



Supplementary Materials for the First Quarter of the Fiscal Year Ending March 2025 (49th business year)

August 9, 2024
Focus Systems Corporation
(Securities Code: 4662)

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Kicked off the fiscal year with increased revenue and profits

Rebound from unprofitable projects in the previous year and progress of ongoing projects as planned, absorbing increased costs (including personnel expenses, outsourcing expenses, and upfront investments) associated with business expansion and reform.

(Unit: Million yen)

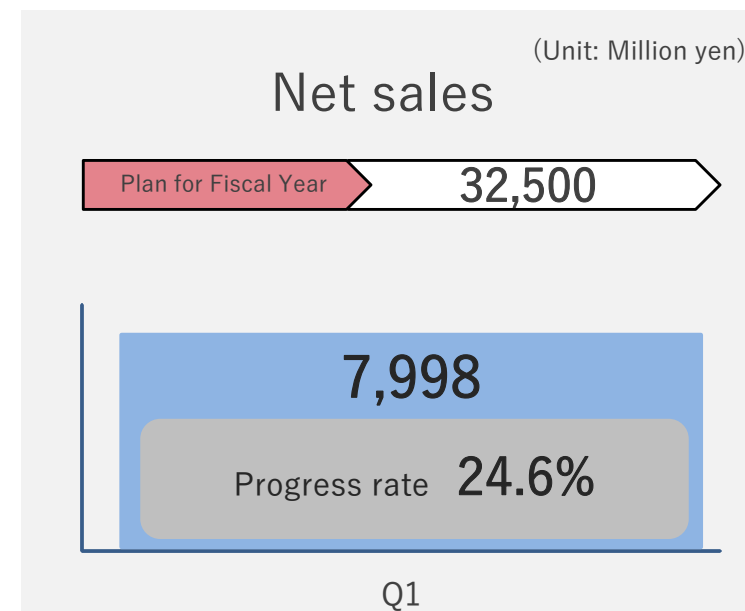
	Q 1 Results			
	FY2024	FY2025	Amount Change	Year-on-year change
Net sales	7,310	7,998	688	9.4%
Operating income	236	323	86	36.7%
Ordinary income	217	335	118	54.3%
Current quarter Net income	148	229	80	54.3%

■ Main progress to date

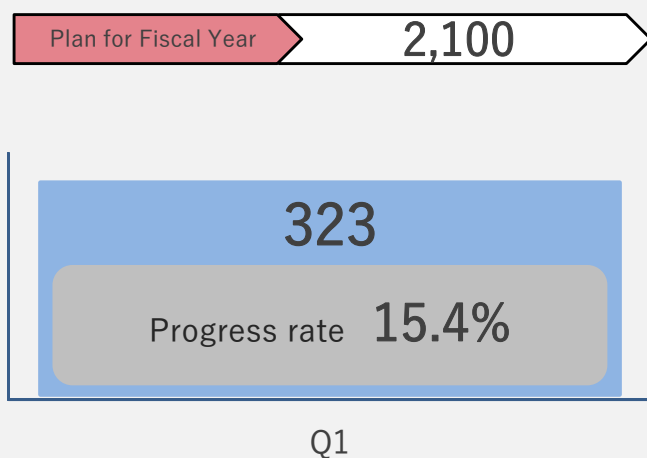
- Net sales: approximately 25% Income: 15-16% Progressing roughly as planned.
- Increased personnel expenses: owing to net increase in employees and salary raise.
- Increased outsourcing costs: owing to measures to ensure and enhance quality, as well as to strengthen project performance.

■ Prospect of achieving the full-year forecast

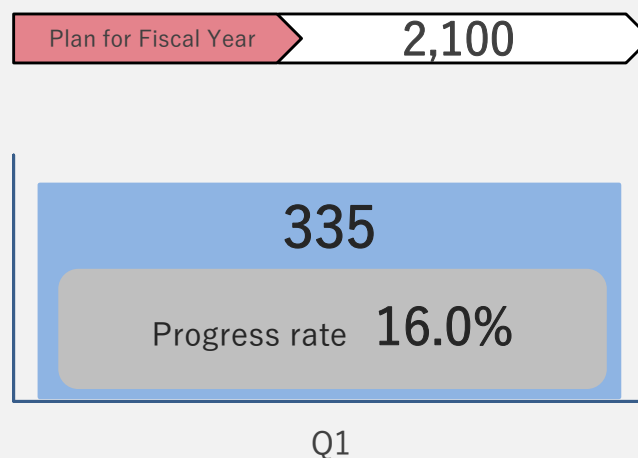
- Current order environment is robust. Expecting profitability improvement, and progress of business reform.



