

# FY2025 1H Financial Results

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April 25, 2025

**1** FY2025 1H Financial Results

2 FY2025 Full Year Forecasts

3 Topics

# Summary

- Despite growth in general industries, revenue and profits decreased due to slow orders in 1Q (TTC) and unprofitable projects (ITS), etc.
- Both orders and order backlogs increased YoY, but fell short of plans.
- Taking the above into consideration, the full-year earnings forecast was revised (see page 11).

[billion yen]

	Results	YoY change
<b>Net sales</b>	<b>65.43</b>	<b>(1.09)</b>
	<ul style="list-style-type: none"> <li>● Think Tank &amp; Consulting Services (TTC): Failed to recover from slow orders in 1Q.</li> <li>● IT Services (ITS): Despite contributions from government and public offices (for the public sector), human resources, and education-related projects, revenue decreased due to a decline in financial and credit card projects and the impact of unprofitable projects.</li> </ul>	
<b>Ordinary profit</b>	<b>7.64</b>	<b>(1.70)</b>
	<ul style="list-style-type: none"> <li>● TTC: Decreased due to the decrease in sales</li> <li>● ITS: Decreased due to the additional cost of unprofitable projects and other factors</li> </ul>	
<b>Profit</b>	<b>4.88</b>	<b>(1.33)</b>
	<ul style="list-style-type: none"> <li>● While extraordinary losses associated with the withdrawal from new businesses were posted, corporate tax expenses decreased</li> </ul>	

# 1H Consolidated results <YoY>

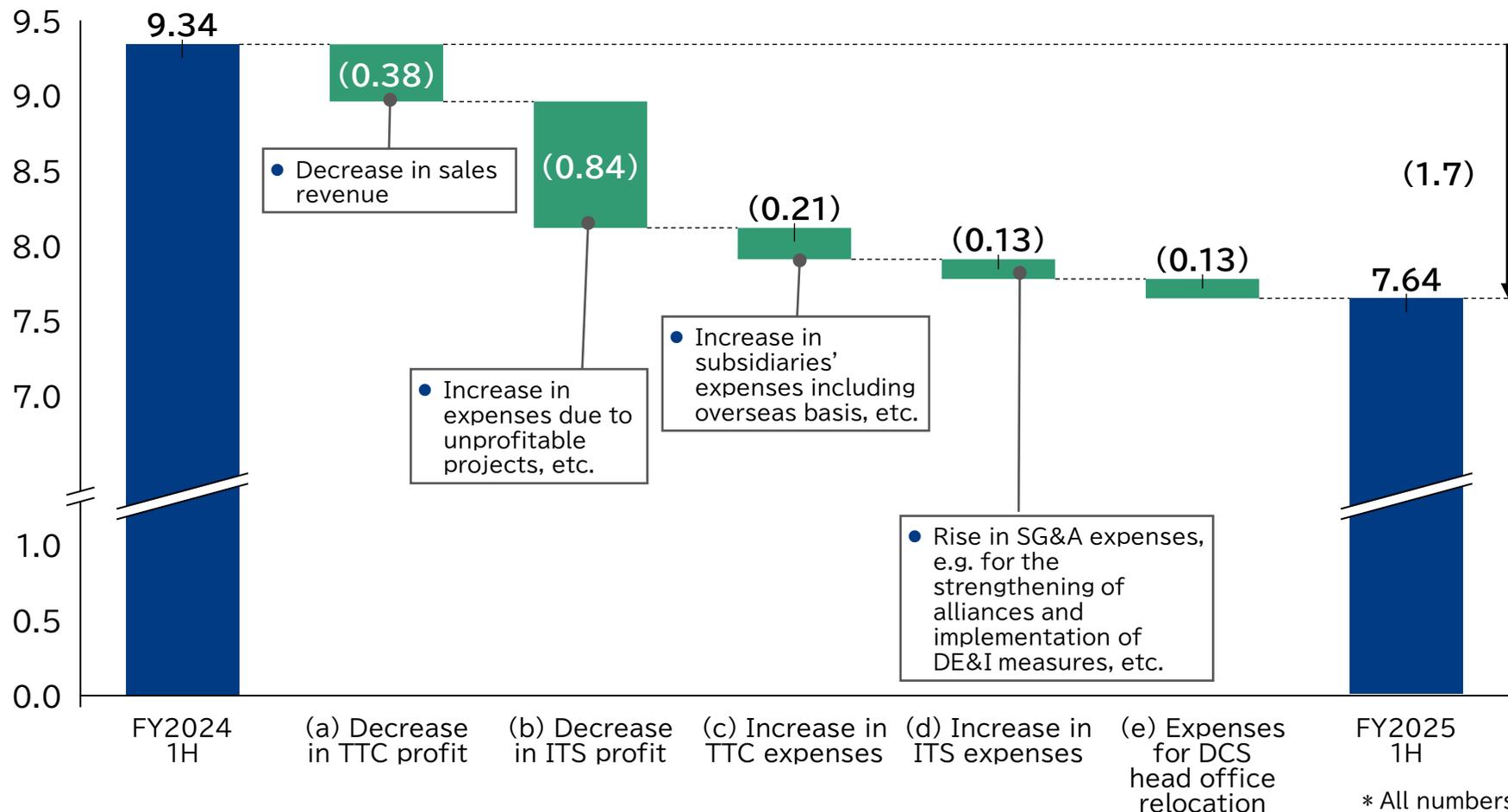
[million yen]

	FY2024 1H	FY2025 1H	YoY change	
			Amount	Rate
Net sales	66,534	65,437	(1,096)	(1.6%)
Gross profit	17,331	16,439	(891)	(5.1%)
Gross profit margin	26.0%	25.1%	(0.9P)	
SG&A expenses	8,729	9,619	+889	+10.2%
Operating profit	8,601	6,819	(1,781)	(20.7%)
Operating profit margin	12.9%	10.4%	(2.5P)	
Ordinary profit	9,341	7,640	(1,701)	(18.2%)
Profit attributable to owners of parent	6,212	4,881	(1,330)	(21.4%)
Basic earnings per share (yen)	391.17	310.07	(81.10)	

# Factors Behind Fluctuation in Ordinary Profit <YoY>

- In TTC, ordinary profit decreased due to decrease in sales revenue (a), and an increase in expenses (c).
- In ITS, ordinary profit dropped following a decrease in the profit margin due to unprofitable projects (b), increases in expenses (d) and relocation expenses (e).

