



1Q FY12/2016 Business Results Briefing

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



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Chapter 1

Overview of 1Q Business Results

PL Summary

POINT

The recording of extraordinary income enabled net income to return to the black.

(¥ million)

	1Q FY12/2016			1Q FY12/2015
	Results	YoY change	YoY (Ratio)	Results
Net sales	3,460	-6	-0.2%	3,467
Operating income	-97	-40	-	-57
Ordinary income	-98	-29	-	-69
Income before income taxes	152	215	-	-62
Net income	20	154	-	-134

EPS	¥ 0.85	¥ 6.16	-	¥ -5.31
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Sales by Category

POINT

Sales in Network Service maintained a double-digit increase.

(¥ million)

	1Q FY12/2016			1Q FY12/2015
	Results	YoY change	YoY (Ratio)	Results
Business Application Software	2,011	-127	-6.0%	2,138
System Support	314	-2	-0.9%	317
Maintenance	145	-5	-3.6%	150
Provision of Consumables	169	2	1.4%	166
Network Service	1,134	123	12.2%	1,011
Stock	899	95	11.8%	804
Transaction	219	20	10.0%	199
PSF*1	158	-4	-3.0%	162
Order Placing and Acceptance*2	61	24	68.1%	36
Others	15	8	116.7%	7
Net sales	3,460	-6	-0.2%	3,467

*1: Payment agency service for recycled parts

*2: BL Parts Order System and CarpodTab

Breakdown of Sales in Business Application Software

POINT

Sales to new customers increased in both automotive and non-automotive.

(¥ million)

	1Q FY12/2016			1Q FY12/2015
	Results	YoY change	YoY (Ratio)	Results
Automotive	1,367	-210	-13.4%	1,578
Renewed	1,189	-229	-16.2%	1,419
New customers	178	19	12.0%	158
Non-automotive	378	21	6.1%	357
Renewed	218	-18	-7.9%	237
New customers	160	40	33.8%	119
Total	1,746	-188	-9.8%	1,935
Renewed	1,407	-248	-15.0%	1,656
New customers	338	59	21.4%	278
Entrusted development and others	265	61	30.2%	203
Business Application Software Total sales	2,011	-127	-6.0%	2,138

Key Indicators in Network Service Domain

POINT

Activities centering on marketing to boost the number of prospective customers.

FY12/2016		FY12/2015	
End of 1Q Results	End of FY Forecasts	End of 1Q Results	End of FY Results

■ Stock

.NS ratio *1	69.1%	75.0%	62.6%	68.3%
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■ Transactions

BL Parts Order System				
Number of connections with maintenance shops	1,763	3,000 or more	999	1,666
Number of parts dealers participating in transactions	330	No Set figure*2	205	312
CarpodTab				
Number of contracts	2,583	4,500	1,377	2,322

*1 NS ratio: Proportion of total number of contracts accounted for by current business application software. NS Series.

*2 No set figure: Since the target of 300 parts dealers has already been achieved, any further requests to participate will be dealt with as appropriate.

Breakdown of Expenses

POINT

R&D grew stronger while expenses were optimized.

(¥ million)

	1Q FY12/2016		1Q FY12/2015	Major factors for increase/decrease
	Results	YoY Change	Results	
Net Sales	3,460	-6	3,467	-
Cost of sales	1,049	-30	1,080	Shift of staff to personnel expenses
SG&A expenses	2,508	64	2,444	-
Personnel Expenses	1,198	32	1,165	Shift of staff from cost of sales (labor cost)
R&D Expenses	139	44	95	Development of next-generation systems and new services
Other	1,170	-13	1,183	Decrease in advertising expenses
Operating Income	-97	-40	-57	-

Total personnel expenses *	1,388	-38	1,427	Decrease in the number of employees
Subcontract Cost	373	38	335	Development of next-generation systems

* Sum of labor cost (cost of sales) and personnel expenses (SG&A expenses)

BS Summary

POINT

Decrease in accounts receivable-trade due to seasonal factors (sales declined QoQ in 1Q).

