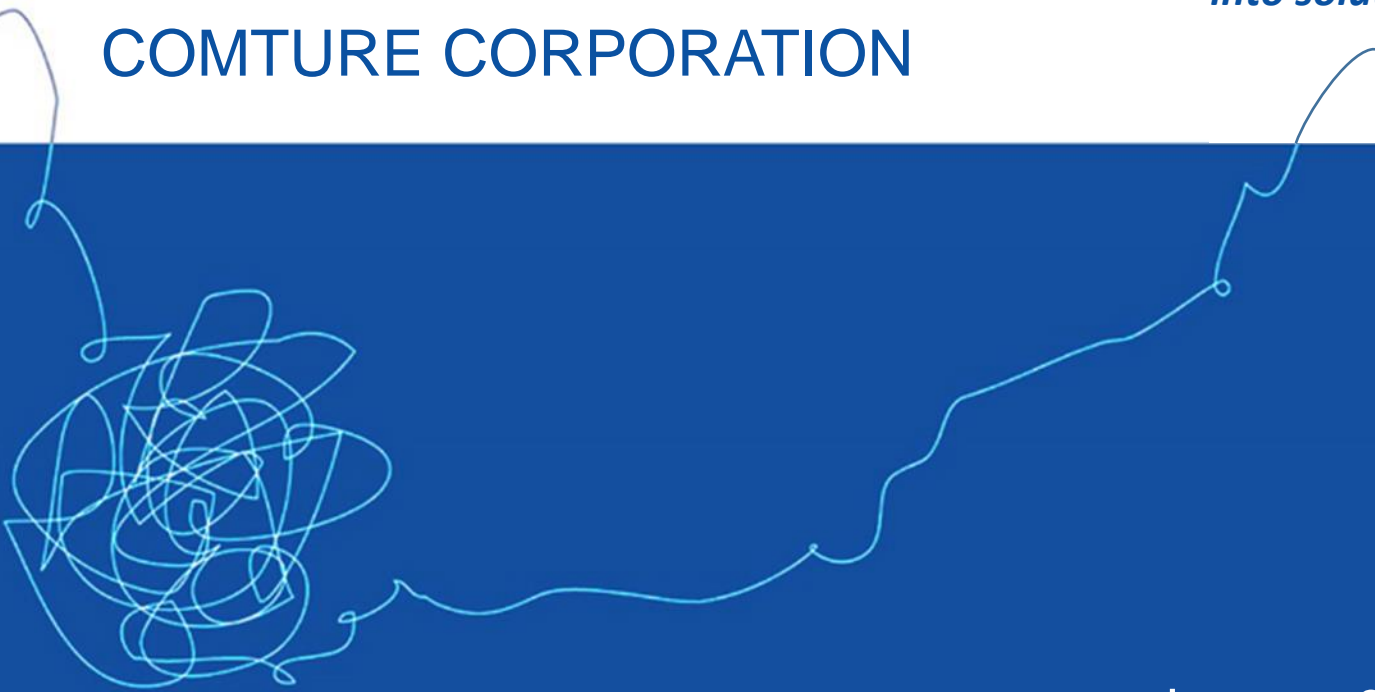


# Third Quarter of the Fiscal Year Ending March 31, 2024 Financial Results Materials

*Transforming needs  
into solutions*



## COMTURE CORPORATION



January 31, 2024

**Chihiro Sawada**  
Representative Director,  
President

**3Q of the FY Ending March 31, 2024**

**1**

# Results of Operations



# 1-1 Financial Highlights (Announced January 31, 2024)

**Achieved 14 consecutive years of sales growth and 12 consecutive years of earnings growth with both sales and earnings climbing to record highs**

\*Figures in parenthesis are organic growth excluding M&A

|   | 3Q FY3/23 Results  |                | 3Q FY3/24 Results                                  |                          | YoY change (%)            |
|---|--------------------|----------------|--|--------------------------|---------------------------|
|   | Amount             | % to net sales | Amount   | % to net sales           |                           |
| Net sales                               | 21,365 million yen | -              | <b>25,310 million yen<br/>(23,198 million yen)</b> | -                        | <b>+18.5%<br/>(+8.6%)</b> |
| Operating profit                        | 2,883 million yen  | 13.5%          | <b>3,262 million yen<br/>(3,009 million yen)</b>   | <b>12.9%<br/>(13.0%)</b> | <b>+13.1%<br/>(+4.4%)</b> |
| Ordinary profit                         | 2,871 million yen  | 13.4%          | <b>3,260 million yen<br/>(3,005 million yen)</b>   | <b>12.9%<br/>(13.0%)</b> | <b>+13.6%<br/>(+4.7%)</b> |
| Profit attributable to owners of parent | 1,945 million yen  | 9.1%           | <b>2,113 million yen</b>                           | <b>8.4%</b>              | <b>+8.7%</b>              |
| Net income per share                    | 61.02 yen          | -              | <b>66.30 yen</b>                                   | -                        | <b>+8.7%</b>              |

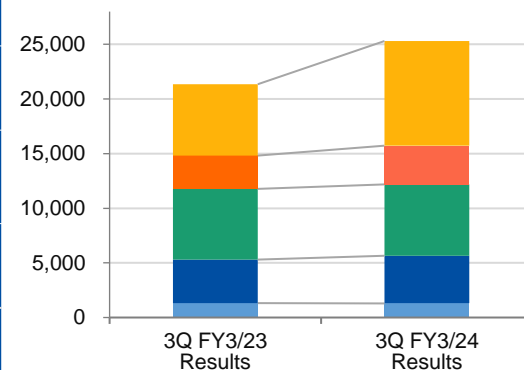
# 1-2 Business Segment Performance

(Unit: million yen)

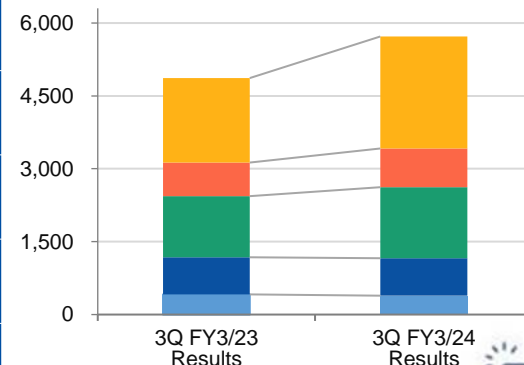
|                                       | 3Q FY3/23 Results | 3Q FY3/24 Results | YoY change (%) |
|---------------------------------------|-------------------|-------------------|----------------|
| <b>Net sales (*) See next page</b>    | 21,365            | 25,310            | +18.5%         |
| Cloud Solutions                       | 6,537             | 9,587             | +46.6%         |
| Digital Solutions                     | 3,046             | 3,544             | +16.3%         |
| Business Solutions                    | 6,488             | 6,537             | +0.7%          |
| Platform, Operation Services          | 3,975             | 4,332             | + 9.0%         |
| Digital Learning                      | 1,317             | 1,308             | ▲0.6%          |
| <b>Gross profit (*) See next page</b> | 4,872             | 5,726             | +17.5%         |
| Cloud Solutions                       | 1,742             | 2,311             | +32.6%         |
| Digital Solutions                     | 693               | 794               | +14.5%         |
| Business Solutions                    | 1,260             | 1,462             | +16.0%         |
| Platform, Operation Services          | 764               | 772               | + 1.0%         |
| Digital Learning                      | 410               | 386               | ▲5.8%          |

- 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 third quarter of the previous fiscal year have been restated.

## \*Gross profit for FY3/23:

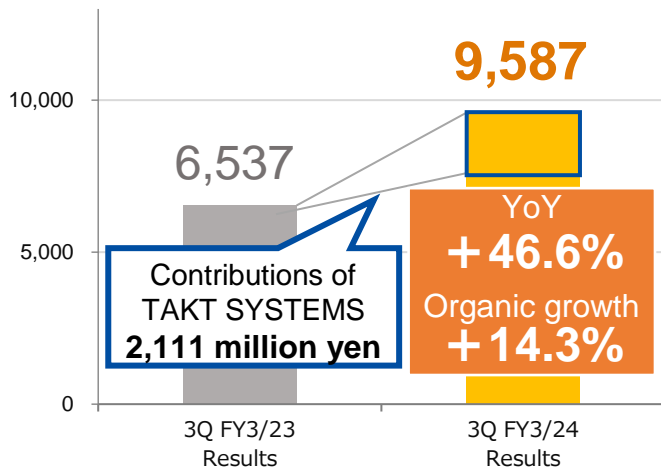
In previous fiscal years, the salaries of employees hired following graduation were included in cost of sales during the April and May initial training period. Beginning with this fiscal year, these salaries are included in selling, general and administrative expenses in order to more appropriately show 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 third quarter of the previous fiscal year have been restated.

