

An Introduction to COMTURE for Institutional Investors

*Transforming needs
into solutions*



COMTURE CORPORATION



October , 2018

Koichi Mukai
Chairman & CEO
Founder - Owner

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About COMPTURE



1-1 Company Overview

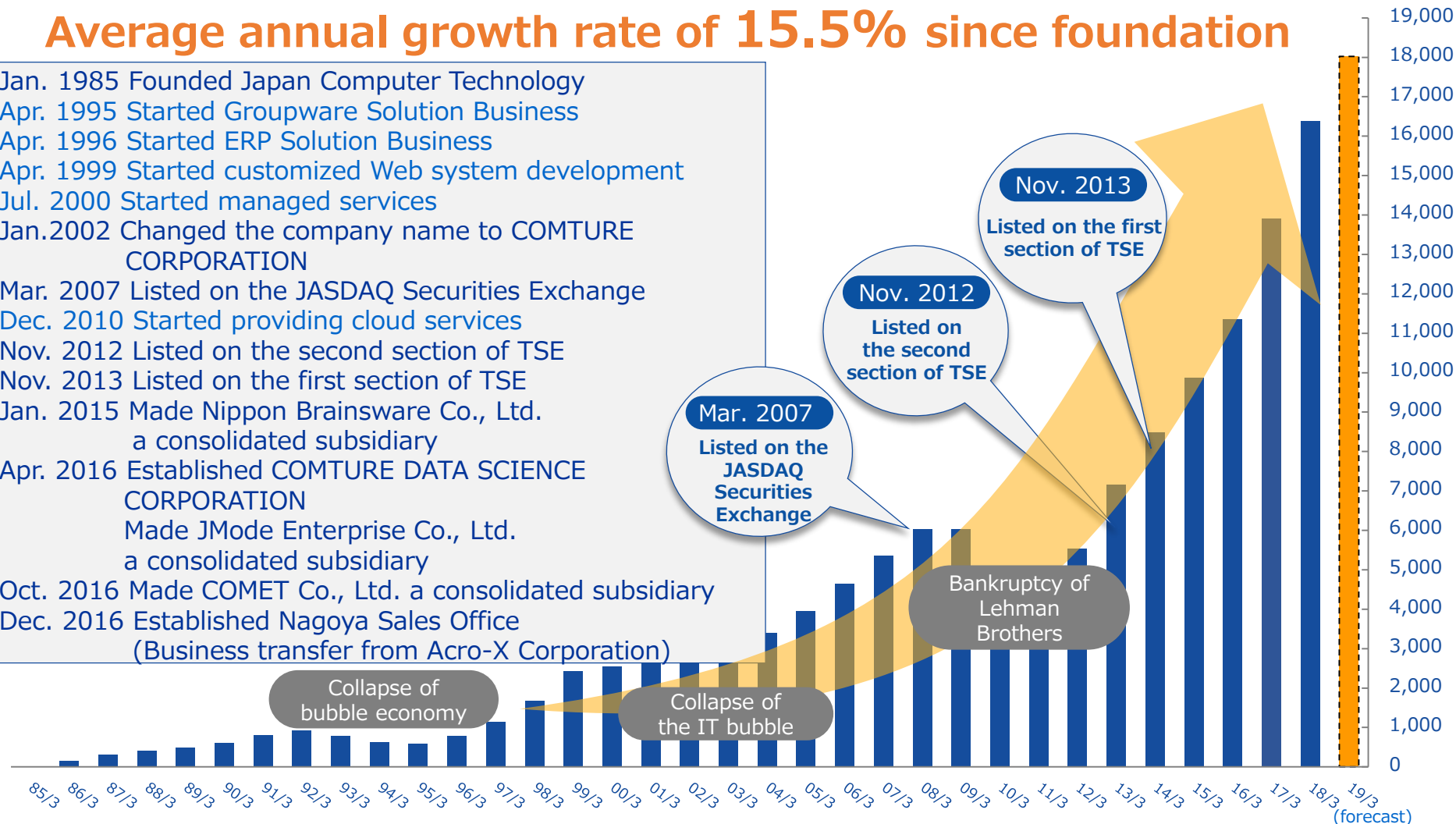
Name	COMTURE CORPORATION (Securities code: 3844)
Representative	Chairman & CEO Koichi Mukai President & COO Ken Ohno
Address	8F/9F East Tower, Gate City Osaki, 1-11-2, Osaki, Shinagawa-ku, Tokyo Japan
Established	January 18, 1985
Capital	¥1,019 million (as of the end of March 2018)
Net sales	¥16,383 million (FY ended March 2018) ¥18,025 million (Forecast for FY ending March 2019)
Ordinary income	¥2,010 million (FY ended March 2018) ¥2,215 million (Forecast for FY ending March 2019)
Employees	1,202 (as of April 1, 2018)



1-2 COMTURE's History

Average annual growth rate of 15.5% since foundation

- Jan. 1985 Founded Japan Computer Technology
- Apr. 1995 Started Groupware Solution Business
- Apr. 1996 Started ERP Solution Business
- Apr. 1999 Started customized Web system development
- Jul. 2000 Started managed services
- Jan. 2002 Changed the company name to COMTURE CORPORATION
- Mar. 2007 Listed on the JASDAQ Securities Exchange
- Dec. 2010 Started providing cloud services
- Nov. 2012 Listed on the second section of TSE
- Nov. 2013 Listed on the first section of TSE
- Jan. 2015 Made Nippon Brainsware Co., Ltd. a consolidated subsidiary
- Apr. 2016 Established COMTURE DATA SCIENCE CORPORATION
Made JMode Enterprise Co., Ltd. a consolidated subsidiary
- Oct. 2016 Made COMET Co., Ltd. a consolidated subsidiary
- Dec. 2016 Established Nagoya Sales Office (Business transfer from Acro-X Corporation)



