

2Q FY3/19

Financial Results Materials for Institutional Investors

COMTURE CORPORATION

*Transforming needs
into solutions*



October, 2018

Koichi Mukai
Chairman & CEO
Founder-Owner

FY ending March 2019: 2nd Quarter

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Outline of Financial Results



1-1 Financial Highlights (Announced on October 29th)

Achieved 8 consecutive years of sales growth and 7 consecutive years of earnings growth, hitting a fiscal year end record high

	FY2018 Mar. 2Q Results (total)		FY2019 Mar. 2Q Results (total)		Year-on-year rate
	Amount	Rate	Amount	Rate	
Net Sales	7,843 million yen	-	8,484 million yen	-	+8.2%
Operating Income	783 million yen	10.0%	1,214 million yen	14.3%	+55.1%
Ordinary Income	799 million yen	10.2%	1,220 million yen	14.4%	+52.7%
Interim Net income attributable to owners of parent	625 million yen	8.0%	812 million yen	9.6%	+29.8%
Interim Net income per share	42.95 yen	-	55.59 yen	-	+29.4%

1-2 FY2019 Contributing Factors

Net Sales YOY **+8.2%, increase in sales**

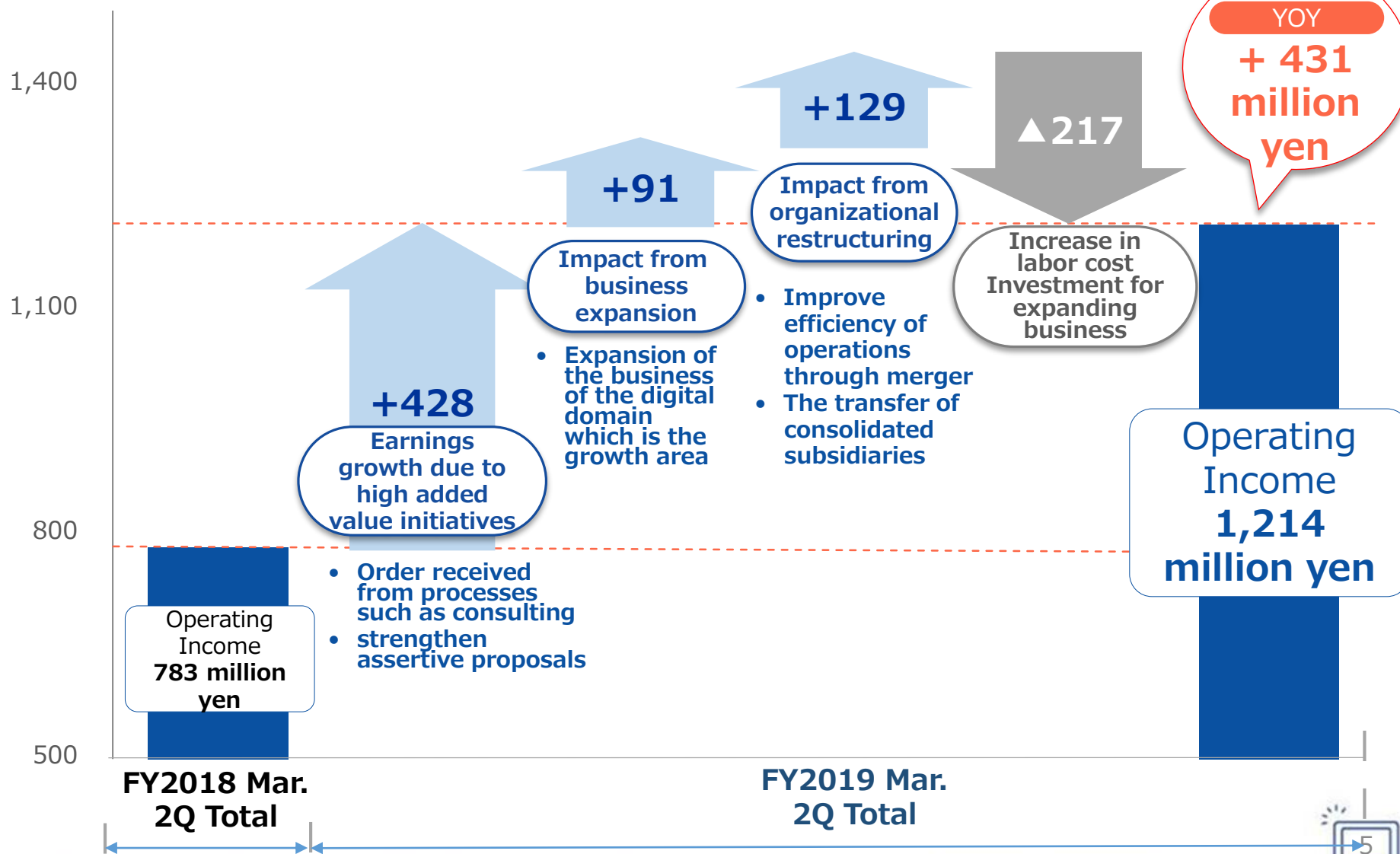
- + Cloud computing business YOY +26%, 549 million yen increase
- + Big data/AI business YOY +29%, 141 million yen increase
- + Business expansion in new technology initiatives such as RPA, +140 million yen increase
- + Core systems (ERP) by large enterprises YOY +25%, +136 million yen increase
- Decrease in sales due to **the transfer of consolidated subsidiaries**

