

sansan

Turning encounters
into innovation



Presentation Materials for FY2021 Q3

Sansan, Inc. April 11, 2022

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Contents

1 Consolidated Financial Results for FY2021 Q3

2 Sansan's Growth Strategy

3 Full-year Forecasts for FY2021

Appendix

(Sansan Group Overview, Sansan/Bill One Business, Eight Business)

Contents

1 Consolidated Financial Results for FY2021 Q3

2 Sansan's Growth Strategy

3 Full-year Forecasts for FY2021

Highlights of FY2021 Q3YTD Results

| Consolidated net sales increased 25.1% YoY

Net Sales: Sansan/Bill One Business 23.8% growth, Eight Business 30.7% growth
ARR ⁽¹⁾ : 23.0% growth to 18,831 million yen

| Progress in line with range of full-year earnings forecasts

Despite the ongoing negative effects from COVID-19, no change to consolidated earnings forecasts announced at beginning of fiscal year. Recorded operating profit during nine months ended February 28, 2022 (decrease in operating profit had been due to personnel recruitment and strengthening of advertising activities, as planned)

| Bill One achieved ARR target ahead of schedule

Bill One MRR ⁽²⁾ increased by 886.7% YoY to ¥92 million and ARR increased to ¥1,109 million.
Achieved end of May 2022 target ahead of schedule and exceeded ARR of ¥1 billion one year and nine months after Bill One's release.

(1) Annual recurring revenue

(2) Monthly recurring revenue

Overview of Consolidated Financial Results

Despite being impacted by the prolonged, ongoing COVID pandemic, net sales remained steady and increased 24.6% YoY.

Operating profit increased owing to increase in net sales, etc.

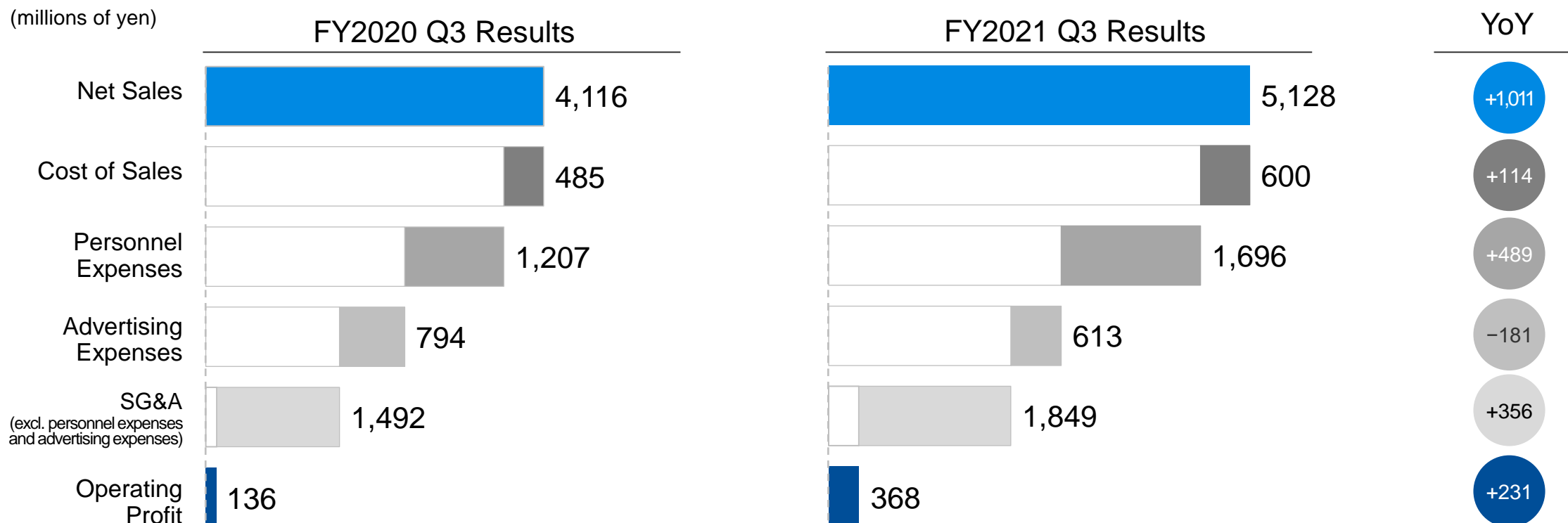
		FY2020	FY2021		(For Reference) FY2021	
(millions of yen)		Q3 Results	Q3 Results	YoY	Q3YTD Results	YoY
Consolidated Results	Net Sales	4,116	5,128	+24.6%	14,705	+25.1%
	Gross Profit	3,630	4,527	+24.7%	12,973	+25.7%
	Gross Profit Margin	88.2%	88.3%	+0.1 pt.	88.2%	+0.4 pt.
	Operating Profit	136	368	+170.2%	234	-71.5%
	Operating Profit Margin	3.3%	7.2%	+3.9 pt.	1.6%	-5.4 pt.
	Ordinary Profit	25	107	+328.4%	750	+56.7%
	Profit Attributable to Owners of Parent	25	1	-94.1%	575	+39.0%
	EPS ⁽¹⁾	0.21 yen	0.01 yen	-94.1%	4.61 yen	+38.7%

(1) As the Company conducted a four-for-one common stock split effective December 1, 2021, the EPS were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended May 31, 2021.

Factors Contributing to Changes in Consolidated Operating Profit

Operating profit increased 170.2% YoY owing to increased net sales, decreased advertising expenses, etc. Personnel expenses up ¥489 million YoY, owing to strengthening of personnel recruitment.

Status of Consolidated Net Sales/Operating Profit



Results by Segment

Increased net sales and operating profit (reduced deficit) in both Sansan/Bill One and Eight Business. Adjustments amount (operating loss) up ¥266 million YoY, owing to increased employees, etc.

		FY2020	FY2021		(For Reference) FY2021	
(millions of yen)		Q3 Results	Q3 Results	YoY	Q3YTD Results	YoY
Net Sales	Consolidated	4,116	5,128	+24.6%	14,705	+25.1%
	Sansan/Bill One Business	3,757	4,650	+23.8%	13,199	+23.8%
	Eight Business	360	454	+26.1%	1,430	+30.7%
	Others	—	25	—	80	—
	Adjustments	-1	-3	—	-5	—
Operating Profit	Consolidated	136	368	+170.2%	234	-71.5%
	Sansan/Bill One Business	1,226	1,662	+35.6%	4,029	-0.8%
	Eight Business	-185	-105	—	-396	—
	Others	—	-18	—	-18	—
	Adjustments	-904	-1,170	—	-3,379	—

Sansan/Bill One Business Overview

Net sales up 23.8% YoY against backdrop of steady growth of Sansan and rapid growth of Bill One.
Operating profit increased 35.6% YoY owing to increase in net sales, decrease in advertising expenses, etc.

		FY2020	FY2021		(For Reference) FY2021	
(millions of yen)		Q3 Results	Q3 Results	YoY	Q3YTD Results	YoY
Sansan/Bill One Business	Net Sales	3,757	4,650	+23.8%	13,199	+23.8%
	Sansan	3,733	4,366	+17.0%	12,662	+19.2%
	Sansan Recurring Sales	3,541	4,136	+16.8%	12,062	+19.4%
	Sansan Other Sales	191	230	+20.2%	600	+14.9%
	Bill One	23	259	+1,003.0%	498	+1,356.4%
	Others	0	24	+6,048.6%	38	+4,543.1%
	Operating Profit	1,226	1,662	+35.6%	4,029	-0.8%
	Operating Profit Margin	32.6%	35.7%	+3.1 pt.	30.5%	-7.6 pt.

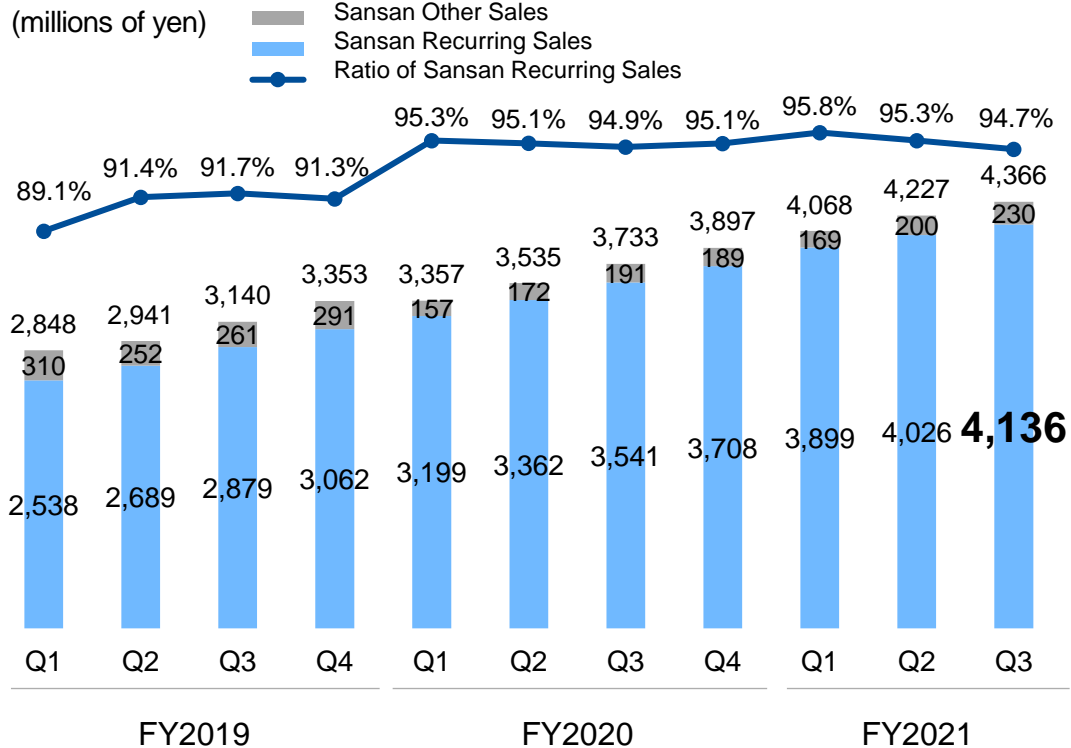
(1) Unaudited

Sansan/Bill One Business : Sansan Recurring Sales, Number of Sansan Subscriptions and Monthly Sales per Subscriptions

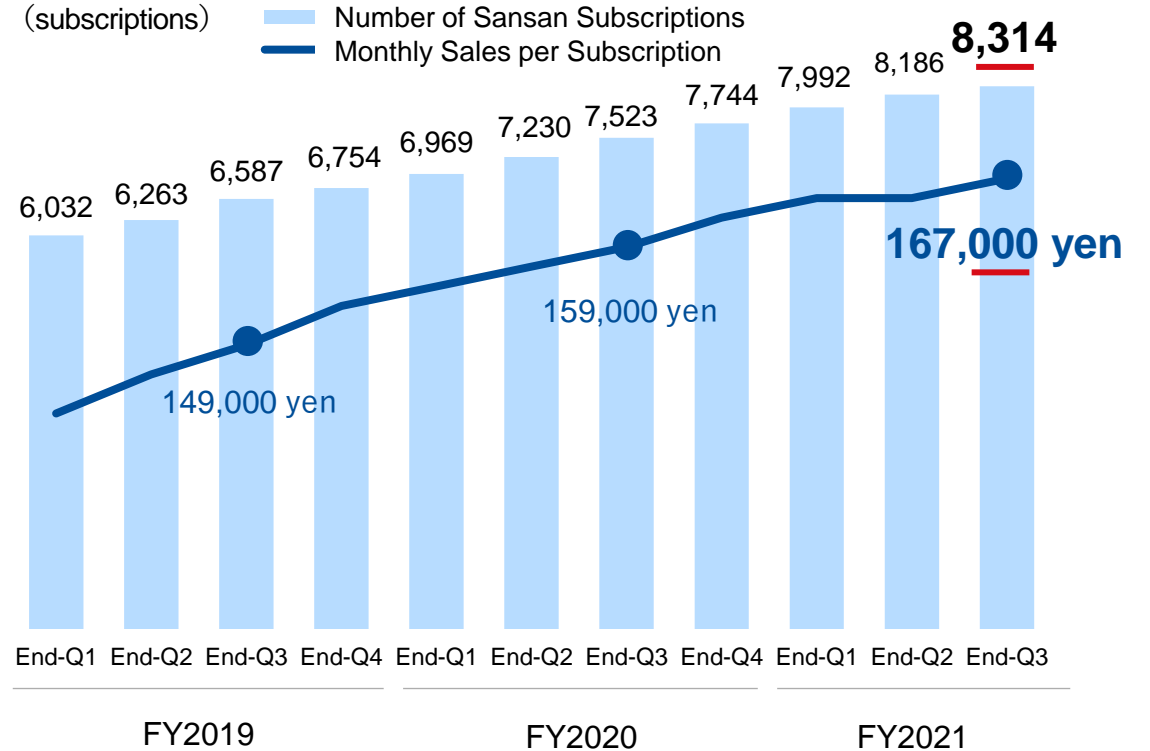
Recurring sales up 16.8% YoY.

