



1Q FY12/2014 Business Results Briefing

Broadleaf Co., Ltd.

(Securities Code: 3673 / TSE 1st Section)



May 9, 2014

1. Financial Highlights for 1Q FY12/2014
2. Progress of the Mid-term Business Plan
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1. Financial Highlights for 1Q FY12/2014



Summary of 1Q Results and Forecasts for FY12/2014

□ In comparison with 1Q FY12/2013:

Results reflected mounting demand for package licenses arising from the consumption tax increase and from hardware replacement due to the termination of support for Windows XP.

□ Forecasts for the first half and for the full year:

No change from the initial forecasts given that a slide in demand is expected in the second quarter following the aforementioned extraordinary demand.

(¥ million)

	FY12/2014	FY12/2013	Above: YoY (Amount)	FY12/2014 Forecasts	
	1Q Results	1Q Results	Below: YoY (Ratio)	1 st Half	Full Year
Net sales	5,295	3,743	+1,552 41.4%	9,000	19,000
Operating income	1,554	362	+1,192 328.7%	1,550	4,000
Ordinary income	1,537	312	+1,225 392.3%	1,530	3,950
Net income	872	110	+762 691.9%	750	2,100

Sales Trends by Category

- Business Application Software: Results reflected mounting demand for package licenses arising from the consumption tax increase and from hardware replacement due to the termination of support for Windows XP.
- System Support: Rush demand prior to the consumption tax increase
- Network Service: Stock-type services expanded with the rising proportion of network-type licenses.

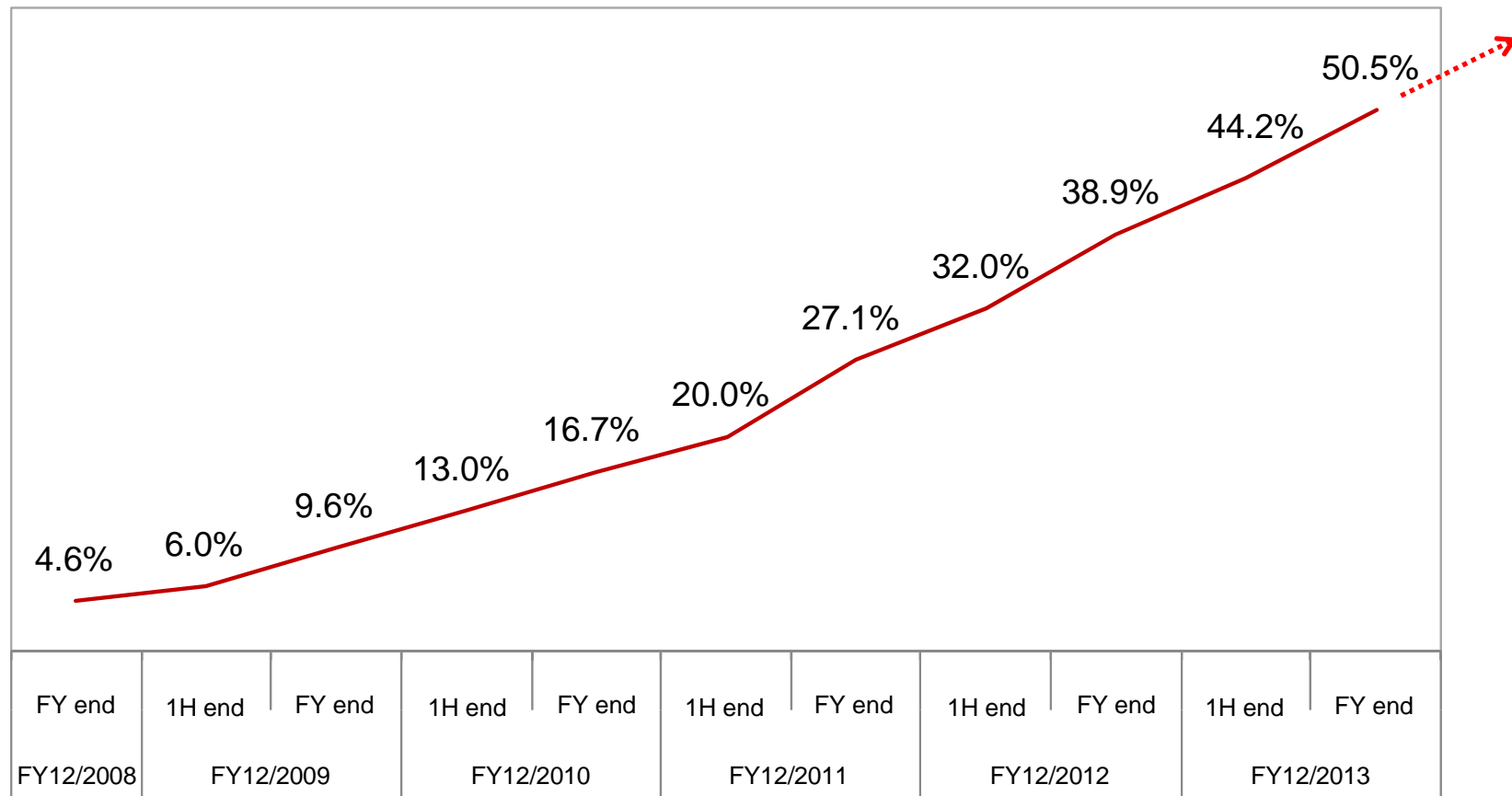
(¥ million)

