

Third Quarter of the Fiscal Year Ending March 31, 2023 Financial Results Materials

*Transforming needs
into solutions*

COMTURE CORPORATION



January 31, 2023
Chihiro Sawada
President

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3Q of the FY Ending March 31, 2023

Results of Operations



1-1 3Q FY3/23 Financial Highlights

Sales and earnings increased to new quarterly all-time highs

	3Q FY3/22 Results (Oct-Dec.)		3Q FY3/23 Results (Oct-Dec.)		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	6,243 million yen	-	7,320 million yen	-	+17.2%
Operating profit	1,092 million yen	17.5%	1,150 million yen	15.7%	+5.3%
Ordinary profit	1,087 million yen	17.4%	1,129 million yen	15.4%	+3.9%
Profit attributable to owners of parent	704 million yen	11.3%	758 million yen	10.4%	+7.7%
Net income per share	22.12 yen	-	23.81 yen	-	+7.7%

1-2 Financial Highlights

Achieved 13 consecutive years of sales growth and 11 consecutive years of earnings growth with both sales and earnings climbing to record highs

	3Q FY3/22 Results		3Q FY3/23 Results		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	18,239 million yen	-	21,365 million yen	-	+17.1%
Operating profit	3,053 million yen	16.7%	2,833 million yen	13.5%	▲5.6%
Ordinary profit	3,052 million yen	16.7%	2,871 million yen	13.4%	▲5.9%
Profit attributable to owners of parent	1,925 million yen	10.6%	1,945 million yen	9.1%	+1.0%
Net income per share	60.41 yen	-	61.02 yen	-	+1.0%

1-3 Business Segments

Five businesses that incorporate collaborations with global companies

Cloud Solutions

Collaboration, CRM and other cloud services utilizing global cloud vendors (Microsoft, Salesforce, ServiceNow and others) for increasing productivity.

Digital Solutions

Data analysis solutions utilizing global big data/AI tool vendors (SAS, Informatica, Databricks and others) and support for the automation of business processes using UiPath, Automation Anywhere and other robotic process automation tools.

Business Solutions

Construction, operation and modernization concerning accounting, personnel, fintech and other core IT systems using collaborations with SAP and other global ERP package vendors.

Platform, Operation Services

System and network environment designs, construction and operation using collaborations with global cloud platformers (Amazon Web Service, Google Cloud Platform and others) and hardware vendors (Hewlett Packard Enterprise, Dell, Cisco and others); remote IT system surveillance service by the COMTURE Group's service center that uses global tools; help desk operations.

Digital Learning

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.

1-4 Business Segment Performance

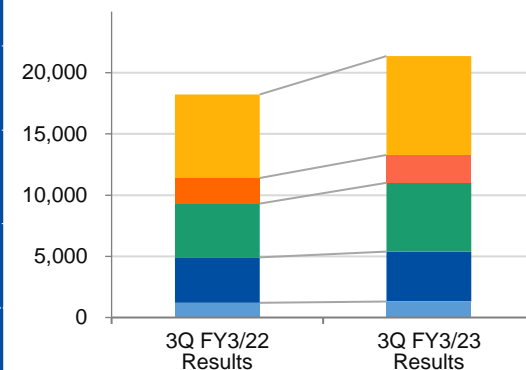
(Unit: million yen)

	3Q FY3/22 Results	3Q FY3/23 Results	YoY change (%)
Net sales	18,239	21,365	+17.1%
Cloud Solutions	6,838	8,083	+18.2%
Digital Solutions	2,095	2,273	+ 8.5%
Business Solutions	4,392	5,629	+28.2%
Platform, Operation Services	3,704	4,061	+9.6%
Digital Learning	1,208	1,317	+9.0%
Gross profit	4,572	4,787	+4.7%
Cloud Solutions	1,744	1,956	+12.2%
Digital Solutions	590	579	▲ 1.8%
Business Solutions	1,001	1,009	+0.7%
Platform, Operation Services	910	833	▲ 8.5%
Digital Learning	325	409	+25.8%

