

An aerial photograph of a modern city skyline, likely Tokyo, featuring numerous high-rise buildings, a river, and a bridge in the background under a blue sky with scattered clouds.

New medium-term management plan

(FY2024-FY2026)

Creating Customer Value in the New Era

TECHMATRIX CORPORATION
May 9, 2024

1. Previous medium-term management plan Summary

2. Key strategies

3. Net sales , Operating income & margin

TMX3.0 business strategy continues

- Promote strategy and acceleration of Cloud-related business
- Pursuit of security and safety

		Topic	Valuation
Content strategy	1	Expanding portfolio of products and services	○
	2	Accelerated servicization (increasing service ratio)	○
	3	Utilization of data(Including use of AI)	○
External strategy	4	Diverse alliances•M&A (Expansion of existing business , Creation of new business)	◎
	5	Expanding business in the overseas market	△
Internal strategy	6	Creation of synergies by strengthening group collaboration	○
	7	Human resource development/Organizational development (Including promotion of diversity)	○

Content strategy	Valuation	Description
<p>1</p> <p>Expanding portfolio of products and services</p>	<p>○</p>	<p>Network Security Business</p> <ul style="list-style-type: none"> ■ Launched the SentinelOne, an autonomous AI endpoint security platform. *Launched the SentinelOne Vigilance MDR Service, a next-generation cybersecurity platform. ■ Concluded a distributorship agreement with Tenable, Inc., a provider of vulnerability management solutions. <p>Software Engineering Business</p> <ul style="list-style-type: none"> ■ Launched a cloud version of TestRail, a web-based test management tool ■ Launched Techmatrix Redmine Cloud Services, comprising a cloud version of Lychee Redmine, a project management tool, and Redmine, an open-source software. ■ Acquired the exclusive distributorship rights in Japan for Secure Code Warrior, a secure coding learning platform. ■ Launched Mayhem for Code, a fuzzing tool that supports unit and integration testing. ■ Launched Insignary Clarity, an OSS management tool with binary analysis. <p>Business Solutions Business</p> <ul style="list-style-type: none"> ■ Launched the inventory optimization solutions, a fully automated service for centralized management of inventory data and report generation. ■ Launched a market rate-based loan management system as a new product in the Apreccia series to support operations after the abolition of LIBOR. <p>CASAREAL, Inc.</p> <ul style="list-style-type: none"> ■ Started selling GitLab licenses as an official distributor in Japan and providing Git-related support services. *An open partner agreement signed with U.S.-based GitLab Inc.

Content strategy	Valuation	Description
<p data-bbox="78 287 183 362">2</p> <p data-bbox="61 572 461 634">Accelerated servitization (increasing service ratio)</p>	<p data-bbox="537 582 583 629">○</p>	<p data-bbox="659 261 2193 294">★ Achieved the service ratio of 84% at the end of the 40th (compared with 73% for the 37th)</p> <p data-bbox="659 304 907 337">Company-wide</p> <ul data-bbox="659 339 2456 404" style="list-style-type: none"> ■ Received an Outstanding Business Utilization Award and an Outstanding Certification Award from the ASP-SaaS-AI-IoT Cloud Industry Association (ASPIC). <p data-bbox="659 429 1911 462">Network Security Business, Software Engineering Business, CASAREAL, Inc.</p> <ul data-bbox="659 465 2275 648" style="list-style-type: none"> ■ Upgraded the service level of TPS (integrated security monitoring service) by: <ul data-bbox="715 501 2275 596" style="list-style-type: none"> • launching incident response and forensic services, • providing attack surface management services for Cortex[®] Xpanse of Palo Alto Networks, and • adding SentinelOne's Singularity Platform to a service menu. ■ Launched TechMatrix NEO, an in-house developed solution utilizing cloud-native technologies <p data-bbox="659 675 940 708">EdTech Business</p> <ul data-bbox="659 711 2474 948" style="list-style-type: none"> ■ As a result of expanded services of <i>tsumugino</i>, a communication platform combined with a school administration support system, we <ul data-bbox="715 775 2474 948" style="list-style-type: none"> • obtained certification under the Information Disclosure Certification System for ASP and SaaS Safety and Reliability • won the semi-grand prix in the ASPIC Cloud Award 2021, and • was adopted by the Ministry of Education, Culture, Sports, Science and Technology as a Demonstration Project for the Promotion of Digitalization of Next Generation School Administrative Affairs
<p data-bbox="78 995 183 1071">3</p> <p data-bbox="61 1109 435 1176">Utilization of data (including use of AI)</p>	<p data-bbox="537 1119 583 1166">○</p>	<p data-bbox="659 969 1075 1002">Medical System Business</p> <ul data-bbox="659 1005 2499 1176" style="list-style-type: none"> ■ Established a new PSP Corporation to accelerate the PHR service and the AI service as new businesses based on the use of data. ■ Established M3 AI, Inc. as a joint venture with M3, Inc., to accelerate the business in the advanced medical field, such as support for the development of AI-based medical equipment (stated in multiple entries). ■ Concluded a capital and business alliance with Medmain Inc. to accelerate the promotion of digital pathology. <p data-bbox="659 1196 1042 1229">CRM Solution Business</p> <ul data-bbox="659 1232 2270 1296" style="list-style-type: none"> ■ Concluded a business and capital alliance with Mobilus Corporation in a bid to increase product competitiveness with the use of generative AI technologies.

