

Results for the 1st Quarter of 39th business period (Fiscal Year Ending March 31, 2023)



August 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 from 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 39th business period(Consolidated)
2. Topics of Business activities
3. Forecast for Fiscal Year ending March31, 2023
4. Medium-Term Management Plan “BEYOND THE NEW NORMAL”



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



- The **highest** consolidated revenue, operating profit, profit before tax and profit attributable to owners of the parent.
 - **Information Infrastructure Business :**
Increasing demands for cloud-based security products.
 - **Application Service Business :**
 - In the Software Quality Assurance field, bookings were strong. However, the shift to subscriptions is progressing and recognition of revenue and operating profits are being deferred over the period of terms of contracts..
 - In the EdTech field, aggressive investment is ongoing for new customer acquisition.
 - **Medical System Business :**
PSP's medical imaging system (PACS) is doing well after the business integration. The shift from On-premise-based PACS to cloud-based PACS is just about to start.

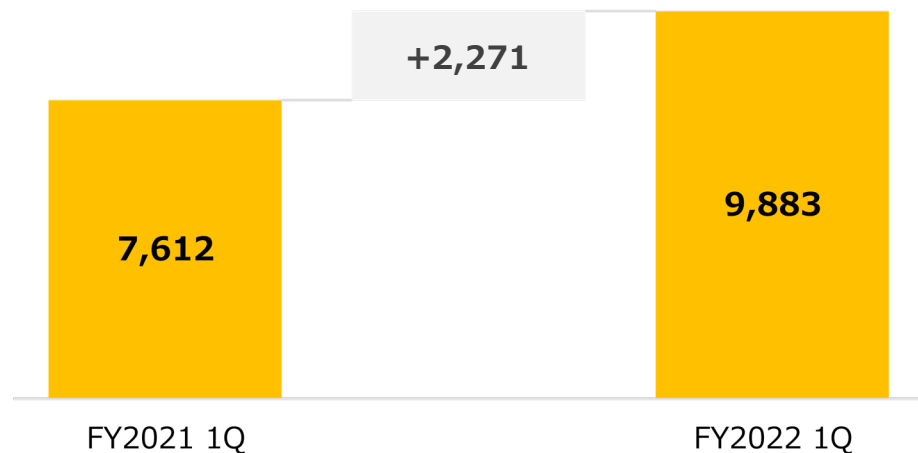
(¥million)

	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Revenue	7,612	9,883	+2,271 (+29.8%)
Operating profit	647	897	+250 (+38.6%)
Profit before tax	648	909	+261 (+40.3%)
Profit attribute to owners of parent	427	502	+75 (+17.5%)



Revenue

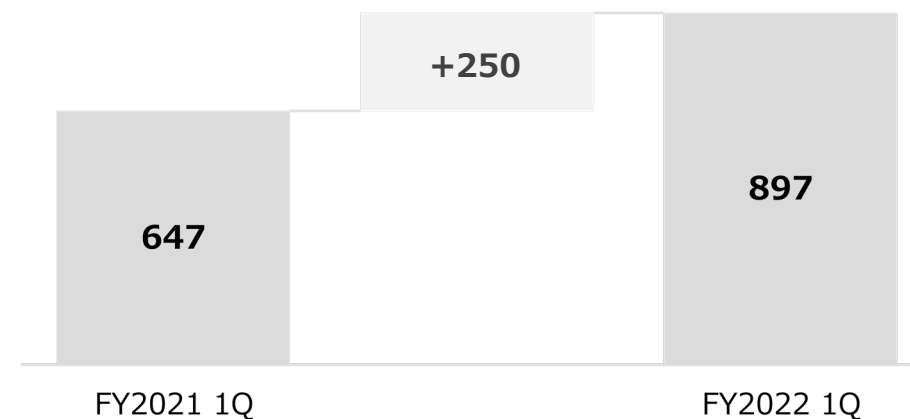
(¥million)



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Operating profit

(¥million)

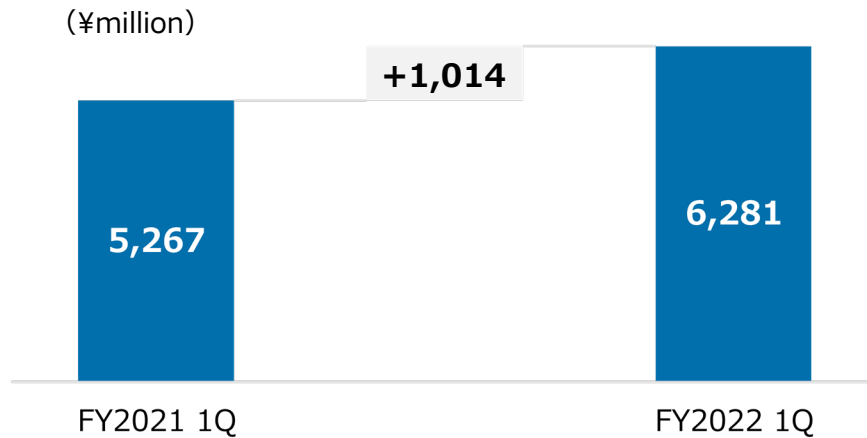


	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Operating profit	647	897	+250 (+38.6%)



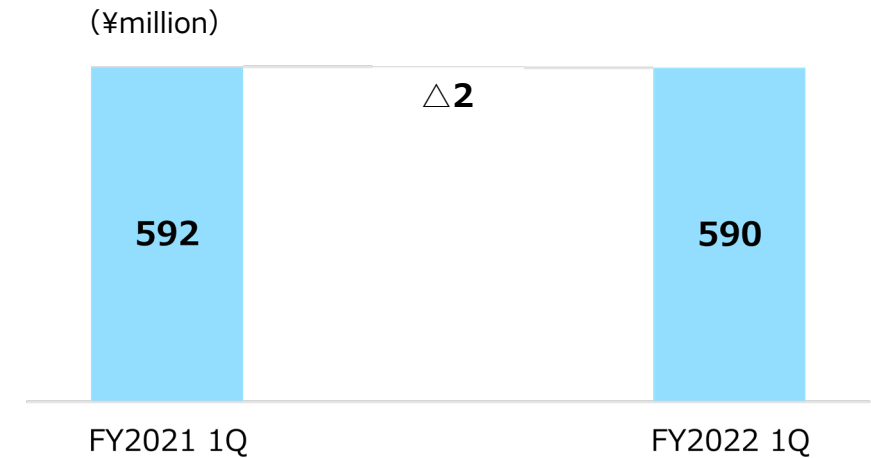
- The **highest** consolidated revenue. Operating profit decreased YoY.
 - (+) Increasing demands for subscription-based cloud-based security products.
 - (+) Increased revenue and operating profit for TechMatrix Premium Support (TPS), which is TMX's integrated security monitoring services.
 - (-) Operating profit declined slightly YoY due to the impact of the weaker yen, increase of personnel and SG&A expenses, and aggressive investments in building the best practice to utilize cloud-native technologies as a new business called "TechMatrix NEO".

Revenue



	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Revenue	5,267	6,281	+1,014 (+19.3%)

Operating profit



	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Operating profit	592	590	Δ2 (Δ0.3%)



• Revenue and operating profit decreased YoY.

CRM field :

(-) Projected revenue and operating profits were achieved despite deferred recognition of revenue and operating profits due to the shift to subscriptions.

Software quality assurance field :

(+) Demands on quality testing tools for enterprise systems and embedded software remained steady.

(-) Recognition of revenue and operating profits are being deferred over the period of terms of contracts.

Business solution field :

(-) Operating profit decreased YoY due to delay in bookings.

Edtech field :

(+) Increased revenue due to the increase of number of schools using "tsumugino".

(-) Negative operating profit due to the aggressive investment into new customer acquisition.

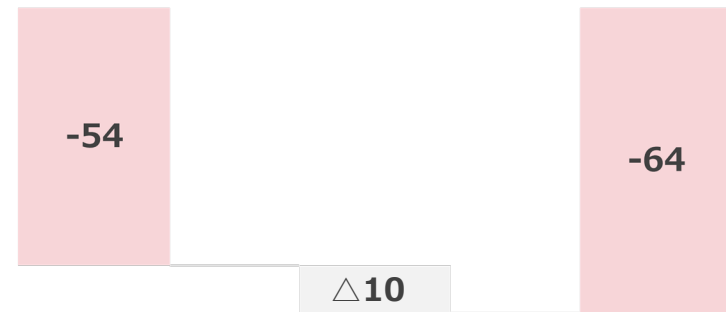
(¥million) **Revenue**



FY2021 1Q FY2022 1Q

	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Revenue	1,605	1,593	△12 (△0.8%)

(¥million) **Operating profit**



FY2021 1Q FY2022 1Q

	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Operating Profit	△54	△64	△10 (△19.1%)

※FY2021 1Q figures for the Application Services business do not include figures for the medical field.

Medical System Business Unit was spun off from the Application Services Business Unit in FY2022.

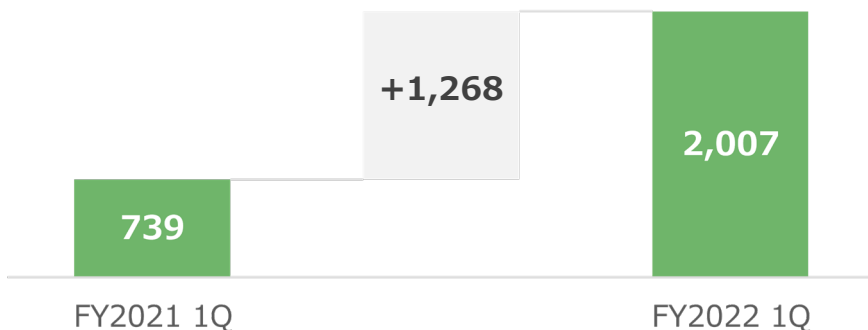
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- Revenue and operating profit increased YoY.
 - (+) NOBORI, a medical information cloud service and PHR application, performed well.
 - (+) PSP's medical imaging system (PACS) is doing well after the business integration. The shift from On-premise-based PACS to cloud-based PACS is just about to start.
- Medical System Business Unit was spun off from the Application Services Business Unit in FY2022.

Revenue

(¥million)



	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Revenue	739	2,007	+1,268 (+171.4%)

Operating profit

(¥million)



	FY2021 1Q	FY2022 1Q	Change in amount (Rate of change)
Operating Profit	109	371	+262 (+239.1%)

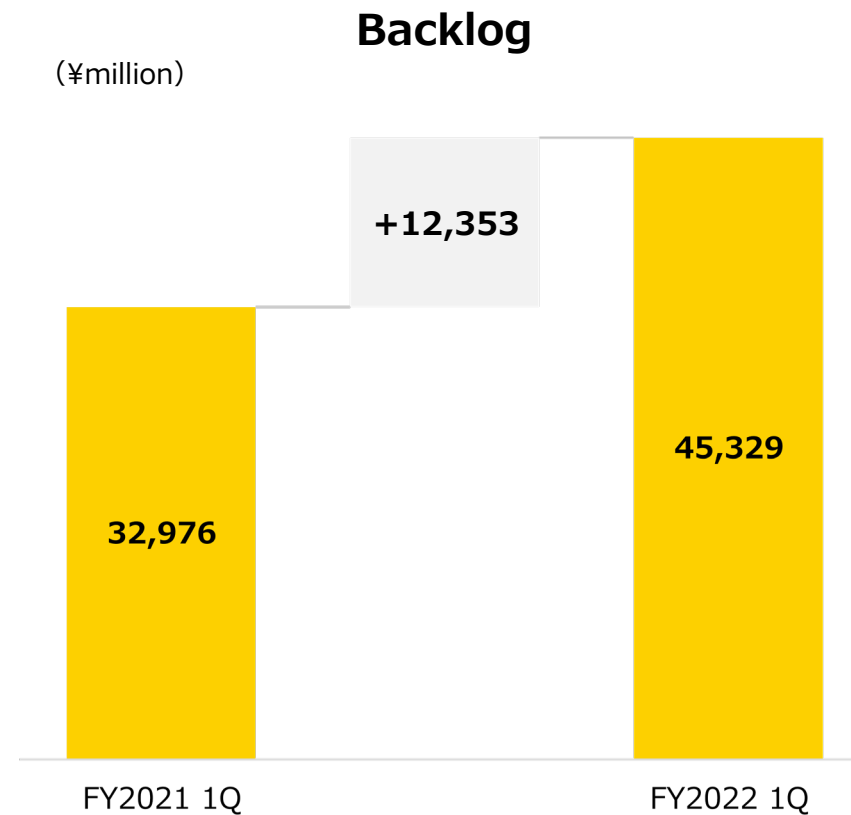
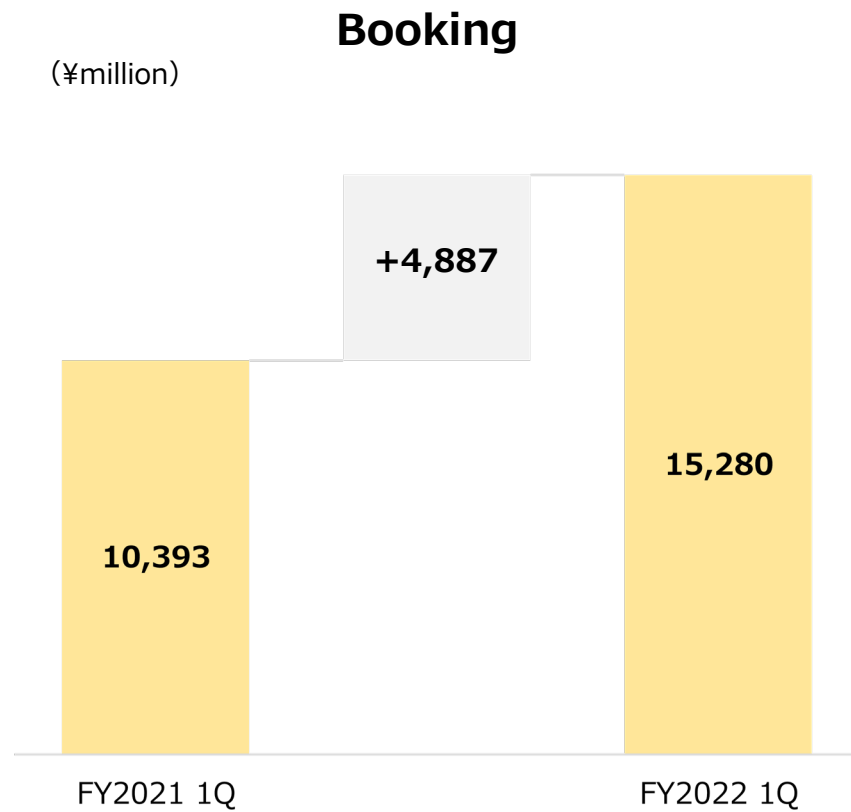
※FY2021 1Q results for medical systems business are the sum of former NOBORI, ICHIGO, and A-Line. FY2022 1Q results are the sum of new PSP, ICHIGO, and A-Line.