# 1-3 Cloud Solutions Business

## Net sales

(Unit: million yen)



### ■ Main Activities

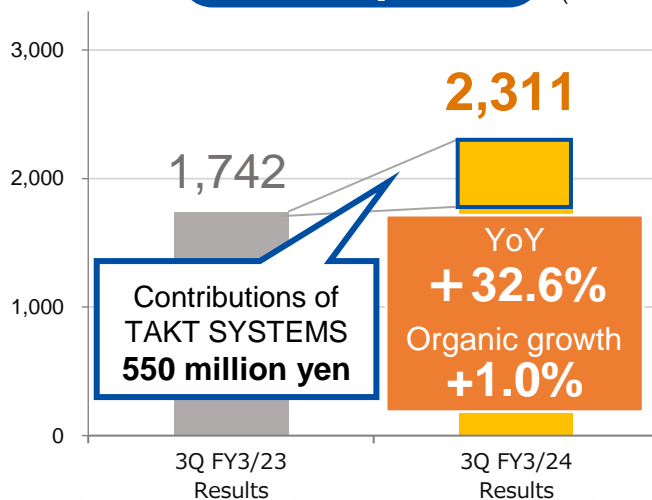
Collaboration using alliances with global SaaS vendors (Microsoft, Salesforce, ServiceNow and others), consulting and integration services for the installation and use of CRM and other cloud services, and other activities

### ■ 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

## Gross profit

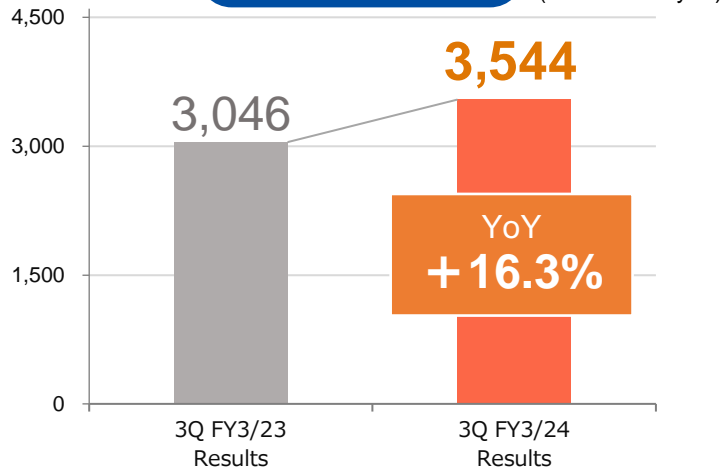
(Unit: million yen)



# 1-4 Digital Solutions Business

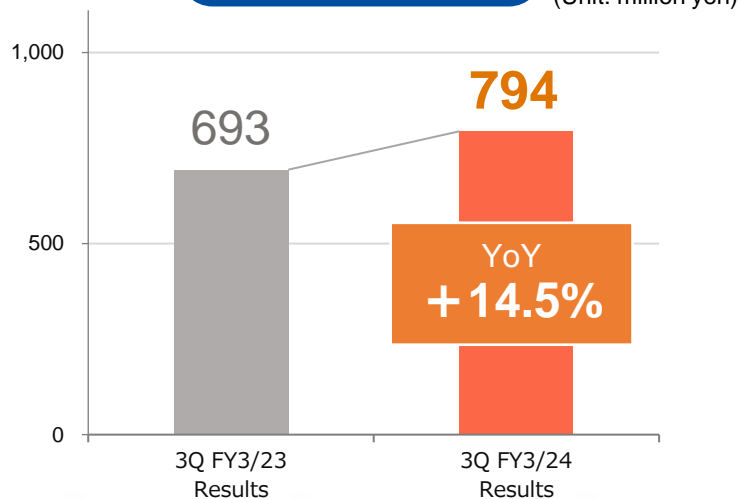
## Net sales

(Unit: million yen)



## Gross profit

(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

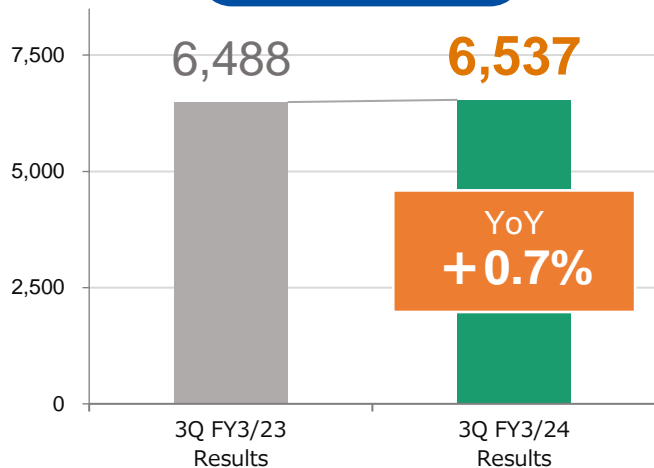
### ■ Overview

- ⊕ 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)

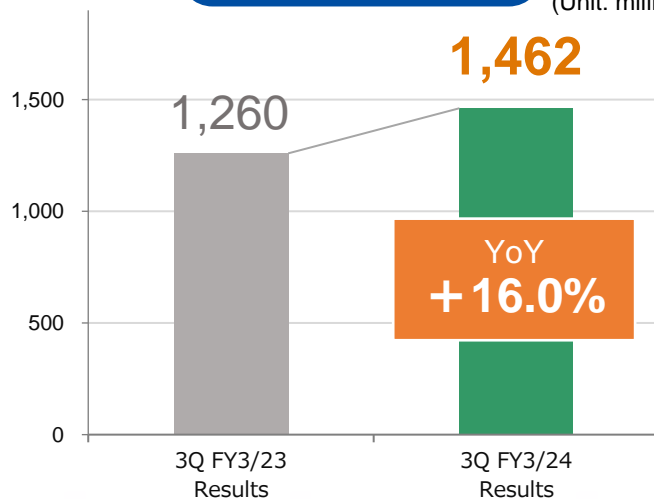


### ■ Main Activities

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

## Gross profit

(Unit: million yen)



### ■ Overview

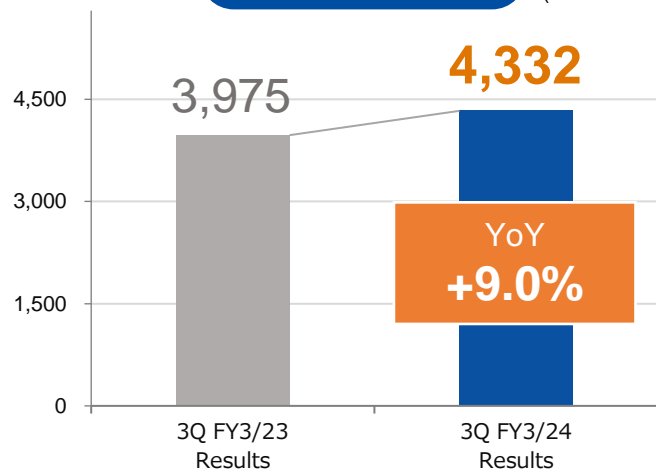
- + Growth of the SAP business resulting from the shift of people to this business due to reskilling
- + An increase in demand for the services of this business at financial institutions
- + Profitability improved in part because earnings in the 1Q of FY3/23 were impacted by a project that encountered difficulties



# 1-6 Platform, Operation Services Business

## Net sales

(Unit: million yen)



