

1Q of the Fiscal Year Ending March 31, 2025 Financial Results Materials



August 6, 2024
COMTURE CORPORATION

1Q of the FY Ending March 31, 2025

Results of Operations

Financial Highlights

Achieved 14 consecutive years of sales growth and sales climbing to record highs

(Millions of yen)	1Q FY3/24		1Q FY3/25		YoY change	Progress ratio vs. plan (Average of the past three years)
	Amount	% to net sales	Amount	% to net sales		
Net sales	8,098	-	8,753	-	+8.1%	23.2% (23.8%)
Operating profit	860	10.6%	795	9.1%	-7.6%	16.2% (19.9%)
Ordinary profit	860	10.6%	793	9.1%	-7.7%	16.2% (19.9%)
Profit attributable to owners of parent	558	6.9%	502	5.7%	-10.1%	15.5% (19.8%)
Net income per share	17.52 yen	-	15.76 yen	-	-10.0%	-

Contributing Factors

Net sales

Up 8.1% YoY

- + Higher DX business sales involving Microsoft, Cybozu, AWS, SAP and other companies
- + Increased demand at financial institutions for the development of front office systems and the improvement of operational efficiency
- + Workforce growth due to more recruiting and progress with utilizing the resources of partner companies

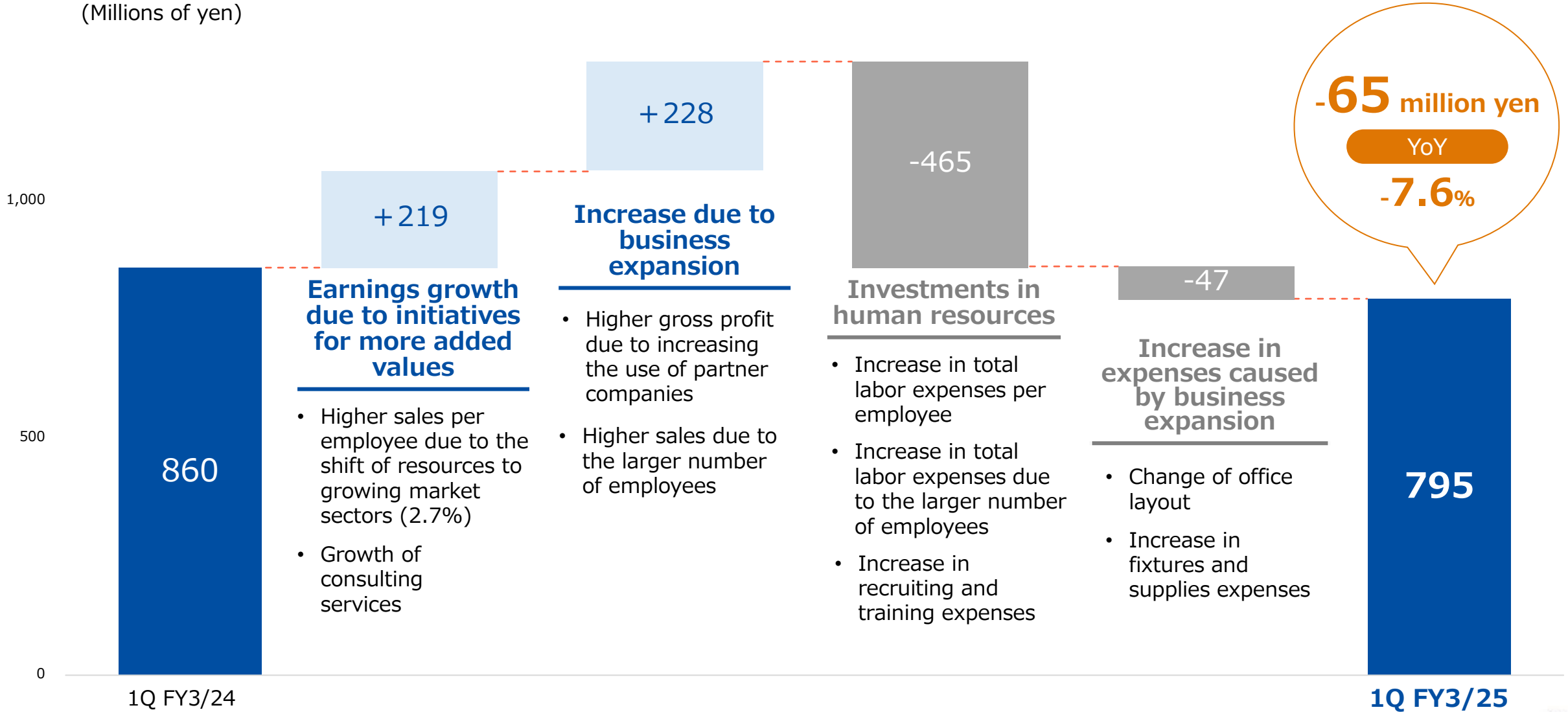
Operating profit

Down 7.6% YoY

- + Higher gross profit due to an increase in the number of productive employees at partner companies
- An increase in personnel expenses due to larger number of employees and higher salaries
- Longer training period to give newly hired new graduates even higher skills (April to June)
- Higher recruiting expenses for the earlier than planned hiring of new graduates and people with prior work experience (but consistent with the FY3/25 budget for these expenses)

Components of Changes in Operating Profit

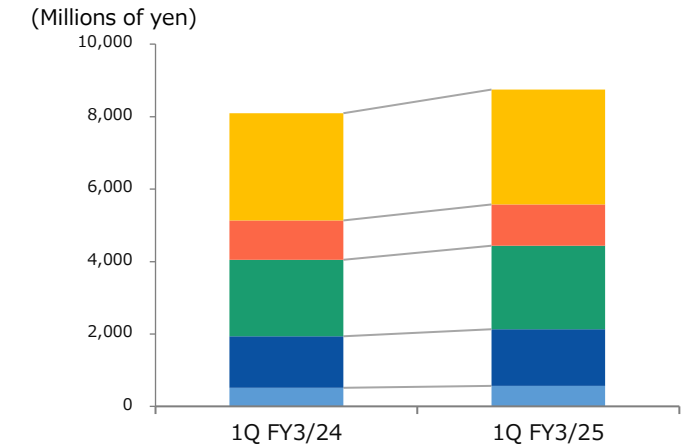
(Millions of yen)



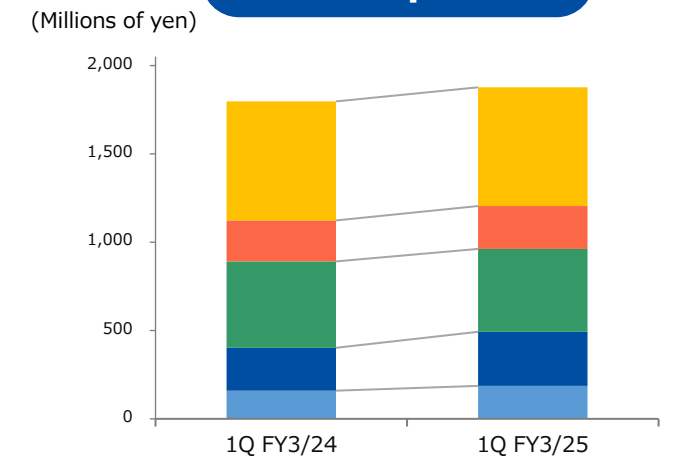
Business Segment Performance

(Millions of yen)	1Q FY3/24	1Q FY3/25	YoY change
Net sales	8,098	8,753	+8.1%
■ Cloud Solutions	2,962	3,175	+7.2%
■ Digital Solutions	1,087	1,138	+4.7%
■ Business Solutions	2,107	2,308	+9.6%
■ Platform, Operation Services	1,424	1,564	+9.8%
■ Digital Learning	517	565	+9.4%
Gross profit	1,798	1,880	+4.5%
■ Cloud Solutions	673	671	-0.2%
■ Digital Solutions	232	243	+4.8%
■ Business Solutions	489	468	-4.2%
■ Platform, Operation Services	242	306	+26.2%
■ Digital Learning	160	188	+17.5%

