

An Introduction to COMTURE for Institutional Investors

COMTURE CORPORATION

*Transforming needs
into solutions*



May 10, 2021

Koichi Mukai
Chairman & CEO

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About COMPTURE



1-1 Company Overview

Name	COMTURE CORPORATION
Representative	Koichi Mukai, Chairman & CEO Chihiro Sawada, President & COO
Address	9F/15F East Tower, Gate City Osaki, 1-11-2, Osaki, Shinagawa-ku, Tokyo Japan
Established	January 18, 1985
Businesses	Consulting, plans, installation and operation of systems, primarily using the cloud, for companies
Capital	1,022 million yen (as of the end of March 2021)
Group companies	COMTURE NETWORK, EDIFIST LEARNING INC. COMTURE MARKETING, COMTURE DATA SCIENCE
Net sales	20,868 million yen (FY3/21) 23,000 million yen (Forecast for FY3/22)
Ordinary profit	3,192 million yen (FY3/21) 3,500 million yen (Forecast for FY3/22)
Employees	1,389 (as of April 1, 2021)



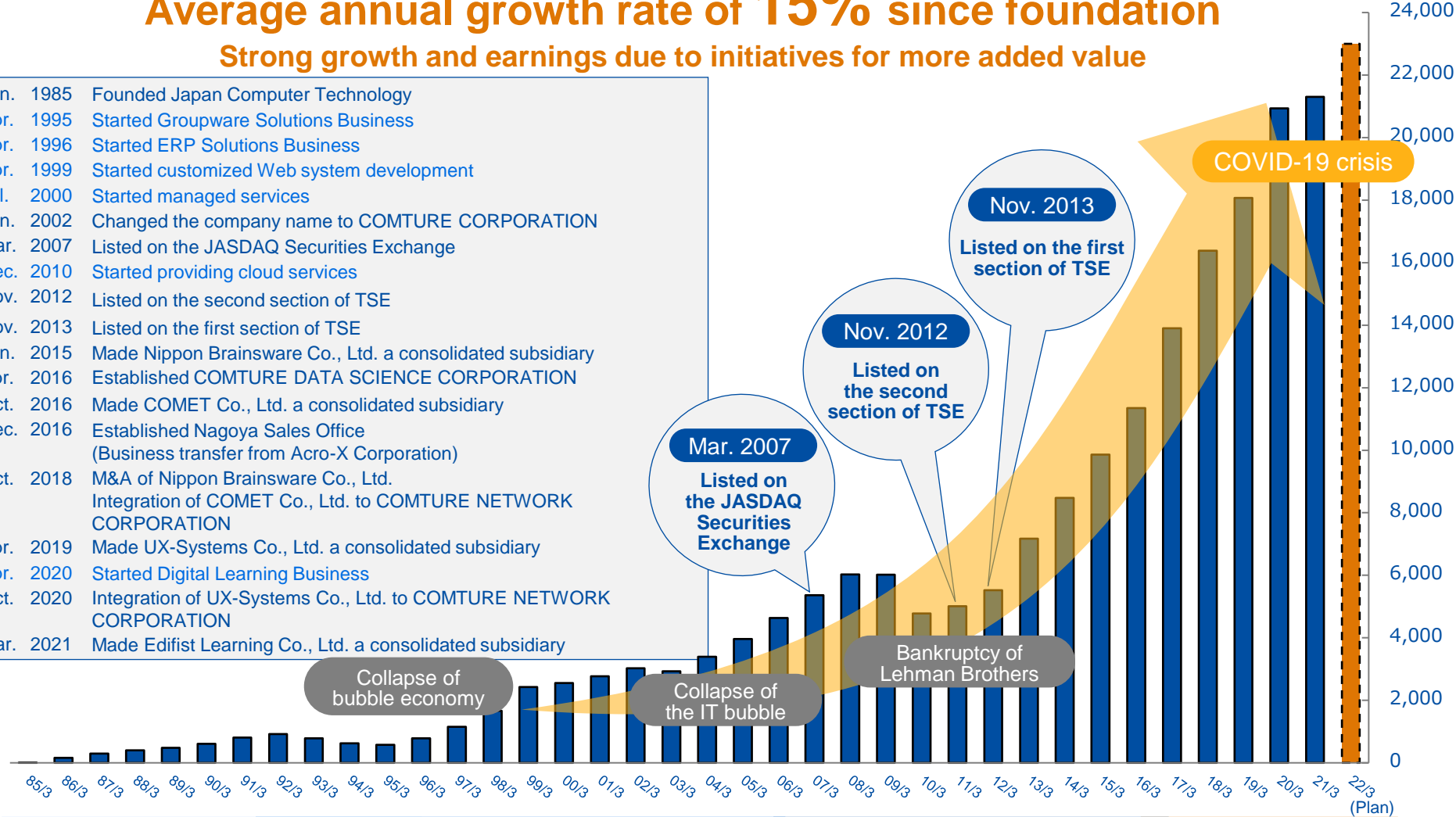
1-2 COMTURE's History

Average annual growth rate of **15%** since foundation

Strong growth and earnings due to initiatives for more added value

(Unit: million yen)

- Jan. 1985 Founded Japan Computer Technology
- Apr. 1995 Started Groupware Solutions Business
- Apr. 1996 Started ERP Solutions Business
- Apr. 1999 Started customized Web system development
- Jul. 2000 Started managed services
- Jan. 2002 Changed the company name to COMTURE CORPORATION
- Mar. 2007 Listed on the JASDAQ Securities Exchange
- Dec. 2010 Started providing cloud services
- Nov. 2012 Listed on the second section of TSE
- Nov. 2013 Listed on the first section of TSE
- Jan. 2015 Made Nippon Brainsware Co., Ltd. a consolidated subsidiary
- Apr. 2016 Established COMTURE DATA SCIENCE CORPORATION
- Oct. 2016 Made COMET Co., Ltd. a consolidated subsidiary
- Dec. 2016 Established Nagoya Sales Office (Business transfer from Acro-X Corporation)
- Oct. 2018 M&A of Nippon Brainsware Co., Ltd. Integration of COMET Co., Ltd. to COMTURE NETWORK CORPORATION
- Apr. 2019 Made UX-Systems Co., Ltd. a consolidated subsidiary
- Apr. 2020 Started Digital Learning Business
- Oct. 2020 Integration of UX-Systems Co., Ltd. to COMTURE NETWORK CORPORATION
- Mar. 2021 Made Edifist Learning Co., Ltd. a consolidated subsidiary



Collapse of bubble economy

Collapse of the IT bubble

Bankruptcy of Lehman Brothers

Mar. 2007
Listed on the JASDAQ Securities Exchange

Nov. 2012
Listed on the second section of TSE

Nov. 2013
Listed on the first section of TSE

COVID-19 crisis

The first decade – foundation years The second decade – building core competency The third decade – becoming a publicly listed company COMTURE Transformation

Mainframe era Client-server era Web computing era Cloud computing era Digital transformation era

1-3 COMTURE's Evolution - How we continued to grow -

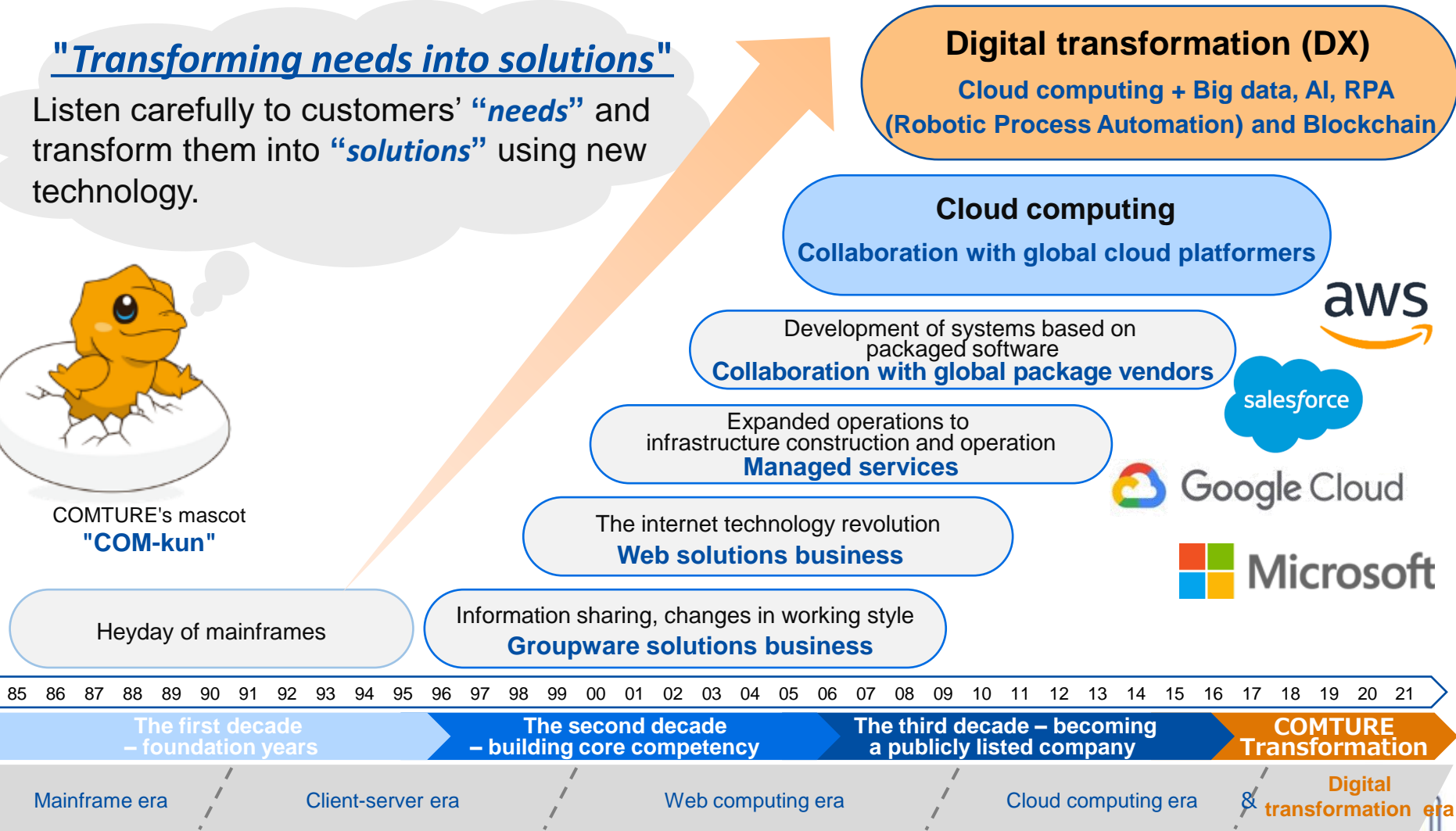
As a result of ceaseless innovation

"Transforming needs into solutions"

Listen carefully to customers' **"needs"** and transform them into **"solutions"** using new technology.

