



Business Results for FY12/2022 Briefing Material

(January 1, 2022-December 31, 2022)

Broadleaf Co., Ltd (3673)

February 10, 2023

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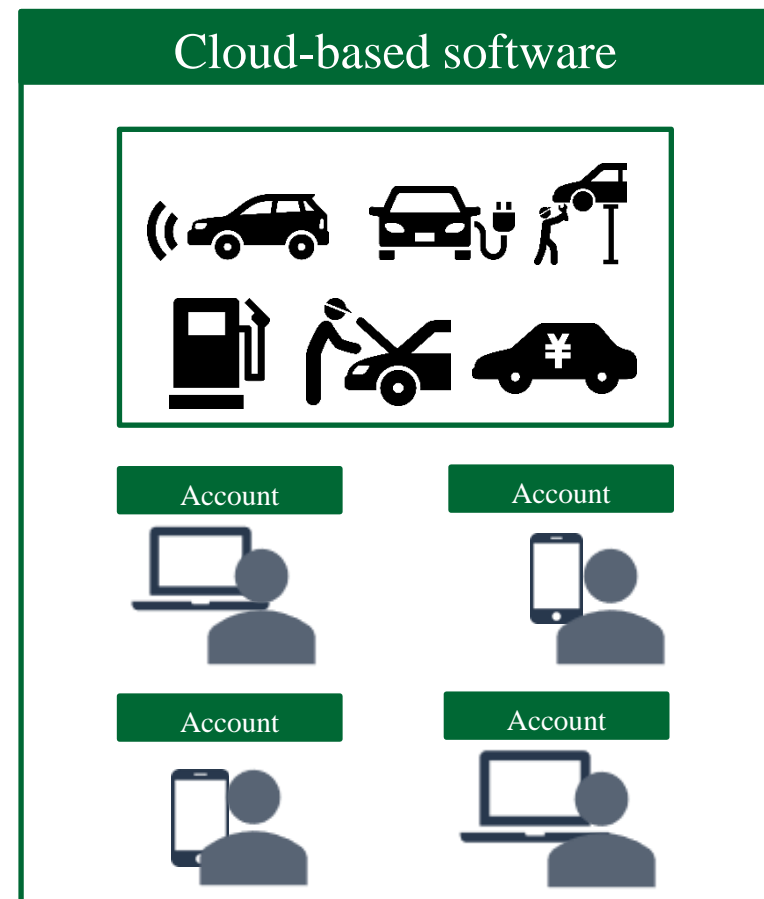
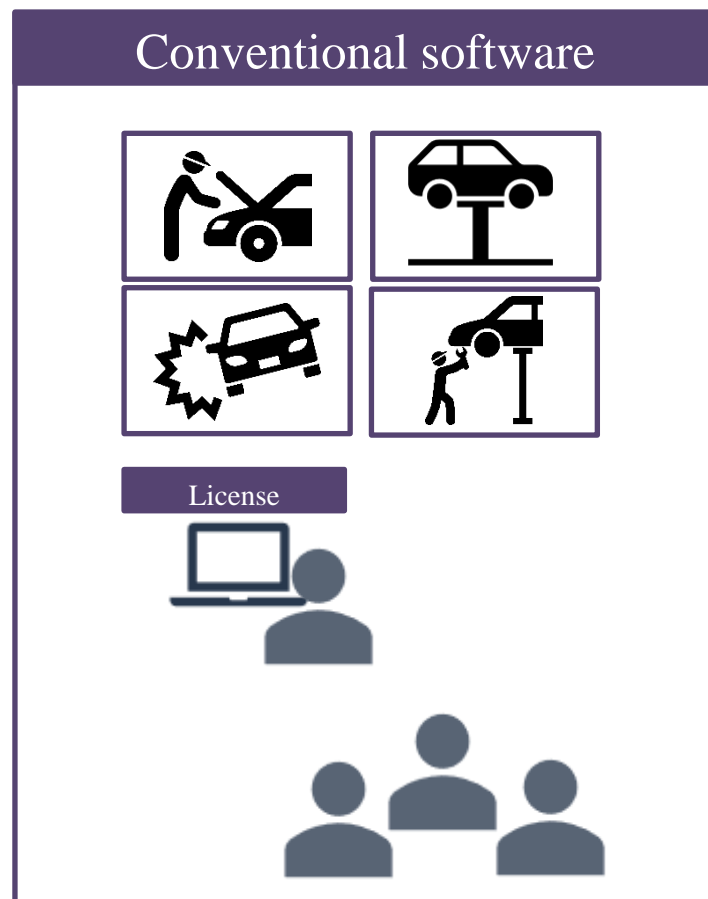
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Overview of Business Results for FY12/2022

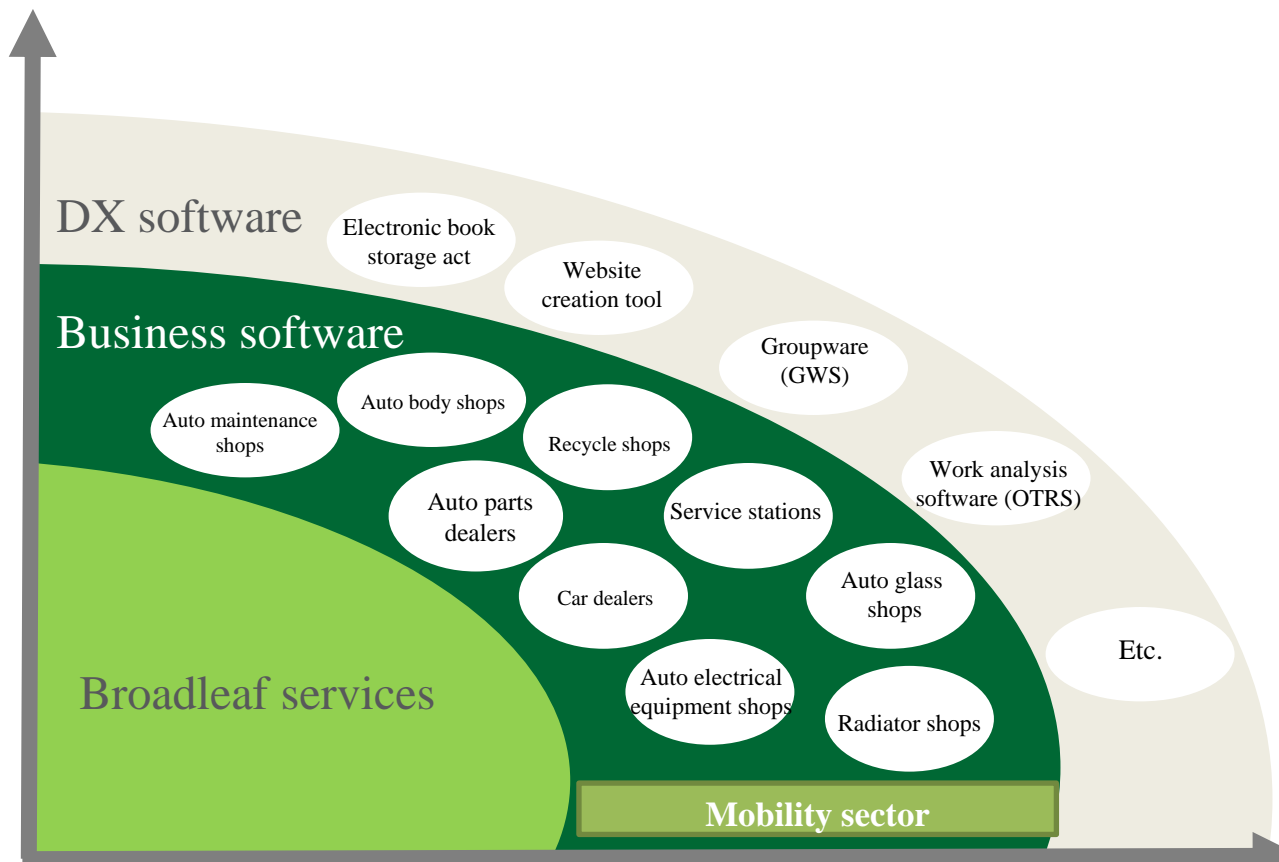
Changing from Conventional Software to Cloud-based Software Mainly in the Mobility Sector

- Existing clients in the mobility sector are expanding their business from a single format to total shops in order to meet the diverse needs of car owners.
- The Company speedily provides cloud-based software to clients in line with business expansion.



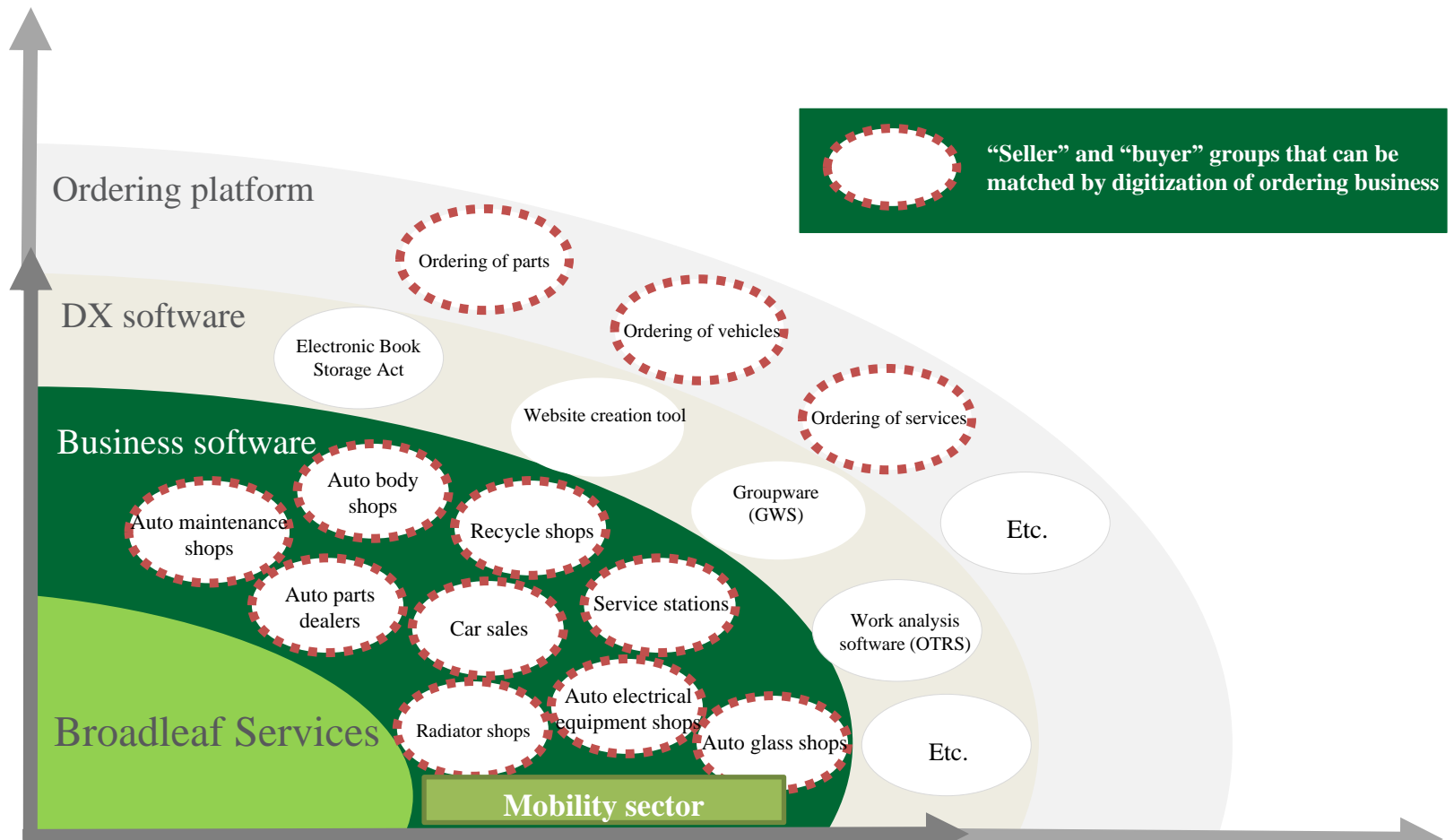
Promote Digitalization of Clients through Transition to Cloud-based Software

- The Company changes conventional software to cloud-based software, mainly those for the mobility sector.
- Through transition to cloud-based software, employees accounts will be issued.
- As the scope of digitization of clients expand, the number of employee users will increase.
- This will increase sales per company.



