Appendix

TechMatrix Corporation

(Stock Code:3762)

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

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Corporate Profile

Pioneering specialist for IT

Company Name	TechMatrix Corporation
Date of establishment	August 30, 1984
Listed exchange	First Section of the Tokyo Stock Exchange
Stock code	3762
Paid-in capital	¥1,298.12 million
The number of the issued stocks	12,379,600
Number of employees	952 (Consolidated; as of September 30, 2013)
Fiscal year-end	March 31
Board composition	5 Director (including 1 external director)
Majority shareholders	Rakuten, Inc. 31.01%
Head Office location	**Head office** : Takanawa 4-chome, Minato-ku, Tokyo
	Head Office Gotenyama Annex : 7-35 Kita-Shinagawa 4-chome, Shinagawa-ku, Tokyo
	Head Office Sagamihara Annex: 22-9, Sagamihara 6-chome, Chuo-ku, Sagamihara, Kanagawa Prefecture
Domestic Offices	**Osaka Branch** : 6-12 Minami-Honmachi 2-chome, Chuo-ku, Osaka
	Kyushu Sales Office : 5-1 Hakata Ekimae 1-chome, Hakata-ku, Fukuoka
	Sendai Sales Office : 1-8 Omachi 1-chome, Aoba-ku, Sendai, Miyagi Prefecture
	Nagoya Sales Office : 17-26 Nishiki 1-chome, Naka-ku, Nagoya, Aichi Prefecture
	Sapporo Sales Office : 4-3, Kita 7jo Nishi 4-chome, Kita-ku, Sapporo, Hokkaido Prefecture

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History

Pioneering specialist for IT

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

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Two Business Domains

Pioneering specialist for IT

TechMatrix will continue to evolve by fostering collaboration between its two businesses.

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Main shareholders

As of September 30, 2014

Name of shareholder	Number of stock	Ratio
Rakuten, Inc.	3,840,000	31.01%
Techmatrix's Employee Shareholding Association	454,400	3.67%
Individual	349,100	2.81%
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	248,200	2.00%
Techmatrix Corporation	216,356	1.74%
Individual	203,100	1.64%
Daiwa Securities Co., Ltd.	155,000	1.25%
Japan Trustee Services Bank, Ltd. (account in trust)	153,700	1.24%
Riskmonster.com	140,000	1.13%
TIS Inc.	122,200	0.98%

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Information Infrastructure Business

Provision of infrastructure technology that underpin cloud era

Category	Solution	Main products	Remarks
Network	・Getting rid of the destabilization of the Web sites by the access concentration ・Expanding storage capacity without a system stop and backup	・Top share in the load balancer market **F5 Networks** ・Technology leader in the scale-out NAS storage market **EMC（Isilon）**	・continuously growing by gaining benefit from the expansion of EC businesses
Security	Comprehensive security measures	・Top share in the one-time password cards (user authentication) **EMC（RSA）** ・A leading security company **McAfee** ・Next-generation firewall **Palo Alto Networks**	・Increasing cyber-attacks ・TechMatrix's own managed security service called "∴ **TRINITY**"

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

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

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

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

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Application Services Business 1/3

Provision of solutions for vertical markets

Field	Customer needs	Main partners	Remarks
Healthcare	Pursuing efficiency in management of healthcare institutions	•Diverse sales partners •Electronic patient record vendors •Medical equipment (modality) vendors	・"**NOBORI**", a Cloud service for healthcare information ・Promoting regional Integration of the Healthcare Enterprise ・Small and mid-sized hospitals (100-400 beds) ・Over **500** customers

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

Field	Customer needs	Main partners	Remarks
Contact Center CRM	Facilitating operations in contact centers	•Bell system24 •NTT Data •CTC •PBX vendors	・**Top-class customer base in number** ・Joint development of the product ・Customers ranging from large centers (more than 1,000 seats) to small centers

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

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Application Services Business 2/3

Provision of solutions for vertical domain

Field	Customer needs	Main customers	Remarks
Internet Service	•Development of EC sites •Highly-reliable mission-critical systems **Financial field** •Advanced risk management systems •Trading system for complex financial derivatives	•Rakuten Group, Riskmonster, Pal-system, NTT DoCoMo, •Bank, Insurance, Securities, Financial firms •IT firms	・Sustaining businesses from existing customers in good standing ・Expanding "Raku-Raku back office" a cloud service ・Targeting the derivatives trading at the financial firms which looks ahead to regulatory reinforcement

