



Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2025 [IFRS] (Consolidated)

November 12, 2025

Broadleaf Co., Ltd

Stock listing:

Representative:

Scheduled date of commencement of dividend payout

Earnings Supplementary Explanatory Documents

Earnings Results Briefing:

Prime Market of Tokyo Stock Exchange

Kenji Oyama, Representative Director and President

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Yes

Yes (For institutional investors and analysts)

(Amounts of less than JPY one million are rounded)

1. Consolidated Financial Results for the 3Q FY2025 (From January 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentage below represents increase (decrease) from the same period of previous year)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY2025	15,231	17.5	1,492	418.3	1,301	344.0	855	459.7	872	442.5	888	297.1
3Q FY2024	12,958	15.2	288	-	293	-	153	-	161	-	224	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
3Q FY2025	9.71	9.49
3Q FY2024	1.81	1.76

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Percentage of equity attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
3Q FY2025	41,432	23,878	23,848	57.6
FY2024	39,895	23,143	23,142	58.0

2. Dividends

	Dividend per share				
	End of 1Q	Interim	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	0.00	-	2.00	2.00
FY2025	-	2.50	-		
FY2025 (forecast)				2.50	5.00

(NOTE)Revisions to the latest announced dividend forecasts: None

3. Forecast of Consolidated Financial Results for FY2025 (From January 1, 2025 to December 31, 2025)

(Percentage below represents increase (decrease) from the same period of previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2025	20,400	13.0	1,700	152.2	1,450	166.1	1,000	191.3	11.13

(NOTE)Revisions to the most recently announced earnings forecasts: Yes

※ Notes

(1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries with changes in the scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- ① Changes in accounting policies required by IFRS: None
- ② ① Changes in accounting policies other than the above: None
- ③ Changes in accounting estimates: None

(3) Number of shares outstanding (common stock)

- ① Number of shares outstanding (including treasury shares)
- ② Number of shares of treasury shares
- ③ Average number of shares outstanding (during the period)

3Q FY2025	97,896,800 Shares	FY2024	97,896,800 Shares
3Q FY2025	7,804,741 Shares	FY2024	8,680,791 Shares
3Q FY2025	89,852,854 Shares	3Q FY2024	89,087,481 Shares

※ The financial results for the 3Q are not subject to review by a certified public accountant or an auditing firm.

※ Comments regarding appropriate usage of earnings forecasts, and other special notes

(Notes on forward-looking statements)

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to Broadleaf Co., Ltd. Group (hereinafter “the Group”) and certain assumptions which are regarded as legitimate. The Group makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

(Availability of earnings supplementary explanatory documents and information on earnings results briefings)

The Group plans to hold a live webcast presentation for institutional investors and analysts on Wednesday, November 12, 2025. The materials used at the meeting will be posted on its website.

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1. Overview of operating results, etc.

(1) Overview of operating results for the Third Quarter of the current fiscal year

During the first nine months of the current fiscal year (January 1, 2025 to September 30, 2025), the Japanese economy continued its moderate recovery, supported by improvements in employment and income conditions and the effects of various policy measures. However, the impact of U.S. trade policy and a continued decline in consumer sentiment due to persistent price increases pose downside risks to the economy, and the outlook remains uncertain.

In the domestic information services industry to which our Group belongs, corporate IT investment remains active. This included the development of IT infrastructure to realize sustainability-oriented management, such as through cloud shift; the introduction of generative AI aimed at strengthening contact with end-users; and the creation of new services through the utilization of digital data.

In this environment, our Group is promoting two growth strategies set forth in the Medium-Term Management Plan (2022–2028): “Cloud Penetration” and “Service Expansion,” with the aim of supporting customers in realizing innovation and driving business transformation. Specifically, we are systematically transitioning existing customers using packaged software to our cloud-based software “.c Series,” while also focusing on acquiring new customers. In addition to expanding our cloud software offerings, we are also advancing research and development of new platform-based services that leverage the Group’s proprietary digital data and AI technologies.

As a result of these efforts, the number of customers using cloud software increased, leading to a 45.2% increase in cloud services sales compared to the same period last year. Meanwhile, as the transition from package software to cloud software progressed steadily, package system sales decreased by 19.0% compared to the same period last year. Additionally, due to strong demand for PC replacements driven by the need to support new operating systems and enhance security, other sales increased by 39.9% compared to the same period last year. While the transition to cloud software by customers changes the composition ratio of cloud services sales and package system sales, it is contributing to overall sales growth. This factor for revenue growth is expected to continue until the planned transition to cloud software is completed in 2028.