	FY12/2014	FY12/2013	Above: YoY (Amount)	FY12/2014 Forecasts	
	1Q Results	1Q Results	Below: YoY (Ratio)	1 st Half	Full Year
Net sales	5,295	3,743	+1,552 41.4%	9,000	19,000
Business Application Software	4,021	2,609	+1,412 54.1%	6,500	13,700
System Support	361	323	+38 11.8%	650	1,300
Maintenance	155	155	0 -0.4%	310	630
Provision of consumables	206	168	+38 22.7%	340	670
Network Service	912	810	+102 12.6%	1,850	4,000
Stock	719	635	+84 13.3%	1,450	3,000
Transaction	193	175	+18 9.8%	400	1,000

Changes in Ratio of Network-Type Licenses

- The ratio of network systems, which serve as the infrastructure of our Network Service, has been increasing steadily.

Ratio of network system licenses



Balance Sheet at the End of 1Q of FY12/2014

□ Achieving stronger balance sheet

	End of 1Q FY12/2014	End of FY12/2013	(¥ million) YoY change Amount
Current assets	13,410	14,037	-627
Cash and deposits	8,392	9,229	-837
Noncurrent assets	12,841	13,006	-165
Property, plant and equipment	486	481	5
Intangible assets	11,630	11,791	-161
Goodwill	10,532	10,699	-167
Investments and other assets	724	733	-9
Total assets	26,252	27,044	-792
Current liabilities	5,748	6,133	-385
Loans payable	1,500	1,500	0
Noncurrent liabilities	347	948	-601
Long-term loans payable	167	750	-583
Total liabilities	6,095	7,082	-987
Total net assets	20,156	19,961	195
Total liabilities and net assets	26,252	27,044	-792

Cash and deposits

- Dividend payments
- Decreased for debt repayment

Goodwill

- Goodwill arising at the time of MBO amortized steadily (Amortized over 20 years since FY12/2010)