In the Internet field, we undertake the development of custom-made applications, ranging from EC sites to mission-critical internal systems mainly using Web-based technologies. To meet customers' needs reflecting their corporate strategy and vision, we provide system planning, consulting services, requirement definition, design, development / testing services based on the standardized processes and secure maintenance / operation services. CASAREAL, inc., which is a consolidated subsidiary, provides the system development by using state-of-the-art open source software and training services for skill-development of IT technicians

In the Financial field, we have accumulated knowledge and expertise in the financial services industry by specializing mainly in risk management, asset-liability management (ALM) and fair valuation of complex financial derivatives and portfolios using financial engineering techniques.

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Application Services Business 3/3

Provision of solutions for vertical domain

Field	Solution	Main products	Remarks
Software Quality Assurance	Improvement of software quality	・Top share in testing tools **PARASOFT (Exclusive distributor)** ・Source code analysis tools **Lattix and Scitools (Exclusive distributor)**	・Distribution and marketing of a variety of tools ・Consulting service for functional safety (to comply with standards)

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

Out target is embedded software for intelligent home appliances, car navigation system, OA equipment, smartphones, automobile, medical equipment and robots, as well as mission-critical applications in the financial industry. For example, in the car production, compliance with the international standards about the Functional Safety of the embedded software led by Europe and America is required.

ISO26262
Automobile

IEC61508
electric/electronic device

IEC62304/FDA
Medical equipment

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Group Companies

5 consolidated subsidiaries

Company's name	Established	Paid-in capital	investment ratio	Business activities	Segment
Ichigo LLC	August 1, 2007	¥150 million	95.0%	Provision of IT infrastructure to support teleradiology in the healthcare field	Application Services Business
CROSS HEAD	September 14, 1992	¥395 million	100%	Provision of network solution and temporary dispatch and employee placement services for IT technicians	Information Infrastructure Business
Okinawa Cross Head Co., Ltd.	June 21, 2006	¥51 million	100%	Provision of network solution and temporary dispatch and employee placement services for IT technicians in Okinawa	Information Infrastructure Business
NCL Communications K.K.	March 13, 1986	¥116.18 million	79.4%	Sales, etc., of SDN, storage products, IT security products, and call center products	Information Infrastructure Business
CASAREAL, inc.	July 2, 1999	¥50 million	100%	System development using open source software and training services for skill-development of IT technicians	Application Services Business

