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# Financial Results for the Third Quarter FY Ending March 2026

January 28, 2026



JFE Systems, Inc.



## Financial Results for the Third Quarter FY Ending March 2026

- The Key Growth Business of Digital Manufacturing , ERP Solutions , IT Infrastructure and Security business, and Smart Solutions business continued to perform steadily.
- However, overall results declined year-on-year due to the reduction in workload related to the Steelworks System Refresh Project in the JFE Group business.

## Financial Forecast for FY Ending March 2026

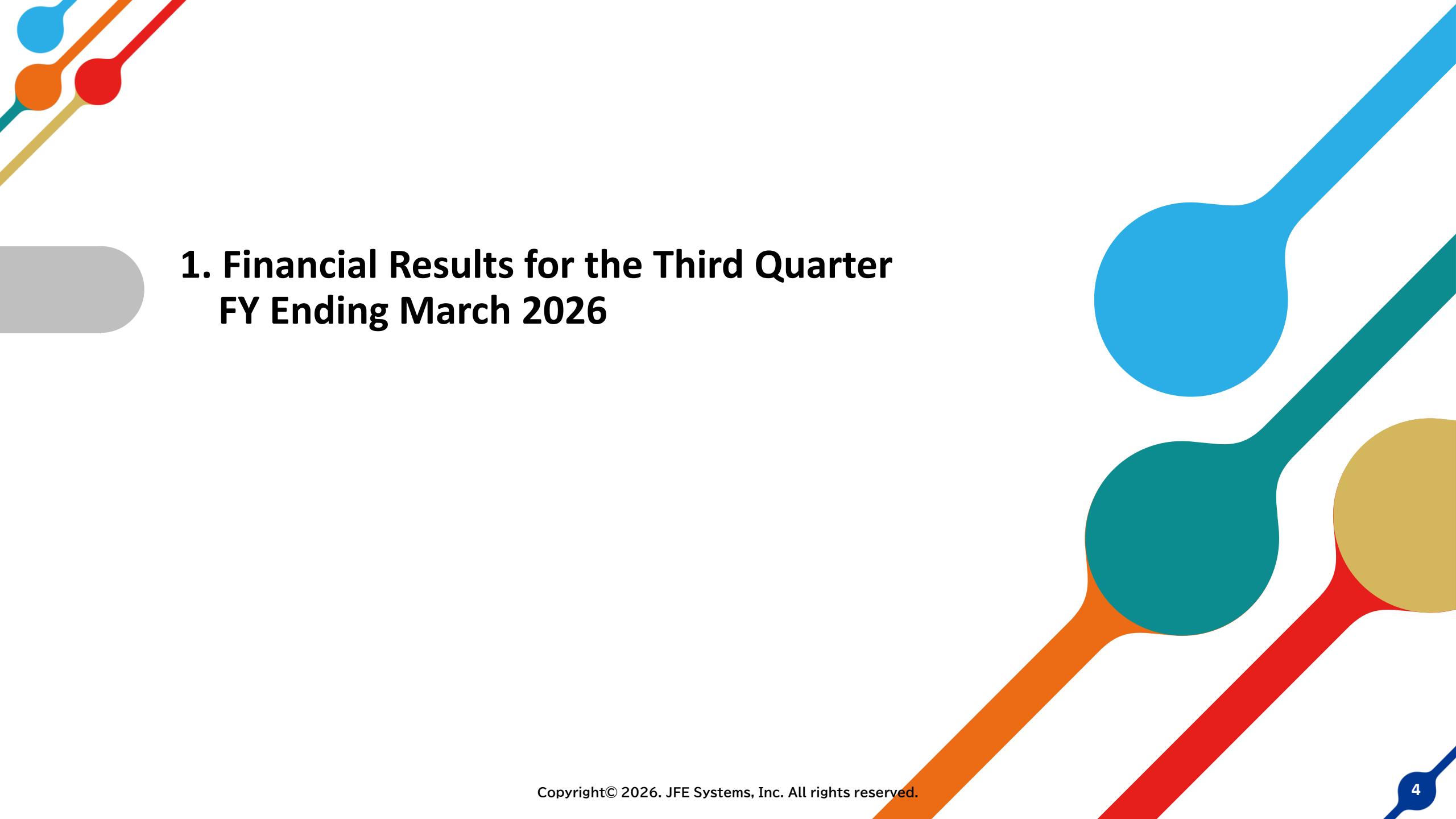
- External business performance grew steadily.
- However, the outlook for the JFE Group business is expected to be challenging due to the reduction in workload related to the Steelworks System Refresh Project, as well as delays in receiving orders for new projects.
- In light of the current business environment, we forecast net sales of 58.4 billion yen, down 5.5 billion yen from the previous year, and operating income of 5.6 billion yen, down 2.0 billion yen from the previous year. (As previously announced on October 29, 2025)

## Shareholder Returns

- Based on the financial Results for the Second Quarter of FY Ending March 2026, an interim dividend of 28 yen per share was paid.
- In addition, the annual dividend of 68.0 yen per share (an interim dividend of 28.0 yen and a year-end dividend of 40.0 yen) will be maintained as originally planned, with focus on shareholder returns.

