



## **COMTURE CORPORATION**

First Quarter of the Fiscal Year Ending March 31, 2024

August 3, 2023

## Event Summary

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<b>[Company Name]</b>	COMTURE CORPORATION	
<b>[Company ID]</b>	3844-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	First Quarter of the Fiscal Year Ending March 31, 2024	
<b>[Fiscal Period]</b>	FY2024 Q1	
<b>[Date]</b>	August 3, 2023	
<b>[Number of Pages]</b>	36	
<b>[Time]</b>	11:00 – 12:00 (Total: 60 minutes, Presentation: 21 minutes, Q&A: 39 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Venue Size]</b>		
<b>[Participants]</b>		
<b>[Number of Speakers]</b>	2	
	Chihiro Sawada	Representative Director, Executive President
	Takahiro Kamei	Managing Executive Officer (IR・SR)

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## Presentation

**Kamei:** Thank you for taking time out of your busy schedule to join us today. We are pleased to host a financial results meeting for Q1 of the fiscal year ending March 31, 2024, which was recently announced on July 31. This year's event will again be held via live streaming.

First of all, I would like to introduce today's speakers from our company. Chihiro Sawada, Representative Director and Executive President, and I, Kamei, will be the moderator. Thank you.

President Sawada will now explain the financial results. President Sawada, please go ahead.

### 1-1 Financial Highlights (Announced July 31, 2023)



**Achieved 13 consecutive years of sales growth and earnings climbing to record highs**

\*Figures in parenthesis are organic growth excluding M&A

	1Q FY3/23 Results		1Q FY3/24 Results		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	6,855 million yen	-	8,098 million yen (7,446 million yen)	-	+18.1% (8.6%)
Operating profit	686 million yen	10.0%	860 million yen (821 million yen)	10.6% (11.0%)	+25.3% (19.6%)
Ordinary profit	681 million yen	9.9%	860 million yen (821 million yen)	10.6% (11.0%)	+26.3% (20.5%)
Profit attributable to owners of parent	478 million yen	7.0%	558 million yen	6.9%	+16.7%
Net income per share	15.02 yen	-	17.52 yen	-	+16.7%

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**Sawada:** Good morning, everyone. I am Sawada, Representative Director and Executive President of COMTURE CORPORATION.

I would now like to explain the financial results for Q1 of the fiscal year ending March 31, 2024, which we recently announced on July 31.

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First, a summary of the financial results. In Q1 of the fiscal year ending March 31, 2024, our group's performance reached a record high in terms of both sales and profits, with YoY increases in both sales and profits. Net sales were JPY8,098 million, up 18.1% YoY, and operating income was JPY860 million, up 25.3% YoY.

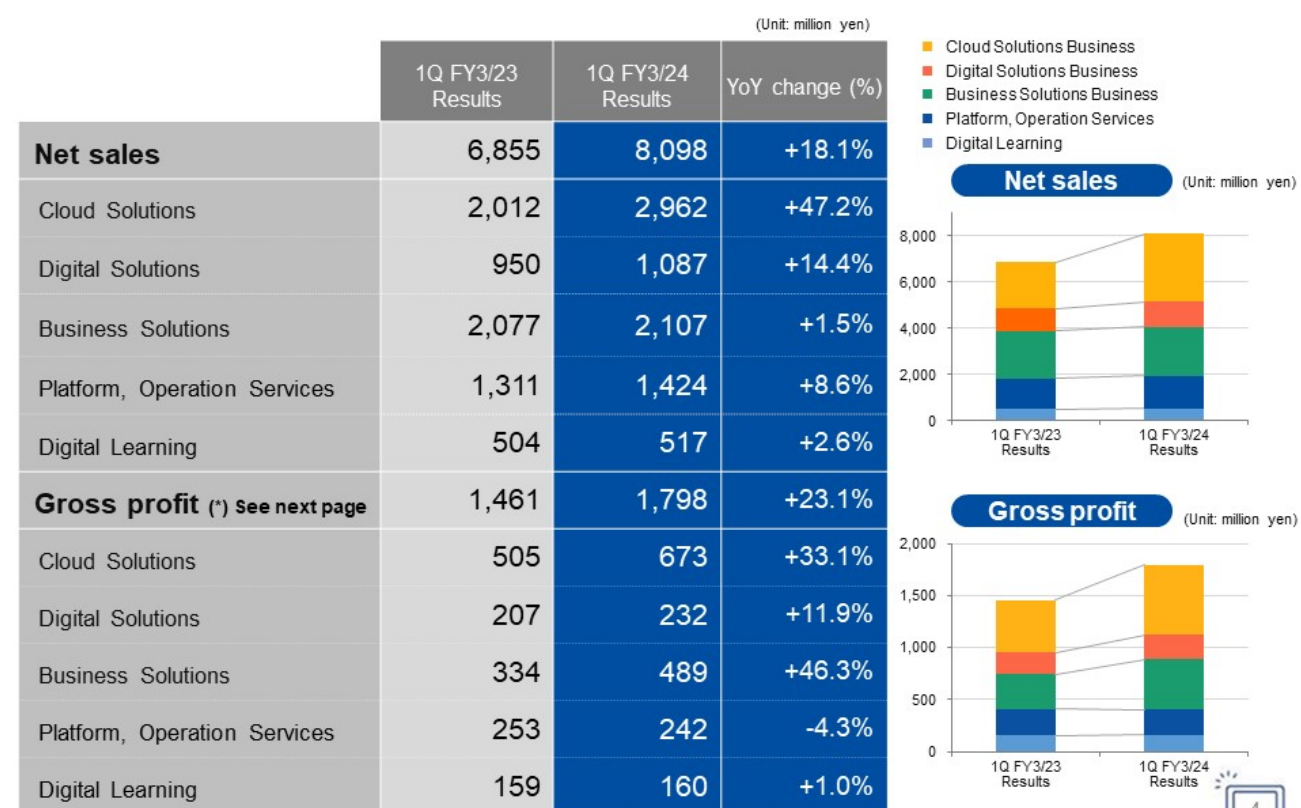
Ordinary income was JPY860 million, up 26.3% YoY, and net income for the quarter was JPY558 million, up 16.7% YoY.

Net income per share for the quarter was JPY17.52, up 16.7% YoY.

As a result of the above, our group's performance in Q1 of the fiscal year ending March 31, 2024 marked the 13th consecutive year of sales growth and a significant recovery in profits, with both sales and profits reaching record highs.

These organic figures exclude the contribution of TACT SYSTEMS, INC. and TACT BUSINESS SOFTWARE, INC., which became consolidated subsidiaries in the current fiscal year. As you can see, we have achieved sustained growth in both sales and profits, even in organic terms.

## 1-2 Business Segment Performance



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Next, I will explain our five business segments. The results by business segment are shown in the slide you see.

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### **\*Business Segment for FY3/23:**

Beginning with this fiscal year, we have revised a part of the scope of our business in accordance with the reality of our group's business.

For consistency with this change, the consolidated statement of income for the first quarter of the previous fiscal year have been restated.

### **\*Gross profit for FY3/23:**

In previous fiscal years, the salaries of employees hired following graduation were included in cost of sales during the April and May initial training period. Beginning with this fiscal year, these salaries are included in selling, general and administrative expenses in order to more appropriately show the true operations of the COMTURE Group because these new employees are not involved with business projects and make no direct contribution to sales during their two months training period.

For consistency with this change, the consolidated statement of income for the first quarter of the previous fiscal year have been restated.



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Effective from the current consolidated fiscal year, we have revised a part of the scope of our business in accordance with the reality of our group's business. The business of building cloud environments centered on data infrastructure, which was previously included in the cloud solutions business, has been moved to the digital solutions business, and TACT SYSTEMS and TACT BUSINESS SOFTWARE, the newly consolidated subsidiaries, have been added to the cloud solutions business.

