

The Fiscal Year Ended March 31, 2023 Financial Results Materials

COMTURE CORPORATION

*Transforming needs
into solutions*



May 12, 2023

Chihiro Sawada
President

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The FY Ended March 31, 2023

Results of Operations



1-1 Financial Highlights (Announced May 12, 2023)

Achieved 13 consecutive years of sales growth and 12 consecutive years of earnings growth with both sales and earnings climbing to record highs

	FY3/22 Results		FY3/23 Results		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	24,985 million yen	-	29,056 million yen	-	+16.3%
Operating profit	3,996 million yen	16.0%	4,065 million yen	14.0%	+1.7%
Ordinary profit	4,000 million yen	16.0%	4,067 million yen	14.0%	+1.7%
Profit attributable to owners of parent	2,517 million yen	10.1%	2,695 million yen	9.3%	+7.1%
Net income per share	78.97 yen	-	84.56 yen	-	+7.1%

1-2 Business Segments

Five businesses that incorporate collaborations with global companies

Cloud Solutions

Collaboration using alliances with global cloud vendors (Microsoft, Salesforce, ServiceNow, Amazon Web Service and others), CRM and other cloud services, design and construction of cloud environments, and other activities

Digital Solutions

Data analysis solutions utilizing global big data/AI tool vendors (SAS, Informatica, Google Cloud Platform, Databricks and others) and support for the automation of business processes using UiPath, Automation Anywhere and other robotic process automation tools.

Business Solutions

Construction, operation and modernization concerning accounting, personnel, fintech and other core IT systems using collaborations with SAP, SuccessFactors and other global ERP package vendors.

Platform, Operation Services

Hybrid cloud environments using alliances with hardware vendors (HPE, Dell and others) using virtualization software (Kubernetes and others), design, construction and operation of virtual networks (Cisco and others), IT system remote surveillance at COMTURE Group's service centers using global tools, help desk operations, and other activities.

Digital Learning

Education services with cooperation of global vendors (Microsoft, Salesforce, ServiceNow and others) for acquiring vendor certifications and IT education services to give people skills needed to perform DX jobs.

1-3 Business Segment Performance

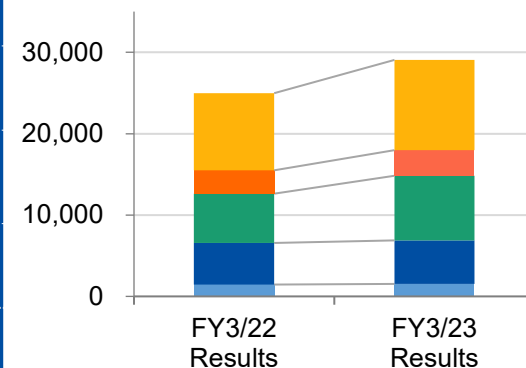
(Unit: million yen)

	FY3/22 Results	FY3/23 Results	YoY change (%)
Net sales	24,985	29,056	+16.3%
Cloud Solutions	9,485	11,077	+16.8%
Digital Solutions	2,848	3,134	+10.0%
Business Solutions	6,060	7,955	+31.3%
Platform, Operation Services	5,104	5,323	+4.3%
Digital Learning	1,486	1,565	+5.3%
Gross profit	6,091	6,612	+8.6%
Cloud Solutions	2,436	2,713	+11.4%
Digital Solutions	755	787	+4.1%
Business Solutions	1,344	1,596	+18.7%
Platform, Operation Services	1,183	1,058	▲ 10.6%
Digital Learning	371	456	+22.9%

- Cloud Solutions Business
- Digital Solutions Business
- Business Solutions Business
- Platform, Operation Services
- Digital Learning

