



2Q FY12/2020

(from January 1, 2020 to June 30, 2020)

Business Results Briefing

August 7, 2020



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- Good morning, everyone. My name is Kenji Oyama, Representative Director, President and CEO of Broadleaf.
- Thank you for participating in Broadleaf's online business results briefing for the second quarter of the fiscal year ending December 2020.

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* Financial figures indicated in this material are based on consolidated accounting to which International Financial Reporting Standards (IFRS) are applied. The indicated figures are rounded off.

- I would now like to proceed according to the table of contents shown on page 1.
- I would like to start with an overview of second quarter business results, on page 3.

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Negotiations were prolonged overall because many customers were unaccustomed to online negotiations. As a result, about 0.9 billion yen slid into 2H. In addition, about 0.1 billion yen was generated from frozen deals due to the deterioration of the business outlook. Therefore, the sales fell short of the target by about 1 billion yen in total.

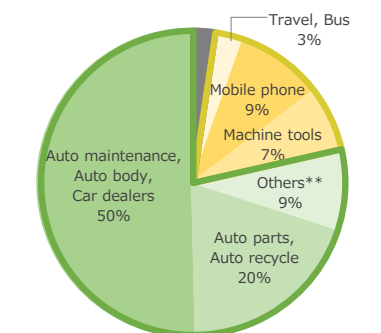
Market conditions	Automotive	The business management environment is relatively stable thanks to demand for car inspection and legal inspection, which are resistant to the effects of the economy. The deadline for car inspection was delayed until July 1. Customers became busy since June, after the state of emergency was lifted.
	Non-automotive	The severe business management environment continues in the travel industry and the tourist bus industry.
	OTRS	Manufacturing industry, the main purchaser of OTRS, continues to be passive in investments to cut costs.
Orders received/Sales	The Company has shifted from face-to-face sales activities to online sales activities since late March. As a result, negotiations tend to be protracted. Consequently, about 0.9 billion yen slid into 2H. In addition, about 0.1 billion yen was generated from frozen deals, making sales fall short of the target by about 1 billion yen in total.	
Expenses/Investment	Expenses were controlled due to a reduction in advertising expenses and restrictions on sales activities. Although cloud software development is generally progressing as planned, the product launch timing was reviewed strategically.	
Financial activities/ Credit limit	Borrowed 1.7 billion yen in February as scheduled at the beginning of the period. Despite the seasonality, working capital was secured. It is unlikely that a loss exceeding a provision for loss will be generated.	

- I would like to discuss the impact of COVID-19.
- Face-to-face sales activities are the primary sales method so, while we made efforts in terms of the use of online sales activities, a large portion of our customers were unaccustomed to the online format, leading to prolonged negotiations overall.
- Regarding the first half of the fiscal year, approximately 900 million yen in sales slid into the second half of the fiscal year. Additionally, approximately 100 million yen was generated from frozen deals, etc., due to the deterioration of the business outlook, etc.
- Sales fell short of the target by about 1 billion yen in total.
- However, while the negotiation dates for these frozen deals remain undecided, the 900 million yen that slid into the second half of the fiscal year corresponds to active sales prospects and does not constitute lost business, so we will be continuing negotiations.
- Conditions of each markets are the following. Regarding OTRS - an operation efficiency software for the manufacturing industry - and others, manufacturing plants suspended operations, leading to an increase in the number of frozen deals.
- Additionally, regarding travel systems for the tourism industry, the tourism industry has been severely affected by COVID-19 and this translated into a very difficult situation during the months of April and May, with almost the entirety of unachieved sales frozen.
- While we have suffered the negative impacts, we continued seeing an increase in recurring monthly revenue. In addition, we have not seen a decrease in the number of customers.
- Next, I would like to discuss the impact by industry in some detail, on page 4.

About 0.9 billion yen slid into 2H, mainly deals in automotive industry, machine tools dealers, and mobile phone distributors. About 0.1 billion yen were frozen, mainly deals in travel agencies, bus operators, and OTRS (manufacturing industry). Similar trend is expected to continue in 2H.

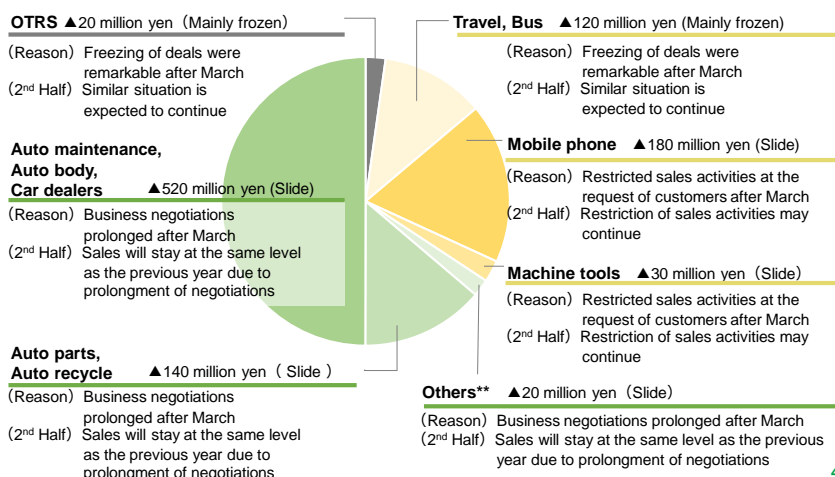
Sales composition by industry*

Automotive 79% Non-automotive 19% OTRS 2%



* 1st Half Sales Forecast Composition (Software and Equipment)
 **Auto glass, Auto electrical equipment and radiator