Number of subscriptions increased by 10.5% YoY and monthly recurring sales per subscription increased by 5.0% YoY.

Sansan Recurring Sales ⁽¹⁾



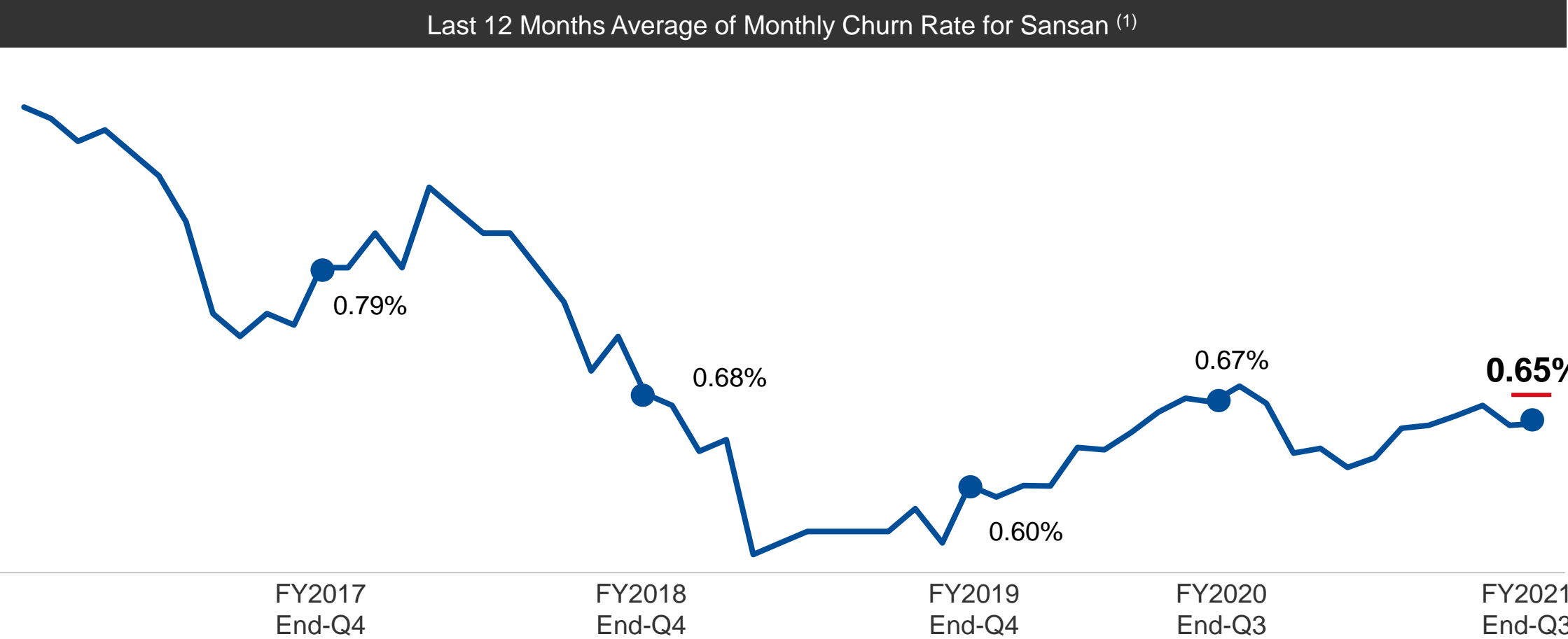
Number of Sansan Subscriptions and Monthly Sales per Subscription



(1) Revised figures for FY2020 Q3 and Q4

Sansan/Bill One Business: Last 12 Months Average of Monthly Churn Rate for Sansan

Last 12 months average of monthly churn rate has remained low, at 1% or less.



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

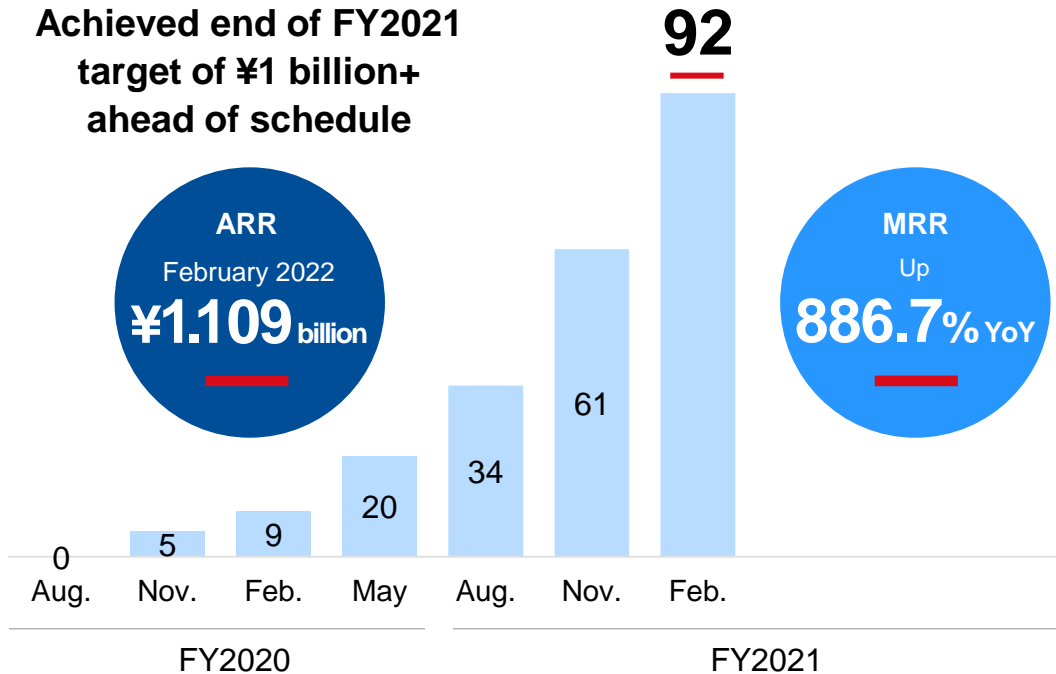
Sansan/Bill One Business: Bill One MRR, Paid Subscriptions, and Monthly Sales per Paid Subscription

MRR up 886.7% YoY, achieved end of May 2022 ARR target of ¥1 billion or more ahead of schedule.
Rapid growth in both number of paid subscriptions and monthly sales per paid subscription.

Bill One MRR

(millions of yen)

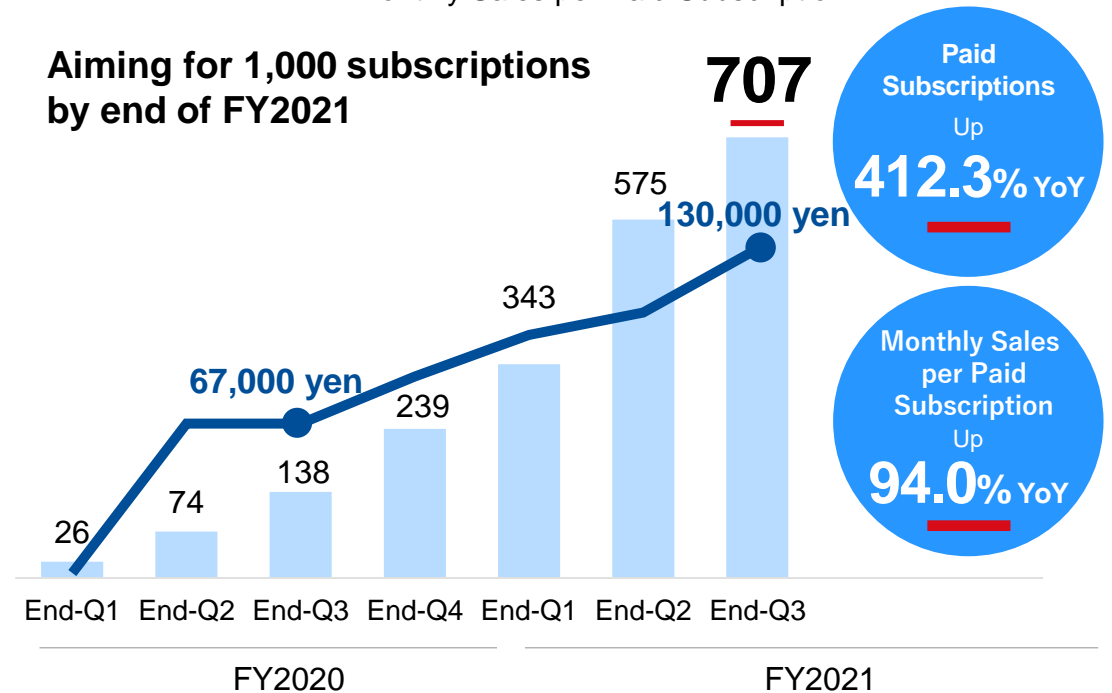
**Achieved end of FY2021
target of ¥1 billion+
ahead of schedule**



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

(subscriptions) ■ Paid Subscriptions — Monthly Sales per Paid Subscription

**Aiming for 1,000 subscriptions
by end of FY2021**



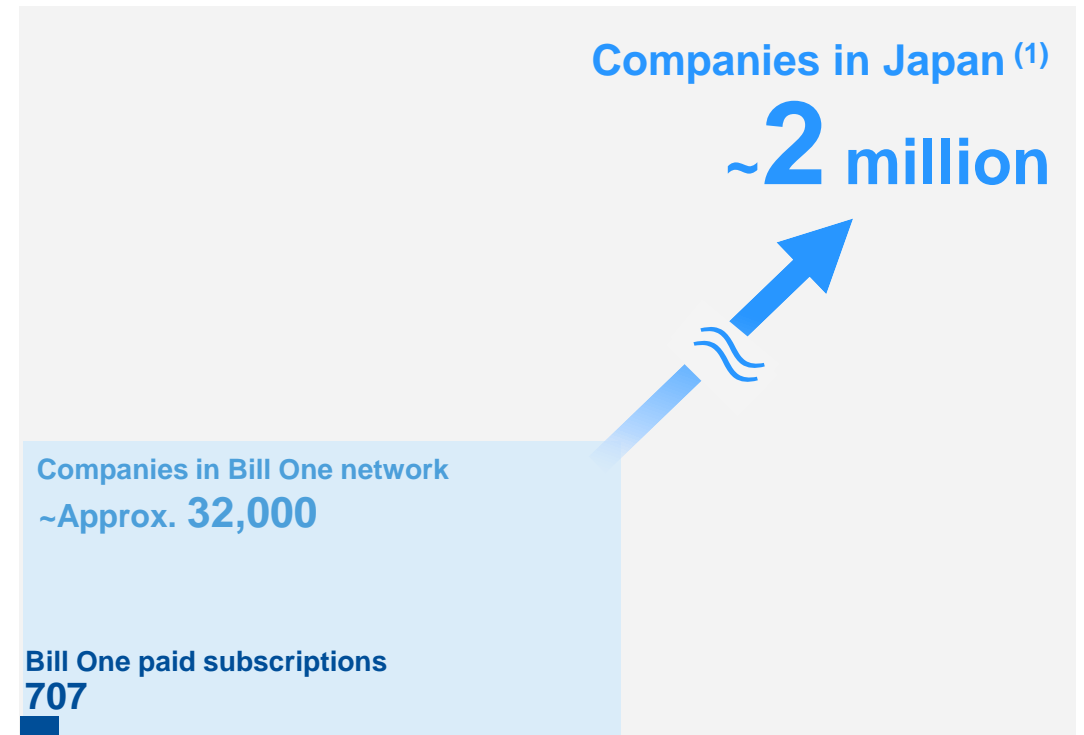
Sansan/Bill One Business: Bill One Customers and Size of Potential Market

Regardless of company size, acquiring customers from various types of businesses and businesses.
Vast room for development exists in Japan.