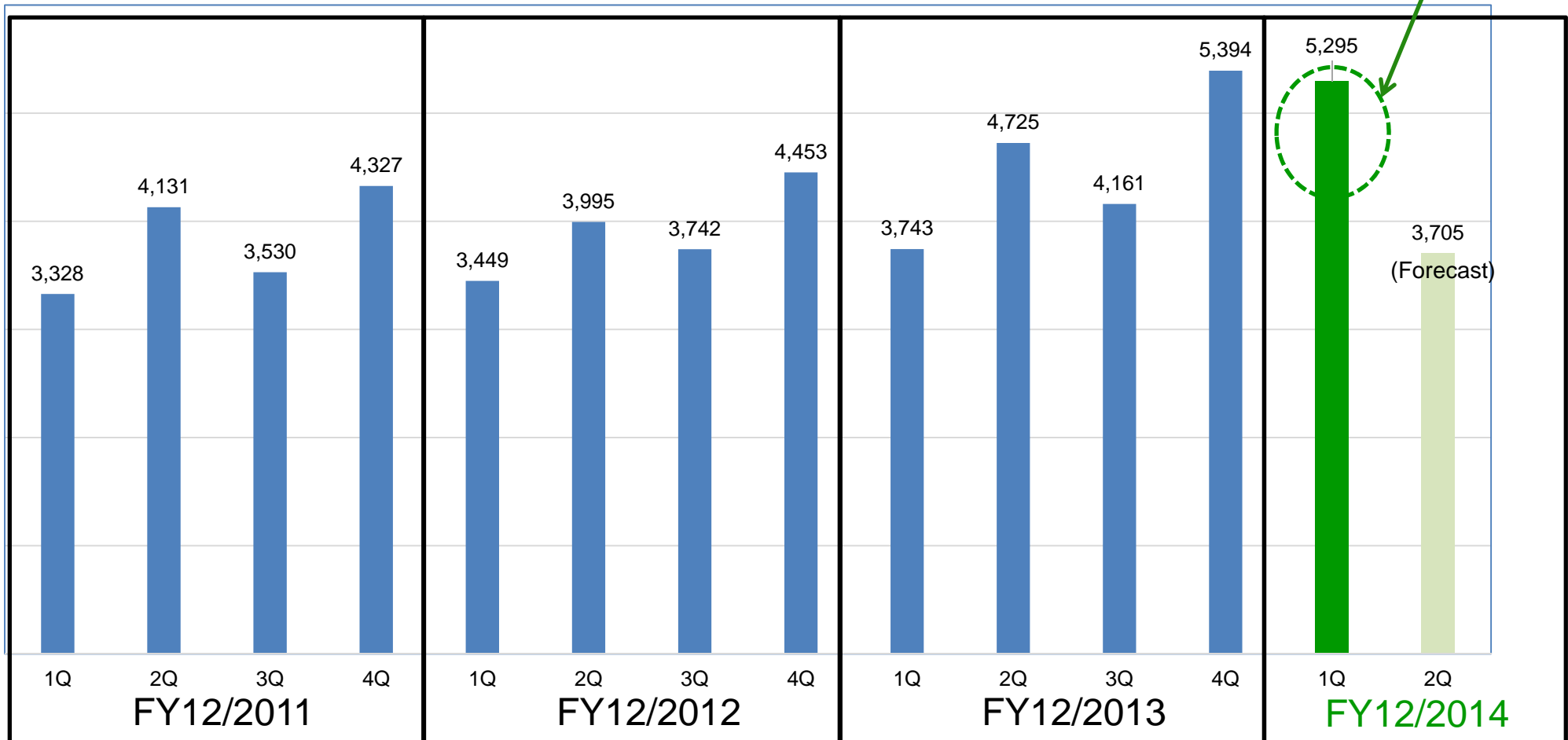
Loans payable

- Repaid steadily
- Increased with the trust-type employee shareholding incentive plan

Quarterly Trend in Results

Quarterly Trend in Net Sales

- Demand before the consumption tax increase
- Demand due to termination of support for Windows XP



2. Progress of the Mid-term Business Plan



Evolving into a comprehensive service provider by supporting fulfilled car life

Fulfilled car life for car owners

Besides safety and reassurance,
joy, convenience and other aspects in car life



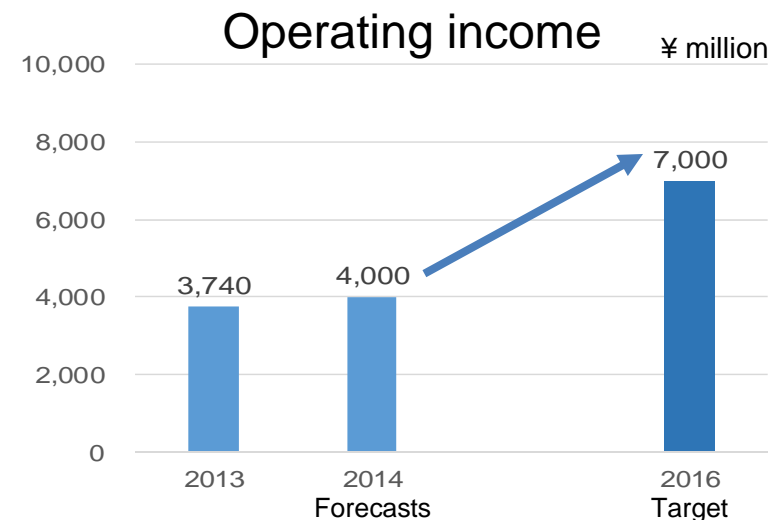
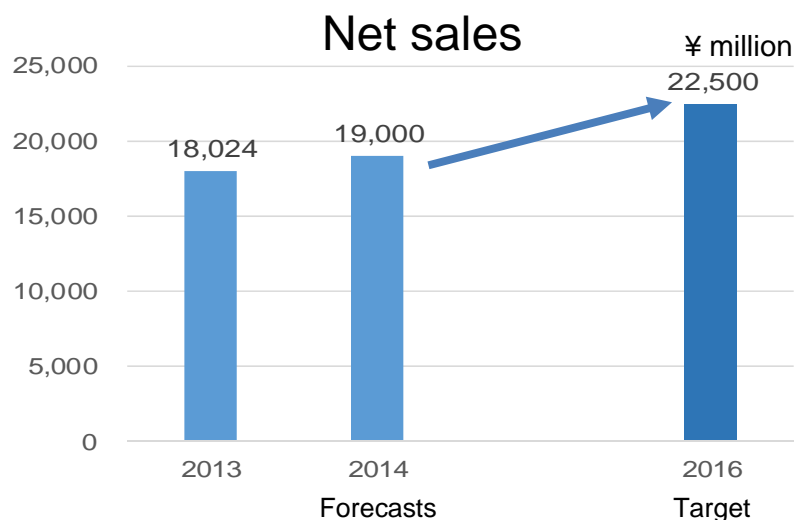
Continuously offering new B2B2C services

Mid-term Business Plan (2014-2016): Numerical Targets



(¥ million)

	FY12/2013 Results	FY12/2014 Forecasts	FY12/2016 Target
Net sales	18,024	19,000	22,500
Business Application Software	13,357	13,700	14,500
System Support	1,284	1,300	1,500
Network Service / New Services	3,382	4,000	6,500
Operating income	3,740	4,000	7,000
Operating income margin	20.8%	21.1%	31.1%



Up-front costs spent for FY12/2014 will start producing outcomes mainly in Network Service from FY12/2016.

