

**sansan**



**Presentation Materials  
for FY2021 Q2**

**Sansan, Inc.  
January 13, 2022**

# Disclaimer

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- 1 Consolidated Financial Results for FY2021 Q2 (six months)**
- 2 Developing Services in Invoice/Contract Field**
- 3 Full-year Forecasts for FY2021**

## Appendix

(Consolidated Financial Results for FY2021 Q2 (three months), Sansan Group Overview, Sansan/Bill One Business, Eight Business)

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## Highlights of FY2021 Q2YTD Results

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### **Consolidated net sales increased by 25.4% YoY**

Net Sales: Sansan/Bill One Business 23.8% growth, Eight Business 33.0% growth  
ARR <sup>(1)</sup> : 24.1% growth to 17,935 million yen

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

No change to consolidated earnings forecasts announced at beginning of fiscal year  
Decrease in operating profit due to personnel recruitment and strengthening of advertising activities as planned

### **Bill One, Contract One results performance favorable**

Bill One MRR <sup>(2)</sup> increased by 1,131.4% YoY to 61 million yen and number of paid subscriptions increased by 677.0% YoY.  
The new Contract One service has made a smooth start.

(1) Annual recurring revenue

(2) Monthly recurring revenue

## Overview of Consolidated Financial Results

**Net sales increased by 25.4% YoY.**

**Operating profit decreased owing to execution of growth investments.**

		FY2020	FY2021	
(millions of yen)		Q2YTD Results	Q2YTD Results	YoY
<b>Consolidated Results</b>	Net Sales	7,636	9,577	+25.4%
	Gross Profit	6,690	8,446	+26.2%
	Gross Profit Margin	87.6%	88.2%	+0.6 pt.
	Operating Profit	686	-133	—
	Operating Profit Margin	9.0%	—	—
	Ordinary Profit	454	643	+41.7%
	Profit Attributable to Owners of Parent	388	573	+47.8%
	EPS <sup>(1)</sup>	3.12 yen	4.60 yen	+47.6%

(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.

## Results by Segment

Net sales increased in both Sansan/Bill One Business and Eight Business.  
Adjustments amount (operating loss) increased by ¥423 million YoY owing to increase in number of employees, etc.

		FY2020	FY2021	
		(millions of yen) Q2YTD Results	Q2YTD Results	YoY
Net Sales	Consolidated	7,636	9,577	+25.4%
	Sansan/Bill One Business	6,903	8,548	+23.8%
	Eight Business	734	976	+33.0%
	Others	—	54	—
	Adjustments	0	-2	—
Operating Profit	Consolidated	686	-133	—
	Sansan/Bill One Business	2,835	2,366	-16.5%
	Eight Business	-363	-291	—
	Others	—	0	—
	Adjustments	-1,785	-2,209	—

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## Focal Points in Our Service Development

Under our avowed mission of Turning encounters into innovation, developing B2B services that realize DX for business fields where analog business flows remain.

### Point 1

#### Encounters

- Focusing on person-to-person, company-to-company encounters

### Point 2

#### From Analog to Digital

- Including paper, analog business flows remain, and thus there is substantial room for optimization through digitization

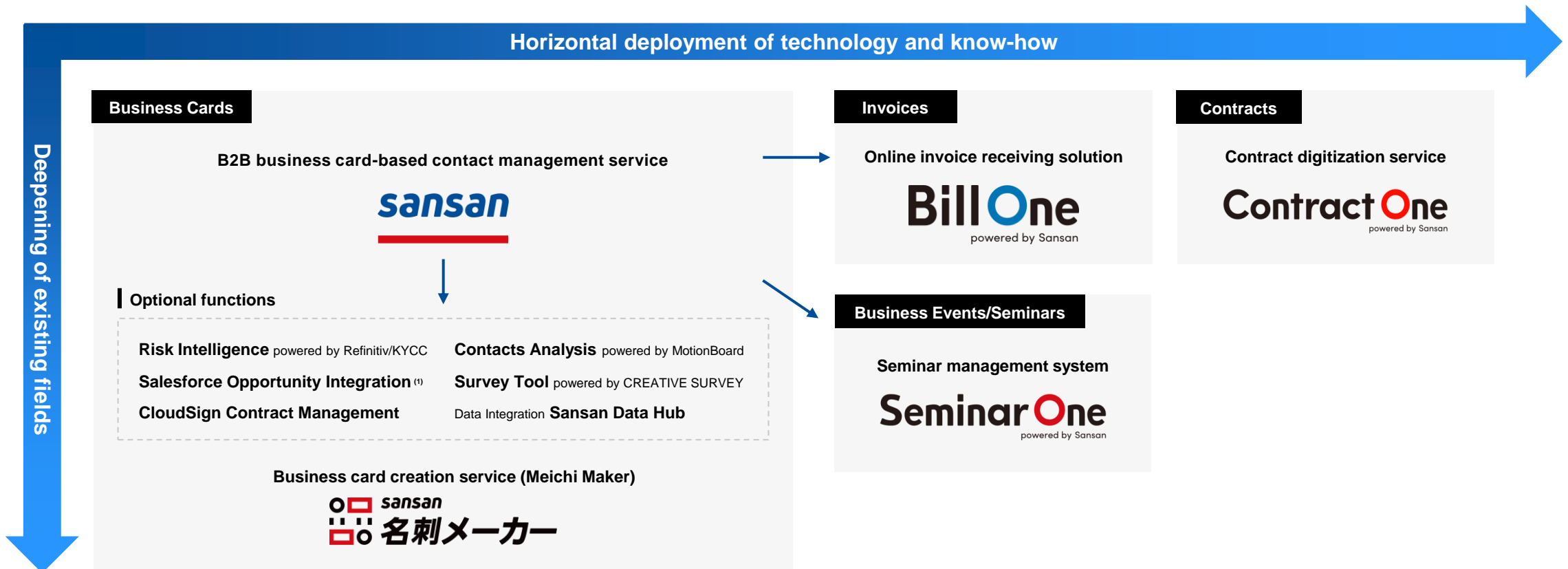
## Our Strengths

Establishing one of the largest SaaS positions in Japan based on technology for digitizing analog information.



## Development of Our B2B Services

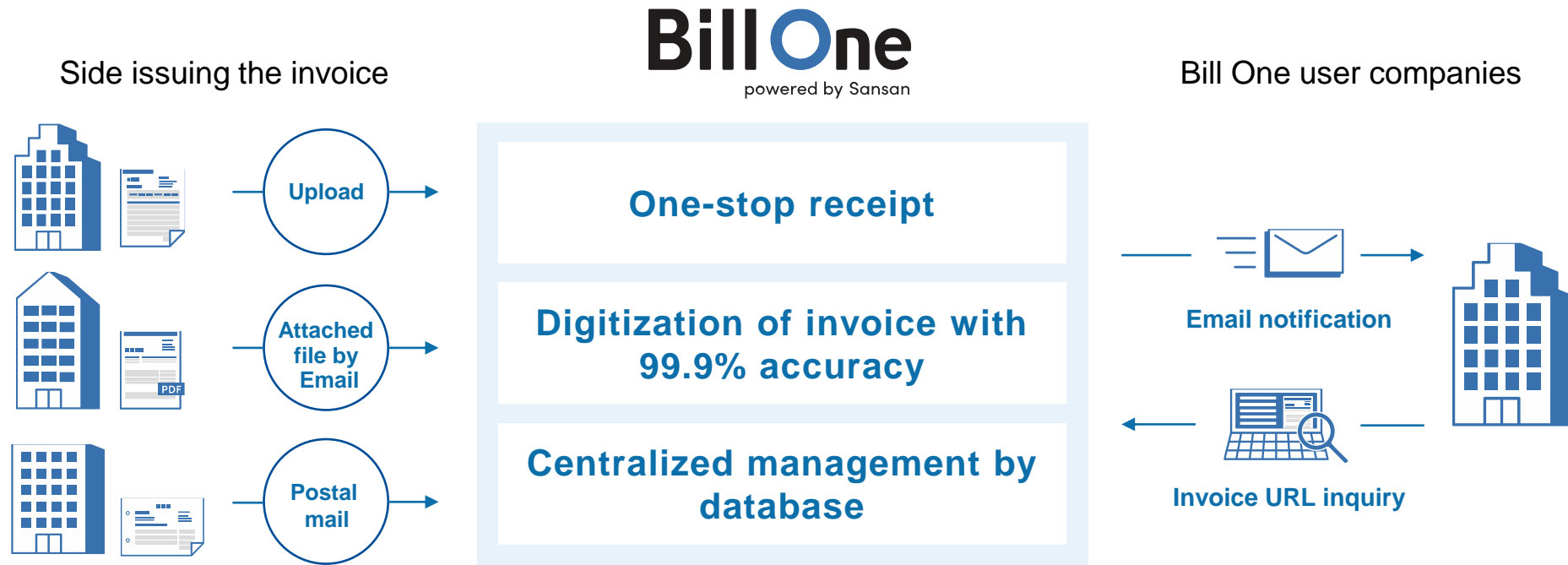
While devising ways to deepen our market penetration as a business platform in the business card space, horizontally deploying technologies and expertise we have cultivated and creating new services in a range of business fields.



(1) Salesforce is a trademark of salesforce.com, inc., and is used with permission.

