

## FY12/2023 Business Results Briefing Q&A [Summary]

### **Q1 Average monthly license sales are expected to exceed the 2024 target. What kind of optional functions are selling better than expected? What will happen in the future?**

While there is no certain function that is especially selling well, the provision of various functions is leading to client retention. In addition, since it is easy to add functions, there are requests from clients to enhance some functions.

In the future, we anticipate an increase in usage-based fee related to data linkage and data transactions.

### **Q2 Is the revision of performance plan mainly due to the change in “Marketplace” sales plan?**

Yes, the main reason is the update of the "Marketplace" sales plan due to the review of the penetration plan for the ordering platform. In addition, there is also some impact from the revision of sales plans for ancillary products such as software compliant with the Electronic Book Storage Act.

### **Q3 If the transition to cloud software is partially postponed, what will users use instead?**

After the lease period expires, the user will continue using the conventional packaged software under a monthly subscription contract. The specific timing and process of transition will be adjusted according to the client's situation, but they cannot continue using the packaged software for an indefinite period of time.

### **Q4 Is the request for additional functions in cloud software from certain industries based on positive reasons?**

Yes, the demand for additional functions is intended to adapt to changes in the world, such as the digitization of commercial transactions. We intend to continue to proactively respond to requests for additional functions that will lead to an increase in usage-based fee in the future, such as functions that increase transaction volumes.

### **Q5 Regarding the revision of the 2024 targets for cloud transition rate and the number of licenses, why don't they correlate?**

The number of companies is counted as one company regardless of the size of the business. Meanwhile, the number of licenses per company varies according to the size of the business. Therefore, they do not necessarily correlate.

### **Q6 Regarding the performance plan, why is the reduction of profit greater than reduction of revenue?**

We have taken into account the impact of overall inflation, such as increased costs for external IT infrastructures.

**Q7 The performance plan for 2027-2028 is being kept unchanged, but it seems unnatural considering the outlook for cloud indicators. Will the figures be revised in the future?**

We have not changed the plan for 2027-2028 because we believe that sales growth will be achieved by promoting linkage with other systems and proposals of ancillary products over the next 3 years. In addition, there are also sales such as "Marketplace" sales that are expected to drastically increase once the ordering platform penetrates among buyers and sellers.

**Q8 Were there any individual factors in 4Q that led to the improvement of loss in FY2023 compared to the plan?**

The improvement was due to overall sales efforts, including efforts to capture last-minute demand for software compliant with the Electronic Book Storage Act.

**Q9 Are there any changes in the release plan for cloud software?**

There is no change to the release plan. In the first quarter of FY2024, we plan to conduct function extension for large-sized auto maintenance shops. In the second quarter of FY2024, we plan to release cloud software for auto parts dealers.