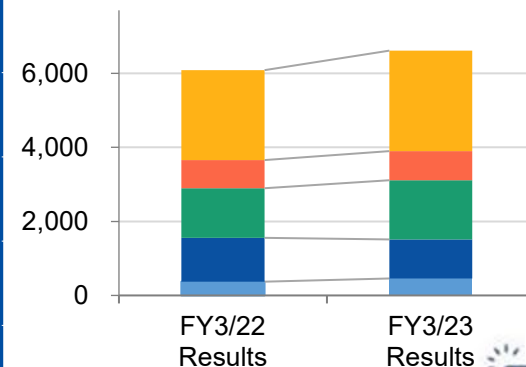
Net sales

(Unit: million yen)



Gross profit

(Unit: million yen)



1-4 Contributing Factors

Net sales

Up 16.3% YoY

- + Growth of the cloud solutions business due to higher demand for cloud computing using collaborations with Microsoft and Salesforce.com and other services involving the consulting to the digitalization of business processes
- + Growth of the digital solutions business due to higher demand for data analysis services
- + Growth of the business solutions business due to the expansion of the SAP business and the acquisition of Software Creation
- + Growth of the platform, operation services business due to higher demand for cloud construction of the Amazon Web Services (AWS) and outsourcing services
- + Growth of the digital learning business due to higher demand at companies for new employee and other structured training programs

