

***sansan***

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Turning encounters  
into innovation



# Presentation Materials for FY2022 Q2

Sansan, Inc. January 13, 2023

# Disclaimer

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- 1 Consolidated Financial Results for FY2022 Q2 (six months)**
- 2 Deployment of Bill One,  
the Cloud-based Invoice Management Solution**
- 3 Full-year Forecasts**

## Appendix

**(Consolidated Financial Results for FY2022 Q2 (three months), Sansan Group Overview, Sansan/Bill One Business, Eight Business, Initiatives for Sustainability)**

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## **1 Consolidated Financial Results for FY2022 Q2 (six months)**

## **2 Deployment of Bill One, the Cloud-based Invoice Management Solution**

## **3 Full-year Forecasts**

## Highlights of FY2022 Q2YTD Results

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### **| Steady progress made against full-year earnings forecasts**

Consolidated net sales up 23.5% YoY, ARR <sup>(1)</sup> up 22.5%, to ¥21,925 million

No change to consolidated earnings forecasts announced at beginning of FY2022

### **| Profit recorded in adjusted operating profit <sup>(2)</sup>**

Adjusted operating profit, in which a deficit was recorded in same period of previous fiscal year, is now in profit due to net sales growth, etc.

### **| High growth continued for Bill One cloud-based invoice management solution**

Bill One net sales up 276.2% YoY, to ¥898 million

ARR (as of November 2022) was ¥2,124 million

(1) Annual Recurring Revenue

(2) Operating profit+ share-based payment expenses+ expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

# Overview of Consolidated Financial Results

Net sales up 23.5% YoY, adjusted operating profit up ¥154 million YoY.

Profit at each stage under ordinary profit decreased owing to large gain on sale of investment securities recorded in same period of previous year.

		FY2021	FY2022	
		Q2YTD Results	Q2YTD Results	YoY
(millions of yen)				
Consolidated Results	Net Sales	9,577	11,824	+23.5%
	Gross Profit	8,446	10,200	+20.8%
	Gross Profit Margin	88.2%	86.3%	-1.9 pt.
	Adjusted Operating Profit	-89	65	—
	Adjusted Operating Profit Margin	—	0.5%	—
	Ordinary Profit	643	-113	—
	Profit Attributable to Parent's Owners	573	151	-73.7%
	EPS <sup>(1)</sup>	4.60 yen	1.21 yen	-73.7%

(1) As the Company conducted a four-for-one common stock split effective December 1, 2021, EPS was calculated on the assumption that the stock split was conducted at the beginning of the FY2021.

# Results by Segment

Increased net sales and adjusted operating profit (reduced deficit) in both Sansan/Bill One and Eight Businesses.

		FY2021	FY2022	
		Q2YTD Results	Q2YTD Results	YoY
(millions of yen)				
Net Sales	Consolidated	9,577	11,824	+23.5%
	Sansan/Bill One Business	8,548	10,516	+23.0%
	Eight Business	976	1,235	+26.6%
	Others	54	101	+85.4%
	Adjustments	-2	-29	—
Adjusted Operating Profit	Consolidated	-89	65	—
	Sansan/Bill One Business	2,380	2,964	+24.5%
	Eight Business	-277	-149	—
	Others	2	-11	—
	Adjustments	-2,194	-2,739	—

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**1** Consolidated Financial Results for FY2022 Q2 (six month)

**2** Deployment of Bill One,  
the Cloud-based Invoice Management Solution

**3** Full-year Forecasts

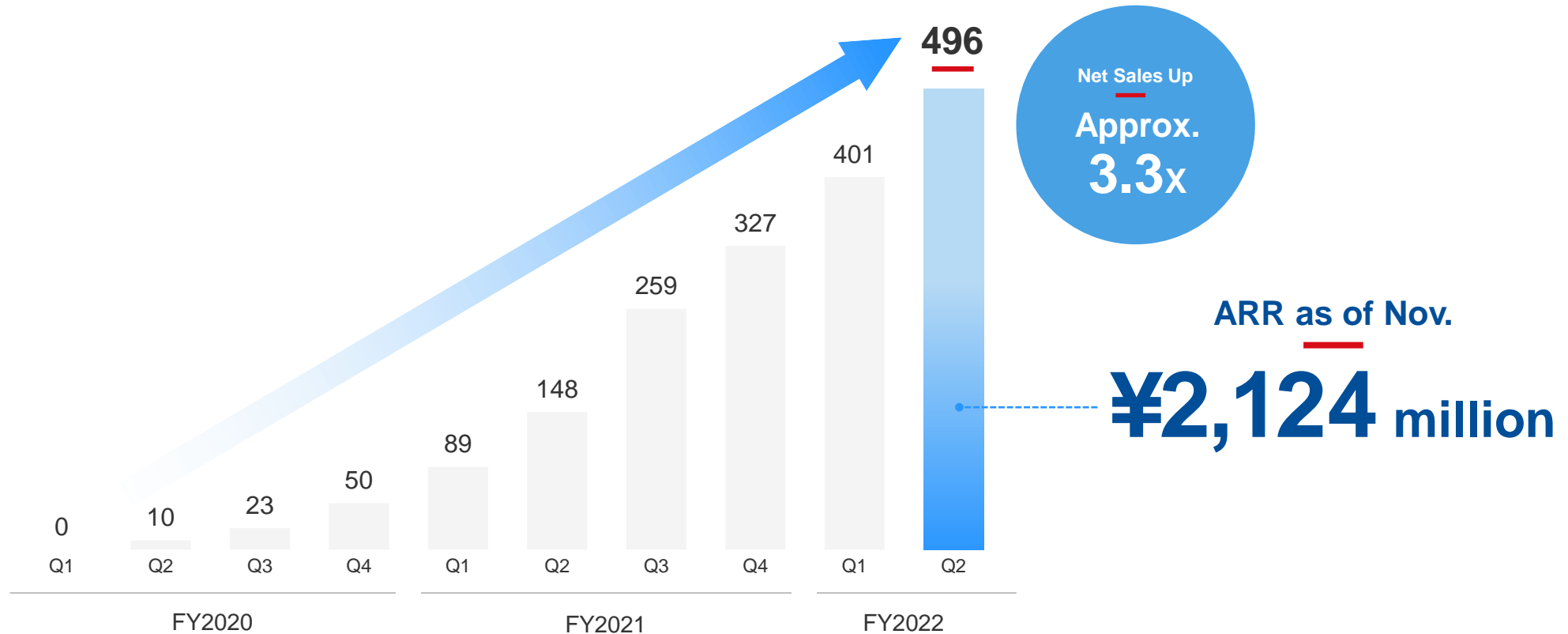


## Net Sales

Rapid growth in net sales since May 2020 service launch.  
ARR (as of November 2022) exceeded ¥2.0 billion.

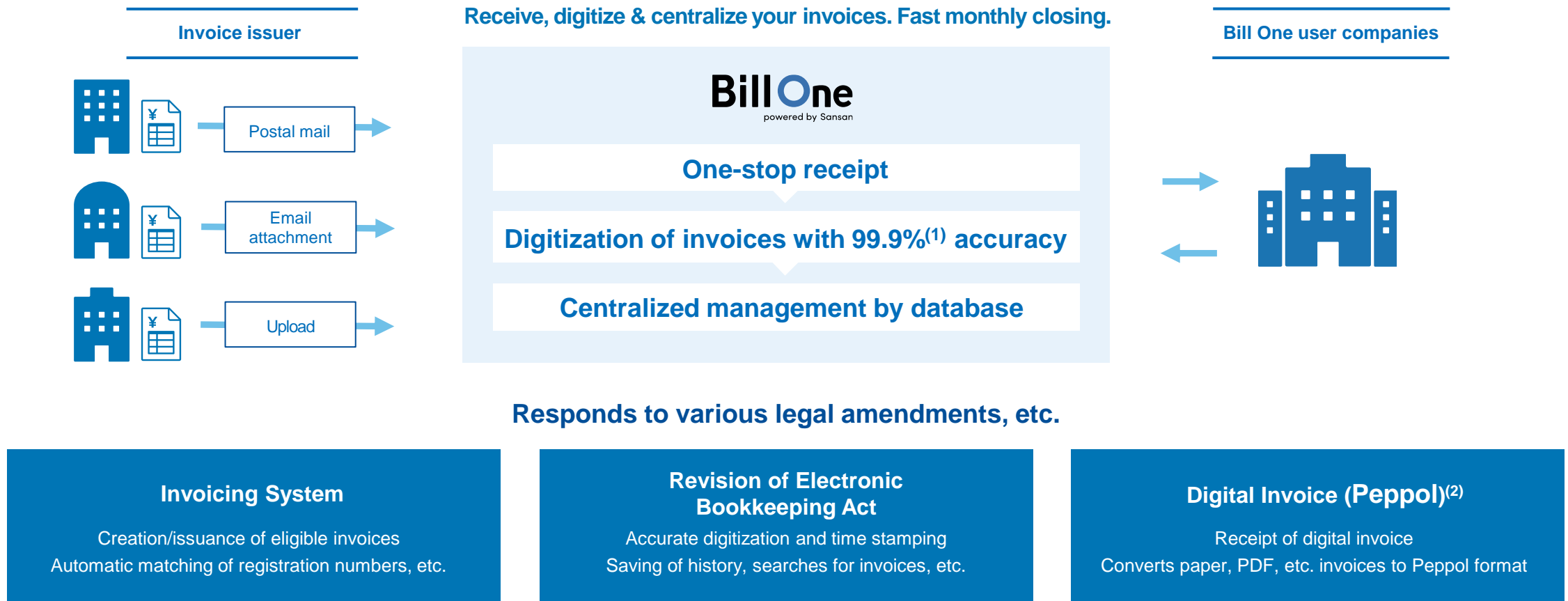
### Net Sales of Bill One

(millions of yen)



## Service Outline

Making all forms of invoices receivable online, while promoting DX transformation of invoice operations through accurate digitization. Following the introduction of Bill One, customers achieve smooth responses to various legal amendments and fast monthly closing of accounts.



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

(2) Planning to released in Summer 2023.

## Customer Base and Positioning

Regardless of industry or business type, acquiring various customers.  
Achieved #1 sales in cloud invoice receiving service market.

