



# Financial Results Presentation for the Second Quarter of the Fiscal Year Ending March 2022 (46th Business Year)

November 19, 2021  
Focus Systems Corporation  
(Securities Code: 4662)

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# 1 Financial Results for the Second Quarter of the Fiscal Year Ending March 2022 (46th Business Year)

Net sales and income both reached record highs in the first half of the fiscal year  
 Operating profit margin improved to 6.6% (up 0.5 percentage points from the same quarter of the previous year)

(Unit: Million yen)

	FY 03/2021				FY 03/2022		Year-on-year change	
	Q1 Results	Q2 Results	Q3 Results	Entire financial year Results	Q1 Results	Q2 Results	Amount	Ratio
Net sales	5,407	<b>11,234</b>	17,149	23,485	6,031	<b>12,489</b>	1,254	<b>11.2%</b>
Operating income	322	<b>687</b>	1,126	1,450	302	<b>821</b>	133	<b>19.4%</b>
Ordinary income	328	<b>699</b>	1,139	1,469	306	<b>770</b>	71	<b>10.2%</b>
Current quarter Net income	216	<b>482</b>	774	1,025	204	<b>522</b>	39	<b>8.1%</b>

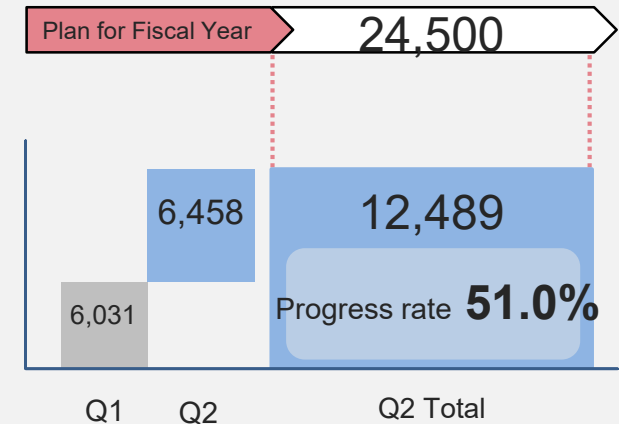
## All indicators are exceeding 50% against the plan for fiscal year

■ In the second quarter, business progressed steadily despite the fifth wave of the COVID-19 pandemic.

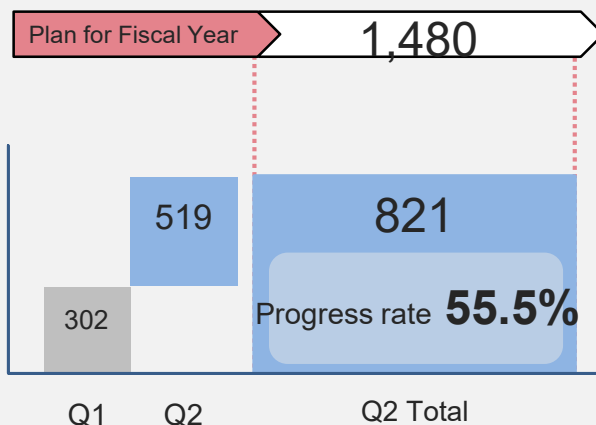
■ The company as a whole was able to turn around the decline in profit in the first quarter by aggressively developing new business.

(Unit: Million yen)

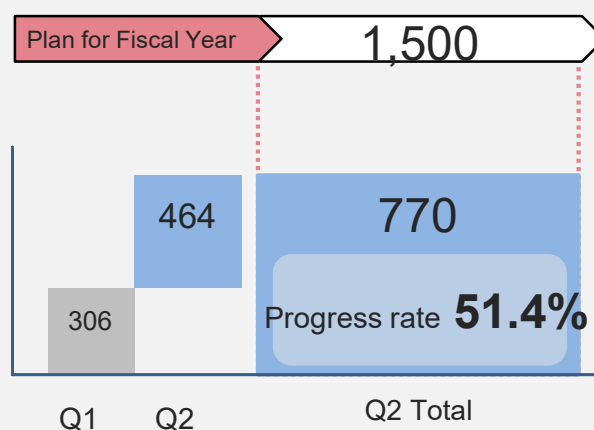
### Net sales



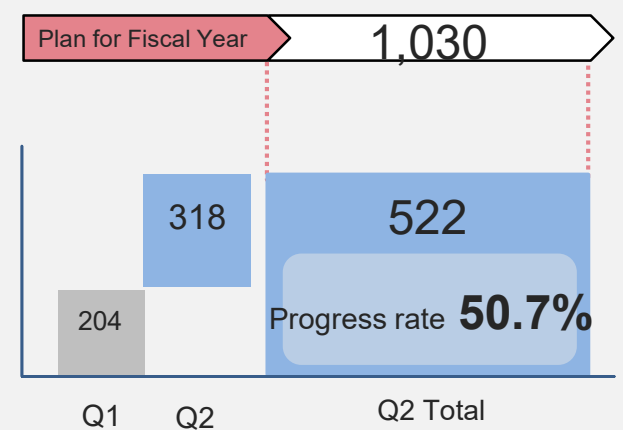
### Operating income



### Ordinary income



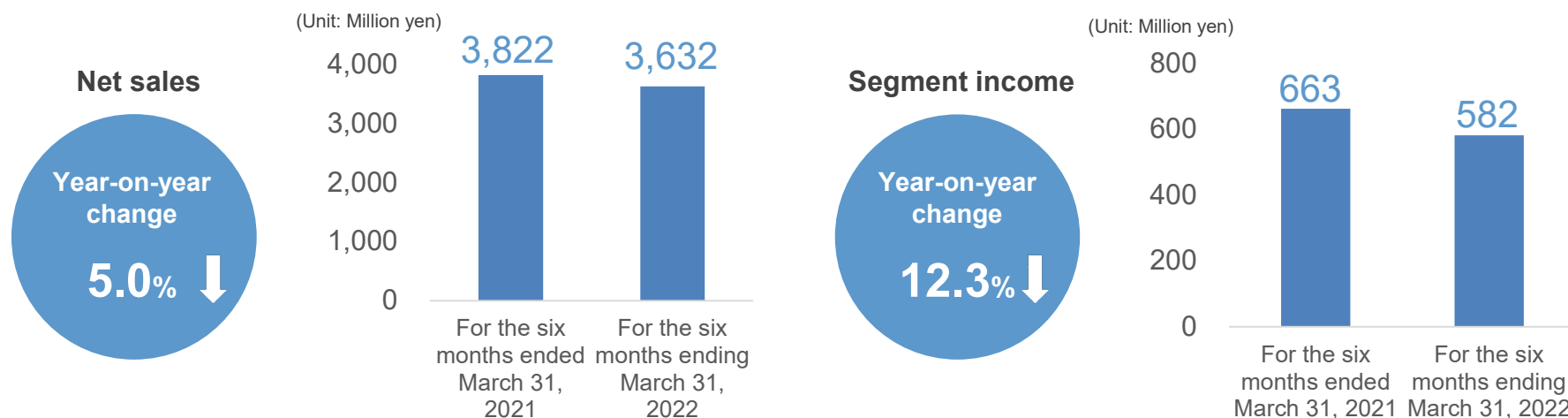
### Net income



## Public sector

From the design and manufacture of social infrastructure-related systems, whose end users are mainly government offices and local governments, through to post-system operation management and maintenance

