

1Q FY3/19

Financial Results Materials for Institutional Investors

COMTURE CORPORATION

*Transforming needs
into solutions*



July, 2018

Koichi Mukai
Chairman & CEO
Founder-Owner

FY ending March 2019: 1st Quarter

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Outline of Financial Results



1-1 Financial Highlights (Announced on July 30th)

Achieved 8 consecutive years of sales growth and 5 consecutive years of earnings growth, hitting a fiscal year end record high

	FY2018 Mar. 1Q Results (total)		FY2019 Mar. 1Q Results (total)		Year-on-year rate
	Amount	Rate	Amount	Rate	
Net Sales	3,820 million yen	-	4,184 million yen	-	+9.5%
Operating Income	280 million yen	7.3%	505 million yen	12.1%	+80.5%
Ordinary Income	282 million yen	7.4%	509 million yen	12.2%	+80.2%
Net income attributable to owners of parent	173 million yen	4.5%	332 million yen	7.9%	+91.5%
Net income per share	11.92 yen	-	22.77 yen	-	+91.0%

1-2 FY2018 Contributing Factors

Net Sales YOY **+9.5%, increase in sales**

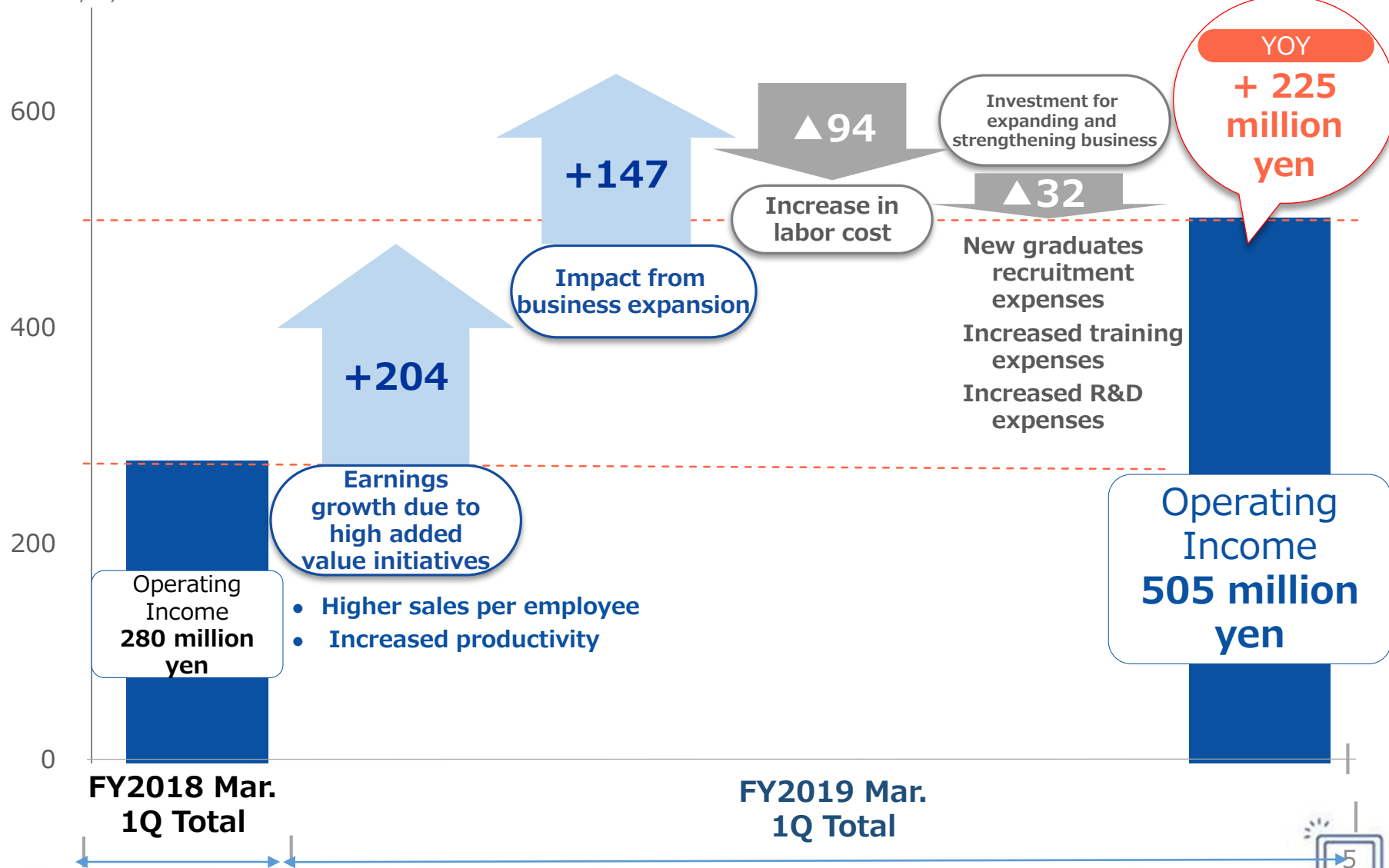
- + Cloud computing business YOY +26%, 247 million yen increase
- + Big data/AI business YOY +27%, 64 million yen increase
- + Business expansion in new technology initiatives such as RPA, +70 million yen increase
- + Core systems (ERP) by large enterprises YOY +30%, +70 million yen increase
- Decrease in sales due to **the transfer of consolidated subsidiaries**