[billion yen]



# Think Tank and Consulting Services (TTC)

[million yen]

	FY2024 1H	FY2025 1H	YoY change	
			Amount	Rate
Net sales	30,433	28,914	(1,518)	(5.0%)
Operating profit	5,659	4,995	(664)	(11.7%)
Operating profit margin	18.6%	17.3%	(1.3P)	
Ordinary profit	6,233	5,648	(584)	(9.4%)
Orders received	25,144	31,207	+6,062	+24.1%
Order backlog	22,799	28,094	+5,295	+23.2%

## Key points

- Although orders received in 2Q recovered from a slow start in 1Q (orders received (0.01) bn YoY, backlog (2.2) bn YoY), sales in 1H could not fully offset the drop due to the backlash from large projects for the public sector.
- Profits increased in the energy, information & telecommunications, transportation sectors, but decreased as a result due to the above-mentioned decline in sales in 1H.
- Orders received and the order backlog increased substantially YoY.
- Order backlog was driven by government and public offices (up 4.5 billion YoY), with financial and credit card and general industries also up YoY.

# IT Services (ITS)

[million yen]

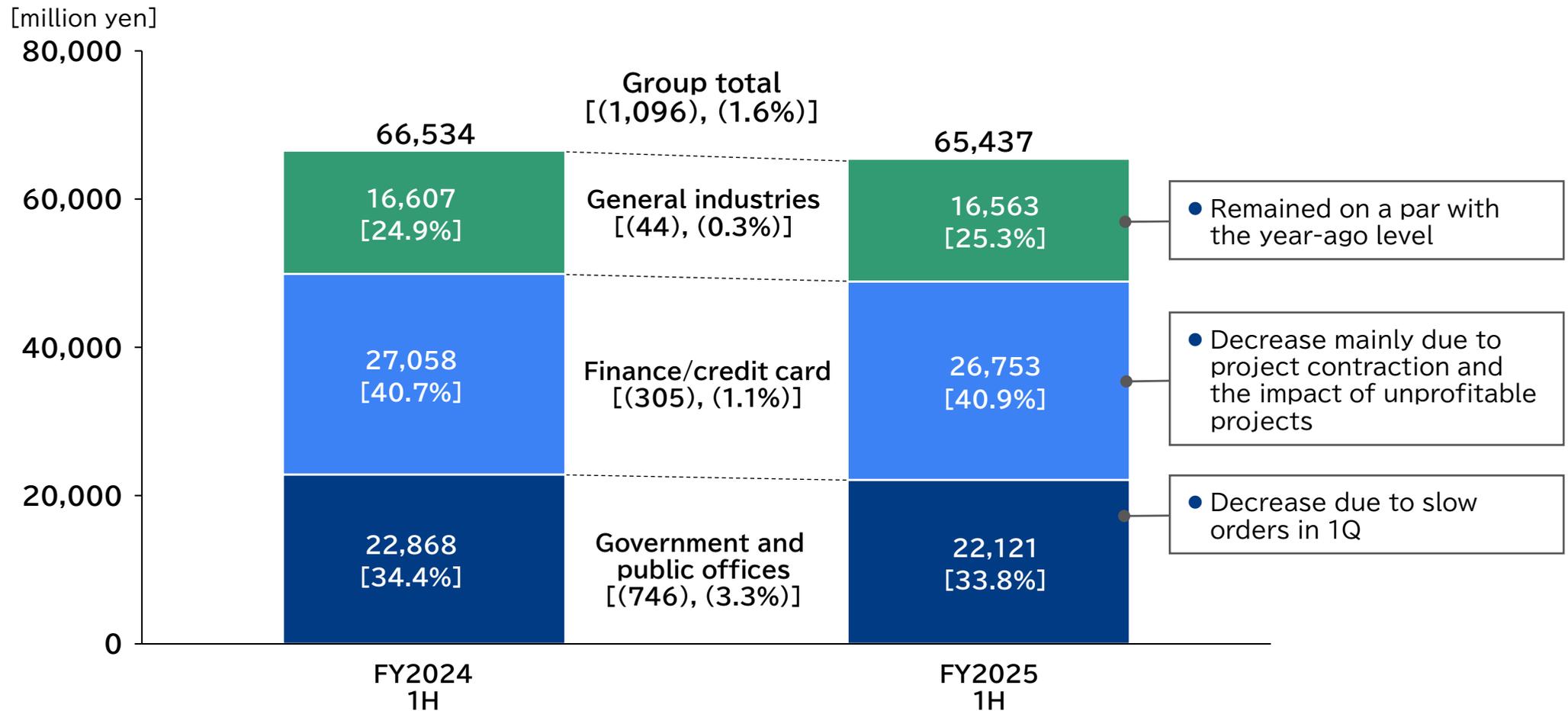
	FY2024 1H	FY2025 1H	YoY change	
			Amount	Rate
			Net sales	36,101
Operating profit	2,937	1,832	(1,105)	(37.6%)
Operating profit margin	8.1%	5.0%	(3.1P)	
Ordinary profit	3,104	1,999	(1,105)	(35.6%)
Orders received	35,559	36,225	+666	+1.9%
Order backlog	46,684	49,307	+2,623	+5.6%

## Key points

- Sales revenue increased due to growth in large-scale ERP projects for general industries and public sector systems projects, etc.
- Profits decreased due to a reduction in development projects accompanying the peaking out of large-scale projects in the financial and credit card business, and additional expenses incurred for unprofitable projects.
- Orders received increased YoY, with increases in public sector and general industries projects offsetting YoY decline in financial and credit card business.
- Order backlog was driven by public sector and financial and credit card business, resulting in significant YoY growth.

# Net Sales by Customer's Industry Sector <YoY>

- Net sales to government and public offices decreased due to slow orders in 1Q, and net sales from financial and credit card businesses decreased due to contraction of projects and unprofitable projects.
- General industries remained unchanged YoY.



\* All numbers are approximate.

