

Results for the 3rd Quarter of 38th business period (Fiscal Year Ending March 31, 2022)



February 15, 2022

TECHMATRIX CORPORATION (code : 3762)



- ◆ 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.



Consolidated head office functions of TechMatrix Group companies * Scheduled to move in December 2022

Shinagawa Season Terrace

2-70 Konan 1-chome, Minato-ku, Tokyo
Completed: February 2015
Aseismic type: Seismic isolation structure
Building structure: Steel construction with 32 floors above ground and 1 floor below ground
Standard floor area: 4,973.15 m² (53,530.54 ft²)



TechMatrix Group



[Purpose 1]
Reinforce coordination among group companies to ensure achievement of the medium-term management plan and achieve sustainable growth

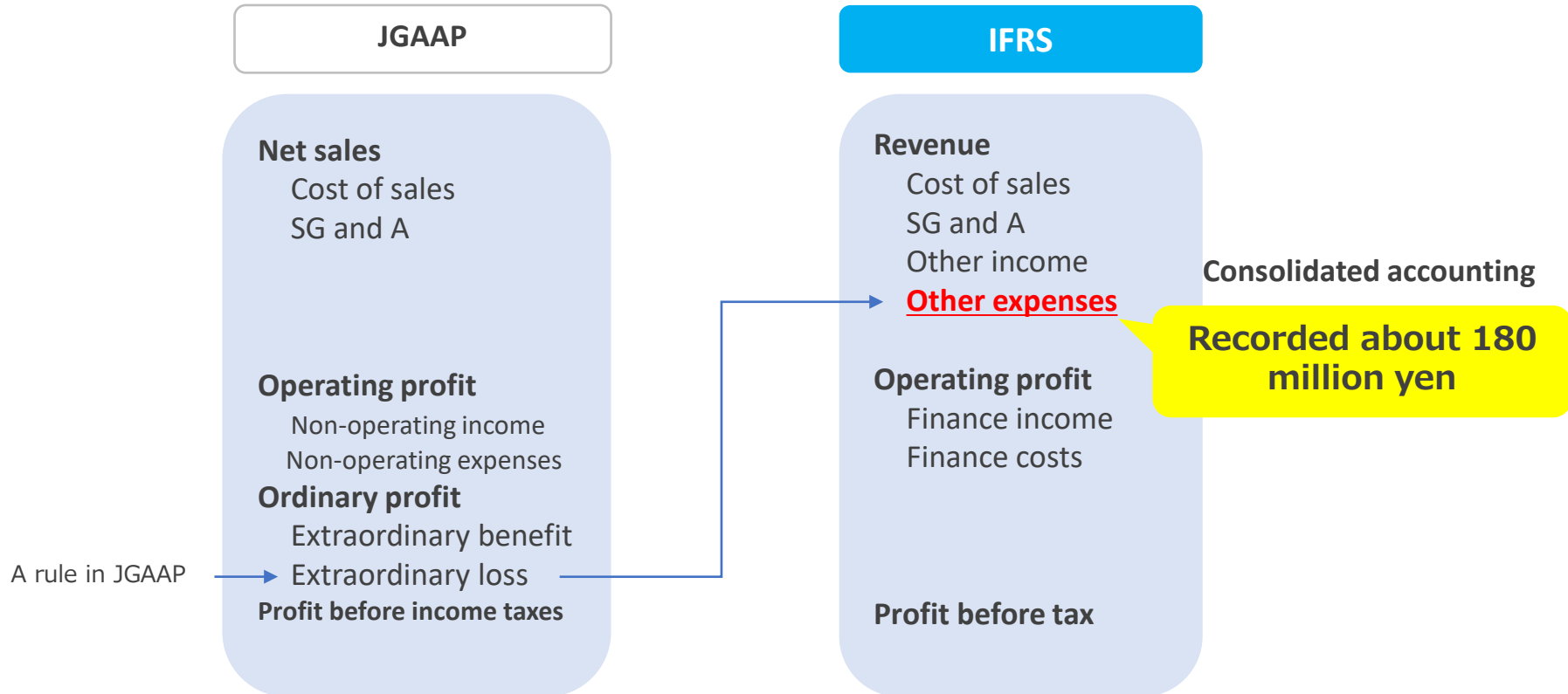
[Purpose 2]
Redefine the office as a place for collaboration that promotes creative activities and build an office space that accommodates new ways of working, along with the ongoing option to work from home

[Purpose 3]
Ensure employee safety and strengthen responsiveness to business continuity in the event of a disaster.

*** Impact on financial results**
The impact of the head office relocation on the consolidated financial results for the fiscal year ending March 31, 2022 is currently under calculation.



- ◆ Due to the adoption of IFRS, the company recognized extraordinary expenses and reserves related to headquarters relocation and recorded them in **“Other expenses”** of P/L statement. (**Negative impact on operating income**)
- ◆ Expenses and reserves recognized in relation to headquarters relocation in this quarter are impairment losses on fixed assets including assets corresponding to retirement obligations for 4 companies including TechMatrix.



* The impact of headquarters relocations on consolidated business results in 4Q and thereafter is currently being calculated.



- 1. Business Highlights for the 3rd 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 3rd Quarter 38th business period(Consolidated)



Business Highlights (Consolidated 3Q)

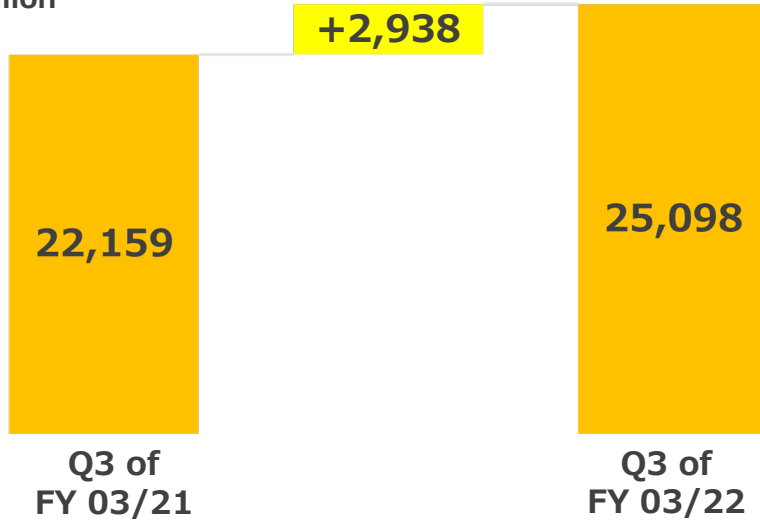
- ◆ The highest consolidated revenue.
- ◆ Operating profit declined.
 - Negative repercussions from the unexpected decrease in sales promotion expenses (SG & A expenses) due to the inactivation of promotion activities caused by pandemic of COVID-19 in the previous year.
 - Making aggressive investments into EdTech field.
 - Shortfall of revenue and operating profit in CRM field due to the delay of booking.
 - Expenses and reserves recognized in relation to headquarters relocation.

(¥million)	Q3 of FY 03/21	Q3 of FY 03/22	Change in amount	Rate of Change (%)
Revenue	22,159	25,098	+2,938	+13.3%
Operating profit <small>(Above : Before recognizing expenses and reserves in relation to headquarters relocation) (Below : After recognizing impairment losses)</small>	2,556	2,596 2,416	+40 △140	+1.6% △5.5%
Profit before tax	2,552	2,404	△148	△5.8%
Profit attributable to owners of parent	1,690	1,569	△121	△7.1%



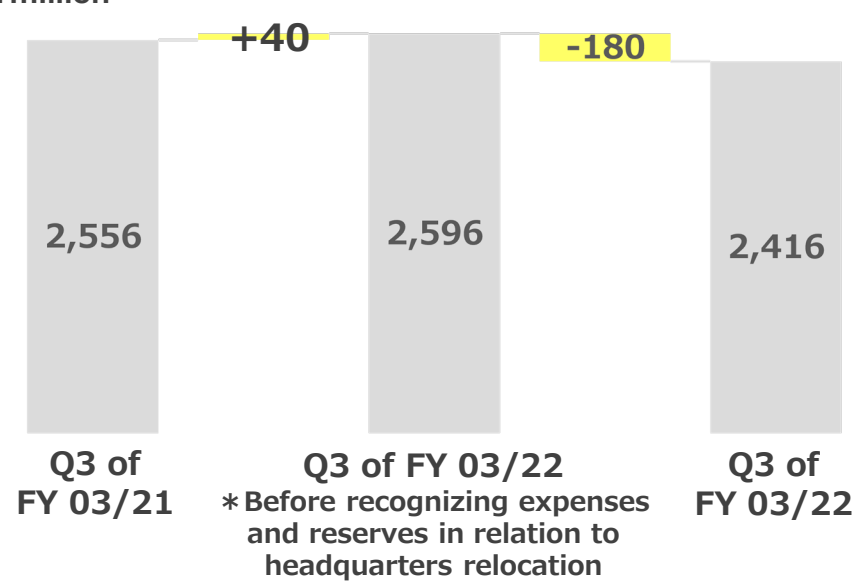
Revenue

¥million



Operating profit

¥million

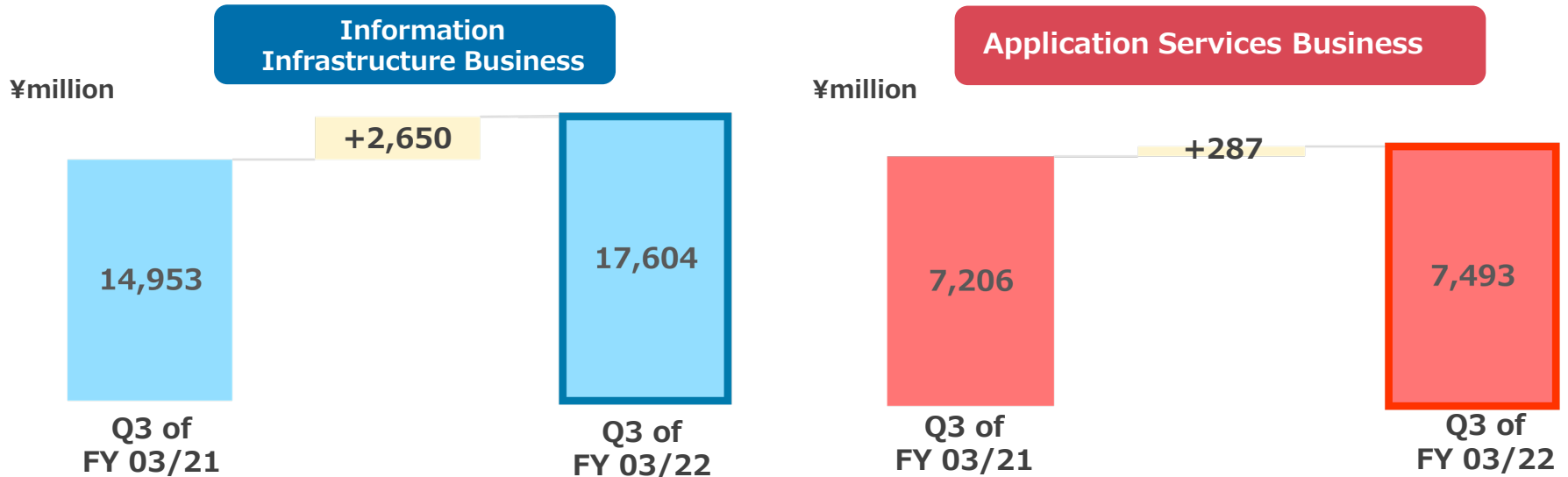


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(Above : Before recognizing expenses and reserves in relation to headquarters relocation) (Below : After recognizing impairment losses)		2,416	△140	△5.5%



Revenue by Segment (Consolidated 3Q)

- ◆ Information Infrastructure Business : The highest consolidated revenue. Increasing inquiries for cloud-based security products such as SASE. In addition, increased booking and revenue for TechMatrix Premium Support (TPS), which is TMX's integrated security monitoring services.
- ◆ Application Services Business : The highest consolidated revenue. Accumulated booking amount at the end of Q3 recovered to the originally targeted number. However, revenue in the CRM field decreased due to the delay of booking and the increase of subscription-type contracts. Sales in the medical field remained steady and in good share. In the software quality assurance field, revenue increased only slightly due to the increase of subscription-type contracts. In the business solution field, booking and revenue are on track to achieve the internal targets.

