

Results for the 2nd Quarter of 41th business period (Fiscal Year Ending March 31, 2025)



November 14, 2024

TECHMATRIX CORPORATION (code : 3762)



1. Business Highlights for the 2nd Quarter of Fiscal Year ending March31, 2025 (Consolidated)
2. Difference between forecast and actual of the first half of the fiscal year ending March 2025 (Consolidated)
3. Revision of the forecast for Fiscal Year ending March31, 2025 (Consolidated)
4. Topics of Business activities



1. Business Highlights for the 2nd Quarter of Fiscal Year ending March 31, 2025 (Consolidated)

- Key KPIs (Consolidated)

<p>Revenue</p> <p>+25.4%</p> <p>YoY</p> <p>¥30,841 m</p>	<p>Operating profit</p> <p>+32.5%</p> <p>YoY</p> <p>¥3,023 m</p>	<p>Orders</p> <p>+49.3%</p> <p>YoY</p> <p>¥43,485 m</p>	<p>Backlog</p> <p>+42.7%</p> <p>YoY</p> <p>¥81,210 m</p>
<p>Stock type sales (Recurring revenue) ratio</p> <p>74.4%</p> <p>TECHMATRIX and PSP</p>	<p>Consecutive increase in revenue</p> <p>22years</p> <p>in a row March 2024</p>	<p>Patients who stored medical images in NOBORI</p> <p>55.36 m</p>	<p>Inspections stored in NOBORI</p> <p>358.8 m</p>

- The **highest** 2Q consolidated revenue, operating profit, profit before tax and profit attributable to owners of parent.

(¥million)

	FY2023 2Q	FY2024 2Q	YoY	
			Change	Change %
Revenue	24,602	30,841	+6,239	+25.4%
Operating profit	2,281	3,023	+741	+32.5%
Profit ratio	(9.3%)	(9.8%)		(+0.5P)
Profit before tax	2,274	2,768	+494	+21.7%
Profit attributable to owners of parent	1,411	1,708	+296	+21.0%

※The stock price of Company A, an equity method affiliate, has fallen compared to the acquisition price.
An equity method investment loss was recorded.

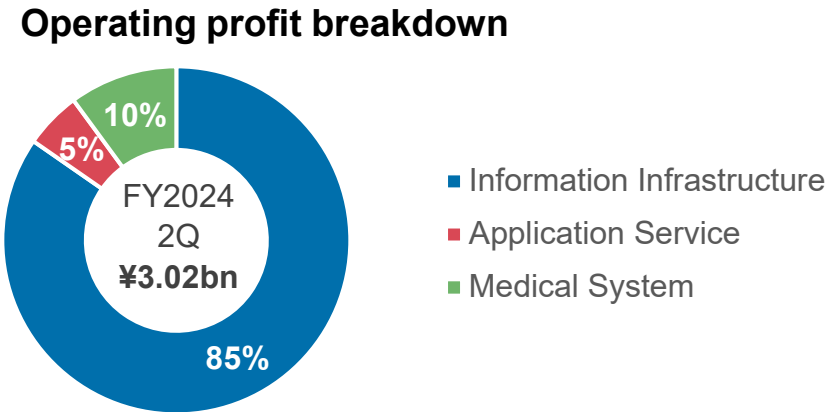
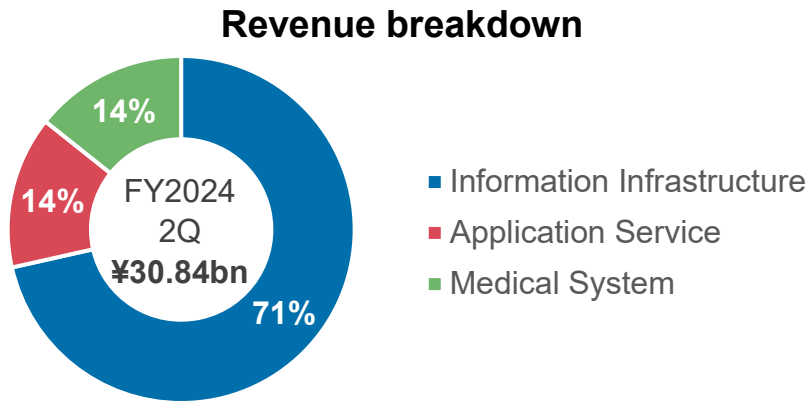
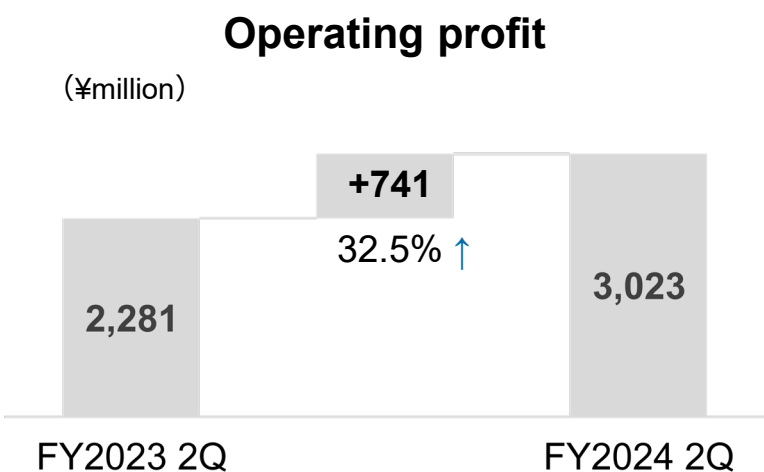
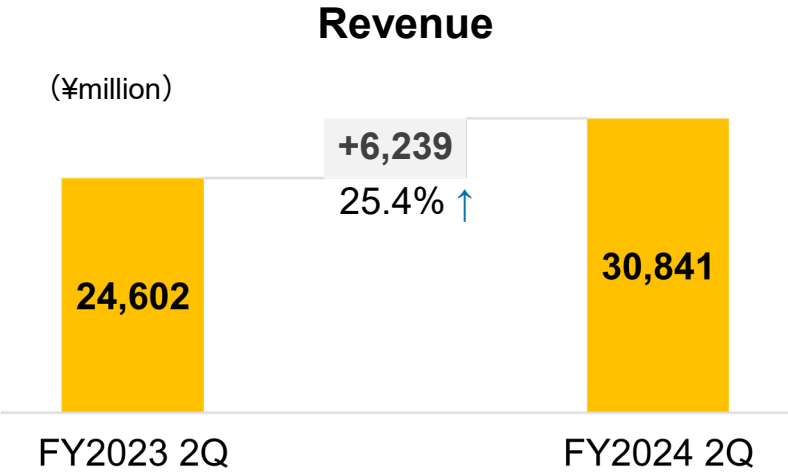
(¥million)

	FY2023 2Q			FY2024 2Q			YoY	
	Results	%	Profit ratio	Results	%	Profit ratio	change	Change %
Revenue	24,602	100.0%		30,841	100.0%		+6,239	+25.4%
Information Infrastructure	16,370	66.5%		22,046	71.5%		+5,676	+34.7%
Application Service	3,873	15.7%		4,385	14.2%		+512	+13.2%
Medical System	4,358	17.7%		4,409	14.3%		+50	+1.2%
Operating profit	2,281	100.0%	9.3%	3,023	100.0%	9.8%	+741	+32.5%
Information Infrastructure	1,697	74.4%	10.4%	2,559	84.7%	11.6%	+862	+50.8%
Application Service	86	3.8%	2.2%	159	5.3%	3.6%	+73	+85.0%
Medical System	498	21.8%	11.4%	304	10.1%	6.9%	△193	△38.9%

Information Infrastructure Business: Demand for cloud-based security products continue to drove overall performance. In addition, one-time hardware sales were recorded.

Application Service Business: Progress in the shift to stock business contributed to performance, with double-digit revenue growth YoY in the CRM, SE, BS, and EdTech fields.

Medical Systems Business: For business expansion, Personnel expenses and aggressive development investments increased.





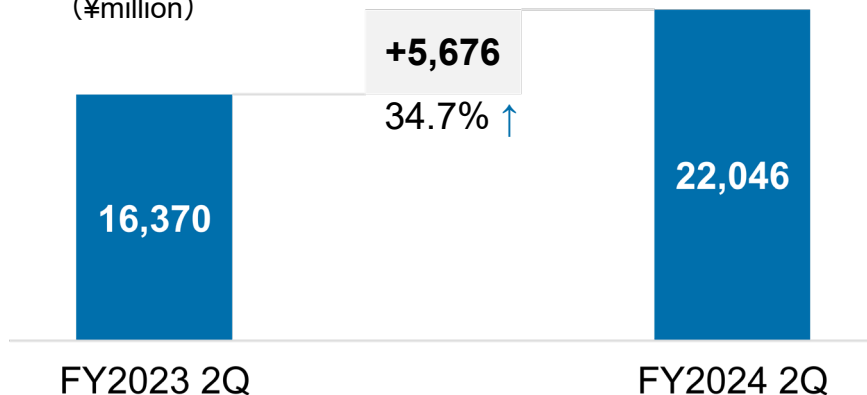
Business Highlights for FY2024 2Q by Segment (Consolidated)

Information Infrastructure Business

TechMatrix

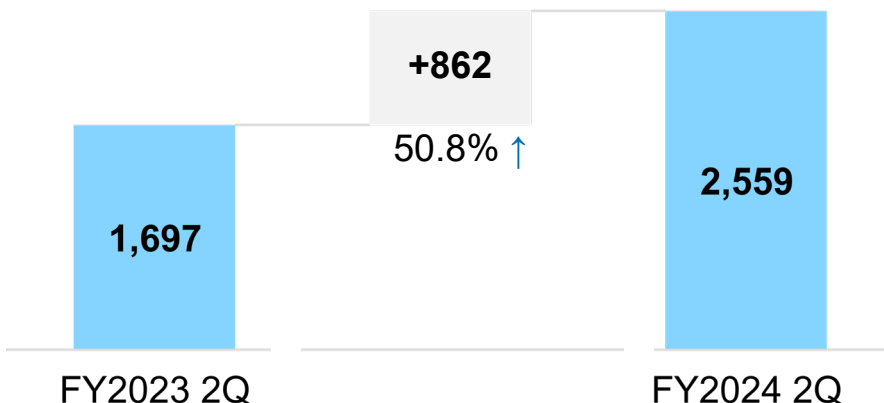
Revenue

(¥million)



Operating profit

(¥million)



The **highest** 2Q consolidated revenue and Operating profit.

- **Revenue**

One-time factors

- (+) Recorded Next-Generation Firewall product (On-premise-based ¥1bn)
- (+) Strage product was recorded by CROSS HEAD, a consolidated subsidiary. (On-premise-based ¥0.7bn)

Trend

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

- **Operating profit**

- (+) SG&A expenses less increased compared to Revenue growth.
- (+) Thoroughly conducted sales activities with profitability in mind.
- (+) Stable foreign exchange market.



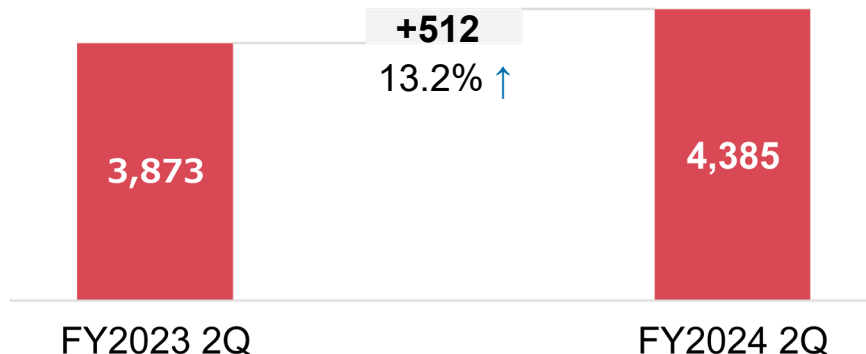
Business Highlights for FY2024 2Q by Segment (Consolidated)

Application Service Business



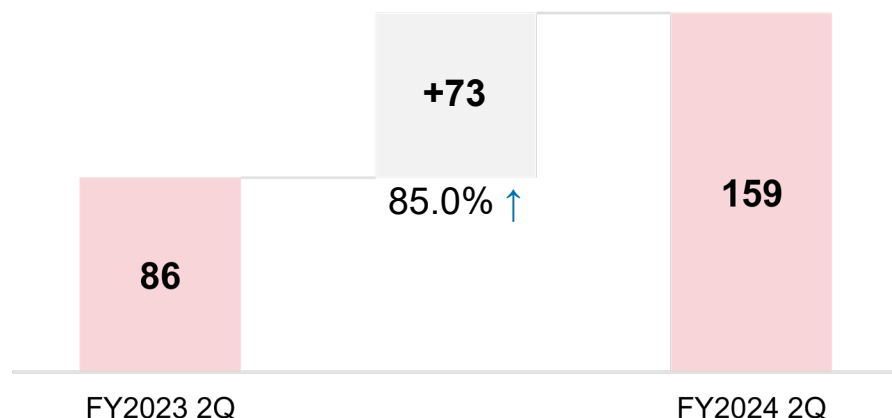
Revenue

(¥million)



Operating profit

(¥million)



Revenue and Operating profit increased YoY.

- **Revenue**

- (+) Demands on quality testing tools for enterprise systems and embedded software were strong. (SE)
- (+) In the CRM field and Software Quality Assurance field, revenue and operating profit increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions. (CRM, SE)
- (+) Infrastructure-related sales were recorded. (EdTech)

- **Operating profit**

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

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

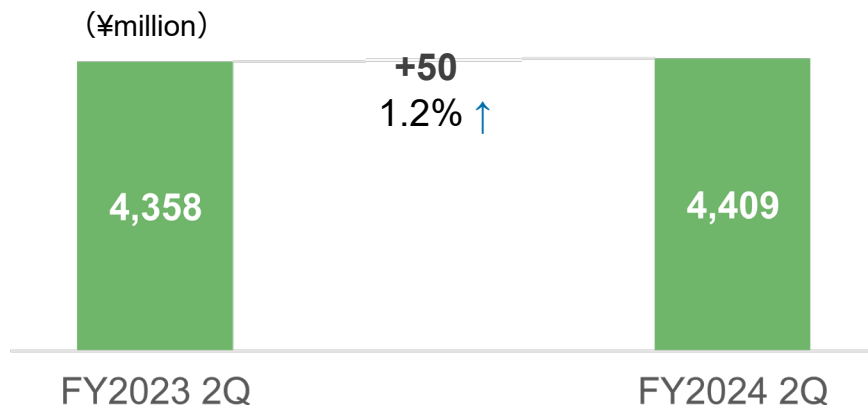


Business Highlights for FY2024 2Q by Segment (Consolidated)

Medical System Business

TechMatrix

Revenue



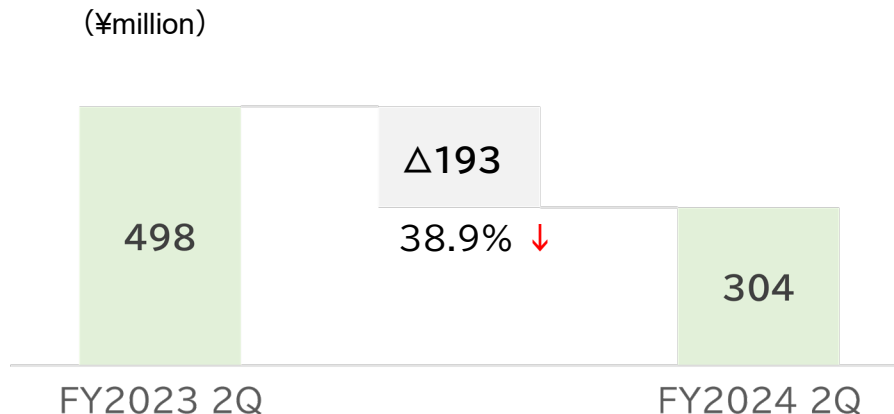
Revenue increased YoY.

Operating profit decreased YoY.

