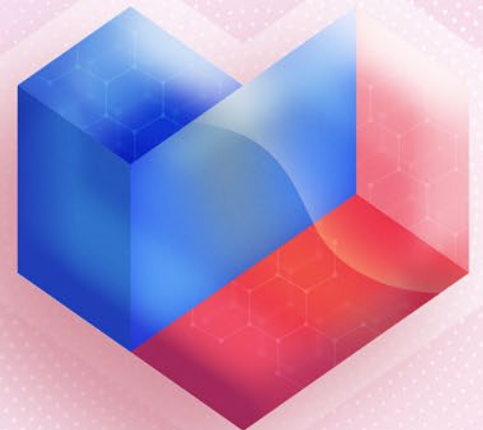


Focus Systems Corporation

Medium-Term Management Plan 27-29

**Fiscal years starting from the fiscal year ending March 31, 2027
to the fiscal year ending March 31, 2029**



May 15, 2026

Message from President

From "Labor-intensive" to "Intelligence-intensive"—Establishing a Competitive Advantage Through the Use of Advanced Technology

Focus Systems has built a solid foundation of trust through sound management. Having improved profitability under the previous Medium-Term Management Plan, we are now moving into a stage of "discontinuous growth" that transcends the boundaries of system integrators.

Under this new plan, we will grow to become a "strategic partner" that is deeply involved in management from the design stage, and which proactively leads customer transformation.

This signifies a progression toward a multilayered growth model that will drive the expansion of our business into the domains of high-value-added digital transformation (DX) and consulting to maximize earnings.

We will also actively promote the incorporation of advanced technology in anticipation of a shift to "intelligence-intensive" operations that do not rely heavily on labor.

This transformation is underpinned by the vast amount of practical knowledge that we have cultivated over many years in the field.

Even advanced technology, such as AI, is a weapon that can only be mastered by those who know the "right answers" based on extensive field experience.

Focus Systems will fully leverage our accumulated experience through advanced technology, and establish a competitive advantage that can unleash its true value in the AI era.

We invite you to join us in anticipating this new stage in our company's history as we lay the foundation for bold advancements.

Contents

01 Review of the Previous Medium-Term Management Plan — P.3

02 Medium-Term Management Plan 27-29

• Context	P.4	• Balance Sheet Structure and	
• Plan Overview	P.5	Cash Allocation	P.13
• Assessment of the Current Situation ...	P.6	• M&A Strategy	P.14
• Medium-Term Vision	P.7	• Management Targets	P.15
• Overall Corporate Strategy	P.8 – P.10	• Shareholder Returns	P.16
• Talent Strategy	P.11	• Sustainability Management ...	P.17
• Financial Strategy	P.12		

03 (For Reference) Action to Implement Management that is Conscious of Cost of Capital and Stock Price — P.18

※Excerpt

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%

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		Investment	
Net sales	¥45.0 billion	Strategic Investment	¥8.50 billion
Operating income	¥4.50 billion		
Operating margin	10.0%	Shareholder Returns	¥3.50 billion
ROE	16.0% or more		

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



Corporate Departments

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

Medium-Term Vision

Customers

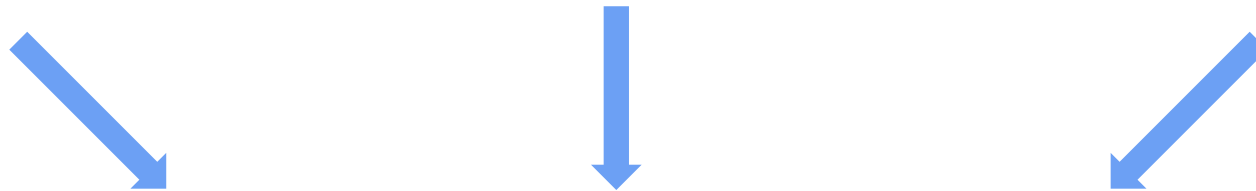
- Expansion of DX-related initiatives and investment
- Continued growth in IT investment and reliance
- Pursuit of system quality and responsiveness

