

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



October 31, 2024

TECHMATRIX CORPORATION (code : 3762)



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

- 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.



Business Highlights for FY2024 2Q (Consolidated)

(¥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%



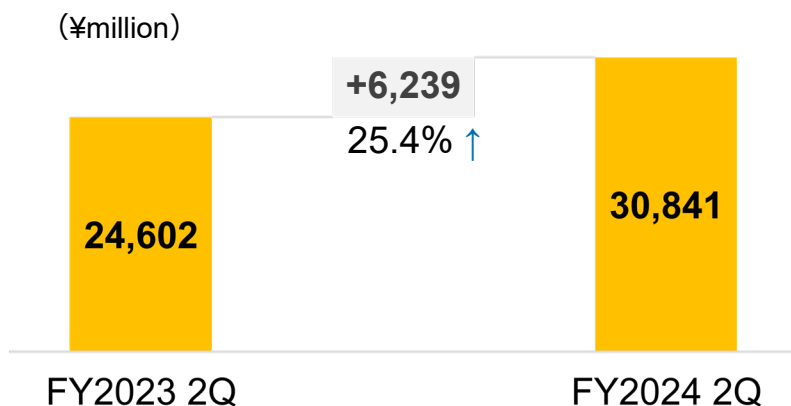
Business Highlights for FY2024 2Q (Consolidated)

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

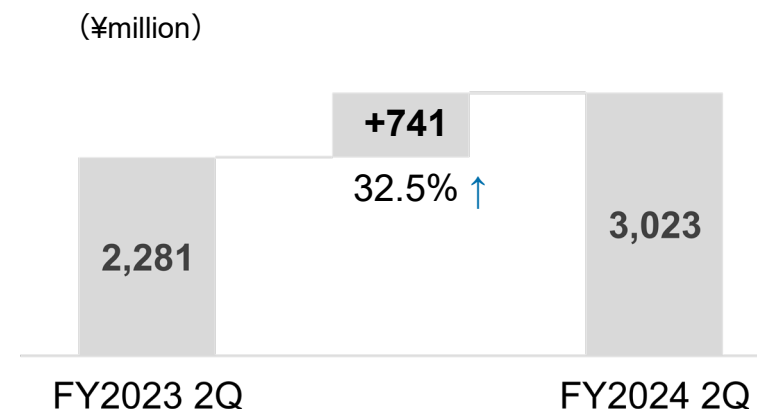
Application Service Business: Progress in the shift to stock business contributed to performance, with double-digit revenue growth YoY in the CRM, SE, BS, and EdTech fields.

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

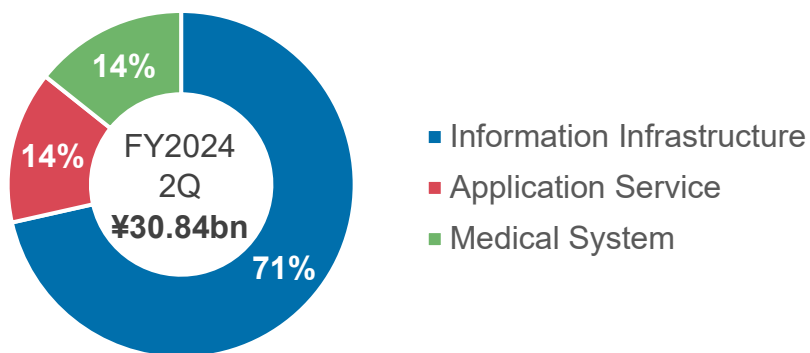
Revenue



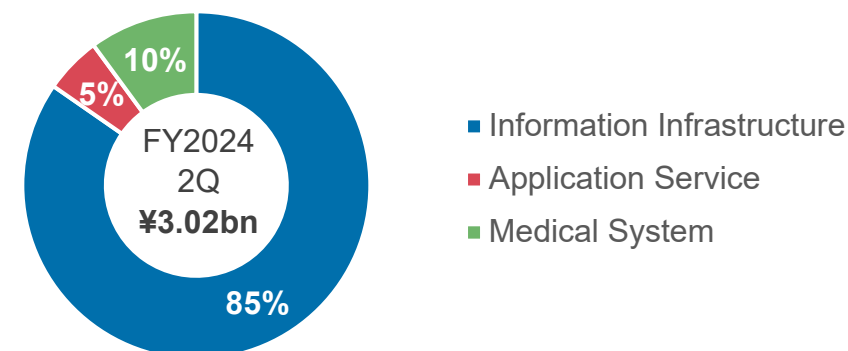
Operating profit



Revenue breakdown



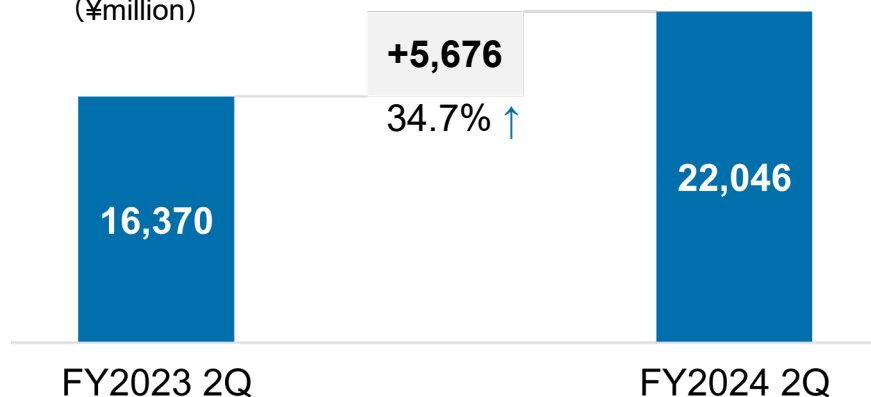
Operating profit breakdown





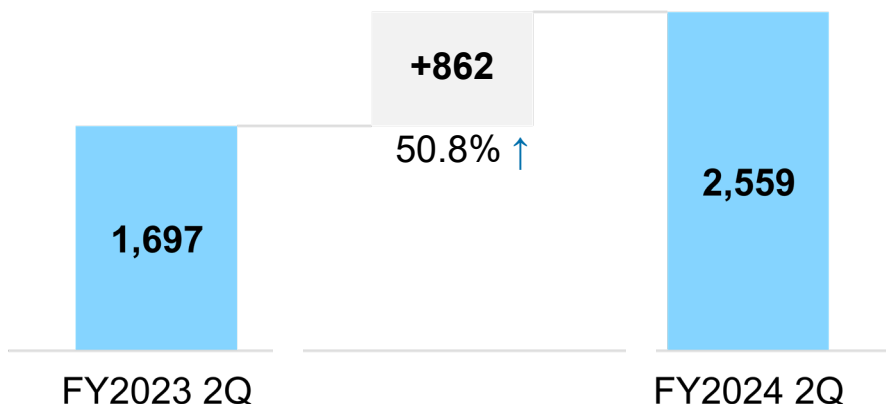
Revenue

(¥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

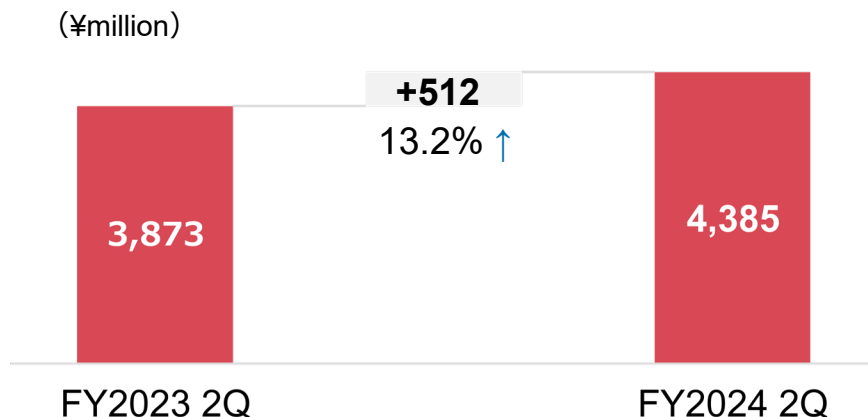
- (+) Increasing demands for cloud-based security products(subscription-based).
- (+) Strong demand for Next-generation anti-virus products utilizing AI.
- (+) Strong demand for Next-Generation Mail security solutions.
- (+) Accumulation of multi-year subscriptions.