Net sales



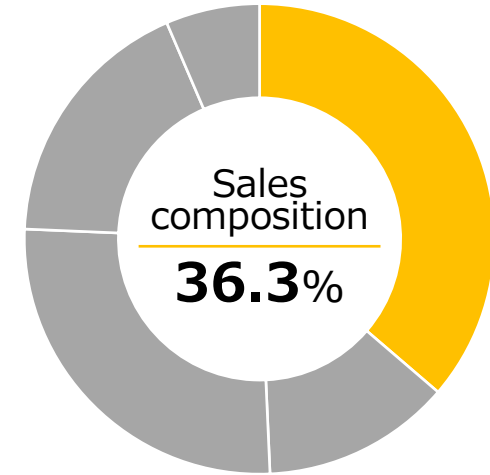
Gross profit



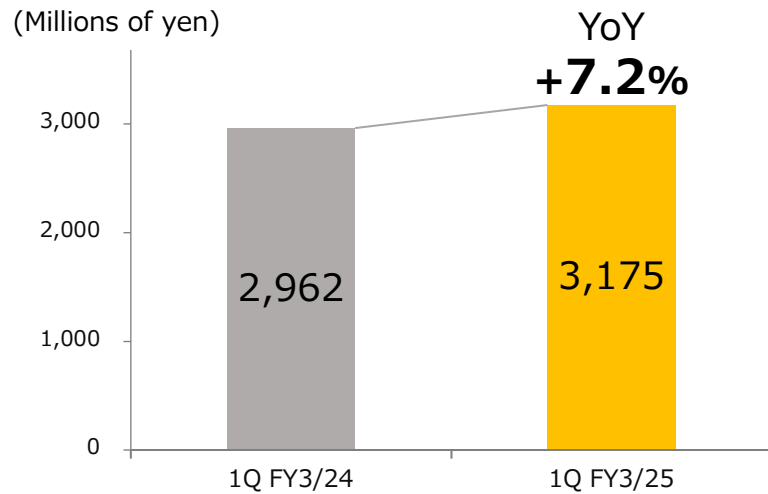
Cloud Solutions

Major components

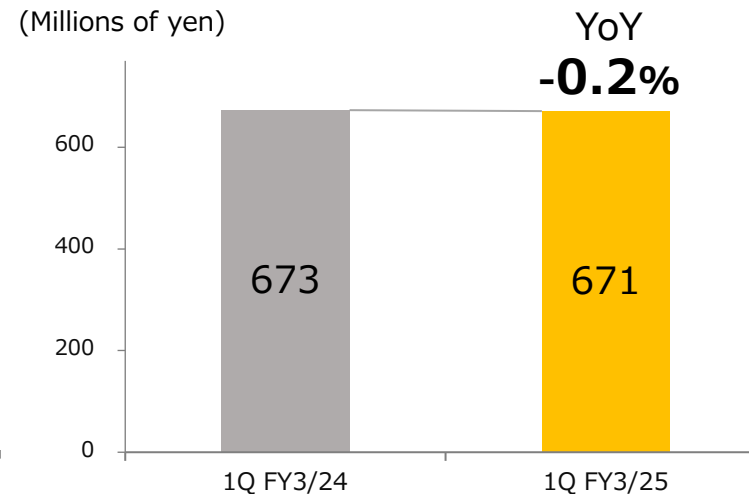
- + Growth of the consulting business backed by collaboration with Microsoft and Cybozu and increasing low-code development demand
- A decrease in orders received due to the shortage of resources
- Higher expenses for training new graduates to strengthen training programs



Net sales



Gross profit



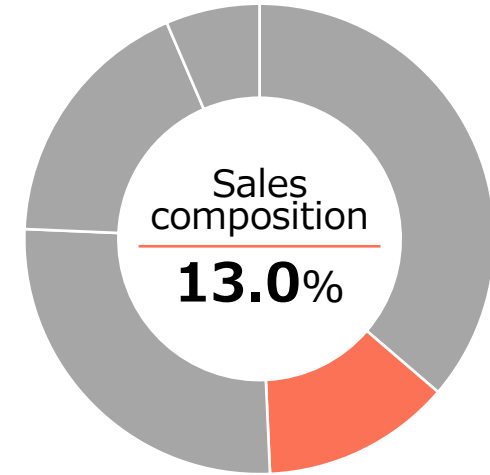
Main Activities

Collaboration using alliances with global SaaS vendors (Microsoft, Salesforce, ServiceNow and others), consulting and integration services for the installation and use of CRM and other cloud services, and other activities

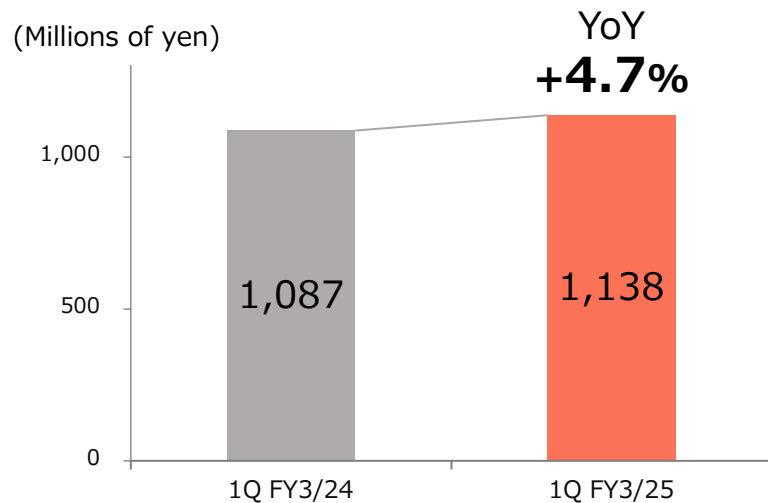
Digital Solutions

Major components

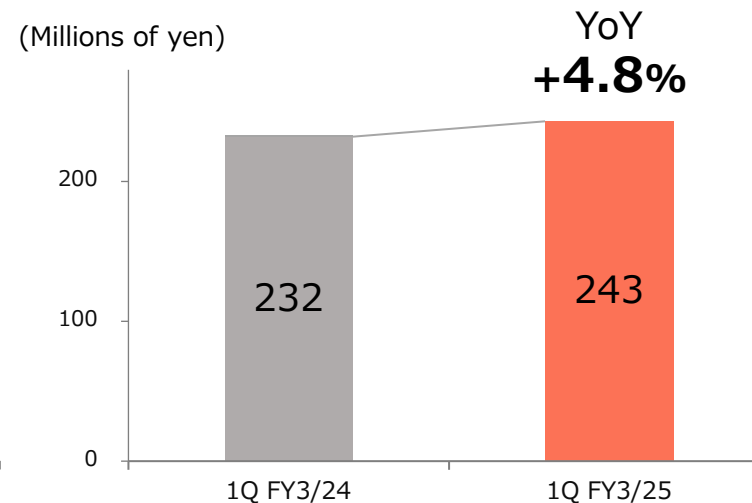
- + Growth of the data analysis business and the data management business, such as building infrastructures for collecting and storing large amount of data
- + More orders for building cloud infrastructures (AWS)



Net sales



Gross profit

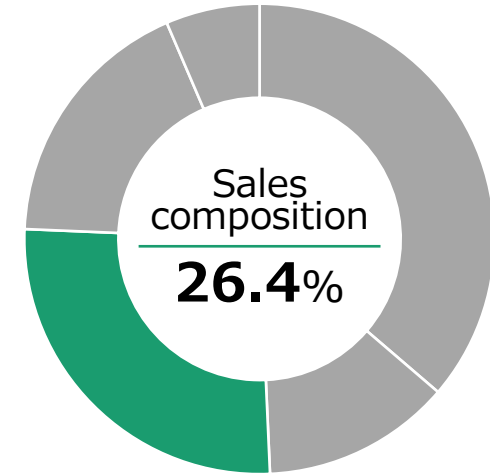


Main Activities

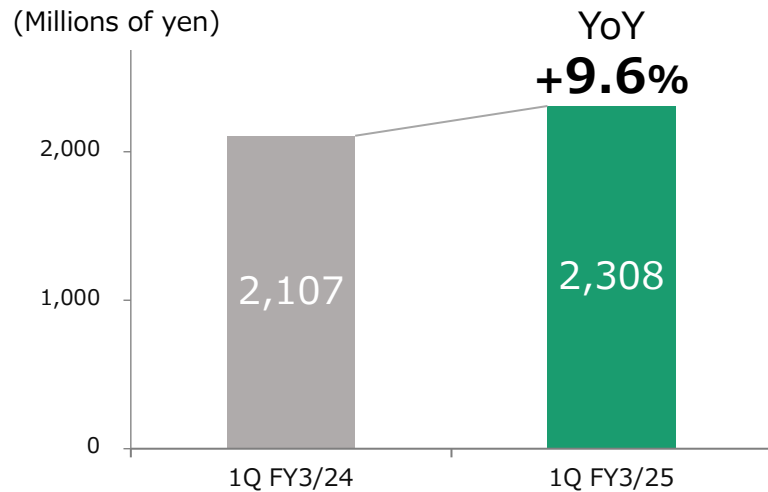
Construction of data infrastructures by working with global AI vendors (Google Cloud, Amazon Web Services and others), provision of data analysis solutions by working with global data analysis vendors (SAS, Informatica, Databricks and others), and other activities

