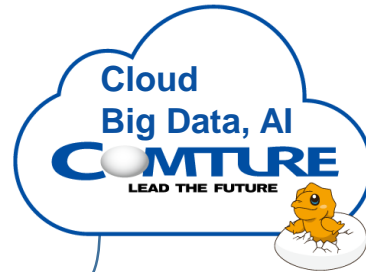


# An Introduction to COMTURE for Institutional Investors

COMTURE CORPORATION

*Transforming needs  
into solutions*



July 31, 2019

**Koichi Mukai**  
Chairman & CEO

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# About COMPTURE



# 1-1 Company Overview

Name	COMTURE CORPORATION
Representative	Koichi Mukai, Chairman & CEO Chihiro Sawada, President & COO
Address	8F/9F East Tower, Gate City Osaki, 1-11-2, Osaki, Shinagawa-ku, Tokyo Japan
Established	January 18, 1985
Businesses	Consulting, plans, installation and operation of systems, primarily using the cloud, for companies
Capital	1,022 million yen (as of the end of March 2019)
Group companies	COMTURE NETWORK, UX-SYSTEMS, COMTURE MARKETING, COMTURE DATA SCIENCE
Net sales	18,070 million yen (FY3/19) <b>20,000 million yen</b> (Forecast for FY3/20)
Ordinary profit	2,575 million yen (FY3/19) <b>2,874 million yen</b> (Forecast for FY3/20)
Employees	1,270 (as of April 1, 2019)

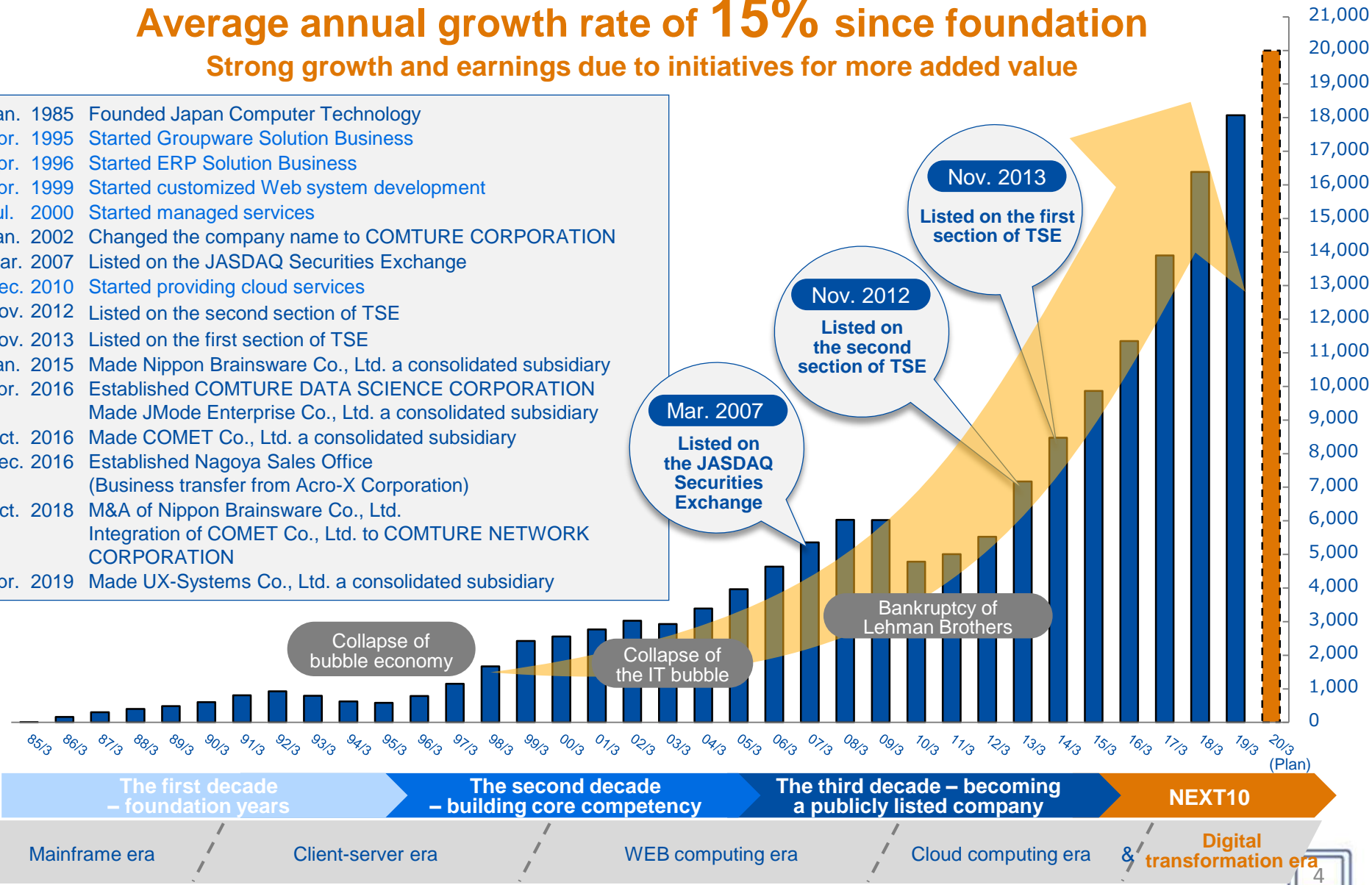


# 1-2 COMTURE's History

**Average annual growth rate of 15% since foundation**

**Strong growth and earnings due to initiatives for more added value**

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



# 1-3 COMTURE's Evolution - How we continued to grow -

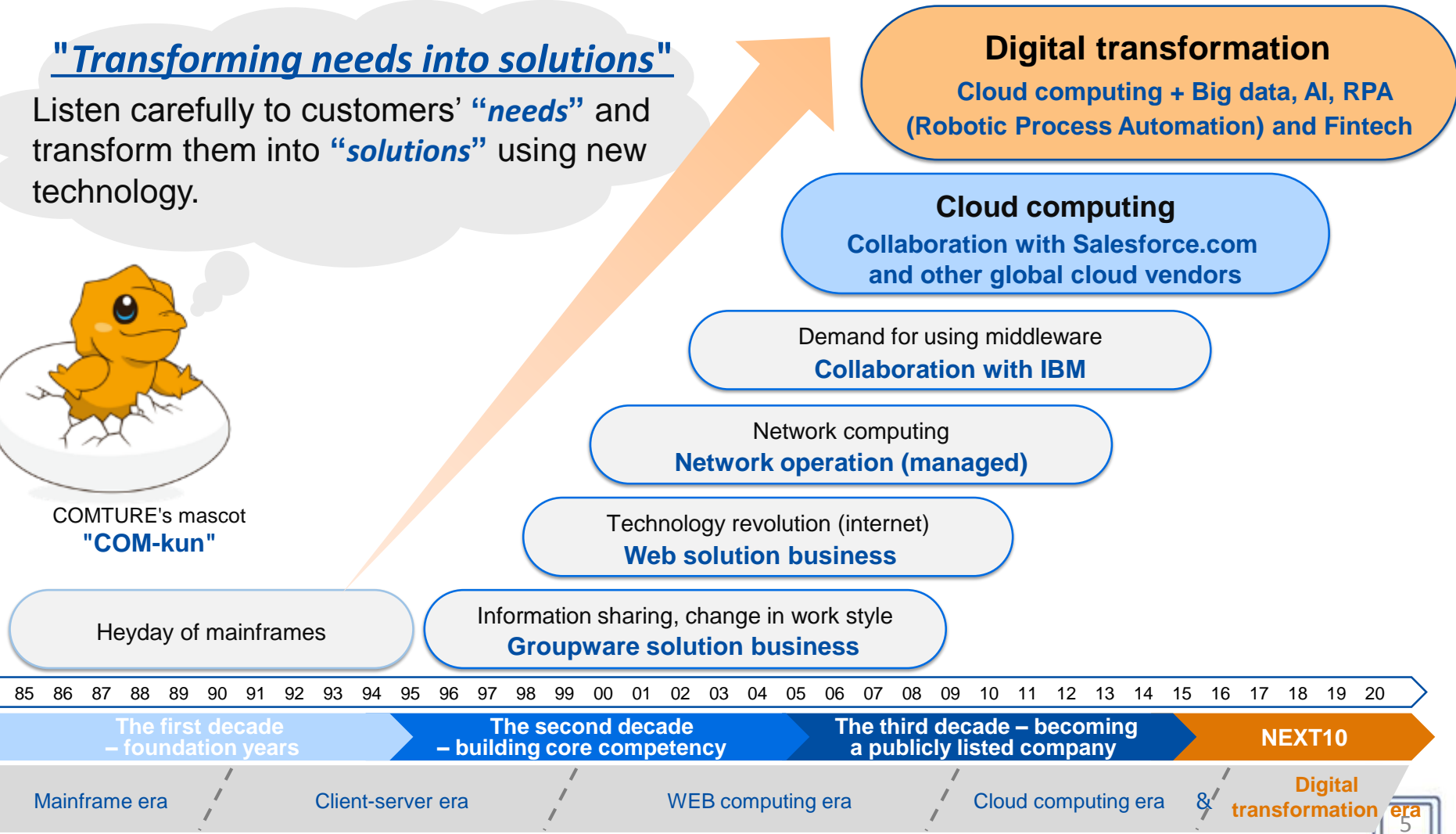
As a result of ceaseless innovation

## "Transforming needs into solutions"

Listen carefully to customers' "*needs*" and transform them into "*solutions*" using new technology.



