



3Q FY2019 Presentation Material

3Q FY12/2019 Business Results Briefing

Broadleaf Co., Ltd.
TSE 1st Section: 3673

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Appendix: Corporate Profile, Revenue Category, etc.

Note: Figures smaller than the units of display are rounded off.

PL Summary (Consolidated, IFRS)

Achieved an increase in both revenue and profits, and made steady progress toward achieving the full-year forecasts.

| (¥ million) | FY2019 3Q | FY2018 3Q | YoY change | YoY (Ratio) |
|-------------------|--------------|--------------|------------|-------------|
| Revenue | 16,840 | 15,104 | +1,737 | +11.5% |
| Operating profit | 3,558 | 2,706 | +852 | +31.5% |
| Profit | 2,319 | 1,745 | +574 | +32.9% |
| Profit per share* | ¥26.55 | ¥19.94 | - | - |

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

Revenue by Category (Consolidated, IFRS)

Revenue rose in both platforms and applications.

| (¥ million) | FY2019 3Q | FY2018 3Q | YoY change | YoY (Ratio) |
|------------------------|--------------|--------------|------------|-------------|
| Platforms | 7,579 | 6,879 | +700 | +10.2% |
| Basic | 5,684 | 5,118 | +566 | +11.1% |
| EDI/Payment settlement | 689 | 692 | -3 | -0.4% |
| Support | 1,099 | 979 | +120 | +12.3% |
| Others | 107 | 91 | +16 | +17.7% |
| Applications | 9,261 | 8,225 | +1,037 | +12.6% |
| By industry | 7,788 | 7,202 | +586 | +8.1% |
| OTRS | 282 | 295 | -13 | -4.5% |
| Others | 1,192 | 728 | +464 | +63.8% |
| Total | 16,840 | 15,104 | +1,737 | +11.5% |

Breakdown of Platform Sales (Consolidated, IFRS)

Sales were driven by increases in the number of platform users and sales of basic application functions.

| (¥ million) | FY2019 3Q | FY2018 3Q | YoY change | YoY (Ratio) |
|--------------------------|--------------|--------------|------------|-------------|
| Basic | 5,684 | 5,118 | +566 | +11.1% |
| PaaS/SaaS | 4,116 | 3,654 | +462 | +12.6% |
| IaaS | 1,568 | 1,464 | +104 | +7.1% |
| EDI/Payment settlement | 689 | 692 | -3 | -0.4% |
| PSF* | 454 | 467 | -13 | -2.8% |
| BLP/CPT* | 235 | 224 | +11 | +4.7% |
| Support | 1,099 | 979 | +120 | +12.3% |
| Support service | 517 | 456 | +61 | +13.4% |
| Provision of consumables | 582 | 523 | +59 | +11.3% |
| Others | 107 | 91 | +16 | +17.7% |
| Total platform sales | 7,579 | 6,879 | +700 | +10.2% |

* PSF: Settlement agency service fee in the recycled parts market BLP: BL Parts Order System use fee CPT: CarpodTab use fee

