



FY2019

Presentation material

February 14 , 2020 



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Appendix: Corporate Profile, Revenue Category

Sales and profits increased for the third consecutive year, both revenue and operating profit achieved a record high.

(¥ million)	FY2019	FY2018	YoY change	YoY(ratio)
Revenue	22,586	21,285	+1,301	+6.1%
Operating profit	4,525	4,115	+411	+10.0%
Profit before tax	4,486	4,105	+380	+9.3%
Profit attributable to owners of parent	3,093	2,656	+437	+16.5%
Basic earnings per share	¥35.40	¥30.36	-	-

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

# Revenue by Category (Consolidated, IFRS)

Sales of platforms basic increased due to rise in the number of users, sales of applications by industries went well.

(¥ million)	FY2019	FY2018	YoY change	YoY(ratio)
Platforms	10,192	9,543	+649	+6.8%
Basic	7,654	7,175	+479	+6.7%
EDI/Payment settlement	920	935	-16	-1.7%
Support	1,478	1,314	+164	+12.5%
Others	140	118	+22	+18.4%
Applications	12,394	11,742	+652	+5.6%
By industry	10,448	10,173	+275	+2.7%
OTRS	338	391	-53	-13.5%
Others	1,608	1,178	+430	+36.5%
Total	22,586	21,285	+1,301	+6.1%

Basic went well reflecting application sales, maintenance contract ratio improved, PSF struggled due to market factors.

(¥ million)	FY2019	FY2018	YoY change	YoY(ratio)
Basic	7,654	7,175	+479	+6.7%
PaaS/SaaS	5,542	5,206	+336	+6.5%
lump-sum	2,735	2,464	+270	+11.0%
monthly	2,807	2,742	+66	+2.4%
IaaS	2,113	1,970	+143	+7.3%
EDI / Payment settlement	920	935	-16	-1.7%
PSF *	603	634	-31	-4.9%
BLP/CPT *	317	301	+16	+5.2%
Support	1,478	1,314	+164	+12.5%
Support service	708	601	+107	+17.8%
Provision of consumables	770	713	+57	+8.0%
Others	140	118	+22	+18.4%
Total platform sales	10,192	9,543	+649	+6.8%

\* [PSF] settlement agency fee for recycled parts transaction market

[BLP] Usage fee for “BL Parts Order System”

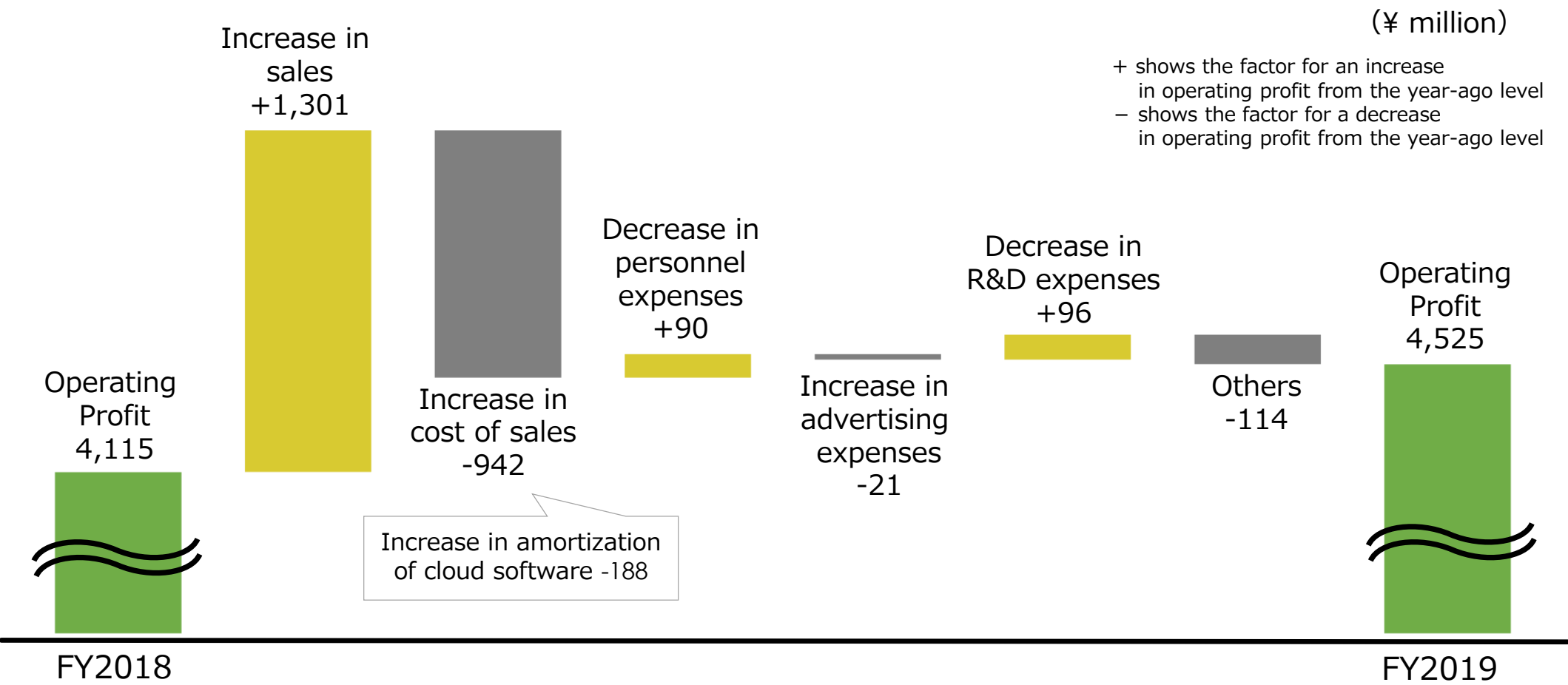
[CPT] Usage fee for “CarpodTab”



Acquisition of new customers went well mainly in the automotive sector, OTRS struggled due to macro economic factors.