Customers Running Bill One Products



Size of Potential Market



(1) Based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau.

Eight Business Overview

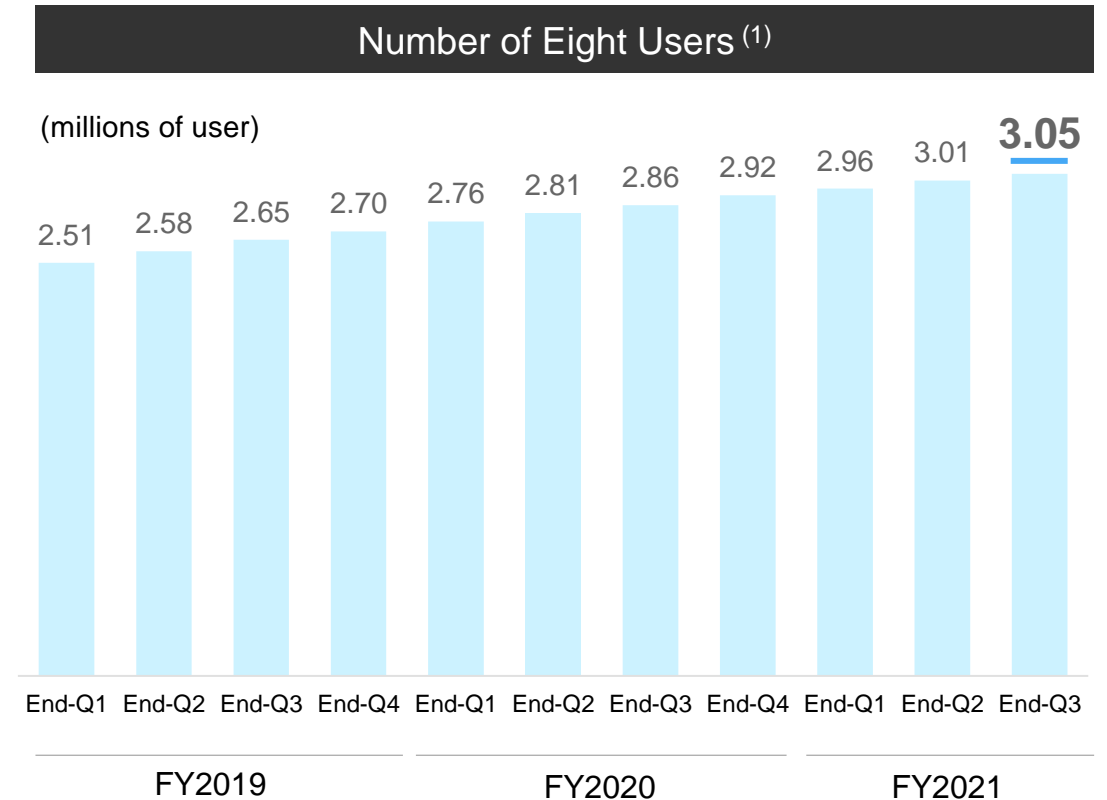
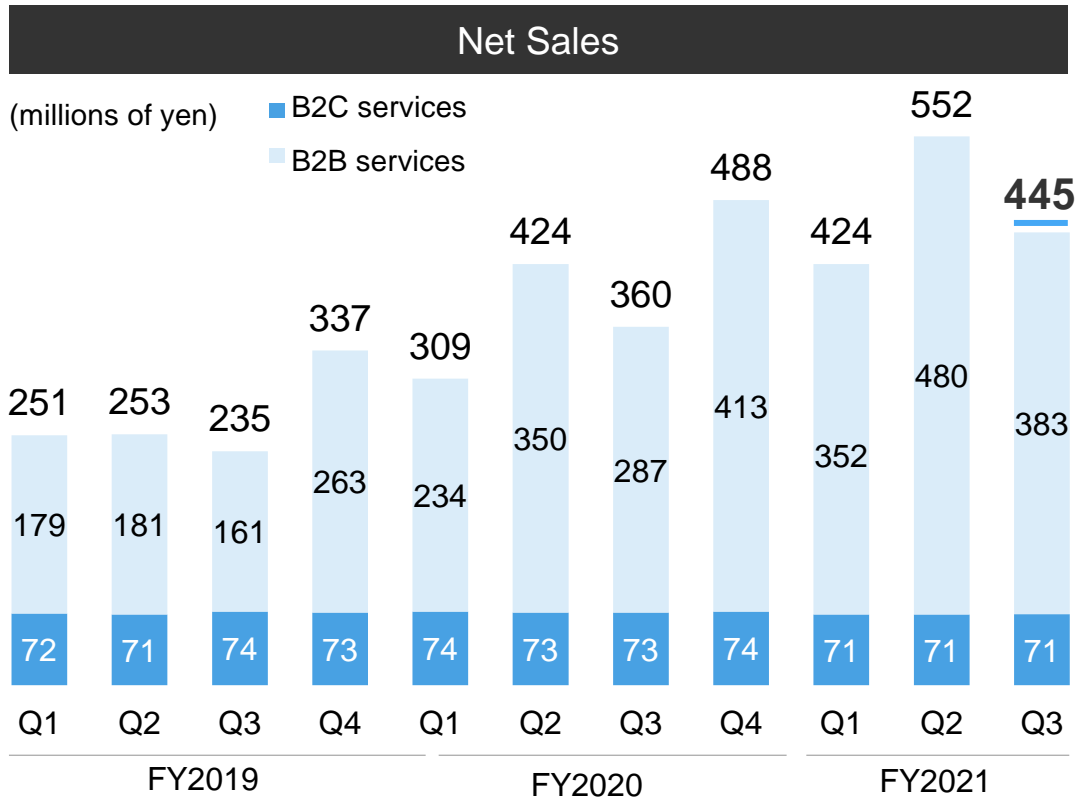
**Net sales increased by 26.1% YoY, owing to expansion of B2B services.
Operating loss reduced by ¥80 million YoY.**

		FY2020	FY2021		(For Reference) FY2021	
(millions of yen)		Q3 Results	Q3 Results	YoY	Q3YTD Results	YoY
Eight Business ☺	Net Sales	360	454	+26.1%	1,430	+30.7%
	B2C Services	73	71	-2.9%	213	-3.7%
	B2B Services	287	383	+33.5%	1,217	+39.4%
	Operating Profit	-185	-105	—	-396	—
	Operating Profit Margin	—	—	—	—	—
	Number of Eight Users ⁽²⁾	2.86 million people	3.05 million people	+0.19 million people		
	Number of Eight Team Subscriptions	2,132	2,621	+22.9%		

(1) Unaudited
(2) Number of confirmed users who registered their business card to their profile after downloading the application

Eight Business: Net Sales, Eight Users

**B2B service sales up 33.5% YoY, owing to growth in recruitment services for companies, etc.
Continued growth of number of Eight users.**



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

Contents

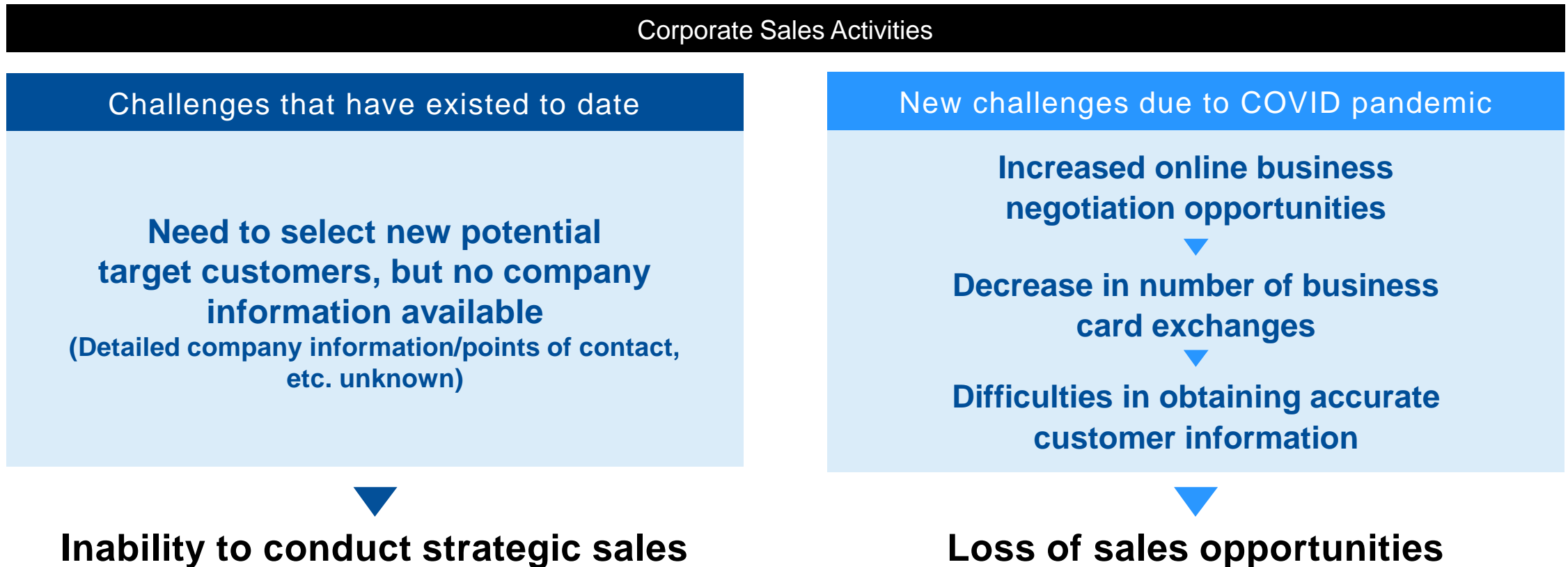
1 Consolidated Financial Results for FY2021 Q3

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Background to Product Reform (Challenges Facing Corporate Sales Activities)