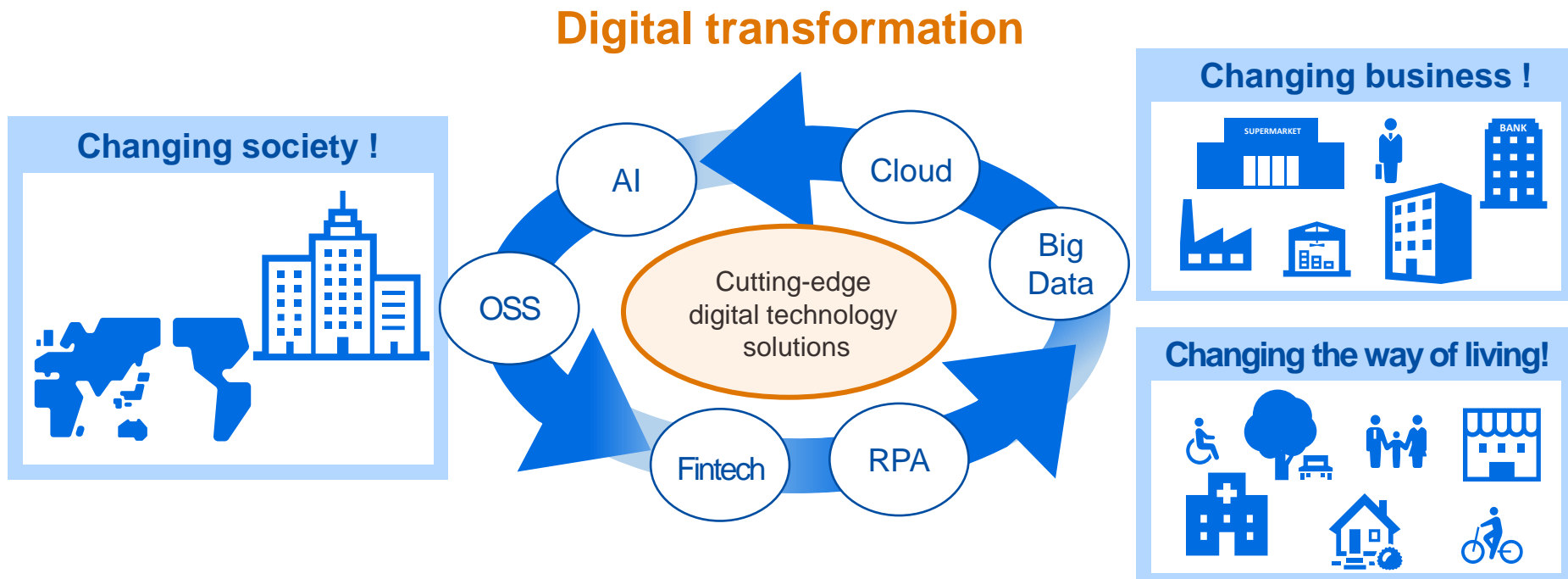


COMTURE's mascot
"COM-kun"



1-4 Digital Transformation Activities

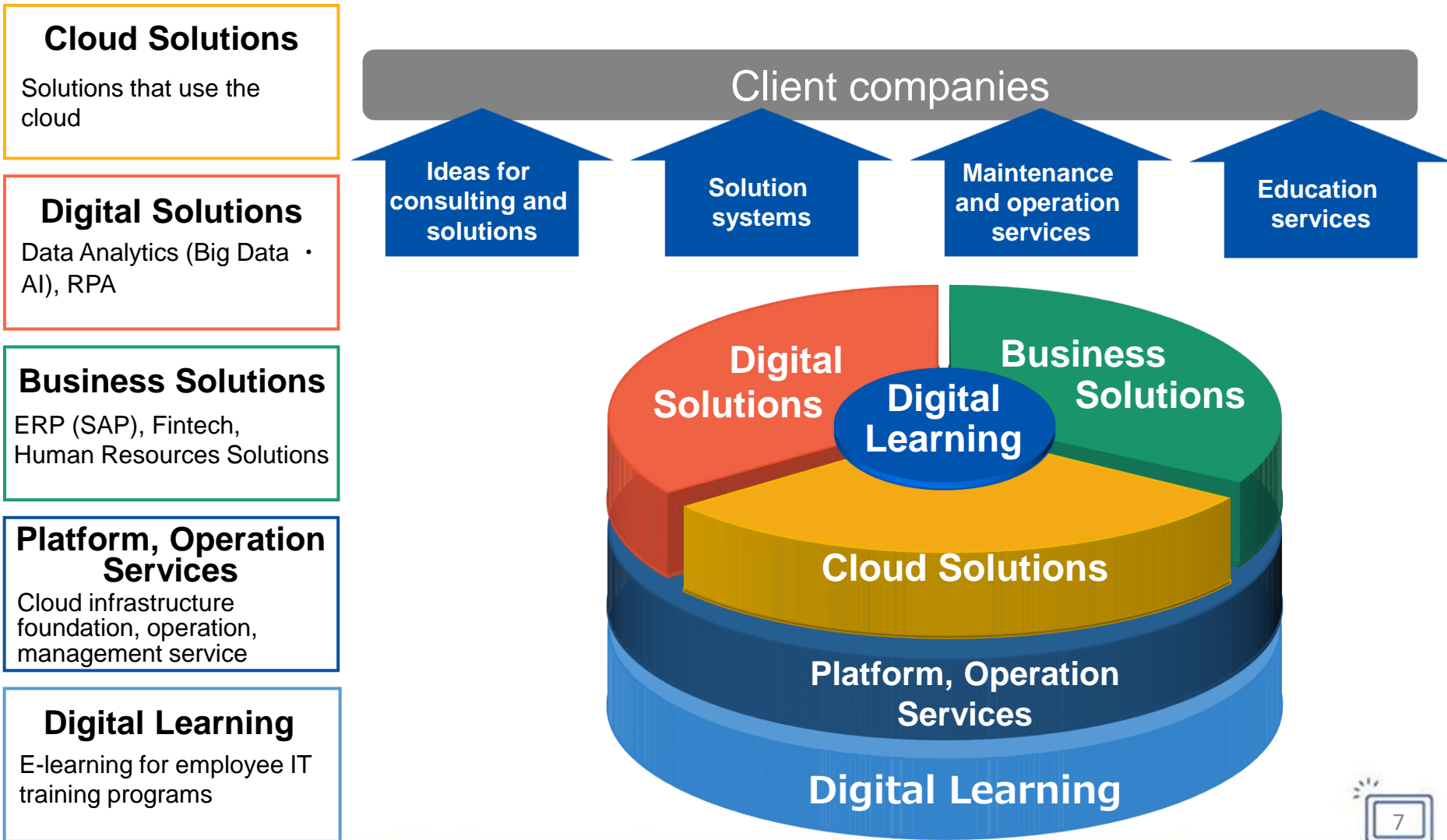
Digital transformation (DX) enables companies to dramatically alter their business strategies and domains through the use of the latest advances in digital technologies. Companies use DX to improve business processes, increase sales and earnings, use innovative business models and change how people do their jobs. DX is also a source of new forms of value for companies and society.



An intent focus on solving customers' problems and innovation

1-5 Five Interlinked Business Domains

Proposals and support for IT at large companies centered on
Cloud Solutions and Digital Solutions



1-6 Strategy for Collaboration with Vendors

Collaborations with global platformers and tool vendors

Cloud Solutions

- Providing solutions and other activities using collaborations with global platformers.

AWS

**Microsoft
Azure**

Google Cloud

Digital Solutions

- Providing data analysis solutions using big data and AI tools, automating business processes using robotic process automation tools.

Salesforce

ServiceNow

Microsoft365

SAS

SaaSNow

Informatica

Business Solutions

- Consulting, design, development, maintenance and other services for ERP packages (SAP) and enterprise systems.

**Automation
Anywhere**

UiPath

MicroStrategy

SAP

OutSystems

Mendix

Platform, Operation Services

- Design, construction and operation of systems and network environments using collaborations with cloud platformers, remote surveillance of systems using the COMTURE data center, and help desk operations.