(¥ million)	FY2019	FY2018	YoY change	YoY(ratio)
By industry	10,448	10,173	+275	+2.7%
Automotive	8,874	8,757	+117	+1.3%
Non-automotive	1,574	1,416	+157	+11.1%
OTRS	338	391	-53	-13.5%
Others	1,608	1,178	+430	+36.5%
Total application sales	12,394	11,742	+652	+5.6%

Significant rise in sales offset the increased burden of cloud-related amortization expenses.





Intangible assets increased due to investments in cloud development.

(¥ million)	FY2019	FY2018	YoY change	Main factors for increase/decrease
Current assets	7,987	10,619	-2,632	Decrease in cash and deposits -2,593 Increase in property, plant and equipment +1,584
Non-current assets	23,702	18,794	+4,907	Increase in intangible assets +2,264
Total assets	31,689	29,413	+2,276	
Current liabilities	7,100	7,913	-813	Decrease in income taxes -349
Non-current liabilities	1,369	466	+903	Increase in long-term interest-bearing debt +849
Total liabilities	8,469	8,379	+89	
Total equity	23,220	21,033	+2,186	Recognition of profit +3,093 Decline due to dividend payout -1,136
Total liabilities and equity	31,689	29,413	+2,276	

Invested aggressively into growth areas, such as cloud software development.

(¥ million)	FY2019	FY2018	YoY change	Main factors for increase/decrease
CF from operating activities	3,762	4,566	-804	Increase in income taxes paid -735
CF from investing activities	-3,990	-2,496	-1,494	Acquisition of intangible assets -866 Acquisition of investment -994
CF from financing activities	-2,366	-2,409	+43	
FCF	-228	2,070	-2,298	
Cash and cash equivalents	3,034	5,627	-2,593	

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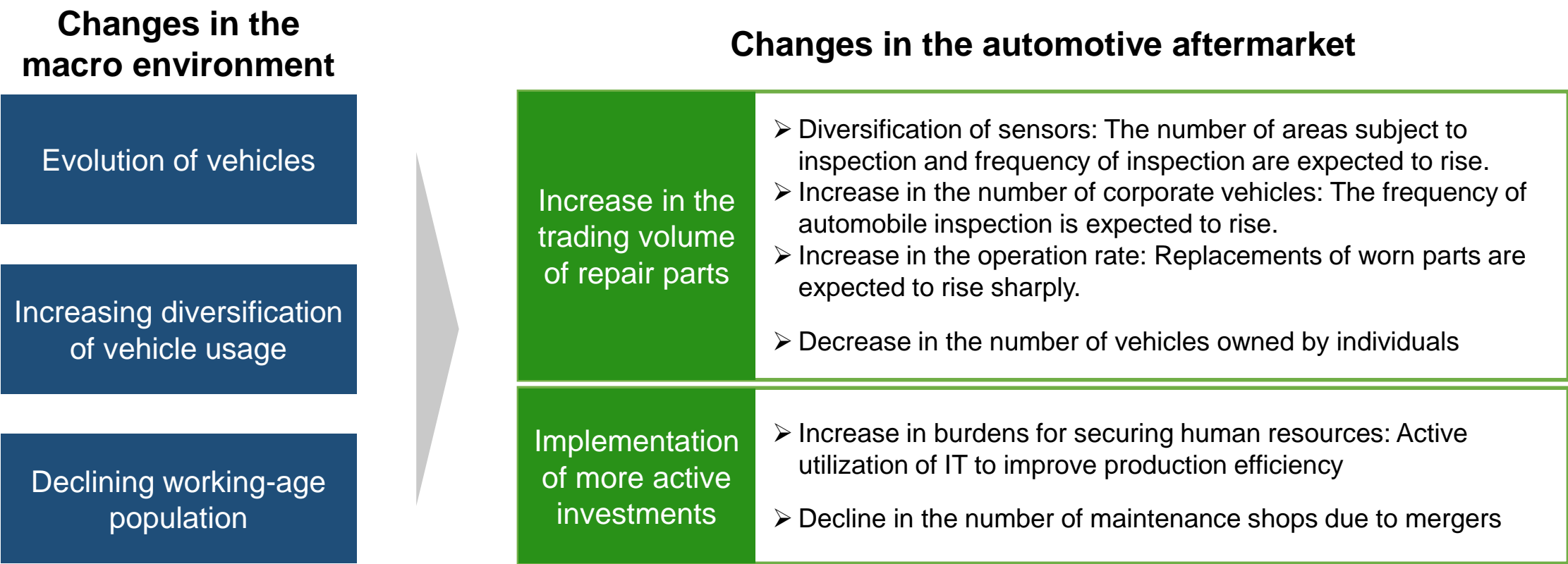
2. Key Strategies for 2020-21