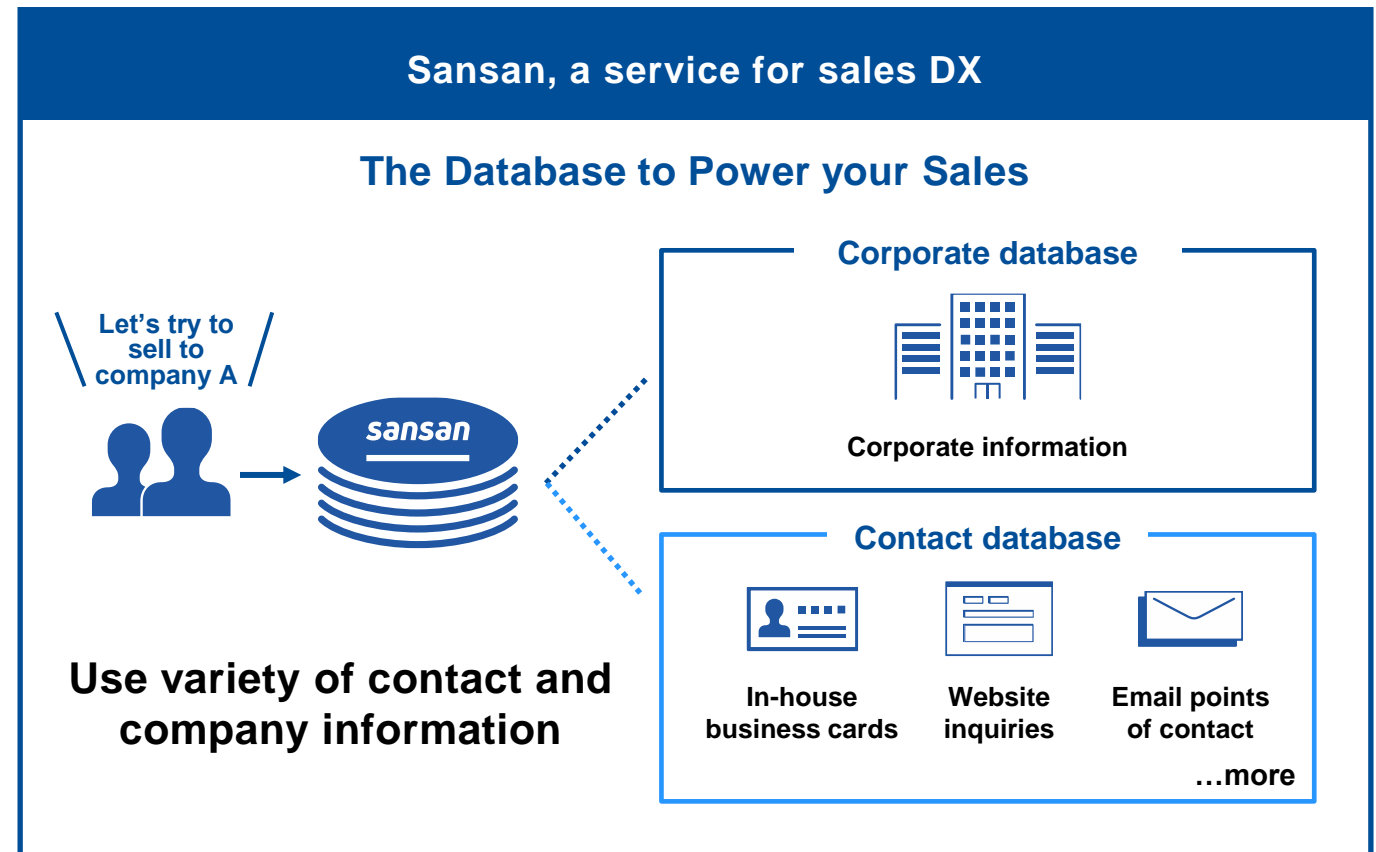
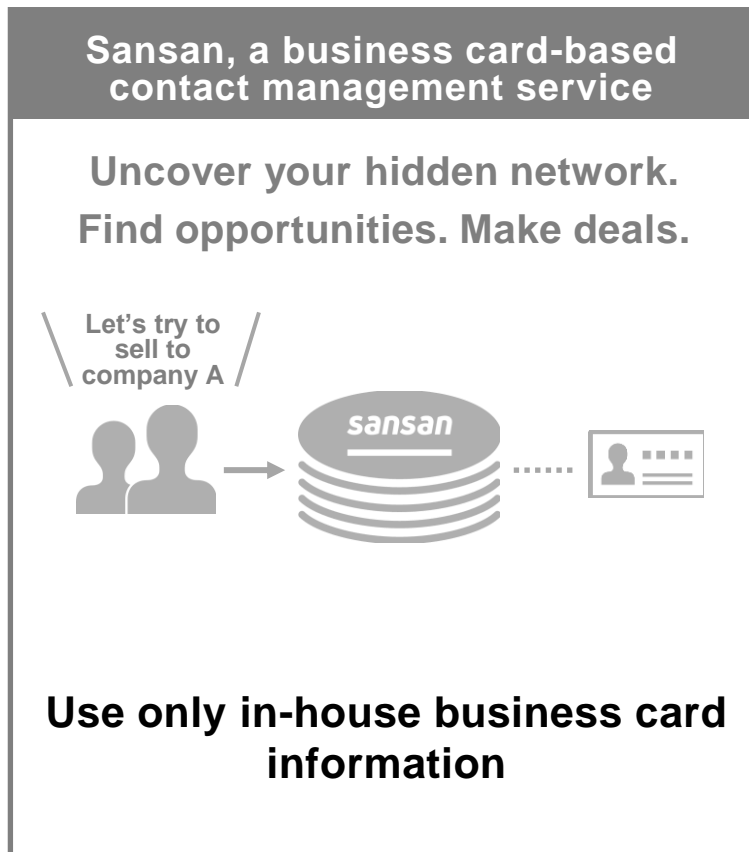
In addition to challenges that have existed to date of inability to conduct strategic sales due to a lack of corporate information, etc., business opportunities being lost because of the pandemic is new challenges facing corporate sales activities.



Aims of Product Reform

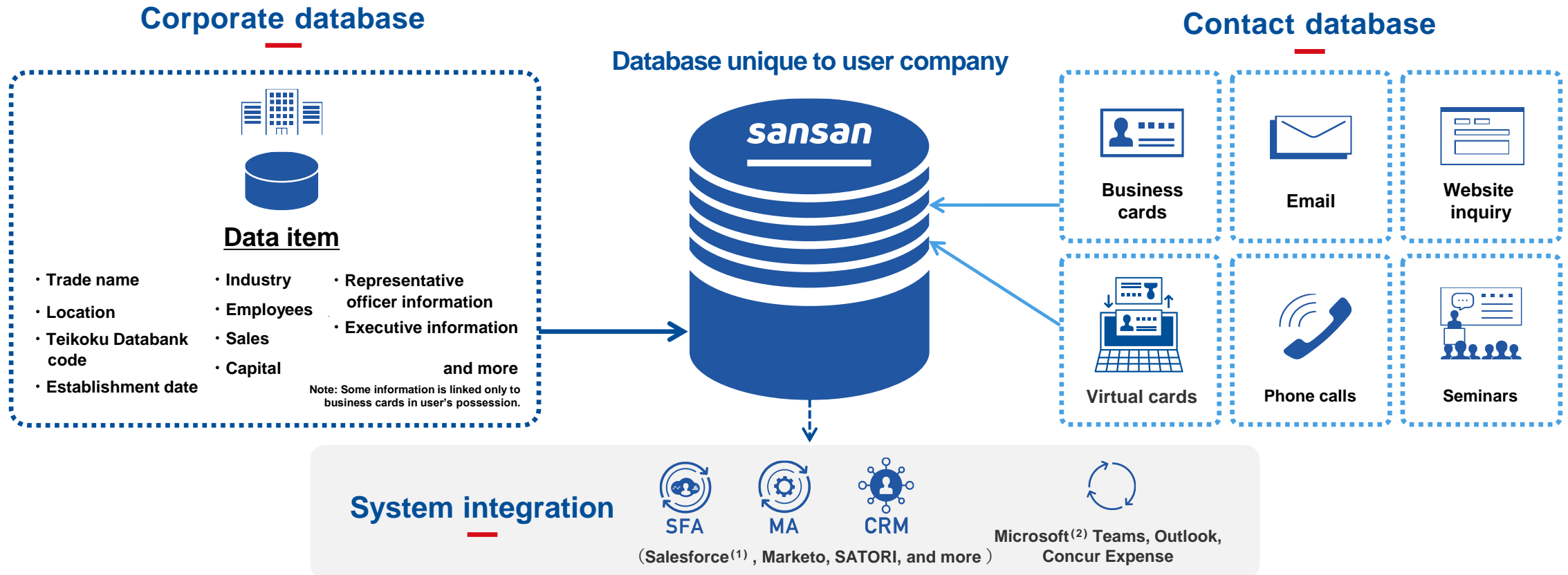
Added new functions to address challenges facing corporate sales activities.

Evolution as a service that supports corporate sales forces by promoting value that appeals beyond business card management.



Service Outline (Sansan, the Service for Sales DX)

Added more than 1 million company information as well as functions to accumulate and visualize contact information other than that from business cards. Combining these items, builds databases unique to user companies while strengthening the sales capabilities of organizations and individuals.



(1) Salesforce is a registered trademark of salesforce.com, Inc.

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

Upcoming Schedule

Key functions Sansan plans to provide during FY2022 Q1

FY2021

FY2022

Q3	Q4	Q1	Q2
Main functions of product reform			
<ul style="list-style-type: none"> Added Contact Inbox function (December) 	<ul style="list-style-type: none"> Browsing of company information (March) 	<ul style="list-style-type: none"> Add website inquiry form integration (May) Strengthen integration with Teikoku Databank (June) 	(additions as necessary)
	<ul style="list-style-type: none"> Sales begin (March) 		

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Consolidated Financial Forecasts

Up to and including Q3, results have been progressing within the expected ranges, and there is no change to the consolidated earnings forecasts.

		FY2020	FY2021	
		Full-year Results	Full-year Forecasts	YoY
(millions of yen)				
Consolidated Forecasts	Net Sales	16,184	20,230	+25.0%
			~20,716	~+28.0%
	Operating Profit	736	450	-38.9%
			~800	~+8.6%

(1) We also expect to record a surplus in ordinary profit and profit attributable to owners of parent, but currently we are in a phase of actively investing to maximize shareholder value and corporate value over the medium to long term. Additionally, since it is difficult to reasonably estimate some non-operating income and loss, we have not disclosed specific forecast figures

Appendix



Sansan Group Overview

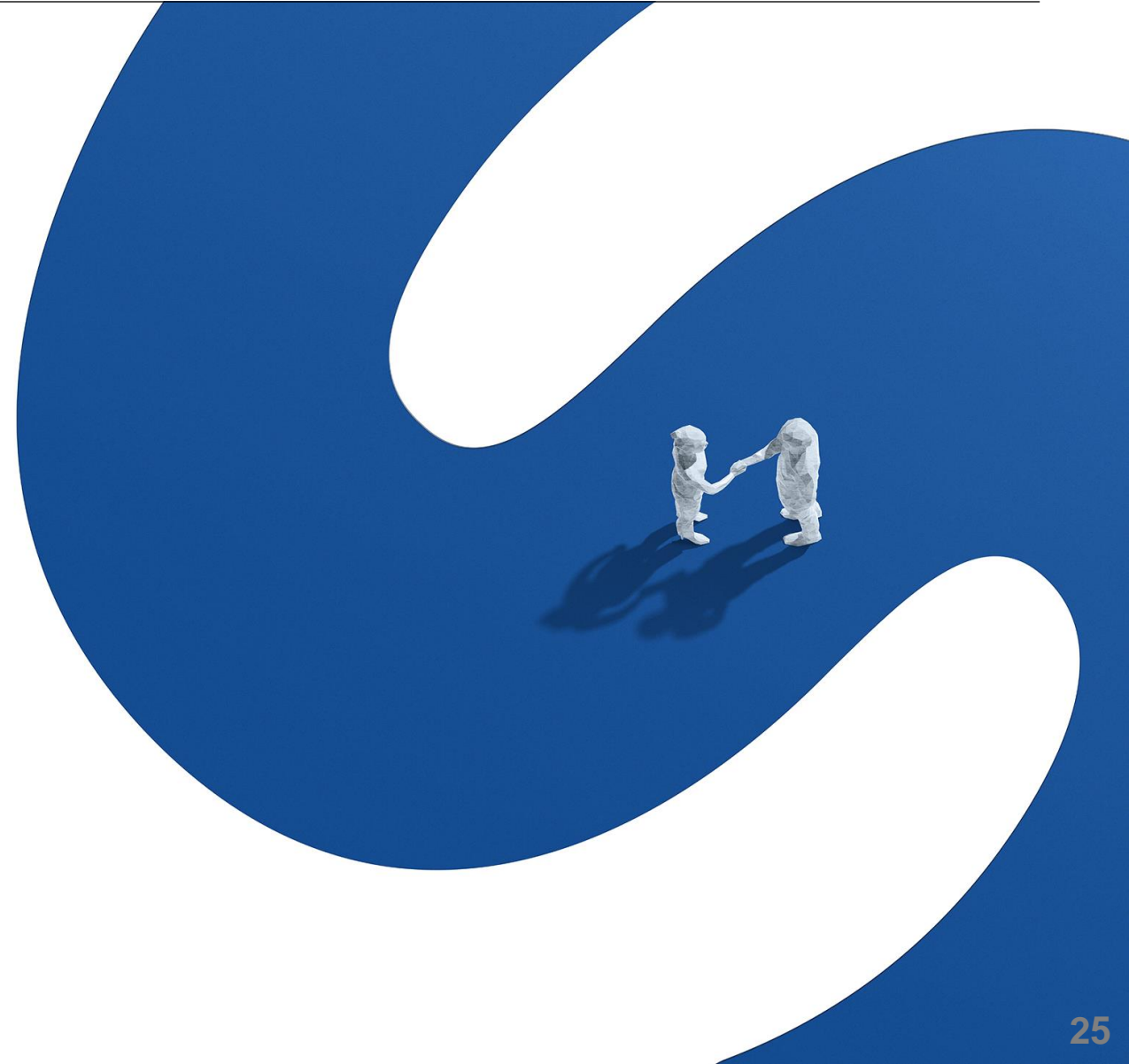
Mission and Vision

Mission

**Turning encounters
into innovation**






Vision




**Become business
infrastructure**



Overview of Reporting Segments

Comprises two reporting segments, the Sansan/Bill One Business and Eight Business. ⁽¹⁾

