

Broadleaf's Investment Highlights at a Glance

FY2025 Edition



Contents

Business Overview	p 3
Revenues model and profit structure	p 10
Business Environment and Strengths	p 24
Business Performance and Shareholder Returns	p 30
Supplementary Information	p 35

Business Overview

A Niche Leader in the Cloud Industry

IT sector



We offer a comprehensive suite of IT services through **a one-stop solution**, centered on proprietary software developed in-house for enterprise customers

Cloud /SaaS



We provide industry-specific software optimized for cloud environments as **SaaS (Software as a Service)**

Niche markets



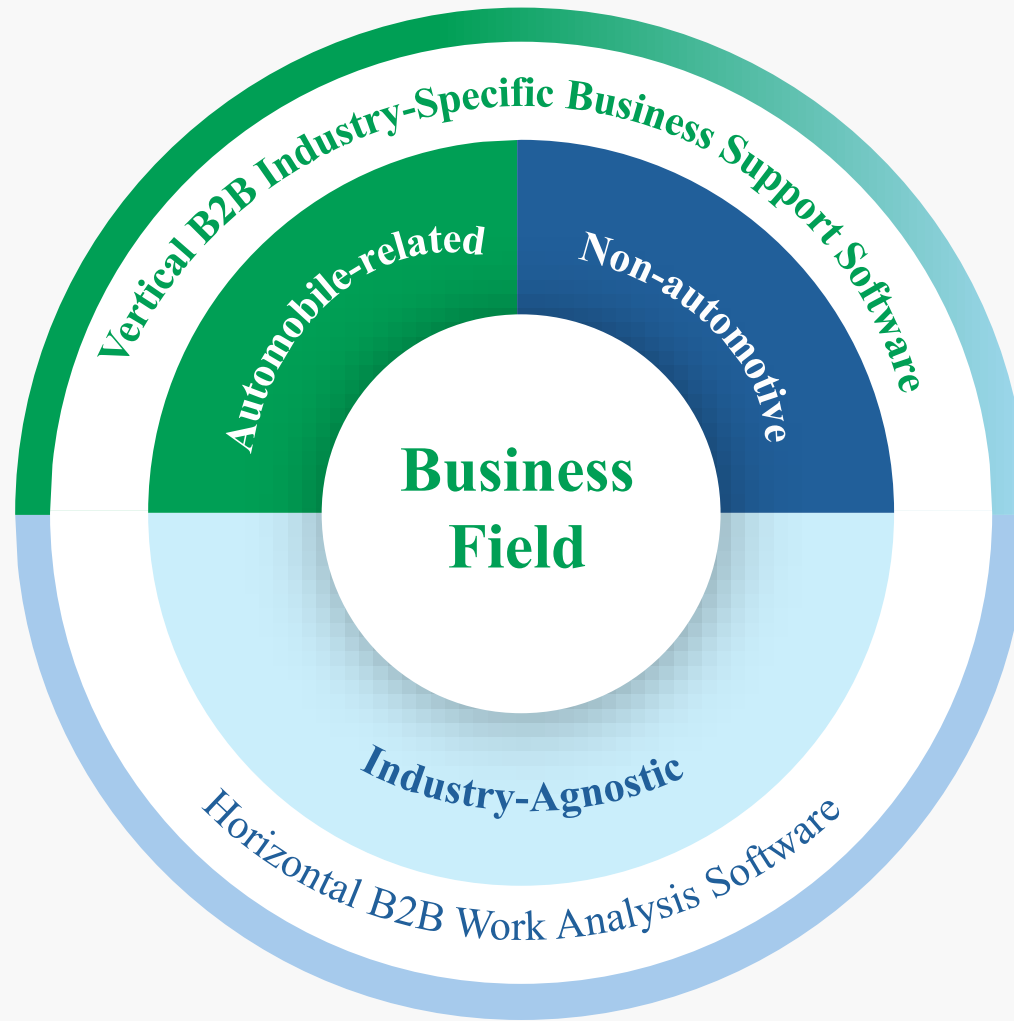
Most of our software users are **automobile-related businesses**, including auto maintenance shops, car dealerships, parts distributors, and recycling companies.

User-count No.1

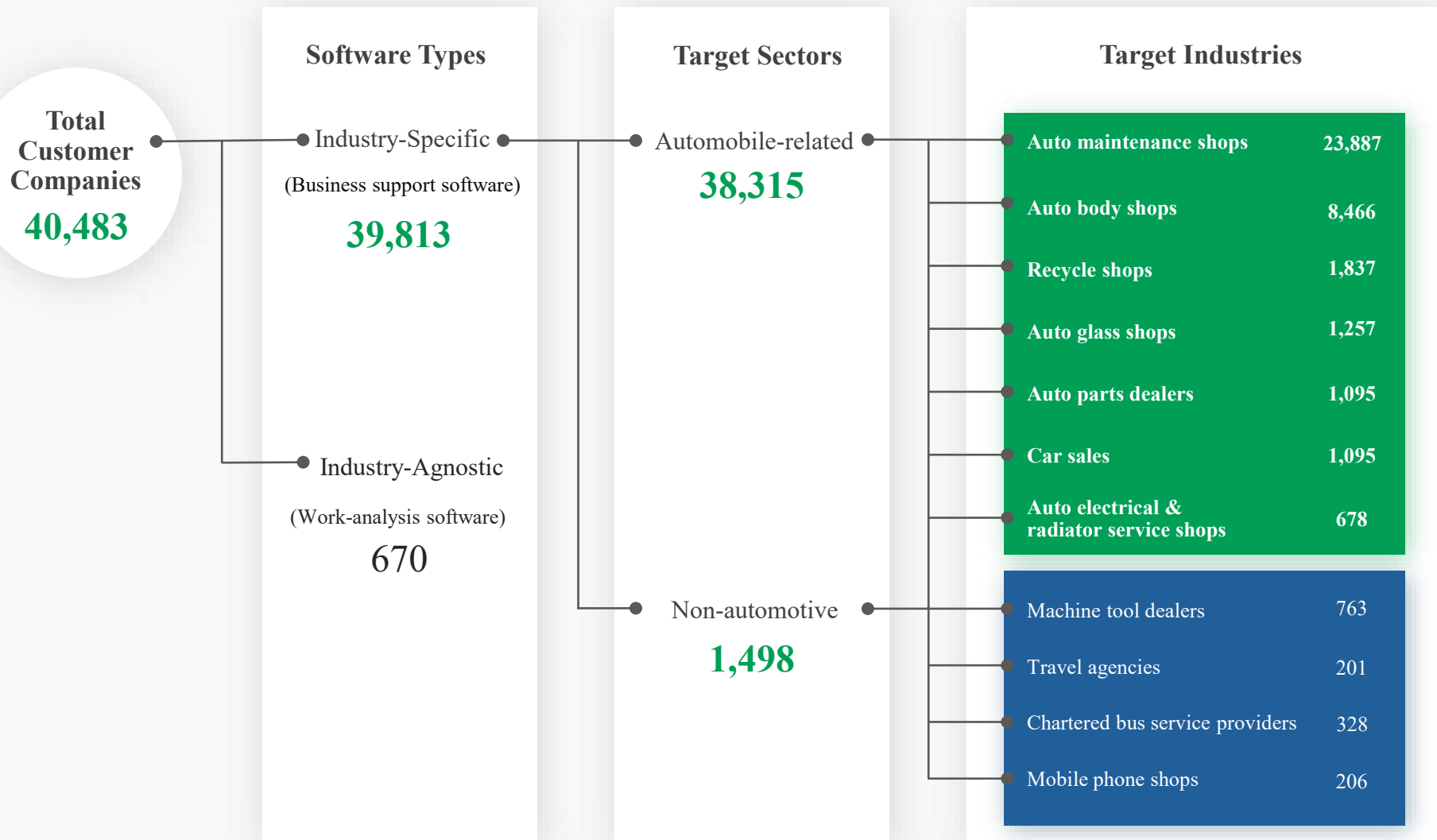


We serve approximately 40,000 companies in Japan, with a dominant lead over competitors in user count (Approximately **38,000** of these are automotive-related businesses.)

Business Field



Number of Software User Companies



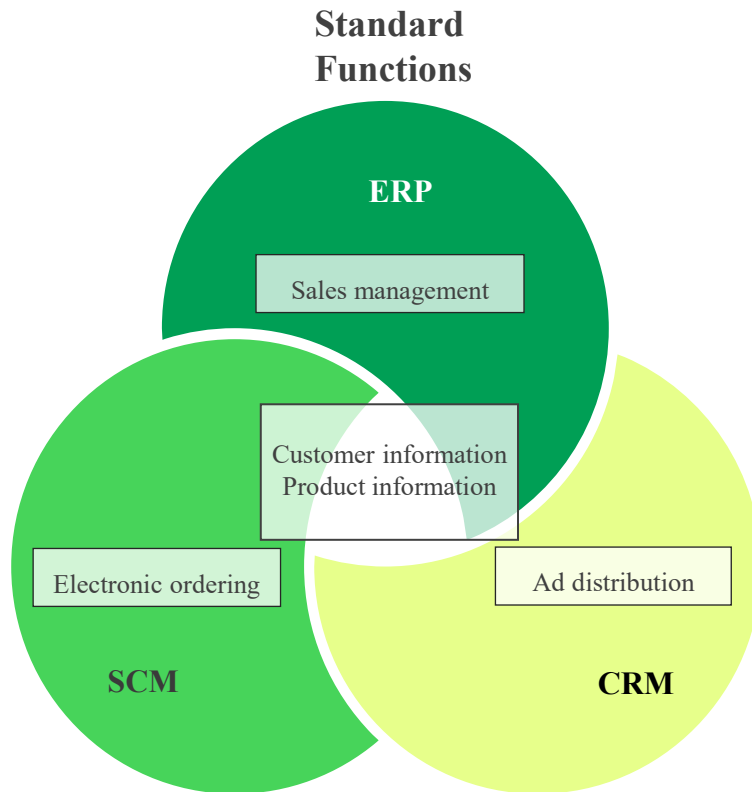
As of the end of December 2024

Note: If a single company has adopted licenses for multiple industry-specific software products, it is counted once per industry.

Overview of Business Support Software

“Total Management System”

A comprehensive platform that integrates the core functions of ERP, SCM, and CRM.



