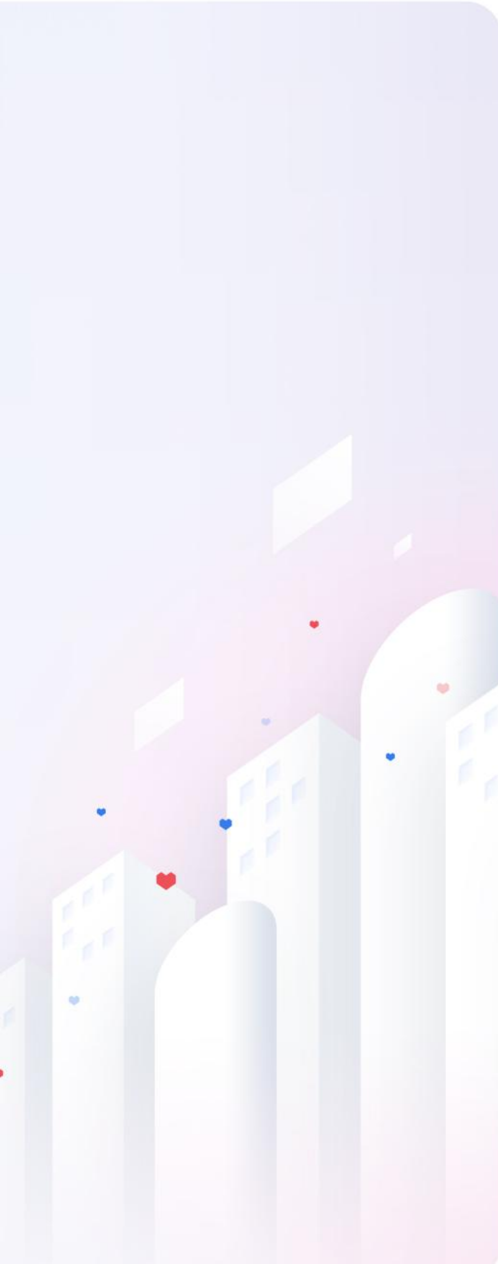
Company Briefing Material

Focus Systems Corporation (Securities Code:4662)

September 6, 2026



Today's Point

Point
01

About Focus Systems

Point
02

Be a strategic partner supporting the transformation of our customers through digital innovation

From "Labor-intensive" to "Intelligence-intensive"

01 **Market Expansion Driven by the Spread of AI Expansion of business into high-value-added DX and consulting domains**

02 **Practical knowledge underpinning transformation**

03 **Growth investment**

About Focus Systems

Established	April 1, 1977
Business	System consulting, commissioned development, maintenance and operation, technical support, information security related etc...
Capital	2.9 billion yen(as of March 31, 2026)
Sales	35.6 billion yen(for the fiscal year ending March 2026)
Stock Exchange	Tokyo Stock Exchange Prime (4662)
Number of mployees	1,525名(as of April 1, 2026)
President and representative director	Mori Keiichi

After working at an audit firm and an accounting firm, he joined our company. With many years of experience in accounting, he has built the current stable financial foundation since becoming president.

What We Value

Corporate Philosophy

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

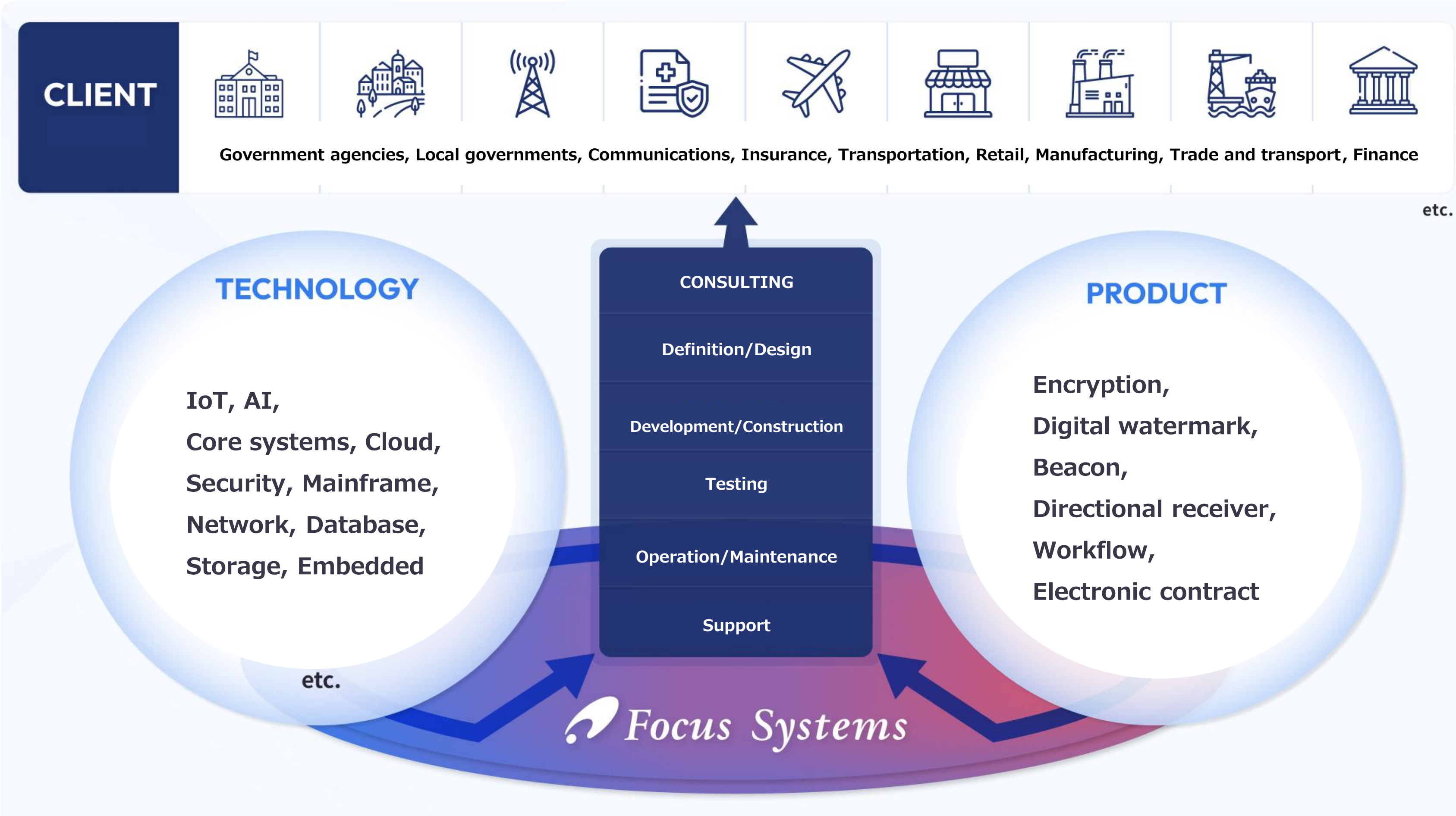
Corporate Slogan

Tech with heart.

