

Results for the 2nd Quarter of 40th business period (Fiscal Year Ending March 31, 2024)



November 14, 2023

TECHMATRIX CORPORATION (code : 3762)



1. Business Highlights for the 2nd Quarter 40th business period
(Consolidated)
2. Forecast for Fiscal Year ending March 31, 2024
3. Topics of Business activities
4. Medium-Term Management Plan “BEYOND THE NEW NORMAL”



1. Business Highlights for the 2nd Quarter business period (Consolidated)



- Q2/23 Key KPIs (Consolidated)

Revenue
+18.6%
YoY
¥24,602 m

Operating profit
+19.1%
YoY
¥2,281 m

Booking
△ 5.3%
YoY
¥29,122 m

Backlog
+14.0%
YoY
¥56,929 m

Stock type sales
(Recurring revenue)
ratio
75.8%
TECHMATRIX and
PSP

Consecutive
increase in
revenue
21years
in a row
March 31,2023

Patients who
stored medical
images in NOBORI
+ 5.36m
YoY
48.11 mm

Inspections stored
in NOBORI
+40.0mm
YoY
300 mm



- The **highest** consolidated revenue, operating profit, profit before tax and profit attributable to owners of parent.

(¥million)

	FY2022 2Q	FY2023 2Q	YoY	
			Change	Change %
Revenue	20,743	24,602	+3,858	+18.6%
Operating profit (Profit ratio)	1,915 (9.2%)	2,281 (9.3%)	+366	+19.1% (+0.1P)
※After excluding special factors (Actual operating profit)	—	2,379 (9.7%)	+464	+24.2% (+0.4P)
Profit before tax	1,914	2,274	+359	+18.8%
Profit attributable to owners of parent.	1,063	1,411	+348	+32.7%

※Special factors: Recognized extraordinary expenses (1Q: ¥98m) for paid vacations and refreshment vacations, etc. ,which were incurred in connection with the unification of personnel systems at a consolidated subsidiary, PSP (Medical System Business Unit).



Business Highlights for FY2023 1Q (Consolidated)

(¥million)

	FY2022 2Q			FY2023 2Q			YoY	
	Results	%	Profit ratio	Results	%	Profit ratio	Change	Change
Revenue	20,743	100.0%		24,602	100.0%		+3,858	+18.6%
Information Infrastructure	13,366	64.4%		16,370	66.5%		+3,004	+22.5%
Application Service	3,364	16.2%		3,873	15.7%		+509	+15.1%
Medical System	4,013	19.3%		4,358	17.7%		+345	+8.6%
Operating profit (below: After excluding special factors)	1,915	100.0%	9.2%	2,281 (※2)2,379	100.0%	9.3% 9.7%	+366 +464	+19.1% +24.2%
Information Infrastructure	1,265 (※1) 1,248	66.0% 65.2%	9.5% 9.3%	1,697	74.4% 71.3%	10.4%	+432 +448	+34.2% +36.0%
Application Service	△97 (※1) △80	△5.1% △4.2%	△2.9% △2.4%	86	3.8% 3.6%	2.2%	+183 +166	—% —%
Medical System	748	39.0%	18.6%	498 (※2) 596	21.8% 25.1%	11.4% 13.7%	△249 △151	△33.4% △20.3%

※1 The calculation method of allocating of rent and utilities has been changed from 1Q FY2023.

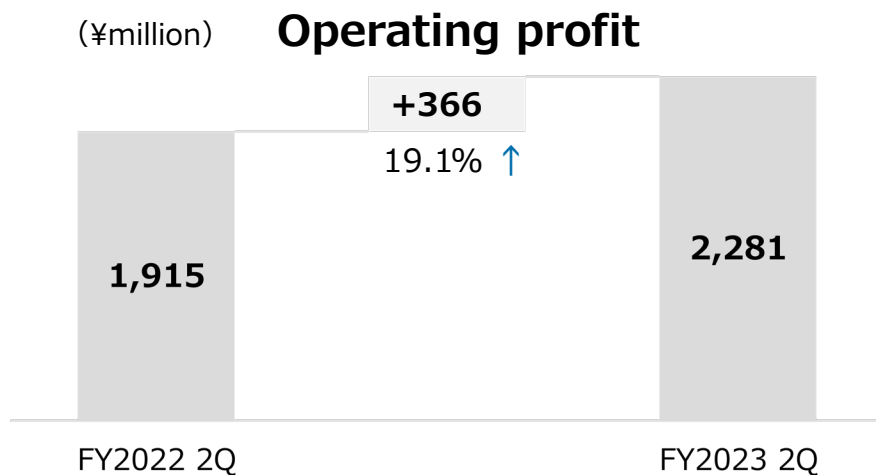
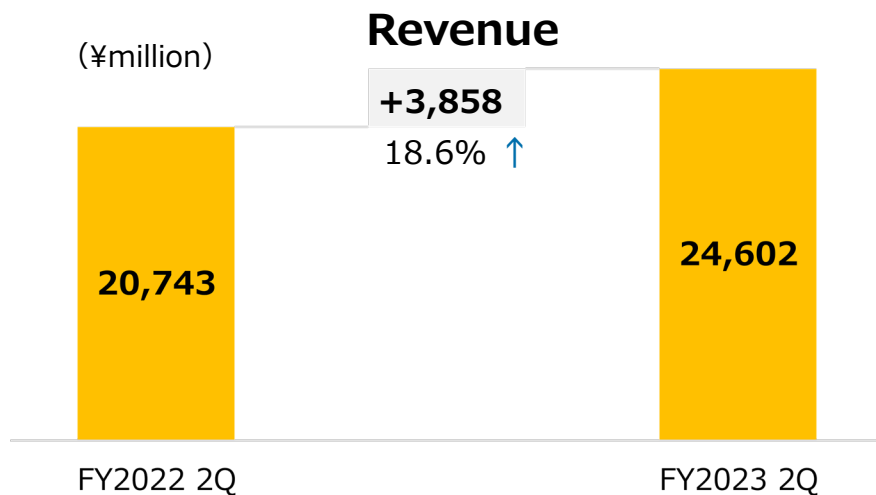
FY2022 1Q operating profit results for Information Infrastructure Business and Application Service Business are calculated using the revised allocation method.

※2 Actual figures excluding extraordinary expenses (1Q: ¥98m) of unifying personnel systems of consolidated subsidiary PSP.

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

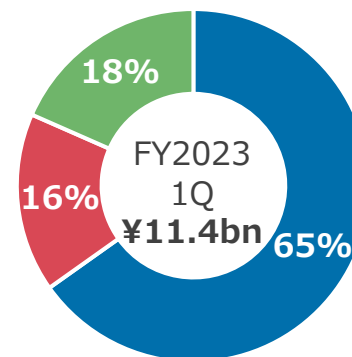


Business Highlights for FY2023 2Q (Consolidated)



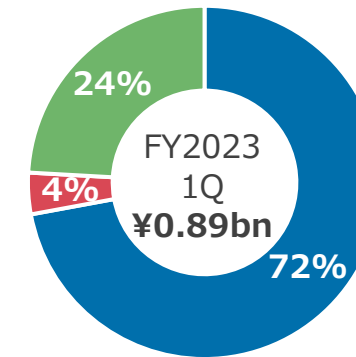
- **Information Infrastructure Business** :
Increasing demands for cloud-based security products.
- **Application Service Business** :
 - In the CRM field and Software Quality Assurance field, revenue and operating profit increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions.
 - In the EdTech field, 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.
 - Decreased operating profit due to the negative repercussion from increased operating profit in FY2022 which was caused by the recording of FY2022 summer bonus reserve shortfall at the end of FY2021.
 - Decreased operating profit due to expenses recognized for paid vacations and refreshment vacations in connection with the unification of personnel systems (1Q: ▲¥98million)

Revenue breakdown



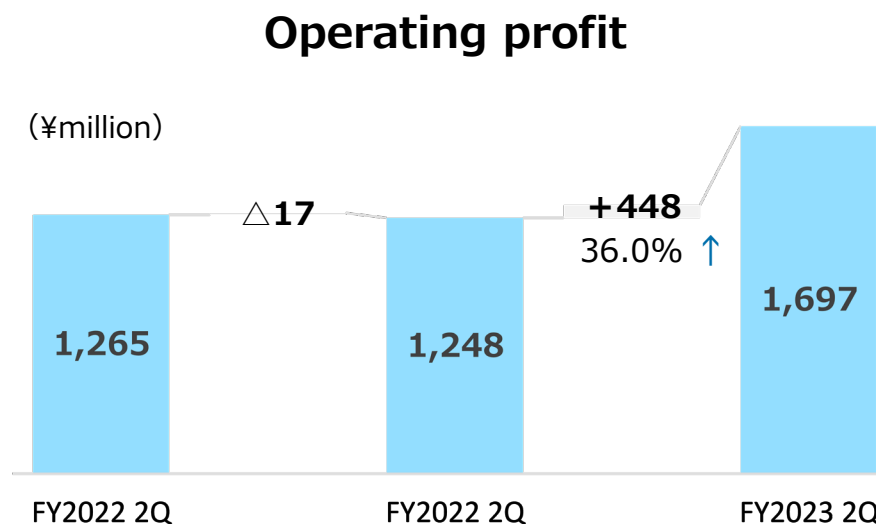
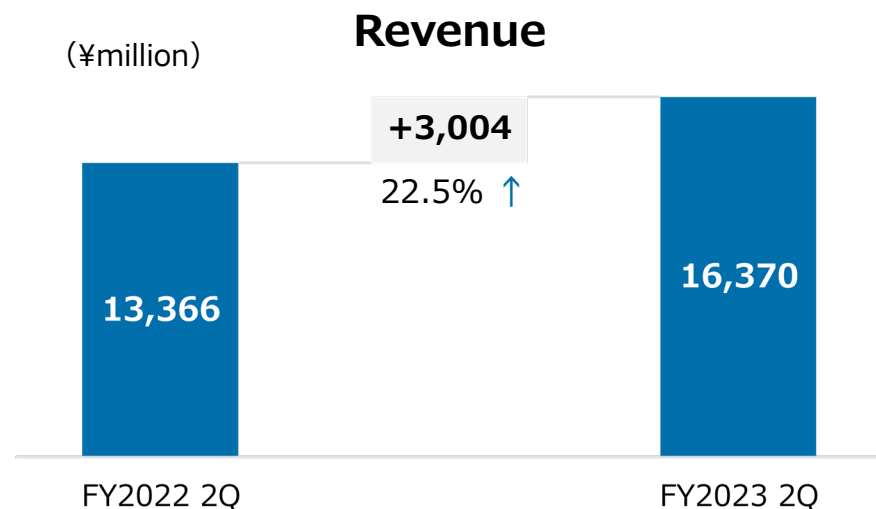
- Information Infrastructure
- Application Service
- Medical System

Operating profit breakdown



- Information Infrastructure
- Application Service
- Medical System

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



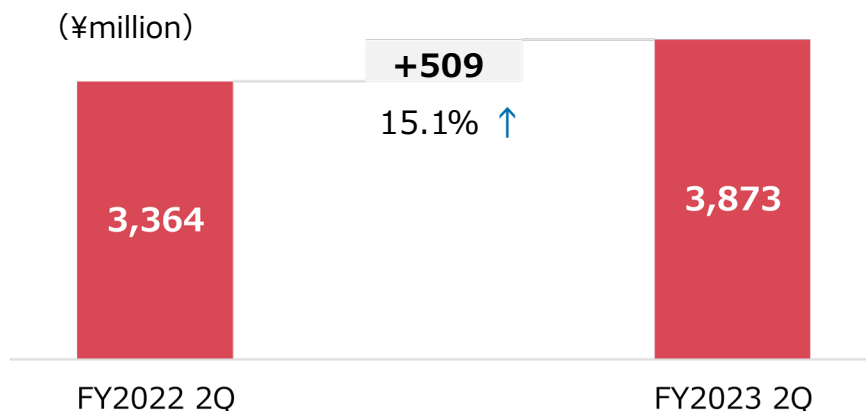
* After retroactively reflecting the changes to internal expense allocation rules

The **highest** consolidated revenue and Operating profit.

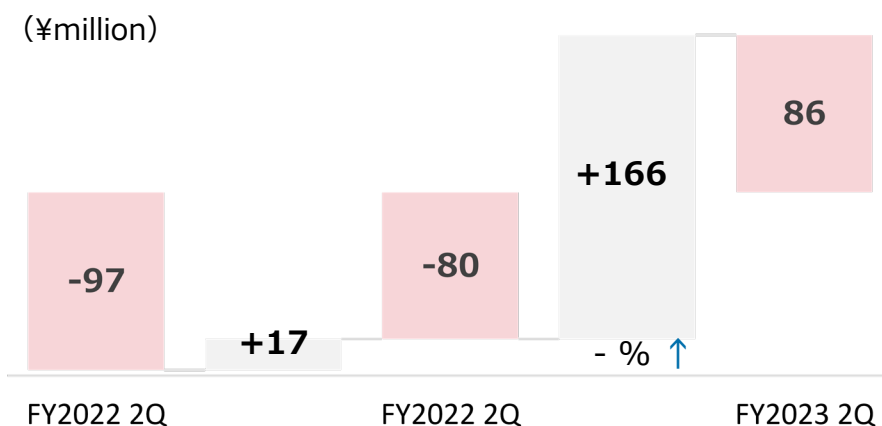
- **Revenue**
 - (+) Increasing demands for subscription-based cloud-based security products.
 - (-) Deferred trend due to the shift to subscriptions
- **Operating profit**
 - (+) Thoroughly conducted sales activities with profitability in mind.
 - (+) Adjusted the previous year's operating profit due to the changes to internal expense allocation rules for office rent and utilities (¥17million)
 - (-) The impact of the weaker yen
 - (-) Aggressive investments in building the best practice to utilize cloud-native technologies as a new business called "TechMatrix NEO".
 - (-) Increased personnel and SG&A expenses
 - (-) The impact arising out of the changes to internal expense allocation rules for office rent and utilities



Revenue



Operating profit



* After retroactively reflecting the changes to internal expense allocation rules

Revenue and Operating profit increased YoY.

• Revenue

- (+) Demands on quality testing tools for enterprise systems and embedded software were strong. (SE)
- (+) In the CRM field and Software Quality Assurance field, revenue and operating profit increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions. (CRM, SE)
- (+) Increased revenue due to the increase of number of schools using "tsumugino". (Edtech)

• Operating profit

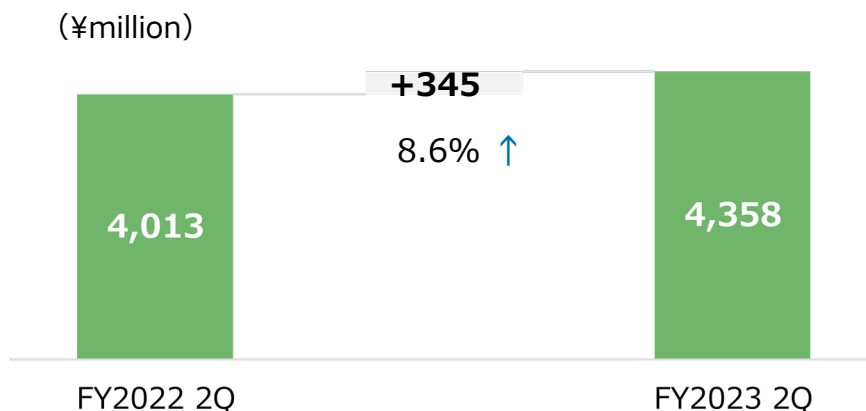
- (+) The impact arising out of the changes to internal expense allocation rules for office rent and utilities.
- (-) Additional employees were hired for simultaneous deliveries in April. (Edtech)
- (-) Adjusted the previous year's operating profit due to the changes to internal expense allocation rules for office rent and utilities (¥17million)

※Division name abbreviation
Software quality assurance : SE

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



Revenue



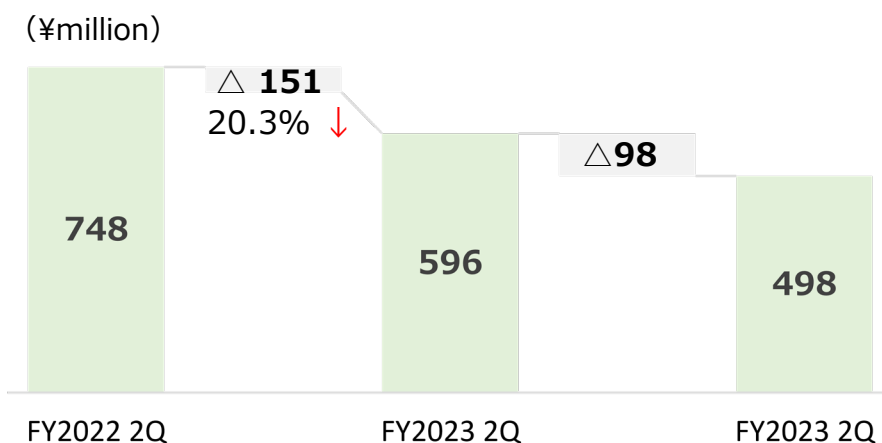
Revenue increased YoY.