- **Operating profit**

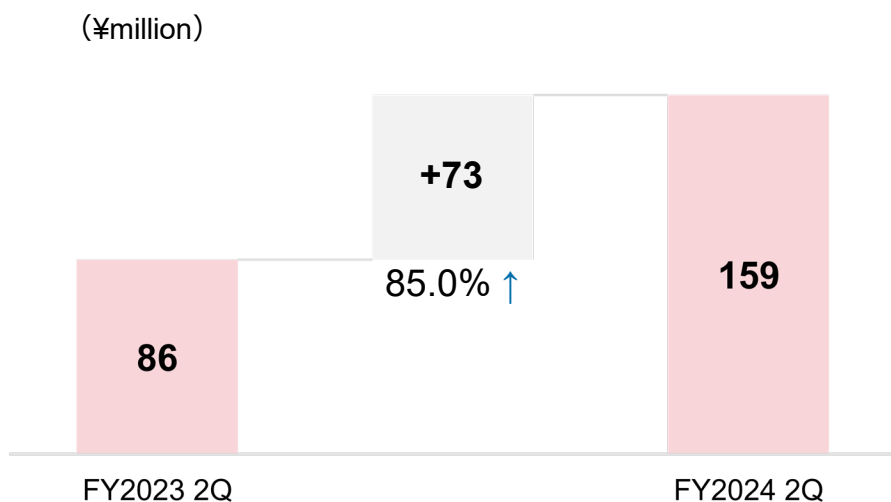
- (+) SG&A expenses less increased compared to Revenue growth.
- (+) Thoroughly conducted sales activities with profitability in mind.
- (+) Stable foreign exchange market.



Revenue



Operating profit



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)

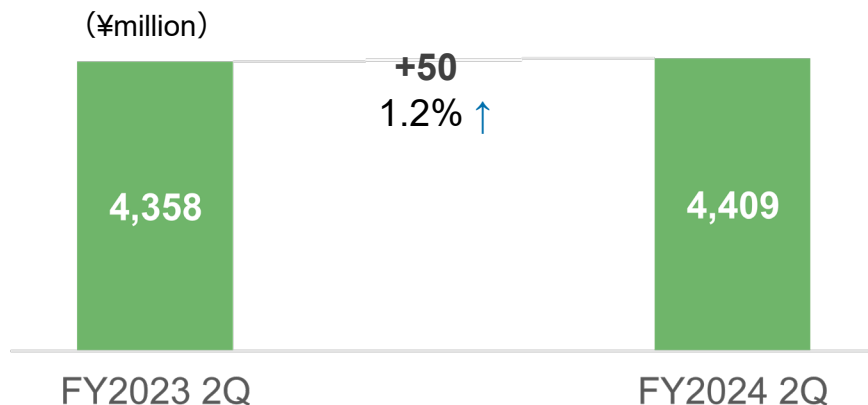
• Operating profit

- (-) 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)

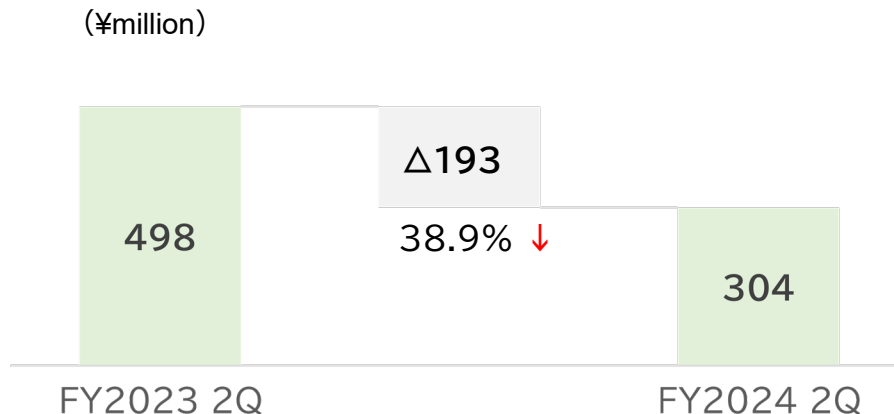
※ Division name abbreviation
 CRM: Contact center / Call center
 SE: Software quality assurance
 BS: Business solution
 EdTech: Education



Revenue



Operating profit



Revenue increased YoY.

Operating profit decreased YoY.

