

sansan

Turning encounters
into innovation



The 16th Annual General Meeting of Shareholders

Sansan, Inc. August 29, 2023

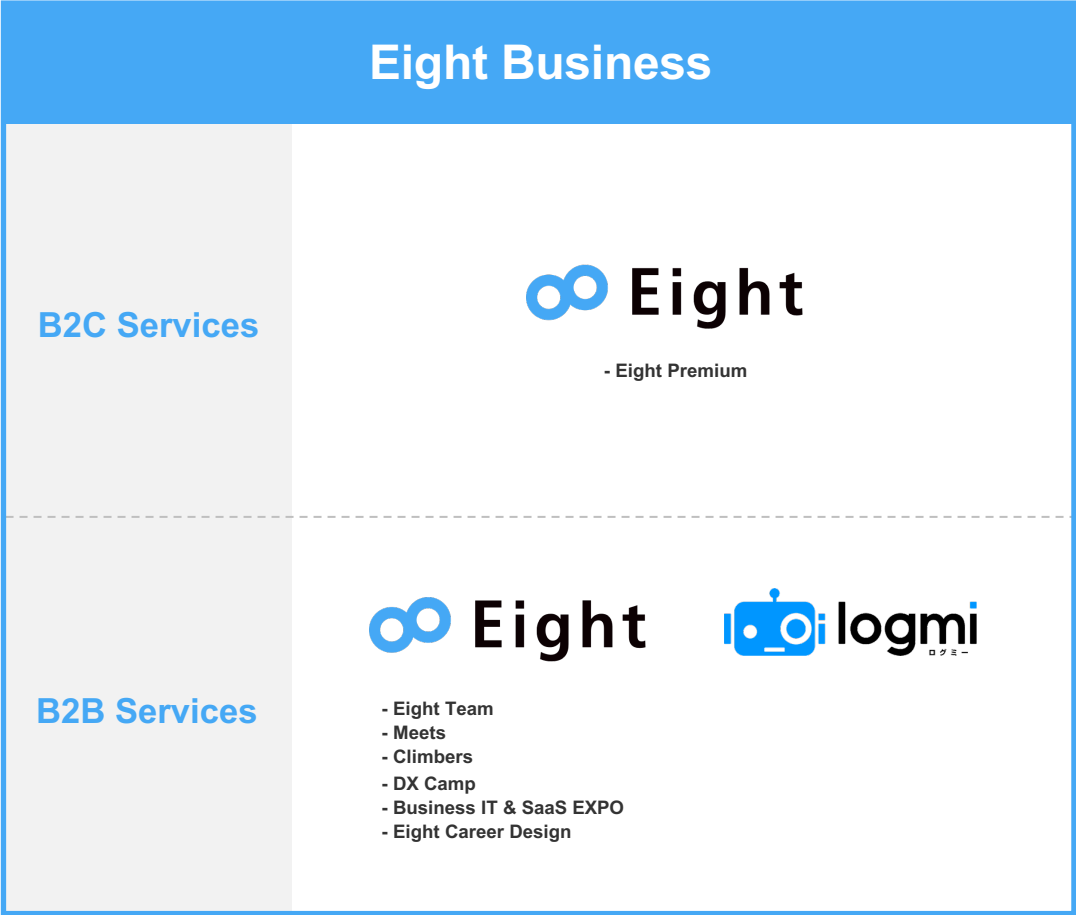
Business Report for the 16th Term



Overview of Consolidated Financial Results

	15th	16th	
	Full-Year Results	Full-Year Results	YoY
(millions of yen)			
Net Sales	20,420	25,510	+24.9%
Operating Profit	730	942	+28.9%
Ordinary Profit	968	122	-87.4%
Profit Attributable to Owners of Parent	857	-141	—
EPS	6.87 yen	-1.13 yen	—

Overview of Businesses and Services (1)



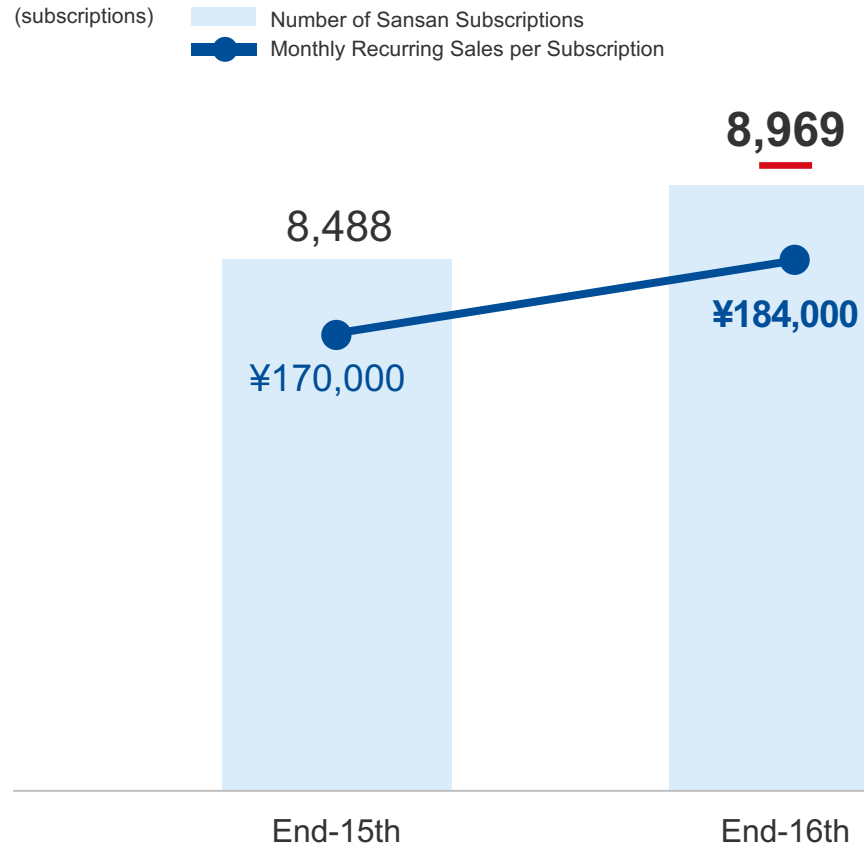
(1) The few other services not included in reportable segments are recorded in "Others," while elimination of intra-company transactions (sales), and costs not allocated to segments are recorded in "Adjustments."

Overview of Segment Results

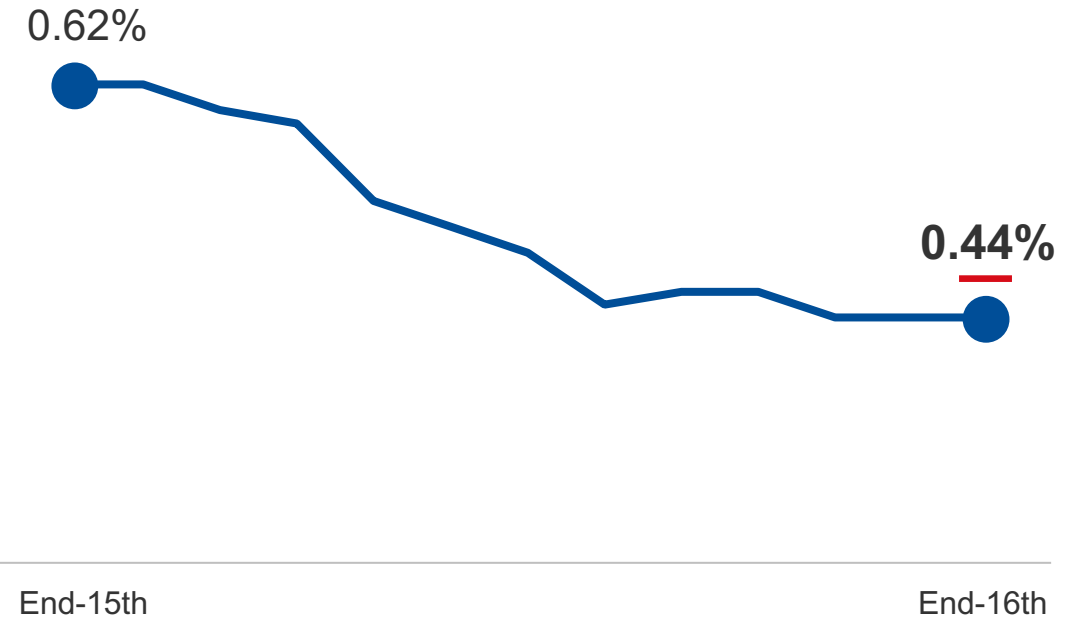
	15th	16th	
	Full-Year Results	Full-Year Results	YoY
(millions of yen)			
Net Sales	18,105	22,516	+24.4%
Segment Profit (Adjusted Operating Profit)	5,752	7,005	+21.8%