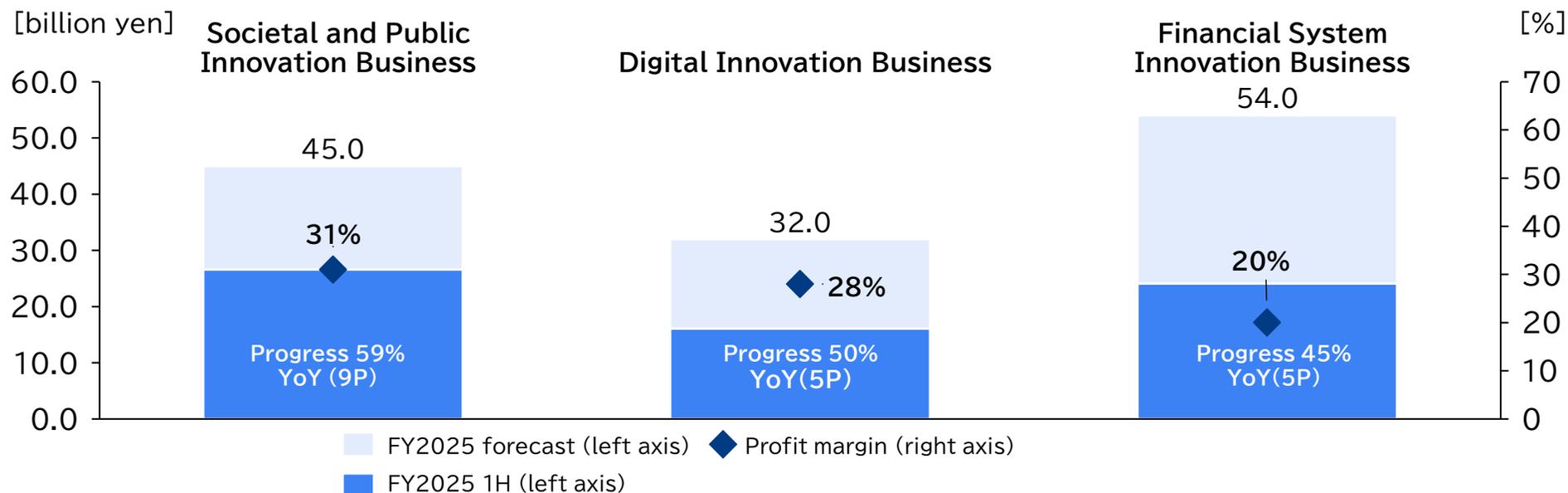
# (Reference) Net Sales by Segment and Customer's Industry Sector <YoY>

[million yen]

		FY2024 1H	FY2025 1H	YoY change	
				Amount	Rate
TTC	Government and public offices	22,442	21,238	(1,203)	(5.4%)
	Finance/credit card	1,288	1,268	(19)	(1.6%)
	General industries	6,702	6,407	(295)	(4.4%)
	<b>Subtotal TTC</b>	<b>30,433</b>	<b>28,914</b>	<b>(1,518)</b>	<b>(5.0%)</b>
ITS	Government and public offices	425	882	+457	+107.5%
	Finance/credit card	25,770	25,485	(285)	(1.1%)
	General industries	9,905	10,155	+250	+2.5%
	<b>Subtotal ITS</b>	<b>36,101</b>	<b>36,523</b>	<b>+422</b>	<b>+1.2%</b>
<b>Total</b>		<b>66,534</b>	<b>65,437</b>	<b>(1,096)</b>	<b>(1.6%)</b>

# (Reference) Outlook and Progress for FY2025 by Business Segment

- Progress of 1H in the Societal and Public Innovation, Digital Innovation and Financial System Innovation Businesses is 45-59%.
- The Societal and Public Innovation Business has the highest rate of progress, but has not reached the planned level due to significant seasonality.



Main business	Business scale (progress rate) for 1H of FY2025	Profit margin (YoY % change)	FY2025 forecast
Societal and Public Innovation	26.6 billion yen (59%)	31.0% (+0.0Pt)	45.0 billion yen
Digital Innovation	16.1 billion yen (50%)	27.6% (-3.6Pt)	32.0 billion yen
Financial System Innovation	24.1 billion yen (45%)	20.1% (-3.8Pt)	54.0 billion yen

\* Societal and Public Innovation and Digital Innovation Businesses include some duplicate descriptions of work promoted in collaboration.

\* The profit margin represents the gross profit margin.

\* All numbers are approximate.

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**3** Topics

# FY2025 Full Year Forecasts **(changed from initial forecasts)**

- Revised earnings forecast in light of 1H results, current order situation, and future projects.

	Forecast (after revision)	Comparisons with Initial Forecast / and with Actual Results of FY2024
Net sales	122.0 billion yen	(6.0 billion yen) / +6.6billion yen
	<ul style="list-style-type: none"> <li>● The forecast was revised downward based on 1H results, order backlog, and materials on hand.</li> </ul>	
Ordinary profit	7.5 billion yen	(2.0 billion yen) / (0.6 billion yen)
	<ul style="list-style-type: none"> <li>● Failure to achieve TTC plan for 1H and unprofitable ITS projects had an impact.</li> </ul>	
Profit	4.1 billion yen	(1.5 billion yen) / (0.9 billion yen)
	<ul style="list-style-type: none"> <li>● Ordinary profit decreased, as did tax burden, etc.</li> </ul>	

\* Annual dividend forecast remains unchanged (160 yen)

# FY2025 Full Year Forecasts (changed from initial forecasts)

[million yen]

	FY2024 (Results)	FY2025 (Forecast)	YoY change		Previous forecast	Change
			Amount	Rate		
Net sales	115,362	122,000	+6,637	+5.8%	128,000	(6,000)
Think Tank & Consulting Services	45,419	48,000	+2,580	+5.7%	50,000	(2,000)
IT Services	69,942	74,000	+4,057	+5.8%	78,000	(4,000)
Operating profit	7,060	6,200	(860)	(12.2%)	8,300	(2,100)
Operating profit margin	6.1%	5.1%	(1.0P)		6.5%	(1.4P)
Ordinary profit	8,147	7,500	(647)	(7.9%)	9,500	(2,000)
Think Tank & Consulting Services	4,237	4,700	+462	+10.9%	5,300	(600)
IT Services	3,909	2,800	(1,109)	(28.3%)	4,200	(1,400)
Profit attributable to owners of parent	5,003	4,100	(903)	(18.1%)	5,600	(1,500)
Basic earnings per share (yen)	316.44	260.37	(56.07)		355.76	(95.39)

\* All numbers are approximate.

