



## Appendix

# TechMatrix Corporation

(Stock Code:3762)

<http://www.techmatrix.co.jp/>

2016.12.14a

## Pioneering specialist for IT

<b>Company Name</b>	TechMatrix Corporation
<b>Date of establishment</b>	August 30, 1984
<b>Listed exchange</b>	First Section of the Tokyo Stock Exchange
<b>Stock code</b>	3762
<b>Paid-in capital</b>	¥1,298.12 million
<b>Net sales</b>	¥20,920.82 million (Consolidated; Results for fiscal year ended March 2016)
<b>The number of the issued stocks</b>	12,379,600
<b>Number of employees</b>	1,011 (Consolidated; as of September 30, 2016)
<b>Fiscal year-end</b>	March 31
<b>Board composition</b>	9 Directors including 4 audit and supervisory committee members (4 external directors) as of March 2016
<b>Head Office location</b>	<b>Head office</b> : 11-24,Mita 3-chome, Minato-ku, Tokyo
	<b>Head Office Sagamihara Annex</b> : 22-9, Sagamihara 6-chome, Chuo-ku, Sagamihara, Kanagawa Prefecture
<b>Domestic Offices</b>	<b>West Japan Branch</b> : 2-7 Nakano-shima 2-chome,Kita-ku, Osaka
	<b>Kyushu Sales Office</b> : 5-1 Hakata Ekimae 1-chome, Hakata-ku, Fukuoka
	<b>Sendai Sales Office</b> : 1-8 Omachi 1-chome, Aoba-ku, Sendai, Miyagi Prefecture
	<b>Nagoya Sales Office</b> : 16-17 Nishiki 1-chome, Naka-ku, Nagoya, Aichi Prefecture
	<b>Sapporo Sales Office</b> : 4-3, Kita 7jo Nishi 4-chome, Kita-ku, Sapporo, Hokkaido Prefecture

## Pioneering specialist for IT

<b>Aug-84</b>	TechMatrix was founded as Nichimen Data Systems Co., Ltd., a strategic subsidiary of the IT division of Nichimen Corporation (currently Sojitz Corporation).
<b>Dec-96</b>	Entry into the packaged software business; developed and started selling a Customer Relationship Management (CRM) package called "FastHelp."
<b>Jul-00</b>	Nichimen Corporation sold all shares of the Company to ITX Corporation, making it a consolidated subsidiary of ITX
<b>Nov-00</b>	Changed the company name to TechMatrix Corporation
<b>Feb-01</b>	Rakuten, Inc. made an equity invest in TechMatrix through a private allocation of shares to strengthen the relationship between the two companies
<b>Feb-05</b>	Listed on the JASDAQ Securities Exchange
<b>Aug-07</b>	Established Ichigo LLC
<b>Jan-08</b>	Made CROSS HEAD a consolidated subsidiary
<b>Aug-09</b>	Made CASAREAL, Inc. a wholly owned subsidiary
<b>Jun-10</b>	Listed on the second section of the Tokyo Stock Exchange
<b>Feb-13</b>	Listed on the first section of the Tokyo Stock Exchange
<b>Mar-14</b>	Acquired 100% ownership of CROSS HEAD and Okinawa Cross Head Co., Ltd.
<b>Apr-15</b>	Acquired 100% ownership of CROSS HEAD and NCL Communications
<b>May-15</b>	Relocate and integrate Head Office
<b>Aug-15</b>	Repurchase of treasury stock from Rakuten
<b>Nov-16</b>	Relocation of West Japan Branch

As of September 30 ,2016

Name of shareholder	Number of stock	Ratio
<b>Techmatrix Corporation</b>	3,694,475	29.84%
<b>Japan Trustee Services Bank, Ltd. (account in trust)</b>	1,919,000	15.5%
<b>BNP PARIBAS SECURITIES SERVICES LUXEMBOURG</b>	430,000	3.47%
<b>The Master Trust Bank of Japan ,Ltd. (account in trust)</b>	423,700	3.42%
<b>Individual</b>	355,500	2.87%
<b>Techmatrix's Employee Shareholding Association</b>	318,000	2.56%
<b>GOLDMAN SACHS INTERNATIONAL</b>	278,705	2.25%
<b>Individual</b>	223,500	1.80%
<b>THE BANK OF NEWYORK MELLON</b>	182,400	1.47%
<b>KBL EPB S.A. 107704</b>	141,800	1.14%