Overview of Segment Results

Number of Sansan Subscriptions and Monthly Recurring Sales per Subscription



Last 12 Months Average of Monthly Churn Rate for Sansan ⁽¹⁾

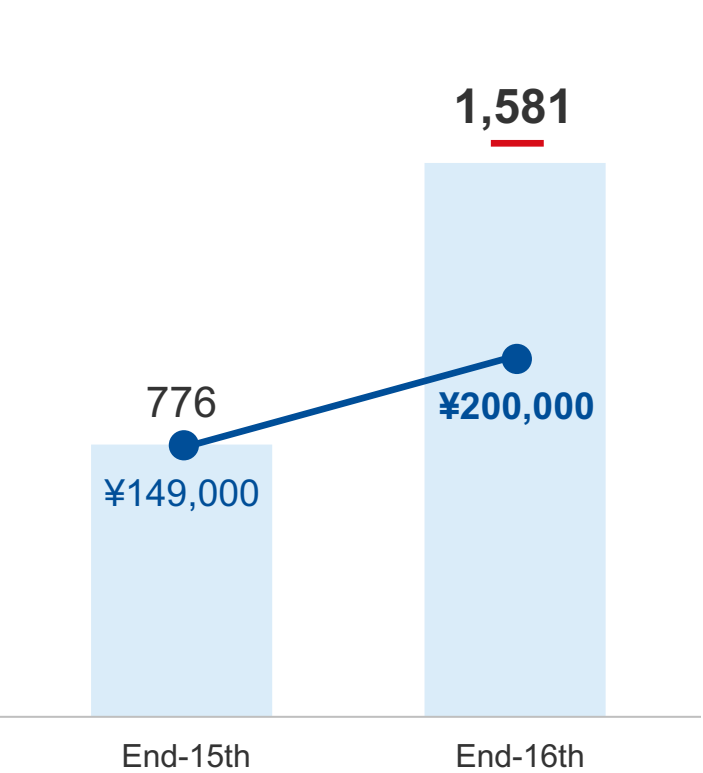


(1) Ratio of decreased monthly fees associated with contract cancellations to total monthly fees for existing contracts

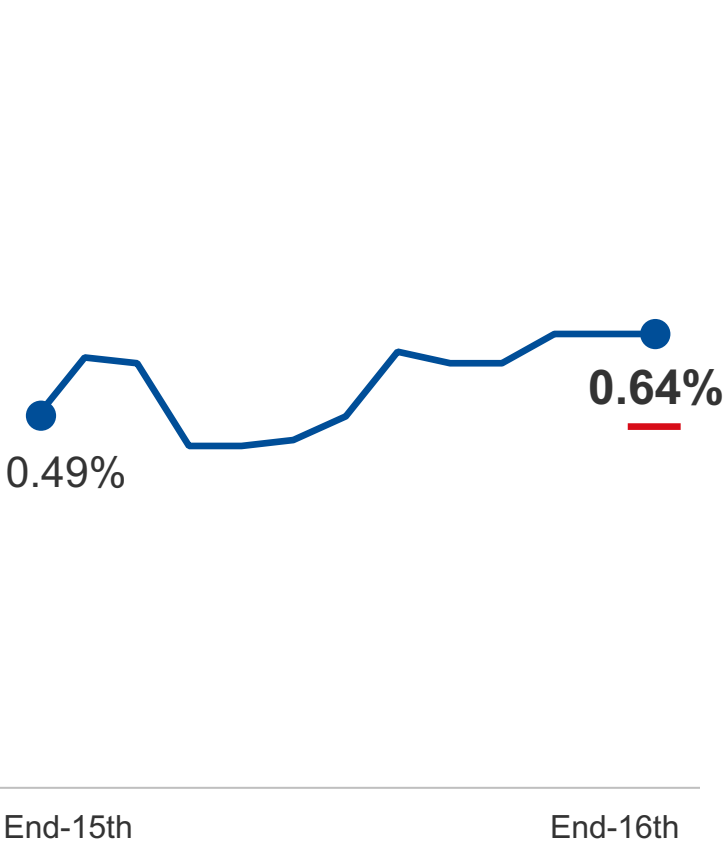
Overview of Segment Results

Number of Bill One Paid Subscriptions and
Monthly Sales per Paid Subscription

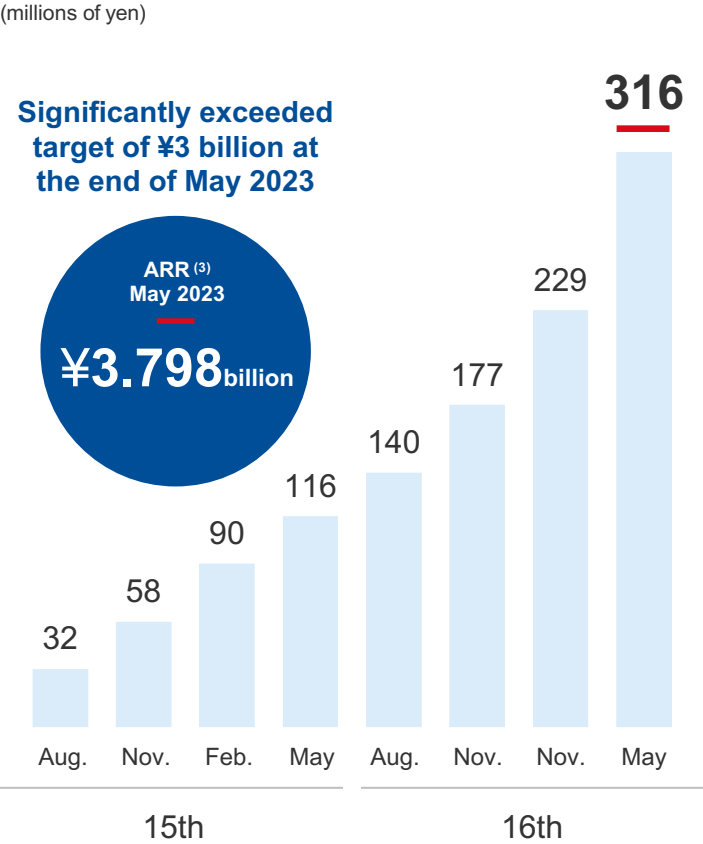
(subscriptions) Paid Subscription
Monthly Recurring Sales per Paid Subscription