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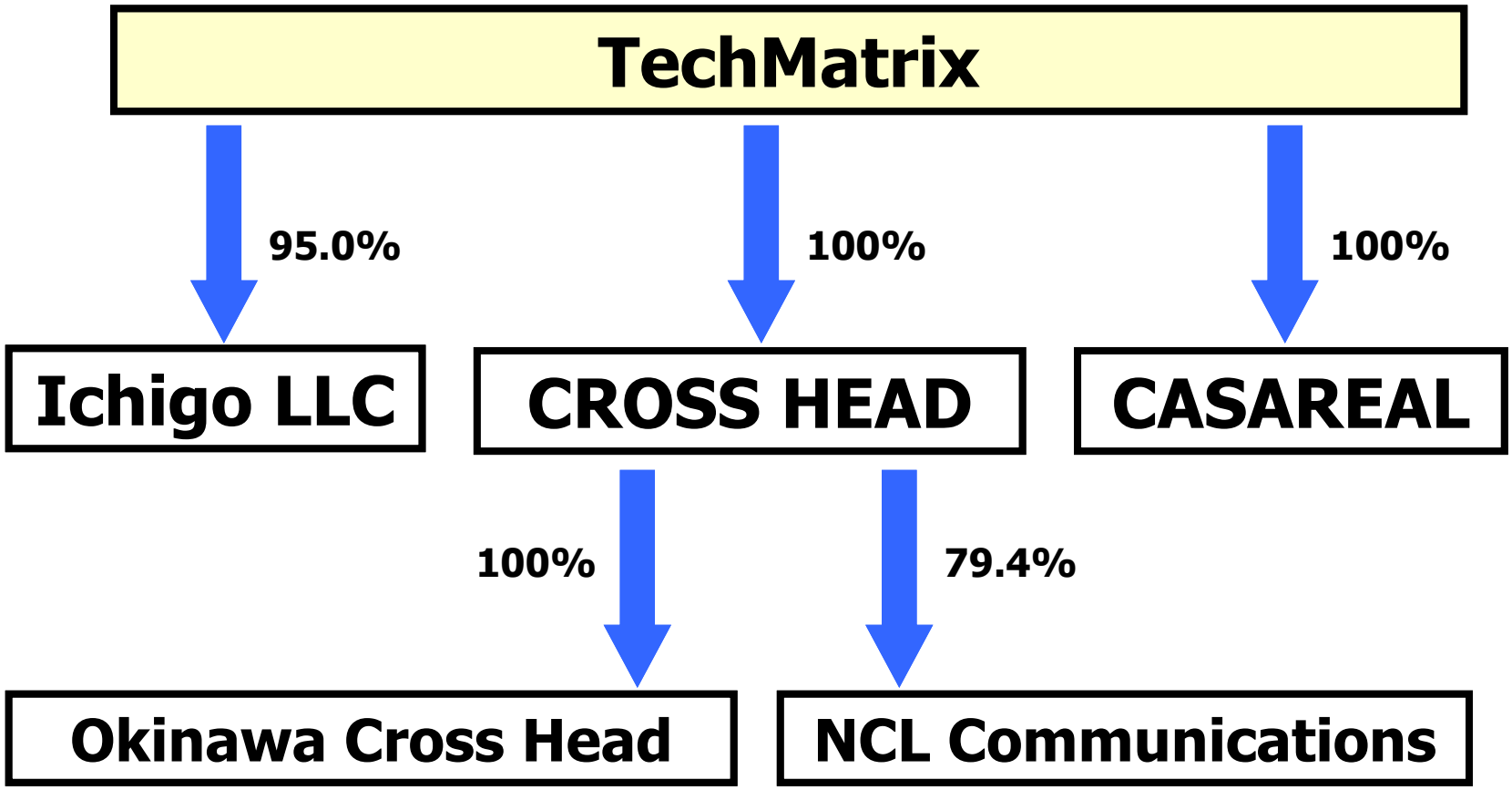
Investment ratio of subsidiaries

5 consolidated subsidiaries



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Ichigo LLC

Corporate overview

Name	Ichigo LLC
Location	Within TechMatrix Corporation 10-8 Takanawa 4-chome, Minato-ku, Tokyo
established	August 1, 2007
Representative	CEO Yuji Kano
Paid-in capital	¥150 million
Business activities	Provision of IT infrastructure to support teleradiology in the healthcare field

icombox

Both are our customers;

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

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

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Ichigo LLC

Case studies

- **The number of customers is over 420 from a service start of April, 2008**
- **The number of medical images transmitted monthly is about 138,000 (38% market share)**
- **No.1 market share in teleradiology infrastructure services in Japan with over 600 radiologists registered**
- **Case studies**
  - ✓ **Medical check-up facilities of a major automobile company**
  - ✓ **Carrier support project at Shimane University Hospital for female doctors (Ministry of Education, Culture, Sports, Science and Technology)**
  - ✓ **Others**

    TOKAI University Hospital,

    TOYOHASHI Medical Center (National Hospital Organization)

    Tokushima University, Okayama University

    Global connection with doctors in U.S.A., France and Netherlands

TOKAI University Hospital

TOYUHASHI Medical Center

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CROSS HEAD

Corporate overview

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

ICT SOLUTION BUSINESS

Multi-vender solution such as an open source, managed service, virtualization, workflow and groupware to solve a variety of problems at the customers

ICT SERVICE BUSINESS

Housing, managed service, operation and on-site maintenance services for multi-vender

