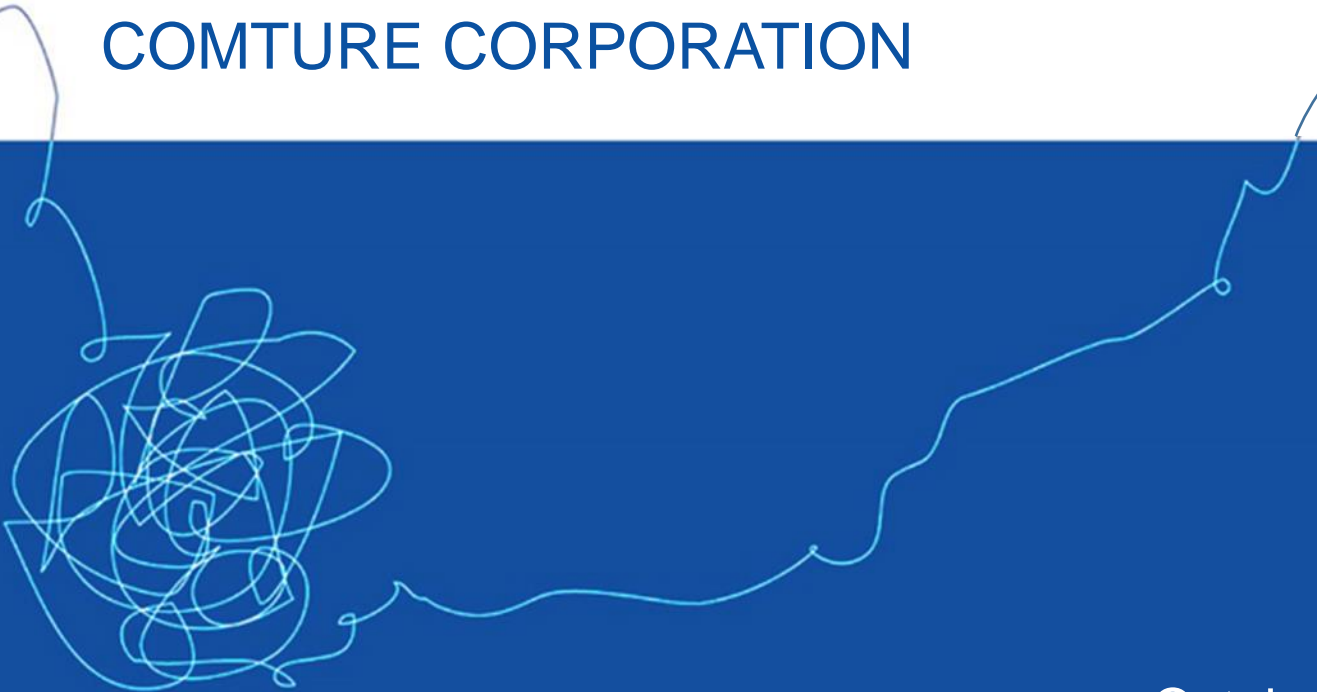


Second Quarter of the Fiscal Year Ending March 31, 2024 Financial Results Materials

COMTURE CORPORATION

*Transforming needs
into solutions*



October 30, 2023

Chihiro Sawada
Representative Director,
Executive President

2Q of the FY Ending March 31, 2024

1

Results of Operations



1-1 Financial Highlights (Announced October 30, 2023)

Record high first half sales and interim profit with the 13 consecutive year of sales growth and a big earnings recovery

*Figures in parenthesis are organic growth excluding M&A

	2Q FY3/23 Results		2Q FY3/24 Results		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	14,045 million yen	-	16,761 million yen (15,381 million yen)	-	+19.3% (+9.5%)
Operating profit	1,733 million yen	12.3%	1,950 million yen (1,823 million yen)	11.6% (11.9%)	+12.5% (+5.2%)
Ordinary profit	1,741 million yen	12.4%	1,946 million yen (1,817 million yen)	11.6% (11.9%)	+11.8% (+4.4%)
Interim profit attributable to owners of parent	1,186 million yen	8.4%	1,251 million yen	7.5%	+5.5%
Interim net income per share	37.21 yen	-	39.26 yen	-	+5.5%

1-2 Business Segment Performance

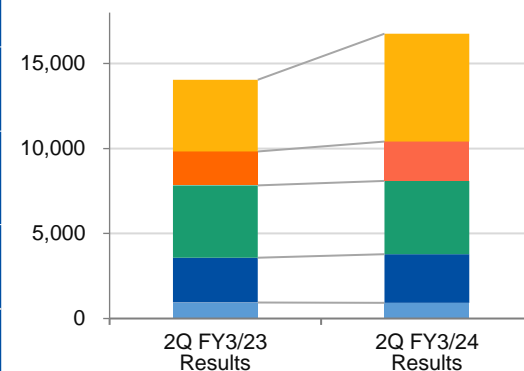
(Unit: million yen)

	2Q FY3/23 Results	2Q FY3/24 Results	YoY change (%)
Net sales (*) See next page	14,045	16,761	+19.3%
Cloud Solutions	4,223	6,339	+50.1%
Digital Solutions	1,986	2,315	+16.6%
Business Solutions	4,257	4,316	+1.4%
Platform, Operation Services	2,631	2,856	+8.5%
Digital Learning	945	933	▲1.3%
Gross profit (*) See next page	3,156	3,670	+16.3%
Cloud Solutions	1,150	1,454	+26.4%
Digital Solutions	453	495	+9.3%
Business Solutions	789	958	+21.4%
Platform, Operation Services	458	480	+4.9%
Digital Learning	305	281	▲7.8%

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

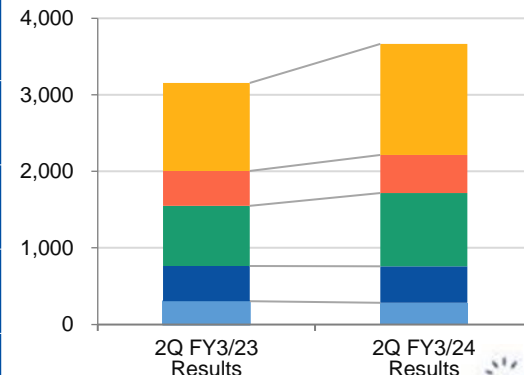
Net sales

(Unit: million yen)



Gross profit

(Unit: million yen)



*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 second 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.

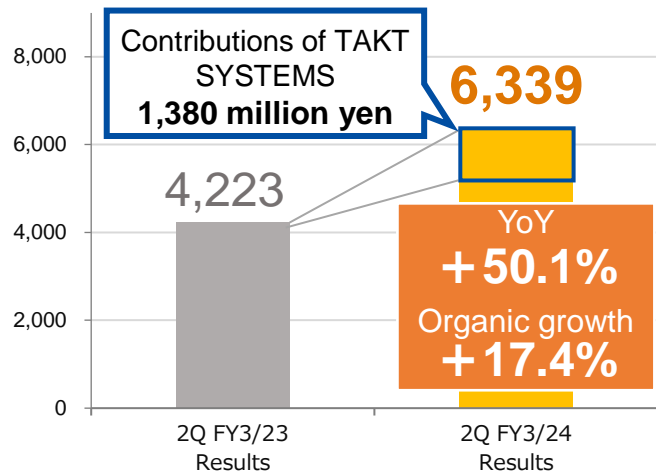
For consistency with this change, the consolidated statement of income for the second quarter of the previous fiscal year have been restated.