## Bill One: Service Outline

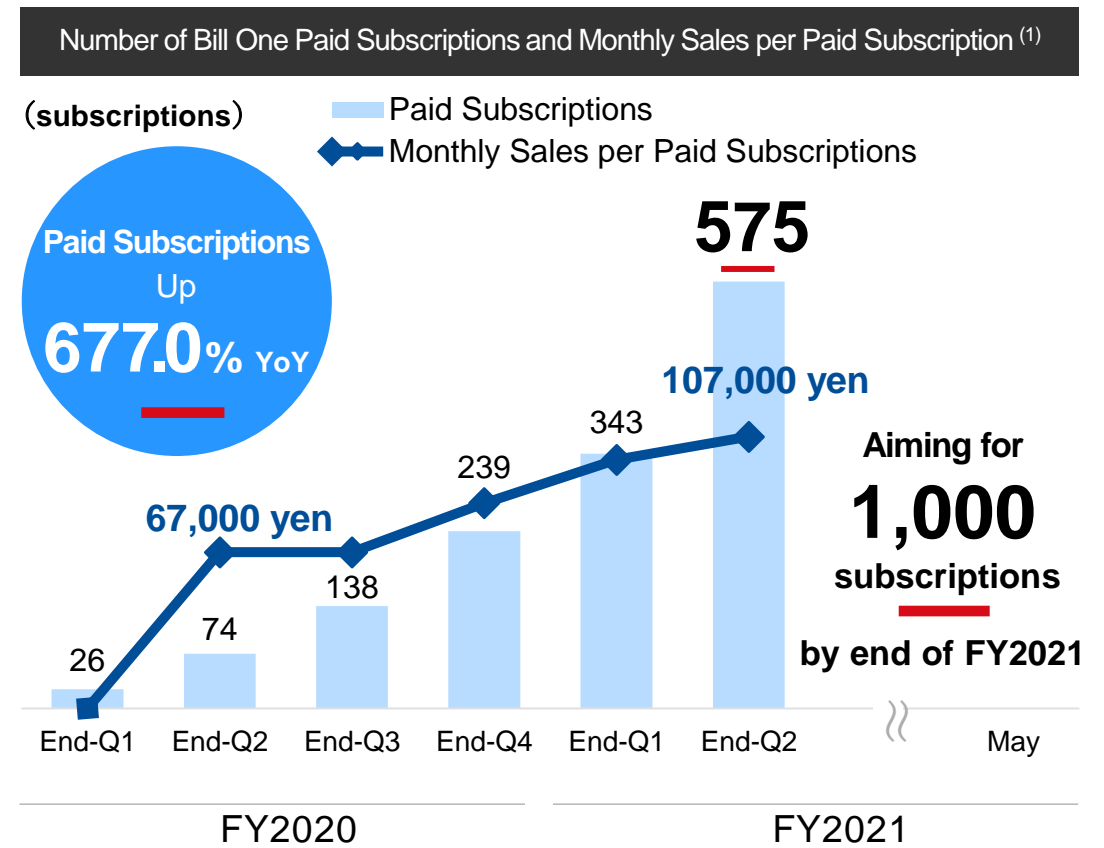
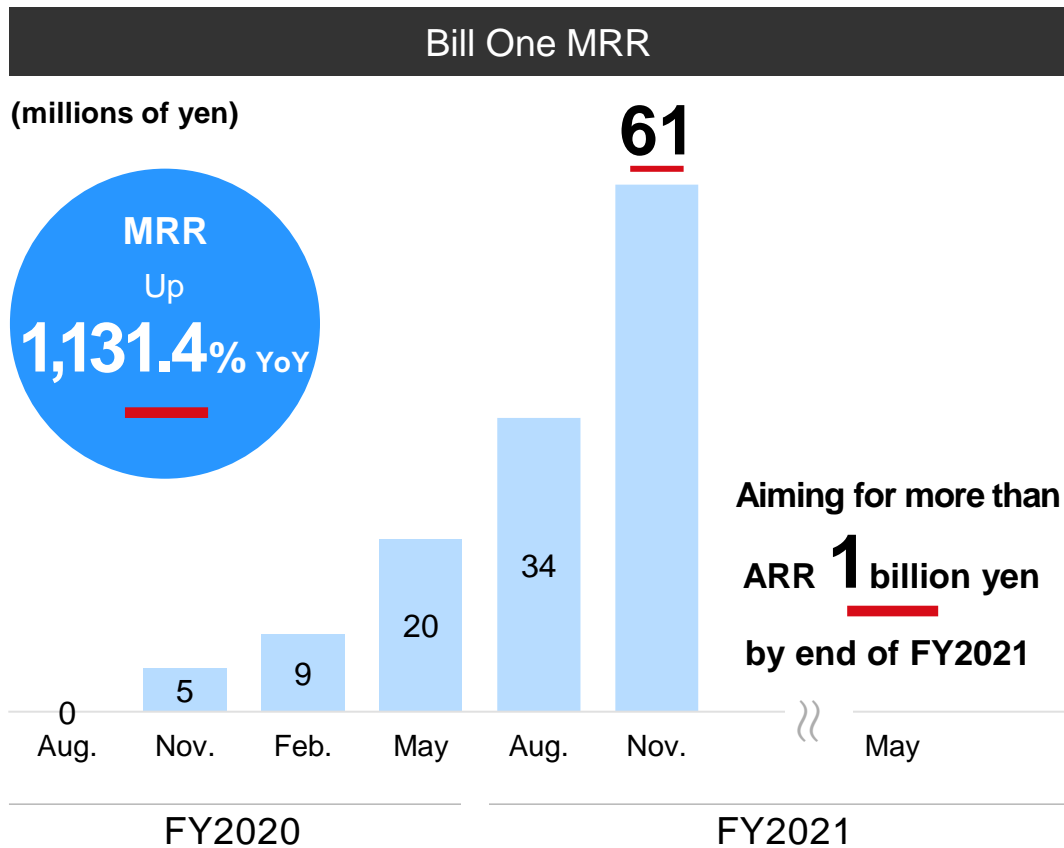
A service that enables receipt of paper and PDF invoices online and supports faster settlement of monthly accounts by realizing operational efficiency.



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: MRR, Paid Subscriptions and Monthly Sales per Paid Subscription

Rapid growth of MRR, number of paid subscriptions and monthly sales per paid subscription  
 Aiming for ARR of ¥1 billion+ in FY ending May 2022.



(1) Monthly results for the end of the quarter in Bill One, unaudited

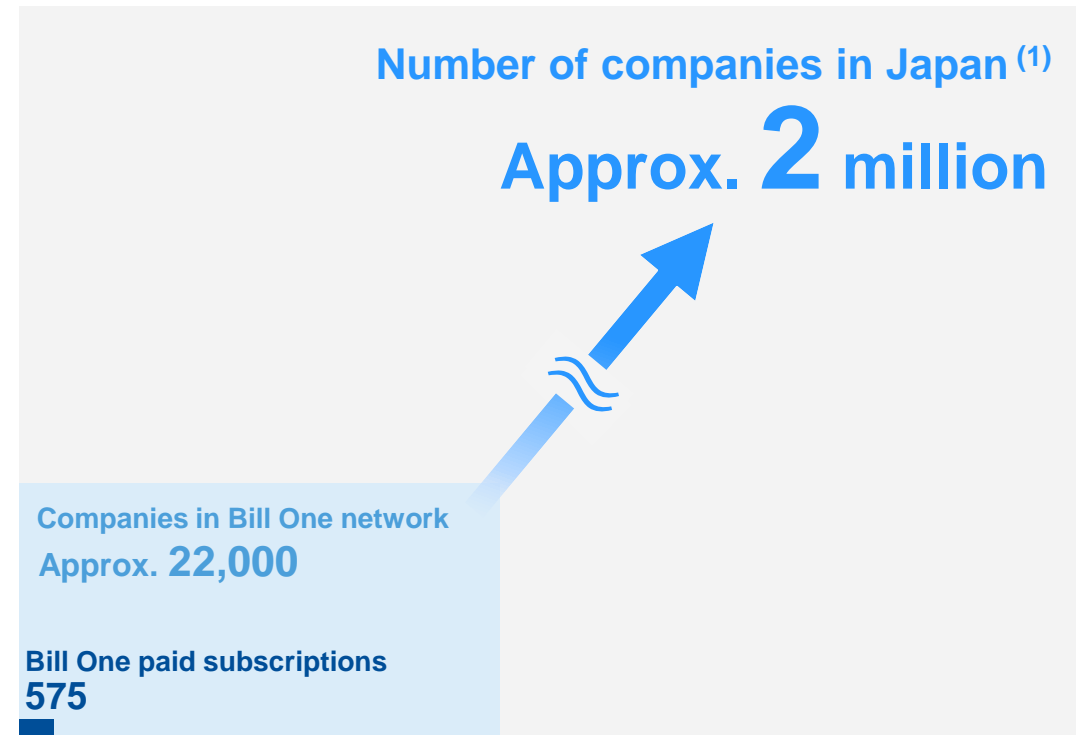
# Bill One: Customers and Size of Potential Market for Bill One

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

## Customers Running Bill One Products



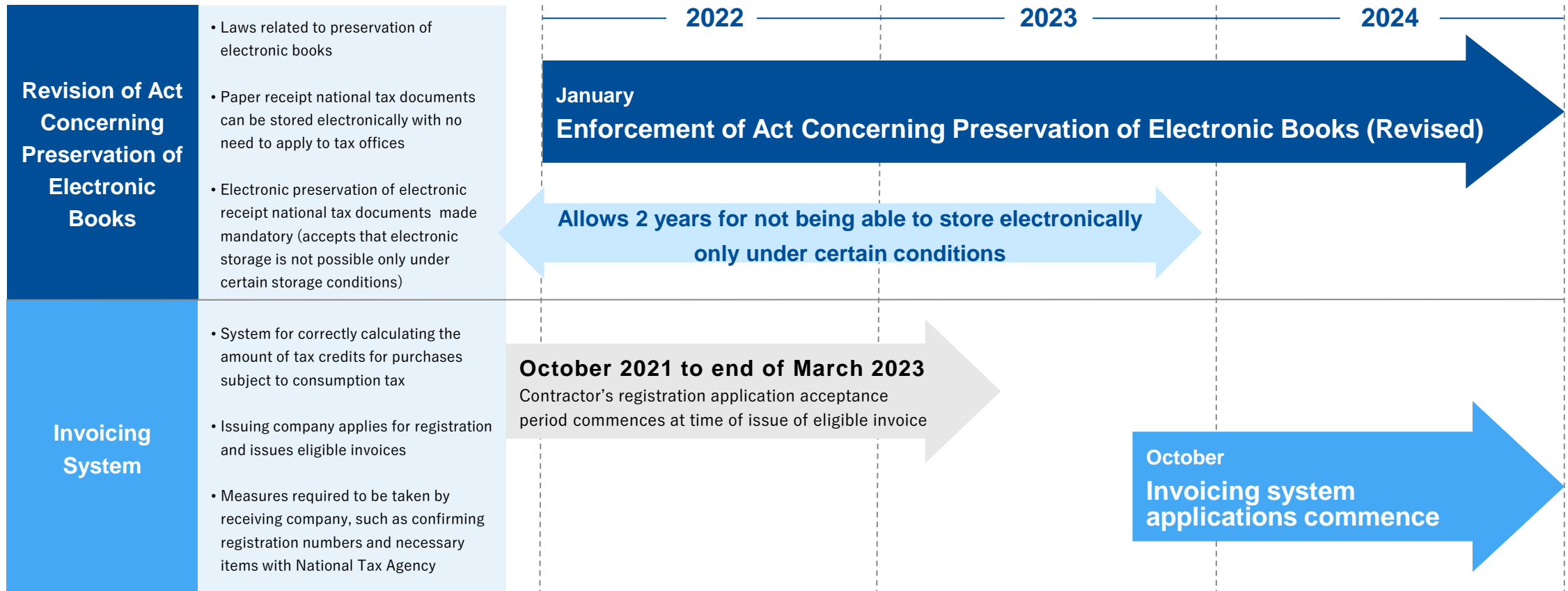
## Size of Potential Market



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

## 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.



## Contract one: Collaboration with Other Companies

Contract One enables centralized management of all contracts, including electronic contract services. Planning to integrate functions with seven major electronic contract service companies.



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## Consolidated Financial Forecasts

Up to and including the second quarter, results have been progressing steadily.  
No change to consolidated earnings forecast announced at beginning of fiscal year.

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



# **Consolidated Financial Results for FY2021 Q2 (three months)**

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## Overview of Consolidated Financial Results

Despite being impacted by the prolonged and ongoing COVID-19 pandemic, net sales remained strong and increased 25.5% YoY.

Each profit decreased owing to execution of growth investments.

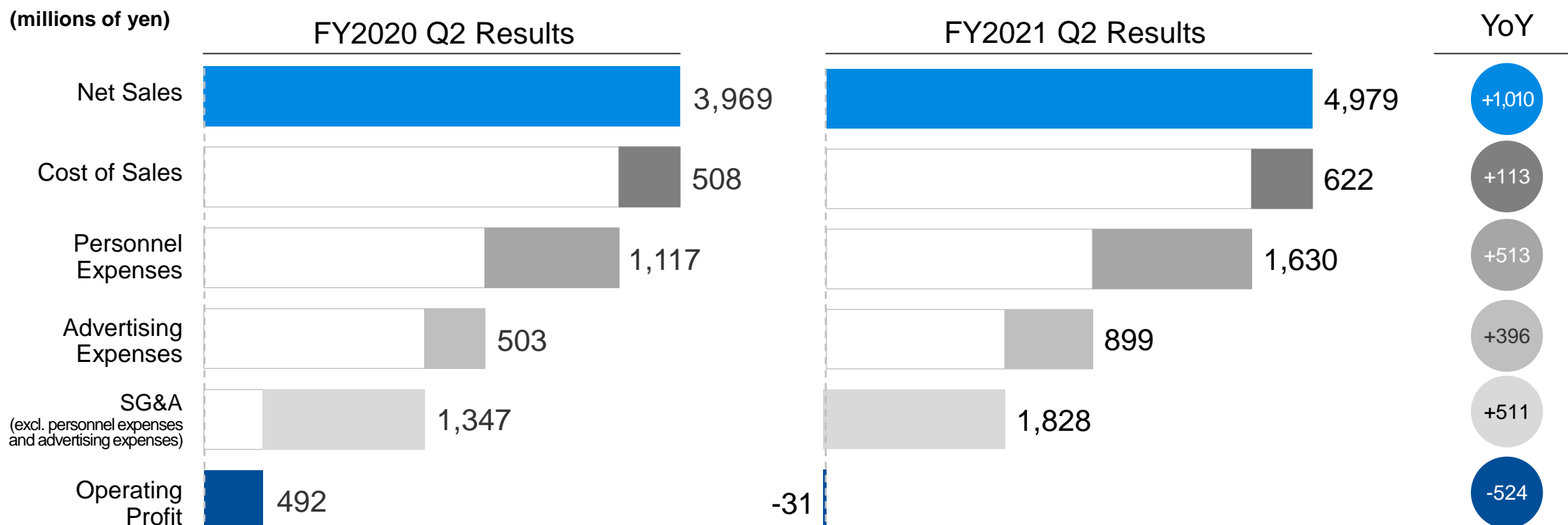
	(millions of yen)	FY2020	FY2021	
		Q2 Results	Q2 Results	YoY
<b>Consolidated Results</b>	Net Sales	3,969	4,979	+25.5%
	Gross Profit	3,460	4,357	+25.9%
	Gross Profit Margin	87.2%	87.5%	+0.3 pt.
	Operating Profit	492	-31	—
	Operating Profit Margin	12.4%	—	—
	Ordinary Profit	352	-111	—
	Profit Attributable to Owners of Parent	302	-78	—
	EPS <sup>(1)</sup>	2.43 yen	-0.63 yen	—

(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

Personnel expenses increased by ¥513 million and advertising expenses increased by ¥396 million YoY, owing to recruitment of human resources and strengthening of advertising activities, respectively.

