



**Fiscal Year Ended March 2022 (46th Business Year)**

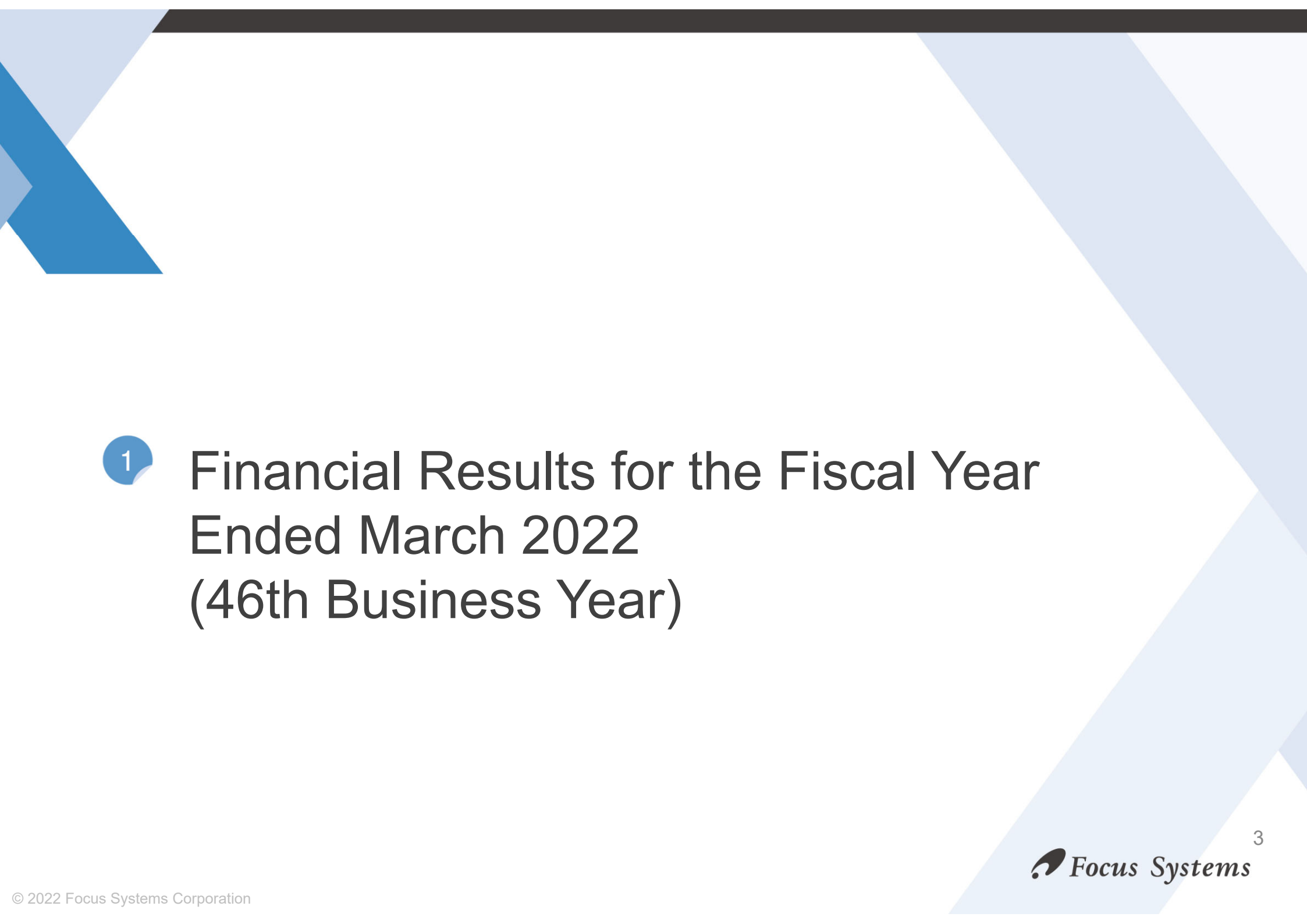
# **Financial Results Presentation**

May 24, 2022

Focus Systems Corporation  
(Securities Code: 4662)



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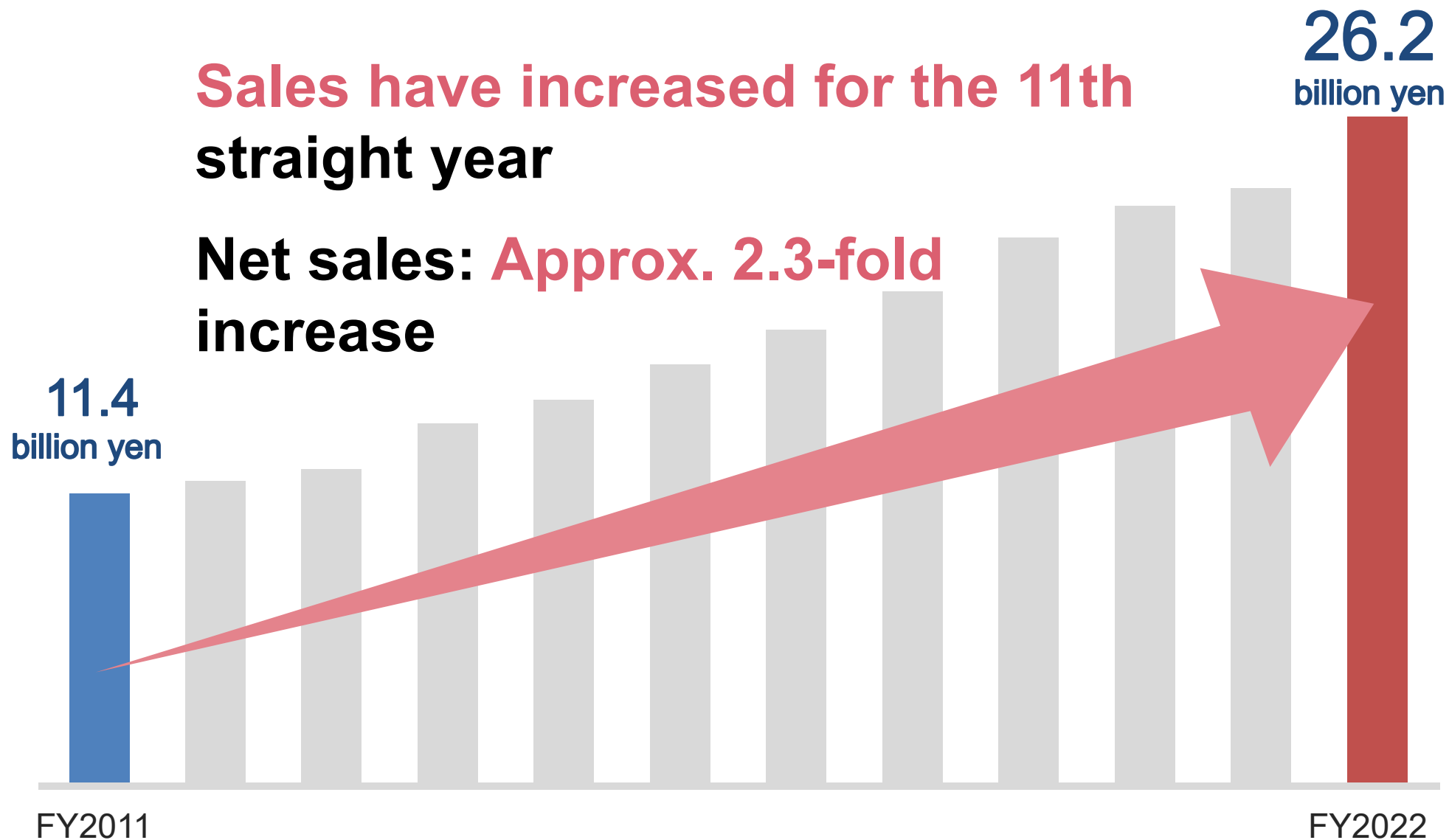
# 1 Financial Results for the Fiscal Year Ended March 2022 (46th Business Year)

Both net sales and profits exceeded the previous year results and projections

- New projects increased profit margins
- Large deals drove growth
- Well-undertaken project management minimized risk and supported overall growth

(Unit: Million yen)