Pega

IBM

RedHat

**Hewlett
Packard
Enterprise**

Dell

Cisco

Digital Learning

- Education services using e-learning and other platforms to upgrade the IT skills of a company's employees and enable employees to acquire vendor certifications

Nutanix

VMware

Kubernetes

1-7 Major Customers

We serve 997 large companies covering a broad spectrum of industries

American Home Assurance, SMBC Trust Bank, NTT DOCOMO Group, ORIX, Olympus, Kamagaya City, Canon Group, KYOCERA Group, Cleanup, Credit Saison, GURUNAVI, Keio Corporation, Kobe Steel, KOKUYO, National Cancer Center, KONICA MINOLTA, Sankei Shimbun, GMO Aozora Net Bank, SHIMIZU, Sophia University, Subaru Group, Sumitomo Chemical, Sony Group, SoftBank Group, Solaseed Air, The Dai-ichi Life Group, Taisho Pharmaceutical, Daito Trust Construction, THK, The Tokyo Star Bank, TOSHIBA Group, TOYOTA GROUP, Narita International Airport, Nisshin Steel, Nippon Rent-A-Car Service, NIFTY, Nikkei, JAPAN POST HOLDINGS, Nomura Research Institute, Pasona Group, Hachioji City, Fuji Xerox Group, Porsche Japan, Honda Motor, Marubeni, Mitsui Sumitomo Insurance, Mitsui Chemicals, Sumitomo Mitsui Bank, Sumitomo Mitsui Trust Bank, Mitsui Fudosan, Mitsubishi Heavy Industries, Mitsubishi Corporation, MITSUBISHI ESTATE, Mitsubishi Electric, MetLife Insurance, Morinaga Milk Industry, MORI Building, YAMATO TRANSPORT, YAMAHA, MEGMILK SNOW BRAND, The Yokohama Shinkin Bank, LIXIL, Recruit Group, Ricoh Japan, Waseda University

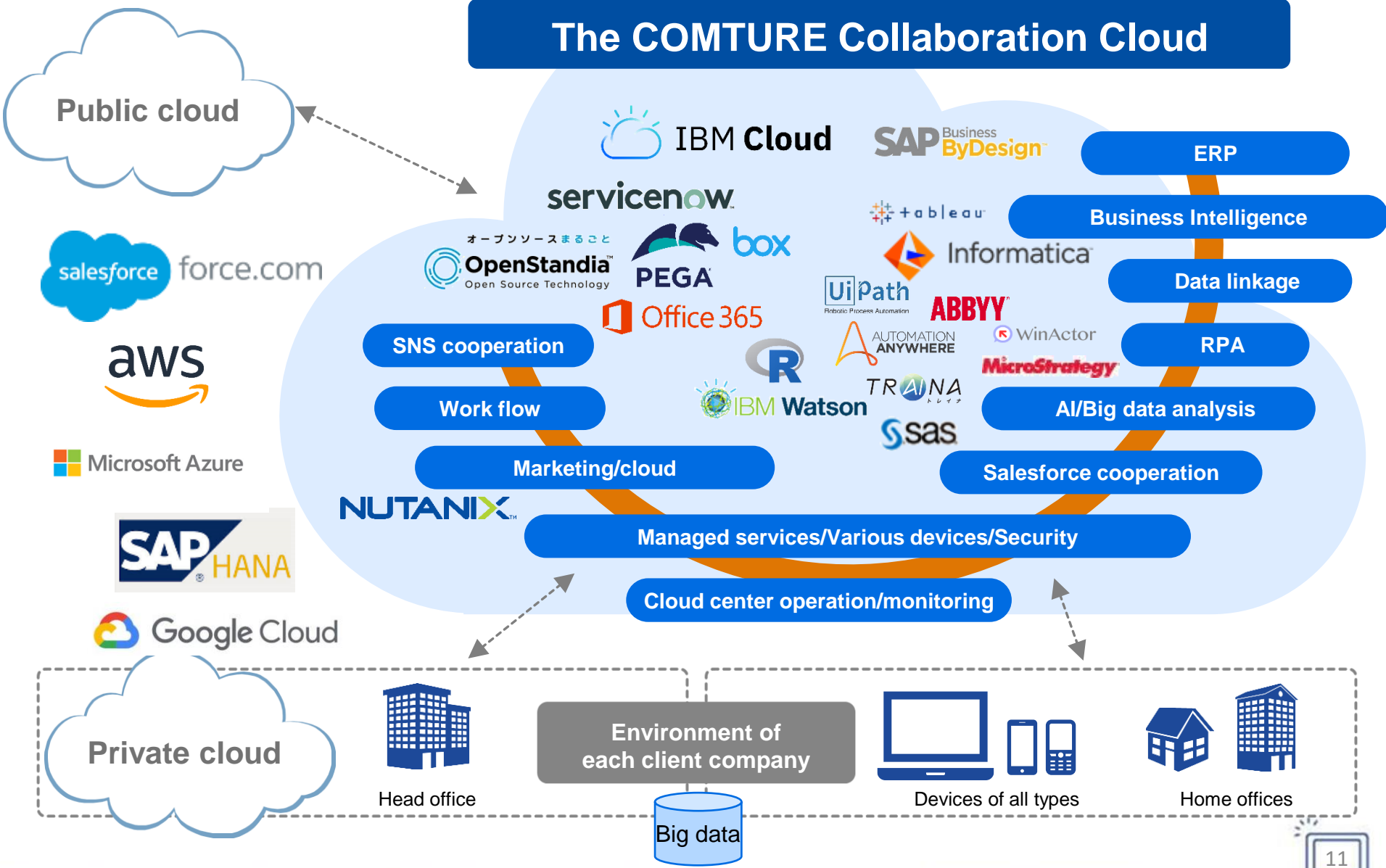
(Order of the Japanese syllabary. As of the end of March 2021)

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Our Business

2-1 Domains for COMTURE Services

The COMTURE Collaboration Cloud



2-2 Major Examples

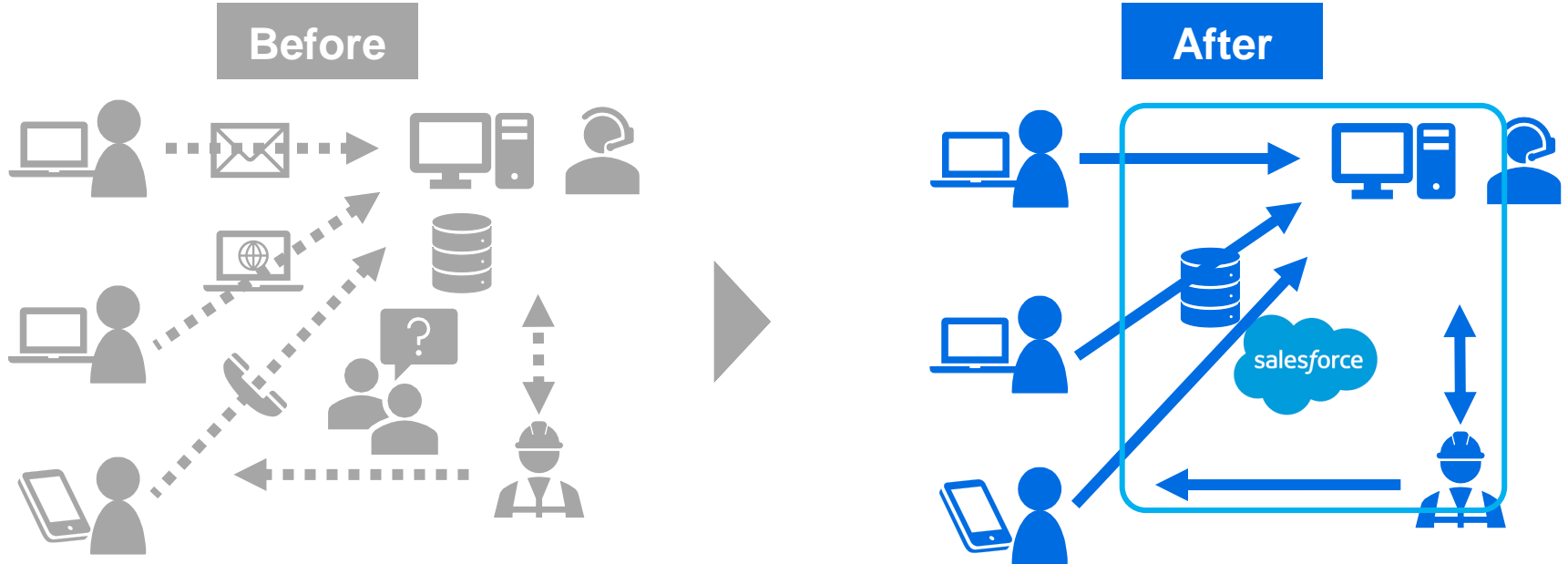
—Konica Minolta Japan, Inc.—

Example of cloud use – 1

Better customer satisfaction by centralizing inquiry/response records

Stores on the cloud previously dispersed data, from requests to repair work

Centralized management and visualization of the entire repair process improves efficiency and customer satisfaction.



Separate management of responses for each product and department

Centralized management of the entire work process on the cloud for easy visualization

2-3 Major Examples

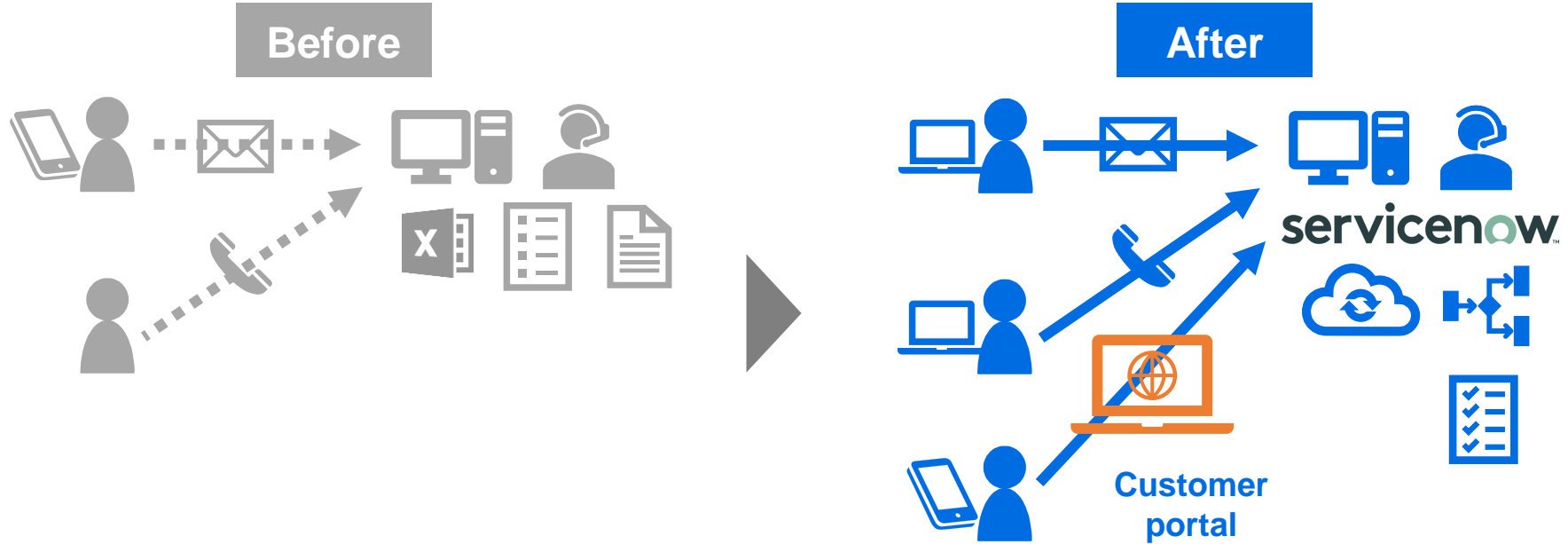
–Operator of a diversified retail facility–

Example of cloud use – 2

Omnichannel application procedures for convenience and better business processes

Established a portal for parking facility use applications to make this process more convenient and reduce the volume of work required

The customer portal makes applications easier and simplifies steps for progress management after an application is received.