## Provision of infrastructure technology that underpin cloud era

Category	Solution	Main products and service	Remarks
<b>Network &amp; Security</b>	<ul style="list-style-type: none"> <li>•Comprehensive security measures</li> <li>•Getting rid of the destabilization of the Web sites by the access concentration</li> <li>•Expanding storage capacity without a system stop and backup</li> <li>•Integration</li> </ul>	<ul style="list-style-type: none"> <li>•<b>F5 Networks</b></li> <li>•<b>EMC (Isilon)</b></li> <li>•<b>EMC (RSA)</b></li> <li>•<b>Intel Security (McAfee)</b></li> <li>•<b>Palo Alto Networks</b></li> <li>•<b>∴ TRINITY</b></li> </ul>	<ul style="list-style-type: none"> <li>•Increasing cyber-attacks</li> <li>•continuously growing by expansion of cloud business market</li> <li>•Basic Law for Cyber Security (2016 Revised Version)</li> </ul>

We are distributing cutting-edge, competitive and fast-growing products mainly from North America for relatively niche market segments, which were found by using our insights based on our long years of experiences in this field. Also, we provide services covering the life cycle of system usage, including maintenance, operation and managed services, which are highly value-added and attempt not to remain in simple product sale.

TechMatrix provides secure and highly reliable total IP network infrastructure solutions that are cost-effective, ranging from Green-IT, virtualization, Software-defined network (SDN), security to storage technologies.

CROSS HEAD and Okinawa Cross Head Co., Ltd., which are consolidated subsidiaries, primarily provide after-sale services such as maintenance, operation and managed services and also provide temporary dispatch and employee placement services for IT technicians. NCL Communications K.K. (another consolidated subsidiary) provides SDN, storage, security and call center products.

Trend of the IT system investment has shifted from “ownership of equipment” to “usage of services.” Techmatrix Group provides the information infrastructure solutions for the service companies such as telecommunication, cloud and iDC and for each enterprise company as well.

## Provision of solutions for vertical markets

Category	Solution	Partner	Remarks
<b>Healthcare</b>	Cloud service for healthcare institutions	<b>Electronic patient record vendors</b> <b>Medical equipment (modality) vendors</b>	<ul style="list-style-type: none"> <li>• <b>"NOBORI"</b>, a Cloud service for healthcare information</li> <li>• <b>"NOBORI-PAL"</b>, a platform for other healthcare services</li> <li>• Over <b>600</b> customers</li> </ul>

In the Healthcare field, mainly on a self-developed product, we provide the Integrated Information System for various medical imaging equipment such as CT, MRI, Endoscope, Ultrasonic equipment and PET in medical institutions. A consolidated subsidiary, Ichigo LLC which was established with plural radiology specialists and co-funded, provides IT infrastructure to support teleradiology in the healthcare field.

Category	Solution	Partner	Remarks
<b>Contact Center CRM</b>	Facilitating operations in contact centers	<b>Bell system24</b> <b>NTT Data</b> <b>CTC</b> <b>Nihon Unisys</b> <b>PBX vendors</b>	<ul style="list-style-type: none"> <li>• Customers ranging from large centers (more than 2,000 seats) to small centers</li> <li>• On-premises/Cloud service</li> <li>• <b>Top-class customer base in number</b></li> </ul>

In the CRM (Customer Relationship Management) field, we provide high-quality CRM systems to improve customer-satisfaction, which can manage customer-facing records from multiple channels (telephone, e-mail, Web and fax). "Fast Series" (a self-developed product) also flexibly addresses in-bound, out-bound contact center, FAQ, internal help desks and other operations. These systems can run not only conventional "on Premise" but also on the Cloud service (FastCloud).

