

## FY12/2022 Business Results Briefing Q&A [Summary]

### **Q1. Why did the financial results for FY12/2022 exceed the medium-term management plan?**

The first reason that the financial results for FY12/2022 exceeded the mid-term management plan was that sales of packaged software for non-mobility sector became higher than originally planned due to sales efforts. The second reason is that part of the backlog of orders of packaged software for the mobility sector from sales agencies in the previous year were books as sales in the 1H of FY12/2022.

### **Q2. Why is forecast for FY12/2023 the same as the medium-term management plan except for revenue?**

Revenue forecasts for FY12/2023 reflected the increased revenue from SALES GO in FY12/2022. On the other hand, the profit forecast is the same as the original plan, since the Company decided to increase mainly the development cost in order to make progress in the medium-term management plan. However, there is no significant change from the plan.

### **Q3. How much is the sales of “Dencho.DX” included in sales plan of medium-term management plan?**

Sales from "Dencho.DX" are included in the "Software services" of "Cloud service" in the service category. The Company currently do not disclose its sales amounts because the current sales size remain small, since it is a monthly subscription service. In the future, the Company would like to consider disclosing the breakdown of "Software service."

### **Q4. Will Tajima (a group company of Broadleaf) sell Broadleaf’s cloud-based software to Tajima clients as well?**

Tajima will continue to sell Tajima's conventional software, but as Broadleaf 's sales agency, it will also provide Broadleaf's cloud-based software to Tajima clients who wish to use a total management system. The demand for cloud-based software and “Dencho.DX” turned out to be stronger than initially anticipated, so Tajima plans to increase the number of Tajima clients who will switch to cloud service and sell them more actively.

### **Q5. I recognize that the reason why the performance in FY12/2022 exceeded the plan is that not only the sales of packaged software but also the sales of cloud-based software was strong. Why is not the excess reflected in the forecast of FY12/2023?**

Revenue in FY12/2022 exceeded the plan due to strong sales of packaged software, but the sales of cloud services was in line with the plan. The sales forecast of “Cloud service” for FY12/2023 includes both sales of cloud-based software provided in FY12/2022 and sales of cloud-based software expected to be sold in FY12/2023.

**Q6. Regarding the average monthly license sales of cloud-based software, are the target for FY12/2024 and the results for FY12/2022 calculated in the same way? Is it unexpected that the FY12/2022 result exceeded the FY12/2024 target of 23,000 yen/month?**

**It appears that the average monthly sales will increase further in the future. Will overall sales exceed the plan in accordance to the increasing average monthly license sales? Or, conversely, will it possibly fall given the current mix assumptions?**

Both are calculated using the same calculation method. Average monthly license sales are growing steadily and those for existing clients were 24,074 yen as of December 2022, but when including new clients as well, the figure becomes 21,789 yen, which is nearing the 2024 target. Although the number of new clients increased more than expected, the overall figure is within expectation.

It is correct to understand that the average monthly license sales will exceed the target of 23,000 yen in the future, but at this point the Company have not disclosed how much it will grow thereafter. Considering the current mix assumption, however, it is unlikely that it will drop.