

3Q FY12/2022 Business Results Briefing

Q&A [Summary]

1. Is the upward revision to revenue forecast of Packaged system due to the increasing number of clients using “.NS Series” under monthly contracts instead of switching to “.c Series”?

The reason for the upward revision to revenue forecast of Packaged system sales forecast is that sales of packaged system under multi-year lump-sum lease contracts are favorable. Within “.NS series,” there are two product groups: those that will shift to “.c Series” (mainly products for automotive industries) and those that will continue “.NS series” (mainly products for non-automotive industries). The latter group is the reason for the revision to revenue forecast. Clients of the former group are using “.NS Series” under monthly contracts for a limited period.

2. Regarding cloud services, are the increase in unit prices and the acquisition of new clients trending as planned?

Revenue of Cloud service is proceeding according to plan. Meanwhile, monthly contracts for “.NS Series” are also provided to certain clients at the moment. These clients are expected to switch to “.c Series” after planned functions for “.c Series” are implemented.

3. What was the original plan's assumption regarding clients using monthly contracts for “.NS Series” for a limited period?

The number of clients who are eligible to switch to “.c series” was taken into account when formulating the plan. As the Company proceeded the plan, it turned out that a certain number of clients requested to switch to “.c Series” after all the planned functions for “.c Series” are implemented, so it prepared an choice for clients to use the monthly contracts for “.NS Series” for a limited period. This measure will not affect the revenue plan.