



FY12/2025

# **Business Results Briefing Material**

**Broadleaf Co., Ltd**

**February 12, 2026**

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# Business Results for the FY12/2025

# Performance Summary

## Consolidated Results for 2022-2025

Over the four years since the launch of the Medium-Term Management Plan (2022–2028), actual results have exceeded the initial forecasts\* in every year.

(Millions of yen)	FY2022		FY2023		FY2024		FY2025	
	initial forecast	Actual results						
Revenue	12,300	<b>13,833</b>	15,000	<b>15,385</b>	17,600	<b>18,045</b>	20,100	<b>20,815</b>
Operating profit ( - indicates loss )	-4,800	<b>-2,897</b>	-2,700	<b>-1,902</b>	50	<b>674</b>	1,500	<b>2,063</b>
Owners of the parent Profit attributable to ( - indicates loss )	-5,000	<b>-2,431</b>	-2,400	<b>-1,487</b>	40	<b>343</b>	1,000	<b>1,240</b>

### [Key Initiatives]

- Continued development of cloud-based software (including functional enhancements and performance improvements).
- Progressive migration of users whose licenses for legacy software have expired to monthly subscription-based contracts.  
(Where applicable cloud-based software has not yet been released, legacy software is provided on a temporary, time-limited basis under a monthly subscription model.)

\* Consolidated financial forecasts for the relevant fiscal year as stated in the full-year financial results summary

# Overview of the Consolidated Results FY12/2025

Business Results for the FY12/2025

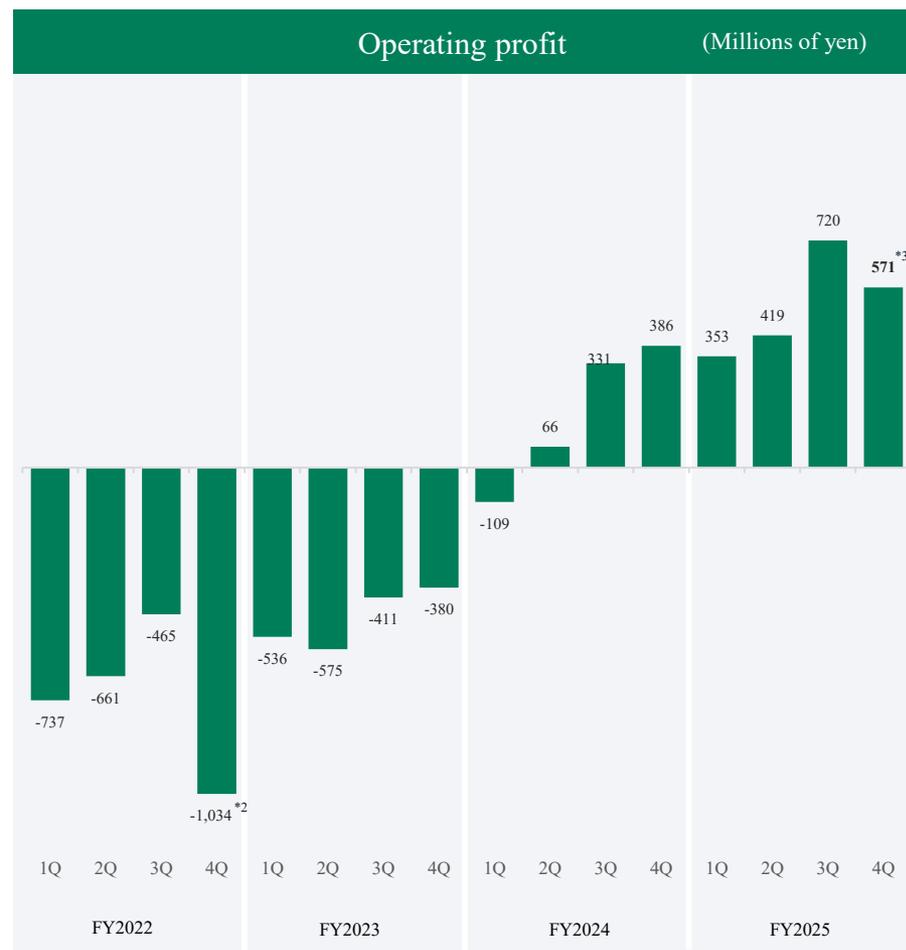
In addition to an increase in the number of contracts for monthly subscription-based software, the Company captured replacement demand for PCs, resulting in double-digit revenue growth. Owing to a revenue structure with a high contribution margin, operating profit and profit attributable to owners of the parent increased by more than three times year on year, representing a significant increase in profits.

(Millions of yen)	FY2025	FY2024	YoY change	YoY ratio
Revenue	20,815	18,045	+2,770	+15.4%
Cost of sales	7,296	6,334	+962	+15.2%
Gross profit	13,520	11,712	+1,808	+15.4%
Selling, general and administrative expenses, etc.	11,457	11,038	+419	+3.8%
Operating profit	2,063	674	+1,389	+206.0%
Profit before tax	1,854	545	+1,309	+240.3%
Profit for the year attributable to Owners of the parent	1,240	343	+897	+261.3%
Basic earnings per share (yen)	13.79	3.85	-	-

Since fully transitioning to a subscription-based revenue model in 2022, the Company has been establishing a performance trend that combines revenue stability with high growth.



\*1 In Q4 FY2024, large Non-ordinary sales was recorded



\*2 In Q4 FY2022, an impairment loss on goodwill of a subsidiary was recognized (-615 million yen).

\*3 SG&A expenses increased compared with 3Q due to seasonal factors.

