

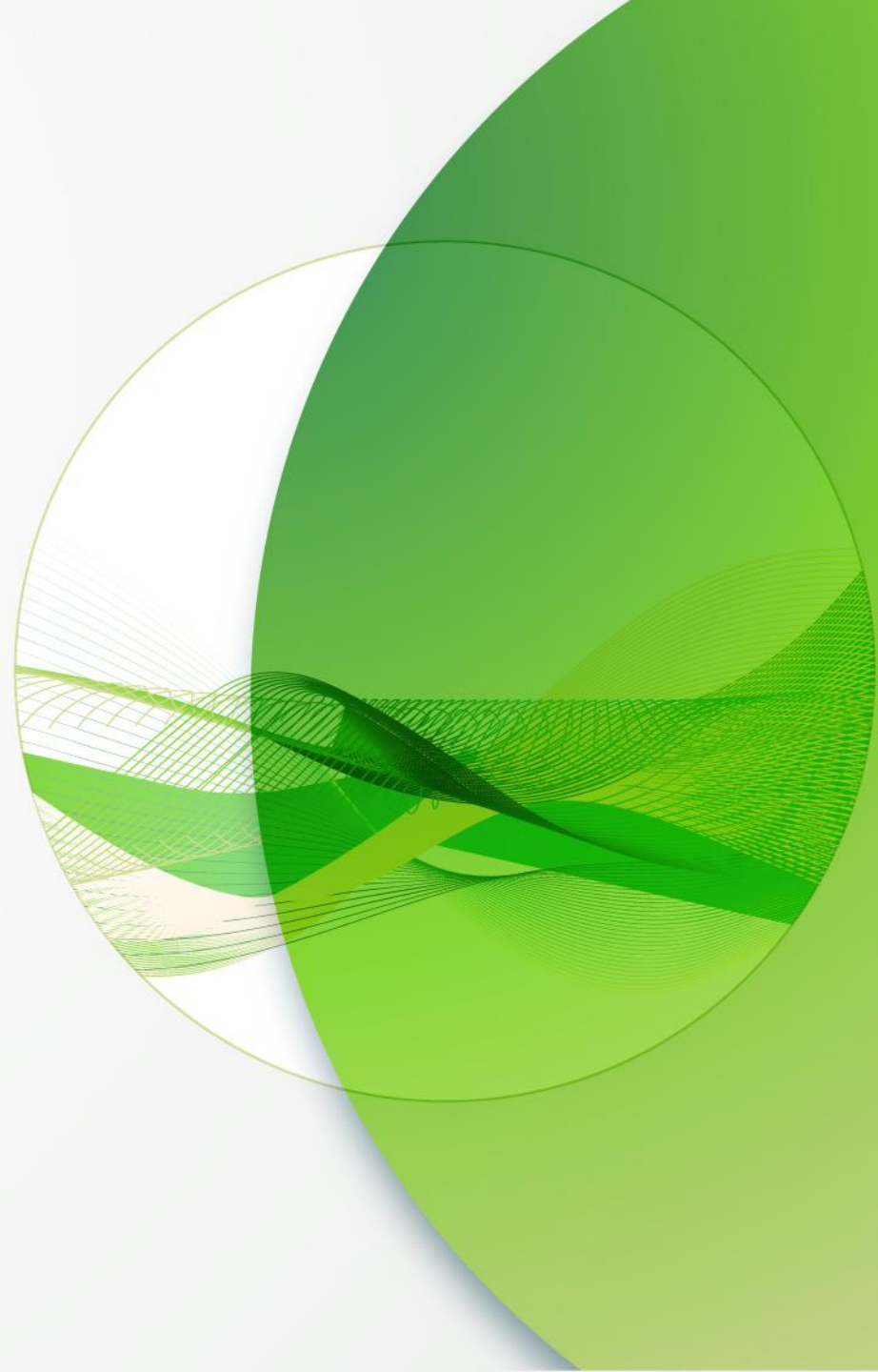


1Q FY12/2020

(from January 1, 2020 to March 31, 2020)

Business Results Briefing

May 13, 2020



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* Financial figures indicated in this material are from consolidated accounting to which International Financial Reporting Standards (IFRS) are applied. The indicated figures are rounded off.

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Revenue and profit increased despite the spread of COVID-19 which affected sales activities during March.