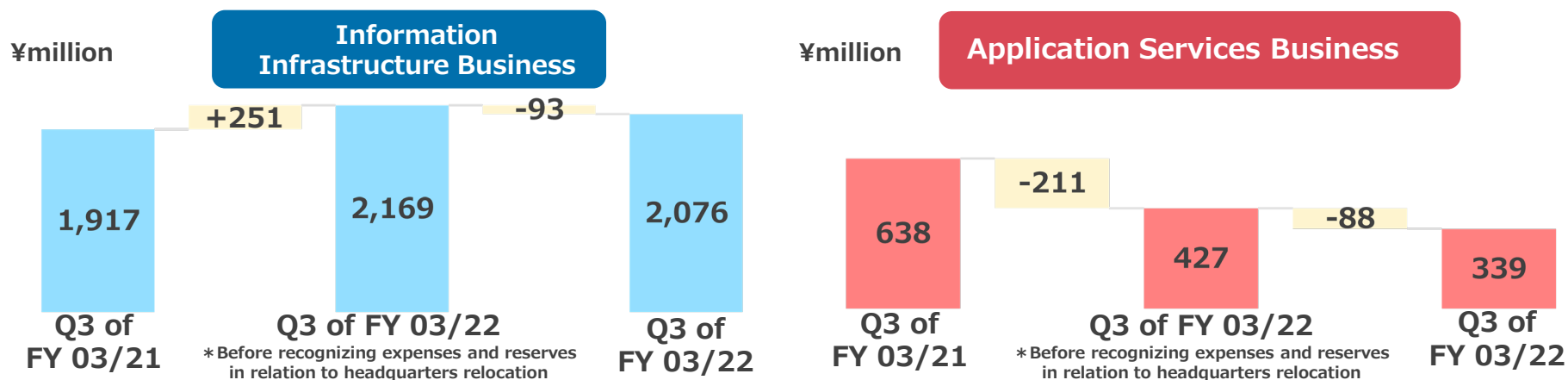


(¥million)	Q3 of FY 03/21	Q3 of FY 03/22	Change in amount	Rate of Change (%)
Information Infrastructure Business	9,832	11,289	+1,457	+14.8%
Application Services Business	4,806	4,856	+49	+1.0%



Operating profit by Segment (Consolidated 3Q)

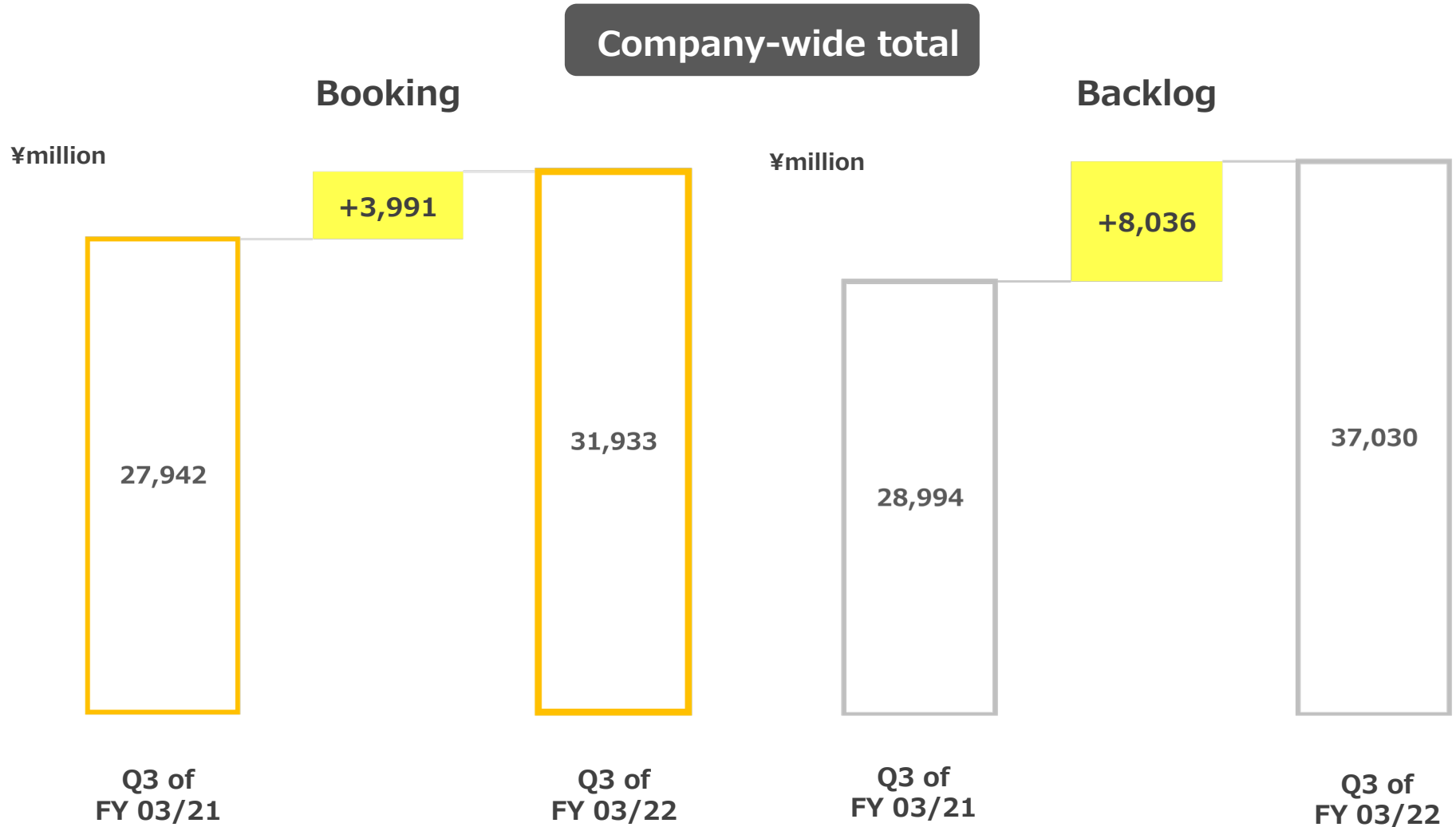
- ◆ **Information Infrastructure Business : The highest consolidated revenue.**
 - Operating margin is slightly affected by growing size of the deals and recognition of expenses and reserves related to headquarters relocation, however, actual amount of profits is growing steadily. Subscription licenses contributed to stable profits.
- ◆ **Application Services Business : Operating profit declined.**
 - Due to the negative repercussions from special demands (version-up to the latest generation of the product) and shortfall of revenue caused by delay of booking in the CRM field, as well as aggressive investments into EdTech business and recognition of expenses and reserves related to headquarters relocation. In the medical field, remained steady and in good share. In the software quality assurance field, increase of subscription-type contracts contributed to the recognition of revenue and profits to be spanned over the long term. In the business solution field, profitability improved in 3Q.



(¥million)	Q3 of FY 03/21	Q3 of FY 03/22	Change in amount	Rate of Change (%)
Information Infrastructure Business (Above : Before recognizing expenses and reserves in relation to headquarters relocation) (Below : After recognizing impairment losses)	1,917	2,169 2,076	+251 +158	+13.1% +8.3%
Application Services Business (Above : Before recognizing expenses and reserves in relation to headquarters relocation) (Below : After recognizing impairment losses)	638	427 339	△211 △298	△33.0% △46.8%



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



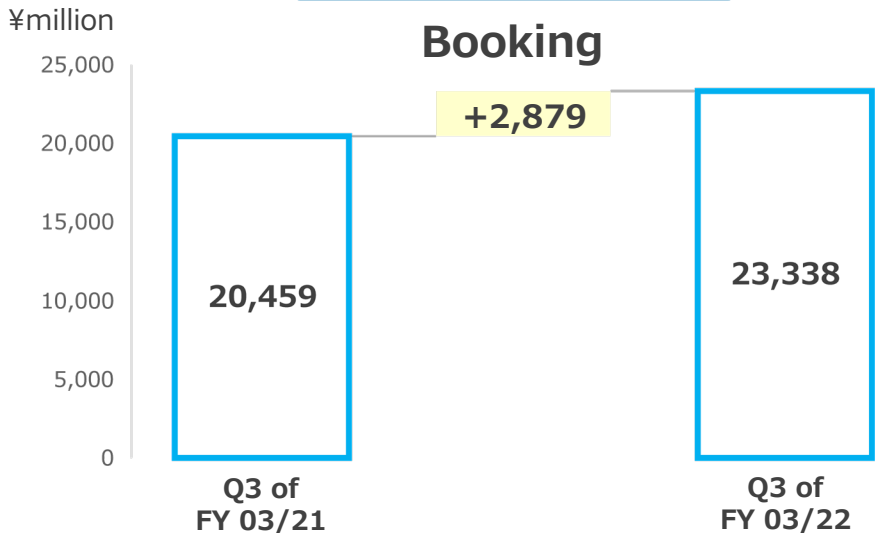
* Due to the adoption of IFRS, A-Line and IDAY have been newly consolidated from the current fiscal year. Booking and backlog of last year are including both of company.



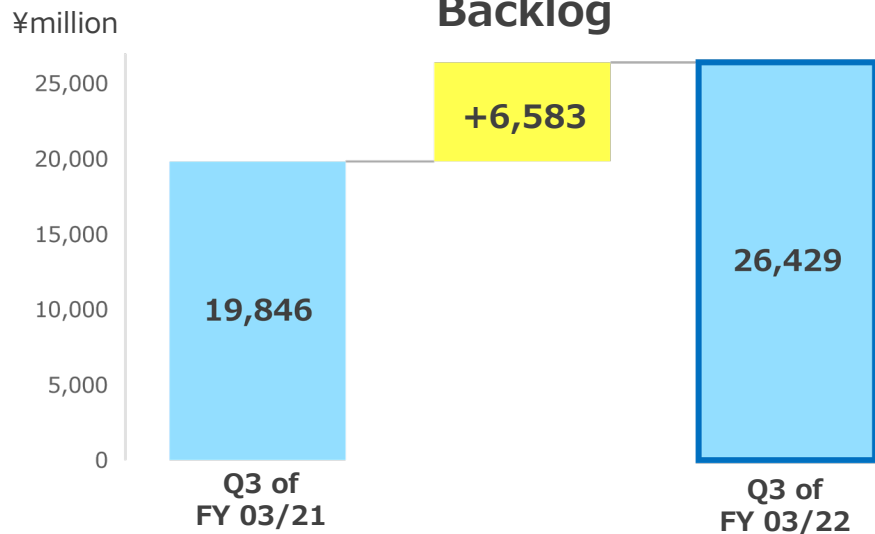
Booking and Backlog by Segment

Information Infrastructure Business

Booking

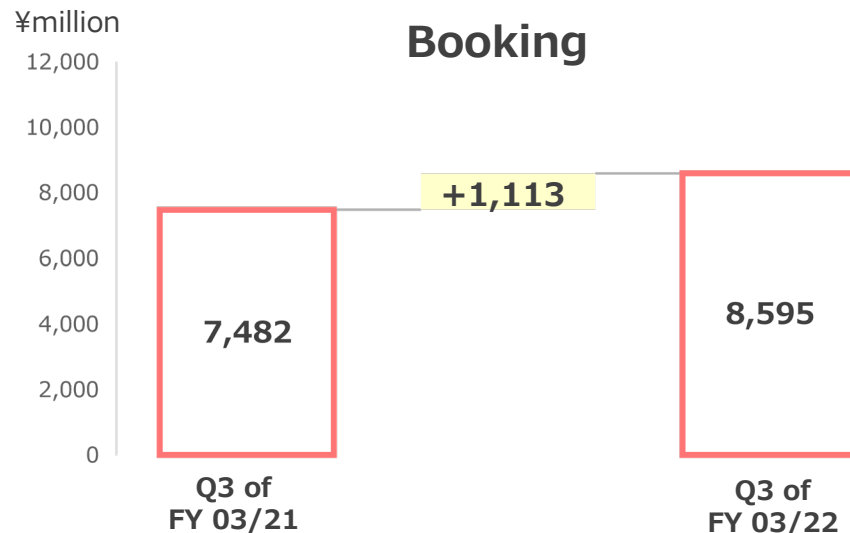


Backlog

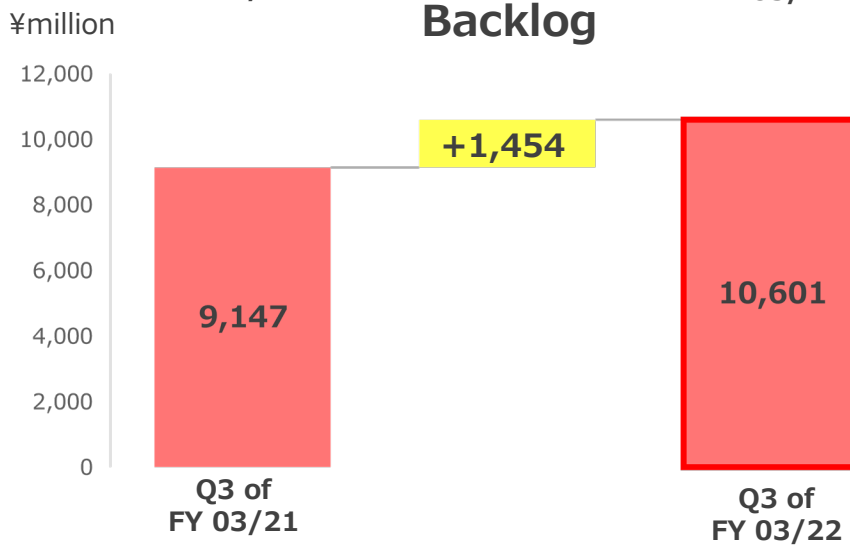


Application Services Business

Booking



Backlog



* Due to the adoption of IFRS, A-Line and IDAY have been newly consolidated from the current fiscal year. For the purpose of apples-to-apples comparison of booking and backlog numbers between last year and this year, booking and backlog numbers in Application Services Business unit last year includes those numbers of the above-mentioned two companies.



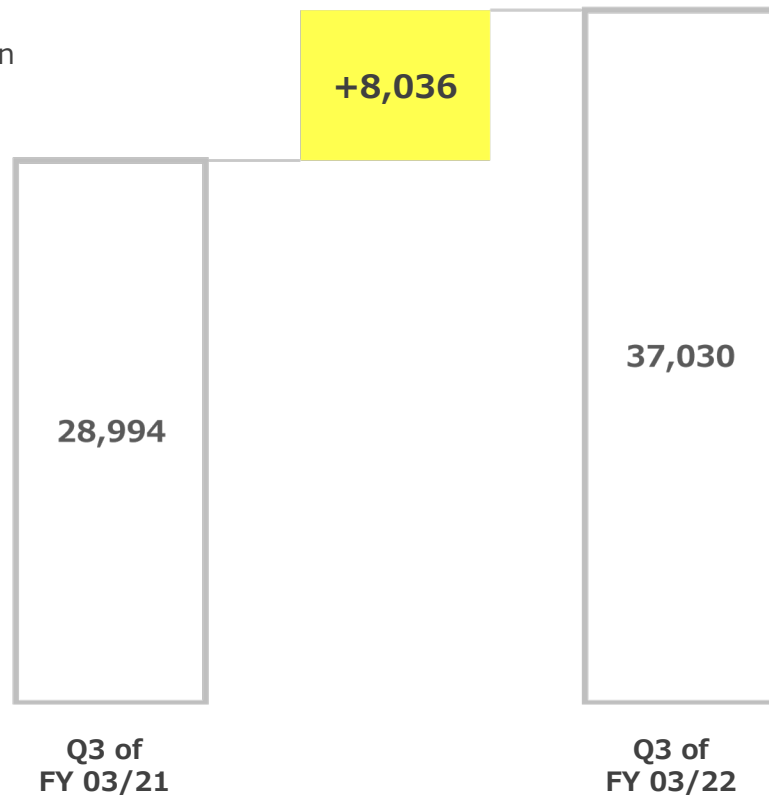
Backlog (Non-consolidated)

- ◆ Consolidated and non-consolidated (TechMatrix only) backlogs are as follows.