- **Revenue**

- (+) The business of medical imaging system (PACS) is steady.
- (+) NOBORI, a medical information cloud service and a PHR application, performed well.
- (-) On-premise renewal projects in 2Q were delayed.
- (-) Gradual shift to cloud computing

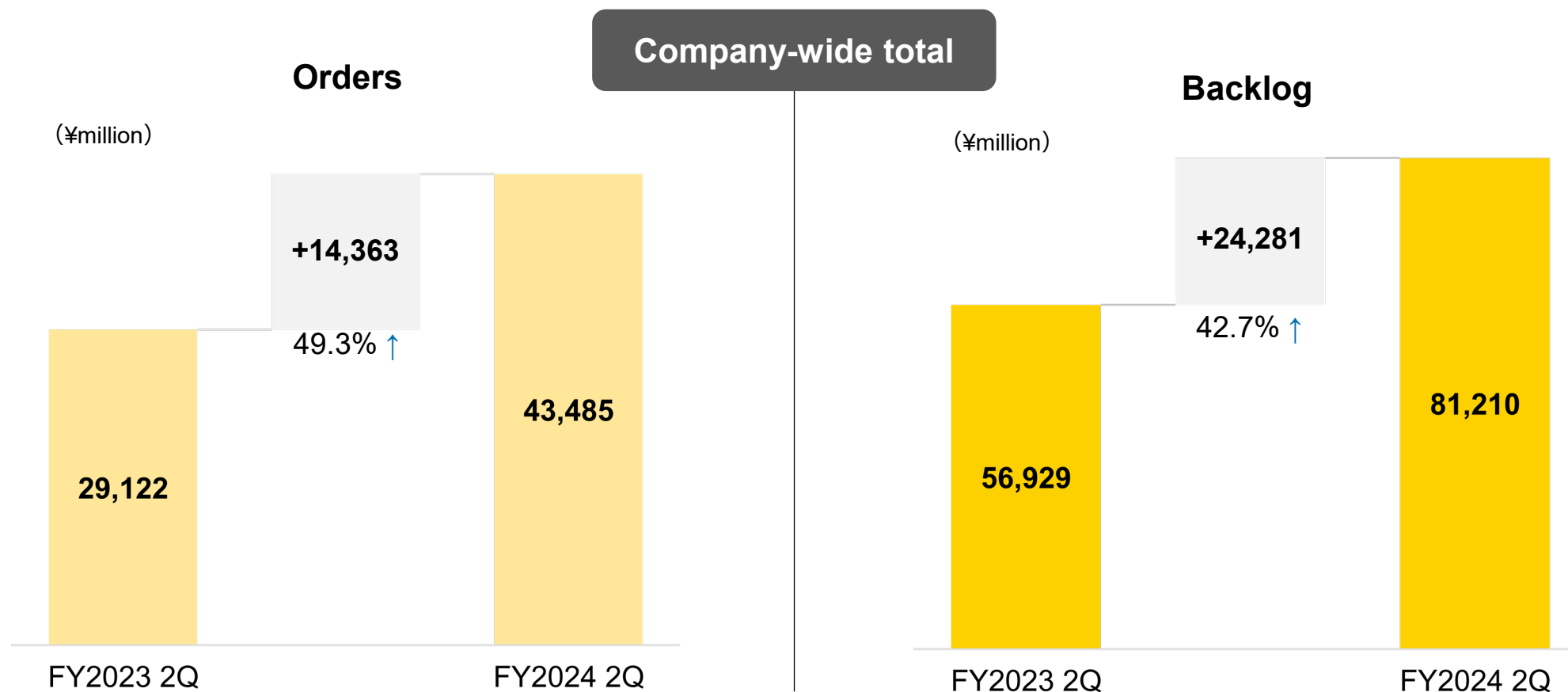
Operating profit



- **Operating profit**

- (+) Special factors such as costs related to unification of treatment systems have been eliminated. (1Q: ¥98million)
- (-) Increased in SG&A expenses due to increase in number of employees.
- (-) Increased in SG&A expenses due to aggressive development investment.

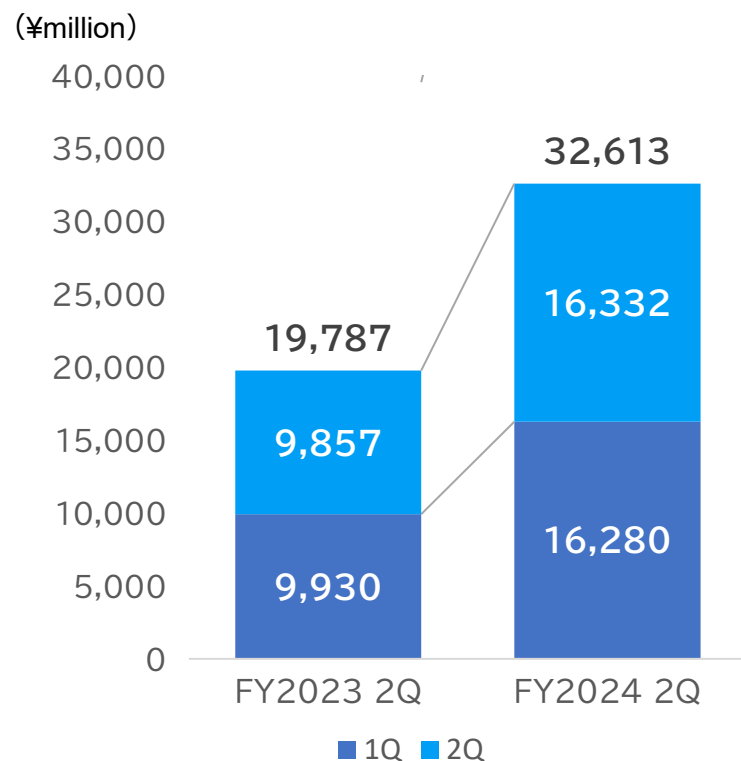
- Orders was strong compared to the last fiscal year.
- Strong backlogs, in particular, Information Infrastructure business.
- Information Infrastructure, Application Service, and Medical System businesses all orders steadily increased.



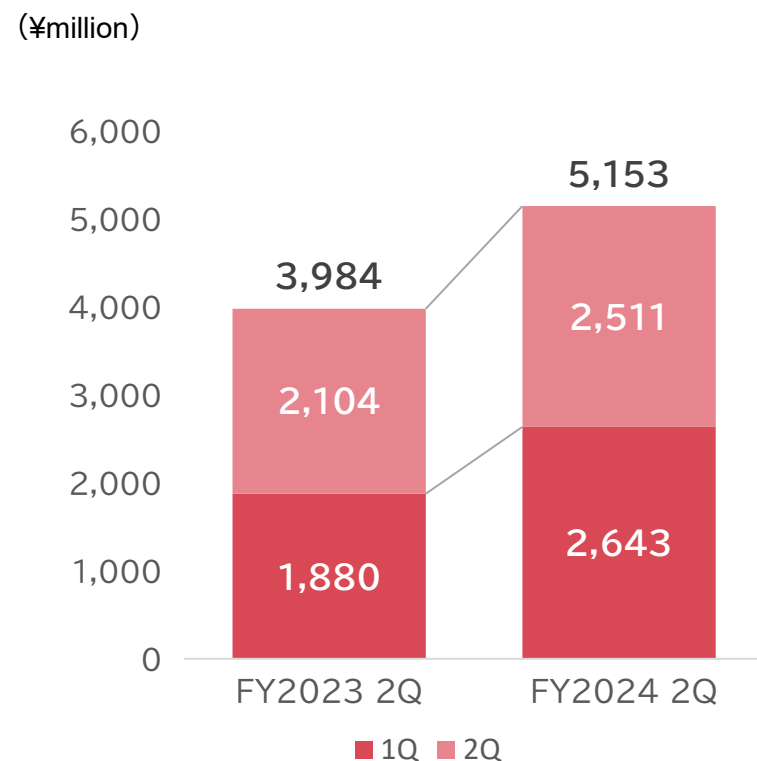
Orders by Segment for FY2024 2Q (Consolidated)

- **Information Infrastructure Business** : Increased demands for cloud-based security products (new / renewal).
In addition, large one-time hardware sales were recorded.
- **Application Service Business** : All segments performed well, especially in the CRM field and Software quality assurance field.
- **Medical System Business** : Orders for medical image management systems (PACS) were steady and exceeded the plan.

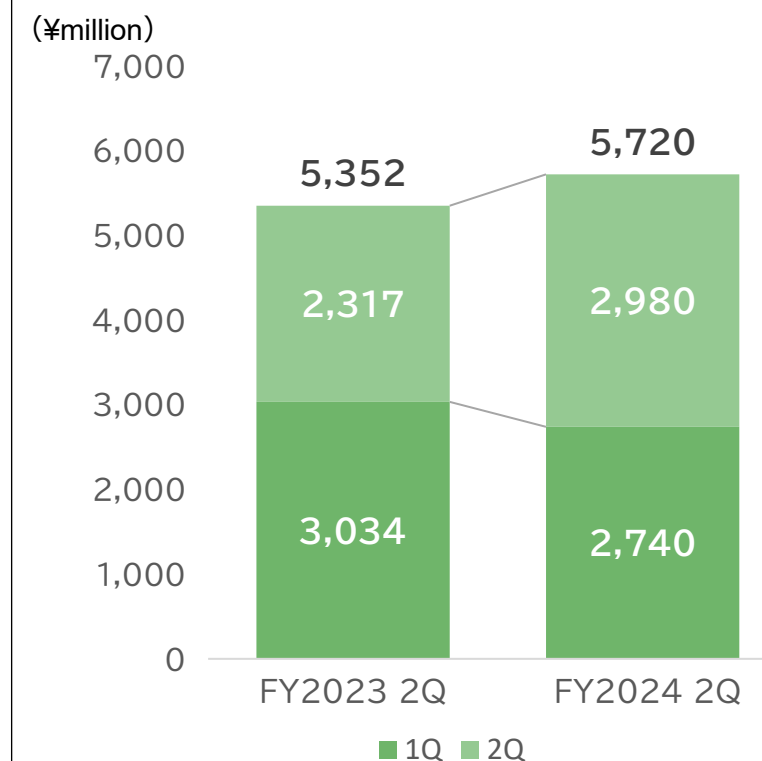
Information Infrastructure Business



Application Services Business



Medical System Business



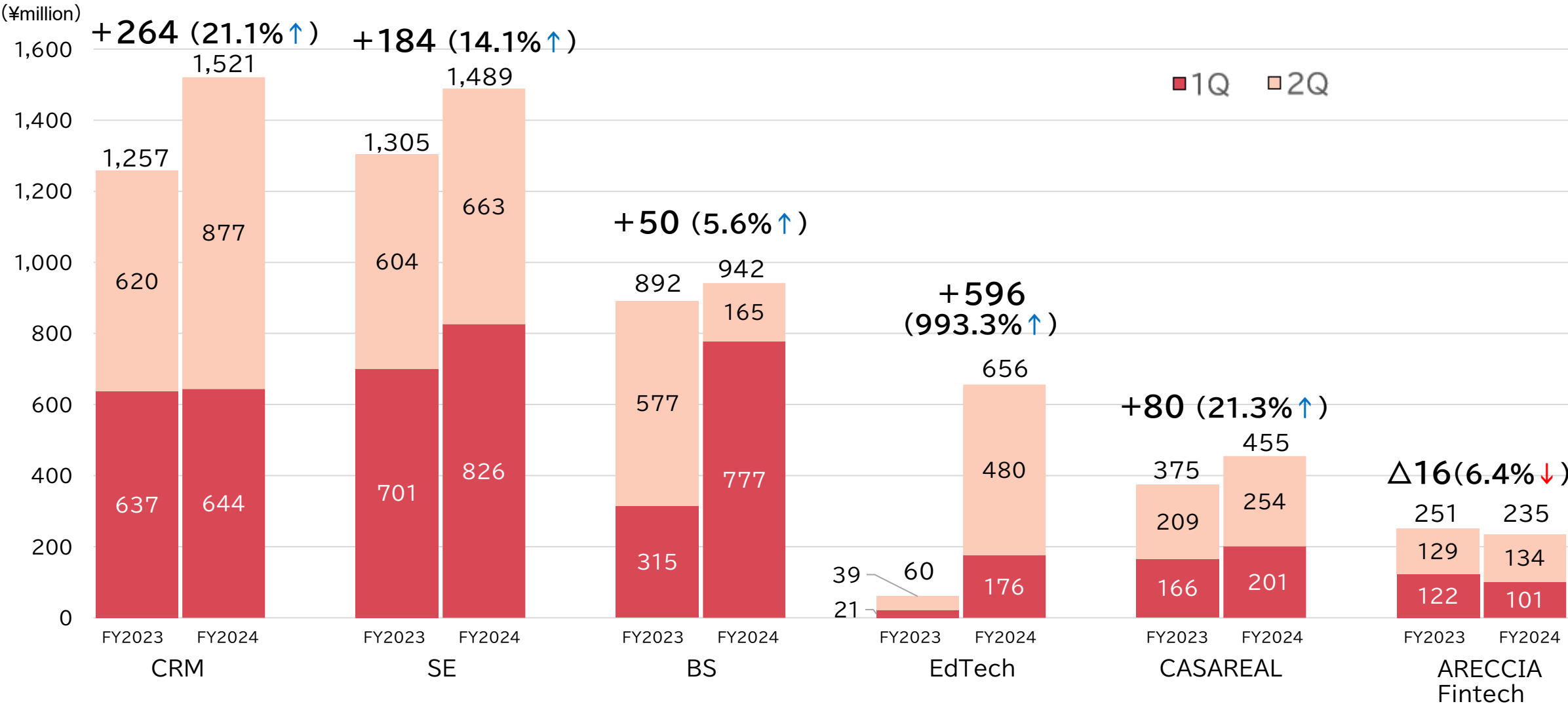
※ Division name abbreviation

CRM: Contact center / Call center, SE: Software quality assurance, BS: Business solution, EdTech: Education 11



Orders for FY2024 2Q by Field (Consolidated)

Application Service Business



※ Division name abbreviation

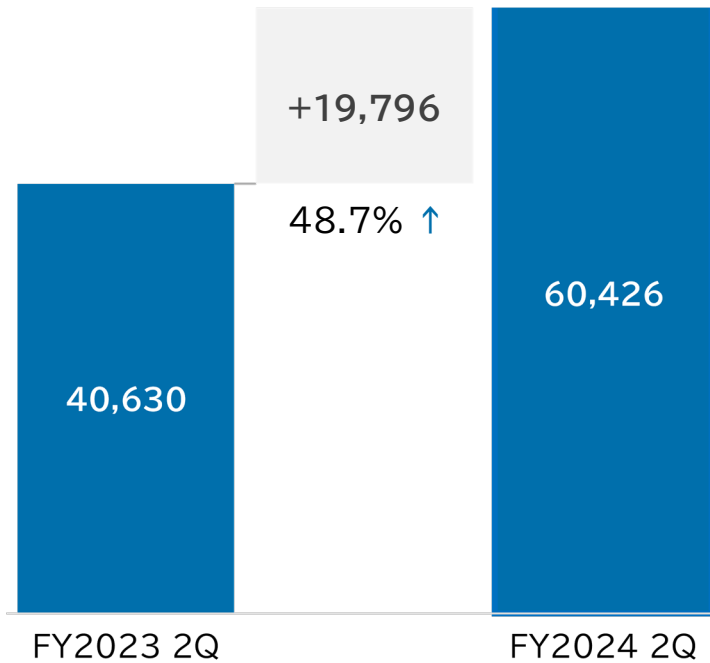
CRM: Contact center / Call center, SE: Software quality assurance, BS: Business solution, EdTech: Education

※ Figures before consolidation adjustments between divisions

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

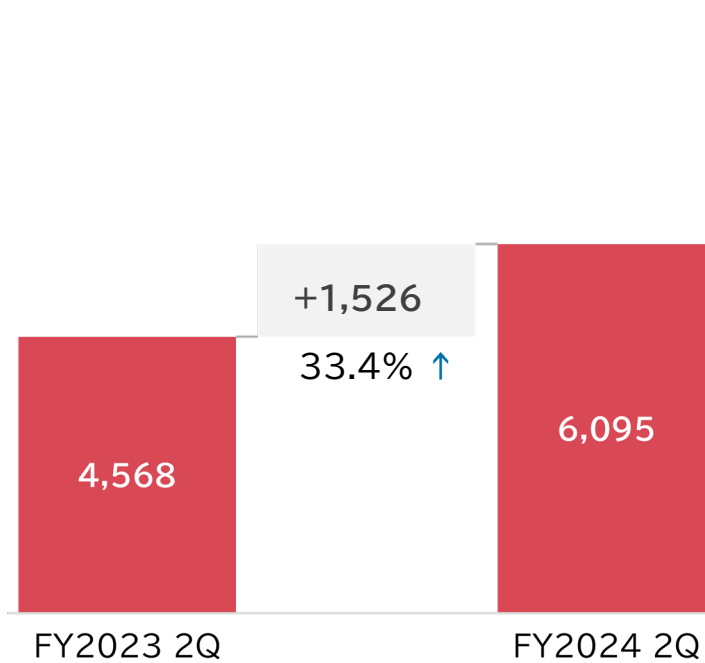
Information Infrastructure Business

(¥million)



