An Introduction to **COMTURE**
for Institutional Investors

Transforming needs into solutions

Cloud
Big Data, AI

COMTURE
LEAD THE FUTURE

COMTURE CORPORATION

May, 2019

Koichi Mukai
Chairman & CEO
Founder - Owner

1 About COMTURE

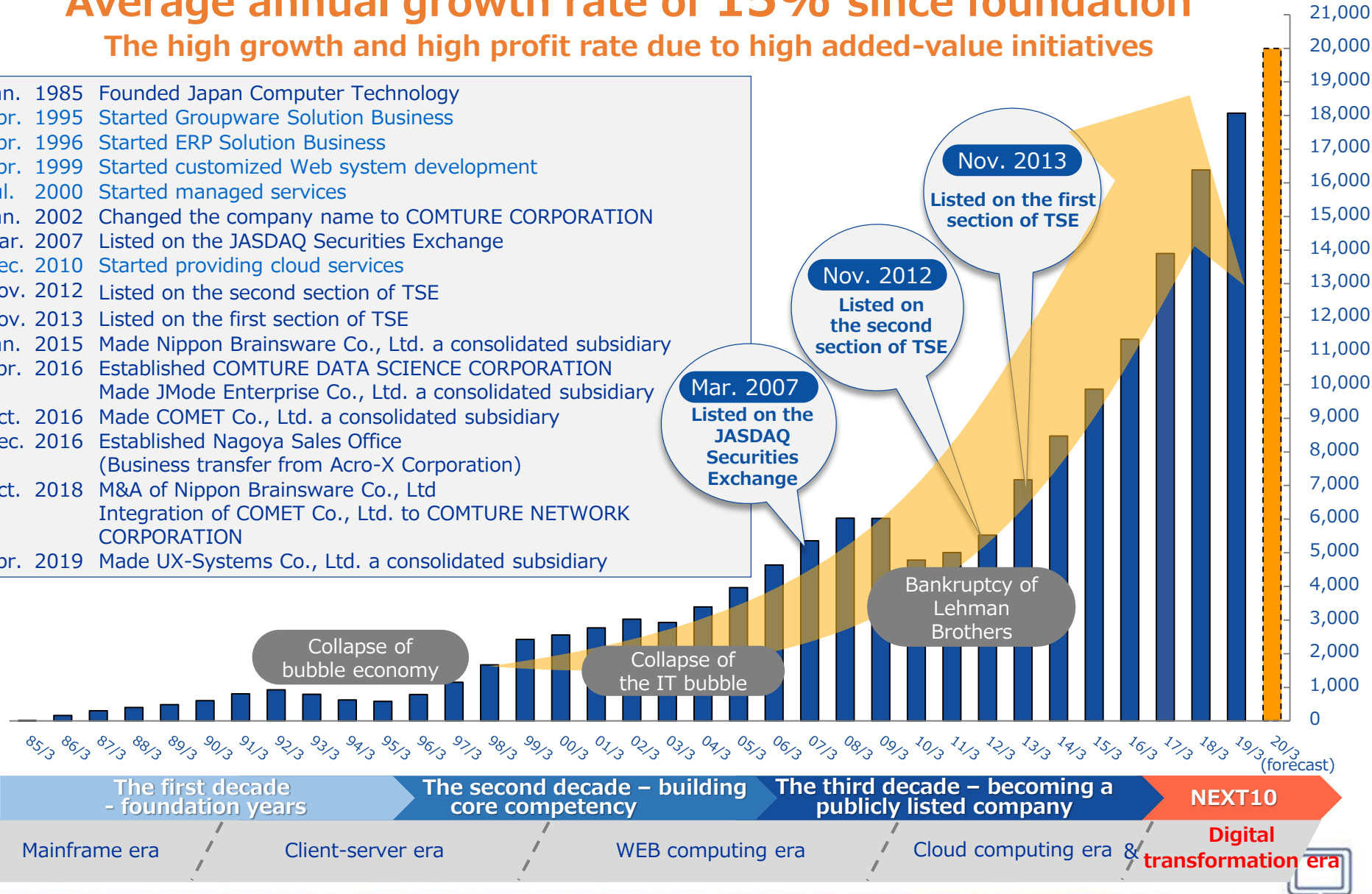|	
Name	COMTURE CORPORATION (Securities code: 3844)
Representative	Chairman & CEO Koichi Mukai President & COO Chihiro Sawada
Address	8F/9F East Tower, Gate City Osaki, 1-11-2, Osaki, Shinagawa-ku, Tokyo Japan
Established	January 18, 1985
Capital	¥1,022 million (as of the end of March 2019)
Net sales	¥18,070 million (FY ended March 2019) **¥20,000 million** (Forecast for FY ending March 2020)
Ordinary income	¥2,575 million (FY ended March 2019) **¥2,874 million** (Forecast for FY ending March 2020)
Employees	1,270 (as of April 1, 2019)

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1-2 COMTURE's History

Average annual growth rate of **15%** since foundation
The high growth and high profit rate due to high added-value initiatives

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)
Oct. 2018	M&A of Nippon Brainsware Co., Ltd Integration of COMET Co., Ltd. to COMTURE NETWORK CORPORATION
Apr. 2019	Made UX-Systems Co., Ltd. a consolidated subsidiary

Nov. 2013
Listed on the first section of TSE

Nov. 2012
Listed on the second section of TSE

Mar. 2007
Listed on the JASDAQ Securities Exchange

Collapse of bubble economy

Collapse of the IT bubble

Bankruptcy of Lehman Brothers

85/3 86/3 87/3 88/3 89/3 90/3 91/3 92/3 93/3 94/3 95/3 96/3 97/3 98/3 99/3 00/3 01/3 02/3 03/3 04/3 05/3 06/3 07/3 08/3 09/3 10/3 11/3 12/3 13/3 14/3 15/3 16/3 17/3 18/3 19/3 20/3 (forecast)

21,000 20,000 19,000 18,000 17,000 16,000 15,000 14,000 13,000 12,000 11,000 10,000 9,000 8,000 7,000 6,000 5,000 4,000 3,000 2,000 1,000 0

The first decade - foundation years

The second decade – building core competency

The third decade – becoming a publicly listed company

NEXT10

Mainframe era

Client-server era

WEB computing era

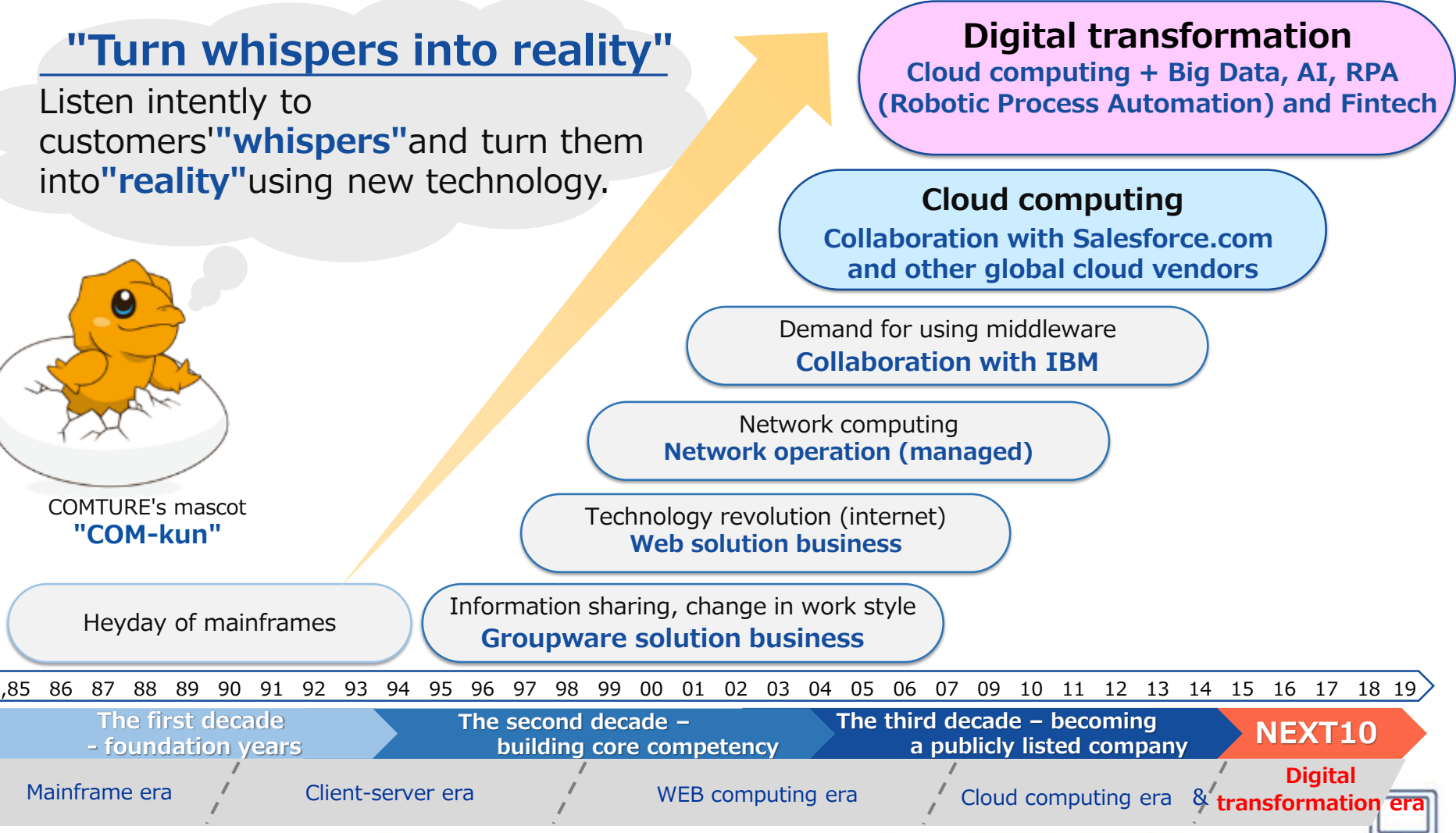Cloud computing era &

Digital transformation era

As a result of ceaseless innovation

"Turn whispers into reality"

