

*Envisioning the future, leading change*

 **Mitsubishi Research Institute**

**Stock Code: 3636**

November 2024



# 1. About Us

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# 1. About Us – MRI Group

- A comprehensive think tank
- Broad expertise from the economy to IT, science and technology
- Aspires to solve social issues



## Mitsubishi Research Institute

- Founded in 1970 in commemoration of centenary of the Mitsubishi Group
- Funded by 27 Group companies
- The operating holding company was listed in 2009.



- Became a Group company in 2005
- Used to be a computer system subsidiary of The Mitsubishi Bank, Ltd. (formerly)

### Think Tank Functions

Research, analysis, forecasting, system design

### Consulting Functions

Developing management strategies and strategies for IT use

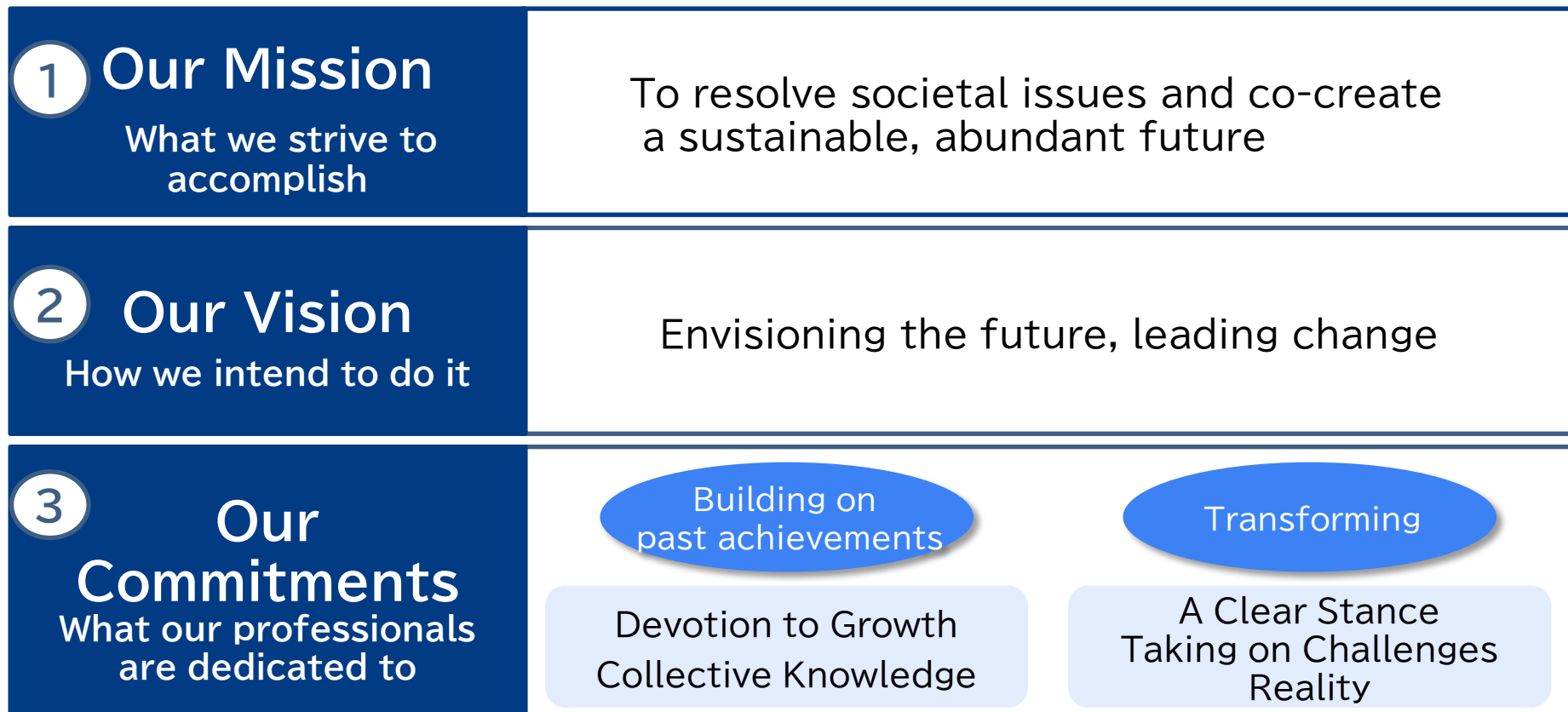
### IT Solutions Functions

System development and operation, outsourcing

# 1. About Us – MRI Group

## Our Guiding Principles

We, the Mitsubishi Research Institute, will continually envision a desirable future, resolve societal issues, and lead change in society to co-create a sustainable and abundant future.



# 1. About Us – MRI Group

## Business segments

### Think Tank and Consulting Services

Net sales: **45.4** B yen

Operating profit:  
**3.4** B yen

(FY2024/9)

### IT Services

Net sales: **69.9** B yen

Operating profit:  
**3.6** B yen

(FY2024/9)

## Customer sectors

Government and public sector

Private sector

Finance and credit cards

Private sector

## Major services

Research, analysis and demonstration

Consulting

DX(Digital transformation)-related consulting services, etc.

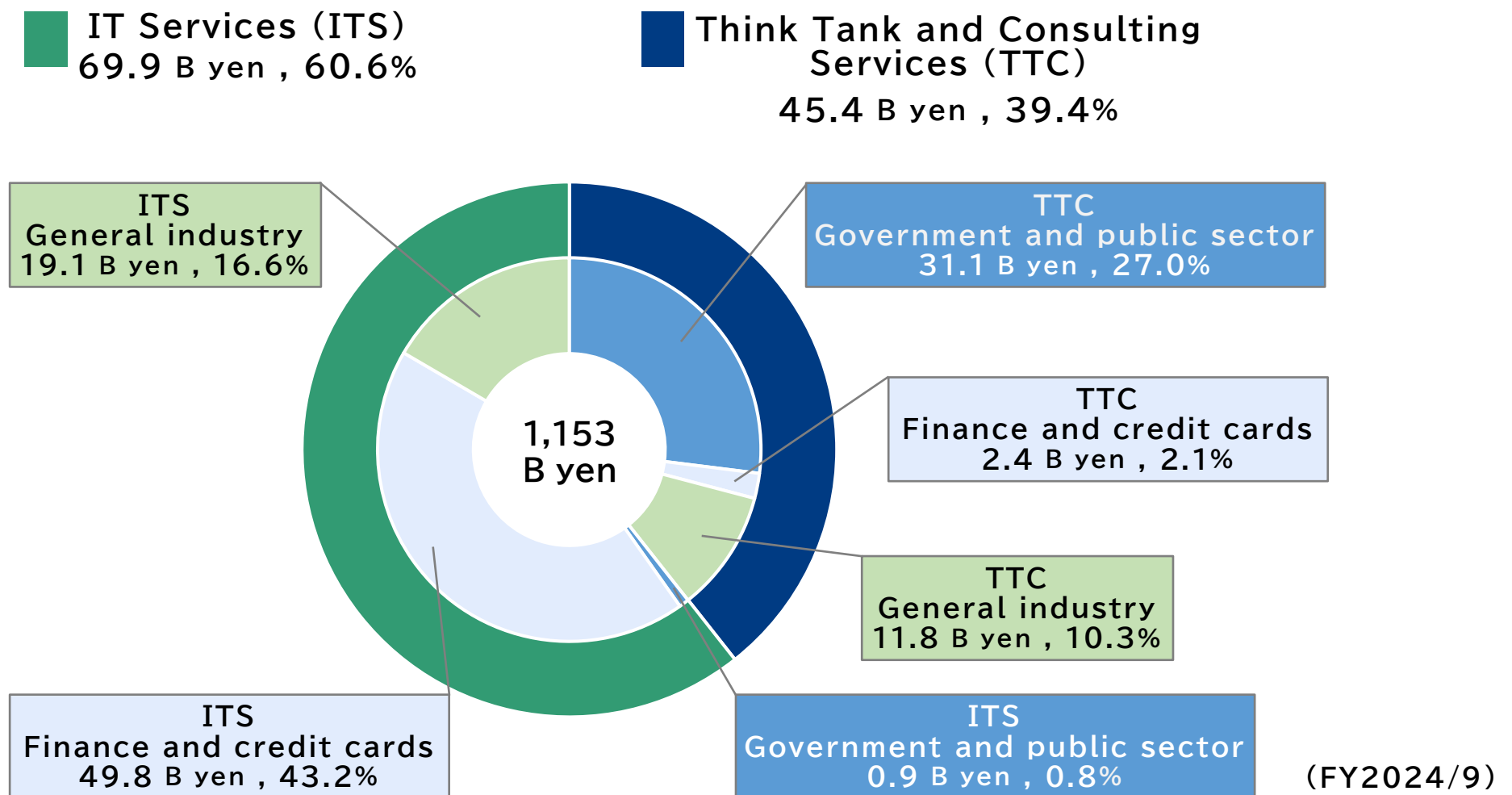
System development and maintenance

Outsourcing

DX-related services, etc.

# 1. About Us – MRI Group

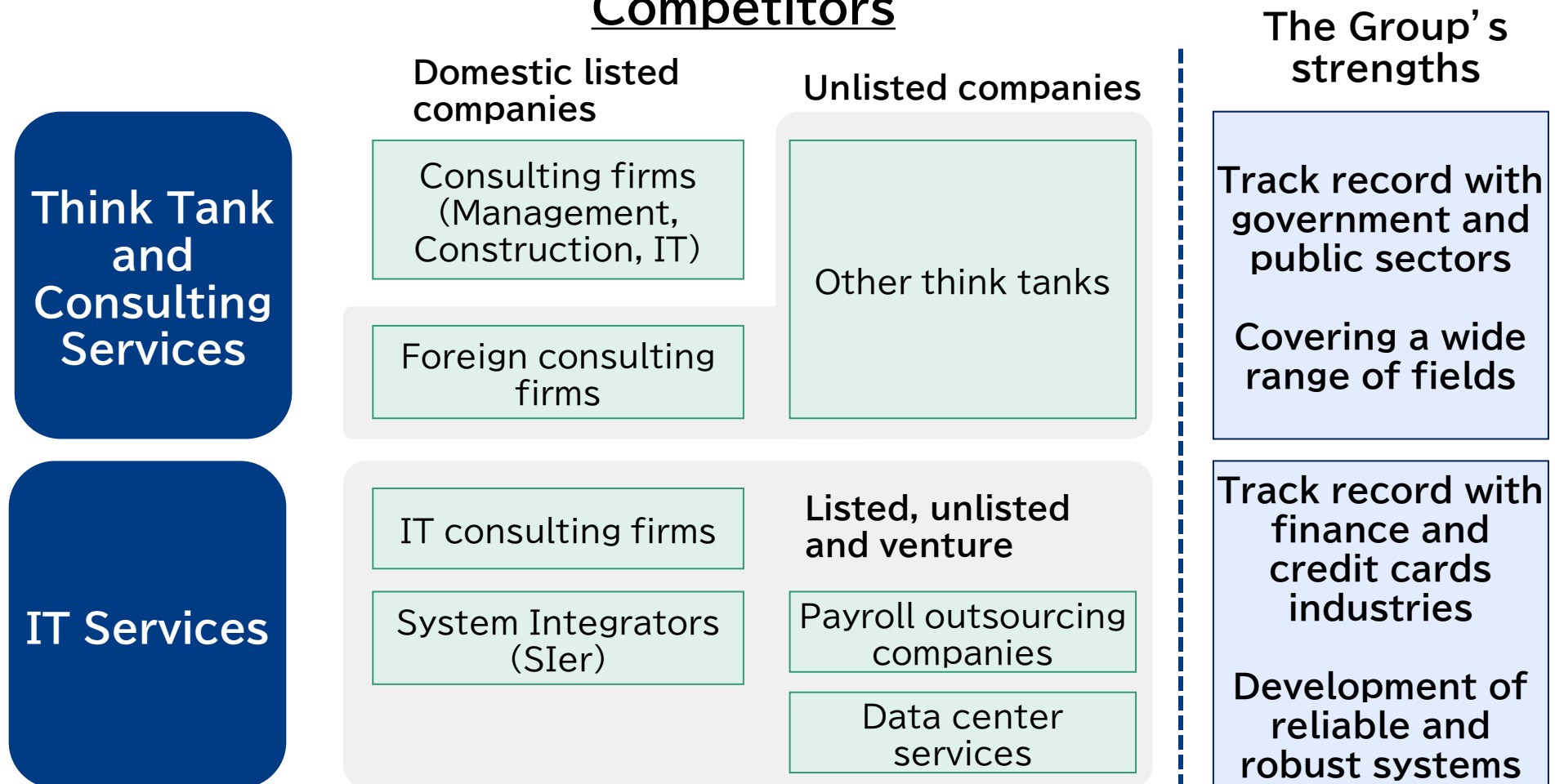
- Net Sales by Segment and Customer's Industry Sector



