Results for the 1st Quarter of 41th business period (Fiscal Year Ending March 31, 2025)

August 14, 2024

TECHMATRIX CORPORATION（code：3762）

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

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Business Highlights for FY2024 1Q（Consolidated）

- **Key KPIs（Consolidated）**

Revenue	Operating profit	Booking	Backlog
+20.1% YoY ¥13,763 m	+24.0% YoY ¥1,113 m	+45.9% YoY ¥21,663 m	+37.1% YoY ¥76,466 m

Stock type sales (Recurring revenue) ratio	Consecutive increase in revenue	Patients who stored medical images in NOBORI	Inspections stored in NOBORI
79.0% TECHMATRIX and PSP	22years in a row March 2024	53.83 m	344.6 m

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Business Highlights for FY2024 1Q (Consolidated)

- **The highest 1Q consolidated revenue, operating profit, profit before tax and profit attributable to owners of parent.**

(¥million)

	FY2023 1Q	**FY2024 1Q**	YoY	
			Change	Change %
Revenue	11,473	13,763	+2,289	+20.0%
Operating profit	898	1,113	+215	+24.0%
Profit ratio	7.8%	8.1%		+0.3P
Profit before tax	910	1,130	+220	+24.2%
Profit attributable to owners of parent	560	726	+165	+29.6%

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Business Highlights for FY2024 1Q (Consolidated)

(¥million)

	FY2023 1Q			FY2024 1Q			YoY	
	Results	%	Profit ratio	Results	%	Profit ratio	change	Change %
Revenue	**11,473**	**100.0%**		**13,763**	**100.0%**		**+2,289**	**+20.0%**
Information Infrastructure	7,478	65.2%		9,606	69.8%		+2,128	+28.5%
Application Service	1,883	16.4%		2,102	15.3%		+219	+11.6%
Medical System	2,112	18.4%		2,054	14.9%		△57	△2.7%
Operating profit	**898**	**100.0%**	**7.8%**	**1,113**	**100.0%**	**8.1%**	**+215**	**+24.0%**
Information Infrastructure	646	72.0%	8.7%	940	84.5%	9.8%	+293	+45.4%
Application Service	34	3.8%	1.8%	63	5.7%	3.0%	+29	+85.8%
Medical System	216	24.1%	10.3%	109	9.8%	5.3%	△107	△49.7%

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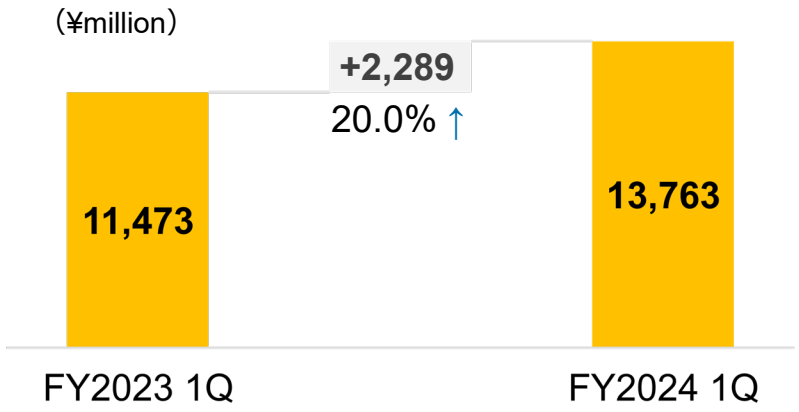
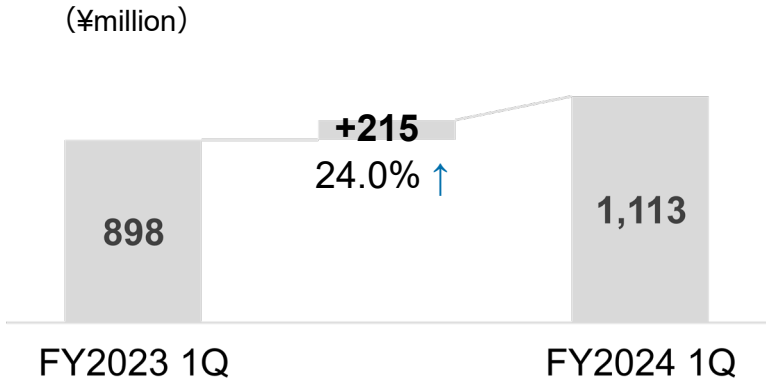
Business Highlights for FY2024 1Q (Consolidated)

Information Infrastructure Business: Demand for cloud-based security products drove overall performance.
Application Service Business: Progress in the shift to stock business contributed to performance, with double-digit revenue growth YoY in the CRM, SE, BS, and EdTech fields.
Medical Systems Business: For business expansion, Personnel expenses and aggressive development investments increased.

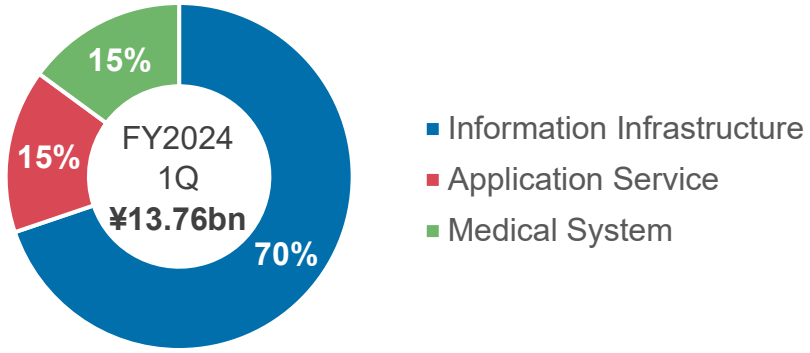
Revenue



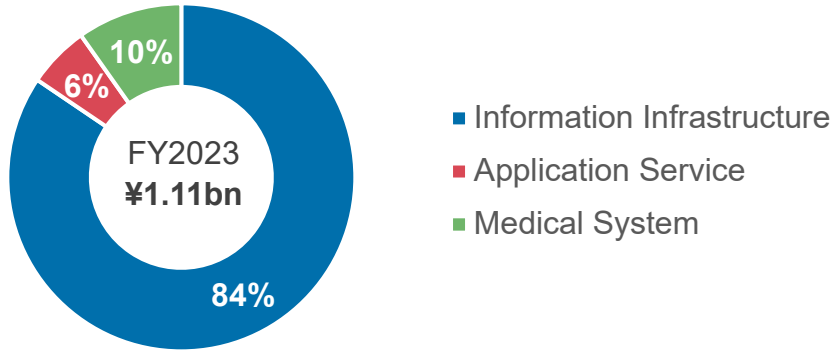
Operating profit



Revenue breakdown



Operating profit breakdown



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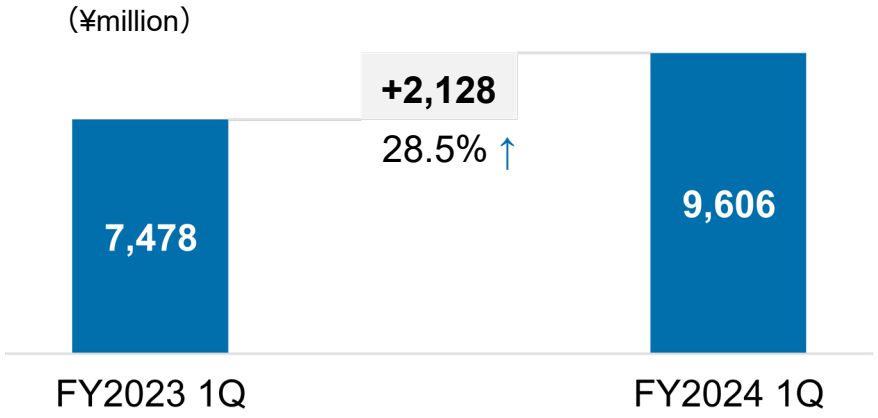
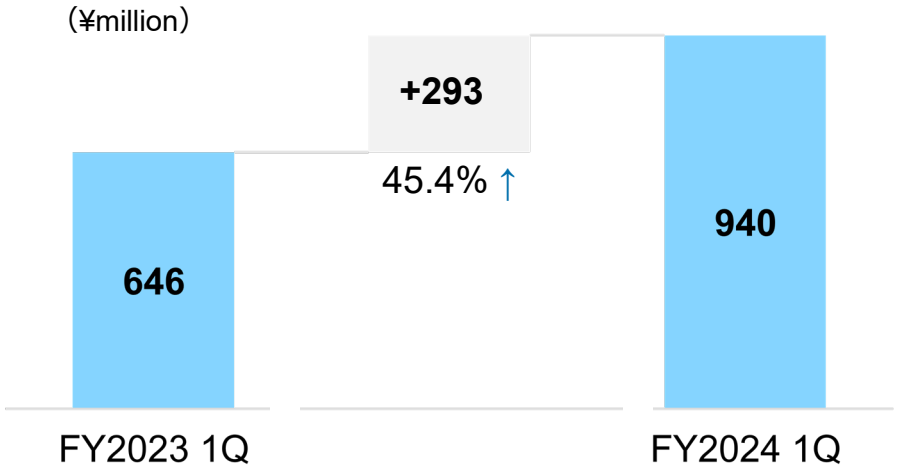
Business Highlights for FY2024 1Q by Segment (Consolidated)

Information Infrastructure Business

Revenue



Operating profit



The highest 1Q consolidated revenue and Operating profit.

- **Revenue**
  (+) Increasing demands for cloud-based security products(subscription-based).
  (+) Strong demand for Next-generation anti-virus products utilizing AI.
  (+) Strong demand for Next-Generation Mail security solutions.
  (+) Accumulation of multi-year subscriptions.

- **Operating profit**
  (+) SG&A expenses less increased compared to Revenue growth.
  (+) Operating Profit of CROSS HEAD improved YoY.
  (+) Thoroughly conducted sales activities with profitability in mind.

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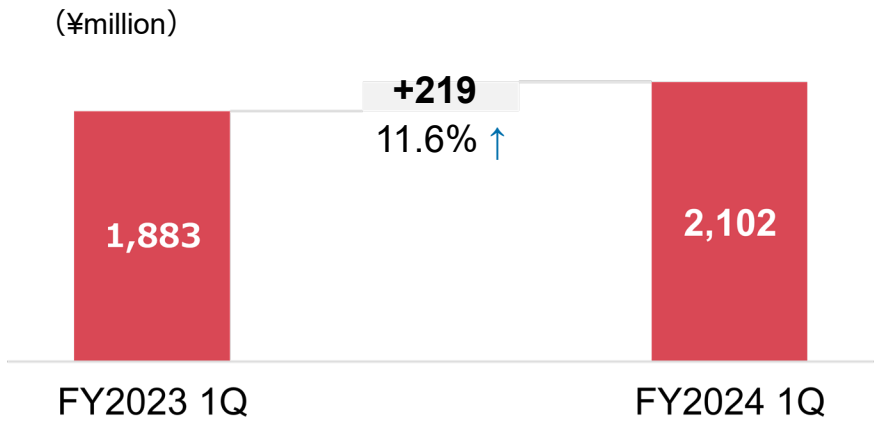
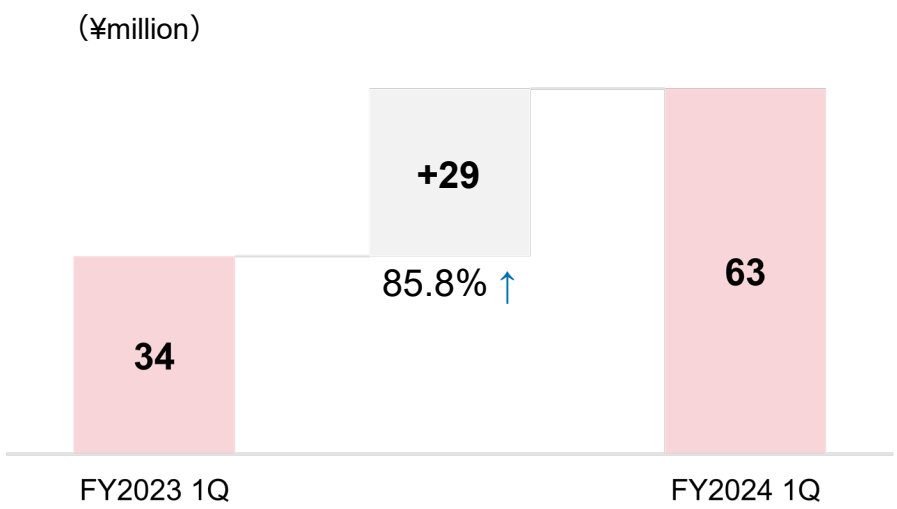
Business Highlights for FY2024 1Q by Segment (Consolidated)

Application Service Business

Revenue



Operating profit



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**
  (−) Increased in personnel and SG&A expenses due to business expansion.
  (−) Increased amortization expenses due to the previous year's strategic investments on products development. （EdTech）

※ Division name abbreviation
CRM: Contact center / Call center
SE: Software quality assurance
BS: Business solution
EdTech: Education

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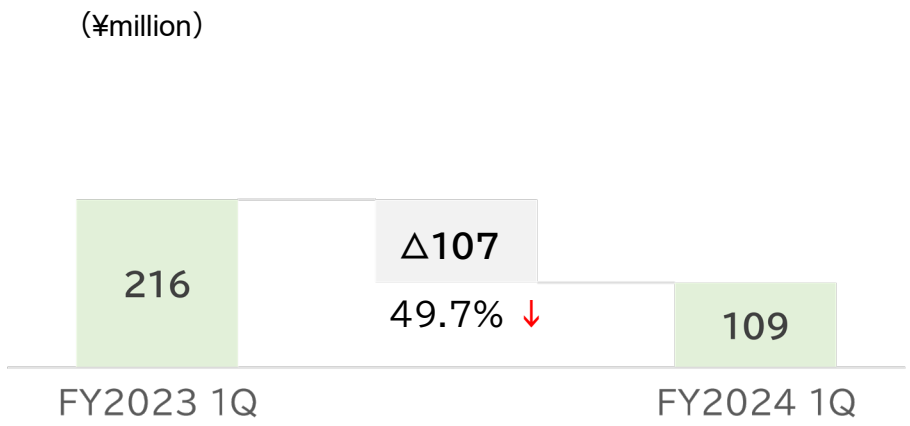
Business Highlights for FY2024 1Q by Segment (Consolidated)

Medical System Business

Revenue

Operating profit



Revenue and Operating profit decreased YoY.

- **Revenue**
  (+) The business of medical imaging system (PACS) is steady.
  (+) NOBORI, a medical information cloud service and a PHR application, performed well.
  (−) On-premise projects in 1Q were delayed.
  (−) Gradual shift to cloud computing

- **Operating profit**
  (+) Special factors such as costs related to unification of treatment systems have been eliminated. (¥98million)
  (−) Increased in SG&A expenses due to increase in number of employees.
  (−) Increased in SG&A expenses due to aggressive development investment.

