

2Q of the Fiscal Year Ending March 31, 2025 Financial Results Materials



November 5, 2024
COMTURE CORPORATION

2Q of the FY Ending March 31, 2025

Results of Operations

Financial Highlights - 2Q(Total) of the FY3/25

Achieved 14 consecutive years of sales growth and 2 consecutive years of earnings growth with both sales and earnings climbing to record highs

(Millions of yen)	2Q(Total) FY3/24		2Q(Total) FY3/25		YoY change	Progress ratio vs. plan (Average of the past three years)
	Amount	% to net sales	Amount	% to net sales		
Net sales	16,761	-	17,794	-	+6.2%	47.2% (48.8%)
Operating profit	1,950	11.6%	1,983	11.1%	+1.7%	40.5% (45.3%)
Ordinary profit	1,946	11.6%	1,984	11.2%	+1.9%	40.5% (45.4%)
Interim profit attributable to owners of parent	1,251	7.5%	1,278	7.2%	+2.1%	39.3% (45.4%)
Interim net income per share (yen)	39.26	-	40.09	-	+2.1%	-
EBITDA	2,196	13.1%	2,239	12.6%	+1.9%	-

*EBITDA = Operating profit + Depreciation + Goodwill amortization

Financial Highlights - 2Q of the FY3/25

Profitability improved both YoY and QoQ

(Millions of yen)	2Q FY3/24		1Q FY3/25		2Q FY3/25		YoY change	QoQ change
	Amount	% to net sales	Amount	% to net sales	Amount	% to net sales		
Net sales	8,662	-	8,753	-	9,041	-	+4.4%	+3.3%
Operating profit	1,089	12.6%	795	9.1%	1,188	13.1%	+9.1%	+49.5%
Ordinary profit	1,086	12.5%	793	9.1%	1,190	13.2%	+9.6%	+49.9%
Profit attributable to owners of parent	693	8.0%	502	5.7%	775	8.6%	+12.0%	+54.5%
EBITDA	1,213	14.0%	920	10.5%	1,318	14.6%	+8.7%	+43.2%

*EBITDA = Operating profit + Depreciation + Goodwill amortization

Contributing Factors

Net sales

Up 6.2% YoY

- + Higher DX business sales involving Microsoft, Cybozu, AWS 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

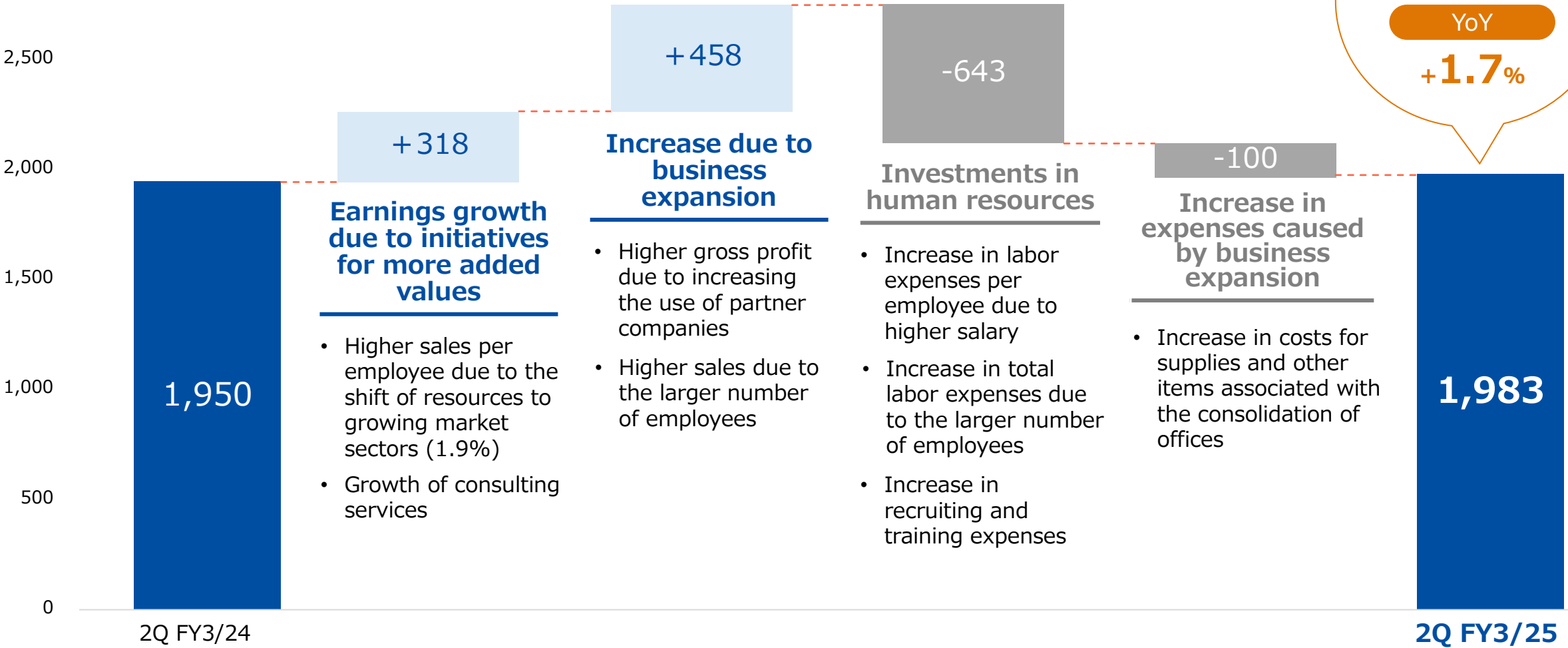
Up 1.7% YoY

- + 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
- Extension of technical skills training period (from two months to three months) to give new graduates even higher skills
- An increase in costs associated with the consolidation of offices to strengthen ties with Group companies

Components of Changes in Operating Profit

(Millions of yen)

+33 million yen
YoY
+1.7%



Earnings growth due to initiatives for more added values

- Higher sales per employee due to the shift of resources to growing market sectors (1.9%)
- Growth of consulting services

Increase due to business expansion

- Higher gross profit due to increasing the use of partner companies
- Higher sales due to the larger number of employees

Investments in human resources

- Increase in labor expenses per employee due to higher salary
- Increase in total labor expenses due to the larger number of employees
- Increase in recruiting and training expenses

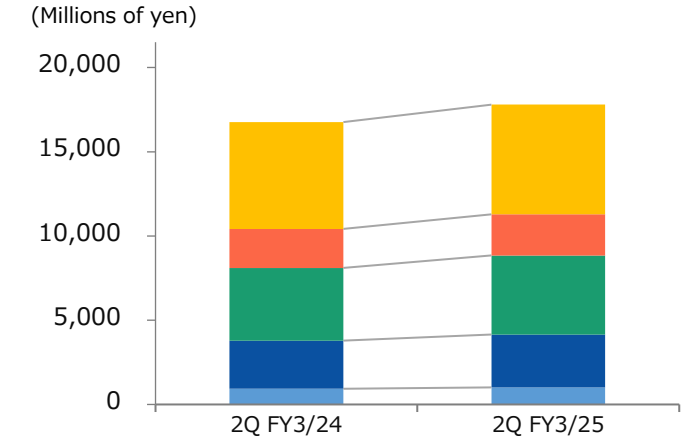
Increase in expenses caused by business expansion

- Increase in costs for supplies and other items associated with the consolidation of offices

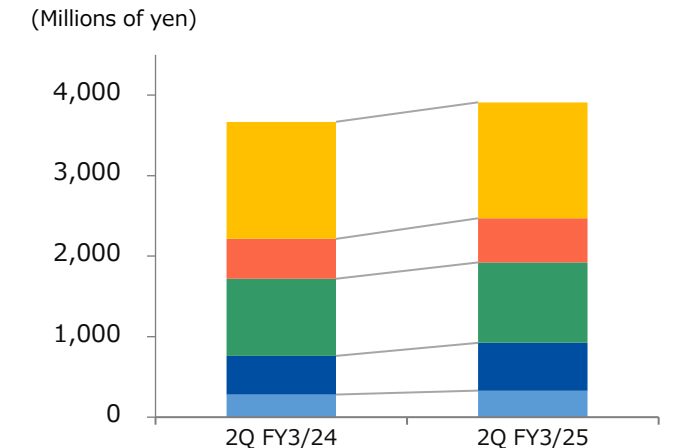
Business Segment Performance

(Millions of yen)	2Q FY3/24	2Q FY3/25	YoY change
Net sales	16,761	17,794	+6.2%
■ Cloud Solutions	6,339	6,508	+2.7%
■ Digital Solutions	2,315	2,439	+5.3%
■ Business Solutions	4,316	4,695	+8.8%
■ Platform, Operation Services	2,856	3,138	+9.9%
■ Digital Learning	933	1,013	+8.6%
Gross profit	3,670	3,911	+6.6%
■ Cloud Solutions	1,454	1,440	-1.0%
■ Digital Solutions	495	548	+10.7%
■ Business Solutions	958	999	+4.2%
■ Platform, Operation Services	480	593	+23.5%
■ Digital Learning	281	330	+17.6%

