



Fiscal Year Ended March 2023 (47th Business Year)

Financial Results Presentation

May 24, 2023 Focus Systems Corporation (Securities Code: 4662)



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Projections for the Fiscal Year Ending March P.13 2024 (48th Business Year)



Supplementary Information: Medium-Term P.15 Management Plan 24-26 (outline)



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Financial Results for the Fiscal Year Ended March 2023 (47th Business Year)



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Sales increased for the 12th straight year, and profits increased for the 6th straight year.

We achieved record highs in both sales and profits with steady growth in the business as a whole.

						(Un	it: Million yen)
	FY2022		FY2023	Changes previous f		Changes from the Plan	
	Results		Results	Amount Change	Ratio	Amount Change	Ratio
Net sales	26,278	27,500	29,124	2,845	10.8%	1,624	5.9%
Operating income	1,640	1,800	1,894	254	15.5%	94	5.3%
Ordinary income	1,600	1,820	1,911	310	19.4%	91	5.0%
Net income	1,066	1,220	1,390	324	30.4%	170	14.0%



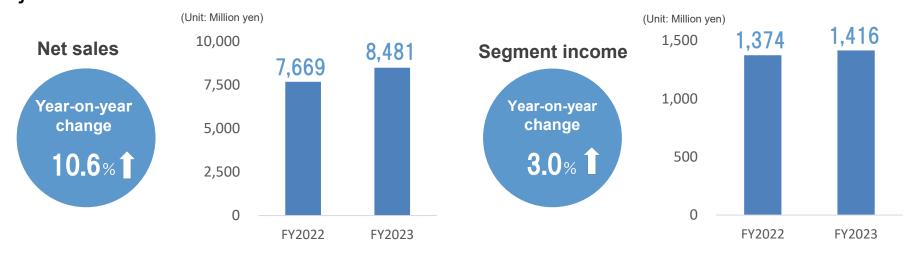
Public sector

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>

Existing projects made steady progress,

led by medical and social insurance, My Number-related, and automobile-related projects.



Earnings accumulated in the first half of FY2023 effectively absorbed the costs of new business development.We actively created opportunities for talent development in areas such as AI and Agile development, etc.

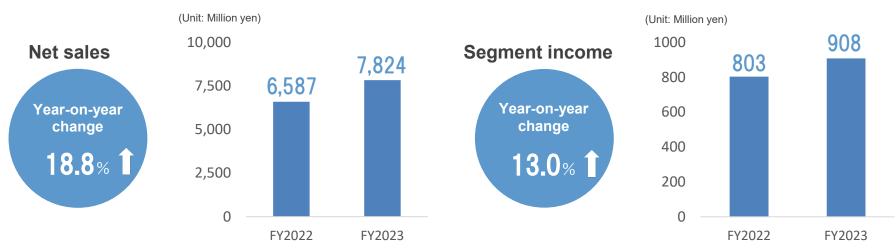


Enterprise business

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>

Following on from FY2022, network infrastructure and enterprise resource planning (ERP) system projects contributed to business expansion.



I The number of orders placed by intra-mart, SAP, and others and the development for them were in good form. Steadily received orders for cloud migration and cloud service projects.

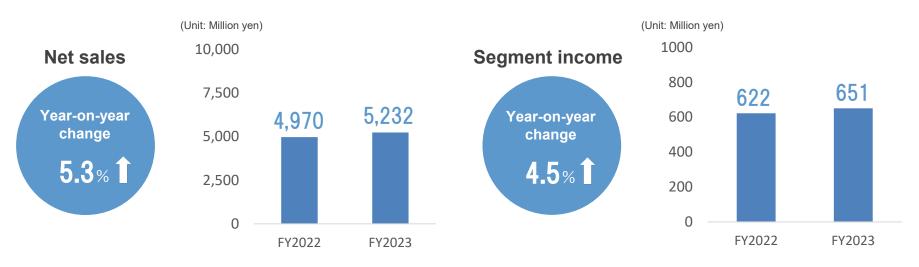
• We maintained growth while absorbing the cost of relocating offices through a net increase in the number of projects and project optimization.



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> An increase in low-code development projects alongside thorough project management contributed to business growth.



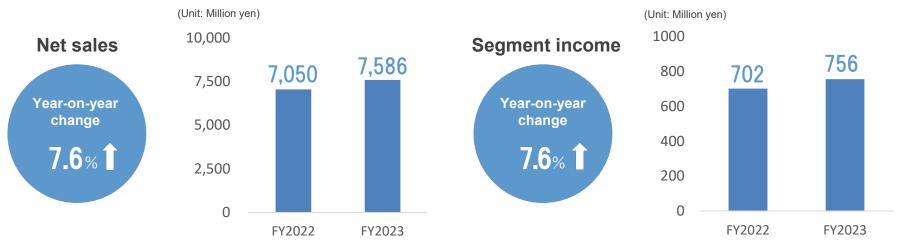
I The Company's core businesses, which underpin the segment's broad portfolio, contributed to steady growth. Examples: Long-distance telecommunication, mobile communications, cloud migration, projects with local government administration, etc.