**Both sales and profits decreased mainly due to the absence of large-scale projects that boosted results in the same quarter of the previous year**



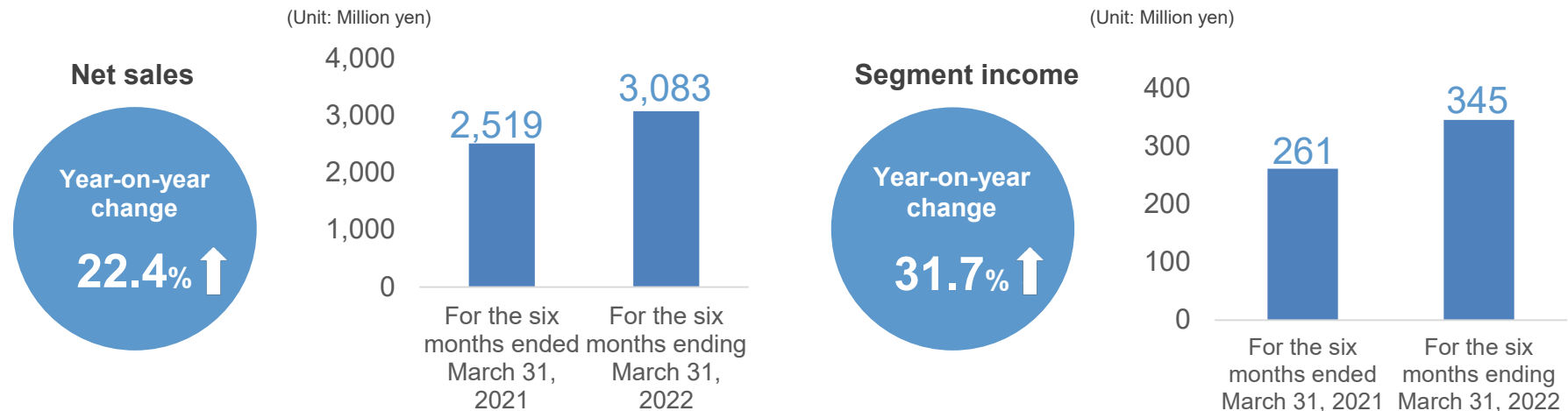
■ Business results for the first half of the current fiscal year generally progressed as planned. (A declining rebound has been factored in.)

■ To turn things around in the second half of the year, we will continue to focus on acquiring new projects and expanding existing projects.

## Enterprise business

Mainly corporate company core business systems/online system development, network/infrastructure design/construction, RPA solutions, related operation/maintenance, and ICT consulting

**Sales and profits saw growth by capturing strong system investment demand from the private sector and local governments steadily**



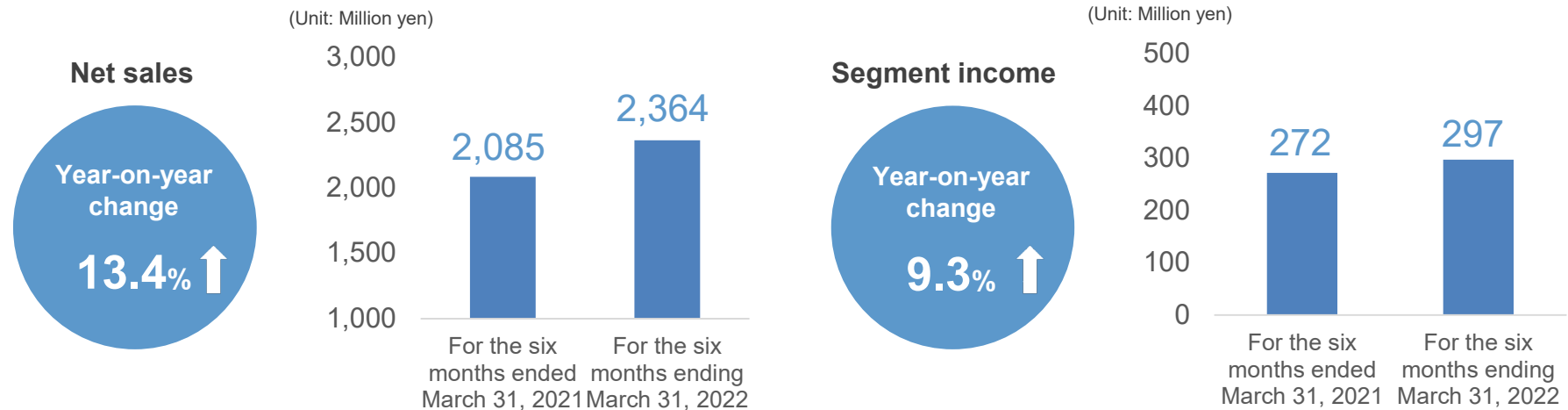
■ Strategic development of new projects in the midst of the COVID-19 pandemic has been successful. The company has bounced back from the impact of the pandemic and is on a growth trajectory.

■ Further enhancement of product lineups, including network security and cloud services, has aided us in capitalizing on the demand of the "new normal" as life continues with COVID-19.

## Wide-ranging solutions

Communication control system development, embedded system development, system development for private companies and government agencies, AI solutions, related operation/maintenance, and ICT consulting, mainly in the Tokyo, Nagoya, and Osaka areas

**Both sales and profits increased due to the success of focused sales activities targeting growth industries in the pandemic**



■ Across the board, the company is making steady progress with existing projects while also focusing on acquiring new projects and steadily building results.

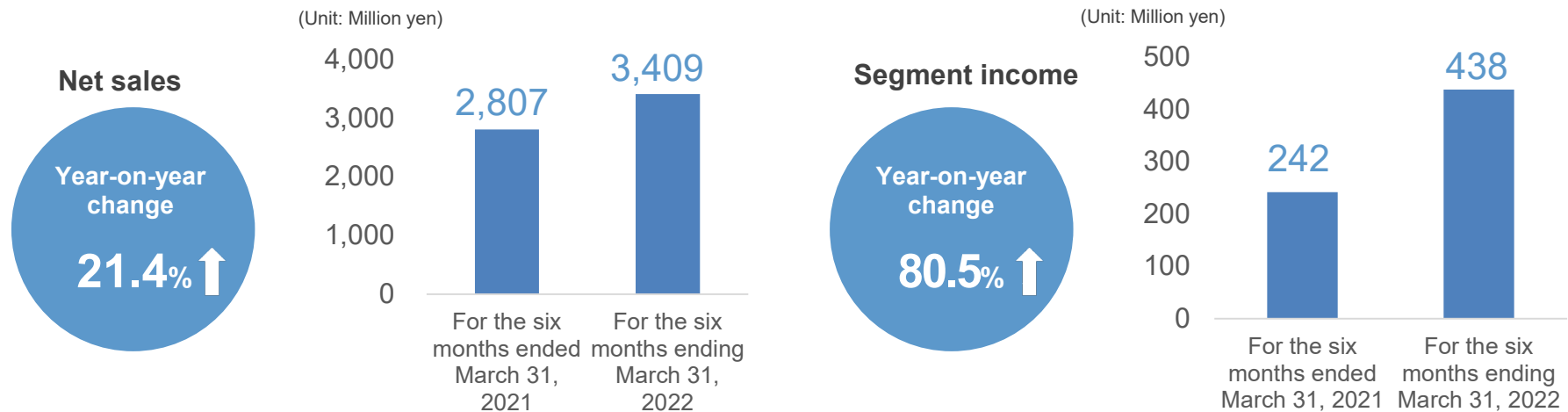
■ Business opportunities are being expanded by aggressively pursuing low-code development projects.