Operating profit decreased YoY.

• Revenue

- (+) NOBORI, a medical information cloud service and a 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.

Operating profit



• Operating profit

- (-) Decreased operating profit due to the negative repercussion from increased operating profit in FY2022 which was caused by the recording of FY2022 summer bonus reserve shortfall at the end of FY2021.
- (-) Decreased operating profit due to expenses recognized for paid vacations and refreshment vacations in connection with the unification of personnel systems (1Q: ▲¥98million)
- (-) Increased SG&A expenses due to additional employees for business expansion.
- (-) Amortization of intangible fixed assets associated with software development

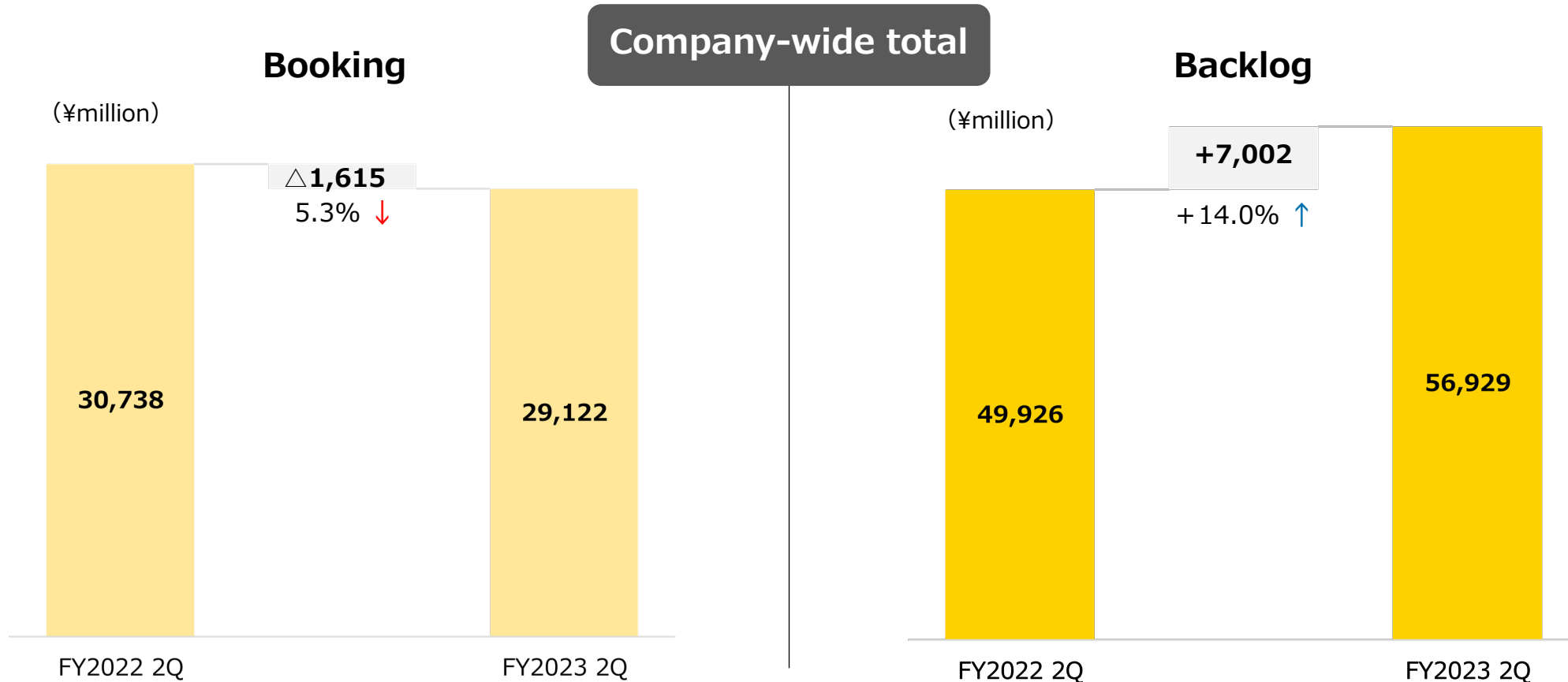
* Assuming that expenses in connection with the unification of personnel systems had been excluded

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



Booking and Backlog for FY2023 2Q (Consolidated)

- Booking remained at the same level as previous year.
 - Information Infrastructure Business:
Decreased bookings YoY due to the negative repercussion from the large-scale projects recorded in the previous year.
 - Increased bookings YoY in Application Services Business and in Medical System Business.
- Increased backlogs, in particular, in Information Infrastructure business.





Booking by Segment for FY2023 (Consolidated)

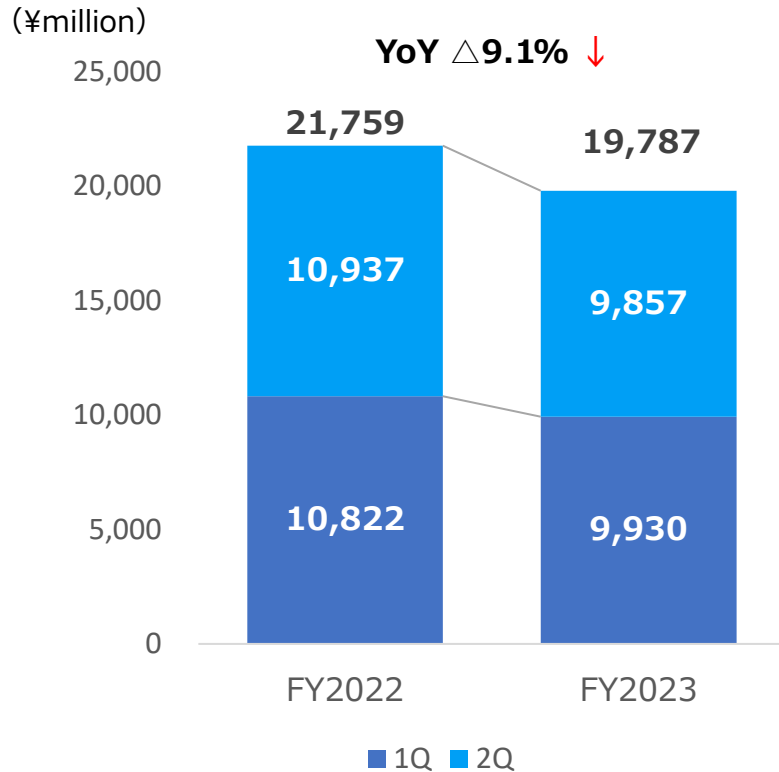
Information Infrastructure Business : Increasing demands for cloud-based security products.

Decreased in bookings for some products sold by TechMatrix and in bookings at a consolidated subsidiary, CROSS HEAD.

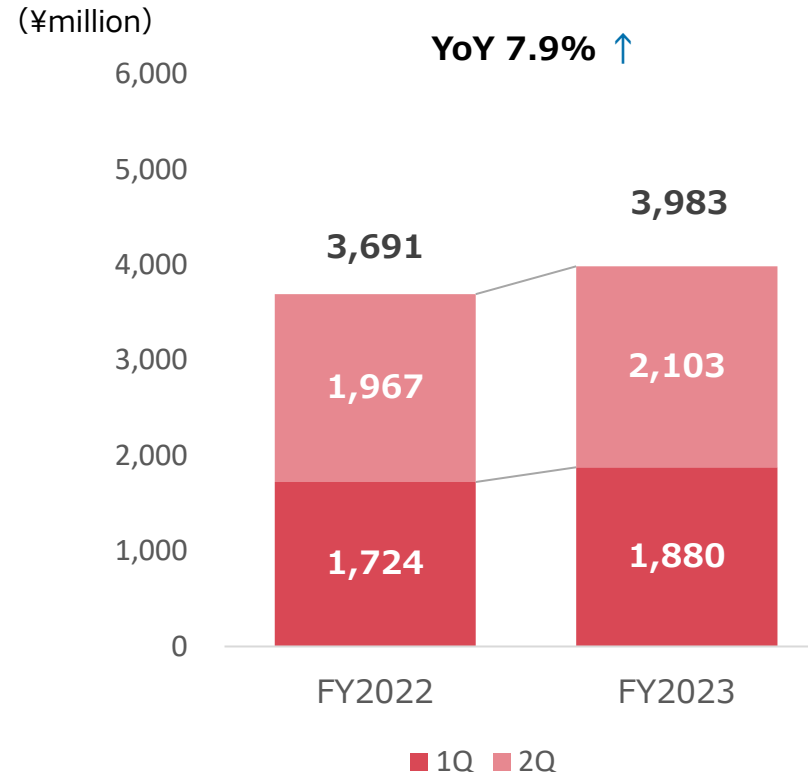
Application Service Business : Increased backlogs, in particular, in Software Quality Assurance field and in CRM field.

Medical System Business : Strong bookings for PACS.

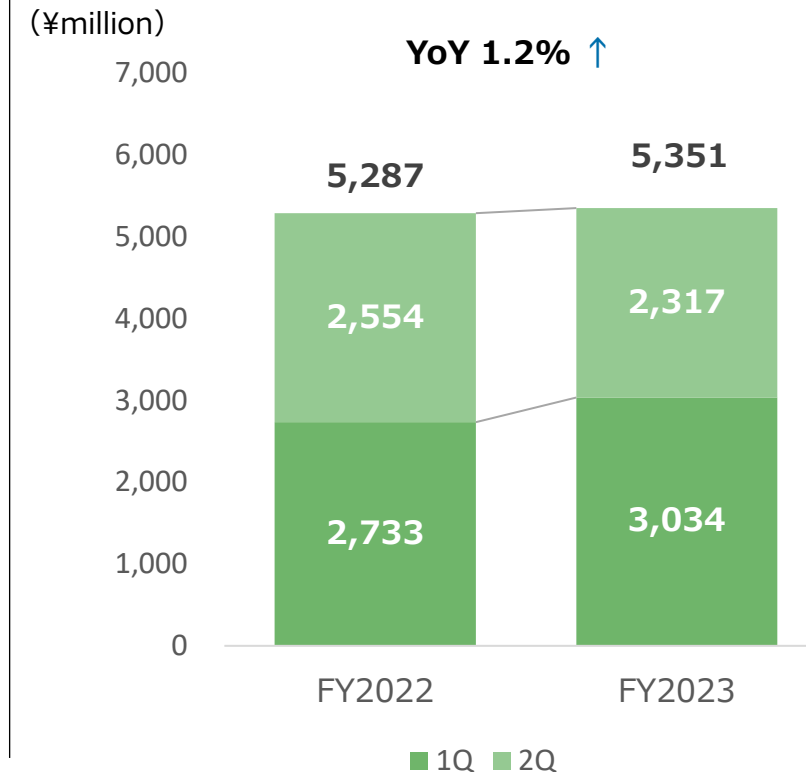
Information Infrastructure Business



Application Services Business



Medical System Business



※Medical System Business Unit was spun off from the Application Services Business Unit in FY2022. 11

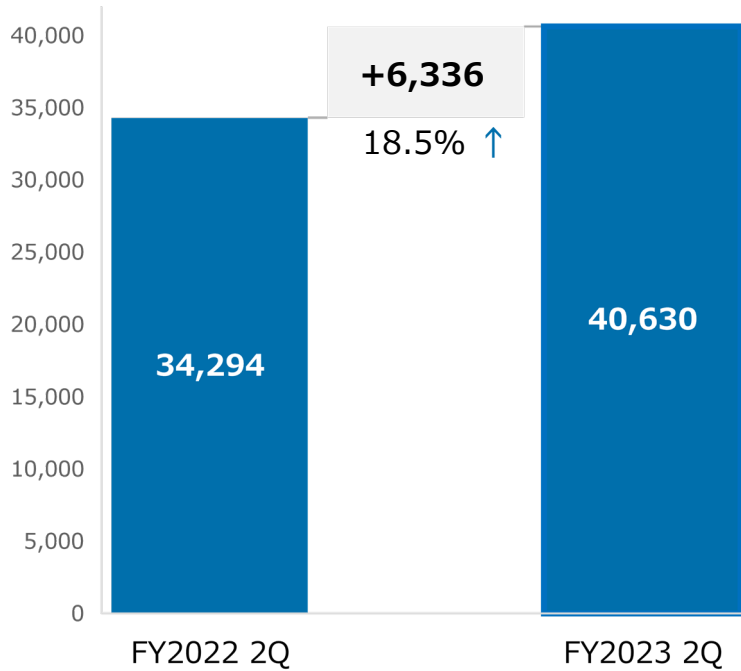


Backlog by Segment for FY2023 2Q (Consolidated)

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

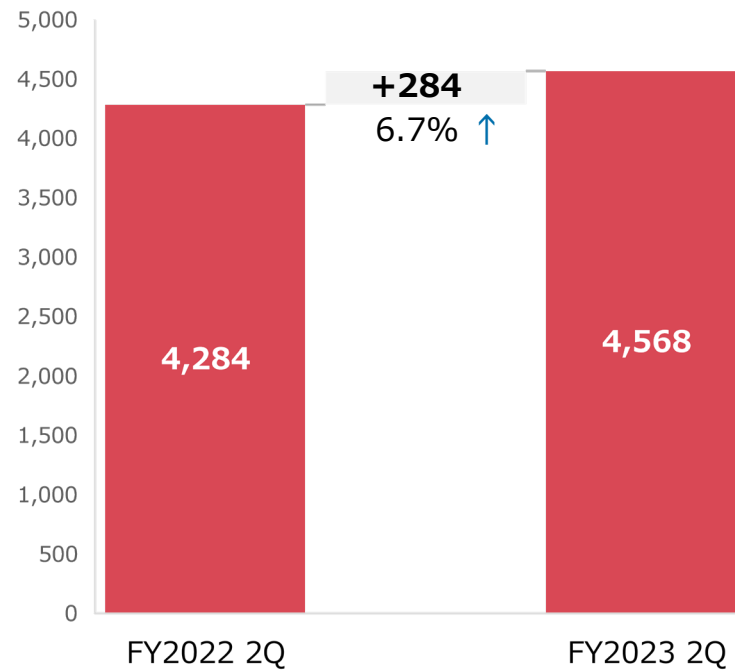
Information Infrastructure Business

(¥million)



