2Q FY12/26

Business Results Briefing Material

Broadleaf Co., Ltd.

Aug 12, 2026

Contents

Consolidated (IFRS)
Amounts are rounded to the nearest unit. Amount and percentage changes are calculated based on figures before rounding.

Financial Results for the 2Q and Full-Year Forecast

Summary of Financial Results

- **Customer IT investment appetite remains strong, while cloud migration continues to progress steadily. First-half results exceeded the initial plan*, with revenue and operating profit exceeding the plan by 3.7% and 34.3%, respectively.**
- **In the second half, we expect to maintain the momentum of cloud migration among large and mid-sized customers. Together with price revisions in response to the economic environment and other measures, we expect to achieve our full-year earnings forecast.**

2Q FY12/26 (Interim)

- **Cloud migration is progressing steadily**

  Cloud migration for existing customers in the mobility sector progressed as planned.

  (Software service revenue: 6,682 million yen / YoY +31.6%)

- **Sales to non-mobility customers increased**

  Packaged software sales exceeded the plan.

Revenue	Operating profit
10,781 million yen (YoY +9.8%)	**1,477 million yen** (YoY +91.5%)

FY12/2026 Full Year

- **Continuing progress in cloud migration**

  Smooth migration among existing customers is expected to continue in the second half.

- **Price revision scheduled**

  (expected FY2026 revenue contribution: 160 million yen)

  In light of rising procurement and operating costs associated with service provision, monthly support fees for the ".NS Series" packaged software will be increased by an average of 21% effective September 2026.

Revenue	Operating profit
23,800 million yen (YoY change +14.3%)	**4,800 million yen** (YoY change +132.7%)

*Announced on February 12, 2026 (Revenue 10,400 million yen, Operating profit 1,100 million yen)

Consolidated Results for 2Q (Interim)

Revenue and profit increased year on year, driven by customer cloud migration progressing as planned

(Millions of yen)	**FY2026 Interim**	FY2025 Interim	YoY Change	YoY Ratio
Revenue	**10,781**	9,819	+962	+9.8%
Cost of sales	**3,390**	3,448	-59	-1.7%
Gross profit	**7,392**	6,371	+1,021	+16.0%
SG&A expenses, etc.	**5,915**	5,600	+315	+5.6%
Operating profit	**1,477**	771	+706	+91.5%
Interim profit before tax	**1,392**	600	+793	+132.1%
Profit attributable to owners of the parent	**1,001**	417	+585	+140.3%
Basic interim earnings per share*	**5.54 yen**	2.32 yen	-	-

*A two-for-one stock split was conducted effective July 1, 2026; all figures shown are presented on a post-split basis.

Sales by Service Category

Promoting migration to high-value-added cloud services as packaged system contracts expire

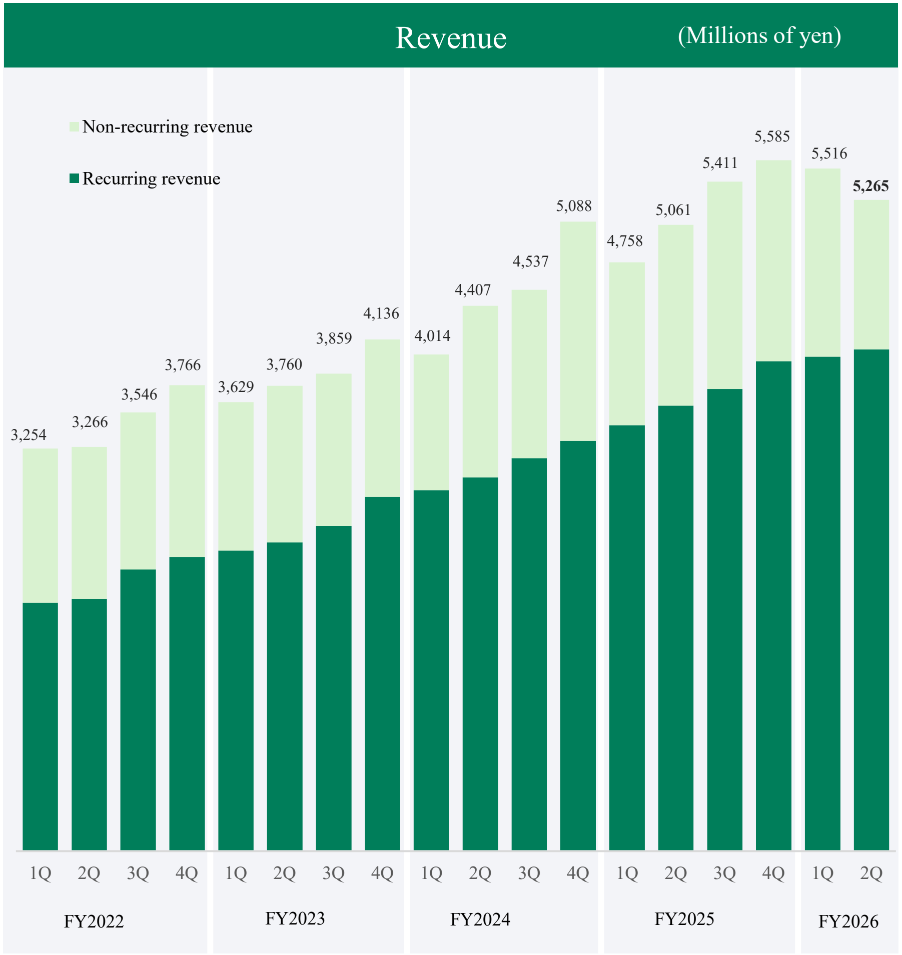
(Millions of yen)	**FY2026 Interim**	FY2025 Interim	YoY Change	YoY Ratio
Cloud services	**6,923**	5,336	+1,587	+29.7%
Software services	**6,682**	5,076	+1,606	+31.6%
Software	**5,959**	4,465	+1,494	+33.5%
Maintenance contract	**394**	295	+99	+33.4%
Initial setup	**329**	316	+14	+4.3%
Marketplace	**241**	260	-20	-7.5%
Packaged system	**2,541**	3,002	-460	-15.3%
Software sales	**844**	719	+125	+17.4%
Operation and support service	**1,698**	2,283	-585	-25.6%
Others	**1,317**	1,481	-165	-11.1%
Hardware	**989**	1,142	-153	-13.4%
Supply	**328**	340	-12	-3.5%
Total	**10,781**	9,819	+962	+9.8%