## Innovation

Mainly infrastructure design/construction, mainframe construction, system development, related operation/maintenance, in-house product manufacturing, provision of IoT solutions

**Driven by stable business foundation and sales expansion of security-related products, both sales and profits increased**



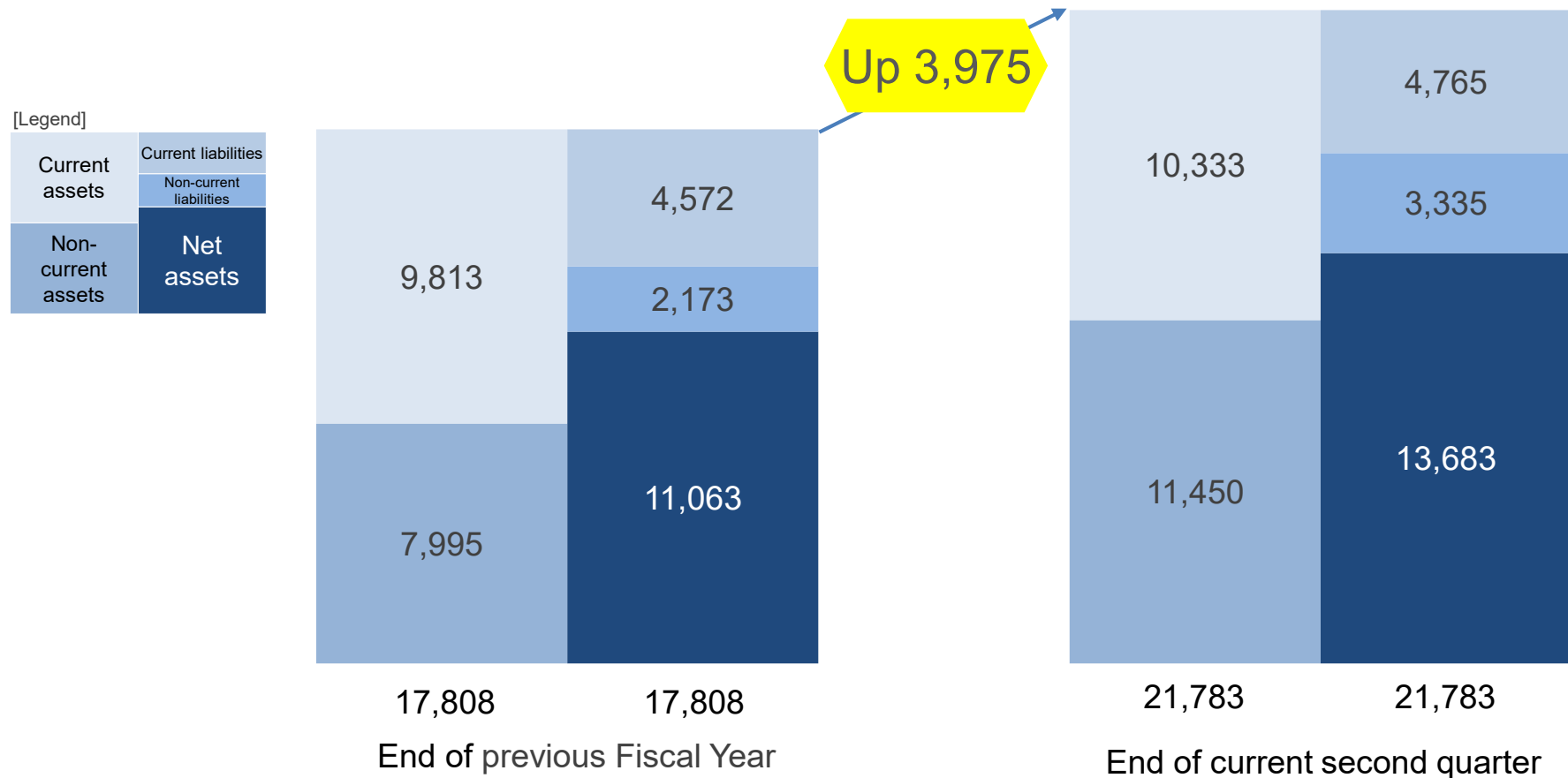
■ The business base is being further strengthened by responding to customers' issues and essential needs and expanding development projects.

■ Among the company's products, security-related products and solutions were the main drivers of growth in Q2.

## Substantial increase in valuation of investment securities, mainly for cross-share holdings

### Main reasons for changes

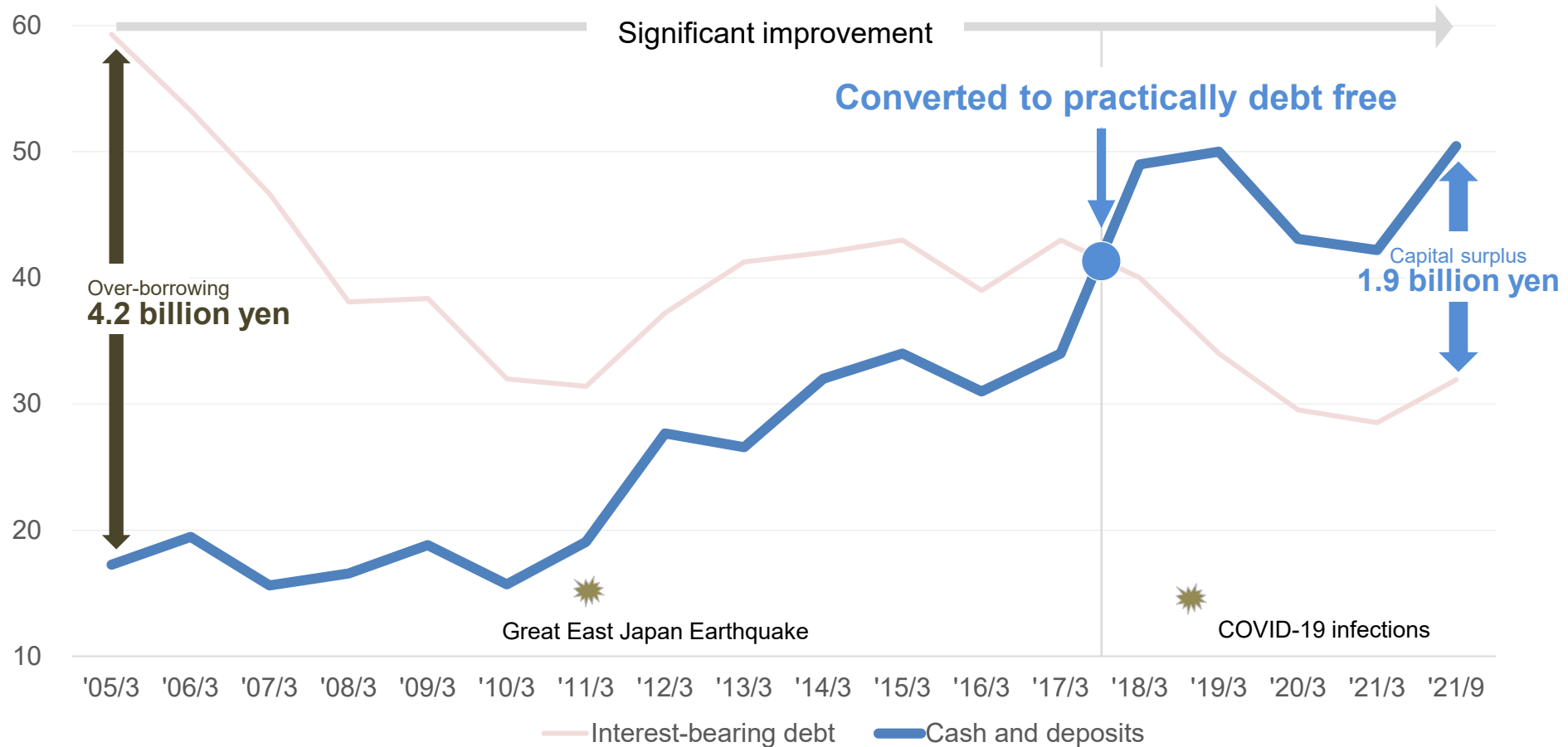
- Current assets: Increase in cash and deposits
- Non-current assets: Increase in valuation of investment securities
- Net assets: Gain on valuation of investment securities and retained earnings