1-3 Cloud Solutions Business

Net sales

(Unit: million yen)

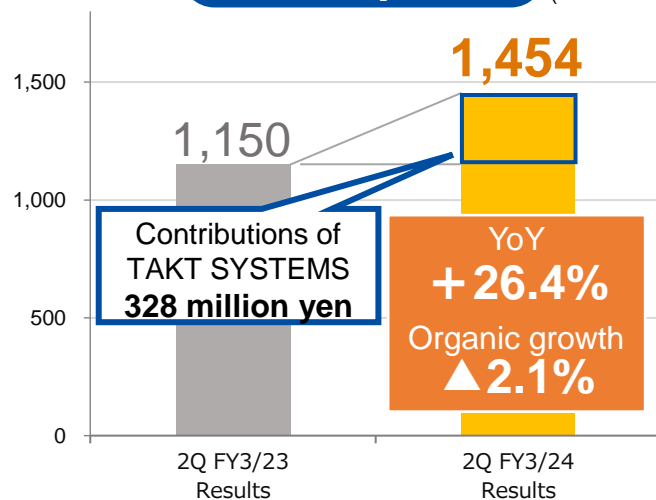


■ Main Activities

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

Gross profit

(Unit: million yen)



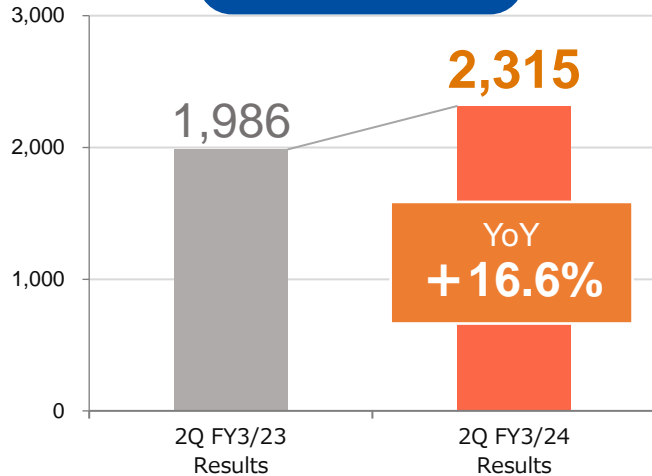
■ Overview

- + Contribution of the sales at a subsidiary newly consolidated in this fiscal year
- + Growing demand for consulting services and building systems for the digital transformation (DX) using collaborations with vendors
- Temporary increase in training expenses for new graduate employees and for reskilling of current employees

1-4 Digital Solutions Business

Net sales

(Unit: million yen)

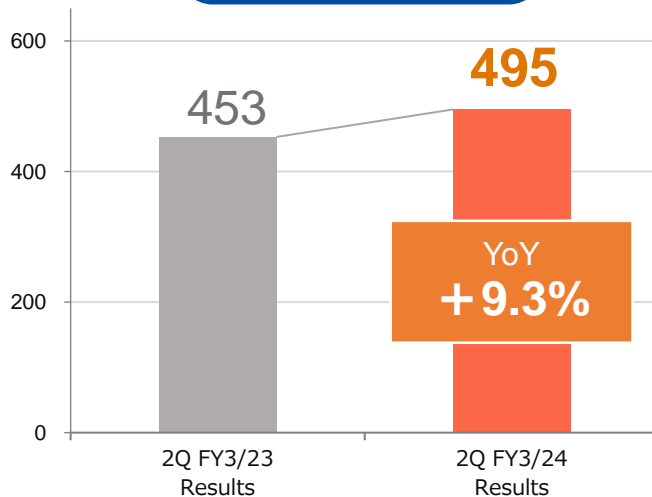


■ Main Activities

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

Gross profit

(Unit: million yen)



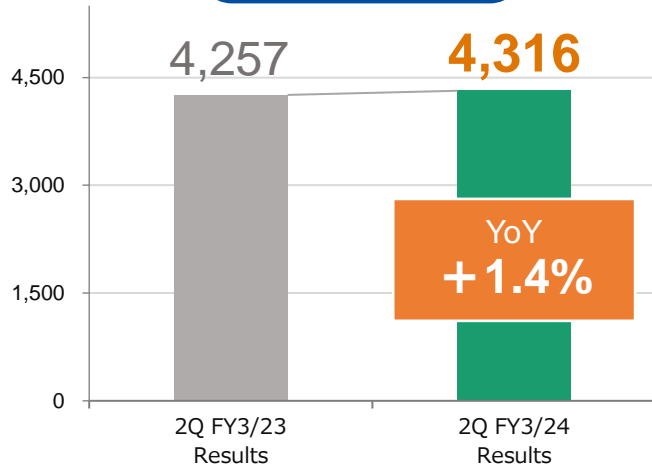
■ Overview

- ⊕ Growth of the data analysis business
- ⊕ Growth of the data management business, such as building infrastructures for collecting and storing large amount of data
- ⊕ Expanding the business of building anti-money laundering systems for financial institutions
- ⊖ Temporary increase in training expenses for new graduate employees

1-5 Business Solutions Business

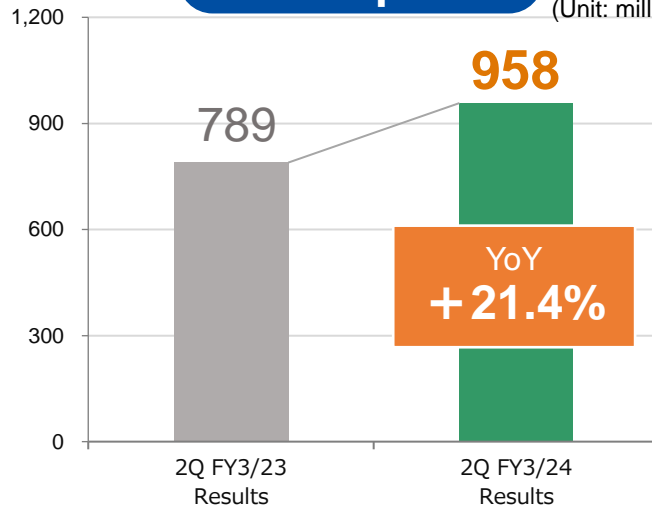
Net sales

(Unit: million yen)



Gross profit

(Unit: million yen)



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

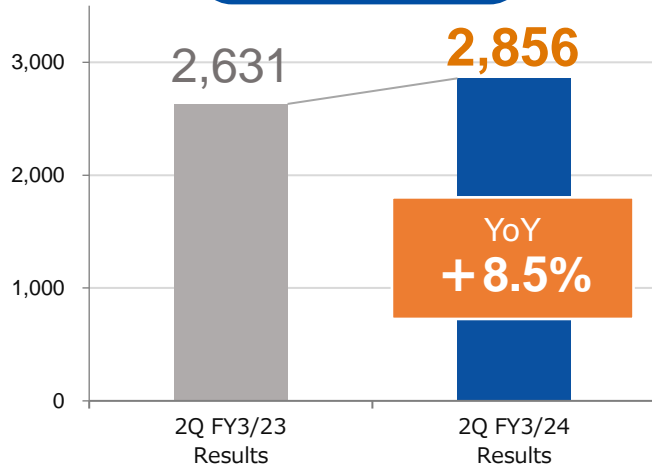
Overview

- + 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
- + Profitability improved in part because earnings in the 1Q of FY3/23 were impacted by a project that encountered difficulties

