

# Financial Results Materials for Institutional Investors

*Transforming needs  
into solutions*



COMTURE CORPORATION



July, 2018

**Koichi Mukai**  
Chairman & CEO  
Founder-Owner

**FY ending March 2018**

**1**

# Outline of Financial Results



# 1-1 Financial Highlights (Announced on May 7<sup>th</sup>)

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

	FY2017 Mar. Results (total)		FY2018 Mar. Results (total)		Year-on- year rate
	Amount	Rate	Amount	Rate	
<b>Net Sales</b>	13,897 million yen	-	<b>16,383 million yen</b>	-	<b>+17.9%</b>
<b>Operating Income</b>	1,522 million yen	11.0%	<b>1,968 million yen</b>	<b>12.0%</b>	<b>+29.3%</b>
<b>Ordinary Income</b>	1,542 million yen	11.1%	<b>2,010 million yen</b>	<b>12.3%</b>	<b>+30.4%</b>
<b>Net income attributable to owners of parent</b>	1,061 million yen	7.6%	<b>1,395 million yen</b>	<b>8.5%</b>	<b>+31.5%</b>
<b>Net income per share</b>	72.91 yen	-	<b>95.69 yen</b>	-	<b>+31.2%</b>

# 1-2 FY2018 Contributing Factors

## **Net Sales** YOY **+17.9%, a huge leap in sales**

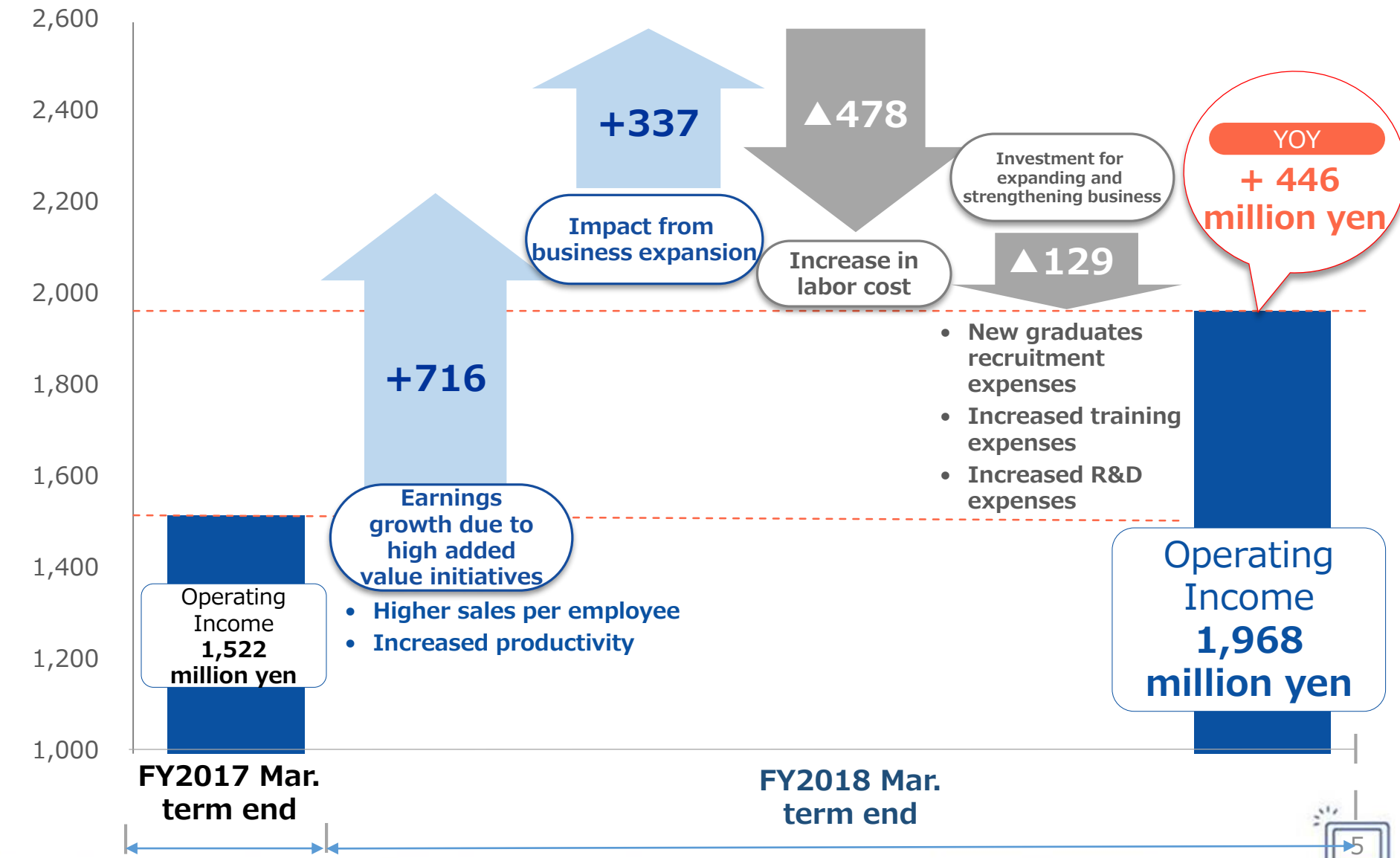
- + Cloud computing business YOY +33%, 1,170 million yen increase**
- + Big data/AI business YOY +70%, 690 million yen increase**
- + Business expansion in new technology initiatives such as RPA, +80 million yen increase**
- + Core systems (ERP) by large enterprises YOY +38%, 300 million yen increase**
- + Consolidation of new subsidiaries contributed to steady growth in sales. 1,080 million yen increase**