Previously used e-mail and telephone for applications and a manual management process

Applications and processing are done on the portal, providing automated management and visualization

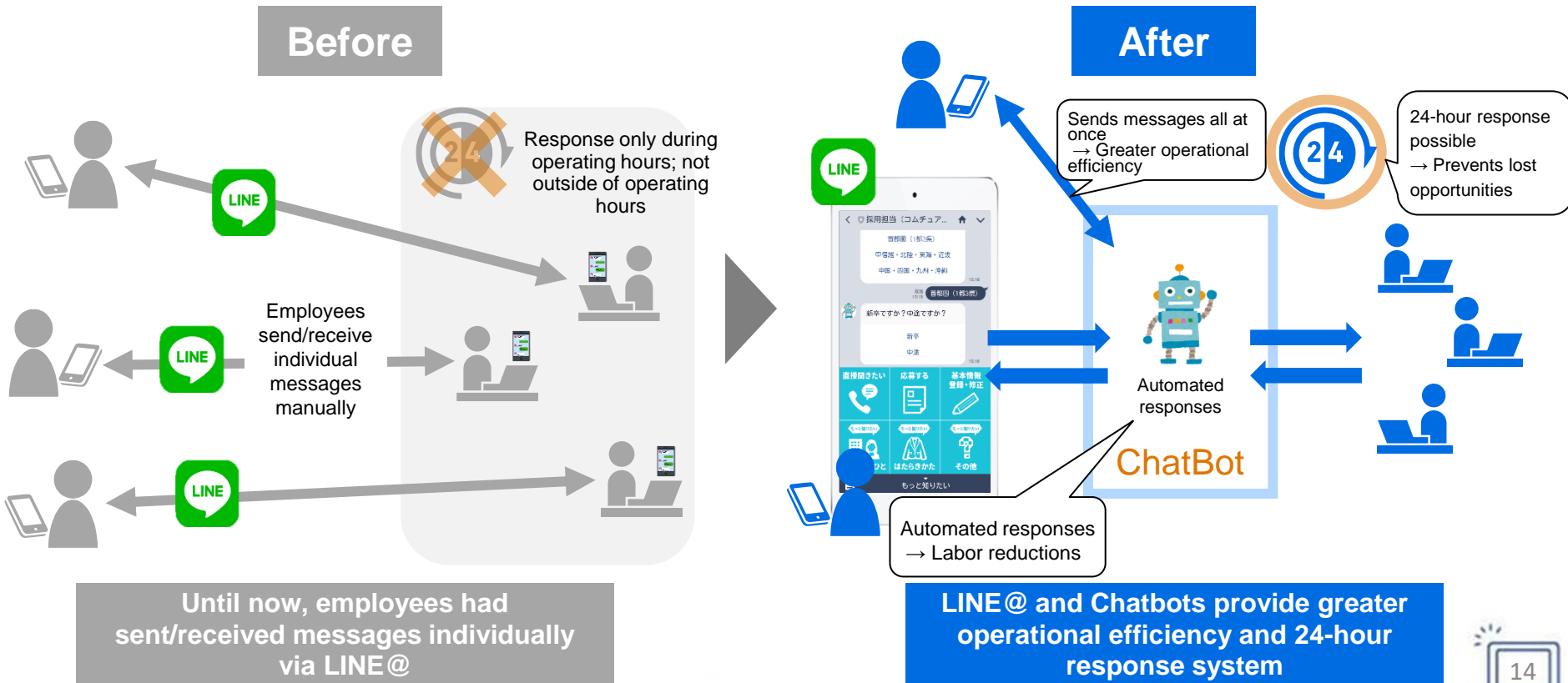
2-4 Major Examples

–Japan Nursery Service Inc.–

Example of cloud use – 3 Automated response via Chatbot

Working with Chatbots (automated response robots) to support improved operational efficiency and strengthened response capabilities

When communicating with applicants for nursery school teacher positions, automated response improves operational efficiency and enables 24-hour response



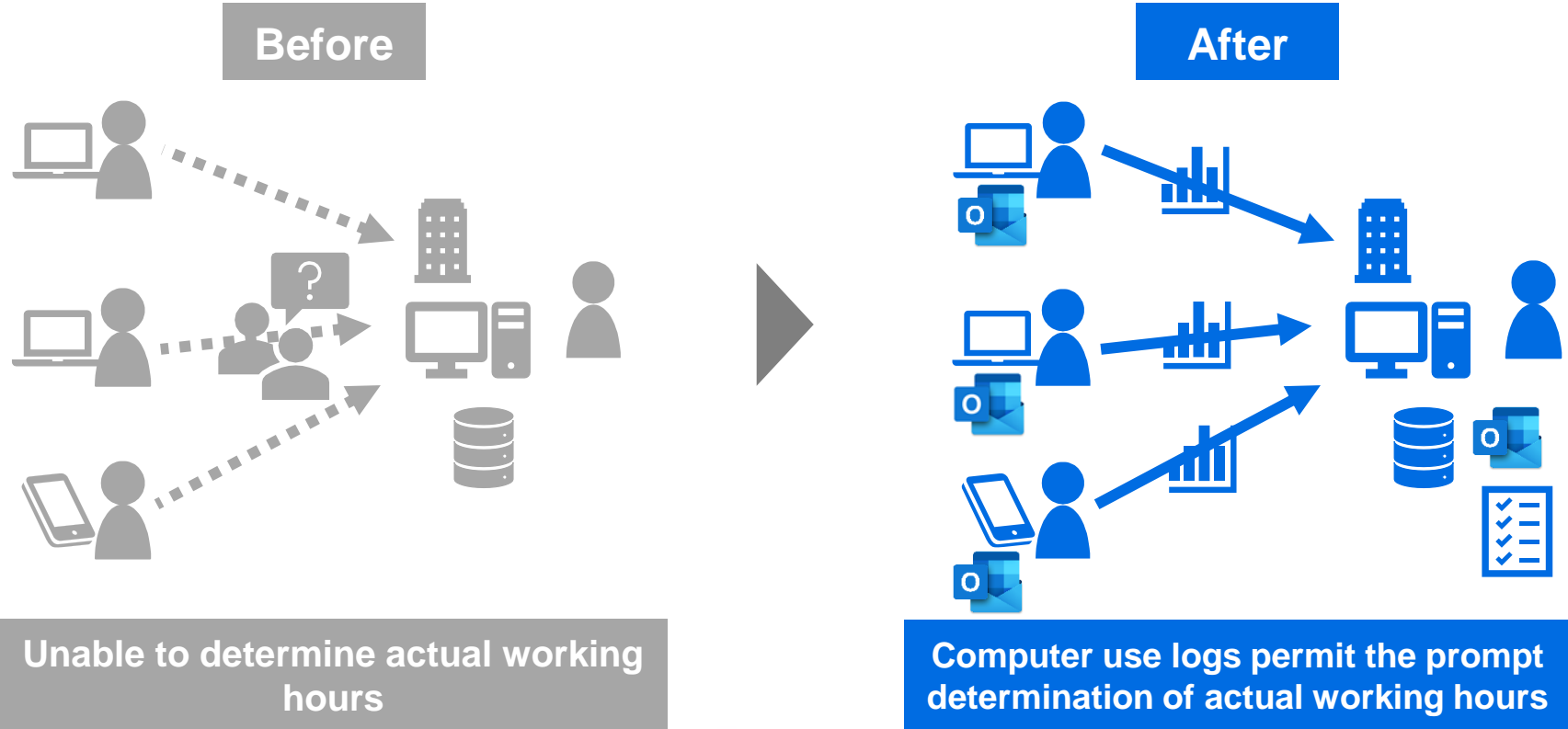
2-5 Major Examples –Large financial institution–

Example of cloud use – 4

Use of Office 365 to reveal the facts about “hidden overtime”

Logs for Office 365 use provide data about actual working hours

The use of log data increases the ability to identify improper overtime work by employees.