# 1. About Us – MRI Group

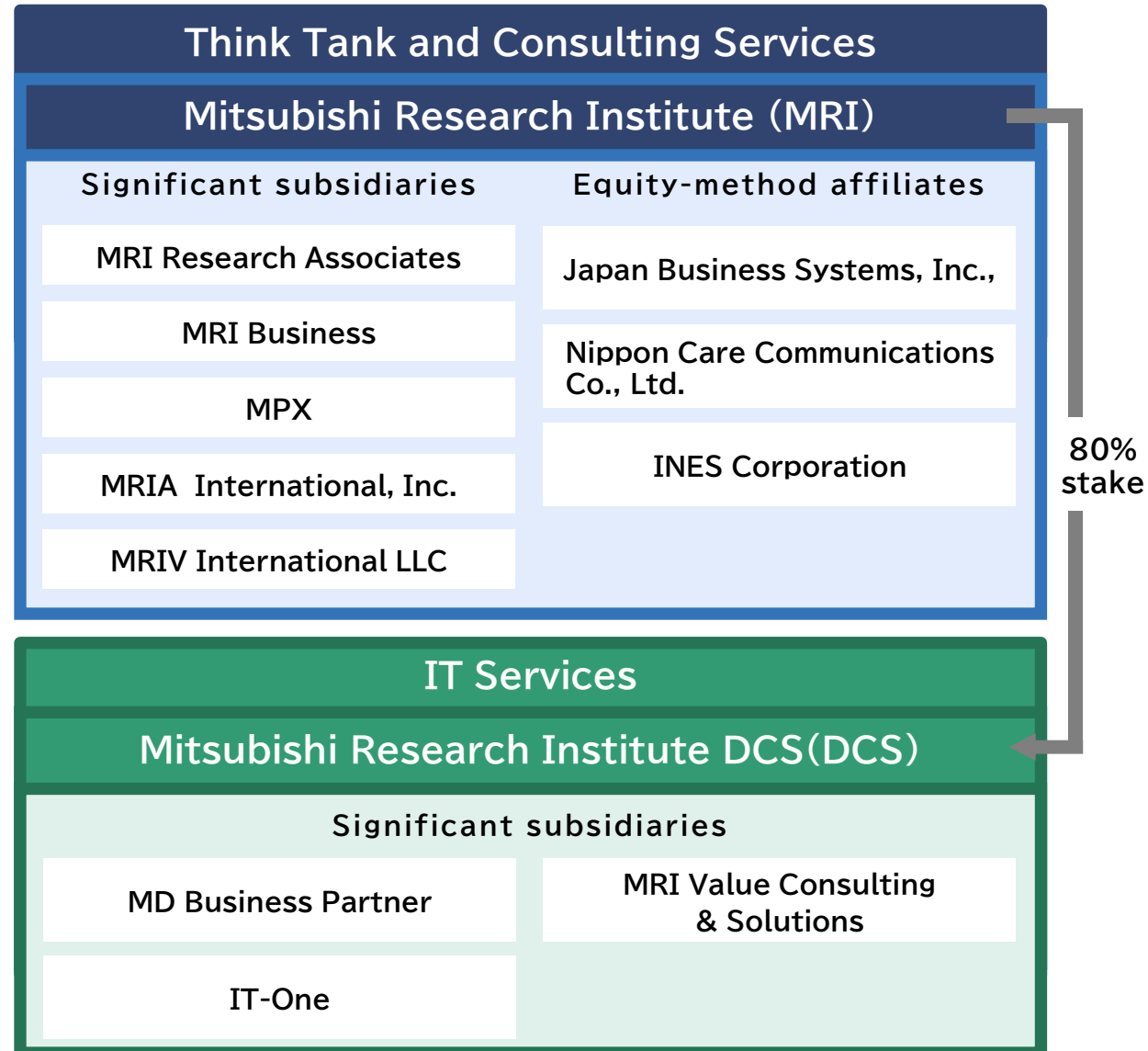
- Each segment has different competitors
- Unique position among domestic listed company

## Competitors



# 1. About Us – MRI Group

<b>Corporate Name</b>	Mitsubishi Research Institute, Inc. (MRI)
<b>Head Office</b>	10-3, Nagatacho 2-chome Chiyoda-ku, Tokyo
<b>Representative</b>	Kenji Yabuta, President
<b>Capital Stock</b>	6.3 billion yen
<b>Number of Employees</b>	4,573 (Consolidated) 1,202 (Non-consolidated)
<b>Stock Listing</b>	Prime Market of Tokyo Stock Exchange (stock code: 3636)





## 2. Strengths of the MRI Group

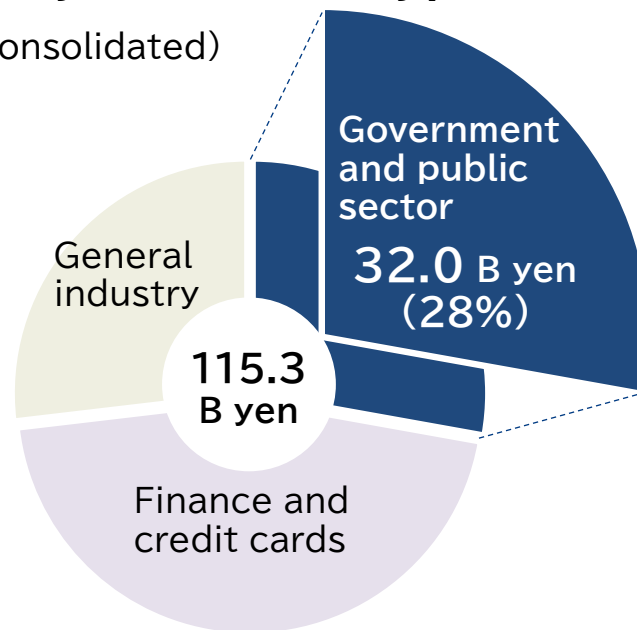
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## 2. Strengths of the MRI Group

- Stable customer base : Government and public sector

### Net sales by customer type

(FY2024/9; Consolidated)



### Main ministries in terms of sales

(FY2024/9; Non-consolidated)

Ministry
Digital Agency
Ministry of Internal Affairs and Communications
Ministry of Health, Labour and Welfare
Ministry of Economy, Trade and Industry
Cabinet Secretariat

### Examples of contracts

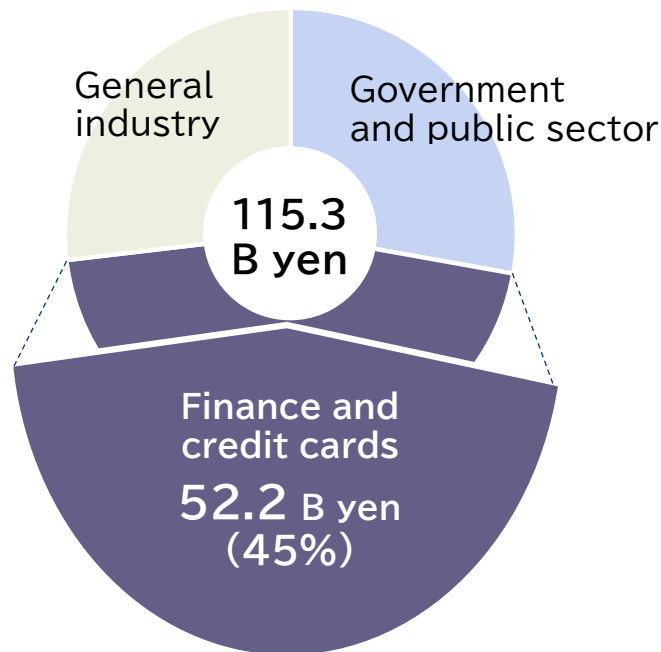
Project	Ministry
Regional Digital Infrastructure Utilization Promotion Project (Autonomous Driving Level 4 Verification)	Ministry of Internal Affairs and Communications
Testing and evaluation projects to realize appropriate management of key technologies that contribute to maintaining and strengthening economic security	Ministry of Economy, Trade and Industry
Survey and Research in Government Cloud Prior Project (Core Business System)	Digital Agency

## 2. Strengths of the MRI Group

- Stable customer base : Finance and credit cards

### Net sales by customer type

(FY2024/9; Consolidated)



### Finance and insurance business

- Megabank mainframe systems
- Foreign currency Internet banking
- Market risk management solutions
- Personal loan review system, etc.

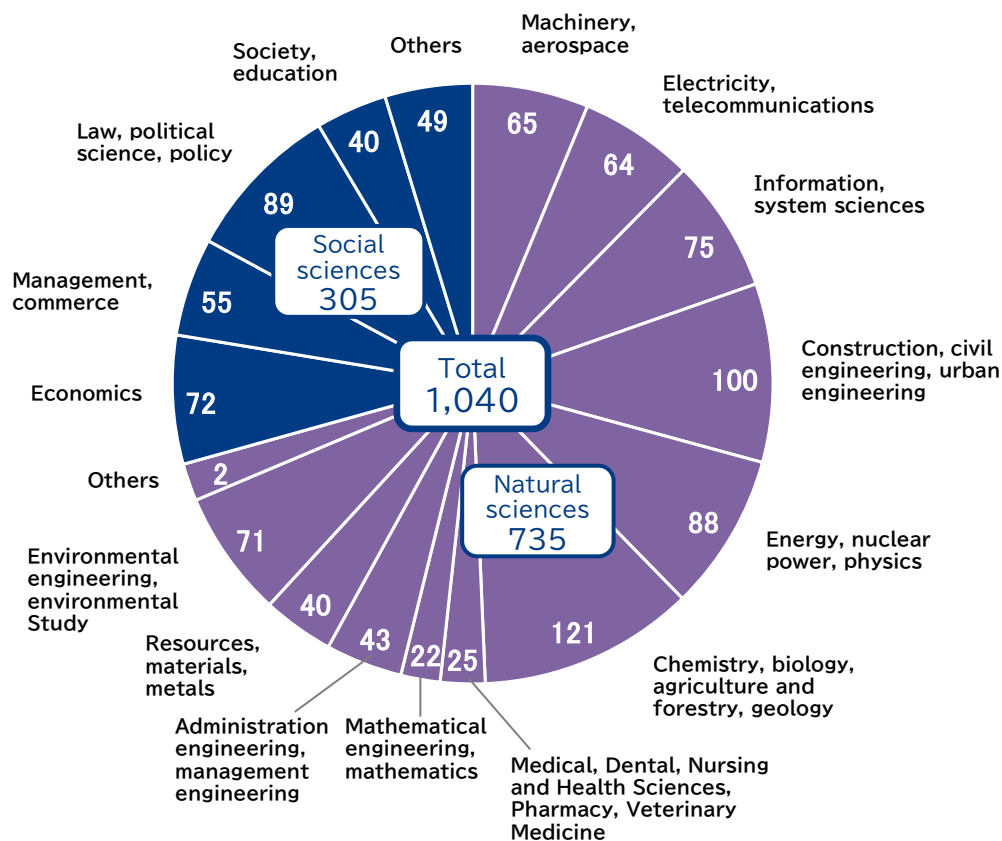
### Credit cards

- Credit card payment systems
- Membership review systems
- Support for statutory changes, etc.

