

2025

Interim Business Report

January 1, 2025 - June 30, 2025

Top message

We would like to express our sincere appreciation for your continued support.

At the Broadleaf Group, we aim to enhance corporate value and contribute to the realization of a sustainable society by putting into practice the principles embodied in our Corporate Philosophy and the meaning behind our company name, together with all of our stakeholders.

During the interim period (January 1 – June 30, 2025), we made steady progress on the key initiatives of our Medium-Term Management Plan (2022–2028)—namely, "Cloud Penetration" and "Service Expansion"—and remain on track to achieve our full-year targets.

In addition, we are advancing the "Grow Leaf Project," an environmental conservation initiative carried out with the participation of our customers and other stakeholders. By joining forces with many who share the project's vision, we are engaging in initiatives that would be difficult to accomplish by individuals or companies alone.

Representative Director and President
Kenji Oyama

September 2025

Second Quarter (Interim) Performance Highlights

Q1 What were the main factors behind the solid performance in this interim period?

The consolidated results for the interim period (January 1 – June 30, 2025) were revenue of JPY 9,819 million, up 16.6% year on year, and operating profit of JPY 771 million, compared with an operating loss of JPY 44 million in the same period of the previous year. Both revenue and operating profit exceeded the forecasts announced on February 7, 2025. Revenue outperformed expectations mainly due to steady customer migration to our cloud software and stronger-than-anticipated demand for PC replacements driven by security enhancements. In addition, the use of generative AI in sales and administrative operations enabled us to review business processes and achieve greater-than-planned cost optimization. As a result, operating profit also exceeded expectations.

Q2 What revisions have been made to the full-year forecast, and what are the reasons for these changes?

In the second half (July 1 – December 31, 2025), demand for PC replacements is expected to remain solid. However, for customers applying IT subsidies to cloud software usage fees, the timing of subsidy disbursement has in some cases delayed the transition to cloud software. Taking this into account, we are maintaining our full-year revenue forecast of JPY 20.1 billion.

On the profit side, reflecting the cost situation through the interim period, we have revised our operating profit forecast upward by JPY 100 million to JPY 1.6 billion (up 137.4% year on year). Net profit attributable to owners of the parent remains unchanged at JPY 1.0 billion (up 191.3%), taking into account financial expenses and other conditions through the interim period.

Q3 Please share a message to the shareholders.

Regarding the migration of customers to our cloud software, while some implementations were postponed due to the timing of IT subsidies, orders have been progressing steadily. In particular, medium- and large-sized enterprise customers have shown strong willingness to shift to cloud environments, and we expect further expansion through implementation support and the provision of additional features.

Having completed the planned deficit phase, we have now entered a new stage of generating profits from this fiscal year. We will continue striving to enhance corporate value by responding swiftly to changes in the business environment, while working toward the successful execution of our Medium-Term Management Plan and the achievement of our performance targets.

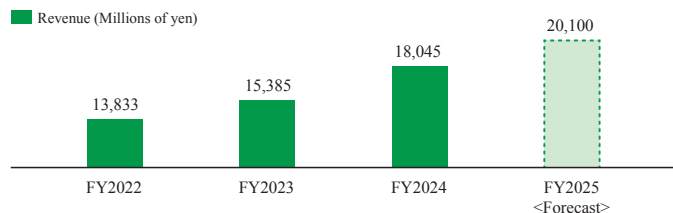
We sincerely ask for the continued support of our shareholders.

Full-year consolidated performance and dividend forecast

Sustained growth in both revenue and profit

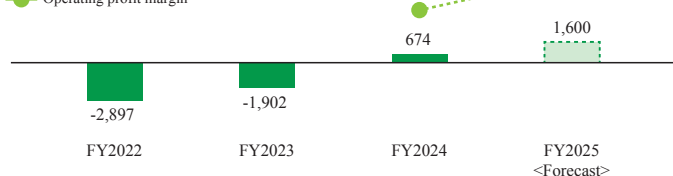
Revenue

■ Revenue (Millions of yen)



