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January 14, 2021

Financial Results for FY2020 Q2

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 Listing: Tokyo Stock Exchange
 Securities code: 4443
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 Scheduled date to file quarterly securities report: January 14, 2021
 Scheduled date to commence dividend payment: –
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

1. Consolidated financial results for the first six months of the fiscal year ending May 31, 2021 (from June 1, 2020 to November 30, 2020)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
November 30, 2020	7,636	21.3	686	525.4	454	–	388	–
November 30, 2019	6,294	–	109	–	17	–	(91)	–

Note: Comprehensive income Six months ended November 30, 2020: ¥392 million [–%]
 Six months ended November 30, 2019: ¥(88) million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2020	12.46	12.32
November 30, 2019	(2.97)	–

Note: Diluted earnings per share for the six months ended November 30, 2019 is not stated because, although potential shares exist, basic loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30, 2020	20,984	10,982	52.1
May 31, 2020	22,819	10,552	46.2

Reference: Equity
 As of November 30, 2020: ¥10,933 million
 As of May 31, 2020: ¥10,541 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2020	–	0.00	–	0.00	0.00
Fiscal year ending May 31, 2021	–	0.00			
Fiscal year ending May 31, 2021 (Forecast)			–	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending May 31, 2021 (from June 1, 2020 to May 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending May 31, 2021	15,767	18.0	757	0.0	–	–	–	–	–
	to 16,302	to 22.0	to 1,010	to 33.4					

Notes: 1. Revisions to the earnings forecasts most recently announced: None

2. Although the Company is expecting to record a surplus in both ordinary profit and profit attributable to owners of parent, it is difficult to make a precise forecast. Accordingly, the Company will refrain from disclosing a concrete forecast at this point in time.

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None
- (4) Number of issued shares (Common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2020	31,138,853 shares
As of May 31, 2020	31,138,853 shares

- b. Number of treasury shares at the end of the period

As of November 30, 2020	40 shares
As of May 31, 2020	—

- c. Average number of outstanding shares during the period

For the six months ended November 30, 2020	31,138,842 shares
For the six months ended November 30, 2019	30,726,509 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors.

Attached Material

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1. Qualitative information on quarterly consolidated financial results

(1) Explanation of operating results

Under the mission of “Turning encounters into innovation,” the Group is developing services tied to solving various issues that companies and business people face by using new approaches that combine “technology and data-input-based business card digitization systems” with “cloud software.”

Although the situation regarding the number of those infected by COVID-19 is expected to remain uncertain for the time being, in the first six months of the fiscal year ending May 31, 2021 (“the period under review”), restrictions on sales activities were on an easing trend compared to April and May, 2020 when the state of emergency declaration was issued throughout Japan. Under such circumstances, the Group engaged in initiatives such as strengthening the sales structure, including human resources, in order to realize continuous growth of net sales. Furthermore, the Group promoted the expanded use of the “Virtual Cards” function usable within “Sansan,” a B2B business card-based contact management service and “Eight,” a business card management app. Additionally, as new initiatives, we focused on the launch of “Bill One,” an online invoice receiving service, and event tech services to resolve issues in business event operations.

We launched service for “Bill One” in May 2020, and the number of subscriptions at the end of the period under review increased by 10.6 times compared to the end of June 2020, making “Bill One” the fastest growing new service at the Company. In December 2020, we launched the Bill One Division, aiming for more than 1,000 subscriptions by the end of the fiscal year ending May 31, 2022 by strengthening our sales system and improving service. Additionally, in our event tech services, we launched service for “Smart Entry by Eight Virtual Cards,” a next-generation entry form, and “Sansan Seminar Manager,” a B2B seminar management system.

As a result, net sales totaled ¥7,636,768 thousand (up 21.3% year on year), gross profit totaled ¥6,690,268 thousand (up 24.3% year on year), and gross profit margin was 87.6% (up 2.1 points year on year) in the period under review. All profit items following operating profit improved due to the large improvement in profit margin following increased net sales. Operating profit was ¥686,904 thousand (up 525.4% year on year), ordinary profit was ¥454,260 thousand (compared to ordinary profit of ¥17,203 thousand in the same period of the previous fiscal year), and profit attributable to owners of parent was ¥388,123 thousand (compared to loss attributable to owners of parent of ¥91,110 thousand in the same period of the previous fiscal year).

Results by segment are as follows.

Our services of each business, our business models, our competitive advantages, etc. are described on the following IR section of the Company’s website. Please refer to the URL below for details.

