



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

May 14, 2025

Broadleaf Co., Ltd

Stock listing:

Tokyo Stock Exchange Prime Market

Representative:

Representative Director, President and CEO Kenji Oyama

Scheduled date of commencement of dividend payout

Earnings Supplementary Explanatory Documents

Yes

Earnings Results Briefing:

Yes (For institutional investors and analysts)

(Amounts of less than JPY one million are rounded)

1. Consolidated Financial Results for 1Q FY2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(% shown is YtoY change)

	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	%
1Q FY2025	4,758	18.5	353	-	298	-	193	-	196	-	219	342.7
1Q FY2024	4,014	10.6	-109	-	-42	-	-36	-	-35	-	49	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q FY2025	2.19	2.13
1Q FY2024	-0.39	-0.39

(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	%
1Q FY2025	39,507	23,256	23,241	58.8
FY2024	39,895	23,143	23,142	58.0

2.Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	0.00	-	2.00	2.00
FY2025	-				
FY2025 (forecast)		2.50	-	2.50	5.00

(NOTE) 1. Revisions to the most recently announced dividend forecasts: None

3. Consolidated Earnings Forecasts for FY2025 (January 1, 2025 to December 31, 2025)

(% shown is YtoY change)

	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
2Q (cumulative)	9,600	14.0	550	-	450	-	300	-	3.34
Full-year	20,100	11.4	1,500	122.5	1,500	175.3	1,000	191.3	11.13

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

* Notes

(1) Significant changes in the scope of consolidation during the quarter: None

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

(i) Changes in accounting policies required by IFRS: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding (including treasury shares)	1Q FY2025	97,896,800 Shares	FY2024	97,896,800 Shares
(ii) Number of shares of treasury shares	1Q FY2025	8,068,755 Shares	FY2024	8,680,791 Shares
(iii) Average number of shares outstanding (during the period)	1Q FY2025	89,454,023 Shares	1Q FY2024	88,900,737 Shares

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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 the Company and certain assumptions which are regarded as legitimate. The Company 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 Company plans to hold a live webcast presentation for institutional investors and analysts on Wednesday, May 14, 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 First Quarter of the current fiscal year

During the first three months of the current fiscal year (January 1, 2025 to March 31, 2025), the Japanese economy continued its moderate recovery, supported by improvements in employment and income conditions, as well as policy measures implemented by the government and the Bank of Japan. On the other hand, in addition to the decline in consumer sentiment caused by rising prices, trade policies in the U.S. and concerns over the outlook for the Chinese economy pose risks of downward pressure on the economy, and the future remains uncertain.

In the domestic information services sector in which our group operates, companies continue to actively invest in IT to support sustainability-oriented management. These initiatives include the migration to the cloud, the introduction of generative AI to strengthen engagement with end-users, and the creation of new services through the utilization of digital data.

In this environment, the Group is promoting the two growth strategies of "Cloud Penetration" and "Service Expansion" as outlined in the Medium-Term Management Plan (2022-2028) (hereinafter "the Plan") to support our customers in business innovation and transformation. Specifically, the Group is promoting the planned migration of customers using packaged software to the ".c Series" of cloud-based software, while also focusing on acquiring new customers. In addition to expanding our cloud software menu, the Group is also engaged in the research and development of new platform-based services that leverage the Group's proprietary digital data and AI technologies.

As a result of these initiatives, the number of customers using our cloud software has been steadily increasing. Accordingly, Cloud services for the first quarter of the current fiscal year increased by 41.4% year on year. Meanwhile, Packaged system decreased by 10.6% year on year, as customers transitioned to cloud software in line with our plan. However, Others increased by 45.5% year on year, driven by solid replacement demand for hardware such as PCs. The migration of customers to cloud software will change the composition ratio between cloud services sales and packaged system but will contribute to overall revenue growth. This growth driver is expected to continue until 2028, when the planned migration to cloud software is expected to be completed.

In terms of costs, the Group has invested in strengthening IT infrastructure and enhancing security measures in response to the growing number of cloud software customers. Meanwhile, it is also continuously working to optimize costs through initiatives such as sales activities utilizing generative AI and efficiency improvements in development and administrative operations.

As a result of the above, for the first quarter of the current consolidated fiscal year, revenue amounted to 4,758 million yen (up 18.5% year on year), operating profit was 353 million yen (compared to a loss of 109 million yen in the same period of the previous year), profit before tax was 298 million yen (compared to a loss of 42 million yen), and profit attributable to owners of the parent was 196 million yen (compared to a loss of 35 million yen), with all figures turning profitable compared to losses in the same period of the previous fiscal year.