In addition, personnel expenses for new graduates in April and May, which were previously included in cost of sales, are now presented as selling, general and administrative expenses from the current consolidated fiscal year, in order to provide a more accurate understanding of the business situation.

In accordance with the above changes, net sales and gross profit by business segment for the same period of the previous year have been reclassified.

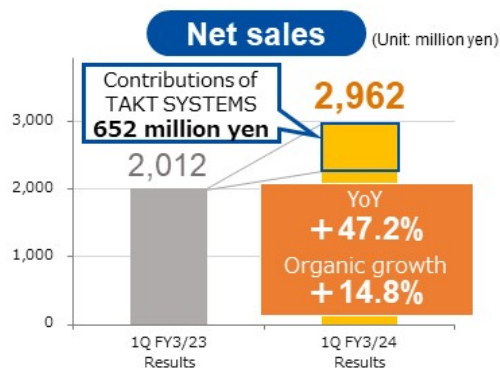
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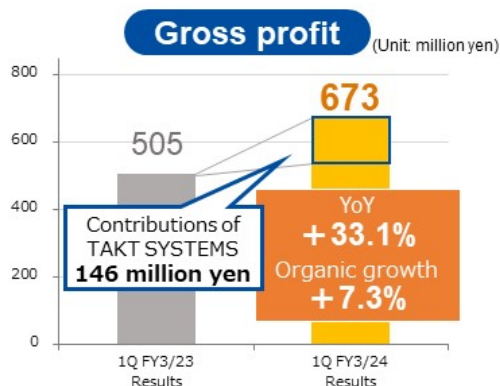
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# 1-3 Cloud Solutions Business



## ■ 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



## ■ Overview

- ⊕ Higher demand for the use of collaborations with vendors to build systems and the shift to the cloud
- ⊕ An increase in demand for consulting services involving the digitalization of business processes
- ⊕ Contribution of the sales at a subsidiary newly consolidated in this fiscal year

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I will now explain the overview by business segment.

The cloud solutions business includes collaboration with global SaaS vendors such as Microsoft, Salesforce, and ServiceNow, as well as consulting and integration services when implementing cloud services such as CRM.

Net sales totaled JPY2,962 million, up 47.2% YoY, and gross profit totaled JPY673 million, up 33.1%.

Both sales and income increased due to increased demand for system construction and cloud computing through vendor collaboration and consulting services for digital transformation, as well as the contribution of subsidiaries consolidated from this fiscal year.

Organic figures, excluding TACT SYSTEMS' contribution, show net sales of JPY2,311 million, up 14.8% YoY, and gross profit of JPY526 million, up 4.1% YoY.

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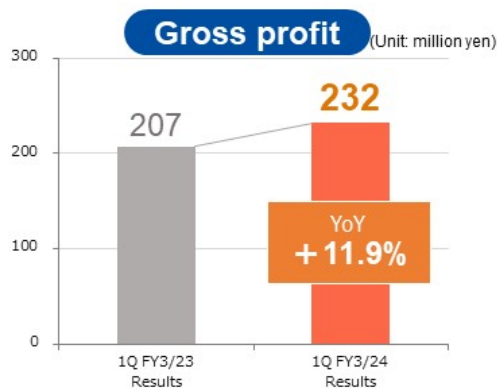


# 1-4 Digital Solutions Business



## ■ Main Activities

Construction of data infrastructures by working with global AI vendors (Google Cloud Platform, 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



## ■ Overview

- + Expanding the business of building anti-money laundering systems for financial institutions
- + Growth of the data analysis business
- + Growth of the data management business, such as building infrastructures for collecting and storing large amount of data

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The digital solutions business includes building data analysis platforms in collaboration with global AI vendors, such as Google Cloud Platform and AWS, and providing data analysis solutions in collaboration with global data analysis vendors, such as SAS, Informatica, and Databricks.

Net sales were JPY1,087 million, up 14.4% YoY, and gross profit was JPY232 million, up 11.9%.

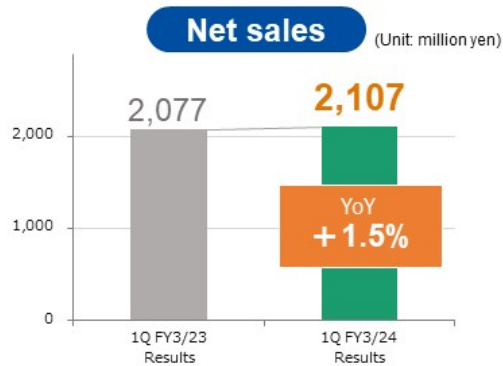
Both sales and profits increased due to the business of building anti-money laundering systems for the financial industry, the expansion of the data analysis business, and the expansion of the data management business, including the construction of environments to store data.

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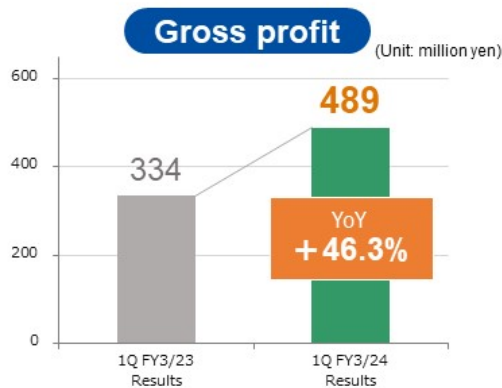
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# 1-5 Business Solutions Business



## 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



## Overview

- + Growth of the SAP business resulting from the shift of people to this business due to reskilling
- + An increase in demand for the services of this business at financial institutions



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The business solutions business includes the construction, operation, and modernization of core systems, such as accounting, human resources, as well as fintech, in collaboration with global ERP package vendors such as SAP and SuccessFactors.

Net sales were JPY2,107 million, up 1.5% YoY, and gross profit was JPY489 million, up 46.3% YoY.

Both sales and income increased due to the expansion of SAP-related business as a result of the shift of employee resources to reskilling, which has been undertaken since the previous fiscal year, and the expansion of finance-related business due to increased IT investments by banks.

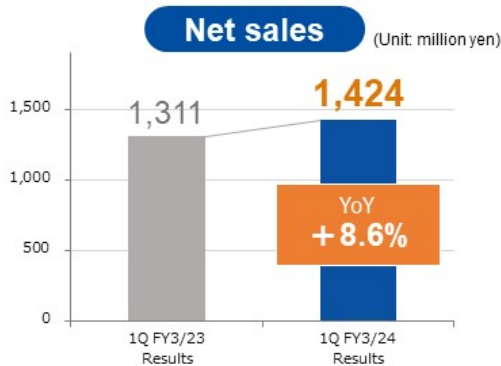
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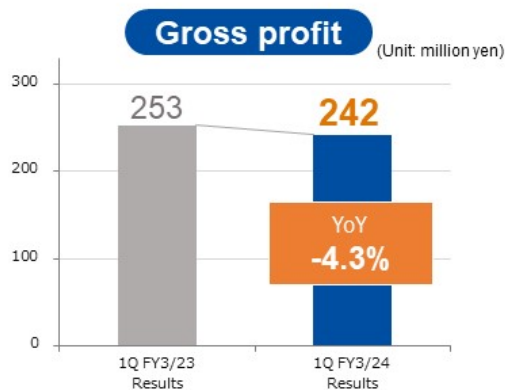


# 1-6 Platform, Operation Services Business



## 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



## Overview

- + Growth of the business for operating cloud environments
- + Higher demand for the outsourcing and security support of IT system operations
- Higher labor cost due to salary increases

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The platform and operation services business includes the design, construction, and operation of hybrid cloud environments utilizing virtualization software such as Kubernetes and other virtualization networks such as Cisco, and remote system monitoring services and help desks at our centers using global tools.

Net sales were JPY1,424 million, up 8.6% YoY, and gross profit was JPY242 million, down 4.3% YoY.

While there was an expansion of the cloud environment operation business and an increase in demand for outsourcing of system operation operations and security support, there were difficulties in passing on increased labor costs to prices, resulting in an increase in sales and a decrease in profit.