Sansan/Bill One Business		
Sansan	Bill One	Others
<p>Service for sales DX</p> 	<p>Online invoice receiving solution</p> 	<p>Cloud-based contract management solution</p> 
<p>Seminar management system</p> 		
<p>Business card creation service</p> 		

Eight Business	
B2C Services	B2B Services
<p>Business card management app</p>  <p>- Eight Premium</p>	<p>Business card management app</p>  <ul style="list-style-type: none"> - Eight Team - Eight Marketing Solutions - Meets - Climbers - DX Camp - Business IT & SaaS EXPO - Eight Career Design <p>Media that transcribes all documents ⁽²⁾</p> 

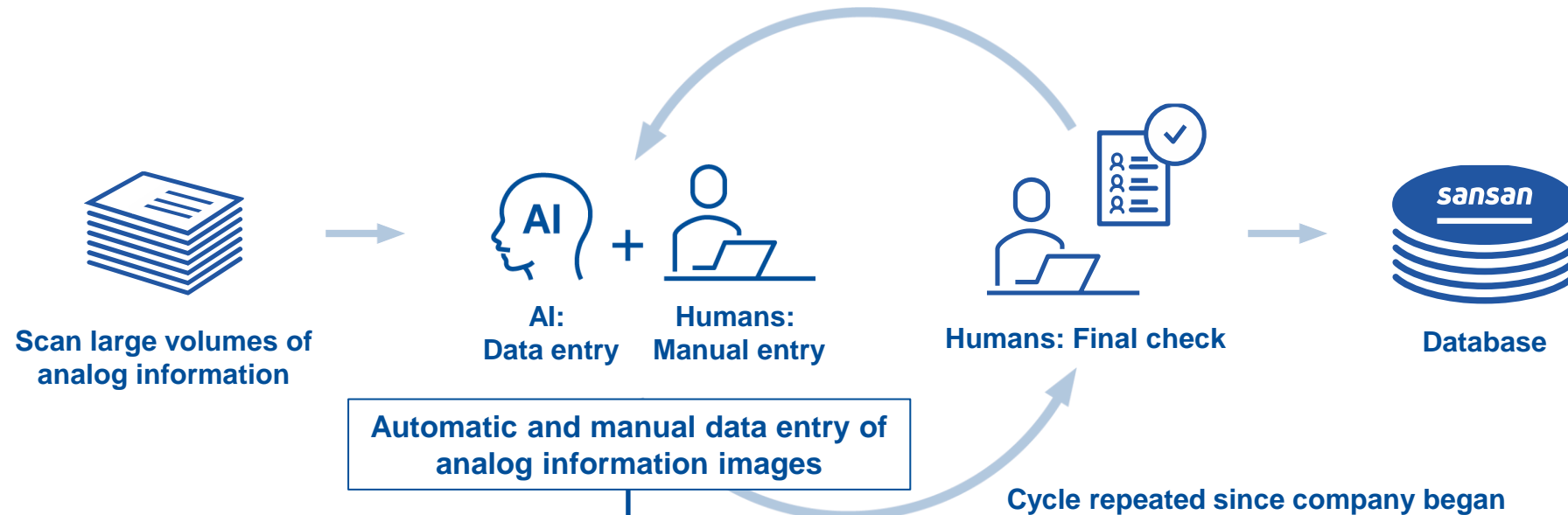
⁽¹⁾ From FY2021 (June 1, 2021), following a change in the recognition method for certain services, the reportable segments were changed to Sansan/Bill One Business and Eight Business. Of note, the few other services not included in reportable segments are recorded in "Others," while elimination of intra-company transactions (sales), and costs not allocated to segments are recorded in "Adjustments."

⁽²⁾ Services provided by logmi, Inc., a consolidated subsidiary

Operation and Technologies for Digitizing Analog Information

Establishment of analog information digitization operation structure unsurpassed by competitors.

Prompt, accurate digitization of large volume of business card information



Combination of Technologies

Automatic detection and micro-tasking of analog information

Automatic detection of language

Automatic sorting to operators

Diverse network of data entry operators

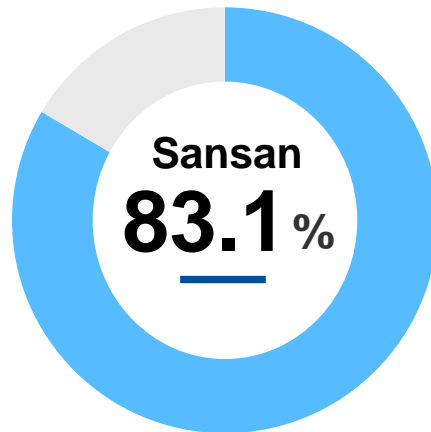
Image processing technology

Dominant Brand Recognition and Strong Assets in SaaS Management

Has gained high level of brand recognition among B2B services and established a dominant market share. Building a solid customer base backed by Japan's highest SaaS management expertise, which has been cultivated since we began.

Dominant brand recognition and market share in B2B

Sales share in 2020 ⁽¹⁾



Strong sales organization and solid customer base

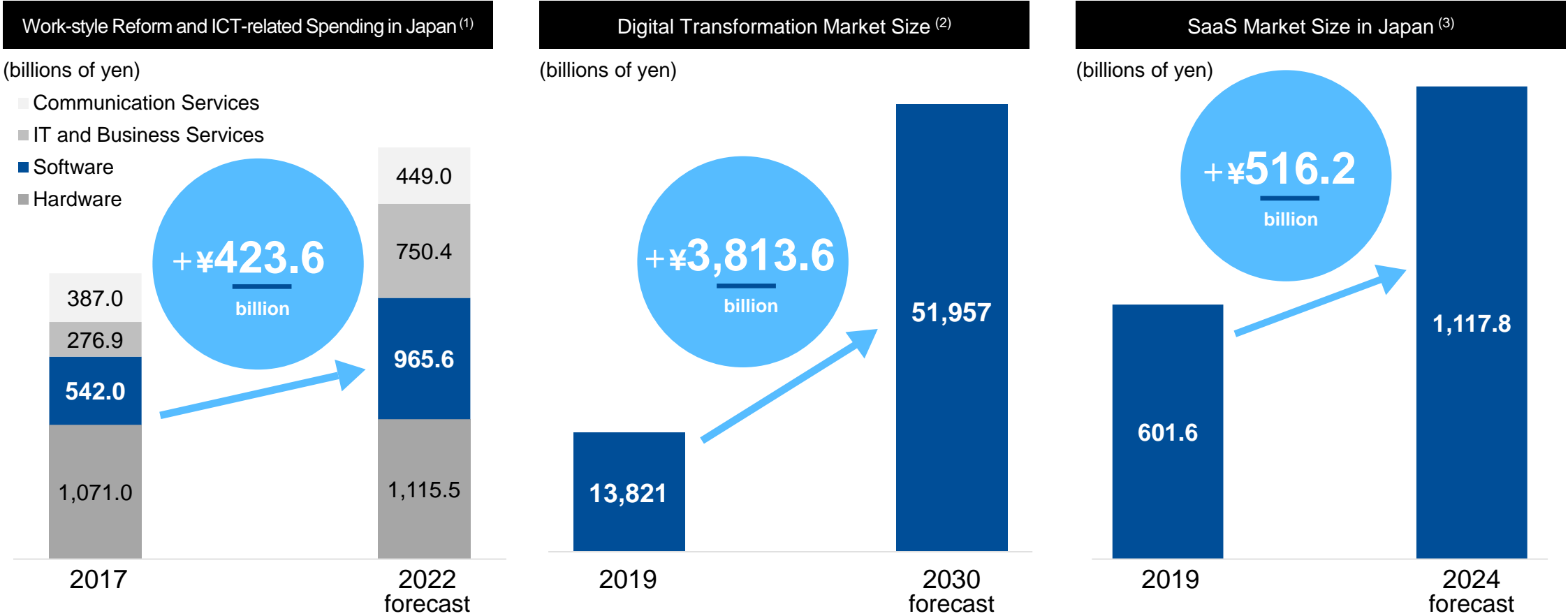
SaaS expertise cultivated
over the 15 years since our founding



(1) Latest trends in business card management services and sales services [SFA/CRM/online business card exchange], December 2020, Seed Planning, Inc.

Tailwind of Market Environment

Work-style reform and digital transformation are boosting the need for B2B cloud-based business card management.



(1) Based on 2018 to 2022 Outlook of Work-style Reform and ICT-related Spending in Japan: by Hardware, Software, IT and Business Services, Communication Services by IDC Japan (December 2018)
(2) Based on Market Edition and Vendor Strategy Edition of 2022 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute
(3) Based on 2020 New Software Business Markets by Fuji Chimera Research Institute

Company Overview (1)

Company name	Sansan, Inc.
Foundation	June 11, 2007
Head office	Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo
Other locations	Branch offices: Osaka, Nagoya, Fukuoka Satellite offices: Tokushima, Kyoto, Fukuoka, Hokkaido, Niigata
Group companies	Sansan Global Pte. Ltd. (Singapore) Sansan Corporation (United States) logmi, Inc.
Representative	Chika Terada
Number of employees	1,118
Capital	¥6,414 million
Net sales	¥16,184 million (FY2020)
Classification by type of shareholder	Domestic financial institutions: 20.29%; security firms: 1.27%; other domestic corporations: 2.10%; foreign financial institutions and individuals: 29.67%; individuals and others: 46.67%