## Sales by Service Category

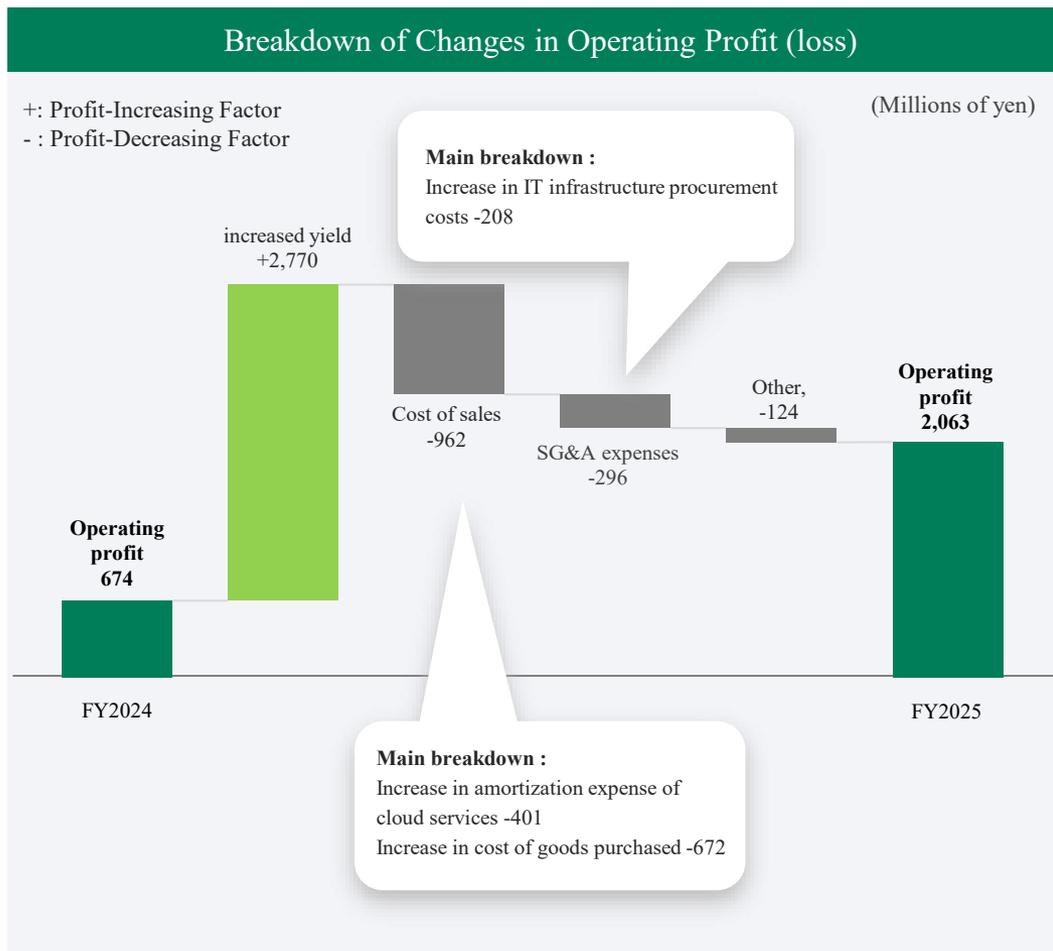
As customers continue to migrate to monthly subscription-based contracts, operation and support revenue from package systems has declined, more than offset by growth in software services.

(Millions of yen)	FY2025	FY2024	YoY change	YoY ratio
<b>Cloud services</b>	<b>11,832</b>	<b>8,210</b>	<b>+3,622</b>	<b>+44.1%</b>
Software services	<b>11,302</b>	<b>7,626</b>	<b>+3,676</b>	<b>+48.2%</b>
Software	<b>9,838</b>	<b>6,532</b>	<b>+3,306</b>	<b>+50.6%</b>
maintenance contract	<b>642</b>	<b>387</b>	<b>+255</b>	<b>+65.8%</b>
Initial setup	<b>822</b>	<b>706</b>	<b>+116</b>	<b>+16.4%</b>
Marketplace	<b>530</b>	<b>584</b>	<b>-54</b>	<b>-9.3%</b>
<b>Packaged system</b>	<b>5,699</b>	<b>7,450</b>	<b>-1,751</b>	<b>-23.5%</b>
Software sales	<b>1,441</b>	<b>1,941</b>	<b>-500</b>	<b>-25.8%</b>
Operation and support service	<b>4,258</b>	<b>5,508</b>	<b>-1,251</b>	<b>-22.7%</b>
<b>Others</b>	<b>3,285</b>	<b>2,386</b>	<b>+899</b>	<b>+37.7%</b>
Hardware	<b>2,613</b>	<b>1,689</b>	<b>+924</b>	<b>+54.7%</b>
supply	<b>672</b>	<b>697</b>	<b>-25</b>	<b>-3.5%</b>
<b>Total</b>	<b>20,815</b>	<b>18,045</b>	<b>+2,770</b>	<b>+15.4%</b>
<b>Recurring revenue*</b>	<b>14,737</b>	<b>12,428</b>	<b>+2,310</b>	<b>+18.6%</b>
Recurring revenue ratio	<b>70.8%</b>	<b>68.9%</b>	<b>-</b>	<b>-</b>

\* Recurring revenue: Total of software, support, and operations and support service.

# Breakdown of Major Cost Increases and Decreases

While growth-related investment costs, including cloud amortization and IT infrastructure procurement expenses, increased, the Company actively leveraged AI to enhance efficiency in sales activities, development processes, and administrative operations.



### Cost of sales

- Increase in amortization expense of cloud services due to feature expansion of cloud software
- Increase in cost of goods purchased due to revenue increase in hardware, mainly PCs

### SG&A expenses

- For provision of cloud services  
IT infrastructure procurement costs increased
- Reduced outsourcing fees through operational efficiency improvements via active use of AI

**Intangible assets increased due to investment in the development (functional enhancements) of cloud-based software.  
Contract liabilities\* increased in line with the growth in five-year package contracts for cloud-based software.**

(Millions of yen)	FY2025 Year-end	FY2024 Year-end	YoY change	Main change factors
Current assets	<b>8,464</b>	8,211	+253	Operating and other receivables +343
Non-current assets	<b>32,960</b>	31,684	+1,277	Intangible assets +2,035
Total assets	<b>41,425</b>	39,895	+1,530	-
Current liabilities	<b>15,344</b>	13,681	+1,664	Contract liabilities +2,102
Non-current liabilities	<b>1,788</b>	3,071	-1,283	Long-term interest-bearing debts-1,271
Total liabilities	<b>17,132</b>	16,751	+381	-
Total equity	<b>24,293</b>	23,143	+1,149	Profit +1,215
Total liabilities and equity	<b>41,425</b>	39,895	+1,530	-

**\*Contract liabilities**

Contract liabilities represent advance payments received under five-year cloud software package contracts (paid in full upfront for five years). Revenue is recognized on a straight-line basis over the contract period.

Government IT implementation subsidies are one of the factors encouraging the adoption of five-year packages. In addition, these contracts help mitigate the relative ease of cancellation associated with subscription models, thereby contributing to improved customer retention rates.