## Main Activities

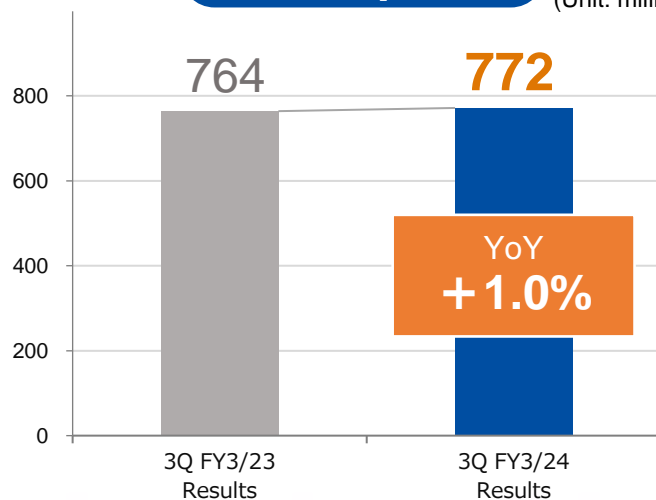
Hybrid cloud environments using virtualization software (Kubernetes and others), design, construction and operation of virtual networks (Cisco and others), IT system remote surveillance at COMTURE Group's service centers using global tools, help desk operations, and other activities

## Overview

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

## Gross profit

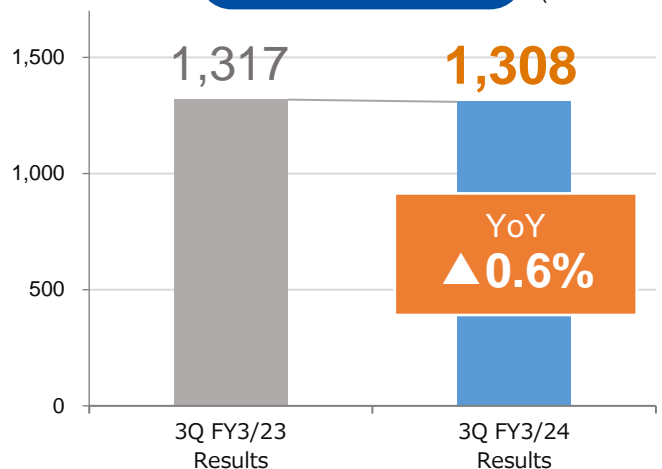
(Unit: million yen)



# 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



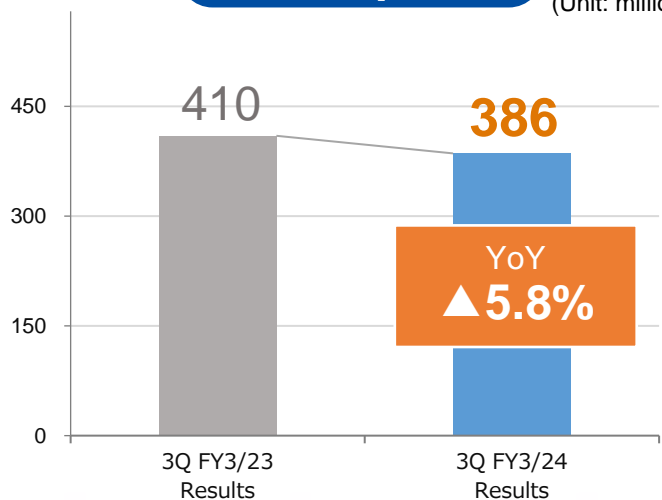
Increasing demand at companies for structured training programs



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 18.5% 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.

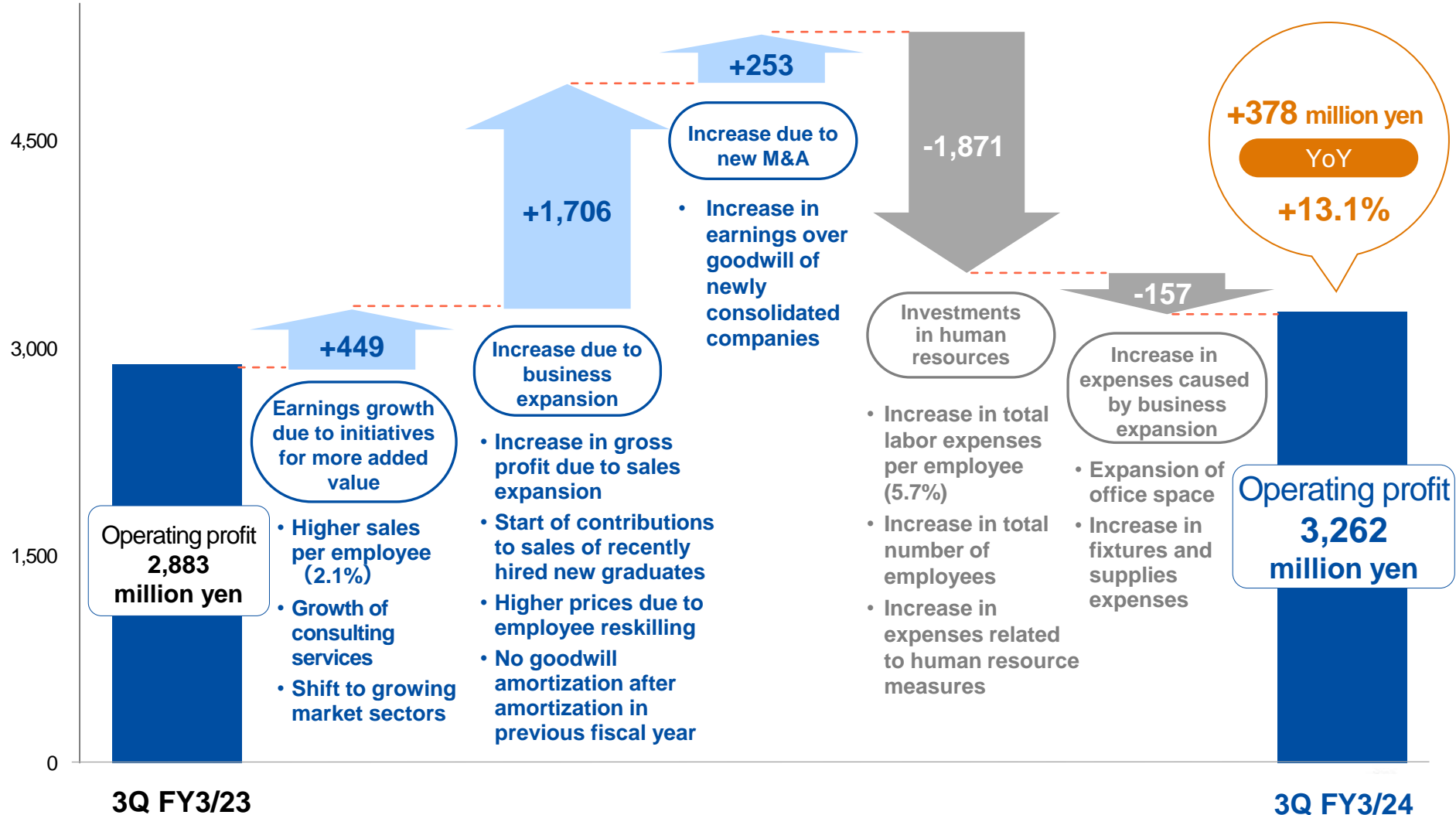
## Operating profit

Up 13.1% YoY

- + Sales per employee: up 2.1% \*Sales per employee (excluding new employees): up 5.0%
- + 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.
- Total labor expenses per employee increased 5.7%.  
\*Expenses increased 8.1% after excluding new employees
- Expenses for human resource measures and the growth of business operations increased.

