



1Q FY12/2015 Business Results Briefing

Broadleaf Co., Ltd.
TSE 1st Section: 3673



April 27, 2015

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PL Summary

POINT

There was a remarkable decline in reaction to a special factor*.

(¥ million)	FY12/2015 1Q			FY12/2014 1Q
	Results	YoY change	YoY (Ratio)	Results
Net sales	3,467	-1,827	-34.5%	5,295
Gross profit	2,386	-1,638	-40.7%	4,025
SG&A expenses	2,444	-27	-1.1%	2,471
Operating income	-57	-1,611	-	1,554
Ordinary income	-69	-1,606	-	1,537
Net income	-134	-1,006	-	872

* An increase in sales due to the termination of support for Widows XP (April 2014)

Sales by Category

POINT

Sales in Network Service did not decline in reaction to the special factor, but in fact increased.

(¥ million)	FY12/2015 1Q			FY12/2014 1Q
	Results	YoY change	YoY (Ratio)	Results
Business Application Software	2,138	-1,882	-46.8%	4,021
System Support	317	-44	-12.3%	361
Maintenance	150	-5	-3.2%	155
Provision of consumables	166	-39	-19.2%	206
Network Service	1,011	99	10.9%	912
Stock	804	84	11.8%	719
Transaction	206	14	7.5%	192
PSF*1	162	-3	-2.2%	166
Order placing and acceptance, etc.*2	44	18	69.8%	26
Total	3,467	-1,827	-34.5%	5,295

*1: Payment agency service for recycled parts

*2: BL Parts Order System, Carpod Tab, etc.

Differences from Forecasts

POINT

Sales in Network Service, a focus category, were on par with the forecast.