Listen intently to customers' **"whispers"** and turn them into **"reality"** using new technology.
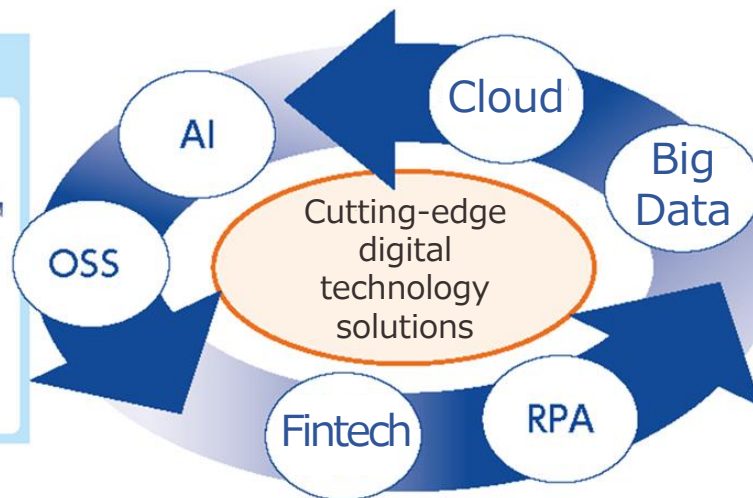
COMTURE's mascot
"COM-kun"

Digital transformation
Cloud computing + Big Data, AI, RPA (Robotic Process Automation) and Fintech

Cloud computing
Collaboration with Salesforce.com and other global cloud vendors

Demand for using middleware
Collaboration with IBM

Network computing
Network operation (managed)

Technology revolution (internet)
Web solution business

Heyday of mainframes

Information sharing, change in work style
Groupware solution business

| ,85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 00 | 01 | 02 | 03 | 04 | 05 | 06 | 07 | 09 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |

The first decade - foundation years

The second decade – building core competency

The third decade – becoming a publicly listed company

NEXT10

Mainframe era | Client-server era | WEB computing era | Cloud computing era & | **Digital transformation era**

Digital transformation (DX) revolutionizes society, business, daily life
We will collect big data in every field, and by fully applying cutting-edge technologies, create new social and business values.

Digital transformation

Changing society !

Changing business !

AI

OSS

Cloud

Big Data

Cutting-edge digital technology solutions

Fintech

RPA

Changing the way of living!

We actively advance business solutions for customers, and innovative ideas

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Proposal and support for IT at large companies centered on the cloud , Digital Solutions

Cloud Solutions
- Solution development on the cloud, cloud infrastructure construction

Digital Solutions
- Data Analytics (Big Data · AI), RPA

Enterprise Solutions
- ERP (SAP), FinTech, Human Resources Solutions

Platform, Operation Services
- Server infrastructure foundation, operation, management service

Client companies

Ideas for consulting and solutions

Solution systems

Maintenance and operation services

Digital Solution

Enterprise Solution

Digital Transformation (DX)

Cloud Solution

Platform, Operation Services

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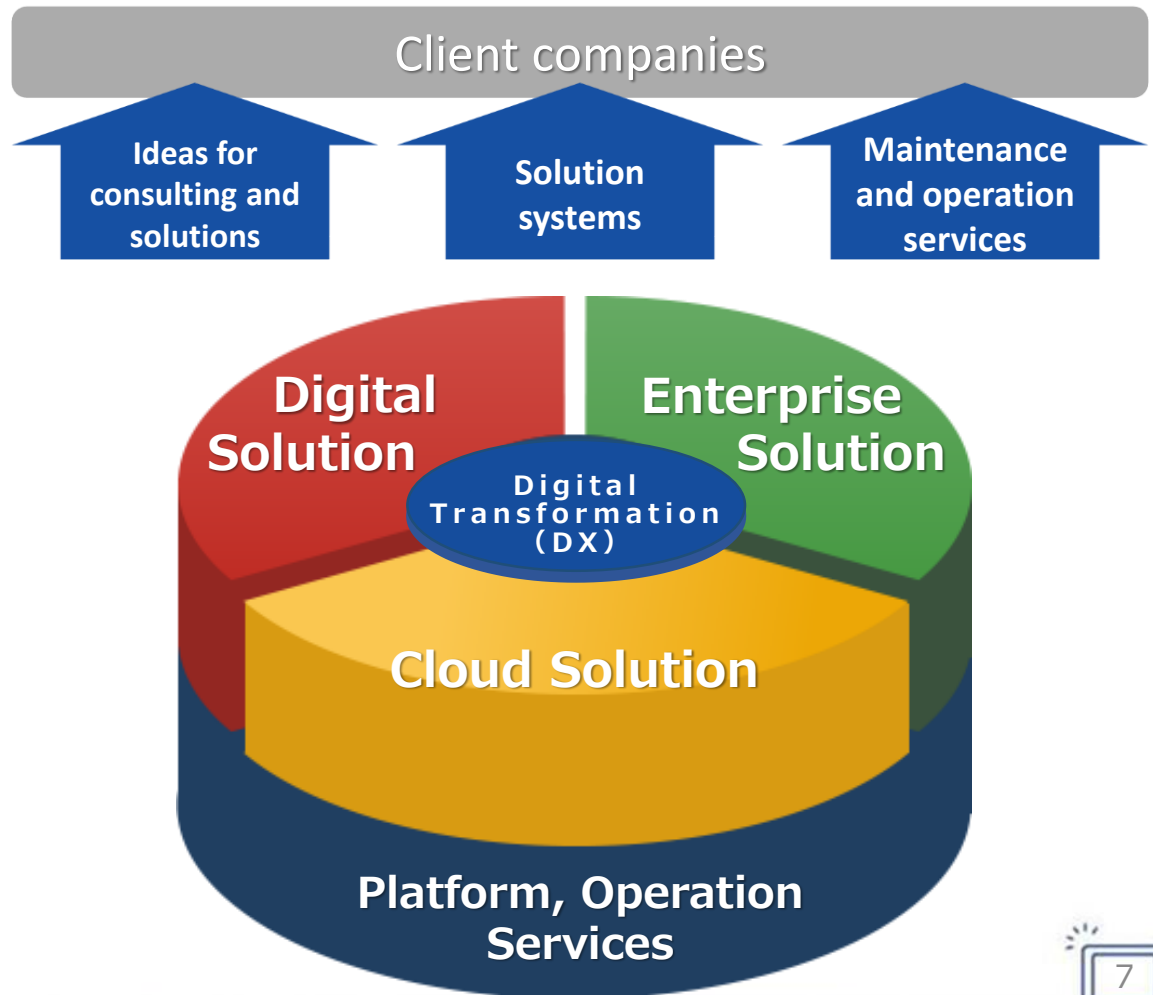
1-6 Major Customers