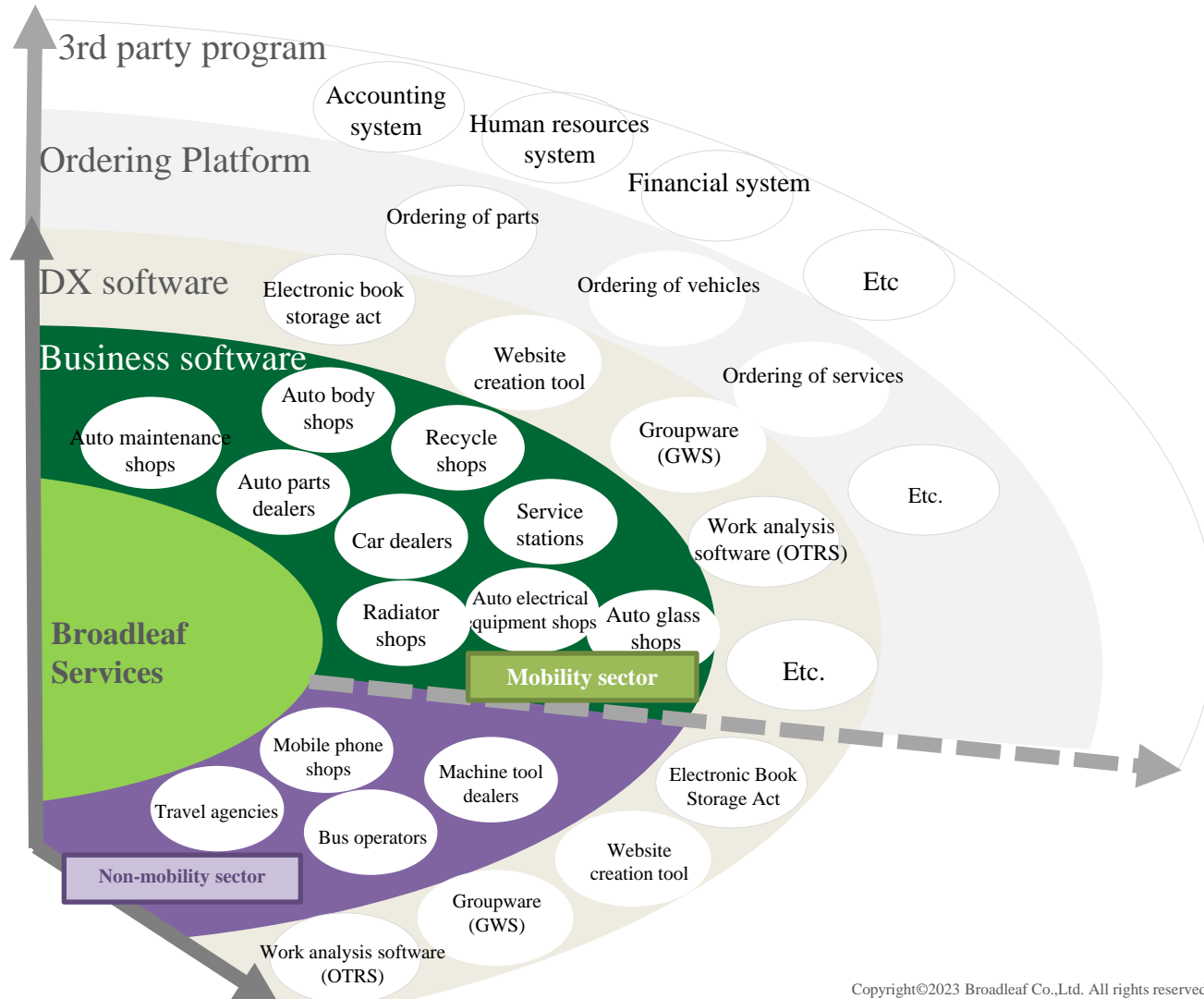
Promote Digitalization of Ordering Business through Transition to Cloud-based Software

- The Company will promote digitization of ordering business operations through the business software of existing clients, which are changed to cloud-based software.

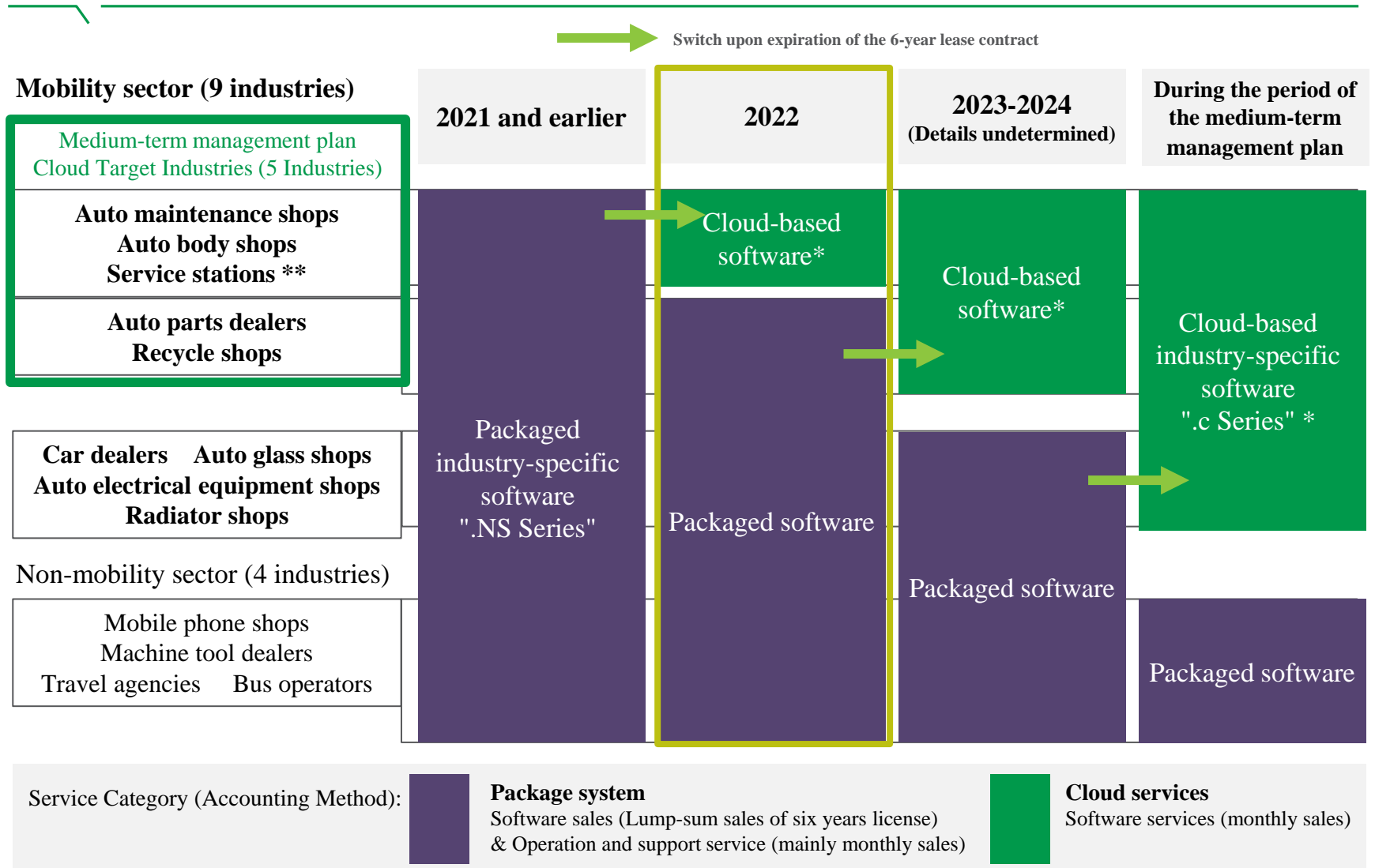


Future of Conventional Software for Non-mobility Sector

- Depending on the client's market environment, the Company will consider whether to develop cloud-based software for non-mobility sector.
- It is necessary to judge whether it is possible to expand the client base and the ordering platform in the sector.



Release Plan of Cloud-based Software



*Sales of packaged software is ended in principle, but it is provided to some users based on monthly fees for a limited time (see page 41)

**Service stations became a new market from cloud-based software

Summary

Sales

▶ Sales of cloud services largely increased year on year.

- Explanation
- The Company started full-scale provision of cloud-based software for auto maintenance shops and auto body shops in 2022.
 - Sales of other services were also strong, such as “Dencho.DX,” a new solution corresponding to Electronic Book Storage Act launched in 2022.

▶ Sales of packaged system largely decreased year on year.

- Explanation
- In principle, sales of conventional packaged software for auto maintenance shops and auto body shops were ended*
 - For other industries, the Company continues to sell packaged industry-specific software

Cost

▶ The Company reduced SG&A expenses by improving operational efficiency

- Explanation
- The Company streamlined sales activities by participating in digital events and utilizing online sales contracts
 - The Company streamlined back-office operations by outsourcing, etc.

▶ Impairment of goodwill of group company Tajima was recorded in SG&A expenses, etc.

- Explanation
- “Impairment loss: -615 million yen” was recorded in other operating expenses.
 - The Group will promote market penetration of cloud-based industry-specific software as a whole by actively changing its conventional software to cloud-based software.

Overview of Consolidated Financial Results

- Revenue and profits decreased due to the large impact of the closing sales of packaged software for auto maintenance shops and auto body shops
- Sales of packaged software to industries other than the above were firm, so results exceeded forecasts.

(Millions of yen)	FY2022	FY2021	YoY change	FY2022 Forecast (11/9)	Difference
Revenue	13,833	20,652	-6,819	13,300	+533
Cloud services	2,628	1,791	+837	2,540	+88
Packaged system	11,205	18,860	-7,656	10,760	+445
Cost of sales	5,346	5,753	-407	5,400	-54
Gross profit	8,487	14,898	-6,412	7,900	+587
SG&A expenses, etc.	11,384	11,503	-120	11,100	+284
Operating profit *	-2,897	3,395	-6,292	-3,200	+303
Profit before tax *	-3,005	3,233	-6,238	-3,400	+395
Profit attributable to owners of the parent *	-2,431	2,173	-4,604	-2,700	+269
Basic earnings per share*	-27.54 yen	24.72 yen	-	-30.58 yen	-

*minus (-) represents loss

Cloud Service Sales

- Sales of cloud service increased due to the start of full-scale provision of multiple software services in 2022

(Millions of yen)

	FY2022	FY2021	YoY change
Cloud services	2,628	1,791	+837
Software service	1,958	1,090	+867
Marketplace	670	701	-31

Explanation

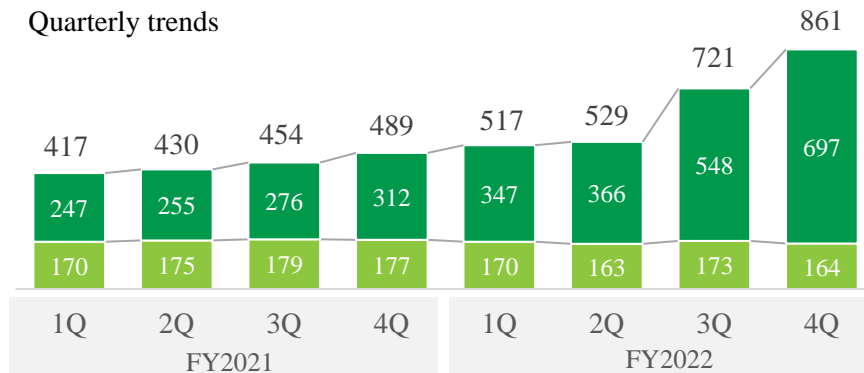
Software service

- The Company started full-scale provision of cloud software for auto maintenance shops and auto body shops in 2022
- The Company started offering “Dencho.DX” in 2022

Marketplace

- Sales decreased due to the impact of a decrease in the transaction volume in auto recycled parts market.

Quarterly trends



Main breakdown

Software service

- “.c Series” (standard and specific versions)
- “.NS Series” (monthly contract)
- “Dencho.DX,” a solution for Electronic Book Storage Act
- “BL.Homepage,” a website creation tool
- “Google Workspace™,” a groupware Etc.

Marketplace

- Electronic ordering platform of auto repair parts
- Factoring services, etc.

Packaged System Sales

- Sales decreased due to the closing of sales of “.NS Series” for auto maintenance shops and auto body shops.