IR section (description of Business Information):

<https://ir.corp-sansan.com/en/ir/management/businessinformation.html>

(i) Sansan Business

The Company is developing services in the B2B business card management service market. The Sansan Business, operated by the Company, holds an 83.5% share (Note 1.) in this market. Moreover, further expansion of the size of this market is continuing, which is mainly a result of recent changes to employee working styles like remote work due to the spread of COVID-19, new ways of thinking toward digital transformation, and greater attention being attracted to the SaaS (Software as a Service) products. As for the digital transformation market, its worth in 2030 is forecasted to be ¥3,042.5 billion (an increase of ¥2,251.3 billion since 2019) (Note 2.), while the SaaS market in Japan is forecasted to reach ¥1,117.8 billion by 2024 (an increase of ¥516.2 billion since 2019) (Note 3.).

For the period under review, the Company continued to engage in initiatives, such as strengthening the sales structure through strategic hiring and expanding use of “Virtual Cards” function, aimed at further increasing the number of subscriptions and the monthly sales per subscription for “Sansan.” While the spread of COVID-19 negatively affected the acquisition of new subscriptions, in our

sales and marketing activities for “Sansan,” we succeeded in enhancing our cooperative system with corporate partners and steadily acquired new customers among medium to small enterprises. As a result, the number of “Sansan” subscriptions at the end of the period under review totaled 7,230, up 15.4% year on year. In addition, monthly sales per subscription rose only slightly to ¥165 thousand, up 3.8% year on year due to sluggishness in some sales comprised of fees for the service of providing “Sansan” during the initial adoption period as a result of the effect of COVID-19. Furthermore, as a result of carrying out ongoing initiatives to expand use among existing customers to achieve a stronger customer foundation, the average monthly churn rate over the past 12 months (Note 4.) was 0.65% (an increase of 0.09 points year on year), maintaining a low churn rate of below 1%.

As a result, net sales totaled ¥6,899,305 thousand (up 19.2% year on year), of which recurring net sales (fixed revenue) in “Sansan” totaled ¥6,561,800 thousand (up 25.5% year on year) in the period under review. Segment profit totaled ¥2,854,160 thousand (up 35.1% year on year).

- Notes: 1. Based on “Latest trends in business card management services and sales services [SFA/CRM/online business card exchange],” December 2020, Seed Planning, Inc.
2. Based on “2020 Outlook of the Digital Transformation Market” by Fuji Chimera Research Institute
3. Based on “2020 New Software Business Markets” by Fuji Chimera Research Institute
4. Ratio of decrease in monthly fees associated with subscription cancellations to total monthly fees for existing subscriptions for “Sansan.”

(ii) Eight Business

In the Eight Business, the Company bases the business on the business card management app “Eight” that enables users to use the profile management and business card management features at no cost. On top of this, the Company provides the B2C services, “Eight Premium,” for individuals who want access to extra user functions and the B2B services such as “Eight Company Premium,” a service that allows the sharing of business cards registered on “Eight” within a company, “Eight Ads,” a service that enables advertisements to be disseminated to “Eight” users, “Meets,” a business event that increases productivity by efficiently matching buyers and sellers, and “Eight Career Design,” a recruitment related service that enables hiring companies (corporate client users) to approach job seekers (individual users) on the job search platform.

In the period under review, the Company worked on strengthening monetization of the B2B service through “Eight Company Premium” and other methods. As a result, the number of “Eight Company Premium” subscriptions at the end of the period under review totaled 1,949, an increase of 67.4% year on year. The number of “Eight” users (Note 5.) totaled 2.81 million, an increase of 0.23 million year on year. Moreover, in November 2020, we held the first “Climbers 2020,” a business event targeting young businesspeople. We received more than 14,000 entries, making “Climbers 2020” one of the Company’s largest business events. Additionally, results from our consolidated subsidiary logmi, Inc. (“logmi”) began to contribute to results in September 2020 (recorded in the segment’s B2B services sales).

As a result, net sales for the period under review totaled ¥738,362 thousand (up 46.3% year on year), of which net sales from B2C services totaled ¥148,369 thousand (up 3.6% year on year), and net sales from B2B services totaled ¥589,993 thousand (up 63.2% year on year). Segment loss was recorded at ¥358,812 thousand (compared to segment loss of ¥466,528 thousand in the same period of the previous fiscal year) due to being in the phase in which upfront investments were being made to increase future profitability.