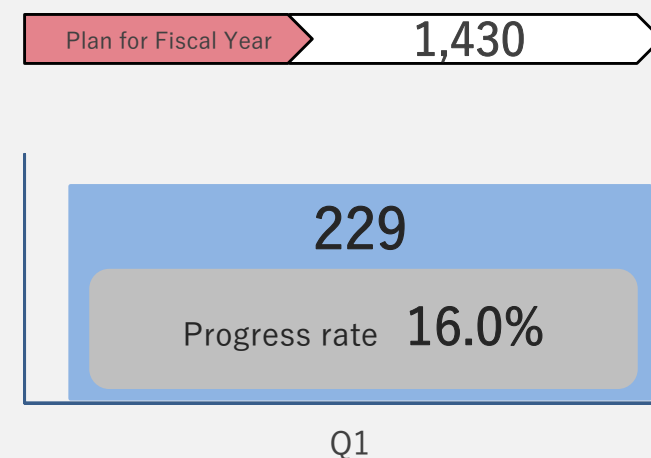
Operating income



Ordinary income



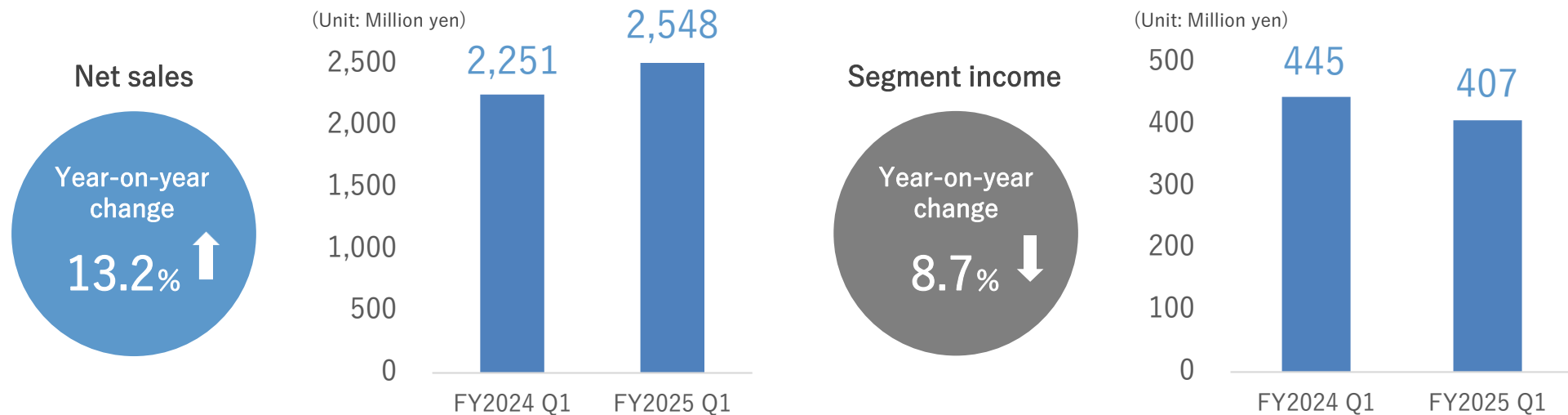
Current net income



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

Existing businesses generally expanding steadily, but increased outsourcing expenses in certain development projects.