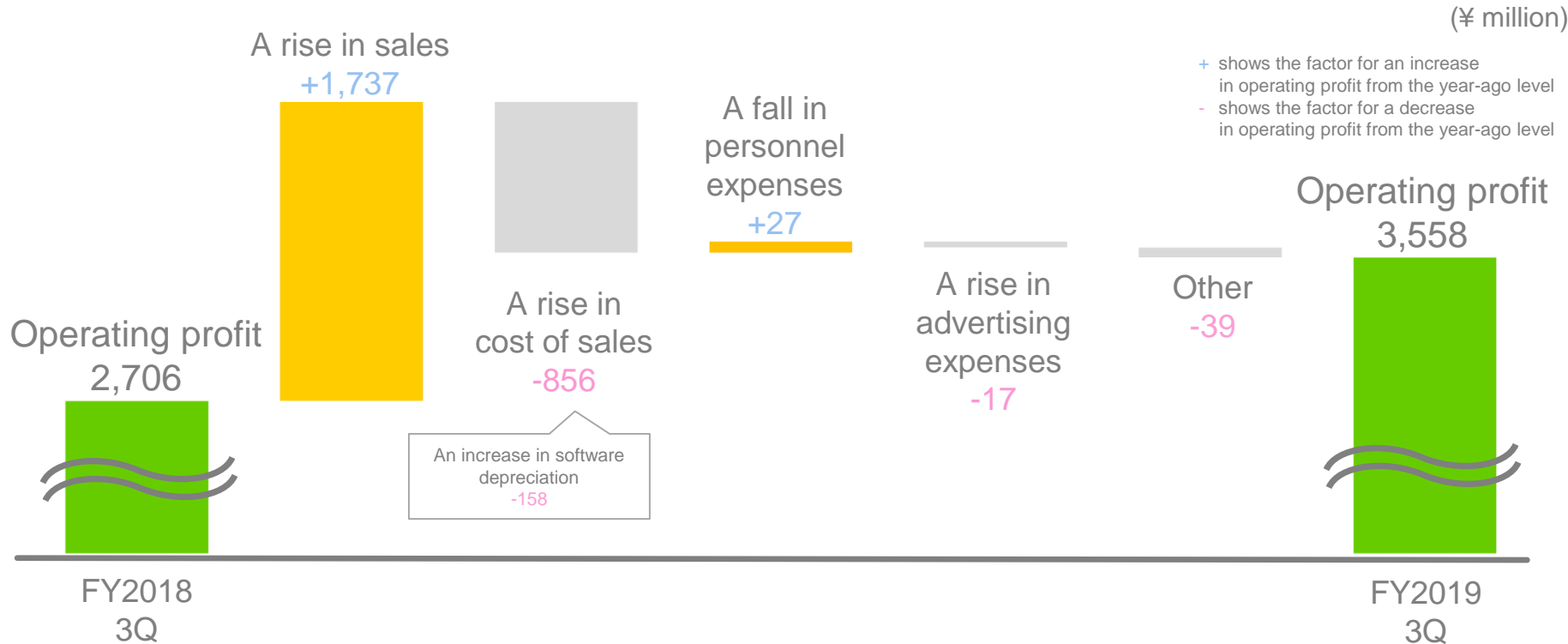
Breakdown of Application Sales (Consolidated, IFRS)

Sales by industry and in the Others category increased, while sales from OTRS decreased due to the impact of US-China relations.

| (¥ million) | FY2019 3Q | FY2018 3Q | YoY change | YoY (Ratio) |
|-------------------------|--------------|--------------|------------|-------------|
| By industry | 7,788 | 7,202 | +586 | +8.1% |
| Automotive | 6,598 | 6,110 | +488 | +8.0% |
| Non-automotive | 1,189 | 1,092 | +98 | +8.9% |
| OTRS | 282 | 295 | -13 | -4.5% |
| Others | 1,192 | 728 | +464 | +63.8% |
| Total application sales | 9,261 | 8,225 | +1,037 | +12.6% |

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

Operating profit increased due to a rise in sales, which offset the increased burden of cloud-related depreciation expenses.



BS Summary (Consolidated, IFRS)

Intangible assets increased due to investments in software development.

| (¥ million) | FY2019 End of 3Q | End of FY12/2018 | Change | Main factors for increase/decrease |
|--|---------------------|---------------------|--------|--|
| Current assets | 7,299 | 10,619 | -3,319 | Decrease in cash and deposits -3,699 |
| Non-current assets | 21,638 | 18,794 | +2,844 | Increase in property, plant and equipment +686 Increase in intangible assets +1,599 |
| Total assets | 28,937 | 29,413 | -475 | |
| Current liabilities | 5,989 | 7,913 | -1,924 | Decrease in income taxes -666 |
| Non-current liabilities | 626 | 466 | +159 | Increase in long-term interest-bearing debt +188 |
| Total liabilities | 6,615 | 8,379 | -1,764 | |
| Total shareholders' equity | 22,322 | 21,033 | +1,289 | Recognition of profit +2,319 |
| Total liabilities and shareholders' equity | 28,937 | 29,413 | -475 | |

CF Summary (Consolidated, IFRS)

Investments in growth areas, such as software development, were made more aggressively.

| (¥ million) | FY2019 | FY2018 | | |
|------------------------------|--------|--------|------------|--|
| | 3Q | 3Q | YoY change | Main factors for increase/decrease |
| CF from operating activities | 1,376 | 2,132 | -756 | Increase in income taxes paid -737 |
| CF from investing activities | -2,961 | -1,490 | -1,471 | Increase in purchase of intangible assets -813 |
| CF from financing activities | -2,112 | -2,234 | +122 | - |
| FCF | -1,586 | -641 | -2,227 | - |
| Cash and cash equivalents | 1,928 | 4,373 | -2,445 | - |

Results Forecasts (Consolidated, IFRS)

The full-year revenue forecast was revised upward, taking progress during the first nine-month period into consideration. No changes were made to profits.

