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## Summary of Financial Statements for the 3rd Quarter of the Fiscal Year Ending December 31, 2015

[Japanese GAAP]  
(Non-consolidated)

October 30, 2015

### Broadleaf Co., Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	3673 URL: <a href="http://www.broadleaf.co.jp/">http://www.broadleaf.co.jp/</a>
Representative:	Kenji Oyama, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	November 12, 2015
Scheduled Starting Date for Dividend Payment:	-
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 3rd Quarter of the FY 2015 (from January 1, 2015 to September 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	%
Q3 FY2015	12,116	(11.8)	1,270	(56.7)	1,249	(56.9)	559	(63.5)
Q3 FY2014	13,733	8.7	2,934	38.1	2,901	42.7	1,533	56.1

	Earnings Per Share		Diluted Earnings Per Share	
	Yen		Yen	
Q3 FY2015	22.38		22.36	
Q3 FY2014	58.78		58.68	

### (2) Financial Position

	Total Asset	Net Asset	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
End of Q3, FY2015	24,889	18,972	76.1
End of FY2014	28,343	21,294	75.0

(Reference) Shareholders' Equity End of Q3 FY2015: 18,942 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)	48.38

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

Based on a resolution made at a meeting of the Board of Directors held on July 31, 2015, the Company has purchased 760,000 shares of treasury stock. The earnings per share in the earnings forecast above have been calculated based on the average number of shares after the acquisition of the treasury stock.

**\* 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 Q3	25,234,200	FY2014	26,221,700
2. Number of shares of treasury stock	FY2015 Q3	841,584	FY2014	92,484
3. Average number of shares outstanding (during the period)	FY2015 Q3	24,995,426	FY2014 Q3	26,093,271

**\* 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.

**Accompanying Materials – Contents**

1. Qualitative Information on Operating Results, etc. for the Nine Months Ended September 30, 2015 .....	2
(1) Qualitative information on financial results .....	2
(2) Qualitative information on financial position .....	2
(3) Qualitative information on earnings forecast .....	3
2. Matters Related to Summary Information (Notes) .....	3
(1) Application of specific accounting treatment to the preparation of quarterly financial statements .....	3
(2) Changes in accounting principles and changes or restatements of accounting estimates .....	3
3. Financial Statements .....	4
(1) Balance sheet .....	4
(2) Statement of income .....	6
(Nine months ended September 30, 2015) .....	6
(3) Notes to financial statements .....	7
(Notes to going concern assumptions) .....	7
(Notes to significant changes in the stockholders' equity) .....	7
4. Supplementary Information .....	8

## 1. Qualitative Information on Operating Results, etc. for the Nine Months Ended September 30, 2015

### (1) Qualitative information on financial results

In the first nine months of the fiscal year ending December 31, 2015, the Japanese economy maintained a moderate recovery, reflecting positive factors such as a recovery in capital expenditure backed by an improvement in corporate earnings. The outlook for the Japanese economy is increasingly uncertain, however, chiefly due to concern over a slowdown in the Chinese economy and other emerging economies while the U.S. monetary policy was being normalized.

The automotive aftermarket\* industry, to which major customers of the Company belong, is maturing mainly due to structural factors in Japanese society, namely the falling population caused by the low birthrate and increasing longevity. The auto industry generally 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 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 nine months of the fiscal year under review, sales in Network Service increased 328 million yen year on year, to 3,135 million yen, primarily as a result of improving the Company's efforts to promote its computerized auto parts ordering service. Meanwhile, a delay in the addition of new functions to operation applications, in part, caused a decrease in sales in Business Application Software of 1,920 million yen year on year, to 8,035 million yen. Consequently, net sales in the first nine months of the fiscal year under review amounted to 12,116 million yen, a decline of 1,616 million yen from a year ago. The Company is continuing to undertake research and development to create new services that will support car owners by integrating vast amounts of information related to automobiles held by the Company and its customers in preparation for future business development based on automobile-related information. As a result, in the first nine months of the fiscal year under review, operating income declined 1,664 million yen year on year, to 1,270 million yen, ordinary income fell 1,652 million yen year on year, to 1,249 million yen, and net income decreased 974 million yen year on year, to 559 million yen.