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

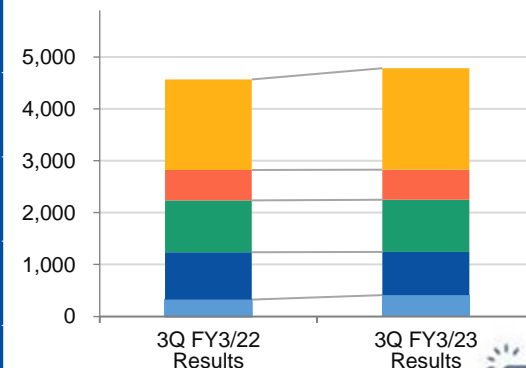
Net sales

(Unit: million yen)



Gross profit

(Unit: million yen)



1-5 Contributing Factors

Net sales

Up 17.1% YoY

- + Growth of the cloud solutions business due to higher demand for cloud computing using collaborations with Microsoft and Salesforce.com and other services involving the consulting to the digitalization of business processes
- + Growth of the digital solutions business due to higher demand for data analysis services
- + Growth of the business solutions business due to the expansion of the SAP business and the acquisition of Software Creation
- + Growth of the platform, operation services business due to higher demand for cloud construction of the Amazon Web Services (AWS) and outsourcing services
- + Growth of the digital learning business due to higher demand at companies for new employee and other structured training programs

