

Message from Top Management



Key Messages

1. In my first year as President, we achieved record-breaking performance, marking a promising start.
2. It was a year which deepened my confidence in TechMatrix's strengths, "Foresight" and "Business know-how."
3. We strengthened the foundation of each business from a future-oriented perspective, including through an overseas M&A.
4. We disclosed sustainability-related information and were selected in the FTSE Blossom Japan Sector Relative Index.
5. We accelerated the circulation of our business ecosystem by accumulating recurring revenue and making strategic investments in growth areas.
6. We realized further broadening of our solution offerings in areas of strength, namely the medical, education, and CRM areas. This was achieved through measures including the utilization of AI.
7. We actively expand into overseas markets which represent large growth opportunities.
8. We will continue to value the "dedicated support" that our customers appreciate.
9. We will inherit a corporate culture that supports taking on new challenges, and focus on developing human resources who have the appetite for new challenges.

Takaharu Yai
President and CEO

We will steadily enhance corporate value by creating new growth areas, supported by our solid revenue foundation.

In my first year in office, we achieved record-breaking performance, marking a promising start

Looking back over my first year as President, I feel we got off to a good start thanks to the support of various people. Business performance was particularly good, as revenue increased for the 23rd consecutive year and we achieved record high results. It was a year which renewed my confidence in TechMatrix's strengths "Foresight" and "Business know-how." We also had a certain amount of success with investments aimed at strengthening the foundation of each business, including a large-scale overseas M&A.

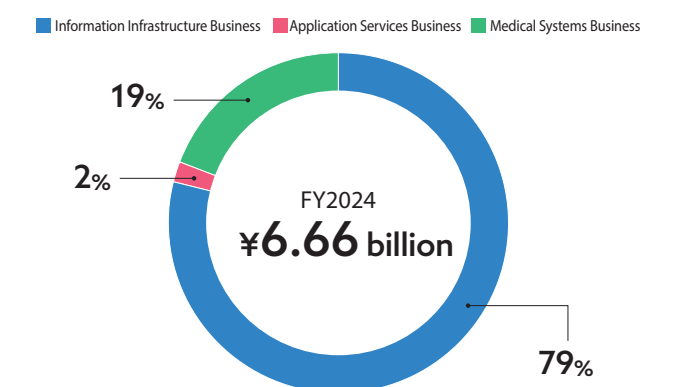
First I would like to share some points about our business performance for the fiscal year ended March 31, 2025. The strong performance of the Information Infrastructure Business drove overall results growth. In addition to firmly capturing the booming demand for cyber security measures, we also accumulated recurring revenue structure with our recurring revenue ratio exceeding 80% of the sales mix. These factors helped us to maintain revenue and profit growth.

On the other hand, the Application Services Business and Medical Systems Business did not achieve their profit targets. This was mainly due to an impairment loss in the education field (EdTech) in the Application Services Business and an increase in expenses accompanying active investment in development in the Medical Systems Business. However, we have only just established our business in the education field, and although the introduction of "Tsumugino," a school affairs support system for public schools, is behind schedule, in December 2024 we concluded a business partnership with

Benesse Corporation ("Benesse"), which represents a big step forward toward the future. Benesse has officially adopted the system as "Benesse School Admin Cloud," which is being offered to high schools (including combined junior high and high schools). The rollout started in April 2025. In the Medical Systems Business, we have made investments aimed at future growth, including on shifting our mainstay medical imaging systems (PACS) from on-premises to the cloud and on activities promoting "NOBORI," a cloud service for medical information and personal health record (PHR) app.

Therefore, taking an overview of our entire business, I think our ecosystem (fund circulation) is functioning smoothly, strategically investing profits generated by the currently robust Information Infrastructure Business into medical and education areas, etc. where social issues are significant to cultivate future revenue pillars.

Operating Profit Breakdown by Segment



Message from Top Management

Providing solutions that leverage our strengths

Looking at the results of our activities, we were able to demonstrate the “Foresight” that is one of TechMatrix’s strengths by establishing a framework for the continuous discovery of excellent new products in the Information Infrastructure Business. Previously, this was done on an individual basis by each person as they engaged in their respective business activities, but now we are searching for new products on an organizational level, evaluating and delivering through an R&D-style approach. The early signs are that this is functioning well, even though it is still in its early stages.