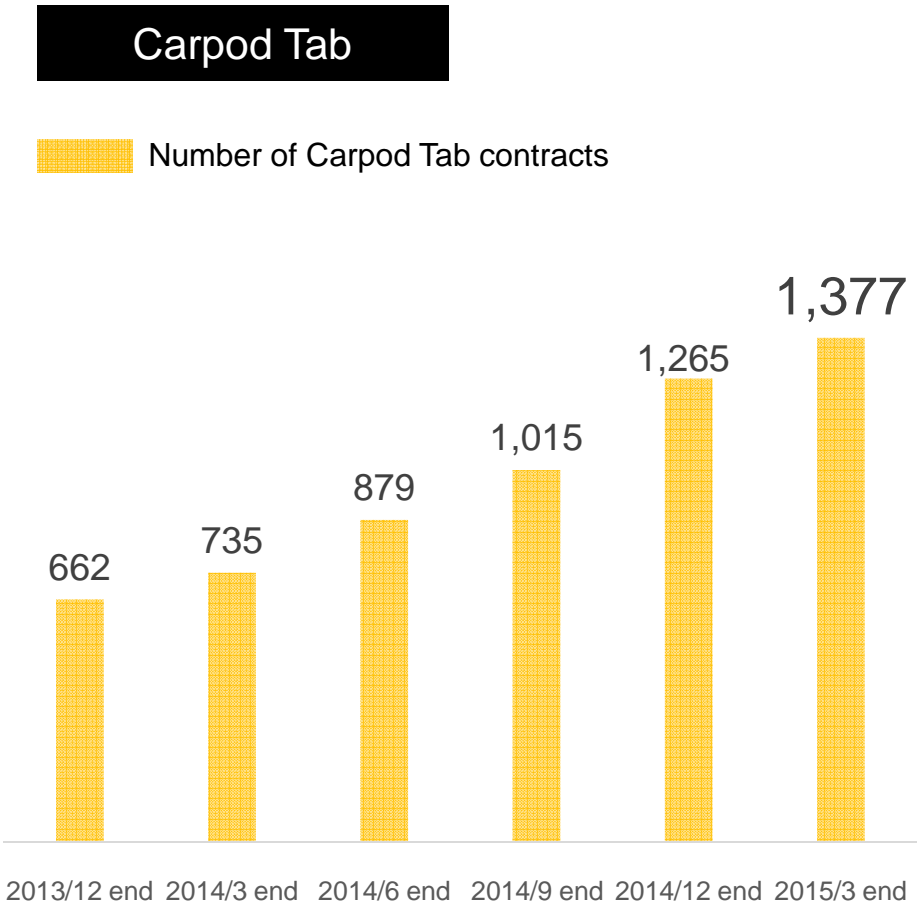
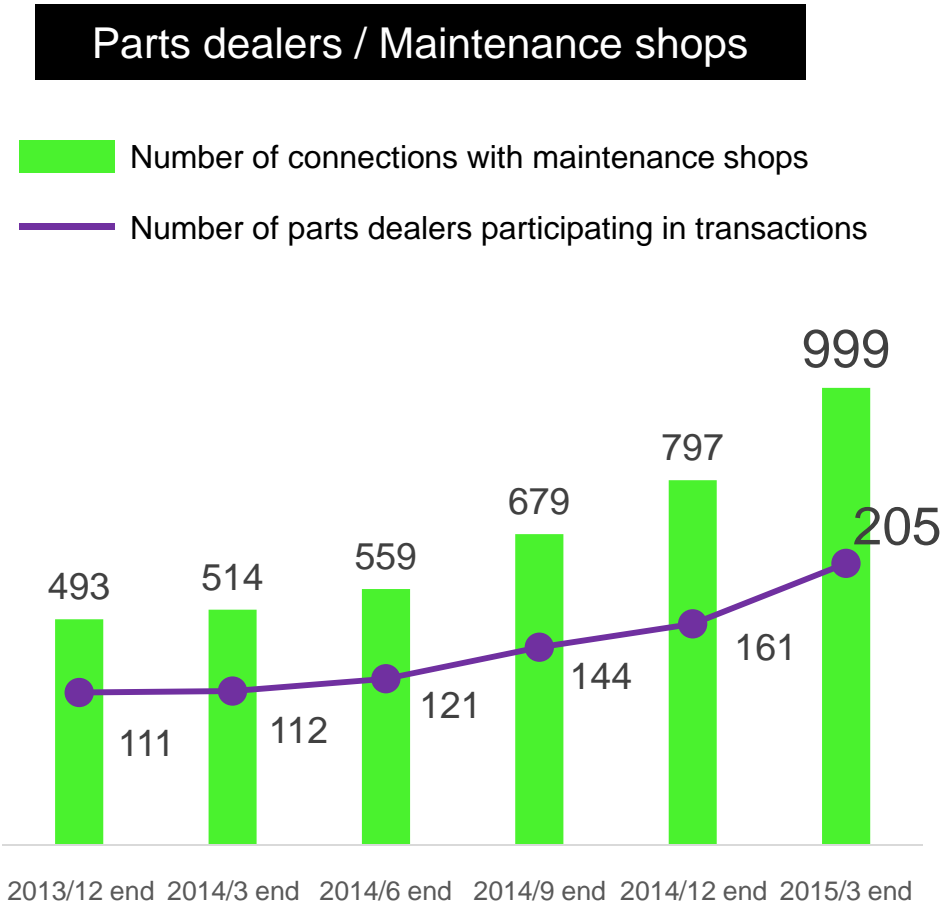
(¥ million)	FY12/2015 1Q			FY12/2015 1Q
	Results	Differences	Achievement	Forecasts*
Business Application Software	2,138	-611	77.8%	2,750
System Support	317	-32	90.6%	350
Network Service	1,011	11	101.1%	1,000
Stock	804	4	100.6%	800
Transaction	206	6	103.4%	200
Total sales	3,467	-632	84.6%	4,100
Total cost	3,525	-24	99.3%	3,550
Operating income	-57	-607	-	550

* The forecasts for 1Q are based on those for the first half.

Progress in Growth Strategies

POINT

The BL Parts Order System is permeating the auto parts distribution market.



Breakdown of Expenses

POINT

Investment for growth continued.

(¥ million)	FY12/2015 1Q		FY12/2014 1Q	Remarks
	Results	YoY change	Results	
Net sales	3,467	-1,827	5,295	-
Total cost	3,525	-215	3,740	-
Total personnel expenses*	1,427	27	1,399	Change in the personnel system
R&D expenses	95	64	30	BL Parts Order System, etc.
Advertising expenses	112	-2	115	-
Other	1,889	-306	2,195	A reduction in general expense, a decline in sales
Operating income	-57	-1,611	1,554	-
Non-operating income/expenses	-11	5	-16	Commitment line setting charges
Ordinary income	-69	-1,606	1,537	-
Extraordinary income/losses	6	9	-3	Sales of non-current assets
Income before income taxes	-62	-1,596	1,534	

* Labor cost as part of production cost is included.