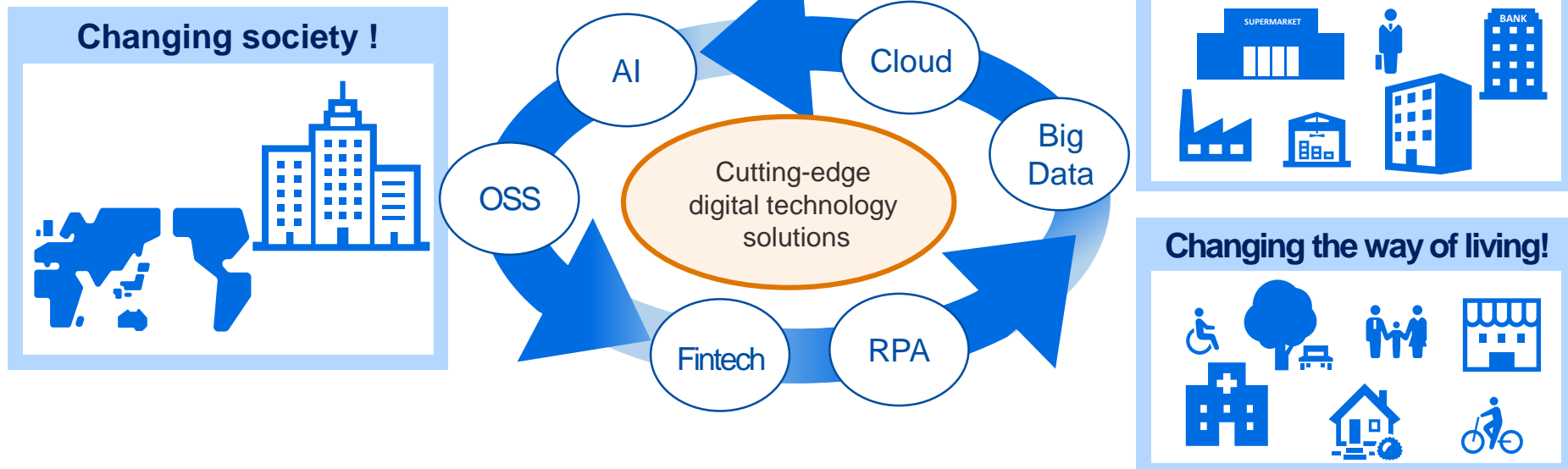
COMTURE's mascot  
"COM-kun"



# 1-4 Digital Transformation Activities

Digital transformation (DX) enables companies to dramatically alter their business strategies and domains through the use of the latest advances in digital technologies. Companies use DX to improve business processes, increase sales and earnings, use innovative business models and change how people do their jobs. DX is also a source of new forms of value for companies and society.

## Digital transformation



**An intent focus on solving customers' problems and innovation**

# 1-5 Four Interlinked Business Domains

## Proposals and support for IT at large companies centered on Cloud Solutions and Digital Solutions

### Cloud Solutions

- Solution development on the cloud, cloud infrastructure construction

### Digital Solutions

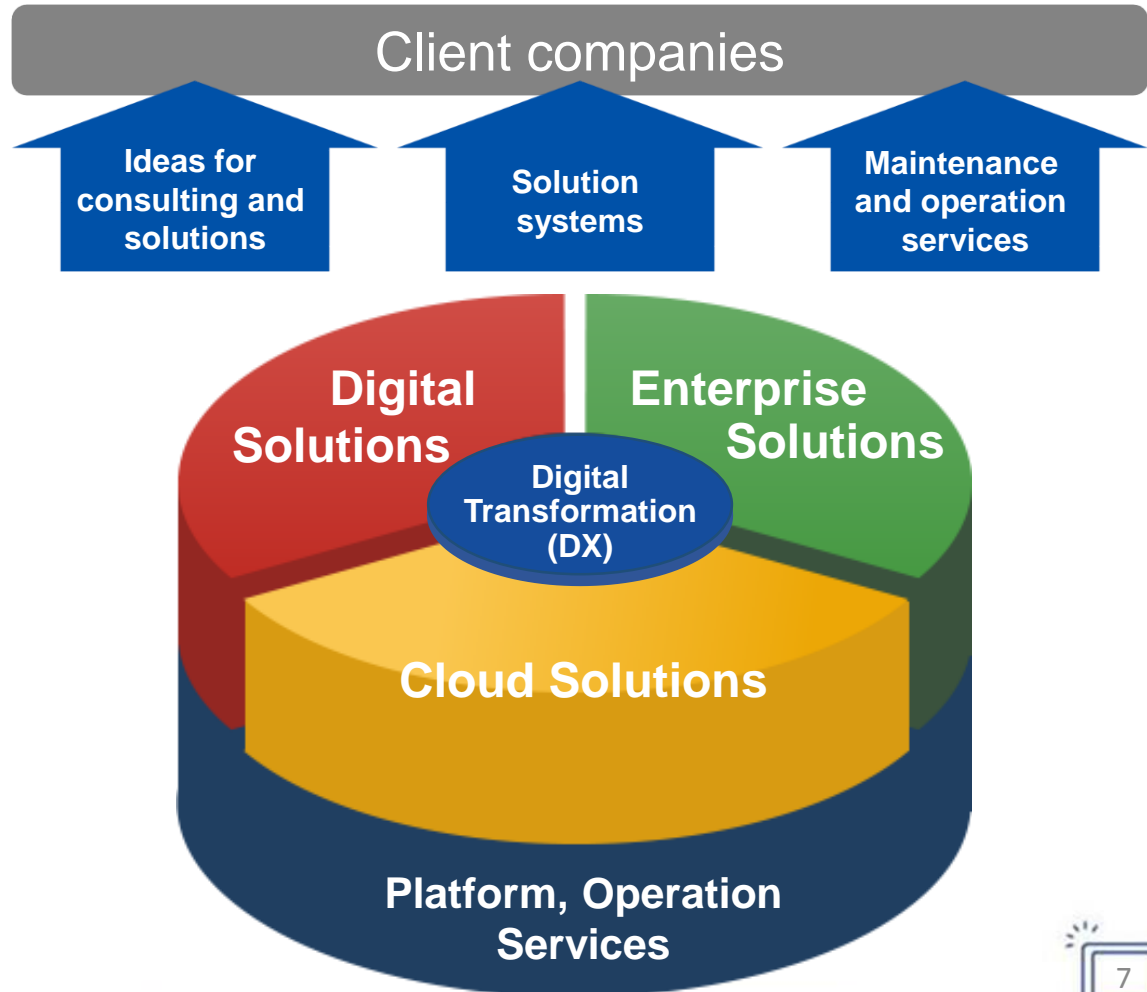
- Data Analytics (Big Data · AI), RPA

### Enterprise Solutions

- ERP (SAP), Fintech, Human Resources Solutions

### Platform, Operation Services

- Server infrastructure foundation, operation, management service



# 1-6 Major Customers

**We serve 869 large companies covering a broad spectrum of industries**

American Home Assurance, AEON, SMBC Trust Bank, NTT DOCOMO Group, ORIX, Olympus, Kamagaya City, Canon Group, KYOCERA Group, Cleanup, Credit Saison, Keio Corporation, Kobe Steel, KOKUYO, National Cancer Center, KONICA MINOLTA, Sapporo Group, Sankei Shimbun, GMO Aozora Net Bank, JCB, SHIMIZU, Mitsui O.S.K. Lines, Subaru Group, SBI Sumishin Net Bank, Sumitomo Chemical, Sumitomo Rubber Industries, Sumitomo Electric Industries, CEMEDINE, SoftBank Group, Solaseed Air, Sompo Japan Nipponkoa Insurance, The Dai-ichi Life Insurance, Daito Trust Construction, THK, 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, JAPAN POST HOLDINGS, Nomura Research Institute, Pasona Group, Hachioji City, BIC CAMERA, Fuji Xerox Group, FUJIYA, BOOKOFF, Honda Motor, Marubeni, Mitsui Chemicals, Sumitomo Mitsui Bank, Mitsui Fudosan, Mitsubishi Corporation, MITSUBISHI ESTATE, Mitsubishi Electric, MetLife Insurance, MOS FOOD SERVICES, Morinaga Milk Industry, MORI Building, YAMATO TRANSPORT, The Yokohama Shinkin Bank, LIXIL, Recruit Group, Ricoh Japan, Waseda University

(Order of the Japanese syllabary. As of the end of June 2019)

