



# **Hybrid Technologies Co., Ltd.**

**(TSE Growth Securities Code: 4260)**

**Fiscal Year Ended September 30, 2022 (Fourth Quarter)**

**Financial Results Briefing Materials**

**November 14, 2022**

# Highlights of the Fiscal Year Ended September 30, 2022

Financial Results Forecasts for the Fiscal Year Ending  
September 30, 2023

Topics from the Fourth Quarter

Growth Strategy

Overview of Company/Business



## Highlights of the Fiscal Year Ended September 30, 2022

- Revenue increased **41%** year-on-year, with revenue for stock services increasing by **50%** year-on-year.
- Operating profit increased by 176 million yen year-on-year, from 111 million to **288 million yen (+158%)**.
- We revised our full-year financial results forecasts on October 14, 2022, and significantly exceeded our initial forecasts.
- Regarding our major KPI; number of stock service projects was **58** (annual plan: 67), the average price per stock service project was **3.269 million yen** (annual plan: 2.701 million yen).

Revenue  
**2.408** billion yen

**+41%** ↗  
(YoY)

Gross Profit  
**944** million yen

**+45%** ↗  
(YoY)

Operating Profit  
**288** million yen

**+158%** ↗  
(YoY)

	FY2021 financial results	Changes in FY2022 financial results forecasts		
		December 23, 2021 initial forecasts	May 13, 2022 forecast revision (1)	October 14, 2022 forecast revision (2)
Revenue	1.702billion yen	2.225billion yen	2.274billion yen	<b>2.407billion yen</b>
Gross Profit	111million yen	201million yen	248million yen	<b>287million yen</b>

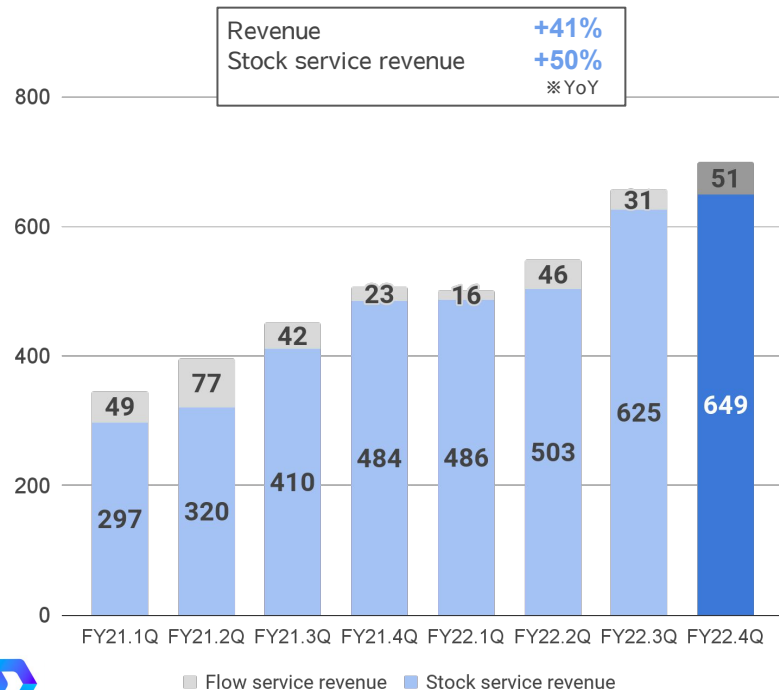


- The scale of existing projects expanded due to assignment of upstream process personnel, and revenue grew by **706 million yen (+41%)** year-on-year.
- Due to the increase in revenue, gross profit rose **292 million yen (+45%)** year-on-year. By promoting assignments of new-graduate personnel, gross profit margin improved one percentage point to **39%**.
- With sales revenue increasing significantly, the selling, general and administrative expenses ratio decreased and operating profit rose by **176 million yen (+158%)**, while the operating profit margin improved five percentage points to **12%**.
- Profit increased significantly year-on-year by **174 million yen (+232%)**, partly due to the recording of financial revenue.
- Based on the results up to the third quarter, in the fourth quarter, we made investments on recruitment, marketing, benefits, equipment, etc... to build the foundation for growth in the fiscal year ending September 2023.

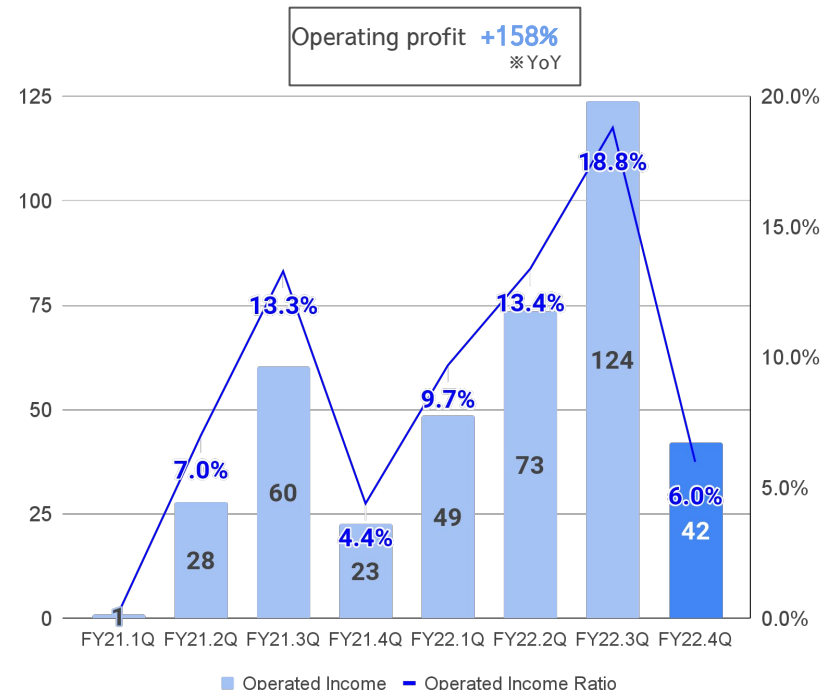
(unit: millions of yen)	FY2021 (full-year)		FY2022 (full-year)		YoY	Full-year forecast (as of October 14, 2022)	
	Amount	Proportion of sales	Amount	Proportion of sales		Amount	Progress rate
Revenue	1,702	-	2,408	-	+41%	2,407	100%
Gross profit	652	38%	944	39%	+45%	942	100%
Operating profit	111	7%	288	12%	+158%	287	100%
Profit before tax	106	6%	310	13%	+193%	309	100%
Profit	75	4%	250	10%	+232%	248	101%

- Full-year revenue increased **41%** year-on-year, with sales revenue of core stock services increase by **50%** year-on-year.
- Actively assigning high-earning personnel to (especially pre-existing) projects contributed to stabilization and growth of projects, which lead to extending sales. Also, gross profit margin improved by accelerated assignment of new-graduates.
- The fourth quarter operating margin was **6.0%** due to one-time expenses such as recruitment, marketing activities, and benefits for employee retention, all aimed at growth in the fiscal year ending September 2023.

(unit: millions of yen)



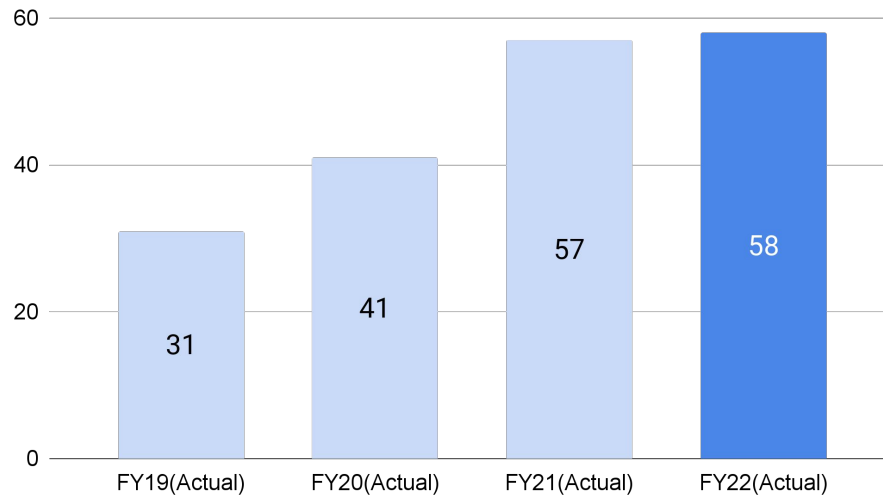
(unit: millions of yen)



- In the fiscal year ended September 2022, especially from July 2022 onward (the fourth quarter), we faced a slowdown in new stock service orders; our contracts mostly denominated in USD, prices in JPY equivalent increased by the rapid depreciation of JPY, which resulted in lengthier contract negotiations with new customers.
- Under such circumstances, and also planned completion of developed, small-scale, short-term projects added, the number of stock service projects remained at **58**, compared to 57 in the previous fiscal year.

## Changes in Number of Stock Service Projects

(unit: projects)



- The rapid depreciation of JPY prolonged negotiations to acquire new stock services and reduced new orders.
- Withdrawal of small-scale projects.
- Existing short-term projects' completion along the original development schedule.



Slowdown in stock service increase

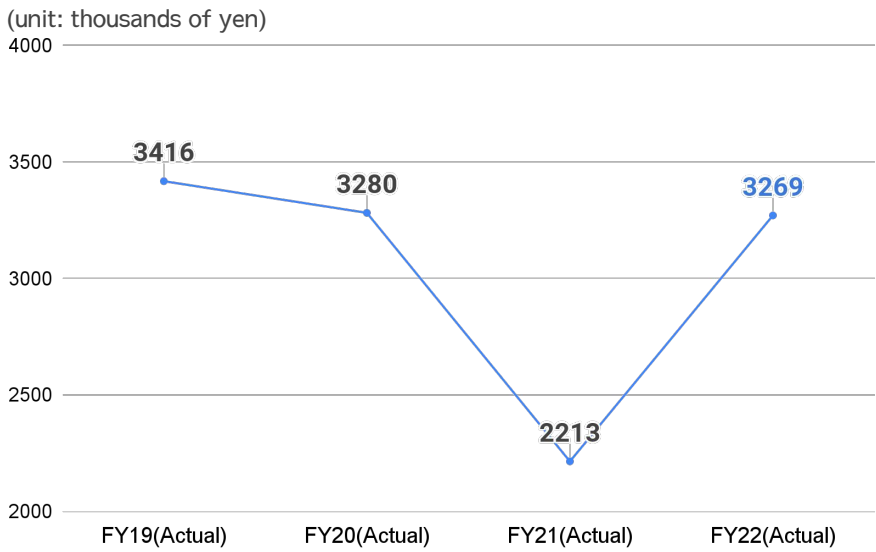
\*Number of stock service projects... Annual average calculated as follows: "Annual total of monthly stock service projects/twelve months."