(¥ million)	FY2020 1Q	FY2019 1Q	YoY change	YoY(ratio)
Revenue	5,279	4,925	+354	+7.2%
Operating profit	610	420	+190	+45.3%
Profit before tax	627	423	+203	+48.0%
Profit attributable to owners of parent	413	274	+139	+50.9%
Basic earnings per share	¥4.72	¥3.13	-	-

Sales of Platforms increased due to rise in the number of customers, sales of Applications also increased due to strong equipment sales.

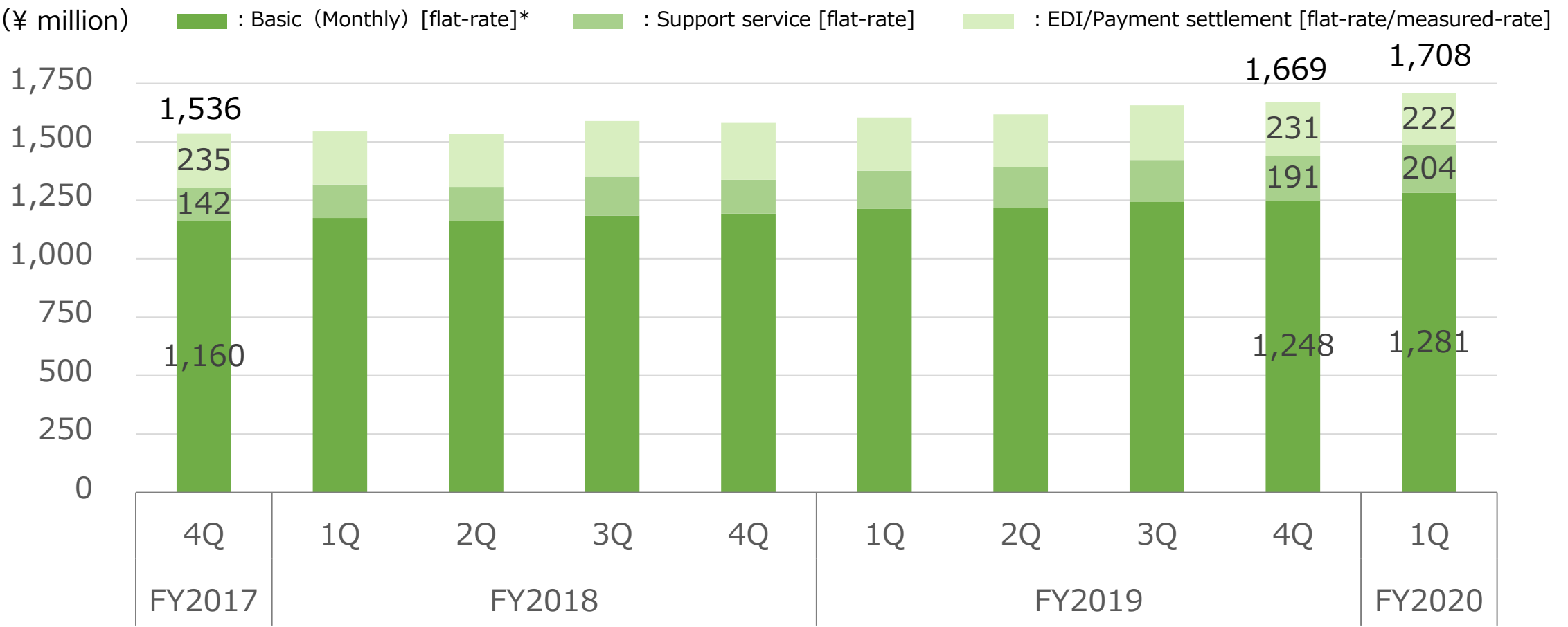
(¥ million)	FY2020 1Q	FY2019 1Q	YoY change	YoY(ratio)
Platforms	2,409	2,303	+106	+4.6%
Basic	1,770	1,707	+62	+3.7%
EDI/Payment settlement	222	228	-6	-2.8%
Support	380	336	+44	+13.1%
Others	37	31	+6	+18.5%
Applications	2,870	2,622	+248	+9.5%
By industry	2,083	2,149	-66	-3.1%
OTRS	90	121	-31	-25.5%
Others	697	352	+345	+98.0%
Total	5,279	4,925	+354	+7.2%

Monthly sales increased due to rise in the number of customers and support service contract ratio, PSF struggled due to market factors.