## 2. Strengths of the MRI Group

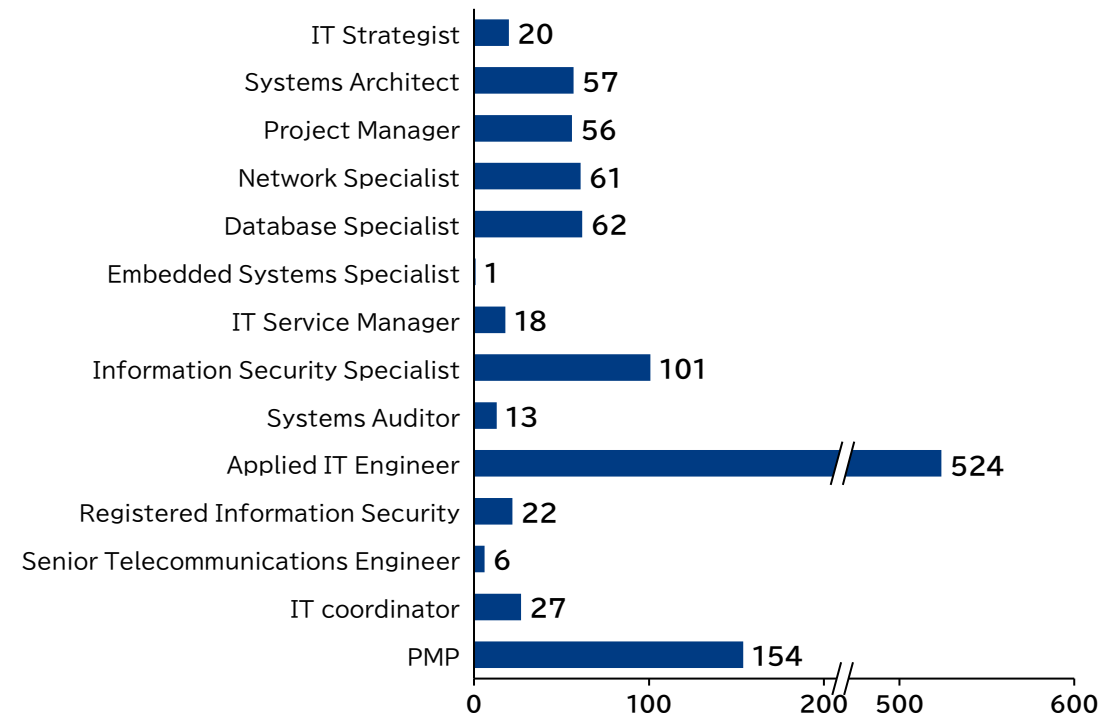
- Diverse and highly skilled human resources
- 70% of researchers at MRI are in the natural sciences

### Research Specializations



(As of September 30, 2024)

### Number of DCS employees who have passed the Japan Information-Technology Engineers Examinations



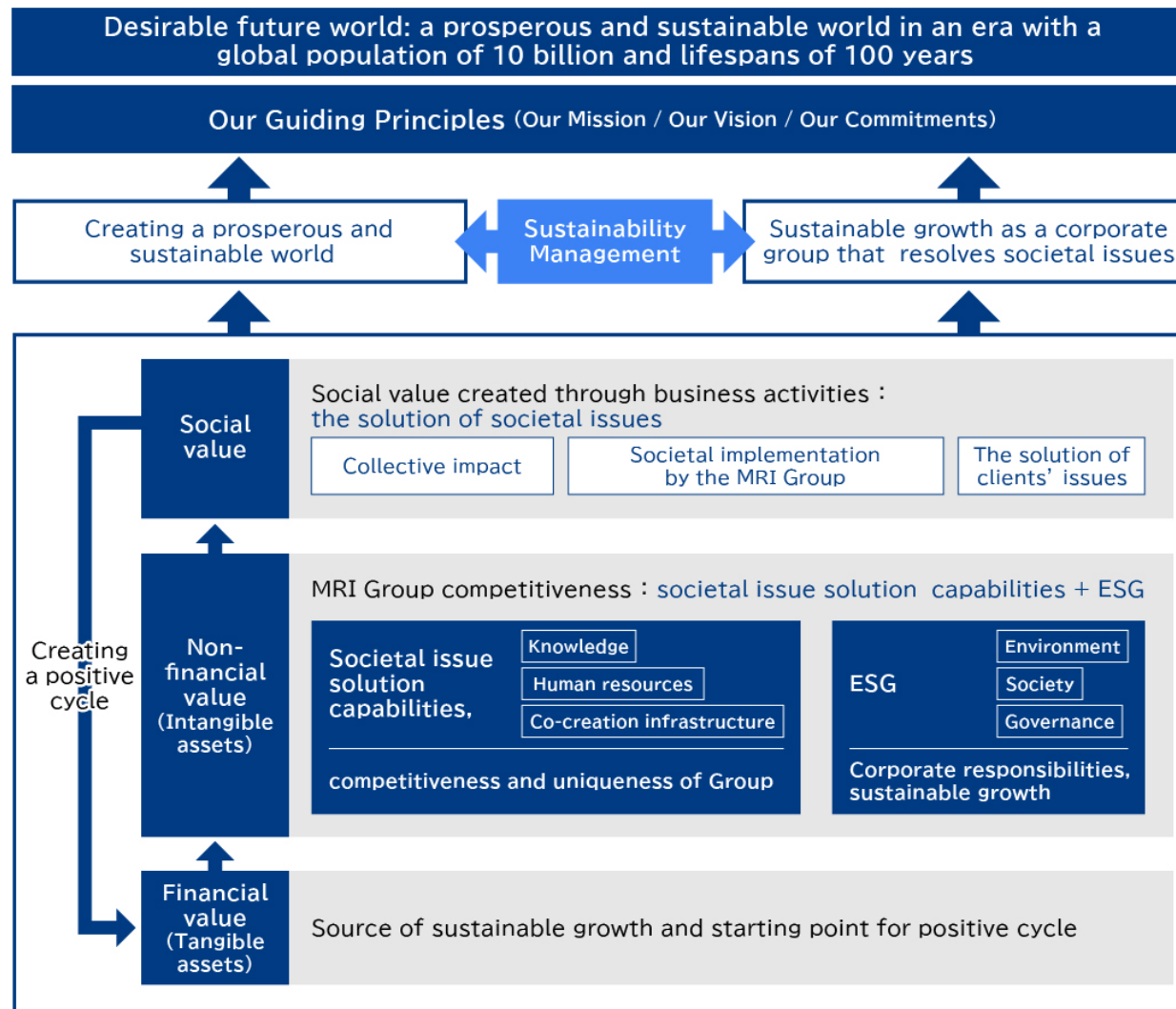
(As of October 2024)

# 3. Medium-Term Management Plan 2026 (MP2026)

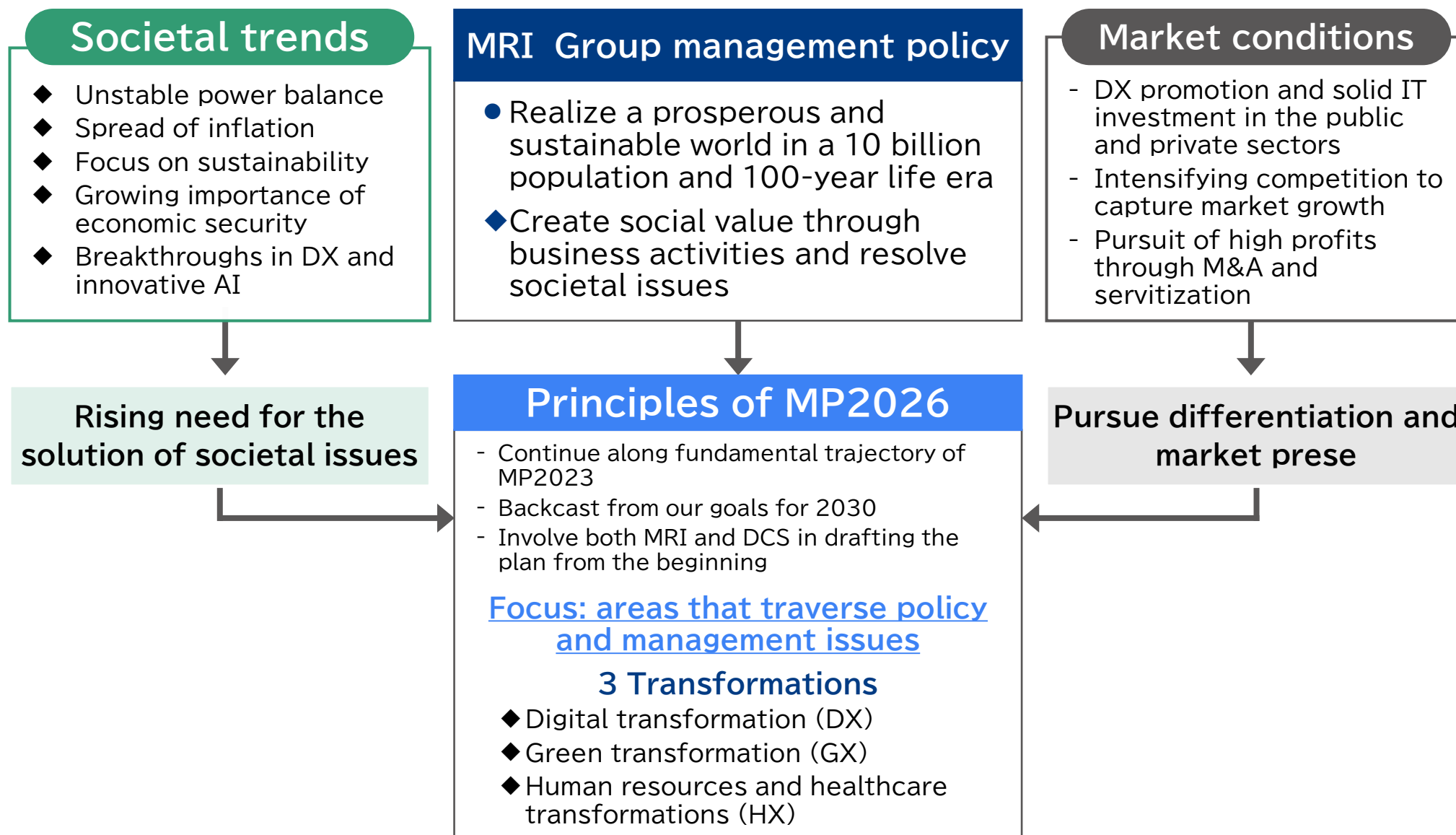
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# Management Policy

- Aim for the sustainability of both society and MRI group by realizing a positive cycle of three values: financial, non-financial, and social



# Concept of the Medium-Term Management Plan 2026



# Our Goals for 2030 and Positioning of MP2026

## Our goals for 2030

- A corporate group that provides unique value  
 ~ This will be the result of combining the strengths of TTC and ITS segments
- Raise sales to 200 billion yen  
 ~ This will give us greater freedom in pursuing our business and financial strategies, securing stakeholder trust, and establishing social presence

## Positioning of MP2026





# Basic Policy of MP2026 (→ ref. P.18)

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- Aim for positive cycle creating social, non-financial, and financial value by fortifying five business foundations and four main business fields

## 1 Business strategy

- Reorganize around four main business fields
  - Think Tank Function
  - Societal and Public Innovation
  - Digital Innovation
  - Financial System Innovation