### Customers Running Bill One



### Market Share in Cloud Invoice Receiving Services <sup>(1)</sup>

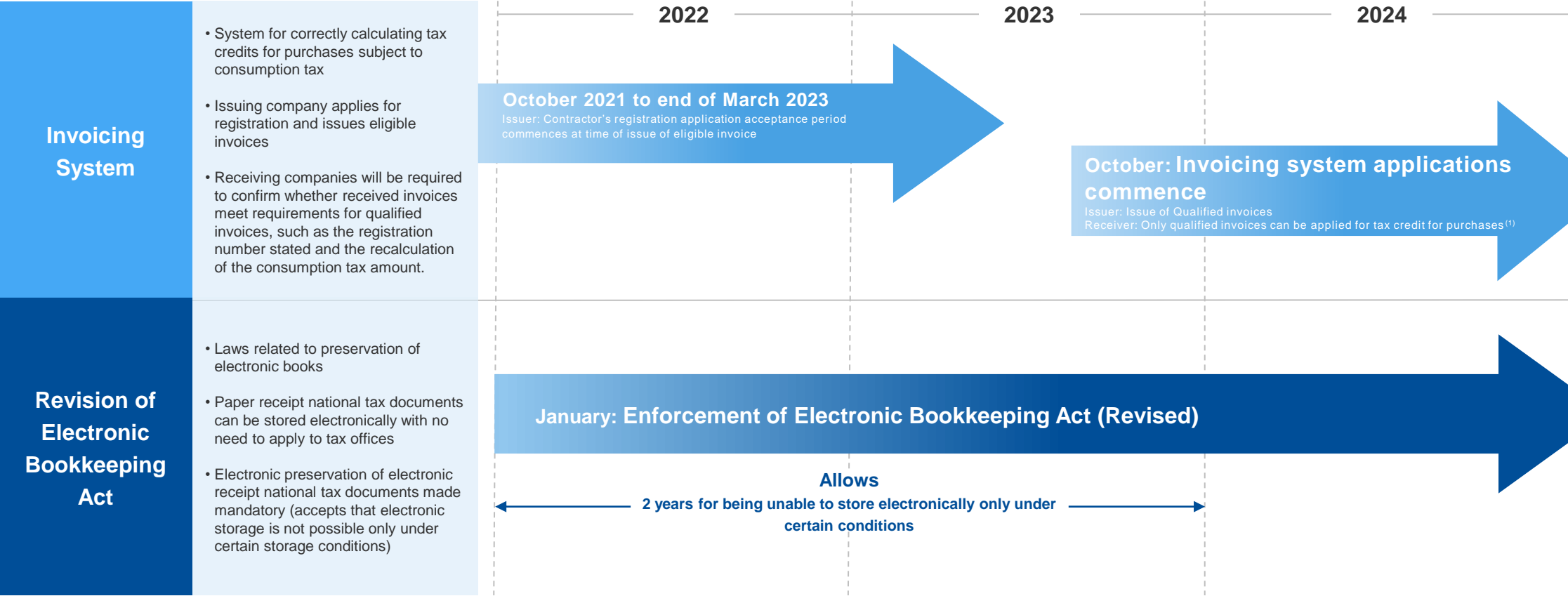
**Bill One**  
powered by Sansan

Share of Sales  
in Cloud Invoice  
Receiving Service Market  
—  
**No.1**

(1) Deloitte Tohmatsu MIC Economic Research Institute, "The Present and Future of the Market of Online Invoice Receiving Solution Service Market, Expected to Grow at a Staggering Rate" (MIC IT Report, July 2022).

# External Environment in Invoicing Arena

In addition to invoicing system and Revision of Electronic Bookkeeping Act, various changes—including introduction of digital invoices (Peppol format)—expected to occur in environment surrounding invoices.

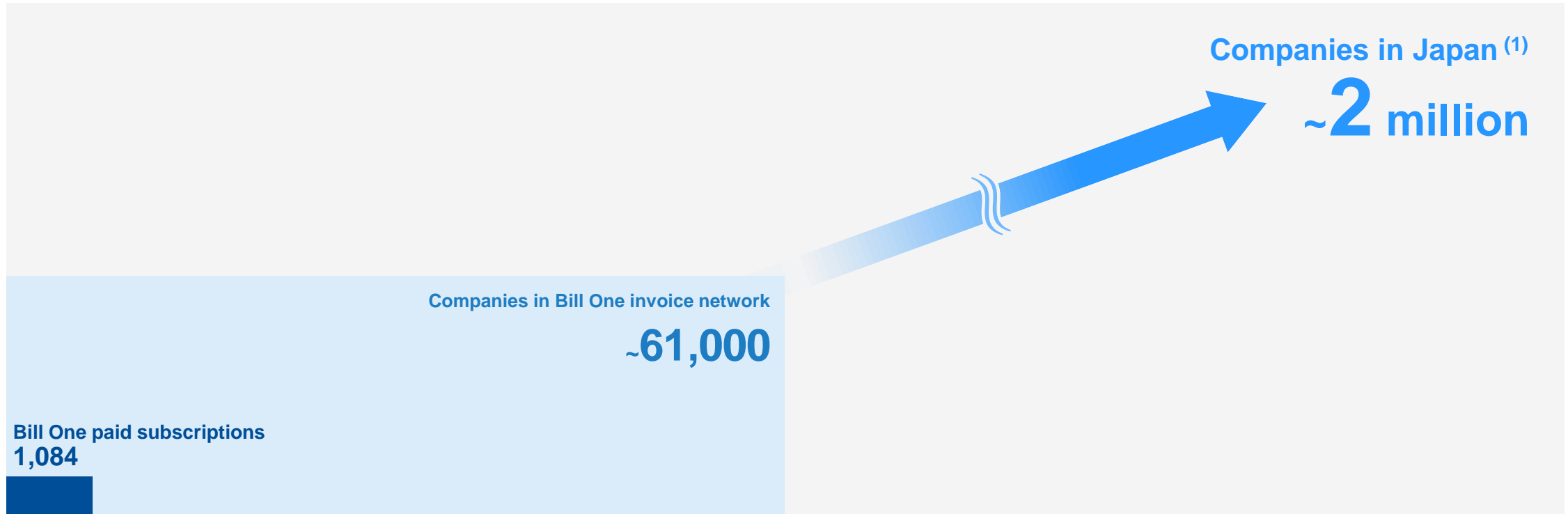


(1) Certain transitional measures

## Size of Potential Market in Japan

Since all companies are targeted, regardless of their industry or size, vast room for development exists in Japan.  
Aiming to expand invoice network toward improvement in user convenience

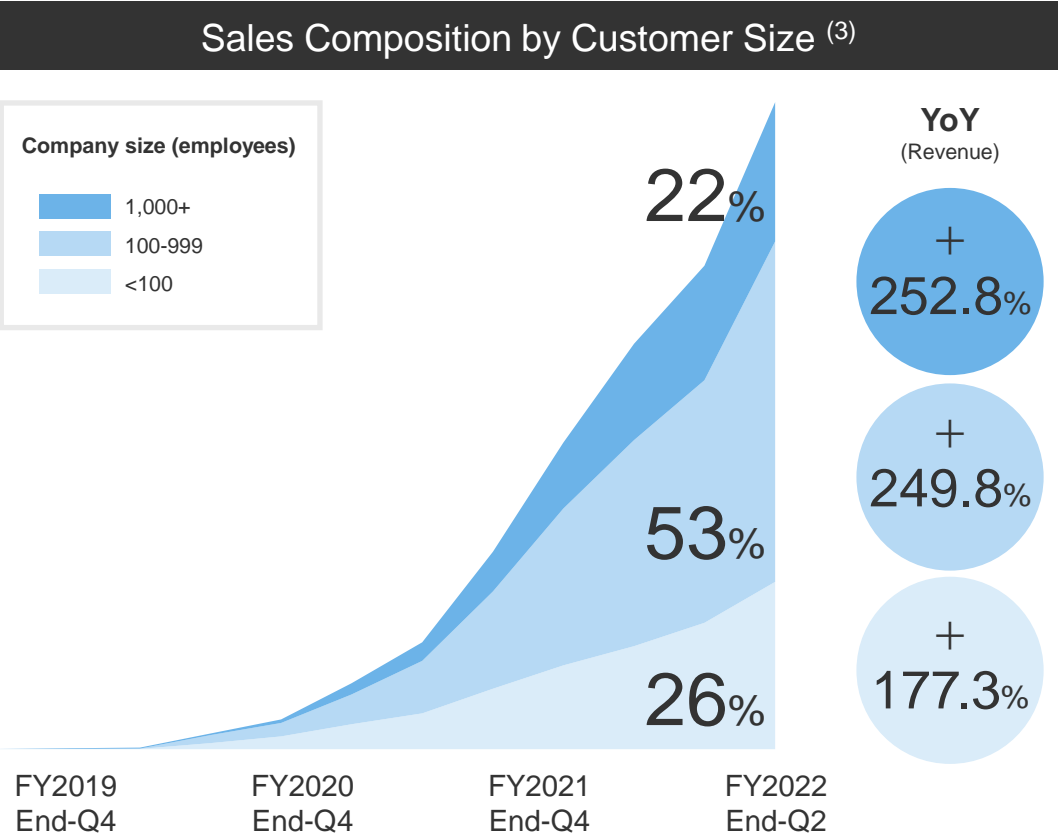
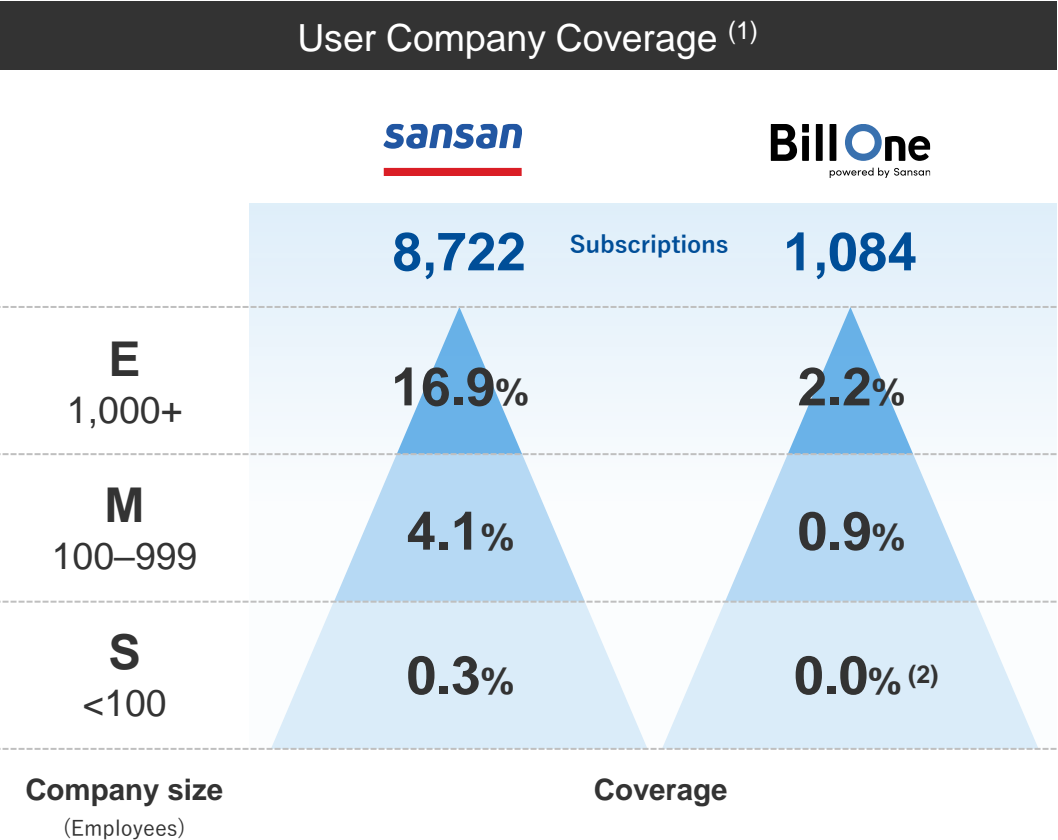
### Size of Potential Market for Bill One <sup>(1)</sup>



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

# Room for Expanded Medium- and Large-sized Company Coverage

Strong brand recognition of Sansan and robust customer base centered on medium- and large-sized companies making significant contribution to Bill One’s gaining credibility.  
Income from medium- and large-sized companies continuing to expand, bringing expectations of coverage expansion.