**Although the increase in contract liabilities was smaller, operating cash flow rose in line with improved profitability. Excluding one-off factors, investing cash flow showed a declining trend, while financing cash flow reflected a decrease in borrowings.**

(Millions of yen)	FY2025	FY2024	YoY change	Main change factors
Cash flow from operating activities	<b>6,897</b>	6,531	+366	Increase in profit before tax +1,309 Decrease in contract liabilities -1,015 Decrease in operating and other receivables +334
Cash flow from investment activities	<b>-4,409</b>	-4,308	-100	Decrease in proceeds from sales and redemption of investments -320 Decrease in expenditures for acquisition of intangible assets +120
Cash flow from financing activities	<b>-2,692</b>	-1,835	-857	net increase in short-term borrowings +2,900 Decrease in proceeds from long-term borrowings -3,218
Free cash flow	<b>2,488</b>	2,222	+265	-
Cash and cash equivalents at the end of the year	<b>4,121</b>	4,306	-185	-

## Plan for 2026–2028

## Consolidated Financial Forecast for 2026-2028

Expected to continue achieving record performance in the latter 3 years of the mid-term management plan (2022-2028)

(Millions of yen)	FY2026		FY2027		FY2028	
	previous forecast *1	current forecast	previous forecast *1	current forecast	previous forecast *1	current forecast
Revenue	23,500	<b>23,500</b>	27,500	<b>27,500</b>	31,500	<b>32,000</b>
Operating profit	4,800	<b>4,800</b>	9,000	<b>9,000</b>	13,000	<b>13,000</b>
Operating profit rate	20.4%	<b>20.4%</b>	32.7%	<b>32.7%</b>	41.3%	<b>40.6%</b>
Profit attributable to owners of the parent	3,200	<b>3,200</b>	6,000	<b>6,000</b>	8,000	<b>8,500</b>
Return on sales	13.6%	<b>13.6%</b>	21.8%	<b>21.8%</b>	25.4%	<b>26.6%</b>
Basic earnings per share (yen)*2	-	<b>35.35</b>	-	<b>66.28</b>	-	<b>93.90</b>
Cash Dividends Per Share (yen)	-	<b>15.00</b>	-	<b>NOTE</b>	-	<b>NOTE</b>

\*1 Previous guidance is the value announced on February 7, 2025

\*2 The number of shares used to calculate the 2026 forecast is also applied to the 2027 and 2028 forecasts

**NOTE:** Dividend amounts for each fiscal year are scheduled to be determined at the beginning of the respective fiscal year in accordance with the dividend policy of a consolidated payout ratio of 40% or higher.

# Sales Plan by Service Category

## Breakdown of Sales Forecast for 2026-2028

Software services, centered on cloud software as our flagship product, are driving sales growth.

(Millions of yen)	FY2026		FY2027		FY2028	
	Previous forecast*	Current forecast	Previous forecast*	Current forecast	Previous forecast*	Current forecast
Cloud services	15,400	<b>15,700</b>	20,700	<b>20,900</b>	26,400	<b>26,800</b>
Software services	14,700	<b>15,000</b>	18,900	<b>19,600</b>	23,300	<b>24,300</b>
Marketplace	700	<b>700</b>	1,800	<b>1,300</b>	3,100	<b>2,500</b>
Packaged system	8,100	<b>5,500</b>	6,800	<b>4,500</b>	5,100	<b>3,300</b>
Software sales	2,700	<b>1,600</b>	2,700	<b>1,600</b>	2,600	<b>1,500</b>
Operation and support service	5,400	<b>3,900</b>	4,100	<b>2,900</b>	2,500	<b>1,800</b>
Others	-	<b>2,300</b>	-	<b>2,100</b>	-	<b>1,900</b>
Hardware	-	<b>1,700</b>	-	<b>1,500</b>	-	<b>1,300</b>
Supply	-	<b>600</b>	-	<b>600</b>	-	<b>600</b>
<b>Total</b>	<b>23,500</b>	<b>23,500</b>	<b>27,500</b>	<b>27,500</b>	<b>31,500</b>	<b>32,000</b>

The previous forecasts refer to the figures disclosed on February 7, 2025. In the current forecasts, “Other” has been separated from “Package Systems” in the previous forecasts, and the forecast figures have been revised accordingly.

# Basic Strategies

If the migration of legacy software users to cloud-based software proceeds as planned, the revenue forecast is achievable. To enhance the likelihood of achieving the plan, the Company has updated its cloud software sales strategy and established the necessary organizational structure.

## ~FY2025



The Company has continued to enhance and develop its cloud-based software in order to expand the range of applicable customers (in terms of company size and industry).



The Company has migrated customers to cloud-based software sequentially as their legacy software licenses have expired.

### ... As a result ...

- Even after the expiration of legacy software licenses, customers classified as upper mid-sized and larger have remained on standby, awaiting the release of enhanced versions of the cloud-based software.
- As a result, sales activities aimed at acquiring new customers—such as replacing competing products—have been limited.

## FY2026 ~



With ongoing functional enhancements and successive version upgrades of the cloud-based software, the range of applicable customers has expanded.

