

Q3 FY2026/3 Small Meeting for Sell-side Analysts Q&A Summary

Date & Time: 16:30-17:00 Friday January 30, 2026

Presenters: Takeshi Kamiya, Representative Director, Co-president

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Deputy Division Manager of Corporate Strategy Division

[Q]: You mentioned that sales progress is almost in line with the plan. However, it appears that higher growth will be required in the fourth quarter to achieve the full-year plan. What is the likelihood of achieving the target?

[A]: Given the progress made for the nine months, we recognize that certain challenges remain. That said, when we take all factors into consideration, including the progress of initiatives in each business unit, we believe it remains fully achievable. We will continue making efforts toward achieving the plan.

[Q]: Operating profit increased, but is it running ahead of the plan after excluding special factors, such as China's e-commerce business and personnel system revisions?

[A]: Yes. Through the third quarter, operating profit is tracking ahead of the plan even after excluding these special factors. It is highly likely that we will finish the full year above the plan. However, we do not expect the difference to be so significant as to revise the performance outlook at this moment.

[Q]: In the contact center industry, a growing number of companies have been strengthening their autonomous AI contact center capabilities in recent months. Please explain how these broader industry trends and shifts in demand affect your strategy.

[A]: Although more companies are providing autonomous AI contact centers, adoption remains limited due to client requirements and the current level of AI accuracy. We will therefore continue our policy of sustaining solid growth by appropriately embedding AI into our integrated CX platform, trans-DX for Support, and enhancing our human-AI hybrid operations. In parallel, we will develop solutions related to autonomous AI through vottia, our joint venture with Mobilus, to ensure we are prepared for a range of future scenarios.

[Q]: Please explain the reasons for further sales growth in the digital promotion area in the third quarter, and if the growth is sustainable.

[A]: The large-scale deal we won last year continues to drive sales. We expect to maintain double-digit growth throughout the current fiscal year. However, the growth rate may moderate next fiscal year relative to the current fiscal year as the comparison base becomes higher due to the impact of this large-scale deal.

[Q]: You mentioned that stock clearance sale campaigns in China's e-commerce business drove profits overseas. Could you provide the scale of the impact?

[A]: The stock clearance sale contributed approximately 250 million yen to profits.

[Q]: What are the profit growth factors in the domestic affiliates segment, and are they sustainable?

[A]: Profit growth at Applied Technology Co., Ltd. contributed to the segment's performance, and enhanced profitability at certain subsidiaries is also contributing. None of these are temporary in nature, and we believe that structural improvements are steadily taking hold.

[Q]: What is the scale of the impact of personnel system revisions in boosting profits?

[A]: We recorded approximately 550 million yen in cost reductions in the third quarter, and the impact in the fourth quarter is expected to be similar. However, as approximately 1 billion yen in lump-sum payment is expected in the fourth quarter to avoid disadvantageous treatment of employees associated with the shift to the new systems, we expect the resulting impact on profits to be minor.

[Q]: Will the personnel system revisions affect profits in the next fiscal year?

[A]: We designed the system to make the total personnel expenses approximately even. Therefore, we expect that the impact of the revisions will be limited to the current fiscal year.

[Q]: Please explain your policy regarding the rollover of the convertible bonds in the event they are not converted.

[A]: Given the current cash position, we do not expect that rolling over the bonds will be necessary. However, we will determine the appropriate course of action in light of future developments.

[Q]: Please explain the direction of your new medium-term business plan.

[A]: The major directions of the new medium-term business plan will remain consistent with the current plan. We will continue to pursue our transformation into a technology solutions company and enhance our earnings capabilities by leveraging the latest technologies and advancing a shift toward a platform-based business model. These initiatives will serve as the core pillars of the plan. Building on this direction, we intend to present our vision with greater clarity.

[Note]

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