Major components

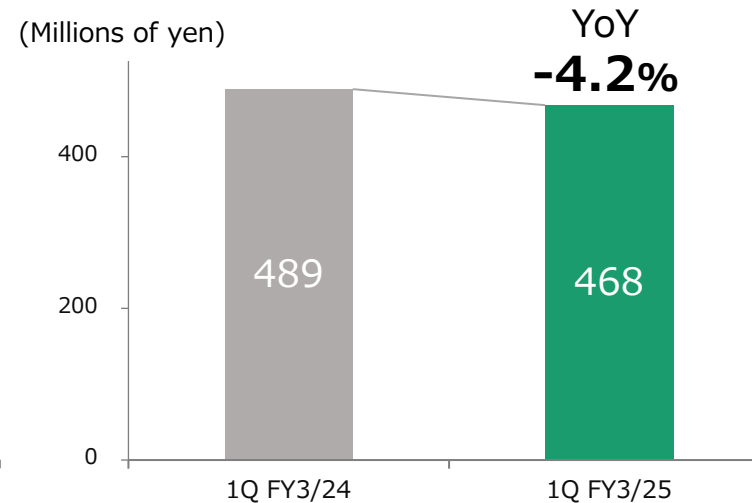
- + Growth of the SAP business continued
- + Increased demand at financial institutions for the development of front office systems and the automation of business processes
- Higher expenses for training new graduates to strengthen training programs



Net sales



Gross profit



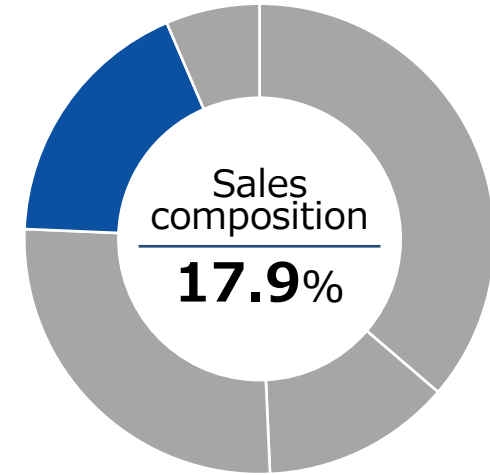
Main Activities

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

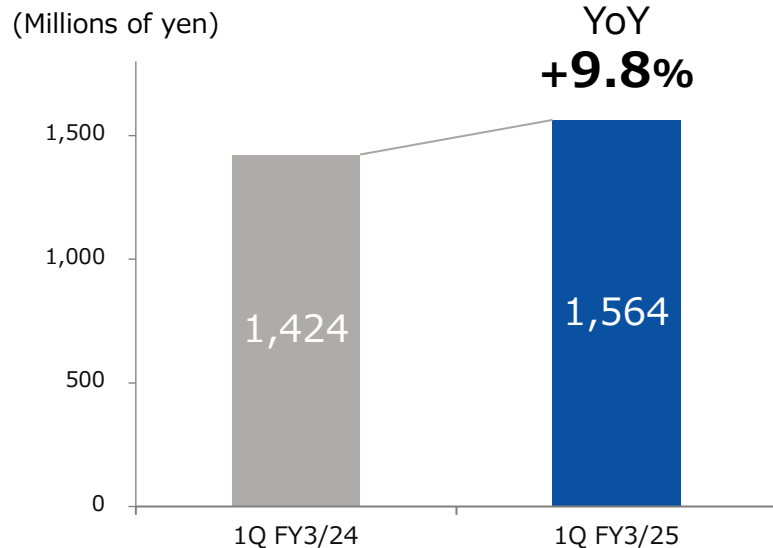
Platform, Operation Services

Major components

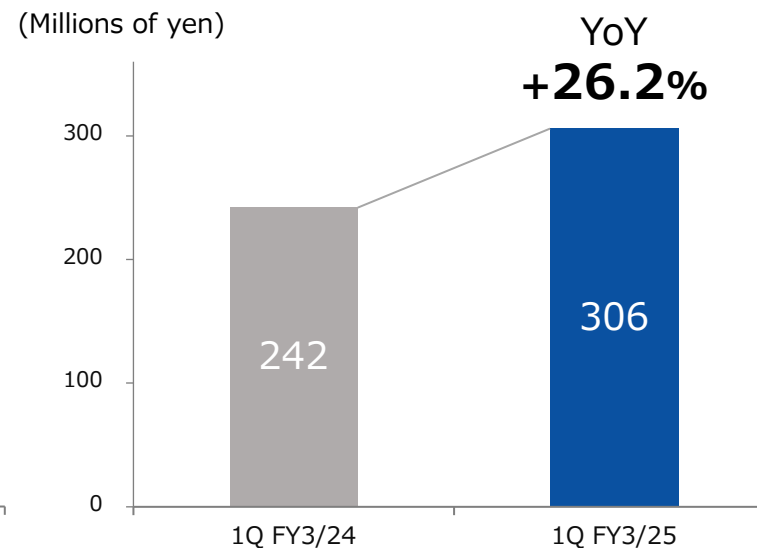
- + Higher demand for the outsourcing and security support of IT system operations
- + Growth of activities involving networks
- + Price negotiations contributed to sales growth



Net sales



Gross profit



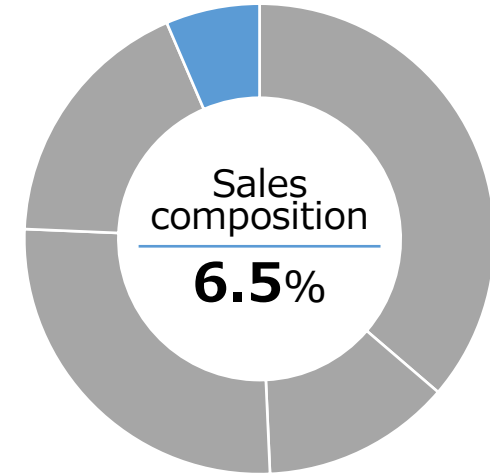
Main Activities

Hybrid cloud environments 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

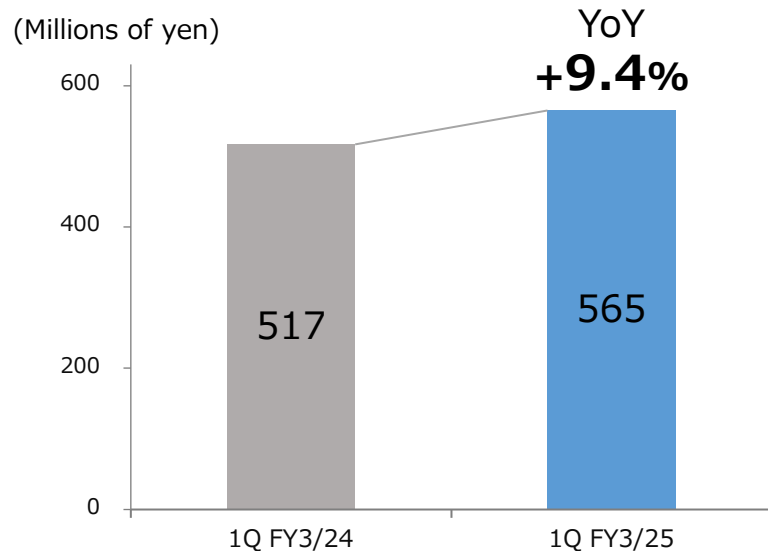
Digital Learning

Major components

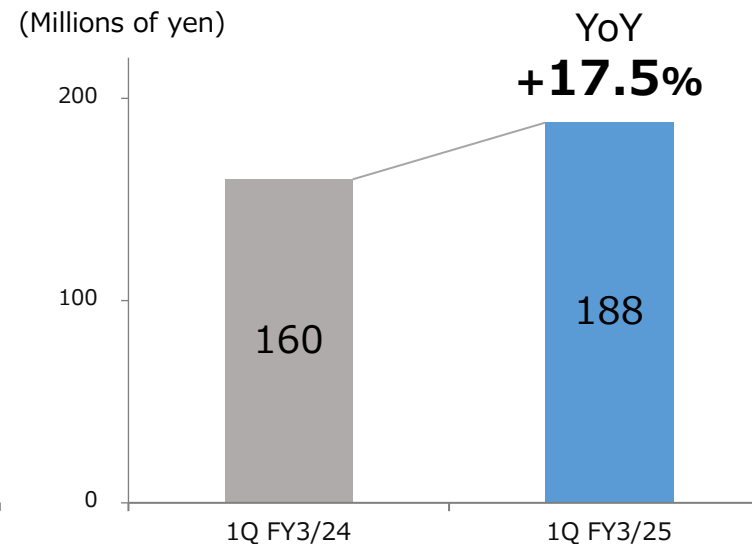
- + Higher demand for generative AI (Microsoft Copilot) training programs
- + Growth of training programs outsourced by other companies
- + Improved sales and earnings due to higher instructor utilization rate and price negotiations