BS Summary

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Cash and deposits declined.

(repayment of loans, acquisition of treasury stock, cash dividends paid, income taxes paid)

(¥ million)		End of 1Q FY12/2015		End of FY12/2014	Remarks
		Results	Change from end of FY2014	Results	
	Current assets	9,887	-5,654	15,541	Decrease in cash and deposits (-4,867)
	Non-current assets	12,810	8	12,802	Amortization of goodwill (-167)
Total assets		22,697	-5,646	28,343	-
	Current liabilities	3,181	-3,554	6,736	Decrease in loans payable (-750), decrease in income taxes payable (-1,552)
	Non-current liabilities	302	-10	313	-
Total liabilities		3,484	-3,565	7,049	-
Total net assets		19,213	-2,080	21,294	Increase in treasury stock (-1,722), decrease in retained earnings (-396)

Chapter 1

Overview of 1Q FY12/2015 Business Results

Chapter 2

Results Forecasts for FY12/2015

Results Forecasts for First Half (by Category)

POINT

The Company will expand the Network Service business and will change its earnings structure.

(¥ million)	FY12/2015 2Q			FY12/2015 1H		
	Forecasts	YoY change	YoY (Ratio)	Forecasts	YoY change	YoY (Ratio)
Business Application Software	4,261	1,709	67.0%	6,400	-172	-2.6%
System Support	382	77	25.4%	700	32	4.9%
Maintenance	199	43	28.1%	350	38	12.4%
Provision of consumables	183	33	32.5%	350	-5	-1.7%
Network Service	1,088	156	16.8%	2,100	256	13.9%
Stock	845	112	15.3%	1,650	197	13.6%
Transaction	243	44	22.4%	450	58	15.1%
Total	5,732	1,943	51.3%	9,200	116	1.3%

Results Forecasts

POINT

No change from the existing results forecasts (published on February 12, 2015)

(¥ million)	FY12/2015 (Forecasts)					
	First half	YoY change	YoY (Ratio)	Full-year	YoY change	YoY (Ratio)
Net sales	9,200	117	1.3%	19,600	705	3.7%
Operating income	1,900	50	2.7%	4,600	434	10.4%
Operating income margin	20.7%	0.3%	-	23.5%	1.5%	-
Ordinary income	1,870	43	2.3%	4,550	451	11.0%
Ordinary income margin	20.3%	0.2%	-	23.2%	1.3%	-
Net income	1,020	77	8.1%	2,530	336	15.4%
Net income margin	11.1%	0.7%	-	12.9%	0.1%	-
Earnings Per Share (Yen)	40.63	4.47	12.4%	101.12	17.09	20.3%