1-3 COMTURE's Evolution - how we continued to grow -

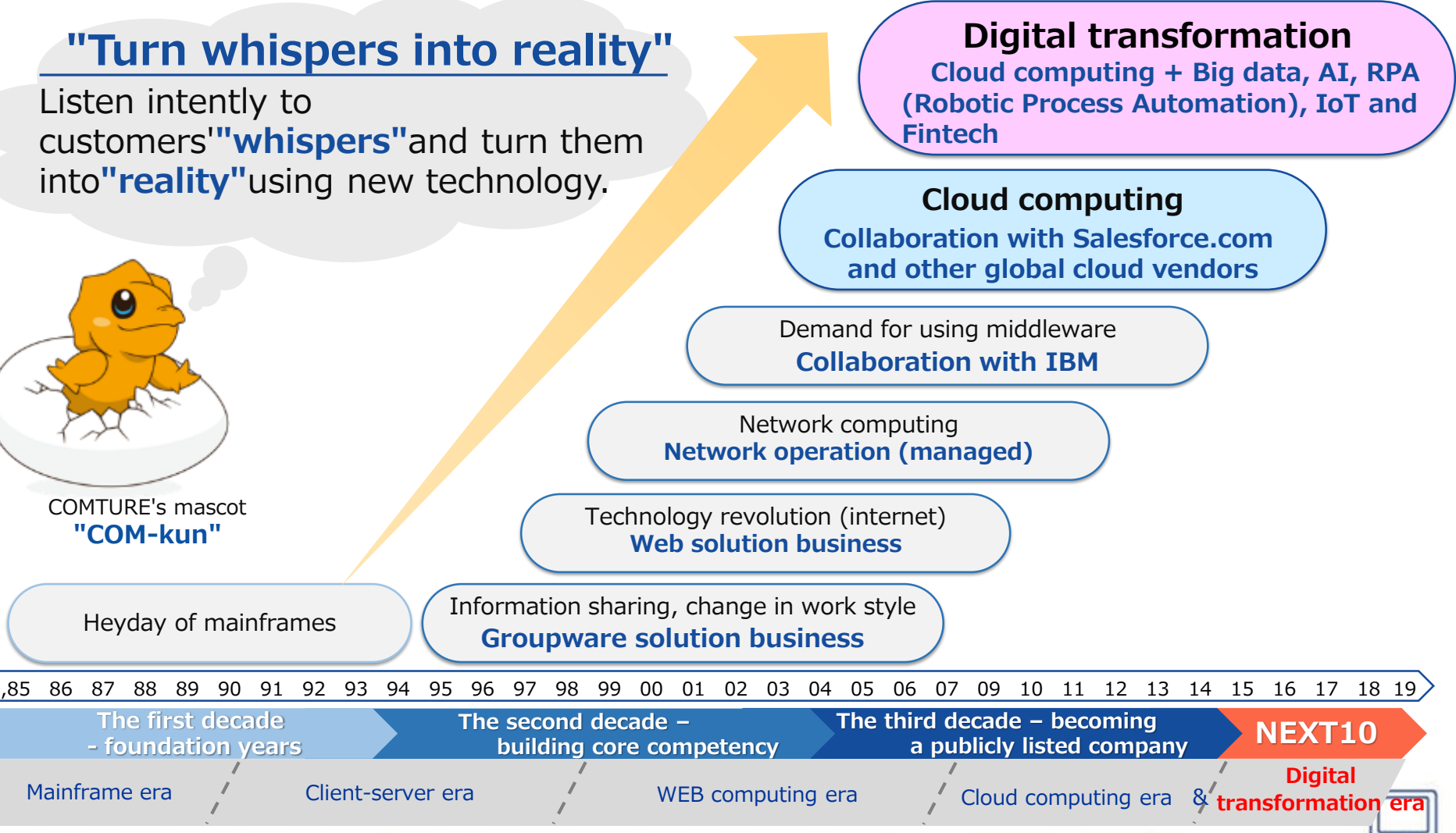
As a result of ceaseless innovation

"Turn whispers into reality"

Listen intently to customers'"whispers"and turn them into"reality"using new technology.



COMTURE's mascot
"COM-kun"



1-4 Four Interlinked Business Domains

Proposal and support for IT at large companies centered on the cloud and big data

Groupware Solutions

- Business data sharing, decision/payment system, internal SNS, others

ERP Solutions

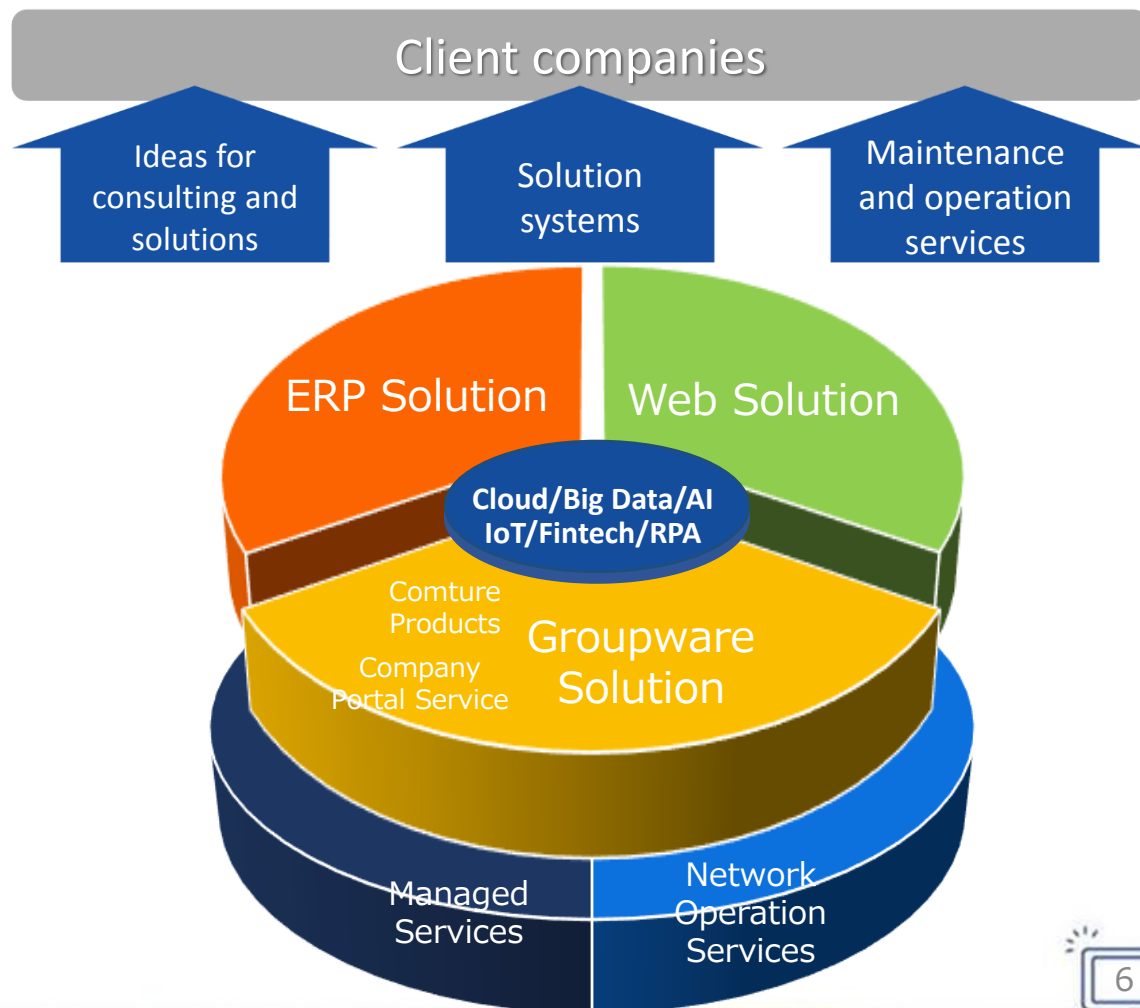
- Faster completion of projects by using integrated packages