&

Industry-specific Functions



Vehicle Check-In Reservation
Schedule management



Maintenance Work Order Creation



Maintenance Process Management



Vehicle Inspection
Document Preparation

Note: Example from the Maintenance Industry (for illustration purposes)

Types of business support software

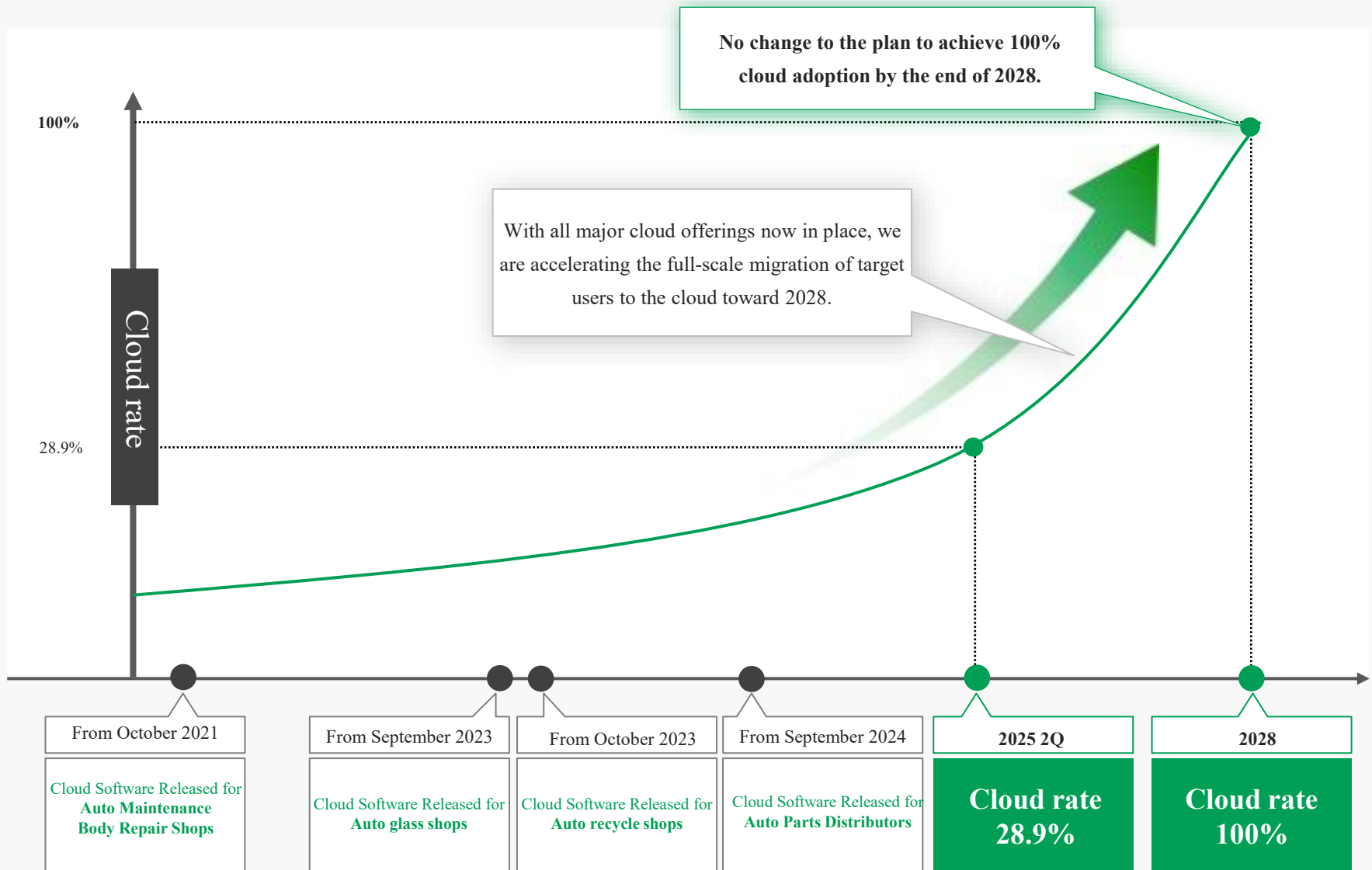
Target industries	1.Installation Types (Stand-alone)	2.Installation Types (client server)	3.Web Types
Sales categories name	Packaged software	Packaged software	Cloud software
Automobile-related			
Auto maintenance shops		○	○(from October 2021)
Auto body shops		○	○(from October 2021)
Auto glass shops	○		○(from September 2023)
Recycle shops		○	○(from October 2023)
Auto parts dealers		○	○(from September 2024)
Car sales		○	△
Auto electrical & radiator service shops	○		▲
Non-automotive			
Machine tool dealers	○		▲
Travel agencies	○	○	▲
Chartered bus service providers	○		▲
Mobile phone shops		○	

○ : Currently Available

△ : Limited Features Available as Optional Add-ons

▲ : Planned for Future Release

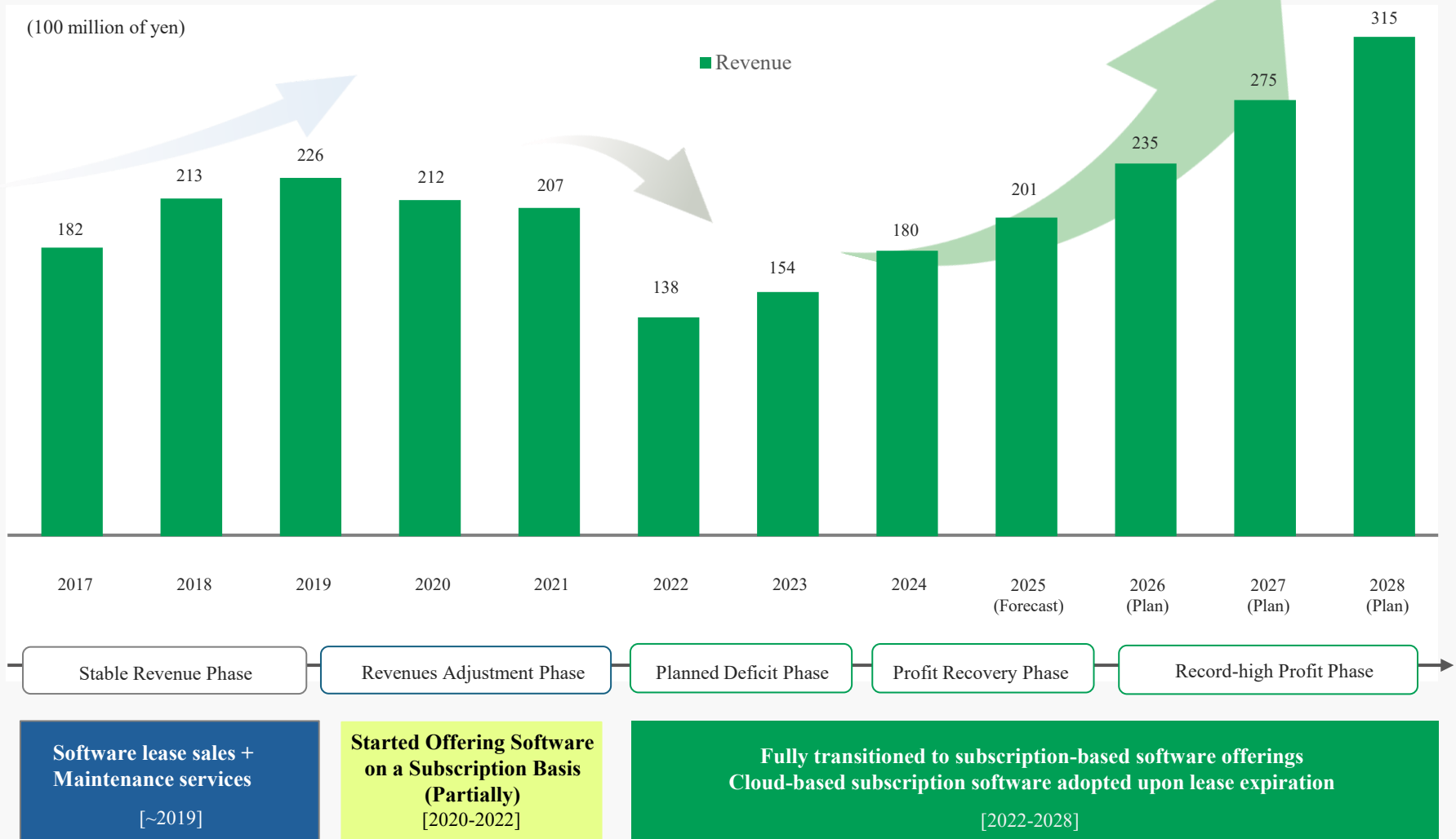
Progress of Cloud Software Migration



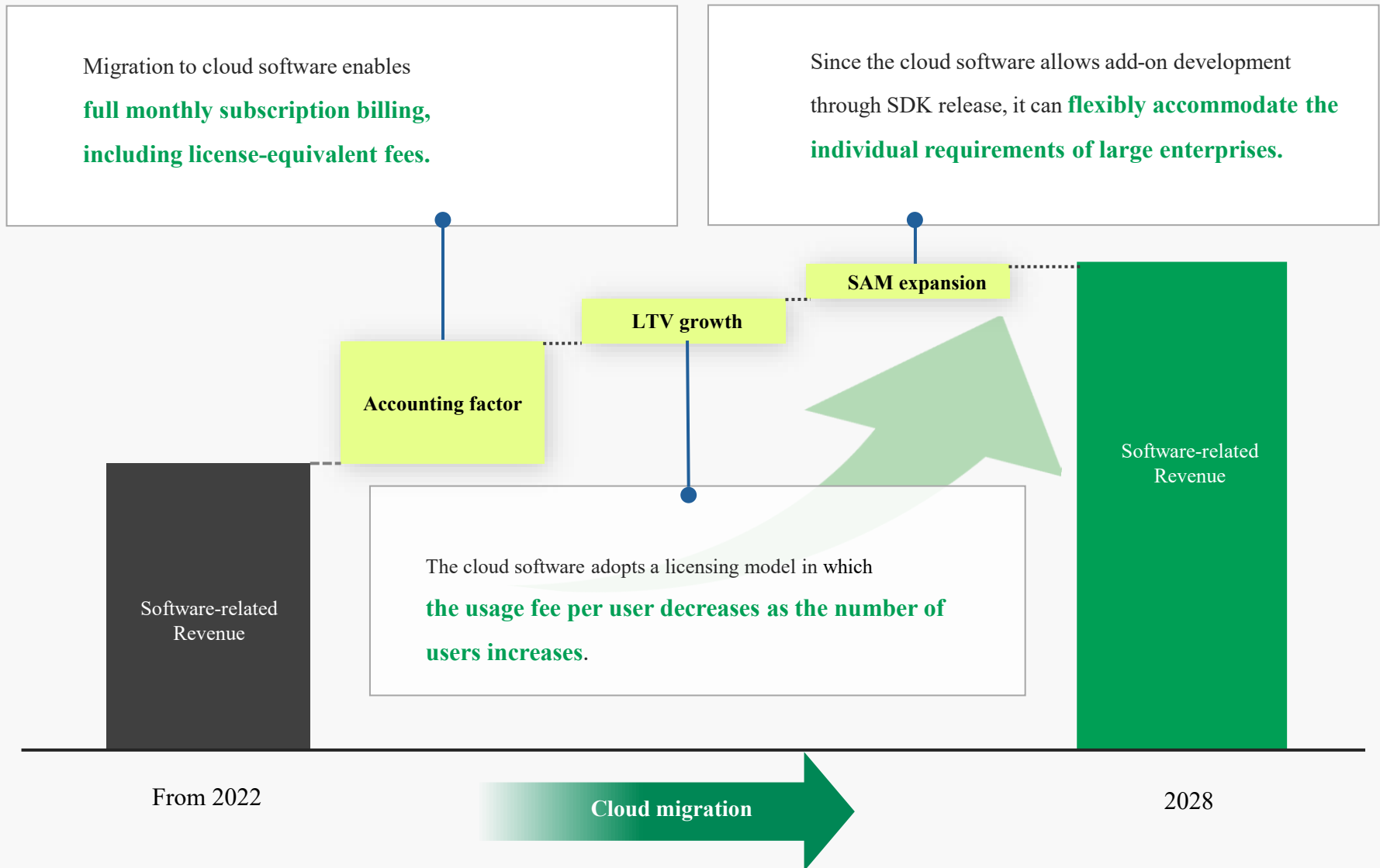
Revenues model and profit structure

Revenue Trends (2017-2028)