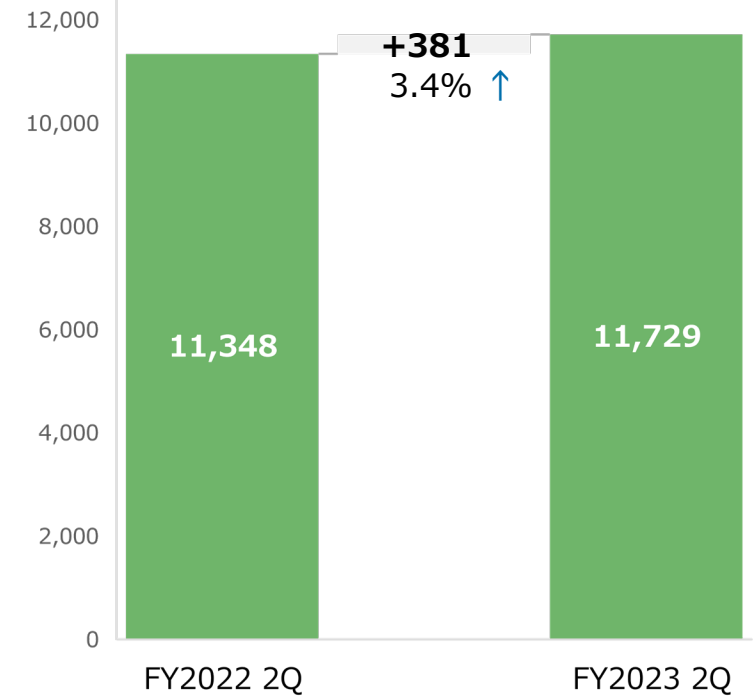
Application Services Business

(¥million)



Medical System Business

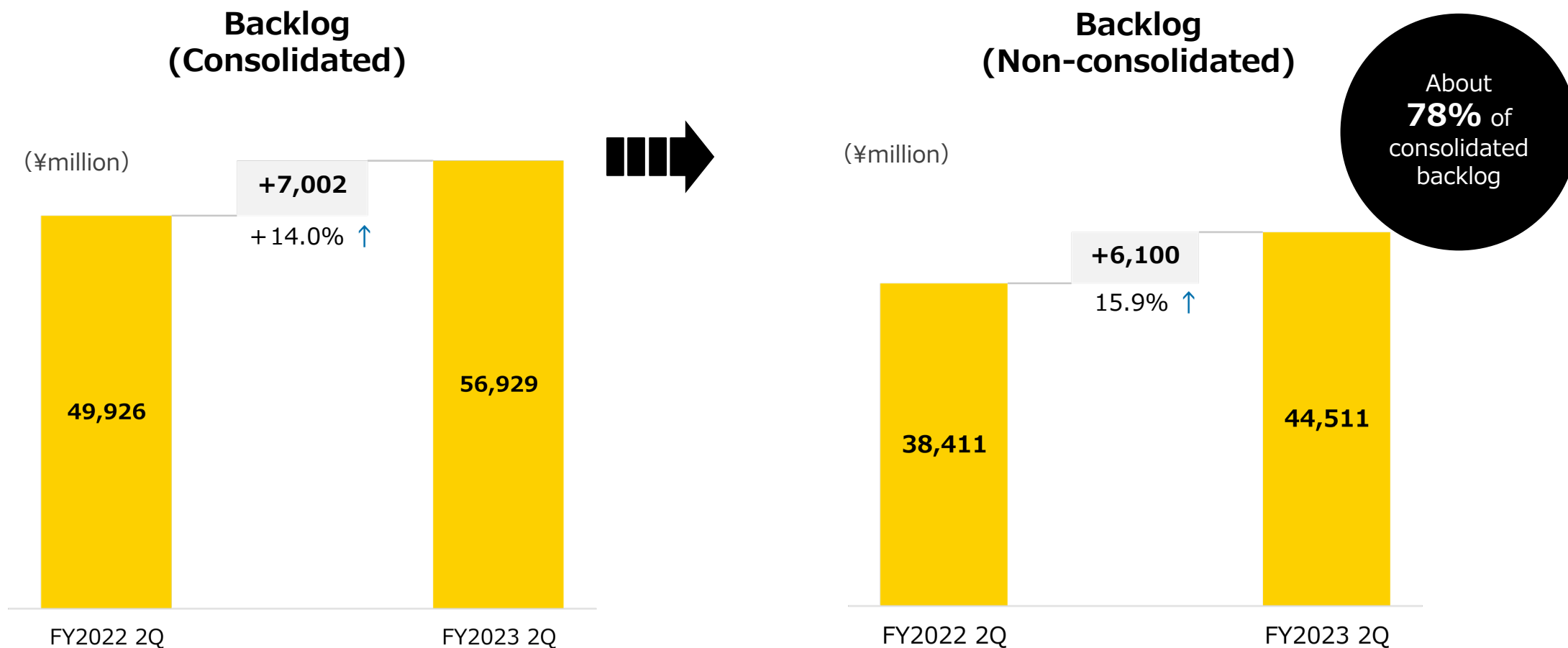
(¥million)



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

Backlog for FY2023 2Q (Non-Consolidated)

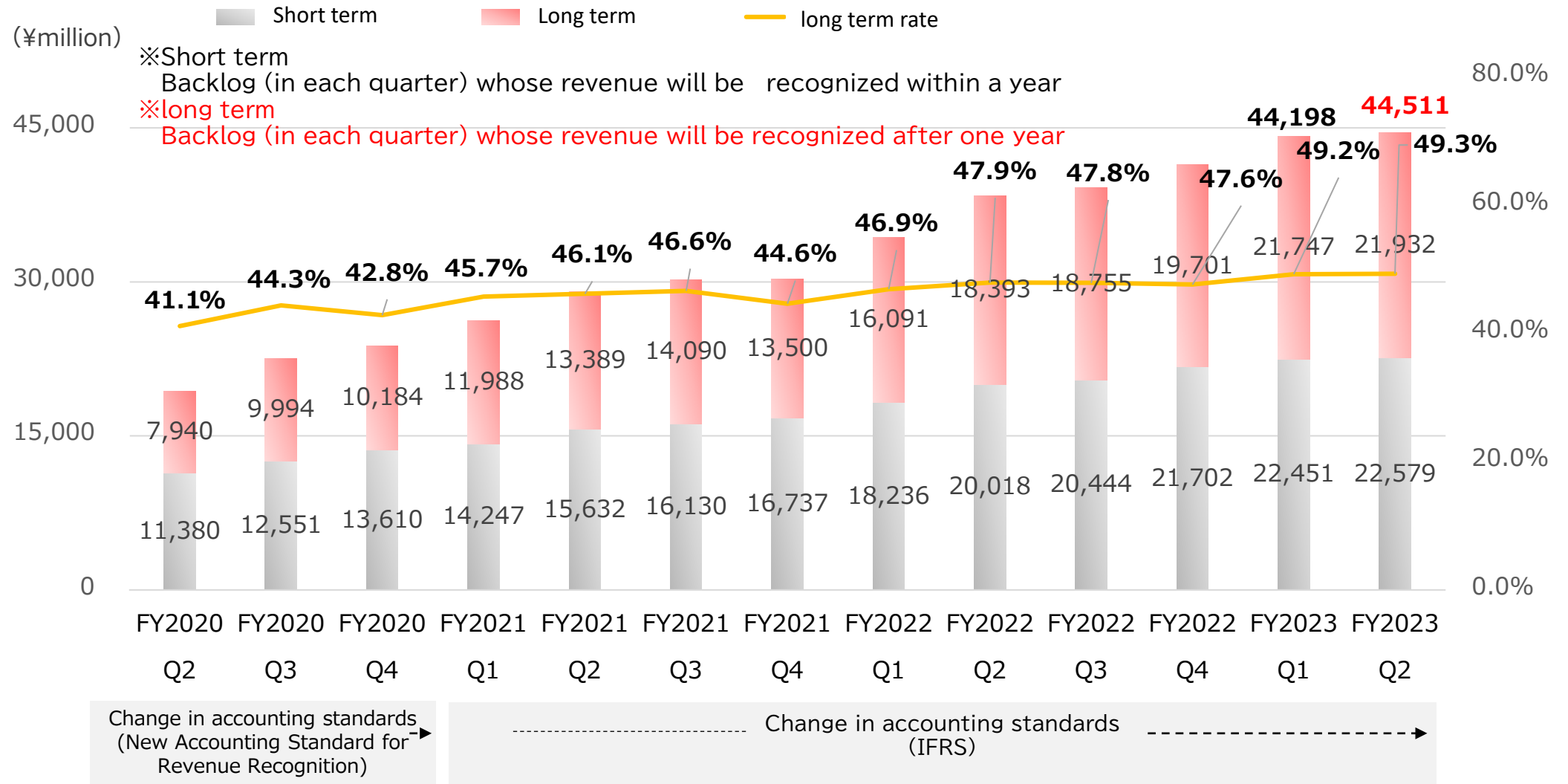
- Consolidated and non-consolidated (TechMatrix only) backlogs are as follows.





Backlog for FY2023 2Q (Non-Consolidated)

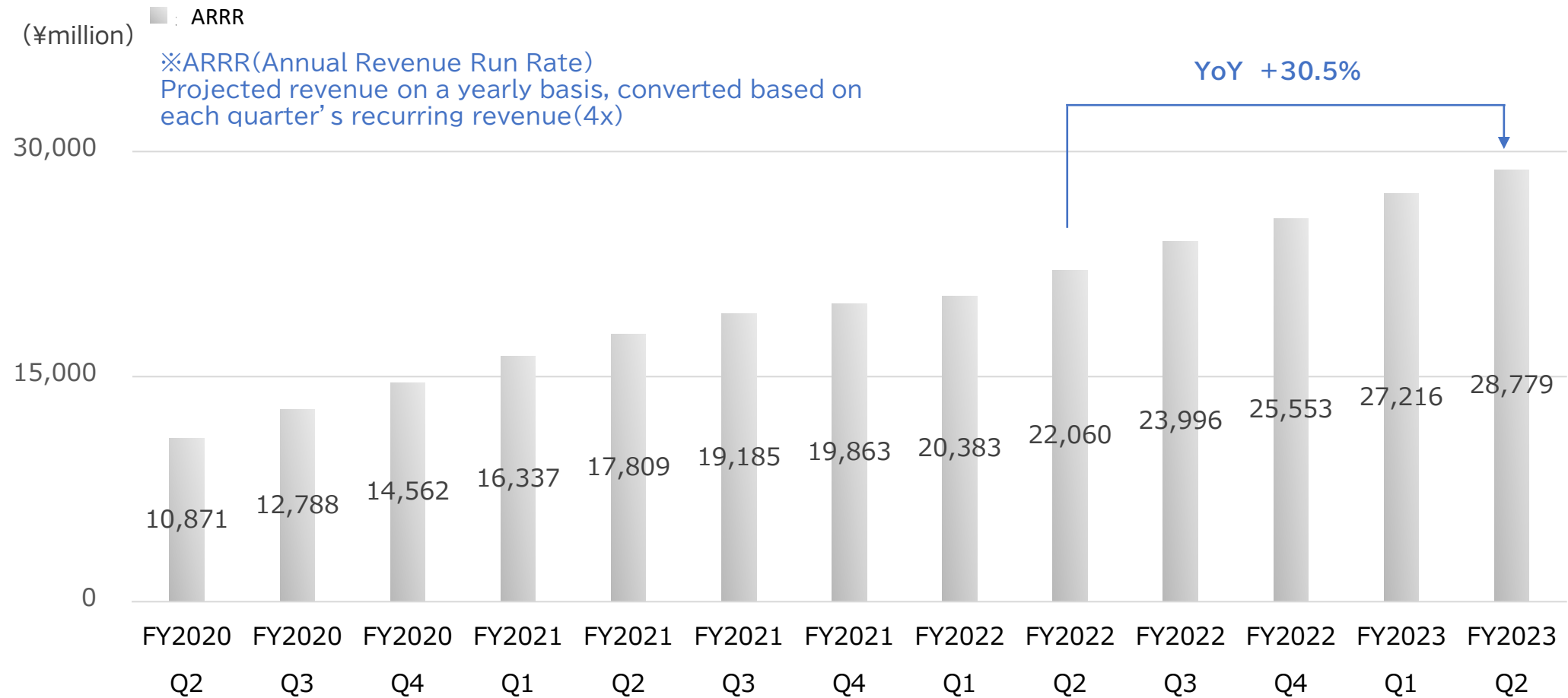
- Non-consolidated backlog (only at TechMatrix) are as follows.





ARRR for FY2023 2Q (Non-Consolidated)

- Non-consolidated ARRR (only at TechMatrix) is as follows.





Weather chart by Segment (Based on revenue) for FY2023 2Q

Information Infrastructure Business		YoY
Load balancers (BIG-IP, NGINX)	• Revenue for web server software (middleware) (NGINX (F5)) increased.	
Next-Generation Firewall / SASE / XDR / SOAR (Palo Alto's Strata, Prisma and Cortex)	• Increased revenue for cloud-based security products.	
Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security	• Although acquisition of new customers is a challenge, revenue maintained at the same level as previous year.	
Personal authentication systems / Forensic products / Storage products	• Increased revenue for storage products. • Decreased revenue for personal authentication systems.	
Security-related operation and monitoring services	• Revenue for TPS remained steady, which was stimulated by increasing demands for cloud-based security products.	
Next-Generation Mail security(ProofPoint)	• Revenue increased YoY due to strong demands on security solutions for cyber attacks via email.	
EDR(Tanium)	• Revenue increased YoY due to strong demands on EDR and Cyber Hygiene solutions for increasingly sophisticated cyberattacks such as ransomware.	
Other security products	• Increased revenue for Next-generation anti-virus products utilizing AI and Web application vulnerability assessment tool.	
CROSS HEAD & OCH	• CROSS HEAD : Revenue increased YoY due to the strong demands on integration projects, in particular, for cybozu. Revenue exceeded the plan and increased YoY. • OCH : The increase in own brand products and services although the plan was unachieved.	

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



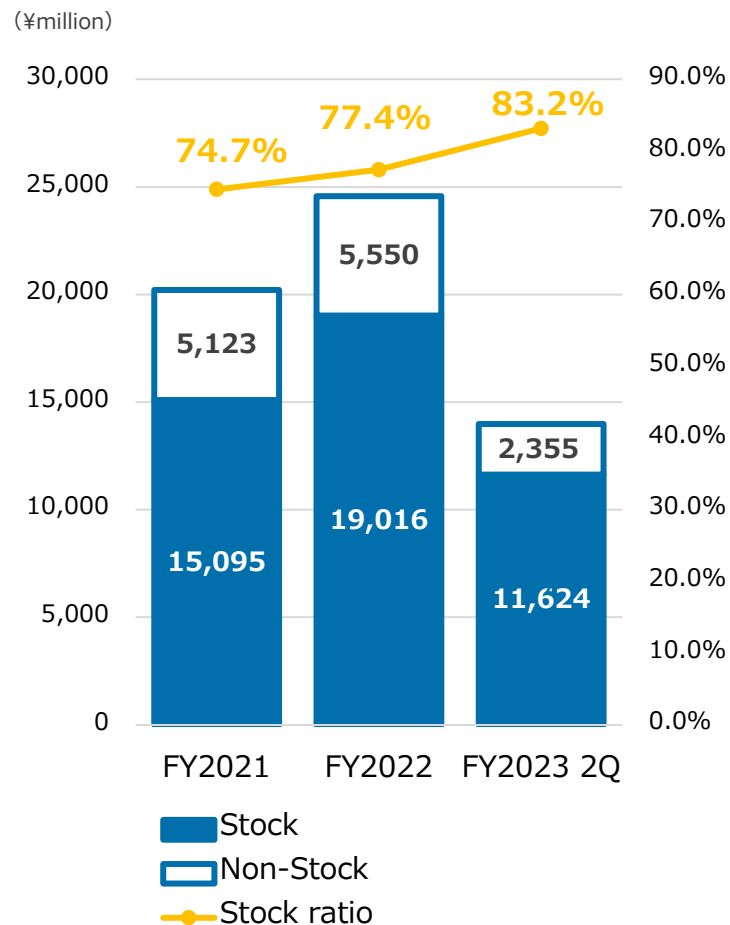
Weather chart by Segment (Based on revenue) for FY2023 2Q

Application Services Business		YoY
Business Solution field (Including CASAREAL and ARECCIA Fintech (former IDAY))	<ul style="list-style-type: none"> Although revenue decreased YoY, revenue exceeded the plan due to the booking for contracted development projects for national academic research agencies. CASAREAL : Revenue increased YoY due to continuation of strong demands on IT trainings. The plan was unachieved due to slipping the timing of holding trainings to the 2nd half of the year. ARECCIA Fintech: Although bookings were delayed, revenue increased YoY. 	
Software Quality Assurance field	<ul style="list-style-type: none"> Demands on quality testing tools for enterprise systems and embedded software remained steady. Revenue increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions. Exceeded the plan. 	
CRM field	<ul style="list-style-type: none"> Revenue increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions. Exceeded the plan. 	
EdTech field	<ul style="list-style-type: none"> Although the plan was unachieved, revenue increased significantly due to deployment to well-known private schools that offer advanced education. 	
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. Revenue increased YoY. 	
A-Line	<ul style="list-style-type: none"> Willingness of medical institutions to invest in procurement of radiation dose management systems has been improved. 	