Amount of impact (1.03 billion yen) and breakdown by industry

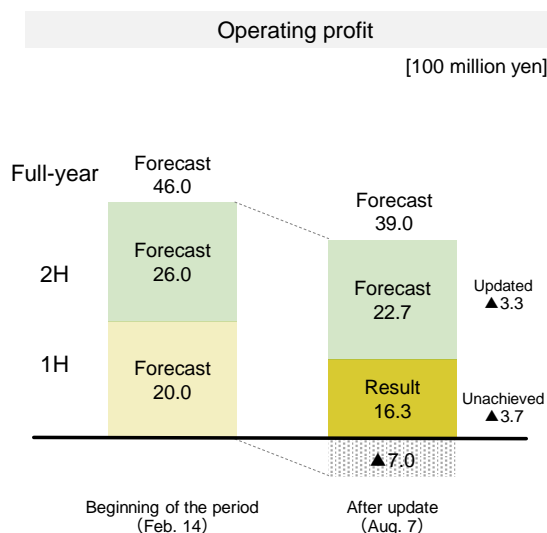
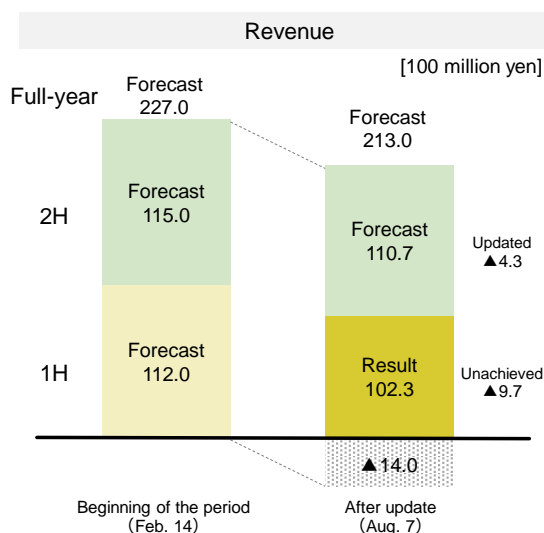


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- 900 million yen slid into the second half of the fiscal year, mainly in deals associated with the automotive and non-automotive categories (machine tools dealers and mobile phone distributors).
- The sales composition by industry is shown on the left
- The pie chart on the right shows the impact and major unachieved factors for deals of each industry. There was an impact of 1.03 billion yen in total.
- Our customers' customers in industries seeking to implement social distancing - for example, mobile phone distributors - have requested our sales people refrain from visiting, and approximately 180 million yen in mobile phone systems slid into the second half of FY2020.
- Since auto maintenance, auto body and car sales industry represents a large share of the sales composition, the impact appears to be a large amount. However, these are deals that slid into the second half of the financial year, and taking into account the overall composition, we have successfully generated sales using an approach not requiring face-to-face meetings.
- Regarding COVID-19, we were seeing a recovery trend of starting around June, but unfortunately there has been a resurgence in COVID-19 cases nationwide.
- Even against this backdrop, we continue steadily carrying out operations and carrying out activities in order to realize sales.
- Next, I would like to discuss the results for the first half of the fiscal year and the full-year forecasts, on page 5.

Under the unpredictable external environment, the forecasts of the 2H have been updated from the forecasts at the beginning of the period due to delay in the starting of business negotiations and the prolonged time used to conclude the negotiations.

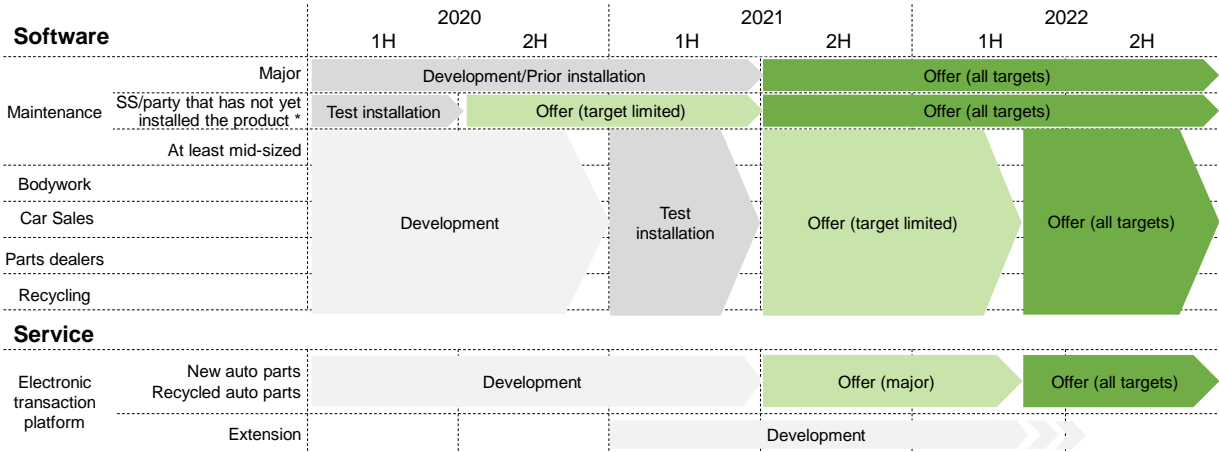


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- Face-to-face sales activities are extremely difficult given the current circumstances, so we have been making efforts to shift to online sales activities. However, we had to suspend sales activities for approximately two months, which influenced the business results.
- Trend of avoidance of face-to-face sales activities and prolonged business negotiations are expected to continue in the second half of the financial year, so we updated the results forecast for the second half of the fiscal year, lower by 430 million yen.
- We will continue rebuilding our sales structure and staging a recovery through the use of sales methods including online sales methods.
- Next, I would like to discuss the release plan for cloud software and service, on page 6.

The Company introduced software in advance to major customers (car inspection chains and car accessories shops) who hold the key to the early popularization of the cloud software. Simultaneously it will offer software to diverse industries in 2021, and the electronic transaction platform is scheduled for operation sequentially.



