

3Q FY12/2018

Business Results Briefing

Broadleaf Co., Ltd.

TSE 1st Section: 3673

November 2, 2018



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Note: Under IFRS, figures smaller than the units of display are rounded off. Under Japanese accounting standards, figures smaller than the units of display are omitted.

Chapter 1 Overview of 3Q Business Results



PL Summary (Consolidated, IFRS)

Achieved a significant increase in both revenue and profit.
Progress in view of the full-year forecasts is also steady.

(¥ million)	FY2018					FY2017	
	3Q (Jan-Sep)	YoY (Ratio)	Progress Ratio	3Q	YoY (Ratio)	3Q (Jan-Sep)	3Q
Revenue	15,104	+21.0%	+71.2%	5,014	9.9%	12,487	4,561
Operating profit	2,706	+48.8%	+69.4%	1,164	29.2%	1,819	900
Profit	1,745	+50.7%	+69.8%	747	24.7%	1,159	599
EPS (*)	¥19.94	+52.4%	-	-	-	¥13.08	-

* Calculated assuming that the stock split (1:2) which took effect on April 1, 2018 was carried out at the beginning of FY12/2017.

Sales by Category (Consolidated, IFRS)

Sales of Business Application Software increased significantly and revenue in other areas also rose from the same period of the previous year.

(¥ million)	FY2018				FY2017	
	3Q (Jan-Sep)	YoY (Ratio)	3Q	YoY (Ratio)	3Q (Jan-Sep)	3Q
Business Application Software	9,824	+26.2%	3,228	+11.5%	7,783	2,894
System Support	979	+5.7%	329	+5.1%	926	313
Maintenance	456	+10.3%	166	+15.2%	414	144
Provision of Consumables	523	+2.1%	164	-3.4%	512	169
Network Service	4,301	+13.8%	1,457	+7.6%	3,779	1,354
Stock	3,519	+16.6%	1,185	+8.1%	3,017	1,096
Transaction	692	-1.8%	239	+0.7%	704	237
PSF	467	-3.1%	164	-0.4%	482	164
Order Placement and Acceptance	224	+0.9%	75	+3.2%	222	73
Others	91	+59.3%	33	+58.3%	57	21
Total	15,104	+21.0%	5,014	+9.9%	12,487	4,561

Note: Tajima Incorporated was acquired and made a subsidiary of Broadleaf as of July 25, 2017, and the contribution of its net sales to the results of the nine months of FY2017 is for two months from August to September.

Sales by Category (Non-Consolidated, Japanese Standard)

Significant increase in sales in Broadleaf non-consolidated Business Application Software.
Revenue in other areas also rose from the year-ago period.

(¥ million)	FY2018	FY2017		YoY Change	YoY (Ratio)
	3Q (Jan-Sep)	3Q(Jan-Sep)			
Business Application Software	8,655	7,492		+1,163	+15.5%
System Support	918	911		+7	+0.8%
Maintenance	441	411		+29	+7.2%
Provision of Consumables	477	499		-22	-4.4%
Network Service	3,891	3,670		+221	+6.0%
Stock	3,108	2,910		+198	+6.8%
Transaction	691	704		-12	-1.8%
PSF	467	482		-14	-3.1%
Order Placement and Acceptance	224	222		+2	+0.9%
Others	91	56		+35	+62.5%
Total	13,465	12,073		+1,392	+11.5%

Breakdown of Sales in Business Application Software (Non-Consolidated) (Japanese Standard)