Net sales



Gross profit



Main Activities

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

Major investments To accelerate growth

Market conditions

- Faster pace of business innovation activities as companies switch to digital technologies and make DX investments
- More specialized support services by system integrators as the number of DX experts at companies increases
- Increasing demand for the development of apps for business activities as the use of generative AI grows



Investments in people

Recruiting

New graduate: **180** (hired in April 2025), Experienced people: **70** (FY3/25)

Training

Reskilling: **30-40 per six months**, larger and upgraded training system, New online learning platform, goal is **1,000** certifications

Salary/hours

Salary increase: **5.0% or more**

Working time: Down from 7hr 50min to **7hr 30min**



Innovations

Generative AI

Use of the Microsoft Copilot generative AI tool for improvements and innovations of all business processes; new/revised core IT system and human resource system



Others

Market profile

Renewal the corporate website, a brand and other

Recruiting activities for faster growth

Recruiting talented new graduates

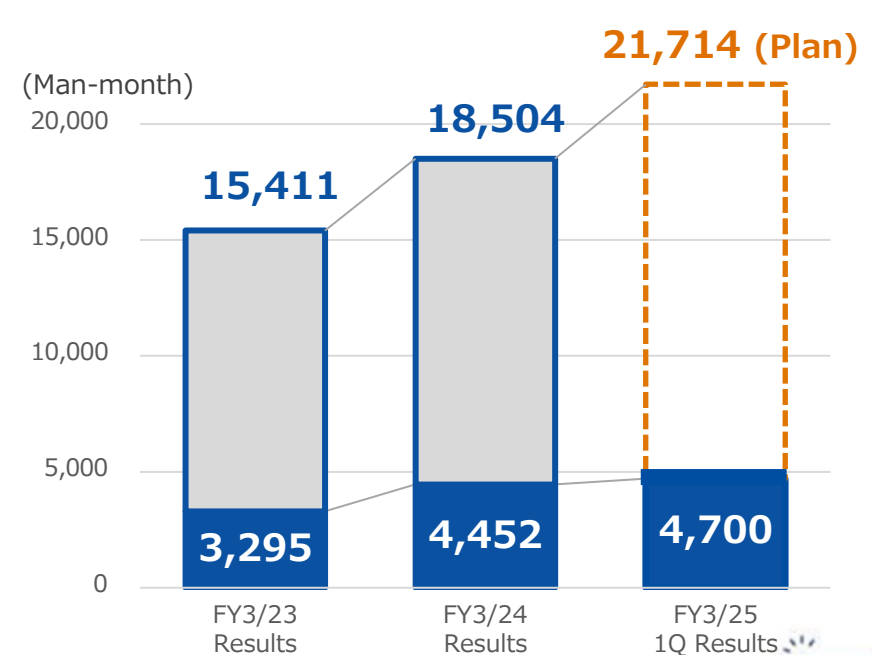
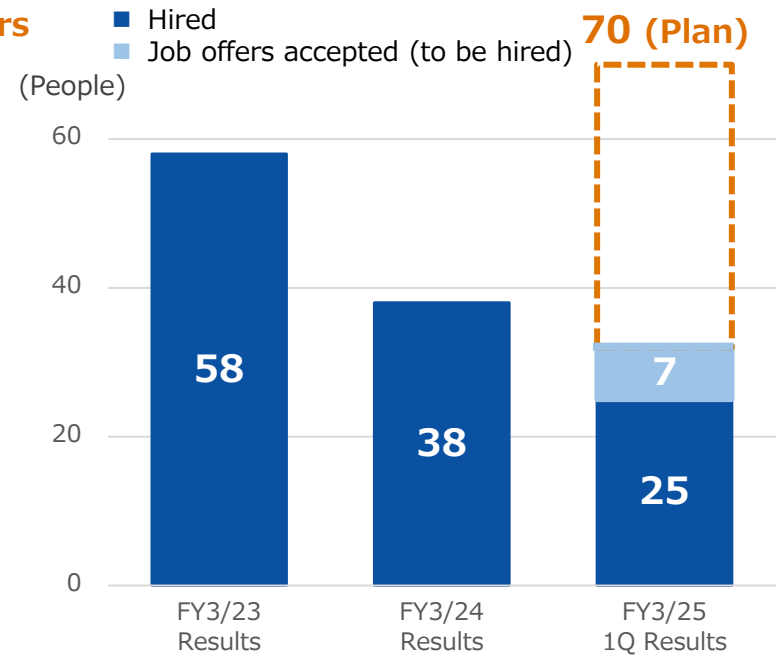
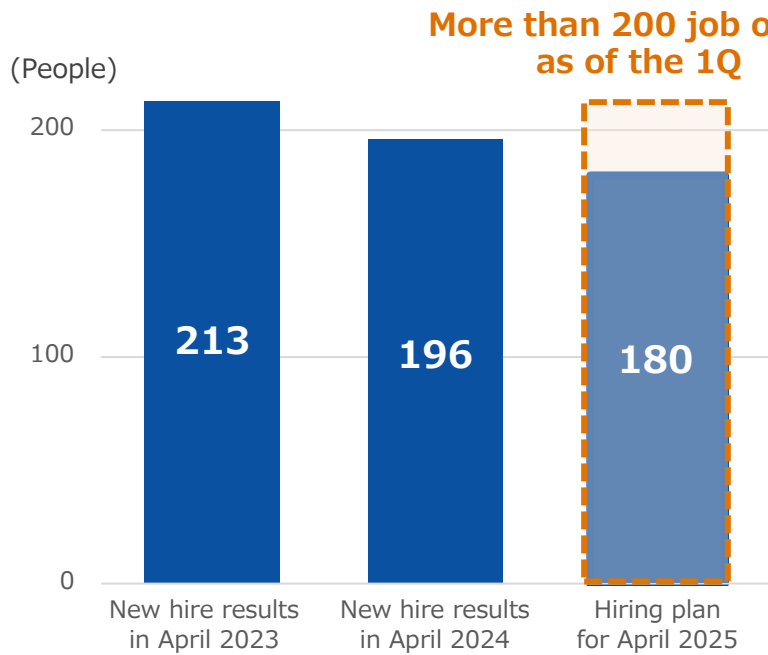
- Expect to hire more than the initially planned 180 new graduates

More hiring of experienced people

- Hired 25 people with prior work experience as of the end of June 2024
- Using referrals, scouting and other measures to recruit experienced people

Stronger relationships with partner companies

- Outsourced projects were 5.6% more than one year earlier
- Using the core partner program



* In prior years, hiring of people with prior work experience included people who accepted a job offers. Starting in FY3/25, only the number of people who have started working at COMTURE is shown.

Progress with Key Initiatives – Training Programs

Education and training programs for more added value

Fast training of new graduate employees

- Three-month training period (Apr-June) makes people productive starting in the 2Q

Reskilling current employees

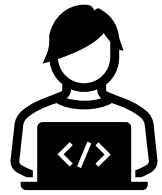
- Reskilling started in the 2Q due to placing priority on quickly training new graduates in the 1Q

FY3/24	April	213 new graduates hired/training started
	May	Department training
	June	Pct. of productive new graduates: About 30%
	September	Pct. of productive new graduates: About 90%
FY3/25	April	196 new graduates hired/training started
	May-June	Department training after job assignments
	2Q	Pct. of productive new graduates: 84% (plan)

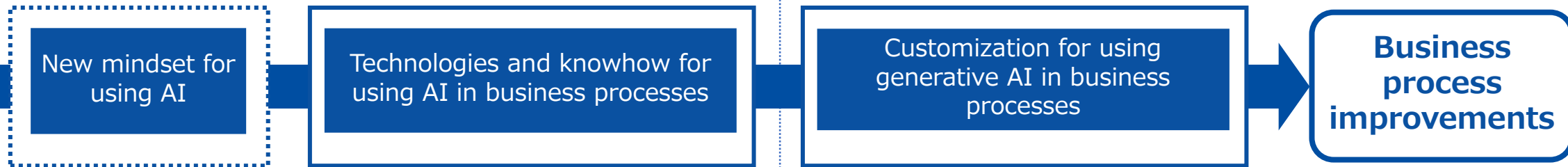
FY3/24	Resource shift in 4 major domains*: 140 employees (cumulative)	
	<small>*Microsoft, Salesforce, SAP, data science *Includes people still in reskilling programs *Since January 2023</small>	
FY3/25	1Q	Priority on training newly hired new graduates
	2Q	Plan to reskill/shift 30 to 40 employees (cumulative)
	Full year	Plan to reskill/shift 60 to 80 employees (cumulative)