Revenue in 2028 is projected to reach
31.5 billion yen



Why cloud migration drives continuous revenue growth



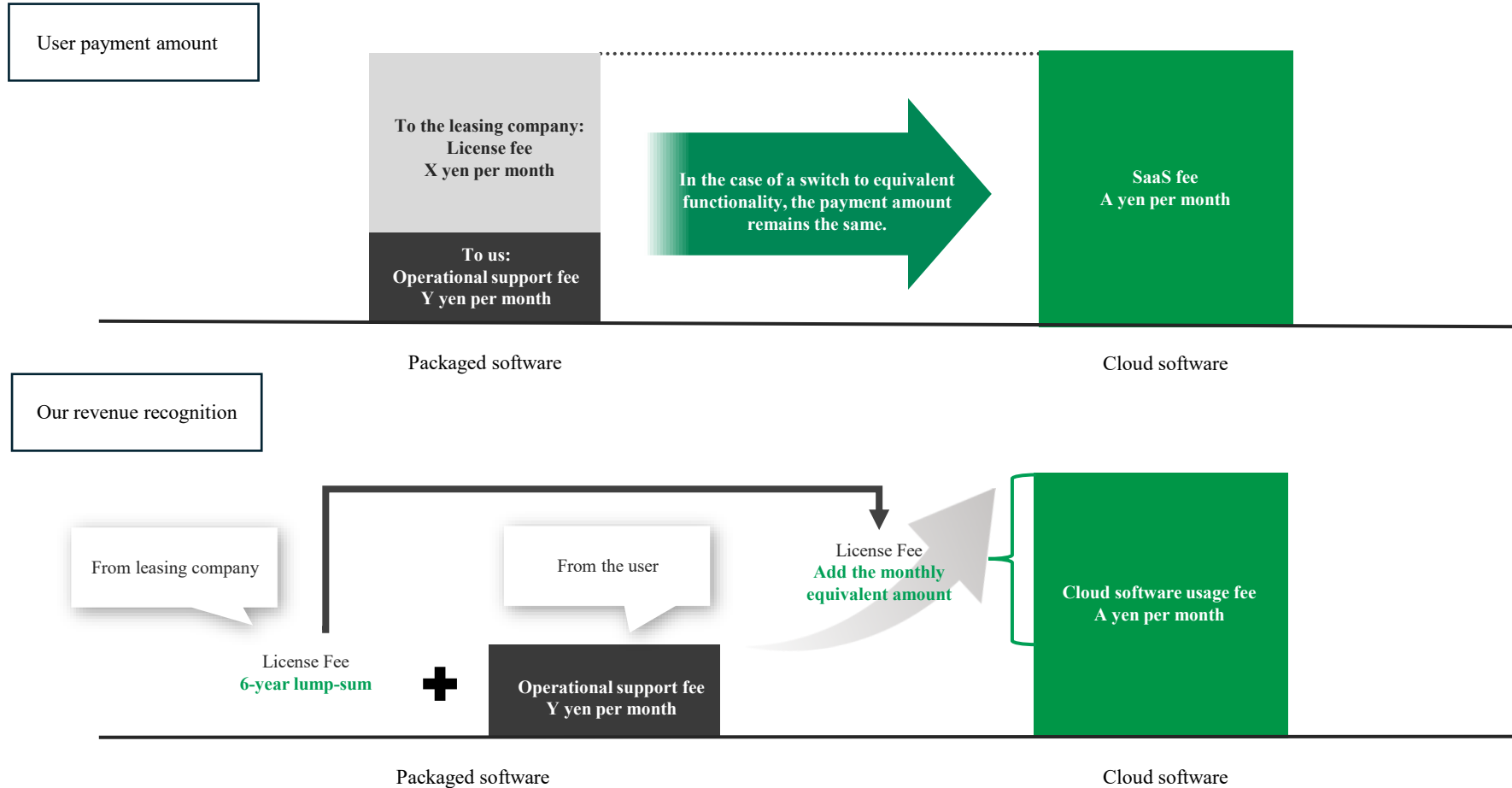
Accounting factor

The increase in software revenue is mainly due to accounting changes associated with the shift to the cloud.

Even if the user's monthly fee remains unchanged, the portion equivalent to the license fee is newly added to revenue, **resulting in a stable and predictable increase.**

Change in revenue recognition due to the shift to cloud-based software

Supplement) Major cases only

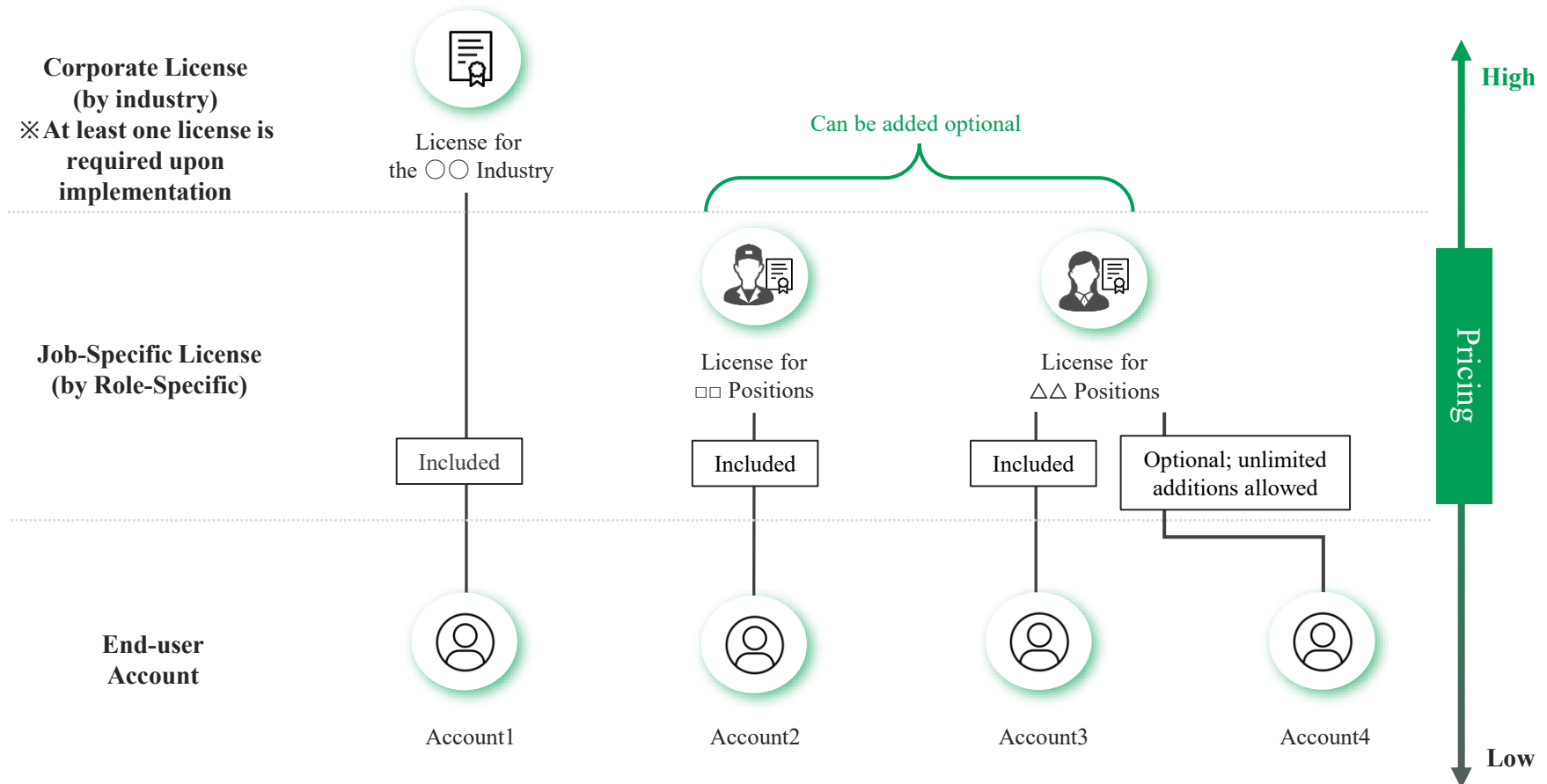


LTV Growth ① Cloud Software Licensing Structure

The cloud software adopts a licensing model where the per-user fee decreases as the number of users increases.

