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Financial Results for the First Quarter FY Ending March 2027

July 29, 2026

JFE Systems, Inc.

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Summary

Financial Results for the First Quarter FY Ending March 2027	● The Key Growth Business of Digital Manufacturing, ERP Solutions, IT Infrastructure and Security business, and Industry Solutions business performed steadily. ● However, overall results declined year-on-year due to the completion of the Steelworks System Refresh Project in the JFE Group business.
Financial Forecast for FY Ending March 2027	● Sales are expected to increase in the businesses for external customers, mainly in key growth businesses. ● Sales of JFE Group business will decrease from the previous fiscal year due to the completion of Steelworks System Refresh. However, we will promptly relocate resources and improve the operation efficiency to return to a company-wide growth trajectory. ● We forecast net sales of 60 billion yen (up 2.6 billion yen from the previous year) and ordinary income of 6.8 billion yen (up 350 million yen from the previous year). (As previously announced on April 24, 2026)
Shareholder Returns	● The year-end dividend for FY2025 (ending March 2026), amounting to 40 yen per share, was paid in line with the previous dividend policy. Combined with the interim dividend of 28 yen, the annual dividend increased to 68 yen per share. ● For FY2026, we expect to increase the annual dividend to 70 yen per share, reflecting the projected profit growth while maintaining the dividend payout ratio.

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1. Financial Results for the First Quarter FY Ending March 2027

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

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

Digital Manufacturing

Key Growth Business

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

Industry Solutions

- **Operation systems development for large-scale manufacturing**
  Establish operation systems tailored to customer needs by utilizing our extensive industry knowledge

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

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 Q1 FY Ending March 2027 (Consolidated: YoY Changes)

Million yen

	Q1 FY Ended March 2026	Q1 FY Ending March 2027	YoY Changes	YoY % Change
Net Sales	14,811	12,742	△2,069	△14.0%
Gross profit	3,682	3,160	△522	△14.2%
Selling, general and administrative expenses	2,029	2,358	+329	+16.2%
Operating income	1,653	802	△851	△51.5%
Ordinary income	1,685	884	△801	△47.5%
Profit attributable to owners of parent	1,097	519	△578	△52.7%
Orders received	12,256	10,704	△ 1,552	△12.7%
Backing of orders	23,331	21,026	△ 2,305	△9.9%
ROE (Return on equity)	3.3%	1.5%	△1.8 points	
EPS (Earnings per share)	34.9 yen	16.5 yen	△18.4 yen	

Summary for Q1 FY Ending March 2027

(Net Sales and Gross Profit)

- Net sales decreased 14.0% year-on-year due to lower sales in the JFE Group business. Gross profit decreased 14.2% year-on-year due to lower sales.

(Selling, general and administrative expenses)

- Increased 16.2% year-on-year due to sales strategy expenses, recruitment and training costs, and increased internal IT systems costs.

(Operating income)

- Decreased 51.5% year-on-year due to a decrease in gross profit and an increase in selling, general and administrative expenses.

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Sales by Business for Q1 FY Ending March 2027 (Consolidated: YoY Changes)

- Sales increased mainly in the Key Growth Businesses, including Digital Manufacturing, ERP Solutions, and Infrastructure business, while sales declined due to the completion of the Steelworks System Refresh Project in the JFE Group business.

Million yen	Q1 FY Ended March 2026	Q1 FY Ending March 2027	YoY Changes	YoY % Change	Business Summary for Q1 FY Ending March 2027
Net Sales *1	**14,811**	**12,742**	**△2,069**	**△14.0%**	
Digital Manufacturing	**513**	**566**	**+53**	**+10.4%**	Sales increased due to growth in supply chain management solutions for manufacturing customers and DX-related projects.
ERP Solutions	**898**	**945**	**+47**	**+5.2%**	Sales increased due to the expansion of next-generation data platform development projects for manufacturing customers and an increase in ERP Solutions implementation projects.
Smart Solutions	**1,386**	**1,374**	**△12**	**△0.9%**	Cost accounting solutions, procurement solutions, and HR and payroll solution projects continued to perform steadily, maintaining a high level of workload.
Industry Solutions	**1,888**	**1,906**	**+18**	**+1.0%**	Business system development projects for existing customers in the automotive and other manufacturing industries continued to perform steadily.
JFE Group	**6,736**	**3,892**	**△2,844**	**△42.2%**	Although sales decreased due to the completion of the Steelworks System Refresh Project, follow-on projects are progressing steadily.
Infrastructure	**2,368**	**2,443**	**+75**	**+3.2%**	Sales increased due to an increase in IT infrastructure security projects.
Subsidiaries	**1,339**	**1,347**	**+8**	**+0.6%**	Sales remained at the same level as the previous year.

