



August 9, 2022

Broadleaf Co., Ltd.
 Representative: Kenji Oyama,
 Representative Director and President
 (Code No.: 3673 Prime Market of the Tokyo Stock Exchange)

Notice Regarding Differences between Consolidated Earnings Forecast and Actual Results for the First Six Months and Revisions to Consolidated Earnings Forecast for the Full Year

Broadleaf Co., Ltd. (“the Company”) hereby announces that there were differences between the consolidated earnings forecast for the first six months of the fiscal year ending December 31, 2022 (January 1, 2022 to June 30, 2022) announced on May 11, 2022 and the results announced today. Also, the Company revised consolidated earnings forecast for the fiscal year ending December 31, 2022 (January 1, 2022 to December 31, 2022) announced on February 9, 2022, based on recent performance trends.

1. Differences between consolidated earnings forecast and actual results for the first six months of FY12/2022
 (January 1, 2022 to June 30, 2022)

| | Revenue | Operating profit | Profit before tax | Profit attributable to owners of the parent | Basic earnings per share |
|---|--------------------------|---------------------------|---------------------------|---|--------------------------|
| Previous forecast (A) (Announced on May 11, 2022) | Millions of yen 6,000 | Millions of yen -2,100 | Millions of yen -2,000 | Millions of yen -2,100 | Yen -23.80 |
| Actual result (B) | 6,520 | -1,398 | -1,458 | -1,109 | -12.57 |
| Difference (B-A) | +520 | +702 | +542 | +991 | - |
| Change (%) | 8.7 | - | - | - | - |
| (Reference) Results for the first six months of previous fiscal year (First six months of FY12/2021) | 9,937 | 1,243 | 1,239 | 795 | 9.05 |

2. Reasons for the differences

Regarding sales of packaged system, revenue exceeded the forecast since shortening of the business negotiation period has progressed and efficiency of sales activities has improved, and the number of sales of devices has exceeded the expectation. Profits also exceeded forecasts due to a reduction in operating expenses, etc.

The following information was originally prepared and published by the Company in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English translation is for your convenience only. If there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version.

3. Revisions to the consolidated earnings forecast for FY12/2022 (January 1, 2022 to December 31, 2022)

| | Revenue | Operating profit | Profit before tax | Profit attributable to owners of the parent | Basic earnings per share |
|--|---------------------------|---------------------------|---------------------------|---|--------------------------|
| Previous forecast (A) (Announced on February 9, 2022) | Millions of yen 12,300 | Millions of yen -4,800 | Millions of yen -4,800 | Millions of yen -5,000 | Yen -56.62 |
| Revised forecast (B) | 12,700 | -4,000 | -4,100 | -3,200 | -36.24 |
| Change (B-A) | +400 | +800 | +700 | +1,800 | - |
| Percentage change (%) | 3.3 | - | - | - | - |
| (Reference) Results for previous fiscal year (FY12/2021) | 20,652 | 3,395 | 3,233 | 2,174 | 24.72 |

4. Reasons for the revisions

Sale of cloud-based software services, which is a key measure of the medium-term management plan, remains unchanged, and the Company expects steady progress to continue from third quarter onward by continuing to focus on acquiring contracts from new clients. In addition, sale of packaged systems went ahead of schedule in the first six months of the current fiscal year, so the Company increased the planned number of sales for the full year. It will also continue to reduce operating expenses. As a result of these factors, the consolidated earnings forecast for the full fiscal year (January 1, 2022 to December 31, 2022) was set at revenue of 12.7 billion yen, operating loss of 4 billion yen, loss before tax of 4.1 billion yen, and loss attributable to owners of the parent of 3.2 billion yen. Please note that, as a result of a close examination in the financial results for the first six months, the Company decided to record a deficit for the current fiscal year as a deferred tax asset and apply tax effect accounting of 0.9 billion yen worth, which is reflected in the forecast announced today.

(NOTE) The above earnings forecast has been prepared based on information available as of the date of publication of the material. Actual results may differ from forecast figures due to various factors in the future.