Innovation

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

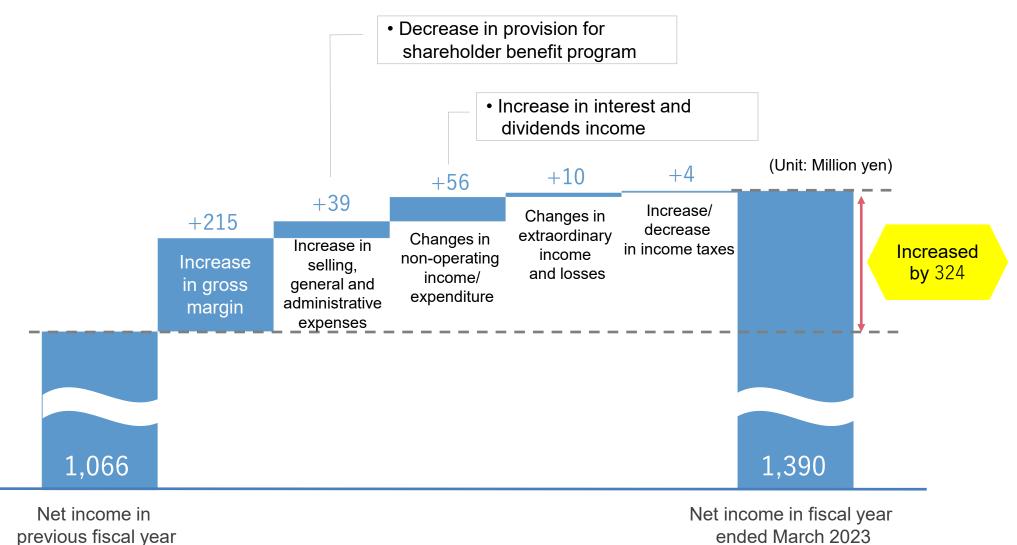
<Increase in Sales and Profits> Steady progress in the infrastructure design/construction business, as well as large-scale projects continuing on from FY2022, led to the segment's strong performance.



- Large-scale projects key to future growth contributed to the segment's performance. Our tailored services to meet the needs of key customers produced a strong performance in the development and infrastructure businesses.
- Revenue from our information security products increased. Solution applications for our in-house IoT products are currently in development.

		(Unit: Million yen)			
	Previous Fiscal Year	Fiscal Year Ended March 2023		Year-on-year decrease of 2,955 million yen	
Assets					
Current assets	10,869	11,875		Main reasons for increase: • Increase in cash and deposits: 935 million yen	
Non-current assets	12,503	8,541		Increase in buildings: 116 million yen	
Property, plant, and equipment	3,510	3,649		Main reasons for decrease:	
Intangible assets	155	159		 Decrease in investment securities: 4,248 million yen Decrease in accounts receivable and contract assets: 	
Investments and other assets	8,836	4,731	/ .	59 million yen	
Total assets	23,372	20,417	/	Year-on-year decrease of 1,005 million yen	
Liabilities				Main reasons for increase:	
Current liabilities	5,277	5,841		 Increase in accounts payable: 384 million yen Increase in contract liabilities: 174 million yen 	
Non-current liabilities	3,330	1,761		· increase in contract habilities. 174 million yen	
Total liabilities	8,608	7,603		Main reasons for decrease:	
Net assets				 Decrease in deferred tax liabilities: 1,262 million yen Decrease in corporate bonds: 240 million yen 	
Shareholders' equity	9,869	10,867			
Capital	2,905	2,905		Veer on veer degrades of 1.050 million ven	
Capital surplus	2,158	2,167		Year-on-year decrease of 1,950 million yen	
Retained earnings	5,156	6,140		Main reasons for increase: • Increase in retained earnings brought forward: 983	
Treasury shares	△350	∆346		million yen	
Valuation difference on available-for-sale securities	4,894	1,946		Main reason for decrease:	
Total net assets	14,764	12,814	/	Decrease in valuation difference on available-for-sale securities: 2,947 million yen	
Total liabilities and net assets	23,372	20,417			