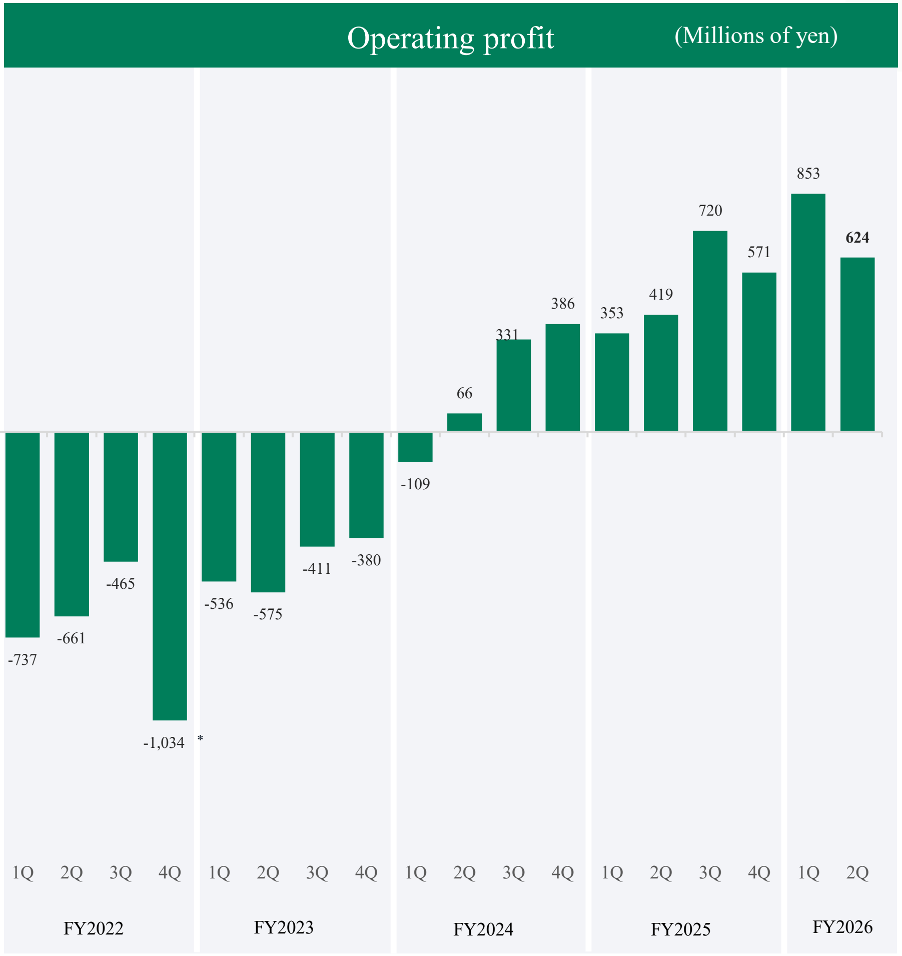
Recurring revenue*	**8,051**	7,044	+1,007	+14.3%
Recurring revenue ratio	**74.7%**	71.7%	-	-

*Recurring revenue: Total of software, maintenance contract cost, and operation and support service for software services

Quarterly Business Results

Recurring revenue increased for the 18th consecutive quarter
Q2 operating profit decreased quarter on quarter, mainly due to lower non-recurring revenue



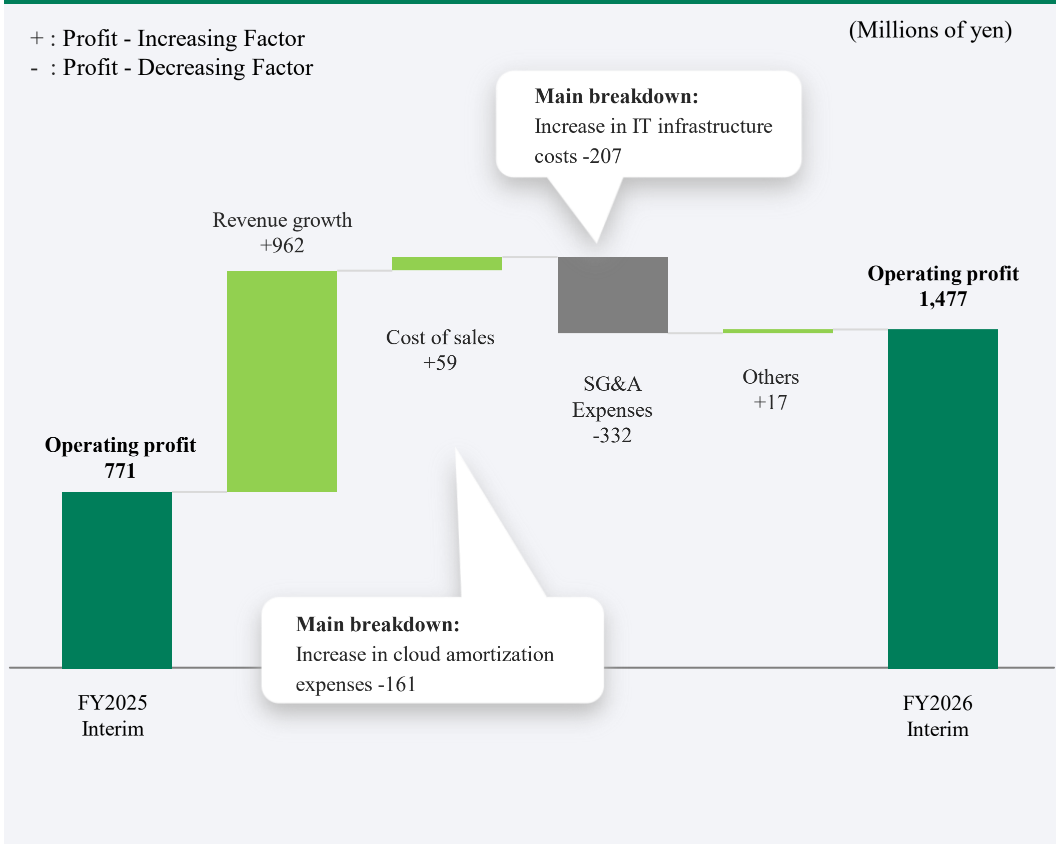


* In Q4 FY2022, impairment of subsidiary goodwill was recorded (-615 million yen)