* SS means gas station. A party who has not yet installed the product is an operator who has not yet installed business software.
Note: The schedule may change due to the external environment.

- Investment in cloud software development has for the most part progressed according to plan. On the other hand, we have decided to carefully determine the release period.
- We had originally planned to release cloud services simultaneously for maintenance, bodywork, car sales, parts dealers system and recycling. However, we will be taking COVID-19 and adjust slightly the timing of the start of our campaigns and of sales.
- Broadleaf has already introduced software to a select number of major customers, who use it in their stores. Regarding the large scale network linkage, though, this requires installation, etc., so we would like to carry out the introduction at the correct moment.
- Regarding the service station (SS) version of our cloud-based business software, we would like to offer this service either during August or in early September.
- Regarding Broadleaf's electronic transaction platform for auto parts, etc., we will be aiming to offer this service in the first half of 2021 - as a next-generation service.
- We had originally announced a launch date in January, however, we would like to assess the impact of the COVID-19 pandemic and adjust the release date.
- The release and development plan for the products themselves are progressing according to plan.
- Next, I would like to give you an overview of second quarter consolidated business results, on page 8.

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Revenue and profit decreased due to prolonged business negotiations under the influence of the spread of COVID-19

(¥ million)	FY2020 1H	FY2019 1H	YoY change	YoY ratio
Revenue	10,232	11,072	-840	-7.6%
Operating profit	1,628	2,080	-452	-21.7%
Profit before tax	1,614	2,075	-461	-22.2%
Profit attributable to owners of parent	1,066	1,361	-296	-21.7%
Basic earnings per share	¥12.18	¥15.59	-	-

- The number of software sales dropped compared to previous year due to prolonged negotiation periods.
- Revenue stood at 10.232 billion yen in the first half of the fiscal year, a year-on-year decrease of 840 million yen. Operating profit stood at 1.628 billion yen in the first half of the fiscal year, a year-on-year decrease of 452 million yen. Profit attributable to owners of parent stood at 1.066 billion yen, a year-on-year decrease of approximately 296 million yen.
- Next, I would like to discuss revenue by category, on page 9.

Sales of platforms and applications both decreased due to drop in the number of sales of software led by prolonged business negotiations

(¥ million)	FY2020 1H	FY2019 1H	YoY change	YoY ratio
Platforms	4,872	4,948	-76	-1.5%
Basic	3,600	3,717	-117	-3.1%
EDI/Payment settlement	439	455	-15	-3.4%
Support	761	706	+55	+7.7%
Others	72	70	+1	+2.0%
Applications	5,360	6,123	-763	-12.5%
By industry	4,165	5,173	-1,008	-19.5%
OTRS	132	208	-76	-36.6%
Others	1,064	743	+321	+43.2%
Total	10,232	11,072	-840	-7.6%

- Revenue from platforms moves proportionally to revenue from software, and the revenue stood at 4.872 billion yen, year on year decrease of 76 million yen.
- Revenue from the category of Basic stood at 3.6 billion yen, year on year decrease of 117 million yen.
- EDI and Payment Settlement revenue stood at an overall figure of 439 million yen, a year-on-year decrease of 15 million yen.
- Support revenue stood at 761 million yen, a year-on-year increase of 55 million yen. We strengthened our efforts to increase enrollments in the support service, leading to an increase in revenue. We expect support revenue to continue growing over time.
- Next is revenue from applications, from the sale of actual software, which stood at 5.36 billion yen, a year-on-year decrease of 763 million yen.
- Revenue from the category of By industry stood at 4.165 billion yen, a year-on-year decrease of 1.008 billion yen.
- Revenue associated with OTRS stood at 132 million yen, a year-on-year decrease of 76 million yen.
- In revenue from the category of Others, we registered the sale of equipment, etc. and the revenue stood at 1.064 billion yen, a year-on-year decrease of 321 million yen. However, this wasn't restricted solely to the sale of equipment, as products like inventory management through RFID - which we are developing at Broadleaf - were very well received. RFID for mobile phone distributors and printers, etc., made a sales contribution.
- We would like to further strengthen these sales efforts going forward.
- Next, I would like to discuss details on breakdown of platform sales, on page 10.

While monthly sales steadily increased, basic lump-sum sales which is linked to the number of software sales decreased

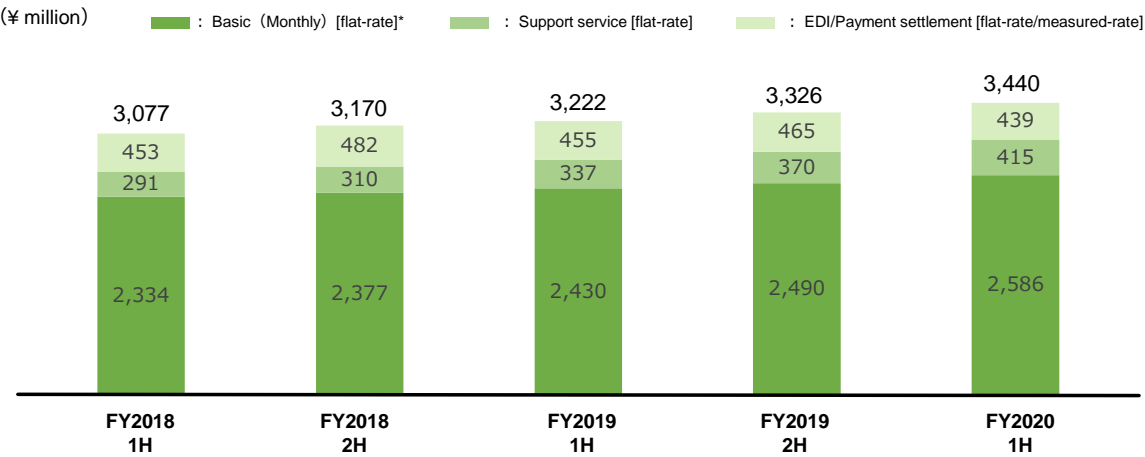
(¥ million)		FY2020 1H	FY2019 1H	YoY change	YoY ratio
Basic		3,600	3,717	-117	-3.1%
PaaS/SaaS		2,490	2,682	-193	-7.2%
	lump-sum	1,014	1,287	-273	-21.2%
	monthly	1,475	1,395	+80	+5.7%
IaaS	monthly	1,110	1,035	+76	+7.3%
EDI / Payment settlement		439	455	-15	-3.4%
PSF *	monthly	269	299	-30	-10.0%
BLP/CPT *	monthly	170	155	+14	+9.3%
Support		761	706	+55	+7.7%
Support service	monthly	415	337	+78	+23.0%
Provision of consumables	lump-sum	346	369	-23	-6.3%
Others	-	72	70	+1	+2.0%
Total		4,872	4,948	-76	-1.5%

