

[Contact point for questions on how to log in on the day, the operation method, etc.]

<Contact> 03-6683-7661

(Reception hours: August 27, 2024 (Tuesday), 9:00 a.m. to no later than one hour after the conclusion of this Shareholders Meeting (JST))

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 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 via the “Sansan Shareholders Meeting Website”</p> <p>Please access the “Sansan Shareholders Meeting Website” designated by the Company and enter your approval or disapproval for each proposal.</p> <hr style="width: 50%; margin: 10px auto;"/> <p style="text-align: center;">Date and time</p> <hr style="width: 50%; margin: 10px auto;"/> <p style="text-align: center;">August 27, 2024 (Tuesday), 10:00 a.m. (JST) (Accessible from around 9:30 a.m. and onwards)</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 voting form, and return the form to us.</p> <hr style="width: 50%; margin: 10px auto;"/> <p style="text-align: center;">Exercise due date</p> <hr style="width: 50%; margin: 10px auto;"/> <p style="text-align: center;">To be returned to us no later than August 26, 2024 (Monday), 5:00 p.m. (JST)</p>	<p style="text-align: center;">Exercise the voting rights via the internet</p> <p>Please enter whether you are for or against the proposals following the instructions on the next page.</p> <hr style="width: 50%; margin: 10px auto;"/> <p style="text-align: center;">Exercise due date</p> <hr style="width: 50%; margin: 10px auto;"/> <p style="text-align: center;">To be completed no later than August 26, 2024 (Monday), 5:00 p.m. (JST)</p>
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- If there is no indication of approval or disapproval for each proposal on the voting rights exercise form, we will treat the vote as an approval.
- 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> (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.

Business Report

(From June 1, 2023 to May 31, 2024)

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

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

Consolidated financial results for the fiscal year ended May 31, 2024 are as follows.

	(Millions of yen)		
	16th term (Fiscal year ended May 31, 2023) (Previous fiscal year)	17th term (Fiscal year ended May 31, 2024) (Fiscal year under review)	Year-on-year change
Net sales	25,510	33,878	+32.8%
Gross profit	21,827	28,814	+32.0%
Adjusted operating profit (Note 5)	942	1,709	+81.5%
Ordinary profit	122	1,224	+903.3%
Profit attributable to owners of parent	(141)	953	-

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

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

- (Notes) 1. Based on Market Edition and Corporate Edition of 2024 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute
2. Based on 2023 New Software Business Markets by Fuji Chimera Research Institute
3. Based on Latest Trends in Business Card Management Services in Sales Support DX 2024 (January 2024, survey by Seed Planning, in Japanese)
4. Deloitte Tohmatsu MIC Research Institute, “The Market of Online Invoice Receiving Solution Continues to Grow at a Staggering Rate” (MIC IT Report, November 2023)
5. Adjusted operating profit = operating profit + share-based payment expenses + expenses that arise from business combinations (amortization of goodwill and amortization of intangible assets)

Results by segment are as follows.

1. Sansan/Bill One Business

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

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

	(Millions of yen, unless otherwise noted)		
	16th term (Fiscal year ended May 31, 2023) (Previous fiscal year)	17th term (Fiscal year ended May 31, 2024) (Fiscal year under review)	Year-on-year change
Net sales (Note 6)	22,516	29,948	+33.0%
Sansan	19,793	22,889	+15.6%
Sansan recurring sales	18,688	21,509	+15.1%
Sansan other sales	1,104	1,379	+24.9%
Bill One	2,414	6,168	+155.5%
Others	308	889	+188.1%
Adjusted operating profit	7,005	8,675	+23.8%
Sansan			
Number of subscriptions	8,969 subscriptions	9,693 subscriptions	+8.1%
Monthly recurring sales per subscription	¥184 thousand	¥197 thousand	+7.1%
Last 12 months average of monthly churn rate (Note 7)	0.44%	0.42%	(0.02) pts.
Bill One			
MRR (Note 8)	316	640	+102.5%
Number of paid subscriptions	1,581 subscriptions	2,816 subscriptions	+78.1%
Monthly recurring sales per paid subscription	¥200 thousand	¥227 thousand	+13.5%
Last 12 months average of monthly churn rate (Note 6)	0.64%	0.33%	(0.31) pts.

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

a. Sansan

In addition to working on strengthening the sales structure through hiring personnel, the Group has been optimizing the pricing structure and reviewing the fee settings taking into account the market environment, the status of service enhancements, and other factors. As a result, the number of subscriptions and the monthly recurring sales per subscription

remained strong, up 8.1% year on year and 7.1% year on year, respectively. Furthermore, the last 12-month average of monthly churn rate was 0.42%, a decrease of 0.02 percentage points year on year, maintaining a churn rate as low as less than 1%.

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

b. Bill One

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

As a result, ARR (Note 9) in Bill One as of May 31, 2024 amounted to ¥7,680 million, while net sales increased 155.5% year on year.

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

(Notes) 9. Annual Recurring Revenue

c. Others

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

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

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

2. Eight Business

This business segment includes Eight, a business card app, and logmi series, event transcription services.

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

(Millions of yen, unless otherwise noted)			
	16th term (Fiscal year ended May 31, 2023) (Previous fiscal year)	17th term (Fiscal year ended May 31, 2024) (Fiscal year under review)	Year-on-year change
Net sales (Note 10)	2,867	3,548	+23.8%
B2C services	303	347	+14.7%
B2B services	2,563	3,200	+24.8%
Adjusted operating profit	(170)	314	–
Eight			
Number of Eight users (Note 11)	3.31 million people	3.72 million people	+0.41 million people
Number of subscriptions for Eight Team	3,703 subscriptions	4,608 subscriptions	+24.4%

(Notes) 10. The sum of sales to external customers and intersegment sales or transfers

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

a. B2C services

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

b. B2B services

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

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

Net sales to external customers by business segment

(Millions of yen, unless otherwise noted)

Business segment	16th term (Fiscal year ended May 31, 2023) (Previous fiscal year)		17th term (Fiscal year ended May 31, 2024) (Fiscal year under review)		Year-on-year change	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)	Amount	%
Sansan/Bill One Business	22,512	88.3	29,938	88.4	7,426	33.0
Eight Business	2,864	11.2	3,542	10.4	678	23.7
Other businesses	134	0.5	397	1.2	263	196.4
Total	25,510	100.0	33,878	100.0	8,368	32.8

(ii) Capital expenditures

Mainly as a result of construction to expand floor space at the head office, etc. and repair work, the Company acquired property, plant and equipment such as facilities attached to buildings of ¥131 million. In addition, the Company acquired software of ¥345 million through 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

The Company acquired shares of Institute of Language Understanding Inc., making it a consolidated subsidiary on June 20, 2023.

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

(Millions of yen, unless otherwise noted)

Categories	14th term (Fiscal year ended May 31, 2021)	15th term (Fiscal year ended May 31, 2022)	16th term (Fiscal year ended May 31, 2023)	17th term (Fiscal year ended May 31, 2024) (Fiscal year under review)
Net sales	16,184	20,420	25,510	33,878
Ordinary profit (loss)	375	968	122	1,224
Profit (loss) attributable to owners of parent	182	857	(141)	953
Basic earnings (loss) per share (Yen)	1.47	6.87	(1.13)	7.59
Total assets	24,310	26,292	31,200	37,592
Net assets	12,584	12,093	13,190	14,772
Net assets per share (Yen)	100.89	96.78	105.18	111.30

(Note) The Company conducted a stock split at 4-for-1 effective on December 1, 2021 based on resolution at the meeting of the Board of Directors held on October 8, 2021. Basic earnings (loss) per share and net assets per share are calculated on the assumption that the stock split had been conducted at the beginning of the 14th term.

(3) Major subsidiaries

Company name	Share capital	Shareholding 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 Global Development Center, Inc.	PHP10,000,000	100.0	Development of the Company's products
Sansan Global (Thailand) Co., Ltd.	THB10,000,000	100.0	Consulting services for the Company's products
logmi, Inc.	JPY16,350,000	100.0	Digital media business/IT consulting/ planning, production and operation of websites/planning and holding of event seminars
CREATIVE SURVEY INC.	JPY100,000,000	63.1	Planning, development, operation and sales of web-based surveys and research tools
Institute of Language Understanding Inc.	JPY58,000,000	65.8	Business to enhance business efficiency and create high value added by utilizing large-scale language knowledge

- (Notes)
1. The Company resolved at the meeting of the Board of Directors held on October 17, 2023 to dissolve and liquidate Sansan Corporation, its consolidated subsidiary, as of October 31, 2023.
 2. On March 4, 2024, the Company newly established Sansan Global (Thailand) Co., Ltd. as its consolidated subsidiary.
 3. On June 20, 2023, the Company acquired shares of Institute of Language Understanding Inc., making it a consolidated subsidiary of the Company.

(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.” Towards the realization of this mission and vision, we are developing DX solutions that will connect encounters between people and companies to business opportunities, and which will change working styles.

The Company had previously set a medium-term objective aiming to achieve both net sales and profit growth for the 16th term (the fiscal year ended May 2023) to the 18th term (the fiscal year ending May 2025). However, based on the solid performance up to the 17th term (the fiscal year ended May 2024), we have set a new medium-term financial policy for the 18th term (the fiscal year ending May 2025) to the 20th term (the fiscal year ending May 2027).

With the new medium-term financial policy, the Group is aiming for consistent, solid growth in sales and accelerated growth in profit.

For net sales, which is the most important management indicator, we aim for an average annual growth rate of 22% to 27% over the period. For adjusted operating profit, which has been adopted as a key profit indicator, we aim to achieve profit margin of 18% to 23% by the 20th term (the fiscal year ending May 31, 2027) by accelerating growth while making investments for sales growth.

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

(i) Sales maximization of the Sansan/Bill One Business

Sansan and Bill One are services that target many companies regardless of industry or business category, and there is a large potential for customer development in Japan alone. In the 17th term (fiscal year ended May 31, 2024), we established dedicated sales departments for each of Sansan and Bill One toward further sales growth in the future, strengthening our sales structure with initiatives such as accelerated personnel recruitment.

Under the strengthened sales departments, we will strive to acquire new customers and expand the use by existing customers for Sansan on the premise that all employees of user companies use the service (company-wide use). At the same time, for Bill One, we will further expand net sales by acquiring new customers as well as enhancing the development and sales of new functions including Bill One Expenses, which utilizes our Bill One Business Card service, and Bill One Issue, which enables users to complete all the processes from invoice issuing to payment reconciliation.

In addition, we will work to create new services and enhance them using the technology we have developed. In the Contract One contract database solution, we will strive to further improve user accessibility, mainly through the use of AI technology.

(ii) Expansion of profit in the Eight Business

With the profitability-oriented business operation, we aim to further increase adjusted operating profit by leveraging the Eight network, which has 3.72 million registered users, to strengthen monetization of B2B services such as business events, and by implementing other initiatives such as enhancement of the number of subscriptions of Eight Team.

iii) Utilization of M&A

We will work to create synergies by promoting measures to increase the corporate value of each Group company while effectively utilizing the Group's resources and know-how. In addition, we have positioned the use of M&A as one of our important growth strategies and will continue to actively consider this option.

(iv) 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 will strive to ensure diversity of our people while 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.

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

Given that the Group handles substantial volumes of important information assets such as personal information through services we provide, it is crucial that we continuously strengthen our system for managing information. We continue to take the utmost care to safeguard information with measures including strict management of information assets based on our Information Security Policy and Policy on Personal Information Protection. We will persist in our efforts to strengthen and put in place our in-house systems and management approaches going forward.

(vi) 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 accordingly engage in initiatives to further improve our technological capabilities, through efforts that involve hiring outstanding technical experts in and outside Japan while also investing in and monitoring cutting-edge technologies.

(5) Major businesses (as of May 31, 2024)

Business segment	Description of business
Sansan/Bill One Business	Provision of Sansan, a sales DX solution, Bill One, a cloud-based invoice management solution, etc.
Eight Business	Provision of Eight, a business card app, and logmi series, event transcription services

(6) Principal offices (as of May 31, 2024)

(1) The Company

Head office: Shibuya-ku, Tokyo

(2) Consolidated subsidiaries

Sansan Global Pte. Ltd.	Singapore
Sansan Global Development Center, Inc.	The Philippines
Sansan Global (Thailand) Co., Ltd.	Thailand
logmi, Inc.	Shibuya-ku, Tokyo
CREATIVE SURVEY INC.	Minato-ku, Tokyo
Institute of Language Understanding Inc.	Tokushima-shi, Tokushima

(7) Employees (as of May 31, 2024)

(i) Employees of the corporate group

Business segment	Number of employees	Change from previous fiscal year-end
Sansan/Bill One Business	1,422	+384
Eight Business	157	+3
Other businesses	320	+113
Total	1,899	+500

(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 726 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
1,698	Increased by 381	32.1	2.9 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 719 individuals as temporary employees and dispatched employees.

(8) Major lenders (as of May 31, 2024)

(Millions of yen)

Lenders	Outstanding borrowings
Resona Bank, Limited	1,202
Mizuho Bank, Ltd.	885
Sumitomo Mitsui Trust Bank, Limited	849
Sumitomo Mitsui Banking Corporation	685
MUFG Bank, Ltd.	600
The Awa Bank, Ltd.	175
Development Bank of Japan Inc.	82

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

Not applicable.