Breakdown of Major Cost Changes

Continued investment in functionality and performance enhancements alongside ongoing customer cloud migration

Breakdown of Changes in Operating Profit



Cost of sales

- Cloud amortization expenses increased due to continued enhancements to cloud software functionality.
- Outsourcing costs decreased as the initial development phase of cloud software was largely completed.

SG&A Expenses

- IT infrastructure costs increased to support the provision of cloud services.
- Advertising and travel expenses increased due to enhanced service promotion and more active sales activities.

Balance Sheet

Continuing to invest in development to enhance the value of cloud services

(Millions of yen)	**FY2026 End of 2Q**	FY2025 Year-end	Change	Main change factors
Current assets	**8,125**	8,464	-339	Cash and cash equivalents -361
Non-current assets	**34,885**	32,960	+1,925	Property, plant and equipment +1,004* Intangible assets +931
Total assets	**43,010**	41,425	+1,586	-
Current liabilities	**15,480**	15,344	+135	Contract liabilities +248
Non-current liabilities	**2,384**	1,788	+596	Long-term interest-bearing debts +597
Total liabilities	**17,864**	17,132	+732	-
Total equity	**25,146**	24,293	+854	Interim profit +981 Dividends -315
Total liabilities and equity	**43,010**	41,425	+1,586	-

* Recording of right-of-use assets due to the renewal of the lease agreement for Broadleaf's head office

Free cash flow turned positive, supported by revenue growth

(Millions of yen)	**FY2026 Interim**	FY2025 Interim	YoY Change	Main change factors
Cash flows from operating activities	**3,055**	2,126	+929	Increase in interim profit before tax +793 Decrease in trade and other receivables +327
Cash flows from investing activities	**-2,252**	-2,273	+21	Decrease in payments for acquisition of intangible assets +36
Cash flows from financing activities	**-1,164**	-556	-608	Decrease in proceeds from long-term debt -497 Increase in dividend payments -137
Free cash flow	**803**	-147	+951	-
Cash and cash equivalents at the end of the interim period	**3,761**	3,622	+139	-

Forecast of full-year consolidated results

Reflecting first-half revenue performance and cost trends, operating profit is expected to reach a record high

(Millions of yen)	**FY2026 Full-year Current forecast**	FY2026 Full-year Previous forecast[*1]	Revision	FY2025 Full-year	YoY Change	YoY Ratio
Revenue	**23,800**	23,500	+300	20,815	+2,985	+14.3%
Cost of sales	**7,300**	7,000	+300	7,296	+4	+0.1%
Gross profit	**16,500**	16,500	±0	13,520	+2,980	+22.0%
SG&A expenses, etc.	**11,700**	11,700	±0	11,457	+243	+2.1%
Operating profit	**4,800**	4,800	±0	2,063	+2,737	+132.7%
Profit before tax	**4,750**	4,750	±0	1,854	+2,896	+156.2%
Profit attributable to owners of the parent	**3,200**	3,200	±0	1,240	+1,960	+158.0%
Basic earnings per share[*2]	**17.68 yen**	17.68 yen	-	6.90 yen	-	-

*1 Announced on February 12, 2026 (Forecasts for cost of sales and SG&A expenses were revised on May 13, 2026)
*2 A two-for-one stock split was conducted effective July 1, 2026; all figures shown are presented on a post-split basis.

(Supplementary) 1H Progress and 2H Outlook

Cloud migration progressed as planned in the first half, with both revenue and profit exceeding forecasts
We expect to achieve the full-year forecast by continuing to drive cloud migration as planned in the second half

(Millions of yen)	**FY2026 1H Actual results**	FY2026 1H Forecast*1	FY2026 Full-year forecast*2	Progress rate*3 (Reference)	FY2026 2H Forecast*4	Change vs. 1H Actual results*5
Revenue	**10,781**	10,400	23,800	45.3%	13,019	+20.8%
Cloud services	**6,923**	6,950	15,600	44.4%	8,677	+25.3%
Packaged system	**2,541**	2,350	5,000	50.8%	2,459	-3.2%
Others	**1,317**	1,100	3,200	41.2%	1,883	+43.0%
Operating profit	**1,477**	1,100	4,800	30.8%	3,323	+125.0%
Profit attributable to owners of the parent	**1,001**	700	3,200	31.3%	2,199	+119.7%

Revenue

・With the addition of functionality for large automotive repair businesses and auto parts dealers, deployments to large customers are expected to increase in the second half.
・Cloud migration will proceed in stages in line with each customer's scheduled go-live date, with the necessary implementation resources already secured.
・At present, no significant factors have emerged that would affect the cloud migration plan for the second half.
・As first-half results exceeded forecasts, the contribution required from the second half to achieve the full-year forecast is lower than assumed in May.

Cost

・No significant deviations from the cost plan are expected.
(The second-half cost outlook has been updated based on first-half actual results.)