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- Regarding Basic, lump-sum revenue within PaaS/SaaS was affected by the number of software sales, leading to a decrease in revenue.
- Meanwhile, revenue associated with monthly contracts progressed according to plan, registering steady year-on-year increase.
- PSF revenue comes from payment settlement fee for the trading of recycled auto parts. As such, we saw a reduction in trading volume at PSF due to market conditions and the impact of COVID-19, and also because very few cars were sold during this period.
- For EDI and Payment Settlement revenue, we registered an increase in revenue for BLP and CPT, which are new electronic data interchange systems we have been promoting, and which have been able to continuously grow revenue.
- Regarding Support service monthly revenue, an improvement in the contract ratio has led to a continued increase in revenue.
- In terms of Provision of consumables revenue, the provision of consumables refers to photocopier paper and other consumables ancillary to our products. This category was slightly affected by business conditions.
- Next, I would like to discuss the transition of monthly sales, on page 11.

Sales of ancillary service (Basic/Support service) remained firm regardless of the environment due to increase in the number of software users.
Sales of EDI/Payment settlement struggled influenced by the environment of recycled auto parts market.



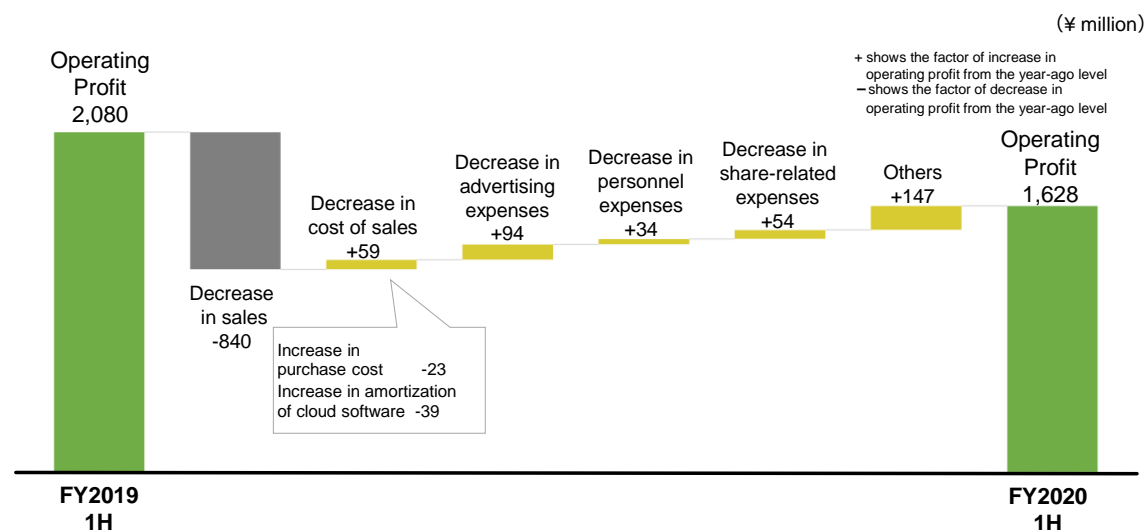
- This is the half-yearly transition of monthly sales.
- The number of software users continues on an upward trend.
Consequently, sale of ancillary services remained firm regardless of the environment.
- Transaction fees from trading of recycled auto parts struggled affected by the market environment.
- Basic sales continued increasing thanks to an increase in the number of users.
Consequently, monthly contracts for our ancillary services also continue growing.
- Next, I would like to discuss details on breakdown of application sales, on page 12.

Sales were largely influenced by decrease in software sales due to prolonged business negotiations.
In non-automotive sector and OTRS, the original pool of deals were small and some of the deals were cancelled.

(¥ million)	FY2020 1H	FY2019 1H	YoY change	YoY ratio
By industry	4,165	5,173	-1,008	-19.5%
Automotive	3,606	4,387	-781	-17.8%
Non-automotive	559	786	-227	-28.9%
OTRS	132	208	-76	-36.6%
Others	1,064	743	+321	+43.2%
Total	5,360	6,123	-763	-12.5%

- Application Sales received the full brunt of the impact of the decrease in software sales.
- Automotive revenue decreased by 781 million yen year-on-year and stood at 3.606 billion yen. Non-automotive revenue decreased by 227 million yen year-on-year and stood at 559 million yen.
- For Non-automotive revenue, the small number of deals of contract renewal for existing customers were also a factor in the decrease in revenue.
- Revenue from Others corresponds to the sale of RFID equipment, etc. for mobile phone distributors. This product will be introduced nationwide at stores belonging to a large mobile phone distributor.
- Next, I will discuss the breakdown of operating profit, on page 13.

Decline in cost of sales was limited due to increase in sales of equipment and amortization expense.
Reduced costs including advertising expense and operating expense but failed to complement the impact.



