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April 13, 2023

Financial Results for FY2022 Q3

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 Listing: Tokyo Stock Exchange
 Securities code: 4443
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 Scheduled date to file quarterly securities report: April 13, 2023
 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 nine months of the fiscal year ending May 31, 2023 (from June 1, 2022 to February 28, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Adjusted operating profit		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended										
February 28, 2023	18,177	23.6	760	148.4	539	129.8	501	(33.2)	738	28.4
February 28, 2022	14,705	25.1	306	(64.2)	234	(71.5)	750	56.7	575	39.0

Note: Comprehensive income Nine months ended February 28, 2023: ¥822 million [–%]
 Nine months ended February 28, 2022: ¥(1,095) million[–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
February 28, 2023	5.91	5.84
February 28, 2022	4.61	4.53

Note: Sansan, Inc. (the “Company”) implemented a stock split of common shares at a ratio of 4-for-1 on December 1, 2021. Therefore, basic earnings per share and diluted earnings per share are calculated on the assumption that said splitting of shares had been made at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 28, 2023	27,311	13,841	49.3
May 31, 2022	26,292	12,093	45.4

Reference: Equity

As of February 28, 2023: ¥13,469 million

As of May 31, 2022: ¥11,944 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, 2022	—	0.00	—	0.00	0.00
Fiscal year ending May 31, 2023	—	0.00	—		
Fiscal year ending May 31, 2023 (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, 2023 (from June 1, 2022 to May 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Adjusted operating profit	
	Millions of yen	%	Millions of yen	%
Fiscal year ending May 31, 2023	25,117	23.0	917	25.5
	to	to	to	to
	25,764	26.2	1,288	76.3

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: Yes
 - 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 February 28, 2023	125,343,056 shares
As of May 31, 2022	124,963,596 shares

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

As of February 28, 2023	871 shares
As of May 31, 2022	736 shares

c. Average number of outstanding shares during the period

For the nine months ended February 28, 2023	125,095,318 shares
For the nine months ended February 28, 2022	124,807,577 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 earnings 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 forecasts due to various factors.

Attached Material

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1. Qualitative information on quarterly financial results

(1) Explanation of operating results

Under the mission of “Turning encounters into innovation” and the vision of “Become business infrastructure,” the Company group (the “Group”) is providing cloud-based solutions that promote digital transformation (DX) and reshape how we work, leading to encounters with people and companies that become business opportunities by using approaches that combine systems that use technology and manpower to digitize analog information with cloud software.

Specifically, the Group is developing solutions to promote DX for corporate sales activities, invoicing work, contract work, etc. Moreover, as a result of reforming awareness regarding DX, changes to working styles due to the COVID-19 pandemic, and greater attention being given to SaaS (Software as a Service) products, the DX market in Japan is forecast to reach ¥5,195.7 billion by FY2030 (an increase of ¥3,813.6 billion since FY2020) (Note 1), while the SaaS market in Japan is forecast to reach ¥1,668.1 billion by FY2026 (an increase of ¥579.0 billion since FY2022) (Note 2). A sales DX solution Sansan, provided by the Company, holds 81.6% share (Note 3) of the B2B business card management service market, and this market has seen approximately 14-fold expansion from 2013 to 2021 in conjunction with the growth in the Company’s services. In addition, Bill One, a cloud-based invoice management solution provided by the Company, captured the number one market share of the online invoice receiving solution in terms of net sales (Note 4), with this market seeing a 226.0% increase year on year in FY2021.

Consolidated financial results for the first nine months of the fiscal year ending May 31, 2023 (hereinafter, the “period under review”) is as follows.

	(Millions of yen)		
	Nine months ended February 28, 2022	Nine months ended February 28, 2023	YoY change
Net sales	14,705	18,177	+23.6%
Gross profit	12,973	15,746	+21.4%
Adjusted operating profit (Note 5)	306	760	+148.4%
Ordinary profit	750	501	(33.2)%
Profit attributable to owners of parent	575	738	+28.4%

For the period under review, the Group engaged in strengthening the sales structure for Sansan and Bill One, as well as enhancing functions for each service, in order to realize mid-term growth of net sales.