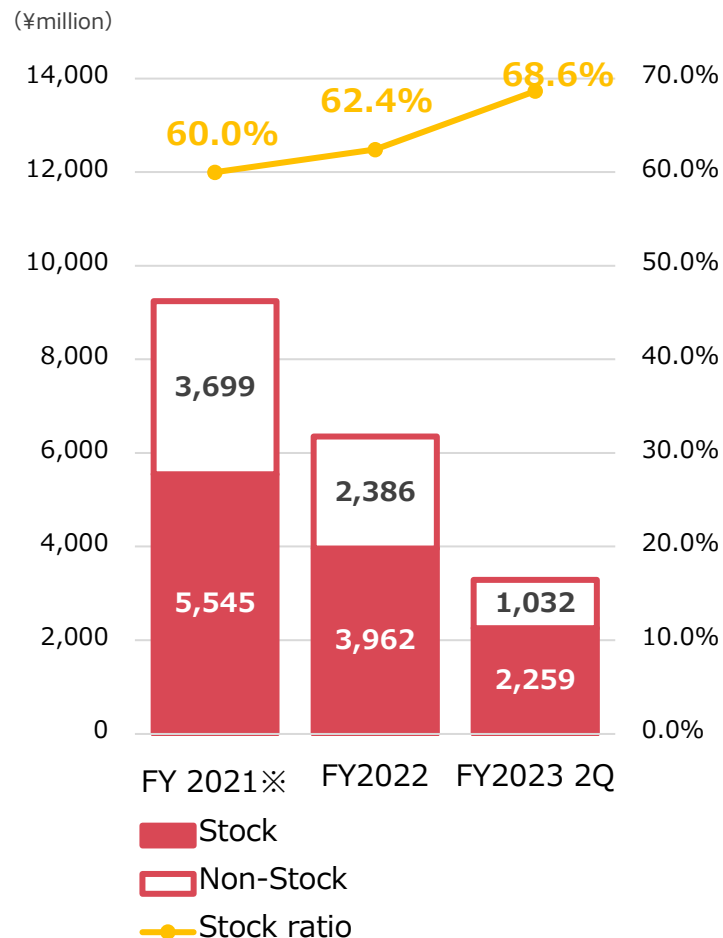
+10% and over
 +5% ~ +10%
 within±5%
 within△10%
 under△10%



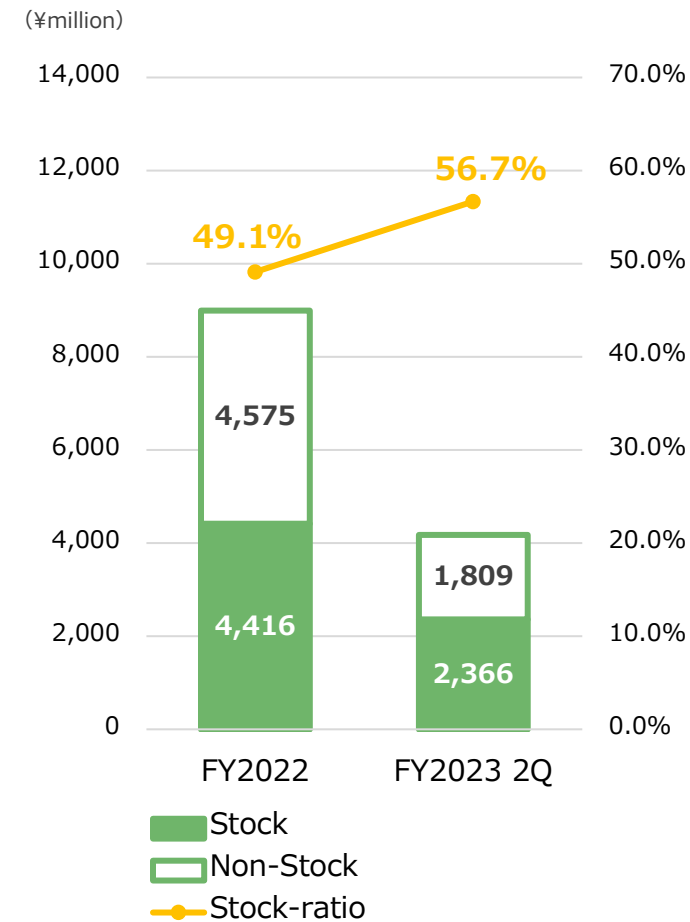
Information Infrastructure Business



Application Services Business



Medical System Business



※ Medical System Business Unit was spun off from the Application Services Business Unit in FY2022.
 ※ FY2021 results for application services business include results for medical field.

- “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)

	FY2022	FY2023 2Q		FY2022	FY2023 2Q
Total current assets	51,770	54,898	Total current liabilities	36,044	40,402
Cash and cash equivalents	20,071	22,880	Trade and other payables	2,145	2,111
Trade and other receivables	6,274	4,466	Borrowings	570	570
Other current assets	25,425	30,858	Other current liabilities	33,329	37,720
Total non-current assets	13,920	14,292	Total non-current liabilities	5,729	5,602
Property, plant and equipment	6,121	5,977	Borrowings	300	200
Goodwill	171	171	Other non-current liabilities	5,429	6,893
Intangible assets	2,141	2,292	Total liabilities	23,917	25,003
Other non-current assets	5,485	5,850	Share capital and Capital surplus	5,892	6,048
			Treasury shares	△974	△931
			Retained earnings	13,380	14,155
			Other components of equity	671	780
			Total equity attributable to owners of parent	18,970	20,052
			Non-controlling interests	4,946	4,950
Total assets	65,691	72,498	Total liabilities and equity	65,691	72,498



Consoliated

FY2022			
30-Jun.	30-Sep.	31-Dec.	31-Mar.
1,424	1,429	1,442	1,439
[133]	[134]	[138]	[138]
FY2023			
30-Jun.	30-Sep.	31-Dec.	31-Mar.
1,484	1,489	-	-
[137]	[137]	[-]	[-]
YoY			
+60	+60	-	-
[+4]	[±0]	[-]	[-]

Non-consoliated

FY2022			
30-Jun.	30-Sep.	31-Dec.	31-Mar.
531	532	544	544
[69]	[70]	[73]	[74]
FY2023			
30-Jun.	30-Sep.	31-Dec.	31-Mar.
558	543	-	-
[76]	[79]	[-]	[-]
YoY			
+27	+11	-	-
[+7]	[+9]	[-]	[-]

※The number of employees is the number of full-time employees.

※The figures in parentheses in the “Number of employees” column indicate the average number of temporary employees (including temporary and contract employees).



2. Forecast for Fiscal Year ending March 31, 2024

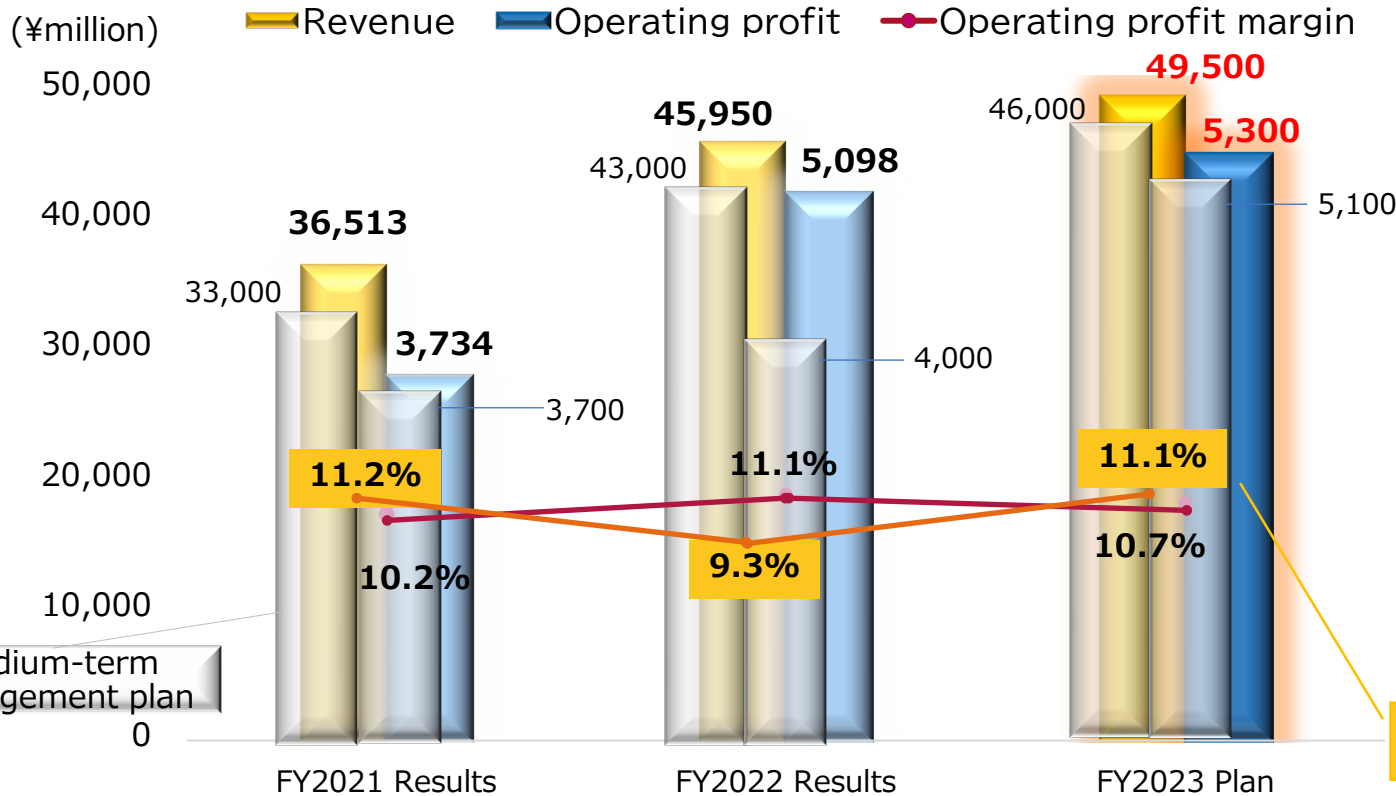


Forecast (Consolidated) (Total): Full-year Plan

Consolidated revenue and profit are expected to increase thanks to the backlog accumulated in or before the previous fiscal year. The targeted numbers for the third year of the medium-term management plan are also expected to be exceeded.

【Major special factors in the 40th】

- ① PSP’s revision of the retirement benefit system and introduction of long service leave (Unified personnel system)
- ② Continuous investment in new businesses (EdTech business and network security business 「NEO」)



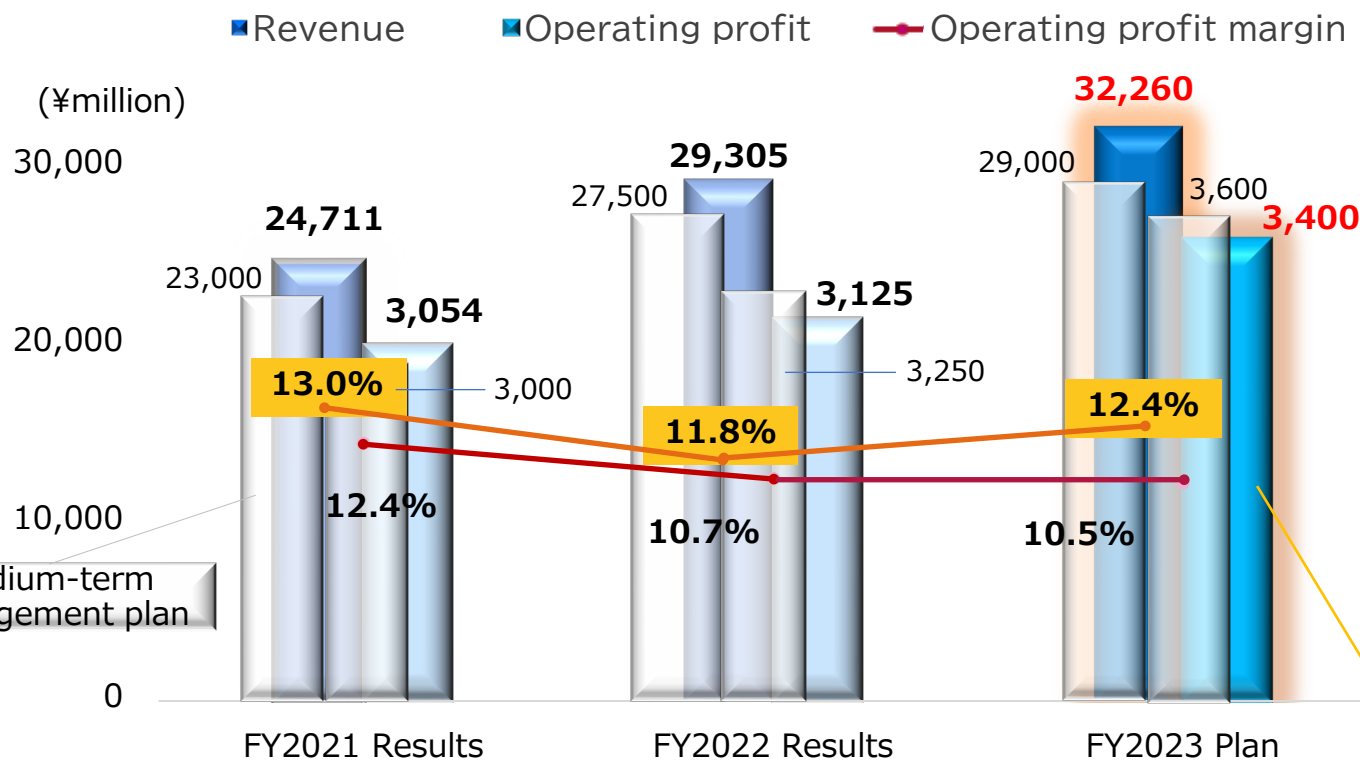
¥million		YoY (diff)	YoY
Revenue	YoY	+3,550	107.7%
	Vs. medium-term management plan	+3,500	107.6%
Operating profit	YoY	+202	103.9%
	Vs. medium-term management plan	+100	101.9%

Medium-term management plan



Forecast (Consolidated) (Information Infrastructure Business)

