

Results for the 38th business period (Fiscal Year Ending March 31, 2022)



May 13, 2022

TECHMATRIX CORPORATION (code : 3762)



- ◆ The Company voluntarily adopted the International Financial Reporting Standards (IFRS) for its consolidated financial statements in its securities report from the fiscal year ended March 31, 2021.
- ◆ In principle, all business results described in this document are presented on the IFRS. However, business results for the fiscal year ended March 31, 2019 (the 36th fiscal year) and earlier, the information is presented in accordance with Japanese GAAP.



- 1. Business Highlights for the 38th business period(Consolidated)**
- 2. Forecast for Fiscal Year ending March31, 2023**
- 3. Topics of Business activities**
- 4. Review of Medium-Term Management Plan
“BEYOND THE NEW NORMAL”**
- 5. Business Models**



1. Business Highlights for the 38th business period (Consolidated)



- ◆ The **highest** consolidated revenue, operating profit, profit before tax and profit attributable to owners of the parent after taking special factors into account.
 - Increasing demands for cloud-based security products.
 - The delay of booking in the CRM field recovered in the second half of the year.

(¥million)	FY 03/21	FY 03/22	Change in amount	Rate of Change (%)
Revenue	30,928	36,513	+5,585	+18.1%
Operating profit	3,583	3,734	+150	+4.2%
Profit before tax	3,406	3,718	+311	+9.2%
Profit attributable to owners of parent	2,301	2,371	+70	+3.0%



Consolidated head office functions of TechMatrix Group companies * Scheduled to move in December 2022

Shinagawa Season Terrace

2-70 Konan 1-chome, Minato-ku, Tokyo

Completed: February 2015

Aseismic type: Seismic isolation structure

Building structure: Steel construction with 32 floors above ground and 1 floor below ground

Standard floor area: 4,973.15 m² (53,530.54 ft²)



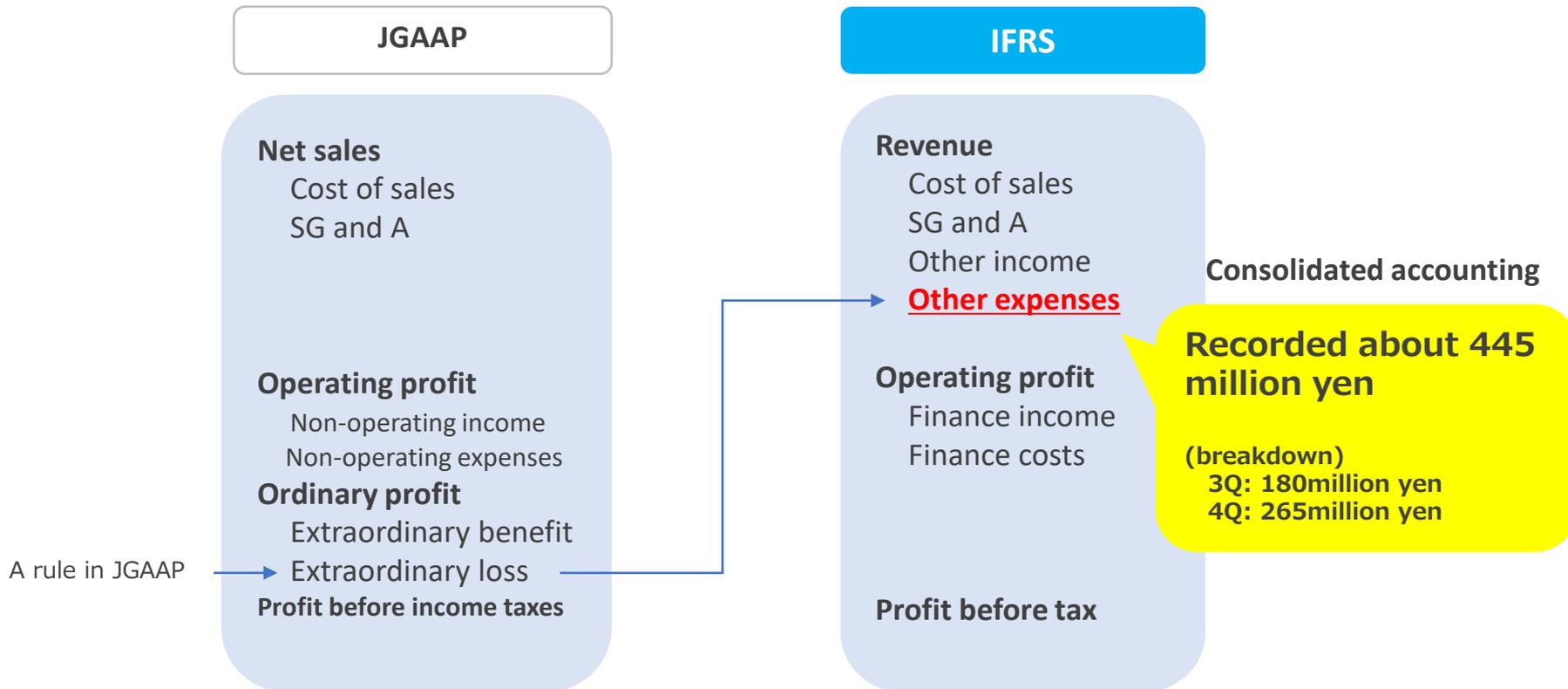
[Purpose 1]
Reinforce coordination among group companies to ensure achievement of the medium-term management plan and achieve sustainable growth

[Purpose 2]
Redefine the office as a place for collaboration that promotes creative activities and build an office space that accommodates new ways of working, along with the ongoing option to work from home

[Purpose 3]
Ensure employee safety and strengthen responsiveness to business continuity in the event of a disaster.



- ◆ Due to the adoption of IFRS, the company recognized extraordinary expenses and reserves related to headquarters relocation and recorded them in **“Other expenses”** of P/L statement. (Negative impact on operating income)
- ◆ Expenses and reserves recognized in relation to headquarters relocation in 3rd and 4th quarter are impairment losses on fixed assets including assets corresponding to retirement obligations for 6 companies including TechMatrix.





Business Highlights (Consolidated)

- ◆ The **highest** consolidated revenue, operating profit, profit before tax and profit attributable to owners of the parent after taking special factors into account.
 - Increasing demands for **cloud-based security products**.
 - The delay of **booking in the CRM field recovered** in the second half of the year.
 - Recognized extraordinary **expenses and reserves related to headquarters relocation**.
 - ※About 445 million yen **【Special factor】**
 - Consolidated revenue and profits of PSP Corporation. for two months due to **the acquisition of PSP Corporation. as a subsidiary** in February 2022. **【Special factor】**
 - ※Revenue: About **1,270 million yen** ※Operating profit: About **170 million yen**

(¥million)	FY 03/21	FY 03/22	Change in amount	Rate of Change (%)
Revenue <small>(Above : Before recognizing PSP consolidated results) (Below : After recognizing PSP consolidated results)</small>	30,928	35,243 36,513	+4,315 +5,585	+13.9% +18.1%
Operating profit <small>(Above : Before recognizing PSP consolidated results and impairment losses in relation to headquarters relocation) (Below : After recognizing PSP consolidated results and impairment losses in relation to headquarters relocation)</small>	3,583	4,009 3,734	+426 +150	+11.9% +4.2%
Profit before tax	3,406	3,718	+311	+9.2%
Profit attributable to owners of parent	2,301	2,371	+70	+3.0%



■ Revenue...Actual YoY 113.9%

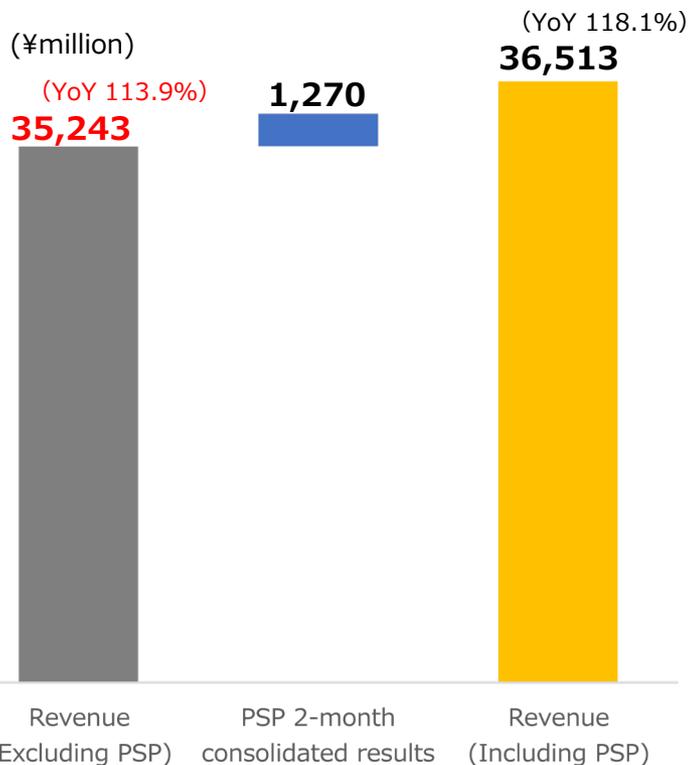
※The acquisition of PSP Corporation as a subsidiary brought in approximately 1,270 million yen.

■ Operating profit...Actual YoY 111.9%

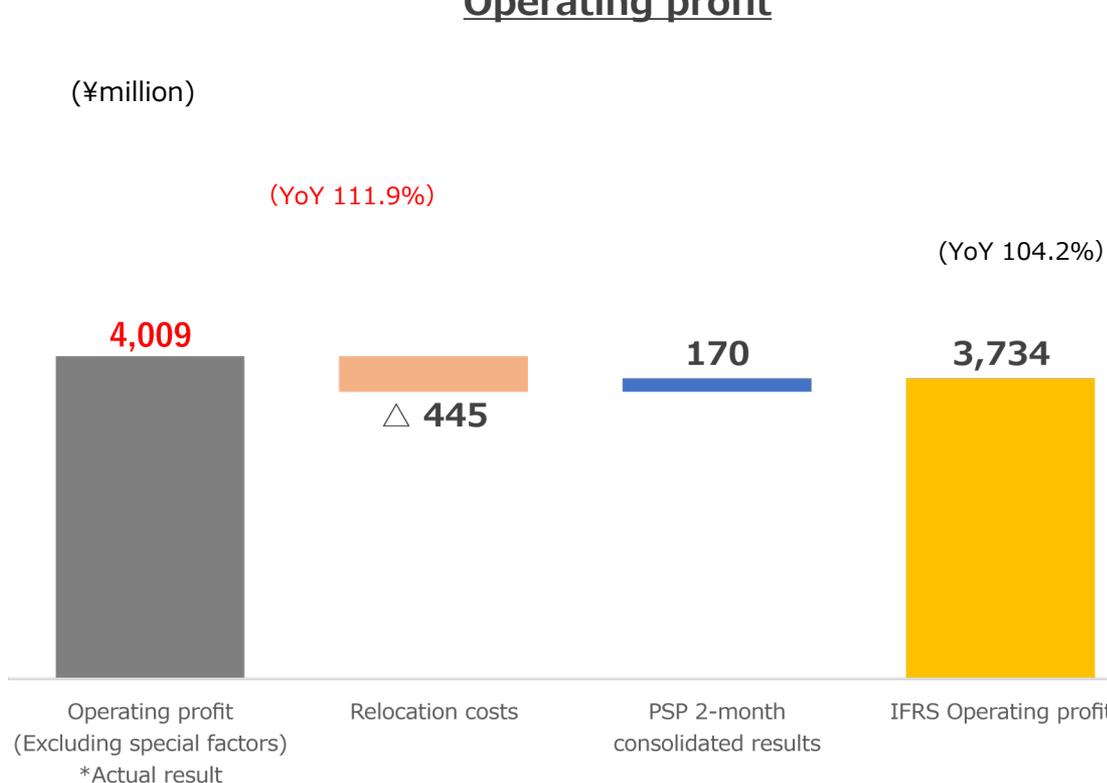
※The acquisition of PSP Corporation as a subsidiary brought in approximately 170 million yen.

※Due to the adoption of IFRS, relocation costs of approximately 445 million yen were recorded as "other expenses"

Revenue

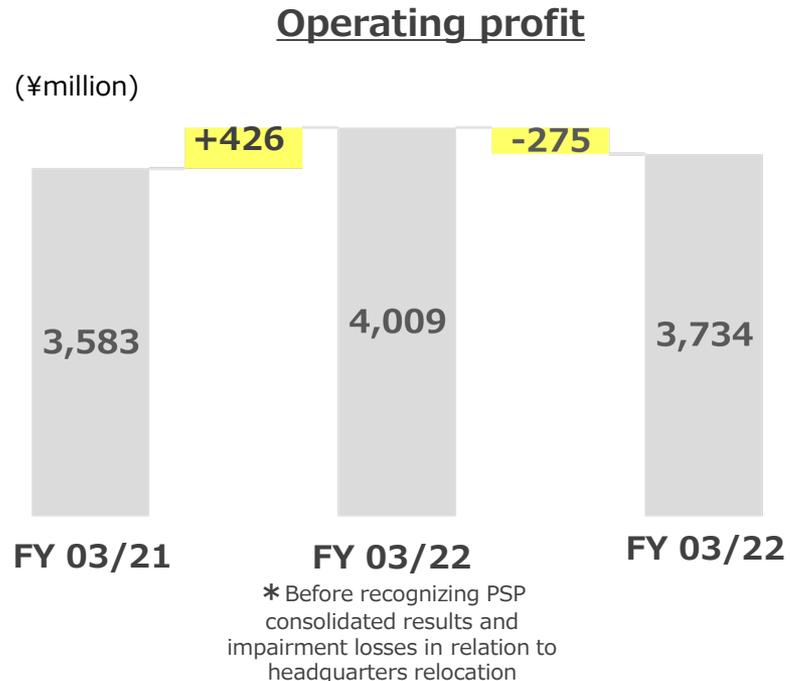
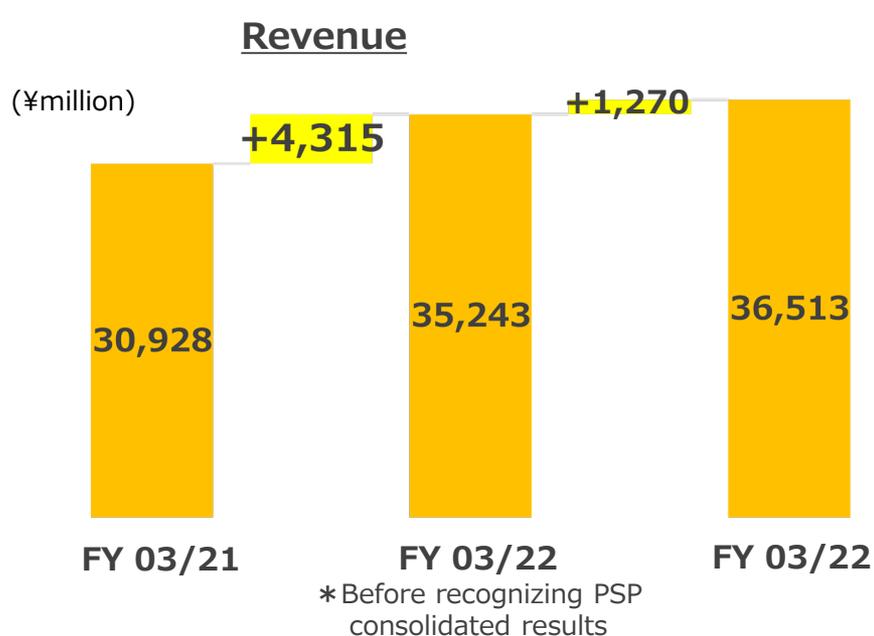


Operating profit





Revenue / Operating profit (Consolidated)

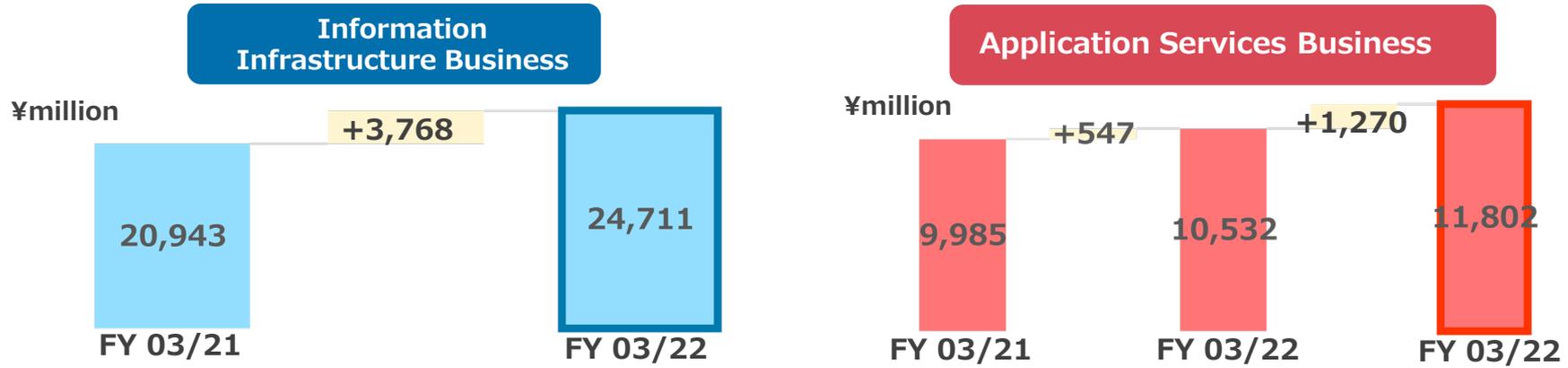


(¥million)	FY 03/21	FY 03/22	Change in amount	Rate of Change (%)
Revenue				
(Above : Before recognizing PSP consolidated results)	30,928	35,243	+4,315	+13.9%
(Below : After recognizing PSP consolidated results)		36,513	+5,585	+18.1%
Operating profit				
(Above : Before recognizing PSP consolidated results and impairment losses in relation to headquarters relocation)	3,583	4,009	+426	+11.9%
(Below : After recognizing PSP consolidated results and impairment losses in relation to headquarters relocation)		3,734	+150	+4.2%



Revenue by Segment (Consolidated)

- ◆ **Information Infrastructure Business : The highest consolidated revenue.** Increasing demands for cloud-based security products such as SASE. In addition, increased booking and revenue for TechMatrix Premium Support (TPS), which is TMX's integrated security monitoring services.
- ◆ **Application Services Business : The highest consolidated revenue.** In the CRM field, while the full-year booking plan was achieved as the order situation recovered in the second half of the fiscal year, the revenue declined YoY due to the delay of bookings in the first half of the fiscal year and the increase of subscription-type contracts. The medical field remained steady. In the software quality assurance field, revenue increased YoY due to the recovery of willingness to invest in the manufacturing industry. The business solution field achieved the full-year plan formulated at the beginning of the period.