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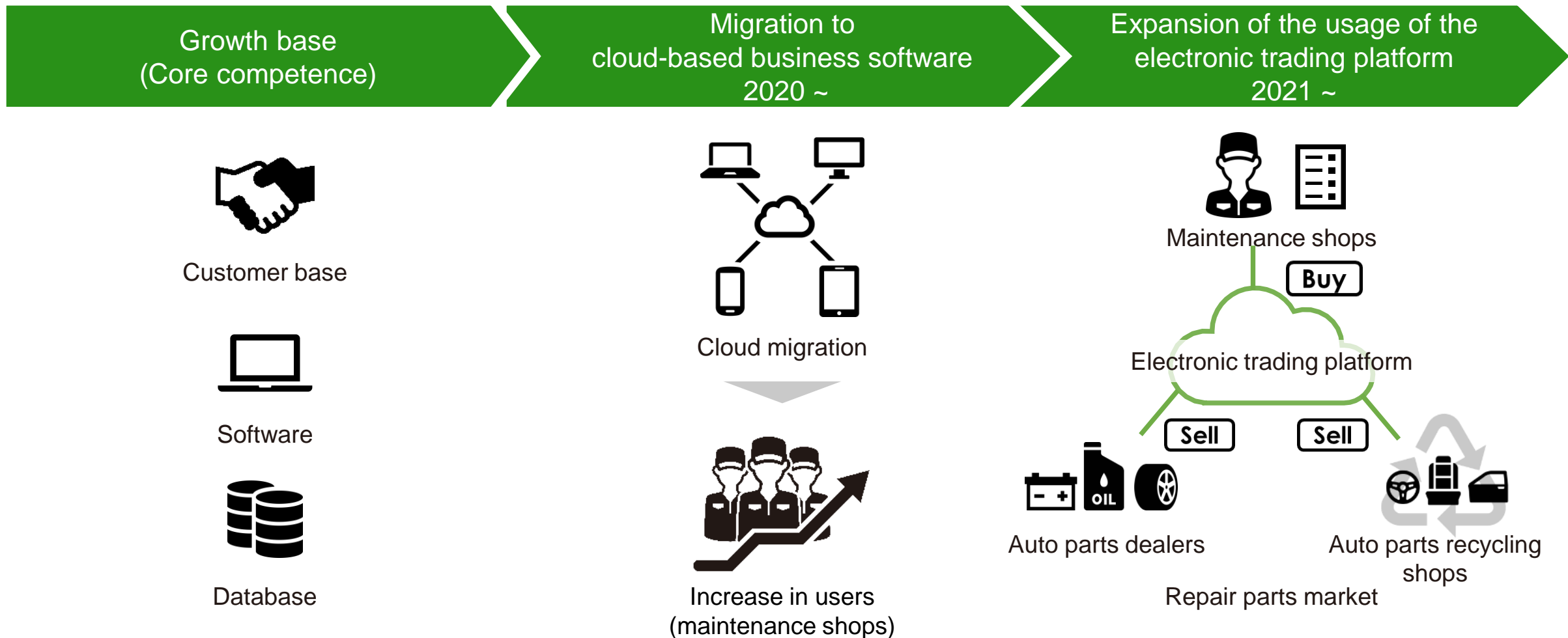
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Appendix: Corporate Profile, Revenue Category

Demand for maintenance is expected to increase due to the evolution of vehicles and diversification brought by CASE, which Broadleaf considers as growth opportunities.



Work to further increase the number of maintenance shops as users through cloud migration as a trigger, and aim to expand the usage of the Company’s electronic trading platform in the repair parts market.







Facilitate cloud migration in the domestic automotive aftermarket to expand the usage of the electronic trading platform. In addition, proactively expand into new areas, such as MaaS.

Key strategies

Areas of the automotive aftermarket industry	<ul style="list-style-type: none"><li>➤ Strategy No. 1 Strategic Offering of Products by Segment (Maintenance shops)</li><li>➤ Strategy No. 2 Strategic Introduction of Third-Party Programs</li><li>➤ Strategy No. 3 Strategic Market Launch of Cloud-based Products</li></ul>
New areas such as MaaS	<ul style="list-style-type: none"><li>➤ Strategy No. 4 Global Development of the “Broadleaf Cloud Platform”</li></ul>