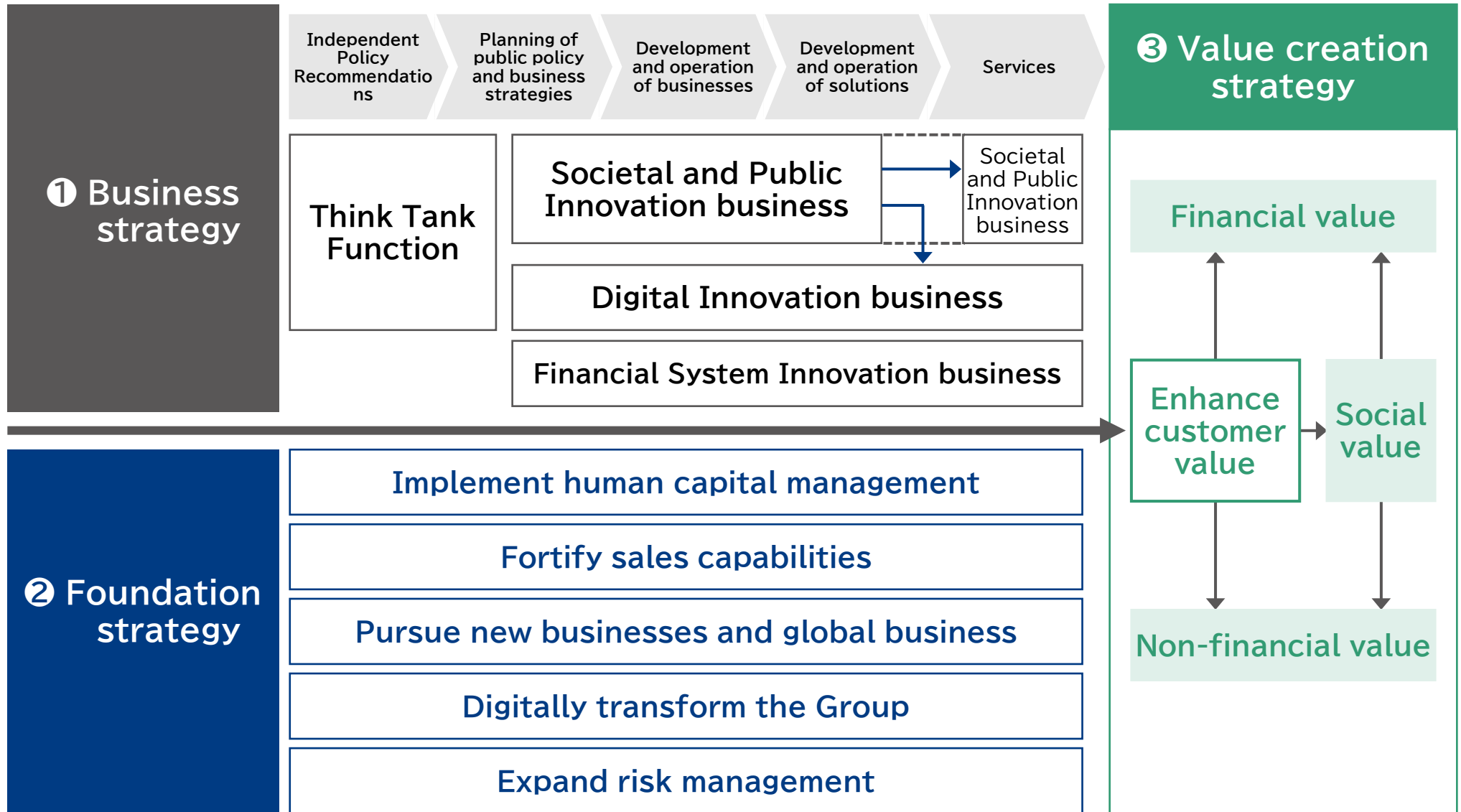
## 2 Foundation strategy

- Strengthen foundations of the Group and support growth
  - Human capital management, sales capabilities, new businesses and global business, digital transformation of the Group, and risk management

## 3 Value creation strategy

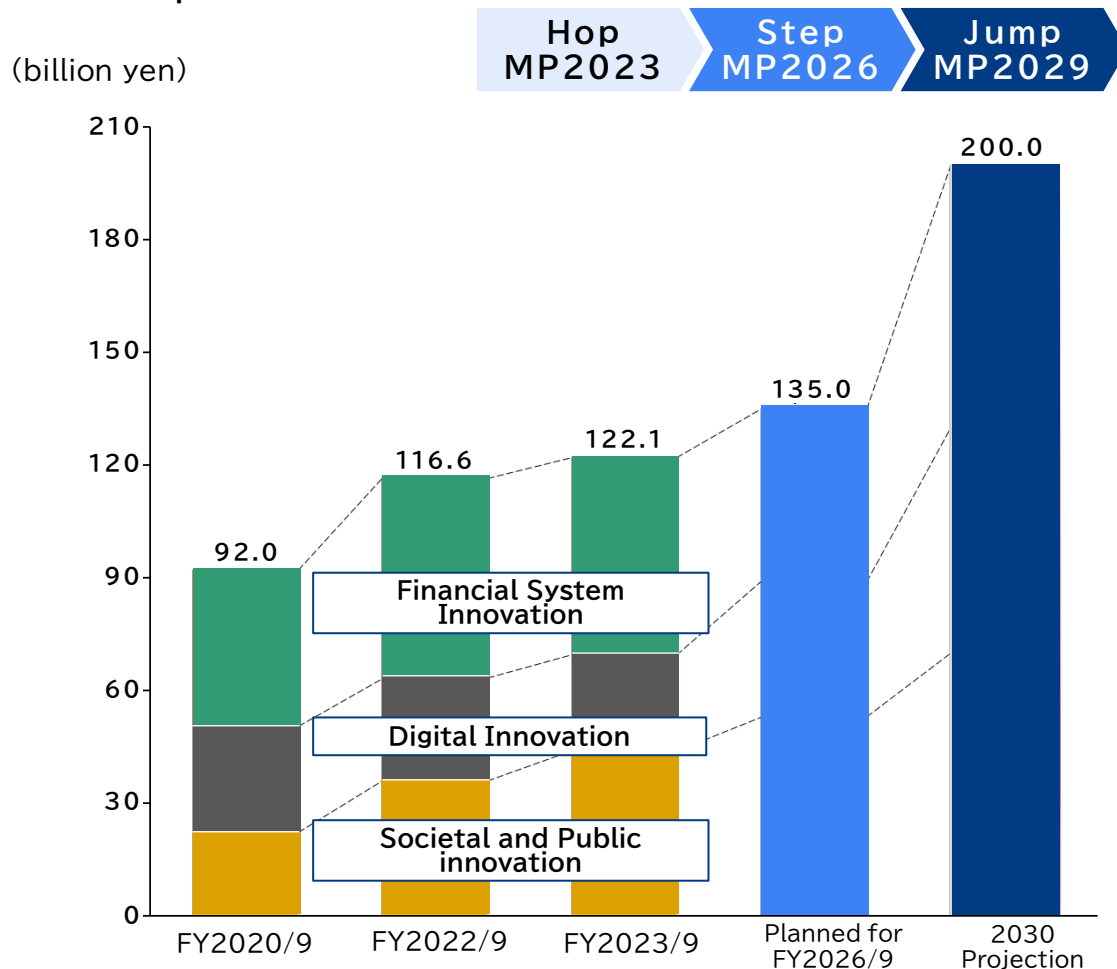
- Enhance corporate value through a positive cycle of financial, non-financial, and social values
  - Digital transformation (DX), green transformation (GX), and human resources and healthcare transformations (HX)

# Basic Policy of MP2026 (→ ref. P.17)



# Path to Sales of 200 Billion Yen

- Pursue business domains that span the Group
- Build unique value-creation models
- Further increase profitability and incorporate inorganic growth during the jump phase



MP2026	MP2029
<ul style="list-style-type: none"> <li>• Choose and focus, qualitative reform → Maintain and improve profit margin</li> <li>• Foster and expand subscription-type businesses</li> <li>• Execution for inorganic growth</li> </ul>	<ul style="list-style-type: none"> <li>• Further improve profit margin</li> <li>• Expand proportion of subscription-type businesses</li> <li>• Expand inorganic investments and realize inorganic growth</li> </ul>
<ul style="list-style-type: none"> <li>• Financial System: Maintain and improve sales and profit margin</li> <li>• Digital: Capture DX market growth Win more major customers</li> <li>• Societal &amp; Public Sector: Expand digital transformation work for the government and public sector</li> </ul>	<ul style="list-style-type: none"> <li>• Financial System: Utilize digital technology, develop userbase</li> <li>• Digital: Turn key clients into strategic partners Accelerate private-sector deployment of policy knowledge</li> <li>• Societal &amp; Public Sector: Establish a position in the market for government and public-sector digital transformation work</li> </ul>

# Composition of Main Businesses

## Business Portfolio and Business Scale

- Think Tank Function: Independent research pioneering major societal trends
- Societal and Public Innovation: Services for the public and private sectors based on our knowledge of policy
- Digital Innovation: Digital transformation services for the private sector based on management perspectives
- Financial System Innovation: Services for the financial sector based on our experience with financial systems

Main business	Current Scale of Business	Projected Scale of Business as of FY2026/9	Objectives
<b>Societal and Public Innovation</b>	39 billion yen	52 billion yen	<ul style="list-style-type: none"> <li>◆ Formation of public-private collaborative ecosystem</li> <li>◆ Promotion of system integration and digital transformation in the semi-public sector</li> <li>◆ Expansion of priority domains for subscription-based services</li> </ul>
<b>Digital Innovation</b>	27 billion yen	35 billion yen	<ul style="list-style-type: none"> <li>◆ Expansion of digital transformation services for manufacturing and distribution sectors</li> <li>◆ Strengthening data analytics and AI businesses</li> <li>◆ Strengthening human resources and educational services</li> <li>◆ Policy-based public system development</li> </ul>
<b>Financial System Innovation</b>	48 billion yen	46 billion yen	<ul style="list-style-type: none"> <li>◆ Complete large-scale system projects</li> <li>◆ In-depth cultivation of existing customers and building of new businesses</li> <li>◆ Expansion of financial consulting and development for digital transformation</li> </ul>

\*All numbers are approximations

# Think Tank Function

- Pioneer major societal trends, conducts research on technology, and implements business-linked research to achieve a desirable future world**
  - Research and recommendations that impact society and influence how trends are shaped (e.g. *Forum on New Future Society* and *Resolving Societal Issues through Innovation—Listings of Societal Issues* as pictured below)
  - Strengthen outcomes directed at contributing to major national policies and corporate strategies, particularly aiming to translate research and recommendations into concrete measures
- Enhance presence of the Group**
  - Build domestic and international networks with think tanks and universities to promote co-creation (e.g. overseas business partners and research institutes in Europe, the Americas, and Asia)
  - Strengthen research systems and nurture human resources, particularly by staffing according to career paths, running training programs across the Group, and supporting reskilling
  - Communicating findings through public relations, collaboration with sales teams, and increase media exposure