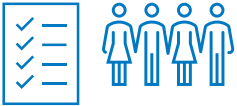
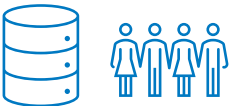

Topics

Generative AI – Support for Copilot Use and Business Process Improvements



Customers



<p>Free seminars</p>  <p>List of about 4,000 seminar participants</p>	<p>Training requiring fees</p> <ul style="list-style-type: none"> • Hands-on training (started preparations) • Provision of utilization knowhow • Classes use collaboration with Microsoft 	<p>Implement and install</p> <ul style="list-style-type: none"> • Review of operations and preparation of installation plan • Development of individual units and system linkage • Data organization and security measures • Continuous utilization support
 <ul style="list-style-type: none"> • Trainers, IT consultants and engineers with Microsoft expertise <p>Microsoft Top Partner Engineer Award (Five COMTURE Group employees received this award in 2024)</p> <ul style="list-style-type: none"> • Practical expertise for installation and utilization within the COMTURE Group 		

Collaborations with Vendors – Awards Received from Vendors

Microsoft Top Partner Engineer Award

This award is given for outstanding accomplishments for increasing the use of Microsoft technologies. Five awards received in four categories: AI, Modern Work, Business Applications, Security

Microsoft MVP Award / Security

This award recognizes outstanding technologies and community leaders concerning Microsoft product technologies. Edifist Learning instructors have received this award 19 times during 15 consecutive years.

Microsoft FY23 Superstars Award Japan

Received this award for the second consecutive year for outstanding achievements in the Microsoft learning sector in Japan.

SAS 2024 Partner Award / Best Customer Success Award

Recognized as a partner company that promoted the use of SAS and provided support for long-term use for increasing customer satisfaction.

Salesforce Instructor Award

Received a Trailblazer Award for broad course coverage and delivery in a wide range of areas including administration, development, and analysis.

Cybozu Partner Network Report 2024

CyPN Report 2024, a partner recognition program, awarded COMTURE's integration section the highest rating of three stars for the second consecutive year.

CYBOZU AWARD 2024

Integration category award as a partner with significant achievements in the system integration field. Received this award for the seventh time, including an SI award.

kintone Enterprise Partner Certification

This award recognizes outstanding accomplishments involving technologies and organizations for developing, building and installing systems and installations and expansions of large systems.

Quest Software Service Certification Award

This award recognizes the excellent customer satisfaction achieved by COMTURE concerning the receipt of software service certification and the delivery of products that incorporate Quest software.



FY3/25

Earnings Forecast

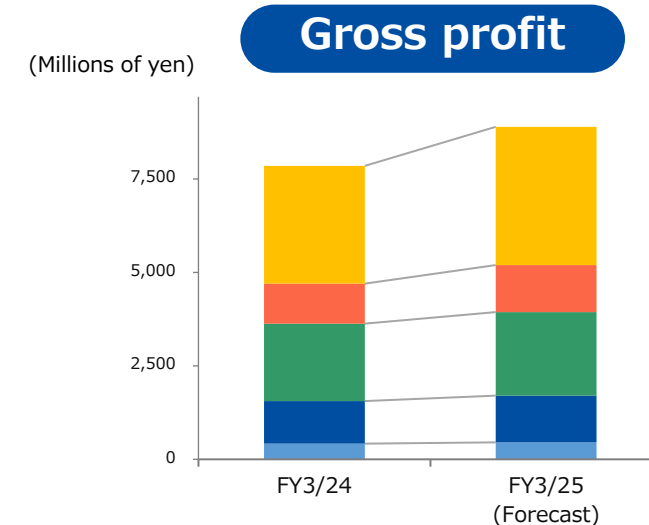
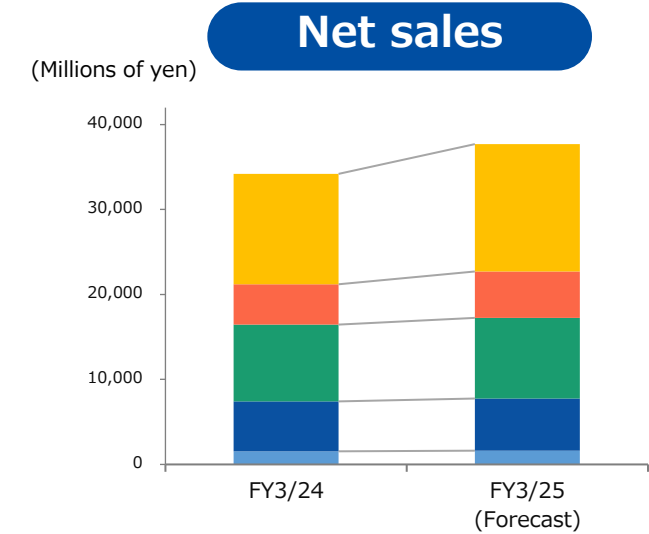
FY3/25 Earnings Forecast (No revisions to the May 10, 2024 forecast)

Aiming for 15 consecutive years of sales growth and 14 consecutive years of earnings growth, reaching new record highs

(Millions of yen)	FY3/24 Results		FY3/25 Forecast		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	34,185	-	37,700	-	+10.3%
Operating profit	4,600	13.5%	4,900	13.0%	+6.5%
Ordinary profit	4,597	13.4%	4,900	13.0%	+6.6%
Profit attributable to owners of parent	3,135	9.2%	3,250	8.6%	+3.7%
Net income per share	98.35 yen	-	101.93 yen	-	+3.6%
Dividend per share	46.00 yen	-	48.00 yen	-	-
Payout ratio	46.8%	-	47.1%	-	-
ROE	19.7%	-	18.4%	-	-

Business Segment Forecast (No revisions to the May 10, 2024 forecast)

(Millions of yen)	FY3/24 Results	FY3/25 Forecast	YoY change (%)
Net Sales	34,185	37,700	+10.3%
Cloud Solutions	12,997	15,000	+15.4%
Digital Solutions	4,736	5,450	+15.1%
Business Solutions	9,049	9,500	+5.0%
Platform, Operation Services	5,855	6,150	+5.0%
Digital Learning	1,545	1,600	+3.5%
Gross profit	7,852	8,900	+13.3%
Cloud Solutions	3,146	3,700	+17.6%
Digital Solutions	1,069	1,260	+17.8%
Business Solutions	2,076	2,240	+7.9%
Platform, Operation Services	1,138	1,250	+9.8%
Digital Learning	420	450	+7.0%



