



# Results for the 2nd Quarter of 37<sup>th</sup> business period (Fiscal Year Ending March 31, 2021)

---

**TECHMATRIX CORPORATION**

- 1. Business Highlights for the 2nd Quarter  
37th business period (Consolidated)**
- 2. Topics of Business activities**
- 3. Medium-Term Management Plan "GO  
BEYOND 3.0"**
- 4. Business Models**
- 5. Market Conditions for our business**

# 1. Business Highlights for the 2nd Quarter of 37th business period (Consolidated)

- ◆ We applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 30, 2018) and “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 30, 2018) from the beginning of the first quarter of the fiscal year ending March 31, 2021.

# Business Highlights (Consolidated)

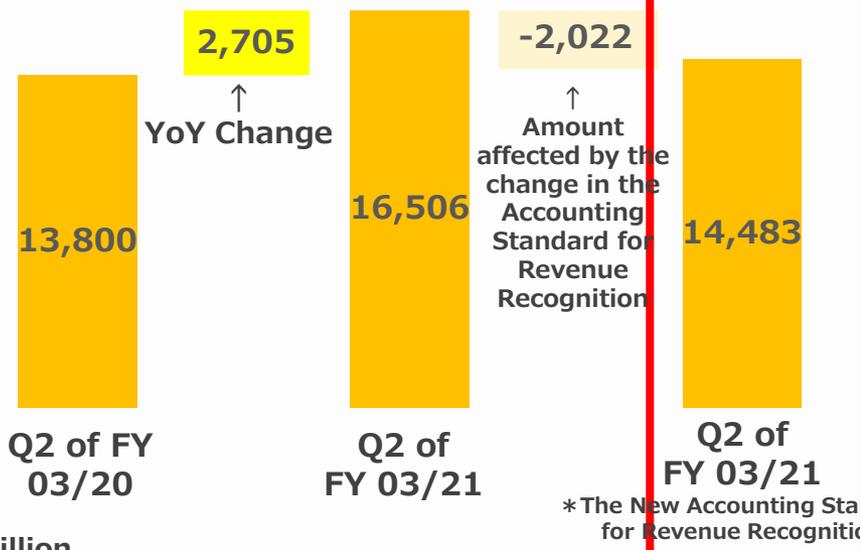
- ◆ The highest consolidated net sales, operating income, ordinary income and profit attributable to owners of the parent.

|   | Six months ended<br>Q2 of<br>FY 03/20<br>(¥Million) | Six months ended<br>Q2 of<br>FY 03/21<br><i>*The New Accounting<br/>Standard for<br/>Revenue Recognition</i> | Change in<br>amount<br>(¥Million) | Rate of<br>Change (%) |
|---|---|--|-----------------------------------|-----------------------|
| Net sales                                   | 13,800  | 14,483   | +683                              | +5.0%                 |
| Operating income                            | 1,343   | 1,682  | +338                              | +25.2%                |
| Ordinary income                             | 1,339   | 1,680  | +340                              | +25.4%                |
| Profit attributable to owners of the parent | 871   | 1,108  | +236                              | +27.2%                |

# Business Highlights (Consolidated)

## Total Net sales

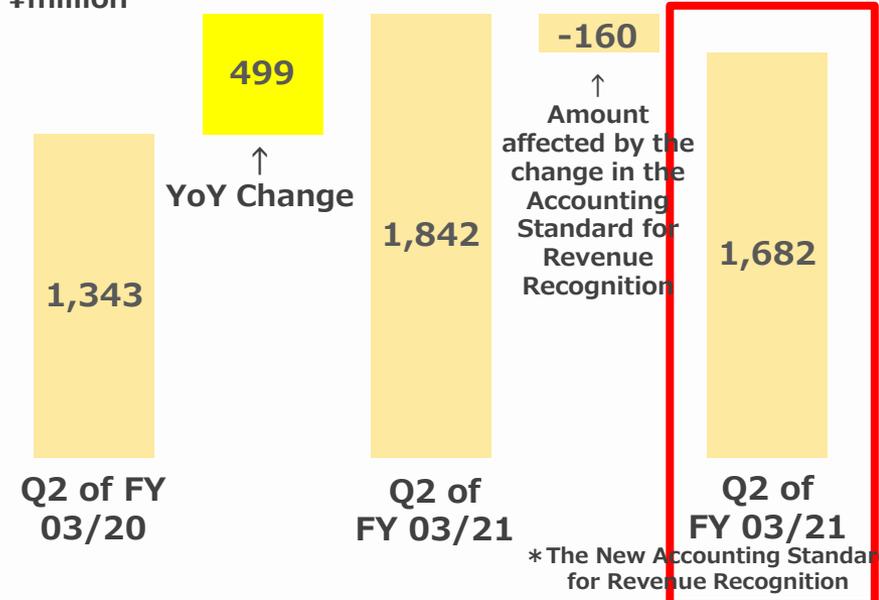
¥million



\* The New Accounting Standard for Revenue Recognition

## Total Operating income

¥million



\* The New Accounting Standard for Revenue Recognition

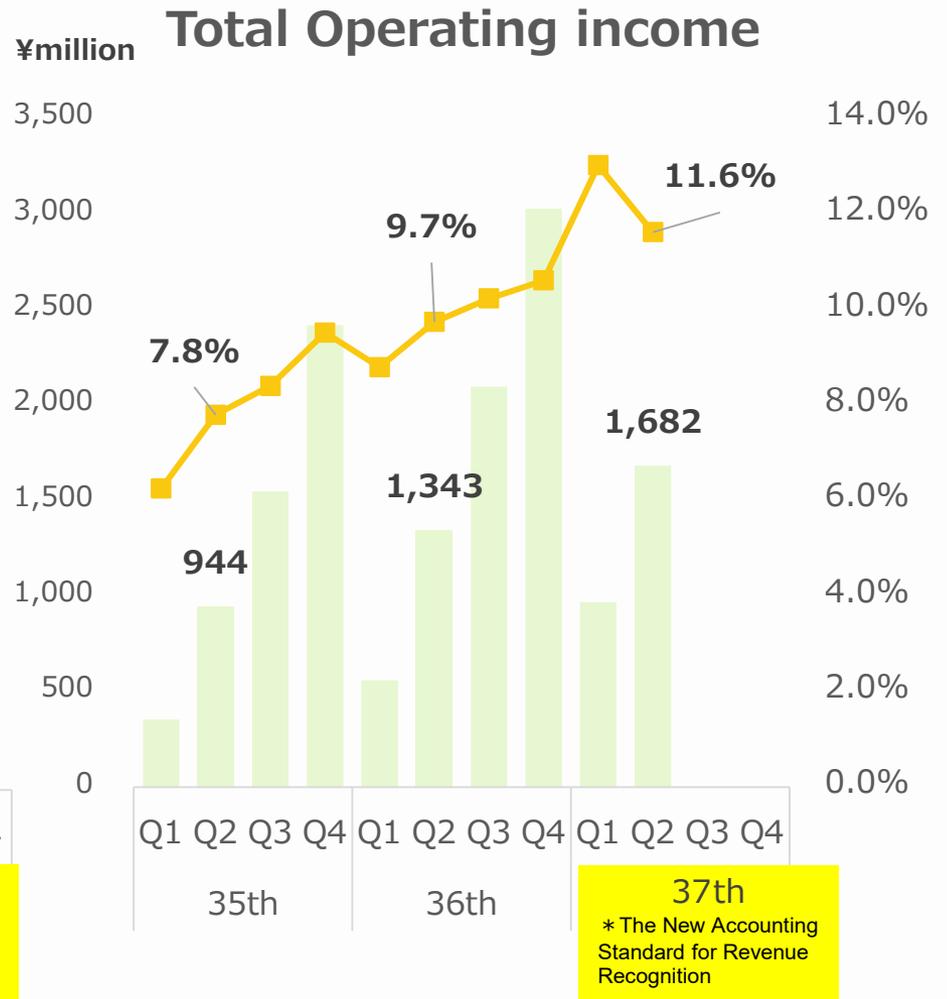
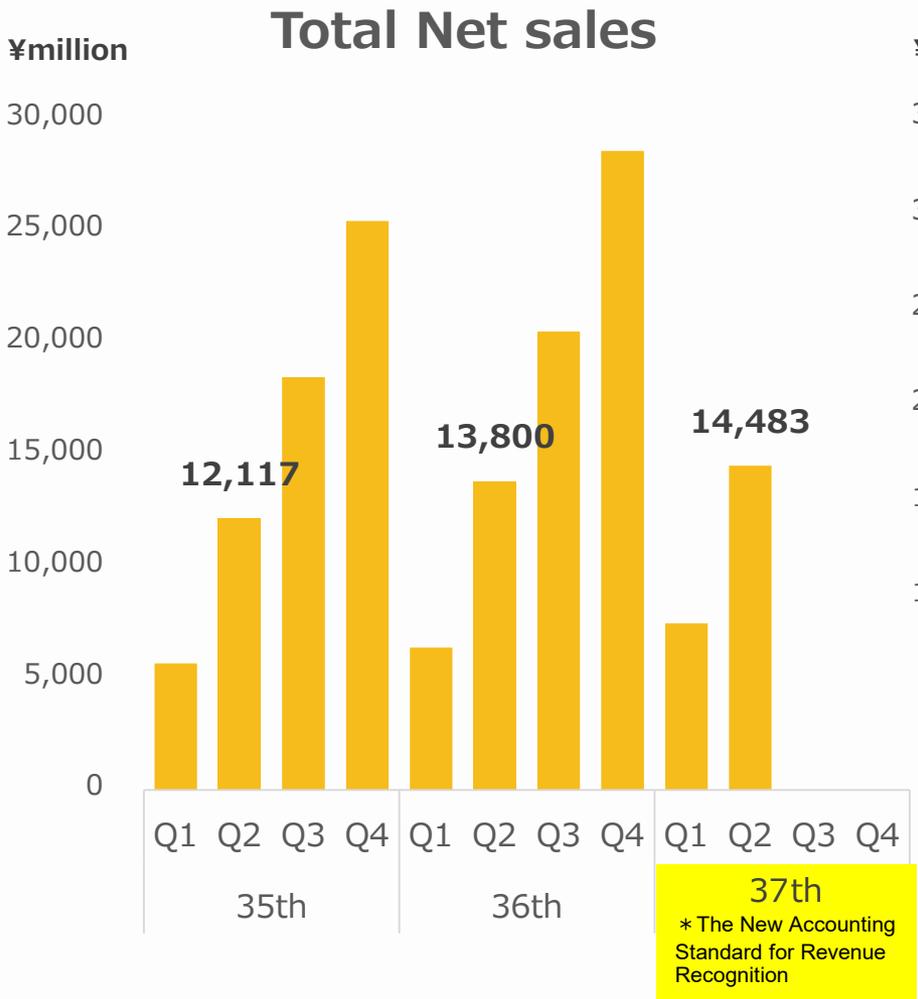
¥million

|                  | Six months ended<br>Q2 of FY 03/20 | Six months ended<br>Q2 of FY 03/21<br>(below : The New<br>Accounting Standard for<br>Revenue Recognition) | Change in amount<br>(below : Compared to<br>the amount recognized<br>under the New<br>Accounting Standard for<br>Revenue Recognition) | Rate of Change<br>(below : Compared to<br>the amount recognized<br>under the New<br>Accounting Standard for<br>Revenue Recognition) |
|------------------|------------------------------------|---|---|---|
| Net sales        | 13,800                             | 16,506<br>14,483  | +2,705<br>+683  | +19.6%<br>+5.0%   |
| Operating income | 1,343                              | 1,842<br>1,682  | +499<br>+338  | +37.1%<br>+25.2%  |

◆ Applying the Accounting Standard for Revenue Recognition strictens the timing and the amount of revenue recognition of the products with 1st-year maintenance and subscriptions... corresponding to the timing and the amount at which each performance obligation is fulfilled.

# Business Highlights (Consolidated)

◆ The highest consolidated net sales, operating income, ordinary income and profit attributable to owners of the parent.

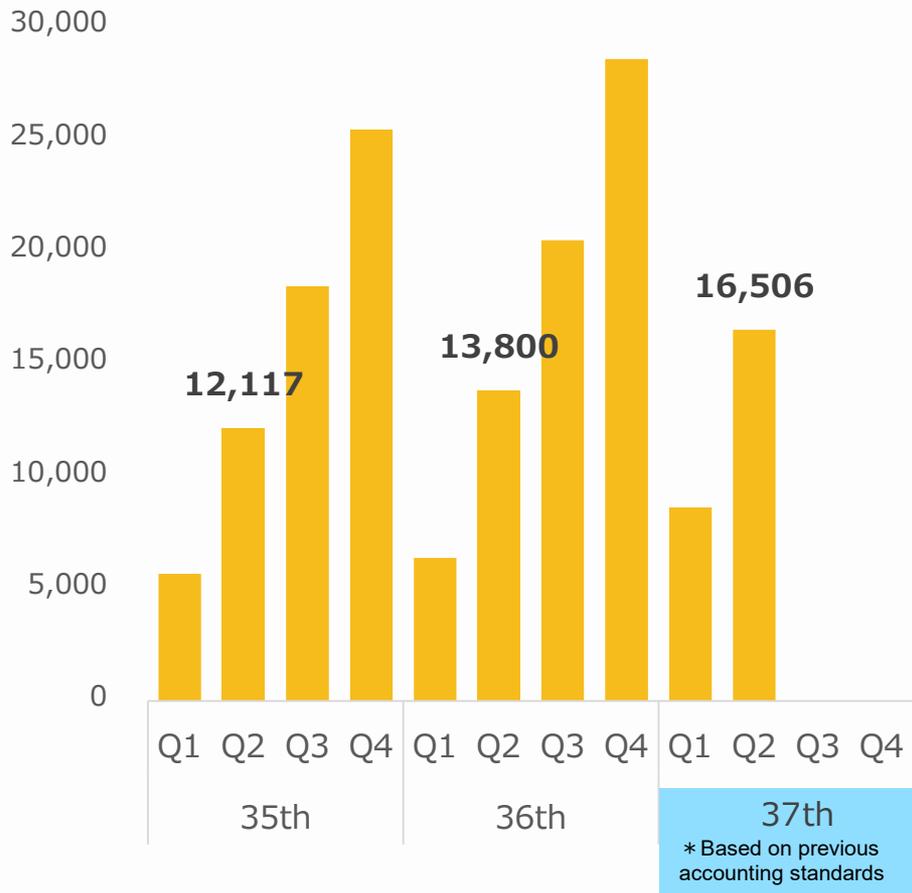


■ Total Operating Income — Total Operating Margin

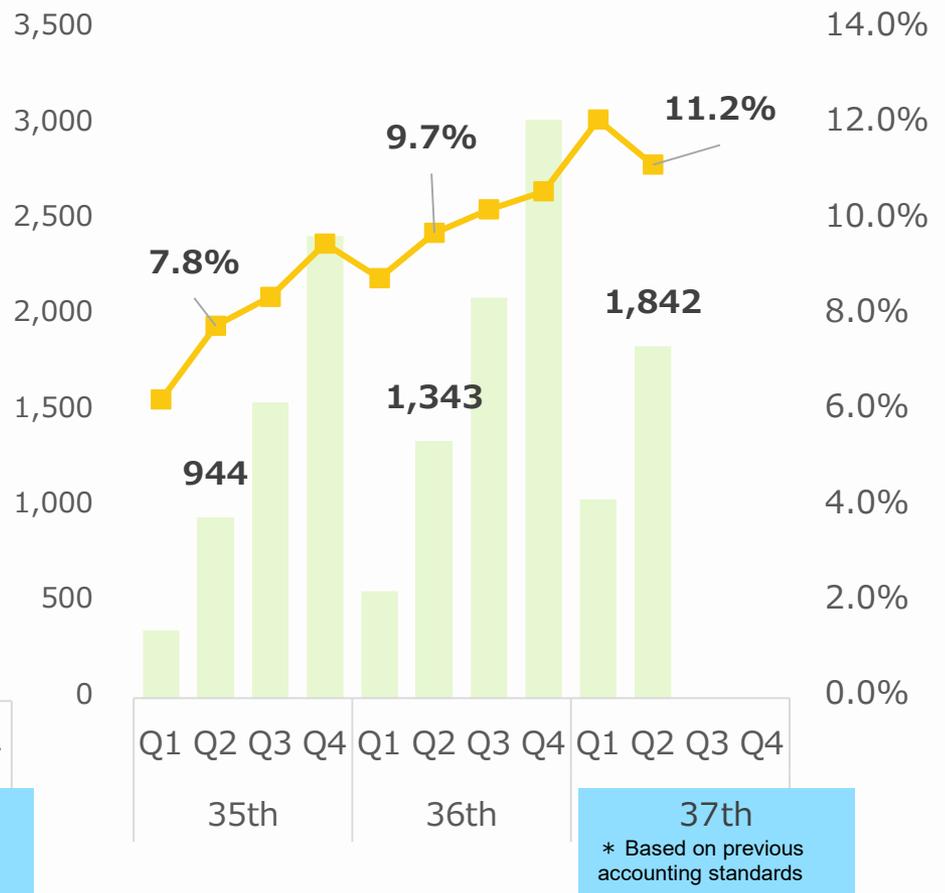
# Business Highlights (Consolidated)

- ◆ The highest consolidated net sales, operating income, ordinary income and profit attributable to owners of the parent.