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

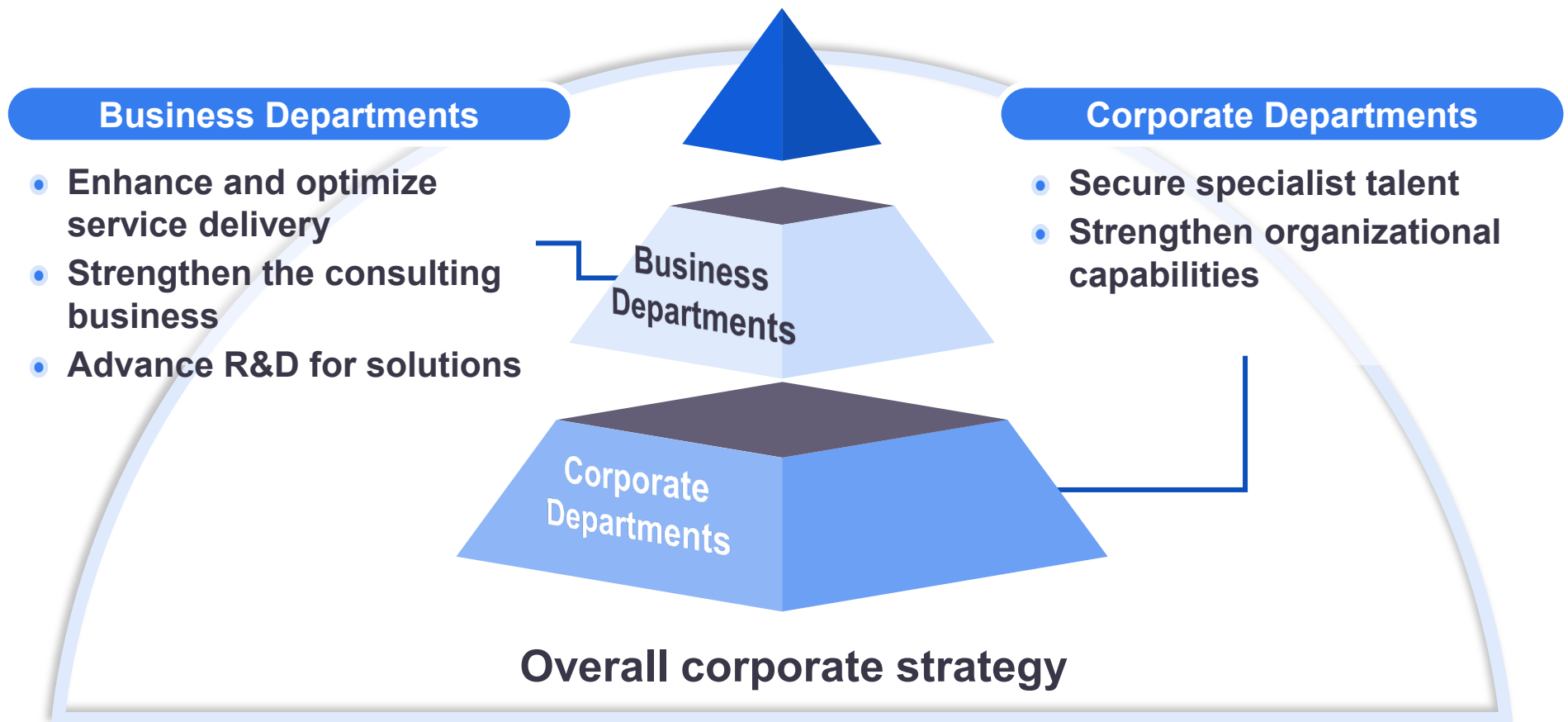
Be a strategic partner supporting the transformation of our customers through digital innovation

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



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)

*¹QCD (Quality · Cost · Delivery) : The initials of the three elements: Quality (Q), Cost (C), and Delivery (D).

*²RFP (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	<p>Create an environment where employees can work with a greater sense of fulfillment and with peace of mind for a long time</p> <ul style="list-style-type: none">• Strengthen engagement to improve retention and productivity• Provide rewarding remuneration• Expand welfare programs• Raise health awareness by strengthening employee health support
Develop specialist talent	<p>Develop highly specialized talent capable of providing higher quality services</p> <ul style="list-style-type: none">• 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

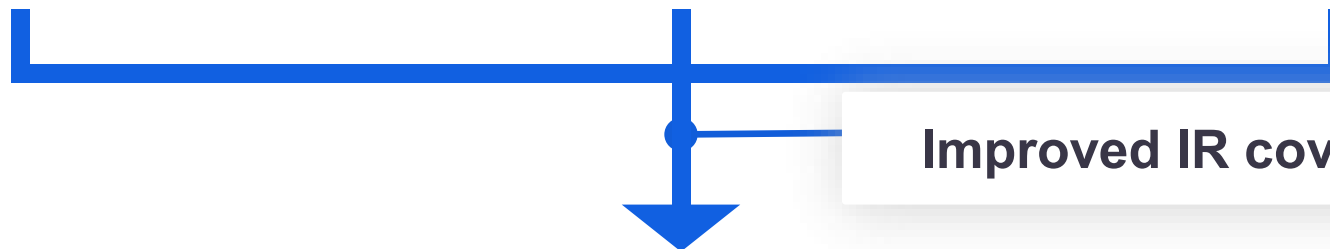
- Invest 8.5 billion yen over 3 years in growth fields
- Utilize M&A
- Strengthen efforts in exploring advanced technologies
- Use base rates that reflect cost of equity and investment risk