Web Solutions

- Cloud , Big Data , AI , RPA , IoT , Fintech systems using the Internet

Network Services

- Data center operations service and network construction service



1-5 Major Customers

**We serve 809 large companies covering
a broad spectrum of industries**

GMO Aozora Net Bank , Accenture, AJINOMOTO, American Home Assurance, AEON, ITOKIN, SMBC Trust Bank, NTT DOCOMO Group, NTT EAST, ORIX, Olympus, Kamagaya City, Canon Group, KYOCERA Group, Kirin Brewery, Kinki Nippon Tourist, Cleanup, KONICA MINOLTA, Kobe Steel, KOMATSU, National Cancer Center, Sapporo Group, SHIMIZU, Mitsui O.S.K. Lines, Shinsho, Sumitomo Chemical, SURUGA bank, SBI Sumishin Net Bank, SEIYU, CEMEDINE, Solaseed Air, Sompo Japan Nipponkoa Insurance, The Dai-ichi Life Insurance, Daito Trust Construction, TV TOKYO, Deloitte Tohmatsu, Tokyu Housing Lease, TOSHIBA Group, The Tokyo Star Bank, Nikkei, JAPAN INTERNATIONAL COOPERATION CENTER, Nisshin Steel, Nippon Rent-A-Car Service, NIFTY, NIPPON TRAVEL AGENCY, JP HD, Nomura Research Institute, FUJIYA, BOOKOFF, Fuji Xerox Group, Honda Motor, Marubeni, Isetan Mitsukoshi, Mitsui Chemicals, Mitsui Fudosan, Mitsubishi, MITSUBISHI ESTATE, Mitsubishi Electric, Mitsubishi UFJ Lease & Finance, MetLife Insurance, Morinaga Milk Industry, MOS FOOD SERVICES, MORI Building, LIXIL, Recruit HD, Ricoh Japan, Lotte, Waseda University

(Order of the Japanese syllabary. As of the end of September 2018)

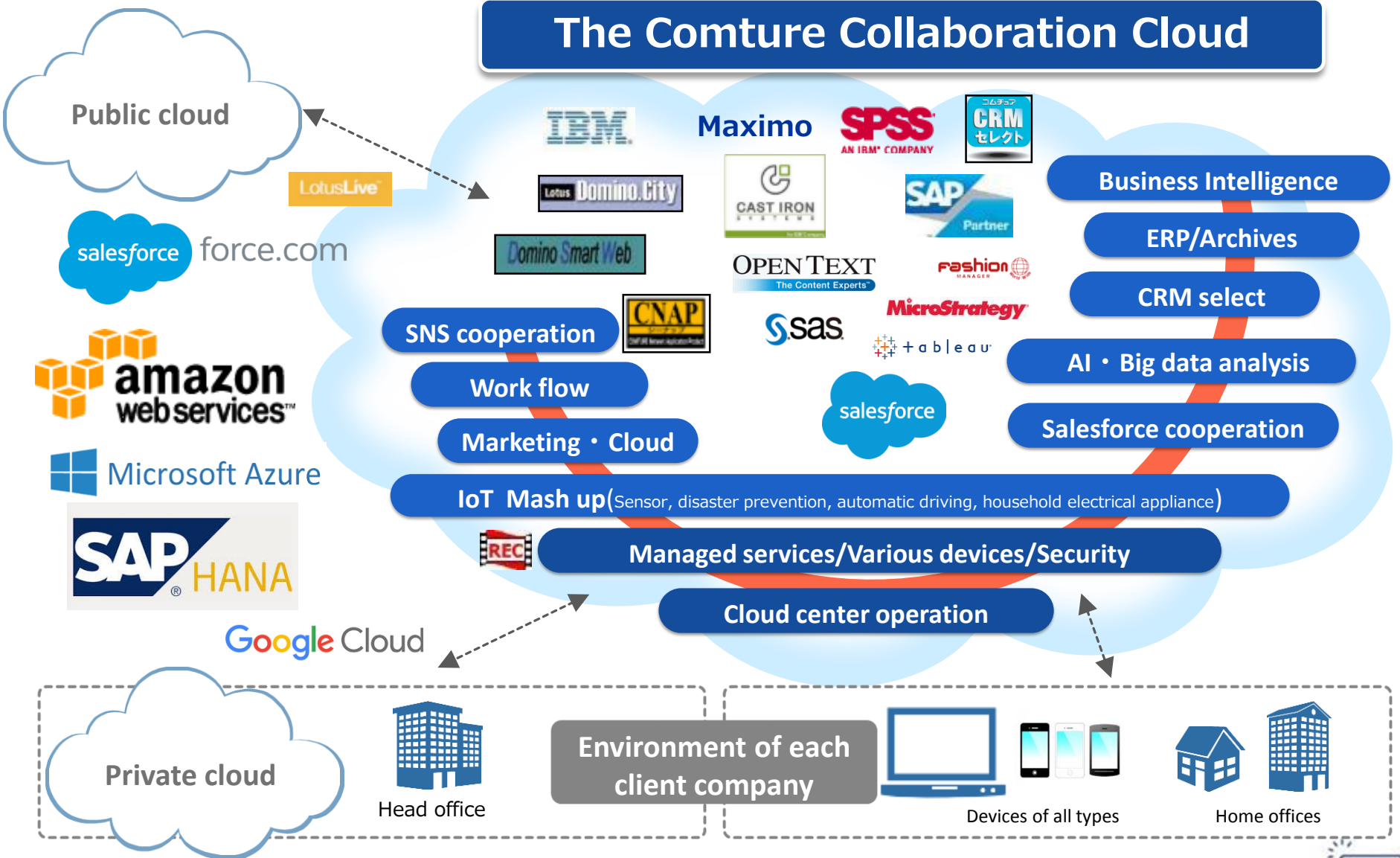
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Our Business