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

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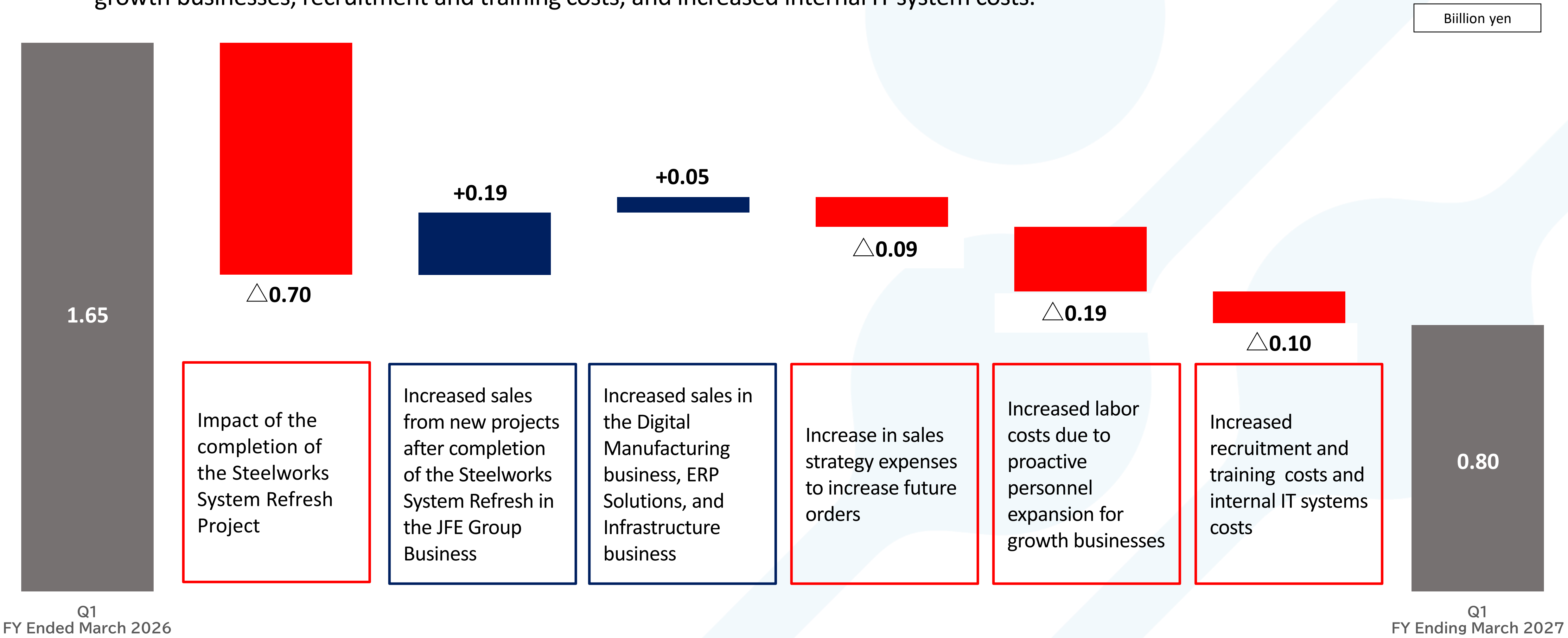
Factors Affecting Operating Income Changes in Q1 FY Ending March 2027 (Consolidated)

- Despite the impact of the completion of the Steelworks System Refresh Project, the Key Growth Businesses and the JFE Group business contributed positively. However, profit decreased due to sales strategy investments to increase future orders, personnel expansion for growth businesses, recruitment and training costs, and increased internal IT system costs.



Balance sheet as of Q1 FY Ending March 2027 (Consolidated)

- Total assets increased to 54,434 million yen, increased by 1,709 million yen from the end of the previous year.