## **Operating Income** YOY **+29.3% earnings**

- + Adoption of a high added value strategy contributed to higher sales per employee and increased earnings (6.4%)**
- + Increased earnings driven by business expansion**
- Increased labor cost per employee**
- Investment on expanding and strengthening business**

# 1-3 Reasons for Fluctuations in Operating Income

(Unit: million yen)

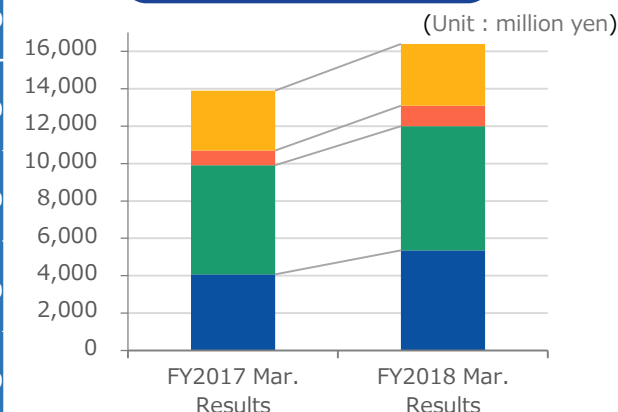


# 1-4 Business Segment Performance

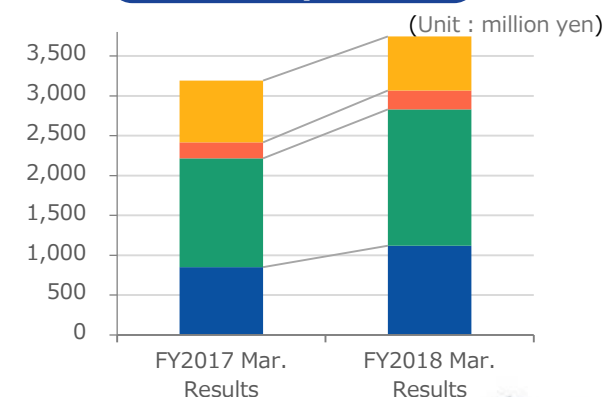
	FY2017 Mar. Results million-yen	FY2018 Mar. Results million-yen	Year-on-year rate
<b>Net sales</b>	13,897	16,383	+17.9%
Groupware Solutions Business	3,206	3,291	+2.7%
ERP Solutions Business	787	1,093	+38.9%
Web Solutions Business	5,830	6,643	+13.9%
Network Services Business	4,074	5,356	+31.5%
<b>Gross profit</b>	3,192	3,746	+17.4%
Groupware Solutions Business	777	678	▲12.7%
ERP Solutions Business	201	237	+17.9%
Web Solutions Business	1,362	1,713	+25.8%
Network Services Business	852	1,118	+31.2%