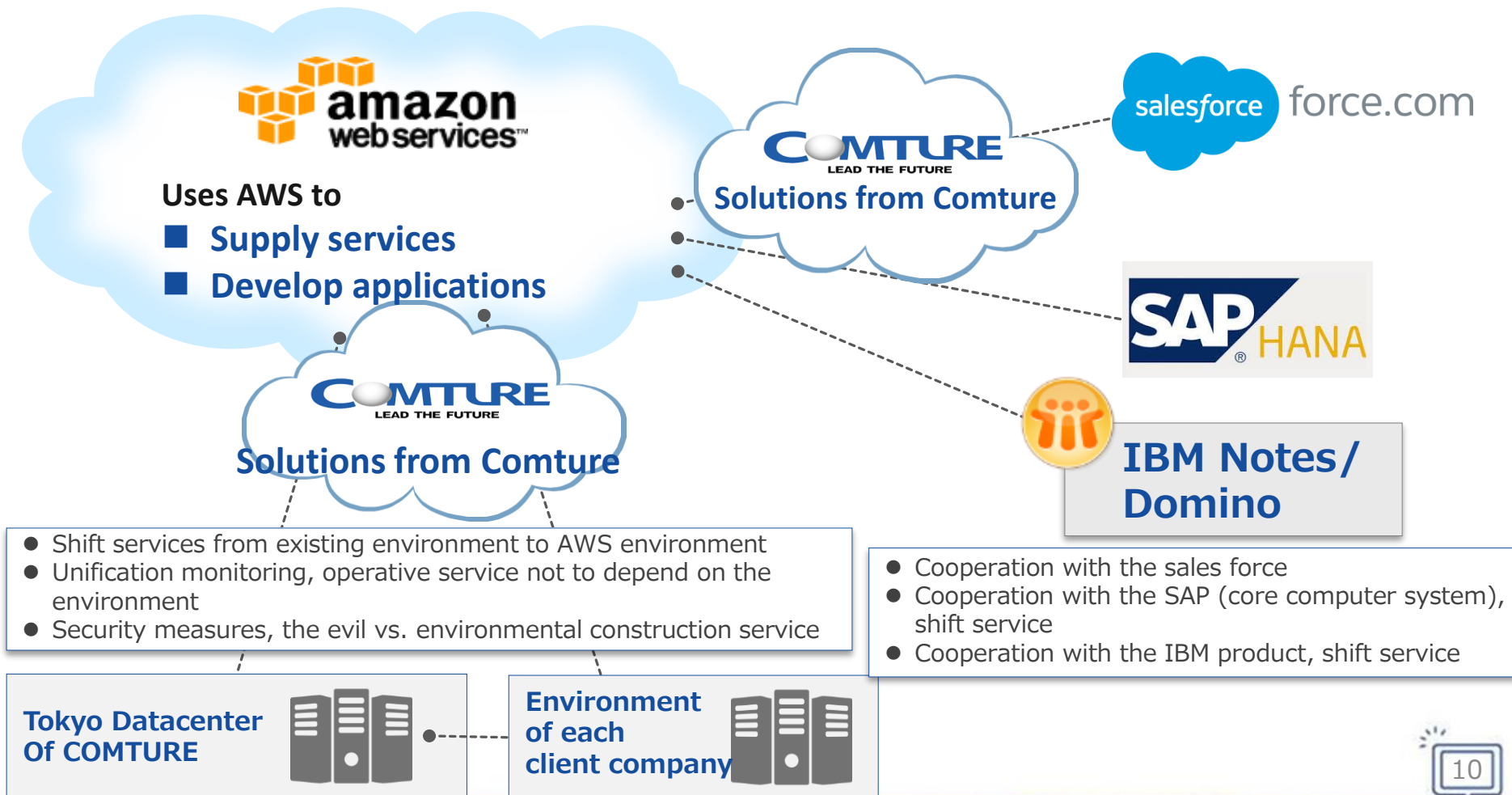
2-1 Domains for Comture Services

The Comture Collaboration Cloud



2-2 Examples of Comture Services –Amazon–

Working with Amazon Web Services Japan to offer the Amazon Web Services (AWS) cloud service



2-3 Major Examples

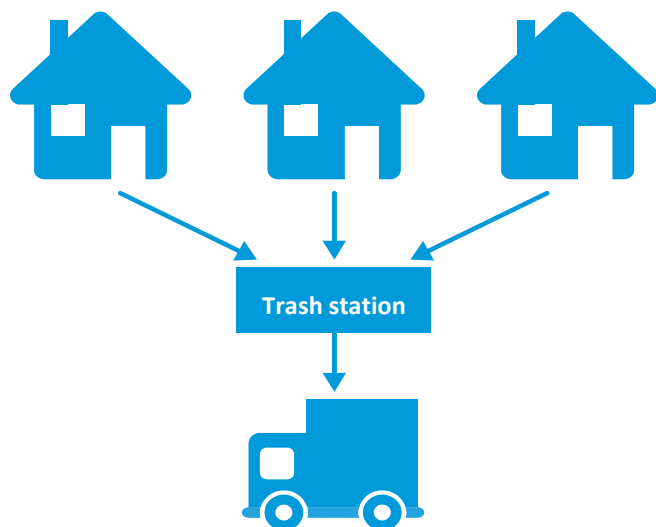
–City of Kamagaya (Chiba Prefecture)–

Example of cloud use – 1

Developed solution for “trash stations” management

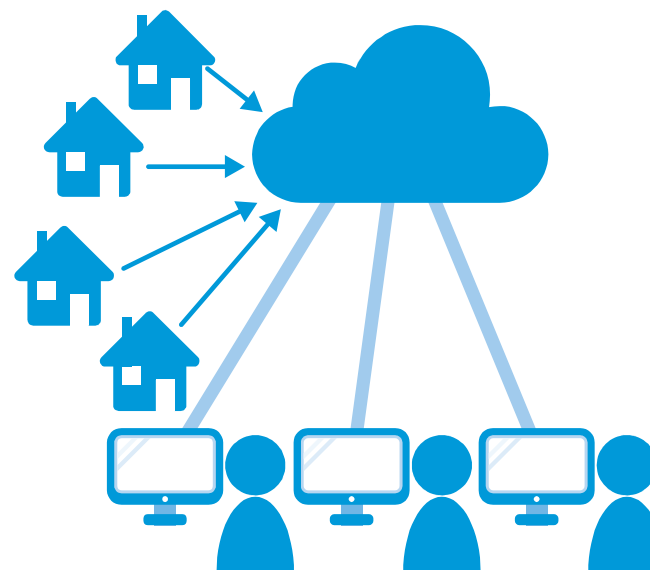
Neighborhood trash collection sites are now supervised from the cloud. Comture technology provides greater convenience for the residents of Kamagaya.

Before



Managed using different manual processes by the city, trash collection company and incineration facility