### Status of Consolidated Net Sales/Operating Profit



## Sansan/Bill One Business Overview

Net sales increased by 23.8% YoY against the backdrop of steady growth of Bill One.

Operating profit decreased 21.5% YoY owing to recruitment of human resources and strengthening of Bill One advertising activities.

	(millions of yen)	FY2020	FY2021		(For Reference) FY2021	
		Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
Sansan/Bill One Business	Net Sales	3,545	4,387	+23.8%	8,548	+23.8%
	Sansan	3,535	4,227	+19.6%	8,295	+20.4%
	Sansan Recurring Sales	3,362	4,026	+19.8%	7,926	+20.8%
	Sansan Other Sales	172	200	+16.0%	369	+11.8%
	Bill One	10	148	+1,371.1%	238	+2,135.7%
	Others	0	11	+5,720.0%	14	+3,167.2%
	Operating Profit	1,565	1,228	-21.5%	2,366	-16.5%
	Operating Profit Margin	44.1%	28.0%	-16.1 pt.	27.7%	-13.4 pt.

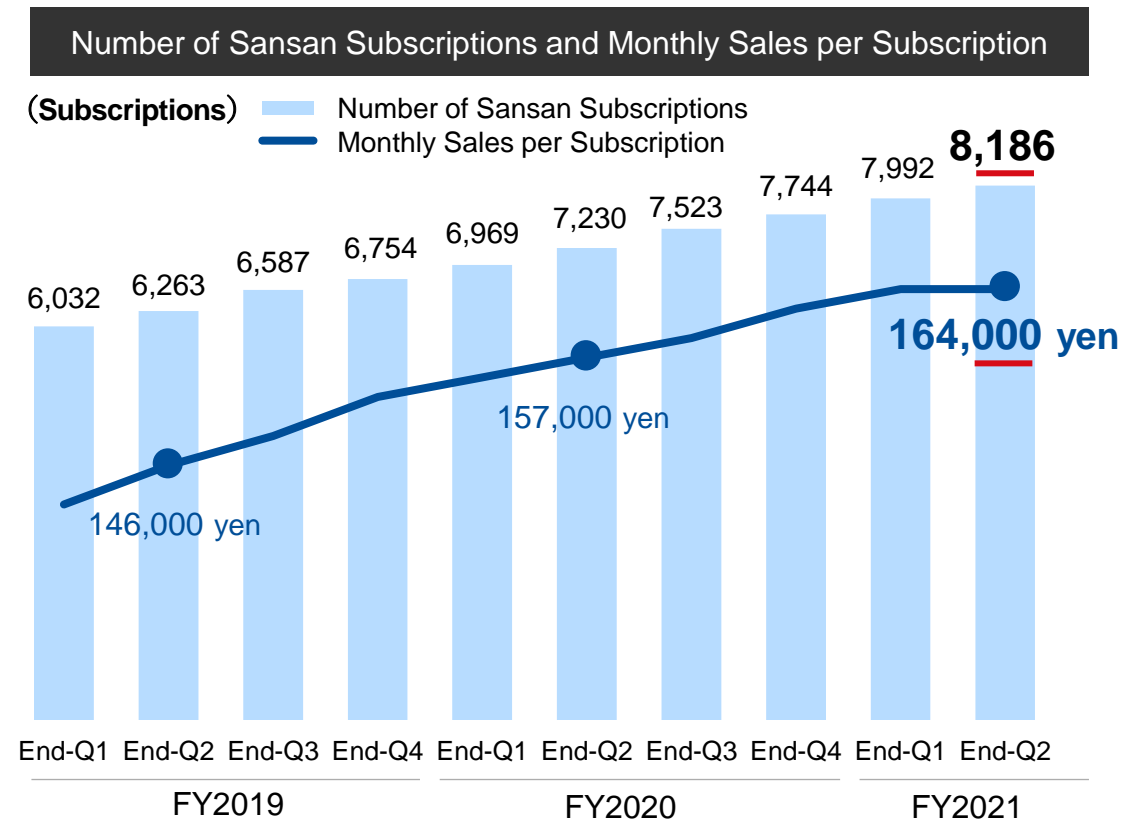
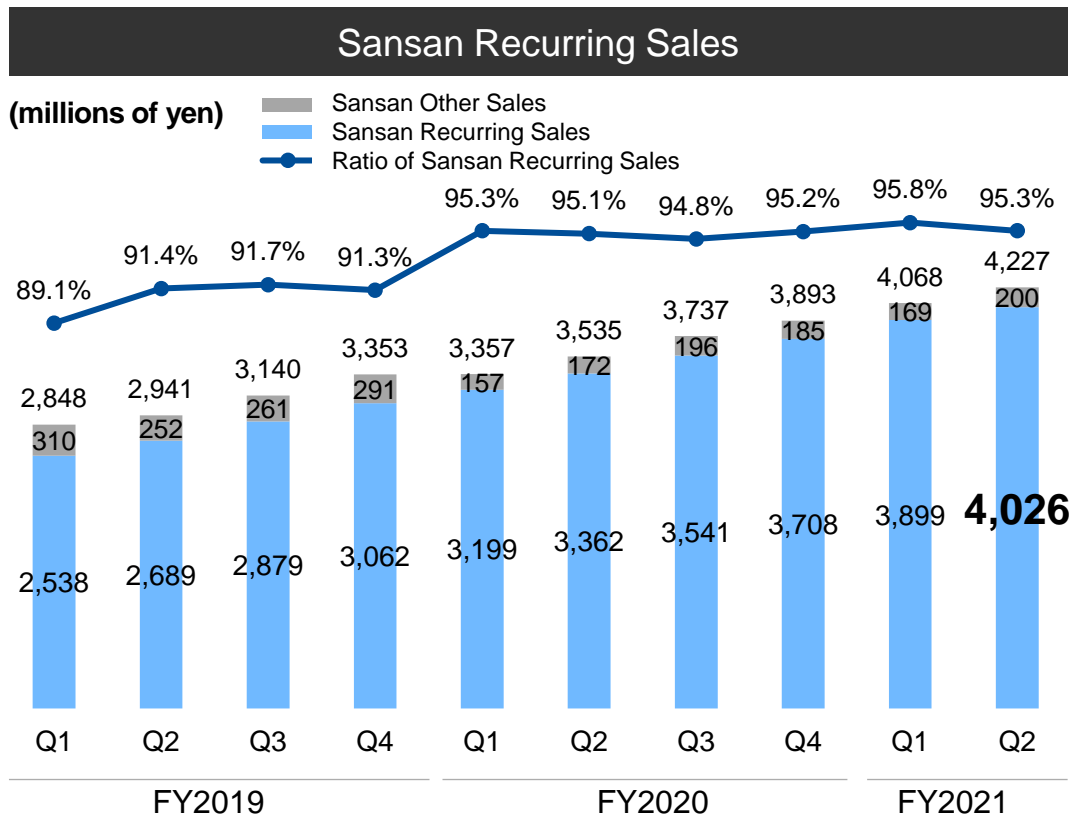
(1) Unaudited



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

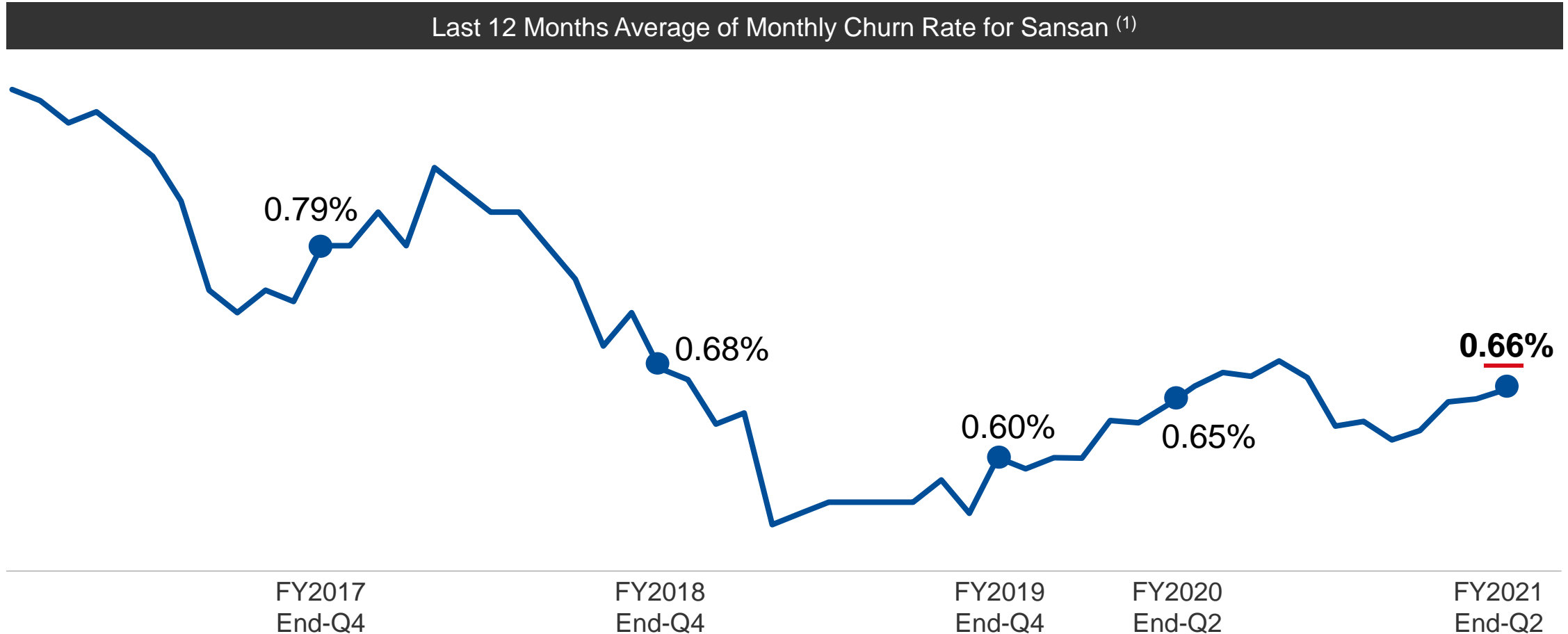
Recurring sales steadily increased by 19.8% YoY.

Number of subscriptions increased by 13.2% YoY and monthly recurring sales per subscription increased by 4.5% YoY.



## 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 decrease in monthly fees associated with contract cancellations to total monthly fees for existing contracts

## Eight Business Overview

Net sales increased owing to the expansion of B2B services.