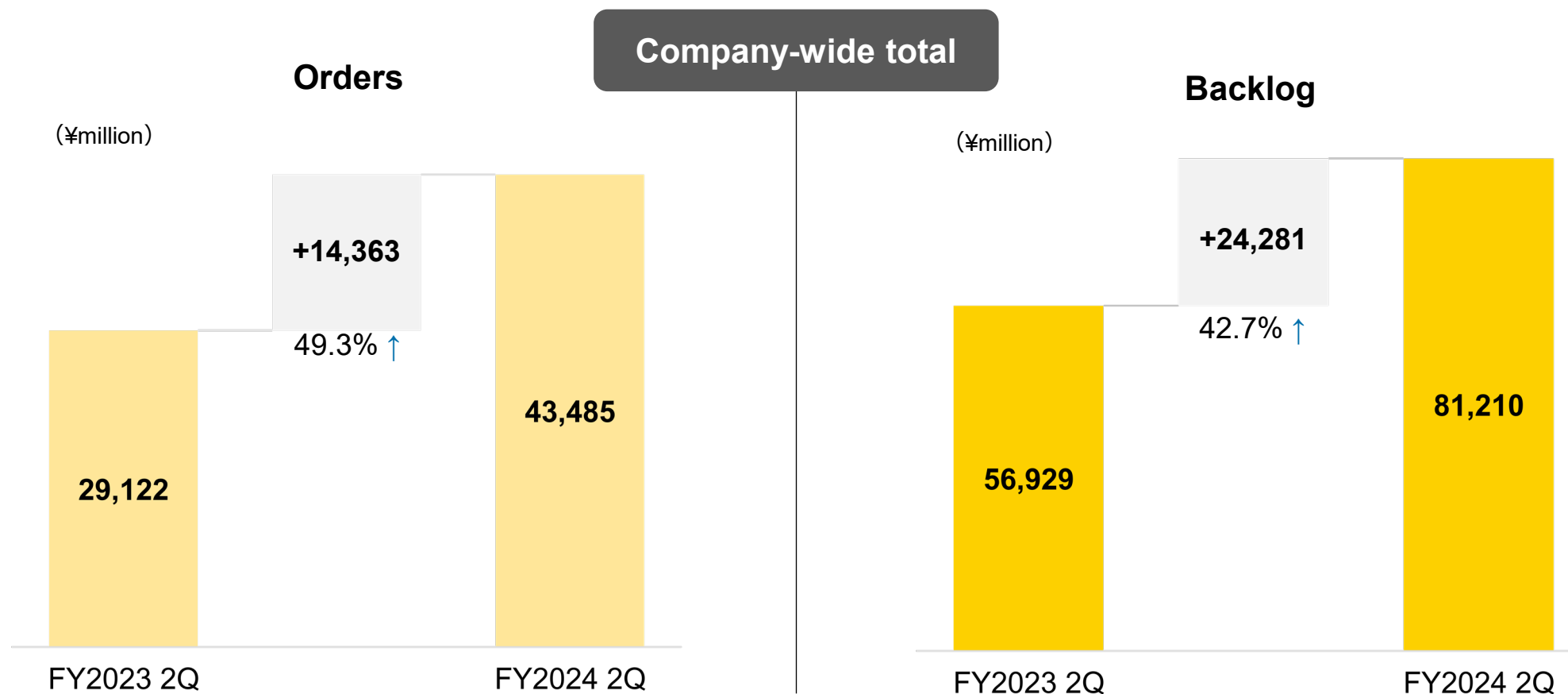
- **Revenue**

- (+) 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**

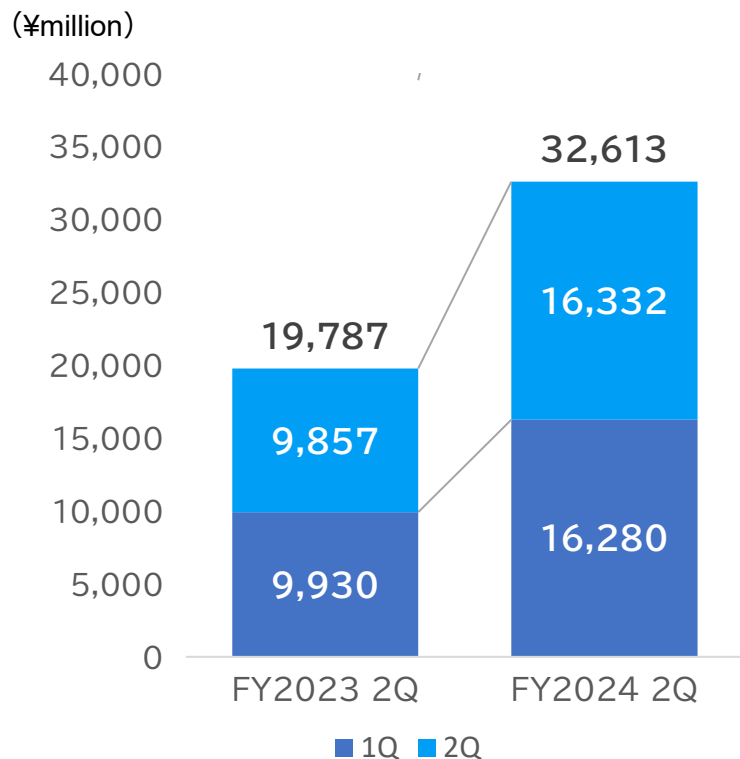
- (+) Special factors such as costs related to unification of treatment systems have been eliminated. (1Q: ¥98million)
- (-) Increased in SG&A expenses due to increase in number of employees.
- (-) Increased in SG&A expenses due to aggressive development investment.

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

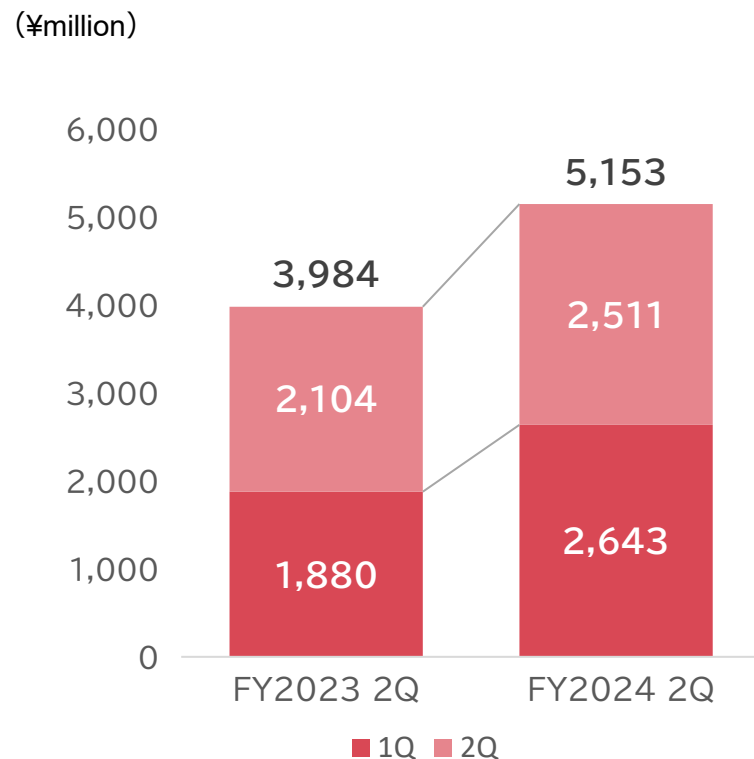


- **Information Infrastructure Business** : Increased demands for cloud-based security products (new / renewal). In addition, large one-time hardware sales were recorded.
- **Application Service Business** : All segments performed well, especially in the CRM field and Software quality assurance field.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