Million yen

Item	End of FY Ended March 2026	Q1 FY Ending March 2027	YoY Changes
Cash and cash equivalents	27,600	28,491	+891
Other current assets	13,387	13,805	+418
Total current assets	40,987	42,296	+1,309
Property, plant and equipment	3,419	3,178	△242
Intangible assets	2,806	2,870	+65
Investments and other assets	5,512	6,090	+578
Total non-current assets	11,738	12,138	+400
Total assets	52,725	54,434	+1,709

Item	End of FY Ended March 2026	Q1 FY Ending March 2027	YoY Changes
Current liabilities	10,520	13,213	+2,694
Non-current liabilities	5,507	5,240	△268
Total liabilities	16,027	18,453	+2,426
Shareholders' equity	34,122	33,384	△737
Accumulated other comprehensive income	1,346	1,401	+56
Non-controlling interests	1,231	1,196	△35
Total net assets	36,698	35,981	△717
Total liabilities and net assets	52,725	54,434	+1,709

2. Financial Forecasts for FY Ending March 2027

Financial Forecast for FY Ending March 2027 (Consolidated: YoY Changes)

- In the first quarter, net sales declined year-on-year due to the completion of the Steelworks System Refresh Project.However, performance progressed in line with the full-year plan and remained as planned.
- We forecast net sales of 60 billion yen, up 2.6 billion yen from the previous year, and operating income of 6.6 billion yen, up 0.25 billion yen from the previous year. (As previously announced on April 24, 2026)

Million yen	FY Ended March 2026 Results	FY Ending March 2027 Forecasts	YoY Changes	YoY % Changes
Net sales	57,411	60,000	+2,589	+4.5%
Gross profit	14,424	15,560	+1,136	+7.9%
Selling, general and administrative expenses	8,078	8,960	+882	+10.9%
Operating income	6,346	6,600	+254	+4.0%
Ordinary income	6,454	6,800	+346	+5.4%
Net income attributable to shareholders of parent company	4,266	4,380	+114	+2.7%
ROE (Return on equity)	12.5%	11.9%	△0.6 points	
EPS (Earnings per share)	135.8 yen	139.5 yen	+3.6 yen	
DPS (Dividend per share)	68.0 yen	70.0 yen	+2.0 yen	
Payout ratio	50.1%	50.2%	+0.1 points	

Summary for FY Ending March 2027

(Net sales)

- Expected to increase by 4.5% year-on-year, supported by steady performance in the businesses for external customers, mainly in key growth businesses, despite the impact of lower sales in the JFE Group business.

(Selling, general and administrative expenses)

- Expected to increase by 10.9% year-on-year, reflecting higher expenses associated with the strengthened sales activities, proactive recruitment and training, and internal IT system for operational efficiency.

(Operating income)

- Expected to increase by 4.0% year-on-year, driven by higher sales.

Net Sales Forecast by Business for FY Ending March 2027 (Consolidated: YoY Changes)

- Despite the impact of the completion of the Steelworks System Refresh Project, sales are expected to increase by approximately 2.6 billion yen in fiscal 2026 compared to the previous fiscal year due to the expansion of businesses targeting external customers, mainly in Key Growth Businesses.

