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Summary of Financial Statements for the Fiscal Year Ended December 31, 2015

[Japanese GAAP]
(Non-consolidated)

February 10, 2016

Broadleaf Co., Ltd.

Stock Listing: Tokyo Stock Exchange 1st Section
 Stock Code: 3673 URL: <http://www.broadleaf.co.jp/>
 Representative: Kenji Oyama, Representative Director, President & CEO
 Scheduled Date for Ordinary General Meeting of Shareholders: March 30, 2016
 Scheduled Starting Date for Dividend Payment: March 31, 2016
 Scheduled Submission Date for Securities Report: March 31, 2016
 Earnings Supplementary Explanatory Documents: Yes
 Earnings Results Briefing: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Financial Results for the FY 2015 (from January 1, 2015 to December 31, 2015)

(1) Results of Operations

(Percentage below represents increase (decrease) from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2015	16,824	(11.0)	2,514	(39.6)	2,493	(39.2)	1,251	(42.9)
FY2014	18,894	4.8	4,165	11.4	4,098	12.2	2,193	14.6

	Earnings Per Share	Diluted Earnings Per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FY2015	50.47	50.44	6.2	9.2	14.9
FY2014	84.03	83.90	10.6	14.8	22.0

(Reference) Share of (Profit) Loss of Entities Accounted for Using Equity Method FY2015: -Million Yen FY2014: - Million Yen

(2) Financial Position

	Total Asset	Net Asset	Shareholders' Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	
End of FY2015	25,565	19,385	75.7	799.74
End of FY2014	28,343	21,294	75.0	813.83

(Reference) Shareholders' Equity End of FY2015: 19,356Million Yen End of FY2014: 21,264 Million Yen

(3) Cash Flow Status

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2015	655	-1,088	-1,854	8,384
FY2014	4,849	-1,156	-2,250	10,671

2. Dividends

	Dividends Per Share					Total Dividends (Annual)	Dividend Payout Ratio	Ratio of Dividends to Net Assets
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2014	-	10.00	-	10.00	20.00	524	23.8	2.5
FY2015	-	12.50	-	12.50	25.00	616	49.5	3.1
FY2016 (Forecast)	-	17.50	-	12.50	30.00		44.8	

(Note) Breakdown of dividends for the end of Q2FY2016: Ordinary dividend 12.50 yen Commemorative dividend 5.00 yen

3. Earnings Forecast for FY2016 (from January 1, 2016 to December 31, 2016)

(Percentage below represents increase from previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
1 st Half of FY2016	8,400	0.9	1,050	4.2	1,030	3.4	560	17.6	23.14
FY2016	18,000	7.0	3,000	19.3	2,970	19.1	1,620	29.4	66.93

* Notes

(1) Changes in accounting policies, changes in accounting estimates and restatement of corrections

1. Changes in accounting policies in association with revision in accounting standards: No
2. Other changes in accounting policies: No
3. Changes in accounting estimates: No
4. Restatement of corrections: No

(2) Number of shares outstanding (common stock)

(Shares)

1. Number of shares outstanding (including treasury stock)	FY2015	25,234,200	FY2014	26,221,700
2. Number of shares of treasury stock	FY2015	1,030,884	FY2014	92,484
3. Average number of shares outstanding (during the period)	FY2015	24,801,847	FY2 Q3	26,101,456

* Indication of audit procedure implementation status

This earnings report is not subject to audit procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial results, the audit procedures based upon the Financial Instruments and Exchange Act have not been completed.

* Comment regarding appropriate usage of earnings forecast, and other special notes

(Note on forward-looking statements)

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

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1. Analysis of Results of Operations and Financial Position

1. Qualitative Information on Operating Results, etc. for the Fiscal Year Ended December 31, 2015

(1) Qualitative information on financial results

In the fiscal year under review (from January 1, 2015 to December 31, 2015), the Japanese economy maintained a moderate recovery, reflecting positive factors such as improvement in the employment and income environments and a recovery in capital expenditure backed by an improvement in corporate earnings. The outlook for the Japanese economy is increasingly uncertain, however, chiefly due to concern over a slowdown in the Chinese economy and other emerging economies while the U.S. monetary policy is being normalized.