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 <sup>st</sup> nine months, FY2015 (From Jan. 1 to Sep. 30, 2015)	1 <sup>st</sup> nine months, FY2014 (From Jan. 1 to Sep. 30, 2014)	Year-on-year rate of change
Business Application Software	8,035	9,956	(19.3%)
System Support	944	969	(2.5%)
Network Service	3,135	2,807	11.7%
Total	12,116	13,733	(11.8%)

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

\*\*The industrial platform is 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

Total assets at the end of the third quarter under review declined 3,454 million yen from the end of the previous fiscal year, to 24,889 million yen, chiefly reflecting a 3,062 million yen decrease in cash and deposits and a 633 million yen decline in accounts receivable-trade.

Liabilities fell 1,132 million yen from the end of the previous fiscal year, to 5,916 million yen, due largely to a 1,571 million yen decrease in income taxes payable, a 345 million yen decrease in accrued consumption taxes, a 224 million yen decrease in provision for bonuses, and a 207 million yen decrease in accrued expenses, despite a 1,557 million yen increase in long-term loans payable.

Net assets fell by 2,321 million yen from the end of the previous fiscal year, to 18,972 million yen. The main factors were a 1,450 million yen decrease in retained earnings due to the retirement of treasury stock and a 939 million yen increase in treasury stock as a result of the purchase and retirement of treasury stock.

(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 Sep. 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	10,671,694	7,609,461
Notes receivable - trade	72,813	33,949
Accounts receivable - trade	2,803,612	2,170,472
Merchandise	185,027	140,787
Supplies	9,677	10,762
Prepaid expenses	145,719	177,530
Deferred tax assets	383,910	140,139
Accounts receivable - other	1,252,957	1,305,528
Other	20,823	762,162
Allowance for doubtful accounts	-4,682	-4,006
Total current assets	15,541,554	12,346,786
Non-current assets		
Property, plant and equipment	424,198	450,462
Intangible assets		
Goodwill	10,031,002	9,529,452
Software	1,024,710	1,157,906
Total intangible assets	11,055,713	10,687,359
Investments and other assets		
Investment securities	724,619	804,061
Investments in capital of subsidiaries and associates	140,000	140,000
Long-term loans receivable from subsidiaries and associates	-	60,000
Long-term loans receivable from employees	198	38
Claims provable in bankruptcy, claims provable in rehabilitation and other	13,526	14,897
Long-term prepaid expenses	49,538	29,323
Lease and guarantee deposits	402,558	365,889
Other	5,550	5,550
Allowance for doubtful accounts	-13,526	-14,897
Total investments and other assets	1,322,464	1,404,862
Total non-current assets	12,802,376	12,542,684
Total assets	28,343,931	24,889,471

Broadleaf Co., Ltd. (3673)  
Summary of Financial Statements for the 3rd Quarter of the FY2015 (Non-consolidated)

(Unit: Thousands of Yen)

	FY2014 (As of Dec. 31, 2014)	FY2015 (As of Sep. 30, 2015)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	472,575	333,816
Current portion of long-term loans payable	750,000	624,000
Lease obligations	26,415	26,772
Accounts payable - other	2,539,280	2,343,770
Accrued expenses	351,602	144,110
Income taxes payable	1,571,143	-
Accrued consumption taxes	383,228	37,385
Advances received	25,816	32,959
Deposits received	63,741	50,881
Provision for bonuses	483,747	259,670
Provision for compensation for damage	37,474	37,806
Other	31,245	31,201
Total current liabilities	6,736,270	3,922,376
Non-current liabilities		
Long-term loans payable	147,890	1,831,160
Lease obligations	46,239	34,993
Asset retirement obligations	111,827	111,804
Deferred tax liabilities	7,381	16,563
Total non-current liabilities	313,338	1,994,521
Total liabilities	7,049,608	5,916,898
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,147,905	7,147,905
Capital surplus	7,147,905	7,147,905
Retained earnings	7,120,710	5,670,346
Treasury stock	-141,734	Δ1,080,912
Total shareholders' equity	21,274,786	18,885,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-10,075	57,736
Total valuation and translation adjustments	-10,075	57,736
Subscription rights to shares	29,612	29,592
Total net assets	21,294,322	18,972,572
Total liabilities and net assets	28,343,931	24,889,471