Booking and Backlog for FY2022 1Q (Consolidated)

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

Company-wide total

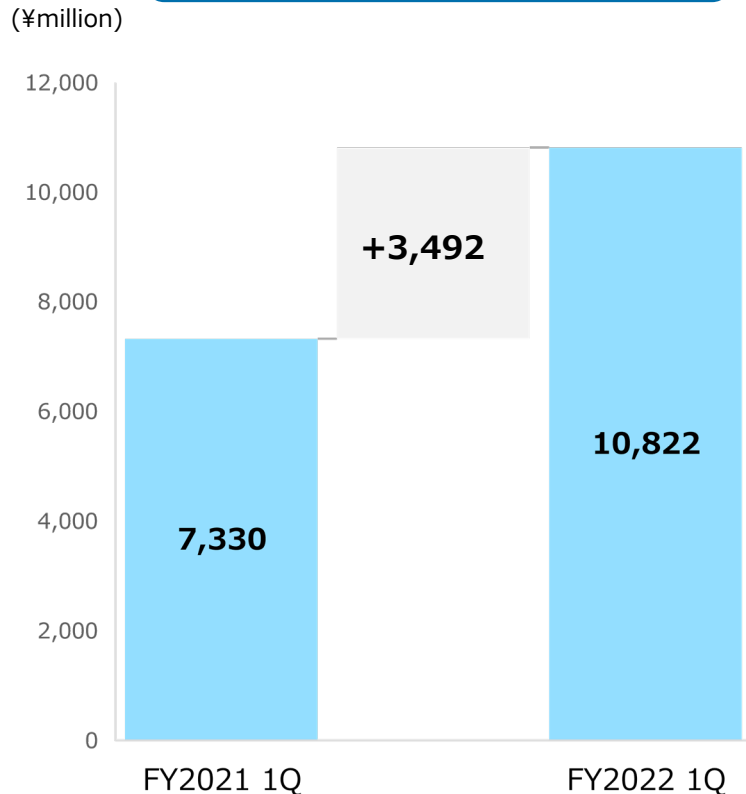




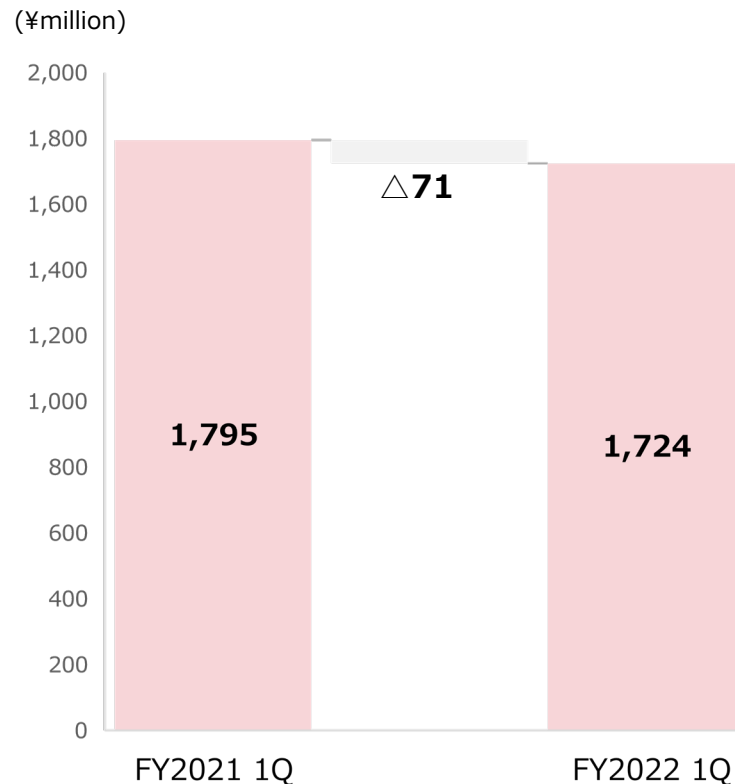
Booking by Segment for FY2022 1Q (Consolidated)

- Information Infrastructure Business : Increasing demands for cloud-based security products.
- Application Services Business : Decrease YoY due to delay in bookings as a result of signing separate contracts for multiple phases of large development projects.
- Medical System Business : Strong bookings for PACS.

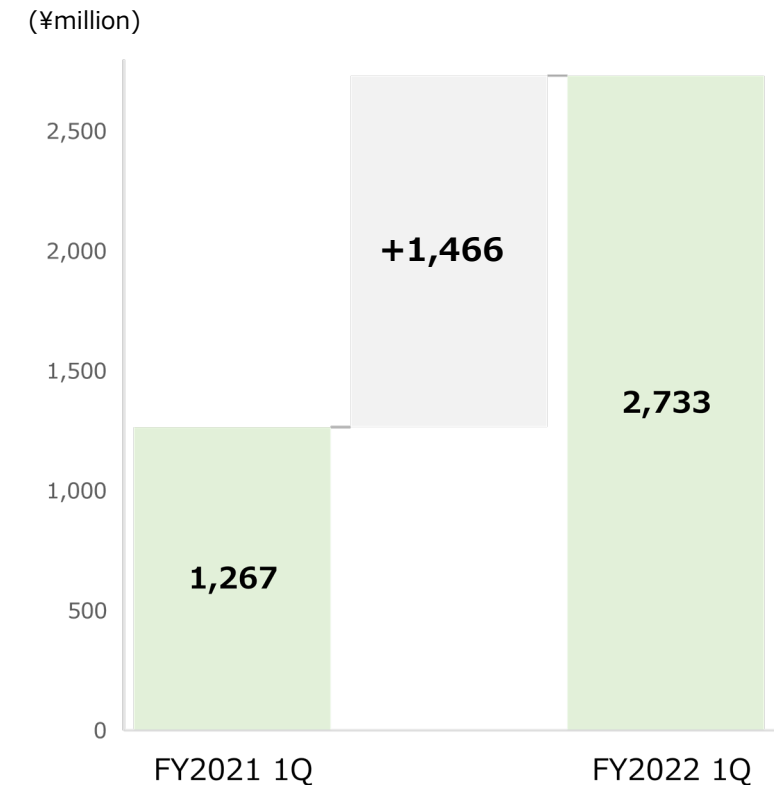
Information Infrastructure Business



Application Services Business



Medical System Business



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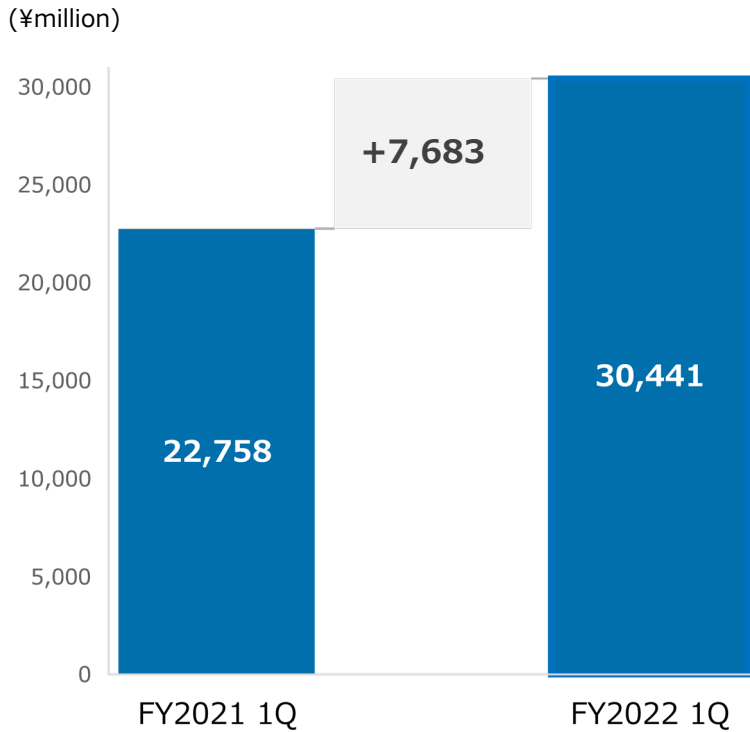
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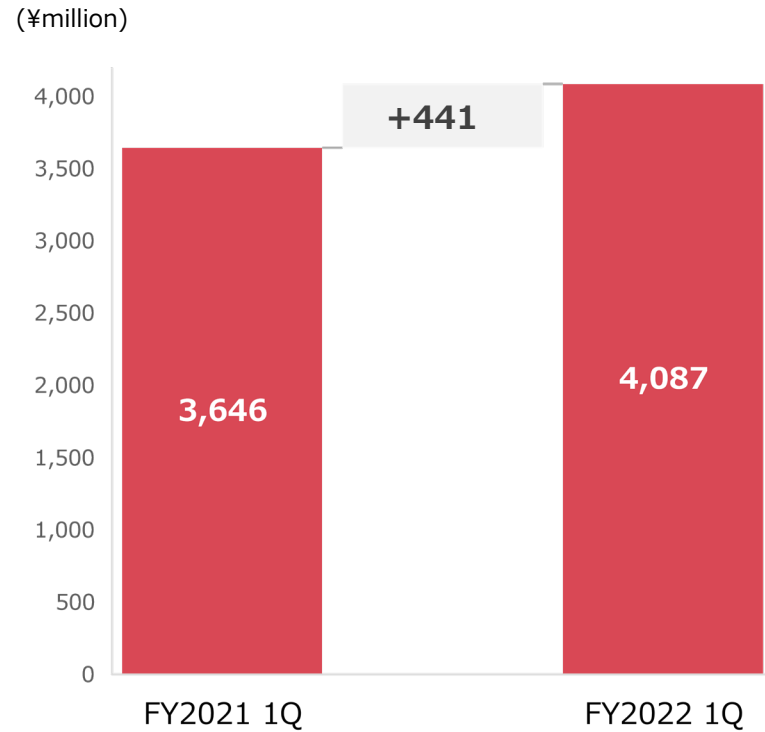
Backlog by Segment for FY2022 1Q (Consolidated)

- In increasing tendency due to shift to subscription (strengthening stock business).