## Total Net sales



## Total Operating income

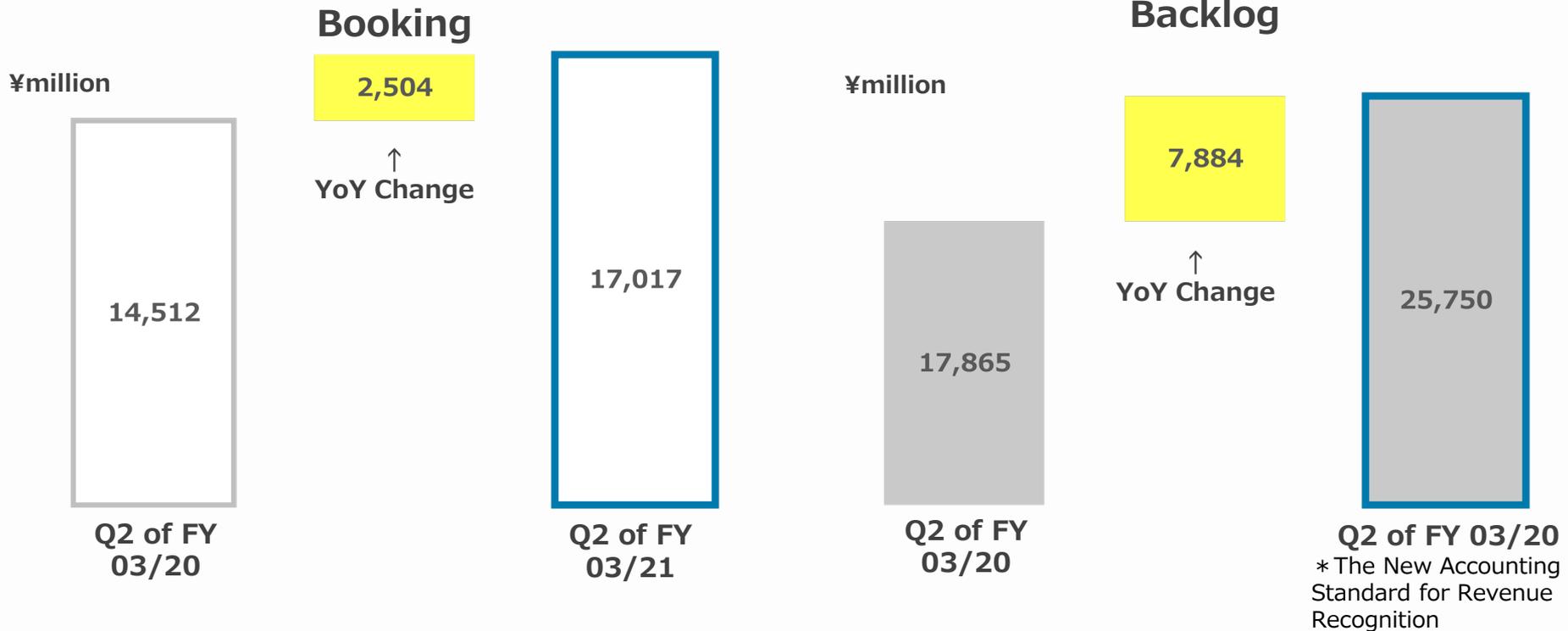


■ Total Operating income    ■ Total Operating margin

# Booking and Backlog

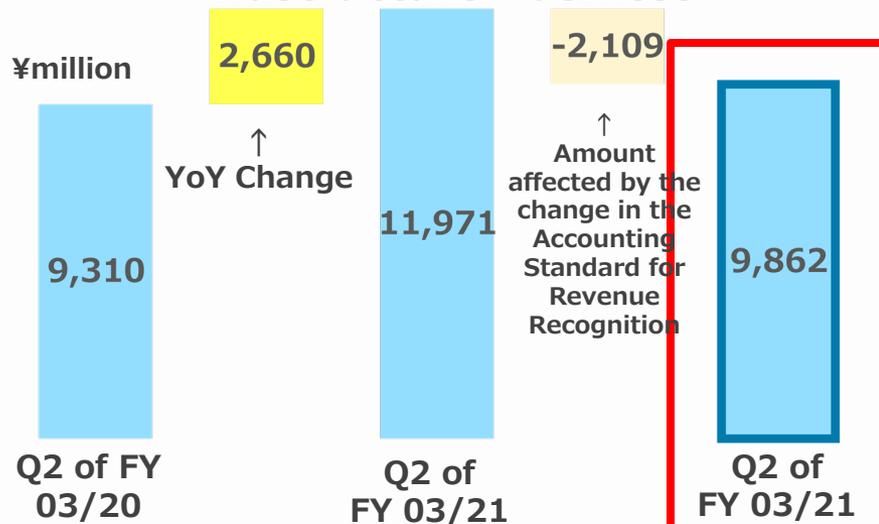
- ◆ Booking were in good shape. Especially, Information structure business was strong.
- ◆ Products with 1st-year maintenance and subscriptions whose performance obligations have not yet been fulfilled are recognized as backlog as a result of applying the New Accounting Standard for Revenue Recognition. \* Amount of profits recognized in the past which was affected by the change in the Accounting Standard for Revenue Recognition was adjusted to retained earnings at beginning of the current fiscal year, and performance obligations to be fulfilled in the current fiscal year and thereafter were / will be recognized as revenue in the current fiscal year and thereafter.

## Company-wide total

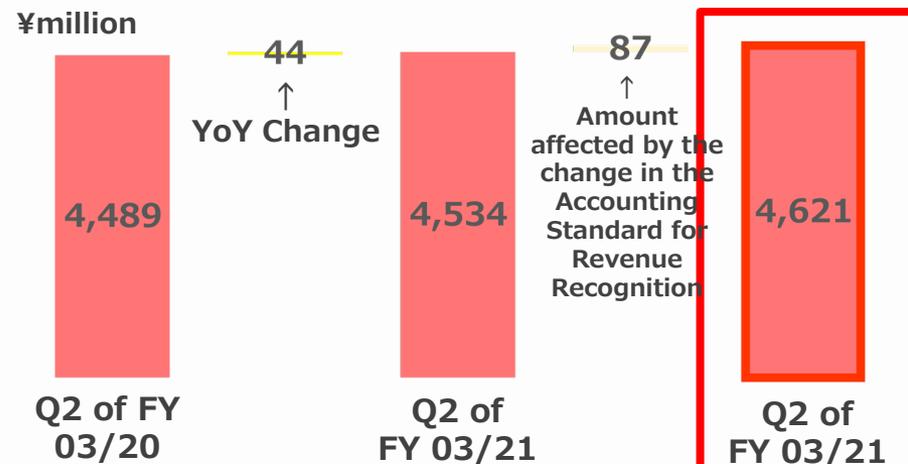


# Net Sales by Segment

## Information Infrastructure Business



## Application Services Business



\* The New Accounting Standard for Revenue Recognition

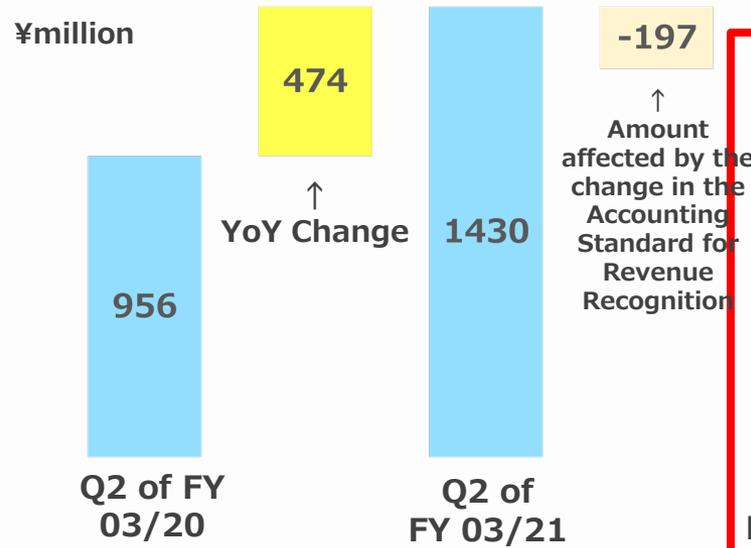
\* The New Accounting Standard for Revenue Recognition

| Segment                             | Q2 of FY 03/20 | Q2 of FY 03/21<br>(below : The New Accounting Standard for Revenue Recognition) | Change in amount<br>(below : Compare to the amount recognized under the New Accounting Standard for Revenue Recognition) | Rate of Change<br>(below : Compare to the amount recognized under the New Accounting Standard for Revenue Recognition) |
|-------------------------------------|----------------|---|--|--|
| Information Infrastructure Business | 9,310          | 11,971<br>9,862   | +2,660<br>+551   | +28.5%<br>+5.9%  |
| Application Services Business       | 4,489          | 4,534<br>4,621  | +44<br>+131  | +0.9%<br>+2.9%   |

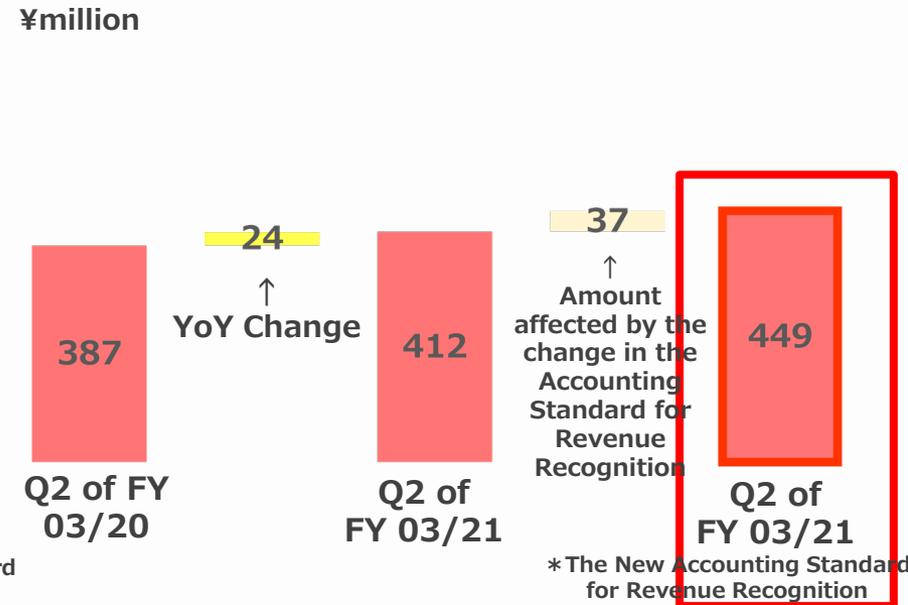
- ◆ Information Infrastructure Business : The highest consolidated Net sales. Inquiries for cloud-based security products increased. Received large-scale orders for SASE (p.20). Bookings for cybersecurity products related to remote access control stay strong since Q4 of the fiscal year ending March 2020.
- ◆ Application Services Business : The highest consolidated Net sales. Sales in the CRM field were strong. Sales in the medical field remained firm. Software quality assurance field was affected by a suppression for investment budgets on a facing market.

# Operating income by Segment

## Information Infrastructure Business



## Application Services Business



\* The New Accounting Standard for Revenue Recognition

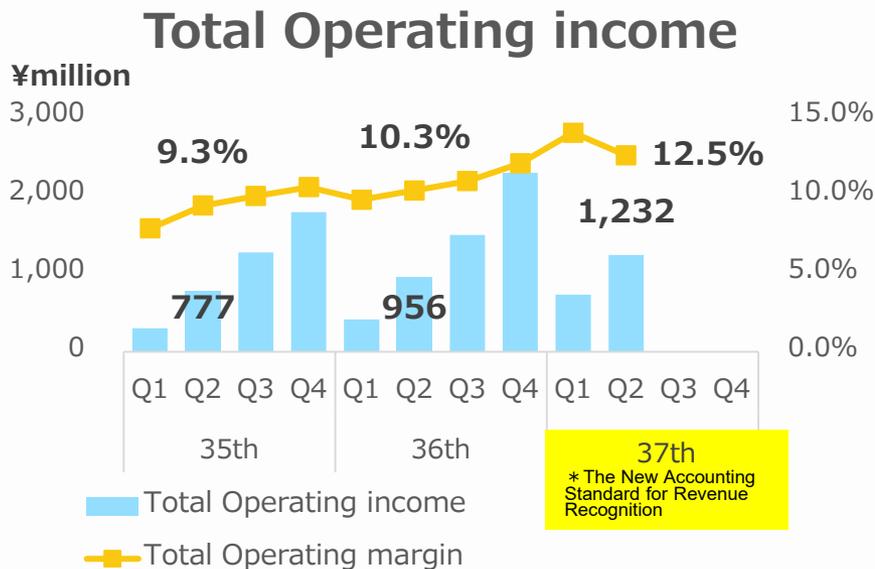
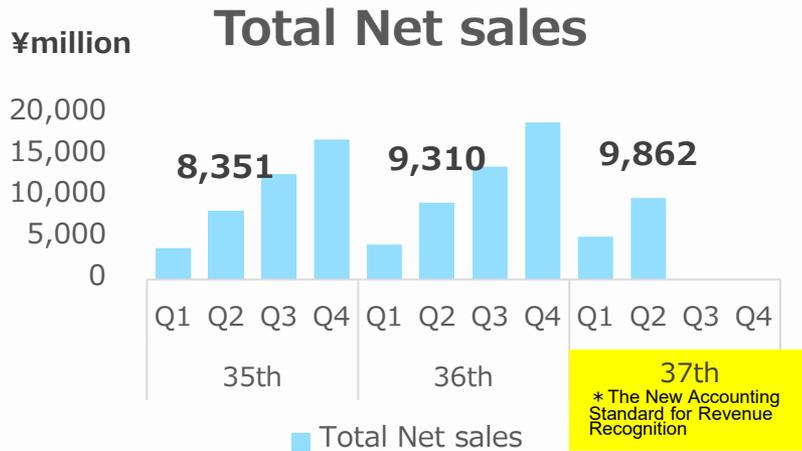
\* The New Accounting Standard for Revenue Recognition

| ¥million                            | Six months ended Q2 of FY 03/20 | Six months ended Q2 of FY 03/21<br>(below : The New Accounting Standard for Revenue Recognition) | Change in amount<br>(below : Compare to the amount recognized under the New Accounting Standard for Revenue Recognition) | Rate of Change<br>(below : Compare to the amount recognized under the New Accounting Standard for Revenue Recognition) |
|-------------------------------------|---------------------------------|--|--|--|
| Information Infrastructure Business | 956                             | 1,430<br>1,232   | +474<br>+276   | +49.6%<br>+28.9%   |
| Application Services Business       | 387                             | 412<br>449   | +24<br>+62   | +6.3%<br>+16.1%  |

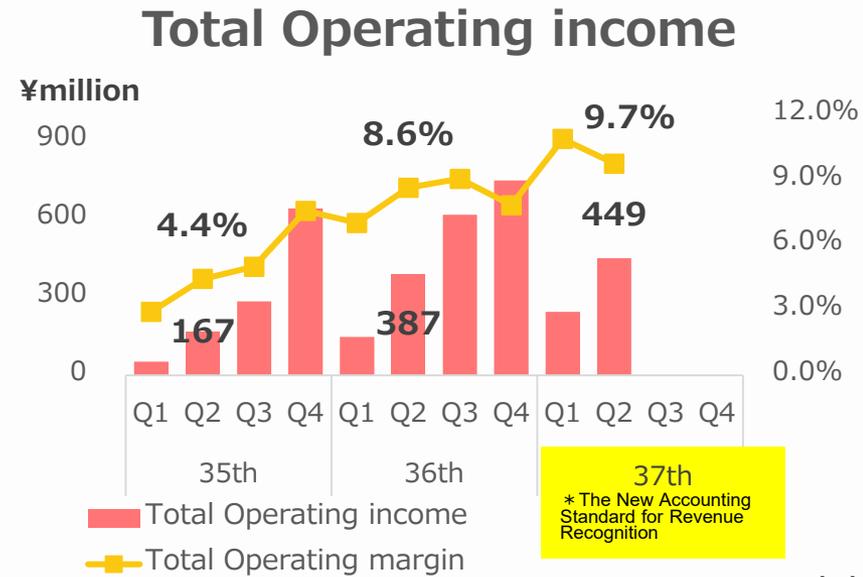
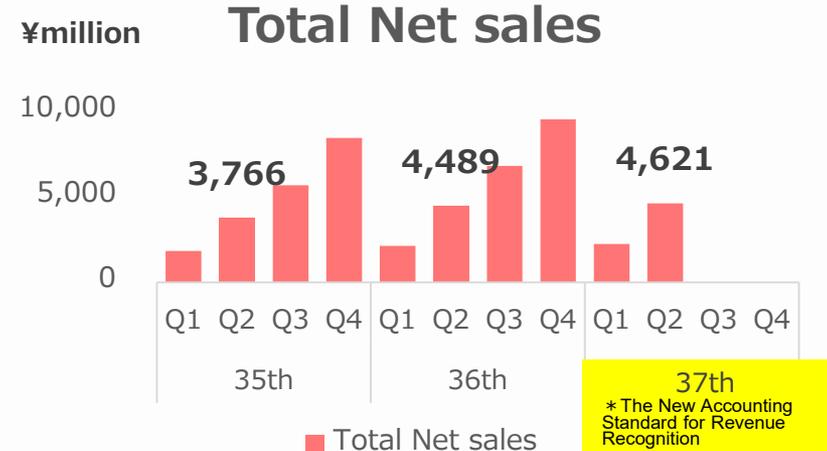
◆ Information Infrastructure Business and Application Services Business: The highest consolidated operating income.

