

## Corporate Philosophy



### Mission Statement

The IT professional group who create a better future

### Standards of Business Conduct

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.

TechMatrix's vision of professional human resources

### SIMPLE & 4C

- Speed
- Innovation
- Management
- Passion
- Learning
- Endeavor
- Commitment
- Customer Satisfaction
- Confidence
- Challenge

#### TechMatrix Group

- CROSS HEAD
- OCH Co., Ltd.
- CASAREAL, Inc.
- ARECCIA Fintech Corp.
- TechMatrix Asia Co., Ltd.
- PSP Corporation
- Ichigo LLC
- A-Line Co. Ltd.

For more information of  
SIMPLE & 4C ▶



# TALK ABOUT Corporate Philosophy for Us

“The IT professional group who creates a better future” precisely describes our stance of seeking to solve social issues through our business. How do the members of the TechMatrix Group understand this Corporate Philosophy and incorporate it in their work?

In my day-to-day work of designing apps, I consider what functions are truly user-friendly **from the end user’s perspective.**

CRM Solutions Division  
Years of service: 5 to less than 10 years

Through repeated interviews, I think about what the **essence of the customer’s problem is.**

Software Engineering Division  
Years of service: Less than 3 years

By **always striving to gain a clearer picture** of the client’s issues, I am conscious of providing **the solutions that they truly need.**

Business Solutions Division  
Years of service: Less than 3 years

## Q. How do you understand the Mission Statement and how do you approach it?

As an IT professional, I **keep an eye on trends in society** as I think of ways to solve various issues, and I strive to acquire skills that will be useful for that purpose.

Network Security Division  
Years of service: 15 to less than 20 years

With an awareness of myself as a **professional, I continue to study,** both to improve the quality of my work and to enhance my knowledge and skills.

Corporate Headquarters  
Years of service: 5 to less than 10 years

Recognizing that our customers’ future depends on the services that we provide, I work to **gather information and make continuous improvements** to help make those services even better.

EdTech Division  
Years of service: Less than 3 years

## Introduction

01

- 01 Corporate Philosophy
- 03 Contents
- 05 About TechMatrix
- 07 At a Glance
- 09 Journey of TechMatrix's Growth

## Message from Top Management

11

## ► Highlights

President and CEO's statement about thoughts on the new Medium-Term Management Plan, initiatives for sustainability, and approaches to management on assuming the position



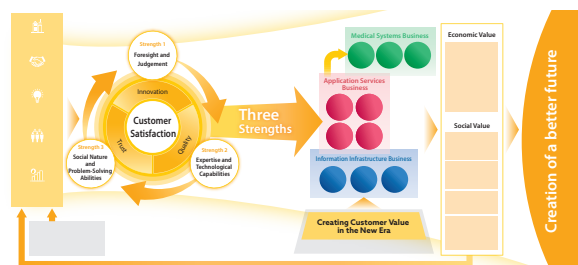
11 Message from Top Management

## Value Creation

17

## ► Highlights

Description of how we will continue to create value by leveraging our strengths as the IT professional group who create a better future with example cases



- 17 Value Creation Process
- 19 Strengths and Case Studies of TechMatrix
- 23 Solving Social Issues Through Business Activities

## Strategy

25

## ► Highlights

Description of our business strategy, financial strategy, and response to materiality, with the aim of realizing our new Medium-Term Management Plan, "Creating Customer Value in the New Era"

- 25 Risks and Opportunities
- 27 Medium-Term Management Plan
- 29 Business Strategies by Segment
- 37 Financial Strategy
- 39 Materiality

## Governance

49

## ► Highlights

Description of the systems and initiatives of corporate governance that lead to sustainable improvement in corporate value, as well as a dialogue between Outside Directors who are members of the Personnel Committee



- 49 Dialogue with Outside Directors
- 53 Management Members
- 55 Corporate Governance
  - Establishment of a management structure that emphasizes transparency and efficiency
  - Remuneration for Officers
  - Initiatives for Compliance
  - Respect for Human Rights

## Data

61

- 61 External Recognition and Inclusion in Indices
- 62 Social Contribution Activities
- 63 Consolidated Financial Summary
- 64 Non-Financial Summary
- 65 Corporate Profile
- 66 Stock Information

## Editorial policy

This comprehensive report on financial and non-financial information was edited as an Integrated Report to disclose information to and promote dialogue with various stakeholders, such as shareholders and investors.

