

# Second Quarter of the Fiscal Year Ended March 31, 2021 Financial Results Materials

## COMTURE CORPORATION

*Transforming needs  
into solutions*



October 30, 2020

**Koichi Mukai**  
Chairman & CEO

**2Q of the FY Ended March 31, 2021**

**1**

# Results of Operations



# 1-1 Financial Highlights (Announced October 30, 2020)

**Achieved 10 consecutive years of sales growth and earnings climbing to record highs**

	2Q FY3/20 Results		2Q FY3/21 Results		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	9,719 million yen	-	<b>10,071 million yen</b>	-	<b>+3.6%</b>
Operating profit	1,346 million yen	13.8%	<b>1,336 million yen</b>	<b>13.3%</b>	<b>-0.7%</b>
Ordinary profit	1,351 million yen	13.9%	<b>1,375 million yen</b>	<b>13.7%</b>	<b>+1.8%</b>
Interim net income attributable to owners of parent	940 million yen	9.7%	<b>920 million yen</b>	<b>9.1%</b>	<b>-2.1%</b>
Interim net income per share	29.69 yen	-	<b>28.88 yen</b>	-	<b>-0.8%</b>

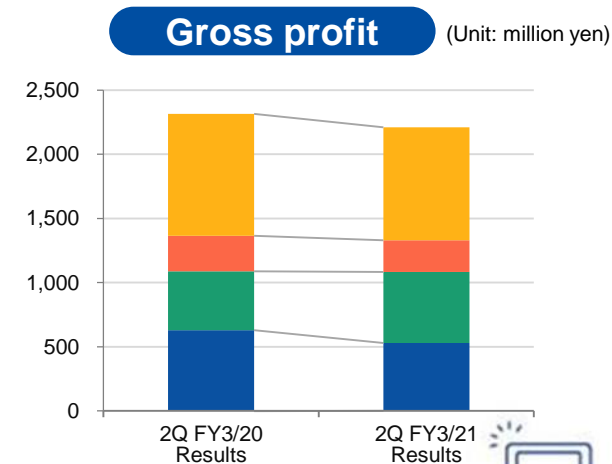
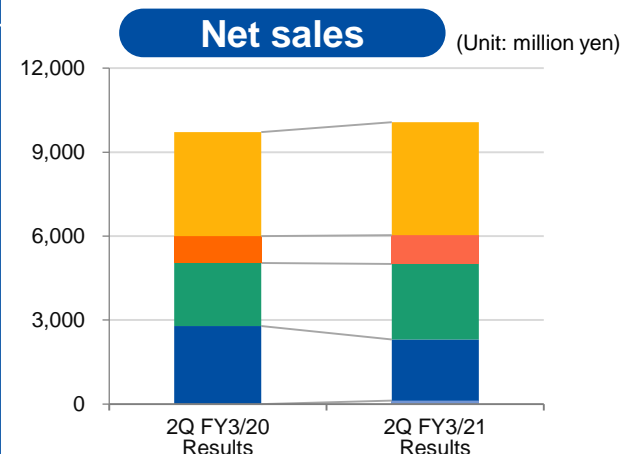
\* COMTURE started applying Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) in FY3/21, which is earlier than required. Net sales have been calculated assuming that this standard had been used from the beginning of FY3/20 (same hereafter).

# 1-2 Business Segment Performance

(Unit: million yen)

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

	2Q FY3/20 Results	2Q FY3/21 Results	YoY change (%)
<b>Net sales</b>	9,719	10,071	+3.6%
Cloud Solutions	3,722	4,037	+8.5%
Digital Solutions	957	1,021	+6.7%
Business Solutions	2,246	2,703	+20.3%
Platform, Operation Services	2,793	2,186	-21.7%
Digital Learning	-	122	-
<b>Gross profit</b>	2,317	2,212	-4.5%
Cloud Solutions	951	880	-7.4%
Digital Solutions	278	247	-11.1%
Business Solutions	459	553	+20.5%
Platform, Operation Services	628	529	-15.8%
Digital Learning	-	1	-