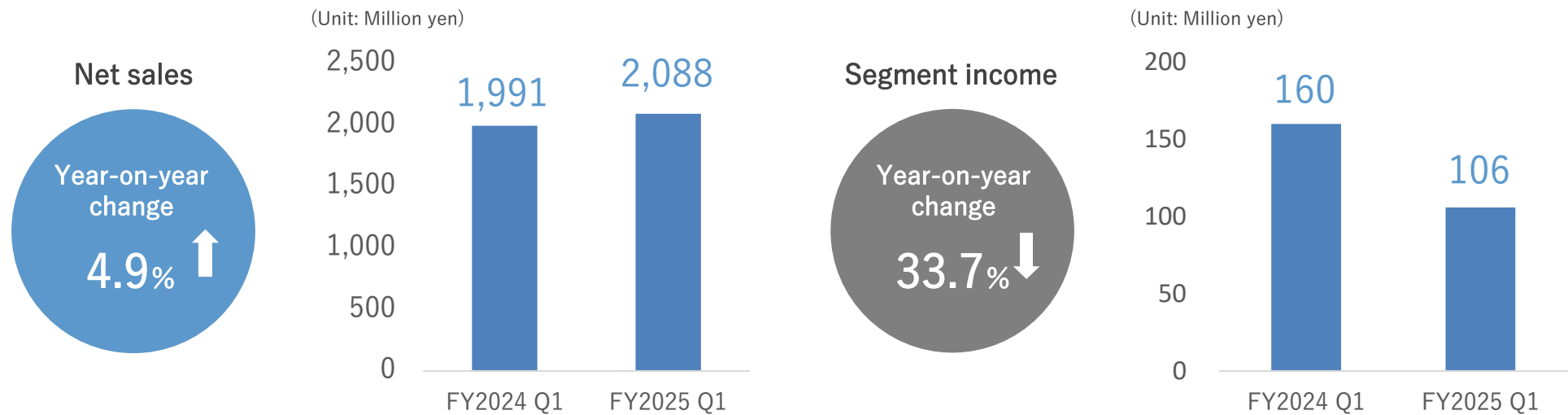


- Projects related to electronic tax report systems and Individual Number continued to contribute to revenue growth.
- In some agile development projects, external personnel were brought in to ensure quality, resulting in increased outsourcing costs.

Enterprise business

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

Despite the Infrastructure business driving business expansion, was unable to fully absorb cost increases in some contracted projects.

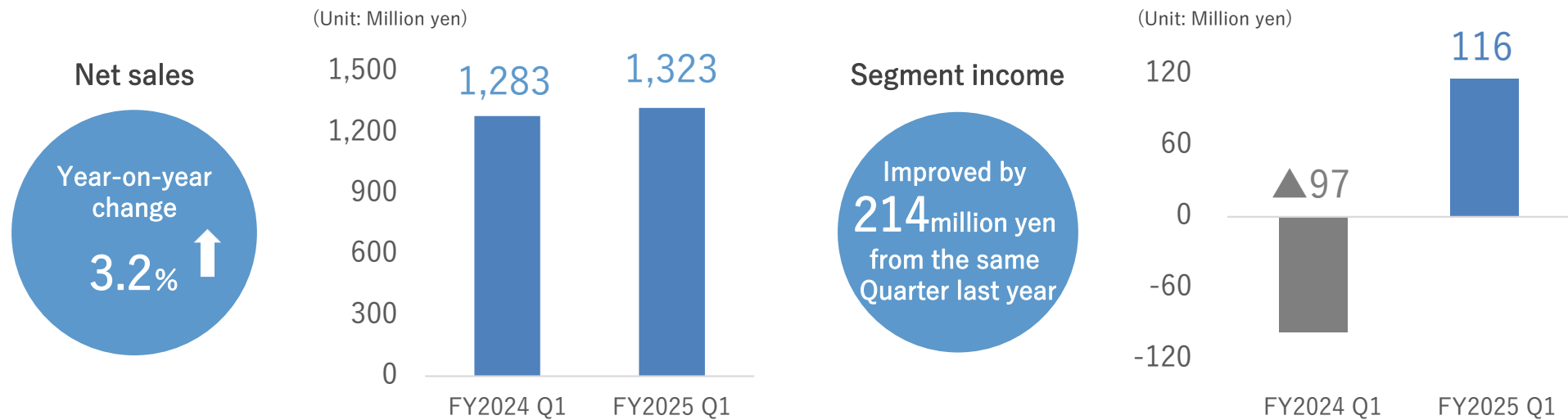


- Overall infrastructure-related business drove expansion of business scale and contributed to increased profit.
- Expanding business operations in anticipation of future growth due to favorable ERP-related market conditions, but challenges remain in improving short-term profit margins.

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 net sales and profits recovered, rebounding from the previous year's unprofitable situation.