# Changes in Major KPIs

- The average price per stock service increased significantly from last year 2.213 million yen to **3.269 million yen**.
- As a result of actively assigning in high-earning personnel especially to pre-existing projects, development teams were stabilized and the scale of projects expanded, especially for pre-existing projects.

## Changes in Average Price Per Stock Service



- Pre-existing customers' development team expanded due to improvement in ability to propose upstream processes
- Average price increased due to orders from new customers that are highly motivated to invest in development

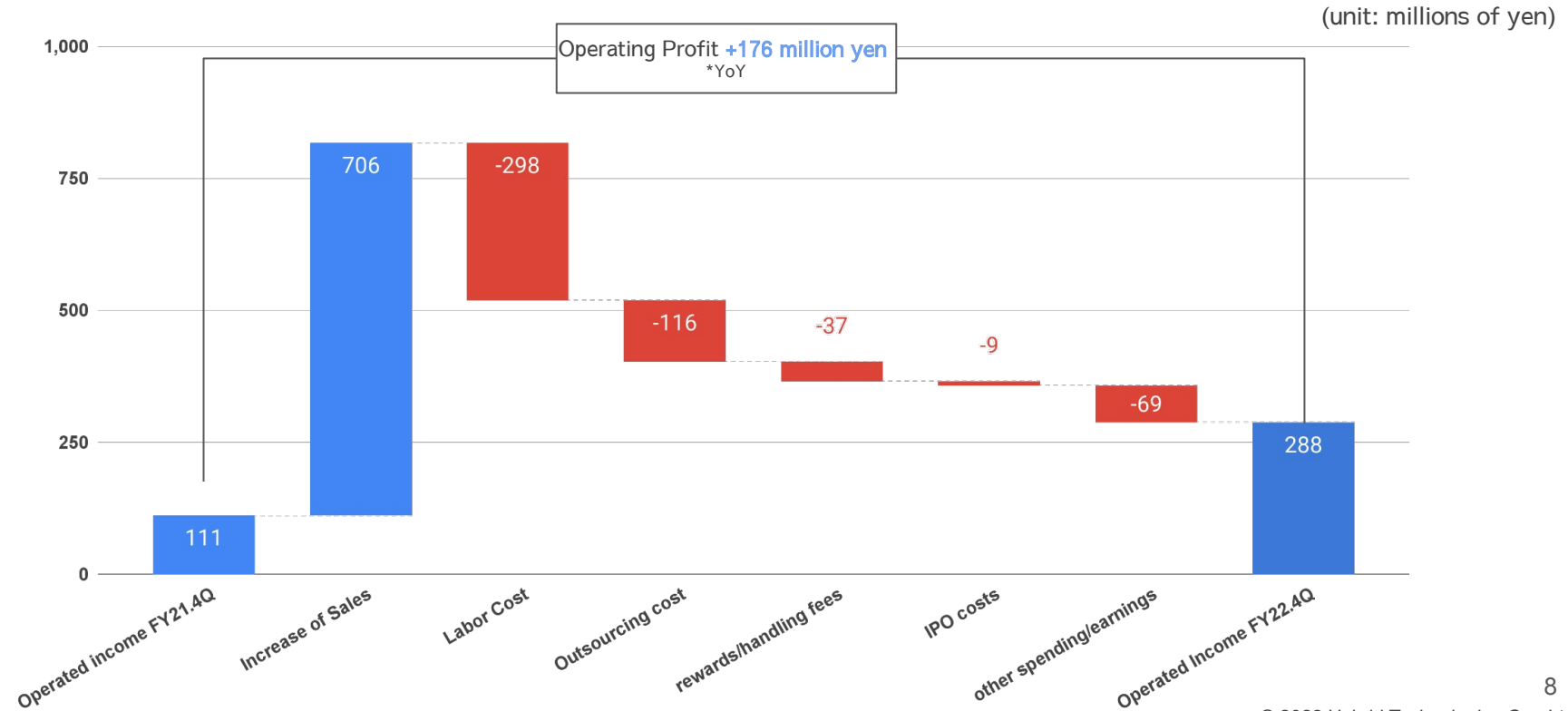


Improving the average price per stock service

\*Average price per stock service: Annual average price per project calculated as follows: "Annual stock service sales/Annual total of monthly stock service projects."



- Operating profit in all four quarters increased by **176 million yen (+158%)** year-on-year.
- Along with the revenue, personnel expenses (**+298 million yen**) and outsourcing expenses (**+116 million yen**) increased.
- Investments in the fourth quarter increased rewards/handling fees including labor, marketing and recruitment costs.





- The equity-to-asset ratio improved significantly from 43% to **72%** year-on-year due to the public offering at the time of listing and the recording of profit.
- Cash and cash equivalents amounted **1.809 billion yen**, providing sufficient investment funds for future growth opportunities.
- **178 million yen** in investment securities from Hybrid Technologies Capital were recorded in non-current assets.

**B/S** (unit: millions of yen)

		<b>Borrowings</b> 20
		<b>Other current liabilities</b> 508
		<b>Non-current liabilities</b> 312
<b>Cash and cash equivalents</b> 1,809		
<b>Other current assets</b> 485		<b>Net assets</b> 2,125
<b>Non-current assets</b> 671		
		Capital 893million
		Capital Surplus 884million
		Retained Earnings 311million
		Other Components 37million

investment securities 178million

**C/F** (unit: millions of yen)

Cash flows from operating activities	345
Cash flows from investment activities	△ 248
Purchases of investments in securities (183million)	
Cash flows from financing activities	1,184
Proceeds from issuance of new shares at listing 1,267million	
Net increase (decrease) in cash and cash equivalents	1,281
Cash and cash equivalents at beginning of period	500
Effect of exchange rate changes on cash and cash equivalents	28
<b>Cash and cash equivalents at end of period</b>	<b>1,809</b>

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Topics from the Fourth Quarter

Growth Strategy

Overview of Company/Business



- Revenue is expected to grow **34%** year-on-year, considering the improvement of proposal capabilities of upstream process personnel, new cybersecurity-related service launches and increased stock service revenue due to higher utilization rates.
- Operating income is expected to grow **39%** year-on-year by assigning more new graduates which improves the operating profit margin, while expecting to invest in developing new orders, continuously hiring engineers and upstream process personnel, strengthening management systems and internal management.

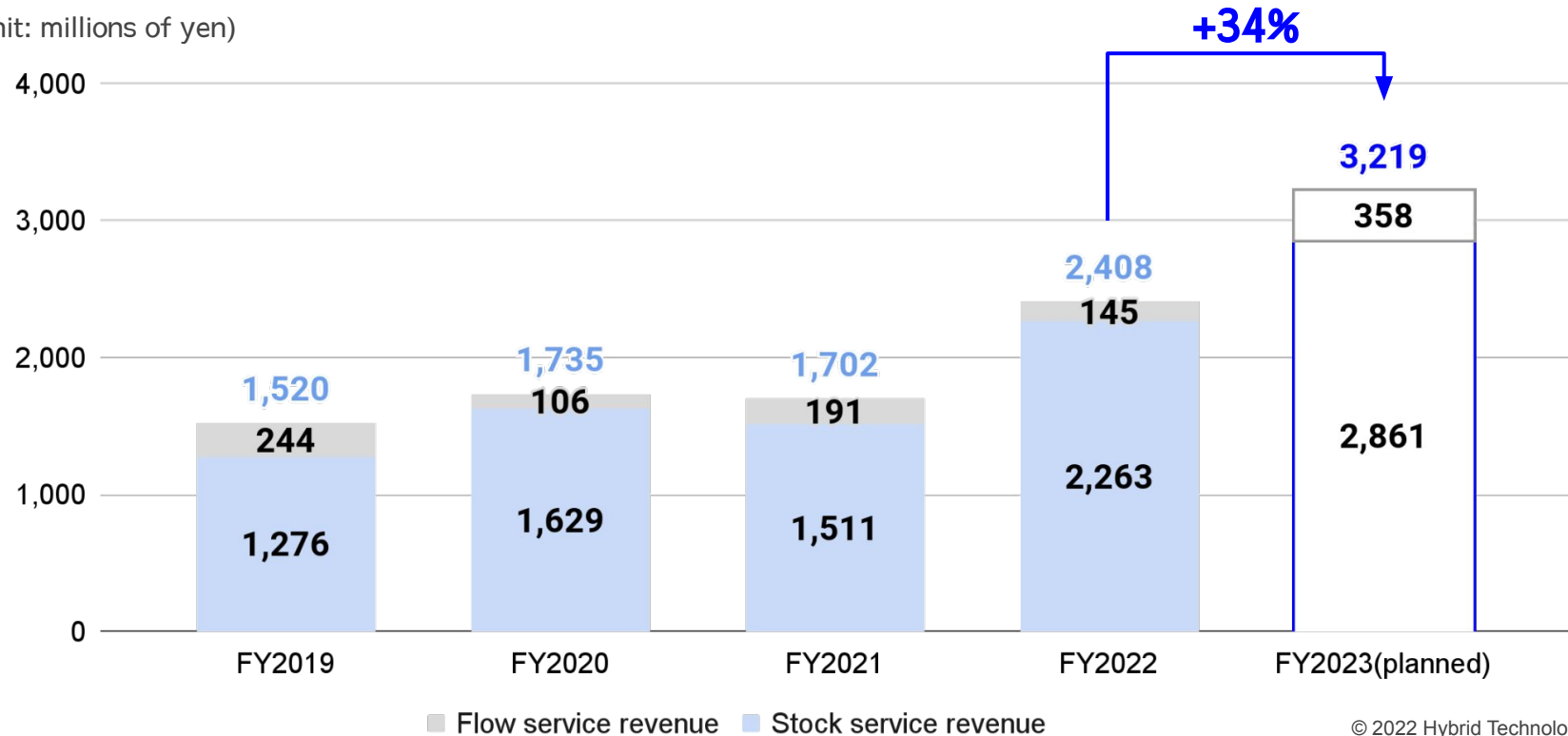
(unit: millions of yen)