We serve 848 large companies covering a broad spectrum of industries

AJINOMOTO, American Home Assurance, AEON, ITOKIN, SMBC Trust Bank, NTT DOCOMO Group, ORIX, Olympus, Kamagaya City, Canon Group, KYOCERA Group, Kirin Brewery, Cleanup, Keio Corporation, Kobe Steel, KOMATSU, National Cancer Center, KONICA MINOLTA, Sapporo Group, GMO Aozora Net Bank, JCB, SHIMIZU, Mitsui O.S.K. Lines, Sumitomo Chemical, Sumitomo Electric Industries, 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, The Tokyo Star Bank, Tokyo Electric Power, TOSHIBA Group, TOYOTA GROUP, Narita International Airport, Nisshin Steel, Nippon Rent-A-Car Service, NIFTY, Nikkei, JAPAN INTERNATIONAL COOPERATION CENTER, NIPPON TRAVEL AGENCY, JP HD, Nomura Research Institute, FUJIYA, Fuji Xerox Group, BOOKOFF, Honda Motor, Marubeni, Mitsui Chemicals, Sumitomo Mitsui Bank, Mitsui Fudosan, Mitsubishi, MITSUBISHI ESTATE, Mitsubishi Electric, MetLife Insurance, MOS FOOD SERVICES, Morinaga Milk Industry, MORI Building, LIXIL, Recruit Group, Ricoh Japan, Waseda University
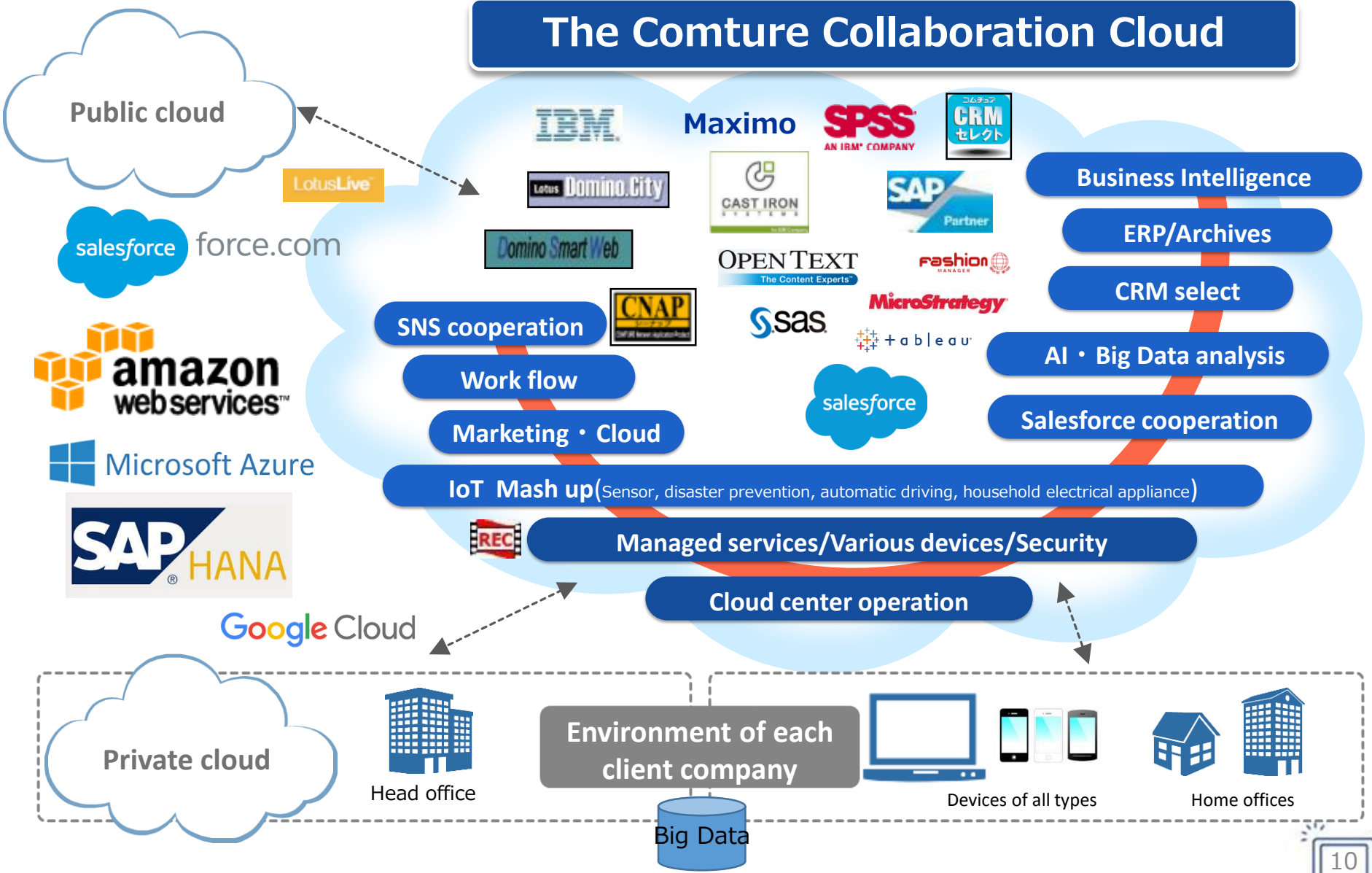
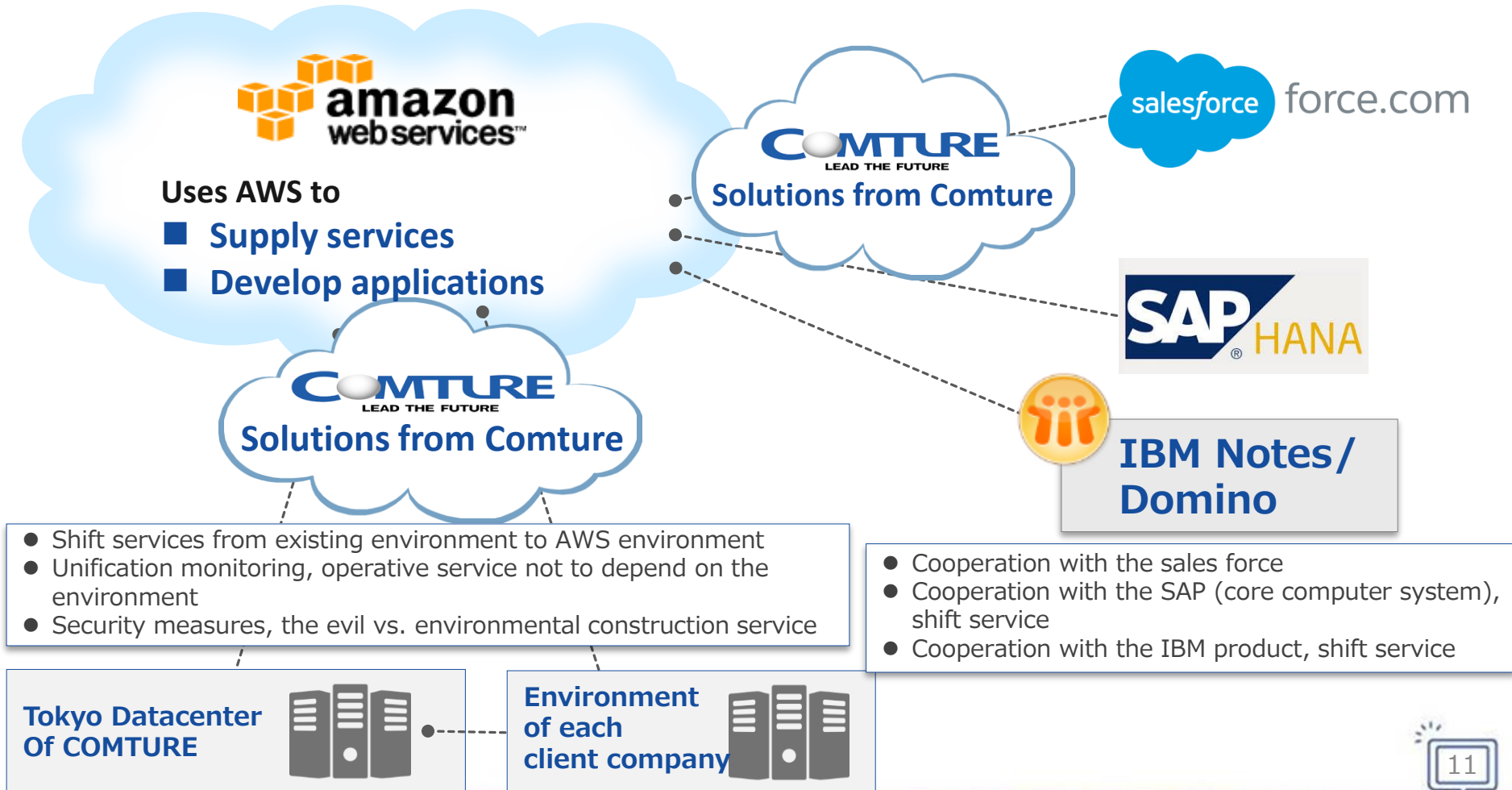(Order of the Japanese syllabary. As of the end of March 2019)

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2 Our Business

2-2 Examples of Comture Services –Amazon–

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

Uses AWS to
- **Supply services**
- **Develop applications**

Solutions from Comture

salesforce force.com

SAP HANA

IBM Notes/ Domino

- Shift services from existing environment to AWS environment
- Unification monitoring, operative service not to depend on the environment
- Security measures, the evil vs. environmental construction service

- Cooperation with the sales force
- Cooperation with the SAP (core computer system), shift service
- Cooperation with the IBM product, shift service

Tokyo Datacenter Of COMTURE

Environment of each client company

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–City of Kamagaya (Chiba Prefecture)–

Example of cloud use – 1

Developed solution for "trash stations" management

Central management via the cloud of manual operations carried out by the city, trash collection companies and incineration facilities
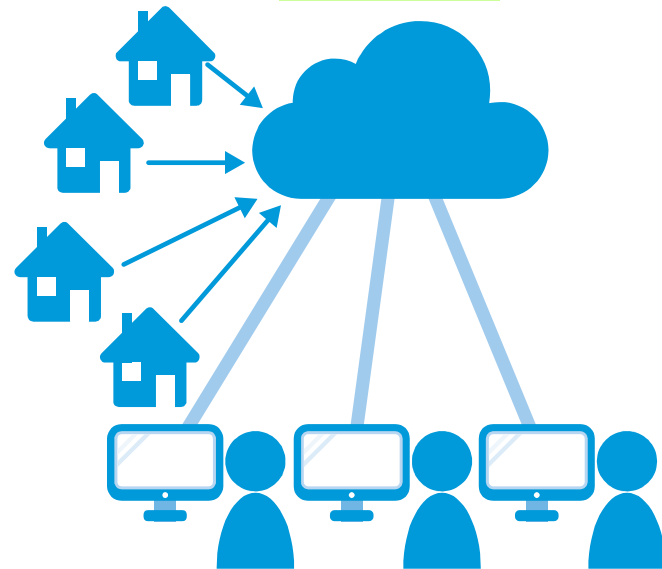Centralized, cloud-based management of trash stations greatly improves operational efficiency, leading to better service quality