2-6 Major Examples

–Large manufacturing company–

Example of cloud use – 5

Electronic approval documents for a more efficient approval process

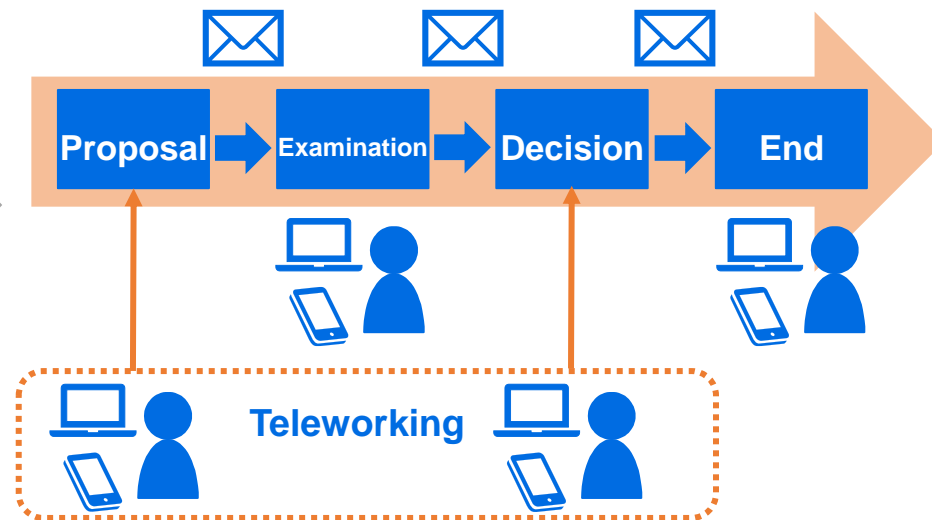
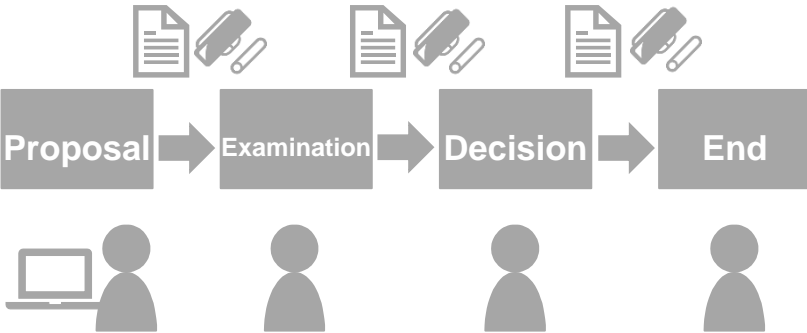
An e-document system for decisions makes approvals easy even for telework

Moving approvals to the cloud eliminates paper documents and personal seals, thereby preventing delays and omissions in approval procedures.

Before



After



Time-consuming activities are required to advance from proposals to decisions

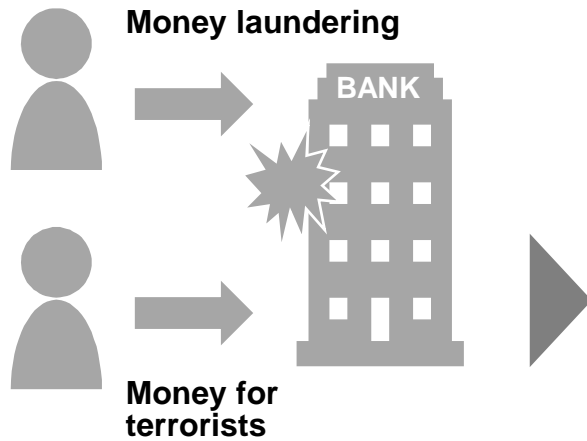
Approvals are possible at any time and location, resulting in faster decisions

2-7 Major Examples –Large bank–

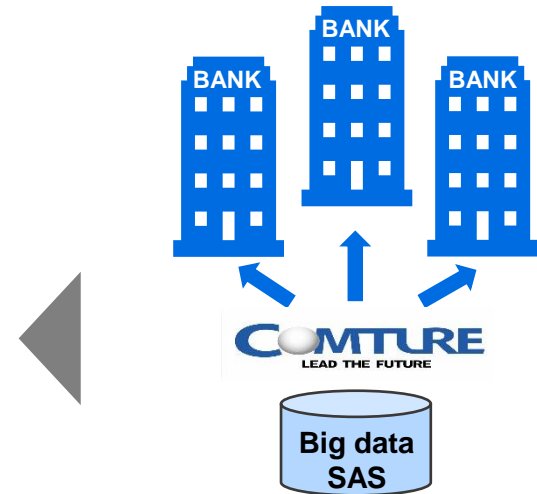
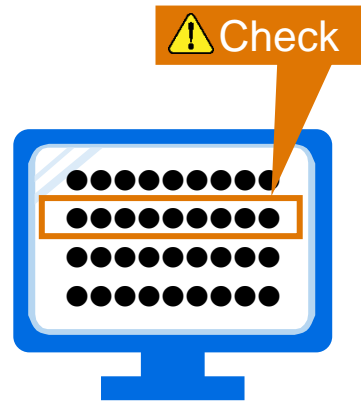
Example using big data and AI solutions – 1 Solution for detecting accounts linked to criminal activity

Collection and analysis of transaction data (big data) to facilitate automatic detection of illegal transactions

A big-data-based transaction monitoring system can be used to collect and analyze day-to-day transaction information and automatically detect suspicious activity.



Risk involving money laundering, terrorism, smuggling and other transactions for criminal activity is growing



With big data, financial institutions can quickly detect and report transactions involving criminal activity

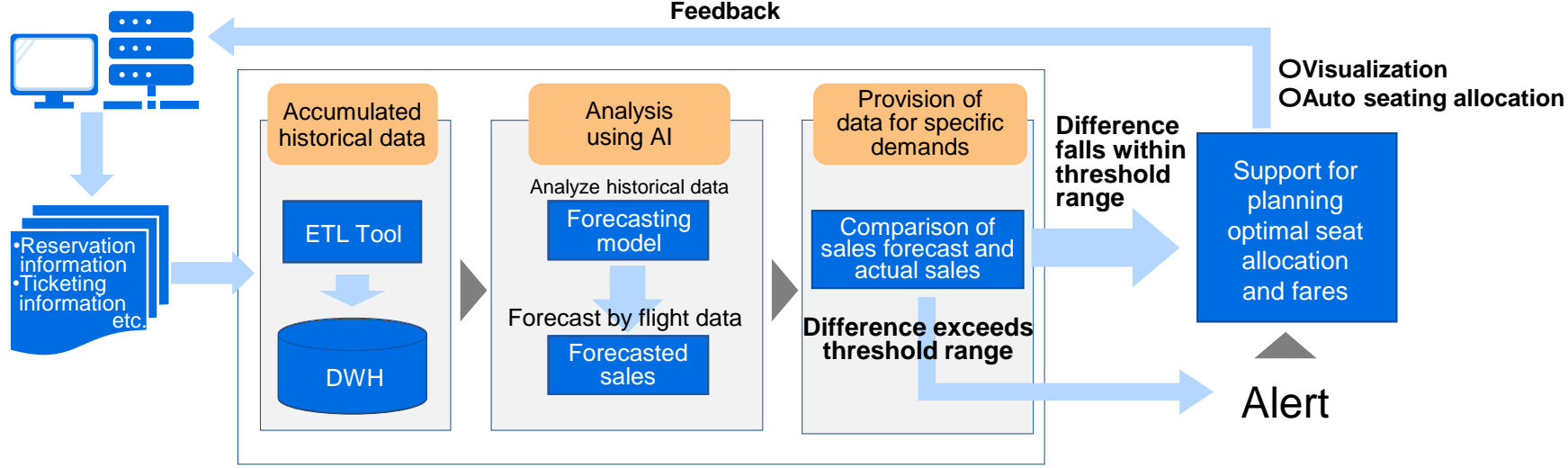
2-8 Major Examples –Solaseed Air Inc.–

Example using big data and AI solutions – 2 Revenue management system

Use of AI for analysis of large amounts of flight ticket sales data (big data) accumulated from the past

Forecasting future demand and comparing it with actual sales, AI optimizes pricing that minimizes seat vacancy rate, which ultimately leads to maximizing profit.

Reservation Management System



In the past, fares were determined based on the forecasted demand by human instinct and experience



Expansive historical sales data are analyzed using AI for demand forecasting. Optimal pricing is derived based on the past sales

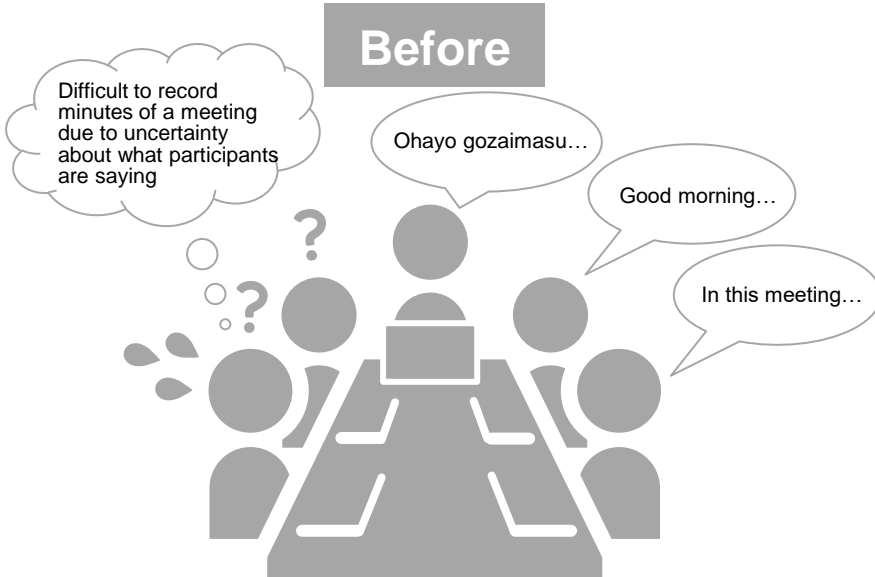
2-9 Major Examples

–Large non-ferrous metals manufacturer–

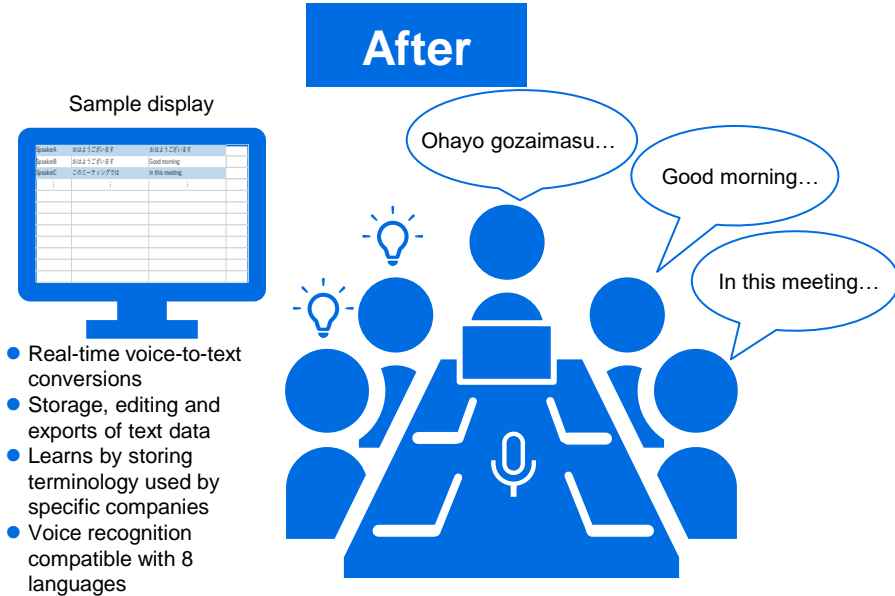
Example using big data and AI solutions – 3 Improvement of communication quality using voice-to-text conversion and automatic translation

