

# FY2023/9 Financial Results

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 **Mitsubishi Research Institute**

October 31, 2023

**1** FY2023/9 Financial Results

**2** Medium-term Management Plan 2026

**3** FY2024/9 Full Year Forecasts

**4** Topics

# Summary

- Net sales were at a record high; MP2023 targets achieved despite a decline in ordinary profit

<b>Net sales:</b>	<b>Results</b>	<b>122,126 mil. yen</b>	<b>YoY change</b>	<b>+5,505 mil. yen</b>
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- Revenue increased year on year; net sales of both TTC and ITS were at record highs
- Think Tank & Consulting Services (TTC): Sales increased due to government cloud projects in the public sector
- IT services (ITS): Boosted by large-scale system projects in the financial and credit card industries

<b>Ordinary profit:</b>	<b>Results</b>	<b>10,002 mil. yen</b>	<b>YoY change</b>	<b>-490 mil. yen</b>
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- TTC: Partially recovered from year on year decline (-1,300 mil. yen) up till 3Q by changing project mix in 4Q (→ p. 13)
- ITS: Profit at record high, upward trend in sales and profit

<b>Profit:</b>	<b>Results</b>	<b>6,287 mil. yen</b>	<b>YoY change</b>	<b>-1,420 mil. yen</b>
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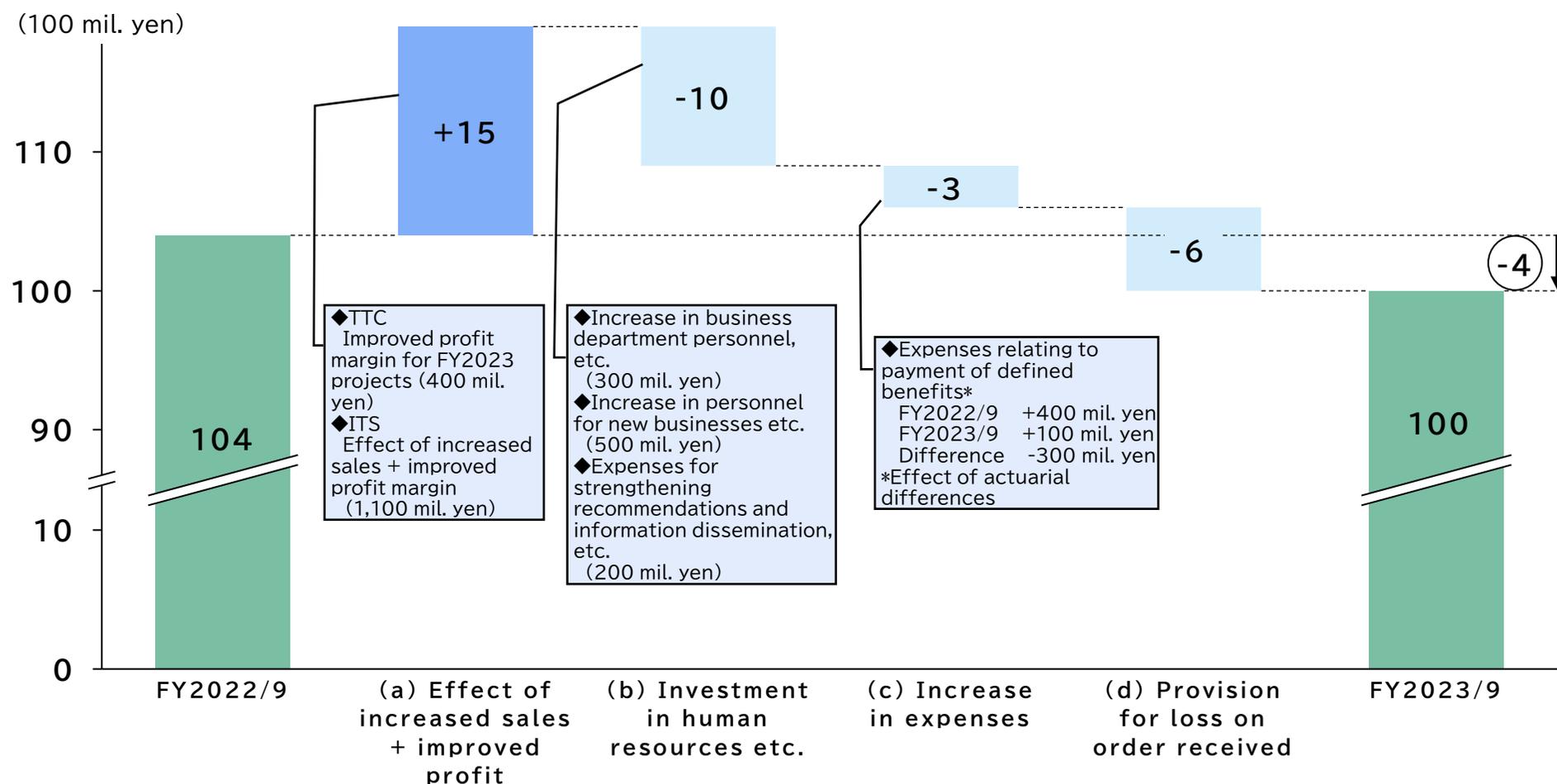
- Repercussions from extraordinary income recorded in the previous fiscal year (gain on sales of investment securities)

# FY2023 Consolidated Results <YoY>

	FY2022/9	FY2023/9	YoY change		(mil. yen)	
			Amount	Rate	Earnings Forecast November 4, 2022	Compared to Earnings Forecasts
Net sales	116,620	122,126	+5,505	+4.7%	118,000	+4,126
Gross profit	26,580	25,984	-596	-2.2%	—	—
Gross profit margin	22.8%	21.3%	-1.5P		—	—
SG&A expenses	17,415	17,295	-120	-0.7%	—	—
Operating profit	9,165	8,688	-476	-5.2%	9,300	-611
Operating profit margin	7.9%	7.1%	-0.8P		7.9%	-0.8P
Ordinary profit	10,493	10,002	-490	-4.7%	10,600	-597
Profit attributable to owners of parent	7,707	6,287	-1,420	-18.4%	6,500	-212
Basic earnings per share (yen)	474.67	392.27	-82.40		399.99	-7.72
ROE (Return on Equity)	12.8%	9.8%	-3.0P		—	—

# Factors Behind Fluctuation of Ordinary Profit <YoY>

- Although there was an effect of a rise in sales and improvement in profit margin (a) compared to ordinary profit of 10,400 mil. yen for FY2022/9,
- Ordinary profit declined by 400 mil. yen YoY to 10,000 mil. yen
- Due to investment in human resources (upfront investment) (b), increase in expenses (c), and losses on orders received (d)



# Think Tank & Consulting Services (TTC)

(mil. yen)

	FY2022/9	FY2023/9	YoY change	
			Amount	Rate
Net sales	48,548	50,462	+1,914	+3.9%
Operating profit	4,115	3,443	-672	-16.3%
Operating profit margin	8.5%	6.8%	-1.7P	
Ordinary profit	5,190	4,428	-761	-14.7%
Orders received	49,833	43,682	-6,151	-12.3%
Order backlog	34,868	28,087	-6,780	-19.4%

## Key points

- Growth in government cloud and 5G-related demonstration projects in the public sector, and system implementation projects for the transportation and telecommunications industries
- Profit declined due to inability to absorb increases in costs such as upfront investment and investment in human capital for future growth
- Despite the ostensible decline in orders received and order backlog due to changes in the project mix, MRI's net portion is at levels similar to the previous fiscal year (→ p. 11, p. 12)

# IT Services (ITS)

(mil. yen)

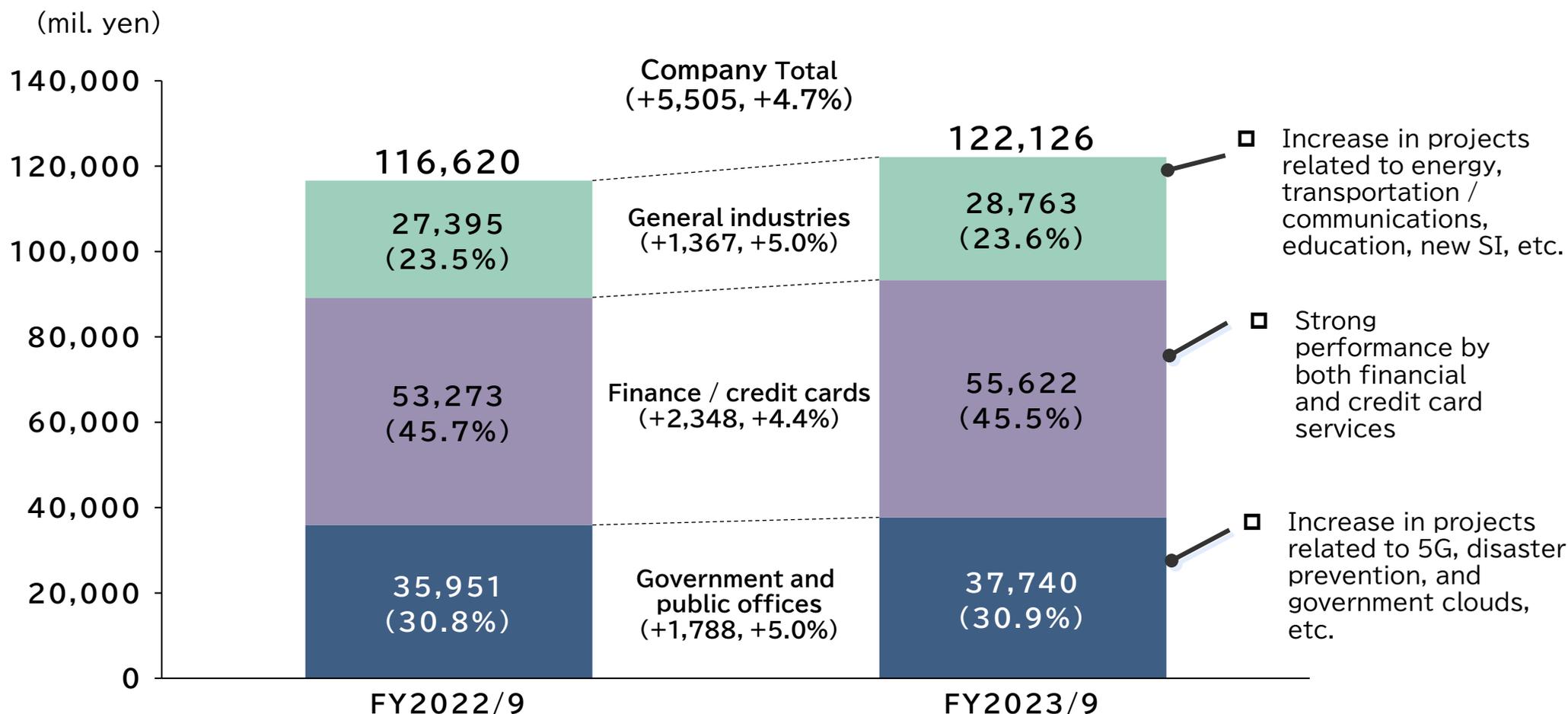
	FY2022/9	FY2023/9	YoY change	
			Amount	Rate
Net sales	68,072	71,663	+3,591	+5.3%
Operating profit	5,048	5,232	+183	+3.6%
Operating profit margin	7.4%	7.3%	-0.1P	
Ordinary profit	5,301	5,560	+258	+4.9%
Orders received	71,050	71,743	+693	+1.0%
Order backlog	47,145	47,225	+80	+0.2%