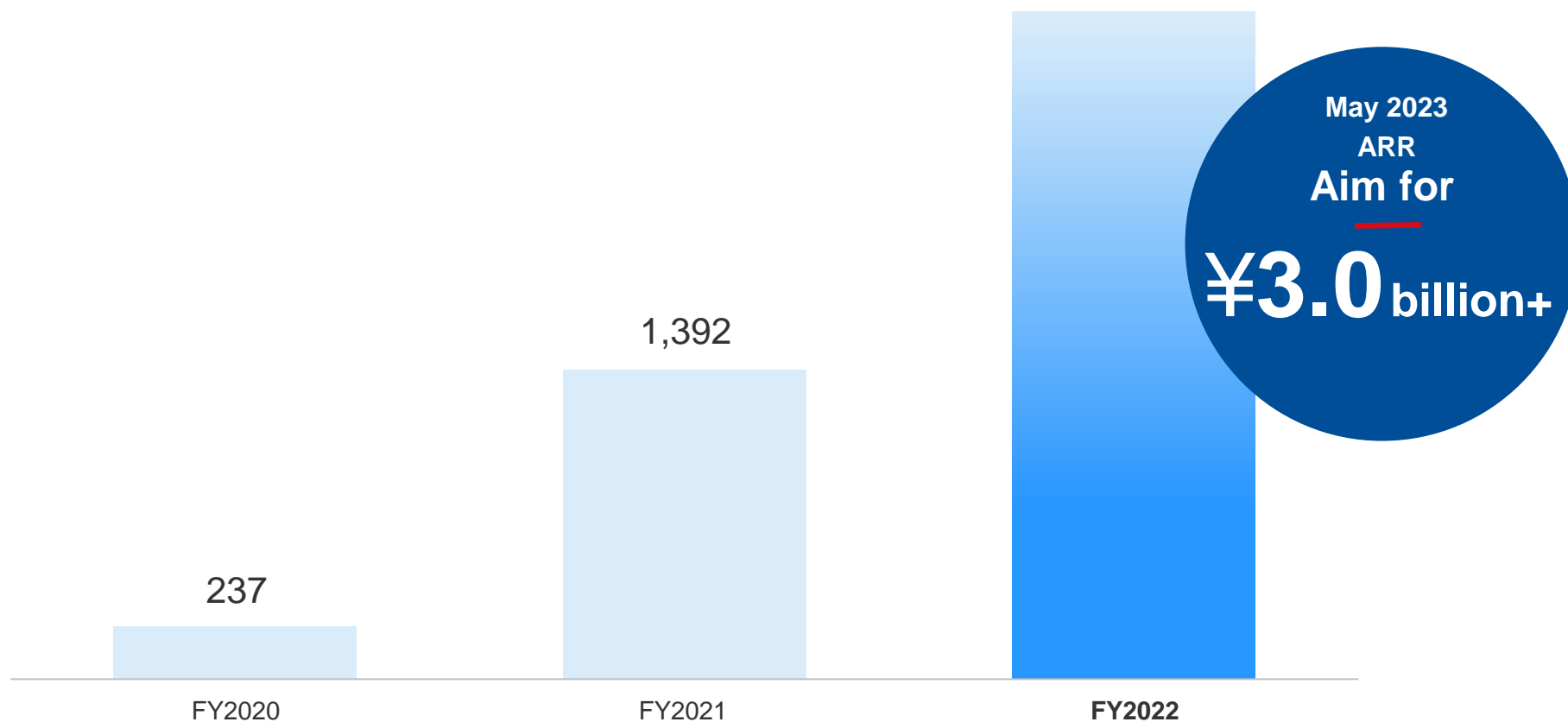
(1) The coverage is calculated with the number of subscription in each services for FY2022 Q2 end as the numerator and the number based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau as the denominator.  
(2) Paid subscriptions only. (3) Created based on Bill One monthly fee amounts (unaudited).

## Targets for FY2022

Based on strong results up to and including Q2, aiming for ARR of ¥3.0 billion+ for FY2022

### Bill One ARR

(millions of yen)



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**1** Consolidated Financial Results for FY2022 Q2 (six months)

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**| 3** Full-year Forecasts



# Consolidated Financial Forecasts for FY2022

Results for first half of fiscal year progressing steadily, no change in consolidated earnings forecasts

		FY2021	FY2022 <sup>(1)</sup>	
		Full-year Results	Full-year Forecasts	YoY
(millions of yen)				
Consolidated Forecasts	Sales	20,420	25,117 ~25,764	+23.0% ~+26.2%
	Sansan/Bill One Business	18,105	21,998 ~22,632	+21.5% ~+25.0%
	Eight Business	2,213	2,900 ~3,010	+31.0% ~+36.0%
	Adjusted Operating Profit	730	917 ~1,288	+25.5% ~+76.3%
	Adjusted Operating Profit Margin	3.6%	3.7% ~5.0%	+0.1 pt. ~+1.4 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 stock-based compensation, which may vary significantly depending on the level of our stock price, and certain non-operating profit (loss) and other items.

# Medium-term Financial Targets (FY2022–FY2024)

Aiming for solid growth in net sales and stable profit growth

## Important management indicators

1 Consolidated net sales	Continue solid growth in the <u>20%+</u> range or higher
2 Adjusted consolidated operating profit	<div>Improvement of profit margin in each fiscal year</div> <div><div>Sansan/Bill One Business</div><div>Recording adjusted operating profit of ¥10 billion+ for Sansan and Bill One (excluding Others, such as new services in Sansan/Bill One Business segment)</div></div> <div><div>Eight Business</div><div>Recording stable adjusted operating profit for full-year</div></div>

# Appendix



# **Consolidated Financial Results for FY2022 Q2 (three months)**

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# Overview of Consolidated Financial Results

**Net sales up 22.7% YoY**

**Profit and loss at each stage posted a surplus due to increase in net sales, etc.**

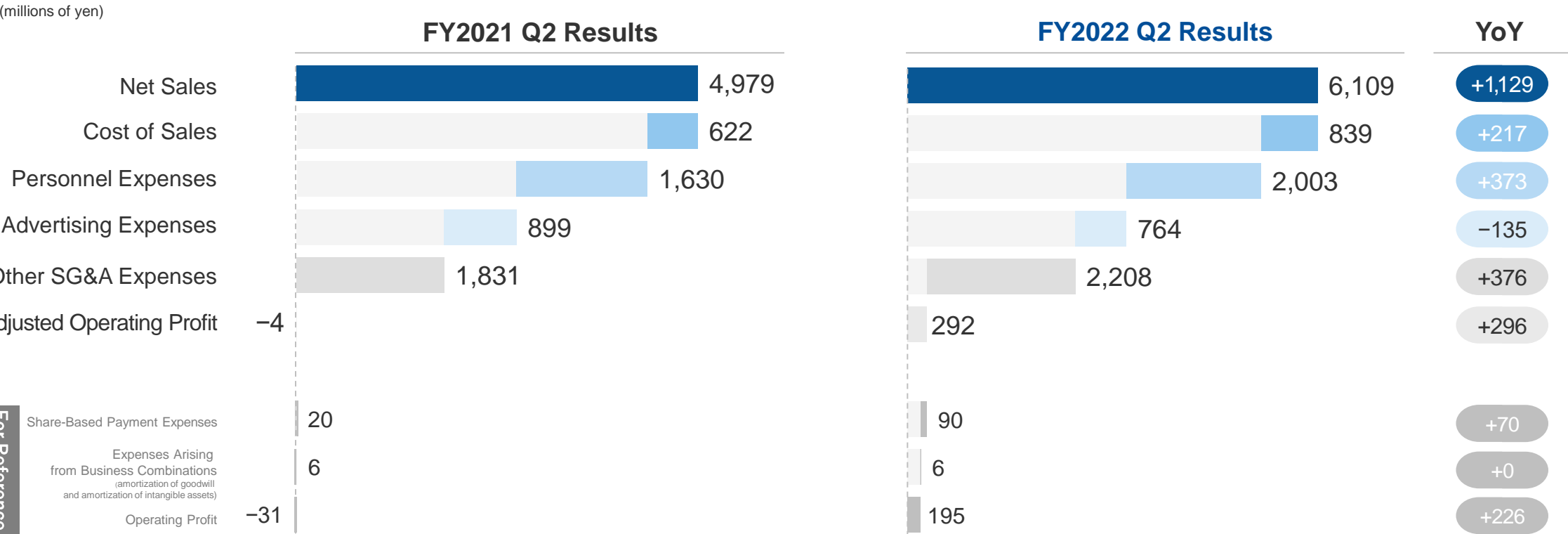
		FY2021	FY2022		(For Reference) FY2022	
		Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
(millions of yen)						
Consolidated Results	Net Sales	4,979	6,109	+22.7%	11,824	+23.5%
	Gross Profit	4,357	5,269	+20.9%	10,200	+20.8%
	Gross Profit Margin	87.5%	86.3%	-1.2 pt.	86.3%	-1.9 pt.
	Adjusted Operating Profit	-4	292	—	65	—
	Adjusted Operating Profit Margin	—	4.8%	—	0.5%	—
	Ordinary Profit	-111	59	—	-113	—
	Profit Attributable to Owners of Parent	-78	476	—	151	-73.7%
	EPS <sup>(1)</sup>	-0.63 yen	3.81 yen	—	1.21 yen	-73.7%

(1) As the Company conducted a four-for-one common stock split effective December 1, 2021, EPS was calculated on the assumption that the stock split was conducted at the beginning of FY2021.

# Factors Contributing to Changes in Adjusted Consolidated Operating Profit

Personnel expenses up ¥373 million (22.9%) YoY because of stronger personnel recruiting.  
As investment in advertising expenses was planned to be concentrated in the previous quarter (Q1), these were down ¥135 million (-15.0%) YoY in Q2.

## Status of Consolidated Net Sales/Adjusted Operating Profit



## Results by Segment

**Increased net sales and adjusted operating profit (reduced deficit) in both Sansan/Bill One and Eight Businesses.**  
**Adjustments amount (adjusted operating loss) up ¥294 million YoY, owing to more employees of corporate division, etc.**

		FY2021	FY2022		(For Reference) FY2022	
		Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
(millions of yen)						
Net Sales	Consolidated	4,979	6,109	+22.7%	11,824	+23.5%
	Sansan/Bill One Business	4,387	5,369	+22.4%	10,516	+23.0%
	Eight Business	552	702	+27.2%	1,235	+26.6%
	Others	40	45	+11.3%	101	+85.4%
	Adjustments	-1	-7	—	-29	—
Adjusted Operating Profit	Consolidated	-4	292	—	65	—
	Sansan/Bill One Business	1,237	1,743	+40.8%	2,964	+24.5%
	Eight Business	-101	-14	—	-149	—
	Others	0	-1	—	-11	—
	Adjustments	-1,139	-1,434	—	-2,739	—

## Sansan/Bill One Business Overview

Net sales up 22.4% YoY.