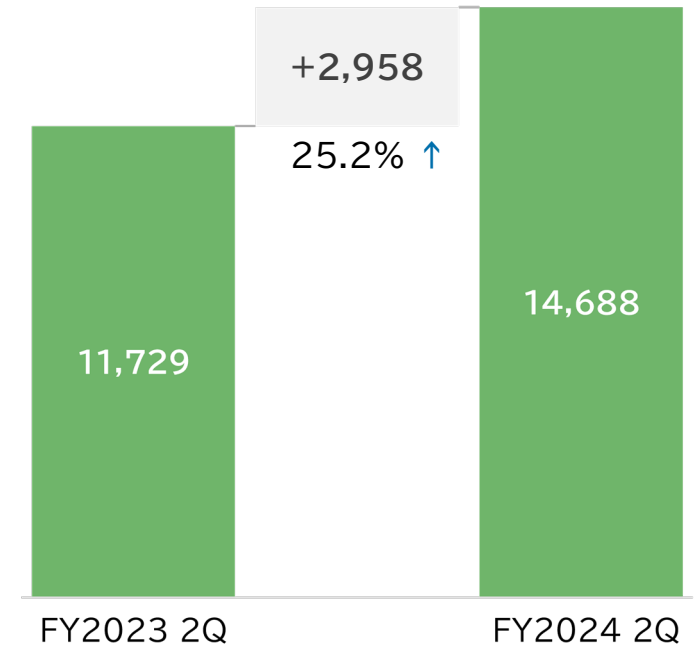
Application Services Business

(¥million)



Medical System Business

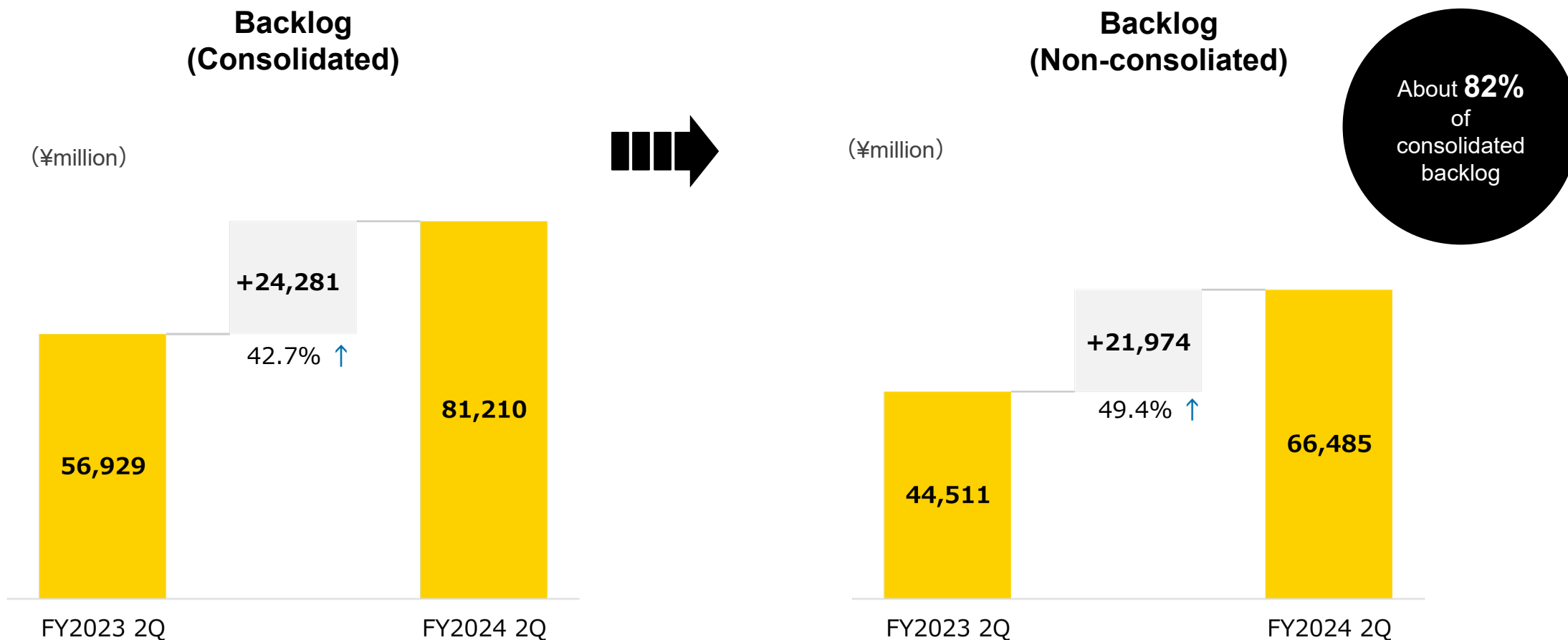
(¥million)





Backlog for FY2024 2Q (Non-Consolidated)

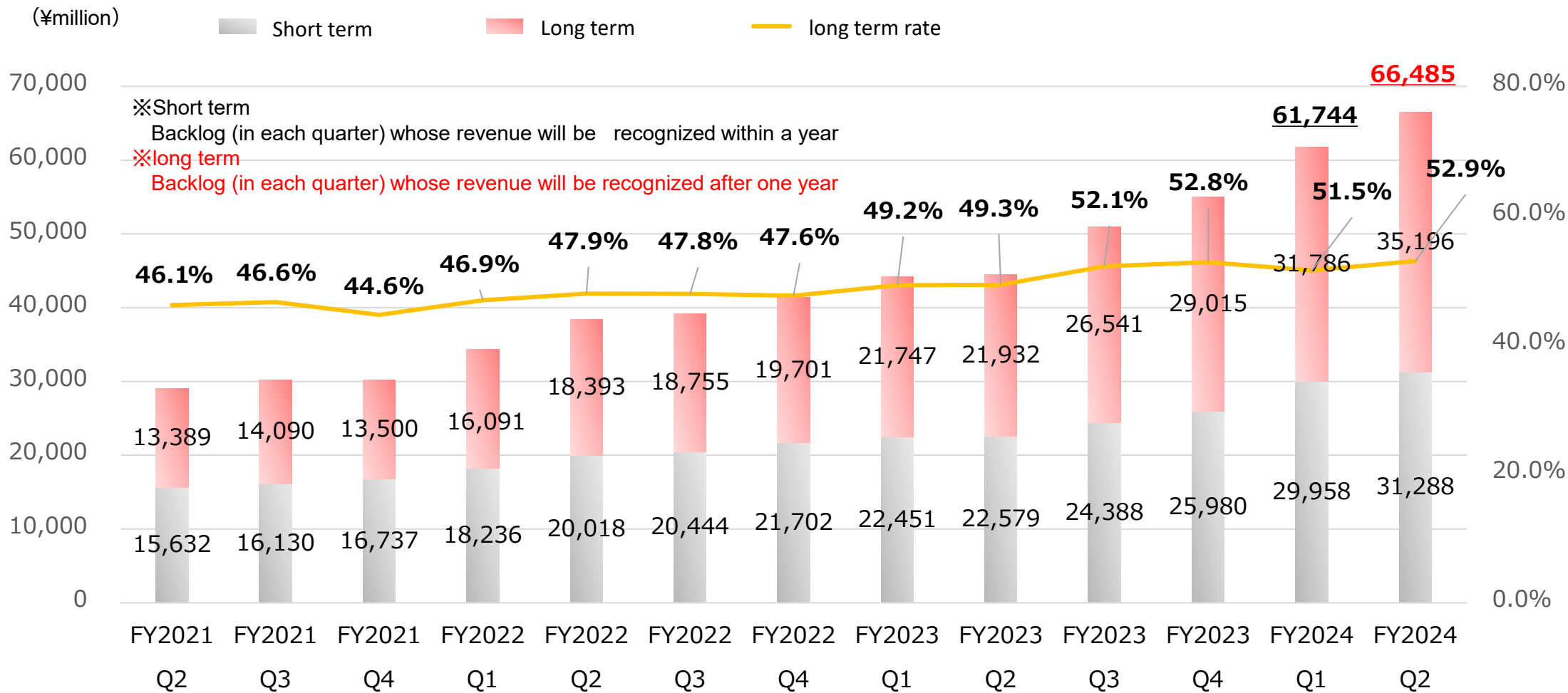
- Consolidated and non-consolidated (TechMatrix only) backlogs are as follows.





Backlog for FY2024 2Q (Non-Consolidated)

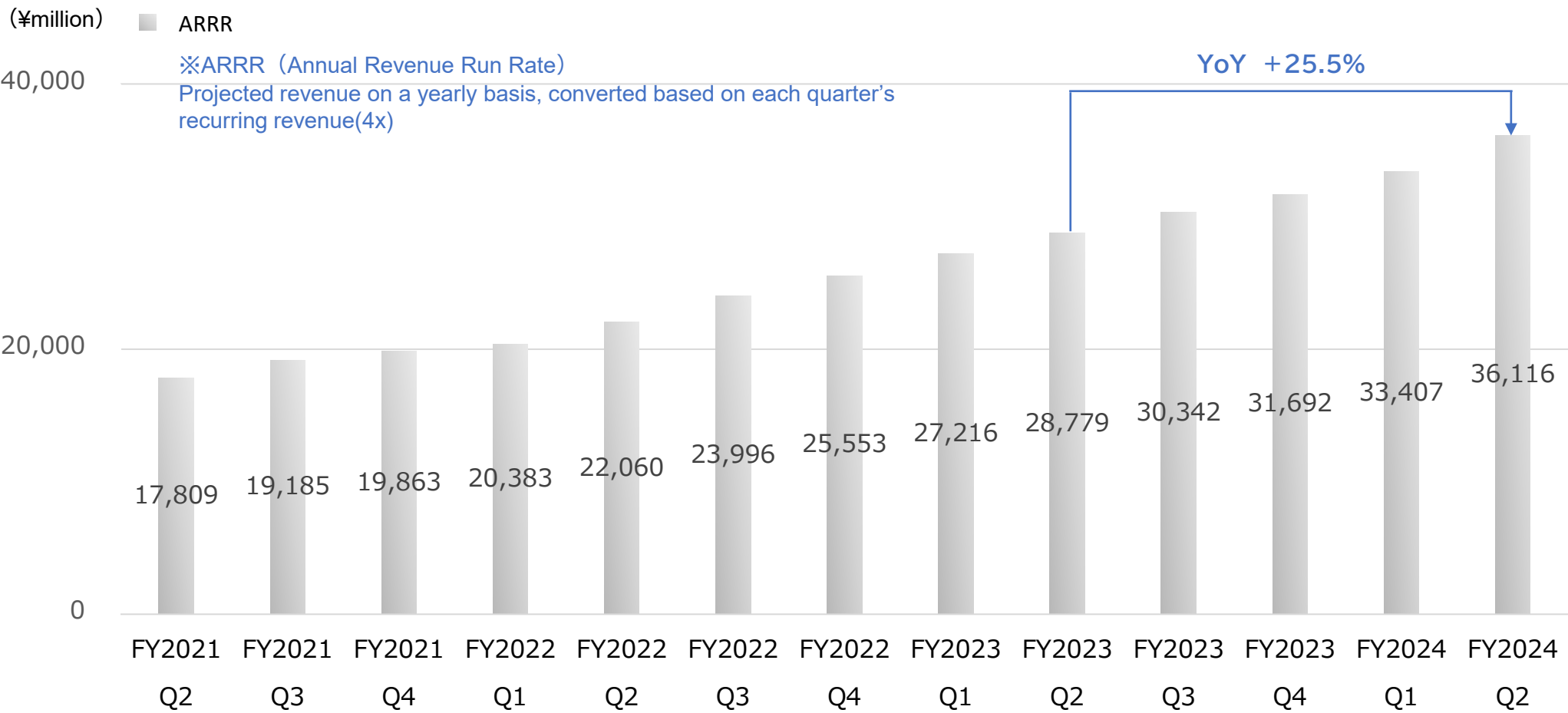
- Non-consolidated backlog (for only TechMatrix) are as follows.





ARRR for FY2024 2Q (Non-Consolidated)

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





Weather chart by Segment (Based on revenue) for FY2024 2Q

Information Infrastructure Business		YoY
Next-Generation Firewall / SASE / XDR / SOAR (Palo Alto)	<ul style="list-style-type: none"> Increased revenue for cloud-based security products as a result of the accumulation of medium-sized projects and new ultra-large projects. New demands for medium projects continue to increase. In addition, on-premise-based hardware sales were recorded. 	
Next-Generation Mail security(ProofPoint)	<ul style="list-style-type: none"> Revenue increased YoY due to strong new demand for cloud-based solutions that utilize DMARC to respond to spoofed e-mails. 	
Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security (Trellix, Skyhigh)	<ul style="list-style-type: none"> Strong orders for Intrusion prevention Appliances. Revenue will be recorded later than 3Q. 	
Storage products (Dell, Cohesity)	<ul style="list-style-type: none"> Medium-scale projects were accumulated mainly in the media/entertainment industry. 	
Load balancers (F5)	<ul style="list-style-type: none"> Revenue for application delivery / load balancer (BIG-IP) increased as a result of the accumulation of medium-sized projects. 	
Personal Authentication Systems & Forensic Products (RSA)	<ul style="list-style-type: none"> Increased revenue due to increased demand for Forensic Products. 	
Cyber Hygiene (Tanium)	<ul style="list-style-type: none"> Although demands for endpoint security solution was strong, revenue declined due to challenges in acquiring new customers. 	
Security-related operation and monitoring services (TPS)	<ul style="list-style-type: none"> Revenue for TPS remained steady, which was stimulated by increasing demands for cloud-based security products. 	
Other security products	<ul style="list-style-type: none"> Strong demands for Next-generation anti-virus products utilizing AI and Web application vulnerability assessment tool. Revenue increased as a result of the significant accumulation of backlog. 	
CROSS HEAD & OCH	<ul style="list-style-type: none"> CROSS HEAD : Revenue increased YoY due to large-scale orders for storage product. OCH : Revenue increased due to strong orders for new UTM products. Exceeded the plan. 	