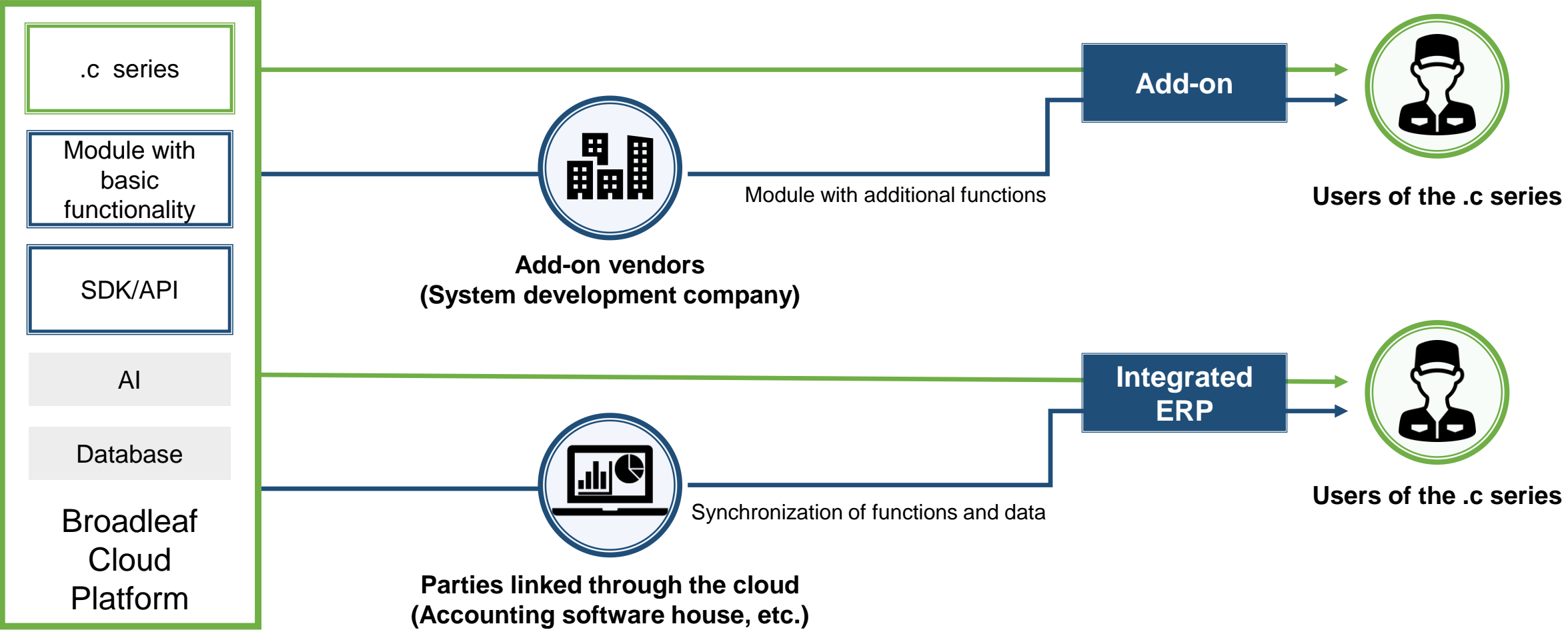
Increase the number of users by offering cloud-based products to popularize the electronic trading platform as soon as possible and secure the top line by continuing to sell existing products.

Segment (maintenance shops)		Products	Sales
Automobile inspection shop chains, etc.	(Number of IDs) 3,000 (companies)×10 or more (persons)	 Advanced version of cloud-based business software (.c)	Offer as an add-on for individual demand
Maintenance shops (shops that have not yet adopted software)	(Number of IDs) up to 10,000 (companies) ×1 (person)	 Basic version of cloud-based business software (.c)	Focus on online sales
Service stations (SS)	(Number of IDs) up to 30,000 (shops) ×1 (person)	 SS version of cloud-based business software (.c)	Approach petroleum distributors and other large companies
Medium- to large-scale maintenance shops	(Number of licenses*) 50,000 (companies) ×1.5 (bases)	 Existing client server-type business software (.NS)	Focus on replacing competitors' products for users as well.

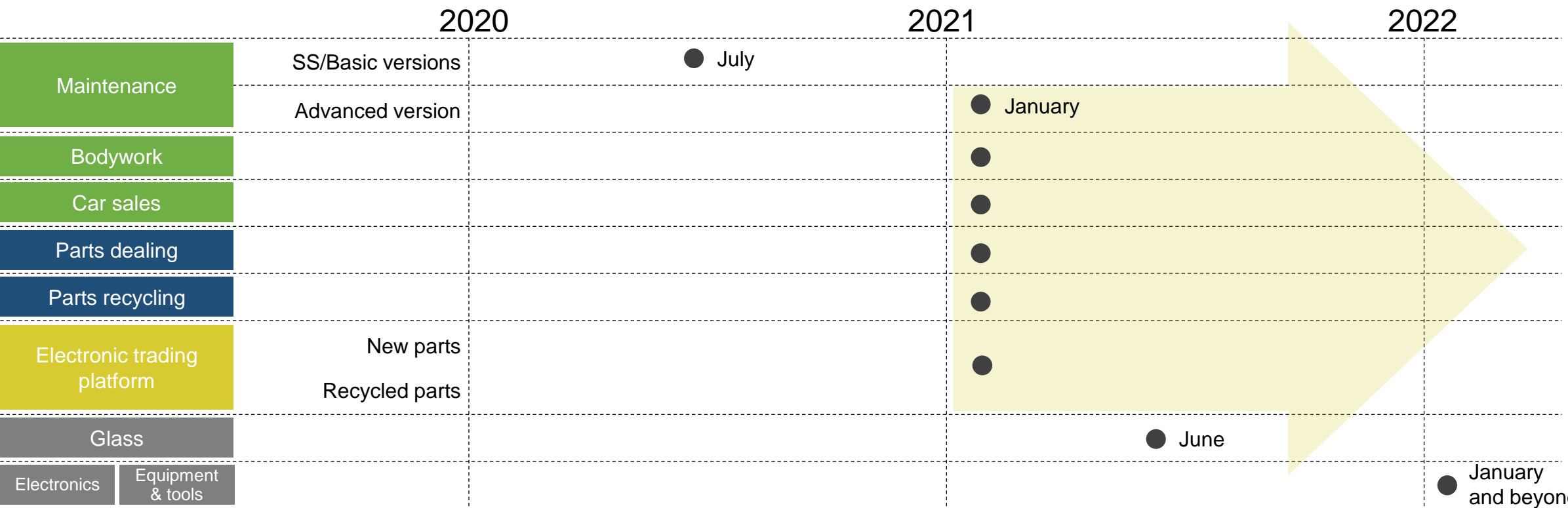
\* Usage rights valid for a maximum of 6 years