# 1-9 Components of Changes in Operating Profit

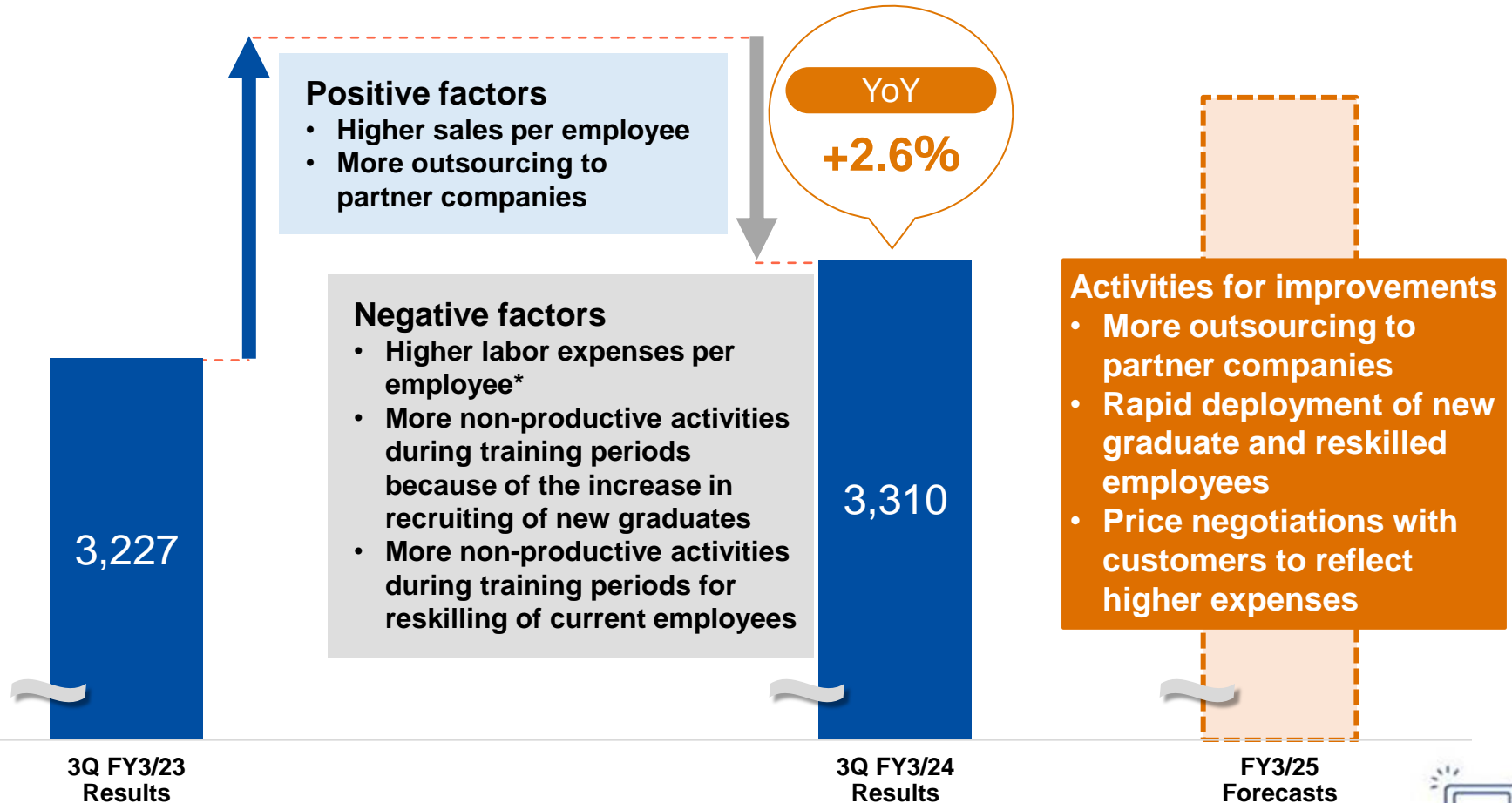
(Unit: million yen)



# 1-10 Components of Changes in Gross Profit per Employee\*

(Unit: thousand yen)

\*Gross profit per employee is total gross profit divided by the number of employees (consolidated, end of the quarter)  
\*Labor expenses per employee is total labor expenses divided by the number of employees (consolidated, end of quarter)



# 2

## FY3/24

# Earnings Forecast

\*Business segment forecast has been partially revised on October 30, 2023

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



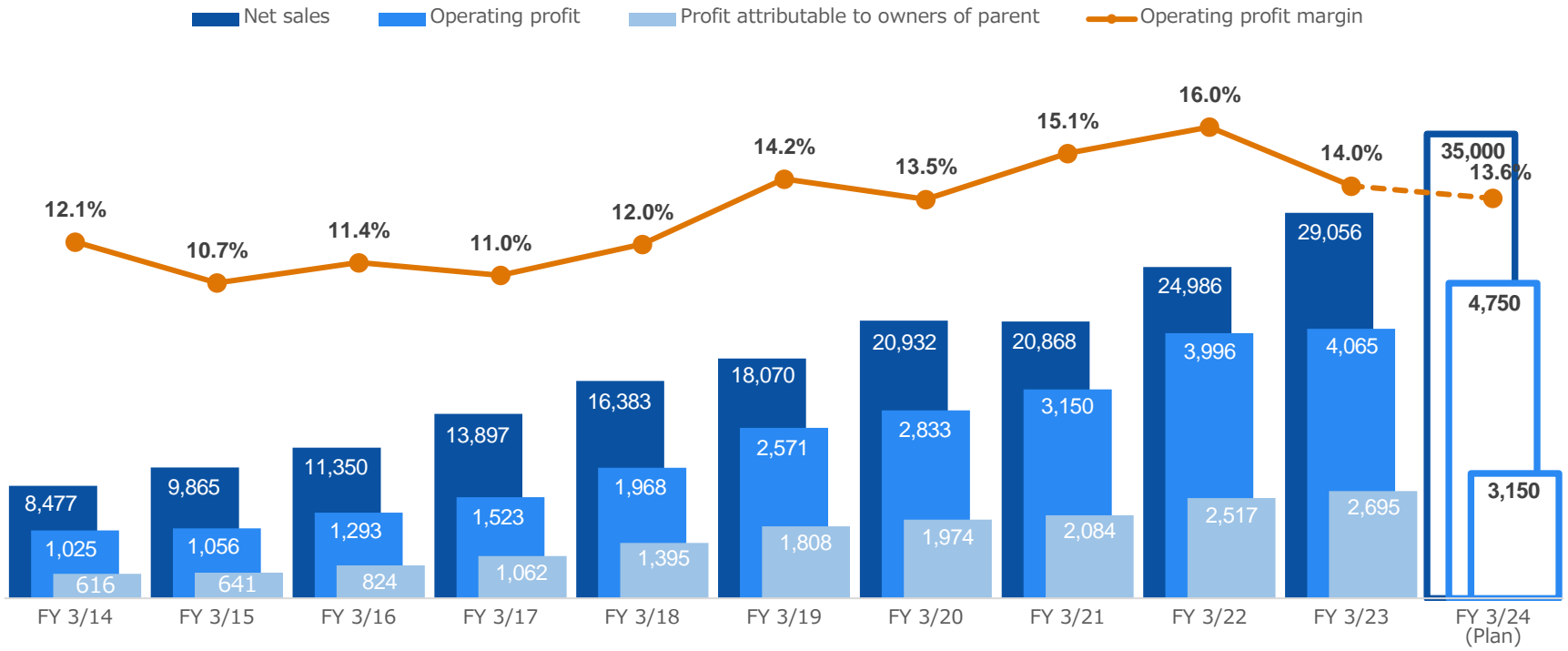
**Aiming for 14 consecutive years of sales growth and  
13 consecutive years of earnings growth,  
reaching new record highs**

\*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 | -              | <b>35,000 million yen<br/>(32,300 million yen)</b> | -                        | <b>+20.5%<br/>(+11.2%)</b> |
| Operating profit                        | 4,065 million yen  | 14.0%          | <b>4,750 million yen<br/>(4,596 million yen)</b>   | <b>13.6%<br/>(14.2%)</b> | <b>+16.8%<br/>(+13.1%)</b> |
| Ordinary profit                         | 4,067 million yen  | 14.0%          | <b>4,750 million yen<br/>(4,596 million yen)</b>   | <b>13.6%<br/>(14.2%)</b> | <b>+16.8%<br/>(+13.0%)</b> |
| Profit attributable to owners of parent | 2,695 million yen  | 9.3%           | <b>3,150 million yen</b>                           | <b>9.0%</b>              | <b>+16.9%</b>              |
| Net income per share                    | 84.56 yen          | -              | <b>98.83 yen</b>                                   | -                        | <b>+16.9%</b>              |

# 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% |



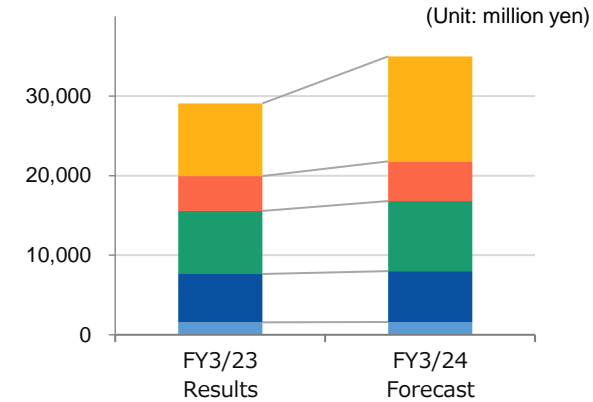
# 2-3 Business Segment Forecast (Revised on October 30)