+ 10% and over



+ 5% ~ +10%



within ±5%



within △ 10%



under △ 10%



Weather chart by Segment (Based on revenue) for FY2024 2Q

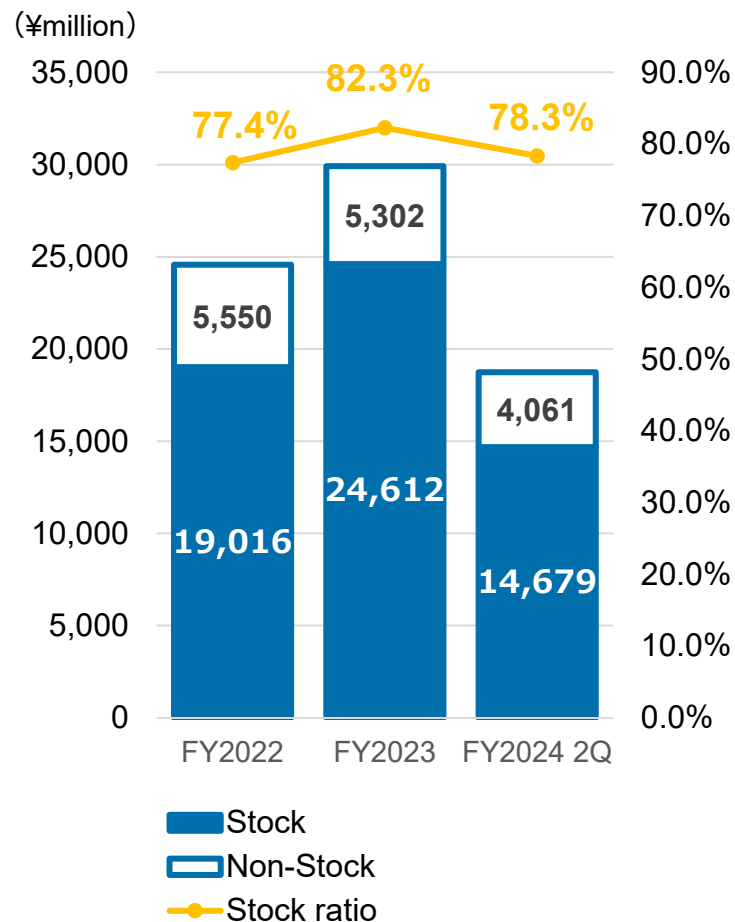
Application Services Business		YoY
CRM field	<ul style="list-style-type: none"> Market environment is favorable. Revenue increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions. 	
Software Quality Assurance field	<ul style="list-style-type: none"> Strong demands for testing tools, especially in the automotive industry. Revenue increased due to the accumulation of stock-type businesses accelerated by the progress of subscriptions. 	
Business Solution field	<ul style="list-style-type: none"> Demands for academic and public solutions is strong. 	
EdTech field	<ul style="list-style-type: none"> Increased revenue significantly due to deployment to public schools in addition to private schools that offer advanced education and the accumulation of projects. 	
CASAREAL	<ul style="list-style-type: none"> Although education business including IT training was sluggish, revenue increased YoY. 	
ARECCIA Fintech	<ul style="list-style-type: none"> Revenue increased YoY due to strengthening sales activities through reorganization. ※Financial system-related business was transferred from Business Solution field to ARECCIA Fintech in July 2023. YoY change is calculated based on the assumption that the business was transferred in 2Q of the previous year. 	
Medical System Business		YoY
PSP	<ul style="list-style-type: none"> Revenue Increased YoY. On-premise projects in 2Q is postponed to the FY2025 due to the client's budgetary constraints. New contracts, renewals, and replacements of cloud-based PACS were all steady. 	
Ichigo	<ul style="list-style-type: none"> Maintained stable sales growth for teleradiology and telepathology and exceeded the plan. 	
A-Line	<ul style="list-style-type: none"> Expanded the installation of radiation dose management systems for medical institutions due to the increased willingness of medical institutions to invest in safety management systems for medical radiation. 	

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

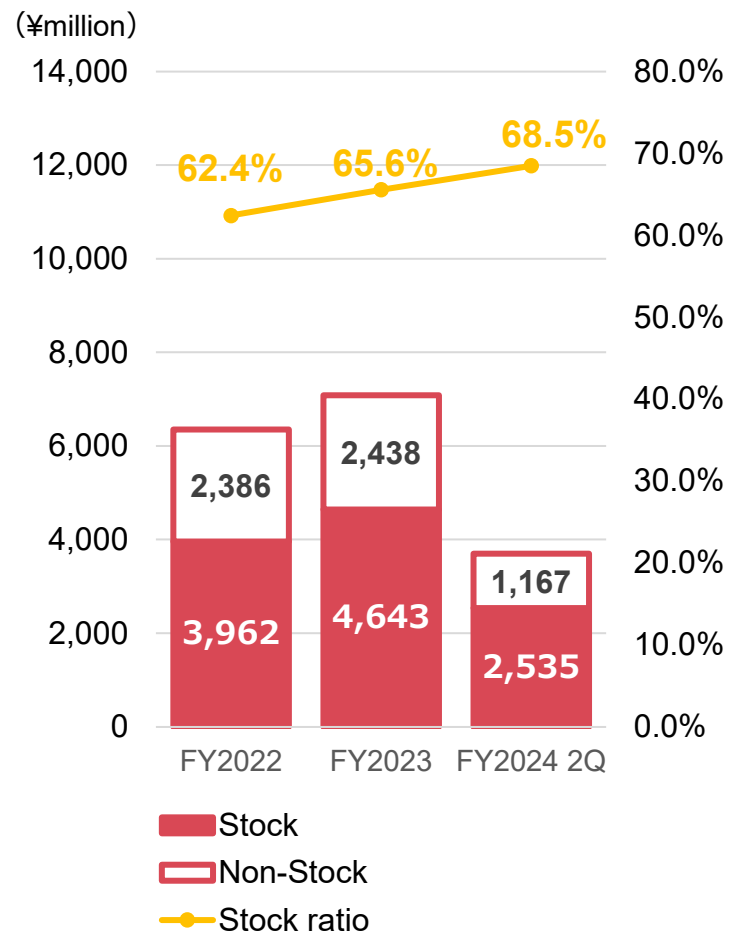


Stock type sales (Recurring revenue) ratio of TECHMATRIX and PSP

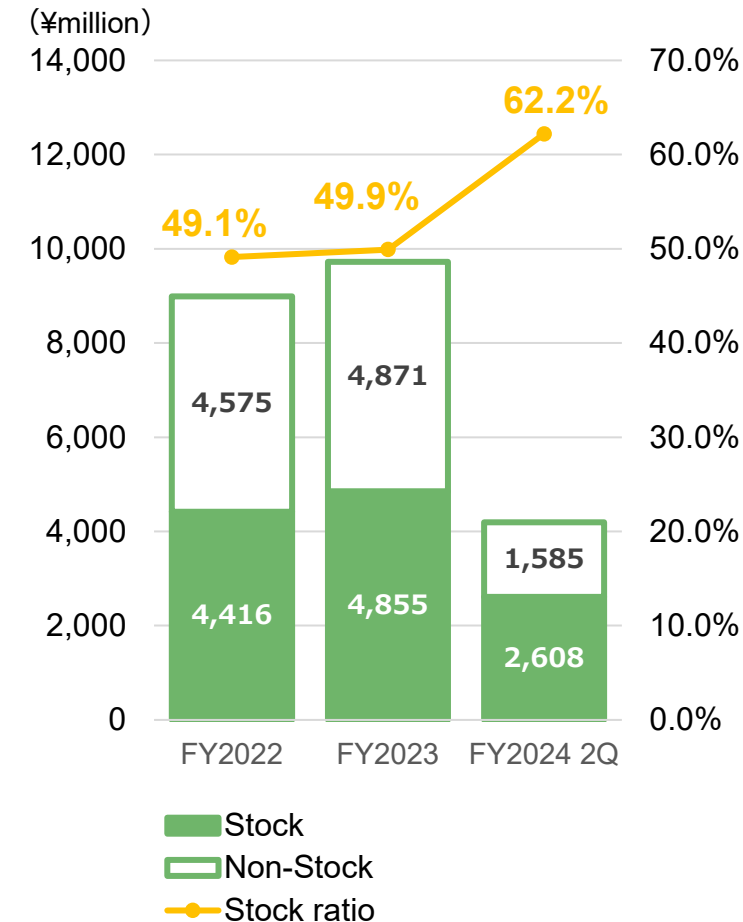
Information Infrastructure Business



Application Services Business



Medical System Business



※ FY2024 2Q excludes financial business



Consolidated Statement of Financial Position

※1 “Trade and other receivables” decreased due to collection of accounts receivable.

※2 “Advance payments” included in “Other current assets” and “Advance received” included in “Other current liabilities” were increased as a result of increase in order for subscription-based cloud security services.

(¥million)

	FY2023	FY2024 2Q		FY2023	FY2024 2Q
Total current assets	70,462	79,193	Total current liabilities	51,648	59,864
Cash and cash equivalents	27,265	27,522	Trade and other payables	2,230	1,702
Trade and other receivables (※1)	6,874	6,004	Borrowings	570	410
Other current assets (※2)	36,321	45,665	Other current liabilities (※2)	48,847	57,751
Total non-current assets	15,294	15,063	Total non-current liabilities	7,064	6,284
Property, plant and equipment	6,117	5,817	Borrowings	100	-
Goodwill	171	171	Other non-current liabilities	6,964	6,284
Intangible assets	2,420	2,581	Total liabilities	27,043	28,107
Other non-current assets	6,584	6,492	Share capital and Capital surplus	6,065	6,092
			Treasury shares	△930	△921
			Retained earnings	16,037	16,983
			Other components of equity	571	549
			Total equity attributable to owners of parent	21,744	22,703
			Non-controlling interests	5,299	5,403
Total assets	85,756	94,256	Total liabilities and equity	85,756	94,256



Changes in Employees

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

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

FY2024	1Q	2Q	3Q	4Q
Information Infrastructure	667 (+32)	659 (+23)	-	-
Application Service	416 (+39)	421 (+39)	-	-
Medical System	449 (+30)	457 (+38)	-	-
Corporate (Common)	54 (+1)	58 (+6)	-	-
Consolidated total	1,586 (+102)	1,595 (+106)	-	-

FY2024	1Q	2Q	3Q	4Q
Non-Consolidated total	588 (+30)	598 (+55)	-	-

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



2. Difference between forecast and actual of the first half of the fiscal year ending March 2025 (Consolidated)



Difference between forecast and actual on first half of FY2024

- Achieved significant increases in revenue and profits above forecast, mainly due to increased revenue in the information infrastructure business

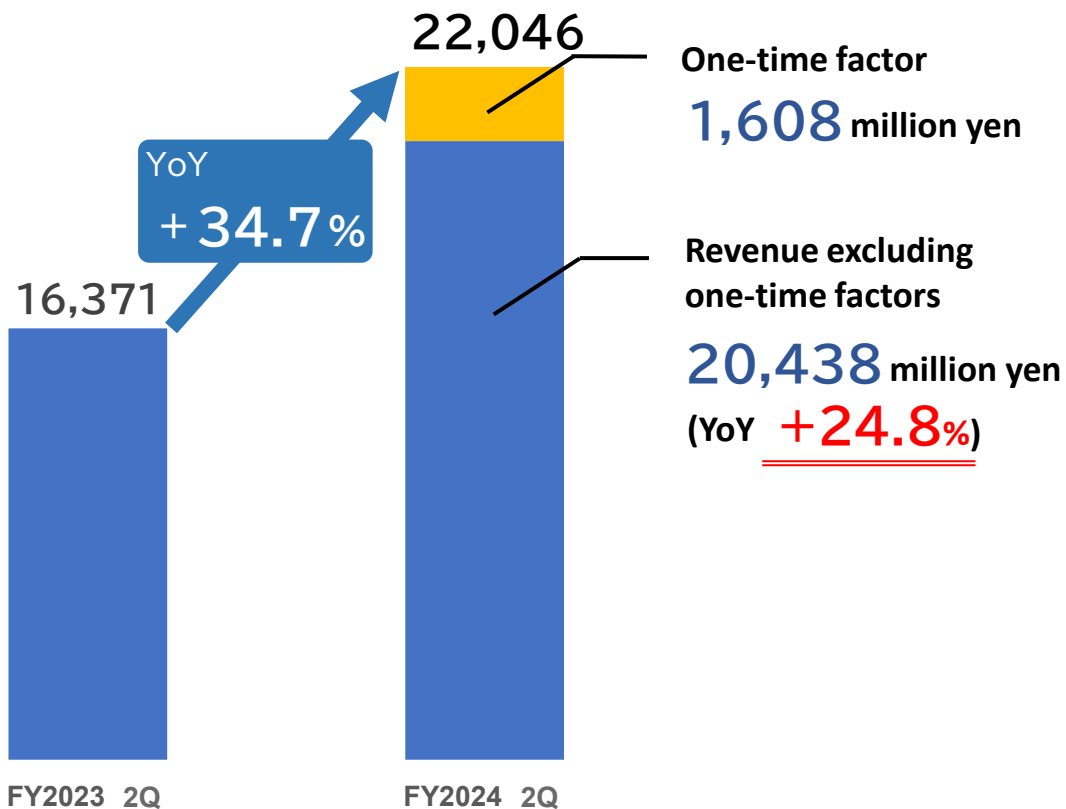
	FY2024 First half		Diff. from 9 th May	
	Forecast on 9 th May	Actual	Change	Change %
Revenue	27,400	30,841	+3,441	+12.6%
Operating profit	2,600	3,023	+423	+16.3%
Profit ratio	(9.5%)	(9.8%)		(+0.3P)
Profit before tax	2,540	2,768	+228	+9.0%
Profit attributable to owners of parent	1,570	1,708	+138	+8.8%



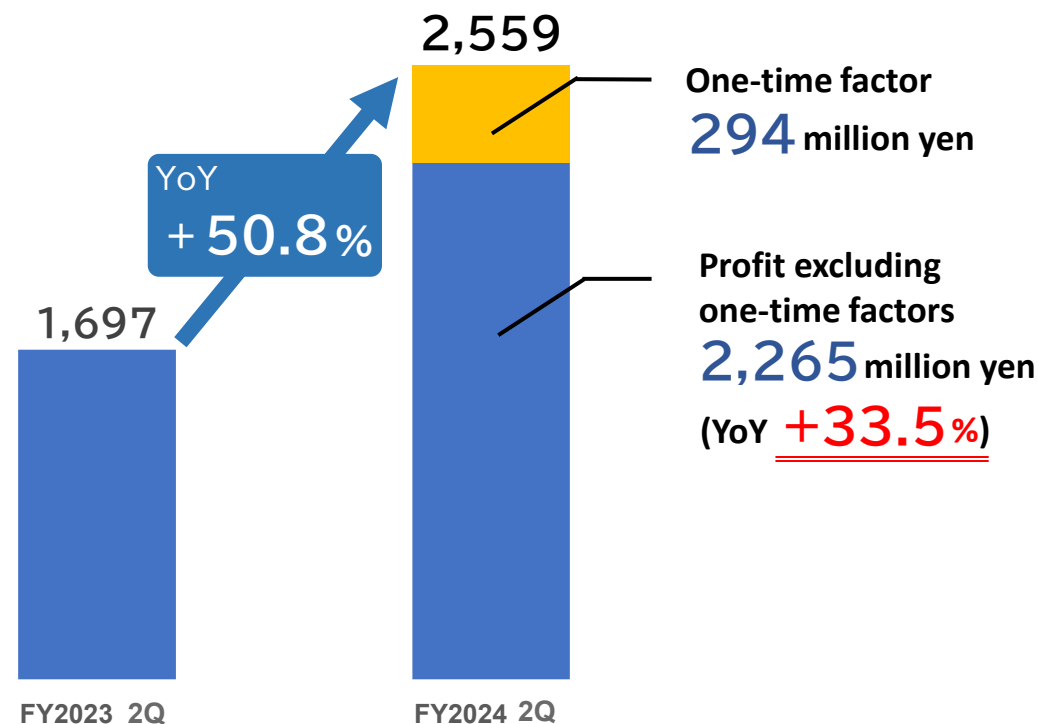
Major Factors for increase/decrease

- In addition to expand demand for security products, one-time special demand led to increased revenue and operating profit
- Even excluding one-time factors, **growth remains at the same rate as the previous fiscal year** (revenue +22.5%, operating profit +34.2%) compared to the fiscal year before last

【Revenue】 (Information Infrastructure)



【Operating profit】 (Information Infrastructure)





3. Revision of the forecast for Fiscal Year ending March 31, 2025 (Consolidated)



Consolidated Financial Forecast

- The earnings forecast has been revised in the light of the status of orders and backlog in the Information Infrastructure Business, and the impact of increased education-related investments in the Application Services Business.