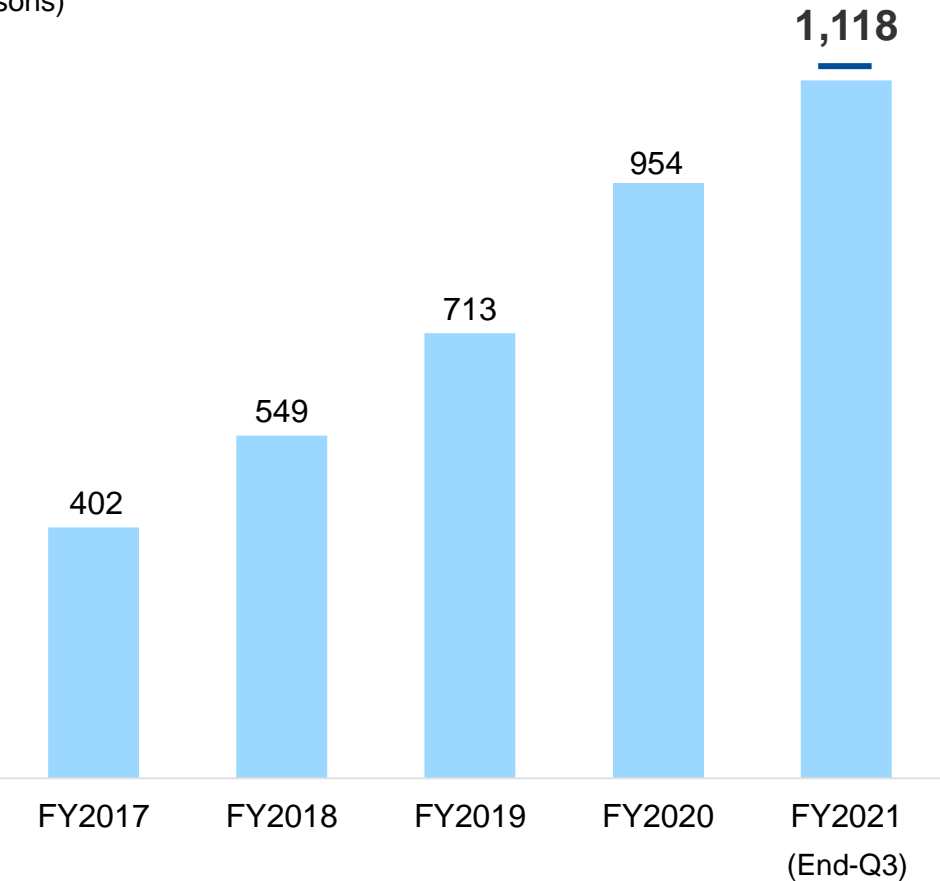


(1) As of February 28, 2022

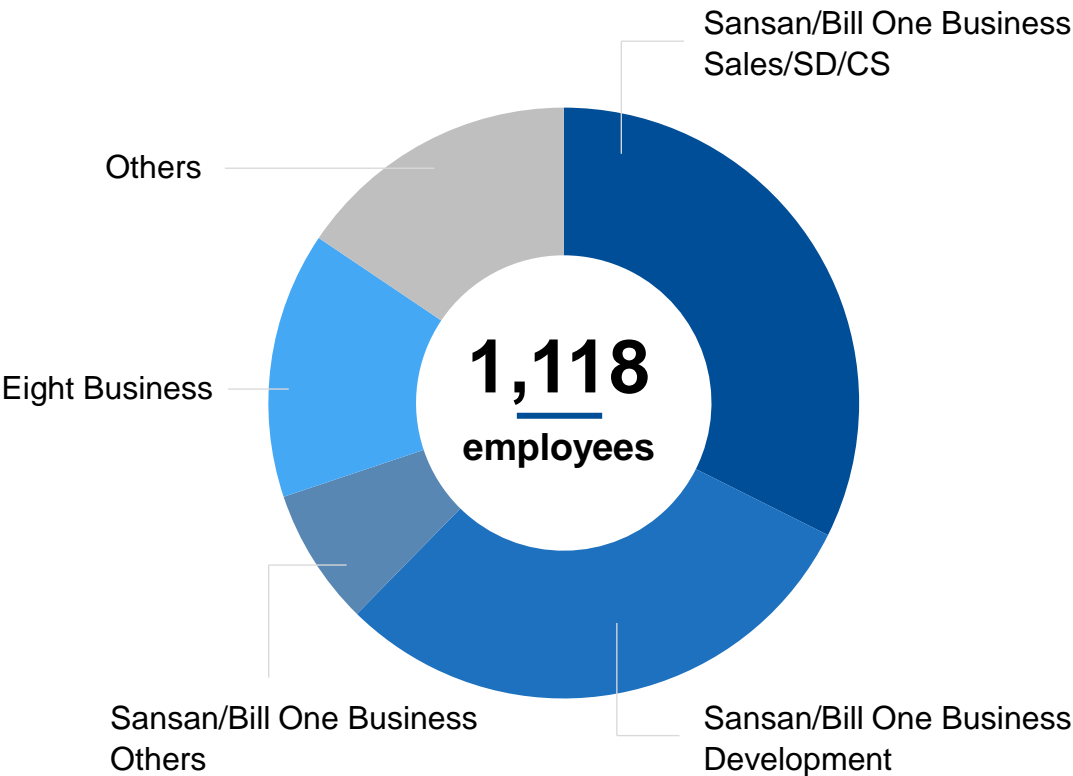
About Employees

Number of Employees

(persons)



Breakdown by Organization ⁽¹⁾



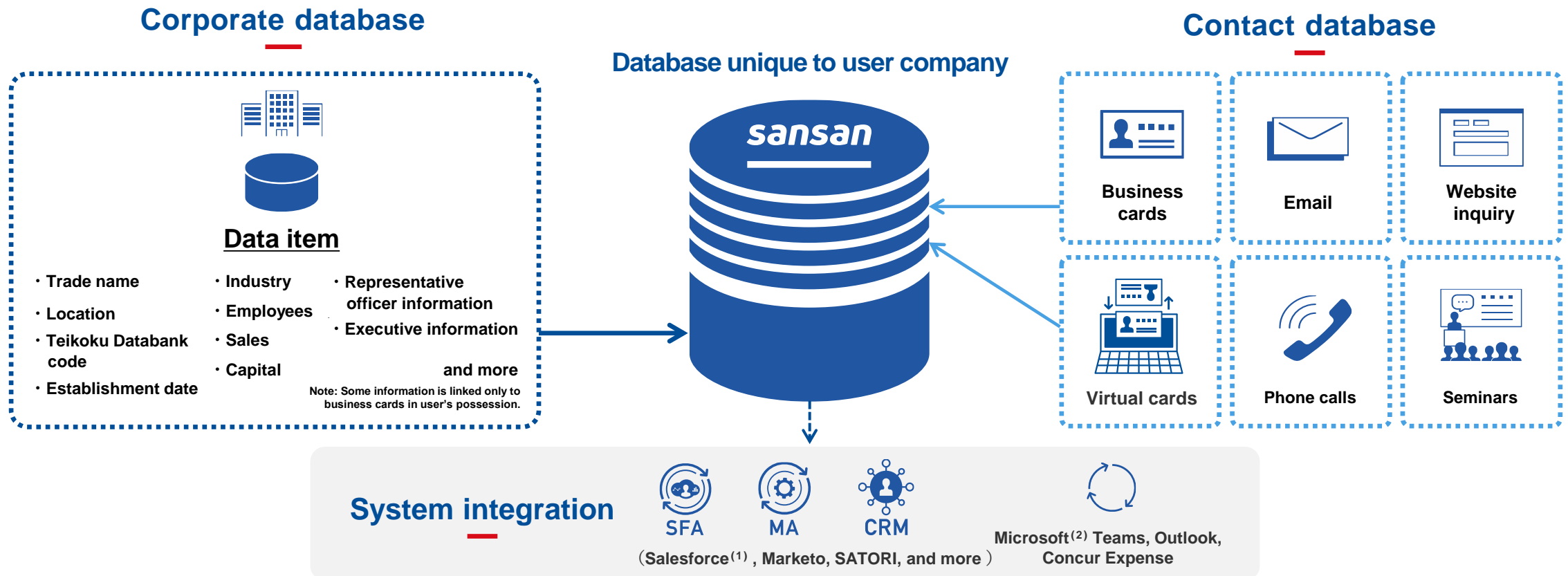
(1) As of February 28, 2022

Sansan/Bill One Business



Sansan: Service Outline

Combining company information and accumulated customer contact information: encouraging digital transformation (DX) in building databases unique to user companies while strengthening organizational and individual sales capabilities.



(1) Salesforce is a registered trademark of salesforce.com, Inc.

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

Sansan: Service Plans

Providing basic company-wide use plan.

	A. Basic company-wide use plan	B. Previous plan (ID subscription)	Timing of payment
1 Initial cost (initial costs)	12 months' license cost Cost for digitizing existing business cards	Cost according to number of contract IDs Digitization costs for business cards already held (upper limit placed on number of business cards)	At start of contract
2 Customer Success Plan (initial costs)	Offer introduction support plans with individual quotation Costs for implementation and operational support of Sansan services		At start of contract
3 Scanner (running costs)	Monthly ¥10,000 per scanner Rent scanners and tablets to customers based on number of office floors and/or branches		At start or renewal of contract
4 License cost (running costs)	Determined according to company size and usage (annual subscription) Tens of thousands to millions of yen per subscription	Setting according to number of contract IDs (annual subscription) Fixed billing for each ID (upper limit placed on the number of business cards digitized)	At start or renewal of contract

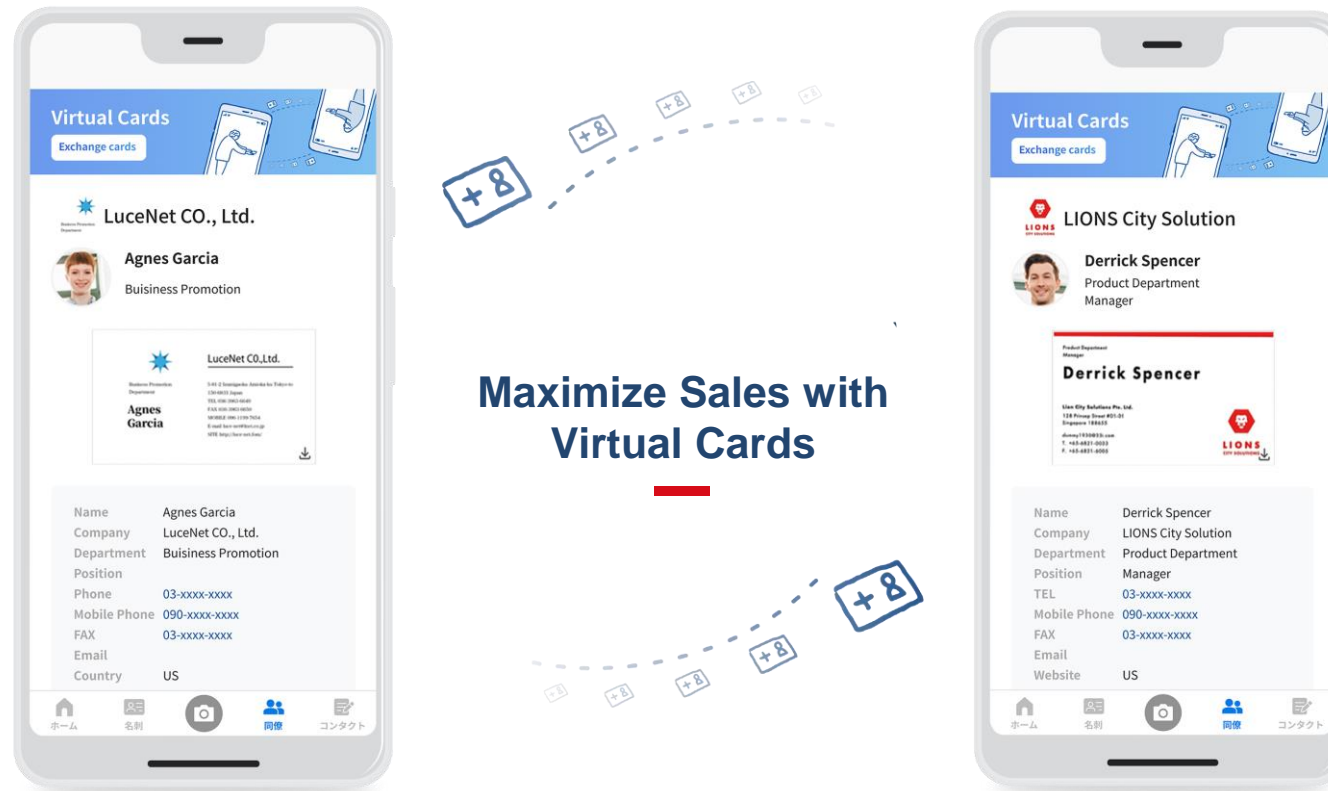
Sansan: Number of Subscriptions and Monthly Recurring Sales per Subscription

Achieve growth through increases in both the number of subscriptions and monthly recurring sales per subscription.



Sansan: Expand Use of Virtual Cards Function

Started providing Virtual Card function in June 2020 amid expansion of new work styles, such as remote work. Stronger syncing between our other segment and other companies, such as Eight with Microsoft Teams ⁽¹⁾ and Google Calendar ⁽²⁾.