Operating Income YOY **+80.5% earnings**

- + **Adoption of a high added value strategy** contributed to higher sales per employee and increased earnings(8.3%)
- + Increased earnings driven by business expansion
- + Reduction of SG & A expenses due to **the transfer of consolidated subsidiaries**
- Increased **labor cost per employee** and investment **on expanding and strengthening business**

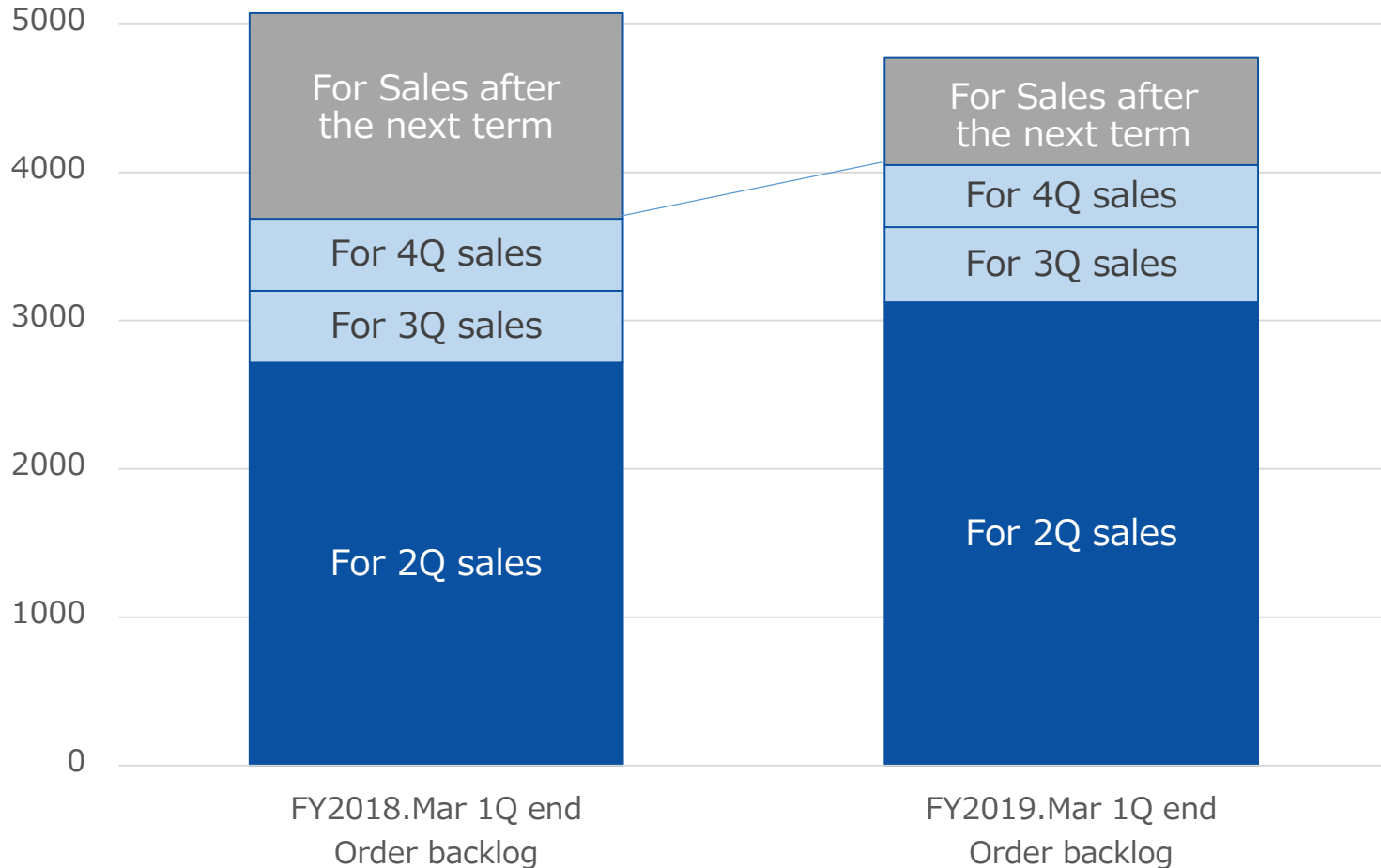
1-3 Reasons for Fluctuations in Operating Income

