April 25, 2025

Company name: JFE Systems, Inc.
Name of representative: Tetsuo Oki
President and CEO
(Securities code: 4832; TSE Standard Market)
Inquiries: Manabu Takahashi
General Manager
General Affairs Department
(Telephone: +81-3-5418-2400)

Notice Regarding the Formulation of the "Mid-Term Management Plan 2025-2027"

At the Board of Directors meeting held on April 25, 2025, our company resolved the "Mid-Term Management Plan 2025-2027" as follows, and we hereby announce it.

1. About the "Mid-Term Management Plan 2025-2027"

In addition to reviewing the "Mid-Term Management Plan 2022-2024," we have formulated the new "Mid-Term Management Plan 2025-2027" based on our recognition of the business environment surrounding our group.

2. Attached Documents

For details on the "Mid-Term Management Plan 2025-2027," please refer to the attached documents.

Note: 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.

Mid-term Management Plan 2025-2027

April 25, 2025

JFE Systems, Inc.

SMART+ HEARTFUL IT スマートフル

Smart work,
Heartful Smiles.

Copyright© 2025. JFE Systems, Inc. All rights reserved.

AGENDA

1. Corporate Philosophy
2. Current Business Overview and Management Environment
3. Review of the Previous Mid-Term Management Plan (2022-2024)
4. Overview of the Mid-Term Management Plan (2025-2027)

Copyright© 2025. JFE Systems, Inc. All rights reserved.

1.Corporate Philosophy

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Smart work,
Heartful Smiles.

SMART+ HEARTFUL IT
スマートフル

As we shift from an age centered on business organizations to one centered on people,
the need has emerged for IT to enable workers to devote themselves
to working creatively, while also focusing on accuracy and efficiency.
We call this "Smartful (Smart + Heartful) IT."
JFE Systems, as IT professionals, places great importance on human connections,
and with the power of Smartful IT,
we aim to bring about a sense of “We can achieve it!” to the world.

Through the power of IT,
JFE Systems aims to create and contribute to such a ”human-centered” future
where each individual’s potential is fully realized and organically connected,
thereby spreading the joy of turning aspirations into reality.

Copyright© 2025. JFE Systems, Inc. All rights reserved.

2.Current Business Overview and Management Environment

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Current Business Overview and Management Environment

We offer a diverse range of support to assist clients in addressing management challenges through the expertise of IT professionals, providing consulting services and comprehensive solutions.

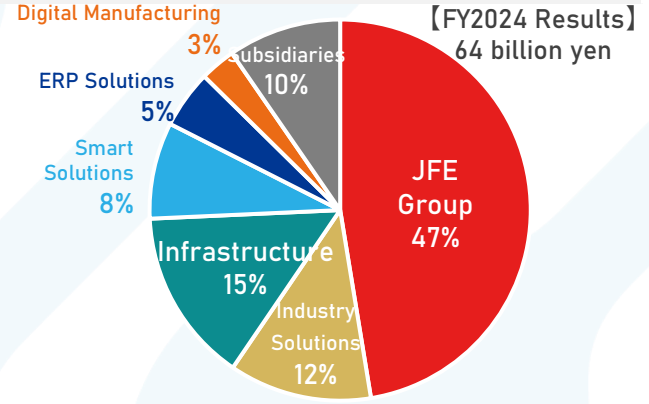
Social Environment

- Changes in Population and Social Structures
- Acceleration of DX
- Evolution of Workstyles
- Increased Risks of Cyber Attacks

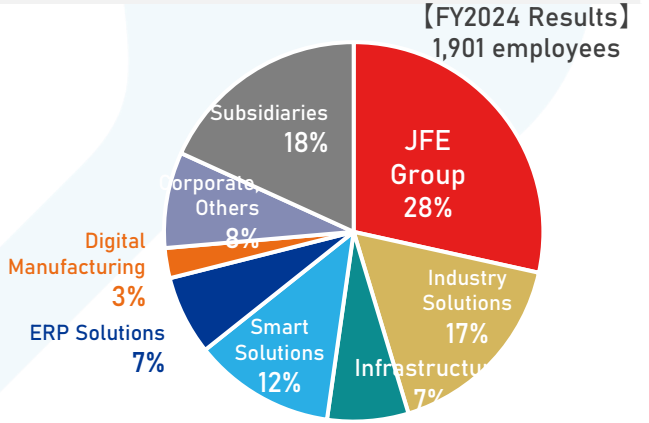
Our Business

DX Digital Manufacturing	・SCM ・Digital twin ・Digital workplace
Operation Solutions ERP Solutions Smart Solutions	・ERP deployment support and solutions ・Peripheral Solutions 〔Cost management system (J-CCOREs) Purchasing system (Prociec) Human resources/payroll management〕 ・Specialized solutions for specific customer domains 〔Food Industry, e-Documents〕
Infrastructure Services Infrastructure	・Cloud services ・Development and operation of IT infrastructure ・Support for cyber security
System Integration Industry Solutions JFE Group	・Development of operation systems tailored to client needs ・Specialized solutions for specific customer domains 〔JFE Group〕