We have also started delivering new solutions that utilize generative AI. This includes a solution that supports the improvement of operational efficiency and customer experience at contact centers. Contact centers need to be able to respond swiftly and efficiently to large volumes of customer enquiries. In January 2025, we launched a contact center solution equipped with a generative AI function, which can considerably reduce the workload of operators and managers by automatically categorizing and saving contact response records and by offering a function that draws up FAQs for specific enquiries. In this regard, we are taking advantage “Business know-how” we have built up in key focused business areas. As a company that has handled vast volumes of data in these fields, we are able to precisely gauge how and where AI can be applied to operations to make them more efficient. I consider this to be one of our strengths. Our use of generative AI is at an early stage, but we have already started producing results by innovating operational processes in the medical field, an area of considerable potential. I am convinced that the strength I mentioned will allow us to provide



solutions that can greatly expand both the quality and volume of business.

Other achievements include an overseas M&A and selection in an ESG index

In November 2024, we acquired shares of Firmus Sdn.Bhd. (“Firmus”), one of the largest, dedicated cyber security companies based in Malaysia, for approximately ¥5.0 billion and made it a wholly owned subsidiary. This is the largest investment in our history. Expanding our overseas business is one of the key strategies of our medium-term management plan, so in the Information Infrastructure Business, we have been searching for partners, particularly in ASEAN markets where economic growth is booming, in anticipation of the maturation of the ICT market in Japan. Firmus has an influential customer base, which includes major financial institutions, and its strengths include self-developed security services such as penetration testing. By introducing our strength, know-how for discovering and selling cutting-edge technology, that is “Foresight” to Firmus, we will expand our business in the ASEAN region. We also expect to create synergies based on a steady complementary relationship, such as providing Firmus’ security services to our existing customers. Additionally, Firmus has a subsidiary in Singapore, which is one of the many advantages it offers for expanding into the ASEAN region. We expect it to function as a hub for advancing our overseas strategy. We have already dispatched employees with operational experience in cyber security to Firmus locations and we will continue to move our collaboration forward, including through personnel exchange.

We are addressing sustainability with the aim of realizing a sustainable society. In recognition of the initiatives and information disclosure we have carried out to date, we have been selected as a constituent stock in the FTSE Blossom Japan Sector Relative Index, one of the representative indices for ESG investment. Solving social issues is one of the driving forces behind our business and we will continue working to enhance corporate value by creating value for society.

About the acquisition of Firmus as a wholly owned subsidiary



Strengthening our ability to communicate both internally and externally is an issue to be addressed

On the other hand, we recognize there are still several issues to be addressed. I feel particularly strongly that we are not communicating well enough to stakeholders both inside and outside the Company. We conduct employee engagement surveys to measure the degree to which our Corporate Philosophy, Standards of Business Conduct, and other ideologies have spread among employees. The results showed that while awareness of and identification with our principles were high, the degree to which they are being put in to practice was relatively low. In conclusion, employees are aware of and think highly of our slogans, but they are not taking ownership and applying the messages to their daily duties. So what is the reason for this? I have come to the conclusion that my ability to communicate as President is still insufficient.

I think how we answer the question of what our Corporate Philosophy of “The IT professional group who create a better future” actually means is material here. For example, if we talk about things like our company-wide vision and the type of company we are aiming to become, it begins to sound like an abstract concept. On reflection, I think when promoting the philosophy in each business division, we need to work with the relevant supervisors on efforts and ideas that explain it in terms that are meaningful for the employees of said unit. Also, from a name recognition and branding perspective, we should not be satisfied with our external communication either. I want to be more proactive in conveying concepts such as the characteristics and values of our business and the vision of what we aim to become, including in our IR activities.

Securing human resources is also a significant challenge. While new graduate recruitment was roughly in line with plans, we still do not have the manpower required for our future business growth. This issue is connected to our ability to communicate externally. I want to secure motivated human resources, including mid-career recruits, by communicating our corporate culture, which encourages taking on challenges, and the growth opportunities we offer.

Additionally, we need to develop human resources who have the appetite to take on new challenges through initiatives such as collaborating with Group companies that are engaged



in training IT engineers, providing original training programs, establishing reskilling programs, and dispatching employees overseas. At the same time, we must improve engagement.