(Millions of yen)

	FY2022	FY2021	YoY change
Packaged system	11,205	18,860	-7,656
Software sales	3,539	11,620	-8,082
Operation and support service	7,666	7,240	+426

Explanation

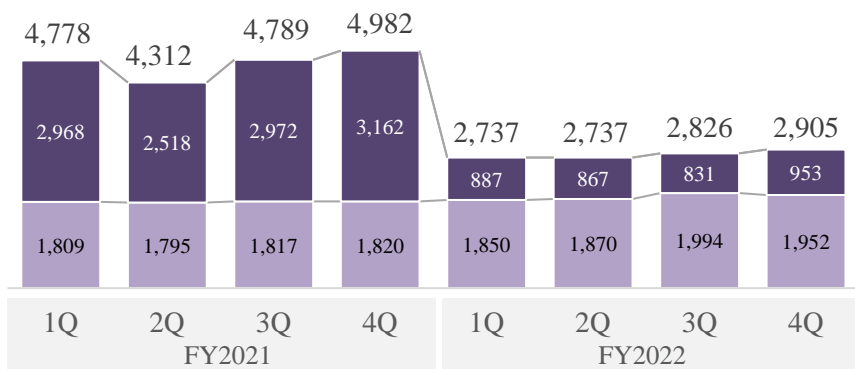
Software sales

- The Company closed the sales of “.NS Series” for auto maintenance shops and auto body shops, which led to decrease in sales.

Operation and support service

- Sales increased against the backdrop of an increase in the usage rate of ancillary services of “.NS Series”.

Quarterly trends



Main breakdown

Software sales

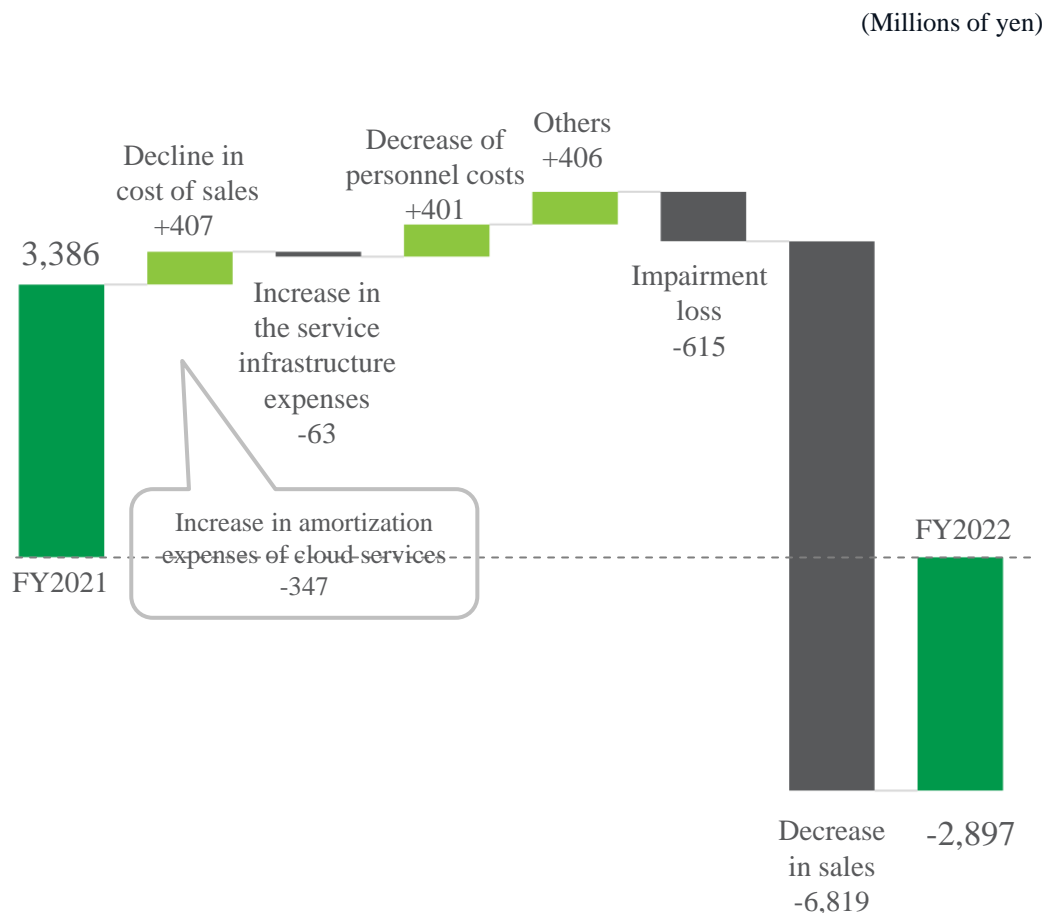
- .NS Series (multi-year lease contract)
- “OTRS,” a work analysis software Etc.

Operation and support service

- Ancillary services of “.NS Series” (support services, etc.)
- Sales of supplies such as forms and toner Etc.

Factors Behind Changes in Operating Profit

- Despite reduction of SG&A expenses, etc., negative impact of the decline in sales led to operating loss.



Cost of sales

- Amortization expenses of cloud services increased in line with the release of cloud services.
- Purchases of devices decreased due to closing sales of “NS Series” for auto maintenance shops and auto body shops.

SG&A expenses, etc.

- Service infrastructure expense
IT infrastructure expenses for cloud services increased.
- Personnel expenses
Legal welfare expense which temporarily incurred in FY2021 decreased.
- Impairment loss
Impairment of goodwill of Group company Tajima was recorded.
- Others
Business operation expenses and operating expenses was reduced by improving operational efficiency.

Balance Sheet Status

- Current assets decreased since the Company limited multi-year lump-sum sales of “.NS Series” to some industries. The Company maintains sound financial position despite dividend payments and the recording of loss.

(Millions of yen)	FY2022 Year-end	FY2021 Year-end	YoY change	Major factors of increase/decrease
Current assets	6,555	8,405	-1,849	Cash and cash equivalents -65 Operating and other receivables -1,691
Non-current assets	26,980	26,071	+909	Intangible assets +1,223 Goodwill -613
Total assets	33,535	34,476	-940	
Current liabilities	6,583	7,512	-930	Operating and other payables -895 Short-term interest-bearing debts -210 Contract liabilities +572
Non-current liabilities	3,291	850	+2,441	Long-term interest-bearing debts +2,540
Total liabilities	9,873	8,362	+1,511	
Total equity	23,662	26,114	-2,452	Dividends payout -414 Loss -2,431
Total liabilities and equity	33,535	34,476	-940	

Cash Flows Status

- Operating cash flow decreased due to increased monthly subscription contracts for “.c Series.” Still, there was no shortage in working capital.

(Millions of yen)	FY2022	FY2021	YoY change	Major factors of increase/decrease
Cash flow from operating activities	1,606	3,783	-2,176	Decrease in income before tax -6,238 Decrease in trade and other receivables +2,281
Cash flow from investment activities	-2,910	-3,388	+478	Decrease in purchase of intangible assets +452
Cash flow from financing activities	1,237	-108	+1,345	Decrease in dividends paid +516
Free cash flow	-1,304	395	-1,699	
Cash and cash equivalents at year-end	3,457	3,522	-65	

2. Results Forecasts for FY12/2023

Forecast of Consolidated Results

- Sales are expected to increase due to the accumulation of sales following the transition to cloud services.
- Nevertheless, the shrinking of loss will be limited due to the anticipated increase in cost by further investments.

(Millions of yen)	FY2023 Full-year forecast	FY2022 Full-year	YoY change	FY2023 1H forecast	FY2022 1H	YoY change
Revenue	15,000	13,833	+1,167	6,700	6,520	+180
Cost of sales	6,000	5,346	+654	2,850	2,459	+391
Gross profit	9,000	8,487	+513	3,850	4,061	-211
SG&A expenses, etc.	11,700	11,384	+316	6,000	5,460	+540
Operating profit *	-2,700	-2,897	+197	-2,150	-1,398	-752
Profit before tax *	-2,800	-3,005	+205	-2,200	-1,458	-742
Profit attributable to owners of the parent *	-2,400	-2,431	+31	-1,900	-1,109	-791
Basic earnings per share*	-27.07 yen	-27.54 yen	-	-21.45 yen	-12.57 yen	-

*minus (-) represents loss

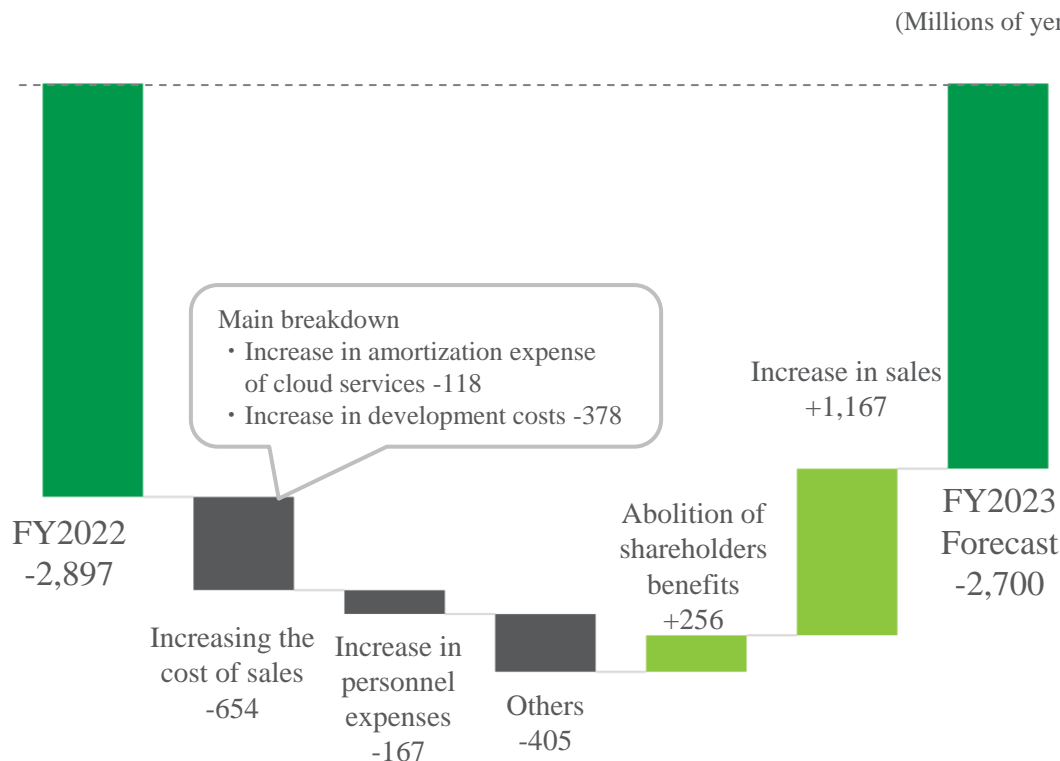
Revenues Forecast by Service Category

- Sales of cloud services are expected to increase since the Company will continue to promote the penetration of cloud services.
- Packaged system is expected to decline due to continued sales restrictions of “.NS Series”.

(Millions of yen)	FY2023 Full-year forecast	FY2022 Full-year	YoY change	FY2023 1H forecast	FY2022 1H	YoY change
Cloud service	5,900	2,628	+3,272	2,100	1,046	+1,054
Software service	5,250	1,958	+3,292	1,800	713	+1,087
Marketplace	650	670	-20	300	333	-33
Packaged system	9,100	11,205	-2,105	4,600	5,474	-874
Software sales	2,200	3,539	-1,339	1,100	1,754	-654
Operation and support service	6,900	7,666	-766	3,500	3,720	-220
Total	15,000	13,833	+1,167	6,700	6,520	+180

Factors Behind Changes in Operating Profit

- Costs for sales promotions and strengthening the service infrastructure is expected to increase, but the operating loss is expected to shrink in line with the increase in sales.



Cost of sales

- Amortization expenses of cloud services will increase in line with the release of cloud services.
- Development costs will increase due to the development of new cloud services.

SG&A expenses, etc.

- Personnel expenses
The Company will promote hiring activities and work style reforms.
- Others
The Company will strengthen sales and promotional activities, as well as service infrastructure.
- Abolition of shareholders benefits
The Company abolished shareholder benefits from FY2022.

Dividends

- The Company plans to pay a year-end dividend of 1 yen per share for FY12/2022
- Dividends for FY12/2023 are undetermined.