## Period covered by the report

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)  
Some parts of the report may include information on activities outside the above period.

## Notes on forward-looking statements

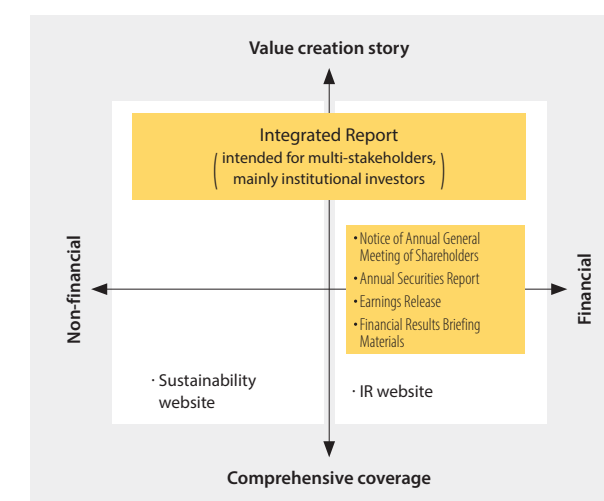
Forecasts, plans, and outlooks concerning future performance presented in this report are considered reasonable by the Company's management based on currently available information. Actual results may be substantially different from these forecasts, plans, and outlooks due to changes in various factors.

## Referenced guidelines

In editing this report, the Company referenced the International Integrated Reporting Framework proposed by the International Integrated Reporting Council (IIRC) and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation proposed by the Ministry of Economy, Trade and Industry.



## Structure of information disclosure tools



## About the cover

The cover image represents a "matrix of technologies and vertical markets," from which the company name TechMatrix originated, while the wavy lines express the connections in the network and the flow of information.



## Highlights in Integrated Report 2024

In the Integrated Report 2024, we have included examples of our strengths along with customer satisfaction to clarify the logic of value creation and to bring them together as a single story. In addition, this report contains real voices of employees from the internal survey, which we conducted to permeate the Corporate Philosophy since the Company was facing a major turning point, with the change of President and the start of a new Medium-Term Management Plan. With both financial and non-financial information, we explain how we can sustainably improve corporate value through our strategies and responses to materiality.

## Top highlights

## Corporate Philosophy for Us

► P.2

For a better understanding of our Corporate Philosophy to improve corporate value, we convey how the Corporate Philosophy is being internalized through the real voices of employees.

## Message from Top Management

► P.11-16

President and CEO talks about his role, mission, and the key aspects of the new Medium-Term Management Plan on assuming the position. He also mentions efforts to achieve goals and demonstration of leadership.

## Strengths and Case Studies

► P.19-22

This section explains how the strengths of TechMatrix are utilized in the value creation process with specific examples.

## New Medium-Term Management Plan

► P.27-38

This section explains the risks and opportunities identified in light of the external environment, as well as the specific strategies, issues, and measures in the new Medium-Term Management Plan. It also covers our approach to the cost of capital and cash allocation in the financial strategy.

## Dialogue of Outside Directors

► P.49-52

Outside Directors who are members of the Personnel Committee discuss the succession planning process, their own roles, the effectiveness of the Board of Directors, and the medium- to long-term issues and expectations of TechMatrix.

## Highlights in Integrated Report 2023

In the Integrated Report 2023, the first edition of our integrated report, we organized financial and non-financial information based on international guidelines and frameworks to create a model for value creation through integrated thinking. By integrating the opinions of management and Outside Directors, we represented the Group's unique story for amplifying value.