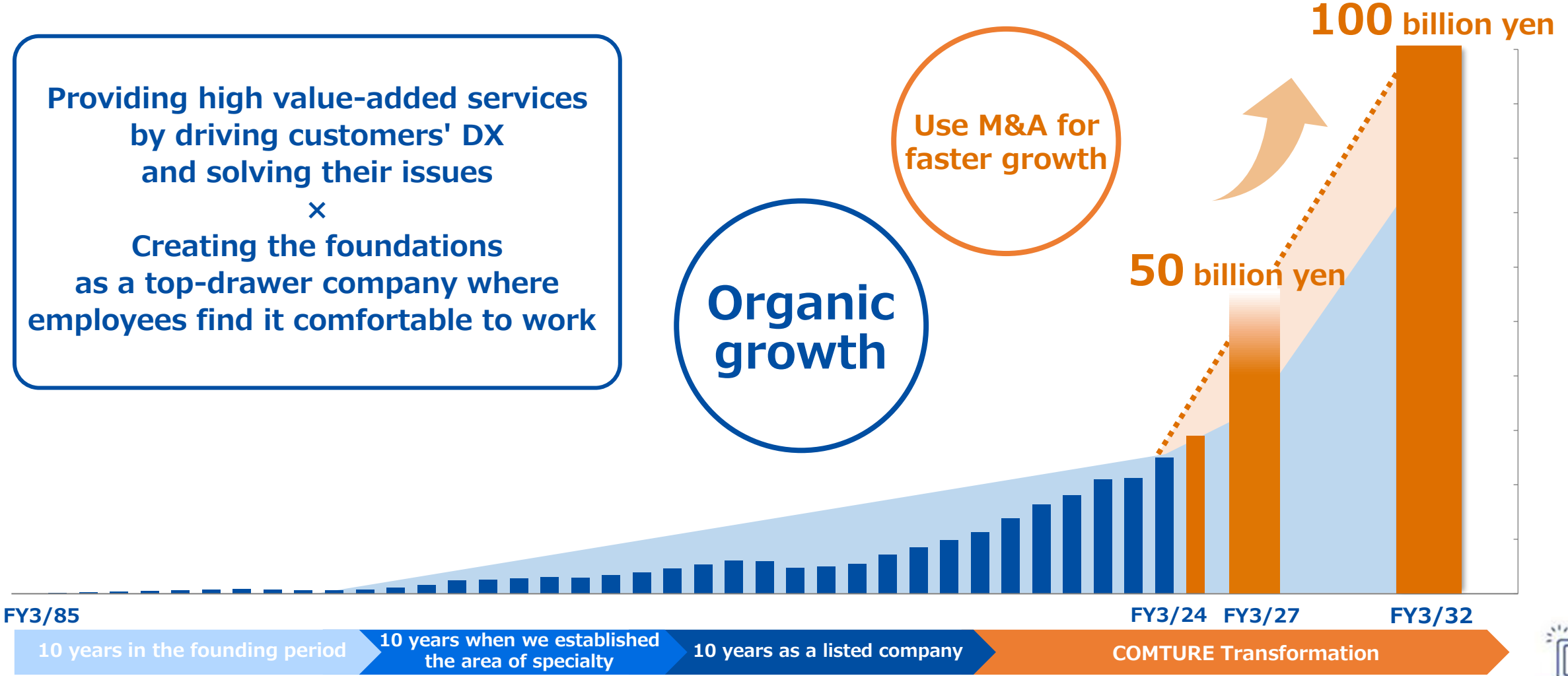
Our Vision for the Future

The goal is sales of 100 billion yen in FY3/32

Providing high value-added services by driving customers' DX and solving their issues
 ×
 Creating the foundations as a top-drawer company where employees find it comfortable to work

Organic growth

Use M&A for faster growth



Shareholder Return

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 (Plan)
1Q	12.00 yen	Jun. 30, 2024	Aug. 30, 2024
2Q	12.00 yen	Sep. 30, 2024	Nov. 29, 2024
3Q	12.00 yen	Dec. 31, 2024	Feb. 28, 2025
4Q	12.00 yen	Mar. 31, 2025	Next business day after shareholders' meeting approval
Total	48.00 yen		

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 14,400 yen + prepaid QUO cards worth 2,000 yen = 16,400 yen annually
- The payout ratio including QUO cards are expected to be **53.6%** for the fiscal year ending March 31, 2025 (for shareholders holding 300 shares)



Appendix

Further expansion and sustained growth of the DX domain

Business policies for high value-added management

Three business strategies

Collaborations with vendors

- Strengthening sales process
- Upgrade quality/technical skills

Improving proposal capabilities

- Multi-faceted solutions
- Improvement of project management skills

Expanding resources

- Developing high-skilled human resources
- Partner training and cooperation

Strengthening the management base that supports business

Digital transformation

Human resources

Sustainability

Investment strategies that accelerate business growth

M&A

Investment in human resources

Business and management innovations

FY3/25 Medium-term Management Plan Performance Indicators

Long-term goal is sales of 100 billion yen

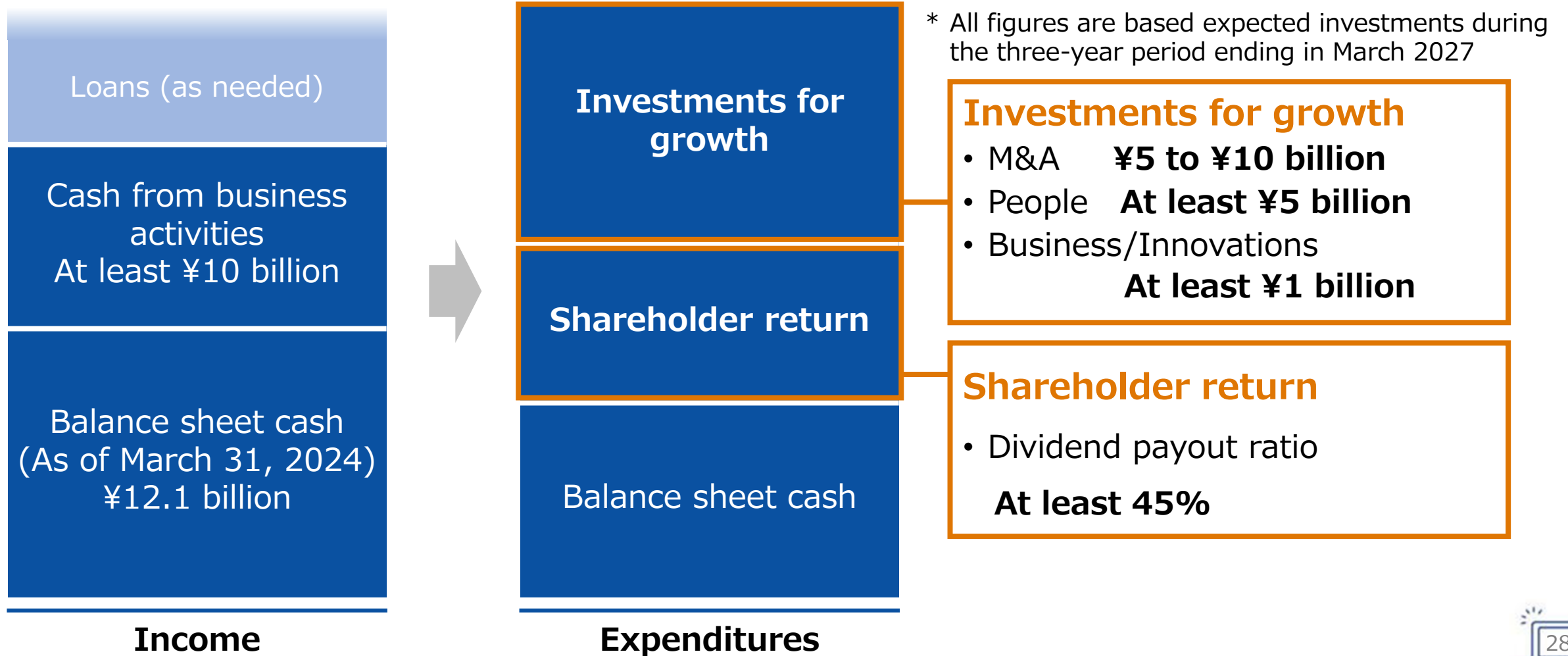
**Aiming for 17 consecutive years of sales growth and
16 consecutive years of earnings growth**

Maintain strong organic growth of 10% or more

(Millions of yen)	FY3/24 Results	FY3/27 Forecast	Average annual growth rate (FY3/24~FY3/27)
Net sales	34,185	50,000	+10.0% or more
Operating profit	4,600	6,500	+10.0% or more
Operating profit margin	13.5%	13.0%	-
ROE	19.7%	20.0% or more	-
Payout ratio	46.8%	45.0% or more	-

