

# **FY12/2024**

## **Business Results Briefing Material**

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**Broadleaf Co., Ltd**

**February 7, 2025**

# Apology and Correction

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**We have classified and disclosed the results of cloud software implementation into the following 2 categories.**

**"Existing client": Customers who switched from our packaged software to cloud software**

**"New client": Customers who have not used our packaged software**

**Recently, we identified an error in the calculation method used for published figures from 2024 onward.**

**Specifically, some customers who migrated to cloud software after the expiration of their packaged software lease contracts were mistakenly classified as 'New Clients' instead of 'Existing Clients'.**

**We sincerely apologize for any inconvenience caused to you.**

**The correct figures with this error corrected are published on the next page.**

**In the future, we will strive to tighten our aggregation program and provide accurate and honest information.**

**In 2024, the number of our packaged software customers decreased by 644, primarily due to business closures and consolidations.**

**This decline reflects challenges in business succession, as well as the increasing annual burden of investment in facilities and technologies driven by the evolution of automobiles.**

**Meanwhile, the number of cloud software customers increased by 865.**

**Many companies are leveraging changes in the business environment to expand their operations and launch new businesses, actively investing in areas such as digital transformation (DX) enhancement.**

**This polarization within the industry has become increasingly evident.**

**As a group, we remain committed to enhancing the added value of our services and supporting businesses striving for growth and development.**

# Contents of Correction

Corrections will be underlined.

## [Number of Software Users]

(Companies)	FY2024 End of 1Q		FY2024 End of 2Q		FY2024 End of 3Q	
	Before	After	Before	After	Before	After
Cloud software standard edition	5,871	5,871	6,837	6,837	7,623	7,623
Existing client	3,326	<u>3,389</u>	3,749	<u>4,128</u>	4,022	<u>4,740</u>
New client	2,545	<u>2,482</u>	3,088	<u>2,709</u>	3,601	<u>2,883</u>

## [Indicators related to cloud software] (Number of Licenses)

(License)	FY2024 End of 1Q		FY2024 End of 2Q		FY2024 End of 3Q	
	Before	After	Before	After	Before	After
Cloud software standard edition	7,934	7,934	9,310	9,310	10,644	10,644
Existing client	4,807	<u>4,968</u>	5,483	<u>6,062</u>	5,989	<u>7,145</u>
New client	3,127	<u>2,966</u>	3,827	<u>3,248</u>	4,655	<u>3,499</u>

## [Indicators related to cloud software] (Average monthly license sales)

(Yen/Month)	FY2024 March		FY2024 June		FY2024 September	
	Before	After	Before	After	Before	After
Cloud software standard edition	22,853	22,853	23,051	23,051	23,375	23,375
Existing client	25,598	<u>25,804</u>	25,580	<u>25,817</u>	25,970	<u>25,986</u>
New client	18,632	<u>17,909</u>	19,429	<u>17,890</u>	20,036	<u>18,043</u>

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## Summary

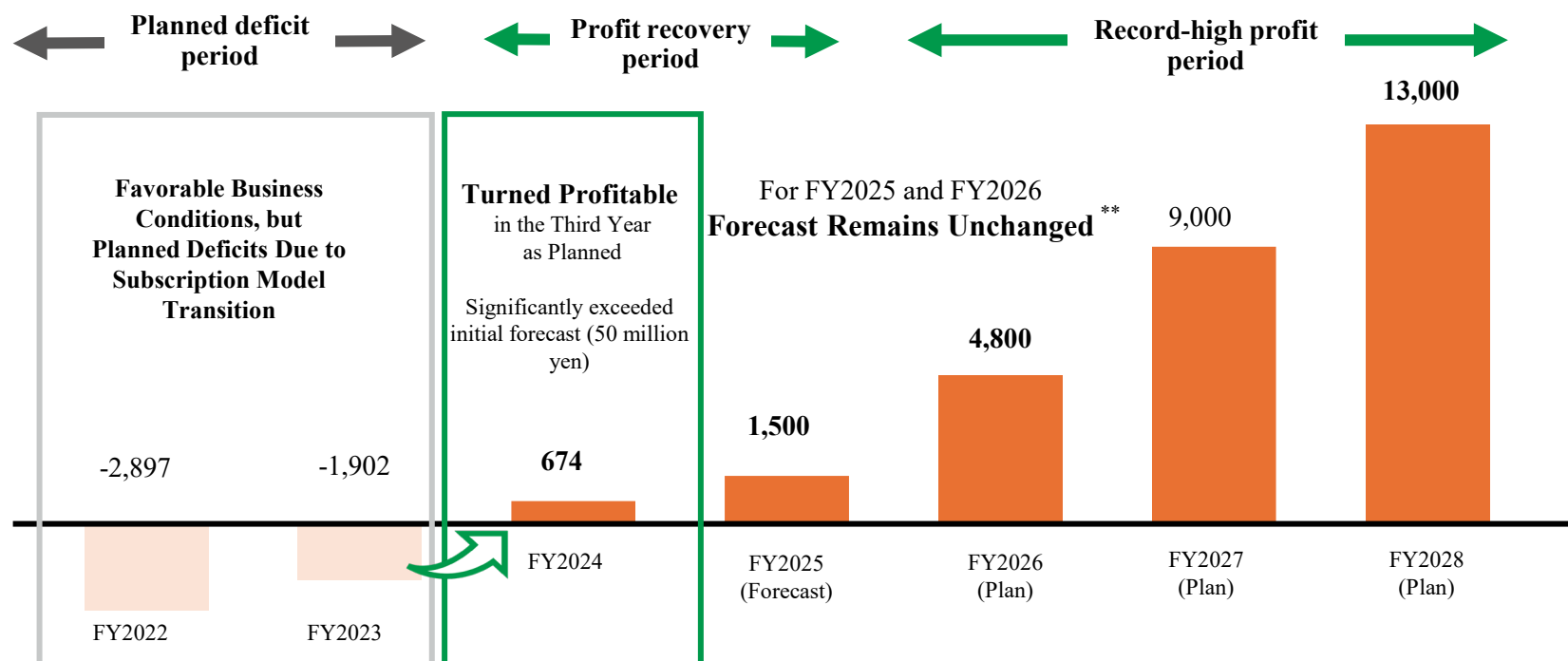
In 2022, alongside the full renewal and cloud migration of our core business software, we transitioned our sales model to a subscription-based model.

We formulated the Medium-Term Management Plan (2022-2028) with the goal of completing customer cloud migration by the end of 2028.

With the progress of customers' cloud migration, we will return to operating profit in 2024, the third year.

We are on track to achieve operating income of 13,000 million yen in 2028, the final year of the Plan.