## Provision of solutions for vertical domain





Category	Solution	Main customers	Remarks
<b>Internet Service</b>	<ul style="list-style-type: none"> <li>•Development of EC sites</li> <li>•Big data analysis by BI &lt;Financial field&gt;</li> <li>•Advanced risk management systems</li> <li>•Trading system for complex financial derivatives</li> </ul>	<b>Rakuten Group,</b> <b>Riskmonster,</b> <b>Pal-system,</b> <b>NTT DoCoMo</b> <b>Bank, Insurance,</b> <b>Securities,</b> <b>financial firms</b>	<ul style="list-style-type: none"> <li>•Sustaining businesses from existing customers in good shape</li> <li>•Expanding "Raku-Raku back office" , a cloud service</li> <li>•Targeting the derivatives trading at the financial firms which looks ahead to regulatory reinforcement</li> </ul>

In the Internet field, we undertake the development of custom-made applications, ranging from EC sites to mission-critical internal systems mainly using Web-based technologies. CASAREAL, Inc., which is a consolidated subsidiary, provides the system development by using state-of-the-art open source software and training services for skill-development of IT technicians. In the Financial field, we have accumulated knowledge and expertise in the financial services industry by specializing mainly in risk management, asset-liability management (ALM) and fair valuation of complex financial derivatives and portfolios using financial engineering techniques.

Category	Solution	Main products	Remarks
<b>Software Quality Assurance</b>	Improvement of software quality	<ul style="list-style-type: none"> <li>•<b>Parasoft</b></li> <li>•<b>Ranorex</b></li> <li>•<b>Lattix</b></li> <li>•<b>Scitools</b></li> <li>•<b>AccuRev (Micro Focus)</b></li> </ul>	<ul style="list-style-type: none"> <li>•Distribution and marketing of a variety of tools</li> <li>•Consulting service for functional safety (to comply with standards)</li> </ul>

To develop high-quality software at a lower cost, customers need systematic testing and debugging operations based on consistent policies for software quality control and security. We provide best-of-breed tools and consulting services to cover all the software development life cycle.

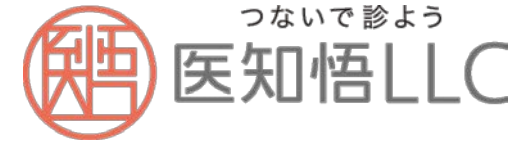
## 4 consolidated subsidiaries

Company's name (investment ratio)	Business activities
Ichgo LLC (95.0%) 	Provision of IT infrastructure to support teleradiology in the healthcare field
CROSS HEAD (100.0%) 	Provision of network solution, SDN, storage products, IT security products and temporary dispatch and employee placement services for IT technicians
Okinawa Cross Head Co., Ltd. (クロスヘッドの100.0%子会社) 	Provision of network solution and temporary dispatch and employee placement services for IT technicians in Okinawa
CASAREAL, Inc. (100.0%) 	System development using open source software and training services for skill-development of IT technicians



## Corporate overview

<b>Name</b>	<b>Ichigo LLC</b>
<b>Location</b>	Within TechMatrix Corporation Mita 3-chome, Minato-ku, Tokyo
<b>established</b>	August 1, 2007
<b>Representative</b>	CEO Yuji Kano
<b>Paid-in capital</b>	¥150 million
<b>Business activities</b>	Provision of IT infrastructure to support teleradiology in the healthcare field



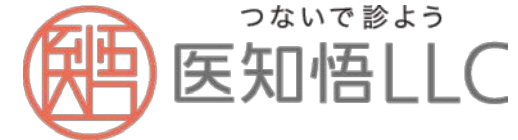
**ICOMBOX**

### **Both are our customers;**

- The medical institutions where the image diagnosis is needed
- Radiologists who intend to begin teleradiology services