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- The decrease in cost of sales was limited, due to an increase in purchase cost caused by an increase in sales of equipment and to an increase in amortization expenses related to cloud software.
- On the other hand, we registered a decrease in advertising expenses, due to the cancellation of large-scale trade shows, etc., as a result of COVID-19.
- Additionally, we registered a decrease in overtime work, etc., derived from an increase in the telework ratio. This led to a decrease in personnel expenses.
- We also registered a decrease in share-related expenses, expenses associated with sales activities, and miscellaneous expenses. Overall, we registered a decrease in SG&A expenses of 345 million yen.
- Consequently, we registered a year-on-year decrease in operating profit of 452 million yen during the first half of the fiscal year.
- Next, I would like to discuss the balance sheet, on page 14.

No significant changes other than increase in intangible assets gained by cloud software development investment and borrowing from the bank.

(¥ million)	FY2020 End of 1H	End of FY2019	YoY change	Main factors of increase/decrease
Current assets	7,934	7,987	-53	Decrease in cash and deposits -208 Increase in operating and other receivables +158
Non-current assets	24,157	23,702	+455	Increase in intangible assets +728
Total assets	32,091	31,689	+402	
Current liabilities	7,031	7,100	-69	Decrease in operating and other payables -466 Increase in short-term interest-bearing debt +987
Non-current liabilities	1,303	1,369	-66	Decrease in long-term interest-bearing debt -66
Total liabilities	8,334	8,469	-135	
Total shareholders' equity	23,757	23,220	+537	Recognition of profit +1,066 Dividend payout -568
Total liabilities and shareholders' equity	32,091	31,689	+402	

- In terms of assets, while we took a bank loan, the payment of dividends and taxes led to a decrease in cash and deposits.
- We registered an increase in intangible assets as a result of continuing cloud software development.
- In terms of liabilities, we registered an increase in short-term interest-bearing debt resulting from bank loans. On the other hand, we registered a decrease in long-term interest-bearing debt.
- Total shareholders' equity increased after the recognition of profit.
- Next, I would like to give you an overview of cash flow, on page 15.

Cash deposit balance remained stable due to investment control and borrowing from the bank.

(¥ million)	FY2020 1H	FY2019 1H	YoY change	Main factors of increase/decrease
Cash flow from operating activities	1,100	898	+202	Decrease in operating and other receivables +569 Decrease in operating and other payables -574 Decrease in income taxes paid +345
Cash flow from investing activities	-1,284	-2,039	+755	Decrease in acquisition of intangible assets +419 Decrease in acquisition of investment +1,048
Cash flow from financing activities	-23	-1,324	+1,300	Increase in short-term debt +1,001
Free cash flow	-184	-1,140	+956	
Cash and cash equivalents	2,826	3,153	-327	

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- We registered a year-on-year increase in cash flow from operating activities, resulting from a decrease in income taxes paid, etc.
- We continued cloud software development, but a decrease in the investment amount led to a decrease in expenditures and consequently to a decrease in cash flow from investing activities.
- In terms of cash flow from financing activities, we registered an increase in revenue from bank loans, etc.
- Free cash flow increased by 956 million yen, year-on-year.
- Next, I would like to discuss the results forecast for the fiscal year 2020, on page 17.

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Under the unpredictable external environment, the forecasts of the 2H of FY2020 has been updated from the forecasts at the beginning of the period due to delay in the starting of business negotiations and prolongment in time used to conclude the negotiations.

(¥ million)	FY2020 Full-year forecast	FY2019 Full-year	YoY change	YoY (ratio)	FY2020 2H forecast	FY2019 2H	YoY change	YoY ratio
Revenue	21,300	22,586	-1,286	-5.7%	11,068	11,514	-446	-3.9%
Operating profit	3,900	4,525	-625	-13.8%	2,272	2,445	-173	-7.1%
Profit before tax	3,900	4,486	-586	-13.1%	2,286	2,410	-125	-5.2%
Profit attributable to owners of parent	2,700	3,093	-393	-12.7%	1,634	1,732	-97	-5.6%
Basic earnings per share	¥30.87	¥35.40	-	-	-	-	-	-

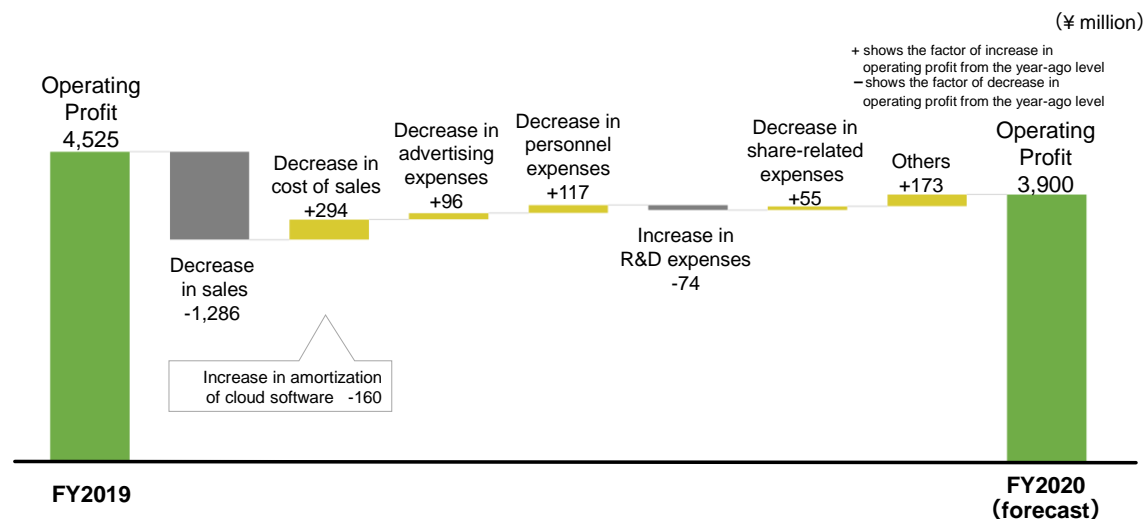
- As I mentioned in the summary, regarding clients in the automotive sector, while we have prospective deals, we are also making use of online negotiations according to the client's circumstances. We believe we will continue seeing prolonged time periods necessary to conclude negotiations.
- Additionally, within clients in the non-automotive sector, we forecast continued frozen deals in some industries.
- After assessing these factors, we believe we will also see a year-on-year reduction in revenue and profits during the second half of the fiscal year.
- Next, I would like to discuss sales forecasts by revenue category, on page 18.