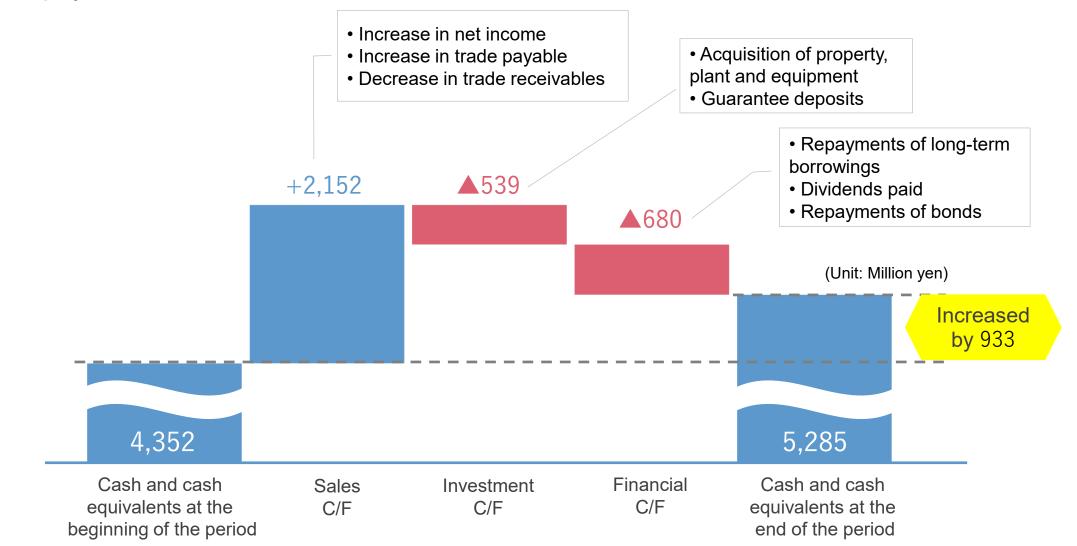
Ordinary income and net income were up 19.4% and 30.4% year-on-year, respectively



Cash Flow (C/F)



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



- Total number of shareholders on March 31, 2023: 7,457 (down 1,008 from March 31, 2022)
- While the number of shares held by individuals decreased, the number of shares held by financial institutions and foreign investors increased.





Projections for the Fiscal Year Ending March 2024 (48th Business Year)





- I Continued record highs in sales and profits.
- I Dividends for FY2024 are expected to be ¥38.00/share, a year-on-year increase of 3 yen.

	FY2023 results	FY2024 p	rojections	Year-on-year change
	(million yen)		(million yen)	(%)
Net sales	29,124		30,100	3.4
Operating income	1,894		2,000	5.5
Ordinary income	1,911		2,020	5.7
Net income	1,390		1,450	4.3
	FY2023 resul	ts	FY2	024 projections
Net income per share (yen)		92.18		96.07
Dividend per share (yen)	end per share (yen) (Breakdown) Interim divid Year-end divid		(Breakdow	n) Interim dividend 6.00 Year-end dividend 32.00
Dividend payout ratio (%)		38.0		39.6



Supplementary Information: Medium-Term Management Plan 24-26 (outline)





Message from President

Strengthen the Cycle of Growth/Profit/Return

Focus Systems has been achieving growth as an independent system integrator by concentrating its business entirely on the field of information technology, and doing business earnestly and with consistency.

We do not take on reckless challenges, but continue to take on bold challenges.

Focus Systems' sound management practices benefiting ourselves as the seller, as well as our customers and society at the same time, is the source of our strength as well as our pride.

We have set the year 2026, which marks our 50th anniversary, as our starting line to embark on our journey to aim for a "New Company Vision."

Eyeing the next stage, I hereby announce our new three-year Medium-Term Management Plan based on the initiative to "Strengthen the Cycle of Growth/Profit/Return."

We will take on bold challenges to grow our business, and share and return the increased profits on a greater scale to our employees and other stakeholders, which will lead us to further growth.

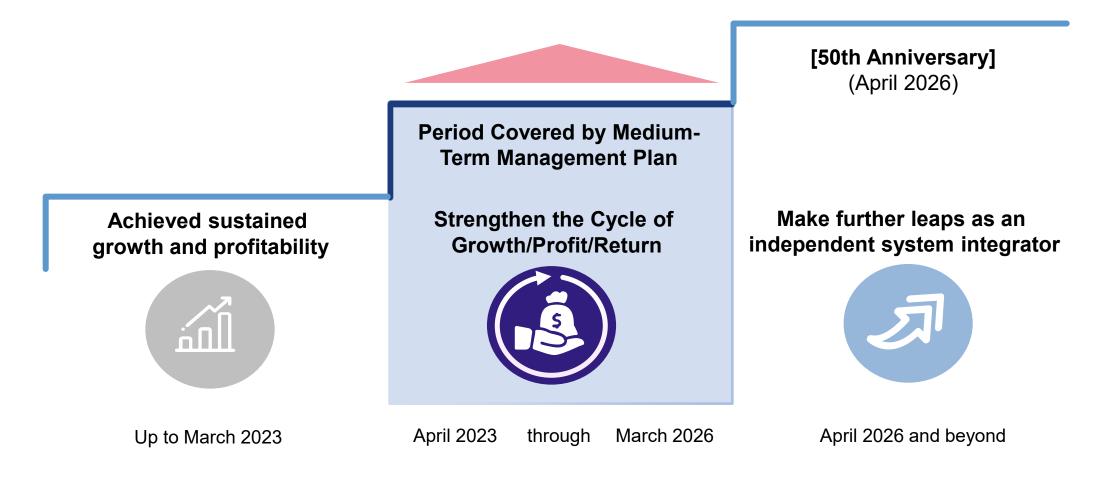
Please look forward to Focus Systems growing into a company with much wider future horizons, as well as delivering higher expectations of our company to our stakeholders.