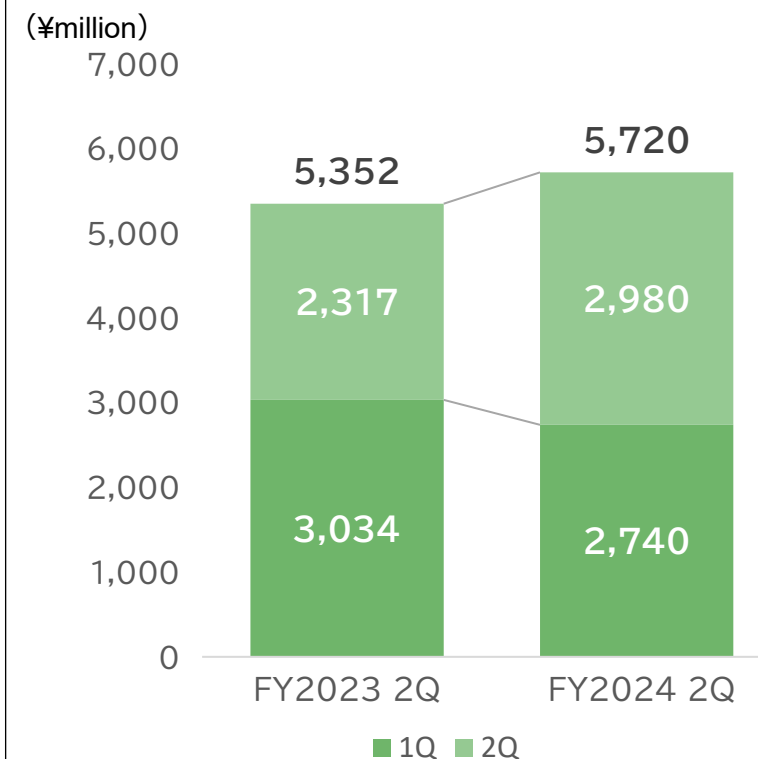
Information Infrastructure Business



Application Services Business



Medical System Business



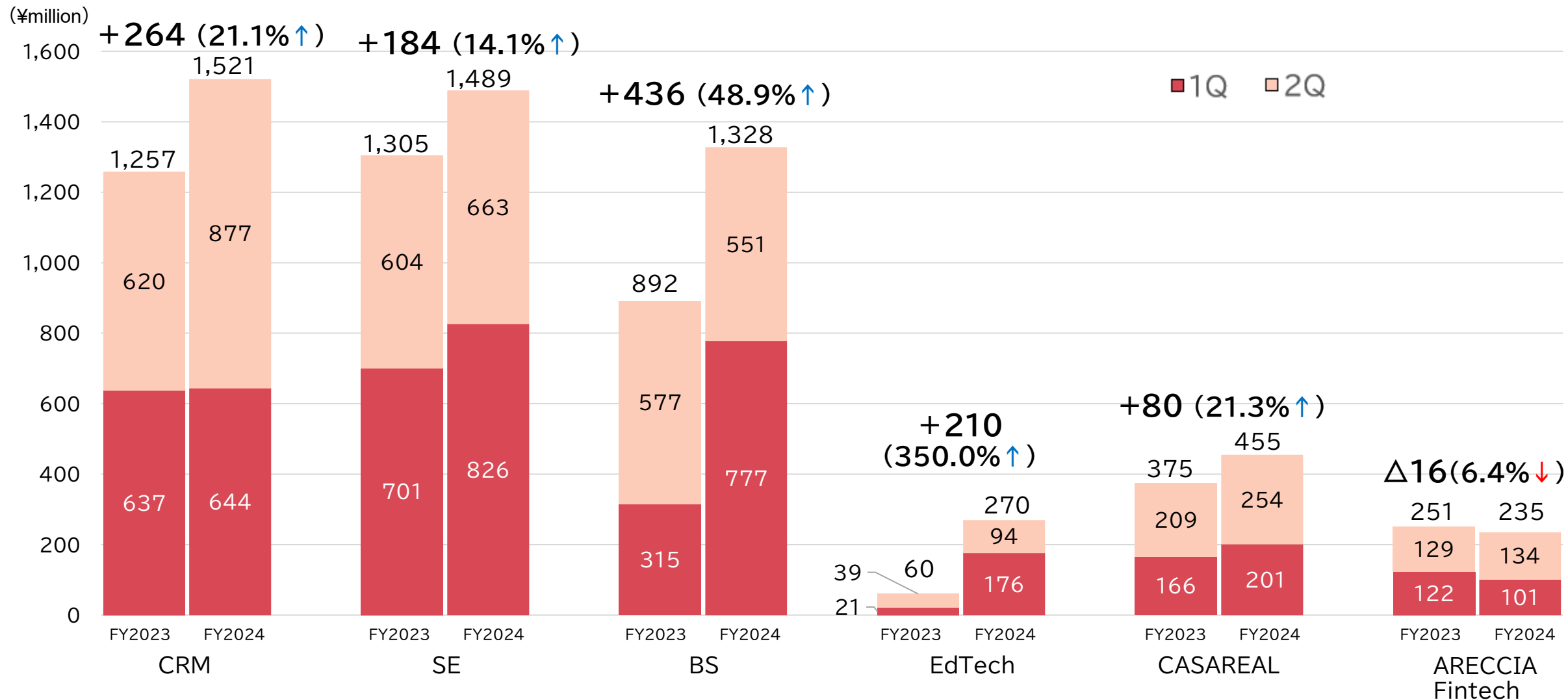
※ Division name abbreviation

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



Orders for FY2024 2Q by Field (Consolidated)

Application Service Business



※ Division name abbreviation

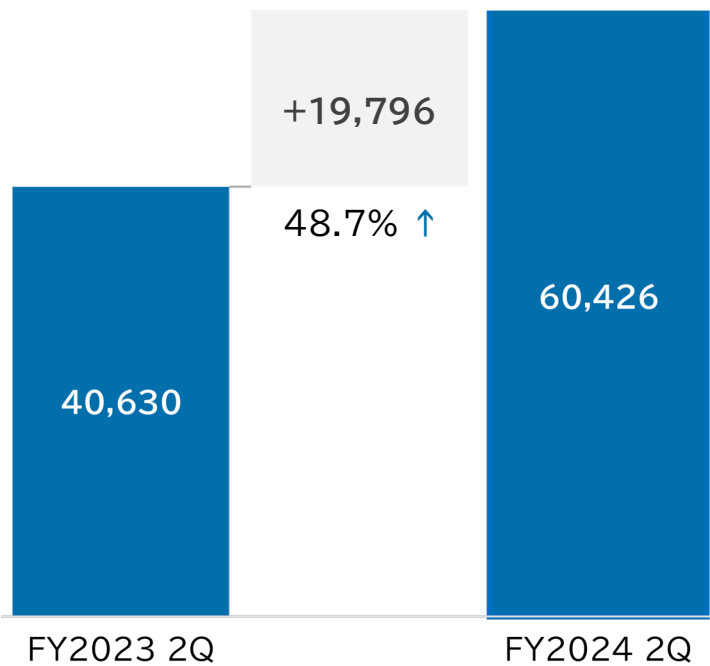
※ Figures before consolidation adjustments between divisions

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

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

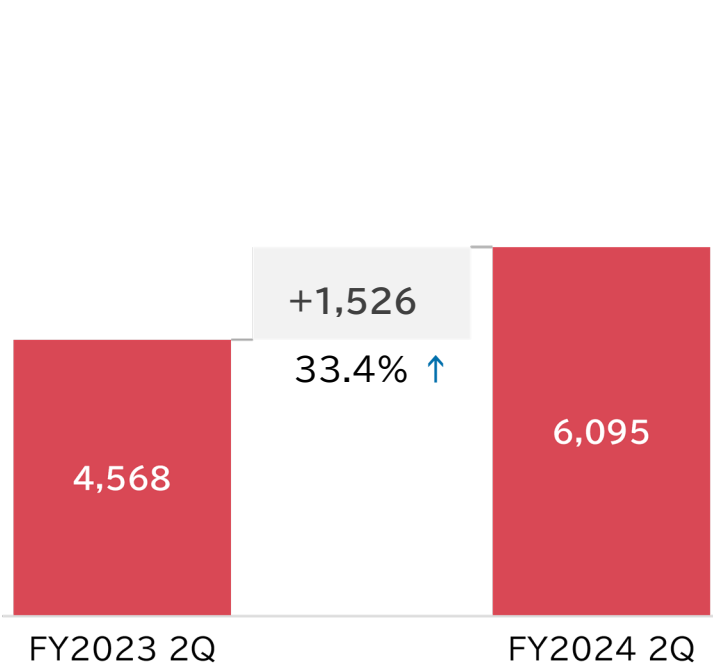
Information Infrastructure Business

(¥million)



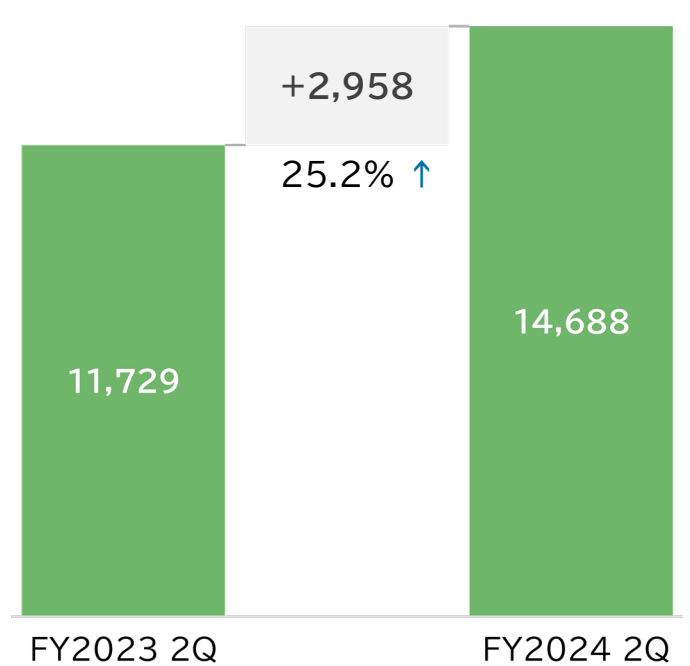
Application Services Business

(¥million)



Medical System Business

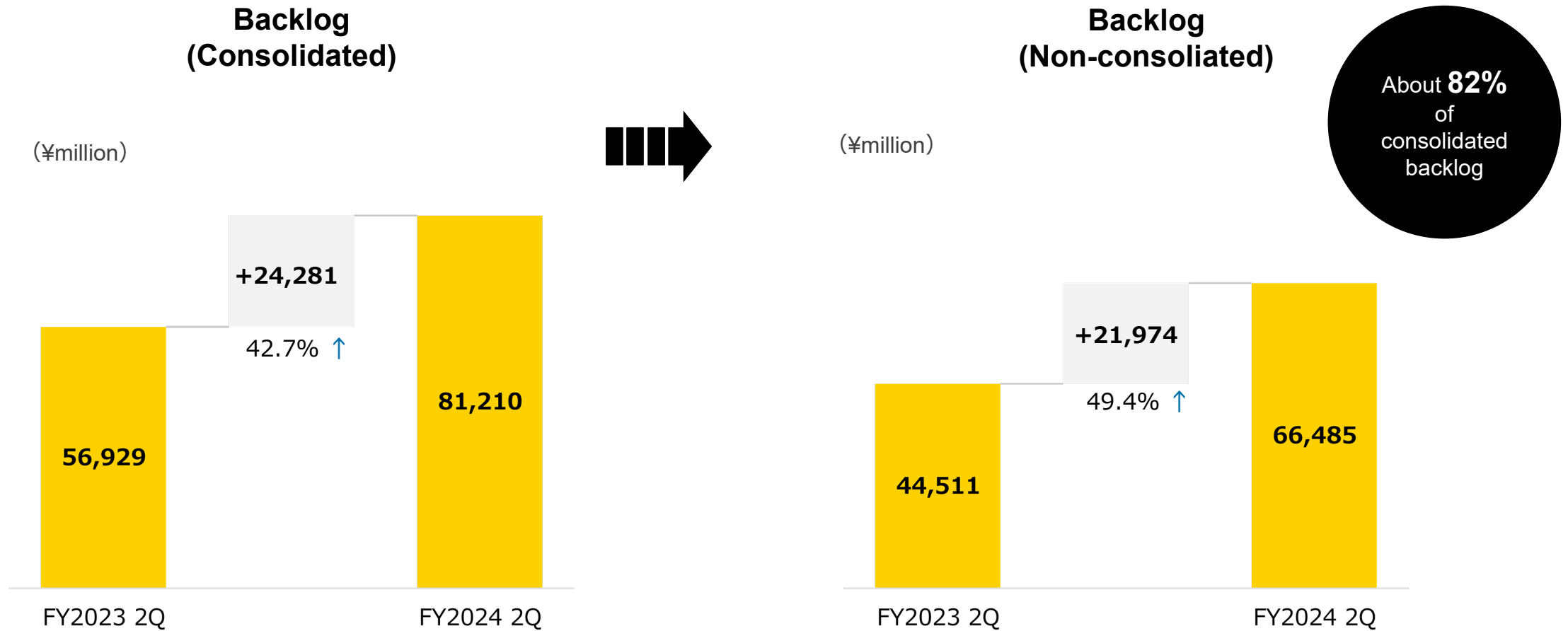
(¥million)





