FY12/2025

Business Results Briefing Material

Broadleaf Co., Ltd

February 12, 2026

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Business Results for the FY12/2025

Performance Summary

Consolidated Results for 2022-2025

Over the four years since the launch of the Medium-Term Management Plan (2022–2028), actual results have exceeded the initial forecasts* in every year.

(Millions of yen)	FY2022		FY2023		FY2024		FY2025	
	initial forecast	Actual results	initial forecast	Actual results	initial forecast	Actual results	initial forecast	Actual results
Revenue	12,300	**13,833**	15,000	**15,385**	17,600	**18,045**	20,100	**20,815**
Operating profit (- indicates loss)	-4,800	**-2,897**	-2,700	**-1,902**	50	**674**	1,500	**2,063**
Owners of the parent Profit attributable to (- indicates loss)	-5,000	**-2,431**	-2,400	**-1,487**	40	**343**	1,000	**1,240**

[Key Initiatives]
- Continued development of cloud-based software (including functional enhancements and performance improvements).
- Progressive migration of users whose licenses for legacy software have expired to monthly subscription-based contracts. (Where applicable cloud-based software has not yet been released, legacy software is provided on a temporary, time-limited basis under a monthly subscription model.)

* Consolidated financial forecasts for the relevant fiscal year as stated in the full-year financial results summary

- The seven-year medium-term management plan launched in 2022 has now completed its fourth year.

- In each fiscal year from 2022 through 2025, results exceeded the earnings forecasts announced at the beginning of the respective fiscal year.

- Over the past four years, we have continued to enhance and strengthen the functionality and performance of our cloud software, while actively promoting cloud migration among existing customers and acquiring new customers.

Overview of the Consolidated Results FY12/2025

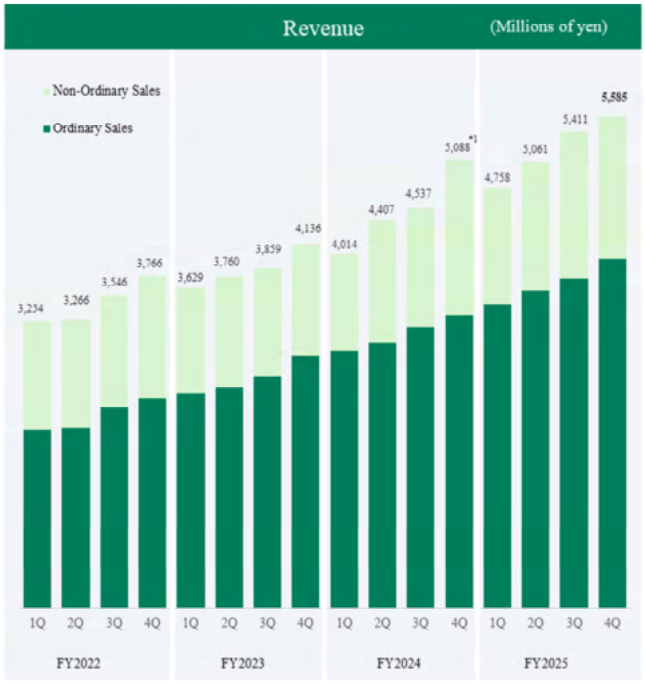
In addition to an increase in the number of contracts for monthly subscription-based software, the Company captured replacement demand for PCs, resulting in double-digit revenue growth. Owing to a revenue structure with a high contribution margin, operating profit and profit attributable to owners of the parent increased by more than three times year on year, representing a significant increase in profits.

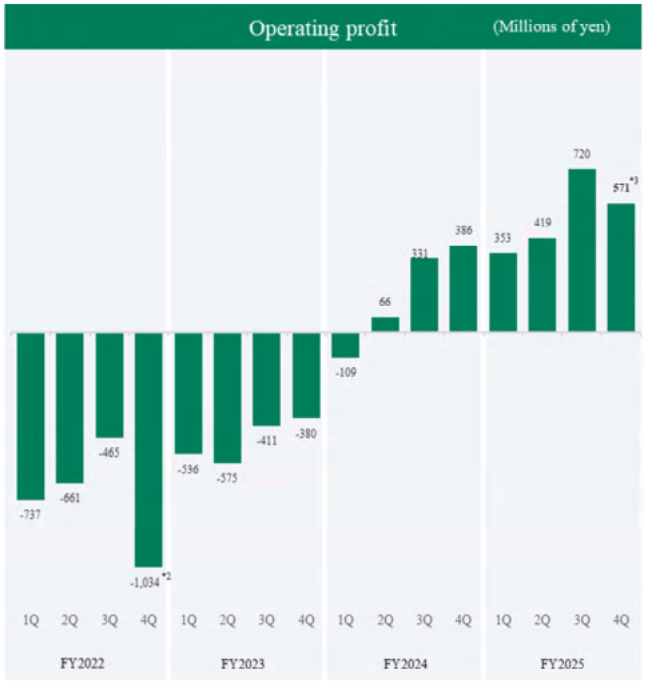
(Millions of yen)	FY2025	FY2024	YoY change	YoY ratio
Revenue	**20,815**	18,045	+2,770	+15.4%
Cost of sales	**7,296**	6,334	+962	+15.2%
Gross profit	**13,520**	11,712	+1,808	+15.4%
Selling, general and administrative expenses, etc.	**11,457**	11,038	+419	+3.8%
Operating profit	**2,063**	674	+1,389	+206.0%
Profit before tax	**1,854**	545	+1,309	+240.3%
Profit for the year attributable to Owners of the parent	**1,240**	343	+897	+261.3%
Basic earnings per share (yen)	**13.79**	3.85	-	-

- Revenue increased by 2,770 million yen year on year (+15.4%) to 20,815 million yen.
- We primarily provide our proprietary cloud software services through a direct sales model. While our cost structure includes a relatively high proportion of personnel and fixed costs, our business model delivers a high marginal profit ratio. As a result, revenue growth translates directly into profit expansion.
- Consequently, operating profit and profit attributable to owners of the parent both recorded significant increases of more than threefold compared with the previous fiscal year.

Quarterly Performance Trends

Since fully transitioning to a subscription-based revenue model in 2022, the Company has been establishing a performance trend that combines revenue stability with high growth.





*1 In Q4 FY2024, large Non-ordinary sales was recorded

*2 In 4Q FY2022, an impairment loss on goodwill of a subsidiary was recognized (−615 million yen).
*3 SG&A expenses increased compared with 3Q due to seasonal factors.

- Under the medium-term management plan launched in 2022, we made a full transition to a subscription-based revenue model. Since then, the trend of revenue and profit growth has continued.

- Although non-recurring revenue such as hardware sales fluctuates on a quarterly basis, recurring revenue—primarily driven by software subscription contracts—has steadily increased, and the shift toward a more stable, stock-based revenue structure is progressing smoothly.

- Operating profit in the fourth quarter declined from the third quarter due to seasonal cost factors; however, this was a temporary effect.

- While quarterly results may show some fluctuations, the overall trend continues to reach new record highs.

Sales by Service Category

As customers continue to migrate to monthly subscription-based contracts, operation and support revenue from package systems has declined, more than offset by growth in software services.

(Millions of yen)	FY2025	FY2024	YoY change	YoY ratio
Cloud services	**11,832**	8,210	+3,622	+44.1%
Software services	**11,302**	7,626	+3,676	+48.2%
Software	**9,838**	6,532	+3,306	+50.6%
maintenance contract	**642**	387	+255	+65.8%
Initial setup	**822**	706	+116	+16.4%
Marketplace	**530**	584	-54	-9.3%
Packaged system	**5,699**	7,450	-1,751	-23.5%
Software sales	**1,441**	1,941	-500	-25.8%
Operation and support service	**4,258**	5,508	-1,251	-22.7%
Others	**3,285**	2,386	+899	+37.7%
Hardware	**2,613**	1,689	+924	+54.7%
supply	**672**	697	-25	-3.5%
Total	**20,815**	18,045	+2,770	+15.4%
Recurring revenue*	**14,737**	12,428	+2,310	+18.6%
Recurring revenue ratio	**70.8%**	68.9%	-	-

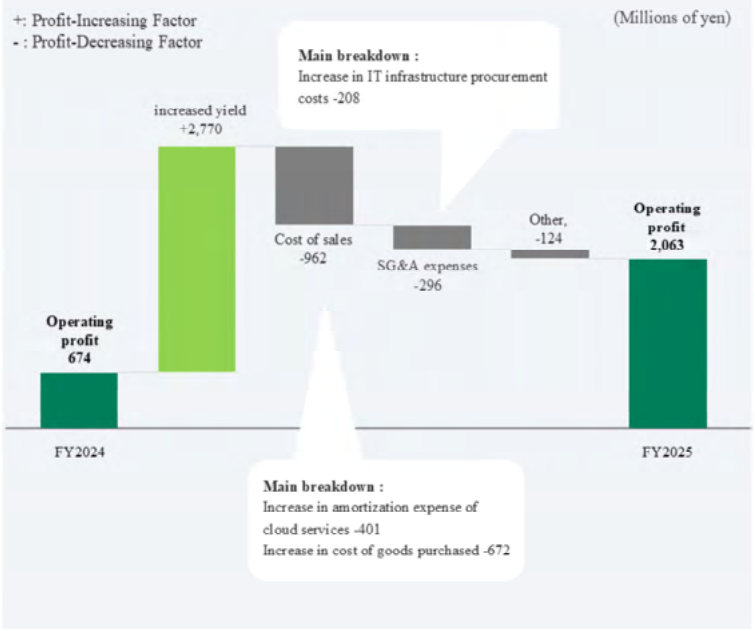
* Recurring revenue: Total of software, support, and operations and support service.