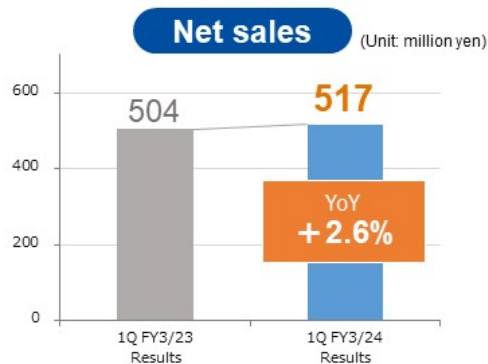
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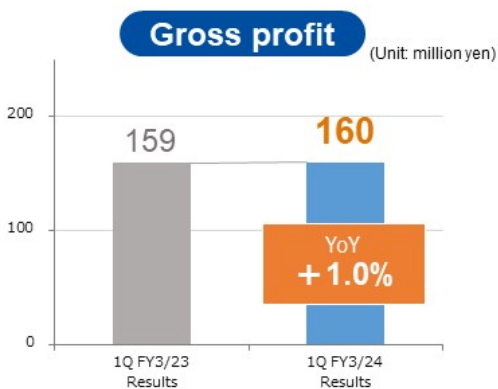


# 1-7 Digital Learning Business



## Main Activities

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



## Overview

- + Growth of the education business for acquisition of vendor certifications
- + Increasing demand at companies for structured training programs



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The digital learning business includes education for vendor certifications in collaboration with global vendors such as Microsoft, Salesforce, and ServiceNow, as well as IT skill learning for digital transformation personnel development.

Net sales were JPY517 million, up 2.6% YoY, and gross profit was JPY160 million, up 1% YoY.

Both sales and profits increased due to an expansion of the education business for vendor certification and an increase in demand for planned training programs for companies.

We will continue to grow our business in the two growth areas of cloud and digital as pillars of our operations.

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# 1-8 Contributing Factors

## Net sales

### Up 18.1% YoY

- + Cloud solutions sales increased because of rising demand at companies for moving internal systems to the cloud, cloud consulting services and other services. M&A also contributed to sales growth.
- + Digital solutions sales increased due to higher demand for data management.
- + Business solutions sales increased because of the growth of the SAP business resulting from the shift of people to this business and of an increase in demand for the services of this business at financial institutions.
- + Platform, operation services sales increased mainly due to increasing demand for the outsourcing of IT system operations.
- + Digital learning sales increased due to higher demand at companies for new employee and other structured training programs

## Operating profit

### Up 25.3% YoY

- + Sales per employee: up 1.7%
- + Earnings increased due to growth of sales and start of contributions to sales of recently hired new graduates
- + Earnings growth more than offset the increase in goodwill amortization due to the acquisition of TAKT SYSTEMS.
- Labor expenses per capita increased 6.0% and expenses for human resource measures (recruiting, revisions of HR systems) increased
- Higher expenses due to the growth of business operations (increase in leased space, measures to improve workplace environments, other activities)



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Next, I will explain the key points of the financial results.

Net sales increased 18.1%. The reasons for this are as I have just explained by business segment.

Operating income was up 25.3%. I will explain the factors behind this.

The first positive factor was a 1.7% increase in net sales per capita due to efforts to add higher value, including business expansion in consulting and other upstream processes and a shift to growth areas. Second, in addition to sales growth, profits increased as a result of the early profit from new graduates. The third was the increase in earnings above the amortization of goodwill resulting from the consolidation of TACT SYSTEMS and TACT BUSINESS SOFTWARE as subsidiaries.

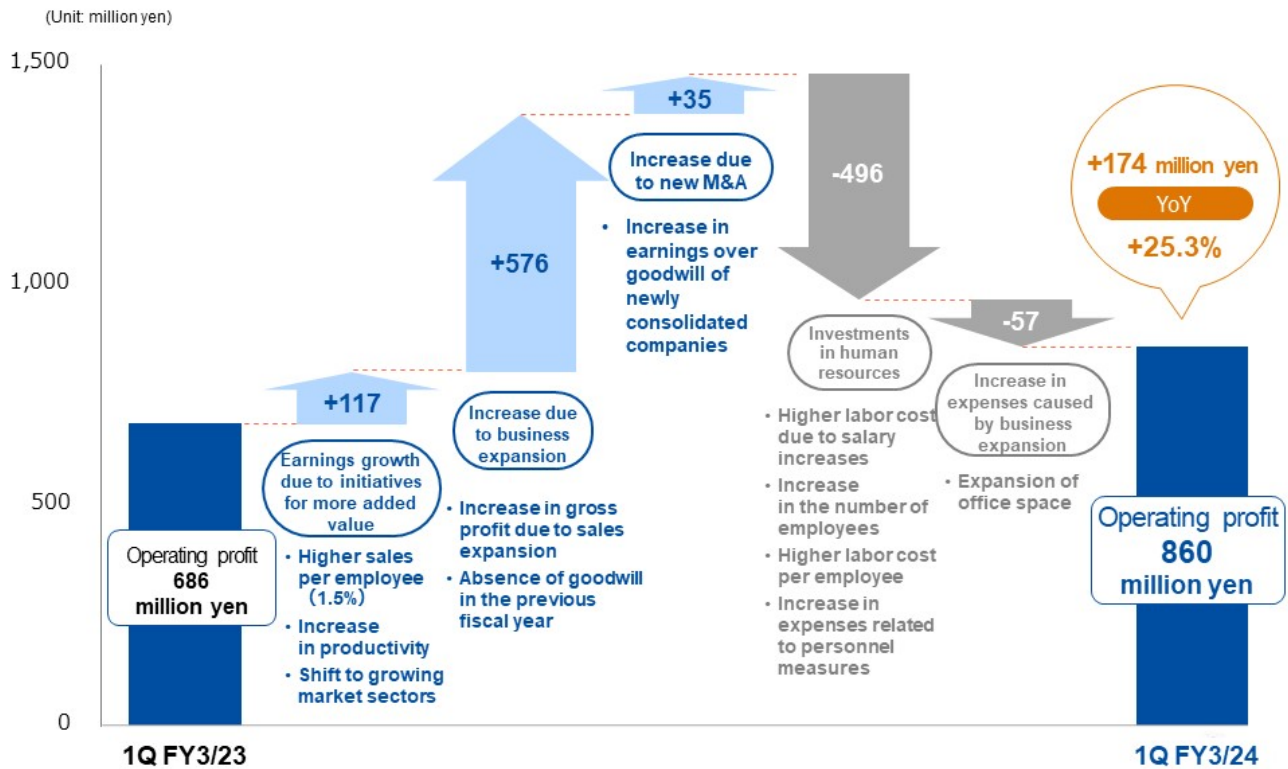
The first negative factor is due to a significant increase in labor costs per employee of 6% again this fiscal year in order to improve employee satisfaction, as well as an increase in expenses related to personnel policies, such as recruitment activities and revisions to the personnel system. The second is due to increased costs associated with business expansion, such as additional office space and improvements to the work environment.

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# 1-9 Components of Changes in Operating Profit



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The details are explained in the chart. Operating income for Q1 of the fiscal year ending March 31, 2023 was JPY686 million.

The high value-added strategy resulted in a 1.7% increase in net sales per capita, which led to a JPY117 million increase in profit. The increase in sales and the effect of the immediate amortization of goodwill incurred in the previous year resulted in a JPY576 million increase in income. Furthermore, an increase in profits from newly consolidated subsidiaries resulted in an increase of JPY35 million.

On the other hand, negative factors included a combined investment of JPY496 million in human capital, including labor and hiring costs. In addition, there was a JPY57 million increase in costs due to business expansion, including office expansion.

When subtracted, operating income for Q1 of the fiscal year ending March 31, 2024, was JPY860 million, up 25.3% YoY.