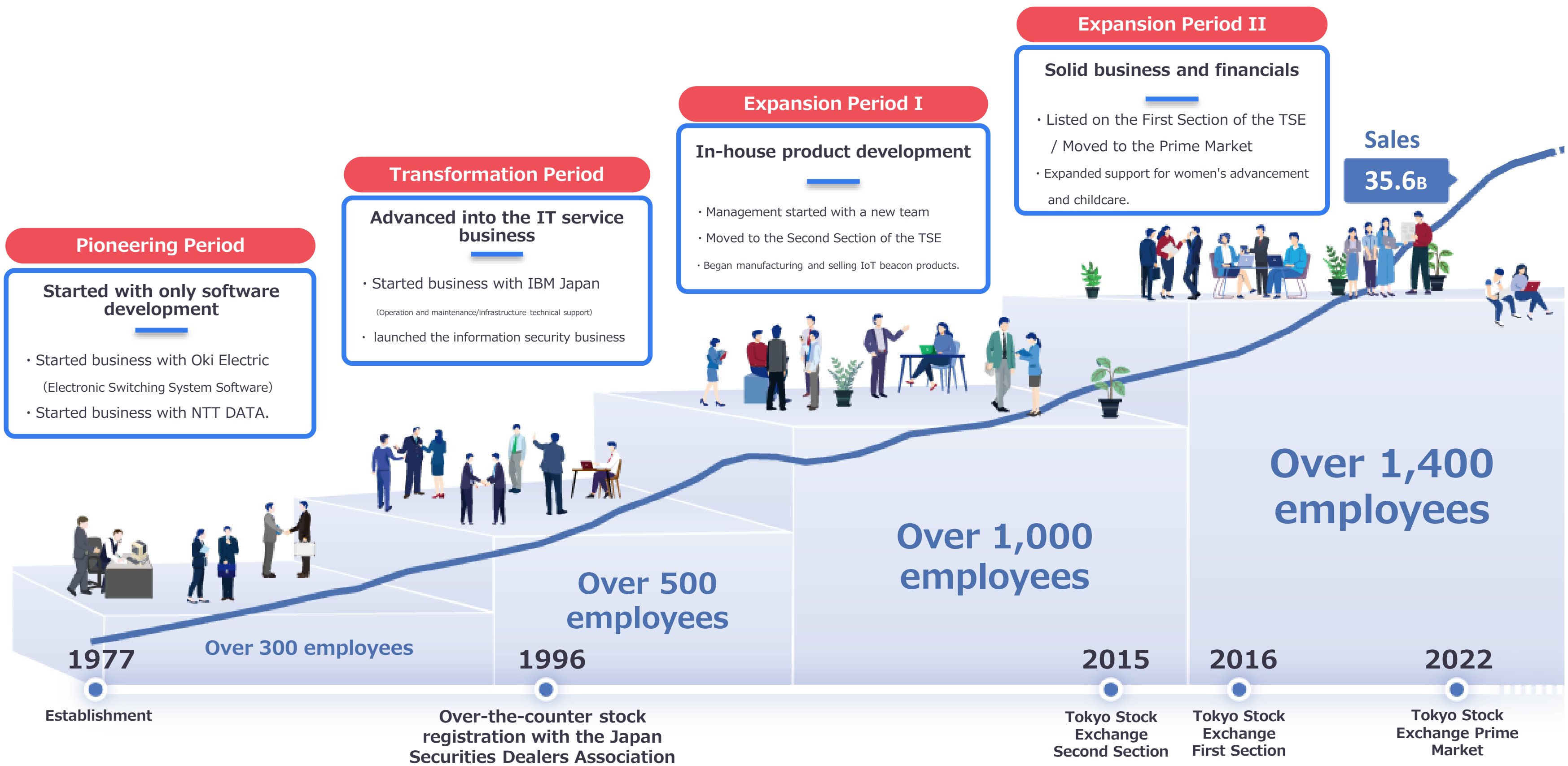
Comparison of System Integrators by Type

	Independent	User-affiliated	Manufacturer-affiliated
Overview	Management and capital are independent.	Information system subsidiaries or former system departments of trading/financial companies.	Computer or hardware companies.
Strengths	A wide and free business field, and cultivated assets become company assets.	The utilization of the parent company's know-how and a stable business foundation.	The utilization of the parent company's hardware, solution proposals, and a stable business foundation.
Weakness	Everything must be acquired independently. Management and financial foundation Clients,Partners,Intellectual Property	Limited specialized fields and a narrow business domain.	Being bound by the parent company.

A business domain that can fulfill what customers truly desire, without being limited by fields or products