Reduces rechecking statements and misunderstandings of foreign languages at meetings

Real-time conversion using AI of statements to text and immediate translations raise the quality of communications. Also optimizes the vocabulary to match specific companies and industries by using terminology/voice data learning and a dictionary function.



Frequent missed statements and misunderstandings of foreign language statements



- Real-time voice-to-text conversions
- Storage, editing and exports of text data
- Learns by storing terminology used by specific companies
- Voice recognition compatible with 8 languages

Automatic voice-to-text conversion results in easier communication even at meetings with participants who speak different languages

2-10 Major Examples

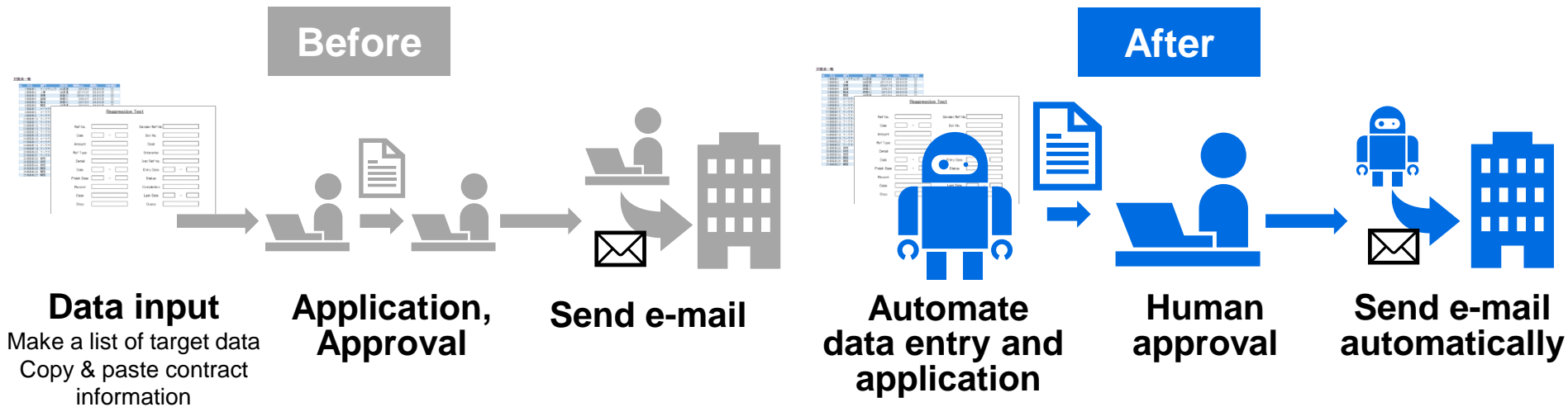
–Large manufacturing company–

Example using RPA (Robotic Process Automation)

Automation of contract creation / approval / sending work

Automation of manual tasks to reduce work times and eliminate input/entry errors

RPA automates almost all excess labor related to outsourcing contracts, which reduces costs and improves overall quality



Manual tasks to extend outsourcing contracts
(Preparation of approval documents,
application by workflow,
send e-mail to outsourcing service provider)

RPA automates almost all operations

- Working time reduction rate 80%
- Eliminate input errors and erroneous mail transmissions

2-11 Major Examples

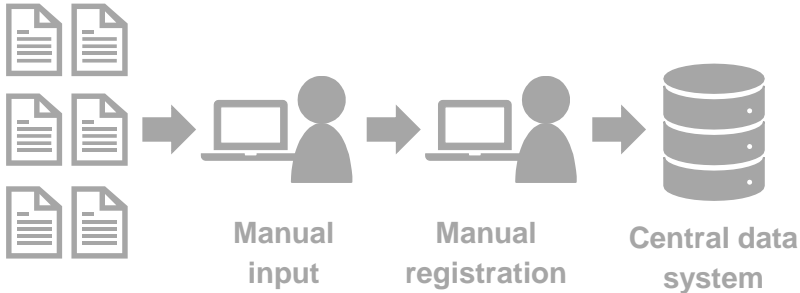
Example using AI and RPA (Robotic Process Automation)

Use of AI-OCR for automation of benefit procedures at local governments and other organizations

Fully automated, from using AI to read paper documents to using RPA for system input
Improves efficiency and facilitates working style reforms by greatly reducing time-consuming paper document data input

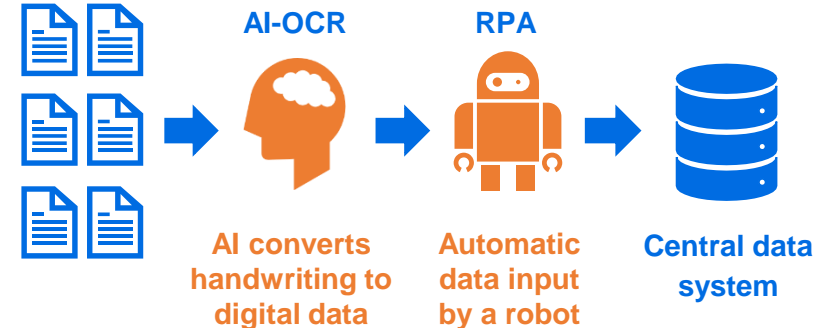
Before

Enormous volume of government and other paper applications



Manual data input is time consuming and results in many mistakes

After



Automation from reading documents to data input eliminates mistakes and improves efficiency

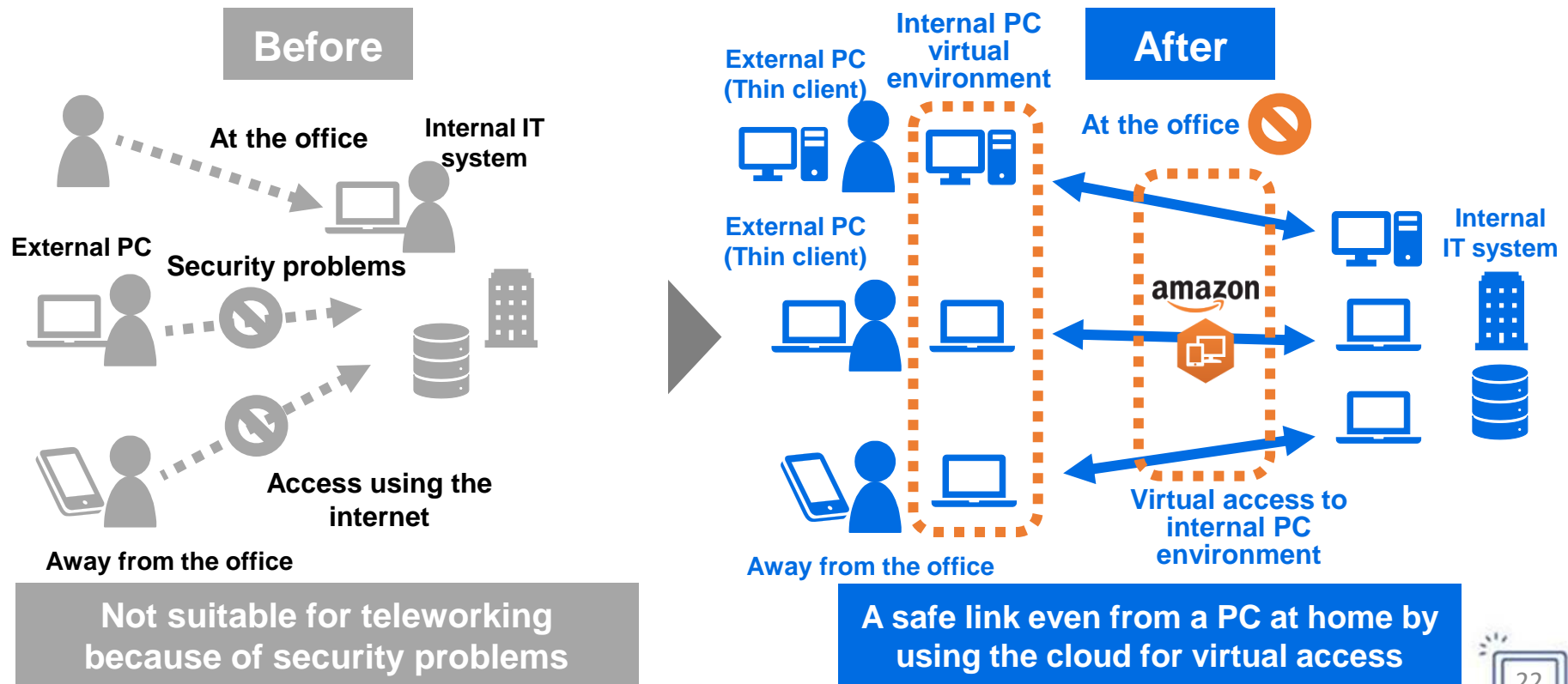
2-12 Major Examples

Example using cloud and platform

Using the cloud for creating a simple and safe teleworking environment

Safe access to internal IT systems by using a virtual desktop infrastructure (VDI)