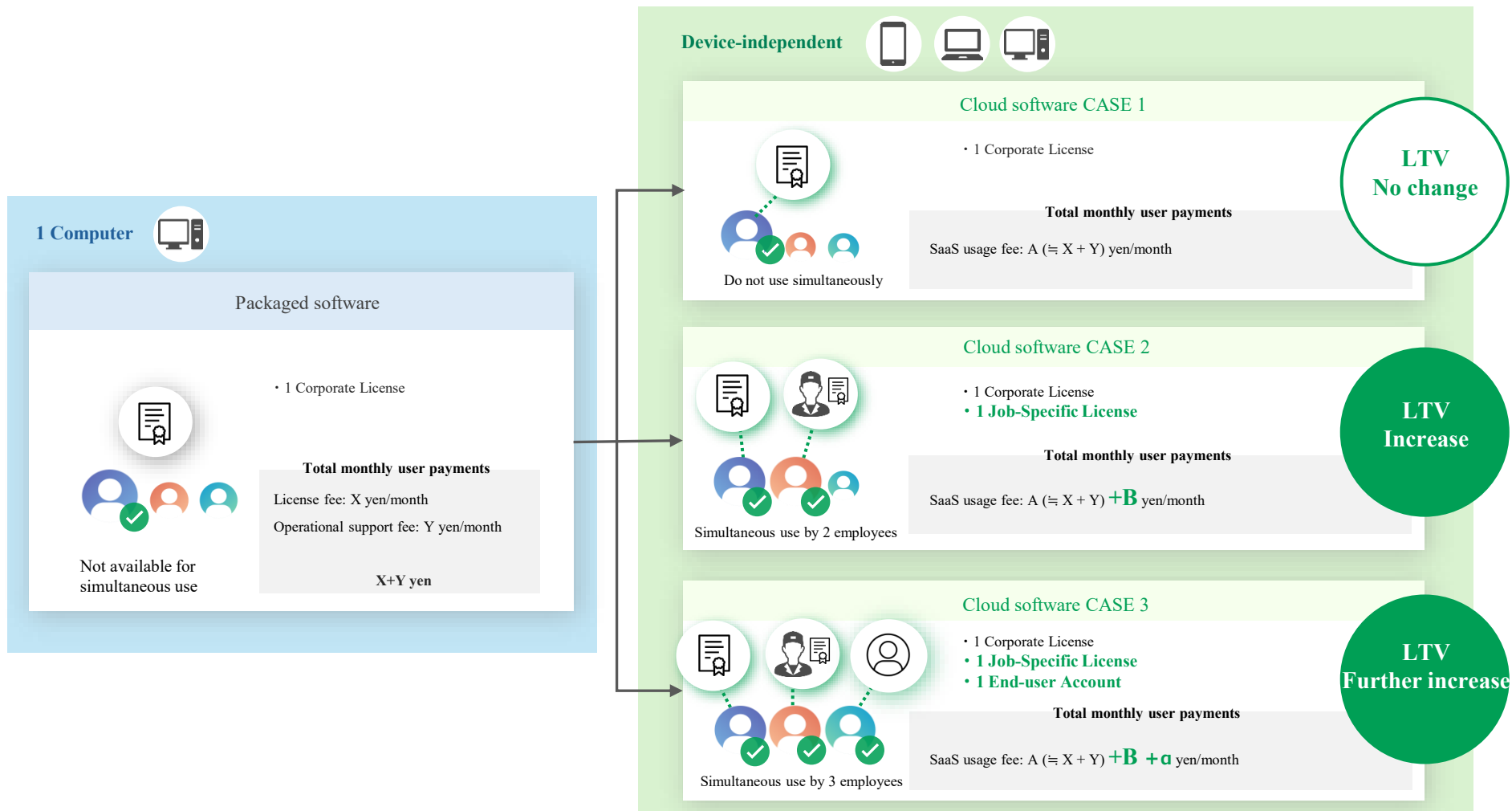
Cloud software licensing model

Note: Package software is only offered with a corporate license. When the number of users is large, the per-user fee tends to be higher.

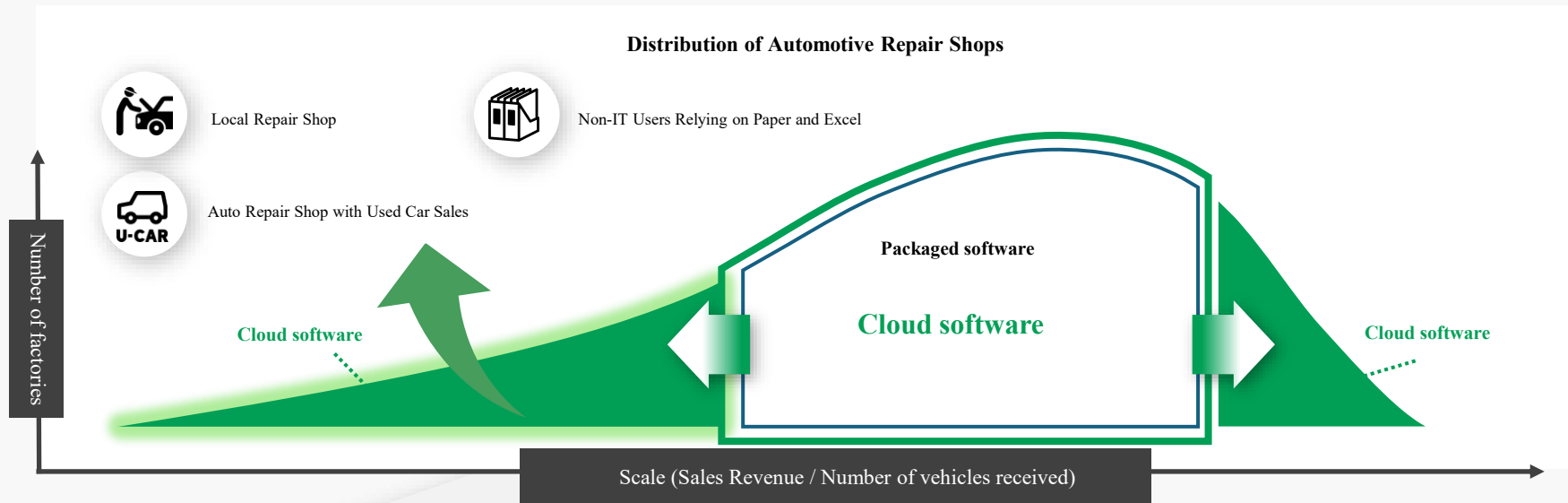


LTV Growth ② Comparison of Billing Examples Before and After Cloud Migration

Customer Side: The more concurrent users there are, **the lower the per-user fee becomes**.
Our Company: As the number of users (accounts) increases, **LTV rises**.



SAM Expansion ① Approach to Small-Scale Businesses



✓ Monthly subscription reduces upfront costs

✓ Scalable from the smallest unit

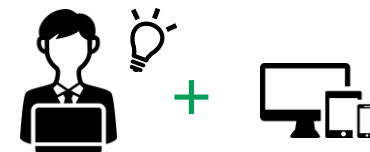
✓ Easy for anyone to use

Flexible menu structure allows for
a small-scale start

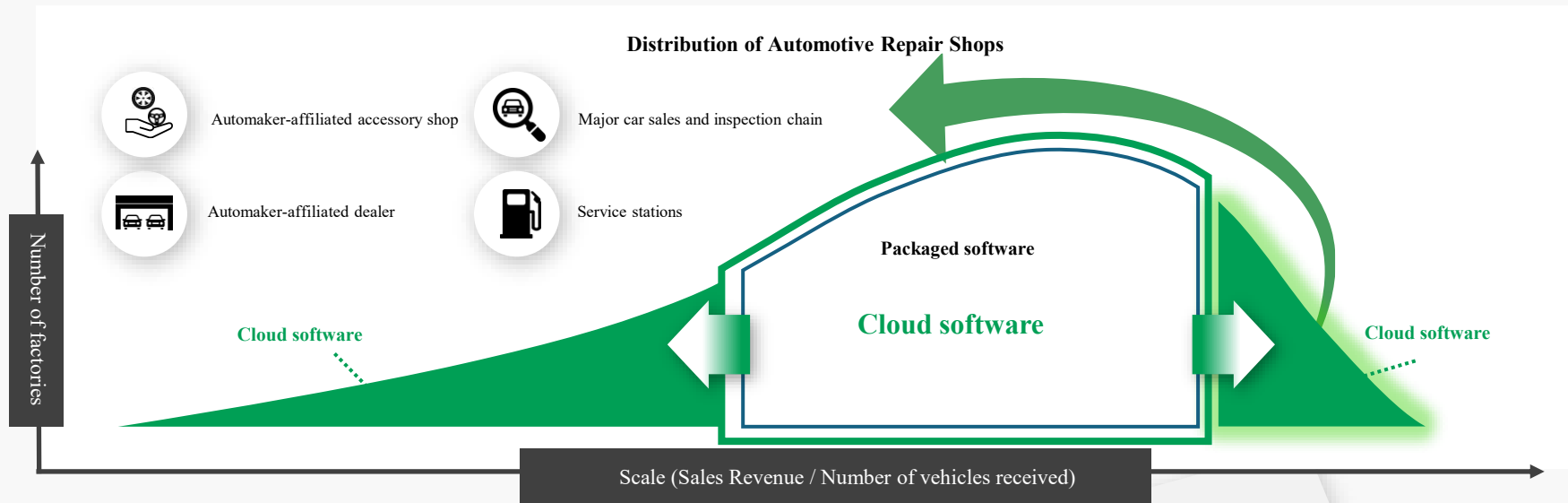


Intuitive UI

Smartphone/tablet compatible



SAM Expansion ② Approaching large-sized companies

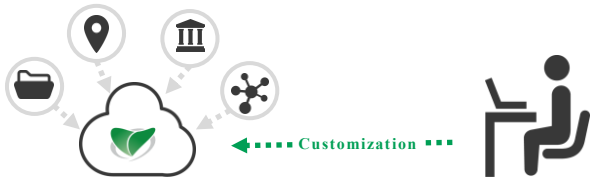


Multi-store operations with HQ control

Support for custom workflows

Integration requirements with existing systems
(e.g., ERP)

Customizable
by the development vendor



API integration with third-party systems

Real-time data and system integration



Differences in Business Support Software ① (Reference)

Item	1.Installed (Standalone)	2.Installed (Client-Server)	3.Web-Based
Sales categories name	Packaged software	Packaged software	Cloud software
IT configuration			
Internet connection	None	Required	Required
Data Delivery Method	Media (DVD)	Internet	Internet
Server environment	-	Public Cloud	Public cloud
User Cash Flow			
Basic	<ul style="list-style-type: none"> • Software licenses Monthly (to leasing company, 6 years) • Data usage fee Monthly (to us) 	<ul style="list-style-type: none"> • Software licenses Monthly (to leasing company, 6 years) • Data usage fee Monthly (to us) 	<ul style="list-style-type: none"> • SaaS usage fee Monthly (to us) Or Monthly (to leasing company, 5 years)
Temporary Measures During Transition to Cloud Software	<ul style="list-style-type: none"> • Software licenses Monthly (to us) • Data usage fee Monthly (to us) 	<ul style="list-style-type: none"> • Software licenses Monthly (to us) • Data usage fee Monthly (to us) 	-