Dividend per share

(Yen)	FY2023 (Forecast)	FY2022 (Planned amount at the end of the fiscal year)
Interim dividend	Undecided	-
Year-end dividend	Undecided	1.00
Annual dividend	Undecided	1.00
Consolidated dividend payout ratio	-	-

Dividends

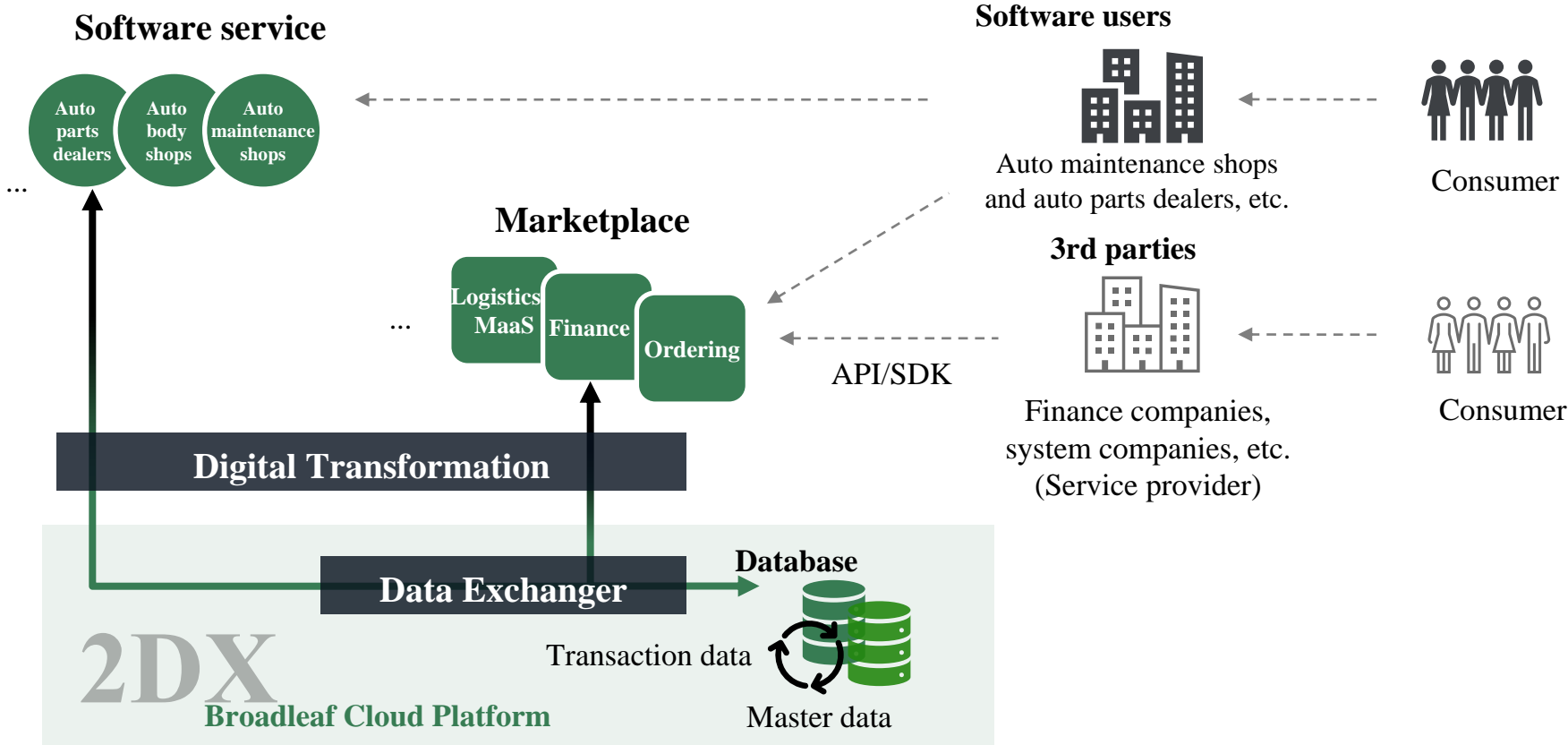
- For FY12/2022, the Company plans to pay an annual dividend of 1 yen per share.
- For 12/2023, the Company plans to announce forecast once a reasonable calculation becomes possible in light of the progress of the medium-term management plan and the status of retained earnings.

3. Progress of the Medium-Term Management Plan (2022-2028)

Medium-Term Management Plan (2022-2028) Growth Strategy

Growth Strategy ① Cloud penetration

Growth Strategy ② Expansion of services



Medium-Term Management Plan (2022-2028) Performance Plan

- The Company will achieve record-high performance in 2026, with a target of operating margin of 40% and profit of 8 billion yen in 2028.

(Billions of yen)	FY2021 (Reference)	FY2022	FY2023 Forecast	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2027 Plan	FY2028 Plan
Revenue	20.7	13.8	15.0	18.5	22.0	25.5	29.0	32.5
Operating profit *	3.4	-2.9	-2.7	1.0	3.3	6.7	10.0	13.0
Operating margin	16%	-	-	5%	15%	25%	34%	40%
Profit attributable to owners of the parent *	2.1	-2.4	-2.4	0.6	2.0	4.2	6.3	8.0
Equity attributable to owners of the parent	26.1	23.6	17.5	18.0				
Owners' equity ratio	76%	71%	50%	52%				

*minus (-) represents loss

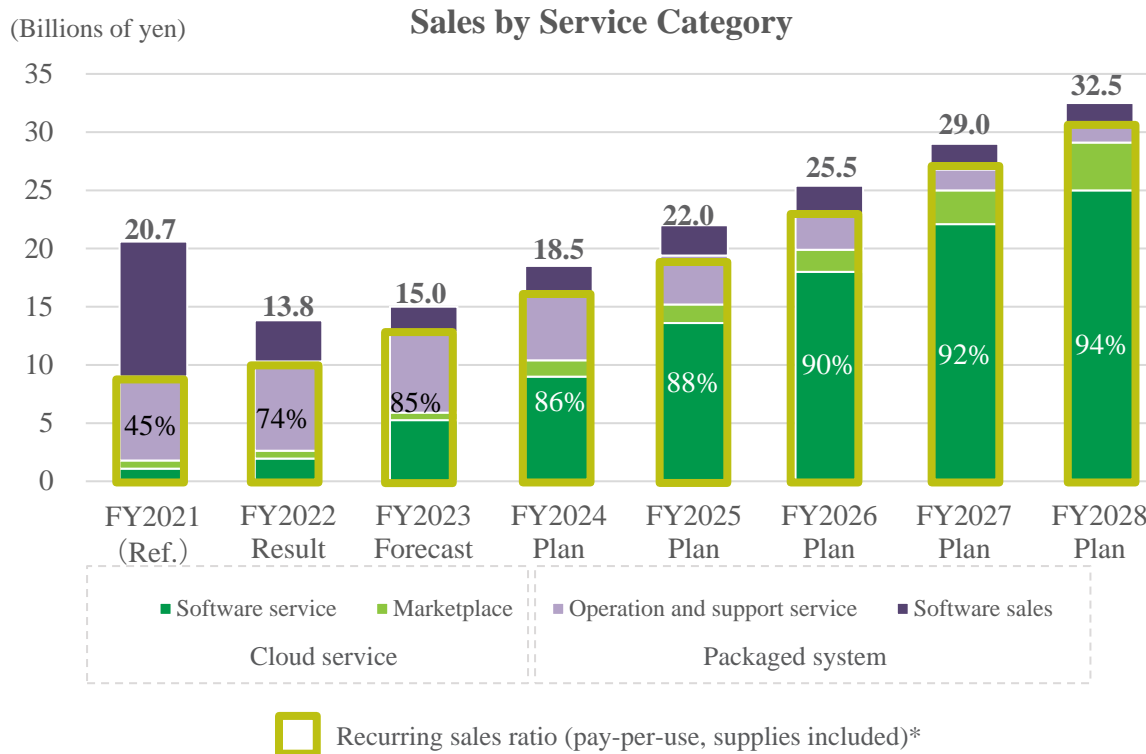
Medium-Term Management Plan (2022-2028) Sales Plan by Service Category

- Within “Cloud services,” “Software service” is expected to drive the revenue growth.
- ”Packaged system” is expected to shrink as conventional software are changed to cloud services.

(Billions of yen)	FY2021 (Reference)	FY2022	FY2023 Forecast	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2027 Plan	FY2028 Plan
Cloud service	1.8	2.6	5.9	10.4	15.2	19.9	25.0	29.1
Software service	1.1	2.0	5.3	9.0	13.6	18.0	22.1	25.0
Marketplace	0.7	0.7	0.7	1.4	1.6	1.9	2.9	4.1
Packaged system	18.9	11.2	9.1	8.1	6.8	5.5	4.0	3.4
Software sales	11.6	3.5	2.2	2.5	2.6	2.5	2.2	2.0
Operation and support service	7.2	7.7	6.9	5.6	4.2	3.0	1.8	1.4
Revenue	20.7	13.8	15.0	18.5	22.0	25.5	29.0	32.5
(Reference) Recurring sales ratio*	45%	74%	85%	86%	88%	90%	92%	94%

Medium-Term Management Plan (2022-2028) Sales Plan by Service Category

- As the sales of “Software service” increases, recurring sales ratio will increase as well.
- The key product for increasing the sales of “Software service” is “.c Series,” a cloud-based industry-specific software.



Software service

- “.c Series”
(Standard and specific versions)
- “.NS Series” (monthly contract)
- “Dencho.DX”, a solution for Electronic Book Storage Act
- “BL.Homepage,” a website creation tool
- “Google Workspace™,” a groupware
Etc.

Medium-Term Management Plan (2022-2028) Measures

- In order to penetrate the cloud-based products, the Company implements the following measures and manages the progress using the following KPIs.

① Cloud transition

In 2022, the Company started transition to “.c Series” when existing clients’ 6-year contracts for “.NS Series” expires. The transition is scheduled to be completed in 2028.

Related KPI: Cloud transition rate

② Market expansion

“.c Series,” which has evolved into a total management system, is deployed not only in existing markets but also in new markets such as car shop chains, car dealers that provide auto maintenance services, and service stations.

Related KPI : “.c Series” licenses and retention rate of “.c Series” users

Related indicators: Total number of users, retention rate of “.NS Series” users, and the number of “.c Series” users

③ Menu expansion

In addition to the various optional services of “.c Series,” the Company provides various software services, including groupware, solutions that comply with law and regulation, and website creation tools.

Related KPI : Average monthly sales of “.c Series”

Related indicators: Number of licenses for major software services

".c Series" KPIs

- The situation of KPIs in 2022 is as follows.

	Results at the end of FY12/2022	Targets for the end of FY12/2024
<ul style="list-style-type: none"> • <u>KPI of cloud transition</u> • Cloud transition rate 	6.5%	40%
<ul style="list-style-type: none"> • <u>KPI of market expansion</u> • Number of ".c Series" licenses 	2,523 licenses	24,000 licenses
<ul style="list-style-type: none"> • Retention rate of ".c Series" users 	- (disclosed from FY12/2023)	99% or more
<ul style="list-style-type: none"> • <u>KPI of menu extension</u> • Average monthly sales of ".c Series" 	21,279 yen/month	23,000 yen/month

KPI Definition

Cloud transition rate: Number of ".c Series" user companies / Number of ".c Series" target user companies*

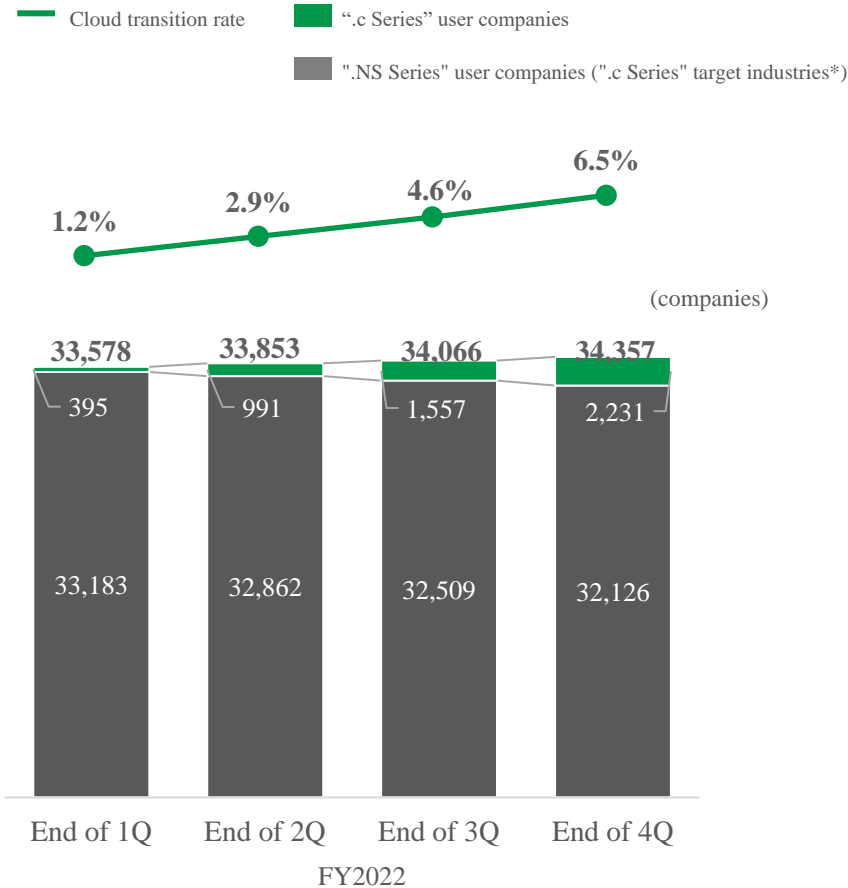
Number of licenses: The number of charge licenses for the standard version of ".c Series"

User retention rate: Planned to be announced when disclosing the result

Average monthly sales: Monthly sales / number of charged licenses for the standard version of ".c Series"

".c Series" KPI ①: Cloud Transition Rate

- Some clients temporarily switched to monthly subscription contracts of “.NS Series.” As a result, the progress of cloud transition rate was moderate.