# Business Highlights (Consolidated)

## Information Infrastructure Business



## Application Services Business



# Business Highlights (Consolidated)

\* Comparison with conventional accounting standards

## Information Infrastructure Business

### Total Net sales

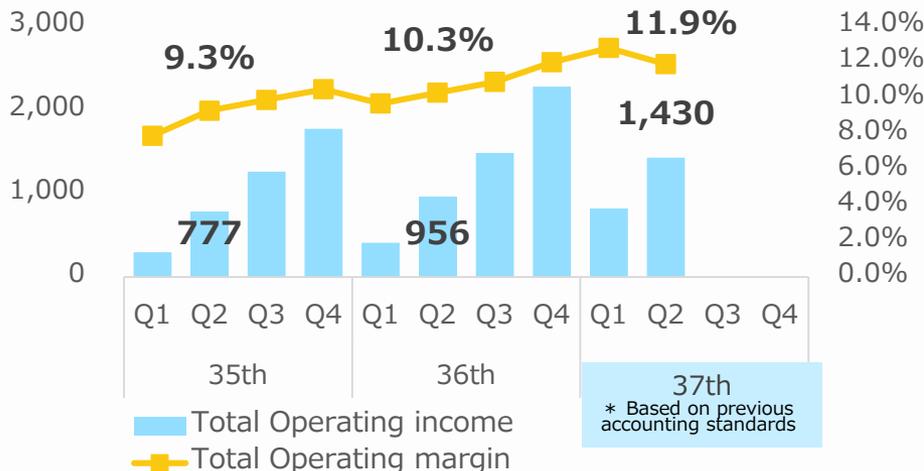


## Application Services Business

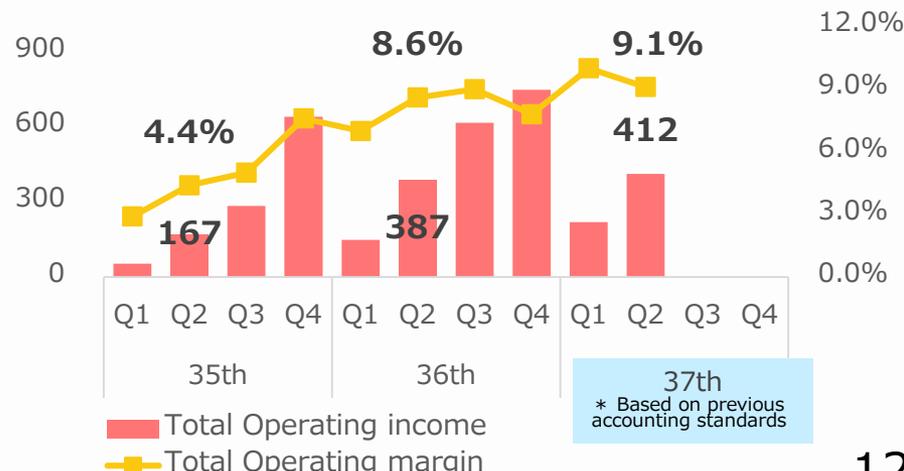
### Total Net sales



### Total Operating income

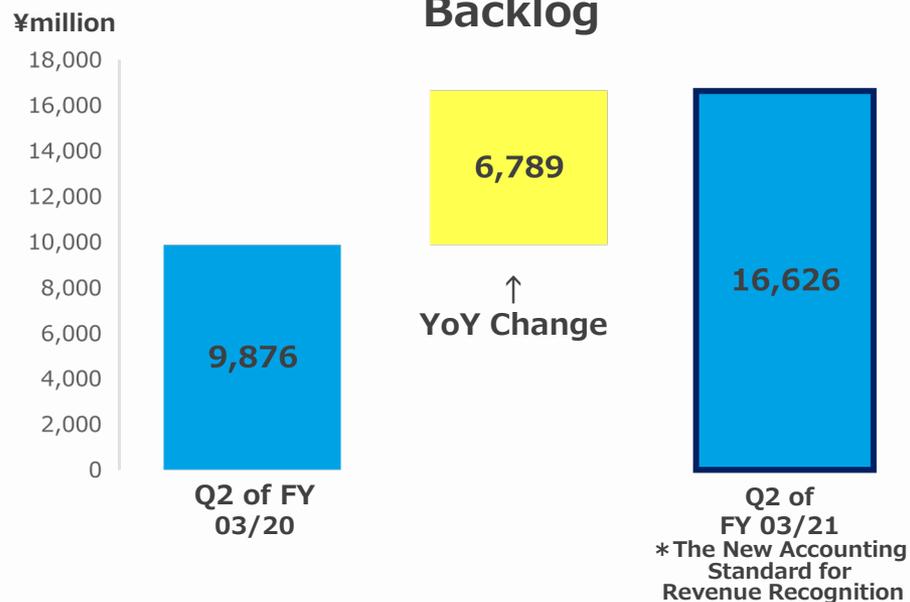
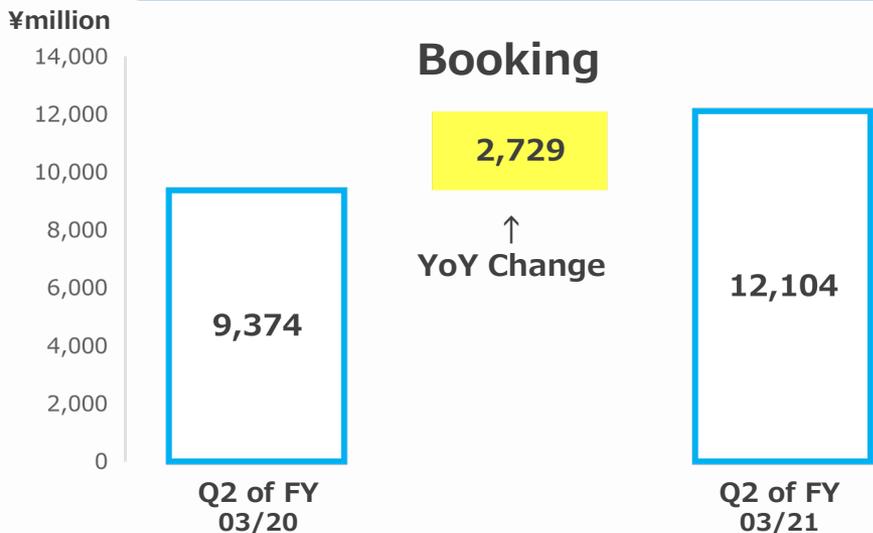


### Total Operating income

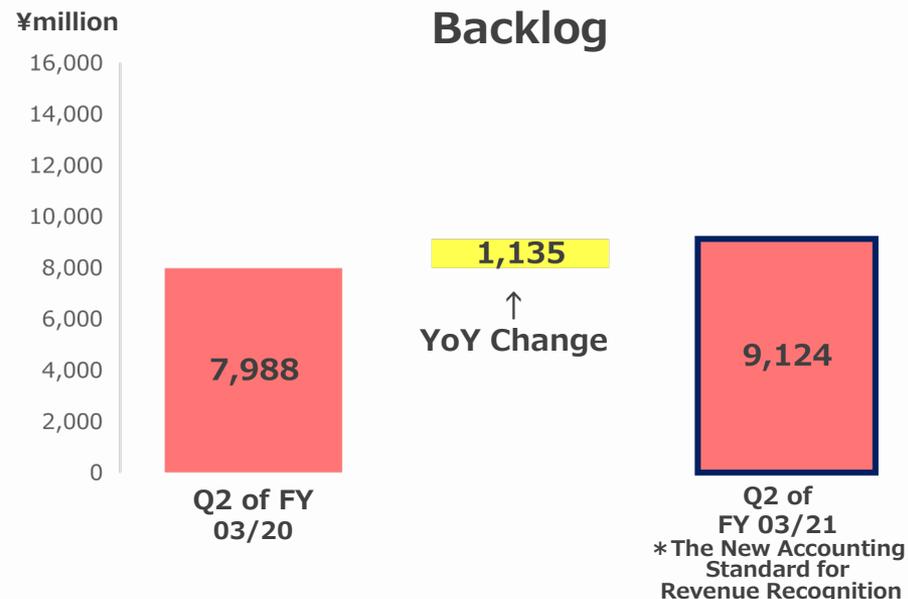
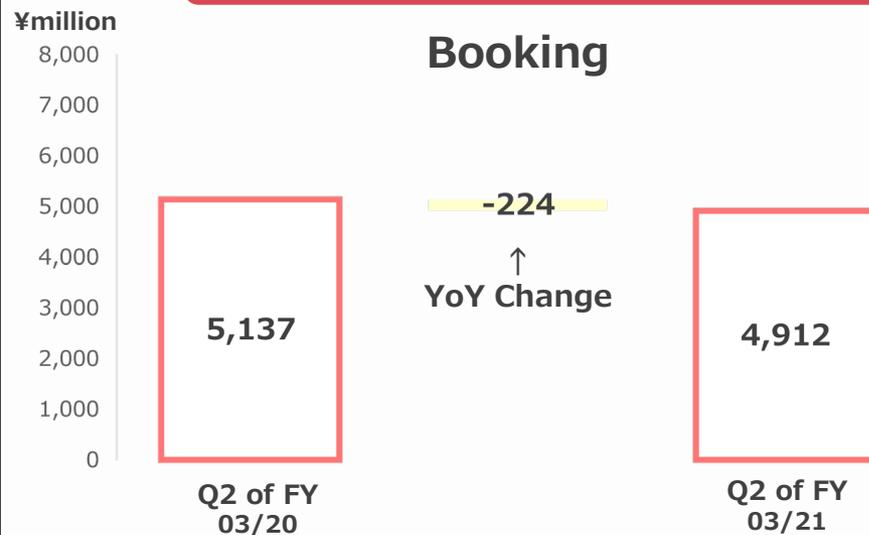


# Booking and Backlog

## Information Infrastructure Business



## Application Services Business



# Weather chart by Segment

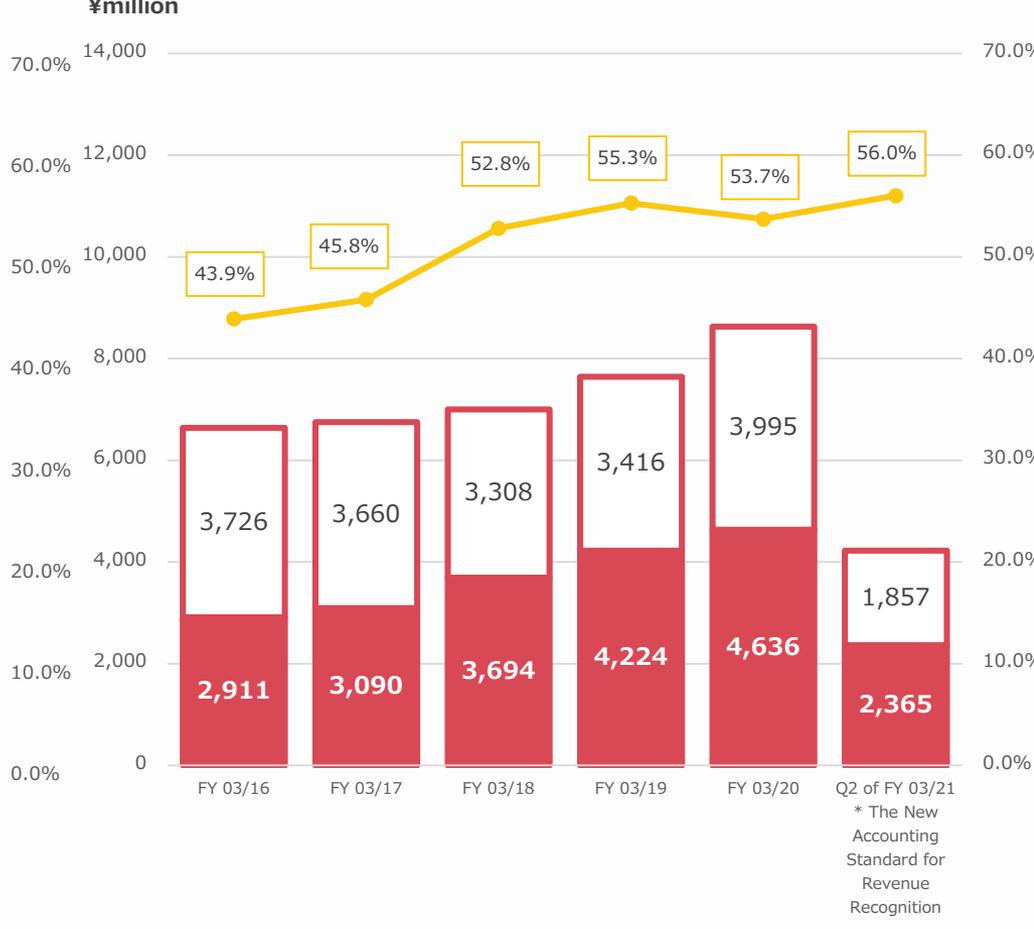
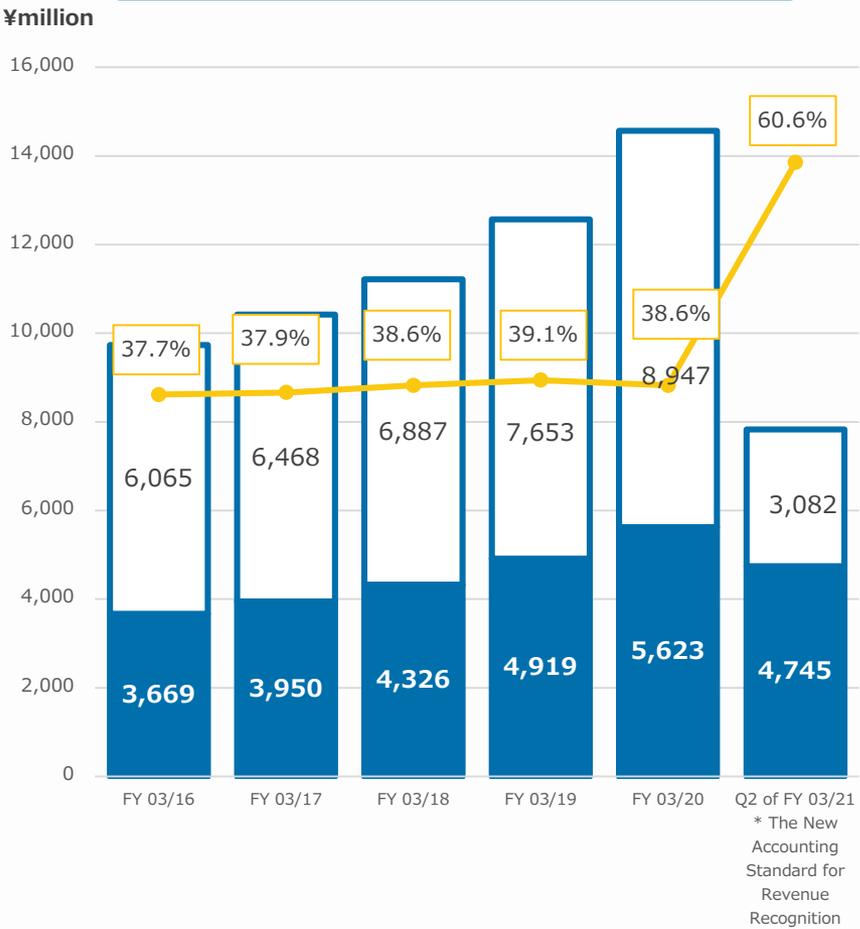
| ◆ Information Infrastructure Business  | Year on year | Year on year<br>(The New Accounting Standard for Revenue Recognition) |
|--|--------------|---|
| Load balancers (BIG-IP, EDGE)  |              |   |
| Next-Generation Firewall / SASE / SOAR (Palo Alto)   |              |   |
| Antivirus / Intrusion prevention Appliances / Security Information and Event Management(SIEM) / Web security |              |   |
| Personal authentication systems / Forensic products / Storage products                                       |              |   |
| Security-related operation and monitoring services   |              |   |
| AI-driven threat protection/Endpoint detection and response/others   |              |   |
| CROSS HEAD & Okinawa Cross Head  |              |   |
| ◆ Application Services Business  | Year on year | Year on year<br>(The New Accounting Standard for Revenue Recognition) |
| Business Solution field (Including CASAREAL)   |              |   |
| Software Quality Assurance field   |              |   |
| Medical field (Including Ichigo)   |              |   |
| CRM field  |              |   |

+10% and over   
 +5% ~ +10%   
 within ±5%   
 within Δ10%   
 under Δ10%

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

## Information Infrastructure Business

## Application Services Business



■ 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. Therefore, Stock ratio went up.

\* 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 Accounting Standard for Revenue Recognition and cloud business continues to grow.