| (¥ million) | FY2019 Full-year forecasts | FY2018 Full-year | YoY change | YoY (Ratio) | FY2019 4Q(Oct-Dec) Forecasts | FY2018 4Q(Oct-Dec) | YoY change | YoY (Ratio) |
|------------------|----------------------------------|---------------------|---------------|----------------|------------------------------------|-----------------------|---------------|----------------|
| Revenue | 22,300 | 21,285 | +1,015 | +4.8% | 5,460 | 6,182 | -722 | -11.7% |
| Operating profit | 4,500 | 4,115 | +385 | +9.4% | 942 | 1,409 | -466 | -33.1% |
| Profit | 2,800 | 2,656 | +144 | +5.4% | 481 | 910 | -430 | -47.2% |
| Profit per share | ¥32.07 | ¥30.36 | - | - | - | - | - | - |

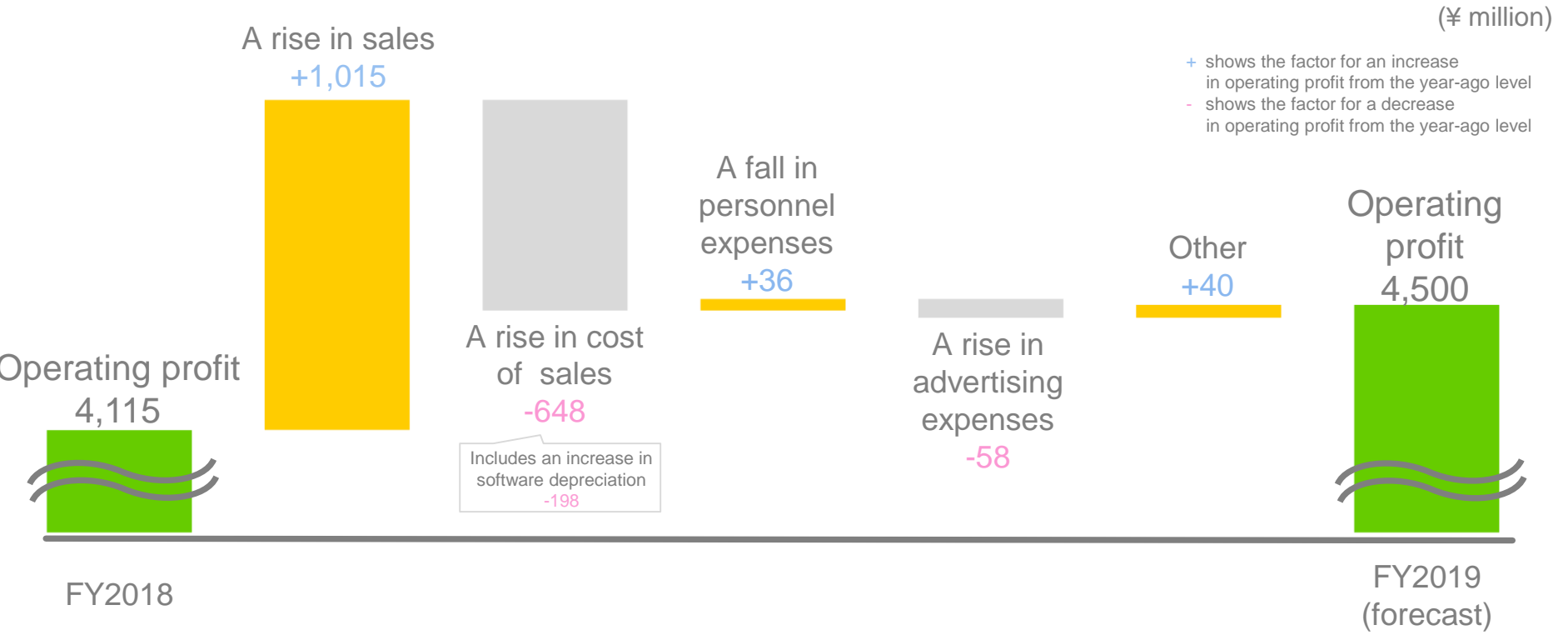
Revenue Forecasts by Category (Consolidated, IFRS)

Revenue categories were partially changed in consideration of progress.