Allowing access to an internal IT system from external PCs creates an environment for working style reforms using teleworking



3

Business Strategies

3-1 High Added-value Strategy

– Top priority policy–

Virtuous cycle of growth and sharing profits
based on high added-value management

High added-value
Sales per employee
up at least **5%** every year

Higher salaries
At least

3%
up

Improvement of
employee
satisfaction

Investments
At least

1.8%
up

Investments
in growth

Earnings
At least

0.2%
up

Improvement
of shareholder
satisfaction

COMTURE value
(branding)

Consulting and
better proposal skills

Better services

Increased productivity

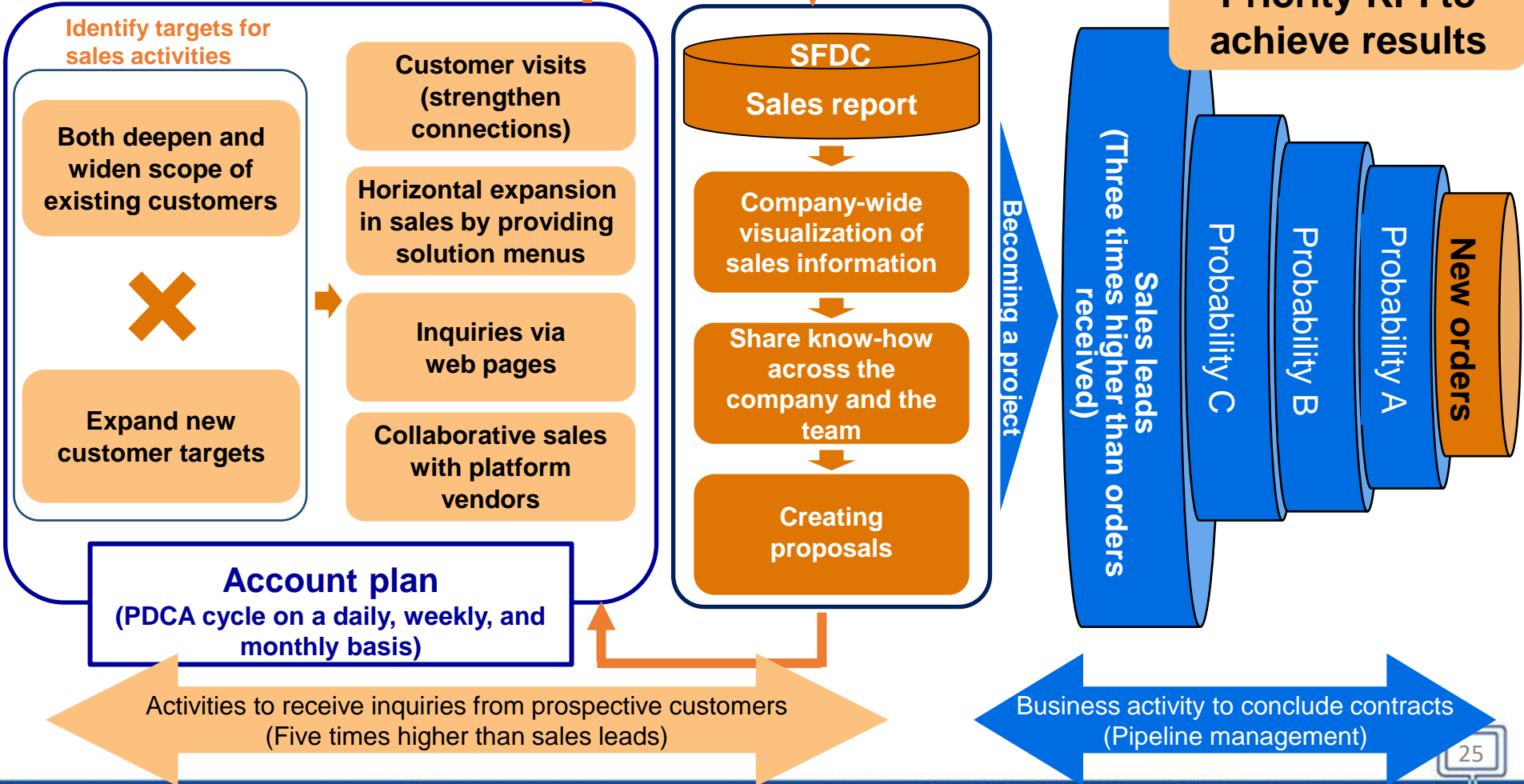
Expansion into
areas of expertise

Work style reform (telework)

3-2 The Sales Process Strategy

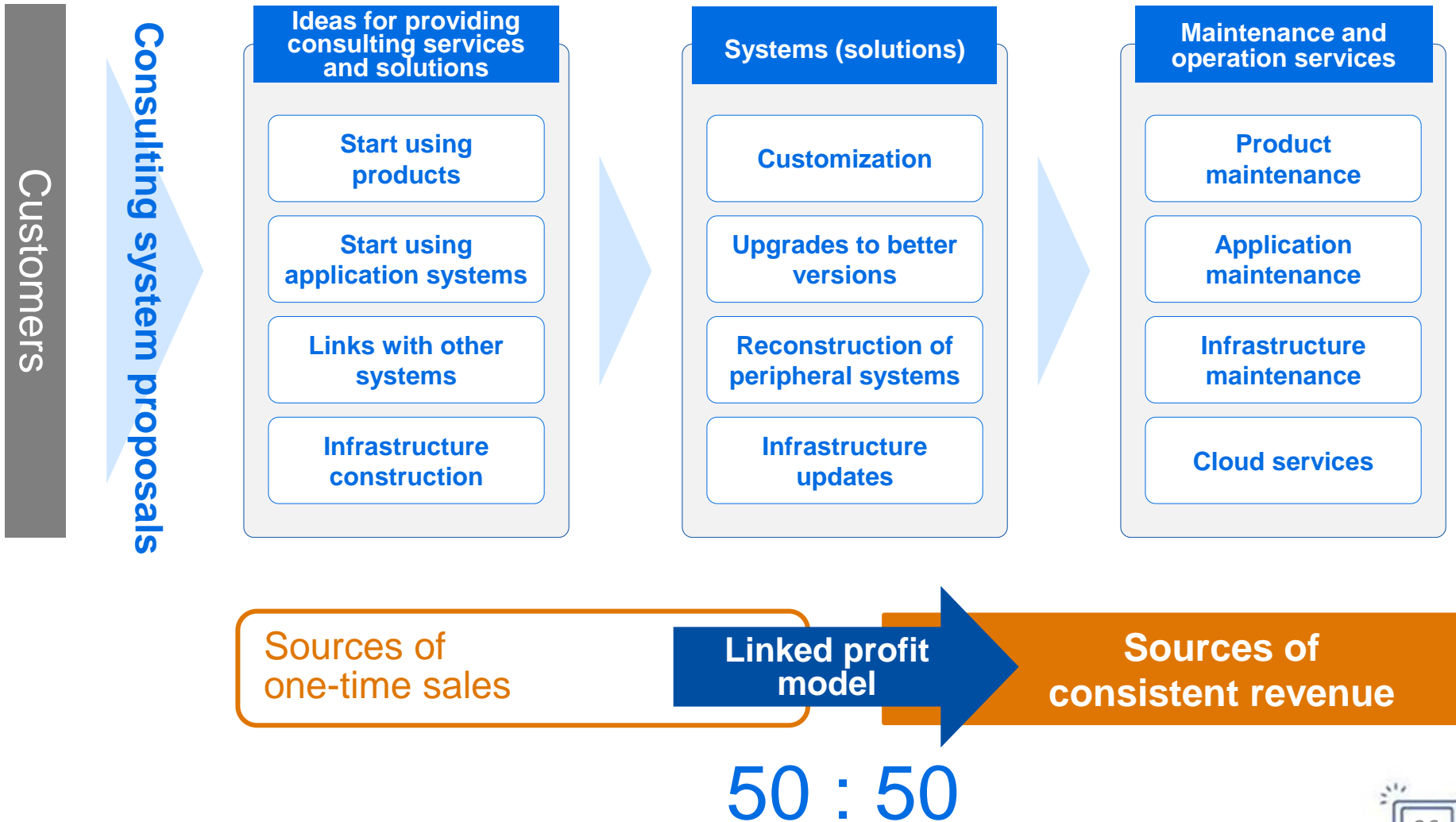
Sales leads = Three times higher than orders received
– Leading indicators for achieving the target for new orders