On the cost side, depreciation expenses increased due to the expansion of applicable industries and the addition of new functions for our cloud software, while IT infrastructure enhancement costs also rose as we worked to further improve service quality. Meanwhile, we continued to utilize generative AI to improve the efficiency of sales, development, and administrative operations, and actively promoted cost optimization.

As a result, revenue for the first nine months of the current fiscal year under review was 15,231 million yen, (an increase of 17.5% year on year). Operating income was 1,492 million yen (an increase of 418.3% year on year). Due to an increase in financial expenses, profit before income taxes was 1,301 million yen (an increase of 344.0% year on year), and profit attributable to owners of the parent was 872 million yen (an increase of 442.5% year on year).

Our Group is a single segment of IT Services Business, but the breakdown of revenues by service category is as follows.

(Millions of yen)

Classification	Previous third quarter consolidated cumulative accounting period (From January 1, 2024 To September 30, 2024)	Current third quarter consolidated cumulative accounting period (From January 1, 2025 To September 30, 2025)	YoY ratio
Cloud services	5,790	8,408	45.2%
Packaged system	5,444	4,412	-19.0%
Others	1,724	2,411	39.9%
Total	12,958	15,231	17.5%

Cloud services

This category consists of usage fees for subscription-type software, including “.c Series” of cloud software, and fees for platforms for ordering automotive aftermarket parts.

Packaged system

This category consists of sales proceeds (both lease sales and bulk sales) for packaged software for mobile phone shops, travel agencies, bus operators, machinery and tool trading companies, and manufacturers, as well as various service fees required for the use of packaged software.

Others

This category comprises revenue from the sale of hardware such as PCs and supplies.

(2) Overview of Financial Position for the Third Quarter of the current fiscal year

(i) Analysis of financial condition

(Assets)

Assets at the end of the third quarter of the current fiscal year increased by 1,538 million yen from the end of the previous consolidated fiscal year to 41,432 million yen. Current assets increased by 222 million yen to 8,433 million yen, and non-current assets increased by 1,316 million yen to 32,999 million yen. The main factors for the increase in current assets were a decrease of 276 million yen in cash and cash equivalents, but an increase of 387 million yen in trade and other receivables and an increase of 79 million yen in inventories. The main factors for the increase in non-current assets were a decrease of 117 million yen in tangible fixed assets, a decrease of 95 million yen in investments accounted for using the equity method, and a decrease of 79 million yen in other financial assets, but an increase of 1,615 million yen in intangible assets.

(Liabilities)

Liabilities at the end of the third quarter of the current fiscal year increased by 803 million yen from the end of the previous consolidated fiscal year to 17,554 million yen. Current liabilities increased by 1,736 million yen to 15,417 million yen, while non-current liabilities decreased by 933 million yen to 2,138 million yen. The main factors for the increase in current liabilities were a decrease of 385 million yen in other current liabilities, but an increase of 1,187 million yen in contract liabilities and an increase of 880 million yen in short-term interest-bearing liabilities. The main factor for the decrease in non-current liabilities was a decrease of 942 million yen in long-term interest-bearing liabilities.

(Equity)

Equity at the end of the third quarter of the current fiscal year increased by 735 million yen from the end of the previous consolidated fiscal year to 23,878 million yen. The main factors for the increase in equity were an increase of 505 million yen in retained earnings and a decrease of 239 million yen in treasury shares.

(ii) Analysis of cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the third quarter of the current fiscal year decreased by 276 million yen from the end of the previous consolidated fiscal year to 4,030 million yen.

The status of each cash flow and its factors in the first nine months of the current fiscal year are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 4,045 million yen (up 14.2% year-on-year). This was mainly due to depreciation and amortization expenses of 2,433 million yen, profit before tax of 1,301 million yen, and an increase in contract liabilities of 1,187 million yen, despite an increase in operating and other receivables of 364 million yen, income taxes paid of 326 million yen, and a decrease in accrued employee bonuses of 279 million yen.

(Cash flow from investment activities)

Cash used in investing activities was 3,337 million yen (up 4.3% year-on-year). This was mainly due to expenditures of 3,359 million yen for the acquisition of intangible assets.