(¥ million)		FY2020 1Q	FY2019 1Q	YoY change	YoY(ratio)
Basic		1,770	1,707	+62	+3.7%
PaaS/SaaS		1,215	1,195	+20	+1.7%
	lump-sum	489	495	-6	-1.2%
	monthly	727	700	+26	+3.7%
IaaS	monthly	555	512	+42	+8.2%
EDI / Payment settlement		222	228	-6	-2.8%
PSF *	monthly	138	151	-13	-8.3%
BLP/CPT *	monthly	84	78	+6	+8.0%
Support		380	336	+44	+13.1%
Support service	monthly	204	163	+41	+25.0%
Provision of consumables	lump-sum	176	172	+3	+1.8%
Others	-	37	31	+6	+18.5%
Total platform sales		2,409	2,303	+106	+4.6%

Quarterly transition of Monthly Sales

Sales of Platforms Basic and Support service increased due to rise in the number of customers and strengthening of measures for improving added value and monthly support service contract ratio, sales of EDI / Payment settlement remained flat due to market factors.



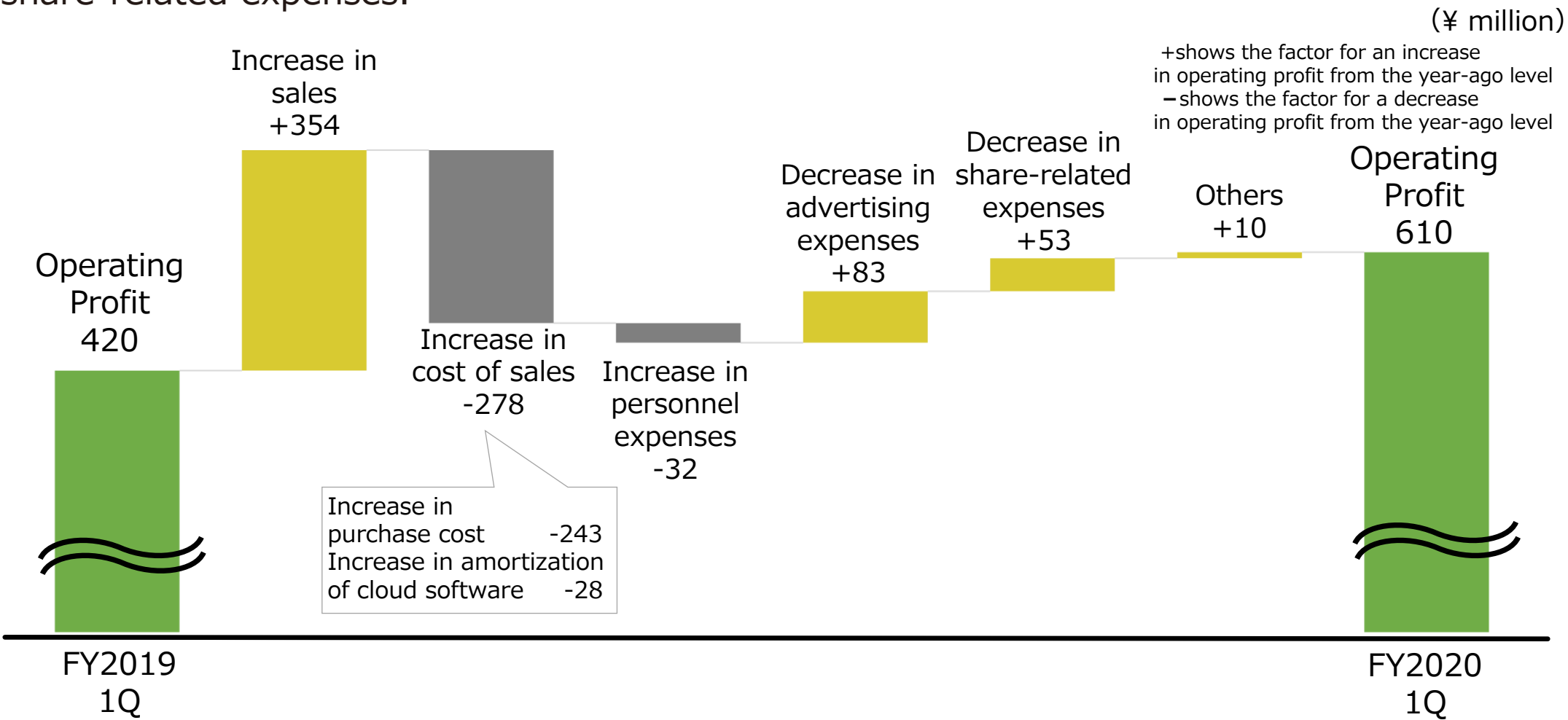
*sum of PaaS/SaaS (monthly) and IaaS

Successful acquisition of new customers continued in the automotive sector, sales of Others increased drastically due to strong equipment sales, Non-automotive sector and OTRS struggled due to decrease in the number of deals and spread of COVID-19.

