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Summary of Financial Statements for the First Half of the Fiscal Year Ending December 31, 2015

[Japanese GAAP]
(Non-consolidated)

July 31, 2015

Broadleaf Co., Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	3673 URL: http://www.broadleaf.co.jp/
Representative:	Kenji Oyama, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	August 13, 2015
Scheduled Starting Date for Dividend Payment:	September 24, 2015
Earnings Supplementary Explanatory Documents:	Yes
Earnings Results Briefing:	Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Financial Results for the First Half of the FY 2015 (from January 1, 2015 to June 30, 2015)

(1) Results of Operations

(Percentage below represents increase (decrease) from the same period of previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1 st Half, FY2015	8,325	(8.3)	1,008	(45.5)	996	(45.5)	476	(49.5)
1 st Half, FY2014	9,083	7.3	1,850	20.2	1,827	24.9	943	29.6

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
1 st Half, FY2015	18.97	18.93
1 st Half, FY2014	36.16	36.08

(2) Financial Position

	Total Asset	Net Asset	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
End of 1 st Half, FY2015	26,944	19,814	73.4
End of FY2014	28,343	21,294	75.0

(Reference) Shareholders' Equity End of 1st Half, FY2015: 19,785 Million Yen End of FY2014: 21,264 Million Yen

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2014	-	10.00	-	10.00	20.00
FY2015	-	12.50	-	-	-
FY2015 (Forecast)	-	-	-	12.50	25.00

(Note) Revisions to the latest forecast of dividends: No

3. Earnings Forecast for FY2015 (from January 1, 2015 to December 31, 2015)

(Percentage below represents increase from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2015	17,700	(6.3)	2,500	(40.0)	2,450	(40.2)	1,200	(45.3)	47.95

(Note) Revisions to the latest forecast of earnings: No

*** Notes**

(1) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates and restatement of corrections

1. Changes in accounting policies in association with revision in accounting standards: No
2. Other changes in accounting policies: No
3. Changes in accounting estimates: No
4. Restatement of corrections: No

(3) Number of shares outstanding (common stock)

(Shares)

1. Number of shares outstanding (including treasury stock)	FY2015 Q2	25,234,200	FY2014	26,221,700
2. Number of shares of treasury stock	FY2015 Q2	285,784	FY2014	92,484
3. Average number of shares outstanding (during the period)	FY2015 Q2	25,111,152	FY2014 Q2	26,084,115

*** Indication of quarterly review procedure implementation status**

This quarterly earnings report is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act have not been completed.

*** Comment regarding appropriate usage of earnings forecast, and other special notes**

(Note 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.

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1. Qualitative Information on Operating Results, etc. for the Six Months Ended June 30, 2015

(1) Qualitative information on financial results

In the first six months of the fiscal year ending December 31, 2015, the Japanese economy maintained a moderate recovery, reflecting positive factors such as increased capital expenditure backed by strong corporate earnings. The economic outlook, however, is increasingly uncertain owing to the effect of the normalization of U.S. monetary policy, the prospects of the economies of Europe, China, and other emerging countries, a fall in the oil price, geopolitical risks, etc.

The automotive aftermarket* industry, to which major customers of the Company belong, is maturing mainly due to structural factors in Japanese society, namely a fall in population caused by a low birth rate and increasing longevity, and the accelerating increase in the number of people who do not own an automobile irrespective of their age group. The entire auto industry is facing changes in its industrial structure, including the entry of entities from outside the industry and M&A between entities in different industries, against a backdrop of technological innovation, particularly electric vehicles and computerized components. These changes in the environment for participants in the automotive aftermarket are expected to raise participants' awareness of the need for improvement in business efficiency and service quality through the use of IT. Meanwhile, business entities have started to take steps to develop new services and create new businesses by making good use of massive volumes of varied information associated with automobiles, resulting in the expansion of the automotive aftermarket industry. In this business environment, the Company is taking steps to expand its IT services to support customers' operations using its industrial platform** and is endeavoring to achieve growth in the medium to long term under its management policy of evolving into an integrated service provider that enables more fulfilling car ownership. In the first six months of the fiscal year under review, sales in Network Service increased 202 million yen year on year, to 2,046 million yen, primarily as a result of improving the Company's efforts to computerize the auto parts ordering operation. Meanwhile, the addition of new functions to the operation applications for maintenance shops, bodywork shops, and parts dealers for the penetration of the focus services and a delay in commencing the supply of new products, in part, caused a decrease in sales in Business Application Software of 928 million yen year on year, to 5,644 million yen. Consequently, net sales in the first six months of the fiscal year under review amounted to 8,325 million yen, a decline of 758 million yen from a year ago. In research and development, the Company is continuing to undertake development to create services that will support car owners by organically integrating vast amounts of information related to automobiles held by the Company and its customers in preparation for future business development using automobile-related information. As a result, operating income declined 842 million yen year on year, to 1,008 million yen, ordinary income fell 830 million yen year on year, to 996 million yen, and net income decreased 467 million yen year on year, to 476 million yen in the first six months of the fiscal year under review.