Composition of sales by business (consolidated)



Composition of employees by business (consolidated)



スマートフルIT SMART+HEARTFUL はたらくをスマートに。はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

3.Review ofthe Previous Mid-Term Management Plan (2022-2024)

Copyright© 2025. JFE Systems, Inc. All rights reserved.

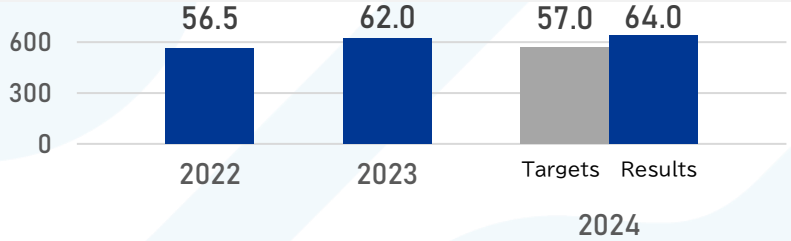
Review of the Previous Medium-term Management Plan (FY2022-2024)

Achieved financial targets through strategic investments in business operations, human resources, and product development, along with consistent execution of established initiatives.

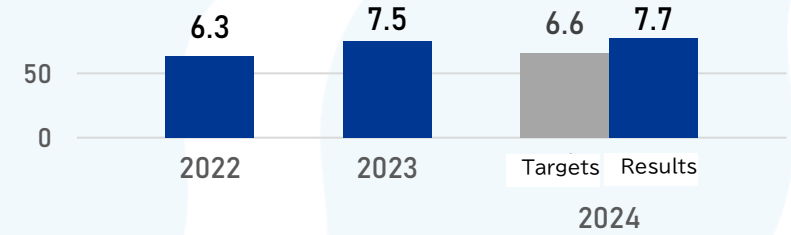
Consolidated Financial Indicators

		Targets	Results
FY2024	Ordinary Income	6.6 billion yen	7.7 billion yen
	ROS	11.6%	12.0%
FY2022-2024	ROE	Maintaining a level of approx. 15%	17.8% on average

Net sales



Ordinary income



Investment Targets

Product Development	2.0 billion yen in 3 years	2.28 billion yen in 3 years
Service-based business	5.0 billion yen in 3 years	6.49 billion yen in 3 years
Human Capital	+2.0 billion yen	+3.67 billion yen

スマートフルIT SMART+HEARTFUL はたらくをスマートに。 はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Review of the Previous Medium-term Management Plan (FY2022-2024)

Achieved financial targets through strategic investments in business operations, human resources, and product development, along with consistent execution of established initiatives.

Consolidated Financial Indicators (Annual changes)

	Targets		Results	
	FY2022	FY2024	FY2022	FY2024
Net sales	54.0 billion yen	57.0 billion yen	56.5 billion yen	64.0 billion yen
Ordinary income	5.70 billion yen	6.60 billion yen	6.3 billion yen	7.7 billion yen
ROS	10.6%	11.6%	11.1%	12.0%
Net income attributable to shareholders of parent company	3.74 billion yen	4.37 billion yen	4.32 billion yen	5.44 billion yen
ROE	Maintaining a level of approx. 15%		17.7%	17.5%
Dividends	85 yen/share	Payout ratio of approx. 35%	97 yen/share	122 yen/share
Payout ratio	35.7%		35.2%	35.2%
Share price (closing average)	-	-	2,331 yen	3,278 yen

スマートフルIT SMART+HEARTFUL はたらくをスマートに。 はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Review of the Previous Medium-term Management Plan (FY2022-2024)

Business Strategies

1	JFE Steels's Steelworks System Refresh Project	• Steelworks System Refresh Project in progress as scheduled →Aiming for completion by end of FY2025
2	Business expansion in Infrastructure and DX based on JFE Group's achievements	• Achieved steady growth in Infrastructure business, especially in security and cloud services • Expanded DX sector by development of CPS* platforms and Gen AI tools within the Group
3	Accumulation of technologies and expertise	• Completed transition of JFE Steel's Steelworks System Refresh Project, developed Gen AI tools within the Group, and improved capabilities in low-code development

Company-wide Strategies

1	Strategic investments for future growth	• Invested 2.28 billion yen in R&D and product development, 6.49 billion yen in service provision and in-house capital, and 3.67 billion yen in human capital
2	Implementation of equity measures	• Established equity policy with higher payout ratio of 35% (prev. 30%) • Dividends in FY2024 significantly increased due to favorable business performance
3	Development and expansion of highly skilled personnel and enhancement of compensation	• Focused on recruiting and training highly skilled personnel involved in DX, in collaboration with JFE Steel • Achieved 10.1% increase in monthly compensation compared to 2021

- We have consistently pursued investments including M&As while focusing on wage increases and executing business strategies.
- Our efforts to enhance shareholder returns will continue by improving dividend payout ratio and driving robust business performance.