	FY2022 Results		FY2023 Forecasts		Change
	Amount	Proportion of sales	Amount	Proportion of sales	
Revenue	2,408	-	3,219	-	+34%
Gross Profit	944	39%	1,292	40%	+37%
Operating Profit	288	12%	400	12%	+39%
Profit before tax	310	13%	389	12%	+25%
Profit	250	10%	339	11%	+36%



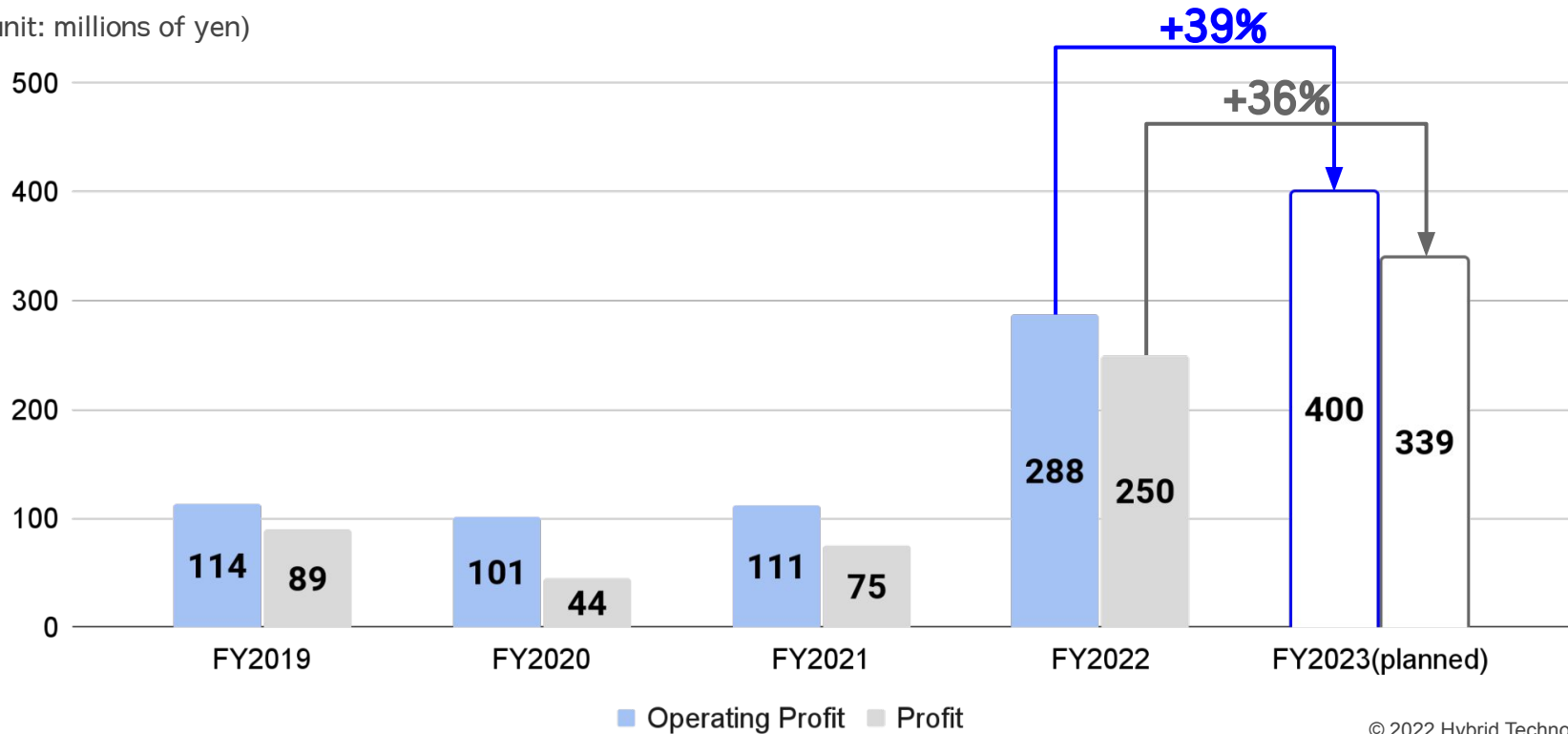
- Number and average price of stock services will increase due to flexible pricing measures, stronger proposal capabilities through personnel recruitment and acceleration of Hybrid Technologies Capital.
- In the fiscal year ending September 2023, revenue will also grow **34%** to **3.219 billion** yen due to the launch of cybersecurity services such as vulnerability assessment and penetration testing as new services and the expansion of service lines by increasing development sectors.

(unit: millions of yen)



- Profit margins will improve, mainly by using more new graduate and upstream process personnel.
- At the same time, we expect to invest in the development of internal systems that contribute to recruitment, education and operational streamlining, which will lead to continuous increase in revenue.
- Taking these factors into account, **operating profit of 400 million yen** and **profit of 339 million yen** are expected for the fiscal year ending September 2023.

(unit: millions of yen)



- Considering that **long-term stock services are the core of our profit structure**, major KPIs have been revised starting the fiscal year ending September 2023 to more accurately and clearly show business progress.
- The number of stock service projects has been revised to the number of long-term stock services that have a significant impact on business progress.
- The average price per stock service has been revised to the monthly average as of the end of the fiscal year.

	Number of stock service projects	Average price per stock service
Before revision	Annual average calculated by: $\frac{\text{Annual total of monthly stock service projects}}{12(\text{months})}$	Annual average price per project calculated by: $\frac{\text{Annual stock service sales}}{\text{Annual total of monthly stock service projects}}$
After revision	Total number of stock services with <b>contract periods of six months or more</b> as of the <b>end of the period</b>	$\frac{\text{Monthly sales of stock services as of the end of the fiscal year}}{\text{Total number of stock services at that month}}$

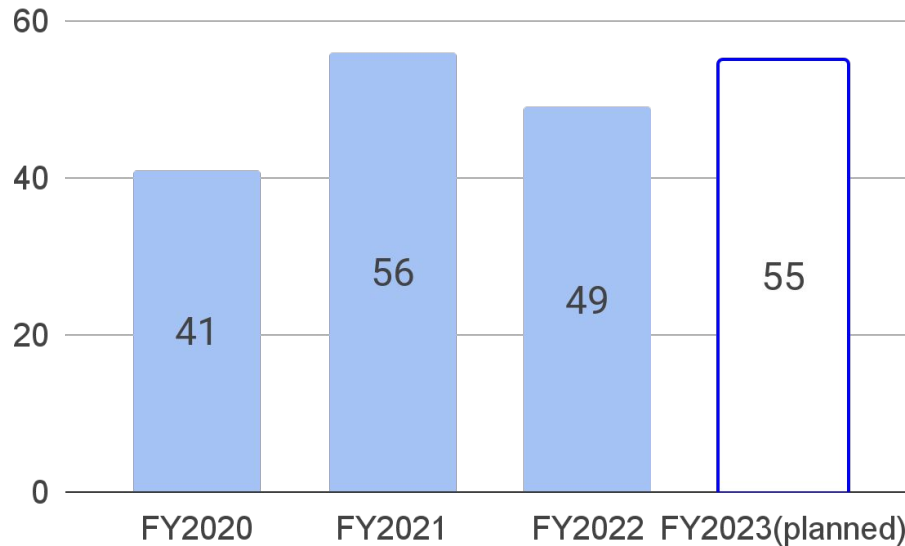
\*Number of stock service projects: Number of long-term stock service projects with contracts of six months or more as of the end of the quarter (fiscal year)

\*Average price per stock service: Total revenue of stock service projects as of the end of the quarter (fiscal year)/number of projects



- As of the end of September 2022, there were 49 long-term stock service projects with contracts of six months or more.
- In the fiscal year ending September 2023, we plan to have 55 stock service projects, taking into account the implementation of flexible pricing measures according to the exchange rate.

Change in/Plans for Number of Stock Service Projects After Revision



Measures to increase stock service projects in FY2023

Implement flexible **pricing measures**

**Expand the proposal system** with more sales personnel

**Develop major customers** in collaboration with advisors

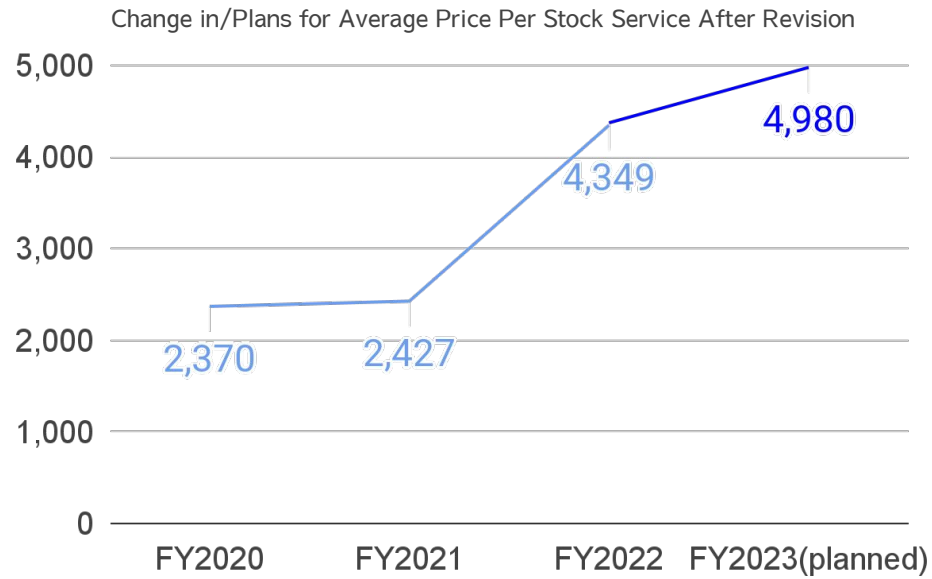
\*Number of stock service projects: Number of long-term stock service projects in operation for six months or more since assignment of personnel as of the end of the fiscal year (quarter)



# Major KPI: Average Price Per Stock Service

- In the fiscal year ended September 2022, the average price, mainly for existing customers, increased due to improved proposal capabilities for upstream processes and personnel supply capabilities able to handle development system expansion.
- Average price as of the end of the fiscal year reached the high level of 4.349 million yen.
- In the fiscal year ending September 2023, we plan to achieve an average price per stock service of 4.98 million yen by strengthening upstream processes and its stable development system.