Last 12 Months Average of Monthly Churn Rate
for Bill One ⁽¹⁾



Bill One MRR ⁽²⁾



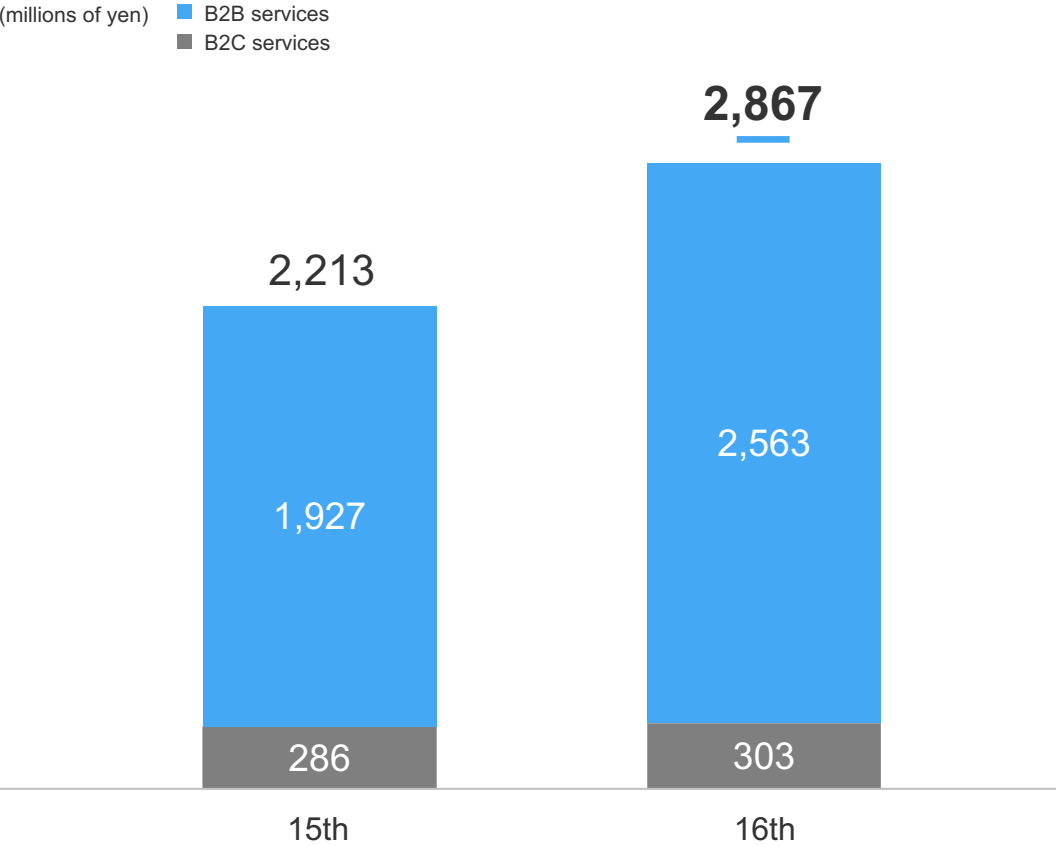
(1) Ratio of decreased monthly fees associated with contract cancellations to total monthly fees for existing contracts
(2) Monthly recurring revenue
(3) Annual recurring revenue

Overview of Segment Results

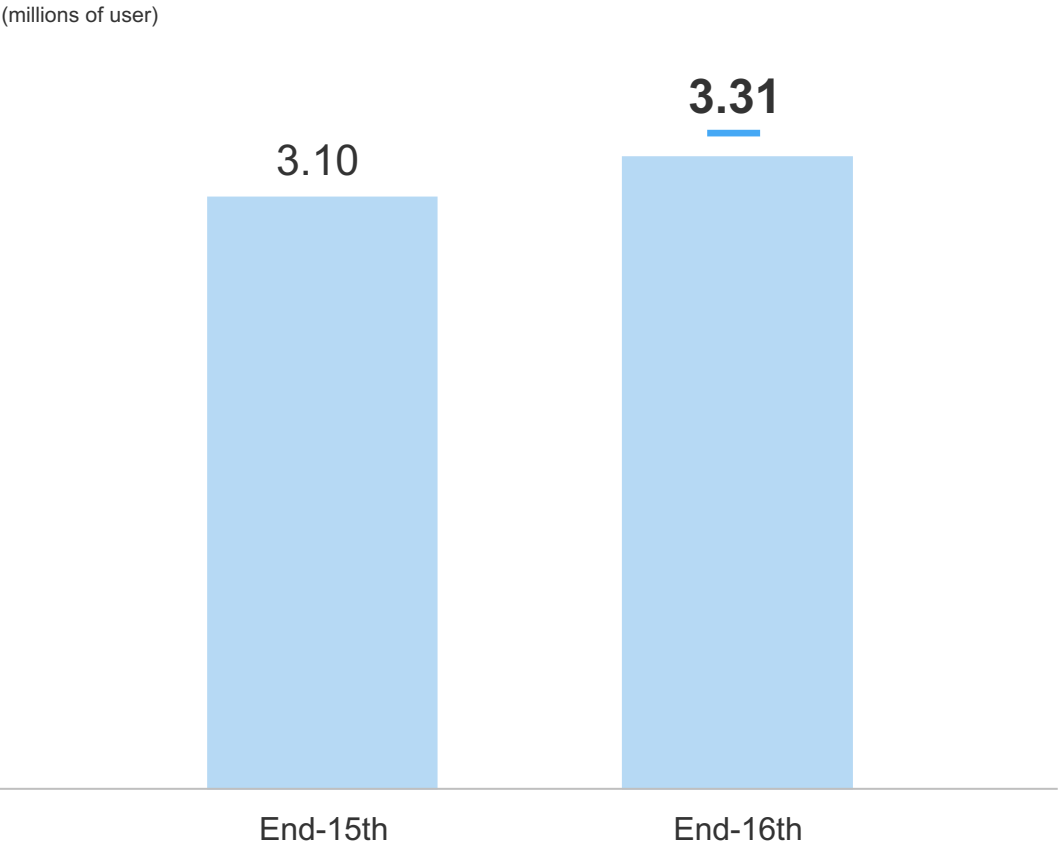
		15th	16th	
		Full-Year Results	Full-Year Results	YoY
	(millions of yen)			
Net Sales		2,213	2,867	+29.5%
Segment Profit (Operating Profit)		-355	-170	—

Overview of Segment Results

Net Sales



Number of Eight Users ⁽¹⁾



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

Overview of Consolidated Balance Sheet

	15th	16th	
	Full-Year Results	Full-Year Results	YoY
(millions of yen)			
Current Assets	16,856	23,207	+6,350
Non-current Assets	9,435	7,993	-1,442
Total Assets	26,292	31,200	+4,907
Current Liabilities	11,507	14,982	+3,474
Non-current Liabilities	2,691	3,027	+335
Total Liabilities	14,199	18,009	+3,810
Total Net Assets	12,093	13,190	+1,097
Total Liabilities and Net Assets	26,292	31,200	+4,907

Issues to Be Addressed (Growth Strategies)

