



# **1Q FY12/2023 Business Results Briefing Material**

**Broadleaf Co., Ltd (3673)**

**May 10, 2023**

- 1 Business Results for 1Q FY12/2023**
- 2 Earnings Forecast for FY12/2023**
- 3 Progress of the Medium-Term Management Plan (2022-28)**
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# **1 Business Results for 1Q FY12/2023**

## **2 Earnings Forecast for FY12/2023**

## **3 Progress of the Medium-Term Management Plan (2022-28)**

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## Overview of 1Q FY12/2023

### Business Environment

**Favorable**

- **Mobility sector:** Demand for cloud services designed for DX has been increasing.
- **Non-mobility sector:** IT Investment has recovered compared to the early stage of COVID-19 crisis.

### Business results

**Better than expected**

- **Cloud-based software for mobility sector**

Since sales are recorded on a monthly basis, they grew as planned under favorable business environment.

⇒ Revenue of “Cloud service” in 1Q: 935 million yen (**YoY +80.9%**)

- **Adoption rate of 5-year lump-sum contracts\* for cloud-based software for mobility sector**

FY2022: 29% ⇒ FY2023 1Q: 48%

⇒ Cash flow from operating activities in 1Q shifted to an upward trend (YoY +109 million yen)

- **Packaged software for non-mobility sector**

Since sales for 6-year usage rights are recorded in a lump sum, they exceeded the expectation under favorable business environment.

⇒ Revision of packaged system sales forecast for 1H: 5 billion yen (**+400 million yen** compared to initial forecast)

### Progress of Mid-term Management Plan

**On track**

- **Performance plan: Performance largely exceeded initial forecast in FY2022.**  
The Company made a good start in FY2023 and plans to return to profitability in FY2024.
- **Initiatives:** The Company is promoting penetration of released cloud-based software as planned, while promoting development of the remaining cloud-based software.

\* For cloud-based software, even in the case of a 5-year lump-sum contract, sales are recorded on a monthly basis.

## Overview of Consolidated Financial Results

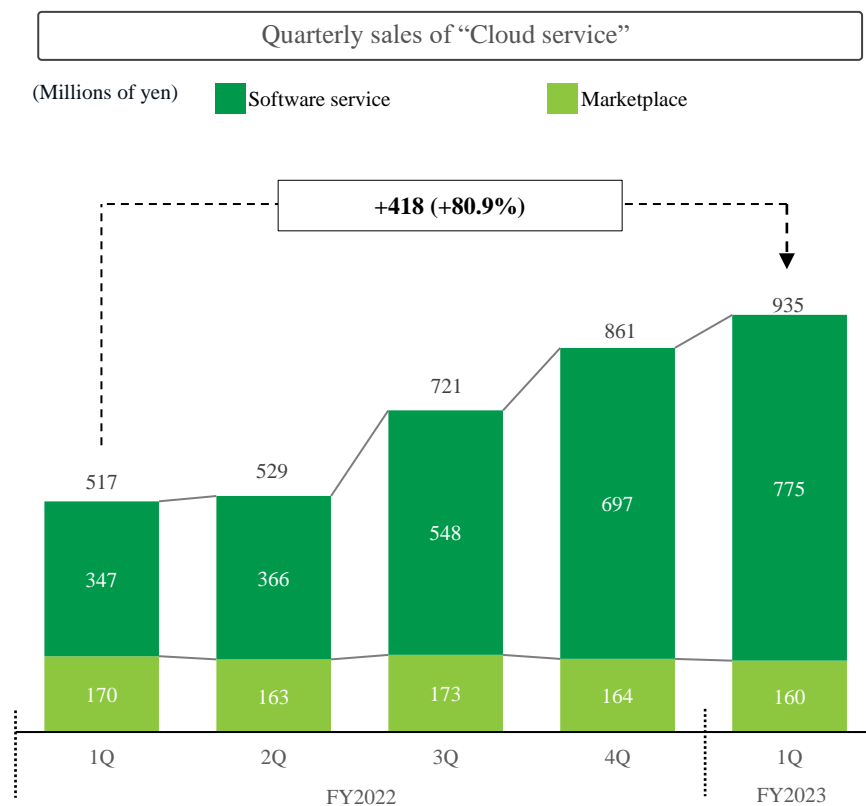
- Revenue increased and loss decreased by capturing demand for cloud services designed for DX, while conducting upfront investment.

(Millions of yen)	FY2023 1Q	FY2022 1Q	YoY change	YoY ratio
Revenue	3,629	3,254	+375	+11.5%
Cloud service	935	517	+418	+80.9%
Packaged system	2,694	2,737	-43	-1.6%
Cost of sales	1,483	1,195	+288	+24.1%
Gross profit	2,146	2,060	+87	+4.2%
SG&A expenses, etc.	2,682	2,797	-115	-4.1%
Operating profit *	-536	-737	+201	-
Profit before tax *	-541	-646	+105	-
Profit attributable to owners of the parent*	-405	-570	+165	-
Basic earnings per share*	-4.58 yen	-6.48 yen	-	-

\*minus (-) represents loss

## Quarterly Trends in the Sales of “Cloud service”

- Sales **increased by 80.9% year-on-year** due to transition of existing clients to cloud-based software and acquisition of new clients.



### Software service

#### Main breakdown

- Cloud-based software for mobility sector
- Monthly subscription-type software services, such as DX solutions

#### Explanation

- Switching of mainstay business support software to monthly subscription contracts progressed as planned.
- Acquisition of new clients was steady.

### Marketplace

#### Main breakdown

- Electronic ordering platform for auto parts
- Settlement agency service

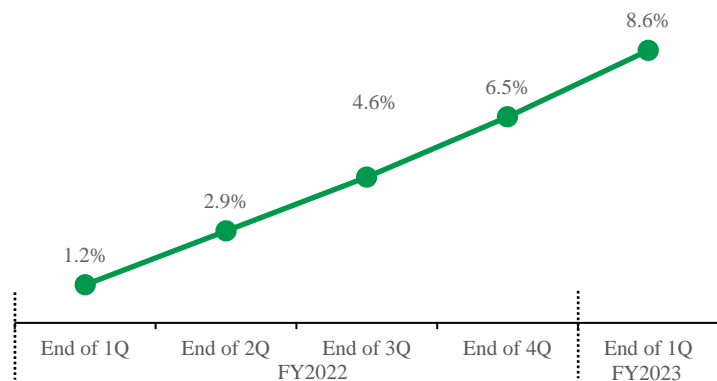
#### Explanation

- The sales remained flat as the transaction volume of recycled auto parts market has peaked out.
- Next-generation version of ordering platform will be provided in the future.

## KPI of Cloud-based Software for Mobility Sector

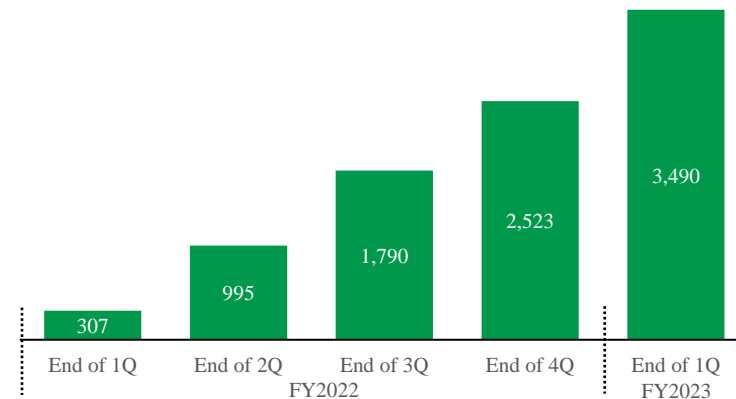
- The pace of user growth was in line with plan for both the number of companies and the number of licenses.

