Results for the 1st Quarter of 38th business period
(Fiscal Year Ending March 31, 2022)

August 13, 2021

TECHMATRIX CORPORATION（code：3762）

Statement of the accounting standard

◆The Company voluntarily adopted the International Financial Reporting Standards (IFRS) for its consolidated financial statements in its securities report for the fiscal year ended March 31, 2021.

◆In principle, all business results described in this document are presented on the IFRS. However, business results for the fiscal year ended March 31, 2019 (the 36th fiscal year) and earlier, the information is presented in accordance with Japanese GAAP.

1. Business Highlights for the 1st Quarter 38th business period(Consolidated)

2. Topics of Business activities

3. Medium-Term Management Plan "BEYOND THE NEW NORMAL"

4. Business Models

5. Market Conditions for our business

1. Business Highlights for the 1st Quarter 38th business period(Consolidated)

Business Highlights (Consolidated)

◆ The highest consolidated revenue.
◆ Operating profit declined.
  ・Made up-front investments into EdTech field.
  ・Negative repercussions from the unexpected decrease in sales promotion expenses (SG & A expenses) due to the inactivation of promotion activities caused by pandemic of COVID-19 in the previous year
  ・Increase in personnel expenses (SG & A expenses) such as salary allowances due to an increase in the number of employees
  ・Incorporation of operating loss of a newly consolidated subsidiary
  ・Reserve for year-end performance-based bonuses was included for the first time ever in the Q1 and will be allocated quarterly from this year (until last year, once every six months).

(¥million)	Q1 of FY 03/21	Q1 of FY 03/22	Change in amount	Rate of Change (%)
Revenue	7,515	**7,612**	+97	+1.3%
Operating profit	963	**647**	△316	△32.8%
Profit before tax	966	**648**	△317	△32.9%
Profit attributable to owners of parent	649	**427**	△222	△34.2%

Business Highlights (Consolidated 1Q)

◆ The highest consolidated revenue. Operating profit declined, compared to last year, because SG & A expenses returned to the same level as incurred before the COVID-19 pandemic and operating loss of a newly consolidated subsidiary was reflected.

◆ Compared to last year, there was no special factor such as special demands related to remote access security and so on.

Revenue

Operating profit

¥million
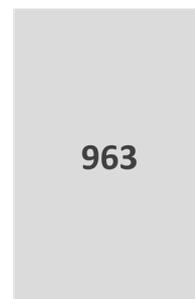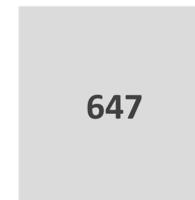
¥million

97

| 7,515 | 7,612 |

-316

| 963 | 647 |

Q1 of FY 03/21   Q1 of FY 03/22   Q1 of FY 03/21   Q1 of FY 03/22

(¥million)	Q1 of FY 03/21	Q1 of FY 03/22	Change in amount	Rate of Change (%)
Revenue	7,515	**7,612**	+97	+1.3%
Operating profit	963	**647**	△316	△32.8%

Revenue by Segment (Consolidated 1Q)

◆ Information Infrastructure Business : The highest consolidated revenue. Increasing inquiries for cloud-based security products such as SASE. Further, increasing inquiries for next generation security products such as Cyber Hygiene and Software-Defined Perimeter (SDP).

◆ Application Services Business : The highest consolidated revenue. Sales in the CRM field decreased due to the negative repercussions from special demands (version-up to the latest generation of the product) until last year and the booking is slower than expected this year. Sales in the medical field remained steady and in good share. In the software quality assurance field, booking remained steady, however, contribution from one-off revenue is limited due to the increase of recurring revenue such as subscription licenses, which is recognized over time.
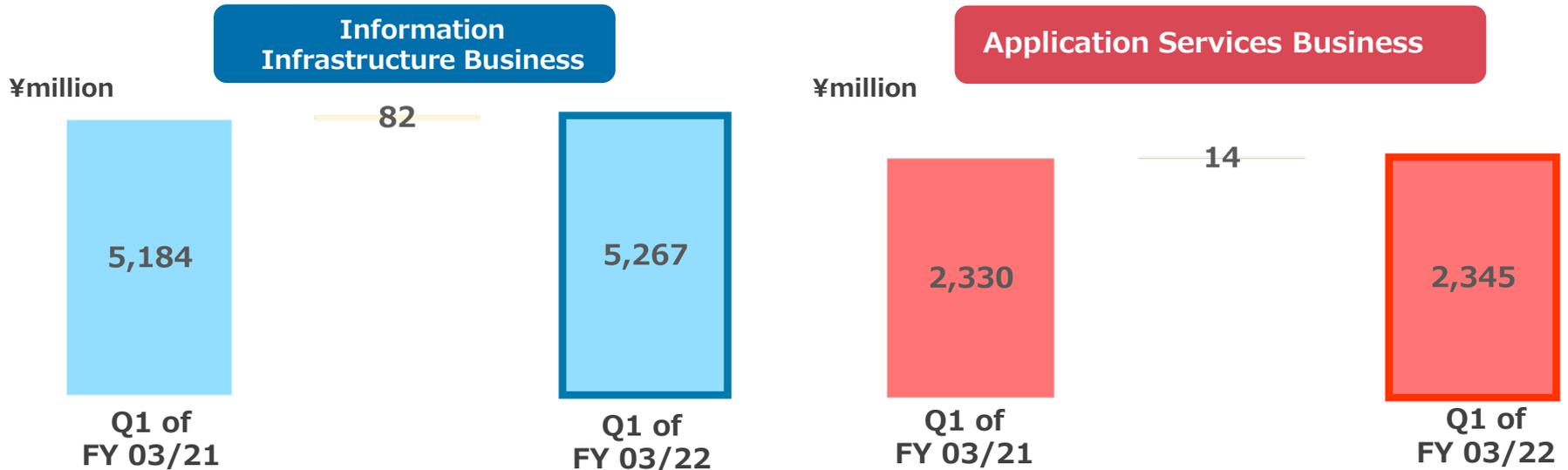
Information Infrastructure Business

Application Services Business

¥million

82

5,184 — Q1 of FY 03/21

5,267 — Q1 of FY 03/22

¥million

14

2,330 — Q1 of FY 03/21

2,345 — Q1 of FY 03/22

(¥million)	Q1 of FY 03/21	Q1 of FY 03/22	Change in amount	Rate of Change (%)
Information Infrastructure Business	5,184	5,267	+82	+1.6%
Application Services Business	2,330	2,345	+14	+0.6%

Operating profit by Segment (Consolidated 1Q)

◆ Information Infrastructure Business : Operating profit declined.
  - Mainly due to negative repercussions from the special demands related to remote access security in the previous year, also because SG & A expenses returned to the same level as incurred before the COVID-19 pandemic (SG & A expenses were extraordinarily low last year due to the cancellation of almost all of exhibitions where we aimed at acquiring new customers.).

◆ Application Services Business : Operating profit declined.
  - Revenue increased but operating profit declined. Mainly because SG & A expenses returned to the same level as incurred before the COVID-19 pandemic and due to the negative repercussions from special demands (version-up to the latest generation of the product) until last year in the CRM field. Also, from this year, we are making aggressive investments into EdTech business and operating loss of a newly consolidated subsidiary was reflected.
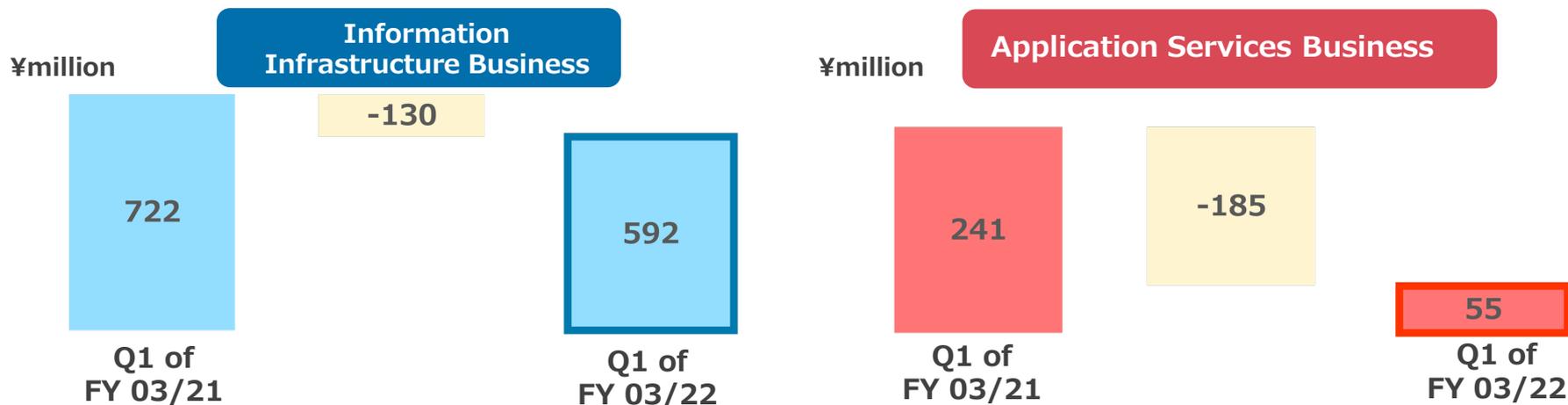
Information Infrastructure Business

¥million

722	-130	592
Q1 of FY 03/21		Q1 of FY 03/22

Application Services Business

¥million

241	-185	55
Q1 of FY 03/21		Q1 of FY 03/22

(¥million)	Q1 of FY 03/21	Q1 of FY 03/22	Change in amount	Rate of Change (%)
Information Infrastructure Business	722	592	△130	△18.1%
Application Services Business	241	55	△185	△77.0%

Booking and Backlog

◆ Booking and backlog were in good shape. Especially, Information structure business was strong.