(Unit: million yen)

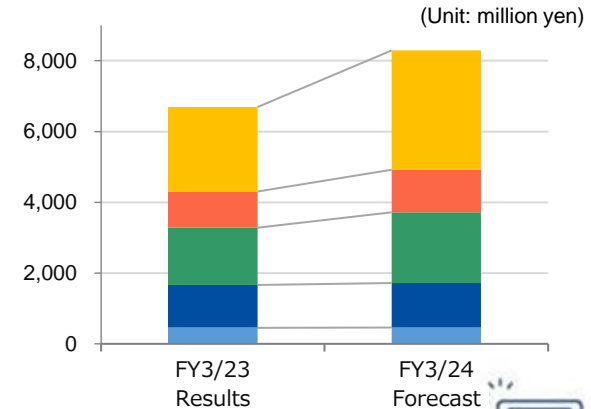
|                              | FY3/23 Results | FY3/24 Forecast | YoY change (%) |
|------------------------------|----------------|-----------------|----------------|
| <b>Net sales</b>             | 29,056         | 35,000          | +20.5%         |
| Cloud Solutions              | 9,112          | 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%          |
| <b>Gross profit</b>          | 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



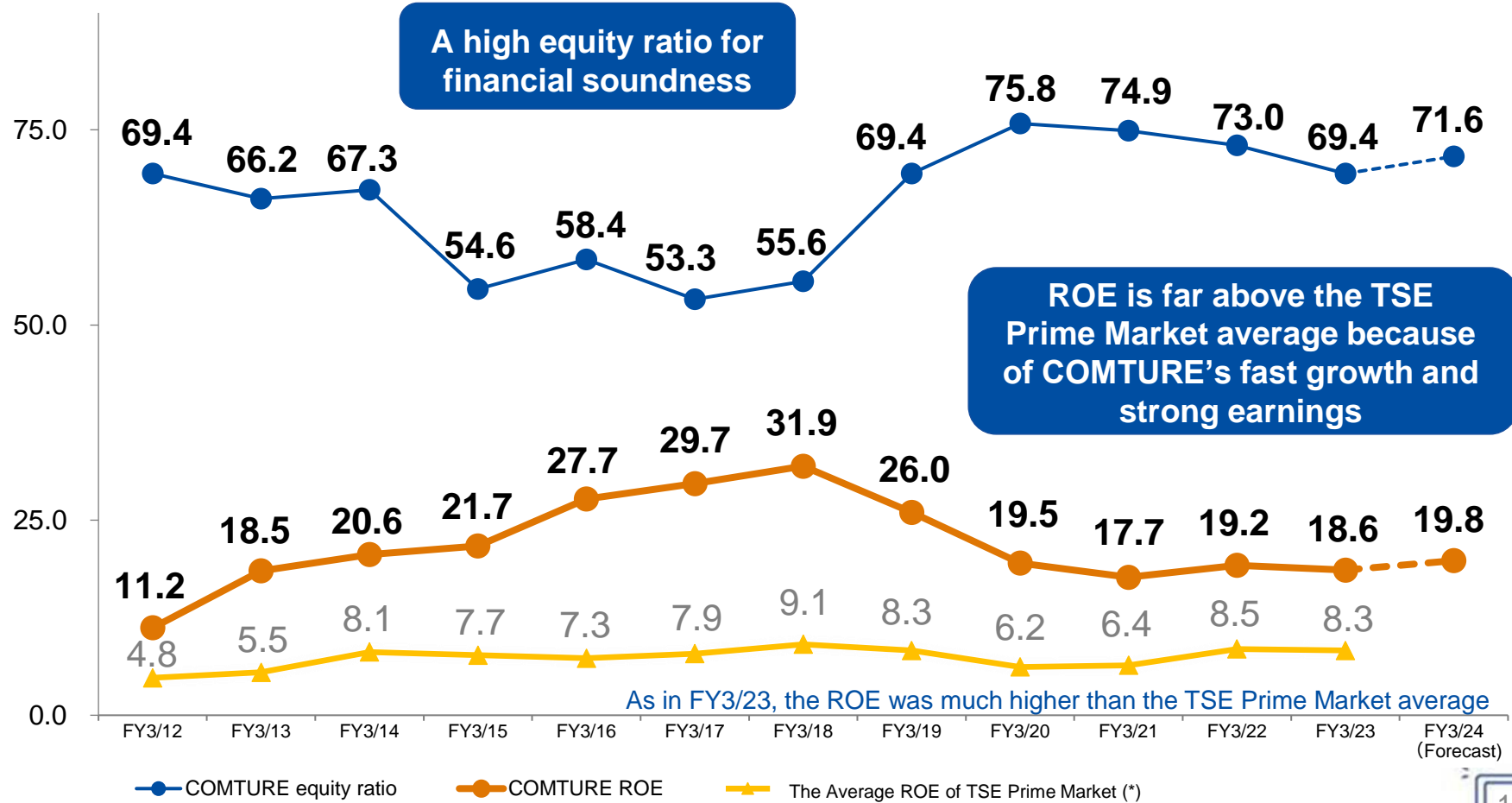
## Gross profit



# 2-4 Financial Soundness and High Profitability

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

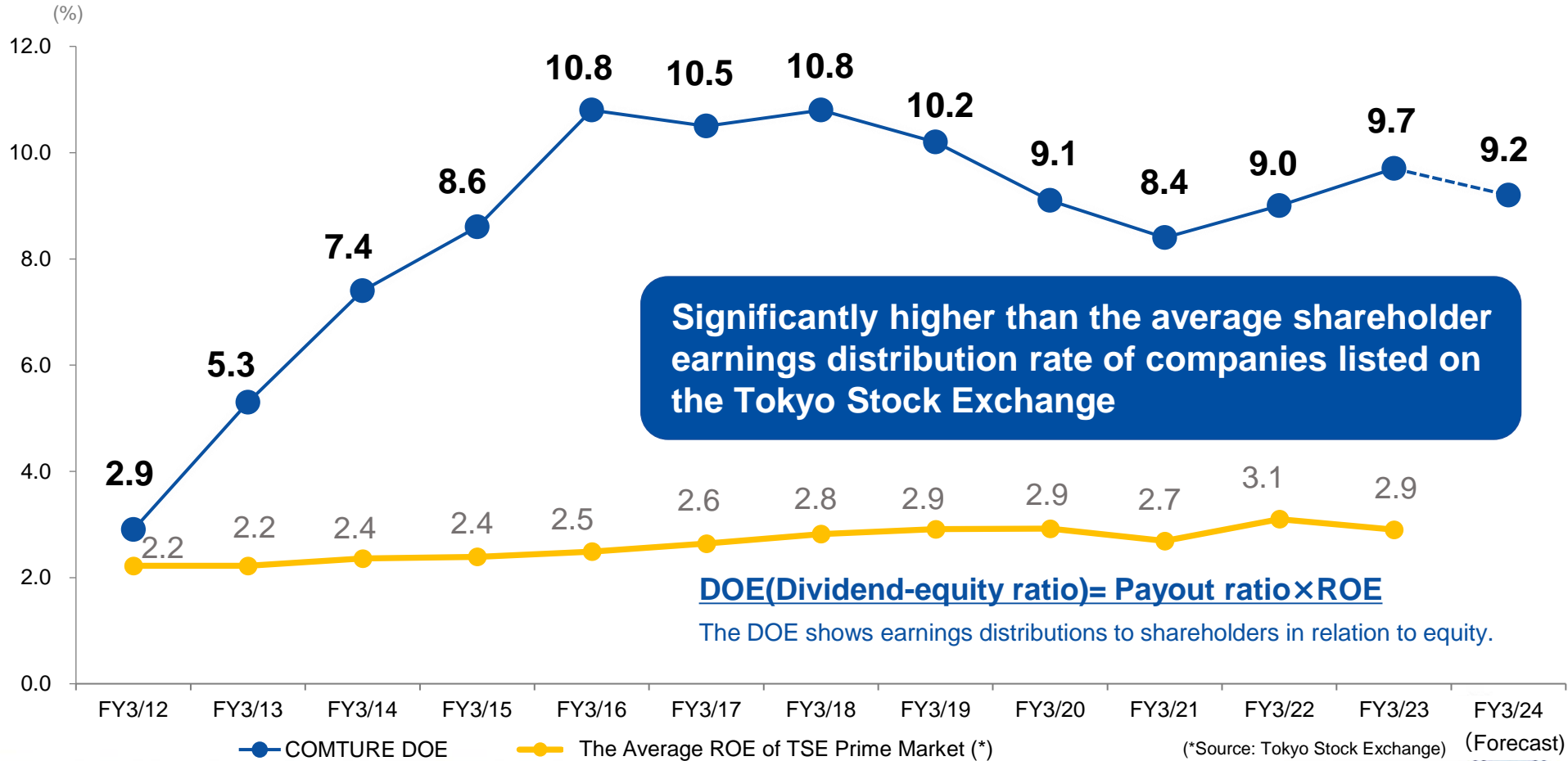
(Unit: %)



