3Q FY12/2020 Business Results Briefing
Questions and Answers [Summary]

Q 1 How is the release schedule of cloud software from next fiscal year progressing?

Progress of cloud software development is steady, though additional investment is required for securing the continuity of the service. On the other hand, regarding the timing of release, we are considering the influence of COVID-19 when discussing the most effective timing for making promotion. Therefore, we would like to announce the full-scale launch period at a different date.

Q 2 If the Company did not announce the release of cloud software (which is monthly sales) early next fiscal year and continued to sell the current software (which is lump-sum sales), will it have positive effect to the business results for the next fiscal year?

For the next fiscal year, we are considering sales strategy that is not on the extension of current strategy, so it is difficult to say that it has positive effect.

There are three reasons for this. Firstly, for customers who are waiting for the cloud software, sales will be postponed. Secondly, we are already installing the cloud software to large companies in advance, and this plan has not been changed. Finally, we are considering changing the sales method of current software to a monthly sales model in anticipation that everything will be migrated to a monthly sales model in the future.

Considering the above factors, we are currently preparing the medium-term management plan.

Q 3 What are the advantages and disadvantages of the one-stop service promoted by the Ministry of Land, Infrastructure, Transport and Tourism and the use of IC cards for vehicle inspections, when looking from Broadleaf's point of view?

Basically, there is no disadvantage. For the advantage of one-stop service, we are among the first software vendors to respond to the change, and we will be able to provide more convenient service by migration to cloud software.

Also, when IC card for vehicle inspections are adopted, we are planning to develop functions that record the vehicle inspections from the IC card. Going forward, the use of IC card for driver licenses will also be a great tailwind for us, since we are making progress in transition to cloud software.