Company-wide total

Booking

¥million

	1,609	

8,784

10,393

¥million

24,545

Backlog

8,431

32,976

Q1 of FY 03/21

Q1 of FY 03/22

Q1 of FY 03/21

Q1 of FY 03/22
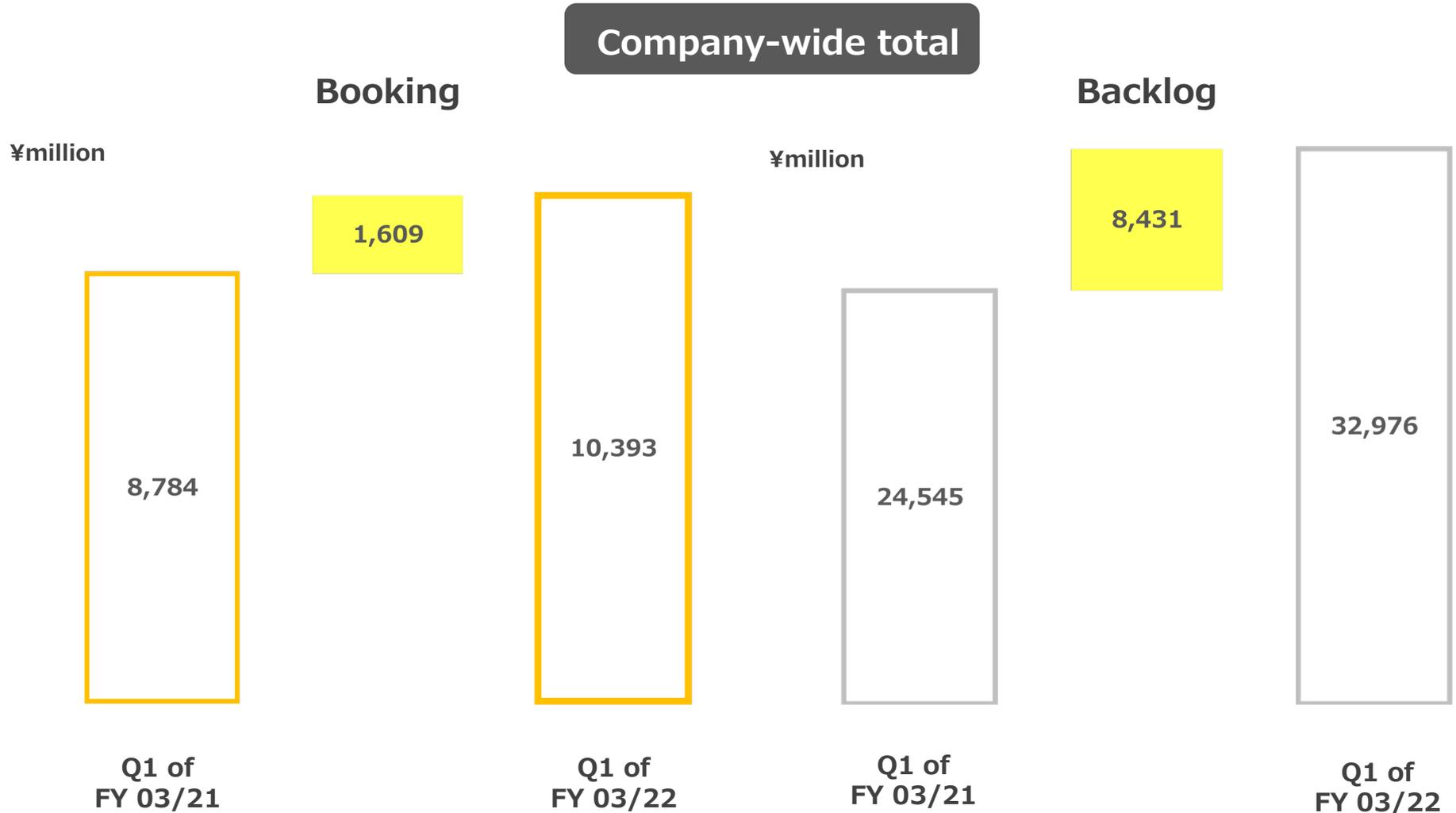
Booking and Backlog by Segment
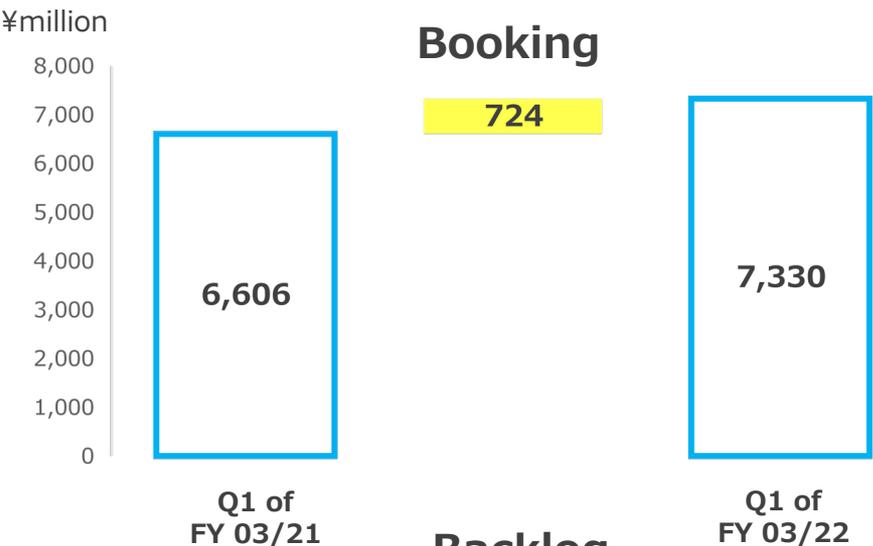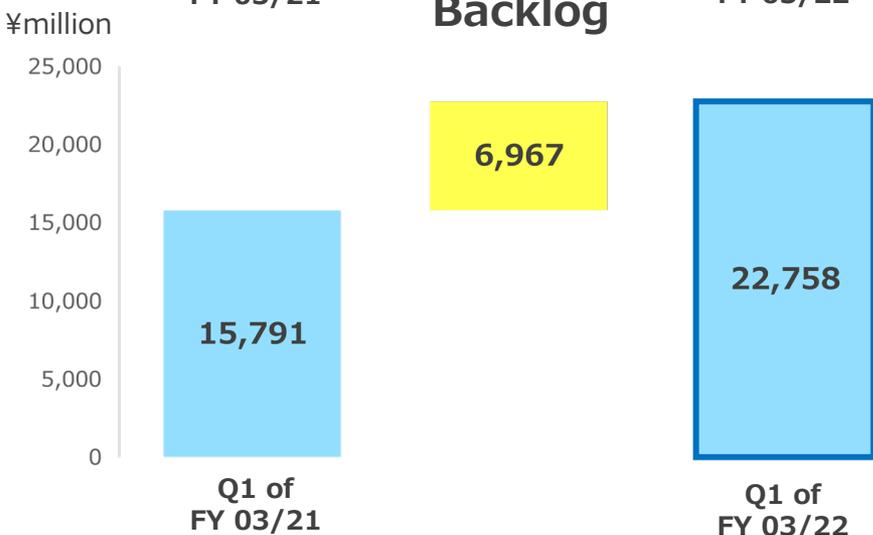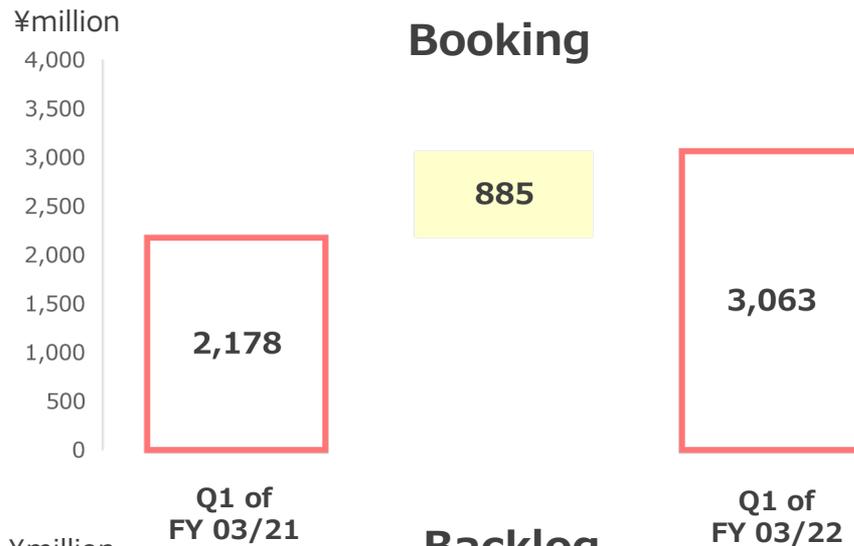
Backlog (Non-consolidated)
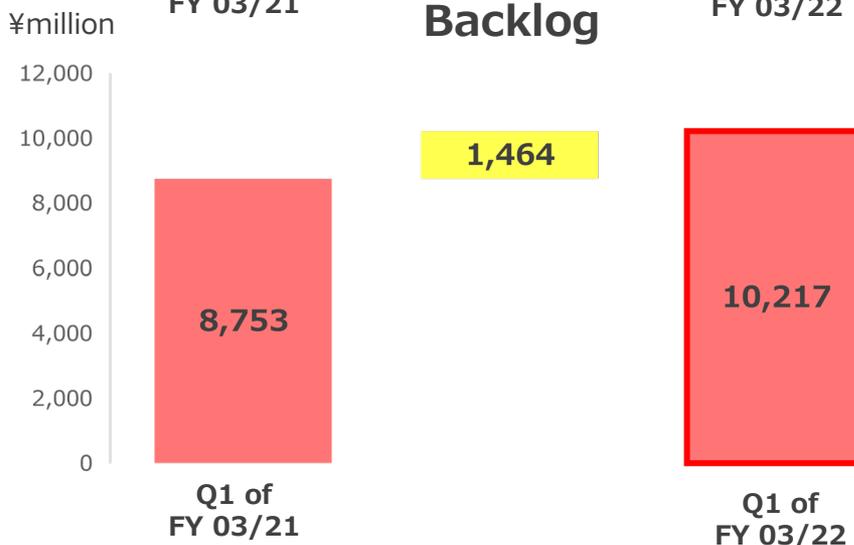
**◆ <u>Consolidated and non-consolidated (TechMatrix only) backlogs are as follows.</u>**

Backlog (Consolidated)

¥million

Q1 of FY 03/21	Q1 of FY 03/22
24,545	32,976

8,431

Backlog (Non-consolidated)

¥million

About 80% of consolidated backlog

Q1 of FY 03/21	Q1 of FY 03/22
18,221	26,235

8,014
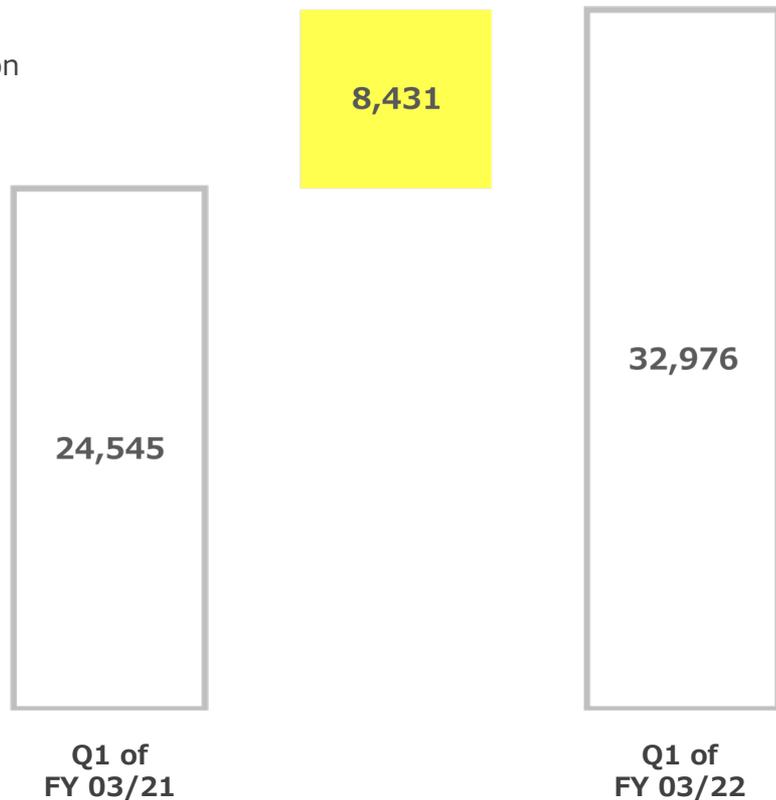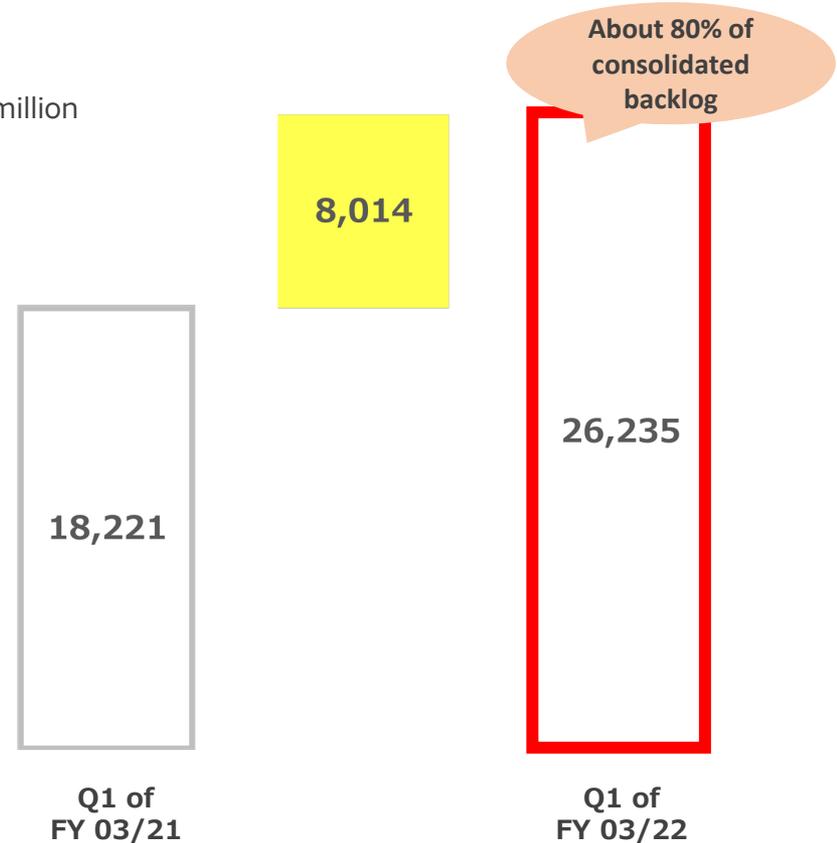
Backlog (Non-consolidated)

◆ **Non-consolidated backlog (for only TechMatrix)** are as follows.