1-6 Platform, Operation Services Business

Net sales

(Unit: million yen)

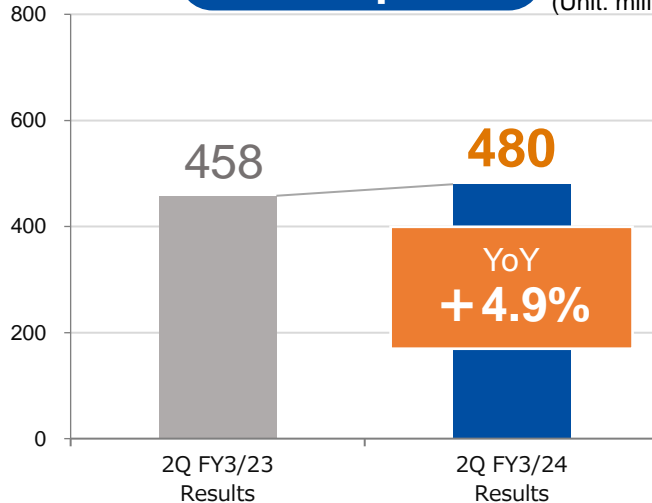


Main Activities

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

Gross profit

(Unit: million yen)



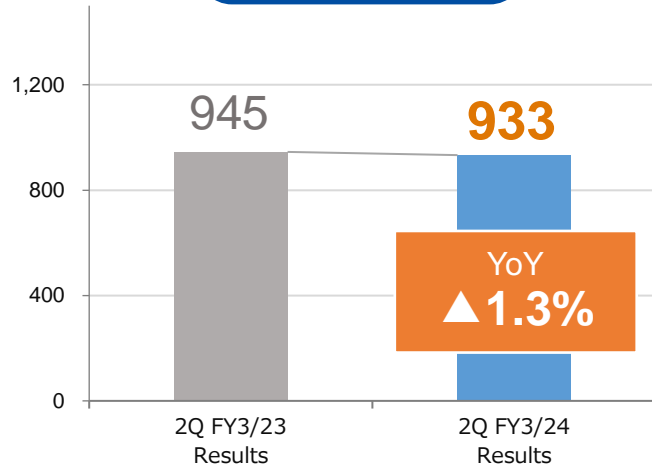
Overview

- + Growth of the business for operating cloud environments
- + Higher demand for the outsourcing and security support of IT system operations

1-7 Digital Learning Business

Net sales

(Unit: million yen)



Main Activities

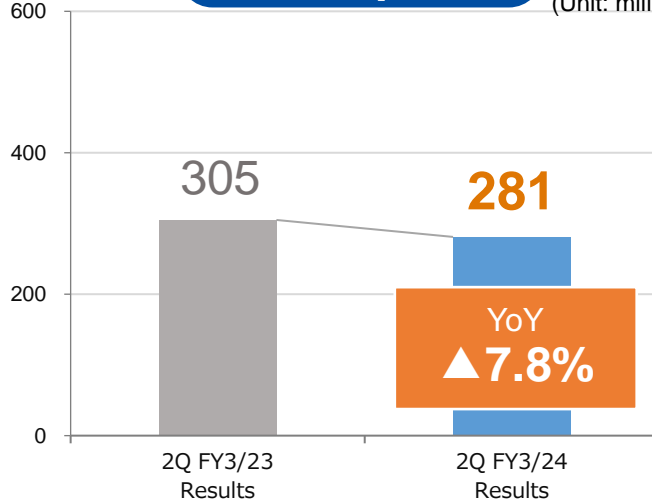
Education services with cooperation of global vendors (Microsoft, Salesforce, ServiceNow and others) for acquiring vendor certifications and IT education services to give people skills needed to perform DX jobs

Overview

- \oplus Increasing demand at companies for structured training programs
- \ominus A brief downturn in the vendor certification education business caused mainly by a change in the system used for earning these certifications

Gross profit

(Unit: million yen)



1-8 Contributing Factors

Net sales

Up 19.3% 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 in the Cloud solutions business.
- + 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.

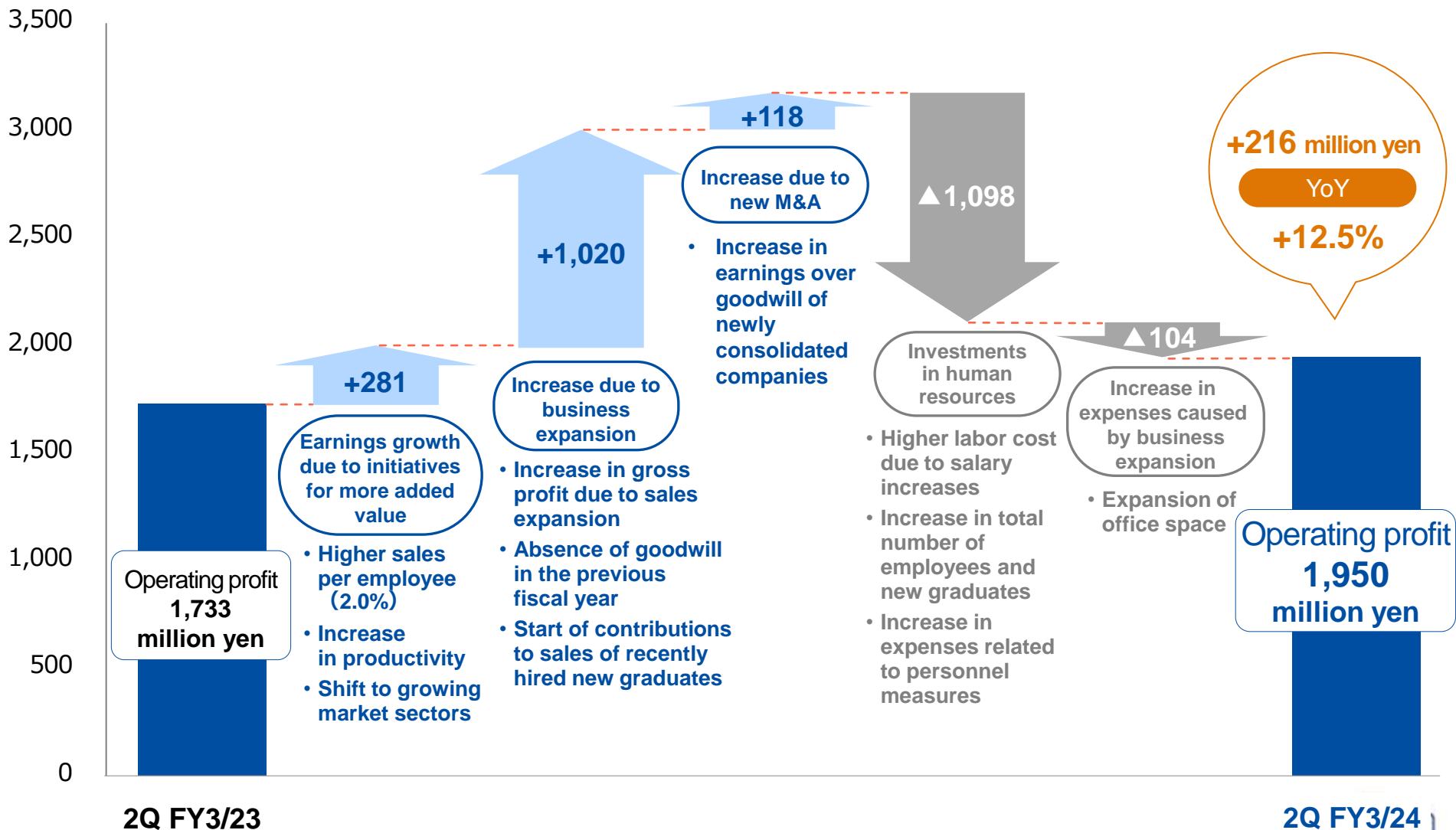
Operating profit

Up 12.5% YoY

- + Sales per employee: up 2.0%
- + Gross profit 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 6.1% 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).