- Note: 5. Number of confirmed users who registered their business card to their profile after downloading the application

(2) Explanation of financial position

(i) Status of assets, liabilities and equity

Assets

Total assets at the end of the second quarter of the fiscal year ending May 31, 2021 were ¥20,984,972 thousand, down ¥1,834,795 thousand from the end of the previous fiscal year. This was primarily due to a decrease of ¥1,432,467 thousand in cash and deposits, a decrease of ¥1,006,966 thousand in investment securities, and an increase of ¥195,698 thousand in goodwill recorded as a result of making logmi a subsidiary through the acquisition of its shares.

Liabilities

Total liabilities at the end of the quarter under review were ¥10,001,994 thousand, down ¥2,265,152 thousand from the end of the previous fiscal year. This was primarily due to a decrease of ¥1,804,283 thousand in long-term borrowings, a decrease of ¥154,262 thousand in current portion of long-term borrowings and a decrease of ¥332,217 thousand in advances received from receiving a lump-sum payment of contract term fees from customers.

Net assets

Net assets at the end of the quarter under review were ¥10,982,978 thousand, up ¥430,356 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥388,123 thousand in retained earnings due to recording of profit attributable to owners of parent.

(ii) Status of cash flows

Cash and cash equivalents (hereinafter “capital”) at the end of the quarter under review totaled ¥11,227,378 thousand, a decrease of ¥1,436,067 thousand compared to the end of the previous fiscal year. This decrease includes the effect of ¥494 thousand due to exchange fluctuations on capital.

Cash flows from operating activities

The amount of capital provided by operating activities totaled ¥201,753 thousand (compared to ¥728,706 thousand provided in the same period of the previous fiscal year). The main reasons for the increase in capital were recognition of profit before income taxes of ¥450,462 thousand, recognition of depreciation, non-cash expense, of ¥338,432 thousand, and share of loss of entities accounted for using equity method of ¥157,490 thousand, as well as an increase of ¥100,123 thousand in accounts payable - other, and the main factors for the decrease in capital were a decrease in advances received of ¥360,753 thousand and income taxes paid of ¥160,753 thousand.

Cash flows from investing activities

The amount of capital provided by investing activities totaled ¥214,940 thousand (compared to ¥5,664,749 thousand used in the same period of the previous fiscal year). The main reason for the increase in capital was proceeds from sales of investment securities of ¥1,680,107 thousand, and the main factors for the decrease in capital were purchase of property, plant and equipment of ¥207,589 thousand, purchase of intangible assets of ¥324,539 thousand and purchase of shares of subsidiaries and associates of ¥660,573 thousand.

Cash flows from financing activities

The amount of capital used in financing activities totaled ¥1,853,255 thousand (compared to ¥11,714,565 thousand provided in the same period of the previous fiscal year). This was primarily due to repayments of long-term borrowings of ¥1,984,378 thousand.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

As the state of emergency was declared for some regions of Japan in January 2021, the Company needs to pay close attention to the trends going forward. However, it also deems the impact will not be as significant as in April and May 2020 when the state of emergency declaration was previously issued throughout Japan. Therefore, we do not expect any further significant negative impact, and in light of our solid performance to date, the full-year earnings forecasts have not changed from the forecasts announced at the beginning of the fiscal year at this point in time. Additionally, the progress rate for the operating profit for the period under review is high, but we will evaluate and implement various strategies and investments to accelerate the net sales growth rate from the third quarter onward.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of May 31, 2020	As of November 30, 2020
Assets		
Current assets		
Cash and deposits	12,815,225	11,382,758
Accounts receivable - trade	441,060	454,496
Prepaid expenses	410,582	463,729
Other	176,945	265,768
Allowance for doubtful accounts	(3,621)	(3,969)
Total current assets	13,840,192	12,562,783
Non-current assets		
Property, plant and equipment	414,467	508,981
Intangible assets		
Software	925,803	982,405
Goodwill	–	195,698
Other	261	196
Total intangible assets	926,064	1,178,300
Investments and other assets		
Investment securities	6,941,596	5,934,629
Leasehold deposits	549,412	545,087
Deferred tax assets	145,185	248,371
Other	2,850	6,818
Total investments and other assets	7,639,043	6,734,906
Total non-current assets	8,979,576	8,422,189
Total assets	22,819,768	20,984,972

(Thousands of yen)