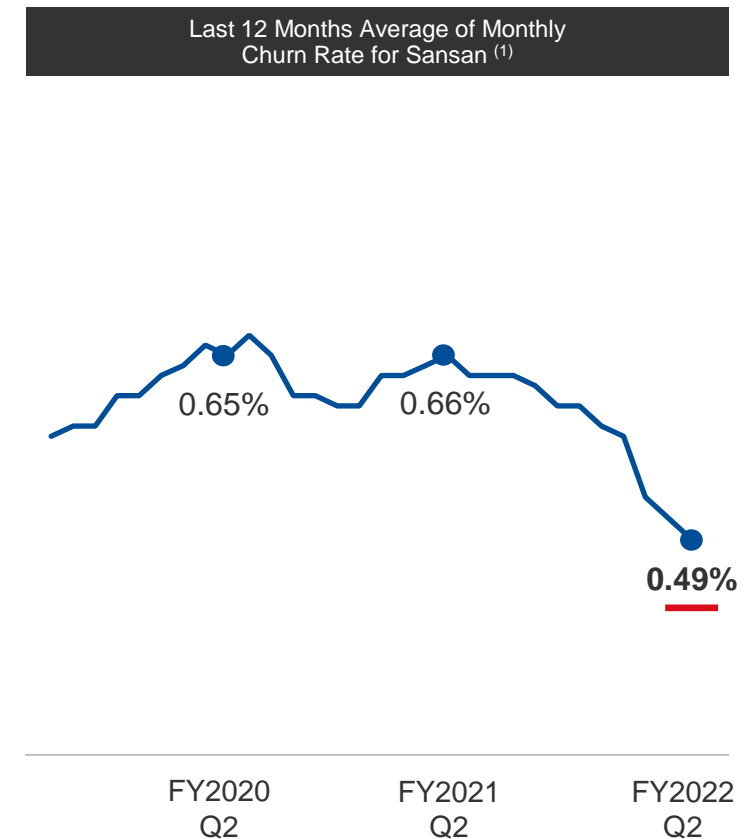
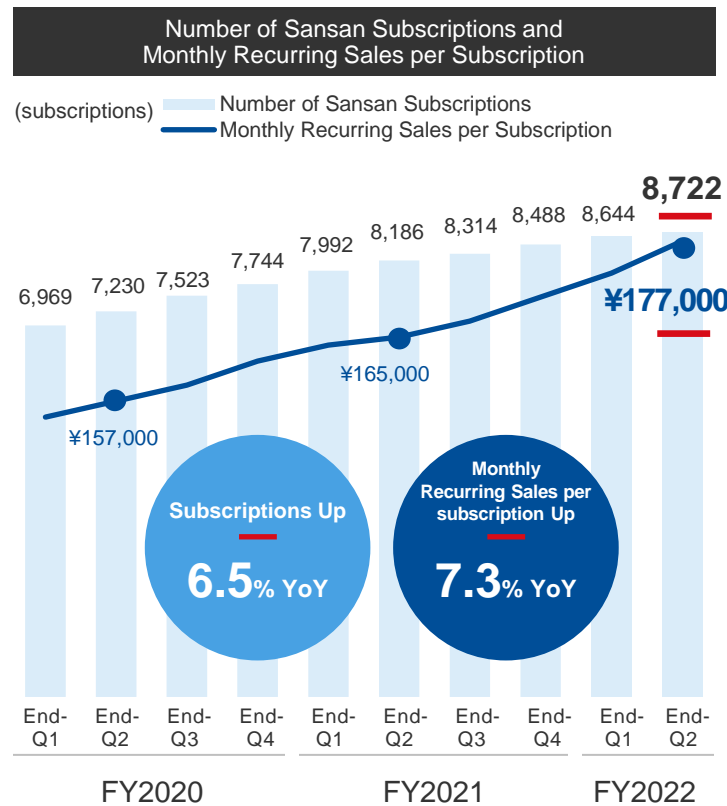
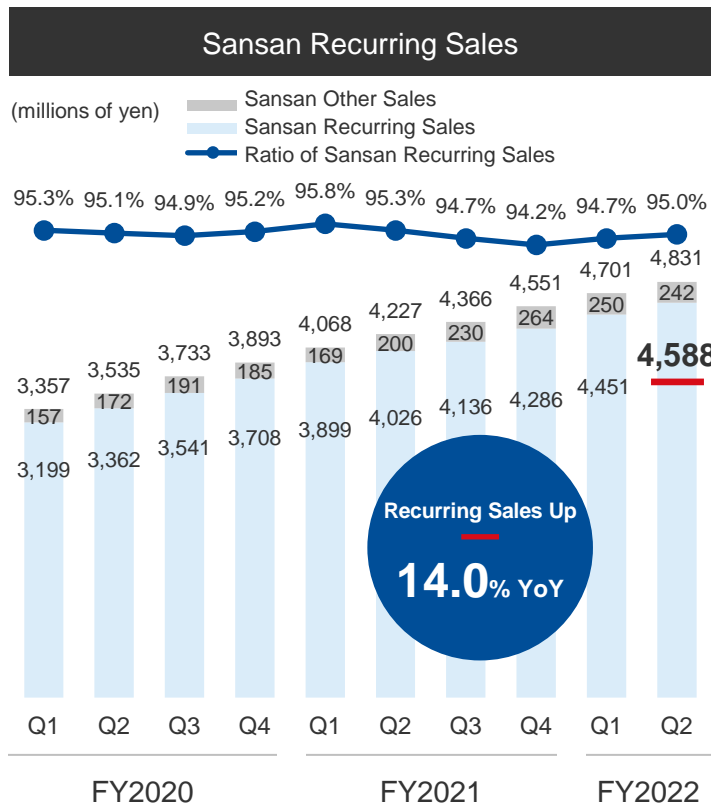
Adjusted operating profit up 40.8% YoY because of higher sales and lower advertising expenses.

		FY2021	FY2022		(For Reference) FY2022	
		Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
(millions of yen)						
Sansan/ Bill One Business	Net Sales	4,387	5,369	+22.4%	10,516	+23.0%
	Sansan	4,227	4,831	+14.3%	9,532	+14.9%
	Sansan Recurring Sales	4,026	4,588	+14.0%	9,039	+14.0%
	Sansan Other Sales	200	242	+20.8%	492	+33.2%
	Bill One	148	496	+233.9%	898	+276.2%
	Others	11	41	+249.3%	86	+510.4%
	Adjusted Operating Profit	1,237	1,743	+40.8%	2,964	+24.5%
	Adjusted Operating Profit Margin	28.2%	32.5%	+4.3 pt.	28.2%	+0.4 pt.



# Sansan/Bill One Business: Sansan Recurring Sales, Subscriptions and Monthly Recurring Sales per Subscriptions, Last 12 Months Average of Monthly Churn Rate for Sansan

Although the growth rate in number of subscriptions slowed down because of concentration of sales resources on medium- and large-sized companies, growth rate of monthly recurring sales per subscription accelerated. The churn rate decreased by 0.17 points YoY to 0.49%, continuing the improvement



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

## Consolidated Financial Results for FY2022 Q2 (three months)

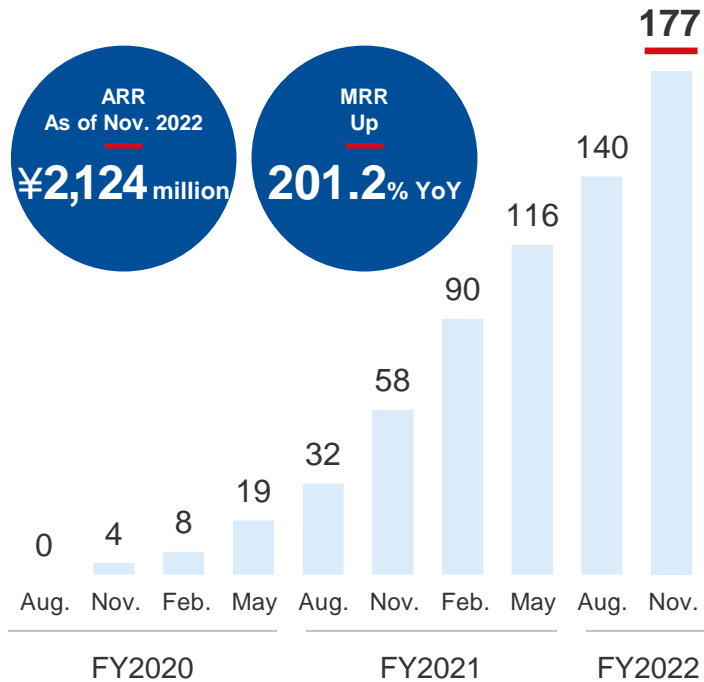
# Sansan/Bill One Business: Bill One MRR, Paid Subscriptions and Monthly Recurring Sales per Paid Subscription, Last 12 Months Average of Monthly Churn Rate for Bill One

MRR up 201.2% YoY, and ARR exceeded ¥2.0 billion as of November 2022.

Number of paid subscriptions up 138.2% YoY, accelerating growth even when compared with net increase in Q1.

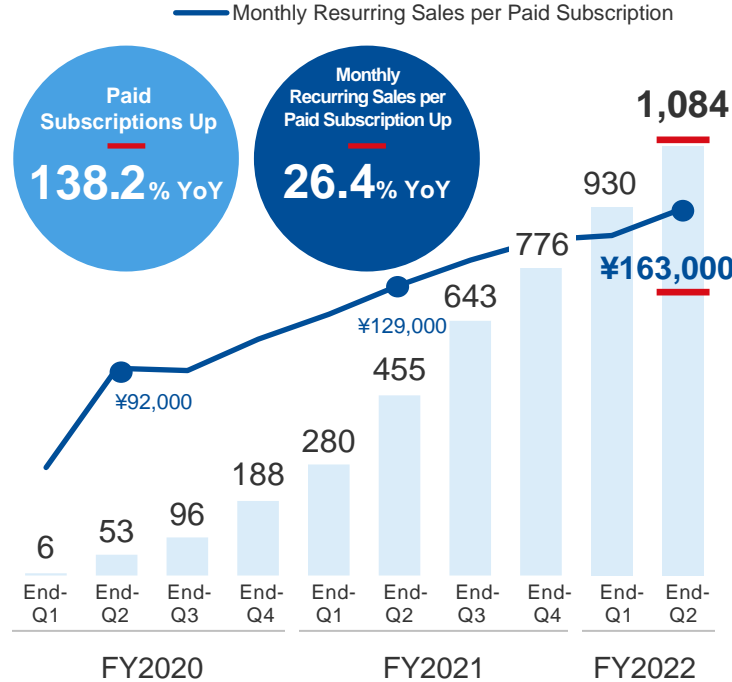
### Bill One MRR <sup>(1)</sup>

(millions of yen)

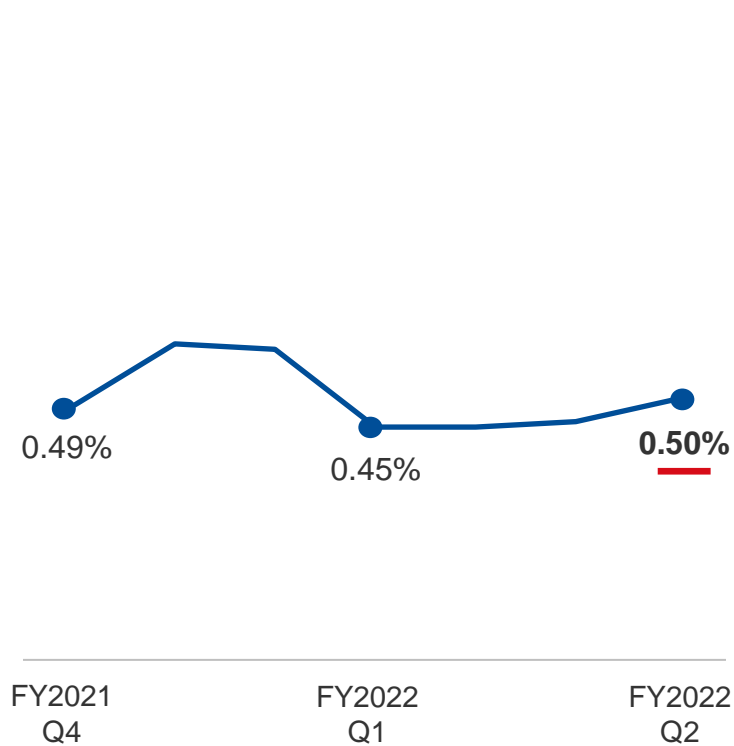


### Number of Bill One Paid Subscriptions and Monthly Recurring Sales per Paid Subscription

(subscriptions)