2. Status of the Company

(1) Shares (as of May 31, 2024)

- (i) Total number of authorized shares 470,800,000 shares
(ii) Total number of issued shares 125,835,416 shares

(Notes) 1. Total number of issued shares includes 871 shares of treasury shares.
2. The total number of issued shares has increased by 424,832 shares due to exercise of share acquisition rights during the fiscal year under review.

- (iii) Number of shareholders 7,286
(iv) Major shareholders

Name of shareholders	Number of shares held (shares)	Percentage of total shares (%)
CNK, Inc.	32,809,100	26.07
JPLLC CLIENT ASSET S-SK J	11,311,935	8.99
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,636,500	8.45
Chikahiro Terada	9,415,900	7.48
MSCO CUSTOMER SECURITIES	9,064,300	7.20
PERSHING-DIV. OF DLJ SECS. CORP.	4,579,500	3.64
Kei Tomioka	4,160,000	3.31
Custody Bank of Japan, Ltd. (Trust Account)	3,897,100	3.10
Kenji Shiomi	2,285,000	1.82
MSIP CLIENT SECURITIES	1,835,500	1.46

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

(2) Share acquisition rights

- (i) Share acquisition rights held by the Company's officers at the end of the fiscal year under review that have been delivered as consideration for their execution of duties

		3rd Share Acquisition Rights
Date of resolution of issue		January 9, 2019
Number of share acquisition rights		136,984 units
Class and number of shares to be acquired upon exercise of share acquisition rights		Common shares 547,936 shares (Four shares per share acquisition right)
Amount to be paid in for share acquisition rights		Without contribution
Value of property to be contributed when share acquisition rights are exercised		¥3,400 per share acquisition right (¥850 per share)
Exercise period		From February 1, 2021 to January 8, 2029
Exercise conditions		(Note) 1
Status of share acquisition rights held by officers	Directors	Number of share acquisition rights 16,500 units
	(excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	Number of shares to be acquired 66,000 shares
		Number of holders 1

(Notes) 1. Terms and conditions of exercise of 3rd Share Acquisition Rights are as follows:

- (1) The person to whom the share acquisition rights are allotted (the "Share Acquisition Rights Holder") must, at the time of exercise of the share acquisition rights, be holding the position of Director, Audit & Supervisory Board Member, or employee of the Company or a subsidiary of the Company. However, this

shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.

- (2) In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
 - (3) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
2. The 3rd Share Acquisition Rights held by one Director were granted while the person was serving as an employee.

		9th Share Acquisition Rights	
Date of resolution of issue		August 30, 2022	
Number of share acquisition rights		3,250 units	
Class and number of shares to be acquired upon exercise of share acquisition rights		Common shares 325,000 shares (100 shares per share acquisition right)	
Amount to be paid in for share acquisition rights		Without contribution	
Value of property to be contributed when share acquisition rights are exercised		¥126,900 per share acquisition right (¥1,269 per share)	
Exercise period		From August 31, 2024 to August 30, 2032	
Exercise conditions		(Note)	
Status of share acquisition rights held by officers	Directors	Number of share acquisition rights	3,250 units
	(excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	Number of shares to be acquired	325,000 shares
		Number of holders	5

(Note) Terms and conditions of exercise of 9th Share Acquisition Rights are as follows:

- (1) The share acquisition rights may be exercised if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the allotment date of the share acquisition rights to the end of the period of exercise of the rights (August 30, 2032) exceeds ¥2,344.
However, in the event of a share split or reverse share split after the date of allotment, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\begin{array}{rcccl} \text{Share price} & & \text{Share price} & & 1 \\ \text{after} & = & \text{before} & \times & \text{Split (or Reverse split)} \\ \text{adjustment} & & \text{adjustment} & & \text{ratio} \end{array}$$
- (2) The person to whom the share acquisition rights are allotted (the "Share Acquisition Rights Holder") must, at the time of exercise of the share acquisition rights, be holding the position of Director, Audit & Supervisory Board Member, or employee of the Company or a subsidiary of the Company. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
- (3) In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

		12th Share Acquisition Rights	
Date of resolution of issue		August 29, 2023	
Number of share acquisition rights		1,448 units	
Class and number of shares to be acquired upon exercise of share acquisition rights		Common shares 144,800 shares (100 shares per share acquisition right)	
Amount to be paid in for share acquisition rights		Without contribution	
Value of property to be contributed when share acquisition rights are exercised		¥100 per share acquisition right (¥1 per share)	
Exercise period		From August 30, 2026 to August 29, 2033	
Exercise conditions		(Note)	
Status of share acquisition rights held by officers	Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	Number of share acquisition rights	1,448 units
		Number of shares to be acquired	144,800 shares
		Number of holders	4

(Notes) Terms and conditions of exercise of 12th Share Acquisition Rights are as follows.

- (1) The share acquisition rights may be exercised if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the allotment date of the share acquisition rights to the end of the period of exercise of the rights (August 29, 2033) exceeds ¥2,344.

However, in the event of a share split or reverse share split after the date of allotment, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\begin{array}{ccccccc} \text{Share price} & & \text{Share price} & & 1 & & \\ \text{after} & = & \text{before} & \times & \text{Split (or Reverse split)} & & \\ \text{adjustment} & & \text{adjustment} & & \text{ratio} & & \end{array}$$

- (2) The person to whom the share acquisition rights are allotted (the "Share Acquisition Rights Holder") must, at the time of exercise of the share acquisition rights, be holding the position of Director, Audit & Supervisory Board Member, or employee of the Company or a subsidiary of the Company. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
- (3) In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

- (ii) Share acquisition rights delivered during the fiscal year under review to employees, etc. as consideration for their execution of duties

		10th Share Acquisition Rights	
Date of resolution of issue		July 13, 2023	
Number of share acquisition rights		1,243 units	
Class and number of shares to be acquired upon exercise of share acquisition rights		Common shares 124,300 shares (100 shares per share acquisition right)	
Amount to be paid in for share acquisition rights		Without contribution	
Value of property to be contributed when share acquisition rights are exercised		¥155,250 per share acquisition right (¥1,552.5 per share)	
Exercise period		From July 14, 2025 to July 13, 2033	
Exercise conditions		(Note)	
Delivery to employees, etc.	Employees of the Company	Number of share acquisition rights	1,243 units
		Number of shares to be acquired	124,300 shares
		Number of holders	57

(Notes) Terms and conditions of exercise of 10th Share Acquisition Rights are as follows:

- (1) The share acquisition rights may be exercised if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the allotment date of the share acquisition rights to the end of the period of exercise of the rights (July 13, 2033) exceeds ¥3,987. However, in the event of a share split or reverse share split after the date of allotment, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\begin{array}{ccccccc} \text{Share price} & & \text{Share price} & & 1 & & \\ \text{after} & = & \text{before} & \times & \text{Split (or Reverse split)} & & \\ \text{adjustment} & & \text{adjustment} & & \text{ratio} & & \end{array}$$

- (2) The person to whom the share acquisition rights are allotted (the "Share Acquisition Rights Holder") must, at the time of exercise of the share acquisition rights, be holding the position of Director, Audit & Supervisory Board Member, or employee of the Company or a subsidiary and associate of the Company. However, this shall not apply in cases where the person resigns at the expiration of his/her term of office, retires at the mandatory retirement age, or when another justifiable reason is acknowledged by the Board of Directors of the Company.
- (3) In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
- (4) Pledging of the share acquisition rights, or the creation of security interests shall not be permitted.
- (5) The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
- (6) It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

(3) Officers

(i) Directors (as of May 31, 2024)

Position	Name	Responsibilities and significant concurrent positions outside the Company
Representative Director & CEO	Chikahiro Terada	Executive Officer, CEO and CPO
Director	Kei Tomioka	Executive Officer, COO, and Executive in charge of Sansan Division and Bill One Division Outside Director of Unipos Inc.
Director	Kenji Shiomi	Executive Officer, CISO, DPO, and Executive in charge of Engineering Division and Eight Division
Director	Yuta Ohma	Executive Officer, CHRO, and Executive in charge of Human Resources Division
Director	Muneyuki Hashimoto	Executive Officer, CFO, and Executive in charge of Corporate Division Outside Director of Unipos Inc.
Director (Audit & Supervisory Committee Member)	Maki Suzuki	Attorney at Shintaro Sato Law Office, Outside Director, Audit & Supervisory Committee Member of nms Holdings Corporation Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD.
Director (Audit & Supervisory Committee Member)	Toru Akaura	Representative Director of Incubate Fund KK Outside Director of S-Pool, Inc. Outside Director of Double Standard Inc. Outside Director of jig.jp Co., Ltd. External Director of ispace Inc.
Director (Audit & Supervisory Committee Member)	Toko Shiotsuki	Director (Full-time Audit and Supervisory Committee member) of CyberAgent, Inc.
Director (Audit & Supervisory Committee Member)	Taro Saito	Representative Director of dof Inc. Outside Director of CARTA HOLDINGS Inc. Director of CC Corporation Outside Director of for Startups, Inc. Outside Director of ZOZO, Inc.

(Notes) 1. Directors Maki Suzuki, Toru Akaura, Toko Shiotsuki, and Taro Saito are Outside Directors.

2. Director Toko Shiotsuki is qualified as junior accountant (JICPA) and has a considerable amount of knowledge related to finance and accounting.
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 Maki Suzuki, Toru Akaura, Toko Shiotsuki, and Taro Saito have been designated as independent officers as provided for by the aforementioned exchange.

(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, Yuta Ohma, and Muneyuki Hashimoto, and Directors who are Audit & Supervisory Committee Members Maki Suzuki, Toru Akaura, Toko Shiotsuki, and Taro Saito 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 those 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 and litigation expenses 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. of Directors

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

Following consultation with the Nomination and Remuneration Advisory Committee, the Company made the decision regarding the policy for deciding the details of remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the fiscal year under review at a meeting of the Board of Directors based on the said Committee's report. Remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the fiscal year under review consists of basic remuneration, which is a fixed monetary remuneration, performance-linked bonus as short-term incentive remuneration, stock options with share price conditions as medium- to long-term incentive remuneration and stock remuneration-type stock options. In consideration of their roles and duties, remuneration, etc. of Directors who are Audit & Supervisory Committee Members is limited to basic remuneration, which is fixed monetary remuneration.

The individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the fiscal year under review was deliberated by the Nomination and Remuneration Advisory Committee, the majority of whose members and chairperson are independent Outside Directors, from the perspective of ensuring objectivity and transparency, and a report was submitted stating that the details and decision process were in accordance with the relevant decision-making policy. The Board of Directors made decisions based on the content of the report, and therefore, the Company judges that the details thereof are in accordance with the said policy.

In addition, the Board of Directors of the Company resolved on July 23, 2024 to partially revise the policy for determining the remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) for the 18th term onward, subject to approval of Proposals 1 and 4 by the General Meeting of Shareholders to be held on August 27, 2024.

[Decision policy regarding the details of individual remuneration, etc. of Directors for the fiscal year under review]

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

Directors (excluding those who are Audit & Supervisory Committee Members) shall be paid basic remuneration (fixed monetary remuneration) and performance-linked bonuses as short-term incentive remuneration for improving business performance in each fiscal year, as an individual 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 position and responsibilities and business execution status of each Director and the Company's performance and economic conditions, etc.

The amount of individual performance-linked bonuses for Directors (excluding those who are Audit & Supervisory Committee Members) shall be calculated ranging from 0% to 200% based on the degree of achievement against the performance targets for each fiscal year within the limits of the total amount of remuneration resolved at the General Meeting of Shareholders, and shall be updated and determined each fiscal year, taking into consideration each Director's position and responsibilities, etc.

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 non-monetary remuneration

With regard to individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members), stock options with share price conditions and stock remuneration-type stock options may be granted as medium- to long-term incentive

remuneration. The ratio of these stock options to basic remuneration shall be decided and appropriate limits and conditions shall be set based on the business environment, remuneration level at other companies, etc. in order to make the stock options incentives that encourage the maximization of Directors' performance and willingness to contribute in addition to appropriate risk taking as a result of the further strengthening of the link with shareholder value.

The introduction of a non-monetary remuneration plan as other individual remuneration, etc. of Directors shall require a resolution of the Board of Directors. When introducing such a remuneration plan, the Board of Directors shall determine 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. based on the details of a report from the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

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

Of the remuneration, etc. of Directors, fixed remuneration shall be paid on a monthly basis, and performance-linked bonuses to be introduced as individual remuneration for Directors (excluding those who are Audit & Supervisory Committee Members) will be paid in a lump sum at a certain time each year. In addition, stock options with share price conditions and stock remuneration-type stock options shall take into consideration the timing of payment/granting, conditions, etc. based on stock options granted in the past, number of years in office, etc.

This shall not apply in cases where expenses to be paid as remuneration are separately incurred.