三菱総研グループフォーラム2024

未来社会を支える  
AI・ロボティクス

2024年11月28日(木)  
15時00分～17時00分

オンライン開催

事前登録制・参加無料

詳細・申込 →

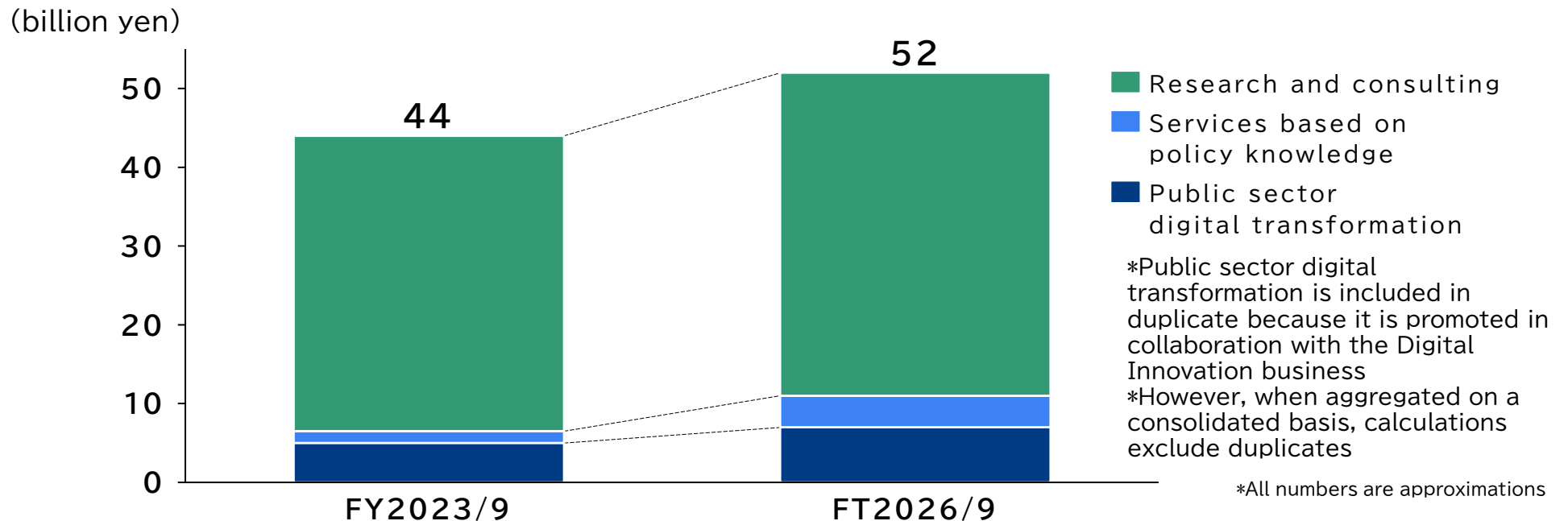


In Japanese Only

Note: Images link to detailed information on the MRI website

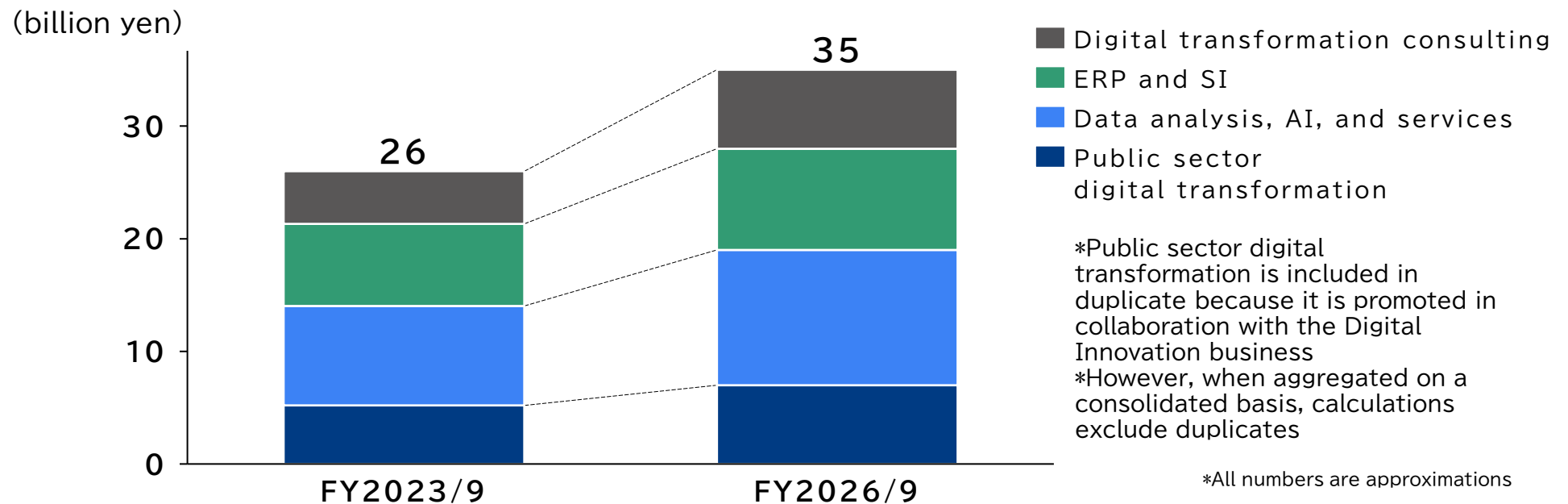
# Societal and Public Innovation Business

- **Research and consulting**
  - Urban infrastructure and mobility (e.g. digital transformation of infrastructure and flying cars)
  - Healthcare and human resources (e.g. health-focused management and digital health)
  - Energy, circular society, and sustainability (e.g. green transformation and agricultural management)
  - Technology (e.g. space, oceans, and economic security)
- **Services based on our knowledge of policy**
  - Energy (e.g. MPX and MERSOL services)      - Human resources (e.g. PRaiO service)
  - Urban life and mobility (e.g. Region Ring service)      - Healthcare (e.g. health-notification system)
- **Public sector digital transformation**
  - Digital transformation for medical and long-term care, trade and logistics (e.g. trade platform service), regional co-creation (e.g. services for residents), and public policy (e.g. digital twins and disaster prevention)
  - Digital government initiatives (e.g. system integration for government information)



# Digital Innovation Business

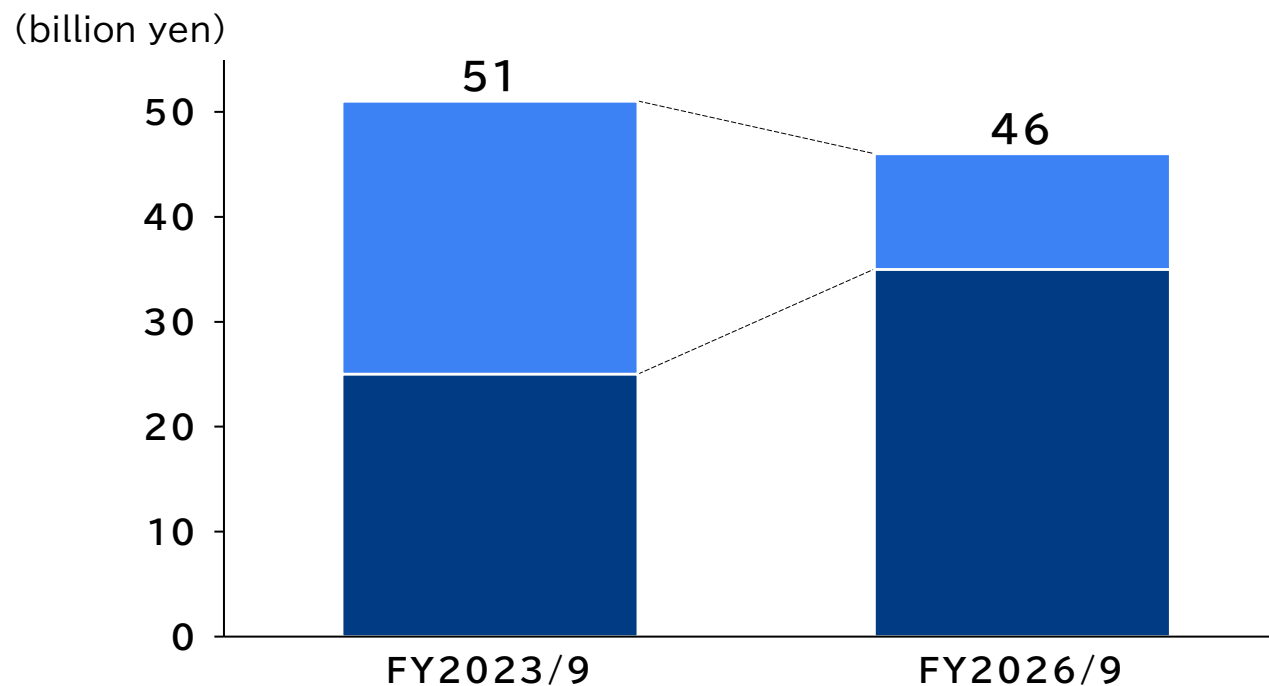
- **Digital transformation consulting**
  - Key clients and work: management and digital transformation consulting for regulated industries
- **Enterprise resource planning (ERP) and integration of existing systems (SI)**
  - Digital transformation products such as system renewal and cross-selling for existing major customers
- **Data analysis, AI business, and services**
  - Data analysis consulting, AI system development, and products for education and human resource fields
- **Public sector digital transformation**
  - Digital transformation for medical and long-term care, trade and logistics (e.g. trade platform service), regional co-creation (e.g. services for residents), and public policy (e.g. digital twins and disaster prevention)
  - Digital government initiatives (e.g. system integration for government information)



# Financial System Innovation Business

- Completion of large-scale system projects
- Expansion of work for existing clients and new projects
  - Expand of work for existing major clients
  - Deploy measures for major events such as business consolidation and EOS\*1
  - Transition to de-hosting and microservices
  - Develop BaaS\*2 one-stop service via collaboration between MRI and DCS
  - Improve existing systems and EOS-compatible infrastructure business
  - Enhance financial consulting recommendations function and expand themes

\*1. Abbreviation for End of Support. Refers to when a company terminates support for a product, etc. In the case of software, measures such as version updates are required  
 \*2. Abbreviation for Banking as a Service. Refers to a system that allows various other companies to incorporate the functions and services provided by banks into their own services and use them



- Large-scale system projects
- Expansion of work for existing clients and new projects

\*All numbers are approximations

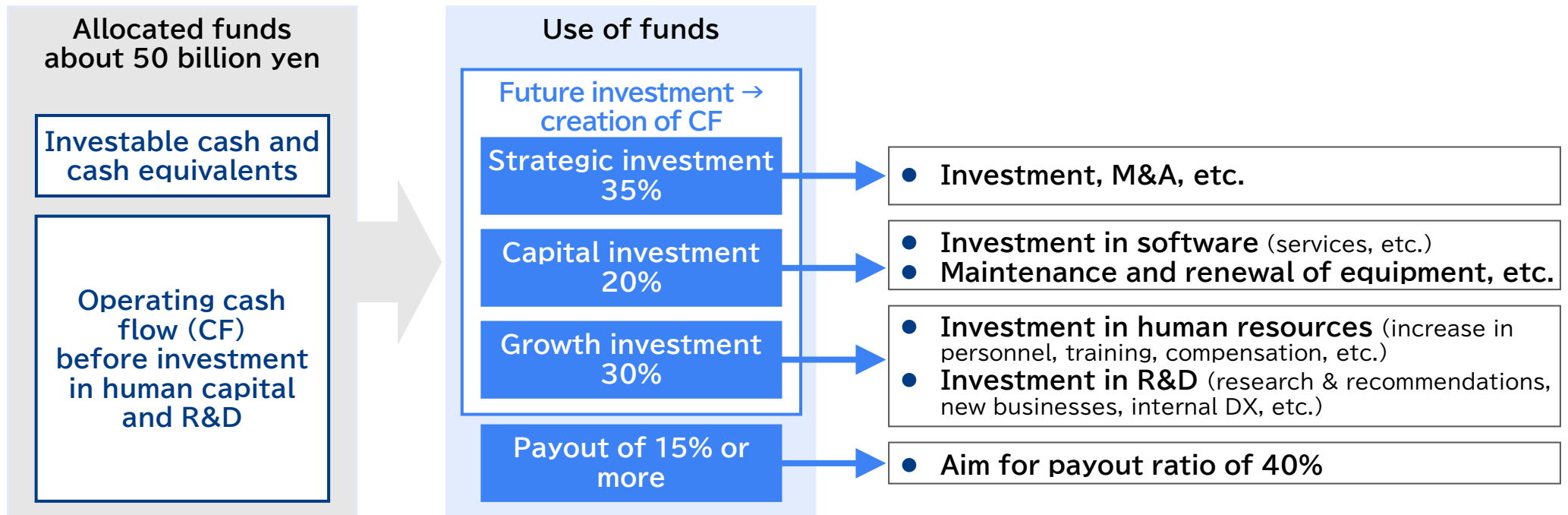


# Plan in Numbers

	FY2023/9 Results	FY2024/9 Results	FY2026/9 Goal	FY2023/9 → FY2026/9	Average growth rate compared to FY2023/9
<b>Net sales</b>	122.1 billion yen	115.3 billion yen	135.0 billion yen	+12.8 billion yen	3.4%
<b>Operating profit (margin)</b>	8.6 billion yen (7.1%)	7.0 billion yen (6.1%)	12.0 billion yen (8.9%)	+3.3 billion yen (+1.8 pt)	11.4%
<b>Ordinary profit (margin)</b>	10.0 billion yen (8.2%)	8.1 billion yen (8.2%)	14.0 billion yen (10.4%)	+3.9 billion yen (+2.2 pt)	11.9%
<b>ROE</b>	9.8%	7.5%	12.0%	+2.2 pt	—