- Software services increased 44.1% year on year, driven by the continued accumulation of subscription-based products, including our cloud software.
- Marketplace revenue decreased 9.3% year on year, reflecting stagnation in the domestic recycled auto parts market.
- Package systems declined 23.5% year on year, as the transition to cloud software progressed steadily.
- Other revenue increased 37.7% year on year, mainly due to heightened replacement demand for hardware, particularly PCs.

Breakdown of Major Cost Increases and Decreases

While growth-related investment costs, including cloud amortization and IT infrastructure procurement expenses, increased, the Company actively leveraged AI to enhance efficiency in sales activities, development processes, and administrative operations.

Breakdown of Changes in Operating Profit (loss)



Cost of sales

- Increase in amortization expense of cloud services due to feature expansion of cloud software
- Increase in cost of goods purchased due to revenue increase in hardware, mainly PCs

SG&A expenses

- For provision of cloud services IT infrastructure procurement costs increased
- Reduced outsourcing fees through operational efficiency improvements via active use of AI

・Cost of sales increased due to higher amortization expenses associated with the addition of new cloud software features, as well as increased procurement costs resulting from higher hardware sales.

・Selling, general and administrative expenses rose mainly due to increased IT infrastructure procurement costs to accommodate growth in cloud software users and to further enhance service quality.

・On the other hand, through the proactive utilization of AI to improve operational efficiency, we advanced the optimization of sales and administrative processes, resulting in a reduction in outsourcing expenses and related costs.

・As a result, operating profit increased by 1,389 million yen compared with the previous fiscal year.

Balance Sheet

Intangible assets increased due to investment in the development (functional enhancements) of cloud-based software.
Contract liabilities* increased in line with the growth in five-year package contracts for cloud-based software.

(Millions of yen)	FY2025 Year-end	FY2024 Year-end	YoY change	Main change factors
Current assets	**8,464**	8,211	+253	Operating and other receivables +343
Non-current assets	**32,960**	31,684	+1,277	Intangible assets +2,035
Total assets	**41,425**	39,895	+1,530	-
Current liabilities	**15,344**	13,681	+1,664	Contract liabilities +2,102
Non-current liabilities	**1,788**	3,071	-1,283	Long-term interest-bearing debts-1,271
Total liabilities	**17,132**	16,751	+381	-
Total equity	**24,293**	23,143	+1,149	Profit +1,215
Total liabilities and equity	**41,425**	39,895	+1,530	-

*Contract liabilities

Contract liabilities represent advance payments received under five-year cloud software package contracts (paid in full upfront for five years). Revenue is recognized on a straight-line basis over the contract period.
Government IT implementation subsidies are one of the factors encouraging the adoption of five-year packages. In addition, these contracts help mitigate the relative ease of cancellation associated with subscription models, thereby contributing to improved customer retention rates.

- Total assets increased, mainly due to a rise in intangible assets resulting from continued development investments aimed at enhancing product competitiveness, including the addition of new cloud software features and performance improvements.

- Total liabilities increased, reflecting the partial shift of interest-bearing debt to short-term borrowings, as well as an increase in contract liabilities representing advance payments for cloud software.

- Total equity increased, primarily due to the recognition of profit for the fiscal year.

Cash Flow

Although the increase in contract liabilities was smaller, operating cash flow rose in line with improved profitability.
Excluding one-off factors, investing cash flow showed a declining trend, while financing cash flow reflected a decrease in borrowings.

(Millions of yen)	FY2025	FY2024	YoY change	Main change factors
Cash flow from operating activities	**6,897**	6,531	+366	Increase in profit before tax +1,309 Decrease in contract liabilities -1,015 Decrease in operating and other receivables +334
Cash flow from investment activities	**-4,409**	-4,308	-100	Decrease in proceeds from sales and redemption of investments -320 Decrease in expenditures for acquisition of intangible assets +120
Cash flow from financing activities	**-2,692**	-1,835	-857	net increase in short-term borrowings +2,900 Decrease in proceeds from long-term borrowings -3,218
Free cash flow	**2,488**	2,222	+265	-
Cash and cash equivalents at the end of the year	**4,121**	4,306	-185	-

- Although the increase in contract liabilities was smaller than in the previous fiscal year, operating cash flow increased year on year due to higher revenue.
- Five-year cloud software package contracts have been widely adopted by customers, as they allow the receipt of IT subsidies over multiple years.
- However, as screening criteria for the subsidy program have become more stringent, approval rates have been trending downward. As a result, the utilization rate of subsidies declined, leading to a smaller increase in contract liabilities.
- Investing cash flow remained at a level comparable to the previous fiscal year, as development investments have been trending downward, excluding one-off factors.
- Financing cash flow reflects increases and decreases in very short-term borrowings.
- Contract liabilities represent advance payments under five-year contracts and will be recognized as monthly revenue in the future. They constitute an important component supporting the Company’s stable business operations.

Plan for 2026–2028

Performance plan

Consolidated Financial Forecast for 2026-2028

Expected to continue achieving record performance in the latter 3 years of the mid-term management plan (2022-2028)

(Millions of yen)	FY2026		FY2027		FY2028	
	previous forecast *1	current forecast	previous forecast *1	current forecast	previous forecast *1	current forecast
Revenue	23,500	**23,500**	27,500	**27,500**	31,500	**32,000**
Operating profit	4,800	**4,800**	9,000	**9,000**	13,000	**13,000**
Operating profit rate	20.4%	**20.4%**	32.7%	**32.7%**	41.3%	**40.6%**
Profit attributable to owners of the parent	3,200	**3,200**	6,000	**6,000**	8,000	**8,500**
Return on sales	13.6%	**13.6%**	21.8%	**21.8%**	25.4%	**26.6%**
Basic earnings per share (yen)*2	-	**35.35**	-	**66.28**	-	**93.90**
Cash Dividends Per Share (yen)	-	**15.00**	-	**NOTE**	-	**NOTE**

*1 Previous guidance is the value announced on February 7, 2025
*2 The number of shares used to calculate the 2026 forecast is also applied to the 2027 and 2028 forecasts

NOTE: Dividend amounts for each fiscal year are scheduled to be determined at the beginning of the respective fiscal year in accordance with the dividend policy of a consolidated payout ratio of 40% or higher.

BroadLeaf

- The earnings forecast for the fiscal year ending December 2026 remains unchanged from the revenue and profit projections announced in February 2025. We expect revenue of 23,500 million yen and operating profit of 4,800 million yen.

- The planned operating profit of 4,800 million yen would represent the highest level since the Company's founding in 2005.

- Profit per share is projected at 35.35 yen.
  For fiscal years 2027 and 2028, we have upwardly revised certain revenue and profit assumptions. Profit per share is expected to increase to 66.28 yen in 2027 and 93.90 yen in 2028.

- Regarding dividends, we have adopted a basic policy of maintaining a consolidated payout ratio of 40% or higher. Going forward, we aim to further enhance shareholder returns in line with profit growth.

Sales Plan by Service Category

Breakdown of Sales Forecast for 2026-2028

Software services, centered on cloud software as our flagship product, are driving sales growth.

(Millions of yen)	FY2026		FY2027		FY2028	
	Previous forecast*	**Current forecast**	Previous forecast*	**Current forecast**	Previous forecast*	**Current forecast**
Cloud services	15,400	**15,700**	20,700	**20,900**	26,400	**26,800**
Software services	14,700	**15,000**	18,900	**19,600**	23,300	**24,300**
Marketplace	700	**700**	1,800	**1,300**	3,100	**2,500**
Packaged system	8,100	**5,500**	6,800	**4,500**	5,100	**3,300**
Software sales	2,700	**1,600**	2,700	**1,600**	2,600	**1,500**
Operation and support service	5,400	**3,900**	4,100	**2,900**	2,500	**1,800**
Others	-	**2,300**	-	**2,100**	-	**1,900**
Hardware	-	**1,700**	-	**1,500**	-	**1,300**
Supply	-	**600**	-	**600**	-	**600**
Total	23,500	**23,500**	27,500	**27,500**	31,500	**32,000**