External strategy	Valuation	Description
<p data-bbox="71 325 173 396">4</p> <p data-bbox="63 658 473 875">Diverse alliances / M&A (expansion of existing business, creation of new business)</p>	<p data-bbox="537 746 588 789">◎</p>	<p data-bbox="654 301 1019 329">CRM Solution Business</p> <ul data-bbox="654 332 2481 729" style="list-style-type: none"> ■ Concluded capital and business alliances with the following partners aiming to expand business in the ASEAN region: <ul data-bbox="708 401 2379 496" style="list-style-type: none"> • WISESIGHT (Thailand) Co., Ltd., the largest operator in the field of social data analytics cloud services in Thailand, and • Choco Card Enterprise Co., Ltd., the largest provider in the field of customer data platforms (CDP) in Thailand ■ Concluded a business and capital alliance with Mobilus Corporation aiming to increase product competitiveness with the use of generative AI technologies. ■ Started system integration with the MiiTel voice analytics AI phone service run by RevComm Inc. ■ Started system integration with the BlueBean cloud-based call center system developed and provided by SOFTSU Co., Ltd. ■ Started system integration with the AI Messenger Voicebot phone response automation solution provided by AI Shift, Inc. <p data-bbox="654 758 924 786">EdTech Business</p> <ul data-bbox="654 789 2474 986" style="list-style-type: none"> ■ Concluded a capital and business alliance with Educa & Quest Inc., a provider of inquiry-based career education programs. ■ Concluded a resale partner agreement with TD SYNEX K.K. ■ Started a joint project with Compass Inc., a developer and provider of the AI-based educational material Qubena. ■ Started system integration with Manabi Pocket, a cloud-based education platform provided by NTT Communications Corporation. <p data-bbox="654 1015 1054 1043">Medical System Business</p> <ul data-bbox="654 1046 2474 1243" style="list-style-type: none"> ■ Acquired a majority of shares of PSP Corporation to make it a consolidated subsidiary, with the aim of boosting market share in medical imaging systems and accelerating the PHR service and the AI service as new businesses. ■ Concluded a business alliance with Canon Medical Systems Corporation to start an OEM supply of cloud-based medical imaging systems to it. ■ Established M3 AI, Inc. as a joint venture with M3, Inc. and PSP, to accelerate the business in the advanced medical field, such as support for the development of AI-based medical equipment.

External strategy	Valuation	Description
<p>5</p> <p>Expanding business in the overseas market</p>	<p>△</p>	<p>CRM Solution Business</p> <ul style="list-style-type: none"> ■ Established TechMatrix Asia Co., Ltd. as a local subsidiary in Thailand. ■ Concluded capital and business alliances with the following partners aimed at expanding business in the ASEAN region. <ul style="list-style-type: none"> • A capital and business alliance with WISESIGHT (Thailand) Co., Ltd., the largest operator in the field of social data analytics cloud services in Thailand • A capital and business alliance with Choco Card Enterprise Co., Ltd., the largest provider in the field of customer data platforms (CDP) in Thailand ■ Launched CRM Next, a marketing service based on customer insight analysis for the Taiwanese market, jointly with BELLSYSTEM24, Inc. and Intumit Inc.

Internal strategy	Valuation	Description
<p>6</p> <p>Creation of synergies by strengthening group collaboration</p>	<p>○</p>	<ul style="list-style-type: none"> ■ Relocated the headquarters in conjunction with the consolidation of headquarter functions of individual group companies. ■ Started strategic group management meetings, joined by business managers of group companies, to be held quarterly. ■ Started giving joint training for new employees of group companies ■ Converted ARECCIA Fintech Corporation (formerly IDAY) into a wholly owned subsidiary and transferred TechMatrix's financial system-related business to it.
<p>7</p> <p>Human resource development/organizational development (including promotion of diversity)</p>	<p>○</p>	<ul style="list-style-type: none"> ■ Developed HR strategies in line with management strategies. ■ Started implementing a new personnel system by: <ul style="list-style-type: none"> • introducing a role-based personnel grading system and competency-based personnel evaluation, • formulating TMX Communication Design as guidelines for new working styles, and • introducing flexible work hours, hourly paid leave, a work-interval system, and recommended days for paid leave. ■ Established the Diversity & Inclusion Department to promote diversity and inclusion initiatives such as female empowerment.

1. Previous medium-term management plan Summary

2. Key strategies

3. Net sales , Operating income & margin

To survive the new era as a company that creates the future, new business development is absolutely necessary.

Mission Statement

The IT professional group who create a better future

Action Guidelines

- In a spirit of co-existence and co-prosperity, we work hard to make a contribution to our customers and society.
- Keeping in mind the importance of humbly learning something new, we continue to challenge new technologies and new businesses.
- All the members make a strong commitment to a team success and team growth through open discussion.

Creating Customer Value in the New Era

Even with the advent of the new era, the TechMatrix Group will continue to be a company that creates **a better future** by solving social issues with solutions packed with its **foresight** and **Business know-how**, thereby creating greater **customer value**.

Foresight involves:

- Discovering social issues to be solved, and
- Finding state-of-the-art technologies.

Business know-how involves:

- Holding more In-depth knowledge than customers do on business processes in focused industries requiring expert knowledge or skills.

A better future involves:

- Enhancing customer convenience and operational efficiency, and
- Building a society where customers can live safely and with peace of mind.

Creating Customer Value

Source of customer value (DNA)

Offering solutions packed with Business know-how

- Creating new value by:
 - ✓ Supporting customers' operations primarily through AI and automation,
 - ✓ Handling new technologies, and
 - ✓ Entering into business sectors that make a greater contribution to society.

Credo and aspiration (corporate culture)

Providing close support for customers

- Serving persistently without giving up
- Having a constantly learning mindset

Business infrastructure (basis for offering customer value)

An environment where every single employee can take on challenges to grow

- Recruiting and retaining talents
- Putting in place systems for conducting operations quickly and accurately
- Monitoring the operational status of the company
- Engaging in branding

the New Era

Decrease in the
working population



Emergence of
new technology



corporate social
responsibility



Purposes (what we want to achieve)

Expanding
business domains

Expanding
business in the
overseas market

Creating
businesses by
utilizing data



Measures (to make them happen)

Diverse alliances / M&A (expansion of
existing business, creation of new business)

Expanding portfolio of products and services

Utilization of AI

Developing and retaining talents (including
promotion of diversity)

Creation of synergies by strengthening group
collaboration

Major key strategies

Information Infrastructure Business

- Expand products and services handled.
- Deep-dive into strategic accounts in collaboration with our resellers
- Expand sales of the integrated security monitoring service (TPS) and provide a one-stop threat information analytics service.
- Expand business in the Chubu and Kyushu regions and to seek to develop business in Asia.
- Use AI in operation and monitoring processes in serving customers.