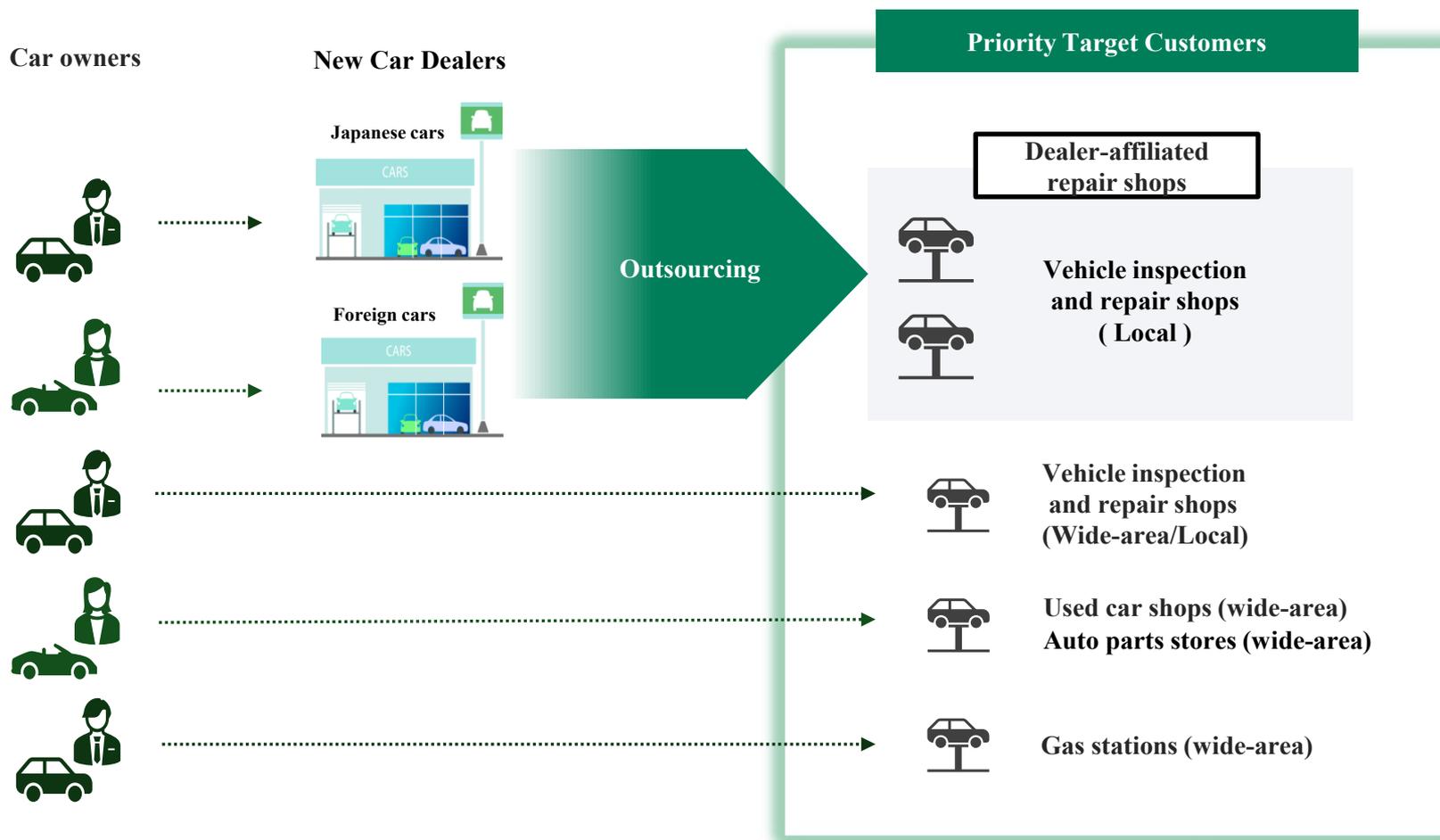
### ... Taking this opportunity...

- Reorganized the Company into a structure emphasizing speed in strategic decision-making (Consolidated seven nationwide branches into three blocks to create a flatter organization) This has also activated cross-regional sales activities.
- Individually designated migration timelines for all customers currently on standby or scheduled for expiration of legacy software licenses.
- Established a dedicated sales organization targeting priority new customers.

# Priority Target Customers

Priority targets include nationwide and regional chain operators, major regional players, as well as Dealer-affiliated repair shops. The cloud-based software revenue model, under which fees increase in proportion to the number of maintenance and repair transactions, is particularly effective for these customers.

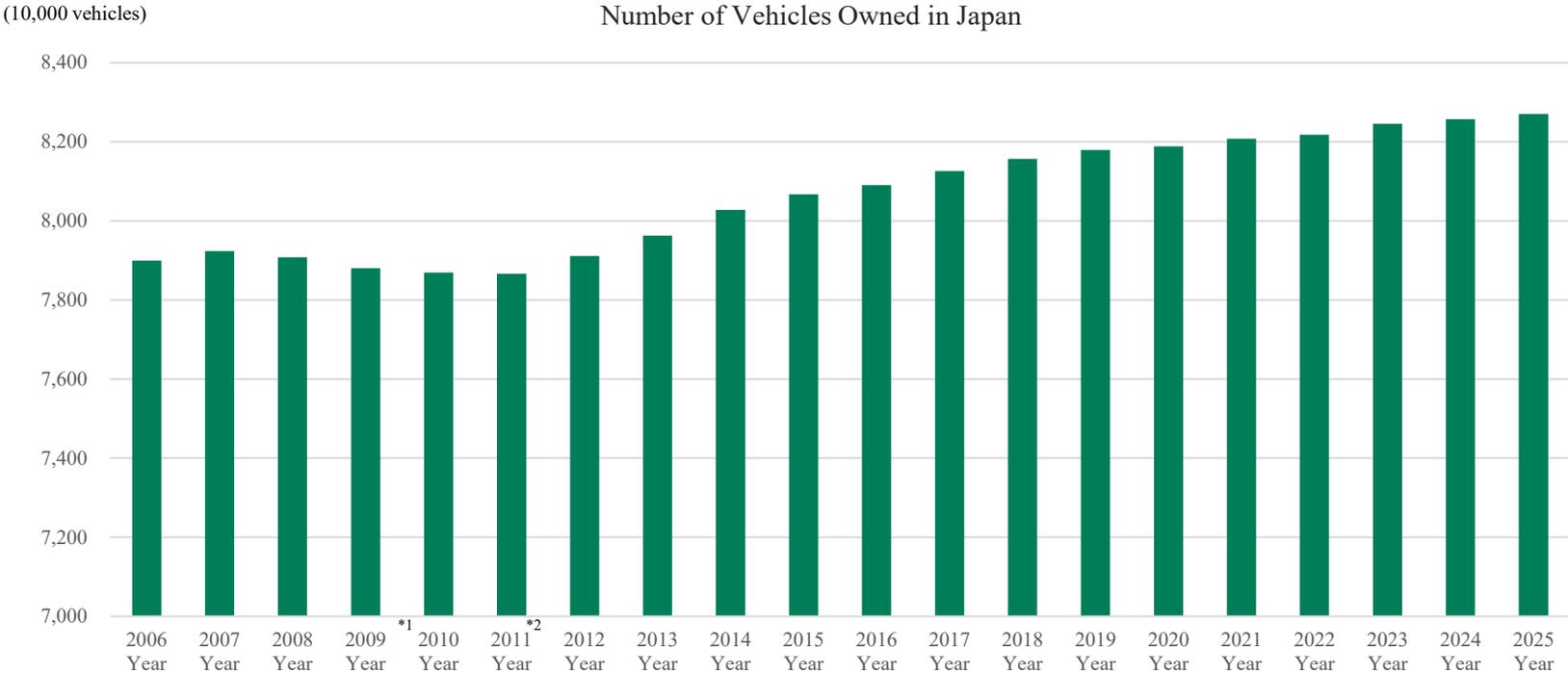
## ■ Process Flow of Vehicle Inspection, Maintenance, and Repair



The CASE transformation of automobiles is a tailwind for us

While the number of automobiles owned in Japan continues to increase, all new car dealers are increasing dealer-affiliated repair shops against the backdrop of staff shortages and rising technology costs

In particular, overseas EV manufacturers fully outsource vehicle after-sales maintenance to dealer-affiliated repair shops when entering Japan.