Consequently, results were solid in the period under review with net sales increasing 23.6% year on year, gross profit increasing 21.4% year on year (a gross profit margin of 86.6%). Adjusted operating profit increased 148.4% year on year primarily due to increased net sales. On the other hand, ordinary profit decreased 33.2% year on year, primarily due to the recording of a gain on sale of investment securities of ¥979 million in non-operating income in the same period of the previous fiscal year. In addition, profit attributable to owners of parent increased 28.4% year on year, primarily due to the recording of a gain on sale of shares of subsidiaries and associates of ¥619 million in extraordinary income associated with the transfer of shares of equity method affiliates. In the “Financial Results for FY2022 Q2” announced on January 13, 2023, the sale of shares of SATORI, Inc., which was an equity method affiliate, was stated as a significant event after the reporting period, and although the amount of extraordinary income recorded is in the process of being calculated, ¥188 million in gain on sale of shares of subsidiaries and associates was recorded in the third quarter of the current fiscal year.

- Notes:
1. Based on Market Edition and Vendor Strategy Edition of 2022 Outlook of the Digital Transformation Market by Fuji Chimera Research Institute
 2. Based on 2022 New Software Business Markets by Fuji Chimera Research Institute
 3. Based on Latest Trends in Business Card Management Services in Sales Support DX 2023 (December 2022, survey by Seed Planning, in Japanese)

4. Deloitte Tohmatsu MIC Research Institute, “The Present and Future of the Market of Online Invoice Receiving Solution Expected to Grow at a Staggering Rate” (MIC IT Report, July 2022)
5. Although operating profit was presented previously, from the first quarter of the current fiscal year, adjusted operating profit, which is the sum of operating profit plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets), is presented instead, because the performance indicator used for management purposes was changed to an indicator that shows the regular capacity to generate corporate earnings after deducting expenses related to share-based payments, which may vary significantly depending on the level of the Company’s stock price, and expenses that arise from business combinations. Adjusted operating profit after the change is also presented for the first nine months of the fiscal year ended May 31, 2022, instead of operating profit.

Results by segment are as follows.

(i) Sansan/Bill One Business

This business segment includes services such as sales DX solution Sansan, and cloud-based invoice management solution Bill One.

Results for Sansan/Bill One Business in the period under review are as follows.

	(Millions of yen)		
	Nine months ended February 28, 2022	Nine months ended February 28, 2023	YoY change
Net sales (Note 6)	13,199	16,232	+23.0%
Sansan	12,662	14,548	+14.9%
Sansan recurring sales	12,062	13,781	+14.3%
Sansan other sales	600	766	+27.7%
Bill One	498	1,543	+209.5%
Others	38	140	+265.9%
Adjusted operating profit	4,050	5,197	+28.3%
Sansan			
Number of subscriptions	8,314 subscriptions	8,844 subscriptions	+6.4%
Monthly recurring sales per subscription	¥167 thousand	¥180 thousand	+7.8%
Last 12 months average of monthly churn rate (Note 7)	0.65%	0.46%	(0.19) pts.
Bill One			
MRR (Note 8)	90	229	+153.0%
Number of paid subscriptions (Note 9)	643 subscriptions	1,300 subscriptions	+102.2%
Monthly recurring sales per paid subscription	¥140 thousand	¥176 thousand	+25.7%
Last 12 months average of monthly churn rate (Note 7)	–	0.59%	–

Notes: 6. The sum of sales to external customers and intersegment sales or transfers

7. Ratio of decrease in monthly fees associated with subscription cancellations to total monthly fees for existing subscriptions for each service

8. Monthly Recurring Revenue, changed value for the first nine months of the fiscal year ended May 31, 2022 due to revision of calculation method

9. Changed value for the first nine months of the fiscal year ended May 31, 2022 due to the revision of the timing of collecting the data from the conclusion of the contract to the start of the service usage

a. Sansan

The Group revamped the product Sansan, a B2B business card-based contact management service, based on the concept of “The database to power your sales” to create Sansan, a sales DX solution to further expand the number of Sansan subscriptions and the monthly recurring sales per subscription, and has worked to add new functions. Specifically, in the first quarter of the current fiscal year, apart from allowing users to view over 1 million pieces of company information on Sansan, the Group installed functions able to store and visualize contact information not only from business cards but also email signatures, etc. By combining this contact information with corporate information, users of Sansan can build custom databases that also include information for companies with which they have no current contacts. In addition, in the second quarter, backed by these new functions, the Group focused on enhancing its sales capabilities, aiming to acquire new users and to upsell existing users. In the third quarter, the sales structure was strengthened, especially for the acquisition of new subscriptions from medium and large enterprises.

Consequently, the number of subscriptions for Sansan increased 6.4% year on year, monthly recurring sales per paid subscription increased 7.8% year on year, as a result of carrying out efforts to improve convenience for existing customers through product revamp, the last 12 months average of monthly churn rate was 0.46%, a decrease of 0.19 points year on year.