Application Service Business

- Increase the number of tsumugino's adaption to public schools. [EdTech]
- Business expansion in the ASEAN region. [CRM]
- Run a business that helps streamline contact center operations with the use of generative AI. [CRM]
- Build a development base and offer an introduction support service (with automation and streamlining). [SE]
- Introduce in-house developed products to launch a development data analytics business. [SE]
- Carry out digital transformation (DX) of the public business and develop and provide solutions for improving the customer experience (CX). [BS]

Medical System Business

- Establish a B2B2C business model with the PHR.
- Discover new markets created from the DX in the pathology area.
- Commercialize in-house developed AI.
- Expand the business of the AI-based medical image diagnosis support service.
- Business expansion in Asia
- Strengthen the subscription model business (stock business) by shifting to the cloud PACS business.

Creating Customer Value in the New Era: Focus Areas

Information Infrastructure

Application Service

Medical System

Existing products and services

New products and services

Existing market

Market penetration (deep-dive and market share increase)

Expansion of products and services

Cybersecurity measures

Deep-dive into strategic accounts in collaboration with our resellers.

SE:Development infrastructure construction and implementation support services

Strengthen the subscription model business (stock business) by shifting to the cloud PACS business

Integrated security monitoring service – TPS

CRM : Incorporate generative AI technology into service menu

SE:Development data analysis business

Expand the business of the AI-based medical image diagnosis support service

New market

Market development

Diversification

Seek to develop business in Asia

CRM : Business expansion in the ASEAN region

EdTech: Full-scale promotion to public schools

BS: Carry out digital transformation (DX) of the public business and improve customer experience (CX)

Business expansion in Asia

Expand PHR service business

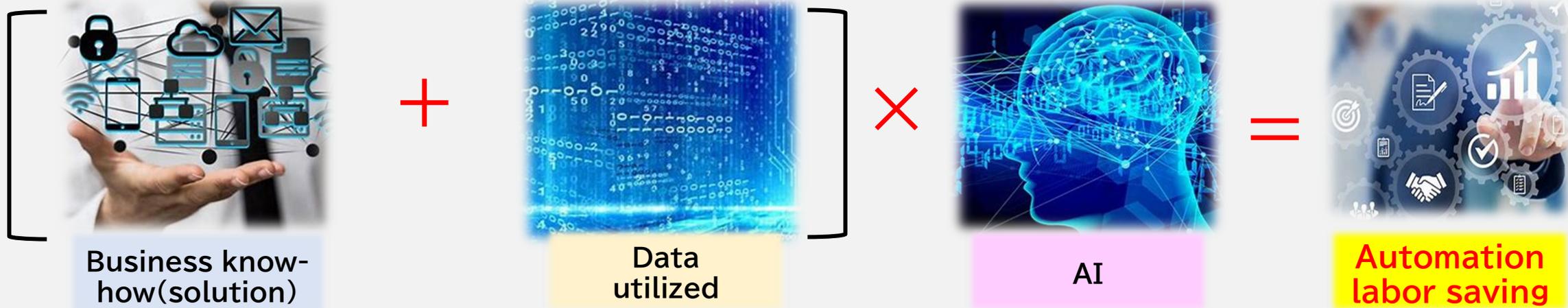
Business expansion into the pathology area

SE:Software Quality Assurance field

BS:Business Solution field

Creating Customer Value in the New Era : Data utilization

Support automation and labor saving through data utilization for Customers of our solutions



◆Medical System field

Medical institution business processes including medical image management

◆CRM field

Call center/contact center operations and knowledge management

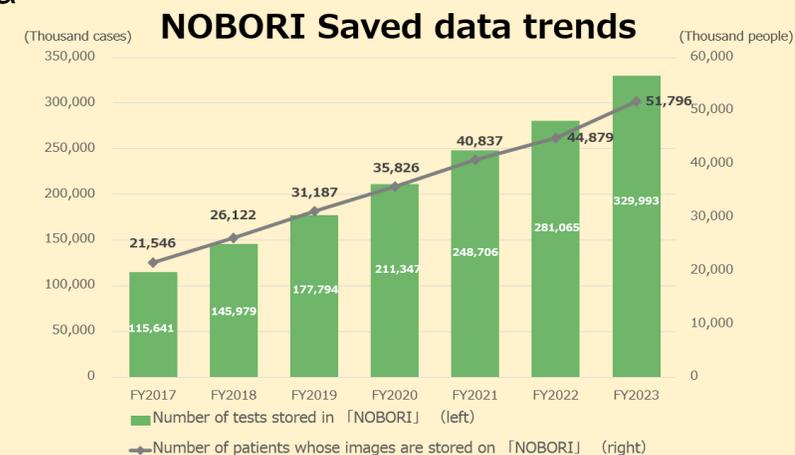
◆SE field

Software development process and quality control

◆Security field

Cybersecurity measures and security operations

◇medical image data



◇call history data

◇Inquiry history data

1. Previous medium-term management plan Summary
2. Key strategies
- 3. Net sales , Operating income & margin**

Operating income
10Billion yen



Creating Customer Value in the New Era (FY2024~FY2026)

(Plan)

Net sales:750million yen
Operating income:82million yen



BEYOND THE NEW NORMAL (FY2021~FY2023)

Net sales:533million yen
Operating income:58.5million yen

- Established New PSP Corporation (Acquired shares of PSP Corporation and integrated business with NOBORI Ltd.)
- Established 「M3 AI, Inc.」 together with M3, Inc. and PSP.
- Capital and business alliance with Educa & Quest Inc.
- Established local subsidiary TechMatrix Asia in Thailand
- Business and capital alliance with Mobilus Corporation