Copyright© 2025. JFE Systems, Inc. All rights reserved.
*CPS:Cyber Physical System

Review of the Previous Medium-term Management Plan (FY2022-2024)

Management challenges identified in the previous medium-term plan

Effective utilization of assets	Synergies among businesses	Sustainable growth
Company-wide resources and assets are not optimally utilized due to a decentralized business development approach and unclear responsibility distribution	Lack of collaboration among business units and unclear core competencies to be shared, leading to insufficient synergies between business units	Workload associated with JFE Steel's Steelworks System Refresh Project has significantly increased but is now nearing completion

Need to initiate management changes to "Ignite our passion for growth"

Share business assets and technologies by optimizing company-wide resource utilization

Implement management practices with a company-wide perspective, emphasizing synergies among business units

Establish solid foundation for growth that builds upon achievements in JFE Group

We aim to tackle issues and implement changes in the FY2025-2027 Medium-term Plan

Copyright© 2025. JFE Systems, Inc. All rights reserved.

4.Overview ofthe Mid-Term Management Plan(2025-2027)

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Vision for 2030

Realization of Smartful IT

With the power of IT, we aim to contribute to society
by enhancing customer experiences and creating a smarter world

Delivering social value | Enhancing corporate value

Expanding business scope

Value Creation Process

STEP 1 2022-2024	STEP 2 2025-2027	STEP 3 2028-2030
Business Growth		
Strengthen DX/Infrastructure business	Restructure the business portfolio	Evolution towards a consulting-oriented company
Profitability and Financial Stability Development		
Enhance profitability and return strategies	Strive for both scale and profitability Reinforce shareholder returns	Net sales over 85.0 billion yen Operating income over 12.0 billion yen

スマートフルIT SMART+HEARTFUL はたらくをスマートに。はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Medium-term Theme　Growth, Cooperation, and Co-creation

Evolve into a socially responsible company committed to sustainable growth by utilizing strengths developed in steel industry

Company — Growth

Inter-business — Cooperation Collaboration

With customers — Co-Creation

	2024	2025	2027	2030
Net sales	64.0 billion yen	58.6 billion yen	67.4 billion yen	Over 85.0 billion yen
Ordinary income	7.7 billion yen	6.4 billion yen	8.0 billion yen	Over 12.0 billion yen

Strategic Key Points

Business Transformation
- **Fundamentally reshape business portfolio** for continuous growth
- Identify key growth businesses and reallocate resources
→**Increase net sales from growth businesses to offset the decline in steel business** due to completion of JFE Steel's Steelworks System Refresh Project

Corporate Culture Evolution
- Develop organizational structure to create company-wide synergies in line with business transformation
- **Cultivate corporate culture for sustainable growth and continuous development**

Investment and Financial Strategy Development
- Drive growth through strategic investments and M&As
- **Enhance corporate value and capital efficiency** by increasing shareholder returns beyond previous levels

Strengthening management foundation

スマートフルIT SMART+HEARTFUL　はたらくをスマートに。はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

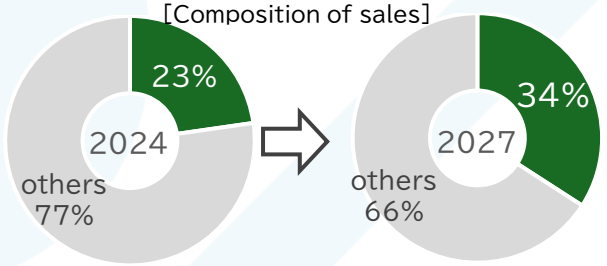
Overview of the Mid-term Management Plan (FY2025-2027)

Basic Strategy 1 Business Transformation

Utilize strengths developed within the JFE Group in steel industry to enhance business operations in key growth businesses and transform into a management structure that overcomes stagnation factors and enables sustainable growth