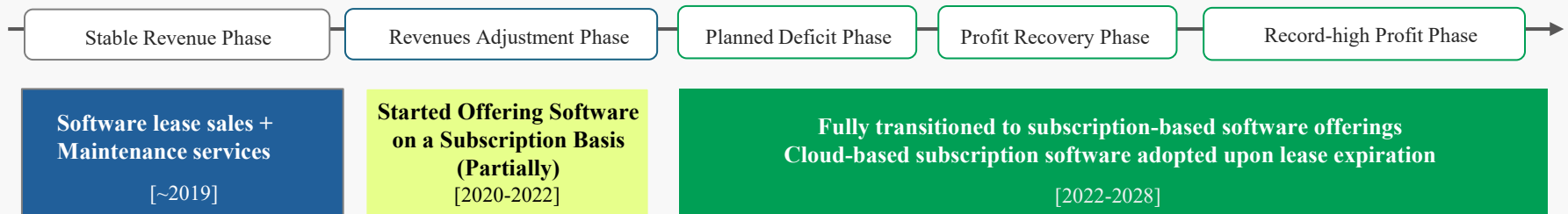
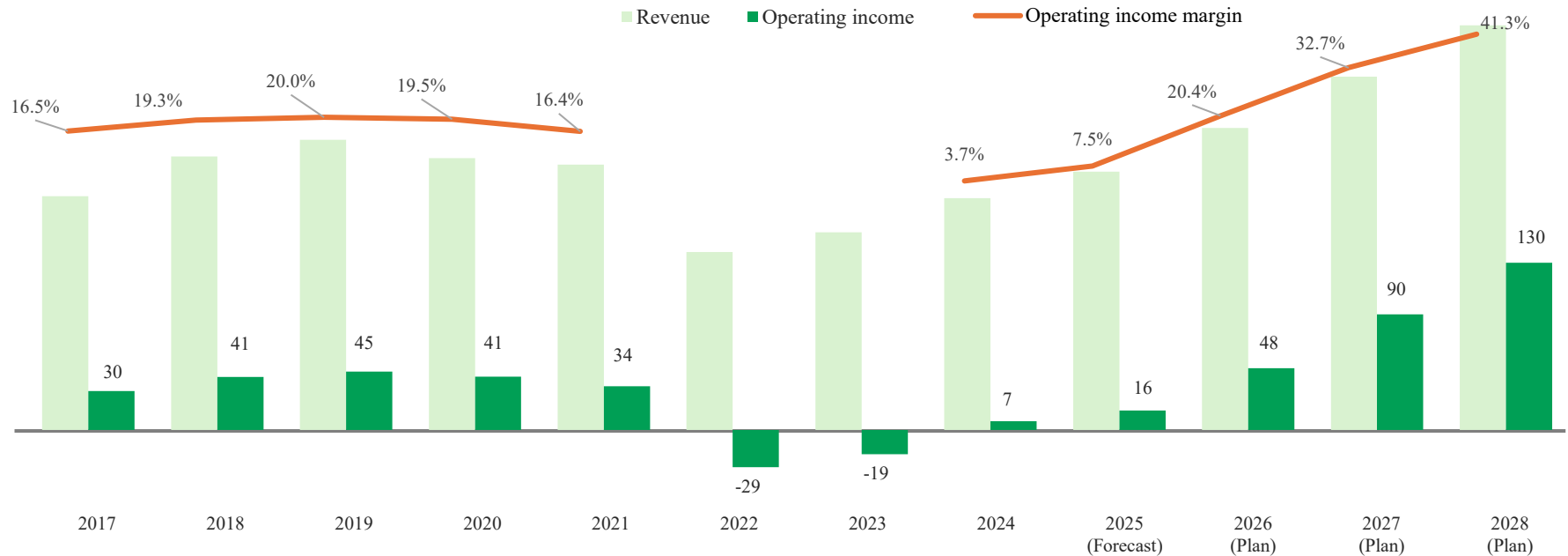
Differences in Business Support Software ② (Reference)

Item	1.Installed (Standalone)	2.Installed (Client-Server)	3.Web-Based
Sales categories name	Packaged software	Packaged software	Cloud software
Our Cash Flow			
Basis	<ul style="list-style-type: none"> • Software licenses 6-year lump-sum (from a leasing company) • Data usage fee Monthly (from users) 	<ul style="list-style-type: none"> • Software licenses 6-year lump-sum (from a leasing company) • Data usage fee Monthly (from users) 	<ul style="list-style-type: none"> • SaaS usage fee Monthly (from users) Or 5-year lump-sum (from a leasing company)
Temporary Measures During Transition to Cloud	<ul style="list-style-type: none"> • Software licenses Monthly (from users) • Data usage fee Monthly (from users) 	<ul style="list-style-type: none"> • Software licenses Monthly (from users) • Data usage fee Monthly (from users) 	—
Our Revenue Recognition			
Basis	<ul style="list-style-type: none"> • Software licenses 6-year lump-sum (from a leasing company) • Data usage fee Monthly (from users) 	<ul style="list-style-type: none"> • Software licenses 6-year lump-sum (from a leasing company) • Data usage fee Monthly (from users) 	<ul style="list-style-type: none"> • SaaS usage fee Monthly (user or Leasing company)
Temporary Measures During Transition to Cloud	<ul style="list-style-type: none"> • Software licenses Monthly (from users) • Data usage fee Monthly (from users) 	<ul style="list-style-type: none"> • Software licenses Monthly (from users) • Data usage fee Monthly (from users) 	—

Operating Income (2017-2028)

Operating income of 13 billion yen in 2028
Operating income margin 41.3%

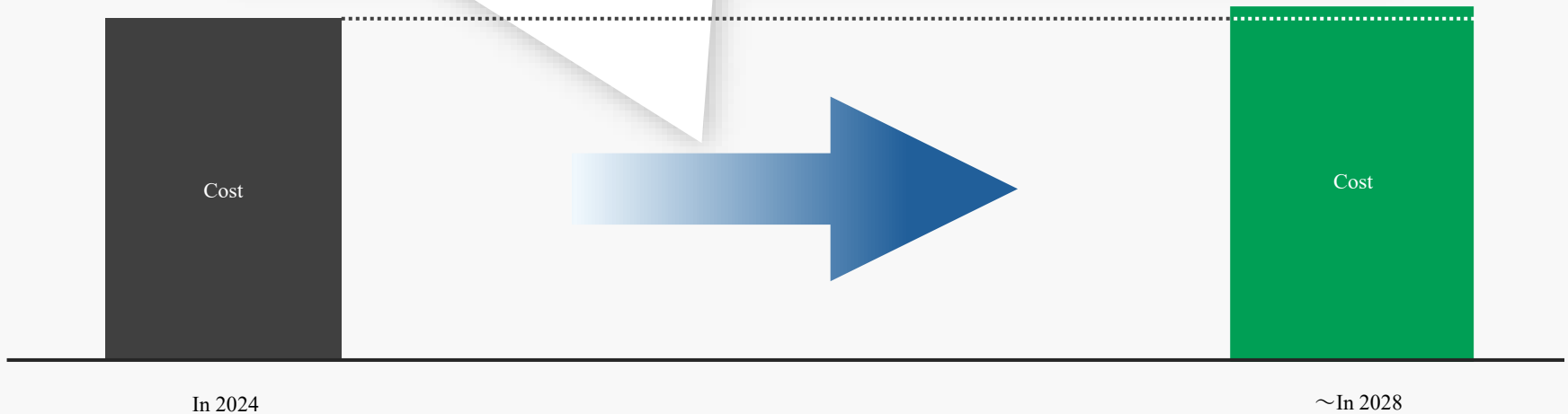
(100 million of yen)



Trends in major costs associated with progress in cloud computing

A leverage-type cost structure with a high fixed-cost ratio, where sales growth directly contributes to profit

- 1 Total Personnel Costs*: No headcount increase planned
- 2 IT Infrastructure Expenses*: Expected to remain largely flat (foreign exchange fluctuations are also a factor)
- 3 Cloud Amortization: Increasing trend due to ongoing cloud software feature enhancements
- 4 Sales & Advertising Expenses*: Strategically reduced through operational process optimization
- 5 Hardware & Supply Procurement: Expected to remain flat unless there is special demand (linked to sales)



*Until 2028, the main focus will be on migrating existing users to the cloud. Accordingly, related costs will fluctuate in line with user numbers, and significant variations are unlikely.

Breakdown of Costs in PL

100 million yen

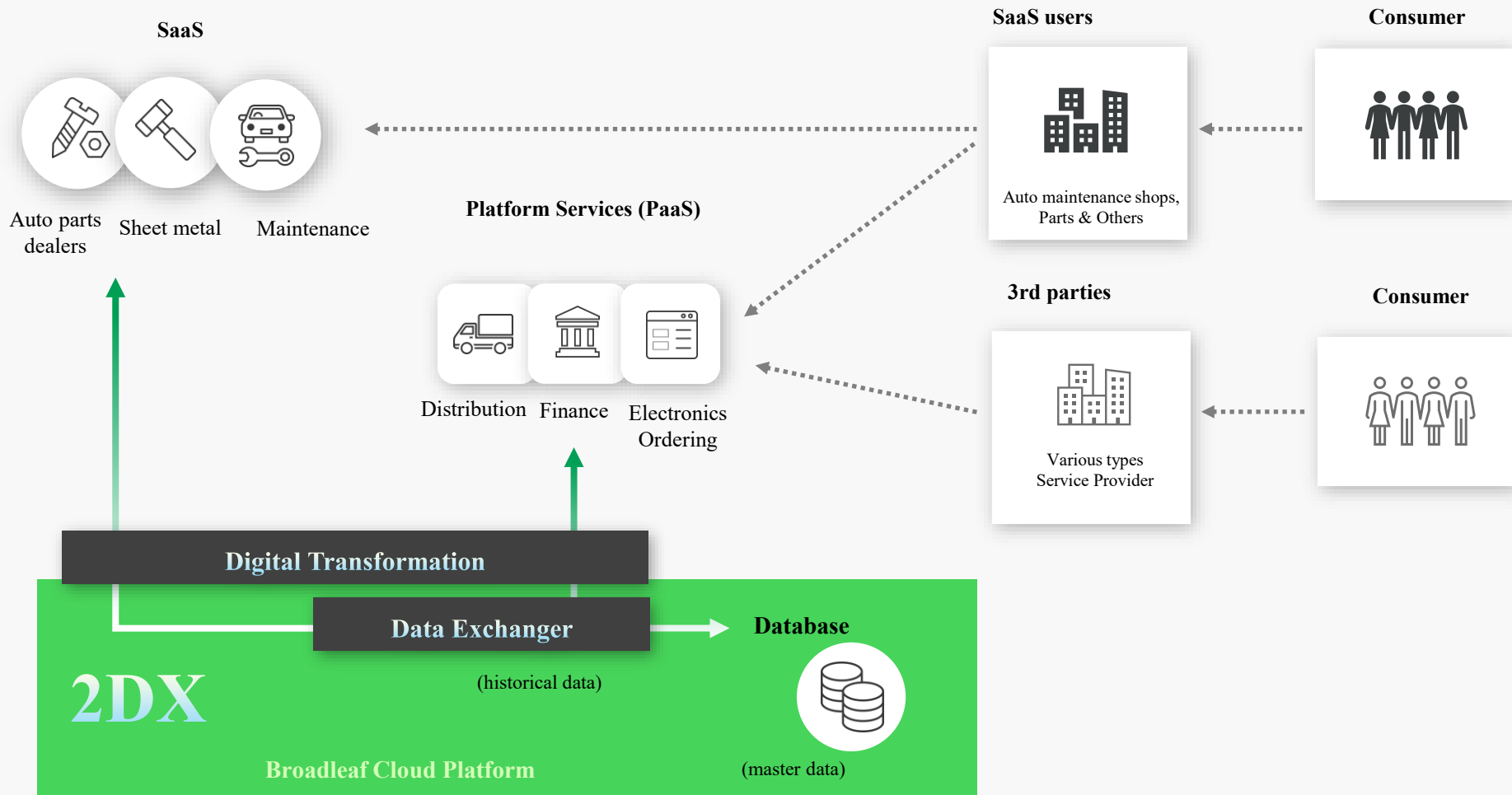
Cost Breakdown: FY2024 (Non-consolidated)