(Cash flow from financing activities)

Cash used in financing activities was 1,003 million yen (up 110.5% year-on-year). This was mainly due to a net increase in short-term borrowings of 1,287 million yen, offset by expenditures of 1,739 million yen for the repayment of long-term borrowings and 639 million yen for the repayment of lease liabilities.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information.

As the Company's key initiative to promote customers' migration to the cloud continues to progress steadily, and demand for hardware replacements—particularly PCs—has exceeded expectations, it has revised its full-year revenue forecast for the fiscal year ending December 31, 2025, from the figures announced in the "Consolidated Financial Results for the Second Quarter (Interim) of the Fiscal Year Ending December 31, 2025 [IFRS] (Consolidated)" published on August 6, 2025.

On the cost side, while procurement and purchasing costs have generally increased due to inflationary pressures, the Company has been actively promoting cost optimization by leveraging generative AI to enhance the efficiency of sales activities, as well as development and administrative operations.

As a result, the Company has revised its forecast for the fiscal year ending December 31, 2025, to revenue of 20,400 million yen and operating profit of 1,700 million yen. Forecasts for profit before tax and profit attributable to owners of the parent remain unchanged, considering financial income and expenses recorded through the third quarter. For more details, please refer to the press release titled "Notice of Revisions to Consolidated Earnings Forecasts," dated November 12, 2025.

The year-end dividend forecast also remains unchanged at 2.50 yen per share, as announced in the “Notice of Revision of Dividend Forecast (dividend increase) for the Fiscal Year Ending December 31, 2025” released on March 14, 2025.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Statements of Financial Position

(Thousands of yen)

	End of previous consolidated fiscal year (As of December 31, 2024)	End of current consolidated accounting period (As of September 30, 2025)
Assets		
Current assets		
Cash and cash equivalents	4,305,936	4,030,080
Trade and other receivables	3,364,516	3,751,874
Inventories	185,926	264,550
Other financial assets	-	3,000
Other current assets	354,393	383,593
Total current assets	8,210,771	8,433,096
Non-current assets		
Property, plant and equipment	1,168,350	1,050,891
Goodwill	11,126,040	11,167,691
Intangible assets	16,526,210	18,140,958
Investments accounted for using equity method	95,076	0
Other financial assets	987,931	908,630
Other non-current assets	195,198	136,302
Deferred tax assets	1,584,934	1,594,785
Total non-current assets	31,683,739	32,999,258
Total assets	39,894,510	41,432,354
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,796,551	2,698,550
Contract liabilities	6,286,757	7,473,793
Short-term interest-bearing debts	3,479,686	4,359,860
Income taxes payable	220,779	372,323
Other current liabilities	896,834	512,179
Total current liabilities	13,680,607	15,416,705
Non-current liabilities		
Long-term interest-bearing debts	2,655,163	1,712,983
Retirement benefit obligations	241,176	252,484
Provisions	137,255	137,067
Other non-current liabilities	36,916	35,221
Total non-current liabilities	3,070,510	2,137,755
Total liabilities	16,751,117	17,554,461
Equity		
Capital stock	7,147,905	7,147,905
Share premium	7,558,945	7,615,311
Treasury shares	-2,926,532	-2,687,788
Retained earnings	10,407,827	10,912,850
Other components of equity	953,378	860,099
Total equity attributable to owners of the parent	23,141,522	23,848,377
Non-controlling interests	1,870	29,516
Total equity	23,143,393	23,877,893
Total liabilities and equity	39,894,510	41,432,354

(2) Condensed Statements of Income and Consolidated Statements of Comprehensive Income
(Condensed Quarterly Consolidated Statements of Income)

(Thousands of yen)

	Previous third quarter consolidated cumulative accounting period (From January 1, 2024 To September 30, 2024)	Current third quarter consolidated cumulative accounting period (From January 1, 2025 To September 30, 2025)
Revenue	12,957,722	15,230,725
Cost of sales	-4,548,898	-5,373,891
Gross profit	8,408,824	9,856,834
Selling, general and administrative expenses	-8,169,368	-8,371,970
Other operating income	53,022	28,812
Other operating expenses	-4,668	-22,047
Operating profit	287,810	1,491,630
Finance income	32,395	11,492
Finance costs	-60,536	-107,189
Share of profit (loss) of entities accounted for using equity method (- indicates loss)	33,300	-95,076
Quarterly profit before tax	292,969	1,300,857
Income tax	-140,129	-445,425
Quarterly profit	152,840	855,431
Quarterly profit attributable to		
Owners of the parent	160,822	872,495
Non-controlling interests	-7,982	-17,064
Quarterly profit	152,840	855,431
Quarterly profit per share		
Basic quarterly profit per share (yen)	1.81	9.71
Diluted quarterly profit per share (yen)	1.76	9.49