Shifting focus to growth sectors	Advance the transformation of our business portfolio centered around key growth businesses and recover the revenue decline resulting from the completion of the JFE Steel's Steelworks System Refresh Project.
Addressing customers' management challenges through cross-selling with peripheral solutions	Establish a structure to provide total support for customers' management challenges not only through key growth businesses but also by cross-selling peripheral solutions
Shift human resources towards high-value-added, high-productivity sectors	1. Recruit and train individuals involved in high-value-added and high-productivity sectors, providing consulting services to address clients' actual management challenges 2. Reallocate personnel with expertise developed within the JFE Group to focus on growth sectors (approx. 130 individuals over 3 years)

[Composition of sales]



Company-wide Initiatives

1. Establishment of company-wide organization	» Enhance business operations by integrating and utilizing assets, technologies, and human resources
2. Systematization of personnel rotation	» Create flexible business structure that operates independently of existing resource constraints
3. Accumulation of knowledge in HR development	» Accelerate business growth by implementing more effective HR development strategies
4. Enhancement of compensation structures	» Recruit and retain highly skilled personnel
5. Support for M&A activities	» Achieve steady growth, create synergies, and accelerate the execution speed of strategic objectives

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Basic Strategy 1 Business Transformation

Restructure our business portfolio to focus on key growth businesses: DX, ERP, and Infrastructure services. By utilizing peripheral solutions and synergizing with specific customer domains, we aim to achieve sustainable growth

Business Strategies

System Integration

1. Create synergies with key growth businesses.
   Enhance added value and expand service domains through cross- selling strategies with SCM and ERP for existing customers.
2. Human resource development through personnel rotation between key growth businesses.

Key Growth Businesses

Digital Manufacturing

1. Enhance solution lineup
   → Focus on primary customers
   Ex) Develop new OT domains, expand SCM functionalities.
2. Develop new business models
3. Recruit and develop global human resources

ERP Solutions

1. Broaden business presence in SAP and D365 within the manufacturing industry
2. Enhance synergies with peripheral solutions
3. Expand consulting capabilities to create added value

Infrastructure Service

1. Implement strategies to increase sales through cross-division efforts (cloud adoption, etc.)
2. Enhance sales capabilities and increase sales based on JFE Steel's achievements
3. Develop new business models and reinforce human resources through M&As and mid-career recruitment

Peripheral Solutions

1. Strengthen ERP enhancement solutions such as cost management system (J-CCOREs) and purchasing system (Prociec)
2. Support profit by maintaining high market share and high productivity

Solutions

Steel Industry Solutions

1. Extend JFE Group's expertise into external sales channels
2. Ensure consistent response to JFE Group company projects and increase sales through cross-selling strategies
3. Support growth in other businesses through personnel rotation

Food Industry Solutions

1. Expand the cross-selling of our solutions to current customers
2. Promote cloud adoption of In-house developed products in collaboration with Infrastructure business

Specific Customer and Operational Domains

Technology Strategies

Utilization of Gen AI

- Integrate AI to in-house products
- Utilize AI to streamline development process
  (code generation, test automation, etc.)

DX

- Develop new solutions
  Expand SCM solutions
  - AI, optimization, statistical analysis, and automation
- Integrate IT/OT
  (Enhance decision-making capabilities through ERP integration, OT data integration)

Cloud Adoption

- Cloud adoption of in-house products
- Integrated operations in multi-cloud environments, establish/expand security models

スマートフルIT SMART+HEARTFUL はたらくをスマートに。 はたらく人にスマイルを。

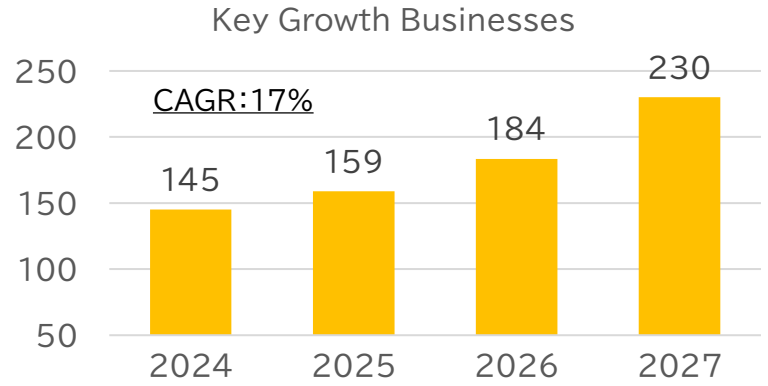
Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Basic Strategy 1 Business Transformation

Key Growth Businesses

[Sales: 100 million yen]



▸ Drive company-wide growth : Key growth businesses as future pillars in both market presence and earnings