# Capital Policy

- Actively utilize around 85% of allocated funds for investment
    - Strategic investment: acquire advanced technology, knowledge, and resources for growth in priority areas (e.g. investments and M&A)
    - Capital investment: strengthen management infrastructure and service base (e.g. software, maintenance and renewal of equipment)
    - Growth investment: invest in human resources, strengthen research and recommendation capabilities, develop new businesses, and digitally transform the Group
      - Add staff: Approximately over 500 people (FY2023→FY2026)
  - Aim for a payout ratio of 40% based on stable dividends
- \* 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

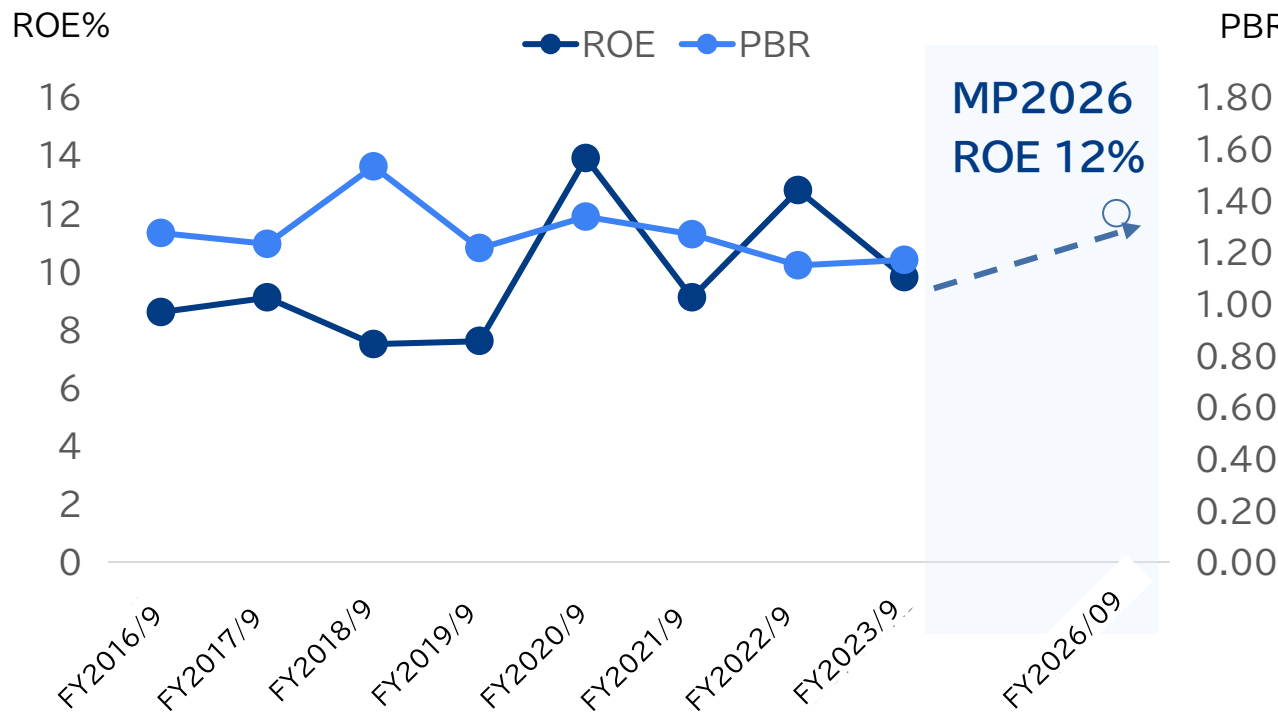


# Evaluation of Current Status, Policies and Initiatives

<b>Evaluation of current status</b>	<ul style="list-style-type: none"> <li>Although we recognize that our cost of capital is <b>approximately 7% (CAPM)</b>, we estimate that the cost of capital required by the stock market is around 9%</li> <li>As of FY2023/9, ROE is 9.8%, this exceeds <b>Shareholder's equity cost</b> but is still low compared to industry peers and needs to be improved</li> <li>PBR is about 1.0×, and we recognize that to further increase corporate value, <b>it is essential to achieve sales growth and improve profit margins</b> through steady implementation of MP2026</li> </ul>
<b>Policies</b>	<ul style="list-style-type: none"> <li>Period of the second “step” toward 200 billion yen in sales in 2030</li> <li>MP2026 financial targets: <b>ROE of 12%, consolidated ordinary profit of 14 billion yen, ordinary profit margin of 10.4%, and net sales of 135 billion yen</b></li> </ul>
<b>Initiatives</b>	<ul style="list-style-type: none"> <li>Common to all businesses: <b>Selection and concentration. Improved project mix. Expansion and cultivation of service-type businesses</b> <ul style="list-style-type: none"> <li>Think Tank: Strengthen Research &amp; Recommendations capabilities and create business opportunities through the formation of social trends</li> <li>Societal and Public: Concentration of resources in priority domains GX and HX (human resources and healthcare), formation of public DX projects</li> <li>Digital: Promote group-wide cross-selling, development of solutions such as generative AI, public DX</li> <li>Finance: Business restructuring, take on challenges in new fields</li> </ul> </li> <li><b>Expansion of human capital, and improvement of productivity through promotion of think tank DX using new technologies such as the use of generative AI</b></li> <li>Implemented strategic investment and growth investment based on the capital policy of MP2026. Shareholder returns based on stable dividend policy (payout ratio 40%)</li> <li><b>Introduction of executive compensation system linked to MP2026 targets (long-term incentives) for both Mitsubishi Research Institute (MRI) and Mitsubishi Research Institute DCS (DCS)</b></li> <li><b>Further expansion of investor dialogue</b>, including enhanced disclosure of reorganized business areas</li> </ul>

# ROE/PBR Trends and MP2026 Targets

- As of FY2023/9, ROE is 9.8%, PBR 1.17x, but needs further improvement
- ROE improvement is essential for PBR to rise. Under MP2026, the company plans to increase ROE to 12% by improving profit margins



	FY2023/9	FY2026/9	2023/9→2026/9
Net sales	1,221	1,350	+128
Operating profit	86 (7.1%)	120 (8.9%)	+33 (+1.8 pt)
Ordinary profit	100 (8.2%)	140 (10.4%)	+39 (+2.2 pt)
ROE	9.8%	12.0%	+2.2 pt

# Initiatives to Improve ROE for MP2026

- Under the MP2026, MRI and DCS will work together to improve profitability by reorganizing the Group's cross-group strategic areas

	MP2026 Concepts	Measures	ROE Target
Consolidated Net Profit Margin	5.1% (2023/9) ⇒ <b>Around 7%</b>	<ul style="list-style-type: none"> <li>Reorganize strategic areas by business segment and improve profitability ⇒ Societal &amp; Public: Improve project mix, stock business ⇒ Digital: Private sector, service business, public DX growth ⇒ Financial System: Business reorganization, take on challenges in new fields</li> </ul>	<p>9.8% (2023/9) ⇒ <b>12%</b></p>
Total Assets Turnover	1.04 (2023/9) ⇒ <b>More than 1×</b>	<ul style="list-style-type: none"> <li>Increase in fixed assets due to capital investment, etc., led to increase in revenues. Total asset turnover ratio maintained at more than 1×</li> <li>Investment decisions and replacements due to the application of hurdle rates</li> </ul>	
Financial leverage	1.8 (2023/9) ⇒ <b>About 1.8</b>	<ul style="list-style-type: none"> <li>Appropriate allocation of funds based on the capital policy announced in MP2026. Use borrowings, etc. as necessary ⇒ Aim for a dividend payout ratio of 40% based on stable dividends</li> </ul>	

# Executive compensation system linked to achievement of Medium-term management plan

- The Group's executive compensation system consists of base salary, short-term incentives, and long-term incentives
- Long-term incentives to be shared by MRI and DCS at the start of MP2026

Components	Composition ratio	Calculation method
Base salary	40%-50%	-
Short-term incentives (Bonus)	30%	$\text{Bonuses} = \text{Base Pay by position} \times \text{Performance Achievements}$ <p>Consolidated results, segment results, and results of business in charge</p>
Long-term incentives (Performance-linked share-based compensation)	20%-30%	$\text{Shares Compensation} = \text{Base points by position} \times \left[ \begin{array}{l} \text{Annual performance achievement ratio (50\%)} \\ \text{Net sales (50\%)} \\ \text{Operating income (50\%)} \end{array} \right] + \left[ \begin{array}{l} \text{Medium-term plan achievement ratio (50\%)} \\ \text{ROE (80\%)} \\ \text{Nonfinancial Indicators (20\%)} \end{array} \right]$ <ul style="list-style-type: none"> <li>• Payment on retirement</li> <li>• Malus and Clawback Systems* available</li> </ul>

\*Systems that provide for reduction and forfeiture of remuneration (Malus clause) and return of paid remuneration (Clawback clause) in preparation for risks such as misconduct



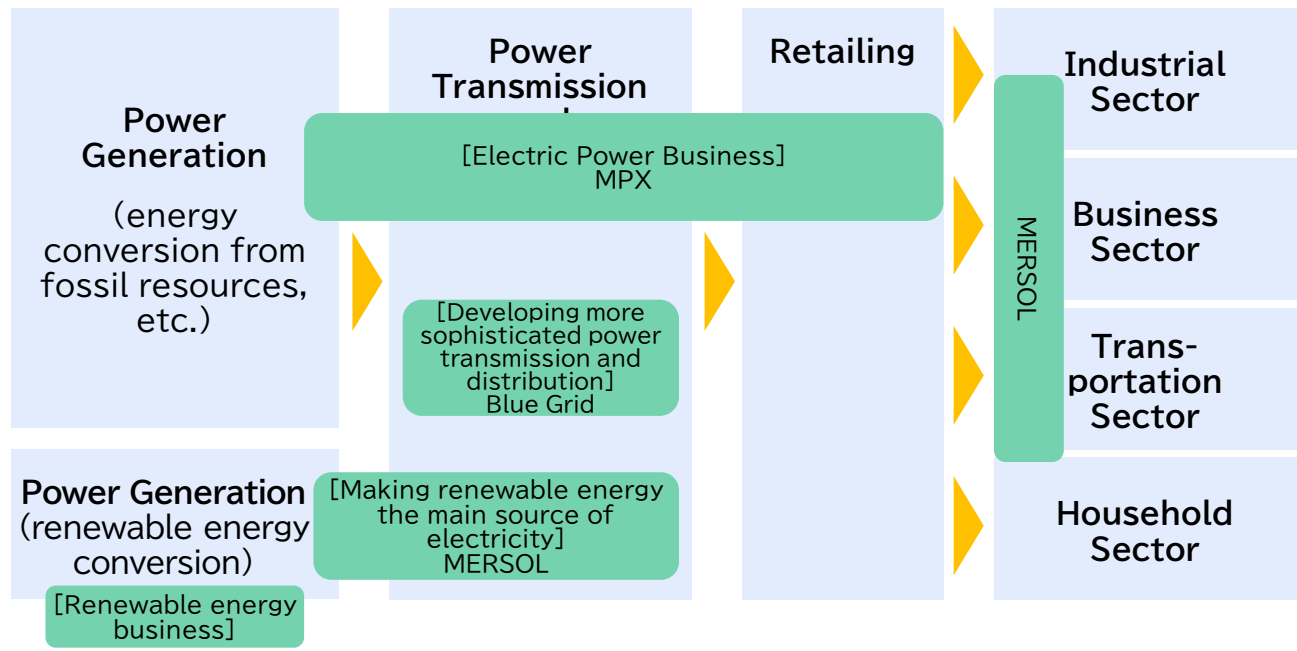
# Topics: Energy-related Services

## 1) MPX

- Information service for electric power trading and risk management that was launched in FY2016/9 and spun off in FY2022/9
- The main focus is on the distribution of price indexes and market price forecasts for electric power trading. Leading domestic performance in this field has been achieved.
- Around 100 companies subscribe to the service, and net sales have grown at around 25% per year (last 3 fiscal periods)

## 2) MERSOL

- Launched in FY2023/9. Comprises business feasibility evaluation service (Simulations segment) and storage battery operational support service (Operations segment) for storage battery business operators. The Simulations segment has achieved profitability.