(¥ million)

		End of 1Q FY12/2016		End of FY12/2015	Major factors for increase/decrease
		Results	Change from end of FY2015	Results	
	Current Assets	12,406	-626	13,033	Decrease in accounts receivable-trade (-790)
	Non-current Assets	12,362	-169	12,532	Amortization of goodwill (-167)
Total Assets		24,769	-796	25,565	-
	Current Liabilities	3,994	-343	4,338	Decrease in accounts payable-trade (-166)
	Non-current Liabilities	1,660	-181	1,841	Fall in long-term loans payable (-173)
Total Liabilities		5,654	-525	6,179	-
Total Net Assets		19,114	-271	19,385	Dividend of surplus (-303)
Total Liabilities and Net Assets		24,769	-796	25,565	-

Chapter 2

Results Forecasts

Results Forecasts

POINT

No change in the results forecasts for both the first half and the full year.

(¥ million)

	FY12/2016				FY12/2015	
	Full-year Forecasts	YoY (Ratio)	1H Forecasts	YoY (Ratio)	Full-year Results	1H Results
Net Sales	18,000	7.0%	8,400	0.9%	16,824	8,325
Operating income	3,000	19.3%	1,050	4.2%	2,514	1,008
Operating income margin	16.7%	-	12.5%	-	14.9%	12.1%
Ordinary income	2,970	19.1%	1,030	3.4%	2,493	996
Net income	1,620	29.4%	560	17.6%	1,251	476

EPS	¥66.93	32.6%	¥23.14	22.0%	¥50.47	¥18.97
DPS	¥30.0	-	¥17.5	-	¥25.0	¥12.5

Sales Forecasts by Category

POINT

No change in sales forecasts by category for both the first half and the full year.

(¥ million)

	FY12/2016				FY12/2015	
	Full-year Forecasts	YoY (Ratio)	1H Forecasts	YoY (Ratio)	Full-year Results	1H Results
Business Application Software	11,700	3.4%	5,550	-1.7%	11,316	5,644
System Support	1,250	-1.3%	650	2.4%	1,266	634
Maintenance	600	0.4%	300	-0.3%	597	300
Provision of Consumables	650	-2.8%	350	4.8%	668	334
Network Service	5,050	19.0%	2,200	7.5%	4,242	2,046
Stock	3,550	5.9%	1,700	4.6%	3,350	1,624
Transaction	1,200	39.8%	480	17.9%	858	407
PSF	700	4.0%	330	0.4%	672	328
Order Placing and Acceptance	500	169.5%	150	90.6%	185	78
Others	300	813.6%	20	37.9%	32	14
Net Sales	18,000	7.0%	8,400	0.9%	16,824	8,325

Efforts in Network Service Domain

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Greater added value of the BL Parts Order System

- Higher order rate
- Increase in the number of inbound cars

- Enclosure of customers
- Acquisition of new customers

BLパーツオーダーシステム

-BL Parts Order System-

Auto maintenance shops

Does not keep customers waiting.