Net sales

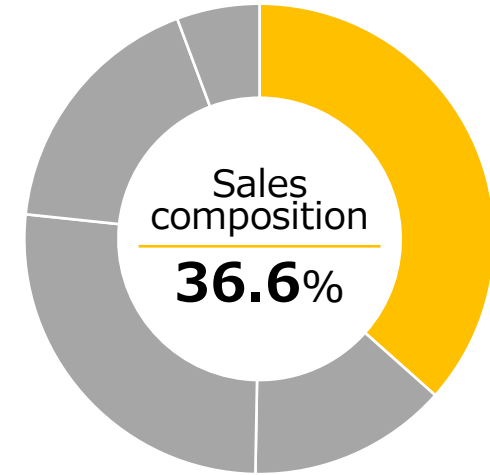


Gross profit



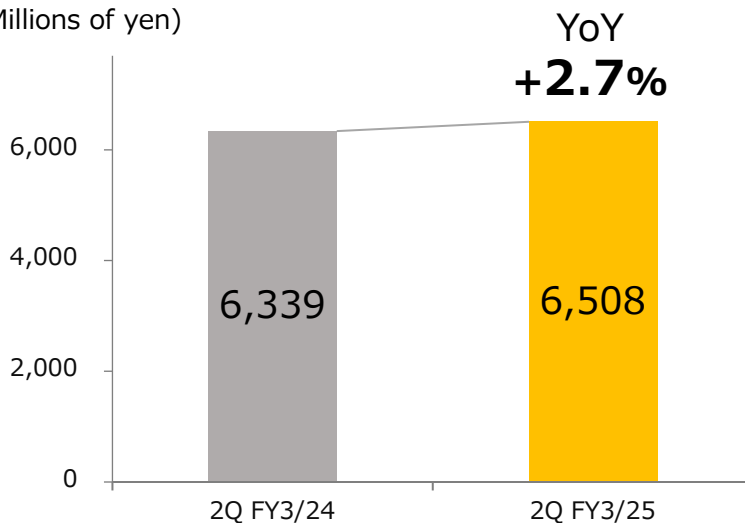
Major components

- + Growth of the consulting business backed by collaboration with Microsoft and Cybozu and increasing low-code development demand
- Higher expenses for hiring people with prior work experience and the incurrance of costs during reskilling period
- Higher expenses for training new graduates to strengthen training programs



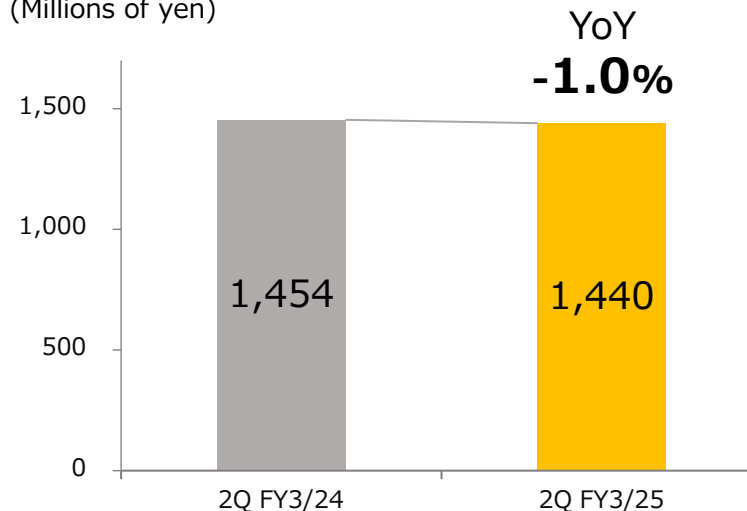
Net sales

(Millions of yen)



Gross profit

(Millions of yen)



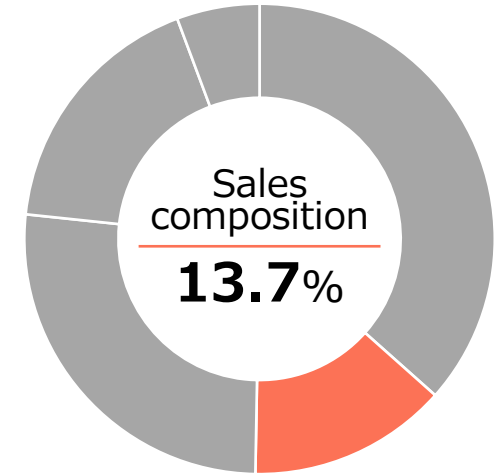
Main Activities

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

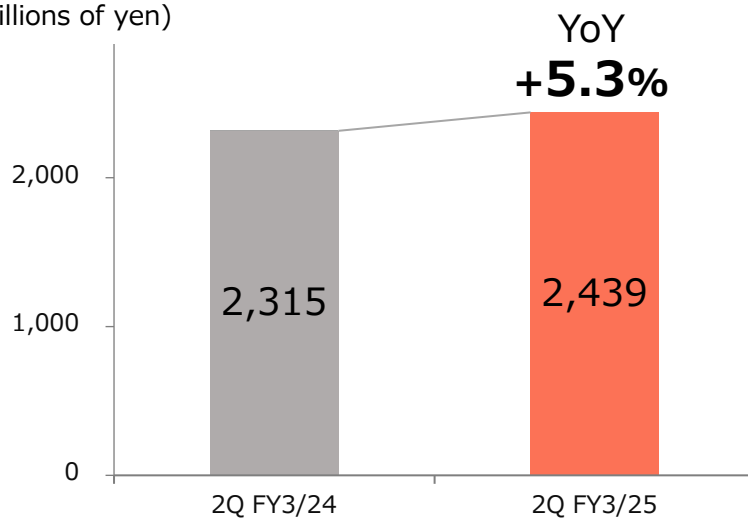
Major components

- + 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)
- Higher expenses for training new graduates to strengthen training programs



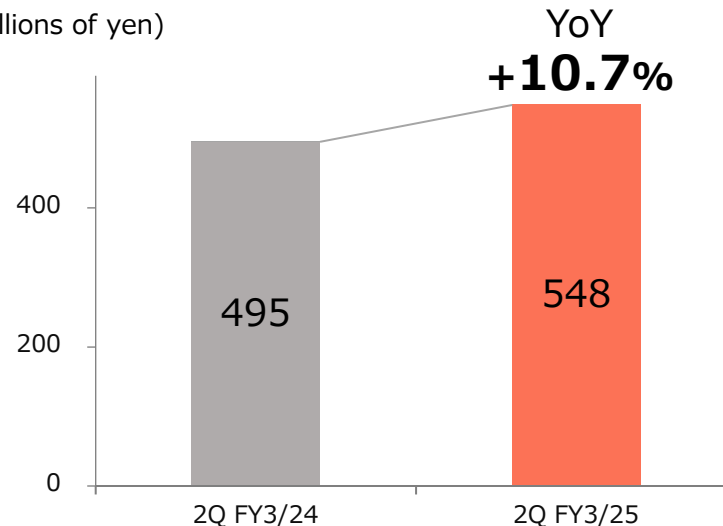
Net sales

(Millions of yen)



Gross profit

(Millions of yen)

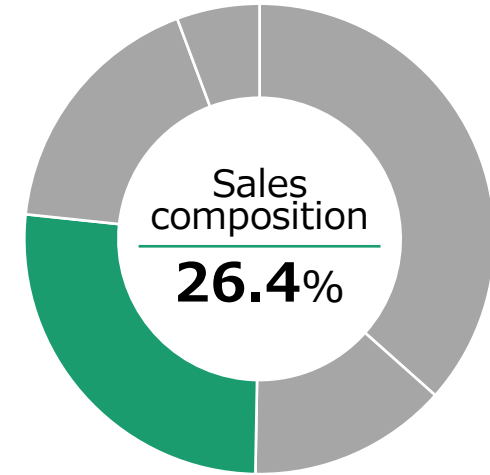


Main Activities

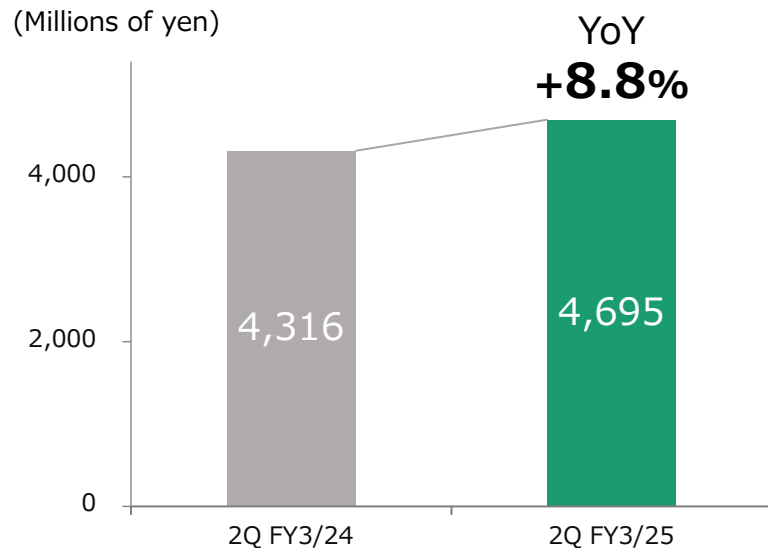
Construction of data infrastructures by working with global AI vendors (Google Cloud, Amazon Web Services and others), provision of data analysis solutions by working with global data analysis vendors (SAS, Informatica, Databricks and others), and other activities