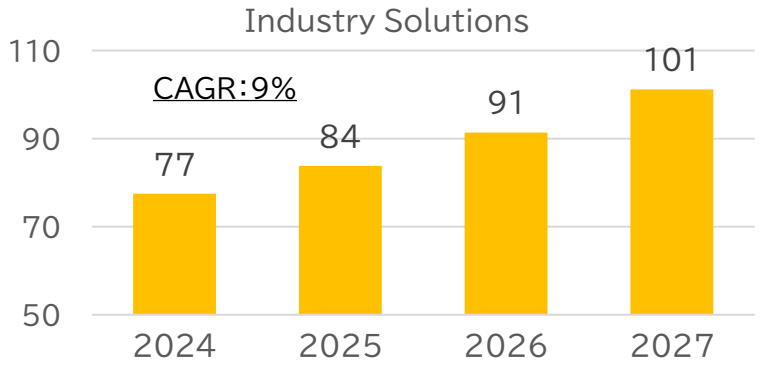
Digital Manufacturing
- Expand sales by enhancing decision-making support business using integrated IT/OT data
- Expand sales of new functions and build new business models with SCM solutions

ERP Solutions
- Targeting the manufacturing industry, focusing on SAP®and Microsoft® packages
- Creation of synergies with distinctive in-house developed peripheral solutions (cost management, purchasing, BI, etc.)
- Strengthening consulting and project response capabilities through collaboration, M&A, etc.

IT Infrastructure Services
- Further strengthen planning and technical capabilities based on the knowledge cultivated by the JFE Group
  →Promote sales expansion to customers outside the JFE Group
- Establish new solutions and strengthen sales capabilities
  by utilizing collaboration with other companies, mainly in the cloud and security areas

Industry Solutions Business

[Sales: 100 million yen]



▸ Securing a sustainable business foundation and fostering synergies through collaboration with key growth businesses

Industry Solutions
- Armed with high-quality system integration capabilities, we will expand large-scale customers and ongoing transactions
  → Discover opportunities for co-creation with customers and build partnerships
  → Foster business synergies with other businesses and products
- Focusing on system integration for major manufacturing industries such as automobile manufacturers, low-code business, and areas with high business scale and added value.
- Actively promote human resource development through projects to hone technical skills as a system integrator in major industries and major customers, leading to the improvement of the company-wide technical level.

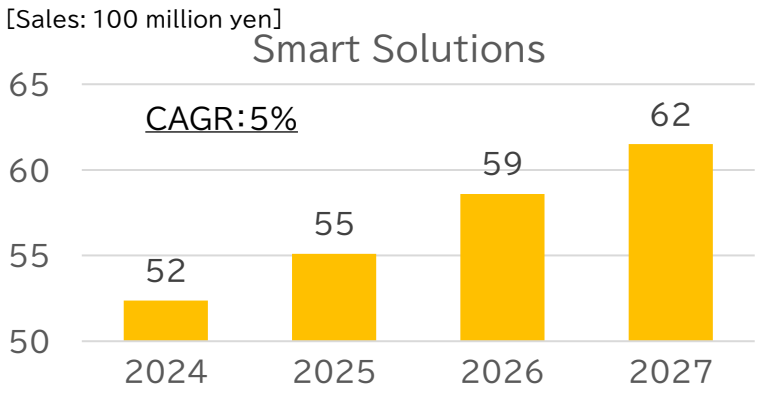
スマートフルIT SMART+HEARTFUL はたらくをスマートに。 はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Basic Strategy 1 Business Transformation

Smart Solutions Business



▸ Contribute to the creation and growth of synergies between businesses by utilizing competitive in-house developed products and industry presence

Business Management System

- In-house developed packages with high affinity with ERP
  [J-CCOREs® (cost management system), Prociec® (procurement system), etc.]
  → Distinctive products for entering the ERP business and as a cross-sell product for existing ERP customers.
  Further promote SaaS-based business and standard deployment to secure stable earnings

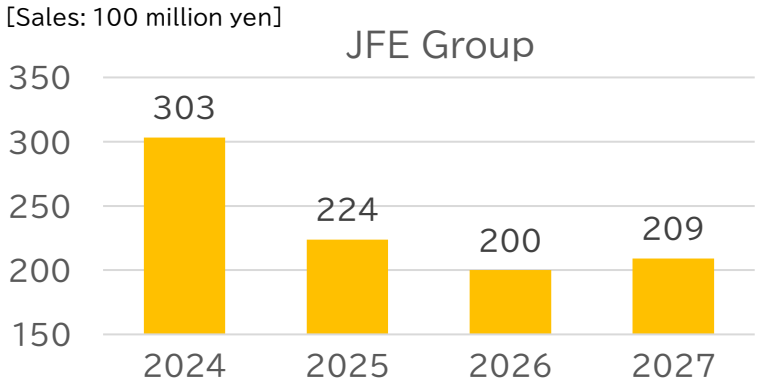
Food System

- Overwhelming share in the industry with MerQurius®
  → Expand new services and promote cloud computing, further improve presence, and expand business through cross-selling

eDocumentation

- Promote cloud computing and continue to secure a high market share and stable business scale and earnings

JFE Group Business



▸ As a source of knowledge and a cornerstone for building a business portfolio, we will respond quickly to changes in the environment.