# 1-3 Contributing Factors

Net sales

**Up 3.6%** YoY

- + Cloud solutions business growth mainly due to collaborations with global cloud platformers
- + Digital solutions business growth due to higher demand for data analysis services
- + Higher business solutions sales because of the growth in demand in the SAP business
- Downturn in IT investments in the airline, manufacturing and other sectors because of COVID-19

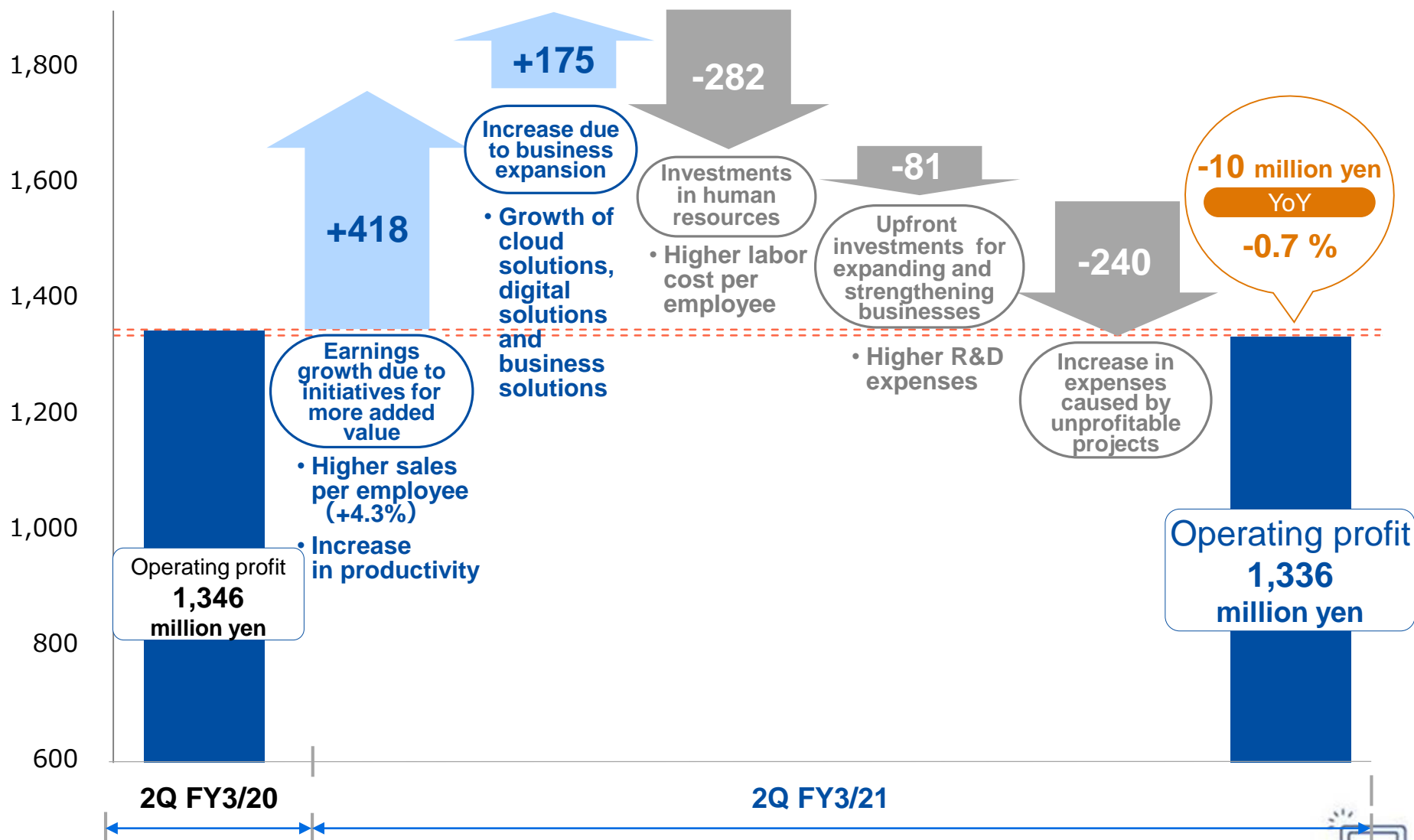
Operating profit

**Down 0.7%** YoY

- + Sales per employee: up 4.3%
- + Growth of the cloud solutions, digital solutions and business solutions businesses
- Temporary increase in expenses caused by unprofitable projects
- Substantial investments in human resources, resulting in a higher cost of labor and other activities
- Up-front investments for R&D and other activities to support continuing growth