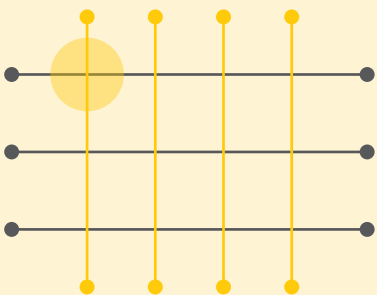




Origin of the Company Name, TechMatrix

Matrix of technologies and vertical markets

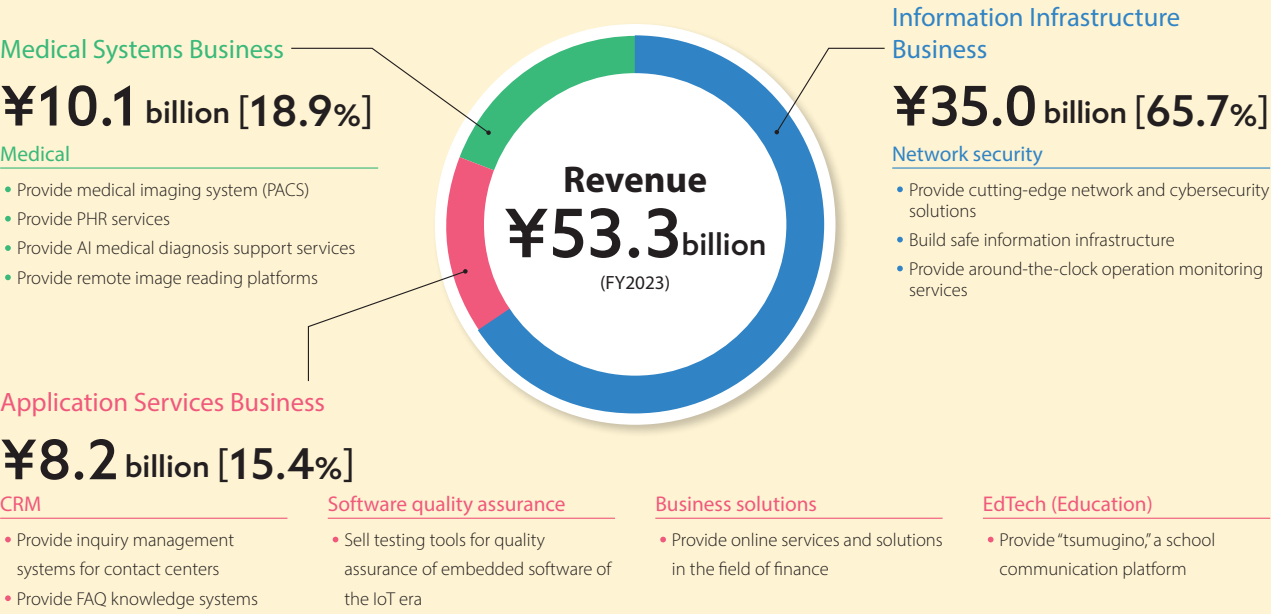
The company name TechMatrix comes from the concept, “matrix of technologies and vertical markets.” This is a matrix where the vertical axis represents industry-specific vertical markets (medical, call center, education, finance, automobile, etc.) and the horizontal axis represents technologies. There are many intersections on the matrix. Paying attention to these intersections, we will keep embracing new technologies and embarking on new businesses.



Vertical markets (vertical axis)	Technologies (horizontal axis)
<div>• Medical</div> <div>• Call center</div> <div>• Education</div> <div>• Finance</div> <div>• Automobile</div> <div>:</div>	<div>• Application</div> <div>Software for efficient and effective functioning of business processes</div> <div>Scope of provisionbusiness support software, testing tools, BI, AI</div> <div>• Middleware</div> <div>Software used in common for application development and execution</div> <div>Scope of provisiondatabases, APIs, operating systems, virtual networks</div> <div>• Infrastructure</div> <div>Hardware and equipment to operate software</div> <div>Scope of provisionservers, storage, network devices, security measures</div>

Revenue and Composition Ratio by Business Unit

**Six solutions** TechMatrix not only provides applications and technologies for business use but listens to clients’ challenges, finds the best solution for them, provides new technologies, and takes charge of the implementation and maintenance of those technologies.