The Group operates as a single segment in the IT Services Business. However, the breakdown of revenues by service category is as follows.

(Millions of yen)

Classification	1Q FY2024 (From January 1, 2024 To March 31, 2024)	1Q FY2025 (From January 1, 2025 To March 31, 2025)	YoY ratio
Cloud services	1,760	2,490	41.4%
Packaged system	1,801	1,610	-10.6%
Others	453	659	45.5%
Total	4,014	4,758	18.5%

Cloud services

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

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

(i) Analysis of financial condition

(Assets)

Assets at the end of the first quarter of the current fiscal year decreased by 387 million yen from the end of the previous fiscal year to 39,507 million yen. Current assets decreased by 909 million yen to 7,302 million yen, while non-current assets increased by 522 million yen to 32,206 million yen. The decrease in current assets was mainly due to a 972 million yen decline in cash and cash equivalents. The increase in non-current assets was primarily attributable to a 602 million yen increase in intangible assets, despite decreases of 35 million yen in other financial assets and 25 million yen in property, plant and equipment.

(Liabilities)

Liabilities at the end of the first quarter of the current consolidated fiscal year decreased by 500 million yen from the end of the previous fiscal year to 16,251 million yen. Current liabilities decreased by 212 million yen to 13,468 million yen, while non-current liabilities decreased by 287 million yen to 2,783 million yen. The main factor behind the decrease in current liabilities was a decrease of 439 million yen in other current liabilities and a 387 million yen decrease in trade and other payables, despite an increase of 506 million yen in short-term interest-bearing debt and a 212 million yen increase in contract liabilities. The decrease in non-current liabilities was mainly attributable to a 282 million yen decline in long-term interest-bearing debt.

(Equity)

Equity at the end of the first quarter of the current consolidated fiscal year increased by 113 million yen from the end of the previous fiscal year to 23,256 million yen. The increase in equity was mainly due to a 161 million yen decrease in treasury stock and a 31 million yen increase in retained earnings, despite an 85 million yen decrease in other components of equity.

(ii) Analysis of cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the first quarter of the current consolidated fiscal year decreased by 972 million yen from the end of the previous fiscal year to 3,333 million yen.

The situation of each cash flow and its factors for the first quarter of the current fiscal year are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 337 million yen (a decrease of 58.2% year on year). This was mainly due to a decrease of 414 million yen in trade and other payables and a 280 million yen decrease in accrued employee bonuses, despite depreciation and amortization of 811 million yen and profit before income taxes of 298 million yen.

(Cash flow from investment activities)

Net cash used in investing activities was 1,171 million yen (an increase of 31.7% year on year), mainly due to payments of 1,170 million yen for the acquisition of intangible assets.

(Cash flow from financing activities)

Net cash used in financing activities was 158 million yen (compared to net cash provided of 1,391 million yen in the same period of the previous fiscal year). This was mainly due to repayments of 275 million yen in long-term borrowings, 203 million yen in lease liabilities, and 178 million yen in dividends paid, despite a net increase of 500 million yen in short-term borrowings.

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

Consolidated earnings forecasts for the second quarter of the fiscal year ending December 31, 2025 (January 1 to June 30, 2025) have been revised upward, considering the progress of revenue and the status of cost consumption in the first quarter of the current fiscal year. Meanwhile, full-year consolidated earnings forecasts (January 1 to December 31, 2025) remain unchanged from the figures announced on February 7, 2025. For details, please refer to the “Notice of Revisions to Consolidated Earnings Forecasts for the first six months of fiscal year” released on May 14, 2025.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated statements of financial position

(Thousands of yen)