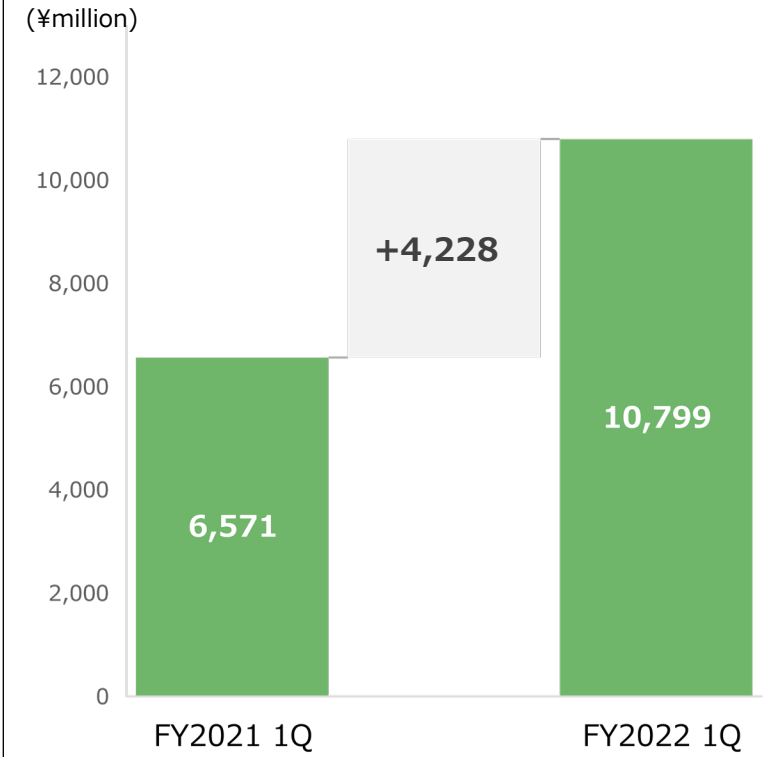
Information Infrastructure Business



Application Services Business



Medical System Business



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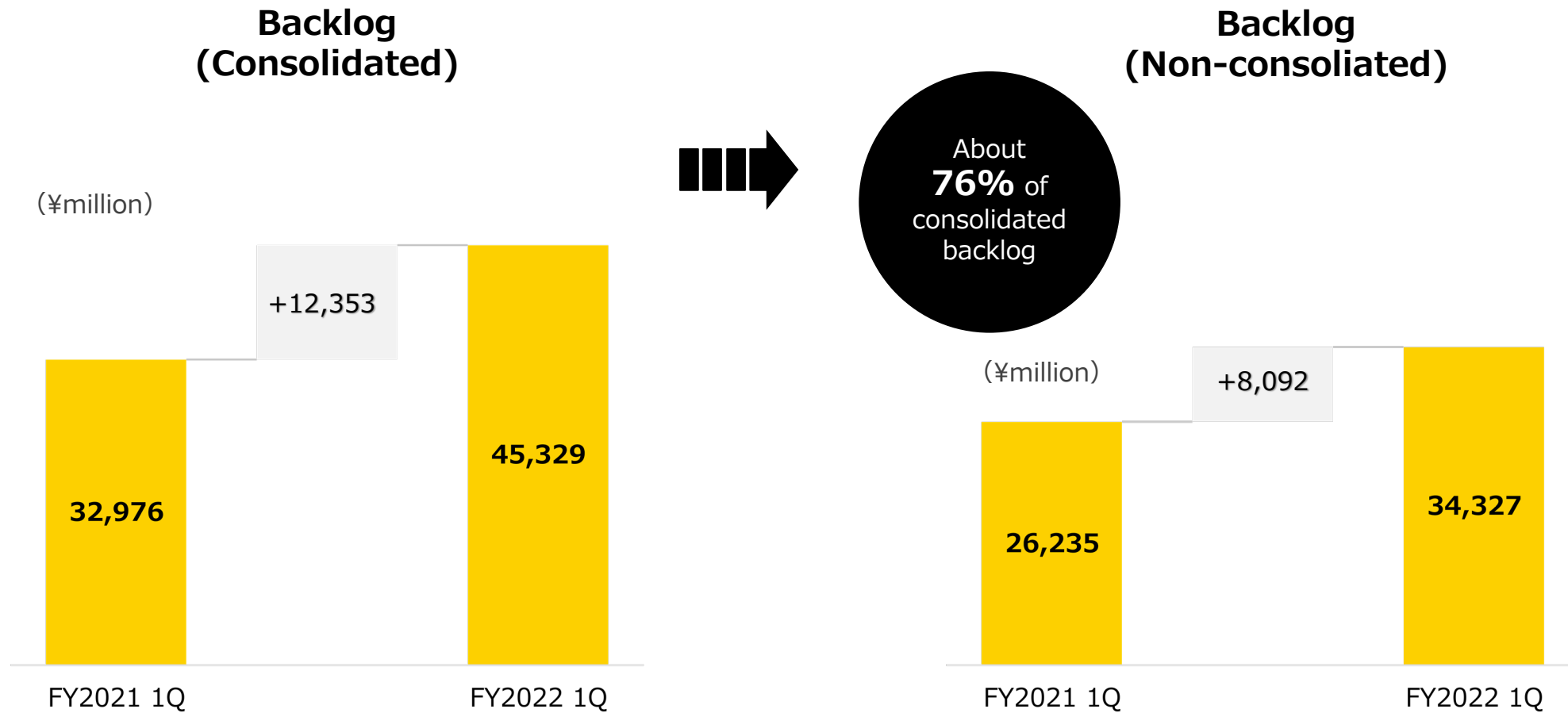
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Backlog for FY2022 1Q (Non-consolidated)

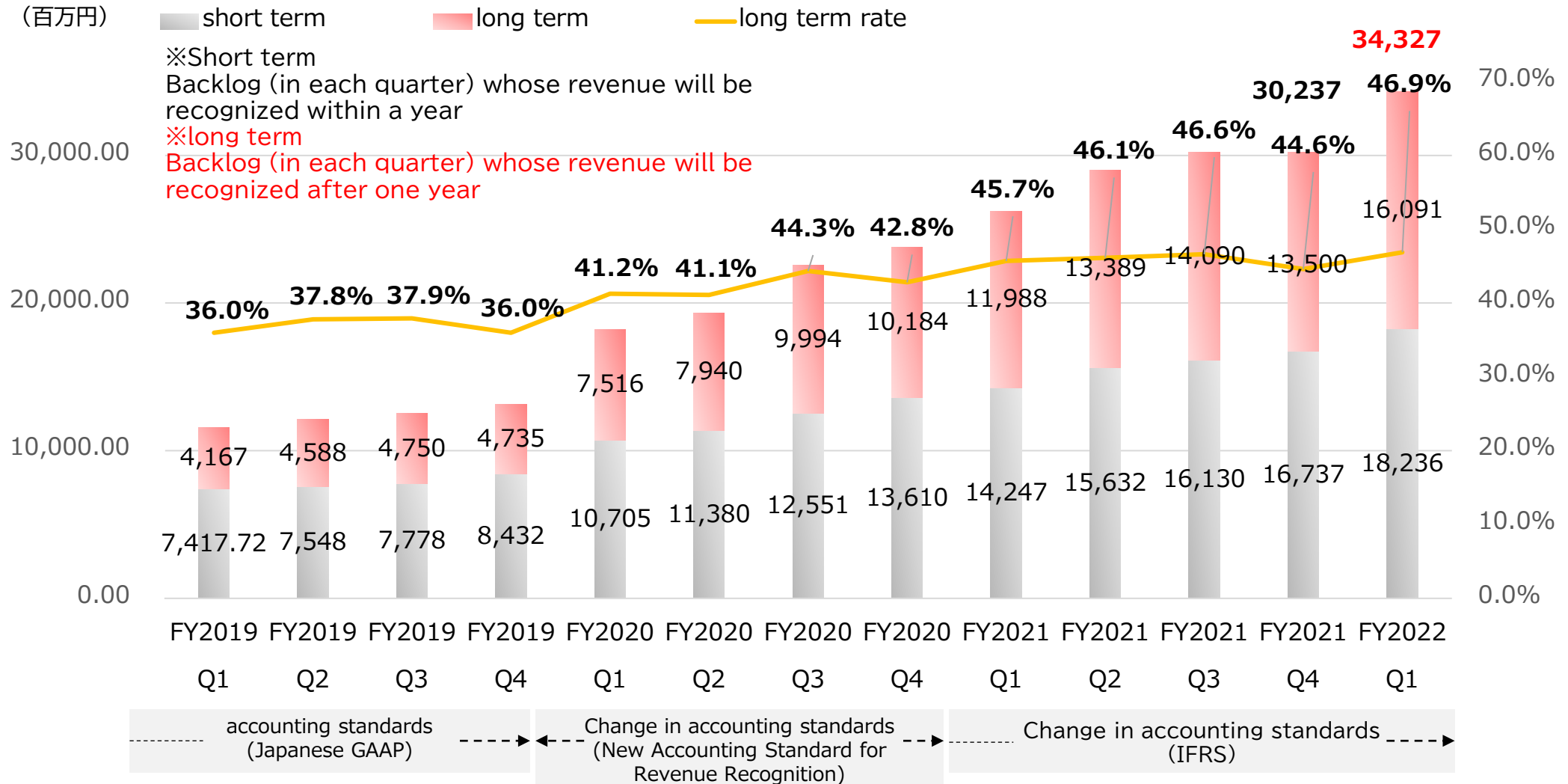
- Consolidated and non-consolidated (TechMatrix only) backlogs are as follows.





Backlog for FY2022 1Q (Non-consolidated)

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





Information Infrastructure Business		YoY
Load balancers (BIG-IP, NGINX)	<ul style="list-style-type: none"> Sales increased YoY despite a delay in the timing of sales booking due to delivery delays caused by a shortage of semiconductors for some products. Sales of web server software (middleware) increased. 	
Next-Generation Firewall / SASE / XDR / SOAR (Palo Alto's Strata, Prisma and Cortex)	<ul style="list-style-type: none"> Increased revenue for cloud-based security products. 	
Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security	<ul style="list-style-type: none"> Increased revenue for cloud-based security products and secure web gateway. 	
Personal authentication systems / Forensic products / Storage products	<ul style="list-style-type: none"> Decrease in storage products due to the negative repercussion from the large-scale projects recorded in 1Q of the previous fiscal year. 	
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 / EDR / Mail security	<ul style="list-style-type: none"> Sales for Cyber Hygiene product (Tanium) and Mail security product (Proofpoint) increased. 	
CROSS HEAD & OCH	<ul style="list-style-type: none"> CROSS HEAD : Although some projects with major SI companies were postponed due to the shortage of semiconductors, they remained on track as planned. OCH : Increased year-on-year due to the shift to subscriptions. 	

+10% and over
 +5% ~ +10%
 within±5%
 within△10%
 under△10%



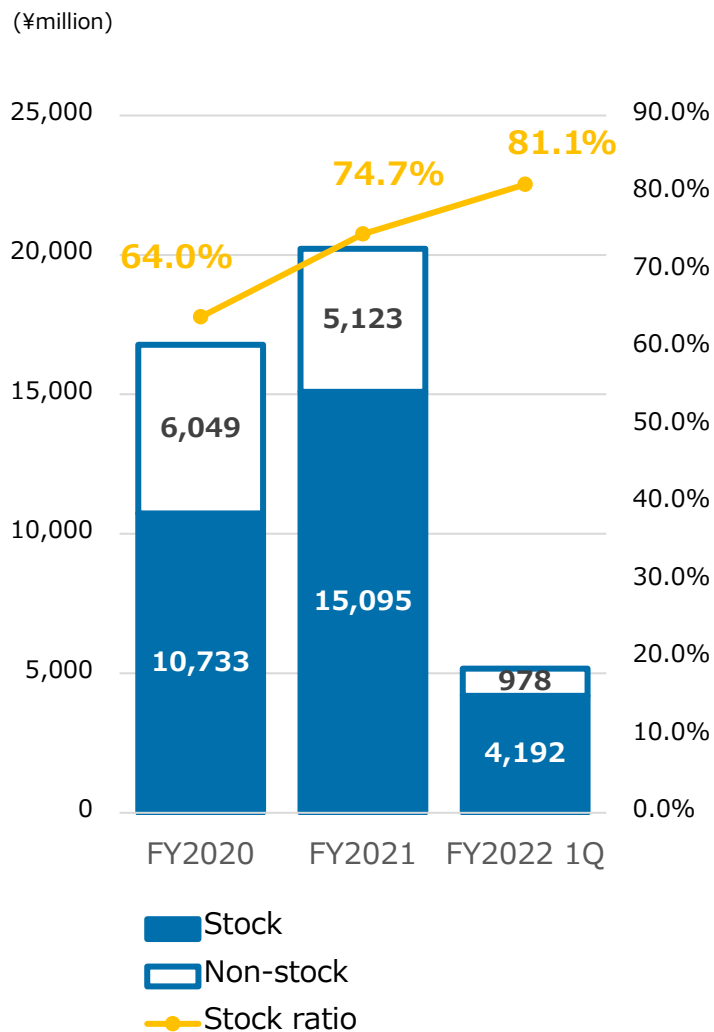
Weather chart by Segment (Based on revenue) for FY2022 1Q

Application Services Business		YoY
Business Solution field (Including CASAREAL and IDAY)	<ul style="list-style-type: none"> In the Business Solution field, revenue increased YoY, even though the projected revenue was not achieved due to a delay in bookings. CASAREAL increased revenue YoY due to strong demands on training for new technicians. IDAY decreased YoY due to delays in bookings. 	
Software Quality Assurance field	<ul style="list-style-type: none"> Demands on quality testing tools for enterprise systems and embedded software remained steady. Recognition of revenue and operating profits are being deferred over the period of terms of contracts. 	
CRM field	<ul style="list-style-type: none"> Projected revenue and operating profits were achieved despite deferred recognition of revenue and operating profits due to the shift to subscriptions. 	
EdTech field	<ul style="list-style-type: none"> Deployment to well-known private schools that offer advance education and to small public schools progressed as planned. 	
Medical System Business		YoY
PSP	<ul style="list-style-type: none"> Increase in number of new contracts, renewals and replacements for PACS 	
Ichigo	<ul style="list-style-type: none"> Maintained stable sales growth for teleradiology and telepathology and exceeded the plan. 	
A-Line	<ul style="list-style-type: none"> Although the willingness of medical institutions to invest in procurement of radiation dose management systems has been stagnant, the company's performance has been generally in line with original plans. in line with plans. 	