There is also room for improvement in regard to strengthening coordination between businesses. As our name demonstrates, our business structure is a matrix in which the vertical axis represents specific vertical markets and domains while the horizontal axis represents IT technological layers, such as infrastructure, middleware, and applications. For example, we are providing solutions that are specialized for certain markets and business areas, such as contact centers, healthcare, and education, but a point of commonality is that services are delivered using cloud infrastructure. Therefore, if we develop a shared technology platform that covers not only cloud infrastructure, but also our application testing and cyber security measure technologies, it should be possible to make business development more efficient and provide added value. In regard to cyber security measures, it goes without saying that measure for markets and business areas where personal information is handled, such as contact centers, healthcare, and education, are important. Therefore, a collaboration with the Information Infrastructure Business is already underway and it is delivering peace of mind for customers and gaining their trust. Going forward, I want to strengthen coordination between businesses by further advancing the development of a shared technology platform.

Message from Top Management

Raising the ratio of our proprietary solutions by combining Business know-how and technology

I would like to talk about what kind of company we aim to become and how we envision our vision in the future. First of all, we intend to raise the ratio of solutions created internally within our business portfolio. This is because we believe these solutions represent the true essence of the value we create and they can be accumulated. Therefore, I want to dive deeper into specific markets and business areas to expand our business domain so rather than just systems, it also covers the business processes the systems are applied to and their operation. Naturally, the way we utilize technology, including AI, is an important point. I think it will be crucial to provide customers with business process solution packages that automate a process and make it more efficient. For example, a solution in which we not only install cyber security technology at a customer location but also cover the operational side by processing the many alerts that are generated. This will enable the customer to concentrate resources on enhancing the competitiveness of its core business and directly delivering added value. As a result, our solution supports the success of the customers business itself. I believe that enabling a customer to optimize the allocation of its resources to the operations it wants to focus on is the first step toward genuine DX.

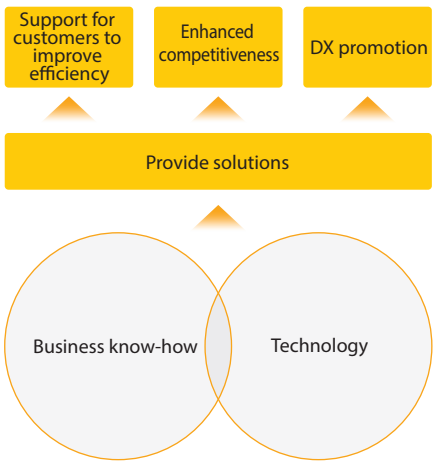
Consequently, combining Business know-how with technology will become increasingly important, but at the same time, I want us to continue valuing the dedicated support for which we have been highly regarded by our customers. Aligning closely with our customers is how we gain knowledge and realizations and more than anything, it builds relationships of trust. I think the value that we provide is solutions that are useful to the customers.

We will also accelerate overseas development and M&As as new growth axes. Our overseas business activities to date have been centered on the CRM Business and we have strengthened sales capabilities with a focus on our Thai subsidiary. We will use the recent acquisition of Firmus to trigger a leap forward in overseas business development, particularly in ASEAN markets.

M&A objectives will include securing human resources, which is a pressing issue, as well as capturing new technologies

that complement our existing solutions, increasing in scale through horizontal integration, similar to how we merged PSP Corporation and NOBORI Ltd. in April 2022, and expanding our overseas business base. An important focus of future M&As will be building strong, complementary relationships between ourselves and the M&A targets and maximizing synergies.

Creating Value Through the Integration of Business Know-How and Technology



Aiming to enhance corporate value by solving social issues

The second year of the Medium-Term Management Plan is positioned as a period for future-oriented investment toward achieving the vision of the business portfolio. Therefore, we plan to actively make upfront investments, particularly in the Medical Systems Business. Even so, as the Information Infrastructure Business has grown even more than we expected due to increased demand, we revised our targets upward at the end of the first year of the plan.

However, our gaze is directed at even further in the future. By raising our solutions ratio, as I mentioned earlier, we will contribute to solving social issues while aiming to improve both topline growth and profitability. We will also actively work to provide returns to shareholders through revenue growth. We look forward to your continued support as we strive to evolve from a long-term perspective.

Recognizing issues for achieving vision

1. Strengthen our ability to communicate internally and externally
2. Secure and develop human resources and improve engagement
3. Raise our solutions ratio and provide added value through coordination between businesses