(¥million)

	FY2023	FY2024		Diff. from 9 th May	YoY	
	Actual	Forecast on 9 th May	Revised forecast	Change	Change	Change %
Revenue	53,303	59,000	64,400	+5,400	+11,096	+20.8%
Operating profit	5,850	6,500	7,000	+500	+1,149	+19.7%
Profit ratio	(11.0%)	(11.0%)	(10.9%)			(▲0.1P)
Profit before tax	5,854	6,410	6,700	+290	+845	+14.4%
Profit attributable to owners of parent	3,540	3,920	4,100	+180	+559	+15.8%



Forecast by segment (Consolidated)

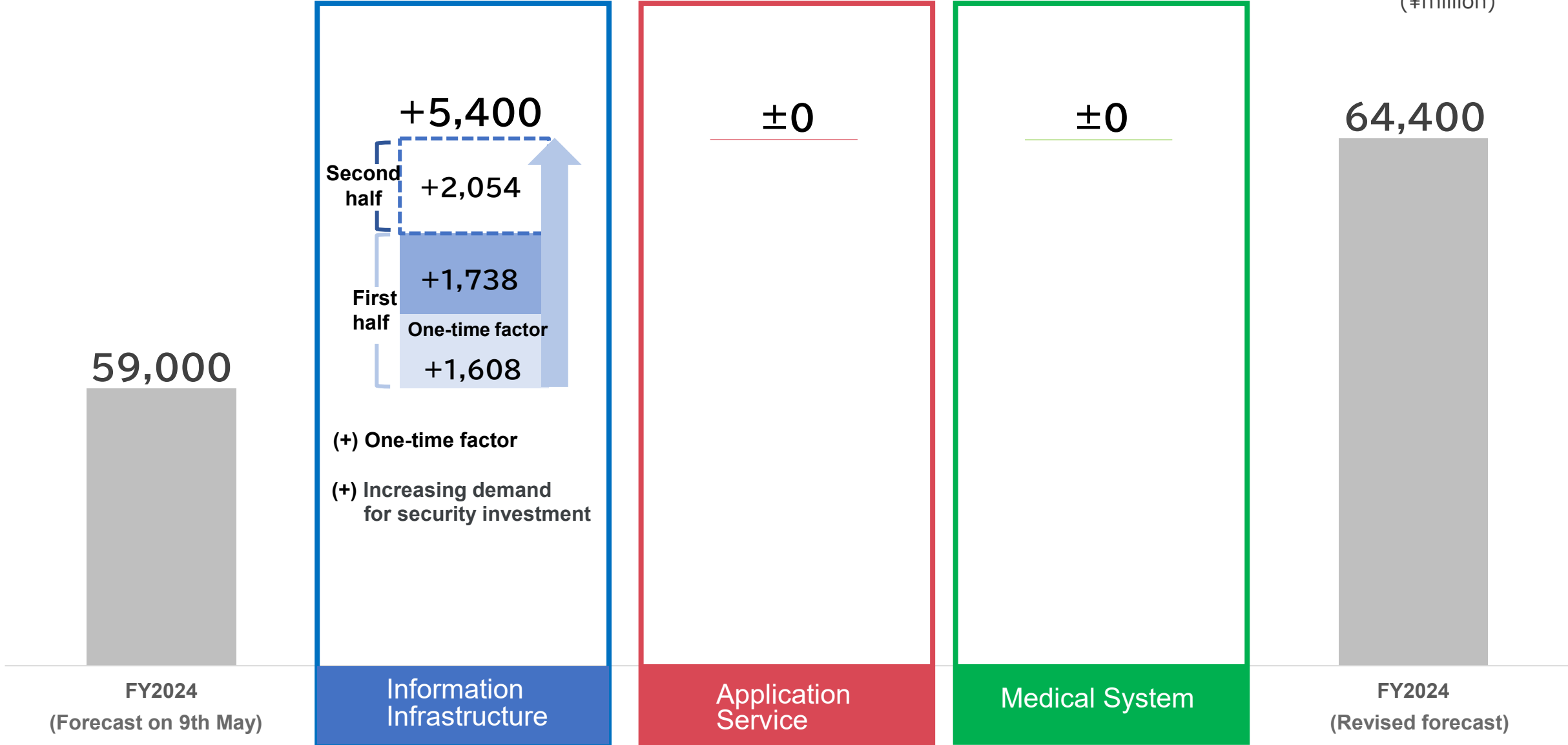
(¥million)

Revenue	FY2023	FY2024		Diff. from 9 th May	YoY	
	Actual	Forecast on 9 th May	Revised forecast	Change	Change	Change %
Information Infrastructure	35,005	40,000	45,400	+5,400	+10,394	+29.7%
Application Service	8,205	9,200	9,200	±0	+994	+12.1%
Medical System	10,092	9,800	9,800	±0	▲292	▲2.9%
Operating profit	FY2023	FY2024		Diff. from 9 th May	YoY	
	Actual	Forecast on 9 th May	Revised forecast	Change	Change	Change %
Information Infrastructure	3,973	4,440	5,140	+700	+1,166	+29.4%
Application Service	317	610	410	▲200	+92	+29.3%
Medical System	1,559	1,450	1,450	±0	▲109	▲7.0%



Factors for Revenue increase/decrease by segments

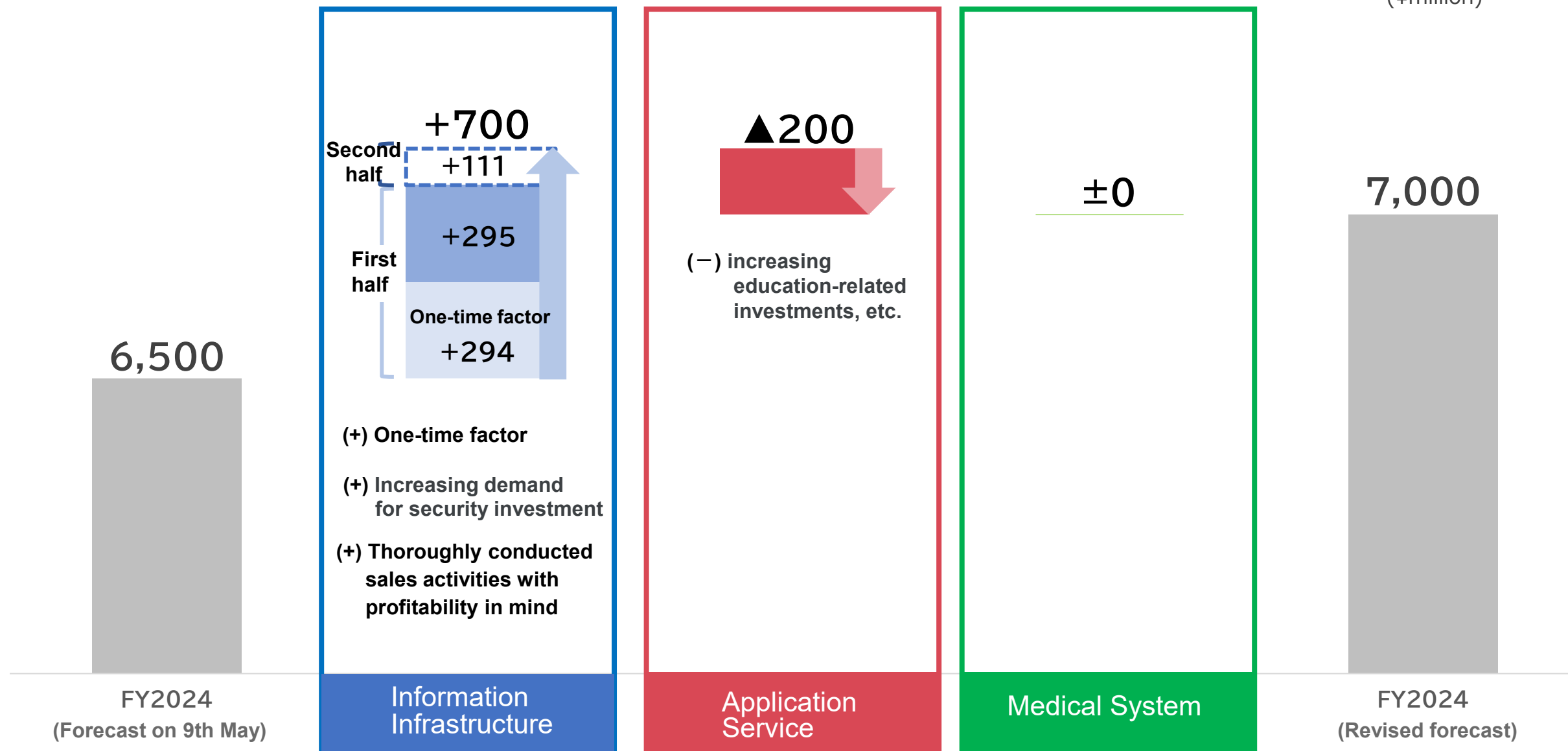
(¥million)





Factors for Operating Profit increase/decrease by segments

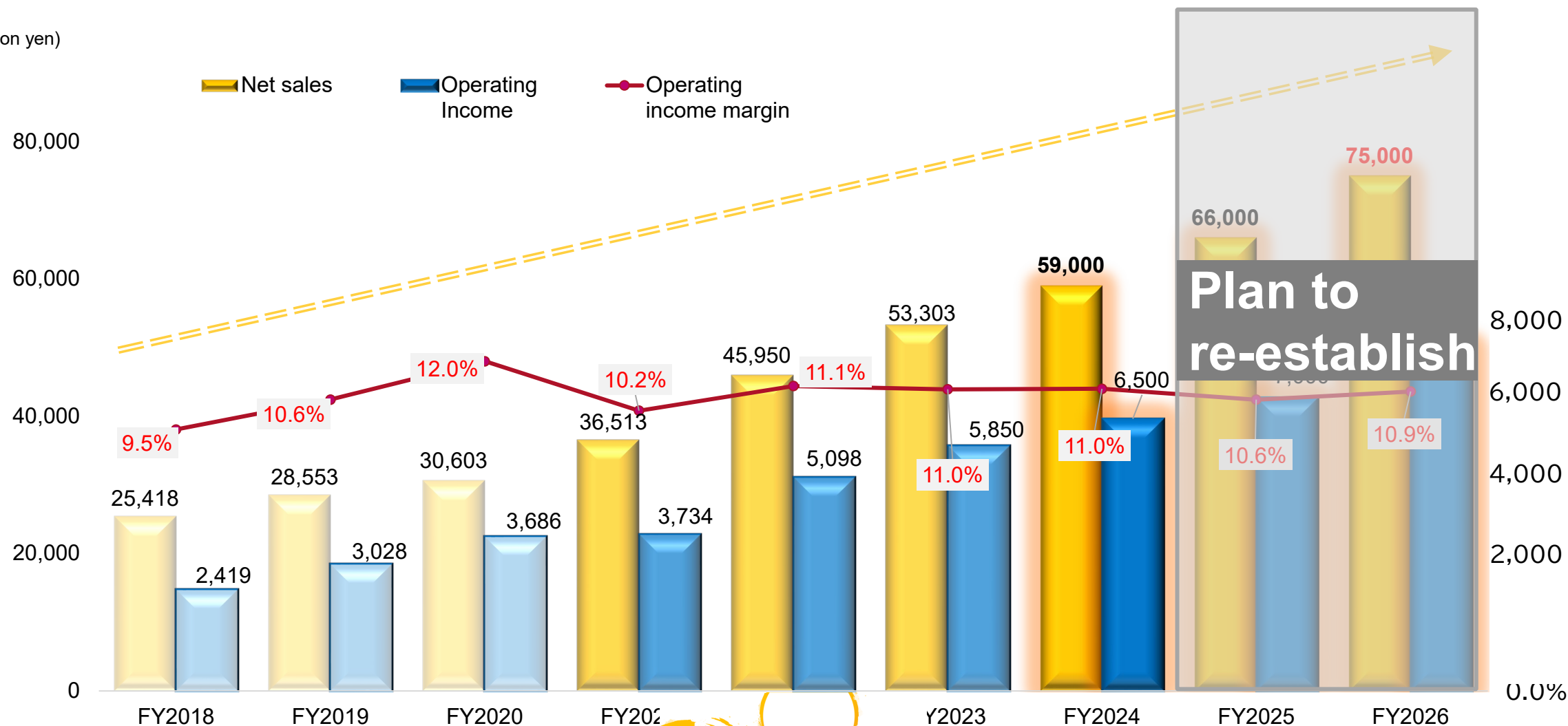
(¥million)





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

(million yen)



新中期経営計画
GO BEYOND 3.0

テックマトリックス株式会社
2018年5月22日

TechMatrix

新中期経営計画
(2021年-2023年)
「BEYOND THE NEW NORMAL」

テックマトリックス株式会社
2021年5月X日

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4. Topics of Business activities

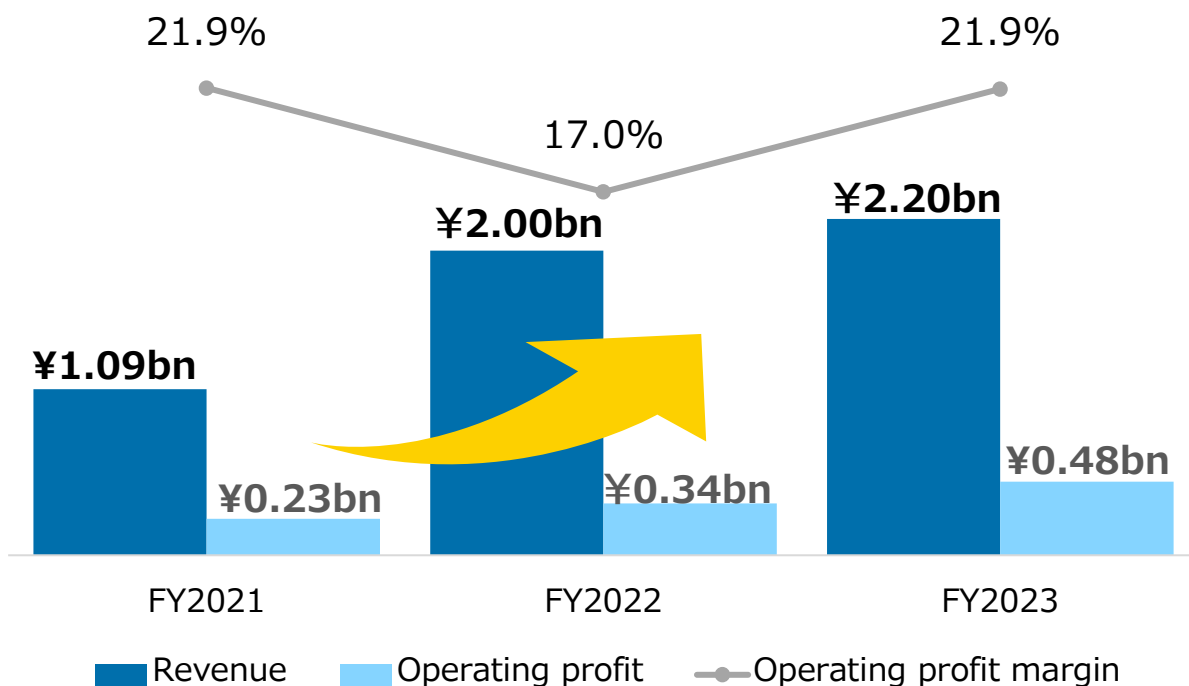


Medium-term Management Plan: Diverse alliances/M&A

- Acquire all shares in Firmus Sdn. Bhd. ("Firmus"), Malaysia's largest cybersecurity specialist, to make it a wholly-owned subsidiary (scheduled for November 2024)

*Firmus' profit/loss is expected to be included beginning in the 3rd quarter of the current fiscal year.

Firmus Group continues to deliver strong consolidated results



*MYR to JPY: 35.0

Firmus' businesses

Provide security services and security solutions



Offer incident response, penetration testing, managed services, etc.

Serve approx. 200 companies, mainly large financial institutions



Outline of Firmus and TechMatrix

Firmus Sdn. Bhd.		TechMatrix
Location	Level 15, Hampshire Place, No. 1 Jalan Mayang Sari 50450 Kuala Lumpur Wilayah Persekutuan, Malaysia	SHINAGAWA SEASON TERRACE 24F 2-70 Konan 1-chome, Minato-ku, Tokyo
Name and title of the representative	Datuk See Wei Chyun, CEO/Director	Takaharu Yai, President and CEO
Business areas	Security services, security consulting, security product sales	Provision of services such as sales consulting and maintenance of IT-related software, hardware and solutions Provision of cutting-edge network and security products and operation monitoring services in the Information Infrastructure business
Share capital	MYR 1 million (as of December 31, 2023) (approx. ¥35 million) *MYR to JPY: 35.0	¥1,298 million
Number of employees	73	1,502 (As of March 31, 2024)
Revenue	MYR 63.11 million (¥2,200 million) (Fiscal year ended December 31, 2023)	¥53,300 million (Fiscal year ended March 31, 2024)
Operating profit	MYR 13.80 million (¥480 million) (Fiscal year ended December 31, 2023)	¥5,850 million (Fiscal year ended March 31, 2024)
Operating profit margin	21.9% (Fiscal year ended December 31, 2023)	11.0% (Fiscal year ended March 31, 2024)
Ordinary profit (profit before tax)	MYR 13.71 million (¥470 million) (Fiscal year ended December 31, 2023)	¥5,854 million (Fiscal year ended March 31, 2024)
Profit (Profit attributable to owners of parent)	MYR 9.74 million (¥340 million) (Fiscal year ended December 31, 2023)	¥3,540 million (Fiscal year ended March 31, 2024)
Profit per share (Basic earnings per share)	MYR 18 (¥630) (Fiscal year ended December 31, 2023)	¥88.35 (Fiscal year ended March 31, 2024)



Purpose of the M&A

Complement each other's services and expertise to deepen specialization and expand our sales network
Expand business in the rapidly growing ASEAN market to drive future growth



Customer base

Expand business in the overseas (ASEAN) market

Expand business in the ASEAN market, using our entry into the Malaysian market as a stepping stone



Products and services

Increase product sales

Strengthen Firmus' product sales capabilities in the ASEAN market by leveraging TechMatrix's product discovery expertise (Palo Alto, etc.)