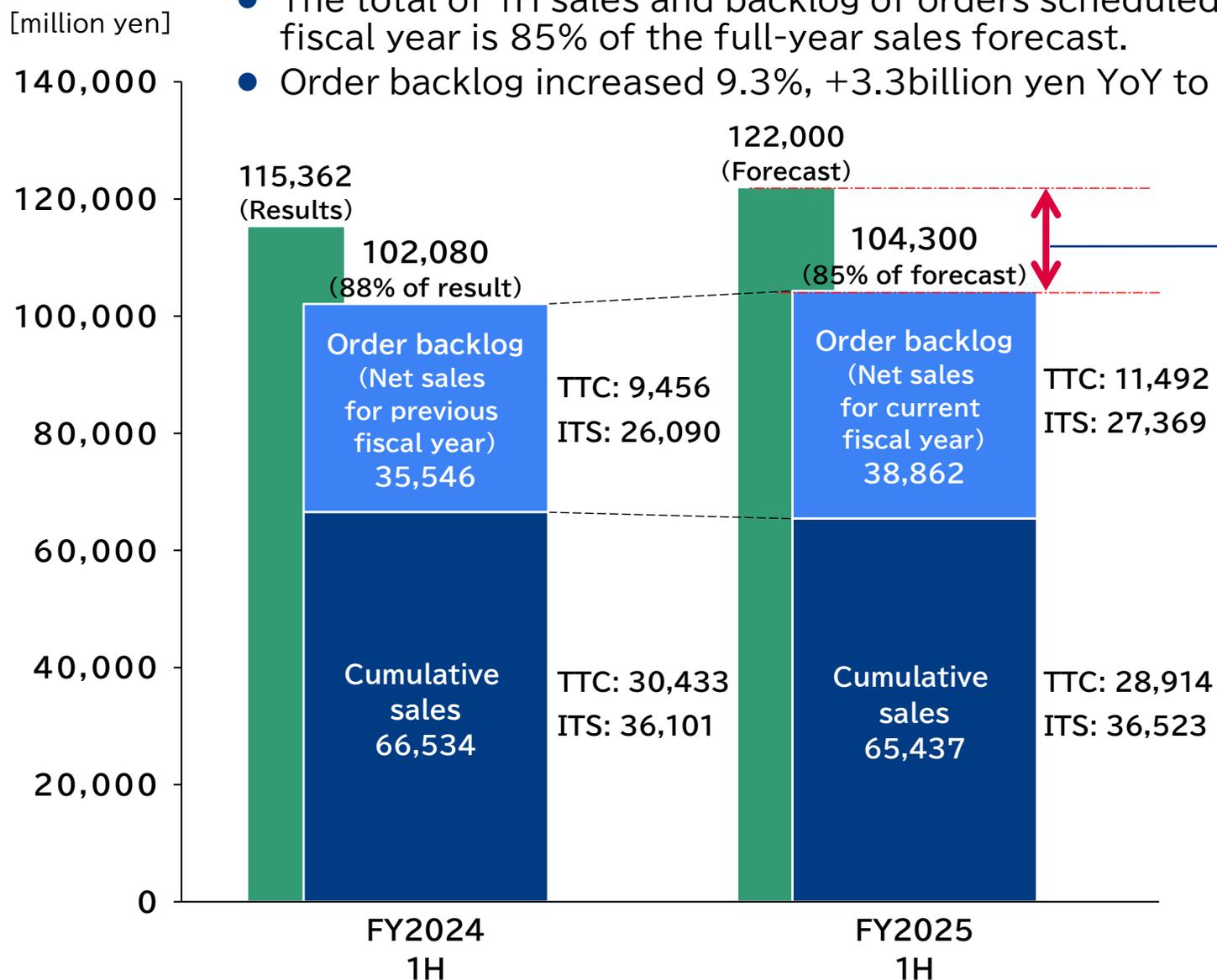
# 1H Results Summary and Countermeasures

- A summary of 1H results and the main measures already initiated are as follows.
- In addition to the forecast for the next fiscal year, we plan to present the positioning of the MP2026 and MP2029 toward our goals for 2030 and our strategy for further growth at this fiscal year's end.

	1H Results Summary	Countermeasures
TTC	<ul style="list-style-type: none"> <li>◆ Investing in growth and hiring more new graduates and career professionals</li> <li>◆ Shortage of core human resources affects the ability to win and execute projects</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reallocation of core human resources to meet increasing consulting needs</li> <li>➤ Deploying human resources in focus areas (energy, medical/nursing care, etc.) ⇒ Partial effect as order backlog increased at the end of 1H</li> <li>➤ Discontinuation of new businesses that are difficult to improve profitability</li> </ul>
ITS	<ul style="list-style-type: none"> <li>◆ Additional costs due to unprofitable projects in the finance and settlement sectors and sluggishness in new business development</li> <li>◆ Progress and inquiries increased in the industrial and public sectors, but expansion of human resources is still in progress</li> </ul>	<ul style="list-style-type: none"> <li>➤ Additional resources inputs and strengthening of project management and quality to eliminate unprofitable projects as soon as possible</li> <li>➤ Reallocation and reskilling of personnel</li> <li>➤ Expansion of new business development and services through collaboration with alliances partners</li> <li>➤ Review of head office relocation and other expenses</li> </ul>

# (Reference) Cumulative net sales + order backlog (portion expected to be posted this fiscal year)

- The total of 1H sales and backlog of orders scheduled for sales in the current fiscal year is 85% of the full-year sales forecast.
- Order backlog increased 9.3%, +3.3billion yen YoY to 38.8 billion yen.