### Last 12 Months Average of Monthly Churn Rate for Bill One <sup>(2)</sup>



(1) Monthly Recurring Revenue

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

# Eight Business Overview

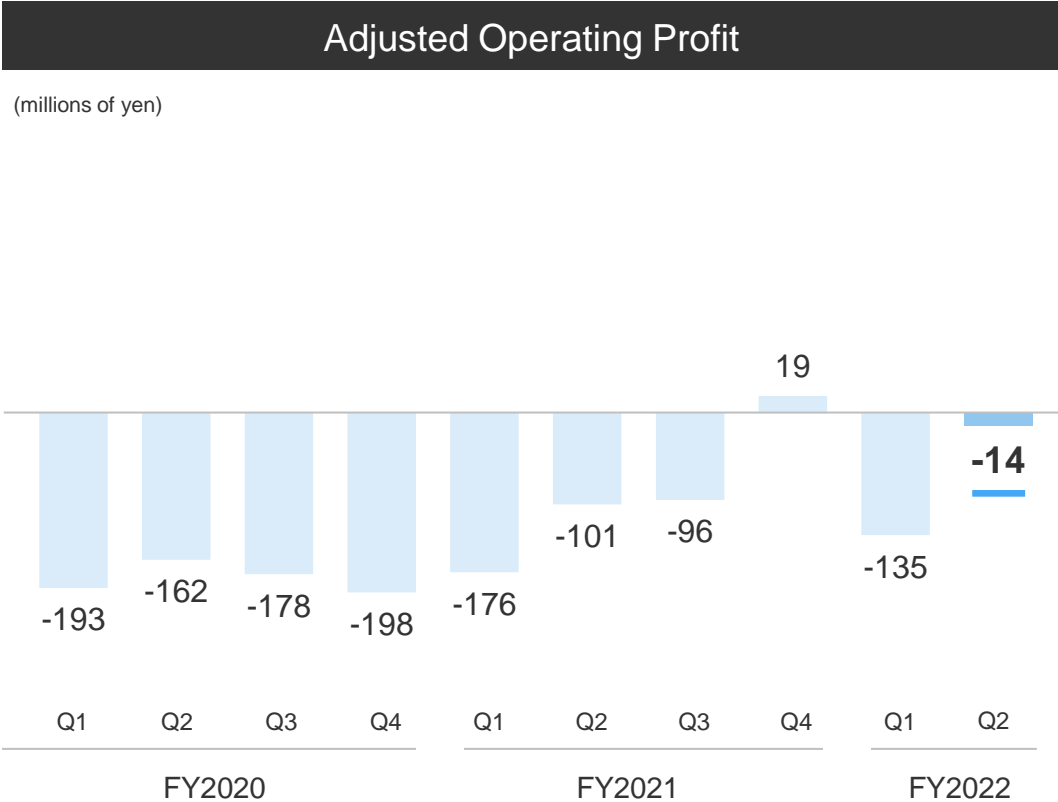
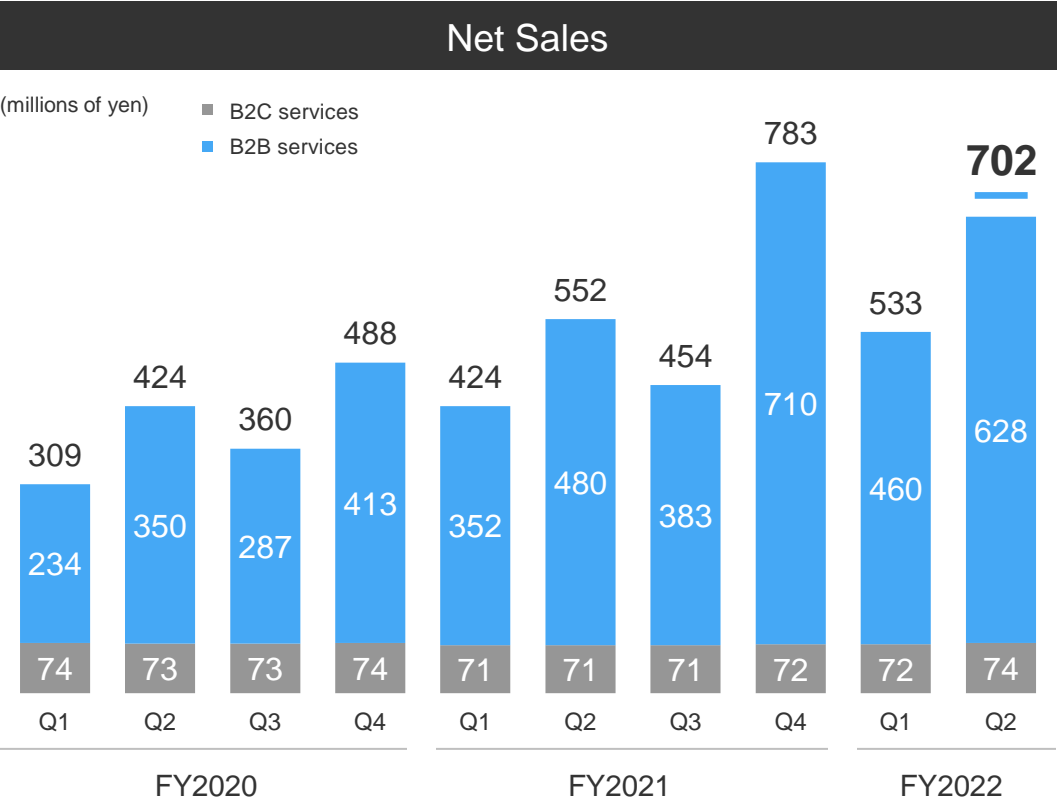
Net sales up 27.2% YoY owing to expansion of B2B services.

		FY2021	FY2022		(For Reference) FY2022	
		Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
(millions of yen)						
Eight Business	Net Sales	552	702	+27.2%	1,235	+26.6%
	B2C Services	71	74	+4.2%	146	+3.1%
	B2B Services	480	628	+30.6%	1,088	+30.6%
	Adjusted Operating Profit	-101	-14	—	-149	—
	Number of Eight Users <sup>(1)</sup>	3.01 million people	3.20 million people	+0.18 million people		
	Number of Eight Team Subscriptions	2,481	3,195	+28.8%		

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

# Eight Business: Net Sales, Adjusted Operating Profit

B2B service net sales increased significantly vs. previous Q1 because of holding of business events, etc.  
Reduced deficit in adjusted operating profit in accordance with net sales increase.



# Sansan Group Overview

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# Mission and Vision

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## Mission

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**Turning encounters  
into innovation**

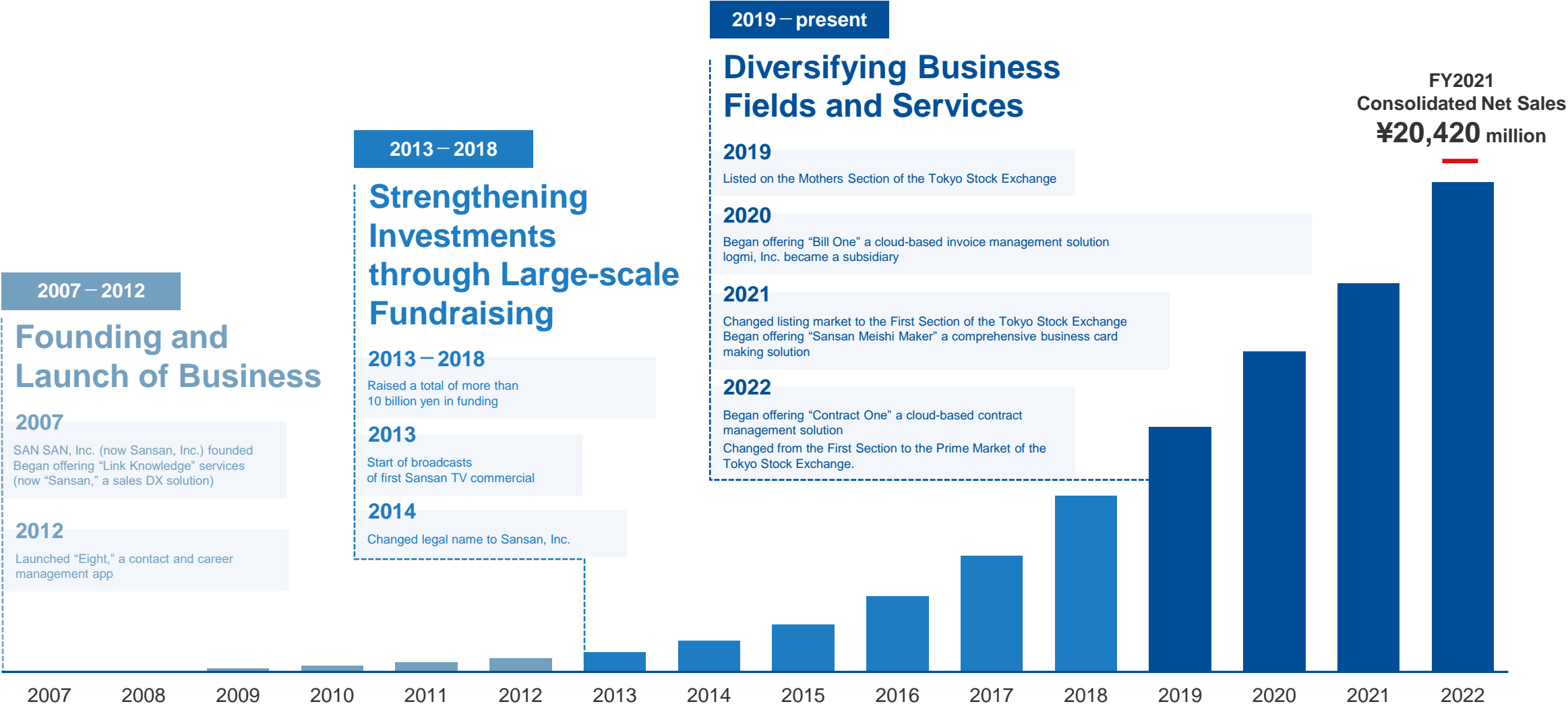
## Vision

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**Become business  
infrastructure**



# History



(1) The graph indicates net sales for fiscal years ended in May (figures prior to the year ended May 2016 are non-consolidated, while subsequent figures are consolidated)

# Digitally Transform How You Work

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

Developing services in business flows in various fields.

## Digital Transformation (DX) for B2B

Administrative DX



Business  
card  
creation

Sales DX



Sales

Contract DX



Contract

Accounting DX



Request

## DX for B2C

Career DX



Career  
management

## Work styles that will change with use of business databases

Users can  
immediately find  
information they need



Information is easy to  
manage and can be  
shared immediately








Easy to analyze and utilize  
information and make  
decisions based on data





# Overview of Reporting Segments

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

Sansan/Bill One Business			Eight Business	
Sansan	Bill One	Others	B2C Services	B2B Services
<p>The sales DX solution</p> <p><b>sansan</b></p> <p>Comprehensive business card making solution</p> <p> sansan</p> <p> 名刺メーカー</p>	<p>Cloud-based invoice management solution</p> <p><b>BillOne</b></p> <p>powered by Sansan</p>	<p>The contract DX solution</p> <p><b>ContractOne</b></p> <p>powered by Sansan</p>	<p>Contact and career management app</p> <p> <b>Eight</b></p> <p>- Eight Premium</p>	<p>Contact and career management app</p> <p> <b>Eight</b></p> <ul style="list-style-type: none"><li>- Eight Team</li><li>- Eight Marketing Solutions</li><li>- Meets</li><li>- Climbers</li><li>- DX Camp</li><li>- Business IT &amp; SaaS EXPO</li><li>- Eight Career Design</li></ul> <p>Media that transcribes all documents <sup>(2)</sup></p> <p> <b>logmi</b></p>

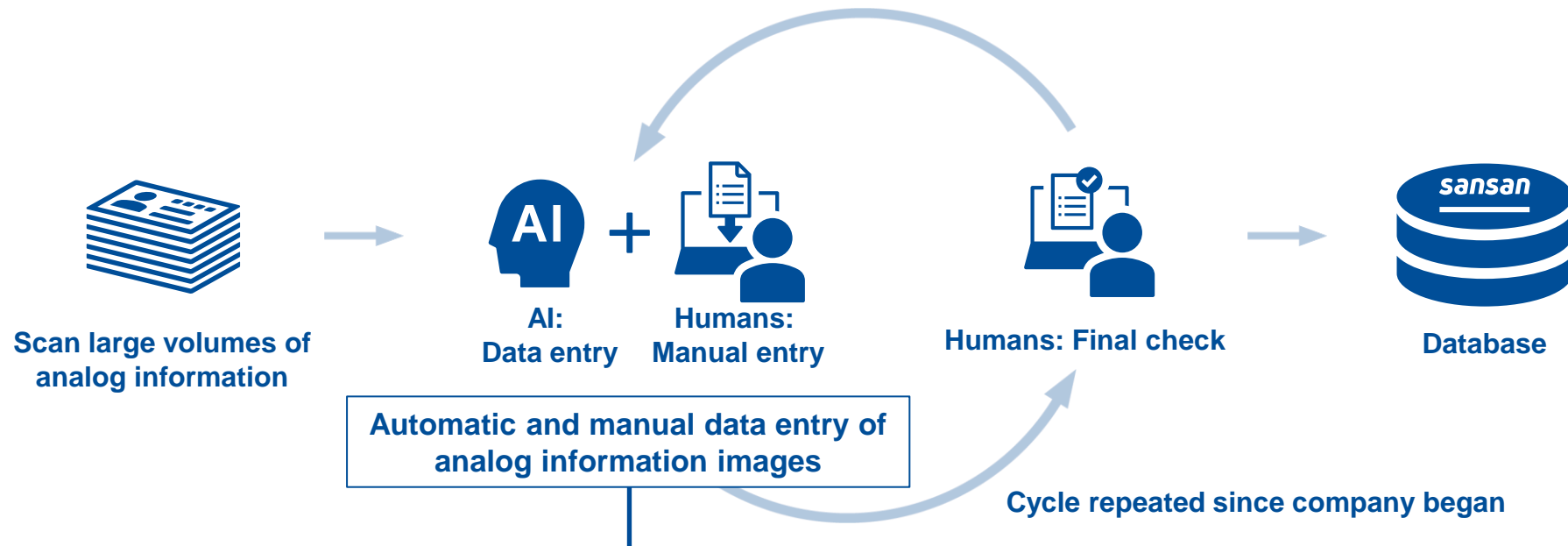
(1) The few other services not included in reportable segments are recorded in "Others," while elimination of intra-company transactions (sales), and costs not allocated to segments are recorded in "Adjustments."