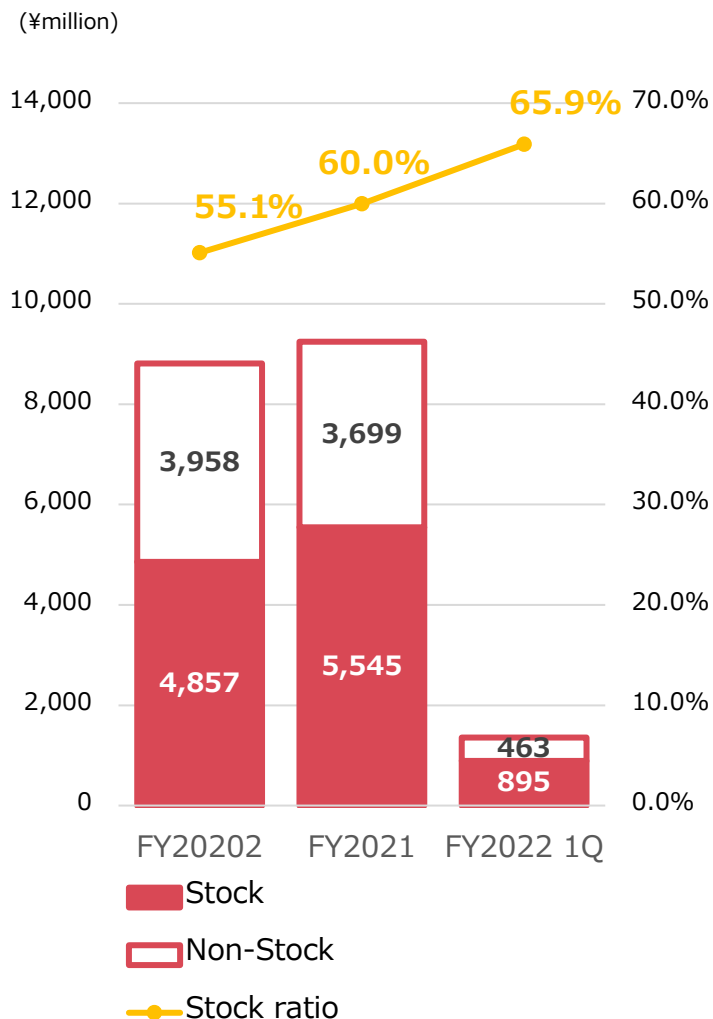
+10% and over
 +5% ~ +10%
 within ±5%
 within Δ10%
 under Δ10%



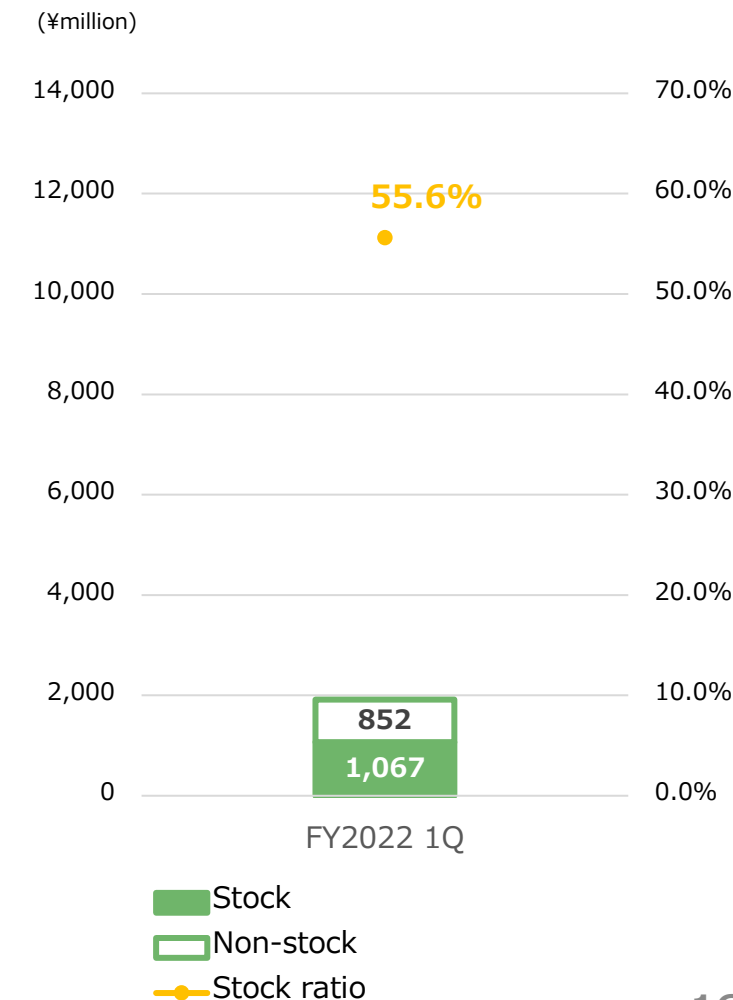
Information Infrastructure Business



Application Services Business



Medical System Business



- “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)

	FY2021	FY2022 1Q		FY2021 1Q	FY2022 1Q
Total current assets	42,267	43,610	Total current liabilities	27,989	28,954
Cash and cash equivalents	18,155	19,727	Trade and other payables	2,158	1,548
Trade and other receivables	5,925	3,704	Borrowings	595	595
Other current assets	18,186	20,178	Other current liabilities	25,236	26,810
Total non-current assets	10,235	10,676	Total non-current liabilities	4,311	4,177
Property, plant and equipment	3,506	3,395	Borrowings	500	450
Goodwill	171	171	Other non-current liabilities	3,811	3,727
Intangible assets	1,752	1,850	Total liabilities	32,301	21,155
Other non-current assets	4,805	5,258	Share capital and Capital surplus	6,159	5,884
			Treasury shares	△975	△974
			Retained earnings	11,149	11,132
			Other components of equity	685	769
			Total equity attributable to owners of parent	17,018	16,812
			Non-controlling interests	3,183	4,343
Total assets	52,503	54,286	Total liabilities and equity	52,503	54,286



2. Topics of Business activities



Purpose of business integration①

Integration / Aggregation

NOBORI Ltd.
TechMatrix Group

PSP 株式会社
Public and social system Solution Provider



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



Purpose of business integration②

- Promotion of Cloud PACS business
- Unifying business models as a part of the business integration

Point !

Concentrating and optimizing resources for cloud services in phases

Product types



**NOBORI products:
Cloud services**



**PSP products:
On-premise**



**(New) PSP products:
Cloud services**
(Shifting to the cloud in phases)

- ✓ **Fully integrating** the products **in phases** (targeting completion by April 2026)
- ✓ Shifting to **unified monthly subscription models**



New collaborations and alliances

① Collaboration with Canon Medical Systems Corporation

Providing optimized reading support solutions by combining technologies to help diagnostic radiologists make accurate diagnoses

- Canon Medical Systems
 - AI-based analysis technologies
 - 3D processing technologies
- PSP
 - DICOM viewer software
 - Cloud-based Picture Archiving and Communication System (PACS)

② Alliance with Splink, Inc. and Millennia Corporation

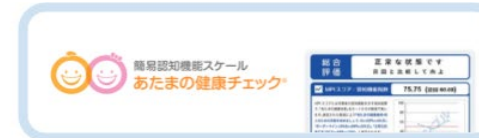
Started to provide Brain Healthcare Program™ that visualizes brain health

- Splink
 - Brain Life Imaging® (AI-based brain checkups program)
- Millennia
 - Check of Head Health® (A simple cognitive function scale)
- PSP
 - NOBORI (An app to manage medical information)

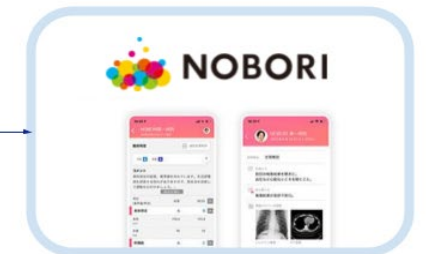
Structural changes (in the brain structure)



Functional changes (in cognitive functions)



Medical information management with PHRs



Brain Healthcare Program



Brain Healthcare Program™

Visualizes brain health by using AI-driven image analysis, cognitive function scales, and personal health records (PHRs) together.

A total prevention solution that can be accessed anytime, anywhere via smartphones.

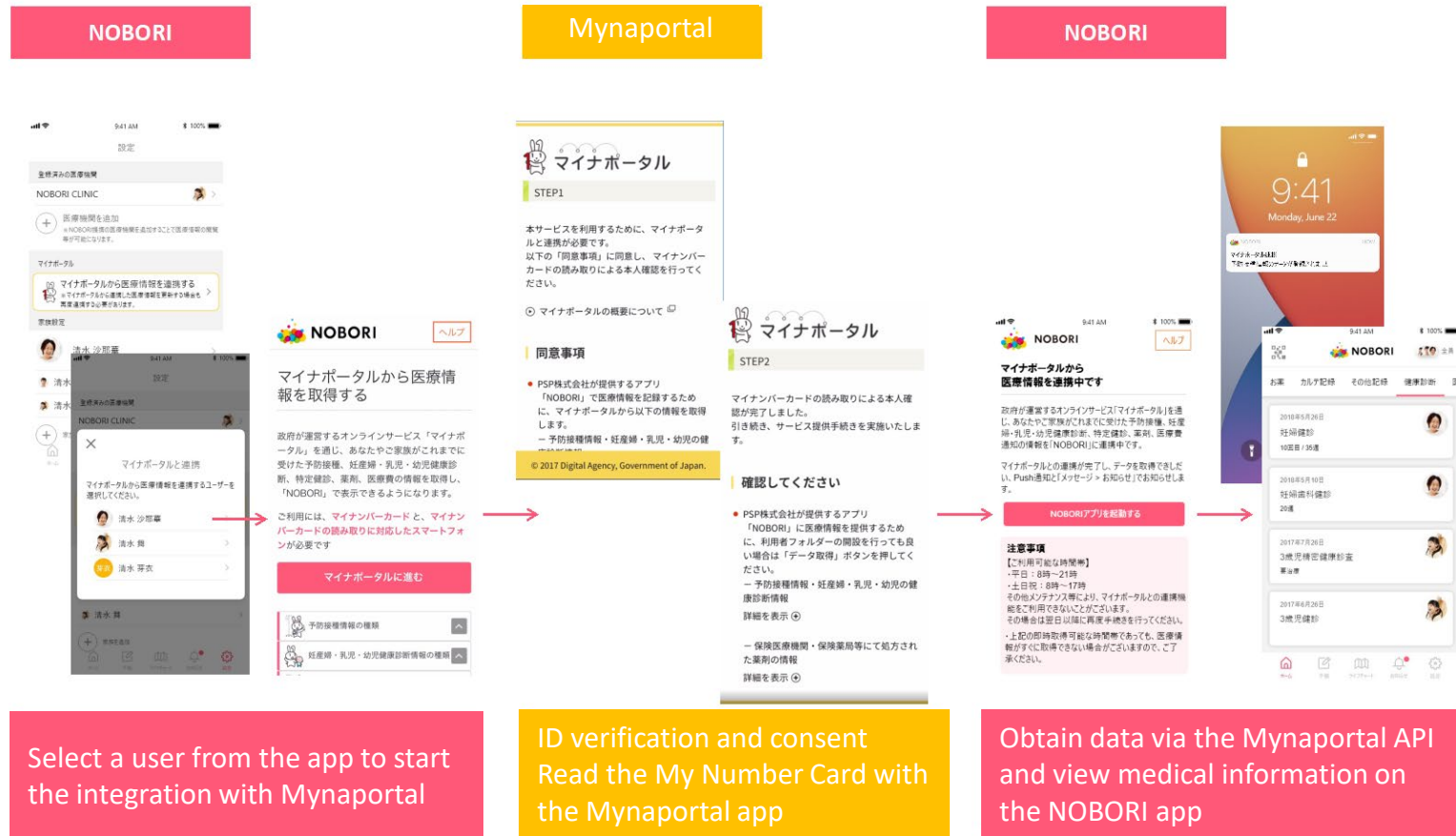
New collaborations and alliances

③ Integration with Mynaportal, a service run by the Japanese government

By integrating with the Mynaportal API, medical information managed by government agencies can be obtained, and then viewed and stored within the NOBORI app—a PHR app from PSP.

Available information:

- Vaccinations
- Health checkups for expectants, nursing mothers and infants
- Health screenings for people aged 40 to 74
- Medicines
- Medical expenses



Select a user from the app to start the integration with Mynaportal

ID verification and consent
Read the My Number Card with the Mynaportal app

Obtain data via the Mynaportal API and view medical information on the NOBORI app



The Global Personal Health Record Software Market size is expected to reach \$13.2 Million by 2027

Market Growth Factors

Increasing government initiatives across the globe

There are growing government initiatives across various regions to promote the paperless healthcare mechanism. The burden of carrying multiple papers or prescriptions for availing any health care facilities has led patients to opt for personal health record software.

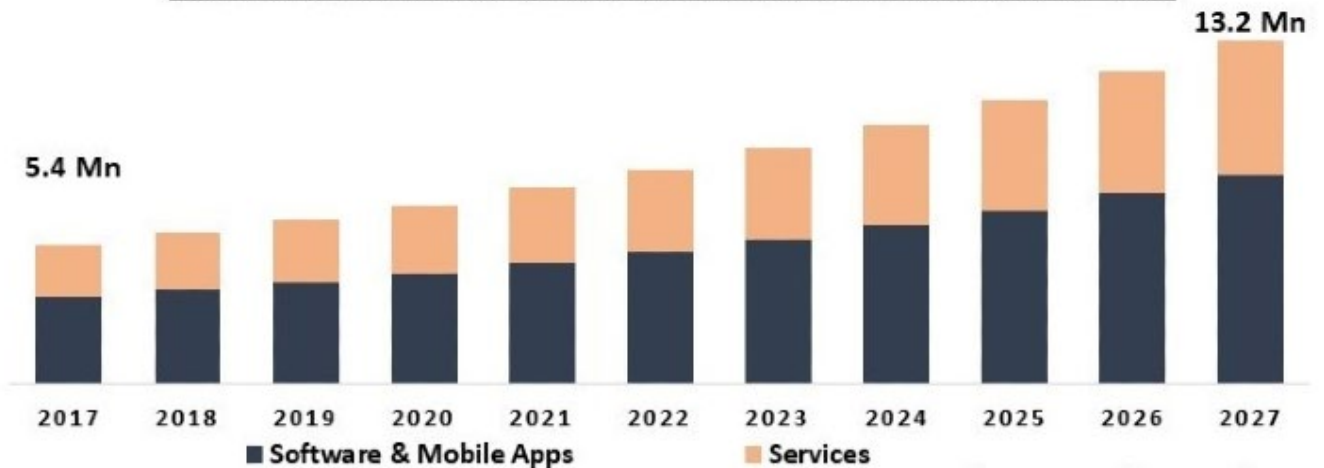
Growing digitalization in the healthcare industry

The increasing digitalization across the globe, especially in the healthcare sector is creating demand for more advanced, compact, and convenient technologies and solutions, which is estimated to fuel the demand for personal health record software. This software helps in keeping the health record of a person that includes a wide variety of information like doctor and patient’s address, an allergy to the patient, etc., which improves the healthcare management.