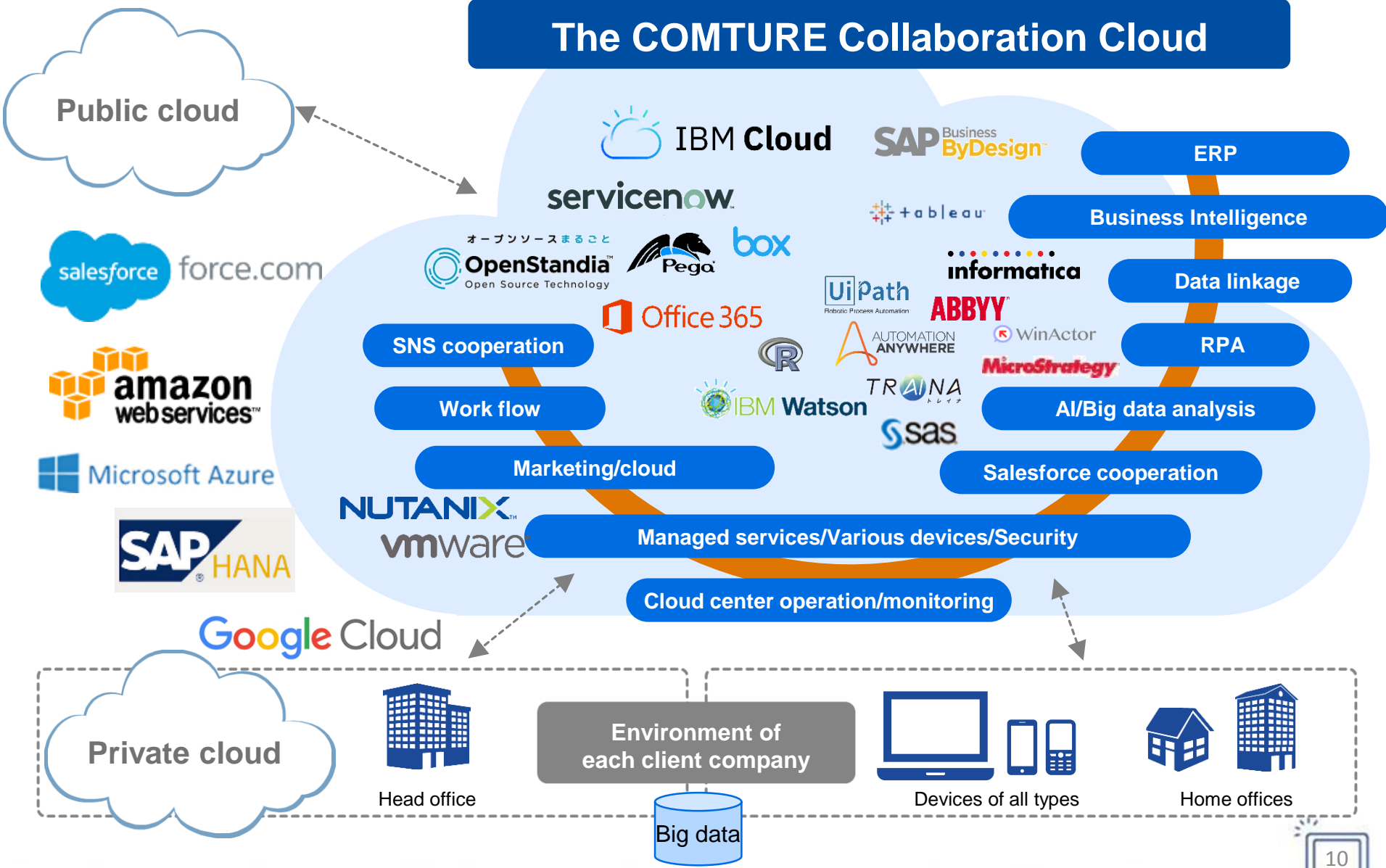


# 2

## Our Business

# 2-1 Domains for COMTURE Services

## The COMTURE Collaboration Cloud



# 2-2 Major Examples

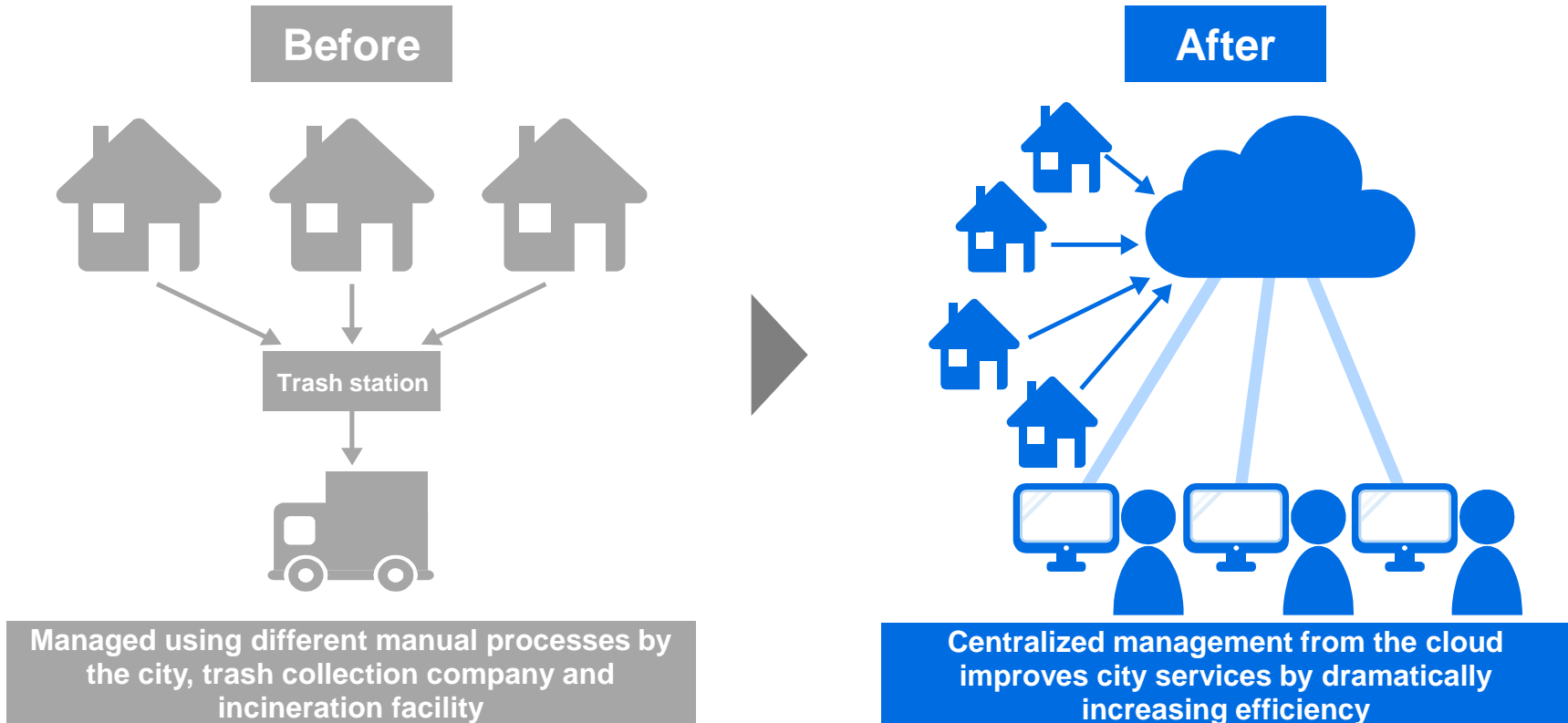
–Kamagaya City (Chiba Prefecture)–

Example of cloud use – 1

## Centralized management of information involving “trash stations”

**Centralized management via the cloud of manual operations carried out separately 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

