3Q FY12/26

Business Results Briefing Material

Broadleaf Co., Ltd.

Nov 11, 2026

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Consolidated (IFRS)
Amounts are rounded to the nearest unit. Amount and percentage changes are calculated based on figures before rounding.

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Financial Results for 3Q FY12/2026

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Summary of Financial Results

- **Cumulative 3Q FY12/2026 saw increases in both revenue and profit**
- **Full-year earnings forecast revised to reflect the large contract not concluded by SALES GO Inc. and adjustments to deployment schedules for mid-sized and larger customers.**

3Q FY12/2026

Revenue

16,297 million yen
(YoY +7.0%)

Operating profit

2,344 million yen
(YoY +57.1%)

- **Growth in recurring revenue and continued high user retention**
  Shift toward a recurring revenue model progressed, backed by cloud migration centered on existing customers in the mobility industry and a low churn rate.
- **Accelerating Investment to Enhance Added Value**
  Making upfront investments to expand services and improve quality.

FY12/2026 Full-Year Forecast

Revenue

22,500 million yen
(YoY +8.1%)

Operating profit

3,500 million yen
(YoY +69.7%)

- **Failure to conclude the large contract at SALES GO Inc.**
  The contract was not concluded due to differences over pricing and other terms (approximately 600 million yen).
- **Adjustments to deployment schedules for mid-sized and larger customers**
  Deployment schedules were adjusted to prioritize support for customers in enhancing their security operations and management practices, as well as to address difficulties in procuring servers and other hardware.

*Announced on August 12, 2026 (Revenue: 23,800 million yen; Operating profit: 4,800 million yen)

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Consolidated Results for 3Q

Customer migration to cloud software continues to progress
Revenue growth more than offset the increase in SG&A and other expenses, resulting in higher operating profit

(Millions of yen)	**FY2026 Cumulative 3Q**	FY2025 Cumulative 3Q	YoY Change	YoY Ratio
Revenue	**16,297**	15,231	+1,066	+7.0%
Cost of sales	**5,117**	5,374	-257	-4.8%
Gross profit	**11,180**	9,857	+1,323	+13.4%
SG&A expenses, etc.	**8,836**	8,365	+470	+5.6%
Operating profit	**2,344**	1,492	+852	+57.1%
Quarterly profit before tax	**2,239**	1,301	+938	+72.1%
Quarterly profit attributable to owners of the parent	**1,481**	872	+609	+69.8%
Basic earnings per share for the quarter*	**8.19 yen**	4.86 yen	-	-

*A two-for-one stock split was conducted effective July 1, 2026; all figures shown are post-split equivalents

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Sales by Service Category

Revenue from software services increased as we continued to provide high-value-added cloud services. The recurring revenue ratio also rose.

(Millions of yen)	**FY2026 Cumulative 3Q**	FY2025 Cumulative 3Q	YoY Change	YoY Ratio
Cloud services	**10,664**	8,408	+2,256	+26.8%
Software services	**10,291**	8,008	+2,283	+28.5%
Software	**9,189**	6,997	+2,192	+31.3%
Maintenance contract	**606**	461	+145	+31.4%
Initial setup	**496**	550	-54	-9.9%
Marketplace	**373**	400	-26	-6.6%
Packaged system	**3,688**	4,412	-724	-16.4%
Software sales	**1,220**	1,091	+129	+11.9%
Operation and support service	**2,467**	3,321	-854	-25.7%
Others	**1,945**	2,411	-466	-19.3%
Hardware	**1,448**	1,910	-463	-24.2%
Supply	**497**	501	-4	-0.8%
Total	**16,297**	15,231	+1,066	+7.0%
Recurring revenue*	**12,262**	10,779	+1,483	+13.8%
Recurring revenue ratio	**75.2%**	70.8%	-	-