## 3) BlueGrid

- Provides long-term demand forecasting services to general power transmission and distribution companies
- The service has achieved profitability by gradually accumulating orders

## 4) Renewable Energy Business

- Development and operation of in-house solar power plants, investment in Z-energy
- Renewable energy business asset management (AM) service leveraging the Company's expertise
- Four in-house projects, five asset management service projects

DX

# Topics: Business Alliance with TDSE (AI and Big Data Utilization)

(news release on October 30, 2024)

- **TDSE** operates a consulting and product business leveraging its expertise in AI.
- MRI will pursue a business alliance with TDSE to jointly develop a generative AI business, consulting services that leverage expertise in AI and big data (AI/DA), and related solutions.
- **[Generative AI]**
  - Mutual collaboration will speed up the process for launching businesses
  - New services will be created by combining the existing services of both companies
  - The two companies will also collaborate by sharing information on new technologies in the field of generative AI, providing reciprocal verification and cooperating in R&D, thus accelerating the creation of new services
    - MRI: In the process of developing and improving AI solutions and services including [LaLaSapo](#)\*
    - TDSE: Aims to establish an AI technology-based product business and generate over one billion yen in sales by the fiscal year ending March 31, 2029
- **[Consulting Service Driven by AI/DA Expertise]**
  - Aiming to cater to customers' expanding and increasingly diverse DX implementation needs, the two companies will jointly develop customers by creating high added value through mutual coordination and developing greater flexibility in the supply of resources.
- **Specific collaborative activities will start in November (including joint proposals)**



Left: TDSE President Togaki,  
Right: MRI Senior Managing Director Ito

\* Collective term referring to a lineup of services to support the safe and rapid introduction of generative AI technologies.  
LaLaSapo mainly comprises services aimed at knowledge workers in corporate planning, sales and specialized technical areas.



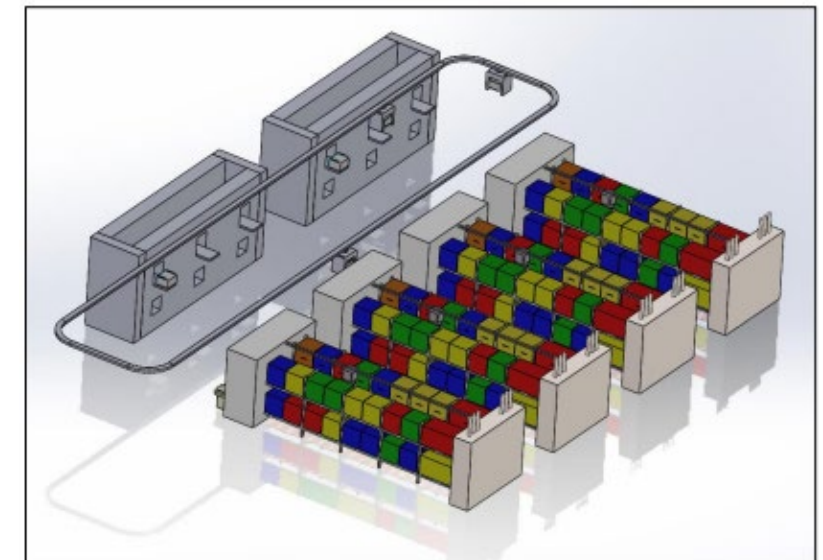
DX

# Topics: Participating in the Establishment of the Semiconductor Assembly Test Automation and Standardization Research Association

(news release on May 7, 2024)

- The Semiconductor Assembly Test Automation and Standardization Research Association (SATAS) aims to innovate and fully automate semiconductor back-end processes.
- To achieve the following in a more sustainable way, automation at semiconductor back-end manufacturing plants is an urgent need
  - Pursue flexibility to build a more resilient supply chain in light of various geopolitical risks
  - Further semiconductor miniaturization technologies and the evolution of more advanced packaging technologies for the AI era
- SATAS is engaged in the development of technologies and open industry standards needed for the automation of back-end processes, the development and implementation of equipment, and the operational verification of equipment on integrated pilot production lines, aiming for commercialization by 2028.
- Interviews from companies and media outlets, etc.: 10, inquiries about joining the association: 27
- In addition to the 15 participating companies when the association was founded, the following companies and groups have since newly joined National Institute of Advanced Industrial Science and Technology, AOI ELECTRONICS CO., LTD., TDK Corporation, Intel Corporation, KAKEN TECH CO., LTD., MINAMI Co., Ltd., Hakuto Co., Ltd.
- MRI supports the organizational running and business promotion of SATAS
- The headquarters of SATAS is located within MRI, and one of the association's board members is MRI's general manager in-charge.

Illustrative image of a pilot line for semiconductor back-end process automation



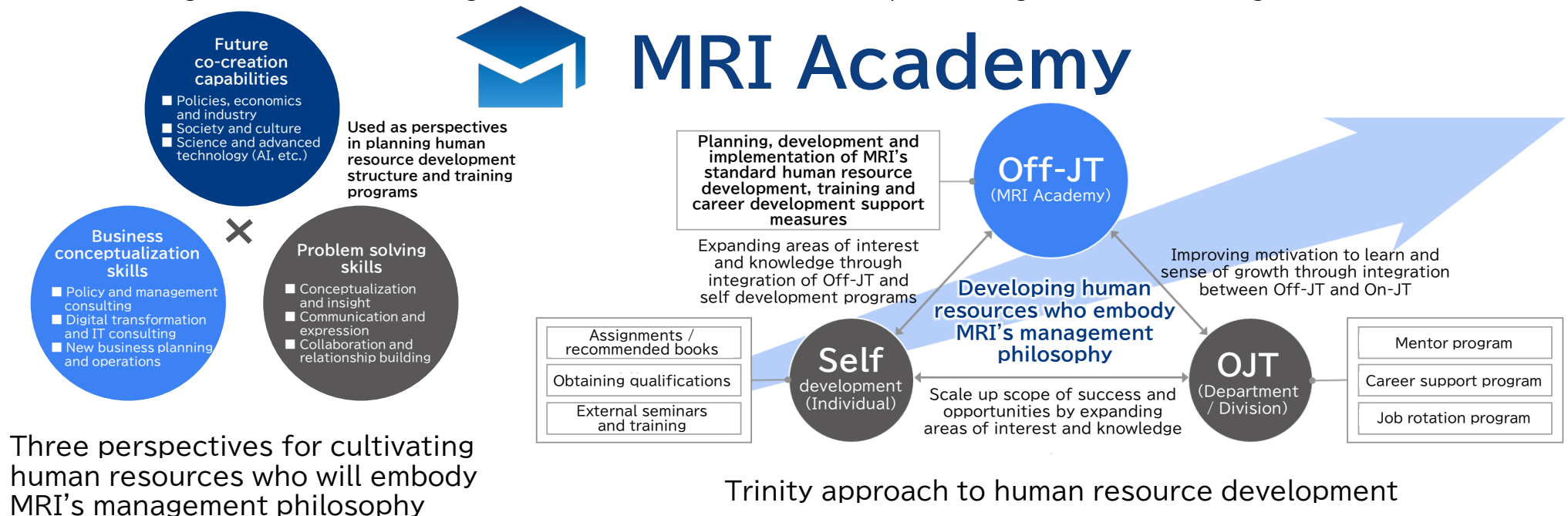
Source: SATAS news release (May 7, 2024)



# Topics: Human Capital Management Initiatives (MRI Academy)

(news release on March 27, 2024)

- MRI Academy was established in April 2024 to cultivate human resources embodying MRI's management philosophy.
- Systematic and ongoing development and career support is provided to reflect the growing workforce and increasingly diverse human resources.
  - Results: Total training time: 389 hours (127% compared with the previous year)
- Plan for This Year (FY2025/9)
  - Continue to enhance education and training in both quantitative and qualitative terms (emphasis on improving quality)
  - Strengthen human resource development measures from a company-wide perspective that includes hiring coordination (new graduate and mid-career hires), reskilling and career design



# Topics: Main Recommendations, Research Activities and Subsequent Developments (FY2024/9) - Part 1

Theme of the Recommendation (Presentation Date)	Overview and Subsequent Developments
<p><b>Social Issues</b> (October 18, 2023)</p>	<ul style="list-style-type: none"> <li>● List of social issues expected to be solved through innovation: FY2023 edition                             <ul style="list-style-type: none"> <li>- Distribution of booklet version (Japanese / English) at regional conferences and overseas events</li> <li>- Also utilized for high school inquiry-based learning and other applications</li> <li>- The FY2024 edition is scheduled to be released at the start of 2025</li> </ul> </li> </ul>
<p><b>Energy</b> (April 25, 2024)</p>	<ul style="list-style-type: none"> <li>● Analysis results of waters with potential as offshore wind sites in Japan                             <ul style="list-style-type: none"> <li>- Inquiries from companies, media outlets, etc.: 12</li> </ul> </li> </ul>
<p><b>Energy</b> (June 5, 2024)</p>	<ul style="list-style-type: none"> <li>● Merging carbon neutrality and circular economy policies as required by Japan's 7th Strategic Energy Plan                             <ul style="list-style-type: none"> <li>- Collaboration with external organizations such as University of Tokyo Center for Global Commons and ASEAN Centre for Energy and presentation of research findings                                     <ul style="list-style-type: none"> <li>• <u>Published <i>Sustainable Fuels</i> report in conjunction with the University of Tokyo (September 27, 2024)</u></li> <li>• <u>Analysis of the Impact of Carbon Pricing on ASEAN Industrial Structure Published in the 8th ASEAN Energy Outlook (AEO8) (October 2, 2024)</u></li> </ul> </li> </ul> </li> </ul>