**The Ichigo LLC does not intervene in the contracts about a teleradiology services which are concluded between radiologists and hospitals. We provide only information infrastructure which realizes teleradiology in an independent position and support both customers.**

## Case studies



- The number of customers is over **500** from a service start of April, 2008
- The number of medical images transmitted monthly is about **180,000** (43% market share)
- No.1 market share in teleradiology infrastructure services in Japan with over **1,000** radiologists registered
- Case studies
  - ✓ Medical check-up facilities of a major company, local government and others
  - ✓ Transmission system for medical imagings between a core hospital and medical facilities on islands in the Tokyo area
  - ✓ Telepathology platform centered on Peking University
  - ✓ Others
    - Kyoto Prefecture, Kawasaki city , OKAYAMA University, SHIMANE University, TOKAI University, G.I.Lab
    - Global data exchange with doctors in U.S.A., France, China, Indonesia, Vietnam and India



OKAYAMA University Hospital



INTERNATIONAL MEDICAL CENTER-BEIJING

## Corporate overview

<b>Name</b>	<b>CROSS HEAD</b>
<b>Location</b>	20-3 Ebisu 4-chome, Shibuya-ku, Tokyo
<b>established</b>	September 14, 1992
<b>Representative</b>	President and CEO Takashi Sekine
<b>Paid-in capital</b>	¥395 million
<b>Corporate Philosophy</b>	Based on "an advanced network technology and human skill", we aim at "the value provider" which can realize the growth of the customer businesses and contribution to the society by creating "the scalable network".