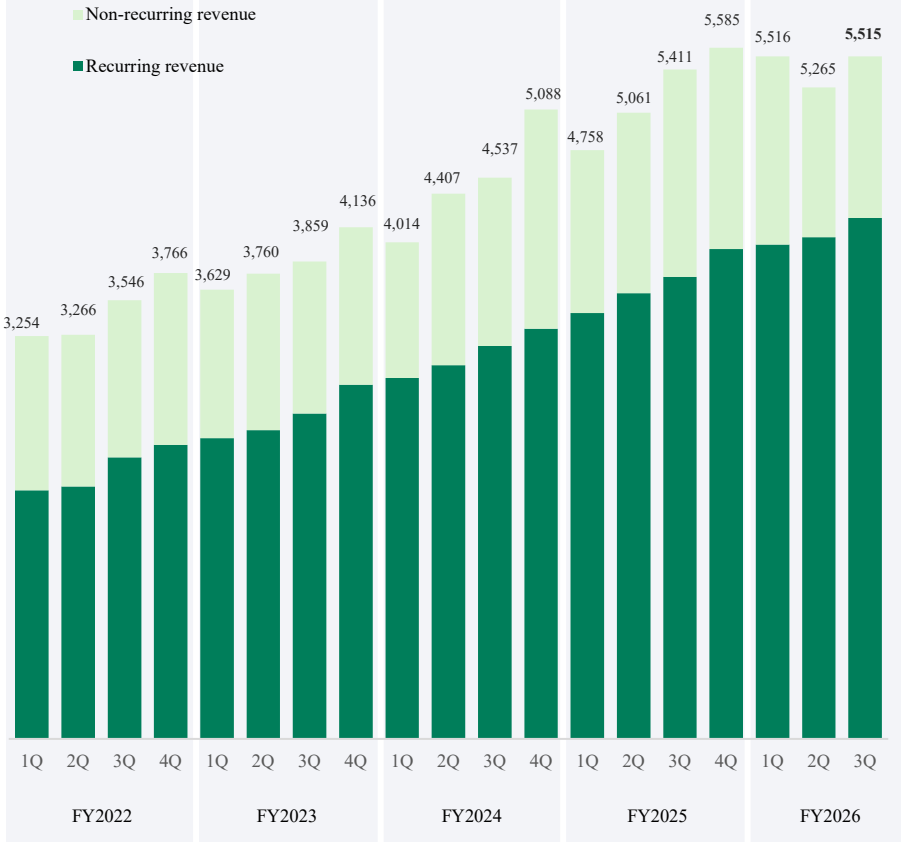
*Recurring revenue: Software and maintenance contract revenue under Software services, plus operation and support service revenue under Packaged system.

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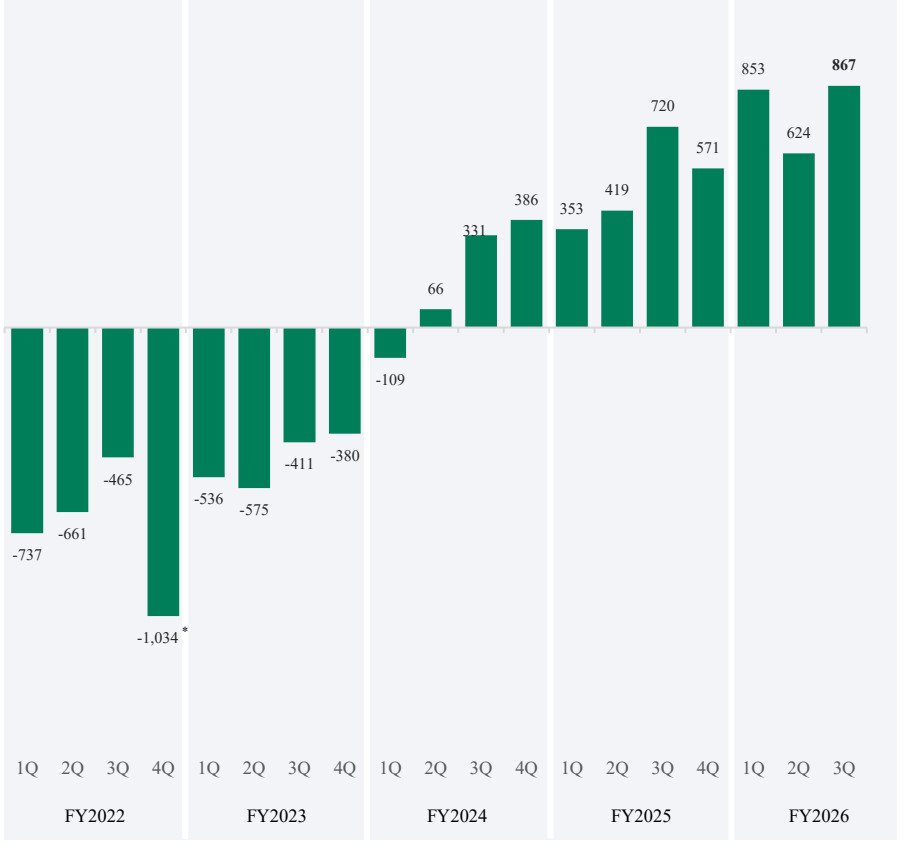
Quarterly Business Results

Recurring revenue continued to grow, advancing the shift toward a recurring revenue model
Operating profit for Q3 increased from the previous quarter, driven by revenue growth and improved cost efficiency.