Operating Income YOY **+55.1% earnings**

- + **Adoption of a high added value strategy** contributed to higher sales per employee and increased earnings(7.8%)
- + Increased earnings driven by business expansion
- + Improve efficiency of operations through merger , Reduction of SG & A expenses due to **the transfer of consolidated subsidiaries**
- Increased **labor cost per employee** and investment **on expanding and strengthening business**

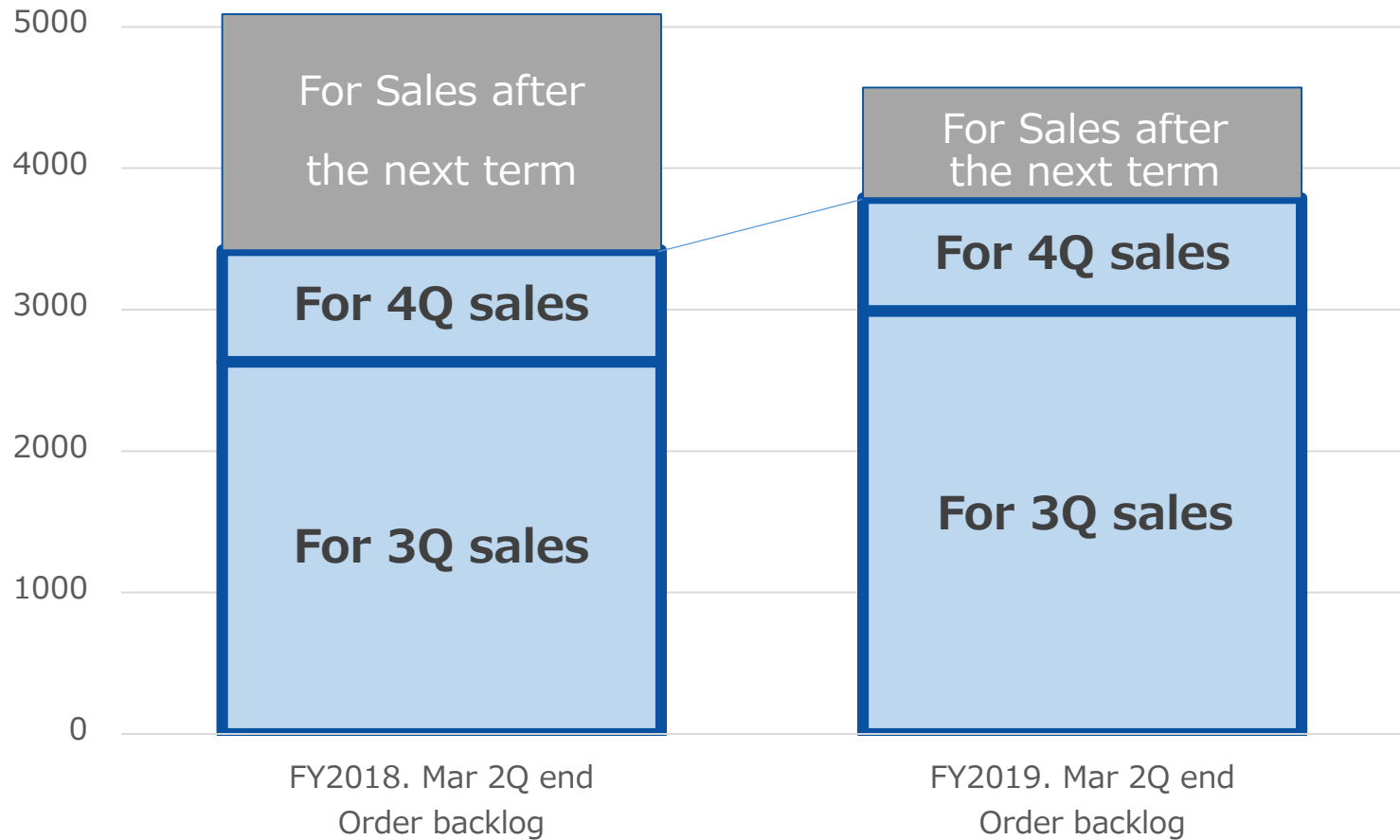
1-3 Reasons for Fluctuations in Operating Income