## Key points

- Both sales and profit levels have hit record highs
- Sales and profits increased due to large-scale system projects for financial institutions, general industries (education, new SI, etc.)
- Recovered provision for loss on order received (-600 mil. yen)
- Orders received and order backlog are, in general, at similar levels year on year

# Net Sales by Industry of Customer <YoY>

- Net sales rose year on year for all three industries classified of customers.
- Driven by the public sector (+5.0%) and financial/credit card services (+4.4%)
- Net sales for general industries rose (+5.0%) as well, due to growth in energy, transportation/communications and education, etc.

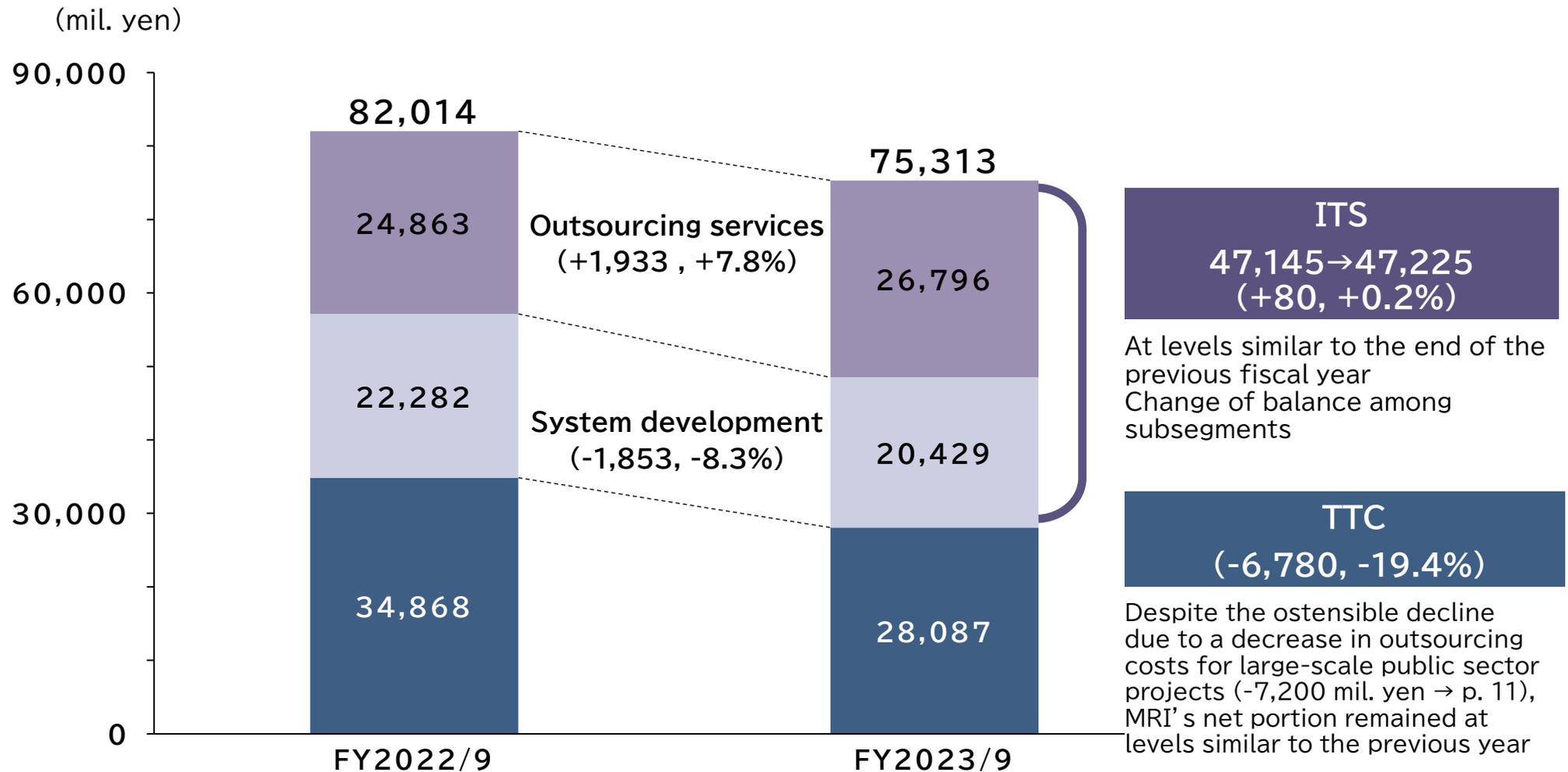


# (Reference) Net Sales by Segment and Industry of Customer <YoY>

(mil. yen)

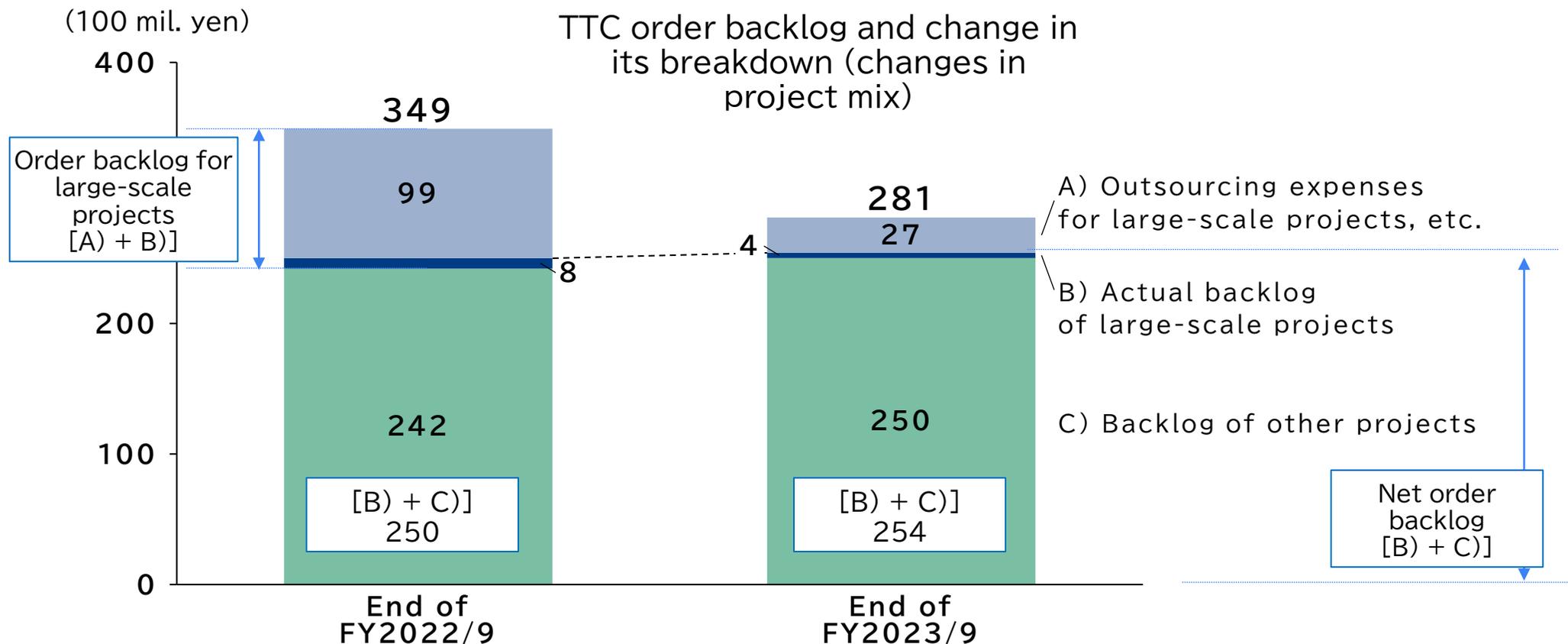
		FY2022/9	FY2023/9	YoY change	
				Amount	Rate
T T C	Government and public offices	35,185	36,991	+1,806	+5.1%
	Finance/credit cards	3,862	3,165	-697	-18.1%
	General industries	9,500	10,306	+805	+8.5%
	TTC total	48,548	50,462	+1,914	+3.9%
I T S	Government and public offices	766	749	-17	-2.3%
	Finance/credit cards	49,411	52,457	+3,046	+6.2%
	General industries	17,894	18,456	+562	+3.1%
	ITS total	68,072	71,663	+3,591	+5.3%
<b>Total</b>		<b>116,620</b>	<b>122,126</b>	<b>+5,505</b>	<b>+4.7%</b>