The automotive aftermarket* industry, to which major customers of the Company belong, is maturing mainly due to structural factors in Japanese society, namely the falling population caused by the low birthrate and increasing longevity. The auto industry generally is facing changes in its industrial structure, including the entry of entities from outside the industry and M&A between entities in different industries, against a backdrop of technological innovation, particularly electric vehicles and computerized components. These changes in the environment for participants in the automotive aftermarket are expected to raise participants' awareness of the need for improvement in business efficiency and service quality through the use of IT. Meanwhile, business entities have started to take steps to develop new services and create new businesses by making good use of information associated with automobiles, resulting in the expansion of the automotive aftermarket industry.

In this business environment, the Company is taking steps to expand its IT services to support customers' operations using its industrial platform,** and is endeavoring to achieve growth in the medium to long term under its management policy of evolving into an integrated service provider that enables more fulfilling car ownership. More specifically, the Company helped energize the automotive aftermarket industry by stepping up efforts to promote CarpodTab, which is designed to improve the ability of automotive maintenance shops, etc. to make proposals to car owners and offer better services, and its computerized auto parts ordering service BL Parts Order System, and sought to expand earnings especially in the Network Service domain. As a result, sales in Network Service increased 456 million yen year on year, to 4,242 million yen. Meanwhile, a drop in the number of contract renewals with existing business application software customers, amongst other factors, caused a decrease in sales in Business Application Software of 2,502 million yen year on year, to 11,316 million yen. Sales in the System Support domain also declined 24 million yen year on year, to 1,266 million yen. Consequently, net sales in the fiscal year under review amounted to 16,824 million yen, a decline of 2,069 million yen from a year ago.

On the cost front, the Company is continuing to undertake research and development to create new services that will support car owners by integrating vast amounts of information related to automobiles held by the Company and its customers in preparation for future business development based on large-scale automobile-related information. As a result, in the fiscal year under review, net sales were 16,824 million yen (-11.0% of the year-ago level), operating income was 2,514 million yen (-39.6% of the year-ago level), ordinary income was 2,493 million yen (-39.2% of the year-ago level), and net income was 1,251 million yen (42.9% of the year-ago level).

The Company has a single business segment, which consists of IT services. A breakdown of sales by business domain is shown in the table below.

(Unit: Millions of yen)

Domain	FY2015 (From Jan. 1 to Sep. 30, 2015)	, FY2014 (From Jan. 1 to Sep. 30, 2014)	Year-on-year rate of change
Business Application Software	8,035	9,956	(19.3%)
System Support	944	969	(2.5%)
Network Service	3,135	2,807	11.7%
Total	12,116	13,733	(11.8%)

*The automotive aftermarket is a submarket involving the maintenance of automobiles and the mounting of equipment after the sale of automobiles.

**The industrial platform is a business information platform used by customers in a certain industry in planning, communication, decision-making, payment, and other business situations.

(2) Outlook for the Fiscal Year Ending December 31, 2016

In the automotive aftermarket* industry, to which major customers of the Company belong, the business environment is changing dramatically, with the diversification of car owners' needs and the entry of entities from outside the industry. Consequently, the Company must work with its customers to promptly implement strategies that better reflect the views of car owners.

In this environment, the Company will seek to develop new services utilizing large-scale automobile-related information, and will also step up initiatives to increase the added value of databases and strengthen alliances with other companies for the expansion of next-generation automotive aftermarket business. The Company also plans to leverage its knowledge of the specialist business applications and databases it provides to business operators in the automotive aftermarket industry to build new logistics platform services to support customers' parts distribution business. By contributing to more efficient, energetic parts distribution in the automotive aftermarket industry through such initiatives, the Company aims to further increase the earnings of the Network Service domain and gain new customers.

As a result of the above initiatives, in the fiscal year ending December 31, 2016, the Company forecasts net sales of 18,000 million yen (an increase of 7.0% year on year), operating income of 3,000 million yen (up 19.3% year on year), ordinary income of 2,970 million yen (up 19.1% year on year), and net income of 1,620 million yen (up 29.4% year on year).