Insights, technology and expertise

Attract and develop global security personnel

Enhance services

Promote cross-selling and co-development of services offered by both companies

- Security monitoring service (TechMatrix)
- Penetration testing service* (Firmus)

Enhance business performance in the overseas (ASEAN) market



*A penetration test is a method for evaluating security adequacy and potential damage by simulating attacks from a hacker's point of view.



Group structure for the Information Infrastructure Business



Information Infrastructure Business

Network Security Division

CROSS HEAD
[100%]



OCH Co., Ltd.
[100%]



Firmus Sdn. Bhd.
[100%]

Firmus Consulting Sdn. Bhd.
[100%]

Firmus Pte. Ltd.
[70%]

This M&A will add three companies to our group

Consulting on, as well as design and building of, IT system infrastructure; import, sales, and support of overseas IT products; dispatch of network engineers

Education and development of IT technicians, building of network servers

Security services, security consulting, security product sales

Security consulting

Security consulting



Publication of Integrated Report (September 2024)

The Integrated Report which provides a comprehensive explanation of financial and non-financial information has been published for all stakeholders to deepen their understanding of the TechMatrix Group initiatives to enhance corporate value in the medium- to long-term and to gain their trust.



Sections of the Report that we want to draw your attention to:

- Internal survey conducted to instill our corporate philosophy (featuring the voices of employees), p. 2
- Message from the President & CEO, pp. 11-16
- Our strengths and case studies, pp. 19-22
- New Medium-term Management Plan (identification of risks and opportunities, business strategies, financial strategies, human resources strategies, pp. 25-38, 45-48
- Dialogue between Outside Directors (successor appointment process), pp. 49-52

*The Integrated Report is available on the Company's IR website (Japanese).

https://www.techmatrix.co.jp/ir/library/library_07.html

*The English version of the Integrated Report will be available at the end of November.



Investment indices in which TechMatrix is included

- **FTSE Blossom Japan Sector Relative Index**

Selected as a constituent this year

- * Adopted by the Government Pension Investment Fund (GPIF) as one of its ESG investment indices
Developed by FTSE Russell, a member of the London Stock Exchange Group, as a global ESG investment index
Comprised of Japanese companies with high ESG (environment, social, governance) ratings



**FTSE Blossom
Japan Sector
Relative Index**

We promote ESG initiatives and aim to be included in the FTSE Blossom Japan Index.

- **S&P/JPX Carbon Efficient Index**

- * Adopted by the GPIF as one of its ESG investment indices
Jointly developed by S&P Dow Jones Indices and Japan Exchange Group as an index focused on the "E" in ESG investment
Comprised of companies in the Tokyo Stock Price Index that excel in environmental disclosure and carbon efficiency (carbon emissions per unit of revenue)



- **Russell/Nomura Prime**

- * A Japanese stock index jointly developed by Nomura Securities Financial Engineering & Technology Research Center and Russell Investments in the U.S.

- **JPX-Nikkei Mid and Small Cap Index**

- * A mid- and small-cap stock index jointly developed by Tokyo Stock Exchange and Nikkei Inc. that focuses on capital efficiency and financial position



(Reference (reposted)) 1Q Topics for FY2024



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

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

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

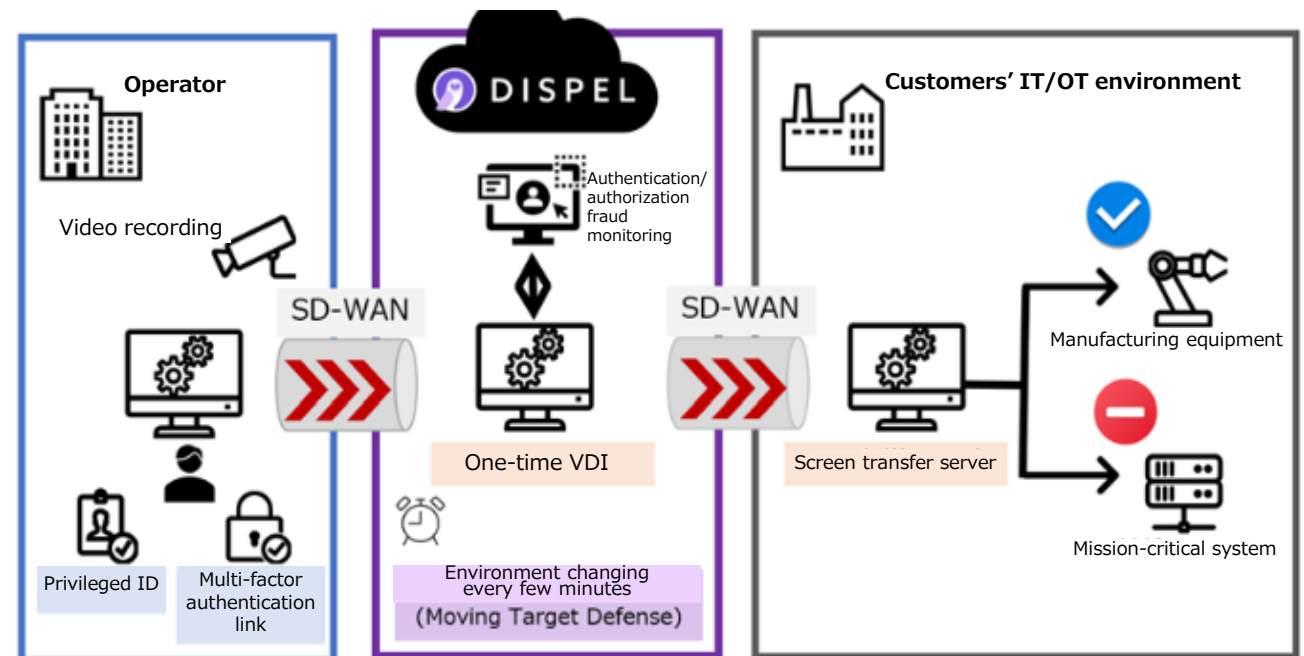
Market environment

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

Product features

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

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



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

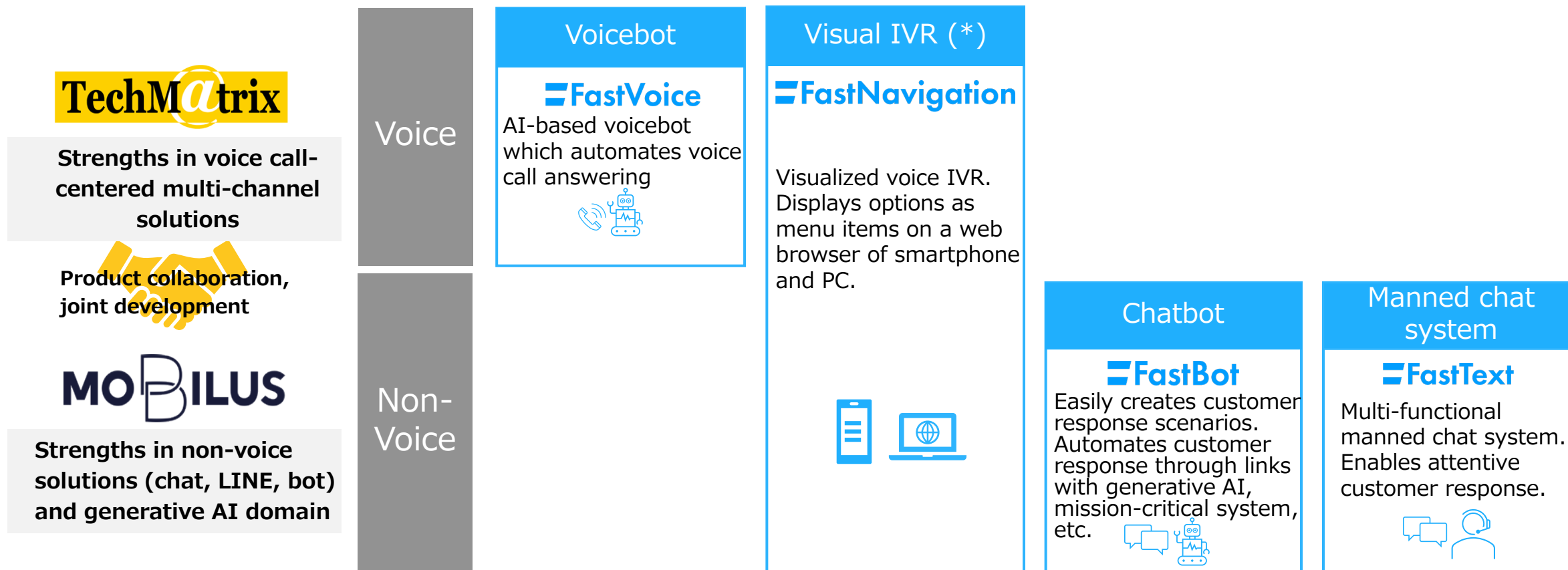




Medium-term Management Plan: Diverse alliances/M&A, Use of AI

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

Improve operational efficiency and customer satisfaction at contact centers



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

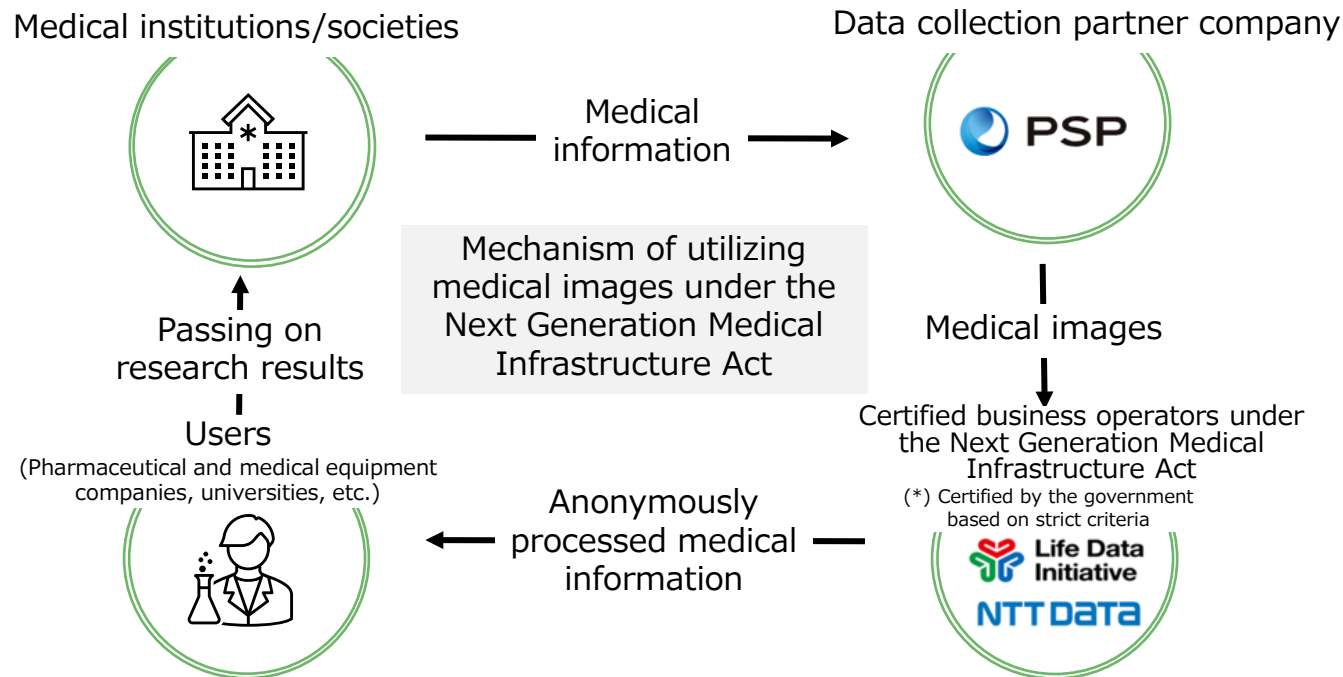


Medium-term Management Plan: Diverse alliances/M&A

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

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

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



Background

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

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

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



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

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

Completed acquisition of all shares on June 21, 2024



Shareholders and shareholding ratio

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

Non-consolidated



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

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



PSP



REGULUS

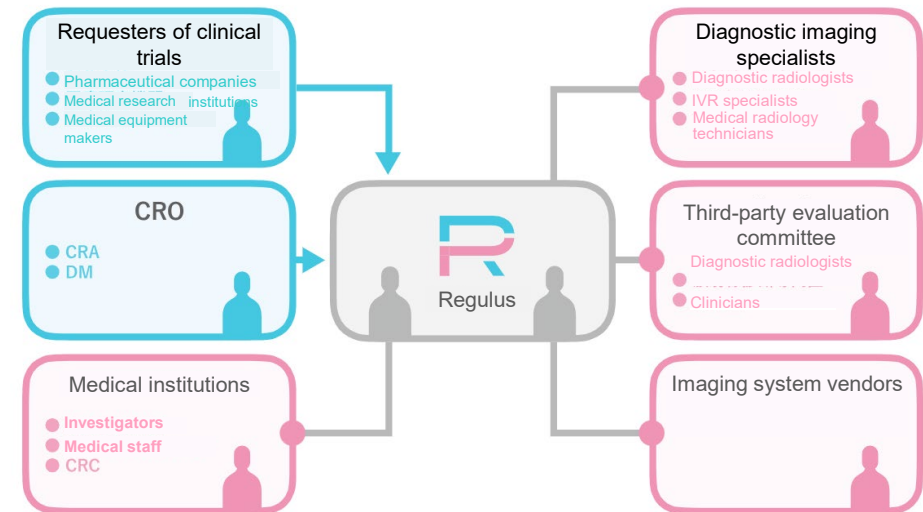
- Cloud-based healthcare IT technologies, such as PACS (medical imaging management system) and PHR
- Capabilities to develop systems and services
- Sales capabilities

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

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

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

Position of Regulus



Implement and support clinical study operations for pharmaceutical companies, etc.