# (Reference) Order Backlog at Year-End <YoY Change>



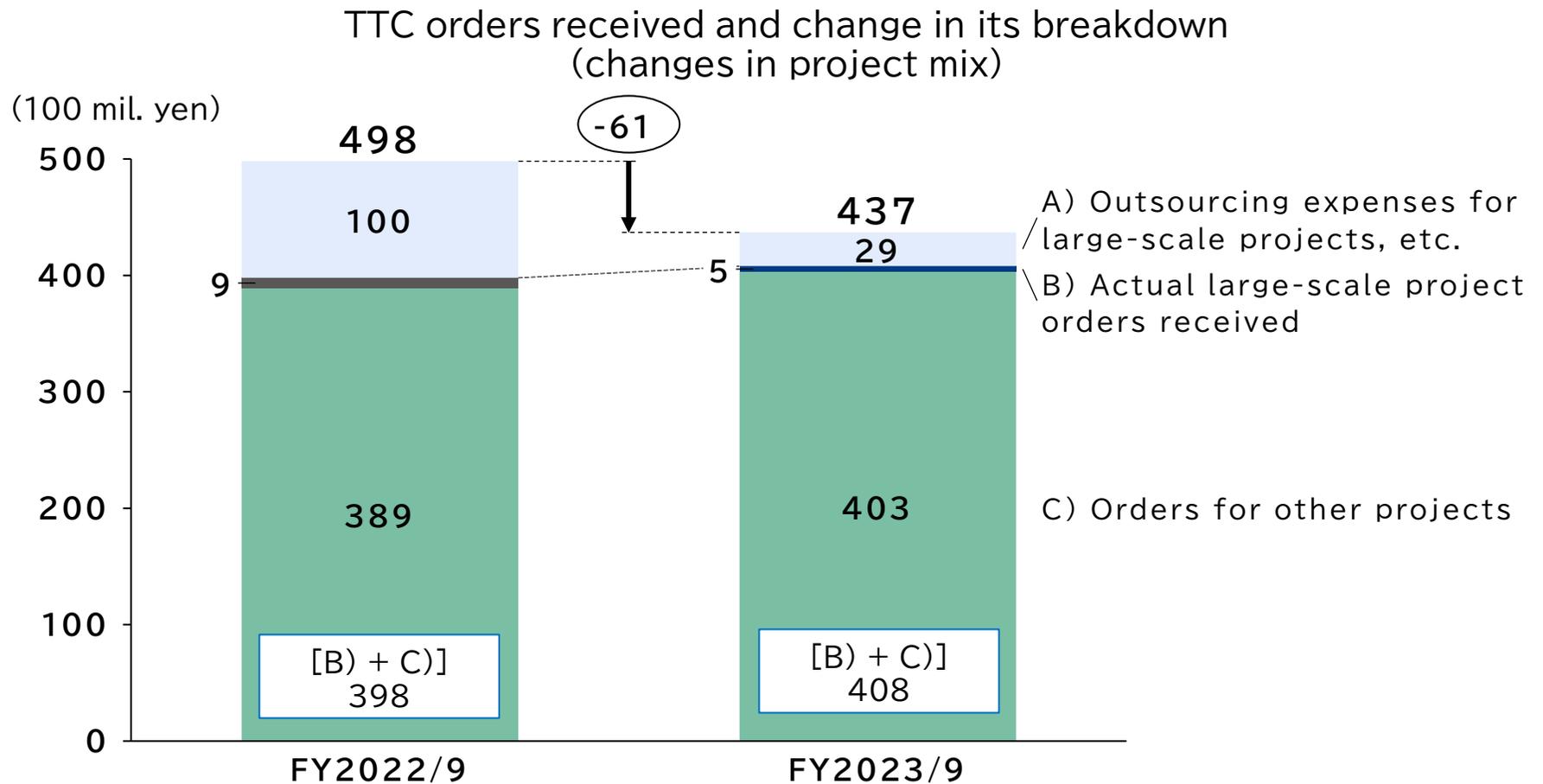
# (Reference) Breakdown of TTC Year-End Order Backlog

- Projects with a high proportion of outsourcing expenses, etc. (→ p. 13) have been extracted from large-scale projects included in the order backlog
  - Order backlog for large-scale projects correspond to A) + B) in the chart below
- The net order backlog that contributes to our profit is B) + C)
- In terms of net order backlog, the order backlog as of the end of FY2023/9 (25,400 mil. yen) is higher than the order backlog as of the end of the previous fiscal year, FY2022/9 (25,000 mil. yen)



# (Reference) Breakdown of TTC orders received

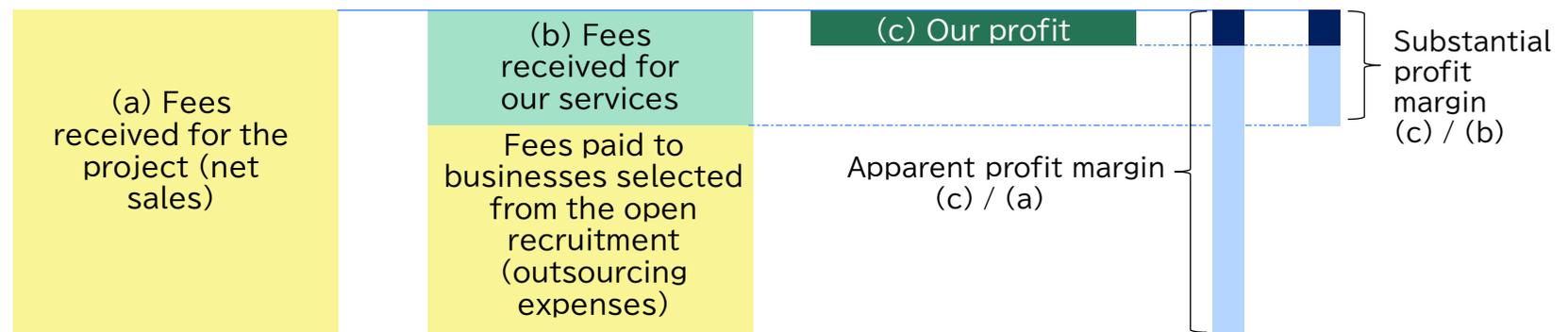
- Projects with a high proportion of outsourcing expenses, etc. (→ p. 13) have been extracted from large-scale projects included in orders received
- The net order backlog that contributes to our profit is B) + C)
- Net orders received as of the end of FY2023/9 (40,800 mil. yen) is higher than net orders received as of the end of the previous fiscal year, FY2022/9 (39,800 mil. yen)



# (Reference) Large-scale projects in public sector with high outsourcing expenses

- Some of the large-scale projects commissioned by public sector include app development/demonstration, demonstration projects, tests, investigative studies, etc.
- For such projects, we openly recruit companies and research institutes that will actually carry out the development/demonstration, etc. based on the proposal adopted
- We provide support for the open recruitment and selection process, manage the progress of development/demonstration, etc., and check the results.
- Fees received for a project may include costs to be paid to the business selected for outsourcing, and while the proportion of outsourcing expenses, etc. is higher than in ordinary projects, the apparent profit margin tends to be low

How projects are structured (image)



Specific examples (Please refer to our [website](https://pubjit.mri.co.jp/publicoffer/index.html)) URL: <https://pubjit.mri.co.jp/publicoffer/index.html> ※Only in Japanese

- Investigative Study for the Development of a Technology Map (Technical Demonstration, etc. for Overhauling Analog Regulations) (Digital Agency project)
- Study on Technologies to Secure the Means of Communication of Public Broadband Mobile Communication Systems at the Time of Disaster (Ministry of Internal Affairs and Communications project)
- “Demonstration experiment of drone delivery to improve convenience of living in mountainous areas” (Tokyo Metropolitan Government project), etc.

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# Summary of Medium-Term Management Plan 2023 (1)

- ❑ Revamped management philosophy on the occasion of the 50th anniversary of MRI's founding, and reaffirmed the solution of societal issues as our corporate purpose
- ❑ We achieved steady results through our unique value creation process (VCP), stronger consolidated management, and innovations in management under the new normal
- ❑ Our core businesses—public sector services and financial/credit card services—drove results; business portfolio reforms are only halfway complete

	Goal	Progress
<b>VCP Management*1</b>	<ul style="list-style-type: none"> <li>● Maximize financial, non-financial, and social value</li> <li>● Promote qualitative reforms</li> <li>● Foster and accelerate growth businesses (DX, subscription services, global)</li> </ul>	<ul style="list-style-type: none"> <li>● Expanded VCP fields, personnel, and business partners</li> <li>● Promoted qualitative reforms, won contracts for large-scale projects, and drove earnings</li> <li>● Human resources are stretched, which is limiting orders</li> <li>● DX sales: 27 billion yen (FY2020/9) → 31 billion yen (FY2023/9)</li> <li>● Upfront investment phase regarding subscription services and global businesses</li> </ul>
<b>Consolidated management</b>	<ul style="list-style-type: none"> <li>● Business growth in the DX market</li> <li>● Move forward with business portfolio reforms</li> </ul>	<ul style="list-style-type: none"> <li>● Increase in orders for projects by collaboration between MRI and DCS, such as setting mirroring departments in the two companies</li> <li>● ITS ordinary profit margin 5.4% (FY2020/9) → 7.8% (FY2023/9)</li> </ul>
<b>Management under the new normal</b>	<ul style="list-style-type: none"> <li>● Step up recruitment (total net increase of 310 people for MRI and DCS)</li> <li>● New-normal workstyles and office reforms</li> <li>● Proactive response to new business and new normal risks</li> </ul>	<ul style="list-style-type: none"> <li>● Approximately 900 new hires, a net increase exceeding 250</li> <li>● Remote work took root: around 50% work from the office, and 16 employees took advantage of the system for relocation to remote areas</li> <li>● Refined risk management and new business quality management</li> </ul>

\*1 MRI's unique Value Creation Process of an interlocking value chain from research & recommendations to societal implementation, aimed at resolving societal issues