※Short term
Backlog (in each quarter) whose revenue will be recognized within a year
※long term
Backlog (in each quarter) whose revenue will be recognized after one year
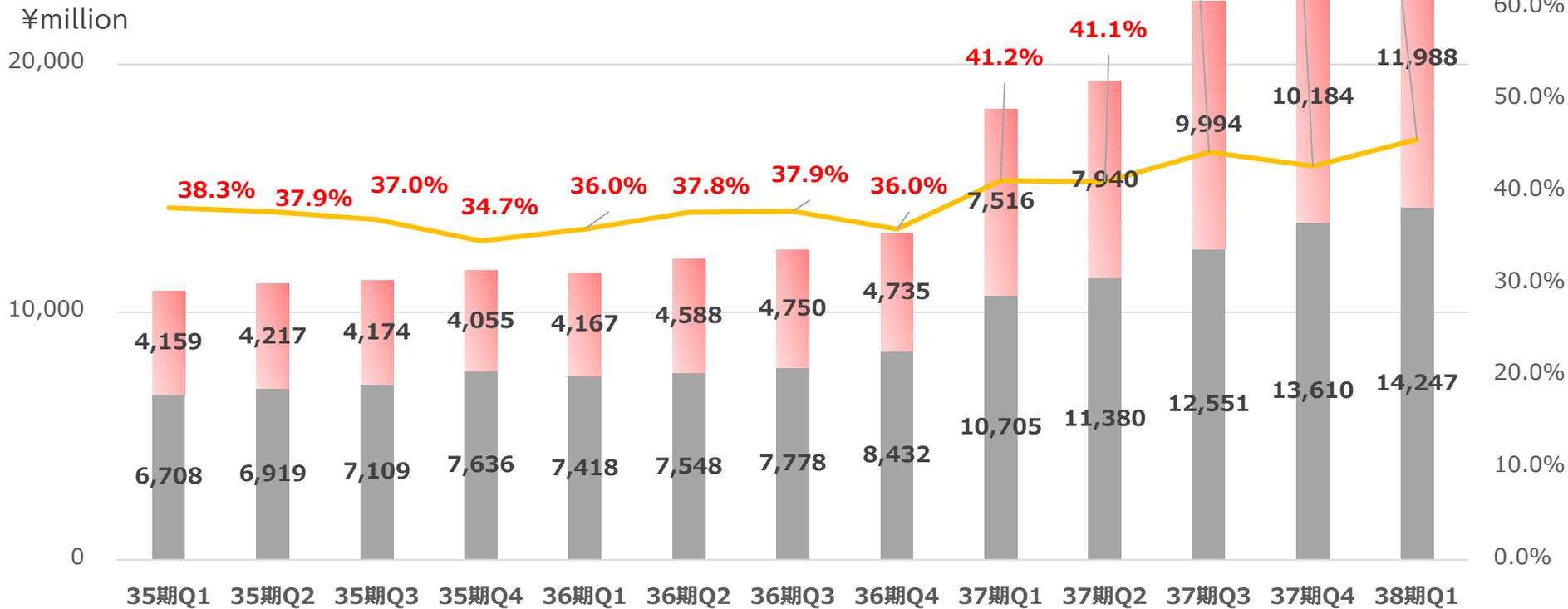
会計基準の変更
（新収益認識基準の適用）

会計基準の変更
（IFRS）

Weather chart by Segment (Based on revenue)

◆◆Information Infrastructure Business		Year on year
Load balancers (BIG-IP, EDGE)	・Negative repercussions from the special demands related to remote access security in Q1 last year.	🌧️
Next-Generation Firewall / SASE / SOAR (Palo Alto)	・Increased sales bookings and growing size of the deals for cloud-based security products (SASE).	☀️
Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security	・Increased sales bookings for cloud-based security products, but revenue declined due to the recognition of revenue over time.	🌤️
Personal authentication systems / Forensic products / Storage products	・Sales of personal authentication systems declined due to negative repercussions from the special demands related to remote access security in Q1 last year. ・Sales of storage products are growing, reflecting the increasing demands for storage capacity for digital contents.	🌧️
Security-related operation and monitoring services	・New contracts for TPS increased. Opportunities for large deals increased	🌤️
AI-driven threat protection/Endpoint detection and response/others	・Business expansion for new security categories such as Cyber Hygiene is in progress, which we started handling a couple of years ago.	☀️
CROSS HEAD & Okinawa Cross Head	・CROSS HEAD : Struggling to acquire new projects. ・Okinawa Cross Head : Negative repercussions from the special demands related to remote access security in Q1 last year, but, improved profitability, which is attributed to cost controls and increased sales of high-margin products and services.	🌤️

| ◆Application Services Business		Year on year
Business Solution field (Including CASAREAL and IDAY)	・Improved profitability ・In the financial field, demands related to the end of LIBOR emerge.	☀️
Software Quality Assurance field	・Recovery from tough situation caused by pandemic of COVID-19 in Q1 last year. Lead generation in progress. ・Increased sales of subscription licenses.	☀️
Medical field (NOBORI, Ichigo, A-Line)	・NOBORI : Increase in number of new contracts for Cloud PACS. ・Ichigo : Remained in good shape due to increase in number of medical image inspections. ・A-Line : Recorded operating loss (unavoidable in the nature of recurring revenue business at the early stage) .	☀️
CRM field	・Negative repercussions from special demands (version-up to the latest generation of the product) until last year. ・Orders continue to be delayed.	🌧️

☀️ +10% and ove ☀️ +5% ~ +10% 🌤️ within ±5% ☁️ within △10% 🌧️ under △10%

Stock type sales (Recurring revenue) ratio of TECHMATRIX and NOBORI

Information Infrastructure Business
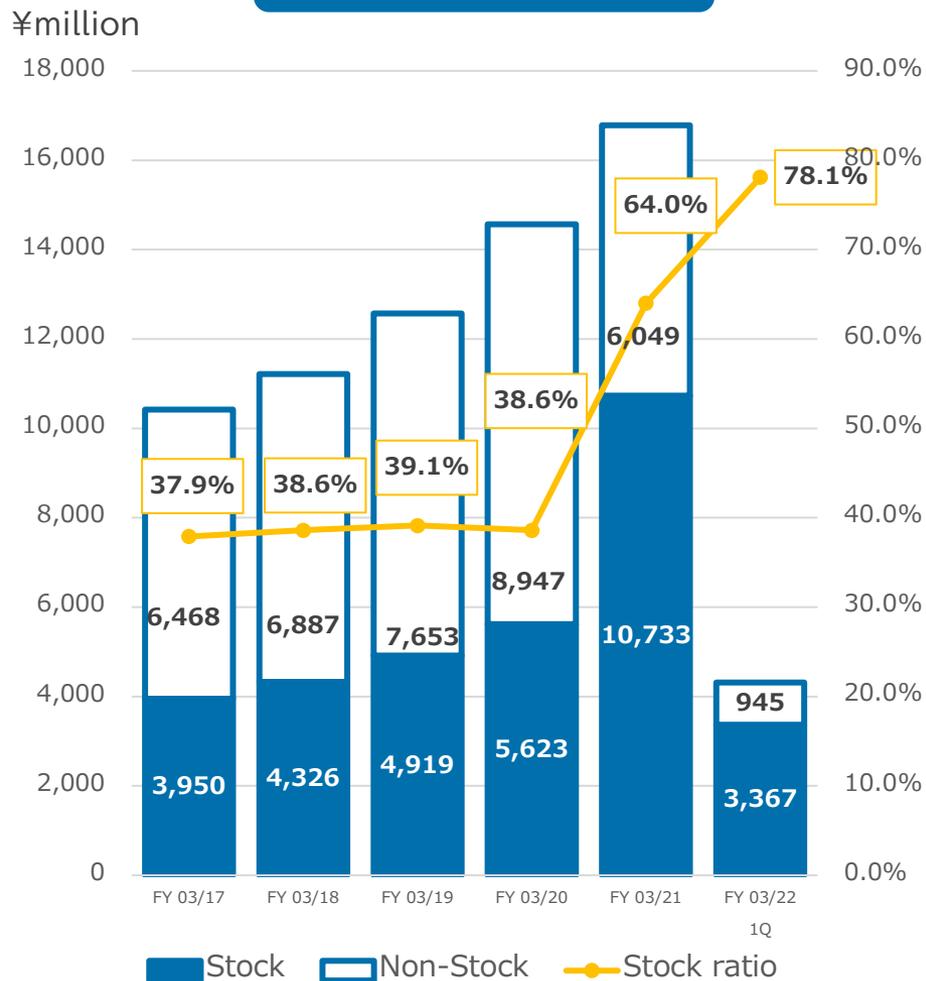
¥million

	FY 03/17	FY 03/18	FY 03/19	FY 03/20	FY 03/21	FY 03/22 1Q
Non-Stock	6,468	6,887	7,653	8,947	6,049	945
Stock	3,950	4,326	4,919	5,623	10,733	3,367
Stock ratio	37.9%	38.6%	39.1%	38.6%	64.0%	78.1%

Application Services Business

¥million

	FY 03/17	FY 03/18	FY 03/19	FY 03/20	FY 03/21	FY 03/22 1Q
Non-Stock	3,660	3,308	3,416	3,995	3,958	735
Stock	3,090	3,694	4,224	4,636	4,857	1,314
Stock ratio	45.8%	52.8%	55.3%	53.7%	55.1%	64.1%