(¥ million)	FY2020 1Q	FY2019 1Q	YoY change	YoY(ratio)
By industry	2,083	2,149	-66	-3.1%
Automotive	1,810	1,787	+23	+1.3%
Non-automotive	273	362	-89	-24.6%
OTRS	90	121	-31	-25.5%
Others	697	352	+345	+98.0%
Total application sales	2,870	2,622	+248	+9.5%

Breakdown of Operating Profit

Purchase cost increased due to favorable sales of equipment, selling, general and administrative expenses decreased due to deduction of advertising expenses and share-related expenses.



Intangible assets increased due to investments in cloud software development, borrowed ¥1.7 billion from a bank, as planned from the beginning of the period.

(¥ million)	FY2020 End of 1Q	End of FY2019	Change	Main factors for increase/decrease
Current assets	7,896	7,987	-91	Increase in cash and deposits +260 Decrease in operating and other receivables -322
Non-current assets	23,827	23,702	+125	Increase in intangible assets +372
Total assets	31,722	31,689	+34	
Current liabilities	7,382	7,100	+282	Increase in short-term interest-bearing debt +1,659
Non-current liabilities	1,350	1,369	-19	Decrease in long-term interest-bearing debt -27
Total liabilities	8,732	8,469	+263	
Total shareholders' equity	22,990	23,220	-229	Recognition of profit +413 Dividend payout -568
Total liabilities and shareholders' equity	31,722	31,689	+34	

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It will take time to proceed to the closing phase of deals, because operating activities have been restricted since late March.

Item	Impact	Conditions
Presence/absence of infection	No infected person	None of the Company's employees and their families have been infected. No one has been infected in the buildings where the head office, branches and sales offices are located.
Overall operations	Unaffected	On April 8, seven business locations in Japan shifted to a system under which employees work from home. On April 17, that system was expanded to 12 business locations in Japan, and teleworking was recommended at the remaining 17 business locations. Institutional support for employees' livelihood, including enhancement of the internal financing system.
Customers' conditions	Partially reduced	Most customer companies continue operating (excluding bus operators and some other customers). Demand for automotive maintenance will concentrate in June and later months due to the special measure on automobile inspection.
Demand	Limited reduction	The Company will basically continue to experience demand, because it provides mission-critical systems, which are essential for business continuity. There was an increase in the number of users of online services (such as the e-commerce site for consumables and SMS service).
Sales activities	Mostly online	Salespersons and the contact center are continuing sales activities mainly by telephone and e-mail. Restrictions on outings were tightened in late March. This has made it difficult to carry out face-to-face sales activities. Closing a deal tends to take time. There are cases in which a salesperson visits a customer company upon approval from the company.
Procurement	Mostly unaffected	Most equipment, such as computers for sale, and office supplies are procured as usual, although there are delays in the arrival of some models of equipment.
Development	Unaffected	While there are delays at some contractors, they are within a range that permits recovery. Release of the new product (cloud software) is expected to be carried out as planned.
Financial activities	Unaffected	The Company borrowed 1,700 million yen from a bank in 1Q (as planned in the beginning of the fiscal year). Increase of debt collecting risks is not expected at present, because most customer companies are continuing operations.

Impact on Consolidated Financial Results

*As of May 12.

Applies if the state of emergency is lifted on May 31.

Impact of COVID-19

While reduction of demand is limited, there tends to be a delay in transition to the closing phase of a deal. While partial reduction of advertising expenses and reduction of spending associated with restrictions on activities are expected, additional costs, including costs needed for teleworking, were generated.

■ Impact on the top line

Item	Comments
Delays in monetary terms in 1Q	There were delays in the transition to the closing phase of deals, whose business scale is around 400 million yen. Most became visible in March.
Delays in monetary terms that are expected in 2Q	Under the state of emergency (April and May), impacts that are similar to the ones generated in March are likely. At present, it is difficult to forecast how far losses from these impacts can be compensated for in June alone.
Delays in monetary terms that are expected in the second half	There is a risk that deals carried over from the first half could cause further delays in expected deals in the second half.