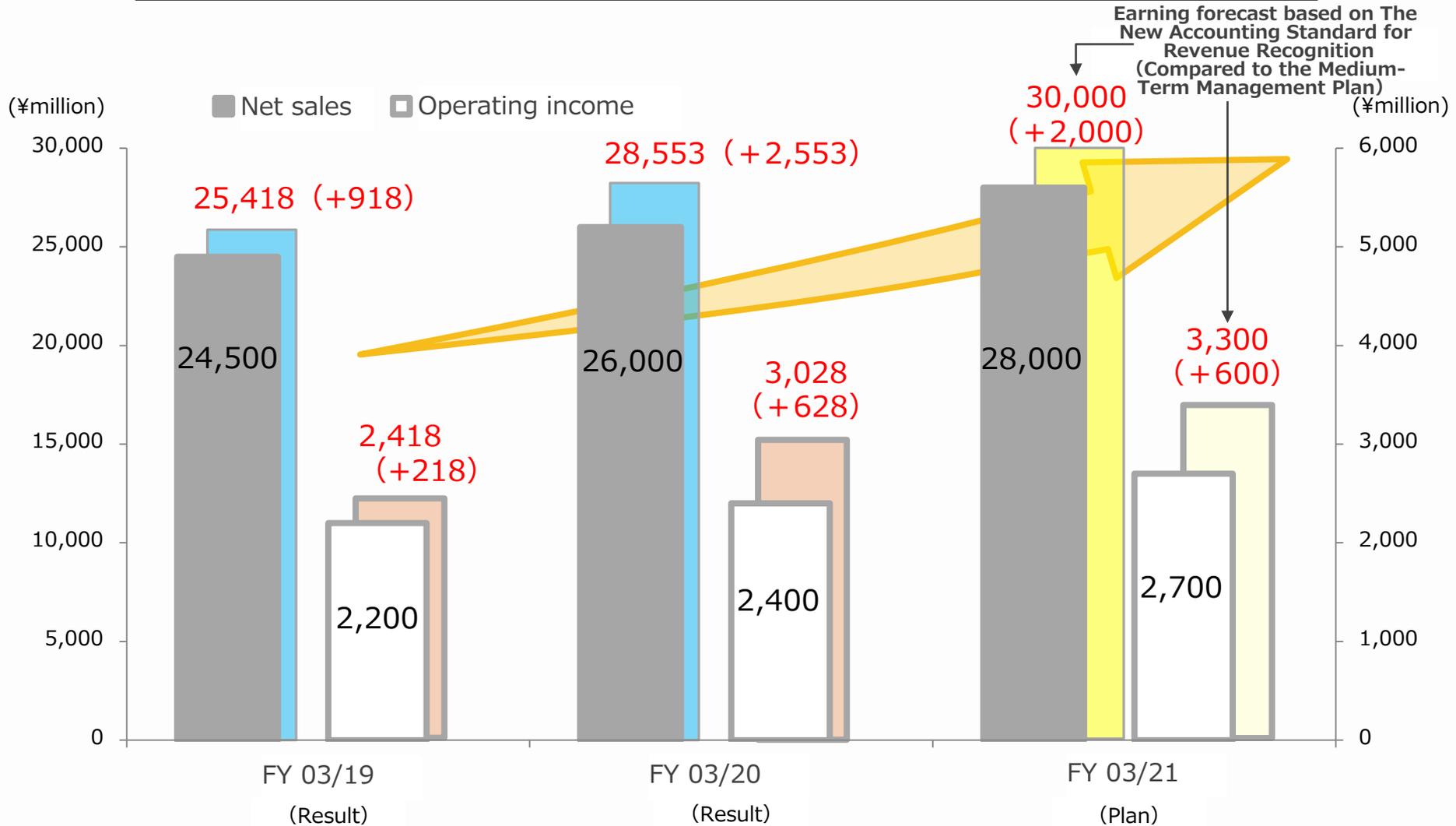
# Balance sheet

- ◆ “Advance payments” included in Other of 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 03/20      | Q2 of FY 03/21 |  | FY 03/20      | Q2 of FY 03/21 |
|-------------------------------------|---------------|----------------|--|---------------|----------------|
| <b>Current assets</b>               | <b>24,367</b> | <b>27,018</b>  | <b>Current liabilities</b>                   | <b>11,908</b> | <b>15,062</b>  |
| Cash and deposits                   | 13,396        | 13,244         | Accounts payable-trade                       | 1,450         | 659            |
| Notes and accounts receivable-trade | 5,683         | 3,191          | Short-term loans payable                     | 450           | 450            |
| Other                               | 5,287         | 10,582         | Current portion of long-term loans payable   | 250           | 200            |
|                                     |               |                | Other  | 9,758         | 13,752         |
| <b>Noncurrent assets</b>            | <b>5,256</b>  | <b>5,808</b>   | <b>Noncurrent liabilities</b>                | <b>2,709</b>  | <b>2,603</b>   |
| Property, plant and equipment       | 1,318         | 1,405          | Long-term loans payable                      | 900           | 800            |
| Goodwill                            | -             | -              | Other  | 1,809         | 1,803          |
| Intangible assets                   | 1,373         | 1,380          | <b>Total liabilities</b>                     | <b>14,618</b> | <b>17,666</b>  |
| Investments and other assets        | 2,565         | 3,022          | Shareholders' equity                         | 13,651        | 13,686         |
|                                     |               |                | Total accumulated other comprehensive income | 6             | 61             |
|                                     |               |                | Subscription rights to share                 | 77            | 87             |
|                                     |               |                | Non-controlling interests                    | 1,269         | 1,324          |
|                                     |               |                | <b>Total net assets</b>                      | <b>15,005</b> | <b>15,160</b>  |
| <b>Current assets</b>               | <b>29,623</b> | <b>32,826</b>  | <b>Total liabilities and net assets</b>      | <b>29,623</b> | <b>32,826</b>  |

\* Equity ratio FY 3/20 : 46.1% FY Q2 of 03/21 : 41.9%

## Progress of GO BEYOND 3.0

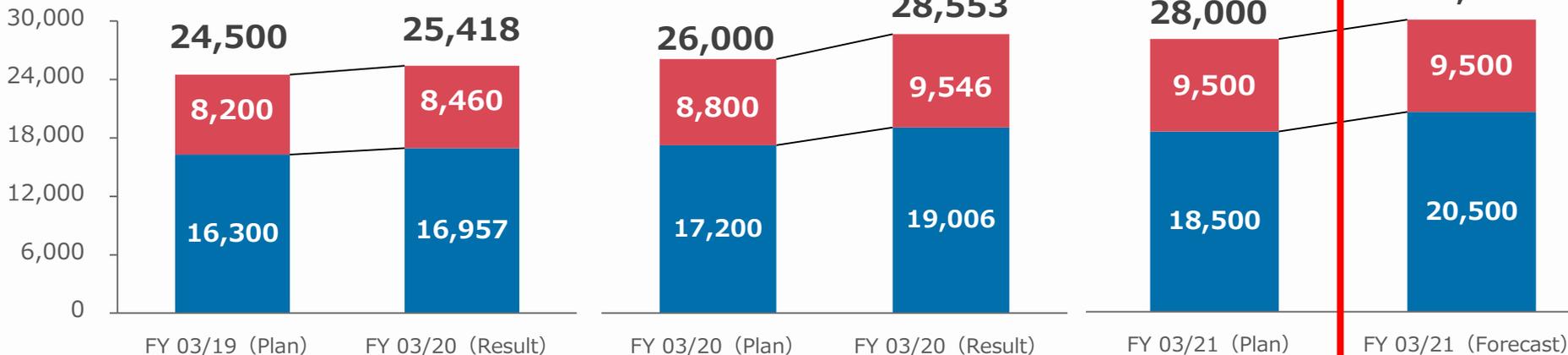


# Planned value of GO BEYOND 3.0 (Consolidated)

Earning forecast based on The New Accounting Standard For Revenue Recognition

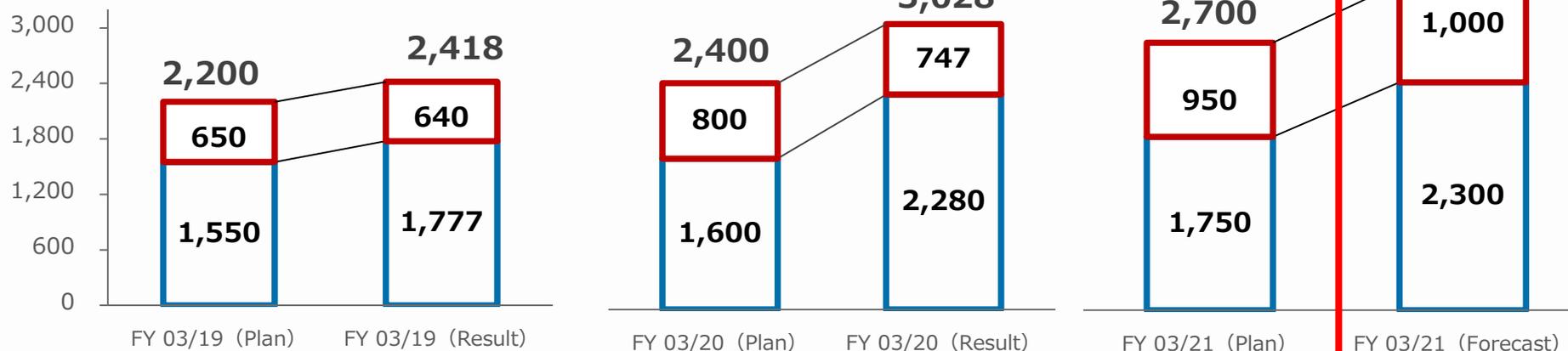
## (百万円) Net sales

Information Infrastructure Business Application Services Business



## (百万円) Operating income

Information Infrastructure Business Application Services business



## 2. Topics of Business activities

# Products and services in Information Infrastructure Business

**AlaxiaIA**

**appgate**

**AppScan**

**aruba**

a Hewlett Packard  
Enterprise company

**BlackBerry**

**BUFFERZONE**

**COHESITY**

**DELL** Technologies



**FORESCOUT**

# Products and services in Information Infrastructure Business

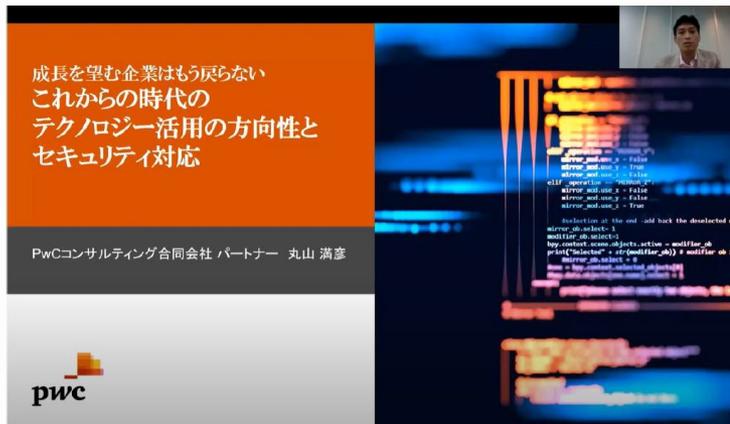


## < Utilization of IT in the New Normal Era > Event : Network Security Division Web Seminars

- Increase in customer contact points, identify needs, and provide information (\*135 participants)

**Theme:**

**Information Security Management important for Promoting Telework**



### <Keynote Speech>

- Businesses that want to grow no longer return Directions and security measures for technology utilization in the future  
Mr. Maruyama, Partner of PwC consulting LLC
- Risk management in digital management  
Chairman and President of the Japan Society of Security Management  
Mr. Ohki, Professor Emeritus, Kogakuin University
- Security lost by the Corona disaster and cyber risks that have emerged  
Cyber Defense Institute, Inc.  
Mr. Nawa, Senior Analyst, Senior Managing Director

### <TMX session> (excerpt)

- Challenges and optimal solutions for Remote Access preventing telework  
~ How do we address security issues that I have seen in telework? ~
- Will you create a secure telework environment with the next-generation firewall?  
~ Optimal solutions in SASE Security Model in the Cloud Era ~
- Challenges and Solutions for VPN that are recognized through telework after the emergency declaration
- Telework expansion increases risk! The last bastion to protect endpoints  
~ What does the AI antivirus do? Not only the detection rate! What is the reason to adopt? ~



# Security field

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

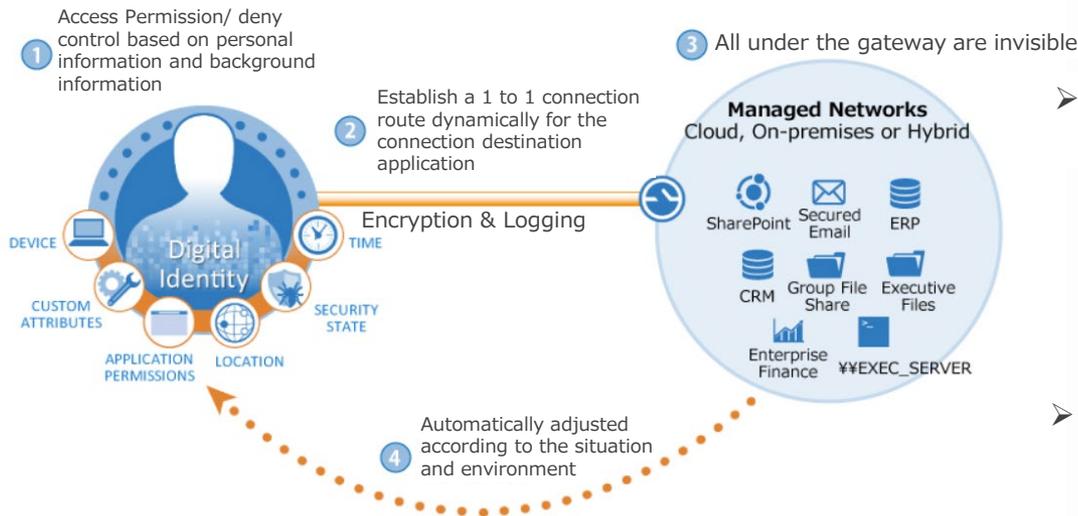
## <Cyber attacks on VPN devices spike>

- 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 Security with Zero-Trust Model

⇒ "Don't trust the user, the device, or network"

### APPGate SDP functional overview



- SDP: An abbreviation for Software-Defined Perimeter and a new framework for securely accessing information-related assets.

- SDP has multi-step and varied authentication

✓ Authenticate with many factors, such as the right user, the right location, and the right access time zone, 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.**

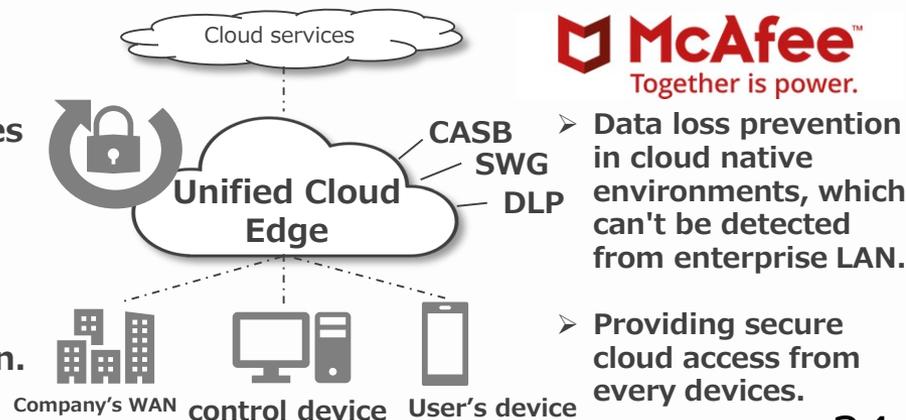
### Palo Alto Networks Prisma Access

~ 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~



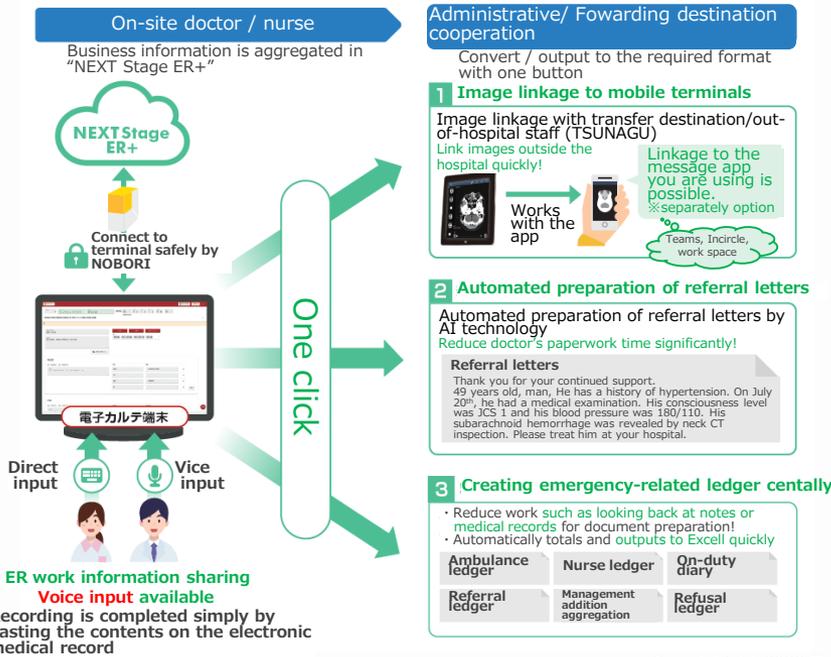
## NOBORI

### Business alliance with TXP Medical, Inc

Commenced the provision of “NEXT Stage ER +”, a comprehensive business support tool for hospitals designated as emergency departments

## <Strengthening Emergency Medical Care Systems and Supporting Medical Personnel to Efficiently Work>

- Point !** ➤ 2020 revision of medical remuneration
- Strengthening the emergency medical system to ensure more than 2000 ambulance entries
  - Reform of working arrangements for hospital healthcare professionals
- ⇒ **It is necessary to appropriately utilize the IT system, cooperate with the emergency service, and improve the efficiency of various documentation operations.**



## NEXStage ER+ functional overview

- Linkage with in-hospital and higher-level institutions for PACS ※ imaging information
  - ※ PACS: Services for safely managing large volumes of medical information and imaging data
- Sharing emergency department information and creating various registries
- Automated preparation of referral letters
- Voice command input

## NOBORI

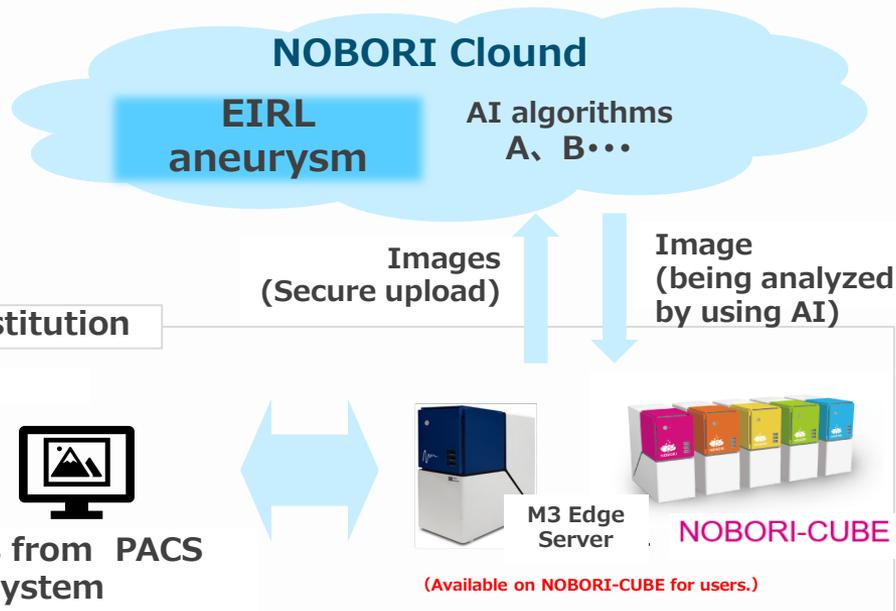
Business alliance agreement with M3, Inc.