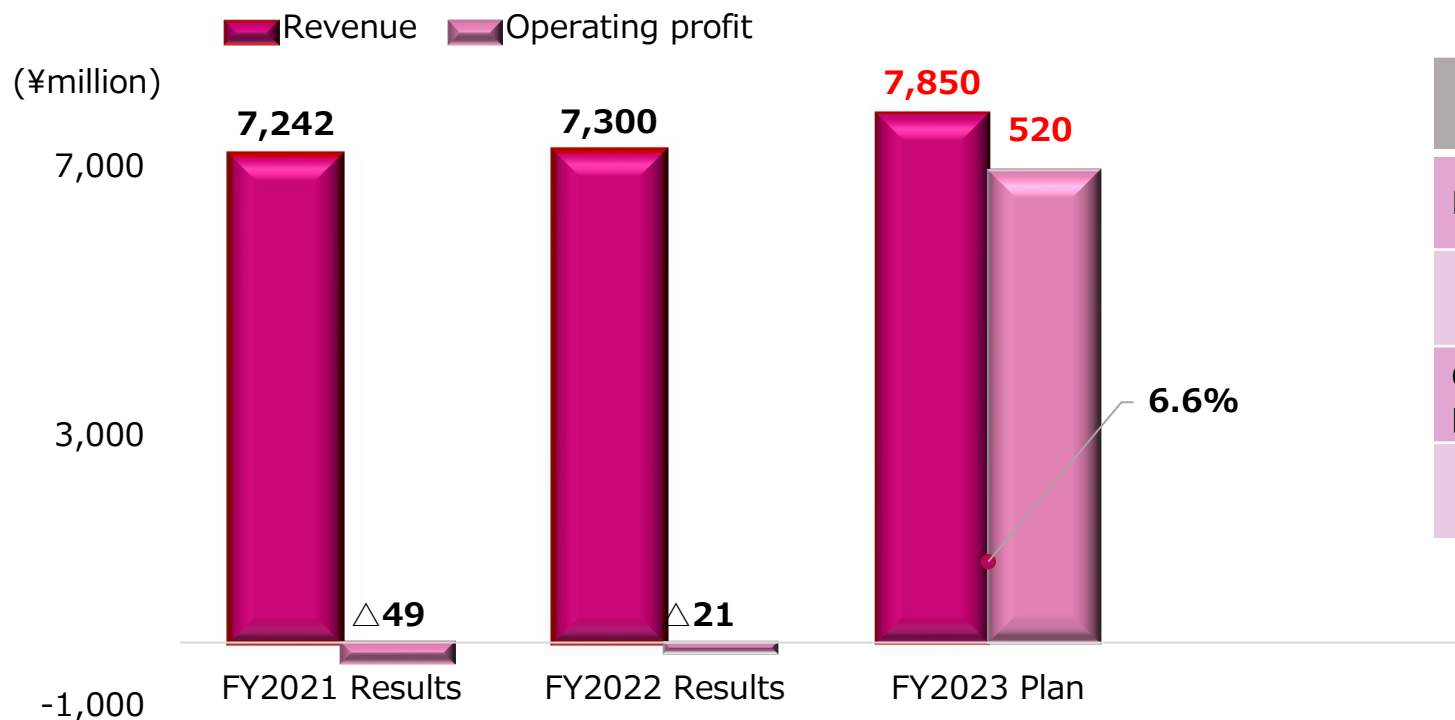
- ◆ Revenue (+): Continued strong demand for cybersecurity products and services
- ◆ Operating profit (+): Disappearance of special costs related to relocation in the previous year
 - (-) ① Impact of foreign exchange rates and increasing trend in purchase costs
 - ② Continuous investment in new businesses 「NEO」
 - ③ Changes in internal expense allocation rules



¥million		YoY (diff)	YoY
Revenue	YoY	+2,955	110.1%
	Vs. medium-term management plan	+3,260	111.2%
Operating profit	YoY	+275	108.8%
	Vs. medium-term management plan	△200	94.4%

Medium-term management plan

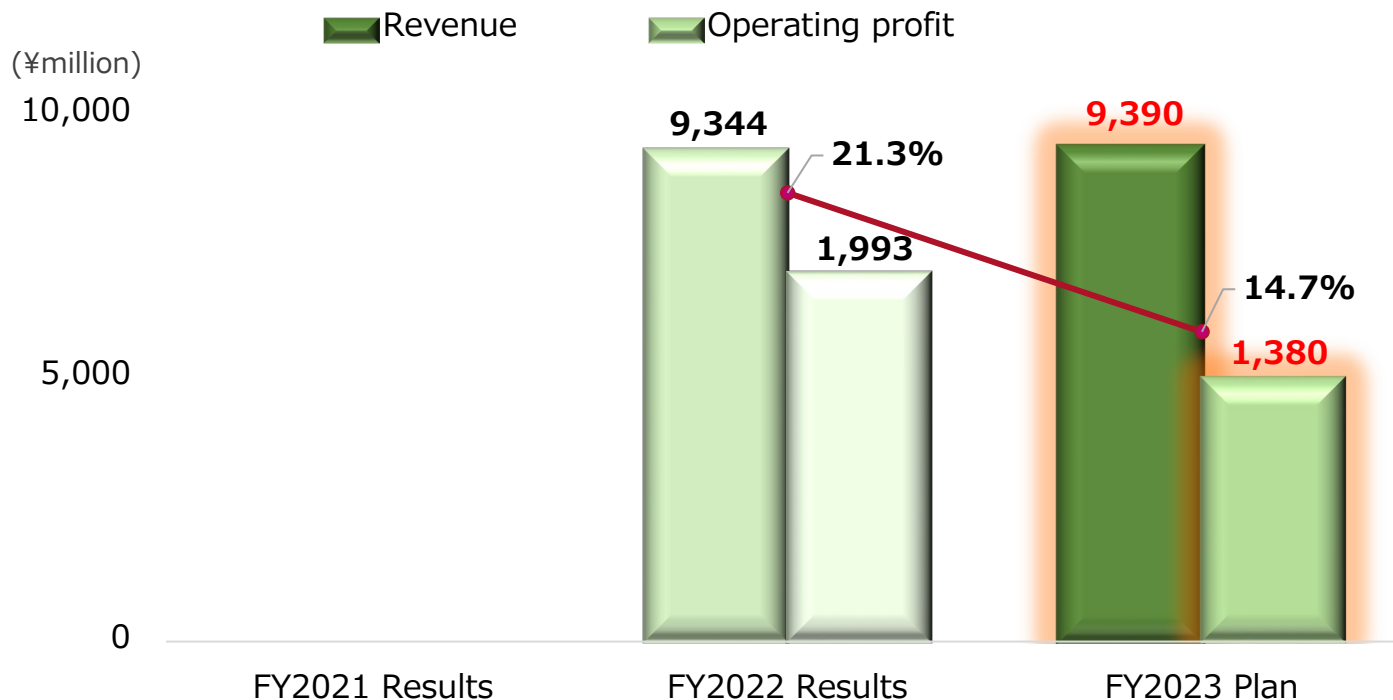
- ◆ Revenue (+): Continued growth of subscription-based business (CRM, software quality assurance, and EdTech fields)
- ◆ Operating profit (+):
 - ① Disappearance of special costs related to relocation in the previous year
 - ② Reduction of a deficit in EdTech business (Partially invested ahead of schedule in the previous fiscal year)
 - ③ Conclusion of a loss-making project in the Business Solution field
 - ④ Changes in internal expense allocation rules



¥million		YoY (diff)	YoY
Revenue	YoY	+ 550	107.5%
	Vs. medium-term management plan	—	—
Operating profit	YoY	+ 541	
	Vs. medium-term management plan	—	—

* Figures for the Medical System Business unit are excluded.

- ◆ Revenue (+): ① Continuous growth in PACS business
 ② Gaining momentum of an OEM supply to Canon Medical Systems
- ◆ Operating profit (-): ① Strategic shift to the cloud business
 ② Amortization of intangible fixed assets associated with software development
 (The benefits of capitalization emerged in the previous term)
 ③ Increase in personnel expenses, etc.
 (Impact of unifying personnel systems and the plan to increase staff)



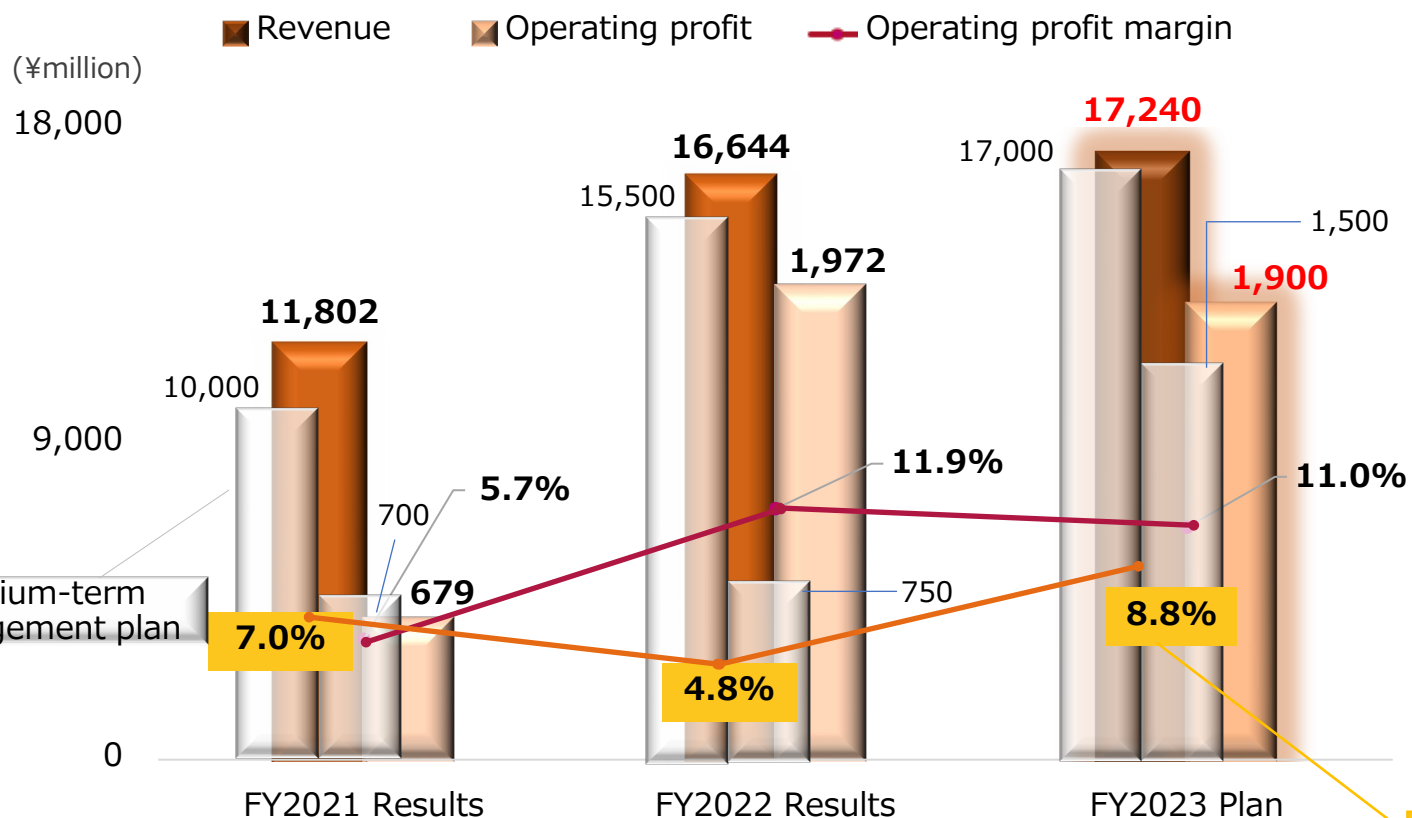
¥million		YoY (diff)	YoY
Revenue	YoY	+46	100.5%
	Vs. medium-term management plan	—	—
Operating profit	YoY	△613	69.2%
	Vs. medium-term management plan	—	—

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



Reference: Forecast (Consolidated)

(Application Services Business and Medical System Business)



¥million		YoY (diff)	YoY
Revenue	YoY	+596	103.6%
	Vs. medium-term management plan	+240	101.4%
Operating profit	YoY	△72	96.4%
	Vs. medium-term management plan	+400	126.7%

Medium-term management plan



3. Topics of Business activities



Concluded a distributorship agreement with Tenable, Inc. (August 2023)

The Company, as a sales partner, commenced the handling of Tenable products (2019). Going forward, the Company, as a distributor, will cooperate with the sales partners and offer solutions to a wide range of customers

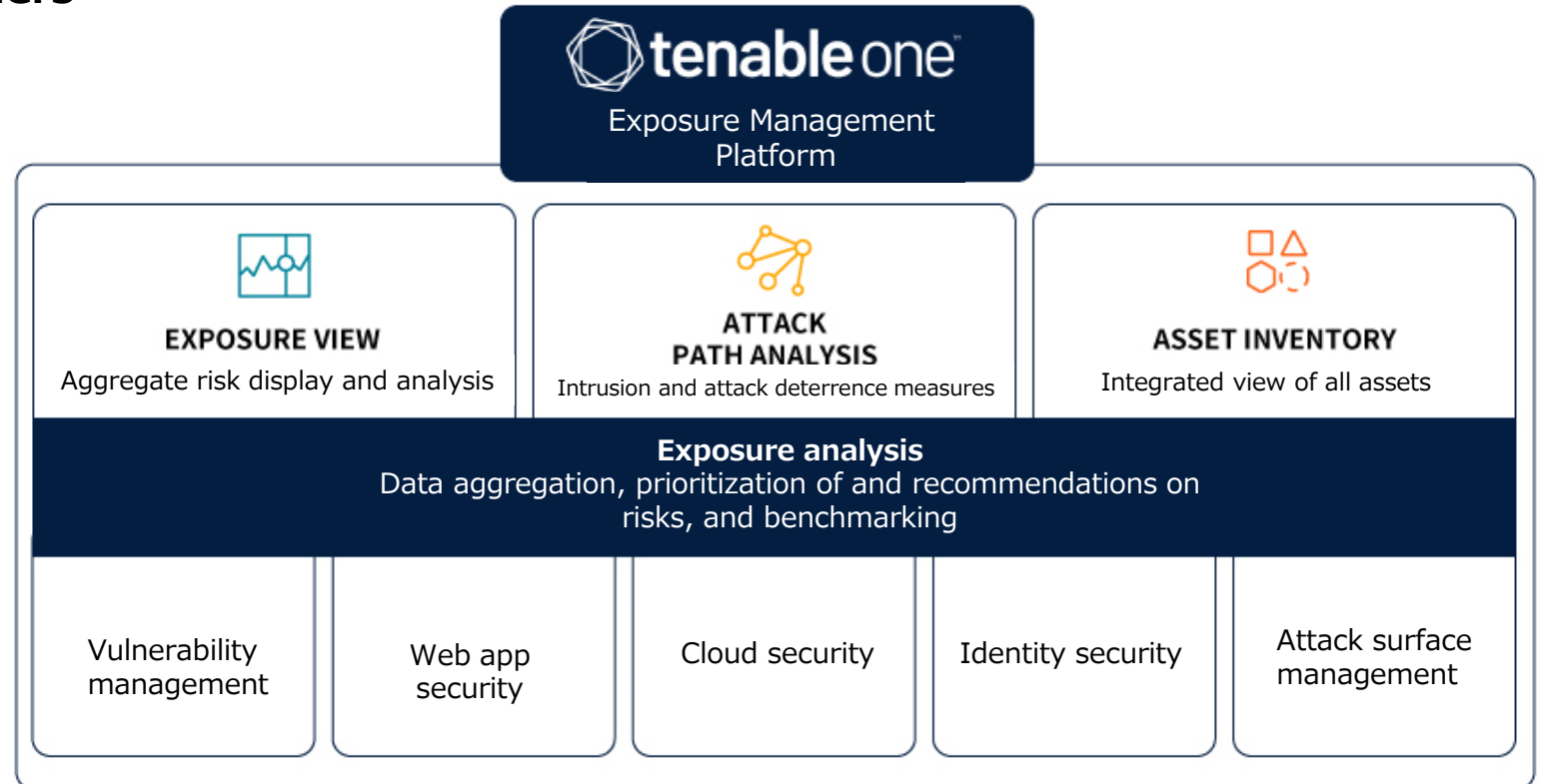
Market environment

- Rapid increase in the number of vulnerabilities
- Growing demand not only for spot security diagnosis but also for security products with real-time features

The added value of TechMatrix

Engineers with expertise in vulnerability assessment provide the following support:

- Training and deployment support services for Tenable users
- Technical support by a dedicated helpdesk





“tsumugino,” the Cloud SaaS type service was adopted by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) as a “Demonstration Project for the Promotion of Digitalization of Next Generation School Administrative Affairs” (August 2023)

Vision targeted by “tsumugino”

学びを 未来へ 紡ぐ



tsumugino

To achieve DX in school administrative affairs (admin) through cloud computing of systems for supporting school admin

Aiming to reform the workstyles of teachers (greater operational efficiency) and make teachers spend quality time with students

Issues in the education field

- A large part of school admin is left to the teachers (to be dealt with in the teacher staff room) and teachers have very few options in terms of workstyles (on-premise operations)
- Operations are mostly paper-based
- Difficulty in linking learning data and school admin data
- Forms have yet to be standardized

Functions that will be reinforced in the demonstration project by MEXT

- Providing services as SaaS
- Encryption of the database
- Support for multi-factor authentication
- Linking with general-purpose cloud tools
- Dashboard functions that integrate and visualize the data of the school and students at the student, classroom, school, and school board levels.