■ Impact on costs

Item	Comments
Reduction in expenses in 1Q (including operating expenses)	The 58 million yen (reduction in advertising expenses) contributed to an increase in profit due to the cancellation of a large-scale trade show (IAAE).
Additional costs in 1Q (including expenses for addressing COVID-19)	None
Recording of costs delayed from 1Q to 2Q	35 million yen in overall SG&A expenses
Increase/decrease of costs in 2Q and thereafter	Forecasts on additional costs (including expenses for addressing COVID-19) and a reduction in spending (including expenses for activities) in 2Q and thereafter are being created.

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No change to results forecasts (announced on February 14, 2020) due to the uncertainty of the impact of COVID-19 at this point, prompt disclosure will be conducted when any change occurs.

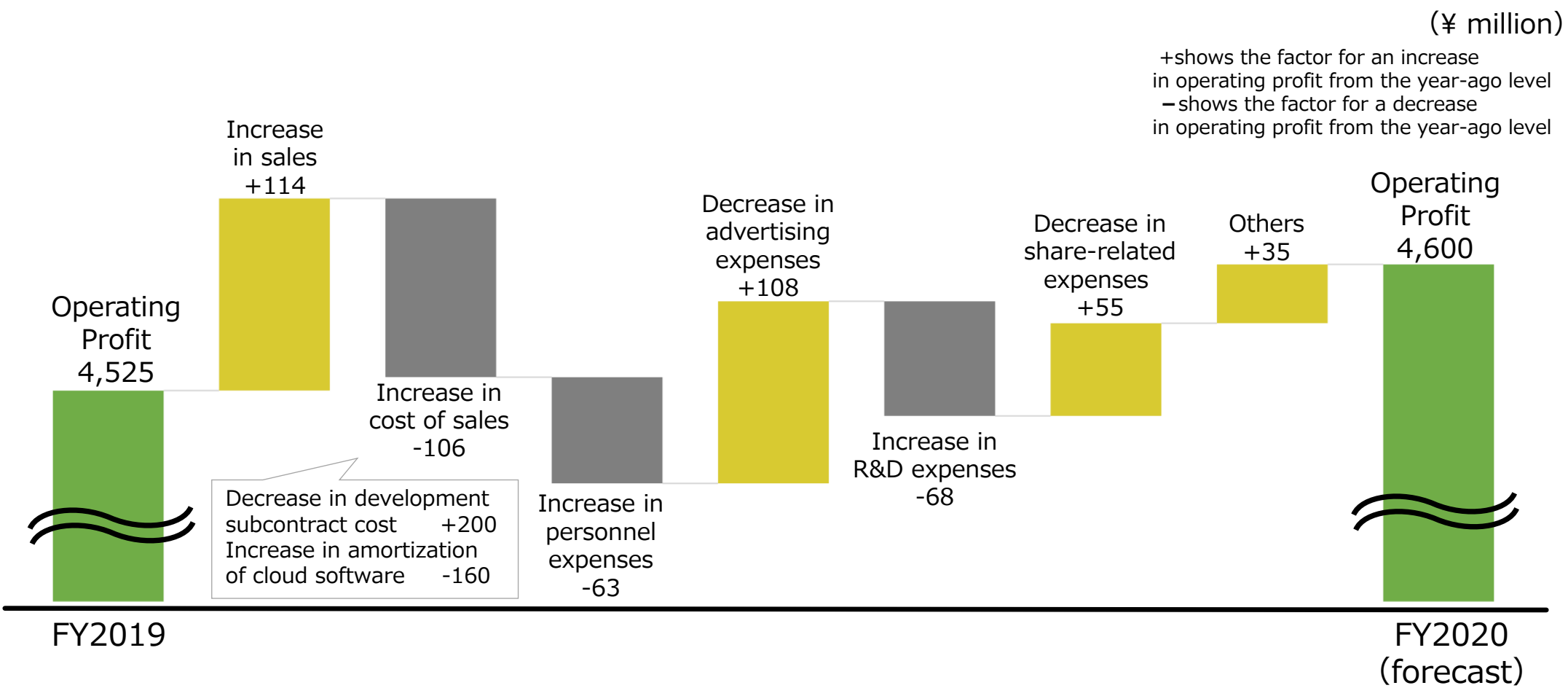
(¥ million)	FY2020 Full-year forecasts	FY2019 Full-year	YoY change	YoY (ratio)	FY2020 1H forecasts	FY2019 1H	YoY change	YoY (ratio)
Revenue	22,700	22,586	+114	+0.5%	11,200	11,072	+128	+1.2%
Operating profit	4,600	4,525	+75	+1.7%	2,000	2,080	-80	-3.8%
Profit before tax	4,600	4,486	+114	+2.6%	2,000	2,075	-75	-3.6%
Profit attributable to owners of parent	3,100	3,093	+7	+0.2%	1,300	1,361	-61	-4.5%
Basic earnings per share	¥35.46	¥35.40	-	-	¥14.87	¥15.59	-	-