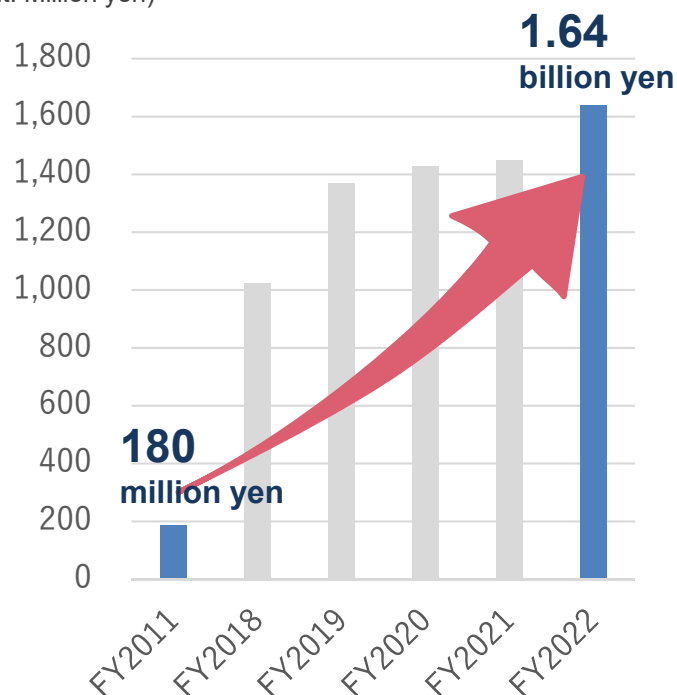
	FY2021 Results	FY2022 Plan	FY2022 Results	Changes from the previous fiscal year		Changes from the Plan	
				Amount Change	Ratio	Amount Change	Ratio
Net sales	23,485	24,500	26,278	2,792	11.9%	1,778	7.3%
Operating income	1,450	1,480	1,640	190	13.1%	160	10.8%
Ordinary income	1,469	1,500	1,600	131	9.0%	100	6.7%
Net income	1,025	1,030	1,066	41	4.0%	36	3.65%



# Profits have increased for the fifth straight year

## Operating income

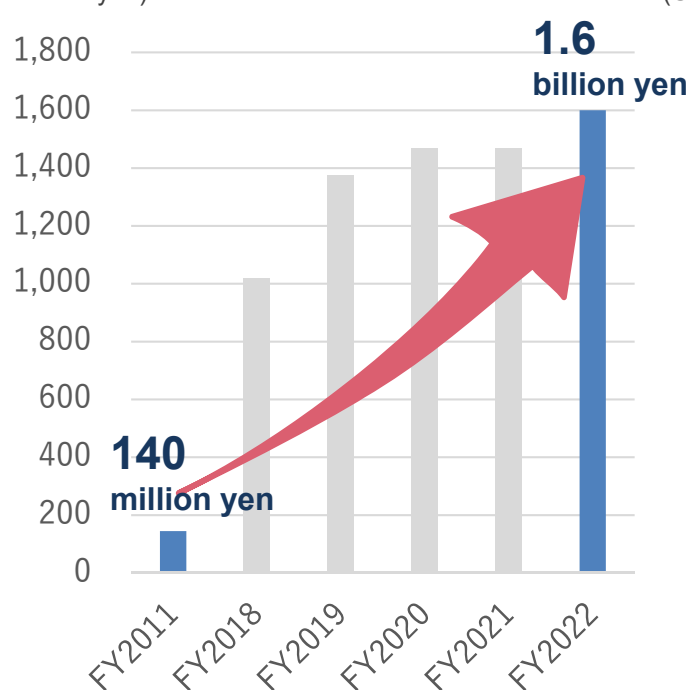
(Unit: Million yen)



**Approx. 9-fold increase**  
(compared to FY2011)

## Ordinary income

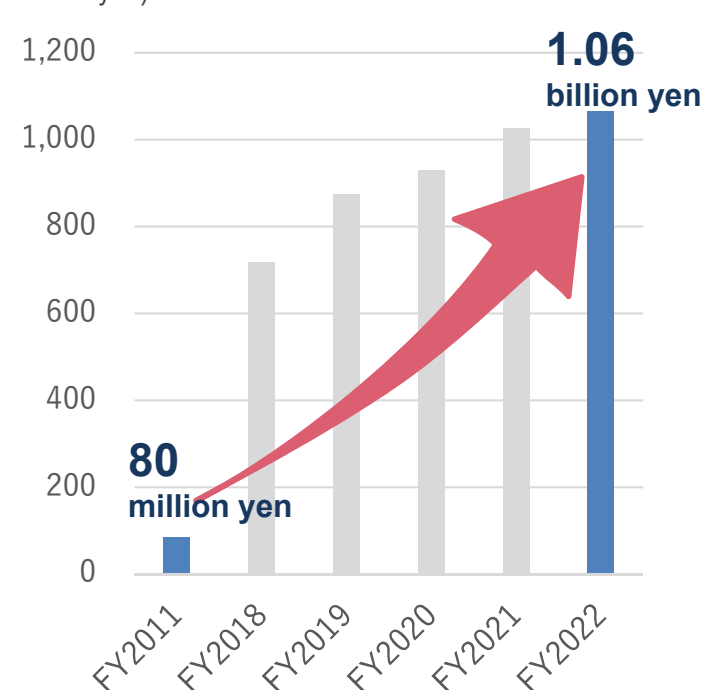
(Unit: Million yen)



**Approx. 11-fold increase**  
(compared to FY2011)

## Net income

(Unit: Million yen)



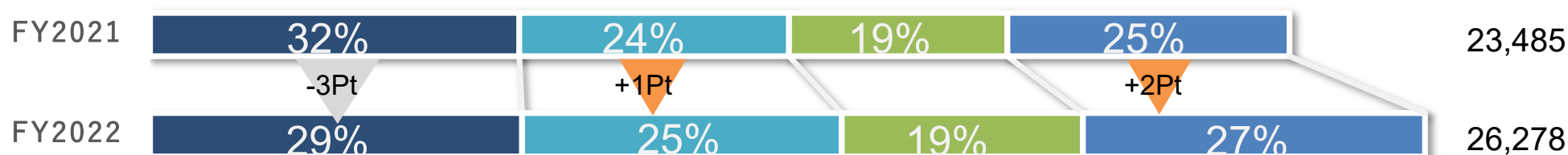
**Approx. 12-fold increase**  
(compared to FY2011)

Sales: +2,792 million yen (YoY) Profit: +382 million yen (YoY)

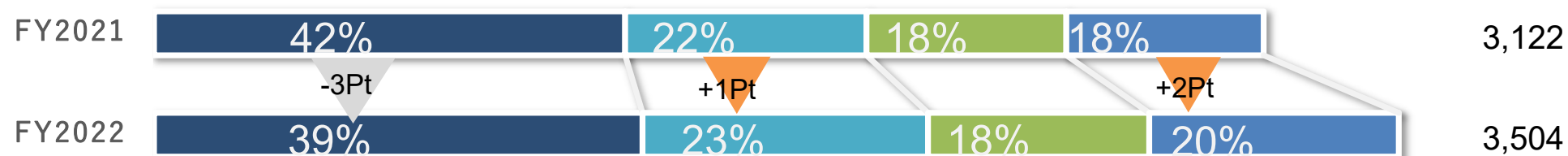
Segment composition: Both sales and profits rose 1 point in Enterprise and 2 points in Innovation

(Unit: Million yen)

## COMPOSITION RATIO OF SALES BY SEGMENT



## COMPOSITION RATIO OF INCOME BY SEGMENT

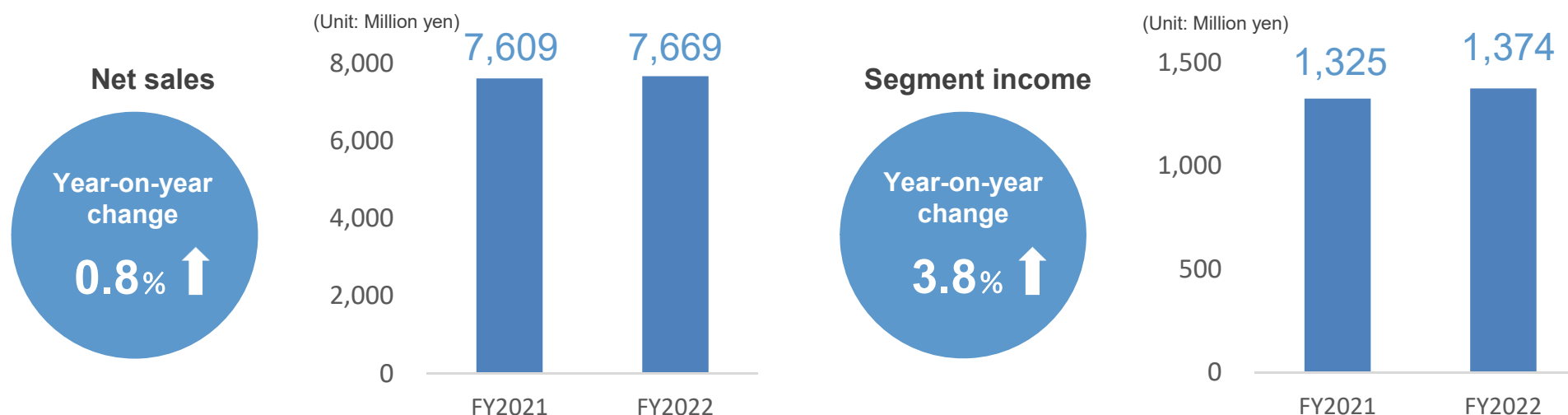


## Public sector

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

### <Increase in sales and profits>

Factors such as new project acquisitions absorbed the reactionary decline in large projects and became a growth trend in the fourth quarter.