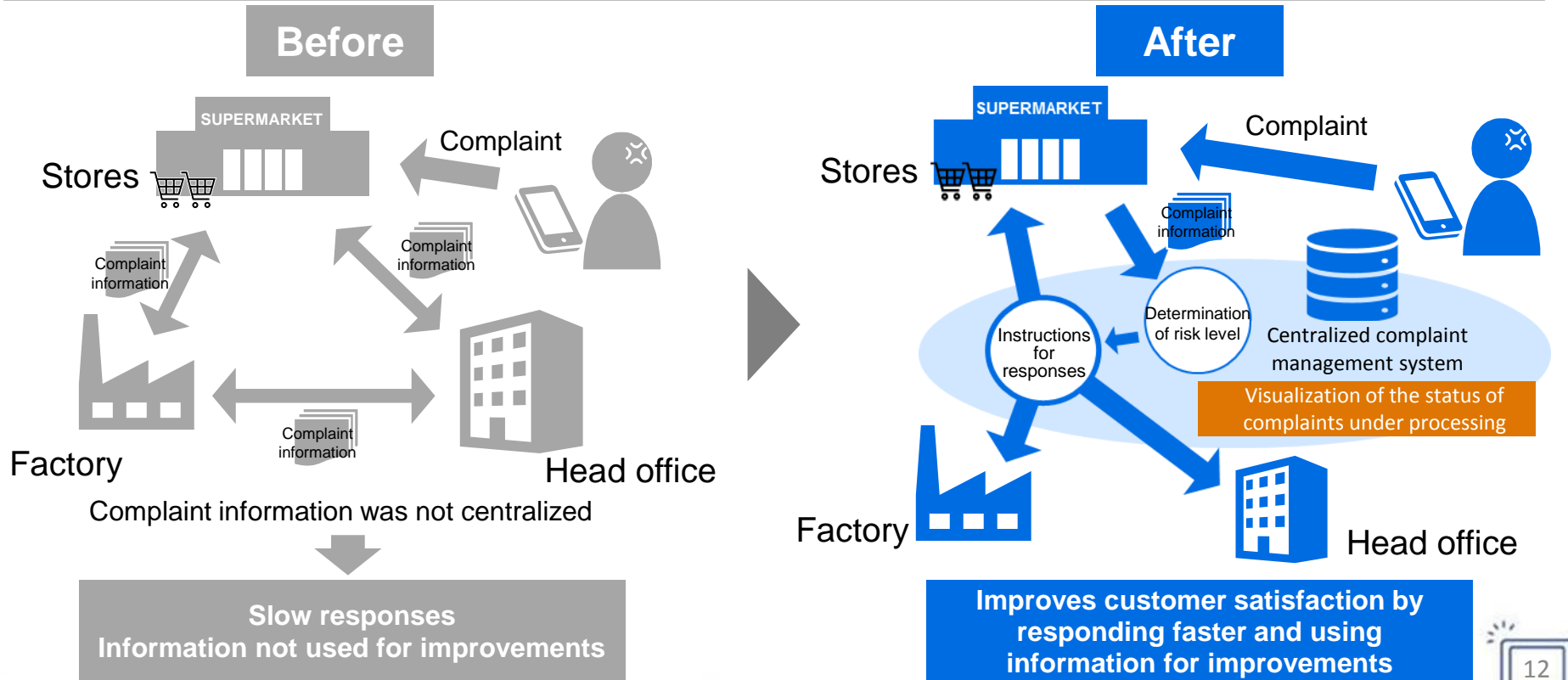


# 2-3 Major Examples –Large retail company–

## Example of cloud use – 2 Centralized management of the status of complaints under processing

### 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 centralized management of complaints has improved response speeds and boosted customer satisfaction levels.



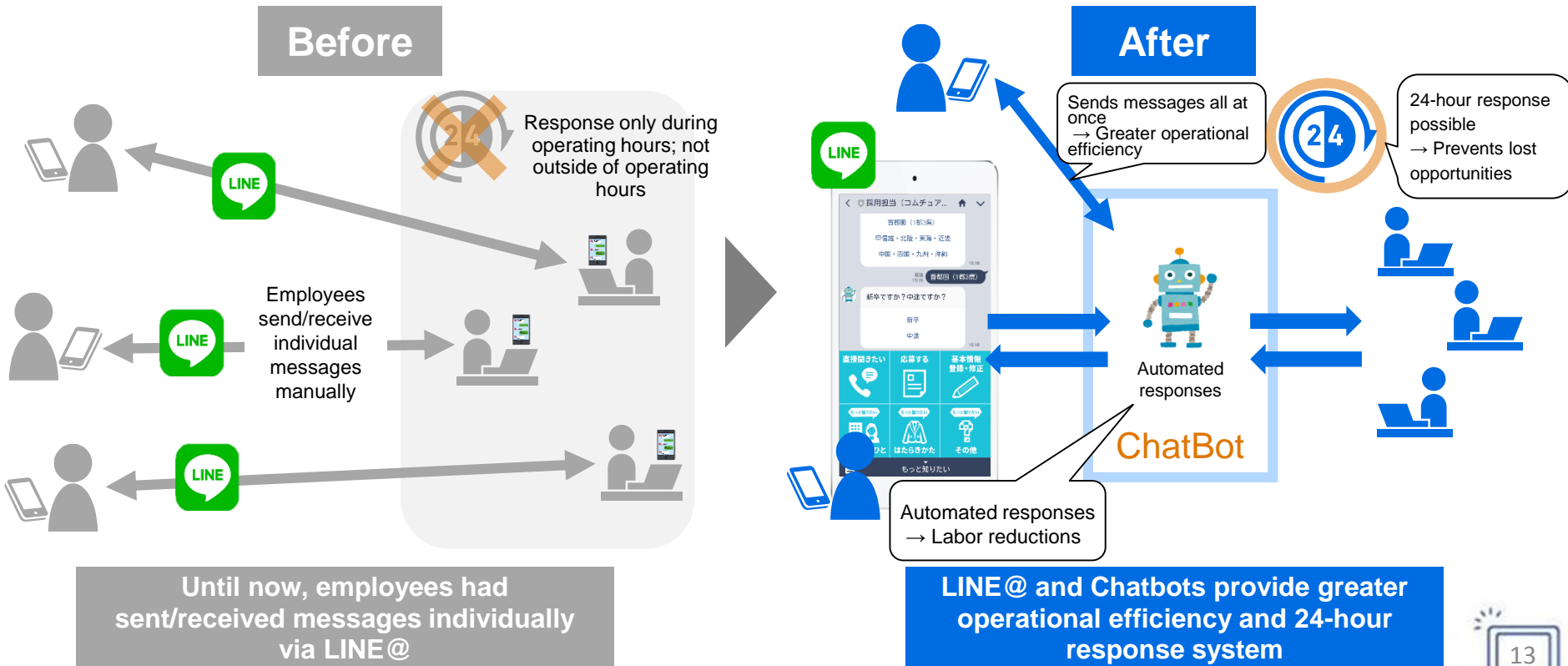
# 2-4 Major Examples

–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



# 2-5 Major Examples

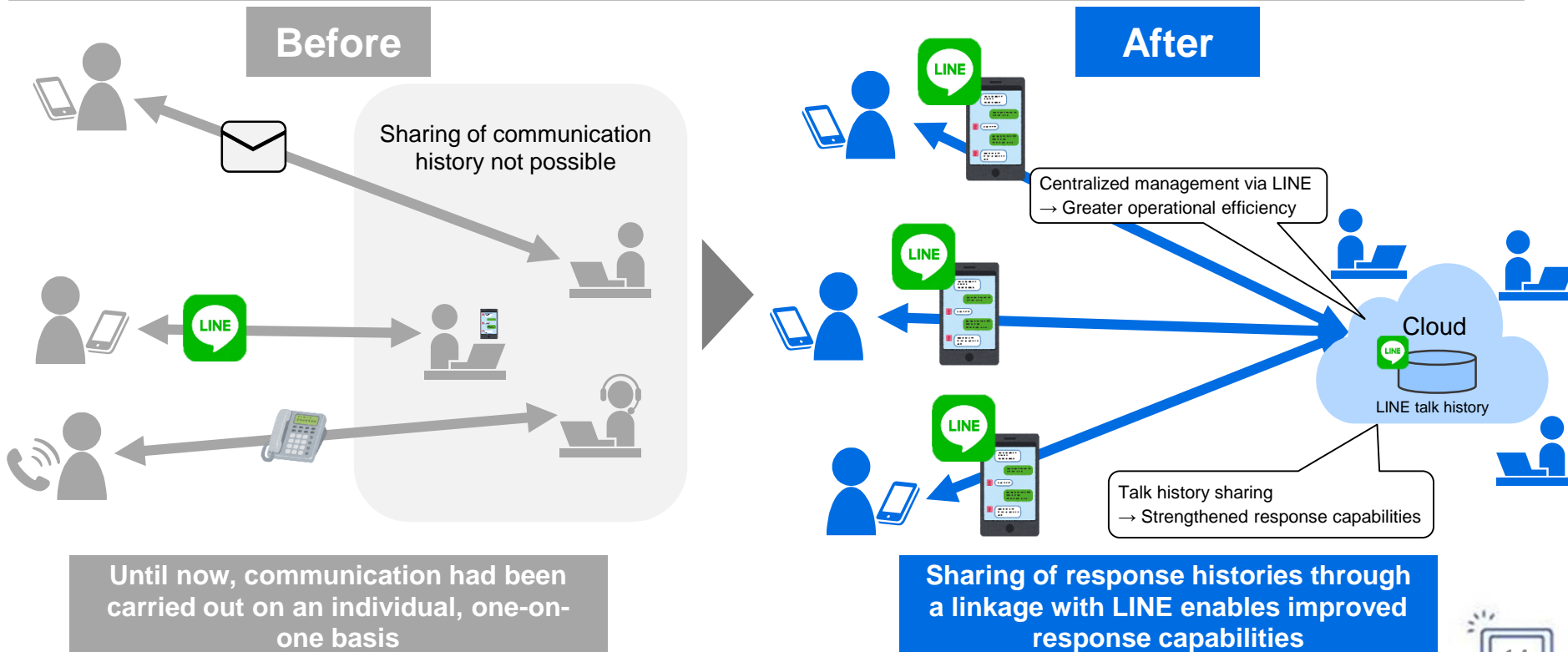
## –Personnel Recruiting Operations–

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 centralized management and sharing of talk histories for communications with applicants