Major components

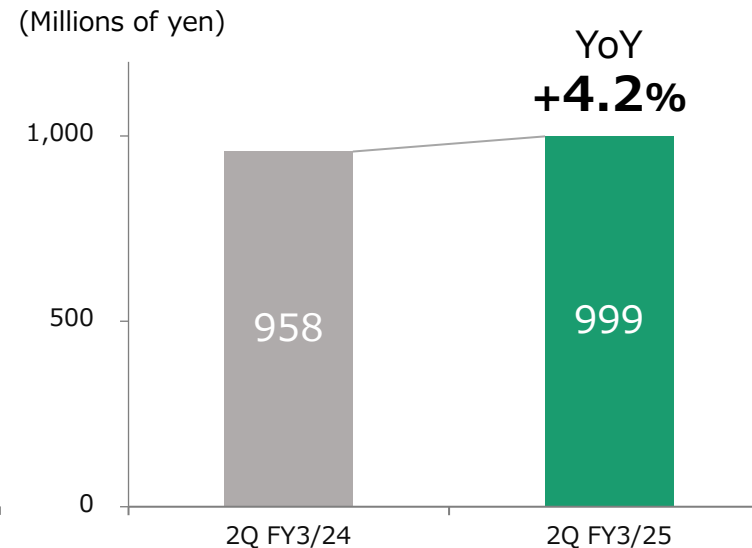
- + Growth of the SAP business continued
- + Increased demand at financial institutions for the development of front office systems and the automation of business processes
- + Expansion of SAP-related development projects for government agencies



Net sales



Gross profit



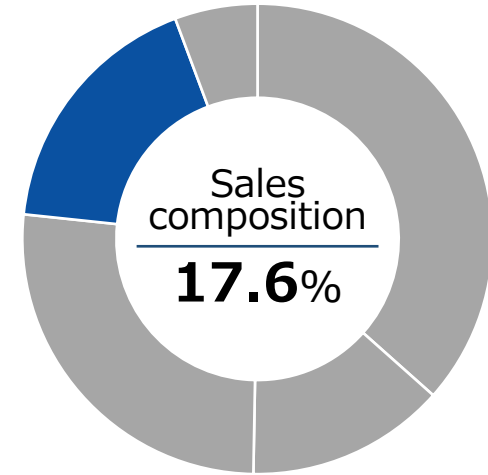
Main Activities

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

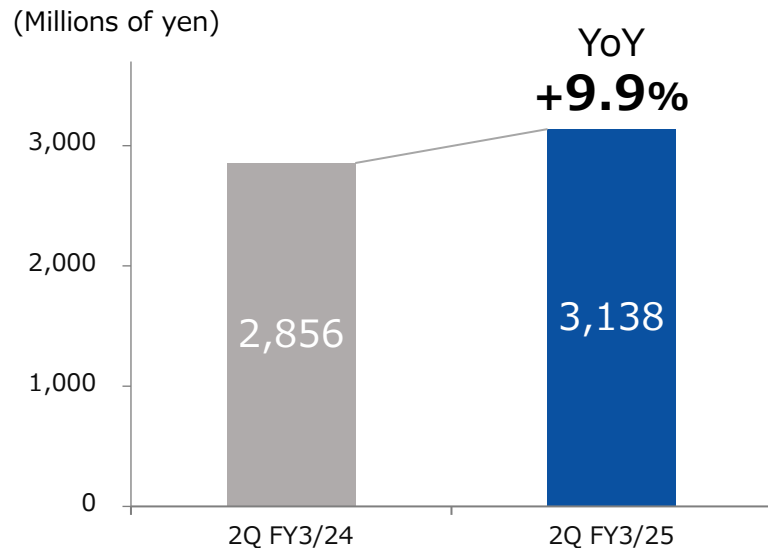
Platform, Operation Services

Major components

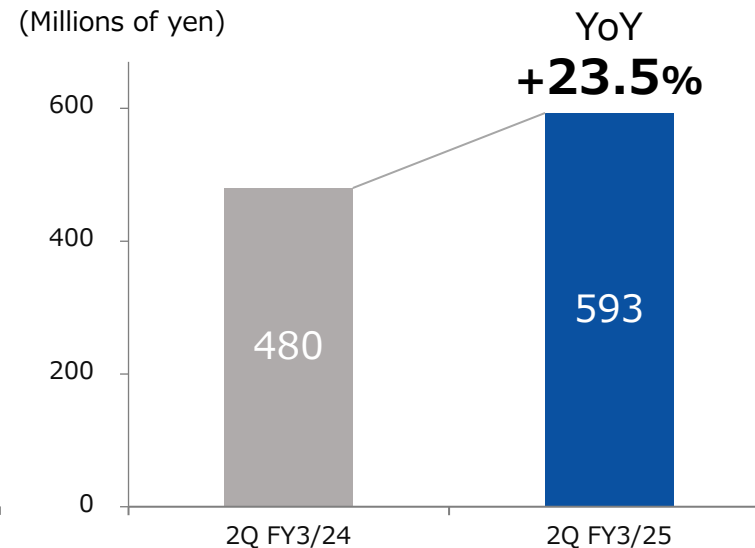
- + Higher demand for the outsourcing and security support of IT system operations
- + Expansion of network construction projects for government agencies
- + Price negotiations contributed to sales growth