■ Steady progress of existing projects contributed to support segment performance.

Examples: Electronic tax report system, Individual Number Card-related system, vehicle registration system, trade and distribution system, government accounting system

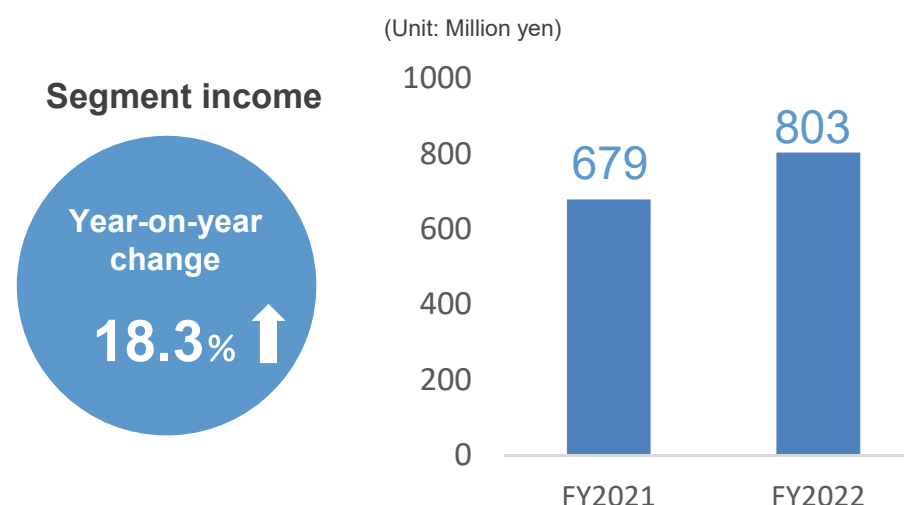
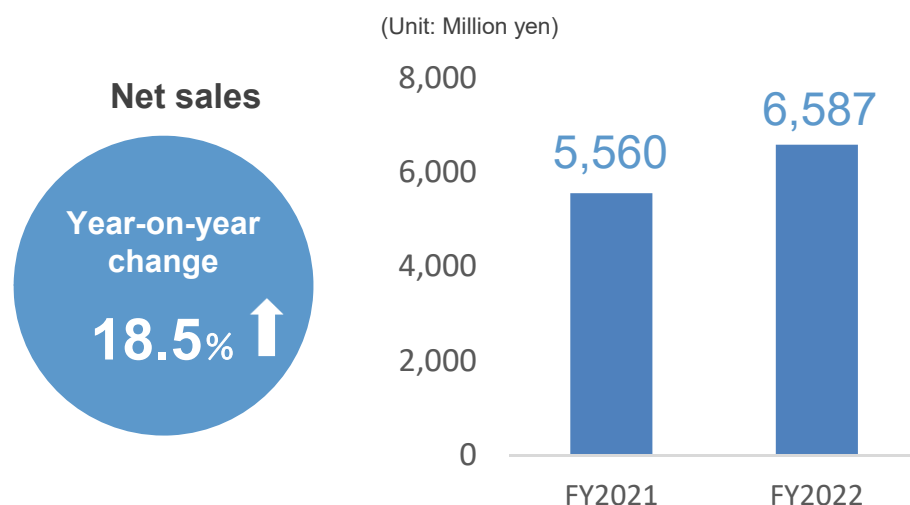


### Enterprise business

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

<Increase in sales and profits>

Accelerating growth of new and existing businesses with network infrastructure and mission-critical business systems.



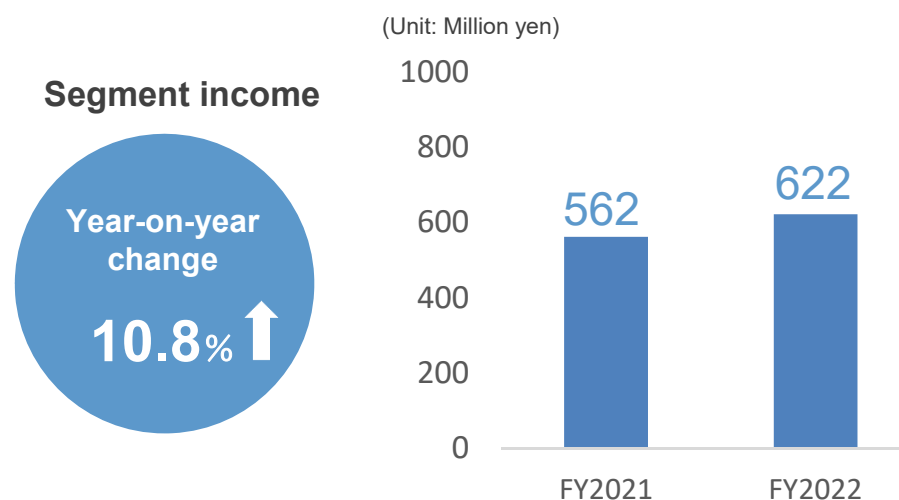
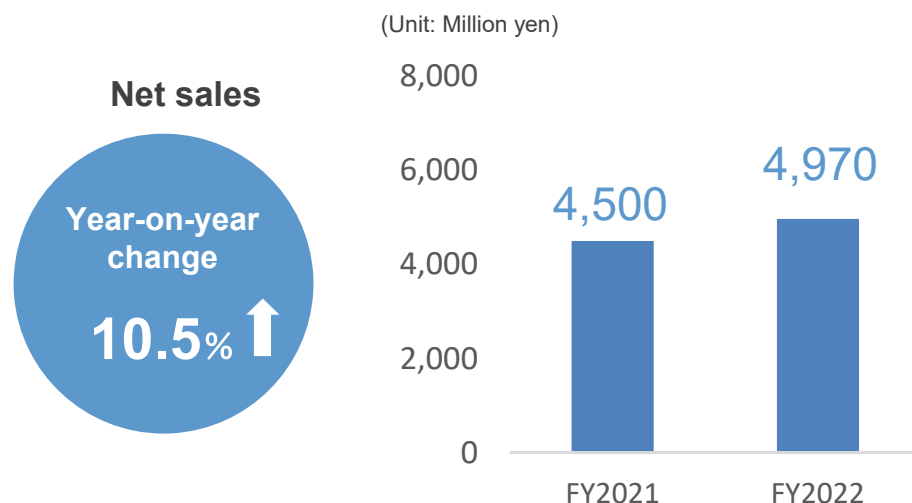
- There is a market shift to cloud computing and increased demand for cloud services. Increased opportunities for orders through inter-division collaboration.
- RPA and the introduction of new security solutions also contributed to business expansion.

## 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.

### <Increase in sales and profits>

In existing sectors, project management business maintained stable growth. Successful new projects acquisition.