Core Strategies

1

Expand network services to boost profitability

2

Create new services for medium to long-term growth

3

Step up business expansion in Asia

4

Solidify the management foundation



Core Initiatives

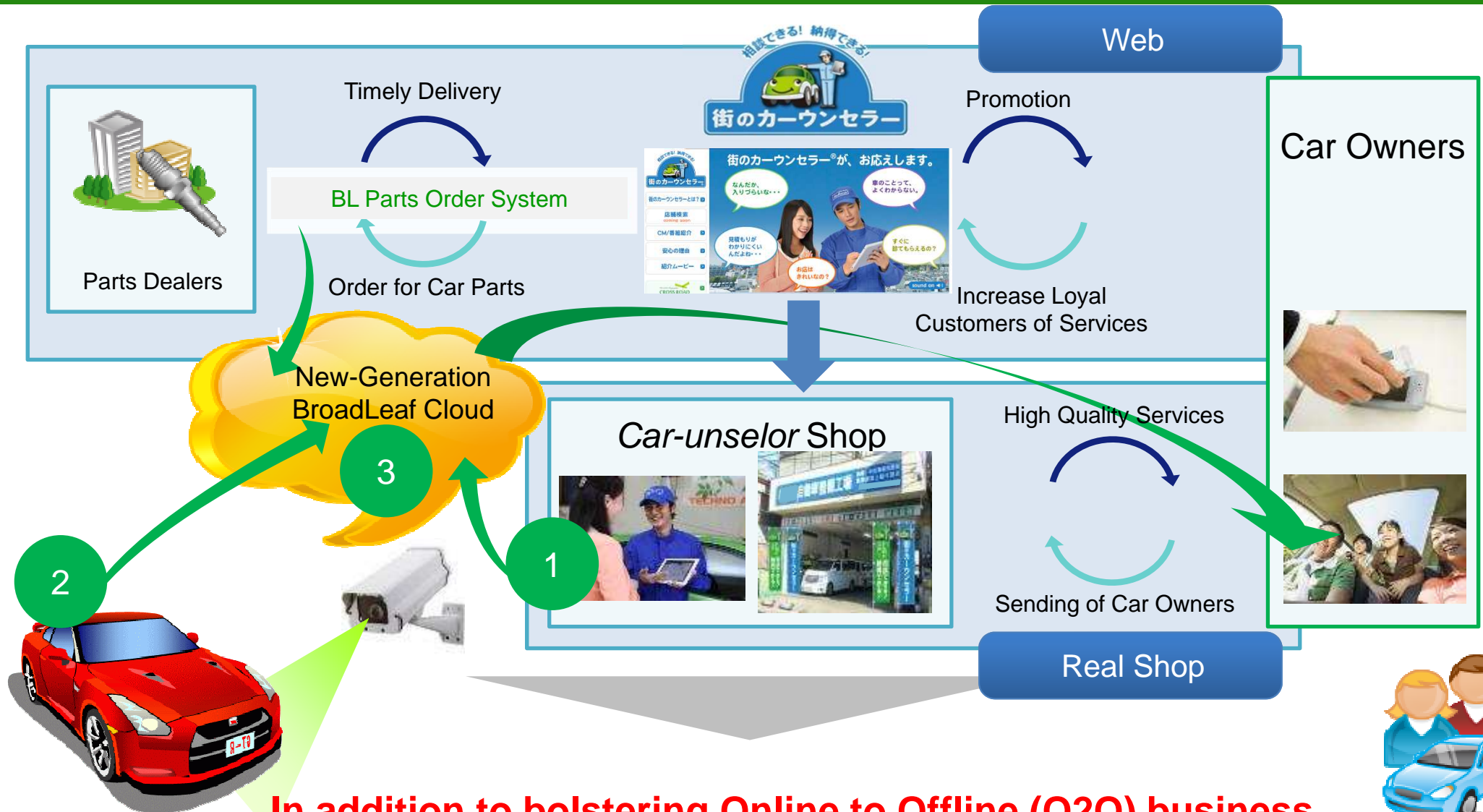
Marketing Measures

Promote a new service brand of *Car-uncelcor in Your Town*

New Technology Development

Develop a new-generation BroadLeaf Cloud

Evolving into a Comprehensive Service Provider



In addition to bolstering Online to Offline (O2O) business, accumulate high value-added information to develop new services

Inauguration of the first Car-unselor shop



Eight shops across the country
(as of the end of April 2014)



Collaboration with Japan Road Service Co., Ltd.

Car Life Support Service marketed
by Japan Road Service (JRS) at
general merchandise stores



Offers the *Car-unselor in Your Town* services as a partner company in car inspection and maintenance services.