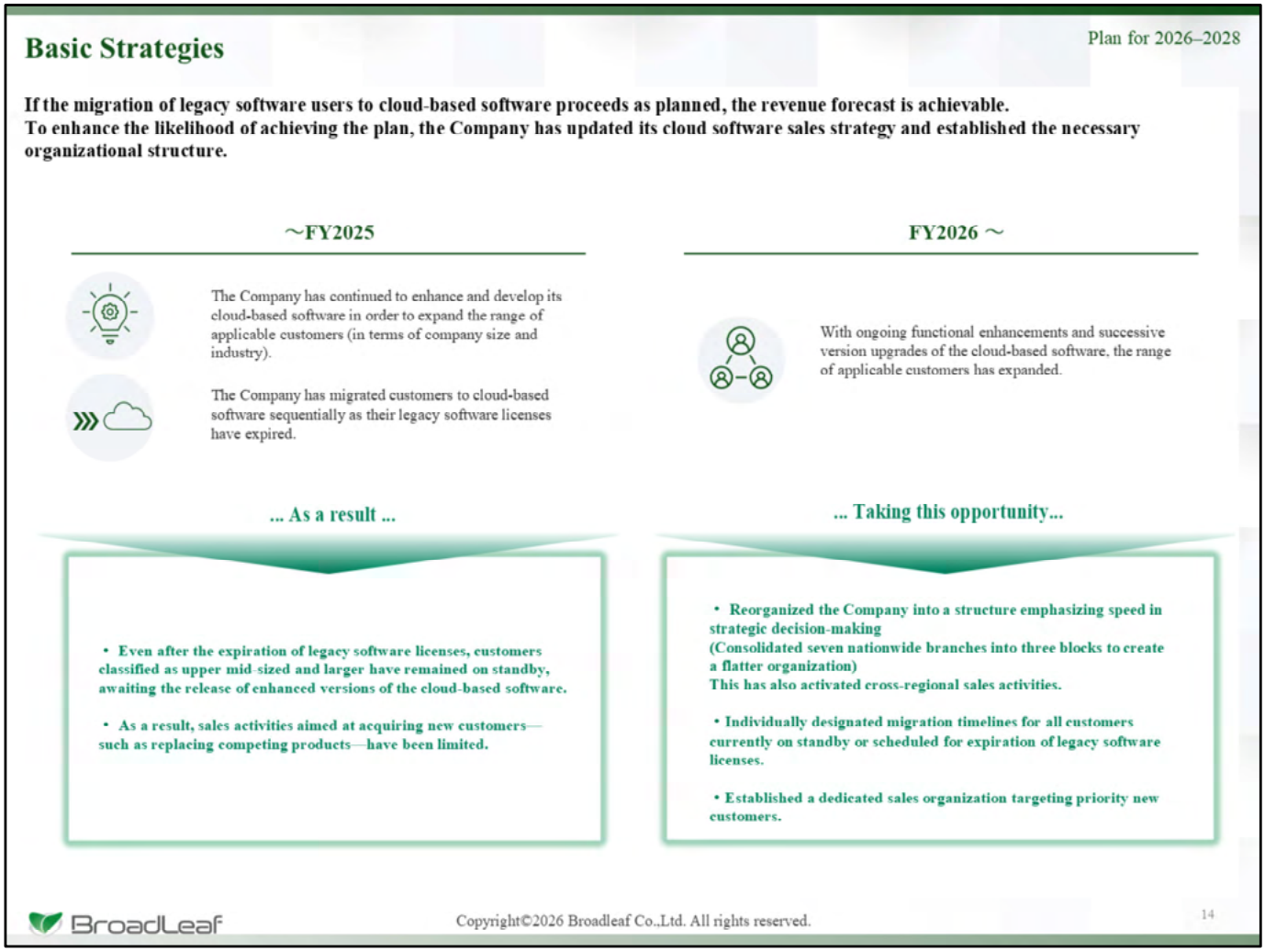
The previous forecasts refer to the figures disclosed on February 7, 2025.In the current forecasts, "Other" has been separated from "Package Systems" in the previous forecasts, and the forecast figures have been revised accordingly.

- As enhancements to our cloud software have progressed and it has become applicable to the vast majority of customers, we expect cloud migration to accelerate going forward compared with the four-year period through 2025.

- Package software revenue includes sales to non-mobility industries for which cloud software has not yet been introduced. Accordingly, software sales of package systems are expected to continue at a certain scale.

- Demand for PC replacements is expected to moderate going forward. In addition, as some industries shift from a traditional resale model to an intermediary model, hardware revenue is projected to decline gradually.

- As a result, software and services centered on cloud software will play an even greater role in driving revenue growth. Going forward, enhancing the certainty of achieving these targets will be a key priority.



- Achieving a 100% cloud adoption rate by the end of 2028 is a key assumption underlying our revenue plan. To enhance the certainty of this target, we have reset the implementation schedule for each customer.

- To complete implementations as planned over the next three years, improving the efficiency of both sales activities and deployment operations will be essential.

- As a first step, we have reviewed our organizational structure with the aim of accelerating strategic decision-making. By flattening the organization, we are enhancing swift decision-making and execution capabilities at the operational level.

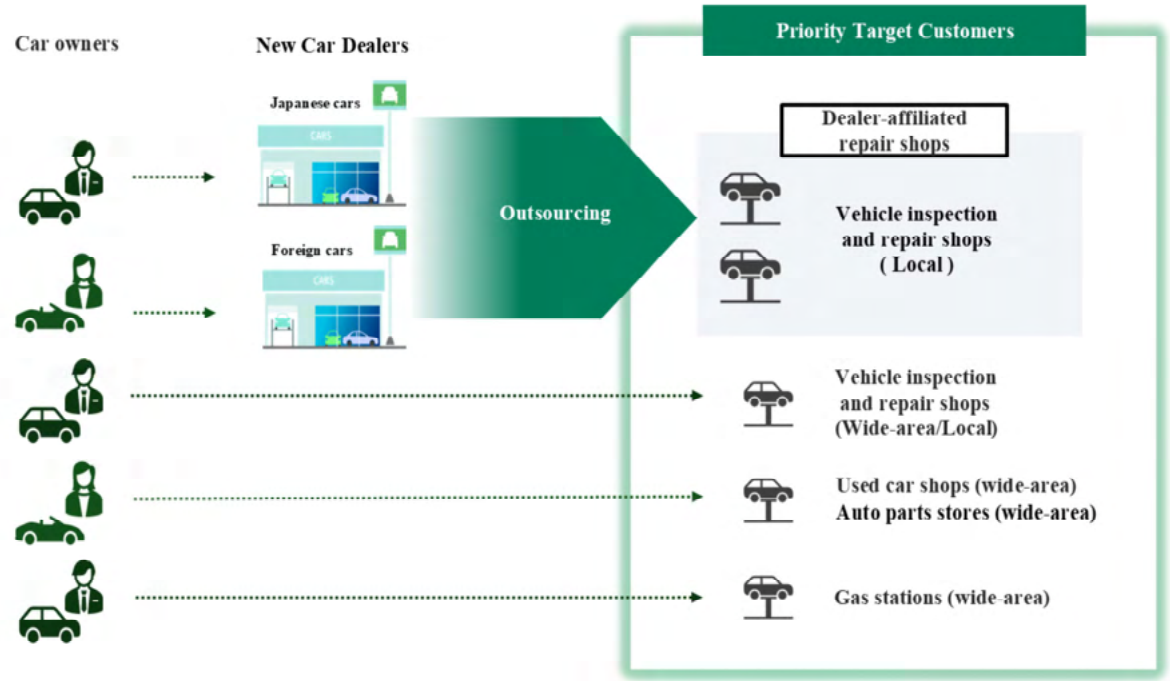
- In accelerating cloud migration, prioritizing target customers is also critical. We have identified customers for whom early migration is desirable as priority targets and will proceed sequentially with their transition to cloud software.

- The increase in ARPL is not the result of price hikes, but rather reflects a structural rise in unit pricing due to a higher proportion of parts wholesalers and large corporate clients, which pay higher monthly usage fees.

Priority Target Customers

Priority targets include nationwide and regional chain operators, major regional players, as well as Dealer-affiliated repair shops. The cloud-based software revenue model, under which fees increase in proportion to the number of maintenance and repair transactions, is particularly effective for these customers.

■Process Flow of Vehicle Inspection, Maintenance, and Repair



- In recent years, the number of dealer-affiliated partner factories has been increasing.
- As vehicles become more technologically advanced, dealers alone are no longer able to fully absorb demand for maintenance and repairs.
- In addition, amid labor shortages and rising personnel costs, the need for structural reform across the industry is intensifying.

- Under these circumstances, collaboration between dealer factories and leading independent local workshops—previously operating separately—is progressing, with both sides jointly handling new model vehicles as well as inspections, maintenance, and repairs.
- The number of vehicles requiring maintenance continues to increase, and growth in total vehicle ownership is driving maintenance demand more significantly than changes in the number of service providers.

- Unlike a typical SaaS pricing model based on the number of IDs or user seats, our cloud software adopts a pricing structure that combines a fixed monthly fee with usage-based charges linked to the number of vehicles handled.

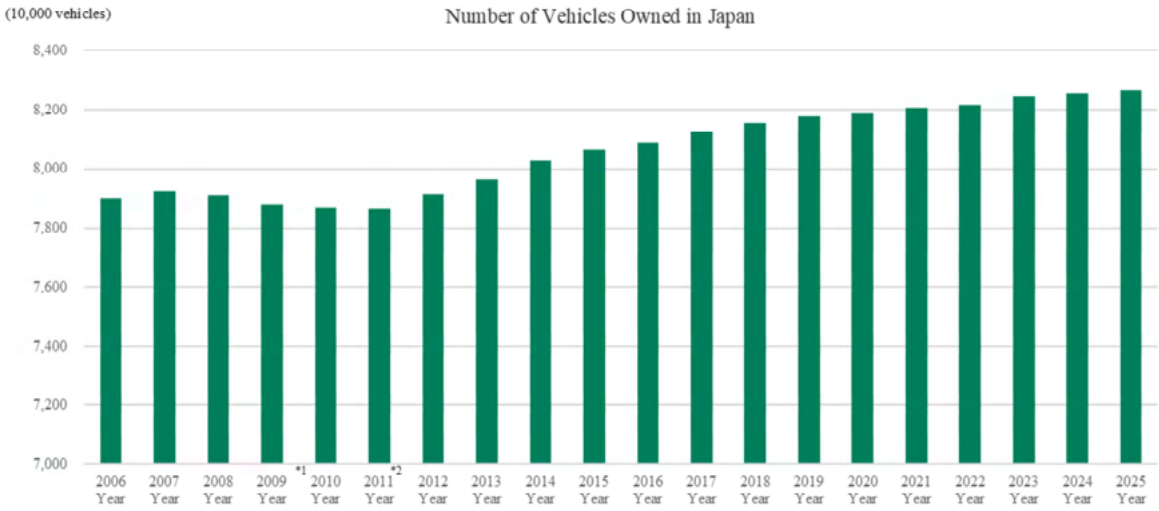
- We have established billing points throughout the process from vehicle intake to delivery, resulting in a revenue structure closely aligned with actual usage.
- Such a business model is not easily replicated, and we believe our competitive advantage will be sustained even in the AI era.