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

Imaging CRO(*) market size

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

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

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

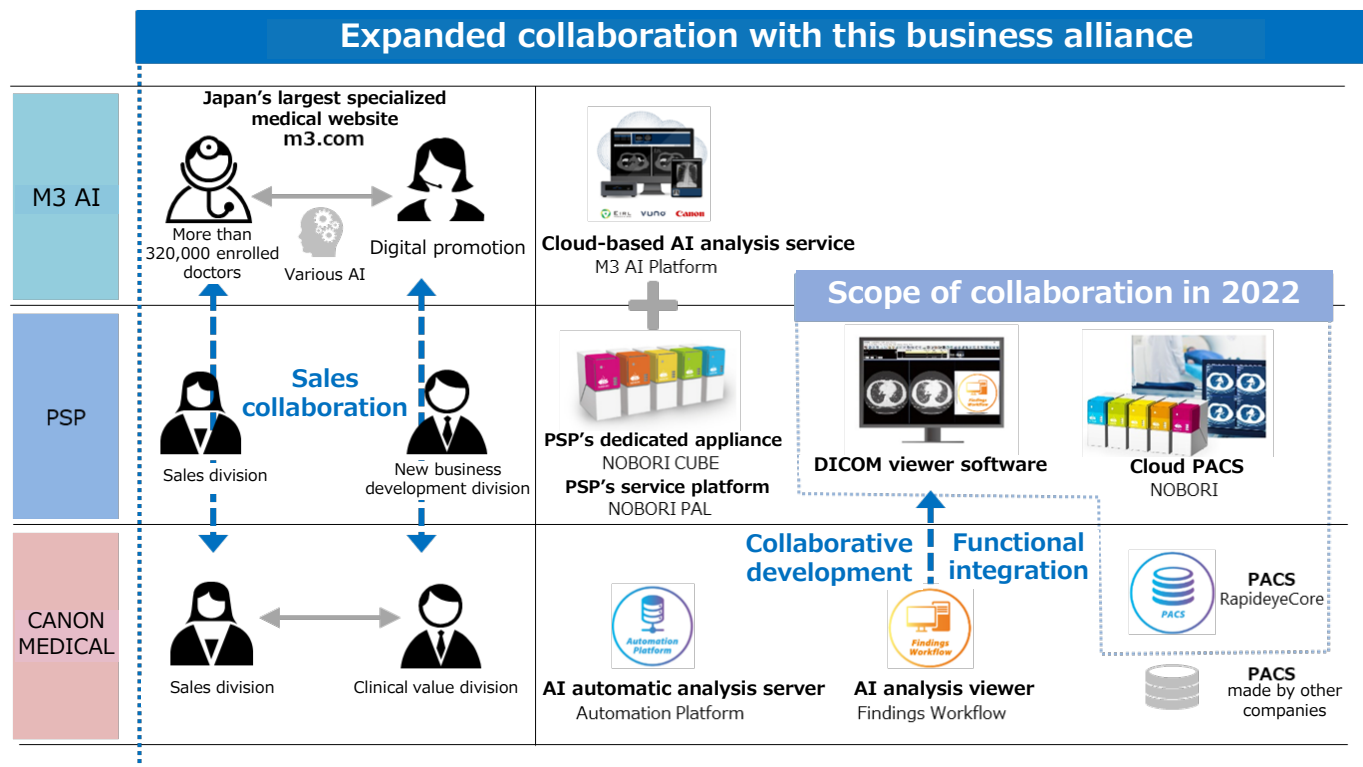


Medium-term Management Plan: Diverse alliances/M&A, Use of AI

Business alliance for promoting healthcare AI

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

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



Background

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

Benefits of the business alliance

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



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

Environment

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

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

Social

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

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



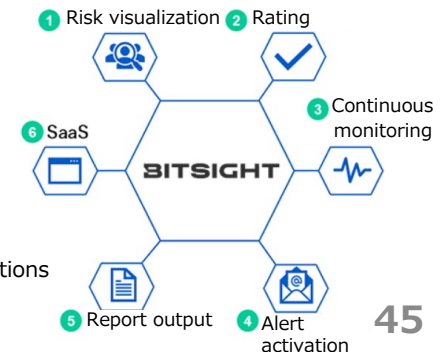
Governance

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

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

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

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



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



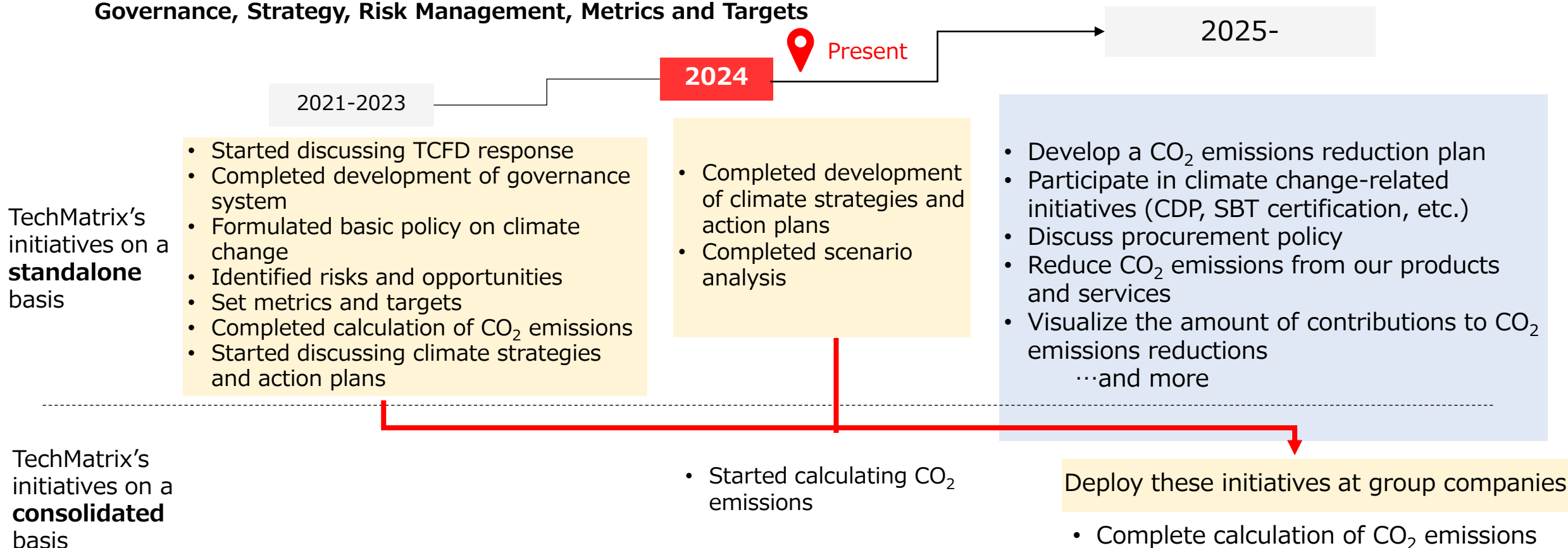
Environment

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

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

Four pillars of disclosure items:

Governance, Strategy, Risk Management, Metrics and Targets





Governance

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

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

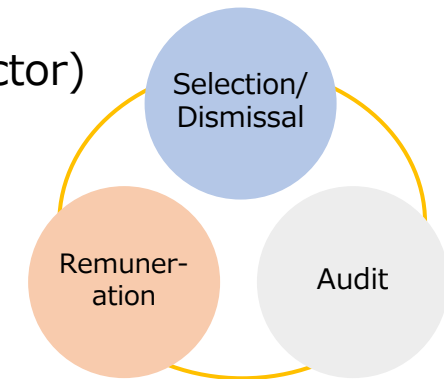
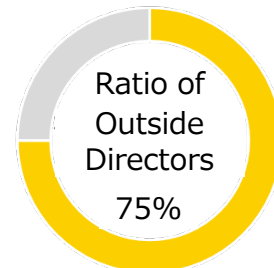
Committee structure: 4 members (3 Outside Directors and 1 Internal Director)

Chair: Outside Director

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



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



Items to be discussed at the Personnel Committee

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



EOF



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

TechMatrix Corporate Philosophy

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

Mission Statement

The IT professional group who create a better future

Action Guidelines

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

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

Creating Customer Value in the New Era



Thoughts on the New Medium-Term Management Plan

The TechMatrix Group will continue to be a company that creates a **better future** by solving social issues with solutions packed with its **foresight** and **Business know how**.

Foresight

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



Business know-how

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



A better future

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

New Medium-Term Management Plan

Creating Customer Value

Source of customer value (DNA)

Offering solutions packed with
Business know-how

Credo and aspiration (corporate culture)

Providing close support for customers
Serving persistently without giving up

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

Business infrastructure (basis for offering customer value)

Recruiting and retaining talents
Putting in place systems for conducting operations quickly and accurately

New Medium-Term Management Plan

the New Era

**Decrease in the
working population**



×

**Emergence of
new technology**



×

**corporate social
responsibility**



New Medium-Term Management Plan: Key Strategies

Purposes (what we want to achieve)

**Expanding
business domains**

**Expanding business
in the overseas market**

**Creating businesses
by utilizing data**

Measures (to make them happen)

**Expanding portfolio of
products and services**

Utilization of AI

**Creation of synergies by
strengthening group
collaboration**

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

**Developing and retaining talents
(including promotion of diversity)**

New Medium-Term Management Plan: Focus Areas



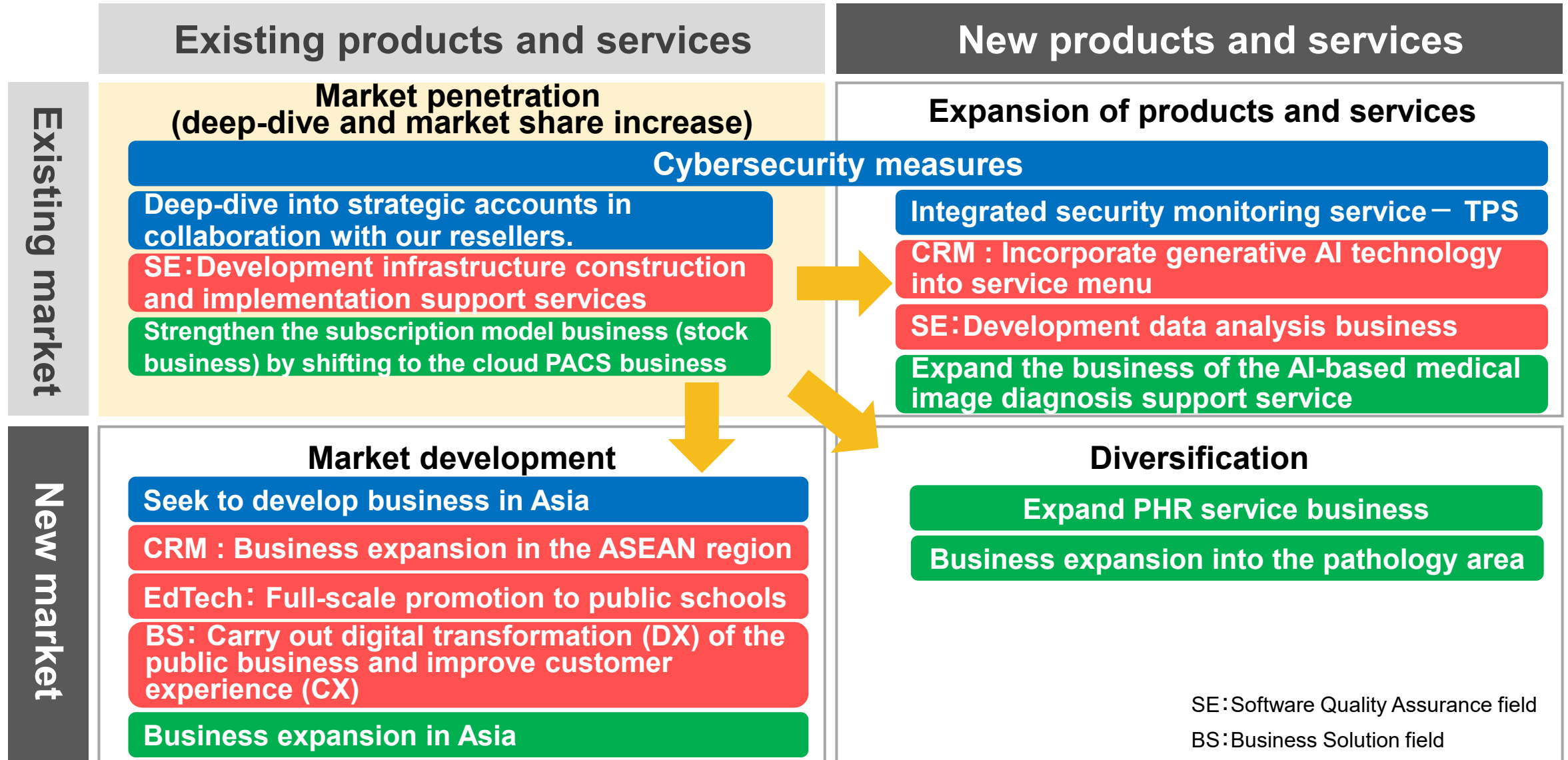
Information Infrastructure



Application Service

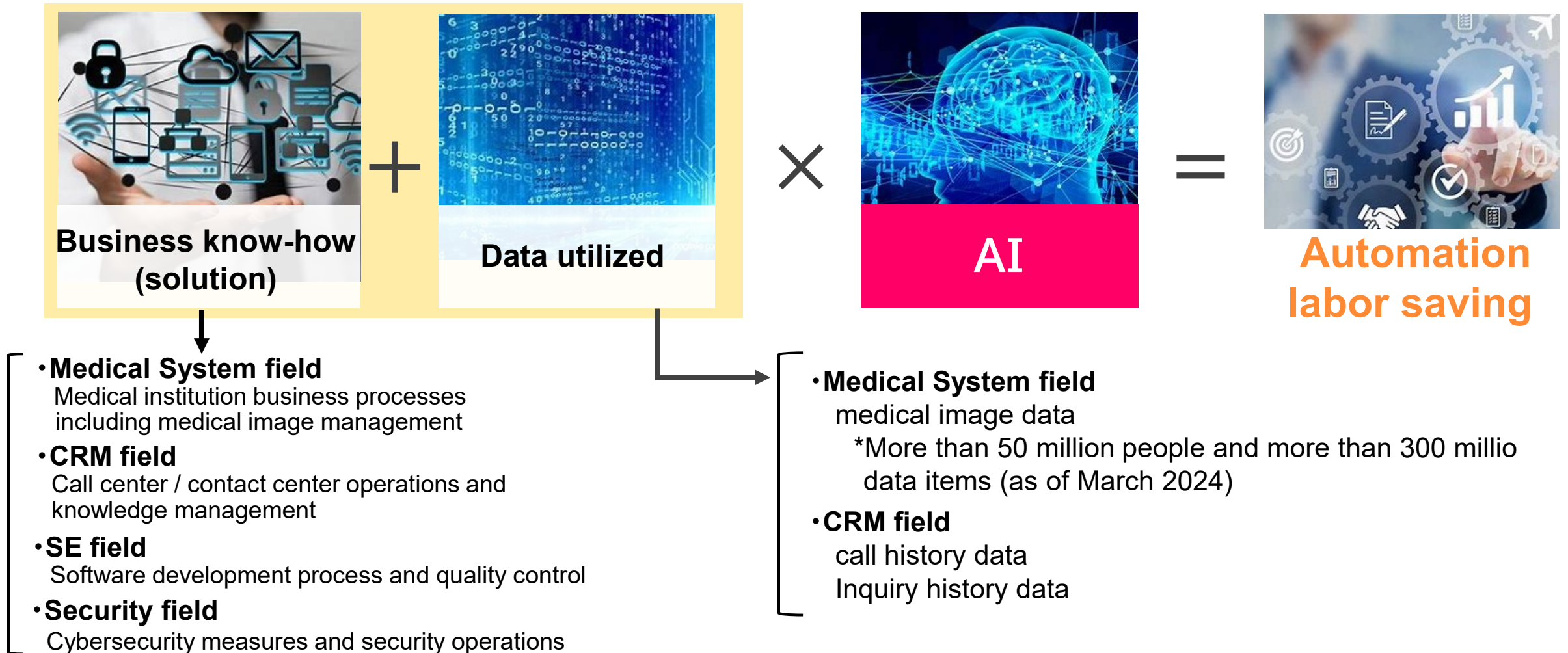


Medical System



New Medium-Term Management Plan: Data utilization

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





(Reference) Data • Other



55,363,000

「NOBORI」に画像を保管している患者数

358,829,000

「NOBORI」に保存している検査件数

(2024年9月末時点)