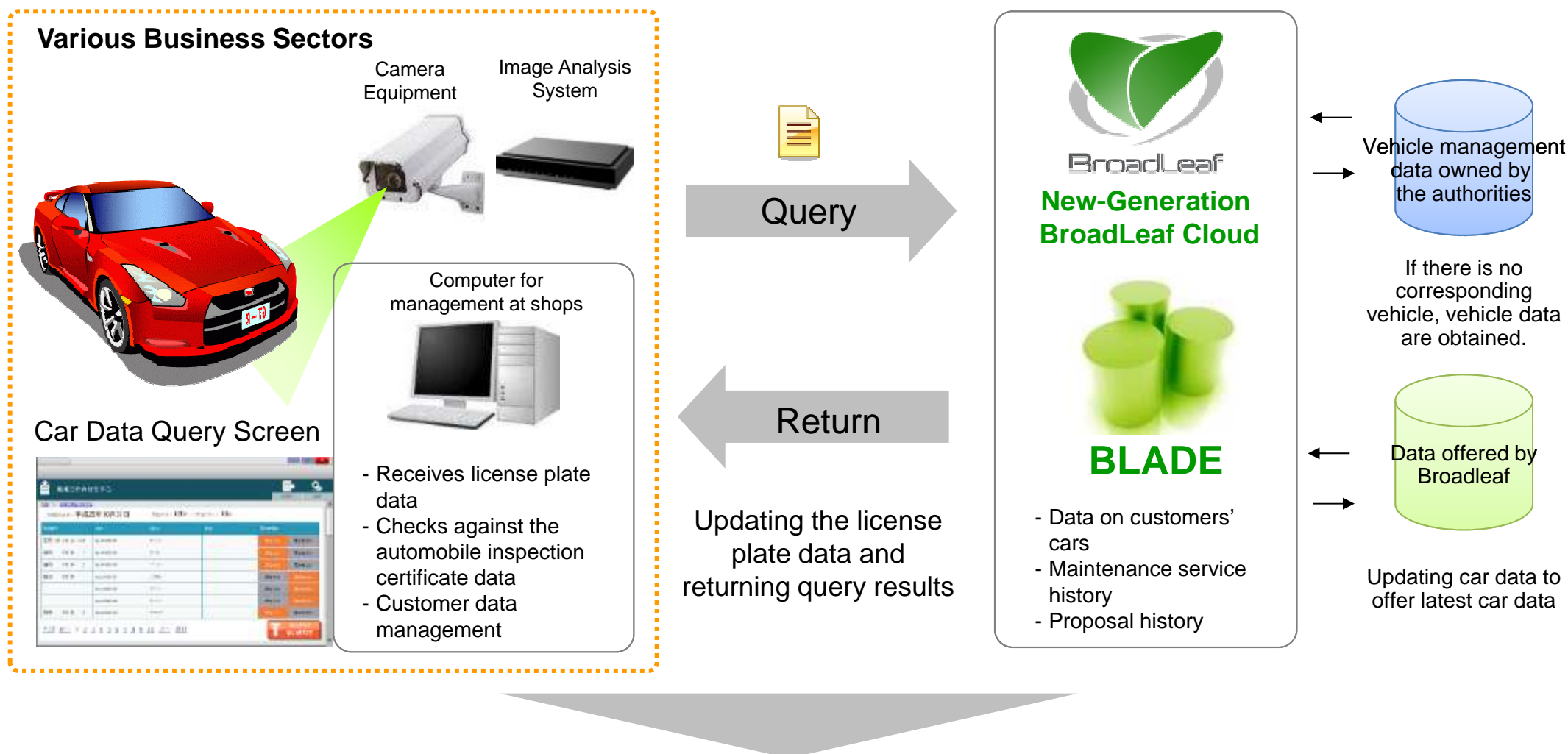


**Expand the *Car-unselor in Your Town* services and
make them more visually recognizable to increase loyalty to the brand**

Participating in the 12th International Auto Aftermarket Expo 2014 as an exhibitor (March 2014)