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## **1. Financial Results for the Third Quarter**

### **FY Ending March 2026**

# Reporting Unit (Details)



## JFE Group

- **System Development for JFE Steel and JFE Group**

Execute establishment, improvement, operation, and maintenance of production and operation management systems for JFE Steel, and mission-critical and operation systems for head office and the JFE Group companies

- **Steelworks System Refresh Project (estimated completion in FY ending March 2026)**

Engage in system structural reform project as a fundamental component of JFE Steel's DX strategy, aimed at facilitating the utilization of extensive data assets in steelworks operations

## Digital Manufacturing

Key Growth Business

- **Data-driven management support**

Offer supply chain management solutions, build Industrial Data & AI platforms, and provide digital workplace

## ERP Solutions

Key Growth Business

- **Mission-critical systems development**

Establish mission-critical systems by integrating ERP systems from SAP SE and Microsoft Corporation along with ERP templates developed by the Company, and build BI/DWHs

## Smart Solutions

- **Package systems**

Offer system solutions (including electronic documentation, food quality information management, cost management, and procurement) developed by the Company, and alliance solutions, available individually or as bundled options

## Industry Solutions

- **Operation systems development for large-scale manufacturing**

Establish operation systems tailored to customer needs by utilizing our extensive industry knowledge

## Infrastructure

Key Growth Business

- **IT infrastructure**

Provide IT infrastructure, including cloud services, network construction, virtualization technology, and information security measures

## \* Subsidiaries

### JFE ComService Co., Ltd.

Develop infrastructure and SI for the JFE Group

### IAF Consulting, Inc.

Offer consulting services for introduction of management indicator visualization (BI)

# Financial Summary for Q3 FY Ending March 2026 (Consolidated: YoY Changes)

| Million yen                                  | Q3<br>FY Ended<br>March 2025 | Q3<br>FY Ending<br>March 2026 | YoY<br>Changes | YoY %<br>Change |
|--|------------------------------|-------------------------------|----------------|-----------------|
| Net Sales                                    | 47,158                       | 43,664                        | △3,494         | △7.4%           |
| Gross profit                                 | 10,984                       | 10,604                        | △380           | △3.5%           |
| Selling, general and administrative expenses | 5,694                        | 6,047                         | +354           | +6.2%           |
| Operating income                             | 5,290                        | 4,557                         | △734           | △13.9%          |
| Ordinary income                              | 5,351                        | 4,646                         | △705           | △13.2%          |
| Profit attributable to owners of parent      | 3,741                        | 3,203                         | △538           | △14.4%          |
|  |                              |                               |                |                 |
| Orders received                              | 47,656                       | 37,737                        | △ 9,919        | △20.8%          |
| Backing of orders                            | 23,297                       | 19,959                        | △ 3,338        | △14.3%          |
|  |                              |                               |                |                 |
| ROE (Return on equity)                       | 12.5%                        | 9.5%                          | △3.0 points    |                 |
| EPS (Earnings per share) * 1                 | 119.1 yen                    | 101.97 yen                    | △17.13 yen     |                 |

## Summary for Q3 FY Ending March 2026

### (Net Sales, Gross profit)

- Net sales decreased 7.4% year-on-year due to lower sales in the JFE Group business. Gross profit, on the other hand, decreased only 3.5% year-on-year due to improved gross margins.

### (Selling, general and administrative expenses)

- Increased 6.2% year-on-year due to expenses for recruiting and developing human resources, R&D, and investments in internal IT systems to strengthen the foundation for growth.