	FY2024 (As of December 31, 2024)	1Q FY2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and cash equivalents	4,305,936	3,333,467
Operating and other receivables	3,364,516	3,223,563
Inventories	185,926	228,550
Other current assets	354,393	516,125
Total current assets	8,210,771	7,301,705
Non-current assets		
Property, plant and equipment	1,168,350	1,143,616
Goodwill	11,126,040	11,126,040
Intangible assets	16,526,210	17,128,264
Investments accounted for using equity method	95,076	83,537
Other financial assets	987,931	952,665
Other non-current assets	195,198	173,849
Deferred tax assets	1,584,934	1,597,613
Total non-current assets	31,683,739	32,205,584
Total assets	39,894,510	39,507,289
Liabilities and equity		
Liabilities		
Current liabilities		
Operating and other payables	2,796,551	2,409,389
Contract liabilities	6,286,757	6,498,886
Short-term interest-bearing debts	3,479,686	3,985,320
Accrued income taxes	220,779	116,525
Other current liabilities	896,834	458,221
Total current liabilities	13,680,607	13,468,341
Non-current liabilities		
Long-term interest-bearing debts	2,655,163	2,373,174
Obligations for retirement pay	241,176	245,167
Provisional sum	137,255	137,283
Other non-current liabilities	36,916	27,426
Total non-current liabilities	3,070,510	2,783,051
Total liabilities	16,751,117	16,251,392
Equity		
Capital stock	7,147,905	7,147,905
Share premium	7,558,945	7,551,027
Treasury shares	-2,926,532	-2,765,104
Retained earnings	10,407,827	10,438,556
Other components of equity	953,378	868,739
Total equity attributable to owners of the parent	23,141,522	23,241,123
Non-controlling interests	1,870	14,774
Total equity	23,143,393	23,255,897
Total liabilities and equity	39,894,510	39,507,289

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

(Thousands of yen)

	FY2024 (From January 1, 2024 to March 31, 2024)	1Q FY2025 (From January 1, 2025 to March 31, 2025)
Revenue	4,013,868	4,758,360
Cost of sales	-1,408,769	-1,638,138
Gross profit	2,605,098	3,120,222
Selling, general and administrative expenses	-2,725,002	-2,758,466
Other operating income	11,985	12,184
Other operating expenses	-1,568	-21,179
Operating profit (- shown loss)	-109,486	352,762
Finance income	52,428	7,564
Finance costs	-32,245	-51,058
Share of profit (loss) of entities accounted for using equity method (- shown loss)	47,427	-11,539
Quarterly profit (- shown loss) before income taxes	-41,876	297,727
Income tax	5,447	-104,977
Quarterly profit (- is loss)	-36,428	192,750
Quarterly profit (- shown loss) attributable		
Owners of the parent	-35,023	196,224
Non-controlling interests	-1,405	-3,474
Quarterly profit (- shown loss)	-36,428	192,750
Quarterly profit per share (- shown loss)		
Basic quarterly profit per share (- shown loss) (yen)	-0.39	2.19
Diluted quarterly profit per share (- shown loss) (yen)	-0.39	2.13

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	1Q FY2024 (From January 1, 2024 to March 31, 2024)	1Q FY2025 (From January 1, 2025 to March 31, 2025)
Quarterly profit (-shown loss)	-36,428	192,750
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	87,556	7,952
Total items that will not be reclassified to profit or loss	87,556	7,952
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	-1,746	17,891
Total items that may be reclassified to profit or loss	-1,746	17,891
Total other comprehensive income, net of tax	85,810	25,844
Comprehensive income	49,381	218,594
Comprehensive income attributable to		
Owners of the parent	50,786	222,068
Non-controlling interests	-1,405	-3,474
Comprehensive income	49,381	218,594

(3) Consolidated statements of changes in equity

1Q FY2024 (From January 1, 2024 to March 31, 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 loss (- shown loss)	-	-	-	-35,023	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-35,023	-	-
Disposal of treasury shares	-	65,269	61,542	-	-126,474	-
Dividends	-	-	-	-88,802	-	-
Share-based payment transactions	-	-	-	1,327	70,568	14,000
Transfer from other components of equity to retained earnings	-	-	-	90,560	-	-
Total transactions with owners	-	65,269	61,542	3,086	-55,906	14,000
Balance as of March 31, 2024	7,147,905	7,514,566	-2,983,725	10,025,540	821,082	-

(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 loss (- shown loss)	-	-	-	-35,023	-1,405	-36,428
Other comprehensive income	-1,746	87,556	85,810	85,810	-	85,810
Total comprehensive income	-1,746	87,556	85,810	50,786	-1,405	49,381
Disposal of treasury shares	-	-	-126,474	337	-	337
Dividends	-	-	-	-88,802	-	-88,802
Share-based payment transactions	-	-	84,568	85,895	-	85,895
Transfer from other components of equity to retained earnings	-	-90,560	-90,560	-	-	-
Total transactions with owners	-	-90,560	-132,467	-2,570	-	-2,570
Balance as of March 31, 2024	-43,706	40,047	817,424	22,521,709	11,688	22,533,397