As a result, net sales in Sansan increased 14.9% year on year, of which recurring sales (fixed revenue) was up 14.3% year on year and other sales was up 27.7% year on year.

b. Bill One

Because of efforts such as strengthening the sales structure through measures including personnel hiring and enhancing service functions for continued high growth of Bill One, in February 2023, MRR was up 153.0% year on year and ARR (Note 10) was ¥2,748 million. In addition, steady progress in acquiring new subscriptions mainly from medium and large enterprises resulted in the increase of number of paid subscriptions, up 102.2% year on year, and the increase of monthly recurring sales per paid subscription, up 25.7% year on year.

As a result, net sales in Bill One increased 209.5% year on year. The Group is aiming for ARR of at least ¥3.0 billion in May 2023.

Note: 10. Annual Recurring Revenue

c. Others

The Group focused on the launch of Contract One, a contract DX solution, etc., utilizing the strengths, knowledge, know-how, etc. cultivated through existing services.

As a result, net sales of others was up 265.9% year on year.

As a result of these efforts, net sales increased 23.0% year on year and adjusted operating profit increased 28.3% year on year in Sansan/Bill One Business.

(ii) Eight Business

This business segment includes Eight, a contact and career management app, as well as the event transcription service logmi series.

Results for Eight Business in the period under review are as follows.

(Millions of yen)			
	Nine months ended February 28, 2022	Nine months ended February 28, 2023	YoY change
Net sales (Note 11)	1,430	1,848	+29.2%
B2C services	213	225	+5.5%
B2B services	1,217	1,623	+33.4%
Adjusted operating profit	(374)	(206)	—
Eight			
Number of Eight users (Note 12)	3.05 million people	3.24 million people	+0.19 million people
Number of subscriptions for Eight Team	2,621 subscriptions	3,398 subscriptions	+29.6%

Notes: 11. The sum of sales to external customers and intersegment sales or transfers

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

a. B2C services

In light of the normalization of business due to the ending of the COVID-19 pandemic, the number of Eight users totaled 3.24 million, a steady increase of 0.19 million year on year, and net sales from B2C services increased 5.5% year on year.

b. B2B services

The Group worked on strengthening monetization of the various B2B services. As a result, net sales from B2B services increased 33.4% year on year, and the number of Eight Team subscriptions increased 29.6% year on year.

As a result of these efforts, net sales in Eight Business increased 29.2% year on year, and adjusted operating loss was curtailed by ¥168 million year on year.

(2) Explanation of financial position

(Millions of yen)			
	As of May 31, 2022	As of February 28, 2023	Change from previous fiscal year-end
Total assets	26,292	27,311	1,018
Total liabilities	14,199	13,470	(728)
Total net assets	12,093	13,841	1,747
Total liabilities and net assets	26,292	27,311	1,018

Assets

Total assets at the end of the third quarter of the fiscal year ending May 31, 2023 were ¥27,311 million, up ¥1,018 million from the end of the previous fiscal year. This was primarily due to an increase of ¥1,908 million in cash and deposits, an increase of ¥302 million in prepaid expenses, and a decrease of ¥1,515 million in investment securities.

Liabilities

Total liabilities at the end of the quarter under review were ¥13,470 million, down ¥728 million from the end of the previous fiscal year. This was primarily due to a decrease of ¥302 million in accounts payable - other, a decrease of ¥513 million in advances received from receiving a lump-sum payment of contract term fees from customers, and an increase of ¥426 million in long-term borrowings.

Net assets

Net assets at the end of the quarter under review were ¥13,841 million, up ¥1,747 million from the end of the previous fiscal year. This was primarily due to an increase of ¥127 million both in share capital and capital surplus as a result of exercise of stock options, an increase of ¥62 million in valuation difference on available-for-sale securities, and an increase of ¥1,191 million in retained earnings due to the recording of profit attributable to owners of parent and change in scope of equity method.