Before

After

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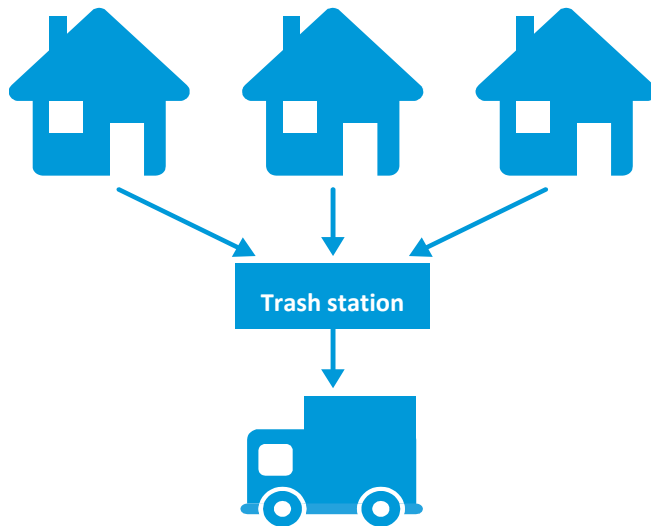
Managed using different manual processes by the city, trash collection company and incineration facility

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

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

Achieved visualization of complaints at the company's 350 stores.
Complaints used to be non-centralized, conveyed separately to stores, the factory and the head office. Implementing central management of complaints has improved response speeds and boosted customer satisfaction levels.
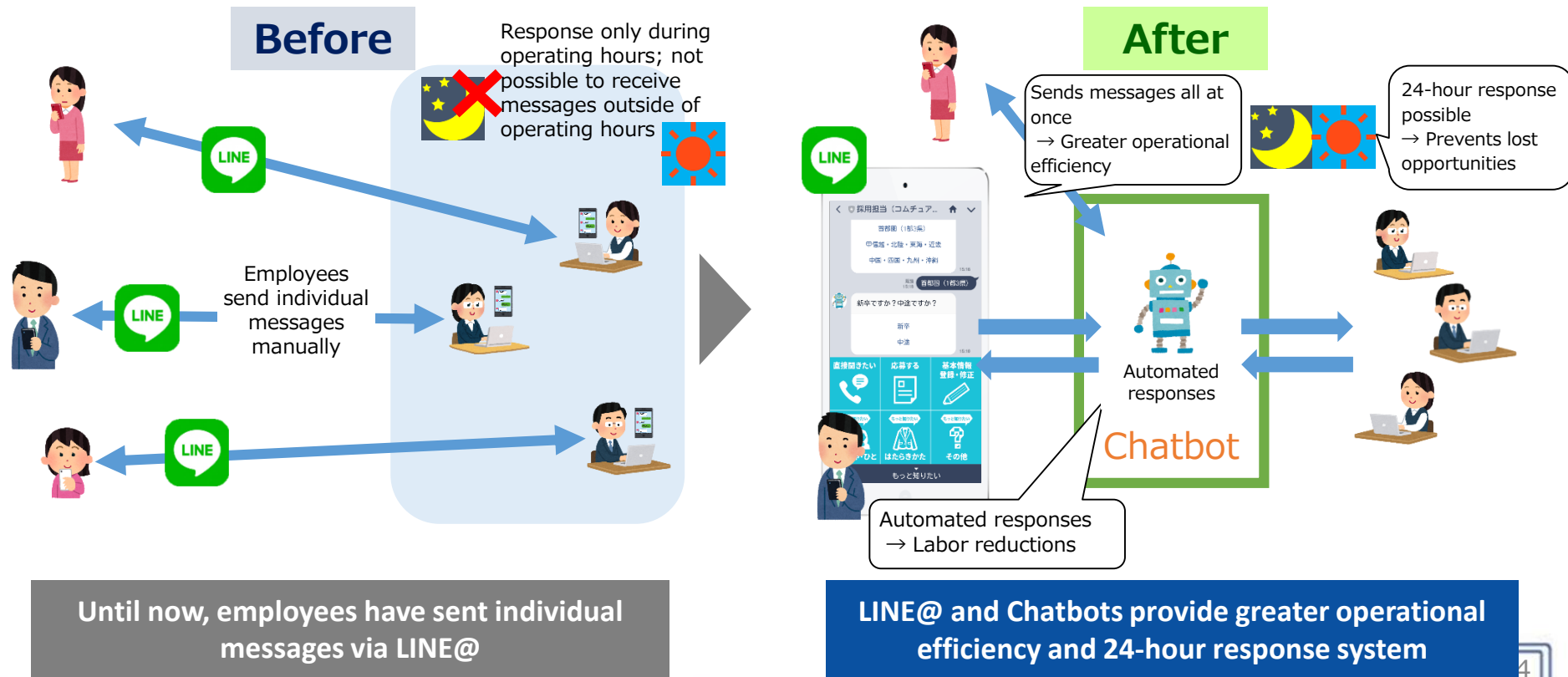

Before

Stores

Complaint

Factory

Head office

Complaint information was not centralized

**Slow responses
Information not used for improvements**

After

Stores

Complaint

Complaint

Instructions for responses

Determination of risk level

Central complaint management system

Database for visualization

Factory

Head office

Improves customer satisfaction by responding faster and using information to prevent new complaints

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2-5 New domain examples
–Japan Nursery Service Inc.–

Example of cloud use – 3
Automated Response via Chatbot

Working with Chatbots (automated response robots) to support improved operational efficiency and strengthened response capabilities

When communicating with applicants for nursery school teacher positions, automated response improves operational efficiency and enables 24-hour response

Before

Response only during operating hours; not possible to receive messages outside of operating hours

Employees send individual messages manually

After

Sends messages all at once → Greater operational efficiency

24-hour response possible → Prevents lost opportunities

Automated responses

Chatbot

Automated responses → Labor reductions

Until now, employees have sent individual messages via LINE@

LINE@ and Chatbots provide greater operational efficiency and 24-hour response system
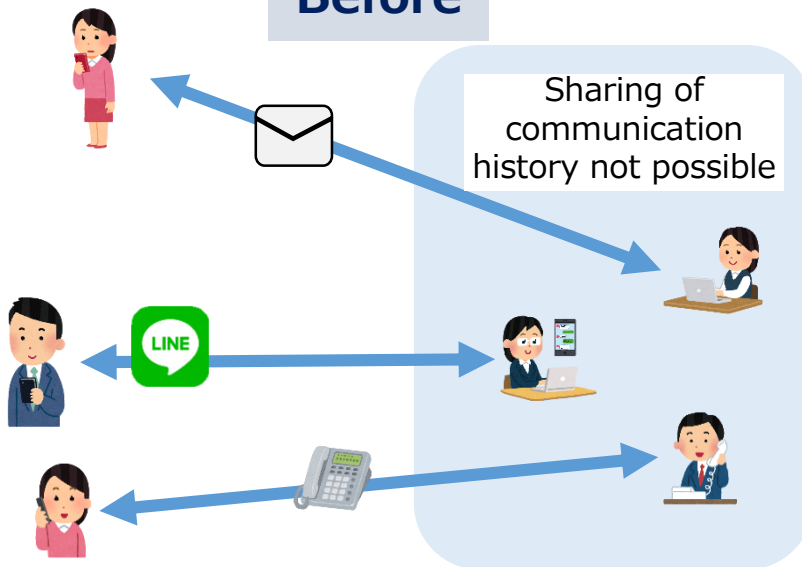
–Personnel Recruiting Operations–

Example of cloud use – 4

Sharing Response Histories through a Linkage with LINE

**Sharing communication histories and strengthening response capabilities**

Striving for improved operational efficiency and strengthened response capabilities through central management and sharing of talk histories for communications with nursery school teacher position applicants

Before

Sharing of communication history not possible

After

Cloud

Central management via LINE → Greater operational efficiency

LINE Talk history

Talk history sharing → Strengthened response capabilities

Until now, communication has been carried out on an individual, one-on-one basis
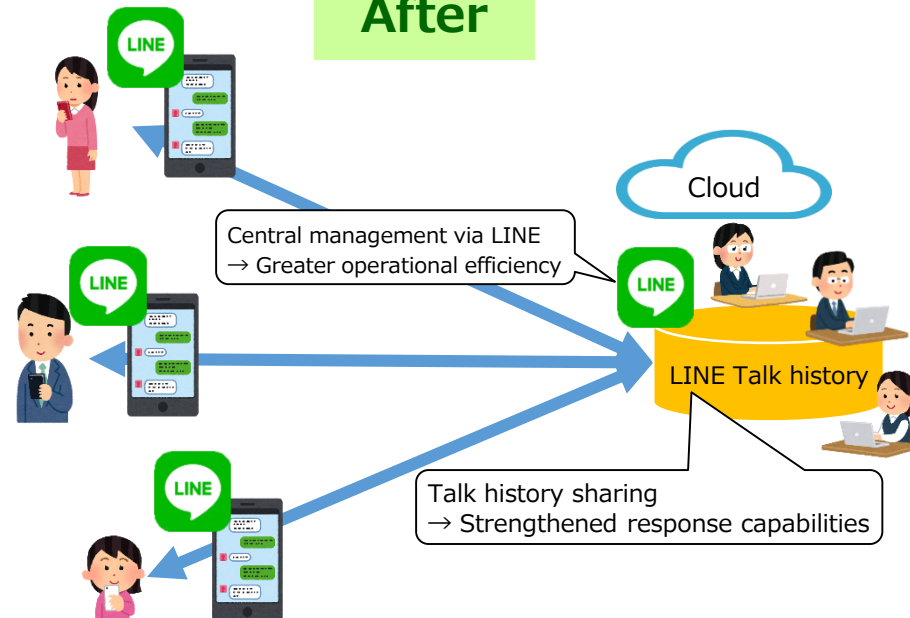
Sharing of response histories through a linkage with LINE enables improved response capabilities

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Example of cloud use – 5

## Omnichannel Solutions to Enable Shopping Anywhere, Anytime

Making shopping possible anywhere, anytime through coordination between multiple sales channels including brick-and-mortar shops, TV shopping, catalog sales, online stores, social media and others.