Legend: ■ Stock □ Non-Stock ──● Stock ratio
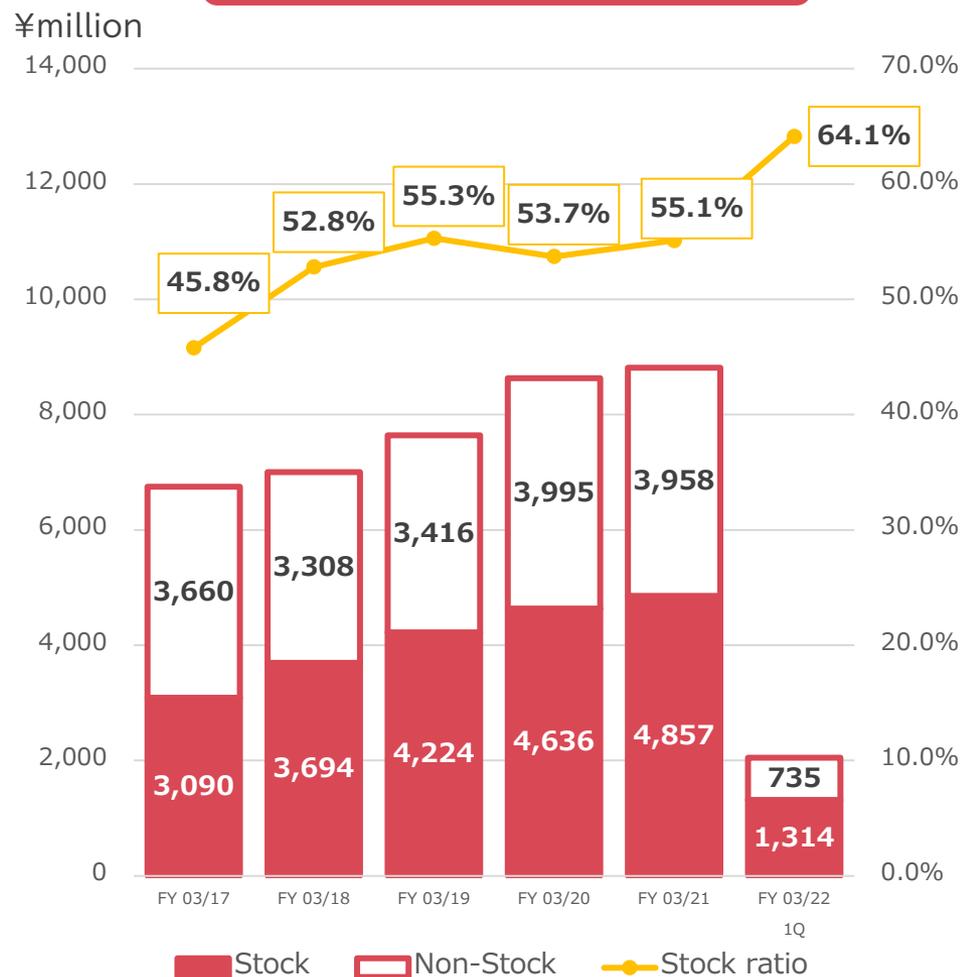
＊A part of revenue used to be recognized as Non-Stock revenue (e.g. 1st-year maintenance included in the products and subscriptions) were recognized as Stock revenue as a result of applying the New Account

＊ Stock ratio went up because a part of revenue used to be recognized as Non-Stock revenue (e.g. subscriptions for testing tools) were recognized as Stock revenue as a result of applying the Accounting Standard for Revenue Recognition and cloud business continues to grow.

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Consolidated Statement of Financial Position

◆ "Advance payments" included in Other current assets and "Advance received" included in Other of Current liabilities were increased as a result of applying the New Accounting Standard for Revenue Recognition.

(¥million)

	FY 03/21	FY 03/22 1Q		FY 03/21	FY 03/22 1Q
Total current assets	*31,169*	*32,174*	**Total current liabilities**	*18,902*	*20,132*
Cash and cash equivalents	*14,634*	*14,443*	Trade and other payables	*1,369*	*1,024*
			Borrowings	*699*	*697*
Trade and other receivables	*3,915*	*2,739*	Other current liabilities	*16,833*	*18,410*
Other current assets	*12,620*	*14,990*	**Total non-current liabilities**	*4,739*	*4,686*
Total non-current assets	*8,826*	*8,943*	Borrowings	*700*	*650*
Property, plant and equipment	*4,289*	*4,431*	Other non-current liabilities	*4,039*	*4,036*
			Total liabilities	*23,641*	*24,819*
Goodwill	*164*	*164*	Share capital and Capital surplus	*5,918*	*5,918*
			Treasury shares	*△1,011*	*△1,011*
			Retained earnings	*9,450*	*9,401*
Intangible assets	*1,473*	*1,490*	Other components of equity	*487*	*460*
			Total equity attributable to owners of parent	*14,844*	*14,768*
Other non-current assets	*2,898*	*2,856*	**Non-controlling interests**	*1,509*	*1,530*
			Total equity	*16,354*	*16,298*
Total assets	*39,996*	*41,117*	**Total liabilities and equity**	*39,996*	*41,117*

Consolidated Financial Forecast

＜ Consolidated and Segment Forecasts ＞ ＊IFRS standard

FY03/22 （earning forecast）	Net Sales （Sales revenue ） ¥million	Operating income ¥million
Information Infrastructure Business	23,000	3,000
Application Service Business	10,000	700
合計	33,000	3,700

◆ **Information Infrastructure Business** :
  - ➢ Assumption of continued strong demand in cyber security-related markets
  - ➢ Demand for cloud-based cybersecurity products is growing, while on-premise products are also expected to grow steadily.
  - ➢ Although special demand for remote access-related products was generated in the previous fiscal year, such special demand is not expected in the current fiscal year.

◆ **Application Service Business** :
  - ➢ Plans to aggressively invest into rapid expansion of the education business and the strategic expansion of overseas business in the CRM field
  - ➢ Plans to shift from perpetual license model to subscription license model for some products
  - ➢ PHR services and AI-related businesses in the healthcare sector are expected to contribute to earnings over time.
  - ➢ In Business Solutions, Software Quality Assurance, and CRM, decision making at customers still tends to be delayed.
  - ➢ The demand for version upgrades that occurred in the CRM field over the past two years no longer exists.

◆ **Common** :
  - ➢ We plan to actively participate in various exhibitions and events, which we refrained from participating in during the first quarter of last year. Net sales (sales revenue) and operating income/loss of consolidated subsidiaries that were not consolidated in the previous fiscal year are added.

2. Topics of business activities

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Attention to "Appgate SDP" security-related products to compensate for VPNs' weaknesses

<Cyber attacks on VPN devices spike>

> **Due to the rapid spread of telework, several security incidents related to the leakage of authentication information for VPN occurred (Virtual Private Network) used for remote access in the country.**

Point ! ☞building "Strong network security" with Zero-Trust Network Access Model
⇒ **"Don't trust the user, the device, or network"**

VPN Weakness : Trust what comes in network access and connected to the housing.
→After that , be attacked.
Authentication is performed only once. After that, can access the network freely.
Blindly trust something like an IP address. Gives permission.

→*Appgate SDP can solve above problems*

Appgate SDP functional overview
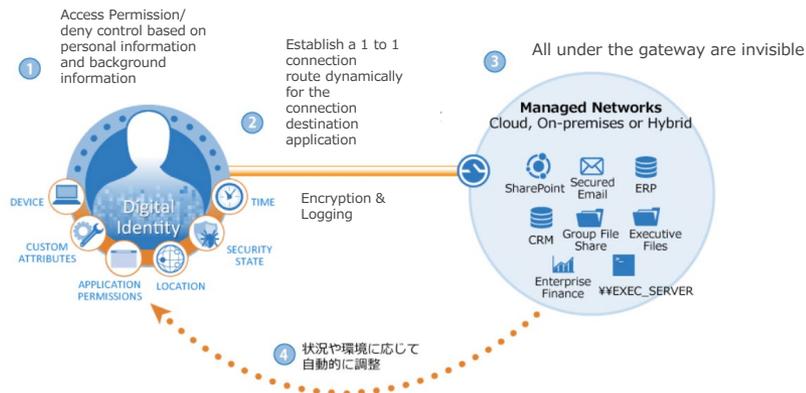
> **SDP has multi-step and varied authentication**

Access Permission/ deny control based on personal information and background information

Establish a 1 to 1 connection route dynamically for the connection destination application

All under the gateway are invisible

Managed Networks
Cloud, On-premises or Hybrid

SharePoint Secured Email ERP

CRM Group File Share Executive Files

Enterprise Finance ¥¥EXEC_SERVER

DEVICE TIME

Digital Identity

CUSTOM ATTRIBUTES SECURITY STATE

APPLICATION PERMISSIONS LOCATION

Encryption & Logging

状況や環境に応じて自動的に調整

Authenticate with many factors, such as the right user, the location, device , device setting , the right access time zone, and others, and allow only those who can now access the application.

✓ **From the standpoint of protecting corporate data from eavesdropping, hacker traversal, virus infection, etc. and making it available securely, even if the inside is infected.**

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Rising demand for cloud security

**<Significant of unified security policy>**

➢ **Rising demands for remote access from home and unified security policy applied to many offices spread across the globe.**

Point ! ☞**Providing security services independent of location, device…etc.**

SASE : Secure Access Service Edge(SASE) is a cloud service which provides **network and network security within a single framework.**

Palo Alto Networks Prisma Access

～ **Providing functions of next generation fire wall on cloud～**

Cortex Data Lake

paloalto®
NETWORKS

Prisma Access

➢ **Protecting multiple offices and mobile user… by unified security policy of next generation fire wall on cloud.**

outside

branch

Overseas branch

➢ **No equipment installation.**

— **VPN**

Head quarter

McAfee MVISION Unified Cloud Edge

～**Provides consistent data and threat protection controls from device to cloud～**

Cloud services

McAfee™
Together is power.

Unified Cloud Edge

CASB
SWG
DLP

➢ **Data loss prevention in cloud native environments, which can't be detected from enterprise LAN.**

➢ **Providing secure cloud access from every devices.**

**Company's WAN**   **control device**   **User's device**

18
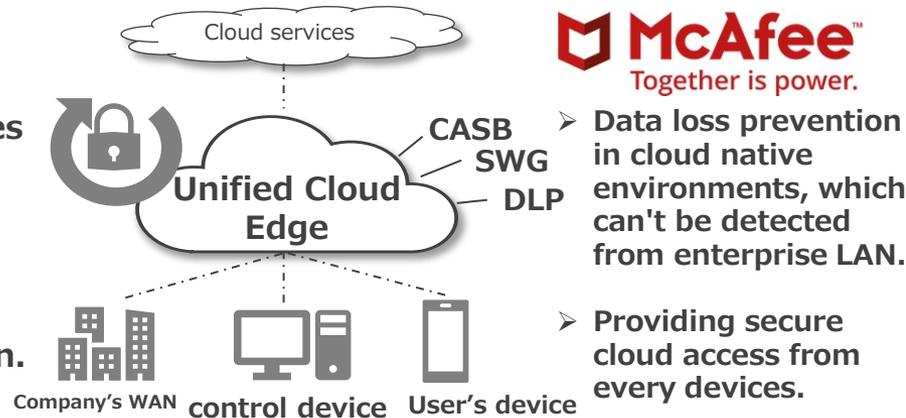
Commenced the provision of "Cognito Platform" provided by Vectra AI, Inc.

- **Vectra AI "Cognito Platform" : Next-generation network AI security**
  NDR[※] **: Monitoring network traffic in real time to quickly detect post-intrusion threats（NDR : Network Detection and Response）**

NDRの重要性 :

Cyber attacks such as targeted attacks, unknown threats, and crimes by internal humans are becoming more sophisticated, malicious, and complicated. Therefore, utilization of NDR is effective. By utilizing the NDR solution, it is possible to minimize damage by grasping incidents in real time while comprehensively monitoring the corporate network and taking prompt action.