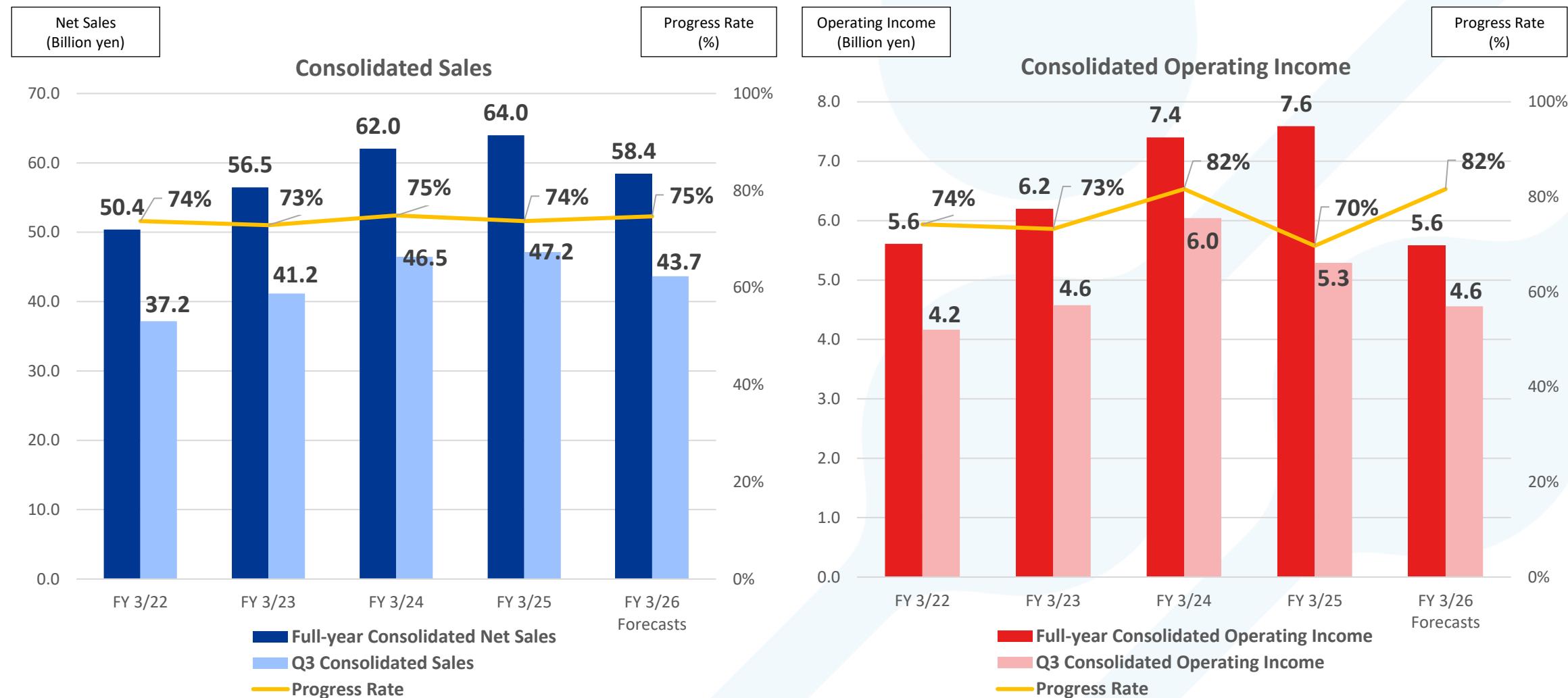
### (Operating income)

- Decreased 13.9% year-on-year due to a decrease in gross profit and an increase in strategic initiative expenses to strengthen the foundation for growth.

(\*1) Figures per share have been adjusted to the post-split basis.  
(The 2-for-1 stock split took effect on April 1, 2025)

# Financial Results for Q3 FY Ending March 2026 (Consolidated)

## (Reference) Q3 Progress Rate



# Sales by Business for Q3 FY Ending March 2026 (Consolidated: YoY Changes)

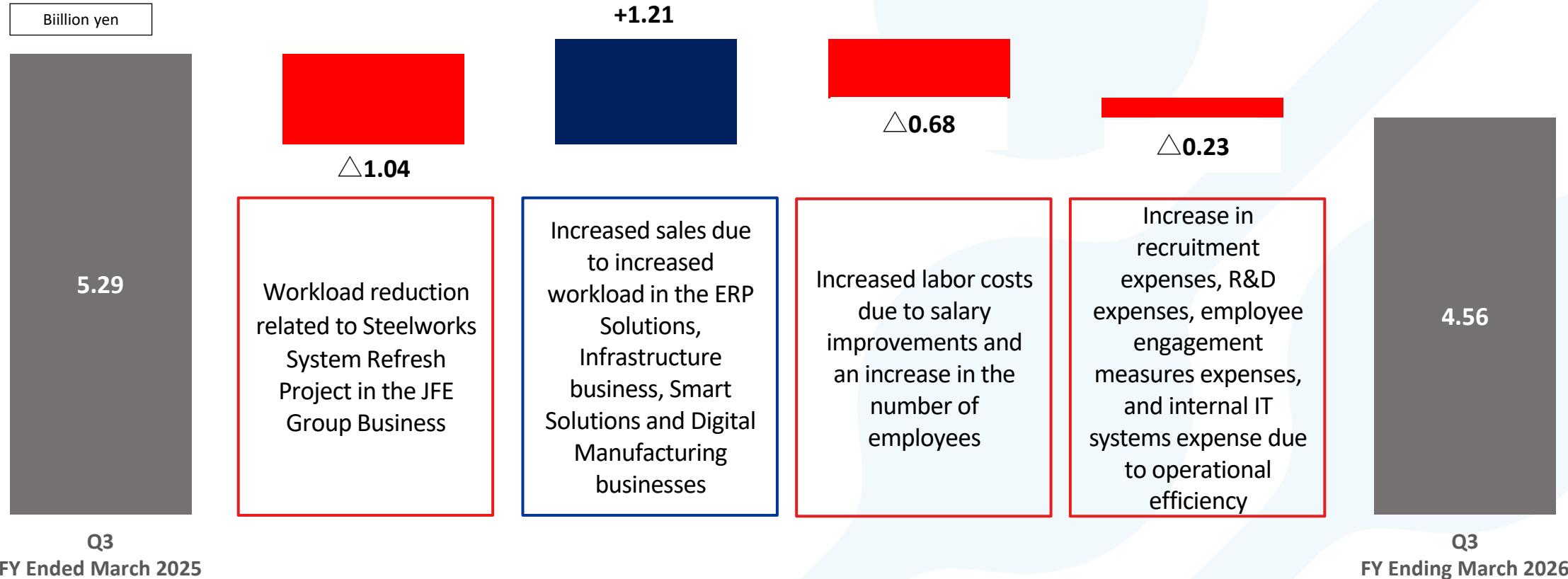
- Although external sales increased steadily year-on-year, overall results decreased due to the reduction in workload related to the Steelworks System Refresh Project in the JFE Group business.