May 12,2023 Focus Systems Corporation President, Keiichi Mori



Context of Medium-Term Management Plan

Eyeing the next stage, realize "Growth Investment," "Profitability Improvement," and "Enhanced Returns to Employees, Shareholders, etc."





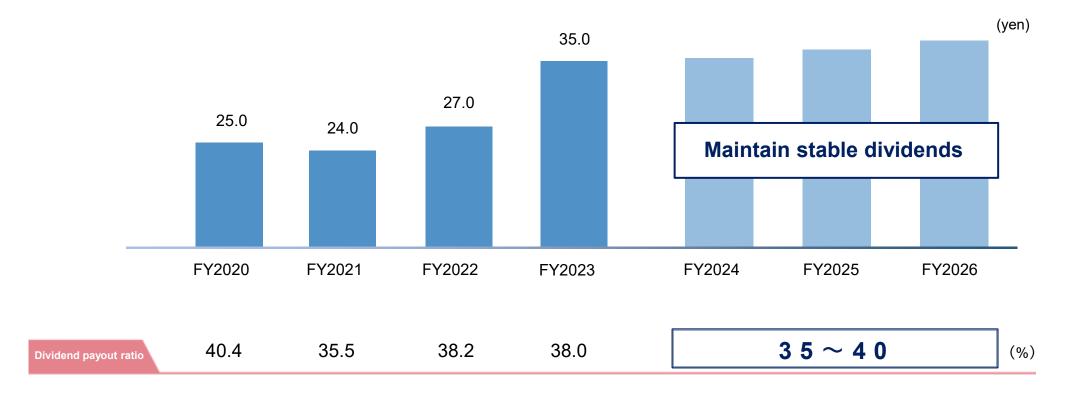
Quantitative Targets

	KPI	FY2023 (Actual)	FY2026 (Target)
	Net sales	¥29.1 billion	¥33 billion or more
Profit targets	Operating income	¥1.89 billion	¥2.65 billion or more
	Operating margin	6.5%	8.0% or more
	ROE	10.1%	12.0% or more
Shareholder return targets	Dividend per share	¥35.0	Maintain stable dividends (April 2024 to March 2026)
	Dividend payout ratio	38%	35-40%



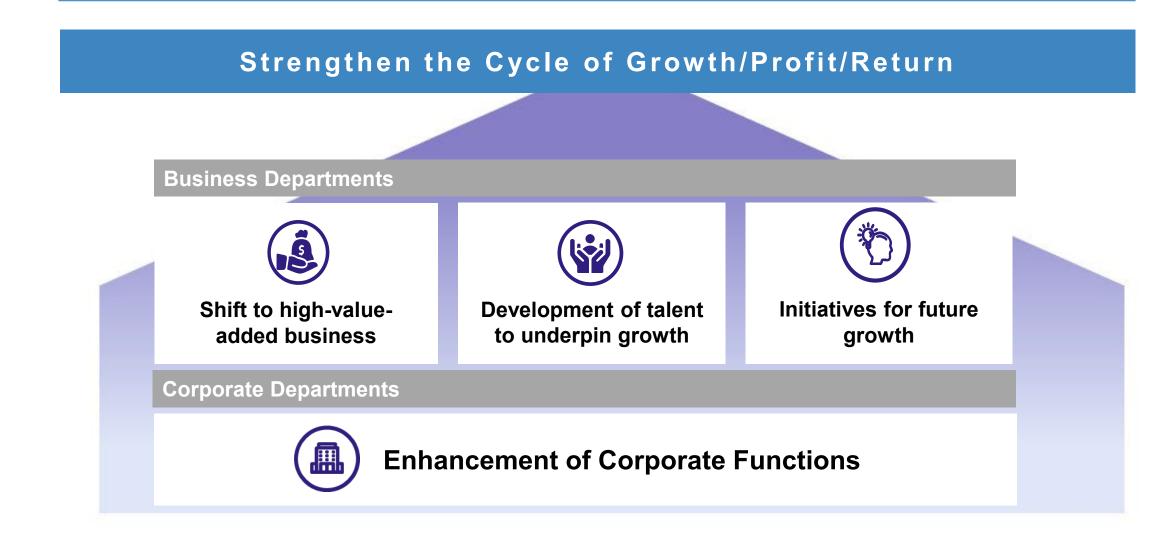
Shareholder Return Targets

Maintain stable dividends commensurate with profit level, placing shareholder





Key Strategies





Composition of Business Segments

Grow business capitalizing on a resilient, risk-diversified business portfolio that combines profit stability and growth