JFE Group

- JFE Steel's Steelworks System Refresh to be completed by the end of FY2025
  → Business scale will decrease during this medium-term period
- Separate the development team from the maintenance and operations team, and reorganize the site structure accordingly
  → Enhance organizational agility and improve productivity through pooled operation of personnel
- Streamlining the organization, shif the resources of approximately 130 employees to other businesses such as ERP over three years
  → Promoting reskilling and contributing to the expansion of key growth businesses
- Steadily respond to large-scale equipment projects for JFE Steel and renewal of various business systems for JFE Group companies to ensure a stable business scale

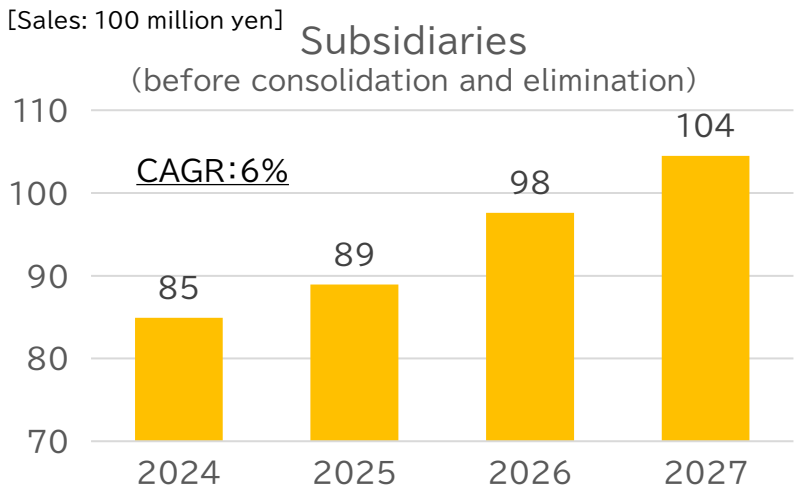
スマートフルIT SMART+HEARTFUL はたらくをスマートに。 はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Basic Strategy 1 Business Transformation

Subsidiaries (JFE ComService, IAF Consulting)



▸ Develop a sales expansion strategy that balances unique strengths and group collaboration

JFE ComService

- Expansion of the Group's security business (e.g., Zero Trust support) and telecommunications and electrical construction projects
- In the AI/DX domain, we are developing smart factory-related equipment that contributes to supplementing labor shortages, autonomous robots, and the introduction of AI agents to help desks.
- In the SI domain, we respond to business system renewal projects for existing customers inside and outside the Group, and develop a strategy to expand businesses outside the Group in collaboration with JFE Systems.

IAF Consulting

- Expand data integration system business and BI business in response to the strong demand for ERP implementation.
- Launching a business in a new area
  →BI business in the human resources field and data management business that responds to the demand for DX/AI utilization
  → Promote human resource development and collaboration with other companies to quickly launch and stabilize the business

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Basic Strategy 2 Corporate Culture Evolution

Aim to promote sustainable development and growth by enhancing the organization and raising awareness through company-wide collaboration

Fostering cooperation	• Transform from decentralized business approach to cohesive structure to create synergies across divisions • Enhance organizational unity and engagement, inspire innovation for overall business growth
Establishing organizational structure with company-wide management perspective	• Reform structure aiming for organization unity to achieve long-term growth and stability • Accelerate business growth from company-wide management perspective
Pursuing ideal vision	• Create company that can flexibly adapt to societal and environmental changes while acknowledging the gap between current state and ideal vision (= future aspirations)

Company-wide Initiatives

1. Implementation of executive rotation	» Increase organizational dynamism to enhance flexibility
2. Reorganization of business units	» Accelerate decision-making process and synergy-creation speed across divisions
3. Establishment of company-wide organization	» Foster cooperation to achieve growth by utilizing human resources, technologies, and customer profiles
4. Systematization of personnel rotation	» Create environment that encourages sharing and utilization of accumulated knowledge and expertise
5. Renovation of the internal training program	» Develop and implement a training program to foster upstream process and consulting personnel

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

Basic Strategy 3 Investment and Financial Strategy (Cash allocation)

The cash generated from past business achievements and the cash to be created through business activities over the next three years will be used as resources for proactive investments in activities that contribute to future growth and for enhanced shareholder returns.
By implementing growth strategies and improving capital efficiency, we aim to further enhance corporate value.