	(millions of yen)	FY2020	FY2021		(For Reference) FY2021	
		Q2 Results	Q2 Results	YoY	Q2YTD Results	YoY
Eight Business	Net Sales	424	552	+30.0%	976	+33.0%
	B2C Services	73	71	-3.8%	142	-4.0%
	B2B Services	350	480	+37.1%	833	+42.3%
	Operating Profit	-169	-108	—	-291	—
	Operating Profit Margin	—	—	—	—	—
	Number of Eight Users <sup>(2)</sup>	2.81 million people	3.01 million people	+0.20 million people		
	Number of Eight Team <sup>(3)</sup> Subscriptions	1,949	2,481	+27.3%		

(1) Unaudited

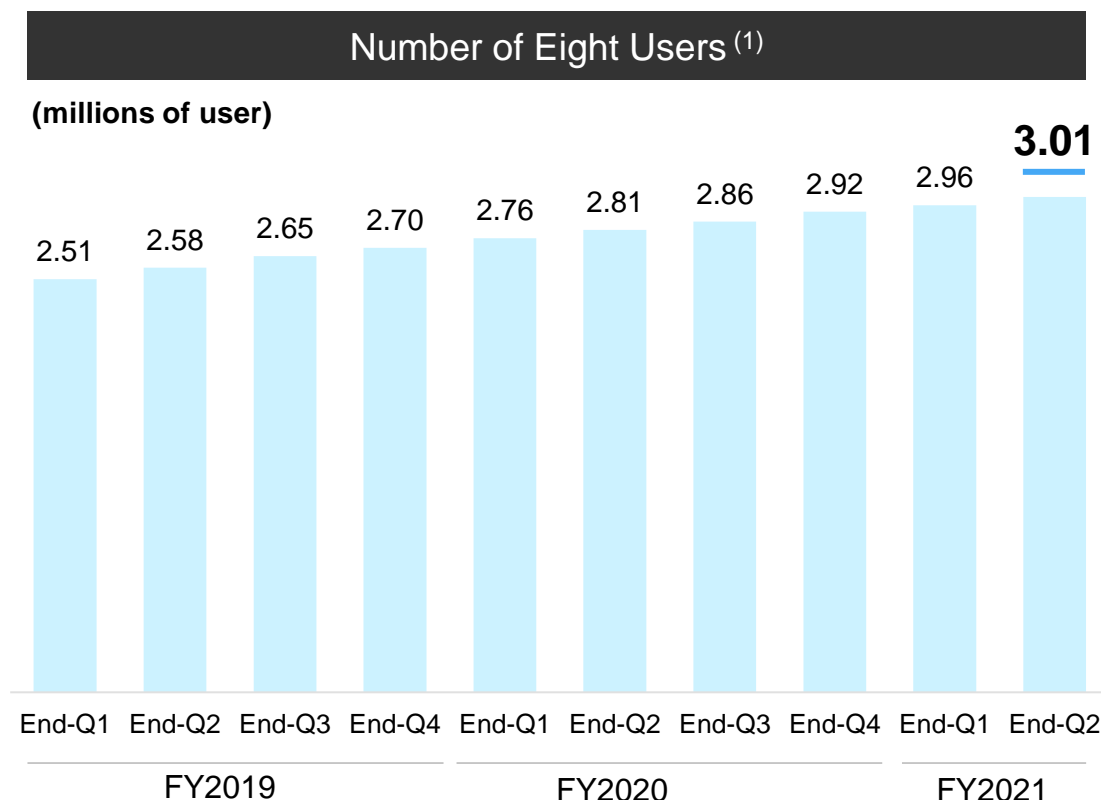
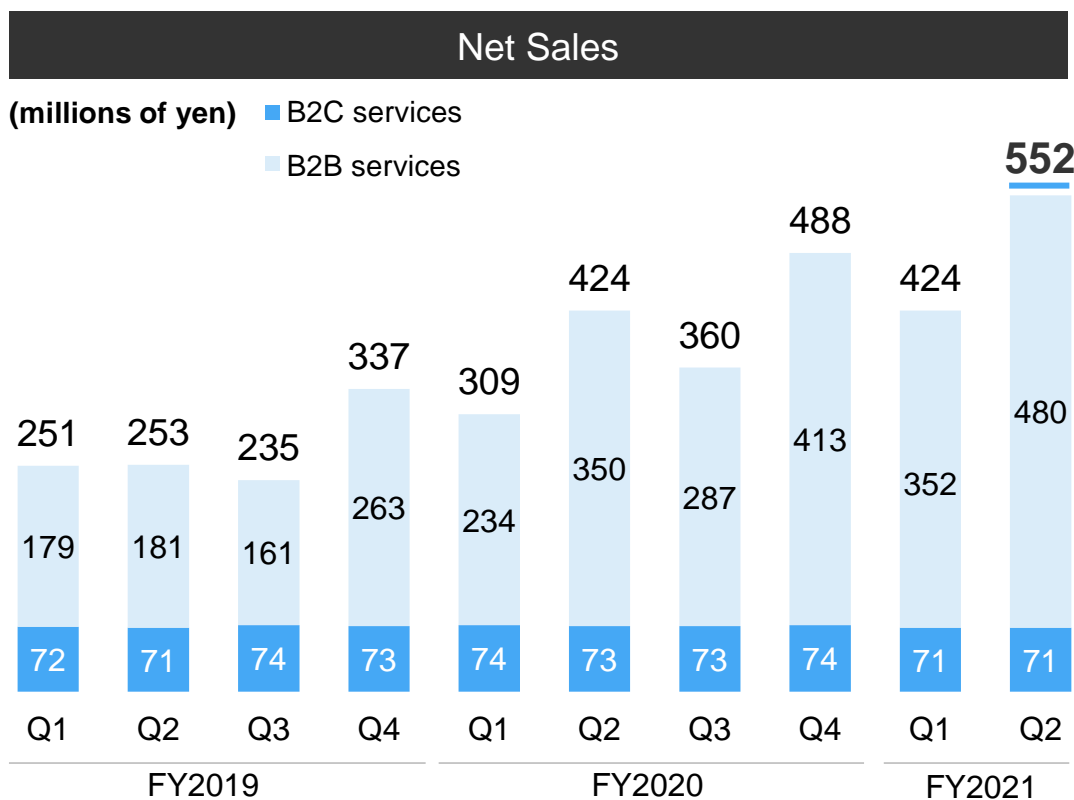
(2) Number of confirmed users who registered their business card to their profile after downloading the application

(3) Eight Corporate Premium was renamed to Eight Team

## Eight Business: Net Sales/Eight Users

**B2B service sales increased significantly compared with previous quarter owing to implementation of business events and other factors.**

**Continued growth of number of Eight users.**



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

## Eight Business: Business Event Services

Held a business event that utilized the Eight Business network and our unique technology.  
In addition to the quarterly Meets event, Climbers and DX Camp events held in November 2021.

### Business Event; Climbers



A large-scale online event that included the holding of special lectures and that drew the participation of 30,000 businesspeople.

### DX leader development; DX Camp



Training-format business conference targeting corporate leader level.

### Business Matching; Event Meets



A unique B2B event that connects buyers with sellers quickly and efficiently.

### Online exhibitions; Business IT & SaaS EXPO



An exhibition for the purpose of consultations on and comparisons of IT installations displayed by companies that provide the latest IT/SaaS products.

# Sansan Group Overview



# Mission and Vision

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## Mission

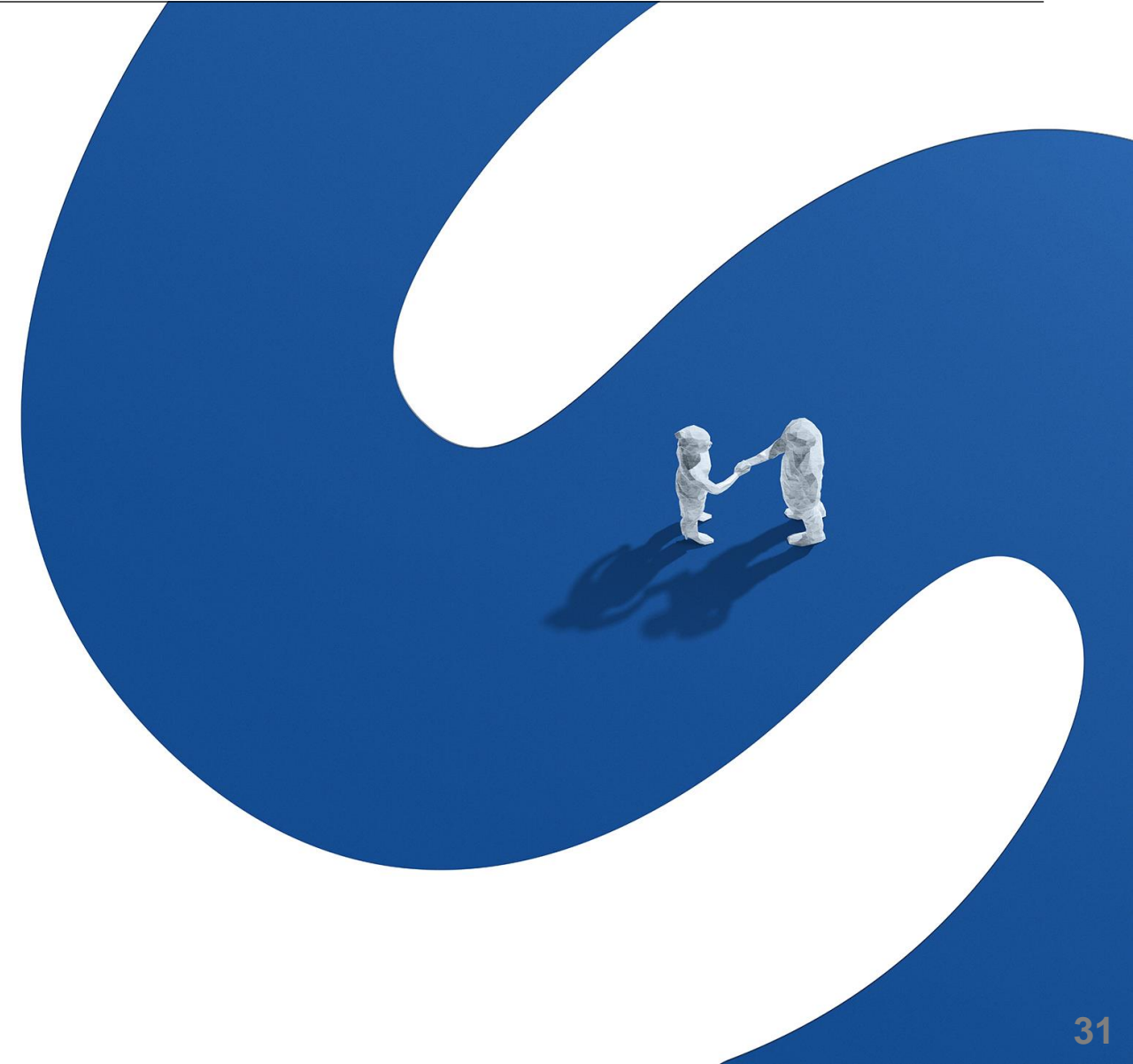
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**Turning encounters  
into innovation**