1-9 Components of Changes in Operating Profit

(Unit: million yen)



2

FY3/24

Earnings Forecast

*Business segment forecast has been partially revised.

2-1 FY3/24 Earnings Forecast (Announced May 12, 2023)

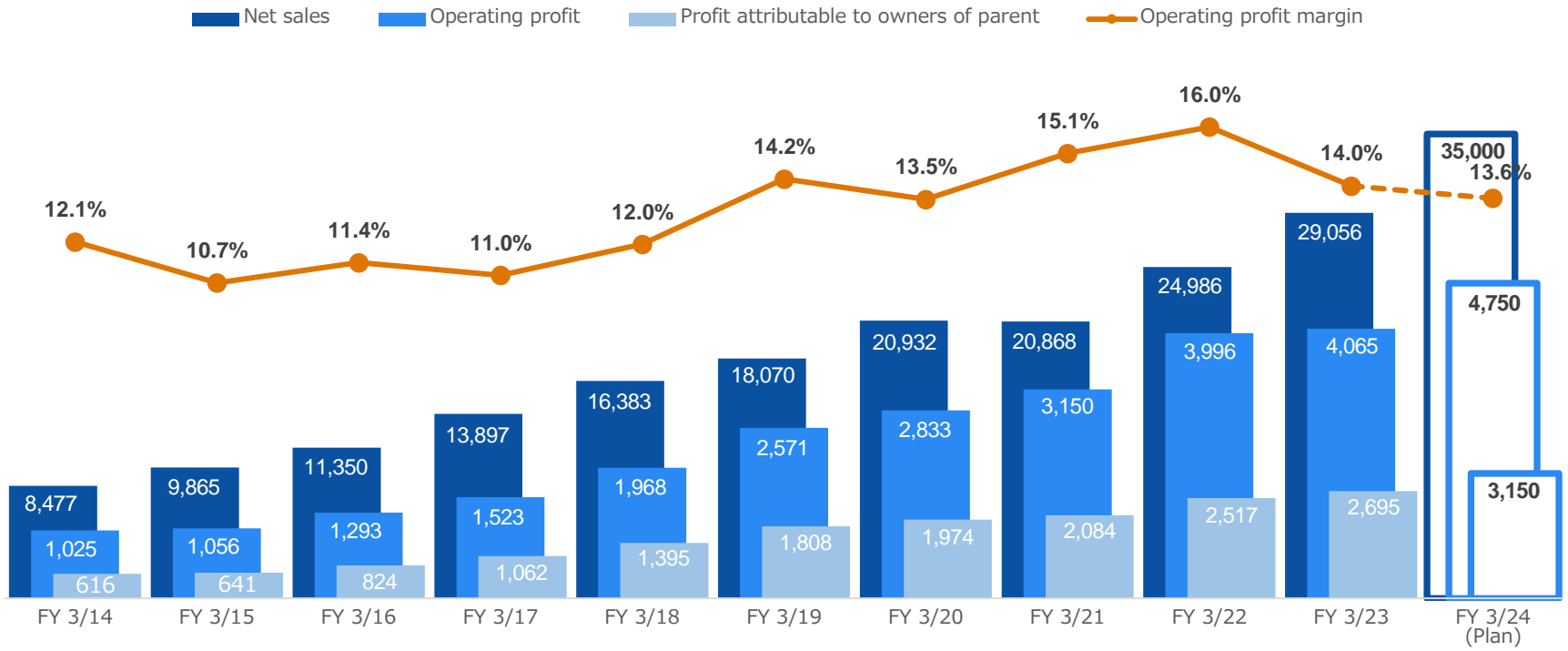
Aiming for 14 consecutive years of sales growth and 13 consecutive years of earnings growth, reaching new record highs

*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%

2-2 Performance Trends

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



ROE	20.6%	21.7%	27.7%	29.7%	31.9%	26.0%	19.5%	17.7%	19.2%	18.6%	19.8%
Equity ratio	67.3%	55.7%	58.4%	53.3%	56.6%	69.4%	75.8%	74.9%	73.0%	69.4%	71.6%
Payout ratio	39.6%	39.6%	38.9%	35.2%	33.9%	39.5%	46.6%	47.4%	46.9%	52.0%	46.5%

2-3 Business Segment Forecast

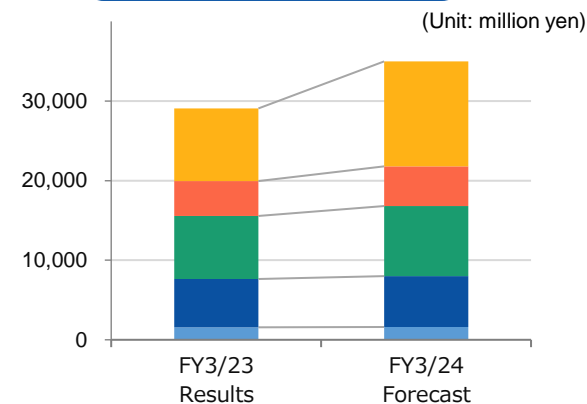
(Revised on October 30)

(Unit: million yen)

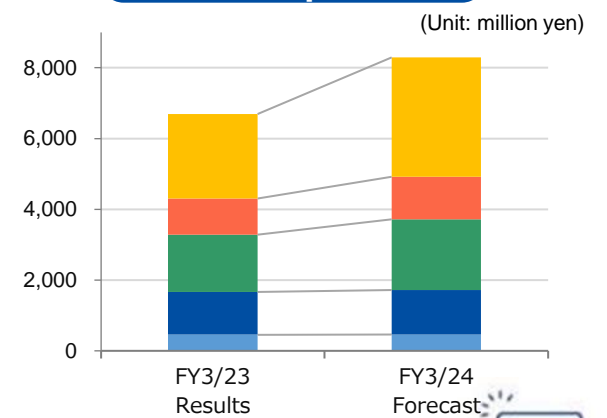
	FY3/23 Results	FY3/24 Forecast	YoY change (%)
Net sales	29,056	35,000	+20.5%
Cloud Solutions	9,112	13,200	+44.9%
Digital Solutions	4,375	5,000	+14.3%
Business Solutions	7,956	8,800	+10.6%
Platform, Operation Services	6,047	6,400	+5.8%
Digital Learning	1,566	1,600	+2.2%
Gross profit	6,696	8,289	+23.8%
Cloud Solutions	2,392	3,370	+40.9%
Digital Solutions	1,018	1,200	+17.8%
Business Solutions	1,615	2,000	+23.8%
Platform, Operation Services	1,211	1,260	+4.0%
Digital Learning	457	460	+0.4%

