

Second Quarter of the Fiscal Year Ending March 31, 2020 Financial Results Materials

*Transforming needs
into solutions*

COMTURE CORPORATION



October 30, 2019

Koichi Mukai
Chairman & CEO

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2Q of the FY Ending March 31, 2020

Results of Operations



1-1 Financial Highlights (Announced October 30, 2019)

Achieved 9 consecutive years of sales growth and 8 consecutive years of earnings growth with both sales and earnings climbing to record highs

	2Q FY3/19 Results		2Q FY3/20 Results		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	8,484 million yen	-	10,076 million yen	-	+18.8%
Operating profit	1,214 million yen	14.3%	1,346 million yen	13.4%	+10.9%
Ordinary profit	1,220 million yen	14.4%	1,351 million yen	13.4%	+10.7%
Interim net income attributable to owners of parent	812 million yen	9.6%	940 million yen	9.3%	+15.7%
Interim net income per share	27.79 yen	-	29.69 yen	-	+6.8%

COMTURE conducted a 2-for-1 common stock split effective on October 1, 2019. Interim net income per share has been calculated as if this stock split had taken place at the beginning of FY3/19.

1-2 FY3/20 Contributing Factors

Net sales

Up 18.8% YoY

- +** Cloud solutions business: up 42.9% mainly due to collaborations with cloud platformers (Salesforce, AWS and Microsoft)
- +** Digital solutions business: up 42.4% due to growth of activities involving the digital transformation, such as big data, AI and RPA
- +** Up 280 million yen due to consolidation of UX-Systems