Cloud transition rate

- In the early stage, the transition will proceed moderately.

".c Series" user companies

- The number does not include users using “.NS Series” under monthly subscription contracts for a limited time.

Definition of cloud transition rate
 “.c Series” user companies ÷ user companies in the target industries of “.c Series”*

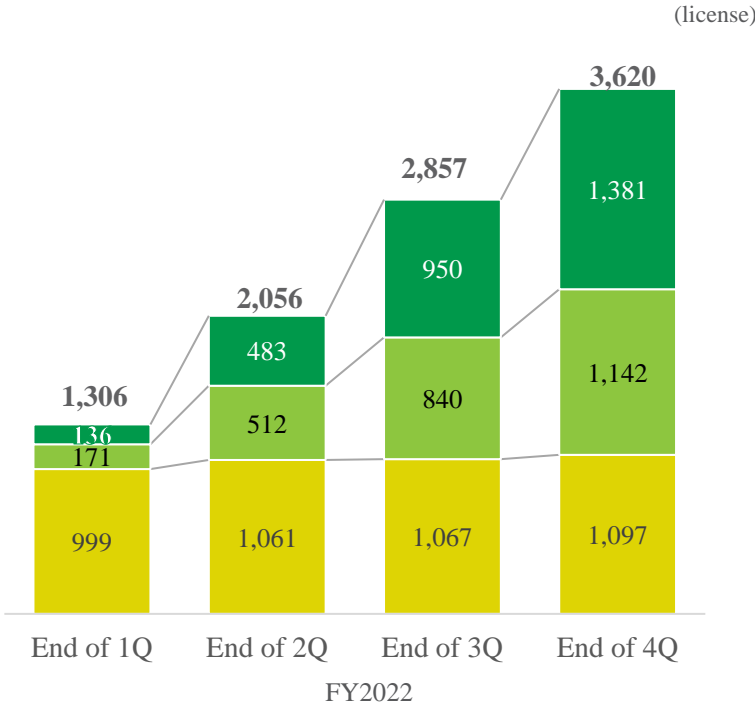
* Auto maintenance shops and service stations/auto body shops/auto parts dealers/auto recycle shops

NOTE) “.c Series” for auto parts dealers and auto recycle shops are before the launch

“.c Series” KPI ②: Number of Licenses

• The increased number of “.c Series” licenses in 4Q mostly consist of the standard version.

- Standard version (existing clients): Licensing of the standard version of “.c Series,” which was switched from.NS Series
- Standard version (new clients): Number of licenses for the standard version of “.c Series,” which has newly become the Company’s client
- Specific major companies and service stations: Number of licenses of “.c Series,” with special licensing system, etc.



Standard version

- Acquisition of new users and switching of existing users
Both remained firm.

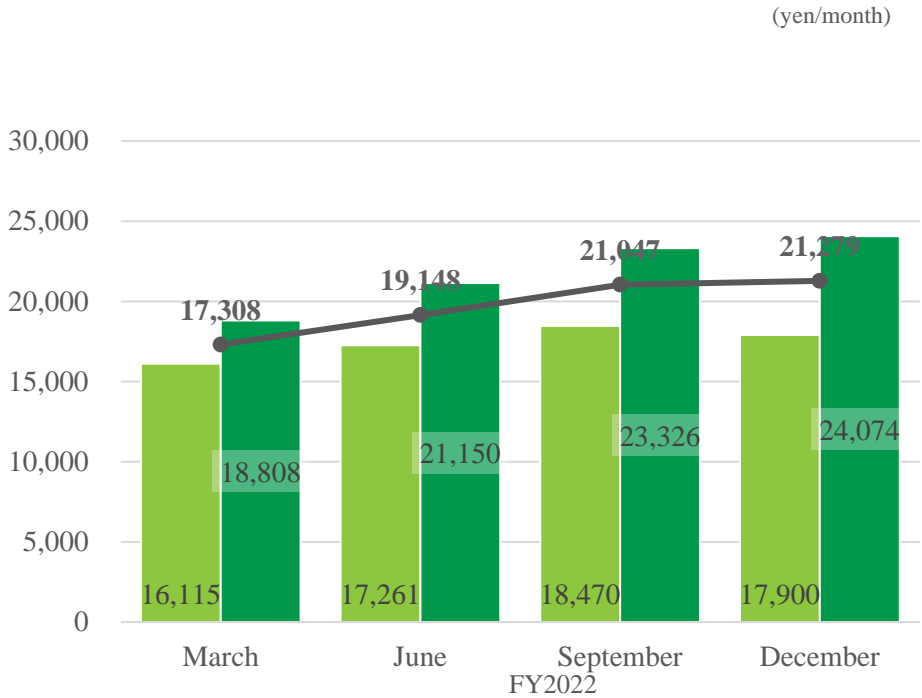
Specific version

- “.c Series” for specific major companies and service stations will be installed to multiple stores in a lump sum for each project, so the pace of growth will not be constant.

“.c Series” KPI ③: Average Monthly License Sales

• Average monthly license sales as of the end of 2022 were 21,279 yen/month.

- Average monthly license sales of the standard version of “.c Series”
- Existing client: Average monthly license sales of the standard version of “.c Series” acquired from existing users who switched from “.NS Series”
- New client: Average monthly license sales of the standard version of “.c Series” acquired from new clients



Existing clients

- Average monthly license sales exceeded the target of 23,000 yen/month in December, since the Company made progress in installation to middle-sized clients.

New clients

- Since the percentage of small-sized users is relatively high, they tend to start with a minimal plan.

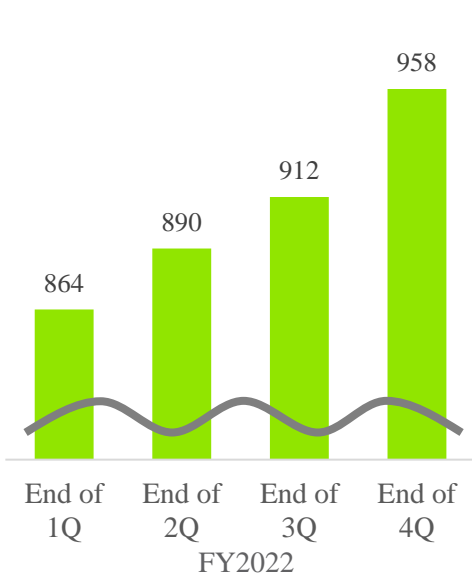
Examples of Other Software Services

- “.c Series” will drive the software service sales, but the Company also provides other software services as well, which contribute to clients' businesses.

(license)

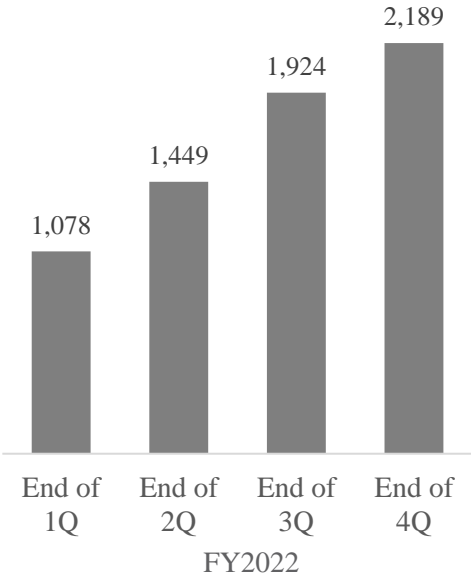
Website creation tool

BL.Homepage



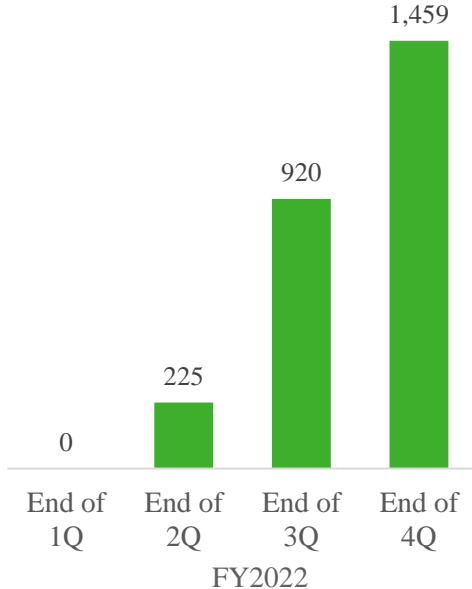
Groupware

Google Workspace™



Solutions for the Electronic Book Storage Act

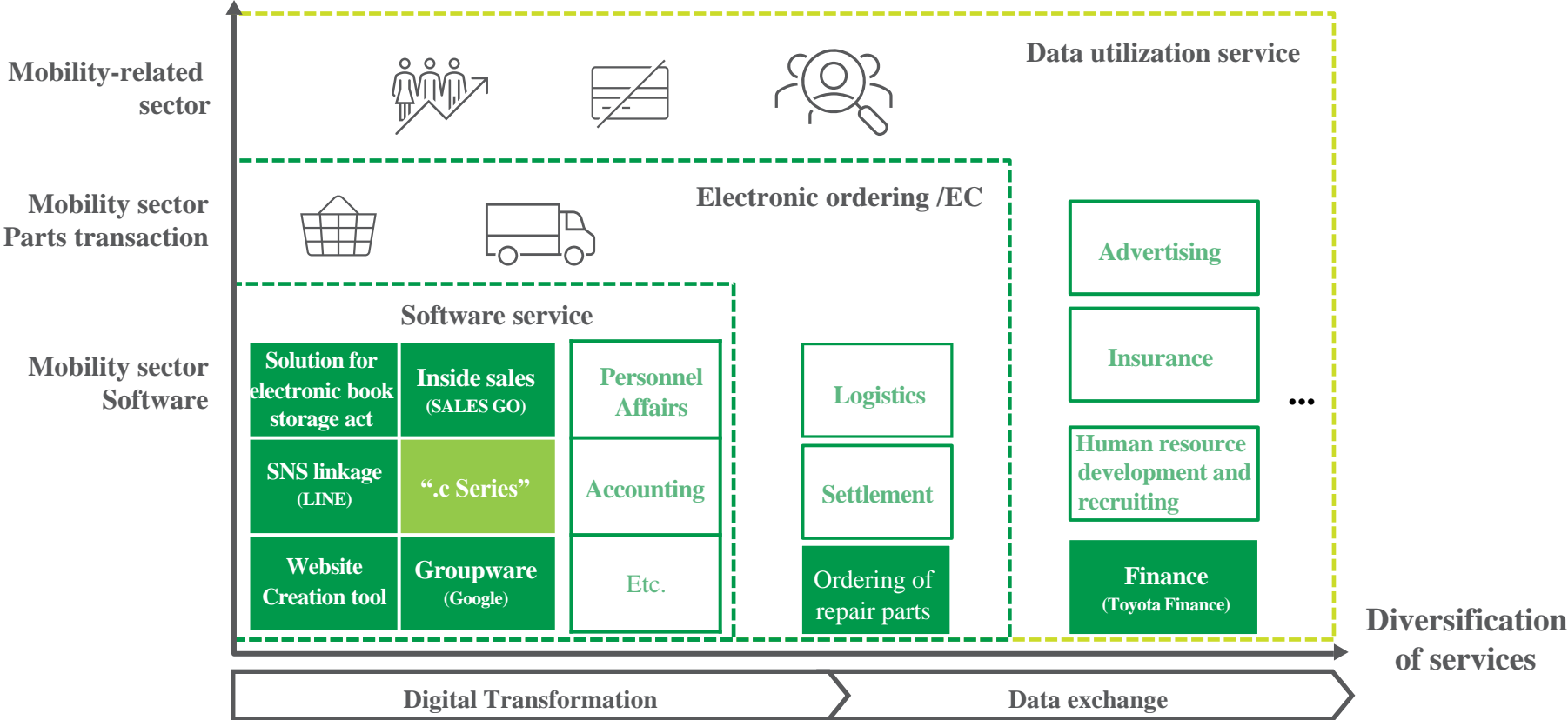
Dencho.DX



Expansion of Service

- The Company will promote diversification of services through business alliances with various companies in addition to in-house services, starting from “.c Series.”