| Million yen                    | Q3<br>FY Ended<br>March 2025 | Q3<br>FY Ending<br>March 2026 | YoY<br>Changes | YoY %<br>Change | Business Summary for Q3 FY Ending March 2026  |
|--------------------------------|------------------------------|-------------------------------|----------------|-----------------|---|
| <b>Net Sales *<sup>1</sup></b> | <b>47,158</b>                | <b>43,664</b>                 | <b>△3,494</b>  | <b>△7.4%</b>    |   |
| Digital Manufacturing          | 1,418                        | 1,624                         | +206           | +14.5%          | Sales increased due to an increase in supply chain management solutions introduced to manufacturing customers                                     |
| ERP Solutions                  | 2,314                        | 2,908                         | +594           | +25.7%          | Sales increased due to an increase in ERP solutions businesses for manufacturing customers and next-generation data platform development projects |
| Smart Solutions                | 3,674                        | 4,210                         | +535           | +14.6%          | Sales increased due to increase of new implementations and replacement project of HR and payroll systems.   |
| Industry Solutions             | 5,739                        | 5,793                         | +54            | +0.9%           | Maintaining a high level of workload resulted in consistent performance.  |
| JFE Group                      | 23,126                       | 17,578                        | △5,548         | △24.0%          | Sales decreased due to the reduction in workload related to the Steelworks System Refresh Project   |
| Infrastructure                 | 6,773                        | 7,354                         | +581           | +8.6%           | Sales increased due to an increase in IT infrastructure projects  |
| Subsidiaries                   | 3,958                        | 4,365                         | +408           | +10.3%          | Steady performance  |

Consolidated net sales (\*<sup>1</sup>) and total sales of each business segment are different due to accounting adjustments.  
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# Factors Affecting Operating Income Changes in Q3 FY Ending March 2026 (Consolidated)

- Profit decreased due to the reduction in workload related to the Steelworks System Refresh Project in the JFE Group business, as well as due to increased labor costs resulting from salary improvements, an increase in R&D expenses, and investments in internal IT systems to strengthen the foundation for growth.



# Balance sheet as of Q3 FY Ending March 2026 (Consolidated)

- Total assets decreased to 52,136 million yen, decreased by 930 million yen from the end of the previous year.

Million yen

| Item                            | End of<br>FY Ended<br>March 2025 | Q3<br>FY Ending<br>March 2026 | YoY<br>Changes | Item                                      | End of<br>FY Ended<br>March 2025 | Q3<br>FY Ending<br>March 2026 | YoY<br>Changes |
|---------------------------------|----------------------------------|-------------------------------|----------------|---|----------------------------------|-------------------------------|----------------|
| Cash and cash equivalents       | 24,053                           | 25,659                        | +1,605         | Current liabilities                       | 12,522                           | 10,358                        | △2,164         |
| Other current assets            | 16,218                           | 13,856                        | △2,362         | Non-current liabilities                   | 6,399                            | 6,022                         | △377           |
| <b>Total current assets</b>     | <b>40,271</b>                    | <b>39,515</b>                 | <b>△756</b>    | <b>Total liabilities</b>                  | <b>18,921</b>                    | <b>16,380</b>                 | <b>△2,540</b>  |
| Property, plant and equipment   | 4,079                            | 3,688                         | △391           | Shareholders' equity                      | 31,851                           | 33,059                        | +1,208         |
| Intangible assets               | 2,741                            | 2,774                         | +32            | Accumulated other<br>comprehensive income | 1,155                            | 1,524                         | +369           |
| Investments and other assets    | 5,974                            | 6,159                         | +185           | Non-controlling interests                 | 1,139                            | 1,172                         | +33            |
| <b>Total non-current assets</b> | <b>12,795</b>                    | <b>12,621</b>                 | <b>△174</b>    | <b>Total net assets</b>                   | <b>34,145</b>                    | <b>35,755</b>                 | <b>+1,610</b>  |
| <b>Total assets</b>             | <b>53,066</b>                    | <b>52,136</b>                 | <b>△930</b>    | <b>Total liabilities and net assets</b>   | <b>53,066</b>                    | <b>52,136</b>                 | <b>△930</b>    |