Sales of Platforms will be influenced by drop in lump-sum sales which is linked to the number of software sales. Sales of Applications is expected to decrease due to drop in software sales caused by prolonged business negotiations and frozen negotiations.

(¥ million)	FY2020 Full-year forecast	FY2019 Full-year	YoY change	YoY ratio	FY2020 2H forecast	FY2019 2H	YoY change	YoY ratio
Platforms	10,100	10,192	-92	-0.9%	5,228	5,244	-16	-0.3%
Basic	7,600	7,654	-54	-0.7%	4,000	3,937	+62	+1.6%
EDI/Payment settlement	850	920	-70	-7.6%	411	465	-54	-11.7%
Support	1,500	1,478	+22	+1.5%	739	771	-32	-4.2%
Others	150	140	+10	+6.9%	78	70	+8	+11.9%
Applications	11,200	12,394	-1,194	-9.6%	5,840	6,270	-430	-6.9%
By industry	9,200	10,448	-1,248	-11.9%	5,035	5,275	-240	-4.5%
OTRS	200	338	-138	-40.8%	68	130	-62	-47.6%
Others	1,800	1,608	+192	+12.0%	736	865	-129	-14.9%
Total	21,300	22,586	-1,286	-5.7%	11,068	11,514	-446	-3.9%

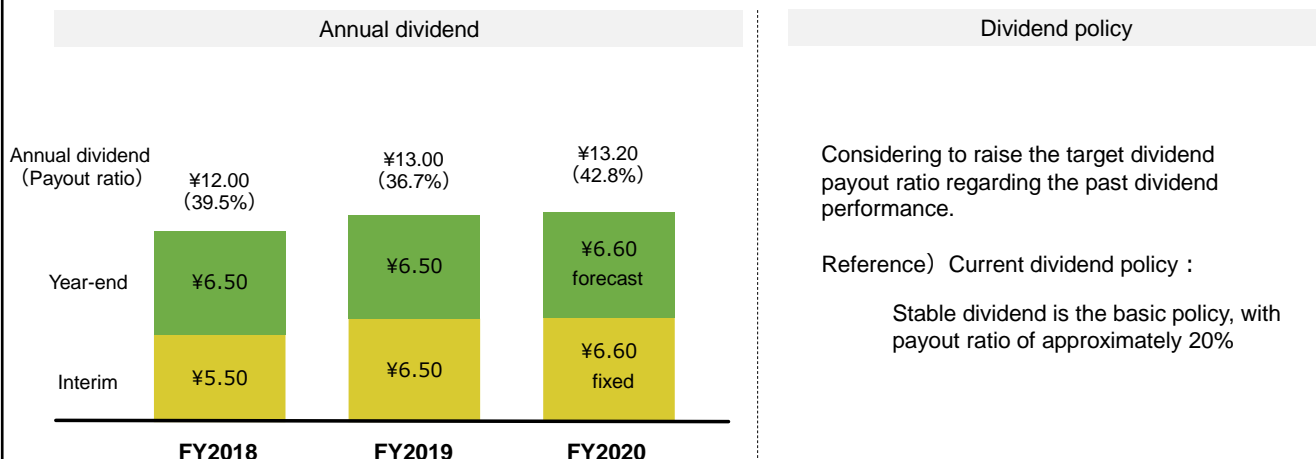
- Regarding the number of software sales in the second half of the fiscal year, a number of sales will slide from the first half of the fiscal year, so a sales pipeline is in place. On the other hand, we have taken into account delays in business negotiations and the prolongment in time used to conclude negotiations.
- Regarding the revenue from platforms forecast for the full fiscal year, we expect steady monthly sales thanks to an increase in the number of software users. However, taking into account a predicted drop in lump-sum sales linked to the number of software sales, we are forecasting a decrease in revenue.
- While we forecast a revenue increase in the automotive category, we believe the non-automotive category will continue to struggle, so we forecast an overall revenue decrease in the by industry application category.
- Regarding OTRS, we expect delays and frozen deals resulting from exogenous factors to continue.
- Taking these factors into account, we are forecasting a decrease in revenue from applications for the full fiscal year.
- Next, I would like to discuss the breakdown of operating profit, on page 19.

While continuing R&D expenses on new service, optimize operating and personnel expenses by increasing telework ratio, and promote reduction of general expenses. Still, complementation of the decrease in revenue is expected to be difficult.



- Also in terms of cost, we have updated the forecast for the second half of the fiscal year, to reflect the results up until the end of the first half of the fiscal year.
- We expect an increase in the amortization of software as a result of the release of our cloud software, etc.
- Additionally, we registered an increase in equipment sales, so the decrease in the cost of goods purchased was less pronounced than the revenue decrease. As a result, the decrease in the cost of sales was limited.
- In terms of SG&A expenses, we forecast a decrease in personnel expenses by increasing the telework ratio. Additionally, we expect a continuation of the trend toward a reduction in operating and general expenses.
- Next, I would like to discuss the topic of dividends, on page 20.