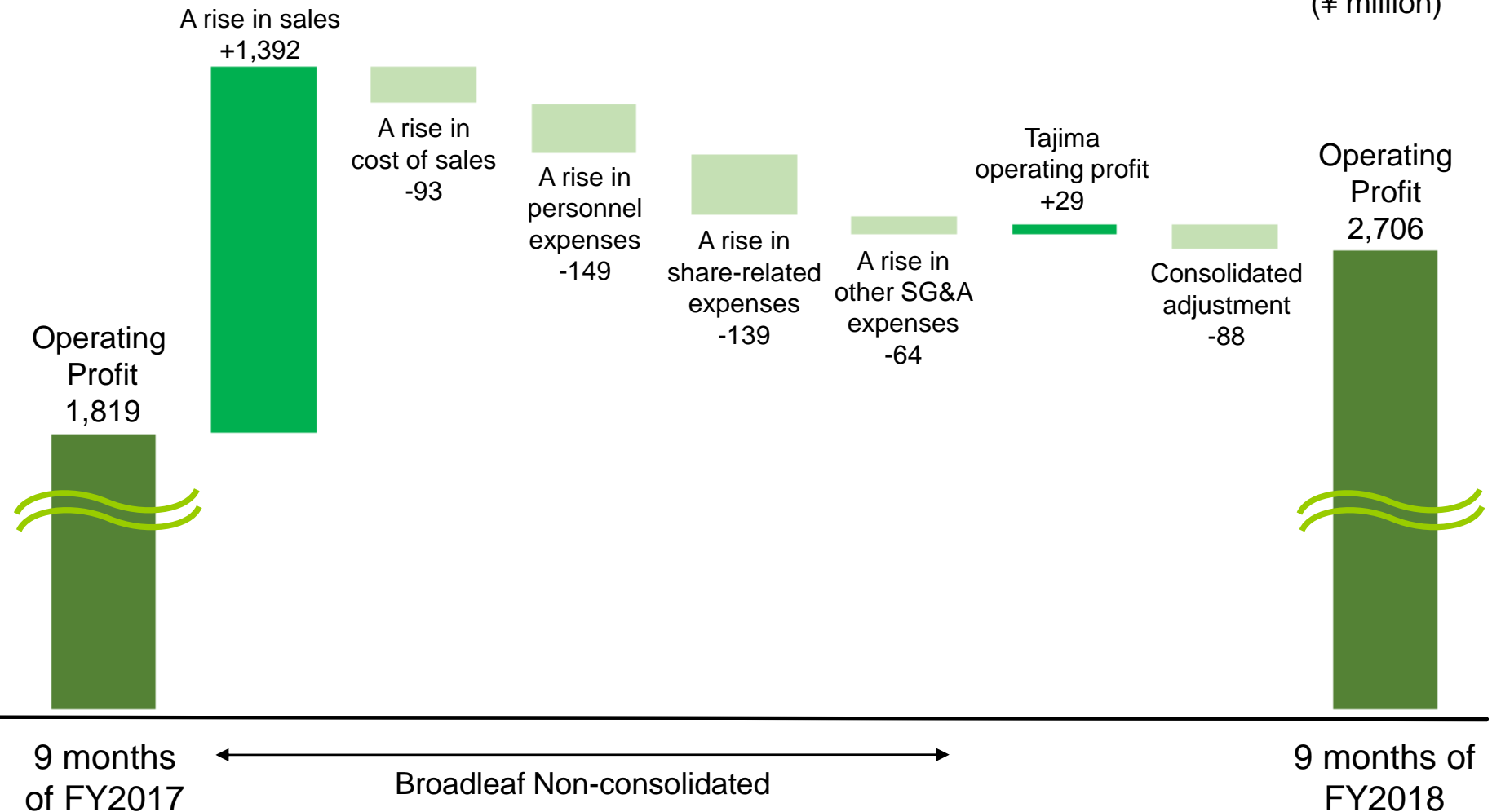
Broadleaf non-consolidated user renewals in the automotive sector were the driving force.

(¥ million)	FY2018	FY2017		
	3Q (Jan-Sep)	3Q (Jan-Sep)	YoY Change	YoY (Ratio)
Automotive	6,540	5,507	+1,033	+18.8%
Renewed	5,926	4,813	+1,114	+23.2%
New customers	613	694	-80	-11.6%
Non-automotive	1,386	1,237	+149	+12.1%
Renewed	939	852	+88	+10.4%
New customers	446	386	+61	+15.9%
Others	728	748	-19	-2.6%
Total	8,655	7,492	+1,163	+15.5%

Breakdown of Increase/Decrease in Operating Profit (Consolidated, IFRS)

Effects of the revenue increase of Broadleaf exceeded a rise in cost and operating profit grew substantially.