Consolidated Group Companies

With high levels of expertise and problem-solving abilities in the fields of IT systems, medical, finance, etc., as well as collaboration with and synergy effects between Group companies, we strive to increase added value as the Group as a whole.

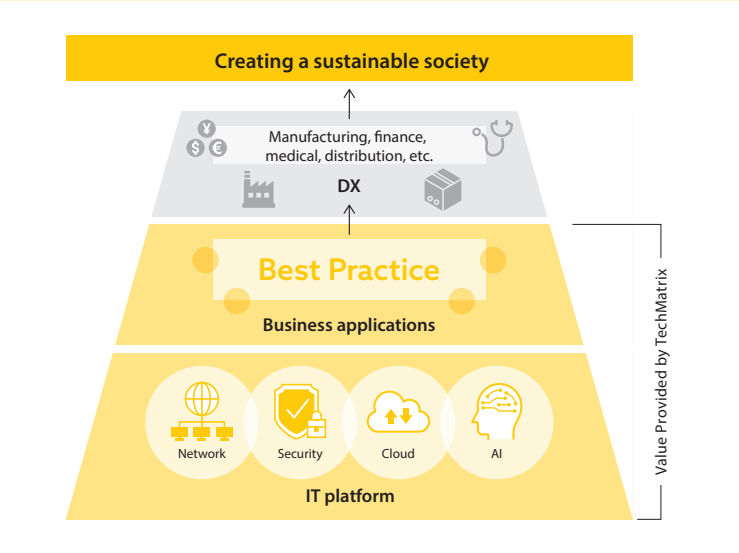


	Group companies	Percentage of the stake	Corporate profile
Information Infrastructure Business	CROSS HEAD	100.0%	Consulting on, as well as design and building of, IT system infrastructure; import, sales, and support of overseas IT products; dispatch of network engineers; consulting on and lump-sum contracting of operation and monitoring; nationwide on-site maintenance for multi vendors; education, development, etc. of IT technicians
	OCH Co., Ltd.	Wholly owned subsidiary of CROSS HEAD	Education and development of IT technicians in Okinawa Prefecture, building of network servers, data center services and their operation and maintenance, provision of SaaS services, dispatch of IT technicians, development, sales, etc. of products and services for SMBs
Application Services Business	CASAREAL, Inc.	100.0%	System development using open source software, education of IT technicians
	ARECCIA Fintech Corp.	100.0%	Strength in system planning and design in the area where financial engineering and information technology overlap (Provision of series of ARECCIA is main business.)
	TechMatrix Asia Co., Ltd.	50.1 percent subsidiary of TechMatrix Asia Holdings	Sales, marketing and technical support for FastSeries, a contact center CRM system/FAQ knowledge system, in the ASEAN region, mainly in Thailand
Medical Systems Business	PSP Corporation	50.02%	Provision of On-Premise image management system “EV Insite”, cloud service for healthcare information “NOBORI” and PHR service for the individual (Patient).
	Ichigo LLC	95.0% subsidiary of PSP	Provision of IT infrastructure to support teleradiology and telepathology in the healthcare field
	A-Line Co. Ltd.	84.1% subsidiary of PSP	Provision of MINCADI, a cloud-type radiation dose management system that facilitates the optimization of examinations by recording in the cloud, for each examination and patient, medical radiation exposure information obtained from medical image data and referring to and comparing the record with radiation dose information at other medical institutions

Value Provided by TechMatrix

**TechMatrix Solutions for Creation of a Sustainable Society**

Digital technologies are built into society at every level, and as efforts accelerate to promote business model reform through DX (digital transformation), industry structures are bound to undergo significant change in the process. Going forward, the TechMatrix Group will contribute to the creation of a sustainable society by accelerating business in areas indispensable to society and industry, and by providing services to solve social issues.