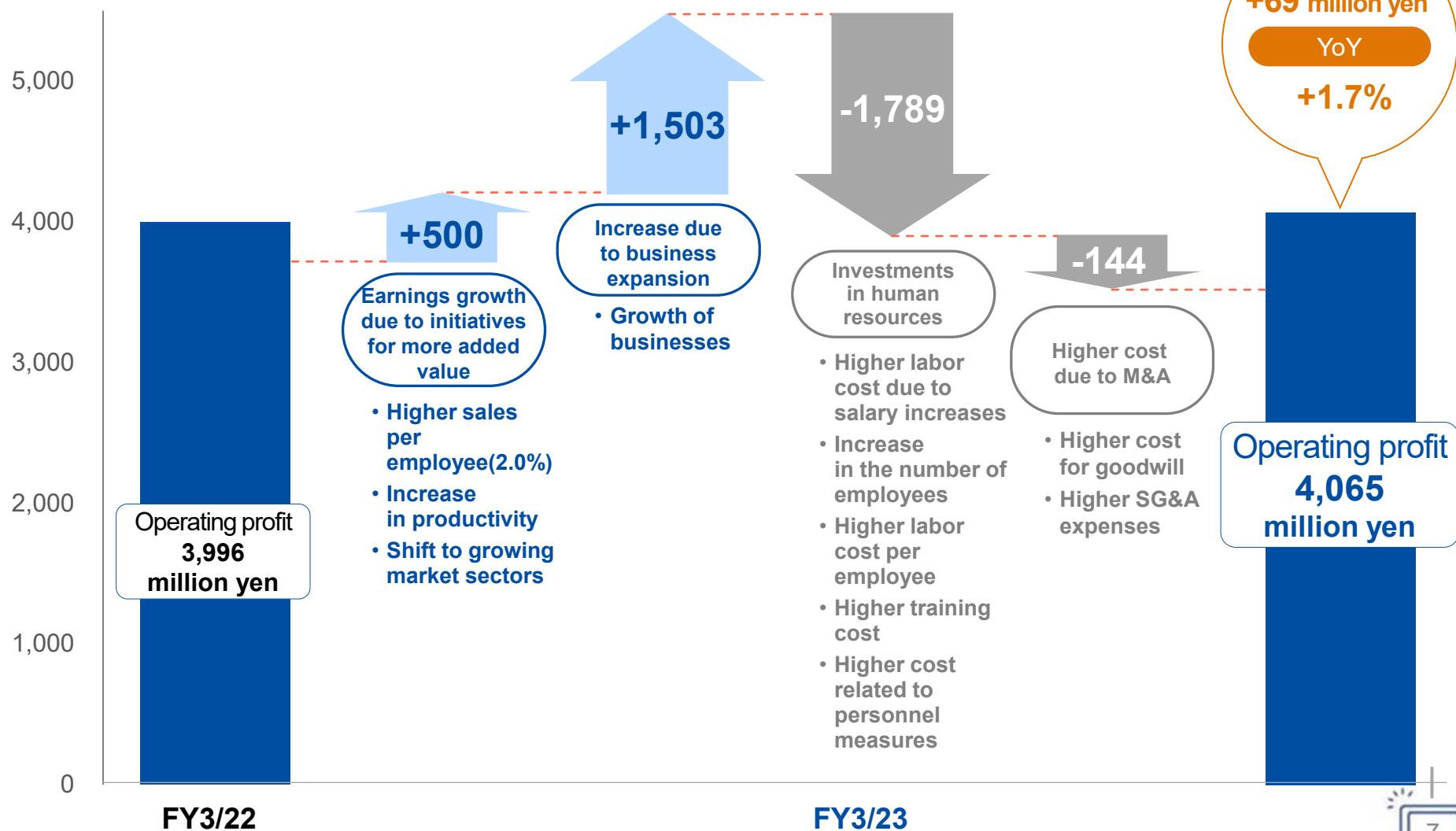
Operating profit

Up 1.7% YoY

- + Sales per employee: up 2.0%
- + Increase in operating profit due to higher sales
- Big increase in personnel expenses with the goal of raising employees' job satisfaction: up 8.1%
- More expenses for recruiting new graduates and people with work experience, personnel system revisions, and other actions involving the workforce