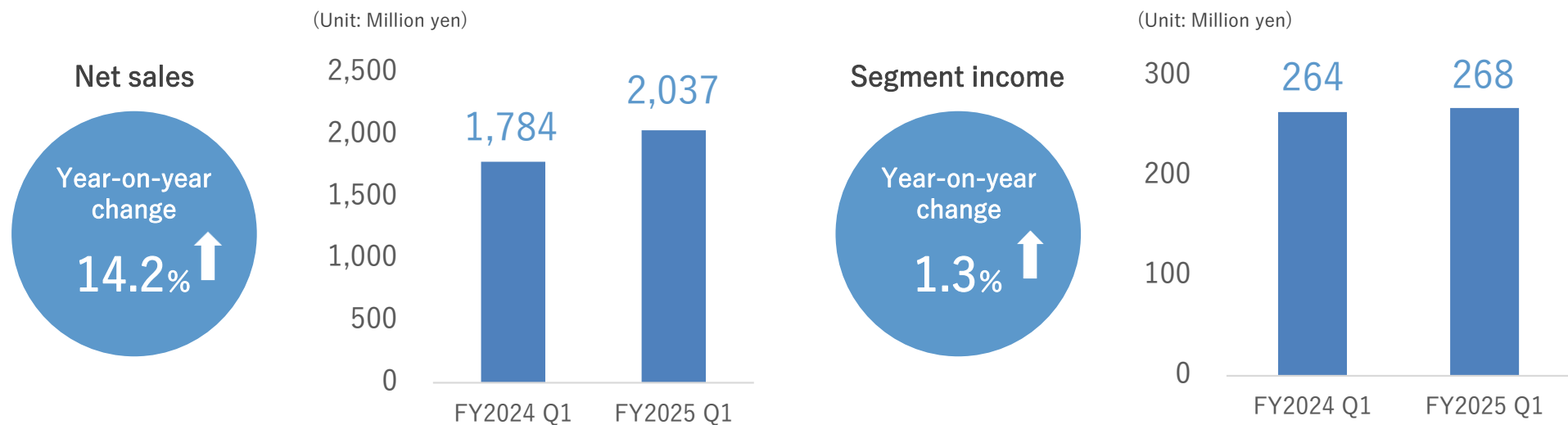


- Focusing on project monitoring. Business scale continuing to expand, centered on a wide range of existing core businesses.
- Expansion of revenue opportunities in AI-related fields is expected.

Innovation

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

Infrastructure-related business driving growth. Maintaining growth trend while also making upfront investments.



- Mainly infrastructure-related business driving stable growth. Managed to secure profits despite the repercussion in sales from the previous year.
- Expanding the business foundation through enhancement of development projects, and promoting planning of own products and sales expansion of existing own products.

(Unit: Million yen)

	Previous Fiscal Year	First Quarter of the Current Fiscal Year
Assets		
Current assets	13,089	12,981
Non-current assets	7,900	7,669
Property, plant, and equipment	3,548	3,538
Intangible assets	120	107
Investments and other assets	4,232	4,024
Total assets	20,989	20,651
Liabilities		
Current liabilities	6,150	6,461
Non-current liabilities	1,422	1,171
Total liabilities	7,572	7,632
Net assets		
Shareholders' equity	11,744	11,490
Capital	2,905	2,905
Capital surplus	2,177	2,177
Retained earnings	7,003	6,749
Treasury shares	△342	△342
Valuation difference on available-for-sale securities	1,672	1,528
Total net assets	13,416	13,018
Total liabilities and net assets	20,989	20,651

Decrease of 338 million yen year-on-year

Main reason for increase:

- Increase in cash and deposits 743 million yen

Main reason for decrease:

- Decrease in accounts receivable and contract assets 865 million yen
- Decrease in investment securities 208 million yen

Increase of 59 million yen year-on-year

Main reason for increase:

- Increase in provision for bonuses 509 million yen
- Increase in short-term borrowings 297 million yen

