

3Q FY12/2021 Business Results Briefing

Questions and Answers [Summary]

Q1 Does the SaaS category consist of monthly subscription sales of the current software?

Also, did the Company begin the transition to monthly subscription models from FY2021?

Two sales are included in the SaaS category. One is monthly subscription sales of the next-generation software, which is sold in advance to specific major clients. Another is monthly subscription sales of the current software. When clients start using the current software, they can choose either a multi-year lump-sum contract (license purchase under a lease contract) or a monthly subscription contract. Until last year, most of the clients used to choose a multiple year lump-sum contract. From this fiscal year, however, more clients have started to choose a monthly subscription contract in preparation for the transition to the next-generation software. The Company also has been recommending a monthly subscription contract in preparation for a full-scale transition to the next-generation software, while taking into account the circumstances of individual clients.

Q2 Does the increasing number of new users mainly consist of large-sized companies?

Companies of various sizes became new users. Many of them used to be a user of competitors' software. Also, demands for additional options that extend the software functions have been growing among existing clients because they need to respond to changes in regulations including vehicle inspection systems.

Disclaimer: The statements regarding results forecasts and future forecasts contained in this material are forecasts based on information available at the time of preparation of the material, so they include potential risks and uncertainties.

Therefore, please be aware that actual results may differ from these results forecasts due to various factors.