“tsumugino” has already implemented functions a. through d. listed above. Going forward, we plan to develop and demonstrate function e.



Publication of the first Integrated Report (September 2023)

The Integrated Report which provides a comprehensive explanation of financial and non-financial information has been published for all stakeholders to deepen their understanding of the TechMatrix Group initiatives to enhance corporate value in the medium- to long-term and to gain their trust.



- **Sections of the Report that we want to draw your attention to:**

“Message from the President & CEO”

The President & CEO discusses a wide range of topics including growth strategies, human capital, and management philosophy.

“Value Creation of the TechMatrix Group”

The heads of each business unit convey their message and explain how the Company, driven by its three strengths, creates value through business activities and contributes to society.

*The Integrated Report is available on the Company’s IR website (Japanese).

https://www.techmatrix.co.jp/ir/library/library_07.html

*The English version of the Integrated Report will be available at the end of November.



Corporate Philosophy The IT professional group who create a better future P.01



Value Creation Model (Excerpt from Integrated Report p.19-20)

*Evergreen means a situation where there is constant demand



48,119,000

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

303,651,000

The number of **inspections** stored in NOBORI

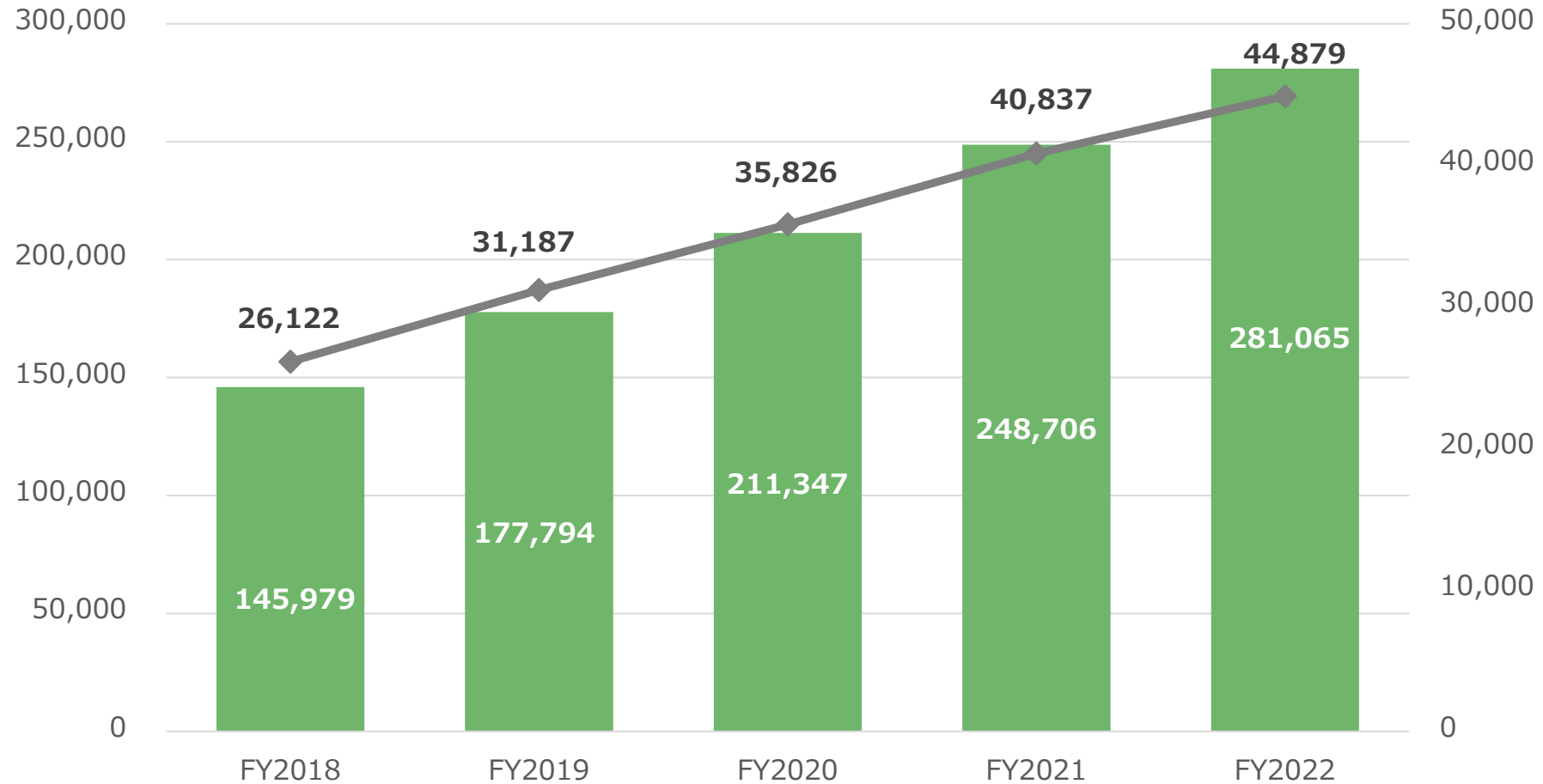
(September 30, 2023)



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)



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



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)



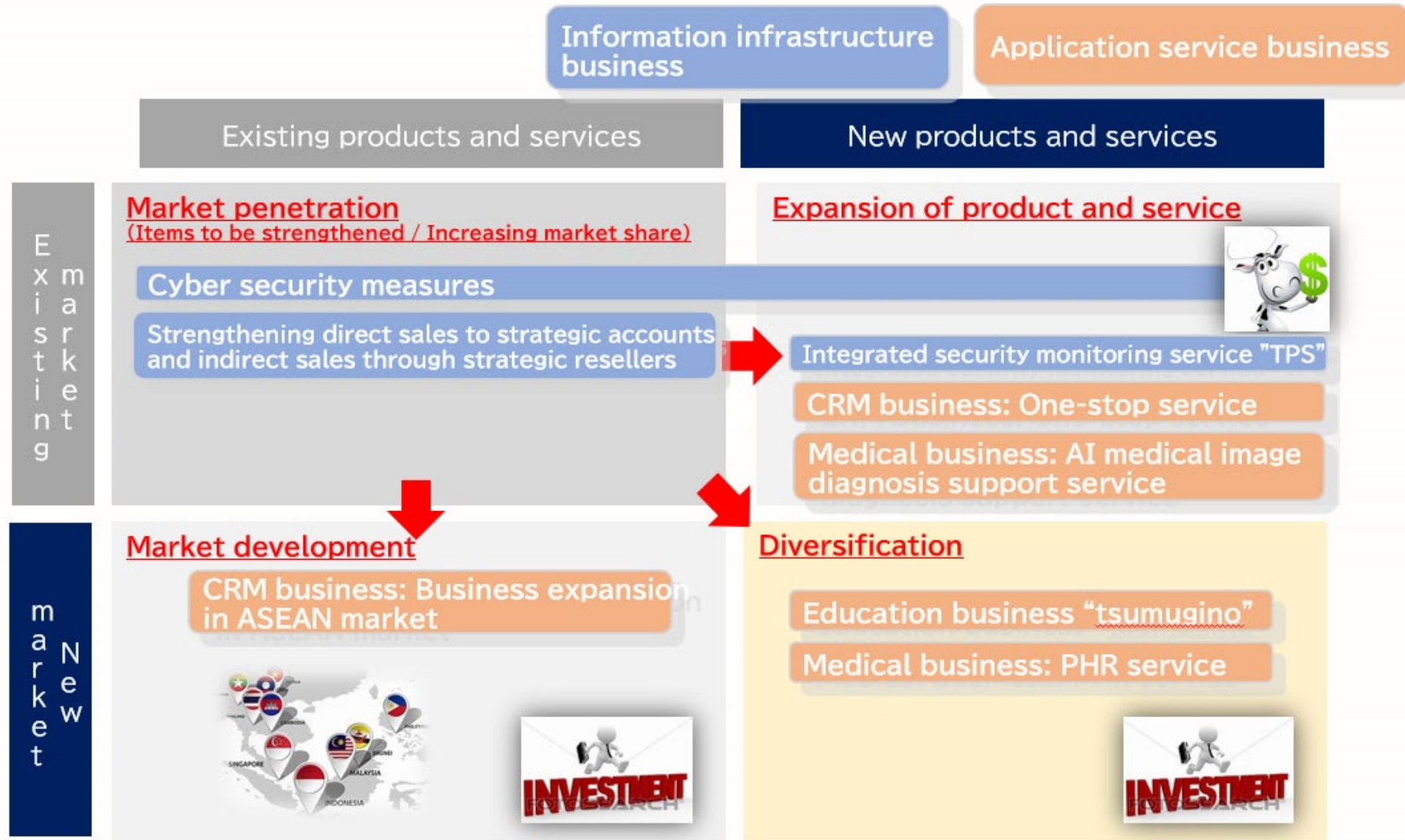
Key basic strategy

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



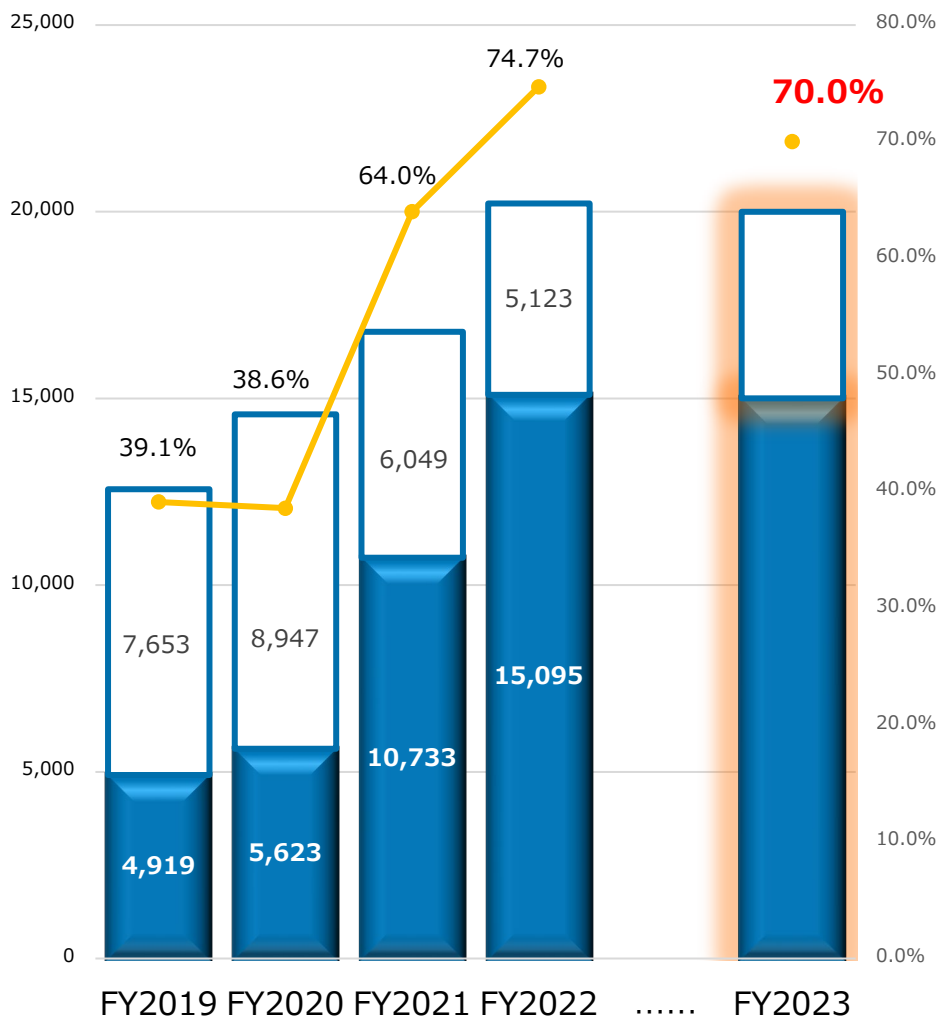
Existing market

New market

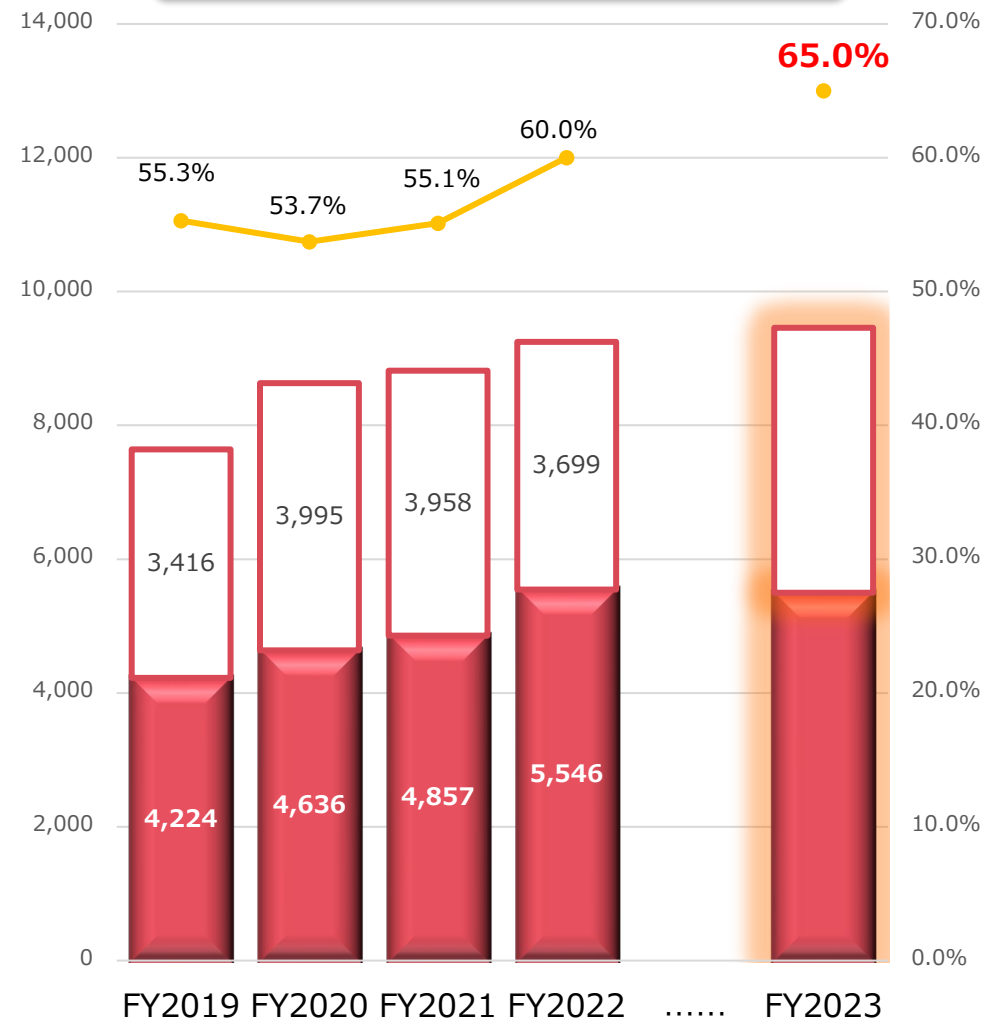


Plan stock ratio (TMX (stand alone) + former NOBORI)