Launch of AI Medical Image Diagnostics Platform Business

### <Accelerating AI support at Medical field>

- Point !** ➤ Many AI algorithms for medical Image Diagnosis will be ported onto AI platform built by NOBORI and M3, Inc .
- Multiple AI algorithms will be provided for each organ (brain, lung..) in the future.

~ Commenced the provision of EIRL aneurysm (LPIXEL Inc.) ~



### ◆ Supporting diagnosis by automatic detection of suspected cerebral aneurysm.

- ✓ Admitted improvement of diagnostic accuracy, compared to sensitivity ※ of examination made by a doctor alone. (77.2% > 68.2%)
- ✓ Obtained Japan's first regulatory approval on medical software in the field of brain-MRI by using deep learning.

※An indicator to correctly determine a disease to be positive.

33,439,700

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

193,145,000

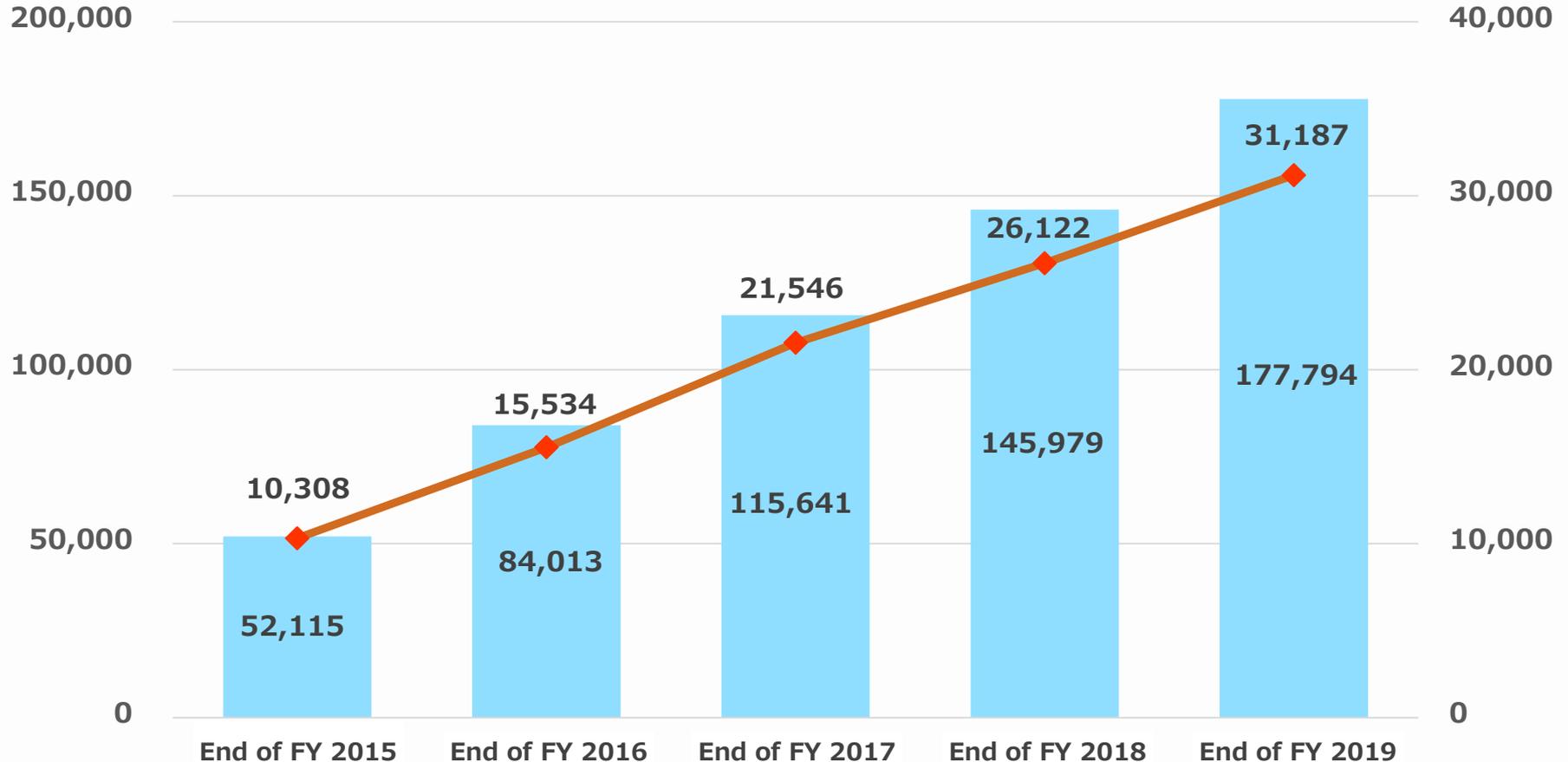
The number of **inspections** stored in NOBORI

(September 30, 2020)

## Data stored in NOBORI

(Numbers of inspections : thousand)

(Numbers of patients : thousand)



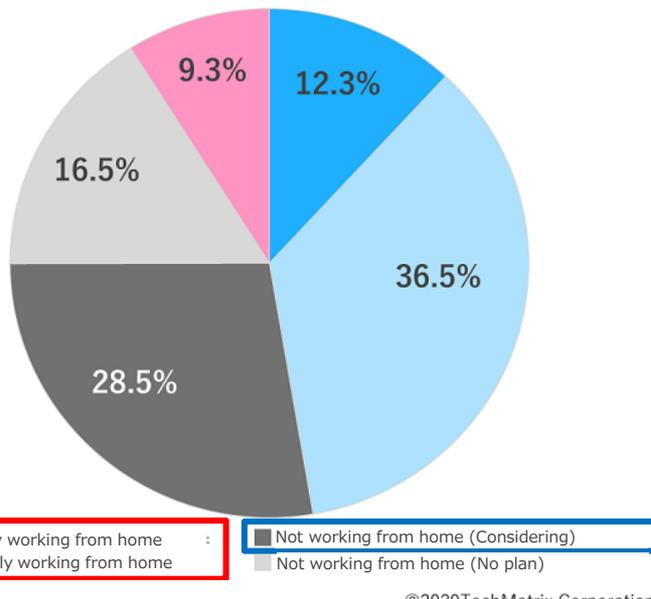
■ The numbers of inspections stored in NOBORI (left vertical axis)
 ◆ The numbers of patients stored in NOBORI (right vertical axis)

## Trends in Working From Home in Contact Center operation Due to the Impact of COVID-19

### <Techmatrix questionnaire results>

- Under the state of emergency, **48.8%** of companies had **wholly or partially embraced** working from home in contact center operations. **28.5%** of companies are **considering** working from home in contact center operations.
- Issues include introducing and reviewing IT solutions such as "security," "equipment (telephones, PCs, etc.)," and "systems such as CRM."

Fact-finding survey on working from home in contact center operations, under the declaration of emergency



※ Outline of Questionnaire by Text Matrix Co., Ltd.  
Opinion Survey at Contact Centers  
Survey period: Jun. 2, 2,020 to Jun. 12, 2020  
Survey method: Web, number of valid respondents: 1066

©2020TechMatrix Corporation.

### ➤ IT Solutions for Home-based Contact Centers

- Expansion of non-voice channels (e-mail / chat)
- Enhanced FAQ (Frequently Asked Questions) Content

※ Both on-premises and cloud are supported

## Marginal CVA measurement function added to F3 CVA's ※ calculation/measurement service

※ CVA: Abbreviation for Credit Value Adjustment, which is the difference between the price calculated under the assumption that the counterparty will not go bankrupt during the term of the contract and the price calculated taking into account the possibility of the counterparty's bankruptcy.

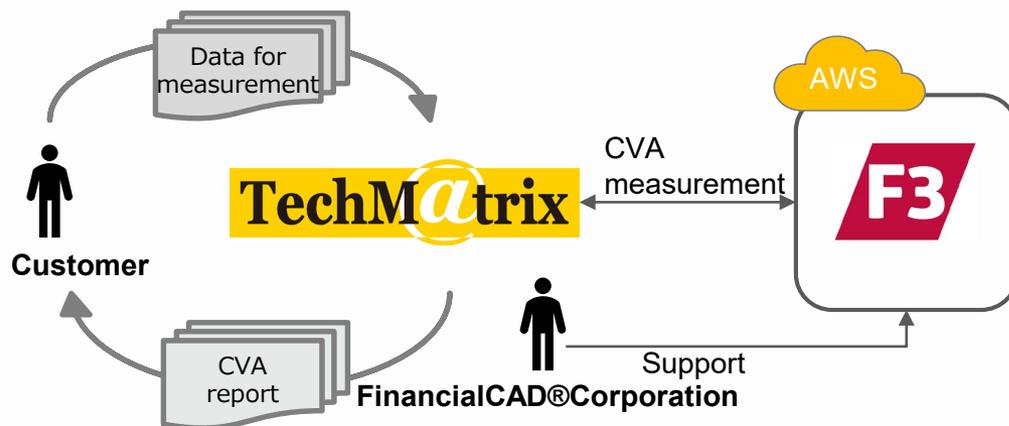
### <Calculation of fair value of financial instruments>

It is required to reflect CVA in the market value in the accounting standard for calculation of market value (Apr. 2021)

**Point !** ➤ Addition of marginal CVA measurement function

**Marginal CVA:** CVA/DVA calculated by considering netting for each counterparty is proposed for each transaction. It is possible to determine which transactions have a significant impact on CVA.

### Image of CVA Estimation/Measurement Services



➤ Provision of trial calculation and measurement services began in Nov. 2019.

➤ CVA calculations are based on 1-shots, and CVA measurements provide periodic measurement reports.

➤ Main target is regional banks

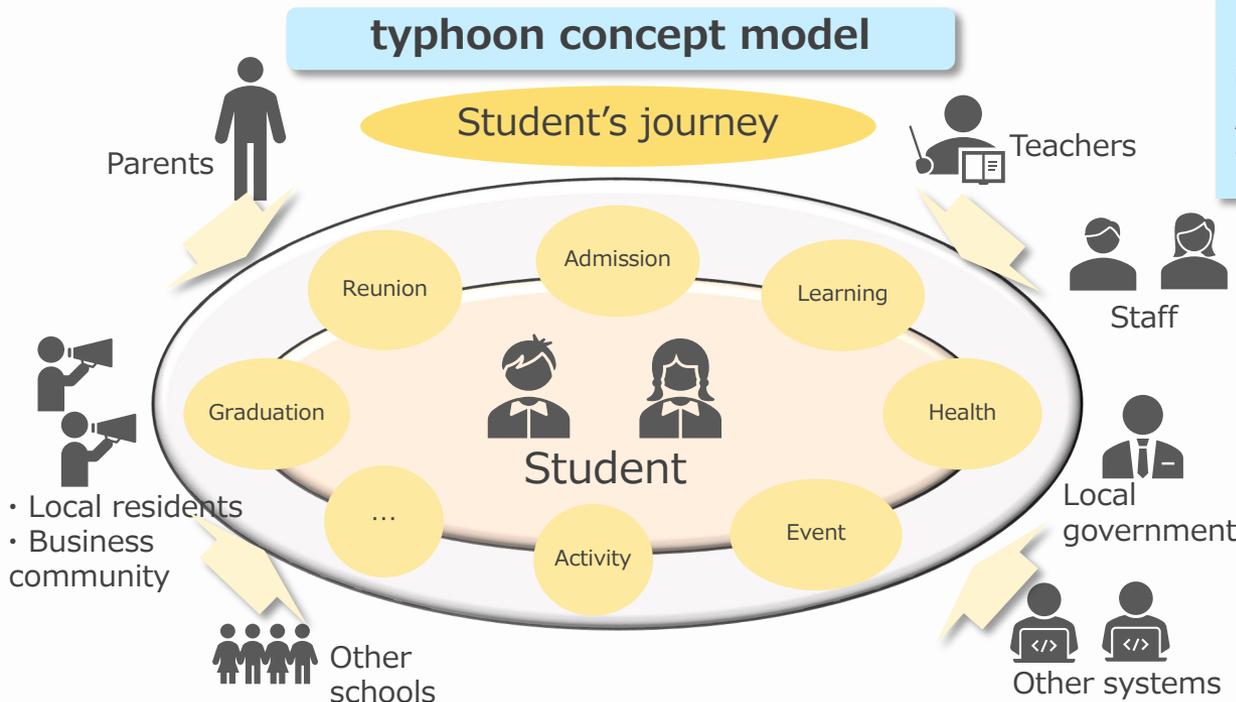
# New Business Development field

## Development and introduction of a new communication platform “typhoon” to realize personalized learning

**typhoon** : Integrated communication platform + school affairs support system

- Foundation system in which students continue to have a learning controller

**Point !**  Integrated management of various touchpoints with a focus on students.  
**Visualize student's journey** ⇒ Make best use of information stored in this platform.



**<September 2020  
Smartphone version released>**  
Accelerated online-communication  
with parents



| 日付         | 内容   |
|------------|--|
| <b>May</b> | Business alliance between NOBORI Ltd. and M3, Inc.   |
|            | NOBORI Ltd. started providing PHR (Personal Health Record) service.  |
|            | CROSS HEAD added a new feature in its own IT service "CROSSLink series" that synchronizes with user information in cybozu.com and Office365.                       |
|            | Capital and business alliance between NOBORI Ltd. and DeepTek Inc.   |
|            | CROSS HEAD realized 97% remote work in 24 x 7 IT service center.   |
|            | CROSS HEAD started providing "Easy! Connecting pack for remote work".  |
|            | NOBORI Ltd. will provide 100 medical institutions nationwide with AI systems to support remote interpretation and image diagnosis for COVID-19 for free of charge. |
|            | Development and introduction of a new communication platform "typhoon" to realize personalized learning for students in Karuizawa Kazakoshi school.                |
|            | Commenced the provision of the latest version of "F3" for evaluation and analysis of financial instruments to be prepared for the end of LIBOR.                    |

| 日付          | 内容  |
|-------------|---|
| <b>Jun.</b> | Notice of Stock Split, Partial Amendments to the Article of Incorporation and Shareholder Benefit Program.  |
|             | Agree on business alliance between NOBORI Ltd. and LPIXEL Inc. NOBORI Ltd. Started providing “EIRL aneurysm service” of LPIXEL Inc. on AI platform of supporting medical image diagnosis, which is operated with M3, Inc. |
|             | Commenced the provision of “Parasoft Selenic” for strengthening a Selenium test with a Self-healing function and a recommendation function using AI technology.   |
|             | CROSS HEAD started providing “CROSS HEAD Advanced Security Service” for preventing information leakage and productivity improvement in the era of telework.   |
|             | CROSS HEAD started providing Bit Locker management solution “BitMana cloud service” for preventing information leakage and productivity improvement.  |
|             | NOBORI Ltd. started providing AI medical technology “COVID-19 pneumonia image analysis program Ali-M3”.   |
|             | Commenced the provision of the Japanese edition of Ranorex Version 9.3, UI test automation tool with the powerful object-recognition engine.  |

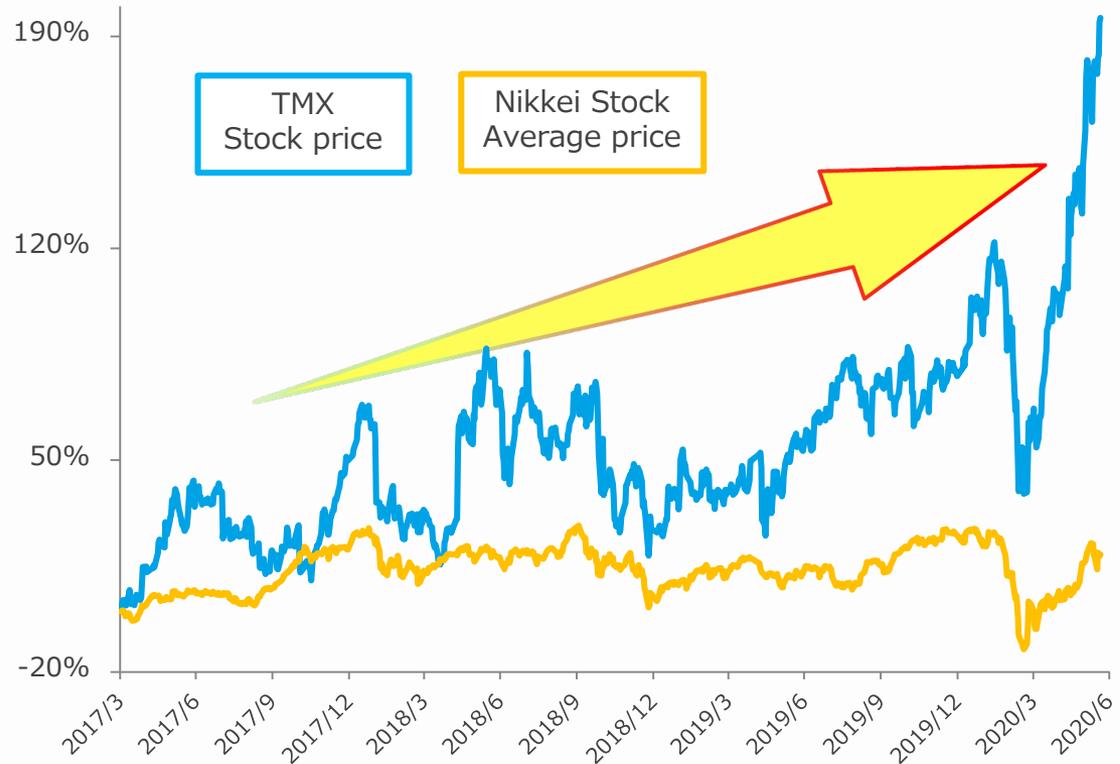
| 日付   | 内容  |
|------|---|
| Jul. | Enhanced F3 CVA estimation service. Added the "Marginal CVA Measurement Function", for effectively confirming the impact of each transaction on CVA.                |
|      | Business alliance with NOBORI Ltd. and TXP Medical, Inc.  |
|      | Commenced the provision of Version 11 "Lattix Japanese-language" for architecture analytics.  |
|      | Concluded a sales agent agreement and business alliance between Okinawa Cross Head Co., Ltd. and Rozetta Corp.  |
|      | CROSS HEAD started providing solutions by integrating "DataClasys", file-encryption solution, with "BRODIAEA safeAttach", a solution for wrong e-mail transmission. |
| Aug. | Signed a partner contract with grasys Inc.  |
|      | Commenced the provision of " Jtest 2020.1 ", a test automation tool for Java.   |
|      | CROSS HEAD provides a service to enable scheduled synchronization between Cybozu Garoon and Microsoft Teams.  |

| 日付   | 内容   |
|------|--|
| Sep. | Commenced providing cyber security insurance with "TPS", a service for integrated monitoring/incident response.                    |
|      | Established Kyushu Sales Office in Fukuoka City, Fukuoka Prefecture to strengthen a service provision in the western Japan region. |
|      | NOBORI Ltd., Notice of the Expansion of Grant Aid Projects for COVID-19 Pneumonia AI.  |
|      | CASAREAL,Inc., partnership contract with HashiCorp, Inc.   |