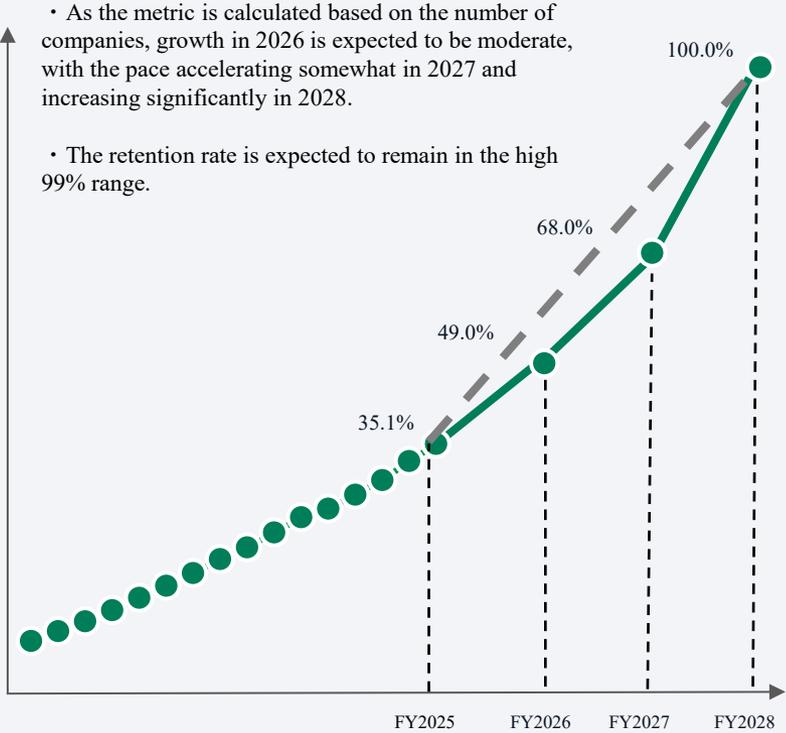


\*1 Lehman shock  
\*2 The Great East Japan Earthquake

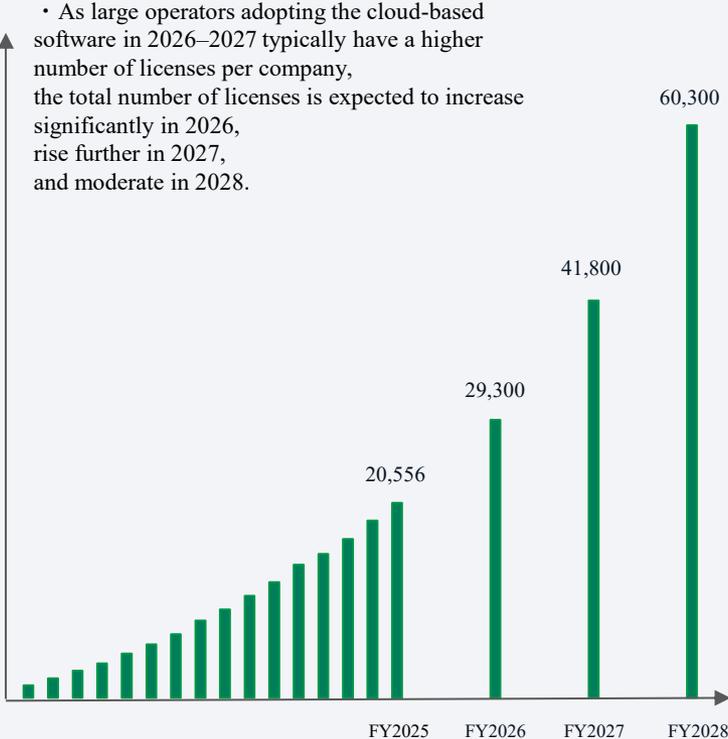
Source) Automobile Inspection & Registration Information Association

Among priority customers that adopt cloud-based software at an early stage, a high proportion are large operators. As smaller operators are expected to migrate in earnest after larger operators have completed their transition, KPI trends are projected to be non-linear.

## Cloud migration rate



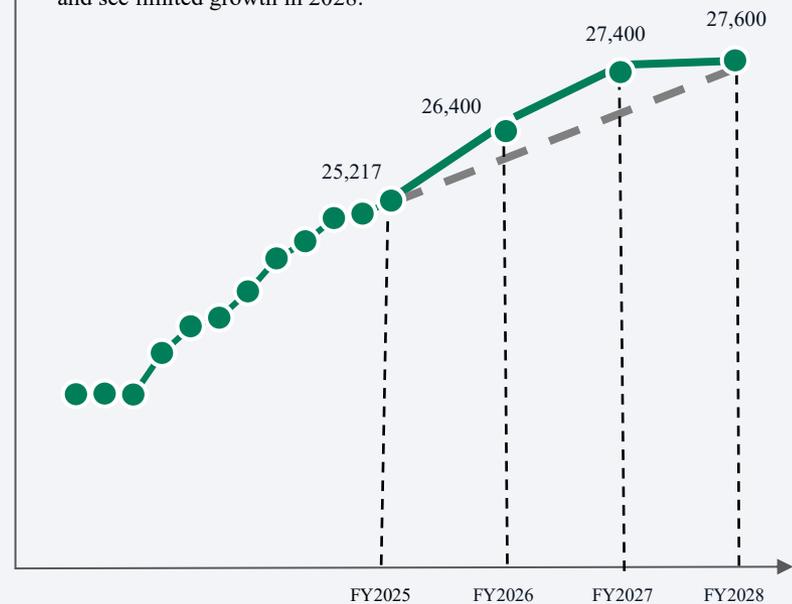
## Number of licenses



Among priority customers that adopt cloud-based software at an early stage, a high proportion are large operators. As smaller operators are expected to migrate in earnest after larger operators have completed their transition, KPI trends are projected to be non-linear.