Segment	Core business = our strength	Sales channel	Main end users	
Public sector business	Large-scale public business system		Government agencies, public organizations	 27% Net sales composition ratio FY2026 33 billion yen 19% 25% Public sector Enterprise Wide-ranging solution
Enterprise business	Enterprise resource planning (ERP) systems	Stable collaboration with system	Private sector business	
Wide-ranging solutions	Business applications Communication control systems/embedded systems	integrators + Our own channels	Private sector, public organizations	
Innovation	IT infrastructure, information security		Private sector business	Innovation



Enhancement of Corporate Functions

Aim to **realize sustainability management** through three themes

Basic Policy on Sustainability:

Focus Systems aims to become an essential company for the future and is committed to contributing to the realization of a sustainable society and environment.

We shall pursue the enhancement of our enterprise value while placing high value on our engagement with stakeholders in

our business activities.



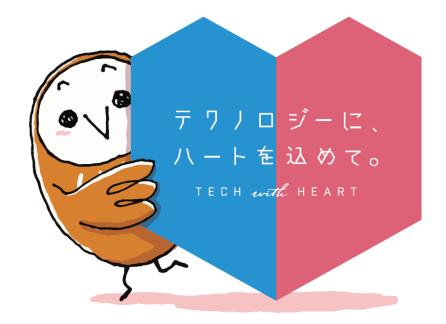
Talent strategy geared to sustainable corporate value enhancement

Evolution of corporate governance

Contribution to society



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



This document is based on information available as of May 12, 2023, 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.



Supplementary Information: Current Topics



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Products & Services

Your one-stop shop for industry-leading operational technology (OT) security solutions! New OT security assessment service for industrial facilities

Products & Services

Focus Systems declared Certified Expert of the Year at WingArc Partner Awards 2023 Focus Systems records highest number of WingArc1st accredited invoiceAgent Professionals in Japan

Products & Services

AIN Holdings adopts SaaS SAP S/4HANA[®] Cloud across dispensing pharmacy, cosmetics and drugstore operations

Products & Services

Focus Systems wins Public Cloud award in SAP AWARD OF EXCELLENCE 2023 (Cloud category)! Highest total domestic annual sales of SAP S/4HANA Cloud (RISE with SAP)

Shareholder Information

Notice of Revision to Dividend Forecast (Dividend Increase) and Abolishment of Shareholder Special Benefit Program

Personnel affairs & Company organization

Notice of Base Pay Increase of Salaried Regular Employees



Our products

Collaboration with trade information digitization platform TradeWaltz[®] New Beyond TheBook[®] Premium Plan project service for SME logistics companies - Promoting DX for Small to Medium-Sized Forwarders and Shippers to Revitalize the Industry -

Topics (2)







"Initiatives for the Future"

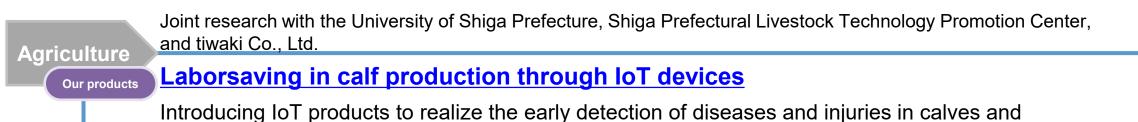
Showcase our efforts to engage with broader fields through technology on the Company's website.

Medical	Joint research with the Inclusive Medical Science Research Institute of Morinomiya University of Medical Sciences and Toppan Inc.				
Service	Preventing locomotive syndrome with digital transformation (DX)				
	The system that provides automatic instructions for rehabilitation training by automatically assessing a patient's walking ability using sensors				
Management	Joint research with Tokyo University of Agriculture and Technology and Leave a Nest Co., Ltd.				
of Technology	Monitoring the status of research projects				
	The system that visualizes the status of research projects to enable accurate and				
	easy monitoring and support the success of research projects				
Agriculture	Joint research with EVCARE Corp., Shiga University, and fujiibokujo Inc.				
Agriculture	Pursuing improvements in animal welfare through DX in dairy cattle management				
	Research aiming to create milk that is both tasty and animal-friendly, and to build the corresponding milk production environment, by developing a low-impact method for evaluating the stress level of dairy cattle				



Medical Service	Joint research with Yokohama City University Hospital's Radiation Department and Chuo University's Faculty of Global Management
	Eye-tracking measurements in CT scans
	The system that supports the efficient detection of incidental findings toward improving patients'
	prognosis and quality of life