(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

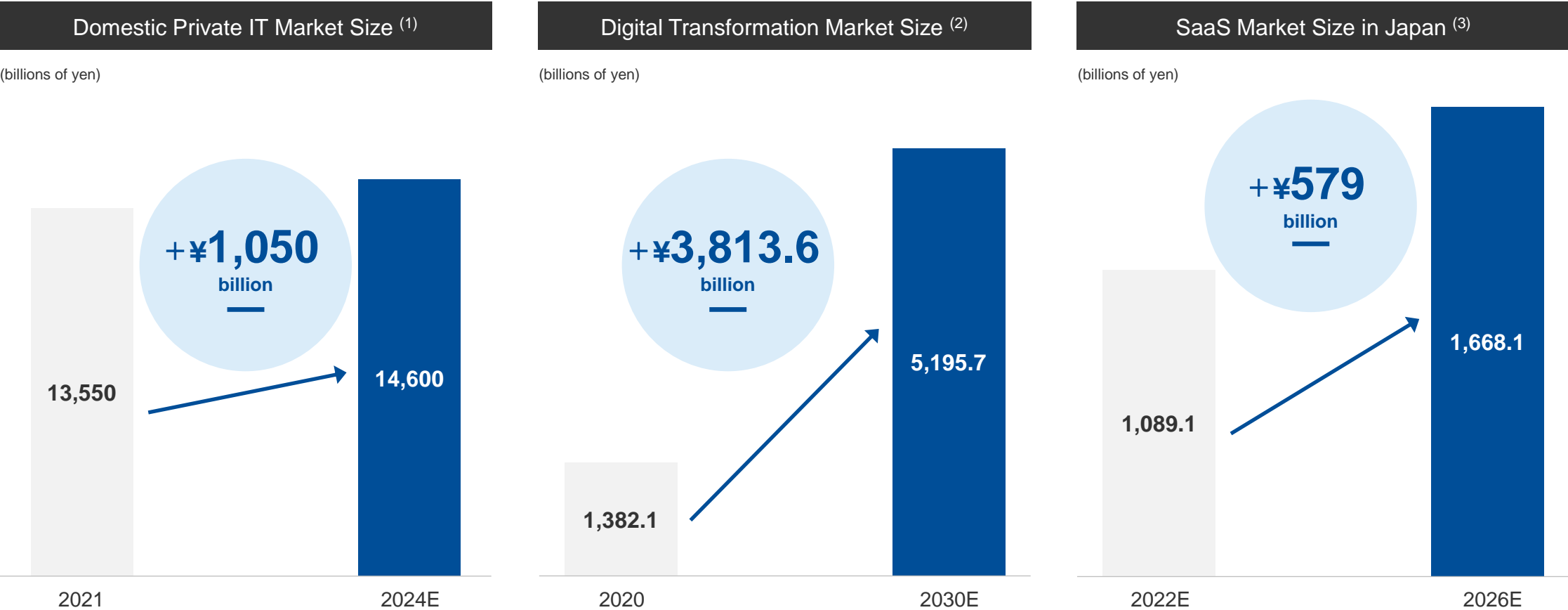
Automatic sorting to operators

Diverse network of data entry operators

Image processing technology

# Tailwind of Market Environment

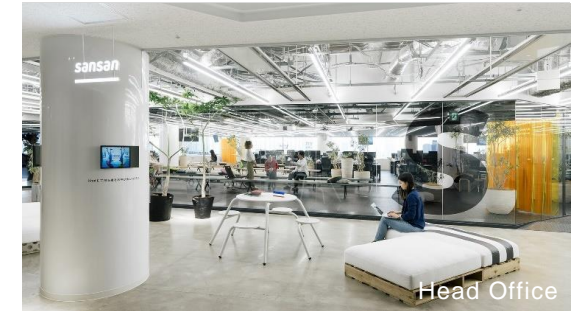
Digital transformation are boosting the need for cloud-based solutions



(1) Based on 2022 IT Investment by Japanese Companies: Facts and Forecasts, Yano Research Institute Ltd.  
(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 2022 New Software Business Markets by Fuji Chimera Research Institute.

# Company Overview (1)

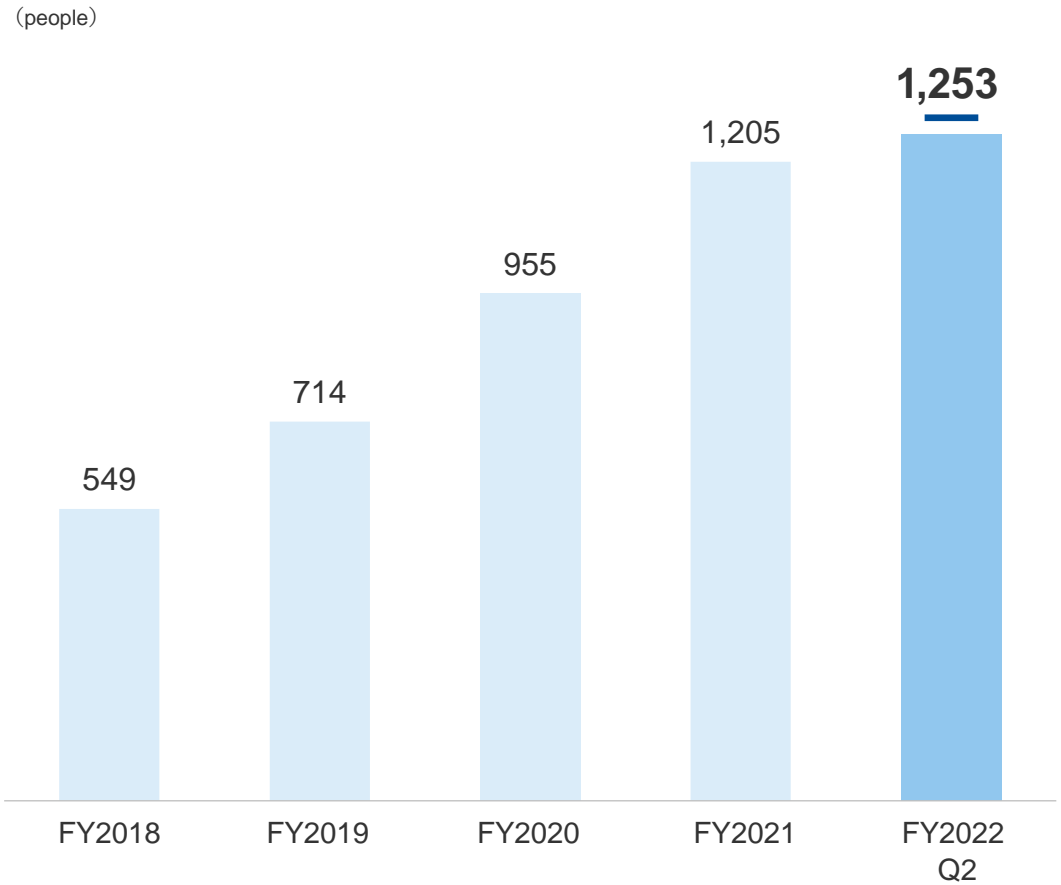
Company name	Sansan, Inc.
Founded	June 11, 2007
Head office	Aoyama Oval Building 13F, 5-52-2 Jingumae, Shibuya-ku, Tokyo
Other locations	Branch offices: Kansai, Fukuoka, Chubu Satellite offices: Tokushima, Kyoto, Fukuoka, Niigata
Group companies	Sansan Global Pte. Ltd. (Singapore) Sansan Corporation (United States) logmi, Inc.
Representative	Chika Terada
Employees	1,253
Capital	¥6,511 million
Net sales	¥20,420 million (FY2021)
Classification by shareholder type	Individuals and others: 47.35%; foreign financial institutions and individuals: 27.47%; Domestic financial institutions: 21.67%; other domestic corporations: 2.14%; security firms: 1.37%



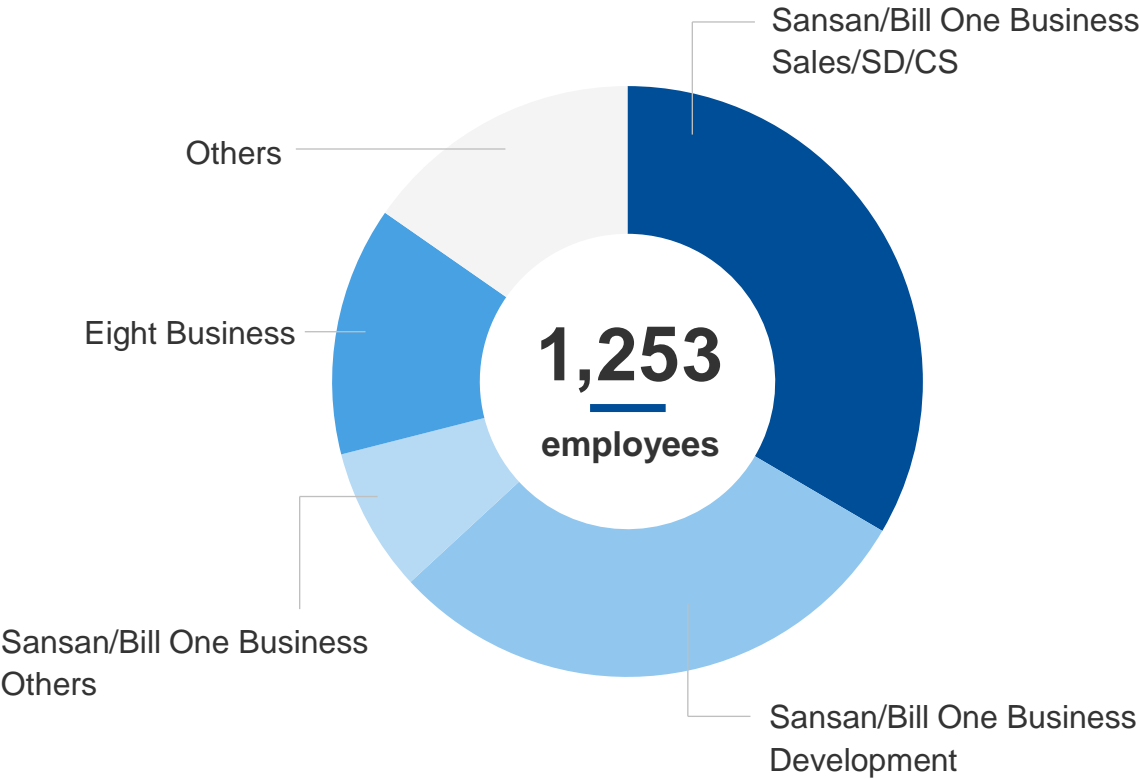
(1) As of November 30, 2022 (consolidated results)