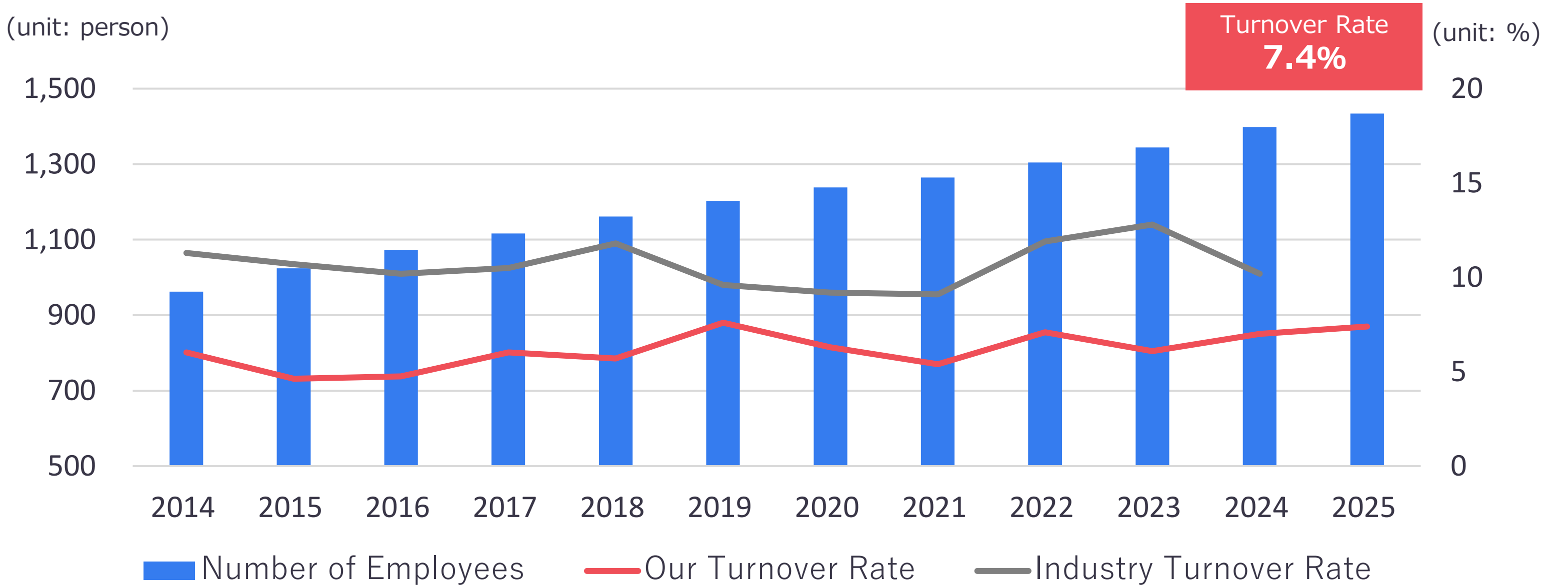


Continuously growing in both sales and personnel since its establishment



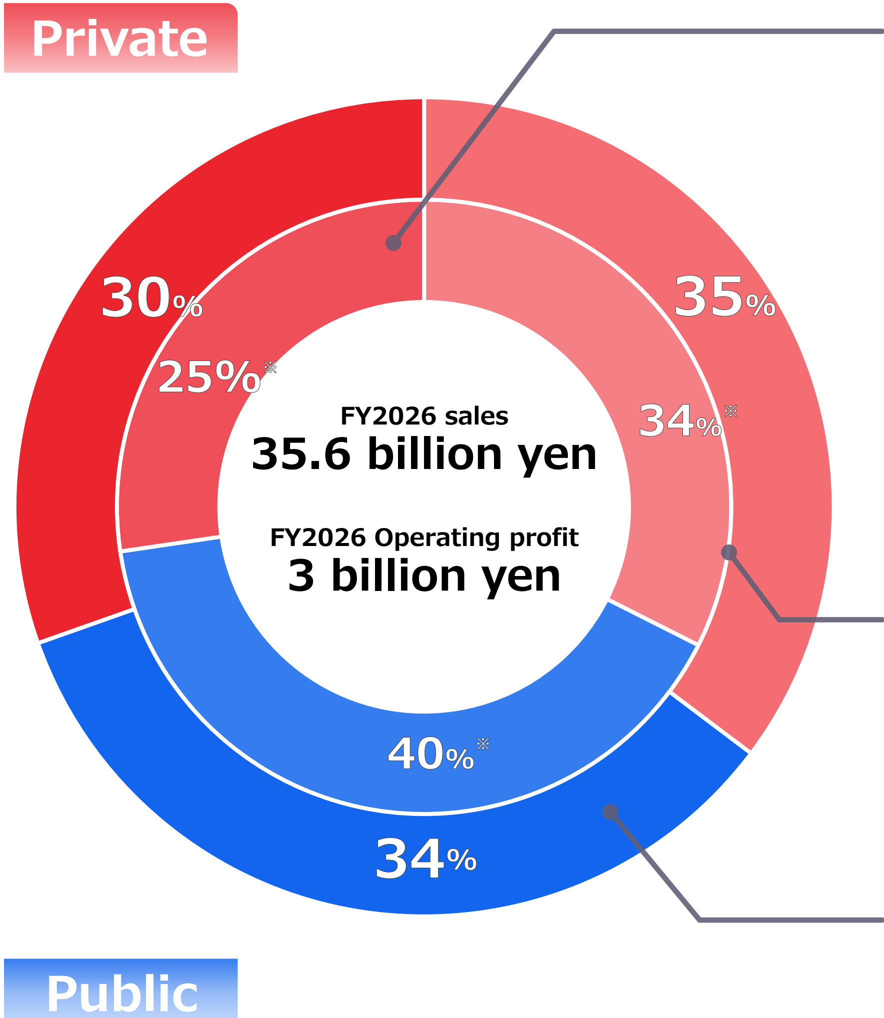
A turnover rate below the industry average

- Amid increasing mobility within the industry, sales are growing due to a continuous increase in the number of employees.
- Improving the recognition of our appeal Reducing the gap between pre- and post-employment expectations.



*Industry turnover rates are excerpted from the "Summary of Employment Trends Survey Results" (Ministry of Health, Labor and Welfare).
*Our turnover rate is based on fiscal year, while industry turnover rate is based on year.
*The turnover rate among regular employees was 6.0%.

Overview of the Three Business Segments



Enterprise business

- **Core business**
  Core business system development, virtualization and cloudification, network infrastructure design and construction.
- **The main client**
  municipalities and corporate enterprises. etc...

Innovation

- **Core business** *Business areas: Tokyo, Nagoya, and Osaka
  Infrastructure design and construction, mainframe operations, in-house products (IoT, security), AI (image-based).
- **The main client**
  Kyndryl Japan , IBM Japan. etc...

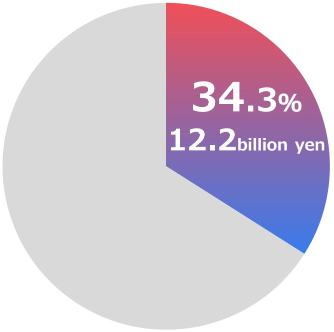
Public sector

- **Core business**
  System development for central government agencies (My Number, e-Tax, air traffic control, Motor Vehicle Registration and Inspection, Communication control, embedded system development, etc.).
- **The main client**
  NTT DATA Group, Oki Electric Industry Group. etc...

*The total of all reportable segments is used as the denominator.

Three Segments: Public Sector Business

Proportion of sales　FY2026



Point 01

Broad technical expertise backed by system experts and a long track record

e.g., air traffic control, social security, healthcare, eLTAX, MOTAS, My Number, etc.

Point 02

Stable business foundation, system life cycle

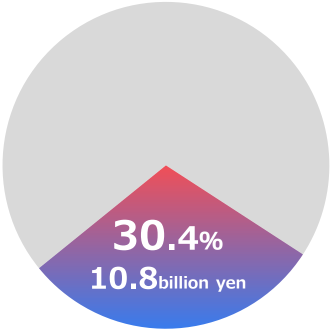
Point 03

Relationships with customers that have continued since the company's founding

(e.g., general NTT DATA Group, communications business/Oki Electric, etc.)

Three Segments: Enterprise Business

Proportion of sales　FY2026



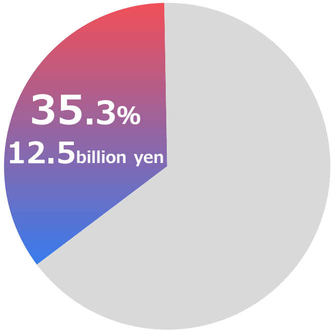
Point 01
Abundant experience in contract development, new business development starting from contracting
(Excerpts: Meguro Ward/municipalities, AIN HOLDINGS INC./retail, etc.)

Point 02
Optimal proposals, ability to solve problems
(Excerpts: Core systems, Web systems, RPA, virtualization, etc.)

Point 03
Flexible business foundation
contracting, operation and maintenance, consulting, etc.