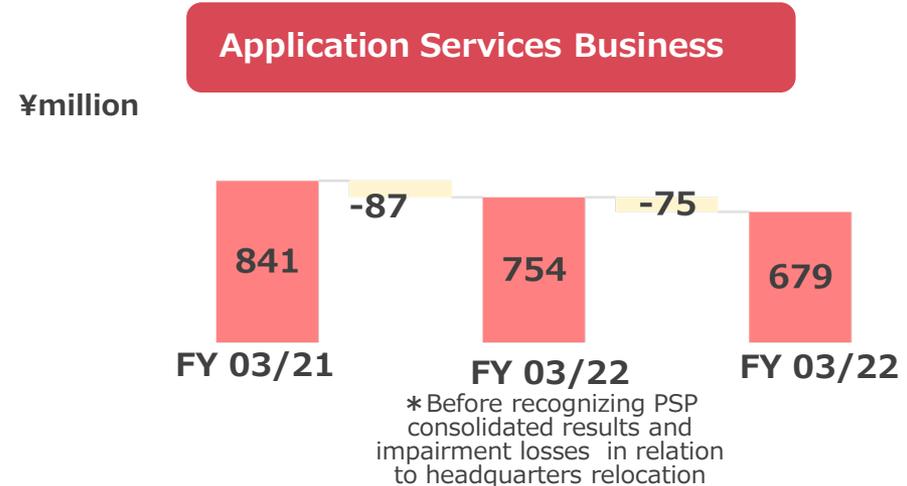
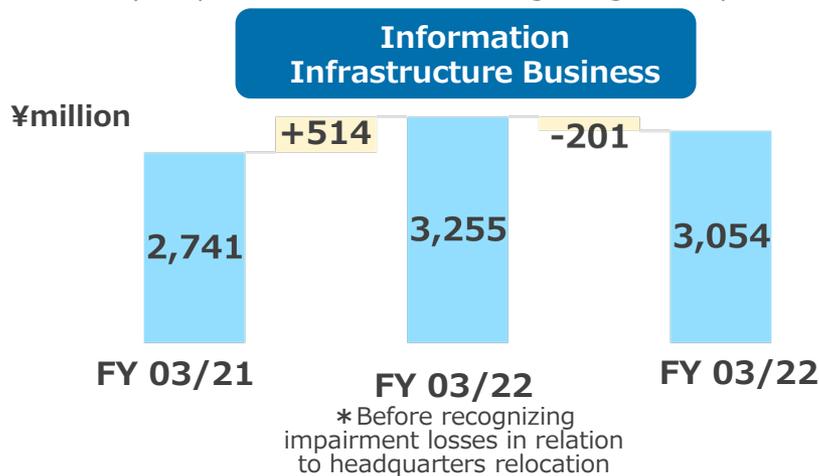
* Before recognizing PSP consolidated results

(¥million)	FY 03/21	FY 03/22	Change in amount	Rate of Change (%)
Information Infrastructure Business	20,943	24,711	+3,768	+18.0%
Application Services Business	9,985	10,532	+547	+5.5%
(Above : Before recognizing PSP consolidated results)		11,802	+1,817	+18.2%
(Below : After recognizing PSP consolidated results)				



Operating profit by Segment (Consolidated)

- ◆ **Information Infrastructure Business** : **The highest consolidated Operating profit.** Operating profit was negatively impacted by growing size of the deals and recognition of expenses and reserves related to headquarters relocation, however, operating profit increased as a result of revenue growth.
- ◆ **Application Services Business** : **Operating Profit Slightly Decreased.** Due to headquarters relocation costs and aggressive investments into EdTech business. In the CRM field, operating profit declined YoY due to the delay of bookings in the first half of the year. The medical field remained steady. In the software quality assurance field, revenue is recognized over time due to the increase of subscription-type contracts, however, the full-year plan formulated at the beginning of the period was almost achieved. The Business Solution field recovered losses incurred by an unprofitable project in the first half and finally achieved the full-year plan formulated at the beginning of the period.



(¥million)	FY 03/21	FY 03/22	Change in amount	Rate of Change (%)
Information Infrastructure Business	2,741	3,255	+514	+18.8%
(Above : Before recognizing impairment losses in relation to headquarters relocation)		3,054	+313	+11.4%
(Below : After recognizing impairment losses in relation to headquarters relocation)				
Application Services Business	841	754	△87	△10.3%
(Above : Before recognizing PSP consolidated results and impairment losses in relation to headquarters relocation)		679	△162	△19.3%
(Below : After recognizing PSP consolidated results and impairment losses in relation to headquarters relocation)				



Booking and Backlog (Consolidated)

- ◆ Booking and backlog were in good shape. Especially, Information structure business was strong.



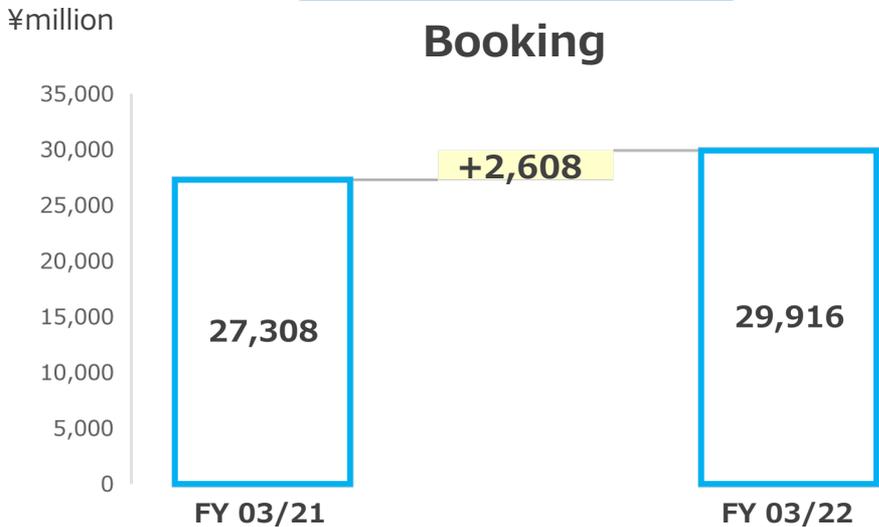
* Due to the adoption of IFRS, A-Line and IDAY have been newly consolidated from the current fiscal year. Booking and backlog of last year are including both of company.



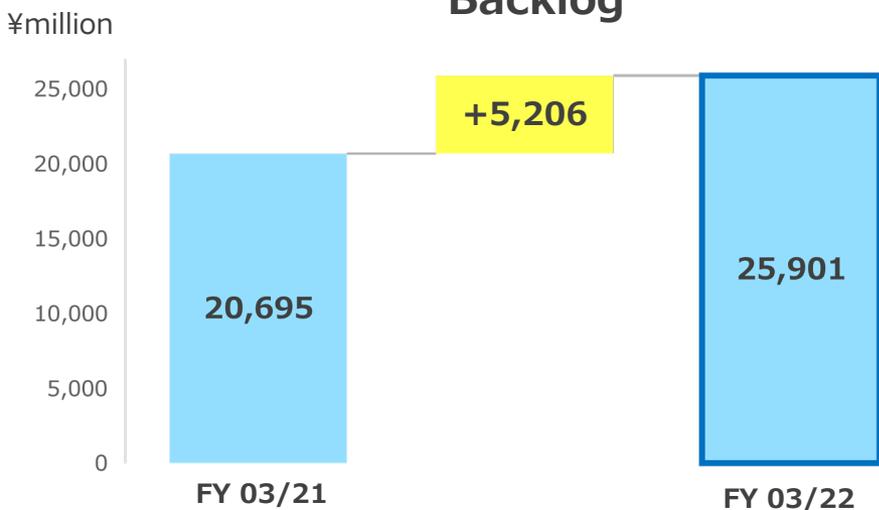
Booking and Backlog by Segment

Information Infrastructure Business

Booking

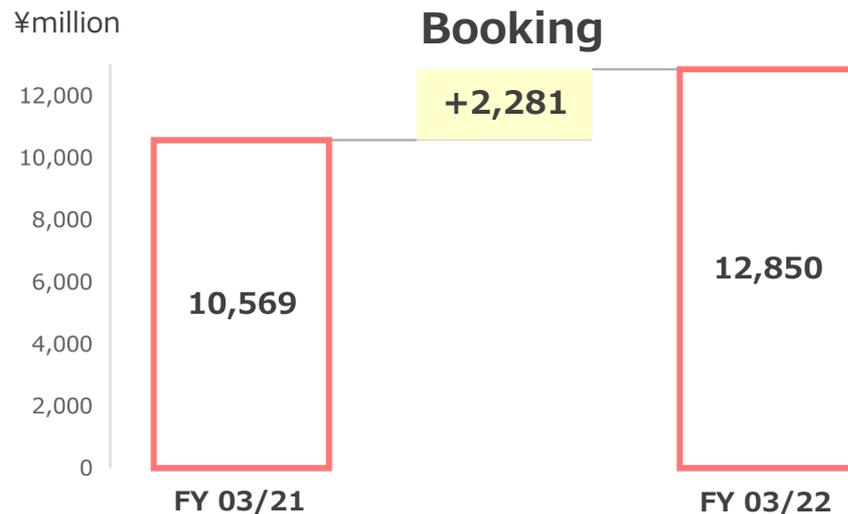


Backlog

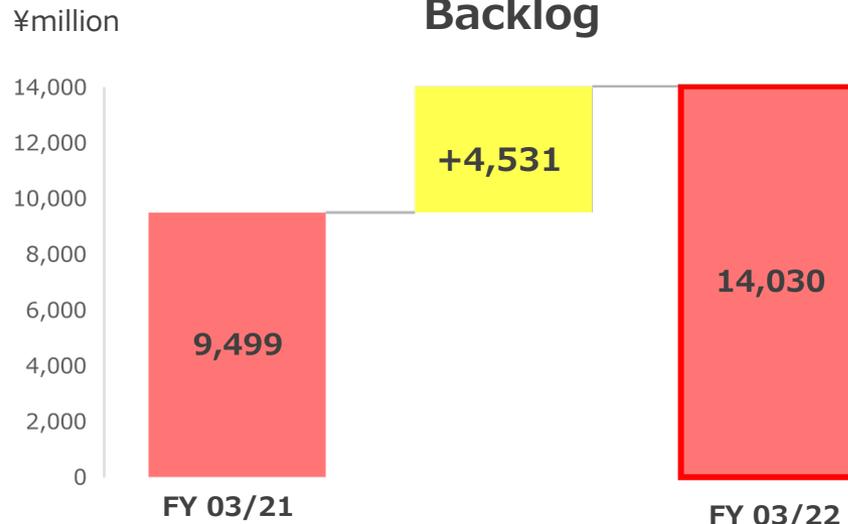


Application Services Business

Booking



Backlog



* Due to the adoption of IFRS, A-Line and IDAY have been newly consolidated from the current fiscal year. For the purpose of apples-to-apples comparison of booking and backlog numbers between last year and this year, booking and backlog numbers in Application Services Business unit last year includes those numbers of the above-mentioned two companies.



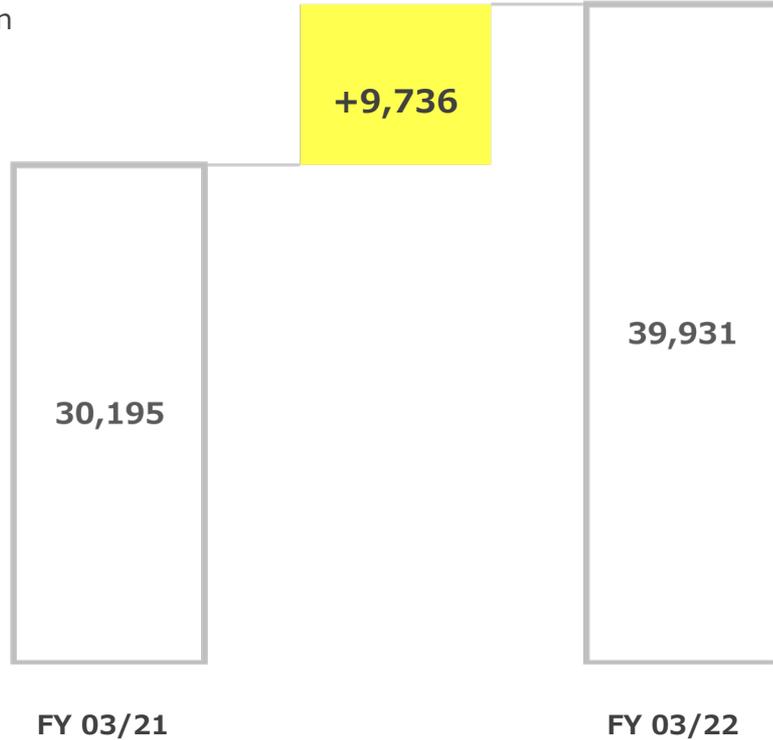
Backlog (Non-consolidated)

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

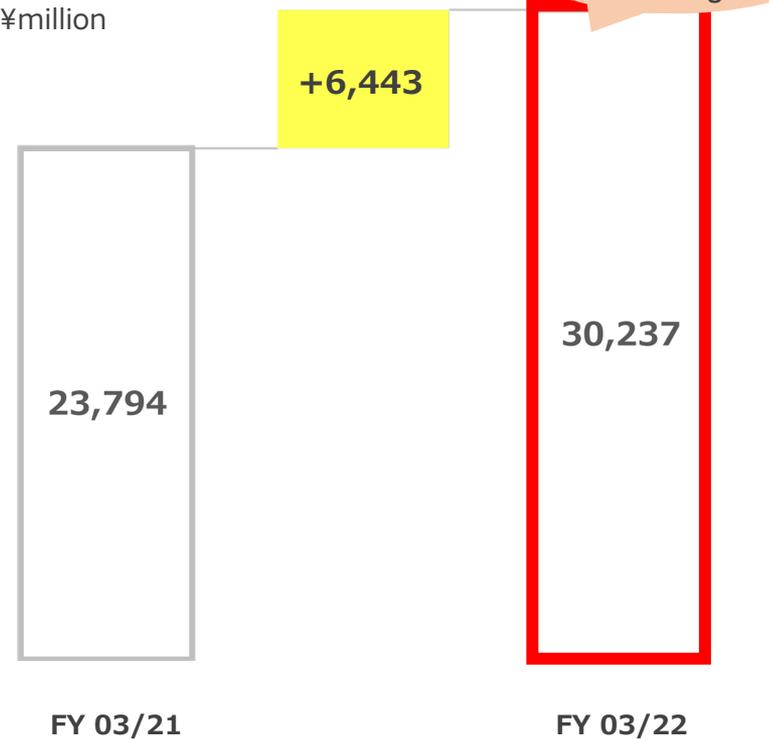
Backlog (Consolidated)