	As of May 31, 2020	As of November 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	102,922	107,183
Short-term borrowings	20,000	150,000
Current portion of long-term borrowings	1,267,490	1,113,228
Accounts payable - other	596,265	643,969
Income taxes payable	225,471	212,846
Accrued consumption taxes	429,584	187,965
Advances received	5,289,822	4,957,605
Provision for bonuses	289,551	319,253
Other	114,449	178,850
Total current liabilities	8,335,558	7,870,902
Non-current liabilities		
Long-term borrowings	3,892,598	2,088,314
Other	38,990	42,777
Total non-current liabilities	3,931,588	2,131,091
Total liabilities	12,267,147	10,001,994
Net assets		
Shareholders' equity		
Share capital	6,236,650	6,236,650
Capital surplus	3,977,043	3,977,043
Retained earnings	344,184	732,308
Treasury shares	-	(262)
Total shareholders' equity	10,557,879	10,945,740
Accumulated other comprehensive income		
Foreign currency translation adjustment	(15,921)	(11,843)
Total accumulated other comprehensive income	(15,921)	(11,843)
Share acquisition rights	10,663	43,772
Non-controlling interests	-	5,308
Total net assets	10,552,621	10,982,978
Total liabilities and net assets	22,819,768	20,984,972

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

(Thousands of yen)

	Six months ended November 30, 2019	Six months ended November 30, 2020
Net sales	6,294,801	7,636,768
Cost of sales	912,283	946,499
Gross profit	5,382,518	6,690,268
Selling, general and administrative expenses	5,272,678	6,003,363
Operating profit	109,840	686,904
Non-operating income		
Interest and dividend income	1,065	416
Foreign exchange gains	–	854
Cancellation penalty income	1,964	2,619
Subsidy income	–	2,049
Gain on sales of investment securities	–	32,897
Gain on investments in investment partnerships	–	5,498
Other	567	547
Total non-operating income	3,597	44,882
Non-operating expenses		
Interest expenses	2,659	15,080
Share issuance costs	28,102	–
Stock market listing expenses	15,175	–
Commission expenses	19,456	3,787
Foreign exchange losses	625	–
Share of loss of entities accounted for using equity method	26,705	157,490
Penalty loss on cancellation of rental contracts	–	92,953
Other	3,510	8,216
Total non-operating expenses	96,234	277,527
Ordinary profit	17,203	454,260
Extraordinary losses		
Loss on retirement of non-current assets	6,421	3,798
Impairment loss	37,854	–
Total extraordinary losses	44,276	3,798
Profit (loss) before income taxes	(27,073)	450,462
Income taxes - current	64,036	164,765
Income taxes - deferred	–	(103,186)
Total income taxes	64,036	61,579
Profit (loss)	(91,110)	388,882
Profit attributable to non-controlling interests	–	758
Profit (loss) attributable to owners of parent	(91,110)	388,123

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended November 30, 2019	Six months ended November 30, 2020
Profit (loss)	(91,110)	388,882
Other comprehensive income		
Foreign currency translation adjustment	2,283	4,077
Total other comprehensive income	2,283	4,077
Comprehensive income	(88,826)	392,959
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(88,826)	392,201
Comprehensive income attributable to non-controlling interests	–	758

(3) Quarterly consolidated statement of cash flows

(Thousands of yen)

	Six months ended November 30, 2019	Six months ended November 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	(27,073)	450,462
Depreciation	291,422	338,432
Amortization of goodwill	–	5,017
Impairment loss	37,854	–
Loss on retirement of non-current assets	6,421	3,798
Share-based remuneration expenses	–	11,230
Share issuance costs	28,102	–
Penalty loss on cancellation of rental contracts	–	92,953
Increase (decrease) in allowance for doubtful accounts	234	317
Increase (decrease) in provision for bonuses	58,722	29,669
Increase (decrease) in provision for loss on closure of business locations	(6,960)	–
Interest and dividend income	(1,065)	(416)
Interest expenses	2,659	15,080
Commission expenses	19,456	157
Loss (gain) on sales of investment securities	–	(32,897)
Loss (gain) on investments in investment partnerships	–	(5,498)
Share of loss (profit) of entities accounted for using equity method	26,705	157,490
Decrease (increase) in trade receivables	11,322	(9)
Decrease (increase) in prepaid expenses	(125,713)	(54,315)
Decrease (increase) in other assets	18,614	(87,379)
Increase (decrease) in trade payables	(10,002)	2,002
Increase (decrease) in accounts payable - other	214,381	100,123
Increase (decrease) in advances received	114,534	(360,753)
Increase (decrease) in accrued consumption taxes	(26,528)	(244,569)
Increase (decrease) in other liabilities	83,281	(59,080)
Other, net	23,335	15,775
Subtotal	739,704	377,591
Interest and dividends received	1,205	933
Interest paid	(4,245)	(16,017)
Income taxes paid	(7,957)	(160,753)
Net cash provided by (used in) operating activities	728,706	201,753
Cash flows from investing activities		
Purchase of property, plant and equipment	(190,127)	(207,589)
Purchase of intangible assets	(265,221)	(324,539)
Purchase of investment securities	(5,045,734)	(131,660)
Proceeds from sales of investment securities	–	1,680,107
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(132,529)
Purchase of shares of subsidiaries and associates	–	(660,573)
Payments of leasehold deposits	(168,316)	(10,182)
Proceeds from refund of leasehold deposits	4,650	1,909
Net cash provided by (used in) investing activities	(5,664,749)	214,940
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,165	123,938
Proceeds from long-term borrowings	4,980,545	–
Repayments of long-term borrowings	(65,168)	(1,984,378)