Cost of sales :		56.7
Product cost:	Manufacturing cost	8.4
	Labor costs	7.6
	Outsourcing costs	40.1
	Expenses	3.3
	Transfer to other account	-42.5
	Amortization for software	16.2
	Cost of goods ^{*1}	14.7
Cost of services:		14.1
	Labor costs	2.8
	Outsourcing costs	2.3
	Expenses	9.0
Cost of goods: ^{*2}		3.7

.....→
↓
To BS
42.1

SGA cost :		97.7
Personnel expenses:		50.6
Rental fee :		7.0
R&D expenses, etc.:		0.4
Advertising expenses		0.7
Sales commissions:		0.4
Travelling expenses :		2.1
Amortization of goodwill (J-GAAP only):		6.7
Commission and infrastructure-related fees:		13.3
Others :		15.5

Deployment of platform services



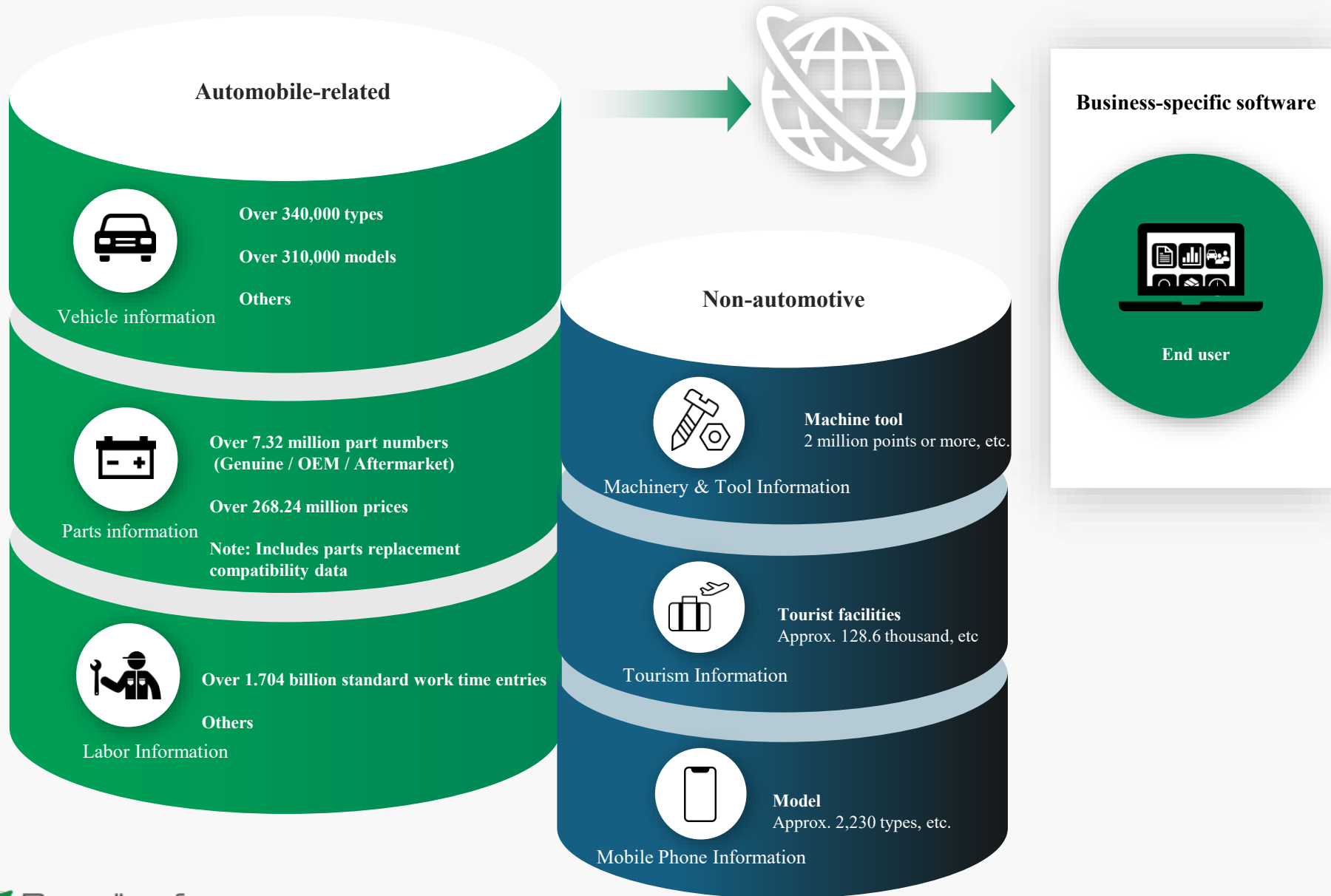
Our SaaS seamlessly integrates with third-party systems and social infrastructure systems, enabling unified management of all data transactions both within and between users. In line with this, not only data storage but also data extraction, transformation, transmission, and reception are all executed on our cloud infrastructure, the Broadleaf Cloud Platform.

Business Environment and Strengths

Compared to competitors (software for car-related companies)

	Broadleaf Group	Company D	Company P	Company E	Company S
User industry	Maintenance / Body Repair / Car Sales / Parts Dealers / Glass / Auto Electronics / Recycling	Maintenance / Body Repair / Car Sales	Maintenance / Body Repair / Car Sales	Maintenance / Body Repair / Car Sales / Parts Dealers / Glass	Maintenance / Body Repair / Car Sales
User Scale	Medium to Large (Tajima: Small to Medium)	Medium to Large	Small to Middle	Small to Middle	Small to Middle
Number of user companies	38,300 (Automobile-related)	Approx. 6,000	Approx. 1,800	Approx. 1,300	-
Net sales	18,045 million yen FY2024 (Consolidated)	2,100million yen FYE August 2022	1,547 million yen FYE March 2024	1,370 million yen FYE June 2021	168 million yen FYE March 2024
Number of sales office	26 office	30 office	6 office	15 office	9 office

Database (master data used by software)



BL code



BL code
(auto part search code)

Enter the part search code assigned to
each vehicle section



Vehicle information
(Type by category)

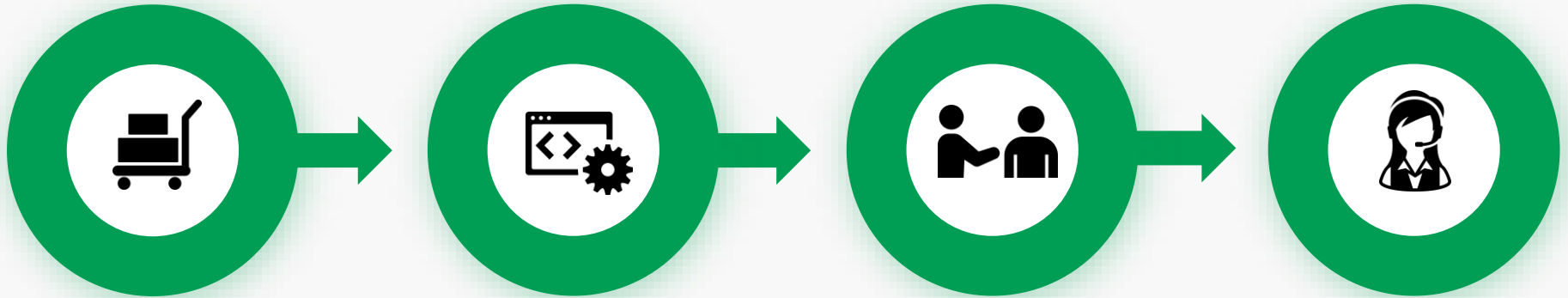
Link the replacement part to
the target vehicle information



**Identification of
Part Information**
(OEM / Aftermarket Parts)

Part numbers and prices compatible with
each vehicle are identified

Supply Chain



Procurement

- Ratio of Administrative and Planning Staff: approx. 15%
- Procurement of Management Infrastructure
- Procurement of Hardware and Supplies
- Distribution centers, etc.