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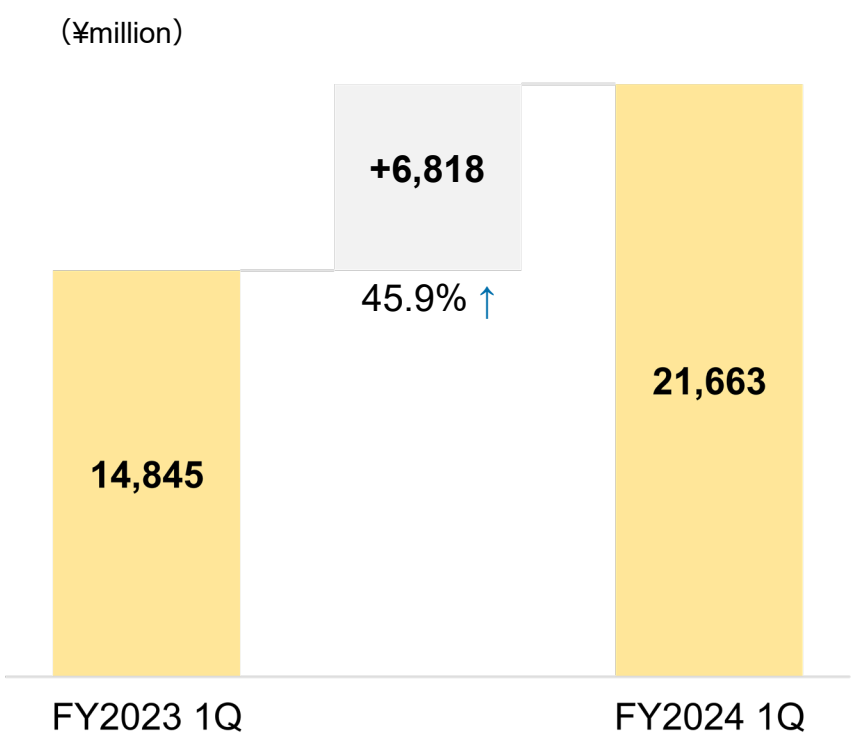
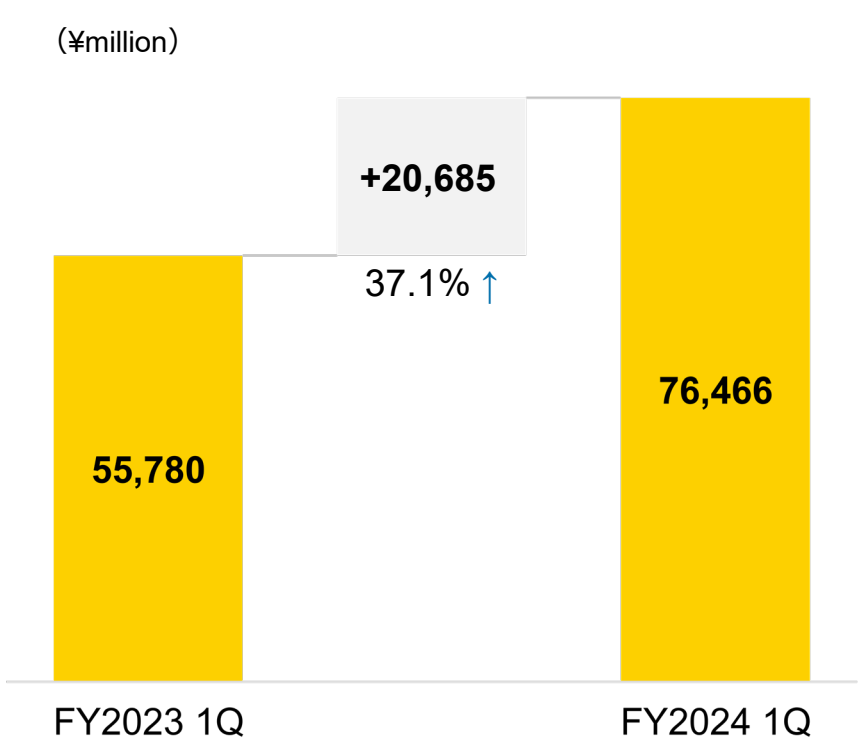
Booking and Backlog for FY2024 1Q (Consolidated)

- Booking was strong compared to the last fiscal year.
- Strong backlogs, in particular, in Information Infrastructure business.
- Market conditions were favorable for all Information Infrastructure, Application Service, and Medical System businesses. Bookings steadily increased.

Company-wide total





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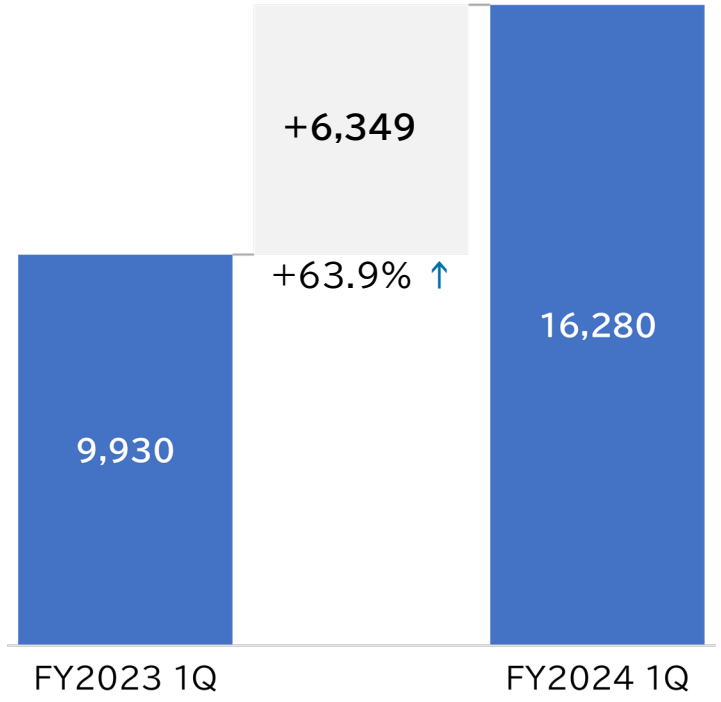
Booking by Segment for FY2024 1Q (Consolidated)

- Information Infrastructure Business： Increased demands for cloud-based security products (new / renewal).
- Application Service Business： All segments performed well, especially in the Software quality assurance field.
- Medical System Business： Bookings for medical image management systems (PACS) were steady and exceeded the plan.

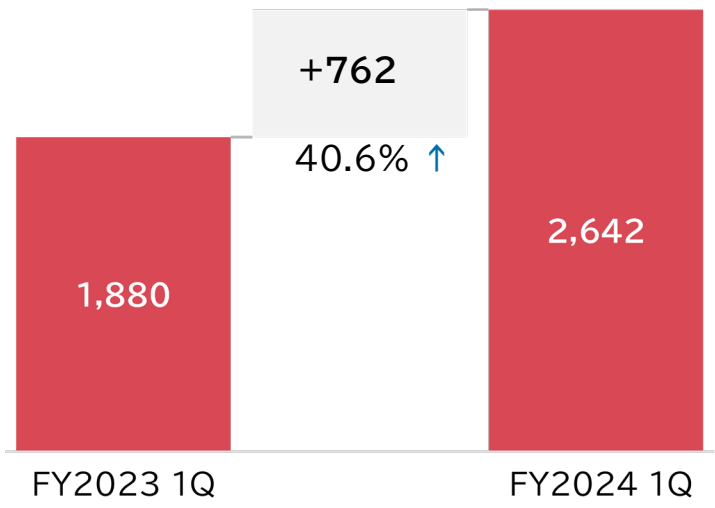
Information Infrastructure Business

(¥million)



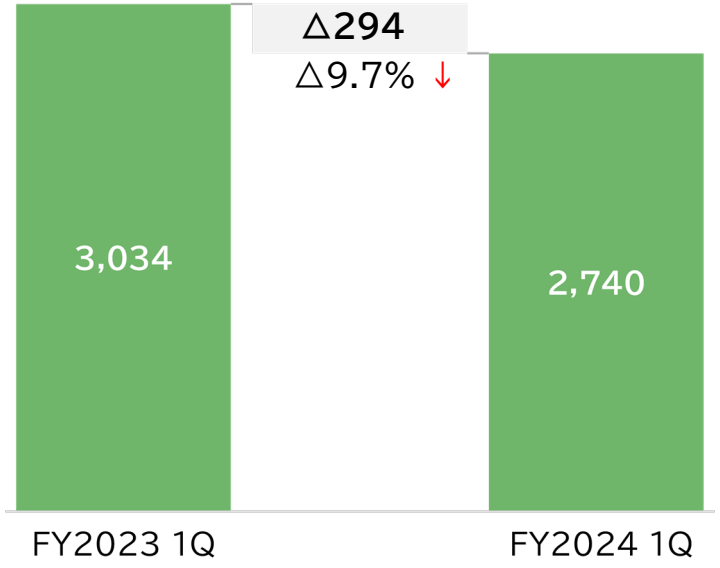
Application Services Business

(¥million)



Medical System Business

(¥million)



※ Division name abbreviation
CRM: Contact center / Call center, SE: Software quality assurance, BS: Business solution, EdTech: Education

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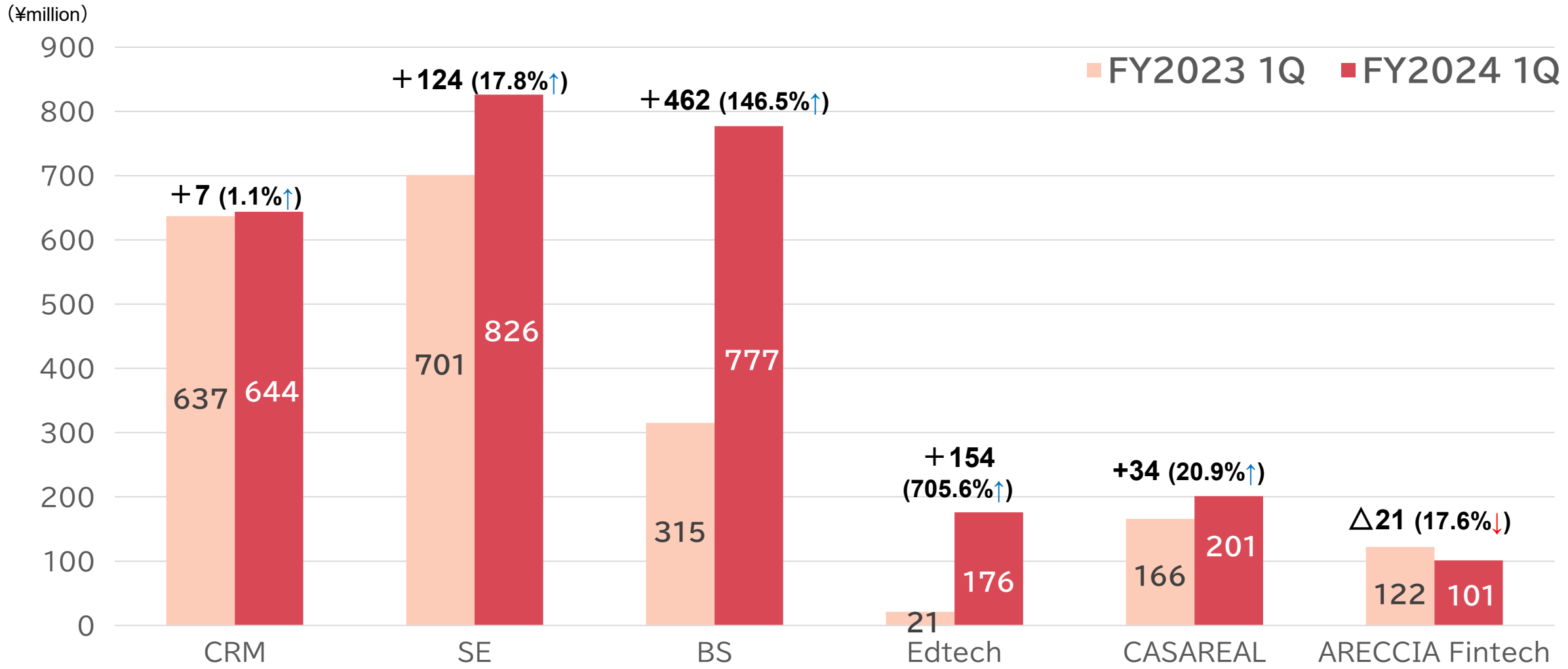
Booking for FY2024 1Q by Field (Consolidated)

Application Service Business



※ Figures before consolidation adjustments between divisions

※ Division name abbreviation
CRM: Contact center / Call center, SE: Software quality assurance, BS: Business solution, EdTech: Education

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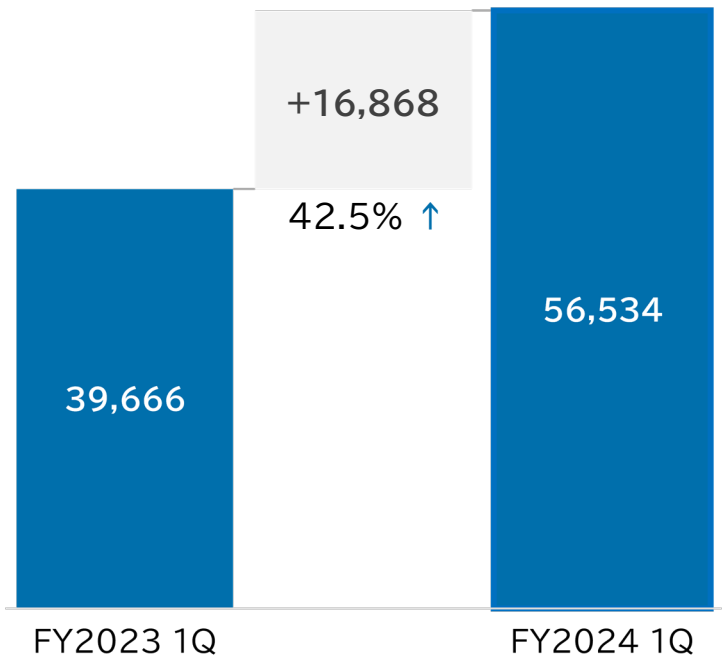
Backlog by Segment for FY2024 1Q (Consolidated)

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

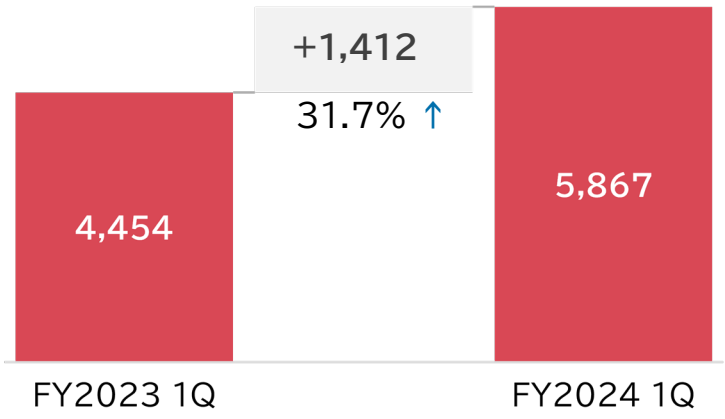
Information Infrastructure Business

(¥million)



