

# FY2021/9 3Q Financial Results

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August 2, 2021

**50<sup>th</sup>**  
*Anniversary*

- 1** FY2021/9 3Q Financial Results
- 2** FY2021/9 Full Year Forecasts
- 3** Topics

# Summary

- ❑ Strong performance was maintained in line with Medium-Term Management Plan 2023 ("MP2023"), achieving record net sales and operating profit in the first nine months of the fiscal year
- ❑ The earnings forecast was revised upward, reflecting the strong performance (> pages 13-14)

**Net sales: 80,402 mil. yen YoY change +9,812 mil. yen**

- ❑ Think tank and consulting services (TTC): Large sales growth (up 4,906 mil. yen) was led by the government/public office segment.
- ❑ IT services (ITS): Increased significantly due to growth in finance and credit card services (up 4,905 mil. yen).

**Ordinary profit: 7,364 mil. yen YoY change -679 mil. yen, +654 mil. yen when excluding special factors in previous fiscal year**

- ❑ Ordinary profit increased 654 mil. yen (excluding temporary factors (equity in earnings of affiliates) of approx. 1,333 mil. yen in the previous fiscal year).

**Profit: 5,046 mil. yen YoY change -2,152 mil. yen, profit +448 mil. yen when excluding special factors in previous fiscal year**

- ❑ Profit increased 448 mil. yen (excluding temporary factor (extraordinary income) of approx. 2,700 mil. yen in the previous fiscal year).