(unit: thousands of yen)



Measures to improve average price per stock service in FY2023

Strengthen ability to **propose upstream processes** and **improve utilization rate**, leading to an increase in orders

Establish UI/UX organization to **expand and strengthen supported sectors**

**Diversify profit structure** by expanding service lines

\*Average price per stock service: Total revenue of stock service projects as of the end of the fiscal year (quarter)/number of projects





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**Topics from the Fourth Quarter**

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Overview of Company/Business



- Signed a memorandum of cooperation with the National Cyber Security Center (NCSC), an organization under Vietnam’s Ministry of Information and Communications.
- This established a cooperative structure to support cyber-security services, scientific research and professional training.
- We seek to strengthen our cybersecurity system, with a view to launching new service lineups to customers in the future.
- Please also see the September 26, 2022 release.



cybersecurity-specialized department complying with international standards

Capability of recruiting professionals in Vietnam



Cutting-edge cybersecurity study by an organization under direct control of the government

Recruitment and development of professionals



Expansion of service lineup

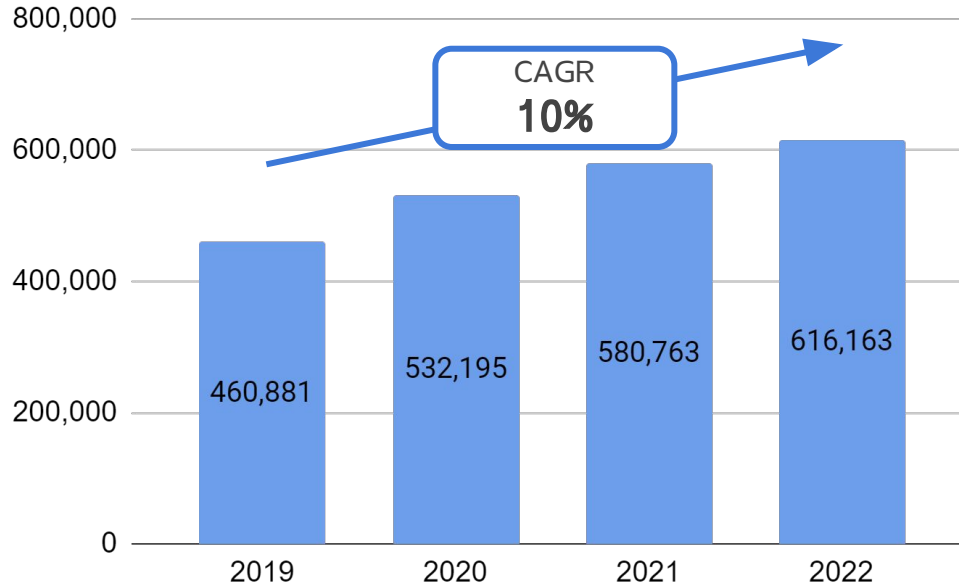
Provision of cybersecurity services such as vulnerability assessment, penetration testing, and infrastructure security monitoring



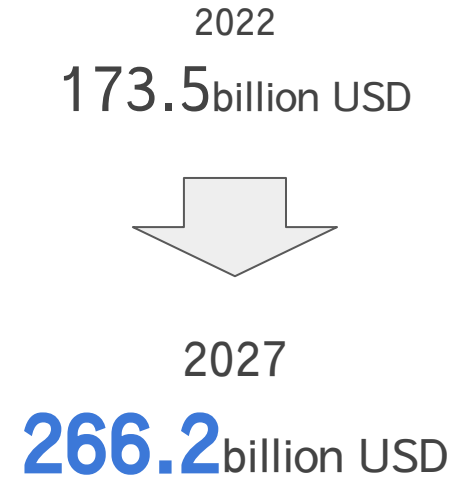
- Demand for cybersecurity services is increasing both domestically and internationally and the global market is expected to reach 266.2 billion US dollars in 2027.
- Cybersecurity services offered by Vietnamese professionals in the Japanese domestic market addresses its shortage of domestic professionals and soaring engineer prices.

Japan's cybersecurity market※1

(unit : millions of yen)



Global cybersecurity market※2



Reference : ※1... JNSA (2022), Information Security Market Survey 2021, JNSA Research Group Security Market Survey WG

※2... Cyber Security Market by Component (Software, Hardware, and Services), Software (IAM, Encryption and Tokenization, and Other Software), Security Type, Deployment Mode, Organization Size, Vertical and Region - Global Forecast to 2027



- Signed a memorandum of understanding with two new universities: The University of Da Nang, University of Science and Technology and Vietnam National University, Hanoi University of Science.
- Bolsters our recruitment network with interns and job postings, leads to recruitment of excellent new graduates.
- Cooperation includes designing more practical training based on market needs, and partnership in technical research.

## The University of Da Nang, University of Science and Technology



Company director Tran Sy Thanh (left) and university vice president Nguyen Phu Tien (right)

## Vietnam National University, Hanoi University of Science



Shaking hands in the center of the photo are Company director Le Thi Dung (left) and Information Technology Department Dean Pho Duc Tai (right)

- Signed two new universities, making eight Vietnam schools in this education and recruitment alliance.

## Hanoi

- VNU University of Engineering and Technology
- Hanoi University of Technology
- Vietnam National University, Hanoi University of Science (October 2022)
- Vietnam National University (Hanoi)

## Da Nang

- Duy Tan University
- The University of Da Nang (September 2022)

## Ho Chi Minh City

- Ho Chi Minh City University of Technology
- Ho Chi Minh City University of Science

As of FY2021

6 schools



Now

8 schools



- Sponsored the Nikkei Virtual Global Forum “Japan on the Move Toward an International Financial Hub” (organizer: Nikkei Inc.)
- As one of the panelists in a discussion on the theme “Diversity as Strength: Exploring the Image of a New Financial City” , our CEO Tran Van Minh, spoke about the diversity Tokyo needs to become an international financial city.



CEO Minh speaking in the discussion on the theme “Diversity as Strength: Exploring the Image of a New Financial City”



Official website...<https://www.global-nikkei.com/nvgfif/22/index.html>

- As of July 2022, Masaaki Matsuzawa, former Executive Vice President and Business Group Officer of ITOCHU Techno-Solutions Corporation (CTC), was appointed as an advisor.
- Utilizing his knowledge and personal network in the enterprise business, he will advise as necessary for business growth.
- He will also promote our entry into enterprise system development.

Advisor Masaaki Matsuzawa	
Profile	
1978	Joined the ITOCHU Group. At ITOCHU Techno-Solutions Corporation (CTC), he worked in the data center business, information and communication systems business, financial and social infrastructure systems business, enterprise business and distribution business, and served as Executive Vice President and Business Group Officer for CTC.
2022	Joined Hybrid Technologies Co., Ltd. as advisor



- Created an English IR website through a support project by FinCity.Tokyo promoting the “Tokyo as an international financial city” concept.
- English disclosure of financial results briefing materials, financial results highlights and other documents will be published sequentially on the same page.
- This will strengthen communication to overseas investors and contribute to the concept of an international financial city.

## New View With You

Enthusiasm for continuous growth drives us to create a new view

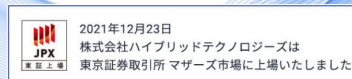
### Who Are We?

System development at high quality creates new businesses

We support business innovation of client companies by leveraging our hybrid software development models that integrate resources of Japan and Vietnam.

We define our strengths as follows:

1. We have development sites in Vietnam, which focuses on fostering IT talent and is highly suitable as a partner of Japan that is presumably short of such talent
2. Japanese project managers and Vietnamese bridge engineers are stationed in Japan, to eliminate and solve the loss of communication and quality issues that would occur in conventional offshore development
3. Our recruiting network, which leverages our high profile within Vietnam, enables agile recruitment of



## New View With You

成長し続けることへの熱量が、新たな景色を生む原動力に。

url : <https://prehph.t.hybrid-technologies.co.jp/ir-ht/>



# Results of Recruiting Campaign of 150 Engineers

- The campaign to recruit 150 engineers in Vietnam from July to September has ended.
- During the period, there were over 1,200 total entries, and now, about 70 engineers with a wide range of skills and knowledge will join our team.
- We will continue recruitment activities by maintaining contact with entrants.



Entries: Approx. 1,200

Current number of hires: Approx. 70



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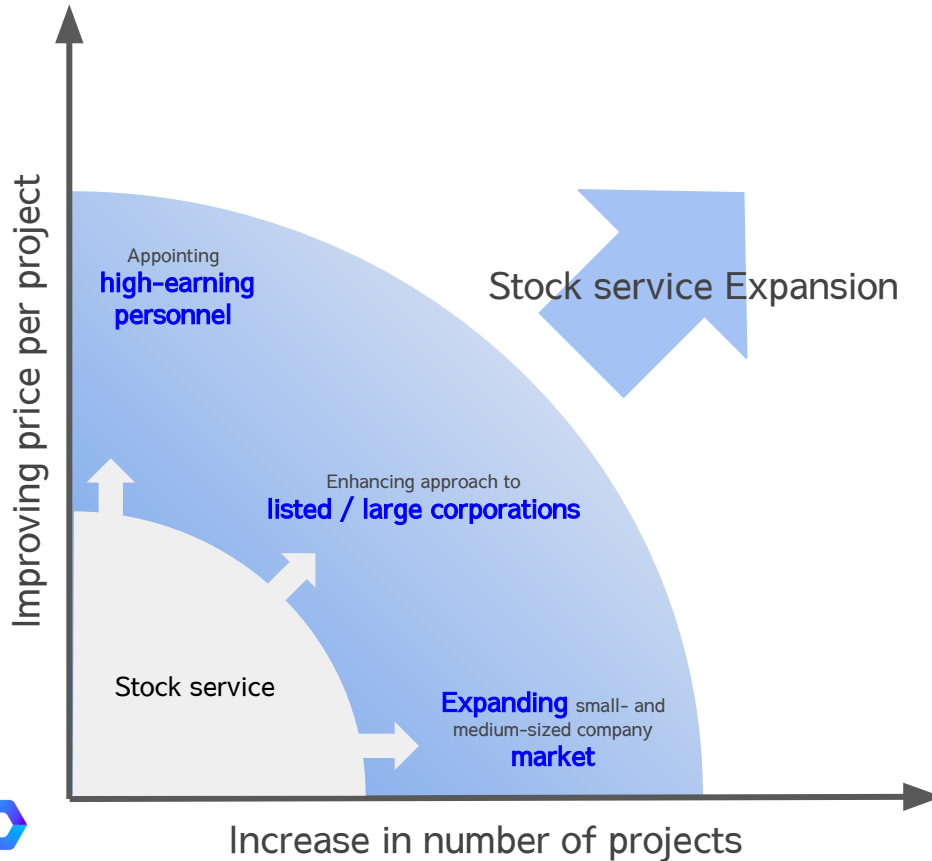
Topics from the Fourth Quarter

**Growth Strategy**

Overview of Company/Business



Growth by increasing the number of stock service projects, our main service, and improving average price.