Share know-how to achieve order plan



3-3 The Linked Profit Model

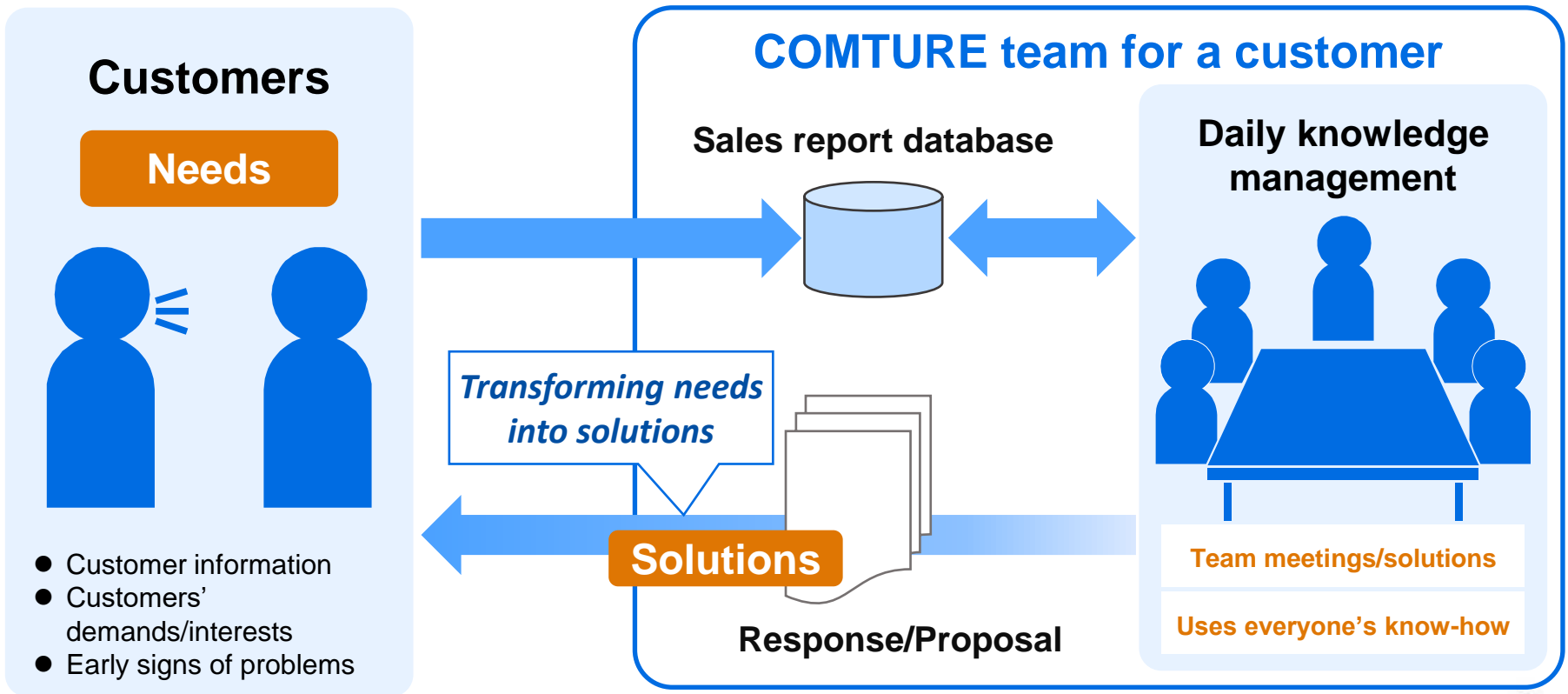
–One-time sales and consistent revenue–



3-4 Customer Strategy

Reinforce consulting sales skills to improve customer satisfaction

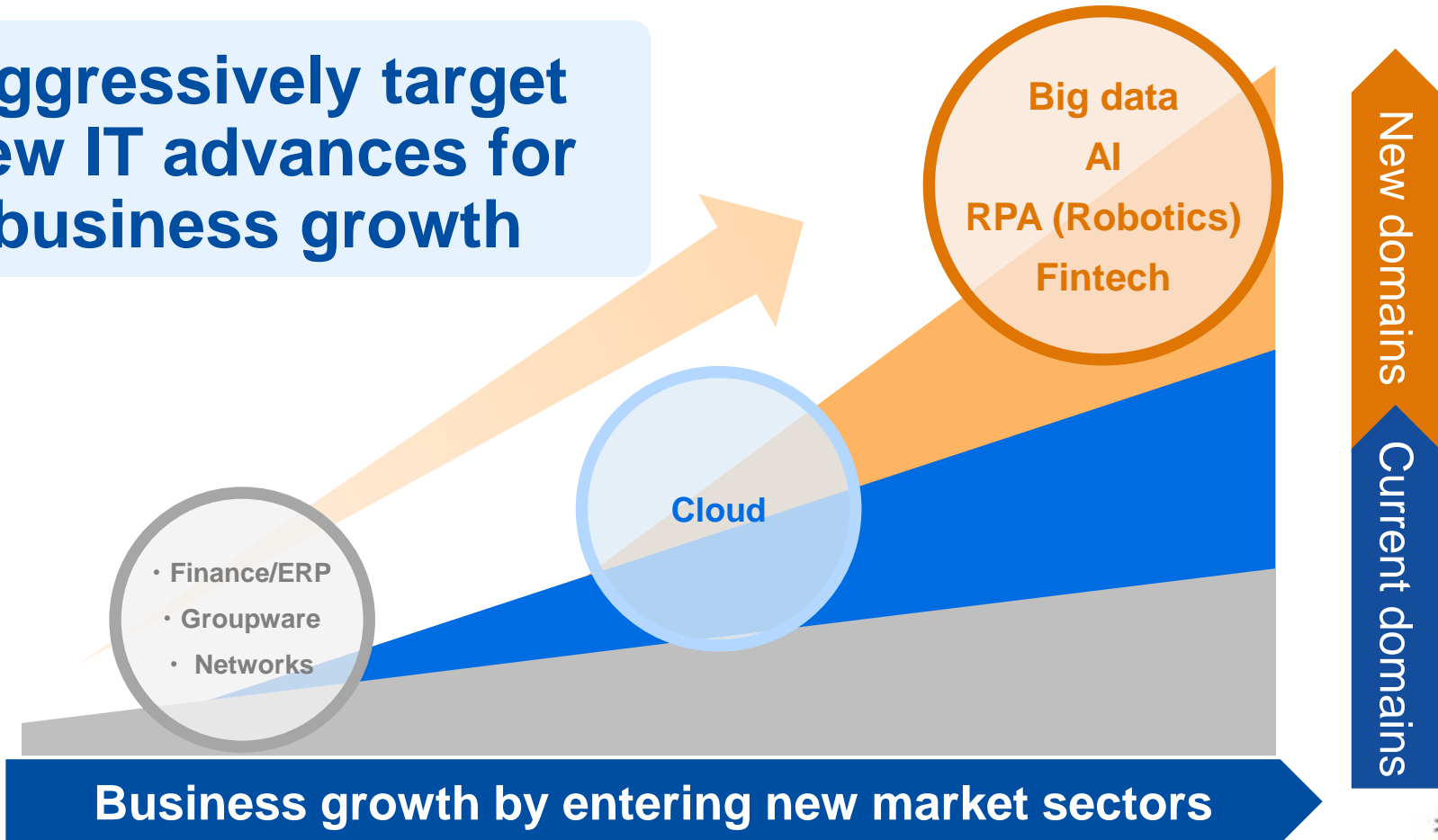
Account system engineers who have close ties with customers identify each customer's needs. Then the aggregate know-how of a team is used to create ideas for transforming these needs into solutions.



3-5 Business Growth Strategy

Approach to digital transformation

Aggressively target new IT advances for business growth



3-6 Human Resources Strategy (Recruit and train talented young people)

Training and recruiting for adding more value

【Training programs】

Cloud	A leader in professional certifications (Microsoft, AWS, Salesforce, etc.) for cloud business growth – 1,000 people with certifications (plan)
Digital	Quickly train people to become digital transformation and data science specialists to promote for the Big data/AI/RPA/Blockchain businesses – 1,000 people with certifications (plan)
Upgrade proposal/management skills	Training to upgrade skills for management and creating value-added proposals involving new market sectors and new technologies

【Recruiting】

Recruit talented personnel	<p>People are the source of corporate value. Recruiting standards will be raised in order to hire talented individuals on a continuous basis</p> <p>New graduates – FY2021: 75 FY2022: 120 / FY2023: 140 (plan)</p> <p>*Nikkei Computer magazine included COMTURE in its list of the 100 most popular IT companies for job seekers</p> <p>Mid-career recruitment FY2021: 100 (plan)</p>
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3-7 7 Management Strategies for Further Growth

1 Growth Strategy

To make the digital transformation an engine for growth that is centered on operations that generate substantial added value. One goal is **raising sales per employee of 5%** or higher by strengthening consulting and other upstream activities. Another is increasing **the number of orders received by three times** by performing highly efficient and effective sales activities. **Achieving sustained double-digit growth is the overall objective.**

2 Customer Strategy

To be focusing on high-quality customers that are making large IT investments in growing market sectors. The goal is the receipt of **projects where substantial value can be added**. We will use proposal activities for transforming customers' needs into solutions, **identifying customers' requirements** and **reinforcing the ability to create proposals** for those requirements in order to **create innovative ideas with customers**.

3 Human Resources Strategy

We will utilize artificial intelligence **for recruiting activities in order to identify and hire people capable of learning and using new technologies**. In addition, we will give people trainings to encourage them to **acquire vendor certifications** and **upgrade capabilities involving proposals and technologies**, in order to **build a workforce that can maintain a high rate of growth**.

4 Innovation Strategy

To create new forms of value, the COMTURE Group is using **collaboration with vendors** and **the development of new businesses** for **quickly starting businesses in growing market sectors** such as the cloud, big data, artificial intelligence, robotic process automation, blockchain and low-code platforms.

5 Quality Strategy

We will **refine project management and advance visualization of quality, process and costs** to **improve the quality of projects and services as well as customer satisfaction**

6 Financial Strategy

To aim to maintain **high levels of profitability and financial soundness** backed by **a high ROE** and **equity ratio** based on rapid growth and strong profitability. Also use **the visualization of the oversight of performance based on the COMTURE group's key performance indicators**, such as the consistent improvement of the operating margin, in order to be a company able **to maintain growth that is sound and steady**.

7 Alliance Strategy

To grow faster, we uses business alliances and M&A that can produce synergies as well as create **a stronger foundation for business operations centered on growing sectors of digital transformation** such as the cloud, big data and artificial intelligence.

Closing “Our Slogan”

Be a source of
“*excitement*”
for customers and
“*dreams*”
for employees

- This presentation was prepared to provide information about COMTURE and is not a solicitation to invest in COMTURE.
- COMTURE exercised care regarding the accuracy of information in this presentation but does not guarantee that this information is complete.
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