Revenue (Millions of yen)



Operating profit (Millions of yen)



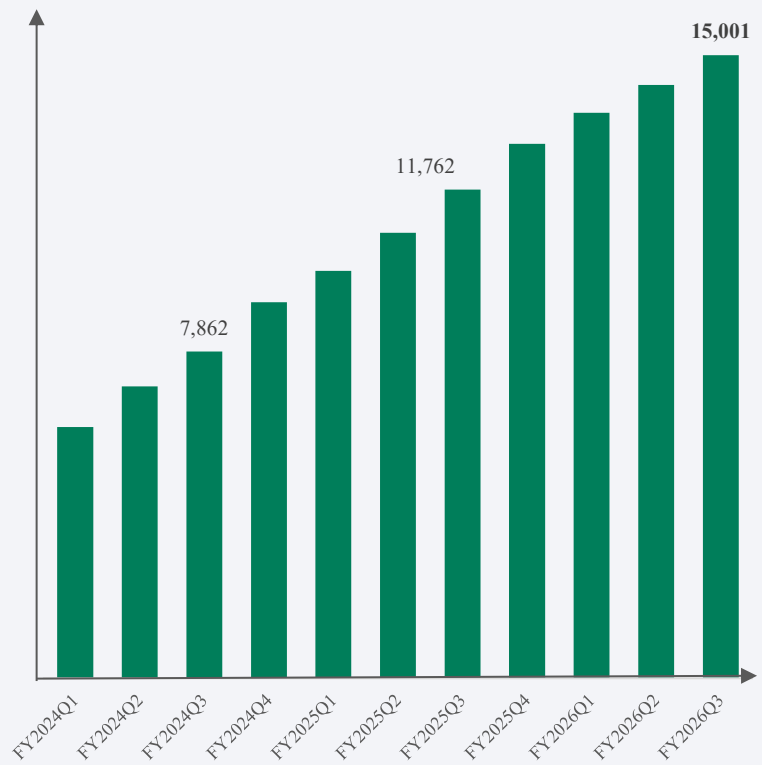
* In Q4 FY2022, impairment of subsidiary goodwill was recorded (-615 million yen)

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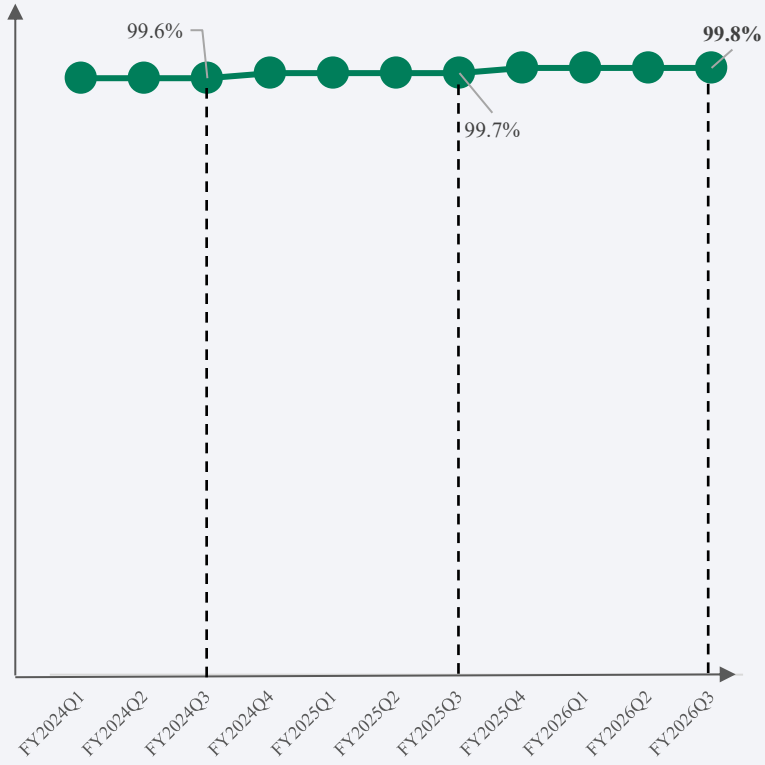
Number of Cloud Software Users