Backlog (Non-consolidated)

¥million



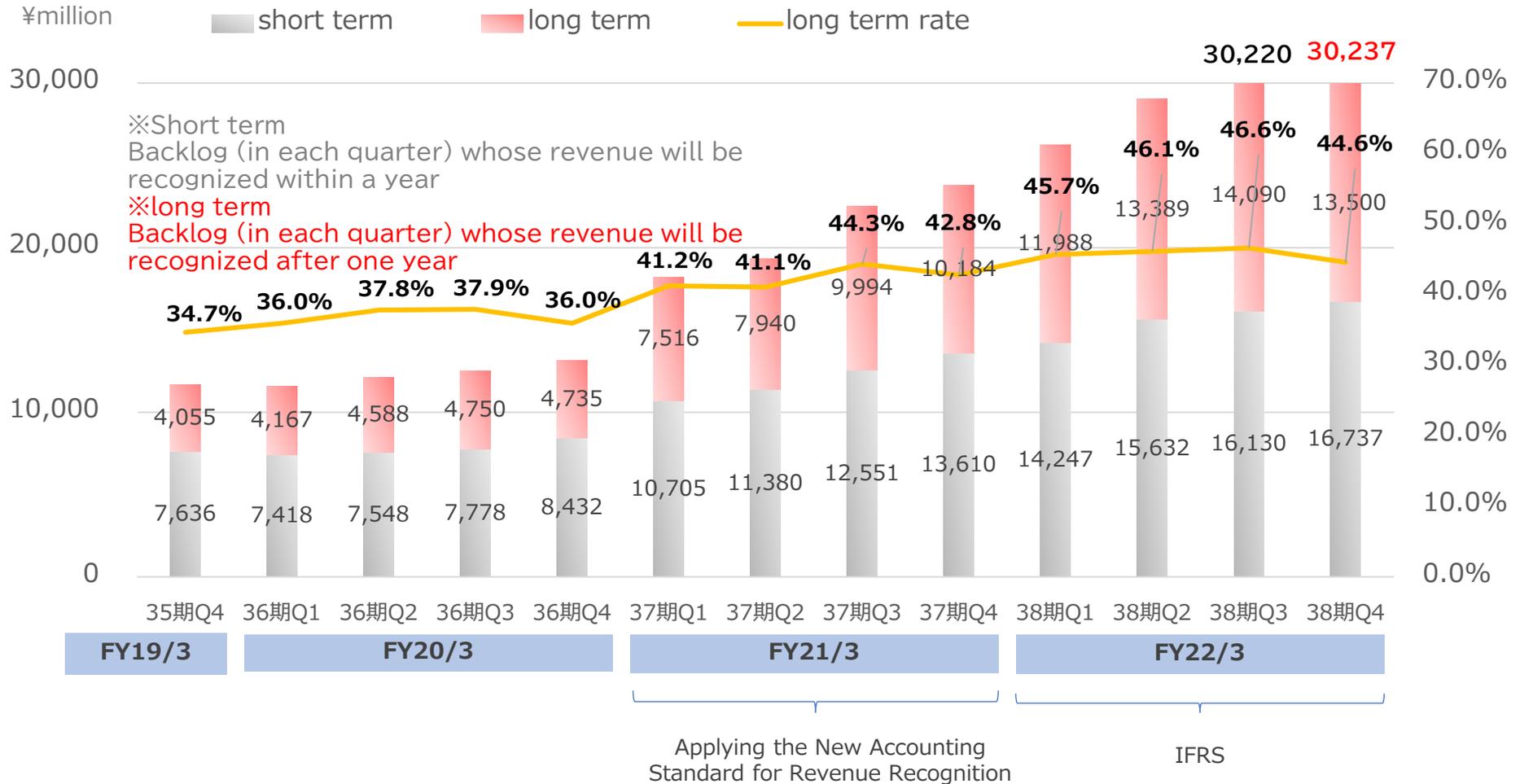
¥million





Backlog (Non-consolidated)

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





◆ Information Infrastructure Business		YoY
Load balancers (BIG-IP, EDGE)	<ul style="list-style-type: none"> Negative repercussions from the special demands related to remote access security in Q1 last year. 	
Next-Generation Firewall / SASE / SOAR (Palo Alto)	<ul style="list-style-type: none"> Increased sales bookings for cloud-based security products (SASE). 	
Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security	<ul style="list-style-type: none"> Increased sales bookings for cloud-based security products and Web gateway security products. 	
Personal authentication systems / Forensic products / Storage products	<ul style="list-style-type: none"> Sales of personal authentication systems declined due to negative repercussions from the special demands related to remote access security in Q1 last year. Sales for storage products are growing, reflecting the increasing demands for storage capacity for digital contents. 	
Security-related operation and monitoring services	<ul style="list-style-type: none"> New contracts and inquiries for TPS increased, which was stimulated by increasing demands for cloud-based security products. 	
AI-driven threat protection/Endpoint detection and response/others	<ul style="list-style-type: none"> Sales for Cyber Hygiene product and Mail security product increased. 	
CROSS HEAD & OCH	<ul style="list-style-type: none"> CROSS HEAD : Full-year plan was achieved. However, the shortage of semiconductors caused some projects with major SI companies to be postponed. OCH : Sales of own brand products and services increased. Full-year plan for profits were overachieved. 	
◆ Application Services Business		対前年同期比
Business Solution field (Including CASAREAL and IDAY)	<ul style="list-style-type: none"> Sales and booking exceeded the full-year plan. Recovered losses incurred by an unprofitable project in the first half and finally achieved the full-year operating profit plan. 	
Software Quality Assurance field	<ul style="list-style-type: none"> Strong recovery in investment appetite in the manufacturing sector from the negative impact caused by the pandemic of COVID-19 in the previous fiscal year. Increased sales for subscription licenses. 	
Medical field (NOBORI, Ichigo, A-Line) * Excluding consolidated results of former PSP	<ul style="list-style-type: none"> NOBORI : Increase in number of new contracts, renewals and replacements for Cloud PACS. Ichigo : Maintained stable sales growth for teleradiology and telepathology and exceeded the plan. 	
CRM field	<ul style="list-style-type: none"> Sales plan was not achieved due to the negative repercussions from special demands (version-up to the latest generation of the product) and the delay of bookings. The delay of bookings was resolved in the second half of the year, and full-year sales exceeded the plan. Expect sales recovery in the next fiscal year. 	



+10% and over



+5% ~ +10%



within ±5%



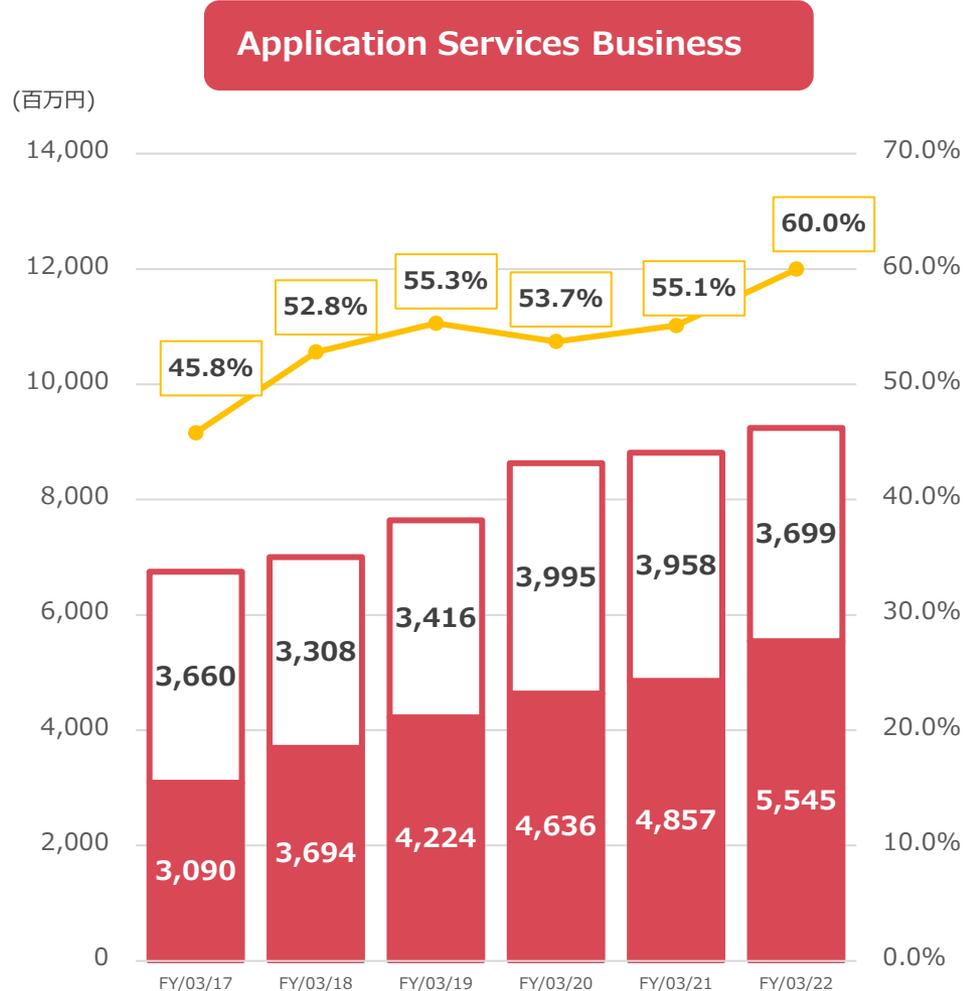
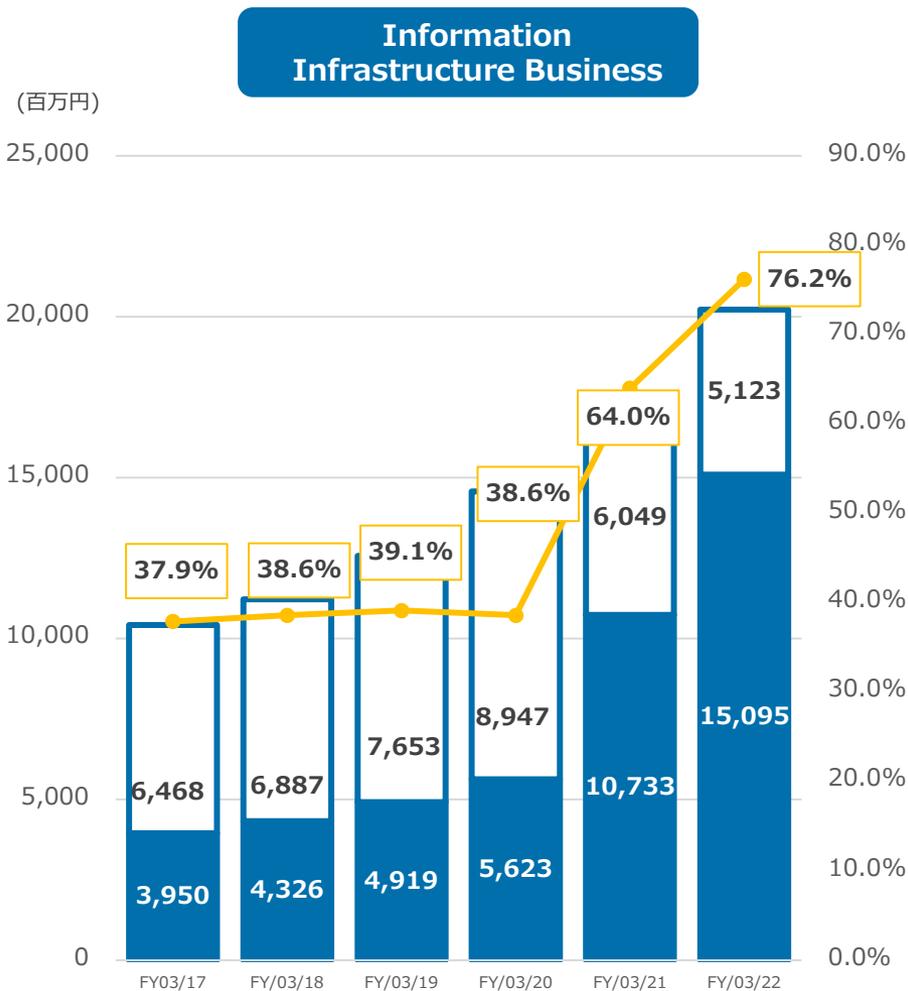
within Δ10%



under Δ10%



Stock type sales (Recurring revenue) ratio of TECHMATRIX and former NOBORI



■ Stock ■ Non-stock ● Stock ratio

■ Stock ■ Non-Stock ● Stock ratio

* A part of revenue used to be recognized as Non-Stock revenue (e.g. 1st-year maintenance included in the products and subscriptions) were recognized as Stock revenue as a result of applying the New Accounting Standard for Revenue Recognition.

* Stock ratio went up because a part of revenue used to be recognized as Non-Stock revenue (e.g. subscriptions for testing tools) were recognized as Stock revenue as a result of applying the New Accounting Standard for Revenue Recognition and cloud business continues to grow.



Consolidated Statement of Financial Position **TechMatrix**

- ◆ “Advance payments” included in Other current assets and “Advance received” included in Other of Current liabilities were increased as a result of applying the New Accounting Standard for Revenue Recognition.

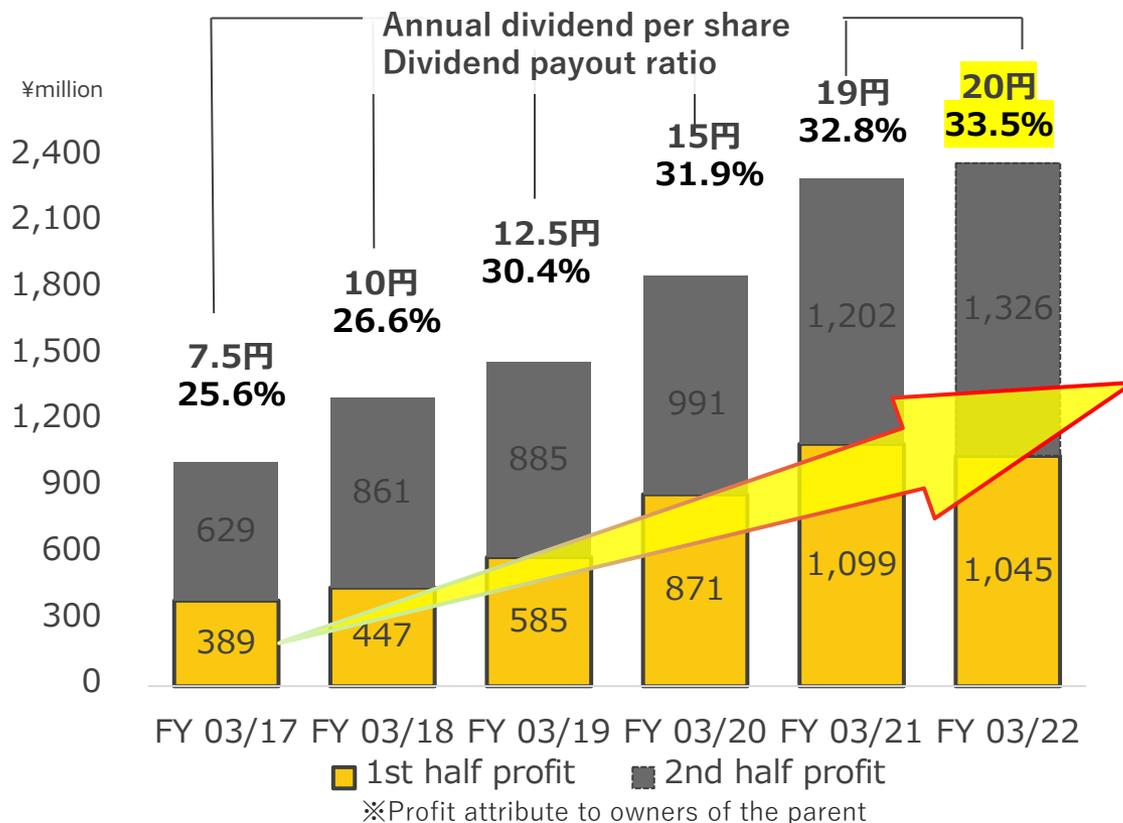
(¥million)

	FY 03/21	FY 03/22		FY 03/21	FY 03/22
Total current assets	31,169	42,267	Total current liabilities	18,902	27,989
Cash and cash equivalents	14,634	18,155	Trade and other payables	1,369	2,158
Trade and other receivables	3,915	5,925	Borrowings	699	595
Other current assets	12,620	18,186	Other current liabilities	16,833	25,236
Total non-current assets	8,826	10,235	Total non-current liabilities	4,739	4,311
Property, plant and equipment	4,289	3,506	Borrowings	700	500
Goodwill	164	172	Other non-current liabilities	4,039	3,811
Intangible assets	1,473	1,752	Total liabilities	23,641	32,301
Other non-current assets	2,898	4,804	Share capital and Capital surplus	5,918	6,158
Total assets	39,996	52,503	Treasury shares	△1,011	△975
			Retained earnings	9,450	11,149
			Other components of equity	487	685
			Total equity attributable to owners of parent	14,844	17,018
			Non-controlling interests	1,509	3,183
			Total equity	16,354	20,201
			Total liabilities and equity	39,996	52,503



- ◆ We have been paying interim dividend from the previous fiscal year.
- ◆ We decided to pay term-end dividend of ¥13. As a result, annual dividend is ¥20 per share.