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**

<p>Cash from operations (before deductions for personnel investment) ¥9.5 billion</p>	<p>Strategic investment: ¥8.5 billion</p> <ul style="list-style-type: none"> 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
<p>Balance sheet optimization and financing ¥2.5 billion</p>	<p>Shareholder returns: ¥3.5 billion</p>

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

<p>Operating assets</p>	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

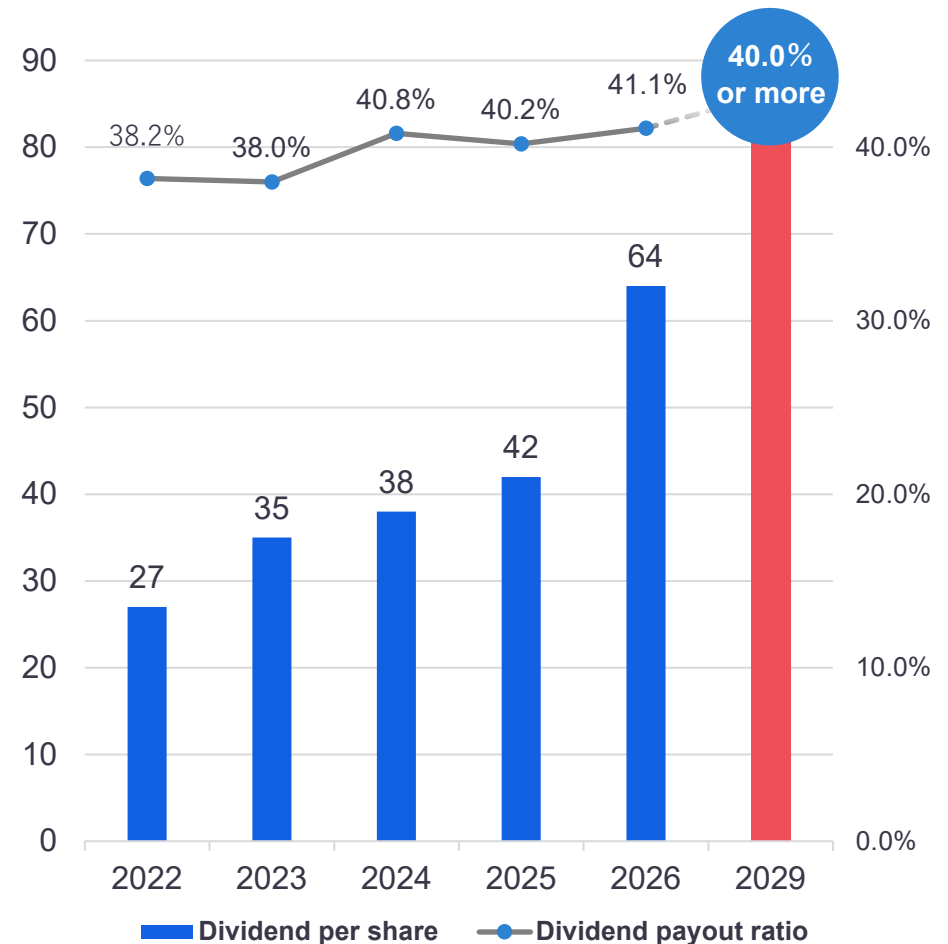
Increase total shareholder returns and improve capital efficiency by increasing dividends in line with profit growth and acquiring treasury shares flexibly

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**



(For Reference)