Three Segments: Innovation Business

Proportion of sales　FY2026



Point 01

Supporting social innovation behind the scenes

(Major clients: IBM Japan, Kyndryl Japan)

Point 02

Business strategy that drives stability and a customer base tied to key regions

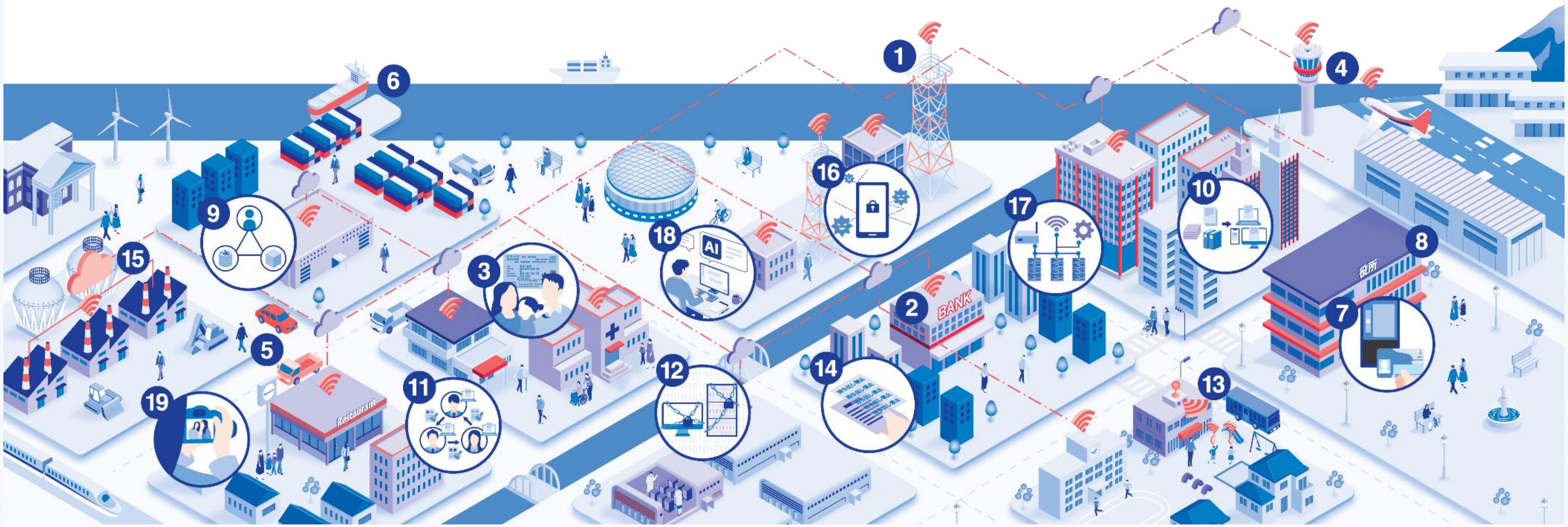
Tokyo, Nagoya, and Osaka

Point 03

In-house product development

(e.g., IoT, encryption, copyright protection solutions, solutions to prevent children from being left behind, AI assistant for public relations departments, etc.)

Focus Systems services for the home and for wider society

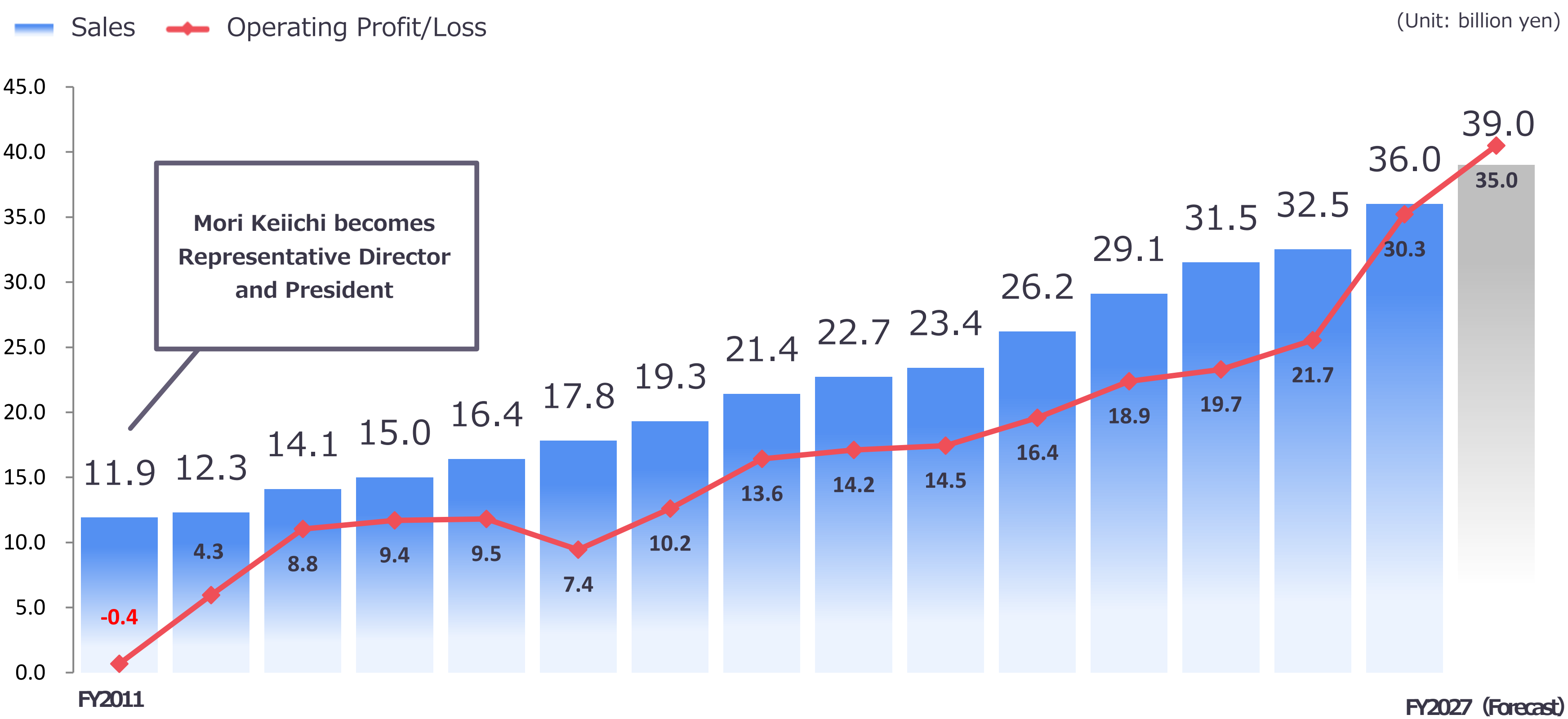


①	Communications	⑤	Automobiles/Transportation	⑨	ERP systems	⑬	Beacons and Directional receivers	⑰	IT infrastructure
②	Finance	⑥	Trade and Transport	⑩	Digitization and efficiency improvement	⑭	Digital watermarks	⑱	AI
③	Social welfare	⑦	e-government	⑪	Workflow management and e-contracts	⑮	Cloud-based and virtual solutions	⑲	Embedding
④	Aviation	⑧	Local Government	⑫	Encryption	⑯	Security	⑳	Others

(Some in-house products are included in the red text)

Stable Business Foundation

- **Since taking office in 2011, we have focused on establishing a stable business and financial foundation.**



Reasons for Stable Growth

- Growing with the dual engines of the public sector, which is resistant to economic fluctuations, and the private sector, which has a large IT market.
- Still growing with an average annual sales growth rate of approximately 12% in the public sector and 10% in the private sector.