1QFY2025 (From January 1, 2025 to March 31, 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	-	-	-	196,224	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	196,224	-	-
Disposal of treasury shares	-	8,459	161,428	-	-186,227	-
Dividends	-	-	-	-178,432	-	-
Share-based payment transactions	-	-	-	12,937	62,451	13,294
Changes in ownership interests in subsidiaries	-	-16,377	-	-	-	-
Total transactions with owners	-	-7,918	161,428	-165,495	-123,776	13,294
Balance as of March 31, 2025	7,147,905	7,551,027	-2,765,104	10,438,556	833,813	-

(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 (- shown loss)	-	-	-	196,224	-3,474	192,750
Other comprehensive income	17,891	7,952	25,844	25,844	-	25,844
Total comprehensive income	17,891	7,952	25,844	222,068	-3,474	218,594
Disposal of treasury shares	-	-	-186,227	-16,339	-	-16,339
Dividends	-	-	-	-178,432	-	-178,432
Share-based payment transactions	-	-	75,744	88,681	-	88,681
Changes in ownership interests in subsidiaries	-	-	-	-16,377	16,377	-
Total transactions with owners	-	-	-110,482	-122,467	16,377	-106,090
Balance as of March 31, 2025	-29,841	64,767	868,739	23,241,123	14,774	23,255,897

(4) Consolidated statements of cash flows

(Thousands of yen)

	1Q FY2024 (From January 1, 2024 to March 31, 2024)	1Q FY2025 (From January 1, 2025 to March 31, 2025)
Cash flow from operating activities		
Quarterly profit (- shown loss) before income taxes	-41,876	297,727
Depreciation and amortization expense	694,634	810,642
Impairment loss	39,128	-
Share-based payment expense	72,481	81,097
Finance costs (- shown income)	-20,183	43,495
Equity in loss (- shown earnings) of affiliates	-47,427	11,539
Decrease (increase) in trade and other receivables (- shown increased)	-73,177	140,450
Decrease (- shown increase) in inventories	-24,471	-42,624
Increase (decrease) in trade and other payables (- shown decreased)	-341,042	-413,664
Decrease (- shown increase) in prepaid expenses	-4,551	-160,077
Decrease (- shown increase) in long-term prepaid expenses	17,799	20,233
Increase (- shown decrease) in employees' bonuses payable	-236,869	-280,077
Increase (- shown decrease) in contract liabilities	595,700	212,130
Increase (- shown decrease) in consumption taxes payable	66,501	-133,405
Others	112,659	-36,244
Subtotal	809,305	551,222
Interest received	6,013	1,762
Interest expenses paid	-5,745	-3,224
Income taxes paid or refunded (- shown payment in)	-3,312	-212,601
Cash flow from operating activities	806,262	337,160
Cash flow from investing activities		
Acquisition of property, plant and equipment	-3,103	-2,664
Proceeds from sales of property, plant and equipment	1,639	-
Acquisition of intangible assets	-1,112,862	-1,170,077
Acquisition of investments	-10,608	-
Proceeds from sales and redemption of investments	331,441	-
Loan advances	-	-3,000
Collection of loans receivable	1,720	1,309
Payments for lease and guarantee deposits	-2,692	-394
Proceeds from collection of lease and guarantee deposits	4,496	183
Payments from sales investments accounted using equity- method	-100,650	-
Proceeds from distributions from investment partnerships	1,640	3,800
Cash flow from investing activities	-888,979	-1,170,843

The following information was originally prepared and published by the Company in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English translation is for your convenience only. If there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version.

	(Thousands of yen)	
	1Q FY2024 (From January 1, 2024 to March 31, 2024)	1Q FY2025 (From January 1, 2025 to March 31, 2025)
Cash flow from financing activities		
Net increase (- shown decrease) in short-term loans payable	-2,900,000	500,000
Proceeds from long-term debt	4,700,000	-
Repayments of long-term debt	-25,002	-275,004
Repayments of lease obligations	-262,643	-202,909
Cash dividends paid	-88,802	-178,432
Expenses related to commitment lines	-32,860	-2,000
Cash flow from financing activities	1,390,694	-158,345
Impact of exchange fluctuations for cash and cash equivalents	1,689	19,560
Net increase (- shown decrease) in cash and cash equivalents	1,309,665	-972,469
Cash and cash equivalents at beginning of period	3,920,033	4,305,936
Balance of cash and cash equivalents at end of period	5,229,698	3,333,467

(5) Notes regarding consolidated financial statements

(Segment information)

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

(Notes on the going concern)

Not applicable.