Medium-Term Management Plan
GO BEYOND 3.0

GO BEYOND3.0 (FY2018~FY2020)

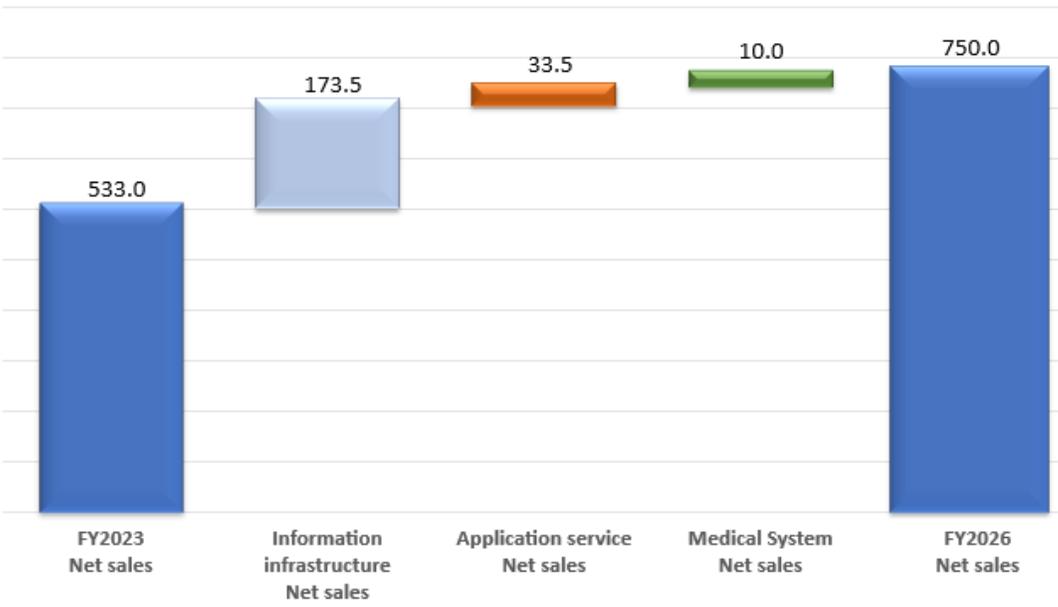
Net sales:309million yen
Operating income:35.8million yen

- communication platform + Integrated school affairs support system 「tsumugino」 service started
- Started providing PHR services for individuals (patients)

- Established NOBORI Ltd.

Creating Customer Value in the New Era Targets in the next 3 years(Summary)

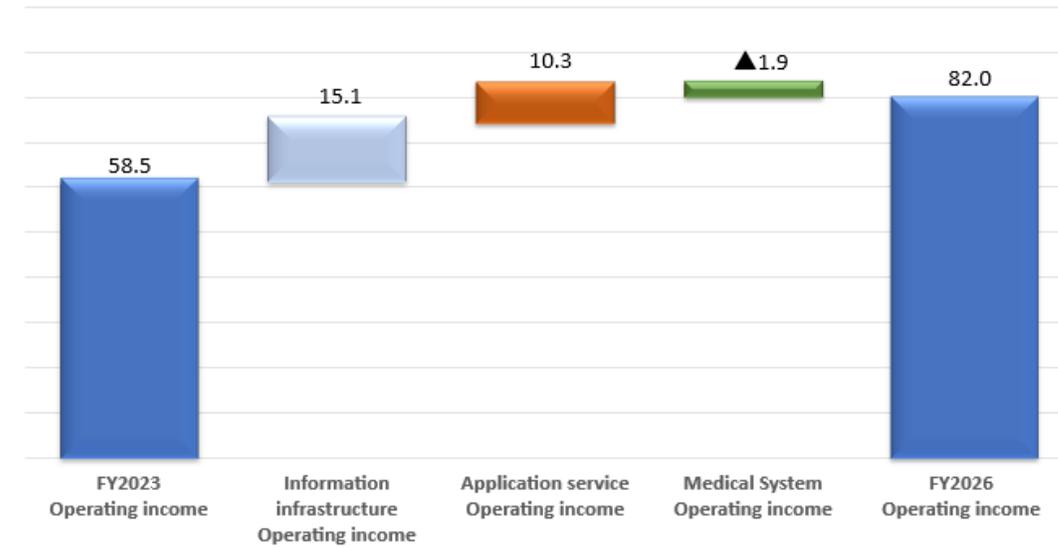
(100million yen) TechMatrix consolidated net sales trends



		FY2023 Actual
Net sales	Total	533.0
	Information infrastructure	350.0
	Application service	82.0
	Medical System	101.0

		FY2026 Plan	
Net sales	Total	750.0	140.7%
	Information infrastructure	523.5	149.6%
	Application service	115.5	140.9%
	Medical System	111.0	109.9%