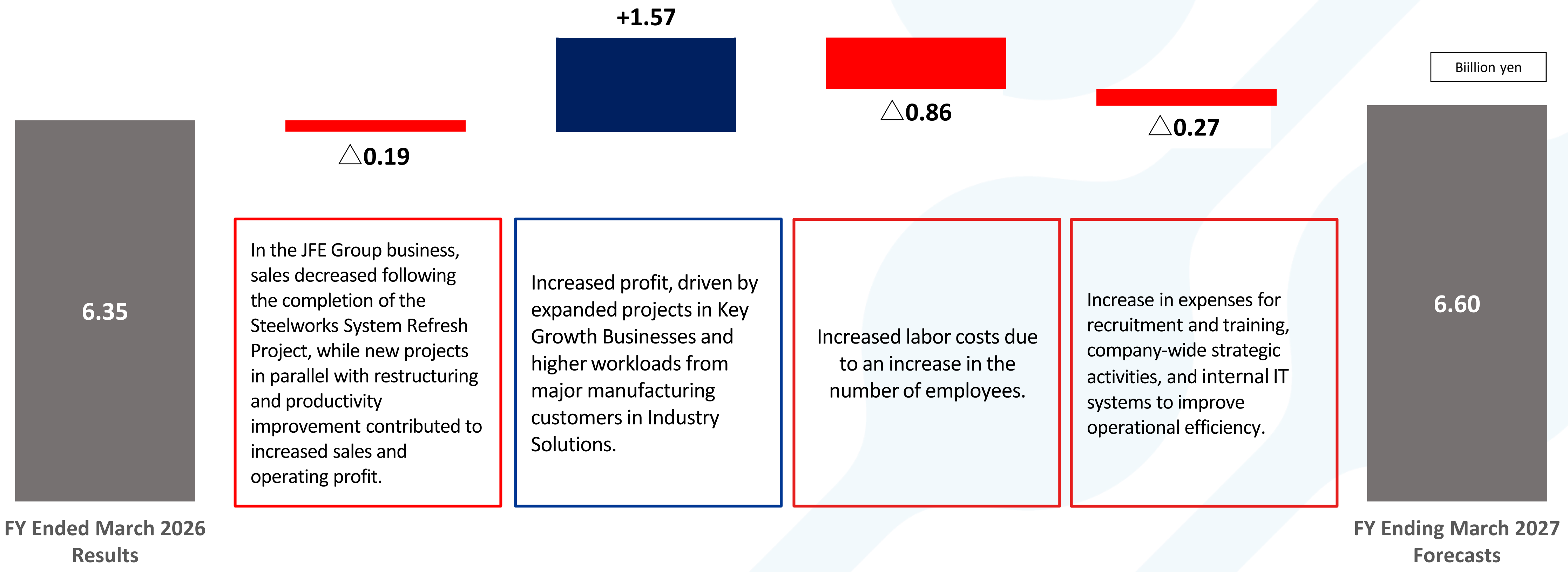
Million yen

	FY Ended March 2026 Results	FY Ending March 2027 Forecasts	YoY Changes	YoY % Changes	Business Summary (Forecasts) for FY Ending March 2027
Net Sales *1	**57,411**	**60,000**	**+2,589**	**+4.5%**	
Digital Manufacturing	**2,219**	**2,496**	**+277**	**+12.5%**	Expand business scale by securing projects for the implementation of supply chain management solutions and the use of integrated IT/OT data.
ERP Solutions	**3,977**	**4,818**	**+841**	**+21.1%**	Expected to increase sales, driven by expanded ERP solution projects for new customers and next-generation data platform development projects.
Smart Solutions	**5,907**	**6,095**	**+188**	**+3.2%**	Driving sustainable profitability and efficiency through the transition to a cloud-based business.
Industry Solutions	**7,895**	**9,284**	**+1,389**	**+17.6%**	Expect higher sales due to increased orders for business system development for existing customers in the automotive and other manufacturing industries.
JFE Group	**21,993**	**18,110**	**△3,883**	**△17.7%**	Stepping up efforts to secure future orders for large-scale projects following the completion of the Steelworks System Refresh Project.
Infrastructure	**9,904**	**10,632**	**+727**	**+7.3%**	Actively pursuing new business development, expanding business beyond the JFE Group, and promoting collaborations with external partners to scale the business.
Subsidiaries, others	**5,515**	**8,565**	**+3,050**	**+55.3%**	Expect an increase in revenue due to increased sales at JFE ComService Co., Ltd.