Core competence

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

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

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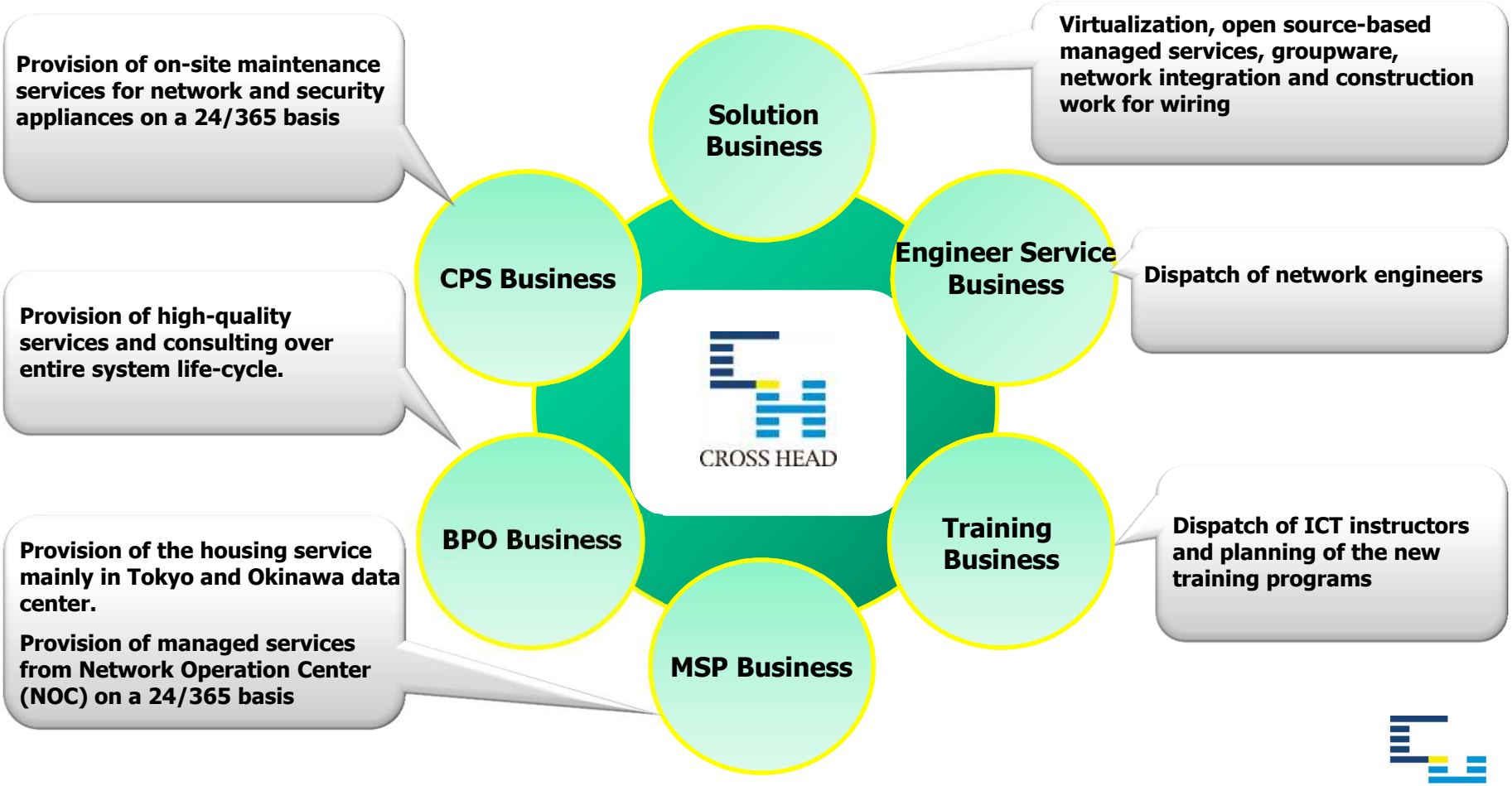
CROSS HEAD

Core business



CROSS HEAD

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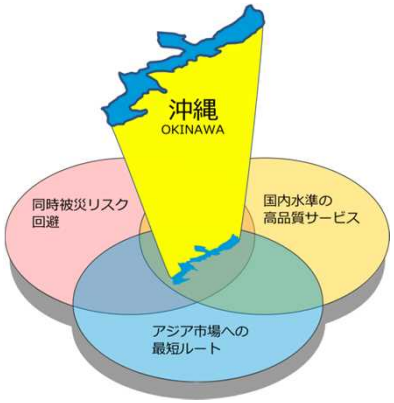
Okinawa Cross Head

Corporate overview

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



Core competence

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

In IT market, Okinawa has three big market values for both end-user companies and IT service providers.