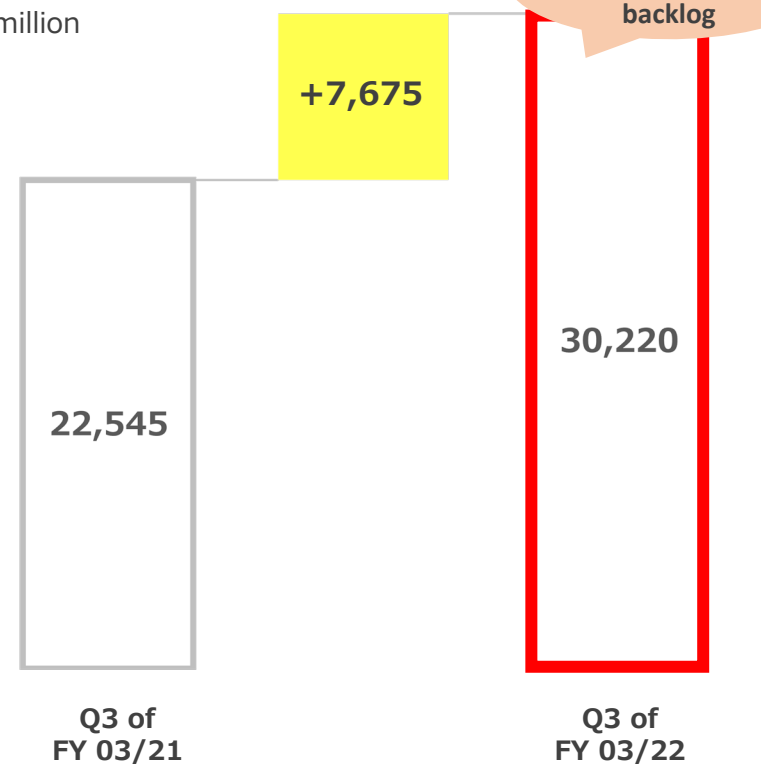
Backlog (Consolidated)

Backlog (Non-consolidated)

¥million



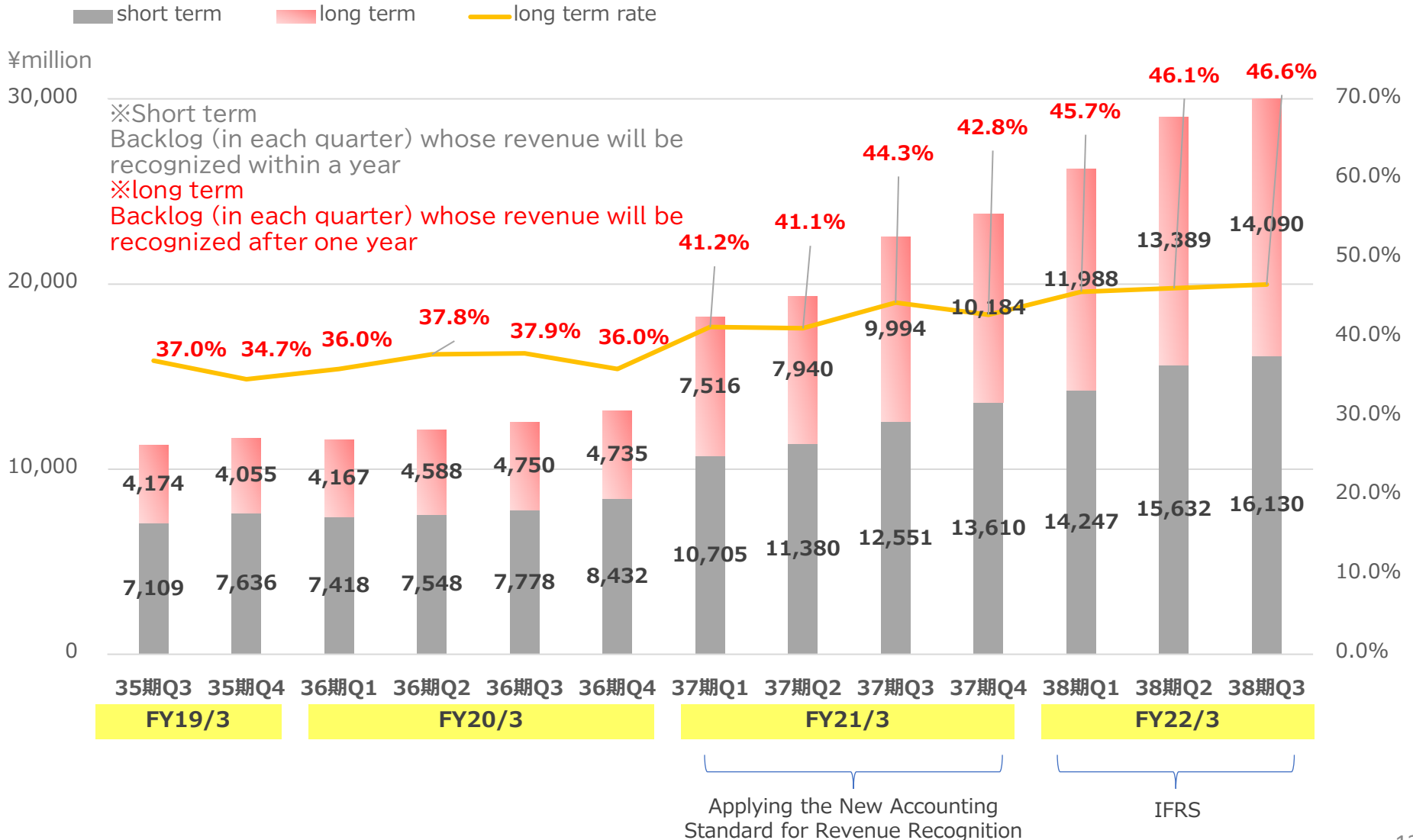
¥million





Backlog (Non-consolidated)

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





Weather chart by Segment (Based on revenue)

◆◆ Information Infrastructure Business		Year on year
Load balancers (BIG-IP, EDGE)	<ul style="list-style-type: none"> • Negative repercussions from the special demands related to remote access security in Q1 last year. 	
Next-Generation Firewall / SASE / SOAR (Palo Alto)	<ul style="list-style-type: none"> • Increased sales bookings for cloud-based security products (SASE). 	
Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security	<ul style="list-style-type: none"> • Increased sales bookings for cloud-based security products and Web gateway security products. 	
Personal authentication systems / Forensic products / Storage products	<ul style="list-style-type: none"> • Sales of personal authentication systems declined due to negative repercussions from the special demands related to remote access security in Q1 last year. • Sales for storage products are growing, reflecting the increasing demands for storage capacity for digital contents. 	
Security-related operation and monitoring services	<ul style="list-style-type: none"> • New contracts and inquiries for TPS increased, which was stimulated by increasing demands for cloud-based security products. 	
AI-driven threat protection/Endpoint detection and response/others	<ul style="list-style-type: none"> • Sales for Cyber Hygiene product and Mail security product increased. 	
CROSS HEAD & Okinawa Cross Head	<ul style="list-style-type: none"> • CROSS HEAD : Sales and booking were improved. Strengthened a relationship with SI company. • Okinawa Cross Head : Sales of own brand products and services increased. Profitability has improved. 	
◆ Application Services Business		Year on year
Business Solution field (Including CASAREAL and IDAY)	<ul style="list-style-type: none"> • Sales and booking exceeded company's plan. • The unprofitable projects that occurred in 2Q have been resolved, and profitability has also improved since 3Q. 	
Software Quality Assurance field	<ul style="list-style-type: none"> • Recovery from tough situation caused by pandemic of COVID-19. Sales and booking progressed following company's plan. • Increased sales of subscription licenses. 	
Medical field (NOBORI, Ichigo, A-Line)	<ul style="list-style-type: none"> • NOBORI : Increase in number of new contracts, renewals and replacements for Cloud PACS. • A-Line : Recorded operating loss (unavoidable in the nature of recurring revenue business at the early stage) . 	
CRM field	<ul style="list-style-type: none"> • Revenue and operating income were below company's plan as well as below results in previous year due to the negative repercussions from special demands (version-up to the latest generation of the product) and the delay of booking. Accumulated booking amount at the end of Q3 recovered to the originally targeted number. 	



+10% and over



+5% ~ +10%



within ±5%



within Δ10%

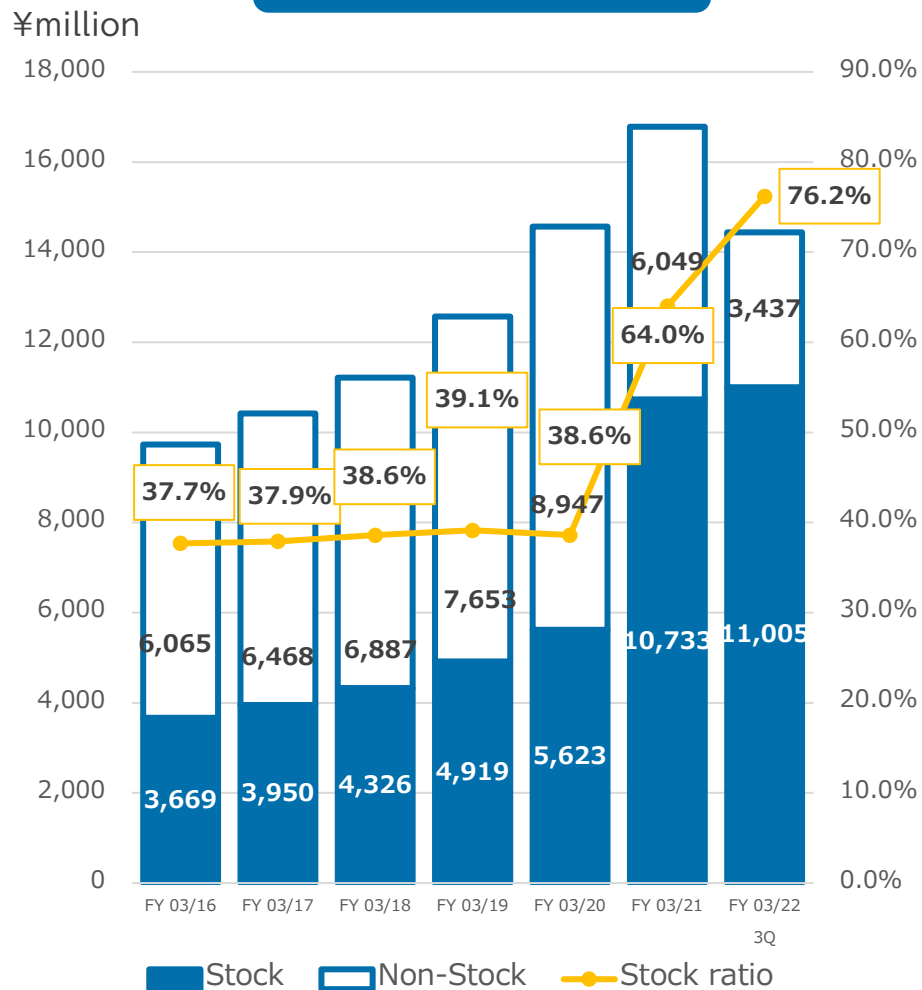


under Δ10%

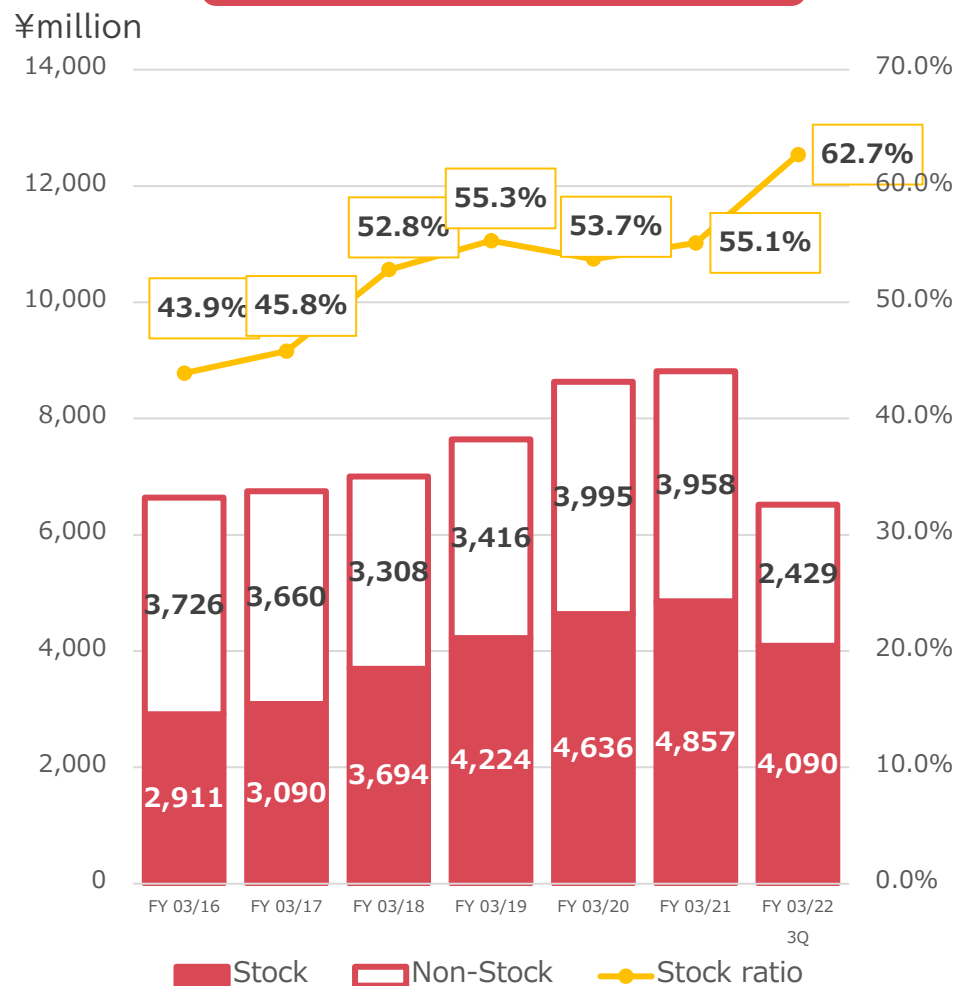


Stock type sales (Recurring revenue) ratio of TECHMATRIX and NOBORI

Information Infrastructure Business



Application Services Business



* 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 Accounting Standard for Revenue Recognition.