# Summary of MP2023 (2)

	Goal	Results and summary
Financial value	Ordinary profit: <b>10 billion yen</b> ROE:10%	<ul style="list-style-type: none"> <li>• Ordinary profit <b>10 billion yen</b>, ROE <b>9.8%</b></li> <li>• Ordinary profit margin 8.2%               <ul style="list-style-type: none"> <li>➢ MP targets mostly achieved (for the 2nd consecutive fiscal year)</li> <li>➢ Business portfolio reform halfway complete</li> </ul> </li> </ul>
Non-financial value	Set goals divided into two fields: the capacity to resolve societal issues, and ESG	<ul style="list-style-type: none"> <li>• Formulated basic sustainability and D&amp;I*<sup>1</sup> policies</li> <li>• Undertook disclosure in line with TCFD*<sup>2</sup> recommendations</li> <li>• Work-life balance, health-focused management</li> <li>• Adopted FTSE Blossom Japan Sector Relative Index*<sup>3</sup></li> </ul>
Social value	Set social and business goals for each VCP area	<ul style="list-style-type: none"> <li>• Various recommendations aimed at realizing a better society (examples)               <ul style="list-style-type: none"> <li>◆ Measures to establish a new ICT infrastructure to support the explosive growth of information</li> <li>◆ Recommendations for integrated promotion of energy and resource circulation policies</li> </ul> </li> <li>• Demonstrated and implemented advanced technologies including metaverse and generative AI</li> <li>• Improved wellbeing (one of the social value goals)               <ul style="list-style-type: none"> <li>◆ Demonstration of improved wellbeing of visitors (released on September 29, 2023)</li> </ul> </li> </ul>

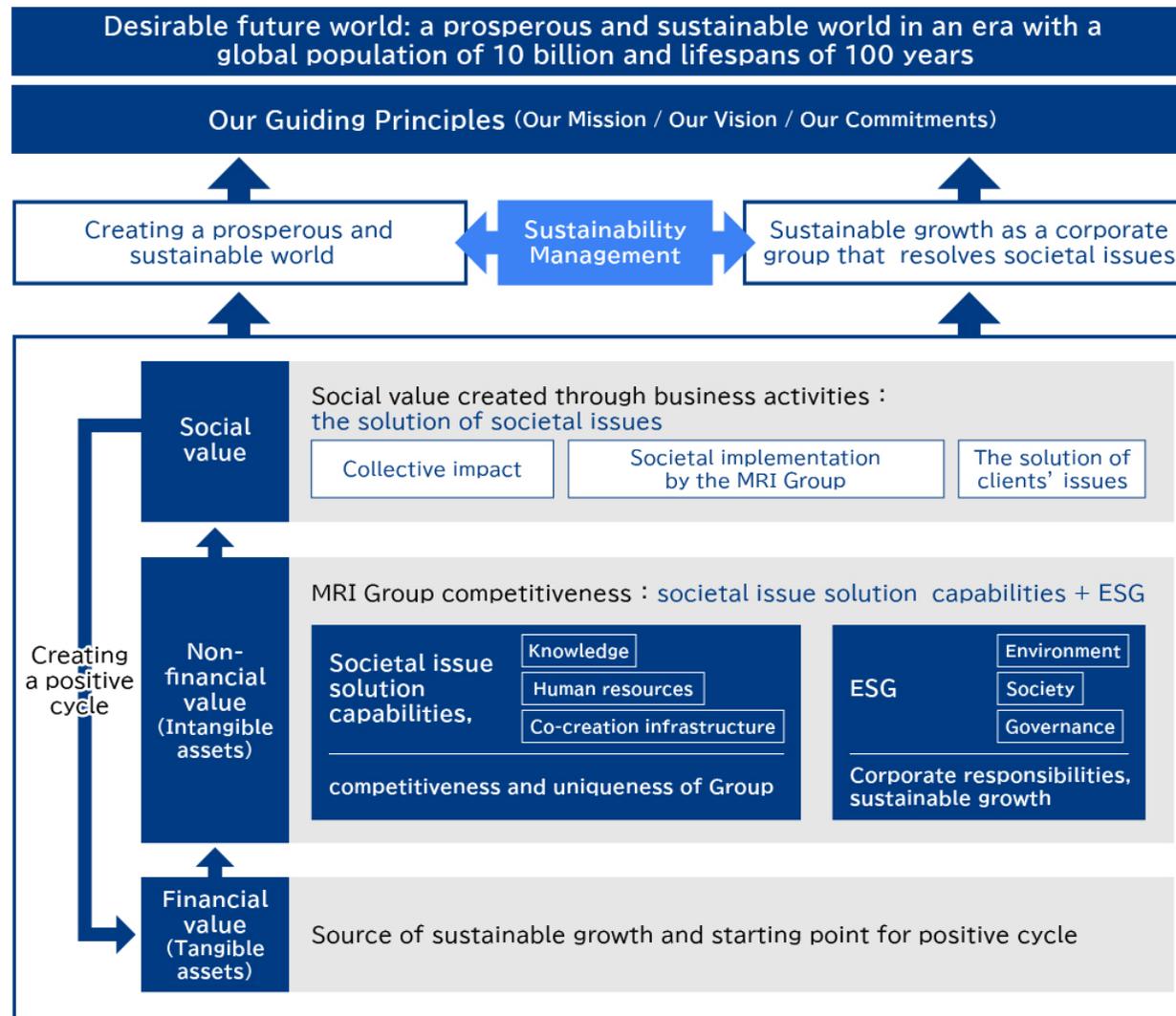
\*1. Abbreviation for diversity and inclusion. The idea of accepting diversity, harnessing it for social and corporate activity.

\*2. Abbreviation for Task Force on Climate-related Financial Disclosures, which released a report that recommends disclosure of climate-related information that impacts finances

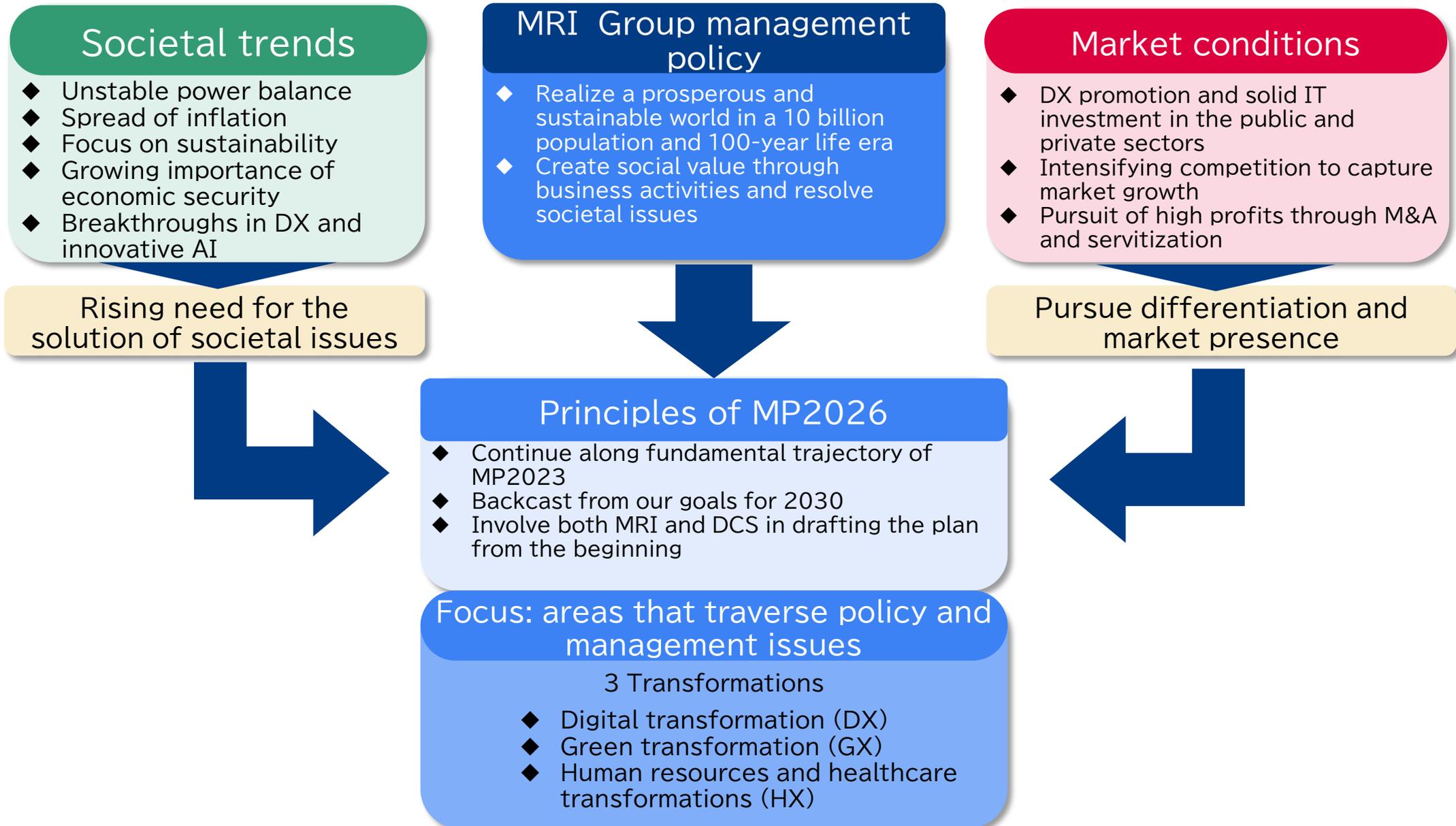
\*3. An index to measure the performance of Japanese companies with high ESG ratings; includes companies with relatively high ratings within the sector. Selected as one of the ESG comprehensive indices for domestic stock ESG investment by GPIF (Independent Government Pension Investment Fund)