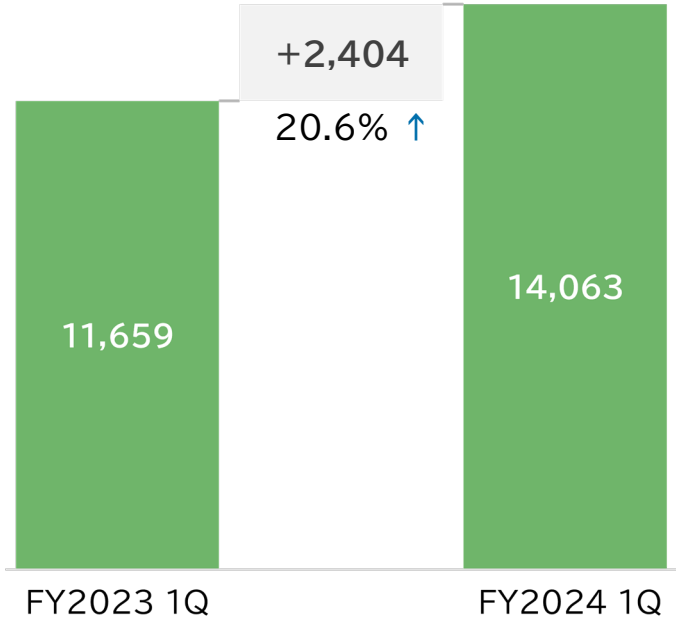
Application Services Business

(¥million)



Medical System Business

(¥million)



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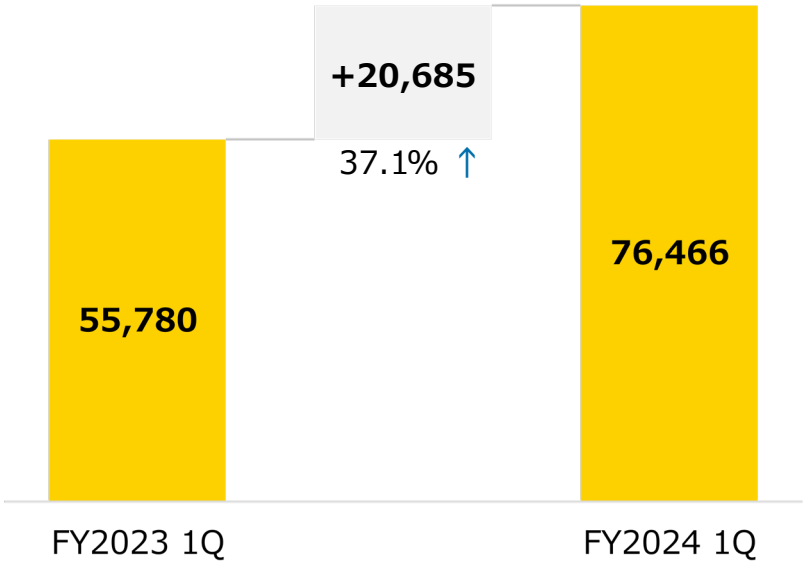
Backlog for FY2024 1Q (Non-Consolidated)

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

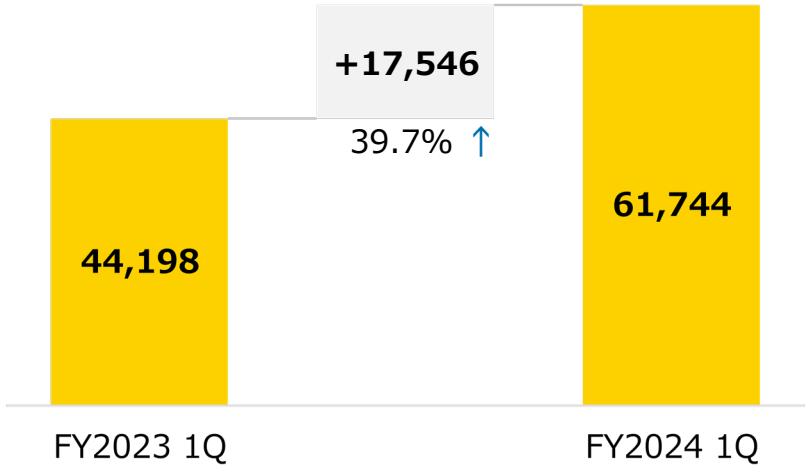
Backlog (Consolidated)

(¥million)



Backlog (Non-consoliated)

(¥million)



About **80.7%** of consolidated backlog

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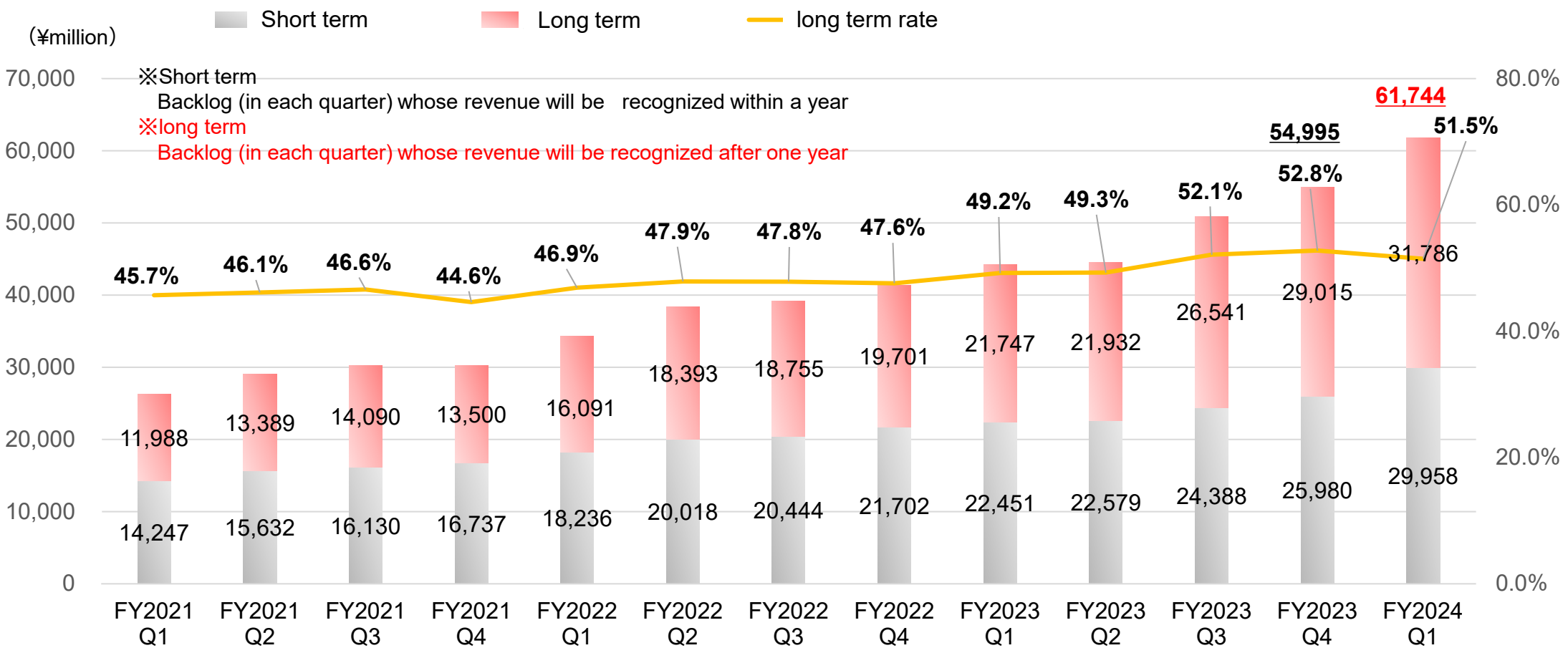
Backlog for FY2024 1Q (Non-Consolidated)

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



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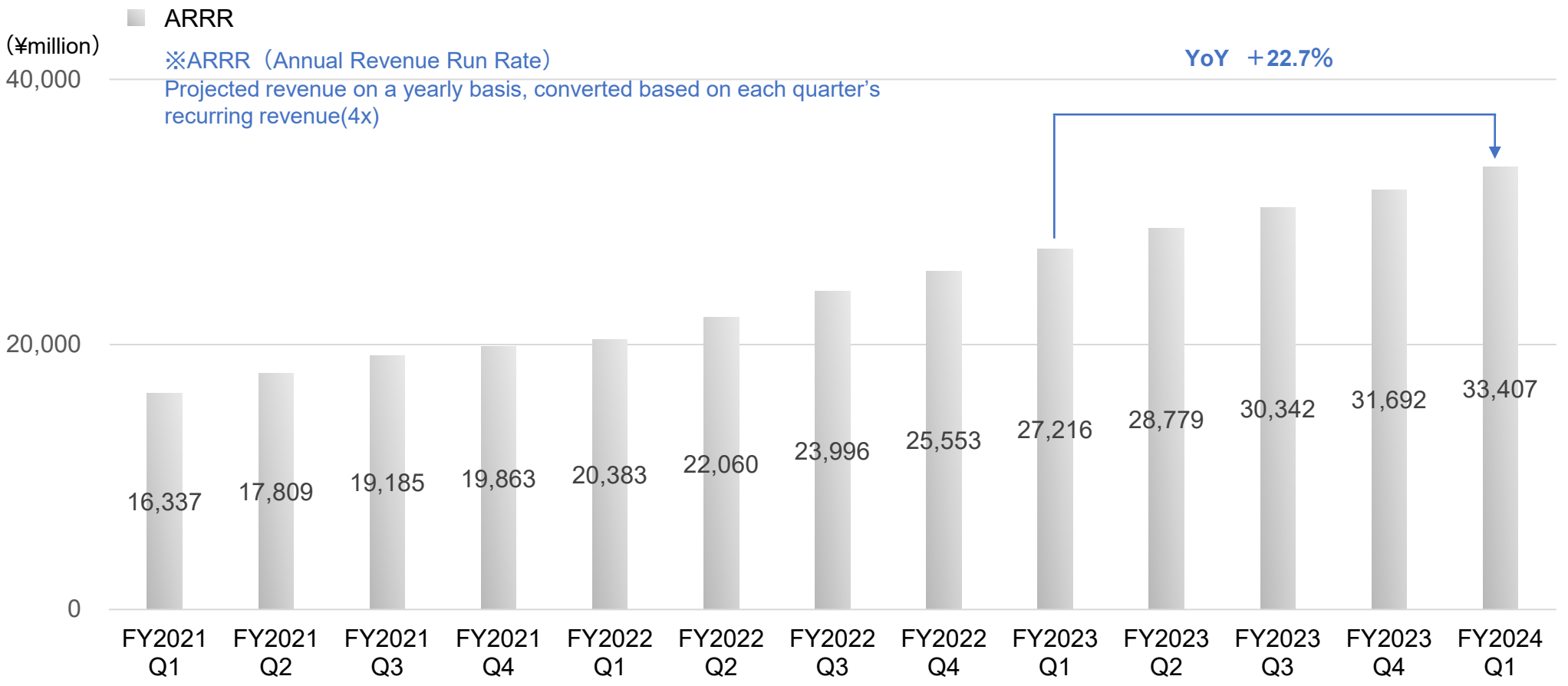
ARRR for FY2024 1Q (Non-Consolidated)

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



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Weather chart by Segment (Based on revenue) for FY2024 1Q

Information Infrastructure Business		YoY
Next-Generation Firewall / SASE / XDR / SOAR (Palo Alto)	• Increased revenue for cloud-based security products as a result of the accumulation of medium-sized projects and new ultra-large projects. New demands for medium projects continue to increase.	
Next-Generation Mail security(ProofPoint)	• Revenue increased YoY due to strong new demand for cloud-based solutions that utilize DMARC to respond to spoofed e-mails.	
Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security (Trellix, Skyhigh)	• Revenue increased YoY due to replacement proposals following the release of a rebranded version of the product.	
Storage products (Dell, Cohesity)	• Strong bookings for storage products. Revenue decreased since the revenue will be recorded later than 2Q. Medium-scale projects were accumulated mainly in the media/entertainment industry.	
Load balancers (F5)	• Revenue for application delivery / load balancer (BIG-IP) and Web server software (middleware) (NGINX by F5) increased as a result of the accumulation of medium-sized projects.	
Personal Authentication Systems & Forensic Products (RSA)	• Due to a decrease in the number of deals for new and replacement of SecurID, revenue for authentication systems decreased.	
Cyber Hygiene (Tanium)	• Although demands for endpoint security solution was strong, revenue declined due to challenges in acquiring new customers.	
Security-related operation and monitoring services (TPS)	• Revenue for TPS remained steady, which was stimulated by increasing demands for cloud-based security products.	
Other security products	• Strong demands for Next-generation anti-virus products utilizing AI and Web application vulnerability assessment tool. Revenue increased as a result of the significant accumulation of backlog.	
CROSS HEAD & OCH	• CROSS HEAD：Revenue increased YoY due to optimal personnel assignment. Revenue exceeded the plan. • OCH：Revenue increased due to strong bookings for new UTM products. Exceeded the plan.	

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

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Weather chart by Segment (Based on revenue) for FY2024 1Q

Application Services Business		YoY
CRM field	• Market environment is favorable. Revenue increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions.	
Software Quality Assurance field	• Strong demands in the automotive industry due to the shift to IT in automobiles. • Revenue increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions. Exceeded the plan.	
Business Solution field	• Demands for academic and public solutions is strong.	
EdTech field	• Increased revenue significantly due to deployment to private schools that offer advanced education and the accumulation of projects.	
CASAREAL	• Remained revenue steady in the education business, including IT training.	
ARECCIA Fintech	• Revenue decreased YoY but exceeded the plan. ※Financial system-related business was transferred from Business Solution field to ARECCIA Fintech in July 2023. YoY change is calculated based on the assumption that the business was transferred in 1Q of the previous year.	
Medical System Business		**YoY**
PSP	• Decreased the number of on-premise renewal projects YoY but revenue exceeded the plan. New contracts, renewals, and replacements of PACS were all steady.	
Ichigo	• Maintained stable sales growth for teleradiology and telepathology and exceeded the plan. Revenue increased YoY.	
A-Line	• Expanded the installation of radiation dose management systems for medical institutions due to the increased willingness of medical institutions to invest in safety management systems for medical radiation.	