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

Net sales



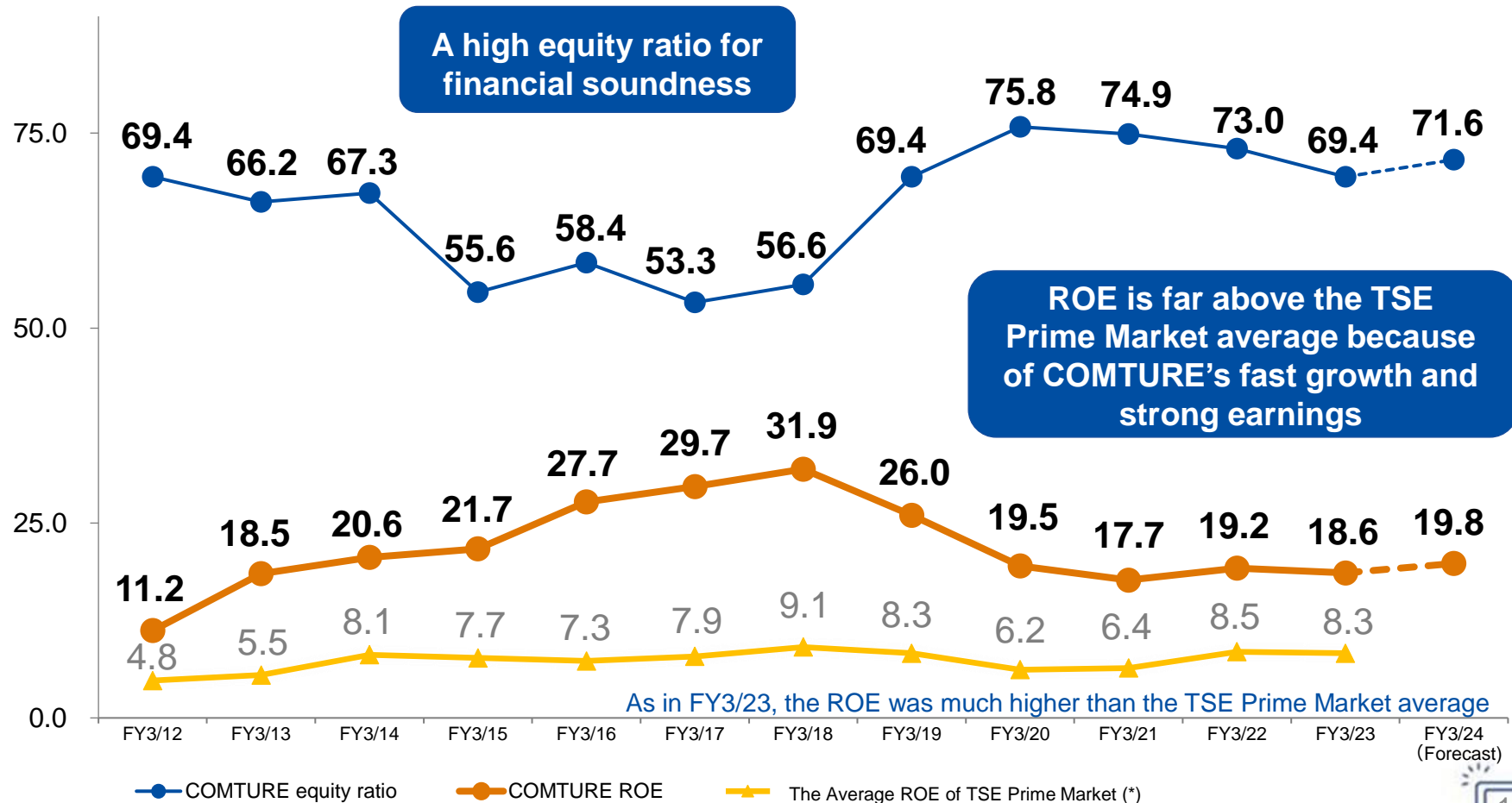
Gross profit



2-4 Financial Soundness and High Profitability

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

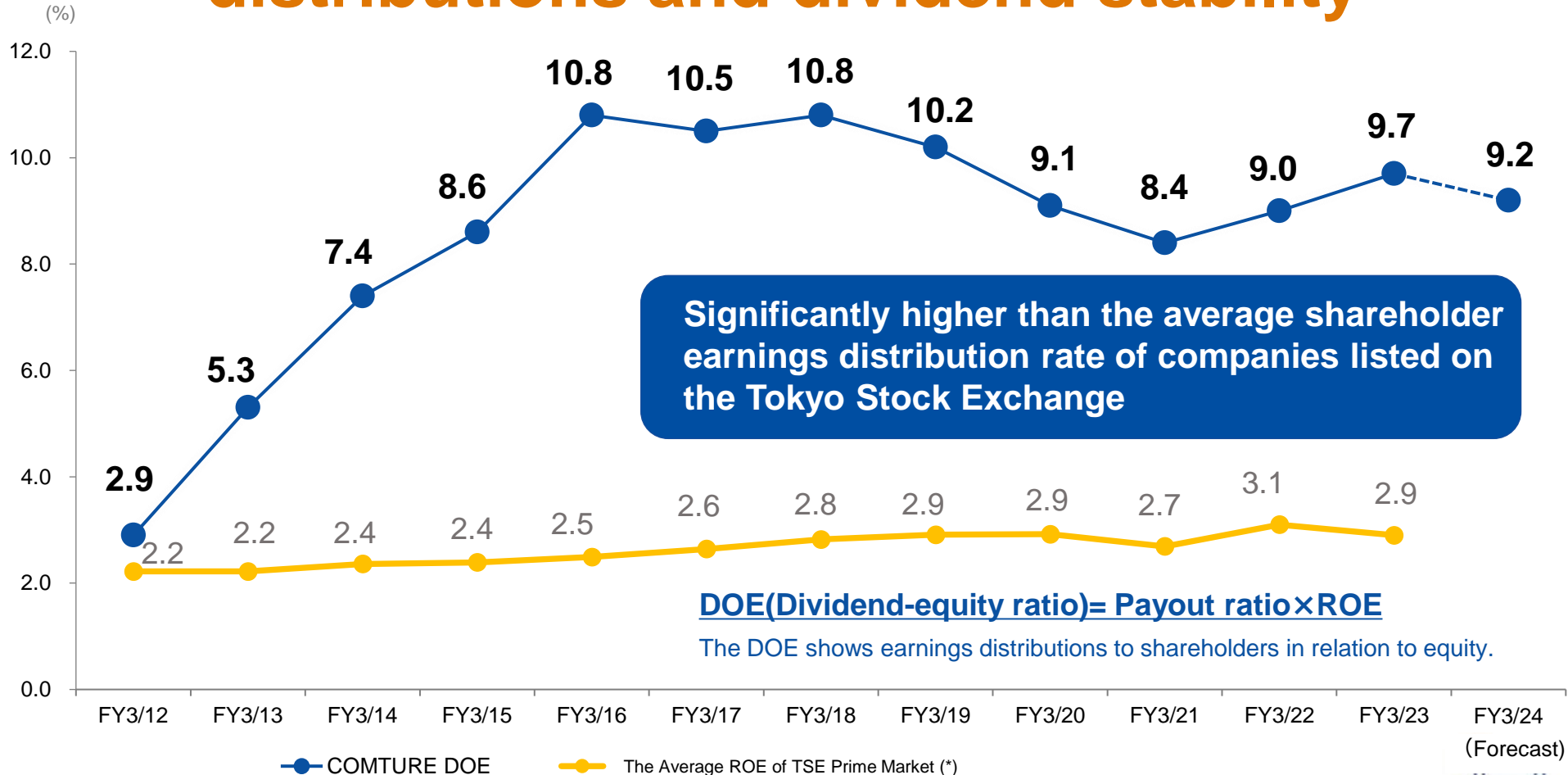
(Unit: %)