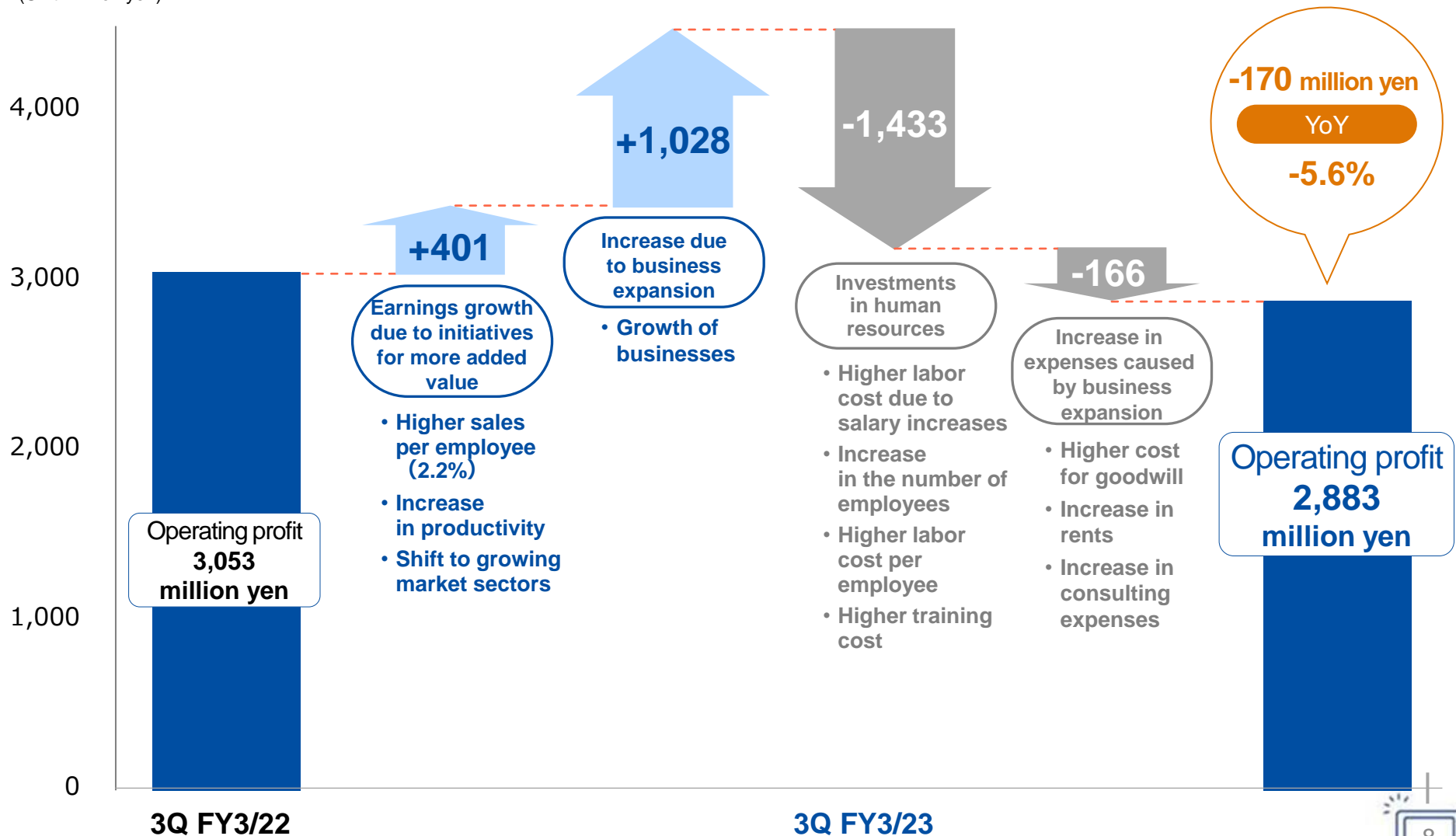
Operating profit

Down 5.6% YoY

- + Sales per employee: up 2.2%
- Big increase in personnel expenses with the goal of raising employees' job satisfaction: up 8.0%
- Increase in recruiting expenses because many people have been hired in anticipation of the growth of business operations
- Increase in fee expenses mainly because of the use of external consultants to build a stronger base for business operations
- Immediate amortization of goodwill associated with the acquisition of Software Creation

1-6 Components of Changes in Operating Profit

(Unit: million yen)



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FY3/23

Earnings Forecast

No change in the earnings forecast announced on May 9, 2022



2-1 FY3/23 Earnings Forecast

Aiming for 13 consecutive years of sales growth and 12 consecutive years of earnings growth, reaching new record highs

	FY3/22 Results		FY3/23 Forecast		YoY change (%)
	Amount	% to net sales	Amount	% to net sales	
Net sales	24,985 million yen	-	28,800 million yen	-	+15.3%
Operating profit	3,996 million yen	16.0%	4,660 million yen	16.2%	+16.6%
Ordinary profit	4,000 million yen	16.0%	4,660 million yen	16.2%	+16.5%
Profit attributable to owners of parent	2,517 million yen	10.1%	3,080 million yen	10.7%	+22.4%
Net income per share	78.97 yen	-	96.62 yen	-	+22.4%

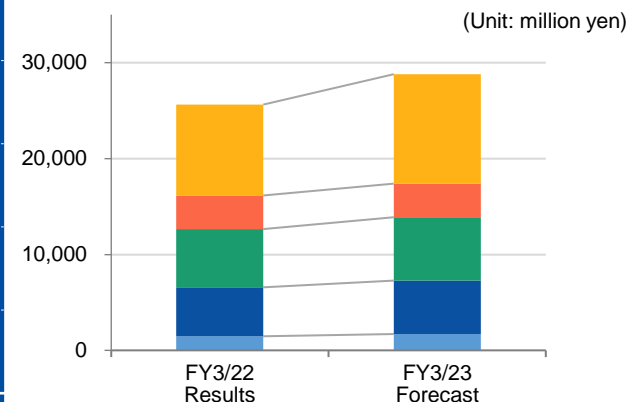
2-2 Business Segment Forecast

(Unit: million yen)

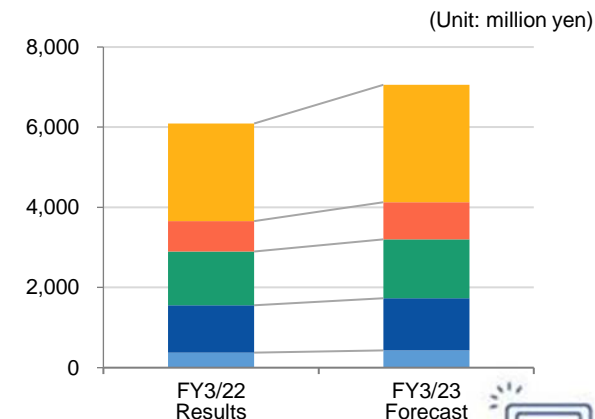
	FY3/22 Results	FY3/23 Forecast	YoY change (%)
Net sales	24,985	28,800	+15.3%
Cloud Solutions	9,485	11,400	+20.2%
Digital Solutions	2,848	3,500	+22.9%
Business Solutions	6,060	6,600	+8.9%
Platform, Operation Services	5,104	5,600	+9.7%
Digital Learning	1,486	1,700	+14.4%
Gross profit	6,091	7,060	+15.9%
Cloud Solutions	2,436	2,930	+20.3%
Digital Solutions	755	930	+23.1%
Business Solutions	1,344	1,470	+9.3%
Platform, Operation Services	1,183	1,300	+9.9%
Digital Learning	371	430	+15.8%