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

※Excerpt



Executive Summary

Policies

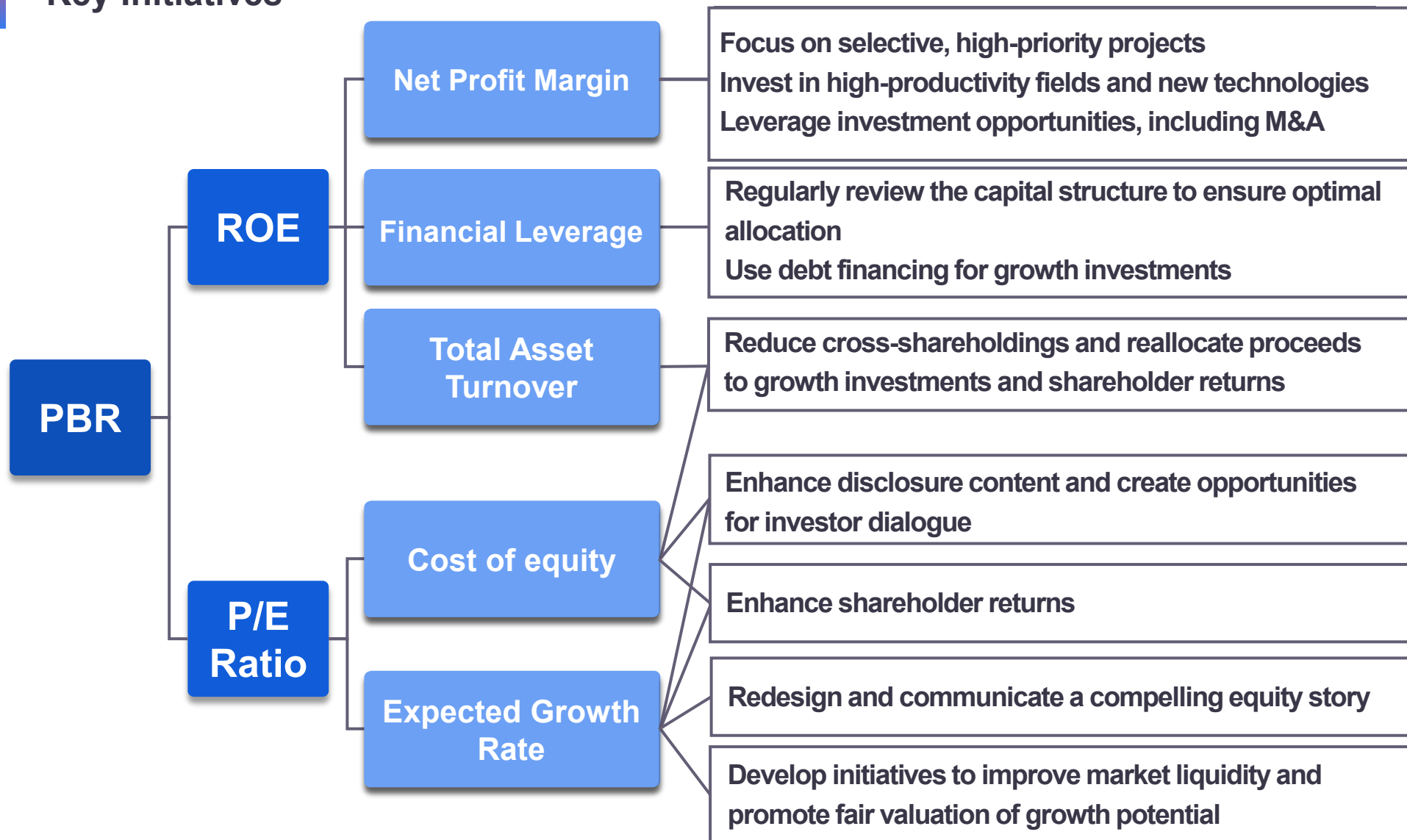
Pursue an optimal capital structure aligned with our growth stage and risk tolerance to strike the right balance among growth investments, financial stability, and shareholder returns.

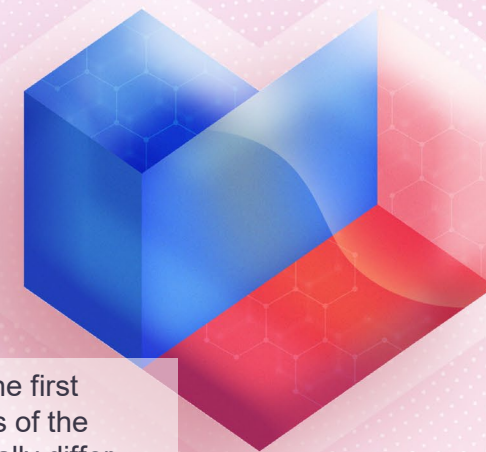
By clearly linking our shareholder return policy to investment outcomes, we aim to elevate market expectations for growth and reinforce investor confidence in the capital markets.

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





In this document, values are rounded down to the nearest whole number and percentages are rounded to the first decimal place. This document is based on information available as of May 15, 2026, 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. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.