Net sales



Gross profit



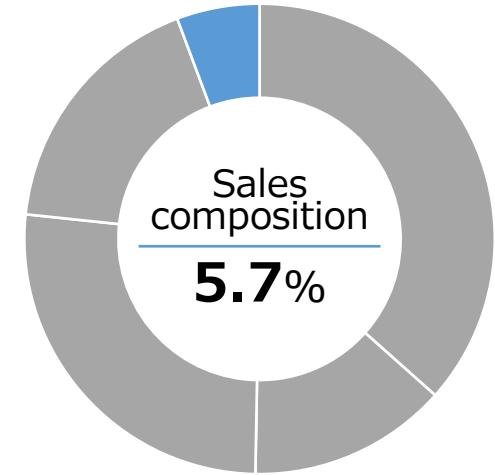
Main Activities

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

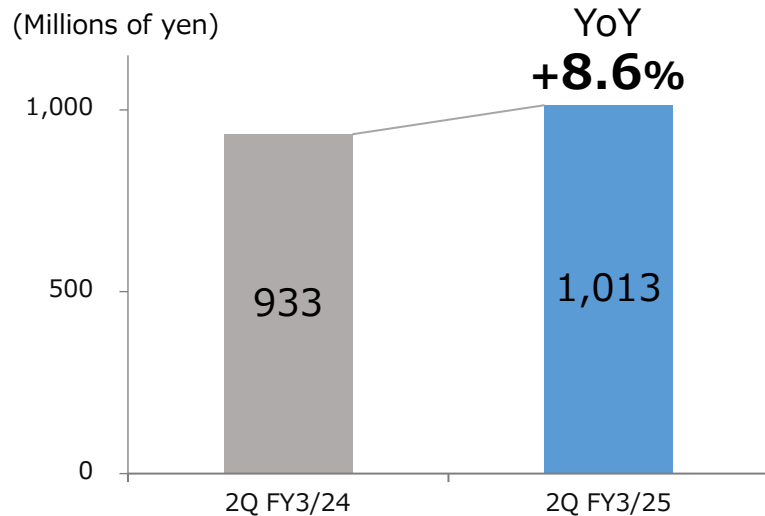
Digital Learning

Major components

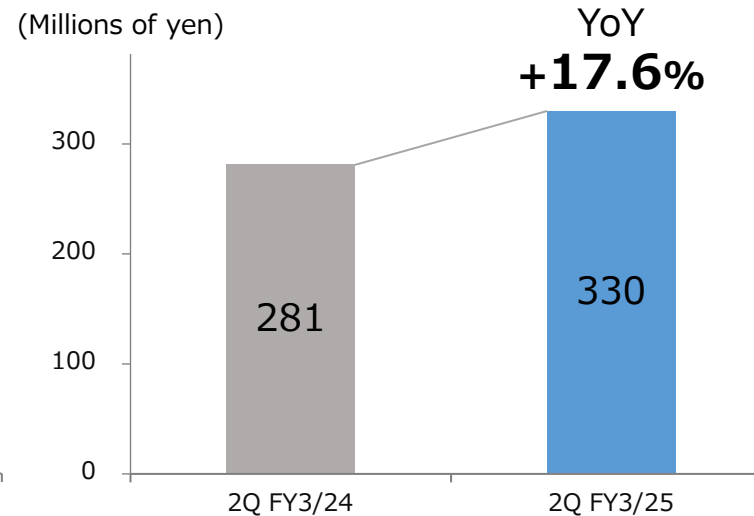
- + Higher demand for generative AI (Microsoft Copilot) training programs
- + Growth of training programs outsourced by other companies
- + Improved sales and earnings due to higher instructor utilization rate and price negotiations
- More training opportunities (new graduates and reskilling) for the Comture Group



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

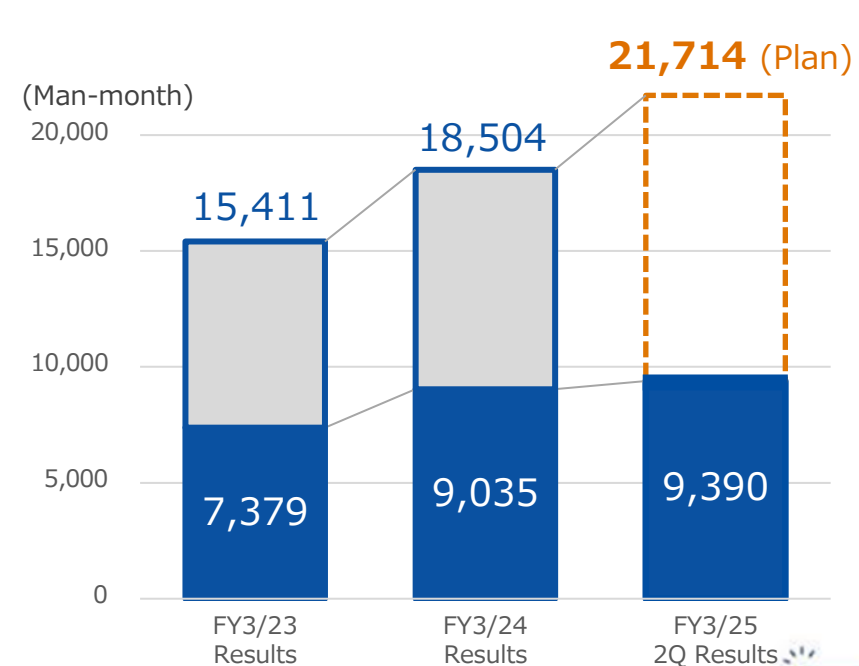
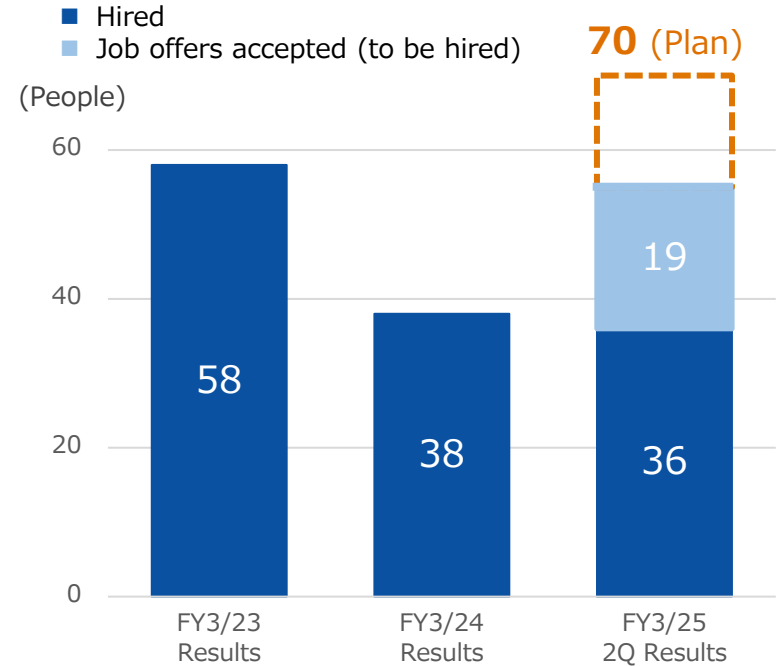
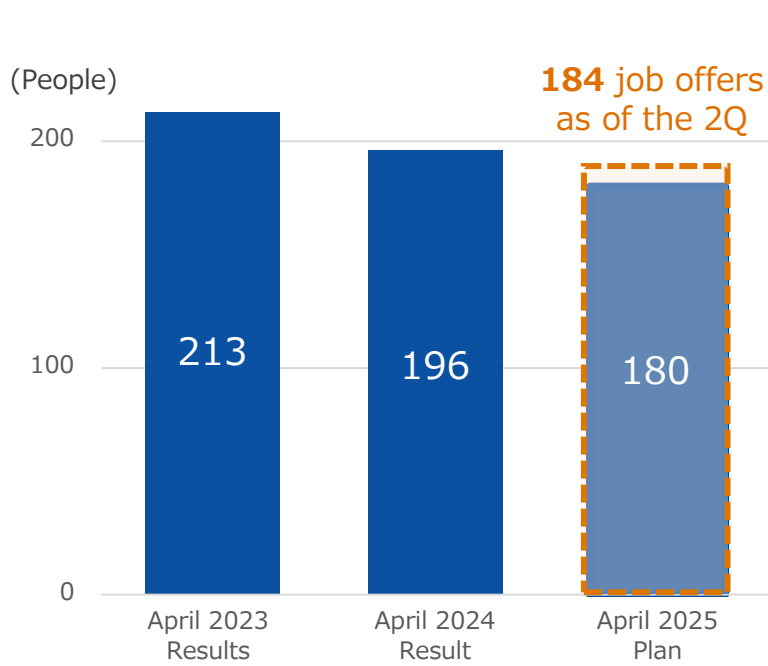
- Expect to hire more than the initially planned 180 new graduates

More hiring of experienced people

- Hired 36 people with prior work experience as of the end of September 2024
- Using referrals, scouting and other measures to recruit experienced people

Stronger relationships with partner companies

- Outsourced projects were 3.9% 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 – Improvements in Salaries and Benefits

Improvement of employee satisfaction and retention

Higher labor expenses

- Continuing to raise salaries while remaining far ahead of peer companies

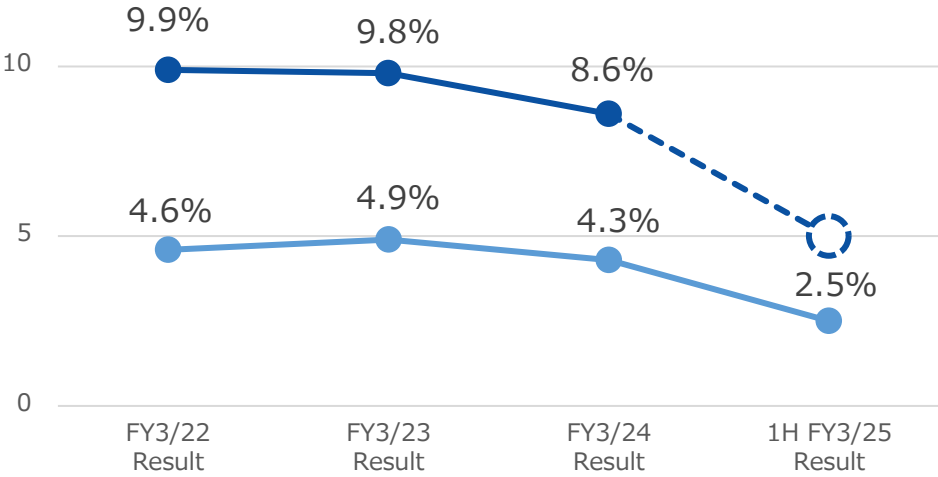
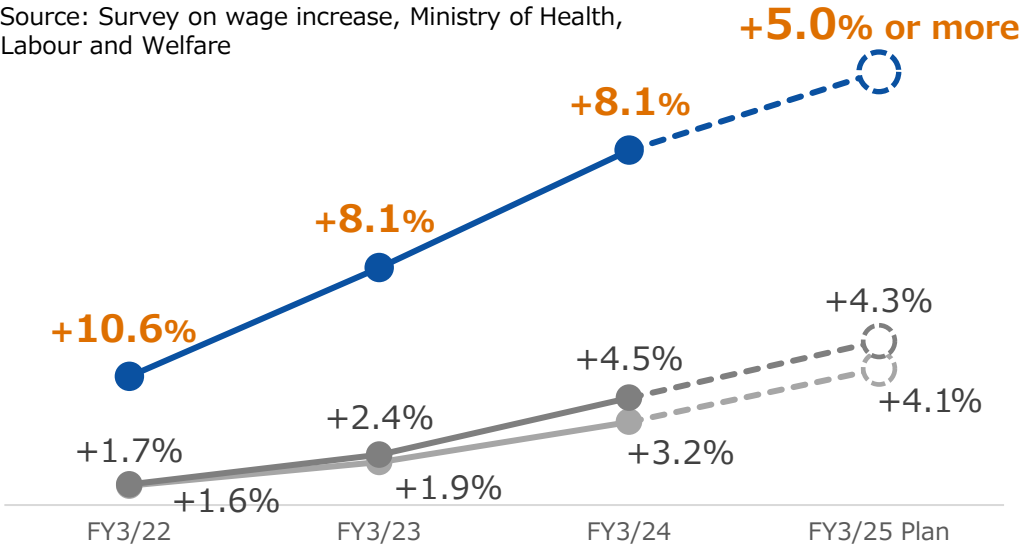
Improvement in employee attrition rate