Source : Global Information, Inc.

“Global Personal Health Record Software Market By Component (Software & Mobile Apps and Services), By Architecture Type (Payer Tethered, Standalone and Provider Tethered), By Deployment Mode (Web-based and Cloud-based By Regional Outlook, Industry Analysis Report and Forecast, 2021 - 2027 ” (KBV Research)

Personal Health Record Software Market Size, By Component, 2017 - 2027



Source: www.kbvresearch.com

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.

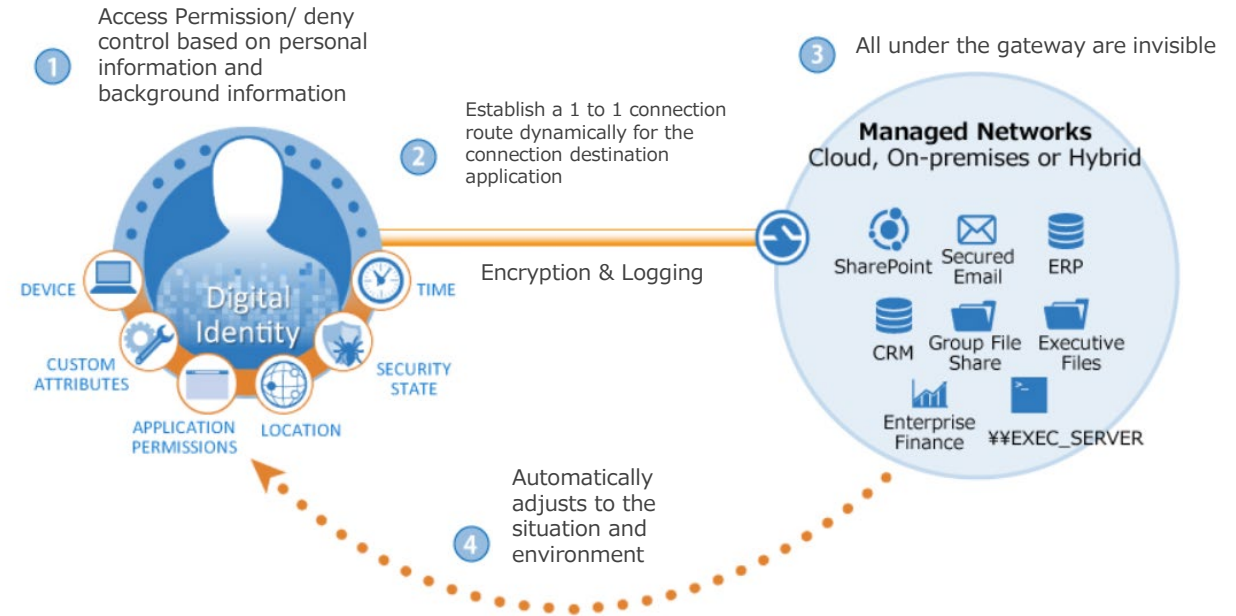
Point ! 📌

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

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

Significance of unified security policy

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

Point ! 

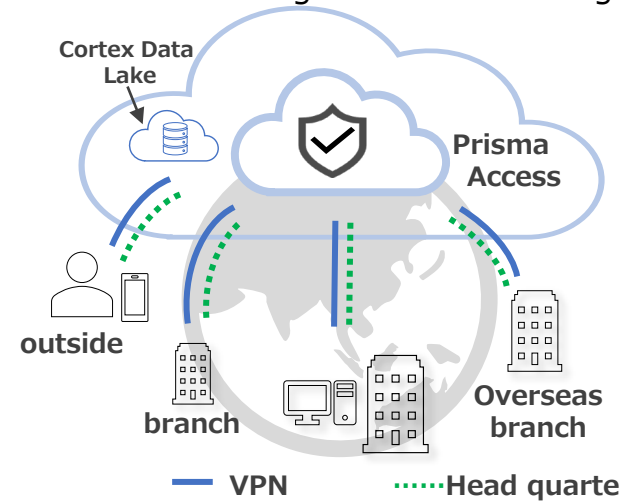
Providing security services independent of location, device...etc.

SASE (Secure Access Service Edge)

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

Palo Alto Networks Prisma Access

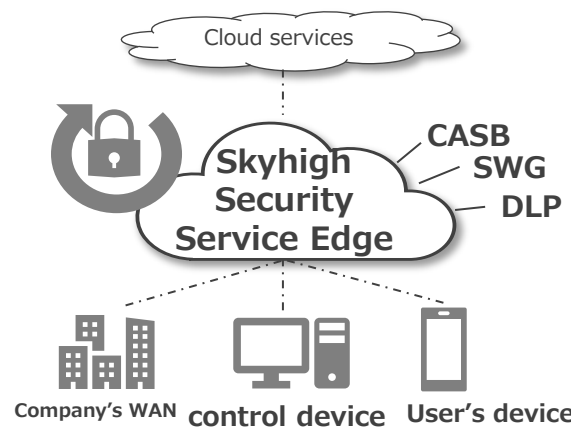
~ Providing functions of next generation fire wall on cloud~



- Protecting multiple offices and mobile user... by unified security policy of next generation fire wall on cloud.
- No equipment installation.

Skyhigh Security Service Edge (SSE)

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



- Data loss prevention in cloud native environments, which can't be detected from enterprise LAN.
- Providing secure cloud access from every devices.

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.

- ※ 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.



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



Japan's top class track record of selling cybersecurity products from global cybersecurity leaders

Received awards from the global cybersecurity leaders as a partner company that achieved outstanding sales performance in FY2021



Access Security | Endpoint Security | Risk management
Gateway Security | Web / Cloud Security

- JAPAN Distribution Partner of the Year
⇒4 years in a row (2018, 2019, 2020, 2021)



Endpoint Security | Internal Network | Visibility

- MVP Partner of the Year



Secure Cloud Services | Internal network

- PARTNER OF THE YEAR
⇒2 years in a row (2020, 2021)



Information infrastructure | Data protection

- Channel Services Delivery Excellence Award
⇒3years in a row (2019, 2020, 2021)





Fact-finding Survey on Security Measures

Survey period: June 10, 2022 – June 17, 2022

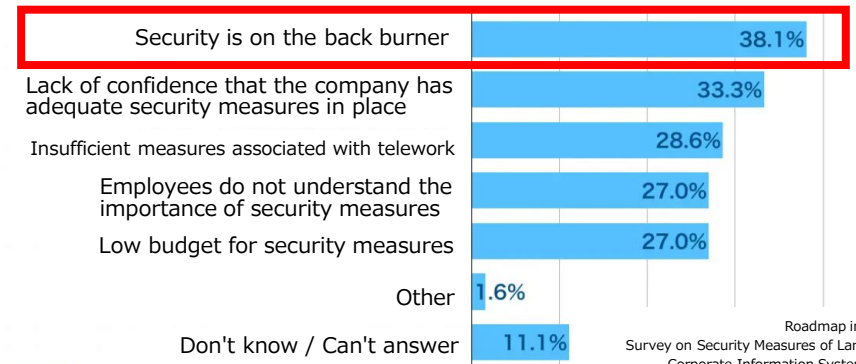
Based on a survey by Roadmap inc.

Results of a survey of 100 information system managers at large companies (1,000 or more employees)

- ✓ **About 40%** of respondents felt that their company's security measures were falling behind in terms of concerns.
- ✓ **72.0%** of information system personnel said that their employer's management understands the importance of security measures.

Q4

Questions for those who answered other than "adequate" in Q3. What are your concerns about security measures at your place of work (multiple answers)?

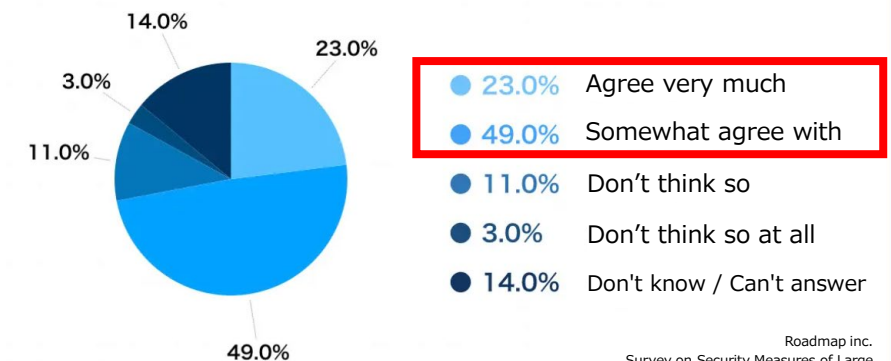


Roadmap inc.
Survey on Security Measures of Large Corporate Information Systems (n=63)

リサーチ

Q6

Do you think the management of your company fully understands the importance of security measures?



Roadmap inc.
Survey on Security Measures of Large Corporate Information Systems (n=100)

リサーチ



41,752,000

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

255,338,000

The number of **inspections** stored in NOBORI

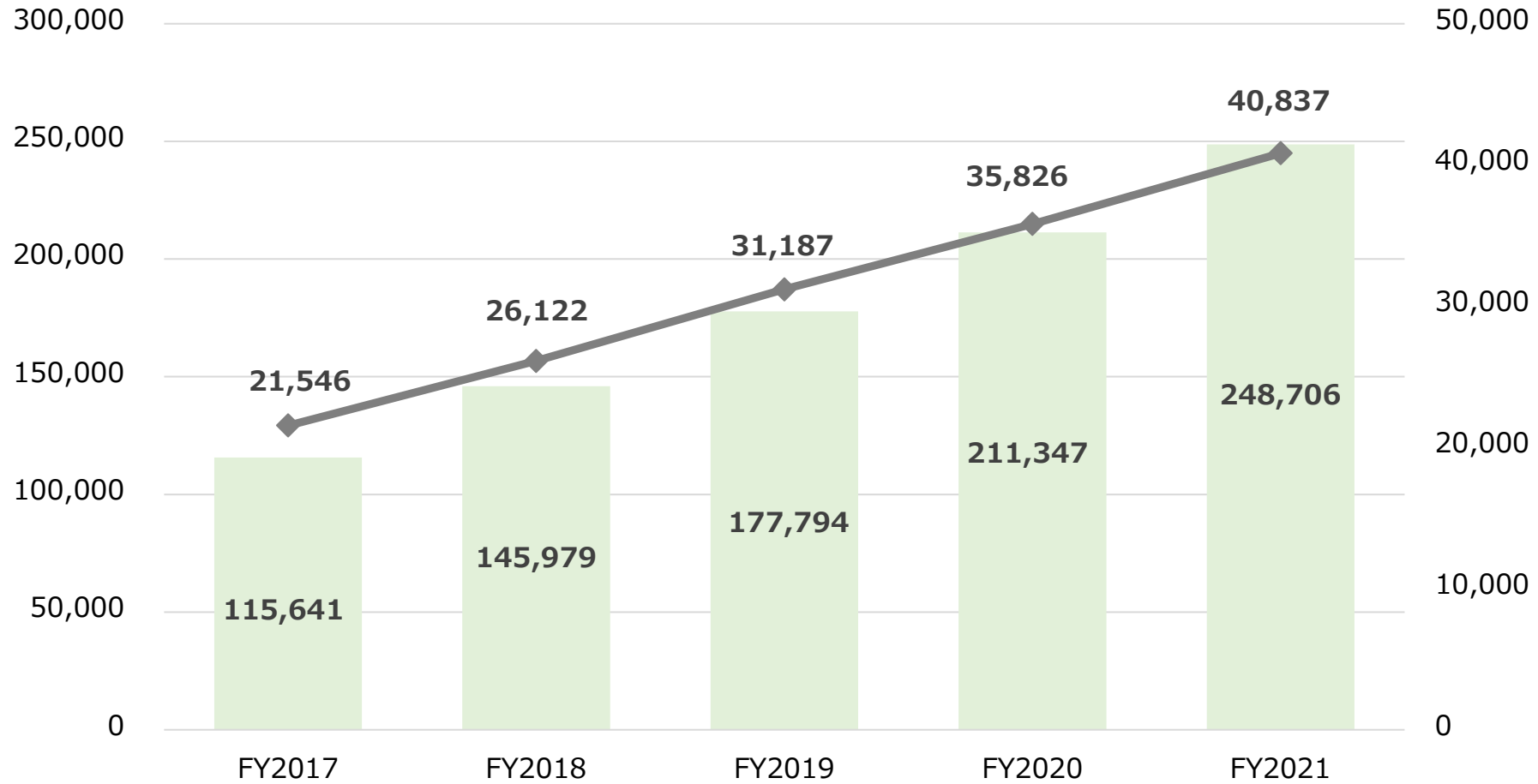
(June 30, 2022)



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)



Successful track records of “tsumugino”

① Acquired new customers

BAIKA Junior High School and BAIKA High School

② Made proactive investments

Focusing on enhancing the functionalities to meet standard bidding requirements with an eye on developing market opportunities for public schools.