Business area expansion



Indicators List ①

(Millions of yen)

	FY2021	FY2022			
	Full-year	1Q	1H	Cumulative 3Q	Full-year
Recurring sales	9,031	2,367	4,766	7,481	10,294
Recurring sales ratio (%)	44%	73%	73%	74%	74%

(companies)

	FY2021	FY2022			
	End of 4Q	End of 1Q	End of 2Q	End of 3Q	End of 4Q
Total number of user companies of industry-specific software	38,006	38,098	38,354	38,549	39,345
Mobility sector*	36,269	36,373	36,650	36,858	37,643
Non-mobility sector*	1,737	1,725	1,704	1,691	1,702

*Mobility sector: auto maintenance shops, auto body shops, auto parts dealers, auto recycle shops, car dealers, auto electrical equipment shops, radiator shops, auto glass shops, and service stations

Non-mobility sector: mobile phone shops, machine tools dealers, travel agencies, and bus operators (13 industries in total)

Indicators List ②

(companies)

	FY2022				End of 2024
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Target
Cloud transition rate	1.2%	2.9%	4.6%	6.5%	40%
Target user company of “.c Series”*	33,578	33,853	34,066	34,357	-
“.c Series” user companies	395	991	1,557	2,231	-
Standard version	274	867	1,433	2,099	-
Existing client	118	405	721	1,094	-
New client	156	462	712	1,005	-
Specific version	121	124	124	132	-
“.NS Series” users	33,183	32,862	32,509	32,126	-
Non-target user company of “.c Series”	4,520	4,501	4,483	4,988	-

	FY2022			
	1Q	1H	Cumulative 3Q	Full-year
Upon expiration of “.NS Series” lease contract				
Transition ratio to “.c Series”	-	35%	45%	44%
Transition ratio to “.NS Series” (monthly)	-	65%	55%	56%

*Of the 13 industries, “.c Series” target industries covered in the medium-term management plan are auto maintenance shops, auto body shops, auto parts dealers, auto recycle shops, and service stations.

Indicators List ③

(license)

	FY2022				End of 2024
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Target
Number of ".c Series" licenses	1,306	2,056	2,857	3,620	-
Standard version	307	995	1,790	2,523	24,000
Existing client	136	483	950	1,381	-
New client	171	512	840	1,142	-
Specific version	999	1,061	1,067	1,097	-

(yen/month)

	FY2022				End of 2024
	March	June	September	December	Target
Average monthly sales of ".c Series"	-	-	-	-	-
Standard version	17,308	19,148	21,047	21,279	23,000
Existing client	18,808	21,150	23,326	24,074	-
New client	16,115	17,261	18,470	17,900	-
Specific version	-	-	-	-	-

Indicators List ④

(License/Company)

	FY2022			
	End of 1Q	End of 2Q	End of 3Q	End of 4Q
".c Series"				
Number of licenses per company	3.4	2.1	1.8	1.6
Standard Edition	1.1	1.1	1.2	1.2
Existing client	1.2	1.2	1.3	1.3
New client	1.1	1.1	1.2	1.1
Specific major companies	8.6	8.6	8.8	8.3

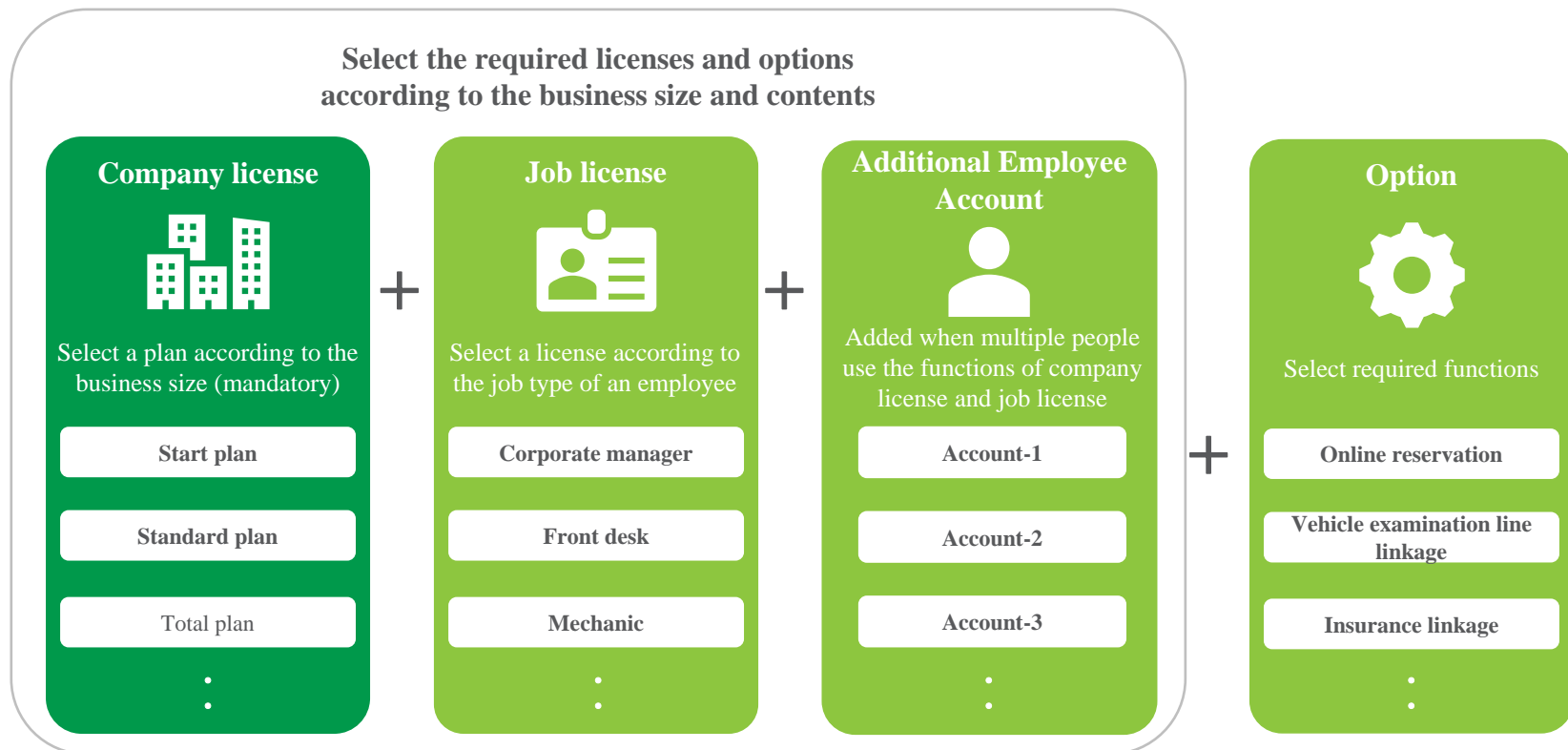
	FY2021	FY2022			
	End of 4Q	1Q	1H	Cumulative 3Q	Full-year
Retention rate of ".NS Series"*	-	-	99.7%	99.5%	99.3%
Number of outflows (companies)	-	-	104	161	242
Transfer to other companies (companies)	-	-	19	36	51
Bankruptcy or exit (companies)	-	-	85	125	191
“.NS Series” users **	33,293	-	-	-	-

*Retention rate: 1- (outflow / number of “.NS Series” users (“.c Series” target industries))

**Sum of auto maintenance shops, auto body shops, auto parts dealers, and auto recycle shops

4. Supplemental Information

Service Structure (Cloud-based Software Service)

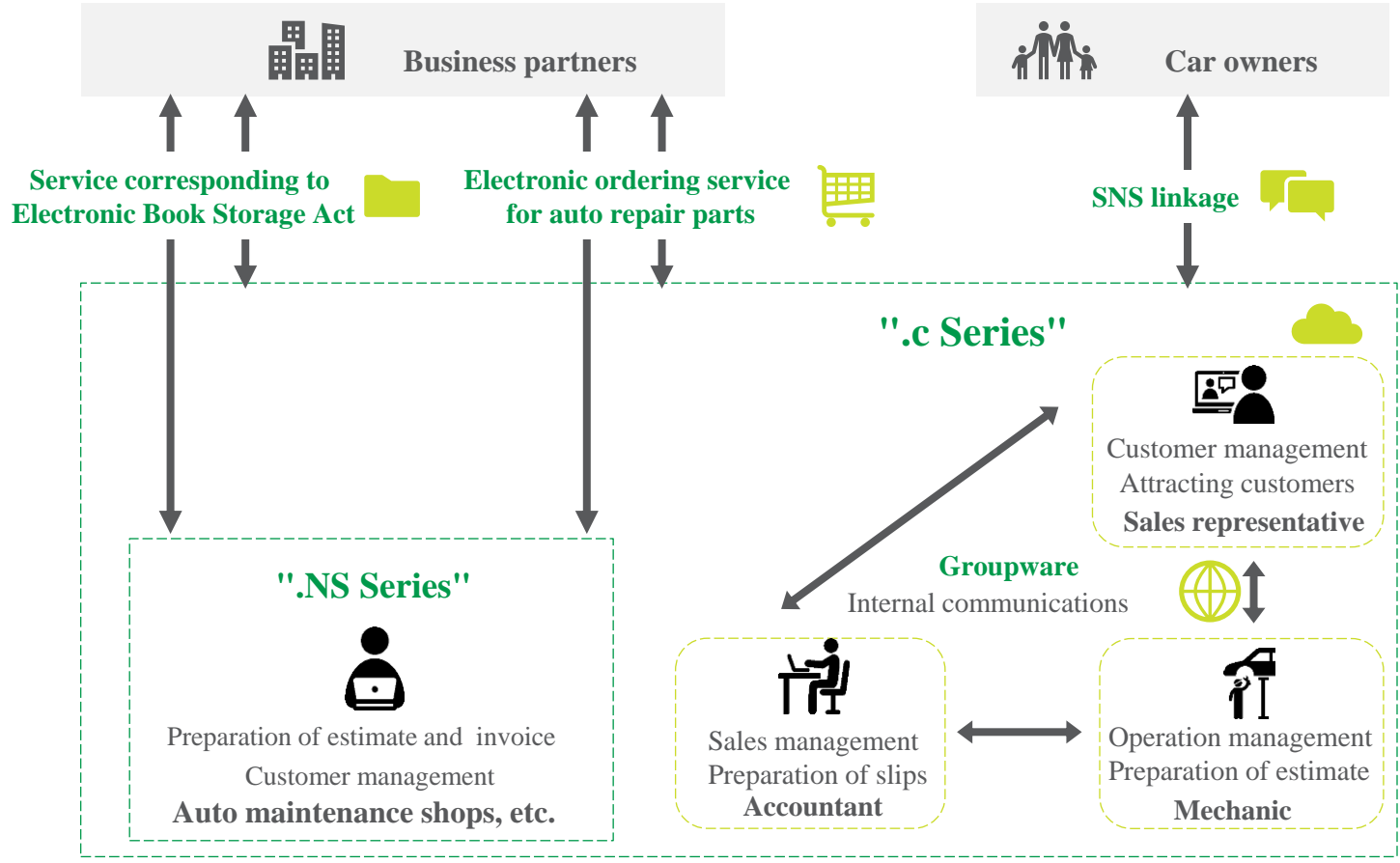


+ Database / Client support / Slip issuance, etc.

Clients will select a plan from the company license menu and select necessary job licenses in addition. When multiple people use the functions of company license and job license, purchase of additional employee account is necessary according to the number of users. There are also other service menus such as database and client support.

Difference Between “.NS Series” and “.c Series”

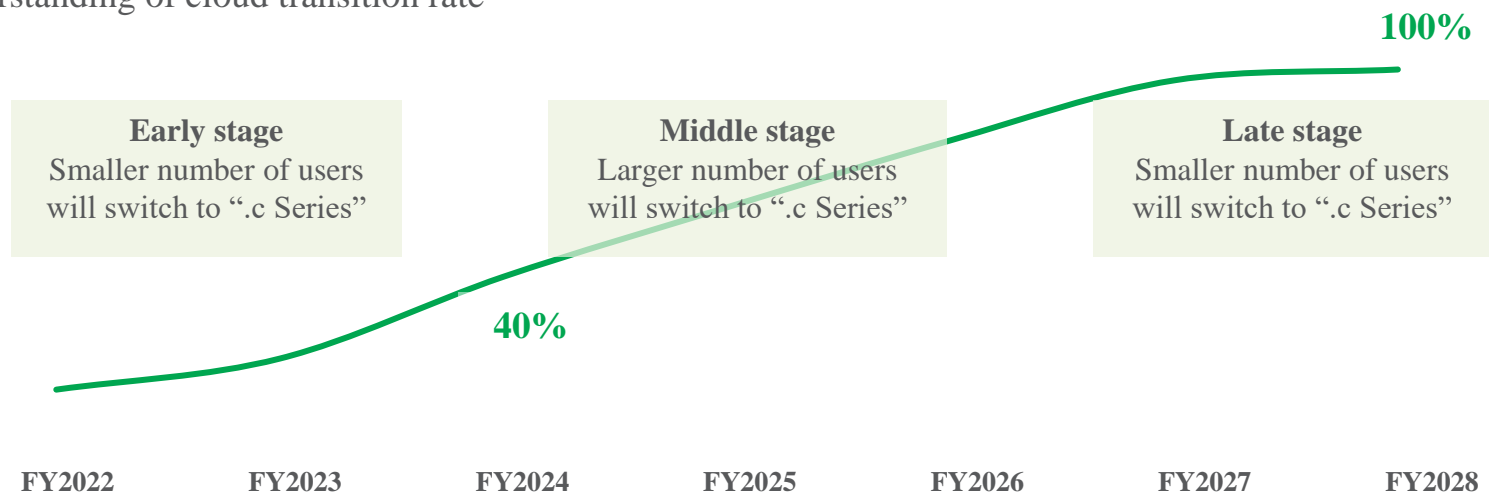
- “.c Series” go beyond the scope of estimation preparation and client management. It contributes to improvement of users’ operational efficiencies in wider range.