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

Individual remuneration, etc. of Directors (excluding those who are Audit & Supervisory Committee Members) shall be determined at a meeting of the Board of Directors based on the details of a report from the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

When issuing stock options with share price conditions and stock remuneration-type stock options to Directors (excluding those who are Audit & Supervisory Committee Members), a resolution of the General Meeting of Shareholders shall be obtained, and the content of the proposal of the General Meeting of Shareholders shall be determined at a meeting of the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

[Decision policy regarding the details of individual remuneration, etc. of Directors from the 18th term onward]

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

As individual monetary remuneration, etc. of Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors), the Company shall pay basic remuneration (fixed monetary remuneration) and performance-linked bonuses as short-term incentive remuneration for improving business performance in each fiscal year. The Company shall pay basic remuneration (fixed monetary remuneration) only to Outside Directors who are not Audit & Supervisory Committee Members.

The amount of individual basic remuneration for Directors who are not 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 position and responsibilities and business execution status of each Director and the Company's performance and economic conditions, etc.

The amount of individual performance-linked bonuses for Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors) shall be updated and determined each fiscal year, taking into consideration each Director's position and

responsibilities, etc. based on the degree of achievement against the performance targets for each fiscal year. In each fiscal year, the Company shall set a bonus base amount for each individual, which is the basis for calculation, and a payment coefficient based on the degree of achievement of performance targets, and the amount calculated by multiplying the bonus base amount by a payment coefficient ranging from 0% to 200% shall be paid. The performance target for each fiscal year shall be based on consolidated net sales and adjusted operating profit, which are the most important management indicators of the Company. The ratio of the total performance-linked bonus to total monetary remuneration in the case of 100% achievement of performance targets should be approximately 15%.

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 non-monetary remuneration

With regard to individual remuneration, etc. of Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors), stock options with share price conditions and stock remuneration-type stock options may be granted as medium- to long-term incentive remuneration. The ratio of these stock options to basic remuneration shall be decided and appropriate limits and conditions shall be set based on the business environment, remuneration level at other companies, etc. in order to make the stock options incentives that encourage the maximization of Directors' performance and willingness to contribute in addition to appropriate risk taking as a result of the further strengthening of the link with shareholder value.

The introduction of a non-monetary remuneration plan as other individual remuneration, etc. of Directors shall require a resolution of the Board of Directors. When introducing such a remuneration plan, the Board of Directors shall determine 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. based on the details of a report from the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

iii) Policy for determining the level, timing of payment/granting, and conditions of remuneration, etc. to Directors

Remuneration for Directors shall be designed with reference to the remuneration levels of companies of similar business size and in related industries and business categories, using the officers' remuneration database of an external research organization.

Among the remuneration, etc. for Directors, fixed remuneration shall be paid monthly, and the performance-linked bonus shall be paid in a lump sum at a certain time each year. In addition, stock options with share price conditions and stock remuneration-type stock options shall take into consideration the timing of payment/granting, conditions, etc. based on stock options granted in the past, number of years in office, etc.

This shall not apply in cases where expenses to be paid as remuneration are separately incurred.

iv) Matters concerning the decisions on remuneration, etc.

Individual remuneration, etc. of Directors who are not Audit & Supervisory Committee Members shall be decided at a meeting of the Board of Directors based on the details of a report from the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

In the event of issuing stock options with share price conditions and stock remuneration-type stock options for Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors), a resolution of the General Meeting of Shareholders shall be obtained, and details of the proposal for the General Meeting of Shareholders shall be determined at a meeting of the Board of Directors based on a report of the Nomination and Remuneration Advisory Committee following consultations with the said Committee.

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 bonus	Stock option	
Directors (excluding those who are Audit & Supervisory Committee Members) [of which Outside Directors]	305 [-]	229 [-]	14 [-]	61 [-]	5 [-]
Directors who are Audit & Supervisory Committee Members [of which Outside Directors]	23 [23]	23 [23]	- [-]	- [-]	4 [4]
Total [of which Outside Directors]	329 [23]	253 [23]	14 [-]	61 [-]	9 [4]

(Notes) 1. Taxation on Stock Options (Q&A) published by the National Tax Agency on May 30, 2023 states that trust-type stock options are subject to employment income taxation on the difference between the exercise price at the time of exercise and the market value of the shares at the time of exercise. As a response to the statement, the amount of basic remuneration for directors (excluding those who are Audit & Supervisory Committee Members) includes 80 million yen paid to two directors (excluding those who are Audit & Supervisory Committee Members) as a cover for the additional burden of unexercised trust-type stock options granted to them.

2. The performance targets, the basis for calculating the amount of performance-linked bonuses, are based on consolidated net sales, the most important management indicator. The performance target and actual results for the fiscal year under review were 33,878 million yen in consolidated net sales (achievement rate: 102.2%) against the target consolidated net sales of 33,164 million yen. The calculation method for the amount of performance-linked bonuses for the fiscal year under review is as follows:

Amount of performance-linked bonus = bonus base amount x payment coefficient

Payment coefficient

Performance target achievement rate	Payment coefficient
110% or more	200%
100% or more	120%
95% or more	80%
90% or more	50%
Under 90%	0%

3. The column "Stock option" shows the amount of expenses recorded in the fiscal year under review for share acquisition rights as stock options with share price conditions and stock remuneration-type stock options with share price conditions for Directors (excluding those who are Audit & Supervisory Committee Members).
4. The total annual amount of remuneration paid to Directors (excluding those who are Audit & Supervisory Committee Members) shall not exceed ¥300 million (however, excluding employee salaries), as resolved at the Extraordinary General Meeting of Shareholders held on January 30, 2019. Number of Directors (excluding those who are Audit & Supervisory Committee Members) at the conclusion of said General Meeting of Shareholders was five.
5. 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.
6. The maximum amount of remuneration for share acquisition rights as stock options with share price conditions for Directors (excluding those who are Audit & Supervisory Committee Members) was resolved at the 15th Annual General Meeting of Shareholders held on August 30, 2022, separate from the maximum amount of remuneration mentioned in 4. above, to be up to ¥250 million (the total number of these share acquisition rights issued within one year from the date of the said General Meeting of Shareholders is limited to 5,000). Number of Directors (excluding those who are Audit & Supervisory Committee Members) at the conclusion of said General Meeting of Shareholders was five. There was no issuance of share acquisition rights based on the resolution of the relevant General Meeting of Shareholders in the fiscal year under review. Details of share acquisition rights issued in the 16th fiscal year based on the resolution of the said General Meeting of Shareholders are as described in the column of the 9th Share Acquisition Rights under 2. Status of the Company, (2) Share acquisition rights, (i) Share acquisition rights

held by the Company's officers as the end of the fiscal year under review that have been delivered as consideration for their execution of duties.

7. The maximum amount of remuneration for share acquisition rights as stock remuneration-type stock options with share price conditions for Directors (excluding those who are Audit & Supervisory Committee Members) was resolved at the 16th Annual General Meeting of Shareholders held on August 29, 2023, separate from the maximum amount of remuneration mentioned in 4. and 6. above, to be up to ¥250 million (the total number of these share acquisition rights issued within one year from the date of the said General Meeting of Shareholders is limited to 3,000). Number of Directors (excluding those who are Audit & Supervisory Committee Members) at the conclusion of the said General Meeting of Shareholders was five. Details of share acquisition rights issued in the fiscal year under review based on the resolution of the said General Meeting of Shareholders are as described in the column of the 12th Share Acquisition Rights under 2. Status of the Company, (2) Share acquisition rights, (i) Share acquisition rights held by the Company's officers as the end of the fiscal year under review that have been delivered as consideration for their execution of duties.

- 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	Maki Suzuki	Attorney at Shintaro Sato Law Office	There is no special interest.
		Outside Director, Audit & Supervisory Committee Member of nms Holdings Corporation	There is no special interest.
		Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD.	A business relationship exists between said company and the Company relating to Sansan/Bill One 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/Bill One 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	A business relationship exists between said company and the Company relating to Sansan/Bill One 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.
		Outside Director of Double Standard Inc.	There is no special interest.
		Outside Director of jig.jp Co., Ltd.	There is no special interest.
		External Director of ispace Inc.	A business relationship exists between said company and the Company relating to Sansan/Bill One 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.
Outside Director	Toko Shiotsuki	Director (Full-time Audit and Supervisory Committee member) of CyberAgent, Inc.	A business relationship exists between said company and the Company relating to Sansan/Bill One 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.

Categories	Name	Concurrent positions	Relationship with the Company
Outside Director	Taro Saito	Representative Director of dof Inc.	There is no special interest.
		Outside Director of CARTA HOLDINGS Inc.	A business relationship exists between said company and the Company relating to Sansan/Bill One services. However the amount of those transactions for both parties is immaterial (less than 1% of the Company's sales) and the business relationship is not significant in terms of the occurrence of special interests.
		Director of CC Corporation	There is no special interest.
		Outside Director of for Startups, Inc.	A business relationship exists between said company and the Company relating to said company's 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 ZOZO, Inc.	A business relationship exists between said company and the Company relating to Sansan/Bill One 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 roles expected of Outside Directors
Outside Director (Audit & Supervisory Committee Member)	Maki Suzuki	She attended all 15 meetings of the Board of Directors, all 13 meetings of the Audit & Supervisory Committee, and all 3 meetings of the Nomination and Remuneration Advisory 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, governance, etc., drawing on her extensive insight and experience as an attorney at law. In addition, as chairperson of the Nomination and Remuneration Advisory Committee, she led deliberations on the selection of director candidates and the remuneration decision process.
Outside Director (Audit & Supervisory Committee Member)	Toru Akaura	He attended all 15 meetings of the Board of Directors, all 13 meetings of the Audit & Supervisory Committee, and all 3 meetings of the Nomination and Remuneration Advisory 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 as an independent officer, drawing on his longstanding work experience in the venture capital business and his extensive insight serving as an officer at other companies. In addition, as a member of the Nomination and Remuneration Advisory Committee, he participated in deliberations on the selection of director candidates and the remuneration decision process from an objective standpoint.
Outside Director (Audit & Supervisory Committee Member)	Toko Shiotsuki	She attended all 15 meetings of the Board of Directors, all 13 meetings of the Audit & Supervisory Committee, and all 3 meetings of the Nomination and Remuneration Advisory Committee held during the fiscal year under review. She accordingly furnishes remarks as necessary from an objective standpoint as an independent officer, primarily providing opinions from the perspective of auditing and supervision as well as diversity, by leveraging her broad insight in accounting, auditing and legal affairs based on her degrees as a junior accountant and a doctor of jurisprudence (professional) in addition to her work experience. In addition, as a member of the Nomination and Remuneration Advisory Committee, she participated in deliberations on the selection of director candidates and the remuneration decision process from an objective standpoint.
Outside Director (Audit & Supervisory Committee Member)	Taro Saito	He attended 14 out of all 15 meetings of the Board of Directors, all 13 meetings of the Audit & Supervisory Committee, and all 3 meetings of the Nomination and Remuneration Advisory Committee held during the fiscal year under review. He accordingly furnishes remarks as necessary from an objective standpoint as an independent officer, including providing opinions mainly on the Company's overall management and corporate governance based on his management perspective and extensive knowledge of branding and communication design, etc. In addition, as a member of the Nomination and Remuneration Advisory Committee, he participated in deliberations on the selection of director candidates and the remuneration decision process from an objective standpoint.

3. Financial Auditor

(1) Name

KPMG AZSA LLC

(2) Amount of remuneration

(Millions of yen)

	Amount of remuneration
Amount of remuneration for the Financial Auditor for the fiscal year under review	33
Total amount of money and other economic benefits that the Company and its subsidiaries should pay to the Financial Auditor	37

- (Notes) 1. In the audit agreement between the Company and the Financial Auditor, the amount of remuneration for audit under the Companies Act and audit under the Financial Instruments and Exchange Act are not clearly distinguished. As it is not possible to effectively distinguish them, the total amount of both remunerations is described as the amount of remuneration for the Financial Auditor for the fiscal year under review.
2. The Audit & Supervisory Committee has concluded that the remuneration of the Financial Auditor is appropriate and consented to it after confirming the details of the audit plan of the Financial Auditor, the status of performing duties of financial audits, the suitability of the estimate of remuneration for the Financial Auditor and other factors.
3. Among the principal subsidiaries of the Company, Sansan Global Pte. Ltd., Sansan Global Development Center, Inc., and Sansan Global (Thailand) Co., Ltd. are audited by a financial auditor other than the Company's Financial Auditor.

(3) Details of non-audit services

Not applicable.

(4) Policy on decisions of dismissal or non-reappointment of the Financial Auditor

If deemed necessary by the Audit & Supervisory Committee in cases such as where the Financial Auditor has difficulty in executing audit duties, the Audit & Supervisory Committee shall decide the content of a proposal regarding the dismissal or non-reappointment of the Financial Auditor to be submitted to a general meeting of shareholders.

If the Audit & Supervisory Committee determines that any of the provisions of Article 340, paragraph (1) of the Companies Act applies with respect to the Financial Auditor, it shall dismiss the Financial Auditor based on a resolution by the Audit & Supervisory Committee. In this case, the Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee shall present a report stating the purport of the dismissal of the Financial Auditor and the reasons therefor to the first general meeting of shareholders convened after the dismissal.

4. System to ensure the properness of business operations (Internal control system)

(1) Overview of decisions on the system to ensure the properness of business operations

Overview of decisions on the system to ensure that the execution of duties by Directors complies with laws and regulations as well as the Articles of Incorporation, and other systems to ensure the properness of business operations of the Company and business operations of the corporate group composed of its subsidiaries (Basic Policy on Internal Control Systems) is as follows.