- Immediate amortization of goodwill associated with the acquisition of Software Creation

1-5 Components of Changes in Operating Profit

(Unit: million yen)



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FY3/24

Earnings Forecast



2-1 FY3/24 Earnings Forecast

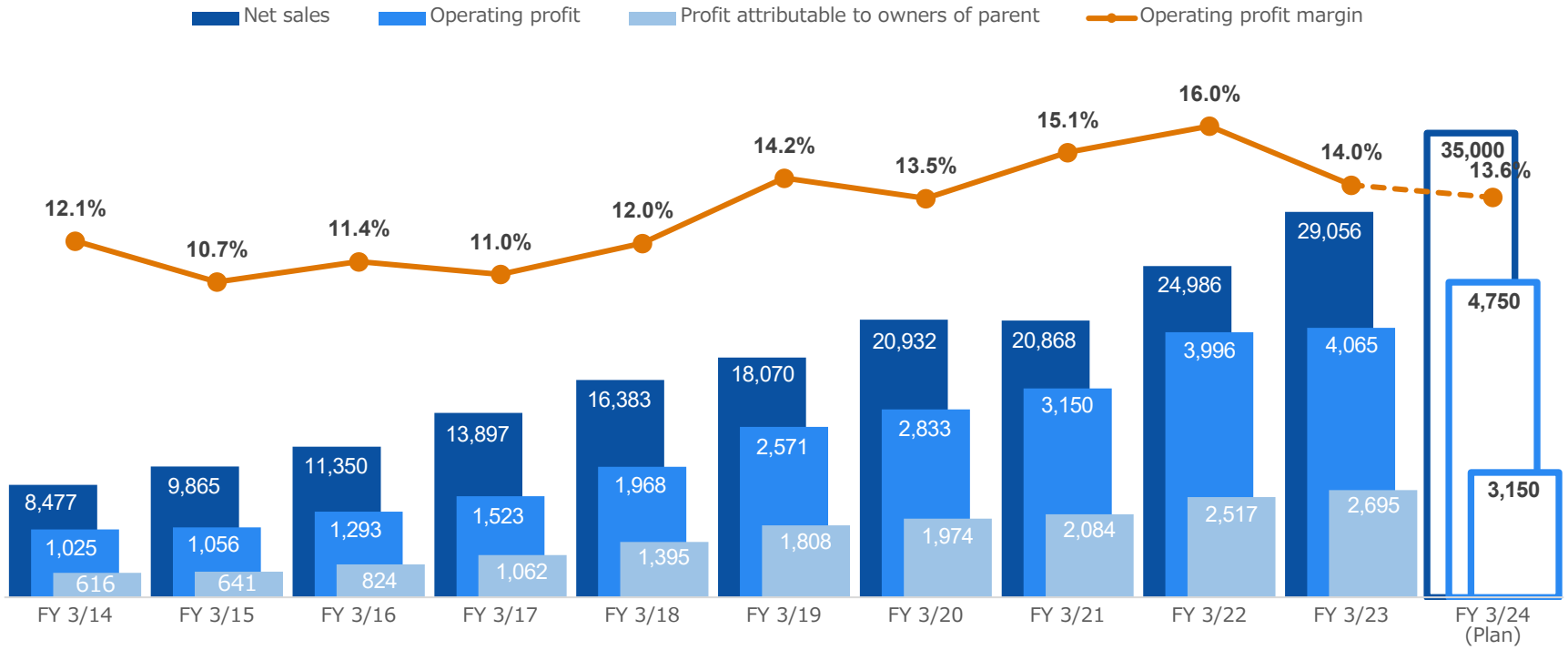
Aiming for 14 consecutive years of sales growth and 13 consecutive years of earnings growth, reaching new record highs