Achieved a sustainable "cycle of financial strength"

"Securing sufficient investment capacity for business seeds" and "ensuring business sustainability"

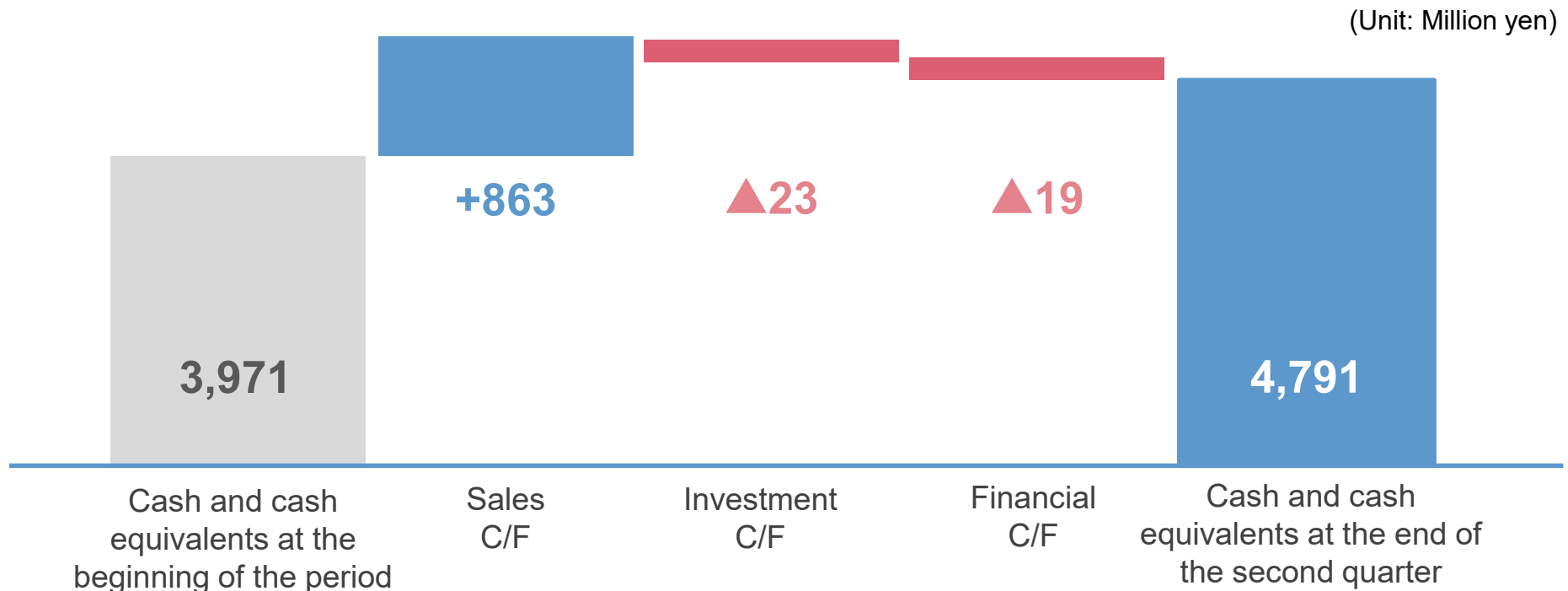
(Unit: One hundred million yen)



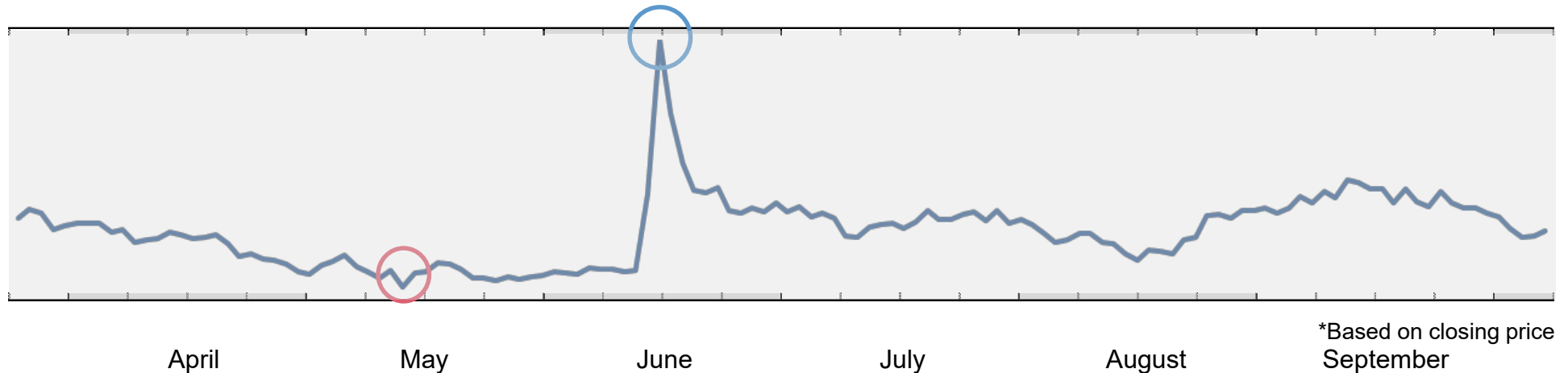
Continued stable management with steady progress in sales activities, capital investment, and repayment

## Main reasons for changes

- Sales C/F: Net income, etc.
- Investment C/F: Capital expenditure (investment in information systems and other intangible assets), etc.
- Financial C/F: Redemption of bonds, dividends, etc.