Profit trend



FY 03/21 dividend

	Interim dividend	Term-end dividend
Forecast	7.0	12.0
Revised Forecast	7.0	12.0
Actual	7.0	13.0

* term-end dividend paid on June 9

< Dividend Policy >

- Consider balance with internal reserve.
- The company's guideline for dividend payout ratio (on a full-year basis) is more than 20%.

※As a result of the 1:2 stock split implemented in Marth 2017 and July 2020, the amount of dividends for prior periods presented assuming that the stock split was implemented.

※The Company voluntarily adopted the International Financial Reporting Standards (IFRS) for its consolidated financial statements in its securities report for the fiscal year ended March 31, 2021.



2. Forecast for Fiscal Year ending March 31, 2023

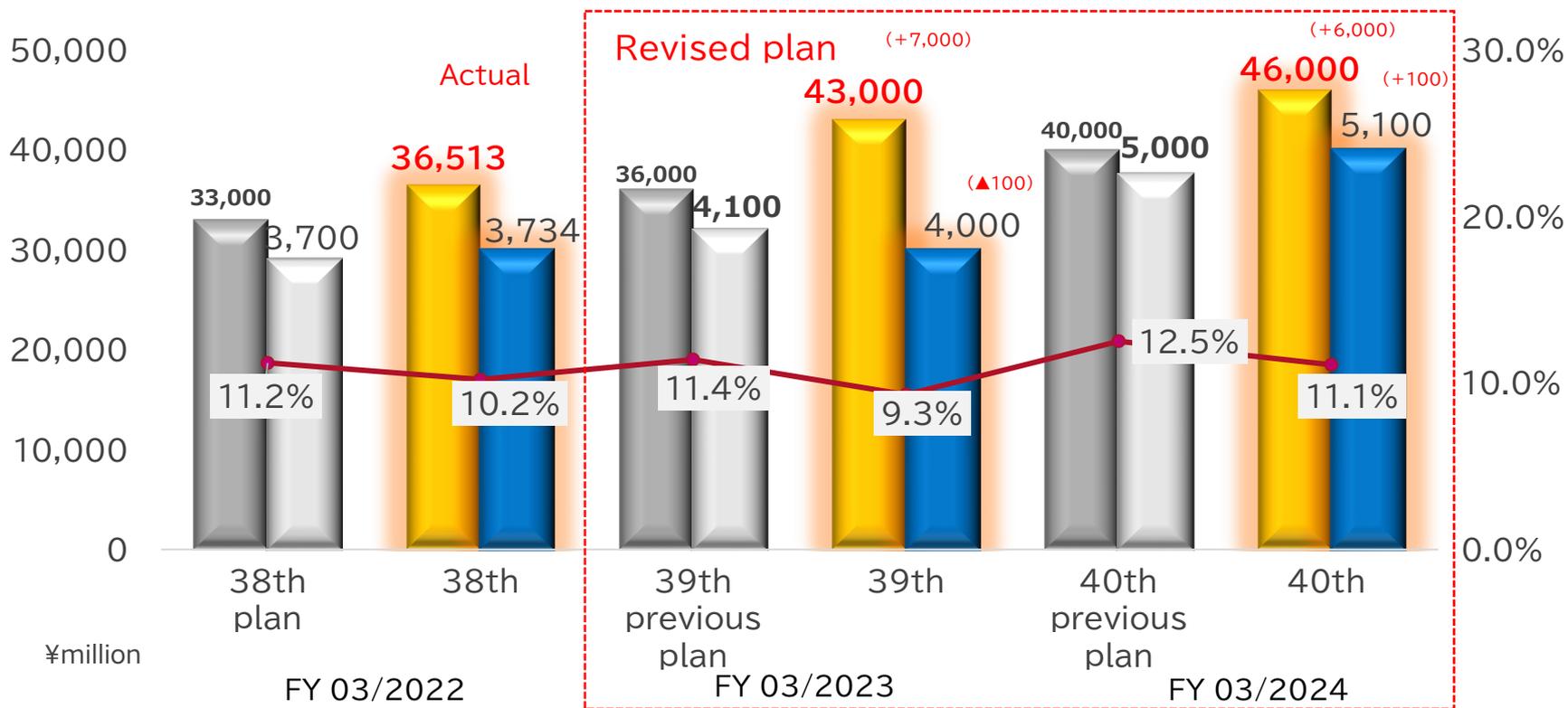


◆ Reasons for Revision of Performance Plans in the Medium-Term Management Plan

As a result of the merger of NOBORI with PSP, which became a consolidated subsidiary in the previous fiscal year, new PSP was established **as a consolidated subsidiary of the Company** on April 1, 2022. In response, we reviewed **the performance plans for the second and third years of the medium-term management plan**.

The integrated company plans to promote a cloud shift of medical image management systems (PACS) used by former PSP's existing customers with the aim of **shifting to a stock-type business**. Although the shift to the cloud will **cause a short-term decline in sales and operating income**, the company plans to make the move **as a management decision with an eye to the future**. In the 39th fiscal year, the company incorporated additional extraordinary **expenses of approximately 200 million yen in relation to headquarters relocation**, including transportation costs, disposal costs, and double rent for the purpose of constructing a new office.

■ Revenue ■ Operating profit ● Operating profit margin





Forecast (Consolidated)

(Information Infrastructure Business)

The plan was revised to take into account the continued increase in demand for cybersecurity products and services.

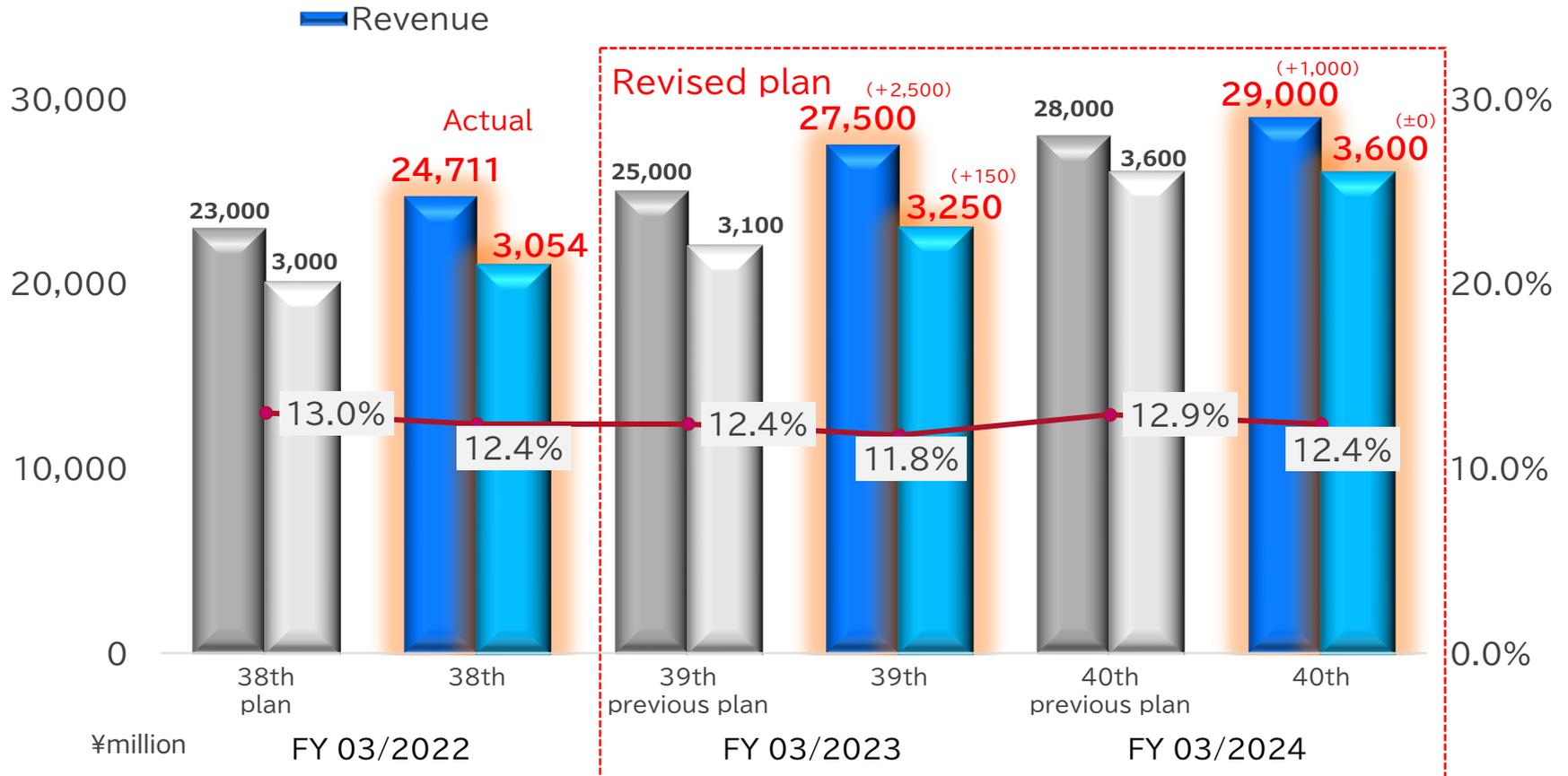
◆ Revenue

Revised plan in consideration of demand trend for cloud-based security products

◆ Operating profit:

Revised plan in consideration of demand trend for the integrated security monitoring services (TPS)

***Revised operating income plan upward after absorbing head office relocation expenses.**



The plan was revised to take into account head office relocation costs and the promotion of the shift to cloud computing for medical image management systems (PACS).

◆ Revenue

Increased due to consolidation of PSP

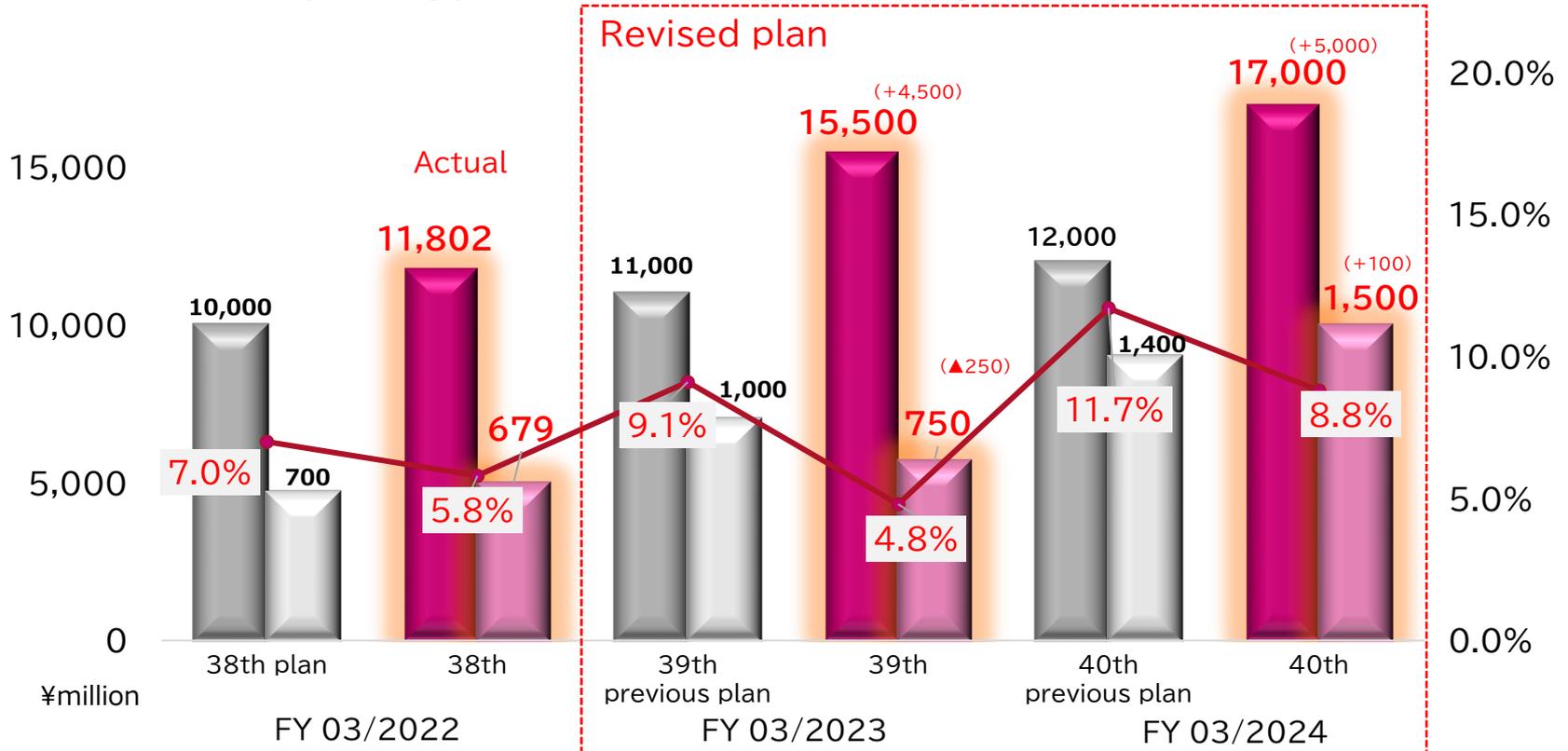
◆ Operating income:

Extraordinary expenses in relation to headquarters relocation

Continued investment in EdTech business

Promoting a cloud shift of medical image management systems (PACS) used by former PSP's existing customers

■ Revenue ■ Operating profit ● Operating profit margin



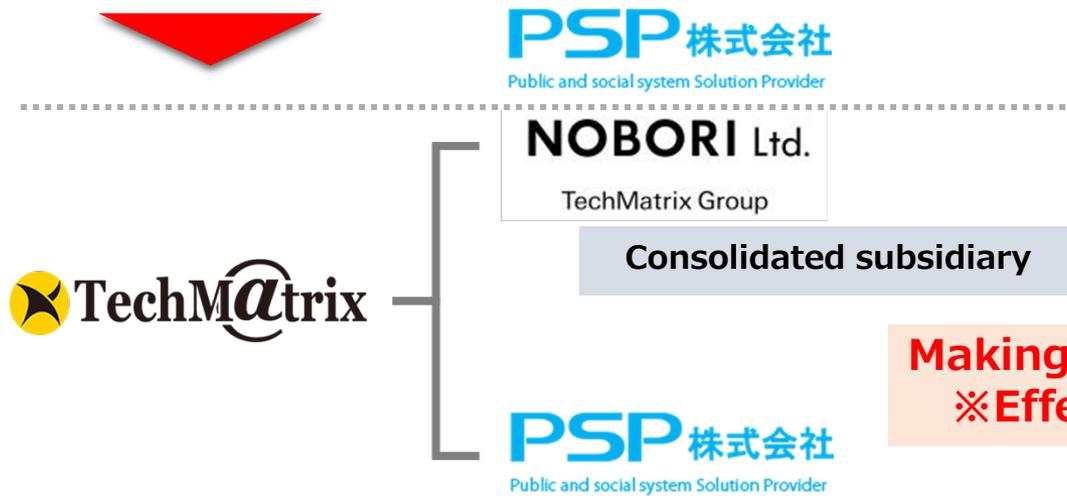
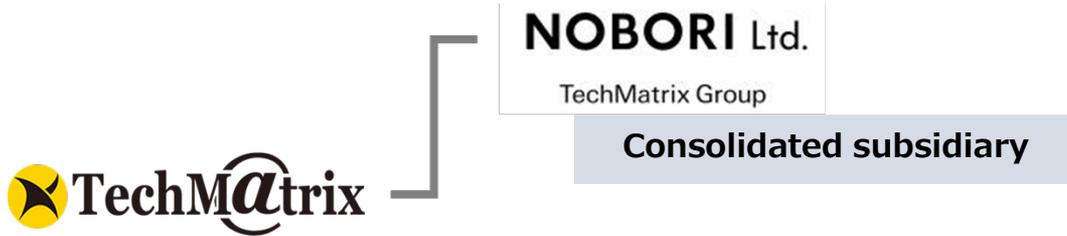


3 . Topics of Business activities

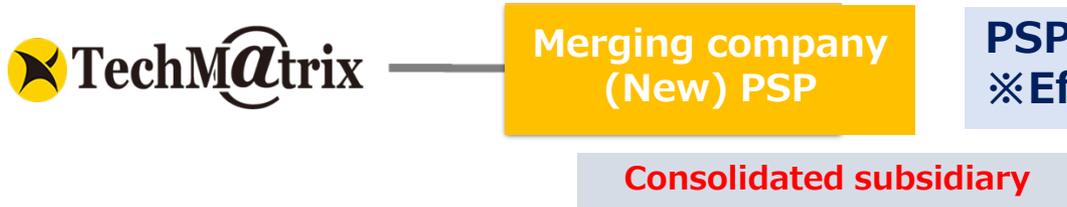


Launch of (New) PSP Corporation

Business integration plan and schedule



Making PSP a consolidated subsidiary
 ※Effective date(Plan) : Feb,15 2022



PSP merges with NOBORI
 ※Effective date (Plan) : April,1 2022

Surviving company : PSP corporation
 Acquired company : NOBORI Ltd.



