

1Q FY12/2026 Business Results Briefing Q&A [Summary]

Q1. While cloud migration progressed steadily in the first quarter, revenue did not increase quarter on quarter, whereas operating profit increased significantly. Could you explain the reason for this?

The Company's performance tends to fluctuate to a certain extent from quarter to quarter due to seasonality. One characteristic of the first quarter is that the number of contracts recognized as revenue tends to be lower than in the fourth quarter. On the other hand, expenses tend to be relatively limited, which results in operating profit increasing more significantly than revenue.

For the second quarter of the current fiscal year, expenses are expected to increase due to the timing of cost recognition. However, this is not attributable to any specific deterioration factor, but rather to seasonality, and can be regarded as part of the Company's usual quarterly fluctuation pattern.

Q2. I would like to confirm whether the reason the Company has disclosed its marketplace revenue plan is that the fee structure has already been determined.

Regarding the method for calculating the revenue plan, we would like to proceed with preparations so that we can share an outline, or the basic concept, with you around the time of the second-quarter results announcement.

As for the basic fee structure, the Company plans to adopt a model in which fees are charged based on a certain rate applied to transaction value, which corresponds to sales for sellers. In addition, we are considering setting fee-rate tables according to factors such as customers' transaction scale, the types of goods handled, and their composition. We are currently working out the specific details, including how to set the basic connection fee.