*Figures in parenthesis are organic growth excluding M&A

	FY3/23 Results		FY3/24 Forecast		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	29,056 million yen	-	35,000 million yen (32,300 million yen)	-	+20.5% (+11.2%)
Operating profit	4,065 million yen	14.0%	4,750 million yen (4,596 million yen)	13.6% (14.2%)	+16.8% (+13.1%)
Ordinary profit	4,067 million yen	14.0%	4,750 million yen (4,596 million yen)	13.6% (14.2%)	+16.8% (+13.0%)
Profit attributable to owners of parent	2,695 million yen	9.3%	3,150 million yen	9.0%	+16.9%
Net income per share	84.56 yen	-	98.83 yen	-	+16.9%

2-2 Performance Trends

FY3/14 to FY3/24 (Net sales/Operating profit/Net income)

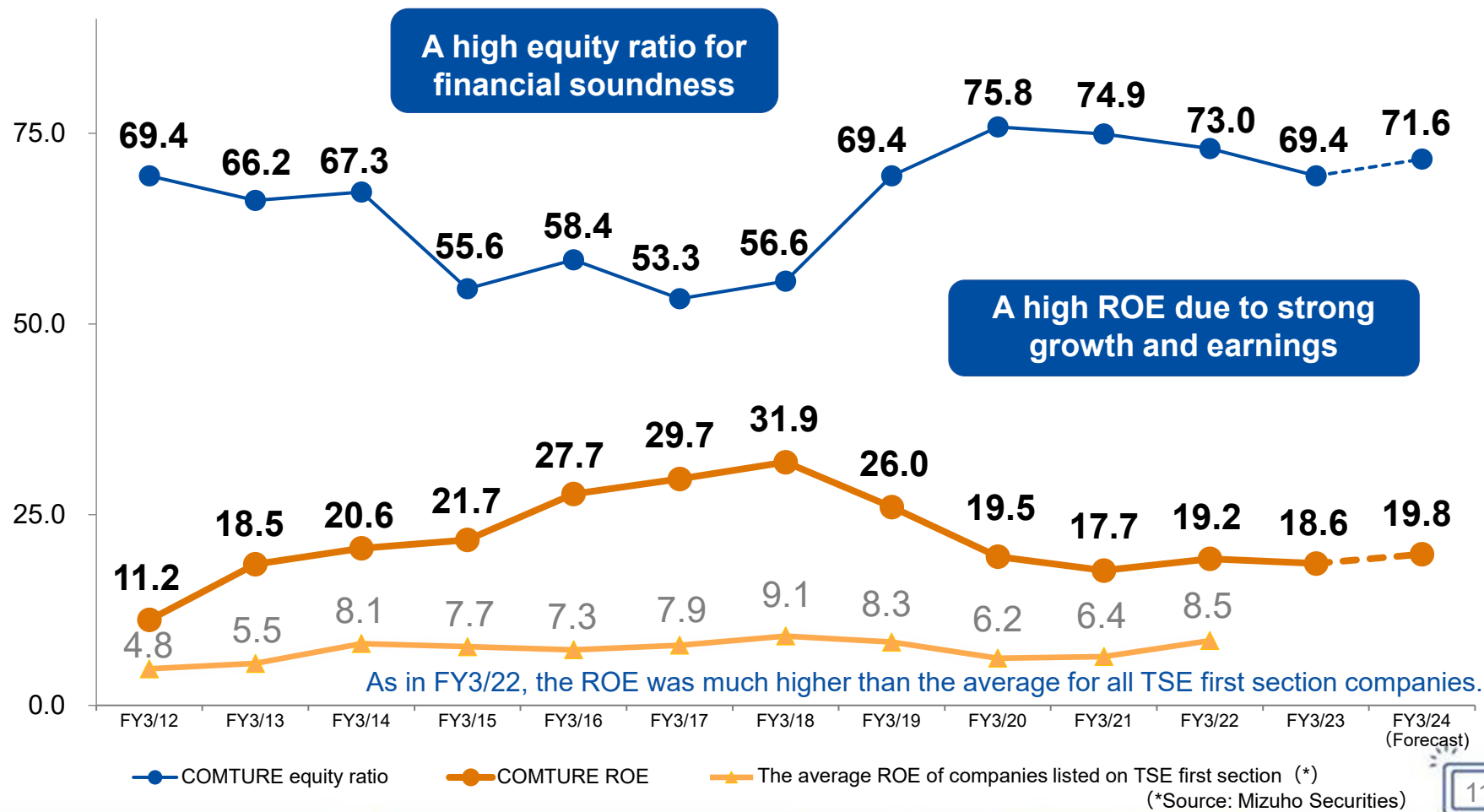


ROE	20.6%	21.7%	27.7%	29.7%	31.9%	26.0%	19.5%	17.7%	19.2%	18.6%	19.8%
Equity ratio	67.3%	55.7%	58.4%	53.3%	56.6%	69.4%	75.8%	74.9%	73.0%	69.4%	71.6%
Payout ratio	39.6%	39.6%	38.9%	35.2%	33.9%	39.5%	46.6%	47.4%	46.9%	52.0%	46.5%