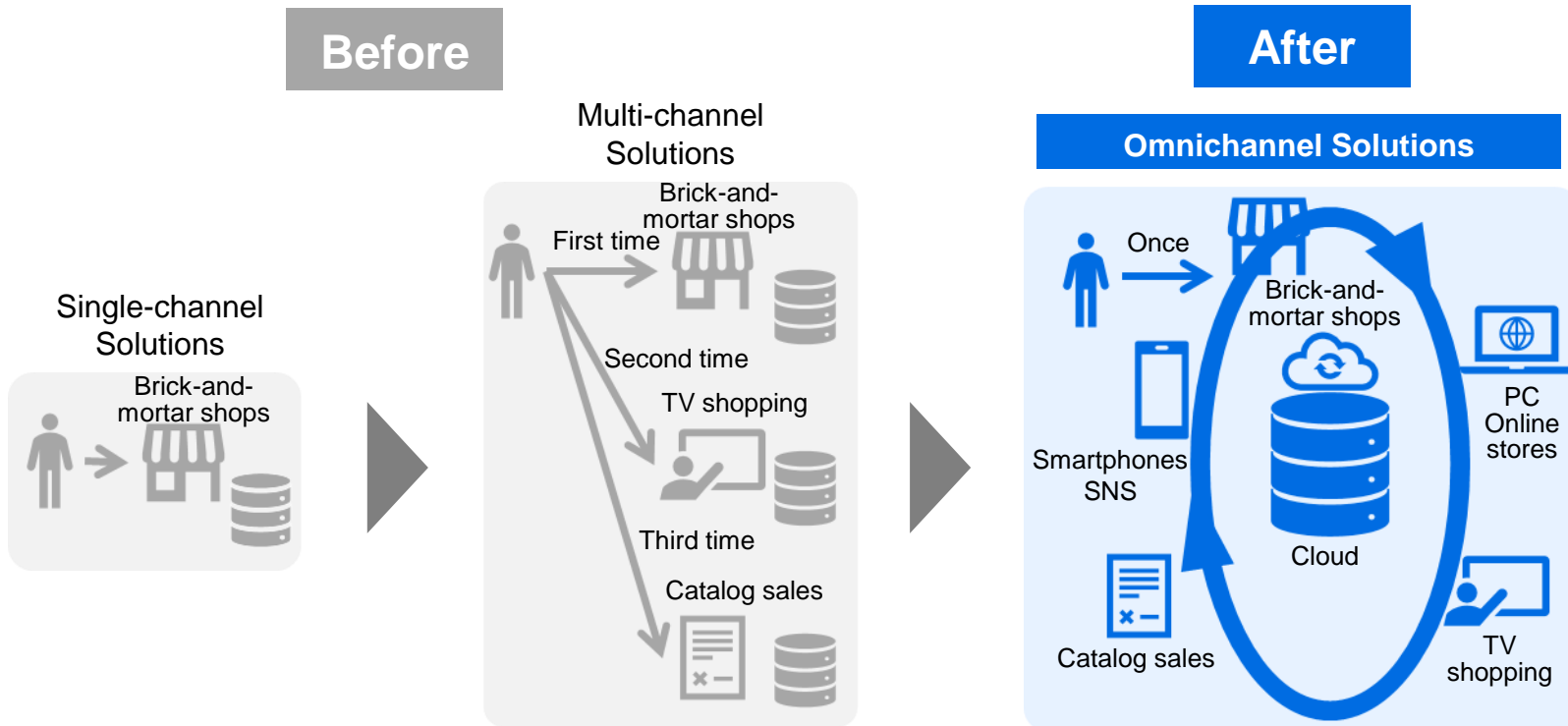
# 2-6 Major Examples –Distributors–

Example of cloud use – 5

## Omnichannel solutions to enable shopping anywhere, anytime

**Making shopping possible anywhere, anytime by linking 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 sales channels and mediums (computers, smartphones, televisions, catalogs)

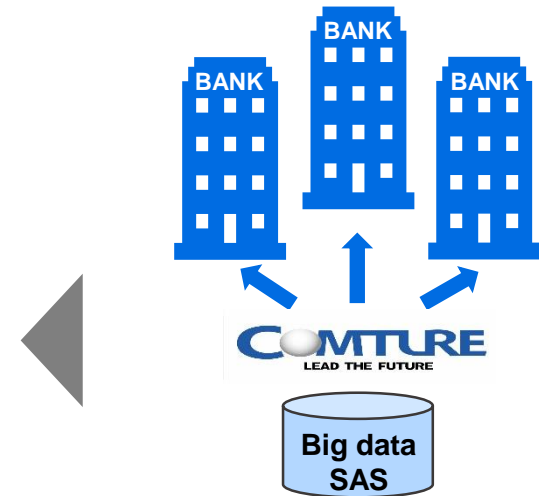
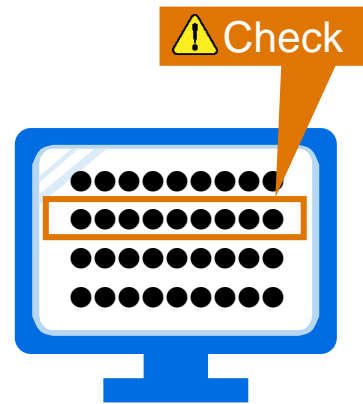
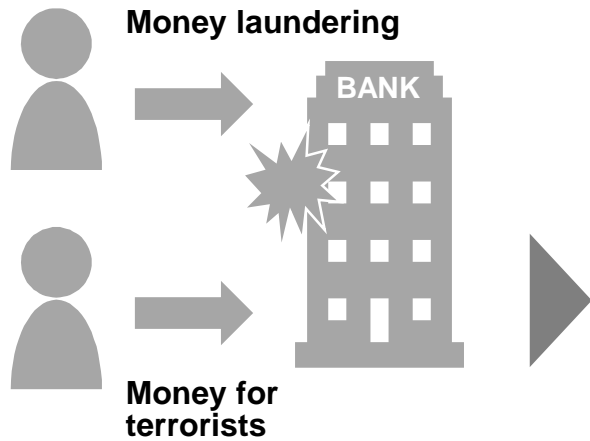


# 2-7 Major Examples –Large bank–

## 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



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



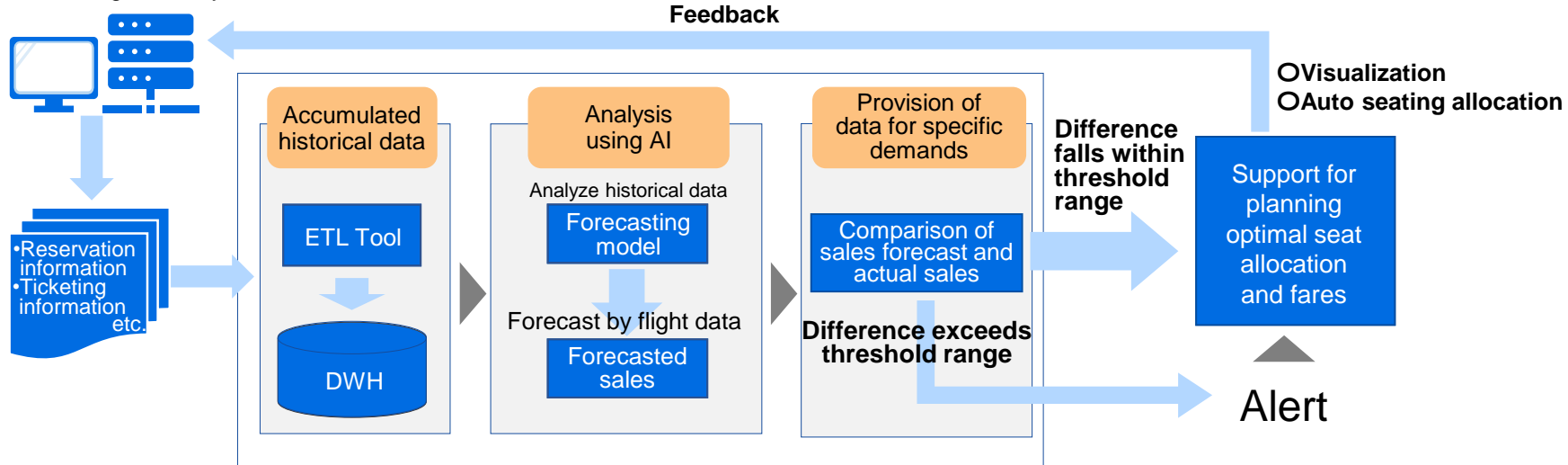
# 2-8 Major Examples –Solaseed Air Inc.–