Cloud transition rate



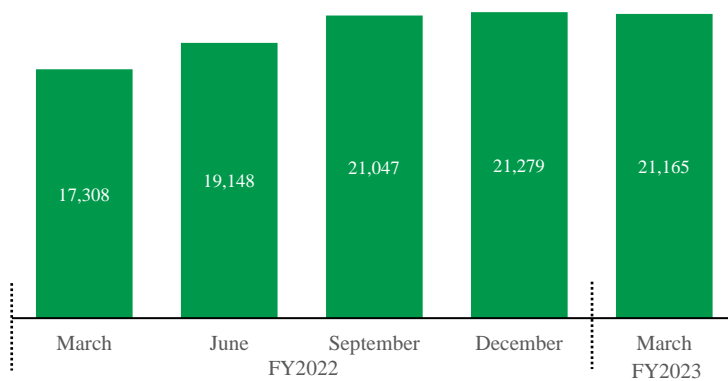
Number of licenses

(license)

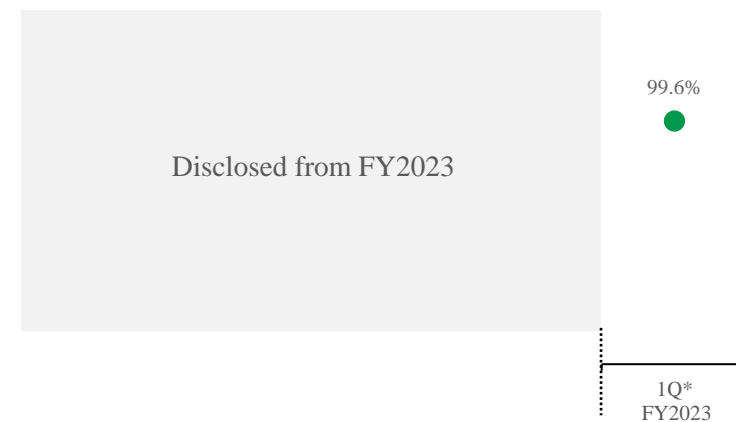


Average monthly license sales

(yen/month)



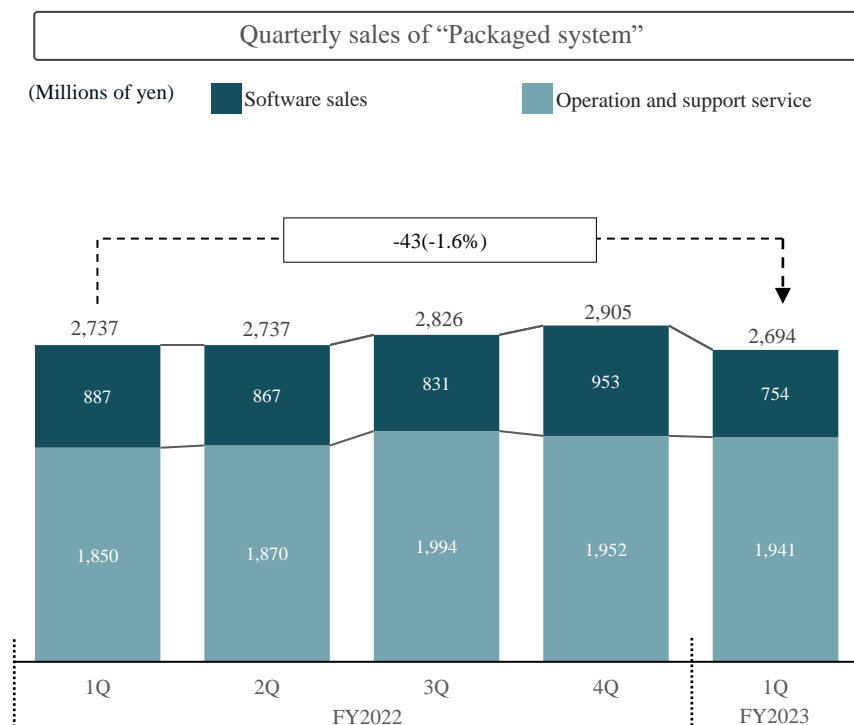
User retention rate



\* Converted to average monthly rate for the current quarter

## Quarterly Trends in Sales of “Packaged system”

- Mobility sector is switching to provision of cloud-based software.
- Sales of software for non-mobility sector were strong.



### Software sales

#### Main breakdown

- Leasing sales of packaged software

#### Explanation

- Subsidiaries and sales agents also ceased leasing sales of packaged software for mobility sector.
- Acquiring of orders of packaged software for non-mobility sector progressed ahead of plan.

### Operation and support service

#### Main breakdown

- Ancillary services of packaged software

#### Explanation

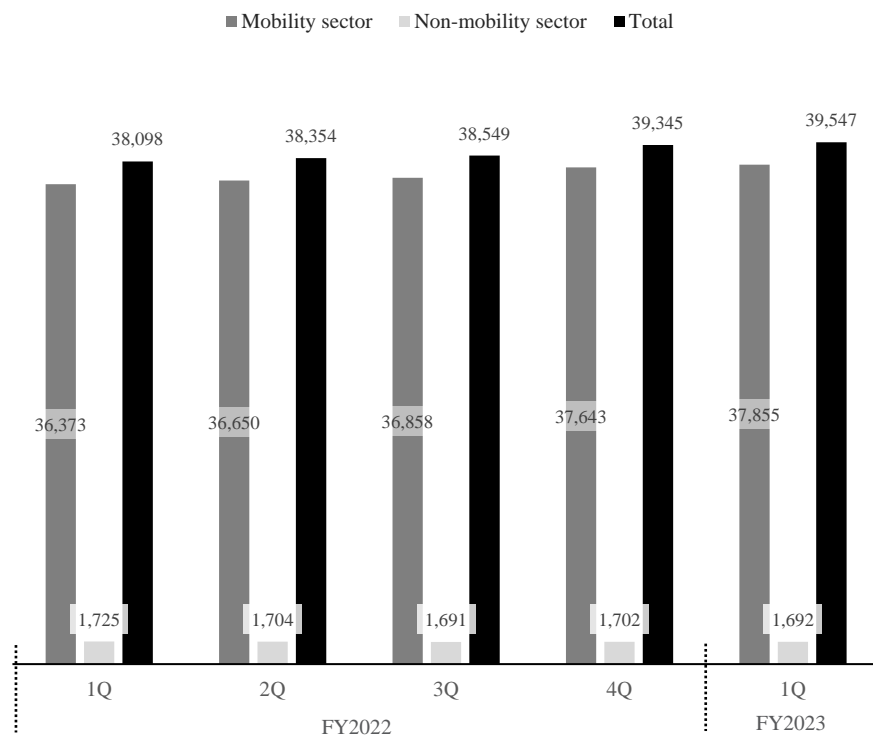
- Sales moved to “Cloud service” side in line with the transition to cloud-based software.



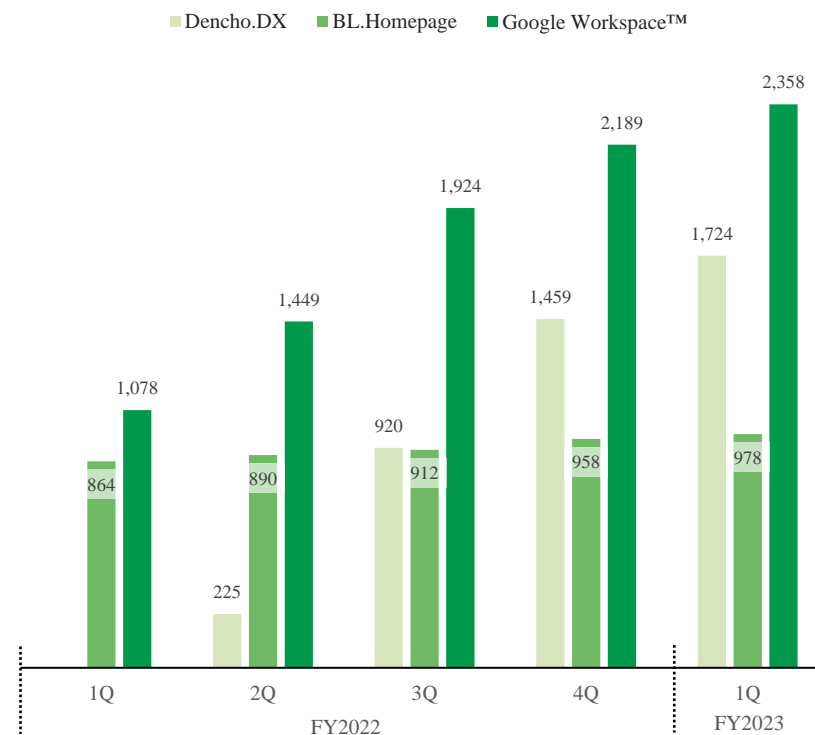
## Quarterly Trends in the Number of User Companies and Licenses of DX Solutions

- **User companies in mobility sector increased** due to the launch of cloud-based software, which is highly competitive.
- The number of licenses of DX solutions, which can be used regardless of the sector, also increased by offering them along with cloud-based software.