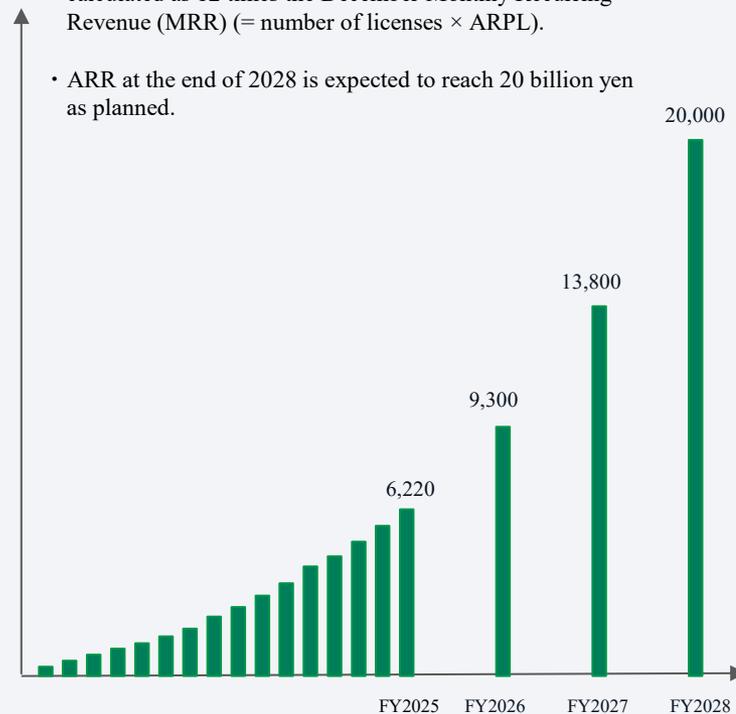
## ARPL (Monthly revenue per license, yen)

- Within the composition of cloud-based software users, the proportion of large operators—who typically have higher license unit prices—is expected to increase in 2026–2027. As a result, ARPL is projected to increase significantly in 2026, continue rising in 2027, and see limited growth in 2028.



## ARR (December recurring revenue annualized, millions of yen)

- Annual Recurring Revenue (ARR) for each fiscal year is calculated as 12 times the December Monthly Recurring Revenue (MRR) (= number of licenses × ARPL).
- ARR at the end of 2028 is expected to reach 20 billion yen as planned.



## FY12/2026 Sales Forecast by Service Category

Given that the introduction of cloud-based software to large operators requires time, and taking into account demand for non-recurring revenue and seasonality, revenue in each segment is expected to increase toward the second half of the year.

As a result, double-digit revenue growth is projected to continue for the full fiscal year.

(Millions of yen)	FY2026 Full-year forecast	FY2025 Full-year	YoY ratio	FY2026 First half forecast	FY2025 First half	YoY ratio
Cloud services	15,700	11,832	+32.7%	7,000	5,336	+31.2%
Software services	15,000	11,302	+32.7%	6,700	5,076	+32.0%
Marketplace	700	530	+32.1%	300	260	+15.2%
Packaged system	5,500	5,699	-3.5%	2,600	3,002	-13.4%
Software sales	1,600	1,441	+11.0%	600	719	-16.5%
Operation and support service	3,900	4,258	-8.4%	2,000	2,283	-12.4%
Others	2,300	3,285	-30.0%	800	1,481	-46.0%
Hardware	1,700	2,613	-34.9%	500	1,142	-56.2%
Supply	600	672	-10.7%	300	340	-11.7%
Total	23,500	20,815	+12.9%	10,400	9,819	+5.9%

Note: Beginning in the fiscal year ending December 2026, certain hardware transactions will be recognized as sales commissions rather than on a gross (purchase-and-sale) basis.

# FY12/2026 Consolidated Results Forecast

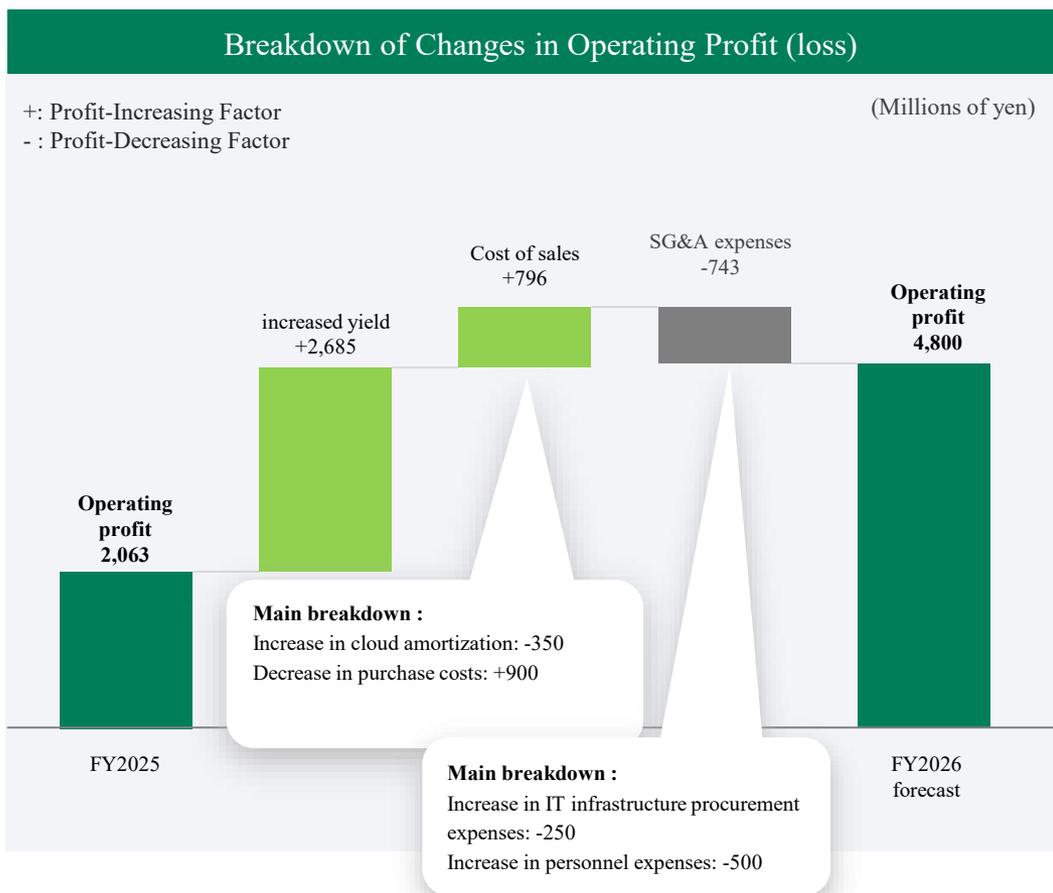
The Company expects to achieve double-digit revenue growth without increasing service delivery costs.