(Unit: million yen)



1-4 Order backlog(the end of September 2018)

For this term Sales YoY +11%

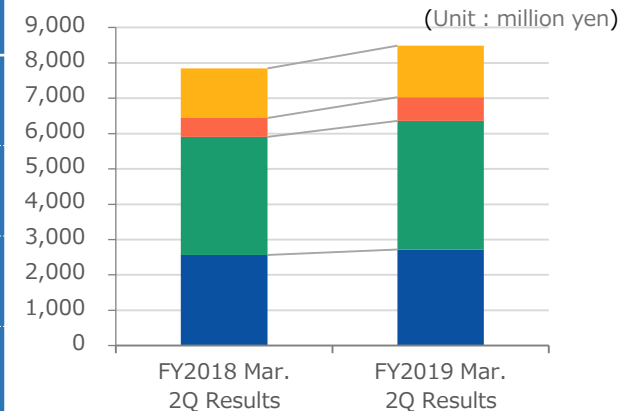


1-5 Business Segment Performance

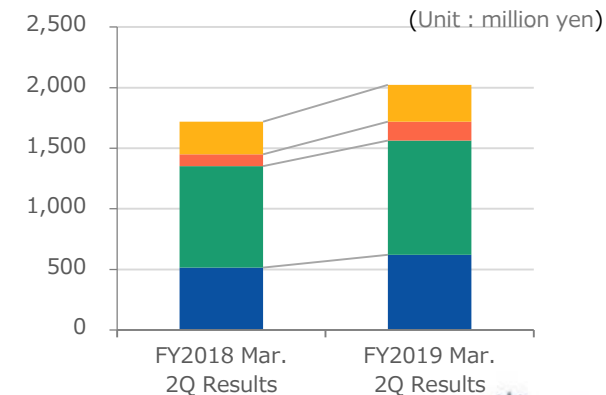
	FY2018 Mar. 2Q Results million-yen	FY2019 Mar. 2Q Results million-yen	Year-on-year rate
Net sales	7,843	8,484	+8.2%
Groupware Solutions Business	1,401	1,455	+3.9%
ERP Solutions Business	534	671	+25.7%
Web Solutions Business	3,341	3,642	+9.0%
Network Services Business	2,567	2,716	+5.8%
Gross profit	1,719	2,023	+17.7%
Groupware Solutions Business	269	303	+12.6%
ERP Solutions Business	99	158	+59.6%
Web Solutions Business	836	942	+12.7%
Network Services Business	515	620	+20.4%

- Groupware Solution Business
- ERP Solution Business
- Web Solution Business
- Network Services Business