The number of cloud software users increased, and the user retention rate remained high

Number of cloud software users (end of quarter)



User retention rate (%)



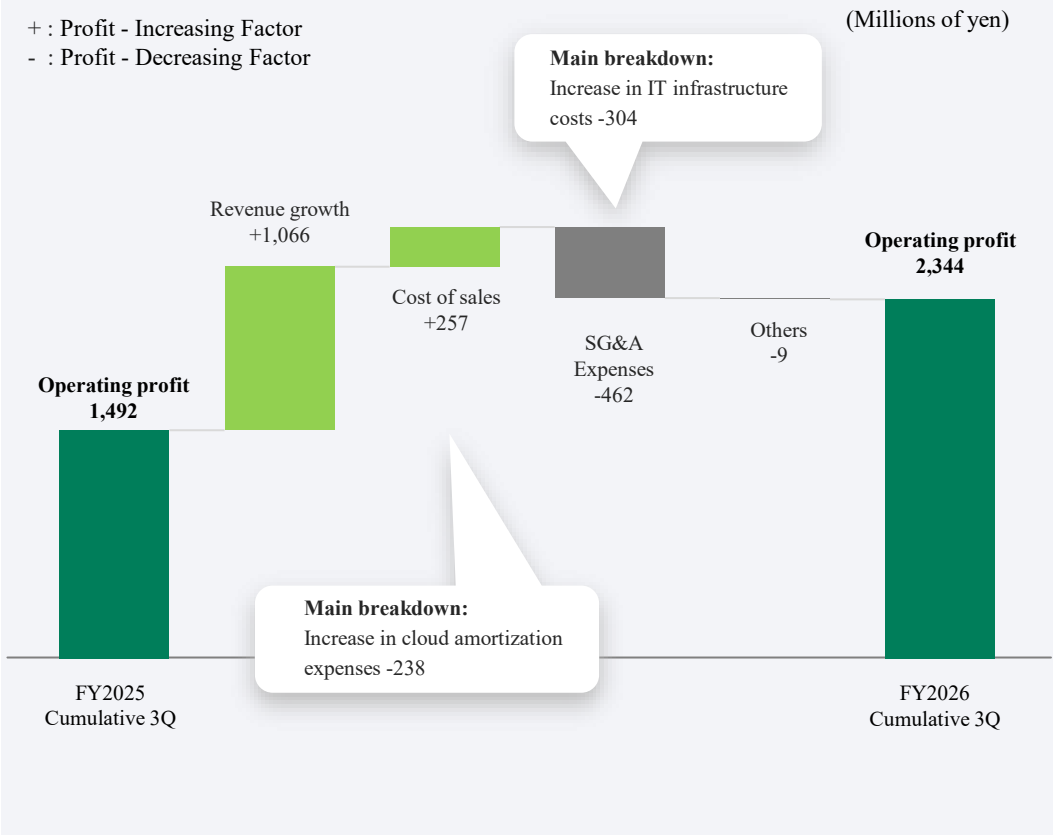
Note) Number of cloud software users: Total number of industry-specific licenses for the cloud software ".c series"; however, if a single company has also introduced an industry-specific license for a different industry, it is counted as two companies
User retention rate = 1 - churn rate
Churn rate is the percentage of companies that have adopted the cloud software and terminated their contracts in a month, averaged over the most recent 12 months (most cancellations are due to bankruptcy or business closure)

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Breakdown of Major Cost Changes

Promoting initiatives to enhance the value of services provided to customers

Breakdown of Changes in Operating Profit



Cost of sales

- Due to functional enhancements of cloud software, cloud amortization expenses increased.
- As initial development of cloud software has largely been completed, outsourcing costs decreased.
- Purchases decreased in line with lower sales volumes of PCs and other hardware.

SG&A Expenses

- IT infrastructure costs increased, including expenses for middleware updates to enhance security.
- Travel and transportation expenses increased due to enhanced sales activities and implementation support.