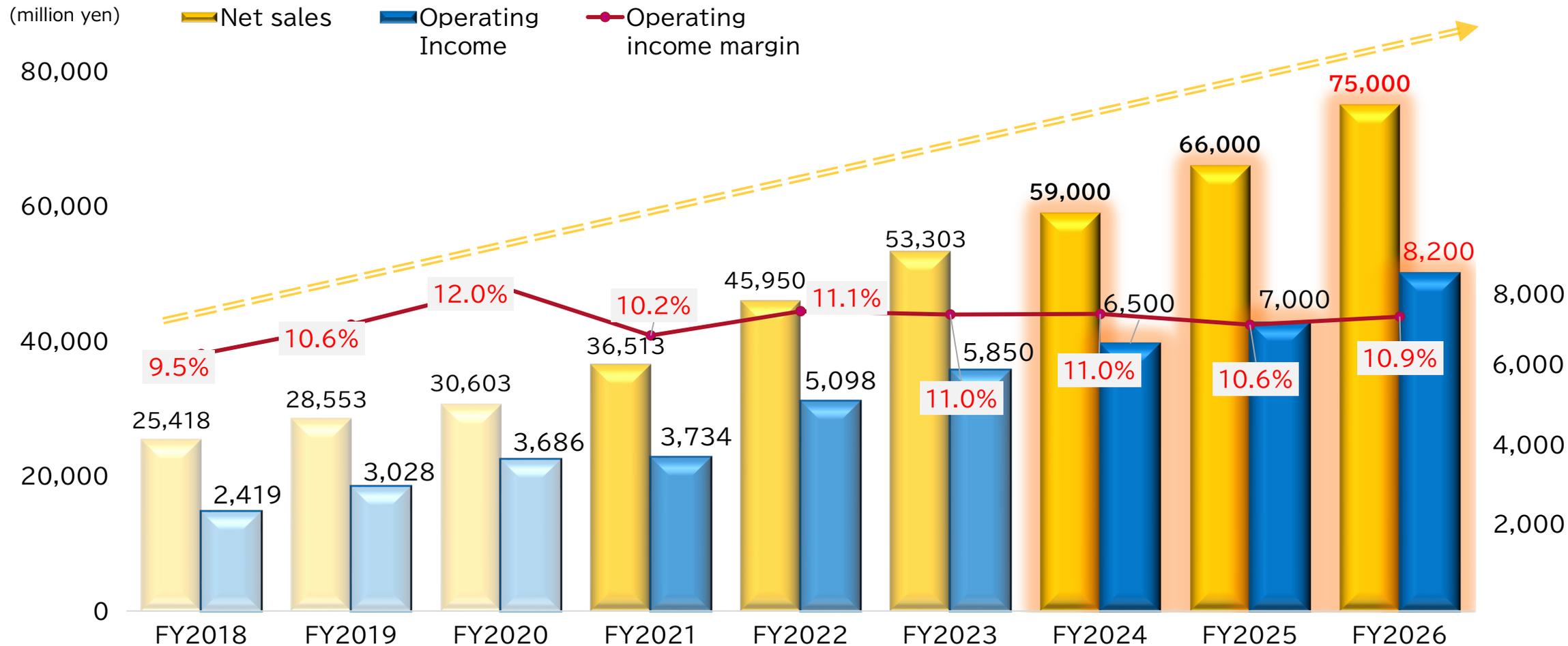
(100million yen) TechMatrix consolidated Operating income trends



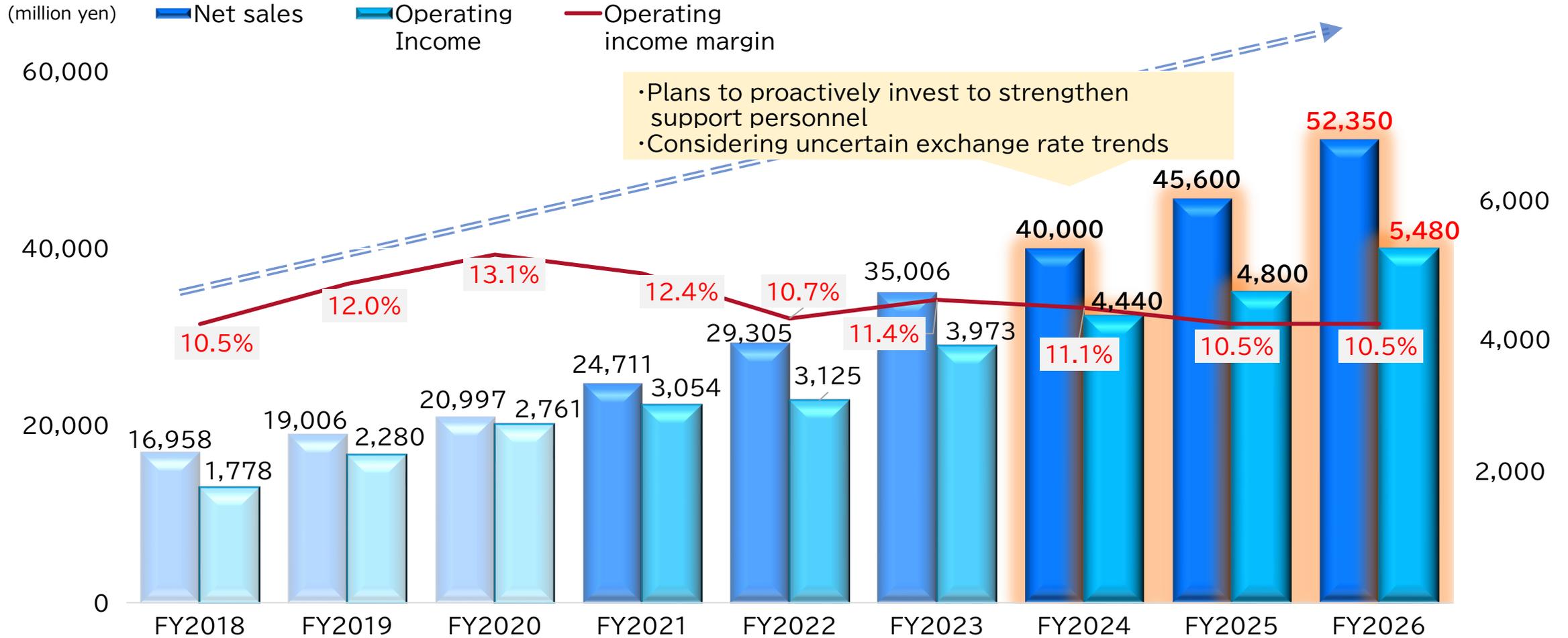
		FY2023 Actual
Operating income	Total	58.5
	Information infrastructure	39.7
	Application service	3.2
	Medical System	15.6

		FY2026 Plan	
Operating income	Total	82.0	140.2%
	Information infrastructure	54.8	138.0%
	Application service	13.5	421.9%
	Medical System	13.7	87.8%