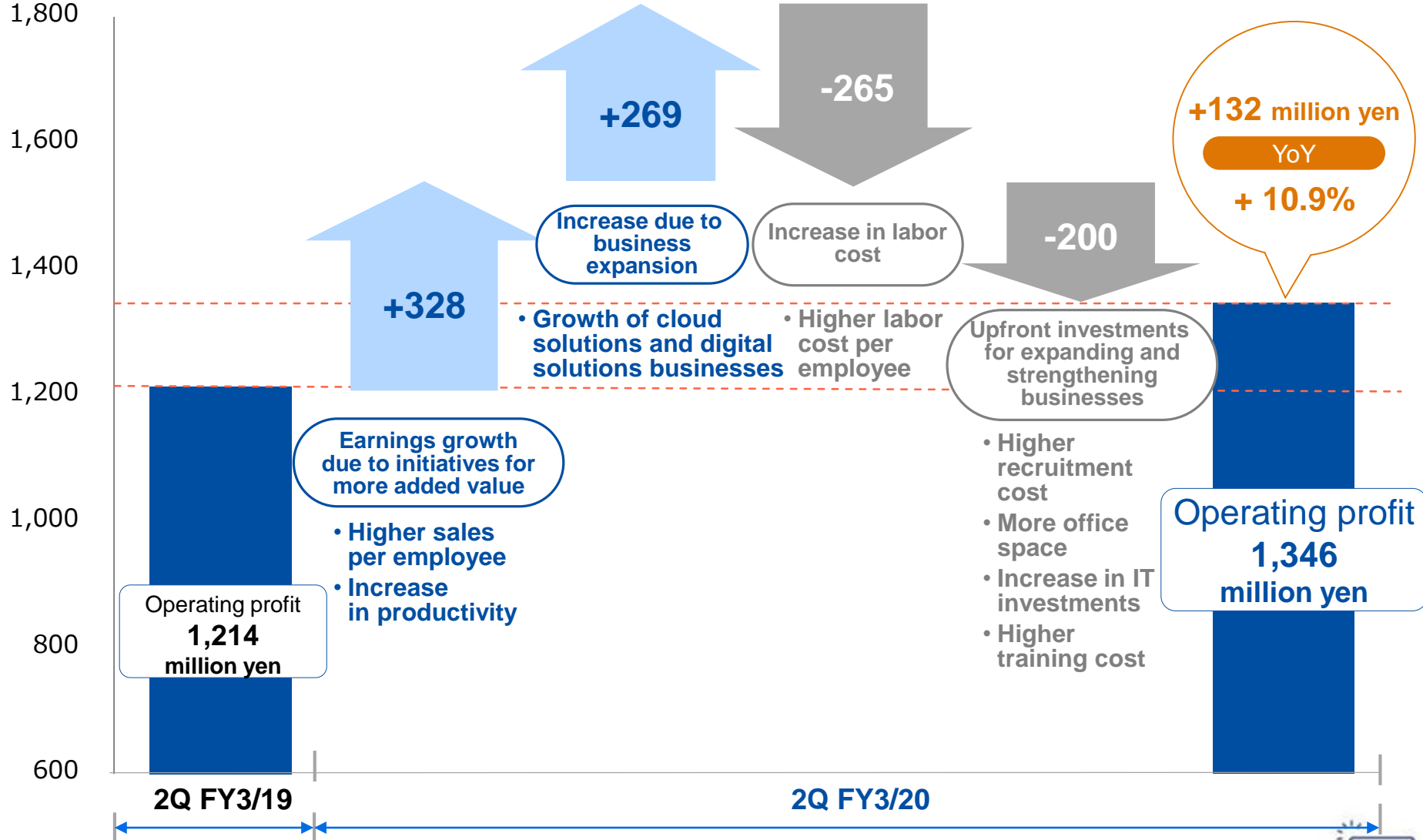
Operating profit

Up 10.9% YoY

- +** Sales per employee: up 3.8%
- +** Growth of the cloud solutions and digital solutions businesses
- Higher labor cost per employee
- Upfront investments, including an increase in the workforce, more office space and strengthening of internal IT systems

1-3 Components of Changes in Operating Profit

(Unit: million yen)



1-4 Business Segment Performance

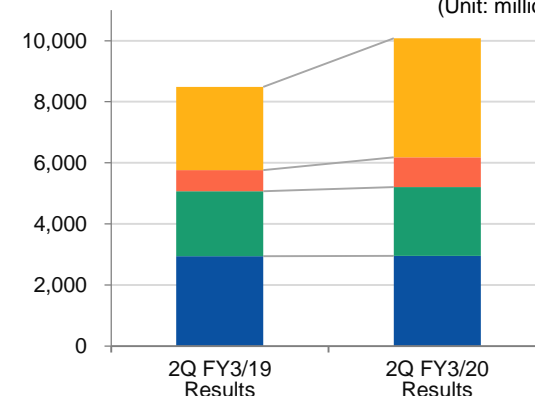
(Unit: million yen)

	2Q FY3/19 Results	2Q FY3/20 Results	YoY change (%)
Net sales	8,484	10,076	+18.8%
Cloud Solutions	2,723	3,890	+42.9%
Digital Solutions	687	978	+42.4%
Enterprise Solutions	2,130	2,252	+5.7%
Platform, Operation Services	2,942	2,955	+0.4%
Gross profit	2,023	2,317	+14.6%
Cloud Solutions	650	951	+46.2%
Digital Solutions	191	278	+45.2%
Enterprise Solutions	496	459	-7.4%
Platform, Operation Services	684	628	-8.2%

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

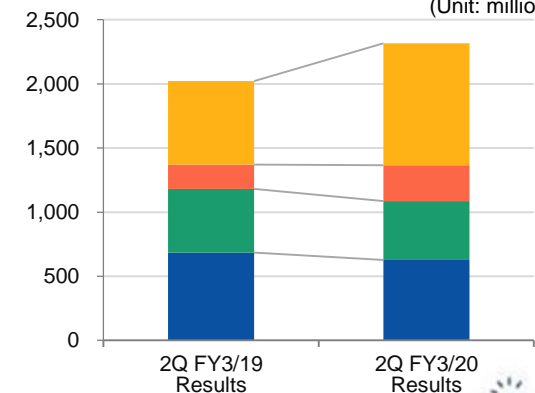
Net sales

(Unit: million yen)



Gross profit

(Unit: million yen)