## 2. Financial Forecasts for FY Ending March 2026

# Forecast for the Fiscal Year Ending March 2026 (Consolidated: YoY)

- External businesses performance, mainly in the Key Growth Businesses Group, is expected to increase steadily. However, the outlook for the JFE Group business is expected to be challenging due to the reduction in workload related to the Steelworks System Refresh Project, as well as delays in receiving orders for new projects.
- In light of the current business environment, we forecast net sales of 58.4 billion yen, down 5.5 billion yen from the previous year, and operating income of 5.6 billion yen, down 2.0 billion yen from the previous year. (As previously announced on October 29, 2025)

| Million yen   | FY Ended March 2025 Results | FY Ending March 2026 Forecasts<br>(Announced October 2025) | YoY Changes  | YoY % Changes |
|---|-----------------------------|--|--------------|---------------|
| Net Sales   | 63,972                      | 58,436   | △5,536       | △8.7%         |
| Gross profit  | 15,084                      | 14,057   | △1,027       | △6.8%         |
| Selling, general and administrative expenses              | 7,495                       | 8,475  | +981         | +13.1%        |
| Operating income  | 7,589                       | 5,582  | △2,007       | △26.4%        |
| Ordinary income   | 7,667                       | 5,700  | △1,967       | △25.7%        |
| Net income attributable to shareholders of parent company | 5,442                       | 3,900  | △1,542       | △28.3%        |
|   |                             |  |              |               |
| ROE (return on equity)                                    | 17.5%                       | 11.5%  | △6.0 points  |               |
| EPS (Earnings per share) *1                               | 173.3 yen                   | 124.2 yen  | △49.1 yen    |               |
| DPS (Dividend per share) *1                               | 61.0 yen                    | 68.0 yen   | +7.0 yen     |               |
| Payout ratio  | 35.2%                       | 54.8%  | +19.6 points |               |

## Summary for FY Ending March 2026

### (Net Sales)

- Expected to decrease by 8.7% from the previous year due to a reduction in sales in the JFE Group business.

### (Selling, general and administrative expenses)

- Expected to increase 13.1% from the previous year due to increased expenses associated with aggressive recruiting and training of human resources and R&D for future growth.

### (Operating income)

- Expected to decrease by 26.4% from the previous year due to a decrease in sales and investment in human resources to strengthen the growth foundation.

(\*1) Figures per share have been adjusted to the post-split basis.  
(The 2-for-1 stock split took effect on April 1, 2025)

# Net Sales Forecasts by Business for FY Ending March 2026 (Consolidated: YoY)

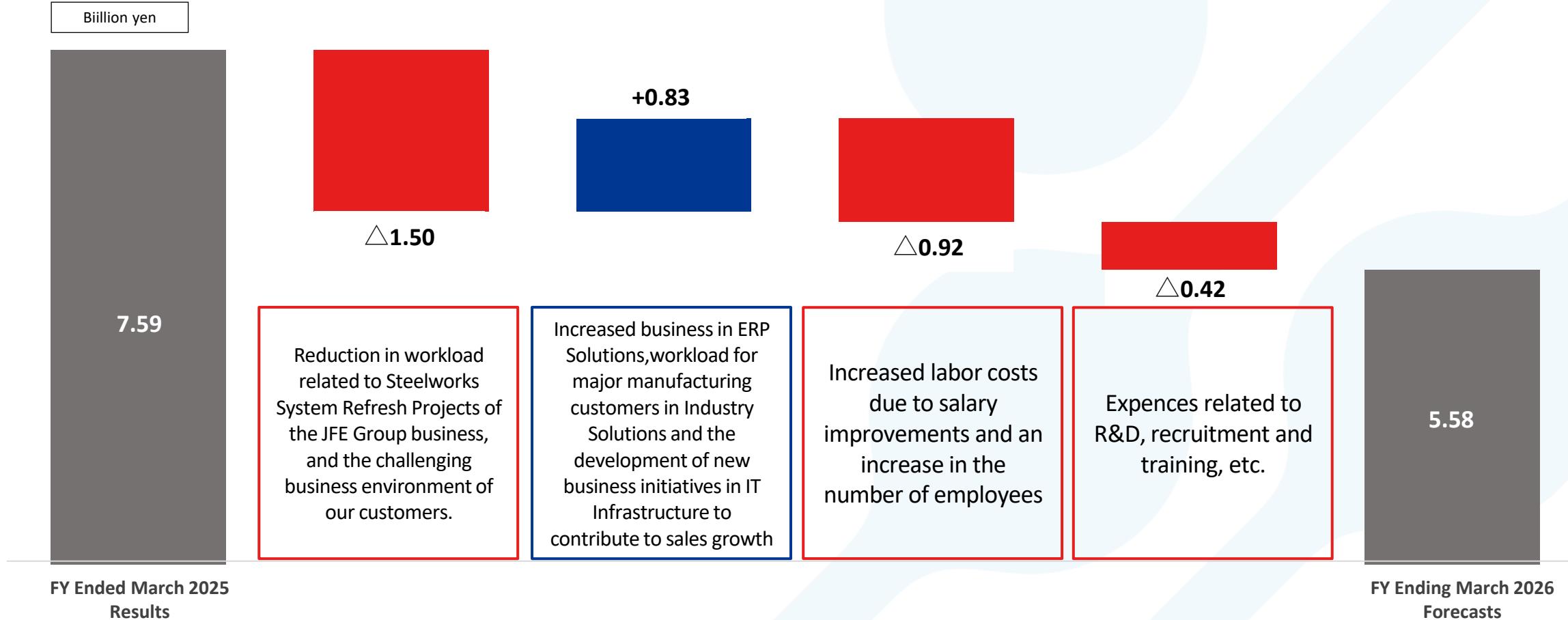
- Revenues outside the JFE Group, mainly in the Key Growth Businesses Group, are expected to increase steadily.
- However, as expected, sales of the JFE Group business are expected to decrease.