- (i) System to ensure that the execution of duties by Directors and employees complies with laws and regulations as well as the Articles of Incorporation (System for strict compliance with laws and regulations and the Articles of Incorporation)

Directors and employees carry out appropriate corporate activities based on high ethical standards and comply with laws and regulations and internal rules such as the Articles of Incorporation in accordance with the Company's corporate philosophy and code of conduct, "The Katachi of Sansan."

Establish the Compliance Committee to oversee the compliance systems, with the Representative Director & CEO as the person who has the ultimate responsibility for compliance, and while determining policies and measures related to compliance, monitor the progress of such policies and measures and promote compliance.

Develop rules for a Whistle-Blower System, and strive to ensure awareness and compliance with the rules to prevent illegal, inappropriate or unethical behavior by Directors, employees, etc., and to detect issues at an early stage, implement corrective measures and prevent recurrence.

Establish the Internal Auditing Department, an independent entity under the direct supervision of the Representative Director & CEO, and implement audits based on internal audit regulations to verify if execution of business operations is being conducted based on laws and regulations, the Articles of Incorporation, and internal and other rules while at all times strive to make improvements when issues are discovered.

- (ii) System for storage and management of information related to execution of duties by Directors (Information storage and management system)

The Company shall appropriately prepare, store and manage documents, business forms, various information such as records made in an electronic format based on the Rules on Information Asset Management, after classifying according to level of confidentiality.

Directors may access these documents and records at any time.

- (iii) Rules and other systems for managing risk of loss (Risk management system)

Appropriately manage a host of potential risks in the Company's business activities through the establishment of internal rules and a response system.

For risks identified at each department through the execution of business operations, internal audit process, etc., assess the risks from the perspective of the frequency of occurrence and impact level, and strive to prevent and early detect risks.

Due to the nature of the Company's business, give utmost priority to the appropriate handling of personal information, appoint a person in charge of personal information protection, and make efforts to minimize the risks associated with the management of personal information by establishing internal rules centered on a set of basic regulations for the protection of personal information. Reduce information security risks by appointing a chief information security officer with responsibility and authority for information security risks and risk management and establishing rules on management of information systems.

Establish a system for promptly and appropriately reporting, managing and responding in the event that an incident occurs or any kind of risk arises. Directors shall immediately report to the Audit & Supervisory Committee in the event of an incident or any kind of risk arising that may cause a major loss to the Company.

- (iv) System to ensure that the duties of the Directors are being carried out efficiently (System for securing efficiency)

In accordance with laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors, hold regular meetings of the Board of Directors once a month and convene extraordinary meetings of the Board of Directors as needed in order to discuss and make decisions on management plans and other important matters, receive reports from Executive Directors, and supervise the status of business execution.

In order to realize agile execution of business operations based on the decisions and delegations of the Board of Directors, we have established a management committee consisting of executive directors and others, and through the development and operation of the executive officer system and organizational regulations, establish suitable and efficient decision-making and business-execution systems, and clarifying areas of responsibility and authority related to corporate organs, organizational structures and positions.

- (v) System to ensure the properness of business operations of the corporate group composed of the Company and its subsidiaries (Internal control of corporate group)

The Company and its subsidiaries, etc., which comprise the Sansan Group, have held up a policy to carry out appropriate corporate activities based on high ethical standards and to comply with policies and rules applied group-wide, their respective corporate philosophy and code of conduct as well as applicable laws and regulations and internal rules, such as the Articles of Incorporation, and endeavor to develop fair and responsible business to contribute to sustainable growth of the Sansan Group.

In addition, as the basic policy for involvement in management of its subsidiaries, the Company has established the Rules on Management of Subsidiaries and maintains a system in which group governance can function, such as concluding business management agreements with the subsidiaries for establishing systems that require the Company's approval or reporting to the Company regarding important matters in business operations of the subsidiaries.

The Internal Auditing Department implements regular audits in order to verify if the business operations of the Company and its subsidiaries are in compliance with laws and regulations, the Articles of Incorporation, internal rules, and other regulations.

- (vi) Internal control system for financial reporting (System to ensure properness of financial reporting)

In order to secure the properness of financial reporting of the Company and its subsidiaries, the Company shall develop and appropriately operate internal rules, including the Basic Policy on Internal Controls Related to Financial Reporting, based on the Financial Instruments and Exchange Act and other laws and regulations in Japan and overseas that apply to the Company and its subsidiaries.

In addition, develop and operate a monitoring system for financial reporting and establish a system for timely and appropriate reporting when internal control system problems or defects are identified through the monitoring system.

In terms of information infrastructure, effective and efficient use of the internal control system is made for financial reporting and the Company shall respond appropriately with respect to general control and application control of that structure.

- (vii) Matters related to the Office that assists the duties of the Audit & Supervisory Committee, matters related to the independence of members of that Office, and matters on ensuring the practicability of instructions to those members (Establishing an Office and Office member for the Audit & Supervisory Committee) (Independence of the Office member for the Audit &

Supervisory Committee) (Ensuring practicability of instructions to the Office member of the Audit & Supervisory Committee)

Establish an Office under the direct control of the Audit & Supervisory Committee and an Office member is designated to assist the duties of the Committee's members on a full time basis.

The supervisory authority over that Office member is to belong exclusively to the Audit & Supervisory Committee and the appointment, transfer, performance evaluation, disciplinary action, and other matters regarding the member require the approval of, and prior notification to, the Audit & Supervisory Committee.

- (viii) System for submitting reports to the Audit & Supervisory Committee, which includes the system for Directors and employees to report to the Audit & Supervisory Committee (System for reporting to the Audit & Supervisory Committee)

Directors and employees shall promptly inform the Audit & Supervisory Committee of any matter that may have a significant impact on the Company and the implementation status of internal audits as well as legal matters, and provide necessary reports and information in response to requests from the Audit & Supervisory Committee.

Ensure that there is an appropriate reporting system in accordance with the rules for a Whistle-Blower System. The Company shall not treat any Director or employee unfavorably on the basis of said Director or employee using the System to give a report.

- (ix) Other systems for ensuring the effectiveness of audits by the Audit & Supervisory Committee (Systems for ensuring the effectiveness of audits by the Audit & Supervisory Committee)

The Company ensures the efficiency and effectiveness of audits by having an Audit & Supervisory Committee member or an Office member of the Audit & Supervisory Committee attend meetings of the Board of Directors or other important meetings and gather information necessary for the audits.

The Representative Director & CEO shall meet regularly with the Audit & Supervisory Committee and Financial Auditor to exchange opinions and communicate effectively.

The Audit & Supervisory Committee shall meet regularly with the Financial Auditor to exchange opinions, as well as exchange information with auditing organizations at all times, such as by receiving the audit plan and reports on the results of auditing from the Internal Auditing Department.

The operation status of the Compliance System and other compliance systems shall be regularly reported to the Audit & Supervisory Committee.

Payments of reasonable costs incurred in the process of executing the duties of the Audit & Supervisory Committee member shall be addressed upon a request for payment.

- (2) Overview of operational status of the system to ensure the properness of business operations

The Company has established and implemented an internal control system based on the aforementioned Basic Policy on Internal Control Systems. An overview of its operational status is as follows.

During the fiscal year under review, the Company held 15 meetings of the Board of Directors. Outside Directors that have no conflict of interest with the Company were always in attendance to ensure that Directors executed their duties lawfully and to improve the efficiency of the Directors' execution of duties, and exchanged opinions with the Executive Directors. In addition, the Company held 13 meetings of the Audit & Supervisory Committee, which is composed of four Outside Directors. The Company has established the Office member dedicated to the Audit & Supervisory Committee, who provides reports regarding the status of internal audit implementation, as well as reports and information as requested by the Audit & Supervisory Committee. Furthermore, with regard to the Board of Directors, in addition to the aforementioned meetings of the Board of Directors held, there were four resolutions in writing, which were deemed to be equivalent to

resolutions by a meeting of the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and Article 24 of the Articles of Incorporation of the Company. In addition, in the fiscal year under review, the Company established a management committee consisting of all full-time directors and executives in charge, which contributes to the appropriate and prompt execution of business by the Board of Directors and executives in charge, etc.

With regard to the system for complying with laws and regulations and ensuring the appropriateness of business operations, annual comprehensive audits of all the departments of head office continued to be set up with the 17th Internal Audit Plan made a core part of those activities, and internal audits aimed at contributing to establishing and strengthening group-wide systems have been implemented through a process of identifying issues based on a close examination from a chronological perspective. Audit results are explained to the audited divisions and the status of improvement is examined. In addition, efforts are made to further enhance the internal control system through cooperation with the Audit & Supervisory Committee and other measures.

With regard to risk management, a list of accidents and emergencies with the potential to cause the leakage of personal information is reported to the Board of Directors on a monthly basis, and every effort is made to identify potential risks. Employees, including temporary employees receive training on protecting personal information in order to deepen knowledge and understanding of the appropriate handling of personal information. Also, both permanent employees and contract employees are encouraged to acquire certification as Protection of Individual Information Person, and the Company is keeping record of such certification acquirement. Furthermore, with regard to the development of basic regulations for the protection of personal information, and checking the status of its implementation, audits are implemented in accordance with the annual audit plan that is formulated by the person in charge of the protection of personal information. With regard to other matters concerning information security of the Company, vulnerability and penetration tests are implemented, and vulnerability countermeasures are taken from an objective perspective.

With regard to the subsidiary management system, the Company has entered into business management agreements with subsidiaries in the scope of consolidation based on subsidiary management rules, and keeps track of the status of business execution through prior approval of important matters, etc. It also shares issues and provides guidance and advice in terms of business operations. In the case of each of the subsidiaries overseas, the Company secures the suitability of proper business operations from the perspective of the Company and the subsidiary by requiring that it has an audit undertaken by a local audit firm.

With regard to the internal control system for financial reporting, the Internal Auditing Department implemented evaluation in accordance with the internal controls evaluation annual plan pursuant to the Basic Policy on Internal Controls Related to Financial Reporting, one of the Company's internal rules. As a result of implementing roll-forward procedures for each of the evaluation items based on evaluations provided during the period, it was confirmed that the internal controls for the fiscal year under review were effective.

5. 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.

6. 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.

We have established a medium-term financial policy that aims for continued solid sales growth and accelerated growth in adjusted operating profit from the 18th fiscal year (ending May 31, 2025) through the 20th fiscal year (ending May 31, 2027). In addition to this policy, we will consider flexibly implementing share buybacks as part of shareholder returns, taking into comprehensive consideration the current financial situation, stock price trends, and the dilution ratio of shares resulting from the issuance and exercise of stock options.

During the fiscal year under review, given that our business remains in the growth stage at this point in time, we have accordingly opted to forgo payment of a dividend in the belief that the greatest return on profits to shareholders will come from enhancing internal reserves and making the investments necessary for business expansion, in addition to strengthening our financial position.

The Company's Articles of Incorporation stipulate that the Company may determine the matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, including the distribution of surplus, by a resolution of the Board of Directors, unless otherwise provided by laws and regulations. Our basic policy is to furnish 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.

Consolidated balance sheet

(As of May 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	27,671	Current liabilities	19,004
Cash and deposits	24,874	Accounts payable - trade	637
Accounts receivable - trade	1,229	Current portion of long-term borrowings	930
Prepaid expenses	884	Accounts payable - other	1,701
Other	715	Income taxes payable	315
Allowance for doubtful accounts	(34)	Accrued consumption taxes	676
Non-current assets	9,920	Advances received	13,660
Property, plant and equipment	520	Provision for bonuses	846
Buildings and structures	313	Other	235
Other	206	Non-current liabilities	3,815
Intangible assets	1,610	Long-term borrowings	3,549
Software	691	Provision for retirement benefits for directors (and other officers)	53
Goodwill	919	Retirement benefit liability	58
Other	0	Deferred tax liabilities	1
Investments and other assets	7,790	Other	152
Investment securities	3,799	Total liabilities	22,819
Leasehold deposits	2,528	Net assets	
Deferred tax assets	950	Shareholders' equity	13,792
Other	511	Share capital	6,774
		Capital surplus	4,371
		Retained earnings	2,648
		Treasury shares	(2)
		Accumulated other comprehensive income	213
		Valuation difference on available-for-sale securities	134
		Foreign currency translation adjustment	79
		Share acquisition rights	638
		Non-controlling interests	128
		Total net assets	14,772
Total assets	37,592	Total liabilities and net assets	37,592

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

Consolidated statement of income

(From June 1, 2023 to May 31, 2024)

(Millions of yen)

Item	Amount	
Net sales		33,878
Cost of sales		5,064
Gross profit		28,814
Selling, general and administrative expenses		27,477
Operating profit		1,337
Non-operating income		
Interest income	4	
Subsidy income	16	
Surrender value of insurance policies	12	
Other	16	49
Non-operating expenses		
Interest expenses	16	
Foreign exchange losses	25	
Commission expenses	3	
Loss on investments in investment partnerships	40	
Loss on withdrawal from business	27	
Penalty loss on cancellation of rental contracts	19	
Other	29	163
Ordinary profit		1,224
Extraordinary income		
Gain on reversal of share acquisition rights	2	
Gain on sale of investment securities	37	40
Extraordinary losses		
Loss on retirement of non-current assets	15	
Loss on sale of investment securities	13	
Loss on valuation of investment securities	380	409
Profit before income taxes		855
Income taxes - current	301	
Income taxes - deferred	(363)	(61)
Loss		917
Loss attributable to non-controlling interests		(35)
Profit attributable to owners of parent		953

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

Consolidated statement of changes in equity

(From June 1, 2023 to May 31, 2024)

(Millions of yen)

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

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

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

Notes to consolidated financial statements

1. Notes regarding significant accounting policies for preparation of consolidated financial statements

(1) Disclosure of scope of consolidation

(i) Consolidated subsidiaries

- Number of consolidated subsidiaries: 8
- Names of consolidated subsidiaries:
Sansan Global Pte. Ltd.
Sansan Corporation
Sansan Global Development Center, Inc.
Sansan Global (Thailand) Co., Ltd.
logmi, Inc.
CREATIVE SURVEY INC.
Institute of Language Understanding Inc.
One other company

Change in scope of consolidation

In the fiscal year under review, Institute of Language Understanding Inc. and Sansan Global (Thailand) Co., Ltd. were included in the scope of consolidation due to acquisition of shares and its establishment, respectively.