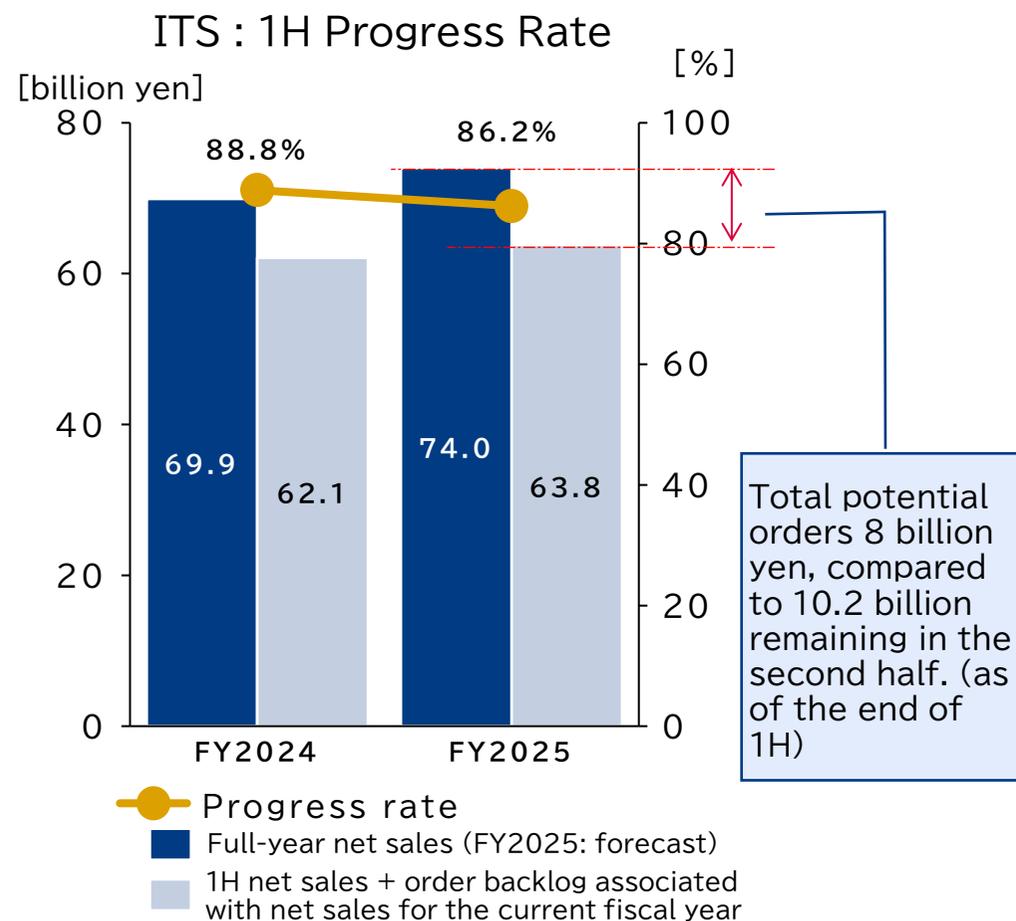
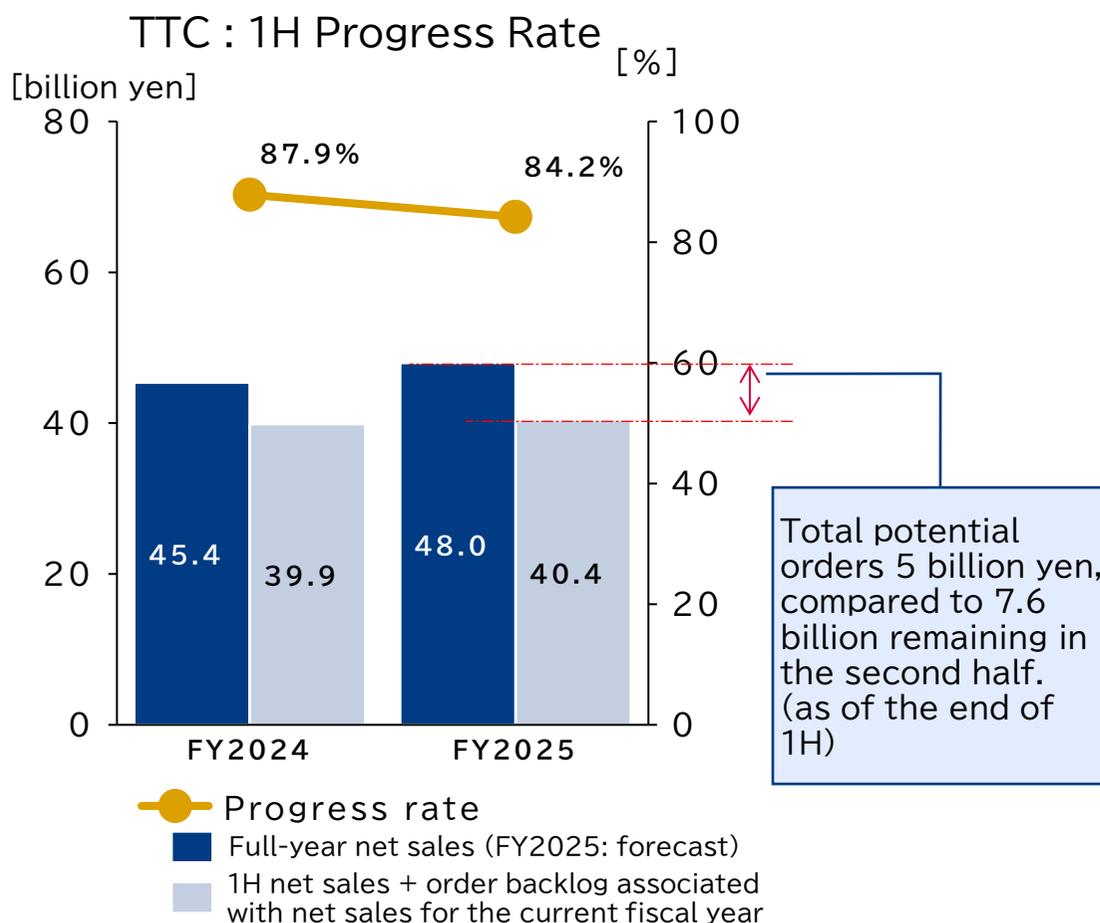


Progress rate against revised earnings forecast is down three percentage points YoY, with 17.7 billion yen remaining to achieve the plan.

The total amount of orders likely to be received in 2H has accumulated to 13 billion yen (5 billion yen in TTC, and 8 billion yen in ITS), which is sufficiently achievable through future sales activities

# (Reference) 1H progress rate (for net sales + order backlog by segment)

- 1H sales + order backlog against revised forecast
  - TTC accounted for 84.2%, with 7.6 billion yen remaining. Projects prior to the booking of orders has accumulated to approximately 5 billion yen.
  - ITS 86.2%, 10.2 billion yen remaining. Likewise, accumulated to approx. 8 billion yen.
- Progress rate is down YoY, but potential orders are steadily accumulating.