# Stock Splits

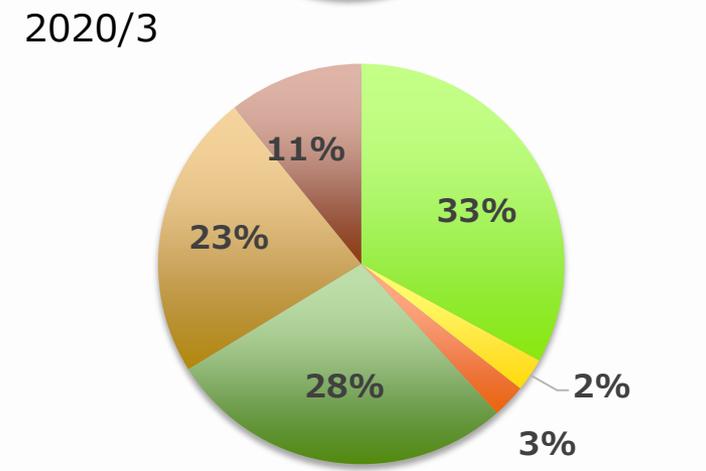
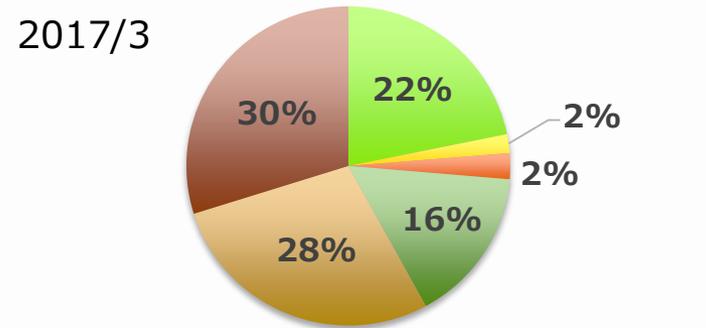
- ◆ Implement 2-for-1 stock splits (base date: June 30<sup>th</sup>, 2020, effective date: July 1<sup>st</sup>, 2020) to increase the liquidity and broaden its investor base.

## Stock price performance



- The graph was made based on market data as of the end of March, 2017.
- Announced stock split after the close of stock market on June 1st, 2020.

## Shareholder composition



- Financial institution
- financial instruments business operator
- Other corporations
- Foreign corporation
- Individual, Others
- Treasury stock

# 3. Medium-Term Management Plan "GO BEYOND 3.0"

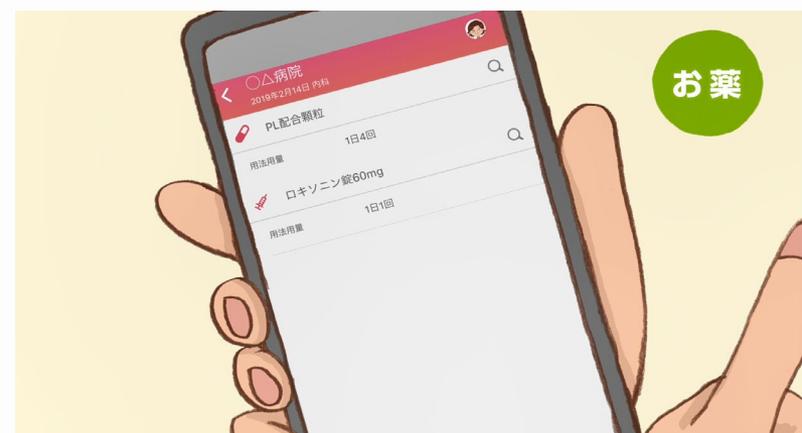
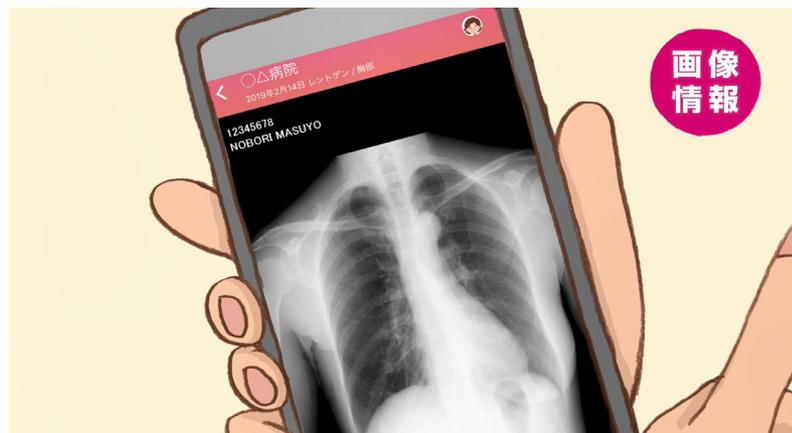
We continue business strategy of TMX 3.0

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

- 1 Diversification of business operating structure (conclusion of a business/capital alliance, cooperation with universities and research institutions, open innovation)
- 2 Accelerated servicization (in the whole areas)
- 3 Utilization of data (including usage of AI)
- 4 Enter B2C businesses
- 5 Rapid expansion of businesses in overseas markets (next step out of market research phase)
- 6 Strengthen business management foundation (cross-group/effective utilization of human resources and technology, new value created by combination of expertise accumulated in each filed, investment in human resources and development of next-generation management, Recruitment/human resource development/evaluation/retention based on corporate philosophy)
- 7 M&A (including usage of treasury stocks)

## NOBORI

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



## TechMatrix Premium Support powered by TRINITY

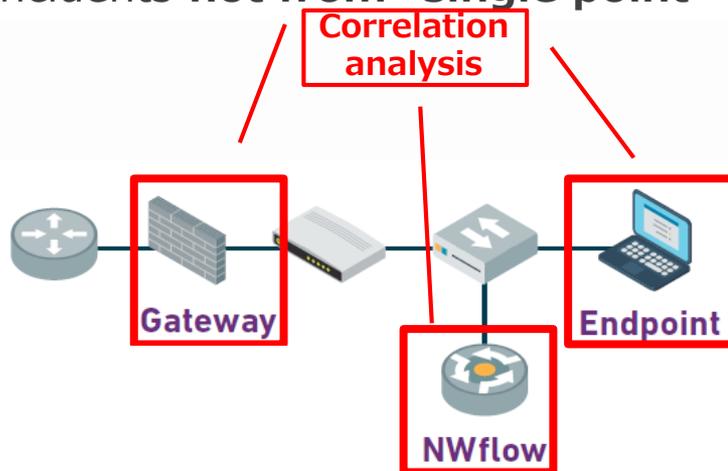
Integrated security monitoring service using correlation analysis rules created based on hundreds of threat scenario patterns originally developed by TechMatrix

※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”**

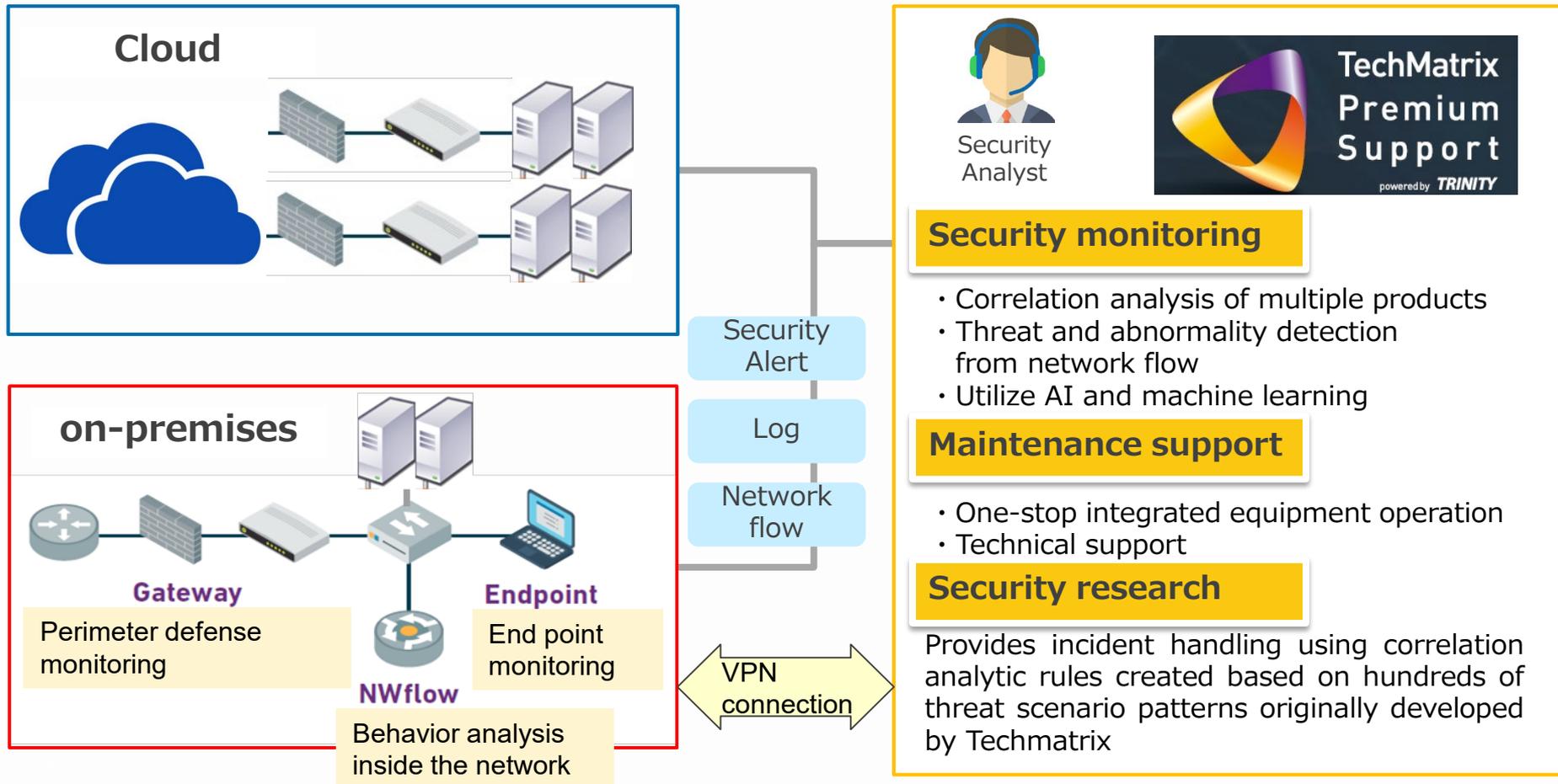


「TechMatrix Premium Support powered by TRINITY」, **our comprehensive integrated security monitoring service** analyzes correlation using data captured at the gateways, at the end-points and from network flows (not from “single point” but from “multiple points”) within the enterprise network, which can 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

Provides "comprehensive threat detection and visualization" and "security operation efficiency". We will strengthen the cyber security platform to be able to protect enterprises from unknown malware.

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

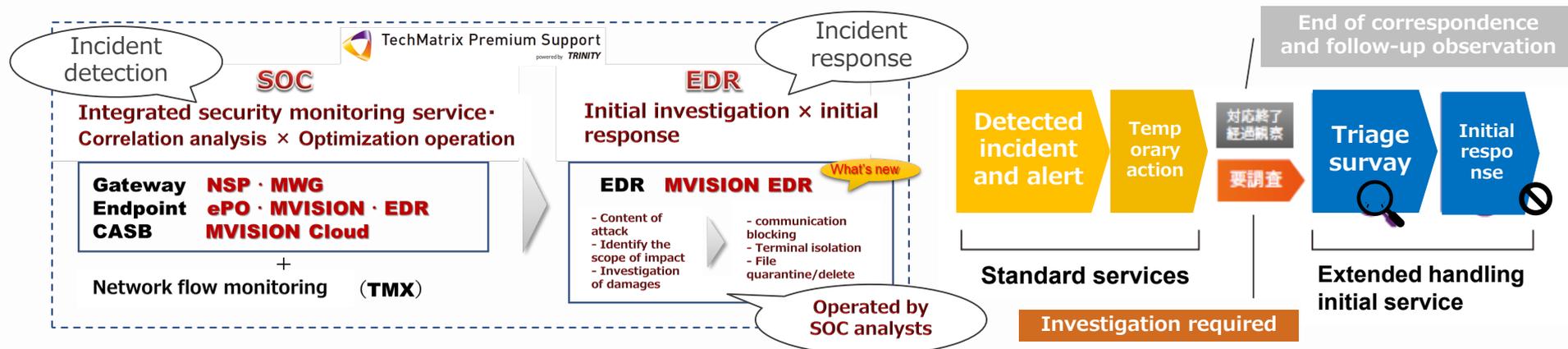


## TechMatrix Premium Support powered by TRINITY

Collaborated with McAfee in area of EDR

~Expanded incident response service by adding the use of “McAfee MVISION EDR”

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

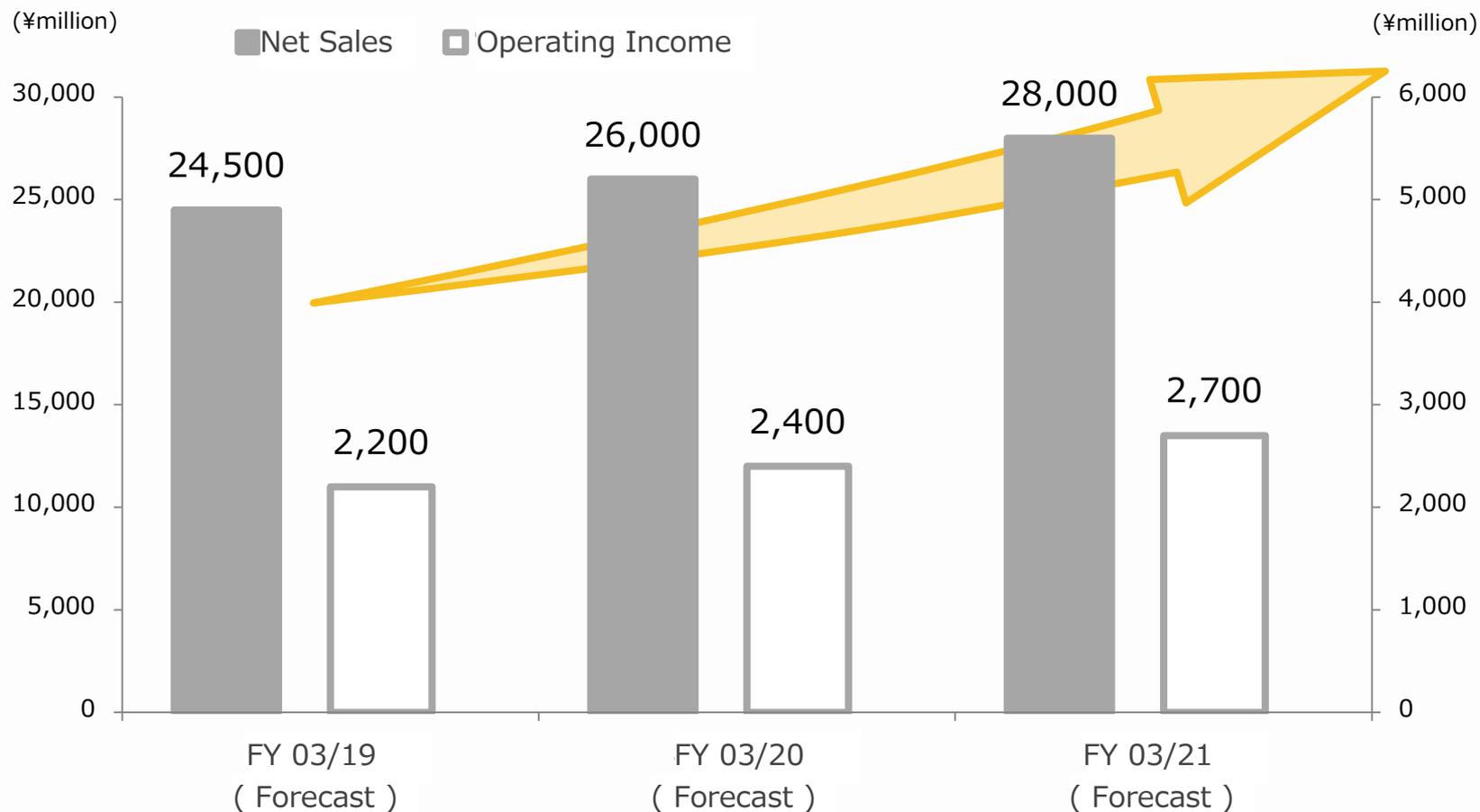


**Point !** Security analysts proactively operate MVISION EDR from Security Operation Center(SOC) to conduct initial survey and initial response, which strengthens the foundation of security operations.