*1 Announced on May 13, 2026
*2 Announced on August 12, 2026
*3 Progress against the full-year forecast is for reference only; progress in cloud migration is key to assessing whether the full-year forecast can be achieved
*4 2H forecast = Full-year forecast - 1H actual results
*5 Change vs. 1H Actual results = (2H Forecast − 1H Actual results) ÷ 1H Actual results

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Full-year Sales Forecast by Service Category

Software services are expected to achieve significant revenue growth as customer cloud migration progresses

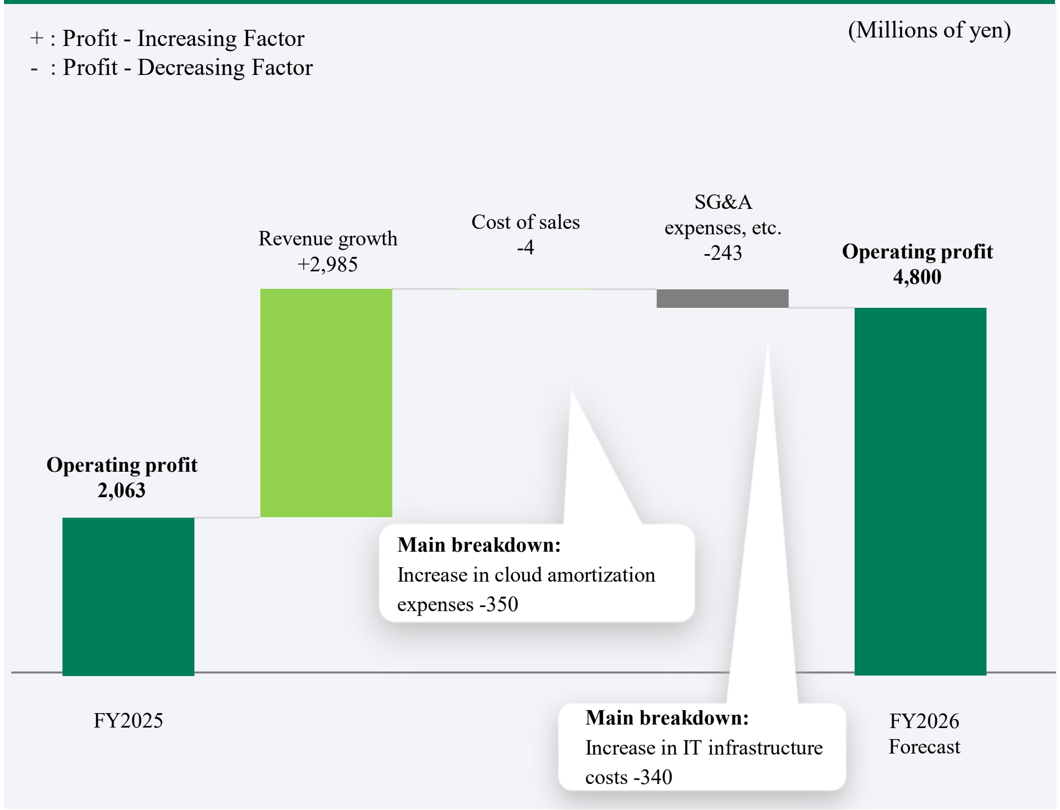
(Millions of yen)	**FY2026 Full-year Current forecast**	FY2026 Full-year Previous forecast*	Revision	FY2025 Full-year	YoY Change	YoY Ratio
Cloud services	**15,600**	15,600	±0	11,832	+3,768	+31.8%
Software services	**15,100**	15,000	+100	11,302	+3,798	+33.6%
Marketplace	**500**	600	-100	530	-30	-5.6%
Packaged system	**5,000**	5,000	±0	5,699	-699	-12.3%
Software sales	**1,600**	1,800	-200	1,441	+159	+11.0%
Operation and support service	**3,400**	3,200	+200	4,258	-858	-20.1%
Others	**3,200**	2,900	+300	3,285	-85	-2.6%
Hardware	**2,600**	2,300	+300	2,613	-13	-0.5%
Supply	**600**	600	±0	672	-72	-10.7%
Total	**23,800**	23,500	+300	20,815	+2,985	+14.3%

* Announced on May 13, 2026

Breakdown of Major Cost Changes

Continuing to improve operational efficiency while investing to enhance added value

Breakdown of Changes in Operating Profit



Cost of sales

- Cloud amortization expenses increased due to enhancements to cloud software functionality.
- Development costs recognized in cost of sales decreased, including outsourcing costs.

SG&A expenses, etc.

- IT infrastructure costs increased to support the provision of cloud software.
- Travel and advertising expenses increased due to more active sales and promotional activities.
- Increases in various expenses were contained through operational efficiency improvements driven by the use of AI.

Dividend Forecast

Dividend policy will be reviewed as appropriate, taking into account a range of factors, including share liquidity

Dividend per Share*

	FY2026 Actual results	FY2026 Forecast	FY2025
Interim dividends	**7.50 yen**	-	2.50 yen
Year-end dividends	-	4.00 yen **(8.00 yen)**	3.50 yen
Annual dividend	-	- **(15.50 yen)**	6.00 yen
Dividend Payout Ratio	-	43.8%	43.5%

Dividend Policy

[Basic Policy]

The Company regards shareholder returns as a key management priority and targets a consolidated dividend payout ratio of 40% or higher.

To enhance shareholder value, the Company will flexibly consider shareholder return measures, taking into account a range of factors, including share liquidity.

[Supplementary Information]

From FY12/2027 onward, the Company plans to formulate its capital policy in conjunction with the development of new growth strategies for the AI era.

*A two-for-one stock split was conducted effective July 1, 2026
The year-end dividend forecast of 4.00 yen per share for FY12/2026 is stated on a post-split basis, while the amount in parentheses is presented on a pre-split basis.
The annual dividend forecast for FY12/2026 is 15.50 yen per share on a pre-split basis, consisting of the interim dividend of 7.50 yen per share and the year-end dividend forecast of 4.00 yen per share, equivalent to 8.00 yen per share on a pre-split basis.
This represents an increase of 9.50 yen per share from the annual dividend of 6.00 yen per share for FY12/2025.