- Turnover was down 1.8 pt. point due to measures involving human resources

- Comture (current employees/personnel expense increase per employee)
- Information and telecommunications industry average (*)
- Average of other companies (*)

- Attrition rate as of 4Q (cumulative)
- Attrition rate as of 2Q (cumulative)

*Source: Survey on wage increase, Ministry of Health, Labour and Welfare



Progress with Key Initiatives – Training Programs

Education and training programs for more added value

Fast training of new graduate employees

- Almost 80% of 189 new hires assigned to business units are productive
- Goal is to make all new graduate employees productive by the 3Q

Reskilling current employees

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

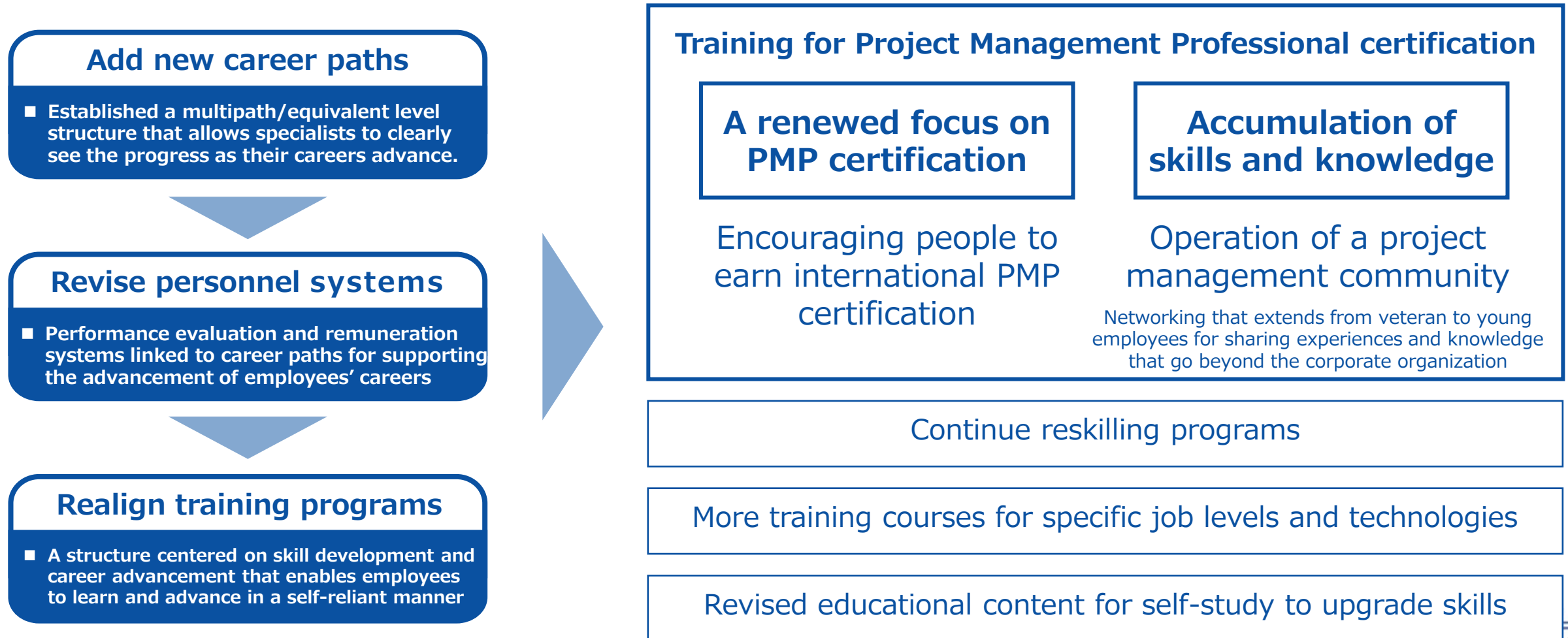
FY3/24	Apr.	213 new graduates hired/training started
	May	Department training
	June	Pct. of productive new graduates: About 30%
	Sep.	Pct. of productive new graduates: About 90%
FY3/25	Apr.	196 new graduates hired/training started
	May-June	Department training after job assignments
	Sep.	Pct. of productive new graduates: About 80%
	Oct.-	Plans to make 100% of new graduates productive

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

Topics

Activities for Higher Quality and Productivity – Project Management Training

A growth strategy based on upgrading project management skills



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 Category Themes for More Growth Beginning in 3Q

Cloud Solutions

- Collaboration using alliances with global SaaS vendors, consulting and integration services for the installation and use of CRM and other cloud services, and other activities

Digital Solutions

- Construction of data infrastructures by working with global AI vendors, provision of data analysis solutions by working with global data analysis vendors, and other activities

Business Solutions

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

Platform, Operation Services

- Hybrid cloud environments using virtualization software, design, construction and operation of virtual networks, IT system remote surveillance at COMTURE Group's service centers using global tools, help desk operations, and other activities

Digital Learning

- Training services with cooperation of global vendors for acquiring vendor certifications and IT training services to give people skills needed to perform DX jobs



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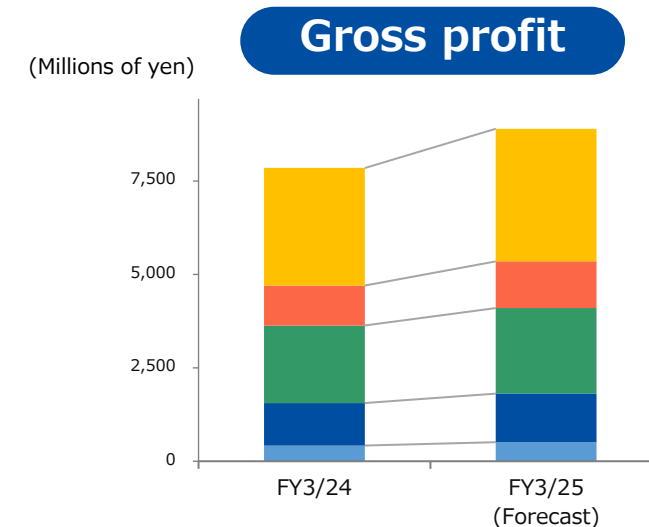
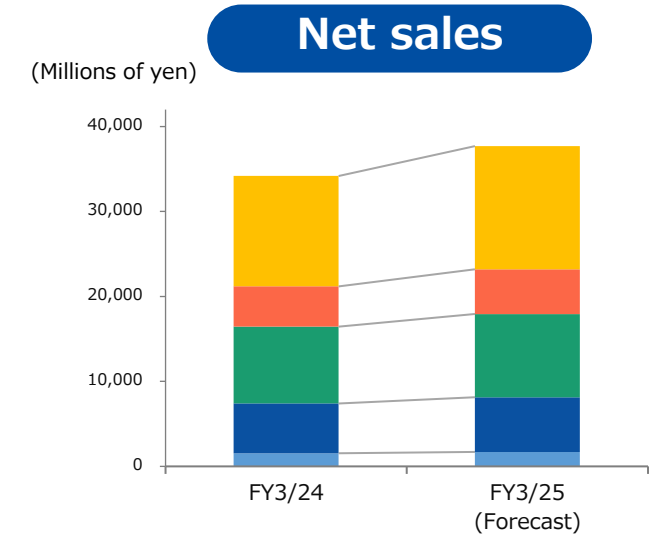
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COMTURE NETWORK CORPORATION