# (Reference) 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.21)

- 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

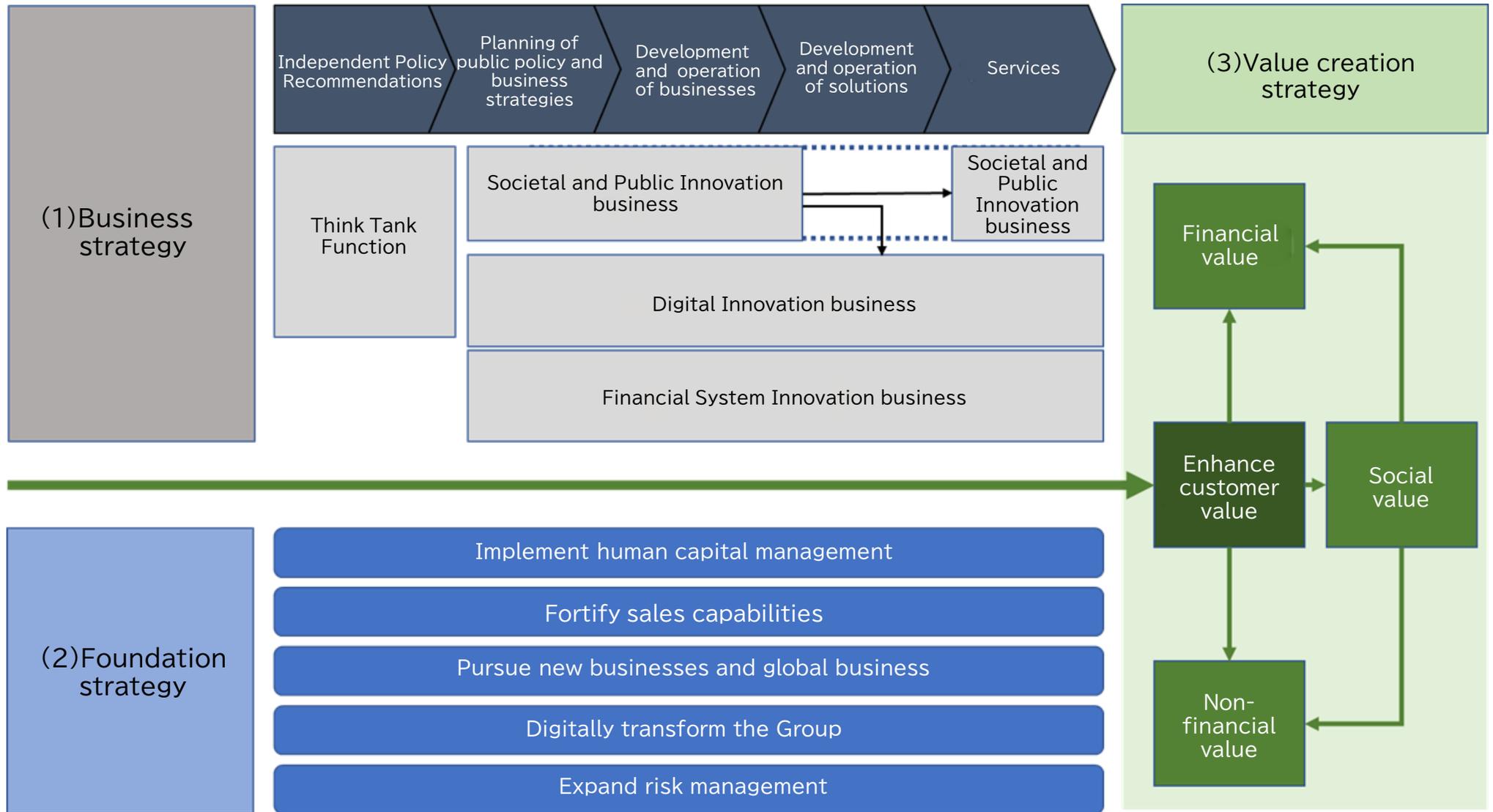
- Human capital management, sales capabilities, new businesses and global business, digital transformation of the Group, and risk management

## (3) Value creation strategy

### ■ Enhance corporate value through a positive cycle of financial, non-financial, and social values

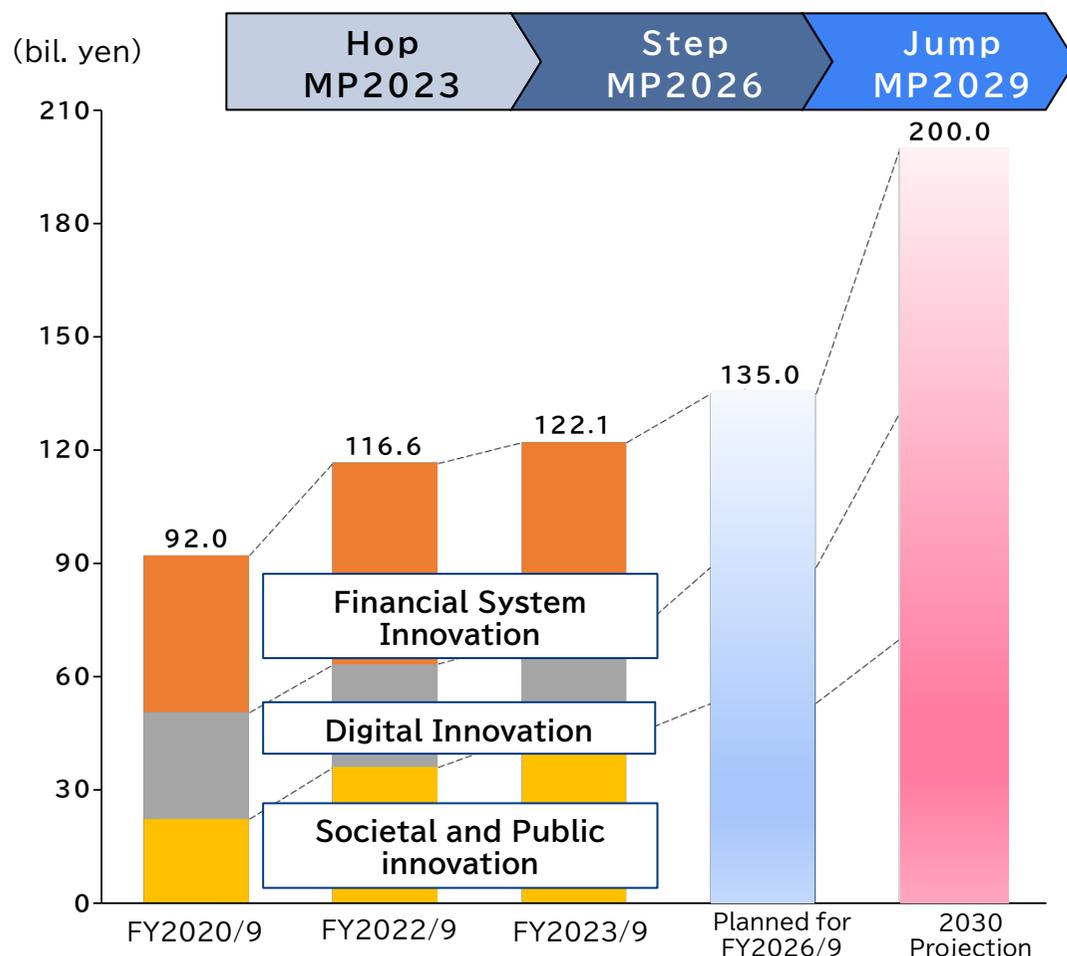
- Digital transformation, green transformation, and human resources and healthcare transformations

# Basic Policy of MP2026 (→ ref. P.20)



# 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
Societal and Public Innovation	44 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>
Digital Innovation	26 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>
Financial System Innovation	51 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2023

**新・未来社会構想:**  
**デジタル社会の未来を切り拓く**

2023年 11月28日(火) 15時00分~17時00分

☑ 事前登録制 ☑ 参加無料

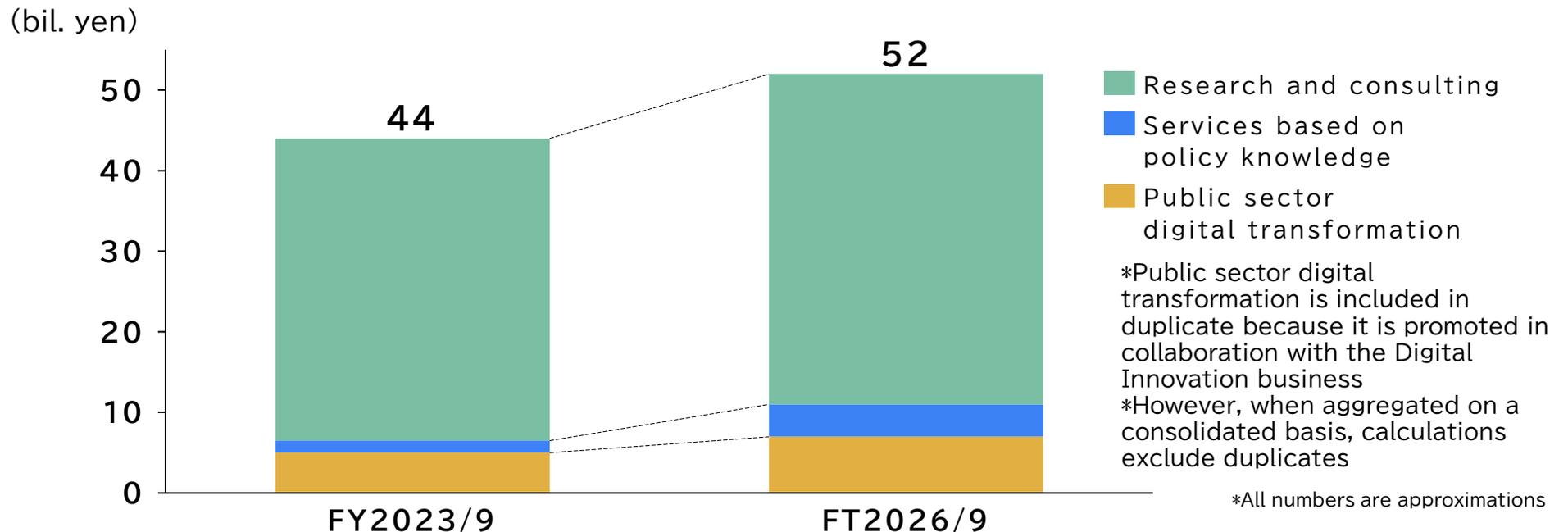
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Note: Images link to detailed information on the MRI website