### ■ Operating Income Results and Forecasts (Millions of yen)



## Business Results for the FY12/2024



## Overview of the Consolidated Financial Results for FY12/2024

**Revenue increased 17.3% year on year**

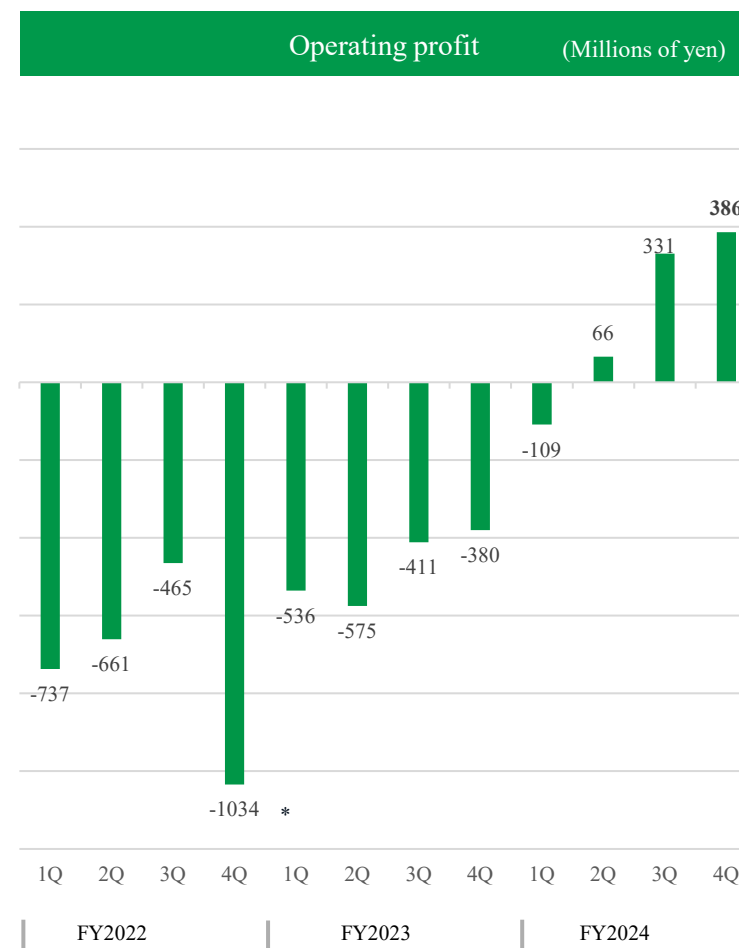
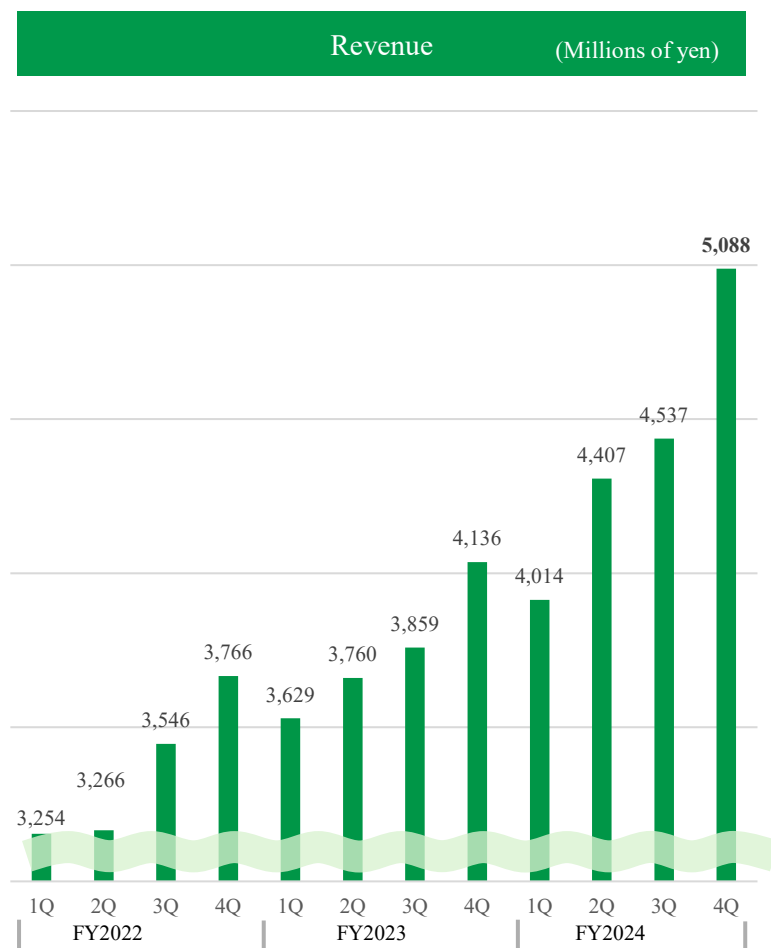
**Operating profit and subsequent profit figures saw a significant increase, turning profitable due to higher revenue and cost reduction effects.**

(Millions of yen)	FY2024	FY2023	YoY change	YoY ratio
Revenue	18,045	15,385	+2,660	+17.3%
Cost of sales	6,334	6,045	+288	+4.8%
Gross profit	11,712	9,340	+2,372	+25.4%
SG&A expenses, etc.	11,038	11,242	-204	-1.8%
Operating profit *	674	-1,902	+2,576	-
Profit before tax *	545	-1,921	+2,466	-
Profit attributable to owners of the parent*	343	-1,487	+1,830	-
Basic earnings per share*	3.85	-16.76	-	-

\*Minus (-) represents loss

## Quarterly Performance Trends

The trend of increasing revenue and profit has continued since the transition to a subscription-based sales model. In Q4 2024, sales saw a significant increase due to the early recognition of large-scale project revenues (lump-sum sales).



\*FY2022's 4Q impaired goodwill (-615 million yen)



## Sales by Service Category

**Revenue from software services increased with the progress of the subscription transition for business software. Sales of packaged software grew due to the recognition of large-scale projects and strong hardware performance.**

(Millions of yen)	FY2024	FY2023	YoY change	YoY ratio
Cloud services	7,781	5,236	+2,546	+48.6%
Software service	7,197	4,587	+2,610	+56.9%
Marketplace	584	649	-65	-10.0%
Packaged system	10,264	10,149	+115	+1.1%
Software sales	3,630	2,983	+647	+21.7%
Operation and support service	6,634	7,166	-532	-7.4%
Total	18,045	15,385	+2,660	+17.3%
Recurring revenue*	14,415	12,401	+2,014	+16.2%
Recurring sales Ratio	80%	81%	-	-

\* Sum of cloud services and Operation and support service

## Breakdown of Major Costs

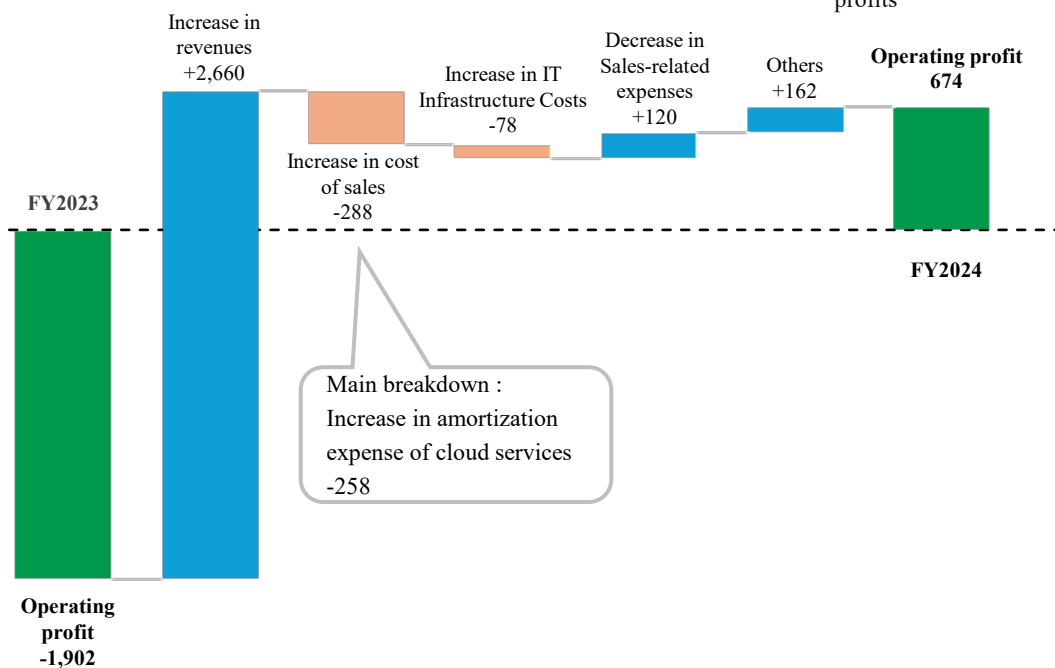
Revenue growth contributed significantly to profitability improvement.

Business process efficiency was enhanced through DX promotion, including the active utilization of AI technology.

### Breakdown of Changes in Operating Income (Loss)

(Millions of yen)

+:Positive factors  
- :Factors behind the decline in profits



### Cost of sales

- Amortization expenses for cloud services increased due to the expansion of cloud software.
- Procurement costs rose following increased hardware sales.
- Development costs classified as cost of sales decreased.

### SG&A expenses, etc.

- Increased cost of procuring IT infrastructures to provide cloud services.
- Operating expenses decreased due to the promotion of efficient sales activities.
- Business process improvements led to reductions in general and administrative expenses.

## Balance Sheet Status

**Intangible assets increased due to the expansion of target industries for cloud software and the addition of new functions.**

**Contract liabilities, which represent advances received, increased as the number of 5-year contracts for cloud software grew.**

(Millions of yen)	FY2024 Year-end	FY2023 Year-end	YoY change	Major breakdown of increase/decrease
Current assets	8,211	7,053	+1,157	Cash and cash equivalents +386 Operating and other receivables +654
Non-current assets	31,684	29,696	+1,987	Intangible assets +2,458
Total assets	39,895	36,750	+3,145	—
Current liabilities	13,681	11,079	+2,602	Contract liabilities +3,117 Short-term interest-bearing debts -990
Non-current liabilities	3,071	3,184	-114	Long-term interest-bearing debts-117
Total liabilities	16,751	14,263	+2,488	—
Total equity	23,143	22,487	+657	Net income +332
Total liabilities and equity	39,895	36,750	+3,145	—

## Cash Flows Status

**As the number of 5-year contracts for cloud software increased,**

**Free cash flow surged despite continued investment in software development.**

(Millions of yen)	FY2024	FY2023	YoY change	Major breakdown of increase/decrease
Cash flow from operating activities	6,531	3,425	+3,106	Increase in profit and loss before tax +2466 Increase in operating and other payables -520 Increase in contract liabilities +873
Cash flow from investment activities	-4,308	-3,669	-640	Increase in payments for acquisition of intangible assets-487
Cash flow from financing activities	-1,835	705	-2,539	Decrease in short-term debts -4,537 Proceeds from long-term debts +2,019
Free cash flow	2,222	-244	+2,466	—
Cash and cash equivalents at the end of the period	4,306	3,920	+386	—

## Results Forecasts for FY12/2025



## Points of FY12/2025

### Sales forecast

#### Software service

Revenue per license is expected to continue rising with the introduction of cloud software for parts dealers, recycling businesses, and other industries.