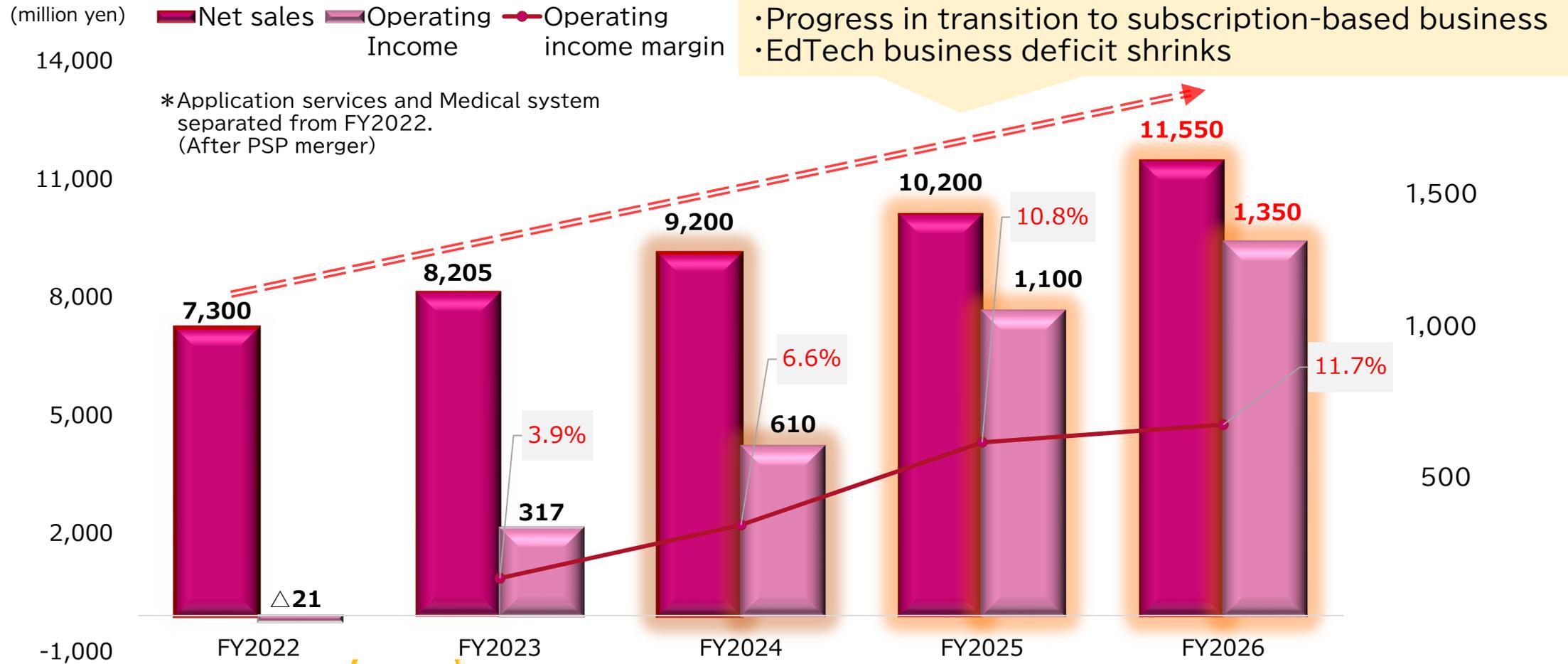
Creating Customer Value in the New Era 3-year targets (Consolidated)



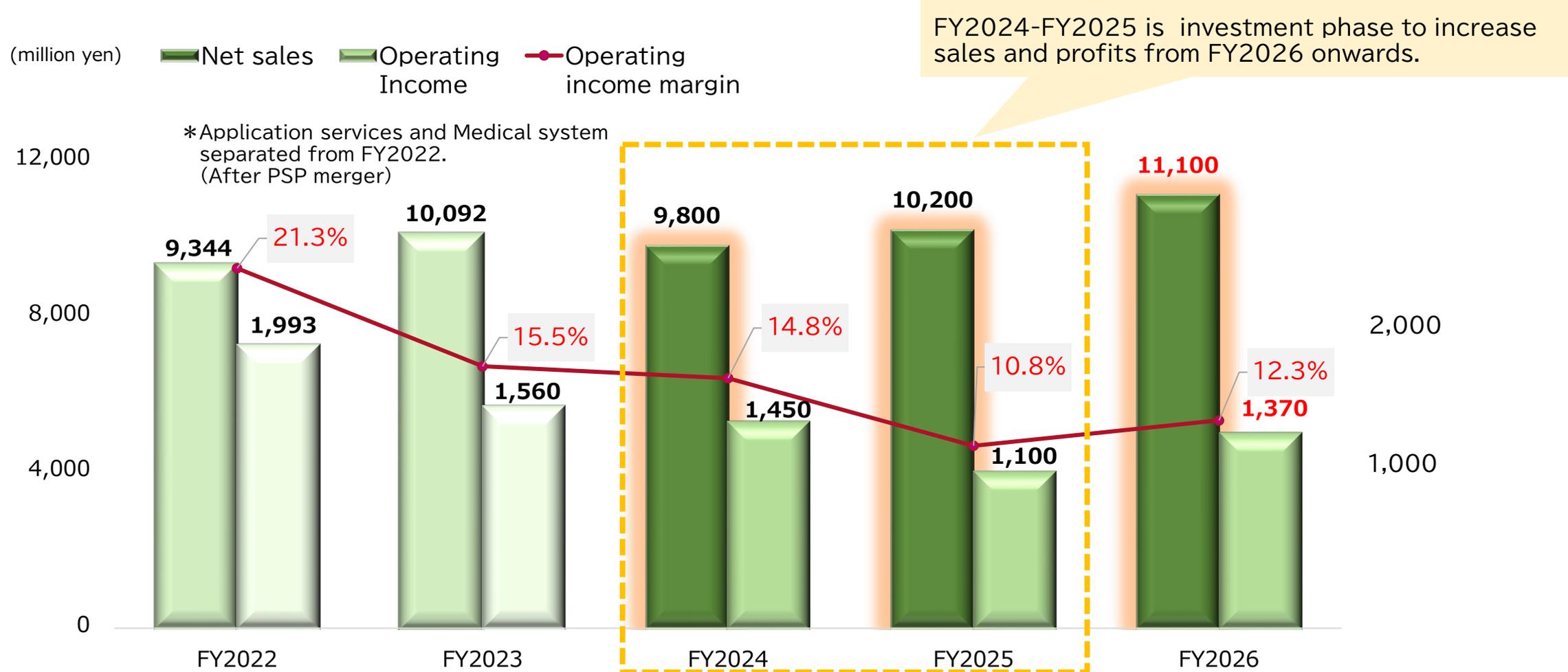
Creating Customer Value in the New Era 3-year targets (Information infrastructure)