(\*Source: Mizuho Securities)

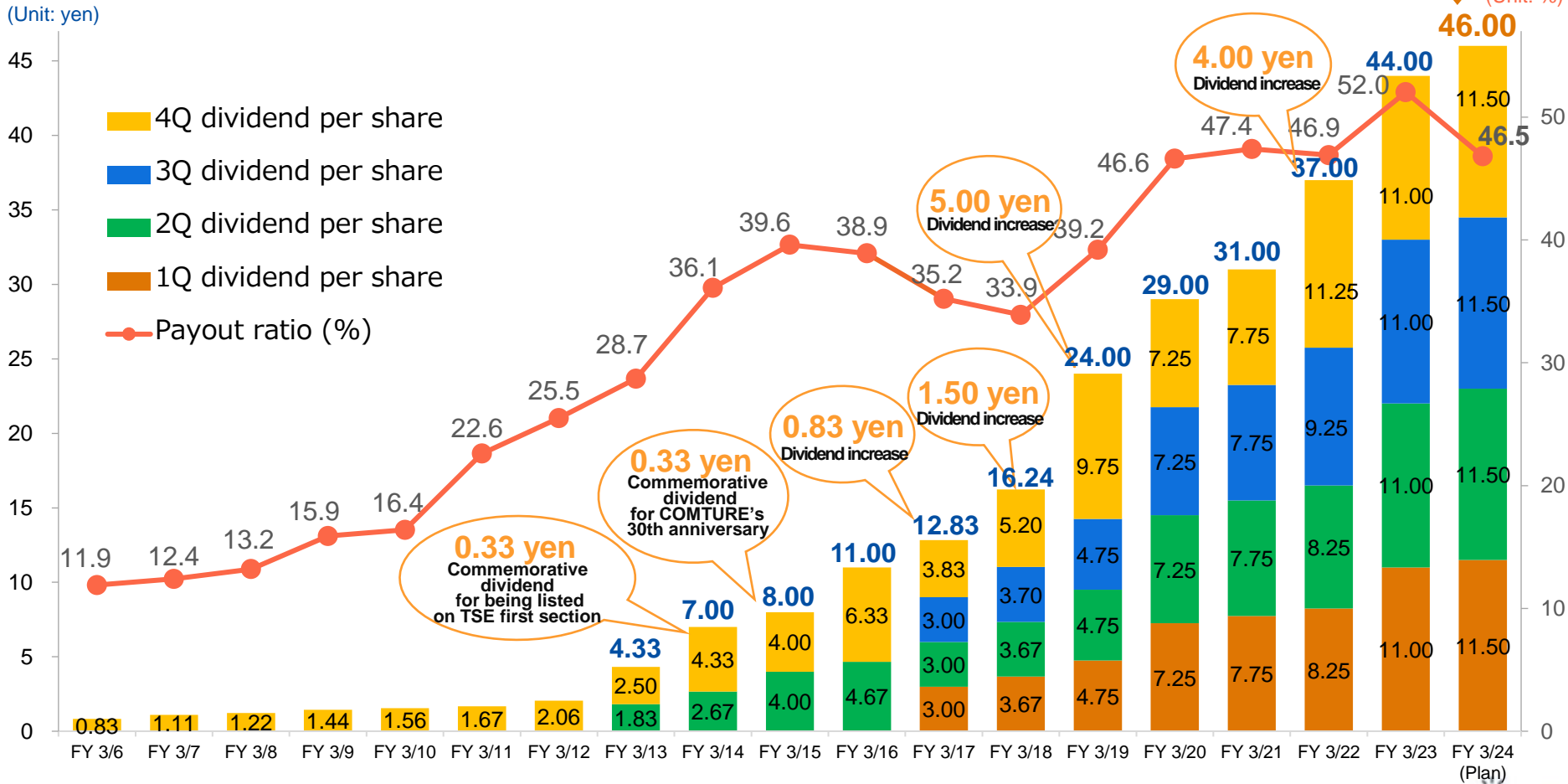
# 2-5 Balancing Capital Efficiency and Shareholder Returns

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



# 2-6 Dividend Growth

Plan to raise the dividend for the 19th consecutive year  
**a dividend payout ratio of 46.5%**



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.

# 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   |
| 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

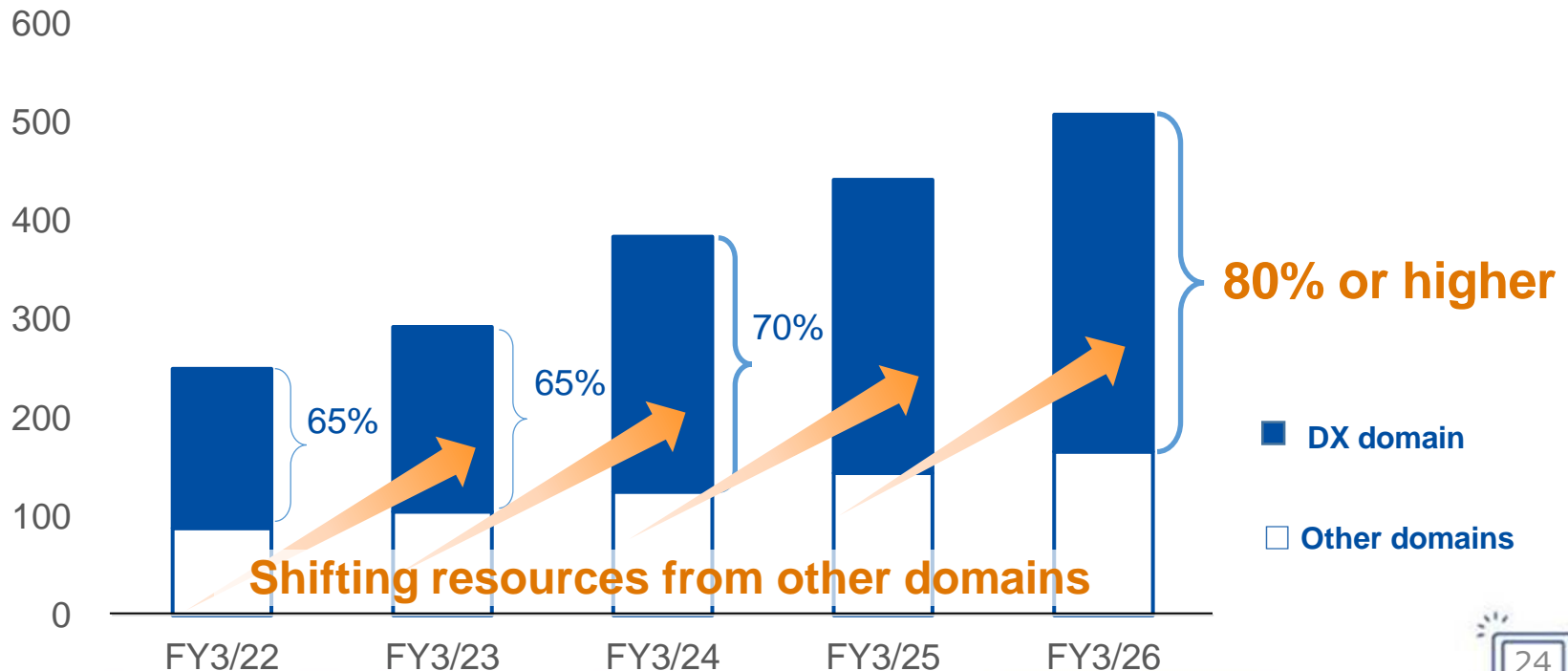
# 3-1 Medium-term Management Plan

– Expansion of DX domain (Announced May 12, 2023)