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Previous third quarter consolidated cumulative accounting period (From January 1, 2024 To September 30, 2024)	Current third quarter consolidated cumulative accounting period (From January 1, 2025 To September 30, 2025)
Quarterly profit	152,840	855,431
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income	78,758	14,771
Total items that will not be reclassified to profit or loss	78,758	14,771
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-8,058	17,517
Total items that may be reclassified to profit or loss	-8,058	17,517
Total other comprehensive income, net of tax	70,700	32,288
Comprehensive income	223,540	887,720
Comprehensive income attributable to		
Owners of the parent	231,522	904,784
Non-controlling interests	-7,982	-17,064
Comprehensive income	223,540	887,720

(3) Condensed Statements of Changes in Equity

Previous third quarter consolidated cumulative accounting period (From January 1, 2024 to September 30, 2024)

(Thousands of yen)

	Equity attributable to owners of the parent					
	Capital stock	Share premium	Treasury shares	Retained earnings	Other components of equity	
					Warrants	Shares with restriction on transfer
Balance as of January 1, 2024	7,147,905	7,449,297	-3,045,268	10,057,477	876,989	-14,000
Quarterly profit	-	-	-	160,822	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	160,822	-	-
Disposal of treasury shares	-	106,890	118,129	-	-173,420	-55,996
Dividends	-	-	-	-88,802	-	-
Share-based payment transactions	-	-	-	1,327	215,530	41,998
Transfer from other components of equity to retained earnings	-	-	-	90,560	-	-
Total transactions with owners	-	106,890	118,129	3,086	42,110	-13,998
Balance as of September 30, 2024	7,147,905	7,556,187	-2,927,139	10,221,385	919,099	-27,998

(Thousands of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Exchange differences on translating foreign operations	Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income	Total			
Balance as of January 1, 2024	-41,960	43,051	864,081	22,473,492	13,093	22,486,585
Quarterly profit	-	-	-	160,822	-7,982	152,840
Other comprehensive income	- 8,058	78,758	70,700	70,700	-	70,700
Total comprehensive income	-8,058	78,758	70,700	231,522	-7,982	223,540
Disposal of treasury shares	-	-	-229,416	-4,398	-	-4,398
Dividends	-	-	-	-88,802	-	-88,802
Share-based payment transactions	-	-	257,528	258,856	-	258,856
Transfer from other components of equity to retained earnings	-	- 90,560	-90,560	-	-	-
Total transactions with owners	-	- 90,560	-62,448	165,656	-	165,656
Balance as of September 30, 2024	-50,017	31,249	872,333	22,870,671	5,110	22,875,781

Current third quarter consolidated cumulative accounting period (From January 1, 2025 to September 30, 2025)

(Thousands of yen)

	Equity attributable to owners of the parent					
	Capital stock	Share premium	Treasury shares	Retained earnings	Other components of equity	
					Warrants	Shares with restriction on transfer
Balance as of January 1, 2025	7,147,905	7,558,945	-2,926,532	10,407,827	957,589	-13,294
Quarterly profit	-	-	-	872,495	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	872,495	-	-
Acquisition of treasury shares	-	-	-28	-	-	-
Disposal of treasury shares	-	101,075	238,773	-	-289,482	-56,000
Dividends	-	-	-	-403,662	-	-
Share-based payment transactions	-	-	-	33,718	181,093	41,293
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-44,709	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	2,471	-	-
Total transactions with owners	-	56,366	238,745	-367,472	-108,389	-14,706
Balance as of September 30, 2025	7,147,905	7,615,311	-2,687,788	10,912,850	849,200	-28,000