③ Acquired a patent for a class scheduling system

The system helps schools adopt individually-optimized, project-based learning that supports the new guidelines for courses of study.

④ Awarded a letter of appreciation from Google for Education™

TechMatrix received Appreciation for Excellent Partnership 2022 as a partner that greatly contributed to the development of the Japanese education industry.

Sample screen of the class scheduling system



Assisting individually optimized learning

- Issues that the system can solve
Our class scheduling system can help to plan individual schedules tailored to student levels or teaching progress, which is not possible with traditional scheduling systems based on the in-a-mass teaching style.
- Purposes for developing the system
To provide a class scheduling system that allows students to plan their own learning plans for independent learning.



Successful track records of “tsumugino”

⑤ Started a joint project with Compass Inc.

- ✓ Demonstrated a new learning style using different EdTechs with devices for each student under the new guidelines for courses of study.
- ✓ Supported independent, interactive, and deep learning of students by using software and educational data with devices provided to them under the GIGA School Program lead by Ministry of Economy, Trade and Industry of Japan (MEXT).

Promotion of educational digital transformation

Building data usage models to realize an independent and convincing evaluation process



Features for the evaluation process

----- Integration -----

Study logs
Content data

tsumugino

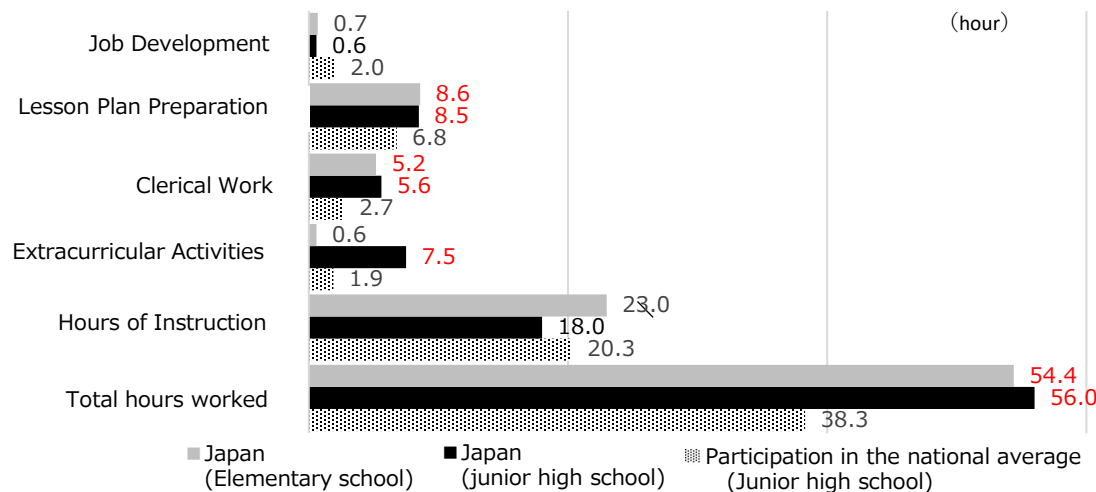
A new, cloud-based, school communication platform + school affairs support system, designed to build learning and communication in a new age. It is increasingly employed, mainly by private schools.

Qubena

AI-based teaching materials that can make questions tailored to individual student’s learning levels. Qubena is adopted by local governments and public and private elementary and junior high schools across the country. It has been chosen as a learning innovation project by Ministry of Economy, Trade and Industry.



Teacher's work hour per week

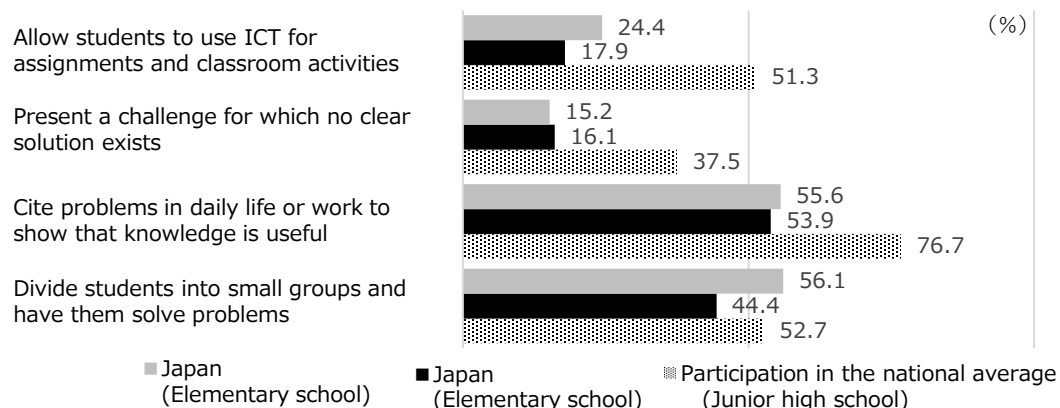


Teachers work the longest hours among any of the participating countries, and there is a significant sense of a shortage of human resources.

The following items recorded the longest hours among the participating countries.

- ✓ Work time
- ✓ Extracurricular activity hours (junior high school)
- ✓ Administrative work

Percentage of teachers who frequently use each instructional practice



Insufficient efforts to improve classes from the viewpoint of independent, interactive, and deep learning and to utilize ICT, etc.

*Organization for Economic Cooperation and Development (OECD) International Teacher Leadership and Instructional Environment Survey (TALIS) has been conducted every five years since 2008 for teachers and principals, focusing on the working and school environments of teachers and principals. The next survey is scheduled to be conducted in 2024. *48 countries/regions, including OECD member countries, participated (15 countries/regions participated in primary education). Translated with www.DeepL.com/Translator (free version)

Source : International Teacher Teaching Environment Survey (TALIS) 2018 (OECD)



Date	Press release headlines
April 1, 2022	Okinawa Cross Head Co., Ltd. changed its corporate name and logo.
April 4, 2022	Received an award of Partner of the Year 2022 and Deal Registration of the Year 2022 from Proofpoint Japan K.K.
April 6, 2022	Received an award of MVP Partner of the Year in 2021 from Tanium Inc.
April 20, 2022	TechMatrix started a joint project for the use of study logs with Compass Inc., which develops and provides Qubena, AI-based teaching materials.
May 20, 2022	PSP started to provide Brain Healthcare Program that visualizes brain health together with Splink and Millennia.
May 23, 2022	Launched OCH SG-ONE, an easy-to-implement, one-stop security solution for small and medium-sized businesses.
May 25, 2022	Acquired a patent for a class scheduling system that supports individually optimized learning.
May 31, 2022	PSP started integration of NOBORI (a PHR app) with Mynaportal
June 29, 2022	Deployed “tsumugino” cloud services to BAIKA Junior High School and BAIKA High School.
June 29, 2022	The latest version 10.2 of “Ranorex Japanese version,” a UI testing automation tool with powerful object recognition capabilities, became available.

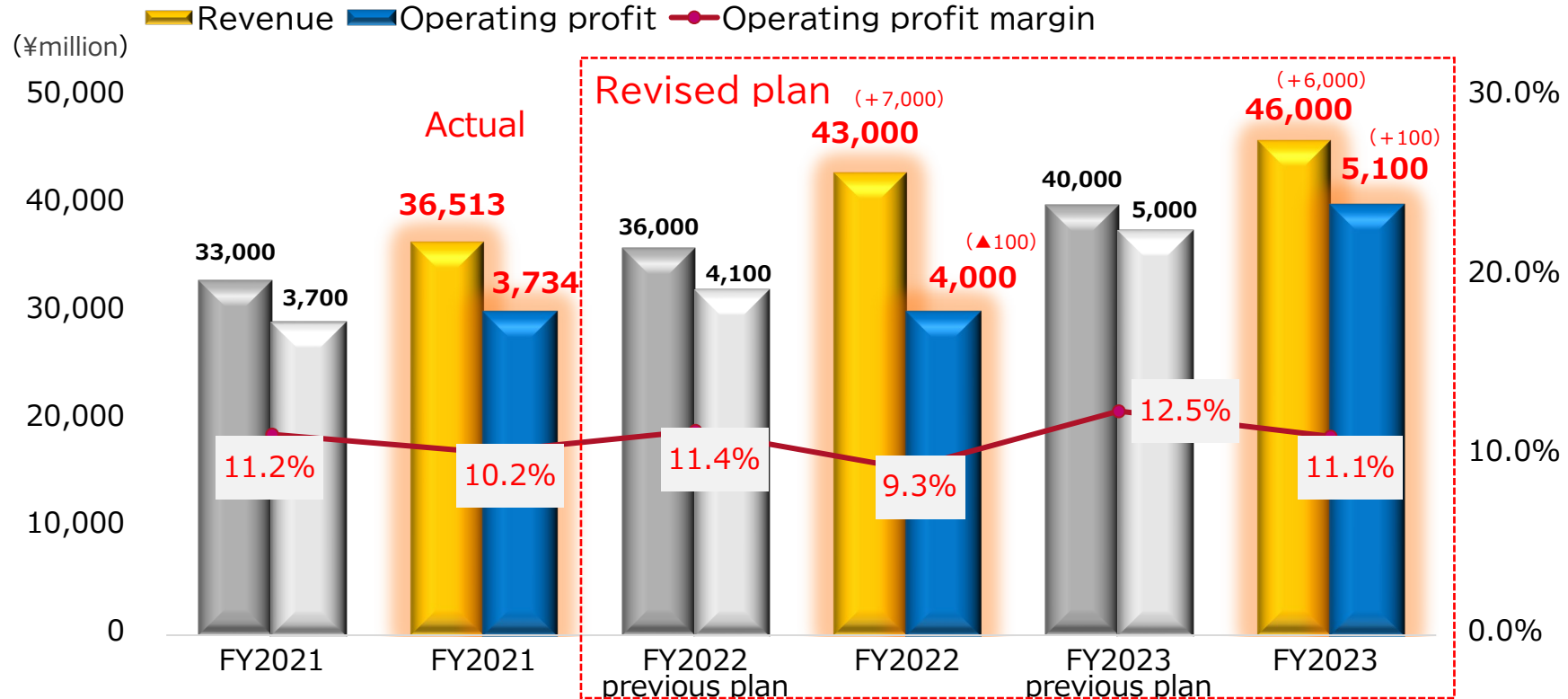


3. Forecast for Fiscal Year ending March 31, 2023



Reasons for Revision of Performance Plans in the Medium-Term Management Plan

- As a result of the merger of NOBORI with PSP, which became a **consolidated subsidiary** in the previous fiscal year, new PSP was established as a consolidated subsidiary of the Company on April 1, 2022. In response, we reviewed the performance plans for the **second and third years of the medium-term management plan**.
- The integrated company plans **to promote a cloud shift** of medical image management systems (PACS) used by former PSP's existing customers with the aim of shifting to a **stock-type business**. Although the shift to the cloud will **cause a short-term decline in sales and operating profit**, the company plans to make the move as a management decision **with an eye to the future**.
- In the 39th fiscal year, the company incorporated additional extraordinary expenses of approximately 200 million yen in relation to headquarters relocation, including transportation costs, disposal costs, and double rent for the purpose of constructing a new office





The plan was revised to take into account the continued increase in demand for cybersecurity products and services.