Share price reached its highest level on June 16, 2021.  
Since then the share price average has increased by 9.3% on average

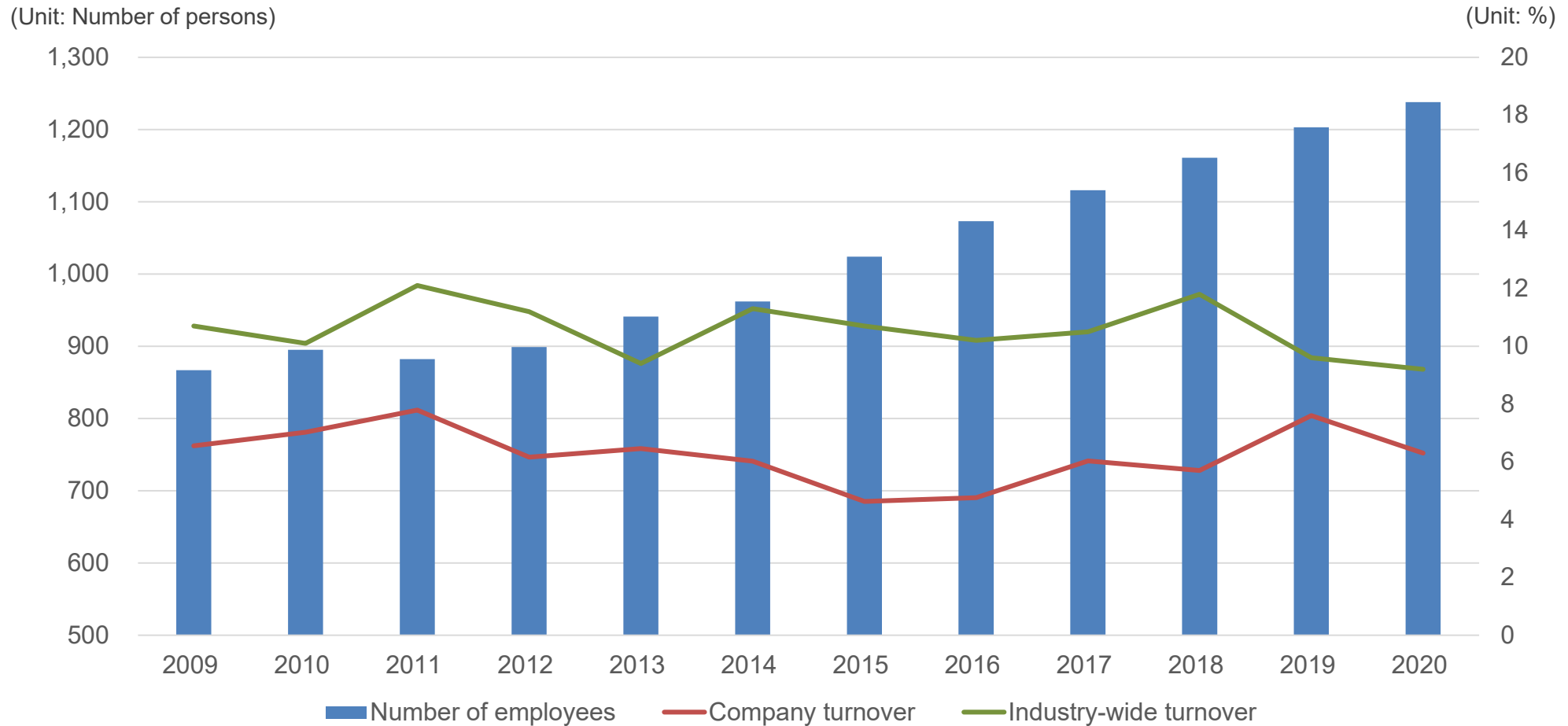


Average stock price **924** yen (4/1-6/15)

Average stock price **1,010** yen (6/17-9/30)

Moving forward with research development of “tertiary batteries” for the future of “battery-free IoT devices”  
— A patent application and verification tests of a next-generation power supply bringing us closer to a carbon-neutral society —

The number of employees increased steadily due to "strengthening recruitment activities" and "making the company more attractive to job seekers."



\*The industry turnover rate has been excerpted from the "Survey on Employment Trends" (Ministry of Health, Labor and Welfare)

\*Our turnover rate is based on the fiscal year, and the industry turnover rate is based on the year.

## 2 Projections for the Fiscal Year Ending March 2022 (46th Business Year)

■ Earnings forecasts for record-high sales and profits are left unchanged.

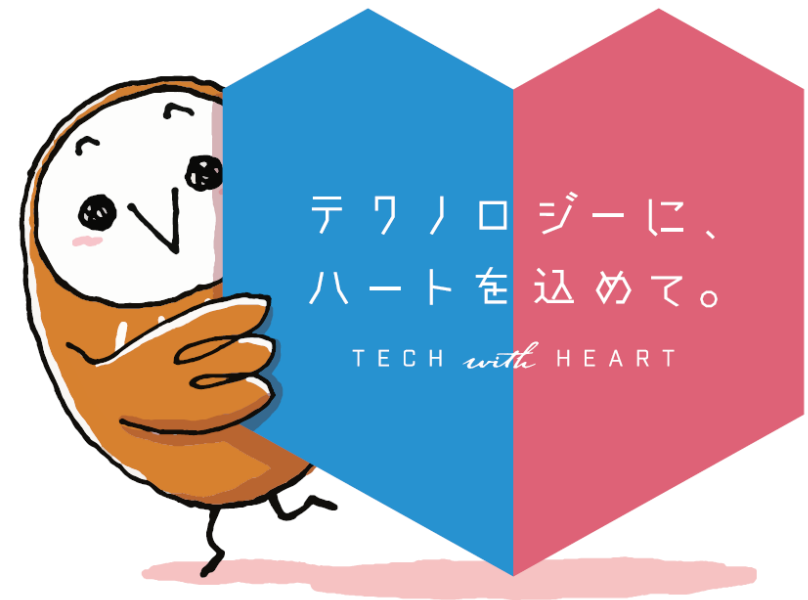
■ For the current fiscal year, an interim dividend was paid. The annual dividend per share is expected to be 25.00 yen.

	Results of Fiscal Year Ended March 2021 (million yen)	Projections for Fiscal Year Ending March 2022 (million yen)	Year-on-year change (%)
Net sales	23,485	24,500	4.3
Operating income	1,450	1,480	2.1
Ordinary income	1,469	1,500	2.1
Net income	1,025	1,030	0.5

	Results of Fiscal Year Ended March 2021	Projections for Fiscal Year Ending March 2022
Net income per share (yen)	68.08	68.37
Dividend per share (yen)	24.00	25.00
	(Breakdown) Ordinary dividend 20.00	(Breakdown) Interim dividend 5.00
	Special dividend 4.00	Year-end dividend 20.00
Dividend payout ratio (%)	35.3	36.6



Focus Systems sincerely requests the continued guidance and support of all stakeholders.



This document is based on information available as of November 12, 2021, and on assumptions as of the same date concerning uncertain factors affecting future financial results.  
Actual financial results may materially differ from projections due to various factors in the future.  
Consequently, Focus Systems Corporation does not guarantee any certainty.