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

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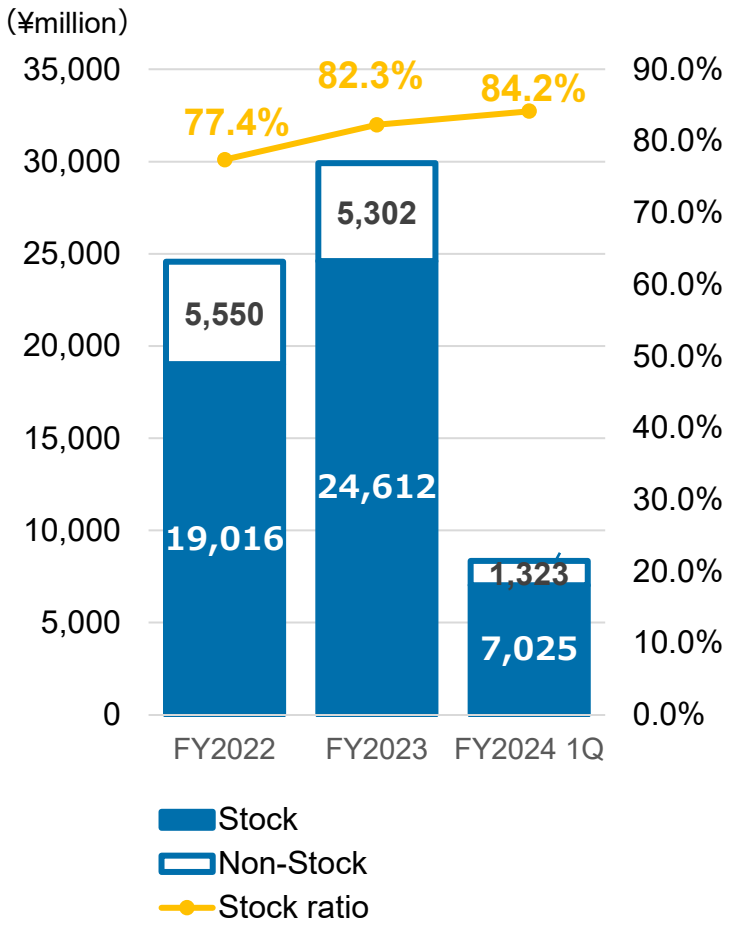
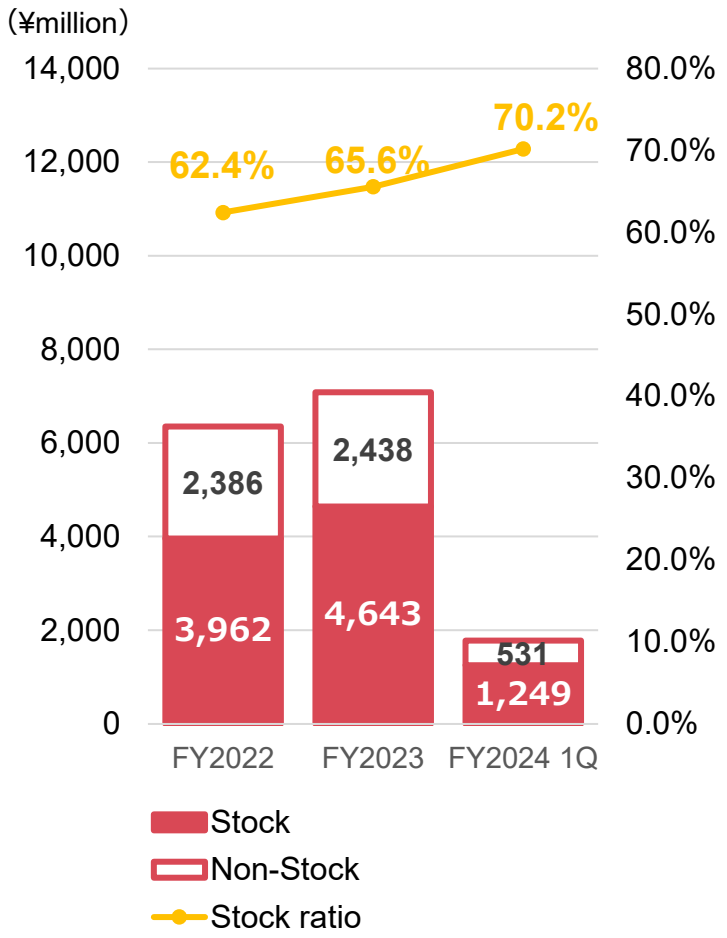
Stock type sales (Recurring revenue) ratio of TECHMATRIX and PSP

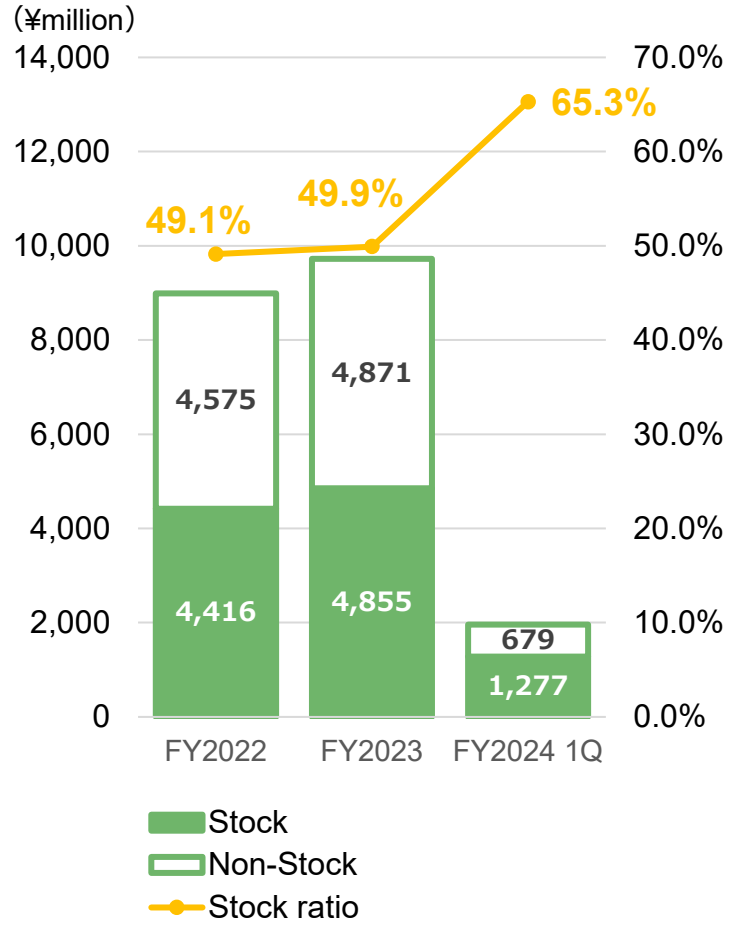
Information Infrastructure Business



Application Services Business



Medical System Business



※ FY2024 1Q excludes financial business

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Consolidated Statement of Financial Position

※1 “Trade and other receivables” decreased due to collection of accounts receivable.
※2 “Advance payments” included in “Other current assets” and “Advance received” included in “Other current liabilities” were increased as a result of increase in booking for subscription-based cloud security services.

(¥million)

	FY2023	FY2024 1Q
Total current assets	**70,462**	**74,478**
Cash and cash equivalents	27,265	26,366
Trade and other receivables (※1)	6,874	4,454
Other current assets (※2)	36,321	43,657
Total non-current assets	**15,294**	**15,393**
Property, plant and equipment	6,117	5,931
Goodwill	171	171
Intangible assets	2,420	2,488
Other non-current assets	6,584	6,801
Total assets	**85,756**	**89,872**

	FY2023	FY2024 1Q
Total current liabilities	**51,648**	**55,714**
Trade and other payables	2,230	2,295
Borrowings	570	570
Other current liabilities (※2)	48,847	52,848
Total non-current liabilities	**7,064**	**7,000**
Borrowings	100	50
Other non-current liabilities	6,964	6,950
Total liabilities	**27,043**	**27,157**
Share capital and Capital surplus	6,065	6,064
Treasury shares	△930	△930
Retained earnings	16,037	16,001
Other components of equity	571	675
Total equity attributable to owners of parent	21,744	21,811
Non-controlling interests	5,299	5,346
Total liabilities and equity	**85,756**	**89,872**

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Changes in Employees

FY2023	1Q	2Q	3Q	4Q
Information Infrastructure	635 (+29)	636 (+25)	629 (+11)	636 (+23)
Application Services	377 (+24)	382 (+33)	386 (+31)	387 (+27)
Medical System	419 (+4)	419 (+2)	425 (+12)	426 (+12)
Corporate (Common)	53 (+3)	52 (±0)	51 (-5)	53 (+1)
Consolidated total	1,484 (+60)	1,489 (+60)	1,491 (+49)	1,502 (+63)

FY2024	1Q	2Q	3Q	4Q
Information Infrastructure	667 (+32)	-	-	-
Application Service	416 (+39)	-	-	-
Medical System	449 (+30)	-	-	-
Corporate (Common)	54 (+1)	-	-	-
Consolidated total	1,586 (+102)	-	-	-

FY2023	1Q	2Q	3Q	4Q
Non-Consolidated total	558 (+27)	543 (+11)	541 (-3)	553 (+9)

FY2024	1Q	2Q	3Q	4Q
Non-Consolidated total	588 (+30)	-	-	-

※The number of employees is the number of full-time employees.
※ Figures in parentheses are year-on-year comparisons.

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2. Forecast for Fiscal Year ending March31, 2025 (Medium-Term Management Plan figures for April 2024 - March 2026)

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Creating Customer Value in the New Era Targets in the next 3 years

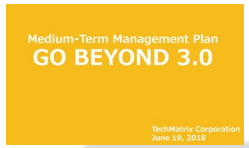
Operating income 10Billion yen

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



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.

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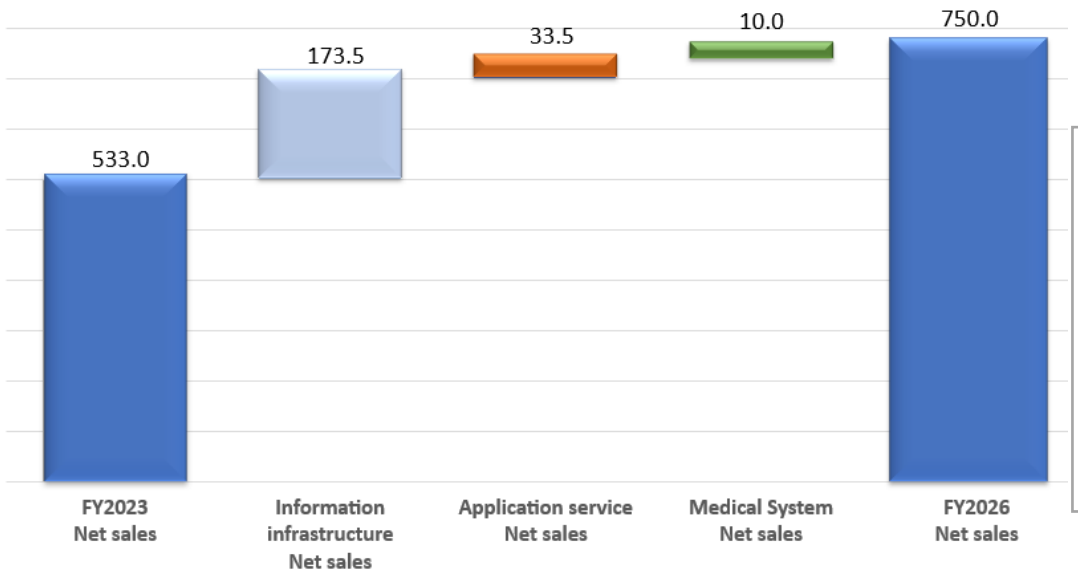
Creating Customer Value in the New Era Targets in the next 3 years(Summary)

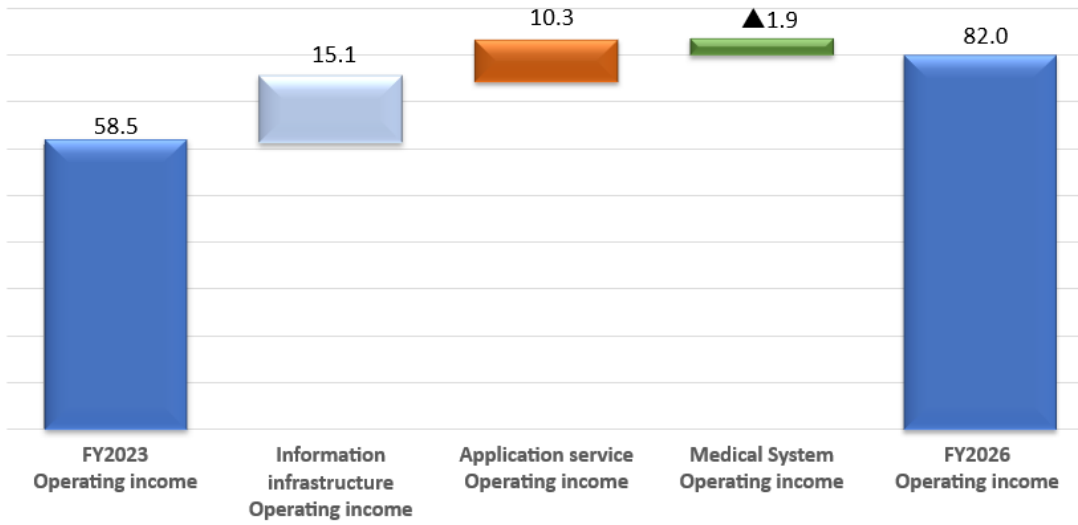
(100million yen)

TechMatrix consolidated net sales trends



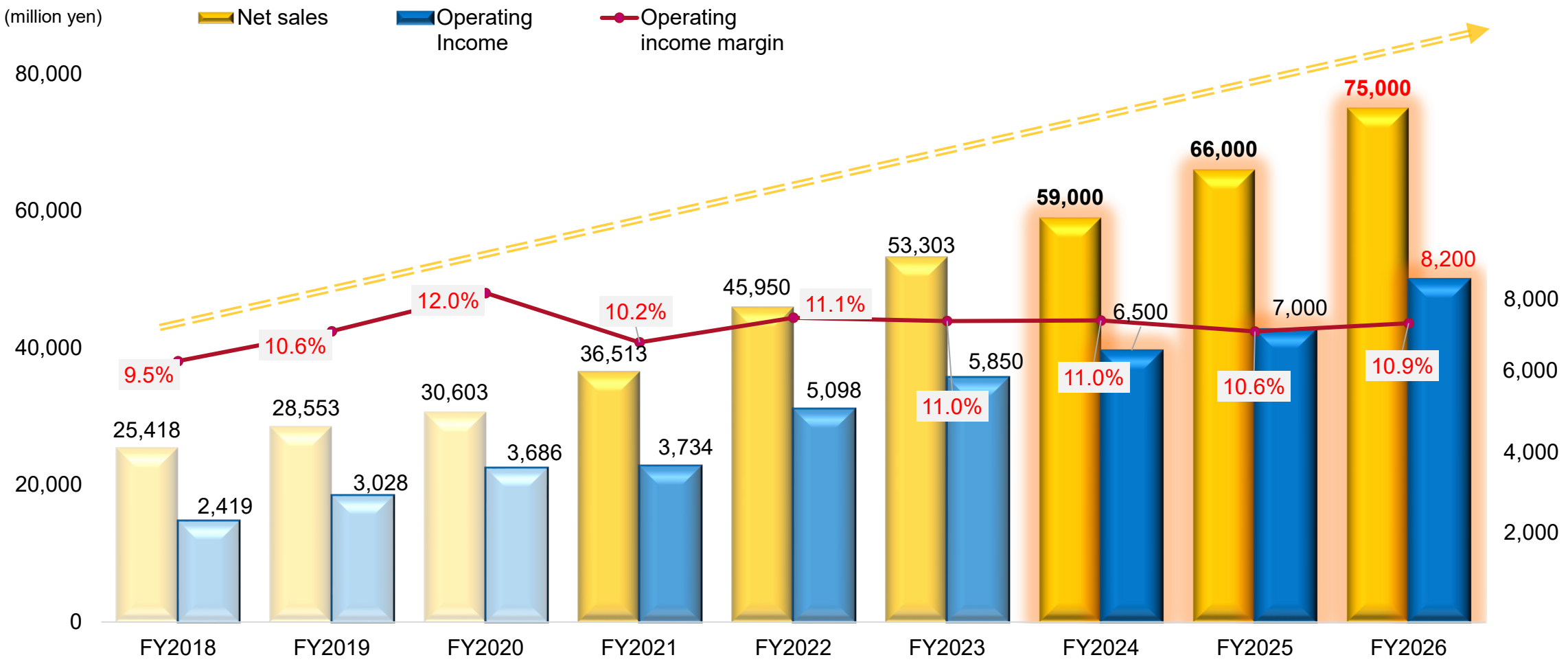
(100million yen)