(ii) Disclosure about fiscal years, etc. of consolidated subsidiaries

The balance sheet date of the financial statements of all consolidated subsidiaries coincides with the balance sheet date of the consolidated financial statements of the Company.

(2) Disclosure of accounting policies

(i) Accounting policy for measuring significant assets

a. Other securities (available-for-sale securities)

Securities other than shares with no market price, etc.

Stated at the quoted market price. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of sales is determined using the moving-average method.

Shares with no market price, etc.

Stated at cost using the moving-average method

Investments in limited partnerships and similar investments

The most recent financial statements available according to the financial reporting date stipulated in the partnership agreement are used as the basis for calculating the net amount equivalent to the Company's equity interest. If the partnership holds other securities and have valuation difference, share of valuation difference for using equity method is recorded under valuation difference on available-for-sale securities.

b. Inventories

Work in process

Stated at cost using the identified cost method (consolidated balance sheet amounts are determined based on the method of writing down the book value in accordance with the declining in profitability of assets)

(ii) Accounting policy for depreciation of significant assets

a. Property, plant and equipment (excluding leased assets)

Facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method, and other property, plant and equipment are depreciated using the declining-balance method.

- b. Intangible assets (excluding leased assets)
Amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its useful life as internally determined (3 years).
- c. Leased assets
- Leased assets related to finance lease transactions that transfer ownership
Leased assets related to finance lease transactions that transfer ownership are depreciated by the same approach as the depreciation method applied to non-current assets owned by lessee.
 - Leased assets related to finance lease transactions that do not transfer ownership
Leased assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming the lease periods as useful lives without residual value.
- (iii) Accounting policy for deferred assets
Share issuance costs
Share issuance costs are fully recognized as expenses when incurred.
- (iv) Accounting policy for significant provisions
- a. Allowance for doubtful accounts
To prepare for losses from bad debts, an estimated uncollectible amount is provided by using the historical rate of credit loss in the case of general receivables, or based on individual consideration of collectability in the case of specific receivables such as highly doubtful receivables.
- b. Provision for bonuses
A reserve for the employee bonus payment is provided by recording the estimated amounts of the future payments attributed to the fiscal year under review.
- c. Provision for retirement benefits for directors (and other officers)
To prepare for the provision of retirement benefits for directors (and other officers), some consolidated subsidiaries record the required amounts to the fiscal year under review in accordance with the Company's internal regulations.
- (v) Accounting policy for retirement benefits
- a. Application of the simplified method at small scale companies, etc.
In calculating provision and expense of retirement benefits, some consolidated subsidiaries apply the simplified method that uses the required amount for voluntary resignation at the end of the fiscal year concerning retirement benefits as retirement benefit obligations.
- (vi) Accounting policy for revenue and expense
- Sansan/Bill One Business
The services to be transferred over a certain period include a sales DX solution Sansan and cloud-based invoice management solution service Bill One, and as these main services are provided throughout the course of the contract period, revenue is recognized by apportioning the transaction price based on the contract with the client over the service provision period set forth in the contract.
In addition, for the pay as you go portion of Sansan business cards and Bill One invoice data conversion, the amount calculated in accordance with the number of subject business cards or invoices, and the unit price based on the contract is recognized as revenue.
- Eight Business
The services to be transferred over a certain period include B2C business card management service for individuals Eight Premium, B2B business card management service for companies Eight Team, as well as recruitment-related services and advertisement distribution services. As these are services that are provided over the course of the contract period, the total transaction price under the contract with the client for the service provision period prescribed in the contract is apportioned and recognized as revenue.

Goods or services that are to be transferred at one time include B2B recruitment-related services, advertising services, and various business event services.

In the event of an advertisement bring created in the advertising service and provided to the client, revenue is recognized at the time the advertisement is transferred to the client. In addition, in the event business service, as goods or services are transferred to the client through the holding of an event, revenue is recognized on each occasion that an event is held.

(vii) Method and period for amortization of goodwill

Goodwill is amortized over a ten-year period using the straight-line method.

(viii) Accounting policy for foreign currency translation

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated balance sheet date, and differences arising from the foreign exchange are recognized as gains or losses. Assets and liabilities of the foreign subsidiaries are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated balance sheet date, while revenues and expenses of foreign subsidiaries are translated into Japanese yen at the average exchange rate during the fiscal year under review. Differences arising from these translations are included in foreign currency translation adjustment under net assets.

2. Notes regarding accounting estimates

Recoverability of deferred tax assets

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

Deferred tax assets	¥1,027 million (before offset)
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(2) Other information to assist understanding of the content of estimates

Deferred tax assets have been calculated using estimates of the future timing at which taxable income will be generated and the amounts thereof based on business plans. Those estimates may be affected by uncertain future changes in economic conditions, etc. If the timing at when taxable income is actually generated and the amounts thereof differ from the estimates, the amount of deferred tax assets recognized in the consolidated financial statements for the next fiscal year may be significantly affected.

Valuation of goodwill

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

Goodwill	¥919 million
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(2) Other information to assist understanding of the content of estimates

In the case where a test is made for indicators of impairment and indicators of impairment are identified, the Company determines whether recognition of impairment loss on goodwill is necessary or not by calculating the undiscounted future cash flows for the period corresponding to the remaining goodwill amortization period based on the business plan and comparing that with the carrying amount. If it is determined that recognition of impairment loss is necessary, the carrying amount of that goodwill is reduced to the recoverable amount and the amount of the reduction is recognized as the impairment loss.

This estimate could be affected by such unpredictable changes as the business environment in the future, and if the estimated future cash flow were to deteriorate, it may become necessary to recognize impairment loss in the consolidated financial statements in the following fiscal year.

Valuation of investment securities

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

Investment securities	¥2,599 million (unlisted stocks)
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Accounts payable – trade and accounts payable - other classified as operating payables are all due within one year.

Long-term borrowings are mainly taken out to fund working capital and investment capital requirements and the longest maturity from the date of the balance sheet is four years and seven months.

(iii) System for managing risks associated with financial instruments

a. Credit risk management (risks associated with non-performance of contract by counterparties)

For accounts receivable - trade, which refers to the amount owed to us through trade, the Group will ensure that the Finance and Accounting Division will maintain regular contact with the business units regarding outstanding balances and status of payments for each customer, and make every effort to quickly identify and reduce collection concerns arising from the deterioration of our customers' financial status in accordance with the detailed rules for handling collection of receivables of the Group.

For investment securities, financial conditions of issuers are assessed on a regular basis.

For leasehold deposits, the responsible department monitors statuses as necessary to seek for an early identification of collectability concern in order to mitigate risk of non-performance caused by deteriorated financial condition of counterparties and other factors.

b. Management of liquidity risks associated with fund procurement (risks associated with non-repayment on due date)

The administrative division manages liquidity risk by preparing and renewing cash management plans in a timely manner while maintaining liquidity in hand.

(iv) Supplemental information on fair values of financial instruments

The fair values of financial instruments include the value based on market prices and reasonably estimated values if there are no market prices. Because the calculation of such values incorporates variable factors, the values may vary in case where different assumptions, etc. are used.

(2) Matters relating to fair value of financial instruments

The table below shows the amounts of financial instruments recorded in the consolidated balance sheet and their fair values as of May 31, 2024, as well as their differences. It should be noted that shares with no market price, etc., are not included in the table below. (Refer to (Note 3).)

(Millions of yen)			
	Consolidated balance sheet amount	Fair value	Difference
Investment securities	299	299	–
Leasehold deposits	2,528	2,504	(24)
Total assets	2,828	2,803	(24)
Long-term borrowings	4,479	4,474	(5)
Total liabilities	4,479	4,474	(5)

- (Notes) 1. “Cash and deposits,” “accounts receivable - trade,” “accounts payable - trade,” and “accounts payable - other” have been omitted because they are cash and have a market value that is close to the book value due to being settled in a short period of time.
2. “Long-term borrowings” include the current portion of long-term borrowings.
3. Shares with no market price, etc., are not included in “Investment securities.” The amount recorded on the consolidated balance sheet for the applicable financial instrument is as indicated below.

(Millions of yen)

Categories	Consolidated balance sheet amount
Investment securities	
Other securities (unlisted shares)	2,599
Investments in investment limited partnerships	880
J-KISS type share acquisition rights	20

- (3) Matters relating to the breakdown of the market value of financial instruments for each appropriate category

The market value of financial instruments is categorized into the following three levels, in accordance with the observability and importance of the inputs relating to the calculation of market value.

Level 1 market price: Of the inputs relating to the calculation of observable market price, the market price calculated in accordance with the market price of the asset or liability established in an active market that is subject to the calculation of market value

Level 2 market price: Of the inputs relating to the calculation of observable market value, the market value calculated through the use of inputs relating to the calculation of market value other than the inputs of level 1

Level 3 market price: The market price calculated through the use of inputs relating to the calculation of non-observable market value

In the event of a plurality of inputs that have an important impact on the calculation of market price being used, of the respective levels to which these inputs belong, the market price is categorized to the lowest priority level in the calculation of market value.

- (i) Financial assets and financial liabilities recorded on the consolidated balance sheet at market value

(Millions of yen)

Categories	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities (available-for-sale securities)				
Shares	299	–	–	299
Total assets	299	–	–	299

- (ii) Financial assets and financial liabilities not recorded on the consolidated balance sheet at market value

(Millions of yen)

Categories	Fair value			
	Level 1	Level 2	Level 3	Total
Leasehold deposits	–	2,504	–	2,504
Total assets	–	2,504	–	2,504
Long-term borrowings	–	4,474	–	4,474
Total liabilities	–	4,474	–	4,474

- (Note) Explanation of appraisal method used to calculate market value and the inputs relating to the calculation of market value

Investment securities

Listed shares are valued through the use of market prices, and as they are traded in active markets, their market value is classified as level 1 market value.

Leasehold deposits

The market value of leasehold deposits is calculated based on the present value of future cash flows discounted by the period through to the due date and the yield of high security long term bonds, and is categorized as level 2 market value.

Long-term borrowings

These market values are calculated by the discounted current value method based on the total amount of principal and interest, as well as the remaining period of the debt and an interest rate that considers credit risk, and are categorized as level 2 market values.

6. Notes regarding the revenue recognition

(1) Information on disaggregation of revenue from contracts with customers

(Millions of yen)

Segment classification	The fiscal year under review
Sansan/Bill One Business	
Sansan (Recurring)	21,507
Sansan (Other)	1,379
Bill One	6,166
Other	884
Eight Business	
B2C Services	347
B2B Services	3,195
Other Business	397
Revenue from contracts with customers	33,878
Sales to external customers	33,878

(2) Information serving as basis for the ascertaining of revenue from contracts with customers

The information serving as basis for the ascertaining of revenue is as stated in “1. Notes regarding significant accounting policies for preparation of consolidated financial statements (2) Disclosure of accounting policies (vi) Accounting policy for revenue and expense.”

(3) Information for ascertaining the amount of revenue for the fiscal year under review and the following fiscal year

(i) Balance, etc., of contract assets and contract liabilities

Contract assets are receivables based on contracts with customers in each service.

Advances received, which are a type of contract liability, are advances received through the lump sum payment of fees for the term of a contract by the customer, and are transferred to sales at the time of the provision of the service or over the course of the period that the service is provided.

The balances of receivables from contracts with customers, and contract liabilities were as follows: Among the revenue recognized during the fiscal year under review, the amount that was included in the closing balance of contract liabilities (advances received) was ¥10,599 million.

(Millions of yen)

	The fiscal year under review
Credits from contracts with customers	
Accounts receivable - trade (beginning balance)	1,180
Accounts receivable - trade (ending balance)	1,229
Contract liabilities	
Advances received (beginning balance)	10,720
Advances received (ending balance)	13,651

(ii) Transaction price allocated to the remaining performance obligations

Total transaction price allocated to the remaining performance obligations and time when revenues are expected to be recognized as of May 31, 2024.