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## 2-1 FY3/24 Earnings Forecast



**Aiming for 14 consecutive years of sales growth and 13 consecutive years of earnings growth, reaching new record highs**

\*Figures in parenthesis are organic growth excluding M&A

	FY3/23 Results		FY3/24 Forecast		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	29,056 million yen	-	35,000 million yen (32,300 million yen)	-	+20.5% (+11.2%)
Operating profit	4,065 million yen	14.0%	4,750 million yen (4,596 million yen)	13.6% (14.2%)	+16.8% (+13.1%)
Ordinary profit	4,067 million yen	14.0%	4,750 million yen (4,596 million yen)	13.6% (14.2%)	+16.8% (+13.0%)
Profit attributable to owners of parent	2,695 million yen	9.3%	3,150 million yen	9.0%	+16.9%
Net income per share	84.56 yen	-	98.83 yen	-	+16.9%

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Next, I will explain the outlook for the current fiscal year, ending March 31, 2024.

For the full year, we expect to record a 14th consecutive year of revenue growth and a 13th consecutive year of profit growth, backed by continued growth in the digital transformation market.

Net sales will be JPY35 billion, up 20.5% YoY. Operating income is projected at JPY4.75 billion, up 16.8% YoY, with an operating margin of 13.6%. Ordinary income is expected to be JPY4.75 billion, up 16.8% YoY, and net income is expected to be JPY3.15 billion, up 16.9% YoY, with net income per share of JPY98.83, up 16.9% YoY.

Even excluding the contribution from M&A, organic net sales grew by 11.2% YoY to JPY32.3 billion, and operating income increased by 13.1% YoY to JPY4,596 million, with an operating margin of 14.2%.

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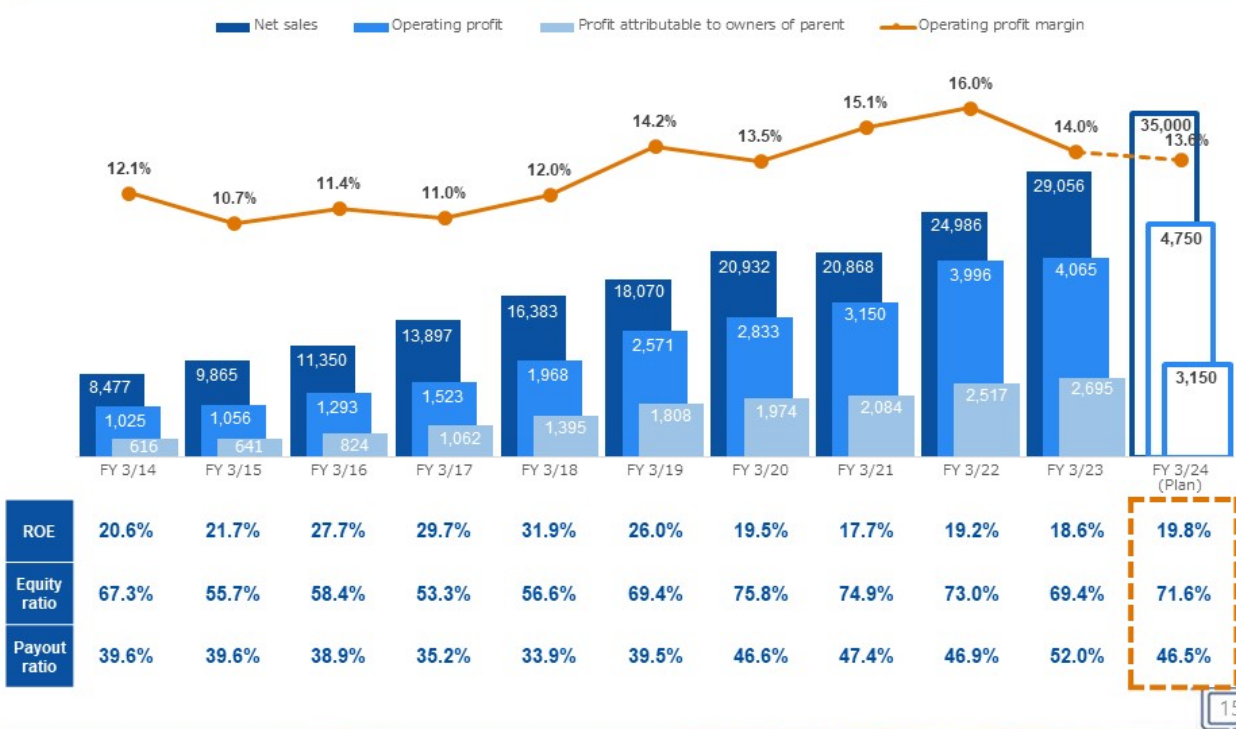




# 2-2 Performance Trends



## FY3/14 to FY3/24 (Net sales/Operating profit/Net income)



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This chart shows net sales, operating income, and net income for the past 10 years.

Although the operating margin has temporarily increased due to the reduction of commuting and entertainment expenses due to COVID-19, the operating margin of 13.6% for the current fiscal year is planned to remain adequate compared to past performance, despite the trend of large increases in labor and other human resource investments.

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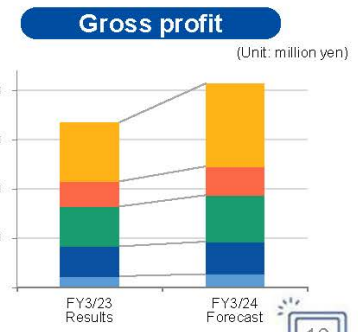
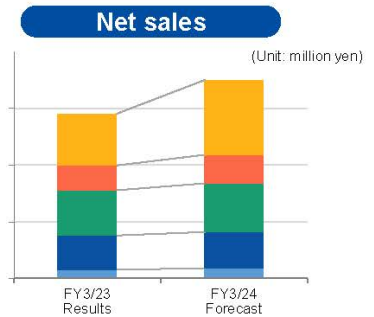


## 2-3 Business Segment Forecast

(Unit: million yen)

	FY3/23 Results	FY3/24 Forecast	YoY change (%)
<b>Net sales</b>	29,056	35,000	+20.5%
Cloud Solutions	9,112	13,200	+44.9%
Digital Solutions	4,375	5,000	+14.3%
Business Solutions	7,956	8,600	+8.1%
Platform, Operation Services	6,047	6,400	+5.8%
Digital Learning	1,566	1,800	+15.0%
<b>Gross profit</b>	6,696	8,289	+23.8%
Cloud Solutions	2,392	3,370	+40.8%
Digital Solutions	1,018	1,170	+14.8%
Business Solutions	1,615	1,890	+17.0%
Platform, Operation Services	1,211	1,320	+8.9%
Digital Learning	457	540	+17.8%

- Cloud Solutions Business
- Digital Solutions Business
- Business Solutions Business
- Platform, Operation Services
- Digital Learning



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The forecast by business segment is shown in the slide you see.

We will continue to develop human resources and shift resources around the growth areas of the cloud solutions and digital solutions businesses, and firmly increase net sales and gross profit in all businesses.