2-3 Financial Soundness and High Profitability

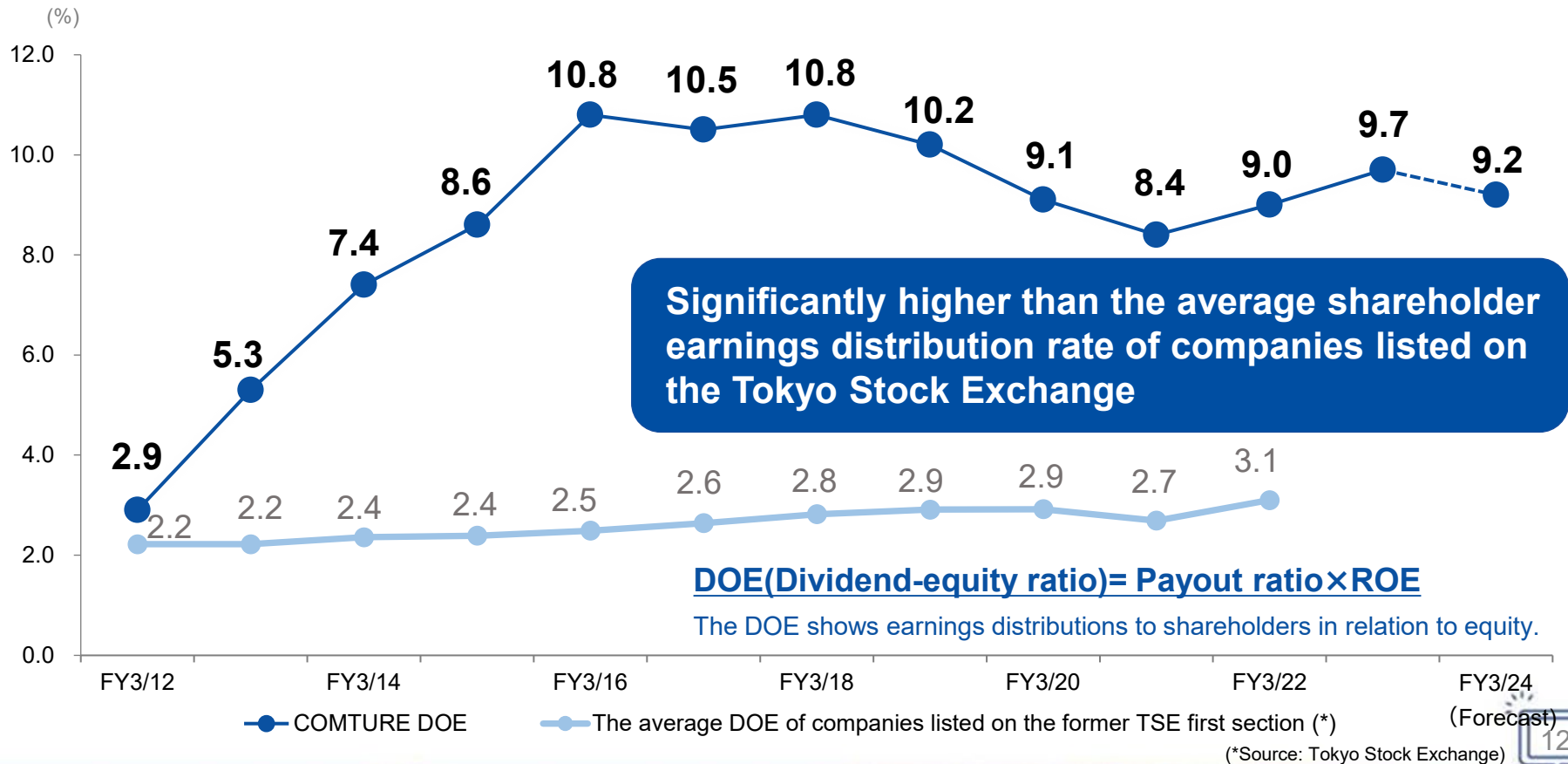
The goals are a shareholder's equity of **more than 70%** and a **high ROE**

(Unit: %)