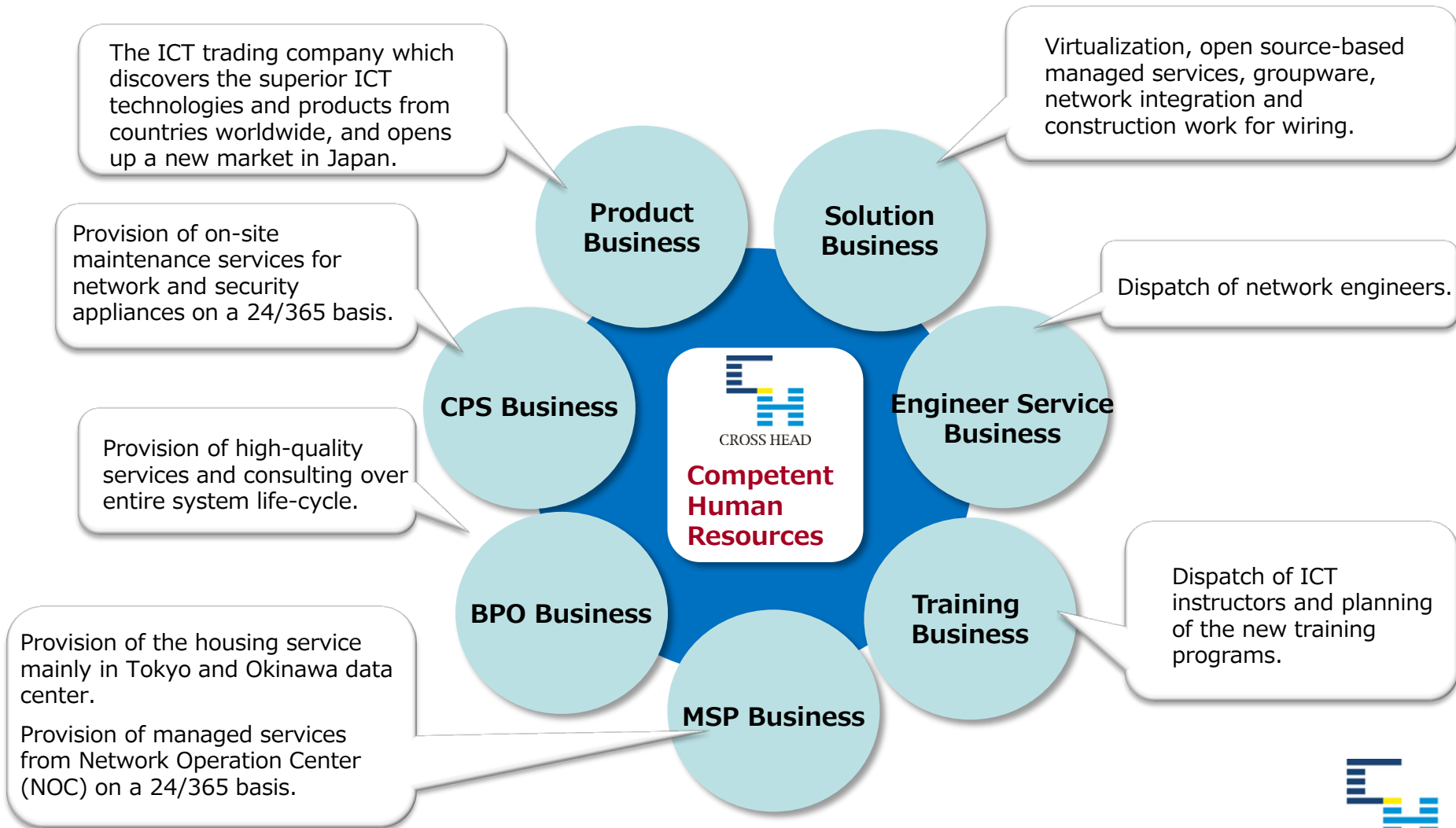
## Core competence

《 The power of talented people who are full of human being powers 》

We lay emphasis on the training of our employees, and our excellent engineers, i.e. the source of the collective strength, enable Cross Head to offer high-quality ICT services.

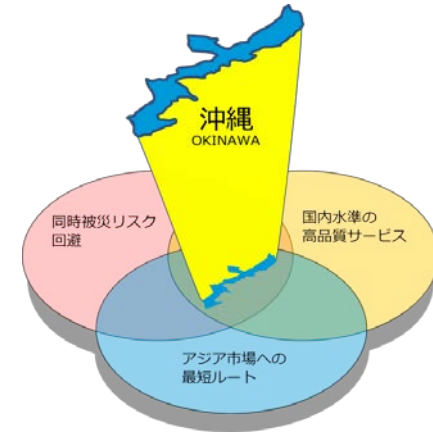


## Core business



## Corporate overview

<b>Name</b>	Okinawa Cross Head Co., Ltd.
<b>Location</b>	1-9 Asahimachi, Naha, Okinawa
<b>established</b>	June 21, 2006
<b>Representative</b>	CEO Tokashiki YuiAkira
<b>Paid-in capital</b>	¥51 million
<b>Corporate Philosophy</b>	Connecting Okinawa to the mainland with an IT network technology, and contributing to the development of IT industry and IT engineering resources in Okinawa.