Raising customer satisfaction and expanding sales by linking multiple channels and mediums (computers, smartphones, televisions, catalogs)
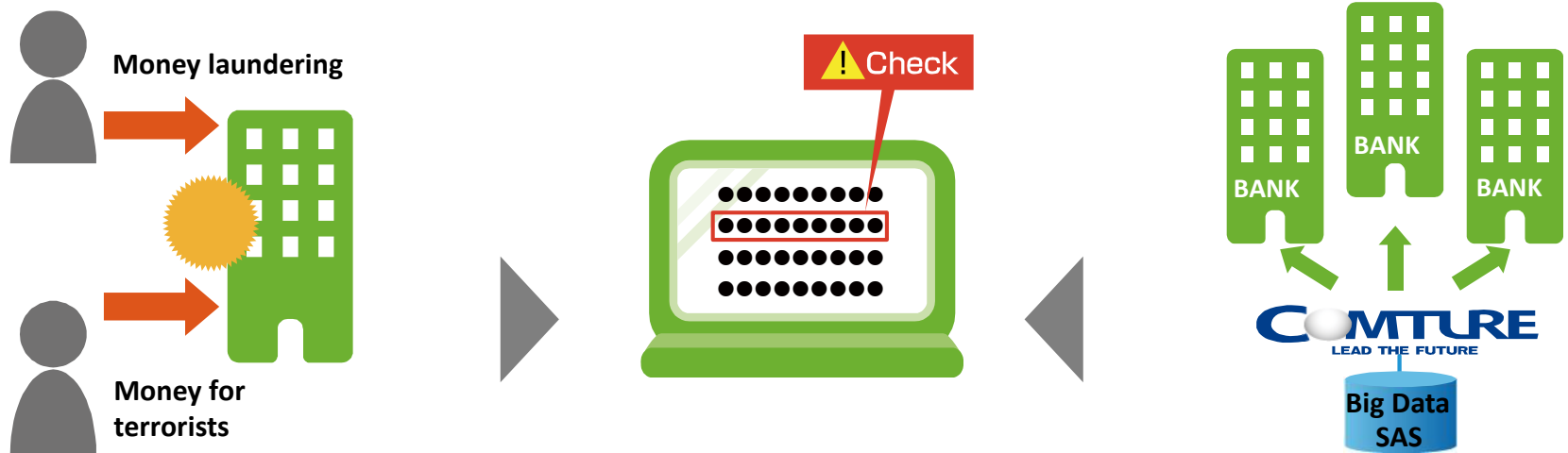
Before

After

Single-channel Solutions
- Brick-and-mortar shops

Multi-channel Solutions
- Brick-and-mortar shops
- TV shopping
- Catalog sales

Omnichannel Solutions
- Social media (smartphone-based)
- Brick-and-mortar shops
- Cloud
- Online stores (computer-based)
- Catalog sales
- TV shopping

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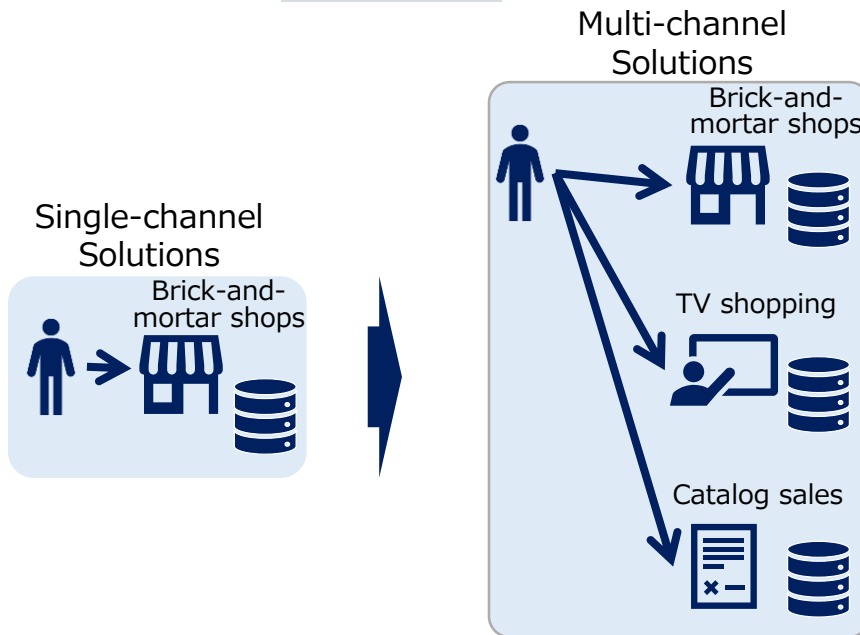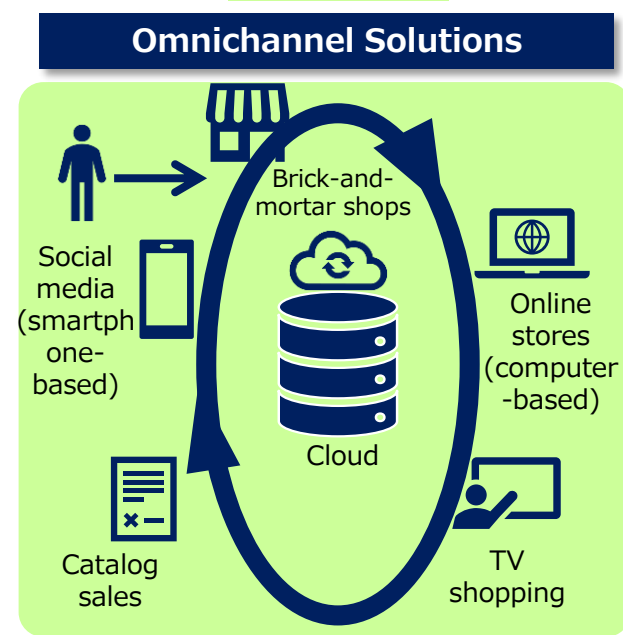
Example using big data and AI solutions – 1
Solution for detecting accounts linked to criminal activity

Collection and analysis of transaction data (big data) to facilitate automatic detection of illegal transactions

A big-data-based transaction monitoring system can be used to collect and analyze day-to-day transaction information and automatically detect suspicious activity

Money laundering

Money for terrorists

⚠ Check

BANK

BANK

BANK

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Big Data SAS

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
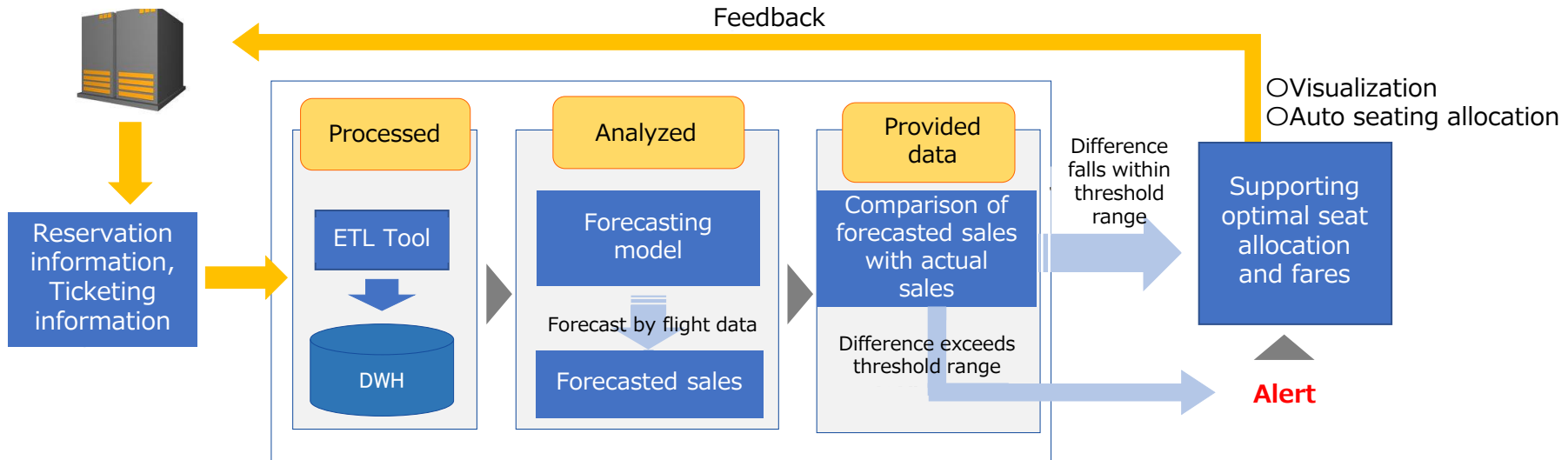
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Example using big data and AI solutions – 2