The interim dividend of ¥6.60 will be paid as planned,
no change year-end dividend forecast of ¥6.60, planning to continue increasing annual dividend



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- The interim dividend of 6.6 yen per share for fiscal year 2020 will be paid as planned.
- While we have updated our results forecast, the payment of a stable dividend is Broadleaf's basic policy so the year-end dividend forecast remains unchanged at 6.6 yen per share.
- Consequently, the annual dividend forecast remains unchanged at 13.2 yen per share.
- Current dividend policy was formulated at the time of the company's listing in 2013. However, we are considering raising the dividend payout ratio.
- Next, I would like to discuss the topic of anti-COVID-19 measures, on page 22.

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Assuming that society will continue to live with COVID-19, the Company will pursue initiatives to secure the safety of customers, business partners, and employees.

Workstyle

- Control the coming-to-work rate using a system of rotation (a weekly average of less than 50%) and use staggered work hours.
- Prohibit employees from coming to work if they do not feel well or have symptoms such as a fever or a cough.

Office use/Meeting

- Meetings are held on web. When employees must hold a meeting face-to-face, avoid crowding by using a spacious meeting room, where seats are spaced out and employees take a seat from one side to the other and sit face-to-face.
- Ensure that masks are worn, hands are regularly washed, and social distancing is maintained.

Visitation/Sales activities

- Raise the online response ratio by directing customer inquiries to the Company's call center.
- Take basic preventive measures, such as wearing a mask, and observe the rules set by places that employees are visiting.
- Install the COVID-19 Contact Confirming Application (COCOA) on the smartphones used by employees at work.

- We are carrying out anti-COVID-19 measures assuming that society will continue to live with COVID-19 and are pursuing initiatives to secure the safety of customers, business partners and employees.
- In terms of workstyle, even after the lifting of the emergency declaration, we continue using staggered work hours to avoid peak times and control the coming-to-work rate by using a system of rotation to achieve a weekly average coming-to-work rate of less than 50%.
- In terms of sales activities, by concentrating into our call centers enquiries that can be answered remotely, we are increasing the proportion of enquiries that are dealt with online at each of our sales offices nationwide.
- Additionally, we have installed a COVID-19 contact tracing app on smartphones provided by the company for business use. This allows for an early warning in case of contact with an infected person and through this, we are doing our part in containing the virus.
- We allocated up to 10 million yen in expenses related to anti-COVID-19 measures.
- Next, I would like to discuss support measures toward customers affected by the heavy rainfall in July 2020, on page 23.

To pursue recovery and restoration efforts for damage caused by the downpour that continued across Kyushu as quickly as possible, the Company supported customers in terms of funds, IT infrastructure, and activities.

Finance

- Made a consolation payment depending on the level of damage.
- Temporarily suspended the billing of running expenses for business software.

IT infrastructure

- Lent portable Wi-Fi for free when the Internet environment was needed.

Support

- Confirmed the safety and damage situation through the Company's call center and functioned as a consultation contact.
- Upheld employees' volunteer activities and activity support (bearing the cost of volunteer insurance, providing a means of transportation)

- The downpour that continued across the entire Kyushu region in July gave considerable damage to customers. Broadleaf offered support toward the recovery and restoration efforts.
- We have made a consideration payment in proportion to the level of damage and temporarily suspended the billing of monthly running expenses for business software.
- We also lent portable wi-fi units for free whenever an Internet environment was needed.
- We confirmed the safety and damage situation through Broadleaf's call center, which also functioned as a consultation contact.
- Natural disasters like these are becoming more frequent in recent years. Broadleaf would like to continue offering support to customers and business partners affected by natural disasters, towards a speedy business recovery.
- This concludes my presentation. Thank you for listening.

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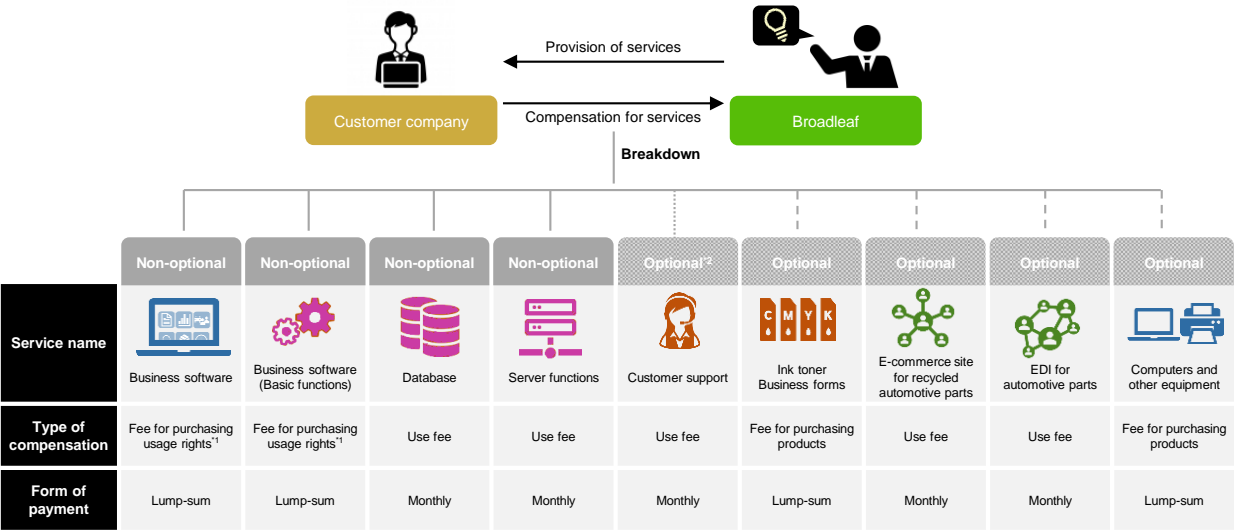
Appendix Company Profile, Revenue Categories