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

OKINAWA CROSS HEAD

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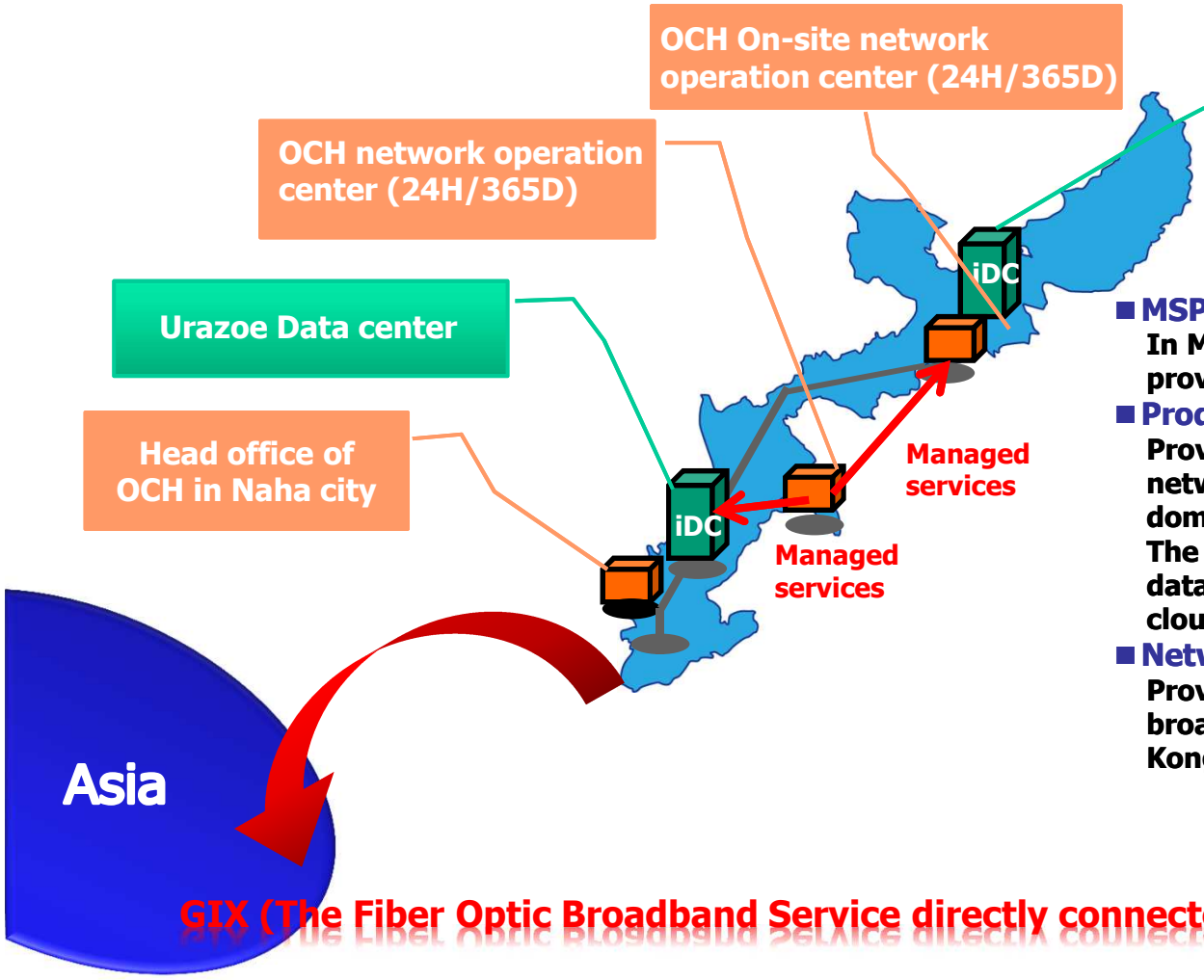
Okinawa Cross Head

Core business



■ **MSP service**
In MSP center, the managed service is provided on a 24 /365 basis.

■ **Product service**
Provision of the product services using own network system facilities in Okinawa to domestic market and to Asia.
The applications such as groupware, Web database, Web email are provided on its own cloud service "CUMO".

■ **Network service**
Providing the GIX service based on broadband connected from Okinawa to Hong Kong using a submarine optical cable.

GIX (The Fiber Optic Broadband Service directly connected to Hong Kong)

OKINAWA CROSS HEAD

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NCL Communications

Corporate overview

NCL Communications K.K.