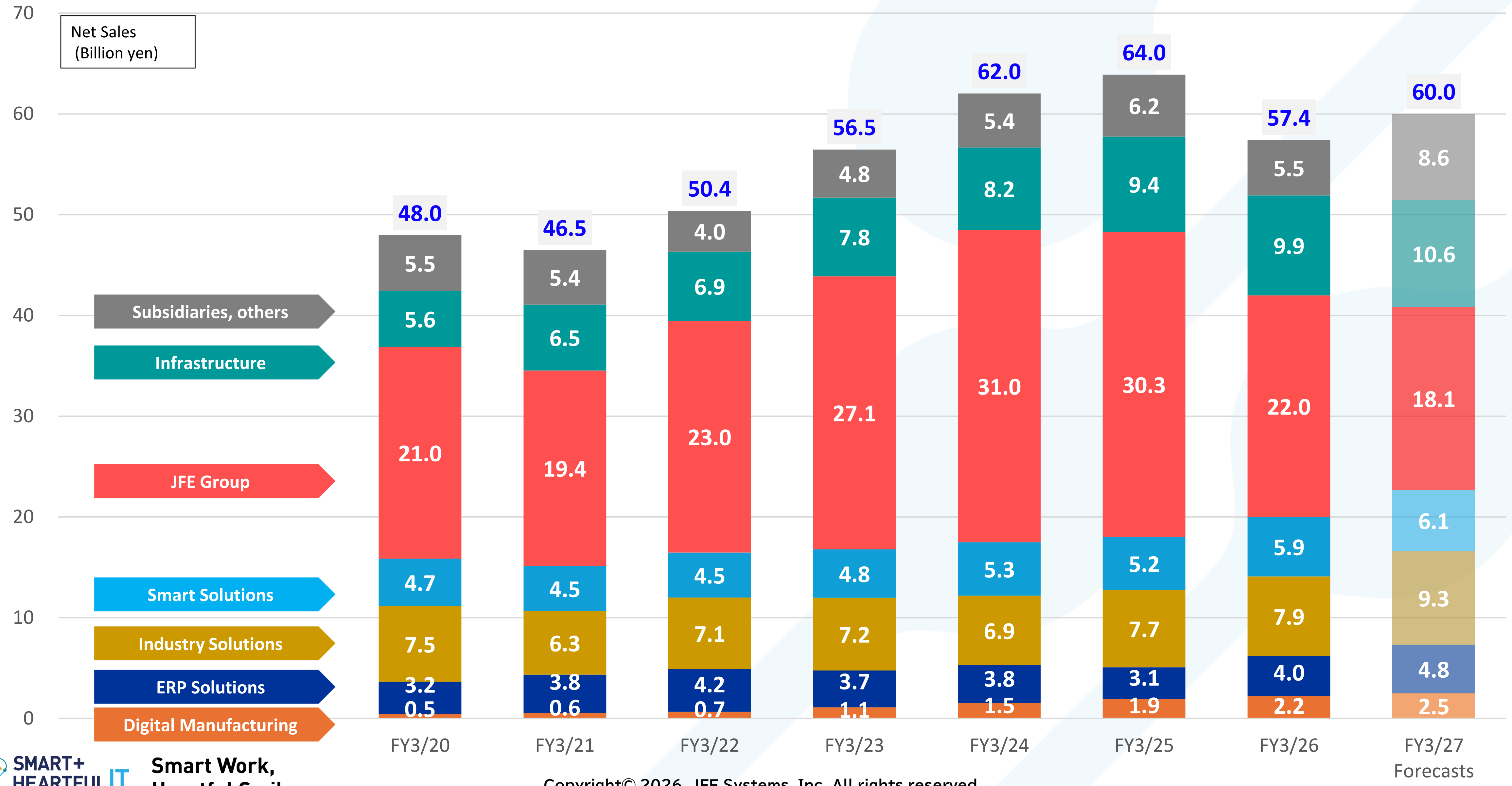
Consolidated net sales (*1) and total sales of each business segment are different due to accounting adjustments.

Factors Affecting Operating Income Changes in Financial Forecast for FY Ending March 2027 (Consolidated)

- Despite the impact of the completion of the Steelworks System Refresh, profit is expected to increase by 250 million yen year-on-year, supported by the expansion of external business performance, mainly in the Key Growth Businesses. This increase is expected even after factoring in personnel expansion for growth businesses, recruitment and training costs, and increased internal IT system costs.