- Continue to increase low-code application development projects by using collaboration with Microsoft and Cybozu
- Build core IT systems on the Salesforce platform and increase business activities in data integration, generative AI and other new fields
- Joint activities with SAS for more data analysis projects for end users, growth of data management business involving SAP
- In the cloud infrastructure construction sector, more projects for modernizing and building AI platforms with AWS and more multi-cloud projects
- Growth of the application development business using the SAP Business Technology Platform (BTP), a platform for the development of peripheral applications
- More development projects for government agencies
- Increase projects for development of cloud-based front office systems for financial institutions
- Continue the business of building networks for government agencies.
- Expansion of the support for visualization and automation of system operations by using Splunk, an integrated log management tool
- Use BOX (sharing of cloud files) and increase the number of system operation orders
- Hold more training sessions by using the Microsoft education fund
- Use joint activities with software resellers and distributors to start a Microsoft training course resale business
- Business growth by targeting clients' remaining training budgets at the fiscal year end

Business Segment Forecast (Revised on November 5)

(Millions of yen)	FY3/24 Results	FY3/25 Forecast	YoY change (%)
Net Sales	34,185	37,700	+10.3%
■ Cloud Solutions	12,997	14,500	+11.6%
■ Digital Solutions	4,736	5,260	+11.0%
■ Business Solutions	9,049	9,800	+8.3%
■ Platform, Operation Services	5,855	6,440	+10.0%
■ Digital Learning	1,545	1,700	+10.0%
Gross profit	7,852	8,900	+13.3%
■ Cloud Solutions	3,146	3,550	+12.8%
■ Digital Solutions	1,069	1,250	+16.8%
■ Business Solutions	2,076	2,290	+10.3%
■ Platform, Operation Services	1,138	1,300	+14.2%
■ Digital Learning	420	510	+21.3%



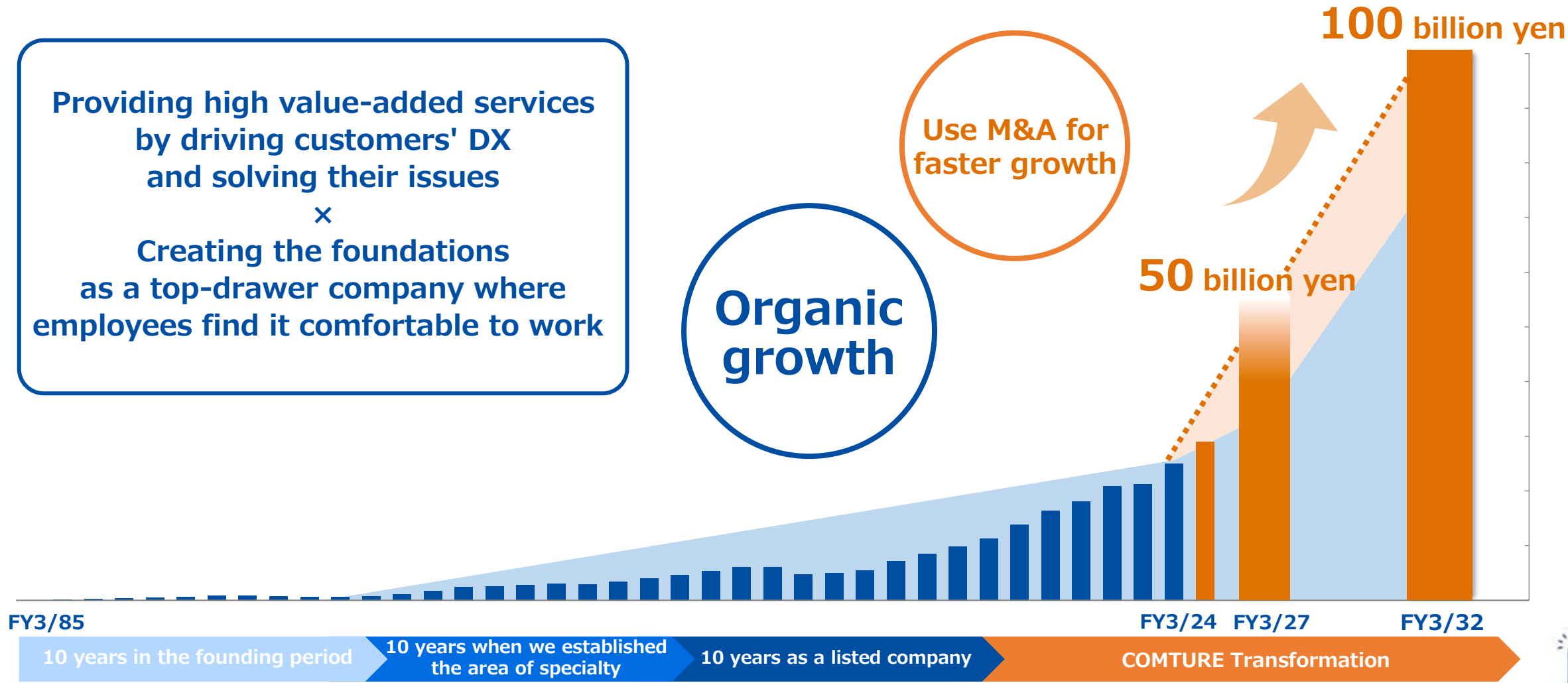
Our Vision for the Future

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
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 (Plan)
4Q	12.00 yen	Mar. 31, 2025	Next business day after shareholders' meeting approval (Plan)
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

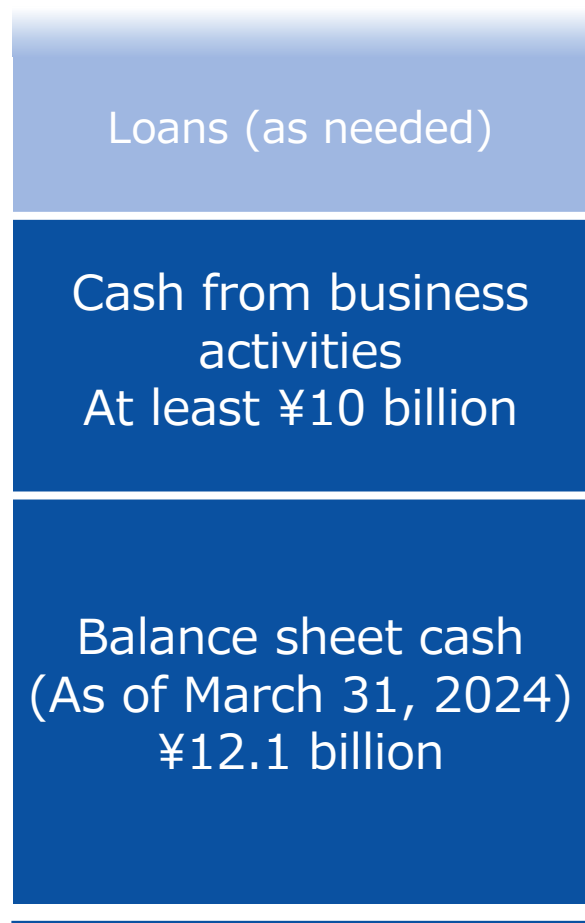
Long-term goal is sales of 100 billion yen

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

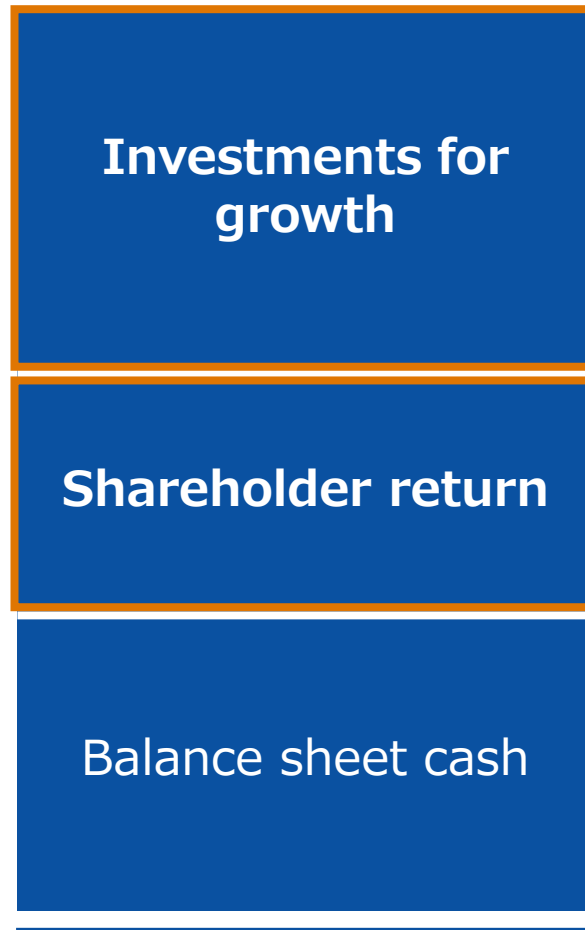
Maintain strong organic growth of 10% or more