<Coverage>
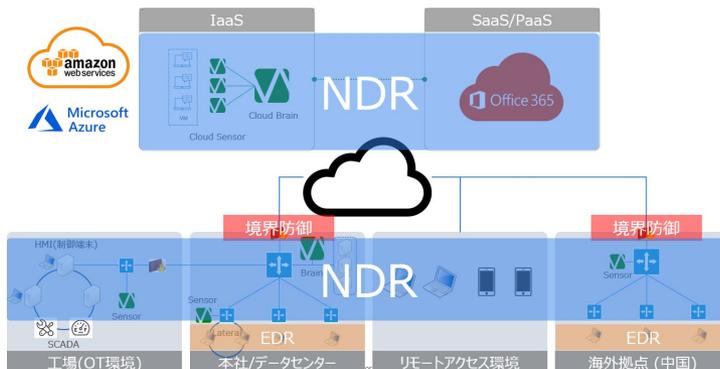
< Feature of "Cognito Platform ">

【Unique AI】
- **Unique AI has an algorithm that supports about 60 types of detection methods for cyberattacks.**

【Reduction of installation and operation load】
- **The installation load is greatly reduced due to agentless architecture.**
- **Significantly reduce time for incident investigation operation, compared to conventional security products.**

Network・Security field

Position as a distributor
〜Recent award〜

- ➤ **Palo Alto Networks : Distributor of the year** **(3years in a row)**
- ➤ **Dell Technologies : Services Delivery Excellence Award** **(3years in a row)**
- ➤ **McAfee : Best Distributor of the year**
- ➤ **Proofpoint : PARTNER OF THE YEAR**

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NOBORI
MILLENNIA Corporation.　・"Check of head health"※ ×
NOBORI・PHR application

※**Since it is difficult to translate accurately, we are translating it at our own discretion. This service is provided based on MILLENNIA Corporation's exclusive licensing agreement for MCI Screening test.　"MCI" is Mild Cognitive Impairment.**

<Abundant of PHR service>

Point！☞ ➢ **It is possible for the examinees of the medical examination / comprehensive medical checkup to evaluate the medical examination results, cognitive function, and grasp the changes over time by using NOBORI PHR application.**

➢ **With "Check of head health", MCI (Mild Cognitive Impairment) scale can be scored by stable quantitative evaluation as a result of answering simple questions.**

➢ **This is the first initiative to link medical examination data of cognitive function information in the non-illness / prevention area, in the PHR application service.**

NOBORI Medical information platform ✕ 簡易認知機能スケール あたまの健康チェック®

By linking the cloud systems of both companies, we aim to establish a foundation that allows the examinees to manage their own cognitive function data through the PHR app, regardless of where they take the medical examinations nationwide.

37,254,000

The number of **patients** who stored medical images in NOBORI

220,597,000

The number of **inspections** stored in NOBORI

(June 30, 2021)

Medical field

Data stored in NOBORI

(Numbers of inspections : thousand)

(Numbers of patients : thousand)
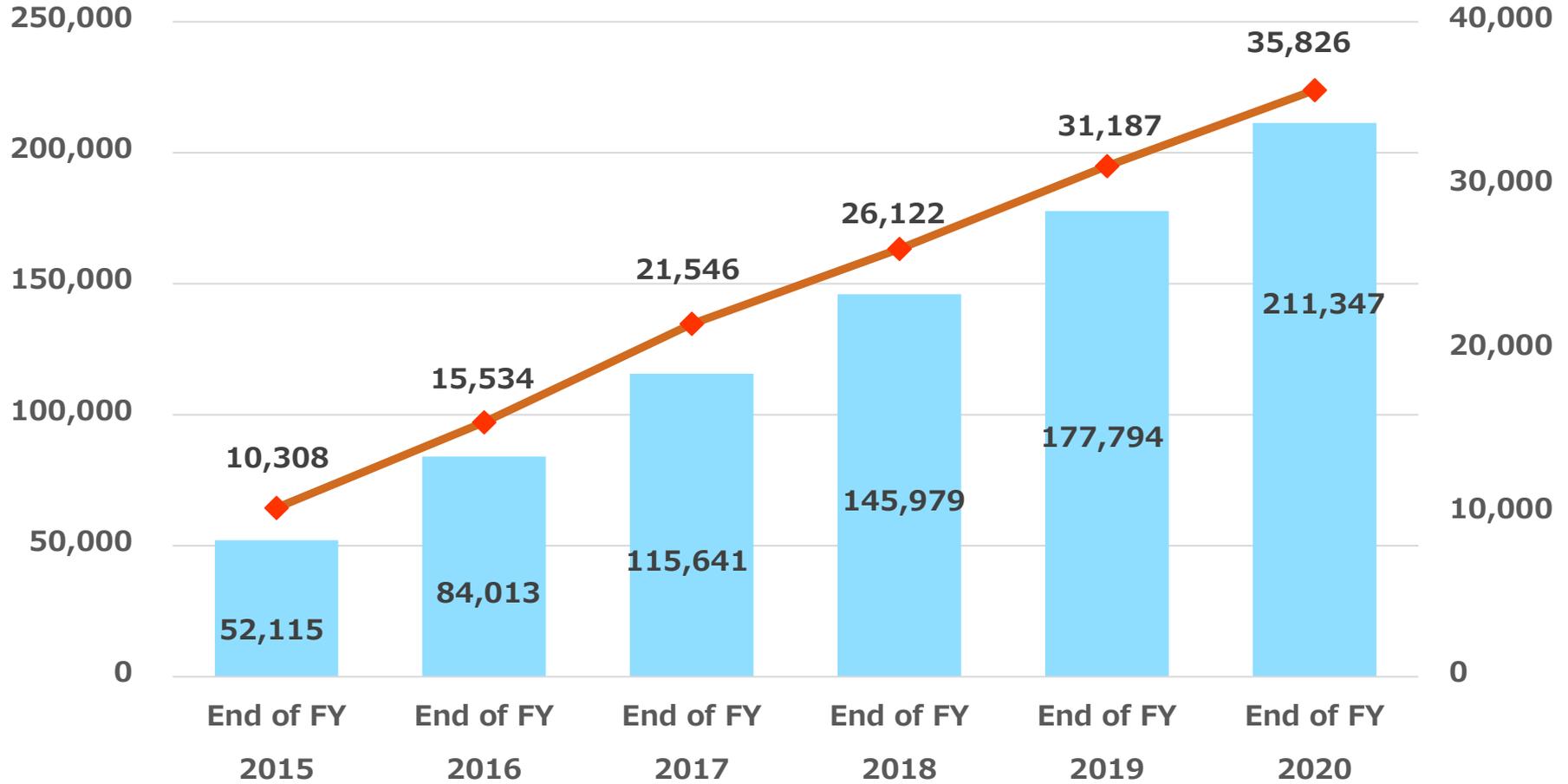
Legend:
- The numbers of inspections stored in NOBORI (left vertical axis)
- The numbers of patients stored in NOBORI (right vertical axis)

Bar values (inspections):
- End of FY 2015: 52,115
- End of FY 2016: 84,013
- End of FY 2017: 115,641
- End of FY 2018: 145,979
- End of FY 2019: 177,794
- End of FY 2020: 211,347

Line values (patients):
- End of FY 2015: 10,308
- End of FY 2016: 15,534
- End of FY 2017: 21,546
- End of FY 2018: 26,122
- End of FY 2019: 31,187
- End of FY 2020: 35,826

Software quality assurance

＜Commenced the provision of test case management tool ”TestRail Cloud”＞

➢ **TestRail : Test case management tool based on Web**

Merit of cloud : No need to build system environment or manage server farm.
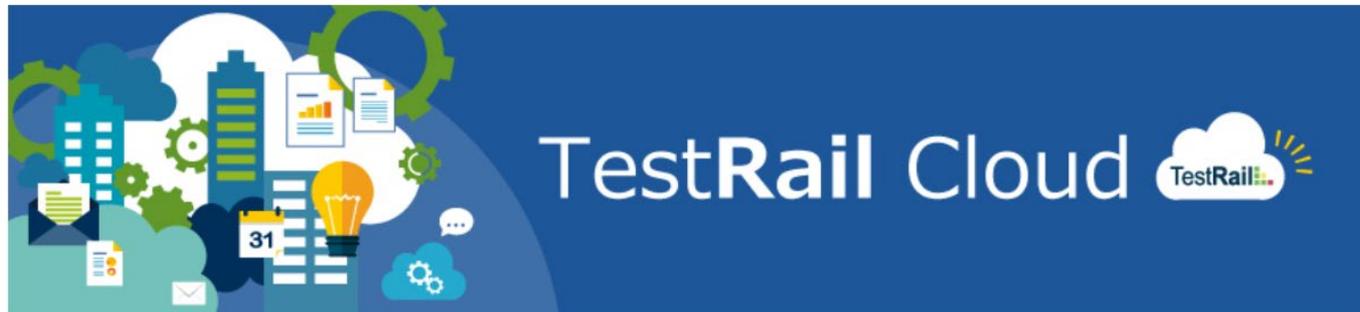
- **Intuitive Web UI**
- **Keep track of test progress in real time**
- **Management of test cases, plan and execution**
- **Link with issue management tools**
- **Link with automated tool such as ”Ranorex※”**

Significantly improve effectiveness of test processes

※Ranorex : Automated tool for UI test

Business solution field （financial）

<Solution for the end of LIBOR>

➤ **The end of LIBOR : Affects reference interest rate indicators for various financial transactions** (Scheduled to be phased out at the end of 2021)
⇒**Increasing inquiries regarding renewal of application systems which will be affected by transition of reference interest rate.**

Solution for evaluation/analysis of derivative products

FINCAD®

➤ It is possible to evaluate various types of floating interest rate transactions.
➤ Supports various alternative interest rates for transition / fallback after LIBOR is abolished.
➤ Flexible support for calculations when the interest rate is decided later.

Inevitably deal with the change of the reference interest

→**Adopted as a pricing engine**

Market-related business management system	**Market risk management system**	**FINCAD calculation service for CVA**
Appreccia4 Any Transactions To ONE Platform	Trading VaR Daily Market Risk Calculation System	
• A versatile packaged product that can be used according to the application, such as due date management of complicated structured bonds and front-office system for securities brokerage	• Market risk management solution that calculates VaR and various risk indicators in trading accounts on a daily basis	• Calculation service for CVA (Credit Valuation Adjustment), which is a price adjustment reflecting the counterparty's credit risk in the transaction price of derivative financial instruments.

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< **Successful track records of "tsumugino"**>

> **Successful track records :**   **HORIIGAKUEN**(Yokohama Soei Junior & High School)
> **Nitobebunkagakuen** (Junior & High School)

Activities : Education EXPO Japan (EDIX Tokyo : May, Kansai : June etc.)
        : Introduction on TV program (BS12)

ツムギノ
t s u m u g i n o

tsumugino : Spinning learning into the future + innovation

> **School communication platform＋school affairs support system cloud service**

Reducing the burden on teacher and staff	Reducing investment costs	A system in which children play a leading role	Excellent UI/UX
Centralized management of various information Teacher and staff can easily share and send information →Enhanced a school/ an educational affairs	**No need to purchase equipment Apply the latest security →Monthly paid cloud service**	**Record of children's daily activities (and feedback from the surroundings) →Accumulate learning history**	**Design/Operability◎ Multi-device support →Easy communication**

Topics of Business activities

Date	Contents
April	CASAREAL,Inc., participated in the business partner program of LPI Japan.
	Deployed our cloud service "tsumugino" for HORIIGAKUEN(Yokohama Soei Junior & High School).
	Commenced the provision of solution for building software development infrastructure. ～Support for building CI/CD, configuration management and cloud infrastructure～
	Deployed our cloud service "tsumugino" for Nitobebunkagakuen (Junior & High School).
	Commenced the provision of test case management cloud service "TestRail Cloud".
May	Announcement of New mid-term management plan "BEYOND THE NEW NORMAL"
	CROSS HEAD will start providing a migration service to cybozu office cloud from late August.
	Provision of pre-built integration between CRM system "FastHelp5"(TechMatrix) and voice analysis AI phone "MiiTel" (RevComm Inc.) .