As SG&A expenses are expected to be incurred evenly throughout the year, operating profit is projected to increase significantly in the second half in line with revenue growth.

(Millions of yen)	FY2026 Full-year forecast	FY2025 Full-year	YoY ratio	FY2026 First half forecast	FY2025 First half	YoY ratio
Revenue	<b>23,500</b>	20,815	+12.9%	<b>10,400</b>	9,819	5.9%
Cost of sales	<b>6,500</b>	7,296	-10.9%	<b>3,100</b>	3,448	-10.1%
Gross profit	<b>17,000</b>	13,520	+25.7%	<b>7,300</b>	6,371	+14.6%
SG&A expenses, etc.	<b>12,200</b>	11,457	+6.5%	<b>6,200</b>	5,600	+10.7%
Operating profit	<b>4,800</b>	2,063	+132.7%	<b>1,100</b>	771	+42.6%
Profit before tax	<b>4,750</b>	1,854	+156.2%	<b>1,050</b>	600	+75.0%
Profit attributable to owners of the parent	<b>3,200</b>	1,240	+158.0%	<b>700</b>	417	+68.0%
Basic earnings per share (yen)	<b>35.35</b>	13.79	-	<b>7.74</b>	4.64	-

# FY12/2026 Breakdown of Major Cost Increases and Decreases

As demand for PC replacements is expected to stabilize, cost of sales is projected to decline.  
 At the same time, the Company will invest in strengthening its human capital to drive further growth in the AI era.



## Cost of sales

- Purchase costs are expected to decline due to the stabilization of PC replacement demand and a decrease in transactions conducted on a gross (purchase-and-sale) basis.
- Cloud amortization expenses are expected to increase in line with functional enhancements to cloud-based software.

## SG&A expenses

- IT infrastructure procurement expenses increased to support the provision of cloud services.
- Travel and advertising expenses increased in line with the expansion of sales and promotional activities.
- To accelerate business growth in the AI era, the Company is strengthening the recruitment and development of highly skilled talent.

# Dividend Forecast

The forecast year-end dividend for the fiscal year ended December 2025 has been revised upward to 3.50 yen per share. Reflecting the transition to a profit expansion phase beginning in 2026, the target consolidated payout ratio has been raised to 40% or higher.

## Dividend per Share

	FY2026 forecast	FY2025
Interim dividends	7.50 yen	2.50 yen
Year-end dividends	7.50 yen	3.50 yen *
annual dividend	15.00 yen	6.00 yen
Dividend Payout Ratio	42.4%	43.5%

\*Scheduled to be proposed as an agenda item at the shareholders' meeting in March 2026

## SG&A expenses

### [Before Revision]

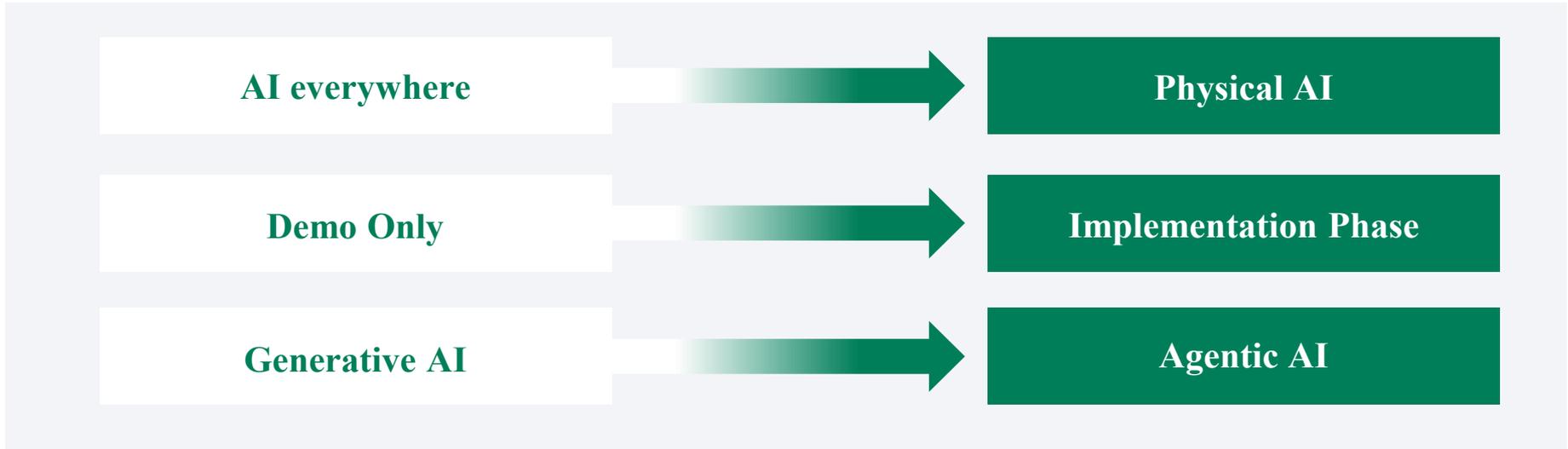
The Company positions shareholder returns as one of its key management priorities and adopts a basic policy of maintaining a 「consolidated payout ratio of 35% or higher」 .

### [After Revision]

The Company positions the appropriate implementation of shareholder returns as a key management priority. While securing internal reserves necessary for business development, it will adopt a basic policy of proactively and flexibly implementing shareholder returns, with a target 「consolidated payout ratio of 40% or higher」 .

# The Path to Becoming a Winner in the Physical AI Era

AI: From “Generation” to the “Real World”  
The “Paradigm Shift” Highlighted at CES 2026



## Five Essential Elements for Physical AI



Physical Constraints



Past Failure History



Operational Reality



Contextual Judgment



Compliance

# Infrastructure Company in the Physical AI Era

Broadleaf is not merely a SaaS company nor simply an AI vendor.

It is an indispensable infrastructure company for the entire automotive aftermarket in the era of Physical AI.



Visible Layer

## ...Role as an Infrastructure Company in the Physical AI Era...

Usually invisible, yet if it stops, the entire industry—repairs, parts transactions, and insurance—would cease to function. It is a critical foundational layer.

- ✓ Repair estimates are prepared accurately
- ✓ Parts transactions do not come to a halt
- ✓ Insurance payments are not delayed

Invisible Layer

## Three Competitive Advantages (Barriers to Entry) in the Era of Physical AI That Are Difficult to Replicate

1

### Data Barriers



- Over 30 years, Broadleaf has integrated “repair-site data” that had been dispersed across tens of thousands of repair shops.
- This accumulated dataset consists of information that can never be obtained from the web.