#### Marketplace

Based on the cloud adoption trends among major auto maintenance shops, parts dealers, and recycling businesses, transaction volume is expected to increase from 2026 onward.

#### Software sales

A decline is expected as a reaction to the temporary surge in demand from large-scale projects and hardware sales.

#### Operation and support service

As existing customers transition to cloud services, sales classification is expected to gradually shift toward software services.

### Cost

#### Cost of sales

Amortization expenses are expected to increase due to the addition of new features to cloud software aimed at enhancing customer convenience and the expansion into new industries.

#### SG&A expenses

To ensure both the stability and expansion of cloud services for customers, we plan to enhance IT infrastructure and advance security measures.

## Consolidated Results Forecast for FY12/2025

**Revenue continued to grow by double digits, offsetting the reactionary decline.**

**Despite cost increases, operating income and below more than doubled year-on-year.**

(Millions of yen)	FY2025 Full-year forecast	FY2024 Full-year	YoY ratio	FY2025 1H forecast	FY2024 First half	YoY ratio
Revenue	<b>20,100</b>	18,045	+11.4%	<b>9,500</b>	8,421	+12.8%
Cost of sales	<b>6,800</b>	6,334	+7.4%	<b>3,300</b>	2,961	+11.4%
Gross profit	<b>13,300</b>	11,712	+13.6%	<b>6,200</b>	5,460	+13.6%
SG&A expenses, etc.	<b>11,800</b>	11,038	+6.9%	<b>5,900</b>	5,504	+7.2%
Operating profit *	<b>1,500</b>	674	+122.5%	<b>300</b>	-44	-
Profit before tax	<b>1,500</b>	545	+175.3%	<b>300</b>	16	-
Attributable to owners of the parent Basic earnings per share*	<b>1,000</b>	343	+191.3%	<b>200</b>	-14	-
Basic earnings per share*	<b>11.13 yen</b>	3.85 yen	-	<b>2.23 yen</b>	-0.15 yen	-

\*-indicates a loss

## Sales Forecast by Service Category

**The increase in revenue from software services offset the reactionary decline in package software sales.**

**The recurring revenue ratio increased as the shift to cloud software (subscription) progressed.**

(Millions of yen)	FY2025 Full-year forecast	FY2024 Full-year	YoY ratio	FY2025 1H forecast	FY2024 First half	YoY ratio
Cloud services	11,300	7,781	+45.2%	5,100	3,498	+45.8%
Software service	10,700	7,197	+48.7%	4,800	3,213	+49.4%
Marketplace	600	584	+2.7%	300	285	+5.3%
Packaged system	8,800	10,264	-14.3%	4,400	4,923	-10.6%
Software sales	2,600	3,630	-28.4%	1,200	1,524	-21.3%
Operation and support service	6,200	6,634	-6.5%	3,200	3,399	-5.9%
Total	20,100	18,045	+11.4%	9,500	8,421	+12.8%
Recurring revenue *	17,500	14,415	+21.4%	8,300	6,897	+20.3%
Recurring sales Ratio	87%	80%	-	87%	82%	-

\* Sum of cloud services and Operation and support service

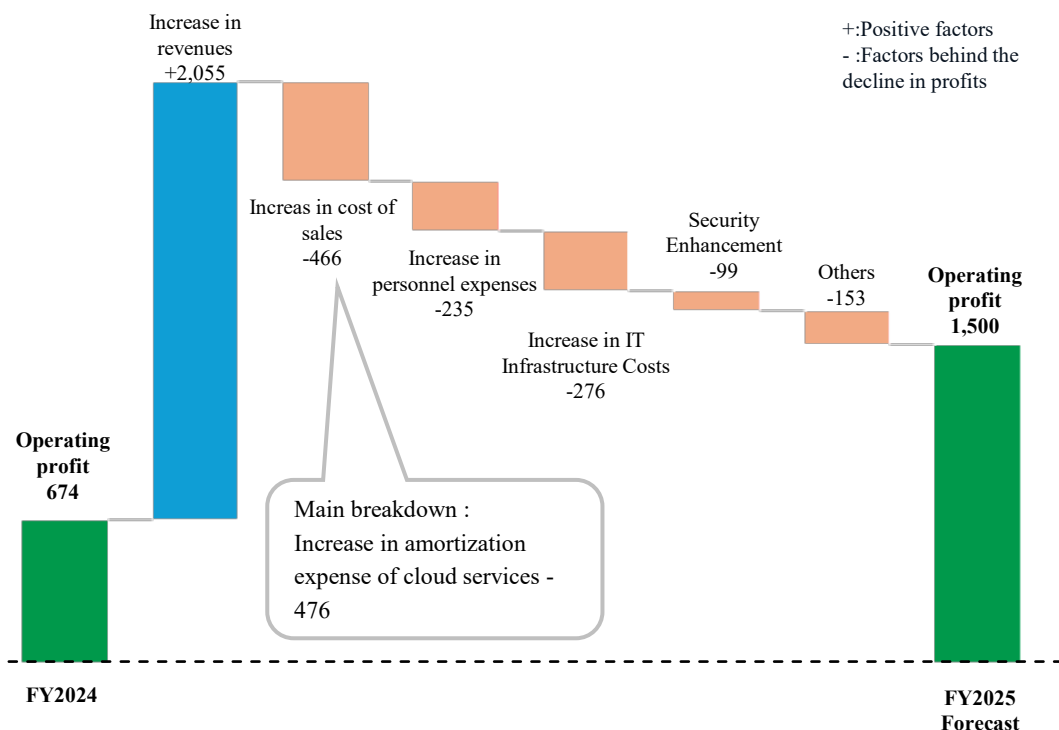


# Breakdown of Changes in Operating Profit Forecast

**Amortization expenses increased due to the expansion of cloud software features.**

**In addition to continued increases in IT infrastructure procurement costs, security enhancement measures are planned.**

## Breakdown of Changes in Operating Income (Loss) (Millions of yen)



## Cost of sales

- Amortization expenses for cloud services increased due to continued investment in development aimed at enhancing customer value.

## SG&A expenses, etc.

- Personnel expenses increased due to investments in human resource development aimed at improving productivity over the medium to long term.
- Expenses increased for strengthening IT infrastructure and implementing security measures to ensure stable service delivery.

## Dividend Forecast

**For the fiscal year ending December 31, 2024, a year-end dividend of 2.00 yen per share is planned.**

**For the fiscal year ending December 31, 2025, the annual dividend is forecasted to be 4.00 yen (2.00 yen each at interim and year-end).**

### Dividend per share

(Yen)	FY2025 (Forecast)	FY2024 (Planned at the end of the fiscal year)
Interim dividend	2.00 yen	0.00 yen
Year-end dividend	2.00 yen	2.00 yen
Yearly dividend	4.00 yen	2.00 yen
Consolidated dividend payout ratio	35.9%	51.9%

