

**COMTURE CORPORATION**  
**Financial Results Briefing Session for**  
**3Q of the Fiscal Year Ending March 31, 2025 (Held on February 7, 2025)**  
**Key Questions and Answers**

Some sections of these questions and answers have been revised to make this information easier to understand.

**Q:** What is your sales growth for individual vendors?

**A:** Sales in the first nine months for major vendors compared with the first nine months of the previous fiscal year are as follows.

Cloud Solutions

- Microsoft: +23.8%
- Salesforce: +8.7%
- Cybozu: +9.2%
- ServiceNow: -9.8%

Digital Solutions

- Data science: +9.8%
- AWS: +18.3%

Business with Microsoft increased steadily. Salesforce sales are recovering, although there were difficulties in some parts of this business.

Challenges are continuing for business with ServiceNow and sales were down from one year earlier.

**Q:** Why was the performance of the Cloud Solutions Business weak in the third quarter?  
What is your fourth quarter outlook for this business?

**A:** I will explain our performance in individual technology categories due to the differences in each of these categories. Microsoft sales increased and our partnership with Microsoft Japan is going very well. In order to obtain orders, we have seconded our engineers to Microsoft Japan to conduct sales activities with this company's salespeople, beginning with pre-sales activities. The number of companies using Microsoft has increased significantly. We believe that our collaboration with Microsoft Japan is ahead of the activities of other companies in some areas. Our goal is more growth by continuing sales activities that focus on strengths that differentiate us from our competitors, such as our experience implementing Microsoft products and the number of employees with Microsoft certifications. We have strengthened our collaboration with Cybozu and this relationship is going well too.

Although our Salesforce business is recovering, our goal is to achieve double-digit growth, even growth of more than 20%. Like many other system integrators, most major companies have largely completed their implementation of Salesforce products. Although the number of licenses increased in the first half of this fiscal year, we believe there was only a small volume of implementation and repair work, which is what we do. As a result, we went beyond big companies to approach a broad range of midsize companies too. Business involving the new theme of the data cloud is increasing gradually. As data cloud activities increase, we expect that Salesforce demand will start increasing again. There were some challenges involving ServiceNow. One reason is the new president of their Japanese subsidiary and change in how this company operates. This included a revision in this company's activities regarding its partners. We are currently reexamining our relationship with system integrators that use the products of ServiceNow and its Japanese subsidiary and aiming for a recovery of this business.

In the fourth quarter, we expect that the performance of the Cloud Solutions Business will be better than in the third quarter.

**Q:** In your previous outlook, you said your goal was to make all recently hired new graduates productive. However, you reported that 95% of these people were productive as of December. What is the reason for the delay in reaching 100%?

**A:** For our projects, we use a structure centered on project managers that include young employees. The reason we did not reach 95% is probably our inability to establish sufficient teams when receiving new orders due to the shortage of project managers. In some cases, we had to decline new orders. This is a problem in all our operations, not just Cloud Solutions. At our projects, recently hired new graduates handle tasks like testing, document preparation and taking minutes of meetings. However, we were about 5% below the productivity goal due to the unexpected difficulty of training new project managers. We intentionally extended the plans for making some people productive in order to give these people advanced skills. Although we did not achieve 100% productivity as of the end of December, we believe that we have accomplished our goal for the productivity of recently hired new graduates.

**Q:** Sales were up and earnings were down in the third quarter. Is one reason the declining growth rate of the number of partner companies you use?

**A:** As you said, the number of partner companies is increasing more slowly. The main reason is our inability to establish project teams adequately. Due to the shortage of project managers, it was not possible to create teams of engineers under the oversight of these managers. As a result, we could not use the engineers of partner companies as planned. We are moving quickly to train more project managers to end this problem. One step is increasing the number of people who have the internationally recognized Project Management Professional certification. We develop the skills of these people with basic knowledge by first giving them experience at small projects and then gradually moving them up to large projects. In addition, we will use a community within COMTURE for the accumulation of knowledge and many other programs to continue reinforcing our project management capabilities.

**Q:** Your forecast for this fiscal year is unchanged. What is your outlook for reaching these numbers?

**A:** Based on the order backlog as of the end of December, we expect a certain level of performance for the fiscal year. However, the shortage of project managers is a risk factor concerning our ability to complete all of our projects. Project management training programs are under way ahead of the original plans. We are currently working on determining how much sales and earnings are likely to be in the fourth quarter. If there is a need to revise our fiscal year forecast, we will make an announcement promptly, but at this point we are still in the review process.

**Q:** Why is there a shortage of project managers? Did this problem emerge suddenly in the third quarter?

**A:** This is not a new problem. The number of project managers determines the number of projects we can handle at once because these managers are the key members of project teams. This has been an ongoing issue. The need to create a suitable workforce pyramid is therefore one reason that we decided to make a big increase in the number of new graduates we hire. We currently have about 2,000 people and we hire about 200 people every year. However, project manager training activities cannot keep up with the speed of the increase in the number of new graduates that we hire. The result is an insufficient number of these managers. To solve this problem, we are making project manager training one of our highest priorities in this fiscal year and the next fiscal year. We are increasing the number of trainees and taking other steps to implement our annual training plan ahead of the initial schedule.