The Company has a single business segment, which consists of IT services. A breakdown of sales by business domain is shown in the table below.

(Unit: Millions of Yen)

Domain	1 st Half, FY2015 (From Jan. 1 to Jun. 30, 2015)	1 st Half, FY2014 (From Jan. 1 to Jun. 30, 2014)	Year on year rate of change
Business Application Software	5,644	6,572	(14.1%)
System Support	634	667	(4.8%)
Network Service	2,046	1,843	11.0%
Total	8,325	9,083	(8.3%)

* The automotive aftermarket is a submarket involving the maintenance of automobiles and the mounting of equipment after the sale of automobiles.

** The industrial platform means a business information platform used by customers in a certain industry in planning, communication, decision-making, payment, and other business situations.

(2) Qualitative information on financial position

a. Assets, liabilities, and net assets

Total assets at the end of the second quarter under review declined 1,399 million yen from the end of the previous fiscal year, to 26,944 million yen, chiefly reflecting a 1,422 million yen decrease in cash and deposits.

Liabilities grew 79 million yen from the end of the previous fiscal year, to 7,129 million yen, due largely to a 1,731 million yen increase in long-term loans payable despite a 1,132 million yen decrease in income taxes payable, a 296 million yen decrease in accrued consumption taxes, and a 191 million yen decrease in accrued expenses.

Net assets fell by 1,479 million yen from the end of the previous fiscal year, to 19,814 million yen. The main factor was a 1,220 million yen decrease in retained earnings brought forward as a result of the retirement of treasury stock.

b. Cash flow

In the first six months of the fiscal year under review, cash and cash equivalents (“Cash”) decreased 1,422 million yen from the end of the previous fiscal year, to 9,249 million yen. The situations for each type of cash flow and the contributing factors are as follows:

(Cash flow from operating activities)

Net cash used in operating activities was 677 million yen. The main factor in the decrease was income taxes paid of 1,533 million yen and an increase in notes and accounts receivable - trade of 207 million yen, and the main factor in the increase included income before income taxes of 1,002 million yen, amortization of goodwill of 334 million yen, and depreciation of 313 million yen.

(Cash flow from investing activities)

Net cash used in investing activities was 451 million yen. The main factor was the purchase of intangible assets of 352 million yen.

(Cash flow from financing activities)

Net cash used in financing activities was 293 million yen. The primary factor in the decrease included purchase of treasury stock of 1,748 million yen, repayments of long-term loans payable of 769 million yen, and cash dividends paid of 262 million yen. The key factor in the increase was proceeds from long-term loans payable of 2,500 million yen.

(3) Qualitative information on earnings forecast

The results forecasts for the fiscal year ending December 31, 2015 announced on July 9, 2015 have not been changed.

2. Matters Related to Summary Information (Notes)

(1) Application of specific accounting treatment to the preparation of quarterly financial statements

Not applicable

(2) Changes in accounting principles and changes or restatements of accounting estimates

Not applicable

3. Financial Statements

(1) Balance sheet

(Unit: Thousands of Yen)

	FY2014 (As of Dec. 31, 2014)	FY2015 (As of Jun. 30, 2015)
Assets		
Current assets		
Cash and deposits	10,671,694	9,249,170
Notes receivable - trade	72,813	73,902
Accounts receivable - trade	2,803,612	3,010,261
Merchandise	185,027	162,096
Supplies	9,677	9,201
Prepaid expenses	145,719	224,705
Deferred tax assets	383,910	250,653
Accounts receivable - other	1,252,957	1,319,263
Other	20,823	24,696
Allowance for doubtful accounts	-4,682	-17,973
Total current assets	15,541,554	14,305,977
Non-current assets		
Property, plant and equipment	424,198	453,014
Intangible assets		
Goodwill	10,031,002	9,696,635
Software	1,024,710	1,110,710
Total intangible assets	11,055,713	10,807,346
Investments and other assets		
Investment securities	724,619	758,002
Investments in capital of subsidiaries and associates	140,000	140,000
Long-term loans receivable from subsidiaries and associates	-	-
Long-term loans receivable from employees	198	76
Claims provable in bankruptcy, claims provable in rehabilitation and other	13,526	14,449
Long-term prepaid expenses	49,538	35,564
Lease and guarantee deposits	402,558	378,242
Deferred tax assets	-	224
Other	5,550	5,550
Allowance for doubtful accounts	-13,526	-14,449
Total investments and other assets	1,322,464	1,377,661
Total non-current assets	12,802,376	12,638,022
Total assets	28,343,931	26,944,000