2

### Regulatory Compliance Barriers



- Japan’s vehicle inspection system is among the most complex and stringent in the world.
- The data and systems accumulated through compliance with the detailed requirements of this regulatory framework constitute a significant barrier to entry.
- Broadleaf possesses the capabilities and organizational structure to respond to further vehicle sophistication and evolving regulatory requirements.

3

### Manufacturers and Dealers Barriers to Accessing Non-managed Vehicles



- Automobile manufacturers do not have detailed visibility into vehicles once they are serviced outside their dealer networks.
- In the automotive aftermarket, Broadleaf is uniquely positioned to understand the real-world patterns of failures and repairs across all manufacturers and vehicle models.

While automobile maintenance services play an important role in supporting car life safety in Japanese society, the workplaces that support this safety face various challenges in terms of human resources, technology, and business structure.

1

## Securing Automotive Technicians



The average age of automotive technicians has been on an upward trend (increasing by approximately 0.34 years per year).\*

Labor shortages among technicians, particularly the decline in younger workers, have become a broader social issue.

2

## Advancement of Automotive Maintenance



With the growing adoption of EVs, autonomous driving technologies, and advanced driver-assistance systems (ADAS), the knowledge and skills required for automotive maintenance are becoming increasingly advanced and specialized.

3

## Lag in Digital Transformation Across the Industry



At many workplaces, operations and decisions still depend on manual labor and experience, with inspection, maintenance, estimation, and history management operated in a fragmented manner, and data is often not sufficiently accumulated or utilized.

\*Source: Japan Automobile Service Promotion Association (2016–2025)

The automotive maintenance industry plays a vital role in supporting the safety of car life in Japanese society. At the same time, the on-site operations that sustain this safety face various challenges in areas such as workforce, technology, and operational structures.

## 2 Revenue Models



### Platform Usage Fee (Subscription)

Subscription fees for business management systems provided to repair shops and parts distributors.  
Stable accumulation of Monthly Recurring Revenue (MRR).



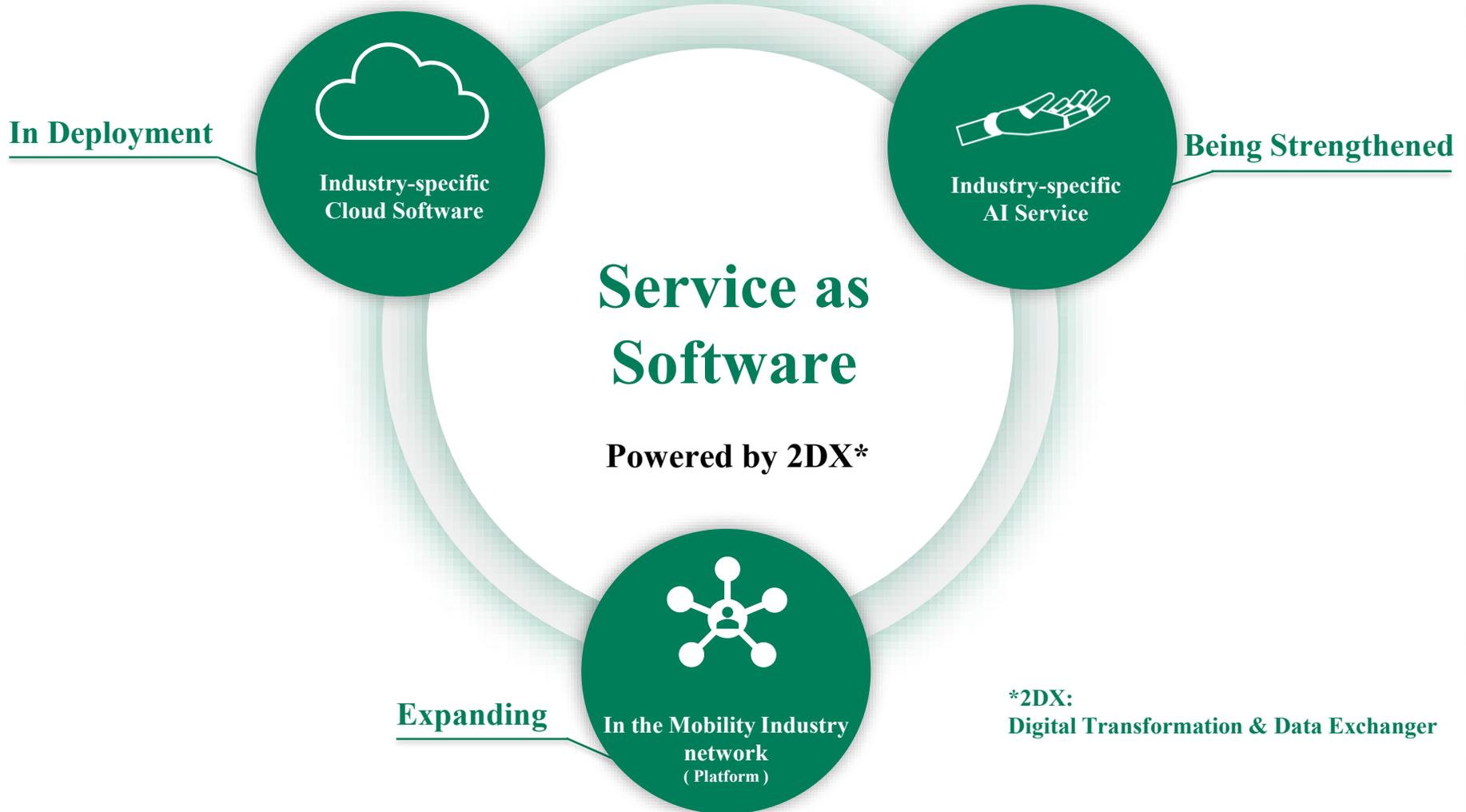
### Transaction-Based Pricing

Usage-based fees linked to the creation, storage, and transmission of documents, as well as the volume and value of parts transactions.

## A Business Model That Generates Revenue as Long as Mobility Exists

Revenue is linked not to the number of repair shops, but to the number of vehicles (mobility units) in operation. Even if the market undergoes consolidation, revenue can be maintained and enhanced by establishing an indispensable position as industry infrastructure.

By enhancing the value of its cloud-based software, expanding the scope of its platform-based services, and creating new AI-driven services, the Company is evolving from a SaaS provider into a Service as Software (SaS) company.



# 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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