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Balance Sheet

Continuing development investments aimed at enhancing the added value of cloud services

(Millions of yen)	FY2026 End of 3Q	FY2025 Year-end	Change	Main change factors
Current assets	**8,408**	8,464	-56	Trade and other receivables +33 Inventories -172 Other current assets +78
Non-current assets	**35,091**	32,960	+2,131	Property, plant and equipment +914* Intangible assets +1,371
Total assets	**43,499**	41,425	+2,075	-
Current liabilities	**16,166**	15,344	+822	Contract liabilities +583 Short-term interest-bearing debts +506
Non-current liabilities	**2,257**	1,788	+469	Long-term interest-bearing debts +474
Total liabilities	**18,423**	17,132	+1,291	-
Total equity	**25,076**	24,293	+783	Quarterly profit attributable to owners of the parent +1,481 Dividends -995
Total liabilities and equity	**43,499**	41,425	+2,075	-

* Recognition of right-of-use assets due to the renewal of the lease agreement for Broadleaf's head office

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Cash Flows

Free cash flow increased year on year, driven by higher revenue

(Millions of yen)	**FY2026 Cumulative 3Q**	FY2025 Cumulative 3Q	YoY Change	Main change factors
Cash flows from operating activities	**4,776**	4,045	+731	Increase in quarterly profit before tax +938 Decrease in trade and other receivables +331 Smaller increase in contract liabilities −604
Cash flows from investing activities	**-3,196**	-3,337	+141	Increase in distributions from investment partnerships +164
Cash flows from financing activities	**-1,602**	-1,003	-600	Increase in dividends paid -591
Free cash flow	**1,580**	707	+873	-
Cash and cash equivalents at end of quarter	**4,129**	4,030	+99	-

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Full-Year Forecasts for FY12/2026

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Forecast of Full-Year Consolidated Results

Full-year earnings forecast revised to reflect the failure to secure the large contract at SALES GO Inc., a consolidated subsidiary, and revisions to cloud deployment plans, particularly for major customers

(Millions of yen)	**FY2026 Full-year Current forecast**	FY2026 Full-year Previous forecast*1	Revision	FY2025 Full-year	YoY Change	YoY Ratio
Revenue	**22,500**	23,800	-1,300	20,815	+1,685	+8.1%
Cost of sales	**7,100**	7,300	-200	7,296	-196	-2.7%
Gross profit	**15,400**	16,500	-1,100	13,520	+1,880	+13.9%
SG&A expenses, etc.	**11,900**	11,700	+200	11,457	+443	+3.9%
Operating profit	**3,500**	4,800	-1,300	2,063	+1,437	+69.7%
Profit before tax	**3,400**	4,750	-1,350	1,854	+1,546	+83.4%
Profit attributable to owners of the parent	**2,300**	3,200	-900	1,240	+1,060	+85.4%
Basic earnings per share*2	**12.71 yen**	17.68 yen	-	6.90 yen	-	-

*1 Announced on August 12, 2026
*2 A two-for-one stock split was conducted effective July 1, 2026; all figures shown are presented on a post-split basis.

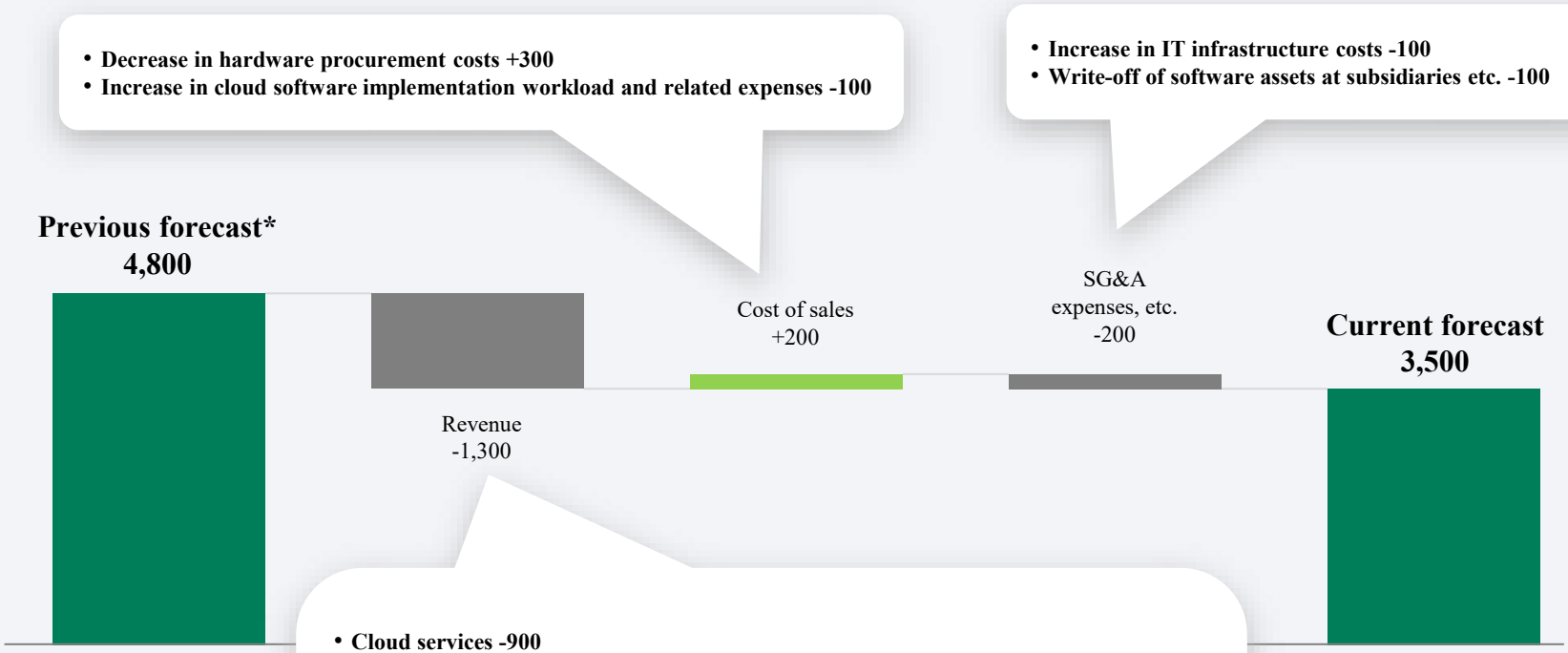
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Changes in the Full-Year Forecast (vs. Previous Forecast)