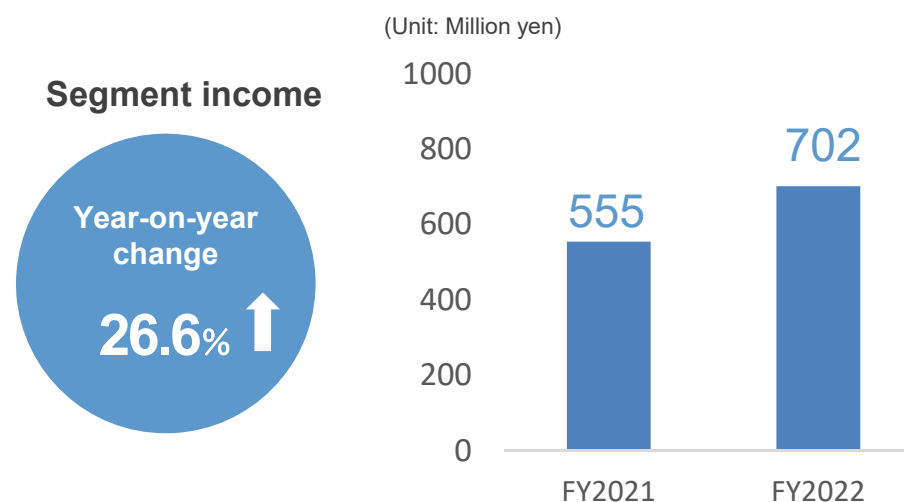
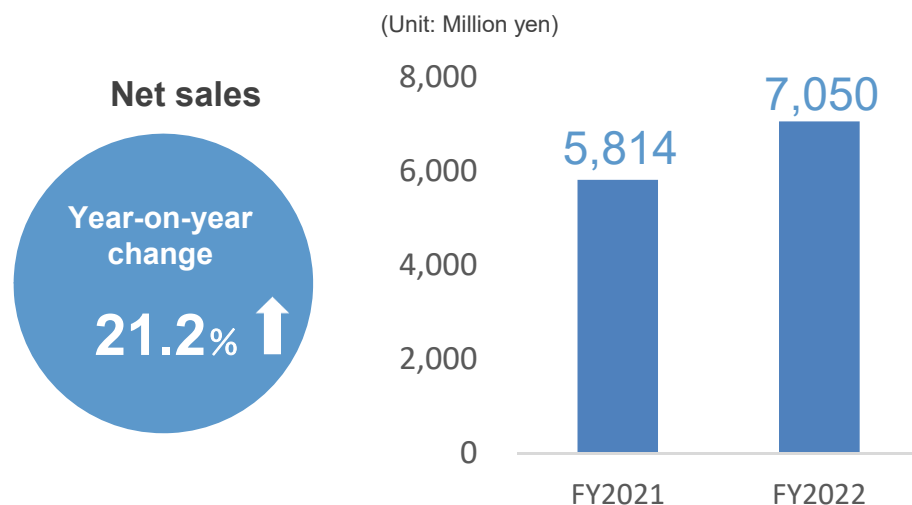
- New projects won primarily in Tokyo and Osaka contributed to performance.
- Projects including low-code development projects were actively incorporated in the overall business segment to expand business opportunities.

## Innovation

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

### <Increase in sales and profits>

Infrastructure design and construction supported maintaining steady growth. New large-scale projects also helped accelerate growth.



- Focus on maximizing business opportunities and further strengthening the business foundation by adapting to customers' corporate spin-offs.
- Strong sales of in-house encryption products and other information security-related products contributed to growth.

(Unit: Million yen)

	Previous Fiscal Year	Fiscal Year Ended March 2022
<b>Assets</b>		
Current assets	9,812	10,869
Non-current assets	7,995	12,503
Property, plant, and equipment	3,505	3,510
Intangible assets	145	155
Investments and other assets	4,344	8,836
<b>Total assets</b>	<b>17,808</b>	<b>23,372</b>
<b>Liabilities</b>		
Current liabilities	4,571	5,277
Non-current liabilities	2,172	3,330
<b>Total liabilities</b>	<b>6,744</b>	<b>8,608</b>
<b>Net assets</b>		
Shareholders' equity	9,225	9,869
Capital	2,905	2,905
Capital surplus	2,148	2,158
Retained earnings	4,527	5,156
Treasury shares	△354	△350
Valuation difference on available-for-sale securities	1,837	4,894
<b>Total net assets</b>	<b>11,063</b>	<b>14,764</b>
<b>Total liabilities and net assets</b>	<b>17,808</b>	<b>23,372</b>

Year-on-year increase of 5,564 million yen

Main reasons for increase:

- Increase in investment securities 4,439 million yen
- Increase in accounts receivable and contract assets 613 million yen

Year-on-year increase of 1,863 million yen

Main reasons for increase:

- Increase in deferred tax liabilities 1,298 million yen
- 332 million yen increase in accounts payable - trade
- Increase in long-term debt 219 million yen

Main reasons for decrease:

- Decrease in corporate bonds 360 million yen
- Decrease in current portion of corporate bonds 150 million yen

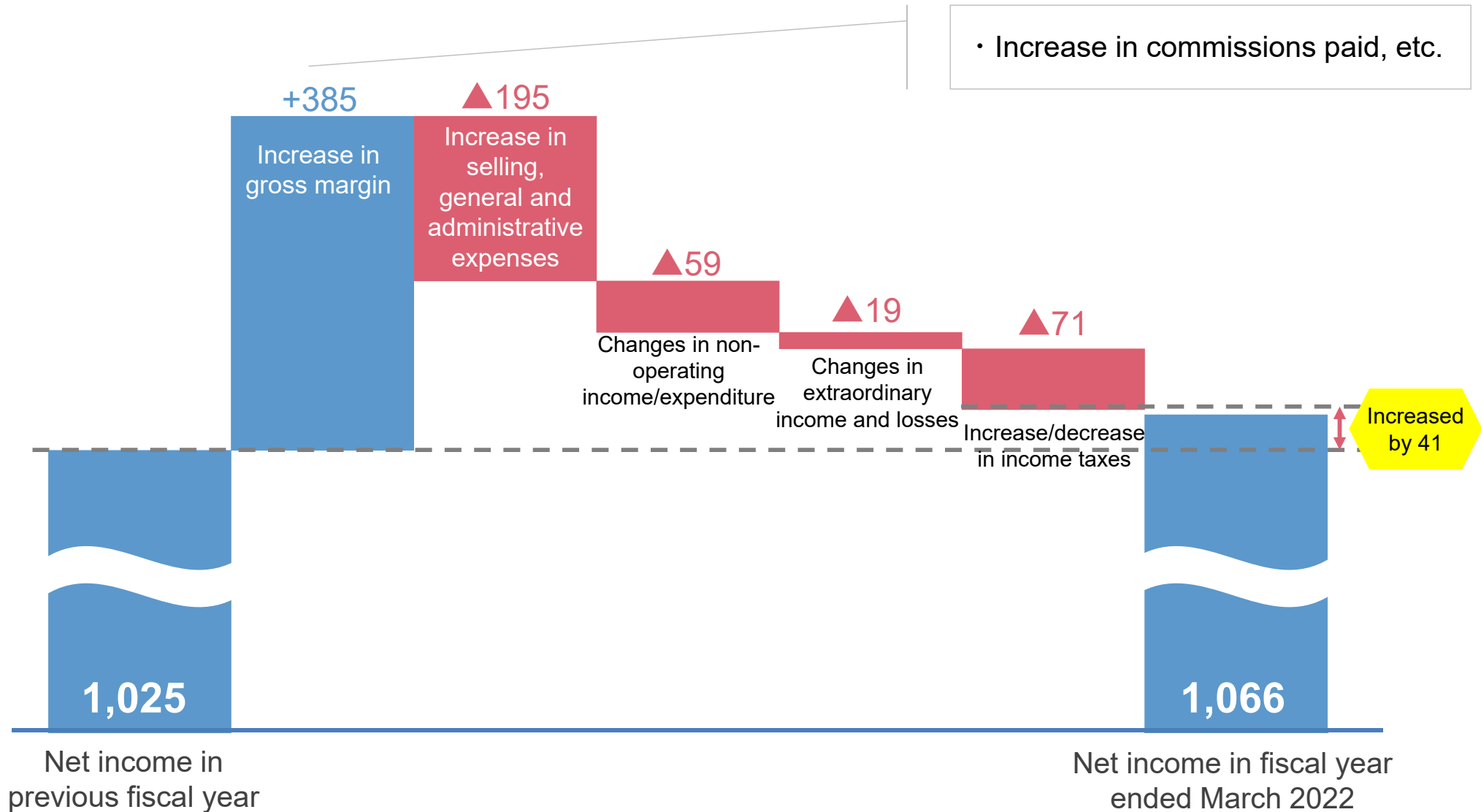
Year-on-year increase of 3,700 million yen

Main reasons for increase:

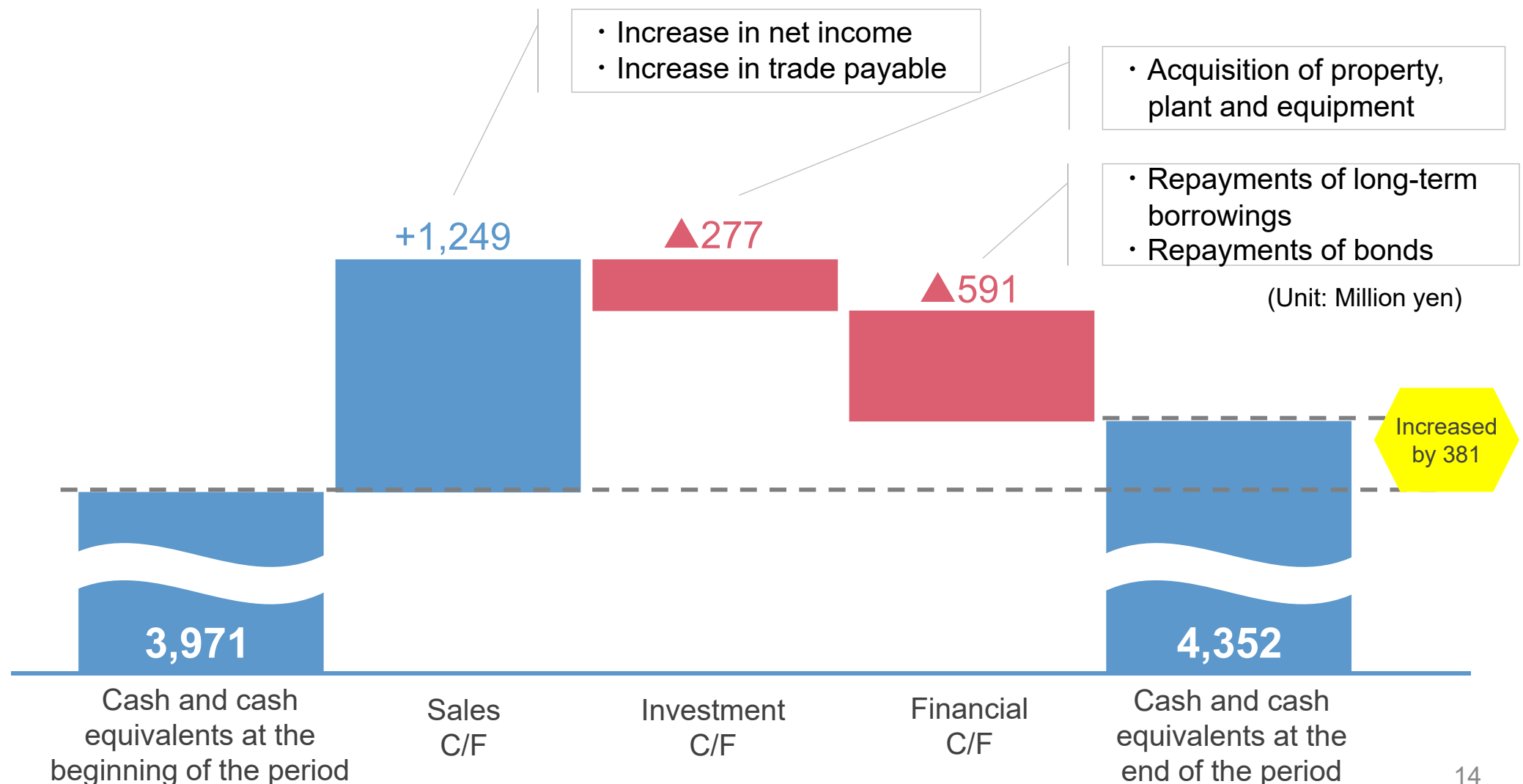
- Increase in valuation difference on available-for-sale securities 3,056 million yen
- Increase in retained earnings brought forward 629 million yen

Ordinary income and net income were also up 9% and 4% YoY, respectively

(Unit: Million yen)



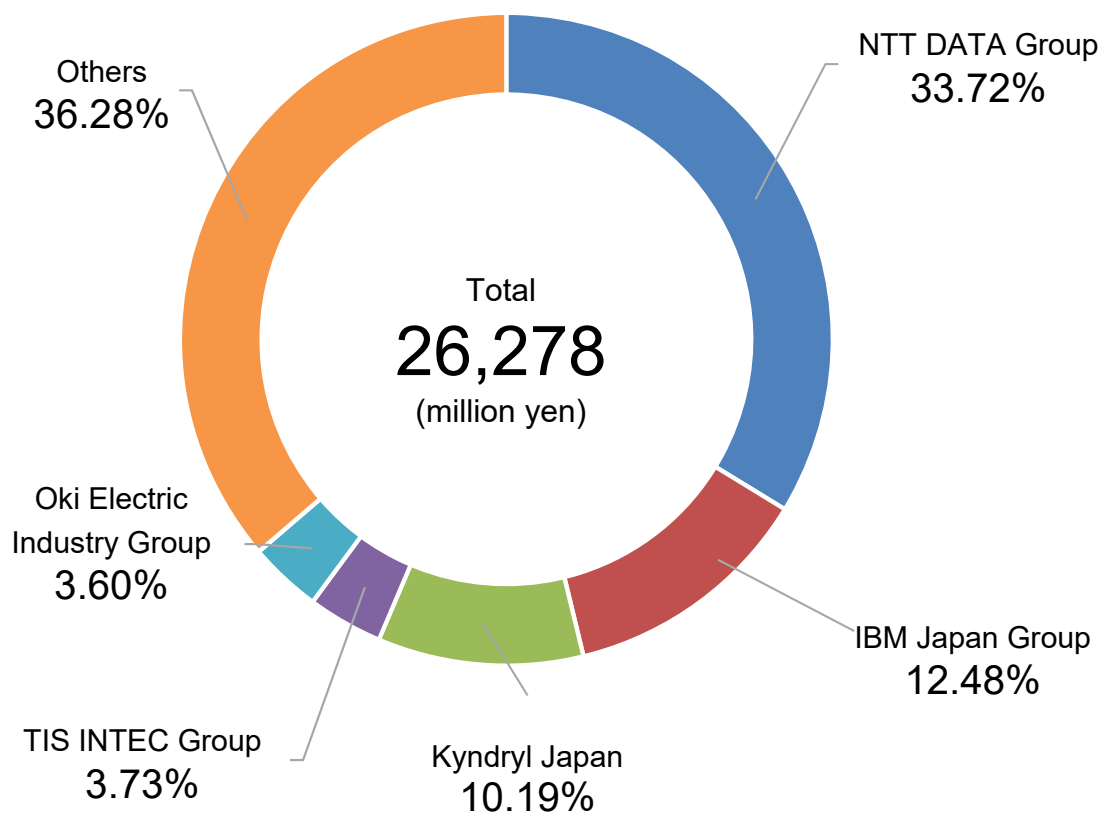
Continued stable management with steady progress in sales activities, capital investment, and repayment



- Total number of shareholders on March 31, 2022: 8,465 (up 486 from March 31, 2021)
- While the number of shares held by financial institutions and securities firms decreased, the number of shares held by individuals and foreign investors increased.



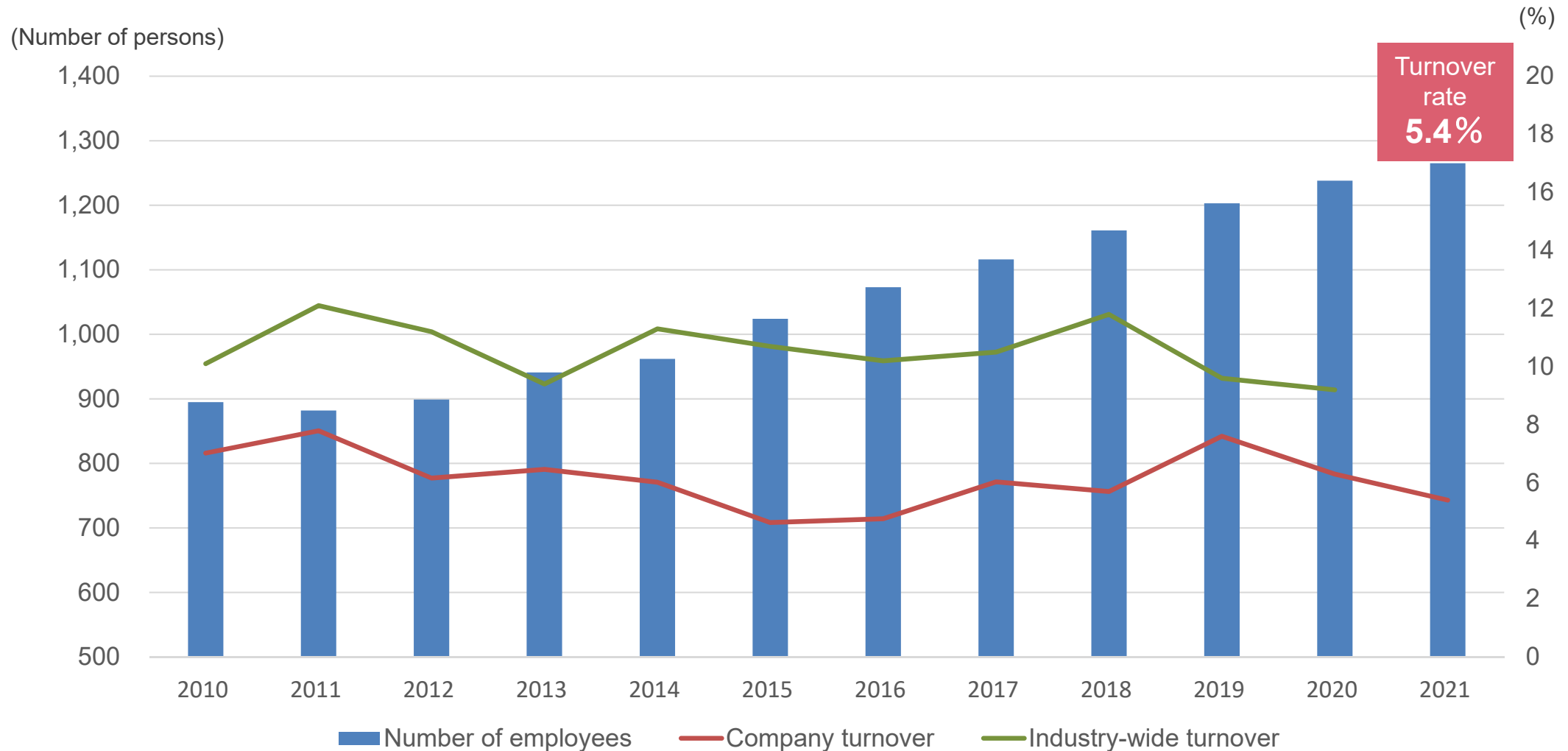
- ✓ Positive partnerships with IBM Japan and Kyndryl Japan continued after the spin-off of IBM Japan
- ✓ Growth trends in both new and existing clients continued despite changes in sales order