(*Source: Mizuho Securities)

2-5 Balancing Capital Efficiency and Shareholder Returns

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



(*Source: Tokyo Stock Exchange)

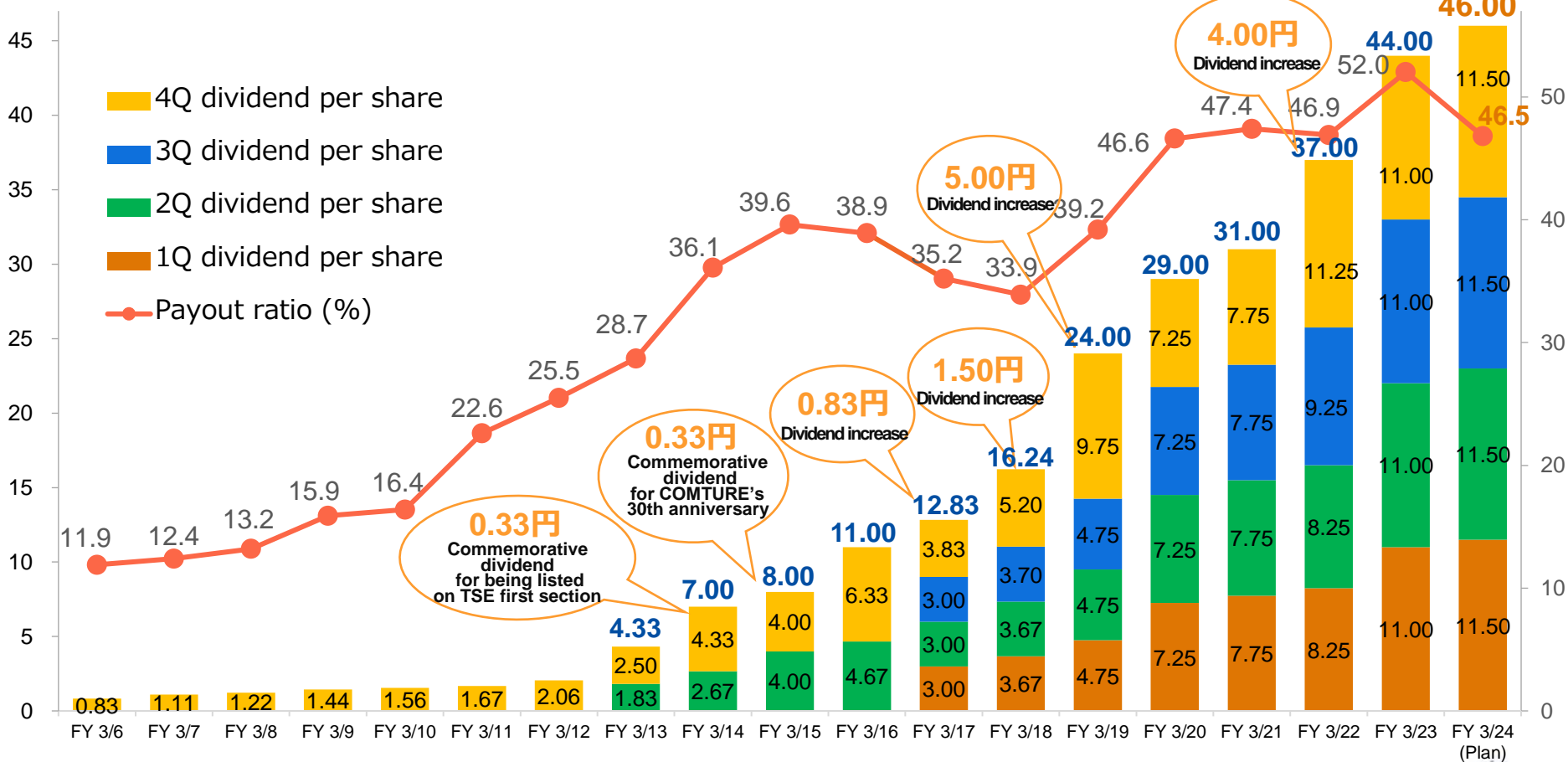
2-6 Dividend Growth

Plan to raise the dividend for the 19th consecutive year

a dividend payout ratio of **46.5%**

(Unit: yen)

(Unit: %)



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.

2-7 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 per share	Dividend record date	Dividend payment date
1Q	11.50 yen	Jun. 30, 2023	Aug. 31, 2023
2Q	11.50 yen	Sep. 30, 2023	Nov. 30, 2023 (Plan)
3Q	11.50 yen	Dec. 31, 2023	Feb. 29, 2024 (Plan)
4Q	11.50 yen	Mar. 31, 2024	Next business day after shareholders' meeting approval (Plan)
Total	46.00 yen		

2-8 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 13,800 yen + prepaid QUO cards worth 2,000 yen = 15,800 yen annually
- The payout ratio including QUO cards are expected to be 53.3% for the fiscal year ending March 31, 2024 (for shareholders holding 300 shares)



3

Topics

3-1 Progress with the ITOCHU Alliance

	CRM/Low code development Salesforce/kintone	ERP SAP	Data analysis/Other D-native
Group companies For ITOCHU	Support for the DX of ITOCHU and group companies		
	<ul style="list-style-type: none"> Started Salesforce services for ITOCHU Group companies Started support for internal low code development for the DX of ITOCHU Group companies 	<ul style="list-style-type: none"> Started planning for training programs for people at the ITOCHU Group to implement the DX 	
Activities with ITOCHU Group IT companies	Use of joint solutions to target new markets		
		<ul style="list-style-type: none"> Received Best Partner Award from the Distribution Group of ITOCHU Techno-Solutions (CTC), recognition of benefits of using SAP and personnel system success factors 	<ul style="list-style-type: none"> Started joint activities with CTC involving data analysis
	Project and resource sharing for more growth		
	<ul style="list-style-type: none"> Joint activities with CTC in the Salesforce domain targeting large companies in the Nagoya region 	<ul style="list-style-type: none"> Started joint project with CTC for updating the accounting system (SAP) of a large cargo transportation company 	<ul style="list-style-type: none"> Joint activities with CTC in the infrastructure domain targeting large companies in the Nagoya region

3-2 Generative AI Activities



Customers

Cloud services including generative AI

- Started studies for launching a service using the Azure OpenAI Service
- Using generative AI in Salesforce and ServiceNow for programming and UI designs