## Vision

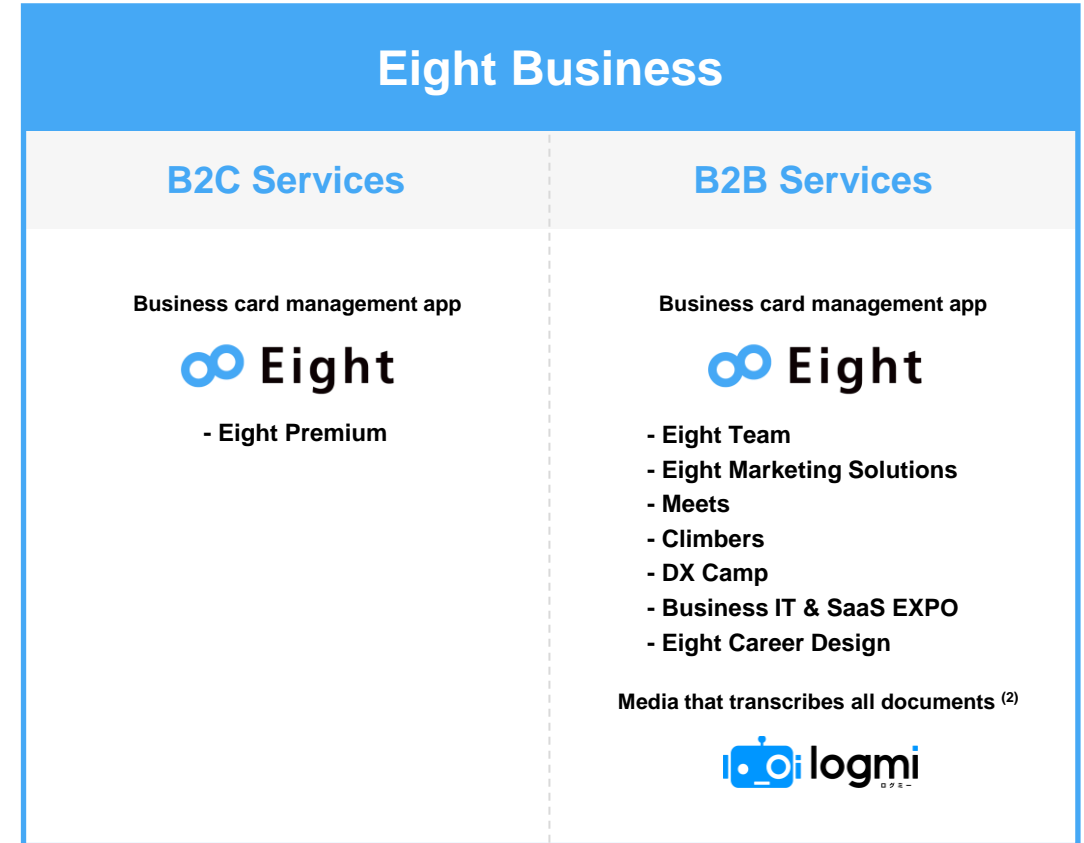
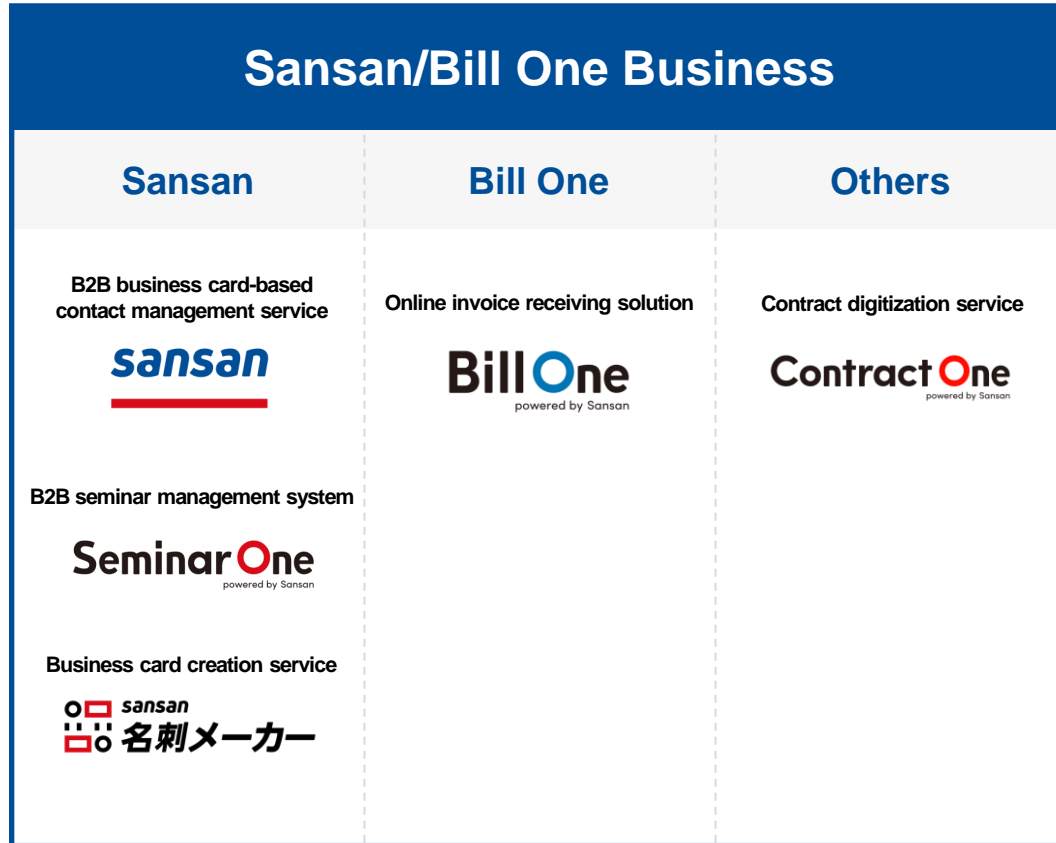
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**Become business  
infrastructure**



# Overview of Reporting Segments

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



(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."

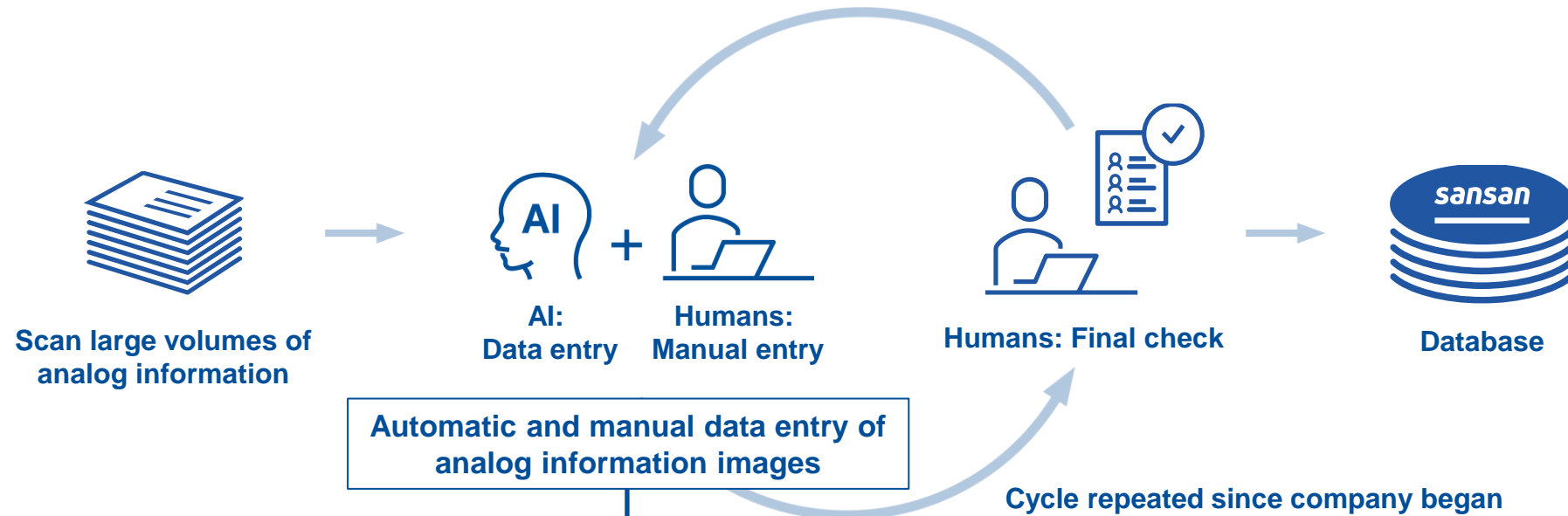
(2) Services provided by logmi, Inc., a consolidated subsidiary



# 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

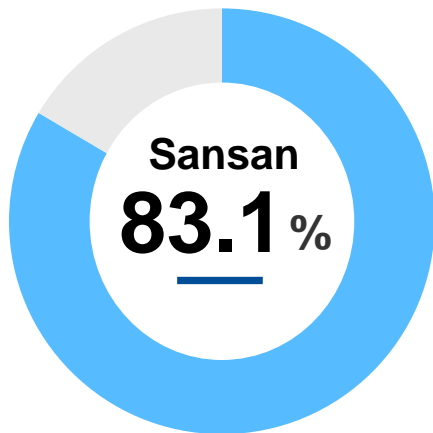
# Dominant Brand Recognition and Strong Assets in SaaS Management

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 <sup>(1)</sup>



Strong sales organization and solid customer base

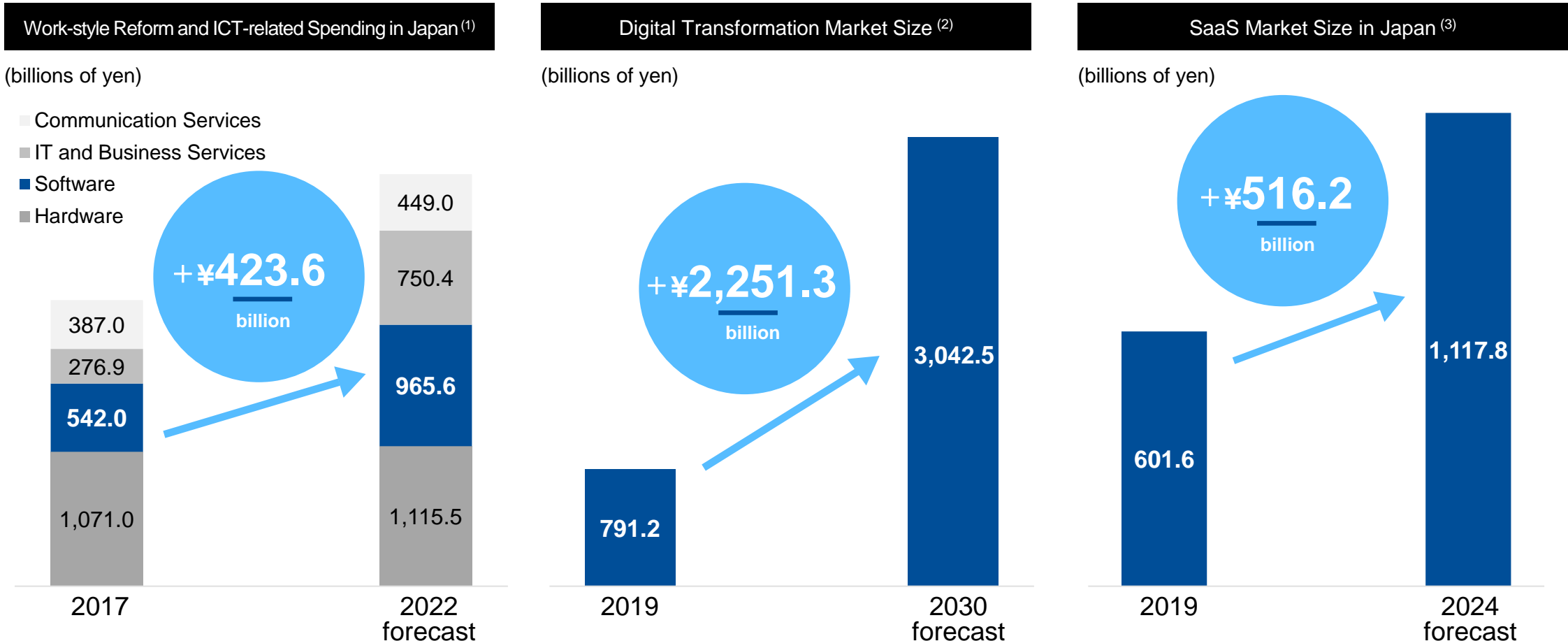
SaaS expertise cultivated over the 15 years since our founding



(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.**



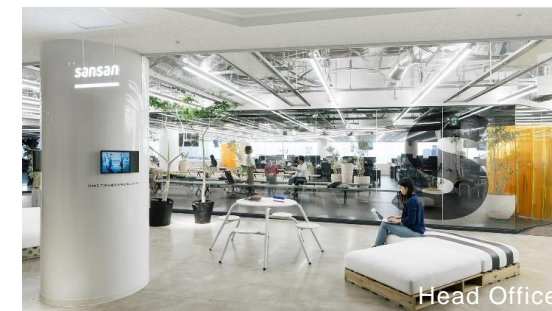
(1) Based on 2018 to 2022 Outlook of Work-style Reform and ICT-related Spending in Japan: by Hardware, Software, IT and Business Services, Communication Services by IDC Japan (December 2018)