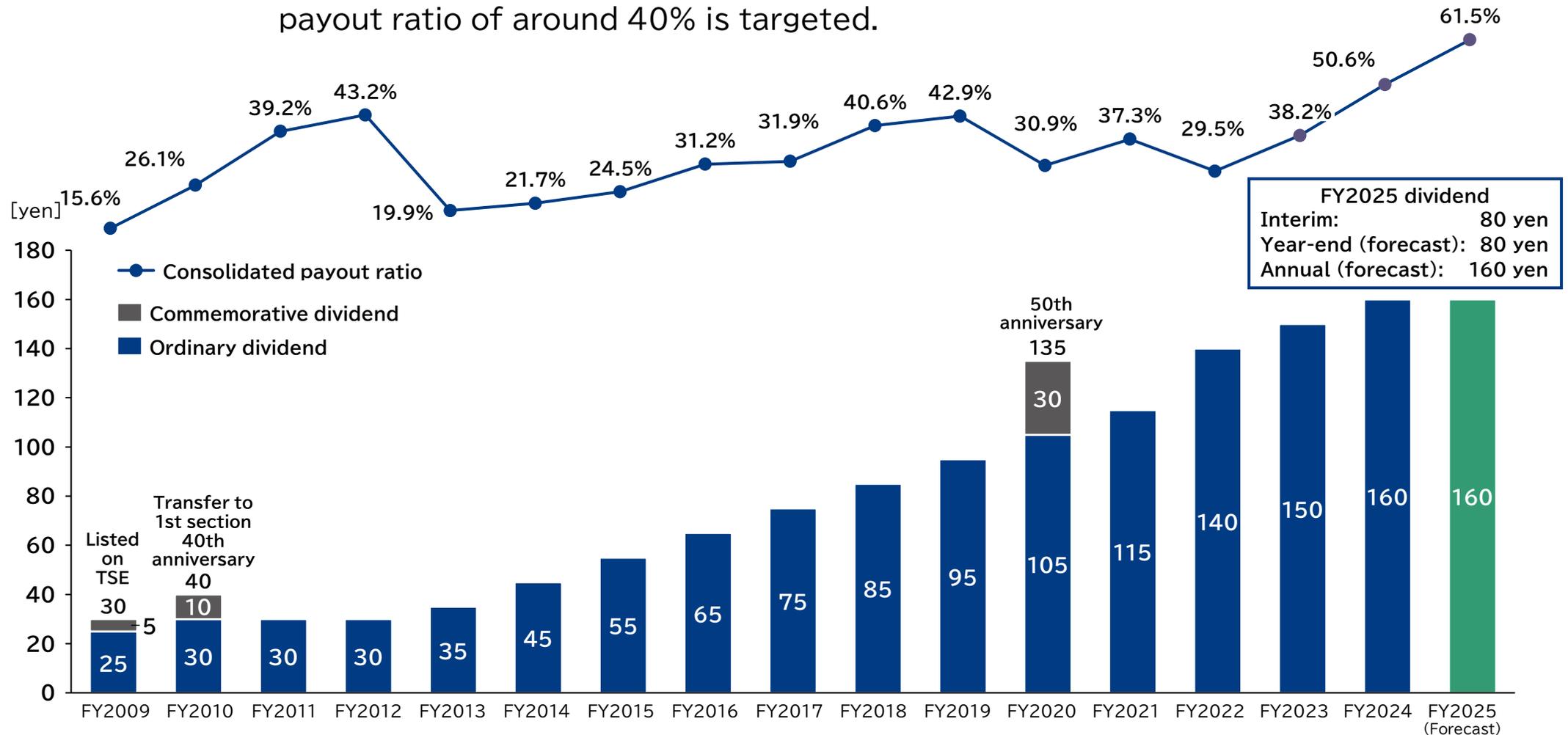


\* All numbers are approximate.

# FY2025 Dividend Forecast

## Dividend Policy

The basic policy is to continue to pay stable dividends, determined by comprehensively considering the balance between operating results, future funding requirements and financial soundness, among other factors. A dividend payout ratio of around 40% is targeted.



# (Reference) Update to "Management Based on an Awareness of Cost of Capital and Share Prices"

- With regard to the "Management Based on an Awareness of Cost of Capital and Share Prices" disclosed in 2Q of FY2024, the Corporate Governance Report has been updated as follows, incorporating additional information on engagement with investors and other stakeholders, and cross shareholdings.

## 1. Cost of capital estimates

- Cost of capital demanded by the market has been updated.  
 (Current) The cost of capital required by the stock market is estimated to be around 9%  
 (Revised) The cost of capital required by the stock market is estimated to be around 9 to 10%.

## 2. Approach to the level of cross shareholdings and cash and deposits

- The following two points were added.
  - The partial sale of cross shareholdings, which currently account for 8% of net assets, is being pursued. We will continually assess the impact on business in the future, progressively reducing or replacing cross shareholdings as appropriate.
  - For cash and deposits, after securing around 2-3 months of net sales as cash on hand, we will allocate the rest to future investment and shareholder return.

1 FY2025 1H Financial Results

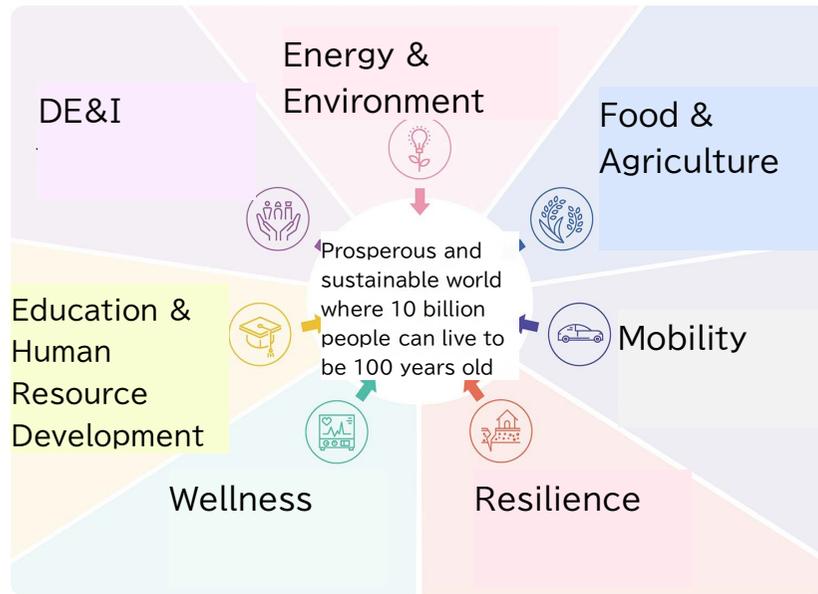
2 FY2025 Full Year Forecasts

**3 Topics**

# Topics: “Research and Recommendations”

## List of Societal Issues 2025 Expected to be Solved through Innovation

- Each year, we publish a “List of Societal Issues Expected to be Solved through Innovation”
- The 2025 edition, released on March 28, adds DE&I\*2 to the six areas\*1 previously presented.