## Core competence

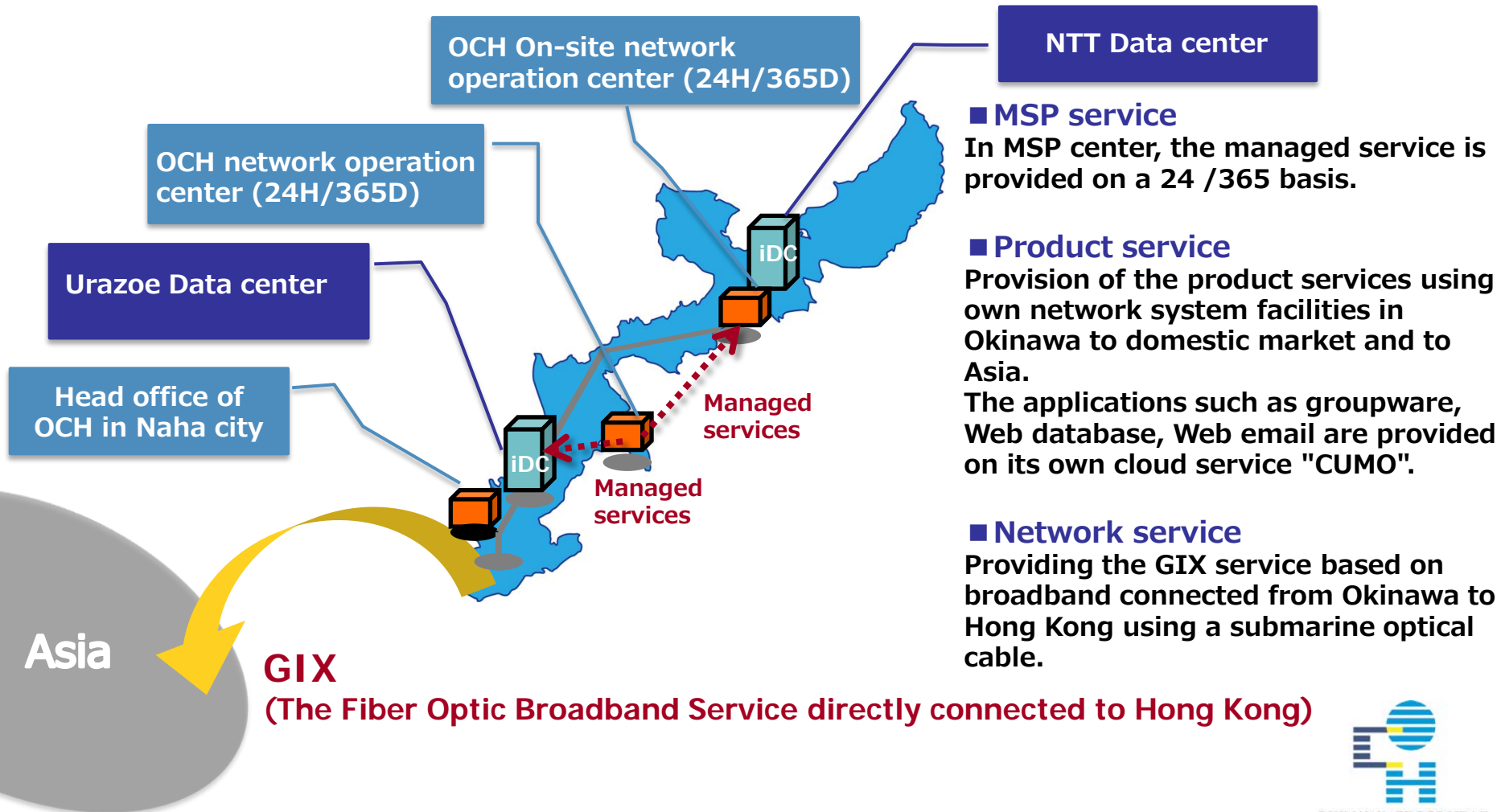
Expanding businesses based on products and services related to ICT, network and Data Center, taking the geographical advantage of Okinawa, from Okinawa to outside, including Asia

- 1: Superiority of the location (evasion of the simultaneous devastation risk)
- 2: Superiority of the distance (the shortest route to the Asian market)
- 3: Superiority of the cost performance  
(Providing high-quality services of the domestic standard at a low price)



OKINAWA CROSS HEAD

## Core business



OKINAWA CROSS HEAD

## Corporate overview

<b>Name</b>	<b>CASAREAL, Inc.</b>
<b>Location</b>	Within TechMatrix Corporation Mita 3-chome, Minato-ku, Tokyo
<b>established</b>	July 2, 1999
<b>Representative</b>	Shiichiro Kubo
<b>Paid-in capital</b>	¥50 million
<b>Corporate Philosophy</b>	We realize the growth of customers' businesses led by the growth of our employees. We always value a motivation "to learn" and "teamwork" to contribute to the society through the growth of each employee.



### Business activities

- Application development
  - ◇ Web application development using JAVA・PHP
  - ◇ Application development for smartphones
- Training services for engineers
  - ◇ Technical training for engineers by the engineers experienced in application development
- Testing service
  - ◇ Consulting services for testing



## Core business