After

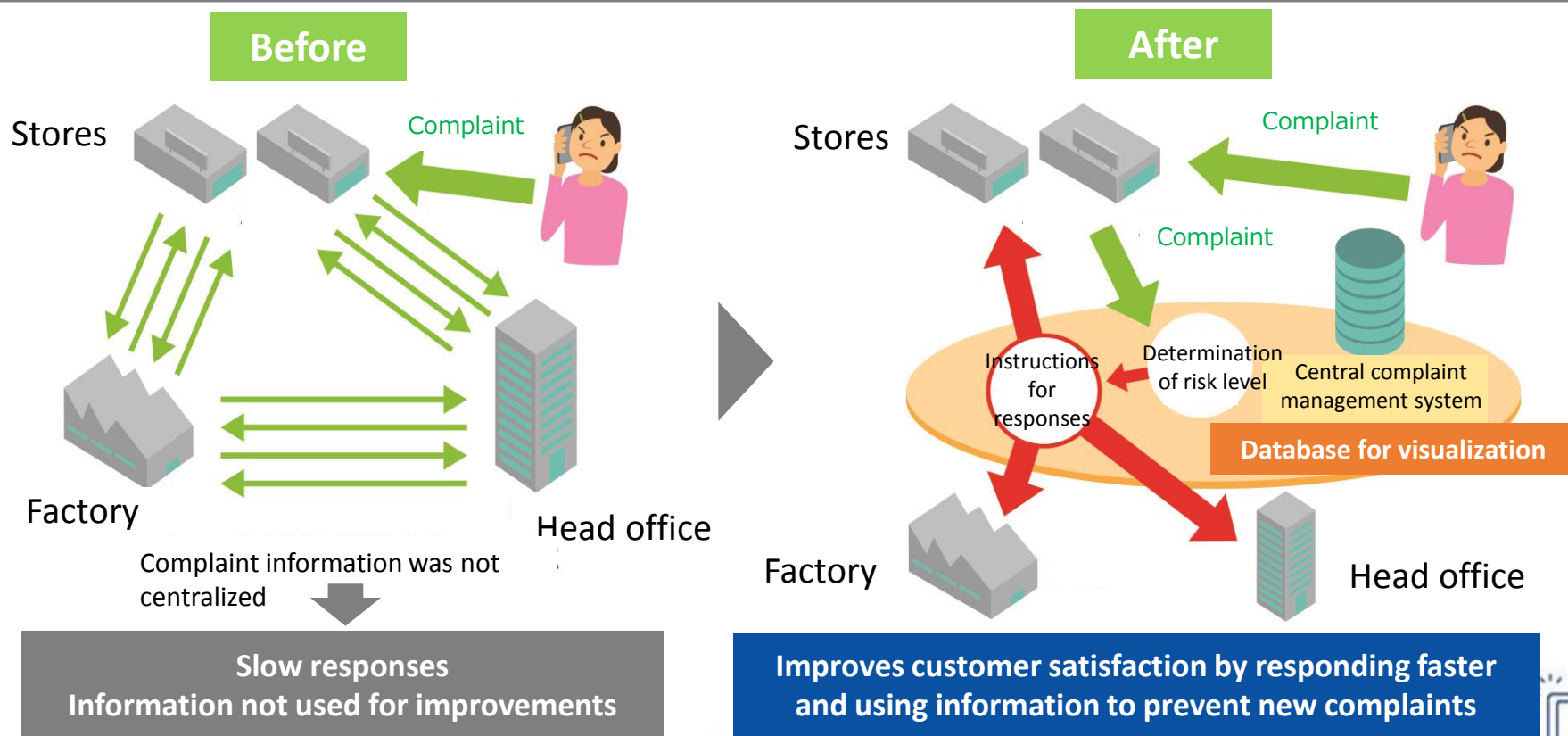


Centralized oversight from the cloud improves city services by dramatically increasing efficiency

2-4 Major Examples –Large retail company–

Example of cloud use – 2 Solution for handling complaints about food products

Achieved visualization of complaints at the company's 350 stores.
Improved customer satisfaction by responding faster and preventing a problem from creating more complaints.

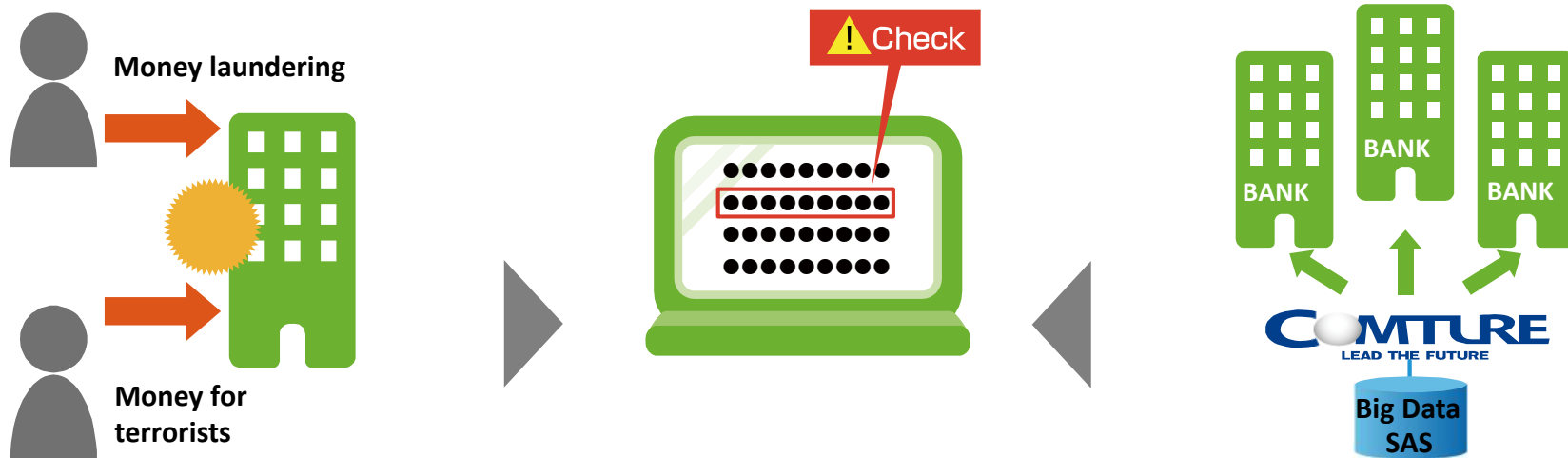


2-5 Major Examples –Large bank–

Example using big data and AI solutions – 1

Solution for detecting accounts linked to criminal activity

Using big data allows quickly identifying criminal activity.



Risk involving money laundering, terrorism, smuggling and other transactions for criminal activity is growing

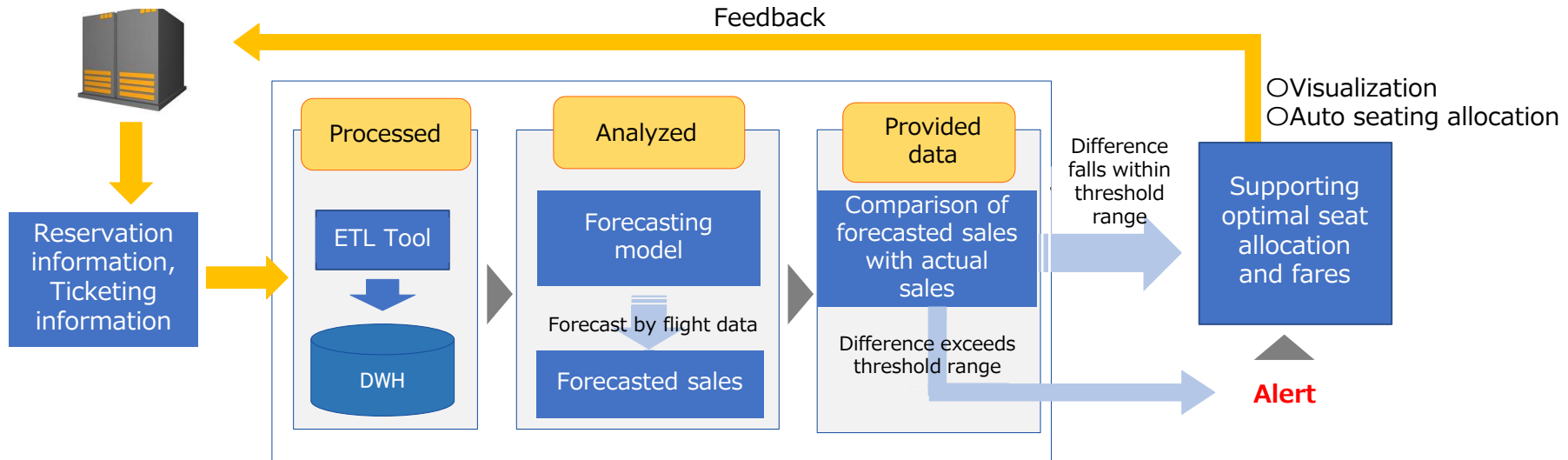
With big data, financial institutions can quickly detect and report transactions involving criminal activity

Example using big data and AI solutions – 2 Revenue management system

AI enables analysis of large amounts of flight ticket sales data(big data) accumulated from the past.

