

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

*Transforming needs  
into solutions*

COMTURE CORPORATION



January 29, 2020

**Koichi Mukai**  
Chairman & CEO

1

**3Q of the FY Ending March 31, 2020**

# Results of Operations



# 1-1 Financial Highlights (Announced January 29, 2020)

**Achieved 10 consecutive years of sales growth and 8 consecutive years of earnings growth with both sales and earnings climbing to record highs**

	3Q FY3/19 Results		3Q FY3/20 Results		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	13,025 million yen	-	<b>15,507 million yen</b>	-	<b>+19.1%</b>
Operating profit	1,894 million yen	14.5%	<b>2,030 million yen</b>	<b>13.1%</b>	<b>+7.1%</b>
Ordinary profit	1,903 million yen	14.6%	<b>2,034 million yen</b>	<b>13.1%</b>	<b>+6.9%</b>
Profit attributable to owners of parent	1,262 million yen	9.7%	<b>1,392 million yen</b>	<b>9.0%</b>	<b>+10.3%</b>
Net income per share	43.17 yen	-	<b>43.87 yen</b>	-	<b>+1.6%</b>

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.

# 1-2 Contributing Factors

Net sales

**Up 19.1%** YoY

- + Cloud solutions business: up 45.4% mainly due to collaborations with cloud platformers (Salesforce, AWS and Microsoft)**
- + Digital solutions business: up 30.6% due to growth of activities involving the digital transformation, such as big data, AI and RPA**
- + Up 410 million yen due to consolidation of UX-Systems**