| Million yen           | FY Ended March 2025 Results | FY Ending March 2026 Forecasts (Announced October 2025) | YoY Changes   | YoY % Changes | Business Summary (Forecasts) for FY Ending March 2026   |
|-----------------------|-----------------------------|---|---------------|---------------|---|
| <b>Net Sales *1</b>   | <b>63,972</b>               | <b>58,436</b>   | <b>△5,536</b> | <b>△8.7%</b>  |   |
| Digital Manufacturing | 1,925                       | 2,094   | +169          | +8.8%         | Sales are expected to increase due to strong sales of supply chain management solutions introduced to manufacturing customers   |
| ERP Solutions         | 3,139                       | 3,897   | +758          | +24.1%        | Sales are expected to increase due to expansion of projects through collaboration with ERP package vendors and other companies  |
| Smart Solutions       | 5,238                       | 5,750   | +512          | +9.8%         | Sales are expected to increase due to an increase in the number of projects to introduce and update HR and payroll solutions and Cost Management Solutions, which are performing well |
| Industry Solutions    | 7,746                       | 8,510   | +764          | +9.9%         | Sales are expected to increase due to steady growth in business system development for manufacturing customers  |
| JFE Group             | 30,328                      | 21,854  | △8,474        | △27.9%        | As expected, sales are expected to decrease due to the reduction in workload related to Steelworks System Refresh and the challenging business environment of our customers.          |
| Infrastructure        | 9,444                       | 10,057  | +614          | +6.5%         | Revenue is expected to increase through expansion in external sales and active development of new businesses  |
| Subsidiaries          | 5,737                       | 6,274   | +537          | +9.4%         | Expect to maintain high sales performance   |

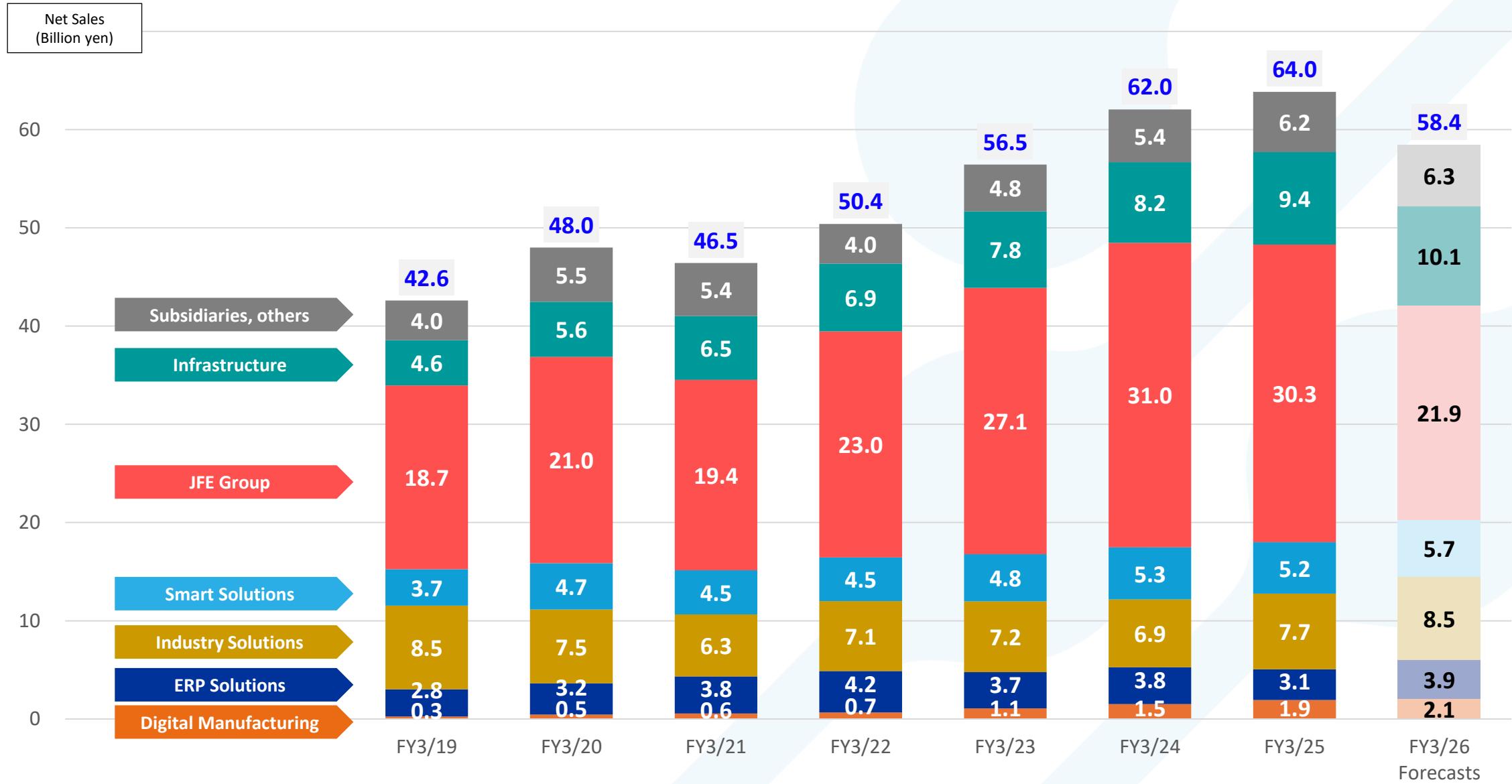
Consolidated net sales (\*1) and total sales of each business segment are different due to accounting adjustments.