Customers	FY2022 Net sales (Millions of yen)
NTT DATA Group	8,860
IBM Japan Group	3,278
Related to Kyndryl Japan	2,678
TIS INTEC Group	981
Oki Electric Industry Group	945
Others	9,533
<b>Total</b>	<b>26,278</b>



- Strengthen measures to increase awareness of the Company's draws, including improved information disclosure to both new graduates and mid-career job seekers
- Reduction of post-employment placement mismatches has led to a steady decline in turnover



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

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

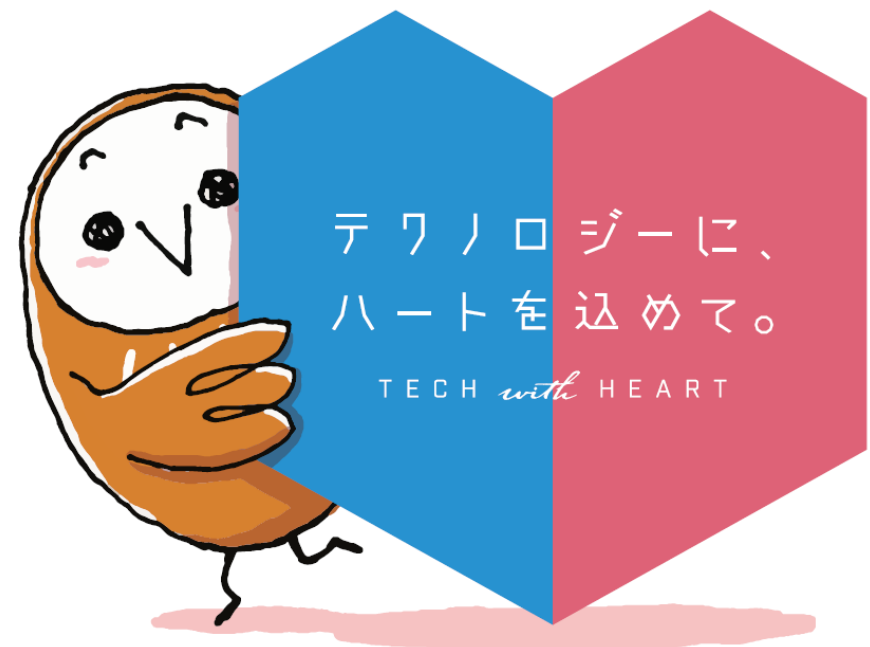
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## Projections for the Fiscal Year Ending March 2023 (47th Business Year)

- Continued record high sales and profits.
- Plans to increase dividends by ¥3 and pay dividends of ¥30.00/share in FY2023.

	FY2022 results (million yen)	FY2023 projections (million yen)	Year-on-year change (%)
Net sales	26,278	27,500	4.6
Operating income	1,640	1,800	9.7
Ordinary income	1,600	1,820	13.7
Net income	1,066	1,220	14.4
	FY2022 results	FY2023 projections	
Net income per share (yen)	70.76	80.91	
Dividend per share (yen)	27.00	30.00	
	(Breakdown) Interim dividend 5.00	(Breakdown) Interim dividend 5.00	
	Ordinary dividend 20.00	Year-end dividend 25.00	
	Special dividend 2.00		
Dividend payout ratio (%)	38.2	37.1	

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



This document is based on information available as of May 13, 2022, 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.

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## Supplementary Information: Current Topics

## Shareholder Information

Notice of revision to dividend forecast for the fiscal year ended March 31, 2022 (46th business year) (commemorative dividend for transfer to Prime Market)

## Products & Services

Rare synergy of “evolutionary cognitive science, acoustic environmental analysis & technology” to contribute to biodiversity conservation  
Development begins on “Dormi-Tori,” a bird communication measurement and analysis system

## Products & Services

Human Holdings adopts cloud offering “RISE with SAP”

## Shareholder Information

Notice regarding joining the JPX's “Electronic Voting Platform”

## Products & Services

WARP Partnership Agreement with WingArc1st  
Now offering SVF, SPA, Dr. Sum, and Motion Board  
— Strengthening support for DX promotion and compliance with the Electronic Books Preservation Act, both indispensable for companies —

## Products & Services

Facilitating data utilization with “ASTERIA Warp,” a data collaboration tool with top market share in Japan  
— Bringing together independent in-house data for big data utilization —

## Products & Services

Focus Systems becomes an educational supporter of Tokyo Women's College of Physical Education Rhythmic Gymnastics Team  
Supporting the activities of the Tokyo Women's College of Physical Education Rhythmic Gymnastics Team through their own media

### Products & Services

Hylable, Focus Systems and Leave a Nest collaboratively launch "Project Dolittle"  
— A step toward transforming communication with diverse animals —

### 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 —

### Our products

### 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

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

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

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

### 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 —

### 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

Focus Systems Corporation has 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

"Directional receivers" that enable more accurate positioning enter the market

— Uses phased array antenna and even supports Bluetooth 4.x —

### Our products

### Products & Services

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

### Shareholder Information

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

### Products & Services

Focus Systems signs 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 —



### "Initiatives for the Future"

Showcasing our efforts to engage with broader fields through technology on our website

#### Medical treatment

Joint research with the Department of Plastic and Reconstructive Surgery, Tottori University Hospital

#### **AI for Determining the Progression of Decubitus Ulcers (Bedsore)**

AI-based system that helps anyone to easily determine the progression of decubitus ulcers in patients

#### Medical treatment

Joint research with Chiba University Hospital

#### **Remote Mentoring System Using HoloLens2**

Utilizing HoloLens2® (MR equipment) to enable real-time, on-site information sharing.  
Remote mentoring system for angiography