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FY3/20

Earnings Forecast



2-1 FY3/20 Earnings Forecast

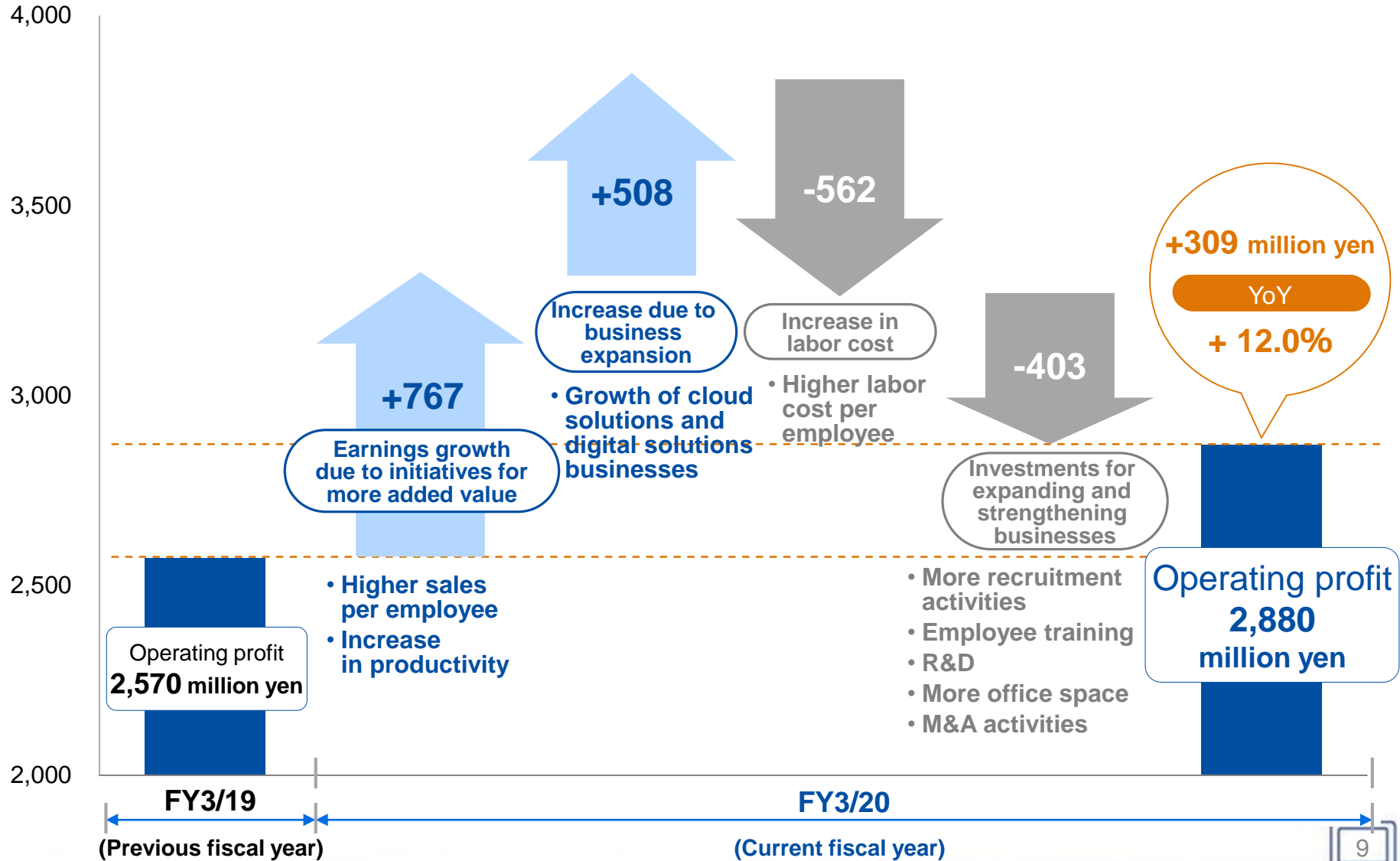
Aiming for 10 consecutive years of sales growth and 9 consecutive years of earnings growth, reaching new record highs

	FY3/19 Results		FY3/20 Forecast		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	18,070 million yen	-	20,000 million yen	-	+10.7%
Operating profit	2,570 million yen	14.2%	2,880 million yen	14.4%	+12.0%
Ordinary profit	2,575 million yen	14.3%	2,874 million yen	14.4%	+11.6%
Profit attributable to owners of parent	1,807 million yen	10.0%	2,021 million yen	10.1%	+11.8%
Net income per share	61.25 yen	-	64.68 yen	-	+5.6%

COMTURE conducted a 2-for-1 common stock split effective on October 1, 2019. Net income per share has been calculated as if this stock split had taken place at the beginning of FY3/19.