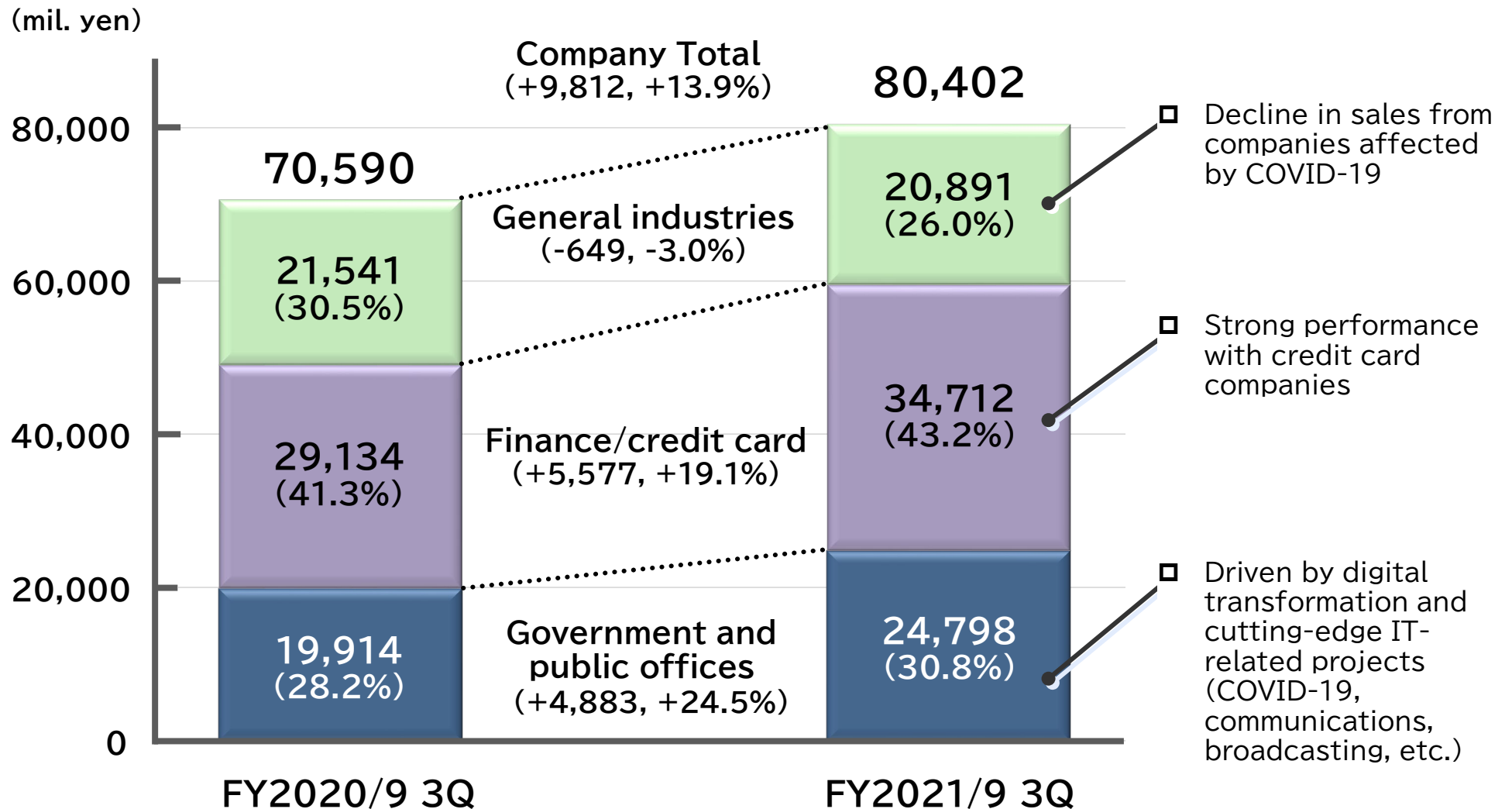
## 3Q Consolidated results <YoY>

(mil. yen)

	FY2020/9 3Q (Oct.-Jun.)	FY2021/9 3Q (Oct.-Jun.)	Year-on-year	
			Amount	Rate
Net sales	70,590	80,402	+9,812	+13.9%
Gross profit	16,799	18,986	+2,187	+13.0%
Gross profit margin	23.8%	23.6%	-0.2P	
SG&A expenses	10,903	12,345	+1,442	+13.2%
Operating profit	5,896	6,641	+745	+12.6%
Operating profit margin	8.4%	8.3%	-0.1P	
Ordinary profit	8,043	7,364	-679*	-8.4%
Profit attributable to owners of parent	7,199	5,046	-2,152*	-29.9%
Basic earnings per share (yen)	443.01	310.80	-132.21	

\* Ordinary profit and profit increased 654 mil. yen and 448 mil. yen, respectively, when excluding temporary factors that existed in the previous fiscal year.