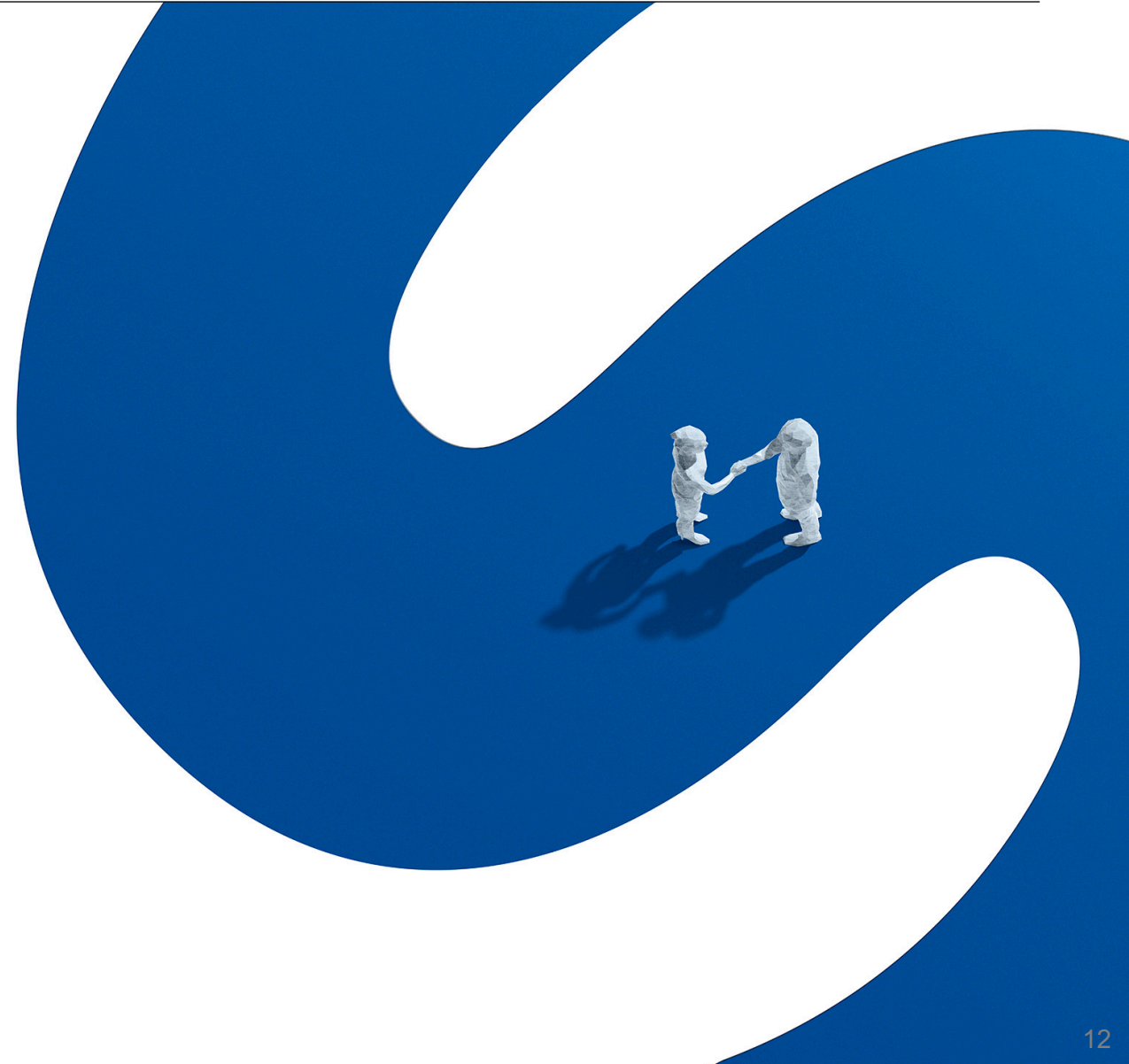
Mission and Vision

Mission

**Turning encounters
into innovation**

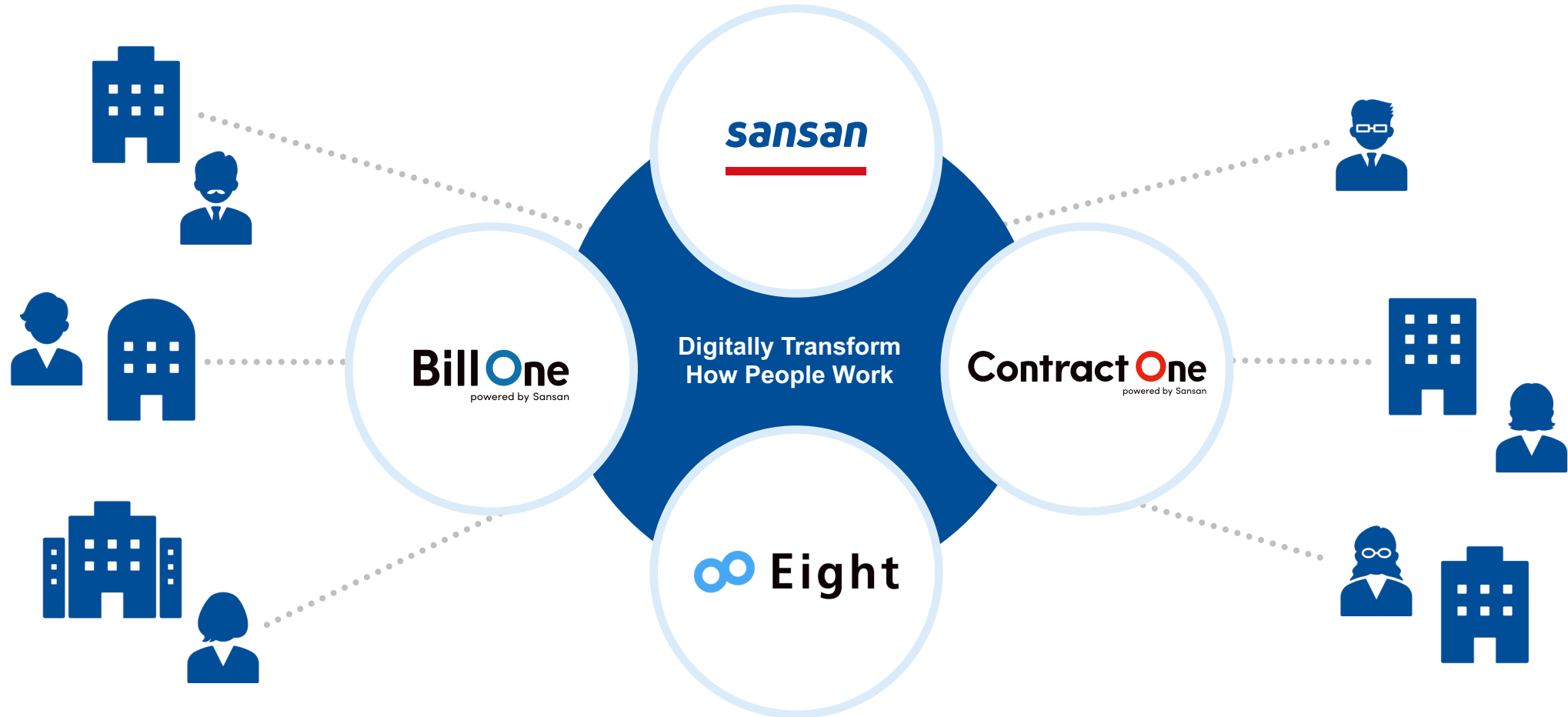
Vision

**Become business
infrastructure**



Digitally Transform How People Work

Offering a business database that reshapes how people work and connects encounters with people and companies to business opportunities.



Strategies for Accelerating Net Sales Growth Rate and Solid Profit Growth



Strategies for Accelerating Net Sales Growth Rate and Solid Profit Growth



Reorganization of Sales Structure for Net Sales Maximization

During the pandemic, adopted a shared sales structure was adopted across services, aimed at resource allocation optimization. However, considering the improvements in order status and other factors, transition was made to an independent sales structure for each service, focusing on maximizing revenue.