(2) Based on 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

# 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	1,069
Capital	¥6,376 million
Net sales	¥16,184 million (FY2020)
Classification by type of shareholder <sup>(1)</sup>	Domestic financial institutions: 19.33%; security firms: 0.79%; other domestic corporations: 2.07%; foreign financial institutions and individuals: 31.97%; individuals and others: 45.83%

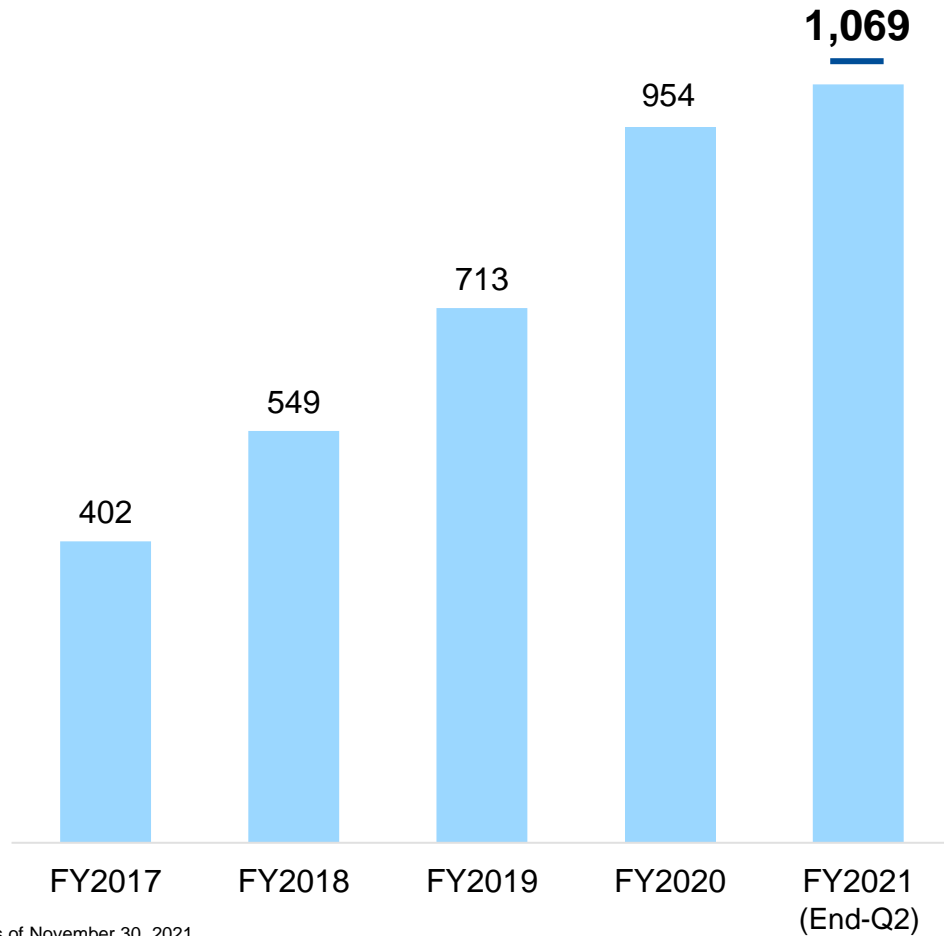


(1) As of November 30, 2021

# About Employees

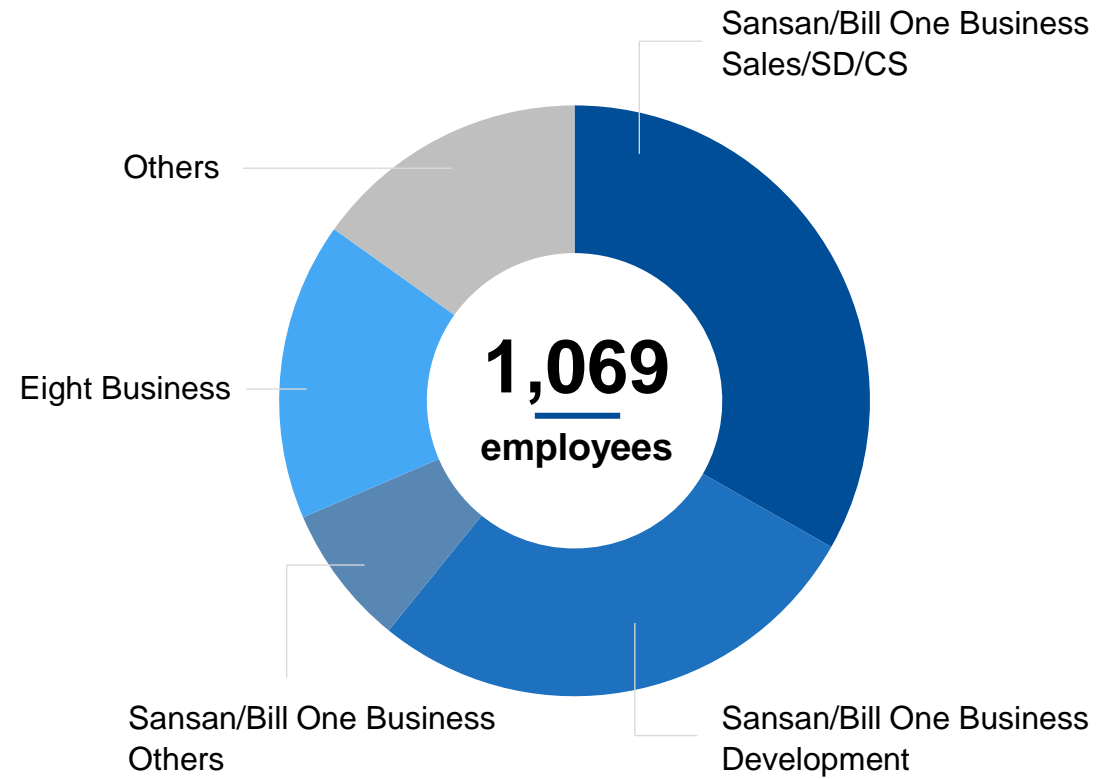
## Number of Employees

(persons)



(1) As of November 30, 2021

## Breakdown by Organization (1)



# Sansan/Bill One Business

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# Sansan: Service Outline

Sansan offers business card management features to transform unutilized business cards into assets.



## Challenges facing companies

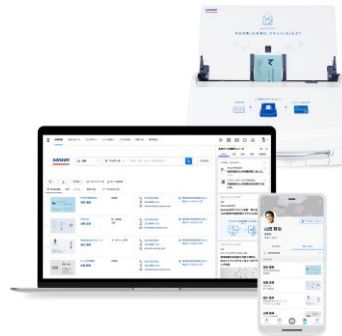
- Business card information not shared within the office
- Insufficient internal communication
- Not aware of the value of business card information

## Major features of Sansan

Uncover your hidden network.  
Find opportunities. Make deals.

**B2B cloud-based business card management service**

**Digitizes business card data with 99.9% accuracy**



- Business card management/sharing/search
- Company master information
- Person master profile
- Generating organization charts
- Coordinate information with 3rd-party services
- Distribution of personnel changes
- News feed
- Business card order application
- Customer management
- Contact management
- Data integration
- OpenAPI
- E-mail magazine delivery
- Internal contact list
- Internal message
- Security control



## User benefits

**Productivity   Streamlined operations**  
**Strengthening sales activities   Creation of business opportunities**

# Sansan: Service Plans

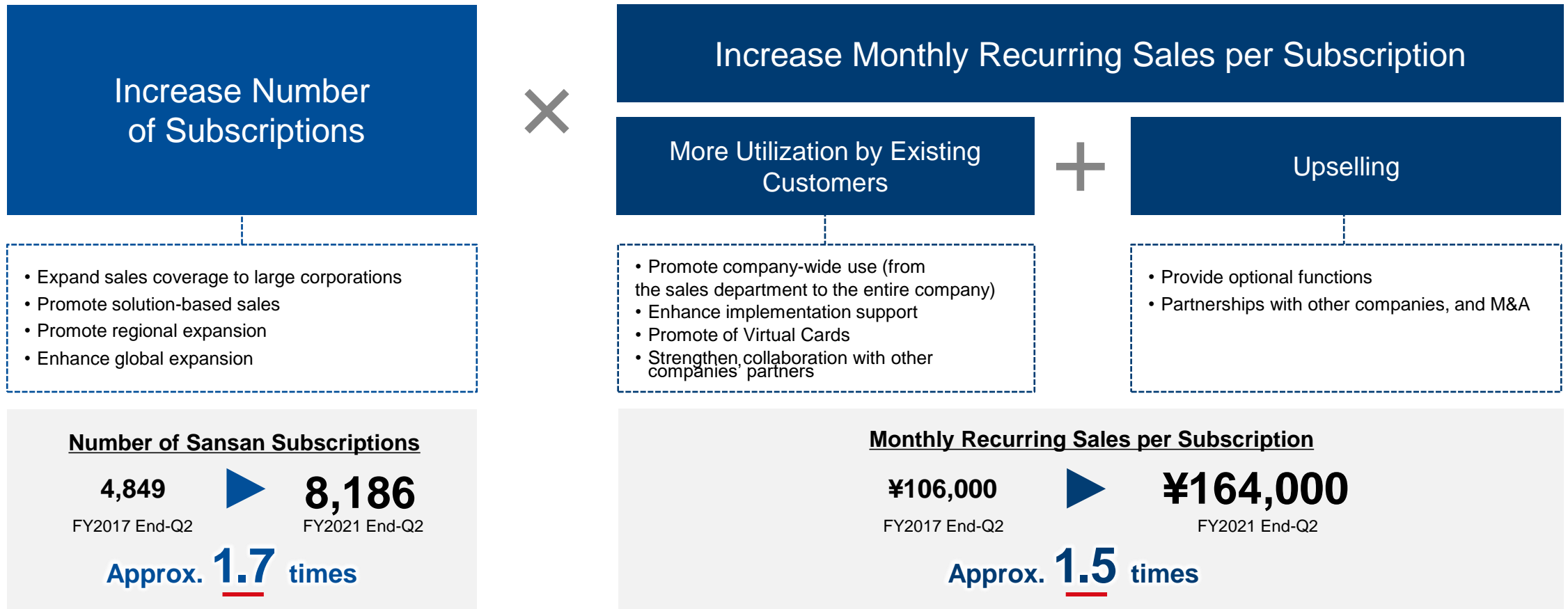
Providing basic company-wide use plan.

	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 the monthly number of exchanged business cards, etc. (annual subscription)</b> Tens of thousands to millions of yen per subscription	<b>Setting according to number of contract IDs (annual subscription)</b> Fixed billing for each ID (upper limit placed on the number of business cards digitized)	At start or renewal of contract



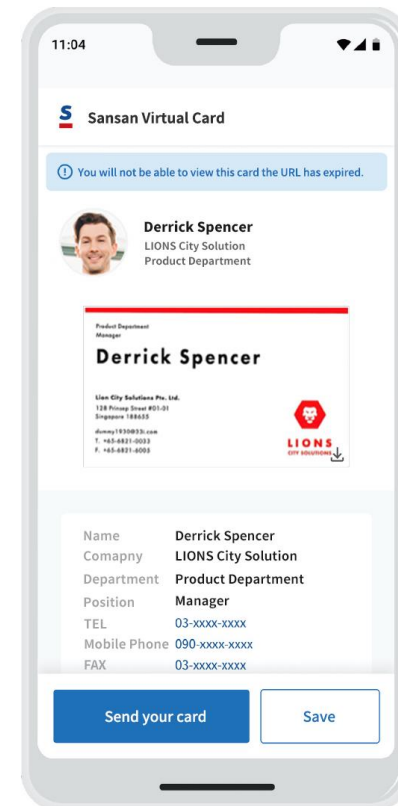
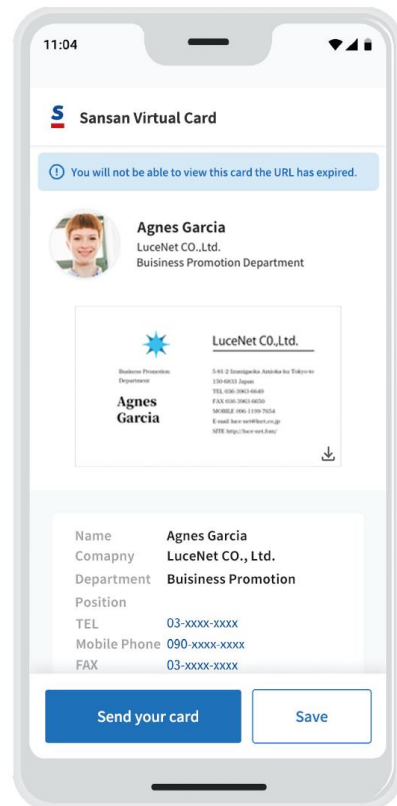
# Sansan: Number of Subscriptions and Monthly Recurring Sales per Subscription

Achieve growth through an increase 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 increase in new work styles, such as remote work  
Stronger syncing between our other segment and other companies, such as Eight with Microsoft Teams <sup>(1)</sup>  
and Google Calendar.