## 3 Supplementary Information: Current Topics

## Products & Services

Focus Systems has signed business partnership agreement with Osaka Prefecture  
— Participates in the Osaka Prefecture DX Promotion Partners program supporting the digital transformation of small and medium-sized businesses —

## Products & Services

Notice of Metis. Co. Ltd. becoming an affiliate through the equity method

## Products & Services

Operational achievements even amid the pandemic resulted in expanded sales. Focus Systems received intra-mart Award 2021 for sales performance!

## Products & Services

"Directional receivers" that enable more accurate positioning to enter the market  
— Uses phased array antenna and even supports Bluetooth 4.x —

## Products & Services

Focus Systems Corporation signed a distribution agreement with Terilogy Works Co., Ltd., a subsidiary of Terilogy Co., Ltd., for the threat hunting product "ThreatSonar"  
— Solving business challenges and covering the shortage of high-level security personnel —

## Products & Services

Moving forward with research development of "tertiary batteries" for the future of "battery-free IoT devices"  
— A patent application and verification tests of a next-generation power supply bringing us closer to a carbon-neutral society —

## Products & Services

Developing X-ray care units for the initial diagnosis of Covid-19 positive patients outside medical facilities  
— Setting up infection-protection spaces and online treatment facilities —

### Shareholder Information

Notice concerning application for selection of "Prime Market" as a new market segment

### Products & Services

Borderless communication with the hearing impaired  
— UniTalker, an application developed to visualize conversations and support the hearing impaired —

### Products & Services

Focus Systems Corporation aims to enhance the value of all Japan university women's football through sponsorship  
Transforming the JUWFA's official media through IT support  
— Encompassing the fostering of business creativity and the ability to get things done, developing students' own self-support cycles —

### Products & Services

Development of a new AI-based nuclear medicine method for brain examinations  
— Reducing radiation exposure and creating a safe and highly accurate medical environment —

### Products & Services

Expanded security in the new normal to meet the changing business landscape  
Focus Systems signed a partnership agreement with Palo Alto Networks  
— Beginning on the path to becoming a value-added reseller offering a wide range of products —

### Products & Services

Supporting small and medium-sized forwarders with structural IT reform in the trade & logistics industry  
Our trade SaaS product developed in-house "Beyond TheBook" is officially now on sale  
— A cloud-based case management service that connects forwarders and shippers —

## 4 Supplementary Information: Company Outline

Line of business	Software development and IT services Security product development, sales, and service provision
Head office	2-7-8 Higashi Gotanda, Focus Gotanda Bldg., Shinagawa-ku, Tokyo
Business offices	Tokyo, Osaka, Nagoya
Capital	2,900 million yen
Exchange listings	Tokyo Stock Exchange, First Section (Securities Code: 4662)
Employees	1,238 (as of March 31, 2021)

- 1977 Focus Systems Corporation established for the purpose of software development
- 1978 Starts doing business with Oki Electric Industry Co., Ltd., and initiates software development work on electronic switchboards
- 1988 Starts doing business with Nippon Telegraph and Telephone Corporation (now NTT DATA Corporation) and begins providing services for the development of systems for government and other public agencies
- 1996 OTC share registration with the Japan Securities Dealers Association (now Tokyo Stock Exchange JASDAQ Standard)
- 1997 Commences business with IBM Japan, Ltd. and begins system operation/maintenance and infrastructure technology support business
- 1999 Starts information security business
- 2004 Starts selling products for digital forensics, a new field of information security
- 2015 Exchange listing changed to Tokyo Stock Exchange, Second Section
- 2016 Listing designation changed to Tokyo Stock Exchange, First Section

フォーカスシステムズの技術は、さまざまなシーンで社会を支えています。

## サイバーセキュリティ

サイバー攻撃に対する防御や事後対応、  
ハイテク犯罪調査ソリューション

## 金融機関向けシステム

メガバンク向け顧客管理  
システムの開発や新銀行の基盤構築

## 医療事務システム

診療を受けた時の診療報酬の  
電算処理システムの開発

## 社会保険システム

全国の年金事務所をつなぐ  
年金制度を支えるシステムの開発

## Web アプリケーション

システム共通基盤（Intra-mart 等）、ERP パッケージ  
を用いた、ソリューション提案から開発、保守運用

## 通信制御システム

携帯電話基地局、ルーターやゲート  
ウェイなど、通信制御装置の  
ファームウェアの開発



## 電子行政システム

行政サービスの電子化に伴う  
システムの開発

## 自動車登録システム

車、バイク等の所有者や車検状況を  
管理するシステムの開発

## 暗号技術

電子情報を漏洩や改ざん  
などのリスクから守る  
ための次世代暗号技術

## 航空管制システム

管制官が使用する、いわば  
「空の信号機」システムの開発

## 貿易流通システム

輸出入に関する手続きを  
処理するシステムの開発

## Beacon 開発

Bluetooth® Smart 規格に準拠した  
薄型ウェアラブルデバイスの製造、  
ソリューション提案からアプリケー  
ション開発

## RPA

ロボットによる業務自動化により、  
生産効率を上げるソリューション

## 福祉介護システム

要介護者が受けている介護内容を  
管理するシステムの開発





## Triple FOCUS

### 1st FOCUS

#### System Integration

When implementing information systems, Focus Systems carries out everything from planning and development to operation according to the business purposes of the client.

### 2nd FOCUS

#### IT Services

Focus Systems designs and builds infrastructure and provides technical and operational support to enhance system availability and reliability.