No change to sales forecasts by revenue categories (announced on February 14, 2020)

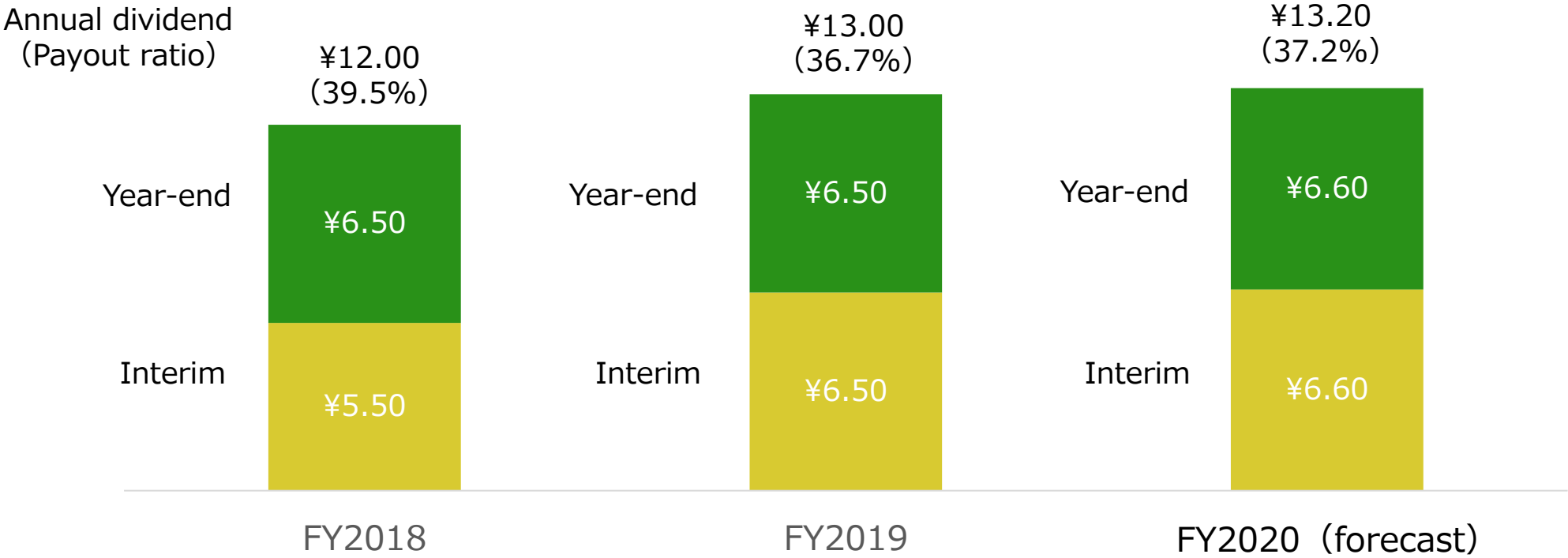
(¥ million)	FY2020 Full-year forecasts	FY2019 Full-year	YoY change	YoY (ratio)	FY2020 1H forecasts	FY2019 1H	YoY change	YoY (ratio)
Platforms	10,500	10,192	+308	+3.0%	5,150	4,948	+202	+4.1%
Basic	7,850	7,654	+196	+2.6%	3,850	3,717	+133	+3.6%
EDI/Payment settlement	950	920	+30	+3.3%	450	455	-5	-1.0%
Support	1,500	1,478	+22	+1.5%	750	706	+44	+6.2%
Others	200	140	+60	+42.6%	100	70	+30	+42.5%
Applications	12,200	12,394	-194	-1.6%	6,050	6,123	-73	-1.2%
By industry	10,000	10,448	-448	-4.3%	4,850	5,173	-323	-6.2%
OTRS	350	338	+12	+3.6%	150	208	-58	-27.7%
Others	1,850	1,608	+242	+15.1%	1,050	743	+307	+41.4%
Total	22,700	22,586	+114	+0.5%	11,200	11,072	+128	+1.2%

Breakdown of Operating Profit (Full-year)

Operating profit is expected to increase by improving business efficiency which will offset higher expenses.