Breakdown of Changes in Operating Profit

+ : Profit - Increasing Factor
- : Profit - Decreasing Factor

(Millions of yen)



- **Cloud services -900**
  - Large contract at SALES GO Inc. not concluded (GoCoo!): -600
  - Decrease in number of installations due to revision of cloud transition plan -300 (of which, initial installation fees -200)
- **Packaged system -100**
  - Revision of operation and support service reflecting results through Q3 -100
- **Others -300**
  - Decrease in hardware sales due to procurement difficulties for servers and other equipment, as well as revisions to cloud deployment plans -300

*Announced on August 12, 2026

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Full-year Sales Forecast by Service Category

Forecast revisions centered on cloud services
Main factors: the large contract at the consolidated subsidiary was not concluded, and the cloud rollout plan was adjusted.

(Millions of yen)	**FY2026 Full-year Current forecast**	FY2026 Full-year Previous forecast*	Revision	FY2025 Full-year	YoY Change	YoY Ratio
Cloud services	**14,700**	15,600	-900	11,832	+2,868	+24.2%
Software services	**14,200**	15,100	-900	11,302	+2,898	+25.6%
Marketplace	**500**	500	±0	530	-30	-5.6%
Packaged system	**4,900**	5,000	-100	5,699	-799	-14.0%
Software sales	**1,600**	1,600	±0	1,441	+159	+11.0%
Operation and support service	**3,300**	3,400	-100	4,258	-958	-22.5%
Others	**2,900**	3,200	-300	3,285	-385	-11.7%
Hardware	**2,300**	2,600	-300	2,613	-313	-12.0%
Supply	**600**	600	±0	672	-72	-10.7%
Total	**22,500**	23,800	-1,300	20,815	+1,685	+8.1%