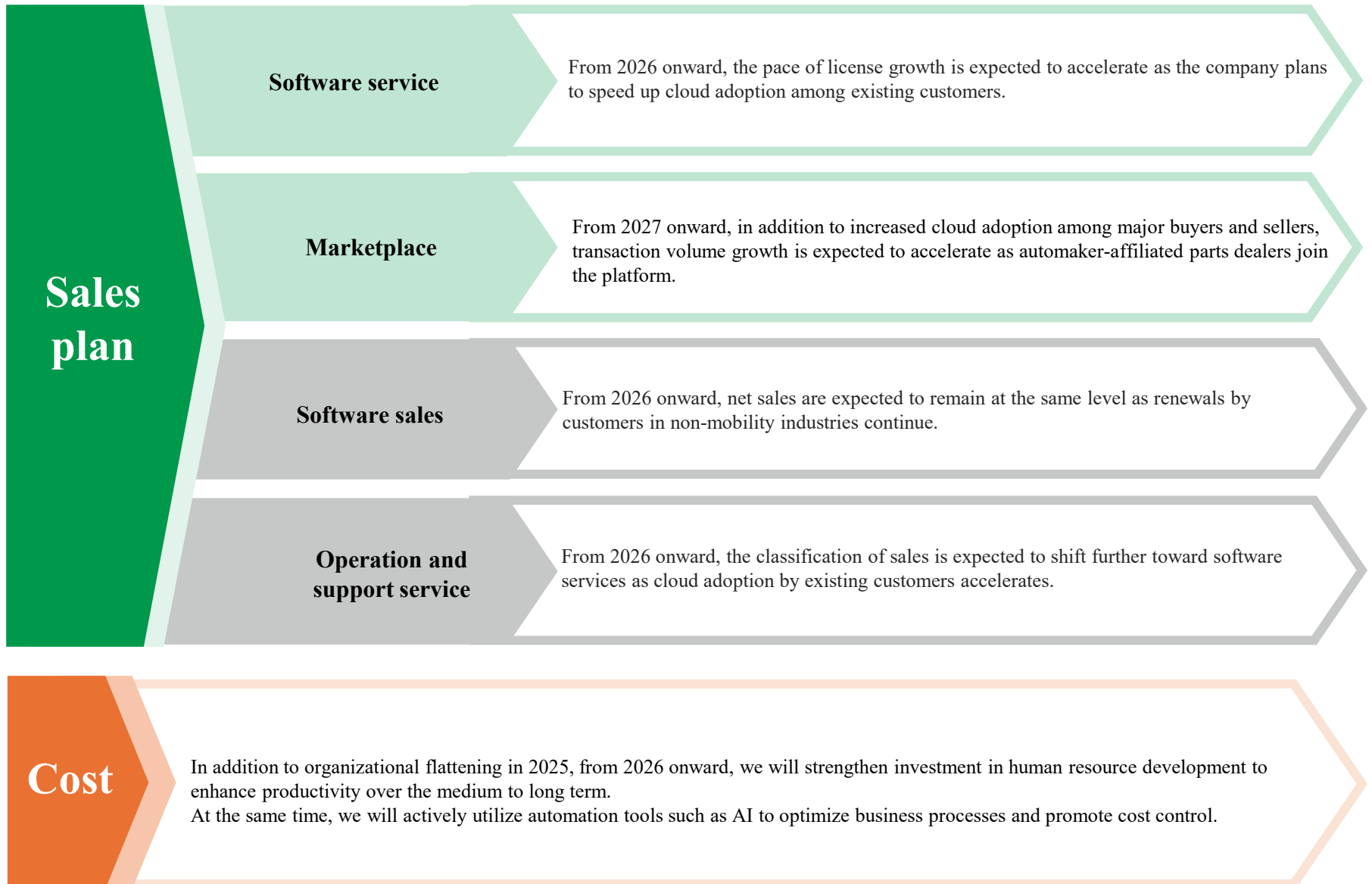
### Basic Policy

- For the fiscal year ending December 2024, we place emphasis on returning profits to shareholders who supported our efforts to return to profitability.
- We aim to swiftly restore profit levels to those before the transition to a subscription-based sales model. Until this is achieved, we plan to pay dividends in accordance with our dividend policy (consolidated dividend payout ratio of 35% or more).
- For the fiscal year ending December 2025, the annual dividend is forecasted to be 4 yen per share, doubling year-on-year.
- Our medium- to long-term policy is to return profits to shareholders while balancing profit growth and improved capital efficiency.

# Update of Medium-Term Management Plan (2022-2028)

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## Key Points of the 2026-2028 Performance Plan

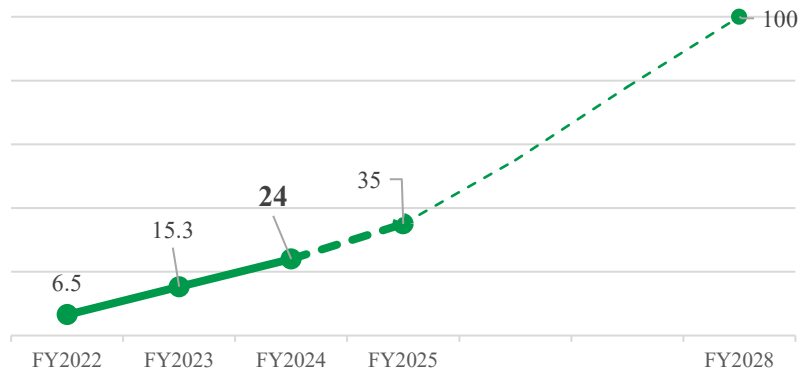


## Key Indicators of Cloud Software

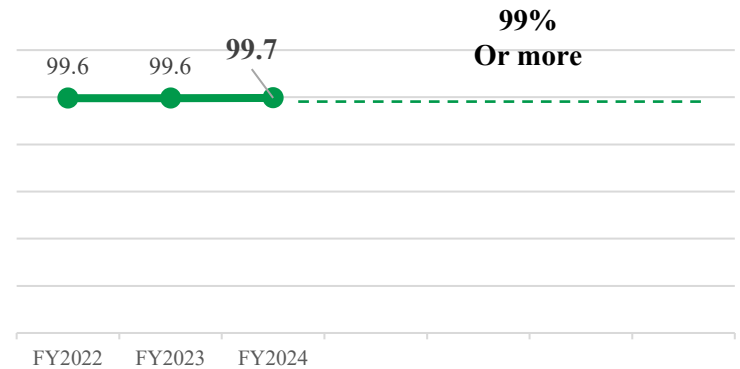
The target of achieving a 100% cloud adoption rate by the end of 2028 remains unchanged.

We will continue to propose cloud solutions that enhance added value for customers.

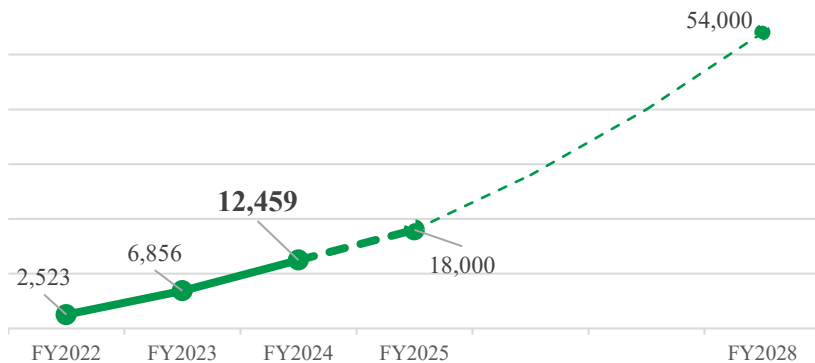
Cloud rate (%)



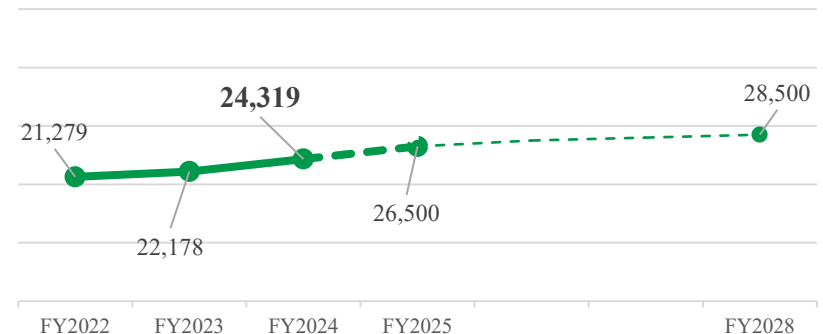
User retention rate (standard version, %)



Number of licenses (standard version)