Medical
ServiceJoint research with the Gynecology and Obstetrics Department of the Graduate School of Medicine, Kyoto UniversityFemtech app to promote improvement in symptoms through self-care
A smartphone app that aids in condition evaluation toward symptom improvement by recording the
symptoms of PMS/PMDD, which are conditions that affect only women



contribute to the promotion of DX and laborsaving in the livestock industry



Supplementary Information: Company Outline



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Corporate Data (1)



Line of business		System consulting Contracted development, maintenance and operation, and technical support information Development and sales of security related technologies and products	
Head of	fice	2-7-8 Higashi Gotanda, Focus Gotanda Bldg., Shinagawa-ku, Tokyo	
Busines	s offices	Tokyo, Osaka, Nagoya	
Capital		2.9 billion yen	
Exchan	Exchange listings Tokyo Stock Exchange Prime Market (Securities Code: 4662)		
Employees 1,304 (a		1,304 (as of March 31, 2023)	
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



Our Philosophy

Focus Systems shall contribute to creating a better environment for the future through the development and growth of the Company with all employees working together in

accord as a joint force.

Corporate Slogan

テワノロジーに、 ハートを込めて。 TECH with HEART

Individual Responsibility

Each individual person of the Company shall enrich humanity and enhance technological capability to provide customers with the best services.

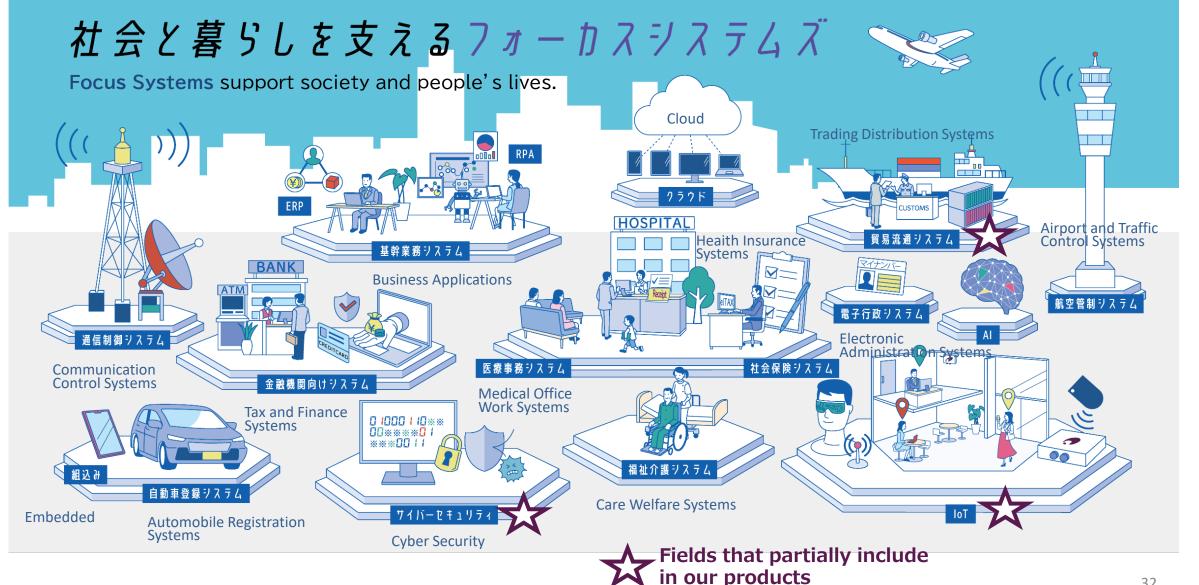
Corporate Responsibility

We shall create a company where employees trust each other and work with a sense of assurance and satisfaction.

Social Responsibility

We shall create a company that is trusted by customers, investors and shareholders as well as needed by society.









	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	 Subsidiary company that develops information systems Former systems department of a trading/finance company 	Computer companyHardware company
Strengths	- Broad and free business fields - Cultivating their own assets	 Utilization of their parent company's know-how Stable business foundation 	 Utilization of their parent company's hardware Solution proposals Stable business foundation
Weaknesses	 All self-supporting management Management base & finance base Customers & BPs / Intellectual property 	Limited areas of expertiseNarrow business domain	Bound by their parent company

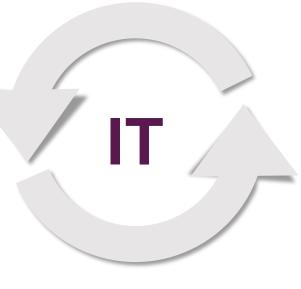


A business model that builds up "Value" and "Trust"