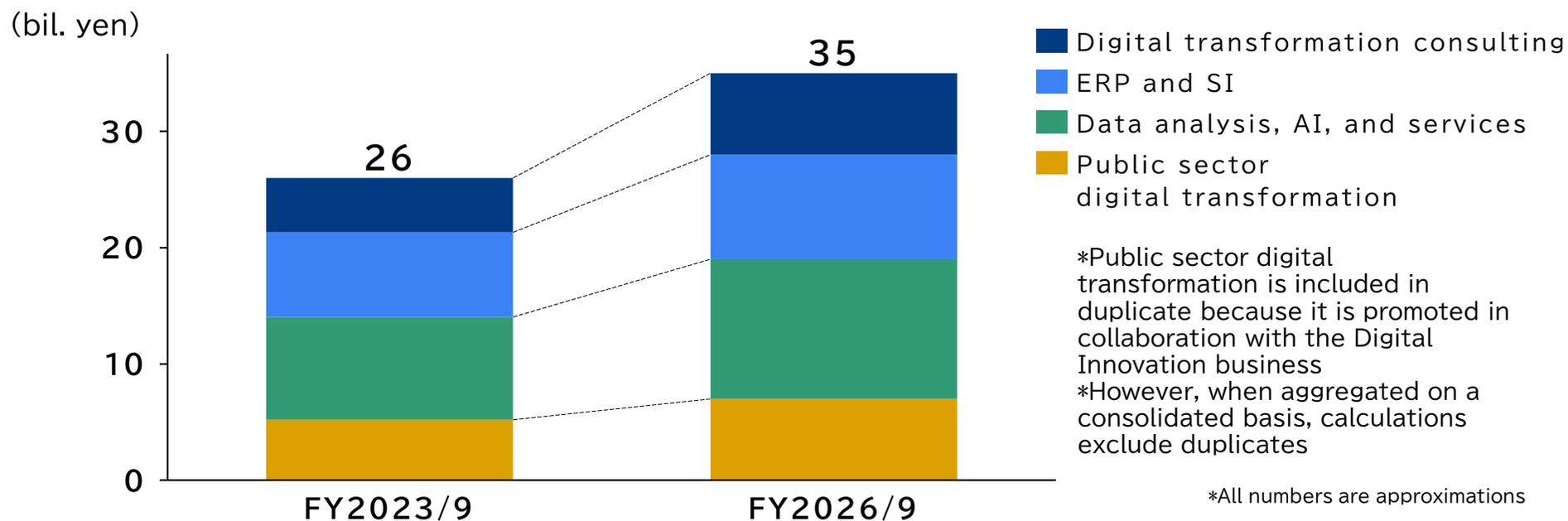
# Societal and Public Innovation Business

- ▣ **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)



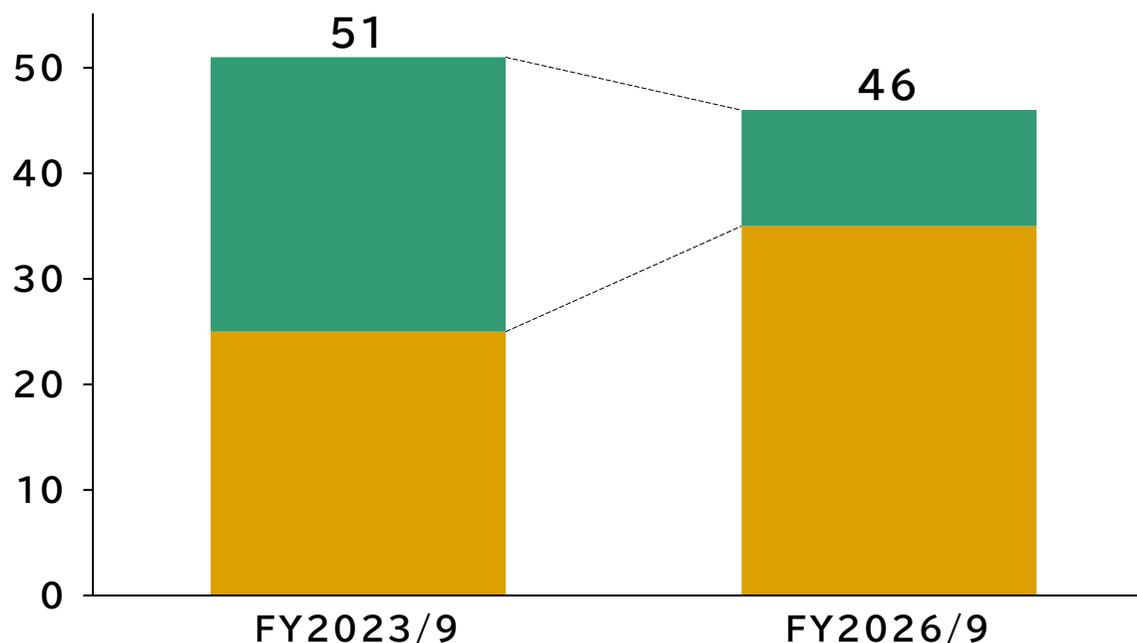
# Financial System Innovation Business

- 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\*<sup>1</sup>
  - Transition to de-hosting and microservices
  - Develop BaaS\*<sup>2</sup> 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

(bil. yen)



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

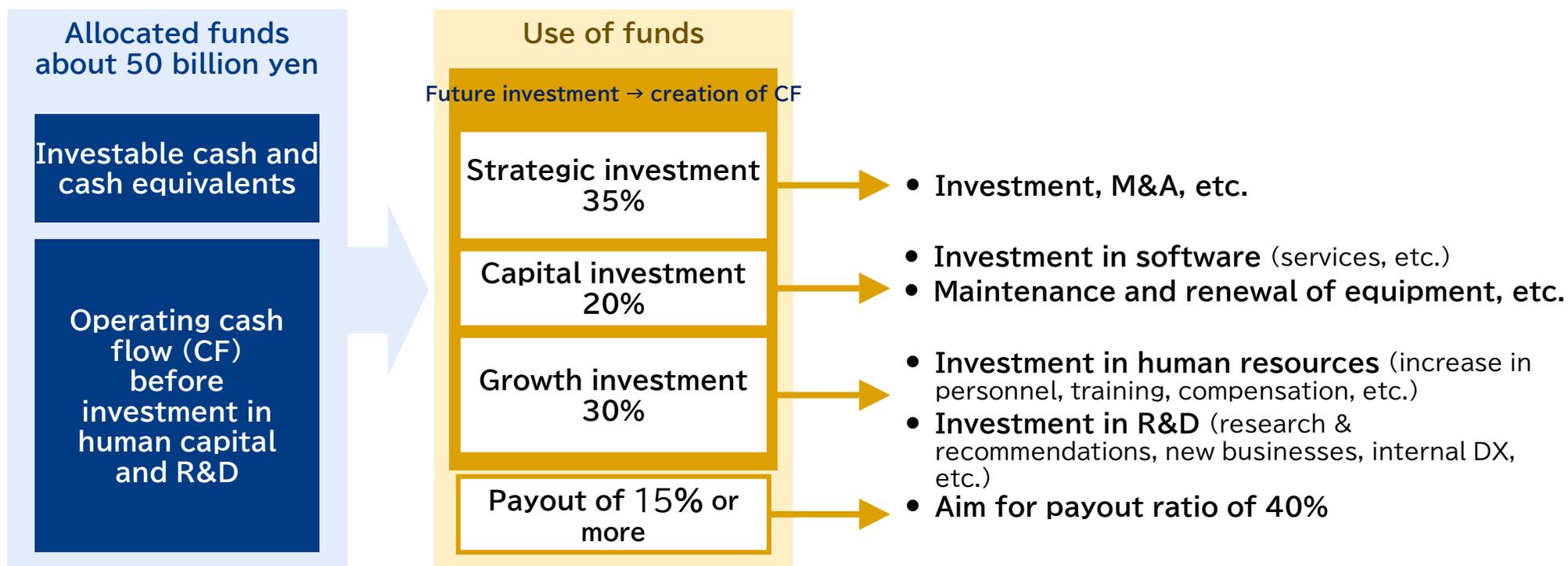
\*All numbers are approximations

# Plan in Numbers

	FY2023/9 Results	FY2026/9 Goal	FY2023/9 → FY2026/9	Average growth rate compared to FY2023/9
<b>Net sales</b>	122.1 billion yen	135.0 billion yen	+12.8 billion yen	3.4%
<b>Operating profit (margin)</b>	8.6 billion yen (7.1%)	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%)	14.0 billion yen (10.4%)	+3.9 billion yen (+2.2 pt)	11.9%
<b>ROE</b>	9.8%	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



# Project Examples: Green Transformation

## □ Launch of MERSOL service

- Launched MERSOL, a distributed energy resource management support service based on MRI's proprietary simulation technology, for business operators considering utilization of distributed energy resources (DER)
- Possible to simulate operations that combine multiple uses, leading to more efficient ways of operating compared to single-use operation of DER

## □ Launched joint solar and battery project with Daiwa Energy Co., Ltd.

- Daiwa Energy (DE) and Mitsubishi Research Institute (MRI) launched a joint solar and battery project at DE's DREAM Solar Chiba-Sakura power station in Sakura City, Chiba
- The project links DE's battery control system and MRI's operation plan development system for batteries, aiming to optimize the use of the newly installed battery storage at DE's solar power station to maximize revenue
- The goal is to Contribute to Japan's decarbonization by expanding the introduction of renewable energy and enabling stable, continuous operation

# Project Examples: Digital Transformation

- ❑ Partnered with Tecnos Japan Inc. for a solutions business for the manufacturing and distribution industries