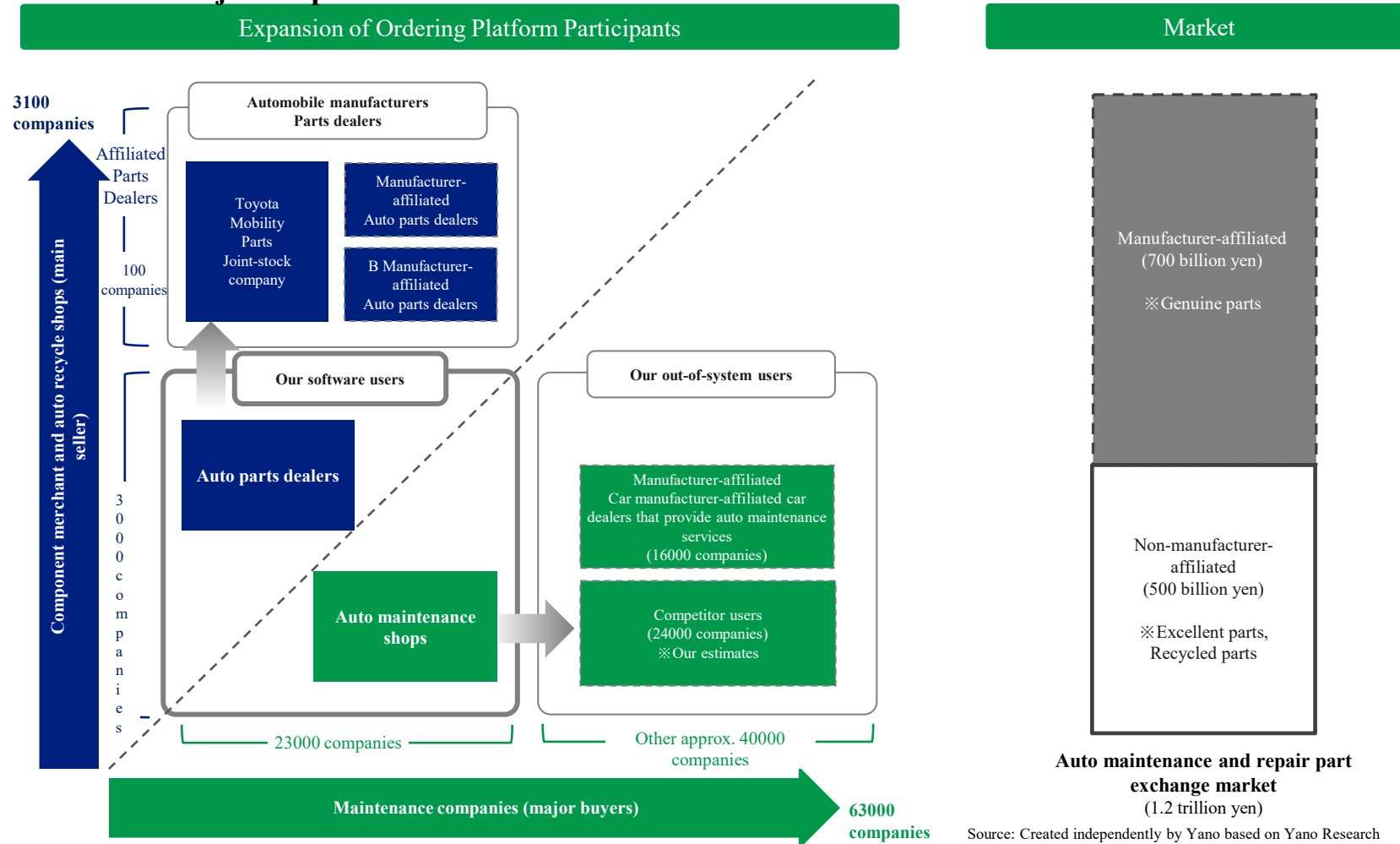
Average monthly license sales (standard version, yen)



## Expansion of Marketplace Participants

**Buyers:** Expanded and more open, increasing from 3,000 companies in the previous version to 23,000 in the cloud version.

**Sellers:** In addition to parts dealers and recycling businesses, automaker-affiliated companies are scheduled to join in phases.



Source: Created independently by Yano based on Yano Research Institute's "2019 Automobile Aftermarket Overview"

## Sales Plan by Service Category (Updated)

Updated the sales plan for 2025 and beyond to reflect the cloud software sales strategy.

The marketplace sales plan incorporates the expected increase in participants from 2027.

(Millions of yen)	FY2022	FY2023	FY2024	FY2025 Planning	FY2025 Forecast	FY2026 Old plan	FY2026 Planning	FY2027 Old plan	FY2027 Planning	FY2028 Old plan	FY2028 Planning
Cloud services	2,628	5,236	7,781	11,800	11,300	15,700	15,400	25,000	20,700	29,100	26,400
Software service	1,958	4,587	7,197	11,200	10,700	15,100	14,700	22,100	18,900	25,000	23,300
Marketplace	670	649	584	700	600	700	700	2,900	1,800	4,100	3,100
Packaged system	11,205	10,149	10,264	8,700	8,800	8,300	8,100	4,000	6,800	3,400	5,100
Software sales	3,539	2,983	3,630	2,600	2,600	2,900	2,700	2,200	2,700	2,000	2,600
Operation and support service	7,666	7,166	6,634	6,100	6,200	5,400	5,400	1,800	4,100	1,400	2,500
Total Sales revenue	13,833	15,385	18,045	20,500	20,100	24,000	23,500	29,000	27,500	32,500	31,500
Recurring revenue *	10,294	12,402	14,415	17,900	17,500	21,100	20,800	26,800	24,800	30,500	28,900
Recurring sales Ratio	74%	80%	80%	87%	87%	88%	89%	92%	90%	94%	92%

\*Sum of cloud services and Operation and support service

※FY2025 annual planned values and the old planned values after FY2026 were announced on February 9, 2024.

## Performance Plan (Updated)

Updated the profit plan for 2027 in addition to the sales plan for 2025 and beyond.

The record-high operating income target for 2026 and the 2028 operating income target of 13 billion yen remain unchanged.

(Millions of yen)	FY2022	FY2023	FY2024	F2025 Planning	FY2025 Forecast	FY2026 Old plan	FY2026 New plan	FY2027 Old plan	FY2027 New plan	FY2028 Old plan	FY2028 New plan
Revenue	13,833	15,385	18,045	20,500	20,100	24,000	23,500	29,000	27,500	32,500	31,500
Operating profit *	-2,897	-1,902	674	1,500	1,500	4,800	4,800	10,000	9,000	13,000	13,000
Operating Profit Margin	-	-	3.7%	7.3%	7.5%	20%	20%	34%	33%	40%	41%
Owners of the parent Profit attributable	-2,431	-1,487	343	1,000	1,000	3,200	3,200	6,300	6,000	8,000	8,000

\*-indicates a loss

※FY2025 annual planned values and the old planned values after FY2026 were announced on February 9, 2024.



## **Action to Implement Management that is Conscious of Cost of Capital and Stock Price**



**Estimate the cost of equity capital (expected return for equity investors) using the CAPM model.**

<b>Cost of (shareholder's) Equity</b>	=	<b>Risk free rate</b>	+	<b>Equity Risk Premium</b>	×	<b>Beta value</b>
<b>8.0%</b>		<b>1.0%</b> (10-Year JGB Yields)		<b>7.0%</b> (Our estimates)		<b>1.0</b>

## About Beta value:

- In CAPM, setting the beta value is recognized as important, and it is calculated based on 4 different sets of criteria..
- We regard the cost of equity capital as the 'expected future return,' positioning it as the expected annualized return over the next 10 years relative to 10-year government bonds.

**Although the beta calculated from past stock prices is below 1.0, it is conservatively set at 1.0.**

	End of 2020	End of 2021	End of 2022	End of 2023	End of 2024
Beta value of 1 (5 years/monthly)	0.96	1.05	1.13	1.04	0.91
Beta value 2 (3 years/weekly, no modification)	0.93	0.86	0.84	0.65	0.62
Beta value of 3 (3 years/weekly, with revision*)	0.95	0.91	0.89	0.77	0.75
Beta of 4 (1 year/daily)	0.78	0.81	0.91	0.78	0.81