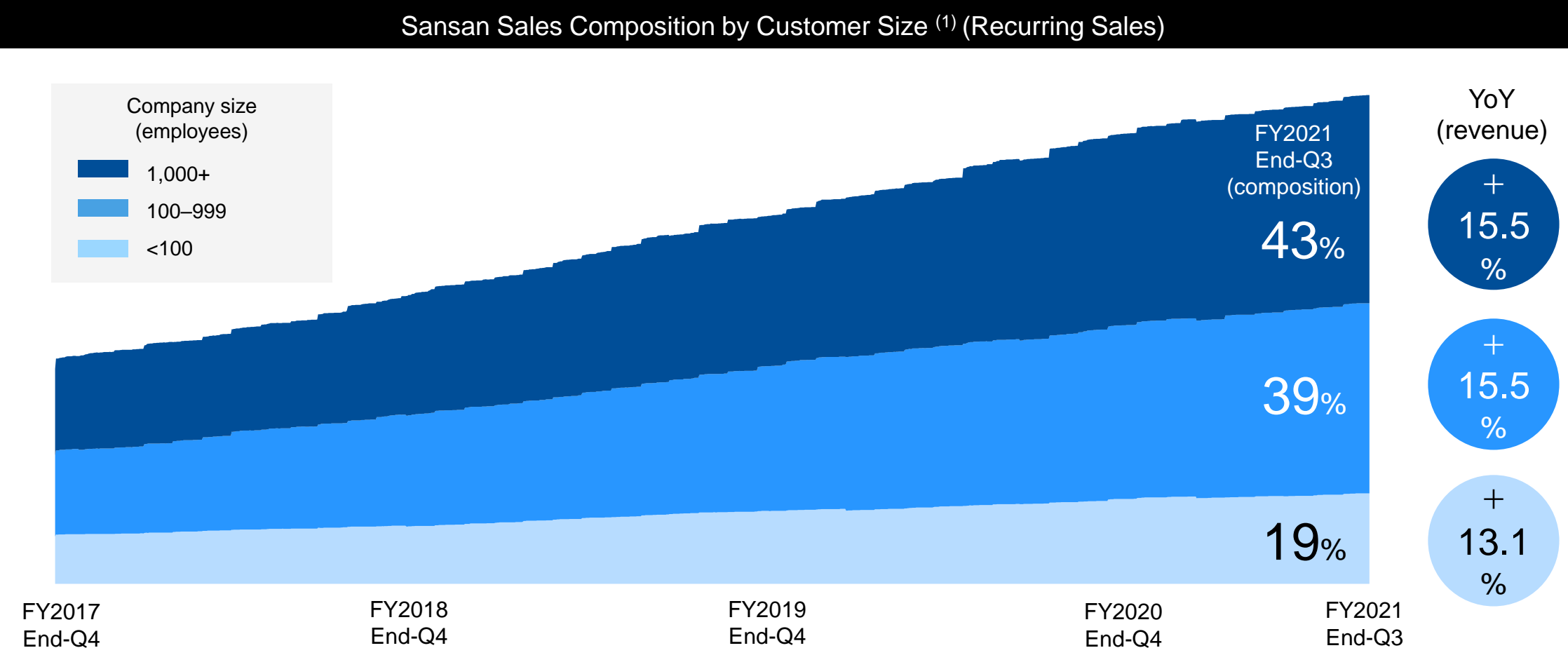


(1) Microsoft 365 is registered trademarks of Microsoft Corporation in the U.S. and other countries

(2) Google Workspace and Google Calendar are trademarks of Google LLC.

Sansan: Sansan Sales Composition by Customer Size (Recurring Sales)

No significant change in revenue composition ratio by customer size.

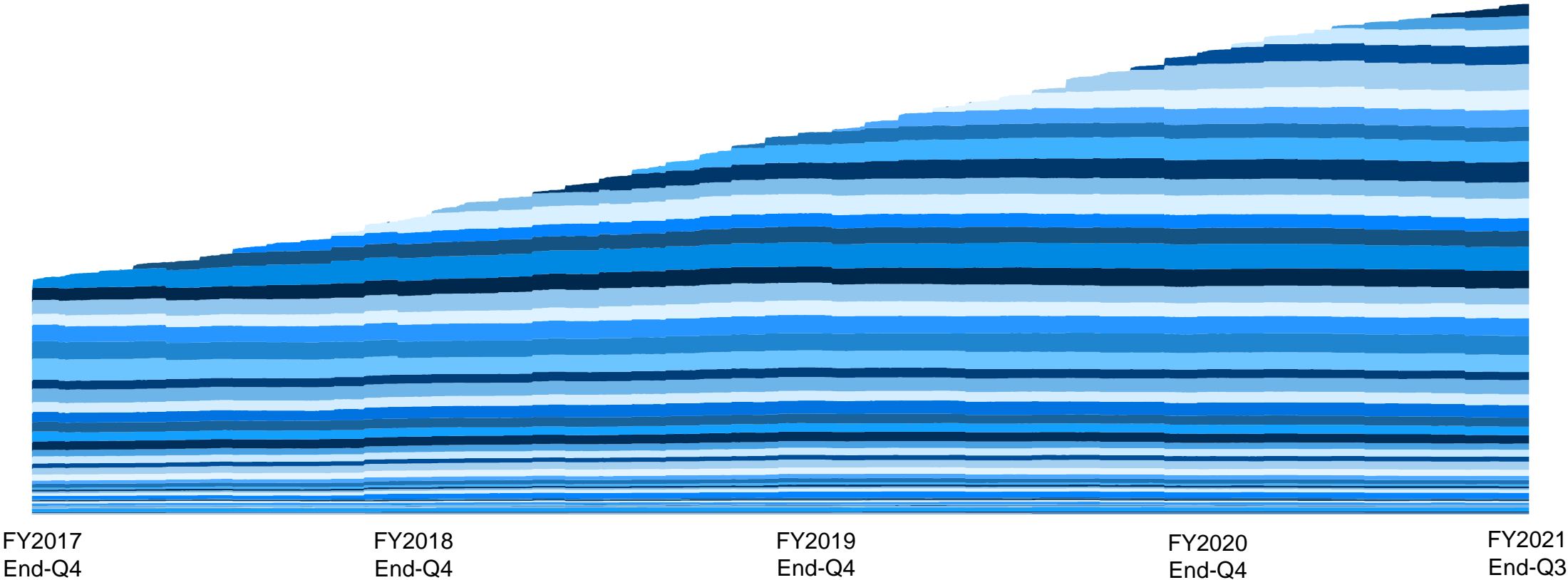


(1) Created based on monthly Sansan charge (unaudited)

Sansan: Accumulation of Net Sales by Service-in Timing (Recurring Sales)

Stably achieving negative churn rate. ⁽¹⁾

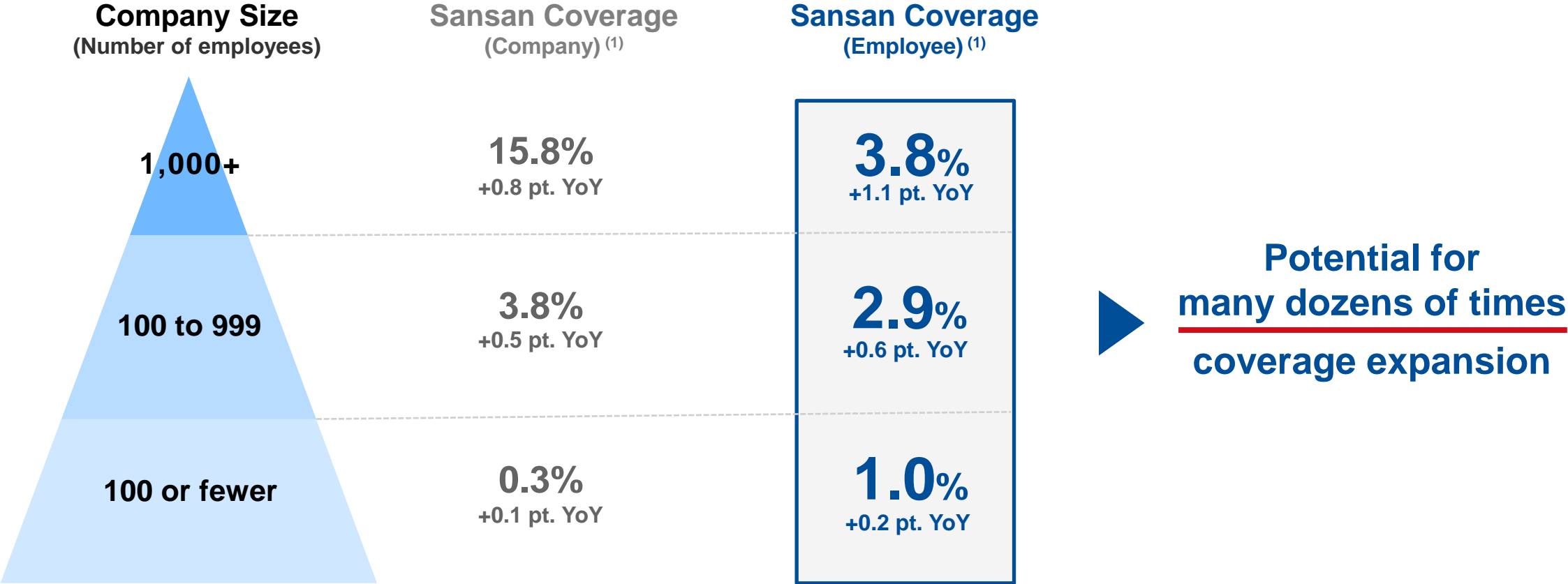
Sansan Sales Stack-up: Accumulation of Net Sales by Service-in Timing ⁽²⁾ (Recurring Sales)



(1) Status where increase of revenue generated by the existing subscriptions is greater than revenue reduced resulting from cancellation
(2) Created based on monthly Sansan license charge (unaudited)

Sansan: Potential Market Size of Sansan in Japan (TAM)

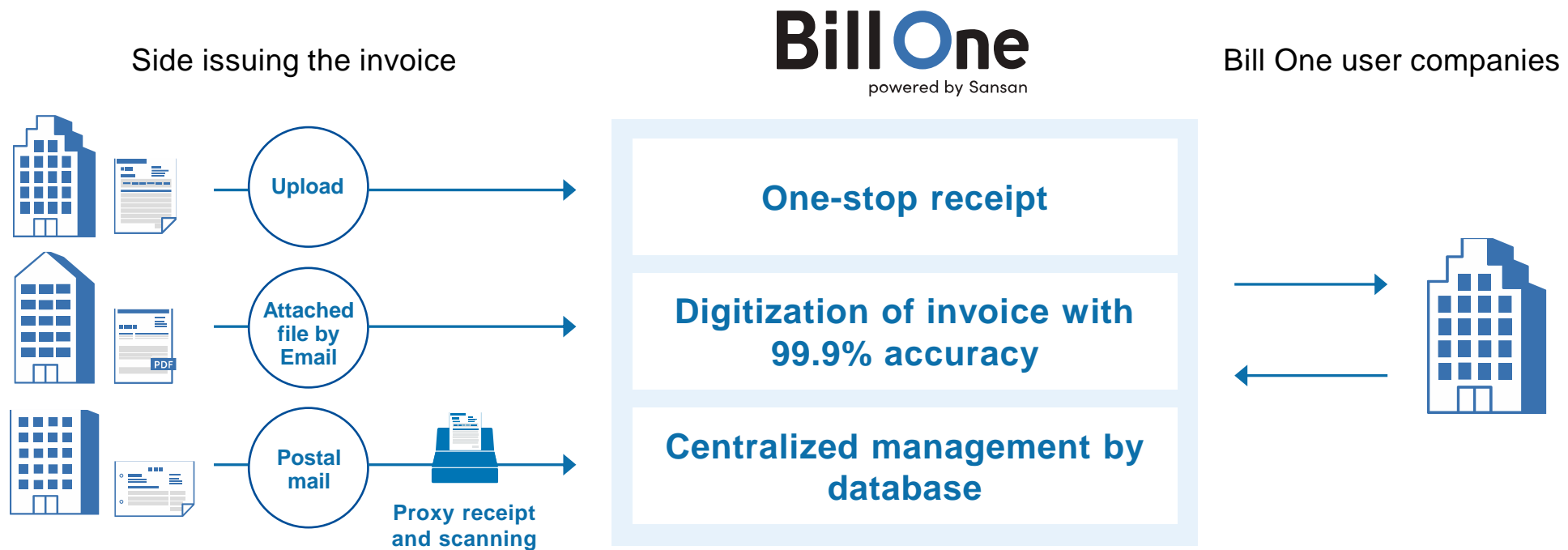
The number of users within current customers is limited, and there is room for many dozens of times more coverage expansion.