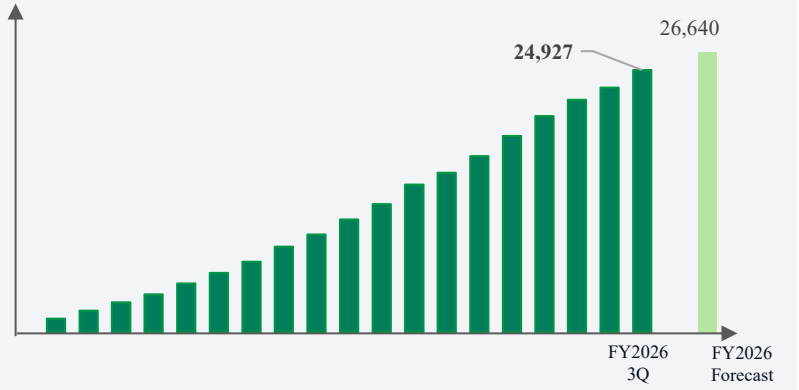
* Announced on August 12, 2026

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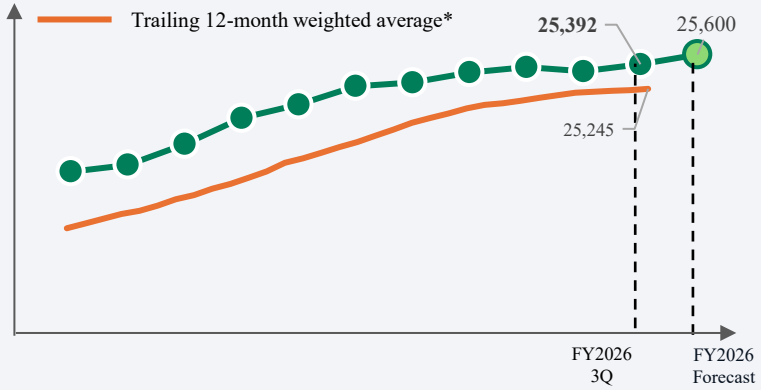
Cloud Software KPIs

While we are advancing the phased cloud migration of customers, the review of the cloud implementation plan means that various indicators will rise more gradually than initially expected

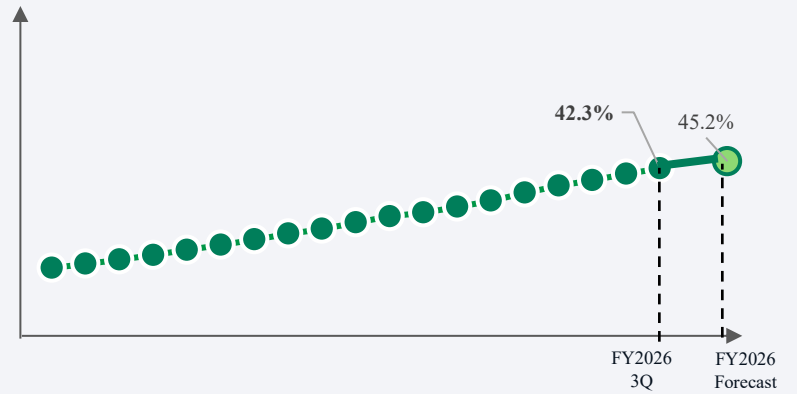
Number of licenses (end of quarter)



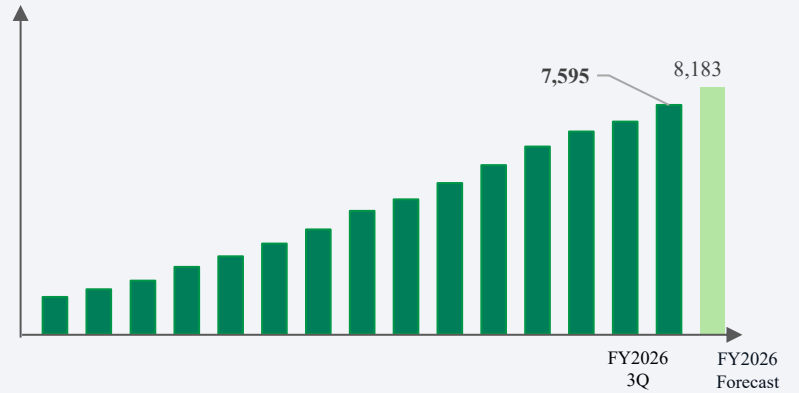
ARPL (Monthly revenue per license, yen)



Cloud rate (end of quarter, %)



ARR (end-of-quarter MRR × 12, millions of yen)