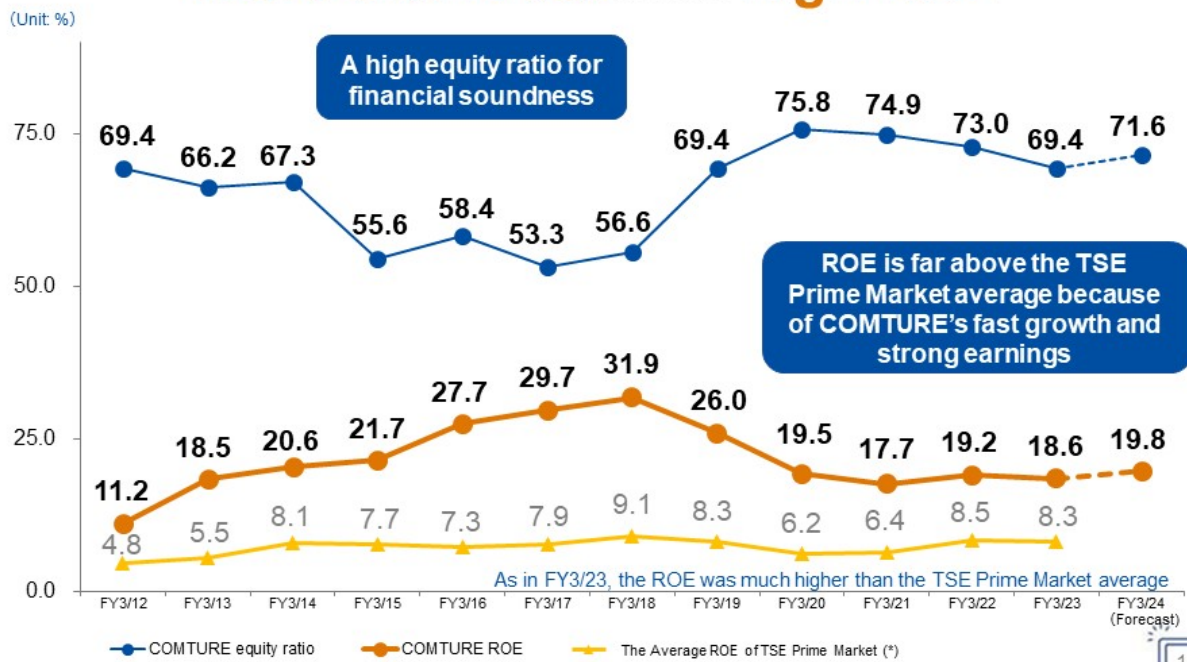
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## 2-4 Financial Soundness and High Profitability

The goals are a shareholder's equity of **more than 70%** and a **high ROE**



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Next is the capital adequacy ratio. For the fiscal year ending March 31, 2023, the ratio was 69.4%, and is expected to be 71.6% for the current fiscal year.

ROE was 18.6% for the fiscal year ending March 31, 2023, but is expected to be 19.8% for the current fiscal year due to an increase in net income. This is a very high level compared to the average for prime market companies listed on the Tokyo Stock Exchange. We will continue to promote high-growth, high-value-added management, aiming for both soundness and high profitability.

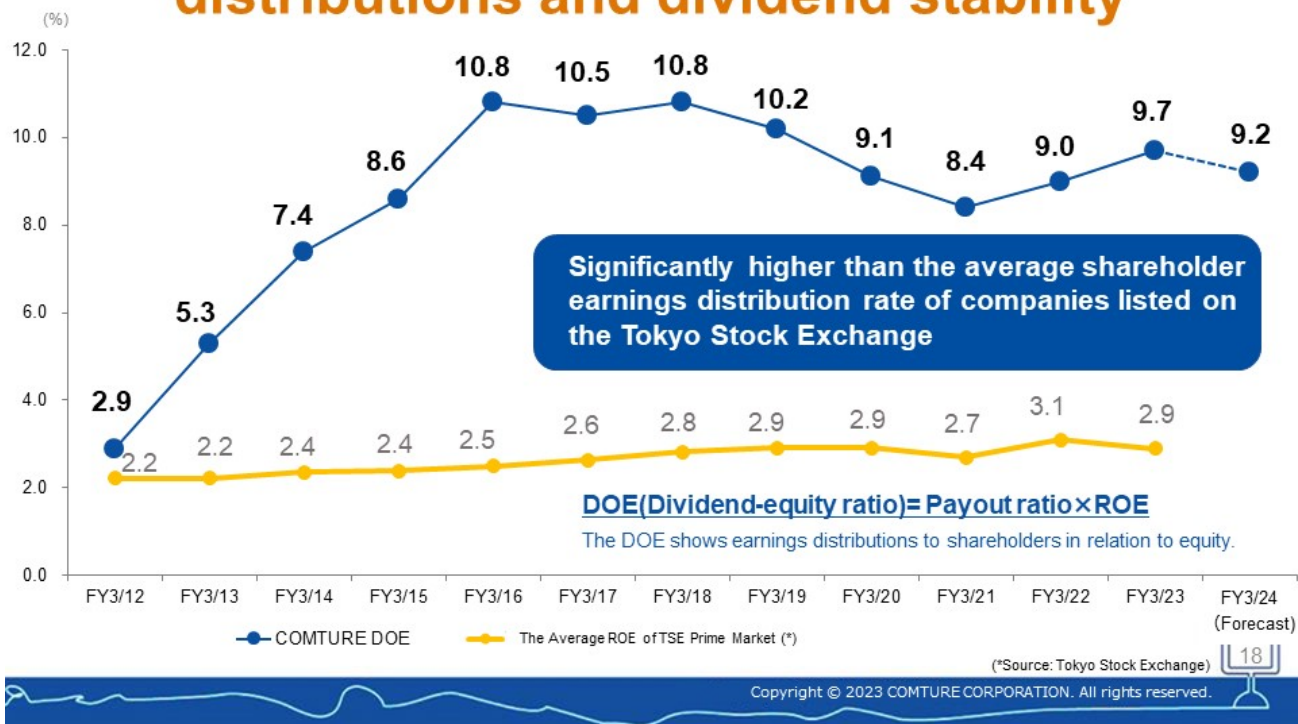
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## 2-5 Balancing Capital Efficiency and Shareholder Returns

Goal is consistently **high shareholder distributions and dividend stability**



DOE, which indicates the ratio of dividends to shareholders' equity, was 9.7% for the fiscal year ended March 31, 2023. In the current fiscal year, due to the increase in net income, the dividend payout ratio forecast at the beginning of the fiscal year will be 9.2%, which is lower than that of the previous fiscal year, but this is also well above the average shareholder return ratio for prime market companies listed on the Tokyo Stock Exchange.

We aim to achieve both capital efficiency and shareholder returns and will actively and stably return profits to our shareholders.

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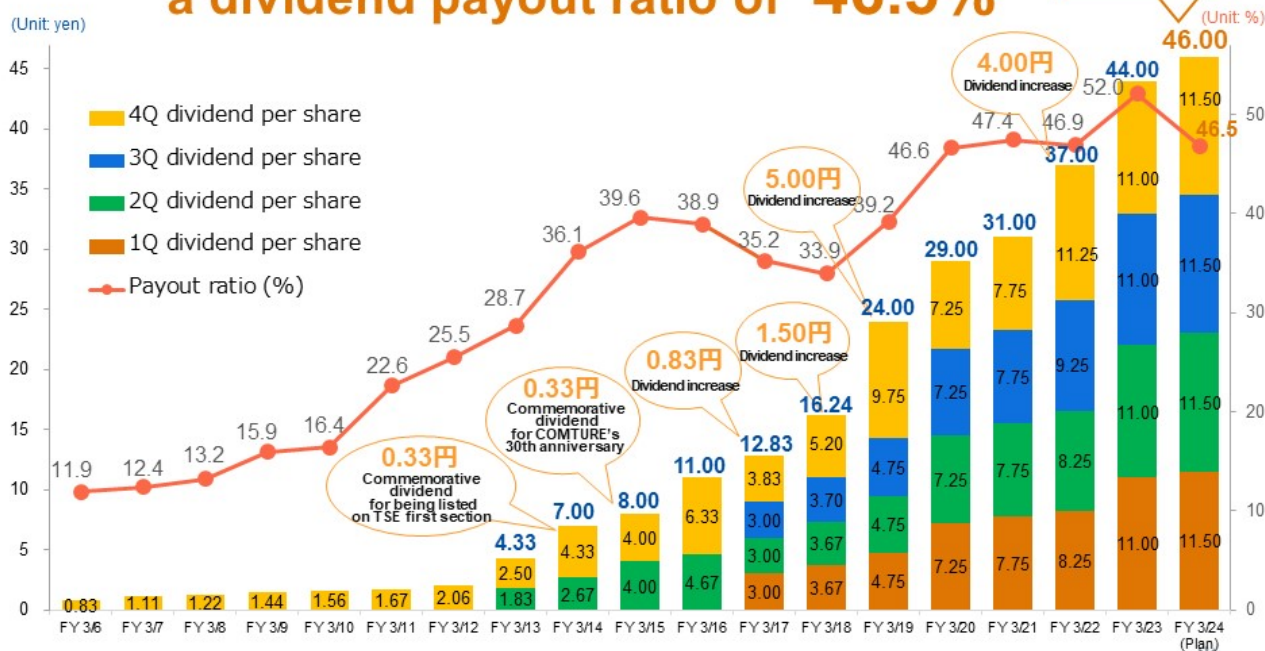


## 2-6 Dividend Growth

Plan to raise the dividend for the 19th consecutive year

a dividend payout ratio of **46.5%**

**2.00yen**  
Dividend  
increase YoY



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.