- Increase publicity of *Car-unselor in Your Town* and upgrade the brand

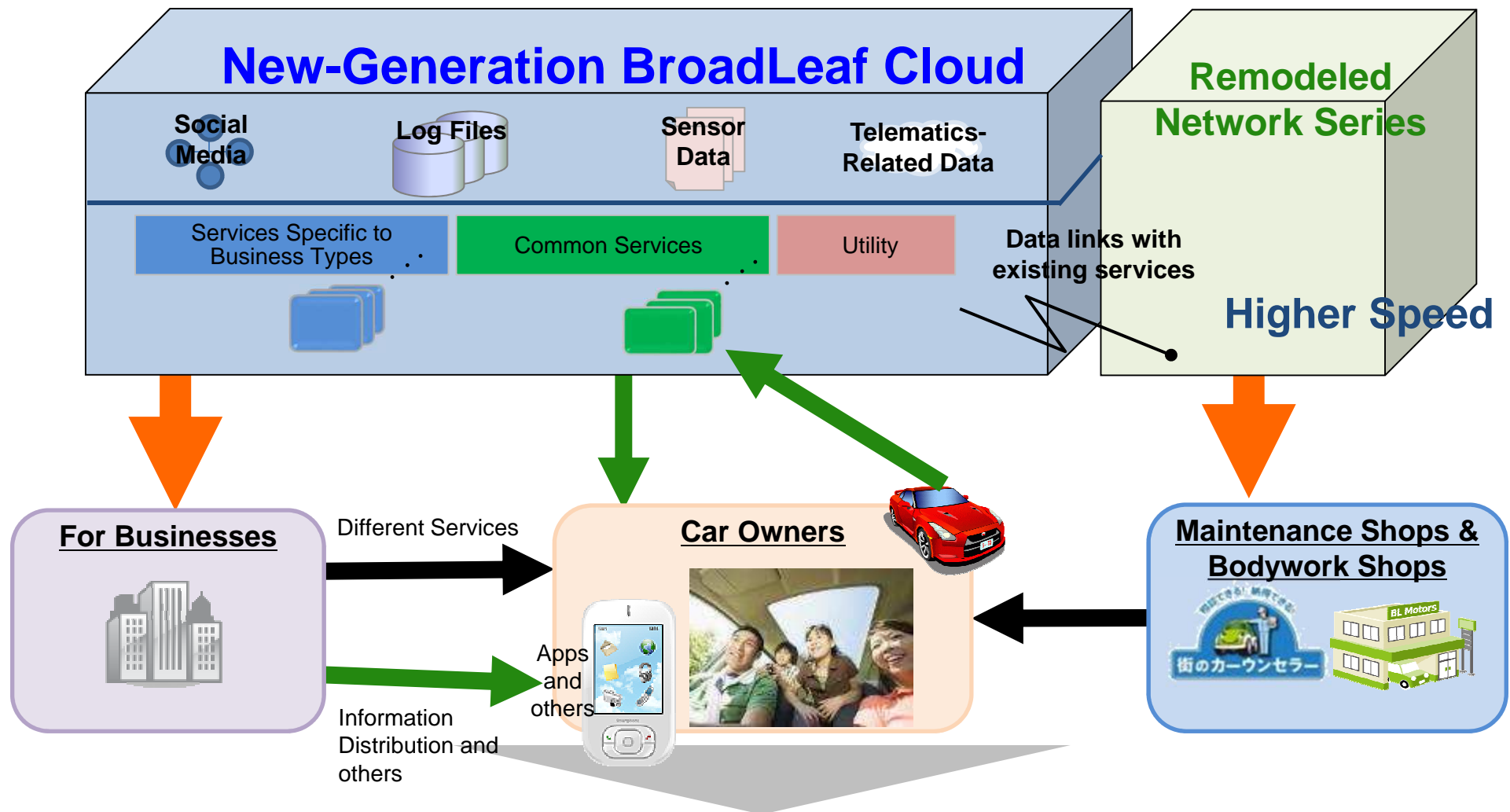




Car owner data are updated and services are provided with the use of the automatic license plate recognition system together with BLADE.


* BLADE = BroadLeaf Automobile Database Engine

3 Create a New-Generation BroadLeaf Cloud



Put the New-Generation BroadLeaf Cloud into operation by the end of the current fiscal year in a bid to,
(i) create new services; (ii) speed up existing systems;
and (iii) lower the cost of replacing application servers

Recycling System for China



- To be released in the first half of FY12/2014
- A target of introducing it to 50 major Chinese recycling operators by the end of FY12/2014

On display in forums and exhibitions

- 2014 International Forum on Collection, Reuse and Re-fabrication of Motor Vehicles

Date: May 15, 2014

Organized by:

Society of Automotive Engineers in China,
Federation of Industrial Technology Innovation Strategy
for Collection and Use of Motor Vehicle Products,
Shanghai Jiao Tong University, and others

With the participation of:

Nearly 200 personnel from Chinese domestic automotive
manufacturers and rebuilders, domestic recycling plants,
automotive research institutes and others

- Annual Forum and Exhibition of China Natural Resources Recycling Association

Date: May 19-21, 2014

Organized by:

China Natural Resources Recycling Association

With the (expected) participation of:

200 domestic recycling plants affiliated with the Association,
government officials from the Ministry of Commerce and
others, and specialists in the recycling industry