Growth Strategy

Overview of Growth Strategy

Building on customer cloud migration, we will expand our industry network and data assets
We aim to address industry challenges through new services leveraging accumulated data

STEP 1
Entry point of growth strategy

Network expansion
(Cloud penetration)

・Connect customers' business operations in the cloud and build the foundation for an industry-wide network

・As customer touchpoints expand, operational and transaction data continue to accumulate

STEP 2
Expansion of network value

Increase in Network Transactions
(Full-Scale Expansion of the Marketplace)

・As more participants join the network, transaction and data volumes increase

・The addition of new participants, including auto parts distributors affiliated with automakers, enhances the value of the marketplace

STEP 3
Creating new added value

AI services utilizing proprietary data

・Leverage accumulated proprietary data and industry expertise to enhance the value of existing services

・Use new AI-powered services to help address industry challenges, including labor shortages and the need for greater productivity

Examples:

Business process automation powered by Agentic AI

On-site operational support powered by Physical AI

Key Initiatives for Cloud Penetration

To accelerate the benefits of our growth strategy, we are prioritizing cloud adoption among large and mid-sized customers
Cloud deployment to large auto parts dealers will also begin in the second half of this fiscal year, further expanding the industry network

Cloud adoption mainly among large and mid-sized customers → **Cloud adoption mainly among small-sized customers**

FY2026 — **FY2027** — **FY2028**

FY2026 Initiatives

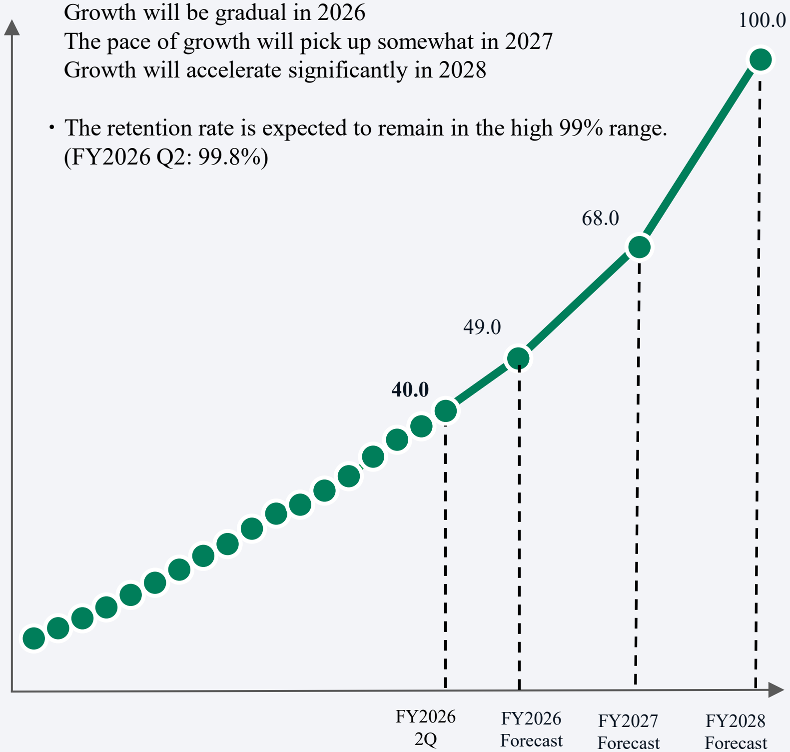
- ☑ **Transition large and mid-sized mobility industry customers to cloud software as planned (Cloud deployment to some large auto parts dealers will also begin in the second half)**
- ☑ **Strengthen cloud software sales by identifying priority targets among new customers**
- ☑ **Development of cloud software add-ons (extended functionality) by third-party SIers**

Cloud Software Penetration

With cloud adoption prioritized among large and mid-sized customers, and adoption among small-sized customers expected to increase from the second half of FY2027,the cloud migration rate, based on the number of customers, is expected to rise gradually through 2026 and accelerate from 2027 onward

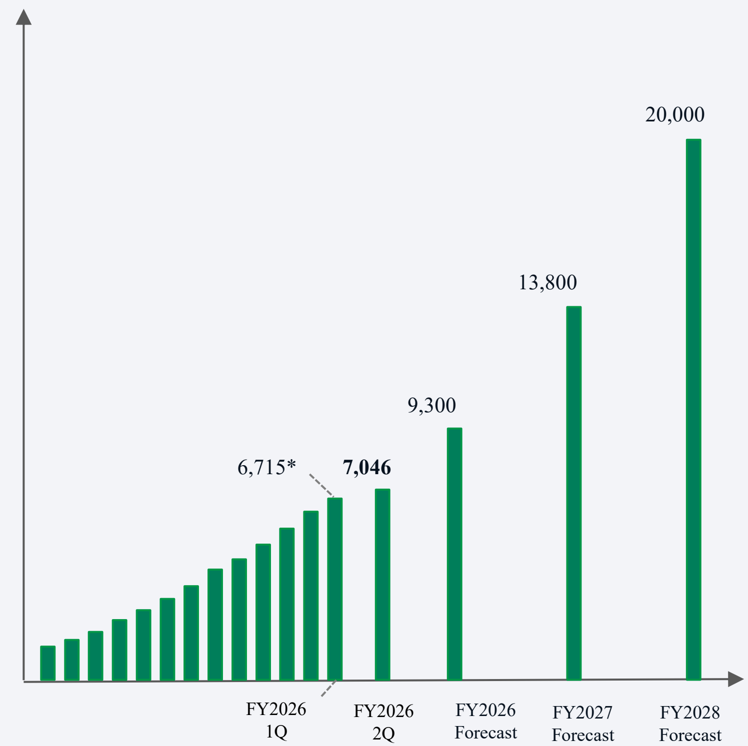
Cloud rate (end of quarter, %)

- As the rate is calculated based on the number of customers:
  Growth will be gradual in 2026
  The pace of growth will pick up somewhat in 2027
  Growth will accelerate significantly in 2028
- The retention rate is expected to remain in the high 99% range. (FY2026 Q2: 99.8%)



ARR (quarterly-end MRR ×12, million yen)

- ARR is expected to reach 20 billion yen by the end of 2028, as planned



Note: Cloud adoption rate refers to the percentage of companies that have adopted cloud software among all companies eligible for released cloud software as of the end of each quarter.
ARR: Annual recurring revenue from the ".c Series" cloud software (quarter-end MRR × 12)
Quarter-end MRR: Monthly recurring revenue from the ".c Series" cloud software, calculated based on revenue in the final month of each quarter (March, June, September, and December), excluding one-time revenue such as initial setup fees from the combined total monthly revenue of the standard version and the version for designated large customers.