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

## Net sales



## Gross profit



2

**FY ending March 2019**

**Earnings Forecast**



# 2-1 Earnings Forecast for fiscal year ending March 2019

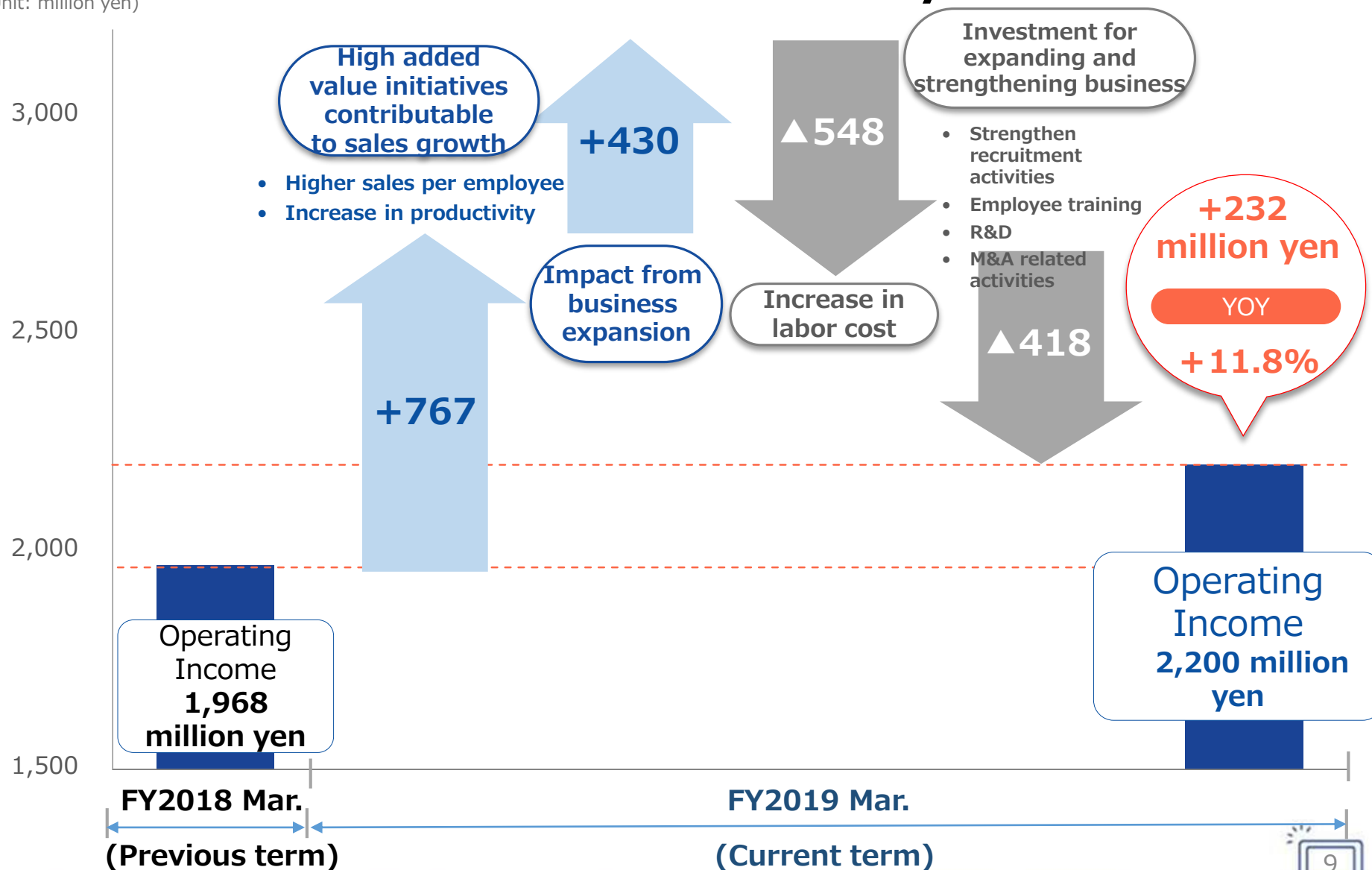
**Aim for 9 consecutive years of sales growth and 8 consecutive years of earnings growth reaching new record highs**