*Segment change from April 2020

Review of the Previous Medium-Term Management Plan

Achieved the targets for "Growth Investment," "Profitability Improvement," and "Enhanced Returns to Employees, Shareholders, etc."

Growth Investment

- Invested in each segment against the backdrop of strong demand; steady progress in investments
- Explored advanced fields and launched a new company

Profitability Improvement

- Achieved the target operating margin of 8.0%
- Achieved ROE of 15.9%

Enhanced Returns to Employees, Shareholders

- Maintained stable dividends with a payout ratio of over 40%
- Increased base pay for 3 consecutive years

KPI	Targets	Results
Net sales	¥33.0 billion or more	¥35.6 billion
Operating income	¥2.65 billion or more	¥3.03 billion
Operating margin	8.0% or more	8.5%
Dividend per share	Maintain stable dividends	¥64.0
Dividend per share	35 - 40%	41.1%
ROE	12.0% or more	15.9%

Earnings and Dividend forecast - Fiscal Year Ending March 2027 -(51th Business Year)

- **Achieved record highs in sales and profits.**
- **Annual dividend per share of 68.00 yen**
  (interim dividend of 16.00 yen + year-end dividend of 52.00 yen).

	FY2026 results	FY2027 projections	Year-on-year change
Net sales (million yen)	35,698	39,000	9.2%
Operating income (million yen)	3,036	3,500	15.3%
Ordinary income (million yen)	3,068	3,500	14.1%
Net income (million yen)	2,333	2,460	5.4%

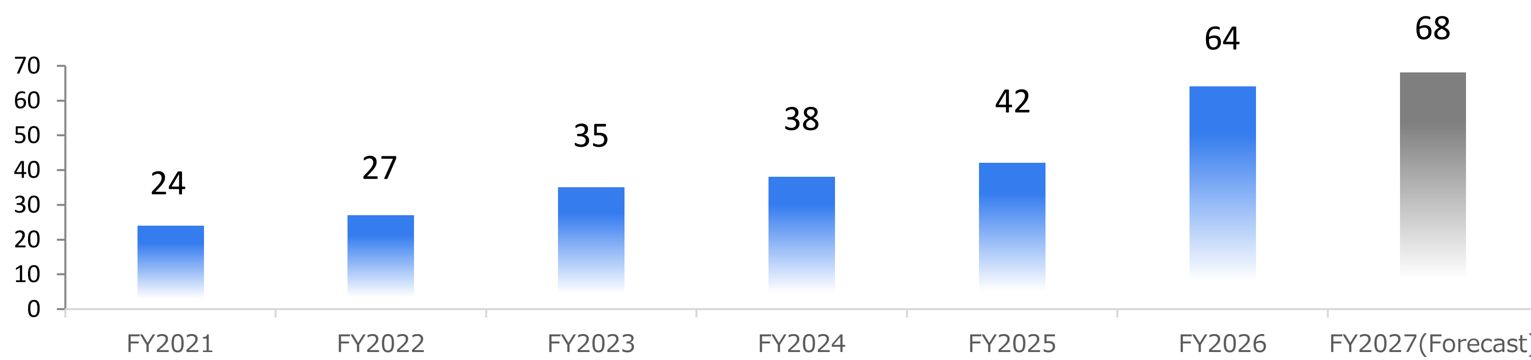
	FY2026 results	FY2027 projections
Net income per share (yen)	155.63	167.82
Dividend per share (yen)	64.00 (Breakdown) Interim dividend 12.00 Year-end dividend 52.00	68.00 (Breakdown) Interim dividend 16.00 Year-end dividend 52.00
Dividend payout ratio (%)	41.1	40.5

Dividends Based on Profit Levels

- **Aiming to increase dividends for the sixth consecutive fiscal year by improving our profit structure.**

  The annual dividend per share is expected to be 68.00 yen (Interim dividend of 16.00 yen + Year-end dividend of 52.00 yen).

(unit: yen)



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027(Forecast)
Net income per share (yen)	68.08	70.76	92.18	93.13	103.67	155.63	167.82
Dividend per share (yen)	24.00	27.00	35.00	38.00	42.00	64.00	68.00
Dividend payout ratio (%)	35.3	38.2	38.0	40.8	40.2	41.1	40.5

Context of Medium-Term Management Plan

Drive innovation toward 100 billion yen in sales and become a leading player in the industry

30 -

Accelerate investment toward further growth

- Invest in product and service development
- Invest in business structure transformation

27 - 29

1st step to becoming a leading player in the industry: Build a foundation for high growth

- Strengthen our ability to adapt to technological innovation
- Diversify revenue sources
- Achieve inorganic growth through M&A

Medium-Term Management Plan 24-26

Strengthen the cycle of growth/profit/return, and establish a solid foundation for making further leaps as an independent system integrator

- Strengthen returns by investing with a focus on enhancing the profit structure

Overview of Medium-Term Management Plan 27-29

Vision

Be a strategic partner supporting the transformation of our customers through digital innovation

Business expansion

Strengthen profitability by enhancing value creation and productivity in core businesses, and achieve scalable expansion into the DX and consulting sectors

Overall Corporate Strategy

Business Departments

Enhance and optimize service delivery; Strengthen consulting business; Advance R&D for solutions

Corporate Departments

Secure specialist talent; Strengthen organizational capabilities

Key Indicators and Investments

KPI	
Net sales	¥45.0 billion
Operating income	¥4.50 billion
Operating margin	10.0％
ROE	16.0% or more

Investment	
Strategic Investment	¥8.50 billion
Shareholder Returns	¥3.50 billion

Thank you very much for your time today.

September 6, 2026
Focus Systems Corporation
(Securities Code: 4662)

Fukue-san
Our official mascot

Upcoming IR Events

- **IR Seminars for Individual Investors**

  Sep. 12 (Sat.) 1:30 p.m. JST

  – Tochigi City, Tochigi Prefecture

  Oct. 10 (Sat.) 1:00 p.m. JST

  – Naha City, Okinawa Prefecture

- **Nov. 13 (Fri.) 3:30 p.m. JST**

  – Announcement of Financial Results for the Second Quarter (Interim Period)

*For details, please visit our corporate website.