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

Feedback

○Visualization
○Auto seating allocation

Processed	Analyzed	Provided data
ETL Tool	Forecasting model	Comparison of forecasted sales with actual sales
DWH	Forecast by flight data	
	Forecasted sales	Difference exceeds threshold range

Reservation information, Ticketing information

Difference falls within threshold range

Supporting optimal seat allocation and fares

Alert

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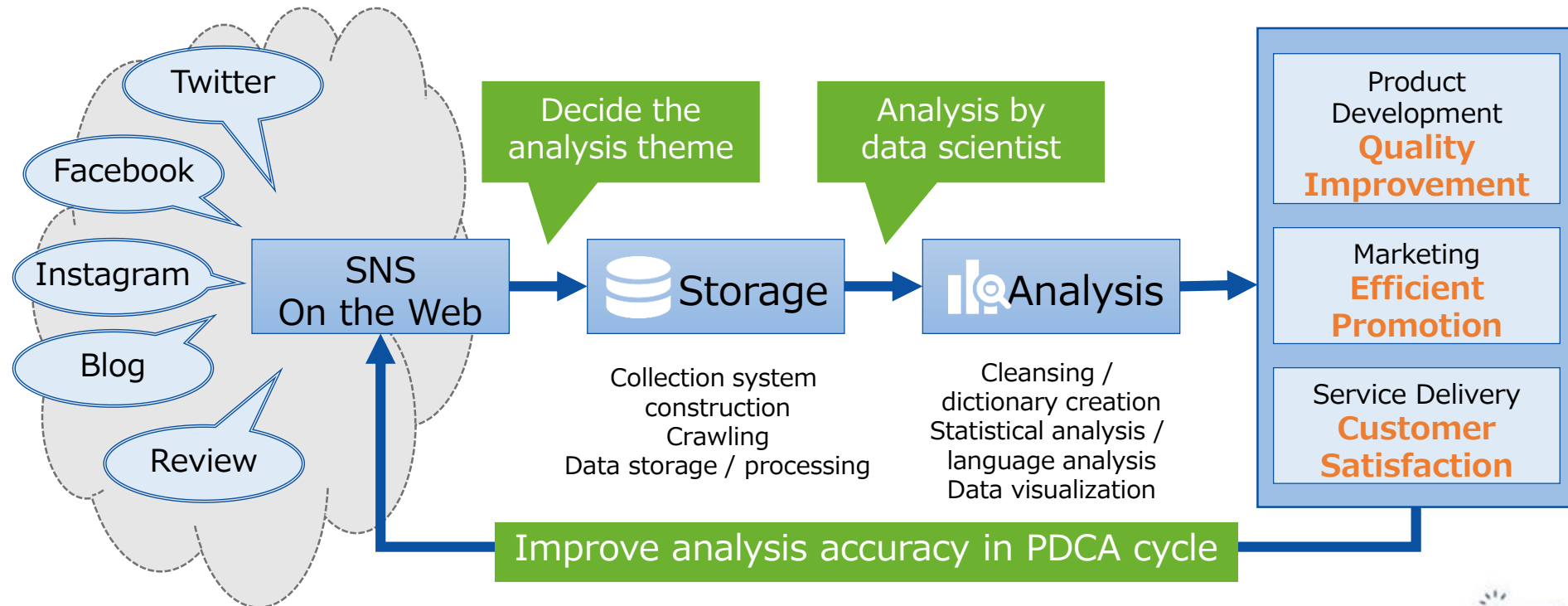
Post installation

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

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2-10 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
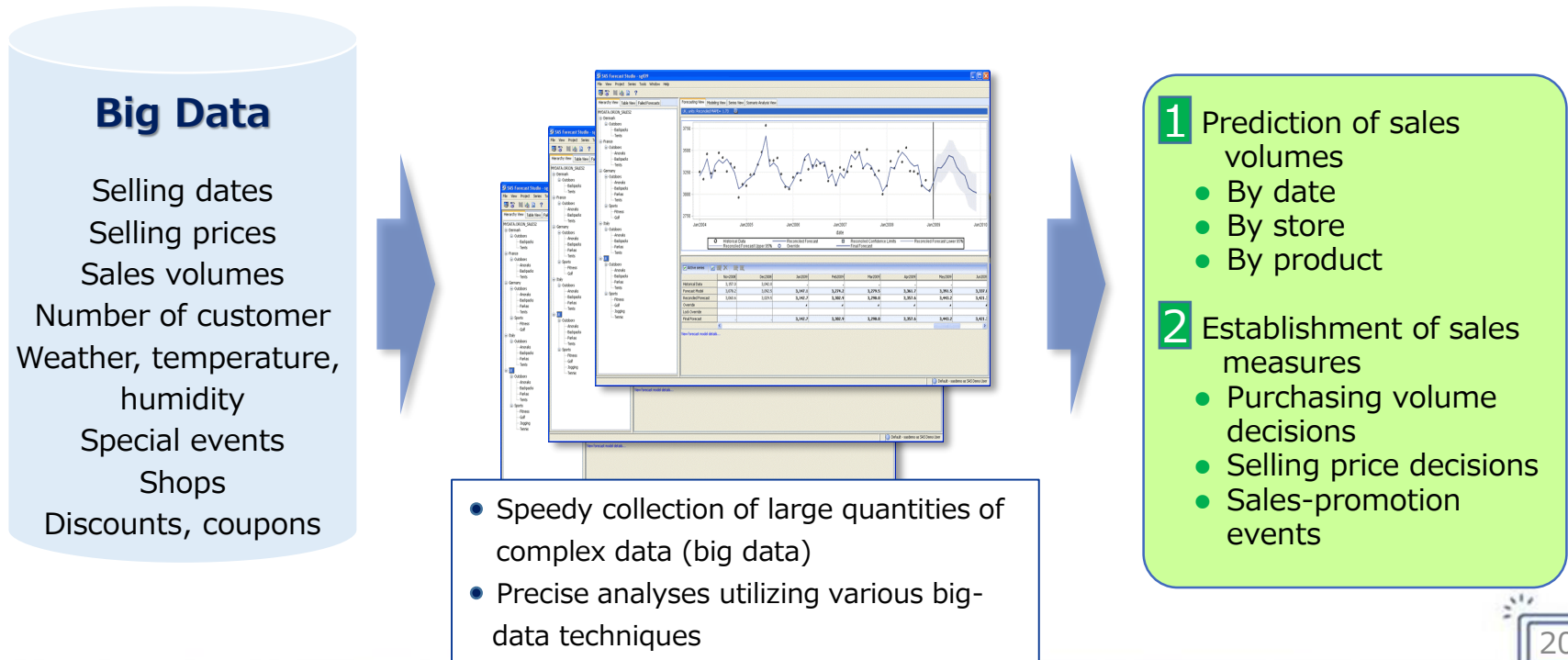

- Twitter
- Facebook
- Instagram
- Blog
- Review

SNS On the Web

Decide the analysis theme

Storage

Collection system construction
Crawling
Data storage / processing

Analysis by data scientist

Analysis

Cleansing / dictionary creation
Statistical analysis / language analysis
Data visualization

Product Development
Quality Improvement

Marketing
Efficient Promotion

Service Delivery
Customer Satisfaction

Improve analysis accuracy in PDCA cycle

−Supermarket Demand Prediction –

Example using big data and AI solutions – 4

Solutions for Demand Prediction

Predicting sales for top-selling products to minimize inventory sizes and shortages and thus improve sales performance.

Selling-price simulations based on expected sales volumes can be carried out to establish sales strategies incorporating purchasing volumes, selling prices, sale events and more. This is intended to minimize inventory sizes and shortages, boost customer satisfaction, and maximize sales and profits.

Big Data

Selling dates
Selling prices
Sales volumes
Number of customer
Weather, temperature, humidity
Special events
Shops
Discounts, coupons

● Speedy collection of large quantities of complex data (big data)
● Precise analyses utilizing various big-data techniques

1 Prediction of sales volumes
● By date
● By store
● By product

2 Establishment of sales measures
● Purchasing volume decisions
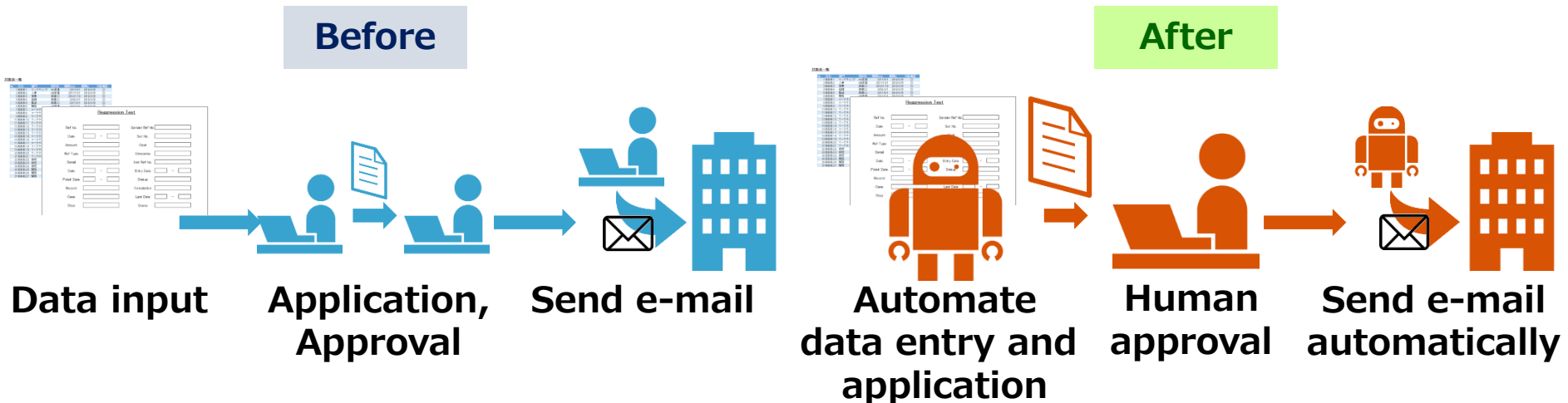● Selling price decisions
● Sales-promotion events