Topics of Business activities

Date	Contents
June	Received "Best Distributor of the Year" from McAfee, LCC.
	NOBORI started providing the integration between PHR application (NOBORI) and "Check of head health"※ (MILLENNIA Corporation). ※Since it is difficult to translate accurately, we are translating it at our own discretion. This service is provided based on MILLENNIA Corporation's exclusive licensing agreement for MCI Screening test. "MCI" is Mild Cognitive Impairment.
	Development Bank of Japan deployed "FINCAD CVA measurement service" provided by TechMatrix.
	CROSS HEAD commenced the provision of plug-in that links the workflow function of Cybozu Garoon with kintone.
	Commenced the provision of "Cognito Platform" from Vectra AI, Inc. - It is a next generation AI security to realize visualization of threats hidden in networks and early detection using AI -

# 3. Medium-Term Management Plan "BEYOND THE NEW NORMAL"

Continuous business strategy

We continue business strategy of TMX 3.0

- **Strategic and accelerated promotion of cloud-related businesses**
- **Pursuit of security and safety**

TMX3.0 business strategy continues
・Promote strategy and acceleration of Cloud-related business
・Pursuit of security and safety

Topic

Content strategy

1. Expanding portfolio of products and services
2. Accelerated servicization (increasing service ratio)
3. Utilization of data(Including use of AI)

External strategy

4. Diverse alliances・M&A
(Expansion of existing business , Creation of new business)
5. Expanding business in the overseas market

Internal strategy

6. Creation of synergies by strengthening group collaboration
7. Human resource development/Organizational development
(Including promotion of diversity)

TechMatrix

Key basic strategy

Information infrastructure business

- Expanding portfolio of products and services
- Strengthening direct sales to strategic accounts and indirect sales through strategic resellers
- Matrix management of Product-oriented organization and Account-oriented organization
- Strengthening expertise , Visualization of technological capabilities (Visualization of maintenance support , Proactive delivery of technical information , etc.)
- Expand sales of Integrated monitoring security services(TPS)
- Expansion of remote services to be provided by a centralized operation center (Pursuit of added value)
- Aggressive transition to Subscription business model(Strengthening stock businesses)

Application service business

- Active investment into rapid expansion of education business
- Acceleration of AI Medical diagnosis support service business
- Expansion of PHR service
- Formation of alliances and groups with other vendors for One-stop CRM service
- Accelerate global expansion(ASESAN)
- Product/Service development using AI technologies
- Portfolio expansion (Original development of software development platform solution, etc.)
- Third-party testing with tools/Entry into the verification market
- Development and provision of BI solution for some specific vertical markets

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Information infrastructure business

Application service business

Existing products and services	New products and services

E x i s t i n g **m a r k e t**

Market penetration
(Items to be strengthened / Increasing market share)

Cyber security measures

Strengthening direct sales to strategic accounts and indirect sales through strategic resellers

Expansion of product and service

Integrated security monitoring service "TPS"

CRM business: One-stop service

Medical business: AI medical image diagnosis support service

N e w **m a r k e t**

Market development

CRM business: Business expansion in ASEAN market

Diversification

Education business "tsumugino"

Medical business: PHR service

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Medical field

NOBORI

## PHR (Personal Health Record) service for individuals (for patients)
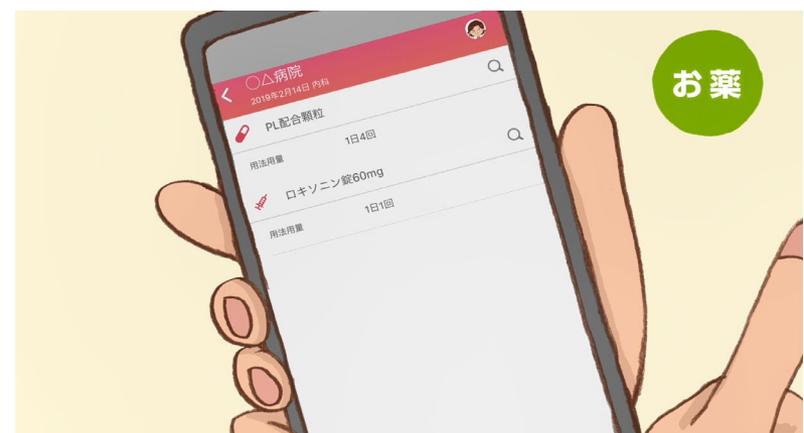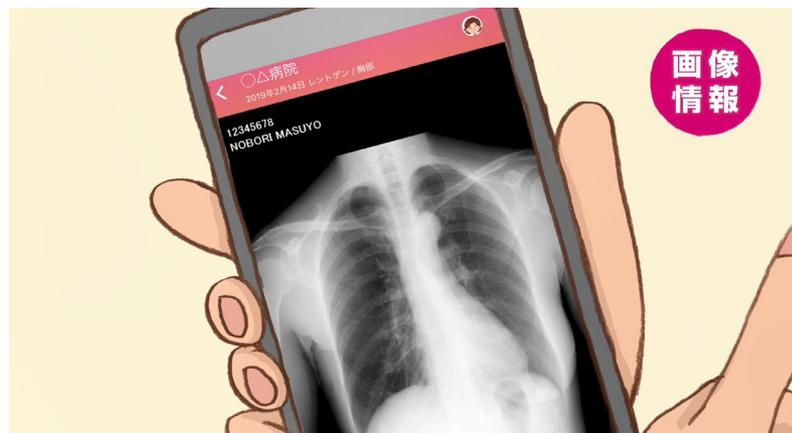
TechMatrix Premium Support powered by TRINITY

Integrated security monitoring service using correlation analysis rules created based on hundreds of threat scenario patterns originally developed by TechMatrix

※TRINITY is TechMatrix's original service to undertake operations and monitoring for ICT infrastructure.

■Issues of conventional single device monitoring

1）Conventional single monitoring results in a **"point" analysis** of events.
2）If **the person in charge of operation** and **the monitoring vendor are different for each product**, the investigation, Information sharing, and **primary response are delayed.**
3）Because encrypted communication is increasing and sophisticated attack techniques are prevailing, **communication difficult to be monitored and analyzed is increasing**.

■Our comprehensive integrated security monitoring service detects cyber security incidents **not from "single point" but from "multiple points"**

Correlation analysis

Gateway   Endpoint   NWflow
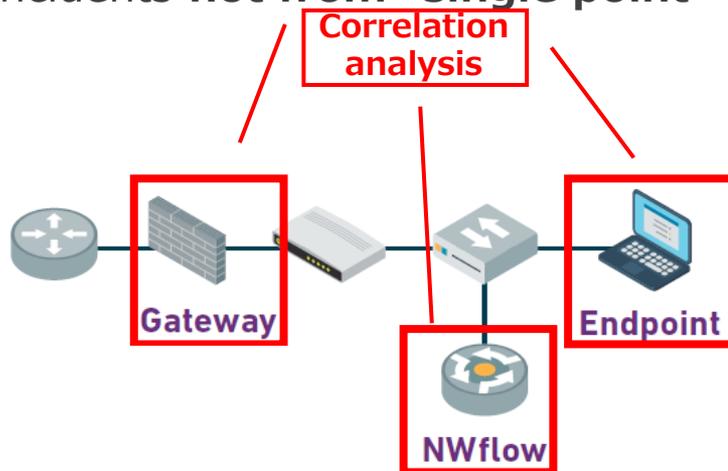
「**T**echMatrix **P**remium **S**upport powered by TRINITY」, **our comprehensive integrated security monitoring service** analyzes correlation using data captured at the gateways, at the end-points and from network flows (not from "single point" but from "multiple points") within the enterprise network, which can detect a variety of security incidents and strengthen the cyber security platform to be able to protect enterprises from unknown malware.

Security field

TechMatrix Premium Support powered by TRINITY

Providing various services that serve as a security operation platform based on the integrated monitoring service

TechMatrix Premium Support
powered by **TRINITY**

TPS Vulnerability diagnosis service

The monitoring center intermittently conducts vulnerability diagnosis and manages the results. Used for handling monitoring analysis as well as performing necessary device tuning.
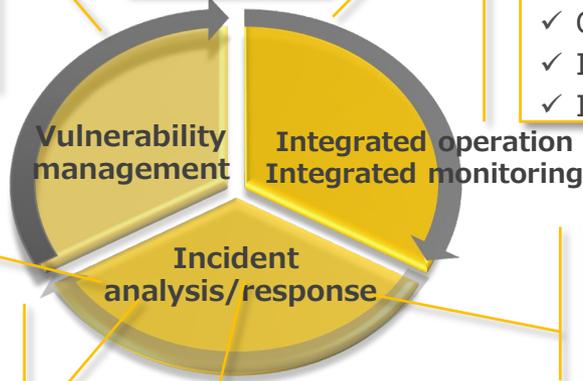
TPS Integrated supervision service

✓ Provision of network flow monitoring without charge
✓ Correlation analysis of multiple security products
✓ One-stop device operation
✓ Includes cyber security insurance
✓ Innovative pricing plan

Vulnerability management

Integrated operation Integrated monitoring

Incident analysis/response

Malware analysis

Incident response service （Urgent response）

Providing response and investigation (including forensics) for security incidents and accidents even without TPS contract.

Extended handling initial service

Utilizing EDR products to handle initial response （Managed EDR）

Second opinion

Suggest a second opinion on the results of the infringement investigation

End of correspondence and follow-up observation

Detected incident and alert — Temporary action — 対応終了 経過観察 — Triage survay — Initial response

要調査

Standard services | **Extended handling initial service**

Investigation required

Security field
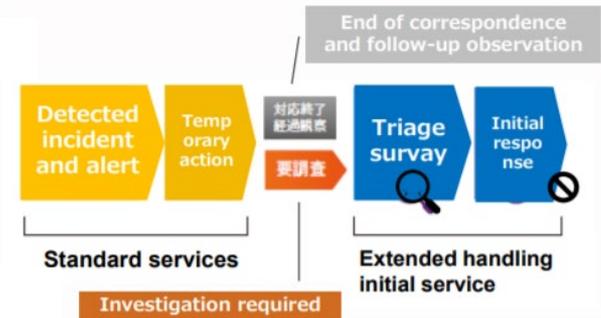
TechMatrix Incident response service

Experts assist investigation and response in the event of a security incident

When an incident such as malware infection occurs, it is essential to investigate and respond to it by an expert. This service is provided by TechMatrix's security experts. We support investigation and recovery in addition to the conventional initial response immediately after an incident occurs.

Infected with malware.

Suspicious network communication is occurring.

Leading the situation to normal state through expert's investigation and response.

Opened a suspicious email.

Pointed out by a third party.

For security incidents, it is important to investigate the cause and respond promptly, in addition to suppressing the outbreak. Monitoring Center team and Security Lab. team in TechMatrix provide support services ranging from the initial response immediately after the accident, infringement investigation, to settlement of the situation.