| (¥ million) | FY2019 Full-year forecasts | FY2018 Full-year | YoY change | YoY (Ratio) | FY2019 4Q(Oct-Dec) Forecasts | FY2018 4Q(Oct-Dec) | YoY change | YoY (Ratio) |
|------------------------|----------------------------------|---------------------|---------------|----------------|------------------------------------|-----------------------|---------------|----------------|
| Platforms | 10,000 | 9,543 | +457 | +4.8% | 2,421 | 2,664 | -243 | -9.1% |
| Basic | 7,500 | 7,175 | +325 | +4.5% | 1,816 | 2,058 | -242 | -11.8% |
| EDI/Payment settlement | 940 | 935 | +5 | +0.5% | 251 | 244 | +7 | +3.0% |
| Support | 1,420 | 1,314 | +106 | +8.1% | 321 | 335 | -14 | -4.2% |
| Others | 140 | 118 | +22 | +18.2% | 33 | 27 | +5 | +19.8% |
| Applications | 12,300 | 11,742 | +558 | +4.8% | 3,039 | 3,517 | -479 | -13.6% |
| By industry | 10,400 | 10,173 | +227 | +2.2% | 2,612 | 2,972 | -359 | -12.1% |
| OTRS | 400 | 391 | +9 | +2.4% | 118 | 96 | +23 | +23.8% |
| Others | 1,500 | 1,178 | +322 | +27.3% | 308 | 450 | -142 | -31.6% |
| Total | 22,300 | 21,285 | +1,015 | +4.8% | 5,460 | 6,182 | -722 | -11.7% |

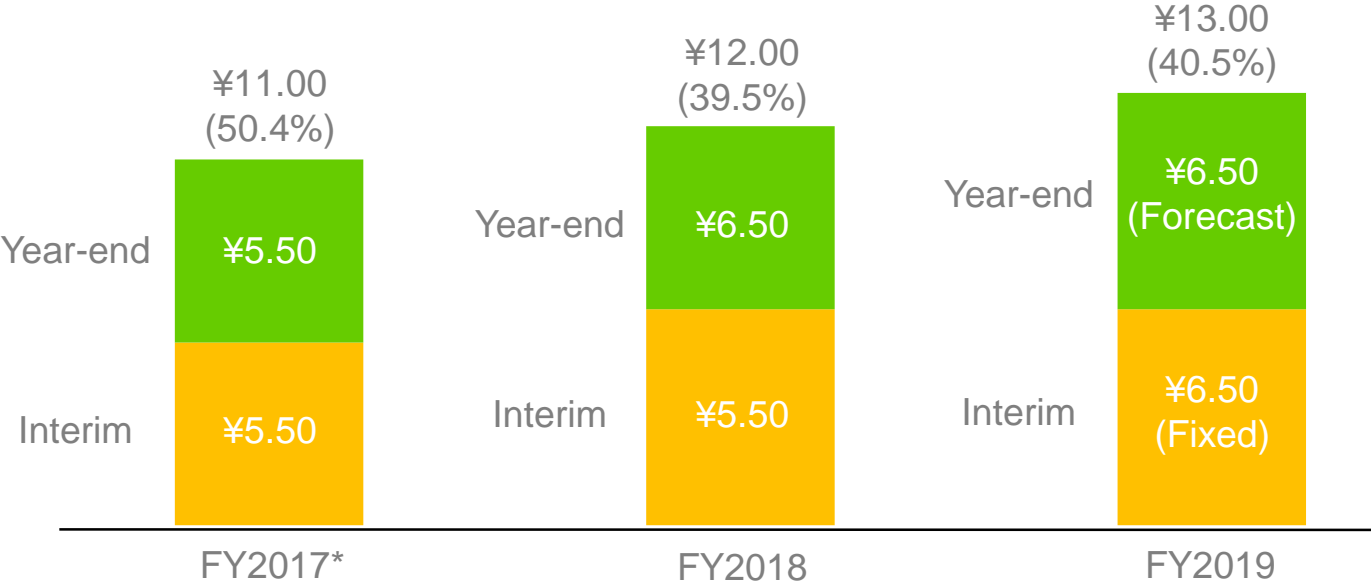
Breakdown of Increase/Decrease in Full-year Operating Profit(Consolidated, IFRS)¹²

Increases in purchases and the burden of software depreciation were offset by a reduction in general expenses, among other measures.



Dividends

The year-end dividend forecast remains unchanged.



* Amount after adjustment for the stock split (1:2), which took effect on April 1, 2018

Initiatives for Acceleration of Development and Commercialization of Services Utilizing Advanced Technologies

Establishment of the Advanced technology development department as a new organization under the direct supervision of the president (CEO)

The Advanced technology development department was established on October 1, 2019 as an organization under the direct supervision of the president for the purpose of amalgamating the technologies and expertise owned by the Broadleaf group and accelerating the creation of new businesses and services.

With the placement of 25 persons who have a high level of professional and technological knowledge of AI, Blockchain and 5G, among other technologies, the department will facilitate the development of basic platforms and new services, and will aim to commercialize them as soon as possible.