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–Large manufacturing company–

Example using RPA (Robotic Process Automation) – 1

Automation of contract creation / approval / sending work

Automation of manual works to reduce work times and completely eliminate input/entry errors

RPA automates almost all excess labor related to outsourcing contracts, which reduces costs and improves overall quality

Before

Data input → Application, Approval → Send e-mail

After

Automate data entry and application → Human approval → Send e-mail automatically

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**
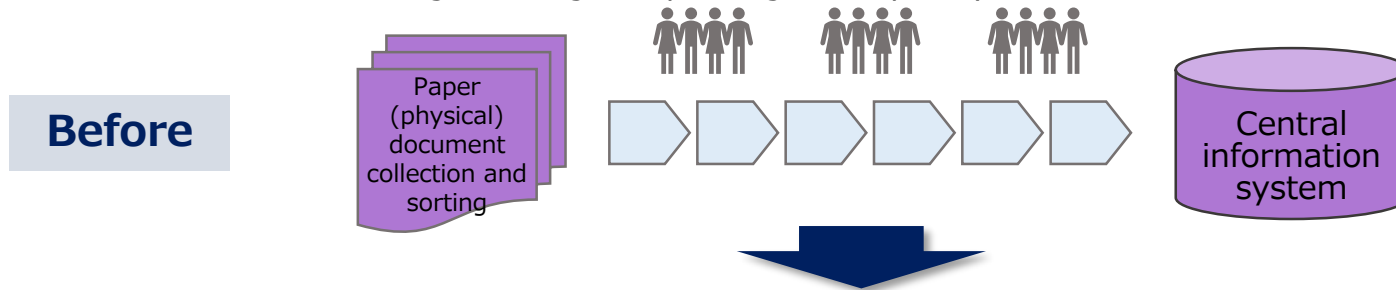
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Example using RPA (Robotic Process Automation) – 2

Combining Robotic Process Automation (RPA) with AI-OCR (Artificial Intelligence Optical Character Recognition) to Automate Document Reading and Data Creation
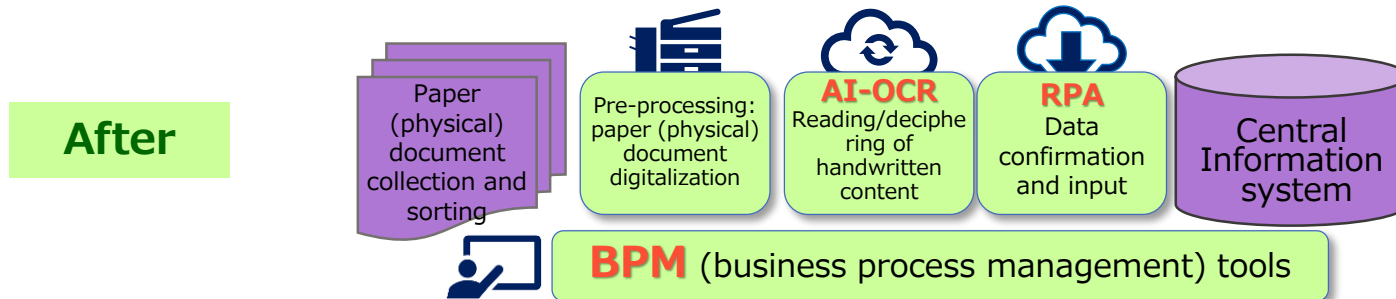
Automating reading of hand-written documents, printed documents and so forth greatly reduces data input labor demands

Using AI-OCR to read documents and improve Japanese character conversion precision, and combining technologies such as RPA and BPM (business process management; the managing and improvement of business processes), can enable full automation of system input tasks which reduces costs and allocates employees to value-added activities

Sorting, reading/deciphering and input by human workers

Before

Paper (physical) document collection and sorting

Central information system

Automation solutions for in-house document-to-data conversion

After

Paper (physical) document collection and sorting

Pre-processing: paper (physical) document digitalization

AI-OCR Reading/deciphering of handwritten content

RPA Data confirmation and input

Central Information system

BPM (business process management) tools

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3 Business Strategies

3-1 High added-value strategy

– top priority policy–

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Virtuous cycle of growth and sharing profits based on high added-value management

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)
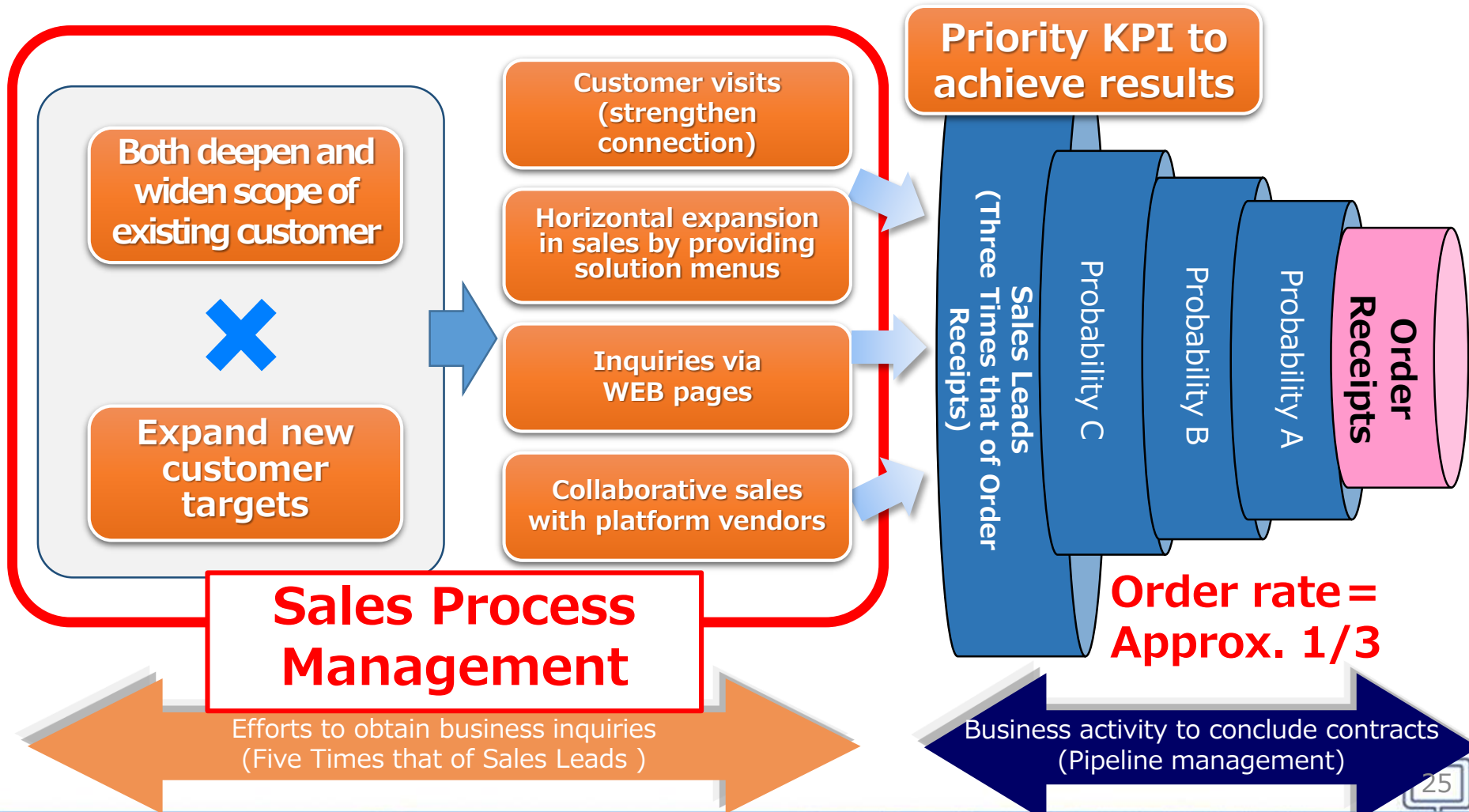
Consulting・Better proposal skills