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



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

(Unit: million yen)

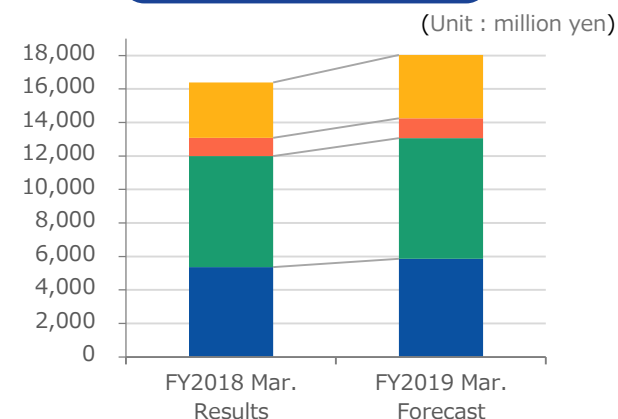


# 2-3 Business Segment Forecast

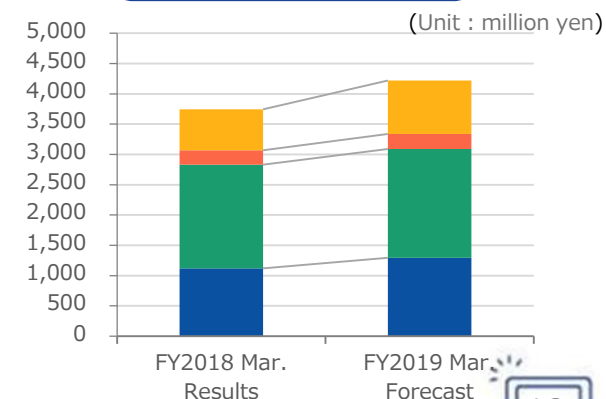
	FY2018 Mar. Results million-yen	2019 Mar. Forecast million-yen	Year-on-year rate
<b>Net sales</b>	16,383	18,025	+10%
Groupware Solutions Business	3,291	3,780	+14.9%
ERP Solutions Business	1,093	1,186	+8.5%
Web Solutions Business	6,643	7,201	+8.4%
Network Services Business	5,356	5,858	+9.4%
<b>Gross profit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