Broadleaf Co., Ltd. (3673)
Summary of Financial Statements for the 1st Half of the FY2015 (Non-consolidated)

(Unit: Thousands of Yen)

	FY2014 (As of Dec. 31, 2014)	FY2015 Q2 (As of Jun. 30, 2015)
Liabilities		
Current liabilities		
Accounts payable - trade	472,575	504,568
Current portion of long-term loans payable	750,000	624,000
Lease obligations	26,415	24,802
Accounts payable - other	2,539,280	2,596,279
Accrued expenses	351,602	160,340
Income taxes payable	1,571,143	438,750
Accrued consumption taxes	383,228	86,788
Advances received	25,816	31,478
Deposits received	63,741	41,534
Provision for bonuses	483,747	400,488
Provision for compensation for damage	37,474	38,515
Other	31,245	31,201
Total current liabilities	6,736,270	4,978,750
Non-current liabilities		
Long-term loans payable	147,890	2,004,890
Lease obligations	46,239	33,825
Asset retirement obligations	111,827	111,657
Deferred tax liabilities	7,381	-
Total non-current liabilities	313,338	2,150,372
Total liabilities	7,049,608	7,129,122
Net assets		
Shareholders' equity		
Capital stock	7,147,905	7,147,905
Capital surplus	7,147,905	7,147,905
Retained earnings	7,120,710	5,900,209
Treasury stock	-141,734	-421,061
Total shareholders' equity	21,274,786	19,774,958
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-10,075	10,326
Total valuation and translation adjustments	-10,075	10,326
Subscription rights to shares	29,612	29,592
Total net assets	21,294,322	19,814,877
Total liabilities and net assets	28,343,931	26,944,000

Broadleaf Co., Ltd. (3673)
Summary of Financial Statements for the 1st Half of the FY2015 (Non-consolidated)

(2) Statement of income

(Six months ended June 30, 2015)

(Unit: Thousands of Yen)

	1 st Half, FY2014 (From Jan. 1, 2014 to Jun. 30, 2014)	1 st Half, FY2015 (From Jan. 1, 2015 to Jun. 30, 2015)
Net sales	9,083,706	8,325,420
Cost of sales	2,350,594	2,391,895
Gross profit	6,733,112	5,933,524
Selling, general and administrative expenses	4,883,045	4,925,475
Operating income	1,850,066	1,008,049
Non-operating income		
Interest income	917	1,048
Dividend income	-	287
Compensation income	1,982	10,852
Gain on investments in partnership	-	3,976
Other	3,256	7,469
Total non-operating income	6,156	23,632
Non-operating expenses		
Interest expenses	7,917	1,620
Provision for loss compensation	16,276	15,907
Commission fee	-	15,000
Other	4,575	2,607
Total non-operating expenses	28,770	35,135
Ordinary income	1,827,453	996,547
Extraordinary income		
Gain on sales of non-current assets	-	6,430
Total extraordinary income	-	6,430
Extraordinary losses		
Loss on retirement of non-current assets	3,146	228
Total extraordinary losses	3,146	228
Income before income taxes	1,824,306	1,002,749
Income taxes - current	906,900	409,804
Income taxes - deferred	-25,908	116,646
Total income taxes	880,992	526,451
Net income	943,314	476,298

Broadleaf Co., Ltd. (3673)
Summary of Financial Statements for the 1st Half of the FY2015 (Non-consolidated)

(3) Statement of cash flow

(Unit: Thousands of Yen)