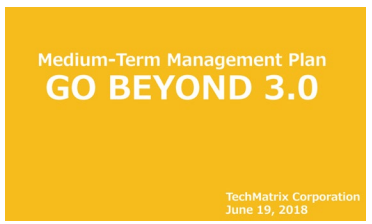
TechMatrix consolidated Operating income trends



		FY2023 Actual	FY2026 Plan	
Net sales	Total	533.0	750.0	140.7%
	Information infrastructure	350.0	523.5	149.6%
	Application service	82.0	115.5	140.9%
	Medical System	101.0	111.0	109.9%
Operating income	Total	58.5	82.0	140.2%
	Information infrastructure	39.7	54.8	138.0%
	Application service	3.2	13.5	421.9%
	Medical System	15.6	13.7	87.8%

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





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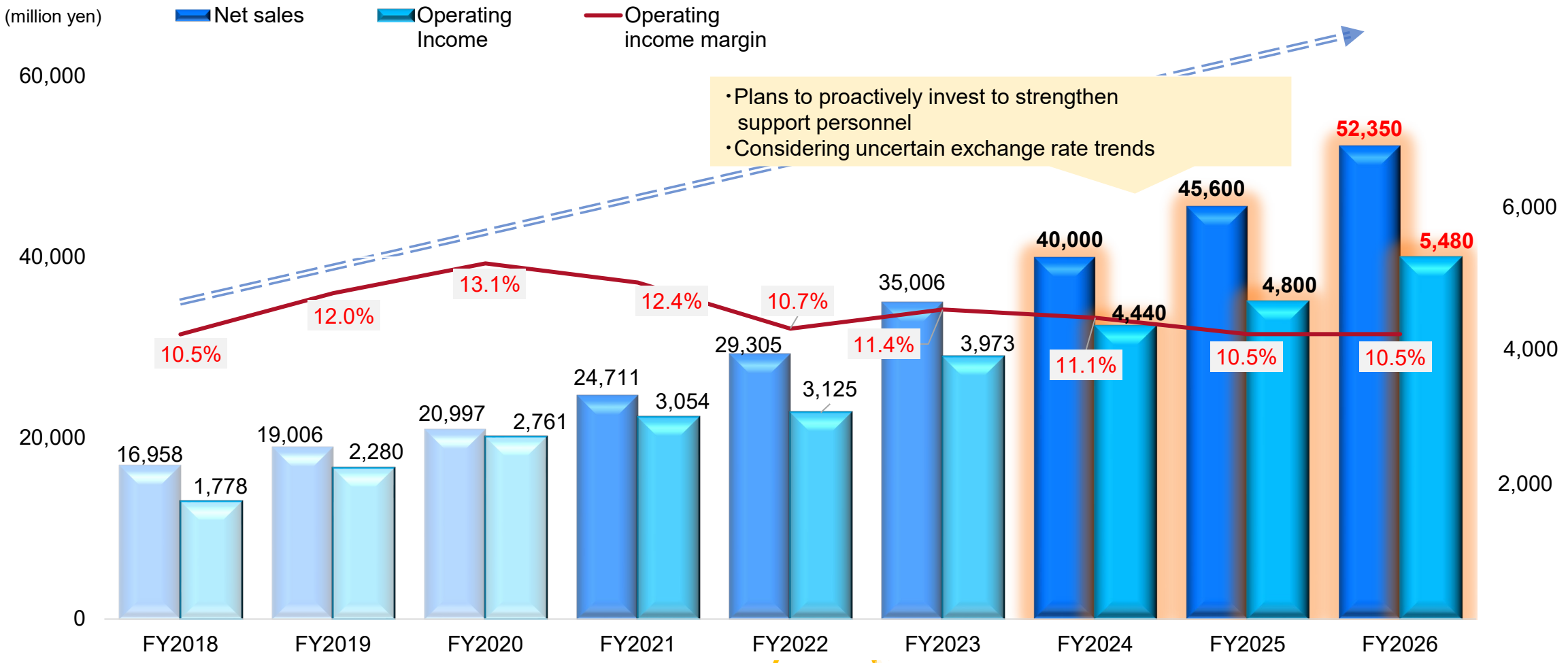
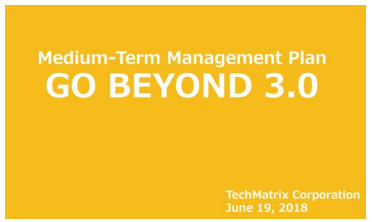
Creating Customer Value in the New 3-year targets（Information infrastructure）





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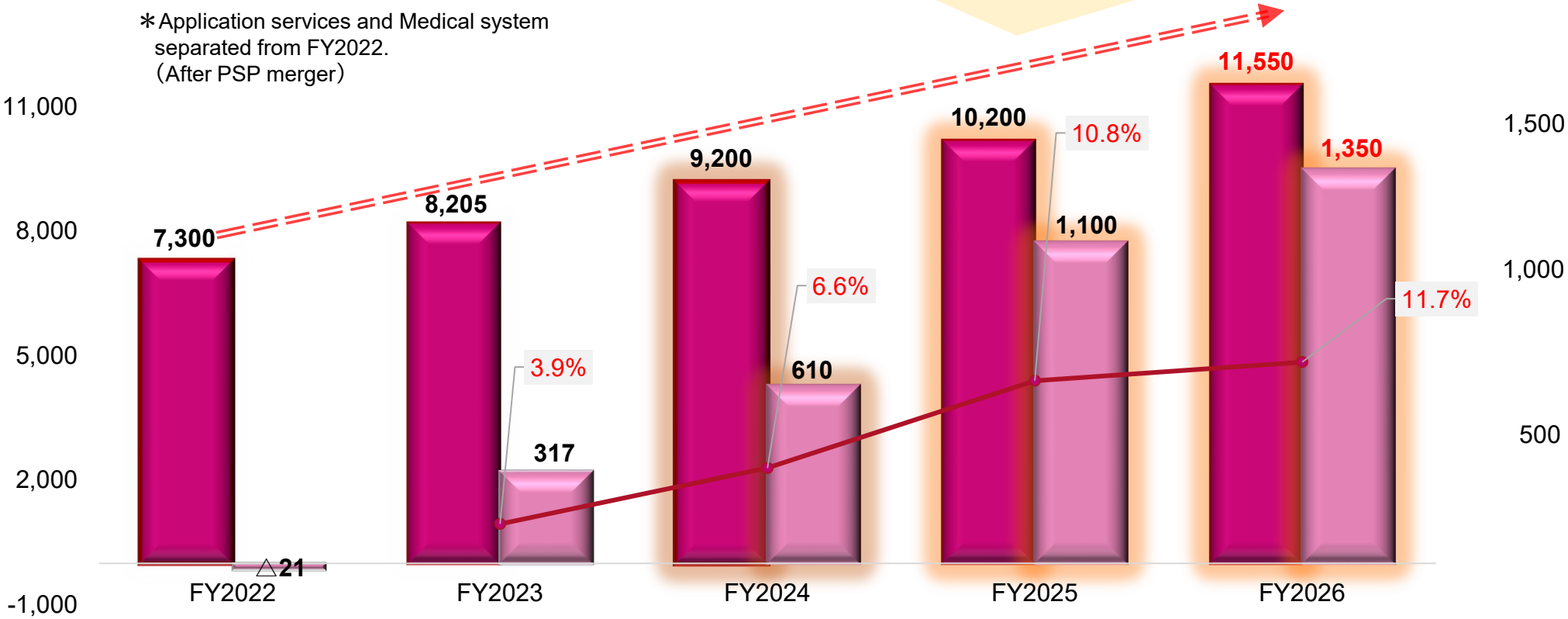
Creating Customer Value in the New Era 3-year targets（Application service）

(million yen)

Net sales　Operating Income　Operating income margin

・Progress in transition to subscription-based business
・EdTech business deficit shrinks

＊Application services and Medical system separated from FY2022.
（After PSP merger）



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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.

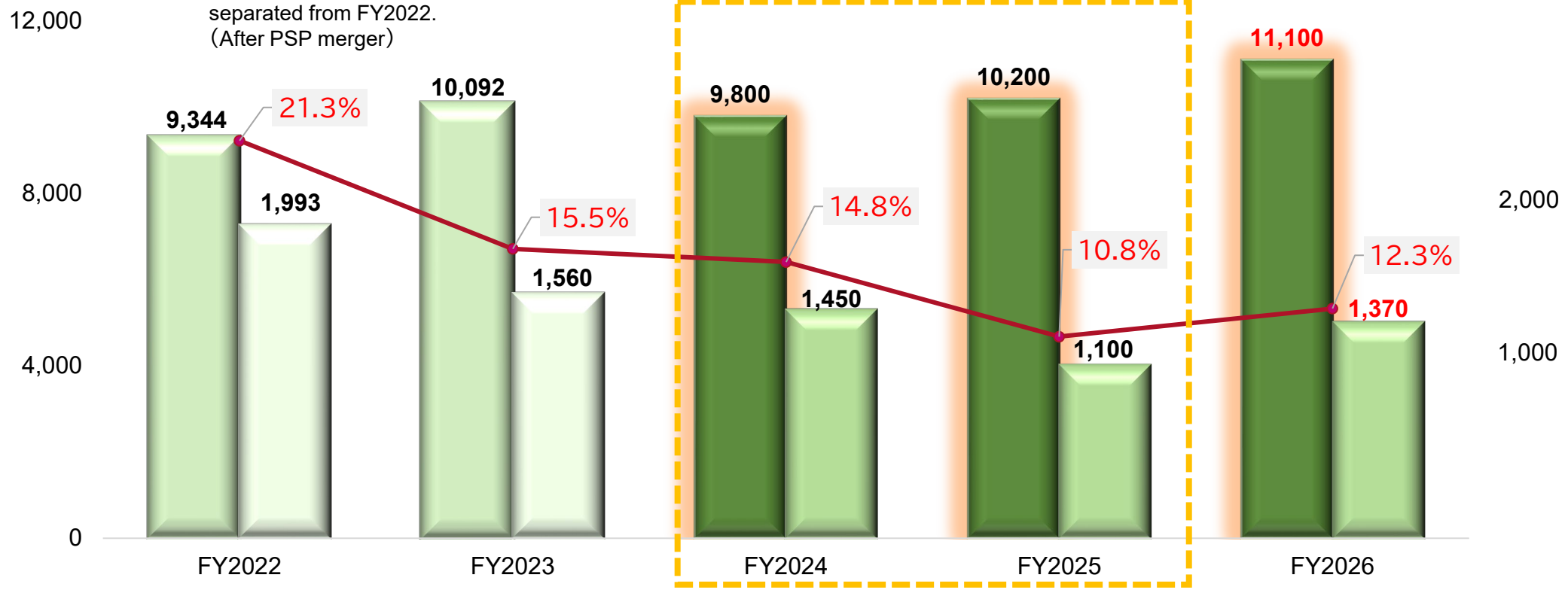
(million yen)

Net sales

Operating Income

Operating income margin

＊Application services and Medical system separated from FY2022.
（After PSP merger）



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

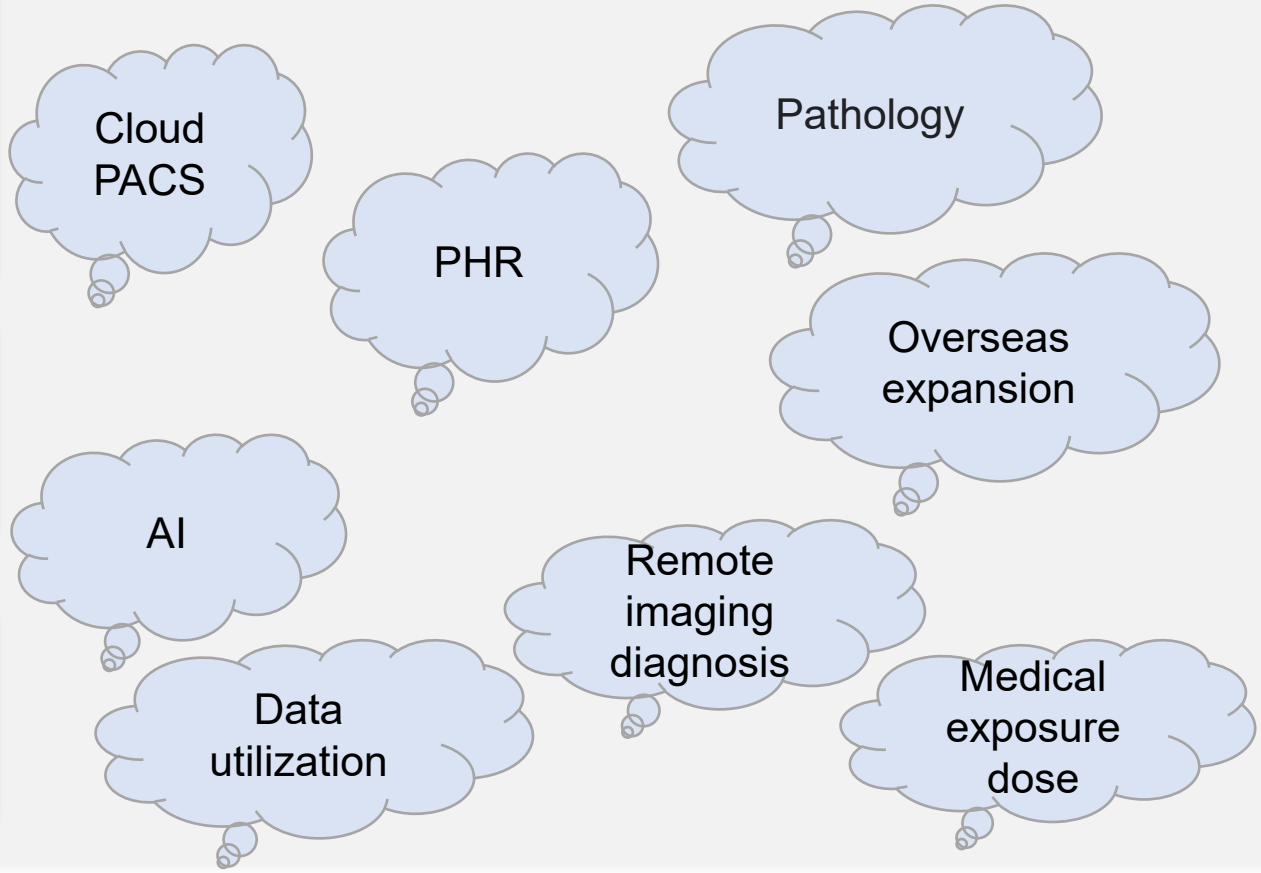
FY2024-FY2025 is investment phase to increase sales and profits from FY2026 onwards.