- The six existing areas will be reorganized from the perspectives of “Earth,” “Society,” and “People” in light of recent social conditions, and new themes will be added.
- To register, please visit this URL.

[https://icf.mri.co.jp/research/research-389/?gl=1\\*tfd3iy\\*gcl\\_au\\*OTQ3NjQwNzU1LjE3NDE1NjMzODg](https://icf.mri.co.jp/research/research-389/?gl=1*tfd3iy*gcl_au*OTQ3NjQwNzU1LjE3NDE1NjMzODg)

- \*1: Six areas: energy and environment, food and agriculture, mobility, resilience, wellness, education and human resource development
- \*2: Diversity, Equity & Inclusion

Areas	Examples of new themes
Energy & Environment	: Ensuring flexibility in electricity supply and demand operations with an eye to accelerating the introduction of renewable energy
Food & Agriculture	: Addressing Environmental and Social Risks in the Food Production Supply Chain for Future ESG Responsiveness
Mobility	: Realization of comfortable travel with guaranteed safety to improve wellbeing while on the move
Resilience	: Ensuring trust and security in the digital space in the face of increasing cyber attacks
Wellness	: Support children and youth and create an environment where the next generation can live vibrantly
Education & Human Resource Development	: Promoting reforms in teacher work styles to reduce teacher busyness
DE&I	: Promoting mutual understanding of diversity to address the lack of understanding of diversity within the local community



# Topics: “Research and Recommendations”

## 14 Recommendations for the Science, Technology and Innovation Basic Plan

- “Science, Technology, and Innovation (STI) Basic Plan” is developed every five years in Japan.
- MRI has been involved in the study and review of the Plan for more than 20 years.
- MRI has implemented 3 directions and 14 recommendations to realize these directions for the Plan starting in FY2026.

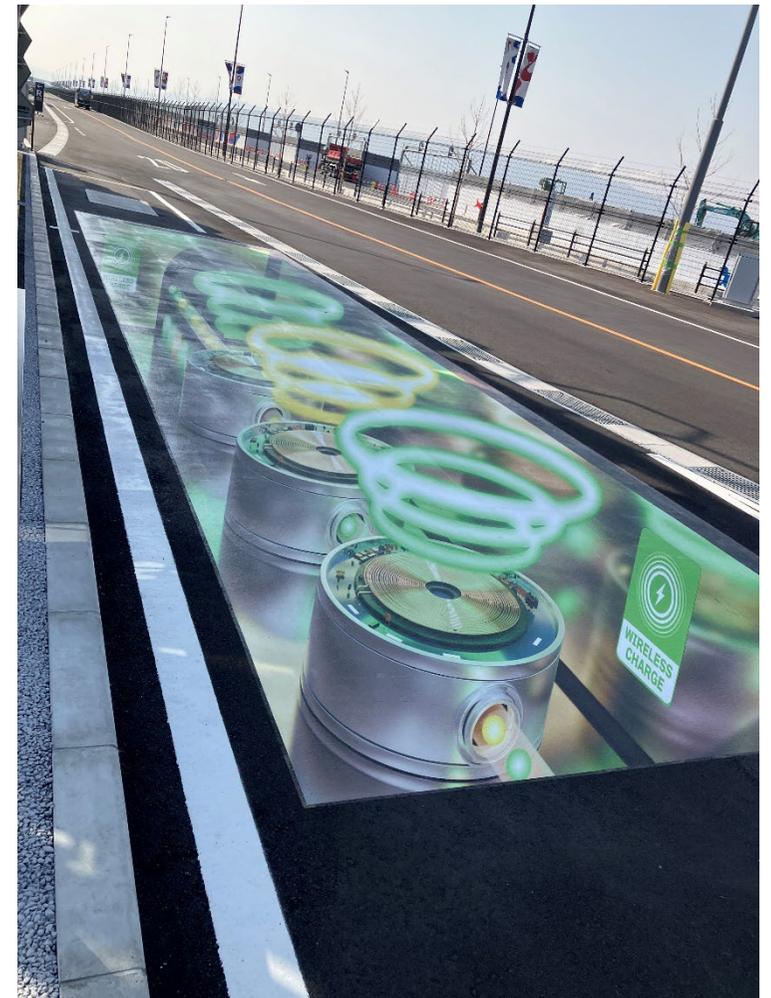
Direction A: Establish “Japan as an indispensable presence in the world”	A1	Create global specialty leaders that are competitive in the global marketplace
	A2	Gain “strategic advantage and indispensability” through the best global team
	A3	Strengthening economic security and research infrastructure should be led by the government and handled primarily by the National Research and Development Corporation
	A4	Companies should aim for a virtuous circle with high profitability through favorable treatment of R&D personnel, DE&I, and accelerated investment
Direction B: The goal, wellbeing, is the “starting point”	B1	The STI policy system should be reaffirmed from Society 5.0 as the goal of the Plan
	B2	Expand R&D investment in areas of societal issues essential to achieving wellbeing
	B3	Back up the development of startups that take on the challenge of solving social issues with STI through public-private partnerships
Direction C: Renovation of STI systems	C1	The key to strengthening university-industry collaboration lies in management transparency and resource allocation through management accounting.
	C2	Take advantage of the expanding ecosystem to improve your research capabilities
	C3	Promote comprehensive organization and strategic securing of human resources and skills needed to realize innovation.
	C4	Urge the development of in-house entrepreneurs to improve and maintain the ability to create innovation
STI policy planning and implementation system to realize the three directions	D1	The Plan should focus on multiple policy areas of jurisdiction
	D2	Fundamentally change the policy process based on scientific and structural understanding of STI policy
	D3	Strengthen the intelligence function in government agencies, which is key to STI policy

Source: Company release dated February 6, 2025

# Topic: GX (Green Transformation ) Area

## Contributing to the Launch of Wireless Charging for Electric Vehicles (EVs)

- Wireless power transfer is a technology that allows EVs to be charged without connecting cables, and is expected to serve as a catalyst for the widespread popularization of EVs.
- In June 2024, the Wireless EV Alliance was established (for the purpose of promoting awareness and education about EVs). MRI became one of its founding members, and one of its leader companies.
- A wireless power transfer demonstration experiment is underway at Expo 2025 (Osaka, Kansai, Japan), which is currently being held.