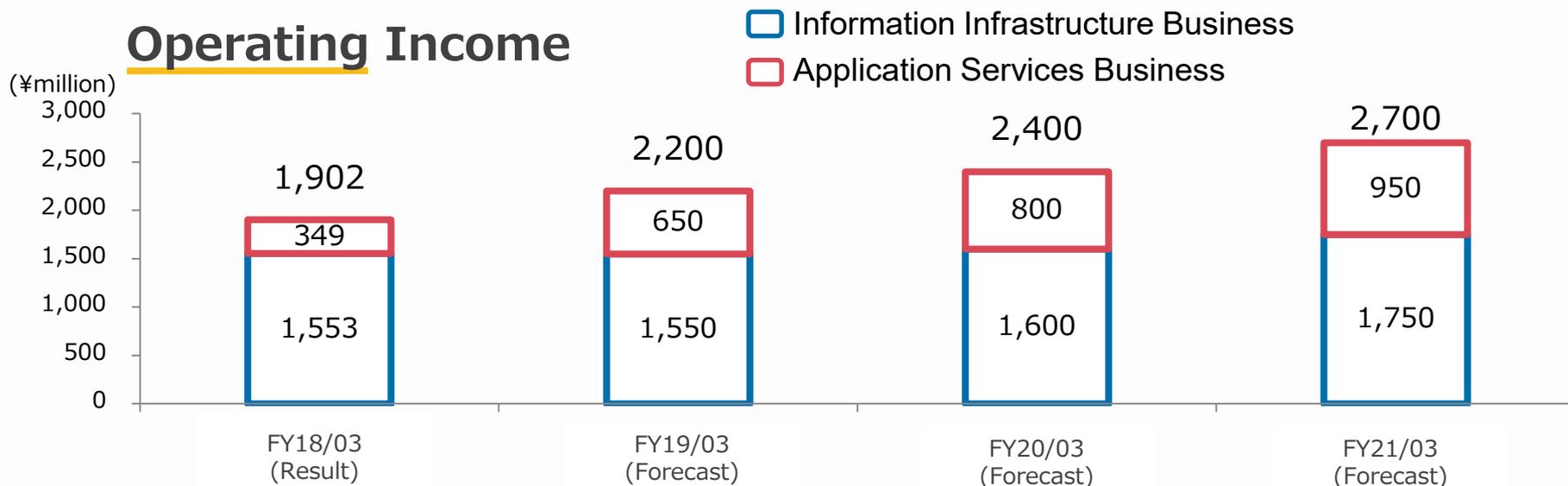
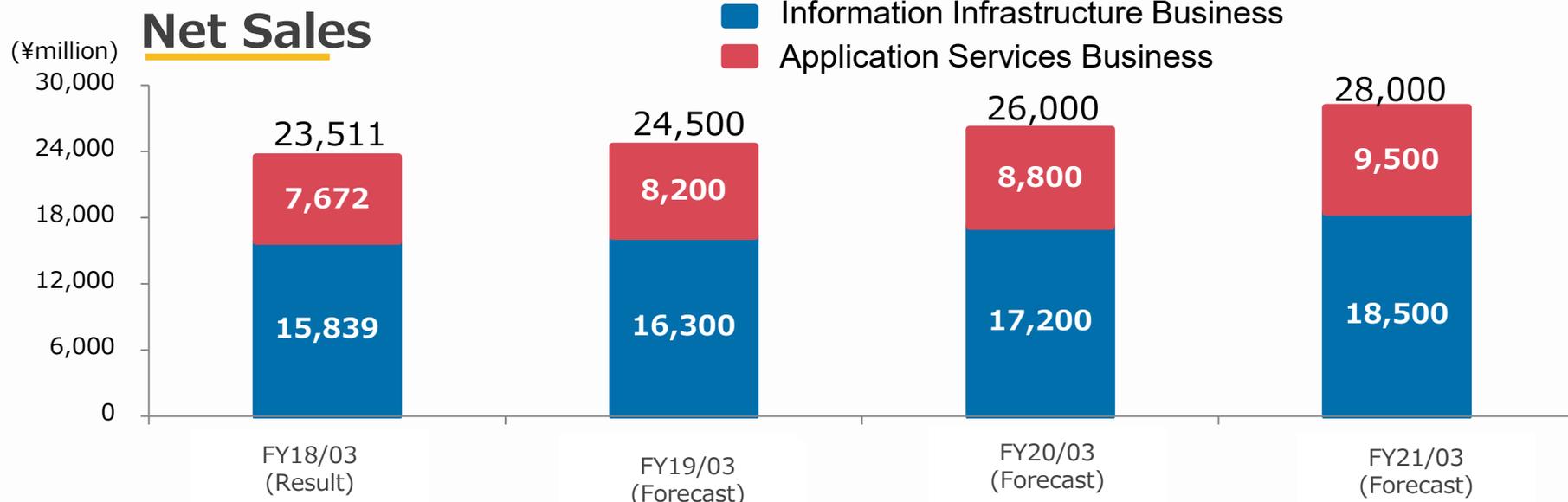
### 【Overview】

- Collecting each event alert through integrated security monitoring.
- Correlate each event alert detected by MVISION EDR.
- Based on analysis, security analysts proactively operate MVISION EDR from Security Operation Center(SOC) before notifying the clients of an incident.

## Increased net sales and operating income continuously



# Planned value of GO BEYOND 3.0 (Consolidated)



# Change of well-balanced business

## Information Infrastructure Business

|                                  | FY 03/19 – FY 03/21 (forecast) |
|----------------------------------|--------------------------------|
| Net sales CAGR(%)                | 5.3                            |
| Operating income CAGR(%)         | 4.1                            |
| FY 03/21(forecast)               |                                |
| Operating income to net sales(%) | 9.5                            |
| FY 03/20(result)                 | (11.9)                         |
| FY 03/19(result)                 | (10.5)                         |
| FY 03/18(result)                 | ( 9.8)                         |

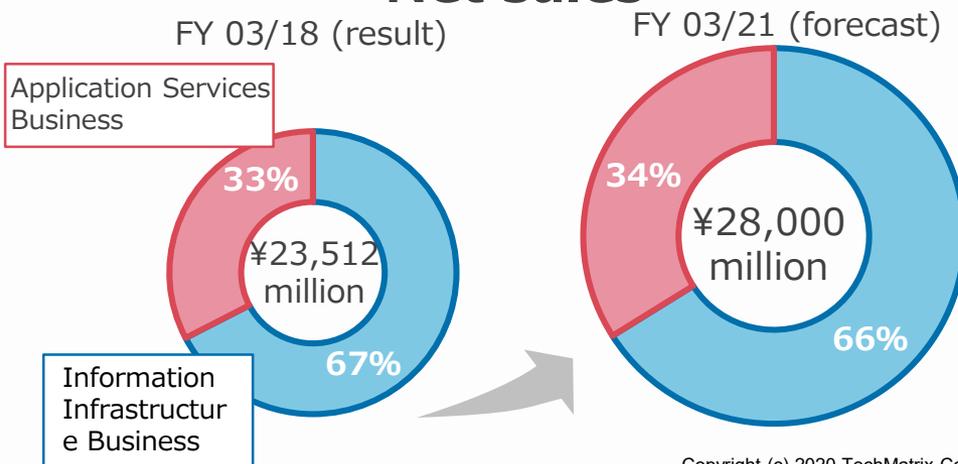
## Application Services Business

|                                  | FY 03/19 – FY 03/21 (forecast) |
|----------------------------------|--------------------------------|
| Net sales CAGR(%)                | 7.4                            |
| Operating income CAGR(%)         | 39.6                           |
| FY 03/21(forecast)               |                                |
| Operating income to net sales(%) | 10.0                           |
| FY 03/20(result)                 | (7.8)                          |
| FY 03/19(result)                 | (7.6)                          |
| FY 03/18(result)                 | (4.5)                          |

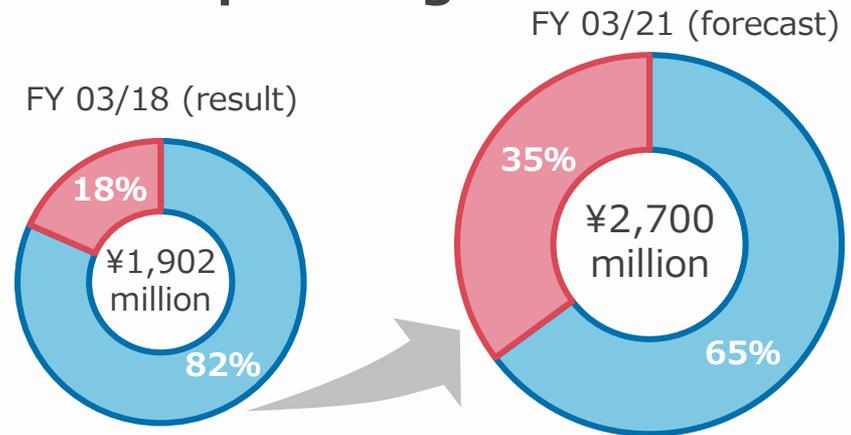
※We put more efforts to build high-value-added services by ourselves so that we can aggressively change business structure and differentiate our businesses.

※Profit will increase due to the growth of cloud businesses.

### Net sales



### Operating income





# The IT professional group who creates a better future



# 4. Business Models

**Point!**

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

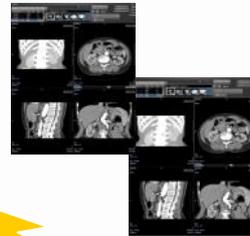
**Free initial investment !**

**No space required !**

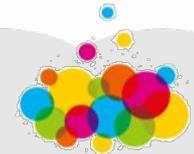
**No engineer required !**



**NOBORI CUBE**



**TechMatrix**



**NOBORI**

**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".

**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 !

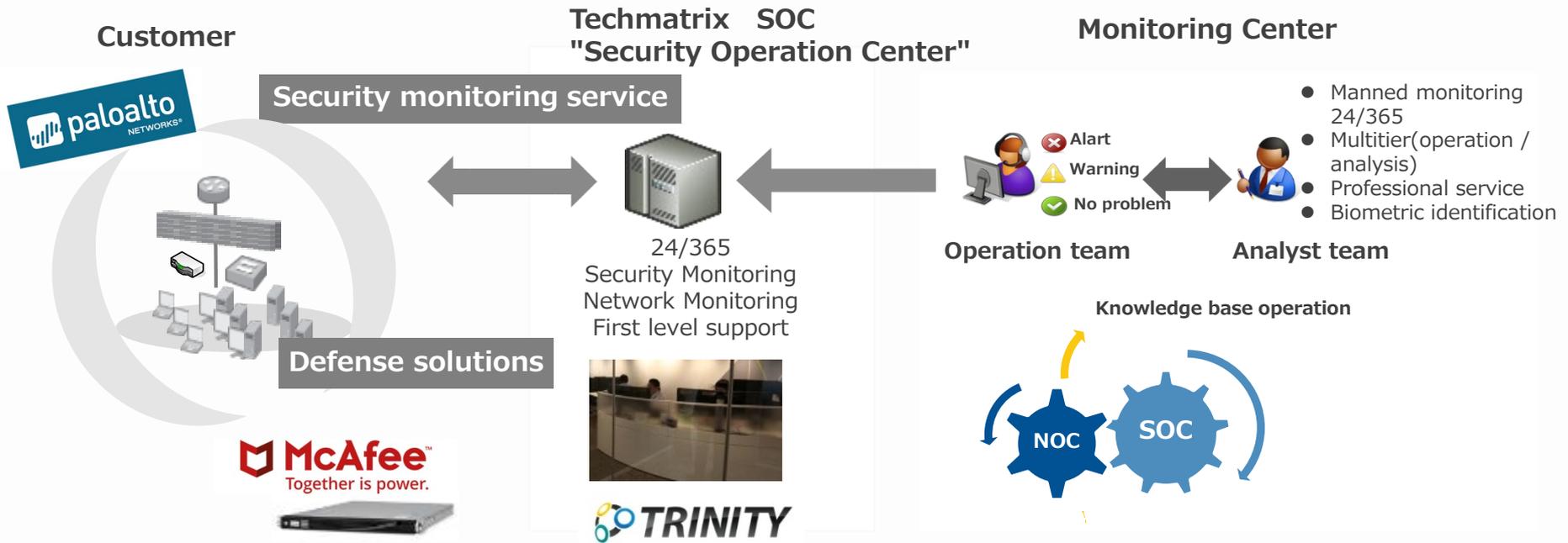


Quick response to the customers' Inquiries !



Improvement of customer satisfaction !

**Point!** One-stop solution from Techmatrix.



## One-stop solution

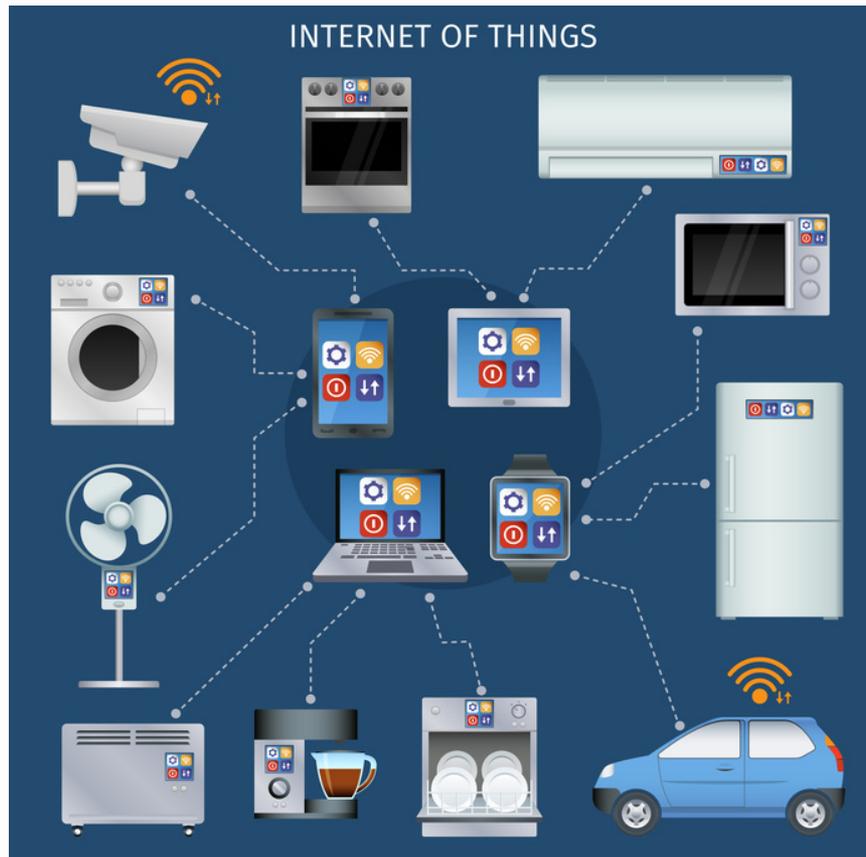
One-stop solution for system design, integration, maintenance, operation and monitoring services.

## 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!**

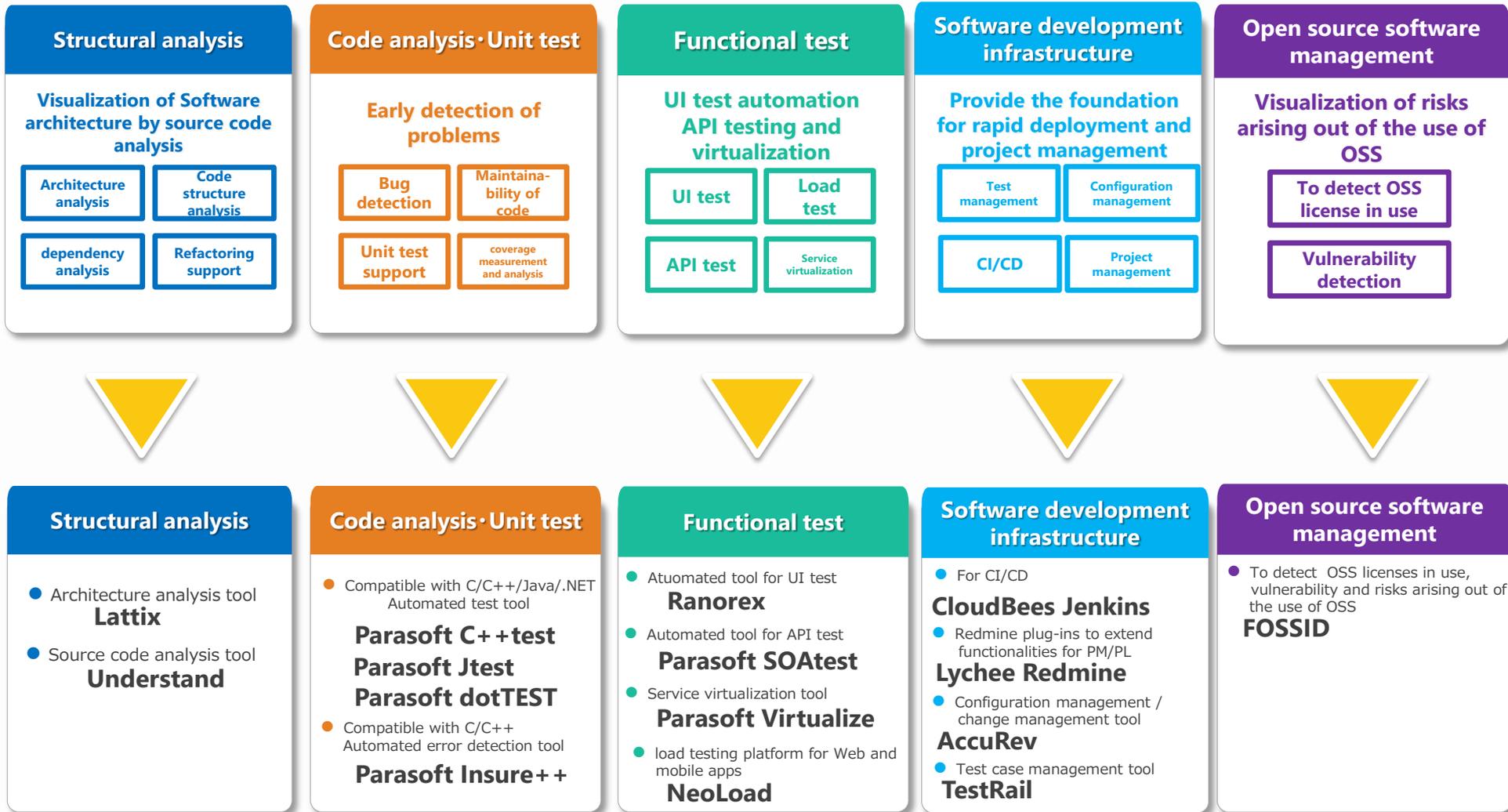
Every internet-connected device can be a target for cyber-attacks in the IoT era.