# About Employees

Number of Employees



Breakdown by Organization <sup>(1)</sup>



(1) As of November 30, 2022

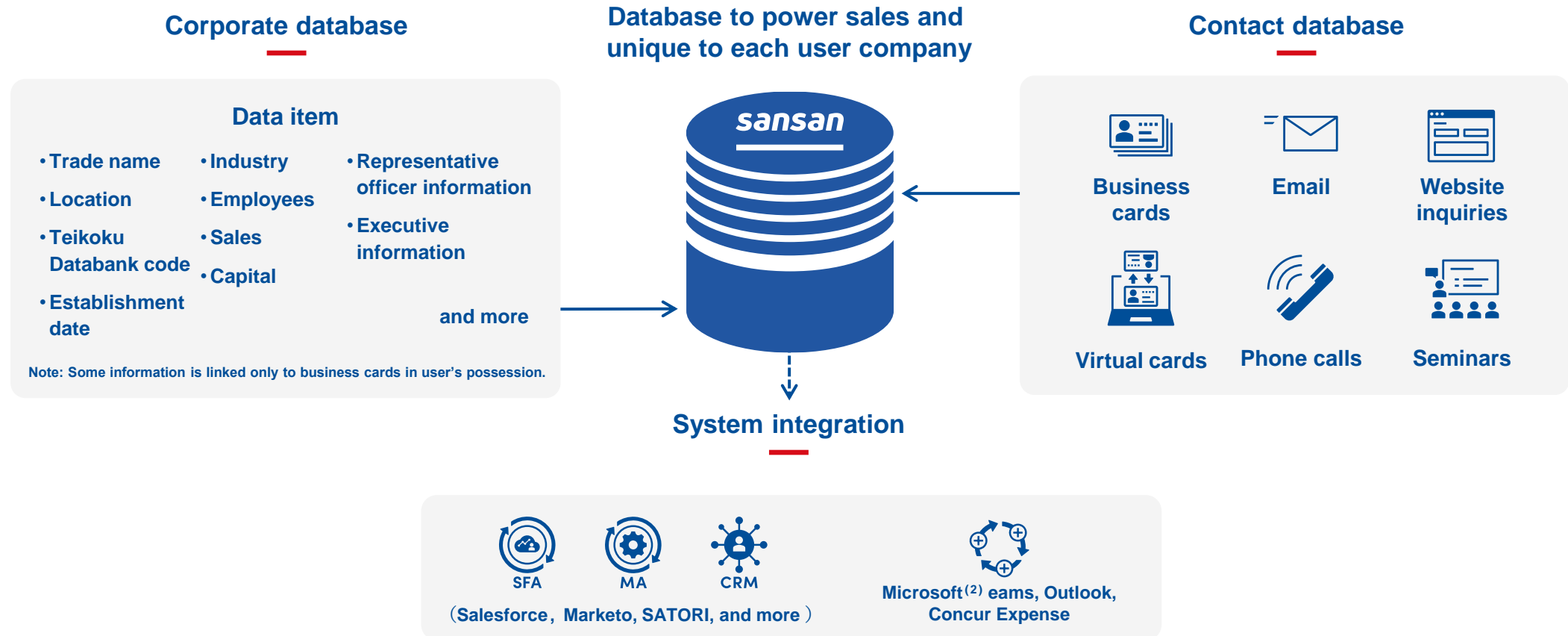
# Sansan/Bill One Business



# Sansan: Reformed to Being a Database to Power Sales

Reformed product from business card/contact management service to sales DX solution.

Building databases unique to user companies by combining company information and contact databases.



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

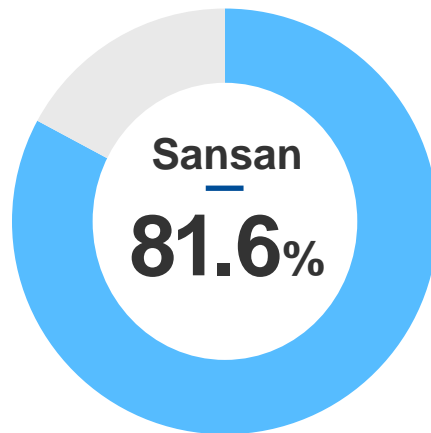
(2) Microsoft Teams, Teams, and Microsoft Outlook are registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.

# Sansan: 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 2021 <sup>(1)</sup>



## Strong Sales Organization and Solid Customer Base

SaaS expertise cultivated  
over the 15 years since our founding

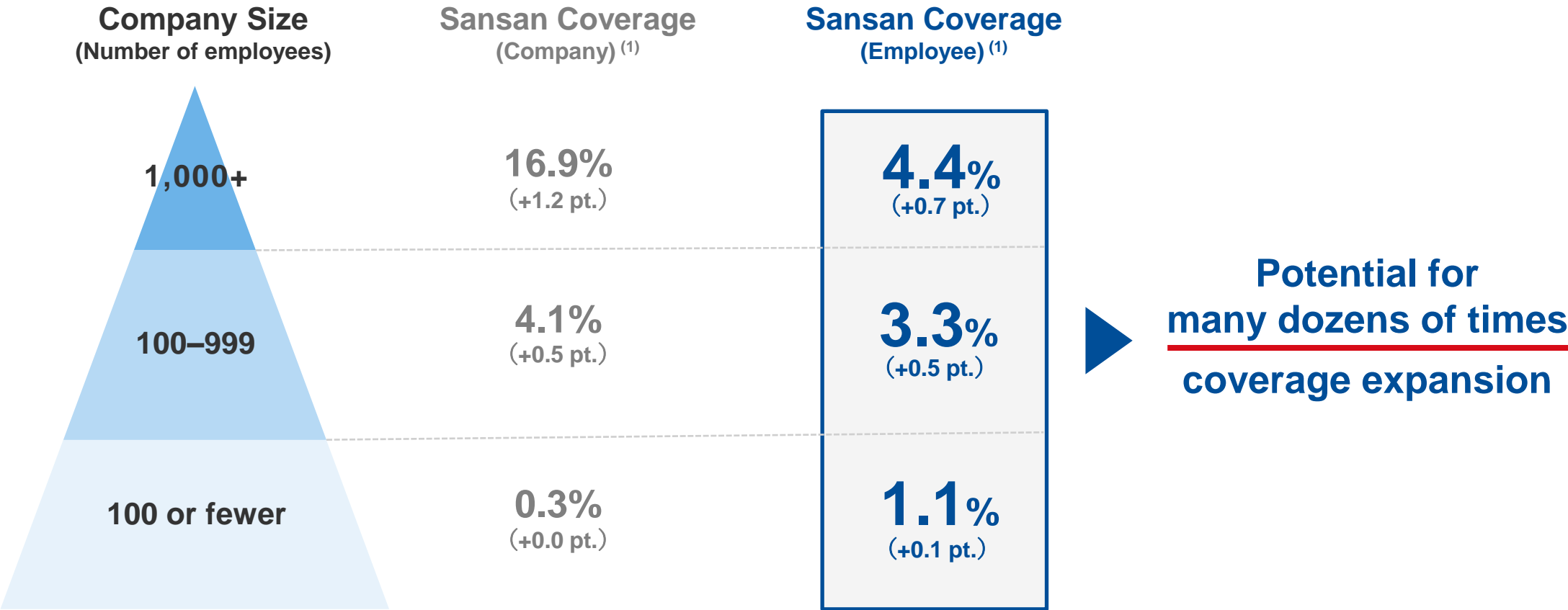


(1) Based on Latest Trends in Business Card Management Services in Sales Support DX 2023 (December 2022, survey by Seed Planning, in Japanese)



# 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 subscription and total number of IDs in Sansan for FY2022 Q2 end as the numerator and the number based on Economic Census for Business Activity in 2016 issued by the Statistics Bureau as the denominator.

# Sansan: Service Plans

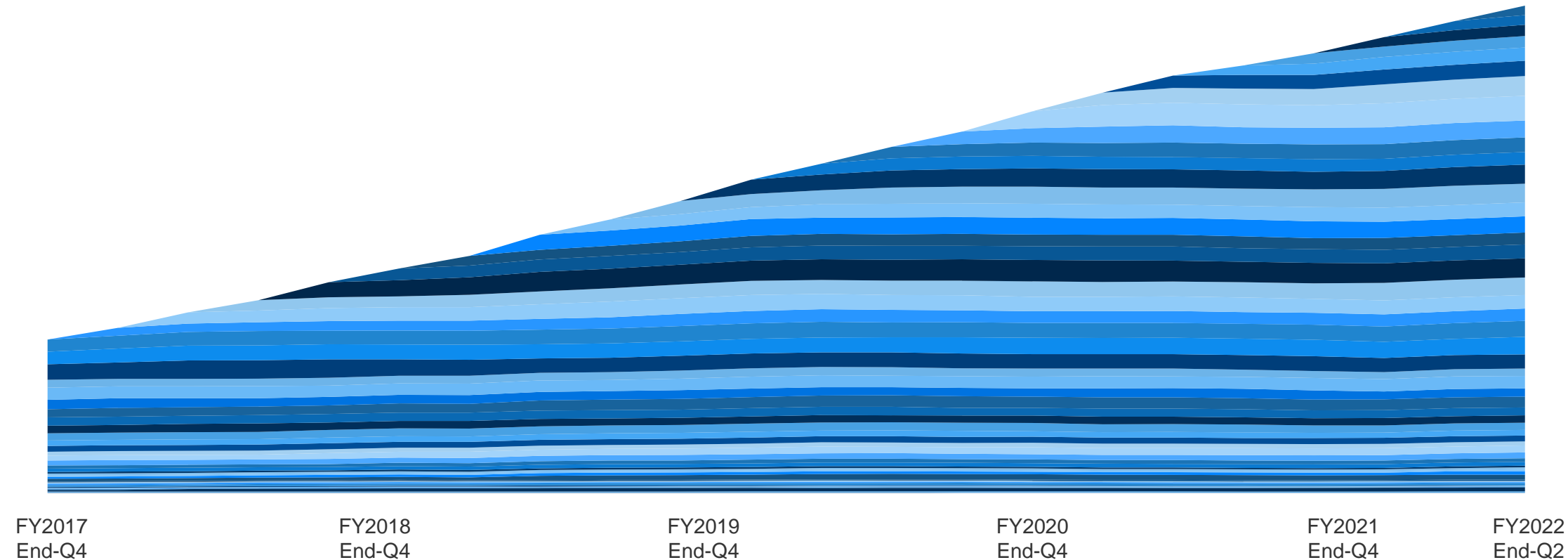
Providing basic company-wide use plan.