Backlog for FY2024 2Q (Non-Consolidated)

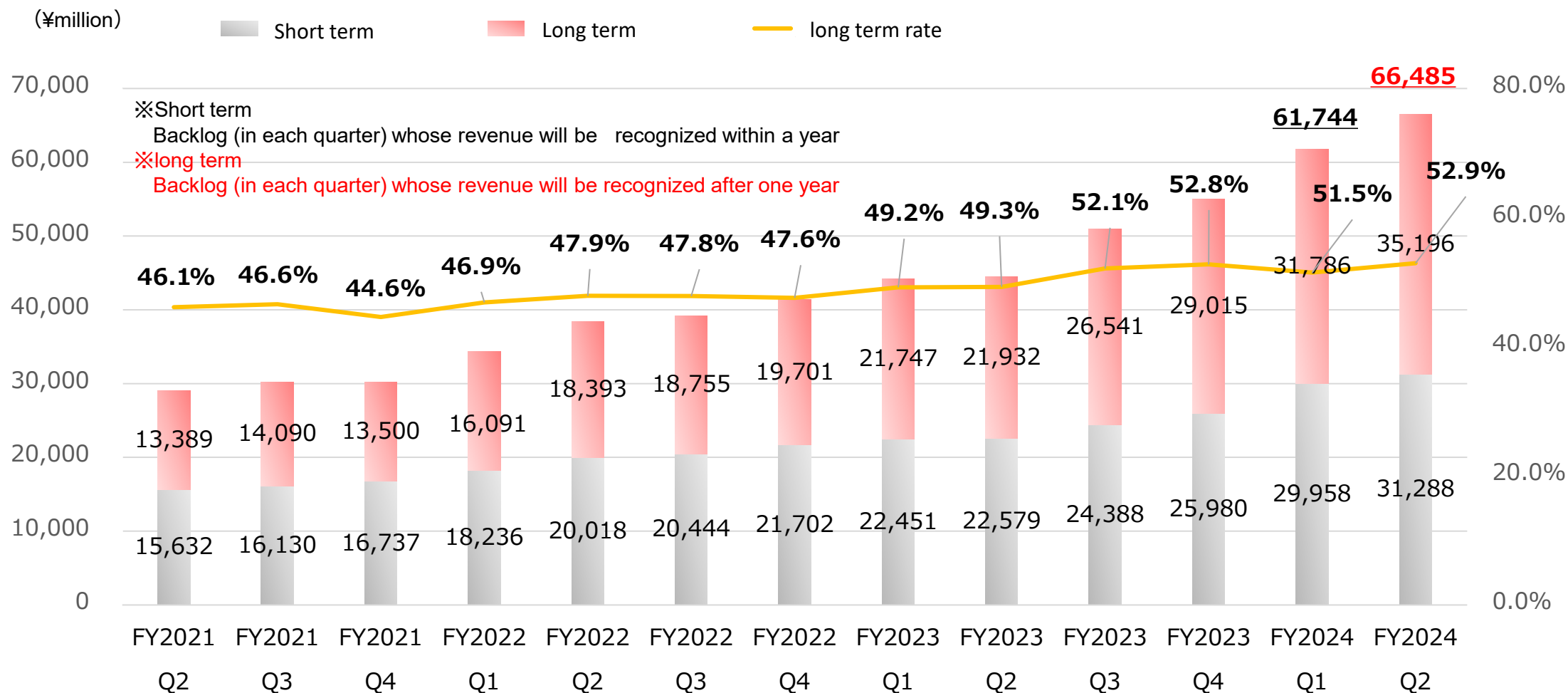
- Consolidated and non-consolidated (TechMatrix only) backlogs are as follows.





Backlog for FY2024 2Q (Non-Consolidated)

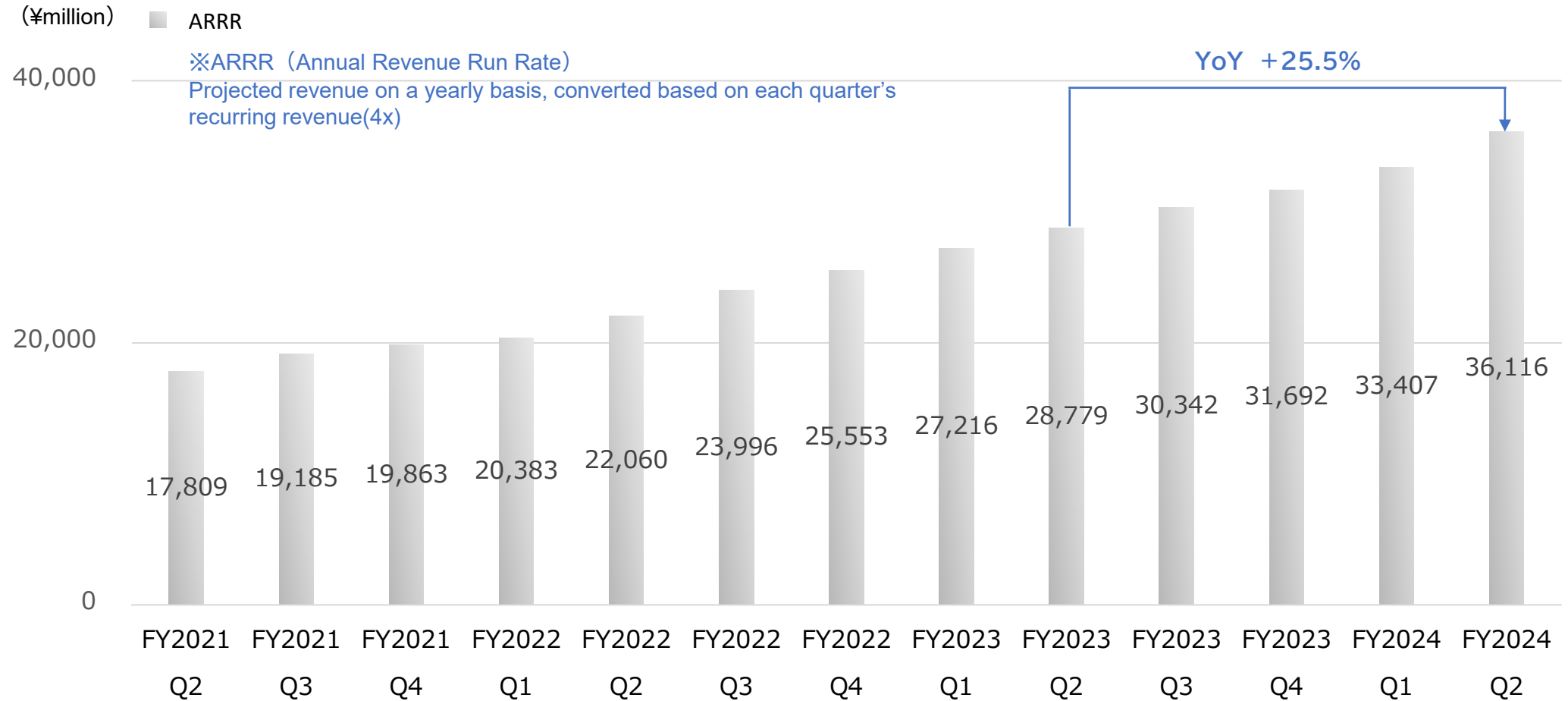
- Non-consolidated backlog (for only TechMatrix) are as follows.





