

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2018
(Nine Months Ended December 31, 2017)

[Japanese GAAP]

Company name: COMTURE CORPORATION Listing: Tokyo Stock Exchange, First Section
 Stock code: 3844 URL: <http://www.comture.com/en/ir/index.html>
 Representative: Koichi Mukai, Chairman & CEO
 Contact: Osamu Noma, Member of the board, Executive Vice President
 Tel: +(81)3-5745-9700

Scheduled date of filing of Quarterly Report: February 9, 2018
 Scheduled date of payment of dividend: February 28, 2018
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2017
(April 1, 2017 – December 31, 2017)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2017	12,116	22.4	1,383	51.3	1,406	50.0	1,039	64.2
Nine months ended Dec. 31, 2016	9,901	19.9	914	6.3	937	8.4	633	14.2

Note: Comprehensive income (million yen):
 Nine months ended Dec. 31, 2017: 1,043 (up 63.8%)
 Nine months ended Dec. 31, 2016: 636 (up 16.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2017	71.34	71.09
Nine months ended Dec. 31, 2016	43.51	43.33

Reference: Equity in earnings of affiliates (million yen):
 Nine months ended Dec. 31, 2017: 9
 Nine months ended Dec. 31, 2016: 6

COMTURE conducted a 3-for-1 common stock split on October 1, 2017. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2017	8,060	4,619	57.3
As of Mar. 31, 2017	7,285	3,883	53.3

Reference: Shareholders' equity (million yen):
 As of Dec. 31, 2017: 4,617 As of Mar. 31, 2017: 3,881

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Mar. 31, 2017	18.00	18.00	18.00	23.00	77.00
Fiscal year ending Mar. 31, 2018	22.00	22.00	7.40		
Fiscal year ending Mar. 31, 2018 (forecast)				10.40	-

Note: Revisions to the most recently announced dividend forecast: Yes

COMTURE conducted a 3-for-1 common stock split on October 1, 2017. The 3Q-end dividend per share and year-end dividend forecast for the fiscal year ending March 31, 2018 are adjusted to reflect the stock split. No forecast for the total dividend per share is shown.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	15,300	10.1	1,700	11.6	1,700	10.2	1,180	11.1	81.01

Note: Revisions to the most recently announced consolidated forecast: None

COMTURE conducted a 3-for-1 common stock split effective on October 1, 2017. The net income per share forecast for the fiscal year ending March 31, 2018 is adjusted to reflect the stock split. Prior to this adjustment, the forecast was a net income per share of 243.04 yen for the full year.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Dec. 31, 2017:	16,078,500 shares	As of Mar. 31, 2017:	16,065,900 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2017:	1,490,280 shares	As of Mar. 31, 2017:	1,500,540 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2017:	14,577,687 shares	Nine months ended Dec. 31, 2016:	14,561,547 shares
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COMTURE conducted a 3-for-1 common stock split effective on October 1, 2017. Number of shares has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* The current quarterly financial report is not subject to quarterly review procedures.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the fiscal year ending March 31, 2018, the Japanese economy recovered at a slow pace with the support of continuing growth in corporate earnings, improvements in jobs and personal income, and other signs of the emergence of a favorable economic cycle. IT investments, which have a significant effect on the operations of the COMTURE Group, are vital for companies to become more competitive in the Digital Transformation Era, for becoming more efficient by altering how people do their jobs, and for automating various tasks. As a result, there is growth in the IT sector, particularly in the cloud services and data analytics categories. The third platform market, which is a new market that covers cloud services, big data, the Internet of things and other components, is expected to expand significantly to annual sales of about 14 trillion yen in 2020 (according to “Japan Third Platform Market Forecast Update by Vertical Market and Company Size” by IDC Japan, a company specializing in IT industry surveys).

Due to numerous activities for expansion of the cloud and big data business throughout the COMTURE Group, there was growth in all four business units: Groupware Solutions, ERP Solutions, Web Solutions and Network Services. Furthermore, there was a big contribution to growth from many initiatives to make artificial intelligence, the Internet of things, robotic process automation and other new technologies and fields additional drivers of growth. Focusing on transforming needs into solutions is playing a central role in our growth. People who interact with customers carefully listen to their demands and interests. Then we use our expertise to respond to our customers’ needs with new services and other ideas. A relentless commitment to adding more value, improving productivity and supplying outstanding quality also define our operations.

In the first nine months, the COMTURE Group performed as follows.

Net sales:	12,116 million yen (up 22.4% year-on-year)
Operating profit:	1,383 million yen (up 51.3% year-on-year)
Ordinary profit:	1,406 million yen (up 50.0% year-on-year)
Profit attributable to owners of parent:	1,039 million yen (up 64.2% year-on-year)

Sales in the first nine months were higher than one year earlier for the eighth consecutive year and reached an all-time high. There were several reasons for this accomplishment: higher sales from the cloud and big data business as its market expands rapidly; and many initiatives targeting artificial intelligence, robotic process automation and other new technologies. Earnings were higher because of higher sales per employee, the result of the constant implementation of our added-value strategy, the larger scale of business operations, and the elimination of unprofitable activities due to the rigorous oversight of processes used for estimates and project management. The benefits of these items more than offset growth in personnel expenses and the increase in selling, general and administrative expenses resulting from the addition of consolidated subsidiaries. As a result, profit attributable to owners of parent was higher than one year earlier for the sixth consecutive year and reached an all-time high.

Business segment performance was as follows.

1) Solution Services

There was growth in the cloud and big data business as the cloud market continues to expand and new types of customer needs involving artificial intelligence, robotic process automation and other fields emerge. As a result, sales increased 15.9% year-on-year to 7,945 million yen and operating profit increased 40.2% to 848 million yen.