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

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

Stably achieving negative churn rate <sup>(1)</sup>

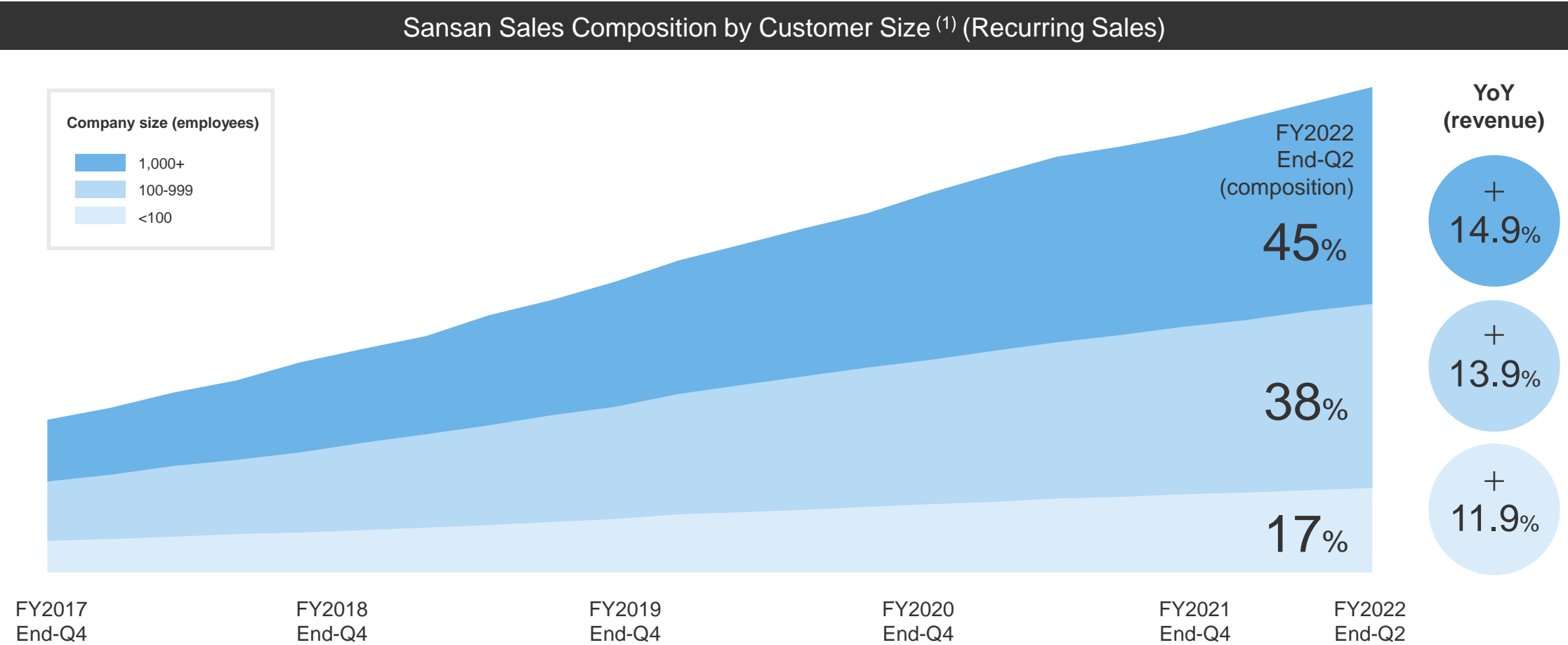
Sansan Sales Stack-up: Accumulation of Net Sales by Service-in Timing (Recurring Sales)



(1) Status where increase of revenue generated by the existing subscriptions is greater than revenue reduced resulting from cancellation

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

No significant change in revenue composition ratio by customer size.



(1) Created based on Sansan monthly fee amounts (unaudited), values from graphs up to and including FY2022 Q1 end changed following review of calculation method.

## Sansan Meishi Maker and Contract One: Service Outlines

**Sansan Meishi Maker:** Comprehensive business card making solution that streamlines management departments' creating business cards.

**Contract One:** Contract DX solution that completes contract operations online and realizes centralized management.



The service enables one-stop business card creation and ordering on Sansan, Google Workspace<sup>(1)</sup>, Microsoft Outlook<sup>(2)</sup>, and Microsoft Teams<sup>(2)</sup>, as well as centralized management of business card creation, ordering, and management operations in the cloud.

(1) Google Workspace is a trademark 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.



Accurate digitization of contracts enables centralized data management of both paper and electronic contract information, and contract-related tasks such as sealing, storage, and management can be done online. Provides functions to visualize contract operations, improve operational efficiency, and encourage risk management.

# Eight Business



## Eight: Service Outline

App used by more than 3 million businesspeople as a service to resolve problems that individuals face in business, including career-building.

Challenges facing  
businesspeople

Not making the most out of  
business encounters

Lack sufficient access to  
business card information

Autonomous career  
building not possible

Offering a lifetime app for business

Manage your contacts  
and your career

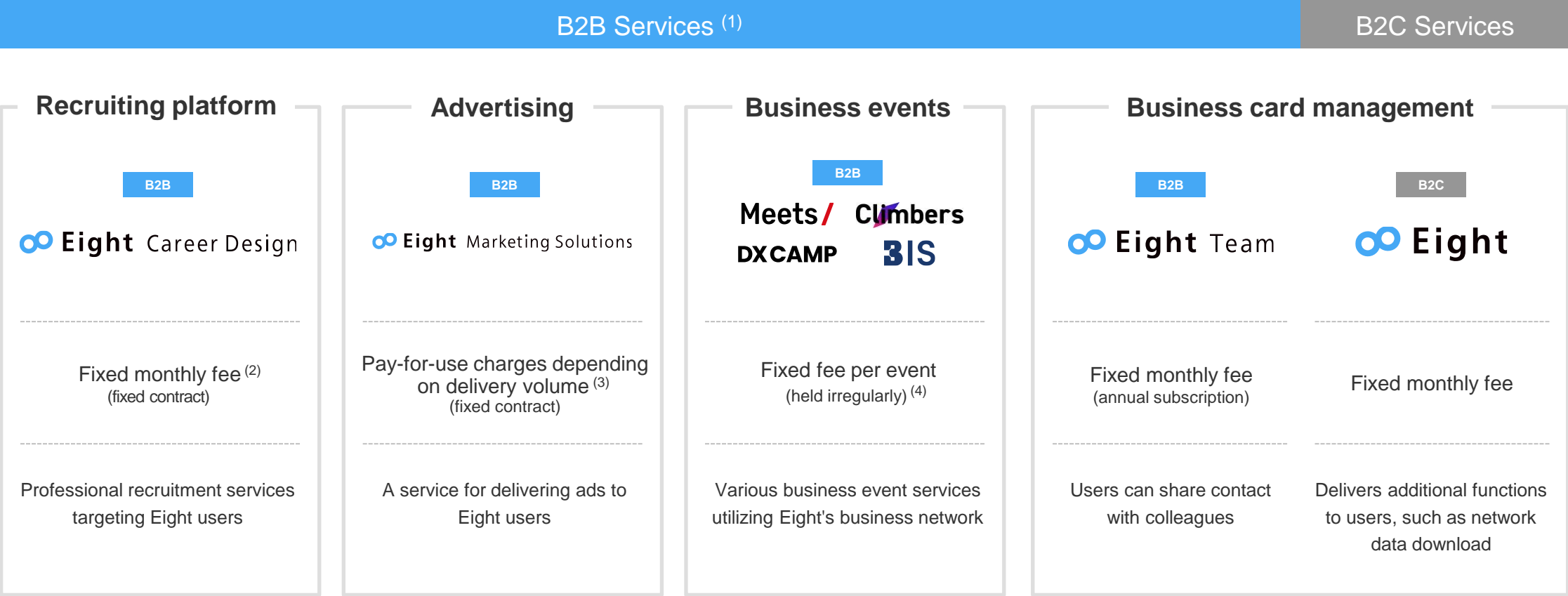
Contact and career management app



- Automatically creates profiles
- Management and search of contact information
- Latest information reaches users
- Users see career information
- Reaches scouts from companies

# Eight: Strengthening and Promotion of Monetization Plans

Augmenting and accelerating monetization by strengthening corporate services that leverage network of more than 3 million users.



(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 an additional charge when a decision to hire is made. (3) There is a minimum advertisement placement price and a normal advertisement menu. (4) There are multiple fee settings depending on the type of event held, etc.



# Initiatives for Sustainability

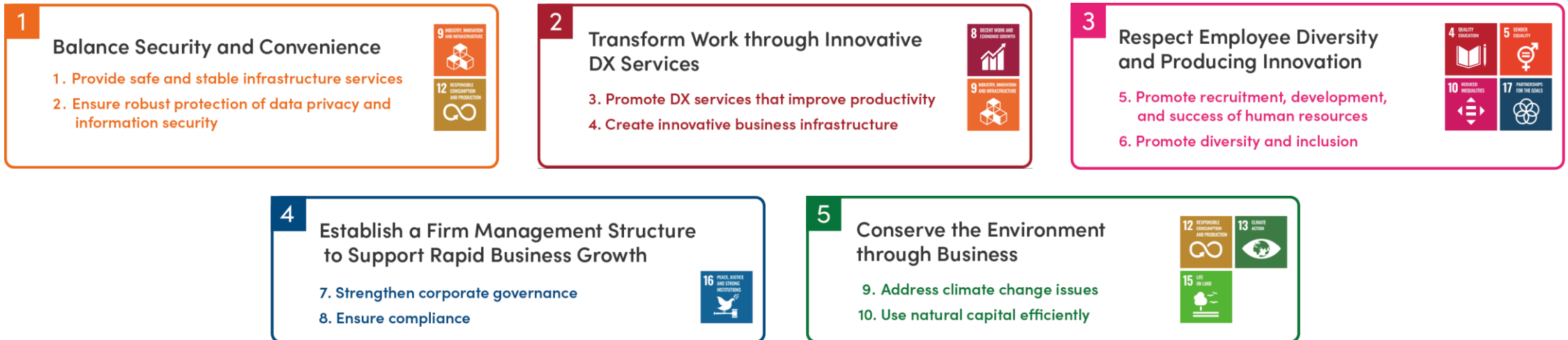
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# Material Issues (Priority Issues)

Identified key material issues (priority issues) relating to the environment, society, and governance.

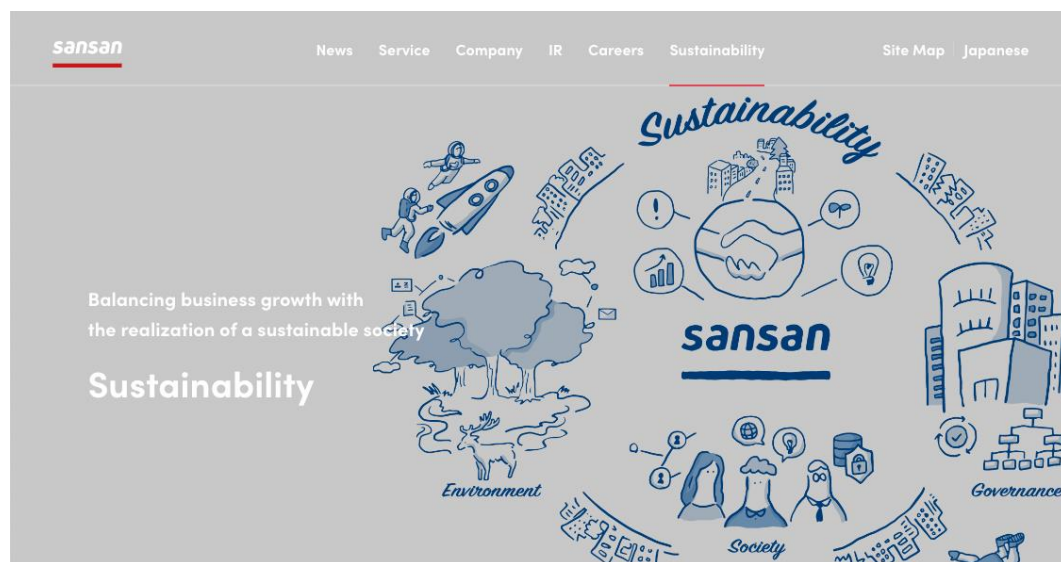
Engaging in the resolution of these issues through our core business, we aim to contribute to the achievement of the SDGs and the building of a sustainable society.



# Expansion and Upgrading of Sustainability Information

Uploaded new sustainability page to our corporate website in October 2022.  
Sustainability information significantly expanded in Annual Report 2022.

## - Sustainability page



Japanese: <https://jp.corp-sansan.com/sustainability>  
English: <https://www.corp-sansan.com/sustainability/>

## - Annual Report



Japanese: <https://ir.corp-sansan.com/ja/ir/library/report.html>  
English: <https://ir.corp-sansan.com/en/ir/library/report.html>

***sansan***

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