Expansion into New Mobility/MaaS Areas

Acquisition of shares in Zenmov Inc. (conversion into an equity-method affiliated company)

The company was established by core members of a demonstration project implemented by NEDO* in Manila, the Republic of the Philippines. It will commence operation for the purpose of popularizing short-distance public transportation systems across Southeast Asia, featuring the combination of short-distance electric mobility and operation control systems utilizing technologies such as AI and IoT. (Part of the system will be released by the end of the year.)

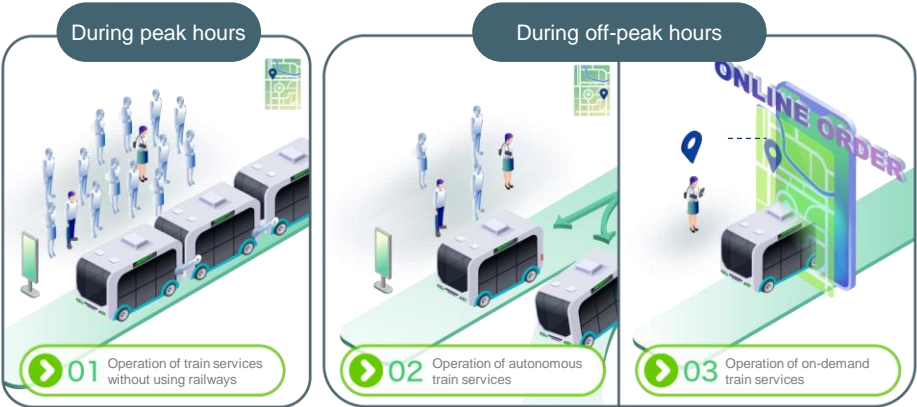
■ Efforts to establish short-distance public transportation systems across Southeast Asia

- ✓ Short-distance transportation services featuring a combination of electric vehicles and IT
- ✓ Operation styles can be modified flexibly according to travel demand.
- ✓ The services alleviate traffic jams and contribute to reducing air pollution.

<Overview of the investee company>



Name: Zenmov Inc.



| | | | |
|------------------------|--|----------|-------|
| Representative | Sumio Tanaka | Location | Tokyo |
| Business outline | Planning, development, manufacture and sale of smart mobility systems | | |
| Capital | 2,000,000 yen (October 20, 2019) | | |
| Investment amount | 99,975,000 yen | | |
| Type of stock acquired | Preferential stock, stock acquisition rights requiring payments (J-kiss) | | |

* New Energy and Industrial Technology Development Organization

Corporate Profile

| | |
|---------------------|---|
| Corporate Name | Broadleaf Co., Ltd. |
| Representative | 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 (consolidated) |
| Business Outline | Provision of corporate-use IT services designed from originally developed platforms. The Company offers business applications mainly for the automotive aftermarket as well as many types of services such as the provision of infrastructure for trades/payments among platform participants and the analysis of automotive-related big data. In addition, looking ahead to the evolution of the mobility industry going forward, it has been conducting surveys and research for the commercialization of advanced technologies. |
| 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) |

Explanation of Revenue Category

| Classification | | | Detailed businesses |
|----------------|-------------------------------|--------------------------|---|
| Major category | Medium category | Medium category | |
| Platforms | Basic | PaaS/SaaS | - Provision of applications (on a monthly fee basis) - Provision of databases for applications (information on automotive parts, vehicles and indexes, data on transportation means, data on tourism spots, etc.) - Provision of basic application functions and middleware |
| | | IaaS | - Provision of network servers required for the use of applications |
| | EDI/ Payment settlement | PSF | - Provision of settlement agency services for "Parts Station NET," a network specialized in the transaction of automotive recycled parts |
| | | BLP/CPT | - Provision of an electronic system "BL Parts Order System" for receiving/placing orders for automotive parts - Provision of tablet-type operation terminals "CarpodTab" mainly for automotive maintenance companies |
| | Support | Maintenance | - Provision of support and hardware maintenance services for clients in varieties of industries |
| | | Provision of Consumables | - Sale of exclusive forms and OA supply goods |
| | Others | | - Analysis, processing and provision of a large amount of accumulated anonymization data collected from clients, etc. |
| Applications | By industry | | - Sale of applications in the By industry category (excluding basic functions) (Automotive category: Auto repair/maintenance shops, bodywork suppliers, sales companies, component suppliers, glass product suppliers, electrical component suppliers, recycling companies, etc.) (Non-automotive category: Machine tool suppliers, mobile phone sales shops, travel agencies, sightseeing bus operators, etc.) |
| | OTRS | | - Sale of OTRS, operation analysis/optimization software |
| | Others | | - Sale of PC bodies and ancillary devices such as printers |

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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