# 1-4 Components of Changes in Operating Profit

(Unit: million yen)



# 2

**FY3/21**

## Earnings Forecast

No change in the earnings forecast announced on May 15, 2020



# 2-1 FY3/21 Earnings Forecast

**Aiming for 11 consecutive years of sales growth and 10 consecutive years of earnings growth, reaching new record highs**

	FY3/20 Results		FY3/21 Forecast		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	20,008 million yen	-	21,000 million yen	-	+5.0%
Operating profit	2,833 million yen	14.2%	3,045 million yen	14.5%	+7.5%
Ordinary profit	2,867 million yen	14.3%	3,045 million yen	14.5%	+6.2%
Profit attributable to owners of parent	1,974 million yen	9.9%	2,070 million yen	9.9%	+4.8%
Net income per share	62.17 yen	-	64.97 yen	-	+4.5%

\* COMTURE started applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) in FY3/21, which is earlier than required. Net sales have been calculated assuming that this standard had been used from the beginning of FY3/20 (same hereafter).



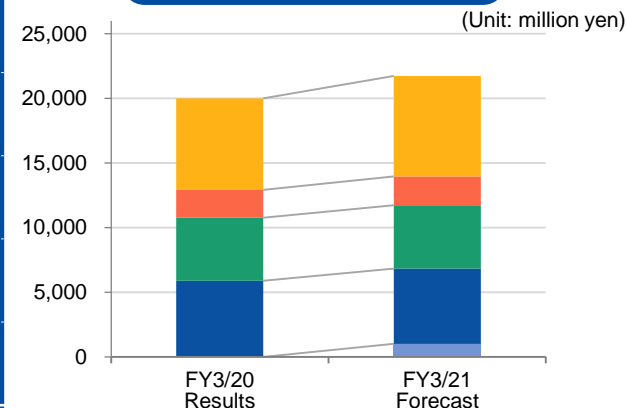
# 2-2 Business Segment Forecast

(Unit: million yen)

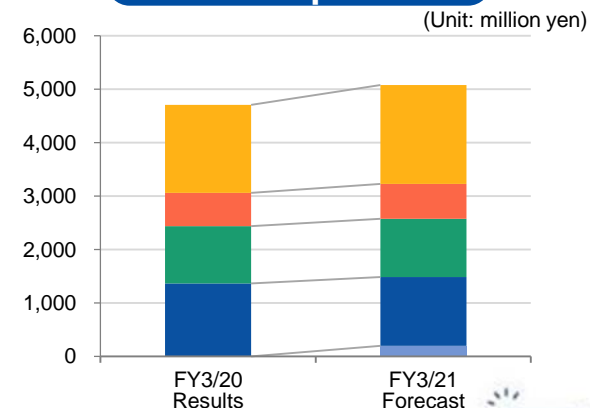
	FY3/20 Results	FY3/21 Forecast	YoY change (%)
<b>Net sales</b>	20,008	21,000	+5.0%
Cloud Solutions	7,087	7,789	+9.9%
Digital Solutions	2,149	2,216	+3.1%
Business Solutions	4,878	4,901	+0.5%
Platform, Operation Services	5,893	5,842	-0.9%
Digital Learning	-	250	-
<b>Gross profit</b>	4,708	4,956	+5.3%
Cloud Solutions	1,646	1,853	+12.6%
Digital Solutions	625	649	+3.8%
Business Solutions	1,069	1,093	+2.2%
Platform, Operation Services	1,368	1,285	-6.1%
Digital Learning	-	75	-