- ▶ 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**

# Software Quality Assurance field

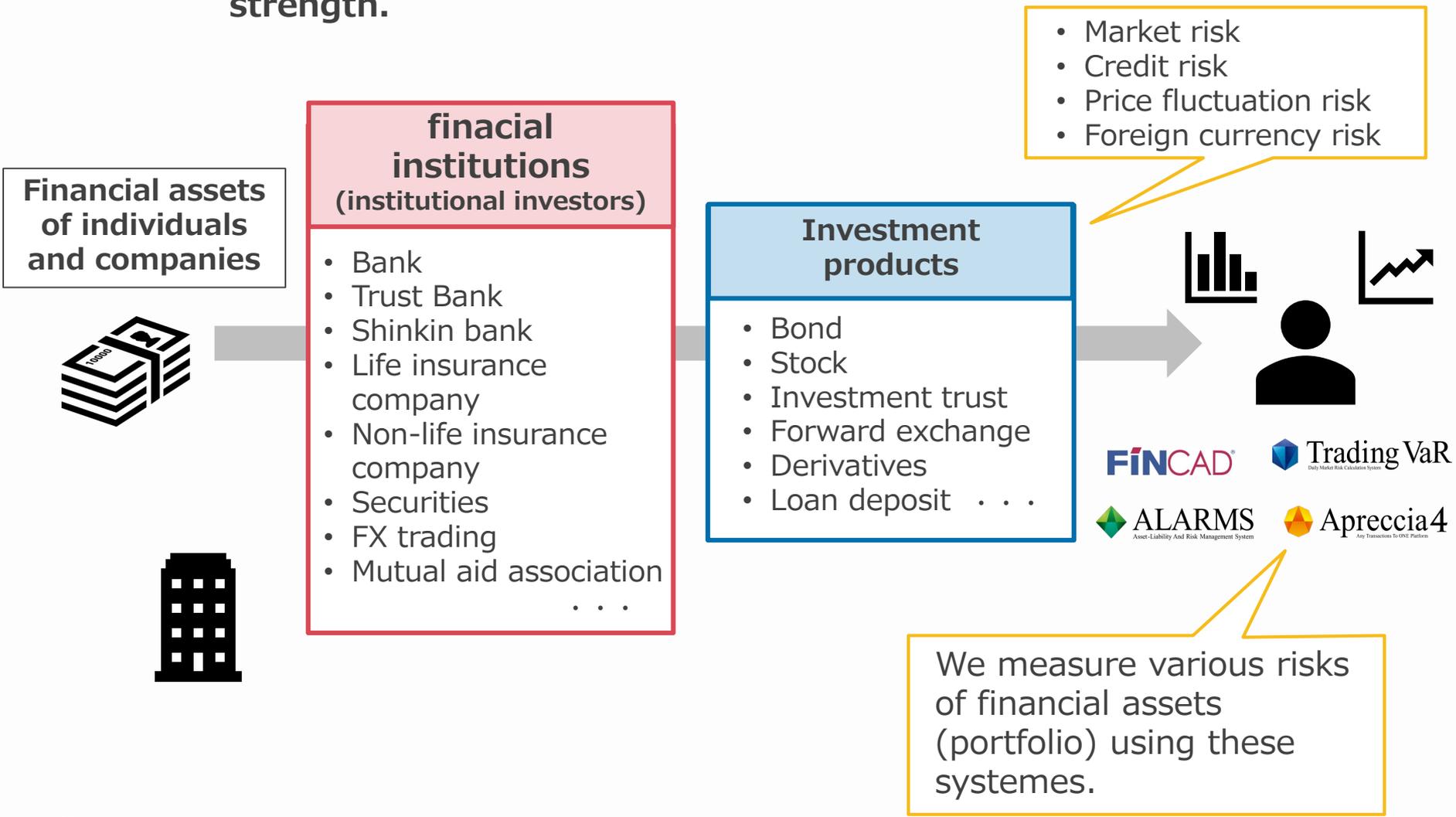


# SOLUTION

# Financial field

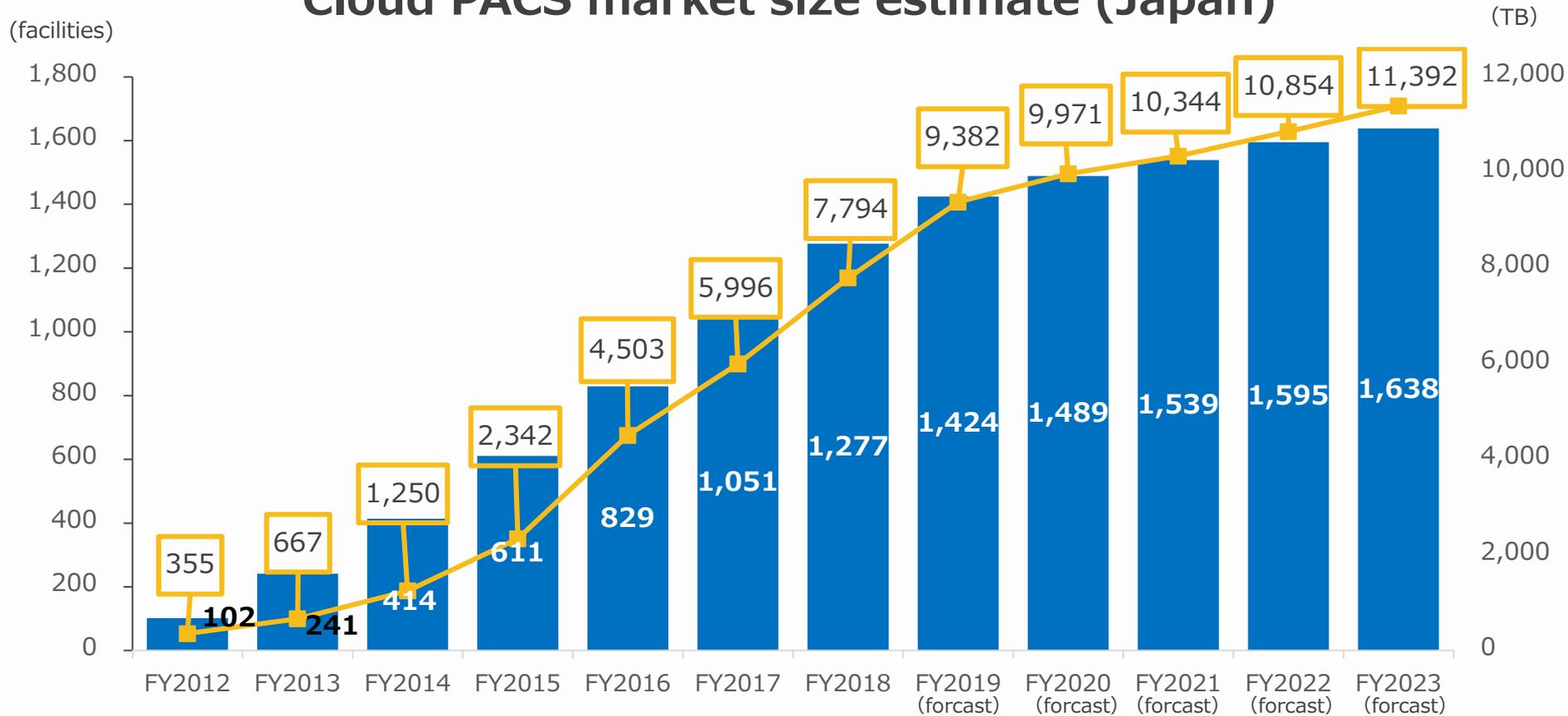
**Point!**

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



# 5. Market Conditions for our business

## Cloud PACS market size estimate (Japan)



\* Estimate as of Jan, 2020

■ Number of contracted facilities

— Estimated capacity

◆ Number of contracted facilities using cloud PACS was forecasted to be 1,424 as of the end of FY2019 in Japan. The number of facilities have steadily increased.

\* Reference : 2019 edition Medical image system (PACS), perspectives and strategies of related equipment market(Jan,2020) by Yano Research Institute Ltd.

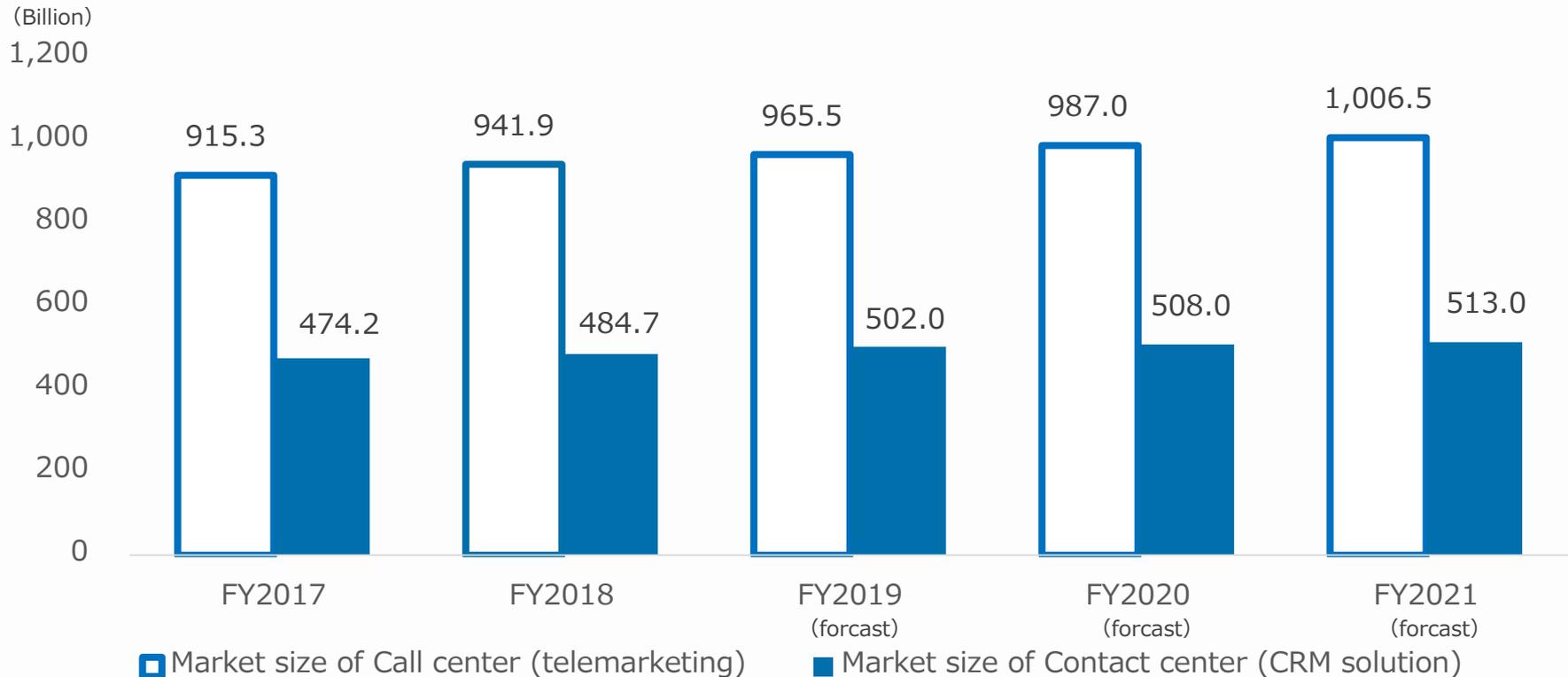
## Type of PACS Cloud

| Cloud type | Brief summary   | Feature  | Configuration image | NOBOR I |
|------------|---|--|---------------------|---------|
| 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<br>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<br>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.

# Market Conditions for our business

## CRM software market size (Japan)



\*Service provider's sales. Estimate as of Oct, 2018

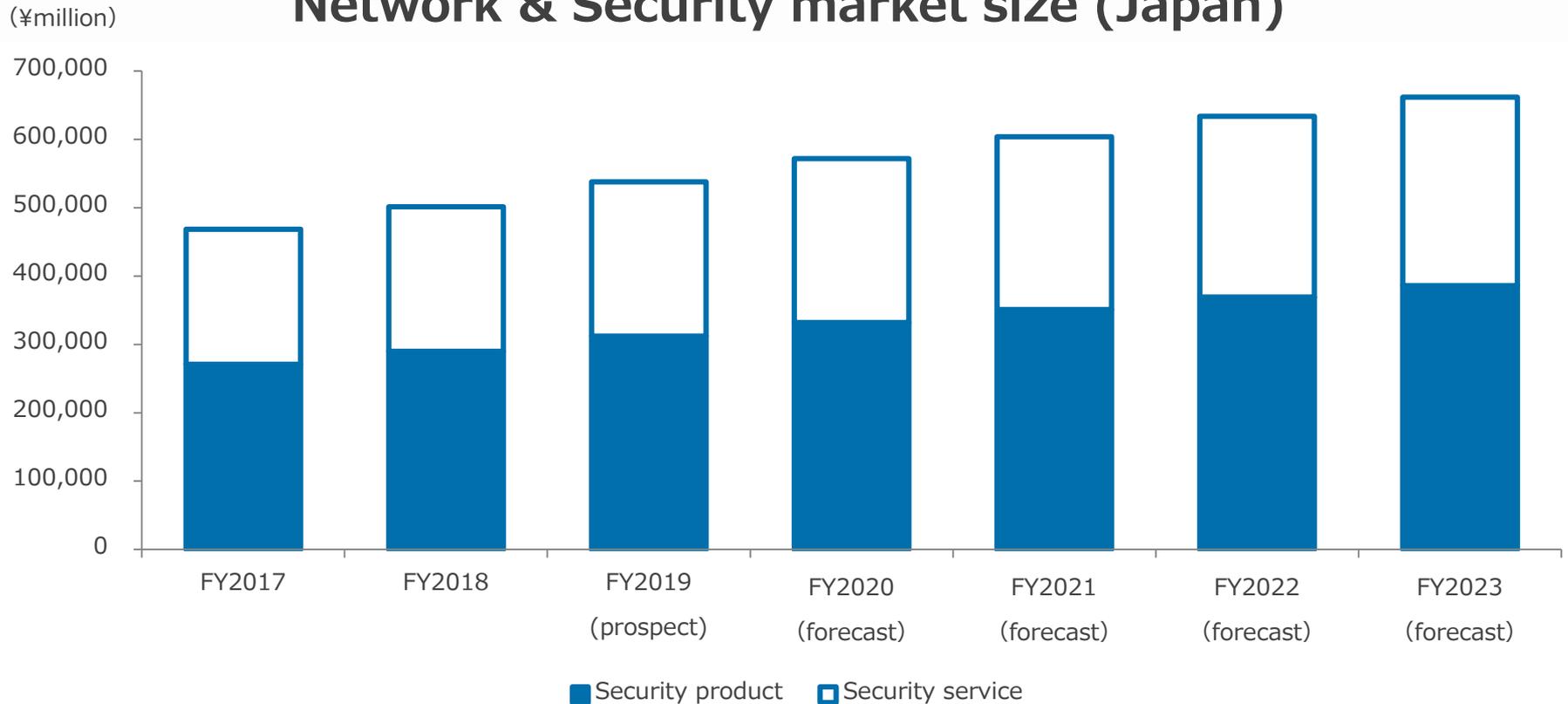
- ◆Market size of Call center (telemarketing) in FY2018 is to ¥981.9 billion, up by around 2.9% from FY2017.
- ◆Market size of Contact center (CRM Solution) in FY2018 is ¥484.7 billion, up by around 2.2% from FY2017.

Call center (telemarketing) have steady increased the demands of outsourcing in client company due to lack of human resources.

Contact center (CRM Solution) have dealt with multi-channelization.

\* Reference : 矢野経済研究所「コールセンターサービス市場/コンタクトセンターソリューション市場の調査 (2019年)」

## Network & Security market size (Japan)



◆ Forecasted Networks Security business market in Japan expanding from ¥468.7 billion in FY2017 to ¥661.7 billion in FY2023.

◆ High growth rate on average at 5.7% has been forecasted.

\* 出所：「2019 Network security business research stars (market edition)」  
by Fuji Chimera Research Institute, Inc.



<本資料の取り扱いについて>

本資料に含まれる将来の見通しに関する記述等は、現時点における情報に基づき判断したものであり、マクロ経済動向及び市場環境や当社の関連する業界動向、その他内部・外部要因等により変動することがあり得ます。

従いまして、実際の業績が本資料に記載されている将来の見通しに関する記述等と異なるリスクや不確実性がありますことを、予めご了承ください。

<お問合せ先>

テクマトリックス株式会社 経営企画課 TEL:03-4405-7802 [ir@techmatrix.co.jp](mailto:ir@techmatrix.co.jp)