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

**Use of AI for 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

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

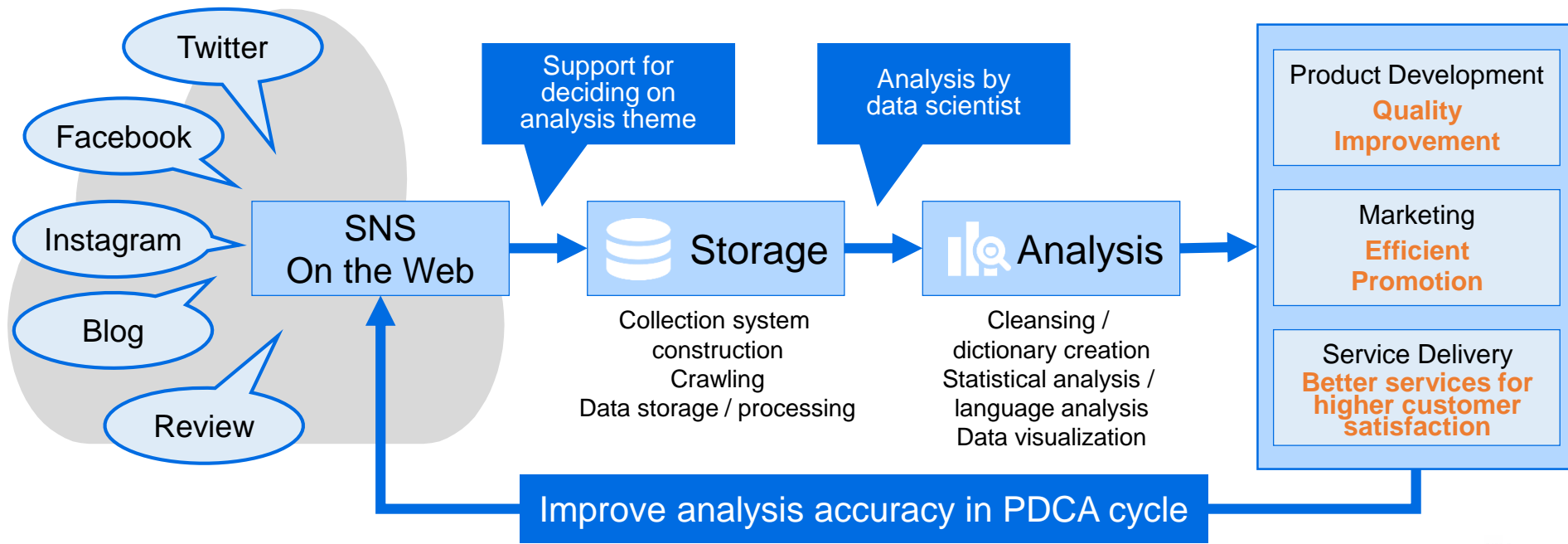
# 2-9 Major Examples

–Large manufacturing company–

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

**Analyzes word-of-mouth SNS input data to improve quality, efficiency and customer satisfaction**

Data cleansing (removal of unrelated obstructive data) and dictionary production analytic know-how generates data that can be used for business operations and creates a framework for more accurate SNS/word-of-mouth analysis.



# 2-10 Major Examples

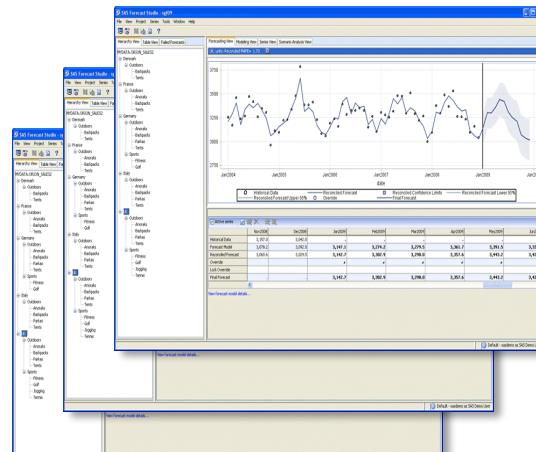
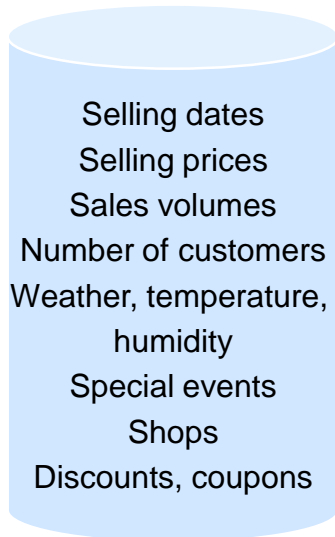
## –Supermarket Demand Prediction –

### 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 are carried out to establish sales strategies incorporating purchasing volumes, selling prices, sales promotion events and more. This is intended to minimize inventory sizes and shortages, boost customer satisfaction, and maximize sales and profits.

#### Big data



- Speedy collection of large quantities of complex data (big data)
- Precise analysis of big data by utilizing a variety of techniques

#### Results of analysis

- 1 Prediction of sales volumes
  - By date
  - By store
  - By product
- 2 Establishment of sales strategies
  - Purchasing volume
  - Selling price
  - Sales promotion events

# 2-11 Major Examples

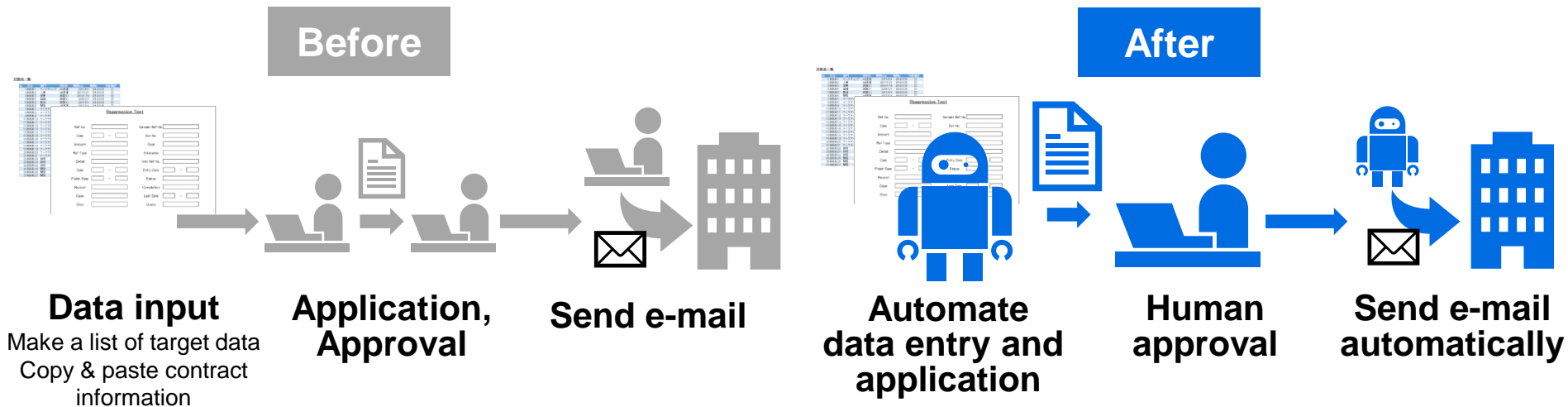
–Large manufacturing company–

Example using RPA (Robotic Process Automation) – 1

## Automation of contract creation / approval / sending work

**Automation of manual tasks to reduce work times and eliminate input/entry errors**

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



Manual tasks to extend outsourcing contracts  
(Preparation of approval documents,  
application by workflow,  
send e-mail to outsourcing service provider)

**RPA automates almost all operations**

- Working time reduction rate 80%
- Eliminate input errors and erroneous mail transmissions

# 2-12 Major Examples –RPA + OCR–

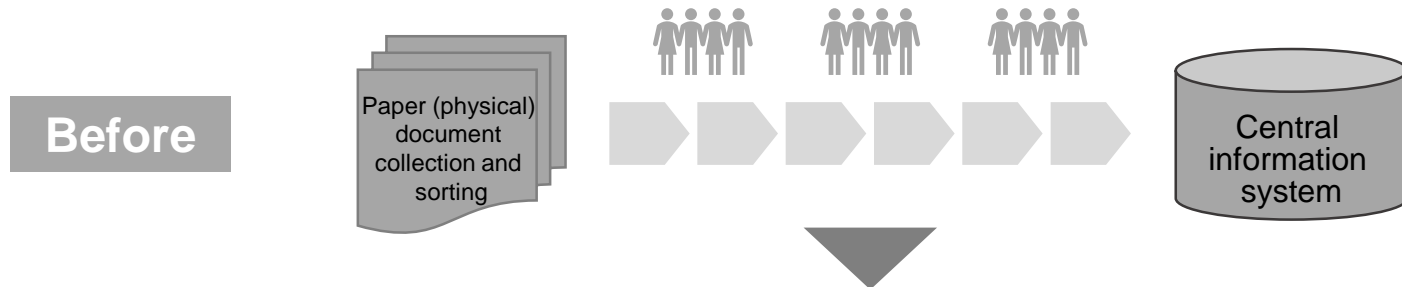
## Example using RPA (Robotic Process Automation) – 2

### Combining Robotic Process Automation (RPA) with AI-OCR (Artificial Intelligence Optical Character Recognition) to Automate Document Reading and Data Creation

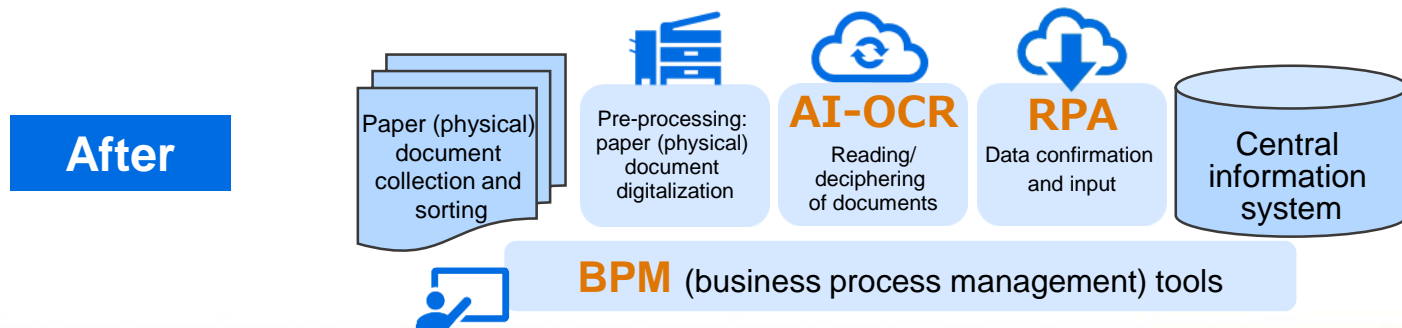
**Automating reading of hand-written documents, printed and other documents greatly reduces labor required to input data**