	1 st Half, FY2014 (From Jan. 1, 2014 to Jun. 30, 2014)	1 st Half, FY2015 (From Jan. 1, 2015 to Jun. 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	1,824,306	1,002,749
Depreciation	329,066	313,070
Amortization of goodwill.	334,366	334,366
Increase (decrease) in provision for bonuses	99,795	-83,258
Interest and dividends income	-917	-1,335
interest expense	7,917	1,620
Commission fee	-	15,000
Loss (gain) on sales of property, plant and equipment	-	-6,430
Decrease (increase) in notes and accounts receivable - trade	1,275,073	-207,737
Decrease (increase) in inventories	-52,290	23,406
Decrease (increase) in accounts receivable - other	-36,314	-66,305
Increase (decrease) in notes and accounts payable - trade	-141,926	31,993
Increase (decrease) in accounts payable - other	-136,726	67,300
Increase (decrease) in accrued expenses	-79,370	-189,322
Other, net	-19,880	-377,928
Subtotal	3,403,099	857,190
Interest and dividends income received	917	1,335
Interest expenses paid	-9,619	-3,149
Income taxes paid	-847,638	-1,533,271
Net cash provided by (used in) operating activities	2,546,759	-677,893
Net cash provided by (used in) investment activities		
Payments of loans receivable from subsidiaries and associates	-	-60,000
Purchase of investment securities	-100,000	-
Payments for investments in capital of subsidiaries and associates	-17,500	-
Proceeds from sales of property, plant and equipment	-	6,430
Purchase of property, plant and equipment	-33,132	-69,191
Purchase of Intangible assets	-238,422	-352,221
Proceeds from collection of lease and guarantee deposits	-	27,441
Other, net	-1,396	-3,995
Net cash provided by (used in) investment activities	-390,451	-451,536
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	170,000	2,500,000
Repayment of long-term loans payable	-752,280	-769,000
Proceeds from issuance of common shares	28,000	-
Proceeds from sales of treasury shares	10,418	16,900
Purchase of treasury shares	-169,203	-1,748,103
Proceeds from issuance of subscription rights to shares	29,612	-
Cash dividends paid	-522,773	-262,216
Purchase of Commission fee	-	-15,000
Repayments of lease obligations	-17,837	-14,025
Other, net	-1,246	-1,650
Net cash provided by (used in) financing activities	-1,225,309	-293,094
Net Increase (Decrease) in Cash and Cash Equivalents	930,998	-1,422,524
Cash and Cash Equivalents at Beginning of Period	9,229,501	10,671,694
Cash and Cash Equivalents at End of Period	10,160,499	9,249,170

- (4) Notes on financial statements
(Notes on going concern assumptions)
Not applicable

(Notes on substantial changes in the stockholders' equity)

(Repurchase of shares)

At the meeting of the Board of Directors held on November 27, 2014, the Company resolved to purchase treasury stock through a tender offer as a specific method in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act (Act No. 86 of 2005 and subsequent revisions) and the provisions of Article 156 of the said Act, which were deemed to be replaced under the provisions of the Company's Articles of Incorporation, and purchased 1,194,500 shares of common stock for 1,730,830,000 yen. The purchase was completed on January 27, 2015.

(Retirement of treasury stock)

The Company resolved at the meeting of the Board of Directors held on April 27, 2015 to retire treasury stock pursuant to the provisions of Article 178 of the Companies Act, and canceled 987,500 shares of common stock as of May 15, 2015. As a result, treasury stock and retained earnings decreased 1,430,887,000 yen during the first six months of the fiscal year under review.

This purchase and retirement of treasury stock, etc. led to treasury stock amounting to 421,061,000 yen at the end of the first six months of the fiscal year under review.

(Significant subsequent event)

The Company resolved at the meeting of the Board of Directors held on July 31, 2015 to purchase treasury stock pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act and Article 41 of the Company's Articles of Incorporation.

1. Reasons

To return profits to shareholders and increase capital efficiency

2. Class of stock to purchase: common stock

3. Total number of shares to purchase: up to 760,000

4. Total amount of shares to purchase: up to 1,000,000,000 yen

5. Period of treasury stock purchase: from August 3, 2015, to December 30, 2015

6. Method of purchase: discretionary investment contract with a securities company

4. Supplementary Information

Current Fiscal Year (From January 1, 2015 to December 31, 2015)

(Unit: Millions of Yen)

	Fiscal Year Ending December 31, 2015				
	1 st Half Result	Ratio to Net Sales	YoY rate of change	Progress rate	Full-year forecast
Net Sales	8,325	100.0%	(8.3%)	47.0%	17,700
Business Application Software	5,644	67.8%	(14.1%)	46.5%	12,150
System Support	634	7.6%	(4.8%)	50.8%	1,250
Network Service	2,046	24.6%	11.0%	47.6%	4,300
Operating Income	1,008	12.1%	(45.5%)	40.3%	2,500
Net Income	476	5.7%	(49.5%)	39.7%	1,200

Previous Fiscal Year (From January 1, 2014 to December 31, 2014)

(Unit: Millions of Yen)

	Fiscal Year Ended December 31, 2014				
	1 st Half Result	Ratio to Net Sales	YoY rate of change	Progress rate	Full-year result
Net Sales	9,083	100.0%	7.3%	48.1%	18,894
Business Application Software	6,572	72.4%	6.2%	47.6%	13,818
System Support	667	7.3%	3.5%	51.7%	1,290
Network Service	1,843	20.3%	12.7%	48.7%	3,785
Operating Income	1,850	20.4%	20.2%	44.4%	4,165
Net Income	943	10.4%	29.6%	43.0%	2,193