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

The forecasts of consolidated financial results for the fiscal year ending May 31, 2023 have not changed from the forecast announced on July 14, 2022.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of May 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	15,432	17,340
Accounts receivable - trade	756	676
Prepaid expenses	478	780
Other	194	184
Allowance for doubtful accounts	(3)	(5)
Total current assets	16,856	18,977
Non-current assets		
Property, plant and equipment	806	774
Intangible assets		
Software	917	873
Goodwill	229	209
Other	0	0
Total intangible assets	1,147	1,083
Investments and other assets		
Investment securities	6,262	4,746
Leasehold deposits	793	884
Deferred tax assets	416	332
Other	10	513
Total investments and other assets	7,481	6,476
Total non-current assets	9,435	8,334
Total assets	26,292	27,311

(Millions of yen)

	As of May 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	253	233
Current portion of long-term borrowings	477	566
Accounts payable - other	1,081	779
Income taxes payable	380	201
Accrued consumption taxes	398	320
Advances received	8,199	7,685
Provision for bonuses	487	288
Other	229	205
Total current liabilities	11,507	10,282
Non-current liabilities		
Long-term borrowings	2,547	2,973
Other	144	214
Total non-current liabilities	2,691	3,188
Total liabilities	14,199	13,470
Net assets		
Shareholders' equity		
Share capital	6,426	6,553
Capital surplus	4,023	4,150
Retained earnings	1,384	2,576
Treasury shares	(1)	(2)
Total shareholders' equity	11,832	13,277
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	85	147
Foreign currency translation adjustment	26	44
Total accumulated other comprehensive income	112	192
Share acquisition rights	142	361
Non-controlling interests	5	9
Total net assets	12,093	13,841
Total liabilities and net assets	26,292	27,311

(2) Quarterly consolidated statements of income and comprehensive income
Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Net sales	14,705	18,177
Cost of sales	1,731	2,431
Gross profit	12,973	15,746
Selling, general and administrative expenses	12,739	15,207
Operating profit	234	539
Non-operating income		
Interest and dividend income	16	3
Cancellation penalty income	2	-
Subsidy income	1	11
Gain on sale of investment securities	979	291
Other	24	16
Total non-operating income	1,024	322
Non-operating expenses		
Interest expenses	7	9
Foreign exchange losses	1	12
Commission expenses	6	6
Share of loss of entities accounted for using equity method	462	287
Loss on investments in investment partnerships	16	28
Other	13	15
Total non-operating expenses	508	360
Ordinary profit	750	501
Extraordinary income		
Gain on reversal of share acquisition rights	0	0
Gain on sale of shares of subsidiaries and associates	-	619
Gain on change in equity	105	-
Total extraordinary income	105	620
Extraordinary losses		
Loss on retirement of non-current assets	6	26
Impairment losses	9	-
Loss on valuation of investment securities	113	-
Total extraordinary losses	129	26
Profit before income taxes	727	1,094
Income taxes - current	221	292
Income taxes - deferred	(62)	59
Total income taxes	158	351
Profit	568	742
Profit (loss) attributable to non-controlling interests	(6)	3
Profit attributable to owners of parent	575	738

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Profit	568	742
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,670)	62
Foreign currency translation adjustment	5	17
Total other comprehensive income	(1,664)	79
Comprehensive income	(1,095)	822
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,089)	818
Comprehensive income attributable to non-controlling interests	(6)	3

(3) 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.

(Changes in scope of consolidation or scope of application of equity method)

In the third quarter of the fiscal year ending May 31, 2023, the Company sold a portion of the shares it held of SATORI, Inc. ("SATORI"), which was an equity method affiliate. As a result, SATORI was excluded from the scope of application of equity method.

(Changes in accounting policies)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) effective from the beginning of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in paragraph 27(2) of the Implementation Guidance on Accounting Standard for Fair Value Measurement.

The application of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" has no effect on the quarterly consolidated financial statements for the nine months ended February 28, 2023.

(Segment information, etc.)

[Segment information]

I First nine months of the fiscal year ended May 31, 2022 (from June 1, 2021 to February 28, 2022)

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

(Millions of yen)

	Reportable segments			Others (Note) 1	Total
	Sansan/ Bill One Business	Eight Business	Total		
Net sales					
Sales to external customers	13,198	1,427	14,626	78	14,705
Intersegment sales or transfers	1	2	3	1	5
Total	13,199	1,430	14,630	80	14,710
Segment profit (loss) (Note) 2	4,050	(374)	3,675	(14)	3,661

Notes: 1. The “Others” category is a business segment that is not included in the reportable segments, and includes subsidiaries’ businesses.

2. Segment profit (loss) is shown as adjusted operating profit (loss), which is the sum of operating profit (loss) plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets).

(Millions of yen)

	Sansan/ Bill One Business	Eight Business	Others	Adjustments (Note)	Amount in the quarterly consolidated financial statement
Segment profit (loss)	4,050	(374)	(14)	(3,355)	306
Share-based payment expenses	21	6	–	24	52
Amortization of goodwill and amortization of intangible assets	–	15	4	–	19
Operating profit (loss)	4,029	(396)	(18)	(3,379)	234

Note: Adjustments are the amounts of corporate expenses not attributable to any reportable segment and mostly consist of general and administrative expenses.