Shareholder Return Policy

Dividends

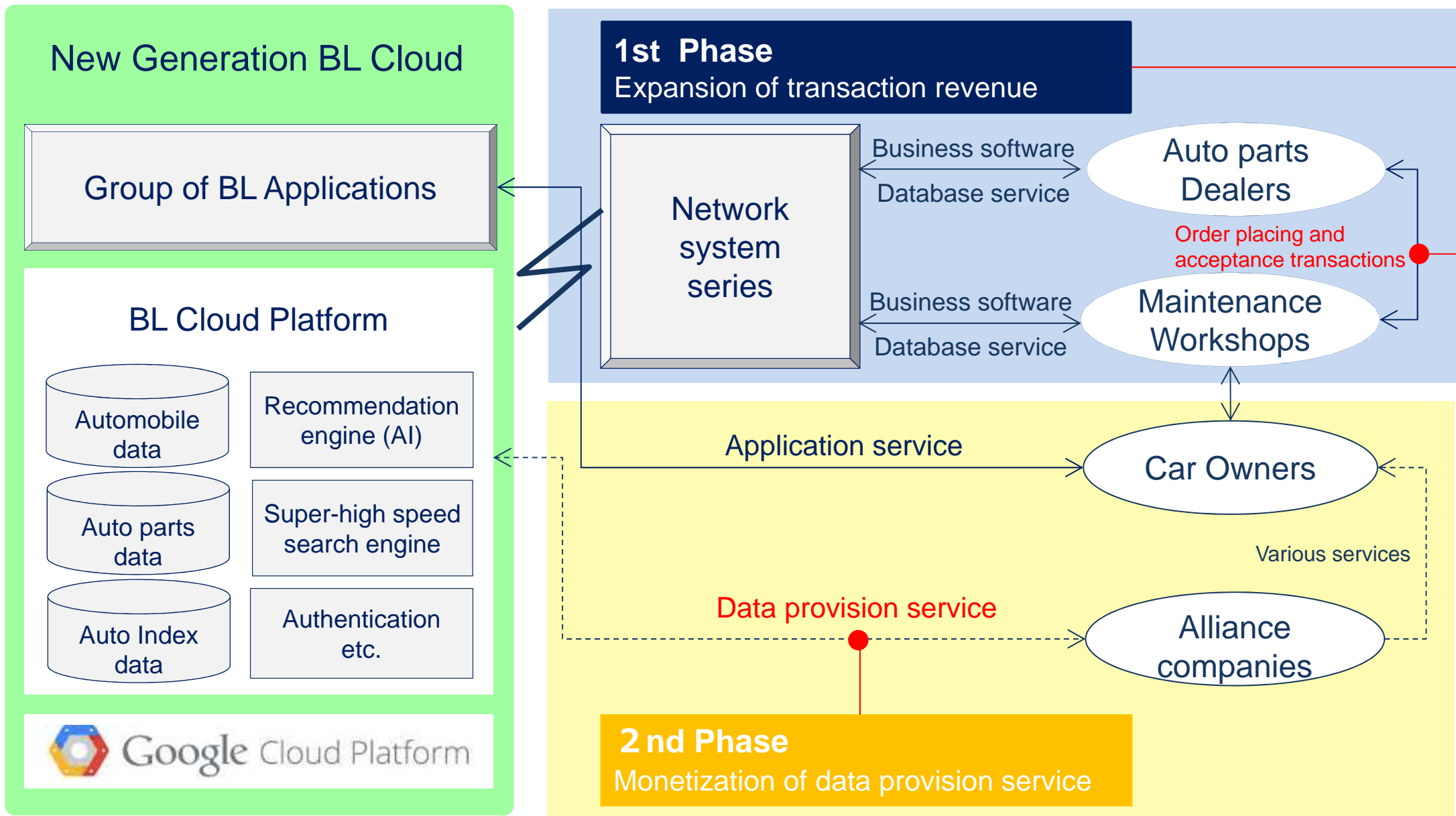
- Aiming for stable dividends and a payout ratio of around 20%
FY12/2015 (forecast) (annual dividend per share: ¥25.0)
FY12/2014 (result) (annual dividend per share: ¥20.0)

Other return

- Considering other returns, taking financial conditions into account
Cancellation of treasury stock (announced on April 27)
→ Scheduled date of cancellation: May 15; 987,500 common shares
(3.77% of the number of issued shares before the cancellation)

Appendix [Reference Material]

Strategy Phases for Sustainable Growth



Efforts of “Car-unselor in Your Town”



Exhibition at the 13th International Auto Aftermarket EXPO 2015

From March 11, 2015
to March 13, 2015



Our Profile

Under our principle of maintaining a spirit of gratitude and happiness, we will continue to grow as an integrated service provider that supports enriched car lives and people's lives by contributing to the automotive aftermarket with the power of IT and people.

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:	¥7,147 million
Business Outline:	Provision of services on an IT network system that supports the business of the players in the automotive aftermarket (E.g. development of business applications, platform for collaboration between different business sectors, marketplace for recycled auto parts, and automotive content)
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:	816

(as of December 31, 2014)