* 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 New Accounting Standard for Revenue Recognition and cloud business continues to grow.



Consolidated Statement of Financial Position

(¥million)

◆ “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.

	FY 03/21	FY 03/22 3Q		FY 03/21	FY 03/22 3Q
Total current assets	31,169	35,568	Total current liabilities	18,902	23,396
Cash and cash equivalents	14,634	13,596	Trade and other payables	1,369	1,165
Trade and other receivables	3,915	3,450	Borrowings	699	595
Other current assets	12,620	18,521	Other current liabilities	16,833	21,635
Total non-current assets	8,826	8,177	Total non-current liabilities	4,739	3,103
Property, plant and equipment	4,289	2,771	Borrowings	700	550
Goodwill	164	164	Other non-current liabilities	4,039	2,553
Intangible assets	1,473	1,566	Total liabilities	23,641	26,500
Other non-current assets	2,898	3,674	Share capital and Capital surplus	5,918	5,918
Total assets	39,996	43,745	Treasury shares	△1,011	△1,012
			Retained earnings	9,450	10,265
			Other components of equity	487	464
			Total equity attributable to owners of parent	14,844	15,636
			Non-controlling interests	1,509	1,609
			Total equity	16,354	17,245
			Total liabilities and equity	39,996	43,745



< 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 :

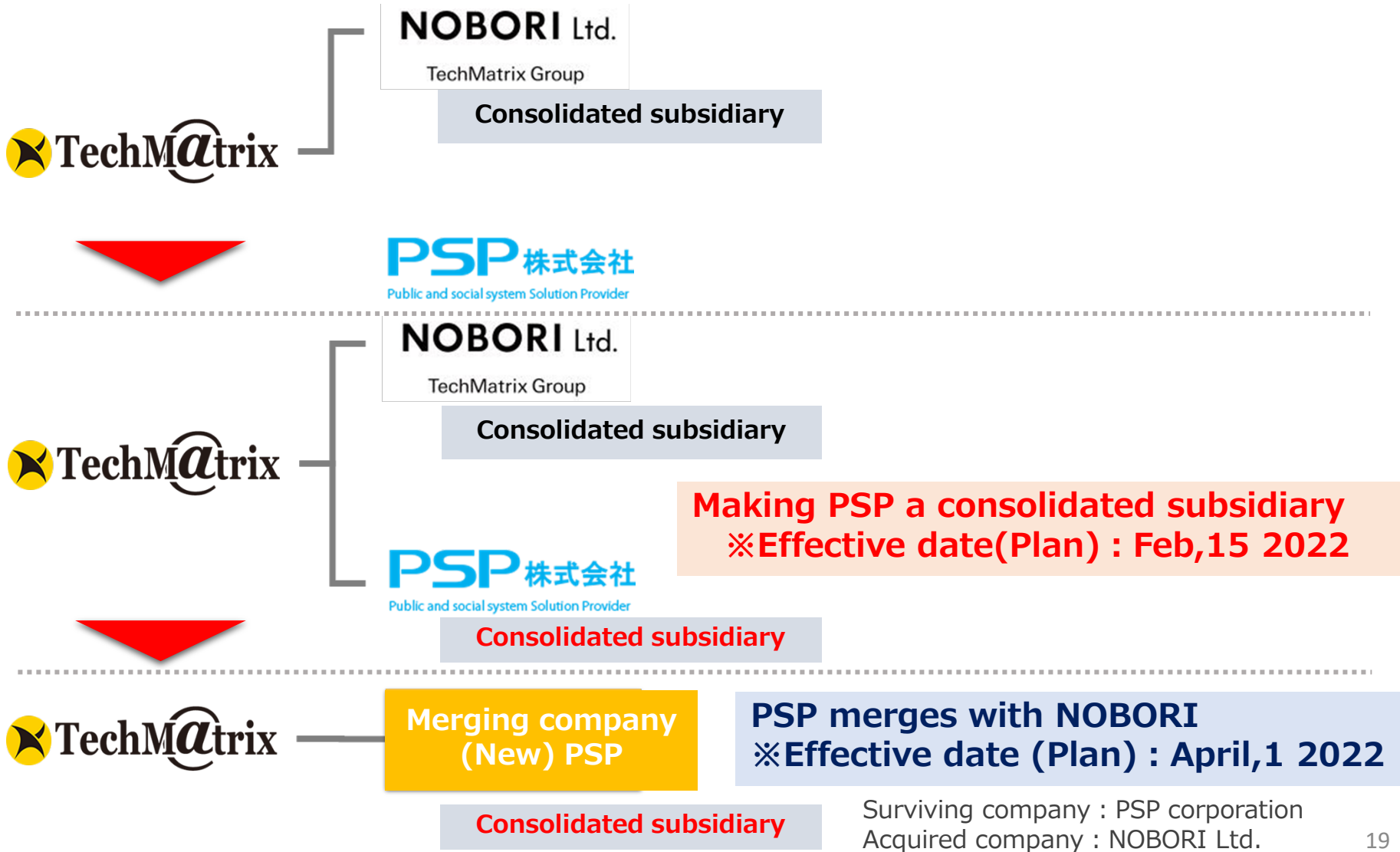
- We plan to actively participate in various exhibitions and events, which we refrained from participating in during the first quarter of last year. Net sales (sales revenue) and operating income/loss of consolidated subsidiaries that were not consolidated in the previous fiscal year are added.



2. Topics of business activities



Business integration plan and schedule





Profiles of the integrated companies

(In thousands of yen, unless otherwise stated)

	PSP Corporation	NOBORI Ltd.
Location	5-13-1 Toranomom, Minato-ku, Tokyo	3-11-24 Mita, Minato-ku, Tokyo
Representative	Yuko Yagi, President and CEO	Yoshihisa Yoda, Representative Director
Lines of business	Business for medical clinical support system	Development and provision of cloud-based services and smartphone apps for healthcare services
Share capital	379,650 (as of September 30, 2021)	1,100,055 (as of September 30, 2021)
Number of employees	268 persons	133 persons
Net sales	5,902,063 (FY ended June 30, 2021)	2,618,936 (FY ended March 31, 2021)
Operating profit	888,618 (FY ended June 30, 2021)	504,493 (FY ended March 31, 2021)
Operating margin	15% (FY ended June 30, 2021)	19% (FY ended March 31, 2021)
Ordinary profit	892,801 (FY ended June 30, 2021)	504,070 (FY ended March 31, 2021)
Profit	605,208 (FY ended June 30, 2021)	264,312 (FY ended March 31, 2021)
Profit per share (yen)	202,682 (FY ended June 30, 2021)	2,643.13 (FY ended March 31, 2021)



Profile of merging company (as of April 1, 2022)

Trade name	PSP Corporation
Location	5-13-1 Toranomom, Minato-ku, Tokyo
Representative	Yoshihisa Yoda and Yuko Yagi, Representative Directors
Share capital	1,100,000 thousand yen
Fiscal-year end	March 31
Number of employees	About 400
Shareholders	TECHMATRIX CORPORATION (50.02%)
	MITSUI & CO., Ltd. (20.00%)
	M3, Inc. (18.70%)
	Dai Nippon Printing Co., Ltd. (11.28%)

*** The earnings forecast and the business plan for the integrated company is currently under development.**



Purpose of business integration

NOBORI Ltd.
TechMatrix Group

PSP 株式会社
Public and social system Solution Provider

Customer
base

Services ·
Products

Development
plan

Integration / Aggregation

Further improvement of functions and quality of services and products

Secured the second largest market share based on the number of customers and sales **(2,200 facilities)**

Accelerate new business such as PHR/AI/data utilization by relocating engineering resources

Further data collection on the cloud
Increasing the number of end-users and facilities using PHR services



(New) PSP and M3 will establish a new joint venture

(New) PSP Corporation and M3, Inc. will establish a new joint venture to strategically strengthen AI-driven diagnostic imaging business

(New) PSP Corporation

- Cloud operation platform
- SI for facilities using AI
- Security and network
- Platform technology

**Joint venture
(M3 AI)**

M3, Inc.

- Medical doctor subscriber base
- Capability to launch AI related products
- Marketing
- Sales force

Provide medical AI platform

Providing a system that allows all medical institutions to use diverse types of medical AI as a platform

- Company name:
M3 AI, Inc. (Scheduled to start operations on April 1, 2022)
- Paid-in capital
350 million yen (including legal capital surplus)
- Shareholding ratio:
M3, Inc.: 60%
PSP Corporation (The new company after the merger): 40%



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.

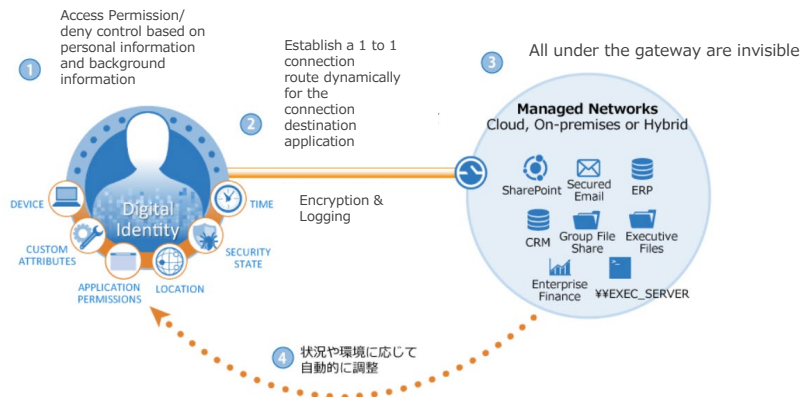
Point !  building "Strong network security" with Zero-Trust Network Access Model
 ⇒ "Don't trust the user, the device, or network"

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

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.



Rising demand for cloud security

<Significant of unified security policy>

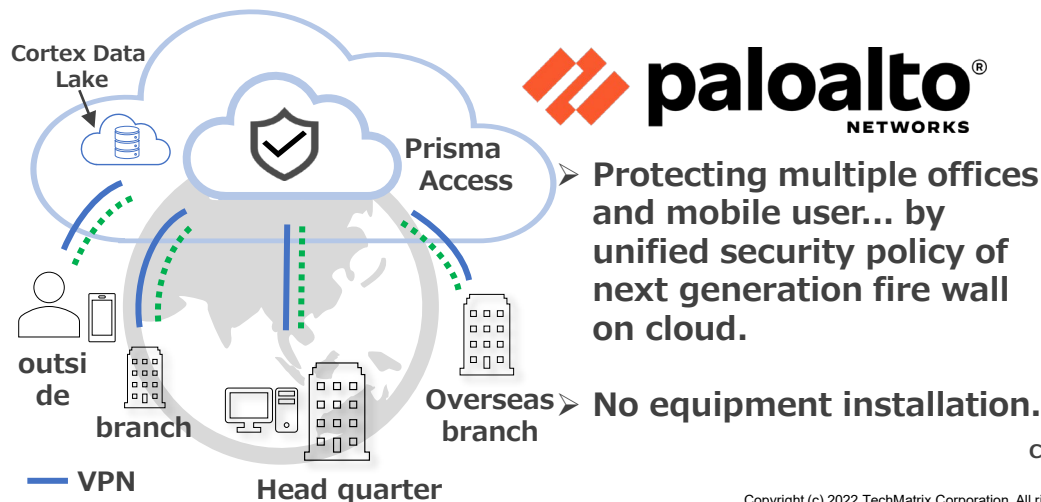
- Rising demands for remote access from home and unified security policy applied to many offices spread across the globe.

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.**

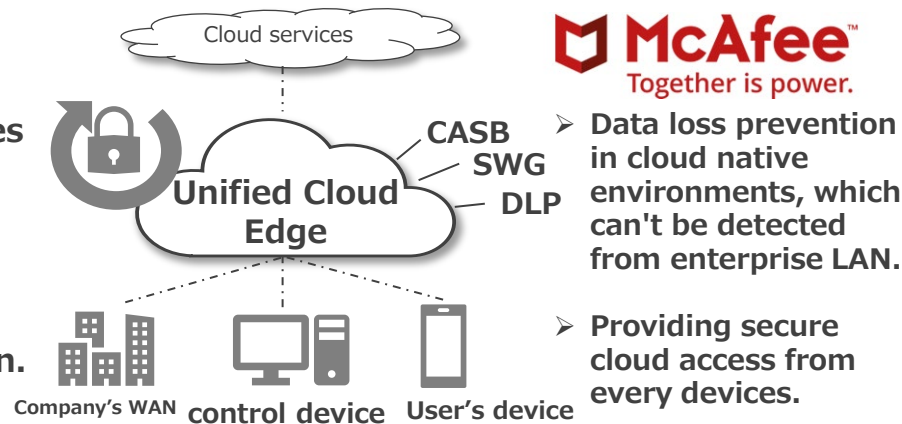
Palo Alto Networks Prisma Access

~ Providing functions of next generation fire wall on cloud~



McAfee MVISION Unified Cloud Edge

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





Commenced the provision of autonomous AI-driven endpoint security “SentinelOne”

<Trend of endpoint products in the face of sophisticated cyber attack>

- **As more cyber attacks break through** conventional signature-based **pattern-matching defense, detection capability** not relying on signature **and comprehensive countermeasures from the early response to recovery have become requisite.**



SentinelOne®

SentinelOne: Integrated platform providing functions from detection to response and recovery

MITRE ATT&CK evaluations show that SentinelOne is the only vendor with 100% visibility and zero missed detections in both Windows and Linux environments.