## Financial Data (FY2023)

### Profitability



Revenue increased for the 22st consecutive year

**¥53.3 billion**  
(FY2022: ¥45.9 billion)

#### Operating profit



Profit increased for the 10st consecutive year

**¥5.85 billion**  
(FY2022: ¥5.09 billion)

#### Operating profit margin



**11.0%**  
(FY2022: 11.1 %)

## Non-financial Data

### Diversity (FY2023)

#### Number of group employees



**1,502**  
(FY2022: 1,439)

#### Ratio of women employees (Non-consolidated)



**25.8%**  
(FY2022: 25.3 %)

#### Ratio of women in management positions (Non-consolidated)



**5.3%**  
(FY2022: 5.6 %)

#### Percentage of childcare leave taken (Non-consolidated)



Men **72.2%** (FY2022:59.1%)  
Women **100%** (FY2022:100%)

#### Ratio of employees with disabilities (Non-consolidated)



**2.72%**  
(FY2022: 3.07 %)

#### Percentage of annual leave taken (Non-consolidated)



**62.9%**  
(FY2022: 60.3 %)

### Information Security

ISO/IEC 27001 (international standards)  
JIS Q 27001 (Japanese standards)



### Training and Upskilling (FY2023)

Total training hours (Non-consolidated)\*



**20,386 hours**  
(FY2022: 14,397 hours)

\* Refers to employee training, etc. including selfdevelopment programs organized by the Human Resources Dept.

### Climate Change (FY2023)

CO<sub>2</sub> emissions reduction rate (Non-consolidated)

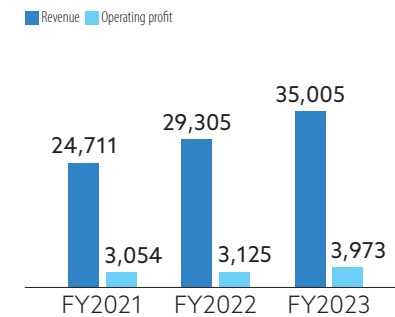


**60.9%**  
(FY2022: 19.7 %)

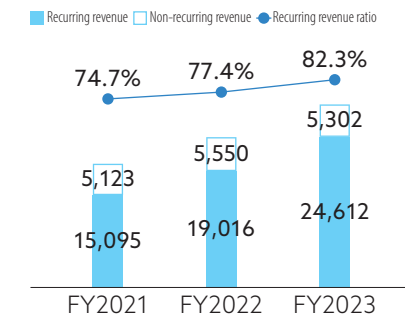
## Data by Business Unit

### Information Infrastructure Business

#### Revenue and operating profit (Million yen)



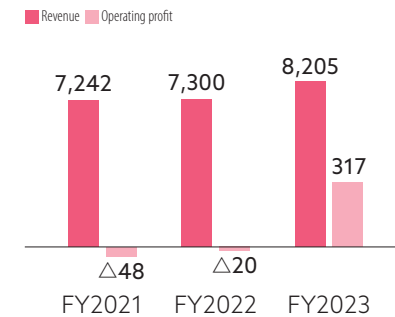
#### Recurring revenue ratio (Million yen)



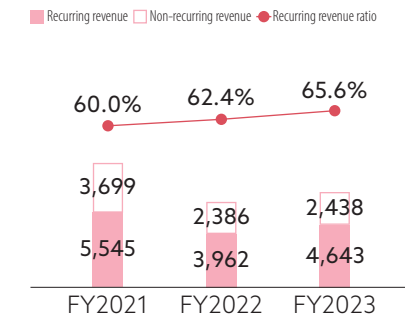
Providing secure information infrastructure, cybersecurity solutions and services as social infrastructure to ensure safety and security in today's digital society.