Focus Systems

Consulting capabilities Management capabilities Technological capabilities

<u>Business</u> <u>knowledge/</u>Knowhow



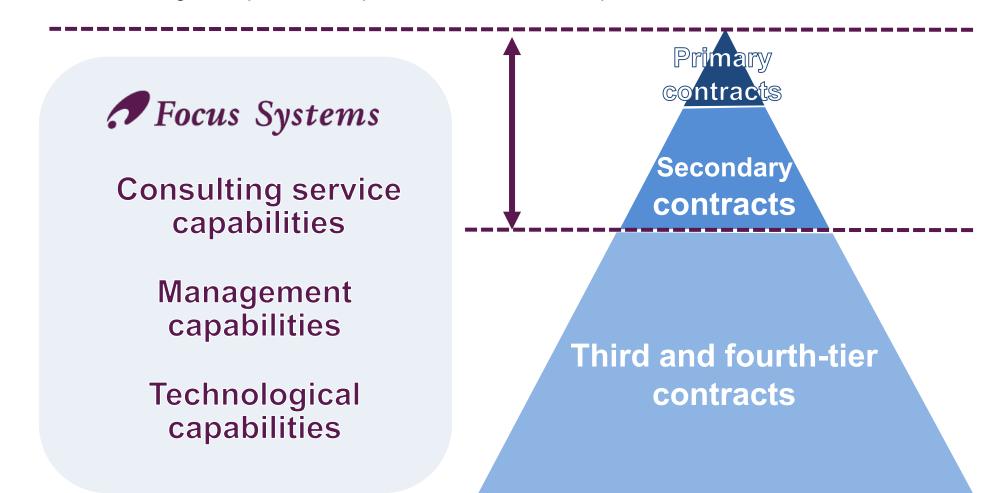
Solutions Consulting System development Operation/Maintenance

Our Customers

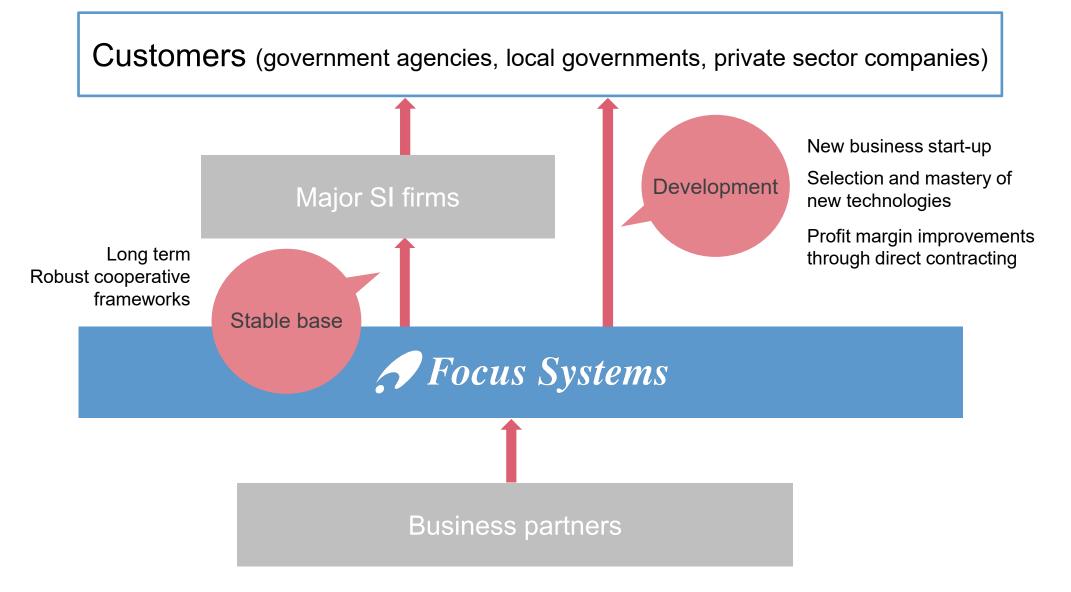
Service providers, manufacturers, government agencies, local governments, major Sis, universities, etc.