*Supplementary information is provided on P21

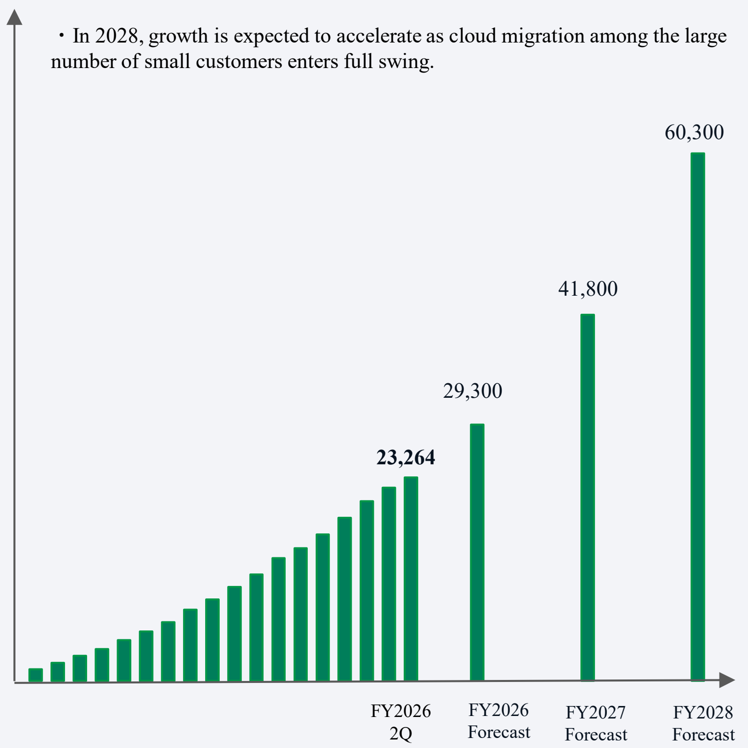
Cloud Software KPIs

With cloud adoption progressing in phases by customer size, the number of licenses is expected to increase at a broadly linear pace, while ARPL is expected to rise more gradually

Number of licenses (end of quarter)

・In 2026–2027, growth is expected to outpace the cloud adoption rate based on the number of customers, as cloud deployment will focus mainly on large and mid-sized customers.

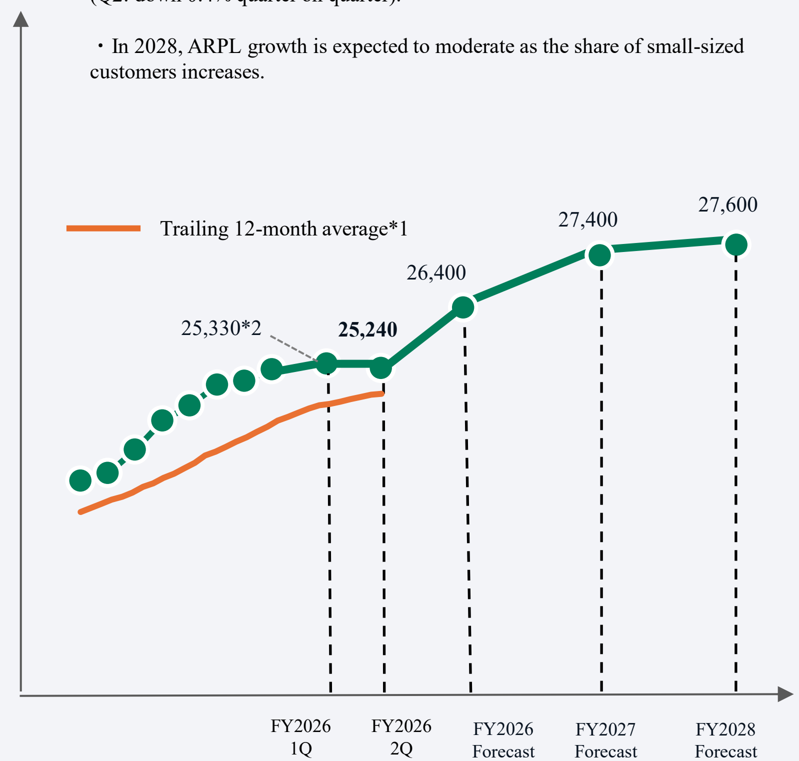
・In 2028, growth is expected to accelerate as cloud migration among the large number of small customers enters full swing.



ARPL (Monthly revenue per license, yen)

・In 2026–2027, as the share of large and mid-sized customers increases, ARPL is expected to maintain an upward trend despite quarterly fluctuations (Q2: down 0.4% quarter on quarter).

・In 2028, ARPL growth is expected to moderate as the share of small-sized customers increases.



Note: Number of licenses refers to the total number of industry-specific and job-specific licenses.
ARPL (Average Monthly Revenue Per License): Average monthly revenue per license from the ".c Series" cloud software (quarter-end MRR ÷ number of licenses)

*1 Details are provided in the data book
*2 Supplementary information is provided on P21

(Supplement) MRR and ARPL Adjustments

March MRR was adjusted to exclude the impact of lump-sum revenue from third-party system integrators that develop add-ons*

March 2026 (Q1 final month)

(As published on May 13)

MRR	576 million yen
ARR	6,907 million yen
Number of licenses	22,090
ARPL	26,058 yen

March 2026 (Q1 final month)

(Adjusted figure announced on August 12)

MRR	**560 million yen**
ARR	**6,715 million yen**
Number of licenses	**22,090**
ARPL	**25,330 yen**

MRR includes usage fees for third-party offerings; however, March MRR also included revenue recognized on a lump-sum basis.
Excluding the 16 million yen in lump-sum revenue, ARPL was adjusted to 25,330 yen and Q1-end ARR to 6,715 million yen.