# Topics: DX (Digital Transformation) Area

## “Competitor Comparison Function” added to Generative AI

- “RoboRisa” which automates Web information gathering and report writing with a generative AI, is now available.
- On April 3, “RoboRisa” added a “Competitor Comparison” function.
- When a user enters the name of a company and research theme to be compared, the generative AI automatically gathers and classifies articles and outputs a summary of the articles.
- In the future, “RoboRisa” will expand various research support functions, such as a function for comparing international situations and a function useful for technical information and research, to support a rapidly changing business environment.

“Roborisa” has a “Competitor Comparison Function” that utilizes generative AI.

- Allows comparison of trends of other companies
- Easy to research and understand the latest trends
- Future releases will also include country-specific situation comparison and technical information comparison functions.

項目	建設会社A	建設会社B	建設会社C	建設会社D	建設会社E	合計
自動化施工システム	59	89	64	67	22	301
BIMの活用	29	52	60	40	21	202
資機材自動搬送ロボット	5					
3Dプリンティング技術	2	4				
その他	6	11				
合計	101	158				

企業間の比較と個別企業の深掘りがワンタッチで可能

【サマリ】  
建設会社Aは、自動化施工システムの開発と導入に積極的に取り組んでいます。特に、自動運転技術を基にした「XXX」や山岳トンネル自動化施工システム、タワークレーンの遠隔操作システムなどがあります。また、ロボット技術を活用した溶接や風量測定、天井施工などの自動化も進んでおり、労働力の削減と生産性向上を図っています。

① 建設会社Aが自動施工システムを社外展開(2025/4/1)  
建設会社Aは、自動運転技術を基にした自動施工システム「XXX」を開発し、2017年からダムや河川の工事に導入してきました。中には、材料の製造から運搬、締め作業までを完全自動化した事例もあります。現在、建設会社Aはこのシステムを他と連携して、千葉県土地区画整理事業などで試行しています。  
[https://mri.co.jp/sample\\_article](https://mri.co.jp/sample_article)

個別企業ごとに、関連記事一覧とサマリを表示

出所:三菱総合研究所

画面は開発中のもので、実際の画面とは異なります。

# Topics: Recent News Releases

(Note) All releases below are only in Japanese  
Otherwise indicated as ※

Date	Title
<b>[Related to Societal and Public Innovation Business]</b>	
April 24, 2025	<u>Joint Field Experiment Conducted with Izumo City to Promote Tourism Using NFTs</u>
April 1, 2025	<u>Honda Mobility Land and MRI Sign Sustainability Partnership Agreement</u>
March 27, 2025	<u>Hokkaido Sapporo Storage Battery Co., Ltd. Established to Launch Grid Storage Battery Business</u>
March 13, 2025	※ <u>New Research on Indonesia's Decarbonization and Growth: BRIN and Mitsubishi Research Institute team up</u>
<b>[Related to Digital Innovation Business]</b>	
April 10, 2025	<u>MRI Announces Results of a Survey on the Status of DX Promotion by Japanese Companies (FY2025 Flash Report)</u>
April 7, 2025	<u>AI Automated Voice Response for Telephone Reservations to Arrange Shuttle Transportation for Bus Stops</u>
April 3, 2025	<u>Easy Comparison of Qualitative Information from Multiple Companies Using Generative AI!</u>

# Topics: Recent News Releases

(Note) All releases below are only in Japanese

Date	Title
<b>[Related to Financial System Innovation Business]</b>	
April 21, 2025	<u>Supporting the Advancement and Democratization of Data Analysis Operations at Joyo Bank</u>
<b>[Think Tank Function (Recommendations and Dissemination of Information)] [Global Business]</b>	
April 2, 2025	<u>Announcement of 11 Proposals for Future Co-Creation Between Offshore Wind Power Generation and the Fisheries Industry</u>
March 28, 2025	<u>List of Social Issues Expected to be Solved Through Innovation: FY2025 Edition</u>
February 6, 2025	<u>Announcement of 14 Recommendations for the Next Science and Technology Innovation Basic Plan</u>

# Topics: Recent News Releases

(Note) All releases below are only in Japanese

Date	Title
<b>Group Companies, etc.</b>	
April 23, 2025	<u>[DCS] Launch of Partnership with Databricks and MILIZE</u>
April 17, 2025	<u>[DCS] Launch of Analytics Services to Support the AI Era</u>
April 8, 2025	<u>[JBS] Development of Sales AIgent (Tentative Name)—an AI Agent Specializing in sales</u>
March 19, 2025	<u>[JBS] Release of Service that Analyzes Microsoft 365 Copilot User Work Styles and Behavior to Support Improvements in Productivity Based on Data</u>
February 27, 2025	<u>[DCS] Protecting Cloud Assets from Threats! Launch of Cloud Security Operation Service</u>
February 18, 2025	<u>[JBS] Contributing to Improvement of Sustainable Management at Companies Through Development of Nikkei Sustainable Link</u>
February 17, 2025	<u>[DCS] Conclusion of Industry-Academia Collaboration Agreement with The University of Kitakyushu</u>
February 12, 2025	<u>[DCS] Introduction in as Little as Two Months! Launch of Smart Operations Platform to Improve Efficiency of Fault Management</u>
February 10, 2025	<u>[MPX] JERA Cross Introduces MPX's MPX-ETRM Energy Trading Risk Management System to Manage Market Risks Associated with Renewable Energy Sources</u>

## Notes concerning forward-looking statements

This presentation contains forward-looking statements. These forward-looking statements, including forecasts, are based on the Company's assumptions in light of information available at this moment.

These statements do not guarantee future performance, and involve unpredictable risks and uncertainties. Accordingly, actual performance may differ from the outlook due to such various factors.

The Company is under no obligation to update or revise any forward-looking statements in light of future events, new information or other findings.

[Translation for reference only]

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*Envisioning the future, leading change*