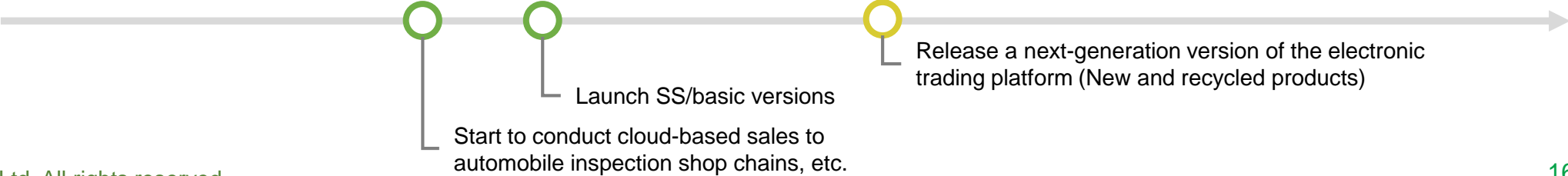
Provide programs to ensure that add-on vendors can develop modules with additional functions more easily, and also offer them as an integrated ERP by leveraging linkage to cloud-based accounting software and business management tools, etc.



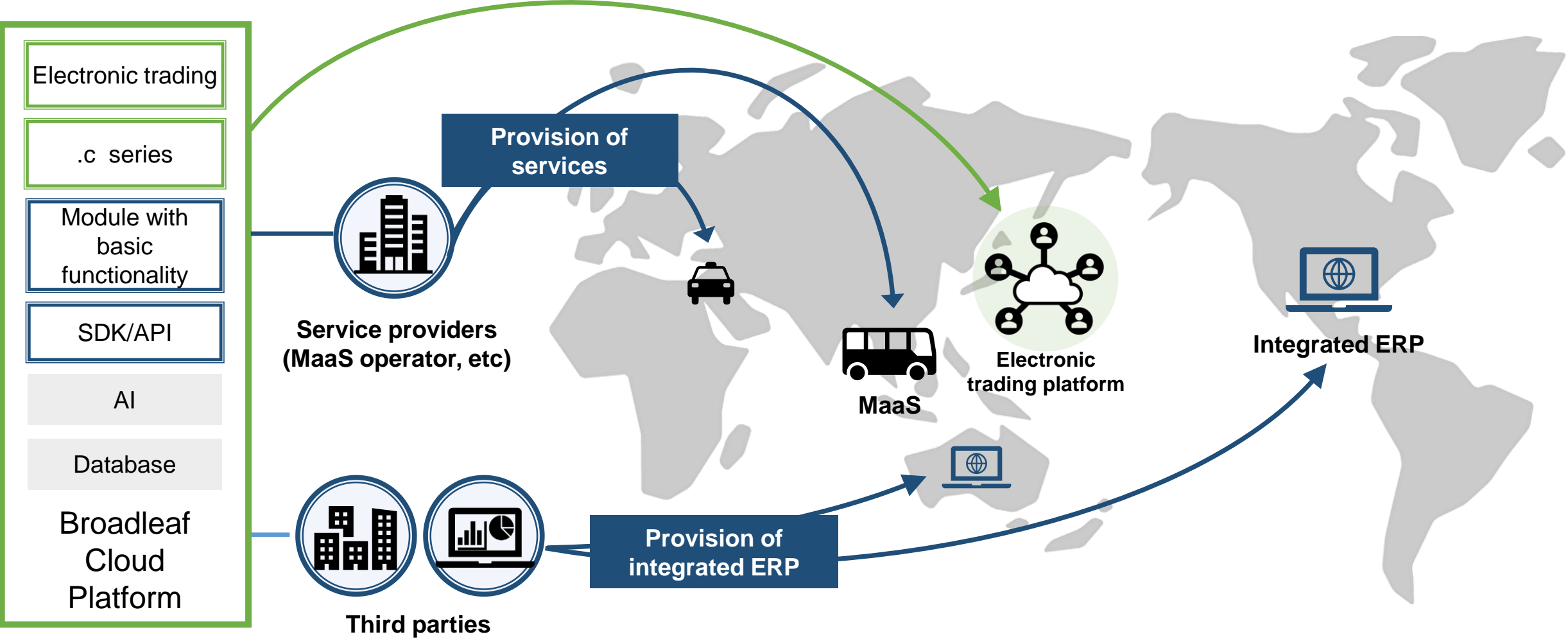
Launch multiple core products into the market simultaneously to popularize the electronic trading platform as soon as possible.