No change to dividend forecasts (announced on February 14, 2020)



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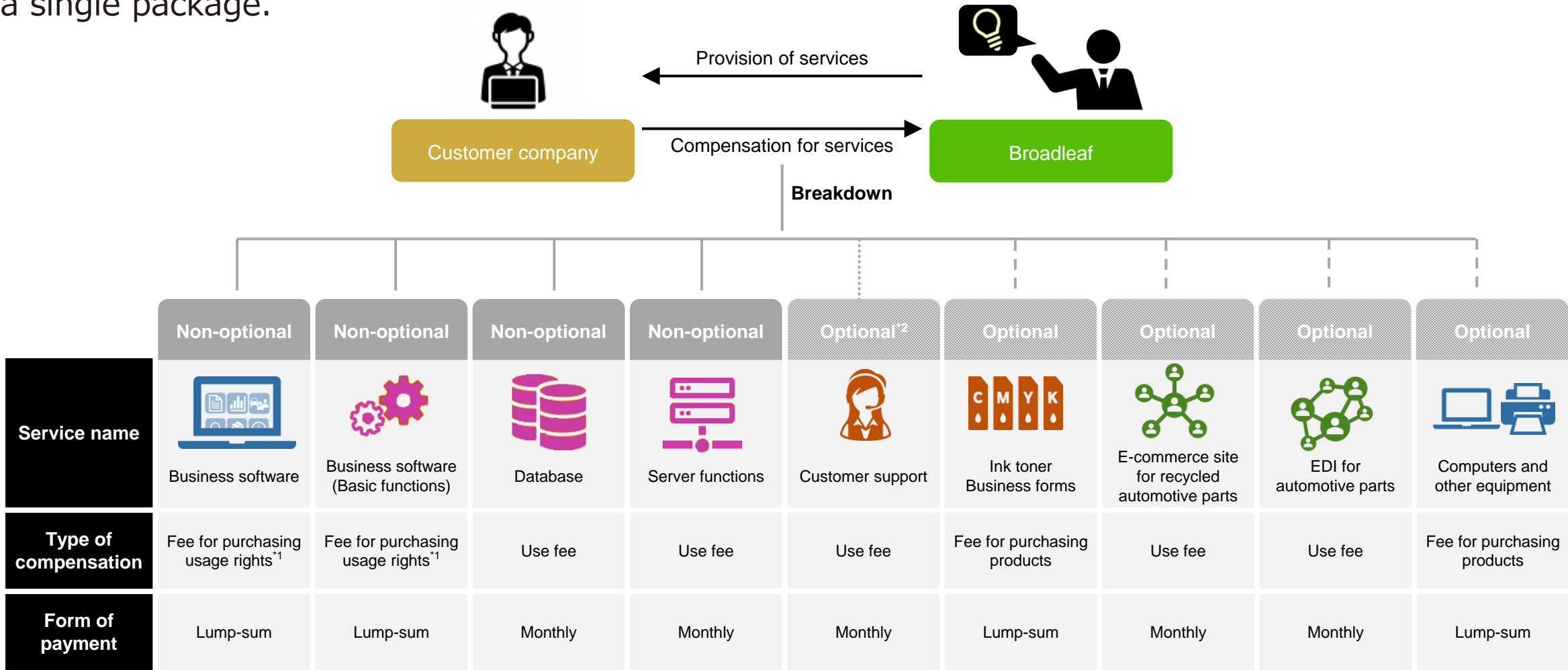
Appendix Corporate Profile, Revenue Categories

Corporate Name	Broadleaf Co., Ltd.
Representative	Kenji Oyama, Representative Director, President and CEO
Listed on	Listed on the First Section of the Tokyo Stock Exchange on March 22, 2013 (3673)
Founded/Established	December 2005/September 2009
Capital Stock	JPY 7,148 million (consolidated)
Business Outline	<p>The Company offers a wide range of IT services, including its independently developed business software.</p> <p>In addition to providing business software that serves as core business systems, mainly for business operators belonging to the automotive aftermarket industry, the Company provides diverse, unique one-stop services, including a network for the electronic trading of automotive parts and big data analysis.</p> <p>In addition, looking ahead to the evolution of the mobility society going forward, it has been conducting surveys and research for the commercialization of advanced technologies.</p>
Head Office Address	Floor 8, Glass Cube Shinagawa, 4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo
Sales Offices	29 offices in Japan
Development Centers	3 centers in Japan (Sapporo, Tokyo and Fukuoka)

Revenue Categories (1)

Types of Service

For a customer company, the Company provides multiple services, including business software, as a single package.