Business Environments

The CASE transformation of automobiles is a tailwind for us

**While the number of automobiles owned in Japan continues to increase,
all new car dealers are increasing dealer-affiliated repair shops against the backdrop of staff shortages and rising technology costs**

In particular, overseas EV manufacturers fully outsource vehicle after-sales maintenance to dealer-affiliated repair shops when entering Japan.



*1 Lehman shock
*2 The Great East Japan Earthquake

Source) Automobile Inspection & Registration Information Association

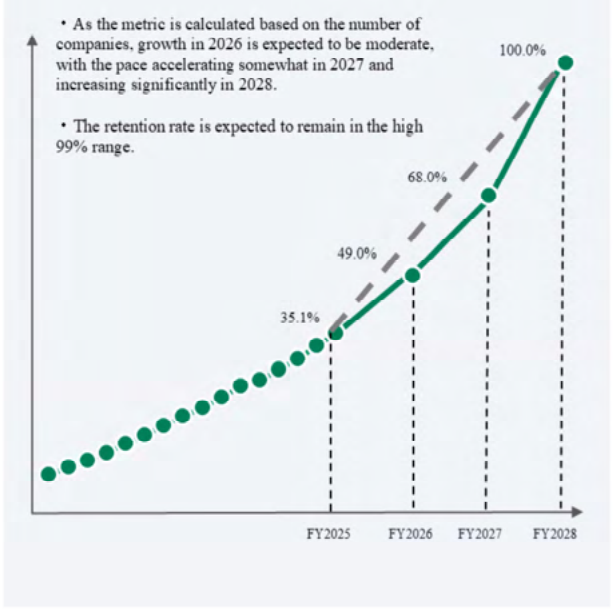
- The number of vehicles owned in Japan has shown a long-term upward trend, except for temporary declines following events such as the Lehman Shock and major earthquakes.
- One contributing factor is the increasing durability of vehicles and parts, along with the advancement of safety features, which has led to longer vehicle retention periods. In addition, stricter vehicle inspection regulations and a rising proportion of corporate-owned vehicles have resulted in more frequent inspections, maintenance, and compliance checks.
- Commercial vehicles, in particular, require maintenance more frequently than passenger vehicles, further driving growth in maintenance demand.
- Our revenue structure is designed to expand in line with increases in both the number of vehicles and the frequency of maintenance.
- While there are concerns that electrification (EV adoption) may reduce the number of parts and thus impact demand, in reality, the increasing sophistication of vehicles has led to more inspection items and greater administrative requirements.
- As vehicles become more advanced, the importance of comprehensive databases and accurate information provision continues to grow, and we expect the value we provide to expand further going forward.

Cloud Software KPI①

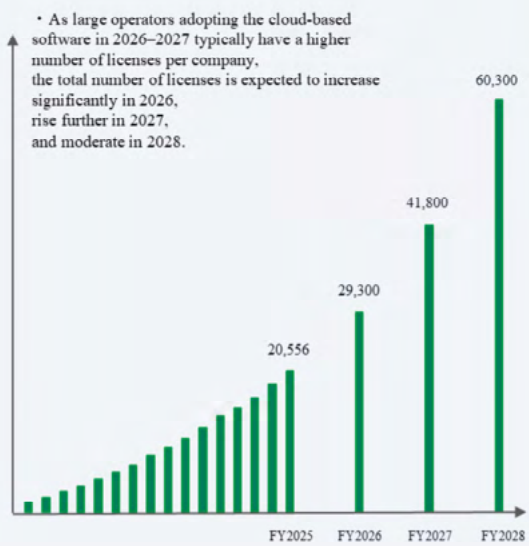
Plan for 2026–2028

Among priority customers that adopt cloud-based software at an early stage, a high proportion are large operators. As smaller operators are expected to migrate in earnest after larger operators have completed their transition, KPI trends are projected to be non-linear.

Cloud migration rate



Number of licenses



- From 2026 to 2027, implementations will be concentrated among large enterprise customers, while in 2028 cloud migration among small and medium-sized businesses is expected to accelerate significantly.

- As the cloud adoption rate is calculated based on the number of companies, this shift will result in a marked acceleration in 2028.

- On the other hand, the number of licenses is expected to increase at a faster pace from 2026 to 2027, as large enterprise customers typically hold a greater number of licenses per company. In 2028, licenses are expected to continue accumulating at a similar pace.

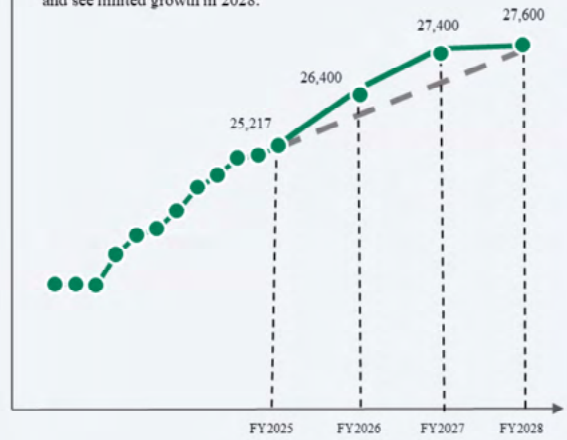
Cloud Software KPI②

Plan for 2026–2028

Among priority customers that adopt cloud-based software at an early stage, a high proportion are large operators. As smaller operators are expected to migrate in earnest after larger operators have completed their transition, KPI trends are projected to be non-linear.

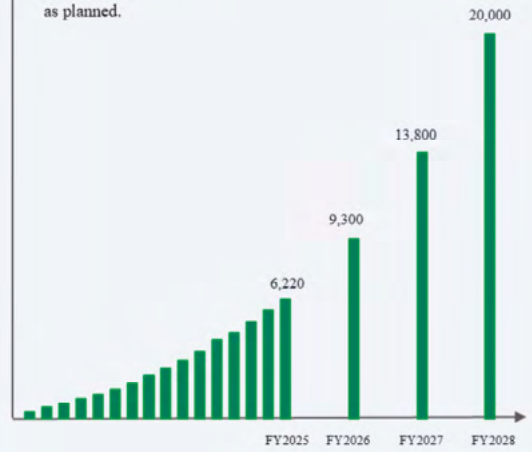
ARPL (Monthly revenue per license, yen)

- Within the composition of cloud-based software users, the proportion of large operators—who typically have higher license unit prices—is expected to increase in 2026–2027. As a result, ARPL is projected to increase significantly in 2026, continue rising in 2027, and see limited growth in 2028.



ARR (December recurring revenue annualized, millions of yen)

- Annual Recurring Revenue (ARR) for each fiscal year is calculated as 12 times the December Monthly Recurring Revenue (MRR) (= number of licenses × ARPL).
- ARR at the end of 2028 is expected to reach 20 billion yen as planned.



- ARPL is expected to increase from 2026 to 2027, driven by a higher number of implementations among large enterprise customers. In contrast, in 2028—when migration by small and medium-sized businesses becomes the primary driver—ARPL is projected to remain largely flat.

- In addition, ARR as of December 2028 is expected to reach 20,000 million yen, unchanged from the previously disclosed target level.

FY12/2026 Sales Forecast by Service Category

Given that the introduction of cloud-based software to large operators requires time, and taking into account demand for non-recurring revenue and seasonality, revenue in each segment is expected to increase toward the second half of the year.
As a result, double-digit revenue growth is projected to continue for the full fiscal year.

(Millions of yen)	**FY2026 Full-year forecast**	FY2025 Full-year	YoY ratio	**FY2026 First half forecast**	FY2025 First half	YoY ratio
Cloud services	**15,700**	11,832	+32.7%	**7,000**	5,336	+31.2%
Software services	**15,000**	11,302	+32.7%	**6,700**	5,076	+32.0%
Marketplace	**700**	530	+32.1%	**300**	260	+15.2%
Packaged system	**5,500**	5,699	-3.5%	**2,600**	3,002	-13.4%
Software sales	**1,600**	1,441	+11.0%	**600**	719	-16.5%
Operation and support service	**3,900**	4,258	-8.4%	**2,000**	2,283	-12.4%
Others	**2,300**	3,285	-30.0%	**800**	1,481	-46.0%
Hardware	**1,700**	2,613	-34.9%	**500**	1,142	-56.2%
Supply	**600**	672	-10.7%	**300**	340	-11.7%
Total	**23,500**	20,815	+12.9%	**10,400**	9,819	+5.9%

Note: Beginning in the fiscal year ending December 2026, certain hardware transactions will be recognized as sales commissions rather than on a gross (purchase-and-sale) basis.