(Unit: million yen)



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

For this term Sales YoY +10%

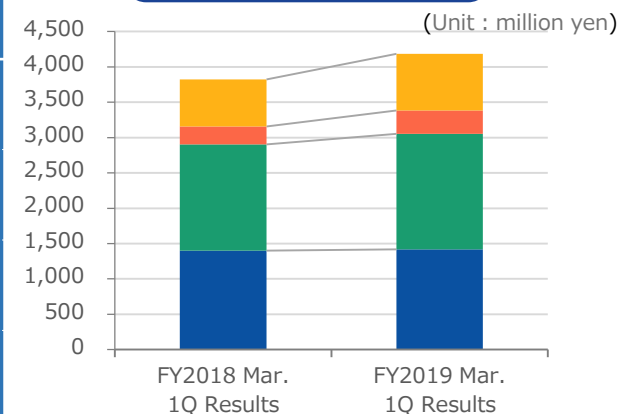


1-5 Business Segment Performance

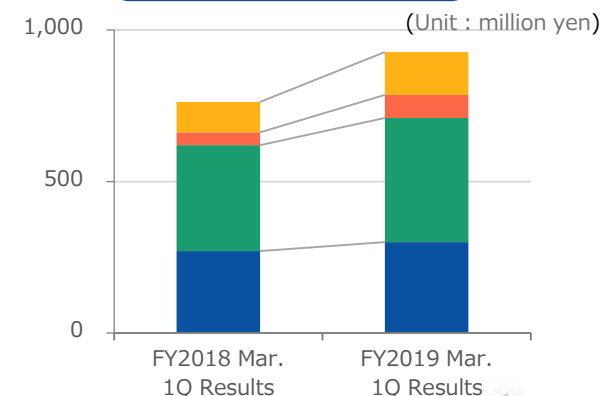
	FY2018 Mar. 1Q Results million-yen	FY2019 Mar. 1Q Results million-yen	Year-on-year rate
Net sales	3,820	4,184	+9.5%
Groupware Solutions Business	663	686	+3.5%
ERP Solutions Business	253	330	+30.7%
Web Solutions Business	1,504	1,749	+16.3%
Network Services Business	1,401	1,419	+1.3%
Gross profit	763	927	+21.5%
Groupware Solutions Business	101	116	+15.5%
ERP Solutions Business	42	76	+80.0%
Web Solutions Business	350	435	+24.2%
Network Services Business	270	300	+11.1%