* Assessed by MITRE ATT&CK in 2020

NGAV + EDR, XDR

- Provide next-generation AI anti-virus functions with high detection capability and EDR functions that enable visualization via a single agent

Autonomous

- Autonomous malware detection, isolation, restoration and recovery executed only within a single machine, instead of detection by a management console in the cloud

Threat hunting

- Provide threat hunting functions that detect sophisticated intrusion as well as custom rule functions that allow users to create detection and response rules freely

* NGAV: Abbreviation of Next Generation Anti Virus, which utilizes “behavior detection” and “AI/machine learning” to deal with unknown malware and other threat.
 * EDR: Abbreviation of Endpoint Detection and Response, which detects, removes, and prevents the spread of malware that has intruded into endpoints such as terminals.



39,801,000

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

241,620,000

The number of **inspections** stored in NOBORI

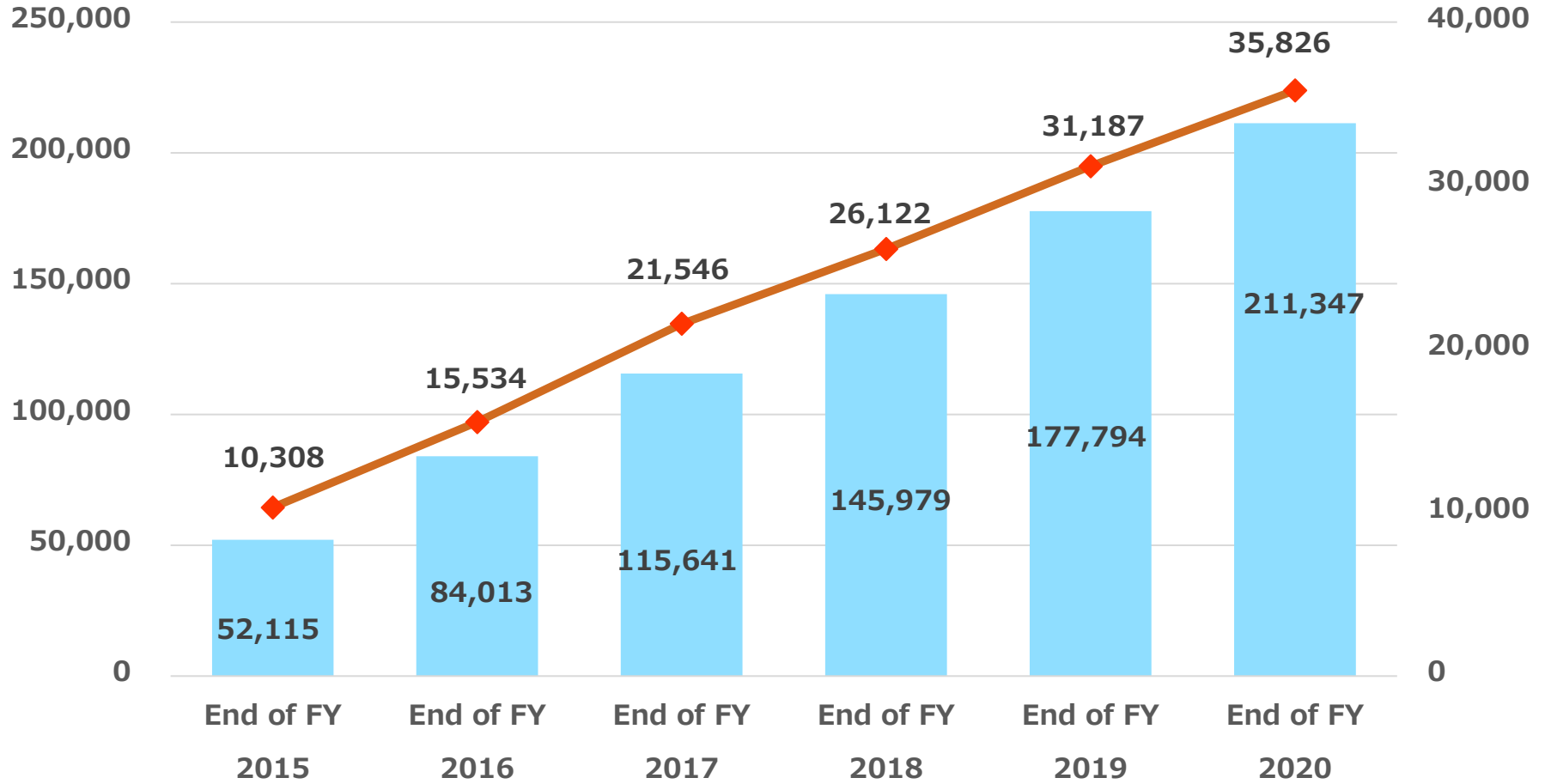
(December 31, 2021)



Data stored in NOBORI

(Numbers of inspections : thousand)

(Numbers of patients : thousand)





■ The numbers of inspections stored in NOBORI (left vertical axis) ◆ The numbers of patients stored in NOBORI (right vertical axis)



<Acceleration of CRM Business in ASEAN / Capital and Business Alliance with WISESIGHT (THAILAND) CO., LTD.>

WISESIGHT (THAILAND) CO., LTD: Established in 2016

- Provides the No.1 social data analysis cloud service in Thailand

- Points !**   In the ASEAN region, corporate activities are heavily influenced by social media penetration and the power of word-of-mouth and postings on social media.
- The use of such services in the marketing and customer care departments is attracting attention.

Business expansion in Thailand/ASEAN



WISESIGHT

- Promote sales of TechMatrix's products and services through Wisesight
- Strengthen the integration of products between Wisesight and TechMatrix and its commercialization
- Develop new products by leveraging synergies



< Successful track records of “tsumugino” >

➤ Activity records for the Q3

- : Acquired several new private school customers
- : Won the second prize in the ASPIC IoT-AI-Cloud Award 2021
- : Devoting engineering resources to enhance the functionalities to meet bidding requirements with an eye on developing market opportunities for public schools



tsumugino

tsumugino : Creating a new learning approach + innovation

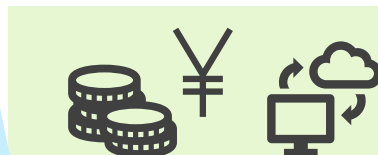
➤ School communication platform + school affairs support system on the cloud

Reducing the burden on teachers and staff



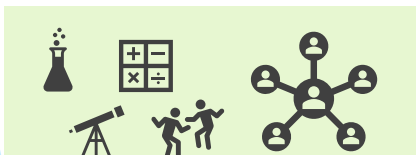
Centralized management of various information
 Teachers and staff can easily share and send information
 → **Rich features for teaching and school affairs**

Reducing investment costs



No need to purchase equipment
 Apply latest cyber security technologies
 → **Monthly paid cloud service**

A system in which children play a leading role



Record of children’s daily activities (and feedback from teachers and staff)
 → **Accumulate learning history**

Excellent UI/UX



Sophisticated design/Operability©
 Multi-device support
 → **Easy communication**



“tsumugino” won the second prize in the ASPIC IoT-AI-Cloud Award 2021

➤ ASPIC IoT-AI-Cloud Award 2021

- : ASP-SaaS-AI-IoT Cloud Industry Association (ASPIC) presented awards by each category.
- : “tsumugino” won **the second prize** in the **social industry specific ASP-SaaS category**.



Creating a new learning approach + innovation

“tsumugino” was certified as a service that properly conducts and operates information disclosure on safety and reliability according to the “Information Disclosure Certification Systems for Safety and Reliability of ASP-SaaS” on September 30, 2021.

- Name of certification system: Information Disclosure Certification Systems for Safety and Reliability of ASP-SaaS
- Certification body: ASP-SaaS-AI-IoT Cloud Industry Association (ASPIC)
- Certification number: 0254-2109
- Service name: tsumugino
- Date of certification: September 30, 2021



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.) .



Date	Contents
June	Received "Best Distributor of the Year" from McAfee, LCC.
	<p>NOBORI started providing the integration between PHR application (NOBORI) and "Check of head health"※ (MILLENNIA Corporation).</p> <p>※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.</p>
	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.
	<p>Commenced the provision of "Cognito Platform" from Vectra AI, Inc.</p> <p>- It is a next generation AI security to realize visualization of threats hidden in networks and early detection using AI -</p>



Month	Contents
Jul.	Okinawa Cross Head Co., Ltd. launched Remote Browser powered by Ericom Shield Cloud.
	Began providing software testing support and verification services – supporting various types of testings such as functional testing, API testing, and load testing
	Received Channel Services Delivery Excellence Award from Dell Technologies
	Commenced the provision of “Jtest 2021.1,” a Java-enabled testing automation tool
	TechMatrix received certification as a Google for Education Build partner.
	The latest Version 9.5 of “Ranorex Japanese version,” a UI testing automation tool with powerful object recognition capabilities, became available.
	Started providing integration of “Votiro,” a file sanitization solution, with “m-FILTER,” an email security product, which can sanitize email attachments and fully comply with local government guidelines
	Entered into a capital and business alliance with WISESIGHT (THAILAND) CO., LTD., the largest social data analysis cloud provider in Thailand, to accelerate the expansion of CRM solution business in the ASEAN region



Month	Contents
Aug.	Commenced the provision of the Japanese version of "Understand 6," a high-speed source code analysis tool
	CROSS HEAD began offering the "Cybozu Office Cloud Migration Pack," which remotely supports migration to the cloud version of the Cybozu Office.
	Sumitomo Mitsui Construction Co., Ltd. introduced "DataProtect" of Cohesity.
Sept.	Okinawa Cross Head Co., Ltd. launched "STEC on Chromebook," a one-stop service that supports both software and hardware in remote work environment
	AppgateSDP that realizes zero trust network access – a VPN replacement campaign and a campaign targeting boards of education
	Started providing integration of "FastHelp5," a CRM system for call centers, with "BlueBean," a cloud-based PBX/CTI system from SOFTSU Co., Ltd.



Date	Contents
October	TechMatrix has introduced a new module of Apreccia 4 -the "Market Rate Based Lending Management System"- in response to the LIBOR transition
	Released the Japanese version of the latest version 7.0.1 of "TestRail" test case management tool
	Went into full operation of Apreccia 4 for Shinkin Securities Co., Ltd.: it improves efficiency and reduces costs for operations of fixed income front office and structured bond management
	TechMatrix entered into a resale partnership agreement with TD SYNEX K.K. for "tsumugino"
	CASAREAL, inc. formed an alliance with CTC TECHNOLOGY Corporation for developing human resources capable of using cloud native/DevOps technologies and started joint sales
	Announced the application for selection of Prime Market, the new market segment of Tokyo Stock Exchange
November	Announced relocation of the head office
December	TechMatrix entered into a partnership agreement with Marubeni Network Solutions Inc.
	"tsumugino," a cloud service for educational institutions, won the second prize in the ASPIC IoT-AI-Cloud Award 2021
	Commenced the provision of autonomous AI-driven endpoint security "SentinelOne": XDR that ensures business continuity and TCO reduction with AI and automation
	Hosted online-based TechMatrix CRM FORUM 2022, one of the largest events for the customer service industry in Japan, with the main theme: "Leap toward the next future by synergizing human being with technology"



3. Medium-Term Management Plan “BEYOND THE NEW NORMAL”



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 <u>servicization</u> (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)



