

## Anticipated High-Interest Items in Q2 Results for Fiscal Year Ending May 31, 2024

- Consolidated Results

### **Q1. What are the factors behind the acceleration of net sales growth rate in Q2?**

The main factors were positive performance for Bill One, which was able to acquire new subscriptions from medium-sized and large companies, along with steady growth in the Eight business. The contribution to earnings from newly added Group companies was approximately 3.3 points of the 34.6% sales growth rate in Q2.

### **Q2. What were the contributing factors for the decline in the gross profit margin in Q2 (3-month period)?**

This was due mainly to an increase in the composition ratio of Bill One, which still has a relatively low gross profit margin, along with an increase in costs in the Eight business compared to the same period of the previous year, stemming from larger-scale business events.

### **Q3. What were the factors for the increase in adjusted operating profit in Q2 (3-month period), and the decline in operating profit?**

The increase in adjusted operating profit was due mainly to steady growth in net sales, despite expanded recruitment and other growth-related investments. Conversely, operating profit declined due to an increase in share-based payment expenses of ¥69 million from the same period of the previous fiscal year, including monetary payments to directors under trust-type stock options. For more information on trust-type stock options, see “Notification Regarding Trust-Type Stock Options Introduced by the Company” released on July 13, 2023.

### **Q4. What were the factors behind the substantial increase in ordinary profit in Q2 (3-month period)?**

This was due mainly to the elimination of an equity method investment loss in the corresponding period of the previous fiscal year, resulting in a decrease of ¥104 million in non-operating expenses.

- Sansan/Bill One Business

**Q5. What was the reason for the acceleration of Sansan’s recurring sales growth rate for a second consecutive quarter?**

Efforts to revamp Sansan from a business card-based contact management service to a sales DX solution, along with strengthening of the sales structure for mid-sized and large companies, resulted in steady growth in the number of subscriptions and monthly recurring sales per subscription. We've also seen an improvement in the last 12 months average of monthly churn rate for Sansan.

**Q6. What are the factors behind the sharp increase in the net growth of Sansan subscriptions compared to Q1?**

Net additions in Q2 totaled 167 subscriptions, a significant increase compared to the 98 in Q1. This resulted from a one-time negative impact in Q1 (decrease of 82 subscriptions) from subscription integration following the revision of certain option plans. There was no such impact in Q2, leading to the solid result.

**Q7. What was behind the record net gain in quarterly MRR for Bill One?**

The strengthening of the sales structure and promotional activities led to steady acquisition of new mid-sized and large companies as clients, along with firm results for both the number of paid subscriptions and monthly recurring sales per paid subscription.

**Q8. What is the outlook for Bill One, considering the current business environment?**

The Qualified Invoicing System was introduced in October 2023, and the grace period for the revision of Electronic Bookkeeping Act concluded at the end of December 2023. While the lack of last-minute demand to comply with the new Invoicing System will affect sales activities in Q3, we think that by implementing growth strategies such as strengthening the sales structure, we can achieve stable growth in the second half of the year and beyond.

- Eight Business

**Q9. What are the factors that led to the acceleration in the sales growth rate in Q2 compared to Q1?**

This was due mainly to the conducting of large-scale business events in B2B services.

**Q10. What were the factors that led to the surplus in adjusted operating profit?**

This was due to significant sales growth stemming from the conducting of large-scale business events, along with business operations focused on profitability.

Of note, the next large-scale business event for the current fiscal year is scheduled to be held in Q4.

**Disclaimer**

In preparing these materials, Sansan, Inc. (“the Company”) relies upon and assumes the accuracy and completeness of all available information. However, the Company makes no representations or warranties of any kind, expresses or implies, about the completeness and accuracy. This presentation may contain future assumptions, prospects and forecasts based on planning, but these forward-looking statements are based on the information that is currently available to us, and on certain assumptions that we assume to be reasonable, but the Company does not promise to achieve these. Major differences may occur between the forecast and the actual performance, including changes in economic conditions, consumer needs and user preferences; competition with other companies; changes in laws, regulations and others; and a number of other future factors. Therefore, the actual performance announced may vary depending on these various factors. In addition, the Company has no obligation to revise or publish the future prospects posted on this site.