(Thousands of yen)

	Six months ended November 30, 2019	Six months ended November 30, 2020
Proceeds from issuance of shares	6,815,396	–
Proceeds from issuance of share acquisition rights	–	21,879
Other, net	(19,373)	(14,694)
Net cash provided by (used in) financing activities	11,714,565	(1,853,255)
Effect of exchange rate change on cash and cash equivalents	235	494
Net increase (decrease) in cash and cash equivalents	6,778,757	(1,436,067)
Cash and cash equivalents at beginning of period	5,468,495	12,663,445
Cash and cash equivalents at end of period	12,247,252	11,227,378

(4) Notes to the quarterly consolidated financial statements
(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

I First six months of the fiscal year ended May 31, 2020 (from June 1, 2019 to November 30, 2019)

1. Information on the amount of sales and profit (loss) for each reportable segment

(Thousands of yen)

	Reportable segments			Adjustments (Note) 1	Amount in the quarterly consolidated financial statement (Note) 2
	Sansan Business	Eight Business	Total		
Net sales					
Sales to external customers	5,789,973	504,828	6,294,801	–	6,294,801
Intersegment sales or transfers	–	–	–	–	–
Total	5,789,973	504,828	6,294,801	–	6,294,801
Segment profit (loss)	2,112,931	(466,528)	1,646,403	(1,536,562)	109,840

Notes: 1. The adjustments stated for segment profit (loss) of negative ¥1,536,562 thousand comprises the amounts of corporate expenses not attributable to any reportable segment and mostly consists of general and administrative expenses.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss of non-current assets or goodwill, etc. for each reportable segment

(Significant impairment loss on non-current assets)

As corporate expenses not belonging to the Sansan Business, Eight Business and any reportable segment, the Company reduced the carrying amounts for software to their recoverable amounts and recorded the amounts of reduction in impairment loss.

The relevant amounts recorded in impairment loss for the six months ended November 30, 2019 were ¥6,387 thousand for the Sansan Business, ¥9,648 thousand for the Eight Business and ¥21,818 thousand for corporate expenses not belonging to any reportable segment.

II First six months of the fiscal year ending May 31, 2021 (from June 1, 2020 to November 30, 2020)

1. Information on the amount of sales and profit (loss) for each reportable segment

(Thousands of yen)

	Reportable segments			Adjustments (Note) 1	Amount in the quarterly consolidated financial statement (Note) 2
	Sansan Business	Eight Business	Total		
Net sales					
Sales to external customers	6,899,305	737,462	7,636,768	–	7,636,768
Intersegment sales or transfers	–	900	900	(900)	–
Total	6,899,305	738,362	7,637,668	(900)	7,636,768
Segment profit (loss)	2,854,160	(358,812)	2,495,347	(1,808,442)	686,904

Notes: 1. The adjustments stated for segment profit (loss) of negative ¥1,808,442 thousand comprises the amounts of corporate expenses not attributable to any reportable segment and mostly consists of general and administrative expenses.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss of non-current assets or goodwill, etc. for each reportable segment

(Significant change in goodwill amount)

During the first quarter of the fiscal year ending May 31, 2021, goodwill was recorded in the “Eight Business” segment due to the inclusion of logmi in the scope of consolidation as a consolidated subsidiary through the purchase of that company’s shares. In the six months ended November 30, 2020, the resulting increase in goodwill amounted to ¥195,698 thousand.