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 investment to software and services development



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3. Topics of Business activities

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Network Security field

Medium-term Management Plan: Expanding portfolio of products and services

■Concluded a partnership agreement with Dispel (U.S.) (May 2024)

*Dispel, founded in 2015, provides services to customers in manufacturing, government, and utility sectors (¥42 trillion in annual production)

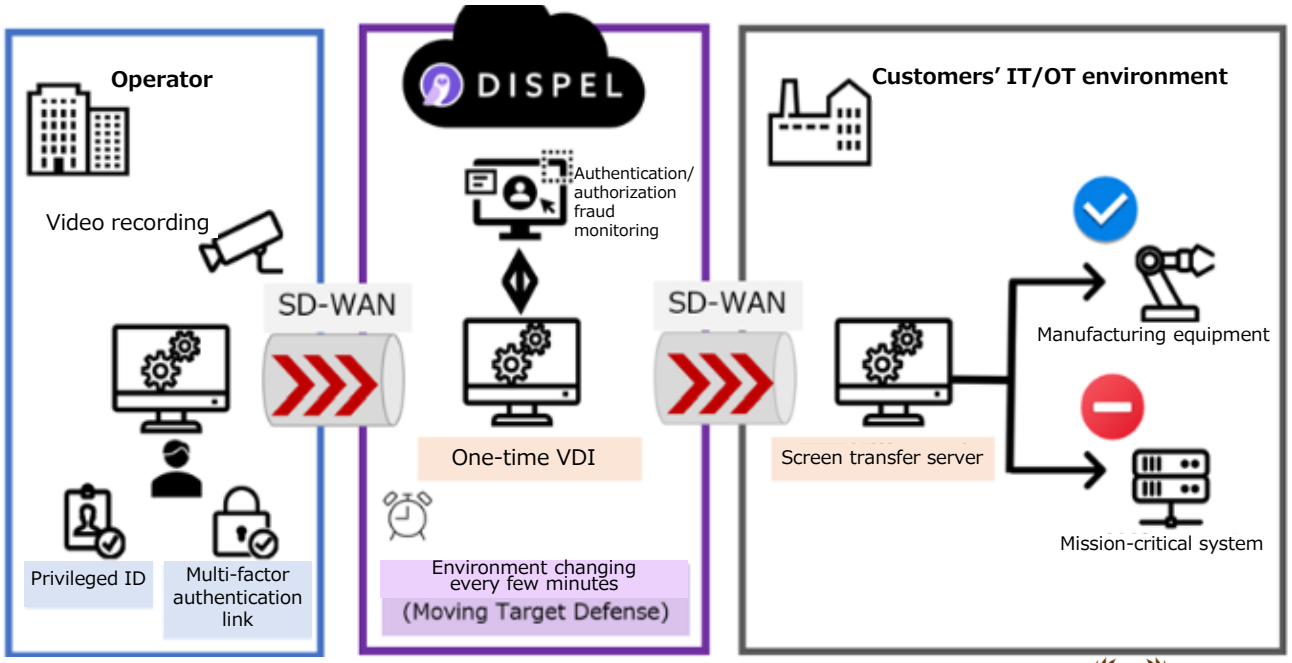
Market environment

- Growing cyberattacks to the OT (Operational Technology: a general term for control and operational technology for manufacturing and social infrastructure) environment
- These attacks target VPN equipment used for remote maintenance in the IT/OT environment

Product features

- An integrated platform provided on cloud controls access to IT/OT equipment in real time
- Its defensive function, which changes IP addresses and access lists on the cloud environment every few minutes, prevents external cyberattacks such as ransomware

Zero-trust secure remote access service specializing in IT/OT remote maintenance



With this service, TechMatrix won the Special Prize in the Industrial Network category of the Best of Show Award at Interop Tokyo 2024 (June 2024)

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Application Services Business, CRM field

Medium-term Management Plan: Diverse alliances/M&A, Use of AI

Started sales of four solutions for contact centers that are provided from Mobilus (an affiliate accounted for by the equity method) on an OEM basis as TechMatrix products (under the FastSeries brand)

Improve operational efficiency and customer satisfaction at contact centers

TechMatrix

Strengths in voice call-centered multi-channel solutions

Product collaboration, joint development

MOBILUS

Strengths in non-voice solutions (chat, LINE, bot) and generative AI domain

Voice

Non-Voice

Voicebot

FastVoice

AI-based voicebot which automates voice call answering

Visual IVR (*)

FastNavigation

Visualized voice IVR. Displays options as menu items on a web browser of smartphone and PC.

Chatbot

FastBot

Easily creates customer response scenarios. Automates customer response through links with generative AI, mission-critical system, etc.

Manned chat system

FastText

Multi-functional manned chat system. Enables attentive customer response.

(*) IVR stands for Interactive Voice Response. Visual IVR recognizes inquiries from customers and visually guides them to the most suitable channel.

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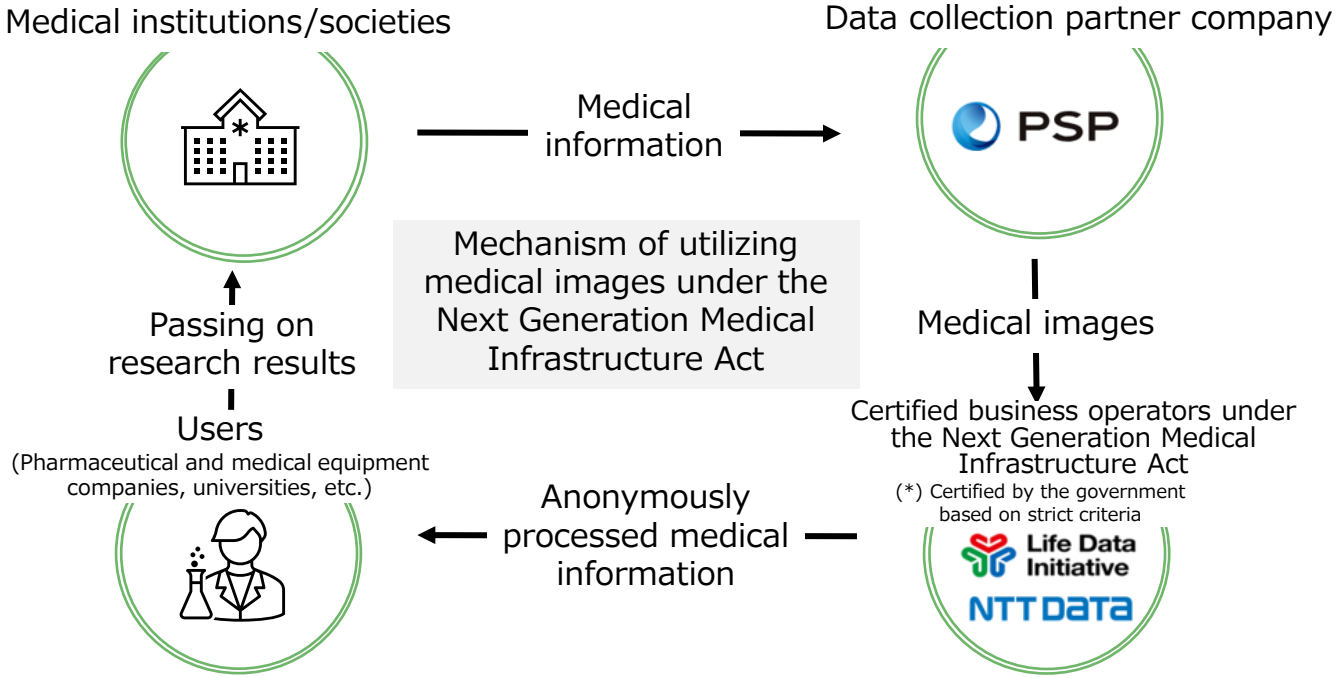
Medium-term Management Plan: Diverse alliances/M&A

Support research and development for program medical equipment, etc. that assist imaging tests to facilitate earlier and more accurate diagnosis and shorter working hours, thereby promoting workstyle reform for doctors

We announced on June 7, 2024 that PSP, our consolidated subsidiary, together with Life Data Initiative and NTT DATA will start providing medical image data as anonymously processed medical information under the Next Generation Medical Infrastructure Act in October 2024.

This will be the first time in Japan that medical image data has been provided under the Next Generation Medical Infrastructure Act



Background

- Medical image data necessary for research and development is in short supply
- To acquire medical image data, one must go through a costly, time-consuming, and cumbersome procedure
- High-level anonymous processing technology taking account of privacy is needed to use medical images
- Workstyle reform for doctors took effect in April 2024

Benefits of medical image data provision under the Next Generation Medical Infrastructure Act

- Create an environment enabling medical image data to be used easily
- Facilitate earlier and more accurate diagnosis by accelerating research and development of AI-based program medical equipment, etc.
- Reduce doctors' working hours

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Medium-term Management Plan: Diverse alliances/M&A

PSP, our consolidated subsidiary, acquired all shares in Regulus to make it a wholly-owned subsidiary (a non-consolidated sub-subsidiary of TechMatrix).

Completed acquisition of all shares on June 21, 2024

PSP

Shareholders and shareholding ratio

TechMatrix Corporation	**50.02%**
MITSUI & CO., LTD.	**20.00%**
M3, Inc.	**18.70%**
Dai Nippon Printing Co., Ltd.	**11.28%**

医知悟LLC	Investment ratio: 95.0%	Provides IT infrastructure to support teleradiology Provides teleradiology business support information services, etc.
A-Line	Investment ratio: 84.1%	Develops and provides support for MINCADI, a cloud-based medical radiation dose management system
M3 AI	Investment ratio: 35.0%	Provides a variety of diagnostic imaging support AI services as a platform
REGULUS	Investment ratio: 100.0%	Provides services for developing, operating, and managing diagnostic imaging quality control processes that improve evidence in clinical research and trials as a Contract Research Organization (CRO) specializing in medical imaging

Non-consolidated

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Medium-term Management Plan: Diverse alliances/M&A

Combine Regulus' abundant clinical insights specializing in medical imaging and PSP's technological, development, and sales capabilities in healthcare IT to expand business domains

PSP

- Cloud-based healthcare IT technologies, such as PACS (medical imaging management system) and PHR
- Capabilities to develop systems and services
- Sales capabilities

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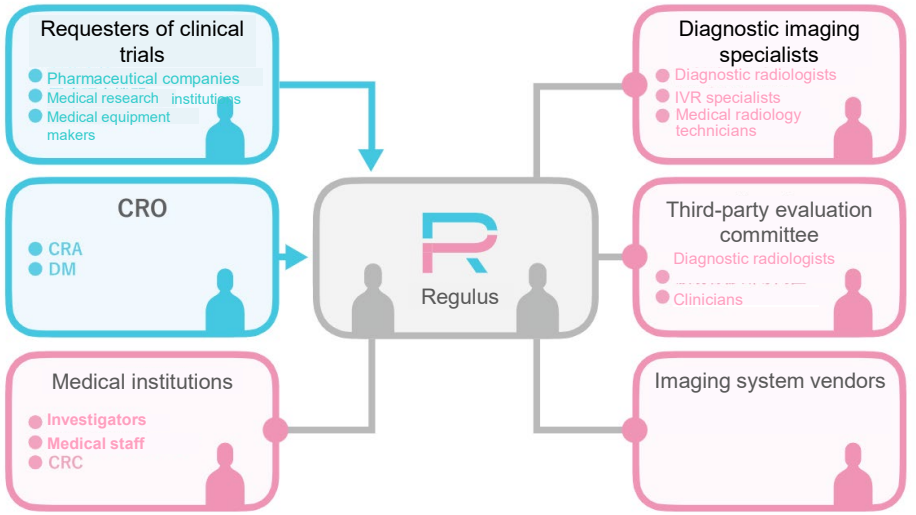
REGULUS

- Relationships of trust with research and pharmaceutical institutions
- Relationships of trust with clinicians and diagnostic imaging specialists
- Expertise in measuring the efficacy of anticancer drug treatment

Establish a platform for supporting anticancer drug treatment plan management and treatment efficacy assessment as digital transformation (DX) to aid cancer treatment, which becomes more complex with personalized medicine

Consolidate information on treatment plans and progress into one single platform to facilitate information sharing to patients and their families and collaboration among doctors

Position of Regulus



Implement and support clinical study operations for pharmaceutical companies, etc.
(including developing imaging procedures, setting imaging conditions, collecting and analyzing image data, preparing for screening by doctors, and submitting reports to pharmaceutical institutions, etc.)

Imaging CRO(*) market size

USD 5.37 billion in 2024, and forecast to reach USD 8.19 billion by 2030 globally

Source: Global Information, Inc., "Imaging CRO Market by Services, Imaging Modality, Application, End-User—Global Forecast 2024-2030"

(*) CRO stands for Contract Research Organization for pharmaceutical development.