(¥ million)



BS Summary (Consolidated, IFRS)

Decline in cash and deposits due to acquisition of own shares and dividend payout, etc.

(¥ million)	FY2018	End of		Main Factors for	
	End of 3Q	FY12/2017	YoY Change	Increase/Decrease	
Current Assets	9,479	11,400	-1,921	Decrease in cash and deposits	(-1,597)
Non-current Assets	17,678	16,663	+1,015	Increase in intangible assets	(+1,024)
Total Assets	27,156	28,063	-907		—
Current Liabilities	6,770	7,478	-708		—
Non-current Liabilities	432	848	-416	Decline in long-term interest-bearing debt	(-363)
Total Liabilities	7,202	8,326	-1,123		—
Total Shareholders' Equity	19,954	19,737	+217	Recognition of profit	(+1,745)
				Decrease by purchase of treasury shares	(-1,006)
				Decline due to dividend payout	(-967)
Total Liabilities and Shareholders' Equity	27,156	28,063	-907		—

Chapter 2 Results Forecasts



Results Forecasts (Consolidated, IFRS)

Aims for steady achievement of full-year forecasts

(¥ million)		FY2018				FY2017	
		Full-year Forecasts	YoY (Ratio)	Amount Required for 4Q (full-year forecast less 3-quarter total)	YoY (Ratio)	Full Year	4Q
Revenue	21,200		+16.5%	6,096	+6.8%	18,195	5,708
Operating profit	3,900		+29.5%	1,194	+0.2%	3,011	1,192
Profit	2,500		+29.4%	755	-2.5%	1,932	774
EPS (*)	¥28.58		31.0%	-	-	¥21.81	-

* Calculated assuming that the stock split (1:2) which took effect on April 1, 2018 was carried out at the beginning of FY12/2017.

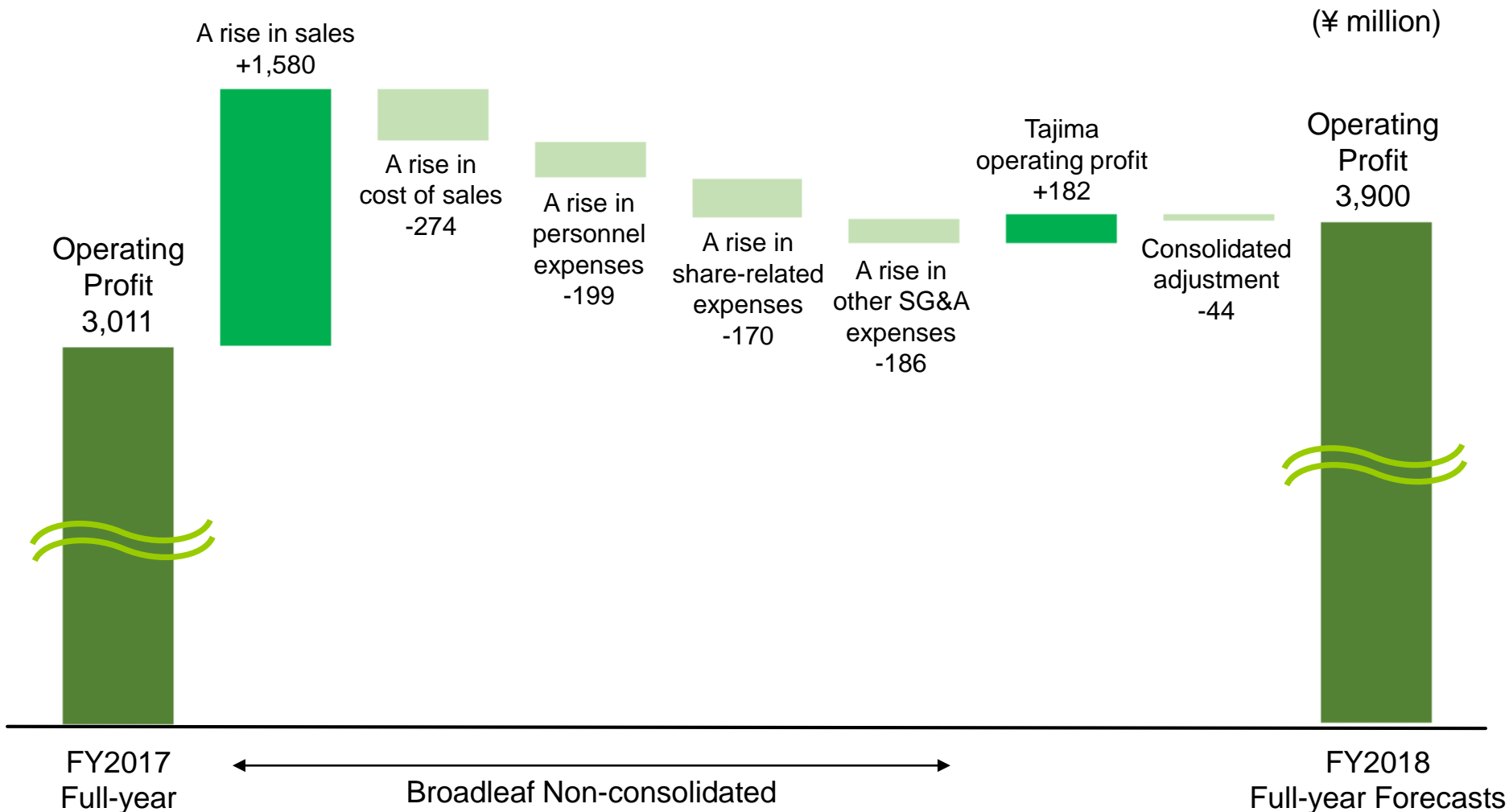
Sales Forecasts by Category (Consolidated, IFRS)