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

## Net sales

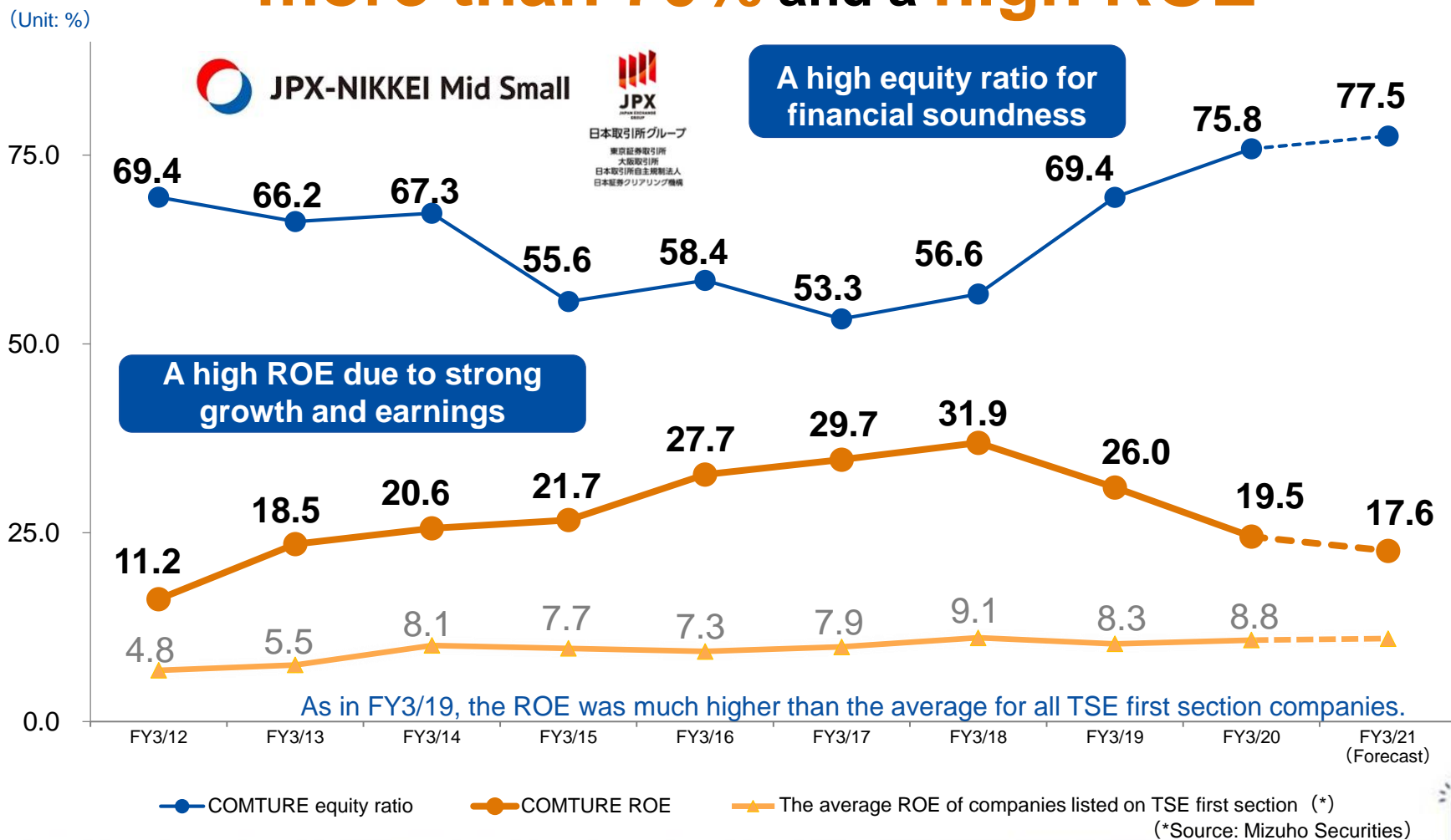


## Gross profit



# 2-3 Financial Soundness and High Profitability

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



# 3

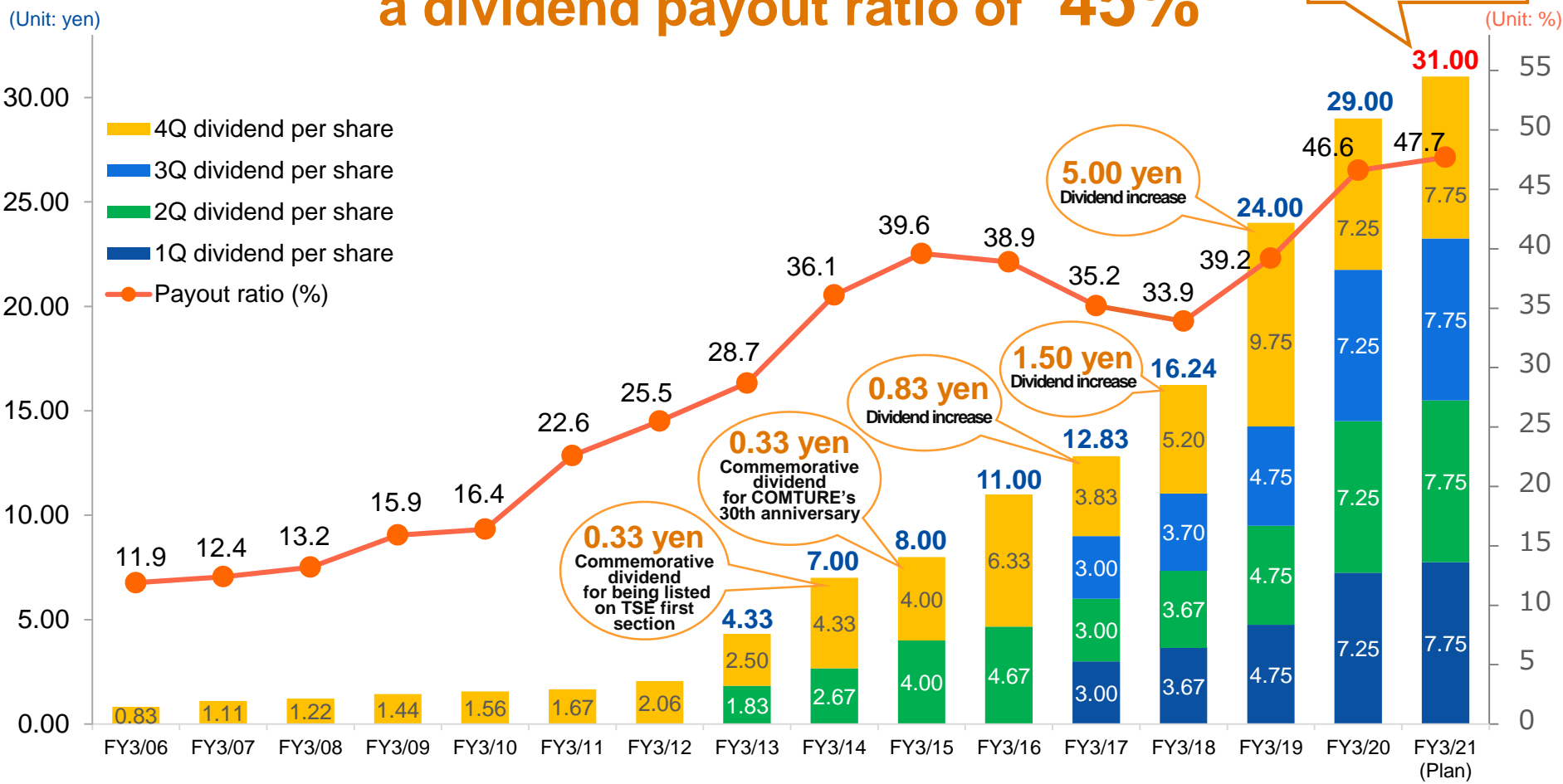
## Shareholder Returns

# 3-1 Dividend Growth

Plan to raise the dividend for the 16th consecutive year

Our goal is a dividend payout ratio of **45%**

**2.00 yen**  
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.

# 3-2 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, 2020	Aug. 31, 2020
2Q	Sep. 30, 2020	Nov. 30, 2020(planned)
3Q	Dec. 31, 2020	Feb. 26, 2021(planned)
4Q	Mar. 31, 2021	Next business day after shareholders' meeting approval(planned)

# 3-3 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 9,300 yen + prepaid QUO cards worth 2,000 yen = 11,300 yen annually
- The payout ratio including QUO cards are expected to be 58.0% for the fiscal year ending March 31, 2021 (for shareholders holding 300 shares)



# Precautions

- This presentation was prepared to provide information about COMTURE and is not a solicitation to invest in COMTURE.
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