### 3rd FOCUS

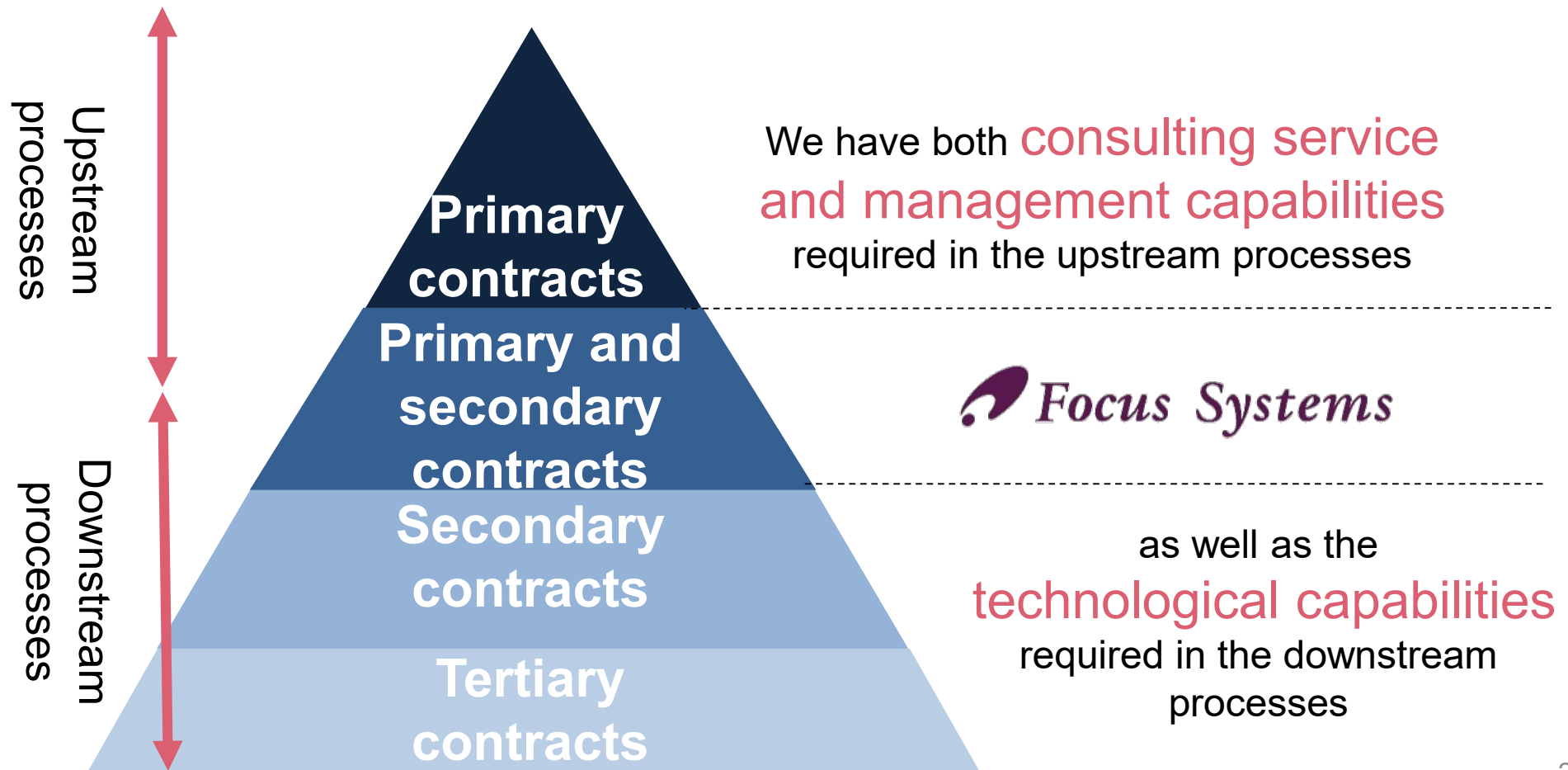
#### Information Security

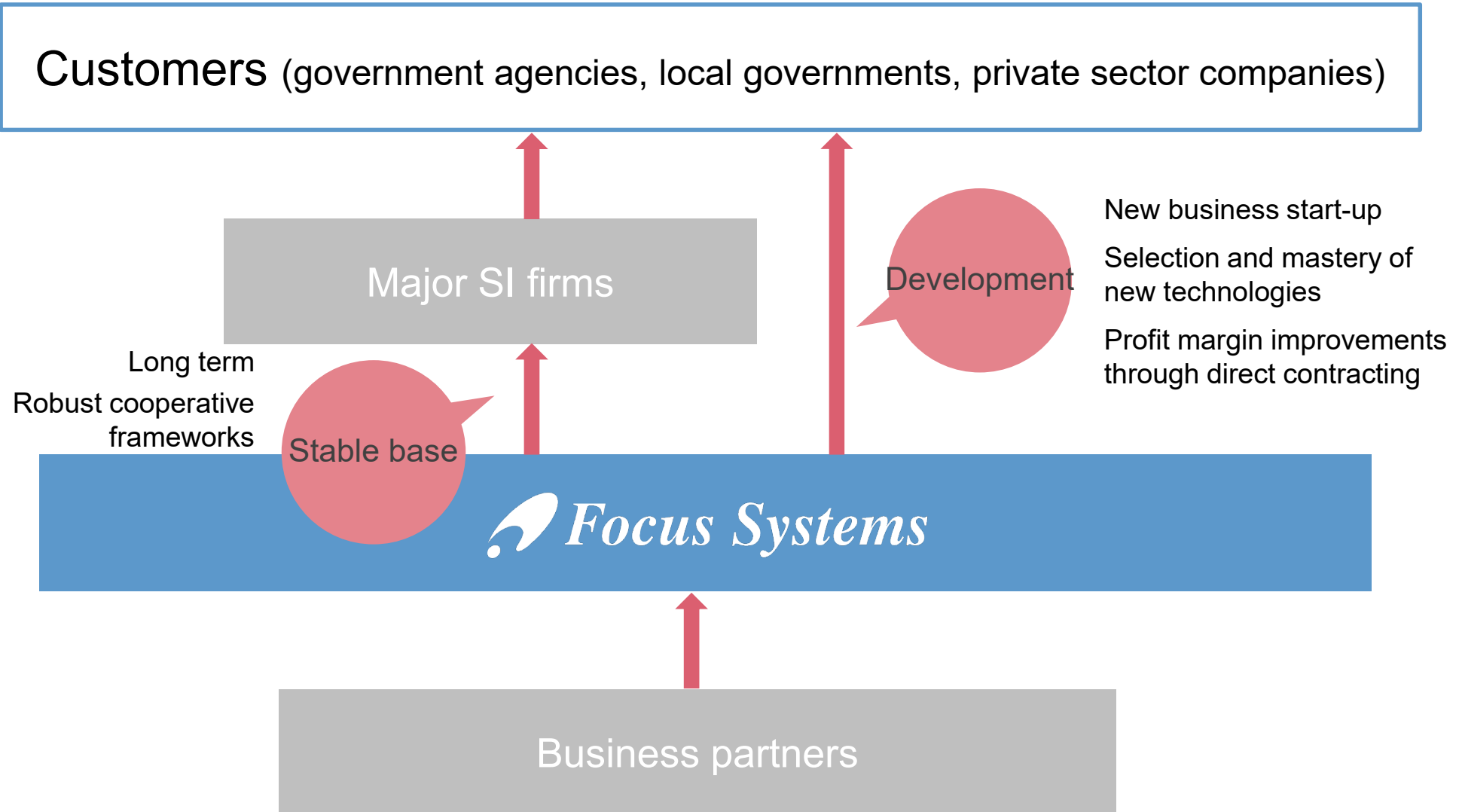
Focus Systems provides customers with information risk control through information security technologies such as encryption, and digital watermarks.



Focus Systems is an independent system integrator (SI)

Processes range from **upstream to downstream** and projects from **small to large**  
(including operation and maintenance after system start-up)





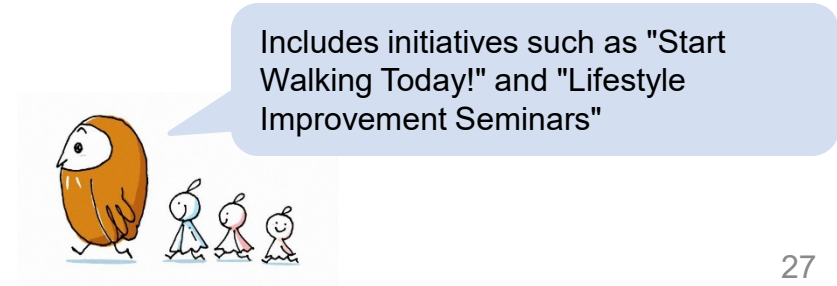


We were selected by the Ministry of Economy, Trade and Industry and the Japan Health Council as a company with good health management in their "Corporations with Exceeding Health Management 2021 (large-scale corporate division)" certificate.