- 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

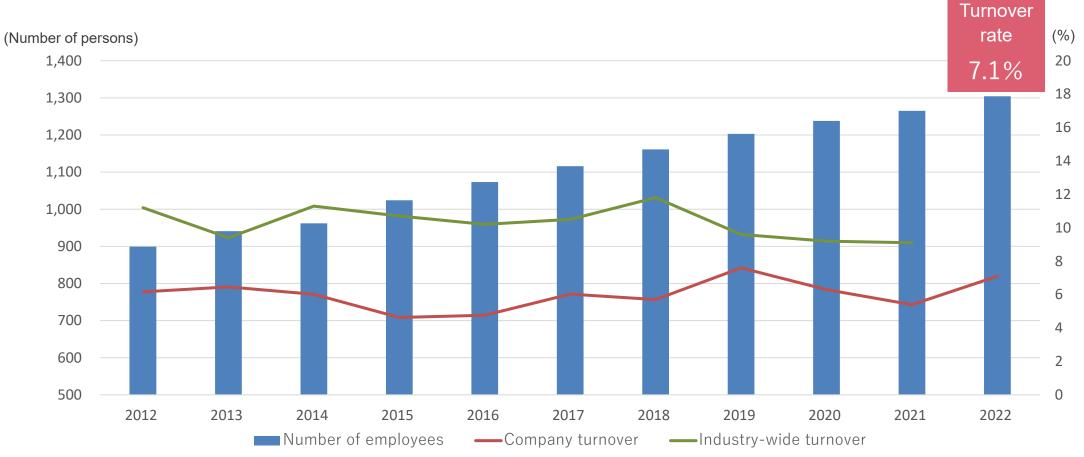








- We strengthened measures to increase awareness of the Company's draws, including improved information disclosure to both fresh graduates and mid-career job seekers.
- We maintained a low industry turnover rate through efforts such as reducing hiring mismatches and providing support to young employees after they join the Company.



*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.

Health Management





Support for club activities

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 2023 (large-scale corporate division)" certificate.

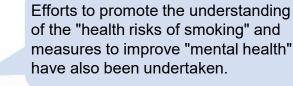
•••• We support the participation in club activities in order to promote employee health. Currently around 150 employees are enrolled in 9 types of club activities.





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



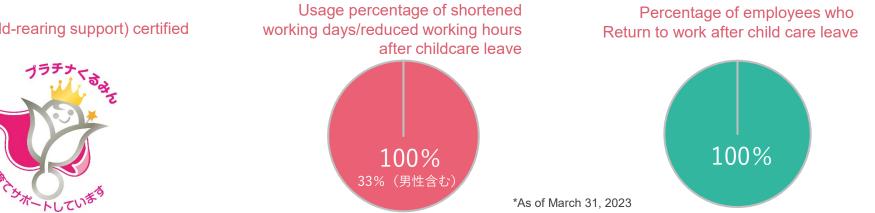




Work–Life Balance

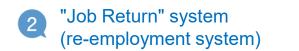


Systems for helping employees balance work duties with childcare or eldercare. • • • Employees can choose shortened working days (3 days a week) or reduced working hours (choice of 5 hours or 6 hours per day). *Employees are eligible for the systems until their children reach the third grade in elementary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











- 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).
- This system helps employees work based on their lifestyles. . . .



Diversity

Occupational field creation ··· In 2015, we began producing vegetables through hydroponics, aiming at creating new fields of employment for persons with disabilities. We have now established farms in Chiba and Ibaraki Prefectures, providing employment to persons with disabilities who wish to engage in agricultural work.



Information exchange for •• female employees

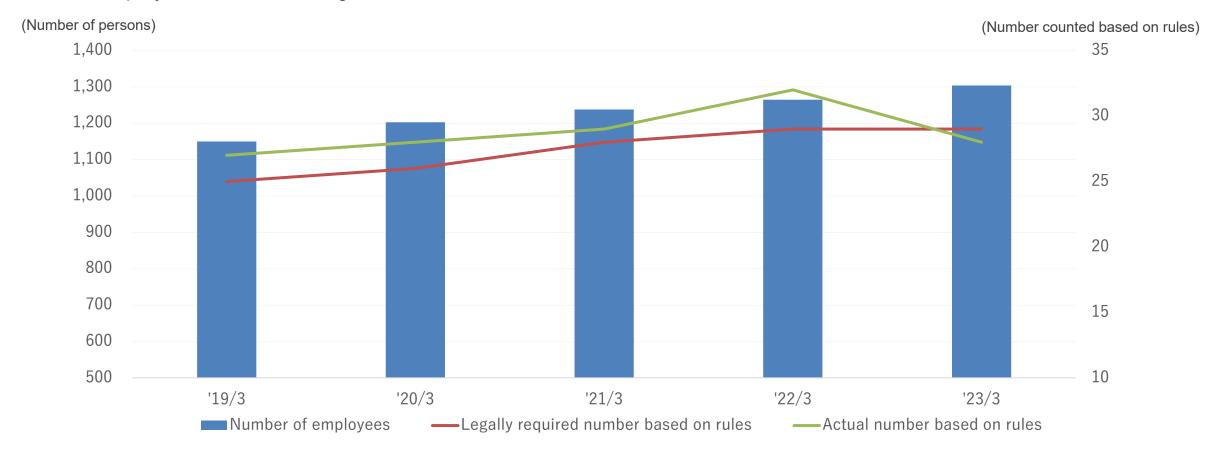
•• Addressing young women, this meeting serves to communicate information on work methods and support for career advancement.



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.

- I 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.
- I We focused on expanding job opportunities, such as opening new company-owned farms in 2022, although the number of employees with disabilities fell below the legal number required due to a rise in the legal employment rate and resignations.





Mascot Character

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.