(Thousands of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Exchange differences on translating foreign operations	Net change in fair value of financial assets of equity nature measured at fair value through other comprehensive income	Total			
Balance as of January 1, 2025	-47,732	56,814	953,378	23,141,522	1,870	23,143,393
Quarterly profit	-	-	-	872,495	-17,064	855,431
Other comprehensive income	17,517	14,771	32,288	32,288	-	32,288
Total comprehensive income	17,517	14,771	32,288	904,784	-17,064	887,720
Acquisition of treasury shares	-	-	-	-28	-	-28
Disposal of treasury shares	-	-	-345,482	-5,635	-	-5,635
Dividends	-	-	-	-403,662	-	-403,662
Share-based payment transactions	-	-	222,387	256,105	-	256,105
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-44,709	44,709	-
Transfer from other components of equity to retained earnings	-	-2,471	-2,471	-	-	-
Total transactions with owners	-	-2,471	-125,567	-197,929	44,709	-153,219
Balance as of September 30, 2025	-30,215	69,114	860,099	23,848,377	29,516	23,877,893

(4) Condensed Statements of Cash Flows

(Thousands of yen)

	Previous third quarter consolidated cumulative accounting period (From January 1, 2024 To September 30, 2024)	Current third quarter consolidated cumulative accounting period (From January 1, 2025 To September 30, 2025)
Cash flow from operating activities		
Quarterly profit before tax	292,969	1,300,857
Depreciation and amortization expense	2,136,859	2,432,568
Impairment loss	38,926	-
Share-based payment expense	217,443	229,693
Finance income and finance costs (-indicates income)	28,141	95,697
Share of loss (profit) of entities accounted for using equity method (- indicates profit)	-33,300	95,076
Decrease (- indicates increase) in trade and other receivables	-403,382	-364,240
Decrease (- indicates increase) in inventories	-77,323	-96,377
Increase (- indicates decrease) in trade and other payables	-245,996	-168,547
Decrease (- indicates increase) in prepaid expenses	-23,043	-10,249
Decrease (- indicates increase) in long-term prepaid expenses	-74,300	55,386
Increase (- indicates decrease) in employees' bonuses payable	-235,445	-278,718
Increase (- indicates decrease) in contract liabilities	1,768,644	1,187,036
Increase (- indicates decrease) in accrued consumption taxes	157,240	-94,232
Others	14,586	11,408
Subtotal	3,562,020	4,395,358
Interest received	6,753	4,450
Dividend received	2,614	3,098
Interest paid	-23,410	-32,346
Income taxes paid or refunded (- indicates payment)	-5,688	-325,985
Cash flow from operating activities	3,542,288	4,044,575
Cash flow from investing activities		
Purchase of property, plant and equipment	-4,728	-13,326
Proceeds from sales of property, plant and equipment	1,639	641
Payments for purchase of intangible assets	-3,440,071	-3,358,947
Payments for acquisition of investments	-10,608	-
Proceeds from sales and redemption of investments	331,441	11,600
Proceeds from acquisition of newly consolidated subsidiaries	-	12,210
Loan advances	-230	-3,000
Collection of loans receivable	7,631	6,899
Payments of leasehold and guarantee deposits	-3,454	-3,404
Proceeds from refund of leasehold and guarantee deposits	6,889	2,578
Payments for acquisition of investments accounted for using the equity method	-100,650	-
Proceeds from distributions from investment partnerships	12,080	7,920
Others	-	-261
Cash flow from investing activities	-3,200,062	-3,337,090

	(Thousands of yen)	
	Previous third quarter consolidated cumulative accounting period (From January 1, 2024 To September 30, 2024)	Current third quarter consolidated cumulative accounting period (From January 1, 2025 To September 30, 2025)
Cash flow from financing activities		
Net increase (- indicates decrease) in short-term borrowings	-2,900,000	1,287,000
Proceeds from long-term borrowings	4,700,000	496,500
Repayments of long-term borrowings	-1,463,410	-1,739,422
Repayments of lease liabilities	-688,361	-639,397
Dividends paid	-88,802	-403,662
Purchase of treasury shares	-	-28
Expenses related to commitment lines	-35,829	-3,645
Cash flow from financing activities	-476,402	-1,002,654
Effect of exchange rate changes on cash and cash equivalents	-3,740	19,314
Net increase (- indicates decrease) in cash and cash equivalents	-137,916	-275,856
Cash and cash equivalents at beginning of period	3,920,033	4,305,936
Cash and cash equivalents at end of interim period	3,782,117	4,030,080

(5) Notes to the Consolidated Financial Statements

(Notes on the going concern)

Not applicable.

(Segment information)

This information is omitted because the Group only has a single business segment of the IT services.