## 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)





## Proactively shift resources to growing business domains

- About one month from selections of participants for shifts and confirmation of their consent  
→ Determination of ability to **shift required resources to the required domains** based on an examination of all business operations
- Complete basic training in targeted categories for earning advanced certification **within 3 to 5 months**
- Following resource shifts during about 6 months, provide support with continuous on-the-job training  
→ **Use knowledge acquired** from activities up to the OJT stage to establish **a program for constant reskilling**

### Reskilling Program

#### Selection of participants

- Select rapidly growing business domains
- Select candidates for resource shifting
- Confirm consent of individuals

#### Category-specific basic training

- Group company training scheme
- Project management basics
- Vendor basic certification test

#### Acquisition of vendor advanced certification

- Group company training scheme
- Vendor advanced certification test

#### OJT following resource shifts

- On-the-job training at projects for follow-up support
- Practical training activities

# 3-3 Human Resources (Announced May 12, 2023)

## 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

# 3-4 Progress of Medium-term Management Plan – Workforce Growth

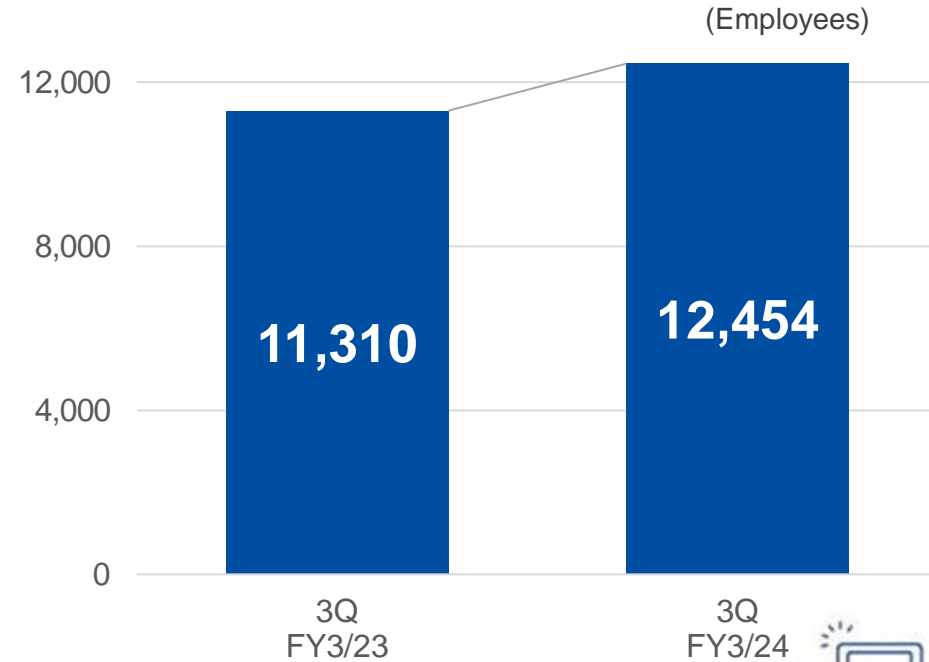
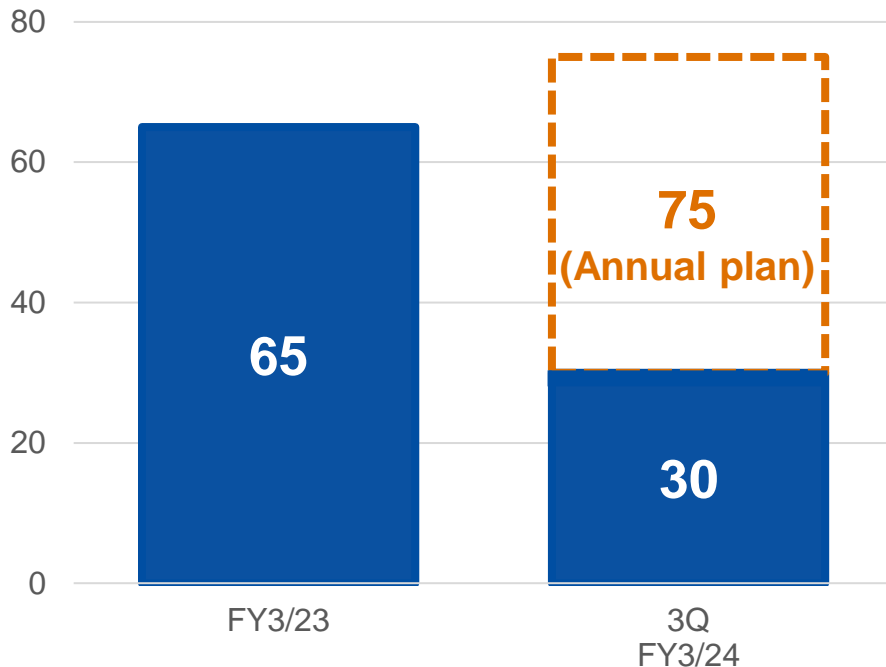
## Recruiting activities for faster growth

### More hiring of experienced people

- Hired 30 people in FY3/24 as of the end of December
- Using employee introductions, scouting and other activities

### Stronger relationships with partner companies

- Outsourced projects were 10.1% more than one year earlier
- Working with 38 core partner companies



# 3-5 Progress of Medium-term Management Plan

## – Workforce Growth

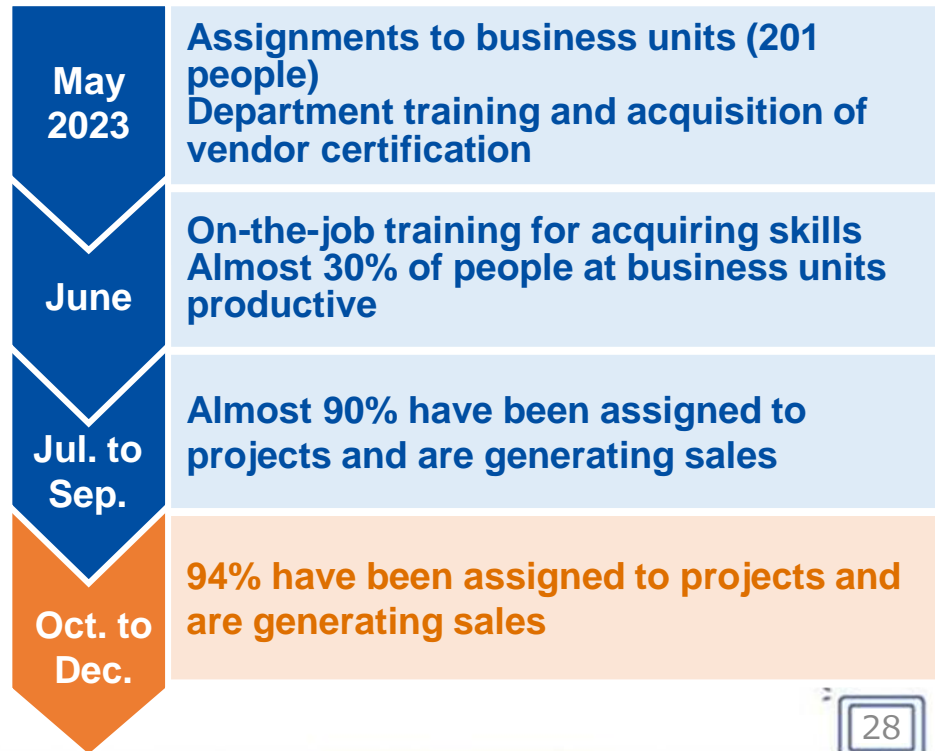
### Education and training programs for more added value

#### Reskilling current employees

- 121 people had been shifted as of December 31.
- Plan to reskill and shift 150 people during FY3/24.