# Factors Affecting Operating Income Changes in Financial Forecast for FY Ending March 2026 (Consolidated)

- In the JFE Group business, profit is expected to decrease due to the reduction in workload related to the Steelworks System Refresh Project and the challenging business environment of our customers, as well as increased labor costs due to salary improvements and increases in R&D expenses.



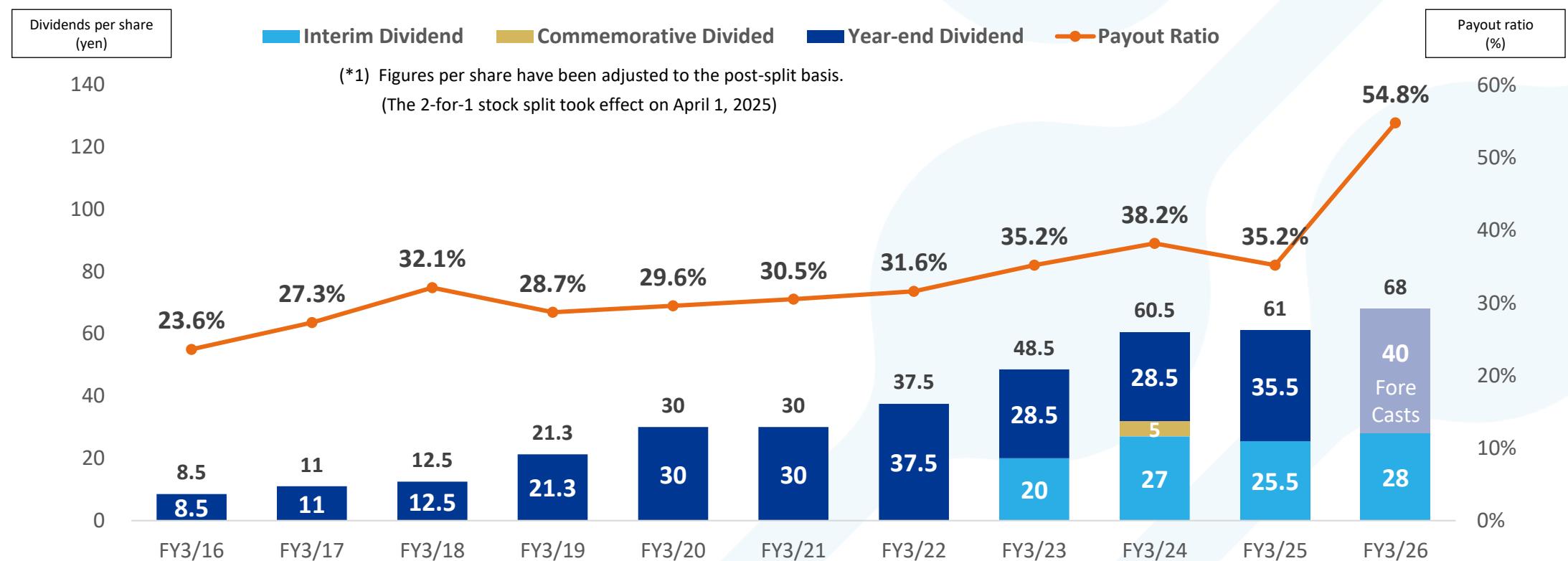
# Reference: History in Net Sales by Reporting Units (Consolidated)



### 3. Shareholder Returns

# Shareholder Return

- Under the current Mid-term Management Plan, the dividend payout ratio is targeted at 50%, and profit distribution is based on a comprehensive consideration of profit levels, reinvestment plans, and financial position.
- Based on the financial Results for the first half of FY2025, an interim dividend of 28.0 yen per share was paid.
- The year-end dividend is expected to remain unchanged at 40.0 yen per share, with an annual dividend of 68.0 yen per share. (Announced on October 29, 2025)
- We will continue to actively return profits to shareholders while maintaining stable dividends.