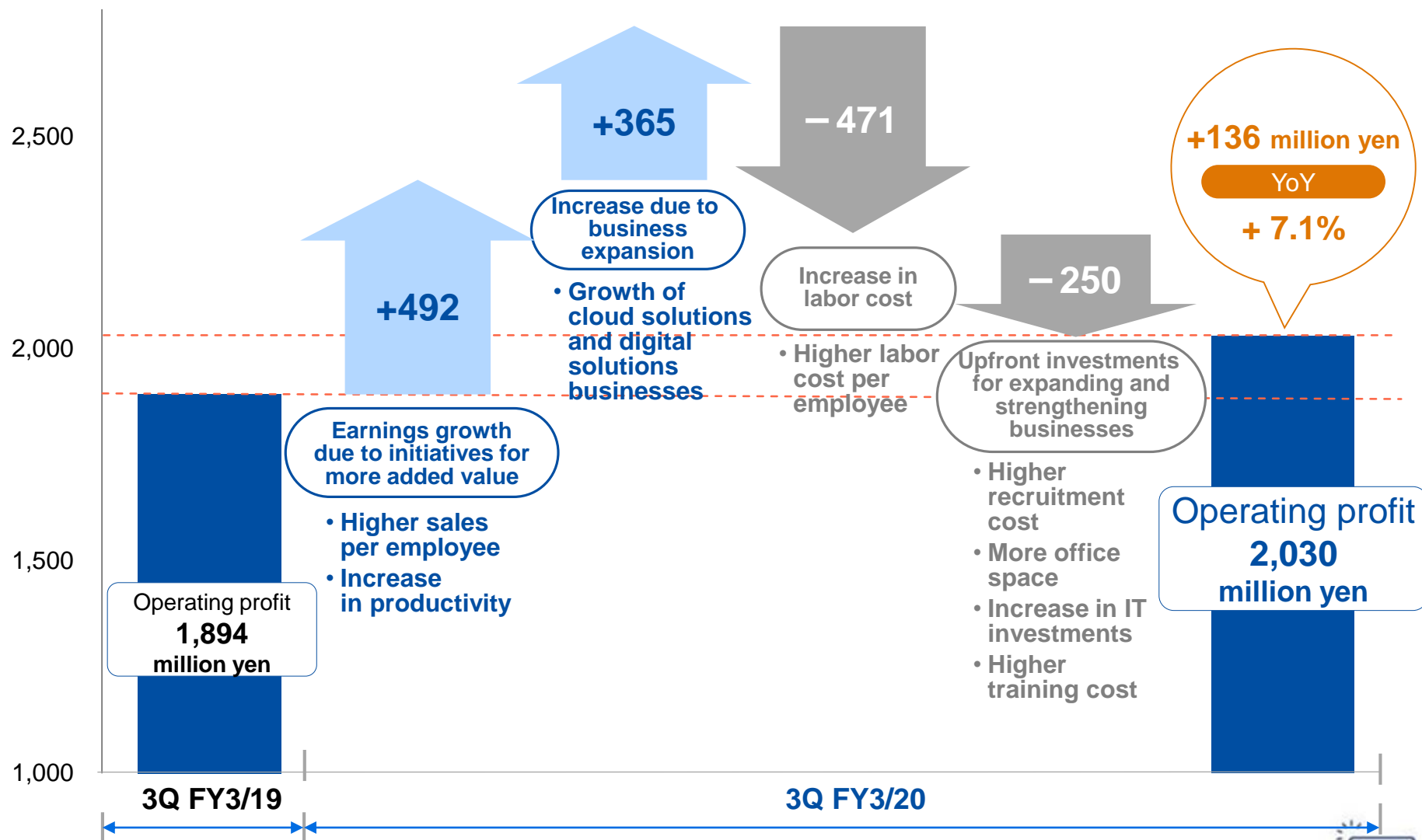
Operating profit

**Up 7.1%** YoY

- + Sales per employee: up 2.5%**
- + 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)



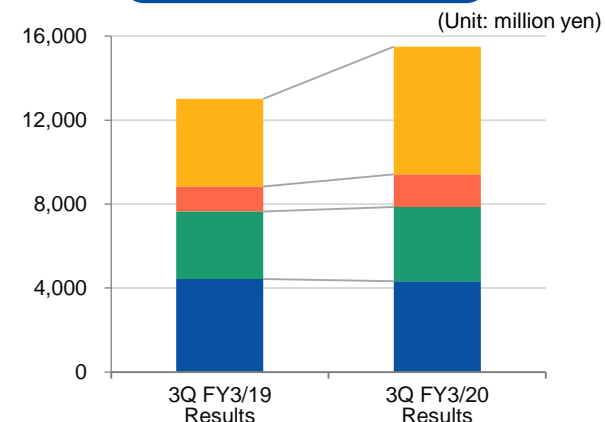
# 1-4 Business Segment Performance

(Unit: million yen)

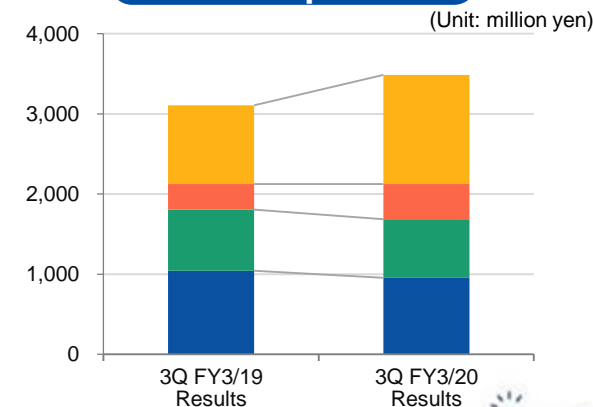
	3Q FY3/19 Results	3Q FY3/20 Results	YoY change (%)
<b>Net sales</b>	13,025	15,507	+19.1%
Cloud Solutions	4,184	6,084	+45.4%
Digital Solutions	1,191	1,556	+30.6%
Enterprise Solutions	3,212	3,540	+10.2%
Platform Solutions	4,435	4,326	-2.5%
<b>Gross profit</b>	3,105	3,488	+12.3%
Cloud Solutions	979	1,361	+39.0%
Digital Solutions	322	439	+36.4%
Enterprise Solutions	762	733	-3.8%
Platform Solutions	1,042	954	-8.4%

- Cloud Solutions Business
- Digital Solutions Business
- Enterprise Solutions Business
- Platform Solutions

## Net sales



## Gross profit



2

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.



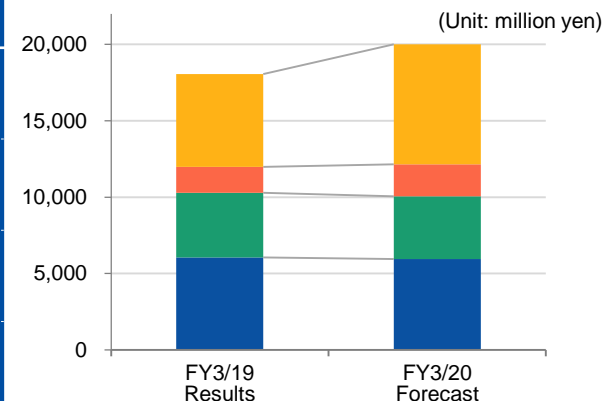
# 2-2 Business Segment Forecast

(Unit: million yen)