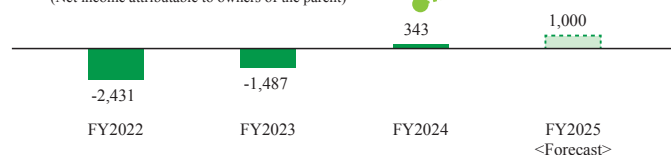
Operating profit and Operating profit margin

■ Operating profit (Millions of yen)
● Operating profit margin



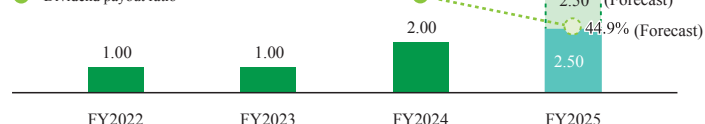
Net income attributable to owners of the parent / Net income ratio (Net income attributable to owners of the parent)

■ Net income attributable to owners of the parent (Millions of yen)
● Net income ratio (Net income attributable to owners of the parent)



Dividend amount / Dividend payout ratio

■ Interim dividend (yen)
■ Year-end dividend (yen)
● Dividend payout ratio





We received the Grand Prize in the “FY2024 Environmental Conservation Activities Awards” from Shinagawa City, Tokyo.



Left: Kenji Oyama, President & CEO, Broadleaf Co., Ltd.
Right: Ms. Kyoko Morisawa, Mayor of Shinagawa City
(at “Ecol Togoshi,” Shinagawa City Environmental Learning and Exchange Center)

Our “Grow Leaf Project” has received the Corporate Grand Prize in the FY2024 Environmental Conservation Activities Awards conducted by Shinagawa City, Tokyo.

The Environmental Conservation Activities Awards recognize companies, organizations, and individuals that have demonstrated outstanding initiatives in areas such as water environment conservation and greening activities. Now in its 18th year, the Grow Leaf Project was honored with the highest award for its contributions to the local community through both environmental conservation and welfare support.

Together with our member companies, we will continue to promote initiatives through the Grow Leaf Project to help protect the global environment.



The Broadleaf Forest established in June 2024



Participated in the “SHINAGAWA HANAKAIDO” Beautification Activity (Sowing of Rape Blossom Seeds)



What is the 'Grow Leaf Project'?

Launched in 2008, the “Grow Leaf Project” is a corporate participation initiative that embodies the aspirations embedded in our company name, aiming to contribute to the global environment in ways that cannot be achieved by a single company alone.

Together with member companies who share our vision, we carry out a variety of activities, including tree-planting through “Present Tree,” a forest restoration project operated by Environmental Relations Research Institute, and hosting the “Satoyama BONSAI Workshop,” which uses broadleaf seedlings cultivated by people with disabilities to create bonsai online.



What is “Present Tree”?

“Present Tree” is a project launched in January 2005 to link forest regeneration with regional revitalization. The initiative involves planting trees in areas such as former development sites, abandoned clear-cut lands, and disaster-affected forests across Japan—locations that have been increasing due to declining birthrates and an aging population. People from the Tokyo metropolitan area become foster parents of these trees and, together with local residents, nurture them as commemorative trees for ten years. Through this process, the project aims not only to restore forests but also to revitalize local communities, becoming foster parents of these trees and nurturing commemorative trees while interacting with local people for 10 years, aiming to invigorate not only the forest but also the community.



Broadleaf's Spirit

Since its founding, Broadleaf has developed and provided optimal products and services that contribute to the continuity of customers' businesses and the creation of businesses in a changing business environment through the implementation of the ideas embodied in our Corporate Philosophy and Company Name.

Corporate Philosophy

Gratitude and Happiness

Based on the spirit of “gratitude and happiness,” we will develop business applications specializing in a wide range of sectors and industries, and contribute to the creation of our clients' businesses by providing better products and services.



Origin of our name

Broadleaf means just what it says – a broad leaf.

Broad leaves bathe in sunlight during spring and summer so that they can grow. In winter, the leaves and fruit fall from the tree and return to the ground as nutrients. This cycle creates a broader field in which a range of different plants and animals can live together.

We chose the name Broadleaf because we wanted to put down roots as a broadleaf tree in the land of business, so that we can grow countless more leaves, produce fruit and keep on growing in the future, hand in hand with our clients and everyone else.