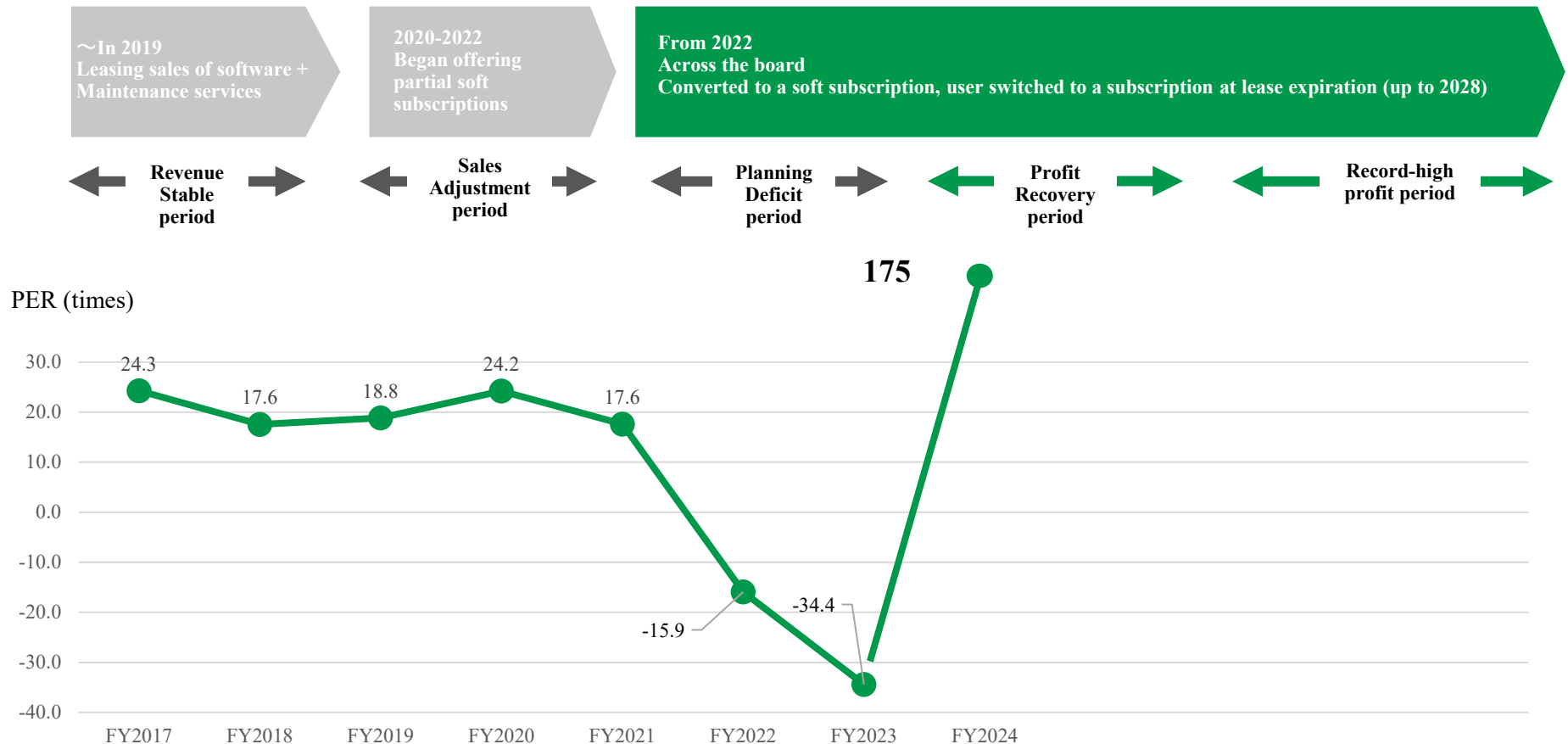
\*(beta 2) x 0.667 + 0.333

## PER Performance

**Achieve an average of 20 times or more in the period from "stable earnings" to "revenues adjustment"**

**Completed the "planned deficit period" and entered the "earnings recovering period" in 2024, and PER turned positive**

**Assuming  $PER = 1 / (\text{cost of equity} - \text{expected growth rate})$ , the expected growth rate at a PER20 multiple is 3% from the cost of equity = 8%**

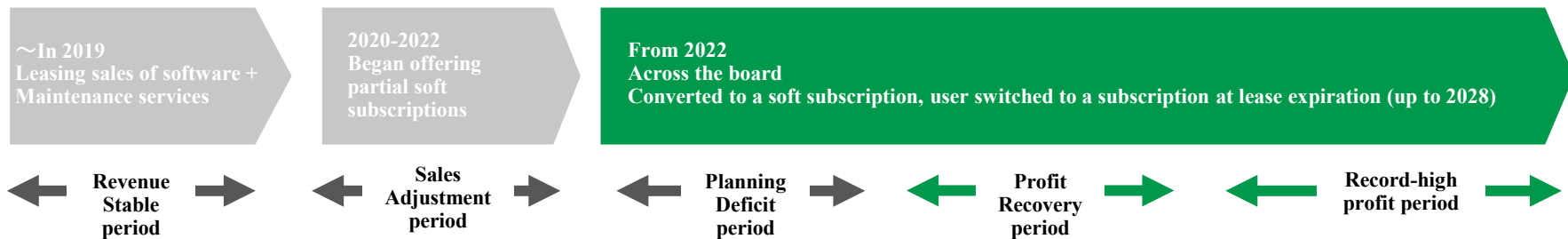


## PBR Performance

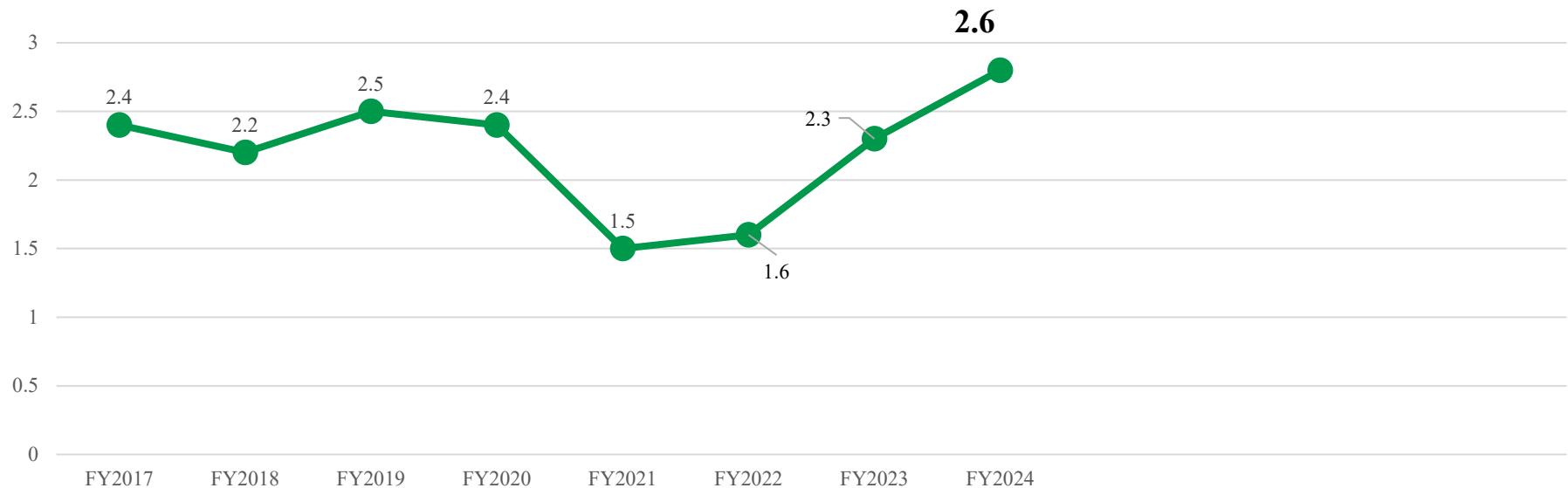
2.2-2.5 times in the period of stable earnings to revenues adjustment

Secure 1.5 times or more in the "planned deficit period"

