

2Q FY12/2023 Business Results Briefing

Q&A [Summary]

Q1. When comparing wide-area auto parts trading companies, is there any difference in the degree of use of business support software according to the characteristics of each company?

Wide-area auto parts trading companies, like regional auto parts dealers, are also our clients. Although wide-area auto parts trading companies each have their own specialized areas and characteristics, the extent to which they use our business support software is not greatly influenced by these differences. Rather, they utilize the software according to the size of their company.

Q2. "Packaged system" exceeded the forecast and is expected to remain at the current level.

Are "Packaged system" sales expected to continue exceeding the original sales plan in the medium-term management plan?

While sales of "Operation and support service" will decline as users switch to cloud software in the future, sales of "Software sales" will remain at the current level as planned. "Remaining at the current level" does not mean that it will continue exceeding the plan in the future. However, there is a possibility that business conditions in that year may cause fluctuations in sales.

If we change our policy to develop cloud software even in industries where we originally planned to continue selling packaged software in the future, there will be a large discrepancy between the plan and actual results.

Q3. Sales of "Software service" seem to be progressing almost as planned. Are there any unexpected factors?

In terms of breakdown, there are products and client segments that have sold better than expected, while there are also products and client segments that are lower than expected. The actual situation is that, when they are totaled, they somehow match with the original plan.

While we attempt to conduct sales activities so as not to fall short of the plan, we are systematically introducing cloud software after discussing with clients, as the burden on clients will increase if cloud software is replaced too quickly before the contracts are expired.

Q4. Will future sales of "Cloud service" proceed as planned depending on the progress of the release plan up to 2024?

That's right. If our business activities in 2024 proceeds as we anticipate, the certainty of the medium-term management plan up to 2028 will be greatly enhanced. Therefore, we are preparing to ensure that the release plan up to 2024 can be carried out without delay.