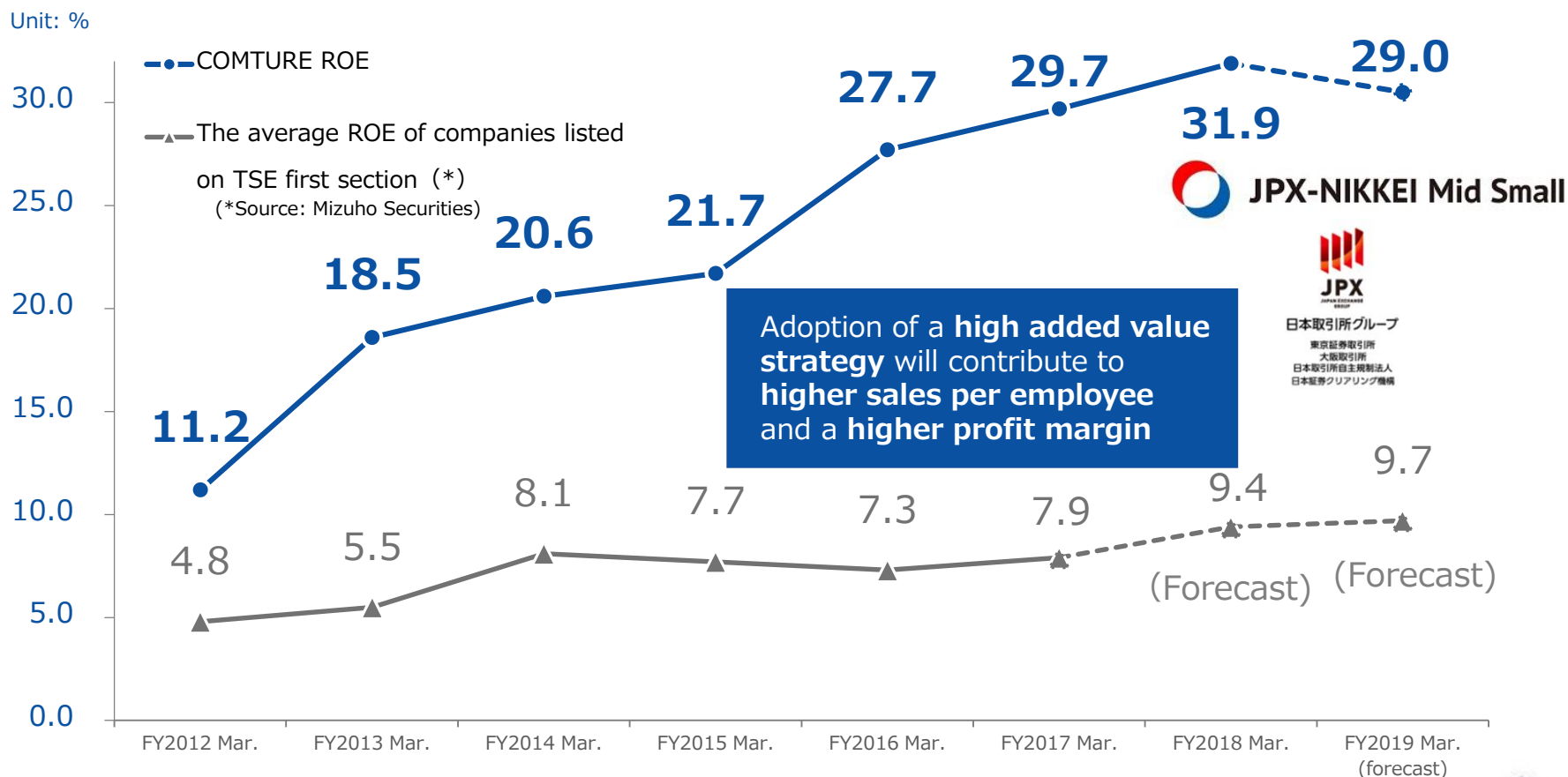
## Gross profit



## 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



# 3

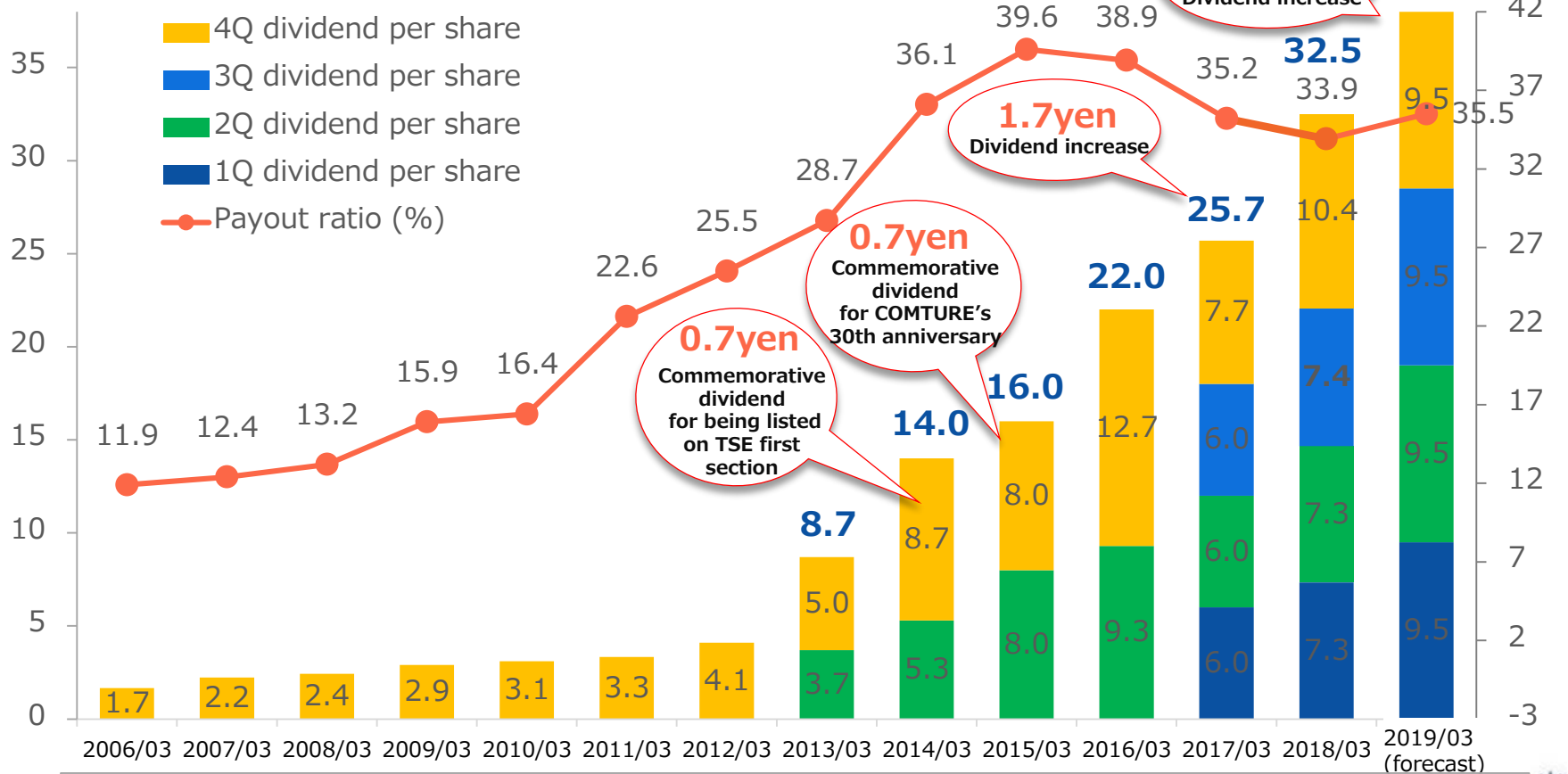
## Shareholder returns

# 3-1 Dividend

## 14th consecutive periods of increased dividend (forecast)

We will maintain a dividend payout ratio of over 35%

Unit: yen



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)



# Precautions about This Presentation

- 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.
- Comture assumes no responsibility whatsoever concerning any losses or damages resulting from the use of information in this presentation.
- Forecasts and other forward-looking statements in this presentation are based on the judgments of Comture using information that was available when this presentation was prepared and incorporate risks and uncertainties. As a result, actual performance may differ significantly from the forward-looking statements in this presentation due to changes in market conditions or many other reasons.

## Inquiries

Investors Relations, Corporate Planning Department

COMTURE CORPORATION

Tel: +81-(0)3-5745-9702

E-mail: [ir-info@comture.com](mailto:ir-info@comture.com)