Launch of (New) PSP Corporation

**On April 1, Launch of (New) PSP Corporation
(NOBORI Ltd. is dissolved in an absorption-type merger.)**



Shareholders & Shareholding Ratio

Associated companies



Shareholding ratio
95.0%

Provision of IT infrastructure to support teleradiology and telepathology in the healthcare field



Shareholding ratio
84.1%

Provision of cloud type medical radiation dose management system "MINCADI"



Shareholding ratio
40.0%

Providing various diagnostic imaging support AI services as a platform

TechMatrix 50.02%

TECHMATRIX CORPORATION

MITSUI & CO.,LTD. 20.00%

M3,Inc. 18.70%

Dai Nippon Printing Co.,Ltd. 11.28%



Purpose of business integration① Integration / Aggregation

NOBORI Ltd.
TechMatrix Group

PSP 株式会社
Public and social system Solution Provider



Integration / Aggregation

Further improvement of functions and quality of services and products

Secured the second largest market share based on the number of customers and sales (2,200 facilities)

Accelerate new business such as PHR/AI/data utilization by relocating engineering resources

Further data collection on the cloud
Increasing the number of end-users and facilities using PHR services



Purpose of business integration (2) Promotion of Cloud PACS business

Unifying business models as a part of the business integration

Point! Concentrating and optimizing resources for cloud services in phases

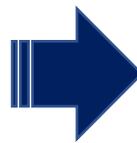
Product types



NOBORI products:
Cloud services



PSP products:
On-premise



(New) PSP products:
Cloud services
(Shifting to the cloud in phases)

- ✓ **Fully integrating** the products **in phases** (targeting completion by April 2026)
- ✓ Shifting to **unified monthly subscription models**



Profiles of the integrated companies

(In thousands of yen, unless otherwise stated)

	PSP Corporation	NOBORI Ltd.
Location	5-13-1 Toranomom, Minato-ku, Tokyo	3-11-24 Mita, Minato-ku, Tokyo
Representative	Yuko Yagi, President and CEO	Yoshihisa Yoda, Representative Director
Lines of business	Business for medical clinical support system	Development and provision of cloud-based services and smartphone apps for healthcare services
Share capital	379,650 (as of September 30, 2021)	1,100,055 (as of September 30, 2021)
Number of employees	268 persons	133 persons
Net sales	5,902,063 (FY ended June 30, 2021)	2,618,936 (FY ended March 31, 2021)
Operating profit	888,618 (FY ended June 30, 2021)	504,493 (FY ended March 31, 2021)
Operating margin	15% (FY ended June 30, 2021)	19% (FY ended March 31, 2021)
Ordinary profit	892,801 (FY ended June 30, 2021)	504,070 (FY ended March 31, 2021)
Profit	605,208 (FY ended June 30, 2021)	264,312 (FY ended March 31, 2021)
Profit per share (yen)	202,682 (FY ended June 30, 2021)	2,643.13 (FY ended March 31, 2021)



(New) PSP and M3 will establish a new joint venture

(New) PSP Corporation and M3, Inc. will establish a new joint venture to strategically strengthen AI-driven diagnostic imaging business

(New) PSP Corporation

- Cloud operation platform
- SI for facilities using AI
- Security and network
- Platform technology

**Joint venture
(M3 AI)**

M3, Inc.

- Medical doctor subscriber base
- Capability to launch AI related products
- Marketing
- Sales force

Provide medical AI platform

Providing a system that allows all medical institutions to use diverse types of medical AI as a platform

- Company name:
M3 AI, Inc. (Scheduled to start operations on April 1, 2022)
- Paid-in capital
350 million yen (including legal capital surplus)
- Shareholding ratio:
M3, Inc.: 60%
PSP Corporation (The new company after the merger): 40%



Attention to "Appgate SDP" security-related products to compensate for VPNs' weaknesses

<Cyber attacks on VPN devices spike>

- Due to the rapid spread of telework, several security incidents related to the leakage of authentication information for VPN occurred (Virtual Private Network) used for remote access in the country.

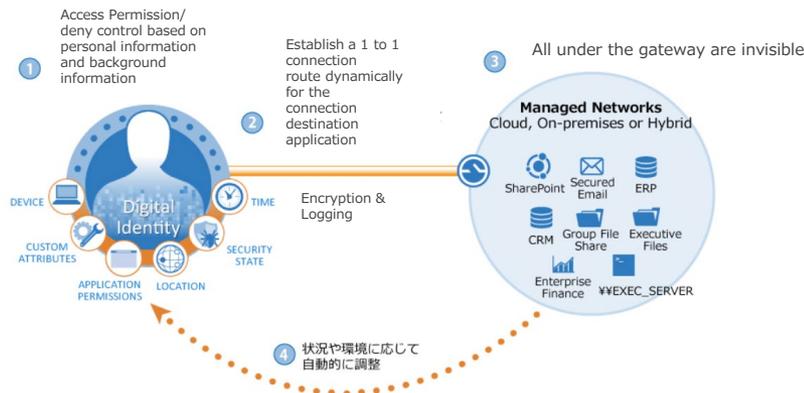
Point !  building "Strong network security" with Zero-Trust Network Access Model
 ⇒ "Don't trust the user, the device, or network"

VPN Weakness : Trust what comes in network access and connected to the housing.
 →After that , be attacked.

Authentication is performed only once. After that, can access the network freely. Blindly trust something like an IP address. Gives permission.

→Appgate SDP can solve above problems

Appgate SDP functional overview



- SDP has multi-step and varied authentication

Authenticate with many factors, such as the right user, the location, device , device setting , the right access time zone, and others, and allow only those who can now access the application.

- ✓ From the standpoint of protecting corporate data from eavesdropping, hacker traversal, virus infection, etc. and making it available securely, even if the inside is infected.



Rising demand for cloud security

<Significant of unified security policy>

- Rising demands for remote access from home and unified security policy applied to many offices spread across the globe.

Point ! 🖱️ Providing security services independent of location, device...etc.

SASE : Secure Access Service Edge(SASE) is a cloud service which provides **network and network security within a single framework.**

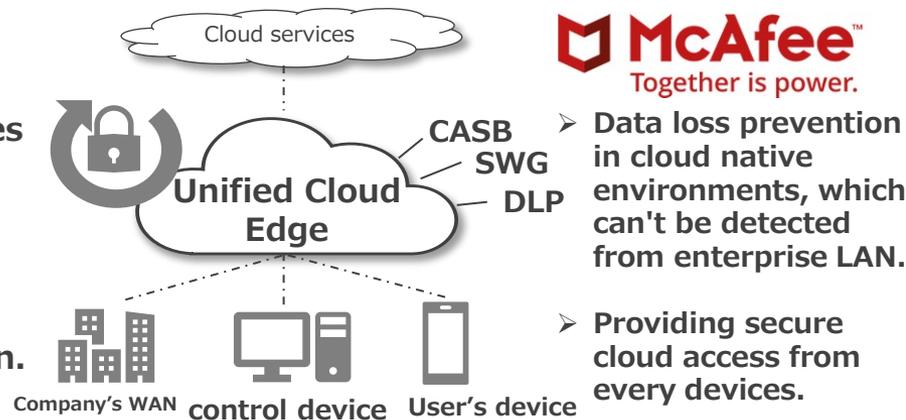
Palo Alto Networks Prisma Access

~ Providing functions of next generation fire wall on cloud~



McAfee MVISION Unified Cloud Edge

~Provides consistent data and threat protection controls from device to cloud~





Commenced the provision of autonomous AI-driven endpoint security “SentinelOne”

<Trend of endpoint products in the face of sophisticated cyber attack>

- **As more cyber attacks break through** conventional signature-based **pattern-matching defense, detection capability** not relying on signature **and comprehensive countermeasures from the early response to recovery have become requisite.**



SentinelOne®

SentinelOne: Integrated platform providing functions from detection to response and recovery

MITRE ATT&CK evaluations show that SentinelOne is the only vendor with 100% visibility and zero missed detections in both Windows and Linux environments.

* Assessed by MITRE ATT&CK in 2020

NGAV + EDR, XDR

- Provide next-generation AI anti-virus functions with high detection capability and EDR functions that enable visualization via a single agent

Autonomous

- Autonomous malware detection, isolation, restoration and recovery executed only within a single machine, instead of detection by a management console in the cloud

Threat hunting

- Provide threat hunting functions that detect sophisticated intrusion as well as custom rule functions that allow users to create detection and response rules freely

- * NGAV: Abbreviation of Next Generation Anti Virus, which utilizes “behavior detection” and “AI/machine learning” to deal with unknown malware and other threat.
- * EDR: Abbreviation of Endpoint Detection and Response, which detects, removes, and prevents the spread of malware that has intruded into endpoints such as terminals.



Received recognitions from global cybersecurity leaders in the Information Infrastructure business

Japan's top class track record of selling cybersecurity products from global cybersecurity leaders

Received awards from the global cybersecurity leaders as a partner company that achieved outstanding sales performance in FY2021



Access Security Endpoint Security Risk management
Gateway Security Web / Cloud Security

- JAPAN Distribution Partner of the Year
⇒4 years in a row (2018, 2019, 2020, 2021)



Endpoint Security Internal Network Visibility

- MVP Partner of the Year



Secure Cloud Services Internal network

- PARTNER OF THE YEAR
⇒2 years in a row (2020, 2021)



Information infrastructure Data protection

- Channel Services Delivery Excellence Award
⇒3years in a row (2019, 2020, 2021)





40,837,000

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

248,706,000

The number of **inspections** stored in NOBORI

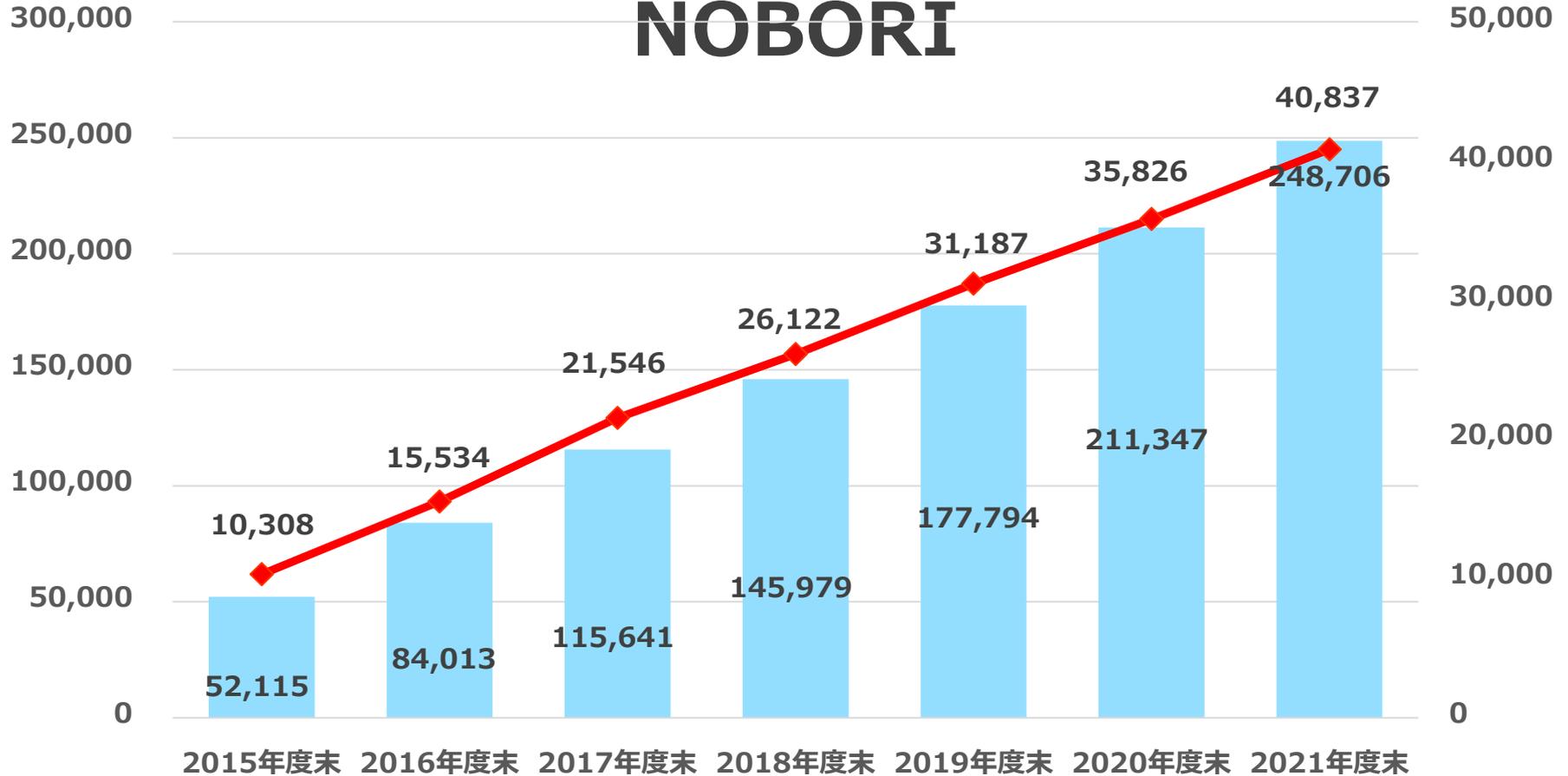
(March 31, 2022)



Data stored in NOBORI

(Numbers of inspections : thousand)

(Numbers of patients : thousand)



■ The numbers of inspections stored in NOBORI (left vertical axis) ◆ The numbers of patients stored in NOBORI (right vertical axis)



<Acceleration of CRM Business in ASEAN / Capital and Business Alliance with WISESIGHT (THAILAND) CO., LTD.>

WISESIGHT (THAILAND) CO., LTD: Established in 2016

- Provides the No.1 social data analysis cloud service in Thailand

- Points !**   In the ASEAN region, corporate activities are heavily influenced by social media penetration and the power of word-of-mouth and postings on social media.
- The use of such services in the marketing and customer care departments is attracting attention.

Business expansion in Thailand/ASEAN



WISESIGHT

- Promote sales of TechMatrix's products and services through Wisesight
- Strengthen the integration of products between Wisesight and TechMatrix and its commercialization
- Develop new products by leveraging synergies



< Successful track records of “tsumugino” >

➤ Activity records for the Q3

- : Acquired several new private school customers
- : Won the second prize in the ASPIC IoT-AI-Cloud Award 2021
- : Devoting engineering resources to enhance the functionalities to meet bidding requirements with an eye on developing market opportunities for public schools



tsumugino

tsumugino : Creating a new learning approach + innovation

➤ School communication platform + school affairs support system on the cloud

Reducing the burden on teachers and staff



Centralized management of various information
 Teachers and staff can easily share and send information
 → **Rich features for teaching and school affairs**

Reducing investment costs



No need to purchase equipment
 Apply latest cyber security technologies
 → **Monthly paid cloud service**

A system in which children play a leading role



Record of children’s daily activities (and feedback from teachers and staff)
 → **Accumulate learning history**

Excellent UI/UX



Sophisticated design/Operability©
 Multi-device support
 → **Easy communication**



CASAREAL, Inc. expanded its cloud-native implementation support services

<Cloud-native approach is prevailing>

- Rapid expansion of modern application development using platforms such as Kubernetes*

Point! 📌 As release cycles are getting shorter, continuously ensuring security at each release is a challenge.

