# Long-term Vision and Second Medium-term Management Plan Q&A

**Q1.** Regarding the pyramid chart representing your domestic market share, could you clarify which data is used to classify large, medium, and small-scale businesses, and which industries are included?

While we won't detail every step, we use data from the Economic Census for Business Activity for both "establishments" and "enterprises." To estimate the number of stores in each industry, we combine the number of employees per establishment with data from "enterprise size by employee count." This methodology, unique to our company, allows us to calculate the number of stores by size. The industries covered include retail, accommodation, food service, personal services, entertainment, and medical services, with appropriate adjustments in subcategories.

**Q2.** You mentioned focusing on mid-to-large-scale stores. Could you elaborate on what actions are being taken? Your previous focus was on the ease of use with just one iPad, which seems to diverge from this direction.

Our basic policy remains unchanged. In addition to our traditional target of businesses with 2–39 stores, we are now working to expand our market share among businesses with 40–99 stores. We have already formed a dedicated enterprise sales team, and our development division has set up a team to handle data integration for mid-to-large-scale businesses.

**Q3.** Historically, acquiring mid-to-large customers involved customization requests, leading to inefficiencies. Have you identified ways to improve efficiency in handling these clients?

Smaregi's feature set has expanded significantly, and our standard functionalities now meet the needs of mid-sized and larger businesses. As understanding of SaaS has spread, fewer companies are opting for expensive custom-built systems, creating a more favorable environment for us to win mid-to-large-scale projects.

**Q4.** Could you tell us about your market segmentation strategy and which areas you are focusing on? Is this related to the acquisition of the chiropractic software company?

As mentioned in the Presentation Materials for 4Q FY2024, last fiscal year we developed a system for streamlining order processing and payments for specialized restaurants and cafes, which we began selling in March 2024. We continue to promote this system. Additionally, as of May 1, we acquired "Rese ONE Plus," a Osteopathic software system from Ligua, which is now one of our focus areas. We are also continuing to enhance the advanced inventory management features for the retail and apparel sectors, advancing multiple initiatives in parallel.