Number of software user companies



Licenses of DX solutions

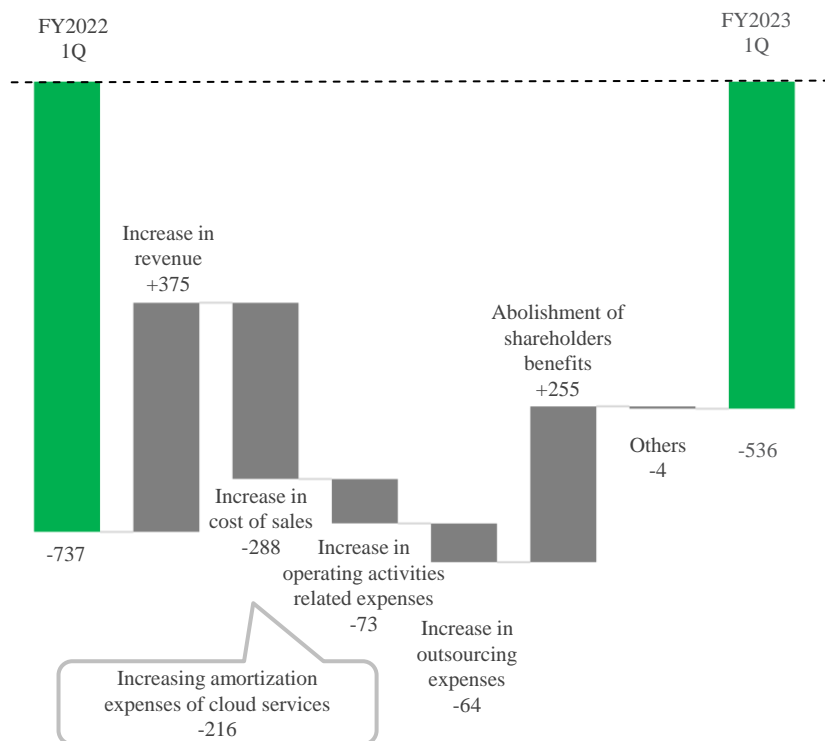


## Factors behind Changes in Operating Loss

- Loss decreased due to increase in revenue, which absorbed upfront expenses such as investment in development and strengthening of management infrastructure for future growth.

### Operating loss

(Millions of yen)



### Cost of sales

- Increased due to upfront expenses to strengthen IT infrastructure in preparation for future service expansion

### SG&A expenses, etc.

- **Operating activities expenses**  
Travel expenses and social expense increased due to active sales activities and sales promotions.
- **Outsourcing expenses**  
Increased due to outsourcing of back-office business operations, etc.

## Balance Sheet Status

- As the adoption rate of 5-year lump-sum payment for cloud-based software for mobility sector rose (FY2022: 29%, 1Q FY2023:48%), **the balance in contract liabilities increased.**

(Millions of yen)	FY2023 End of 1Q	FY2022 Year-end	YoY change	Major breakdown of increase/decrease
Current assets	6,518	6,555	-37	Cash and cash equivalents -156
Non-current assets	28,373	26,980	+1,393	Property, plant and equipment +729 Intangible assets +419
<b>Total assets</b>	<b>34,891</b>	<b>33,535</b>	<b>+1,356</b>	
Current liabilities	7,594	6,583	+1,012	Short-term interest-bearing debts +975 Contract liabilities +437 Operating and other payables -120
Non-current liabilities	3,923	3,291	+632	Long-term interest-bearing debts +631
<b>Total liabilities</b>	<b>11,517</b>	<b>9,873</b>	<b>+1,644</b>	
<b>Total equity</b>	<b>23,374</b>	<b>23,662</b>	<b>-288</b>	Loss -414 Dividend payout -88
<b>Total liabilities and equity</b>	<b>34,891</b>	<b>33,535</b>	<b>+1,356</b>	

## Cash Flows Status

- As the adoption rate of the 5-year lump-sum payment of cloud-based software for mobility sector rose (FY2022: 29%, 1Q FY2023:48%), **the cash-flow balance improved.**

(Millions of yen)	FY2023 1Q	FY2022 1Q	YoY change	Major breakdown of increase/decrease
Cash flow from operating activities	136	28	+109	Increase in trade and other receivables -1,867 Increase in trade and other payables +880 Increase in contract liabilities +470
Cash flow from investment activities	-854	-768	-86	Increase in payments for acquisition of intangible assets -22
Cash flow from financing activities	561	574	-12	Decrease in cash dividends paid +325 Net increase in short-term loans payable -281
Free cash flow	-718	-740	+22	
Cash and cash equivalents at end of the period	3,301	3,358	-57	

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## Consolidated Earnings Forecast (First Half of FY2023)

- Upward revision of 1H forecast was conducted considering progress up to 1Q and the reevaluation in the timing of booking of expenses.

(Millions of yen)	1H FY2023		YoY change	FY2023		1H FY2022
	Revised forecast	Initial forecast		1Q	2Q forecast	
Revenue	7,100	6,700	+400	3,629	3,471	6,520
Cost of sales	2,950	2,850	+100	1,483	1,467	2,459
Gross profit	4,150	3,850	+300	2,146	2,004	4,061
SG&A expenses, etc.	5,700	6,000	-300	2,682	3,018	5,460
Operating profit *	-1,550	-2,150	+600	-536	-1,014	-1,398
Profit before tax *	-1,600	-2,200	+600	-541	-1,059	-1,458
Profit attributable to owners of the parent *	-1,400	-1,900	+500	-405	-995	-1,109
Basic earnings per share*	-15.80 yen	-21.45 yen	-	-4.58 yen	-11.22 yen	-12.57 yen

\*minus (-) represents loss

## Sales Forecast by Service Category (First Half of FY2023)

- Forecast for “Packaged system” was revised upward as leasing sales of packaged software progressed ahead of schedule.

(Millions of yen)	1H FY2023		YoY change	FY2023		1H FY2022
	Revised forecast	Initial forecast		1Q	2Q forecast	
Cloud service	2,100	2,100	-	935	1,165	1,046
Software service	1,800	1,800	-	775	1,025	713
Marketplace	300	300	-	160	140	333
Packaged system	5,000	4,600	+400	2,694	2,306	5,474
Software sales	1,300	1,100	+200	754	546	1,754
Operation and support service	3,700	3,500	+200	1,941	1,759	3,720
Total	7,100	6,700	+400	3,629	3,471	6,520

## Consolidated Earnings Forecasts (Full-year)

- Forecasts for revenue and operating profit remain unchanged, and the probability of achievement became higher than at the beginning of the term.

(Millions of yen)	FY2023 Full-year forecast	FY2022 Full-year	YoY change	FY2023		FY2022	
				1H forecast	2H forecast	First half	Second half
Revenue	<b>15,000</b>	13,833	+1,167	7,100	7,900	6,520	7,312
Cost of sales	<b>6,100</b>	5,346	+754	2,950	3,150	2,459	2,887
Gross profit	<b>8,900</b>	8,487	+413	4,150	4,750	4,061	4,425
SG&A expenses, etc.	<b>11,600</b>	11,384	+216	5,700	5,900	5,460	5,924
Operating profit *	<b>-2,700</b>	-2,897	+197	-1,550	-1,150	-1,398	-1,499
Profit before tax *	<b>-2,800</b>	-3,005	+205	-1,600	-1,200	-1,458	-1,548
Profit attributable to owners of the parent*	<b>-2,400</b>	-2,431	+31	-1,400	-1,000	-1,109	-1,323
Basic earnings per share*	<b>-27.07 yen</b>	-27.54 yen	-	-15.80 yen	-11.27 yen	-12.57 yen	-14.97 yen

\*minus (-) represents loss



## Sales Forecast by Service Category (Full-year)

- There is no change in the forecast for any of the categories, and “Cloud service” sales are expected to steadily increase.

(Millions of yen)	FY2023 Full-year forecast	FY2022 Full-year	YoY change	FY2023		FY2022	
				1H forecast	2H forecast	First half	Second half
Cloud service	<b>5,900</b>	2,628	+3,272	2,100	3,800	1,046	1,582
Software service	<b>5,250</b>	1,958	+3,292	1,800	3,450	713	1,244
Marketplace	<b>650</b>	670	-20	300	350	332	337
Packaged system	<b>9,100</b>	11,205	-2,105	5,000	4,100	5,474	5,730
Software sales	<b>2,200</b>	3,539	-1,339	1,300	900	1,754	1,784
Operation and support service	<b>6,900</b>	7,666	-766	3,700	3,200	3,720	3,312
Total	<b>15,000</b>	13,833	+1,167	7,100	7,900	6,520	7,312

## Breakdown of Changes in Operating Loss

- The Company plans to conduct active sales activities and promotion activities along with investment in development and strengthening of management infrastructure, which will lead to better profitability in the future.

### Operating loss

(Millions of yen)



### Cost of sales

- Amortization expenses of cloud services will increase in line with the launch of cloud services.
- Development costs will increase due to the development of new cloud services.

### SG&A expenses, etc.

- Personnel expenses**  
Recruitment activities and work style reforms will be promoted.
- Others**  
Sales and promotional activities, as well as service infrastructure will be strengthened.
- Abolition of shareholders' benefits**  
The Company abolished shareholder benefits from FY2022.

## Dividends Forecast

- The dividends forecast for FY2023 is undetermined.

### Dividend per share

(Yen)	FY2023 (Forecast)	FY2022
Interim dividend	Undetermined	-
Year-end dividend	Undetermined	1.00
Annual dividend	Undetermined	1.00
Consolidated dividend payout ratio	-	-

### Explanation

- The Company plans to announce forecast once a reasonable calculation becomes possible in light of the progress of the medium-term management plan and the status of retained earnings.