Aim for achievement of forecasts with a focus on the sales of Business Application Software

(¥ million)	FY2018				FY2017	
	Full-year Forecasts	YoY (Ratio)	Amount Required for 4Q (full-year forecast less 3-quarter total)	YoY (Ratio)	Full-year Results	4Q
Business Application Software	13,960	18.9%	4,136	4.6%	11,737	3,954
System Support	1,310	3.7%	331	-2.0%	1,264	338
Maintenance	580	4.4%	124	-12.7%	556	142
Provision of Consumables	730	3.1%	207	5.7%	708	196
Network Service	5,930	14.2%	1,629	15.1%	5,194	1,415
Stock	4,820	15.4%	1,301	12.2%	4,177	1,160
Transaction	960	2.3%	268	14.5%	939	235
PSF	650	1.2%	183	13.9%	642	161
Order Placement and Acceptance	310	4.6%	86	15.8%	296	74
Others	150	92.2%	59	183.4%	78	21
Total	21,200	16.5%	6,096	6.8%	18,195	5,708

Breakdown of Increase/Decrease in Operating Profit (Consolidated, IFRS)

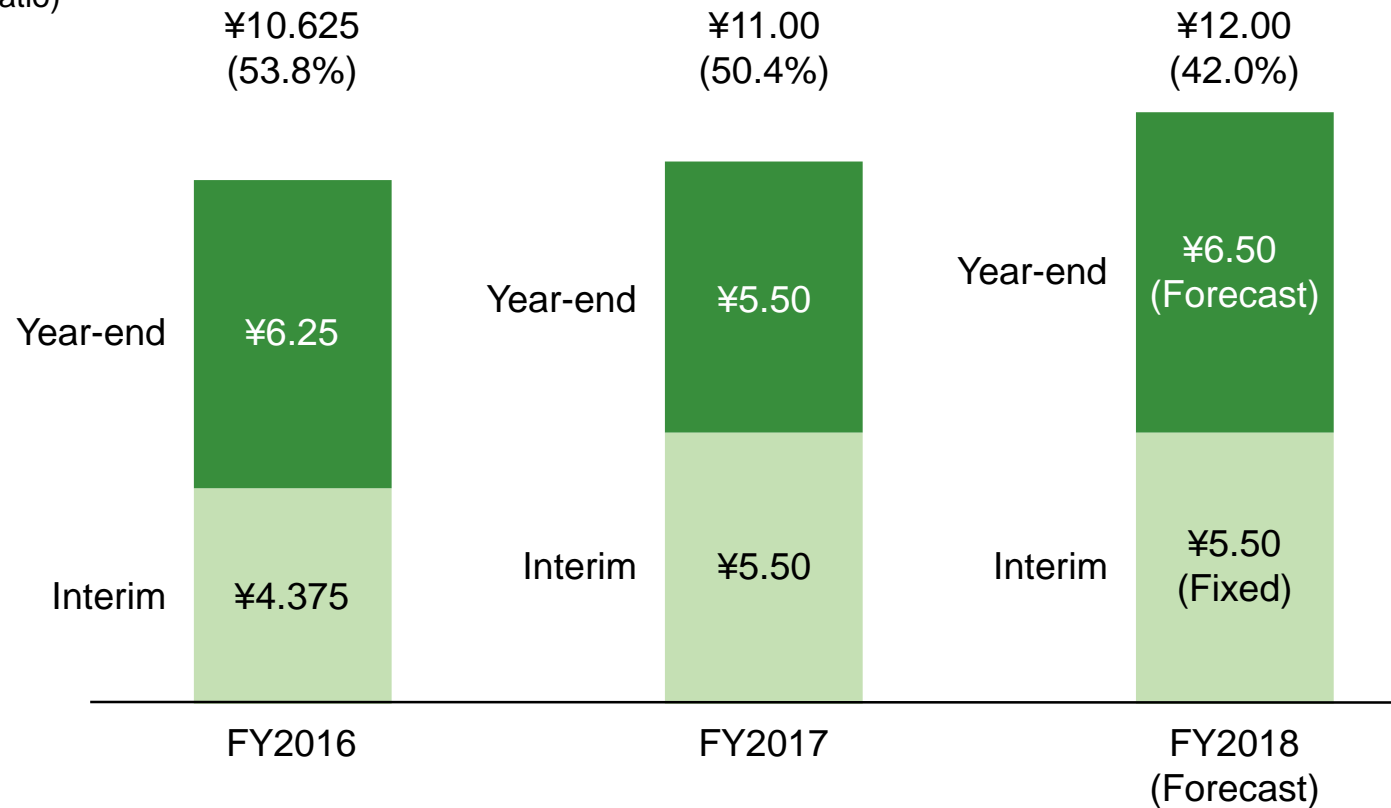
In addition to the effects of the revenue increase of Broadleaf, Tajima also contributed to the profit increase.



Dividends

No change has been made to the dividend forecast.

Annual dividend
(Payout ratio)



Note: Amount after adjustment for the stock split (1:2) on the effective dates of December 17, 2016 and April 1, 2018

Appendix

Corporate Profile, Sales Fields, etc.



Corporate Profile

Corporate Name	Broadleaf Co., Ltd.
Representative Director, President and CEO	Kenji Oyama
Listed on	Listed on the First Section of the Tokyo Stock Exchange on March 22, 2013 (3673)
Founded/Established	December 2005/September 2009
Capital Stock	JPY 7,148 million
Business Outline	IT network system to support automotive aftermarket operators and provision of services on the platform (Business applications, platforms for cooperation with different industries, recycled parts marketplace, development of car-related contents, etc.)
Head Office Address	Floor 8, Glass Cube Shinagawa, 4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Sales Offices	30 offices in Japan (as of October, 31, 2018)
Development Centers	3 centers in Japan (Sapporo, Tokyo and Fukuoka)