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



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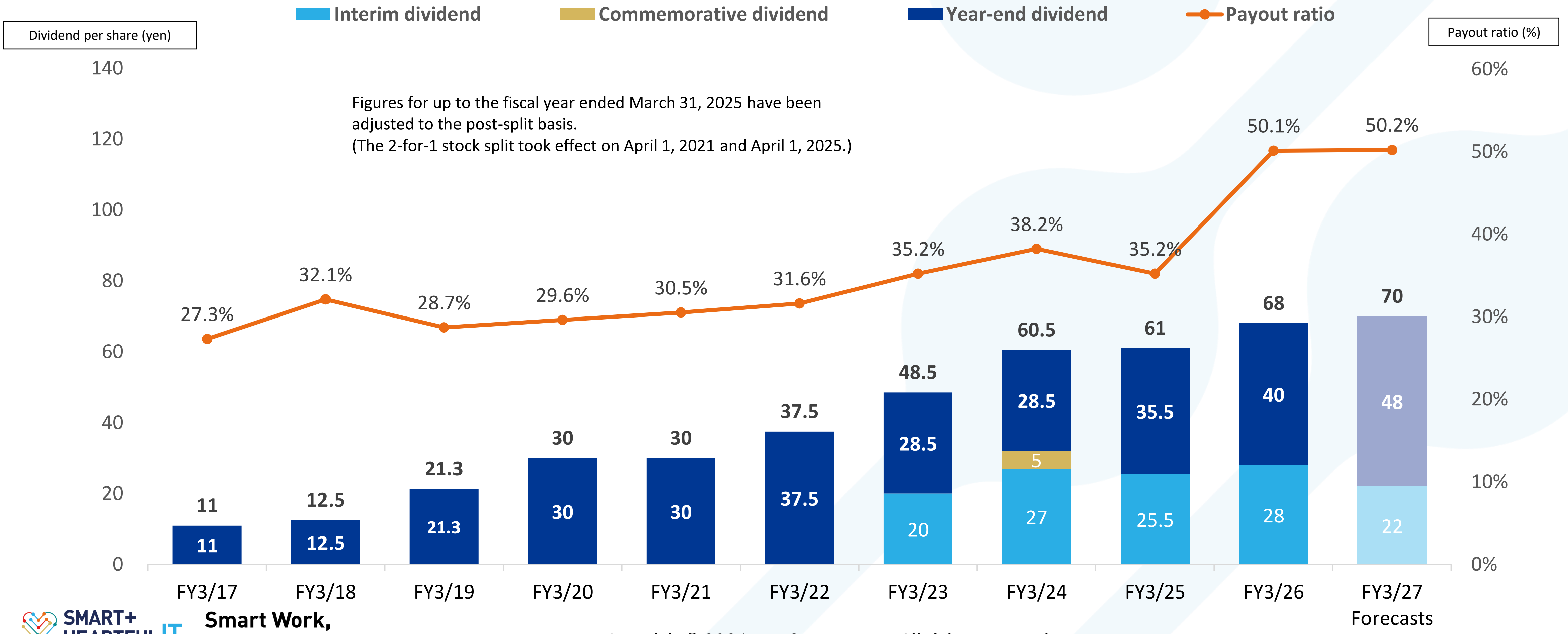
3. Shareholder Returns

Shareholder Returns

- 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.
- The year-end dividend for FY2025 (ending March 2026), amounting to 40 yen per share, was paid in line with the previous dividend policy.Combined with the interim dividend of 28 yen, the annual dividend increased to 68 yen per share.
- In fiscal 2026, we expect an annual dividend of 70 yen per share, continuing to prioritize shareholder returns while maintaining stable dividends. (Announced on April 24, 2026)



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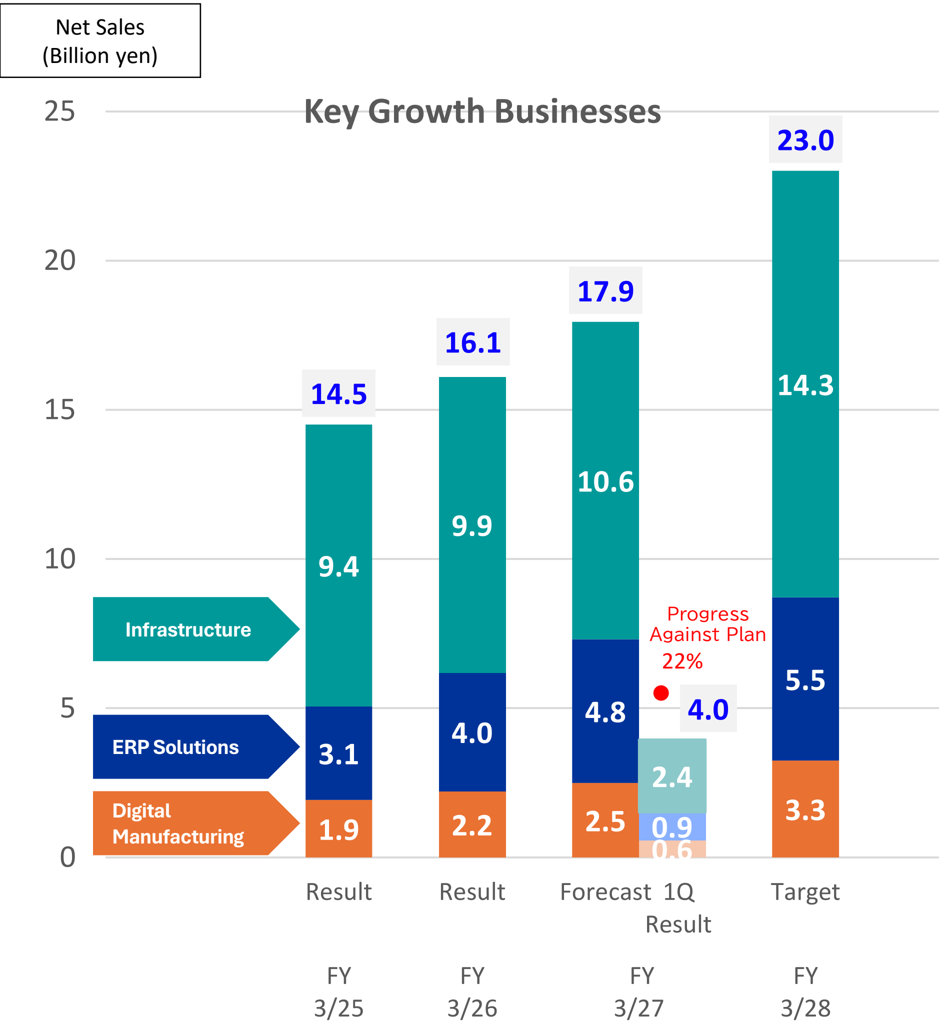
4. Progress against Mid-term Management Plan for Key Growth Businesses