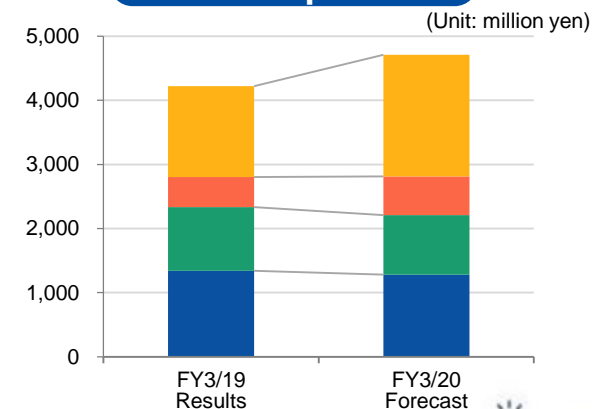
	FY3/19 Results	FY3/20 Forecast	YoY change (%)
<b>Net sales</b>	18,070	<b>20,000</b>	<b>+10.7%</b>
Cloud Solutions	6,094	<b>7,842</b>	<b>+28.7%</b>
Digital Solutions	1,682	<b>2,103</b>	<b>+25.0%</b>
Enterprise Solutions	4,244	<b>4,117</b>	<b>- 3.0%</b>
Platform Solutions	6,050	<b>5,939</b>	<b>- 1.8%</b>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

- Cloud Solutions Business
- Digital Solutions Business
- Enterprise Solutions Business
- Platform Solutions

## Net sales



## Gross profit



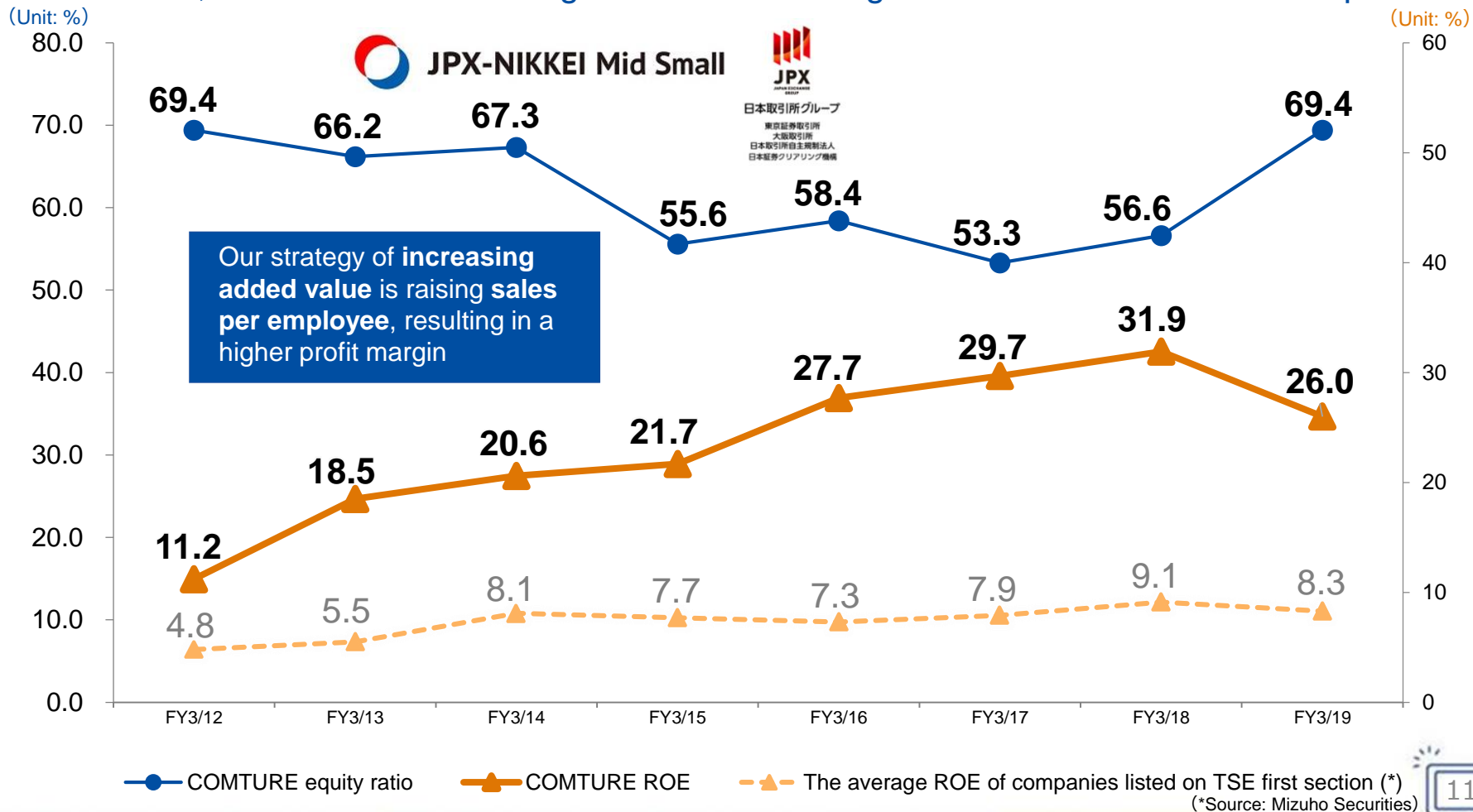
# 3

# Topics

# 3-1 High Profitability and Financial Soundness

The goals are an ROE of more than 20% and a shareholders' equity ratio of more than 50%