Understanding of Cloud Transition Rate

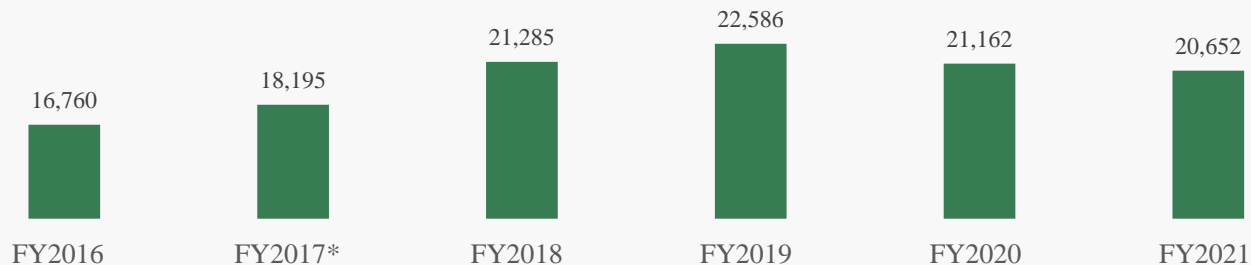
- Switching to “.c Series” will not proceed at a constant pace. Clients switch when 6-years contracts expire, so the number of switching users depends on the number of deals 6 years ago.

Understanding of cloud transition rate



Reference: Revenue from FY2016

(Millions of yen)



* Tajima Inc. became consolidated subsidiary of Broadleaf Group from 3Q FY2017.

Note) “.c Series” for auto parts dealers and recycling shops have not yet been provided.

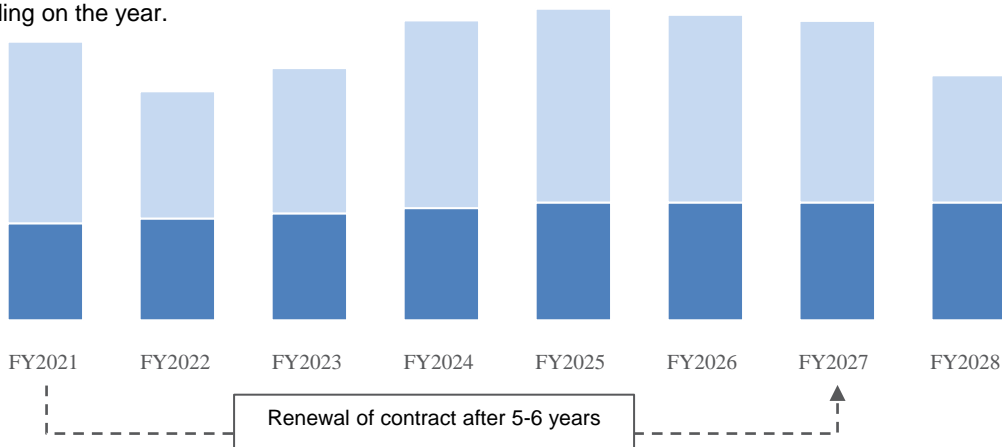
Understanding of changes in software sales due to cloud transition (e.g. auto maintenance shops and auto body shops)

If the Company continues to sell conventional software in 2022 and beyond:

About 1/6 of user companies renew their contracts each year, but there is a wave in the number of contract renewals depending on the year.

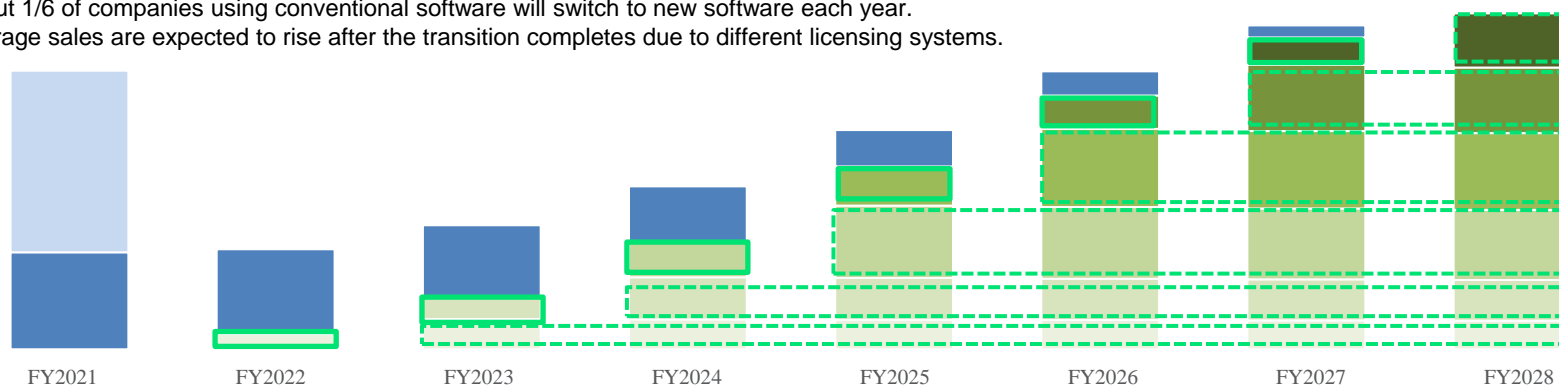
Sales of licenses (6-year usage rights) (Light blue)
 Target of each year: About 1/6 of companies using conventional software
 Accounting method: License fee for 6 years is booked in lump-sum as sales in the year when the contract is renewed.

Sales of operation and support services (Dark Blue)
 Target of each year: All users of conventional software
 Accounting method: Monthly sales



If the Company starts selling new software (Green) from 2022:

About 1/6 of companies using conventional software will switch to new software each year. Average sales are expected to rise after the transition completes due to different licensing systems.



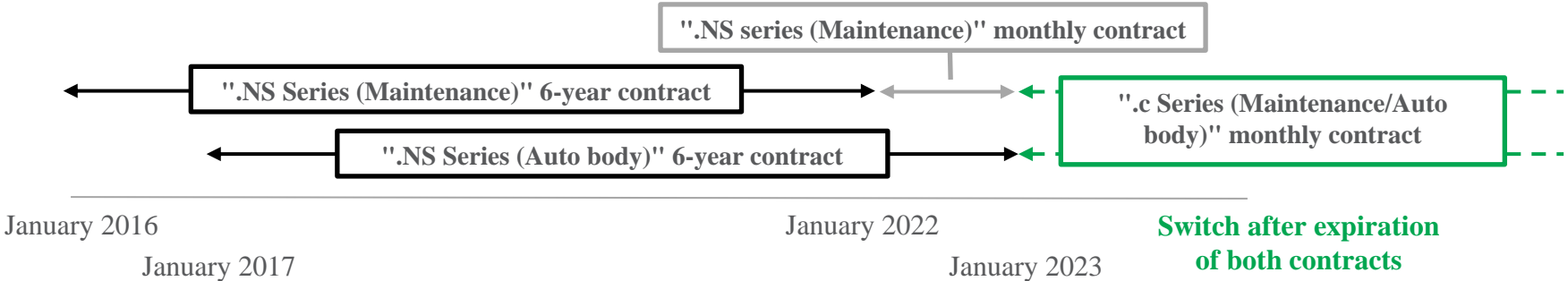
- For the year in which the contract is switched, the period after the contract is concluded will be booked as sales (□). Therefore, sales from the following year onward (□) will be roughly doubled because sales for 12 months are fully booked.
- Sales of operation and support services (■) are received from users of conventional software, so it will gradually decline as the transition proceeds.

Cases for Providing a Monthly Contract of “.NS Series”

- Some clients will keep using “.NS Series” under monthly contracts for a limited period.

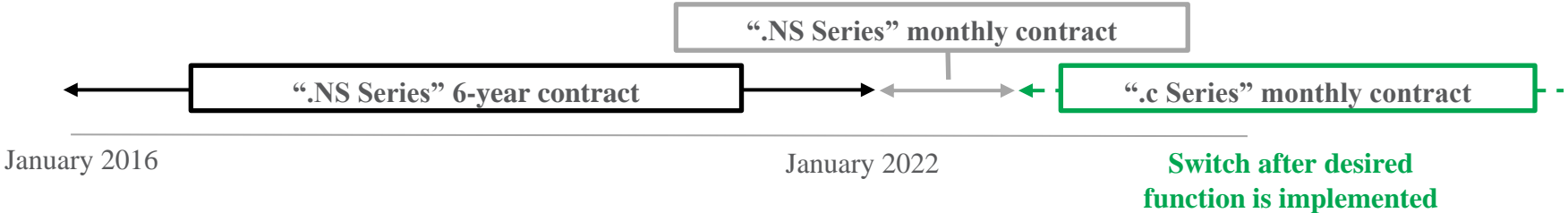
Case (1): Clients with multiple lease contracts

Example: Client with 6-year contract “.NS Series (for auto maintenance shop)” in 2016 and “.NS Series (for auto body shop)” in 2017



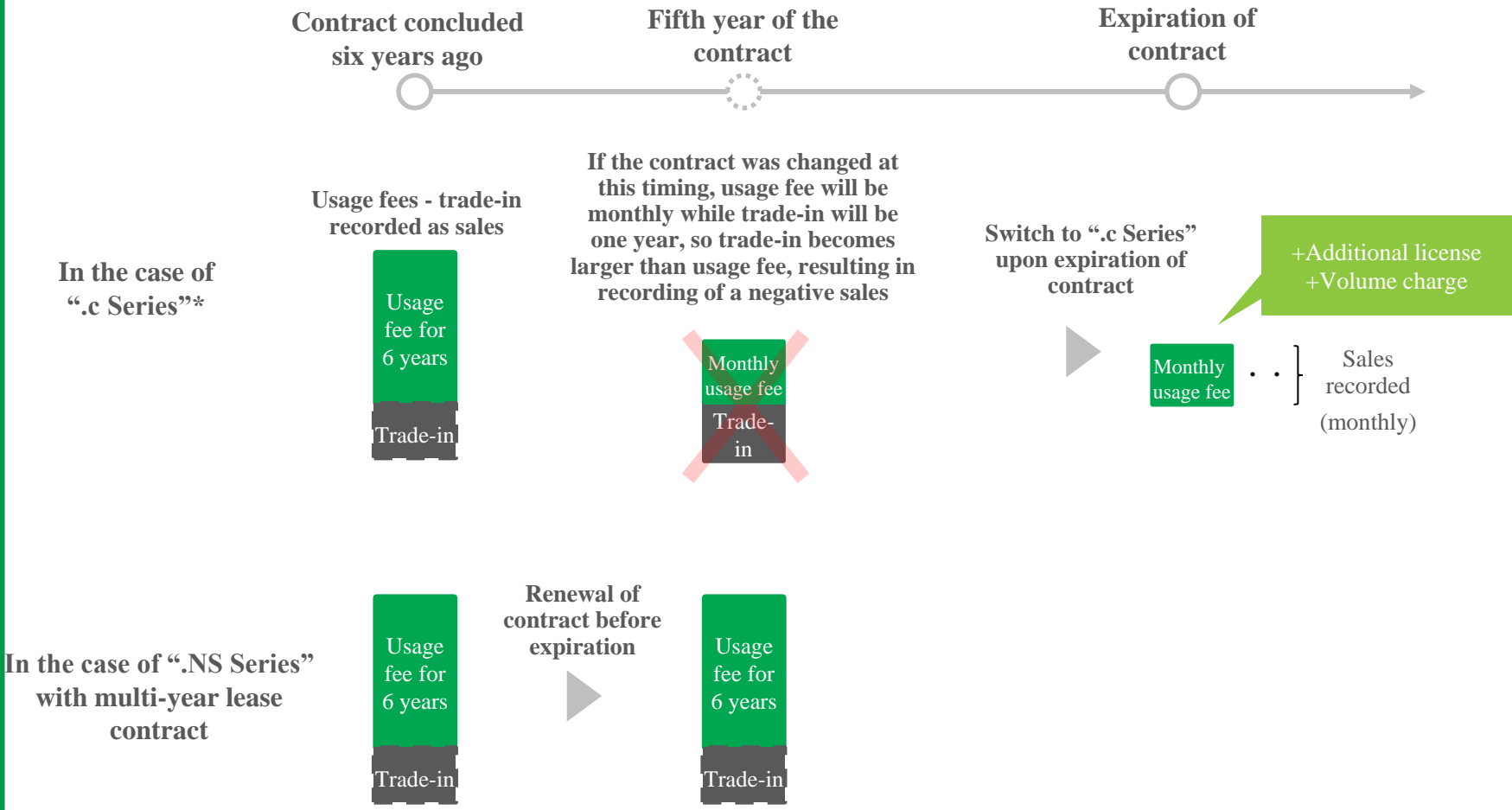
Case (2): Clients who wish to use a specific function

Example: Client whose contract of “.NS Series” will expire in 2022, but the desired function is not implemented at the time.