- At present, we are proceeding with cloud software implementations in line with our plan, primarily focusing on large enterprise customers.

- For large enterprise customers, implementations often involve the development of customized add-on features, which require a certain lead time before operations commence. As a result, there is a time lag before revenue is reflected.

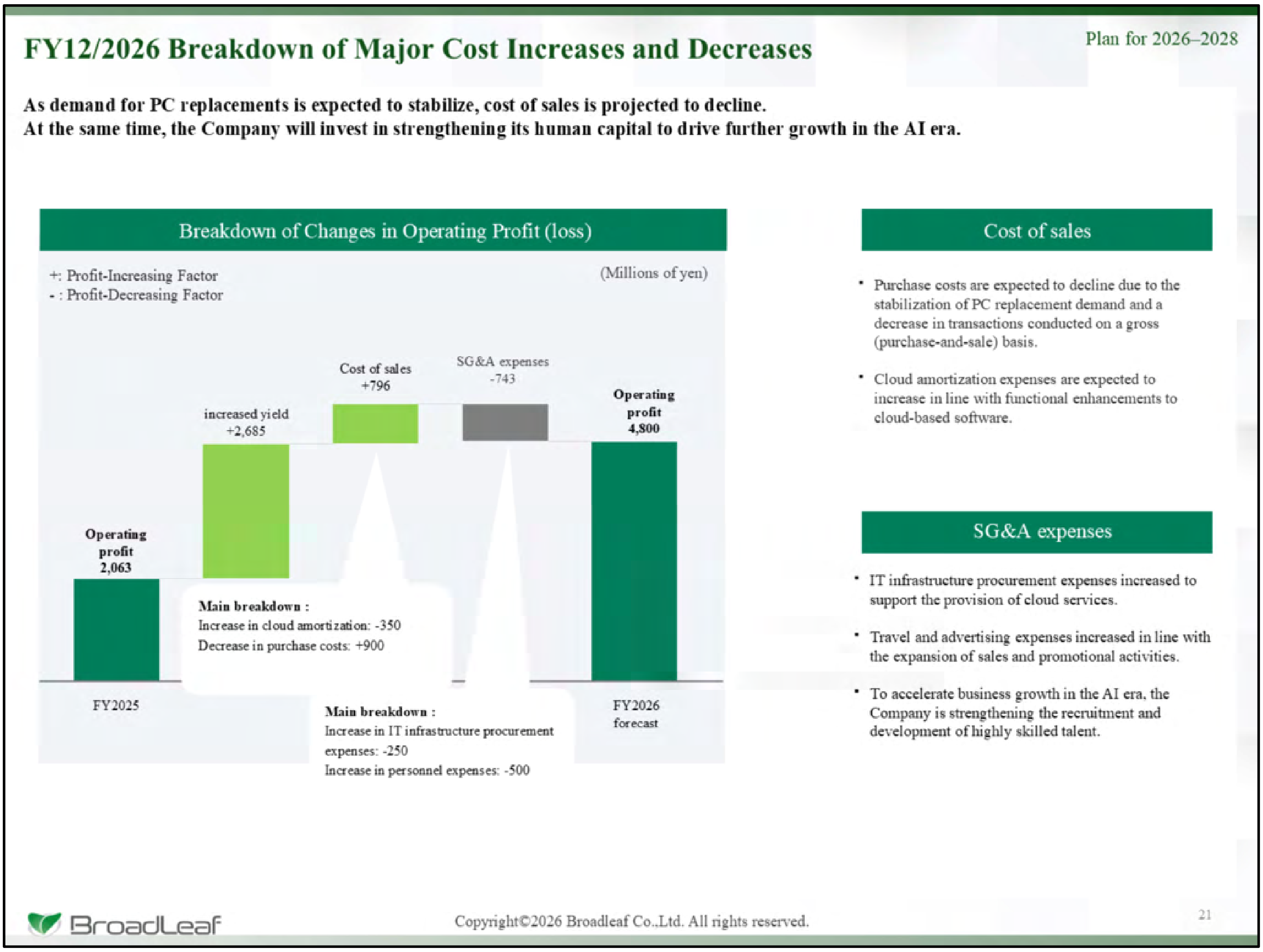
- Consequently, software and services revenue in 2026 is expected to be weighted toward the second half of the fiscal year.

FY12/2026 Consolidated Results Forecast

The Company expects to achieve double-digit revenue growth without increasing service delivery costs.
As SG&A expenses are expected to be incurred evenly throughout the year, operating profit is projected to increase significantly in the second half in line with revenue growth.

(Millions of yen)	**FY2026 Full-year forecast**	FY2025 Full-year	YoY ratio	FY2026 First half forecast	FY2025 First half	YoY ratio
Revenue	**23,500**	20,815	+12.9%	**10,400**	9,819	+5.9%
Cost of sales	**6,500**	7,296	-10.9%	**3,100**	3,448	-10.1%
Gross profit	**17,000**	13,520	+25.7%	**7,300**	6,371	+14.6%
SG&A expenses, etc.	**12,200**	11,457	+6.5%	**6,200**	5,600	+10.7%
Operating profit	**4,800**	2,063	+132.7%	**1,100**	771	+42.6%
Profit before tax	**4,750**	1,854	+156.2%	**1,050**	600	+75.0%
Profit attributable to owners of the parent	**3,200**	1,240	+158.0%	**700**	417	+68.0%
Basic earnings per share (yen)	**35.35**	13.79	-	**7.74**	4.64	-

- Profit in the first half is also expected to be weighted toward the second half, due to our cost structure characterized by a high fixed-cost ratio, as well as seasonal factors specific to fiscal year 2026.



- Cost of sales is expected to reflect an increase in cloud-related amortization expenses associated with functional enhancements aimed at delivering greater added value, while procurement costs for hardware—primarily PCs—are projected to decline.

- Selling, general and administrative expenses are expected to rise due to higher IT infrastructure-related costs accompanying the increase in cloud software users.

- In addition, we will strengthen investment in human capital to support further growth in the AI era, promoting the recruitment and development of talent who will lead the future.

- At the same time, we will continue to optimize business processes across all departments through the proactive utilization of AI, thereby enhancing overall productivity.

Dividend Forecast

The forecast year-end dividend for the fiscal year ended December 2025 has been revised upward to 3.50 yen per share.
Reflecting the transition to a profit expansion phase beginning in 2026, the target consolidated payout ratio has been raised to 40% or higher.

Dividend per Share

	FY2026 forecast	FY2025
Interim dividends	**7.50 yen**	2.50 yen
Year-end dividends	**7.50 yen**	3.50 yen *
annual dividend	**15.00 yen**	6.00 yen
Dividend Payout Ratio	**42.4%**	43.5%

*Scheduled to be proposed as an agenda item at the shareholders' meeting in March 2026

SG&A expenses

[Before Revision]

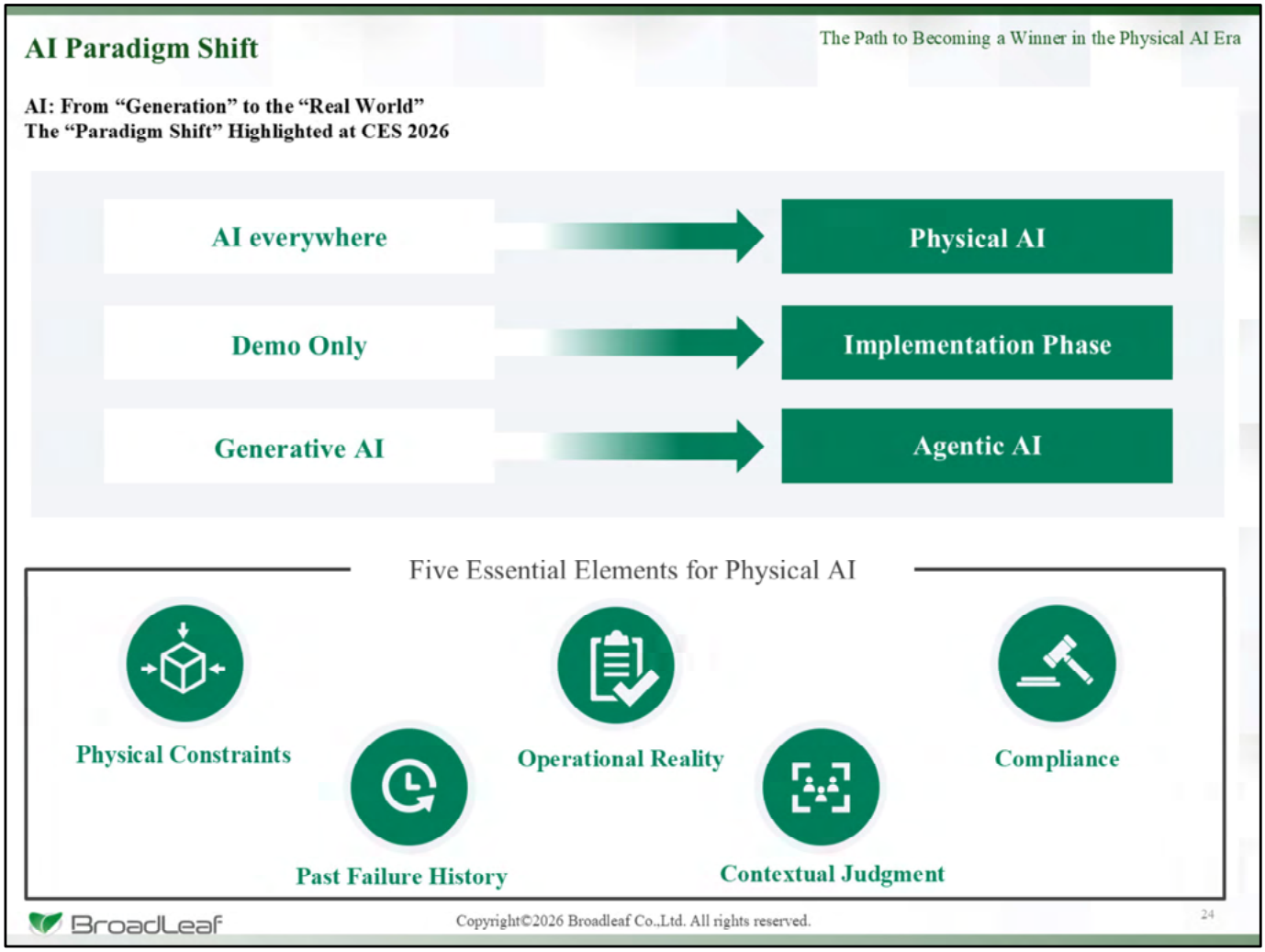
The Company positions shareholder returns as one of its key management priorities and adopts a basic policy of maintaining a 「consolidated payout ratio of 35% or higher」.