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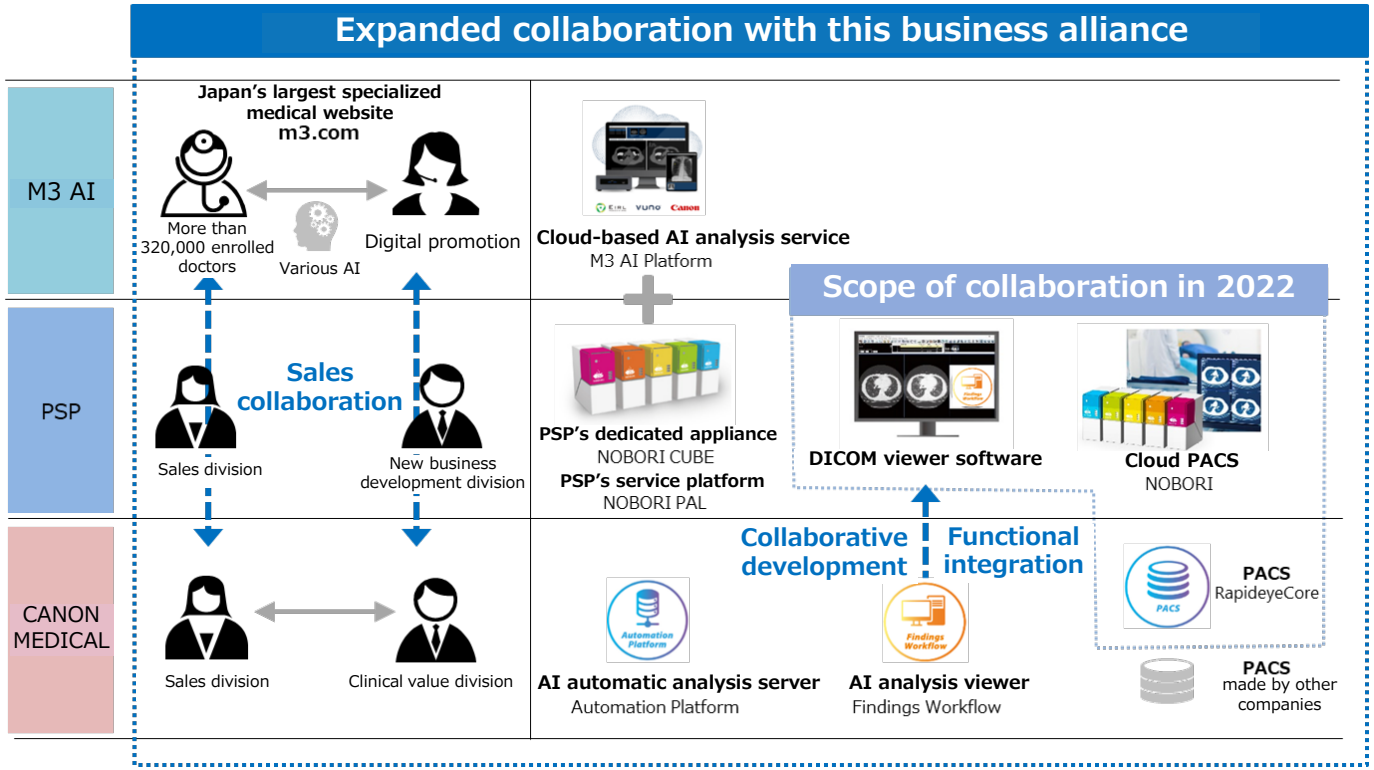
Medium-term Management Plan: Diverse alliances/M&A, Use of AI

Business alliance for promoting healthcare AI

PSP, CANON MEDICAL SYSTEMS, and M3 AI entered into a business alliance to promote healthcare AI on April 4, 2024

Provide an environment enabling the wider use of healthcare AI through sales collaboration, and further improve image reading quality and efficiency in diagnostic imaging



Background

- Conditions in medical settings in Japan are growing increasingly severe due to changes in disease structure owing to aging population, a doctor shortage, and other factors
- As workstyle reform for doctors took effect in April 2024, medical settings need to further improve their efficiency

Benefits of the business alliance

- Further improve image reading quality and efficiency in diagnostic imaging with the use of AI technology
- Provide an environment enabling a wider range of customers to use healthcare AI

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Sustainability Initiatives

Create customer value and a better future by strengthening management foundations with sustainable management in mind

Environment

Developed climate strategies and action plans and started calculating GHG emissions at group companies *See other page for details

- Identified risks and opportunities related to climate change
- Started calculating GHG emissions generated from TechMatrix and group companies

Social

Enhanced initiatives regarding human rights and those regarding internal environment creation and human resource development

- Formulated Guidelines for Business Partners (Human Rights and Labor) and implemented human rights due diligence for overseas offshore business partners
- Obtained “Tomonin” certification as a nursing care support company
- Obtained “Platinum Kurumin” certification as an excellent childcare support company

介護支援企業マーク「トモニン」
仕事と介護の両立に取り組んでいます

プラチナくるみん
子育てサポートしています

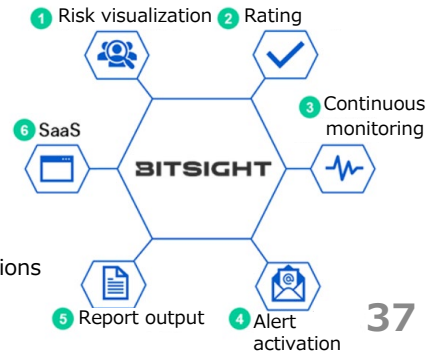
Governance

Visualized information security risks at TechMatrix and group companies to enhance the level of security

- Improvement in BitSight Security Rating score (750 as of July 2024)

*Glass Lewis (a proxy voting advisory firm) evaluates a company’s level of security based on BitSight ratings

Strengthened the governance system of the Personnel Committee *See other page for details.



The right figure is quoted from the website of ITOCHU Techno-Solutions
https://www.ctc-g.co.jp/solutions/bitsight/

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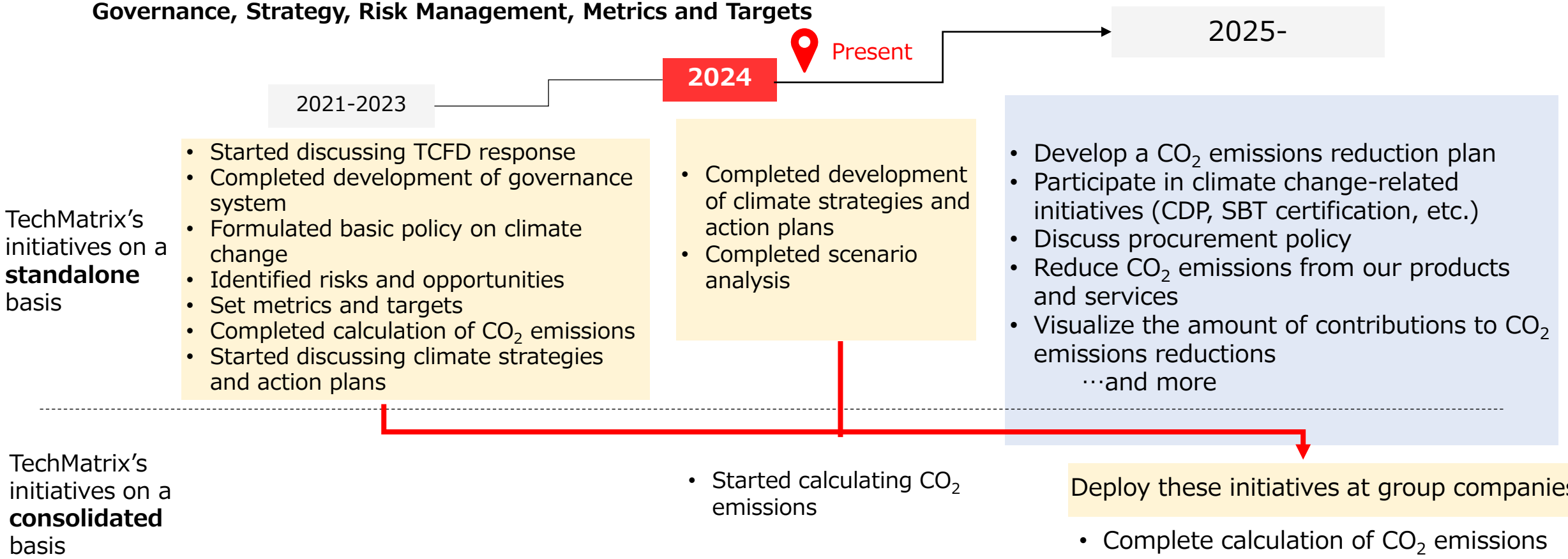
Sustainability Initiatives

Environment

Completed around 80% of environmental disclosures based on the ISSB's standards (*TCFD recommendations)

*Supervision of the progress of companies' information disclosures has been transferred from the Task Force on Climate-related Financial Disclosures (TCFD) to the International Sustainability Standards Board (ISSB). However, the TCFD recommendations remain valid.

Four pillars of disclosure items:
Governance, Strategy, Risk Management, Metrics and Targets



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Governance

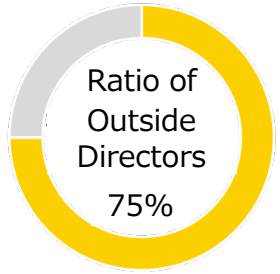
- **Strengthened the governance system of the Personnel Committee**

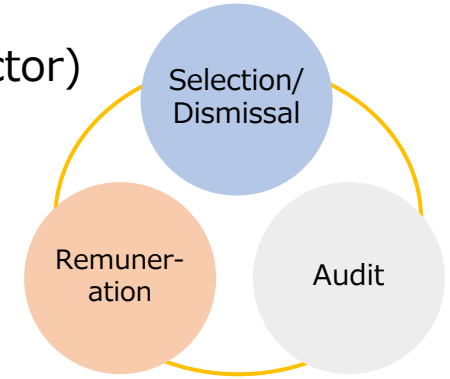
Changed the committee structure and Chair of the Personnel Committee in June 2024

Committee structure: 4 members (3 Outside Directors and 1 Internal Director)
Chair: Outside Director

Committee structure (3 members)
Takaharu Yai (Chair)
Ken Takayama
Ryota Miura

Committee structure (4 members)
Akio Sugihara (Chair)
Ken Takayama
Ryota Miura
Takaharu Yai





Items to be discussed at the Personnel Committee

- Formulation of standards regarding the term of office for directors
- Selection and development of the next-generation management team
- Selection of candidates to succeed current Outside Directors (creation of a long list)
  *including selection of candidates for new female directors

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(Reference)
New Medium-Term Management Plan
“Creating Customer Value in the New Era”

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TechMatrix Corporate Philosophy

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.

Slogan for the New Medium-Term Management plan (2024-2026)

Creating Customer Value in the New Era

Thoughts on the New Medium-Term Management Plan

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**.

Foresight involves

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

×

Business know-how

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

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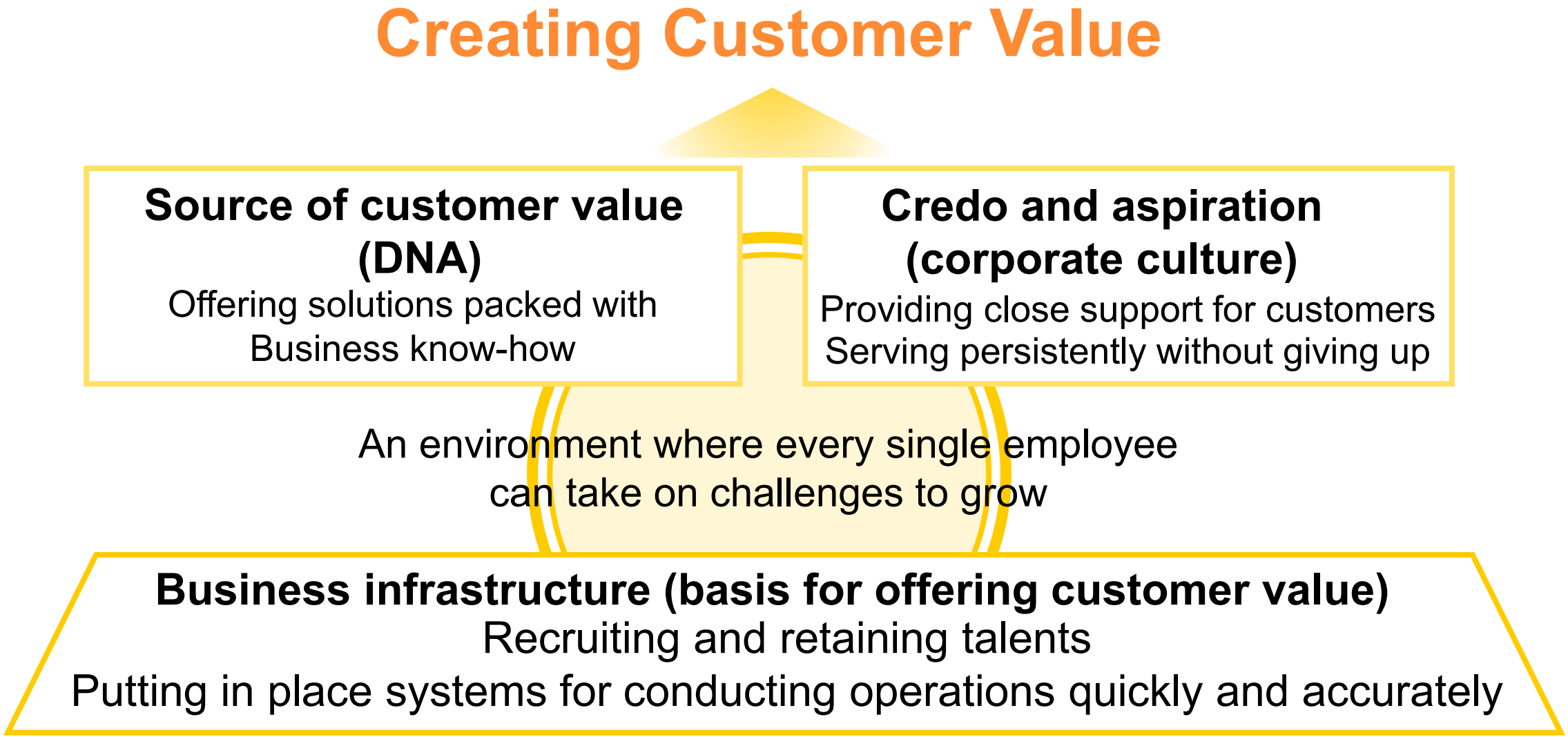
A better future

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

New Medium-Term Management Plan



New Medium-Term Management Plan

the New Era

Decrease in the working population

×

Emergence of new technology

×

corporate social responsibility

New Medium-Term Management Plan: Key Strategies

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)

- Expanding portfolio of products and services
- Utilization of AI
- Creation of synergies by strengthening group collaboration
- Diverse alliances / M&A (expansion of existing business, creation of new business)
- Developing and retaining talents (including promotion of diversity)

New Medium-Term Management Plan: 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)** 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	**Expansion of products and services** 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** 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	**Diversification** Expand PHR service business Business expansion into the pathology area

SE：Software Quality Assurance field

BS：Business Solution field

New Medium-Term Management Plan: Data utilization

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

Business know-how (solution)

+

Data utilized

×

AI

=

Automation labor saving

- **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 System field**
  medical image data
  *More than 50 million people and more than 300 millio data items (as of March 2024)
- **CRM field**
  call history data
  Inquiry history data

(Reference) Data・Other

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Medical field

53,833,000

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

344,606,000

The number of **inspections** stored in NOBORI

(June 30, 2024)