*This adjustment reflects a refinement in the methodology used to calculate MRR and has no impact on the consolidated financial results.

Medium-term Sales Plan by Service Category

Note: The FY2027 and FY2028 forecasts are based on figures announced on February 12, 2026,
and do not reflect the revisions to the FY2026 forecast announced on August 12, 2026.
If any revisions become necessary following further review, they will be announced promptly.

(Millions of yen)	Actual results				Forecast*		
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Cloud services	2,748	5,459	8,210	11,832	15,600	20,900	26,800
Software services	2,078	4,810	7,626	11,302	15,100	19,600	24,300
Marketplace	670	649	584	530	500	1,300	2,500
Packaged system	9,230	8,021	7,450	5,699	5,000	4,500	3,300
Software sales	2,430	1,828	1,941	1,441	1,600	1,600	1,500
Operation and support service	6,800	6,194	5,508	4,258	3,400	2,900	1,800
Others	1,854	1,904	2,386	3,285	3,200	2,100	1,900
Hardware	1,108	1,156	1,689	2,613	2,600	1,500	1,300
Supply	746	749	697	672	600	600	600
Total	13,833	15,385	18,045	20,815	23,800	27,500	32,000

* FY2026 announced on August 12, 2026
FY2027 and FY2028 announced on February 12, 2026

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Medium-term Financial Plan

Note: The FY2027 and FY2028 forecasts are based on figures announced on February 12, 2026, and do not reflect the revisions to the FY2026 forecast announced on August 12, 2026. If any revisions become necessary following further review, they will be announced promptly.

(Millions of yen)	Actual results				Forecast*1		
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Revenue	13,833	15,385	18,045	20,815	23,800	27,500	32,000
Operating profit*2	-2,897	-1,902	674	2,063	4,800	9,000	13,000
Operating margin	-	-	3.7%	9.9%	20.2%	32.7%	40.6%
Profit attributable to owners of the parent*2	-2,431	-1,487	343	1,240	3,200	6,000	8,500
Profit margin	-	-	1.9%	6.0%	13.4%	21.8%	26.6%
Basic earnings per share*3	-	-	1.93 yen	6.90 yen	17.68 yen	33.14 yen	46.95 yen

*1 FY2026 announced on August 12, 2026
FY2027 and FY2028 announced on February 12, 2026
*2 - indicates loss
*3 A two-for-one stock split was conducted effective July 1, 2026; all figures shown are presented on a post-split basis.

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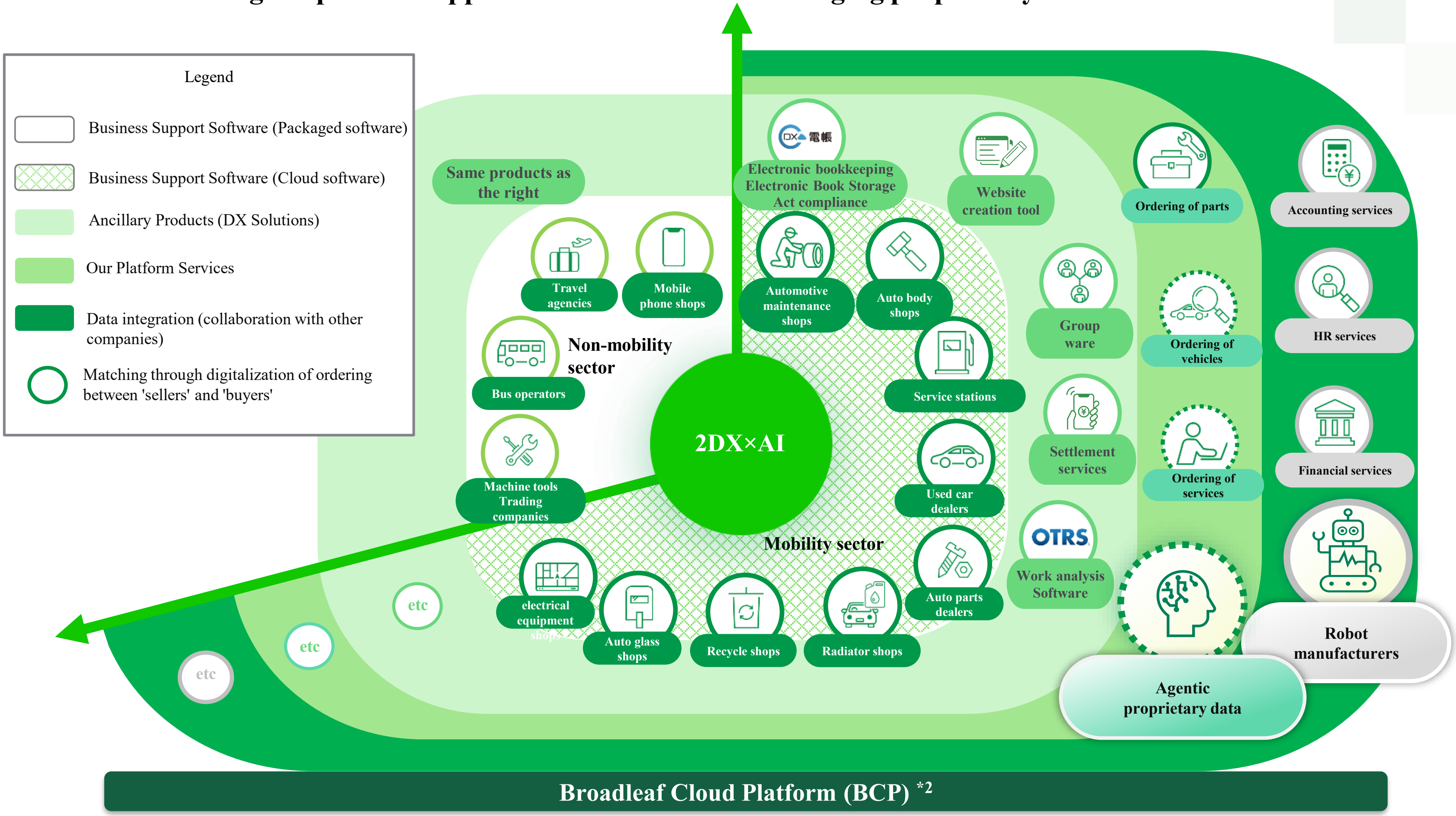
Data-driven Service Development