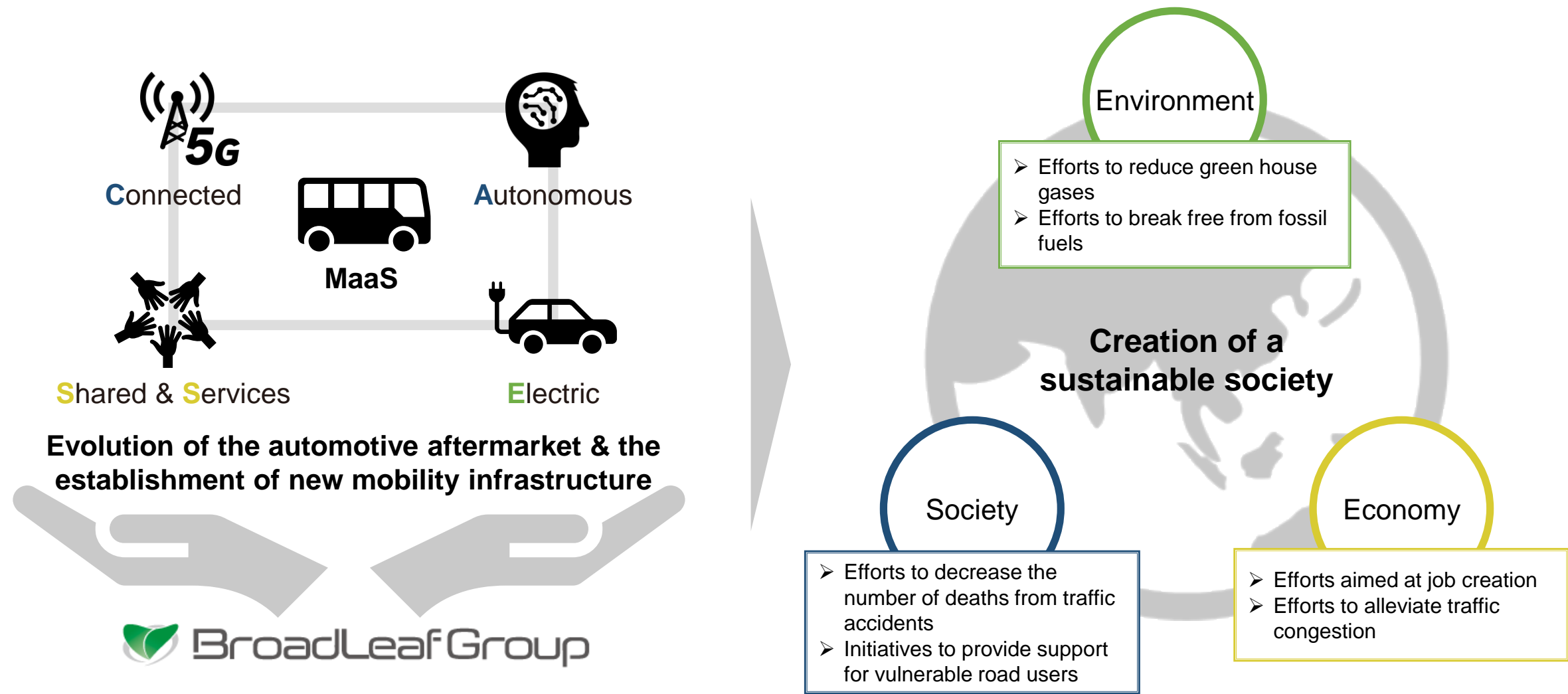
\* The schedule may change depending on the external environment.



Expand the usage of the electronic trading platform in the domestic automotive aftermarket and put efforts into global development through service providers such as MaaS operators.



The Broadleaf Group will contribute to creating a sustainable society by facilitating the evolution of the automotive aftermarket and the establishment of new mobility infrastructure.



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Revenue and profit are expected to increase for the fourth consecutive years by implementing key strategies.

(¥ million)	FY2020 Full-year forecasts	FY2019 Full-year	YoY change	YoY (ratio)	FY2020 1H forecasts	FY2019 1H	YoY change	YoY (ratio)
Revenue	22,700	22,586	+114	+0.5%	11,200	11,072	+128	+1.2%
Operating profit	4,600	4,525	+75	+1.7%	2,000	2,080	-80	-3.8%
Profit before tax	4,600	4,486	+114	+2.6%	2,000	2,075	-75	-3.6%
Profit attributable to owners of parent	3,100	3,093	+7	+0.2%	1,300	1,361	-61	-4.5%
Basic earnings per share	¥35.46	¥35.40	-	-	¥14.87	¥15.59	-	-