(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	-

Investments for consistent growth and substantial shareholder distributions



Income



Expenditures

* All figures are based expected investments during the three-year period ending in March 2027

Investments for growth

[M&A: **¥5 to ¥10 billion**]

- Investments with emphasis on capital efficiency with the goal of building a stronger business infrastructure

[People: **At least ¥5 billion**]

- More hiring of new graduates and people with prior work experience
- More and upgraded education/training programs
- Continuous improvements in salaries and benefits and in non-monetary benefits
- Provide a pleasant and productive workplace environments

[Business/Innovations: **At least ¥1 billion**]

- Use the digital transformation for internal business process reforms
- Upgrade the core IT systems to improve efficiency and strengthen governance

Shareholder return

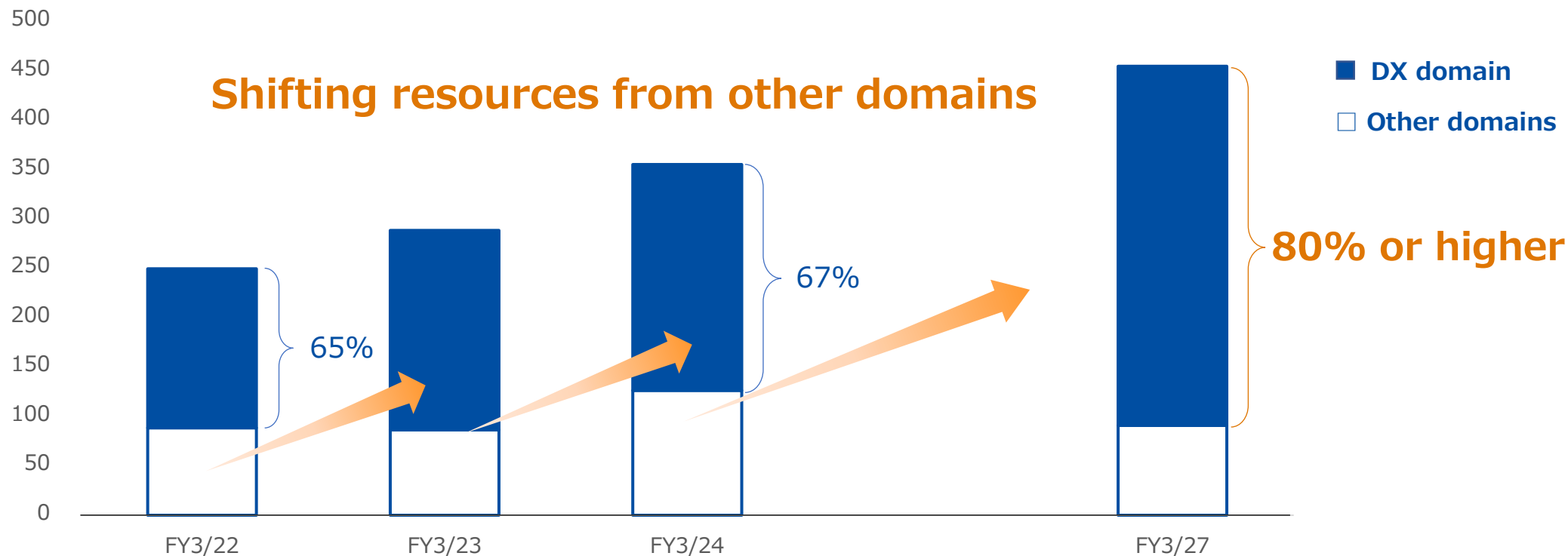
[Dividend payout ratio: **At least 45%**]

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)



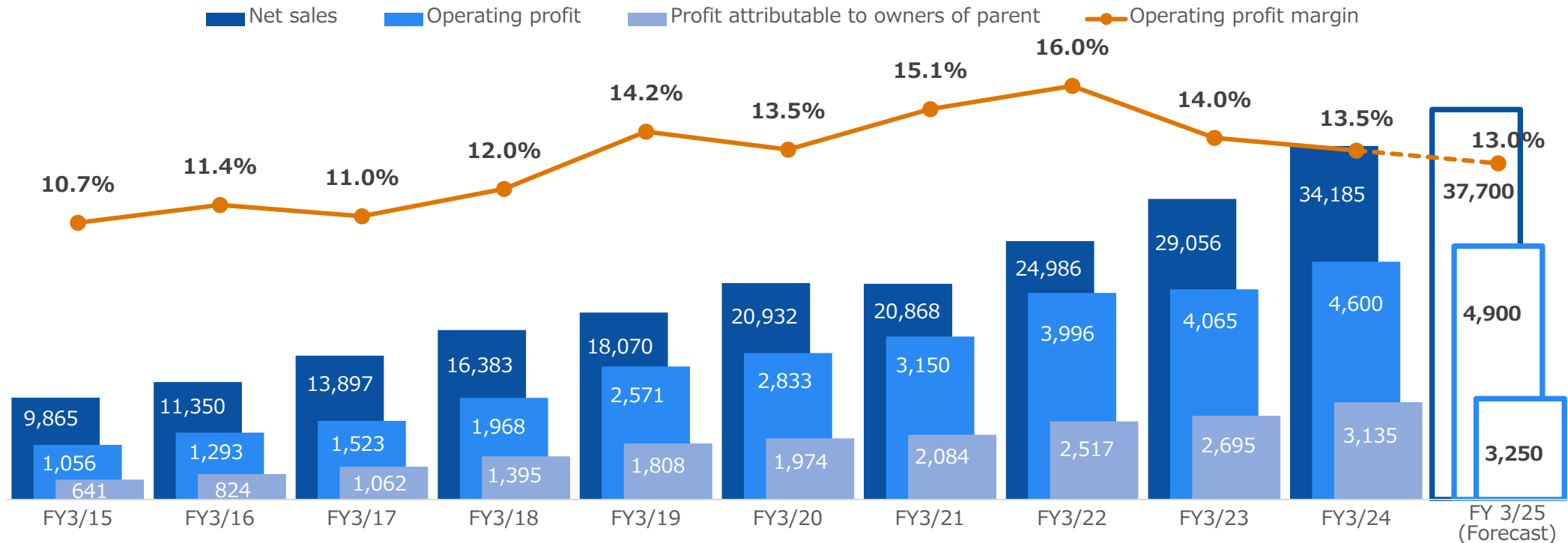
Recent M&A Activity

Big increase in profitability due to post-merger integration and training programs

Companies	Purpose of acquisition	Employees when acquired	Acquisition cost	Net sales Operating profit margin		Benefits of joining COMTURE Group
				Before (last year)	After (first year)	
Edifist Learning Inc.	• Strengthen IT education business	56	¥1,350 million	¥1,100 million 10.9%	¥1,190 million 19.4%	<ul style="list-style-type: none"> • More powerful education business • Training of DX experts
SoftwareCreation Co., Ltd. *Integration into COMTURE CORPORATION in April 2024	• Addition of resources (for reskilling)	120	¥500 million	¥1,760 million 4.7%	¥1,970 million 12.0%	<ul style="list-style-type: none"> • Expansion of businesses to growing market sectors by reskilling SAP engineers • More cross-selling to major clients
TAKT SYSTEMS, INC. TAKT BUSINESS SOFT, INC. *These companies were combined in October 2023	• Addition of resources (people with PM and other advanced skills)	121	¥2,370 million	¥2,670 million 6.5% (converted to 12-month period)	¥2,840 million 18.2%	<ul style="list-style-type: none"> • A stronger framework for business operations in Kansai area • A stronger framework in the BPM business sector • Addition of PM professionals, more business opportunities due to better quality for project management and other activities