- 1 **Support for club activities** ... We support the participation in club activities in order to promote employee health. Currently around 150 employees are enrolled in 9 types of club activities.



- 2 **Health maintenance seminars** ... To mitigate poor lifestyle habits and to prevent obesity, we sponsor seminars dedicated to specific topics such as improving diets and preventing and improving sleep apnea syndrome.



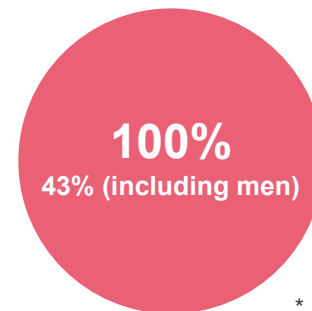
## Work–Life Balance

- 1 **Systems for shortened working days or reduced working hours** ... Systems for helping employees balance work duties with childcare or eldercare. Employees can choose shortened working days (3 days a week) or reduced working hours (choice of 5 hours or 6 hours per day).
  - \*Employees are eligible for the systems until their children reach the third grade in elementary school or until they no longer are required to do nursing care.
  - \*A combination of these systems and the flextime system is also possible.

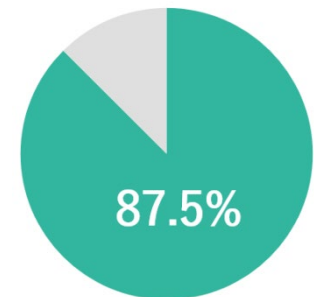
Kurumin (child-rearing support)  
certified



Usage percentage of shortened  
working days/reduced working hours  
after childcare leave



Percentage of employees who  
return to work after child care leave



\* As of March 31, 2021

- 2 **"Job Return" system (re-employment system)** ... Re-employment is possible within 10 years of resignation due to a life event (marriage, childbirth, or child-rearing) or for career advancement (overseas study or change of employer).
- 3 **Flextime system** ... This system helps employees work based on their lifestyles.



## Diversity

- 1 Occupational field creation . . . In 2015, we began producing vegetables through hydroponics, aiming at creating new fields of employment for persons with disabilities. Currently, we are also promoting the development of clerical work areas. (Refer to the next page for "Changes in Responses to the Employment Rate System for Persons with Disabilities") These initiatives are posted on our blog "[Public Relations for Persons with Disabilities \(Focus NAVI\)](https://magazine.focus-s.com/category/news/pwd_pr/)."



Focus NAVI  
Public Relations for  
Persons with  
Disabilities



[https://magazine.focus-s.com/category/news/pwd\\_pr/](https://magazine.focus-s.com/category/news/pwd_pr/)

- 2 Information exchange for female employees . . . This initiative provides career planning support for young women by communicating work styles and the like.

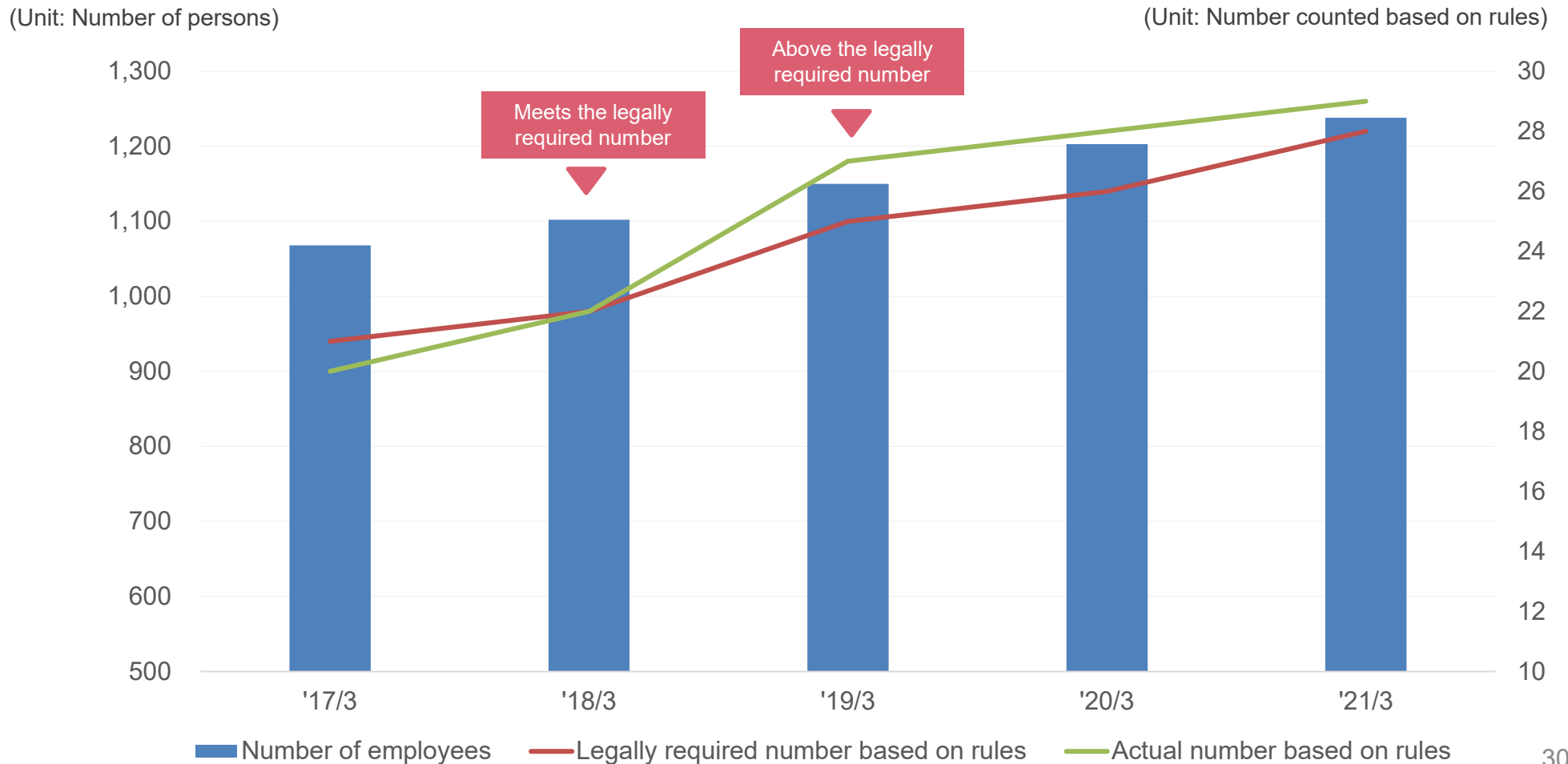


### Eruboshi (Female employee career promotion)

We are certified as an "Eruboshi" company for being an outstanding company based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

# Changes in Responses to the Employment Rate System for Persons with Disabilities

- We created new fields of agricultural and office work, and improved work environments so that a large number of persons with disabilities could find sustained work.
- We provided employees with internal training programs that help deepen their understanding of working with persons with disabilities, and strengthened systems that embrace them.



## Mascot Character "Fukue-san"

In order to feel closer to the Focus Systems and the world of information systems, we use Fukue-san to send out information about our business, employees and the future.



LINESTOREで検索!!

ぶくえさん