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The dividend payout ratio for the current fiscal year is 46.5%, with a target of 45% or more.

The annual dividend will be JPY46, an increase of JPY2 YoY and the 19th consecutive fiscal year of dividend increases. Since the Company pays quarterly dividends, the dividend will be JPY11.50 per quarter.

If profits exceed the plan, we intend to increase dividends accordingly.

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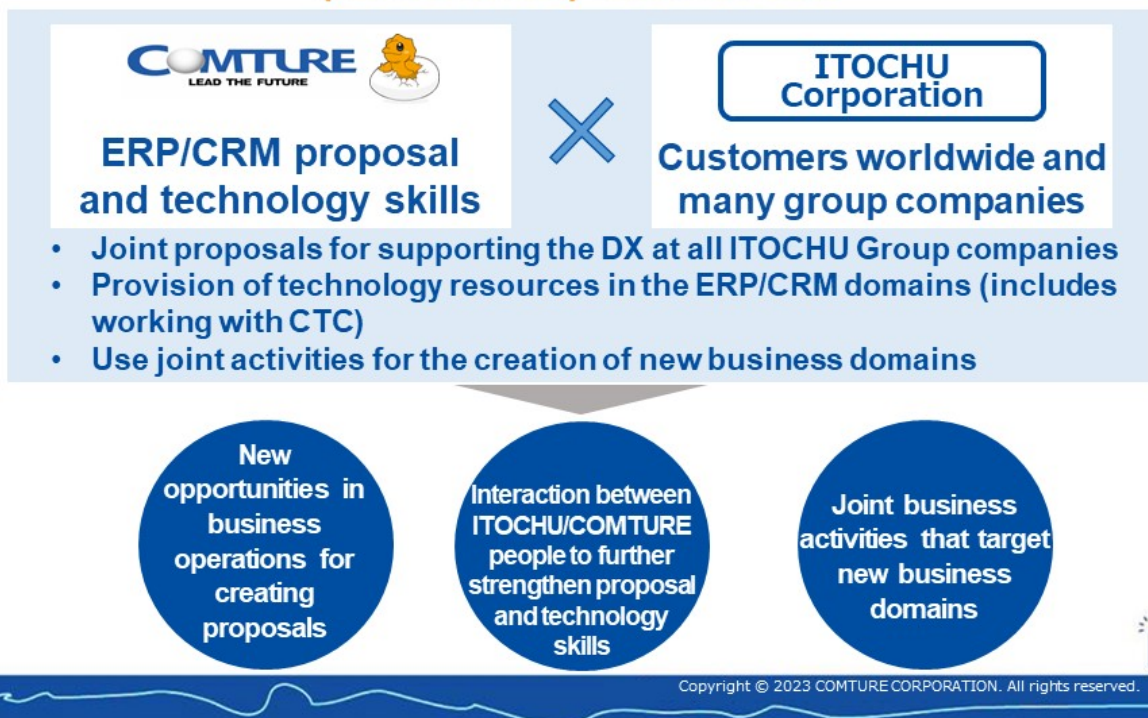
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### 3-1 Business Tie-up with ITOCHU Corporation

Starting to study cooperation involving IT system development for the growth of the ERP (SAP)/CRM (Salesforce) businesses



Finally, I will explain the topics and the progress of the measures in the medium-term management plan.

First, we are working to expand our business. We have begun to consider collaboration with ITOCHU Corporation in the areas of ERP and CRM, which we are focusing on. The Company will promote digital transformation proposals for its more than 200 group companies and will also consider launching new businesses.

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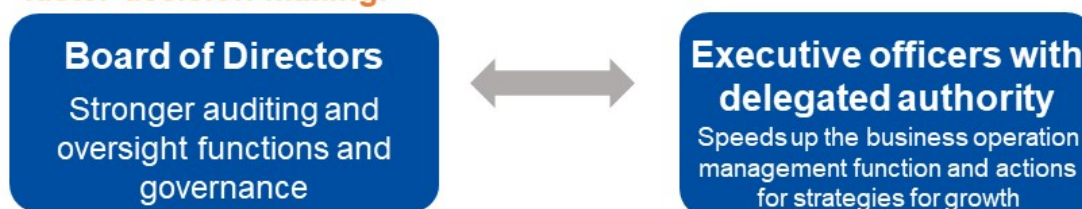
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### Separation of management and business operations

- Separation strengthens the auditing and oversight functions concerning the compliance and suitability of how business operations are managed. Also improves the transparency of management.
- Clarifying the responsibility and authority for making business decisions under the proper oversight of the Board of Directors makes business operation management function stronger and facilitates faster decision-making.



Internal directors: 2

Outside directors: 5 (including 2 females)

### Even stronger corporate governance and faster growth strategy activities



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We are also working to further strengthen governance. In June, we reviewed the composition of the Board of Directors and shifted to a delegated executive officer system. This will strengthen the auditing and supervisory functions and accelerate decision-making.

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 **SCRIPTS**  
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# 3-3 Awards

## Many rewards and other recognition from vendors



### MVP Award 2023-2024

Received for the 18th time and the 14th consecutive year. Recognition of outstanding technologies and positive influence as a Microsoft product technology community leader.

### Top Partner Engineer Award (Received by three COMTURE engineers)

Received this award in the business applications, modern work and security categories. Recognition of performance and advanced elements of projects and activities to increase the internal use of Microsoft technologies.



### CyPN Report 2023 / CYBOZU Award 2023

Received the highest rating of three stars in the integration category in the CyPN Report 2023. Received one star in the sales category. In the CYBOZU Award 2023, the system integration section received an integration category award because of its outstanding accomplishments.



### intra-mart Award 2023 Superior Partner Award

Received this award because of a big increase in sales.



### Biz J AWARD 2023

Received a Project Award due to the use of strong proposal and management skills to capture the largest number of orders during the year.



### WebPerformer Partner Award 2023

Received a Fresh Award as a newly contracted partner company in the applicable year by doing an outstanding job at creating projects and conducting promotional activities.

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We have received numerous awards for our vendor collaboration efforts, as you can see in the slide. While maintaining this reputation, we will work more closely than ever with our vendor companies, especially in sales and human resource development.