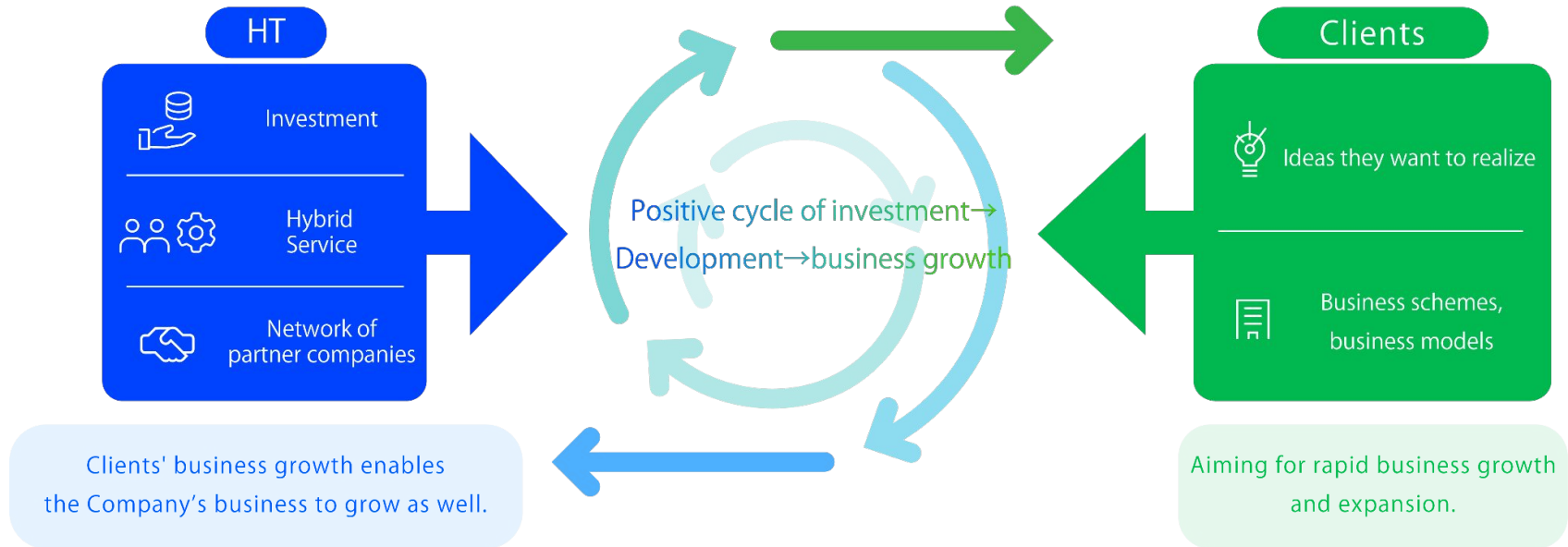
## Stock service Increase in number of projects

- Implement flexible pricing measures
- Expand the proposal system with more sales personnel
- Develop major customers in collaboration with advisors

## Stock service Improving price per project

- Strengthen upstream processes proposal ability and improve utilization rate, leading to an increase in orders
- Establish UI/UX organization to expand our service capability
- Diversify profit structure by expanding service lineups

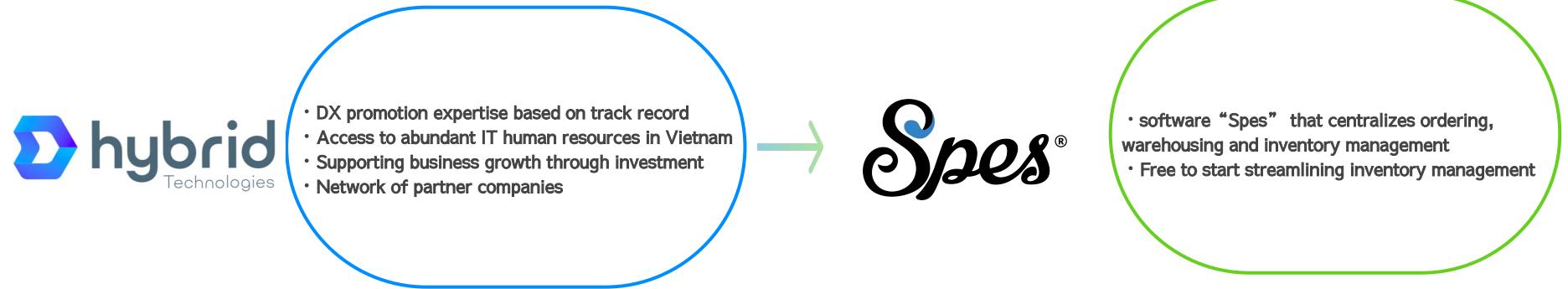
- Hybrid Technologies is developing Hybrid Technologies Capital, a new project supporting start-up businesses which was launched this fiscal year.
- In the fourth quarter, Hybrid Technologies provided support to three new companies through this project.



Covering all phases of investment, from seed to later, the Company will support a wide range of partners with whom there is potential for synergistic business growth.



- Provides software called “Spes” that centralize ordering, warehousing and inventory management completely free of charge.
- Our hybrid service supports API development to link with other inventory management systems and accounting software, which have expanded as more companies implement this service.
- Also provides sales support using our network, contributing to both parties’ business growth.



## NEW VIEW

Supporting additional Spes features and development of system linkage with other companies’ services promotes management streamlining and digital transformation (DX) in various industries that require inventory management.



- Offers original picture book services, such as “Avatar Picture Book Gift” , which gives the reader the experience of exploring the world of the picture book through their 3D avatar.
- Our Hybrid service expands business with the growth of the e-gift sector and supports the production of 3D avatar parts, enhancement of picture book titles and development of a picture book collaboration system with new market entrants.

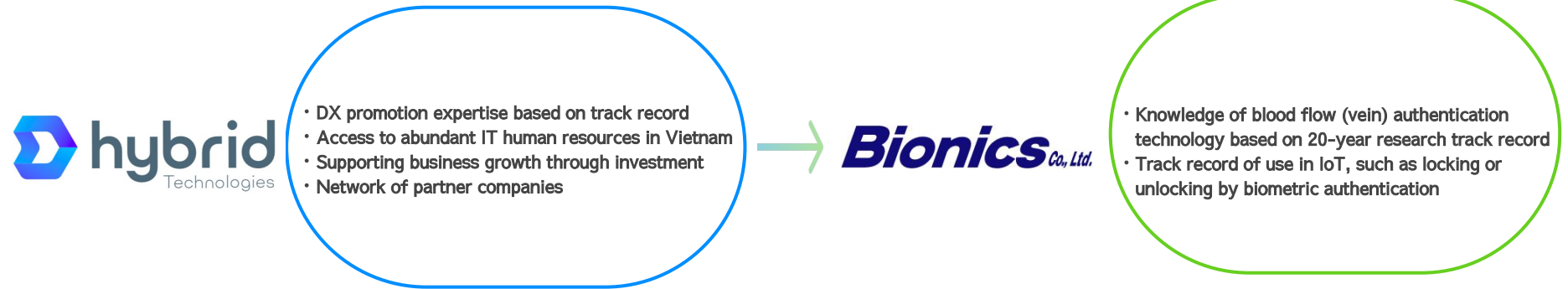


## NEW VIEW

Supporting EHON Inc.'s service development with hybrid service will expand both companies' businesses.



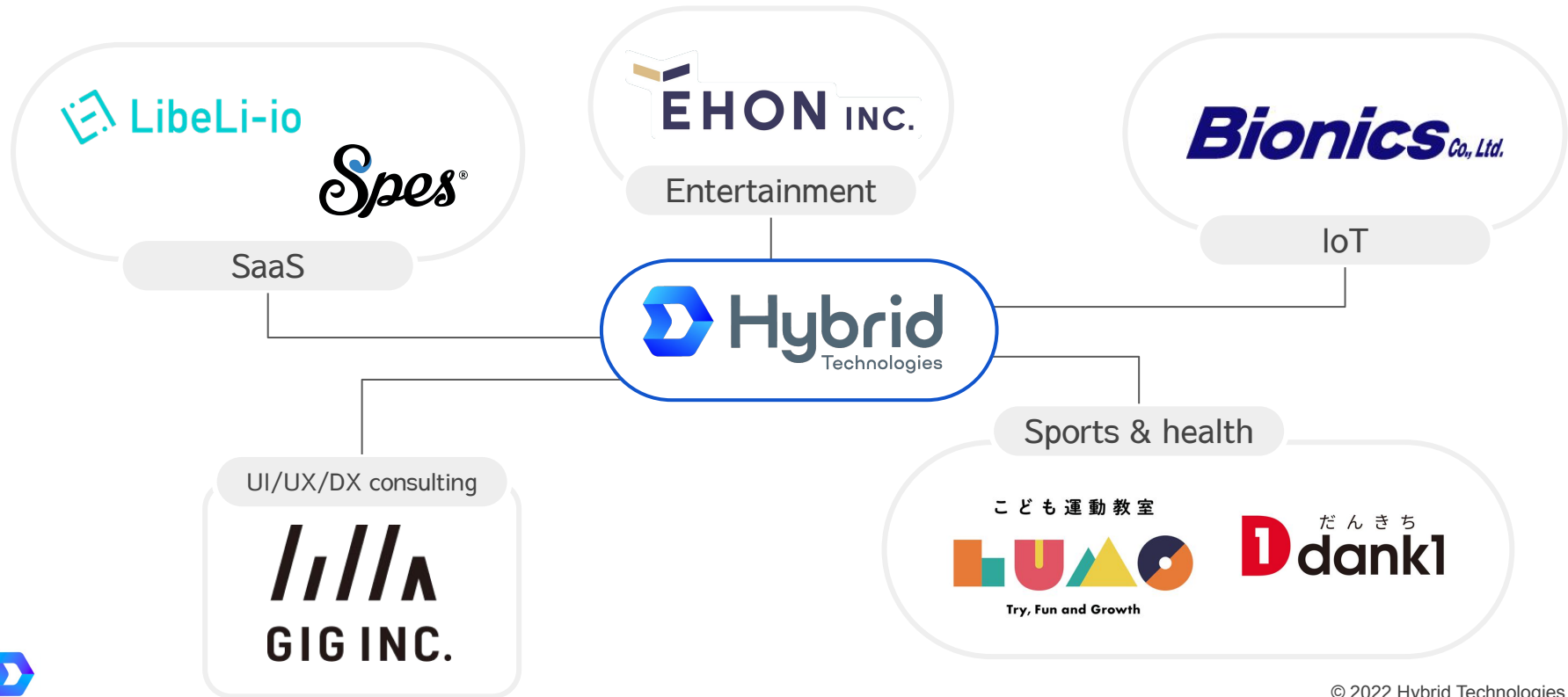
- Developed a highly accurate identity authentication system using blood flow recognition.
- In addition to opening locks, which is the current main service, future expansion will aim towards healthcare and preventive medicine.