For notes on transaction prices allocated to the remaining performance obligations, the Group has applied a practical expedient, and contracts with the original expected contract period of one year or less are not included in the scope of the notes.

(Millions of yen)	
	The fiscal year under review
Within one year	120
Over one year	115
Total	235

7. Notes regarding per share information

(1) Net assets per share	¥111.30
(2) Basic profit per share	¥7.59

8. Notes regarding significant events after reporting period

Issuance of the 13th Share Acquisition Rights

At the meeting of the Board of Directors held on July 11, 2024, the Company resolved to issue the 13th Share Acquisition Rights to employees of the Company and employee of the Company's subsidiary in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act.

13th Share Acquisition Rights

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

Notes 1. Persons who have received an allotment of the share acquisition rights (the "Share Acquisition Rights Holder") may exercise their share acquisition rights if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the allotment date of the share acquisition rights to the end of the period of exercise of the rights (July 11, 2034) exceeds ¥3,987.

However, in the event of a share split or reverse share split after the date of allotment, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\begin{array}{rcl} \text{Share price} & & \text{Share price} \\ \text{after} & = & \text{before} \\ \text{adjustment} & & \text{adjustment} \end{array} \times \frac{1}{\text{Split (or Reverse split) ratio}}$$

- The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.
- In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
- Pledging of share acquisition rights, or the creation of security interests shall not be permitted.

5. The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
6. It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

Issuance of the 14th Share Acquisition Rights (compensatory stock options)

At the meeting of the Board of Directors held on July 11, 2024, the Company resolved to issue the 14th Share Acquisition Rights to Directors and Executive Officers of the Company in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act.

14th Share Acquisition Rights

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

- Notes
1. Persons who have received an allotment of the share acquisition rights (the "Share Acquisition Rights Holder") may exercise their share acquisition rights only if the amount of net sales in the Company's consolidated statement of income for the fiscal year ending May 31, 2025 exceeds ¥43,303 million. In determining the net sales amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company's Board of Directors.
 2. The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.
 3. In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
 4. Pledging of share acquisition rights, or the creation of security interests shall not be permitted.
 5. The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
 6. It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

Share Repurchase

A resolution was passed at the Board of Directors' meeting held on July 11, 2024 regarding the following matters pertaining to share repurchases, pursuant to the Articles of Incorporation as applied pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act of Japan.

1. Reason for share repurchase

In addition to the Company's strong performance for the fiscal year ended May 31, 2024 that was driven by growth in our main business, we have set medium-term financial strategies to accelerate profit growth while continuing to invest for sales growth from the fiscal year ending May 31, 2025 through the fiscal year ending May 31, 2027. Based on these circumstances, we have determined that we are now in a financial condition to return profits to shareholders. Specifically, we will repurchase

our own shares as part of our shareholder returns, taking into consideration share price trends and the share dilution ratio resulting from the issuance of share options.

2. Details of share repurchase

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

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

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

Non-consolidated balance sheet

(As of May 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	26,582	Current liabilities	18,637
Cash and deposits	23,858	Accounts payable - trade	629
Accounts receivable - trade	1,106	Current portion of long-term borrowings	930
Prepaid expenses	857	Lease liabilities	39
Other	794	Accounts payable - other	1,713
Allowance for doubtful accounts	(34)	Income taxes payable	307
Non-current assets	10,803	Accrued consumption taxes	636
Property, plant and equipment	469	Advances received	13,402
Buildings	307	Deposits received	103
Tools, furniture and fixtures	45	Provision for bonuses	819
Leased assets	103	Other	55
Other	12	Non-current liabilities	3,701
Intangible assets	689	Long-term borrowings	3,549
Software	689	Lease liabilities	74
Investments and other assets	9,644	Other	77
Investment securities	3,799	Total liabilities	22,339
Shares of subsidiaries and associates	1,823	Net assets	
Long-term loans receivable from subsidiaries and associates	50	Shareholders' equity	14,274
Leasehold deposits	2,515	Share capital	6,774
Deferred tax assets	950	Capital surplus	4,514
Other	505	Legal capital surplus	4,514
		Retained earnings	2,986
		Other retained earnings	2,986
		Voluntary retained earnings	150
		Retained earnings brought forward	2,836
		Treasury shares	(2)
		Valuation and translation adjustments	134
		Valuation difference on available-for-sale securities	134
		Share acquisition rights	638
		Total net assets	15,046
Total assets	37,386	Total liabilities and net assets	37,386

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

Non-consolidated statement of income

(From June 1, 2023 to May 31, 2024)

(Millions of yen)

Item	Amount	
Net sales		32,519
Cost of sales		4,806
Gross profit		27,712
Selling, general and administrative expenses		26,153
Operating profit		1,559
Non-operating income		
Interest income	1	
Subsidy income	16	
Other	26	44
Non-operating expenses		
Interest expenses	16	
Commission expenses	3	
Foreign exchange losses	22	
Loss on investments in investment partnerships	40	
Loss on withdrawal from business	27	
Penalty loss on cancellation of rental contracts	19	
Other	29	160
Ordinary profit		1,443
Extraordinary income		
Gain on reversal of share acquisition rights	2	
Gain on sale of investment securities	37	40
Extraordinary losses		
Loss on retirement of non-current assets	15	
Loss on sale of investment securities	13	
Loss on valuation of investment securities	380	409
Profit before income taxes		1,074
Income taxes - current	292	
Income taxes - deferred	(369)	(76)
Profit		1,151

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

Non-consolidated statement of changes in equity

(From June 1, 2023 to May 31, 2024)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
				Voluntary retained earnings	Retained earnings brought forward			
Balance at beginning of period	6,582	4,322	4,322	150	1,685	1,835	(2)	12,738
Changes during period								
Issuance of new shares	192	192	192					384
Profit					1,151	1,151		1,151
Net changes in items other than shareholders' equity								-
Total changes during period	192	192	192	-	1,151	1,151	-	1,535
Balance at end of period	6,774	4,514	4,514	150	2,836	2,986	(2)	14,274

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	156	156	457	13,352
Changes during period				
Issuance of new shares				384
Profit				1,151
Net changes in items other than shareholders' equity	(22)	(22)	181	158
Total changes during period	(22)	(22)	181	1,694
Balance at end of period	134	134	638	15,046

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

Notes to non-consolidated financial statements

1. Notes regarding matters relating to significant accounting policies

(1) Accounting policy for measuring assets

(i) Shares of subsidiaries and affiliates

Stated at cost using the moving-average method

(ii) Other securities (available-for-sale securities)

Securities other than shares with no market price, etc.

Stated at the quoted market price. Net unrealized gains or losses on these securities are reported as a separate component of net assets at a net-of-tax amount. Cost of sales is determined using the moving-average method.

Shares with no market price, etc.

Stated at cost using the moving-average method

Investments in limited partnerships and similar investments

The most recent financial statements available according to the financial reporting date stipulated in the partnership agreement are used as the basis for calculating the net amount equivalent to the Company's equity interest. If the partnership holds other securities and have valuation difference, share of valuation difference for using equity method is recorded under valuation difference on available-for-sale securities.

(iii) Inventories

Work in process

Stated at cost using the identified cost method (balance sheet amounts are determined based on the method of writing down the book value in accordance with the declining in profitability of assets)

(2) Accounting policy for depreciation of assets

(i) Property, plant and equipment (excluding leased assets)

Facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method, and other property, plant and equipment are depreciated using the declining-balance method.

(ii) Intangible assets (excluding leased assets)

Amortized using the straight-line method.

Software for internal use is amortized using the straight-line method over its useful life as internally determined (3 years).

(iii) Leased assets

- Leased assets related to finance lease transactions that transfer ownership

Leased assets related to finance lease transactions that transfer ownership are depreciated by the same approach as the depreciation method applied to non-current assets owned by lessee.

- Leased assets related to finance lease transactions that do not transfer ownership

Leased assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming the lease periods as useful lives without residual value.

(3) Accounting policy for deferred assets

Share issuance costs

Share issuance costs are fully recognized as expenses when incurred.

(4) Accounting policy for provisions

(i) Allowance for doubtful accounts

To prepare for losses from bad debts, an estimated uncollectible amount is provided by using the historical rate of credit loss in the case of general receivables, or based on individual consideration of collectability in the case of specific receivables such as highly doubtful receivables.

(ii) Provision for bonuses

A reserve for the employee bonus payment is provided by recording the estimated amounts of the future payments attributed to the fiscal year under review.

(5) Accounting policy for revenue and expense

Sansan/Bill One Business

The services to be transferred over a certain period include a sales DX solution Sansan and cloud-based invoice management solution service Bill One, and as these main services are provided throughout the course of the contract period, revenue is recognized by apportioning the transaction price based on the contract with the client over the service provision period set forth in the contract.

In addition, for the pay as you go portion of Sansan business cards and Bill One invoice data conversion, the amount calculated in accordance with the number of subject business cards or invoices, and the unit price based on the contract is recognized as revenue.

Eight Business

The services to be transferred over a certain period include B2C business card management service for individuals Eight Premium, B2B business card management service for companies Eight Team, as well as recruitment-related services and advertisement distribution services. As these are services that are provided over the course of the contract period, the total transaction price under the contract with the client for the service provision period prescribed in the contract is apportioned and recognized as revenue.

Goods or services that are to be transferred at one time include B2B recruitment-related services, advertising services, and various business event services.

In the event of an advertisement bring created in the advertising service and provided to the client, revenue is recognized at the time the advertisement is transferred to the client. In addition, in the event business service, as goods or services are transferred to the client through the holding of an event, revenue is recognized on each occasion that an event is held.

2. Notes regarding accounting estimates

Recoverability of deferred tax assets

(1) Amounts recorded in the non-consolidated financial statements for the fiscal year under review

Deferred tax assets ¥1,027 million (before offset)

(2) Other information to assist understanding of the content of estimates

This information is omitted as it is the same as that provided in notes regarding accounting estimates for the consolidated financial statements.

Valuation of investment securities and shares of subsidiaries and associates

(1) Amounts recorded in the non-consolidated financial statements for the fiscal year under review

Investment securities ¥2,599 million (unlisted stocks)

Shares of subsidiaries and associates	¥1,823 million
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(2) Other information to assist understanding of the content of estimates

This information is omitted as it is the same as that provided in notes regarding accounting estimates for the consolidated financial statements.

3. Notes to the non-consolidated balance sheet

(1) Accumulated depreciation of property, plant and equipment	¥1,274 million
(2) Monetary receivables from, and monetary payables to, subsidiaries and associates	
Short-term monetary receivables:	¥174 million
Short-term monetary payables:	¥126 million

4. Notes to the non-consolidated statement of income

Transactions with subsidiaries and associates

Transactions relating to the Company's operation

Net sales	¥14 million
Cost of sales	¥97 million
Selling, general and administrative expenses	¥504 million
Amount of non-operating transactions	¥12 million

5. Notes to the non-consolidated statement of changes in equity

Class and number of shares of treasury shares as of the end of the fiscal year under review

Common shares:	871 shares
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6. Notes regarding tax effect accounting

Breakdown of deferred tax assets by major cause of accrual

	(Millions of yen)
Deferred tax assets	
Excess depreciation	861
Loss on valuation of investment securities	451
Provision for bonuses	250
Loss on valuation of shares of subsidiaries and associates	80
Accrued business tax	36
Tax loss carryforward	564
Other	283
Subtotal deferred tax assets	2,528
Valuation allowance for tax loss carryforward	(188)
Valuation allowance for total deductible temporary differences	(1,312)
Subtotal valuation allowance	(1,500)
Total deferred tax assets	1,027
Deferred tax liabilities	
Valuation difference on available-for-sale securities	77
Total deferred tax liabilities	77
Net deferred tax assets	950

7. Notes to Transaction with Related Parties

(Millions of yen)

Category	Name of the company, etc. or person	Location	Share capital or investments in capital	Nature of business or occupation	Percentage ownership held in (or by) party such as voting rights, etc.	Relationship with related parties	Nature of transactions	Monetary amount of transactions	Item	Balance at end of the fiscal year under review
Officer	Muneyuki Hashimoto	-	-	Director of the Company	(Held by party) Direct 0.1%	-	Exercise of share acquisition rights (Note 1)	107	-	-
Officer	Yuta Ohma	-	-	Director of the Company	(Held by party) Direct 0.1%	-	Exercise of share acquisition rights (Note 2)	40	-	-

- (Notes)
1. Due to the exercise of the 3rd and 4th Share Acquisition Rights, granted by a resolution at the extraordinary meeting of the Board of Directors held on January 9, 2019, during the fiscal year under review. Monetary amount of transactions listed above are amounts paid upon exercise of share acquisition rights in the fiscal year under review.
 2. Due to the exercise of the 3rd and 4th Share Acquisition Rights, granted by a resolution at the extraordinary meeting of the Board of Directors held on January 9, 2019, during the fiscal year under review. Monetary amount of transactions listed above are amounts paid upon exercise of share acquisition rights in the fiscal year under review.

8. Notes regarding per share information

(1) Net assets per share	¥114.50
(2) Basic profit per share	¥9.16

9. Notes regarding significant events after reporting period

Issuance of the 13th Share Acquisition Rights

At the meeting of the Board of Directors held on July 11, 2024, the Company resolved to issue the 13th Share Acquisition Rights to employees of the Company and employee of the Company's subsidiary in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act.