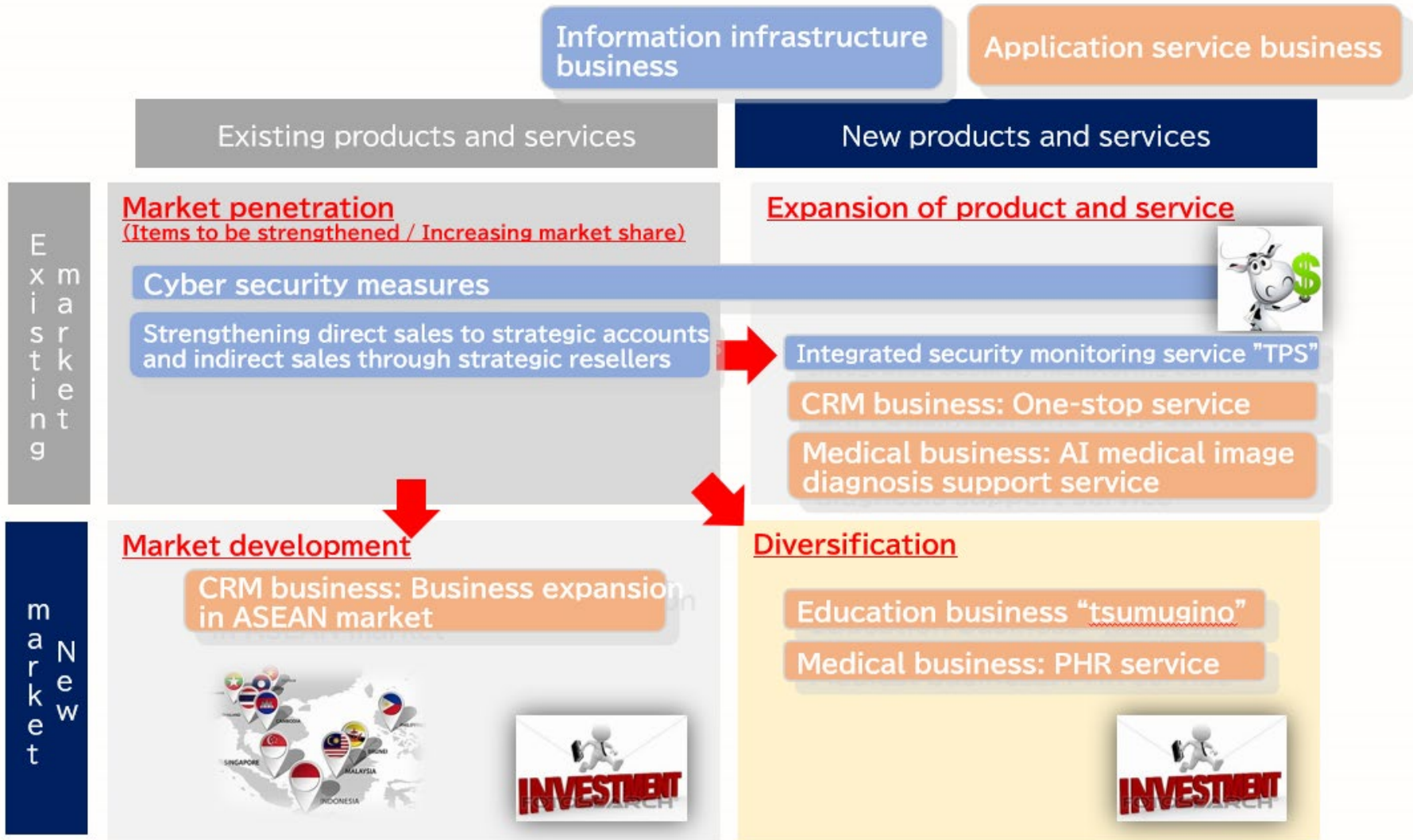
Key basic strategy

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

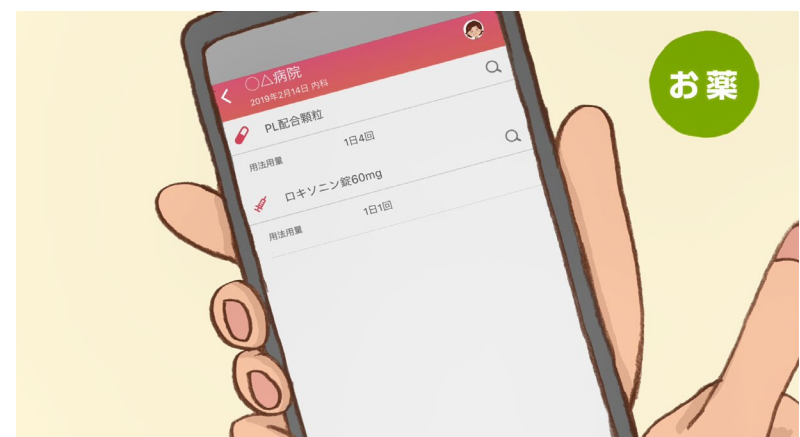
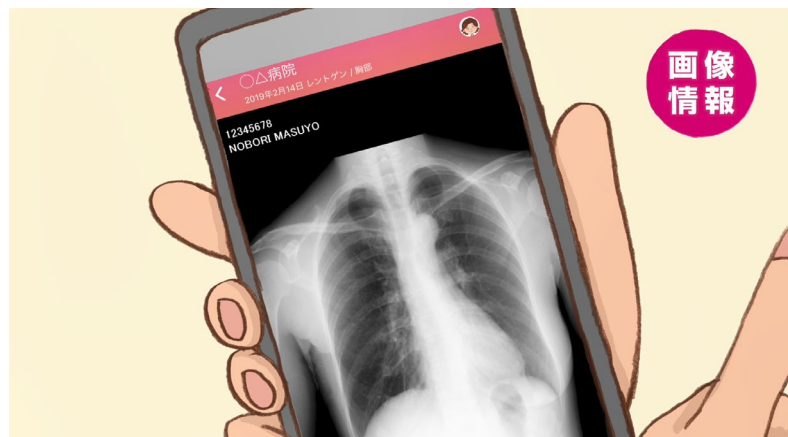
- Active investment into rapid expansion of education business
- Acceleration of AI Medical diagnosis support service business
- Expansion of PHR service
- Formation of alliances and groups with other vendors for One-stop CRM service
- Accelerate global expansion(ASESAN)
- Product/Service development 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





NOBORI

PHR (Personal Health Record) service for individuals (for patients)



TechMatrix Premium Support powered by TRINITY

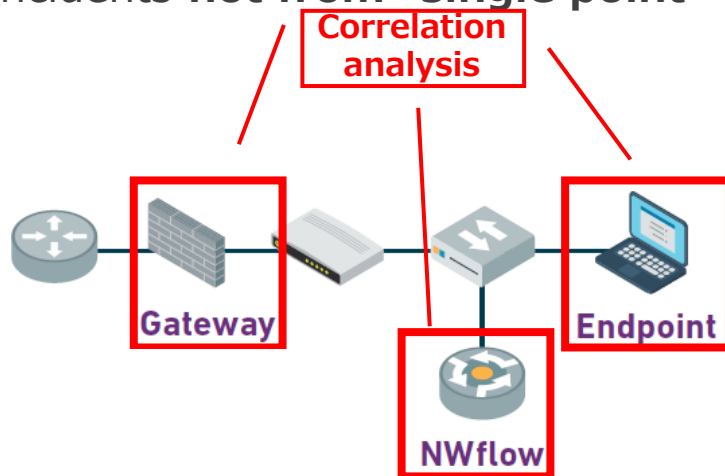
Integrated security monitoring service using correlation analysis rules created based on hundreds of threat scenario patterns originally developed by TechMatrix

※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”**



「TechMatrix Premium Support 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.

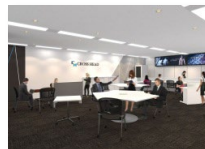
TechMatrix Premium Support powered by TRINITY

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



TechMatrix Premium Support

powered by TRINITY



TPS 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

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.



Malware analysis

Extended handling initial service

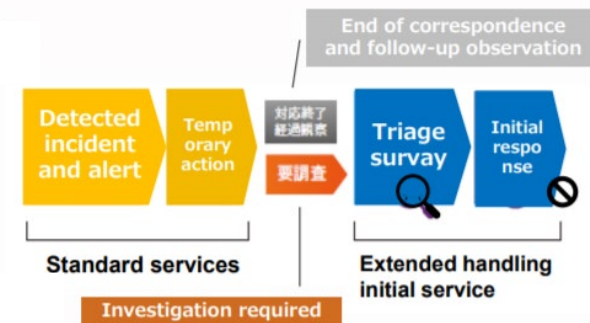
Utilizing EDR products to handle initial response (Managed EDR)

Incident response service (Urgent response)

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

Second opinion

Suggest a second opinion on the results of the infringement investigation



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.



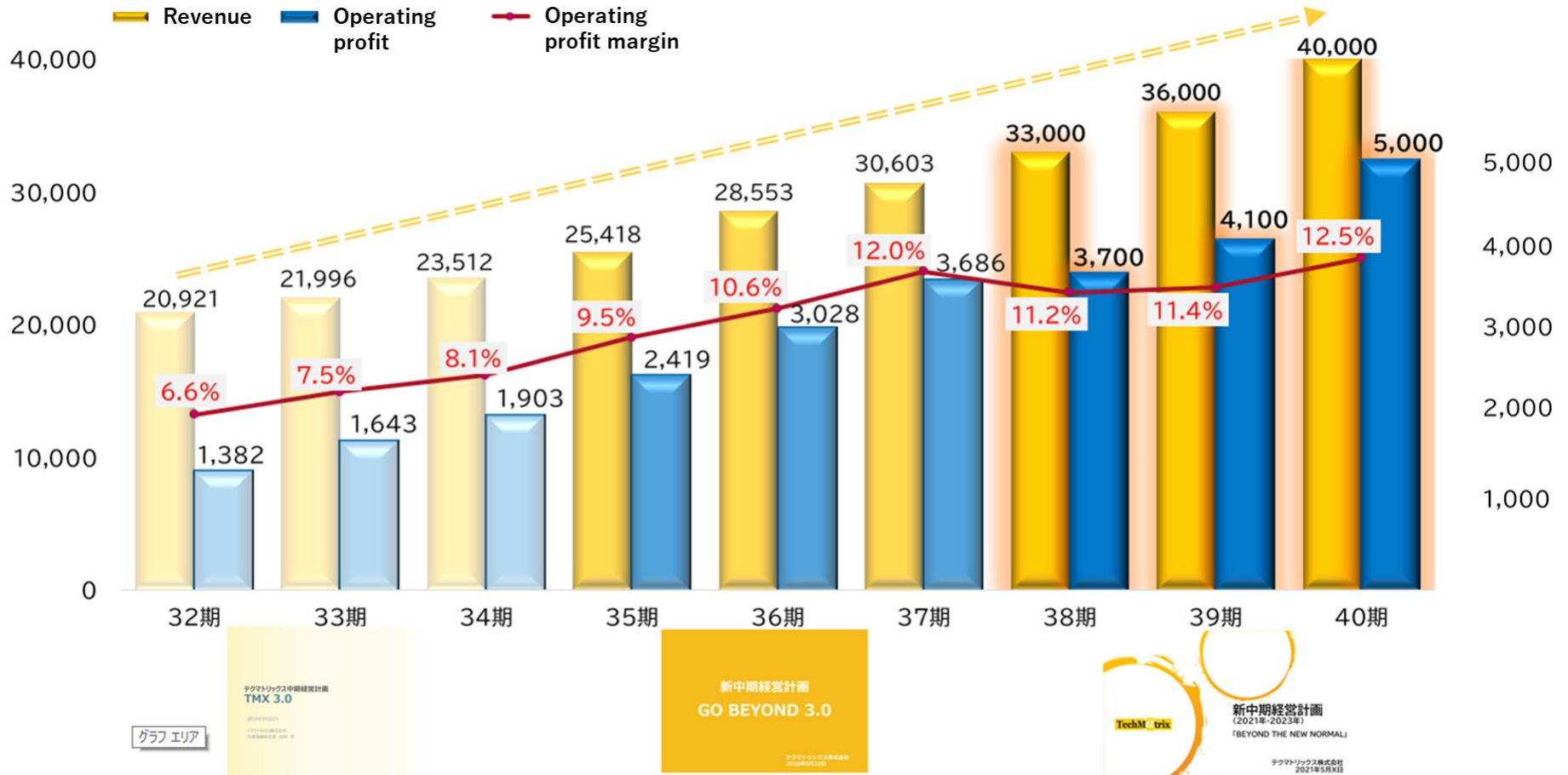
For security incidents, it is important to investigate the cause and respond promptly, in addition to suppressing the outbreak. Monitoring Center team and Security Lab. team in TechMatrix provide support services ranging from the initial response immediately after the accident, infringement investigation,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