Continuing to expand services through 2DX*1 × AI, while advancing the practical application of AI services leveraging proprietary data



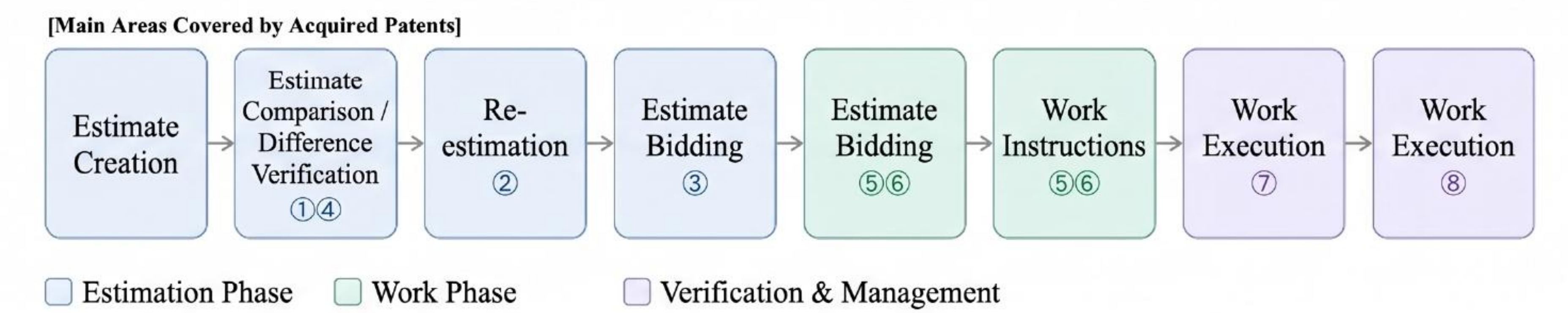
*1 2DX: A slogan representing "Digital Transformation" and "Data Exchanger," and a registered trademark of Broadleaf Co., Ltd.
*2 Broadleaf Cloud Platform (BCP): A common IT platform that supports Broadleaf's cloud services, marketplace services, and integration with external services.

Topics

Acquired 8 patents

Broadleaf obtained eight patents related to technologies that enable the detection of potentially fraudulent activities at each stage of the automotive maintenance process, from estimate review through confirmation of work performed. (Announced in April 2026)

The key patents cover technologies that compare estimates for vehicle maintenance, body repair, and other repair work, and detect potentially fraudulent activities at each stage from estimate review through confirmation of work performed. Related patents also cover areas including re-estimation using diagnostic information obtained from on-board diagnostic (OBD) devices, competitive bidding for estimates by repair shops, identification of differences between estimates, work instructions, and retention of work records.



① Identification of differences through comparison of estimates
② Re-estimation using OBD data
③ Estimate bidding by automotive repair shops
④ Assessment of differences between estimates
⑤ Integration of work instructions with work computers
⑥ Work instructions following agreement on estimate differences
⑦ Retention of estimate evidence using hash values
⑧ Verification of work performed using maintenance records and other documentation

Click here for details*

https://www.broadleaf.co.jp/company/press/press_detail/?itemid=357&dispmid=1002

*Link available in Japanese only

Planted 2,700 Broadleaf Tree Seedlings in Mihara City, Hiroshima Prefecture

On May 15 and 16, 2026, Broadleaf held a tree-planting event in Okusa, Daiwa-cho, Mihara City, Hiroshima Prefecture, as part of its 20th anniversary initiatives, with participation from employees across the Group. A total of 2,700 seedlings representing 27 species, mainly broadleaf trees native to the surrounding area, were planted, marking the start of a new “Broadleaf Forest.” (Announced in June 2026)

The event drew on the knowledge and experience accumulated through the “Grow Leaf Project,” a corporate-participation environmental conservation initiative that Broadleaf has promoted since 2008. It was the Company’s first community-based forest development initiative led by Broadleaf itself, with the cooperation of local residents and other stakeholders.

Approximately 800 employees from offices across Japan and Group companies participated, together with representatives from member companies of the “GrowLeaf Project.” At the opening ceremony on May 15, Mr. Yoshinori Kuwaki, a member of the Hiroshima Prefectural Assembly, delivered remarks.

The event was also attended by Mr. Kazumichi Okubo, Head of the Agriculture, Forestry and Fisheries Division of the Economic Affairs Department of Mihara City; Mr. Teppei Shigemi, Head of the Forestry and Livestock Section of the same division; and representatives from the Forest Conservation Division of the Agriculture, Forestry and Fisheries Bureau of Hiroshima Prefecture.

From photo left: Mr. Yoshinori Kuwaki, Member of the Hiroshima Prefectural Assembly; Mr. Kenji Oyama, Representative Director, President, and CEO: Mr. Kazuki Kurata, Representative Director of the General Incorporated Association Forest Regeneration Organization Shinra

Front row of photo: Mr. Kazutora Okubo, Director of the Agriculture, Forestry, and Fisheries Division, Economic Department, Mihara City; Mr. Kenji Oyama, Representative Director, President, and CEO. Back row of photo: Mr. Teppei Shigemi, Chief of the Forestry and Livestock Section, Economic Department, Mihara City

Click here for details*

https://www.broadleaf.co.jp/company/press/press_detail/?itemid=359&dispmid=1002

*Link available in Japanese only

Disclaimer

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Accordingly, actual results may differ materially from those expressed or implied by these forward-looking statements due to various factors.

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