II First nine months of the fiscal year ending May 31, 2023 (from June 1, 2022 to February 28, 2023)

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

(Millions of yen)

	Reportable segments			Others (Note) 1	Total
	Sansan/ Bill One Business	Eight Business	Total		
Net sales					
Sales to external customers	16,229	1,847	18,077	100	18,177
Intersegment sales or transfers	2	1	3	45	48
Total	16,232	1,848	18,080	145	18,226
Segment profit (loss) (Note) 2	5,197	(206)	4,990	(28)	4,962

Notes: 1. The “Others” category is a business segment that is not included in the reportable segments, and includes subsidiaries’ businesses.

2. Segment profit (loss) is shown as adjusted operating profit (loss), which is the sum of operating profit (loss) plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets).

(Millions of yen)

	Sansan/ Bill One Business	Eight Business	Others	Adjustments (Note)	Amount in the quarterly consolidated financial statement
Segment profit (loss)	5,197	(206)	(28)	(4,202)	760
Share-based payment expenses	82	30	–	87	200
Amortization of goodwill and amortization of intangible assets	–	15	5	–	20
Adjusted operating profit (loss)	5,114	(252)	(33)	(4,290)	539

Note: Adjustments are the amounts of corporate expenses not attributable to any reportable segment and mostly consist of general and administrative expenses.

2. Matters regarding changes in reportable segments

(Change in the method of measurement of profit (loss) of reportable segments)

Previously, segment profit (loss) was shown as operating profit (loss). However, from the first quarter of the current fiscal year, this was changed so that segment profit (loss) is shown as adjusted operating profit (loss), which is the sum of operating profit (loss) plus share-based payment expenses and expenses arising from business combinations (amortization of goodwill and amortization of intangible assets), because the performance indicator used for management purposes was changed to an indicator that shows the regular capacity to generate corporate earnings after deducting expenses related to share-based payments, which may vary significantly depending on the level of the Company’s stock price, and expenses that arise from business combinations.

Segment profit (loss) for the first nine months of the fiscal year ended May 31, 2022 is also shown with the adjusted operating profit (loss) after the change.

(Significant events after reporting period)

(Addition of consolidated subsidiary at equity method affiliate through acquisition of shares)

The Company resolved at the Board of Directors Meeting held on February 14, 2023 to undertake a third-party allotment of shares of CREATIVE SURVEY INC., which is an equity method affiliate of the Company. The payment was completed on March 1, 2023, and the said company became a consolidated subsidiary on the same date.

Outline of business combination

(1) Name of the acquired company and details of the acquired business

Company name:	CREATIVE SURVEY INC.
Description of business:	Planning, development, operation and sale of online survey and communication platform “CREATIVE SURVEY”

(2) Main reason of the business combination

CREATIVE SURVEY INC. provides its online survey and research tool “CREATIVE SURVEY” mainly to enterprises. By making the said company a consolidated subsidiary, the Company aims to further promote the business of the said company, which is growing steadily, and enhance the corporate value of the said company and the Group.

(3) Date of the business combination

March 1, 2023 (date of acquisition of shares)

(4) Legal form of the business combination

Acquisition of shares through a third-party allotment

(5) Name of entity after the business combination

Unchanged.

(6) Percentage of voting rights acquired

Percentage of voting rights held just before the acquisition of shares	40.00%
Percentage of additional voting rights acquired by the acquisition of shares	23.08%
Percentage of voting rights after the acquisition	63.08%

(7) Main basis for determining acquiring company

The Company acquired the shares in consideration for cash.

(8) Acquisition cost of acquiree and components thereof by consideration type

Fair value of equity interest held on the date immediately preceding business combination on the date of business combination	¥256 million
Consideration for additionally acquired common shares on the date of business combination	¥400 million
<hr/>	
Acquisition cost	¥656 million

(9) Difference between the acquisition cost of the acquired company and the total cost of acquisitions for each transaction required until acquisition

Not confirmed at this stage.

(10) Details and amounts of main acquisition-related costs

Not confirmed at this stage.

(11) Amount of goodwill, reason for recognition, amortization method and amortization period

Not confirmed at this stage.

(12) Amount and breakdown of assets acquired and liabilities assumed as of the date of the business combination

Not confirmed at this stage.