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## Medium-term Management Plan (2022-28): Performance Plan

- The Company will achieve record-high performance in FY2026, with a target of operating margin of 40% and profit of 8 billion yen in FY2028.
- Performance in FY2022 exceeded the initial forecast, and performance in FY2023 is also expected to exceed the initial forecast for 1H FY2023.

(Billions of yen)	FY2022 Plan	FY2022 Result	FY2023 Forecast	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2027 Plan	FY2028 Plan
Revenue	12.3	13.8	15.0	18.5	22.0	25.5	29.0	32.5
Cloud service	2.6	2.6	5.9	10.4	15.2	19.9	25.0	29.1
Packaged system	9.7	11.2	9.1	8.1	6.8	5.5	4.0	3.4
Operating profit *	-4.8	-2.9	-2.7	1.0	3.3	6.7	10.0	13.0
Operating margin	-	-	-	5%	15%	25%	34%	40%
Profit attributable to owners of the parent*	-5.0	-2.4	-2.4	0.6	2.0	4.2	6.3	8.0

\*minus (-) represents loss

## KPI of Cloud-based Software: Measures

- 4 indicators show the progress of penetration of cloud-based software, which is the key to achieving the performance plan, are generally on track to meet their targets. Measures for further acceleration are as follows.

### Cloud transition rate

1Q FY2023 : 8.6%

Target for 2024: 40%

#### 1 Release of remaining cloud-based software under development

⇒ Promote the migration of clients who use multiple types of software.

#### 2 Enhancement and addition of functions of released cloud-based software

⇒ Promote the transition of clients of packaged software under monthly contracts.

### Average license monthly sales

1Q FY2023:  
21,165 yen/month

Targets for 2024:  
23,000 yen/month

#### 1 Release of remaining cloud-based software under development

⇒ Software for auto parts dealers and auto recycle shops tends to have higher average unit prices than software for auto maintenance shops and auto body shops.

#### 2 Enhancement and addition of functions of released cloud software

⇒ Promote the transition of clients who need to use many functions.

### Number of licenses

1Q FY2023:  
3,490 licenses

Targets for 2024:  
24,000 licenses

#### 1 Release of remaining cloud-based software under development

⇒ Promote the transition of middle-to-large sized clients who tend to adopt more licenses per company.

### User retention rate

1Q FY2023: 99.6%

Target for 2024: 99% or more

#### 1 Promotion of cloud transition

⇒ After the launch of cloud-based software, the number of new clients who try the software increased.

Since the number of cloud-based software users is small at the moment, cancellations by these users influence the user retention rate. However, it is expected to stabilize as the number of cloud-based software users increases as cloud transition advances.

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## An Interactive AI Function is added to Broadleaf's Cloud Services

- Combining OPEN AI's ChatGPT with Broadleaf's large language models and knowledge databases, the Company developed an interactive AI function which was incorporated into cloud services and began trial operations in May 2023.

### Challenges that the mobility sector is facing



Mechanics in the mobility sector need to cope with the evolution of automobiles (electric vehicles, autonomous driving)



Due to chronic shortage of human resources, it is difficult to secure time to improve skills

### Broadleaf's services



(Above image is not real)

- Contribute to the improvement of productivity in the sector by using the interactive AI function to streamline client' operations.
- Example: When you hear abnormal noise from tires during driving, mechanics can use it to identify possible causes.



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# Indicators List ①

(Millions of yen)	FY2022				FY2023
	1Q	1H	Cumulative 3Q	Full-year	1Q
Recurring sales	2,367	4,766	7,481	10,294	2,876
Recurring sales ratio (%)	73%	73%	74%	74%	79%

(companies)	FY2022				FY2023	End of 2024
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	Target
Total users of business support software	38,098	38,354	38,549	39,345	39,547	-
Mobility sector*	36,373	36,650	36,858	37,643	37,855	-
Non-mobility sector*	1,725	1,704	1,691	1,702	1,692	-
<b>Cloud transition rate</b>	1.2%	2.9%	4.6%	6.5%	8.6%	40%
Target user of cloud-based software**	33,578	33,853	34,066	34,357	34,618	-
User of cloud-based software	395	991	1,557	2,231	2,973	-
Standard version	274	867	1,433	2,099	2,831	-
Existing client	118	405	721	1,094	1,492	-
New client	156	462	712	1,005	1,339	-
Specific version	121	124	124	132	142	-
User of packaged software	33,183	32,862	32,509	32,126	31,645	-
Non-target user of cloud-based software	4,520	4,501	4,483	4,988	4,929	-

\*Mobility sector: auto maintenance shops, auto body shops, auto parts dealers, auto recycle shops, car dealers, auto electrical equipment shops, radiator shops, auto glass shops, and service stations

Non-mobility sector: mobile phone shops, machine tools dealers, travel agencies, and bus operators (13 industries in total)

## Indicators List ②

(license)	FY2022				FY2023	End of 2024
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	Target
<b>Cloud-based software license</b>	1,306	2,056	2,857	3,620	4,633	-
Standard version	307	995	1,790	2,523	3,490	24,000
Existing client	136	483	950	1,381	1,970	-
New client	171	512	840	1,142	1,520	-
Specific version	999	1,061	1,067	1,097	1,143	-

(yen/month)	FY2022				FY2023	End of 2024
	March	June	September	December	March	Target
<b>Average license monthly sales of cloud-based software</b>	-	-	-	-	-	-
Standard version	17,308	19,148	21,047	21,279	21,165	23,000
Existing client	18,808	21,150	23,326	24,074	23,837	-
New client	16,115	17,261	18,470	17,900	17,701	-
Specific version	-	-	-	-	-	-

## Indicators List ③

	FY2022				FY2023
	1Q	1H	Cumulative 3Q	Full-year	1Q
<b>When lease contract of packaged software expires*</b>					
Transition ratio to cloud-based software	-	35%	45%	44%	76%
Transition ratio to packaged software(monthly contract)	-	65%	55%	56%	24%

\*Uses industries that have released cloud-based software (auto maintenance shops, auto body shops, service stations) as a population.

	FY2022 End of 4Q	FY2023 1Q	Target for the end of 2024
<b>User retention rate of cloud-based software*</b>	-	99.6%	99% or more
<b>The number of users of cloud-based software</b>	2,099	-	-

\*User retention rate for cloud-based software : Weighted average of monthly user retention rate for the quarter

Monthly user retention rate :  $1 - \left\{ \frac{\text{The number of cancelled companies in the month}}{\text{(the number of clients of cloud-based software at the beginning of the term + New clients)}} \right\}$

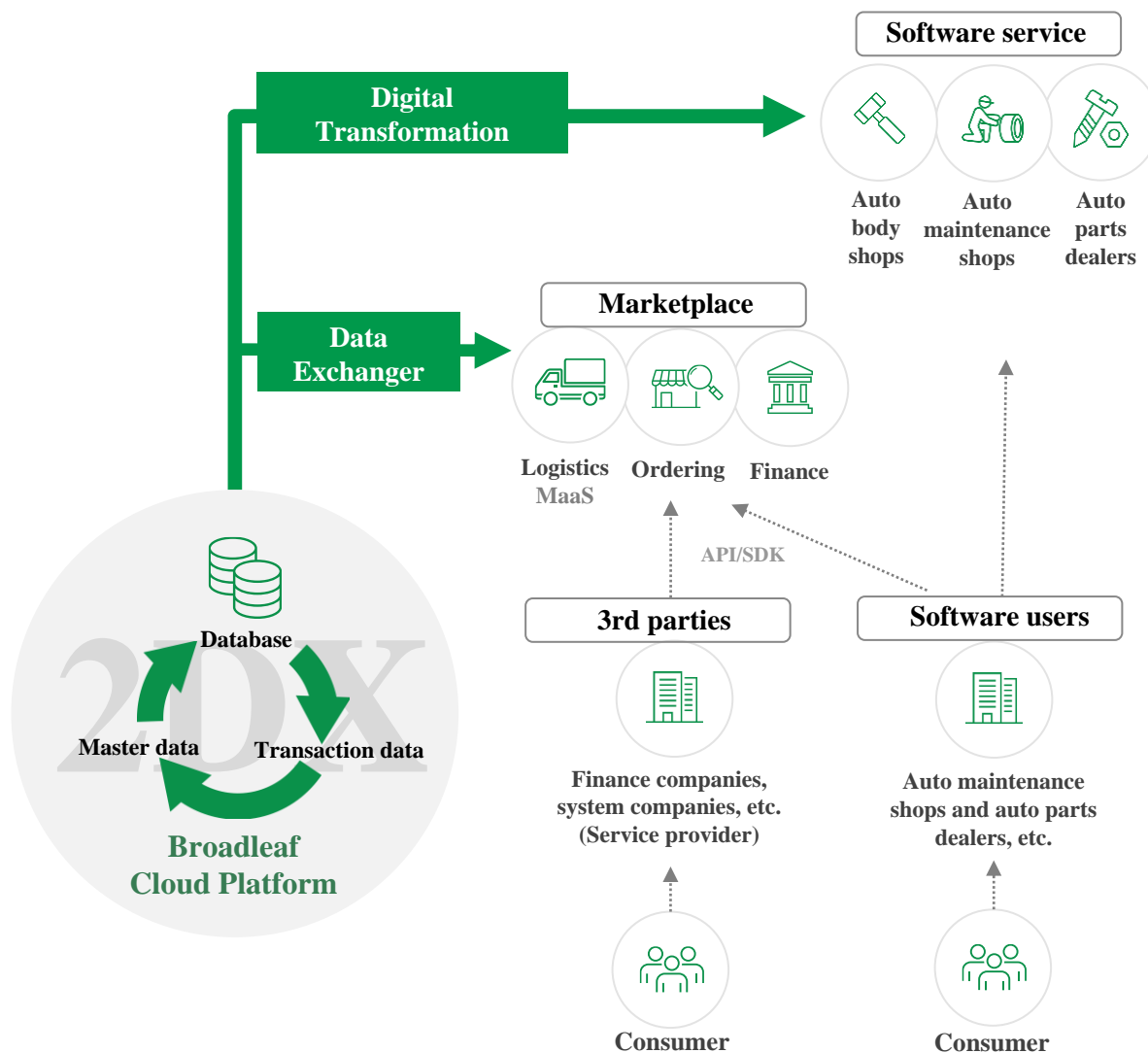
# Medium-Term Management Plan (2022-28): Growth Strategy

