2Q FY12/2026 Business Results Briefing
Q&A [Summary]

Q1. The Company expects the number of licenses to increase by approximately 6,000 in the second half, from 23,264 at the end of the second quarter to the year-end target of 29,300. What stage has the rollout to large and mid-sized customers currently reached?

Although we do not disclose the contract status of individual customers or progress by stage in our sales pipeline, implementation in the second half is proceeding in accordance with customer-specific rollout plans. At present, no material obstacles to achieving the year-end target of 29,300 licenses have emerged, and we expect the number of licenses to increase as planned.

Q2. Why has ARPL remained largely flat since the beginning of this fiscal year? Also, will the large customers scheduled for implementation from the third quarter onward generate higher revenue per license?

ARPL is affected not only by customer size but also by changes in the industry mix and sales channels. In the second quarter, while implementations for large and mid-sized customers progressed, license sales through channel partners also increased, resulting in a temporary decline in ARPL.

As the quarterly figure fluctuates depending on the customer mix, we consider the trend in the 12-month moving average to be important. Although ARPL may continue to fluctuate from quarter to quarter, we expect its 12-month moving average to maintain an upward trend as implementations for large and mid-sized customers and parts distributors expand.

Q3. The full-year forecast for marketplace revenue has been revised downward. Is this due to delays in cloud implementation for large parts distributors, or is it taking longer than expected for transactions to ramp up after implementation?

The marketplace revenue forecast for this fiscal year is not directly related to the cloud implementation schedule for large parts distributors. Cloud implementation for these customers is scheduled to begin sequentially in the latter part of the second half, as originally planned, and has not been delayed.

As large parts distributors handle a substantial number of parts and require extensive master data configuration, a certain amount of time is needed between the start of implementation and actual go-live. Marketplace transactions will begin sequentially after go-live; therefore, marketplace revenue will not be recognized immediately upon cloud implementation.

Q4. What internal benchmarks has the Company set for cloud-related KPIs at the end of the third quarter to assess progress toward achieving its full-year targets?

We do not disclose our internal quarterly targets for these KPIs. Our results are not recognized evenly across quarters. As monthly cloud service revenue continues to accumulate, its contribution to revenue and profit becomes greater toward the latter part of the fiscal year.