Previous Sales Structure



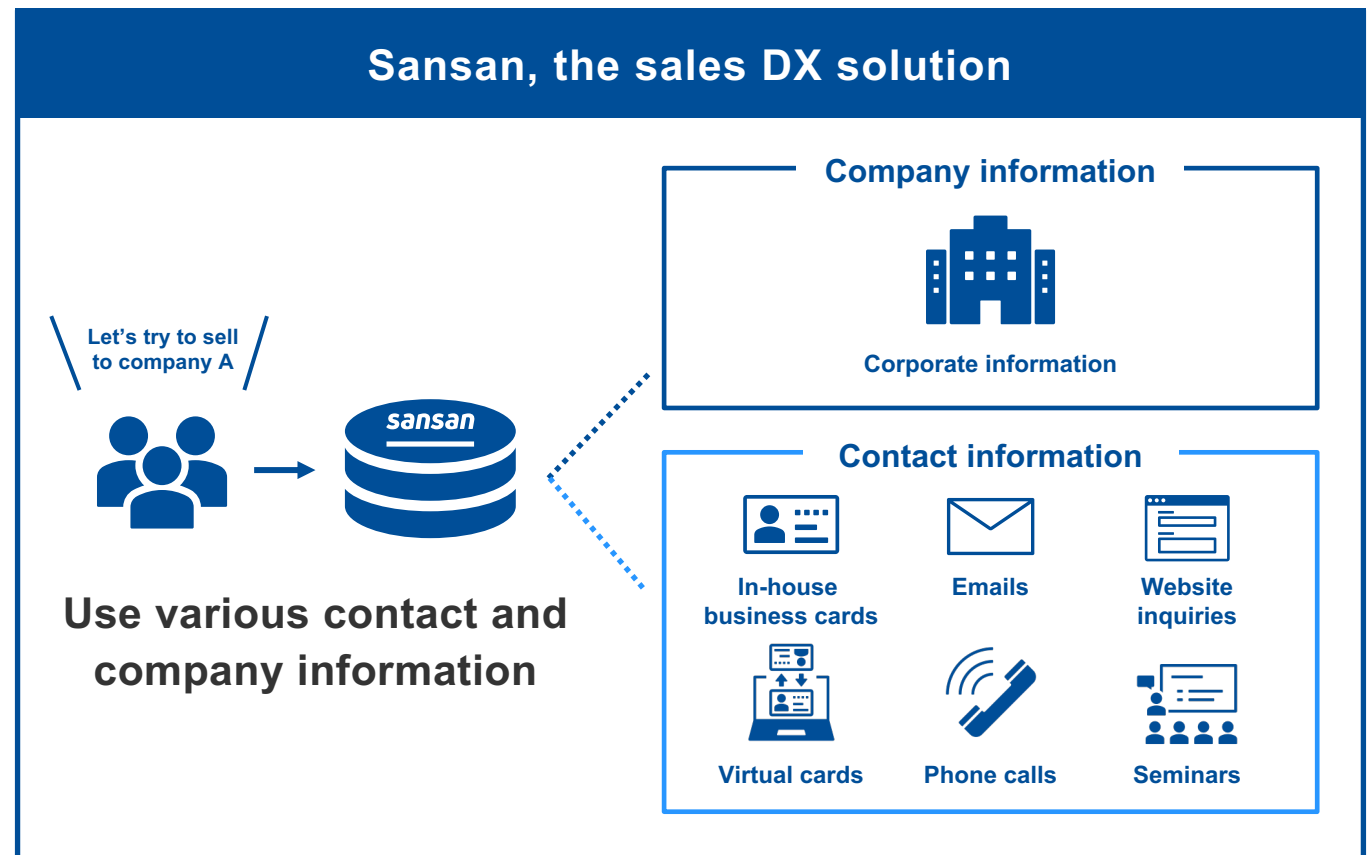
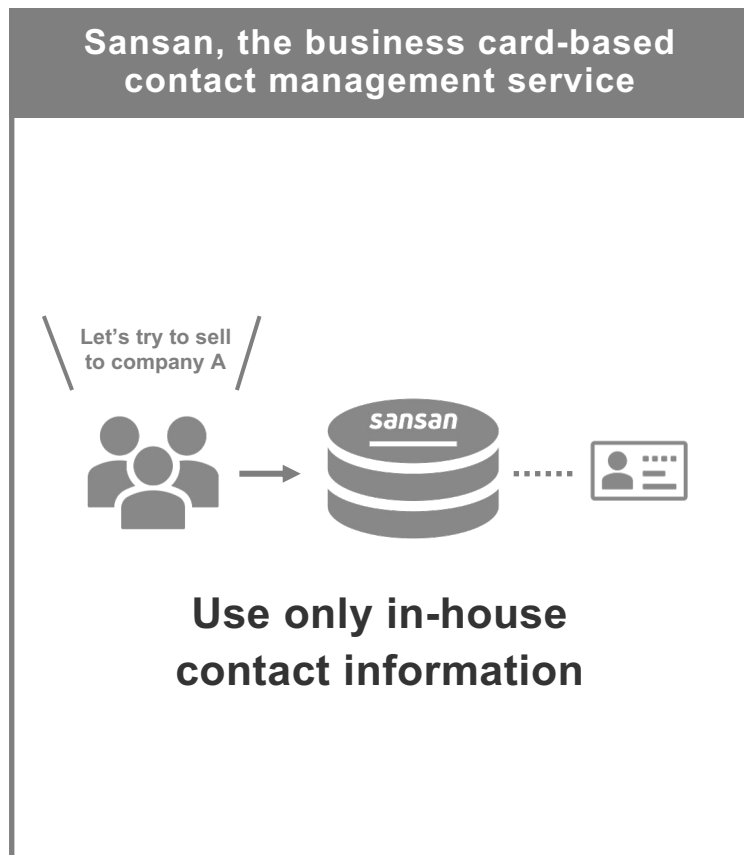
New Sales Structure



Sansan: Evolution of “Database to Power Sales”

In response to changes in the environment caused by the COVID-19 pandemic, Sansan was renewed from a business card-based contact management service to the sales DX solution in June 2022.

Sansan brings in 1 million+ corporate data items and progressively expands functions to facilitate DX in sales.



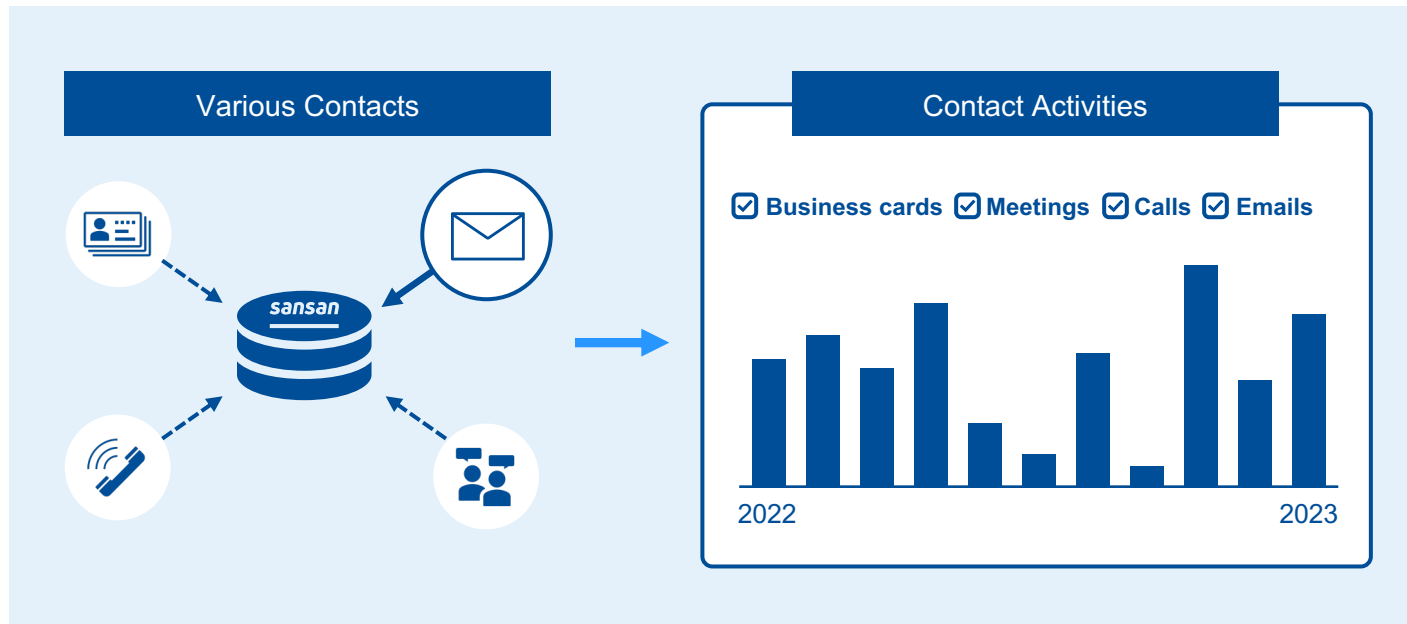
Sansan: Contact Information Functions

In June 2023, two new functions were added:

Smart Contact Management: Automatic storage of customer email interactions on the Sansan platform

Contact Visualization: Visualize types and quantities of contracts in chronological order