2-2 Forecast for Changes in Operating Profit

(Unit: million yen)



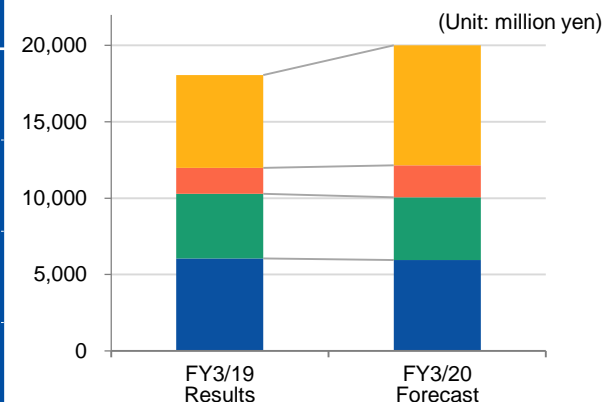
2-3 Business Segment Forecast

(Unit: million yen)

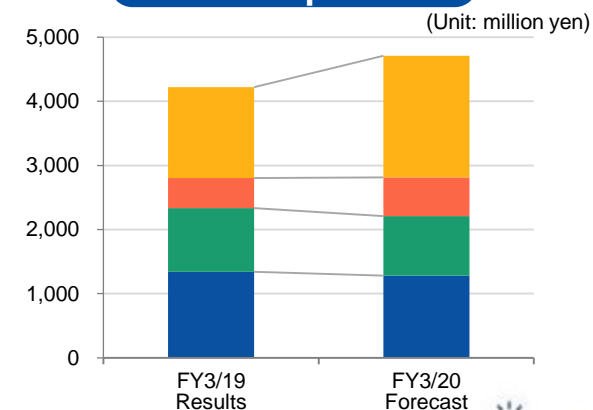
	FY3/19 Results	FY3/20 Forecast	YoY change (%)
Net sales	18,070	20,000	+10.7%
Cloud Solutions	6,094	7,842	+28.7%
Digital Solutions	1,682	2,103	+25.0%
Enterprise Solutions	4,244	4,117	-3.0%
Platform, Operation Services	6,050	5,939	-1.8%
Gross profit	4,219	4,711	+11.7%
Cloud Solutions	1,415	1,900	+34.3%
Digital Solutions	470	600	+27.7%
Enterprise Solutions	994	930	-6.4%
Platform, Operation Services	1,341	1,281	-4.5%