- ❑ Partnered with ITFOR on digital transformation business for loan services

- ❑ MRI, DCS, and Tecnos Japan formed a business alliance and started collaboration on a solutions business for the manufacturing and distribution industries
- ❑ The project utilizes the unique strengths of the three companies to develop new solutions and expand business in the manufacturing and distribution markets
- ❑ The goal is to expand the digital transformation business through mutual development of related solutions and sales collaboration

- ❑ Implemented MRI's Assessment AI Service API Interface and Standard Credit Model into ITFOR's SCOPE system, a personal loan business support system
- ❑ The resulting technology reduces the burden associated with system introduction
- ❑ By combining the solutions of both companies, research, and developing automated functions necessary for loan operations, the aim is to create an ecosystem that creates new value

# Project Examples: Digital Transformation, Healthcare, and Human Capital

## Evolution of the report creation function of RoboRisa, our web survey AI

- RoboRisa is a web survey AI tool that automatically collects information and creates reports that was launched in April
- Unlike conventional web search and information-gathering tools, it can also create reports
- New features were added to make it easier to use in research work, such as improved search and report creation functions

## Training and supplying human resources in semiconductor manufacturing in collaboration with Nisso Corporation

- MRI and Nisso are training and supplying engineering talent, starting with the field of semiconductor manufacturing, by utilizing MRI's human resource matching service JOBMINES™, which equipped with a job information database
- JOBMINES™ makes the assessment of personnel possible and the project is working to facilitate greater sharing of human resources in semiconductor manufacturing
- This is an effort to resolve the mismatch between engineering personnel and growing industries by refining human resource development models (developing talent and allocating them to the right jobs) aimed at enhancing the added value of workers, providing HR services, carrying out research and offering policy recommendations as well as surveys and consulting aimed at refining human capital management

Just designate the title and theme

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生成AIの最新動向

生成AIを巡る政府・規制

生成AIを活用した新サービス

Summarize articles on a given theme

Natural-sounding sentences

Indicates sources

- 1** FY2023/9 Financial Results
- 2** Medium-term Management Plan 2026
- 3** FY2024/9 Full Year Forecasts
- 4** Topics

# FY2024/9 Full Year Forecasts

- ▣ Accelerate business transformation in the first year of MP2026, the “Step” phase leading up to 2030
- ▣ TTC is growing, while recovering aggressive upfront investment
- ▣ Upfront investments were made in ITS aimed at strengthening its business portfolio, in parallel with the completion of major system projects

**Net sales forecast: 118,000 mil. yen YoY change -4,126 mil. yen (-3.4%)**

- ▣ TTC: 46,000 mil. yen YoY change -4,400 mil. yen Decrease in sales due to change in project mix (no real impact)
- ▣ ITS: 72,000 mil. yen YoY change +300 mil. yen Increase in sales due to growth in Financial System Innovation business

**Ordinary profit forecast: 10,000 mil. yen YoY change -2 mil. yen (-0.0%)**

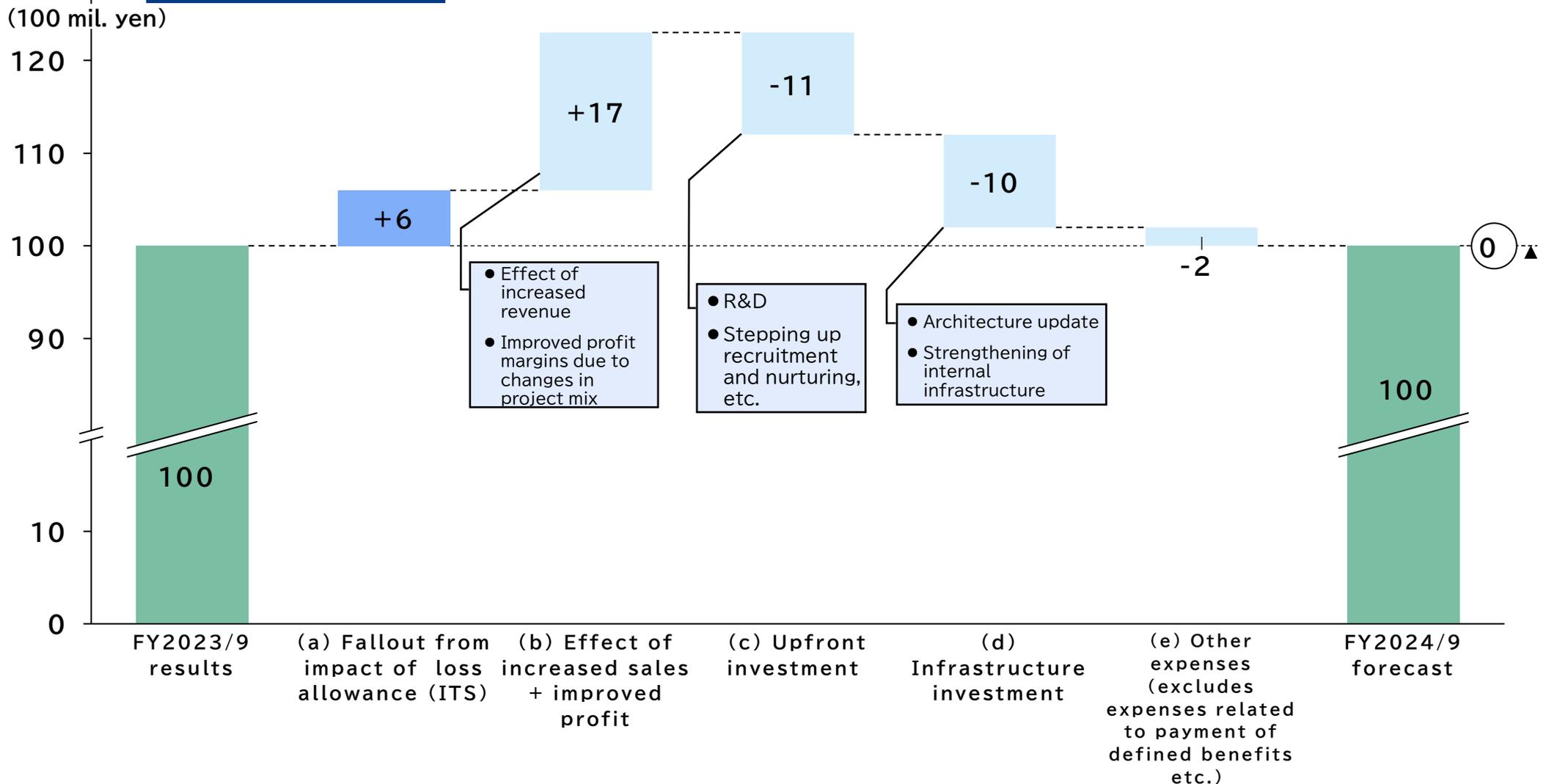
- ▣ TTC: 5,400 mil. yen YoY change +900 mil. yen Increase in profit due to change in project mix
- ▣ ITS: 4,600 mil. yen YoY change -900 mil. yen Decrease in profit due to upfront investments

**Profit forecast: 6,400 mil. yen YoY change +112 mil. yen (+1.8%)**

(Note) Current forecast does not factor in impact of the situation in Ukraine and Israel

# Factors behind fluctuation in FY2024/9 ordinary profit forecast

## Consolidated

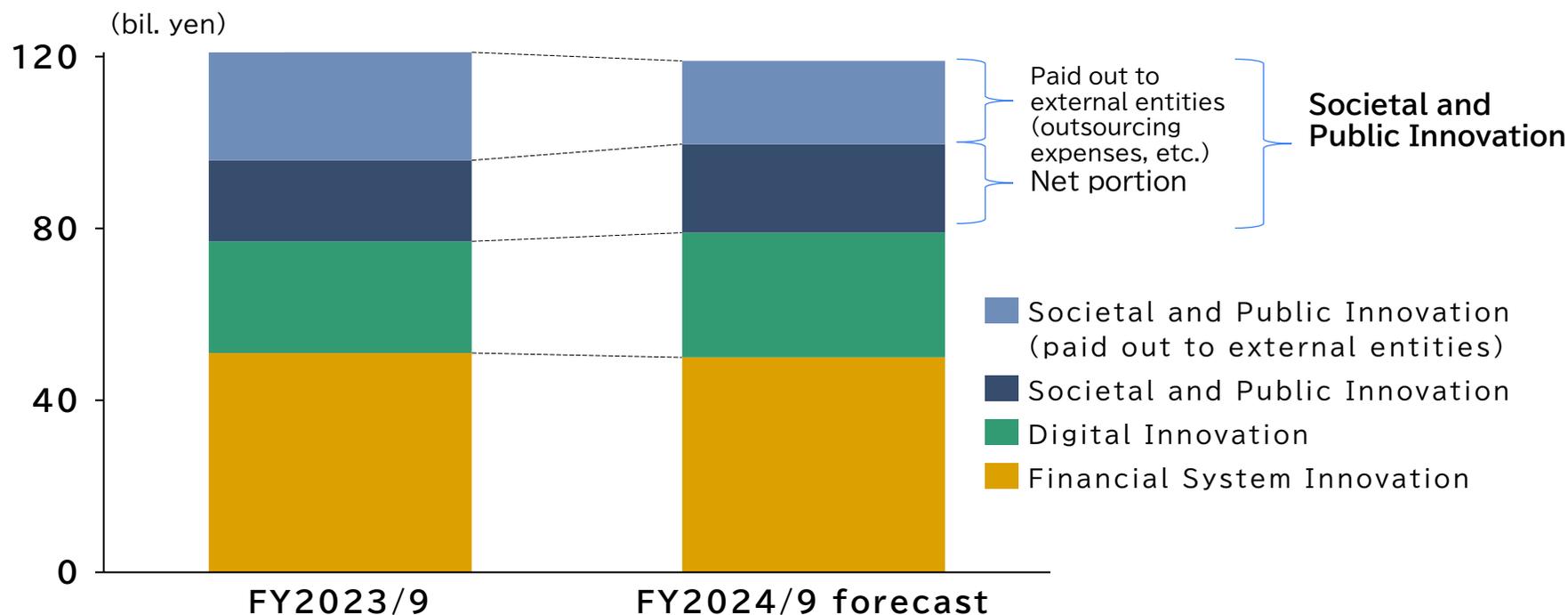


# FY2024/9 Full Year Forecasts

(mil. yen)