^{*1} Usage rights valid for a maximum of 6 years

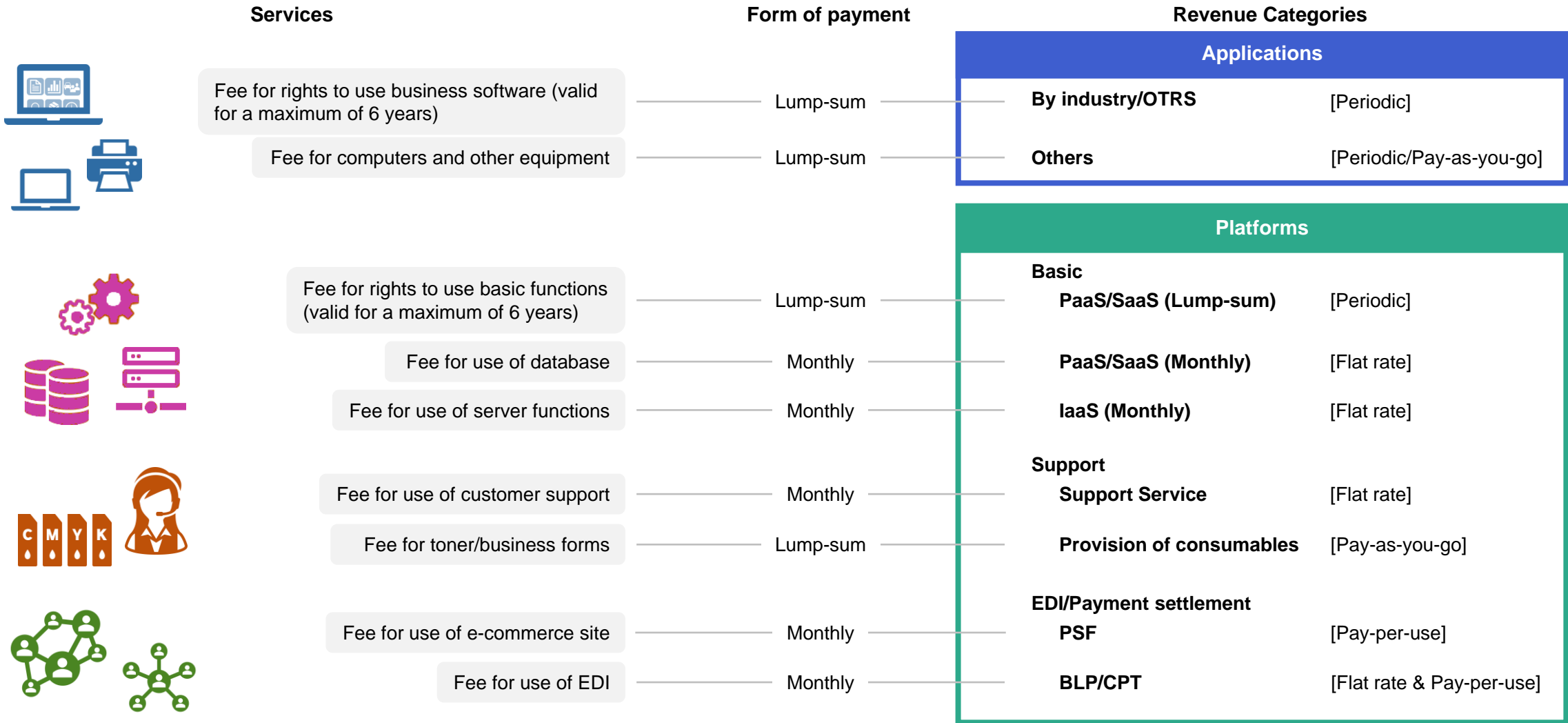
^{*2} Measures for improving the contract ratio were strengthened in the second half of 2019.

Note: The range of services to be provided differs according to the type of business of customer company.

Revenue Categories (2)

Correspondence Relationship with Revenue Categories

The form of payment differs according to the type of service. The correspondence relationship between the type of service and revenue categories is as indicated below.



Disclaimer

Results forecasts and future predictions provided in this document are the Company's judgment based on the information available as of the time of preparation of the document and contain potential risks and uncertainties.

Accordingly, please understand that the actual results may differ from the results forecasts provided here.

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