- 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



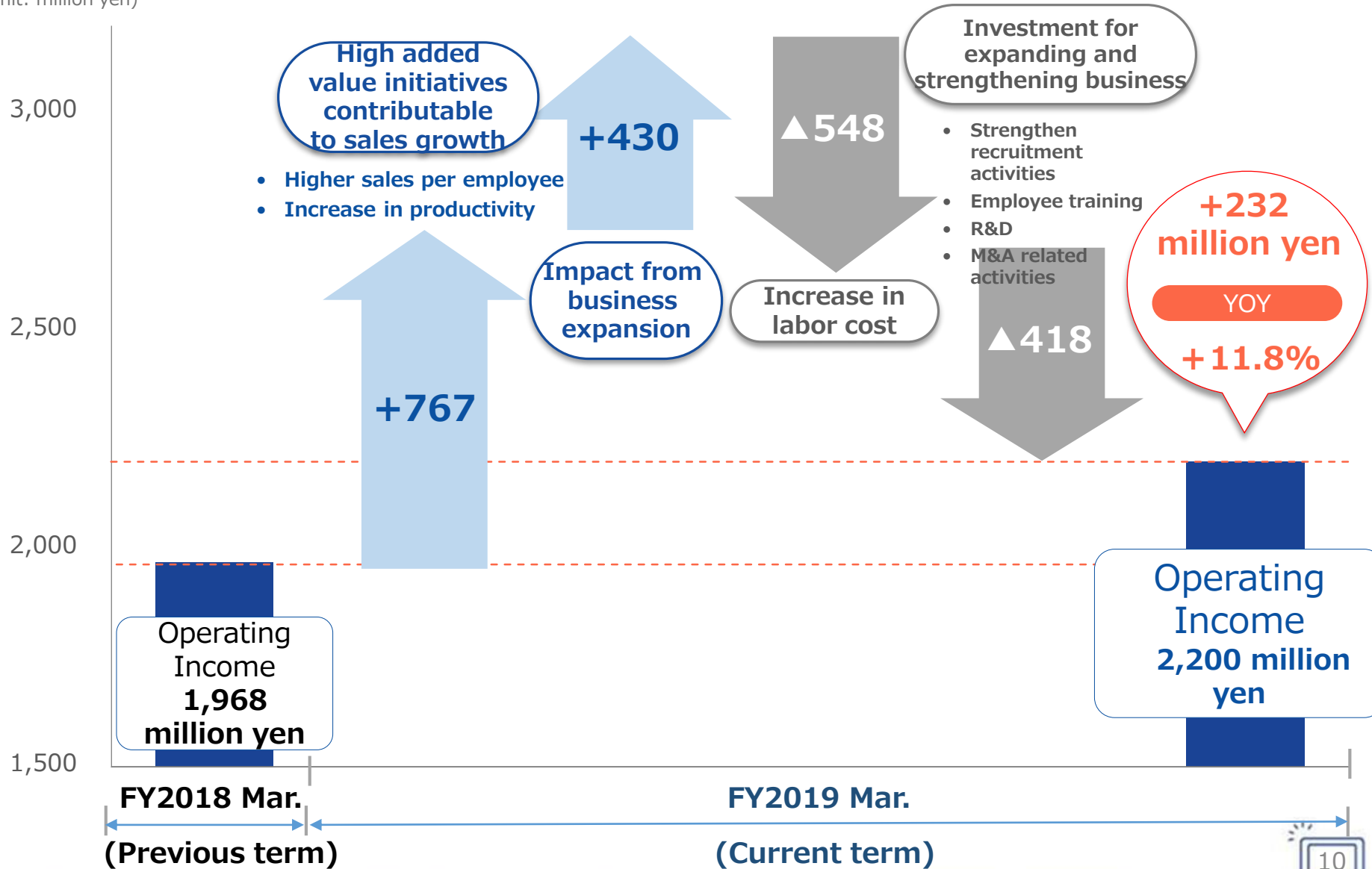
2-1 Earnings Forecast for fiscal year ending March 2019

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)