55,363,000

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

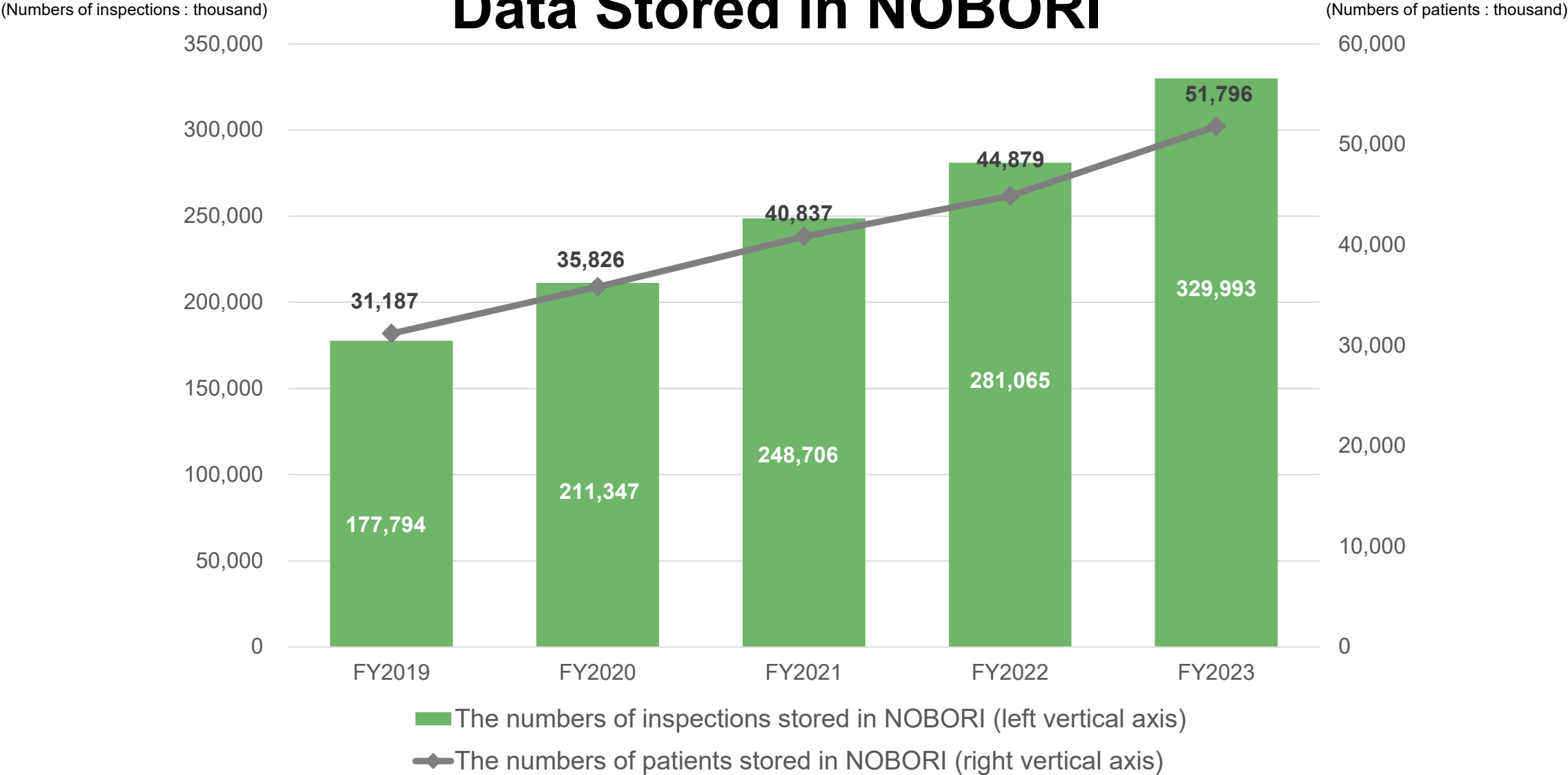
358,829,000

The number of **inspections** stored in NOBORI

(September 30, 2024)



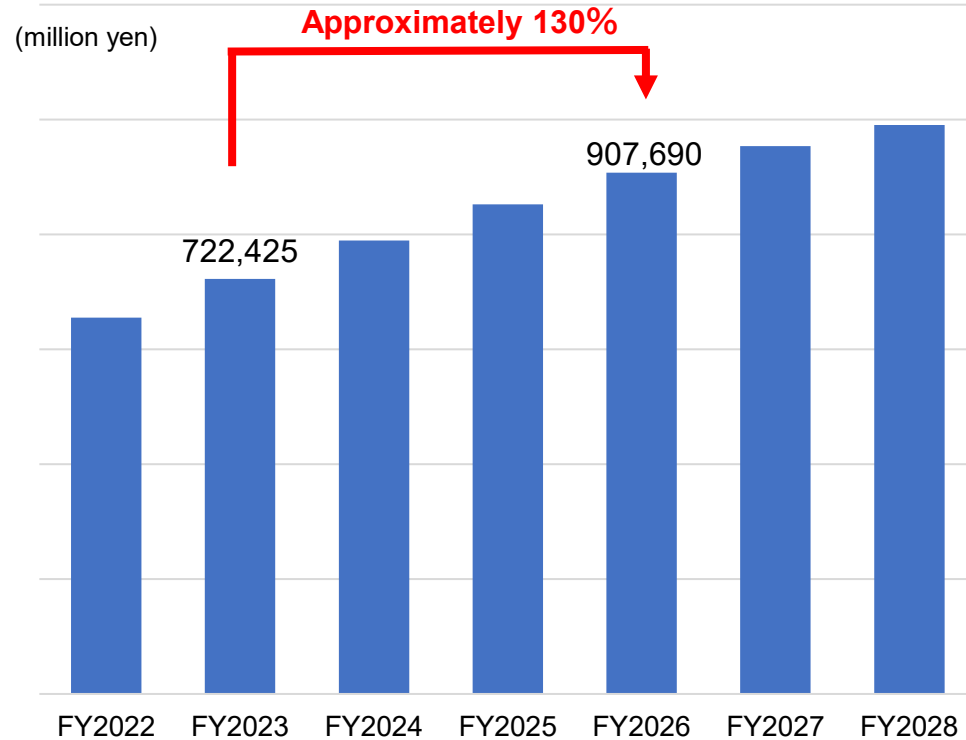
Data Stored in NOBORI





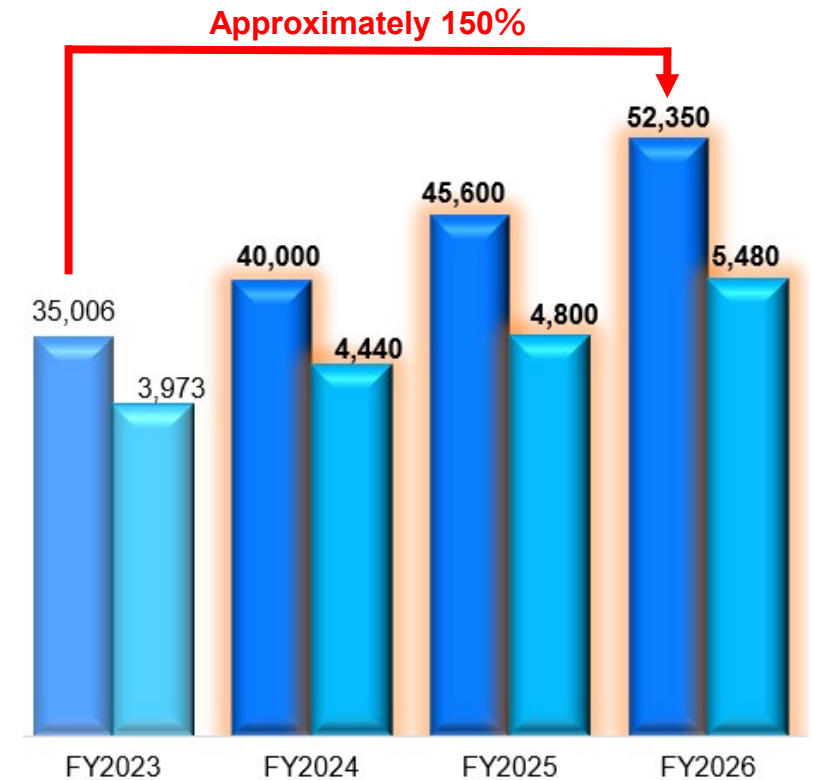
Network security business market is expected to continue expanding

Domestic market forecast for network security business



■ Net sales
■ Operating income

Medium-term plan for our information infrastructure business



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



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

Domestic company size Network security investment trends

(Billion yen)

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

(employees)

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

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

Small and medium-sized companies have limited budgets for security measures, and future growth in investment amounts is expected to be slower than that of Super-major and Major companies .

However, steady growth is expected as efforts are being made to comply with security guidelines established by each industry.

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



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

Market Growth Factors

Increasing government initiatives across the globe

There are growing government initiatives across various regions to promote the paperless healthcare mechanism. The burden of carrying multiple papers or prescriptions for availing any health care facilities has led patients to opt for personal health record software.

Growing digitalization in the healthcare industry

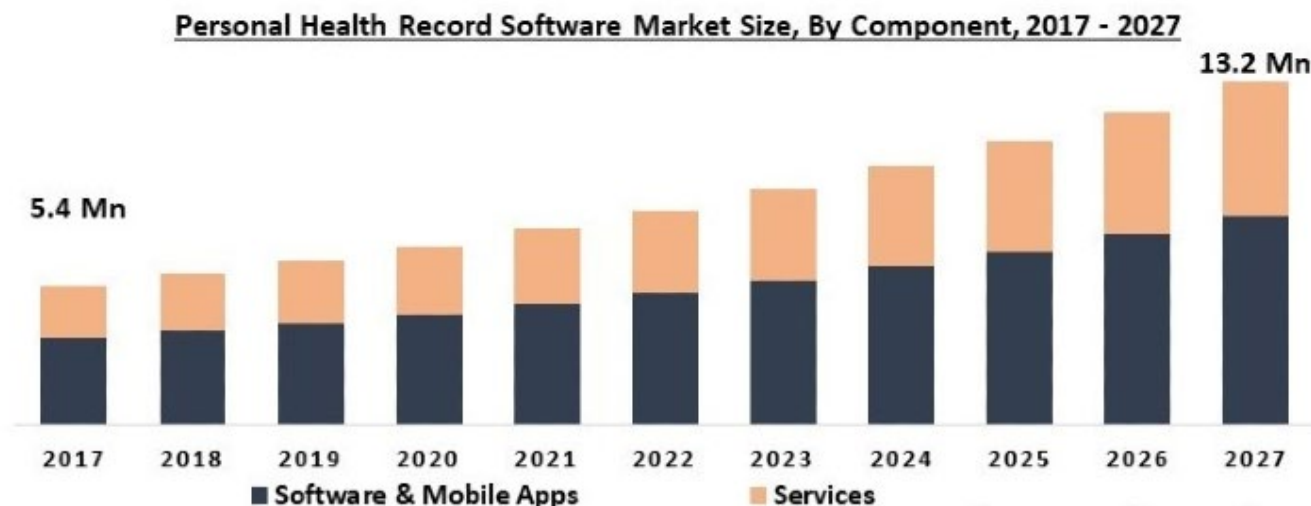
The increasing digitalization across the globe, especially in the healthcare sector is creating demand for more advanced, compact, and convenient technologies and solutions, which is estimated to fuel the demand for personal health record software. This software helps in keeping the health record of a person that includes a wide variety of information like doctor and patient's address, an allergy to the patient, etc., which improves the healthcare management.

Source : Global Information, Inc.

"Global Personal Health Record Software Market By Component (Software & Mobile Apps and Services), By Architecture Type (Payer Tethered, Standalone and Provider Tethered), By Deployment Mode (Web-

based and Cloud-based By Regional Outlook, Industry Analysis Report and Forecast, 2021 - 2027 " (KBV Research)

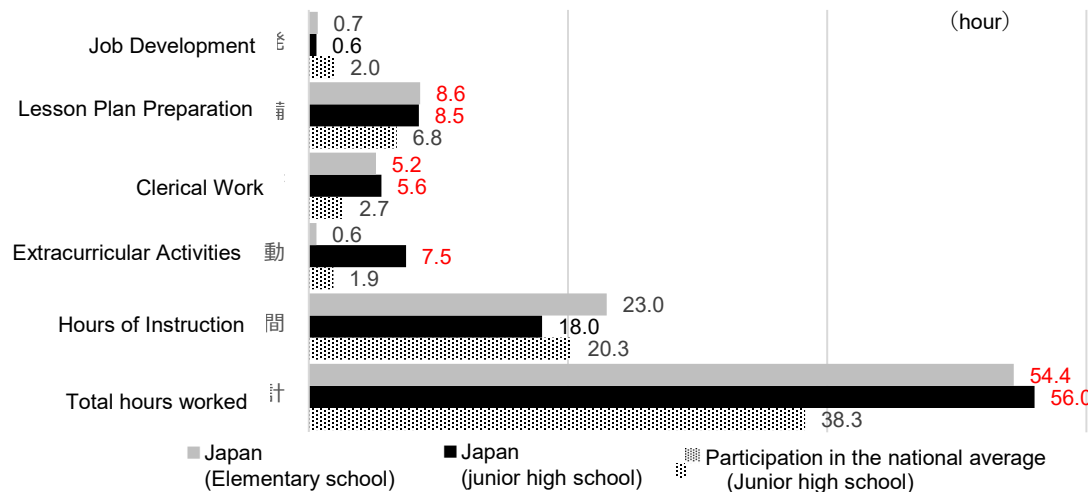
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Source: www.kbvresearch.com



Teacher's work hour per week

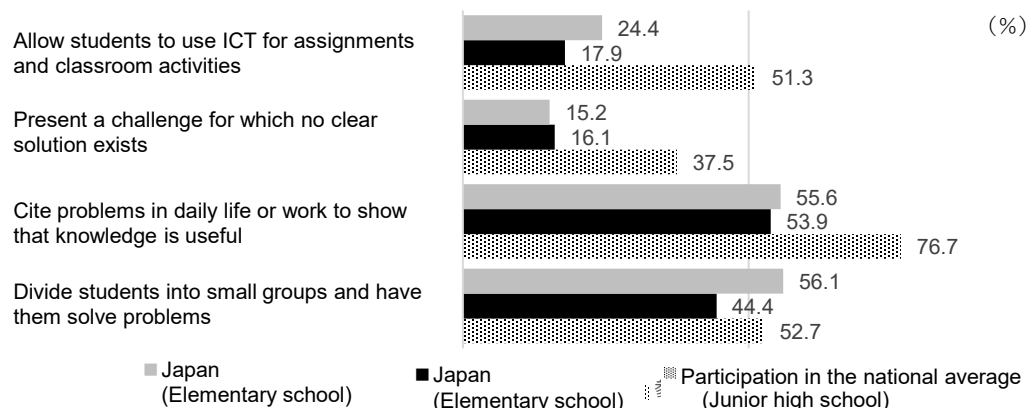


Teachers work the longest hours among any of the participating countries, and there is a significant sense of a shortage of human resources.

The following items recorded the longest hours among the participating countries.

- ✓ Work time
- ✓ Extracurricular activity hours (junior high school)
- ✓ Administrative work

Percentage of teachers who frequently use each instructional practice



Insufficient efforts to improve classes from the viewpoint of independent, interactive, and deep learning and to utilize ICT, etc.

*Organization for Economic Cooperation and Development (OECD) International Teacher Leadership and Instructional Environment Survey (TALIS) has been conducted every five years since 2008 for teachers and principals, focusing on the working and school environments of teachers and principals. The next survey is scheduled to be conducted in 2024.*48 countries/regions, including OECD member countries, participated (15 countries/regions participated in primary education). Translated with www.DeepL.com/Translator (free version)

Source : International Teacher Teaching Environment Survey (TALIS) 2018 (OECD)



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



First prize

- JAPAC Distribution partner of the year (2023)

6 years in a row

- Distributor of the year (2018, 2019, 2020, 2021, 2022, 2023)

2 years in a row

- Excellence in support of the year (2018, 2019)



2021 Award

- MVP Partner of the year

2022 Award

- Most Dedicated Partner of the Year



2019~2021, 2023~2024 Award

Channel Services Delivery Excellence Award
(Former Services Delivery Excellence Awards)



4 years in a row

- PARTNER OF THE YEAR (2021, 2022, 2023, 2024)

2 years in a row

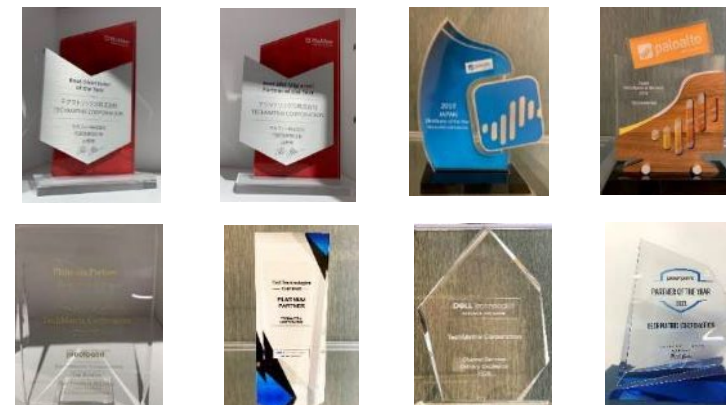
- Deal registration of the year (2022, 2023)



2022 Award

APJ Marketing Partner of the Year

【Others】





<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>

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