Growth Strategy ①

## Cloud penetration

Growth Strategy ②

## Expansion of services



# Medium-Term Management Plan (2022-28): Measures

- In order to penetrate the cloud-based products, the Company implements the following measures and manages the progress using the following KPIs.

## 1. Cloud transition



In 2022, the Company started transition to cloud-based software when existing clients' 6-year contracts for packaged software expires. The transition is scheduled to be completed in 2028.

### Related KPI

- Cloud transition rate

## 2. Market expansion



“.c Series,” which has evolved into a total management system, is deployed not only in existing markets but also in new markets such as car shop chains, car dealers that provide auto maintenance services, and service stations.

### Related KPI

- Cloud-based software licenses
- User retention rate of cloud-based software

### Related indicators

- Total number of users
- Retention rate of packaged software users
- The number of cloud-based software users

## 3. Menu expansion



In addition to the various optional services of “.c Series,” the Company provides various software services, including groupware, solutions that comply with law and regulation, and website creation tools.

### Related KPI

- Average license monthly sales of cloud-based software

### Related indicators

- Number of licenses for major software services

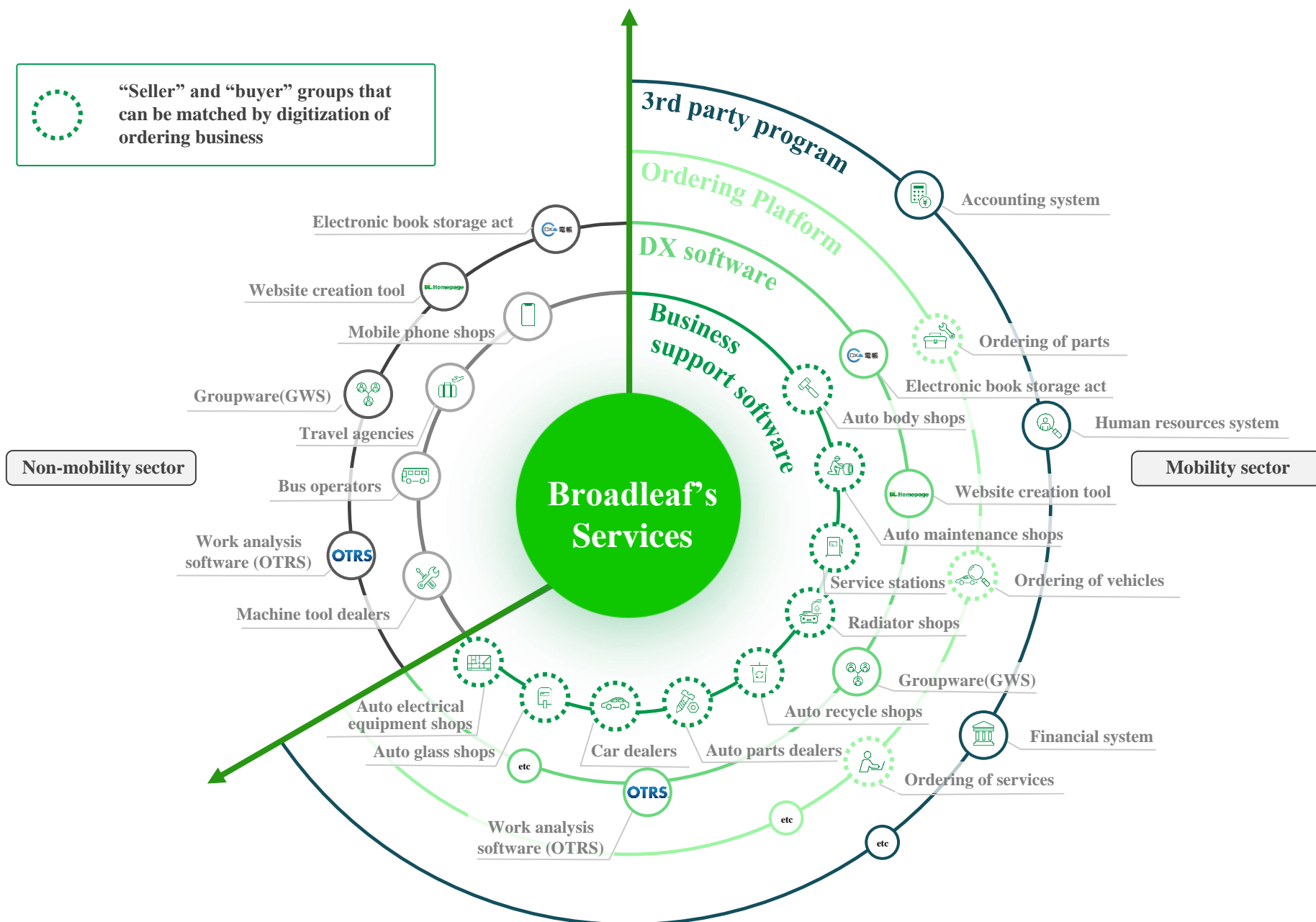
## Medium-Term Management Plan (2022-28): Sales Plan by Service Category

- Within “Cloud services,” “Software service” is expected to drive the revenue growth.
- “Packaged system” is expected to shrink as conventional software are changed to cloud services.

(Billions of yen)	FY2022 Plan	FY2022 Result	FY2023 Forecast	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2027 Plan	FY2028 Plan
<b>Cloud service</b>	2.6	2.6	5.9	10.4	15.2	19.9	25.0	29.1
Software service	1.9	2.0	5.3	9.0	13.6	18.0	22.1	25.0
Marketplace	0.7	0.7	0.7	1.4	1.6	1.9	2.9	4.1
<b>Packaged system</b>	9.7	11.2	9.1	8.1	6.8	5.5	4.0	3.4
Software sales	3.2	3.5	2.2	2.5	2.6	2.5	2.2	2.0
Operation and support service	6.5	7.7	6.9	5.6	4.2	3.0	1.8	1.4
<b>Revenue</b>	12.3	13.8	15.0	18.5	22.0	25.5	29.0	32.5
(Reference) Recurring sales ratio*	80%	74%	85%	86%	88%	90%	92%	94%