13th Share Acquisition Rights

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

- Notes
1. Persons who have received an allotment of the share acquisition rights (the "Share Acquisition Rights Holder") may exercise their share acquisition rights if the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on a specific day during the period from the allotment date of the share acquisition rights to the end of the period of exercise of the rights (July 11, 2034) exceeds ¥3,987.

However, in the event of a share split or reverse share split after the date of allotment, the share price shall be adjusted according to the following formula (fractions of a yen shall be rounded up to the nearest yen).

$$\begin{array}{rcccl} \text{Share price} & & \text{Share price} & & 1 \\ \text{after} & = & \text{before} & \times & \text{Split (or Reverse split)} \\ \text{adjustment} & & \text{adjustment} & & \text{ratio} \end{array}$$

2. The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.
3. In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
4. Pledging of share acquisition rights, or the creation of security interests shall not be permitted.

5. The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
6. It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

Issuance of the 14th Share Acquisition Rights (compensatory stock options)

At the meeting of the Board of Directors held on July 11, 2024, the Company resolved to issue the 14th Share Acquisition Rights to Directors and Executive Officers of the Company in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act.

14th Share Acquisition Rights

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

- Notes
1. Persons who have received an allotment of the share acquisition rights (the "Share Acquisition Rights Holder") may exercise their share acquisition rights only if the amount of net sales in the Company's consolidated statement of income for the fiscal year ending May 31, 2025 exceeds ¥43,303 million. In determining the net sales amount, there are events, such as changes in the applicable accounting standards and the acquisitions of companies, which can have a major impact on the business results of the Company. In the event that the Board of Directors determines that it is not appropriate to make a judgment based on actual figures, the Company will eliminate the effect of the acquisition of a company, etc. within a reasonable range, and it shall be deemed possible to adjust the actual figures used for judgment. In addition, in the event of significant changes in the concept of items to be referred to, due to the application of international financial reporting standards, changes in the fiscal year end, etc., the indicators to be referred to shall be determined by the Company's Board of Directors.
 2. The Share Acquisition Rights Holders are required to have a position in the Company or a subsidiary and associate of the Company as Director, Audit & Supervisory Board Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.
 3. In the event that the Share Acquisition Rights Holder dies, inheritance shall not be permitted.
 4. Pledging of share acquisition rights, or the creation of security interests shall not be permitted.
 5. The share acquisition rights may not be exercised if, in so doing, the total number of the Company's issued shares at that time would exceed the total number of authorized shares.
 6. It shall not be possible to exercise fractions less than one unit of the share acquisition rights.

Share Repurchase

A resolution was passed at the Board of Directors' meeting held on July 11, 2024 regarding the following matters pertaining to share repurchases, pursuant to the Articles of Incorporation as applied pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act of Japan.

1. Reason for Share Repurchase

In addition to the Company's strong performance for the fiscal year ended May 31, 2024 that was driven by growth in our main business, we have set medium-term financial strategies to accelerate profit growth while continuing to invest for sales growth from the fiscal year ending May 31, 2025 through the fiscal year ending May 31, 2027. Based on these circumstances, we have determined that we are now in a financial condition to return profits to shareholders. Specifically, we will repurchase

our own shares as part of our shareholder returns, taking into consideration share price trends and the share dilution ratio resulting from the issuance of share options.

2. Details of Share Repurchase

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

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

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

Audit Report on the Consolidated Financial Statements

Independent Auditor's Report

July 22, 2024

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Osamu Takagi
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 net assets and the related notes of Sansan, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at May 31, 2024 and for the year from June 1, 2023 to May 31, 2024 in accordance with Article 444-4 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.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the details of any action to eliminate disincentives or any safeguards to reduce the disincentives to an acceptable level if they have been taken or applied.

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 Financial Statements

Independent Auditor's Report

July 22, 2024

To the Board of Directors of Sansan, Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Osamu Takagi
Designated Engagement Partner
Certified Public Accountant

Genta Tsuru
Designated Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules (“the financial statements and the accompanying supplementary schedules”) of Sansan, Inc. (“the Company”) as at May 31, 2024 and for the year from June 1, 2023 to May 31, 2024 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules 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 the accompanying supplementary schedules 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 the Accompanying Supplementary Schedules* 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.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

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

In preparing the financial statements and the accompanying supplementary schedules, 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 the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules 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 the accompanying supplementary schedules.

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 the accompanying supplementary schedules, 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 the accompanying supplementary schedules 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 the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules 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 the details of any action to eliminate disincentives or any safeguards to reduce the disincentives to an acceptable level if they have been taken or applied.

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 17th fiscal year (from June 1, 2023 to May 31, 2024). The Committee hereby reports the method and result thereof as follows.

1. Method of audit by the Audit & Supervisory Committee 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) In accordance with relevant matters such as the audit policy, allocation of duties determined by the Audit & Supervisory Committee, and in cooperation with the internal control department of the Company, we examined the decision-making process and details at important meetings, etc., the contents of principal approval documents and other important documents concerning business execution, the performance of duties by Directors and principal employees, and the state of operations and assets at the head office and principal offices, etc. As for subsidiaries, we endeavored to facilitate communication with and exchange of information with directors, audit & supervisory board members, etc. of the subsidiaries, and received reports from these subsidiaries on the status of their businesses as necessary.
- (2) We monitored and verified whether or not the Financial Auditor has properly carried out audits while maintaining its independence. We also received reports from the Financial Auditor on the performance of its duties and have asked it to provide explanations when necessary. In addition, we sought explanations as necessary, upon having received notice from the Financial Auditor that the “systems for ensuring that the performance of the duties is being carried out properly” (matters stipulated in each item of Article 131 of the Regulation on Corporate Accounting) have been developed in accordance with the “Quality Control Standard for Audit” (Business Accounting Council), 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) for the fiscal year under review.

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 contents of the Business Report and 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 22, 2024

Audit & Supervisory Committee of Sansan, Inc.

Chairman of the Audit & Supervisory Committee Maki Suzuki [Seal]

Audit & Supervisory Committee Member Toru Akaura [Seal]

Audit & Supervisory Committee Member Toko Shiotsuki [Seal]

Audit & Supervisory Committee Member Taro Saito [Seal]

(Note) Audit & Supervisory Committee Members Maki Suzuki, Toru Akaura, Toko Shiotsuki and Taro Saito 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 Election of Seven Directors (Excluding Those Who Are Audit & Supervisory Committee Members)

The terms of office of all five Directors (excluding those who are Audit & Supervisory Committee Members; the same applies throughout this proposal) will expire upon the conclusion of this Shareholders' Meeting. In that regard, the Company has decided to increase the number of outside Directors by two to further enhance its corporate governance structure and accordingly proposes the election of seven Directors.

This proposal has been resolved by the Board of Directors following consultation with the Nomination and Remuneration Advisory Committee, which is chaired by an independent outside Director and has a majority of independent outside Directors.

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) Reelection	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, CEO and CPO	9,415,900
2	Kei Tomioka (May 26, 1976) Reelection	Apr. 1999 Joined Oracle Corporation Japan June 2007 Director of the Company (current position) June 2021 Outside Director of Fringe81 Co., Ltd. (currently Unipos Inc.) (current position) <Responsibility in the Company> Executive Officer, COO, and Executive in charge of Sansan Division and Bill One Division	4,160,000
3	Kenji Shiomi (August 12, 1970) Reelection	Apr. 1994 Joined Bussan System Integration Co. Ltd. (currently 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, CISO, DPO, and Executive in charge of Engineering Division and Eight Division	2,285,000
4	Yuta Ohma (September 27, 1983) Reelection	Apr. 2006 Joined WORKPORT, inc. Oct. 2008 Joined Blast Co., Ltd., Director Feb. 2010 Joined the Company Aug. 2019 Director of the Company (current position) <Responsibility in the Company> Executive Officer, CHRO, and Executive in charge of Human Resources Division	138,112

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. (currently Unipos Inc.) (current position) <Responsibility in the Company> Executive Officer, CFO, and Executive in charge of Corporate Division	179,192
6	Toru Akaura (August 7, 1968) <u>New election</u>	Apr. 1991 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.) Oct. 1999 Established Incubate Capital Partners, General Partner Mar. 2000 Outside Director of S-Pool, Inc. (current position) June 2005 Outside Director of jig.jp Co., Ltd. (current position) Aug. 2007 Outside Director of the Company Sept. 2010 Representative Director of Incubate Fund KK (current position) Oct. 2014 Outside Audit & Supervisory Board Member of Double Standard Inc. Aug. 2015 Outside Director (Audit & Supervisory Committee Member) of the Company (current position) Dec. 2017 External Director of ispace, inc. (current position) June 2021 Outside Director of Double Standard Inc. (current position)	1,720,000
7	Taro Saito (November 24, 1972) <u>New election</u>	June 1995 Joined DENTSU INC. May 2005 Established dof Inc., assumed position of Director June 2009 Representative Director of dof Inc. (current position) Dec. 2014 Outside Director of VOYAGE GROUP Inc. (currently CARTA HOLDINGS Inc.) (current position) Jan. 2017 Established CC Corporation, assumed position of Director (current position) June 2019 Outside Director of for Startups, Inc. (current position) June 2020 Outside Director of ZOZO, Inc. (current position) Aug. 2022 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)	—

- (Notes)
1. There is no special interest between any of the candidates and the Company. While Toru Akaura holds 1,720,000 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. 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, 2024).
 3. Toru Akaura and Taro Saito are candidates for outside Director.

4. Reasons for nomination as candidates for Directors and reasons for nomination as candidates for outside Directors and outline of their expected roles
- (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 CEO in planning strategies and executing 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 by driving the growth of not only the Sansan Business, which is the Company's main business, but also the Bill One Business as COO and Executive in charge, and also by promoting the Company's domestic and overseas business development. 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 promoted service expansion and monetization as Executive in charge of the Eight Business. Furthermore, as CISO and Executive in charge of the Engineering Division, he has led the development department and information security 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 is at the present time CHRO and Executive in charge of Human Resources Division and is responsible for planning and executing practical human resources development and recruiting strategies from a front-line perspective. He is promoting to put in place personnel policies and systems that involve a high level of difficulty in an expanding and diversifying organization. He has thus contributed to the expansion of human capital, which is essential for the Company's business growth, and business expansion. Accordingly, the Company has nominated him as a candidate to continue serving as Director.
 - (5) Muneyuki Hashimoto has contributed to the achievement of the business plan for the fiscal year under review through directing the Company's financial strategy and managing its business performance as CFO and Executive in charge of Corporate Division. He has also contributed to the Company's business expansion and enhancement of the corporate governance through his supervision and management of investment strategies and the Corporate Department. Accordingly, the Company has nominated him as a candidate to continue serving as Director.
 - (6) Toru Akaura, as Representative Director of the Incubate Fund KK, 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. He provides active opinions that contribute to the growth of the Company business, and as a member of the Nomination and Remuneration Advisory Committee, he is involved from an objective and impartial perspective in matters related to the nomination of Directors, appointment and dismissal of Directors (excluding those who are Audit & Supervisory Committee Members), and other matters for which the Board of Directors seeks advice. The Company has selected him as a candidate for outside Director in anticipation that he will provide appropriate decision-making and management supervision and managerial advice on general management and corporate investment from an objective and professional perspective. He is at the present time outside Director who is Audit & Supervisory Committee Member and his term of office as outside Director of the Company will be 17 years upon the conclusion of this Shareholders' Meeting. He will resign his office as outside Director who is an Audit & Supervisory Committee Member at the conclusion of this Shareholders' Meeting. If this proposal is approved and adopted, the Company plans for him to continue as a member of the Nomination and Remuneration Advisory Committee.
 - (7) Taro Saito has many years of work experience in branding and communication design as Representative Director of dof Inc., as well as extensive experience as an officer of other companies, and has cultivated a right range of insight through such experience. He provides important opinions on the general management and corporate governance of the Company. As a member of the Nomination and Remuneration Advisory Committee, he is involved from an objective and impartial perspective in matters related to the nomination of Directors, appointment and dismissal of Directors, remuneration of Directors (excluding those who are Audit & Supervisory Committee Members), and other matters for which the Board of Directors seeks advice. The Company has selected him as a candidate for outside Director in anticipation that he will provide appropriate decision-making and management supervision and managerial advice on general management and corporate governance from an objective and professional perspective. He is at the present time outside Director who is an Audit & Supervisory Committee Member and his term of office as outside Director of the Company will be two years upon the conclusion of this Shareholders' Meeting. He will retire from his position as outside Director who is an Audit & Supervisory Committee Member due to the expiration of the term of office at the conclusion of this Shareholders' Meeting. If this proposal is approved and adopted, the Company plans for him to continue as a member of the Nomination and Remuneration Advisory Committee.
5. The Company has entered into agreements with Toru Akaura and Taro Saito to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. If this proposal is approved and adopted, the Company

will renew said agreements. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.