Allocation of Cash

Investments for consistent growth and substantial shareholder distributions

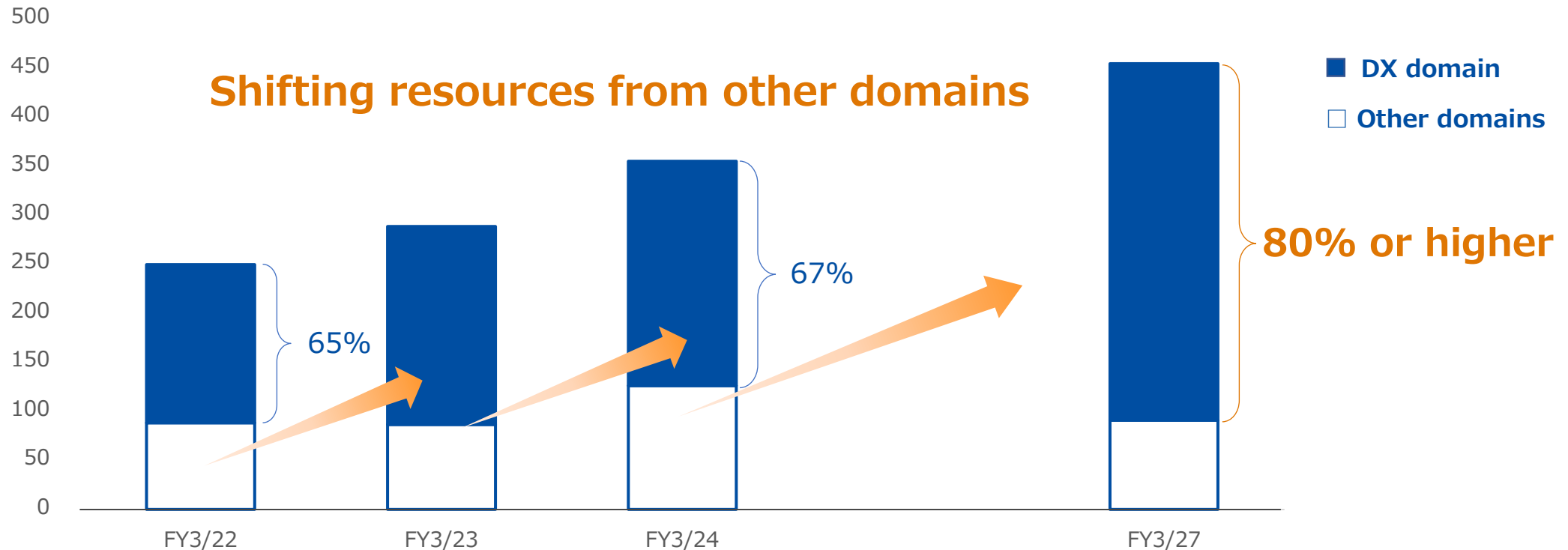


Medium-term Management Plan: Expansion in the DX domain

Accelerating the shift to DX domain, which is a growth engine

- Expanding business in the DX domain backed by the growing DX market
- Execute proactive resources shifts and achieve accelerated growth
- Increasing the ratio of businesses in the DX domain to net sales to **80% or higher (FY3/27)**

Net sales (100 million yen)

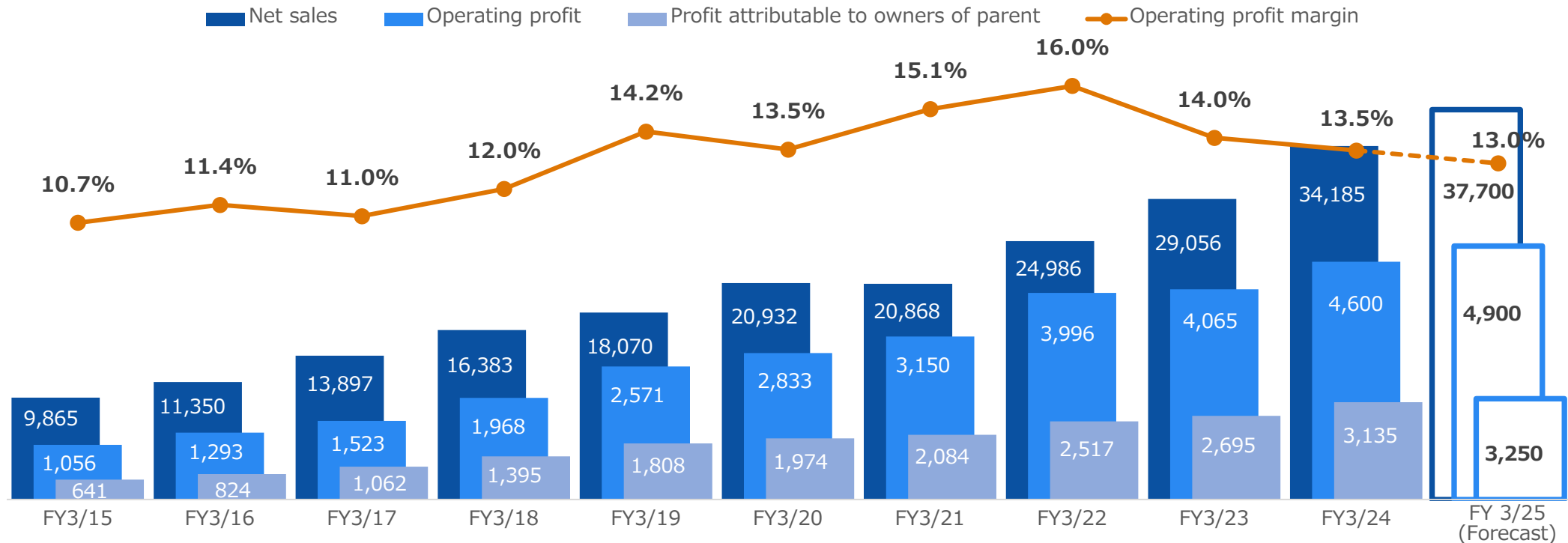


M&A Track Record (Past Three Years)

Companies (Employees when acquired)	Acquisition date	Business	Acquisition cost	Net sales Operating profit Ordinary profit		Benefits of joining COMTURE Group
				Before (last year)	After (first year)	
Edifist Learning Inc. (56)	March 2021	<ul style="list-style-type: none"> Structured training programs for companies Open training for IT certifications, PM, etc. 	¥1,350 million	¥1,100 million ¥120 million 10.9%	¥1,190 million ¥230 million 19.4%	<ul style="list-style-type: none"> More powerful education business (digital learning) Training of DX experts and reskilling (multi-skilling) at the COMTURE Group
SoftwareCreation Co., Ltd. (120) *Integration into COMTURE CORPORATION in April 2024	May 2022	<ul style="list-style-type: none"> Development of business systems mainly for public-sector clients (as a subcontractor) 	¥500 million	¥1,760 million ¥80 million 4.7%	¥1,970 million ¥230 million 12.0%	<ul style="list-style-type: none"> Reskilling members of the project as SAP engineers in conjunction with a public-sector project for starting to use SAP Cross-selling targeting major customers contributed to sales growth
TAKT SYSTEMS, INC. TAKT BUSINESS SOFT, INC. (121) *These companies were combined in October 2023	January 2023	<ul style="list-style-type: none"> Development of business systems mainly for end users Consulting and system development for ERP and other package-based projects 	¥2,370 million	¥2,670 million ¥170 million 6.5% (converted to 12-month period)	¥2,840 million ¥520 million 18.2%	<ul style="list-style-type: none"> Integrated Kansai area operations for a stronger framework for business operations A stronger framework in the BPM business sector Using PM training, quality control and other knowhow throughout the COMTURE Group. Expect improvements in the quality of services and elimination of problem projects.

Performance Trends

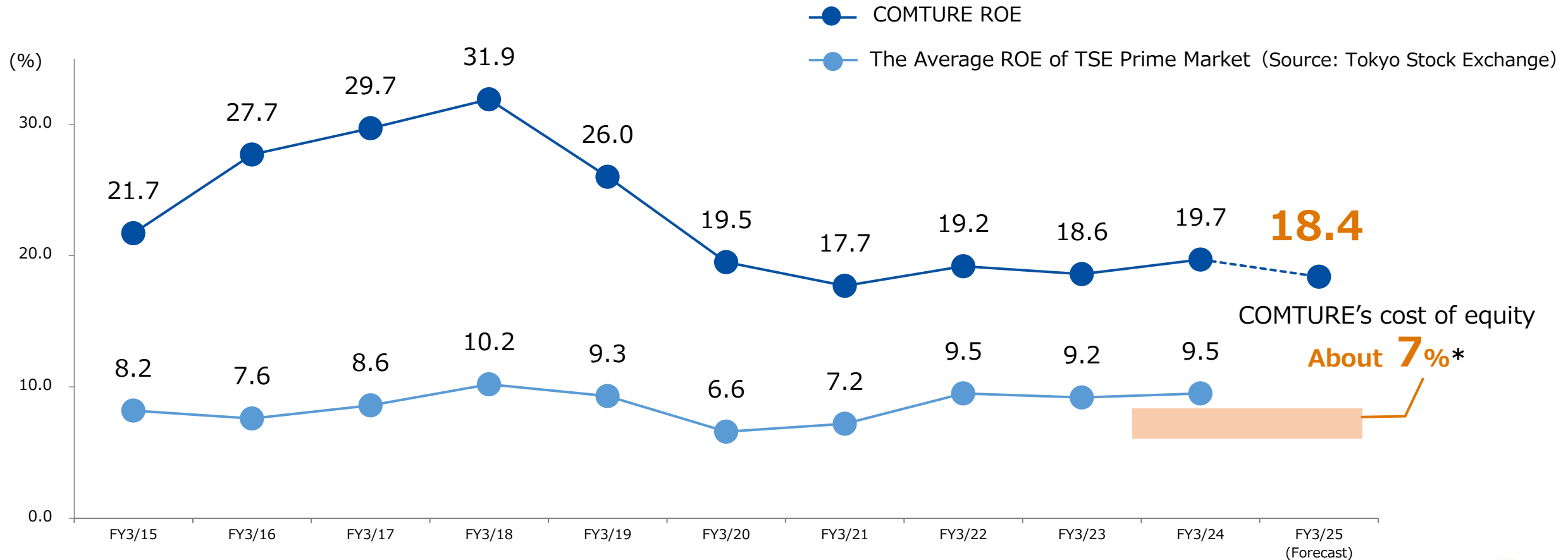
FY3/15 to FY3/25 (Net sales/Operating profit/Net income)



ROE	21.7%	27.7%	29.7%	31.9%	26.0%	19.5%	17.7%	19.2%	18.6%	19.7%	18.4%
Equity ratio	55.7%	58.4%	53.3%	56.6%	69.4%	75.8%	74.9%	73.0%	69.4%	71.7%	73.6%
Payout ratio	39.6%	38.9%	35.2%	33.9%	39.5%	46.6%	47.4%	46.9%	52.0%	46.8%	47.1%

Efficient Use of Capital and Cost of Equity

Capital efficiency is consistently far above the cost of equity



*The cost of equity is calculated by using the capital asset pricing model (CAPM).