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

- Against the backdrop of expanding IT infrastructure and security demand, business is progressing steadily as planned.
- Businesses with external customers are being expanded by leveraging the technologies and operational know-how cultivated through business operations within the Group.
- Aim to create new solutions and establish growth drivers through collaboration with other companies.

ERP Solutions Business

- Positioning SAP and Microsoft ERP Solutions as a key growth Driver, driving business expansion with a focus on manufacturing customers.
- Expanding value-added offerings and strengthening our earnings base through cross-selling of internally developed adjacent solutions.
- Projects to build next-generation Data platform are progressing steadily.

Digital Manufacturing Business

- Supply chain management (SCM) solution implementation projects for the manufacturing industry continue to be strong and are progressing in line with the Mid-term Management Plan.
- Against the backdrop of expanding DX demand, particularly in the manufacturing industry, field data utilization and IT/OT collaboration projects are expanding.

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Appendix

Major News and Press Releases (1Q of FY Ending March 2027)

May 26, 2026

DataDelivery®, an electronic bookkeeping system, acquires the full scope of the Digital Seamless Software Legal Requirements Certification

Acquires JIIMA certification for the full scope of Peppol issuance and receipt and bank transaction data receipt

Complies with the certification system newly established in the Law for the Preservation of Electronic Books by the FY2025 Tax Amendments (automatic storage and ledger linkage of electronic transaction data)

June 3, 2026

Wins the ASTERIA Warp Contribution Award 2026

Awarded at the Asteria Partner Summit 2026, hosted by Asteria Corporation, in recognition of the company's many years of implementation and collaboration achievements

June 4, 2026

Released new version (Ver. 1.3) of Prociec®, a cloud-based Web purchasing system

Enhanced support for unit-price contract product purchasing and Excel data upload/download functionality on each screen

Also enabled batch transfer of projects when organizational or personnel changes occur, achieving further streamlining of purchasing operations and administration

June 15, 2026

Certified as an Eruboshi (third level) Company under the Law for the Promotion of Women's Participation and Advancement

Received Eruboshi (third level) certification, conferred by the Minister of Health, Labour and Welfare, as a company with outstanding efforts to promote women's active participation and advancement

Major News and Press Releases (1Q of FY Ending March 2027)

June 25, 2026

JFE Systems Employees Selected as "2026 Japan All AWS Certifications Engineers"

Two of our employees have been selected as engineers holding all 12 eligible AWS certifications.

July 24, 2026

JFE Steel Won the IT Japan Award 2026 Grand Prix for the Steelworks System Refresh Project

JFE Steel has won the Grand Prix at the IT Japan Award 2026, sponsored by Nikkei Computer, in recognition of its Steelworks System Refresh Project. JFE Systems contributed greatly to the success of the project by migrating approximately 200 million steps of legacy assets to an open cloud environment.

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