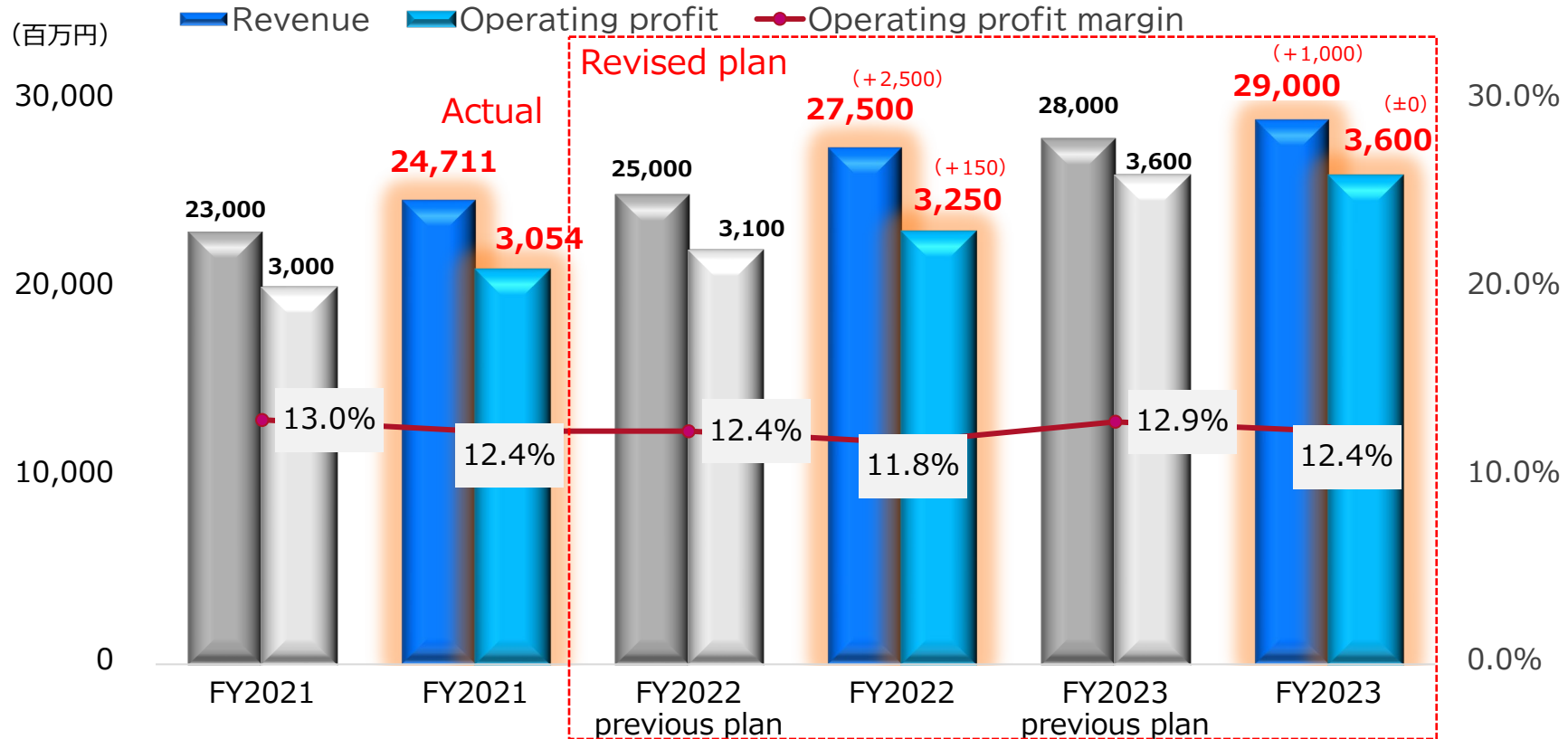
◆ Revenue :

Revised plan in consideration of demand trend for cloud-based security products

◆ Operating profit :

Revised plan in consideration of demand trend for the integrated security monitoring services (TPS)

※ Revised operating income plan upward after absorbing head office relocation expenses.





The plan was revised to take into account head office relocation costs and the promotion of the shift to cloud computing for medical image management systems (PACS).

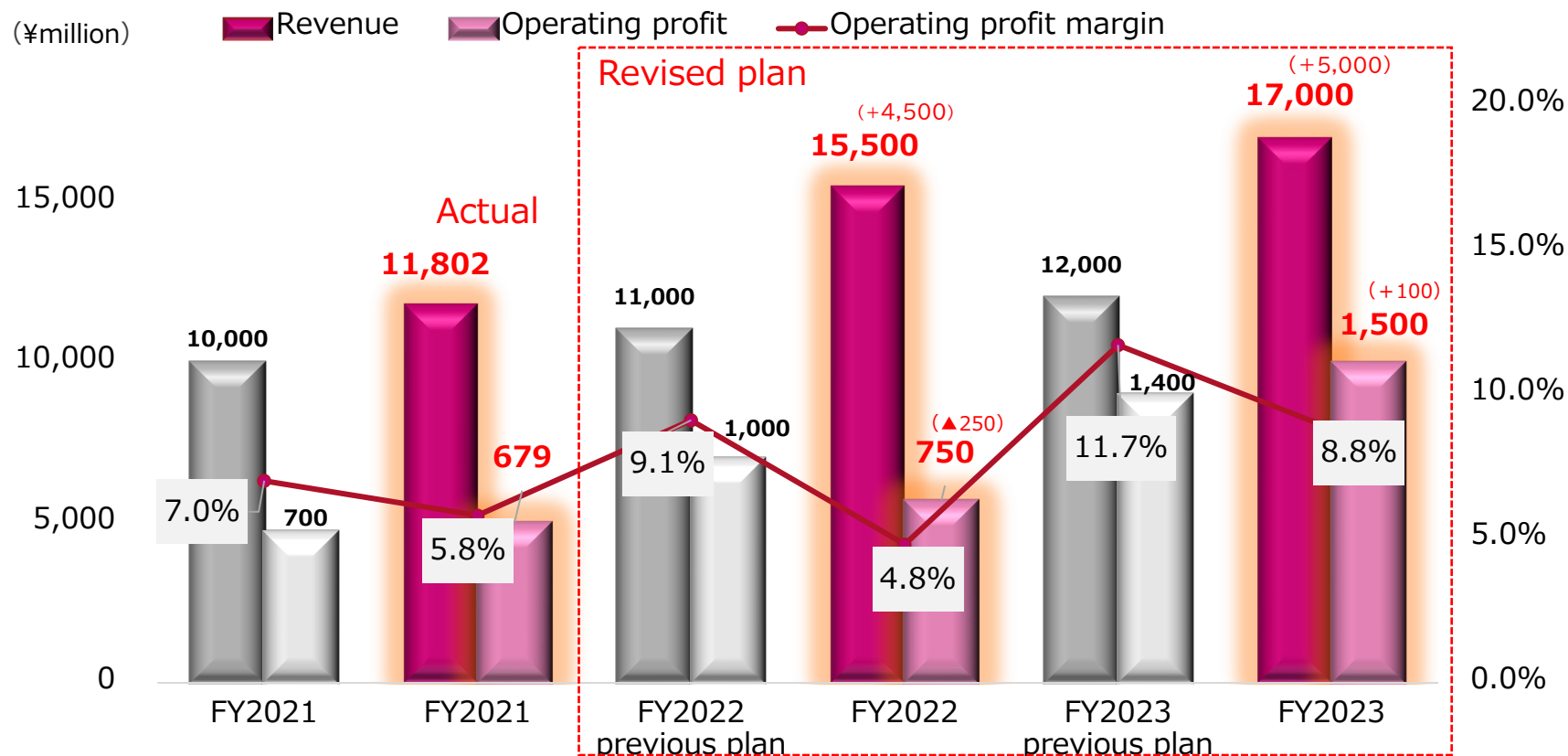
◆ **Revenue** : Increased due to consolidation of PSP

◆ **Operating profit** :

Extraordinary expenses in relation to headquarters relocation

Continued investment in EdTech business

Promoting a cloud shift of medical image management systems (PACS) used by former PSP's existing customers





4 . 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)



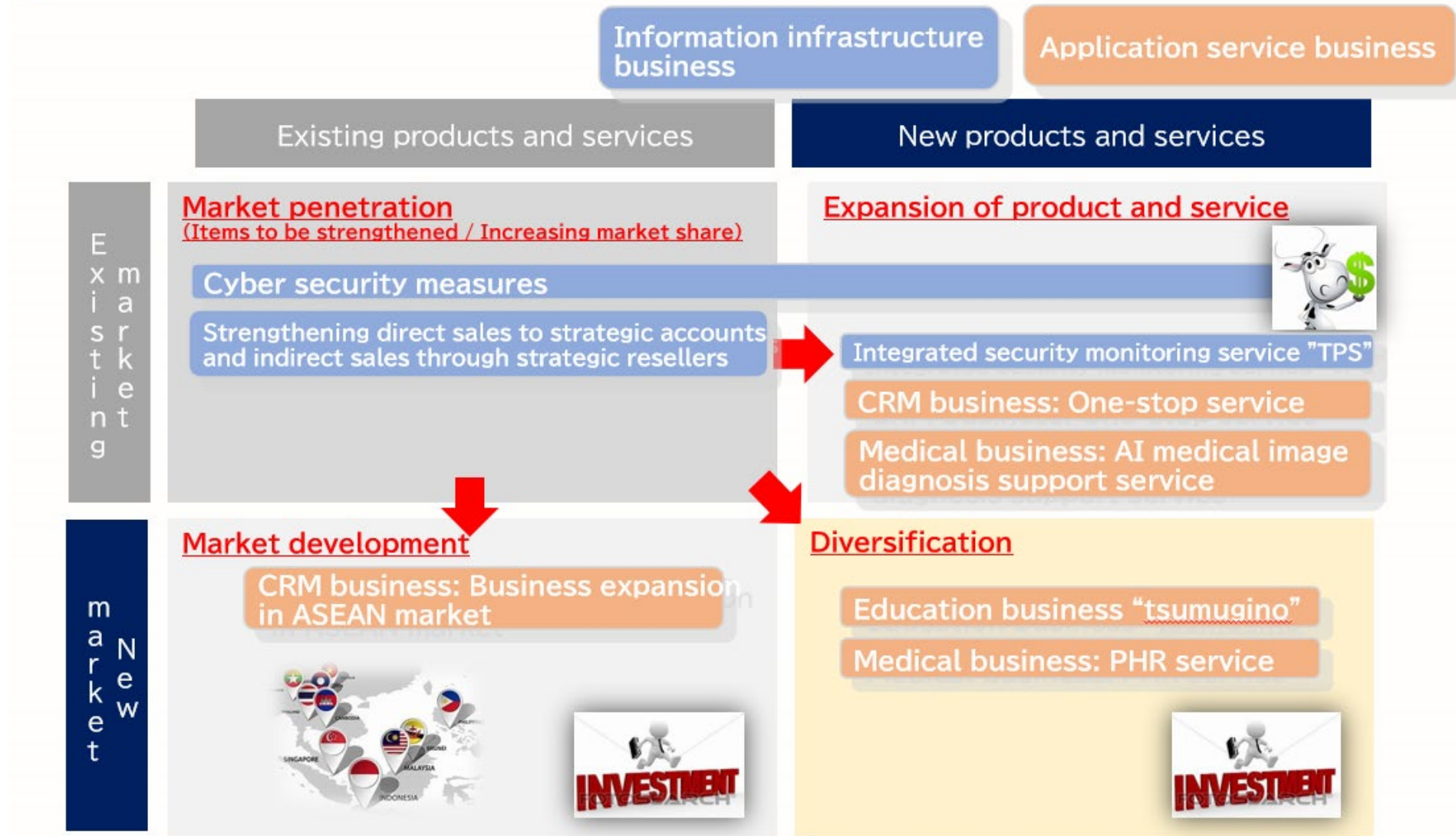
Key basic strategy

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)