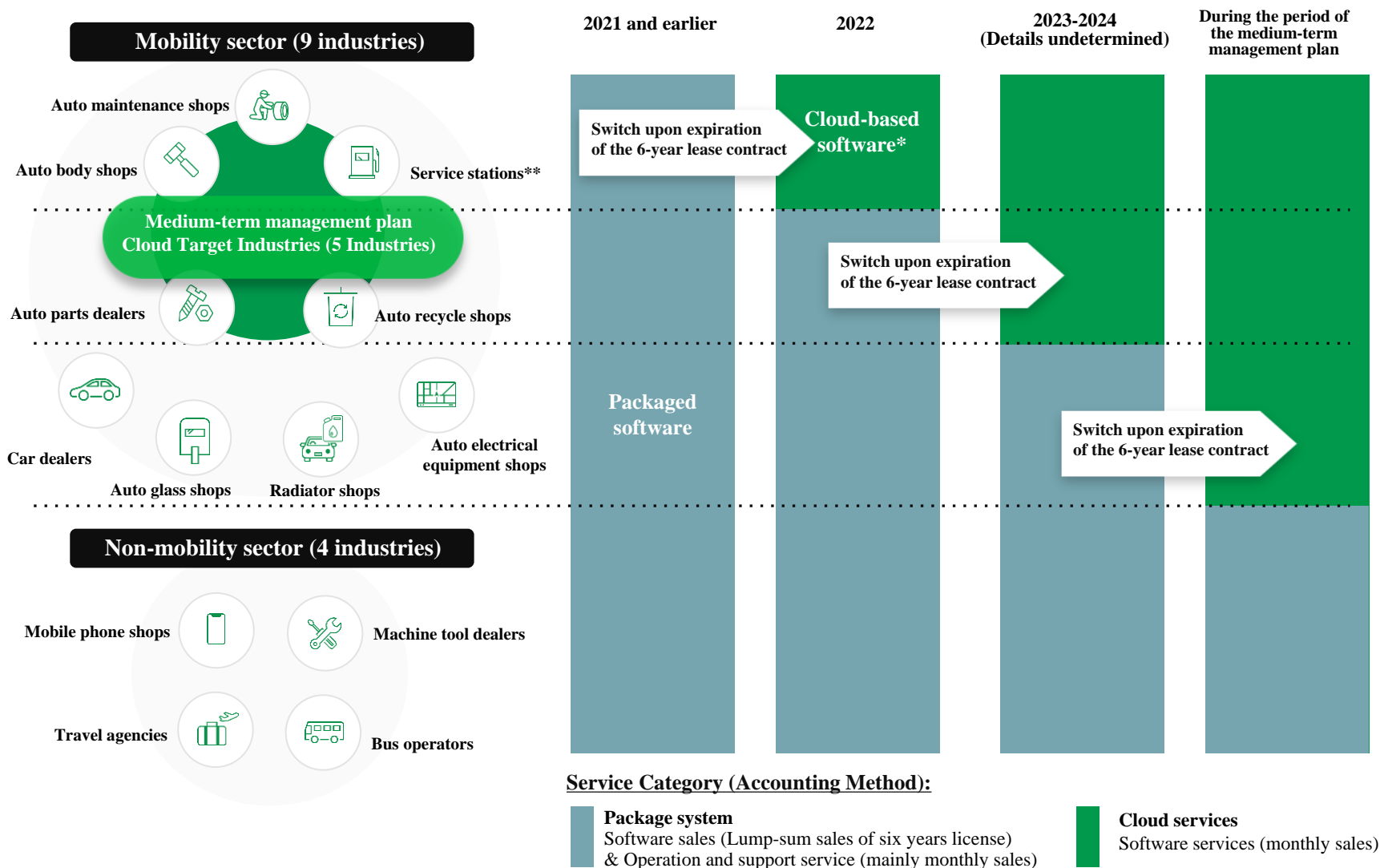
\*Recurring sales ratio: (Software service, Marketplace, and Operation and support service) / Revenue

# Expansion of Broadleaf's service area





# Release Plan of Cloud-based Software



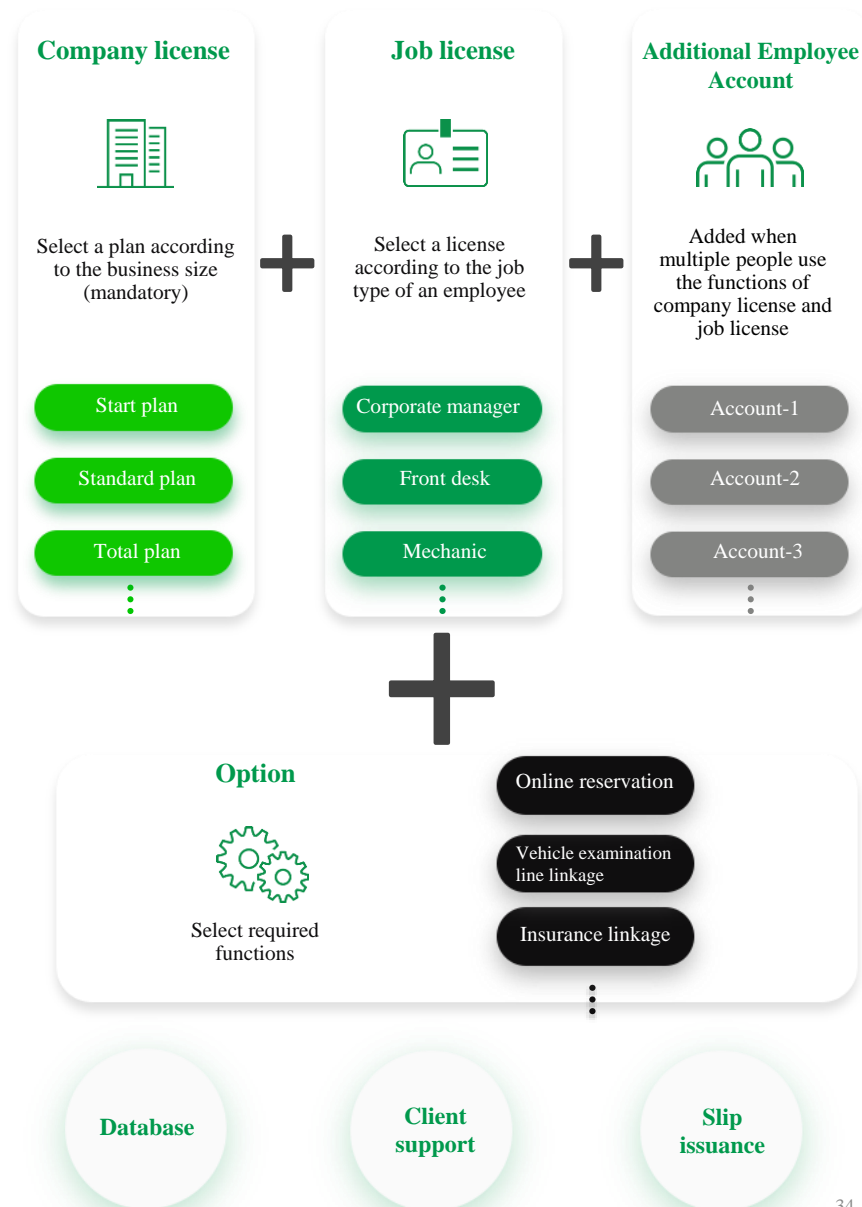
\*Sales of packaged software is ended in principle, but it is provided to some users based on monthly fees for a limited time (see page 37)

\*\*Service stations became a new market from cloud-based software

# Service Structure (Cloud-based Software Service)

**Select the required licenses and options according to the business size and contents**

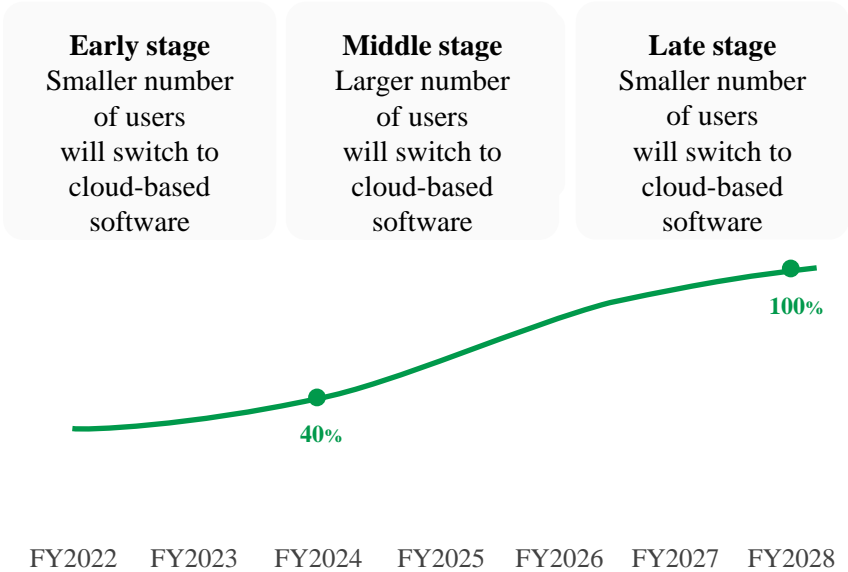
Clients will select a plan from the company license menu and select necessary job licenses in addition. When multiple people use the functions of company license and job license, purchase of additional employee account is necessary according to the number of users. There are also other service menus such as database and client support.



