3Q FY12/2025 Business Results Briefing
Q&A [Summary]

Q1. Could you explain the factors behind the quarterly fluctuations in costs, as well as any observable cost trends?

Selling, general and administrative expenses tend to appear lower in the third quarter each year, as bonus provisions are typically accrued in the second and fourth quarters. While procurement costs have generally been on the rise due to inflationary pressures, these increases have largely been offset by cost-reduction efforts. As a result, we are not seeing a clear upward trend in overall costs.

Q2. Has there been any special demand for PCs due to the introduction of the new operating system? If so, could you share the estimated amount for each quarter?

We believe that PC replacements driven by the new OS occurred at a scale of approximately ¥200 million in both the second and third quarters. No such special demand is expected in the fourth quarter, and we anticipate that PC sales will return to a normalized level.

Q3. It is mentioned that auto manufacturer-affiliated parts dealers are expected to join the ordering platform. Will these dealers also use the cloud-based software designed for parts distributors?

We are moving forward with plans to have parts distribution companies affiliated with automobile manufacturers adopt our cloud-based software for parts distributors. However, we do not plan to introduce this software to automobile (finished vehicle) manufacturers or new car dealers.

Q4. In the FY2026 performance forecast, why are you not projecting a cost increase? How are you factoring in elements such as inflation and rising labor costs?

While we do expect inflation and labor costs to rise, we are implementing cost-reduction measures that we believe will help contain overall cost increases. That said, there remains a risk that inflation may exceed our assumptions, so we will continue to closely review and reassess our cost structure as needed.

Q5. It seems that share buybacks are not being considered as a method of shareholder return. Could you clarify the intention behind this?

Share buybacks are not off the table—we are currently considering a range of options. In our evaluation process, we also consider factors such as stock liquidity.

Q6. Is the increase in ARPL for cloud software in FY2026 attributable to contributions from the marketplace?

The increase in ARPL for cloud software in FY2026 is primarily driven by a greater number of customers adopting additional features and optional modules. It is not directly attributable to transaction volume on the marketplace.

Q7. Since the launch of the cloud-based software, has there been any change in your market share within the auto body repair (sheet metal) segment?

We currently hold the No.2 position in the auto body repair software market. The industry is seeing changes, such as new requirements to submit evidence for insurance claims. We are adding features to our cloud software to address these needs and aim to improve our competitiveness accordingly.