Development

- Ratio of Development Employees
In-house : Outsourced Development
= 1 : 3 *
- Three Development Centers Nationwide

Sale

- Direct Sales : Distributors = 9 : 1 *
- Procurement of Management Infrastructure
- 26 Sales Offices Nationwide

Client support

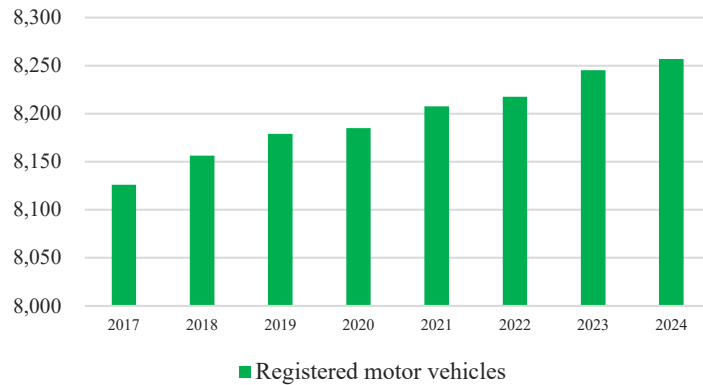
- On-site support provided from 26 locations nationwide
- Call centers located in 3 regions across Japan
- Members-only user portal

*Change depending on the fiscal year

Favorable business environment

Domestic vehicles (including minivehicles) owned

[10 Thousand units]



(Source: Japan Federation of Auto Maintenance Promotion Associations)

Gross maintenance sales

[100 million of yen]



Domestic IT servicing /SaaS

Market Size:

2024: JPY 7.0205 trillion

2029 (Forecast): JPY 9.6625 trillion

Compound Annual Growth Rate (CAGR): 6.6%

Domestic SaaS

Domestic SaaS Market Size (Japan):

2024: JPY 1.4 trillion

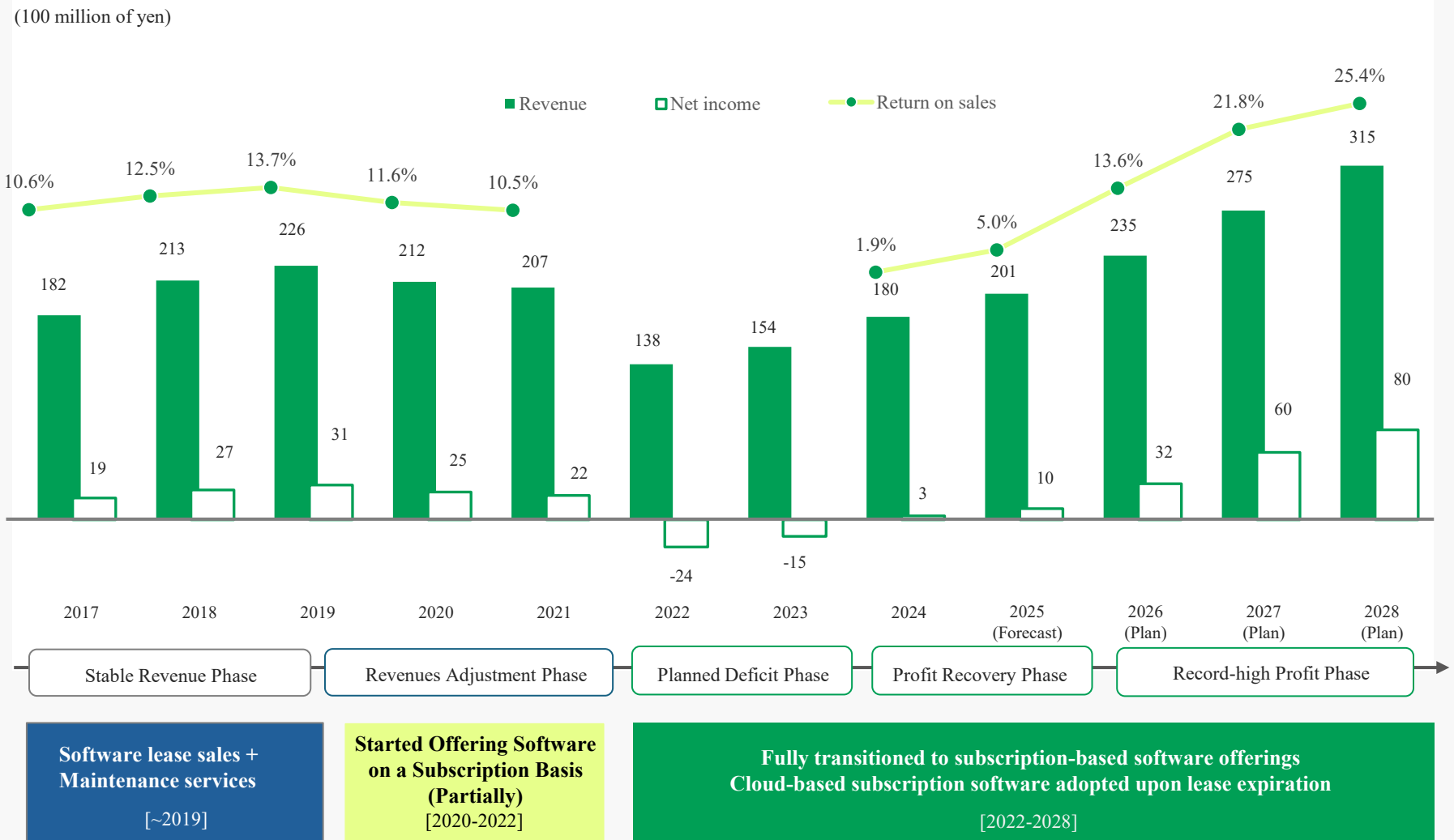
2028 (Forecast): JPY 2.0 trillion

Compound Annual Growth Rate (CAGR): 9.3%

Source: IDC Japan.

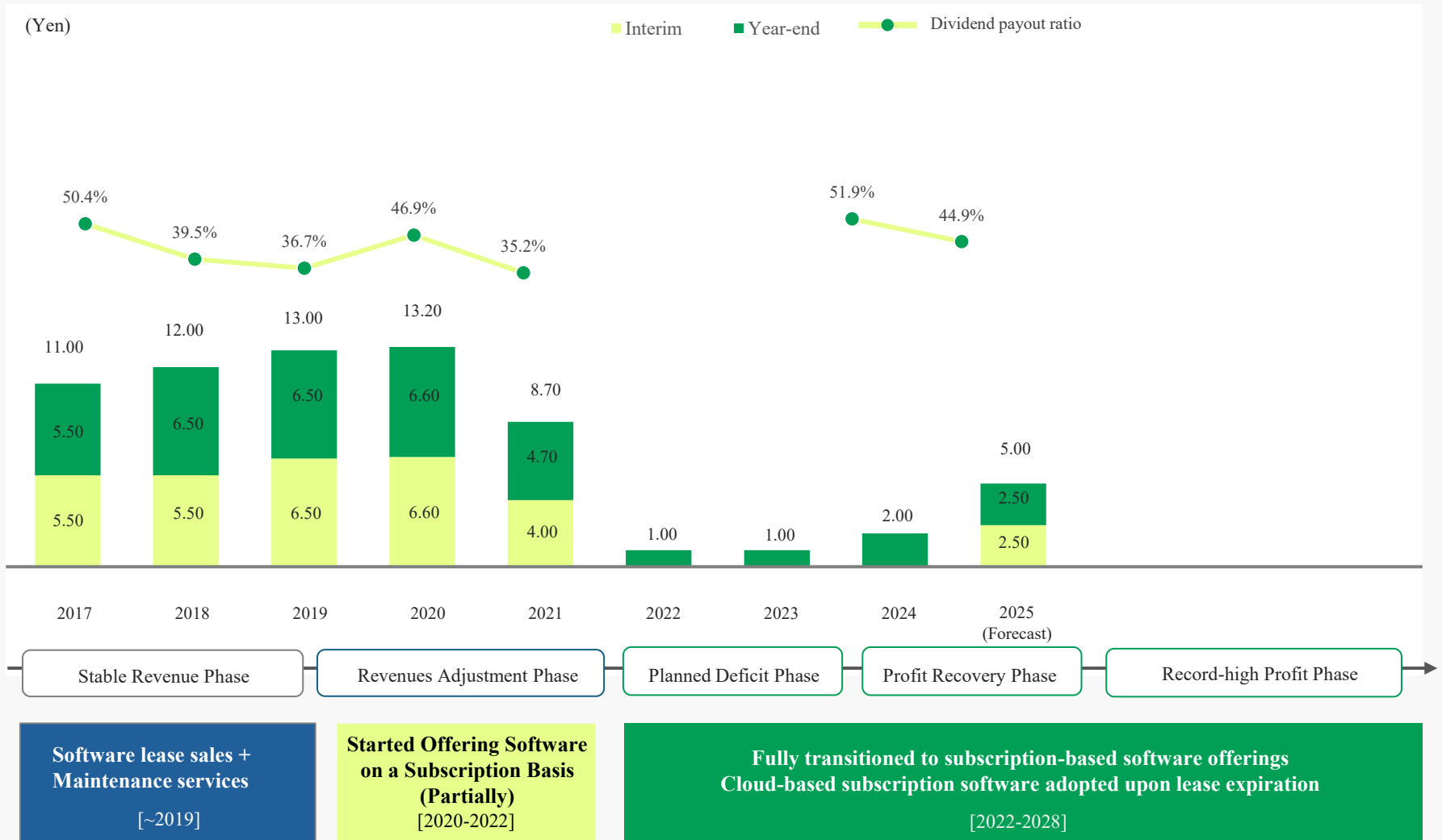
Business Performance and Shareholder Returns