Appendix

- **Medium-Term Management Plan 27-29**
- Management Conscious of Cost of Capital and Stock Price : Policies
- Initiatives for the Future
- Work-Life Balance
- Diversity

Assessment of the Current Situation

Changes in the Business Environment

Economy and society

- The working population is shrinking at an accelerating rate
- The investment environment is improving slightly but uncertainty remains high
  (Japan-U.S. interest rate policy, Middle East situation)
- A higher percentage of people value fulfillment in personal life
- The government's push to go digital is picking up speed

IT industry

- Re-acceleration of market growth driven by demand for greater sophistication in DX
- Shortage of IT talent in Japan
- Structural uncertainty from AI-driven transformation

Corresponding Measures

Business Departments

- Strengthening businesses that support DX
- Strengthening the adoption of technological innovation
- Diversifying revenue sources

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Corporate Departments

- Creating a work environment where everyone can thrive
- Securing and developing IT talent, and strengthening organizational capabilities

Medium-Term Vision

Customers

- Expansion of DX-related initiatives and investment
- Continued growth in IT investment and reliance
- Pursuit of system quality and responsiveness

Competitive Environment

- Ongoing competition in development time and quality
- Key to competitive advantage: utilization of advanced technologies and management methods

IT Industry

- Re-acceleration of market growth driven by demand for greater sophistication in DX
- Shortage of IT talent in Japan
- Structural uncertainty from AI-driven transformation

Vision

Be a strategic partner supporting the transformation of our customers through digital innovation

To become a leader in digital innovation and contribute to society, we will continue to be the best partner for customers, supporting their transformation by leveraging our solution-delivery expertise.

Overall Corporate Strategy

Vision

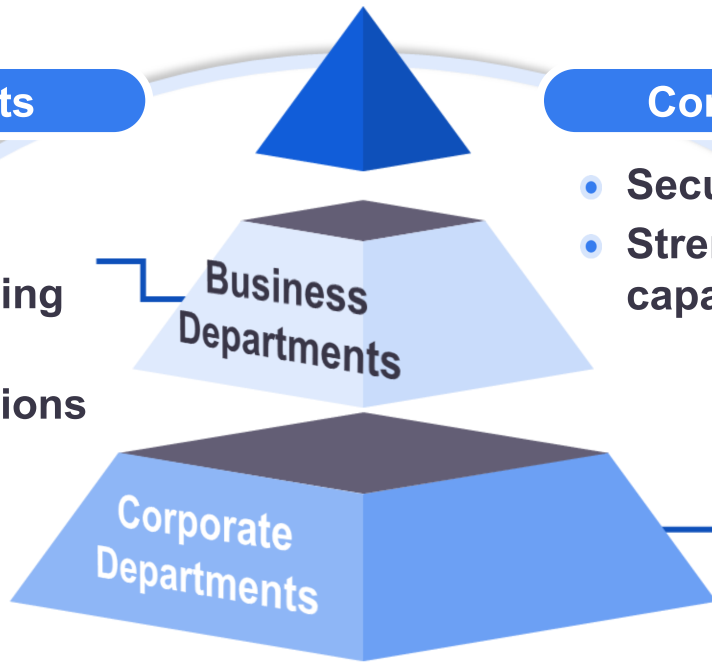
Be a strategic partner supporting the transformation of our customers through digital innovation

Business Departments

- Enhance and optimize service delivery
- Strengthen the consulting business
- Advance R&D for solutions

Corporate Departments

- Secure specialist talent
- Strengthen organizational capabilities



Overall corporate strategy

Overall Corporate Strategy (Business Departments)

Incorporate peripheral/advanced technology and knowledge

Enhance and Optimize Service Delivery

Reduce delivery time and improve quality by focusing on upgrading our services

- **Introduce and utilize the latest technology**
- **Innovate technical approaches**
- **Ensure thorough quality control**
- **Improve QCD*[1] through knowledge management**
- **Achieve a leap forward in project management techniques**

Strengthen the Consulting Business

Diversify revenue sources by expanding the consulting business
Become a strategic partner for customers and create ongoing business opportunities

- **Provide support for DX strategy planning, RFP*[2] preparation, infrastructure operation consulting, in-house production, etc.**
- **Build long-term partnerships**

Advance R&D for Solutions

Collect, verify, and disseminate information on new technologies that facilitate upgrading (reducing lead time, maintaining quality)

*[1]QCD（Quality・Cost・Delivery） : The initials of the three elements: Quality (Q), Cost (C), and Delivery (D).
*[2]RFP（Request for Proposal） : A document specifying requirements, business issues, budget, delivery timeline, and other conditions to request proposals and estimates.

Overall Corporate Strategy (Corporate Departments)

Secure Specialist Talent

Secure talent with know-how of the latest technology and consulting skills

Explore and develop diverse training methods

<Talent>

- **Engineers with advanced solution-delivery technical expertise and knowledge**
- **Project managers**
- **Consultants, etc.**

Strengthen Organizational Capabilities

Maximize the value of human capital and data with a focus on advancing technology and management practices

- **Actively incorporate AI and automation tools, and improve processes**
- **Expand measures to enhance employee engagement**
- **Improve internal transparency and engage in data-driven organizational management**
- **Optimize the organization and structure in response to changes in the business environment, etc.**

Talent Strategy

Invest proactively in human capital to enhance professionalism and motivation, enhancing value creation and productivity in core businesses

	Measures
Improve engagement	Create an environment where employees can work with a greater sense of fulfillment and with peace of mind for a long time • Strengthen engagement to improve retention and productivity • Provide rewarding remuneration • Expand welfare programs • Raise health awareness by strengthening employee health support
Develop specialist talent	Develop highly specialized talent capable of providing higher quality services • Develop skills according to individual characteristics and career • Promote the acquisition of advanced technical skills such as AI, etc. • Expand the project management team • Increase the number of employees with advanced qualifications

Financial Strategy

Financial Policy

Growth Investment

- Invest 8.5 billion yen over 3 years in growth fields
- Utilize M&A
- Strengthen efforts in exploring advanced technologies
- Use base rates that reflect cost of equity and investment risk

Financial Soundness

- Set a maximum D/E ratio* of around 0.35
- Maintain cash and deposits equivalent to about 2 months of sales
- Dispose of non-operating assets
- Periodically review optimal capital structure

Shareholder Returns

- Maintain a dividend payout ratio of 40% or more
- Acquire treasury shares flexibly

Improved IR coverage

Maximized corporate value

*D/E ratio : Debt-to-equity ratio. A financial soundness indicator calculated by dividing interest-bearing debt by equity.