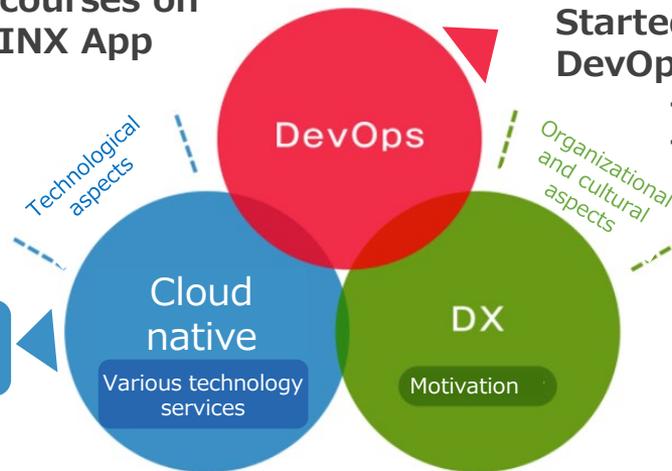
* Kubernetes: an open-source container orchestration system for automating software deployment, scaling, and management.

Continuously ensuring security

- From April 2022 Started offering training courses on Kubernetes using the NGINX App Protect WAF*.

*WAF: Web Application Firewall

Disseminate and promote cloud native technologies



Technical assistance to companies adopting cloud native technologies

- From February 2022 Started business related to the GitLab DevOps Platform:

- Sale of GitLab licenses
- Provision of related support services

📌 Terms

DevOps

A set of practices that combines software development (Dev) and IT operations (Ops)

Cloud native

An approach in software development that utilizes cloud computing technologies such as containers, microservices and serverless functions

Image source: CASAREAL website (<https://www.casareal.co.jp/ls/lp/cloudnative/>)



Date	Contents
April	CASAREAL,Inc., participated in the business partner program of LPI Japan.
	Deployed our cloud service "tsumugino" for HORIIGAKUEN(Yokohama Soei Junior & High School).
	Commenced the provision of solution for building software development infrastructure. ~Support for building CI/CD, configuration management and cloud infrastructure~
	Deployed our cloud service "tsumugino" for Nitobebunkagakuen (Junior & High School).
	Commenced the provision of test case management cloud service "TestRail Cloud".
May	Announcement of New mid-term management plan "BEYOND THE NEW NORMAL"
	CROSS HEAD will start providing a migration service to cybozu office cloud from late August.
	Provision of pre-built integration between CRM system "FastHelp5"(TechMatrix) and voice analysis AI phone "MiiTel" (RevComm Inc.) .



Date	Contents
June	Received "Best Distributor of the Year" from McAfee, LCC.
	<p>NOBORI started providing the integration between PHR application (NOBORI) and "Check of head health"※ (MILLENNIA Corporation).</p> <p>※Since it is difficult to translate accurately, we are translating it at our own discretion. This service is provided based on MILLENNIA Corporation's exclusive licensing agreement for MCI Screening test. "MCI" is Mild Cognitive Impairment.</p>
	Development Bank of Japan deployed "FINCAD CVA measurement service" provided by TechMatrix.
	CROSS HEAD commenced the provision of plug-in that links the workflow function of Cybozu Garoon with kintone.
	<p>Commenced the provision of "Cognito Platform" from Vectra AI, Inc.</p> <p>- It is a next generation AI security to realize visualization of threats hidden in networks and early detection using AI -</p>



Month	Contents
Jul.	Okinawa Cross Head Co., Ltd. launched Remote Browser powered by Ericom Shield Cloud.
	Began providing software testing support and verification services – supporting various types of testings such as functional testing, API testing, and load testing
	Received Channel Services Delivery Excellence Award from Dell Technologies
	Commenced the provision of “Jtest 2021.1,” a Java-enabled testing automation tool
	TechMatrix received certification as a Google for Education Build partner.
	The latest Version 9.5 of “Ranorex Japanese version,” a UI testing automation tool with powerful object recognition capabilities, became available.
	Started providing integration of “Votiro,” a file sanitization solution, with “m-FILTER,” an email security product, which can sanitize email attachments and fully comply with local government guidelines
	Entered into a capital and business alliance with WISESIGHT (THAILAND) CO., LTD., the largest social data analysis cloud provider in Thailand, to accelerate the expansion of CRM solution business in the ASEAN region



Month	Contents
Aug.	Commenced the provision of the Japanese version of "Understand 6," a high-speed source code analysis tool
	CROSS HEAD began offering the "Cybozu Office Cloud Migration Pack," which remotely supports migration to the cloud version of the Cybozu Office.
	Sumitomo Mitsui Construction Co., Ltd. introduced "DataProtect" of Cohesity.
Sept.	Okinawa Cross Head Co., Ltd. launched "STEC on Chromebook," a one-stop service that supports both software and hardware in remote work environment
	AppgateSDP that realizes zero trust network access – a VPN replacement campaign and a campaign targeting boards of education
	Started providing integration of "FastHelp5," a CRM system for call centers, with "BlueBean," a cloud-based PBX/CTI system from SOFTSU Co., Ltd.



Date	Contents
October	TechMatrix has introduced a new module of Apreccia 4 -the "Market Rate Based Lending Management System"- in response to the LIBOR transition
	Released the Japanese version of the latest version 7.0.1 of "TestRail" test case management tool
	Went into full operation of Apreccia 4 for Shinkin Securities Co., Ltd.: it improves efficiency and reduces costs for operations of fixed income front office and structured bond management
	TechMatrix entered into a resale partnership agreement with TD SYNEX K.K. for "tsumugino"
	CASAREAL, inc. formed an alliance with CTC TECHNOLOGY Corporation for developing human resources capable of using cloud native/DevOps technologies and started joint sales
	Announced the application for selection of Prime Market, the new market segment of Tokyo Stock Exchange
November	Announced relocation of the head office
December	TechMatrix entered into a partnership agreement with Marubeni Network Solutions Inc.
	"tsumugino," a cloud service for educational institutions, won the second prize in the ASPIC IoT-AI-Cloud Award 2021
	Commenced the provision of autonomous AI-driven endpoint security "SentinelOne": XDR that ensures business continuity and TCO reduction with AI and automation
Hosted online-based TechMatrix CRM FORUM 2022, one of the largest events for the customer service industry in Japan, with the main theme: "Leap toward the next future by synergizing human being with technology"	



Date	Details
January	Announced the acquisition of the majority of PSP Corporation’s shares and the merger between NOBORI Ltd. and PSP Corporation.
	Announced the acquisition of PSP as a subsidiary through share delivery (a simple form share delivery), its absorption-type merger with consolidated subsidiary NOBORI, and resulting change into a specified subsidiary.
	Commenced the provision of “SOAtest/Virtualize 2021.2”, a one-stop tool for API testing automation and virtualization—the key to system modernization and transition to microservices.
February	CASAREAL, Inc. entered into an open partnership agreement of with GitLab Inc. in the U.S. and started selling GitLab licenses and providing Git-related support services.
	Commenced the provision of “FINCAD Analytics Suite 2022” in Japan, an evaluation and analysis tool for financial instruments.
	Announced the results of making PSP a subsidiary through share delivery (a simple form share delivery).
	Commenced the provision of “dotTEST 2021.2,” a static/dynamic analysis tool compatible with C#/VB.NET.
	Commenced the provision of “C++ test 2021.2,” a test tool compatible with C++.
	CROSS HEAD commenced the provision of a plug-in that uploads incoming emails onto kintone.



Date	Details
March	CASAREAL, Inc. started offering training courses on secure coding using Kubernetes.
	Named 2021 JAPAN Distribution Partner of the Year by Palo Alto Networks, Inc.
	Added "Cortex(R) XDR Pro per TB" to the products supported by "TPS" that provides integrated security monitoring and incident response services.
	Okinawa Cross Head commenced the provision of "Secure Workspace Solutions" that addresses security issues with remote working.



4 . Medium-Term Management Plan Review " BEYOND THE NEW NORMAL "



We continue business strategy of TMX 3.0

- **Strategic and accelerated promotion of cloud-related businesses**
- **Pursuit of security and safety**



TMX3.0 business strategy continues

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

		Topic
Content strategy	1	Expanding portfolio of products and services
	2	Accelerated <u>servicization</u> (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)



Key basic strategy

Information infrastructure business

- Expanding portfolio of products and services
- Strengthening direct sales to strategic accounts and indirect sales through strategic resellers
- Matrix management of Product-oriented organization and Account-oriented organization
- Strengthening expertise , Visualization of technological capabilities (Visualization of maintenance support , Proactive delivery of technical information , etc.)
- Expand sales of Integrated monitoring security services(TPS)
- Expansion of remote services to be provided by a centralized operation center (Pursuit of added value)
- Aggressive transition to Subscription business model(Strengthening stock businesses)

Application service business

- Active investment into rapid expansion of education business
- Acceleration of AI Medical diagnosis support service business
- Expansion of PHR service
- Formation of alliances and groups with other vendors for One-stop CRM service
- Accelerate global expansion(ASESAN)
- Product/Service development using AI technologies
- Portfolio expansion (Original development of software development platform solution, etc.)
- Third-party testing with tools/Entry into the verification market
- Development and provision of BI solution for some specific vertical markets



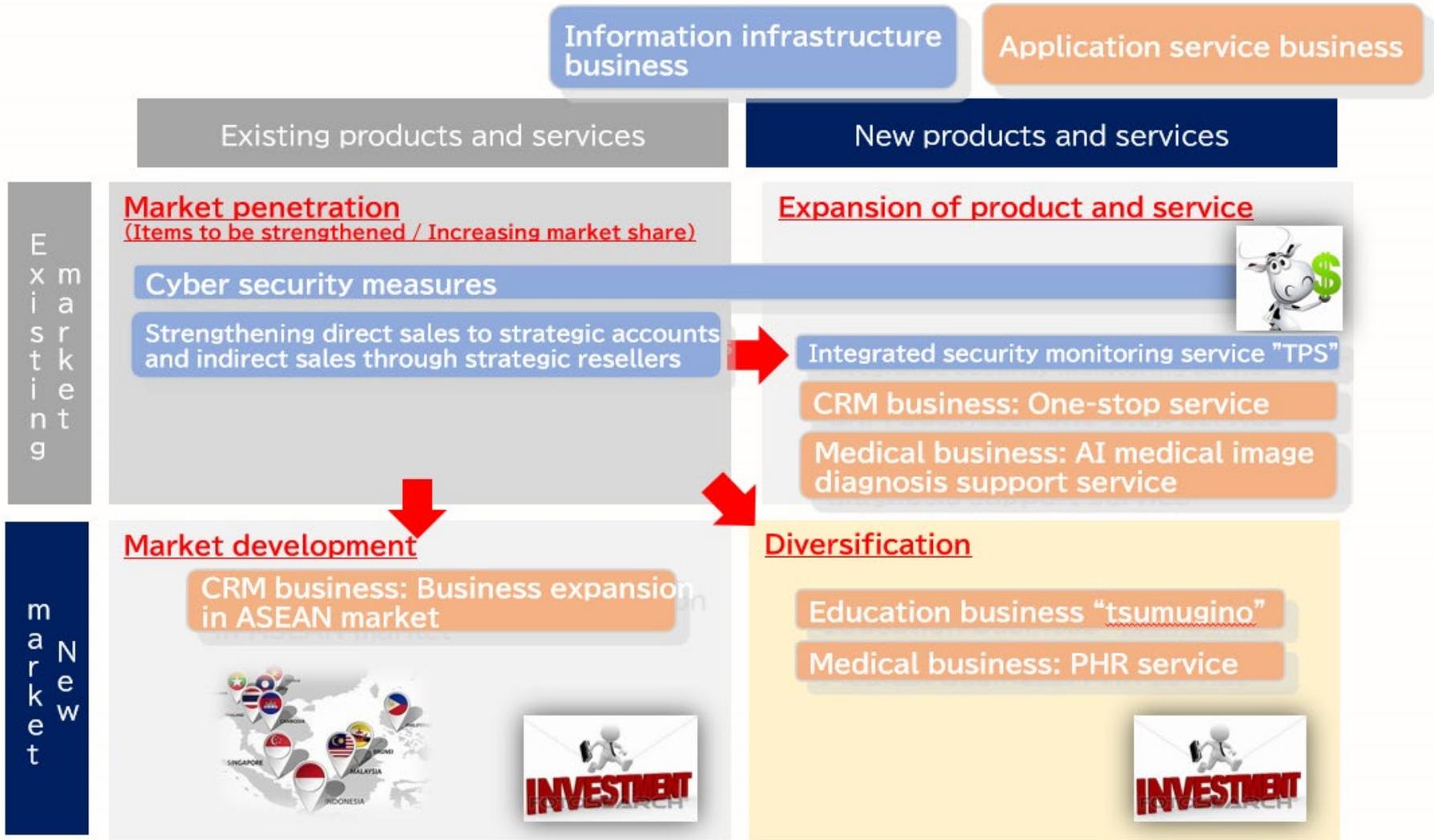
Content strategy		38th	39th	40th	Details
1	Expanding portfolio of products and services	Neutral			<ul style="list-style-type: none"> ■ Added six products and services in total [Network security] (1) <u>SentinelOne</u>: An autonomous AI-driven endpoint security platform (2) <u>Vectra AI's Cognito Platform</u>: Detects advanced threats that infiltrate enterprise networks [Software quality assurance] (3) <u>TestRail Cloud</u>: Allows users to use TestRail on the cloud, a web test case management tool with over 250,000 users around the world (4) <u>Solution for building software development infrastructure</u>: A solution developed with our expertise obtained in supporting end-users' adoption of software testing tools and CI/CD tools (5) <u>Functional testing (UI testing)/API testing automation support and testing undertaking service</u>: Services provided with our expertise obtained in improving software quality using testing tools, supporting tool operations and building relevant system environments [Business solutions] (6) <u>Market Rate Based Lending Management System</u>: A new module of Apreccia 4, developed in response to the LIBOR transition
2	Accelerated servicization (increasing service ratio)	Positive			<ul style="list-style-type: none"> ■ Achieved a service ratio of 83% as of the end of 38th (73% for the previous period) [Network security] • Expanded "TPS," integrated security monitoring and incident response services. • Expanded "Cortex" that detects and defends against unknown threats. *"tsumugino": Communication platform + school affairs support system • Obtained APPLIC compliance and interoperability-verified certification (Orange Mark) to facilitate adoption at public schools. • Obtained "Information Disclosure Certification Systems for Safety and Reliability of ASP-SaaS" certification. • Won the second prize in the ASPIC Cloud Award 2021.
3	Utilization of data (including use of AI)	Positive			<ul style="list-style-type: none"> [Medical] • Business integration of NOBORI with former PSP. • Promoted research and development for the use of medical information, and started to expand AI-driven diagnostic imaging business. • Established M3 AI, Inc., a joint venture, with M3, Inc. Accelerated business in the advanced medical field such as development assistance for AI medical devices.