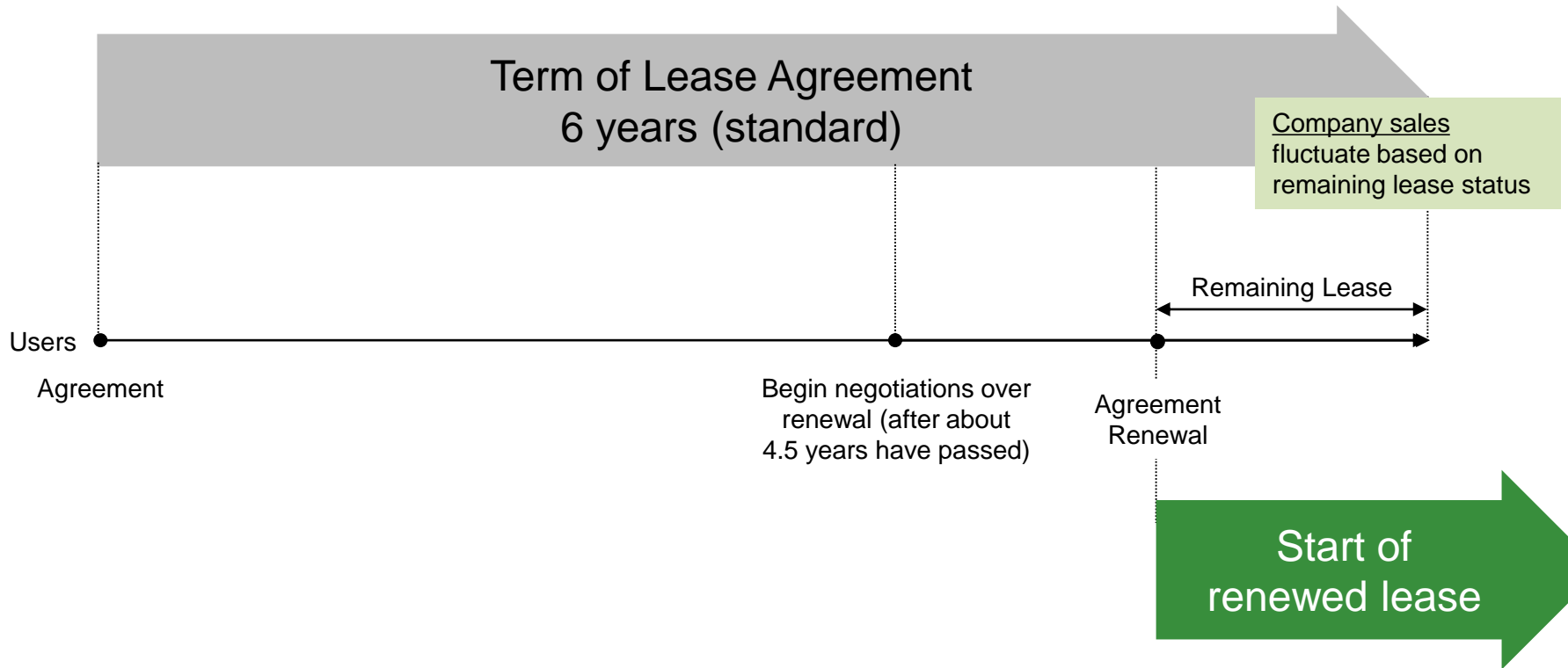
Sales Fields

Although the Company is in a single segment of IT services businesses,
we have adopted the following classifications by business area

Classification			Detailed businesses
Major category	Medium category	Small category	
Business Application Software			<ul style="list-style-type: none"> - Development and sale of industry-specific business applications - Development and sale of operation analysis/optimization software - Purchase and sale of PC bodies, printers, etc.
System Support	Maintenance		- Business application maintenance service to the Company's Business Application Software customers and provision of hardware maintenance services
	Provision of consumables		- Purchase and sale of exclusive forms and OA supply goods to be used for the business applications
Network Services	Stock		<ul style="list-style-type: none"> - Provision of database of car-related vehicle information and parts-related information that is updated daily - Consideration for server maintenance required for the use of network-type systems
	Transactions	PSF	- Operation of recycled parts distribution network "Parts Station NET" that shares inventory information on recycled parts Collecting fees as transaction amount settlement agency for parts dealing
		Order Placement and Acceptance	<ul style="list-style-type: none"> - Provision of computerized ordering system "BL Parts Order System" for automotive parts - Provision of tablet-type operation terminals "CarpodTab" to maintenance business operators, etc.
	Others		- Products and services other than the above

Business Application Software User Renewals

■ Image of User Renewals



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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