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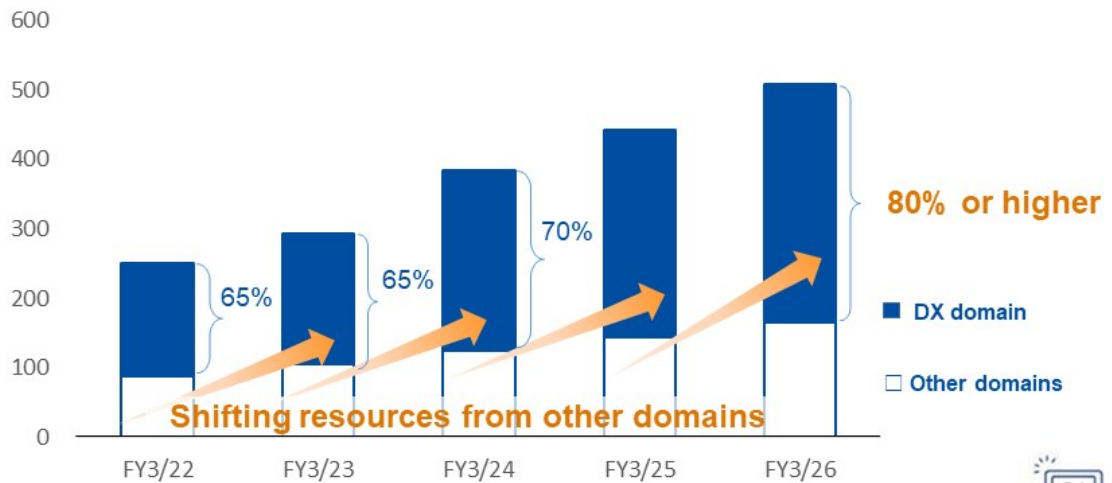


# 3-4 Medium-term Management Plan – Expansion of DX domain

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

- **Expanding business in the DX domain** backed by the growing DX market
- **Shifting resources proactively** to grow at an accelerated rate
- **Increasing the ratio of businesses in the DX domain to net sales to 80% or higher (FY3/26)**

Net sales (100 million yen)



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As shown in the slide you see, our medium-term management plan calls for accelerating the shift to the digital transformation area, which is a growth engine.

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# 3-5 Progress of Medium-term Management Plan – Workforce Growth



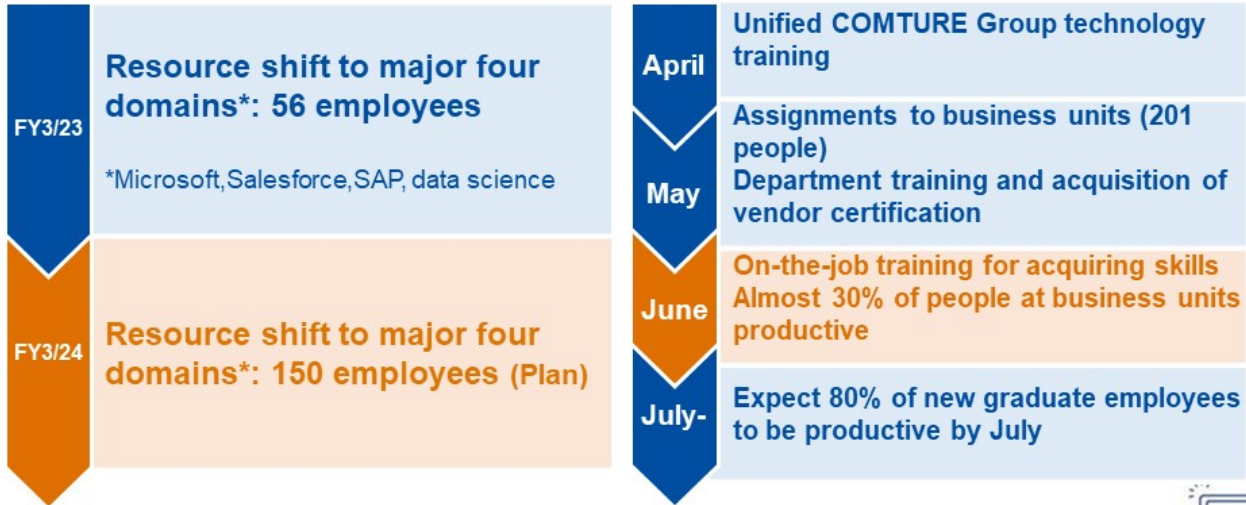
## Education and training programs for more added value

**Reskilling current employees**

- 56 people had been shifted as of the end of March 2023.
- Plan to reskill and shift 150 people during FY3/24.

**Fast training of new graduate employees**

- Almost 30% of 201 new hires assigned to business units are productive
- Goal is 100% productivity of these new hires by the 2Q



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A key measure to achieve this is to develop and secure human resources. As part of our human resource development efforts, we are shifting resources to growth areas for existing employees through reskilling efforts that utilize the Group's internal training expertise.

As a result of our early training efforts for new graduates who joined the Company in April, 30% of them are profitable, which contributes to our business performance in terms of profit.

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### 3-6 Progress of Medium-term Management Plan – Workforce Growth



## Recruiting activities for faster growth

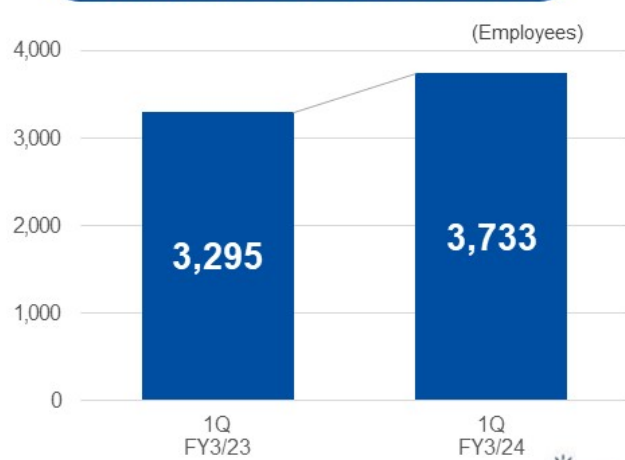
**More hiring of experienced**

- Hired 17 people in FY3/24 as of the end of June
- Using employee introductions, scouting and other activities



**Stronger relationships with partner companies**

- Outsourced projects were 13.3% more than one year earlier
- Working with 39 core partner companies



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In terms of securing human resources, we are expanding our mid-career recruiting measures to include employee referrals and the use of scouting tools.

For areas lacking in employees, the number of consignments increased by double digits, mainly due to the core partners and other efforts to strengthen cooperation with subcontractors, which contributed to the increase in sales.

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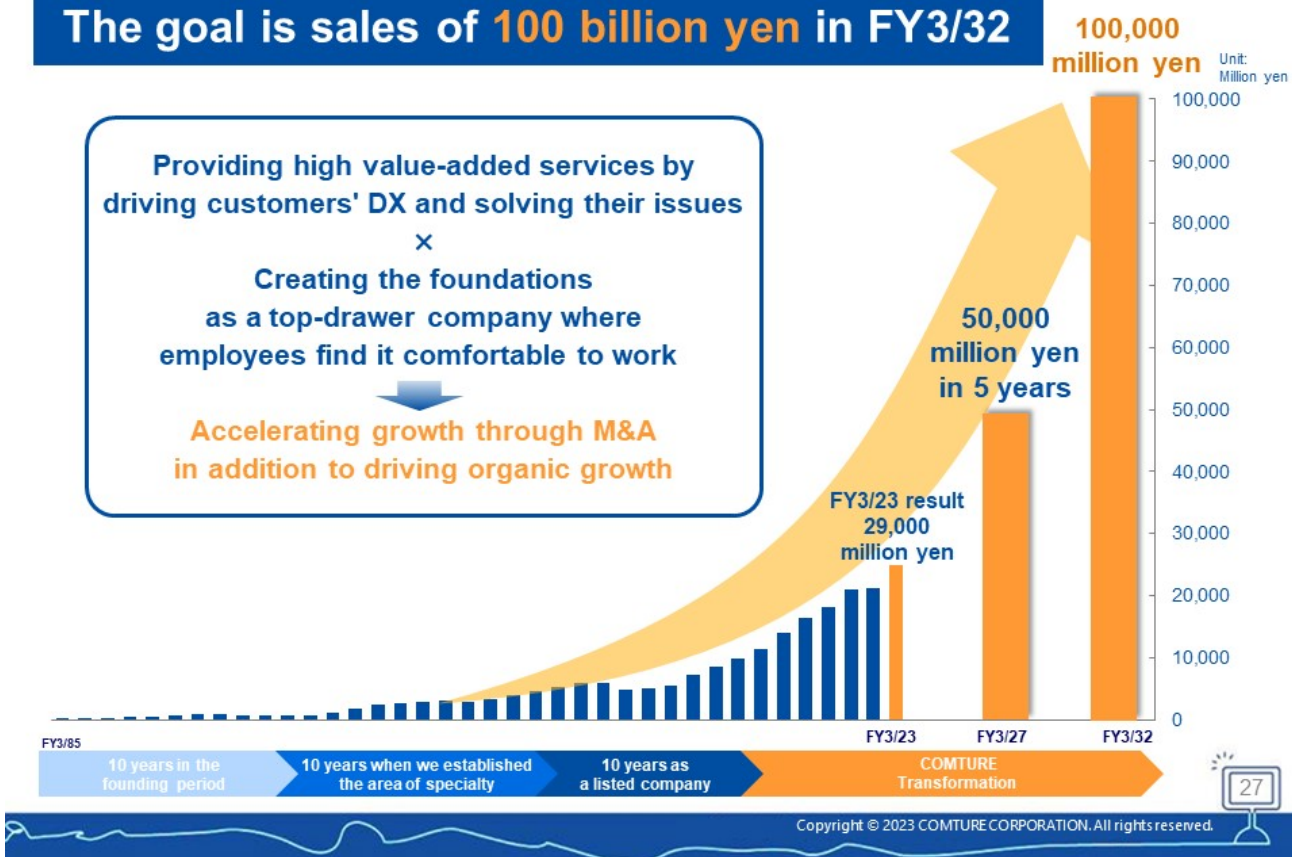