Information infrastructure



Application service



Stock Non-stock Stock ratio

Stock Non-stock Stock ratio



(Reference) Survey data • Other

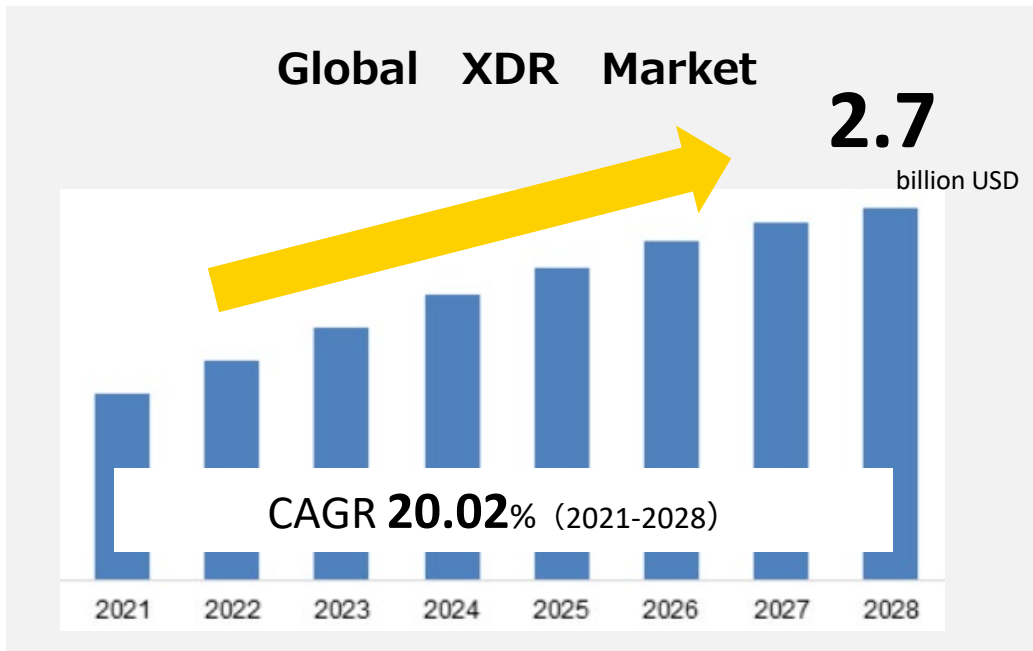


From 2021 to 2028, the global XDR market is expected to grow to more than \$2.7 billion (CAGR 20.02%).

What is XDR (extended detection and response)?

XDR collects data across multiple security layers including networks, servers, cloud-based applications and endpoints, and protects information assets located in various different locations. It is characterized by faster threat detection and flexibility and may be integrated with a wide range of existing security tools and products, and is indispensable in the VUCA era (※) .

※VUCA era ... Times when it is difficult to predict the future. It is an acronym for volatility, uncertainty, complexity and ambiguity.



Source: Compiled by TechMatrix based on Adroit Market Research 2021.

■ Sales and growth rate of major XDR vendors

Corporate name (sample)	Revenue (¥million)		Growth rate (%)
	FY2020	FY2021	
CrowdStrike Holdings Inc	92,968	160,788	173%
SentinelOne Inc	9,893	22,685	229%

Source: Compiled by SPEEDA based on their financial statements



Fact-finding Survey on Security Measures

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

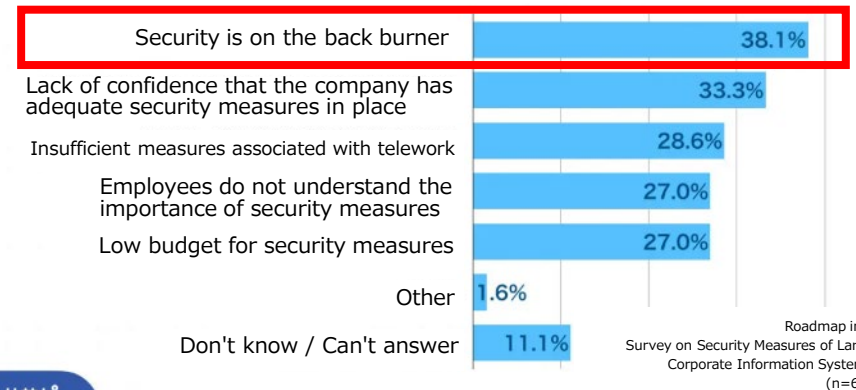
Based on a survey by Roadmap inc.

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

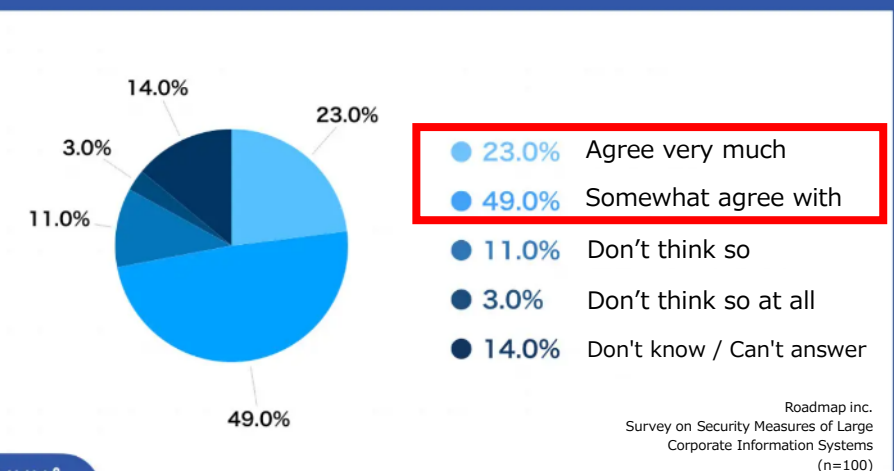
Questions for those who answered other than "adequate" in Q3. What are your concerns about security measures at your place of work (multiple answers)?



リサピー

Q6

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



リサピー



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.

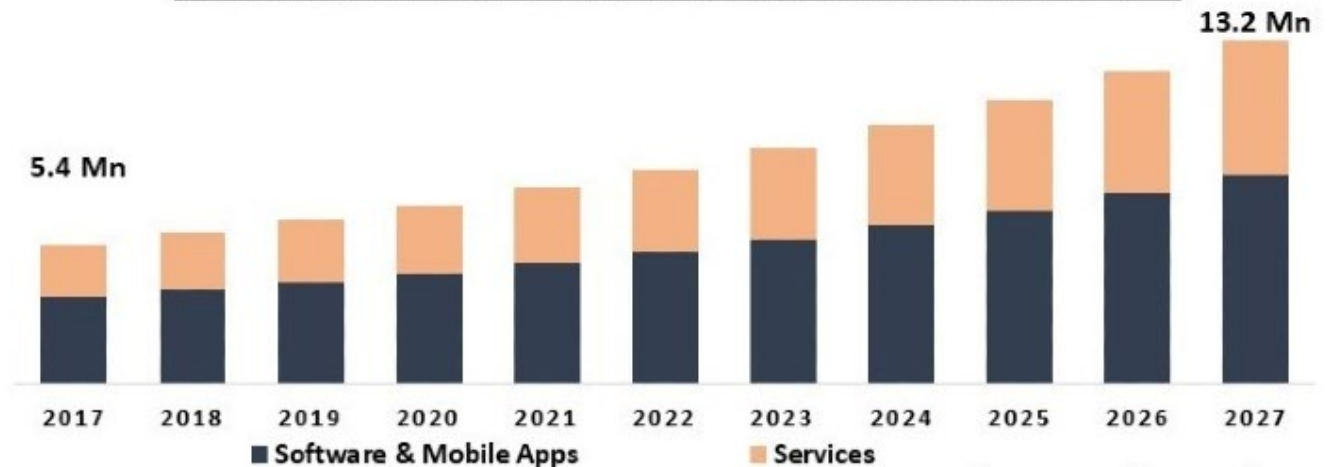
Growing digitalization in the healthcare industry

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)

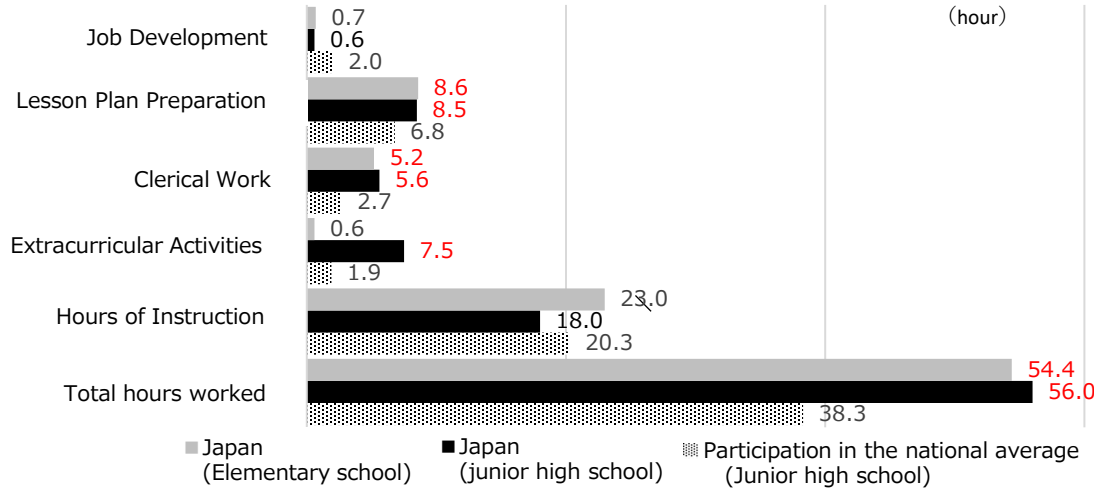
Personal Health Record Software Market Size, By Component, 2017 - 2027



Source: www.kbvresearch.com



Teacher's work hour per week

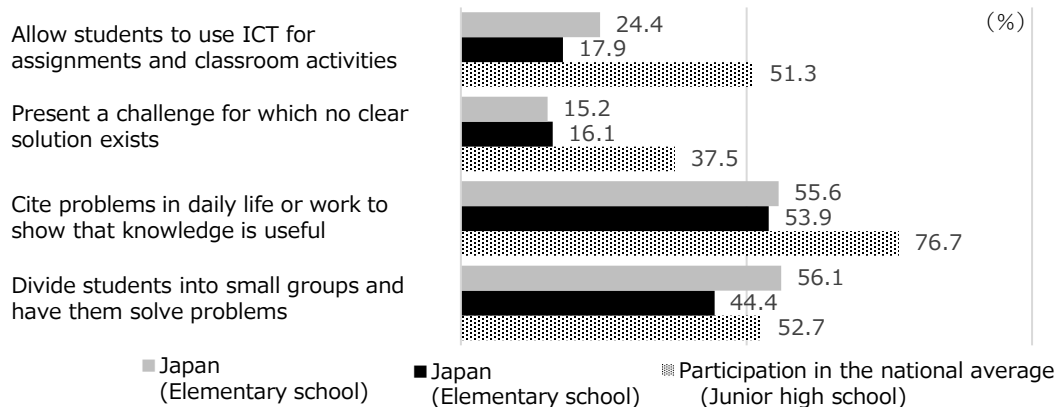


Teachers work the longest hours among any of the participating countries, and there is a significant sense of a shortage of human resources.

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)

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 ! 

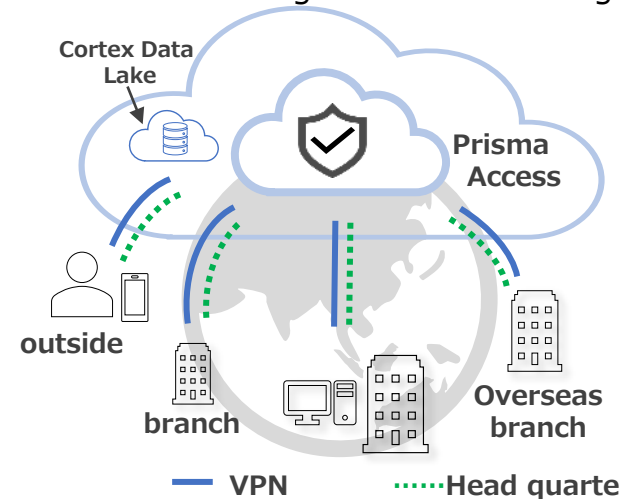
Providing security services independent of location, device...etc.

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

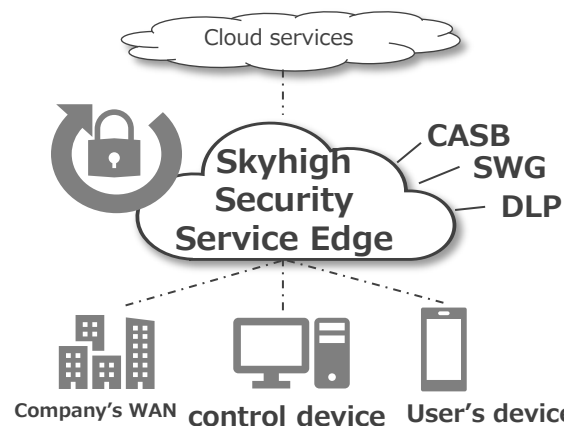
~ Providing functions of next generation fire wall on cloud~



- 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.



Total support of cloud-native*1 system development, operations, and maintenance



- Security
- Software development support
- Promotion of cloud native technologies, support for training
 - Container technologies (Docker and Kubernetes)
 - DevOps*2 tools (Jenkins and Git)

Today, more applications are tested and released faster. Advanced process coordination of cloud-based technologies is critical for infrastructure, application development, operations, and ensuring security.