Smart Contact Management



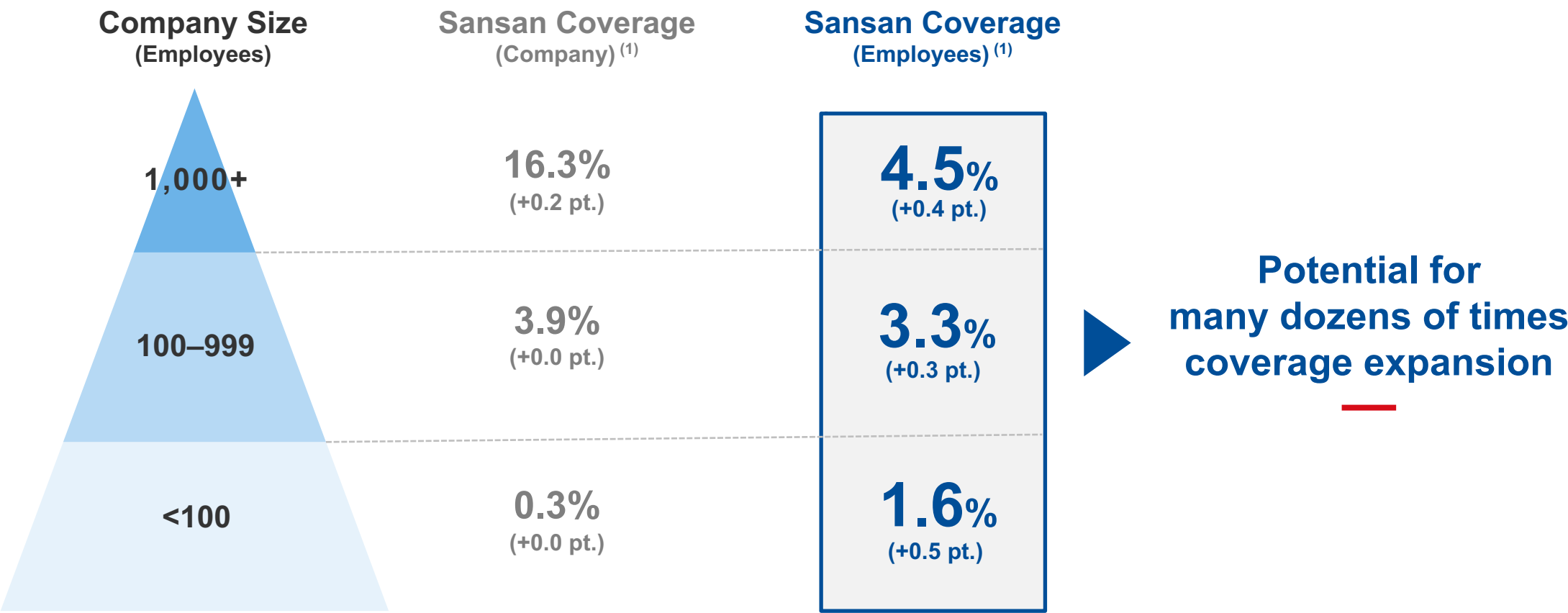
By linking with mail servers such as Gmail™ ⁽¹⁾ / Microsoft Outlook ⁽²⁾, e-mail exchanges are automatically stored on Sansan and the amount of daily e-mail exchanges is displayed as the number of contacts in the client's company information and organization tree.

(1) Gmail, Google Workspace, and Google Calendar are trademarks of Google LLC.

(2) Microsoft Teams, Teams, and Microsoft Outlook are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

Sansan: Potential Market Size in Japan (TAM)

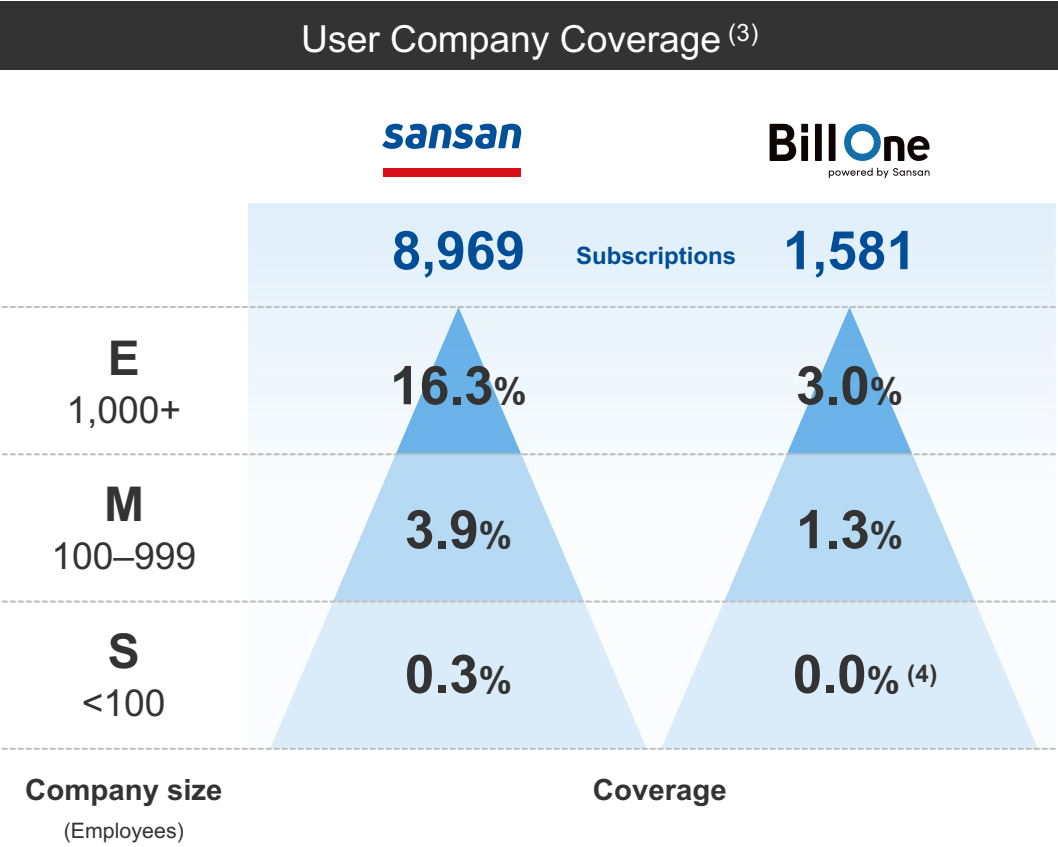
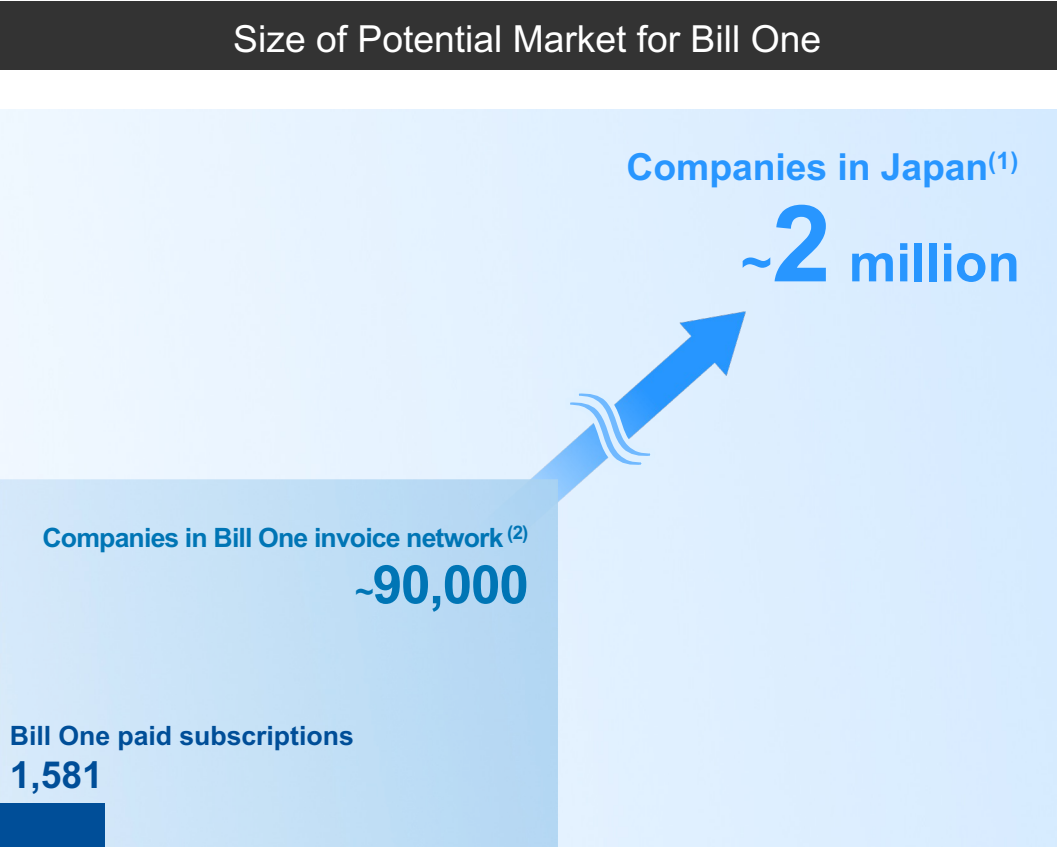
The number of users within current customers is limited, and there is room for many dozens of times more coverage expansion.