Use of generative AI for development processes

- Started technology verification process for the use of generative AI for the automatic production of source code and test cases in new projects in order to improve the efficiency and quality of development activities

Training programs using generative AI

- Started training programs to give people skills for the use of the Azure OpenAI Service



COMTURE

Established an environment in which 100 employees in corporate departments can use an exclusive COMTURE generative AI for their work

- Automation of internal data collection/analysis and reports used for establishing business plans for higher efficiency and “smart” decisions
- Improve the quality of business processes by performing checks of inconsistencies and redundancies in company rules, disclosure materials and other information when preparing documents
- Strengthen search engine optimization (SEO) when producing web content in order to create ideas for improving key word settings and content expressions

3-3 The New Consulting Division

Enlargement of the consulting domain to
solve customers'
management problems



Expansion of upstream process
services for
more COMTURE added value

(1) Business domain: Enlargement of consulting, an upstream process



(2) Organization: Previously handled projects individually; now creating organizational units of experienced people to handle the business consulting domain
Expand organizational structure and consulting business by training other internal consulting personnel and reinforcing personnel from outside the company



3-4 Ceremony for new graduates recruited by COMTURE

A ceremony for new college graduates joining COMTURE in 2024

COMTURE has notified **200** individuals who will complete their college degrees in 2024 that they will be hired following graduation. These people will help build a stronger infrastructure for more growth in the following years.

Recruited many talented people

COMTURE hired 200 new college graduates, about the same as in the previous year, while maintaining its high standards in order to add engineers in growing business sectors

Quickly train people to make them productive

Activities are under way to help people upgrade skills prior to starting their jobs at COMTURE in April 2024



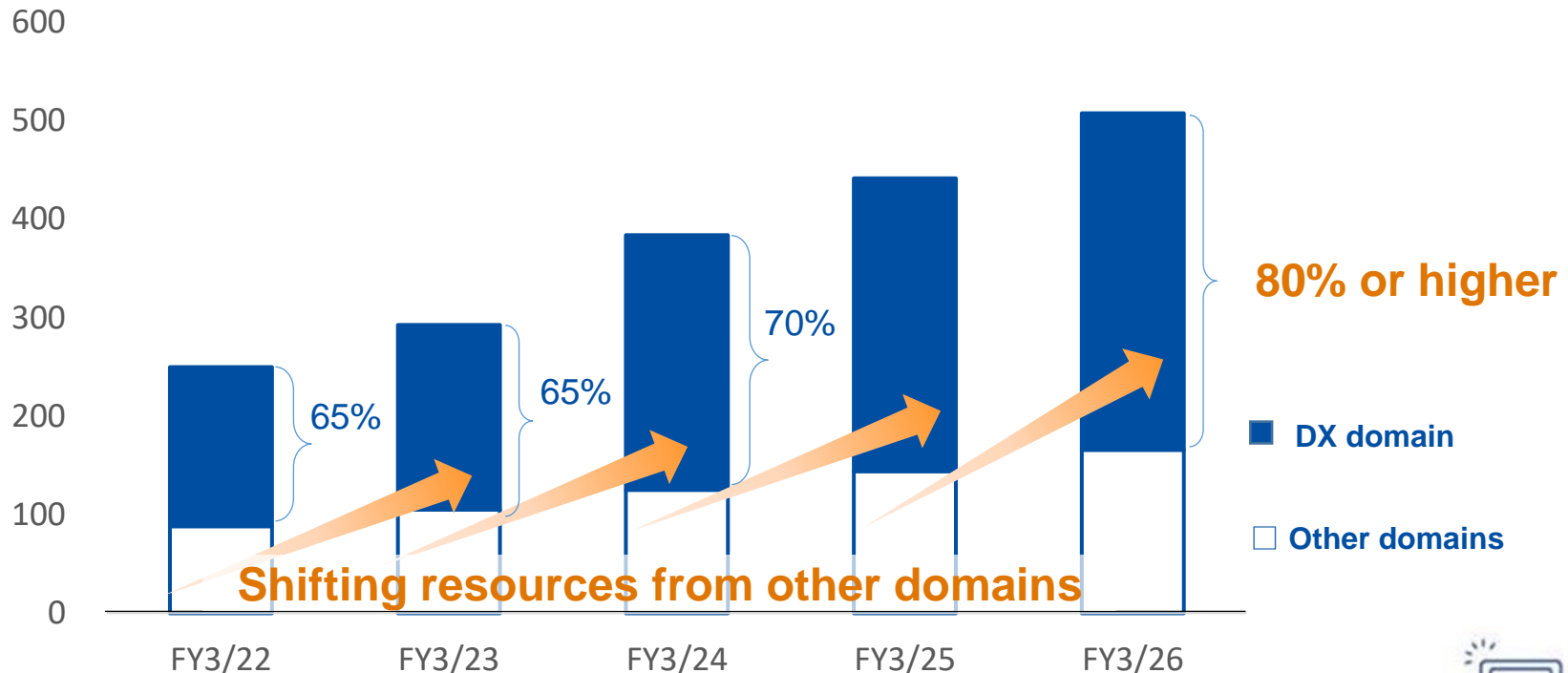
3-5 Medium-term Management Plan

– 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)