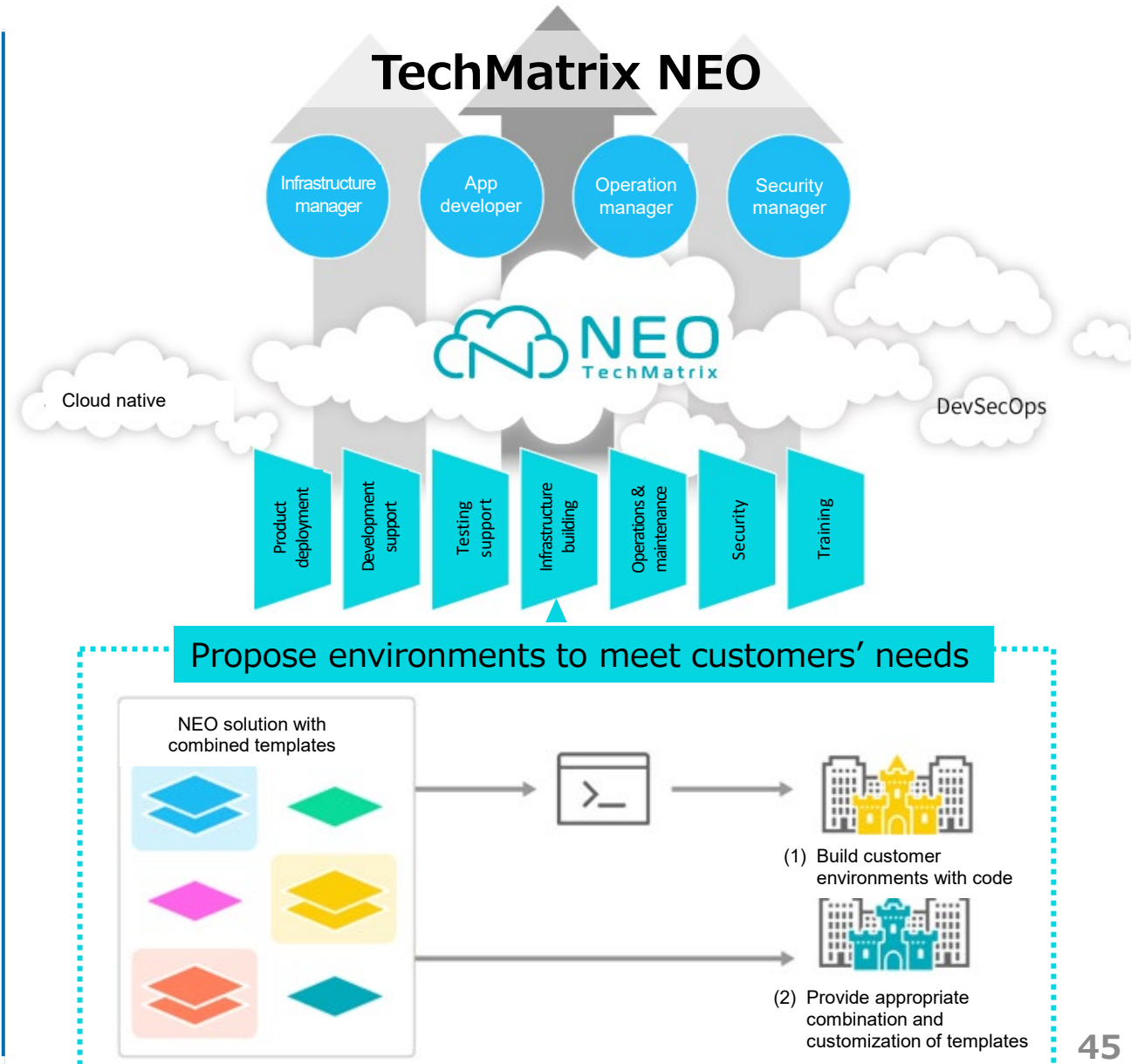
Definition of terms:

*1 Cloud-native

A method that takes full advantage of the cloud

*2 DevOps

An approach to processes and methods that accelerates collaboration between development and operations teams





Relation of sales partners

Network & Security

Medical System

Software quality assurance

CRM

Business solution

EdTech



Provision of optimal services to customers based on our Japan's top class track record of supporting product deployments.



5 years in a row
 • Distributor of the year
 (2018,2019,2020,2021,2022)
2 years in a row
 • Excellence in support of the year
 (2018,2019)



2021 Award
 • MVP Partner of the year

2022 Award
 • Most Dedicated Partner of the Year



2019~2021,2023 Award
 Channel Services Delivery Excellence Award
 (Former Services Delivery Excellence Awards)

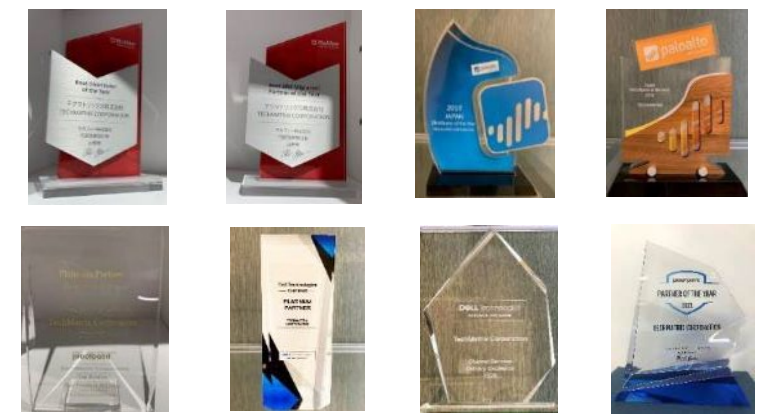


3 years in a row
 • PARTNER OF THE YEAR
 (2021,2022,2023)
2 years in a row
 • Deal registration of the year
 (2022,2023)



2022 Award
 APJ Marketing Partner of the Year

【Others】





(Reference) 1Q Topics for the FY2023



Reorganized financial system-related business

Made ARECCIA Fintech a wholly owned subsidiary (July 1, 2023)

November 2019: Concluded a capital and business alliance with ARECCIA Fintech (formerly IDAY).

(Percentage of voting rights held by TechMatrix: 51%)

July 2023: Made ARECCIA Fintech a wholly owned subsidiary through a share exchange.

TechMatrix's financial system-related business was succeeded by ARECCIA Fintech through an absorption-type split.



- Consolidate operating resources, including products, services, and human resources
- Provide stable support for existing customers
- Acquire new customers by strengthening the sales and marketing organizations
- Enhance product and service functionality and strengthen research and development

Expand financial system-related business and FinTech business



CROSS HEAD, our consolidated subsidiary, established the Chubu (the central part of Japan) office

Opened an office in Nagoya, Aichi (in TechMatrix's Nagoya sales office in April 2023)

To strengthen the organization dedicated to Central Japan to meet growing demand for network security products and technical support in that area.



To enhance service quality and improve customer satisfaction by collaborating with the TechMatrix's Network Security division



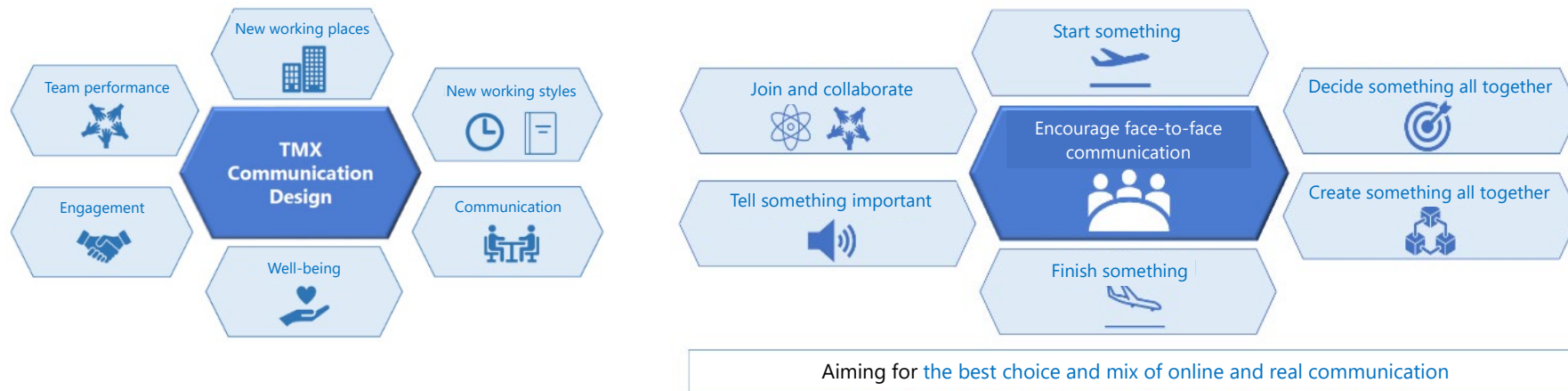
Developed human resource strategies to realize management strategies

- **Basic policy of human resource strategies**

Maximize the organization's capacities by creating an organizational culture that supports the challenges and growth of employees and fosters their motivation.

- **Three basic strategies**

1. Develop human resources for the future
2. Realize a new communication style and flexible work style to maximize employee potential
3. Promote diversity and inclusion



Note: The details of the strategies (including indicators and targets) are described in the securities report for the 39th business year (in Japanese only).

https://www.techmatrix.co.jp/en/ir/library/library_03.html



Launched Secure Code Warrior, a secure coding learning platform after obtaining its exclusive distributorship rights in Japan (May 2023)

Help developers establish their secure coding practices with extensive learning content

Support 60 or more languages and frameworks. 150 different security vulnerabilities can be learned.

Integrated into CI/CD* cycles.



Competitions

Recognize skill level by competing against opponents in challenges to identify vulnerabilities and fix them.



Training courses can be customized with templates according to learners' skills or the like.

Assessment

Take tests to check skill level.

Background and Issues

- Cybersecurity risks are growing and secure coding is essential for software safety.
- Large efforts are required for education.
- Hiring skilled personnel is difficult.
- It is difficult to grasp the level of learners' understanding of secure coding.

Industries of the target market of Secure Code Warrior include IT, automotive, medical, financial, retail, public sector, and other various industries.

* CI stands for continuous integration. One of the practices of agile development. A build and test method.

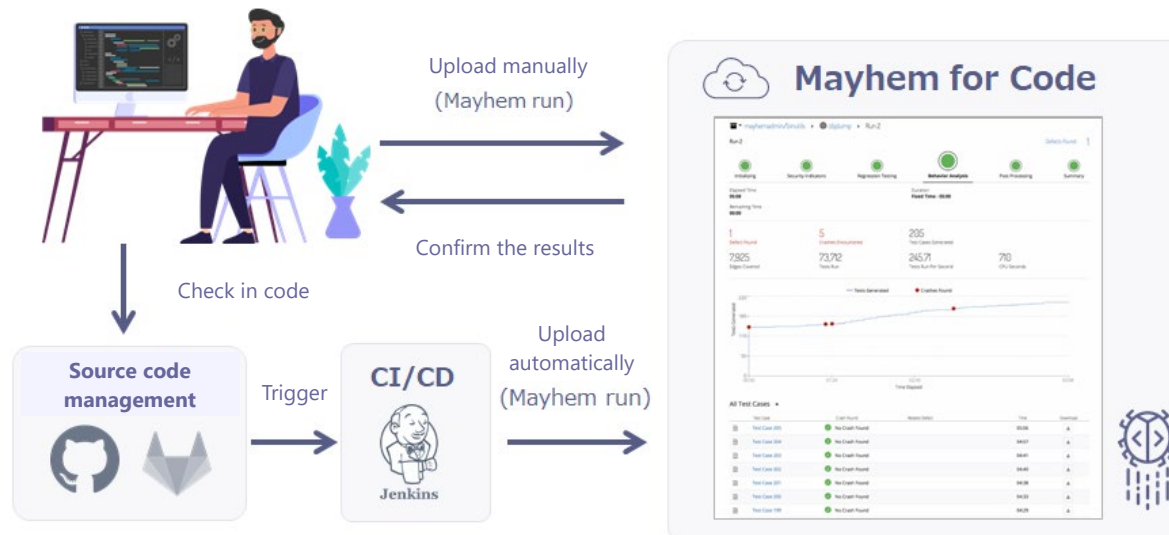
* CD stands for continuous delivery. CD is a practice that enables frequent releases.



Launched Mayhem for Code, a fuzzing* tool that supports unit and integration testing (May 2023)

Mayhem for Code autonomously detects software bugs and vulnerabilities, significantly reducing testing efforts. Maximizes test coverage.

- Continuously performs analysis to find unexpected flaws
- No false positives are included in detected bugs and vulnerabilities, ensuring a smooth correction.
- Automatically generates an extensive number of test cases.
- Detects bugs and vulnerabilities early with fuzzing testing in an early stage in SDLC**.
- Visualize the coverage of fuzzing tests performed (through linkage with unit testing functions of Parasoft C++test, a C/C++ tool by Parasoft Corporation).



Background and Issues

- An extensive number of manual tests must be run to detect bugs and vulnerabilities.
- Fuzzing testing is dependent on developers' efforts and skills.
- The coverage of tests is difficult to ascertain.

Targeted industries for Mayhem for Code include aerospace, automotive, high-tech, and other various industries.

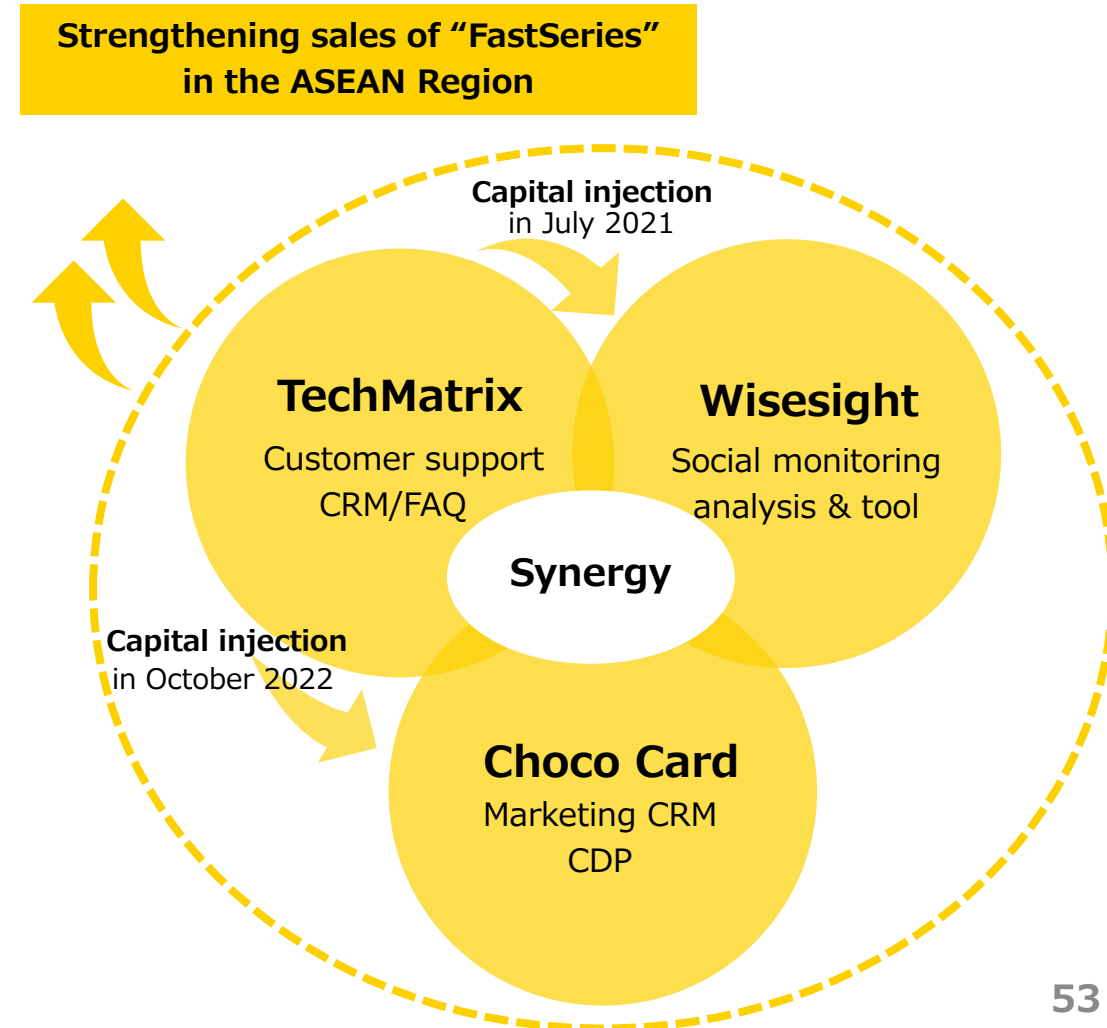
* Fuzzing: A testing method that inputs a large amount of data to the target and monitors its response and behavior.

** SDLC: Software development lifecycle



Medium-Term Management Plan / External Strategy Expanding business in the overseas (ASEAN) market

- ① **Established TechMatrix Asia, a local subsidiary in Thailand (The company was newly consolidated from April 2023 and became a first overseas subsidiary.)**
 - Expand CRM solution business in ASEAN
 - Accelerate direct sales and conclude direct contracts with local customers
 - Strong collaboration with investment portfolio companies
- ② **Joint development of “CRM Next,” a new innovative marketing service based on customer insight analysis for the Taiwanese market by the three companies - TechMatrix, BELLSYSTEM 24, and Intumit (November,2022)**
- ③ **Capital and business alliance with Choco Card (Thailand, a leading CDP provider) (October,2022)**
- ④ **Capital and Business Alliance with WISESIGHT (THAILAND) CO., LTD. (No.1 social data analysis cloud service in Thailand) (July,2021)**





<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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