[After Revision]

The Company positions the appropriate implementation of shareholder returns as a key management priority. While securing internal reserves necessary for business development, it will adopt a basic policy of proactively and flexibly implementing shareholder returns, with a target 「consolidated payout ratio of 40% or higher」.

- The forecast for the year-end dividend for the fiscal year ending December 2025 has been revised upward by 1 yen per share to 3.5 yen, reflecting profits that exceeded our initial projections.
- In addition, as we enter a new phase of profit expansion beginning in 2026, we have raised our target consolidated payout ratio to 40% or higher.
- Going forward, we intend to implement proactive and flexible shareholder returns, taking into comprehensive consideration our business performance and conditions in the equity markets.

The Path to Becoming a Winner in the Physical AI Era

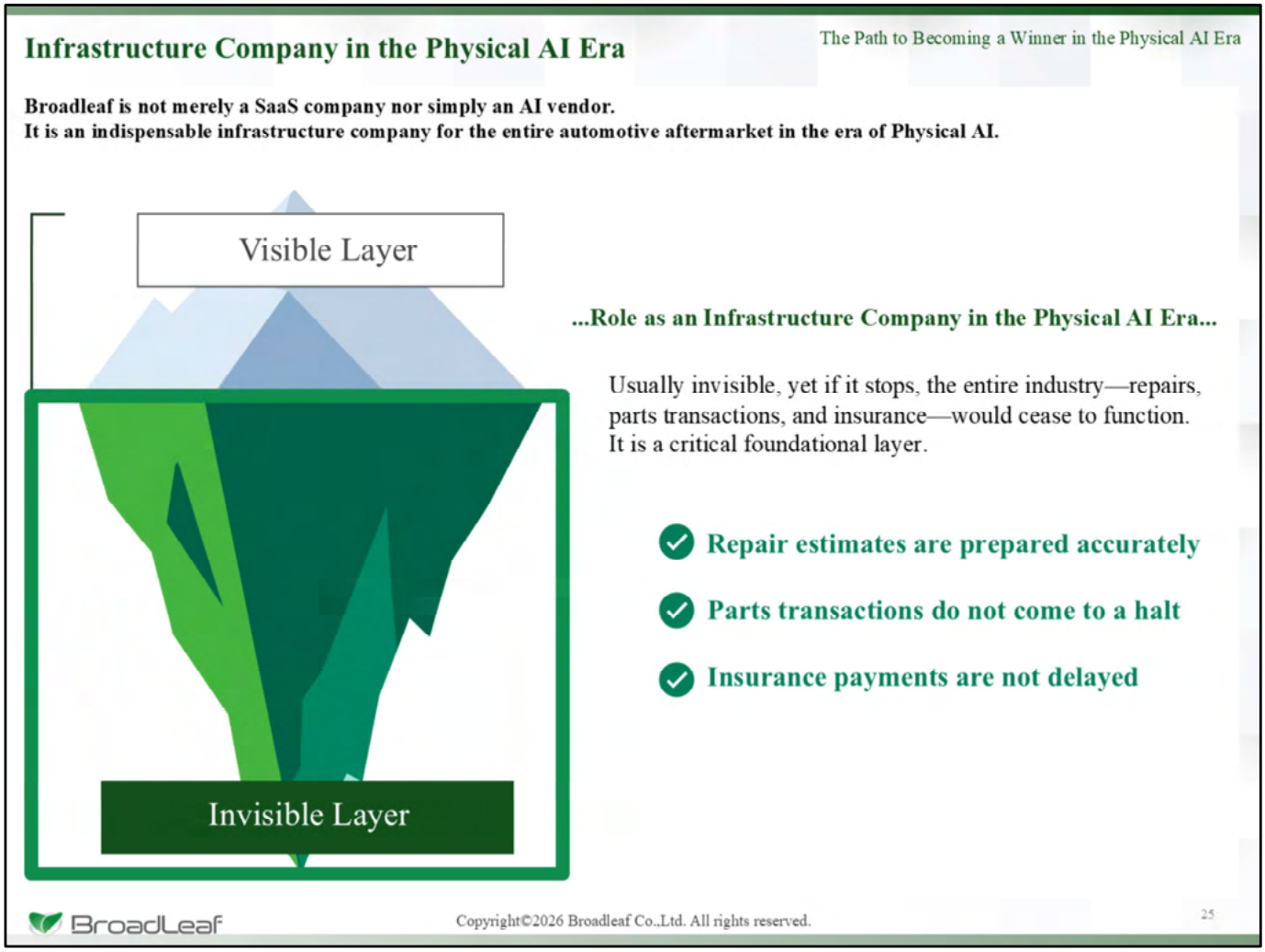


- AI was also highlighted as a central theme at CES held at the beginning of 2026.
- Until now, AI development has been driven primarily by generative AI; however, there is a growing view that the main arena will shift from "generation" to the "field," meaning real-world operations.

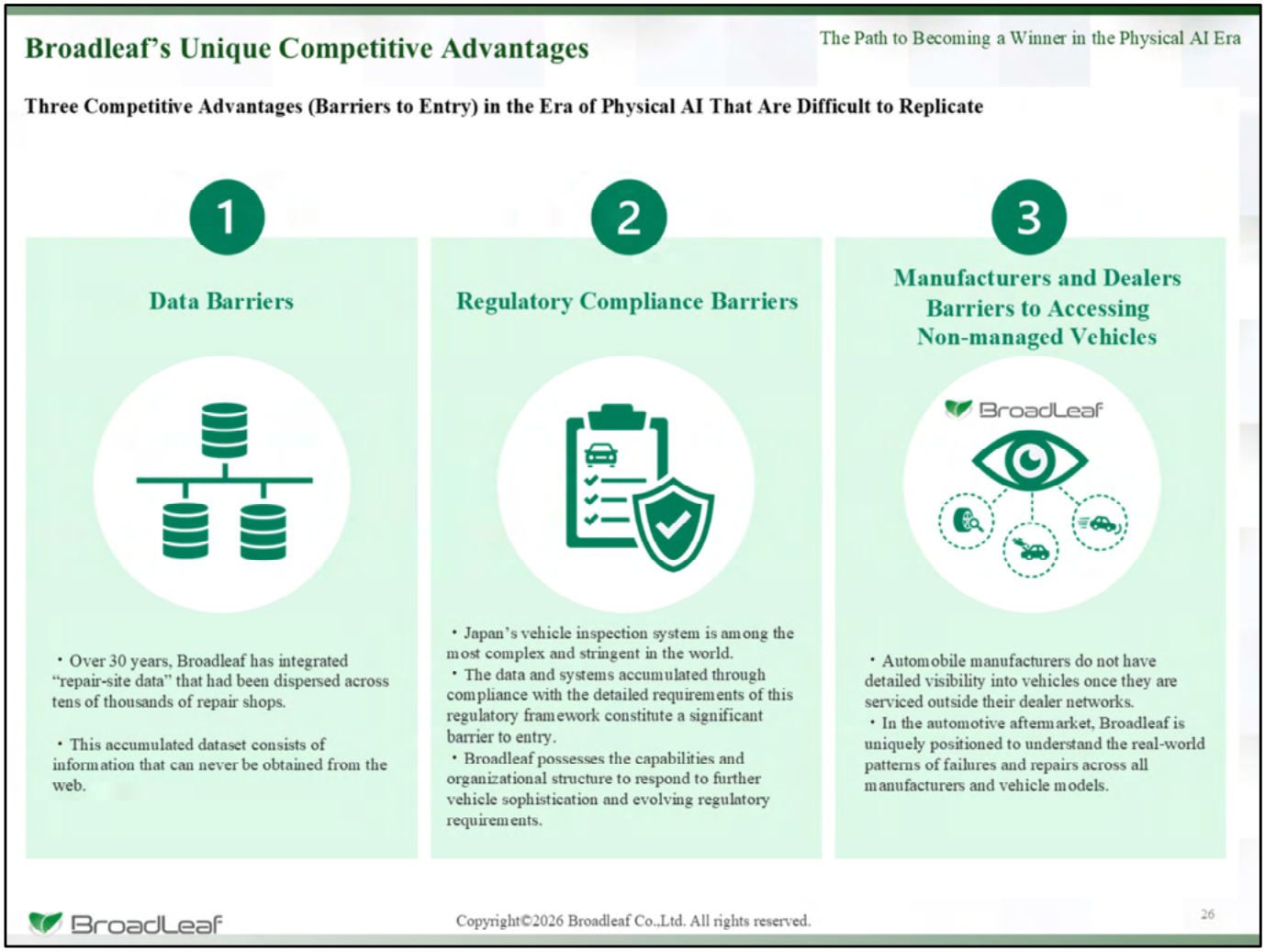
- So-called Physical AI does not merely refer to robotics, but rather encompasses the entire AI infrastructure that operates in real-world environments.
- Unlike the digital space, real-world worksites involve physical constraints such as equipment and operational processes, requiring systems that take safety and working conditions into account.