Creating Customer Value in the New Era 3-year targets (Application service)



Creating Customer Value in the New Era 3-year targets (Medical System)



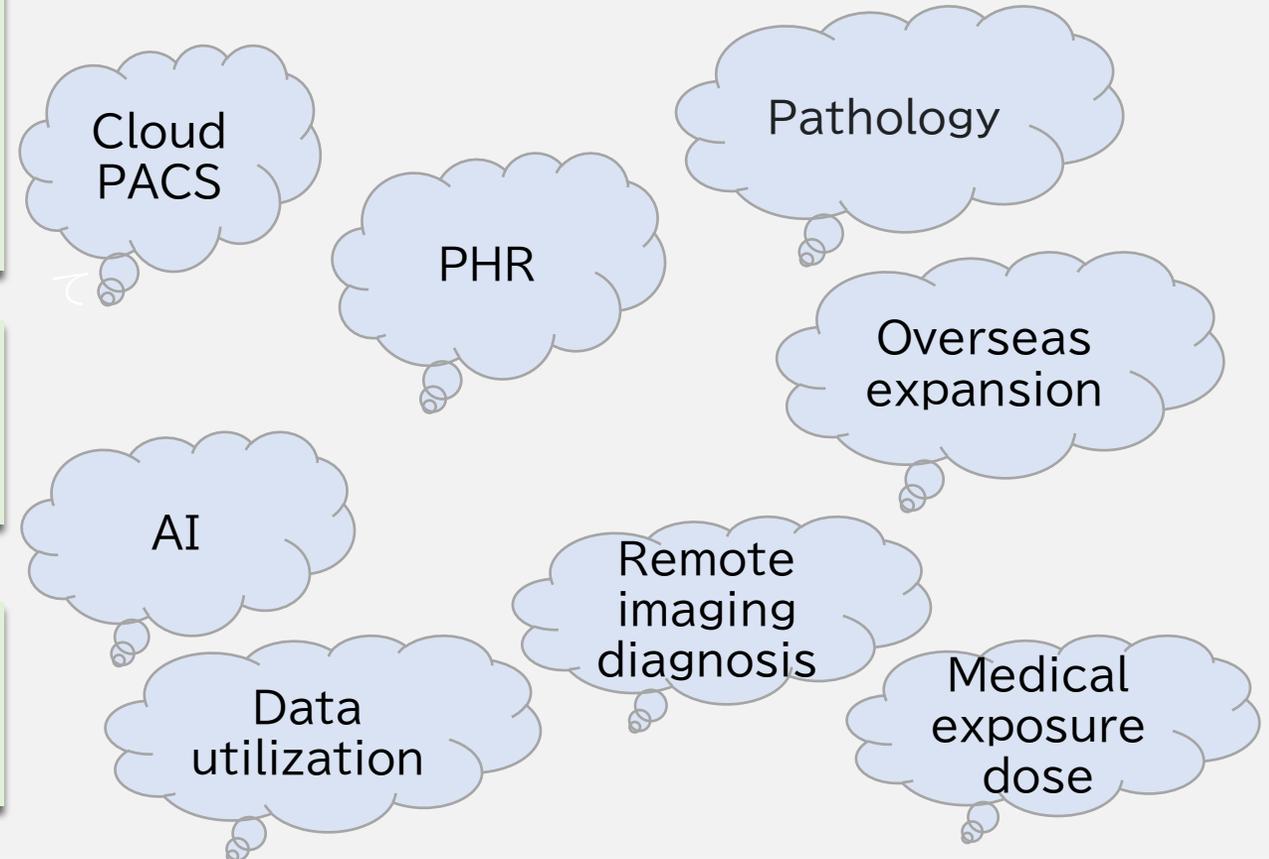
FY2024-FY2025 is investment phase to increase sales and profits from FY2026 onwards.

1) Cloud shift of PACS business

☞ This will result in a short-term decrease in sales and operating income. However, this is a management decision with an eye to the future.