External strategy		38th	39th	40th	Details
4	Diverse alliances/M&A (Expansion of existing business and creation of new business)	Positive			<p>[Medical]</p> <ul style="list-style-type: none"> Acquired the majority of PSP's shares and made it a consolidated subsidiary to accelerate the PACS, PHR, and AI businesses. (On April 1, 2022, business integration between NOBORI and PSP was completed.) <p>[Network security]</p> <ul style="list-style-type: none"> Entered into a sales partnership agreement with Marubeni Network Solutions Inc. to expand sales of "Appgate SDP," a next-generation secure access solution. <p>[CRM]</p> <ul style="list-style-type: none"> Started providing pre-built system integration of "FastHelp5," our CRM system, with "MiiTel," a voice analysis AI phone from RevComm Inc. Started providing a cloud-based call center solution with a shorter implementation time by integrating "FastHelp5," our CRM system, with "BlueBean," a cloud-based PBX/CTI system developed and provided by SOFTSU Co., Ltd. <p>[Education]</p> <ul style="list-style-type: none"> Entered into a resale partnership agreement with TD SYNEX K.K. to expand the tsumugino business. <p>[CASAREAL]</p> <ul style="list-style-type: none"> Entered into an open partnership agreement with GitLab Inc. in the U.S. (Started selling GitLab licenses and providing Git-related support services as an authorized distributor in Japan.)
5	Expanding business in the overseas market	Neutral			<p>[CRM]</p> <p>Entered into a capital and business alliance with WISESIGHT (THAILAND) CO., LTD., the largest social data analysis cloud provider in Thailand, to expand business in the ASEAN region.</p>

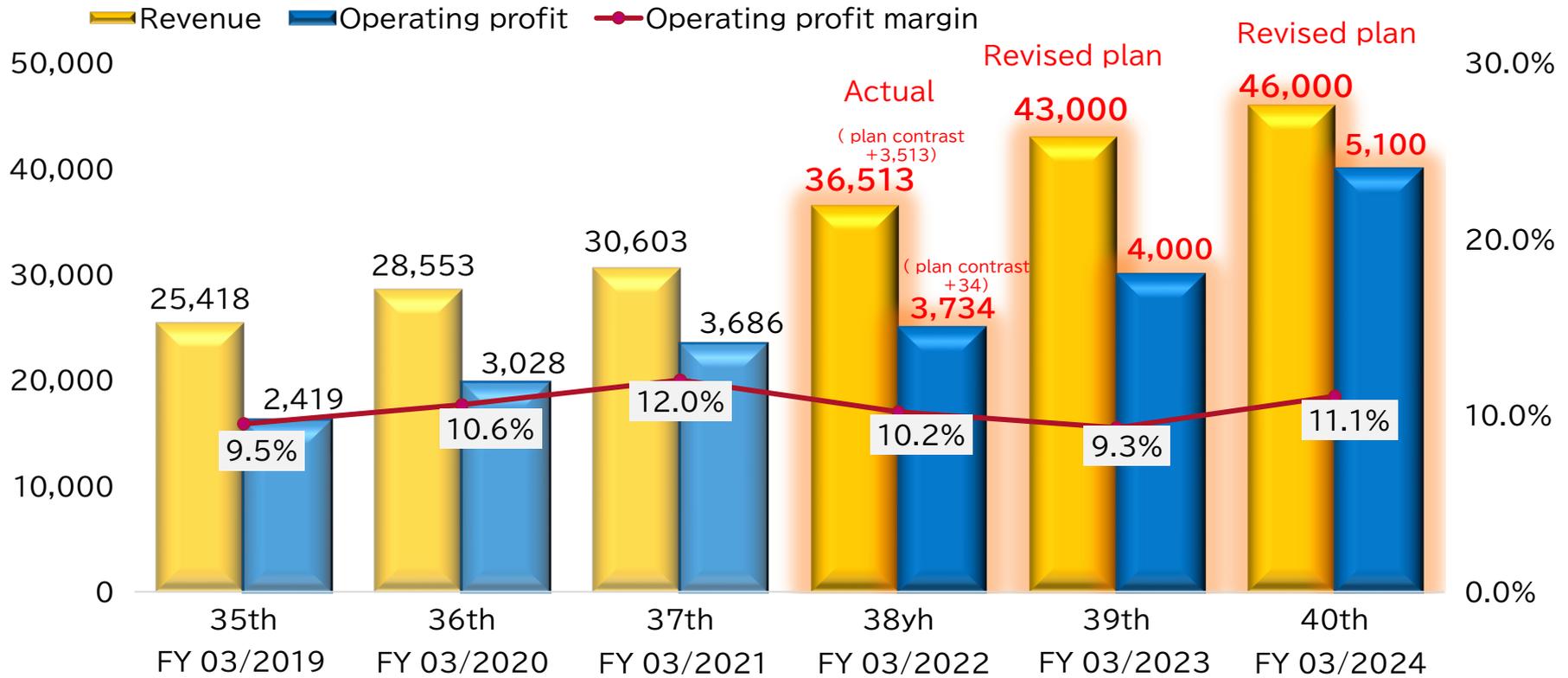


Internal strategy		38th	39th	40th	Details
6	Creation of synergies by strengthening group collaboration	Positive			<p>[Company-wide]</p> <ul style="list-style-type: none"> Decided to relocate the headquarters and consolidate head office functions of Group companies to reinforce the coordination across the Group. (Scheduled to move in December 2022.) <p>[Network security/CASAREAL]</p> <ul style="list-style-type: none"> Accelerated the cooperation between our Network Security Division and Group company CASAREAL in the cloud native field.
7	Human resource development/ Organizational development (including promotion of diversity)	Positive			<p>[Company-wide]</p> <ul style="list-style-type: none"> Promoted diversity and inclusion initiatives such as female empowerment according to the revised corporate governance code of Japan. Set goals for the percentage of female employees and managers to promote the active role of female members. Updated understanding of current situation and formulated various initiatives to achieve goals. <ul style="list-style-type: none"> * Target percentage of female managers (by the end of FY2030): 20% * Target percentage of female employees (by the end of FY2026): 30% Promoting a human resource development program for next-generation leaders and personnel development currently underway. Established a new personnel system and started operation from April 2022.



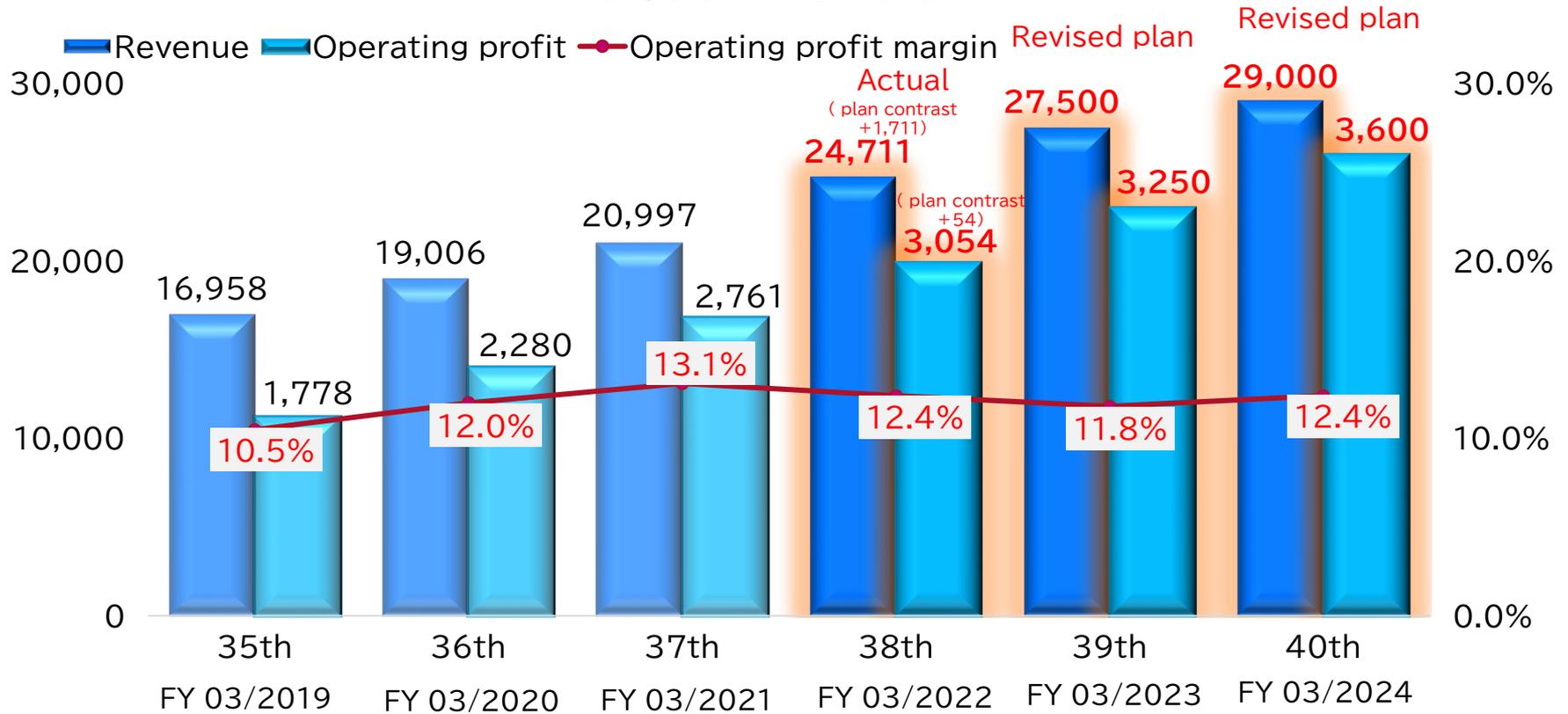


Both revenue and operating profit continue to grow



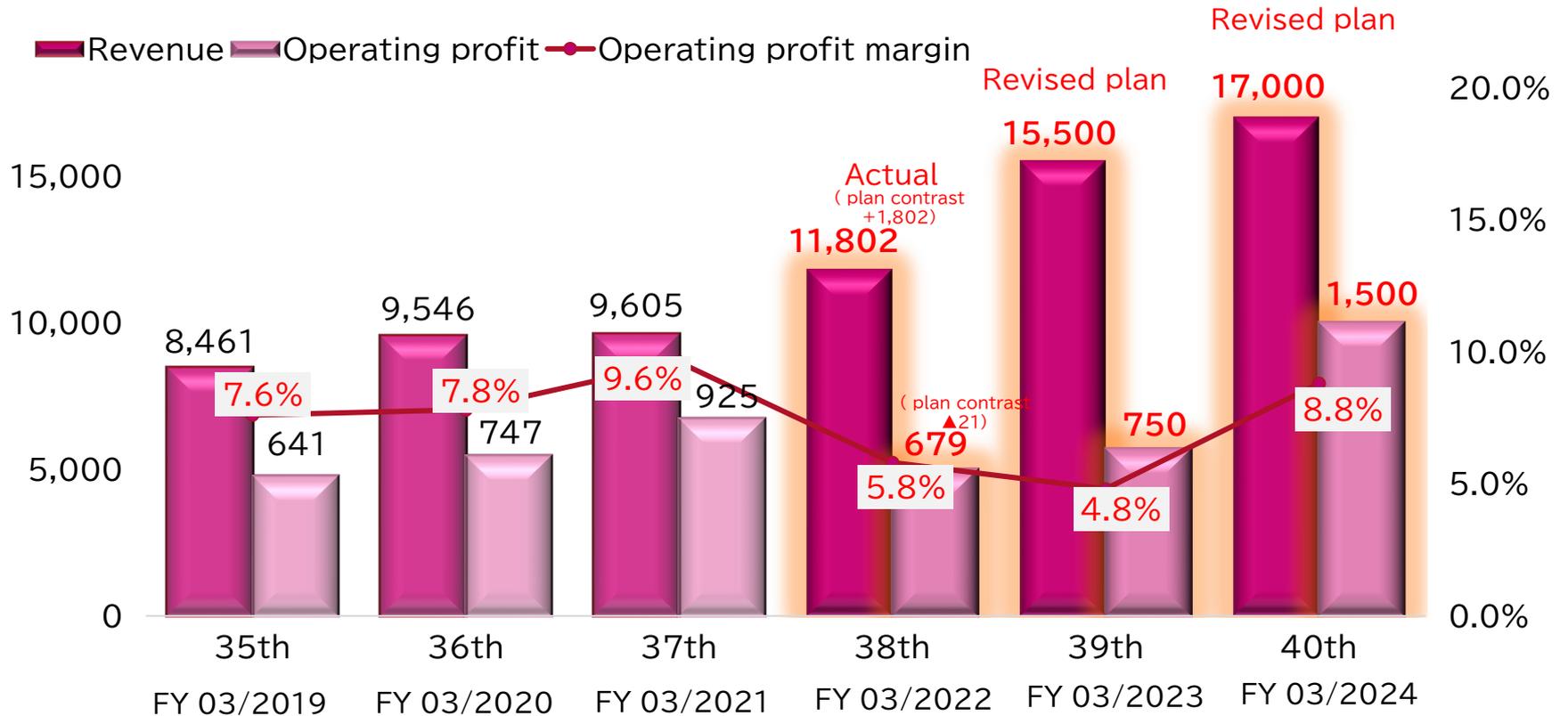


Building a stable earnings base and adapting to the cloud-native era



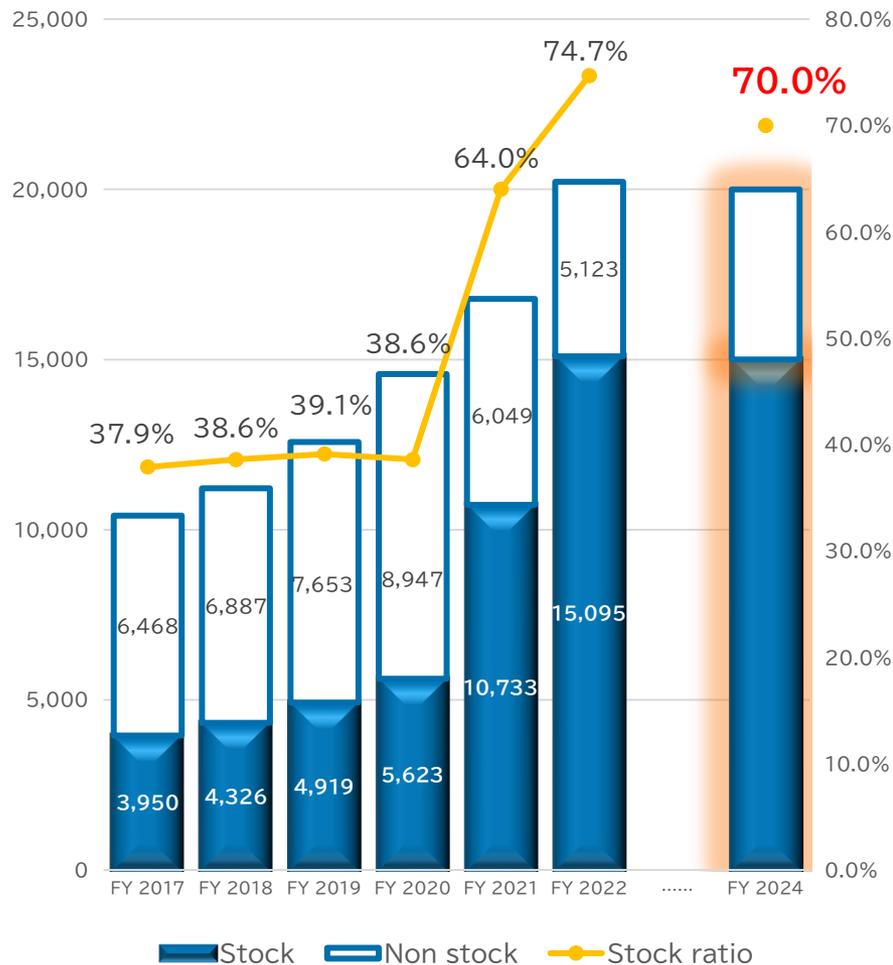


Balance between investment and growth

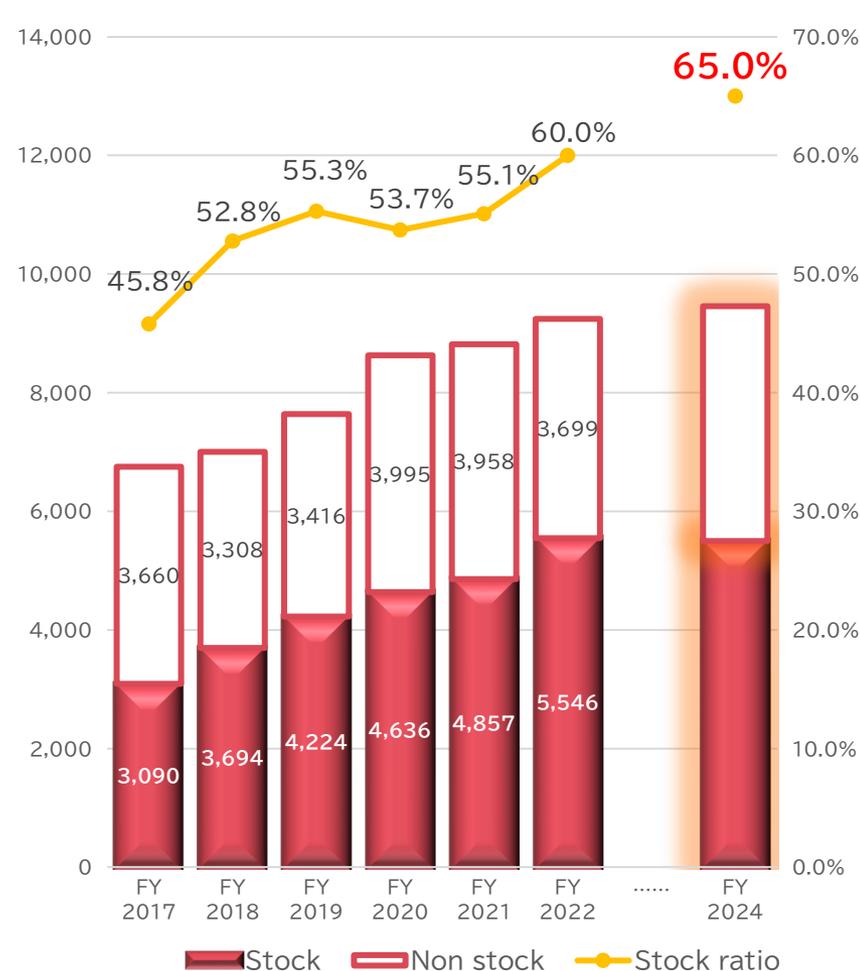




Information infrastructure



Application service



※The Company voluntarily adopted the International Financial Reporting Standards (IFRS) for its consolidated financial statements in its securities report for the fiscal year ended March 31, 2021.