- The implementation of Physical AI requires real-world data, not just theoretical values. In addition to accumulated success cases, contextual information such as failure histories and decision-making processes in the field is equally important.
- It is also essential to align with real-world frameworks, including regulatory compliance and accountability.

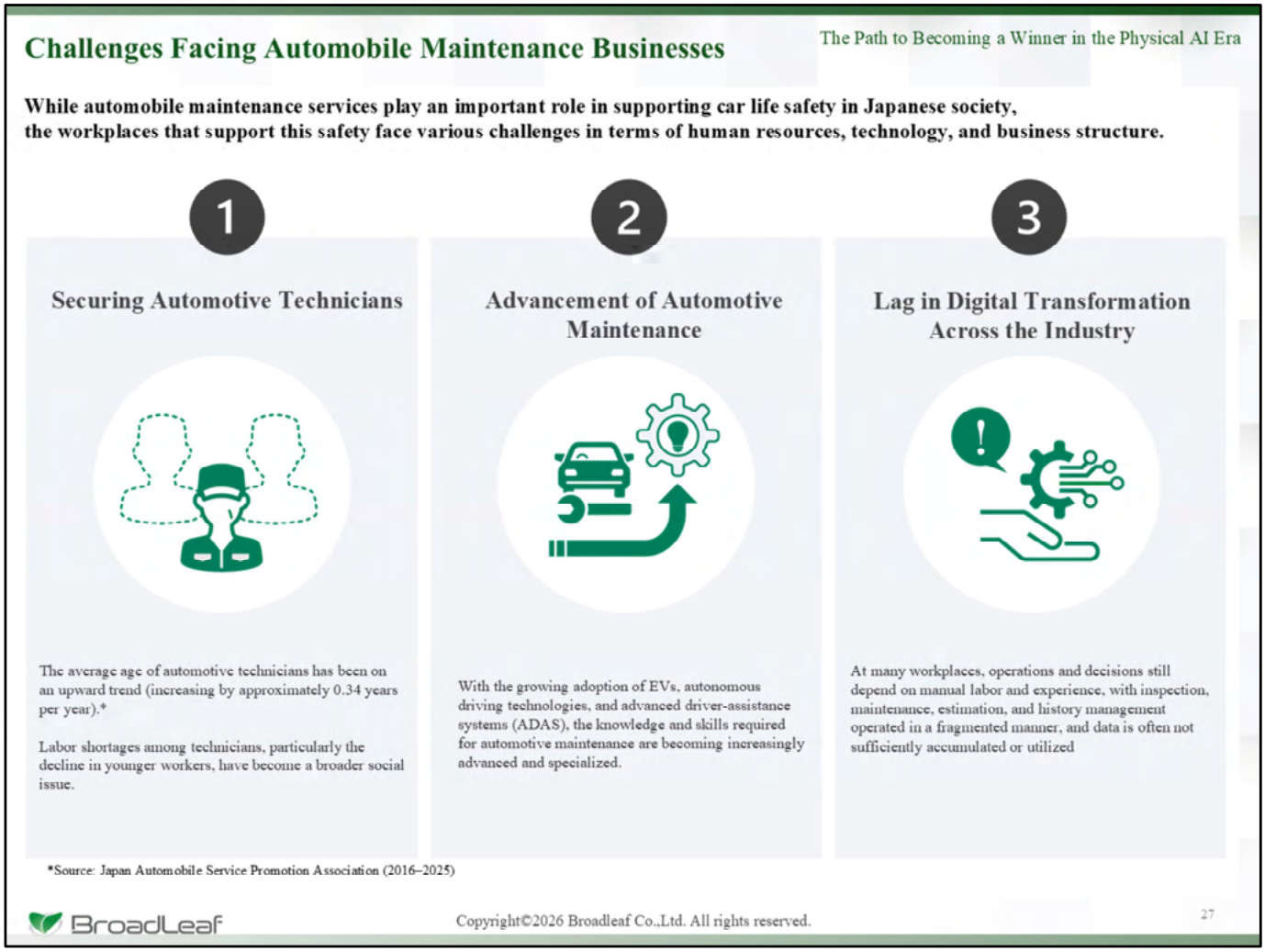
- These elements cannot be built solely from publicly available web data. Rather, operational data accumulated over many years in industrial settings constitutes the foundational data for the AI era.



- We are the infrastructure company for the Physical AI era. Our initiatives are not a recent response to emerging trends.
- As outlined in our medium-term management plan under the concept of "2DX (value creation through data utilization)," we have clearly articulated the integration of closed data and AI, and have steadily accumulated and leveraged real-world data over many years.
- For approximately 30 years, we have accumulated real operational data in the automotive aftermarket. This is not virtually generated data, but actual data arising from day-to-day operations, including order transactions, inventory records, repair histories, and vehicle information—continuously updated on a daily basis.
- In the automotive industry, parts information, inventory status, order data, vehicle intake schedules, and maintenance histories are all interconnected.
- For example, without accurate knowledge of the parts required for a specific vehicle and their inventory status, maintenance cannot be completed and the vehicle cannot return to operation.
- This is particularly critical for commercial vehicles, where vehicle downtime directly results in lost revenue opportunities.
- Our platform integrates data across parts, vehicles, maintenance, and order transactions, thereby supporting the circulation of the entire industry. We play an infrastructure-like role underpinning essential industry functions, such as ensuring accurate repair estimates, continuity of parts transactions, and smooth insurance processing. This structure clearly differentiates us from a typical SaaS company or AI vendor.
- These initiatives are not new endeavors but rather extensions of the business foundation we have built over decades. As a provider supporting the "invisible layer" of the automotive industry, we occupy a vital and strategic position within the ecosystem.



- We are sometimes asked about the potential entry of big tech companies; however, the data we possess cannot be obtained from publicly available information on the web.
- Just as construction equipment manufacturers have achieved automation and advanced capabilities by accumulating on-site data over many years, in the automotive aftermarket as well, it is the real-world data accumulated in the field over the long term that serves as the true source of competitiveness.
- For more than 30 years, we have integrated and accumulated operational data, including order transactions, inventory records, and repair histories.
- The data we hold is not merely a list of parts information. It is structured data linking parts with work processes, required labor hours, and related vehicle information, enabling visibility into the actual workflow itself.
- Such closed data cannot be built in a short period of time. In terms of regulatory compliance, we possess not only legal and regulatory information but also data encompassing practical on-site responses and operational know-how.
- Our strength also lies in having established an information infrastructure that connects regulatory requirements with real-world operations, including collaboration with government authorities. Access to vehicle data beyond specific manufacturer networks further represents a key differentiating factor.
- As the number of vehicles in use increases and vehicle lifespans lengthen, more vehicles are serviced outside manufacturer-controlled networks. Through our long-standing relationships with independent workshops, we have accumulated cross-manufacturer operational data. Our overwhelming transaction volume and high market share further enhance the comprehensiveness and accuracy of our data.



- The shortage of automotive technicians has become a structural challenge across the industry. In addition, as vehicles become increasingly sophisticated, higher levels of technical expertise and greater investment in workshop equipment are becoming indispensable.