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



# 3-2 External Recognition

## Defined KPI/External evaluation of goal achievements

Tokyo Stock  
Exchange  
JPX-Nikkei Mid and  
Small Cap Index

(4 consecutive years)

**200 issues**

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Approx.  
**2,900 issues**

Forbes Asia  
Best Under  
A Billion

(2 consecutive years)

**200 companies\***

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Approx.  
**24,000 companies**

\* **25 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**

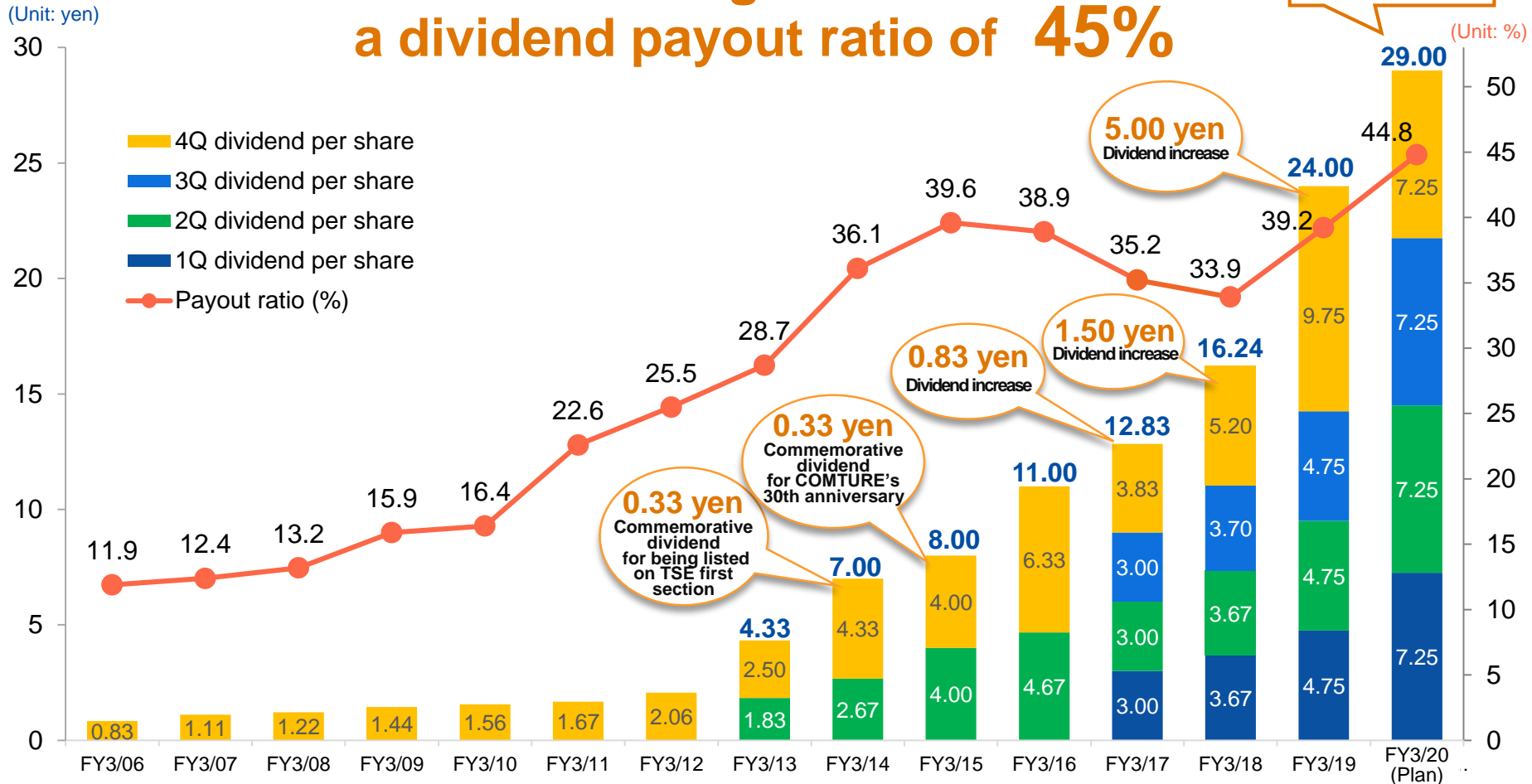
# 4

# 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
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)





# 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.
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