Using AI-OCR to read documents and improve Japanese character conversion precision, and combining technologies such as RPA and BPM (business process management; the management 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



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



# 3

# Business Strategies

# 3-1 High Added-value Strategy

– Top priority policy–

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

High added-value  
Sales per employee  
up at least **5%** every year

Higher salaries  
At least

**3%**  
up

Improvement of  
employee  
satisfaction

Investments  
At least

**1.8%**  
up

Investments  
in growth

Earnings  
At least

**0.2%**  
up

Improvement  
of shareholder  
satisfaction

COMTURE value  
(branding)

Consulting and  
better proposal skills

Better services

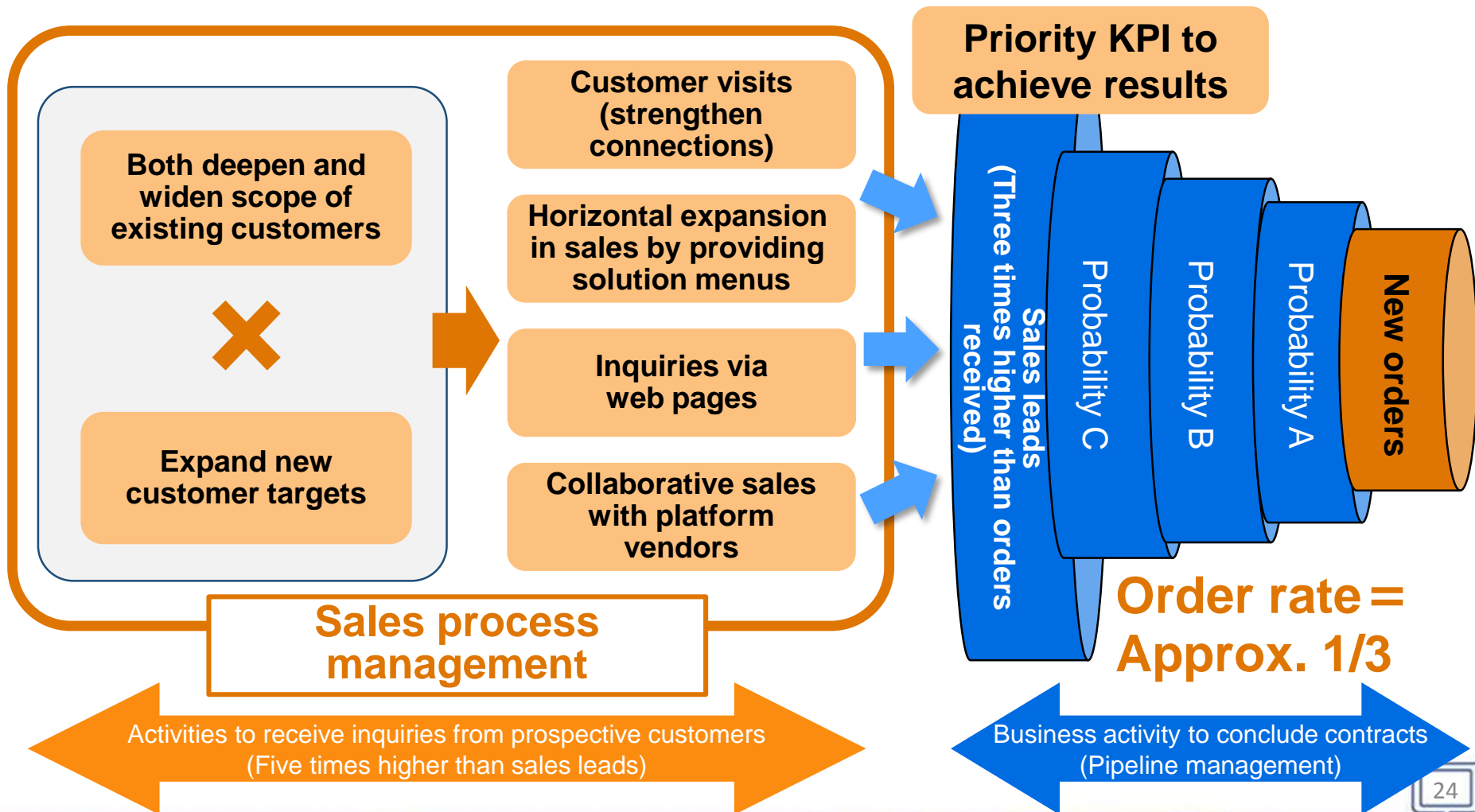
Increased productivity

Expansion into  
areas of expertise

Work style reform

# 3-2 The Sales Process Strategy

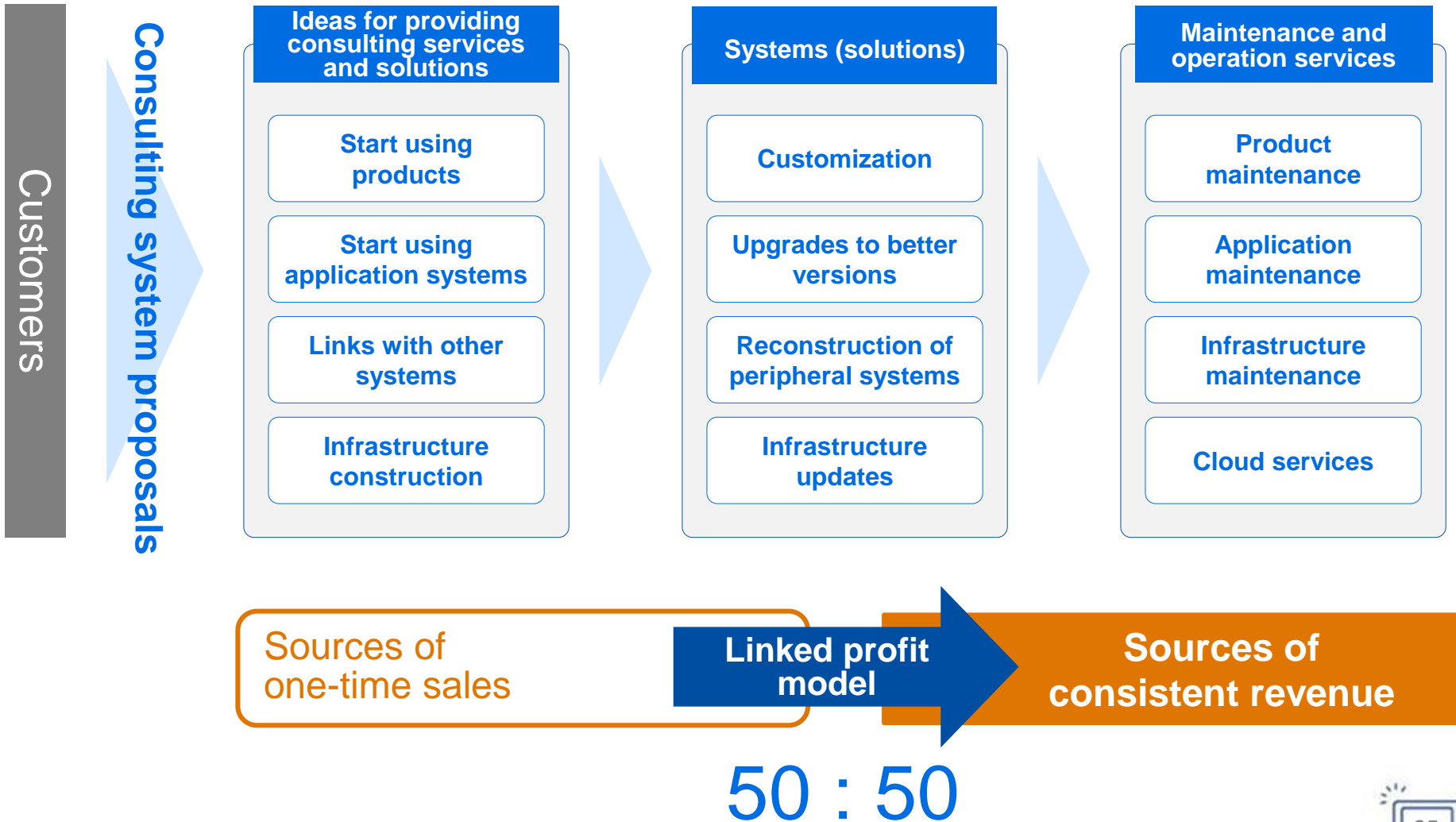
**Sales leads = Three times higher than orders received**  
– Leading indicators for achieving the target for new orders