Net sales



Gross profit



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FY ending March 2019

Earnings Forecast

No change from the Earnings Forecast for May 7, 2018



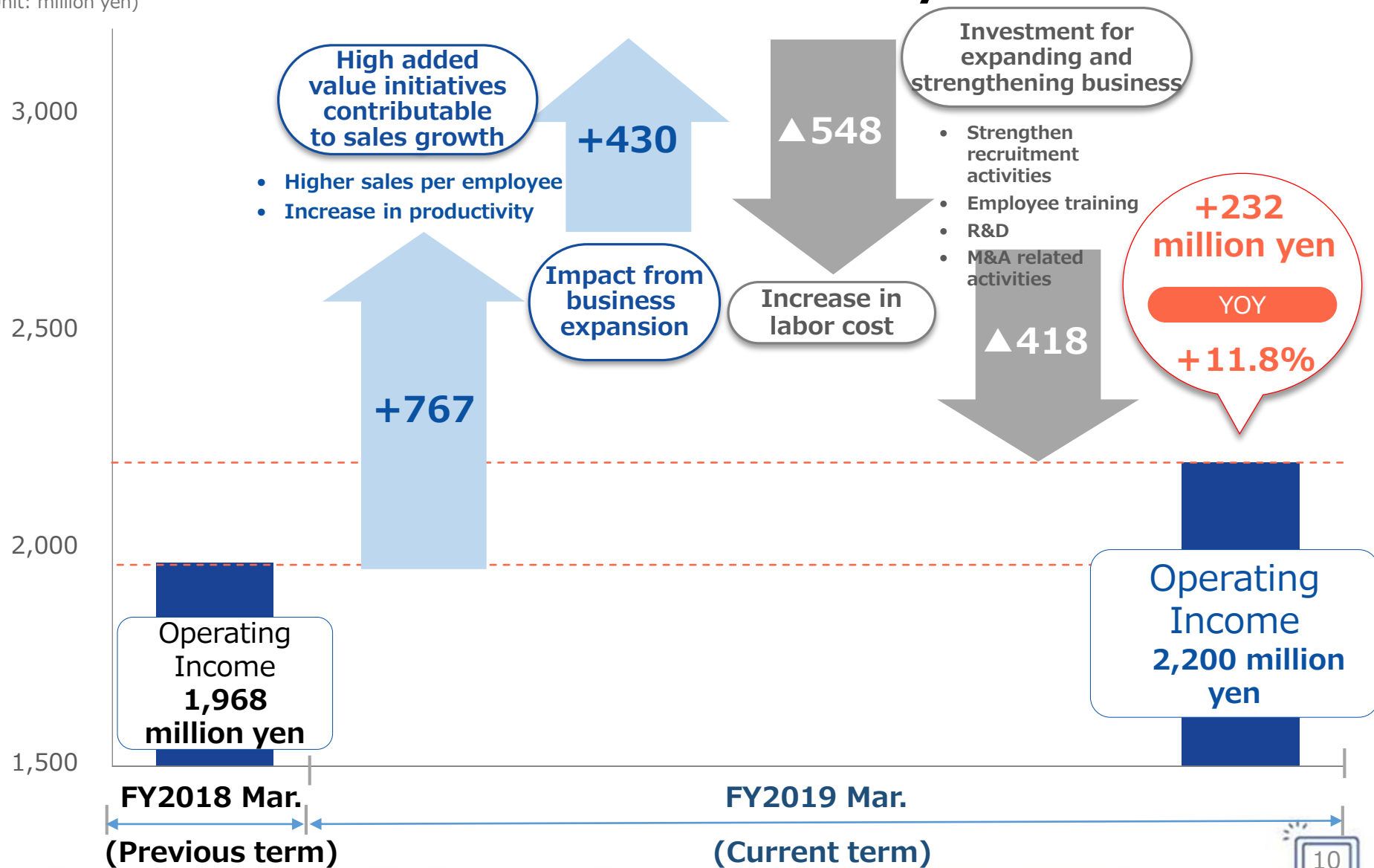
2-1 Earnings Forecast for fiscal year ending March 2019

Aim for 9 consecutive years of sales growth and 8 consecutive years of earnings growth reaching new record highs

	FY2018 Mar. Results		FY2019 Mar. Forecast		Year-on-year rate
	Amount	Rate	Amount	Rate	
Net Sales	16,383 million yen	-	18,025 million yen	-	+10.0%
Operating Income	1,968 million yen	12.0%	2,200 million yen	12.2%	+11.8%
Ordinary Income	2,010 million yen	12.3%	2,215 million yen	12.3%	+10.2%
Profit attributable to owners of parent	1,395 million yen	8.5%	1,560 million yen	8.7%	+11.8%
Net income per share	95.69 yen	-	106.90 yen	-	+11.7%

2-2 Fluctuation on Operating Income forecasted for the full year

(Unit: million yen)