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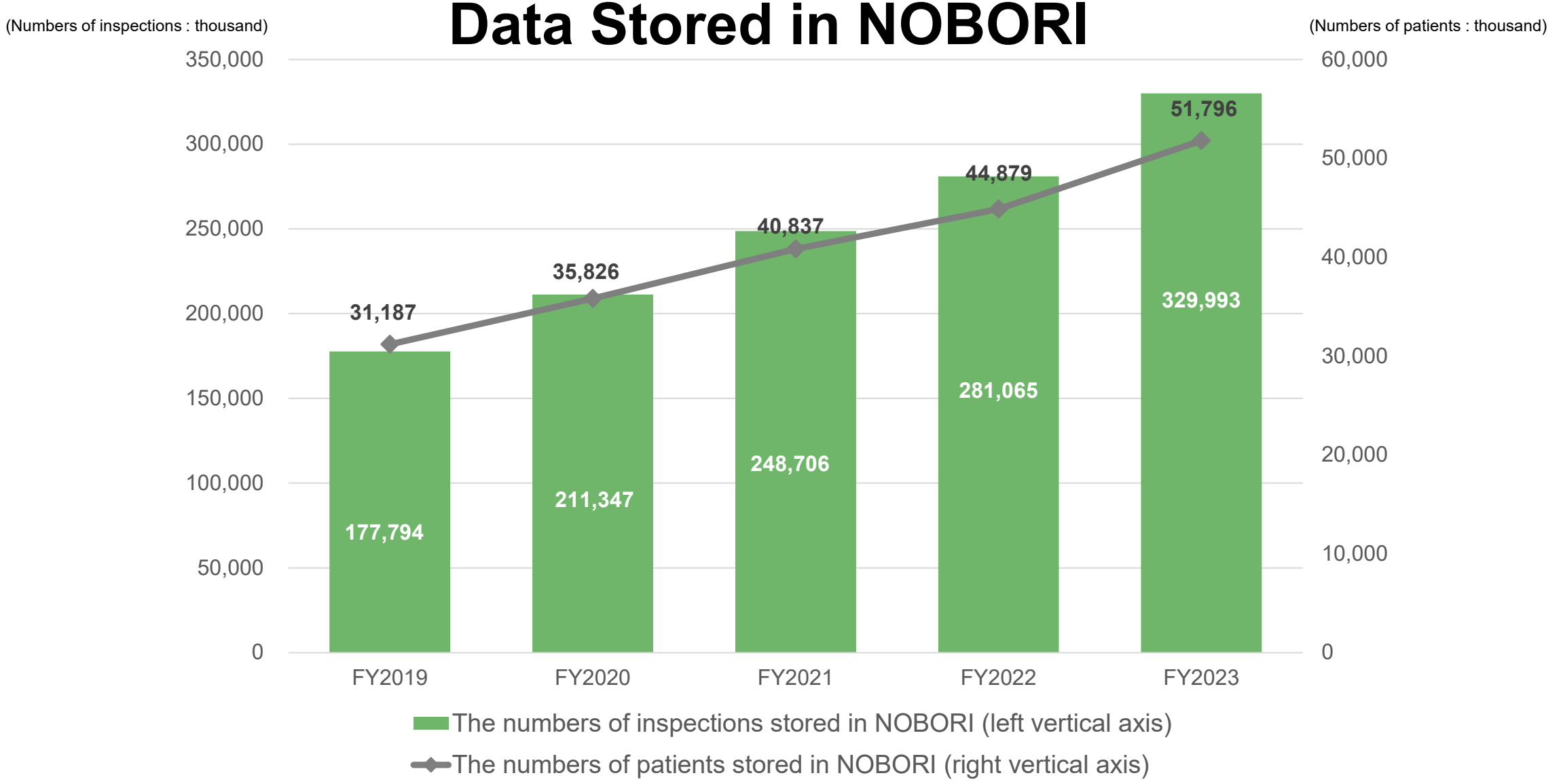
Medical field

Data Stored in NOBORI



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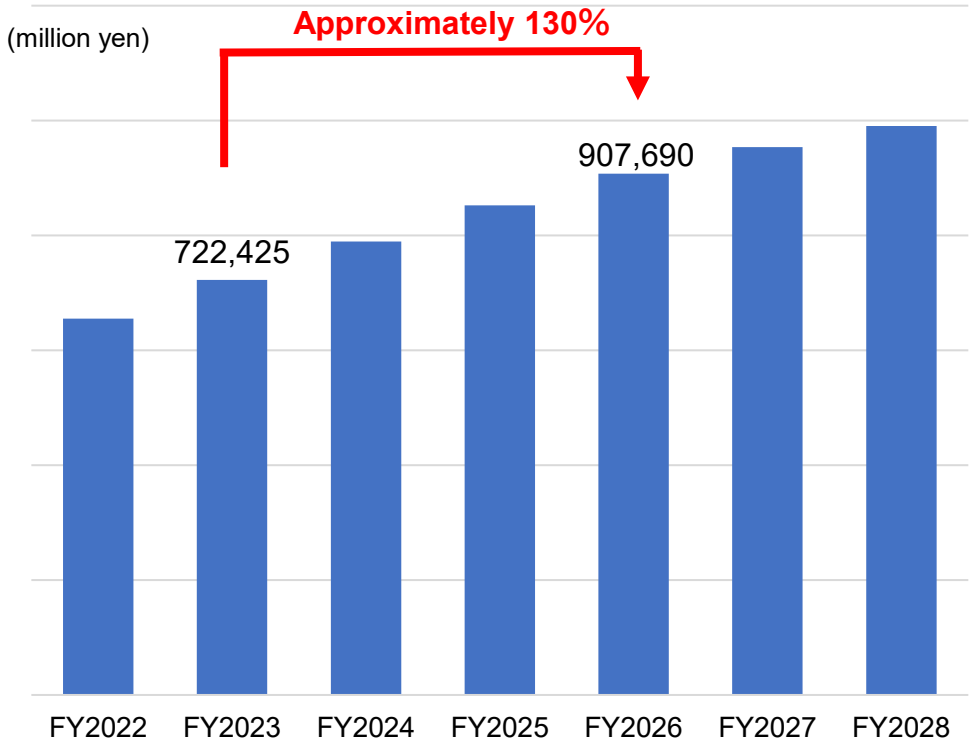
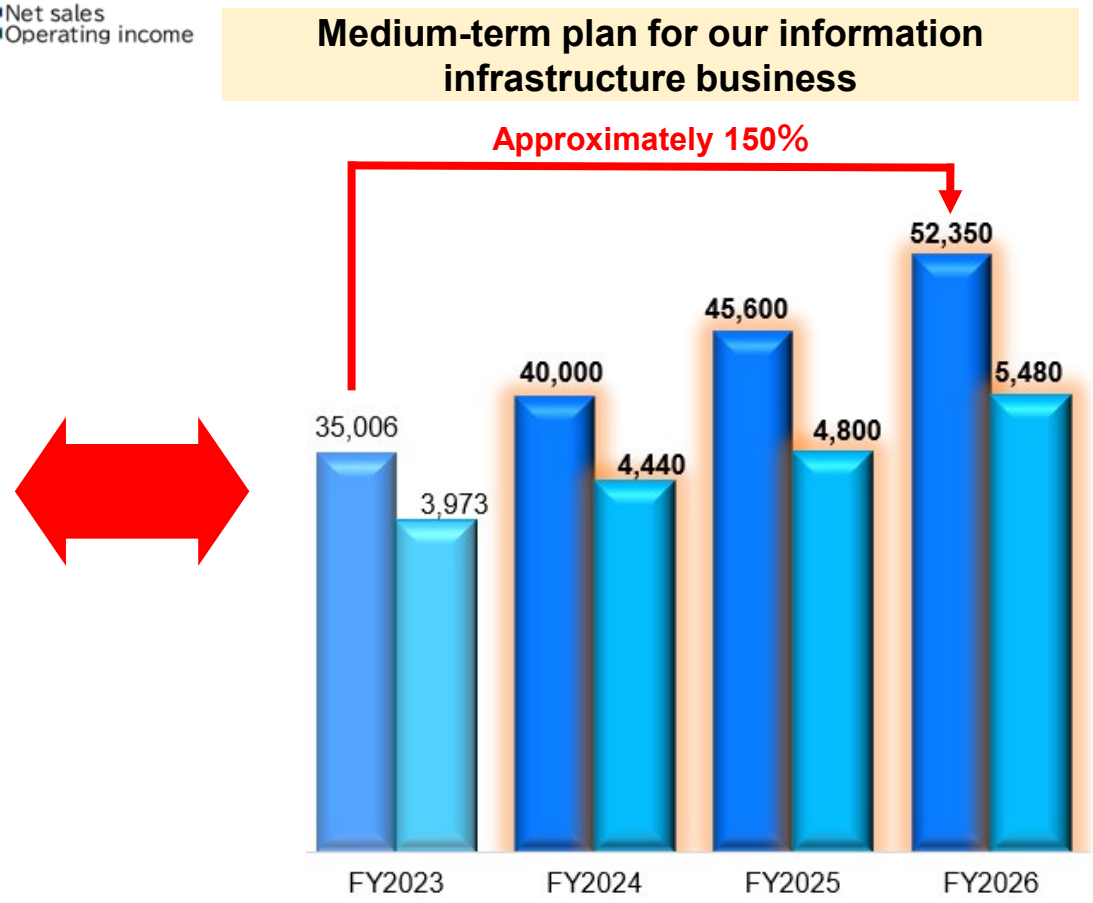
（Reference）Network security market environment

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」

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（Reference）Network security market environment

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%

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

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.

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

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

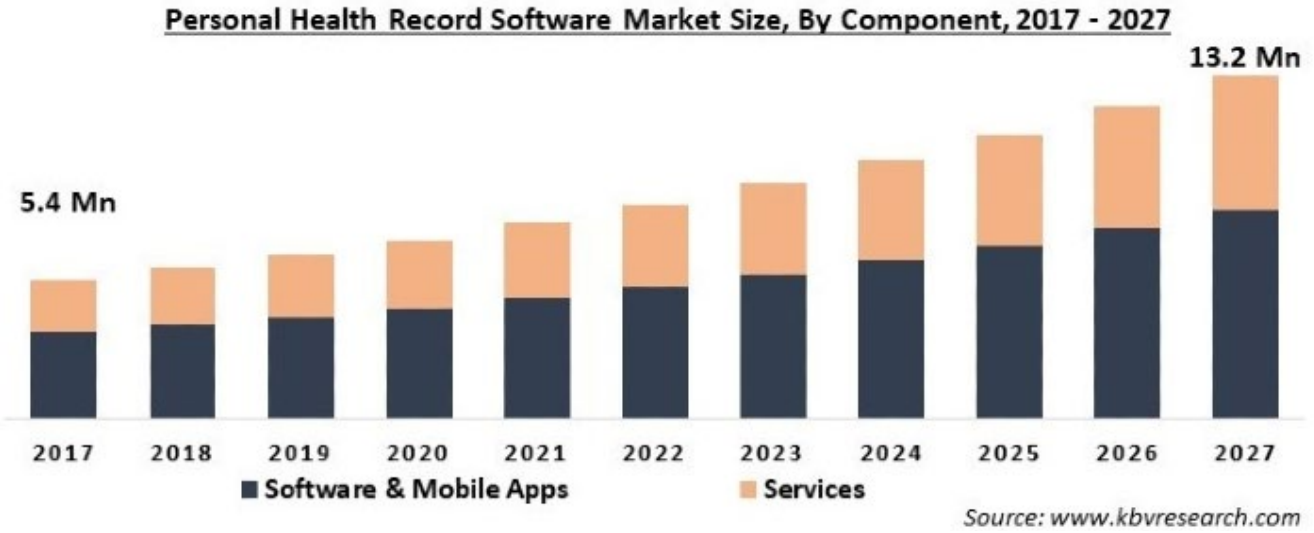
Market Growth Factors

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)

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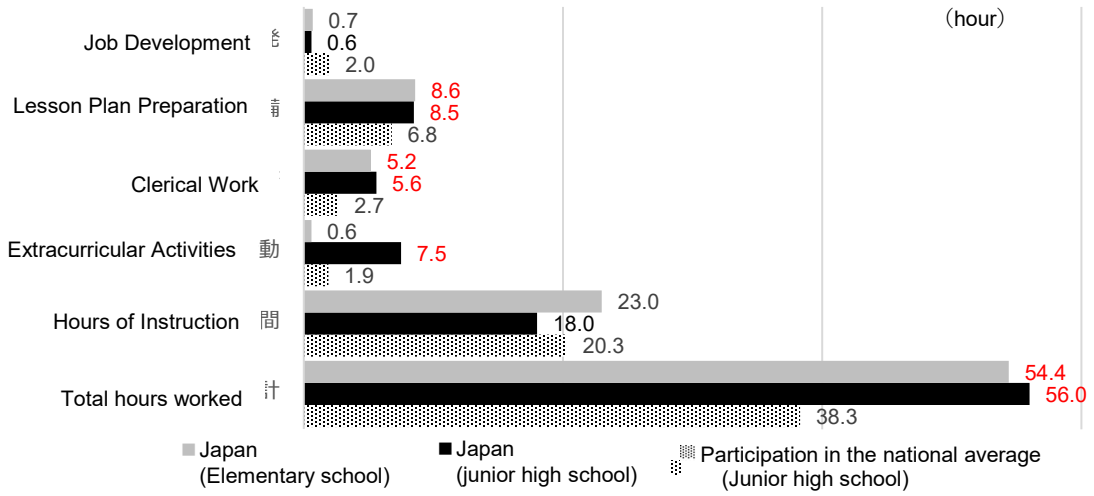
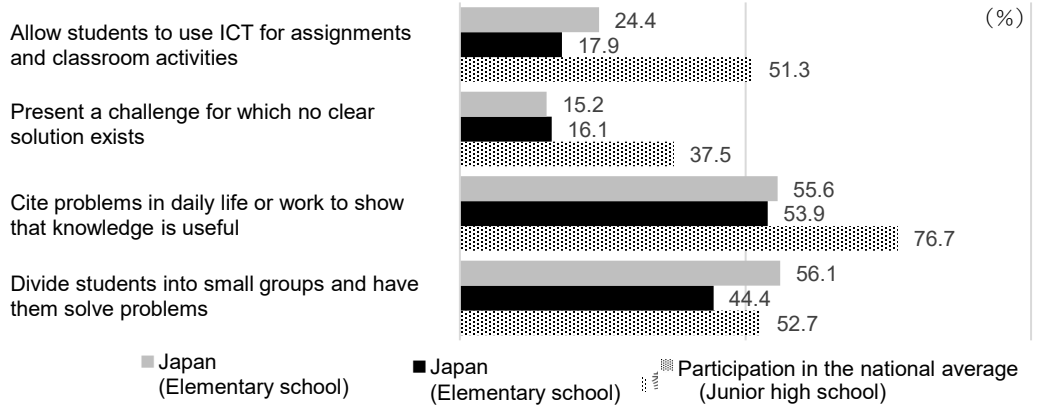
EdTech field ※Reference

TechMatrix

Teacher's work hour per week



Percentage of teachers who frequently use each instructional practice



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

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）

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Relation of sales partners

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

paloalto NETWORKS

First prize
・JAPAC Distribution partner of the year (2023)
6 years in a row
・Distributor of the year (2018, 2019, 2020, 2021, 2022, 2023)
2 years in a row
・Excellence in support of the year (2018, 2019)

TANIUM

2021 Award
・MVP Partner of the year

2022 Award
・Most Dedicated Partner of the Year

DELL Technologies

2019～2021,2023～2024 Award
Channel Services Delivery Excellence Award
（Former Services Delivery Excellence Awards ）

【Others】

proofpoint

4 years in a row
・PARTNER OF THE YEAR (2021, 2022, 2023, 2024)
2 years in a row
・Deal registration of the year (2022, 2023)

COHESITY

2022 Award
APJ Marketing Partner of the Year

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＜Handling of this material＞

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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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