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

Net sales



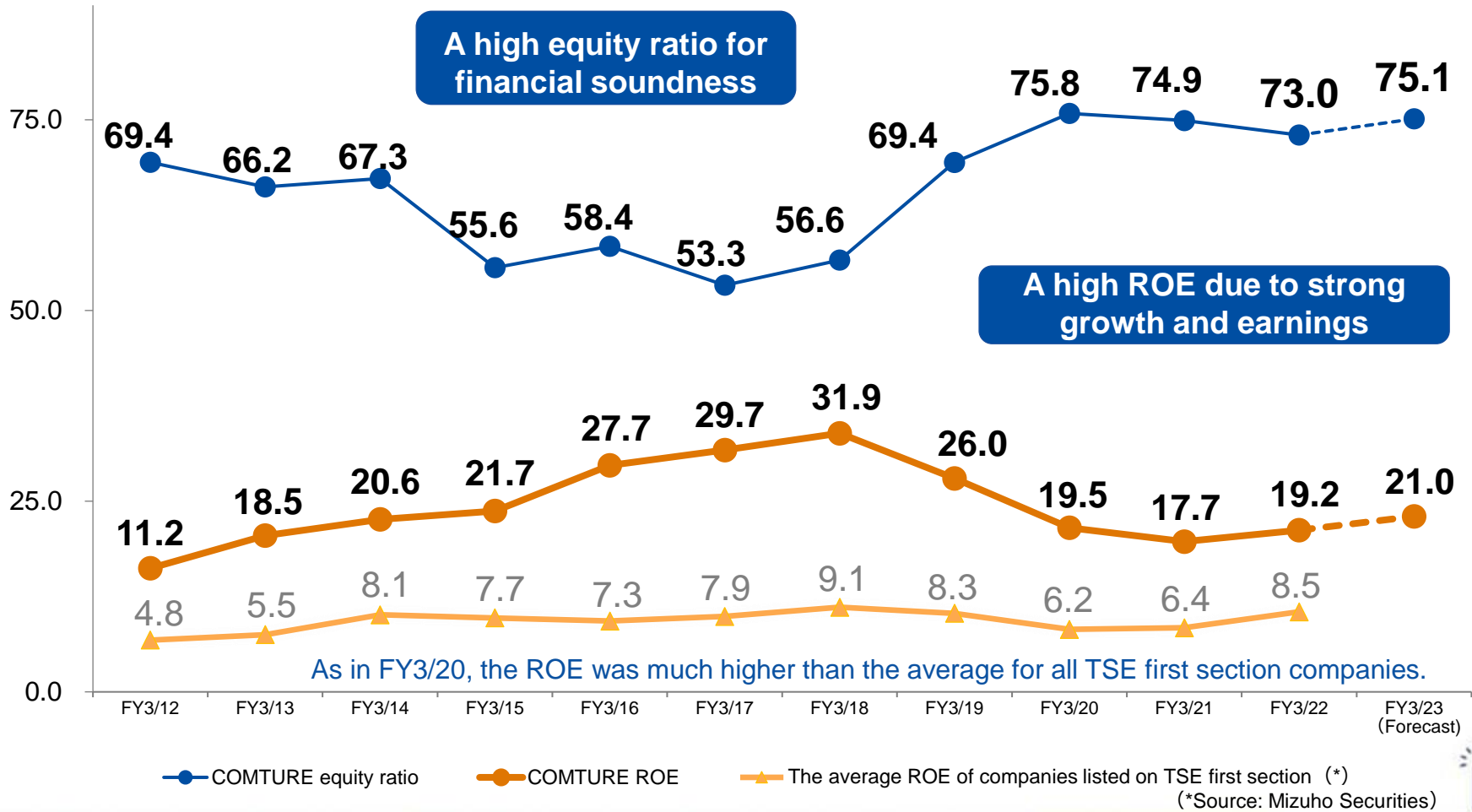
Gross profit



2-3 Financial Soundness and High Profitability

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

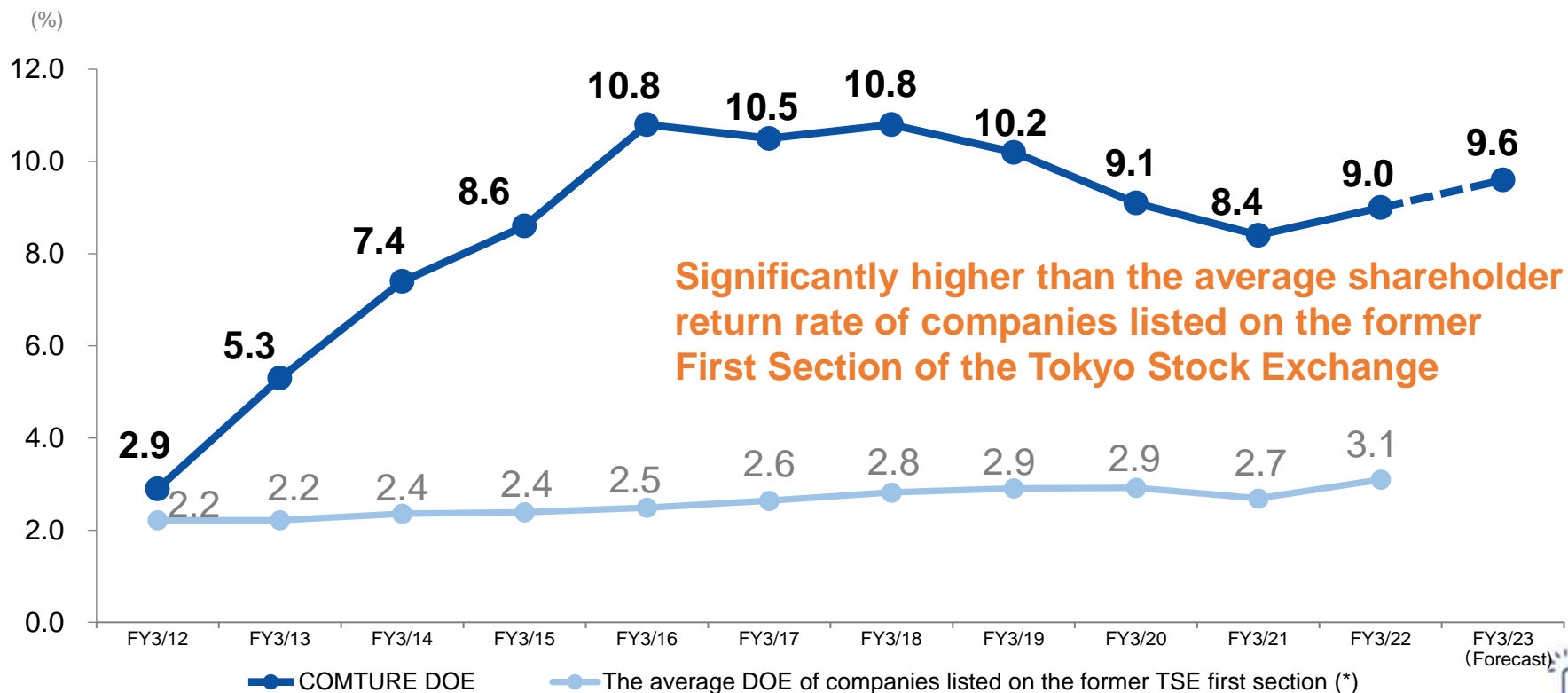
(Unit: %)



2-4 Balancing Capital Efficiency and Shareholder Returns

$$\text{DOE (dividend on equity ratio)} = \text{Payout ratio} \times \text{ROE}$$

The dividend on equity ratio is a financial indicator that measures the percentage of net income that is distributed to shareholders equity



(*Source: Tokyo Stock Exchange)