# 3-3 The Linked Profit Model

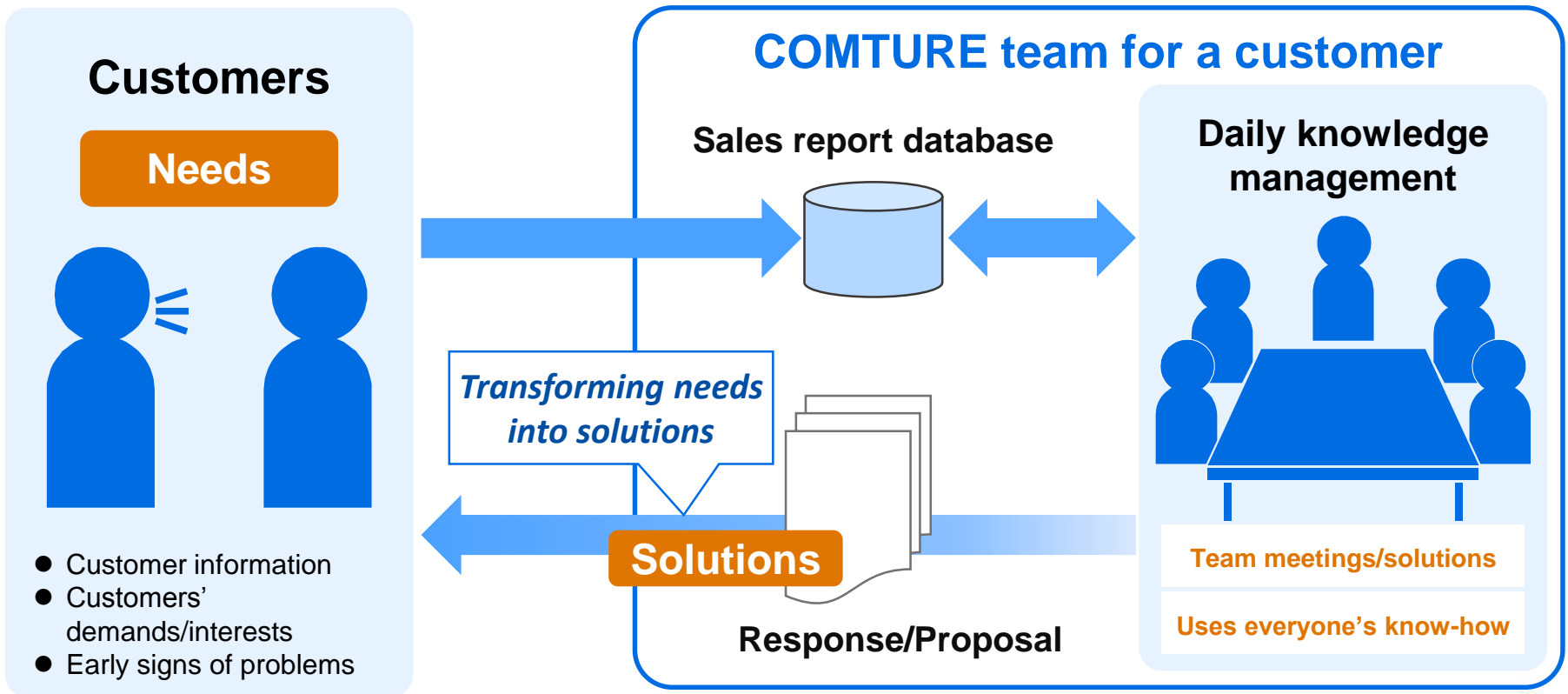
–One-time sales and consistent revenue–



# 3-4 Customer Strategy

## Reinforce consulting sales skills to improve customer satisfaction

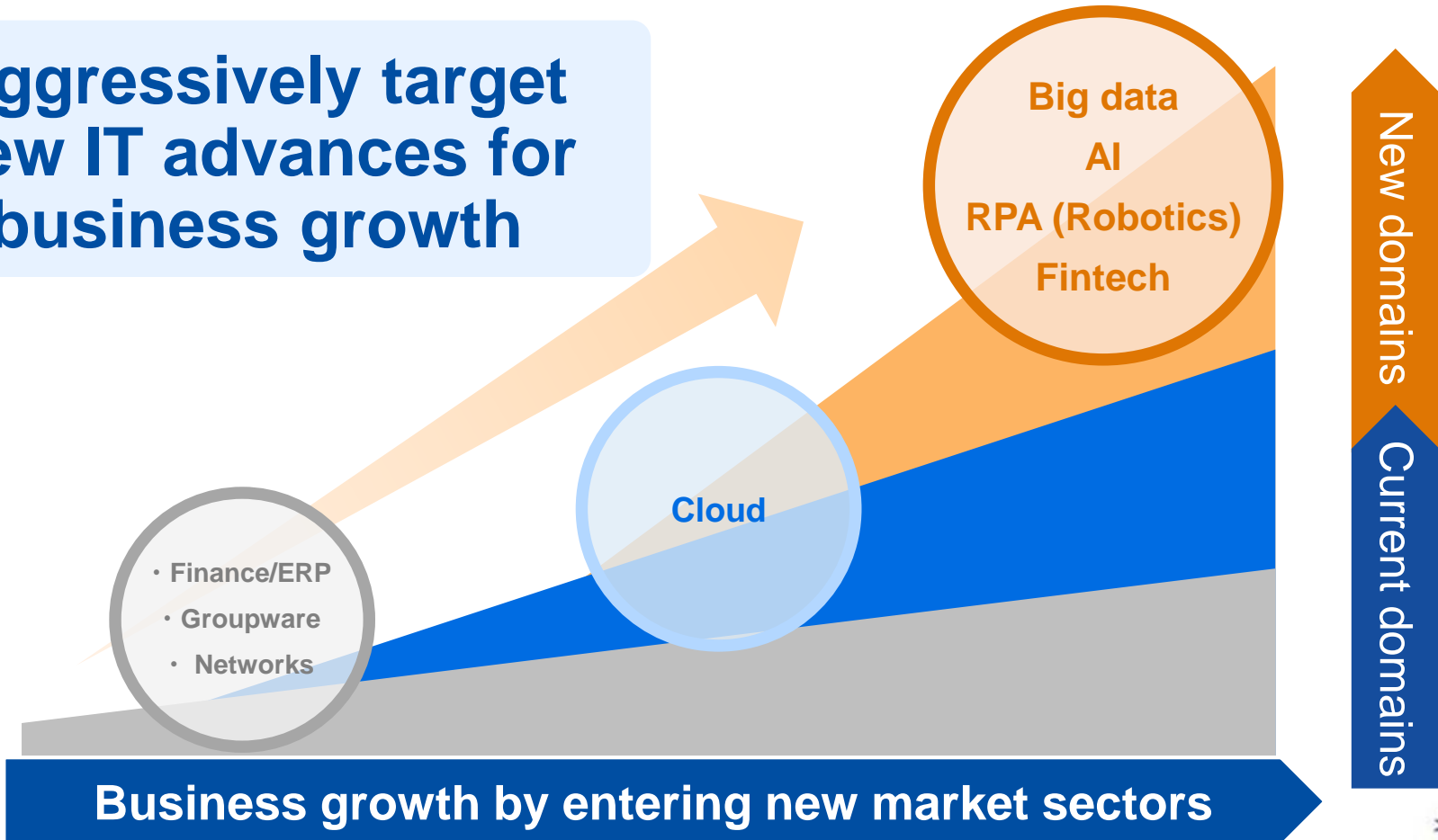
Account system engineers who have close ties with customers identify each customer's needs. Then the aggregate know-how of a team is used to create ideas for transforming these needs into solutions.



# 3-5 Business Growth Strategy

## Approach to digital transformation

Aggressively target new IT advances for business growth



# 3-6 Human Resources Strategy

## Training and recruiting for adding more value

### Training programs

<b>Cloud</b>	<b>A leader in professional certifications (Salesforce, SAP, AWS, etc.) for cloud business growth – 340 people with certifications</b>
<b>Big data/AI/RPA/Fintech</b>	<b>Quickly started training data scientists for the Big data/AI/RPA/Fintech businesses – 333 people with certifications</b>
<b>Upgrade proposal/management skills</b>	<b>Create proposals with substantial added value by upgrading ability to incorporate new market sectors and technologies and by reinforcing management skills</b>

### Recruiting

<b>Strengthen recruiting activities</b>	<b>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)</b>
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# 3-7 7 Basic Strategies for Further Growth

## 1 Growth Strategy

Achieve consistent **double-digit growth** by using actions centered on **high value-added management** for raising sales per employee and using rigorous sales processes for generating sales leads three times higher than orders received

## 2 Customer Strategy

Through proposal activities to “**transforming needs into solutions,**” comprehend customer needs to provide timely proposals and aim for developing innovations with customers

## 3 Human Resources Strategy

Actively recruit **human resources with comprehensive skills** that can handle new technologies, and through human resources training to heighten proposal capability and technical capability, structure a creative group that can achieve a high rate of growth

## 4 Innovation Strategy

To create new value, reinforce **digital transformation** fields and concentrate on developing new technologies, solutions and services that keep COMTURE at the forefront of progress

## 5 Quality Strategy

Refine project management and advance visualization of quality, process and costs to strengthen activities for **improving the quality of services and customer satisfaction**

## 6 Financial Strategy

**Raise the ROE to more than 20%** and constantly implement management that increases corporate value. Define the group's KPI and use visualization of performance management in order to become a company able **to achieve sound and stable growth**

## 7 Alliance Strategy

Use business alliances and **M&A** to build a stronger business foundation centered on the growing digital domain in order to **grow even faster.**

# Closing “Our Slogan”

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

# 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.
- 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.

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