Service flow and overview



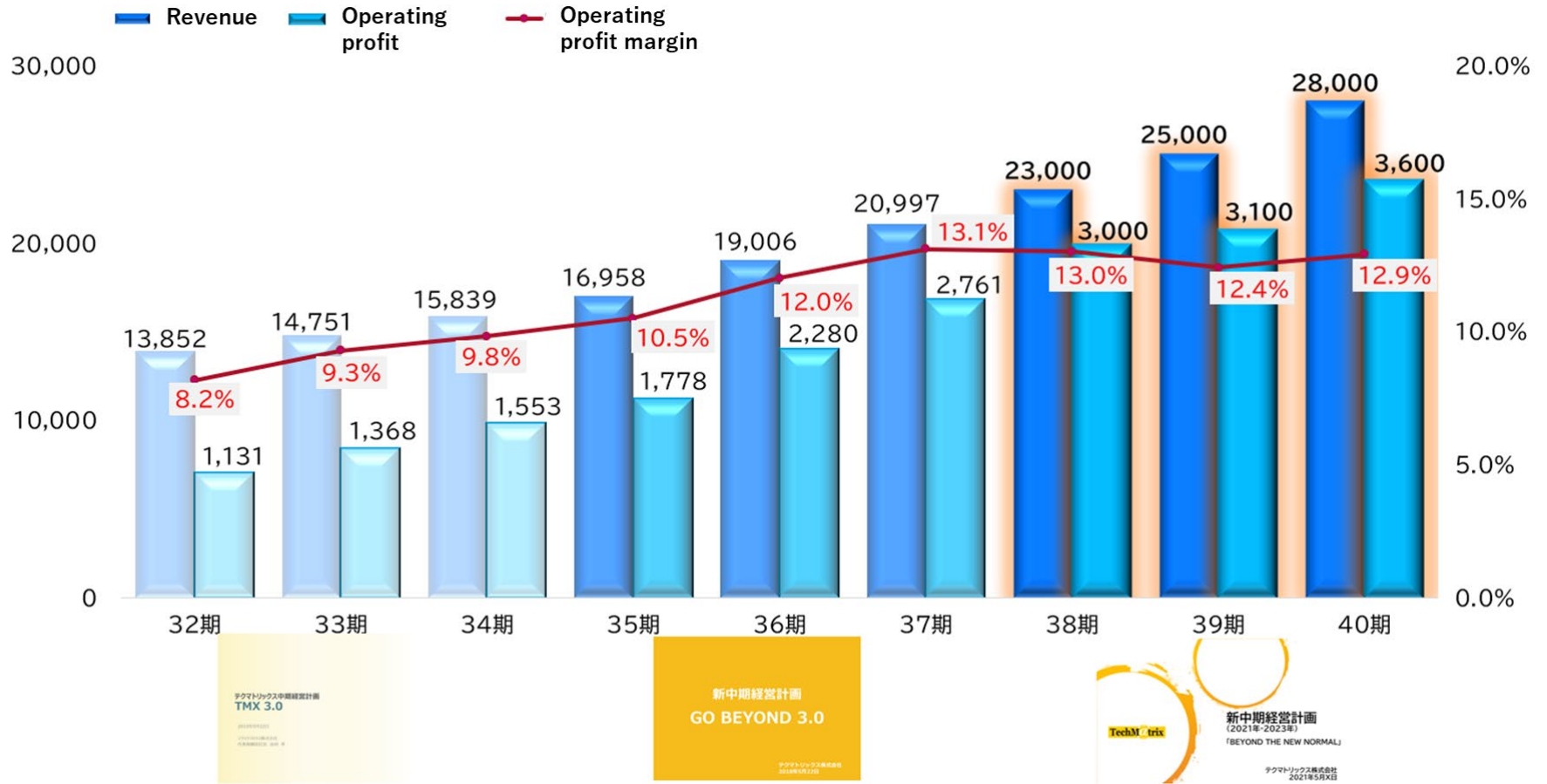


Both revenue and operating profit continue to grow



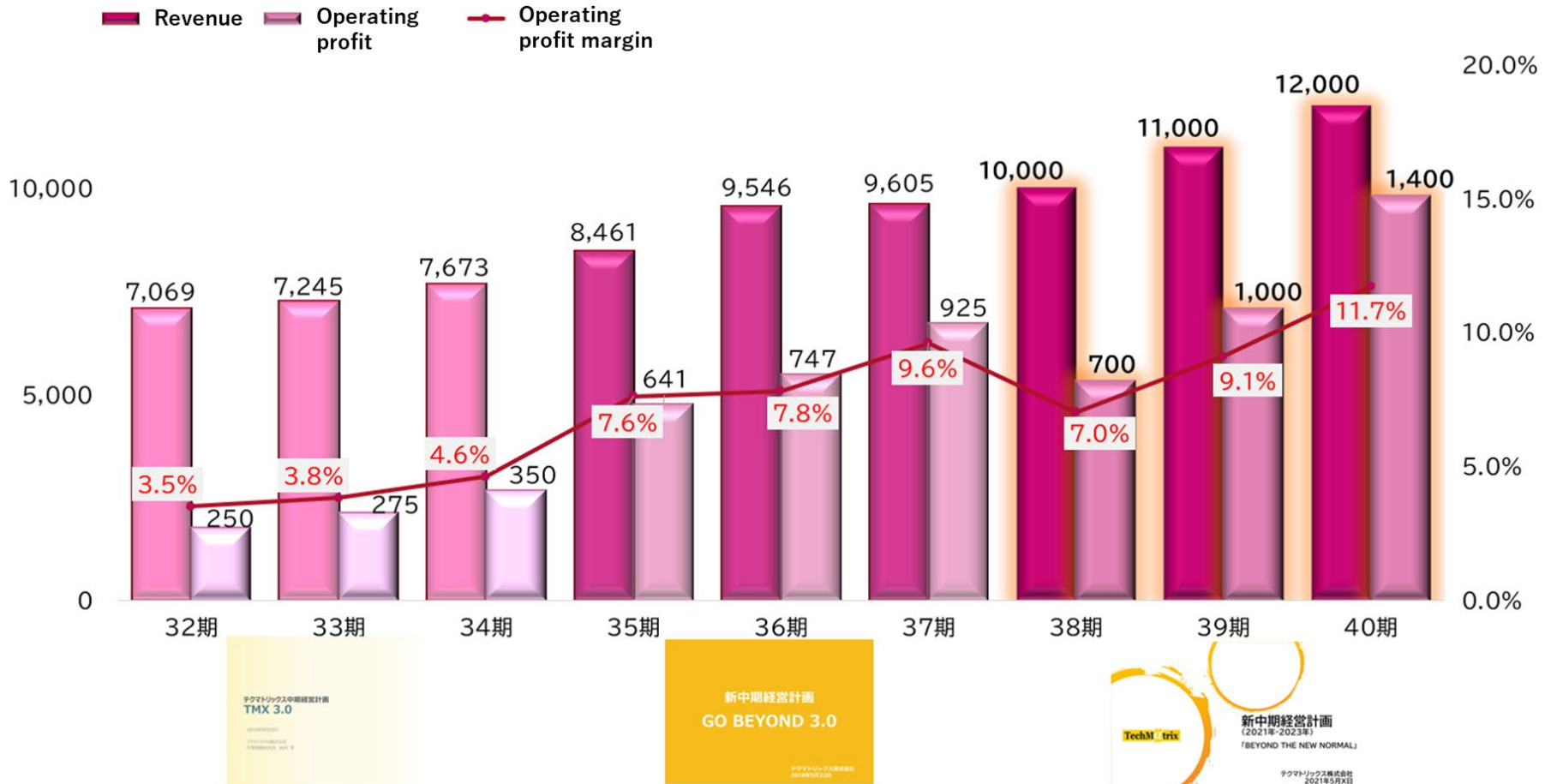


Building a stable earnings base and adapting to the cloud-native era



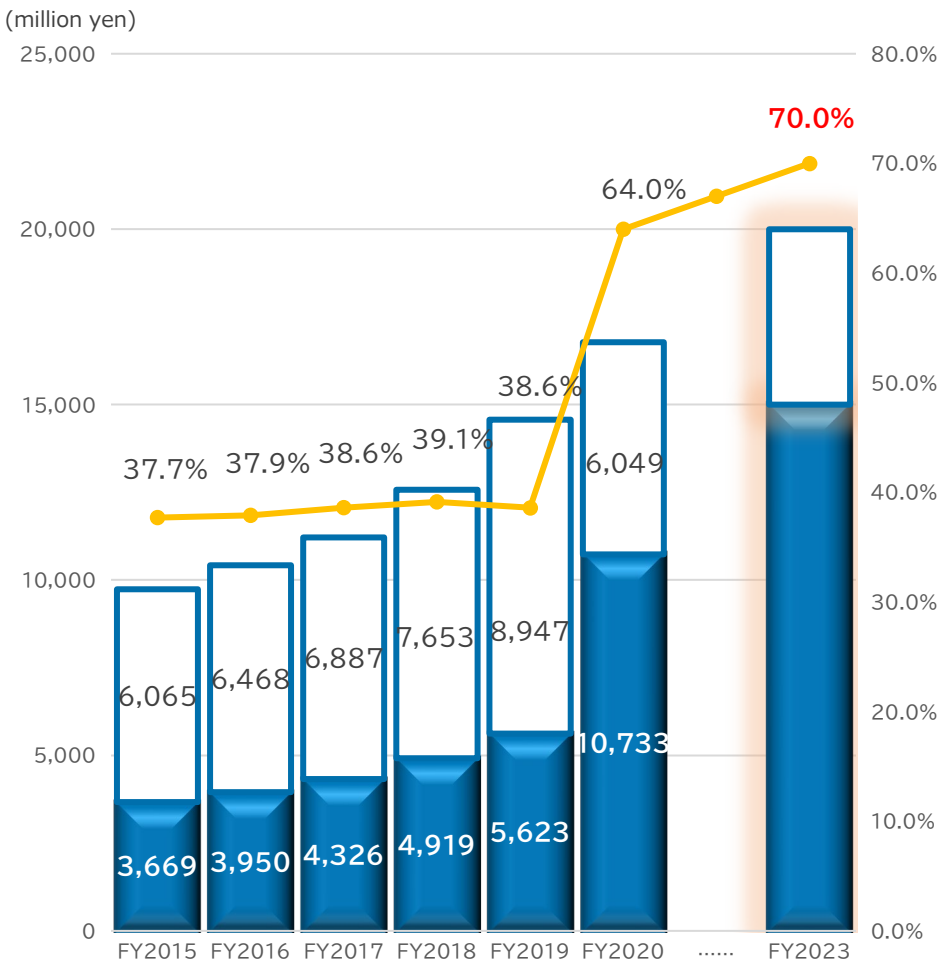


Balance between investment and growth



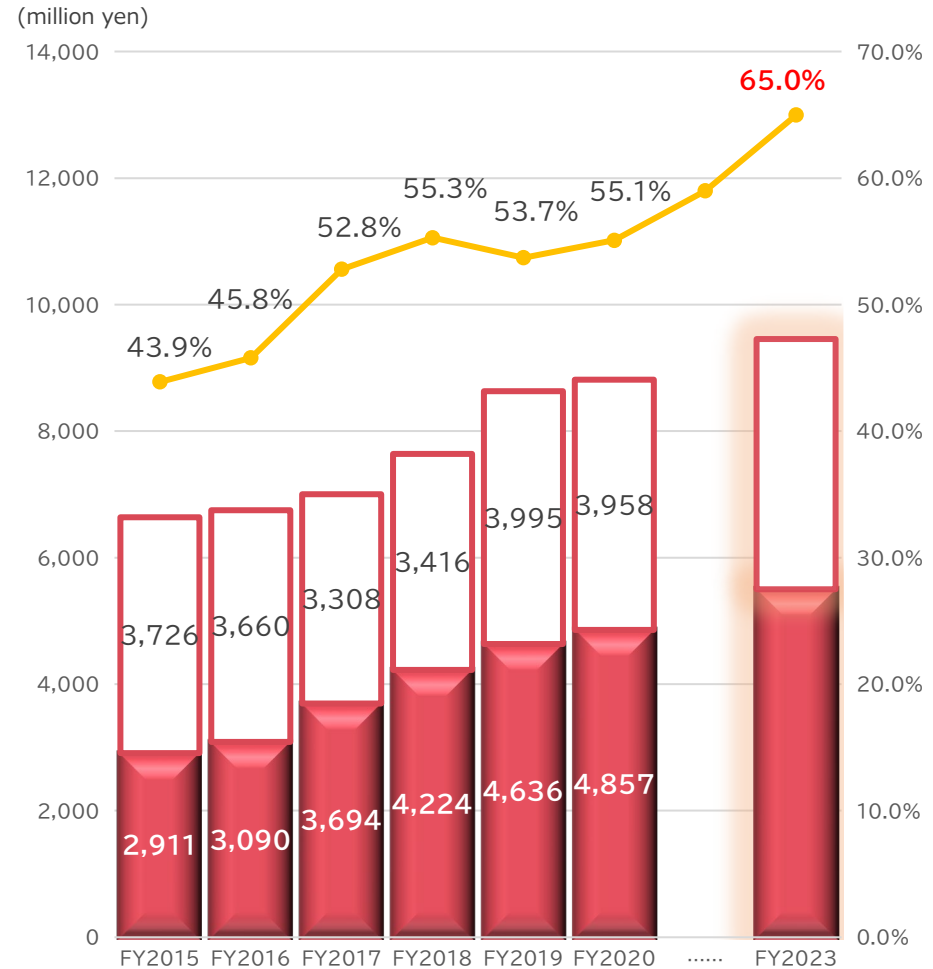


Information infrastructure



Stock Non stock Stock ratio

Application service



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



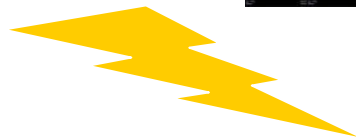
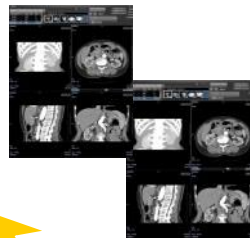
Point!

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



TechMatrix



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".

Point!

Enhancing the competitiveness of customers' businesses by CRM system.

- Contacts about products
- Contacts after purchase



Products



FastHelp5



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

Quick search !



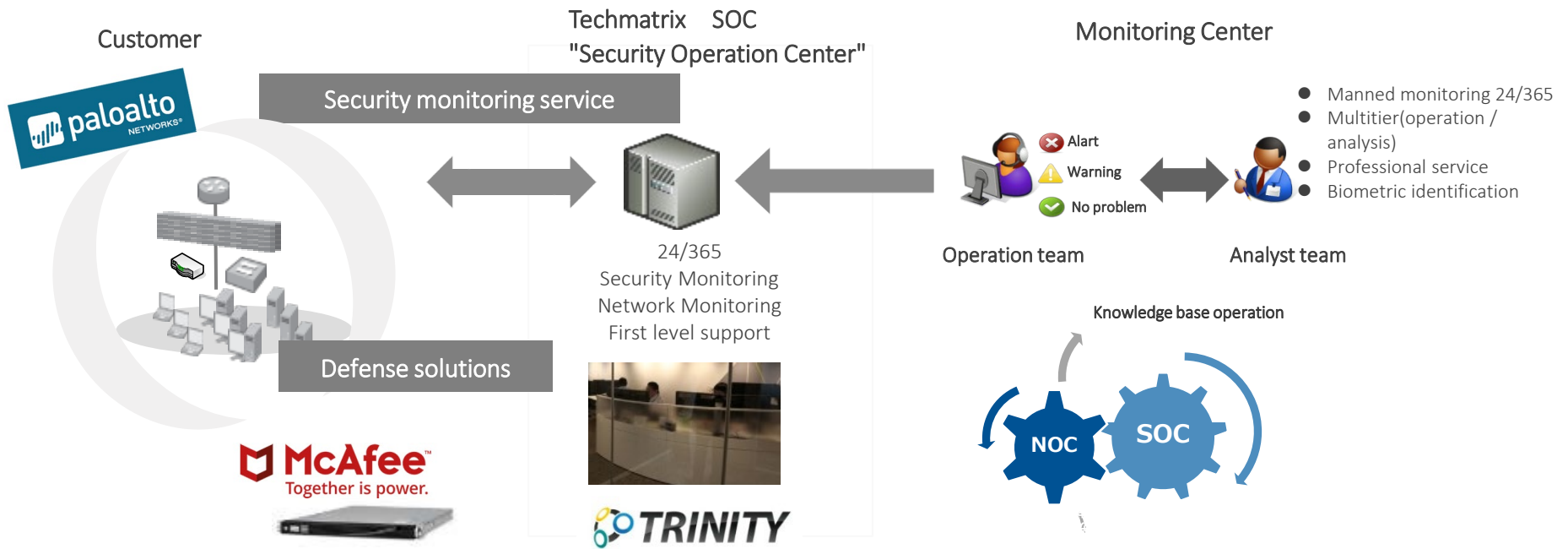
Quick response to the customers' Inquiries !



Improvement of customer satisfaction !



Point! One-stop solution from Techmatrix.