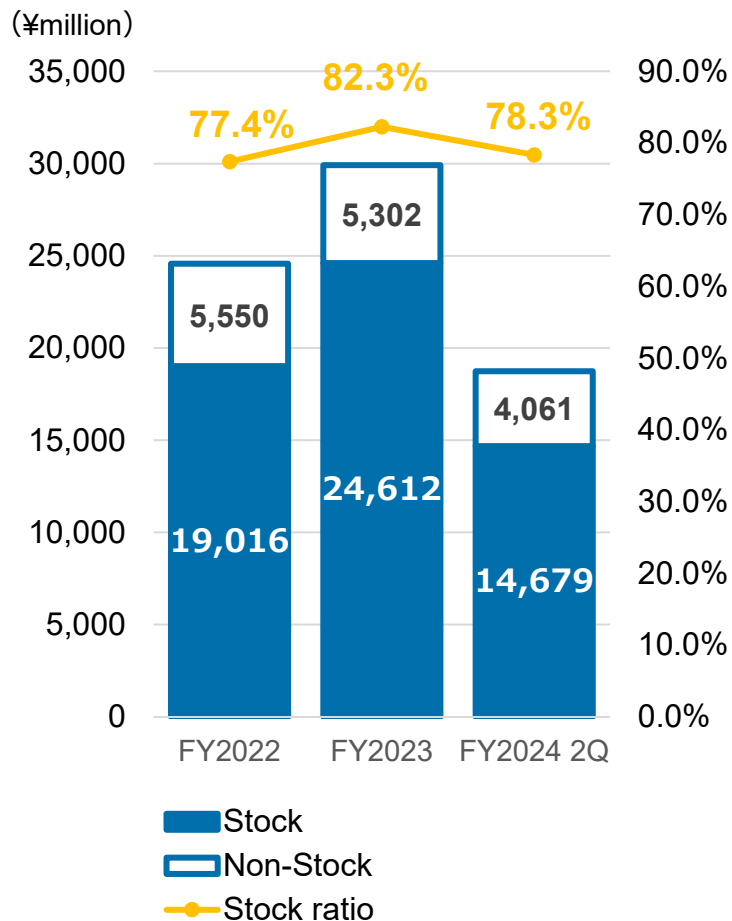
ARRR for FY2024 2Q (Non-Consolidated)

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

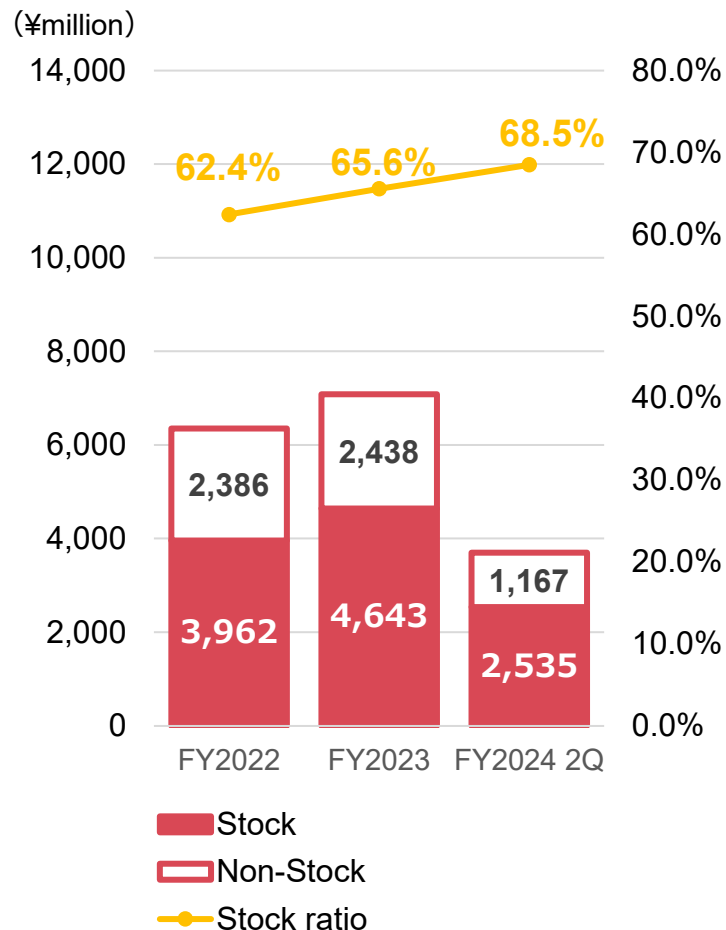




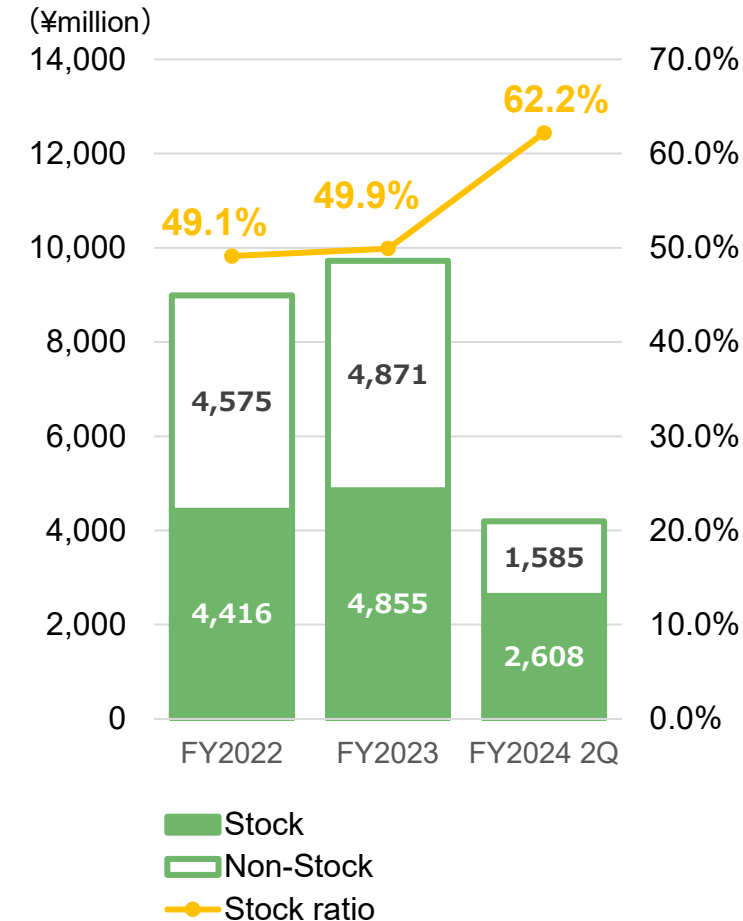
Information Infrastructure Business



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 TechMatrix

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

(¥million)