	FY2023/9 (Results)	FY2024/9 (Forecast)	YoY change	
			Amount	Rate
Net sales	122,126	118,000	-4,126	-3.4%
TTC	50,462	46,000	-4,462	-8.8%
ITS	71,663	72,000	+336	+0.5%
Operating profit	8,688	8,400	-288	-3.3%
Operating profit margin	7.1%	7.1%	+0.0P	
Ordinary profit	10,002	10,000	-2	-0.0%
TTC	4,428	5,400	+971	+21.9%
ITS	5,560	4,600	-960	-17.3%
Profit attributable to owners of parent	6,287	6,400	+112	+1.8%
Basic earnings per share (yen)	392.27	402.45	+10.18	

# Outlook for FY2024/9 by Business



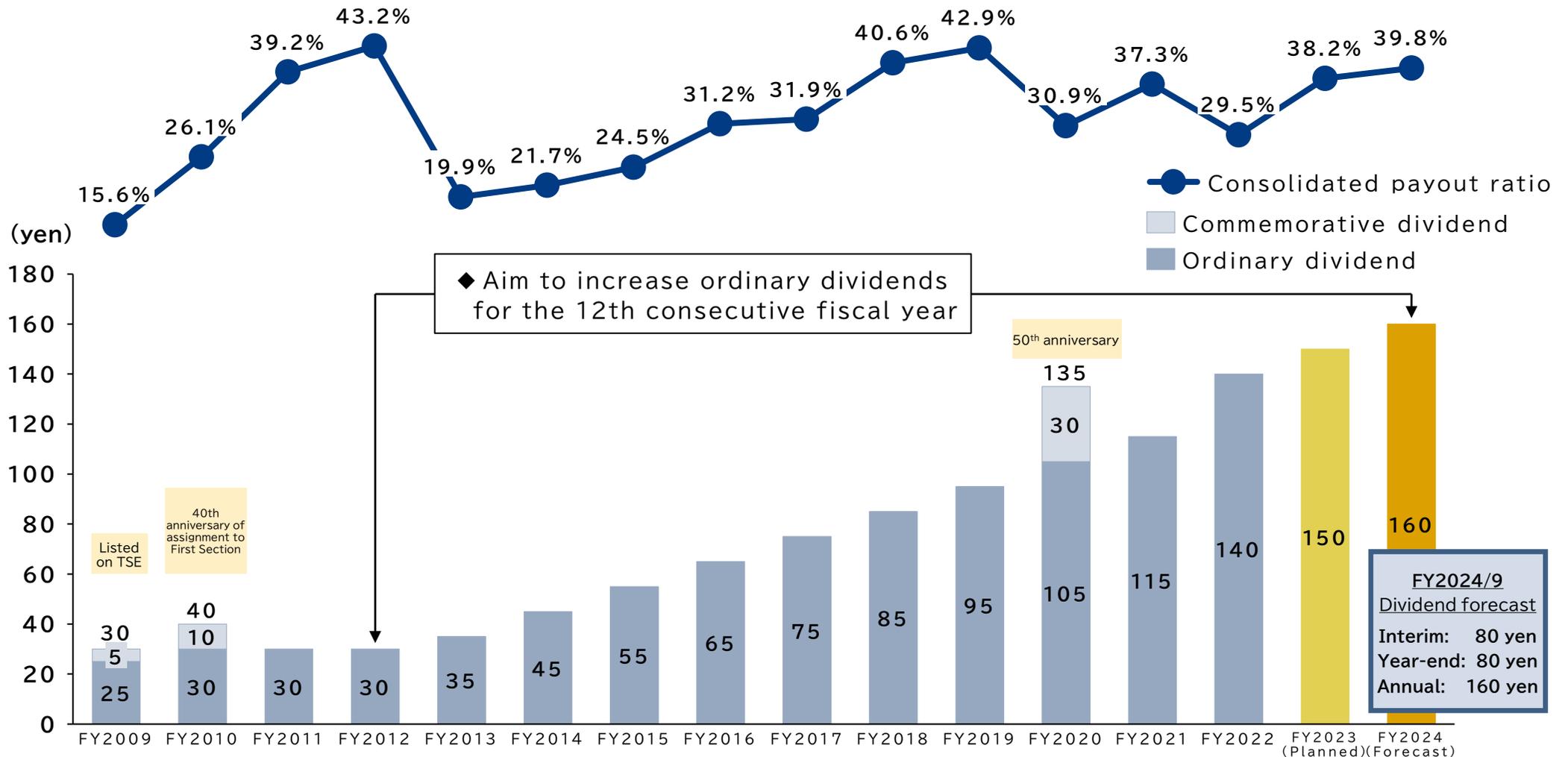
Key businesses	FY2023/9 scale of business	FY2024/9 projected scale of business
Societal and Public Innovation	44 billion yen	40 billion yen
Digital Innovation	26 billion yen	29 billion yen
Financial System Innovation	51 billion yen	50 billion yen

\*All numbers are approximations

# FY2024/9 Dividend Forecast

## Dividend Policy

Based on the principle of paying dividends continuously and stably, we will determine dividends by comprehensively taking into account the balance between business performance, future capital needs, and financial soundness. We aim for a payout ratio of 40%.



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# Recent News Releases

\* All releases below are only in Japanese except for certain releases.

Date	Title
<b>[Related to Societal and Public Innovation Business]</b>	
October 23, 2023	<a href="#"><u>Mitsubishi Research Institute and Resona Bank sign a comprehensive business alliance agreement on local digital currency business</u></a>
October 5, 2023	<a href="#"><u>Mitsubishi Research Institute announces results of joint research conducted with UPDATER on added value of renewable electricity</u></a>
October 3, 2023	<a href="#"><u>Mitsubishi Research Institute and KACST, a national R&amp;D organization in Saudi Arabia, signs a Memorandum of Understanding for Cooperation</u></a>
October 2, 2023	<a href="#"><u>Mitsubishi Research Institute establishes the Japan CTX Research Group</u></a>
August 31, 2023	<a href="#"><u>Mitsubishi Research Institute supports demonstration experiments leading to reduction of CO2</u></a>
August 28, 2023	<a href="#"><u>Expanding market share through development and demonstration of app matching supply and demand for recycled plastics</u></a>
August 21, 2023	<a href="#"><u>Adsorption/stabilization technology selected in ash washing demonstration test for fly ash generated at temporary ash treatment facilities</u></a>
August 8, 2023	<a href="#"><u>Mitsubishi Research Institute receives commendation from the Public Works Research Institute for outstanding work, etc.</u></a>

# Recent News Releases

\* All releases below are only in Japanese except for certain releases.

Date	Title
<b>[Related to Digital Innovation Business]</b>	
October 31, 2023	<a href="#"><u>Mitsubishi Research Institute and Mitsubishi Research Institute DCS partners with Tecnos Japan for a solutions business aimed at the manufacturing and distribution industries</u></a>
October 30, 2023	<a href="#"><u>Evolution of the report creation function of RoboResea, the web survey AI</u></a>
October 23, 2023	<a href="#"><u>Managing Director of Mitsubishi Research Institute DCS is appointed as DX Promotion Advisor to Oita City</u></a>
September 21, 2023	<a href="#"><u>Communication robot service for special education selected for Digi-PoC TOYAMA demonstration experiment project</u></a>
August 8, 2023	<a href="#"><u>Launch of implementation services for mcframe, a management system promoting DX in the manufacturing industry</u></a>
<b>[Related to Financial System Innovation Business]</b>	
September 11, 2023	<a href="#"><u>Mitsubishi Research Institute partners with ITFOR for DX business for loan services</u></a>
<b>[Common to All Businesses]</b>	
October 10, 2023	<a href="#"><u>Mitsubishi Research Institute DCS obtains CMMI-DEV Maturity Level 5: Only company in Japan with more than 2,000 employees to attain this level</u></a>
October 5, 2023	<a href="#"><u>Mitsubishi Research Institute DCS commended at the Commendation Ceremony commemorating the 25th anniversary of the establishment of the PrivacyMark System</u></a>

# Recent News Releases

\* All releases below are only in Japanese except for certain releases.

Date	Title
[Think Tank Business (Recommendations and Dissemination of Information)]	
October 18, 2023	<a href="#"><u>Released list of social issues expected to be resolved through innovation for 2023</u></a>
September 29, 2023	<a href="#"><u>Mitsubishi Research Institute and New Ordinary demonstrate improvement in visitor wellbeing</u></a>
September 28, 2023	<a href="#"><u>Recommendation of measures to establish a new ICT infrastructure to support the explosive growth of information</u></a>
September 28, 2023	<a href="#"><u>Announced joint research results on the ideal form of decentralized collaborative ecosystems in the digital society</u></a>
September 21, 2023	<a href="#"><u>Integrated promotion of energy policy and resource circulation policy</u></a>
September 13, 2023	<a href="#"><u>Opening up the Japanese labor market through the visualization of skills</u></a>
August 31, 2023	<a href="#"><u>Proposing a new lifestyle through industry-academia-government-private sector collaboration 100 years after the Great Kanto Earthquake, from disaster-prone Japan</u></a>
August 30, 2023	<a href="#"><u>Recommendations for how to consume in the age of wellbeing</u></a>

## 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.

- Contact

**Mitsubishi Research Institute, Inc.**

Investor Relations Office,  
Group Corporate Planning Division

E-mail: [ir-info@ml.mri.co.jp](mailto:ir-info@ml.mri.co.jp)

URL: [www.mri.co.jp/en/index.html](http://www.mri.co.jp/en/index.html)

*Envisioning the future, leading change*