(1) Sansan coverage is calculated with the number of subscriptions and total number of IDs in Sansan for the 16th term end as the numerator and the number based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator.

Bill One: Size of Potential Market in Japan

Since all companies are targeted, regardless of industry or size, vast room for development exists in Japan. There is significant growth potential for Bill One compared with Sansan coverage rate.

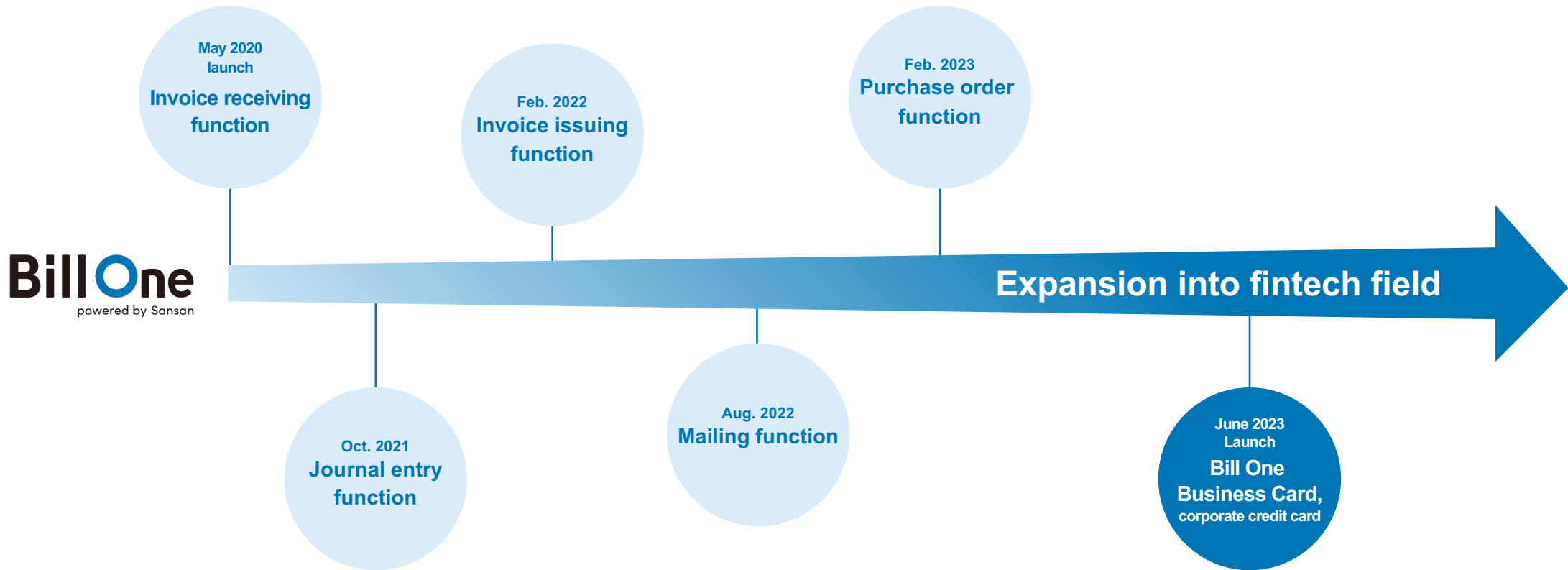


(1) Based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau
(2) Paid subscriptions + free subscriptions + companies that send invoices to paid and free subscriptions
(3) The coverage is calculated with the number of subscription in each services for the 16 th term end as the numerator and the number based on Economic Census for Business Activity in 2021 issued by the Statistics Bureau as the denominator. (4) Paid subscriptions only

Bill One: Entry into New Business Field

Backed by strong sales growth and the expansion of the invoice network, implementing new functions and venturing into new field.

In June 2023, the launch of the Bill One Business Card, corporate credit card, marked entry into the fintech field.



Bill One: Bill One Business Card Function Outline

The Bill One Business Card, a corporate credit card that available as an option with Bill One, boosts efficiency in corporate credit card payments, contributing to even faster monthly closing.

Users can effectively adapt to the Invoicing System and Electronic Bookkeeping Act, while reducing fraud risk.



1. Centralized control

- Card issuance is available on Bill One.
- Reduces the workload to lend and manage cards.

2. Security measures

- Limits and restrictions on usage amount and purposes.
- Minimizes fraud risk.

3. Automatic reconciliation of transaction details and receipts.

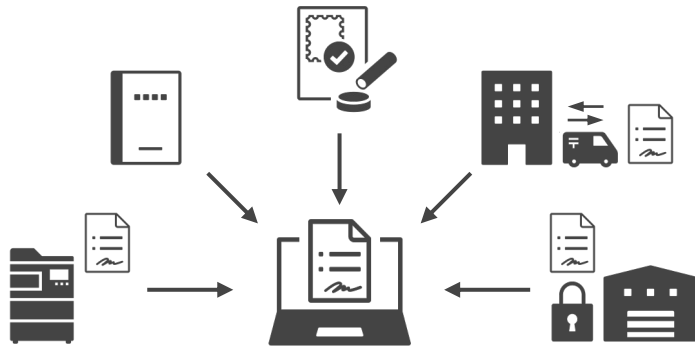
- Receipts are digitized at 99.9% ⁽¹⁾ accuracy by the end of the next business day.
- Transaction details and receipts are automatically matched.

(1) Digitization accuracy when conditions specified by Sansan, Inc. are met.

Contract One: Strengthened Function

Contract One: The contract DX solution that accurately digitizes all contracts and realizes company-wide use. Began offering document search function using GPT and integration function with Sansan.

Service Outlines



Contract One
powered by Sansan

The service builds a comprehensive database that accurately digitizes both past and future contracts, letting all employees utilize contract information as a valuable asset in their business operations.

Contract One AI

Contract One
powered by Sansan

Contract One AI instantly summarize contract details, allowing for easy comprehension of the key points