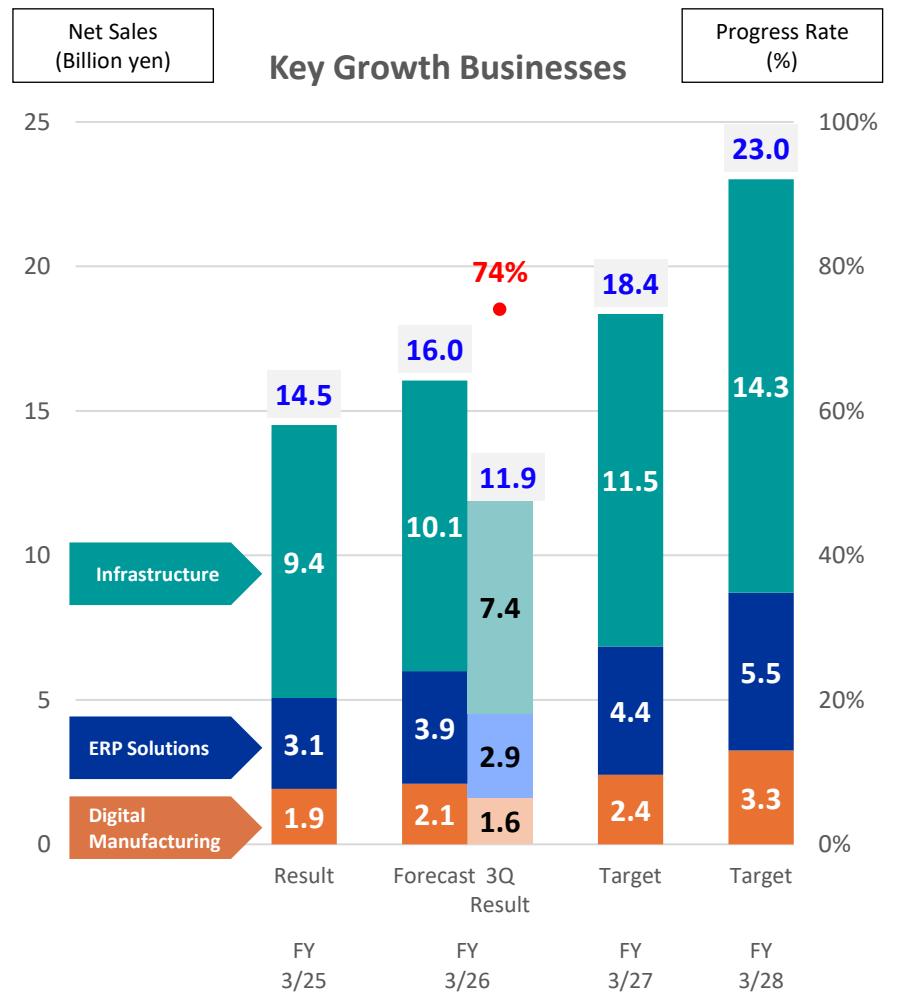
## 4. Progress against Mid-term Management Plan for Key Growth Businesses

# Progress against Mid-term Management Plan for Key Growth Businesses



## Key Growth Businesses

- Business groups that will drive company-wide growth and serve as future pillars in terms of both market presence and earnings.
- All three businesses made steady progress toward achievement of the Mid-term Management Plan.



### Infrastructure Business

- The overall business is progressing steadily as planned.
- In order to accelerate external sales expansion, we are strengthening internal and external cooperation and actively developing proposals.
- With a focus on cloud computing, security, and OT, we are considering and discussing the development of new solutions and internal and external collaborations for the Mid-term business growth.

### ERP Solutions Business

- Package introduction and conversion projects for the manufacturing industry, and the expansion of projects for building next-generation data platform secured a cumulative business scale as planned.
- In addition to strengthening our proposal and sales capabilities to attract new customers, we are working to strengthen our business foundation in order to expand our business scale over the Mid-term by focusing on business areas.

### Digital Manufacturing Business

- Projects to develop supply chain management (SCM) solutions for major customers, mainly in the manufacturing industry, are progressing steadily according to the Mid-term Management Plan.
- Centered on the use of integrated IT/OT data and SCM solutions, we are promoting a combination of initiatives, including increasing staff and accumulating expertise, for the Mid-term growth.

# Appendix

# Major News and Press Releases (Second Half of FY Ending March 2026)



November 13,  
2025

**JFE Steel Corporation East Japan Works (Keihin): Complete full migration of its core system for the large-scale integrated steelworks to an open system**

November 14,  
2025

**JFE Systems Certified as an AWS Select Tier Services Partner**

Certified as AWS Select Tier Services Partner in the AWS Partner Network on October 14, 2025.

November 18,  
2025

**JFE Systems Announces Opening of Nagoya Office**

Due to the expansion of the business at the Toyota Office, we established a new office to strengthen our sales structure in the Tokai region and further improve our customer service capabilities.



# Smart Work, Heartful Smiles.

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