## NEW VIEW

Utilizing highly accurate biometric authentication technology using blood flow (vein) will contribute to not only lock technology but also digital transformation and IoT in the fields of preventive medicine and healthcare.

- Hybrid Technologies Capital has invested in seven companies as of the end of the fourth quarter.
- It aims to grow the business of both parties by providing customers in various industries with a combination of investment and development resources.





The Company aims to achieve non-continuous business growth, such as new projects and business alliances, while expanding the scale of the existing business by increasing the number of stock service projects and improving the average price per stock service.

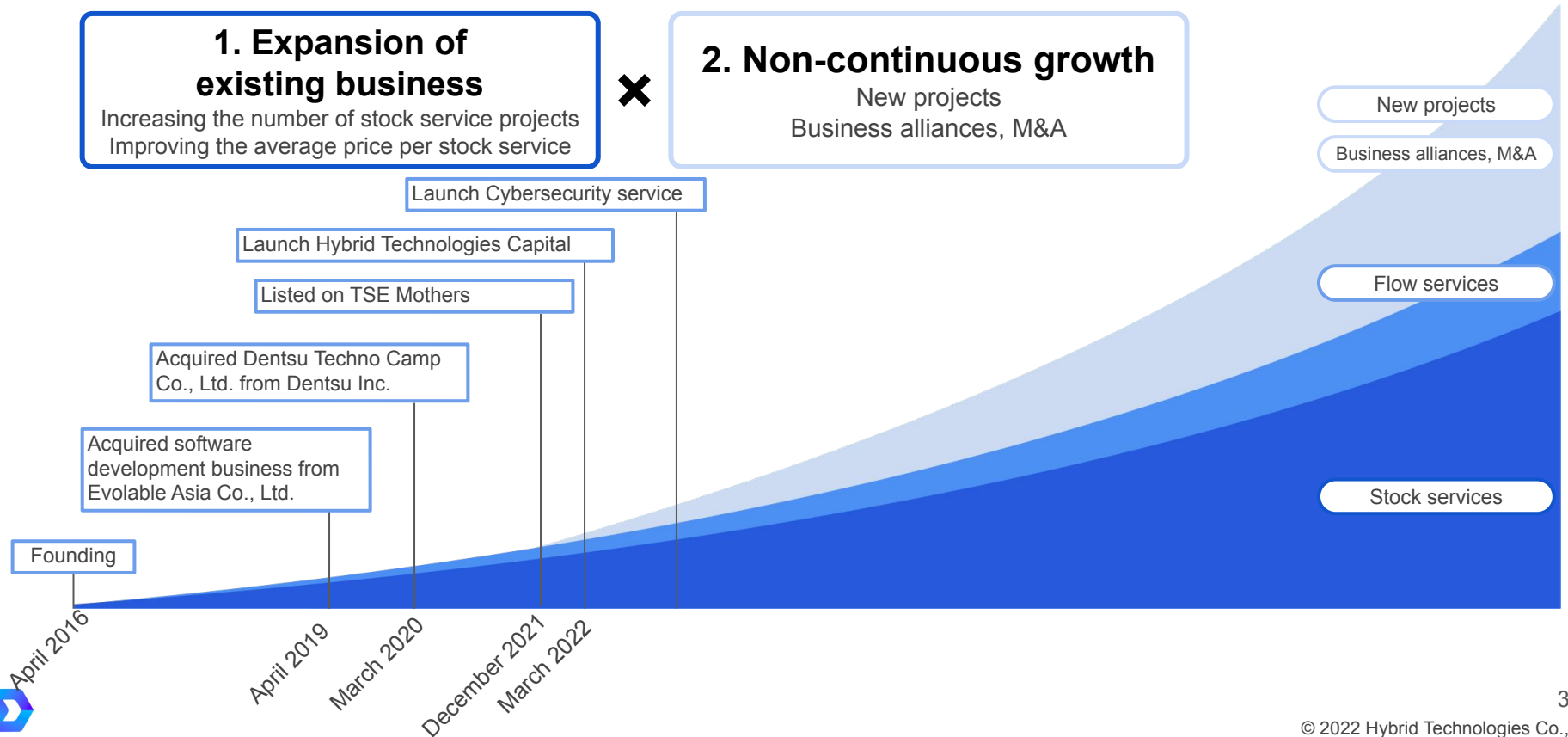
## 1. Expansion of existing business

Increasing the number of stock service projects  
Improving the average price per stock service



## 2. Non-continuous growth

New projects  
Business alliances, M&A



We consider M&A strategies in two directions: growth of existing businesses (project number/average price increase) and business diversification.

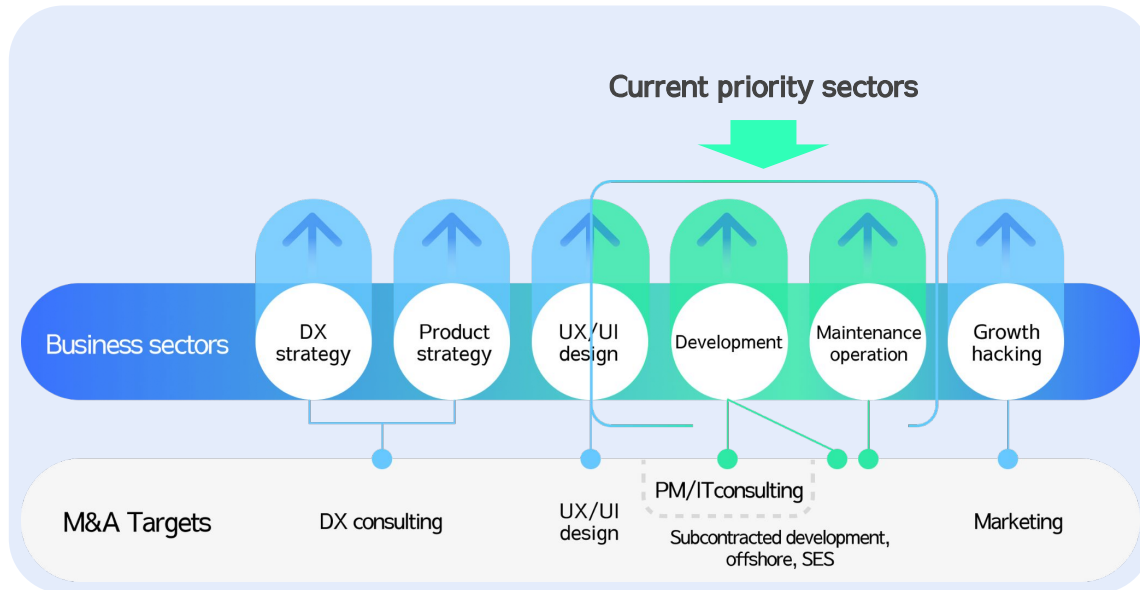
M&A to increase the number and average prices of existing businesses

M&A that aims to diversify business

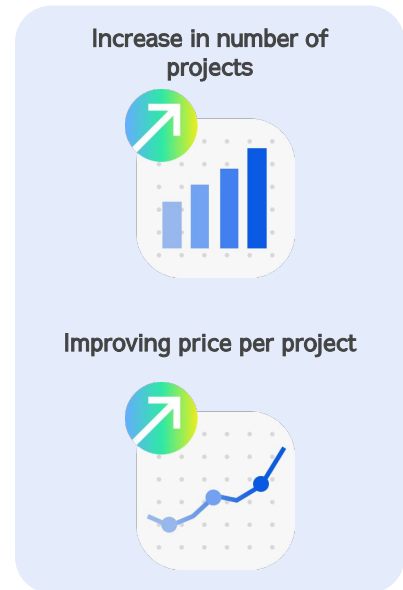


- Consider M&A that helps expand our current priority sectors such as recruitment in UX/UI design, development, maintenance and operation, DX strategy consulting, growth hacking, etc.
- Aim to establish further competitive advantage in the DX market and expand existing businesses.

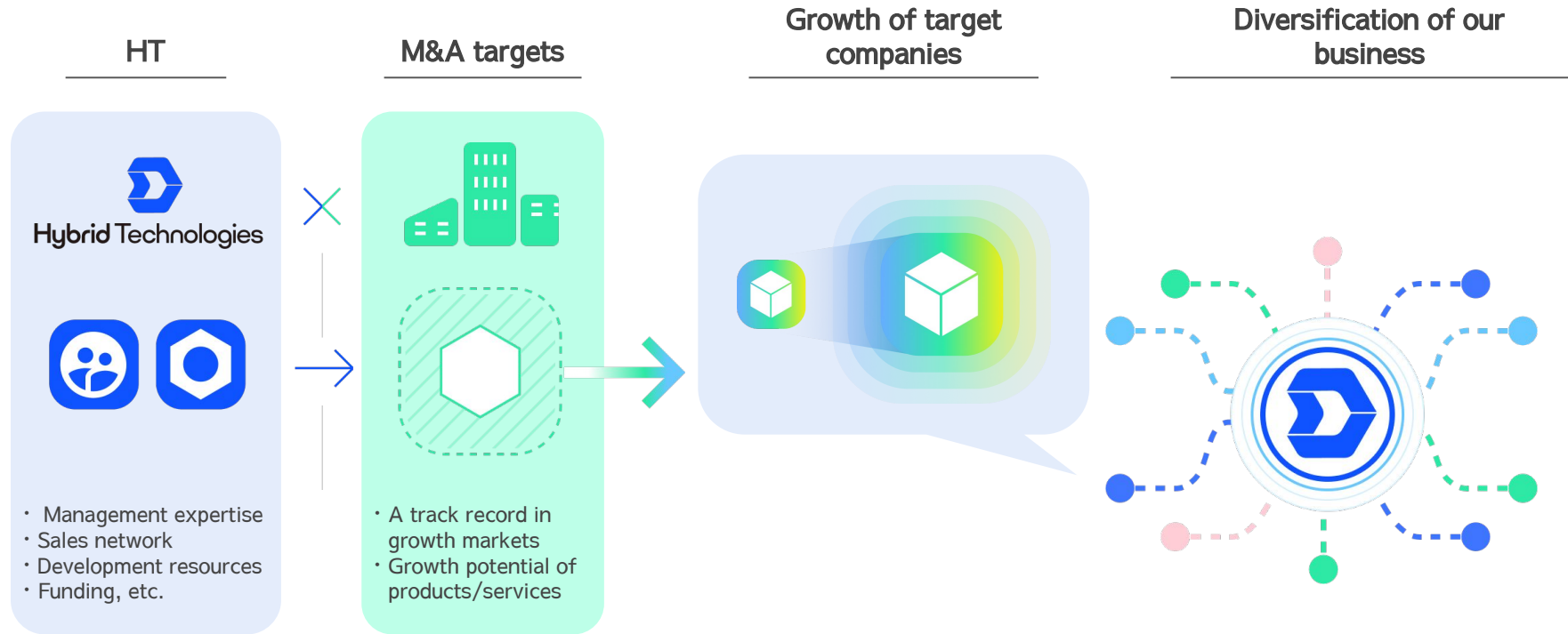
### Existing Business Development Sectors