Name	NCL Communications K.K.
Location	20-3 Ebisu 4-chome, Shibuya-ku, Tokyo
established	March 13, 1986
Representative	Takashi Sekine
Paid-in capital	¥116.18 million
Corporate Philosophy	The realization of the vision by three management philosophies. "Realization of the satisfaction of customers, partners and employees", "Exploitation of new markets" and "Pursuit of the social mission"

Core competence

We have accumulated technical expertise and successful track record in "open network business", "endpoint security business" and "large-capacity storage business" as an IT trading company for many years. We discover the superior ICT technologies and products from countries worldwide and are good at rapidly developing the domestic market.

■Open Network Business

- Unrivaled expertise and knowledge on OSS-based SDN hardware and programming such as Trema and Ryu
- Strength for accumulated SDN construction know-how

■Endpoint Security Business

- Provision of the solutions including HDD encryption, external device control and management of operation logs
- Realization of the strong endpoint security corresponding to information leakage incidents widely reported recently
- Growing customer base ranging from private enterprises to government agencies and police-affiliated offices

■ Super Large-capacity High density Storage Business

- Super large-capacity high-density storage solution for the Big data era
- Products with power saving and space-saving features, corresponding to storage virtualization technologies

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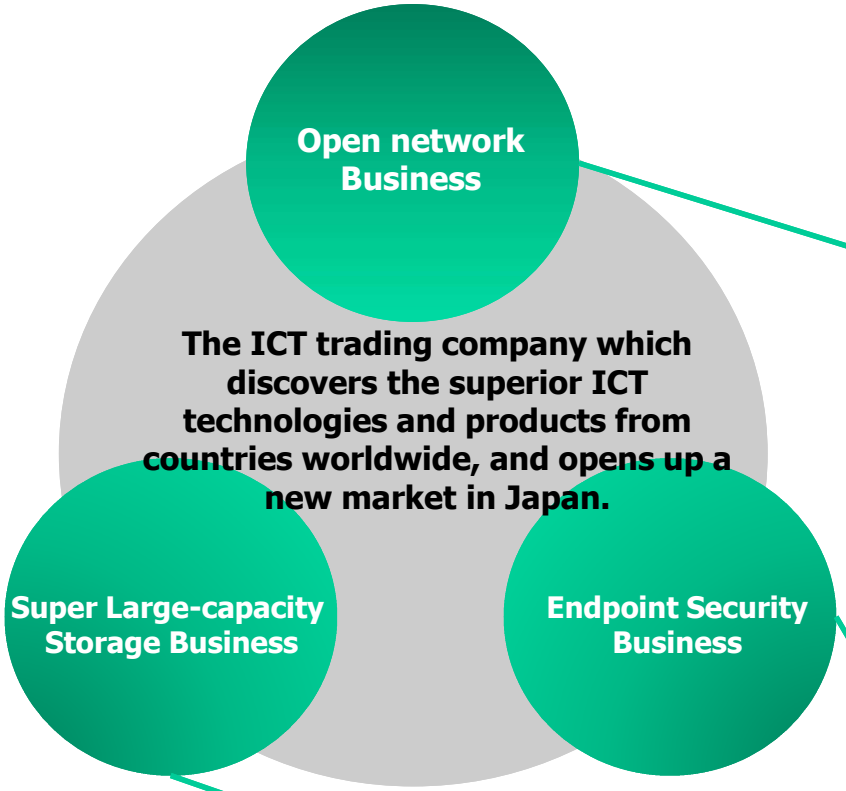
NCL Communications

Core business



Virtual network solution by *OpenFlow*

PICA8 OPEN NETWORKING

Powered by NTT DATA HinemoS

SDNアプリケーション DTE Series 1.0 (Dynamic Traffic Engineering)

SDN Controller: self-developed product

Endpoint Security

紛失盗難事故後の遠隔データ消去・PC回収 Computrace by Absolute Software

外部メディア制御 操作ログ SecureCore RSS リムーバブルストレージセキュリティ

HDD・外部メディアの暗号化 SecureDoc™

サイバー攻撃対策 アンチウィルス F-Secure.

メール誤送信対策 添付ファイル自動暗号化 BRODIAEA safeAttach

Super Large-capacity High density Storage Solution for the Big data era

NEXSAN by imation

NCLC NCL Communications K.K.