2) Product Sales

Sales of Salesforce.com licenses continued to increase along with growth of the cloud business. As a result, sales increased 1.8% year-on-year to 116 million yen and operating profit increased 56.0% to 66 million yen.

3) Network Services

The performance of this segment was strong because of numerous measures for adding more value to platform solutions for customers' transitions to the cloud, remote surveillance and other activities. In addition, a subsidiary newly consolidated in the third quarter of the previous fiscal year made a big contribution to segment sales growth. As a result, sales increased 36.4% year-on-year to 4,260 million yen and operating profit increased 76.2% to 470 million yen.

(2) Explanation of Financial Position

Total assets were 8,060 million yen at the end of the third quarter, 775 million yen more than the end of the previous fiscal year. This was attributable mainly to increases of 967 million yen in cash and deposits and 355 million yen in notes and accounts receivable-trade, while there was decrease of 460 million yen in goodwill.

Liabilities increased 39 million yen to 3,441 million yen. The main reasons were increases of 195 million yen in accounts payable-trade and 188 million yen in current and non-current other liabilities, while there were decreases of 204 million yen in the current portion of long-term loans payable and 98 million yen in accrued expenses.

Net assets increased 735 million yen to 4,619 million yen mainly because profit attributable to owners of parent in the first nine months was more than dividend payments.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

At this point, there are no revisions to the full-year consolidated earnings forecast for the fiscal year ending March 31, 2018 that was announced in the "Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (Japanese GAAP)" on May 1, 2017.

The above forecasts are based on judgments made in accordance with information available to management at the time this report was prepared. Actual results may differ substantially from these forecasts for a number of reasons.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	3Q of FY3/18 (As of Dec. 31, 2017)
Assets		
Current assets		
Cash and deposits	2,513,044	3,480,952
Notes and accounts receivable-trade	2,164,916	2,520,256
Work in process	58,345	82,340
Other	321,838	335,148
Total current assets	5,058,144	6,418,697
Non-current assets		
Property, plant and equipment	405,307	376,392
Intangible assets		
Goodwill	889,410	428,936
Other	34,511	28,729
Total intangible assets	923,922	457,666
Investments and other assets		
Investment securities	213,569	181,687
Guarantee deposits	324,475	313,696
Other	360,288	312,689
Total investments and other assets	898,332	808,073
Total non-current assets	2,227,562	1,642,132
Total assets	7,285,707	8,060,830

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	3Q of FY3/18 (As of Dec. 31, 2017)
Liabilities		
Current liabilities		
Accounts payable-trade	599,099	794,879
Short-term loans payable	200,000	200,000
Current portion of long-term loans payable	339,992	239,992
Accrued expenses	519,888	421,826
Income taxes payable	287,197	294,841
Provision for bonuses	223,149	172,846
Provision for directors' bonuses	6,200	12,799
Provision for loss on construction contracts	2,241	-
Other	341,237	557,644
Total current liabilities	2,519,006	2,694,830
Non-current liabilities		
Long-term loans payable	490,012	385,018
Asset retirement obligations	161,106	158,163
Other	232,034	203,802
Total non-current liabilities	883,153	746,983
Total liabilities	3,402,160	3,441,813
Net assets		
Shareholders' equity		
Capital stock	1,018,848	1,019,600
Capital surplus	267,748	278,751
Retained earnings	3,500,496	4,215,040
Treasury shares	(910,406)	(904,145)
Total shareholders' equity	3,876,686	4,609,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,164	8,427
Total accumulated other comprehensive income	5,164	8,427
Subscription rights to shares	1,695	1,340
Total net assets	3,883,547	4,619,016
Total liabilities and net assets	7,285,707	8,060,830

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)	First nine months of FY3/18 (Apr. 1, 2017 – Dec. 31, 2017)
Net sales	9,901,995	12,116,674
Cost of sales	7,768,378	9,376,919
Gross profit	2,133,617	2,739,754
Selling, general and administrative expenses	1,218,777	1,356,046
Operating profit	914,839	1,383,708
Non-operating income		
Interest income	413	3,278
Dividend income	1,467	665
Share of profit of entities accounted for using equity method	6,037	9,347
Gain on insurance cancellation	20,269	8,315
Other	4,124	3,972
Total non-operating income	32,313	25,578
Non-operating expenses		
Interest expenses	3,804	3,050
Guarantee commission	2,564	-
Loss on insurance cancellation	1,818	-
Other	1,540	97
Total non-operating expenses	9,727	3,148
Ordinary profit	937,425	1,406,138
Extraordinary income		
Gain on sales of non-current assets	1,862	-
Gain on sales of investment securities	-	26,100
Gain on sales of shares of subsidiaries and associates	-	131,051
Total extraordinary income	1,862	157,151
Extraordinary losses		
Loss on retirement of non-current assets	10,342	-
Loss on sales of investment securities	-	12
Total extraordinary losses	10,342	12
Profit before income taxes	928,945	1,563,277
Income taxes-current	295,435	523,285
Profit	633,510	1,039,992
Profit attributable to owners of parent	633,510	1,039,992

Quarterly Consolidated Statement of Comprehensive Income**(For the Nine-month Period)**

	(Thousands of yen)	
	First nine months of FY3/17 (Apr. 1, 2016 – Dec. 31, 2016)	First nine months of FY3/18 (Apr. 1, 2017 – Dec. 31, 2017)
Profit	633,510	1,039,992
Other comprehensive income		
Valuation difference on available-for-sale securities	3,452	3,262
Total other comprehensive income	3,452	3,262
Comprehensive income	636,962	1,043,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	636,962	1,043,255

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.