### Expansion of Existing Business



Utilizing Hybrid Technologies Capital' s corporate network, we have established a certain level of positioning in growth industries; now we aim to achieve non-continuous growth by diversifying business through M&A of companies that can achieve rapid growth with our assets (management expertise, sales network, product development, funding, etc.).



We contribute to realizing a sustainable society through DX promotion projects that enable more efficient social activities and flexible working systems for a diverse workforce.

Environment	Reduce public transportation use by introducing remote work	The majority of our employees work remotely
	Paperless	Promote achieving paperless by introducing a digital contract signing system
Social	Promote Japanese domestic DX by developing our business	Realizing more efficient social activities that resolve issues caused by the decline in Japan's labor force
	Diversity of our group employees	Japanese: 8%, Vietnamese: 91%, other 1%
Governance	Enhancing information security	Acquiring ISMS (ISO/IEC27001) information security management system certification
		Acquiring ISTQB Platinum Partner certification for international software testing standards
	Composition of officers	Excluding the three full-time directors, there are two directors and three auditors who are outside officers



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**Overview of Company/Business**



- Vision

# New view with you

- Mission

We are always developing and continue to grow with our customers.

- Business

Using digital technology suited to customers, we carry out projects that increase their competitive advantage and improve society by delivering innovation not only to services but also to businesses.



Company name	Date of establishment	Officers (as of November 14, 2022)	
Hybrid Technologies Co., Ltd	April 28, 2016	CEO	Tran Van Minh
<Consolidated subsidiary> Hybrid Technologies Vietnam Co., Ltd.		Director/CFO	Kazuma Hirakawa
Address	Capital (as of September 31, 2022)	Director	Yosuke Kubota
<Tokyo head office> Ichigo Shinkawa Building 5F, 2-22-1 Shinkawa, Chuo Ward, Tokyo, 104-0033	893.343 million yen	Outside Director	Masami Masuyama
<Consolidated subsidiary/Vietnam>	Number of employees (as of September 31, 2022)	Outside Director	Yoshinobu Kinugasa
・ Ho Chi Minh DOB office 7th Floor, Dongnhan Office Building, 90 Nguyen Dinh Chieu Street, Dakao Ward, District 1, Ho Chi Minh City	554名 *Including employees of wholly owned subsidiary	Full-time Auditor	Hidetsugu Takada
・ Hanoi CP office 12AF, Central Point, 219 Trung Kinh Street, Cau Giay District, Hanoi		Outside Auditor	Toshimitsu Kozuka
・ Da Nang VP office 7th floor, Vinh Trung Plaza, 255-257 Hung Vuong Street, Hai Chau 1 Ward, Hai Chau District, Da Nang		Outside Auditor	Takeshi Satomi
		Executive Officer	Kota Arai
		Executive Officer	Wataru Takamura
		Executive Officer	Tran Thanh Hai
		Executive Officer	Tsuyoshi Hamamoto





**CEO****Tran Van Minh**

After representing the Vietnamese affiliate of a Japanese company and the Japanese arm of a major Vietnamese telecommunications company, he founded Hybrid Technologies in 2016.

**Director/CFO****Kazuma Hirakawa**

After passing the second stage Certified Public Accountant examination, he worked for an auditing firm and Malaysia-based consulting firm and as CFO of Evolvable Asia Co., Ltd., then was appointed as director and CFO of Hybrid Technologies in 2018.

**Director****Yosuke Kubota**

After joining Recruit Co., Ltd. as a new graduate in 2007, he was a sales manager and then worked for business promotion and sales promotion. In 2019, he was appointed as a director of Hybrid Technologies after serving as an executive officer.

**Executive Officer in charge of Sales Department****Kota Arai**

He was among the first batch of new graduates recruited by AirTrip Corp. in 2014 and was promoted to manager after a year and a half. As a section manager, he experienced the company's listing on the TSE First Section, then joined Hybrid Technologies in 2019, assuming the position of executive officer.

**Executive Officer in charge of Business Consulting Department****Wataru Takamura**

He started out as an engineer in 2004 and has been involved in website and app development since 2013. He has experience managing a team of around 200 people involved in app development for a major Japanese apparel company. Since 2018, he has been involved in offshore development in Vietnam.

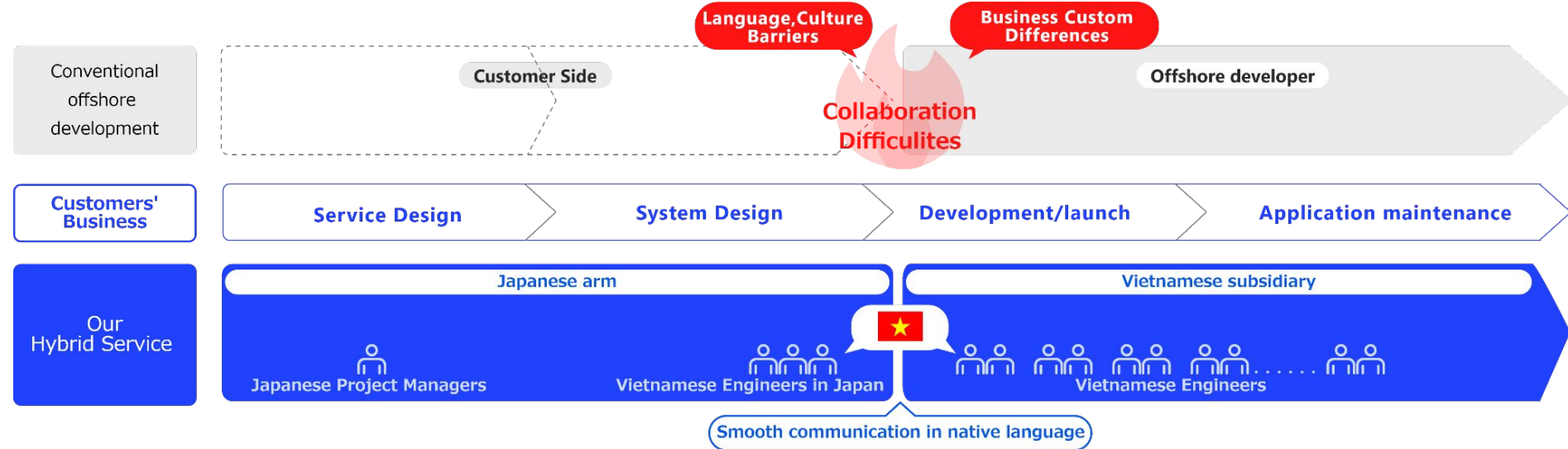
**Executive Officer of Corporate Planning Department****Tsuyoshi Hamamoto**

In 2012, he joined Mynavi Corporation after graduating, where he was in sales, business planning, and group management division, in which he engaged in overseas startup investment, M&A, etc. . He joined Hybrid Technologies in 2022 to handle investment, M&A, etc.

**Executive Officer in charge of Delivery Division****Tran Thanh Hai**

After coming to Japan in 2004, he worked in software development. In 2016, he joined EVA Co., Ltd., serving as development manager at their Hanoi site, then joined Hybrid Technologies in 2020, where he was appointed as executive officer in charge of the Delivery Division.

With our hybrid-type services, the Japanese side of the business plays a central role in handling upstream processes (customer's service design, system design) while collaborating with engineer resources on the Vietnamese side to offer a full range of customer service, from upstream to downstream.



We offer quasi-mandate-based stock services and service contract-based flow services according to customers' needs.

Service Category	Stock Service	Flow Service
Contract Type	Quasi-Mandate Contract	Service contract
Contract Term	1 year in principle (automatic renewal)	Variable by projects
Features	<ul style="list-style-type: none"> <li>• Services providing customers with a dedicated development team</li> <li>• Agile approach ensuring that the number of team members and their skills meet customers' requirements</li> <li>• Automatically renewable one-year contract as a rule, but a shorter term (3 months or more) may be set as needed</li> <li>• Monthly revenue is generated by each project as long as the contract continues, enabling the formation of a stable revenue base</li> </ul>	<ul style="list-style-type: none"> <li>• Services in which development is outsourced to us based on predefined requirements</li> <li>• Customers are guided to stock service contracts for post-implementation maintenance, additional development, etc.</li> </ul>
Proportion of Sales*	94%	6%

\*The proportions represent the percentage of revenue from stock services and flow services, respectively, in total revenue for the first three quarters of FY2022 .



We believe that the strengths of our business are the three points below. For details, see the following pages.

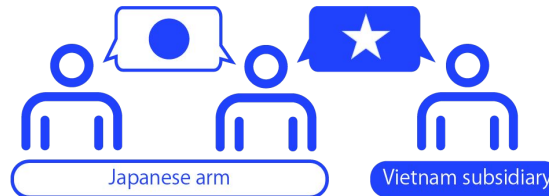
## 1. Japan-Vietnam synergy

Vietnam has an abundant labor force in its 20s to 40s and its government has set a target of producing 1.5 million IT human resources by 2030, making it highly suitable as a partner to offset Japan's labor force and IT personnel shortage.