3-6 Human Resources

A stronger infrastructure by recruiting and training many talented people

Recruiting

Hiring new graduates and people with prior job experience

900 people over three years

Training

DX training model centered on certifications

1,000 people certified every year

Reskilling program

30 to 40 people every six months

Stronger ties with business partners

Increase the partner ratio

Add **600 people** over three years

3-7 Progress of Medium-term Management Plan – Workforce Growth

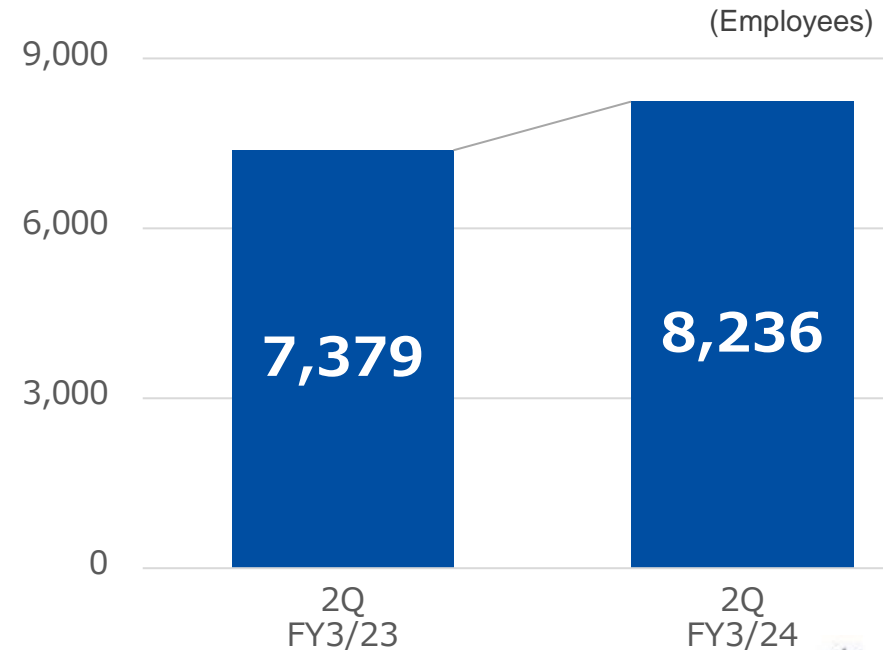
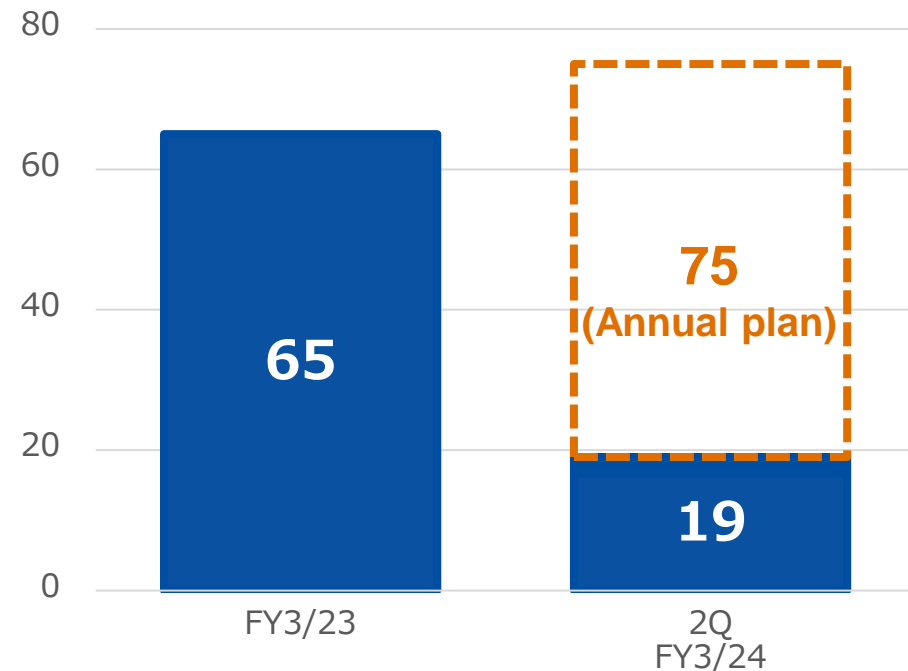
Recruiting activities for faster growth

More hiring of experienced

- Hired 19 people in FY3/24 as of the end of September
- Using employee introductions, scouting and other activities

Stronger relationships with partner companies

- Outsourced projects were 11.6% more than one year earlier
- Working with 39 core partner companies



3-8 Progress of Medium-term Management Plan – Workforce Growth

Education and training programs for more added value

Reskilling current employees

- 95 people had been shifted as of July 1.
- Plan to reskill and shift 150 people during FY3/24.

Fast training of new graduate employees

- Almost 90% of 201 new hires assigned to business units are productive
- Goal is 100% productivity of these new hires by the 3Q

Apr.
2023

Completed reskilling of 56 people and resource shifting

Jul.

Completed reskilling of 95 people (cumulative) and resource shifting

Mar.
2024

Resource shift plan in 4 major domains*: 150 employees (cumulative)

*Microsoft, Salesforce, SAP, data science

May
2023

Assignments to business units (201 people)
Department training and acquisition of vendor certification

June

On-the-job training for acquiring skills
Almost 30% of people at business units productive

Jul. to
Sep.

Almost 90% have been assigned to projects and are generating sales

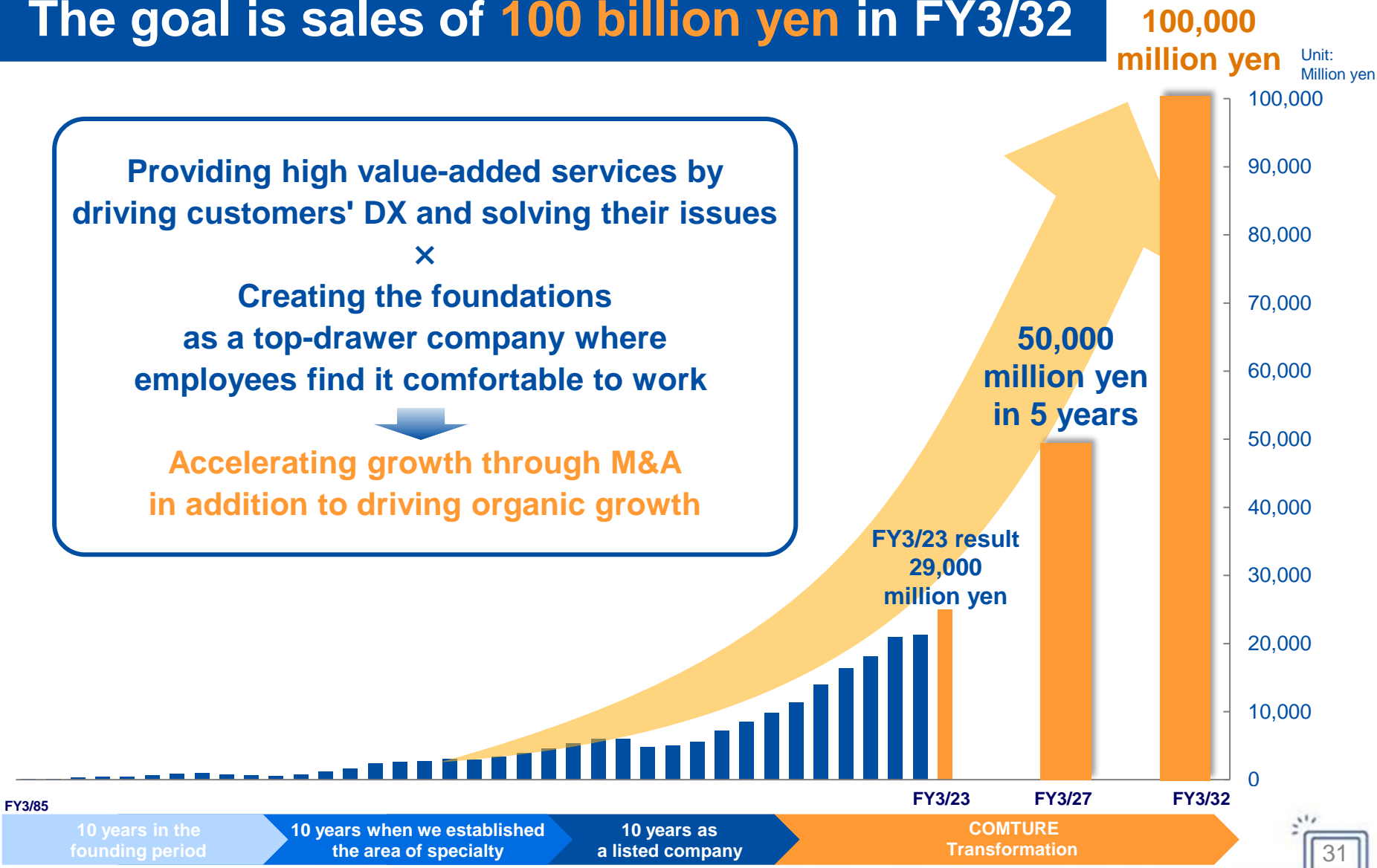
Oct.-

Expect all new graduate employees to be productive

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



The Comture Transformation (CX)

Comture will transform into a DX integrator

The DX era is an opportunity for change

CX

DX



A powerful company with big dreams

Enabling business model innovative for customers

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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