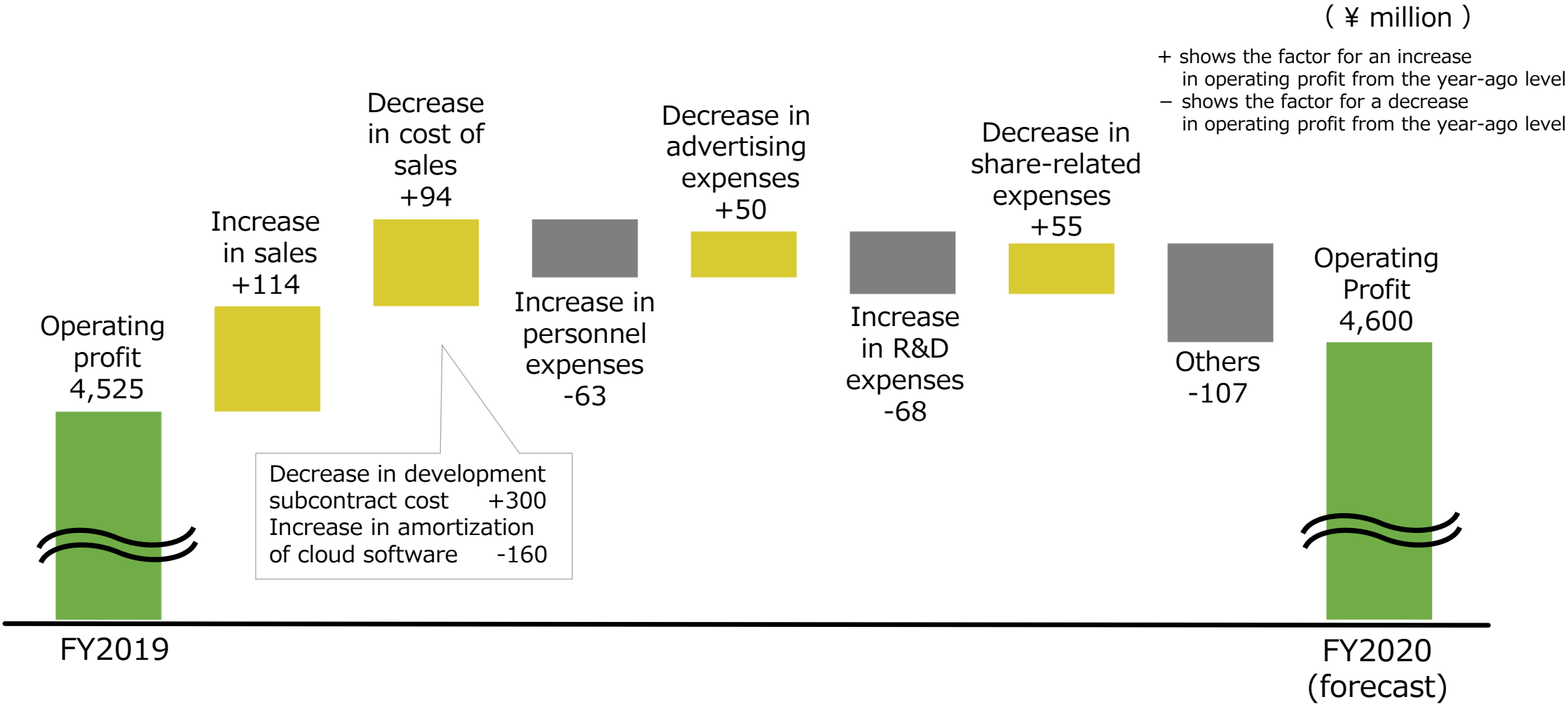
Revenue is expected to increase by accumulation of monthly fees of platforms.

(¥ million)	FY2020 Full-year forecasts	FY2019 Full-year	YoY change	YoY (ratio)	FY2020 1H forecasts	FY2019 1H	YoY change	YoY (ratio)
Platforms	10,500	10,192	+308	+3.0%	5,150	4,948	+202	+4.1%
Basic	7,850	7,654	+196	+2.6%	3,850	3,717	+133	+3.6%
EDI/Payment settlement	950	920	+30	+3.3%	450	455	-5	-1.0%
Support	1,500	1,478	+22	+1.5%	750	706	+44	+6.2%
Others	200	140	+60	+42.6%	100	70	+30	+42.5%
Applications	12,200	12,394	-194	-1.6%	6,050	6,123	-73	-1.2%
By industry	10,000	10,448	-448	-4.3%	4,850	5,173	-323	-6.2%
OTRS	350	338	+12	+3.6%	150	208	-58	-27.7%
Others	1,850	1,608	+242	+15.1%	1,050	743	+307	+41.4%
Total	22,700	22,586	+114	+0.5%	11,200	11,072	+128	+1.2%