Balancing Capital Efficiency and Shareholder Returns

Goal is consistently high shareholder distributions and dividend stability

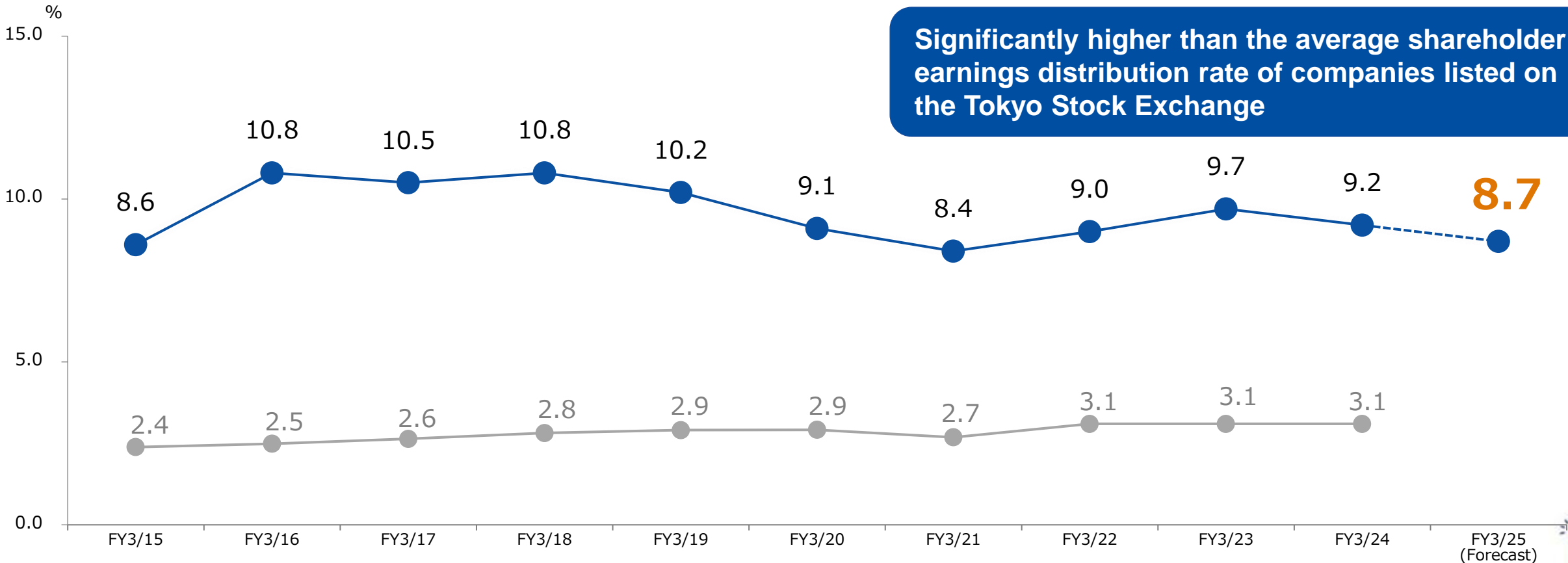
DOE(Dividend-equity ratio)= Payout ratio×ROE

The DOE shows earnings distributions to shareholders in relation to equity.

● COMTURE DOE ● The Average DOE of TSE Prime Market(*)

(*Source: Tokyo Stock Exchange)

Significantly higher than the average shareholder earnings distribution rate of companies listed on the Tokyo Stock Exchange

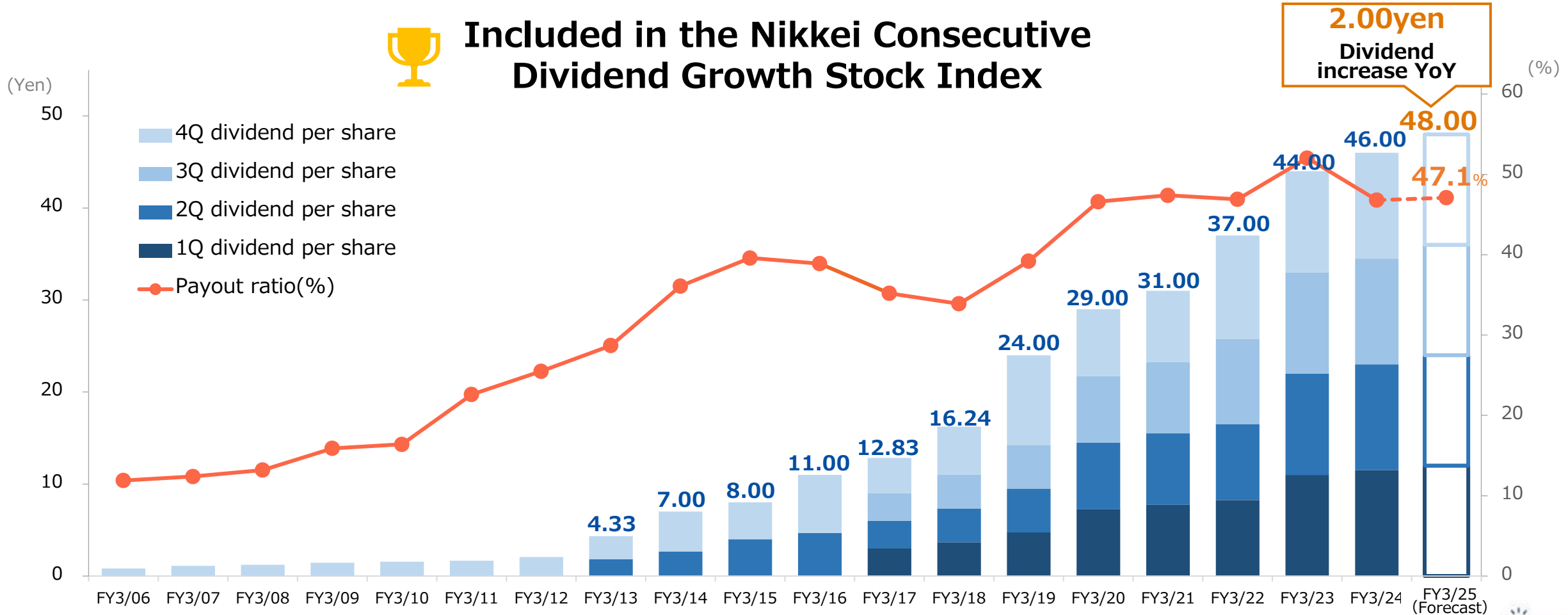


Dividend Policy and Dividend Growth

Planning on the 20th consecutive dividend increase; goal is payout ratio of at least 45%



Included in the Nikkei Consecutive Dividend Growth Stock Index



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.

Key Numbers about COMTURE Group

Recruiting



New graduates: **196**

(hired in April 2024)

Experienced people: **38**

(Hired during FY3/24)

Reskilling



Cumulative no. of participants:

140

(Since January 2023 incl. people still in program courses)

The number of certified personnel



Employees with more than one certification counted separately

1,144

(FY3/24 results)

Growth rate of gross profit per employee



+2.1%

(FY3/24 results)

Salary increase rate



+8.1%

(FY3/24 results)

Turnover rate



8.6%

(FY3/24 results)

Average monthly overtime



13.1 hours

(FY3/24 results, COMTURE (Non-consolidated))

Use of child care time off/ Pct. of eligible employees



Male: **8/53%**

Female: **6/100%**

(FY3/24 results, COMTURE (Non-consolidated))

Female managers/Pct. of all managers



14/10.7%

(FY3/24 results, COMTURE (Non-consolidated))

Closing “Our Slogan”

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



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