# COMTURE in 5 to 10 years



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  
 ↓  
 Accelerating growth through M&A in addition to driving organic growth



Through these efforts, we will provide high value-added services to our customers by promoting digital transformation and resolving issues, and at the same time, we will build a foundation as a top-notch company by creating a comfortable working environment for our employees.

Furthermore, by strategically executing M&A and other measures to accelerate growth, we aim to become a company with net sales of JPY100 billion by the fiscal year ending March 31, 2032.

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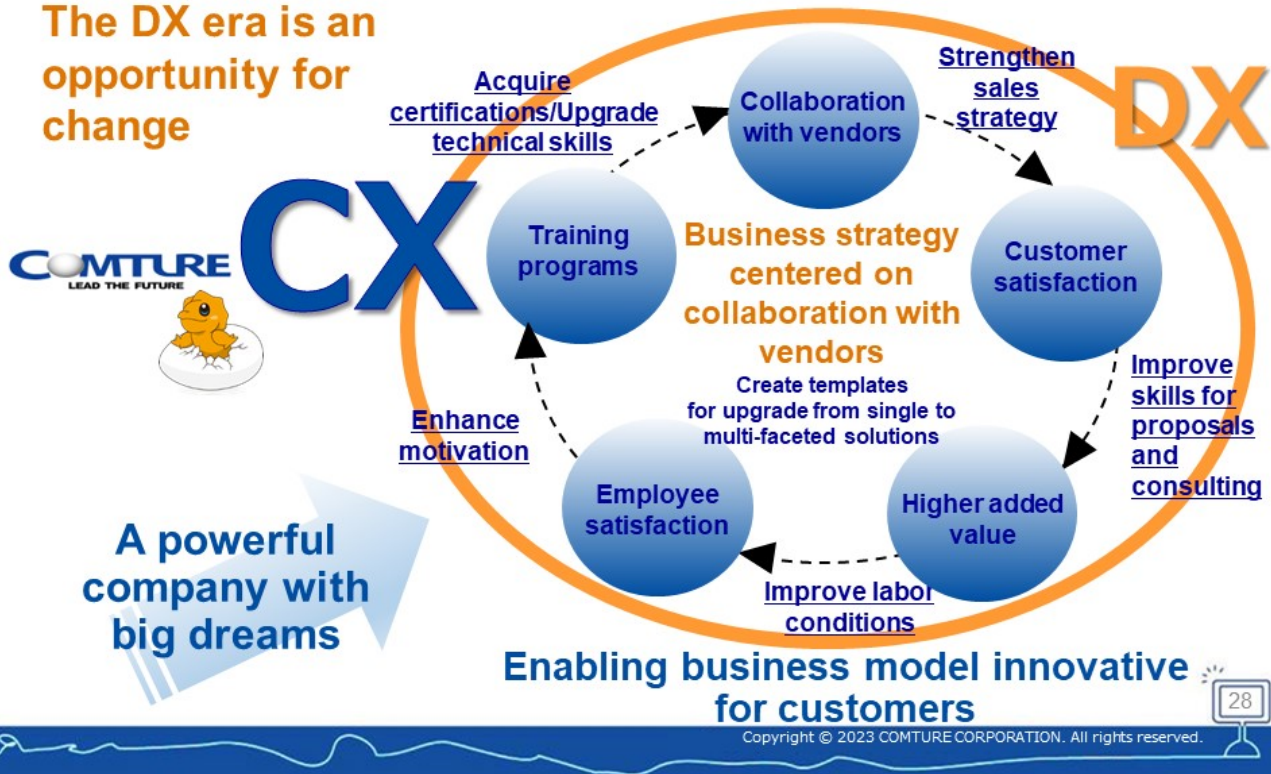
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# The Comture Transformation (CX)

## Comture will transform into a DX integrator

The DX era is an opportunity for change



To achieve this plan, the COMTURE Group itself will transform itself into a digital transformation promotion partner to further expand business in the digital transformation area.

Through sales collaboration with global platformers and tool vendors, we will improve our technical capabilities and strengthen our proposal and service quality capabilities, leading to customer satisfaction, added value, employee satisfaction, and further human resource development.

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## In Closing “Our Management Philosophy”

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

Be a source of  
**“excitement” and “dreams”**  
for our shareholders.



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As a conclusion, in addition to our corporate motto of "more excitement" for our customers and "more dreams" for our employees, we will continue to manage the Company so that we can deliver even more "excitement" and "dreams" to our shareholders. Thank you very much for your cooperation. Thank you.

**Kamei:** Thank you, President Sawada.

Finally, President Sawada would like to extend his greetings to the investors who are attending this meeting. Please go ahead.

**Sawada:** Thank you very much for joining us today.

In Q1 of last year, there was a bit of a difficult aspect in terms of profits, such as dealing with the increased number of new employees and amortization of goodwill from M&A companies, etc. In Q2 onward, there was a recovery, but the hole in Q1 was difficult to fill. In contrast, we are not satisfied with this year's Q1, based on our reflections, but we believe that we have achieved reasonable results.

In May of last year, we lost our founder, and since I took over the reins of the Company, the impact of the loss was not so great. In addition, since that time, we have made various new efforts to become a top-notch company.

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We are also doing a lot of reskilling and shifting resources to focus more on digital transformation, hiring, working strategically with partners, and focusing more on digital transformation. Then, the Company should also change the composition of the Board of Directors and make the executive officers delegated to take more responsibility for the growth strategy. We are also very happy that we were able to acquire TACT SYSTEMS, which is a very good company, and we would like to strategically create 5% to 10% of our sales each year through M&A, and we believe that we have succeeded in this.

We have received indications of upward revision based on this fiscal year's performance, but as I mentioned earlier, we are considering a well-balanced approach, including investments, and we would like to consider an upward revision while watching the progress in Q2.

As mentioned, we intend to manage our business well, and we would very much appreciate your support more than ever. Thank you very much for your time today.

**Kamei [M]:** Thank you, President Sawada.

This concludes the financial results briefing. Thank you all for joining us today. I would like to ask you for your continued support.

[END]

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#### Document Notes

1. Portions of the document where the audio is unclear are marked with [Inaudible].
2. Portions of the document where the audio is obscured by technical difficulty are marked with [TD].
3. Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.
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