Business Trends



Dividend Transition

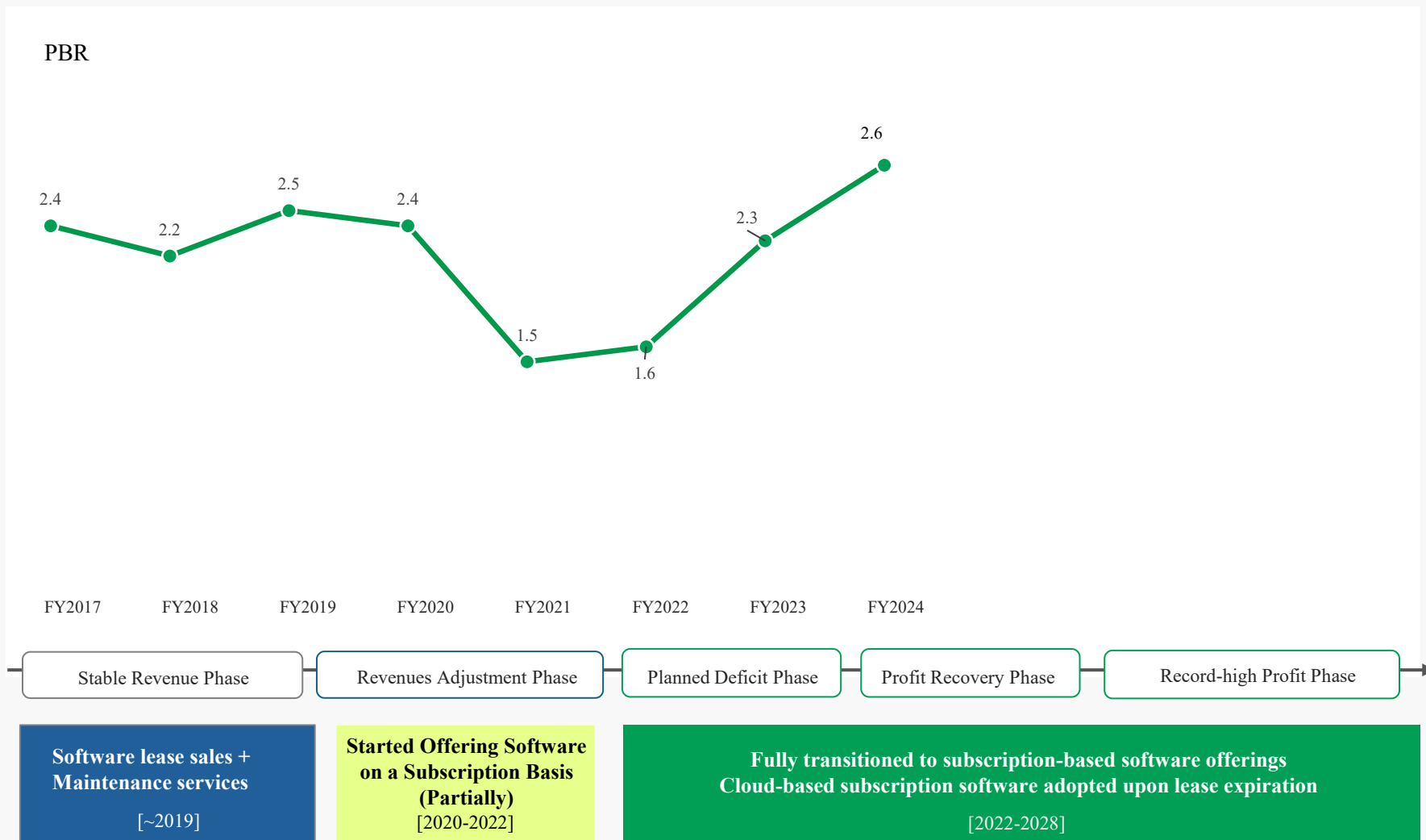
Dividend Results



*1. A two-for-one stock split was implemented with an effective date of April 1, 2018. The dividend for the fiscal year ended December 2017 reflects the post-split basis.

*2. Dividend yield is calculated based on the share price at the end of the previous fiscal year.

PBR



Stock Price Range



Supplementary Information

Corporate Information

Company Name: Broadleaf Co., Ltd.

Founded / Established: December 2005 / September 2009

Head Office: 4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo, Glass Cube Shinagawa 8F

Domestic Locations: 27 sales offices and 3 development centers across Japan

Number of Employees: 920 (Consolidated, as of end-December 2024)

Representative: Kenji Oyama, President and CEO

Securities Code: 3673 (Prime Market, Tokyo Stock Exchange)

Trading Unit: 100 shares

Share Price: JPY 705 (as of end-May)

Market Capitalization: JPY 69,035,544,000 (as of end-May)

Capital Stock: JPY 7,148 million (Consolidated)

Fiscal Year-End: December

Audit Firm: KPMG AZSA LLC

Major Subsidiaries: Tajima Inc., SALES GO Inc.

- Gratitude and Happiness -

Broadleaf is promoting businesses that prosper together with clients, valuing the spirit of "gratitude and happiness", which is indispensable for deep ties between people and companies.

When our products and services contribute to our clients' businesses, they will be happy to have a relationship with Broadleaf.

And they will be delighted to feel that their business is growing day by day.

Such a heart of our clients will also give us "gratitude and happiness" that will lead to the provision of better products, services, and value to society.

Corporate Philosophy

Based on the spirit of "gratitude and happiness," we will develop business applications specializing in a wide range of sectors and industries and contribute to the creation of our clients' businesses by providing better products and services.

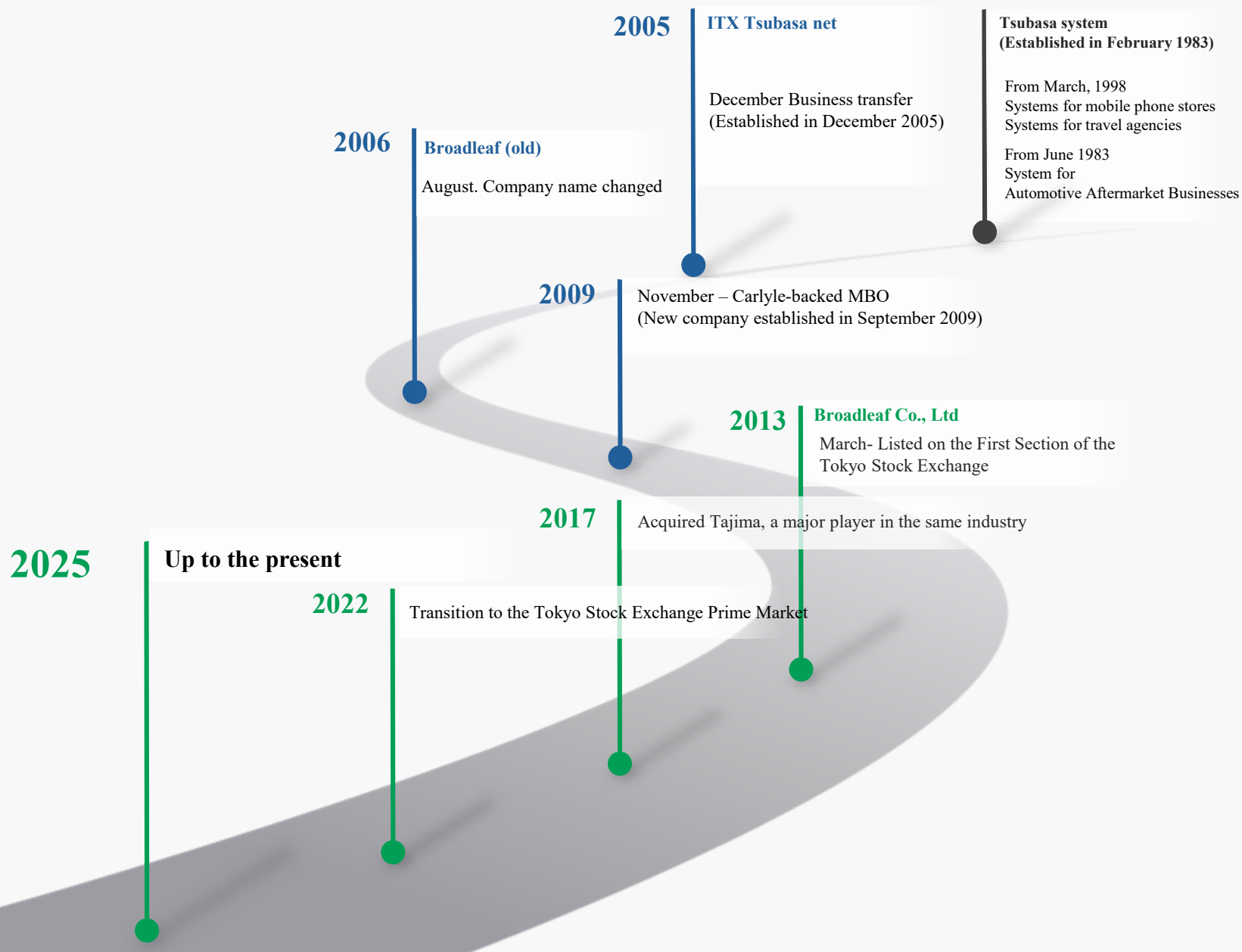
Origin of our name

Broadleaf means just what it says – a broad leaf.

Broad leaves bathe in sunlight during spring and summer so that they can grow. In winter, the leaves and fruit fall from the tree and return to the ground as nutrients. This cycle creates a broader field in which a range of different plants and animals can live together.

We chose the name Broadleaf because we wanted to put down roots as a broadleaf tree in the land of business, so that we can grow countless more leaves, produce fruit and keep on growing in the future, hand in hand with our clients and everyone else.

History



Management introduction



Representative Director and
President

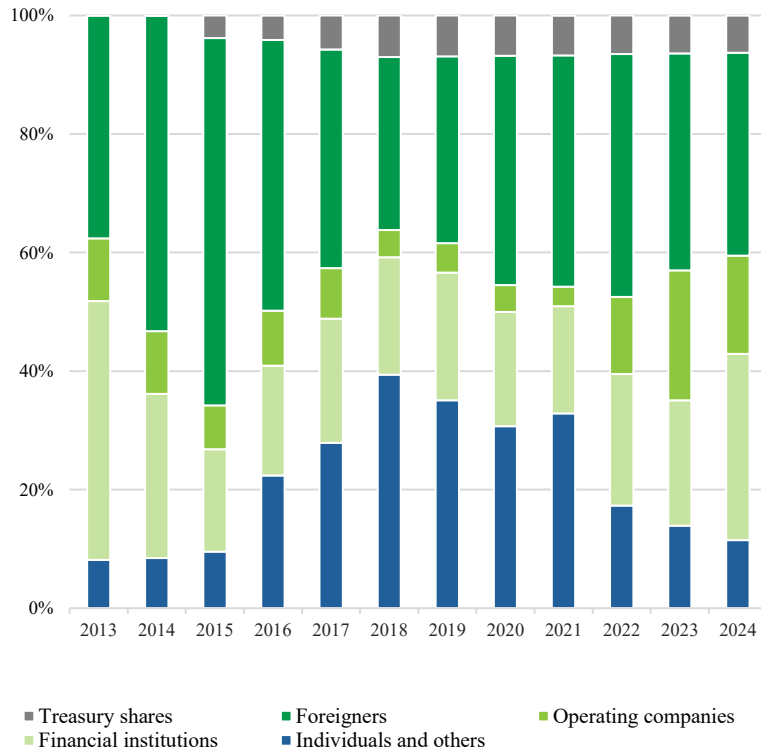
Kenji Oyama

- 1987/04 ● Joined Being Co.,Ltd.
- 1989/04 ● Director of Being Co.,Ltd.
- 1996/12 ● Being Investment Corp.
President CEO
- 1999/10 ● Being Co., Ltd listed on TSE JASDAQ Standard
- 2000/07 ● Director and Vice President of Being Co.,Ltd.
- 2005/10 ● Consultant to ITX Corporation
- 2006/01 ● Director and Executive Vice President of the Company
- 2006/06 ● Representative Director and President of the Company (present)

Trends in shareholder composition

(As of the end of December 2024)

Trends by type of shareholder



Major Shareholders

Rank	Name of Shareholder	Ownership
1	CUSTODY BANK OF JAPAN, LTD. (TRUST ACCOUNT)	16.24%
2	THE MASTER TRUST BANK OF JAPAN ,LTD. (TRUST ACCOUNT)	11.18%
3	UH PARTNERS 3, INC.	7.58%
4	NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS	7.33%
5	SIL, INC	5.69%
6	NORTHERN TRUST CO.(AVFC) RE USL NON-TREATY CLIENTS ACCOUNT	5.49%
7	STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	3.88%
8	THE BANK OF NEW YORK MELLON 140051	2.90%
9	CUSTODY BANK OF JAPAN, LTD. (TRUST ACCOUNT E)	2.75%
10	GOVERNMENT OF NORWAY	2.72%