Reason for Switching to “.c Series” at the Expiration of Previous Contract

- If existing clients who have lease contracts of “.NS Series” for 6 years switch to “.c Series” before the expiration of the contract, negative sales will be recorded.



*The same applies when selling “.NS Series” under a monthly subscription contract

Sales Trend of Cloud Service Expected in the Future

New platform services

Auto financing, logistics MaaS, etc.

※Not included in the performance plan

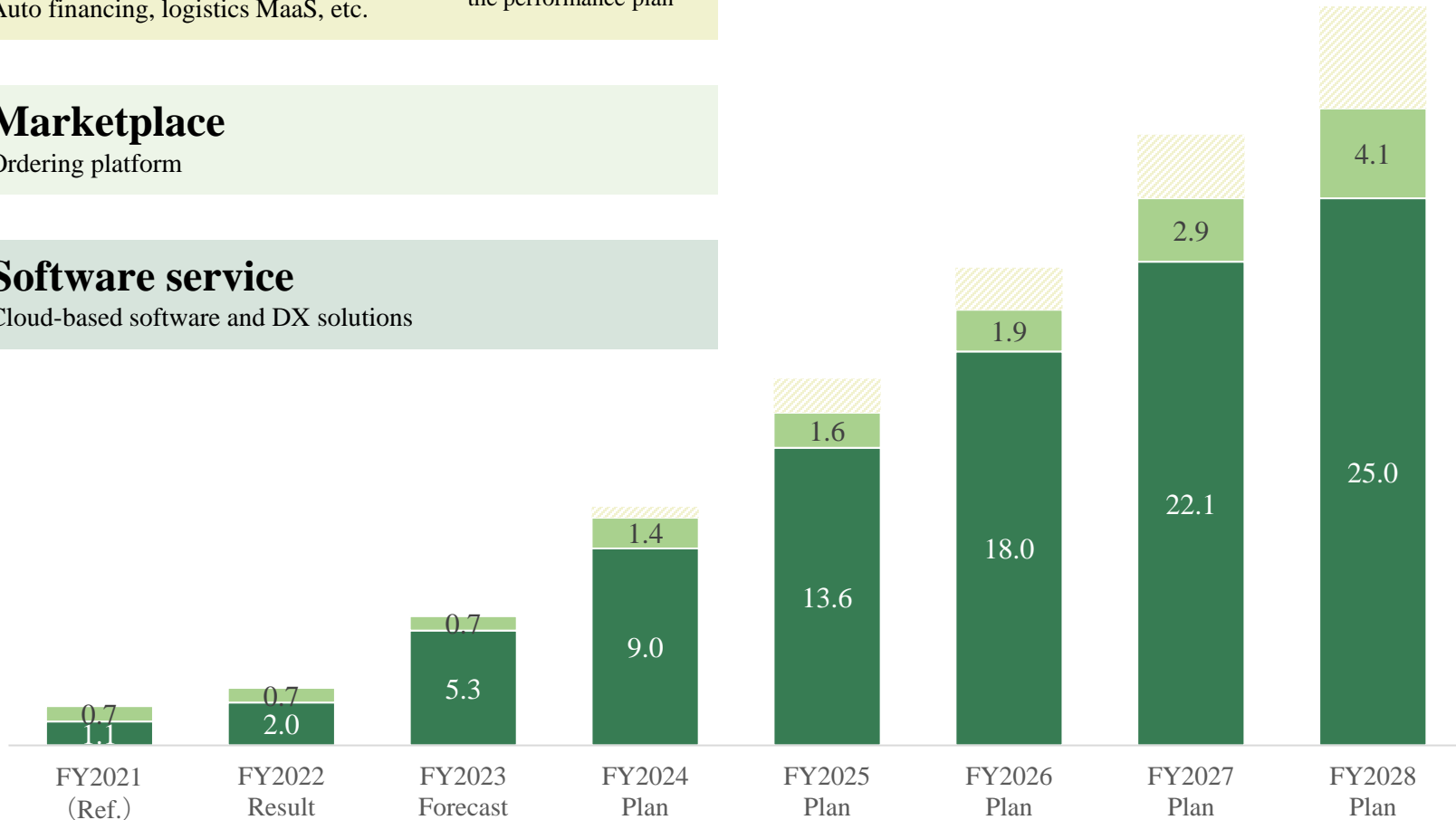
Marketplace

Ordering platform

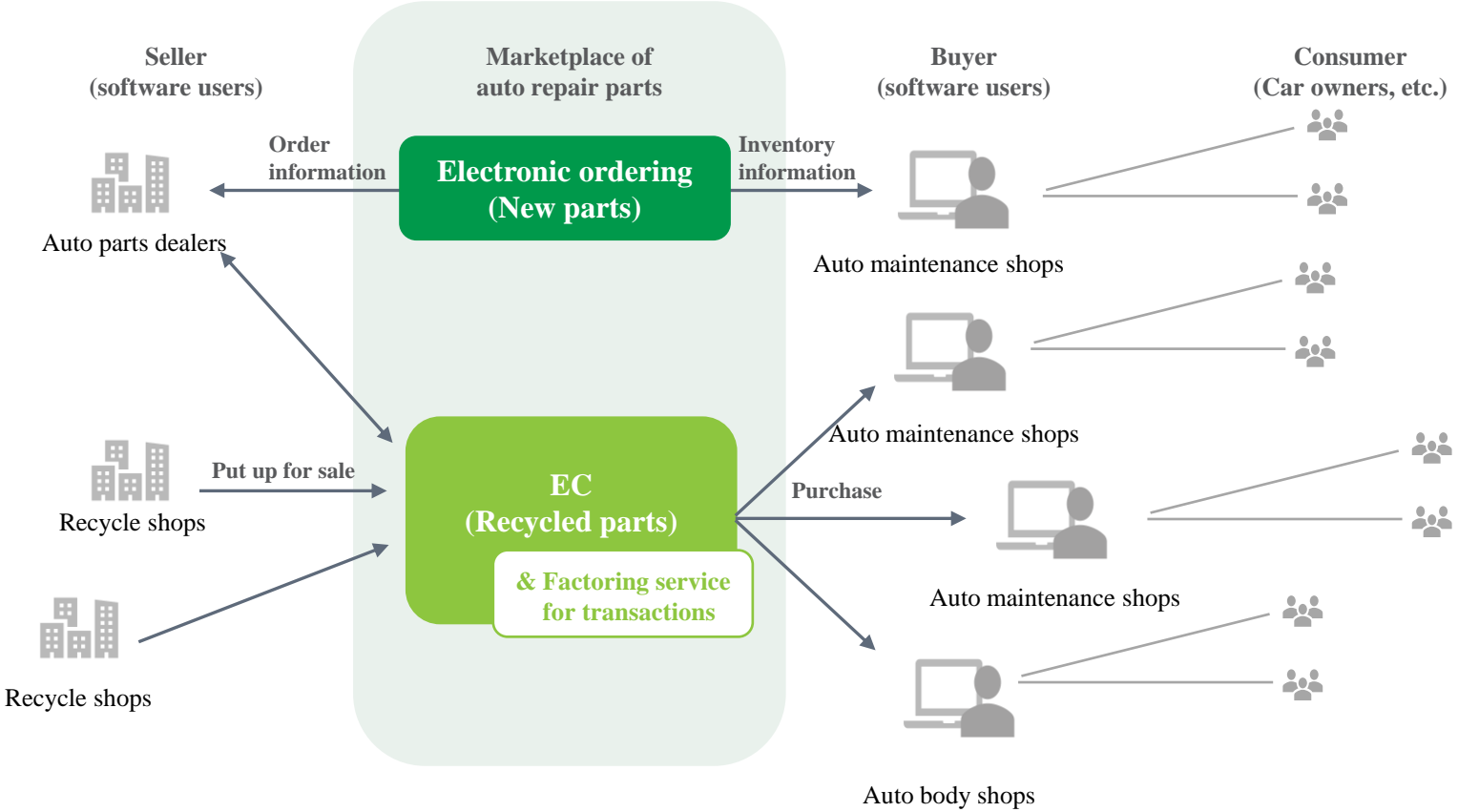
Software service

Cloud-based software and DX solutions

(Billions of yen)



Current service form of ordering platforms



Growth strategy for the ordering platform in the future

Ordering platform
To industry standards

CAGR

30% or more

Aims to penetrate the ordering platform by incorporating the ordering platform into cloud-based software as a standard function (100% adopted)

Auto repair parts transaction market

New parts **850** billion yen Recycle parts **200** billion yen

Usage level of electronic trades remains low

EDI adoption rate*
28.4%



Equip ordering platform as standard function (100% adopted)



Introduce them to vehicle examination chains with high transaction volumes, etc.



Introduce them to parts dealers and recycle shops



Promote usage in small-to-medium-sized auto maintenance shops and auto body shops

Compliance with the Electronic Book Storage Act will be a tailwind

Industry standards



*Adoption rate of ordering platforms by the Company's software users (auto maintenance shops) (as of the end of 2021)

Consolidated Financial Results for FY2022 (Comparison with Forecast)

(Millions of yen)	FY2022	FY2022 Forecast (11/9)	FY2022 Forecast (8/11)	FY2022 Forecast (5/11)	FY2022 Forecast (2/9)
Revenue	13,833	13,300	12,700	12,300	12,300
Cost of sales	5,346	5,400	5,200	5,200	5,500
Gross profit	8,487	7,900	7,500	7,100	6,800
SG&A expenses, etc.	11,384	11,100	11,500	11,900	11,600
Operating profit *	-2,897	-3,200	-4,000	-4,800	-4,800
Profit before tax *	-3,005	-3,400	-4,100	-4,800	-4,800
Profit attributable to owners of the parent	-2,431	-2,700	-3,200	-5,000	-5,000
Basic earnings per share*	-27.54 yen	-30.58 yen	-36.24 yen	-56.62 yen	-56.62 yen

*Minus (-) represents loss

Revenue of FY2022 by Service Category (Comparison with Forecast)

(Millions of yen)	FY2022	FY2022 Forecast (11/9)	FY2022 Forecast (8/11)	FY2022 Forecast (5/11)	FY2022 Forecast (2/9)*
Cloud service	2,628	2,540	2,540	2,570	-
Software service	1,958	1,860	1,860	1,860	-
Marketplace	670	680	680	710	-
Packaged system	11,205	10,760	10,160	9,730	-
Software sales	3,539	3,250	2,830	2,500	-
Operation and support service	7,666	7,510	7,330	7,230	-
Total	13,833	13,300	12,700	12,300	-

*Revenue forecasts by new service category was disclosed from May 11

Company Profile

Company name	Broadleaf Co., Ltd
Representative	Kenji Oyama, Representative Director and President
Listed on	Prime Market of Tokyo Stock Exchange (3673)
Sector	Information and telecommunication
Founded/Established	December 2005/September 2009
Capital stock	7.148 billion yen (consolidated)
Fiscal year	From January 1 to December 31
Business outline	<p>Using proprietary "Broadleaf Cloud Platform" as its infrastructure, the Company provides SaaS cloud services, marketplace-type services, and partner programs that enable functional and service collaboration with various players.</p> <p>These services are utilized as IT solutions that lead environmental changes, which are occurring in various industries including mobility sector, to business opportunities.</p>
Head office location	Floor 8, Glasscube Shinagawa, 4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Domestic offices	27 business offices and 3 development centers in Japan
Major subsidiaries	Tajima Inc., SALES GO Inc., etc.

Disclaimer

The results forecasts and forward-looking statements contained in this document are forecasts made by the Company based on information available at the time of preparation of the document and include potential risks and uncertainties.

Therefore, please be aware that actual results may differ from these results forecasts due to various factors.

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