Up 2.6 times in 2024, when the economy entered a recovery phase

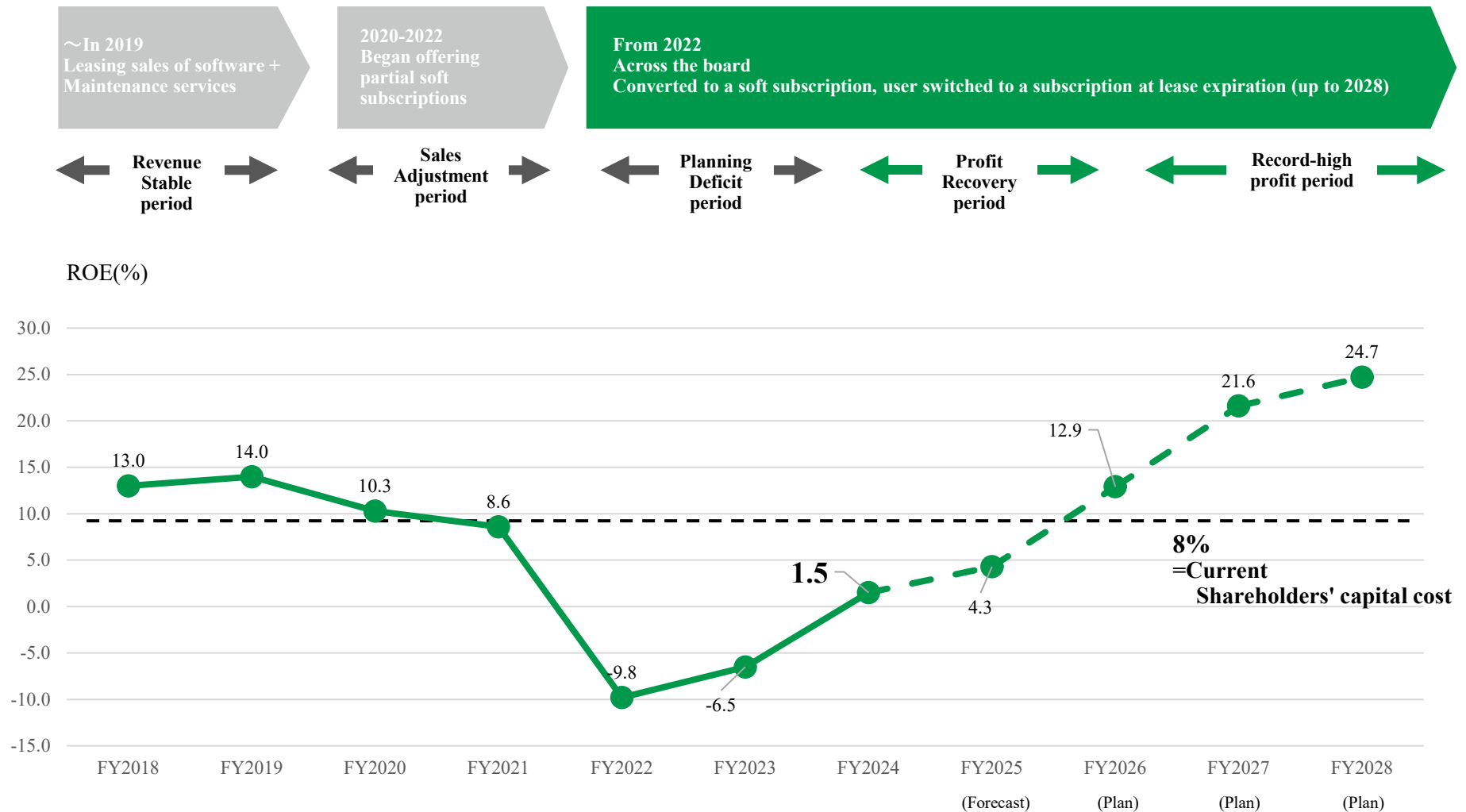


PBR (times)



## ROE Results and Projections

Although ROE declined temporarily due to the shift to a subscription model,  
Expected to exceed the cost of shareholders' equity from 2026 after the "profit recovery period" as planned

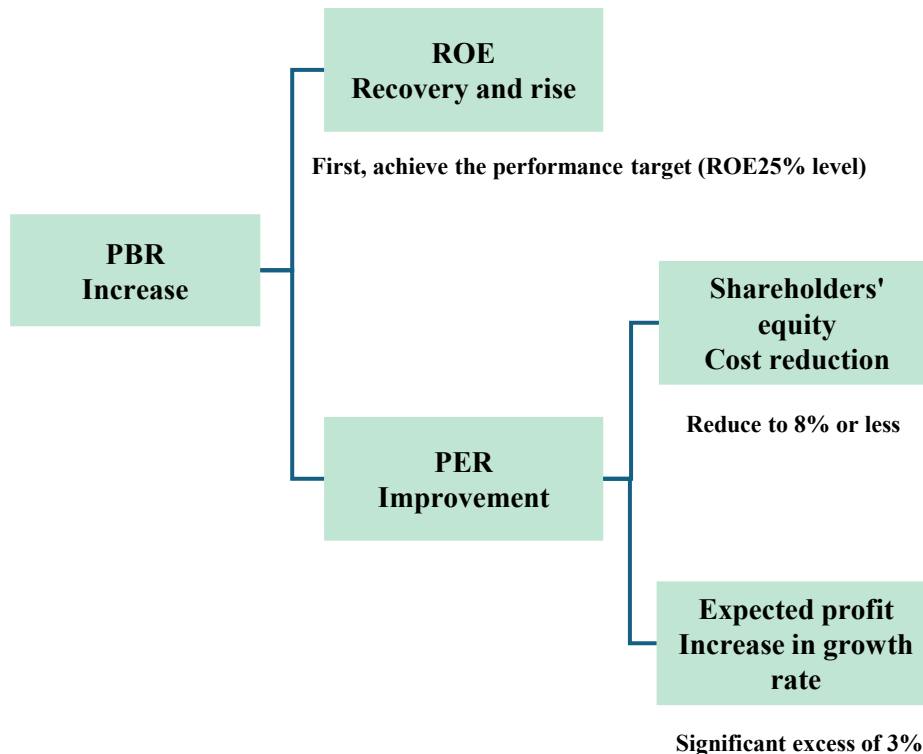


## Efforts to Enhance Shareholder Value

Increasing shareholder value is viewed as an increase in  $PBR(=ROE \times PER)$ , and initiatives are being promoted.

After assessing the probability of achieving the results targets in the medium-term management plan (2022-2028), we plan to formulate capital policies, including ROE targets and shareholder return policies.

### Structure for Enhancing Share Value



### Outline of Initiatives

- ✓ Market expansion by strengthening and expanding products and services  
⇒ **To create profit growth opportunities**
- ✓ Achieving Both Growth Investment and Shareholder Returns  
⇒ **Realization of sustainable growth**
- ✓ Shift to a subscription-type software business  
⇒ **To reduce performance volatility**
- ✓ Active voluntary timely disclosure (e.g., revisions to earnings forecasts)  
⇒ **Elimination of information asymmetry**
- ✓ Announcement of Medium-Term Business Plan (2022 to 2028)  
⇒ **Penetration of understanding of the feasibility of profit growth**
- ✓ Aggressive development of platform-based services  
⇒ **Creation of growth areas following the software business**

## Supplemental Information



# Number of Software Users

(companies)	FY2022				FY2023				FY2024			
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q	End of 4Q
Mobility sector *												
** of cloud software companies	395	991	1,557	2,231	2,973	3,744	4,527	5,381	6,048	7,027	7,862	9,051
Standard Edition	274	867	1,433	2,099	2,831	3,604	4,382	5,222	5,871	6,837	7,623	8,800
Existing	118	405	721	1,094	1,492	1,937	2,370	3,010	3,389	4,128	4,740	5,723
New	156	462	712	1,005	1,339	1,667	2,012	2,212	2,482	2,709	2,883	3,077
Specific major companies	121	124	124	132	142	140	145	159	177	190	239	251
** of packaged software companies	35,978	35,659	35,301	35,412	34,882	34,351	33,762	32,969	32,027	31,260	30,018	29,264
Non-Mobility sector *												
** of packaged software companies	1,725	1,704	1,691	1,702	1,692	1,676	1,666	1,635	1,602	1,583	1,536	1,498
Cloud rate	1.2%	2.9%	4.6%	6.5%	8.6%	10.7%	12.9%	15.3%	17.3%	19.9%	22.5%	24.0%

\*Mobility sector: auto maintenance shops (& service stations), auto body shops, Component Merchants, auto recycle shops, Used Vehicle Sales, auto electrical equipment shops, radiator shops, auto glass shops

Non-Mobility sector: Mobile phone shops, machinery and tools trading companies, travel services, bus services

\*\*Cloud software: 1 enterprise license = 1 customer counted

Packaged software: 1 product = 1 customer and count,



## Indicators Related to Cloud Software

(license)	FY2022				FY2023				FY2024			
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q	End of 4Q
<b>Number of licenses*</b>	1,306	2,056	2,857	3,620	4,656	5,649	6,721	8,156	9,301	10,739	12,177	14,034
Standard Edition	307	995	1,790	2,523	3,490	4,441	5,477	6,856	7,934	9,310	10,644	12,459
Existing	136	483	950	1,381	1,970	2,552	3,166	4,244	4,968	6,062	7,145	8,725
New	171	512	840	1,142	1,520	1,889	2,311	2,612	2,966	3,248	3,499	3,734
Specific major companies	999	1,061	1,067	1,097	1,166	1,208	1,244	1,300	1,367	1,429	1,533	1,575

\*Licensing refers to corporate and job licenses for cloud software

(yen/month)	FY2022				FY2023				FY2024			
	March	June	September	December	March	June	September	December	March	June	September	December
<b>License Average monthly sales*</b>	—	—	—	—	—	—	—	—	—	—	—	—
Standard Edition	17,308	19,148	21,047	21,279	21,165	21,424	21,561	22,178	22,853	23,051	23,375	24,319
Existing	18,808	21,150	23,326	24,074	23,837	24,324	24,553	24,823	25,804	25,817	25,986	26,910
New	16,115	17,261	18,470	17,900	17,701	17,507	17,461	17,881	17,909	17,890	18,043	18,264
Specific major companies	—	—	—	—	—	—	—	—	—	—	—	—

\*Licensing refers to corporate and job licensing

	FY2022	FY2023				FY2024			
	End of 4Q	1Q	1H	Cumulative 3Q	Full-year	1Q	1H	Cumulative 3Q	Full-year
<b>Cloud software user retention rate*</b>	—	99.6%	99.6%	99.6%	99.6%	99.6%	99.6%	99.6%	99.7%

\*Cloud software user retention rate: Weighted average of monthly user retention rate for the 1Q of the current fiscal year

Monthly user retention rate:  $1 - \{\text{number of monthly cancellations} / (\text{number of cloud software users at the end of the previous fiscal year} + \text{number of newly acquired companies})\}$

# Explanation of Revenues by Service Category

## Cloud service

### Software service

#### Sales related to monthly subscription-type software

[Product type]

- “.c series”, a cloud business support software
- “.NS Series”, a packaged business support software \*1
- “Dencho.DX”, a software compliant with the Electronic Book Storage Act
- “CarpodTab”, a tablet-based business support tool
- “BL.Homepage”, a website creation and management tool
- Other monthly fee-based services

[Sales type]

- Fixed monthly fee, usage-based fee, installation support fee, etc.