Service flow and overview

1 Receive / hearing → 2 Triage → 3 Investigation plan → 4 Forensics → 5 Report

Both revenue and operating profit continue to grow
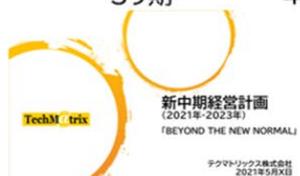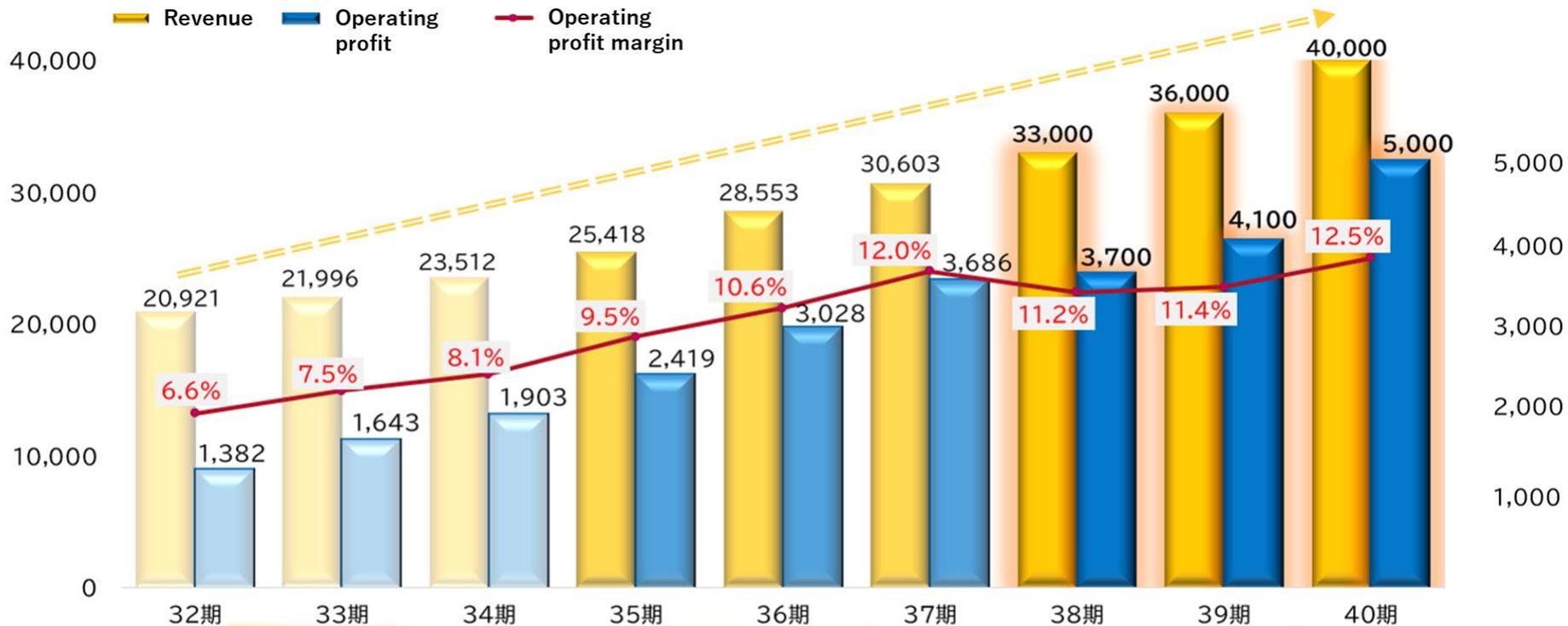
Building a stable earnings base and adapting to the cloud-native era

Plan value（Application service business）

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Balance between investment and growth

Plan stock ratio （TMX（stand alone）＋ NOBORI）

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Information infrastructure

(million yen)

Stock ratio values (yellow line):
37.7% | 37.9% | 38.6% | 39.1% | 38.6% | 64.0% | **70.0%**

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	……	FY2023
Non stock	6,065	6,468	6,887	7,653	8,947	6,049		
Stock	3,669	3,950	4,326	4,919	5,623	10,733		

Legend: ■ Stock ■ Non stock ─●─ Stock ratio

Application service

(million yen)

Stock ratio values (yellow line):
43.9% | 45.8% | 52.8% | 55.3% | 53.7% | 55.1% | **65.0%**

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	……	FY2023
Non stock	3,726	3,660	3,308	3,416	3,995	3,958		
Stock	2,911	3,090	3,694	4,224	4,636	4,857		

Legend: ■ Stock ■ Non stock ─●─ Stock ratio

より良い未来を創造する ITのプロフェッショナル集団

4. Business Models

Medical field

**Point!** | **A cloud service for healthcare information "NOBORI". We store, share and utilize valuable medical information securely in a cloud environment.**

Free initial investment !　　**No space required !**

No engineer required !
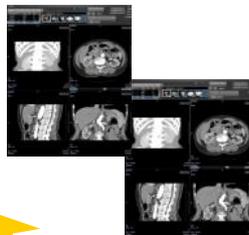
NOBORI CUBE

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NOBORI

High security

- We started to provide NOBORI in Cloud PACS market so quickly. Medical Institutions can deploy NOBORI at a low price and in a short period of time.
- The number of medical facilities using NOBORI has been increasing by introduction to large-scale hospitals and through strong partnership.
- We provide a platform for other healthcare services "NOBORI PAL".

CRM field

Point! **Enhancing the competitiveness of customers' businesses by CRM system.**

- Contacts about products
- Contacts after purchase

?

Products

Multi-channel

FAX

電話

LINE

E-Mail

WEB

FastHelp5

Quick search !

Unified management of purchase histories and the past Q&A's

Quick response to the customers' Inquiries !

Improvement of customer satisfaction !

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Network & Security field

Point! **One-stop solution from Techmatrix.**

Customer

Techmatrix SOC
"Security Operation Center"

Monitoring Center

Security monitoring service

- Manned monitoring 24/365
- Multitier(operation / analysis)
- Professional service
- Biometric identification

paloalto NETWORKS®

❌ Alart
⚠️ Warning
✅ No problem

24/365
Security Monitoring
Network Monitoring
First level support

Operation team

Analyst team

Defense solutions

Knowledge base operation

McAfee™
Together is power.

TRINITY

NOC SOC

One-stop solution

One-stop solution for system design, integration, maintenance, operation and monitoring services.

Professional service with expert knowledges

Techmatrix provides security monitoring services based on its in-depth knowledge on the products it delivers, although other security vendors provide basic services for a wide variety of products.

Point! **Every internet-connected device can be a target for cyber-attacks in the IoT era.**

INTERNET OF THINGS
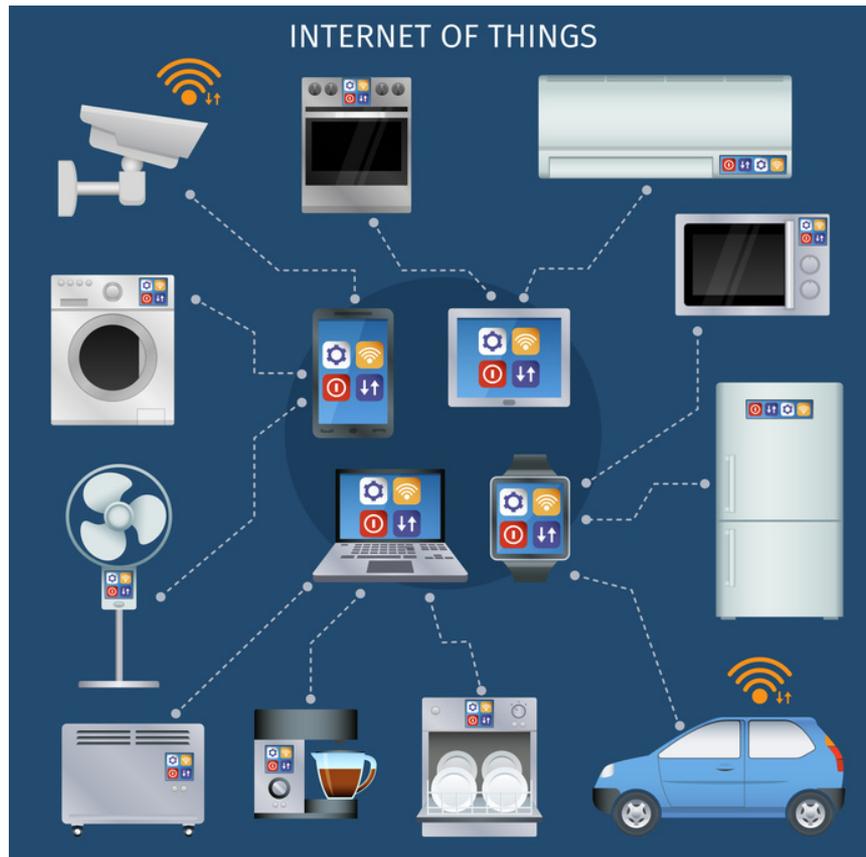
▶ Solution for test, systems design and version control system

▶ Integration of infrastructure, training and operation support for development process

▶ Support for substantive improvement of software quality and productivity enhancement

Improve quality of embedded software Comply with functional safety standards

Software Quality Assurance field

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Structural analysis	Code analysis·Unit test	Functional test	Software development infrastructure	Open source software management
Visualization of Software architecture by source code analysis	**Early detection of problems**	**UI test automation API testing and virtualization**	**Provide the foundation for rapid deployment and project management**	**Visualization of risks arising out of the use of OSS**
Architecture analysis / Code structure analysis / dependency analysis / Refactoring support	Bug detection / Maintaina-bility of code / Unit test support / coverage measurement and analysis	UI test / Load test / API test / Service virtualization	Test management / Configuration management / CI/CD / Project management	To detect OSS license in use / Vulnerability detection

Structural analysis	Code analysis·Unit test	Functional test	Software development infrastructure	Open source software management
● Architecture analysis tool **Lattix** ● Source code analysis tool **Understand**	● Compatible with C/C++/Java/.NET Automated test tool **Parasoft C++test** **Parasoft Jtest** **Parasoft dotTEST** ● Compatible with C/C++ Automated error detection tool **Parasoft Insure++**	● Atuomated tool for UI test **Ranorex** ● Automated tool for API test **Parasoft SOAtest** ● Service virtualization tool **Parasoft Virtualize**	● For CI/CD **CloudBees Jenkins** ● Redmine plug-ins to extend functionalities for PM/PL **Lychee Redmine** ● Test case management tool **TestRail**	● To detect OSS licenses in use, vulnerability and risks arising out of the use of OSS **FOSSID**

SOLUTION

Financial field

Point! **Provision of risk management systems for finacial institutions who manage financial assets so that they can maintain financial strength.**

- Market risk
- Credit risk
- Price fluctuation risk
- Foreign currency risk

Financial assets of individuals and companies
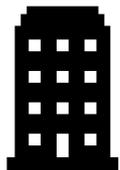
finacial institutions (institutional investors)

- Bank
- Trust Bank
- Shinkin bank
- Life insurance company
- Non-life insurance company
- Securities
- FX trading
- Mutual aid association
  ・・・

Investment products

- Bond
- Stock
- Investment trust
- Forward exchange
- Derivatives
- Loan deposit ・・・

FINCAD®

Trading VaR
Daily Market Risk Calculation System

ALARMS
Asset-Liability And Risk Management System

Apreccia4
Any Transactions To ONE Platform

We measure various risks of financial assets (portfolio) using these systemes.