Cash and cash equivalents
(as of the end of Mar. 2025)
24 billion yen

Operating Cash Flow
(before deduction of R&D expenses and human capital costs)
approx.32.5 billion yen
In 3 years

approx.56.5 billion yen in 3 years

Research and development expenses	1.5 billion yen in 3 years	• Invest strategically to enhance technological capabilities and develop new business models (ex. Implication of Gen AI, Technology and market research)
Products and Service provision investments	7.5 billion yen in 3 years	• Investment in new product development and business expansion (improvement of in-house developed packages, including new features and cloud-native transformation, and management of PCs and mobile devices for the group, etc.)
In-house system/facility investments	4.5 billion yen in 3 years	• Strengthen the management foundation and improve productivity (updating internal business systems, sales portals and product websites, office-related facility investments, and investments in operational efficiency, etc.)
Human-capital (personnel development and training expenses)	6.5 billion yen in 3 years	• Recruiting, training, improving treatment, and enhancing engagement of personnel, which are the foundation for business growth
Strategic Investments (M&A)	5.0–10.0 billion yen in 3 years	• Strategic investments focused on growth sectors, including M&A and capital alliances with companies to enhance technological and development capabilities and create synergies, as well as expand and deepen the business portfolio
Shareholder returns	Dividend payout ratio 50% target	• Targeting a dividend payout ratio of 50% • Promoting a return policy that also considers share buybacks.

Expenses | Capital Expenditure | Equity Investment and Return

スマートフルIT SMART+HEARTFUL はたらくをスマートに。はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

FY2025-2027 Financial Indicators

	Results	Medium-term Management Plan	
	FY2024	FY2025 Plan	FY2027 Targets
Consolidated Net sales	64.0 billion yen	58.6 billion yen	67.4 billion yen
Consolidated Operating income	7.6 billion yen	6.3 billion yen	7.9 billion yen
Consolidated Ordinary income	7.7 billion yen	6.4 billion yen	8.0 billion yen
ROS	12.0%	10.9%	11.9%
ROE	17.5%	12.6%	over15.0%
Consolidated Number of employees	1,901 employees	1,967 employees	2,110 employees

スマートフルIT SMART+HEARTFUL はたらくをスマートに。 はたらく人にスマイルを。

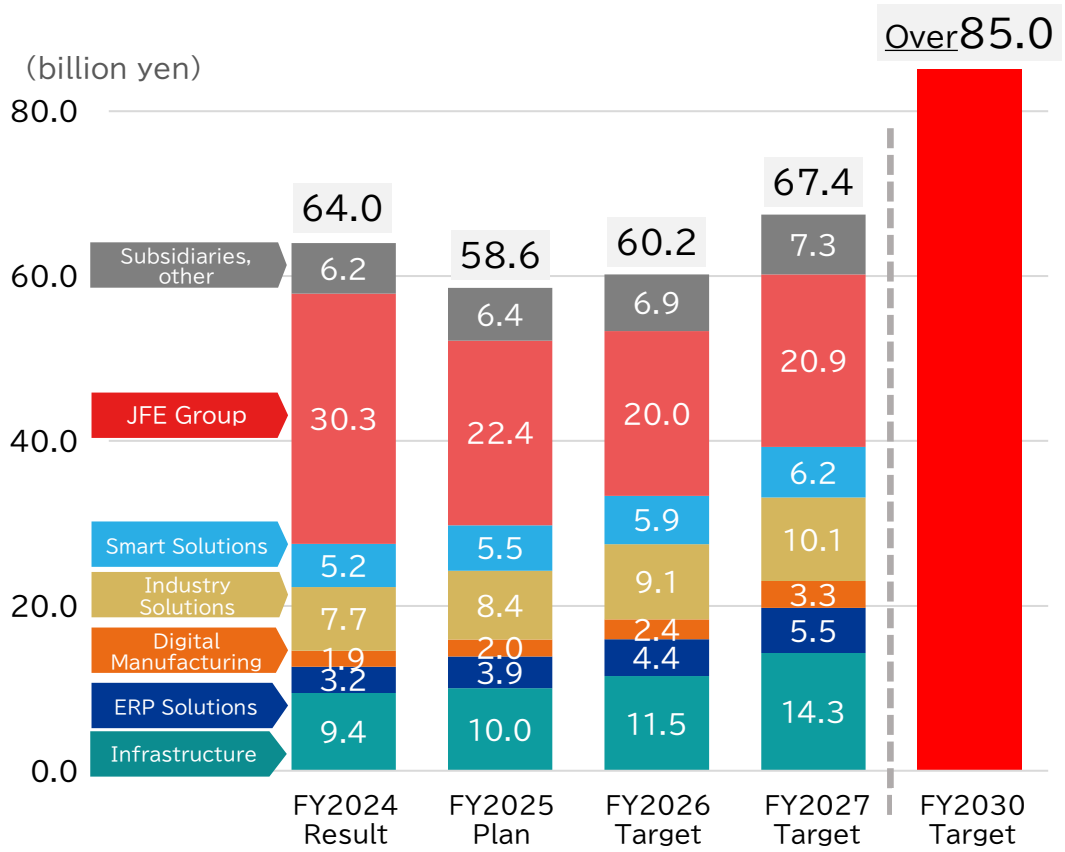
Copyright© 2025. JFE Systems, Inc. All rights reserved.