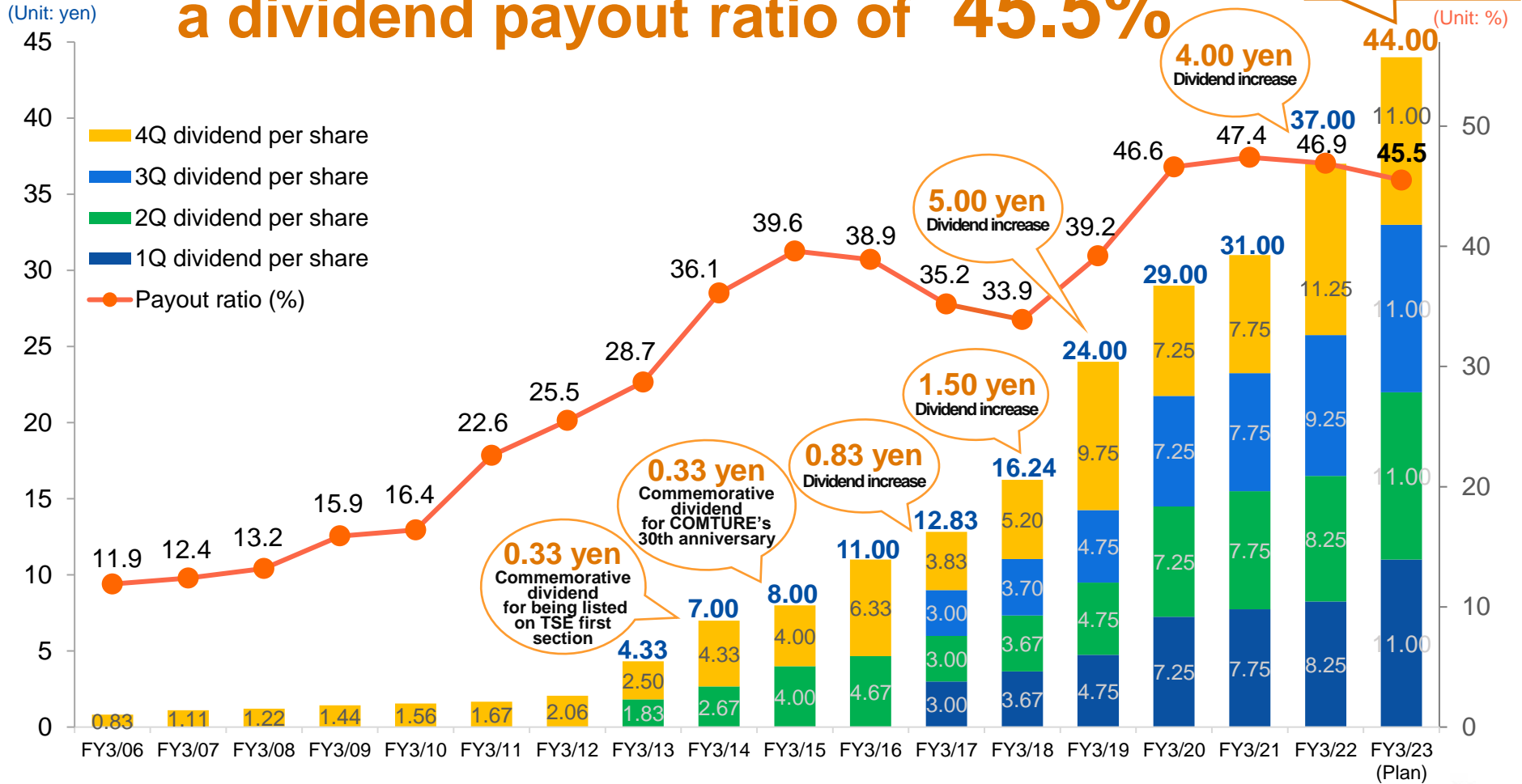
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Shareholder Returns

3-1 Dividend Growth

Plan to raise the dividend for the 18th consecutive year

a dividend payout ratio of **45.5%**



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 per share	Dividend record date	Dividend payment date
1Q	11.00 yen	Jun. 30, 2022	Aug. 31, 2022
2Q	11.00 yen	Sep. 30, 2022	Nov. 30, 2022
3Q	11.00 yen	Dec. 31, 2022	Feb. 28, 2023 (planned)
4Q	11.00 yen	Mar. 31, 2023	Next business day after shareholders' meeting approval (planned)
Total	44.00 yen		

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 13,200 yen + prepaid QUO cards worth 2,000 yen = 15,200 yen annually
- The payout ratio including QUO cards are expected to be 52.4% for the fiscal year ending March 31, 2023 (for shareholders holding 300 shares)



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- 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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