Reference Materials



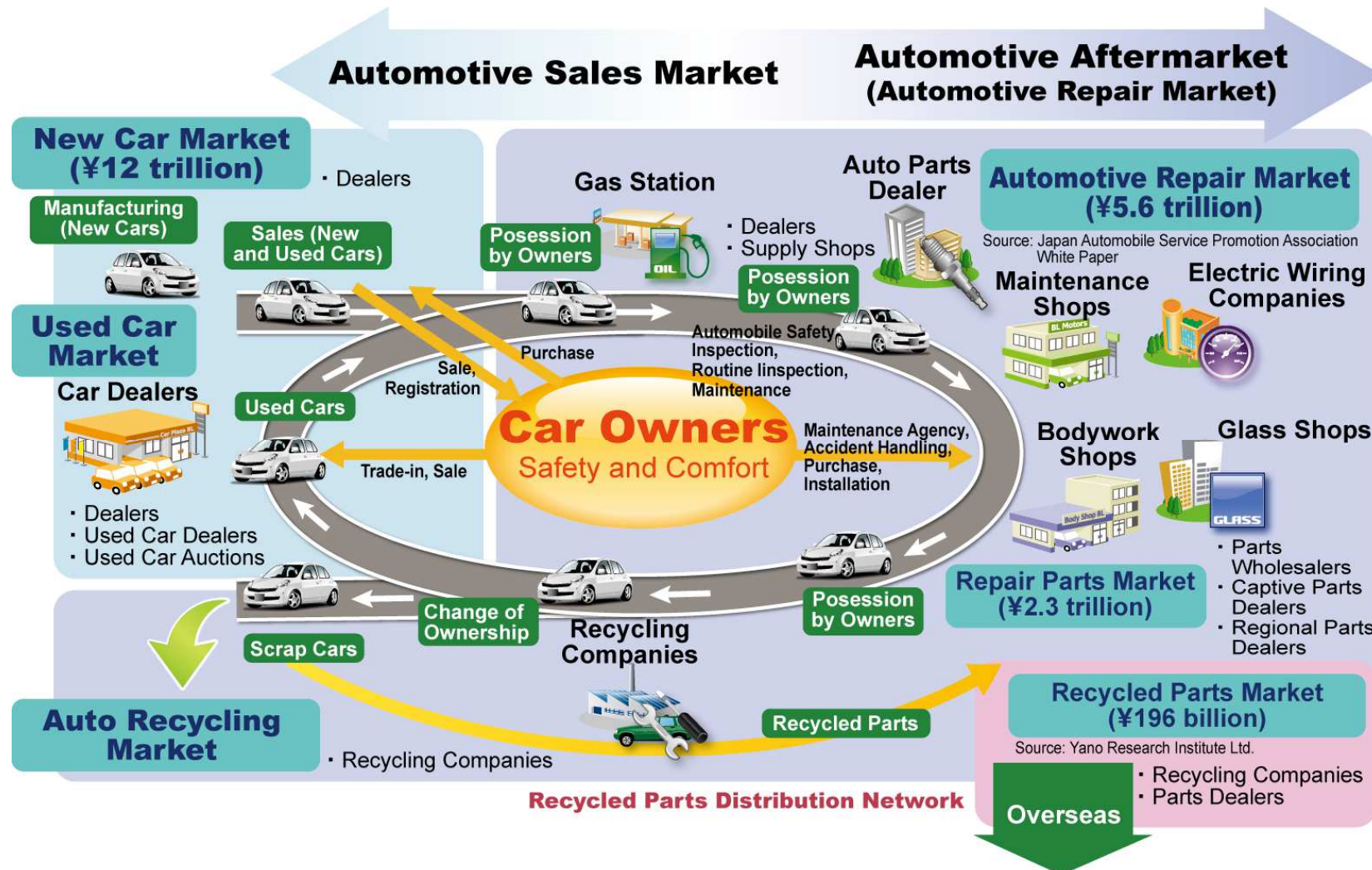
Corporate Philosophy

Gratitude and Satisfaction: These are the underlying principles that drive our creation of new corporate value as we develop enterprise solutions for our partner-clients.