(1) Microsoft 365 is registered trademarks o  
(2) Google Workspace and Google Calenda

# Sansan: Optional Functions that can be Added to Sansan(1)

## Risk Intelligence powered by Refinitiv/KYCC



Automation of antisocial forces check



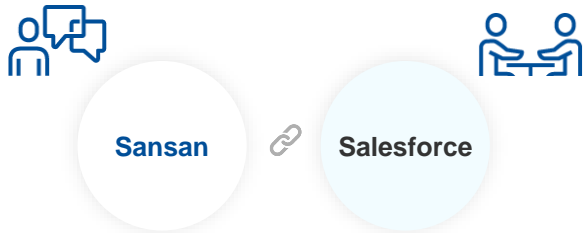
Creation of confirmation list



List API linkage

Checks against anti-social forces database just by scanning business cards. Prevents check omissions and greatly reduces man-hours for compliance personnel

## Salesforce Opportunity Integration (1)



On Sansan, users can ascertain Salesforce business negotiation information along with in-house personal connection information and business partner company information.

(1) Salesforce is a trademark of salesforce.com, inc., and is used with permission

## Survey Tool powered by CREATIVE SURVEY



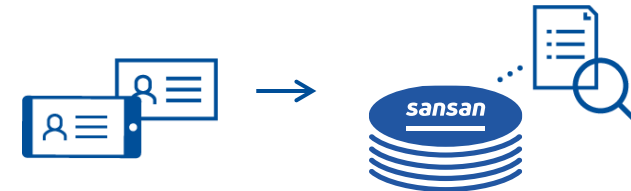
Seminar visitor information questionnaire results



Sansan for business card management

Questionnaire solution that can provide a questionnaire function necessary for B2B company seminars, integrated with Sansan.

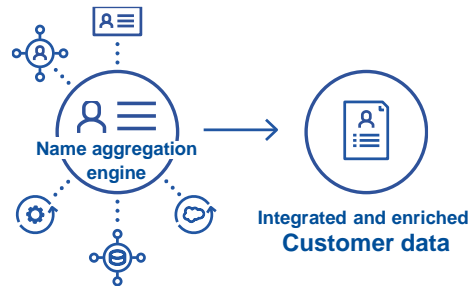
## CloudSign Contract Management



Contract information can be viewed just by scanning a business card. Shorten the verification work and greatly reduced man-hours for legal staff.

# Sansan: Optional Functions that can be Added to Sansan(2)

## Sansan Data Hub



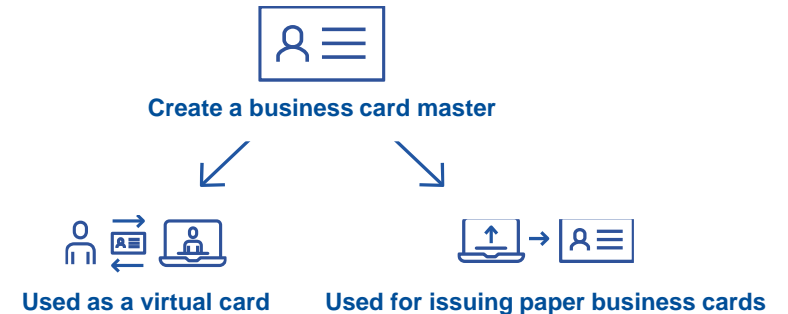
A function that integrates and enriches all in-house customer data by integrating Sansan with third-party services, while promoting corporate DX from data integration.

## Contacts Analysis powered by MotionBoard



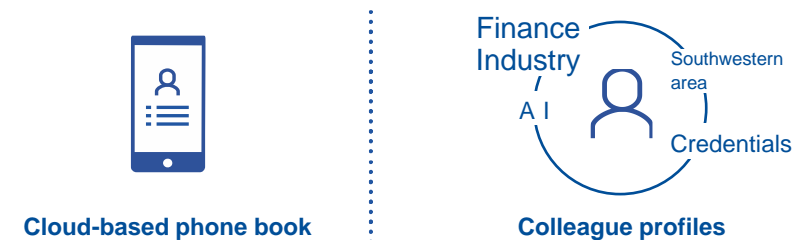
Integrating with business card data (customer information) on Sansan, a function that integrates, analyzes, and creates a visual form of a variety of information and data from within and outside the company.

## Sansan Meishi Maker



A service that allows users to easily print and apply for orders by registering their own business cards as master data on Sansan.

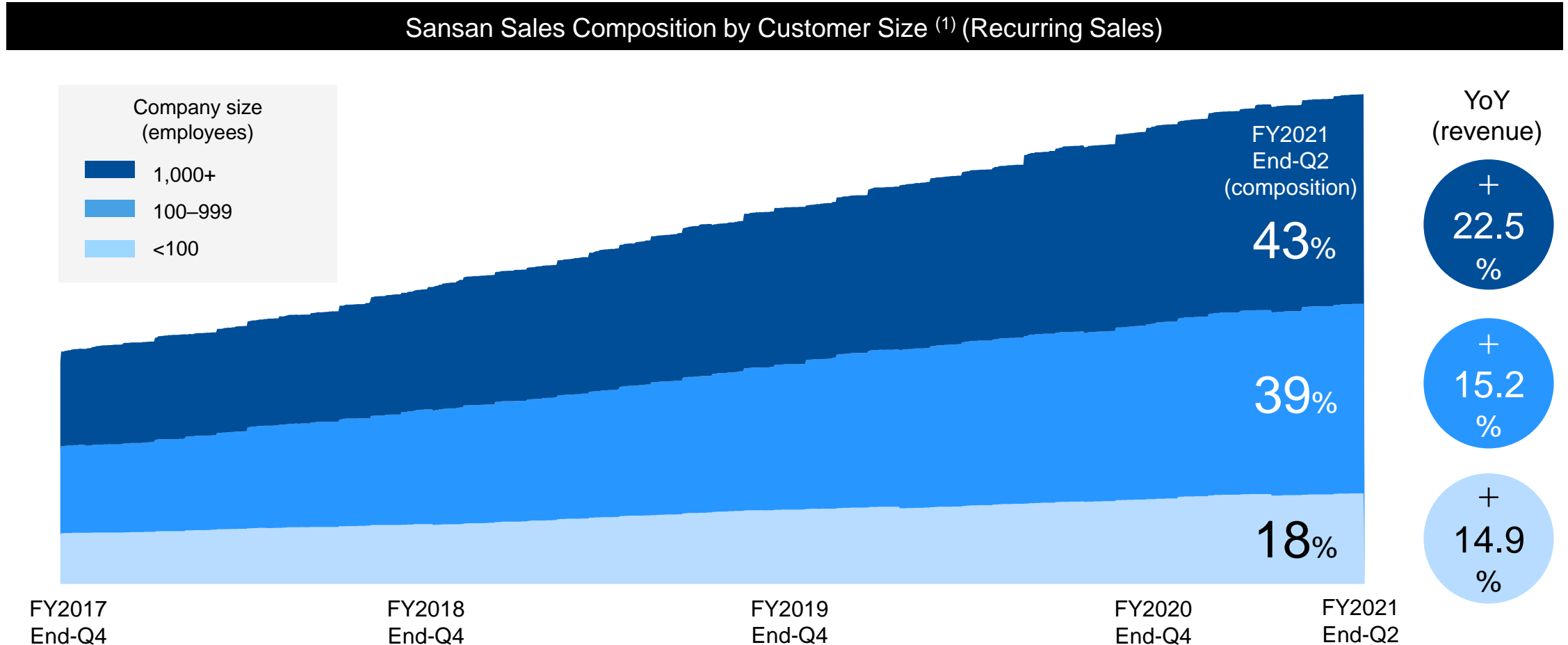
## Collaboration with Colleagues



A cloud-based phone book function that centrally manages internal and external contacts, and a function that enables the in-house sharing of each person's strengths by presenting, in a visual form, profiles of everyone in a company.

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

No significant change in revenue composition ratio by customer size.

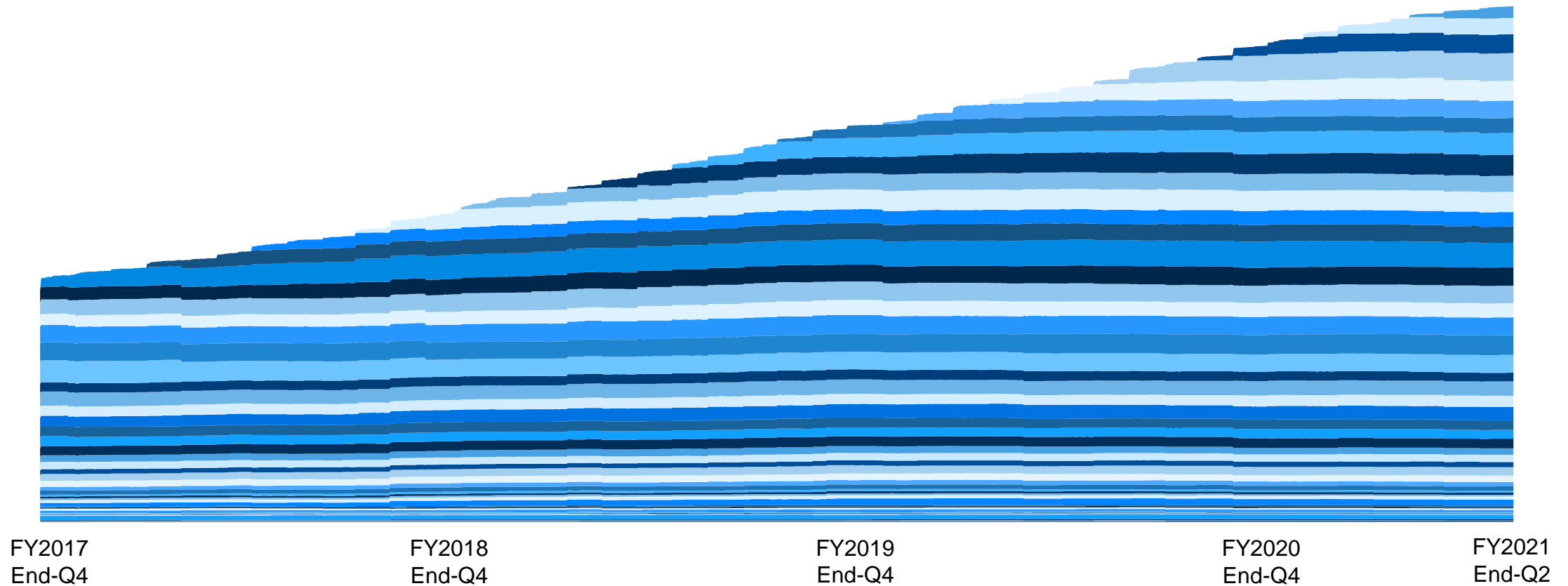


(1) Created based on monthly Sansan charge (unaudited)