# Net sales by industry of customer <YoY>



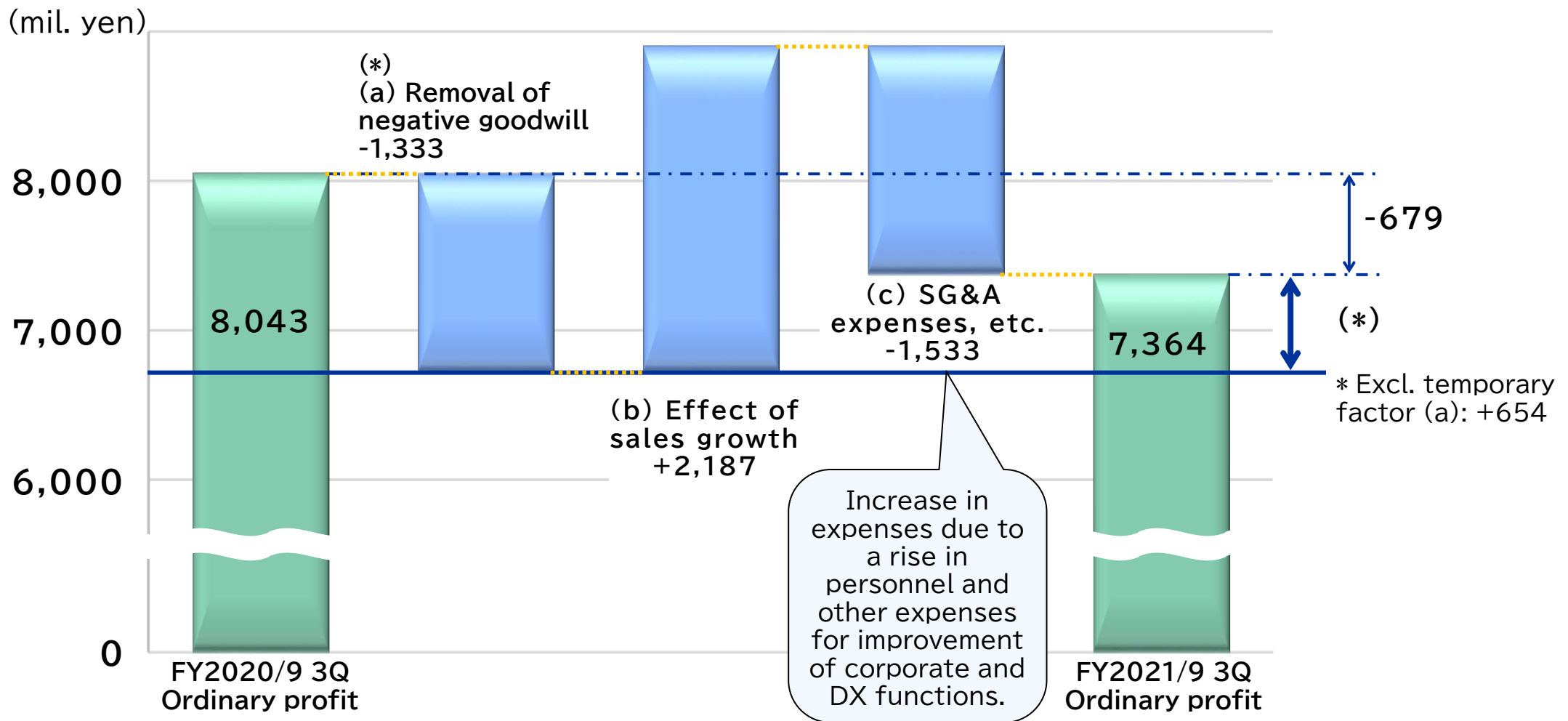
# Net sales by segment and industry of customer <YoY>

(mil. yen)

		FY2020/9 3Q (Oct.-Jun.)	FY2021/9 3Q (Oct.-Jun.)	Year-on-year	
				Amount	Rate
T T C	Government and public offices	19,513	24,343	+4,830	+24.8%
	Finance/credit card	2,022	2,540	+518	+25.6%
	General industries	7,292	6,851	-441	-6.1%
	TTC total	28,828	33,735	+4,906	+17.0%
I T S	Government and public offices	401	455	+53	+13.4%
	Finance/credit card	27,112	32,172	+5,059	+18.7%
	General industries	14,248	14,040	-207	-1.5%
	ITS total	41,762	46,667	+4,905	+11.7%

# Factors behind fluctuation of ordinary profit /loss <YoY>

- Sales growth (b) more than offset increased expenses (c) and ordinary profit rose 654 mil. yen when excluding special factors in the previous fiscal year.\*



# Think Tank and Consulting Services (TTC)

(mil. yen)

	FY2020/9 3Q (Oct.-Jun.)	FY2021/9 3Q (Oct.-Jun.)	Year-on-year	
			Amount	Rate
Net sales	28,828	33,735	+4,906	+17.0%
Operating profit	3,969	4,396	+426	+10.7%
Operating profit margin	13.8%	13.0%	-0.8P	
Ordinary profit (excl. temporary factors in previous fiscal year)	5,912 (4,579)	4,944	-968 (+364)*	-16.4% (+7.9%)
Orders received	29,005	42,527	+13,521	+46.6%
Order backlog (of which amount carried forward to next fiscal year)	26,483 (20,526)	39,887 (33,384)	+13,403 (+12,858)	+50.6% (+62.6%)

## Key points

- Sales to government and public offices increased significantly. Sales from consulting services for financial institutions increased.
- Operating profit was at a record high. \* Ordinary profit increased 364 mil. yen (excl. temporary factor of 1,333 mil. yen existed in the previous fiscal year).
- Orders received and order backlog both reached record levels on the strengthen of projects for government and public offices (digital transformation & cutting-edge IT related to COVID-19, 5G, etc.)
- The order backlog includes 33,384 mil. yen (up 12,858 mil. yen YoY) to be carried forward to sales from the next fiscal year.