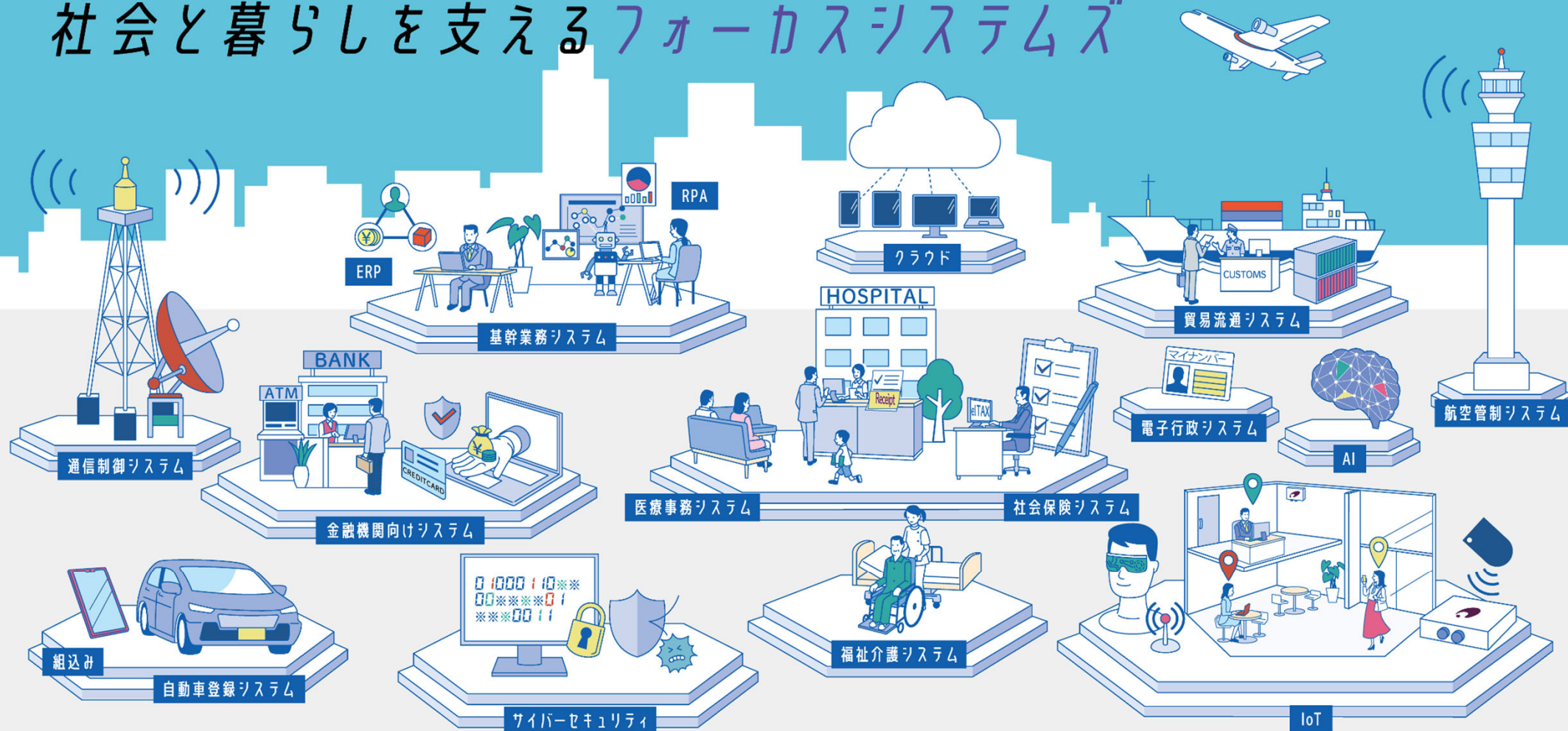
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## Supplementary Information: Company Outline

Line of business	System consulting Contracted development, maintenance and operation, and technical support information Development and sales of security related technologies and products
Head office	2-7-8 Higashi Gotanda, Focus Gotanda Bldg., Shinagawa-ku, Tokyo
Business offices	Tokyo, Osaka, Nagoya
Capital	2.9 billion yen
Exchange listings	Tokyo Stock Exchange Prime Market (Securities Code: 4662)
Employees	1,265 (as of March 31, 2022)

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
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	Listing changed to Tokyo Stock Exchange, Second Section
2016	Listing designation changed to Tokyo Stock Exchange, First Section
2022	Listing on Tokyo Stock Exchange Prime Market

## 社会と暮らしを支えるフォーカスシステムズ





## 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

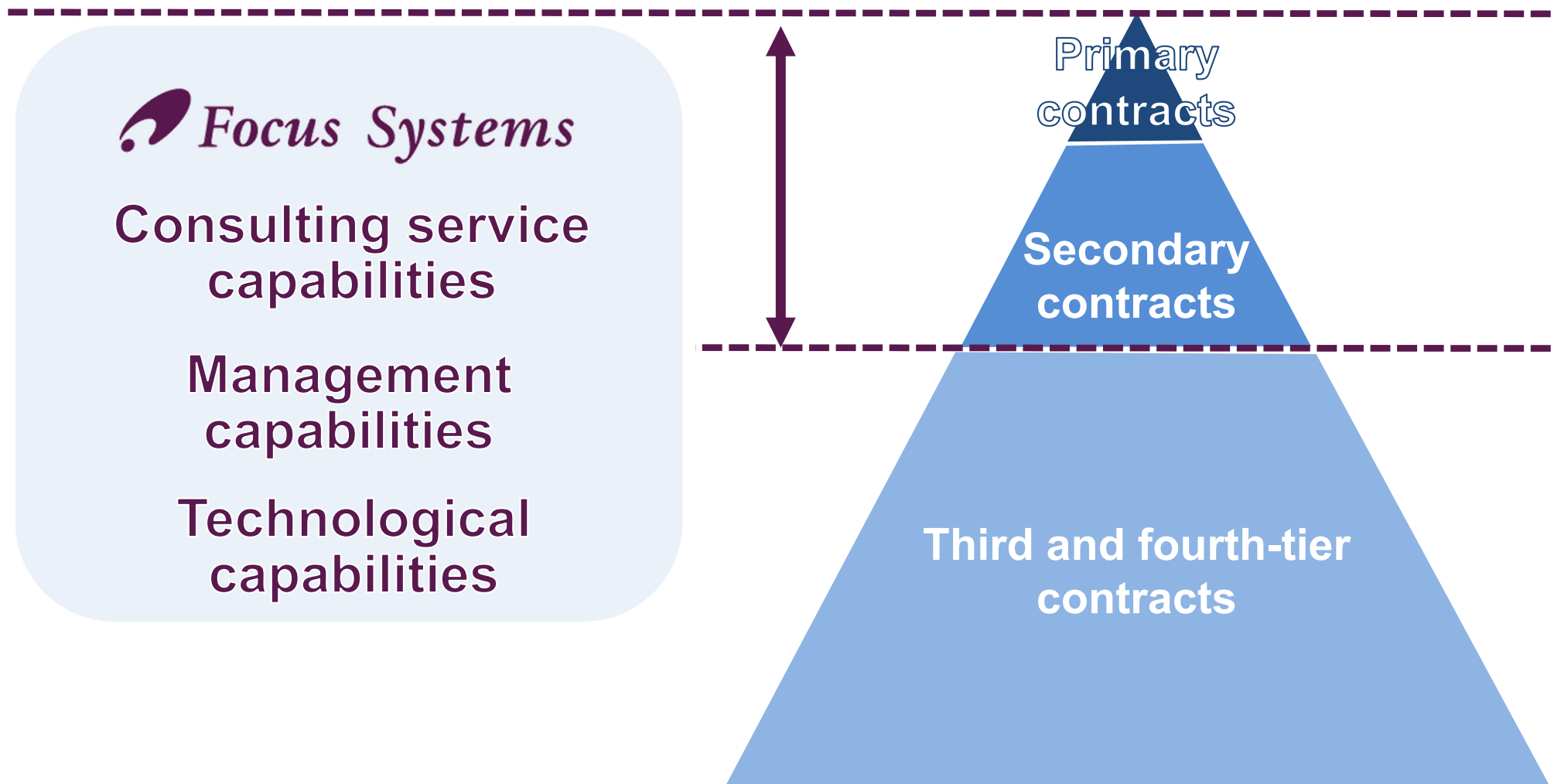
Focus Systems designs and builds infrastructure and provides technical and operational support to enhance system availability and reliability.