## 2. Business model

By using Vietnamese engineers who understand Japanese business practices as a bridge between the Japanese side, which handles upstream processes, and Vietnamese side, which handles development and implementation, it is possible to cover all development processes, from upstream to downstream, while minimizing the drawbacks of offshore development.



## 3. Resource supplying capacity

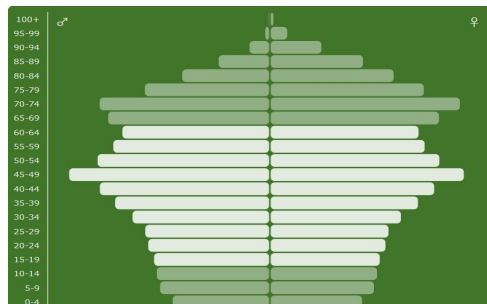
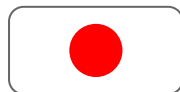
Our recruiting network, which leverages our high profile within Vietnam, enables agile recruitment of personnel suited to the needs of each project, which is difficult in Japan.

List of experienced developer candidates in Vietnam

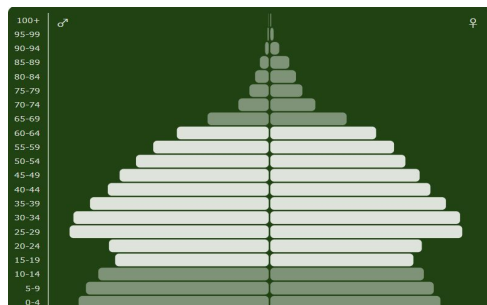
**20,000+**



- Unlike Japan, which is facing the issue of a declining birthrate and aging society, Vietnam's total population is projected to continue growing in the future as of 2020.
- It is forecast that Vietnam's total population and working-age population will surpass those of Japan by around 2035, with the difference in working-age population estimated to be 15 million people in 2050.
- Vietnam's labor force and IT human resources, which will grow in tandem with the labor force, can offer a solution to Japan's labor shortage and the social issues arising from it.



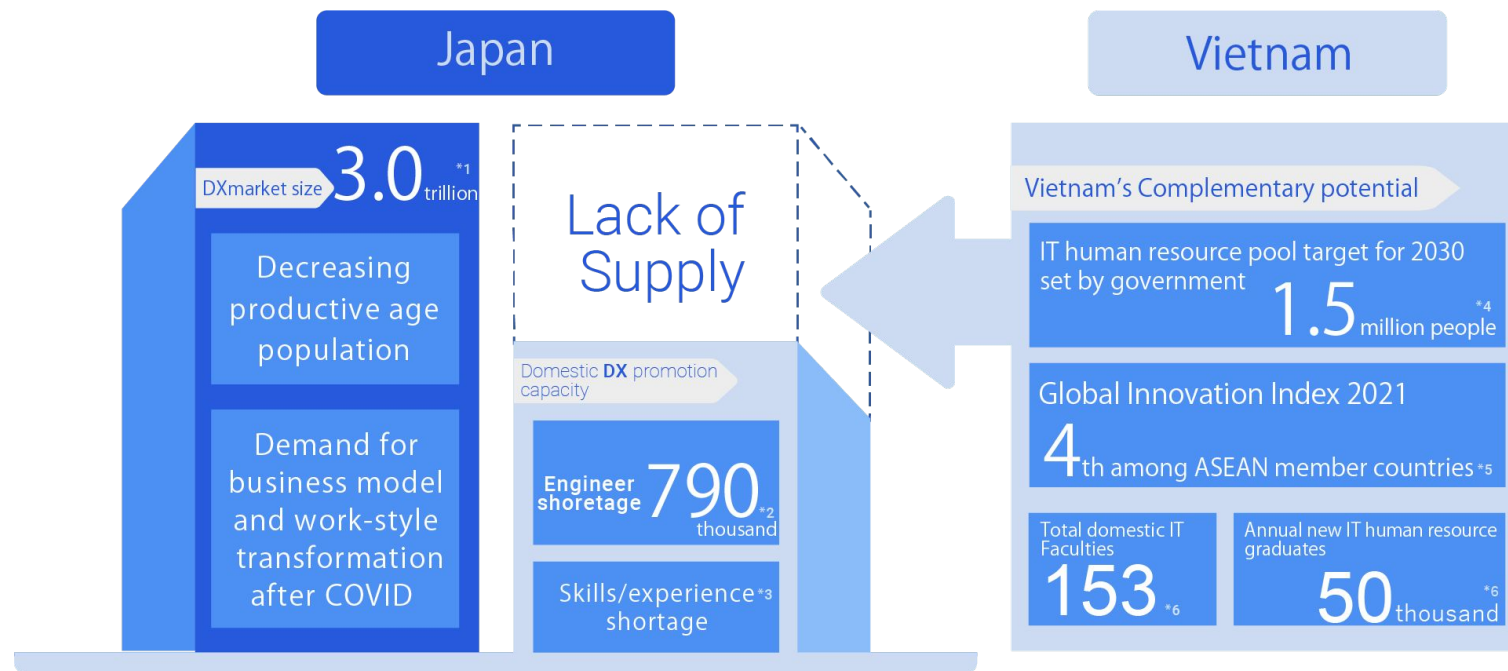
population	2020		2050
Total	126.48million	-17%↘	105.80million
(working-age*)	(74.82million)	(-28%↘)	(53.66million)



population	2020		2050
Total	97.34million	+13%↗	109.61million
(working-age*)	(67.11million)	(+2%↗)	(68.36million)

reference: United Nations Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Online.  
\* This assumes that the population aged 15 to 64 is of working age.

- While the DX market among Japanese companies is projected to grow to 3 trillion yen by 2030, the forecast is that there will be a shortage in the IT human resources and expertise needed to promote DX within Japan.
- Driven by government policy, Vietnam has abundant IT human resources and growth potential.



reference: 1. Fujii Chimera Research Institute, "2020 Outlook for Digital Transformation Market"  
 2. Estimated based on a maximum productivity increase rate of 0.7% in a March 2019 survey report by the Mizuho Research Institute, commissioned by the Ministry of Economy, Trade and Industry.  
 3. IT Knowledge Center, Information-Technology Promotion, Japan "IT Human Resources White Paper 2020" (survey results indicated that approximately 50% of companies with 300 or fewer employees answered that they had not been able to make progress in accumulating and internally developing in-house IT skills, and nearly 70% of companies had not worked on DX or did not know about it).  
 4. LP(2020). Chiến lược quốc gia về phát triển doanh nghiệp công nghệ số Việt Nam. Hanoi: Socialist Republic of Viet Nam government News.  
 5. WIPO (2021). Global Innovation Index 2021: Tracking Innovation through the COVID-19 Crisis. Geneva: World Intellectual Property Organization.  
 6. TopDev(2020). Viet Nam IT Market Report 2020. Ho Chi Minh City: TopDev.

By using Vietnamese engineers who understand Japanese business practices as a bridge between the Japanese side, which handles upstream processes, and Vietnamese side, which handles development and implementation, we cover all development processes, from upstream to downstream, while minimizing the drawbacks of offshore development.

Customer's  
business

Service Design

System Design

Development/launch

Application maintenance

Our  
Group

Hybrid Technologies' Japanese arm

Vietnamese arm

  
Japanese Project Managers

  
Vietnamese Engineers in Japan

    .....   
Vietnamese Engineers

## 1. Upstream process Consulting

Highly experienced Japanese project managers handle consulting and management from the service conception and design stages.

## 2. Communication using Native Languages

Vietnamese engineers who understand Japanese business practices serve as bridges, which limits miscommunication and enables high quality.

## 3. Vietnam's abundant IT human resources

Vietnam is promoting the production of IT human resources based on government policy, making it possible to secure IT human resources in an agile manner, which is difficult within Japan. There are also cost benefits.



Our recruiting network, which leverages our high profile within Vietnam, enables agile recruitment of personnel suited to the needs of each project, which is difficult in Japan.

Profile of Hybrid Technologies in Vietnam

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**Highest-ranked  
within Japanese  
company\*1**

List of experienced developer candidates  
in Vietnam\*2

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**20,000+  
people**

\*1 ITviec, a recruitment website in Vietnam specializing in IT engineers that is run by Mynavi Corporation, selects a “Best Company” in terms of salary, training, management, corporate culture, and office environment. In 2019 and 2020, Hybrid Technologies Vietnam Co., Ltd. was selected as the highest-ranked among Japanese companies.

\*2 The list is comprised of developer candidates who applied to Hybrid Technologies in the past. By registering candidates in our recruiting system at the time of their application, we maintain a system that enables us to reach candidates from the list whenever needed.





Our articles have been published in many media in Vietnam, which is steadily generating more widespread awareness of us, particularly among job candidates within Vietnam.

On November 12, 2022, a program covering our CEO Minh was broadcast by Vietnam's national TV broadcaster.

- TTX VietNam (Communist Party publication)
- Biz LIVE (business life magazine)
- BUSINESS INSIDER (business insider forum)
- Soha (news portal)
- Vietbao (community information site)
- Vn Express (Vietnamese online newspaper)
- TopDev (Vietnamese IT recruitment site)
- 24h (community information site)
- Tien Phong (Communist Party Ho Chi Minh youth organization publication)
- Vietnam biz (business and economics magazine)
- Giadinh & PhapLuat (news portal)
- DanViet (farmer's association publication)
- CongNgheDoiSong (telecommunications publication)
- Doanhnhân VietNam (Vietnamese management newspaper)
- Vn Express (2nd article)
- VCCI
- Forbes Vietnam

Exposure in Vietnamese media after our listing

17 outlets



Minh filming a program on Vietnam's national broadcaster. The program was broadcasted in Vietnam on November 12, 2022.





- This document contains forward-looking statements related to industry trends and Hybrid Technologies' business based on the Company' s current plans, estimates, forecasts, and expectations.
- A variety of risks and uncertainties are inherent in the assertions made in these forward-looking statements. Known and unknown risks, uncertainties, and other factors may cause results to differ from the details included in the forward-looking statements.
- The Company' s actual future business and performance may differ from the forward-looking statements contained in this document.
- The assertions related to forward-looking statements in this document are made by the Company based on the information that was available to use, and none of the forward-looking statements will be updated or revised to reflect future events or circumstances.