(1) Sansan coverage is calculated with the number of subscription and total number of IDs in Sansan for FY2021 Q3 end as the numerator and the number based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau as the denominator.

Bill One: Service Outline

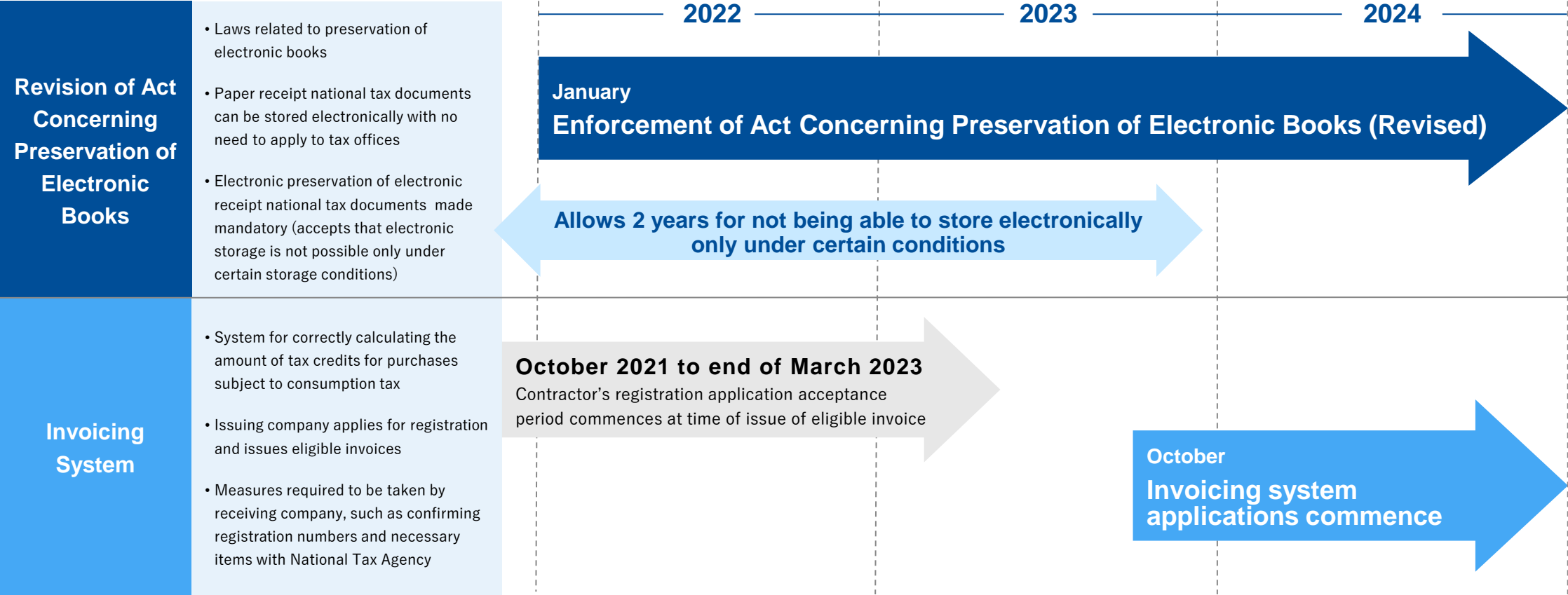
A service that enables receipt of paper and PDF invoices online and supports faster settlement of monthly accounts by realizing operational efficiency.



In addition to accurately digitizing paper and PDF invoices, and for invoices that have been digitized to be viewable in the cloud, the service enables a variety of business flows, such as invoice confirmation and approval, to be completed in the cloud.

Bill One: External Environment in Invoicing Arena (Legal Changes)

While legal reforms and other measures are promoting invoice digitization, companies face new issues in need of attention, and demand for services to solve these issues is rapidly increasing.



Contract One: Service Outline

A service that realizes risk management from the DX of contract business.

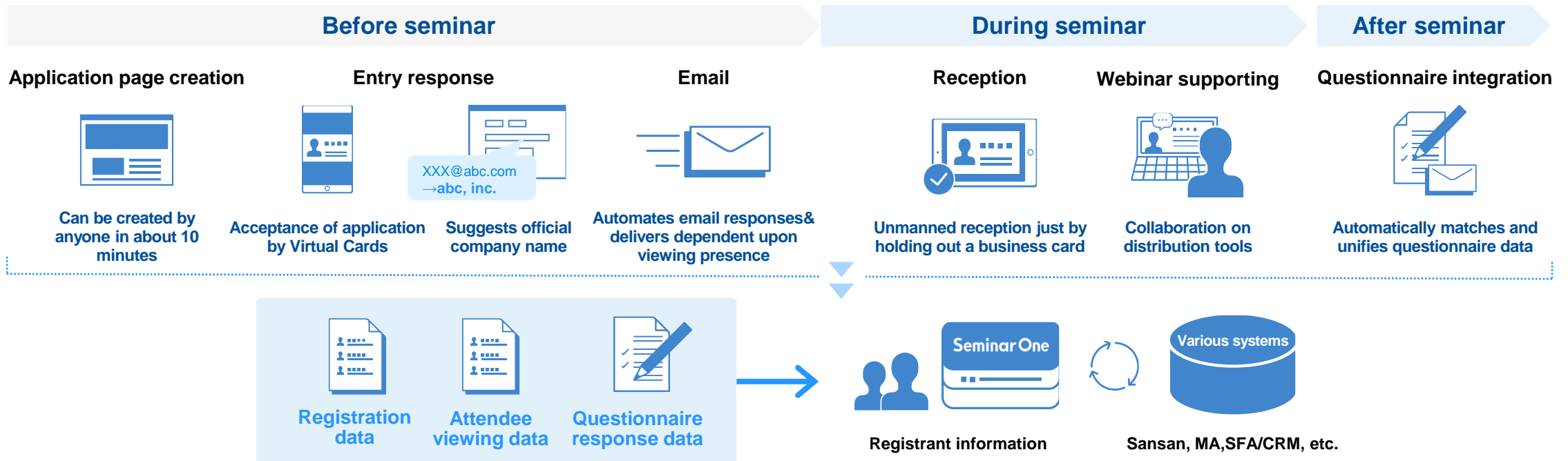


By accurately digitizing contracts, both paper and electronic contract information can be centrally managed as data. In addition to supporting the visualization and effective utilization of contract information, Contract One also provides functions that enable a series of contract-related tasks, from stamping and storage to management, to be completed online.

Seminar One: Service Outline

Seminar management system for corporations that provides a series of operations for seminar implementation and supports simple and efficient seminar management.

Seminar One powered by Sansan



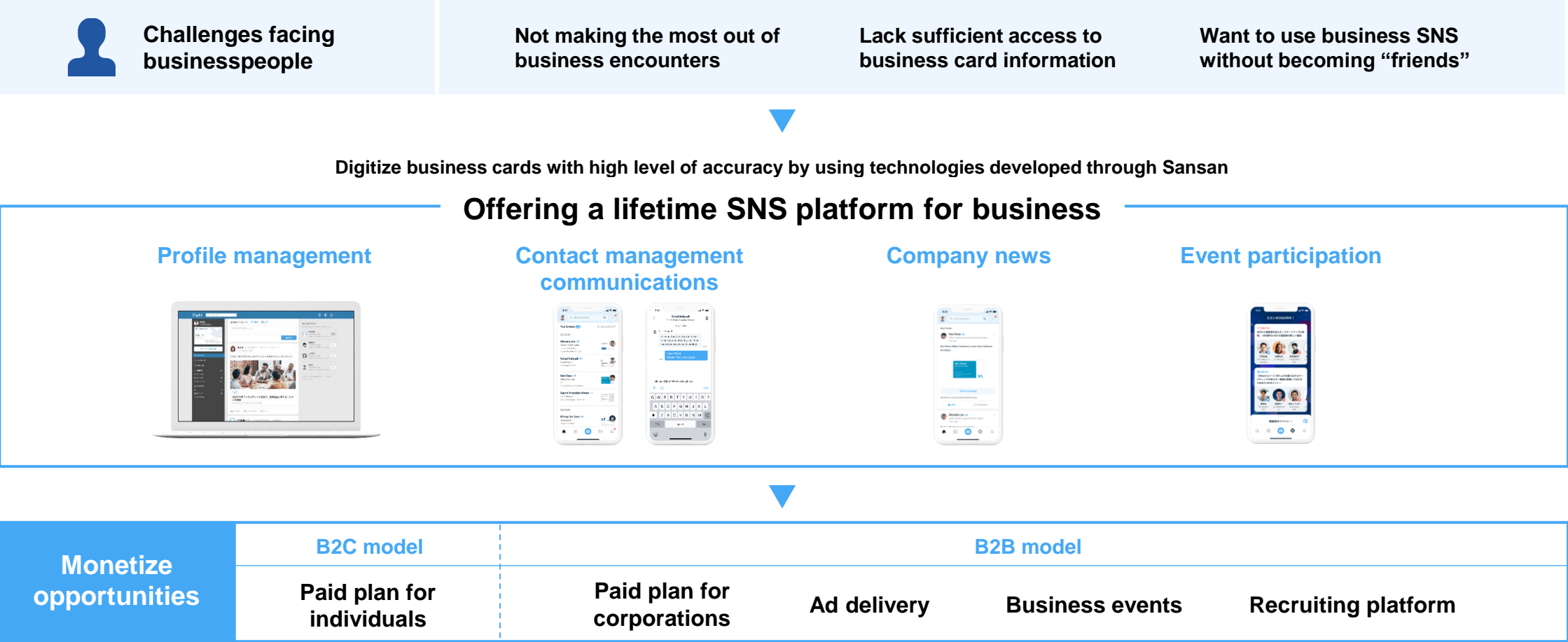
In addition to enabling operations from seminar application page creation, to holding seminars, to reception all in one package, we help user companies achieve efficient seminar management that assists in marketing and sales activities by building databases of attendees.

Eight Business



Eight: Service Outline

SNS platform for business with the largest number of active users in Japan.



Eight: Strengthening and Promotion of Monetization Plans

Accelerate and strengthen the development of paid plans for B2B.

B2B ⁽¹⁾		
Paid plan for corporations Eight Team	Fixed monthly fee (annual subscription)	Users can share contact with colleagues <i>Targeting small companies with <20 employees</i>
Advertising Eight Marketing Solutions	Pay-for-use charges depending on delivery volume ⁽²⁾ (fixed contract)	A service for delivering ads to Eight users <i>Timely and targeted advertising to career-oriented professionals</i>
Business events Meets, Climbers, DX Camp, Business IT & SaaS Expo	Fixed fee per event (held irregularly) ⁽³⁾	Various business event services utilizing Eight's business network <i>Uses proprietary technology to accurately match businesspeople</i>
Recruiting platform Eight Career Design	Fixed monthly fee ⁽⁴⁾ (fixed contract)	Recruitment services targeting Eight users <i>Provides new and unique targeted hiring method to the market</i>
B2C		
Paid plan for individuals Eight Premium	Fixed monthly fee	Delivers additional functions to users, such as network data download <i>Expand the overall number of Eight users, including free plan</i>

(1) B2B services in the Eight business include event transcription services for the media logmi Biz, logmi Finance and logmi Tech provided by logmi, Inc.

(2) There is a minimum advertisement placement price and a normal advertisement menu.

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

(4) There is an additional charge when a decision to hire is made.

sansan