Broadleaf Co., Ltd. (3673)  
Summary of Financial Statements for the 3rd Quarter of the FY2015 (Non-consolidated)

(2) Statement of income

(Nine months ended September 30, 2015)

(Unit: Thousands of Yen)

	Q3 FY2014 (From Jan. 1, 2014 to Sep. 30, 2014)	Q3 FY2015 (From Jan. 1, 2015 to Sep. 30, 2015)
Net sales	13,733,334	12,116,488
Cost of sales	3,488,274	3,570,431
Gross profit	10,245,375	8,546,056
Selling, general and administrative expenses	7,310,375	7,275,899
Operating income	2,934,685	1,270,157
Non-operating income		
Interest income	1,923	1,809
Dividend income	-	3,787
Compensation income	2,683	12,766
Gain on investments in partnership	-	2,064
Other	4,763	9,999
Total non-operating income	9,370	30,428
Non-operating expenses		
Interest expenses	11,074	6,995
Provision for loss compensation	24,794	22,354
Commission fee	-	17,000
Other	6,257	4,481
Total non-operating expenses	42,126	50,831
Ordinary income	2,901,929	1,249,753
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
Loss on valuation of short-term and long-term investment securities	-	16,390
Total extraordinary losses	3,146	16,618
Income before income taxes	2,898,782	1,239,564
Income taxes - current	1,267,419	453,235
Income taxes - deferred	97,547	226,998
Total income taxes	1,364,966	680,234
Net income	1,533,816	559,330



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

(Notes on substantial changes in 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.

At the meeting of the Board of Directors held on July 31, 2015, the Company resolved to purchase treasury stock under Article 459, Paragraph 1 of the Companies Act and Article 41 of the Company's Articles of Incorporation, and purchased 564,500 shares of common stock for 673,180,000 yen.

(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 nine months of the fiscal year under review.

This purchase and retirement of treasury stock, etc. led to treasury stock amounting to 1,080,912,000 yen at the end of the third quarter of the fiscal year under review.

#### 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 <sup>st</sup> nine months	Ratio to Net Sales	YoY rate of change	Progress rate	Full-year forecast
Net Sales	12,116	100.0%	(11.8%)	68.5%	17,700
Business Application Software	8,035	66.3%	(19.3%)	66.1%	12,150
System Support	944	7.68	(2.5%)	75.6%	1,250
Network Service	3,135	25.9%	11.7%	72.9%	4,300
Operating Income	1,270	10.5%	(56.7%)	50.8%	2,500
Net Income	559	4.6%	(63.5%)	46.6%	1,200

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

(Unit: Millions of Yen)

	Fiscal Year Ended December 31, 2014				
	1 <sup>st</sup> nine months	Ratio to Net Sales	YoY rate of change	Progress rate	Full-year result
Net Sales	13,733	100.0%	8.7%	72.7%	18,894
Business Application Software	9,956	72.5%	8.6%	72.1%	13,818
System Support	969	7.1%	1.1%	75.1%	1,290
Network Service	2,807	20.4%	12.3%	74.2%	3,785
Operating Income	2,934	21.4%	38.1%	70.5%	4,165
Net Income	1,533	11.2%	56.1%	69.9%	2,193