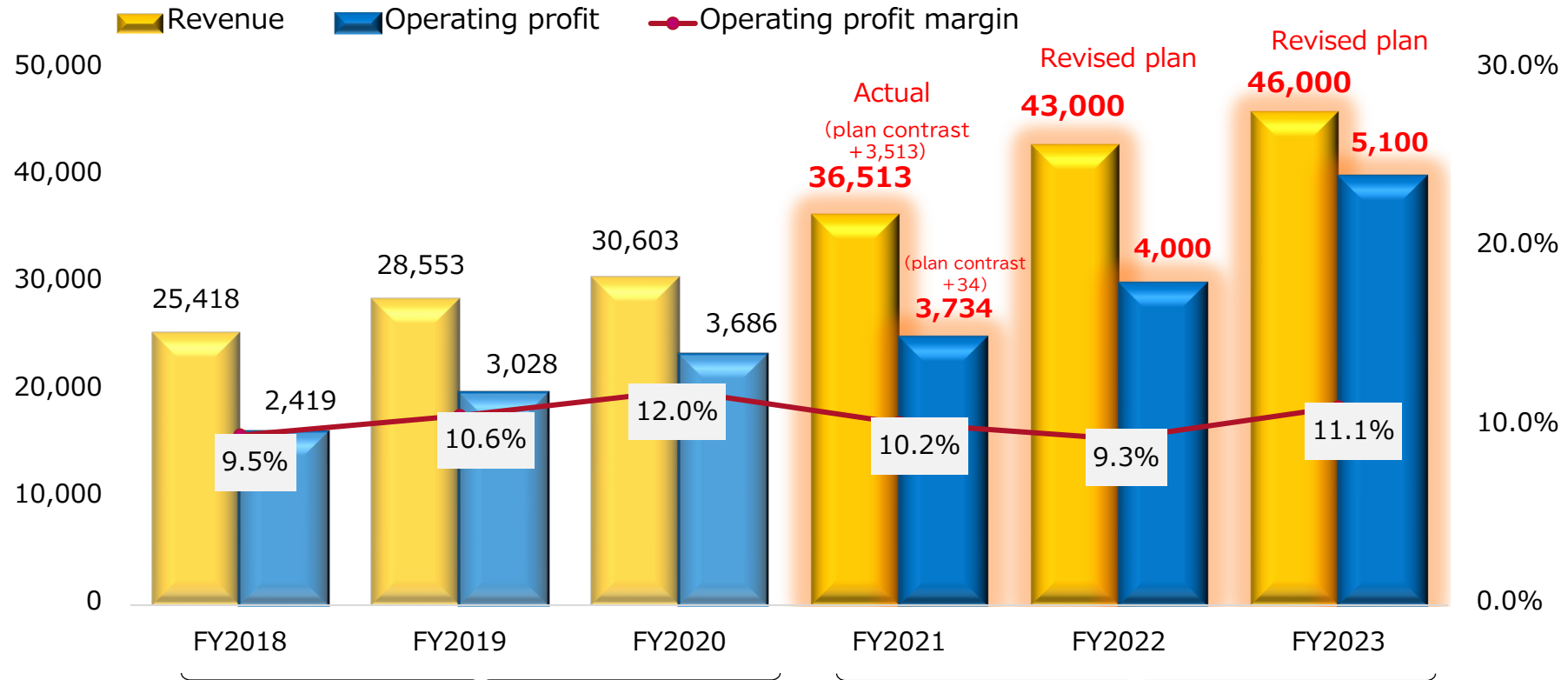
Application service business

- 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



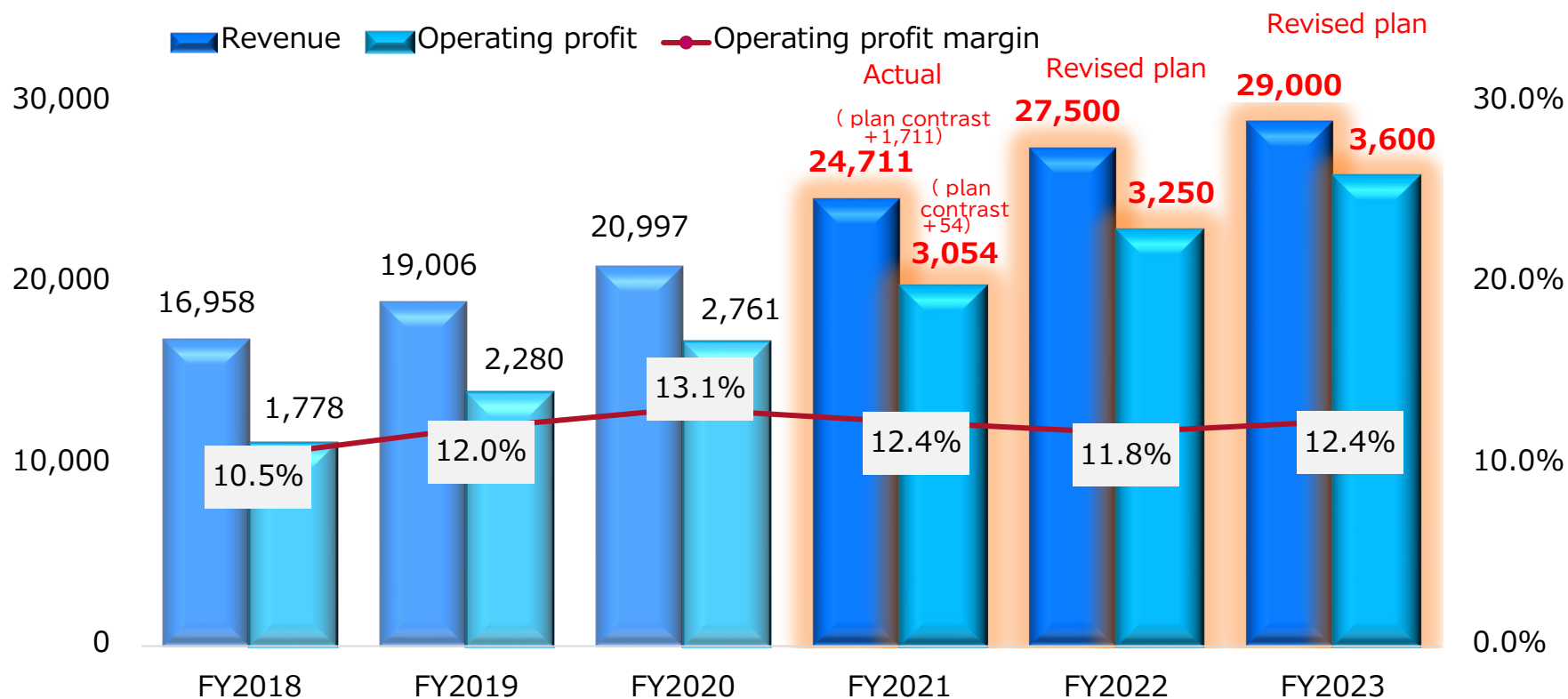


Both revenue and operating profit continue to grow



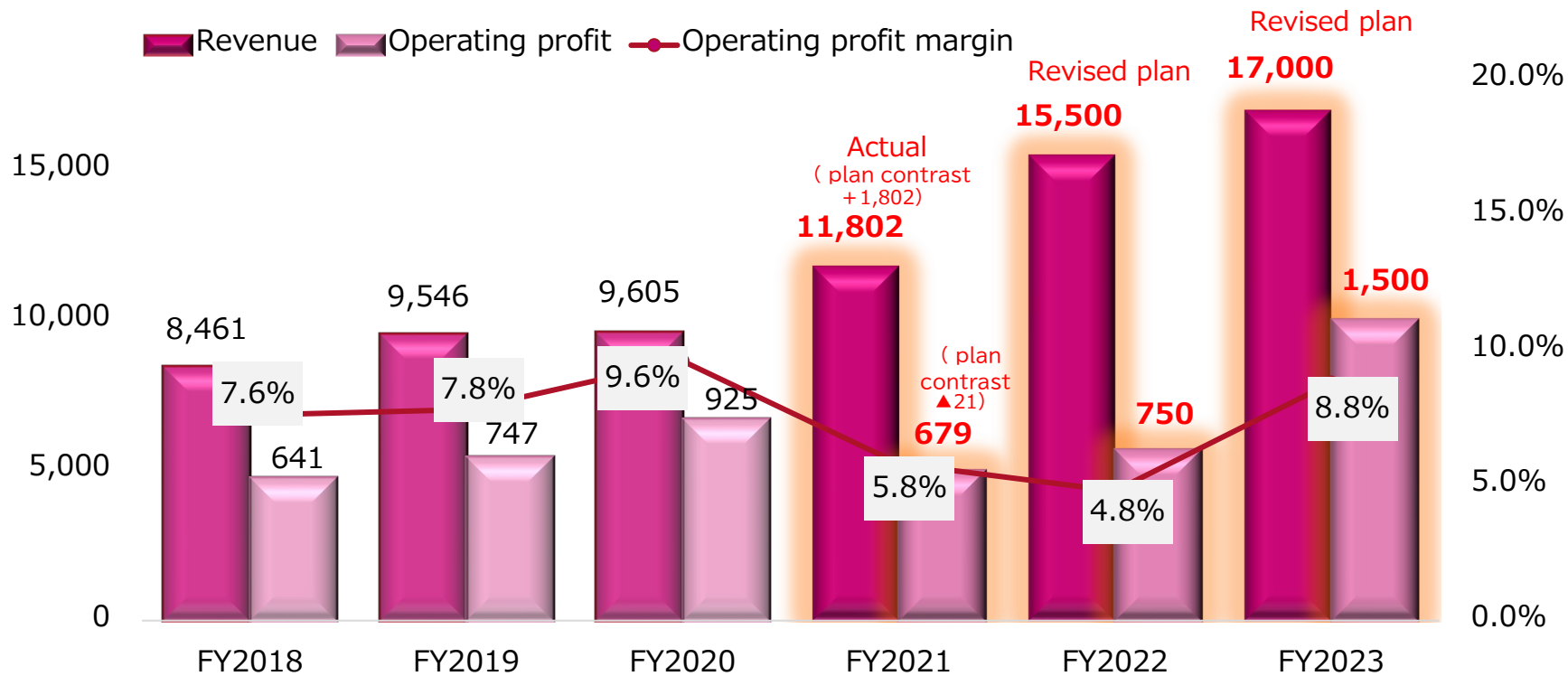


Building a stable earnings base and adapting to the cloud-native era





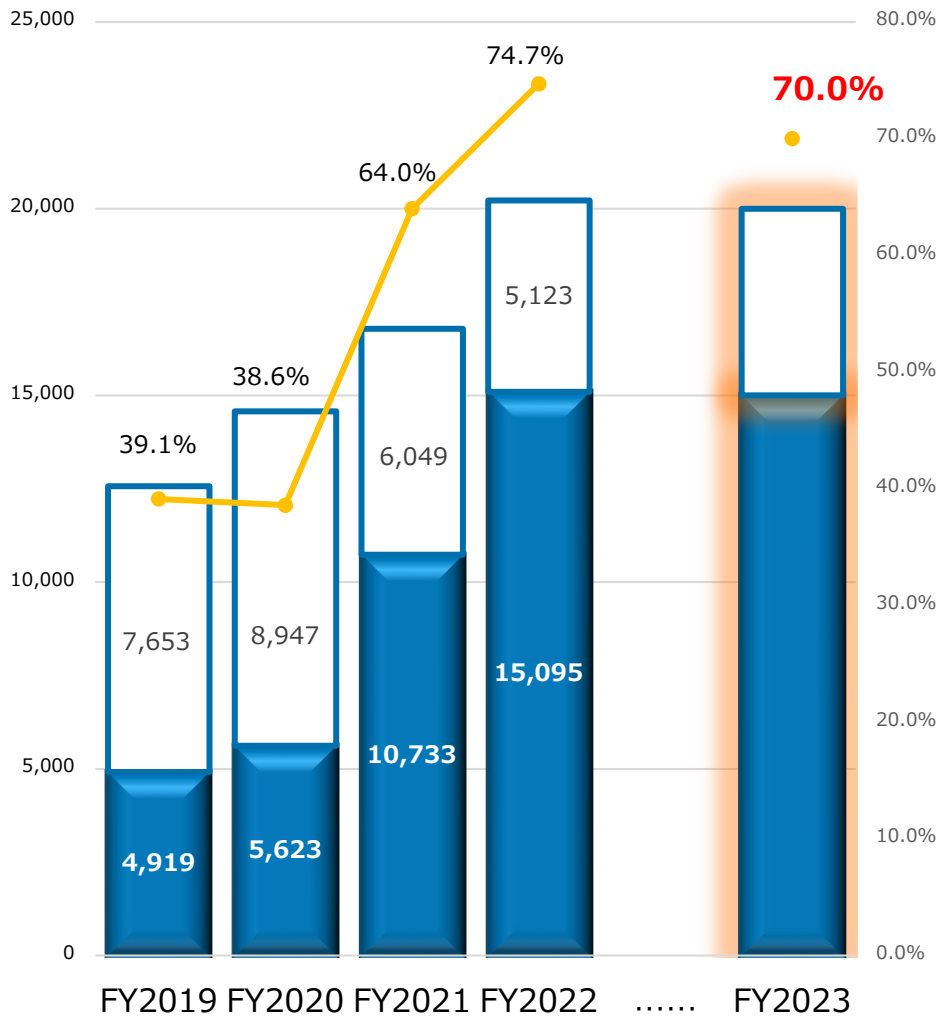
Balance between investment and growth



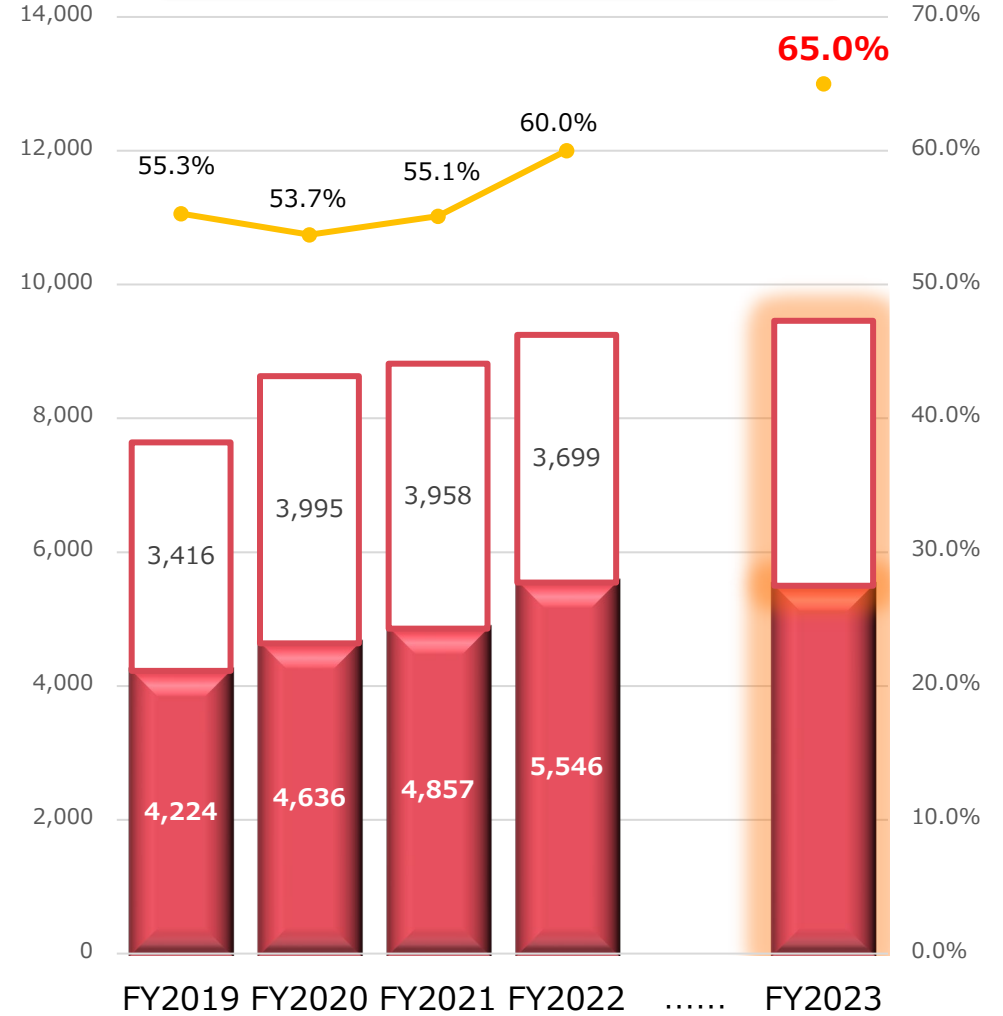


Plan stock ratio (TMX (stand alone) + former NOBORI)

Information infrastructure



Application service



Stock Non-stock Stock ratio

Stock Non-stock Stock ratio



<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>

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