

Company name: COMTURE CORPORATION
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 Stock code: 3844
 Listing: Tokyo Stock Exchange, Prime Market
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Notice of Revisions to the Consolidated Forecasts for the Fiscal Year Ending March 31, 2023

The board of directors of COMTURE CORPORATION approved a resolution on March 15, 2023 to make the following revisions based on current results of operations to the consolidated forecasts for the fiscal year ending March 31, 2023 that were announced on May 9, 2022.

1. Revisions to Consolidated Forecasts

**Revisions to the consolidated forecasts for the fiscal year ending March 31, 2023
 (April 1, 2022 – March 31, 2023)**

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	28,800	4,660	4,660	3,080	96.62
Revised forecast (B)	28,800	4,000	4,000	2,600	81.57
Increase/(decrease) (B – A)	0	(660)	(660)	(480)	
Percentage change (%) (B vs A)	0.0	(14.2)	(14.2)	(15.6)	
Ref: Previous fiscal year (ended March 31, 2022) (C)	24,985	3,996	4,000	2,517	78.97
Percentage change (%) (B vs C)	15.3	0.1	0.0	3.3	3.3

2. Reasons for revisions

There is no change in the sales forecast of 28,800 million yen, which is 15.3% higher than in the previous fiscal year. This forecast is based on the growth of the digital transformation consulting and system integration business, backed by collaboration with vendors, as market conditions remain favorable.

The operating profit forecast has been lowered by 660 million yen (14.2%) because of substantial investments in human resources to build a sound base for growth. The revised forecast is 4,000 million yen, which is 0.1% higher than in the previous fiscal year and an operating margin of 13.9%. These investments include activities for a big increase in hiring new graduates for the next fiscal year (90 more than new graduates hired in the current fiscal year), the recruitment of 28 more people with previous work experience than in the previous fiscal year, and a steady increase in personnel expenses to make COMTURE’s compensation well above the average in the IT sector, resulting in an 8% increase in these expenses from the previous fiscal year. One significant activity is the start in the fourth quarter of this fiscal year of rescreening of employees with the goal of shifting about 150 people to the digital transformation sector, which is designated a category for growth in the current medium-term plan. Although profits have recovered on a quarterly basis since the second quarter, COMTURE does not anticipate full-year recovery of expenses as planned at the beginning of the fiscal year.

The ordinary profit forecast is also down by 660 million yen (14.2%) to 4,000 million yen, which is the same as in the previous fiscal year.

The forecast for profit attributable to owners of parent has been reduced by 480 million yen (15.6%) to 2,600 million yen, 3.3% higher than in the previous fiscal year. This revision is the result of the outlook for an extraordinary loss of 300 million yen for a loss on the valuation of investment securities. This expected loss was announced on March 15, 2023 in a release titled “Notice of Extraordinary Loss (Loss on Valuation of Investment Securities).”

The revised operating profit, ordinary profit and profit attributable to owners of parent forecasts are all record highs.

3. Dividend Forecast

There is no revision to the forecast for the year-end dividend for the fiscal year ending March 31, 2023 in association with the earnings forecast revisions.

4. Outlook

In the fiscal year ending on March 31, 2024, the goal is sales growth of at least 15% consisting of organic growth mainly in the digital transformation sector, where demand is strong, and strategic mergers and acquisitions.

The gross profit and operating profit will reflect a continuation of investments in human resources, including expenditures for recruiting, increasing compensation, reskilling programs and other activities and the shift of resources to the digital transformation sector (Salesforce, Microsoft, SAP, data science, etc.), which is designated a category for growth. The goal is to maintain the proper balance between investments and a high level of earnings by using these activities for making the comprehensive solutions business even stronger and adding even more value to products and services.

In order to accomplish this goal, actions have been taken to build a stronger framework for business operations for the entire COMTURE Group. In addition, these actions are expected to facilitate even more cooperation among different business units of the group by naming separate executives for business and corporate operations and creating a flat organizational structure.

Note: Statements regarding future performance are based on information available to the management of COMTURE at the time this document was prepared. Actual results may differ from these forecasts for a number of reasons.