### Marketplace

#### Sales related to ordering platform

[Product type]

- “Cloud Ordering Platform”, an open-type EC/EDI
- “BL Parts Order System”, an automotive parts transaction network
- “Parts Station NET” a auto recycle parts transaction network

[Sales type]

- Basic fee, transaction fee, settlement agency fee, etc.

## Packaged system

### Software sales

#### Sales related to the sale of licensed software

[Product type]

- “.NS Series”, a packaged business support software \*2
- “OTRS”, a work-analysis software
- Other software and IT tools
- Devices such as PC and printers

[Sales type]

- Leasing sales, one-time sales, installation support fee, etc.

### Operation and support service

#### Sales related to the use of licensed software

[Product type]

- Network and database delivery services
- Client support and device maintenance services
- Supplies such as stock form paper

[Sales type]

- Monthly fixed fee, one-time sales, etc.

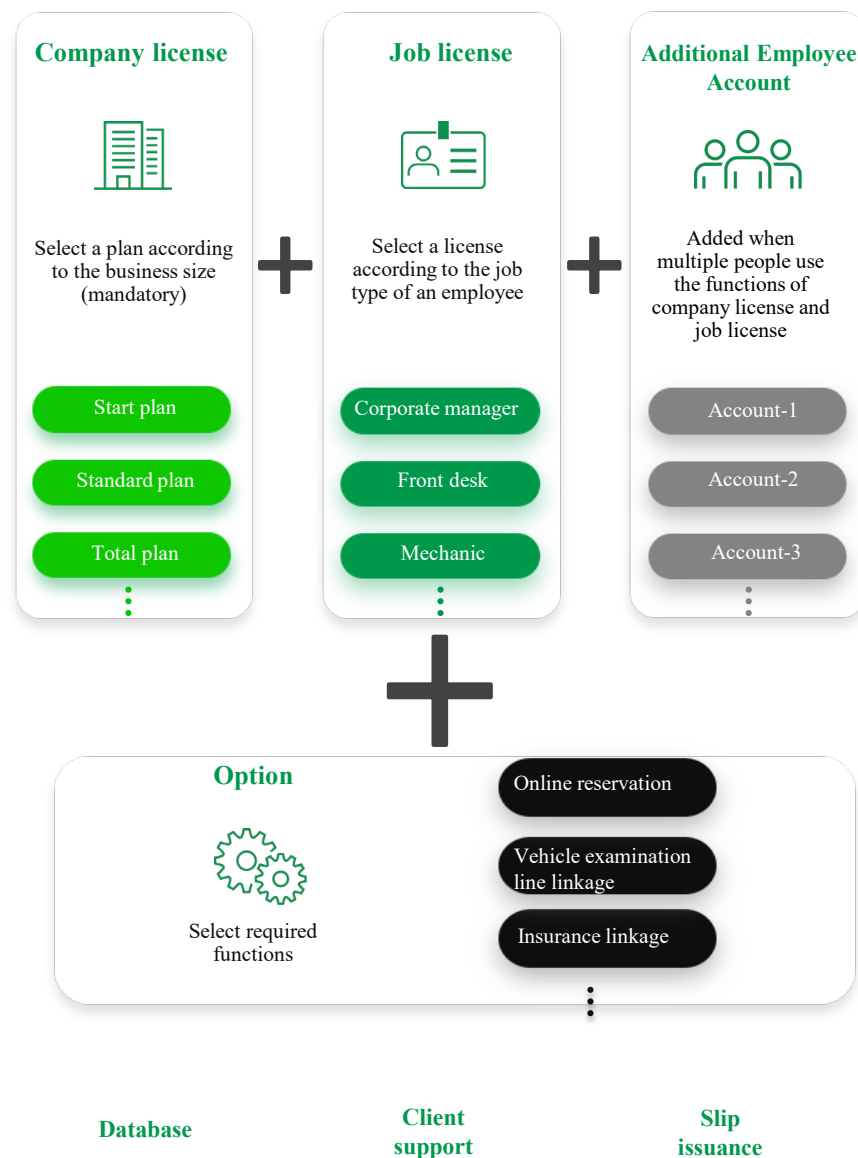
\*1 Provision in the form of monthly subscription is limited until the scheduled transition period to “.c series”.

\*2 New leasing sales of “.c series” to target industries is terminated.

## Service Structure (Cloud Software)

### 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.



## Cases of Offering Packaged Software under the Monthly Subscription Contracts

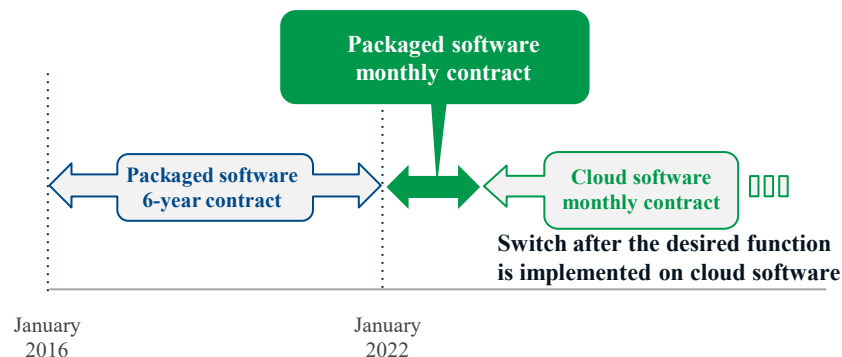
In certain cases, some clients may continue to use packaged software under monthly subscription contracts for a limited period.

### Case 1 A client who wishes to use a specific function on cloud software



If a client's contract for packaged software expires before a desired function is implemented:

The client may continue to use the packaged software under monthly subscription contract **until the desired function becomes available on our cloud software.**

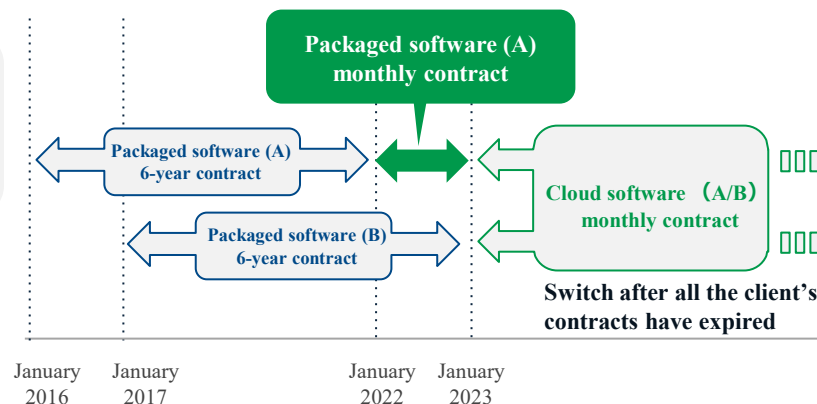


### Case 2 A single client who has multiple lease contracts



If a client has multiple 6-year contracts for packaged software, each with different expiration dates:

The client may continue to use the packaged software under monthly subscription contracts after each contract expires, **until all their contracts have expired.**



# Corporate Profile

Company Name	Broadleaf Co., Ltd
Representative	Kenji Oyama, Representative Director and President
Listed on	Tokyo Stock Exchange Prime Market (3673)
Sector	Information and telecommunication
Founded/established	December 2005/September 2009
Capital stock	7.148 billion yen (consolidated)
Business Year	From January 1 to December 31
Business Outline	Based on our proprietary Broadleaf Cloud Platform, we provide partner programs that enable functional and service collaboration with a diverse range of players, including SaaS and other cloud services and marketplaces. Mobility sector is used as a IT solution that leads to business opportunities in various industries and industries.
Head Office	8th Floor, Glascube Shinagawa, 13-14, Higashi-Shinagawa 4-chome, Shinagawa-ku, Tokyo
Domestic sites	26 sales offices/3 development offices
Main Subsidiaries	Tajima Co., Ltd., SALES GO Corporation, sector Innovative Research Institute Co., Ltd., SpiralMind Co., Ltd.

## Disclaimer

Statements contained in these materials regarding operating results and future projections,

These are estimates based on information available to the Company at the time the materials were prepared,

Which are subject to potential risks and uncertainties.

Accordingly, due to a variety of factors, actual results may differ materially.

Please note that these forecasts may differ from the forecasts.

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