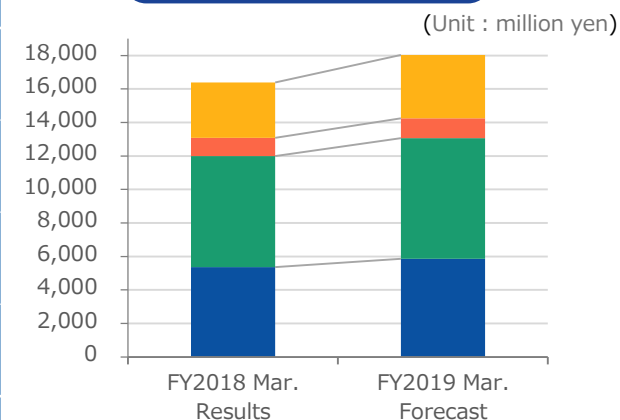


2-3 Business Segment Forecast

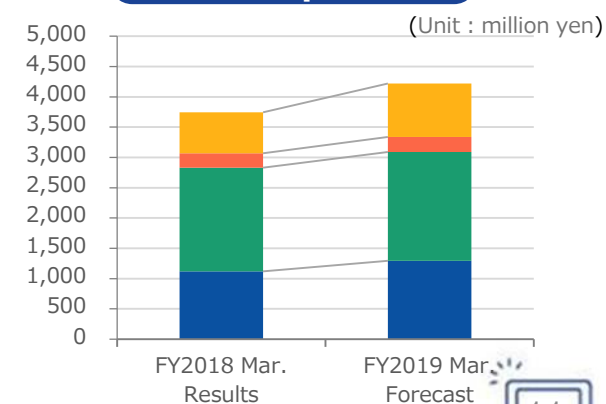
	FY2018 Mar. Results million-yen	2019 Mar. Forecast million-yen	Year-on-year rate
Net sales	16,383	18,025	+10%
Groupware Solutions Business	3,291	3,780	+14.9%
ERP Solutions Business	1,093	1,186	+8.5%
Web Solutions Business	6,643	7,201	+8.4%
Network Services Business	5,356	5,858	+9.4%
Gross profit	3,746	4,223	+12.7%
Groupware Solutions Business	678	885	+30.5%
ERP Solutions Business	237	246	+3.8%
Web Solutions Business	1,713	1,797	+4.9%
Network Services Business	1,118	1,295	+15.8%

- Groupware Solution Business
- ERP Solution Business
- Web Solution Business
- Network Services Business