The IT professional group who create a better future





5. Business Models

TechMatrix Premium Support powered by TRINITY

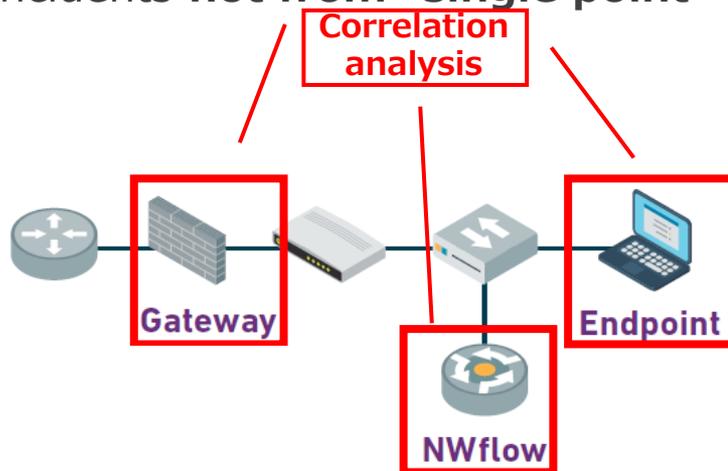
Integrated security monitoring service using correlation analysis rules created based on hundreds of threat scenario patterns originally developed by TechMatrix

※TRINITY is TechMatrix's original service to undertake operations and monitoring for ICT infrastructure.

■ Issues of conventional single device monitoring

- 1) Conventional single monitoring results in a **“point” analysis** of events.
- 2) If **the person in charge of operation** and **the monitoring vendor are different for each product**, the investigation, Information sharing, and **primary response are delayed**.
- 3) Because encrypted communication is increasing and sophisticated attack techniques are prevailing, **communication difficult to be monitored and analyzed is increasing**.

■ Our comprehensive integrated security monitoring service detects cyber security incidents **not from “single point” but from “multiple points”**



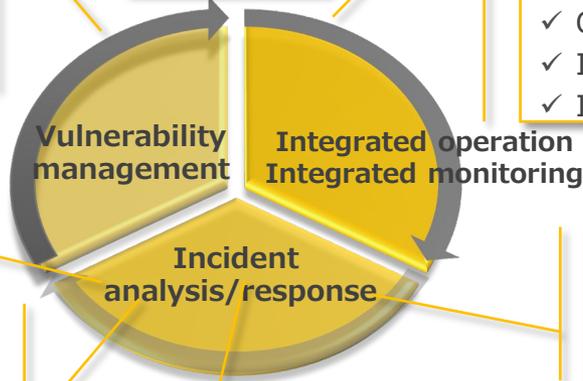
「TechMatrix Premium Support powered by TRINITY」, **our comprehensive integrated security monitoring service** analyzes correlation using data captured at the gateways, at the end-points and from network flows (not from “single point” but from “multiple points”) within the enterprise network, which can detect a variety of security incidents and strengthen the cyber security platform to be able to protect enterprises from unknown malware.



TechMatrix Premium Support powered by TRINITY

Providing various services that serve as a security operation platform based on the integrated monitoring service

TechMatrix Premium Support powered by TRINITY



TPS Integrated supervision service

- ✓ Provision of network flow monitoring without charge
- ✓ Correlation analysis of multiple security products
- ✓ One-stop device operation
- ✓ Includes cyber security insurance
- ✓ Innovative pricing plan

TPS Vulnerability diagnosis service

The monitoring center intermittently conducts vulnerability diagnosis and manages the results. Used for handling monitoring analysis as well as performing necessary device tuning.

Malware analysis

Incident response service (Urgent response)

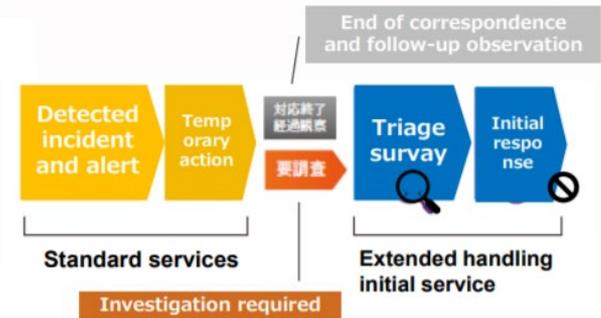
Providing response and investigation (including forensics) for security incidents and accidents even without TPS contract.

Second opinion

Suggest a second opinion on the results of the infringement investigation

Extended handling initial service

Utilizing EDR products to handle initial response (Managed EDR)



TechMatrix Incident response service

Experts assist investigation and response in the event of a security incident

When an incident such as malware infection occurs, it is essential to investigate and respond to it by an expert. This service is provided by TechMatrix's security experts. We support investigation and recovery in addition to the conventional initial response immediately after an incident occurs.



For security incidents, it is important to investigate the cause and respond promptly, in addition to suppressing the outbreak. Monitoring Center team and Security Lab. team in TechMatrix provide support services ranging from the initial response immediately after the accident, infringement investigation, to settlement of the situation.

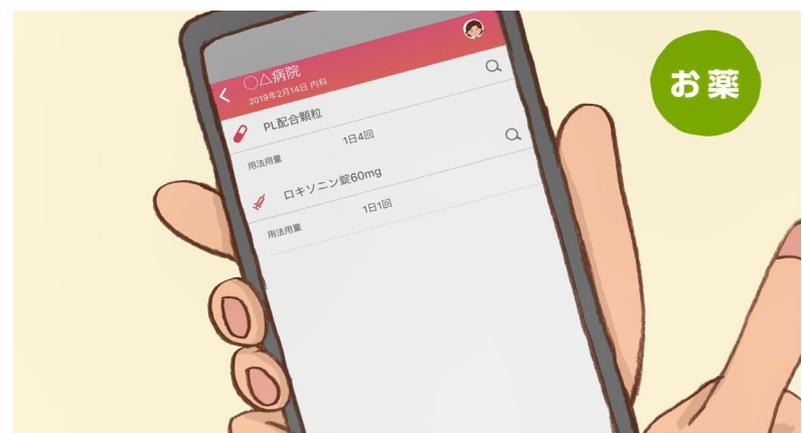
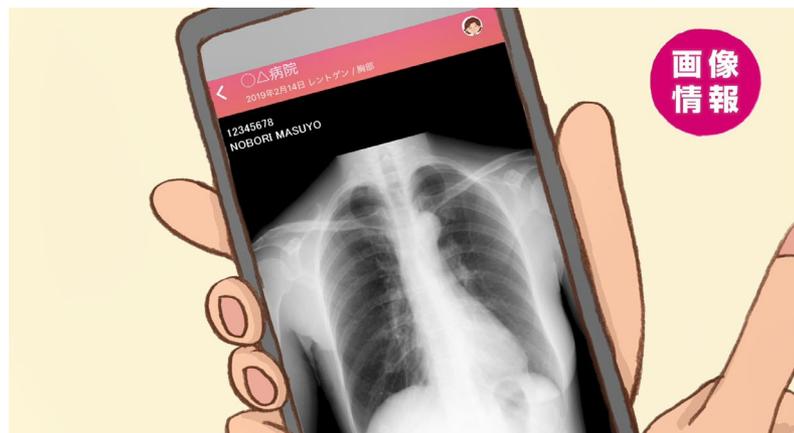
Service flow and overview





NOBORI

PHR (Personal Health Record) service for individuals (for patients)





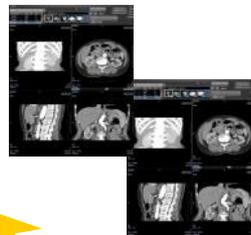
Point!

A cloud service for healthcare information "NOBORI". We store, share and utilize valuable medical information securely in a cloud environment.

Free initial investment !

No space required !

No engineer required !



NOBORI CUBE



TechMatrix



High security

- We started to provide NOBORI in Cloud PACS market so quickly. Medical Institutions can deploy NOBORI at a low price and in a short period of time.
- The number of medical facilities using NOBORI has been increasing by introduction to large-scale hospitals and through strong partnership.
- We provide a platform for other healthcare services "NOBORI PAL".



Type of PACS Cloud

Cloud type	Brief summary	Feature	Configuration image	NOBORI
TYPE 1	Store both short term and long term data in a in-house server + data center (dual storage for all data)	Data back up in a data center Additional costs		—
TYPE 2	Store short term data in on-premise servers + long term data in a data center	Frequently used data in a hospital Additional costs		—
TYPE 3	All data in data center without in-house server (only cash in NOBORI appliance)	No additional costs and lower price range		

◆Techmatrix is ahead in the healthcare cloud business with "NOBORI" which is installable at a low price and in short term.

Point!

Enhancing the competitiveness of customers' businesses by CRM system.

- Contacts about products
- Contacts after purchase



Products



FastHelp5



Unified management of purchase histories and the past Q&A's

Quick search !



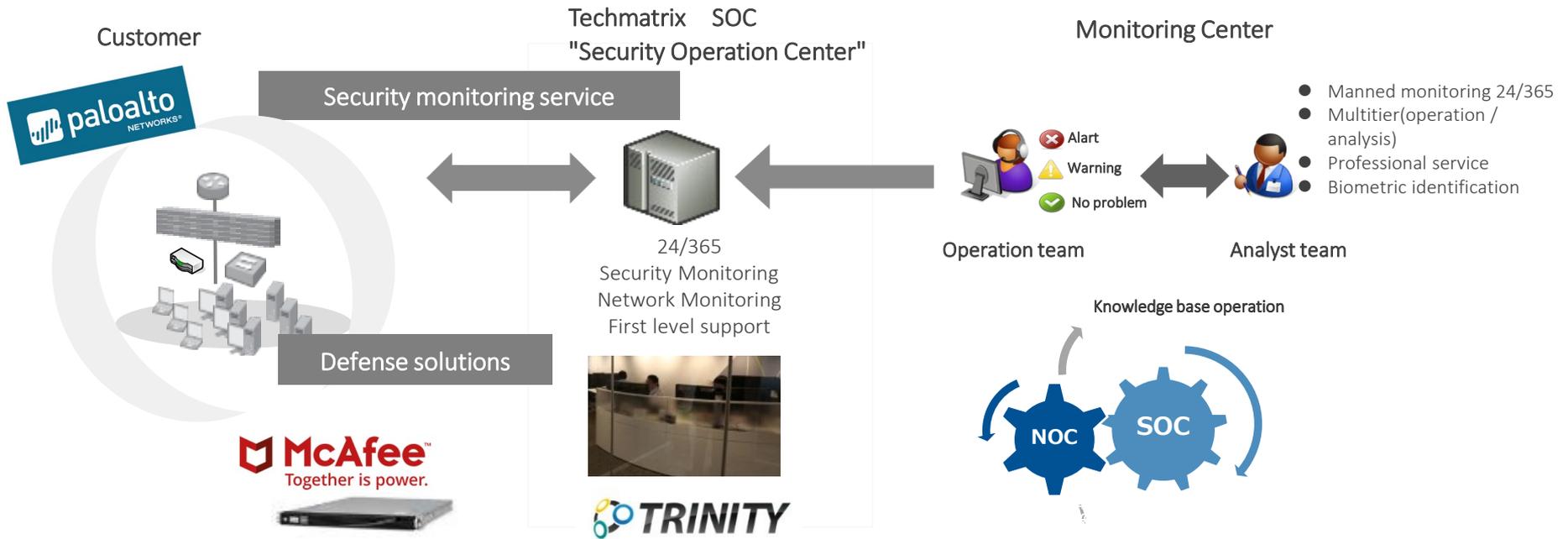
Quick response to the customers' Inquiries !



Improvement of customer satisfaction !



Point! One-stop solution from Techmatrix.



One-stop solution

One-stop solution for system design, integration, maintenance, operation and monitoring services.

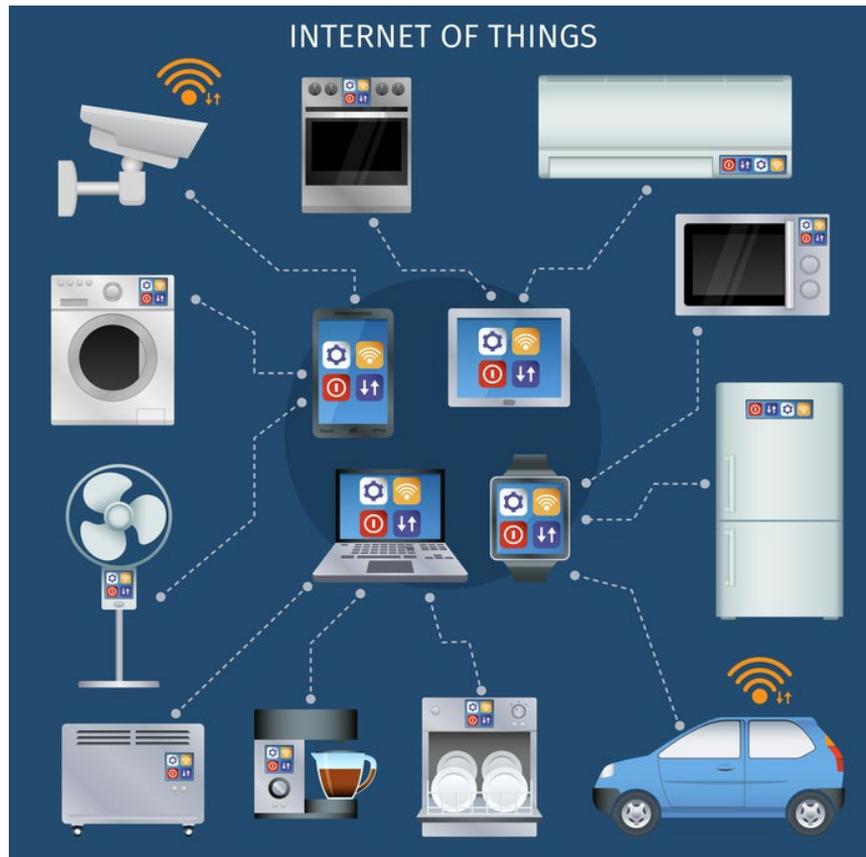
Professional service with expert knowledges

Techmatrix provides security monitoring services based on its in-depth knowledge on the products it delivers, although other security vendors provide basic services for a wide variety of products.



Point!

Every internet-connected device can be a target for cyber-attacks in the IoT era.



- ▶ Solution for test, systems design and version control system
- ▶ Integration of infrastructure, training and operation support for development process
- ▶ Support for substantive improvement of software quality and productivity enhancement

Improve quality of embedded software
Comply with functional safety standards



Structural analysis

Visualization of Software architecture by source code analysis

Architecture analysis

Code structure analysis

dependency analysis

Refactoring support

Code analysis · Unit test

Early detection of problems

Bug detection

Maintainability of code

Unit test support

coverage measurement and analysis

Functional test

UI test automation
API testing and virtualization

UI test

Load test

API test

Service virtualization

Software development infrastructure

Provide the foundation for rapid deployment and project management

Test management

Configuration management

CI/CD

Project management

Open source software management

Visualization of risks arising out of the use of OSS

To detect OSS license in use

Vulnerability detection



Structural analysis

- Architecture analysis tool **Lattix**
- Source code analysis tool **Understand**

Code analysis · Unit test

- Compatible with C/C++/Java/.NET Automated test tool
Parasoft C++test
Parasoft Jtest
Parasoft dotTEST
- Compatible with C/C++ Automated error detection tool
Parasoft Insure++

Functional test

- Automated tool for UI test
Ranorex
- Automated tool for API test
Parasoft SOAtest
- Service virtualization tool
Parasoft Virtualize

Software development infrastructure

- For CI/CD
CloudBees Jenkins
- Redmine plug-ins to extend functionalities for PM/PL
Lychee Redmine
- Test case management tool
TestRail

Open source software management

- To detect OSS licenses in use, vulnerability and risks arising out of the use of OSS
FOSSID

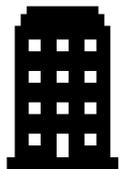
SOLUTION



Point!

Provision of risk management systems for financial institutions who manage financial assets so that they can maintain financial strength.

Financial assets of individuals and companies



financial institutions
(institutional investors)

- Bank
- Trust Bank
- Shinkin bank
- Life insurance company
- Non-life insurance company
- Securities
- FX trading
- Mutual aid association
- . . .

Investment products

- Bond
- Stock
- Investment trust
- Forward exchange
- Derivatives
- Loan deposit . . .

- Market risk
- Credit risk
- Price fluctuation risk
- Foreign currency risk



We measure various risks of financial assets (portfolio) using these systems.



<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