Financial Statements

(1) Balance sheet

(Unit: Thousands of Yen)

	FY2014 (As of Dec. 31, 2014)	FY2015 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	10,671,694	8,384,656
Notes receivable - trade	72,813	68,981
Accounts receivable - trade	2,803,612	2,660,888
Merchandise	185,027	215,153
Work in process	-	4,509
Supplies	9,677	12,821
Prepaid expenses	145,719	166,386
Deferred tax assets	383,910	201,544
Accounts receivable - other	1,252,957	1,289,046
Other	20,823	34,054
Allowance for doubtful accounts	-4,682	-4,758
Total current assets	15,541,554	13,033,282
Non-current assets		
Property, plant and equipment	424,198	457,944
Intangible assets		
Goodwill	10,031,002	9,362,268
Software	1,024,710	1,246,711
Total intangible assets	11,055,713	10,608,979
Investments and other assets		
Investment securities	724,619	644,322
Shares of subsidiaries and associates	-	203,859
Investments in capital of subsidiaries and associates	140,000	163,625
Long-term loans receivable from subsidiaries and associates	-	60,000
Long-term loans receivable from employees	198	-
Claims provable in bankruptcy, claims provable in rehabilitation and other	13,526	13,712
Long-term prepaid expenses	49,538	23,090
Lease and guarantee deposits	402,558	365,272
Other	5,550	5,560
Allowance for doubtful accounts	-13,526	-13,712
Total investments and other assets	1,322,464	1,465,730
Total non-current assets	12,802,376	12,532,655
Total assets	28,343,931	25,565,938

Broadleaf Co., Ltd. (3673)
Summary of Financial Statements for the FY2015 (Non-consolidated)

(Unit: Thousands of Yen)

	FY2014 (As of Dec. 31, 2014)	FY2015 (As of Dec. 31, 2015)
Liabilities		
Current liabilities		
Accounts payable - trade	472,575	480,270
Current portion of long-term loans payable	750,000	624,000
Lease obligations	26,415	32,641
Accounts payable - other	2,539,280	2,396,358
Accrued expenses	351,602	169,794
Income taxes payable	1,571,143	118,444
Accrued consumption taxes	383,228	67,388
Advances received	25,816	30,244
Deposits received	63,741	74,681
Provision for bonuses	483,747	278,406
Provision for compensation for damage	37,474	34,612
Other	31,245	31,201
Total current liabilities	6,736,270	4,338,044
Non-current liabilities		
Long-term loans payable	147,890	1,675,160
Lease obligations	46,239	51,126
Asset retirement obligations	111,827	112,041
Deferred tax liabilities	7,381	3,603
Total non-current liabilities	313,338	1,841,931
Total liabilities	7,049,608	6,179,976
Net assets		
Shareholders' equity		
Capital stock	7,147,905	7,147,905
Capital surplus	7,147,905	7,147,905
Retained earnings	7,120,710	6,362,772
Treasury stock	-141,734	-1,322,701
Total shareholders' equity	21,274,786	19,335,880
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-10,075	20,489
Total valuation and translation adjustments	-10,075	20,489
Subscription rights to shares	29,612	29,592
Total net assets	21,294,322	19,385,961
Total liabilities and net assets	28,343,931	25,565,938

(2) Statement of income

(Unit: Thousands of Yen)