2) Increase in staff for business expansion

3) Aggressive development investment





<Handling of this material>

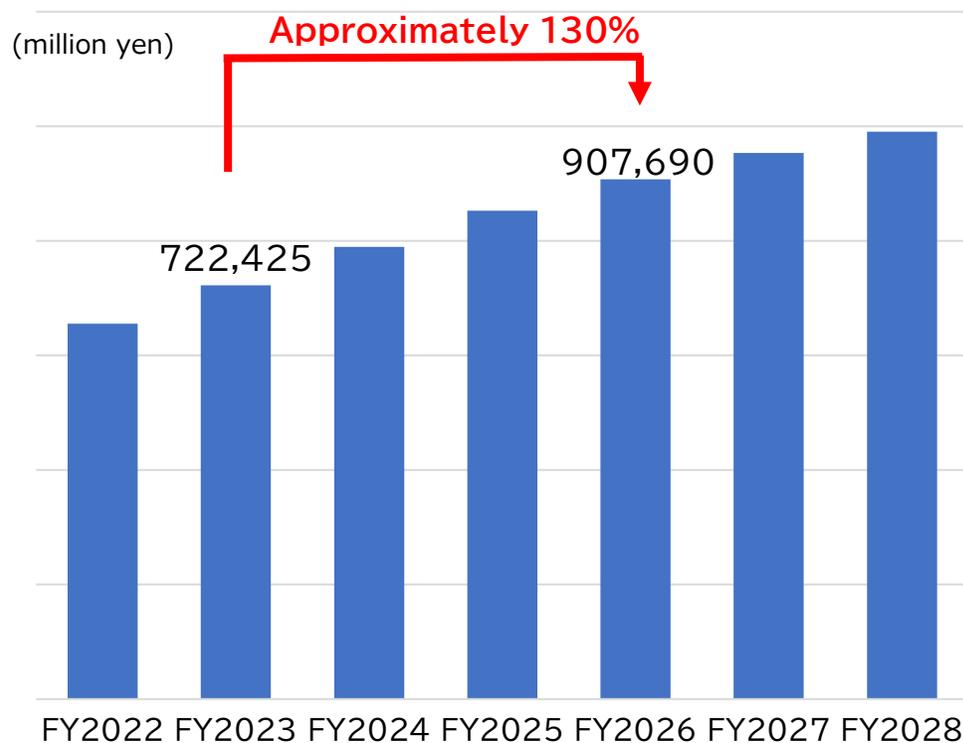
Description of future prospect contained in this material, etc. is based on current information. It may fluctuate due to Macroeconomic trends, Market environment, Our related industry trends, Other internal · external factors, etc. Therefore, there are risks and certainty that actual performance may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

<Contact>

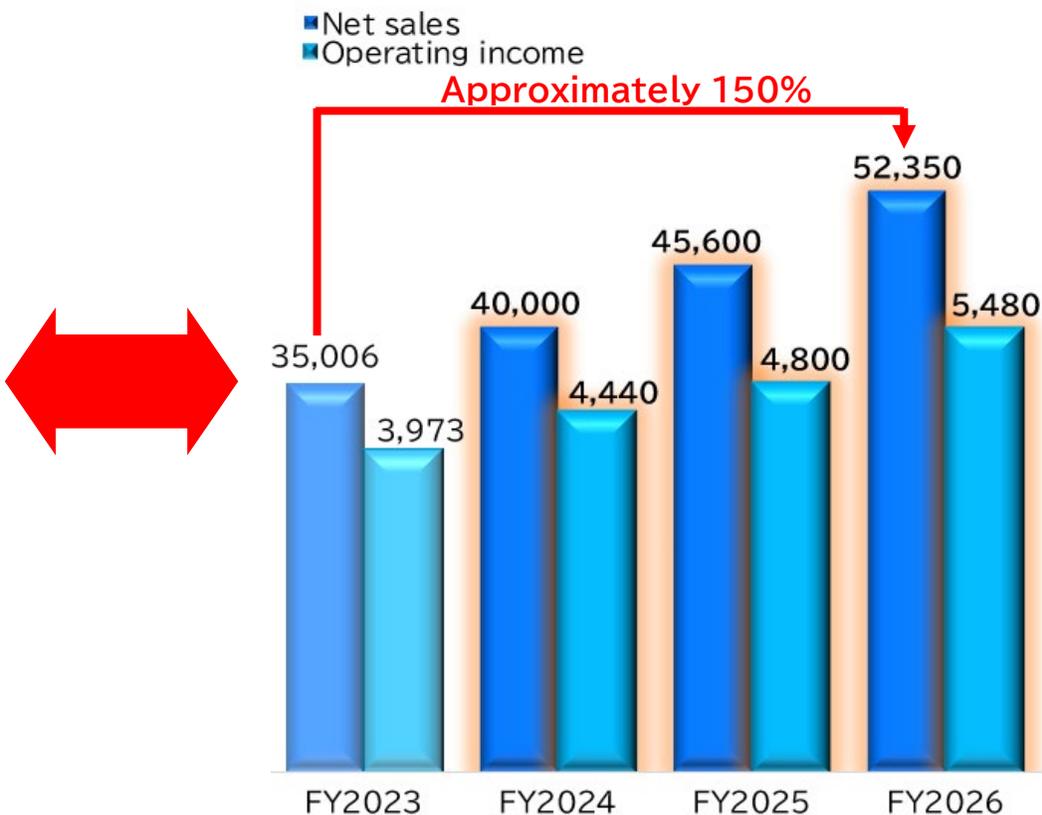
Techmatrix Corporation Corporate Planning Department ir@techmatrix.co.jp

Network security business market is expected to continue expanding

Domestic market forecast for network security business



Medium-term plan for our information infrastructure business



Source: Fuji Chimera Research Institute, Inc.
Created based on 「Survey of the domestic market for network security business」

At super major and major companies that are our main business partners
Continued investment is expected in the future

Domestic company size Network security investment trends

(Billion yen)

	FY2022	FY2028	Ratio to FY2022
Super major	2,651	4,055	153.0%
Major	2,090	3,313	158.5%
Medium	1,183	1,707	144.3%
Small	627	830	132.4%

Super-major and Major companies are proactive in implementing security measures, so their investment amounts are steadily increasing. It is anticipated that active efforts will continue in the future to prevent business shutdowns due to the increasing sophistication of cyber attacks and security incidents that have increased in recent years.

Small and medium-sized companies have limited budgets for security measures, and future growth in investment amounts is expected to be slower than that of Super-major and Major companies .
However, steady growth is expected as efforts are being made to comply with security guidelines established by each industry.

(employees)

Super major: 5,000~
Major : 1,000~4,999
Medium : 300~900
Small : 299~1

Source: Fuji Chimera Research Institute, Inc.
Created based on 「Survey of the domestic market for network security business」