Better services

Increased productivity

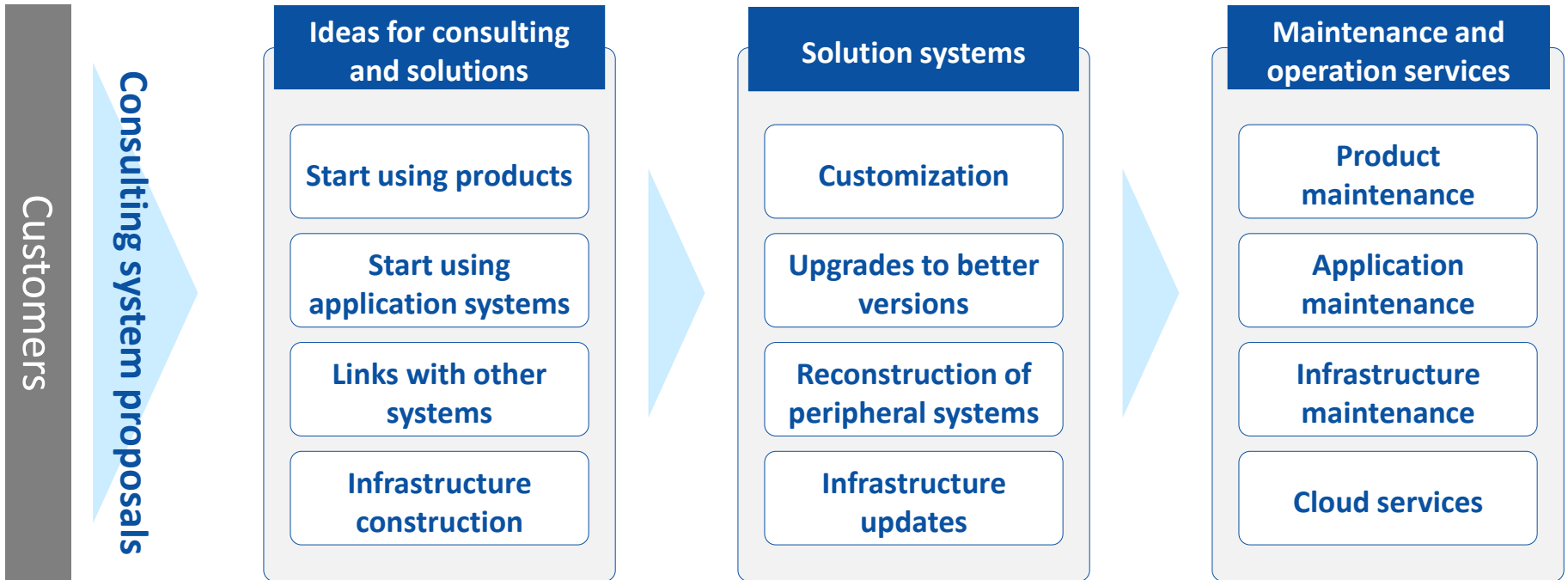More core competences

Work style reform

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

Both deepen and widen scope of existing customer

✖

Expand new customer targets

Customer visits (strengthen connection)

Horizontal expansion in sales by providing solution menus

Inquiries via WEB pages

Collaborative sales with platform vendors

Priority KPI to achieve results

Sales Leads (Three Times that of Order Receipts)

Probability C

Probability B

Probability A

Order Receipts

Order rate＝ Approx. 1/3

Sales Process Management

Efforts to obtain business inquiries (Five Times that of Sales Leads)

Business activity to conclude contracts (Pipeline management)

3-3 The Linked Profit Model
–One-time sales and consistent revenue–

Customers

Consulting system proposals

Ideas for consulting and solutions

- Start using products
- Start using application systems
- Links with other systems
- Infrastructure construction

Solution systems

- Customization
- Upgrades to better versions
- Reconstruction of peripheral systems
- Infrastructure updates

Maintenance and operation services

- Product maintenance
- Application maintenance
- Infrastructure maintenance
- Cloud services

Sources of one-time sales → **Linked profit model** → **Sources of consistent revenue**
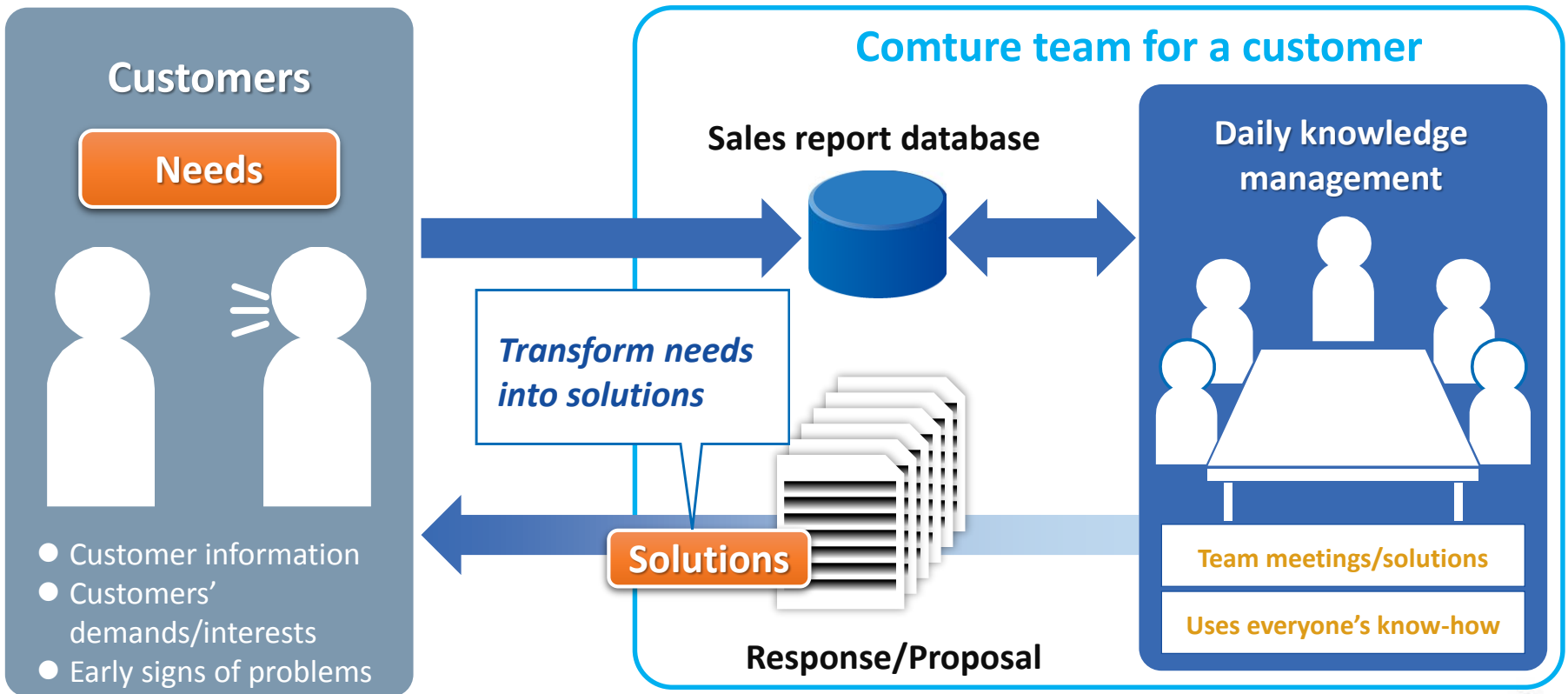
50 : 50

3-4 Customer Strategy

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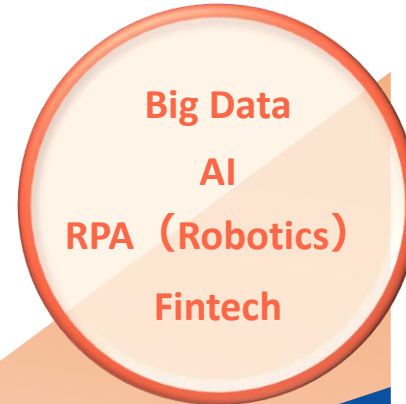
Account system engineers who have close ties with customers identify each customer's needs. Then the aggregate know-how of a team is used to create ideas for transforming these needs into solutions.

Customers

Needs

- Customer information
- Customers' demands/interests
- Early signs of problems

Comture team for a customer

Sales report database

Daily knowledge management

Transform needs into solutions

Solutions

Response/Proposal

Team meetings/solutions

Uses everyone's know-how

Approach to digital transformation

Aggressively target new IT advances for business growth

Finance/ERP
Groupware
Networks

Cloud

Big Data
AI
RPA（Robotics）
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 – 335 people with certifications**
Big Data/AI/ RPA/Fintech	**Quickly started training data scientists for the Big Data/ AI/RPA/Fintech businesses – 306 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	**People are the source of corporate value. Recruiting standards will be raised in order to hire talented individuals on a continuous basis** **FY2019 – New graduates: 106/ Mid-career professionals: 120(planned)** **FY2020 – New graduates: 120 (planned)**

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3-7 7 basic strategies for further growth

COMTURE LEAD THE FUTURE

1 Growth Strategy
Realize continuous double-digit growth through securing triple number of total business orders based on high added-value management encouraging increase in sales per employee and thorough business processes

2 Customer Strategy
Through "Turn whispers into reality" proposals, comprehend customer needs to provide timely proposals and realize innovations together

3 Human Resources Strategy
Actively recruit human resources with comprehensive skills that can handle new technologies, and through human resources training, heighten proposal capability, technical capability, structuring a creative group that can achieve a high rate of growth

4 Innovation Strategy
Aim to create new values and actively engage with reinforcing Digital transformation fields, and R&D for new technologies, solutions, services to lead the industry

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

6 Financial Strategy
Achieve a standard level of over 20% ROE, and continue practicing corporate value improvement management. Clearly define KPI of our corporate group, and aim to realize sound growth through visualized business result management

7 Alliance Strategy
Accelerating business growth through proactive efforts in building business alliances that strengthen management bases centered in the growing digital industry field and M&As.

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Be a source of
"excitement"
for customers and
"dreams"
for employees

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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.

- 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

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