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

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

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

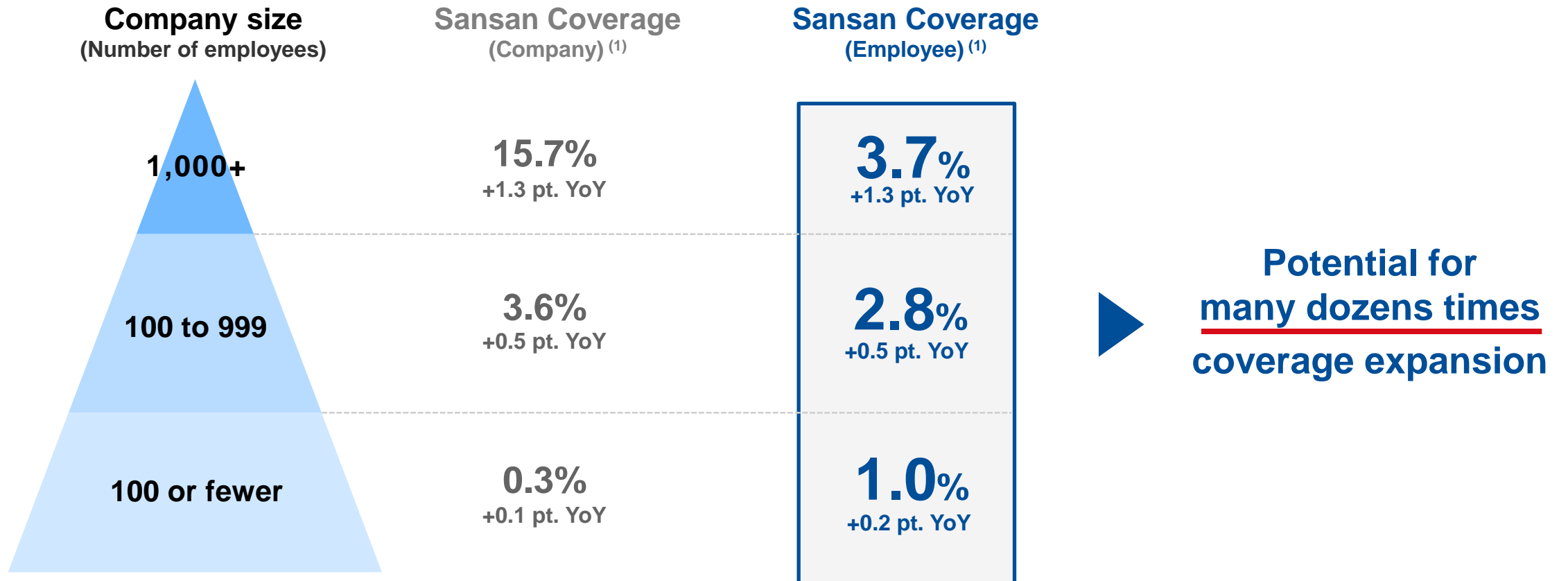


(1) Status where increase of revenue generated by the existing subscriptions is greater than revenue reduced resulting from cancellation

(2) Created based on monthly Sansan license charge (unaudited)

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

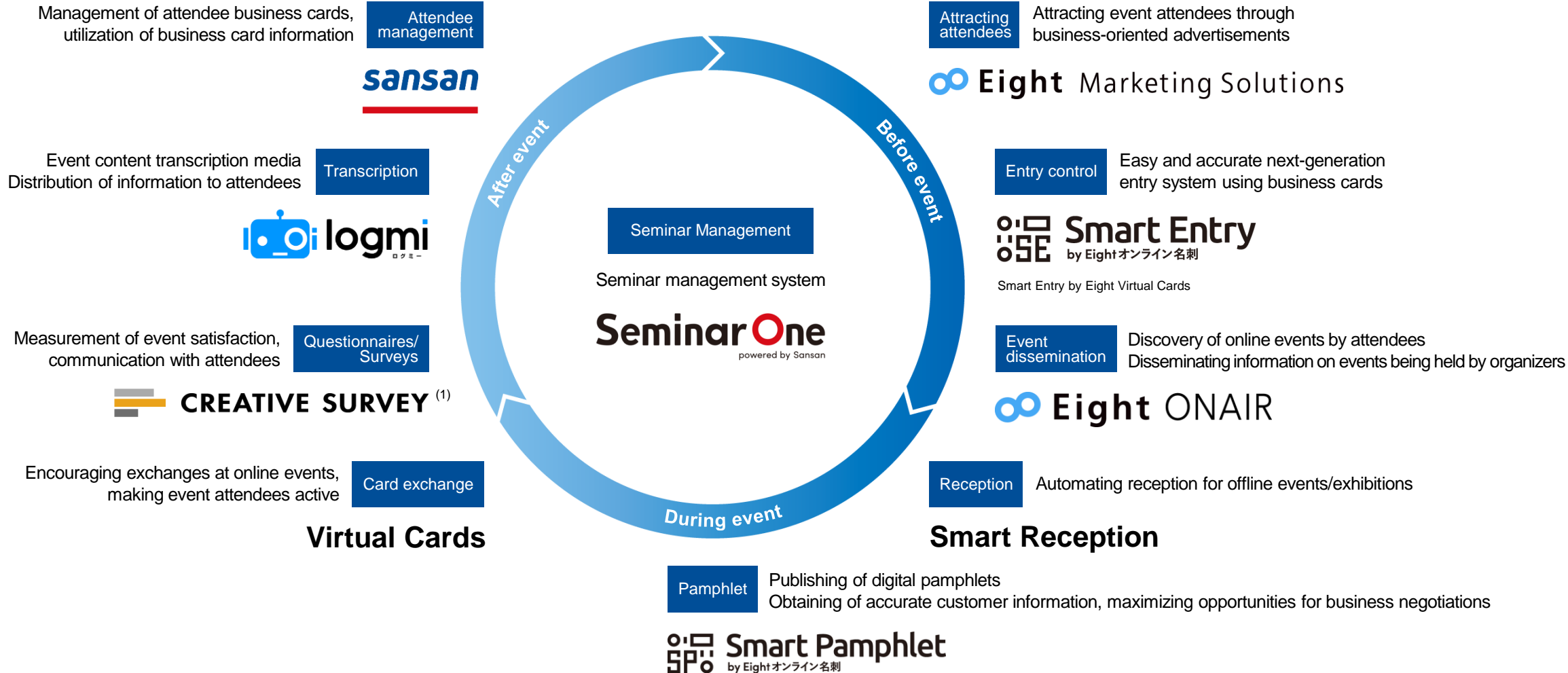
The number of users within current customers is limited, and there is room for many dozens of times more coverage expansion.



(1) Sansan coverage is calculated with the number of subscription and total number of IDs in Sansan for FY2021 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.

# Outline of Event Tech Services (Service Portfolio)

Providing various kinds of solutions to solve business event management issues.

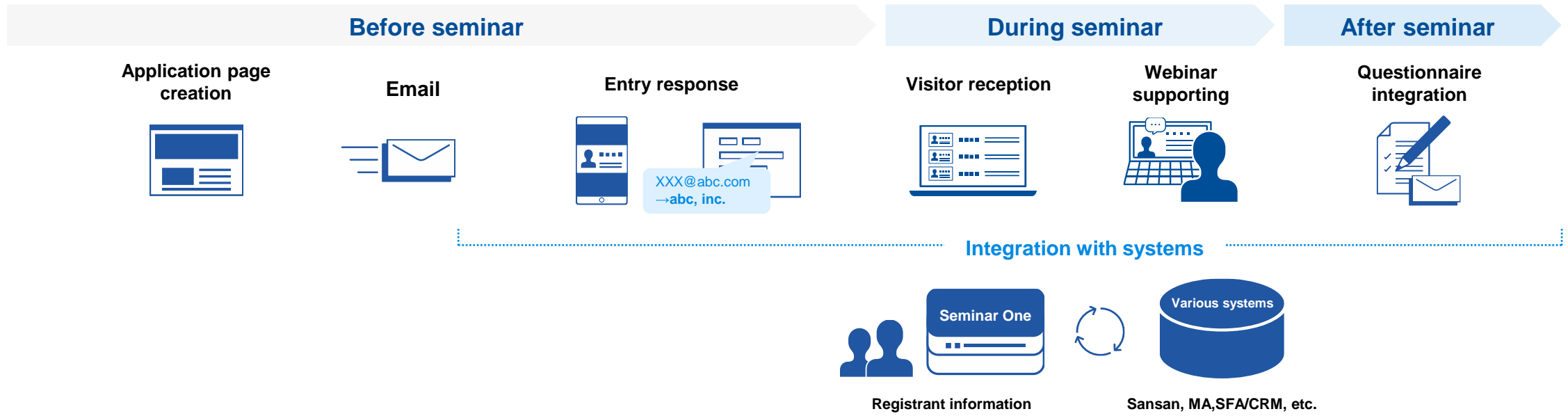


(1) Services provided by Sansan's equity-method affiliates



# 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.



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**

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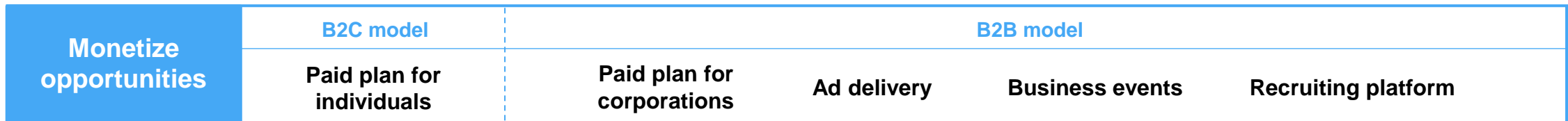
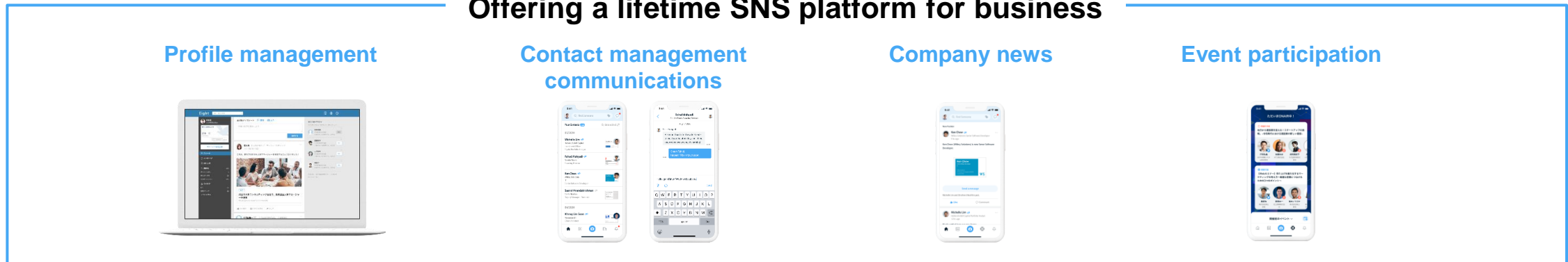
# Eight: Service Outline

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



Digitize business cards with high level of accuracy by using technologies developed through Sansan

## Offering a lifetime SNS platform for business



# Eight: Strengthening and Promotion of Monetization Plans

Accelerate and strengthen the development of paid plans for B2B.

B2B <sup>(1)</sup>		
<b>Paid plan for corporations</b> <b>Eight Team</b>	Fixed monthly fee (Annual subscription)	Enables users to share their contacts with colleagues Targeting small companies with <20 employees
<b>Ad. Delivery</b> <b>Eight Marketing Solutions</b>	Pay-for-use charges depending on delivery volume <sup>(2)</sup> (Contract for a fixed period)	A service for delivering ads to Eight users Timely and targeted advertising to career-oriented professionals
<b>Business events</b> <b>Meets/Climbers/                      DX Camp/                      Business IT &amp; SaaS EXPO</b>	Fixed fee per event (Held irregularly) <sup>(3)</sup>	Various business event services utilizing Eight's business network Uses proprietary technology to accurately match businesspeople
<b>Recruiting platform</b> <b>Eight Career Design</b>	Fixed monthly fee <sup>(4)</sup> (Contract for a fixed period)	Recruitment services targeting Eight users Provides new and unique targeted hiring method to the market
B2C		
<b>Paid plan for individuals</b> <b>Eight Premium</b>	Fixed monthly fee	Delivers additional functions to users, such as network data DL Expand the overall number of Eight users, including free plan

(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 also 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***