Forecasting future demand and comparing it with actual sales, AI optimizes pricing that minimizes seat vacancy rate, which ultimately leads to maximizing profit.

Reservation Management System



In the past, fares were determined based on the forecasted demand by human instinct and experience

Post installation

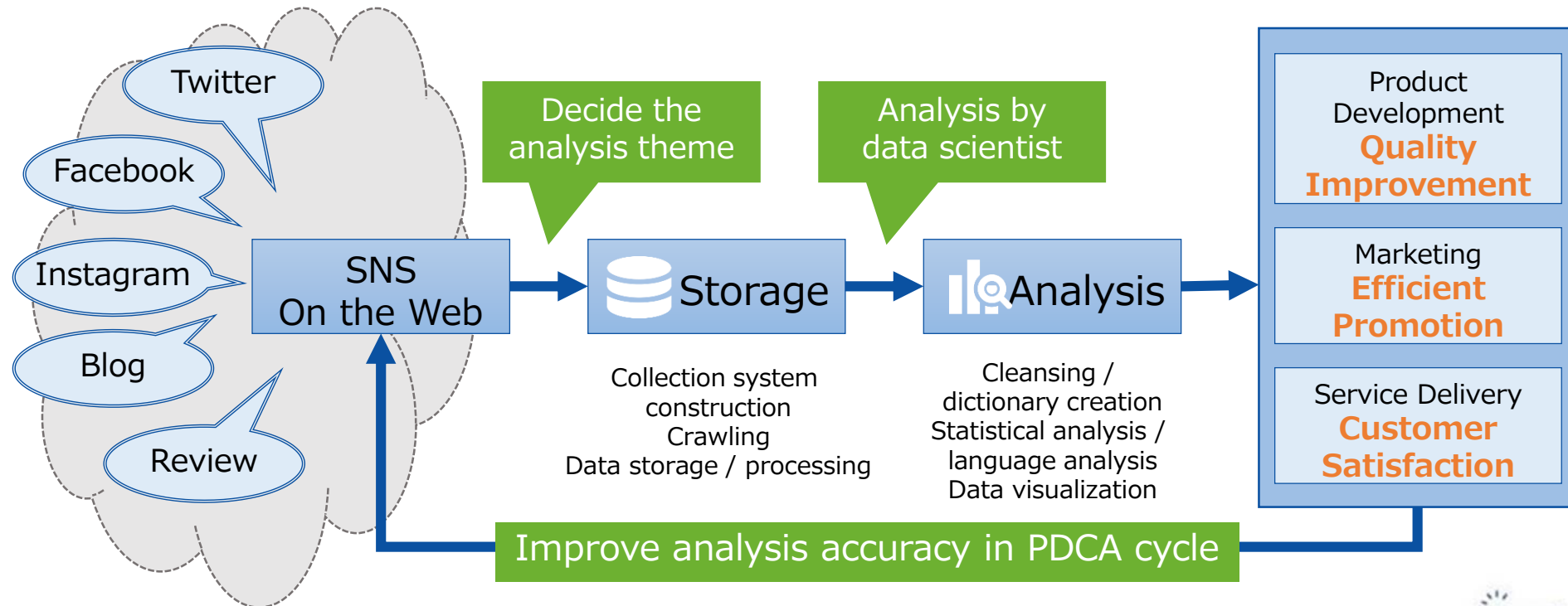
Expansive historical sales data are analyzed using AI for demand forecasting. Optimal pricing is derived based on the past sales.

2-7 New domain examples

–Large manufacturing company–

Example using big data and AI solutions – 3 Solution for social media (SNS) analysis

Support customer's problem solving by analyzing word-of-mouth and contribution data of SNS



2-8 New domain examples –RPA–

Example using RPA (Robotic Process Automation) – 1 Clerical mechanization using robots

Painstaking manual work can be automated by utilizing robots as substitutes to perform multiple system operation tasks and reduce clerical workload, which can result in improving clerical productivity.

Before

Voluminous orders are checked one by one and printed out manually



Using ordering system IBM Notes, each order form is visually checked to be compared with the order placed in the last month (comparison item: unit price, type of contract, workplace etc.).

After

Automation using RPA tools can reduce man-hours by 20% and errors to zero



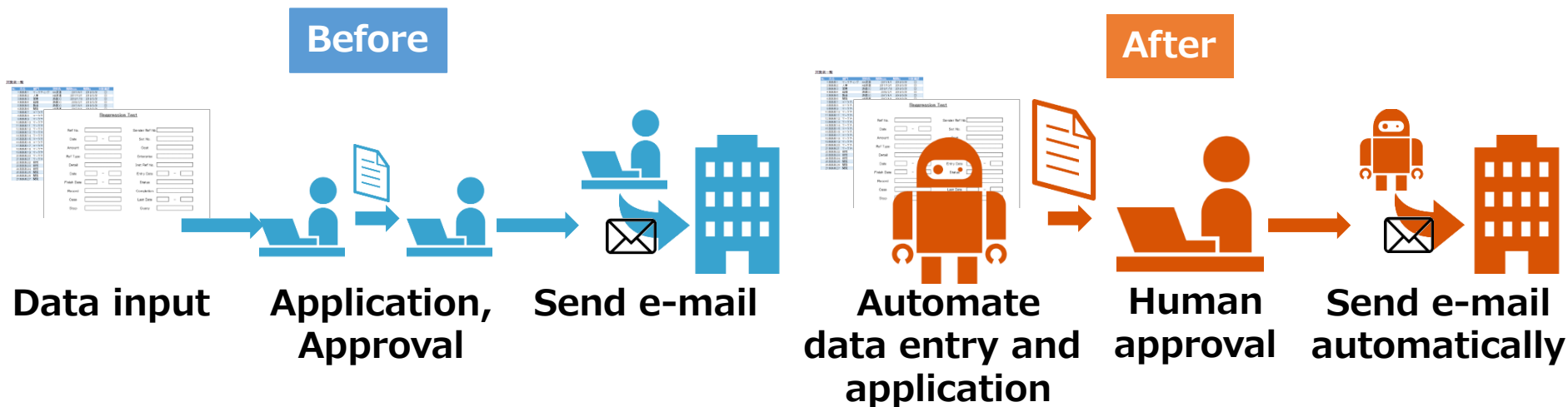
RPA tools automatically lists out the difference between this month and last month's order details. Human eyes are needed only to confirm the difference.