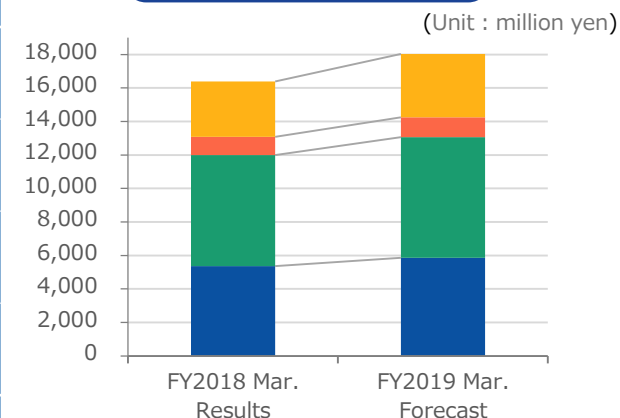


2-3 Business Segment Forecast

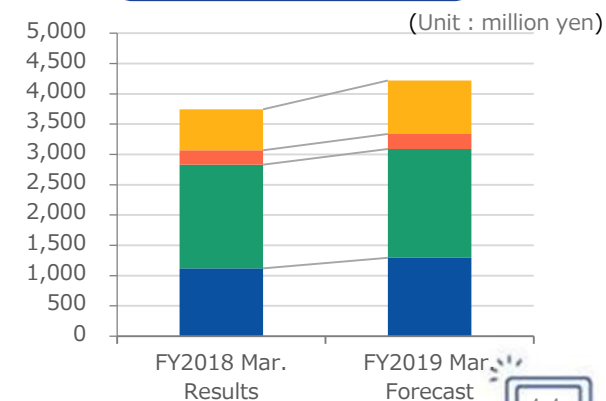
	FY2018 Mar. Results million-yen	2019 Mar. Forecast million-yen	Year-on-year rate
Net sales	16,383	18,025	+10%
Groupware Solutions Business	3,291	3,780	+14.9%
ERP Solutions Business	1,093	1,186	+8.5%
Web Solutions Business	6,643	7,201	+8.4%
Network Services Business	5,356	5,858	+9.4%
Gross profit	3,746	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