Performance Trends

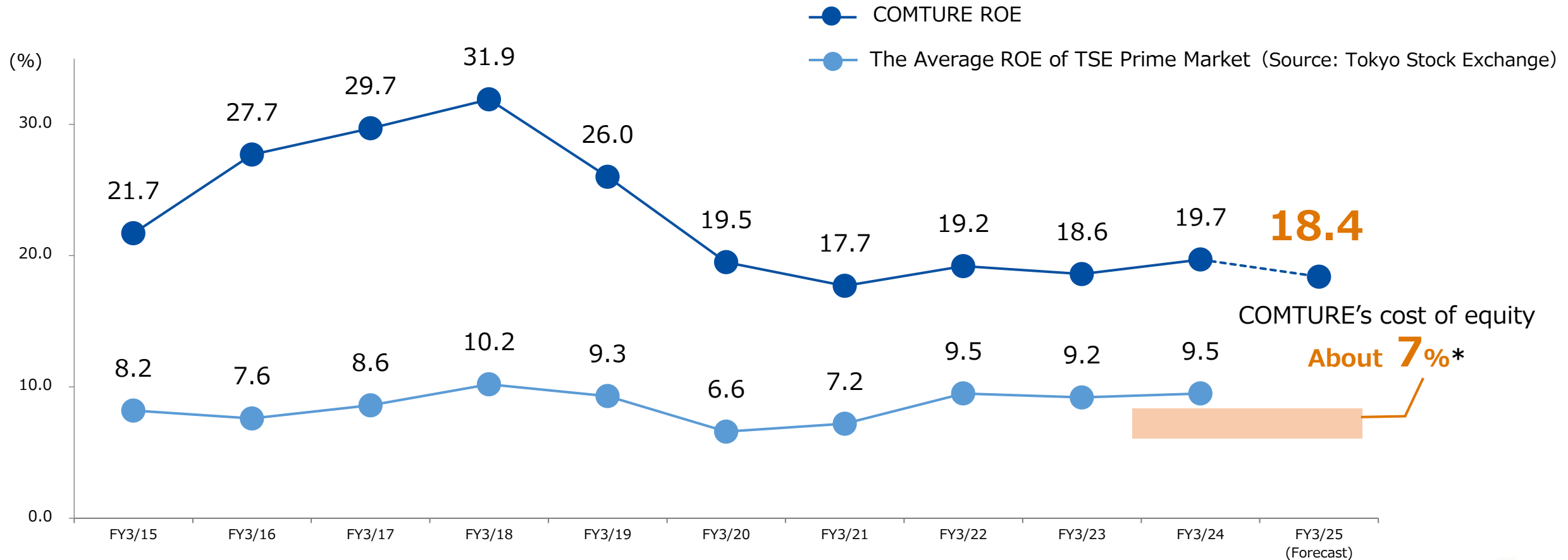
FY3/15 to FY3/25 (Net sales/Operating profit/Net income)



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

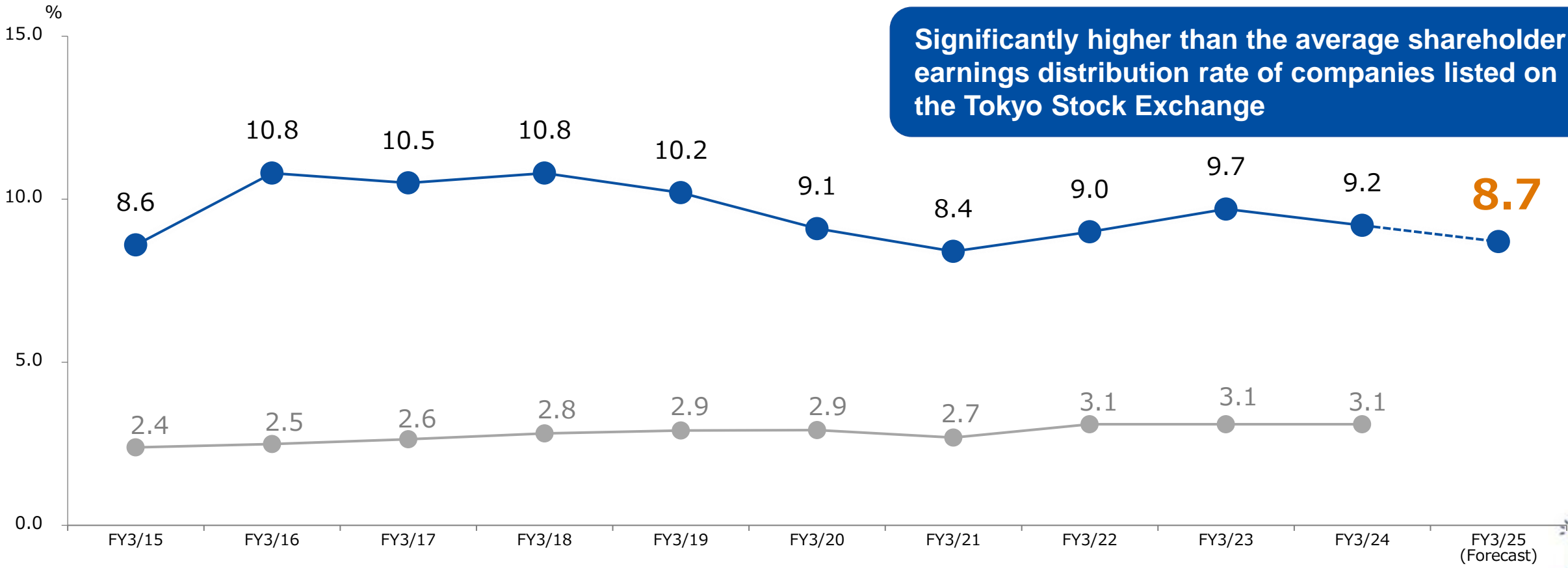
DOE(Dividend-equity ratio)= Payout ratio×ROE

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

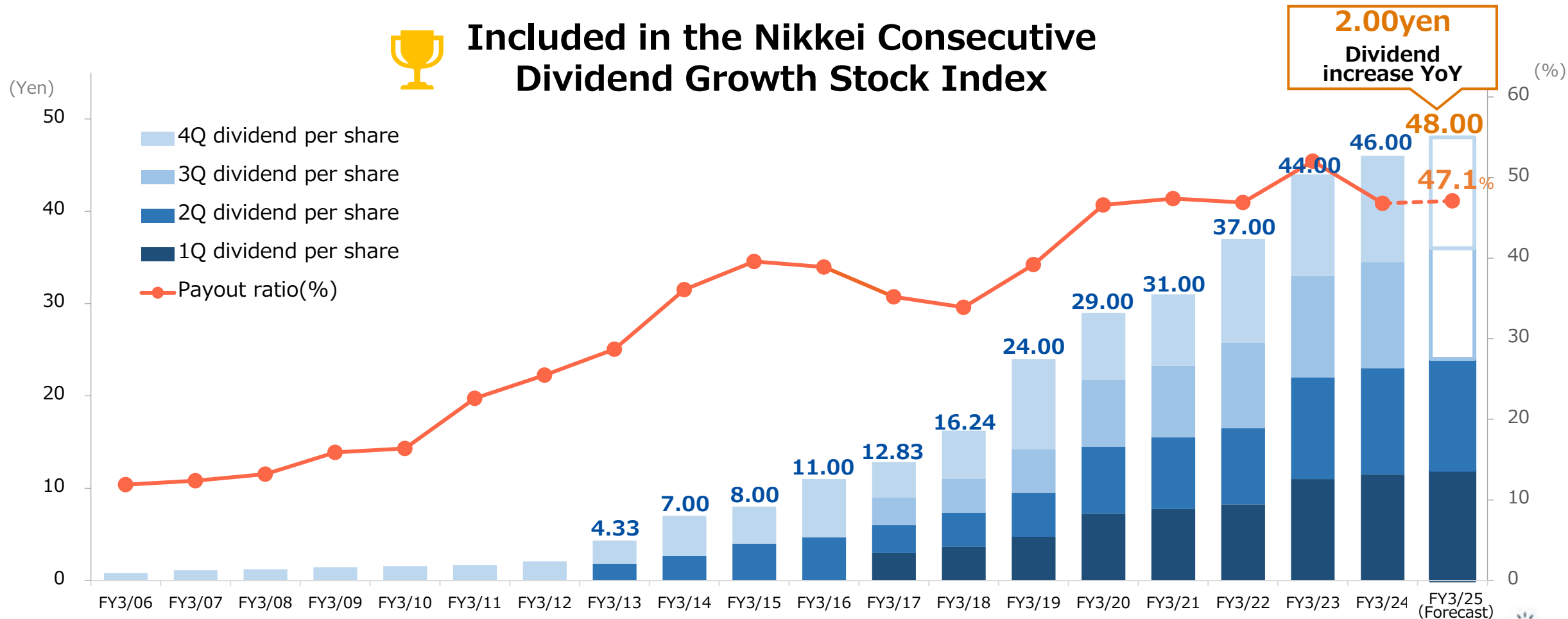


Dividend Policy and Dividend Growth

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



Included in the Nikkei Consecutive Dividend Growth Stock Index



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.

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



Precautions

- 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.

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