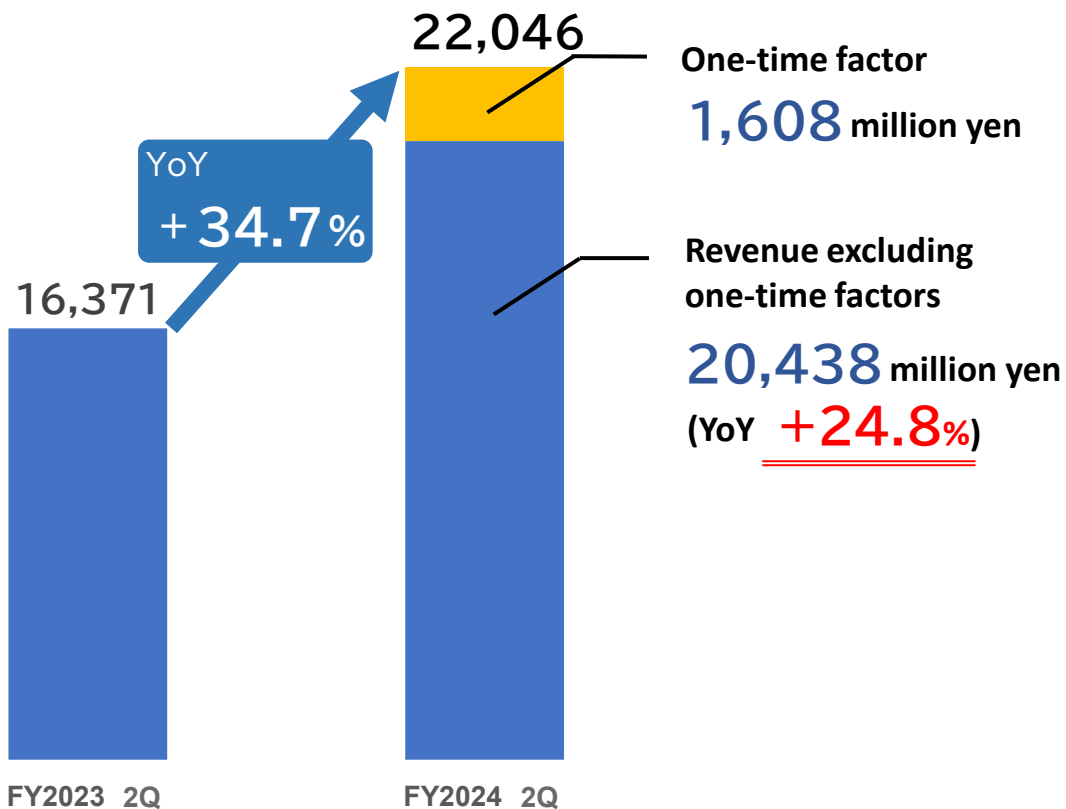
	FY2024 First half		Diff. from 9 th May	
	Forecast on 9 th May	Actual	Change	Change %
Revenue	27,400	30,841	+3,441	+12.6%
Operating profit	2,600	3,023	+423	+16.3%
Profit ratio	(9.5%)	(9.8%)		(+0.3P)
Profit before tax	2,540	2,768	+228	+9.0%
Profit attributable to owners of parent	1,570	1,708	+138	+8.8%



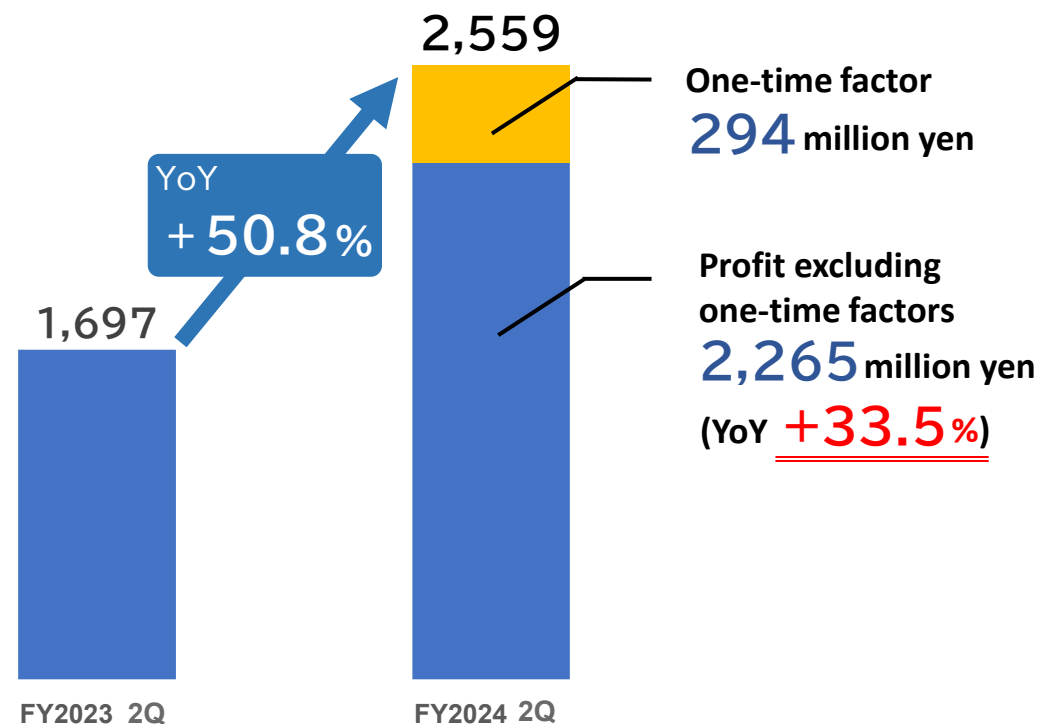
Major Factors for increase/decrease

- 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)

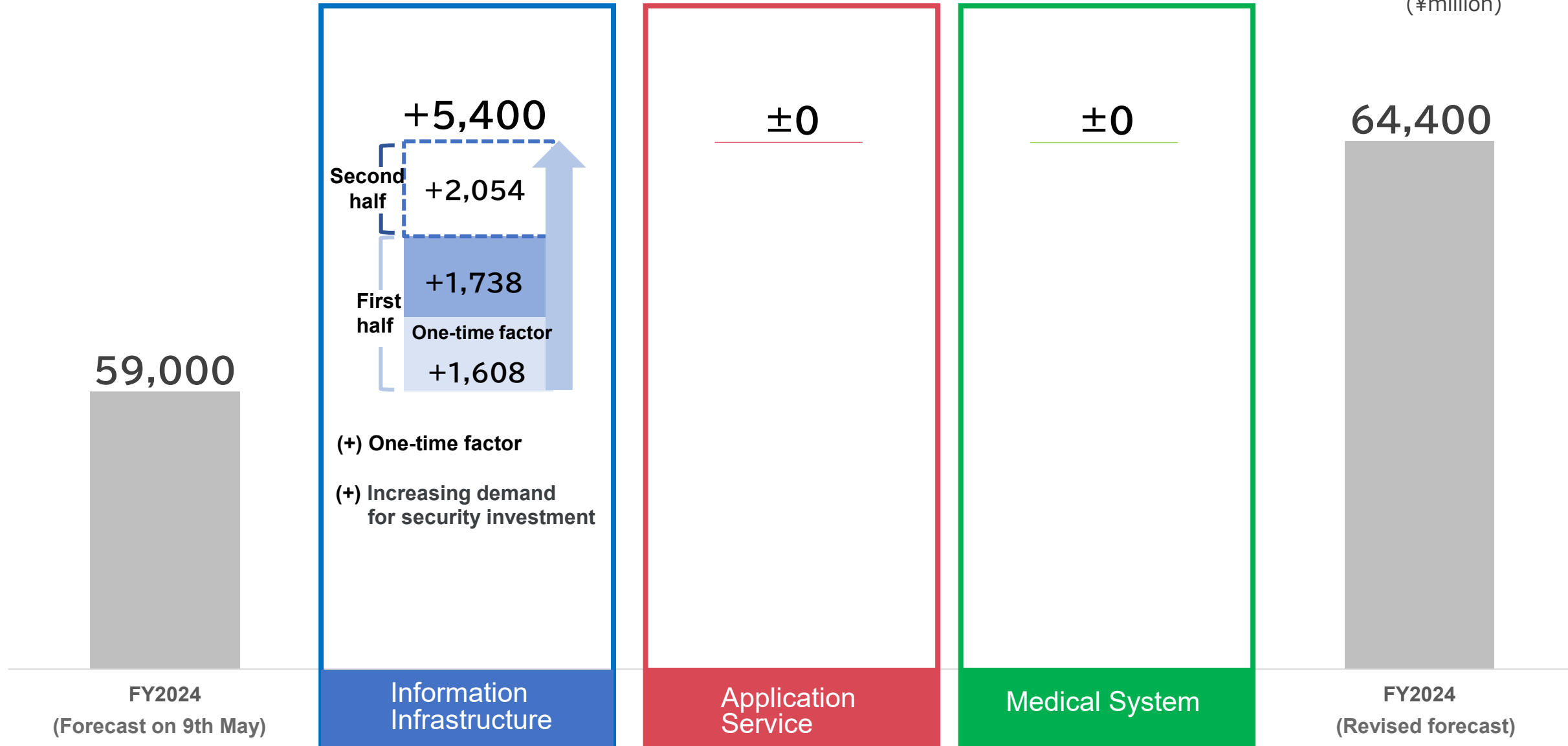
Revenue	FY2023	FY2024		Diff. from 9 th May	YoY	
	Actual	Forecast on 9 th May	Revised forecast	Change	Change	Change %
Information Infrastructure	35,005	40,000	45,400	+5,400	+10,394	+29.7%
Application Service	8,205	9,200	9,200	±0	+994	+12.1%
Medical System	10,092	9,800	9,800	±0	▲292	▲2.9%