#### Fast training of new graduate employees

- 94% of 201 new hires assigned to business units are productive
- Goal is 100% productivity of these new hires by the 4Q



# 3-6 COMTURE in 5 to 10 years

The goal is sales of **100 billion yen** in FY3/32

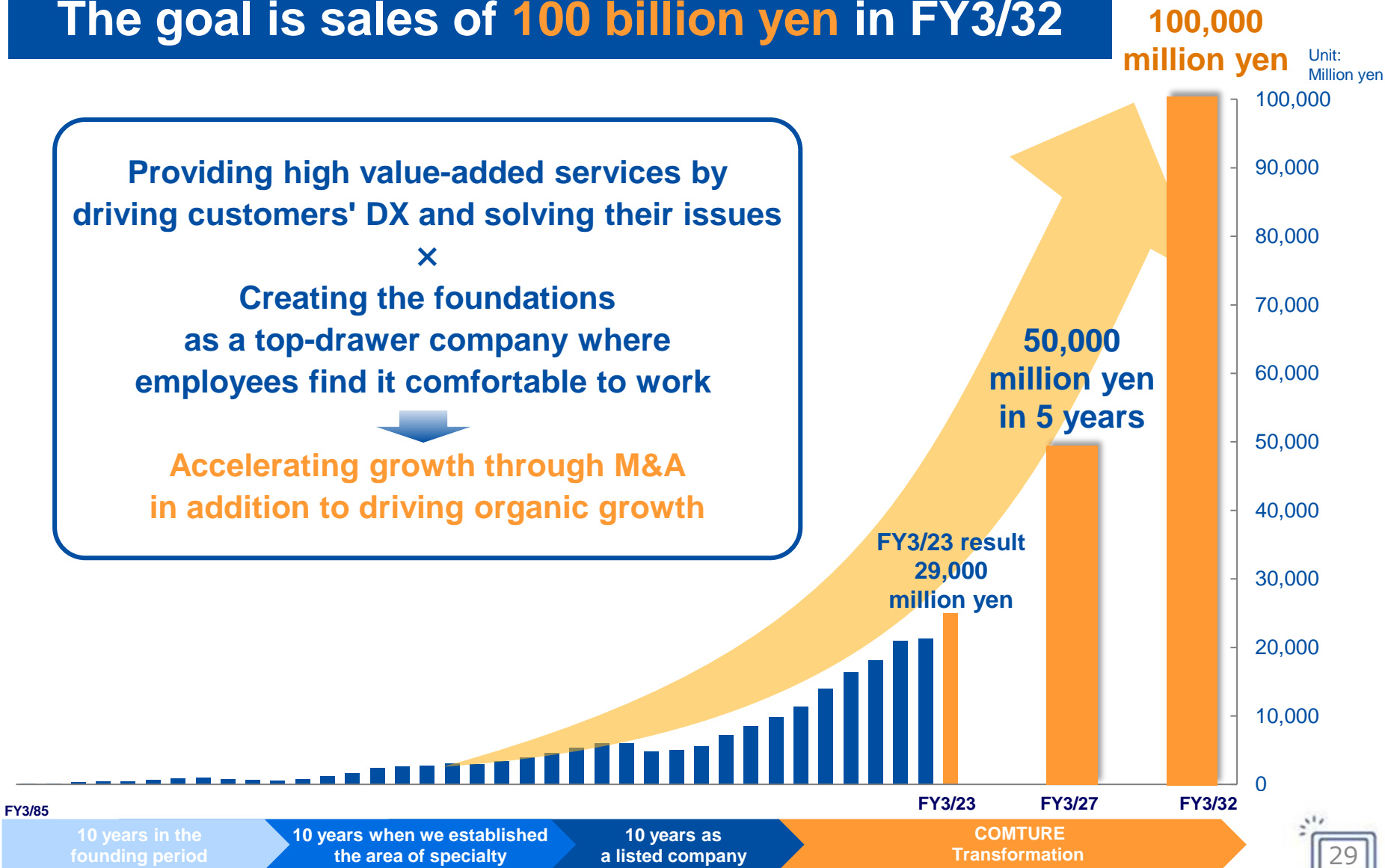
Providing high value-added services by driving customers' DX and solving their issues

×

Creating the foundations as a top-drawer company where employees find it comfortable to work



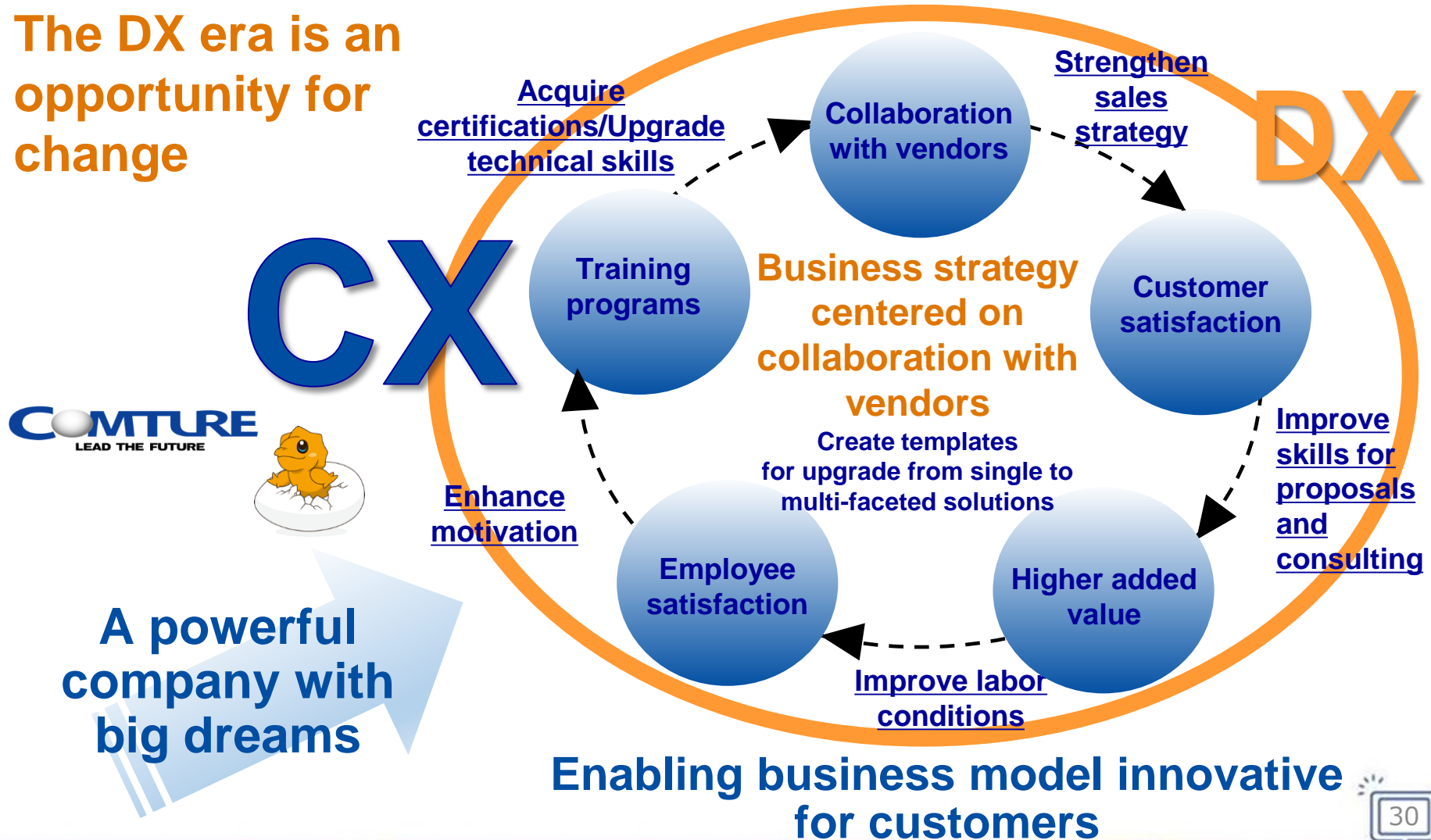
Accelerating growth through M&A in addition to driving organic growth



# 3-7 The Comture Transformation (CX)

Comture will transform into a DX integrator

The DX era is an opportunity for change



Be a source of  
**“*excitement*”**  
for customers and  
**“*dreams*”**  
for employees

- 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.

## Inquiries

Corporate Functional Department, IR·SR  
COMTURE CORPORATION

Tel: +81-(0)3-5745-9702

E-mail: [irsr@comture.com](mailto:irsr@comture.com)