Net sales



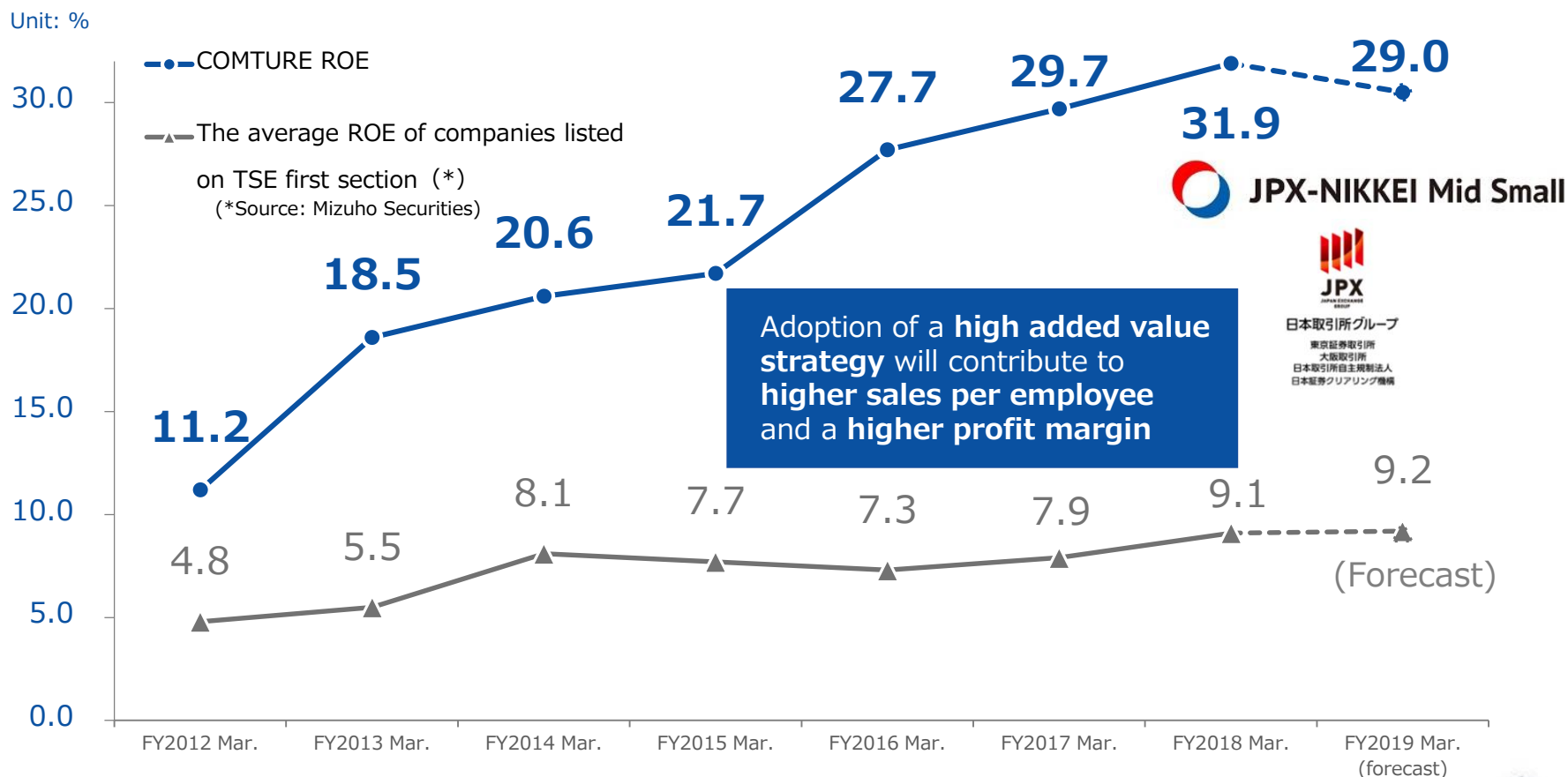
Gross profit



2-4 High Levels of ROE (net income / shareholders' equity)

We aim to retain a standard level of **Over 20%**

ROE will remain extremely high compared to the average of companies listed on TSE first section



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Topics

Defined KPI/External evaluation of goal achievements

Tokyo Stock Exchange
Corporate Value
Improvement
Award candidate

50companies

Approx.
3,600companies

Tokyo Stock Exchange
JPX-Nikkei Mid
and Small Cap
Index

(3 consecutive years)

200issues

Approx.
2,900issues

Forbes Asia
**Best Under
A Billion**

(Excellent small listed
company in Asia-Pacific
region)

200companies

Approx.
24,000companies

Evaluation criteria :

- High added-value management **Over 5%** annual increase in sales per employee
- High profit company ROE=**31.9%**, Operating profit rate=**12.0%**
- High payout ratio **Over 35%**