6. The Company has entered into an indemnification agreement with each candidate as stipulated in Article 430-2, paragraph (1) of the Companies Act, and a summary of the contents of the agreement is provided in “2. Status of the Company, (3) Officers, (iii) Summary of details of indemnification agreements” of the Business Report. If this proposal is approved and adopted, the Company plans to renew said agreements.
7. The Company has entered into a directors and officers liability insurance policy, as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and a summary of the contents of the policy is provided in “2. Status of the Company, (3) Officers, (iv) Summary of details of directors and officers liability insurance policy” of the Business Report. The scope of the insured includes Directors (excluding those 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 at the end of the current policy period.
8. The Company has submitted notification to the Tokyo Stock Exchange that Toru Akaura and Taro Saito have been designated as independent officers as provided for by the aforementioned exchange. If this proposal is approved and adopted, the Company plans for Toru Akaura and Taro Saito to continue as independent officers.

Proposal No. 2 Election of Two Directors Who Are Audit & Supervisory Committee Members

The terms of office of Directors who are Audit & Supervisory Committee Members Maki Suzuki and Taro Saito will expire at the conclusion of this Shareholders' Meeting, and Toru Akaura will resign his office at the conclusion of this Shareholders' Meeting. Therefore, the Company proposes the election of two Directors who are Audit & Supervisory Committee Members.

This proposal has been resolved by the Board of Directors following consultation with the Nomination and Remuneration Advisory Committee, which is chaired by an independent outside Director and has a majority of independent outside Directors. In addition, the Company has obtained prior consent of the Audit & Supervisory Committee 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	Maki Suzuki (July 4, 1977) <u>Reelection</u>	<p>Oct. 2003 Registered at Tokyo Bar Association Joined TMI Associates</p> <p>July 2009 Registered as an attorney in New York State</p> <p>Oct. 2017 Joined Shintaro Sato Law Office (current position)</p> <p>Feb. 2021 Registered at Dai-Ni Tokyo Bar Association</p> <p>Aug. 2022 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>June 2023 Outside Director, Audit & Supervisory Committee Member of nms Holdings Corporation (current position)</p> <p>Dec. 2023 Outside Audit & Supervisory Board Member of T. HASEGAWA CO., LTD. (current position)</p>	—
2	Tsunehiro Shirota (September 22, 1982) <u>New election</u>	<p>Apr. 2005 Joined Lehman Brothers Japan Inc.</p> <p>Dec. 2008 Joined Barclays Capital Securities Japan Limited</p> <p>Aug. 2012 Joined Evernote Corporation</p> <p>May 2014 Vice President, Analytics of Evernote Corporation</p> <p>Jan. 2016 Vice President, Business Operations and Strategy of Evernote Corporation</p> <p>Sep. 2016 Partner of WiL, LLC (current position)</p>	—

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Maki Suzuki and Tsunehiro Shirota 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) Although Maki Suzuki does not have experience of being directly involved in corporate management, she has experience as an outside officer at other companies and has gained specialist knowledge in corporate legal affairs and compliance, etc., as well as a wealth of insight in judicial precedents, in her career as an attorney. She provides important opinions on the Company's management from a legal perspective as well as on diversity. As a member of the Nomination and Remuneration Advisory Committee, she is involved from an objective and impartial perspective in matters related to the nomination of Directors, appointment and dismissal of Directors, remuneration of Directors (excluding those who are Audit & Supervisory Committee Members), and other matters for which the Board of Directors seeks advice. The Company has nominated her as a candidate to continue serving as outside Director who is an Audit & Supervisory Committee Member because she can be expected to provide important opinions on the Company's management from a legal perspective as well as on diversity and auditing and supervising the Directors' performance of their duties. Her term of office as outside Director of the Company will be two years upon the conclusion of this Shareholders' Meeting. If this proposal is approved and adopted, the Company plans for her to continue as a chairperson of the Nomination and Remuneration Advisory Committee.
 - (2) Tsunehiro Shirota has extensive experience and broad insight, having been involved in domestic and cross-border M&A deals, fundraising, and startup investments at U.S. securities firms and global funds, as well as

serving as a vice president of a U.S. software company. He has a considerable amount of knowledge related to finance and accounting. The Company has newly nominated him as a candidate for outside Director who is an Audit & Supervisory Committee Member because he can be expected to provide important opinions, including perspectives of investment, finance, and corporate governance, on the Company's management as well as audits and supervises the Directors' performance of their duties.

4. The Company has entered into an agreement with Maki Suzuki to limit her liability for damages under Article 423, paragraph (1) of the Companies Act. If this proposal is approved and adopted, the Company will renew said agreement with her, and to also enter into an agreement of the same content with Tsunehiro Shirota. 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 Maki Suzuki as stipulated in Article 430-2, paragraph (1) of the Companies Act, and a summary of the contents of the agreements is provided in "2. Status of the Company, (3) Officers, (iii) Summary of details of indemnification agreements" of the Business Report. If this proposal is approved and adopted, the Company will renew said agreement with her, and to also enter into an agreement of the same content with Tsunehiro Shirota.
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 with an insurance company, and a summary of the contents of the policy is provided in "2. Status of the Company, (3) Officers, (iv) Summary of details of directors and officers liability insurance policy" of the Business Report. The scope of the insured includes Directors (excluding those who are Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, Executive Officers, and Directors of subsidiaries of the Company. Maki Suzuki is already included as insured parties under the policy, and will continue to be included as insured parties if this proposal is approved and adopted. In addition, Tsunehiro Shirota 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.
7. The Company has submitted notification to the Tokyo Stock Exchange that Maki Suzuki has been designated as independent officers as provided for by the aforementioned exchange. If this proposal is approved and adopted, the Company plans for Maki Suzuki to continue as independent officers. Furthermore, Tsunehiro Shirota satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange and the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer.
8. Tsunehiro Shirota is at the present time employed by WiL, LLC but will retire from that company in August 2024.

Proposal No. 3 Election of One Substitute Director Who Is an Audit & Supervisory Committee Member

The Company proposes the election of one substitute Director who is an Audit & Supervisory Committee Member in preparation for the prospect of failing to meet the minimum number of the Audit & Supervisory Committee Members required by laws and regulations.

This proposal has been resolved by the Board of Directors following consultation with the Nomination and Remuneration Advisory Committee, which is chaired by an independent outside Director and has a majority of independent outside Directors. In addition, the Company has obtained prior consent of the Audit & Supervisory Committee for the submission of this proposal.

The candidate for a Substitute Director who is an Audit & Supervisory Committee Member is as follows:

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
Taro Saito (November 24, 1972)	June 1995 Joined DENTSU INC.	—
	May 2005 Established dof Inc., assumed position of Director	
	June 2009 Representative Director of dof Inc. (current position)	
	Dec. 2014 Outside Director of VOYAGE GROUP Inc. (currently CARTA HOLDINGS Inc.) (current position)	
	Jan. 2017 Established CC Corporation, assumed position of Director (current position)	
	June 2019 Outside Director of for Startups, Inc. (current position)	
	June 2020 Outside Director of ZOZO, Inc. (current position)	
	Aug. 2022 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)	

- (Notes)
- There is no special interest between the candidate and the Company.
 - Taro Saito is a candidate for outside Director.
 - If Proposal No. 1 is approved as proposed, Taro Saito will assume the position of Director who is not an Audit & Supervisory Committee Member. However, in the event of failing to meet the minimum number of Directors who are Audit & Supervisory Committee Members required by laws and regulations, he will resign the position of Director who is not an Audit & Supervisory Committee Member and assume the position of Director who is an Audit & Supervisory Committee Member.
 - Reasons for nomination as a candidate for a substitute outside Director who is an Audit & Supervisory Committee Member and outline of his expected roles
Taro Saito has many years of work experience in branding and communication design as Representative Director of dof Inc., as well as extensive experience as an officer of other companies, and has cultivated a right range of insight through such experience. He provides important opinions on the general management and corporate governance of the Company. As a member of the Nomination and Remuneration Advisory Committee, he is involved from an objective and impartial perspective in matters related to the nomination of Directors, appointment and dismissal of Directors, remuneration of Directors (excluding those who are Audit & Supervisory Committee Members), and other matters for which the Board of Directors seeks advice. The Company has selected him as a candidate for a substitute Director who is an Audit & Supervisory Committee Member in anticipation that he will provide important opinions on general management and corporate governance to the Company's management as well as audit and supervise the Directors' performance of their duties. He is at the present time outside Director who is an Audit & Supervisory Committee Member and his term of office as outside Director of the Company will be two years upon the conclusion of this Shareholders' Meeting.
 - The Company has entered into an agreement with Taro Saito to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. Upon appointment as Director who is an Audit & Supervisory Committee Member, the Company will renew said agreement. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.
 - The Company has entered into an indemnification agreement with Taro Saito as stipulated in Article 430-2, paragraph (1) of the Companies Act, and a summary of the contents of the agreements is provided in "2. Status of the Company, (3) Officers, (iii) Summary of details of indemnification agreements" of the Business Report. Upon appointment as Director who is an Audit & Supervisory Committee Member, the Company will renew said agreements.
 - The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and a summary of the contents of the policy is provided in "2. Status of the Company, (3) Officers, (iv) Summary of details of directors and officers liability insurance policy" of the Business Report. The scope of the insured includes Directors (excluding those who are

Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, Executive Officers, and Directors of subsidiaries of the Company. Taro Saito is already included as insured parties under the policy, and will continue to be included as insured parties upon appointment as Director who is an Audit & Supervisory Committee Member. The Company plans to renew said policy following the conclusion of the insurance period.

8. The Company has submitted notification to the Tokyo Stock Exchange that Taro Saito has been designated as independent officers as provided for by the aforementioned exchange. Upon appointment as Director who is an Audit & Supervisory Committee Member, the Company plans for Taro Saito to continue as independent officer.

[Reference] About the skills matrix for Director candidates

To realize the vision of “Become business infrastructure” under the mission of “Turning encounters into innovation,” the Group is developing services to promote digital transformation (DX) services that change the working style of companies and businesspeople facing various business issues. We aim to contribute to resolving social issues through these business activities.

Moreover, we have set the Group’s management strategy: (i) Sales maximization of the Sansan/Bill One Business, (ii) Expansion of profit in the Eight Business, and (iii) Utilization of M&A to continue strong sales growth and accelerate profit growth. At the same time, we have identified ten material issues to be addressed on priority in the five key areas: (1) Balance security and convenience, (2) Transform work through innovative DX services, (3) Respect employee diversity and produce innovation, (4) Establish a firm management structure to support rapid business growth, and (5) Conserve the environment through business, so that we promote activities to realize sustainability.

To execute the Group’s management policies and strategies as mentioned above, the Company has identified six skills as expertise and experience that the Board of Directors should equip itself with, and appoints Directors considering the diversity and balance of skills.

The expertise and experience of each candidate for Director are as follows.

Name	Expertise and experience						Material sustainability issue in charge
	Corporate management	Information security in the data domain	Finance & accounting	Legal affairs	Personnel/ Human resources development	International experience	
Chikahiro Terada	✓	✓				✓	(5) Conserve the environment through business
Kei Tomioka	✓	✓				✓	(2) Transform work through innovative DX services
Kenji Shiomi	✓	✓				✓	(1) Balance security and convenience
Yuta Ohma	✓				✓		(3) Respect employee diversity and produce innovation
Muneyuki Hashimoto	✓		✓	✓		✓	(4) Establish a firm management structure to support rapid business growth
Toru Akaura	✓					✓	
Taro Saito	✓					✓	
Maki Suzuki				✓	✓	✓	
Toko Shiotsuki	✓		✓	✓			
Tsunehiro Shirota	✓		✓			✓	

* The above list is not an exhaustive list of expertise and experience that each candidate for Director possesses.

Proposal No. 4 Revision to the Amount of Remuneration for Directors (Excluding Those Who Are Audit & Supervisory Committee Members)

The Company received approval at the Extraordinary General Meeting of Shareholders held on January 30, 2019 for a maximum monetary remuneration for Directors (excluding those who are Audit & Supervisory Committee Members; the same applies throughout this proposal) of ¥300 million per year, which is now in operation. This time, however, approval is requested for the revision to the maximum amount of remuneration for Directors to ¥500 million per year (including 50 million yen for outside Directors), considering various circumstances: the number of outside Directors will be increased by two if Proposal No. 1 is approved as proposed; the remuneration level needs to be competitive to attract and retain excellent management personnel who will contribute to sustainable enhancement of the Company's corporate value; and the economic conditions and the business environment surrounding the Company have recently changed. The amount of remuneration for Directors does not include employee salaries for Directors who also serve as employee, as in the past.

In revising the amount of remuneration for Directors, the Company had the Nomination and Remuneration Advisory Committee deliberate and report the revision, and passed a resolution for the partial amendment for the policy for determining Director remuneration, etc., subject to approval of this proposal by the General Meeting of Shareholders, at the Board of Directors meeting held on July 23, 2024, as described in "2. Status of the Company, (3) Officers, (v) Remuneration, etc. for Directors, a. Policy, etc. on determination of the details of officer remuneration, etc." of the Business Report. This proposal is consistent with the above purpose and the aforementioned policy, and is judged to be reasonable based on the deliberation and report of the Nomination and Remuneration Advisory Committee and the decision of the Board of Directors. At the same time, the Company has obtained the opinion from the Audit & Supervisory Committee that the Proposal is reasonable based on the results of its deliberation.

At present, there are five Directors, and if Proposal No. 1 is approved as proposed, there will be seven Directors (including two outside Directors).