Overview of the Mid-term Management Plan (FY2025-2027)

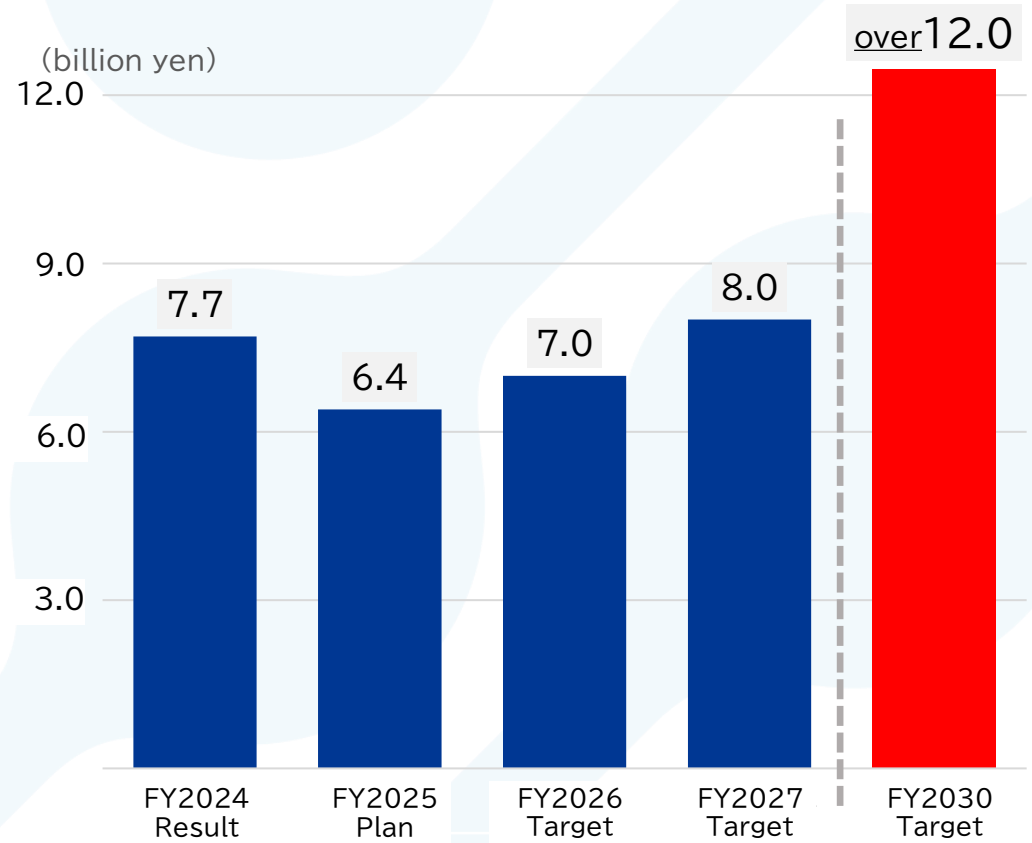
FY2025-2027 Financial Indicators

Three transformative years aim to achieve consolidated sales of over 85 billion yen and consolidated ordinary income of over 12 billion yen by fiscal year 2030.

Consolidated Net Sales



Consolidated Ordinary Income



スマートフルIT SMART+HEARTFUL
はたらくをスマートに。
はたらく人にスマイルを。

Copyright© 2025. JFE Systems, Inc. All rights reserved.

SMART+ HEARTFUL IT
スマートフル

Smart work, Heartful Smiles.

Disclaimer

- 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.
- The outlook for future performance in this document includes risks and uncertainties.
- Please be aware that actual performance may differ from the outlook due to various factors.

JFE Systems, Inc.

Copyright© 2025. JFE Systems, Inc. All rights reserved.