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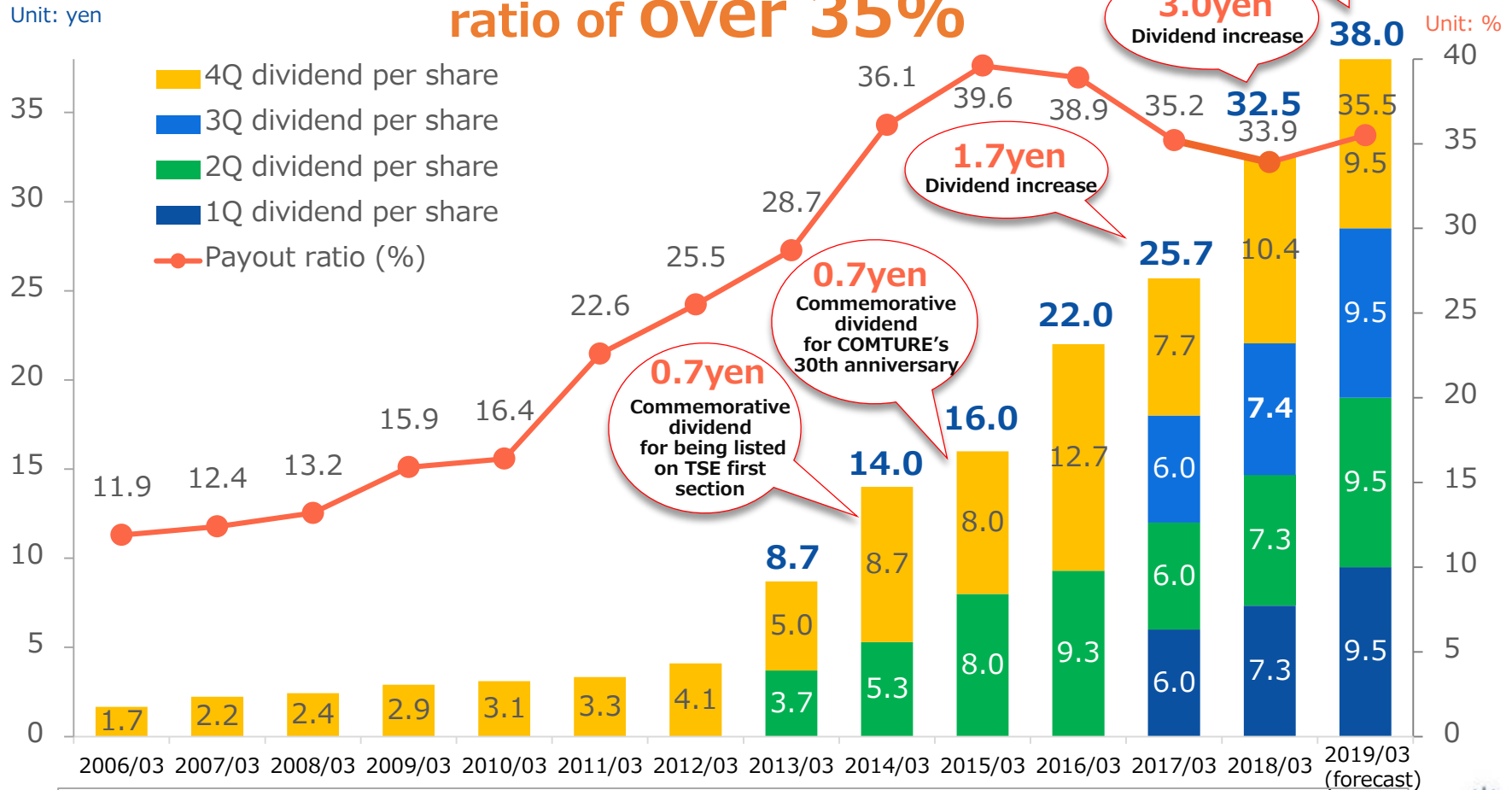
Shareholder returns

4-1 Dividend

14th consecutive periods of increased dividend (forecast)

We will maintain a dividend payout ratio of over 35%

YOY
5.53yen
Dividend increase



COMTURE conducted a 3-for-1 stock split effective on October 1, 2017. Dividend amounts before 2Q FY2018 are retroactively adjusted to reflect the stock split.

4-2 Dividend payment schedule

Due to stable quarterly performance driven by sound management, COMTURE will implement quarterly dividend payments.

	Dividend record date	Dividend payment date
1Q dividend per share	Jun. 30th, 2018	Aug. 31st, 2018
2Q dividend per share	Sep. 30th, 2018	Nov. 30th, 2018 (planned)
3Q dividend per share	Dec. 31st, 2018	Feb. 28th, 2019 (planned)
4Q dividend per share	Mar. 31st, 2019	The next business day following approval at the general shareholders' meeting (planned)

4-3 Returns to Shareholders Scheme

As part of COMTURE's returns to shareholders scheme, we have a shareholder special benefit plan

Twice a year, at the end of September and March, shareholders who own more than 300 shares will receive prepaid QUO cards worth 1,000 yen (2,000 yen annually).

- * Dividend of 11,400 yen + prepaid QUO cards worth 2,000 yen = 13,400 yen annually
- * Total payout ratio including special benefits are expected to be 41.8% for fiscal year ending March 2019 (for 300 shares)



Precautions about This Presentation

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- Comture exercised care regarding the accuracy of information in this presentation but does not guarantee that this information is complete.
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