2-4 Balancing Capital Efficiency and Shareholder Returns

Goal is consistently **high shareholder distributions and dividend stability**



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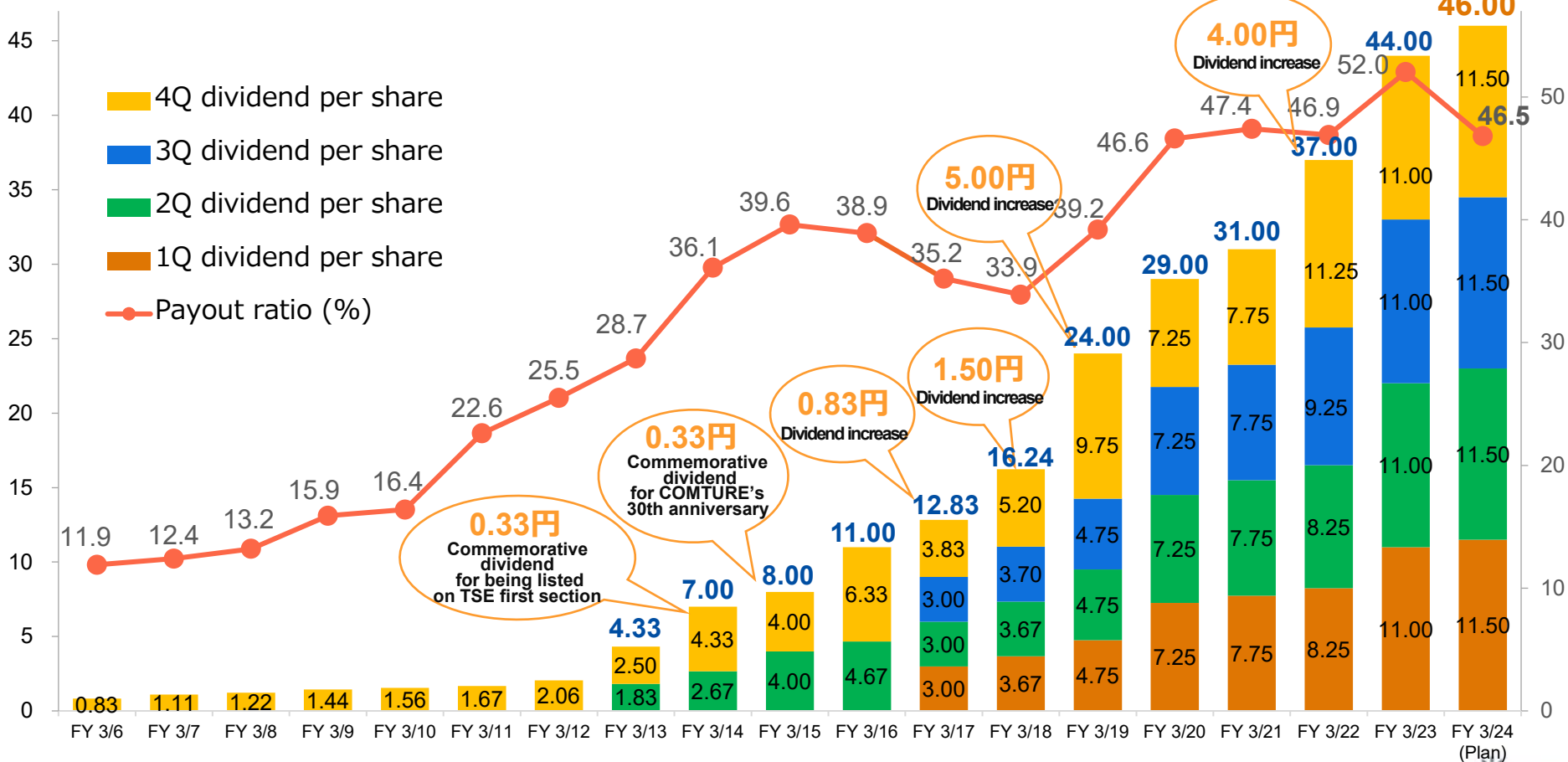
Shareholder Returns

3-1 Dividend Growth

Plan to raise the dividend for the 19th consecutive year

a dividend payout ratio of **46.5%**

(Unit: yen)



2.00yen
Dividend increase YoY

(Unit: %)

COMTURE conducted a 3-for-1 common stock split effective on October 1, 2017 and a 2-for-1 common stock split effective on October 1, 2019. Dividend per share has been calculated as if these stock splits had taken place at the beginning of FY3/06.

3-2 Quarterly Dividends

COMTURE pays dividends every quarter

COMTURE pays a quarterly dividend because the stability of operations results in the stability of quarterly performance as well.

Dividend payment schedule

	Dividend per share	Dividend record date	Dividend payment date (planned)
1Q	11.50 yen	Jun. 30, 2023	Aug. 31, 2023
2Q	11.50 yen	Sep. 30, 2023	Nov. 30, 2023
3Q	11.50 yen	Dec. 31, 2023	Feb. 29, 2024
4Q	11.50 yen	Mar. 31, 2024	Next business day after shareholders' meeting approval
Total	46.00 yen		

3-3 Shareholder Benefit Program

Shareholders receive special benefits in addition to dividends

Shareholders of record at the end of September and March every year who own at least 300 shares receive prepaid QUO cards worth 1,000 yen (2,000 yen every fiscal year).

- Dividend of 13,800 yen + prepaid QUO cards worth 2,000 yen = 15,800 yen annually
- The payout ratio including QUO cards are expected to be 53.3% for the fiscal year ending March 31, 2024 (for shareholders holding 300 shares)



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