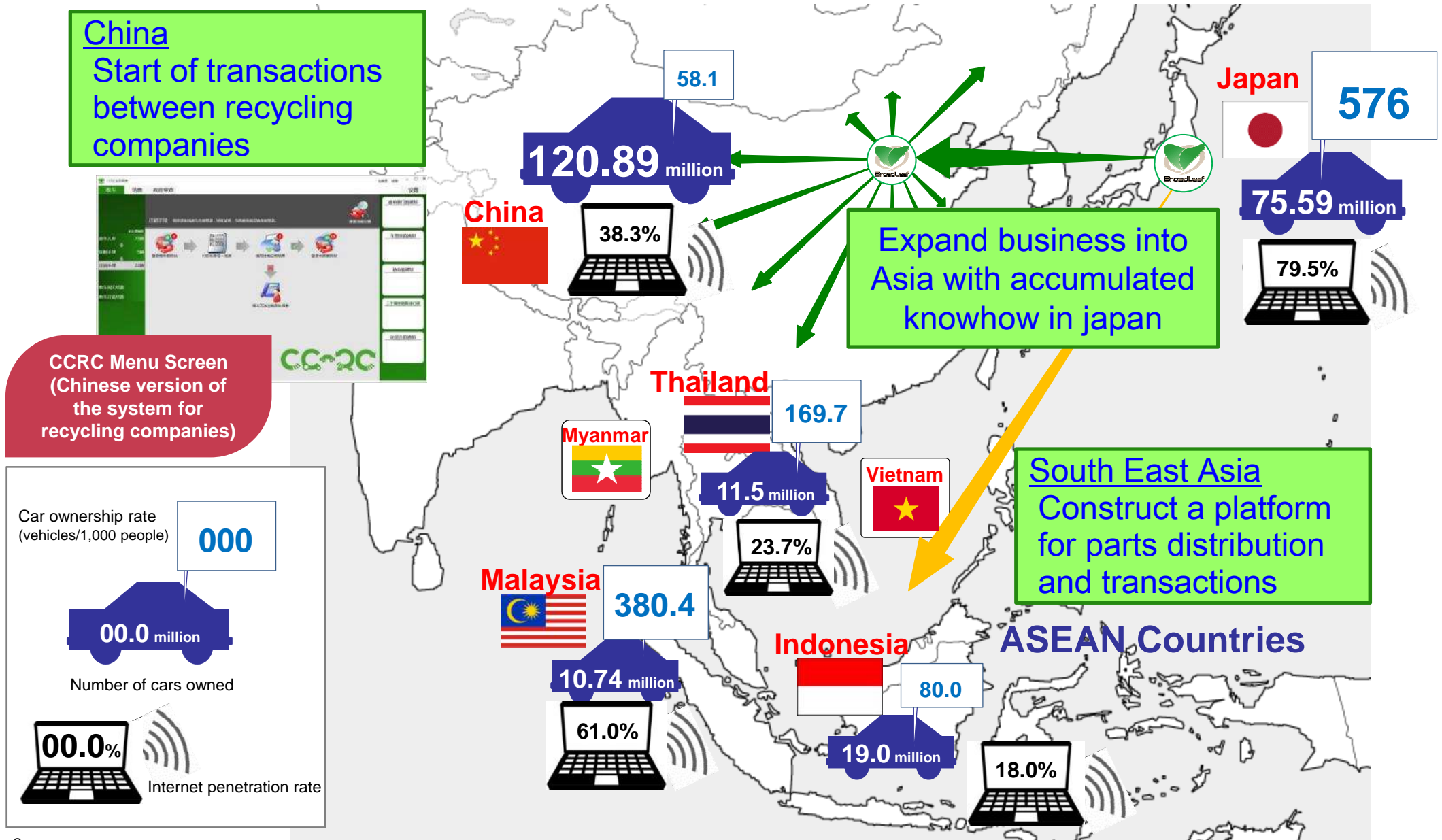
Corporate Name:	Broadleaf Co., Ltd.
President and CEO:	Kenji Oyama
Stock Listing:	The First Section of the Tokyo Stock Exchange Securities Code: 3673 (Listed on March 22, 2013)
Founded/Established:	December 2005/September 2009
Capital Stock:	¥7,133 million
Business Outline:	Provision of services on an IT platform that supports the business of players in the automotive aftermarket (e.g. development of business applications and automotive content, platform for collaboration between different business sectors, marketplace for recycled auto parts)
Head Office Location:	Floor 8, Glass Cube Shinagawa, 4-13-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo
Business Offices:	35 offices in Japan
Development Centers:	3 centers in Japan (Sapporo, Tokyo and Fukuoka)
Number of Employees:	807

(as of March 31, 2014)

The automotive aftermarket refers to a market of products and services to be used by car owners after purchase of their vehicles, including gasoline, accessories, safety inspections, maintenance checks, replacement of parts, and sales and scrapping.



Overseas: Approach to Growth Markets



Sources:
 Car ownership rate: Automotive Yearbook
 Number of cars owned: Automotive Yearbook;
 National Bureau of Statistics of China, 2012
 Internet penetration rate: ITU, Percentage of individuals using the Internet (excel)



Basic Policy on CSR

We will contribute to the revitalization of the automotive aftermarket and grow together with customers in accordance with our corporate philosophy focusing on *Gratitude and Satisfaction*. As a company associated with the automobile industry, we will seek to contribute to the sustainable development of society through environmental conservation and other activities.

Environmental Conservation Activities

Grow Leaf Project

Tree Planting Activities (since 2008)

Under the theme of *contributing to the global environment*, we engage in the Grow Leaf Project activities. Our goal is to plant 30,000 trees on land in need of reforestation.



Sponsorship of Musical:

***The Fall of Freddie the Leaf: A Story of Life for All Ages* (since 2008)**

We have been co-sponsoring and promoting this musical for children. Through the musical, we are conveying the importance of life and the environment to future generations.



Forward-looking statements contained in this material such as results forecasts and future prospects are forecasts and estimates made by Broadleaf based on information available at the time of the preparation of the material, and are subject to potential risks and uncertainties. Please note that actual results may differ from the statements contained in this material due to various factors.

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