Inquiries about parts

BLパーツオーダーシステム
BL Parts Order System

Receipt of answers

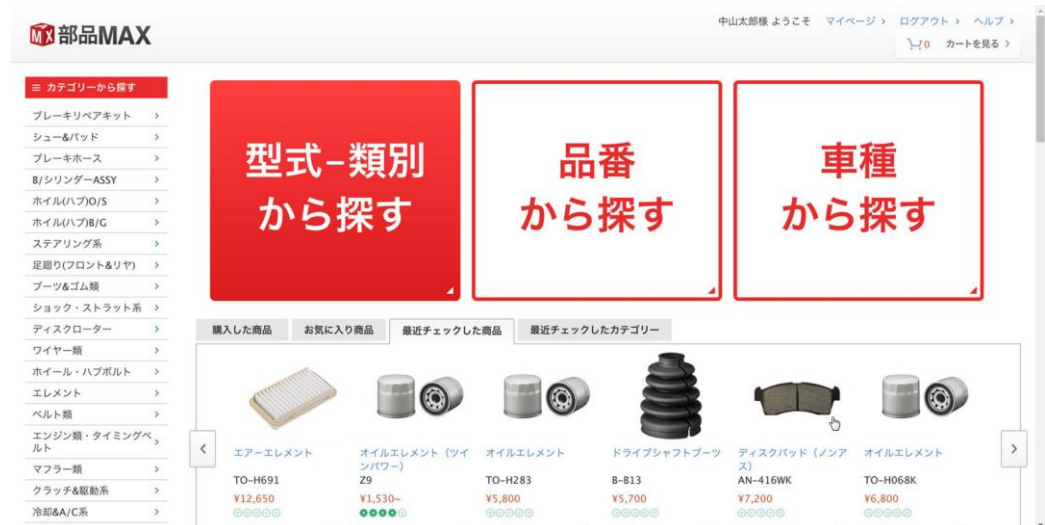
Auto parts dealers

Automatic response

POINT

Auto repair parts EC site "BUHIN MAX" to be launched in May 2016

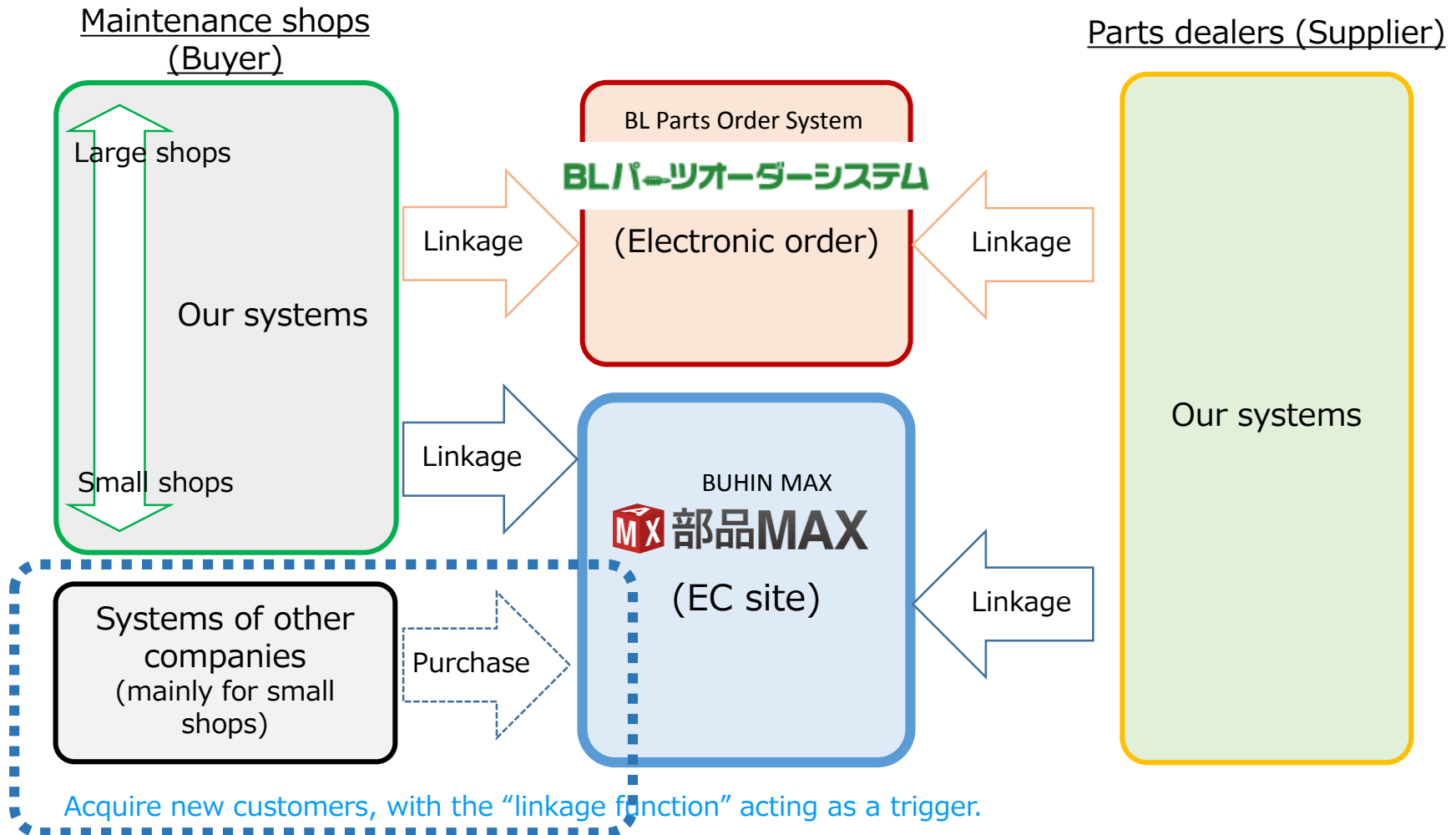
MX 部品MAX
- BUHIN MAX -



Service Structure for Auto Parts Distribution

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The BL Parts Order System and the BUHIN MAX site complement each other to cover the entire supply chain, from wholesale to retail.



Looking Towards the Next Decade

Consider, Connect, Communicate

FIELD FOR OUR FUTURE
Broadleaf Co., Ltd.



Disclaimer

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