One-stop solution

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

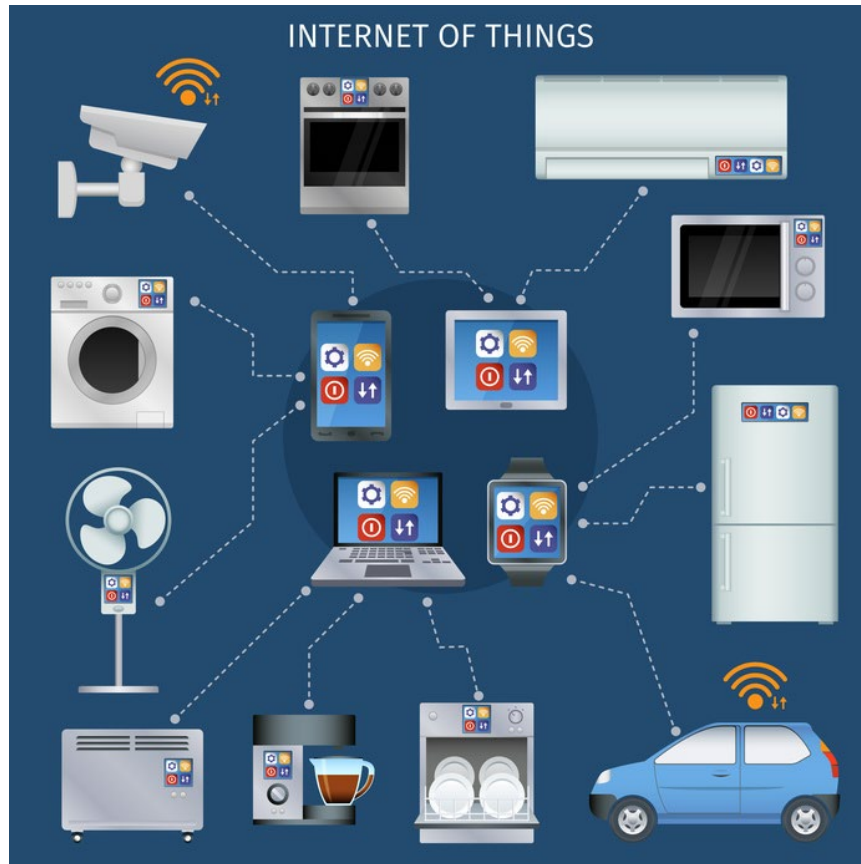
Professional service with expert knowledges

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.



- ▶ 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



Structural analysis

Visualization of Software architecture by source code analysis

Architecture analysis

Code structure analysis

dependency analysis

Refactoring support

Code analysis · Unit test

Early detection of problems

Bug detection

Maintainability of code

Unit test support

coverage measurement and analysis

Functional test

UI test automation
API testing and virtualization

UI test

Load test

API test

Service virtualization

Software development infrastructure

Provide the foundation for rapid deployment and project management

Test management

Configuration management

CI/CD

Project management

Open source software management

Visualization of risks arising out of the use of OSS

To detect OSS license in use

Vulnerability detection



Structural analysis

- Architecture analysis tool **Lattix**
- Source code analysis tool **Understand**

Code analysis · Unit test

- 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++

Functional test

- Automated tool for UI test
Ranorex
- Automated tool for API test
Parasoft SOAtest
- Service virtualization tool
Parasoft Virtualize

Software development infrastructure

- For CI/CD
CloudBees Jenkins
- Redmine plug-ins to extend functionalities for PM/PL
Lychee Redmine
- Test case management tool
TestRail

Open source software management

- To detect OSS licenses in use, vulnerability and risks arising out of the use of OSS
FOSSID

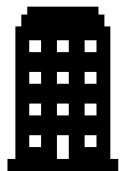
SOLUTION



Point!

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

Financial assets of individuals and companies



financial 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 . . .

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



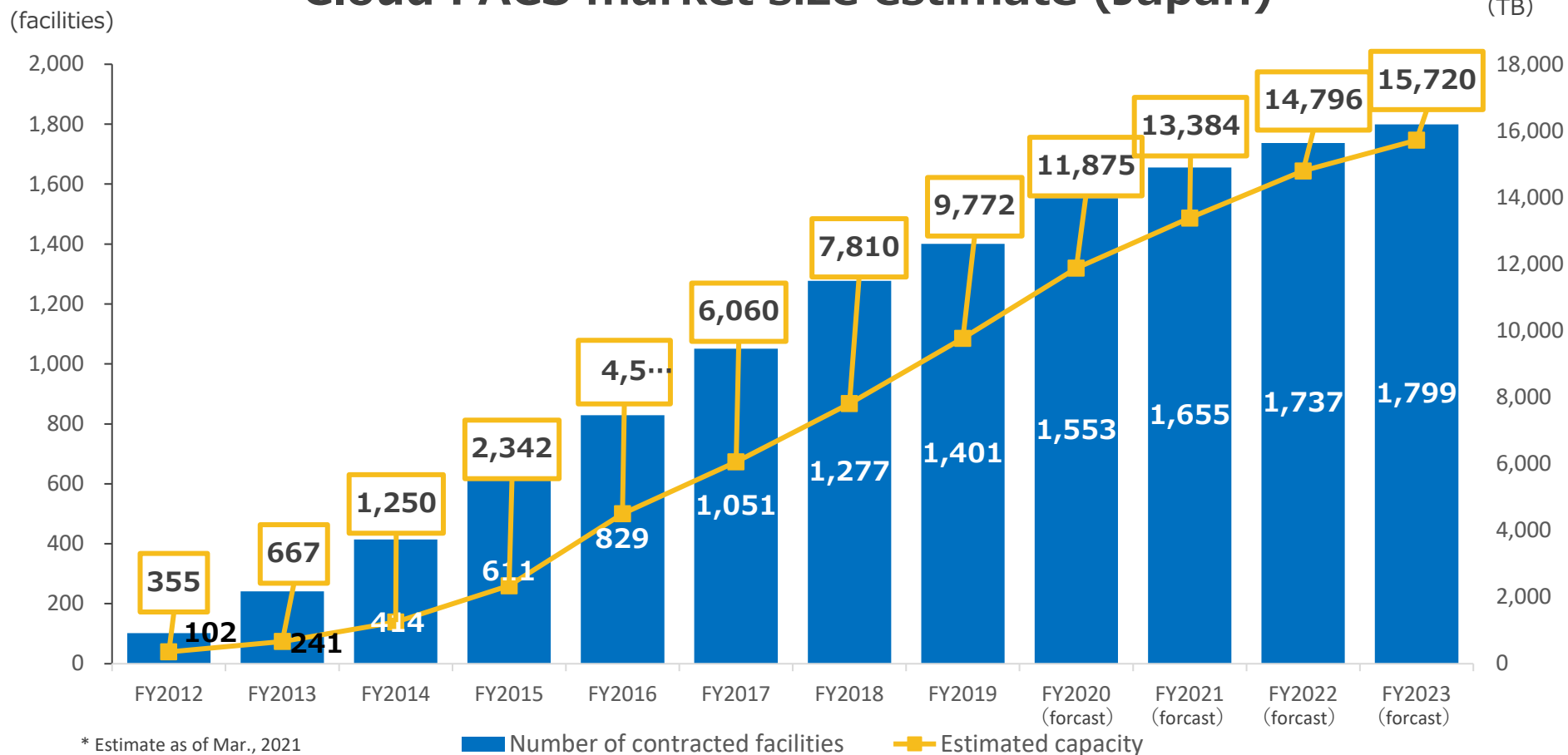
We measure various risks of financial assets (portfolio) using these systems.



5. Market Conditions for our business



Cloud PACS market size estimate (Japan)



◆ 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

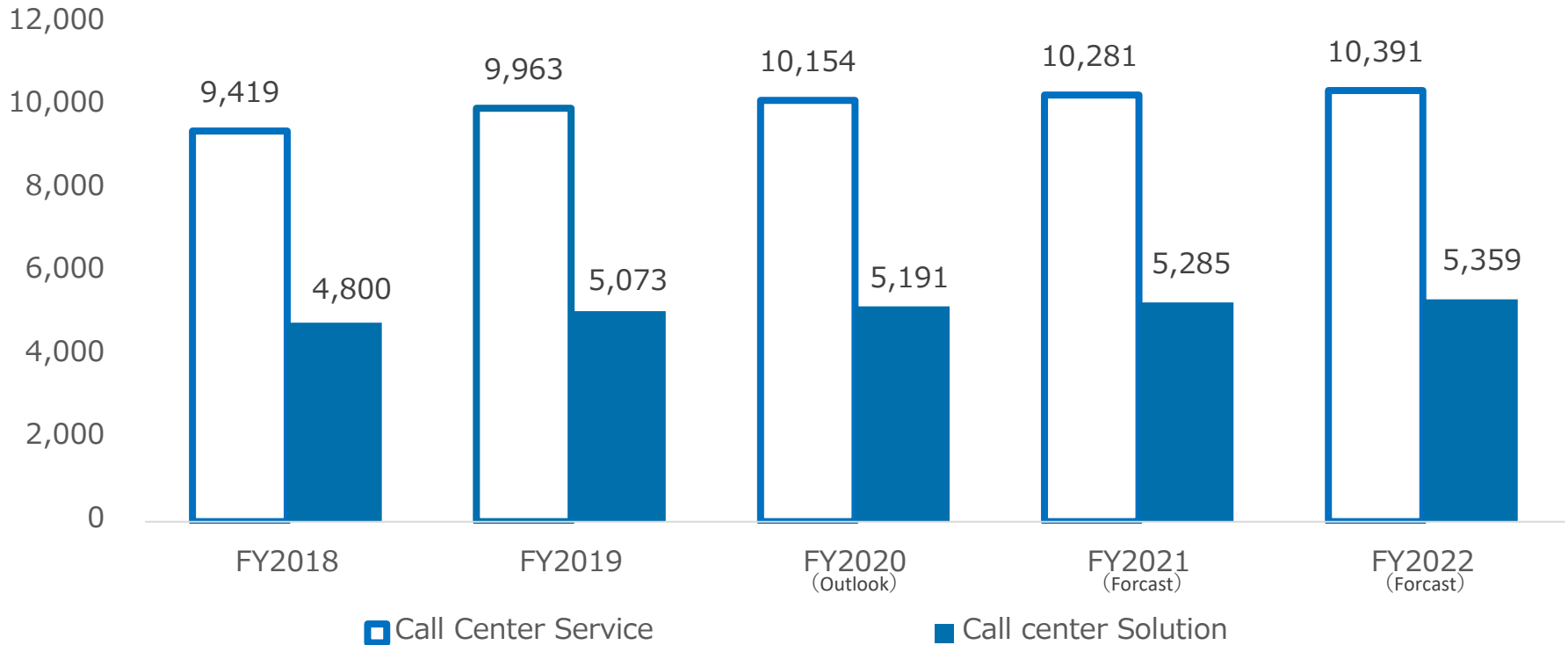
Cloud type	Brief summary	Feature	Configuration image	NOBORI
TYPE 1	Store both short term and long term data in a in-house server + data center (dual storage for all data)	Data back up in a data center Additional costs		—
TYPE 2	Store short term data in on-premise servers + long term data in a data center	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.



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

(Unit:Hundred Million Yen)



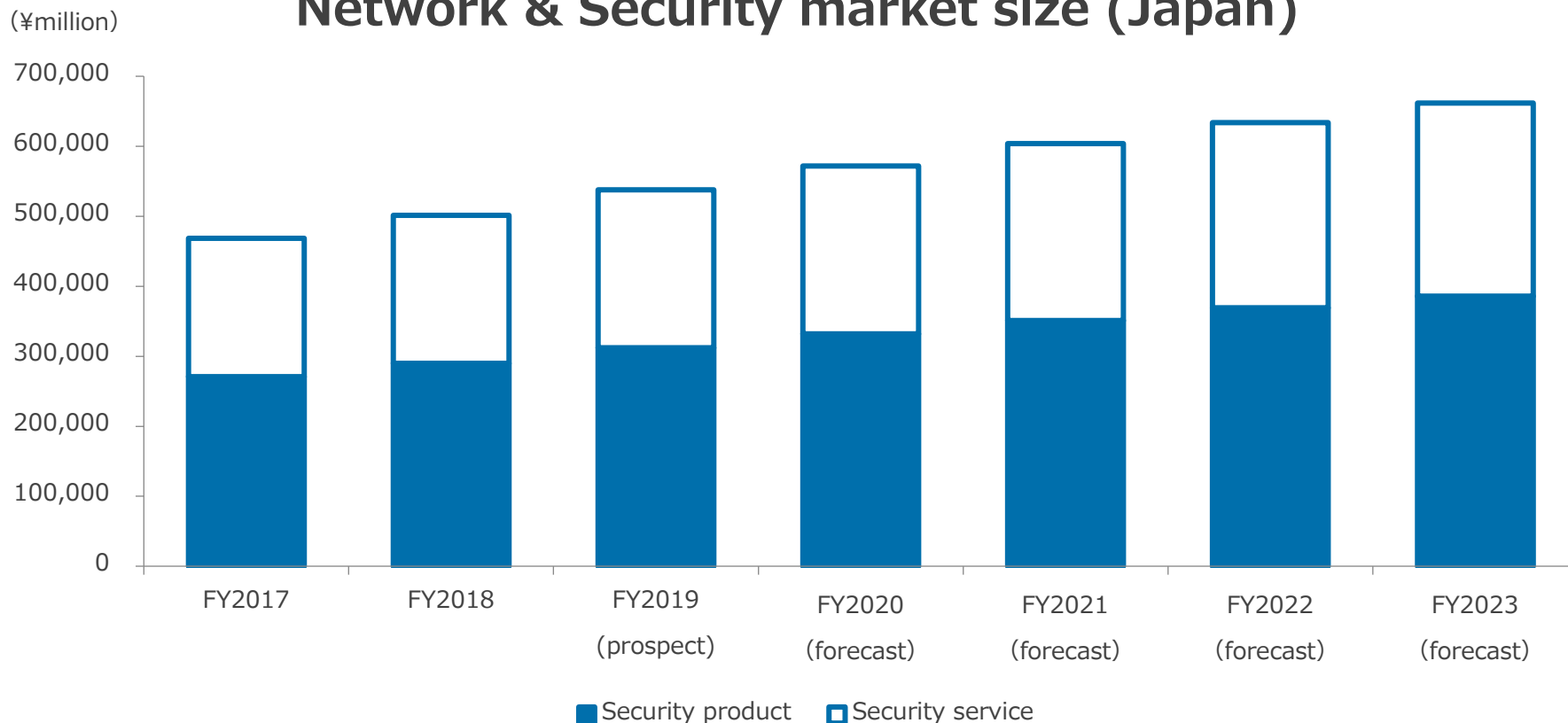
*Service provider's sales revenues. Estimate as of September., 2020

- ◆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"



Network & Security market size (Japan)



◆ 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.

<Contact>

TECHMATRIX CORPORATION Corporate Planning Department ir@techmatrix.co.jp