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

Net sales



Gross profit



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Topics

3-1 Stock Split

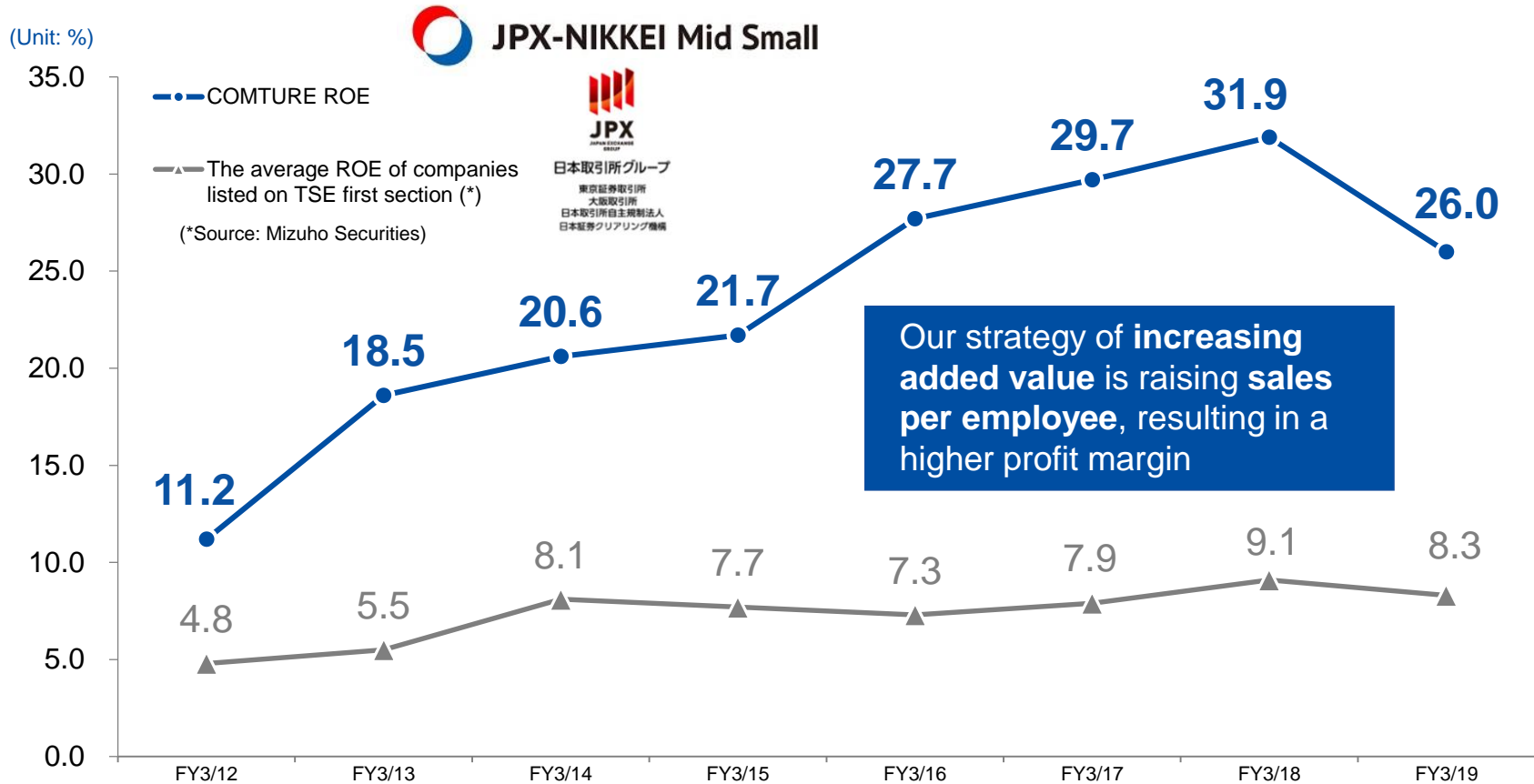
The stock split was conducted to increase liquidity and attract a broader range of investors

Stock split ratio	Two-for-one split of COMTURE common stock
Total number of shares outstanding	Before split: 16,120,800 shares After split: 32,241,600 shares
Effective date	October 1, 2019
Revision to dividend per share forecast due to the split	3Q: 7.25 yen (14.5 yen) 4Q: 7.25 yen (14.5 yen) * Figures in parentheses are the forecasts on May 8, 2019 * The dividend revision reflects only the stock split; there is no change in the effective dividend per share
Shares required for the shareholder benefit program	At least 300 shares (3 trading units) * No change in the number of shares for eligibility, thereby <u>expanding eligibility to more shareholders</u> after the split

3-2 A High Return on Equity

Our goal is an ROE that is consistently above 20%

As in FY3/19, the ROE was much higher than the average for all TSE first section companies



3-3 External Recognition

Defined KPI/External evaluation of goal achievements

Tokyo Stock
Exchange
JPX-Nikkei Mid and
Small Cap Index
(4 consecutive years)

200 issues

Approx.
2,900 issues

Forbes Asia
**Best Under
A Billion**

(Excellent small listed company
in Asia-Pacific region)

200 companies*

Approx.
24,000 companies

* **38 Japanese companies**

Evaluation criteria:

- Substantial added value
- Highly profitable
- High dividend payout ratio

**Over 5% annual increase in sales per
employee**
High ROE, high operating margin

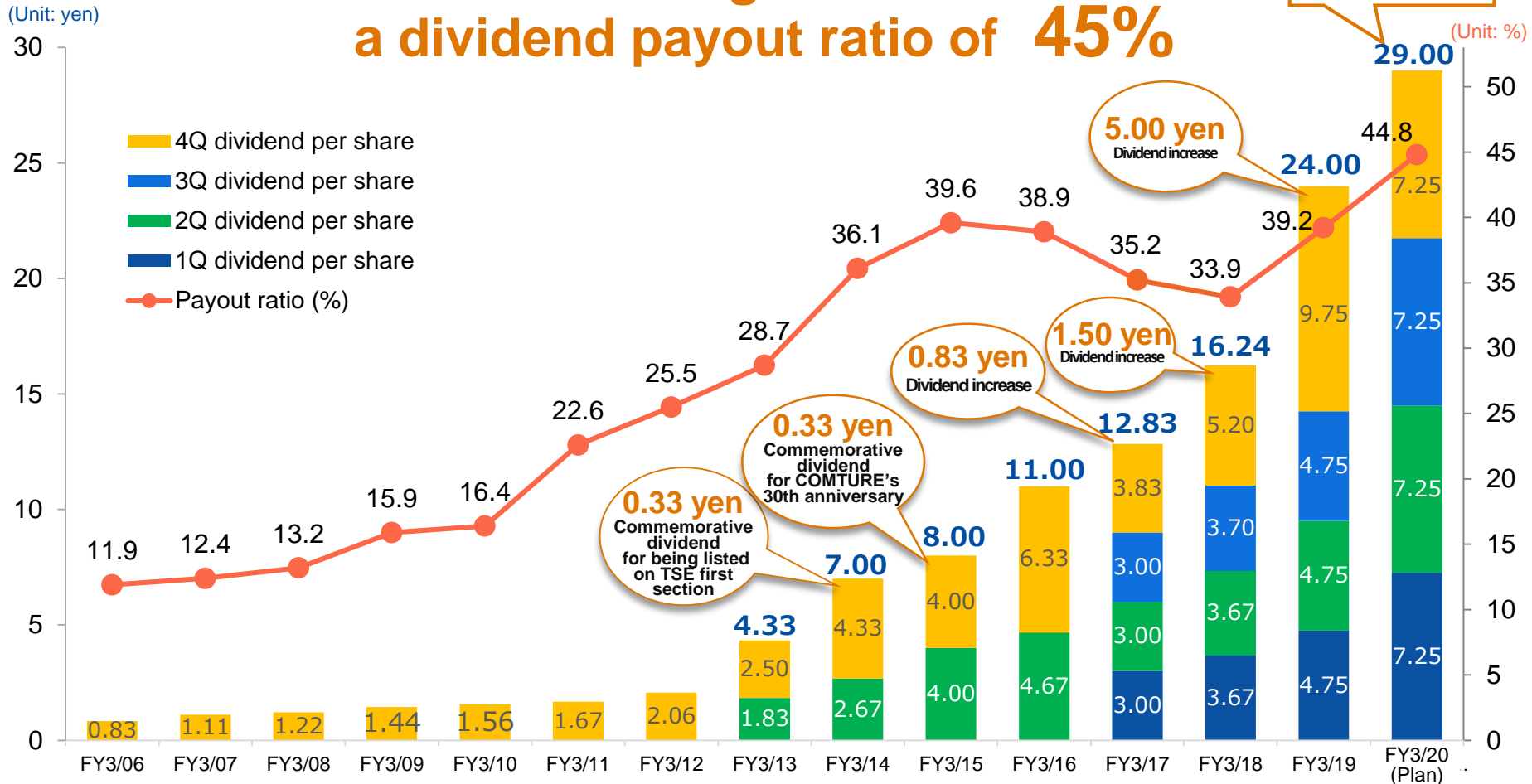
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Shareholder Returns

4-1 Dividend Growth

Plan to raise the dividend for the 15th consecutive year

Our goal is a dividend payout ratio of 45%



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.

4-2 Quarterly Dividends

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 record date	Dividend payment date
1Q	Jun. 30, 2019	Aug. 30, 2019
2Q	Sep. 30, 2019	Nov. 29, 2019(planned)
3Q	Dec. 31, 2019	Feb. 28, 2020(planned)
4Q	Mar. 31, 2020	Next business day after shareholders' meeting approval(planned)

4-3 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 17,400 yen + prepaid QUO cards worth 2,000 yen = 19,400 yen annually
- * The payout ratio including QUO cards are expected to be 50% for the fiscal year ending March 31, 2020 (for shareholders holding 300 shares at the time of the stock split on October 1, 2019)



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.

Inquiries

Investors Relations, Corporate Planning Department

COMTURE CORPORATION

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

E-mail: ir-info@comture.com