Balance Sheet Structure and Cash Allocation

Cash Allocation

Cash inflow: ¥12 billion	Cash outflow: ¥12 billion
Cash from operations (before deductions for personnel investment) ¥9.5 billion	Strategic investment: ¥8.5 billion • Enhance and optimize service delivery • Strengthen the consulting business • Advance R&D for solutions • Secure specialist talents • Strengthen organizational capabilities • Pursue M&A and venture capital
Balance sheet optimization and financing ¥2.5 billion	Shareholder returns: ¥3.5 billion

Balance Sheet Structure

- **Disposal of investment securities**
- **Disposal of non-operating assets**
- **Procure financing in accordance with financial policy**
- **Respond flexibly to promising investment projects**

Assets	Liabilities and equity
Operating assets	Other liabilities
	Interest-bearing debt
Non-operating assets	Equity capital

KPI

(End of FY2026 → End of FY2029)

ROE 15.9% → 16.0% or more

- Net profit margin: 6.5% → Same level
- Total asset turnover: 1.6 times → Same level
- Financial leverage: 1.5 x → 1.7 x

M&A Strategy

Strategy

- **Roll-up strategy**
  - Secure IT talents
  - Develop new sales channels
- **Vertical integration strategy**
  - IT consulting firms
  - Companies with their own products
  - Companies in untapped markets (customer challenges that are difficult to solve)

Investment Criteria

- **Set hurdle rates for each risk based on cost of equity**
- **Make investment decisions based on a comprehensive assessment of the degree to which supplementary criteria are met, while making compliance with mandatory criteria an absolute condition**

<Mandatory criteria>

- **Positive NPV *1**
  - Cumulative DCF − Present value of total investment > 0

<Supplementary criteria>

- **IRR *2 > Hurdle rate + Expected return spread**
- **Payback period: Within 5 years (in principle)**

*1 NPV (Net Present Value) : Net present value. The value obtained by discounting future cash flows to present value and subtracting the investment amount. Used for decisions on capital investment, M&A, and new businesses.

*2 IRR (Internal Rate of Return) : Internal rate of return. The discount rate at which the present value of future cash flows from an investment equals the investment amount. Used to compare and evaluate investment efficiency across multiple projects.

Management Targets

KPI	FY2026 Results		FY2029 Targets
Net sales	¥35.6 billion	›››	**¥45.0 billion**
Operating income	¥3.03 billion	›››	**¥4.50 billion**
Operating margin	8.5%	›››	**10.0%**
(For Reference) Dividend payout ratio	41.1%	›››	**40.0% or more**
(For Reference) ROE	15.9%	›››	**16.0% or more**

Shareholder Returns

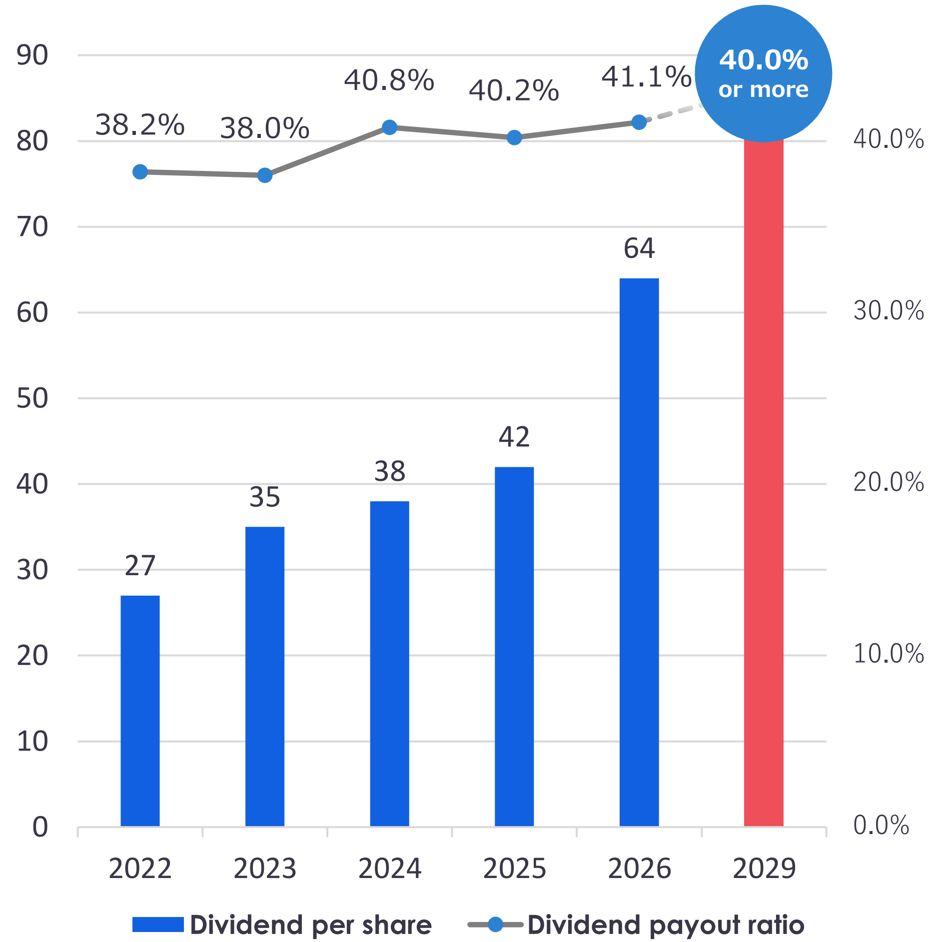
Increase total shareholder returns and improve capital efficiency by increasing dividends in line with profit growth and acquiring treasury shares flexibly

Dividend Policy

- Maintain a dividend payout ratio of 40.0% or more
- Increase dividends in line with profit growth

Acquisition of Treasury Shares

Acquire treasury shares flexibly based on a comprehensive assessment of the share price level, capital structure, capital profitability, and cash flow



Sustainability Management

Build a foundation for enhancing social and economic value by addressing material issues

Make every effort to achieve the First Materiality Promotion Plan

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 corporate value while placing high value on our engagement with stakeholders in our business activities.**

Materiality

- **Appropriate approach to climate change**
- **Creation of a workplace where diverse human resources can work with peace of mind**
- **Value creation for stakeholders**
- **Strengthening of governance management that does not settle for the status quo**