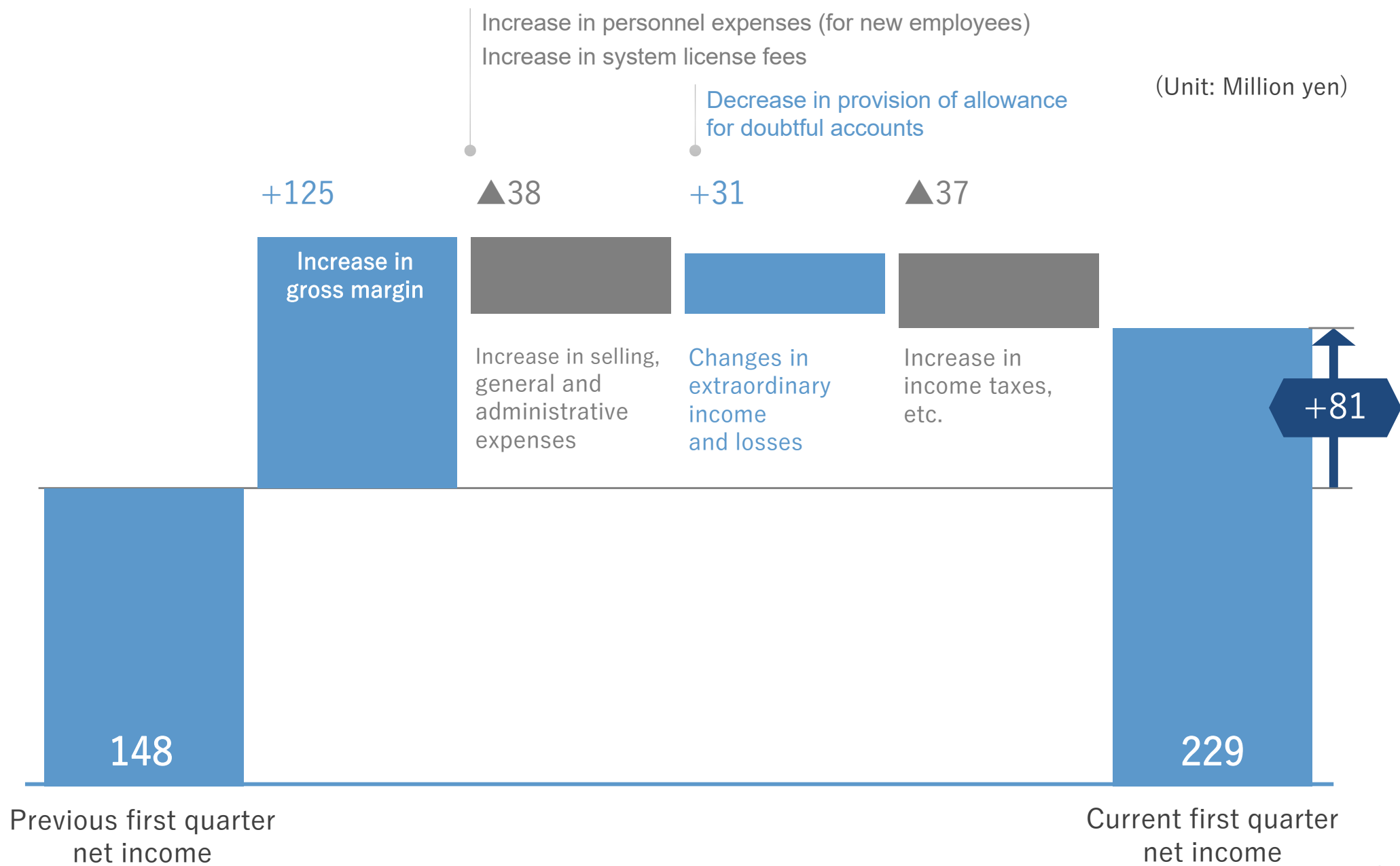
Main reason for decrease:

- Decrease in income taxes payable 370 million yen
- Decrease in accrued consumption taxes 279 million yen

Decrease of 398 million yen year-on-year

Main reason for decrease:

- Decrease in retained earnings brought forward 254 million yen
- Decrease in valuation difference on available-for-sale securities 143 million yen



- I Achieved record highs in sales and profits.
- I Annual dividend per share of 38.00 yen
(interim dividend of 6.00 yen + year-end dividend of 32.00 yen).

		FY2024 results	FY2025 projections	Year-on-year change
Net sales	(million yen)	31,509	32,500	3.1%
Operating income	(million yen)	1,974	2,100	6.4%
Ordinary income	(million yen)	1,971	2,100	6.5%
Net income	(million yen)	1,406	1,430	1.7%
		FY2024 results	FY2025 projections	
Net income per share	(yen)	93.13	94.66	
Dividend per share	(yen)	38.00	38.00	
		(Breakdown) Interim dividend 6.00 Year-end dividend 32.00	(Breakdown) Interim dividend 6.00 Year-end dividend 32.00	
Dividend payout ratio	(%)	40.8	40.1	

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



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In this presentation, numbers are rounded down to the nearest whole number, and percentage figures rounded up or down to two decimal places. This document was prepared based on information available as of August 9, 2024, and assumptions yet to occur as of the same date. Consequently, actual financial results may materially differ from projections due to various factors. Focus Systems Corporation does not guarantee the certainty of the contents of this presentation.