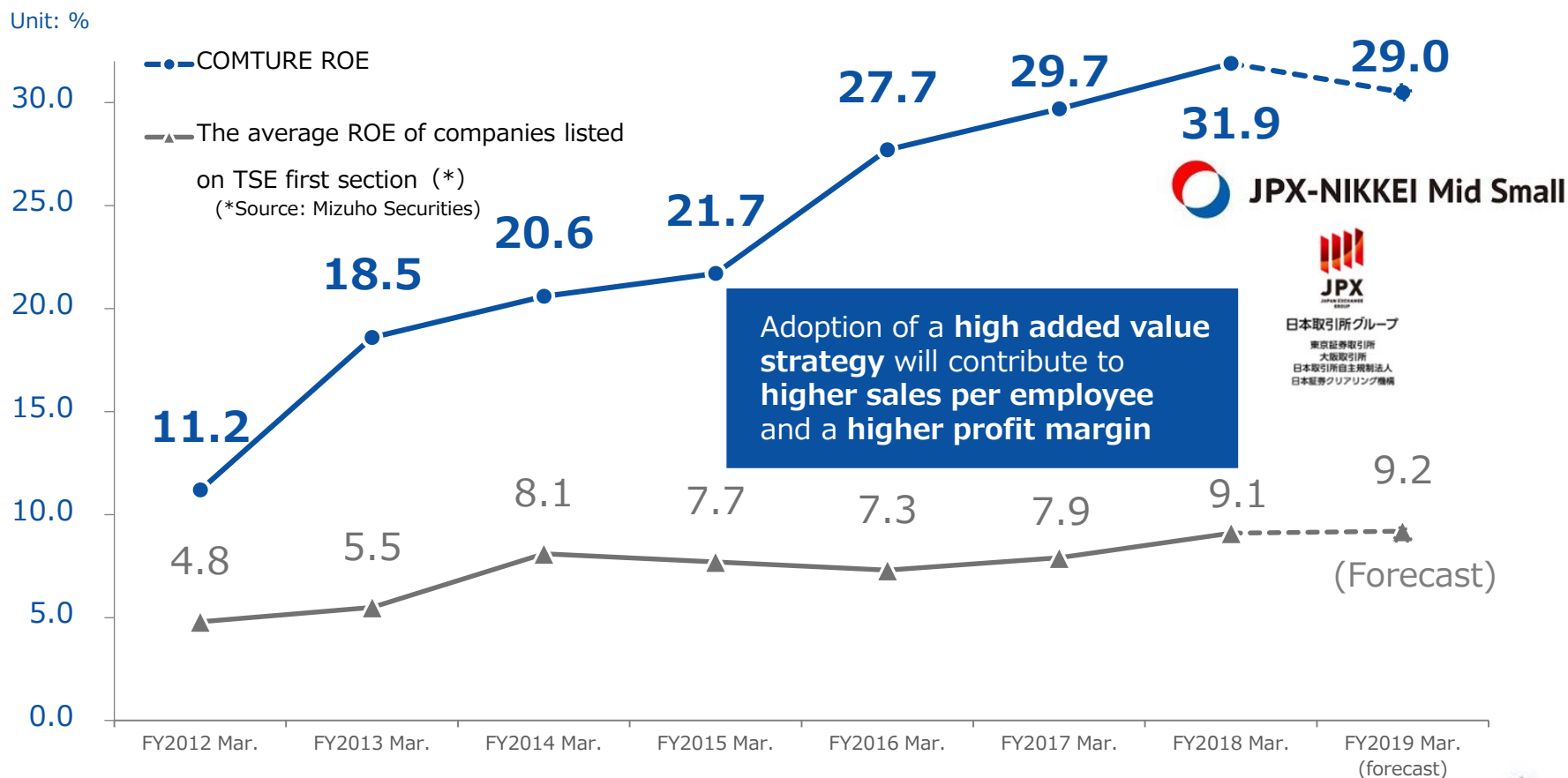
Gross profit



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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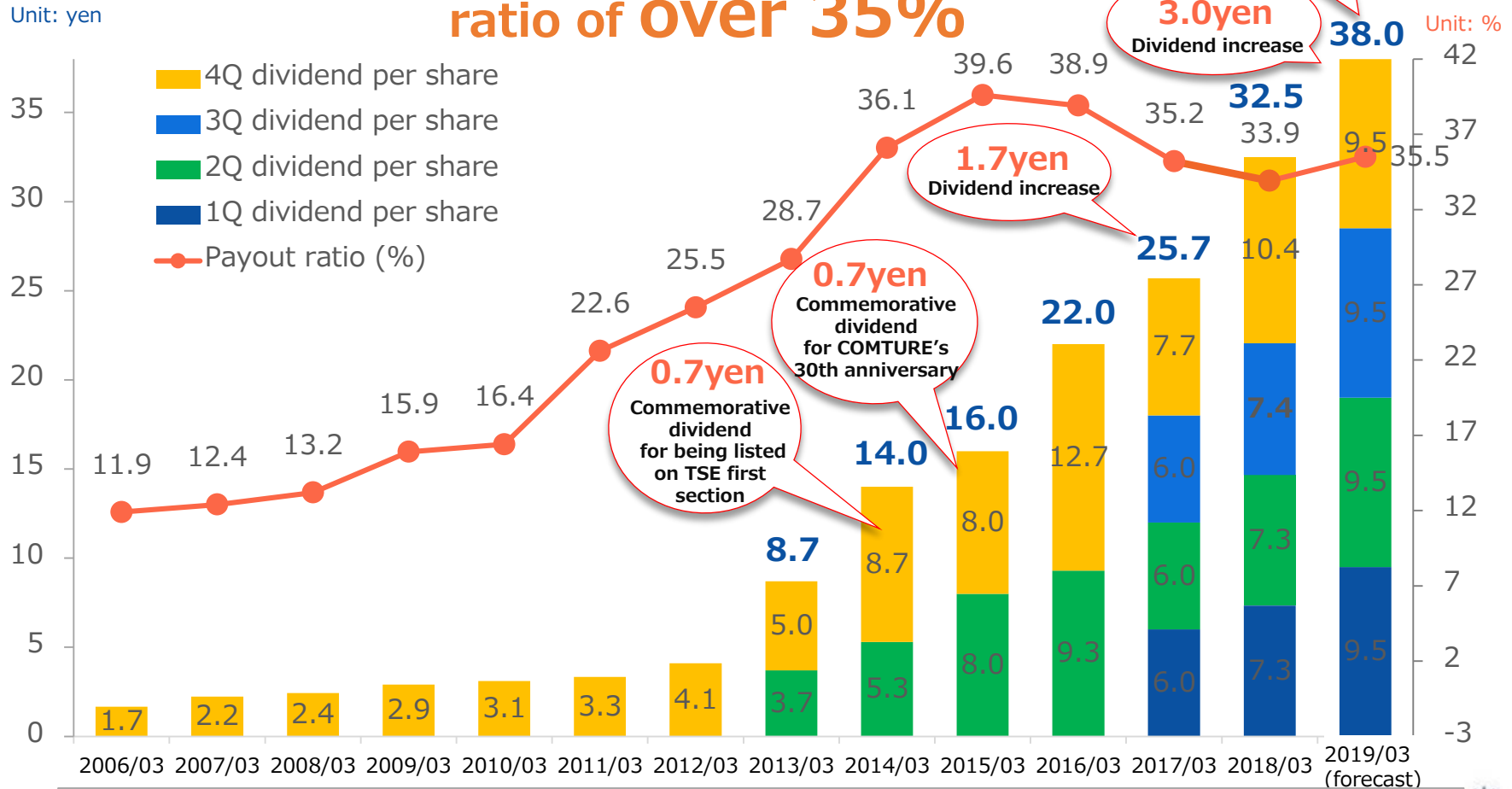
Shareholder returns

3-1 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.

3-2 Dividend payment schedule

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

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

3-3 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)



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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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