2-9 New domain examples

–Large manufacturing company–

Example using RPA (Robotic Process Automation) – 2 Automation of contract creation / approval / sending work

Automated many of the extension procedures for temporary agency contract by RPA
Work time reduction · Entry error eradication



Manual work
(Preparation of approval documents, application by workflow, Send e-mail to dispatching source)



✓ Working time reduction rate 80%
✓ Reduce input error and mail erroneous transmission

2-10 Overview of Recent Orders

Cloud

Tokyo Midtown Management

Management of posting schedules, advertising clients and so forth for advertising spaces in Tokyo Midtown

Mfg. Machine manufacturer

Multi-function printer user support (call center) operations, and progress management for repair operations

Yokogawa Rental & Lease Corporation

Relocation of in-house information systems to cloud and interlinking with core system (hybrid cloud setup)

Bigdata・AI

Supermarket

Adjusted order-volume control and inventory optimization using demand forecasting analysis

Trust bank

Proposals for Internet banking function improvements based on analyses of website visitor numbers

Railways

Revenue management system utilizing demand forecasting analysis



2-11 Overview of Recent Orders

Cloud

Nursing facilities operating company	Application acceptance and recruitment communication system, linking with LINE, for recruiting nursery teachers
Foreign pharmaceutical company	MR's sales activities and project pipeline management, linking with the global system
Large manufacturing company	Information sharing using internal SNS and internal portal for 20,000 employees of the Group

Fintech

Net bank	New development of Internet banking in association with starting business
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Business Strategies

3-1 High added-value strategy

– top priority policy–

High profit margin through high added-value strategy

High added-value
Up **5%** every year

Higher salaries

3%
up

Improvement of
employee
satisfaction

More investments

1.8%
up

Investing
in growth

More earnings

0.2%
up

Improvement
of shareholder
satisfaction

COMTURE value
(branding)