5. Market Conditions for our business

Cloud PACS market size estimate (Japan)

(facilities)

(TB)

* Estimate as of Mar., 2021

■ Number of contracted facilities   ■ Estimated capacity
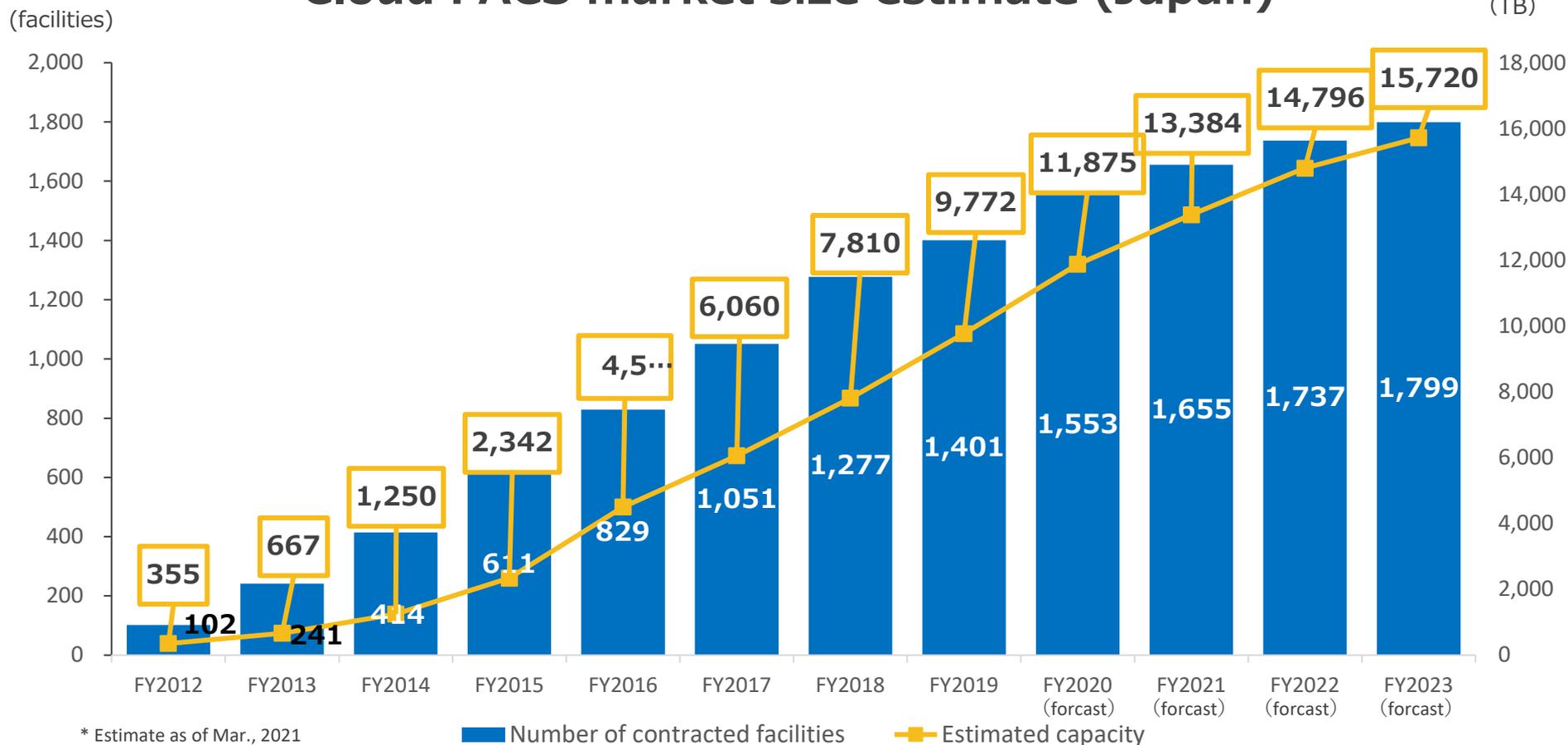
◆Number of contracted facilities using cloud PACS was forecasted to be 1,553 as of the end of FY2020 in Japan. The number of facilities have steadily increased.

＊Source: Yano Research Institute Ltd., "Medical Imaging Systems and PACS Markets 2021" (Mar.,2021)

Type of PACS Cloud

| Cloud type	Brief summary	Feature	Configuration image	NOBORI
TYPE 1	Store both short term and long term data in a in-house server + data center (dual storage for all data)	Data back up in a data center Additional costs		–
TYPE 2	Store short term data in on-premise servers + long term data in a data center	Frequently used data in a hospital Additional costs		–
TYPE 3	All data in data center without in-house server (only cash in NOBORI appliance)	No additional costs and lower price range		◎

◆Techmatrix is ahead in the healthcare cloud business with "NOBORI" which is installable at a low price and in short term.

Market Conditions for our business

Transition and Forecast of Domestic Call Center Service / Solution Market Size

(Unit:Hundred Million Yen)

□ Call Center Service　■ Call center Solution
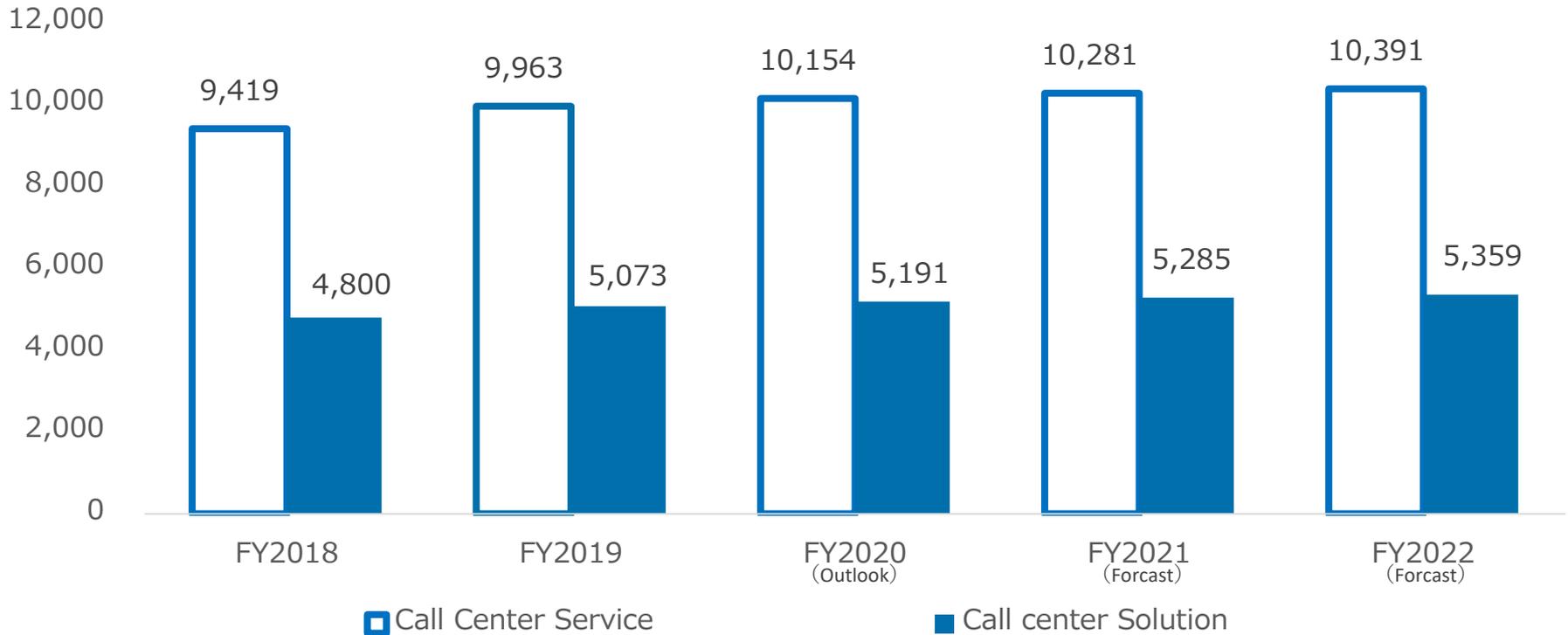
*Service provider's sales revenues. Estimate as of September., 2020

◆The domestic call center service market in FY2019 rose by 5.8% from the preceding fiscal year to attain 996,300 million yen, based on the sales revenues at call center service providers.

◆The domestic contact center solution market in FY2019 rose by 5.7% from the previous fiscal year to attain 507,300 million yen (based on the sales revenues at the businesses).

＊ **Source: Yano Research Institute Ltd., " Call Center Service & Contact Center Solution Markets in Japan: Key Research Findings 2020"**

Market Conditions for our business

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Network & Security market size (Japan)
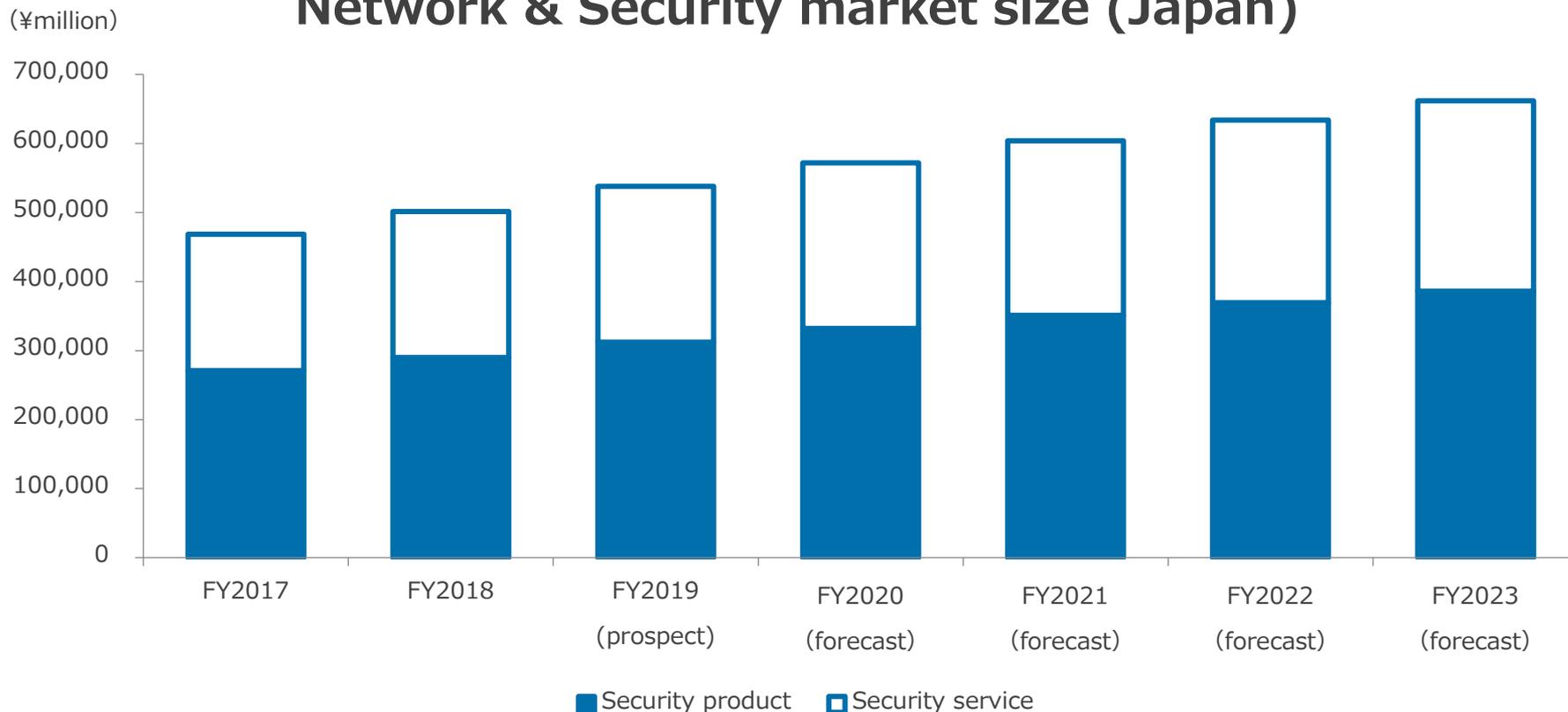
(¥million)

◆Forecasted Networks Security business market in Japan expanding from ¥468.7 billion in FY2017 to ¥661.7 billion in FY2023.
◆High growth rate on average at 5.7% has been forecasted.

＊出所：「2019 Network security business research stars (market edition)」
by Fuji Chimera Research Institute, Inc.

<Handling of this material>
Description of future prospect contained in this material, etc. is based on current information.
It may fluctuate due to Macroeconomic trends, Market environment, Our related industry trends, Other internal ・ external factors, etc.
Therefore, there are risks and certainty that actual performance may differ from the descriptions of future prospect, etc.

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