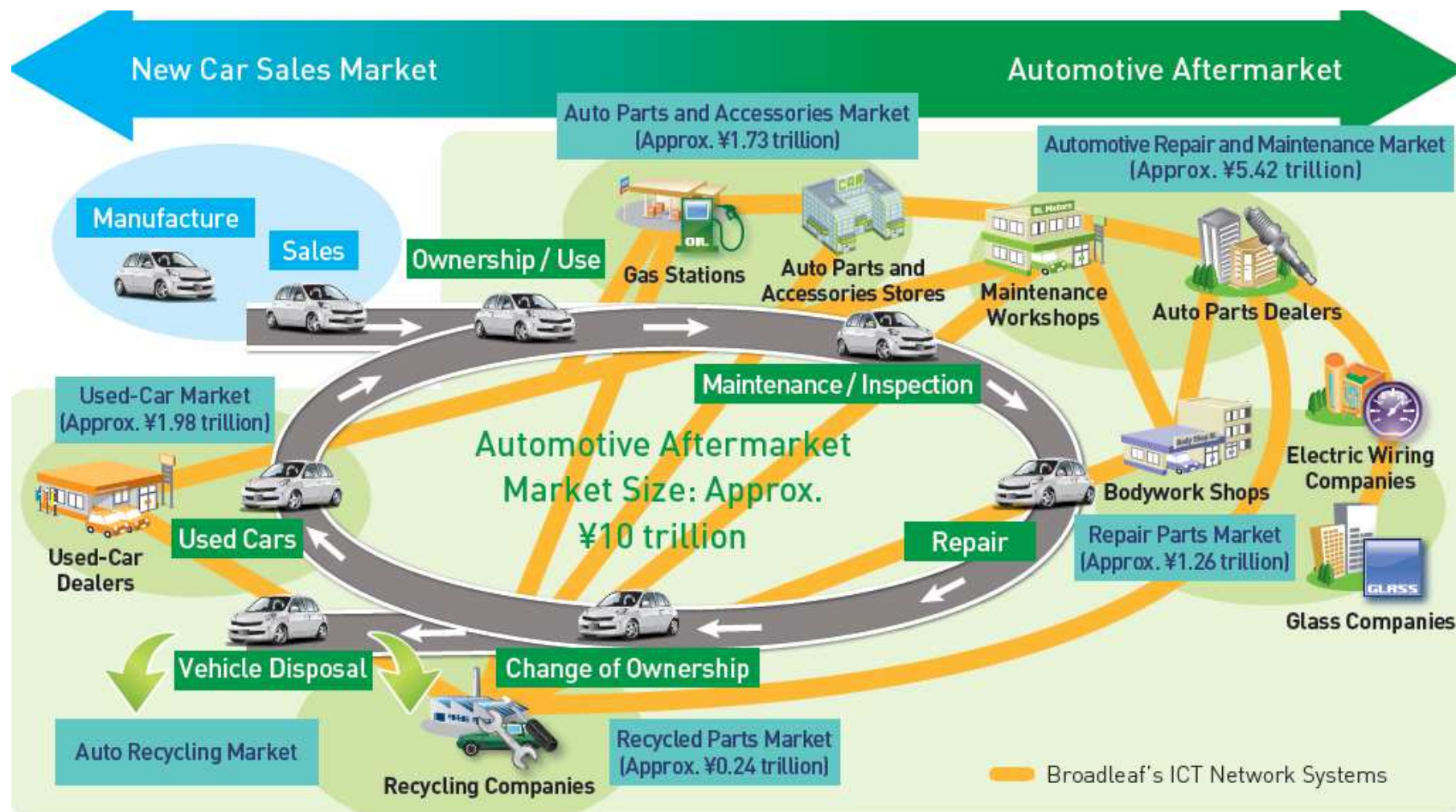
Sales Domain

We have a single business segment, which consists of IT services, but sales are classified into the areas below.

Category			Type of Business
Category	Middle Classification	Small Classification	
Business Application Software			<ul style="list-style-type: none"> - Development and sales of business application software for specific businesses. - Development and sales of package software, such as information security. - Purchase and sales of PCs and printers, etc., and others
System Support	Maintenance		- Provision of maintenance services for business application software and hardware to customers to which we sold business application software.
	Provision of Consumables		- Purchase and sales of special ledger sheets and OA supplies used in business application software.
Network Service	Stock	Database Provisioning Service	- Provision of automobile-related information and a database of parts-related information updated daily.
		Server Provisioning Service	- Receipt of consideration for server maintenance necessary for the use of network systems.
	Transaction	Payment Agency Service for Recycled Parts	- Operation of "Parts Station NET," a distribution network for recycled parts that shares information on the inventories of recycled parts. Providing payment agency services when selling and purchasing recycled parts and collecting commissions.
		Electronic parts order placing and acceptance system, tablet-based business support tools and others	<ul style="list-style-type: none"> - Provision of an electronic order placing and acceptance system for auto parts. - Provision of tablet-based business terminals to maintenance shops, etc., and others

Automotive Aftermarket of JAPAN

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.



Disclaimer

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.

For inquiries, please contact
Planning Department (Investor Relations)
Broadleaf Co., Ltd.
E-mail: broadleaf-ir@broadleaf.co.jp
URL: <http://www.broadleaf.co.jp/english/>