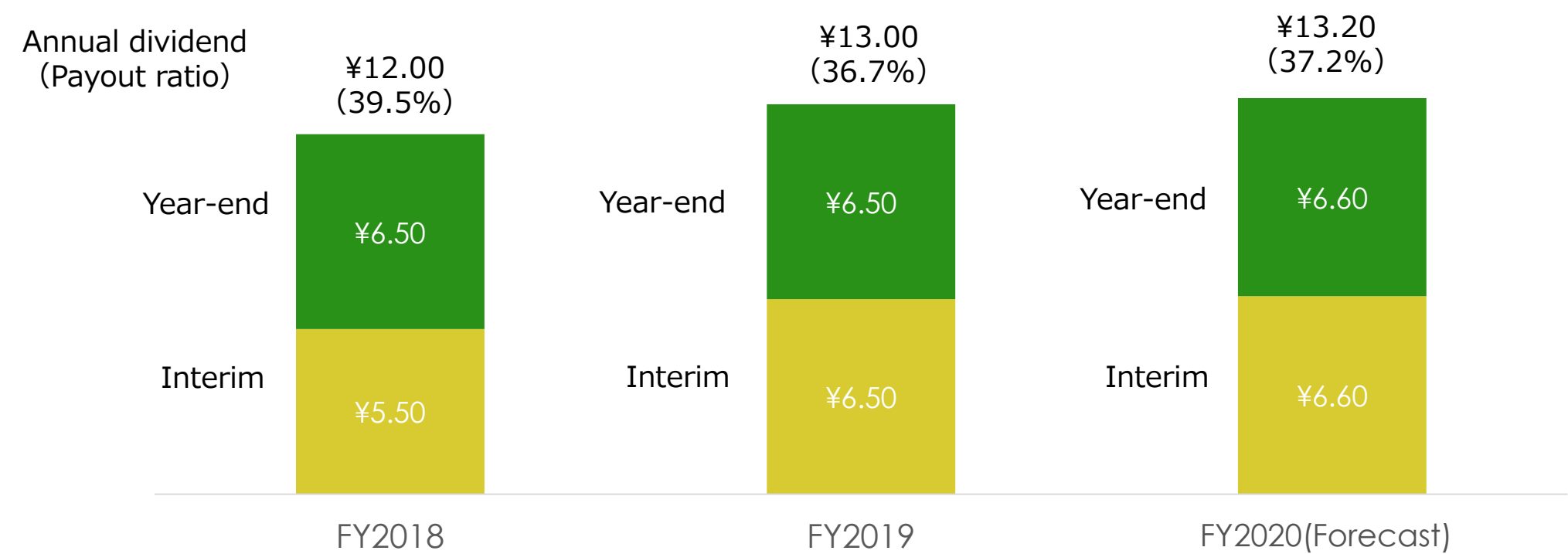
# Breakdown of Operating Profit (Consolidated, IFRS)

Operating profit is expected to increase by cost control which will offset higher amortization expenses of cloud software and personnel expenses.



The year-end dividend for the fiscal year ended December 31, 2019 will be ¥6.50, as forecasted (Annual dividend: ¥13.00).

The annual dividend for the fiscal year ending December 31, 2020 is planned to increase to ¥13.20 (interim ¥6.60, year-end ¥6.60).



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Broadleaf will exhibit at "18th International Auto Aftermarket EXPO2020 (IAAE)" held at Tokyo Big Sight from March 11 (Wed) to 13 (Fri), 2020.

Services with the themes of "work system reform," "store reform," and "productivity improvement" will be displayed.  
 Various IT solutions that support users based on AI and cloud technologies will be exhibited.  
 Free seminars inviting popular lecturers and famous consultants from various fields will be held.

**Exhibition overview**

- Various IT solutions
- Free seminars
- Exhibitions and seminars of partner companies (NEXT-SYSTEM Co.,Ltd., Zenmov Inc., etc.)

**Event summary**

Title: The 18th International Auto Aftermarket EXPO2020  
 Date: March 11 (Wed)-13 (Fri), 2020  
 Hours: 10: 00-17: 00 (last day only until 16:00)  
 Booth number : 3411



Image of IAAE2019

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Appendix Corporate Profile、Revenue Category



# Explanation of Revenue Category

Classification			Detailed businesses
Major category	Medium category	Small category	
Platforms	Basic	PaaS/SaaS	<ul style="list-style-type: none"> <li>- (Monthly) Provision of applications</li> <li>- (Monthly) Provision of databases for applications (information on automotive parts, vehicles and indexes, data on transportation means, data on tourism spots, etc.)</li> <li>- (Lump-sum/Monthly) Provision of basic application functions and middleware</li> </ul>
		IaaS	<ul style="list-style-type: none"> <li>- Provision of network servers required for the use of applications</li> </ul>
	EDI/ Payment settlement	PSF	<ul style="list-style-type: none"> <li>- Provision of settlement agency services for "Parts Station NET," a network specialized in the transaction of automotive recycled parts</li> </ul>
		BLP/CPT	<ul style="list-style-type: none"> <li>- Provision of an electronic system "BL Parts Order System" for receiving/placing orders for automotive parts</li> <li>- Provision of tablet-type operation terminals "CarpodTab" mainly for automotive maintenance companies</li> </ul>
	Support	Support Service	<ul style="list-style-type: none"> <li>- Provision of support and hardware maintenance services for clients in varieties of industries</li> </ul>
		Provision of Consumables	<ul style="list-style-type: none"> <li>- Sale of exclusive forms and OA supply goods</li> </ul>
	Others		<ul style="list-style-type: none"> <li>- Analysis, processing and provision of a large amount of accumulated anonymization data collected from clients, etc</li> </ul>
Applications	By industry		<ul style="list-style-type: none"> <li>- Sale of applications in the By industry category (excluding basic functions) (Automobile-related: auto maintenance shops, car dealers, body shops, auto parts dealers, glass shops, electrical equipment shops, auto parts recycling shops, etc.) (Non-automotive category: machine tool suppliers, mobile phone sales shops, travel agencies, sightseeing bus operators, etc.)</li> </ul>
	OTRS		<ul style="list-style-type: none"> <li>- Sale of OTRS, operation analysis/optimization software</li> </ul>
	Others		<ul style="list-style-type: none"> <li>- Sale of PC bodies and ancillary devices such as printers</li> </ul>

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	<p>Provision of enterprise 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.</p>
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)



# 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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