	FY2014 (From Jan. 1, 2014 to Dec. 31, 2014)	FY2015 (From Jan. 1, 2015 to Dec. 31, 2015)
Net sales	18,894,039	16,824,282
Cost of sales	4,821,117	4,854,597
Gross profit	14,072,922	11,969,684
Selling, general and administrative expenses	9,907,502	9,455,476
Operating income	4,165,420	2,514,208
Non-operating income		
Interest income	1,928	1,812
Dividend income	-	3,787
Compensation income	3,351	13,417
Other	7,054	15,000
Total non-operating income	12,335	34,018
Non-operating expenses		
Interest expenses	12,692	10,120
Commitment line fee	2,500	2,500
Provision for loss compensation	37,474	21,221
Commission fee	-	17,000
Commission for purchase of treasury shares	21,567	3,659
Other	4,676	475
Total non-operating expenses	78,911	54,975
Ordinary income	4,098,843	2,493,250
Extraordinary income		
Gain on sales of non-current assets	-	6,430
Total extraordinary income	-	6,430
Extraordinary losses		
Loss on retirement of non-current assets	3,290	228
Loss on valuation of investment securities	-	119,194
Total extraordinary losses	3,290	119,422
Income before income taxes	4,095,553	2,380,258
Income taxes – current	1,933,236	958,481
Income taxes – deferred	-30,898	170,021
Total income taxes	1,902,338	1,128,502
Net income	2,193,214	1,251,755

(3) Statement of cash flow

(Unit: Thousands of Yen)

	FY2014 (From Jan. 1, 2014 to Dec. 31, 2014)	FY2015 (From Jan. 1, 2015 to Dec. 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	4,095,553	2,380,258
Depreciation	667,183	639,255
Amortization of goodwill.	668,733	668,733
Increase (decrease) in allowance for doubtful accounts	154	262
Increase (decrease) in provision for bonuses	30,811	-205,340
Increase (decrease) in provision for compensation for damage	4,056	-2,862
Interest and dividends income	-1,928	-5,600
Interest expense	12,692	10,120
Commitment line fee	2,500	2,500
Commission fee	-	17,000
Commission for purchase of treasury shares	21,567	3,659
Loss (gain) on sales of property, plant and equipment	-	-6,430
Loss (gain) on valuation of investment securities	-	119,194
Decrease (increase) in notes and accounts receivable - trade	-1,300	146,557
Decrease (increase) in inventories	-69,473	-37,778
Decrease (increase) in accounts receivable - other	-4,552	-36,088
Increase (decrease) in notes and accounts payable - trade	119,518	7,695
Increase (decrease) in accounts payable - other	352,169	-138,158
Increase (decrease) in accrued expenses	-36,461	-182,466
Other, net	250,914	-294,528
Subtotal	6,112,138	3,085,982
Interest and dividends income received	1,928	5,600
Interest expenses paid	-15,912	-9,461
Income taxes paid	-1,248,392	-2,426,128
Net cash provided by (used in) operating activities	4,849,762	655,993
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	-42,764	-80,299
Proceeds from sales of property, plant and equipment	-	6,430
Purchase of Intangible assets	-505,690	-766,087
Purchase of investment securities	-598,857	-
Payments for investments in capital of subsidiaries and associates	-17,500	-23,625
Payments of loans receivable from subsidiaries and associates	-	-60,000
Purchase of shares of subsidiaries and associates	-	-203,859
Payments for lease and guarantee deposits	-1,762	-3,895
Proceeds from collection of lease and guarantee deposits	2,990	40,674
Other, net	6,921	1,692
Net cash provided by (used in) investment activities	-1,156,662	-1,088,971

Broadleaf Co., Ltd. (3673)
Summary of Financial Statements for the FY2015 (Non-consolidated)

(Unit: Thousands of Yen)

	FY2014 (From Jan. 1, 2014 to Dec. 31, 2014)	FY2015 (From Jan. 1, 2015 to Dec. 31, 2015)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	170,000	2,500,000
Repayment of long-term loans payable	-1,522,110	-1,098,730
Proceeds from issuance of common shares	41,500	-
Proceeds from issuance of subscription rights to shares	29,612	-
Proceeds from sales of treasury shares	27,578	39,729
Purchase of treasury shares	-174,808	-2,674,958
Cash dividends paid	-784,719	-575,111
Purchase of commitment line fee	-2,500	-2,500
Purchase of commission fee	-	-17,000
Repayments of lease obligations	-35,459	-25,489
Net cash provided by (used in) financing activities	-2,250,906	-1,854,060
Net Increase (decrease) in cash and cash equivalents	1,442,193	-2,287,038
Cash and cash equivalents at beginning of period	9,229,501	10,671,694
Cash and cash equivalents at end of period	10,671,694	8,384,656