### Application Services Business

#### Revenue and operating profit (Million yen)



#### Recurring revenue ratio (Million yen)

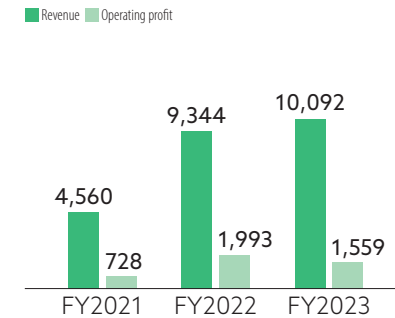


Providing cloud-based business applications with a sophisticated user experience (UX) that is easy for anyone to use and various software development tools and platforms for customers to accelerate in-house development of software.

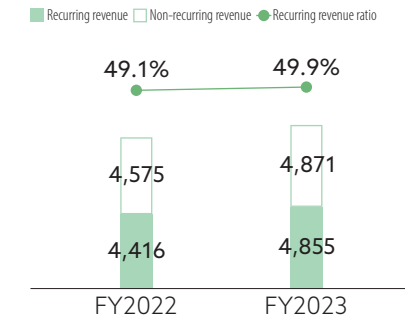
\* FY2021 results for Application Services Business include results for medical field. Medical System Business was spun off from the Application Services Business in FY2022.

### Medical Systems Business

#### Revenue and operating profit (Million yen)

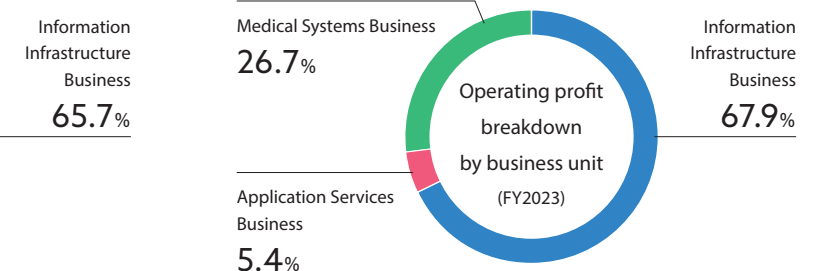
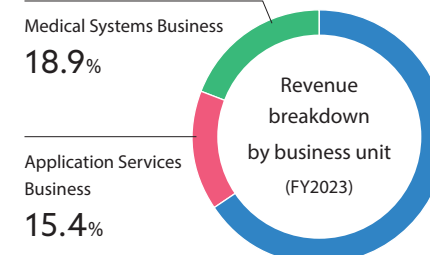