Appendix

— Medium-Term Management Plan 27-29

— Management Conscious of Cost of Capital and Stock Price : Policies

— Initiatives for the Future

— Work-Life Balance

— Diversity

Executive Summary

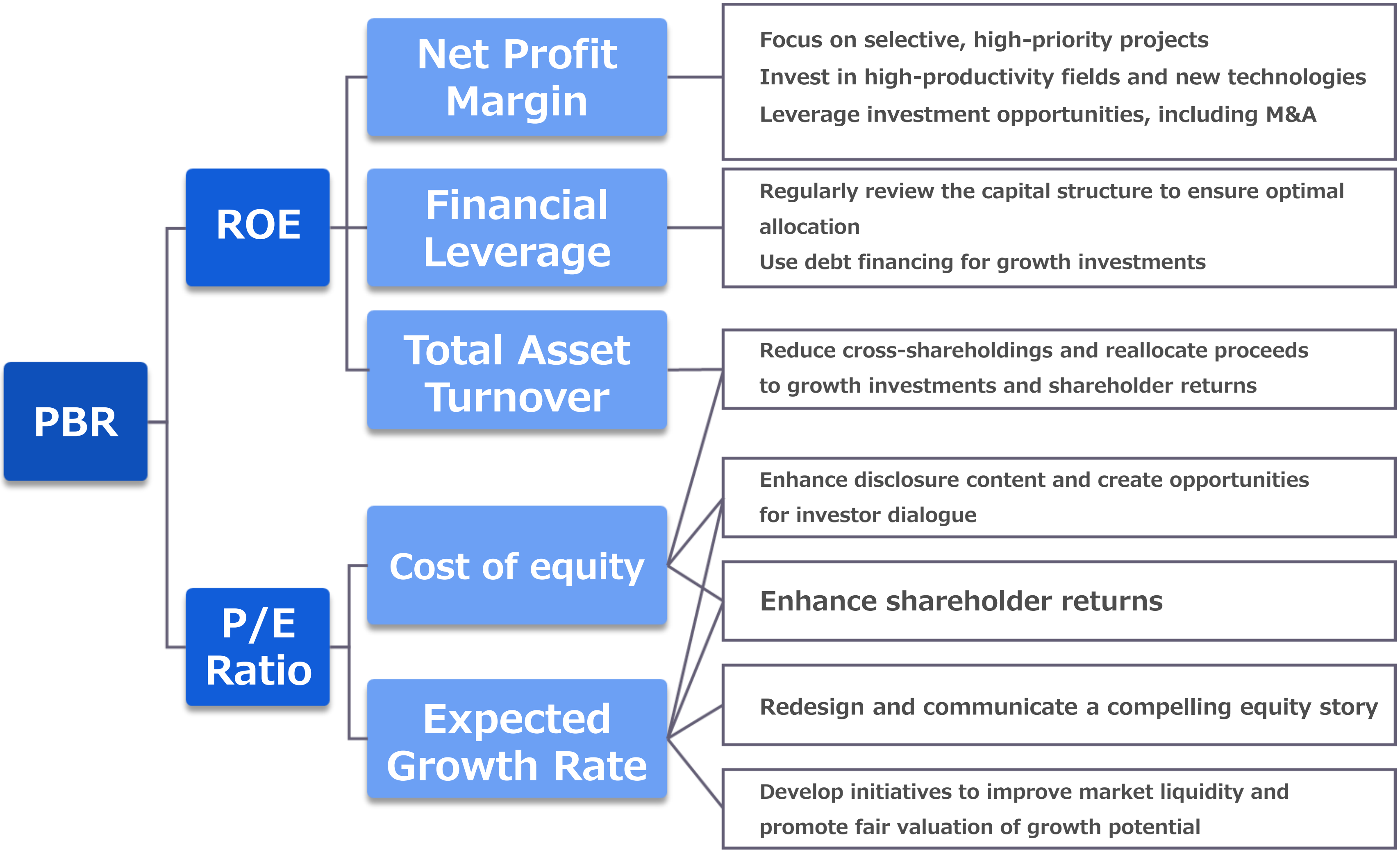
Policies

Pursue an optimal capital structure aligned with our growth stage and risk tolerance to strike the right balance among growth investments, financial stability, and shareholder returns.
By clearly linking our shareholder return policy to investment outcomes, we aim to elevate market expectations for growth and reinforce investor confidence in the capital markets.

Key Initiatives

- **Continuous Improvement of ROE**
  - Focus on selective, high-priority projects
  - Invest in high-productivity fields and new technologies
  - Leverage investment opportunities, including M&A
  - Regularly review the capital structure to ensure optimal allocation and use debt financing for growth investments
  - Reduce cross-shareholdings and reallocate proceeds to growth investments and shareholder returns
- **Strategic IR Activities to Reduce Information Asymmetry and Enhance Awareness**
  - Enhance disclosure content and create opportunities for dialogue
  - Strengthen shareholder return initiatives
  - Redesign and communicate a compelling equity story
  - Develop initiatives to improve market liquidity and promote fair valuation of growth potential

Key Initiatives



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Initiatives for the Future

Energy Saving

Proof of concept for tertiary batteries

- batteries that charge with ambient heat (Temperature rise and fall)
- aiming to realize "chargeless" IoT devices

Venture Support

Subsidiary
Focus Incubate Corporation

- commitment to the growth of our group
- venture investment and training and social implementation

Overseas Expansion

Contribution to basic education in the Philippines

- expectations for the Philippine market
- development of our own products

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— **Work-Life Balance**

— Diversity

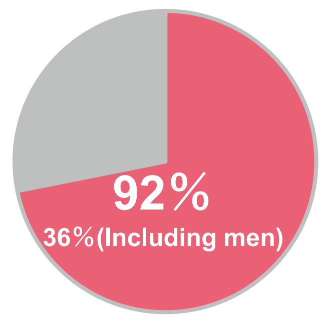
Work–Life Balance

01 Systems for shortened working days or reduced working hours

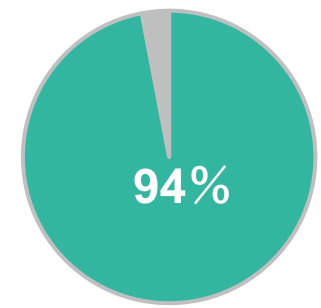
・・・Systems for helping employees balance work duties with childcare or eldercare. Employees can choose shortened working days (3 days a week) or reduced working hours (choice of 5 hours or 6 hours per day).
*Employees are eligible for the systems until their children reach the third grade in elementary 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, 2026

02 "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).

03 Flextime system

・・・ This system helps employees work based on their lifestyles.

Health Management

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

We have been recognized as a "Corporations with Exceeding Health Management (large-scale corporate division)" for the seventh consecutive year.

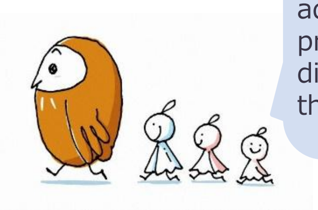
*The Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi recognize corporations that practice excellent health and productivity management.

01 Support for club activities

・・・In order to promote employee health, we provide support for club activities. Currently, approximately 100 employees and eight clubs are active.

02 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.



We also implemented measures to address mental health, and promoted understanding of health by disseminating information through the ITS Collabo-Health initiative

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— **Diversity**

Diversity

01 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.

02 Information exchange for female employees

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

女性が活躍しています！

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 have received the third-level "Eruboshi" certification by meeting all the criteria in the five areas of "recruitment," "continued employment," "working hours and other working practices," "ratio of managers," and "diverse career paths."

Corporate Website Information

On our homepage, we publish a variety of information to help our shareholders and investors gain a deeper understanding of our company.

News List

Latest information, press releases, event announcements, etc.

IR Information

Financial summaries, securities reports, IR materials, etc.

Medium-Term Management Plan 27-29

A medium-term management plan based on "strengthening the development, profit, and return cycle."

Sustainability

Initiatives for the realization of a sustainable society.

New Initiatives

Activities that utilize our technology to aim for the resolution of social issues.

FAQ

Questions and answers regarding stock information, financial results, and finances.

Contact Information

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Disclaimer

In this document, as a general rule, values are truncated to the nearest whole number, and percentages etc. are rounded to the first decimal place.
The information in this document is based on information and assumptions available at the time of its creation, and actual results may differ due to various factors. The Company does not guarantee its certainty.