Better proposal skills

Better services

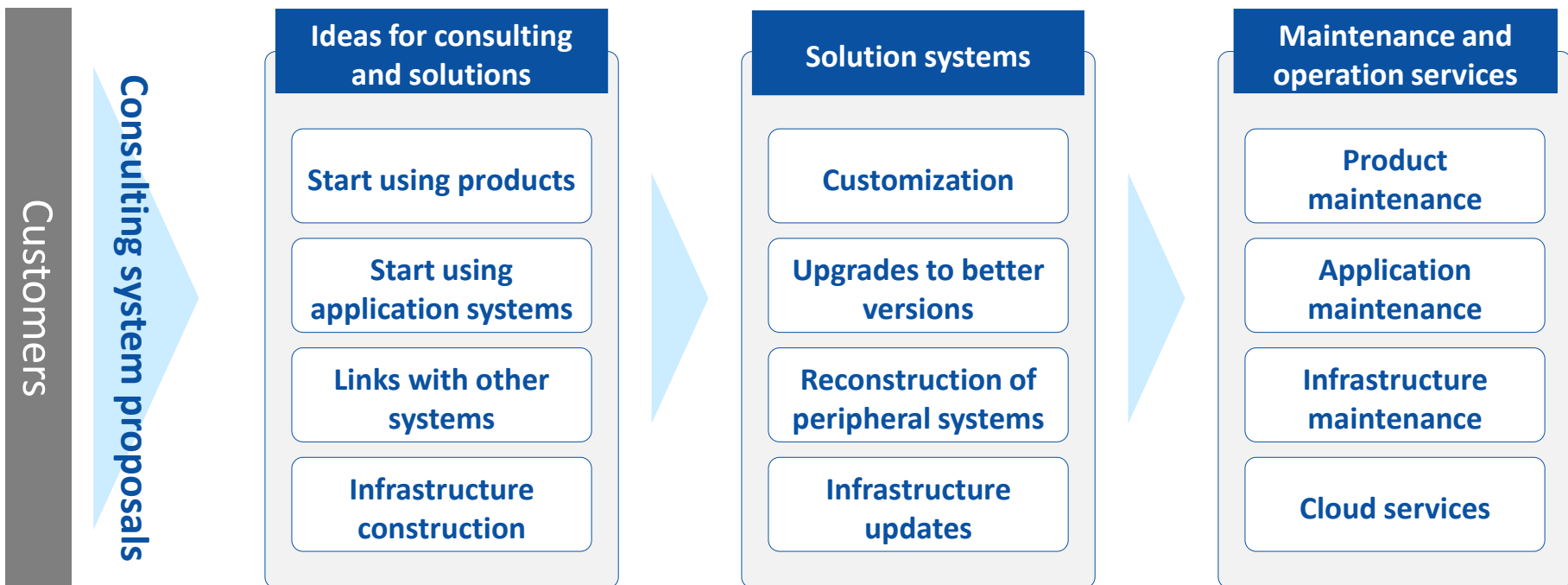
Increased productivity

More core competences

Work style reform

3-2 The Linked Profit Model

–One-time sales and consistent revenue–

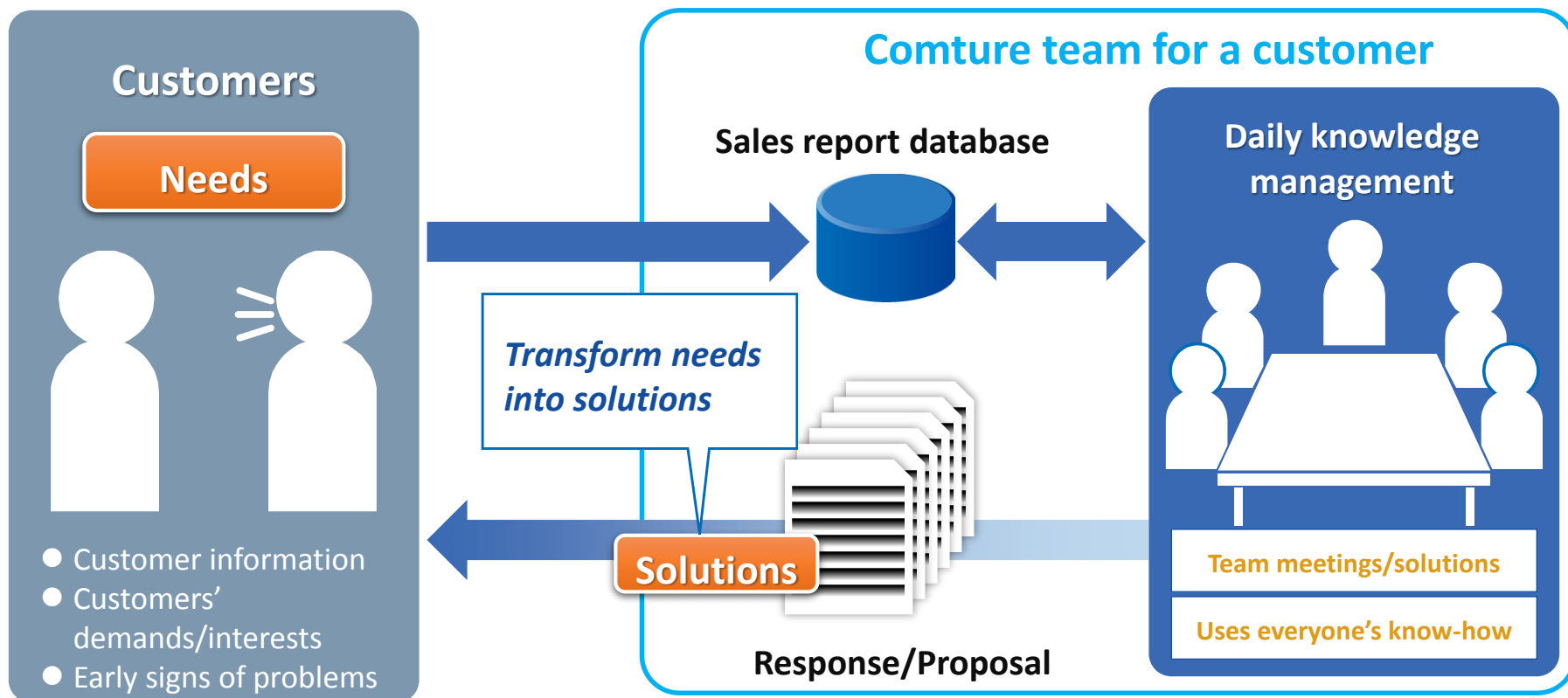


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3-3 Customer Strategy

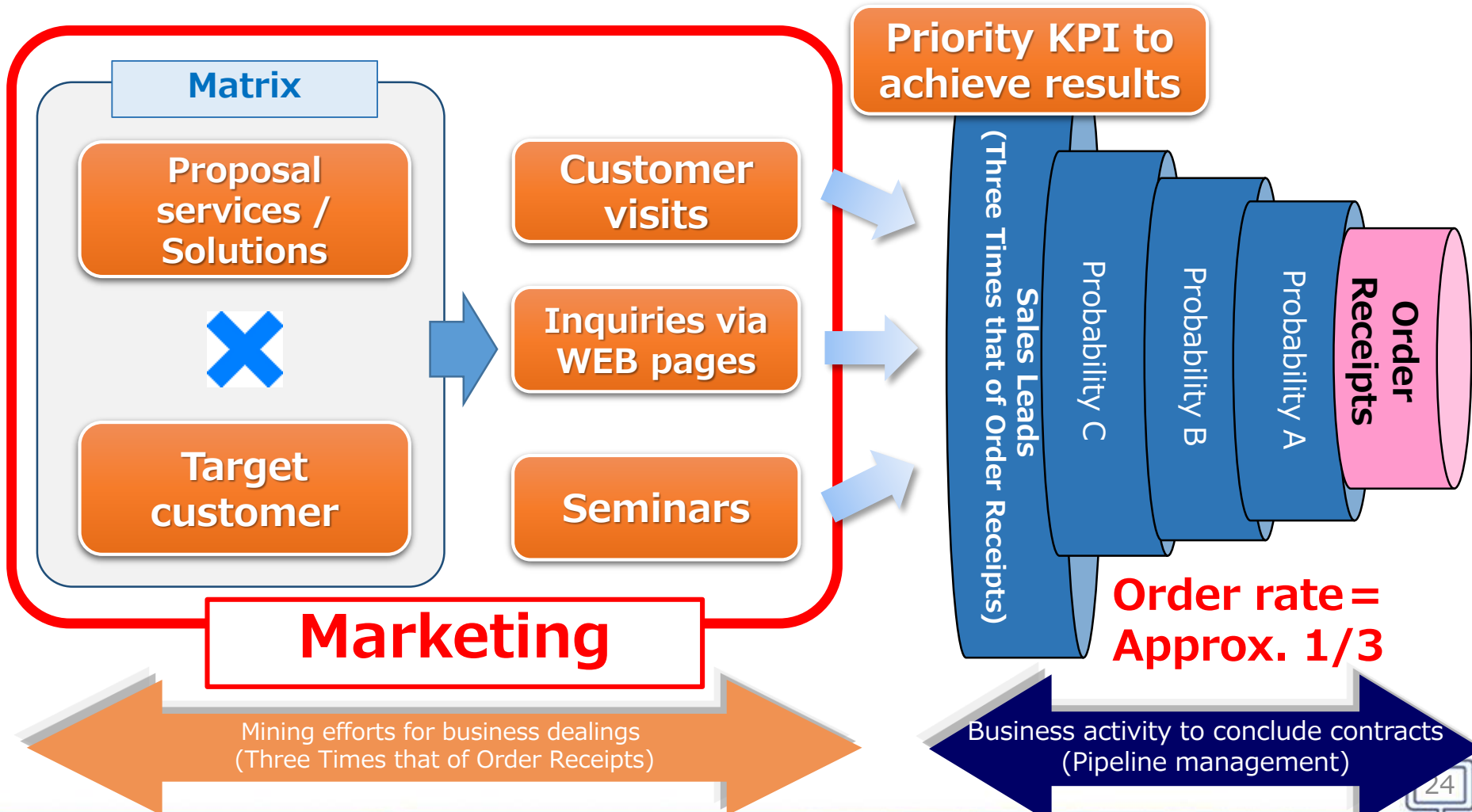
Reinforce consulting sales skills to improve customer satisfaction

Account system engineers who have close ties with customers identify each customer's needs. Then the aggregate know-how of a team is used to create ideas for transforming these needs into solutions.



3-4 The Sales Process Strategy

Sales Leads is Three Times that of Order Receipts / Leading Indicators for Achieving Order Receipts



3-5 Business Growth Strategy

Approach to digital transformation

Aggressively target
new IT advances for
business growth

Finance/ERP
Groupware
Networks

Cloud

Big data
AI
RPA (Robotics)
Internet of things
Fintech

New domains

Current domains

Business growth by entering new market sectors

3-6 Human Resources Strategy

Training and recruiting for adding more value

Training programs

Cloud	A leader in professional certifications (Salesforce, SAP, AWS, etc.) for cloud business growth – 233 people with certifications
Big data/AI/IoT	Quickly started training data scientists for the big data/AI/IoT businesses – 234 people with certifications
Upgrade proposal/management skills	Create proposals with substantial added value by upgrading ability to incorporate new market sectors and technologies and by reinforcing management skills

Recruiting

Strengthen recruiting activities	<p>People are the source of corporate value. Recruiting standards will be raised in order to hire talented individuals on a continuous basis</p> <ul style="list-style-type: none">– New graduates: 85(FY2018) / Mid-career professionals: 80– New graduates: 97(FY2019) (planned)
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3-7 7 basic strategies for further growth

1 Growth Strategy

Based on high added-value management, over 5% annual increase in sales per employee, realize double-digit growth through securing triple number of total business orders

2 Customer Strategy

Comprehend customer needs to advance scope of clientele, provide strategic proposals and attain high added-value orders

3 Human Resources Strategy

Through "Objective Recruitment", ascertain potential to recruit talented personnel, nurture and foster competitive skills, strengthen resource foundation that can answer to customer demands

4 Innovation Strategy

Evolve support system that enables R&D which can create new values, carry out early start-up of growing business fields such as cloud computing, big data, AI, RPA, IoT, fintech

5 Quality Strategy

Refine project management, advance visualization of quality, process and costs, reinforce improvement of service quality, site quality and customer satisfaction

6 Financial Strategy

Clearly define KPI while maintaining optimal capitalization structure, with a management base retaining a standard level of over 20% ROE emphasizing capital efficiency as a value creating corporation

7 Alliance Strategy

On condition of a synergistic effect, proactive efforts to build business alliances strengthening management bases and accelerate business growth through M&As

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

Precautions about This Presentation

- 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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