# Topics: Main Recommendations, Research Activities and Subsequent Developments (FY2024/9) - Part 2

Theme of the Recommendation (Presentation Date)	Overview and Subsequent Developments
<p><b>Sustainability</b> (July 1, 2024)</p>	<ul style="list-style-type: none"> <li>● Key points and practices for sustainability information disclosure                             <ul style="list-style-type: none"> <li>- Published "Sustainability Management to Maximize Corporate Value in <i>MRI Opinion</i> (MRI's web-based magazine)</li> <li>- Seminar on the theme of "the front lines of sustainability information disclosure" is planned</li> </ul> </li> </ul>
<p><b>DX (AI) and Energy</b> (August 28, 2024)<sup>1</sup> and <sup>2</sup></p>	<ul style="list-style-type: none"> <li>● 1) The impact on electricity demand in Japan due to the spread of generative AI                             <ul style="list-style-type: none"> <li>- Requests for exchanges of opinion with related government organizations and private sector companies, and requests for lectures: 7</li> <li>- Media coverage and reporting including television appearances: 8</li> <li>- Recommendations on optimization of communication and electricity infrastructure to deal with generative AI demand are planned</li> </ul> </li> <li>● 2) Creation of 21 trillion yen in added value to ensure the reliability of generative AI                             <ul style="list-style-type: none"> <li>- Exchanges of opinion with related government organizations, handling of media interviews: 3</li> <li>- Recommendations regarding the social impact of advancing AI agents are planned</li> </ul> </li> </ul>
<p><b>DX</b> (May 28, 2024)</p>	<ul style="list-style-type: none"> <li>● Results of a survey on the status of DX promotion by Japanese companies                             <ul style="list-style-type: none"> <li>- Presented trends seen among leading companies, such as the integration of management strategy with digital transformation, and systems that flexibly respond to external environments</li> <li>- Press coverage through Nikkei xTECH and elsewhere, lectures at events organized by the media (Gas Energy News, The Japan Financial News, etc.)</li> <li>- Utilized the research results to hold MRI event "DX Day" (attended by over 1,000 people)</li> </ul> </li> </ul>

# Topics: Main Recommendations, Research Activities and Subsequent Developments (FY2024/9) - Part 3

Theme of the Recommendation (Presentation Date)	Overview and Subsequent Developments
<p><b>Food and Agriculture</b> (July 31, 2024)<sup>1</sup> and <sup>2</sup></p>	<ul style="list-style-type: none"> <li>● Long-term vision for food security / Reducing environmental impact in the food industry</li> <li>- Recommendations issued starting FY2023/9, with plans for ongoing future updates</li> <li>- Related orders: 3, Related TV appearances: 4, Media citations: 11</li> </ul>
<p><b>Social Security</b> (June 14, 2024)</p>	<ul style="list-style-type: none"> <li>● Autonomous healthcare and nursing care system to overcome the 2040 problem</li> <li>- Makes recommendations for specific proposals to reform the healthcare and nursing care system, and estimates the effects of reform and impact on finances. Additionally, it examines public awareness and acceptance regarding social security system reform</li> <li>- Press coverage by Nikkei Shimbun, NHK and other outlets, and requests for exchanges of opinions from government organizations, economic groups and others</li> </ul>
<p><b>Human Resources</b> (September 4, 2024)</p>	<ul style="list-style-type: none"> <li>● Roadmap for the introduction of job-based HR systems</li> <li>- Examines how to develop “a common language for work” that will be essential to reenergizing the Japanese labor market and makes specific recommendations that the public and private sectors should adopt</li> <li>- Request for exchanges of opinions from related government organizations and the private sector (HR service providers)</li> </ul>

# Topics: Developments Related to Coordination with Key Partners

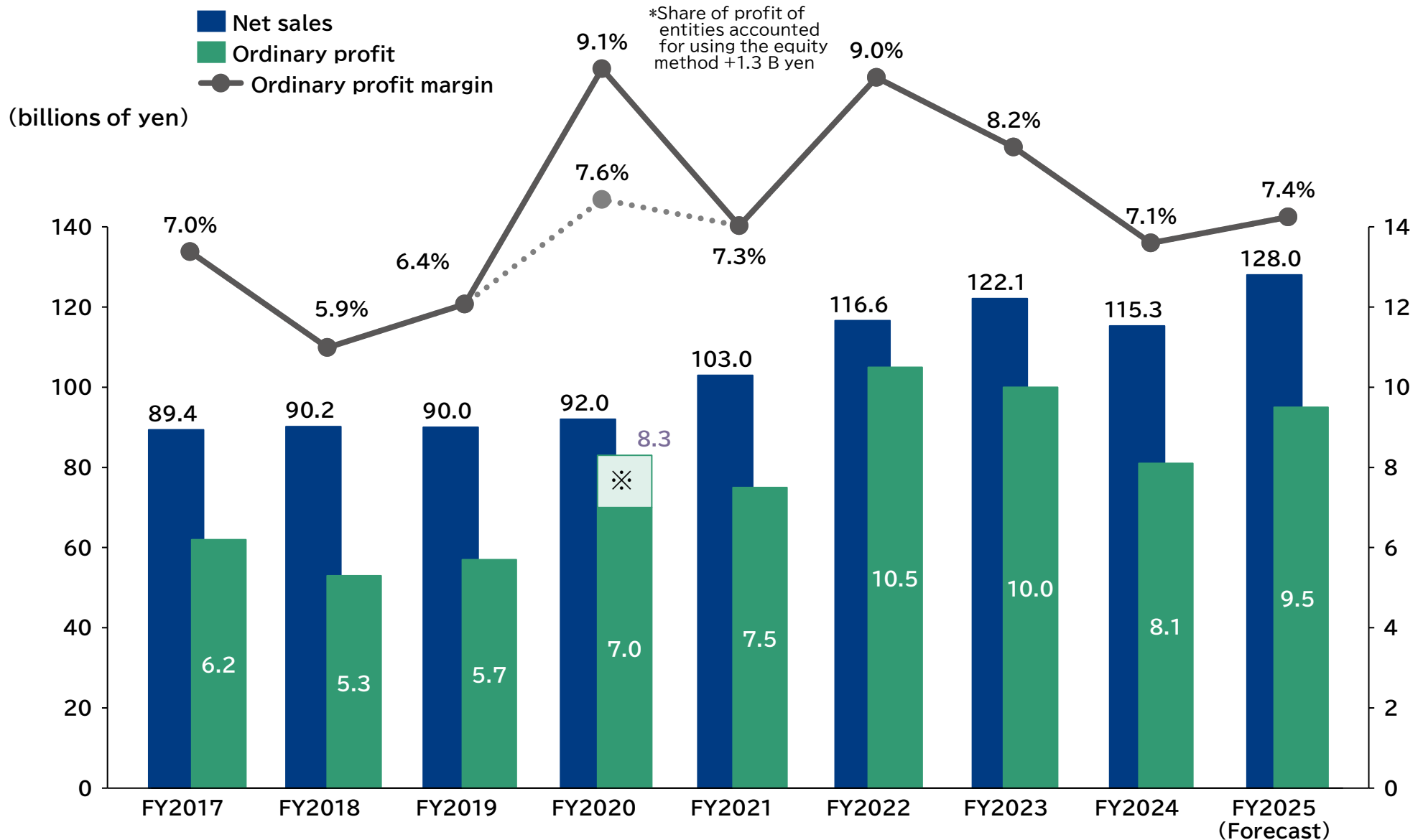
- Main collaborative projects released during FY2024/9 and subsequent developments

<p>Cyber University Inc. (February 13, 2024)</p>	<ul style="list-style-type: none"> <li>● Exploring a business alliances on digital and DX human resource development</li> <li>- Leveraging the respective strengths of Cyber University and MRI, the joint development of a practical human resource development package for enterprises leading to the securing of human resources in the fields of digital technologies, digital transformation, innovation and GX was implemented</li> <li>- Demonstration testing is scheduled for FY2025</li> </ul>
<p>TOWING Ltd. (March 21, 2024)</p>	<ul style="list-style-type: none"> <li>● Conducted field trials to cultivate taro using high-performance "sora-tan" biochar as a soil conditioning created from unused biomass</li> <li>- Yields improved approx. 12% and had a CO<sub>2</sub> absorption effect equivalent to +1.3 t-CO<sub>2</sub></li> <li>- An overview of the results is to be published within 2024</li> </ul>
<p>DAIWA ENERGY Co., Ltd. (April 3, 2024)</p>	<ul style="list-style-type: none"> <li>● Joint operation of a storage battery business set up in parallel with renewable energy facilities</li> <li>- Operating steadily following the April service launch</li> <li>- A second project is under consideration</li> </ul>
<p>Plus Alpha Consulting Co., Ltd. (July 3, 2024)</p>	<ul style="list-style-type: none"> <li>● Comprehensive business alliance on human capital management</li> <li>- <u>Jointly hosted a seminar for the manufacturing industry: "The Role of Human Resource Management in Manufacturing"</u> (attendance: 146) (August 2, 2024)</li> </ul>

# 4. Results and Shareholder Return

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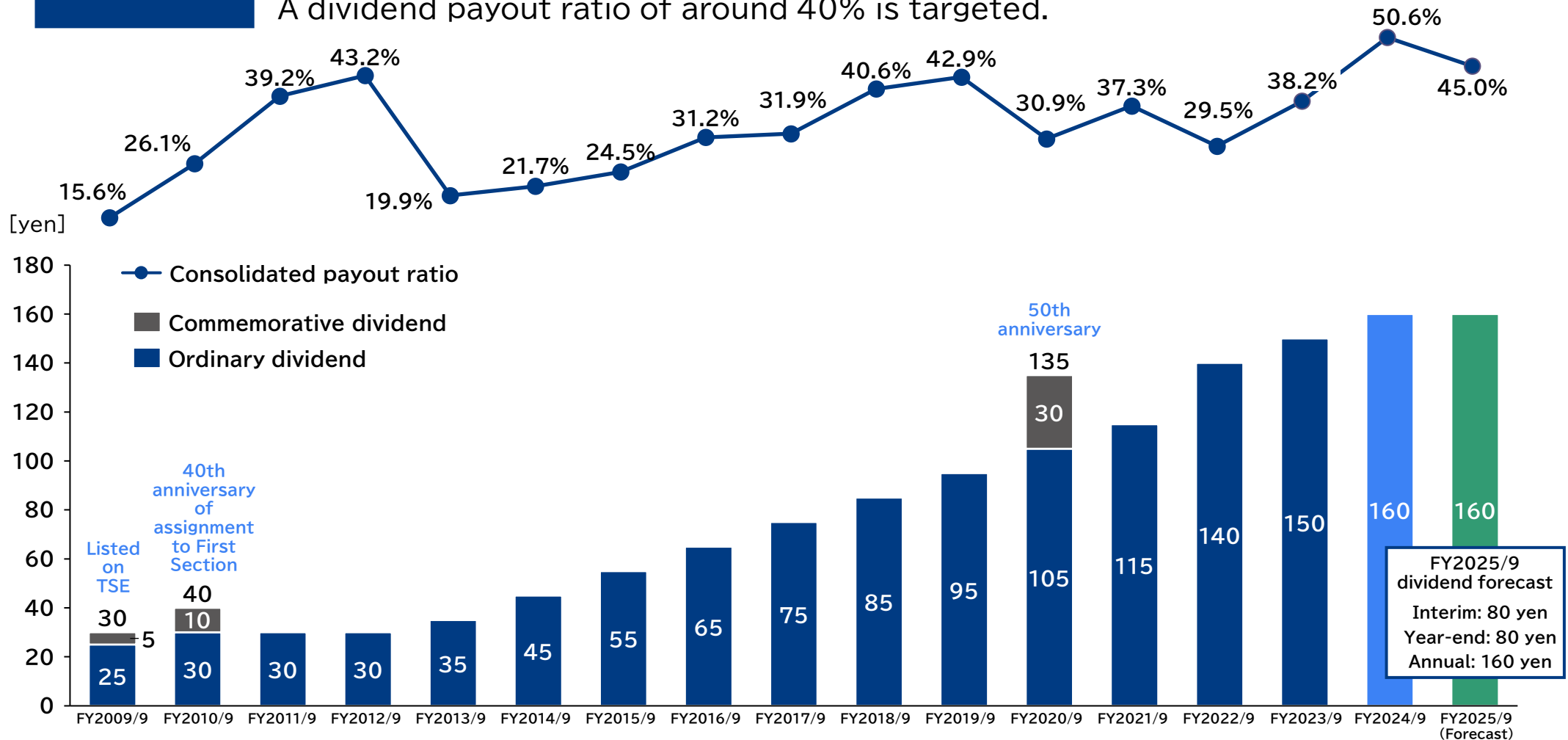




# 4. Results and Shareholder Return

## 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.



## 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.

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