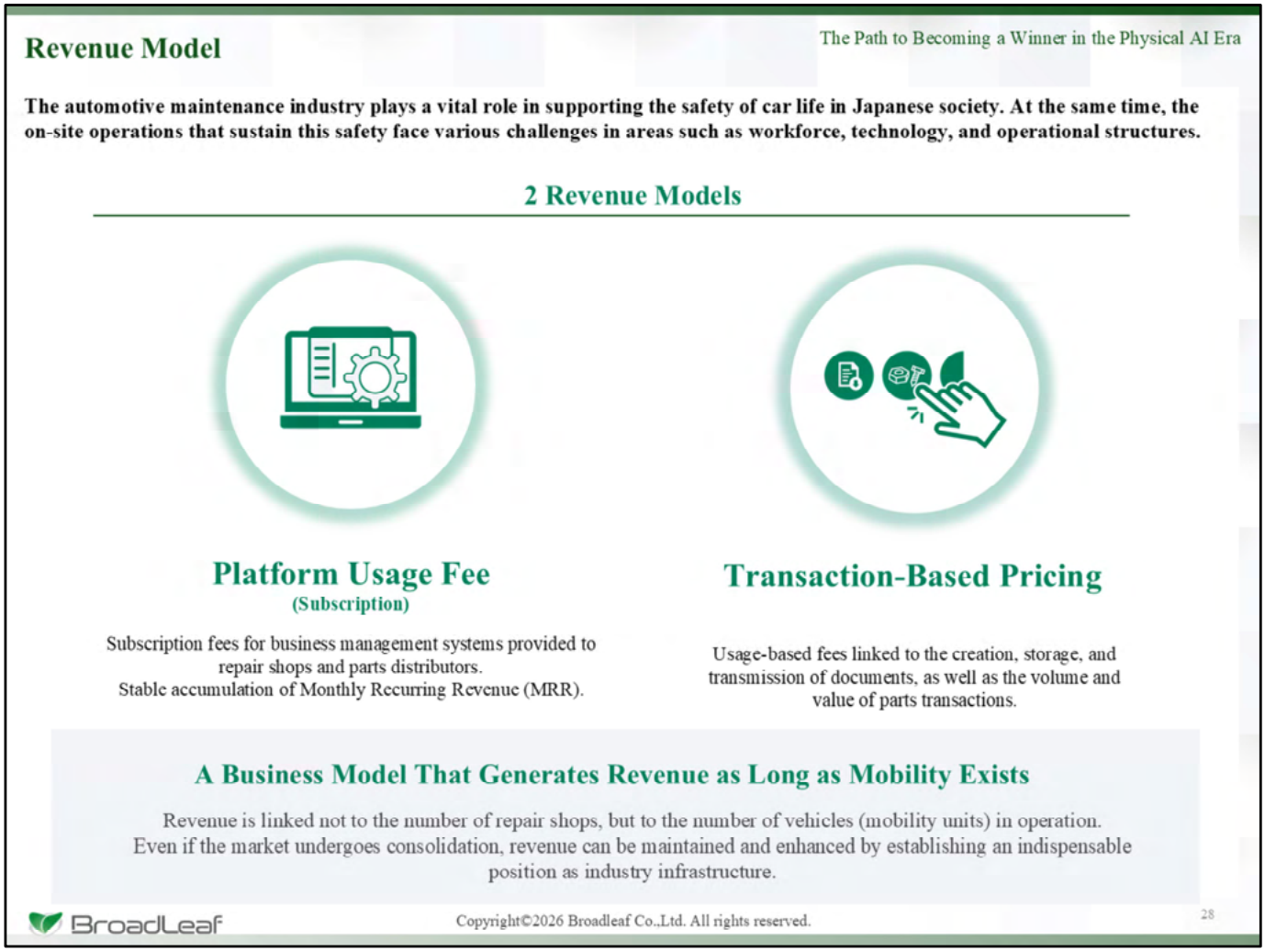
- Modern vehicles contain a high proportion of electronically controlled components, and incorrect repair procedures or connection methods can result in vehicles failing to operate properly.

- Accordingly, the sharing of accurate information and appropriate repair methodologies has become more important than ever.

- At the same time, the progress of digital transformation (DX) within the automotive industry remains insufficient, and many on-site decisions still rely heavily on individual experience and intuition. The lack of systematic sharing of knowledge and expertise is a key issue.

- In response to these challenges, we provide an information infrastructure based on real operational data, supporting the standardization and advancement of maintenance operations.

- Even in the era of Physical AI, as a company that possesses foundational data, we will continue to serve as an infrastructure provider underpinning the industry.



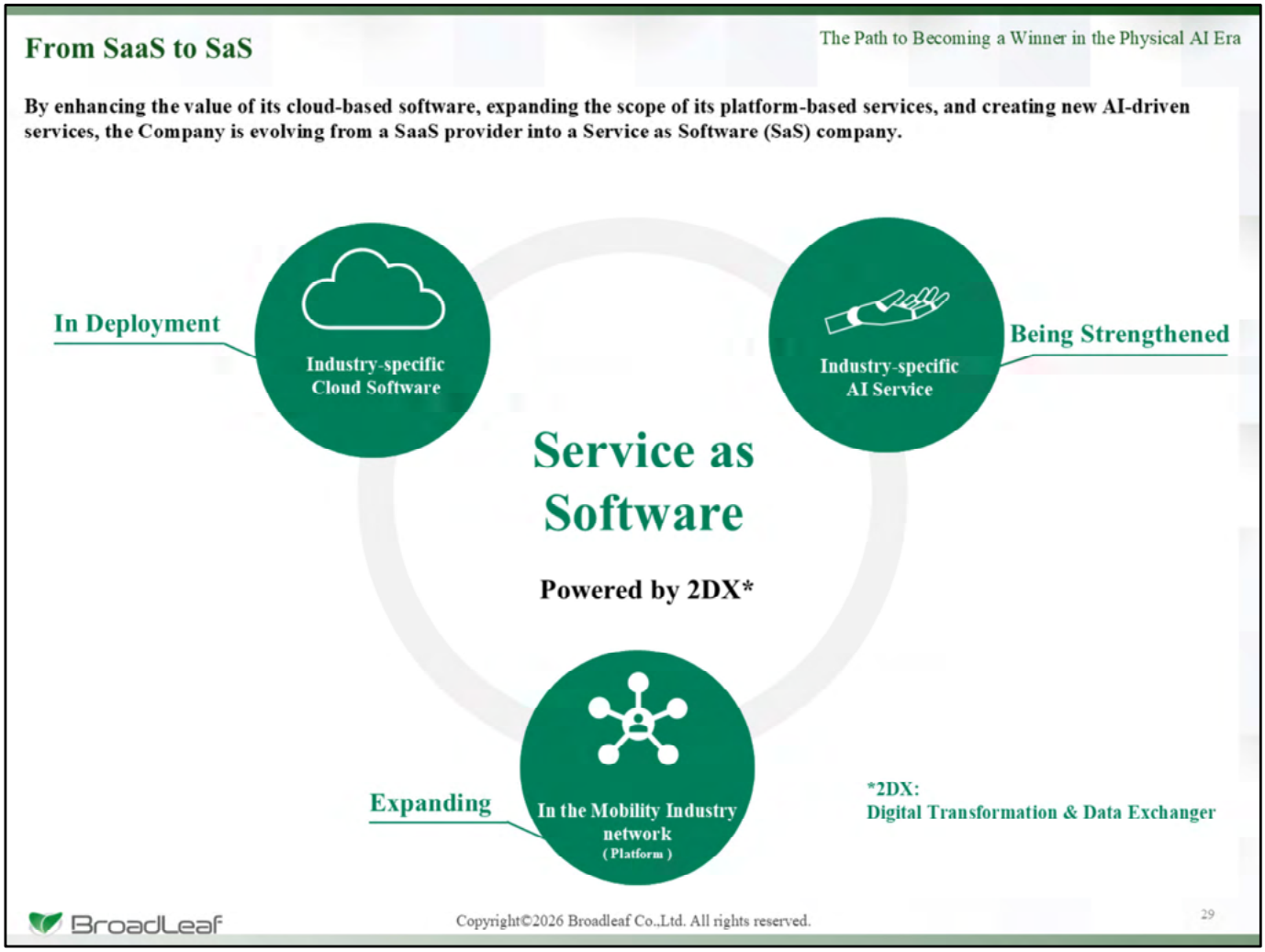
- Our revenue consists of two main components:
  (1) base usage fees (including fees for business system usage and the Broadleaf cloud platform), and
  (2) transaction-based charges linked to the volume of operational processing.

- The objective of cloud migration is not merely a technological shift, but to establish a revenue model capable of flexibly adapting to structural changes in the industry.

- Through a pricing structure aligned with actual usage, increases in customers' operational workload and transaction volume are directly linked to our revenue growth.

- Accordingly, our revenue does not depend solely on changes in the number of workshops. As long as the number of vehicles and the level of operational activity continue to grow, we believe we can maintain and expand a stable revenue base through our role as an industry infrastructure provider.

- Furthermore, by leveraging value-added data under our 2DX strategy to expand data licensing revenue, and by strengthening collaboration with third parties via our cloud platform, we are creating new revenue opportunities. Partnerships and implementations with major corporations are currently progressing, and we plan to disclose further details at the appropriate time.



- Although the term “SaaS” is often used, our business model differs fundamentally from that of a typical SaaS provider. In general, SaaS delivers software functions that customers utilize by inputting and managing their own data.

- In contrast, we go beyond merely supporting the use of customer-owned data. Through the industry data platform that we have accumulated and integrated, we provide an environment in which customers can execute their core operations themselves.

- Cloud is simply one mode of delivery; the true essence lies in the data infrastructure. Even if similar functionalities could be developed, they would not be practical for real-world operations without the structured data accumulated on-site.

- Our competitive advantage resides in the closed data that we have accumulated and integrated over many years. From this perspective, our model is not “Software as a Service,” but rather “Service as Software (SaS)”—a framework in which business operations themselves are supported and enabled through software.

- We are advancing the development of a data platform that extends beyond the automotive aftermarket to span the broader mobility industry.

- As an infrastructure company contributing to the advancement of the entire industry through the aggregation, integration, and circulation of data, we aim to achieve sustainable growth in the AI era.

Disclaimer

Statements contained in these materials regarding operating results and future projections, These are estimates based on information available to the Company at the time the materials were prepared,

Which are subject to potential risks and uncertainties.

Accordingly, due to a variety of factors, actual results may differ materially.

Please note that these forecasts may differ from the forecasts.

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