# Understanding of Cloud Transition Rate

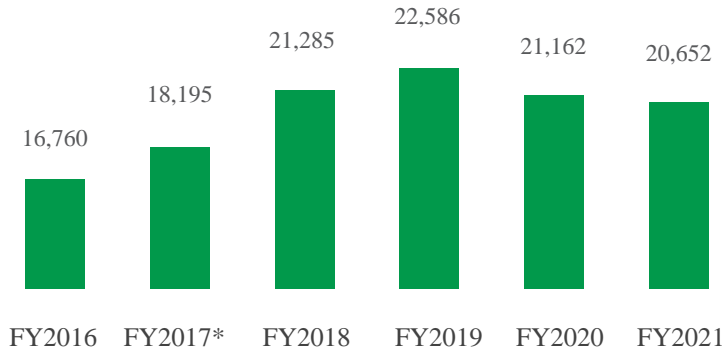
- Switching to cloud-based software will not proceed at a constant pace.
- Clients switch when 6-years contracts expire, so the number of switching users depends on the number of deals 6 years ago.

Understanding of cloud transition rate



Reference: Revenue from FY2016

(Millions of yen)



\* Tajima Inc. became consolidated subsidiary of Broadleaf Group from 3Q FY2017.  
 Note) cloud-based software for auto parts dealers and auto recycle shops have not yet been provided.

# Understanding of changes in software sales due to cloud transition

## (The case of auto maintenance shops and auto body shops)

If the Company continues to sell packaged software in 2022 and beyond

About 1/6 of user companies renew their contracts each year, but there is a wave in the number of contract renewals depending on the year.

### Sales of licenses (6-year usage rights)

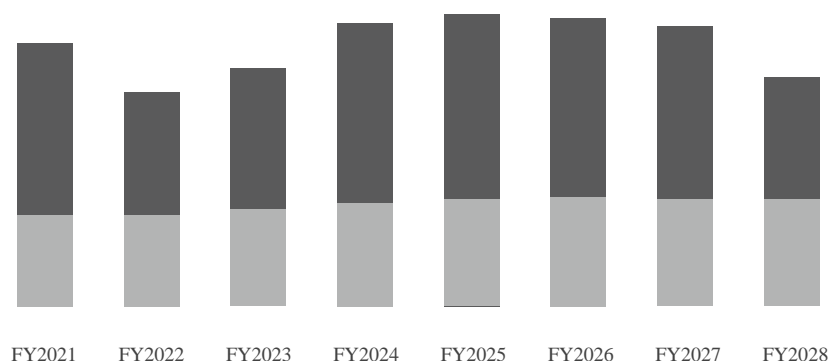
Target of each year: Companies who renew the contract for packaged software (About 1/6 )

Accounting method: License fee for 6 years is booked in lump-sum as sales in the year when the contract is renewed.

### Sales of operation and support services

Target of each year: All users of packaged software

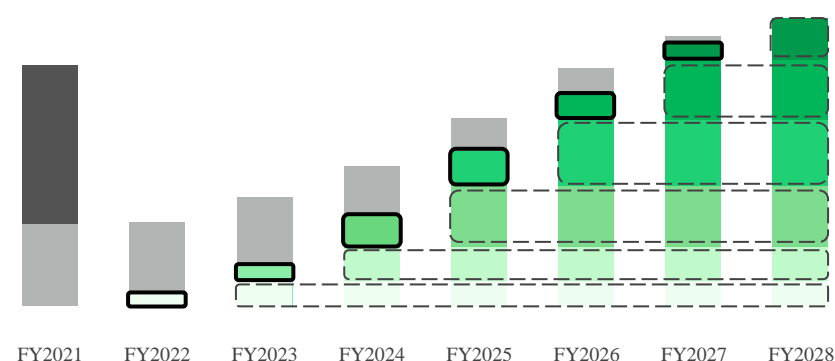
Accounting method: Monthly sales



If the Company starts selling cloud-based software (Green) from 2022

About 1/6 of companies using packaged software will switch to cloud-based software each year. Average sales are expected to rise after the transition completes due to different licensing systems

- For the year in which the contract is switched, the period after the contract is concluded will be booked as sales ( ). Therefore, sales from the following year onward ( ) will be roughly doubled because sales for 12 months are fully booked
- Sales of operation and support services are received from users of packaged software, so it will gradually decline as the transition proceeds.

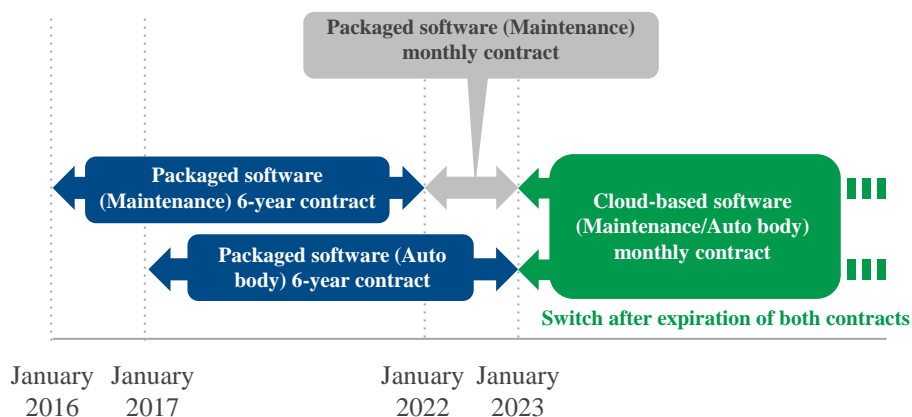


# Cases for Providing a Monthly Contract of Packaged Software

- Some clients will keep using packaged software under monthly contracts for a limited period.

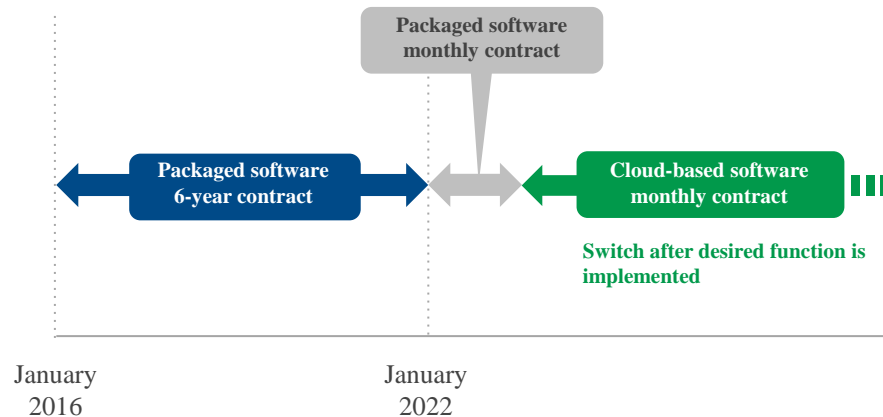
## Case (1): Clients with multiple lease contracts

Example: Client with 6-year contract of packaged software for auto maintenance shop concluded in 2016 and 6-year contract for auto body shop concluded in 2017



## Case (2): Clients who wish to use a specific function

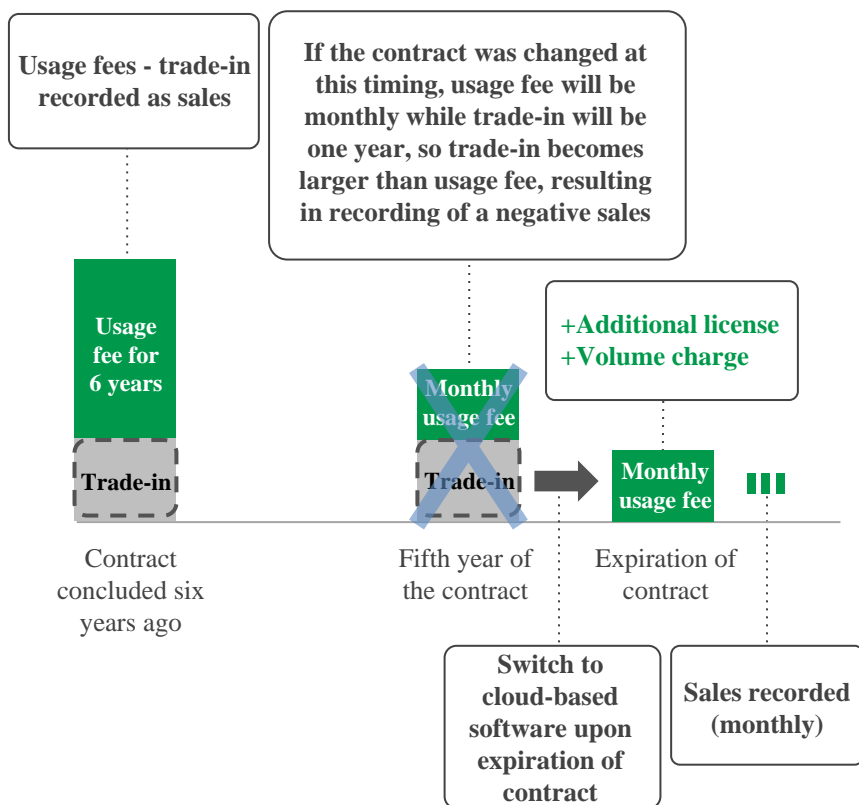
Example: Client whose contract of packaged software will expire in 2022, but the desired function is not implemented at the time.