Corporate Name	Broadleaf Co., Ltd.
Representative	Kenji Oyama, Representative Director, President and CEO
Listed on	Listed on the First Section of the Tokyo Stock Exchange on March 22, 2013 (3673)
Industry	Information and communication industry
Founded/Established	December 2005/September 2009
Capital Stock	JPY 7,148 million (consolidated)
Fiscal Year	From January 1 st to December 31 st
Business Outline	<p>The Company offers a wide range of IT services, including its independently developed business software.</p> <p>In addition to provision of business software that serves as core business systems, mainly for business operators belonging to the automotive aftermarket sector, the Company provides diverse, unique one-stop services, including electronic trading network for auto parts and big data analysis.</p> <p>In addition, looking ahead to the evolution of the mobility society going forward, it has been conducting surveys and research for the commercialization of advanced technologies.</p>
Head Office Address	Floor 8, Glass Cube Shinagawa, 4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Sales Offices	29 offices in Japan
Development Centers	3 centers in Japan (Sapporo, Tokyo and Fukuoka)
Main Subsidiaries	Tajima Inc.

Revenue Categories (1)

Types of Service

For a customer company, the Company provides multiple services, including business software, as a single package.



^{*1} Usage rights valid for a maximum of 6 years

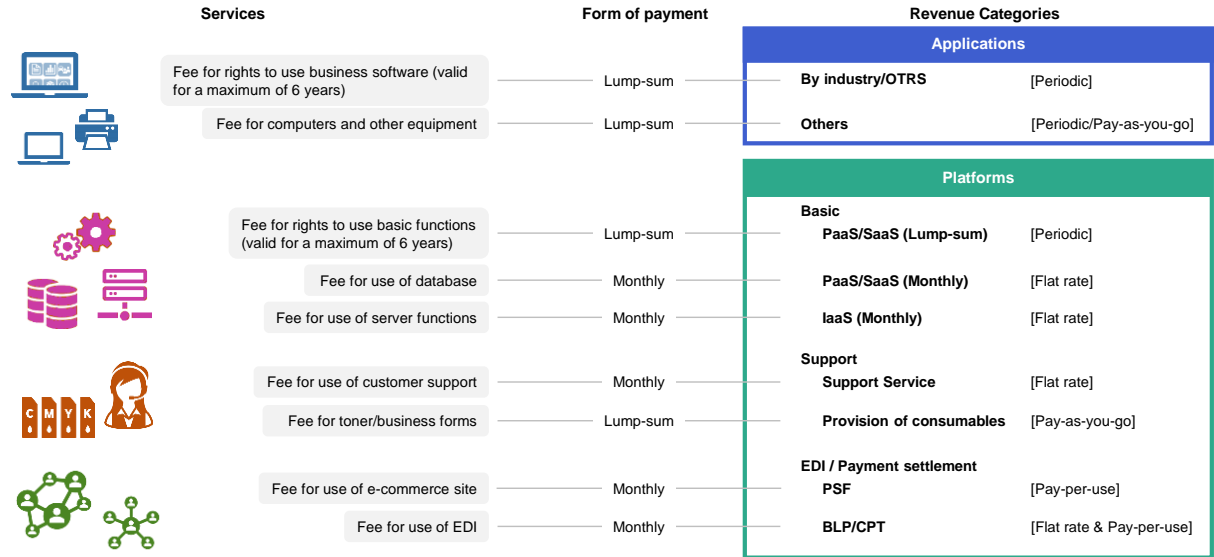
^{*2} Measures for improving the contract ratio were strengthened in the second half of 2019.

Note: The range of services to be provided differs according to the type of business of customer company.

Revenue Categories (2)

Correspondence Relationship with Revenue Categories

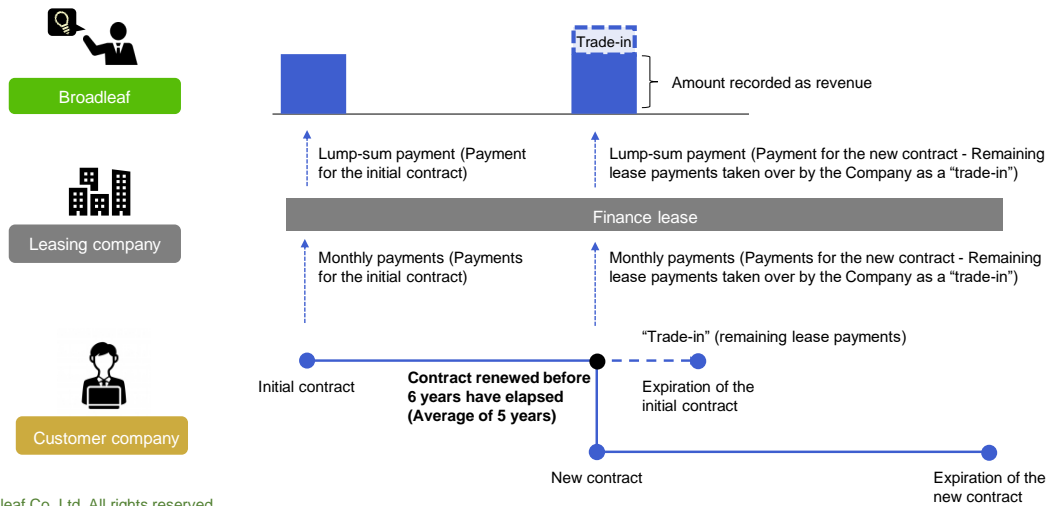
The form of payment differs according to the type of service. The correspondence relationship between the type of service and revenue categories is as indicated below.



Revenue Categories (3) Contract Renewal Timing

Most customer companies choose a lease contract. There are cases where the Company takes over the remaining lease payments as a “trade-in” before the expiration of the software lease period.

In the case of a 6-year contract



Disclaimer

Results forecasts and future predictions provided in this document are the Company's judgment based on the information available as of the time of preparation of the document and contain potential risks and uncertainties.

Accordingly, please understand that the actual results may differ from the results forecasts provided here.

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