#### Recurring revenue ratio (Million yen)

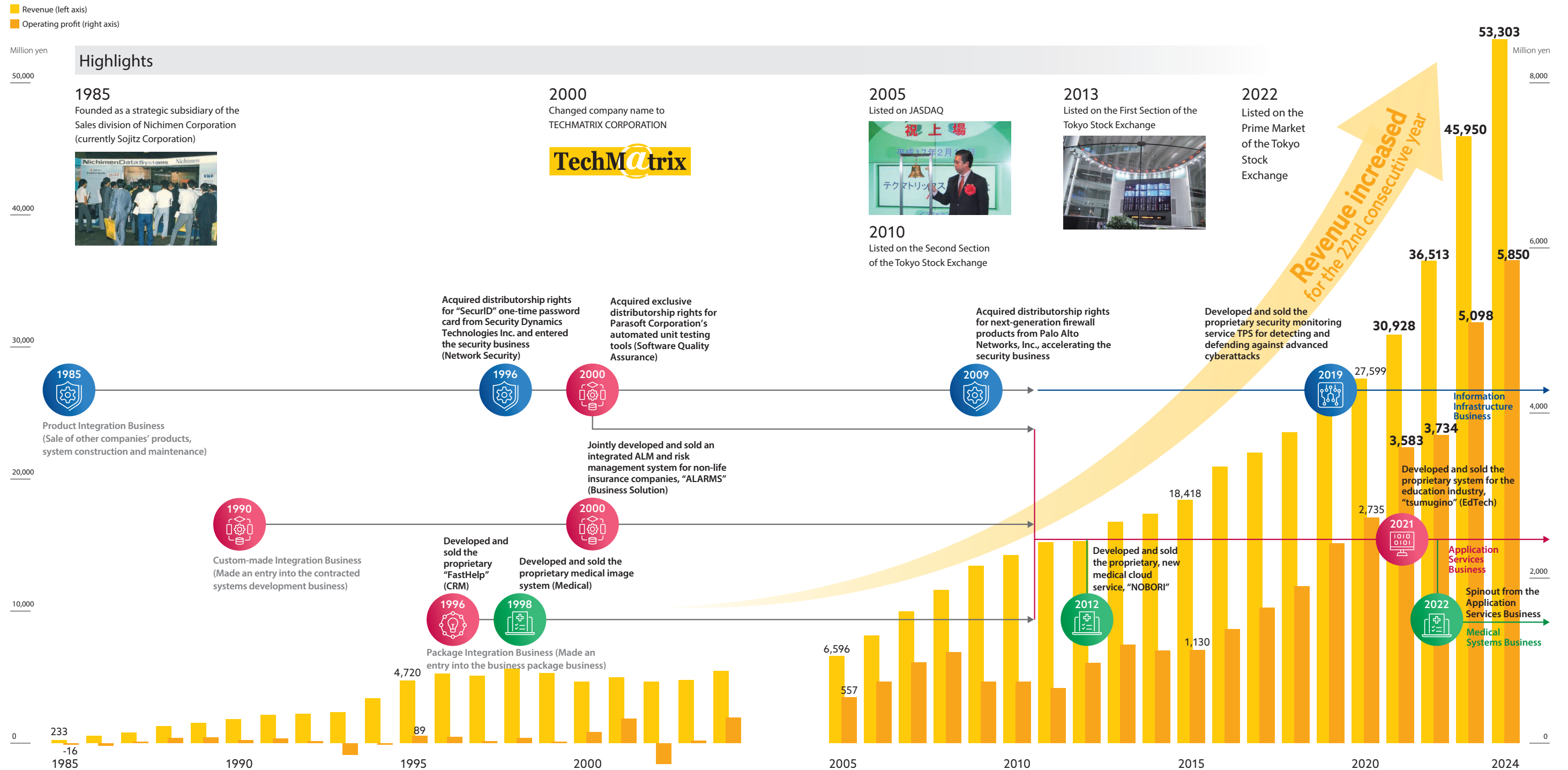


Providing applications and services that aim to build a medical information infrastructure that supports the rest of life of each and every customer.

\* Medical Systems Business was spun off from the Application Services Business in FY2022.



## Journey of TechMatrix's Growth



Changes in information technology ▶▶▶

PC, client-server computing

Internet, web

Cloud (possession to usage)

AI, digital transformation (DX)

### Start of business

Found cutting-edge technologies and products from Silicon Valley and other high-tech hubs, and imported and sold them in Japan

1990

- Made a full-scale entry into the contracted systems development business

1994

- Made an entry into the software engineering business

1996

- Made an entry into the business package business
- Developed and sold the proprietary contact center CRM system called "FastSeries"

1998

- Developed and sold the proprietary DICOM-compatible medical image server called "Secured DICOM Server" (currently "SDS Image Server")

2007

- Established Ichigo LLC

2008

- Made CROSS HEAD a consolidated subsidiary
- Launched the Fast Cloud service, a cloud-based contact center CRM system

2009

- Made CASAREAL, Inc. a wholly owned subsidiary

2014

- Acquired 100% ownership of CROSS HEAD and Okinawa CROSS HEAD Co., Ltd. (currently OCH Co., Ltd.)

2018

- Established NOBORI Ltd.

2019

- Made Information Design & Architecture Yamazaki Co., Ltd. (currently ARECCIA ntech Corp.) a consolidated subsidiary
- NOBORI Ltd. entered into a capital and business alliance with A-Line Co. Ltd.

2022

- Acquired shares of PSP Corporation and made it a consolidated subsidiary

2023

- PSP Corporation and NOBORI Ltd. were merged with PSP Corporation as the surviving company
- Established TechMatrix Asia Co., Ltd.
- Acquired 100% ownership of ARECCIA Fintech Corp., which succeeded the nance business