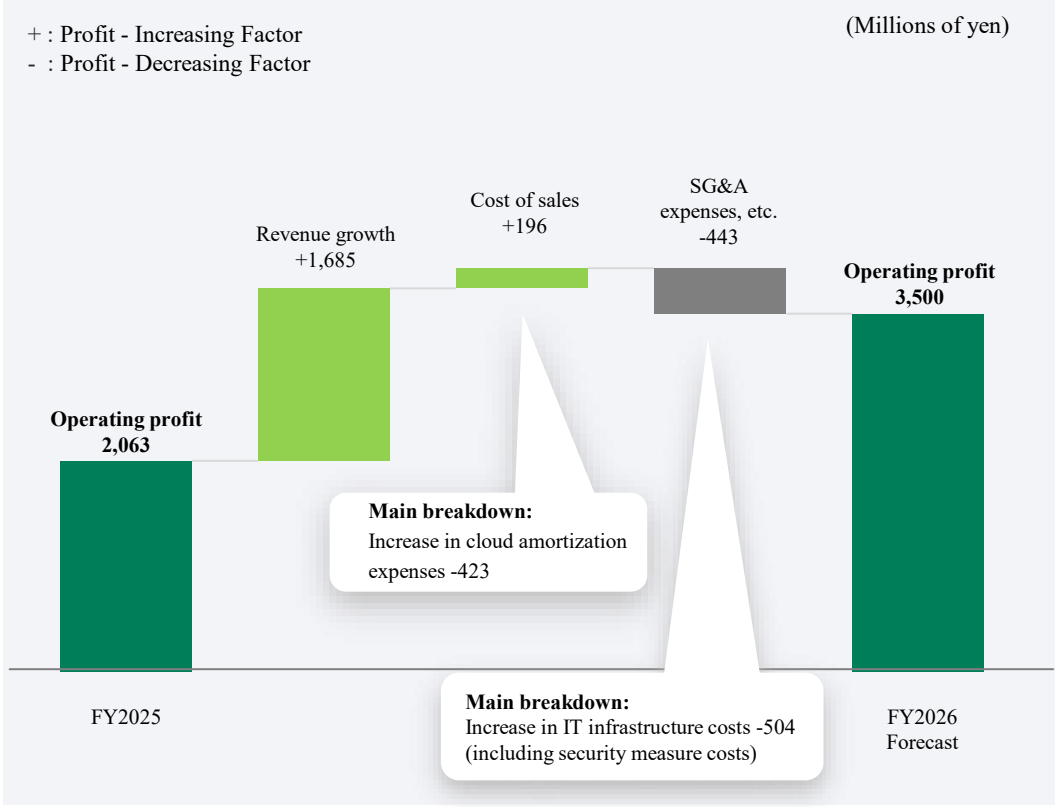
* Details are provided in the Data Book

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Breakdown of Major Cost Changes (vs. FY2025)

Continuing initiatives to enhance the value of services provided to customers

Breakdown of Changes in Operating Profit



Cost of sales

- Cloud amortization expenses increase due to functional enhancements of cloud software
- Development costs recorded in cost of sales decrease (including outsourcing costs)
- Purchases are expected to decrease in line with lower sales volumes of PCs and other hardware.

SG&A expenses, etc.

- Increase in IT infrastructure costs, including middleware updates to enhance security
- Curbing expense growth by improving operational efficiency through the use of AI.

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Dividend Forecast

Year-end dividend forecast for FY2026 maintained
Future dividend policy will be reviewed as appropriate from a comprehensive perspective, including share liquidity

Dividend per share (post-split basis)*

	FY2026 Actual results	FY2026 Forecast	FY2025
Interim dividends	3.75 yen	-	1.25 yen
Year-end dividends	-	**4.00 yen**	1.75 yen
Annual dividend	-	**7.75 yen**	3.00 yen
Dividend Payout Ratio	-	**61.0%**	43.5%

*A two-for-one stock split was conducted effective July 1, 2026
On a pre-split basis, the annual dividend forecast for the fiscal year ending December 2026 is 15.50 yen.
This represents an increase of 9.50 yen from the actual annual dividend of 6.00 yen for the fiscal year ended December 2025.

Dividend Policy

[Basic Policy]

The Company regards shareholder returns as a key management priority and targets a consolidated dividend payout ratio of 40% or higher.

To enhance shareholder value, the Company will flexibly consider shareholder return measures, taking into account a range of factors, including share liquidity.

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Key Points for Revising the Medium-Term Management Plan (2027–28)

Key Points* for Reformulation

Prioritizing the security of customers' IT environments

- Prioritizing support for customers in strengthening their security while promoting cloud software adoption
- Continuing improvements and enhancements to IT infrastructure to increase security
- Considering revisions to the pricing structure in light of these initiatives

Reviewing revenue levels at 100% cloud rate

- Concentrating resources on migrating existing customers to cloud software
- Stepping up upselling efforts to existing cloud software customers

Continuing growth investments and optimizing capital allocation

- Accelerating AI-related research and development to drive growth
- Restructuring organizational frameworks, including development and sales
- Allocating capital while balancing growth investments and shareholder returns

The new Medium-Term Business Plan is scheduled to be announced on the announcement date of the full-year financial results for the fiscal year ending December 2026 (scheduled for February 2027)

* These points reflect the information available as of November 11, 2026 and are subject to change following further review.

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Accordingly, actual results may differ materially from those expressed or implied by these forward-looking statements due to various factors.

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