### 3rd FOCUS

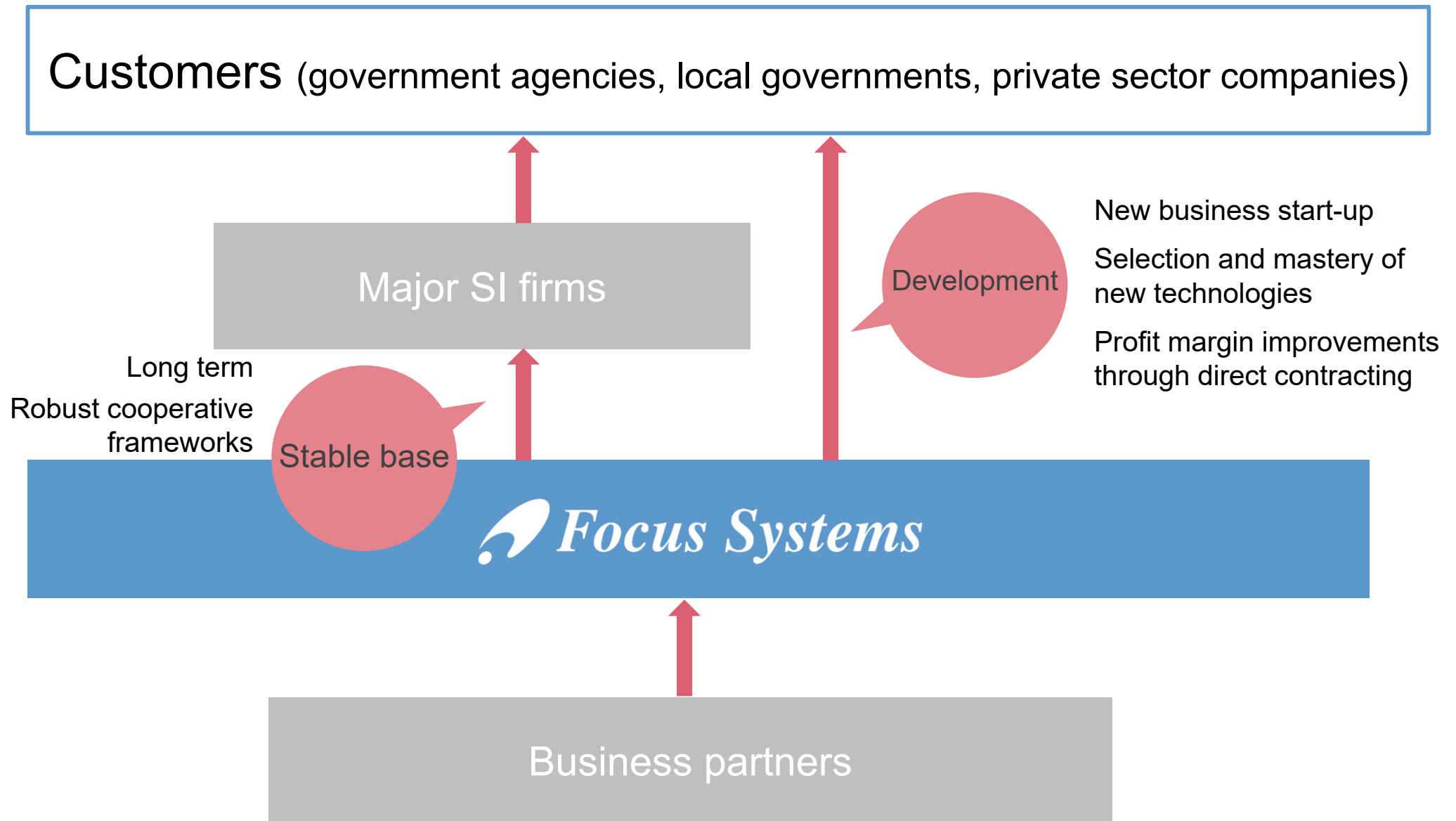
#### Information Security

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)
- Possesses consulting service capabilities required in the upstream processes as well as technological capabilities required in the downstream processes



	System integrator that has no parent company	System integrator whose parent company doesn't manufacture computers	System integrator whose parent company manufactures computers
Outline	Management and capital independence	<ul style="list-style-type: none"> <li>- Subsidiary company that develops information systems</li> <li>- Former systems department of a trading/finance company</li> </ul>	<ul style="list-style-type: none"> <li>- Computer company</li> <li>- Hardware company</li> </ul>
Strengths	<ul style="list-style-type: none"> <li>- Broad and free business fields</li> <li>- Cultivating their own assets</li> </ul>	<ul style="list-style-type: none"> <li>- Utilization of their parent company's know-how</li> <li>- Stable business foundation</li> </ul>	<ul style="list-style-type: none"> <li>- Utilization of their parent company's hardware</li> <li>- Solution proposals</li> <li>- Stable business foundation</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>- All self-supporting management</li> <li>- Development of customers &amp; BPs</li> <li>- Accumulation of intellectual property</li> <li>- Strengthening of management base &amp; finance</li> </ul>	<ul style="list-style-type: none"> <li>- Limited areas of expertise</li> <li>- Narrow business domain</li> </ul>	Bound by their parent company







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 2022 (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** ... Thematic seminars such as mindfulness training for physical and mental conditioning, and seminars on improving eating habits and preventing stiff shoulders and back pain.



Efforts to promote the understanding of the "health risks of smoking" and measures to improve "mental health" have also been undertaken.

## ✂ 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).

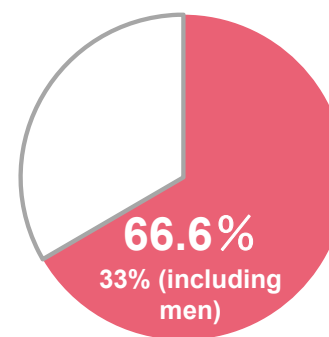
\*Employees are eligible for the systems until their children reach the third grade in elementary school or until they no longer are required to do nursing care.

\*A combination of these systems and the flextime system is also possible.

Kurumin (child-rearing support) certified

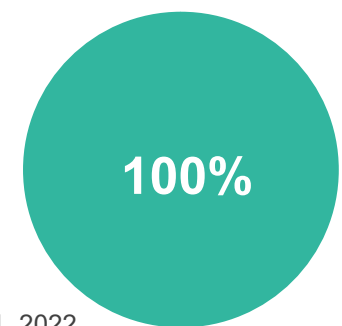


Usage percentage of shortened working days/reduced working hours after childcare leave



\* As of March 31, 2022

Percentage of employees who return to work after child care leave



### 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 \(Focus NAVI\)](#)."



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

- ... Addressing young women, this meeting serves to communicate information on work methods and support for career advancement.



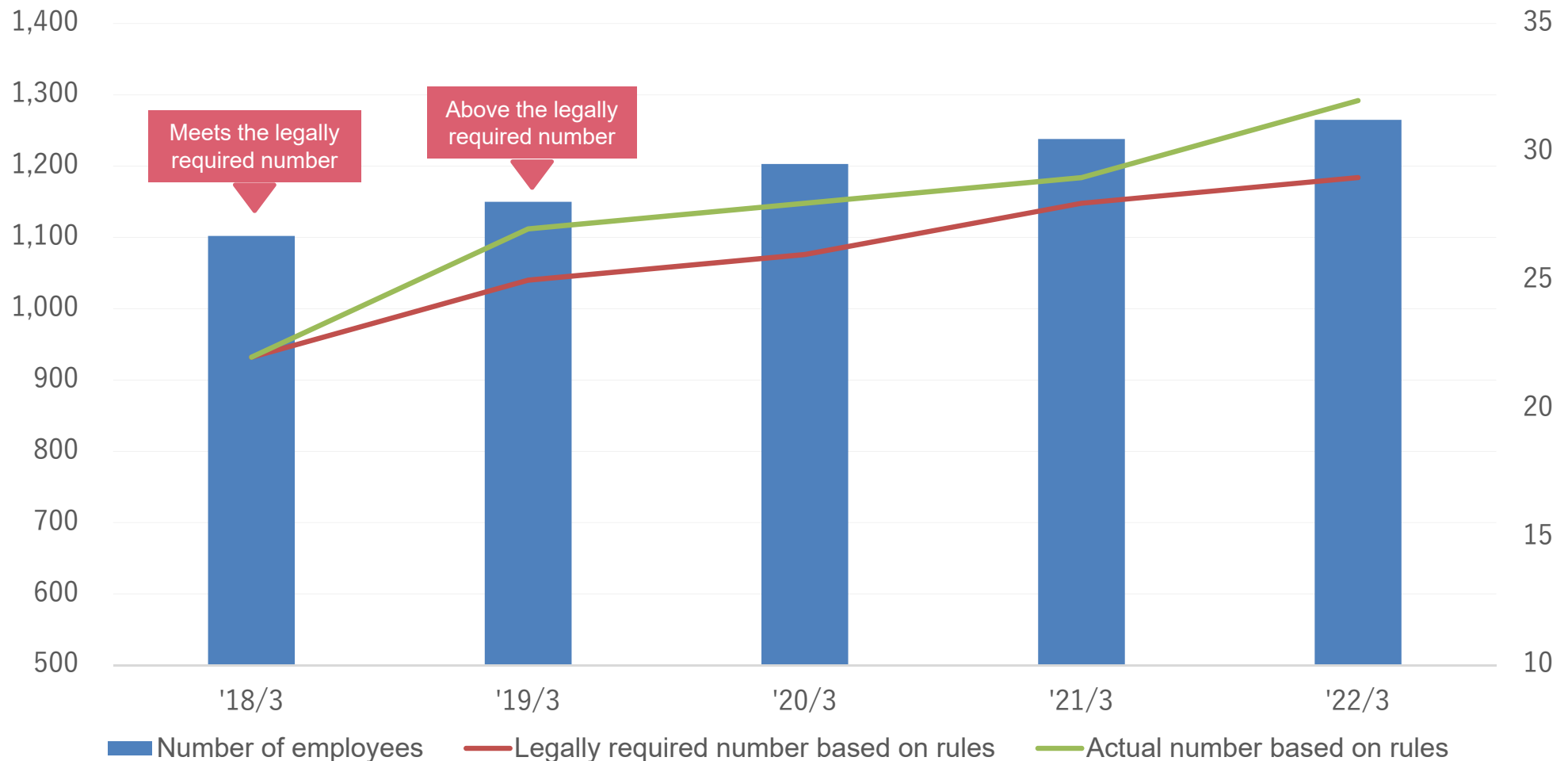
### Eruboshi (Female employee career promotion)

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.

- 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.

(Number of persons)

(Number counted based on rules)



## 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