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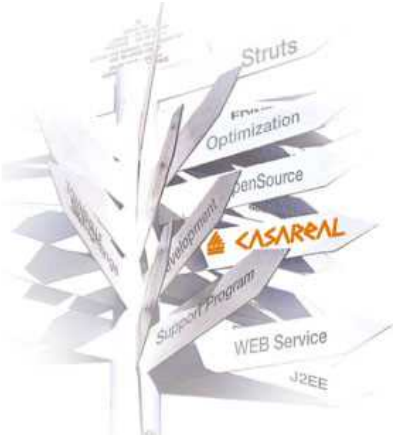
CASAREAL

Corporate overview

Name	CASAREAL, inc.
Location	7-35 Kita-Shinagawa 4-chome, Shinagawa-ku, Tokyo
established	July 2, 1999
Representative	Shiichiro Kubo
Paid-in capital	¥50 million
Corporate Philosophy	We realize the growth of customers' businesses led by the growth of our employees. We always value a motivation "to learn" and "teamwork" to contribute to the society through the growth of each employee.



Business activities

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

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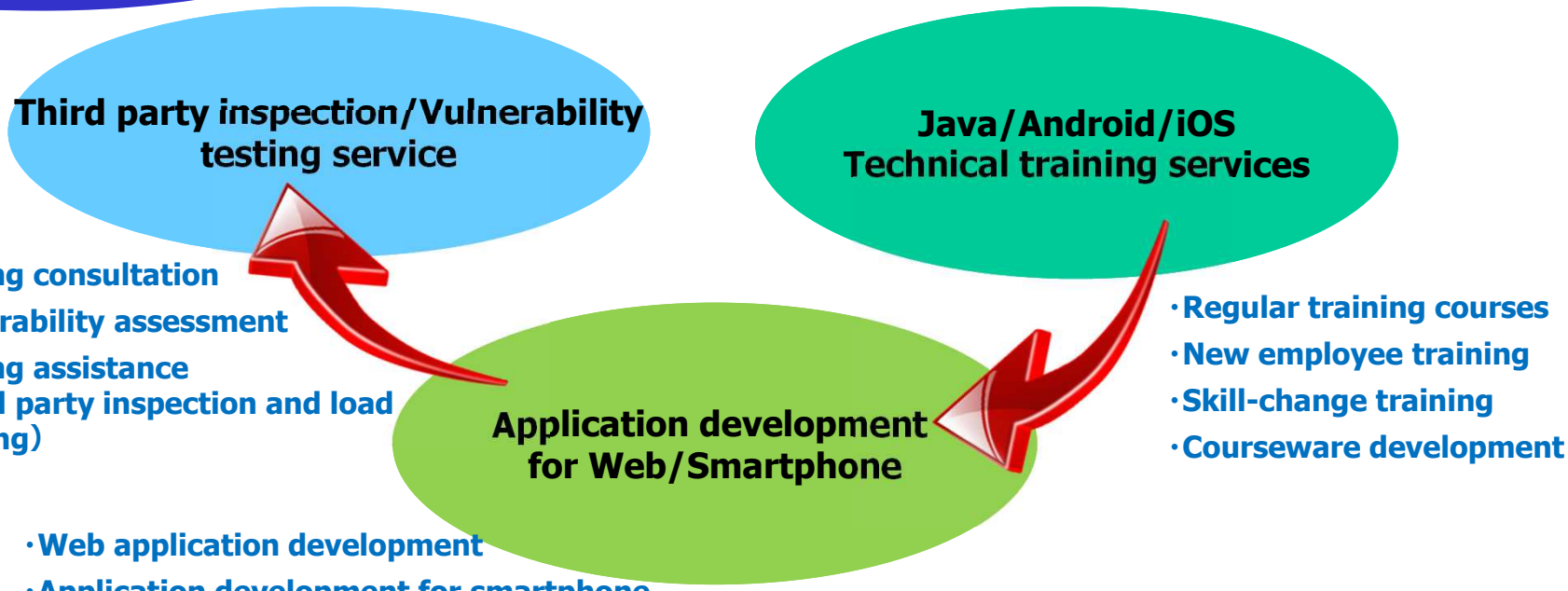
CASAREAL

Core business



- Testing consultation
- Vulnerability assessment
- Testing assistance (Third party inspection and load testing)

- Regular training courses
- New employee training
- Skill-change training
- Courseware development

- Web application development
- Application development for smartphone
- System integration services

■ Assisting application development, making full use of our expertise on open source for many years
■ Provision of the services specializing in smartphone ranging from application development to technical training for engineers
■ Supporting testing processes from design phase to programming phase to realize high-quality systems development

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