Equipped with AI summarizing function using GPT technology

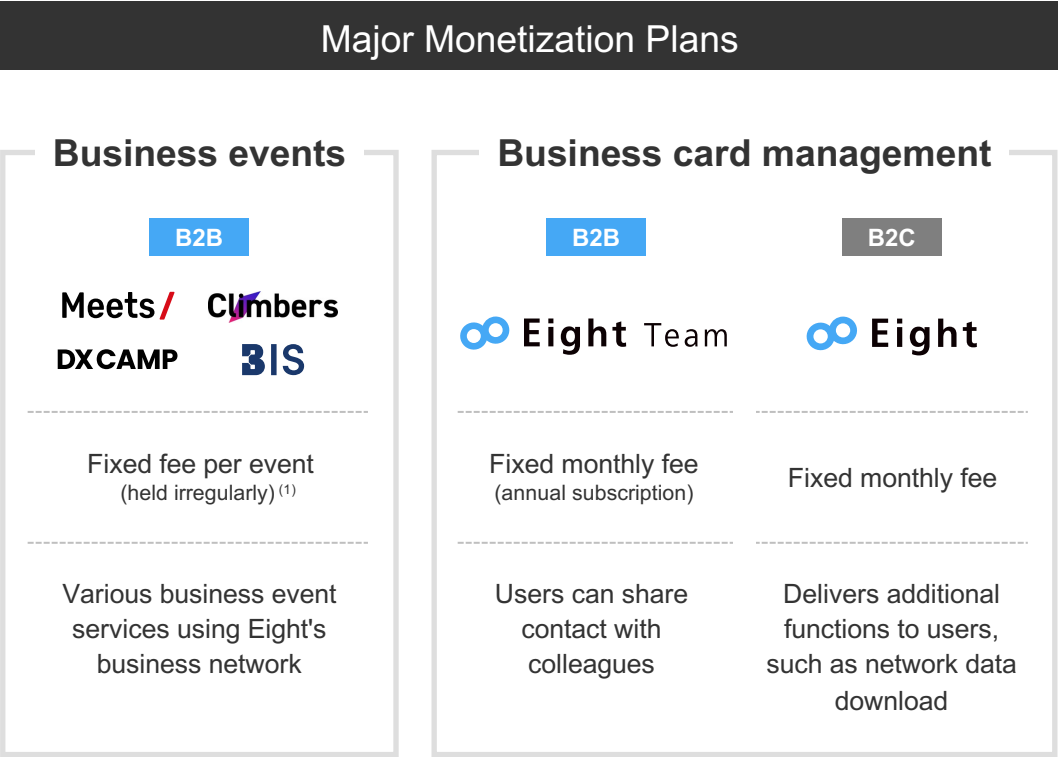
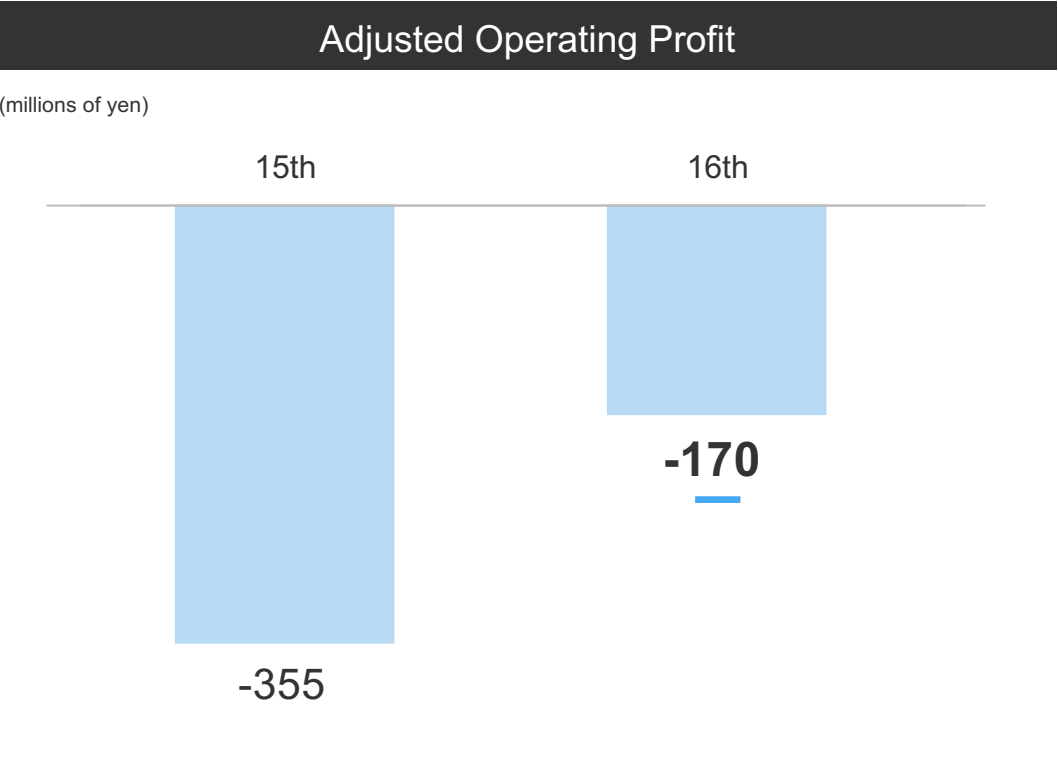
Contract One AI leverages the Azure OpenAI Service from Microsoft and offers a feature that instantly summarizes and displays pre-digitized contract information, primarily focusing on areas such as counterparties, overview, and duration.

Strategies for Accelerating Net Sales Growth Rate and Solid Profit Growth



Eight: Business Operation Policy

Under profitability-focused business operations, aiming for return to full-year profitability.



(1) There are multiple fee settings depending on the type of event held, etc.

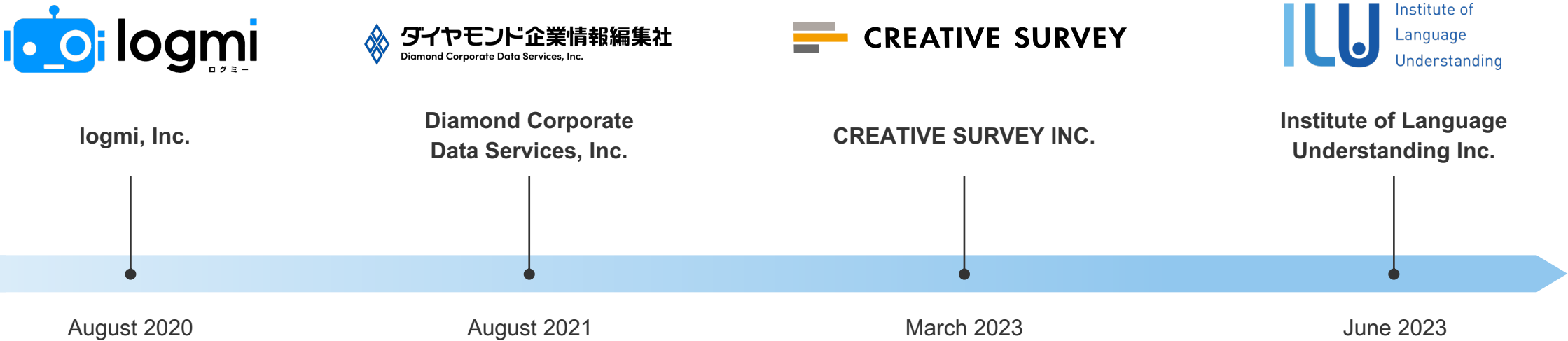
Strategies for Accelerating Net Sales Growth Rate and Solid Profit Growth



Track Record of Company Consolidation

To achieve discontinuous growth, promote company consolidation etc.
CREATIVE SURVEY and ILU were newly incorporated as group companies.

Track Record of Company Consolidation



Newly Incorporated Group Companies

CREATIVE SURVEY provides a corporate survey system.
ILU possesses expertise in knowledge databases and language understanding engine technologies.

Company Outline: CREATIVE SURVEY INC.



Beginning date of consolidation	March 2023
Business segment	Sansan/Bill One segment (others)
Service outline	Provides CREATIVE SURVEY corporate survey system that aggregates customer information from various touchpoints
Objective of consolidation	Enhancing CREATIVE SURVEY through integration of our sales and marketing expertise with our proprietary technologies

Company Outline: Institute of Language Understanding Inc.



Beginning date of consolidation	June 2023
Business segment	Others
Service outline	Engaging in outsourced development etc., utilizing large-scale knowledge databases and language understanding engines
Objective of consolidation	Enhancing Sansan's natural language processing service development, research and development capabilities, and talent acquisition

Full-Year Forecasts

Aim for consolidated net sales growth of 28.0% to 32.0%, accelerating from 16th
Adjusted operating profit margin is to improve 0.1 points to 1.8 points YoY.

		16th		17th ⁽¹⁾	
		Full-Year Results	YoY	Full-Year Forecasts	YoY
Consolidated Results	(millions of yen)				
	Net Sales	25,510	+24.9%	32,653 to 33,674	+28.0% to +32.0%
	Adjusted Operating Profit	942	+28.9%	1,240 to 1,852	+31.7% to +96.6%
	Adjusted Operating Profit Margin	3.7%	+0.1 pt.	3.8% to 5.5%	+0.1 pt. to +1.8 pt.

(1) We do not disclose specific forecast figures for operating profit (loss) and below as it is difficult to make a reasonable estimate of expenses related to share-based payment expenses, which may vary significantly depending on the level of our stock price, and certain non-operating income or expenses and other items.

Medium-Term Financial Targets (16th–18th)

Considering the solid business growth in 16th, we revised upward the growth rate of consolidated net sales from the 20%+ range to the mid-20%+ range.

Aim to solid sales growth and stable profit growth.

Important management indicators

Continued consolidated net sales growth of mid-20%+ range or higher

Improvement of adjusted consolidated profit margin in each fiscal year

Sansan/Bill One Business

Recording adjusted operating profit of ¥10 billion+ for Sansan and Bill One in 18th (excluding Others, such as new services in Sansan/Bill One Business segment)

Eight Business

Recording stable adjusted operating profit for full year

Disclaimer

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