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

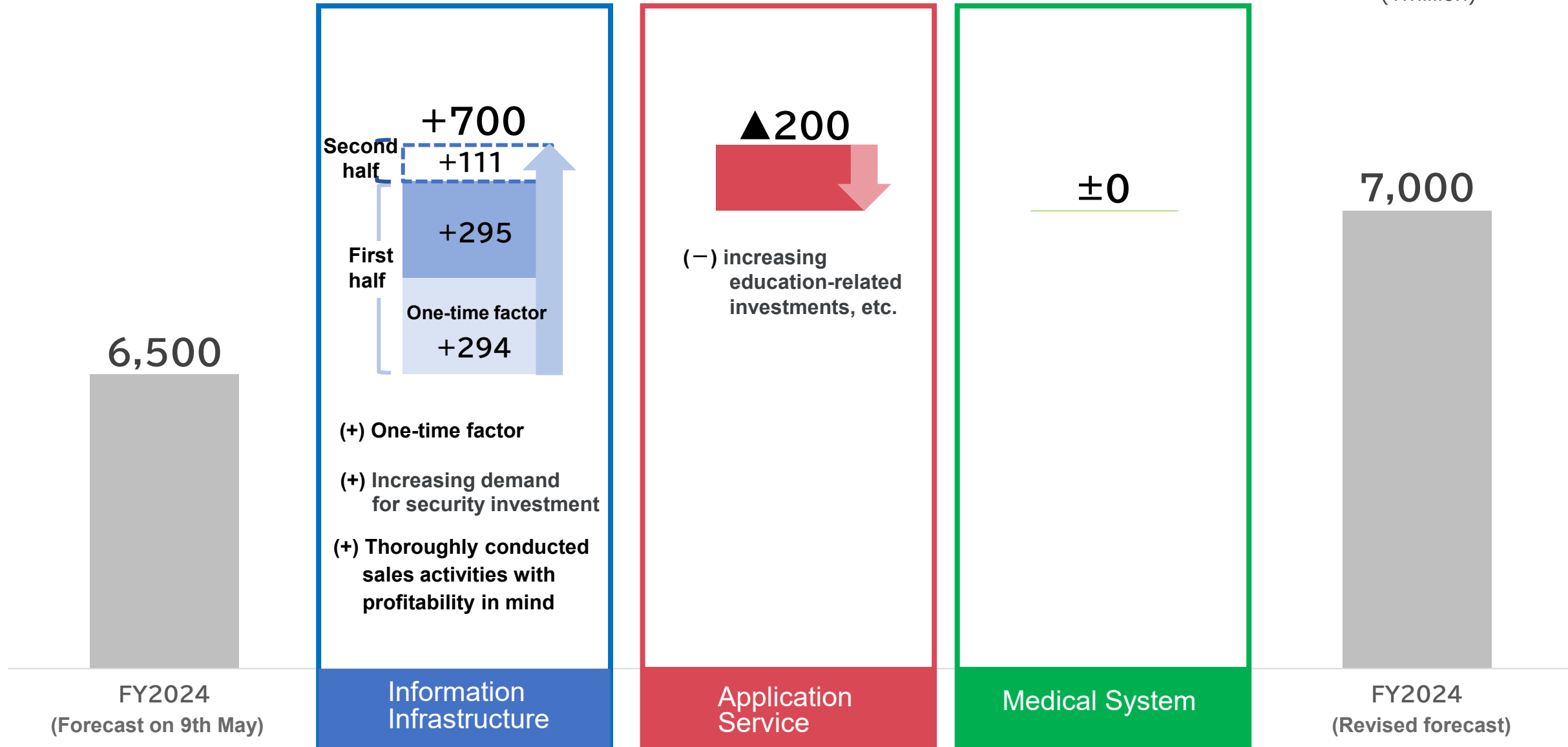
(¥million)





Factors for Profit increase/decrease by segments

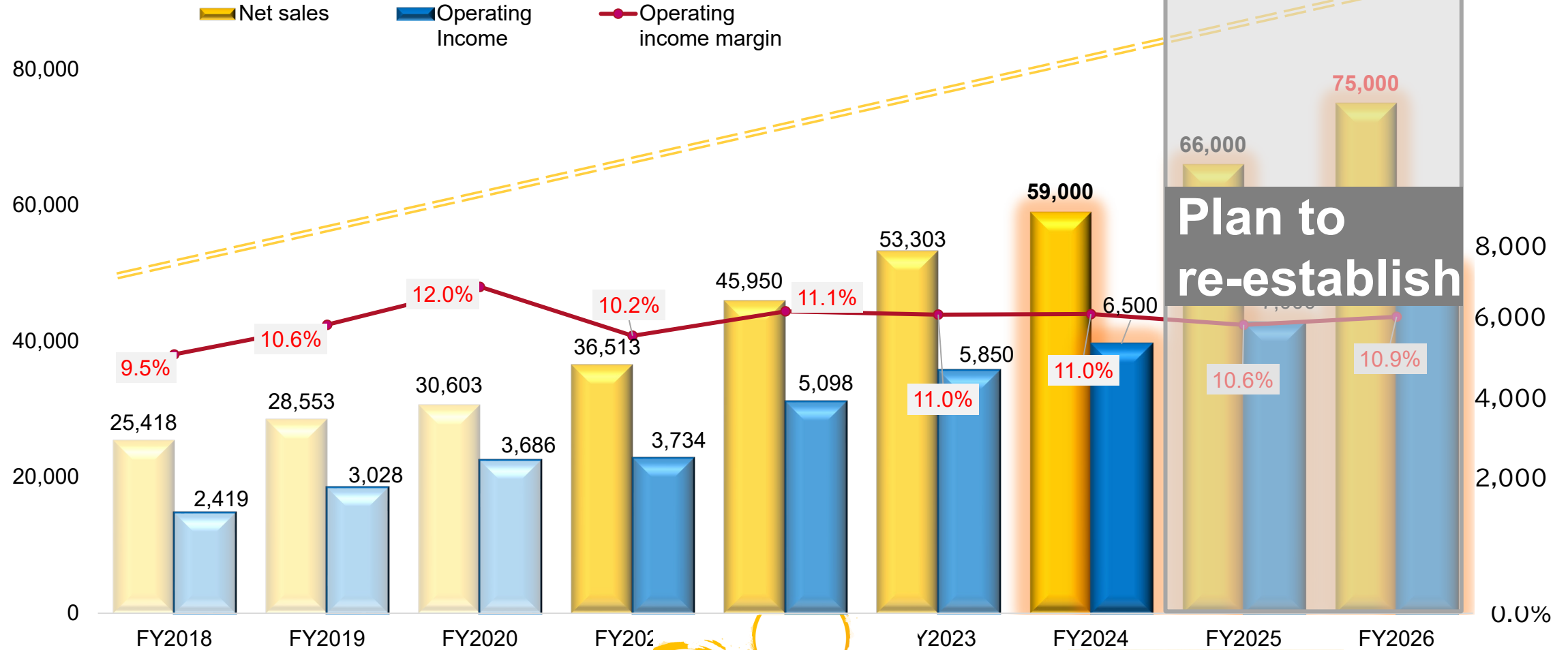
(¥million)





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

(million yen)





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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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