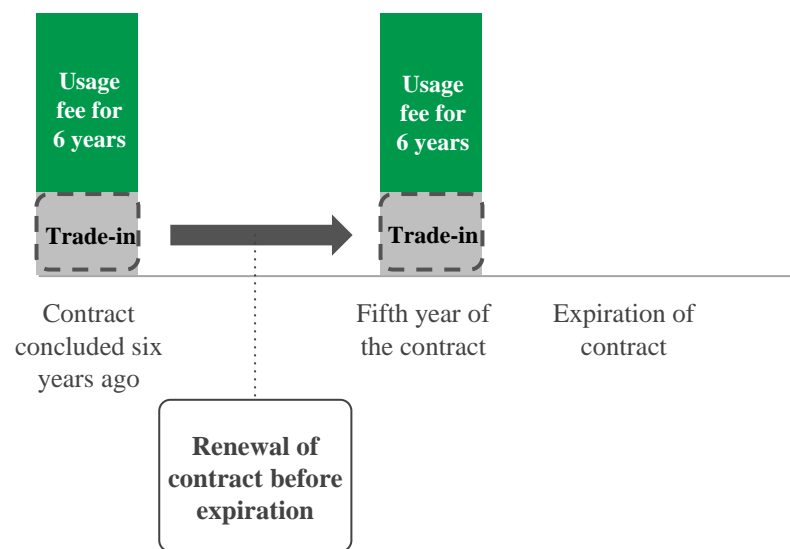
# Reason for Switching to Cloud-based Software when the Previous Contract Expires

- If existing clients who have lease contracts of packaged software for 6 years switch to cloud-based software before the expiration of the contract, negative sales will be recorded.

In the case of cloud-based software\*

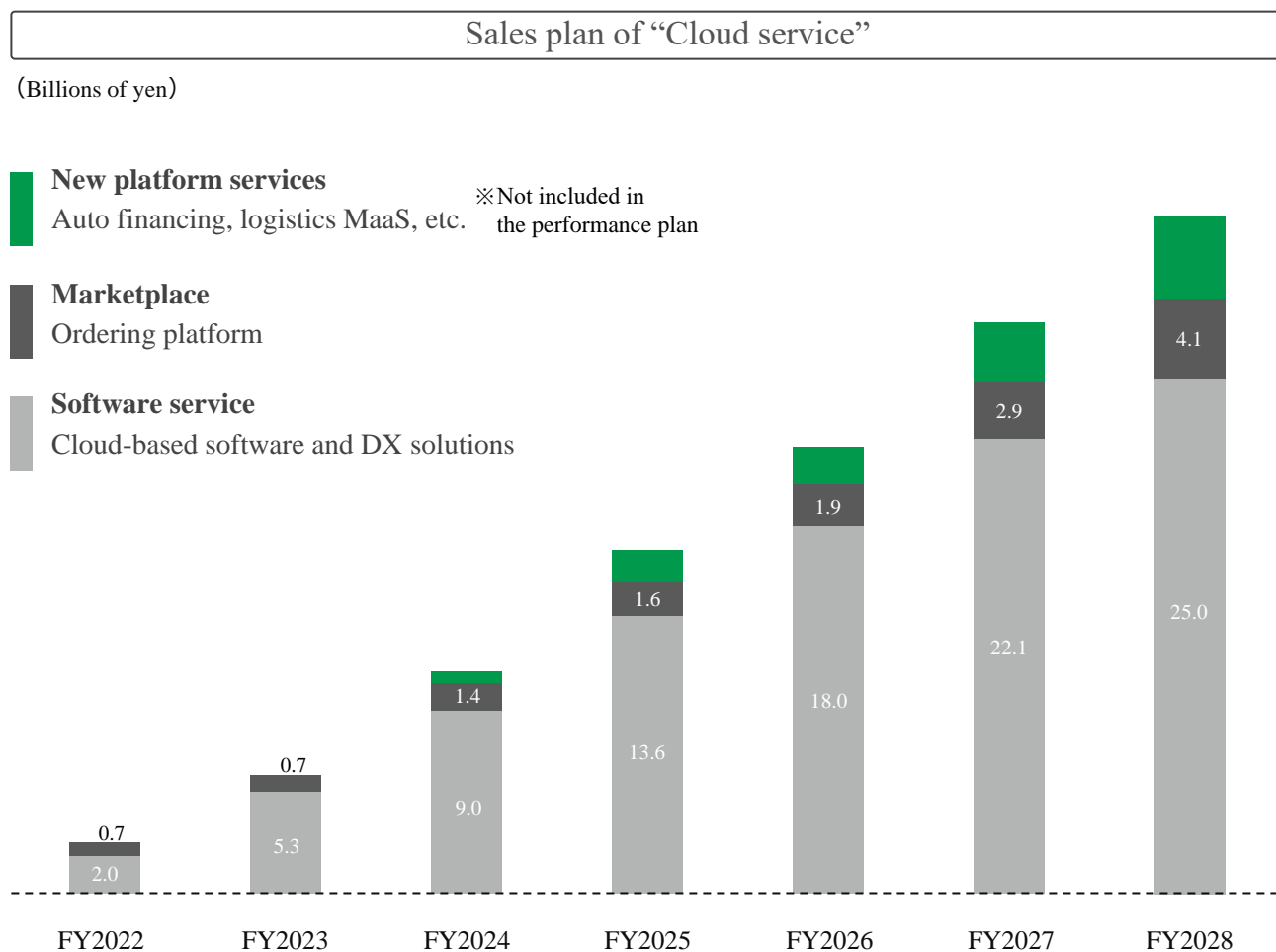


In the case of packaged software with multi-year lease contract



\*The same applies when selling packaged software under a monthly subscription contract

# Sales Trend of Cloud Service Expected in the Future



# Growth Strategy for the Ordering Platform in the Future

- By launching cloud-based software for auto parts dealers and auto recycle shops (seller side), preparation for renewing the ordering platform is done.

**Make ordering platform  
an industry standard**

**CAGR 30% or more**

**Advance penetration of ordering platform by equipping them  
as standard function (100% adopted) of cloud-based software**

**Auto repair parts  
transaction market**

New parts

Recycled parts

**850 billion yen 200 billion yen**

**Usage level of electronic trades  
remains low**



Equip ordering  
platform as  
standard function  
(100% adopted)



Introduce them to  
vehicle examination  
chains with high  
transaction volumes, etc.



Introduce them to  
auto parts dealers and  
auto recycle shops



Promote usage in  
small-to-medium-sized  
auto maintenance shops  
and auto body shops

**EDI adoption rate  
28.4%**

**Industry standards**



# Explanation of Service Category

## Cloud service

### Software service

- Provision of cloud-based software
- Sales of packaged software under monthly contract
- Provision of DX solutions
  - “Dencho.DX,” a solution for Electronic Book Storage Act
  - “BL.Homepage,” a website creation tool
  - “Google Workspace™,” a groupware

### Marketplace

- Provision of electronic ordering platform for auto parts
  - “BL Parts Order System,” a transaction system for auto parts
  - “Parts Station NET,” a transaction network for recycled auto parts
- Settlement agency service

## Packaged system

### Software sales

- Sales of packaged software under lease contract
- Sales of "OTRS," a work analysis software

### Operation and support service

- Ancillary services of packaged software such as support service
- Sales of supplies such as forms and toners

# Company Profile

<b>Company name</b>	Broadleaf Co., Ltd
<b>Representative</b>	Kenji Oyama, Representative Director, President and CEO
<b>Listed on</b>	Prime Market of Tokyo Stock Exchange (3673)
<b>Sector</b>	Information and telecommunication
<b>Founded/Established</b>	December 2005/September 2009
<b>Capital stock</b>	7.148 billion yen (consolidated)
<b>Fiscal year</b>	From January 1 to December 31
<b>Business outline</b>	<p>Using proprietary "Broadleaf Cloud Platform" as its infrastructure, the Company provides SaaS cloud services, marketplace-type services, and partner programs that enable functional and service collaboration with various players.</p> <p>These services are utilized as IT solutions that lead environmental changes, which are occurring in various industries including mobility sector, to business opportunities.</p>
<b>Head office location</b>	Floor 8, Glasscube Shinagawa, 4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo
<b>Domestic offices</b>	27 business offices and 3 development centers in Japan
<b>Major subsidiaries</b>	Tajima Inc., SALES GO Inc., etc.

## Disclaimer

The earnings forecast and forward-looking statements contained in this document are forecasts made by the Company based on information available at the time of preparation of the document and include potential risks and uncertainties.

Therefore, please be aware that actual results may differ from these results forecasts due to various factors.

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