# IT Services (ITS)

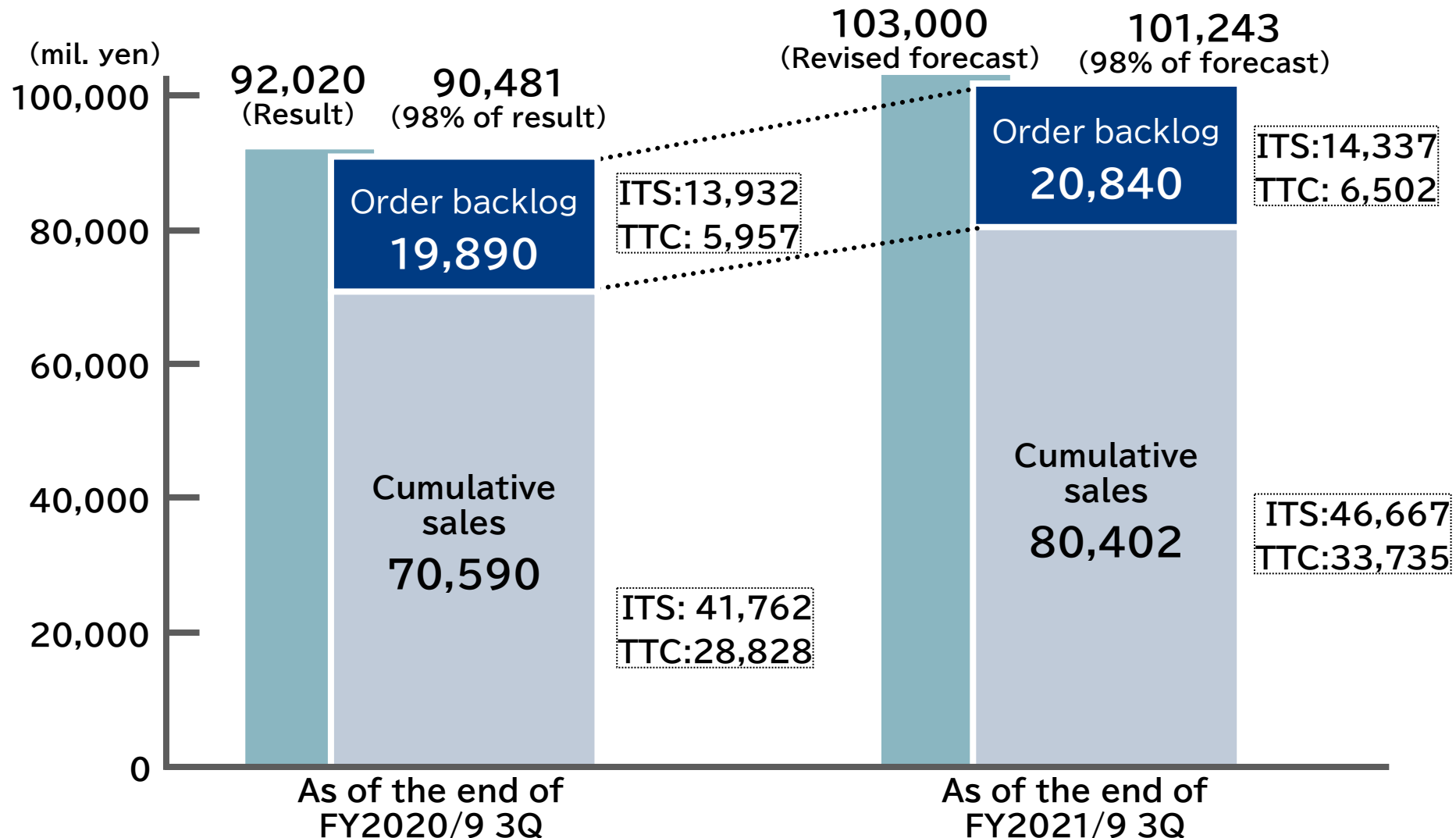
	(mil. yen)			
	FY2020/9 3Q (Oct.-Jun.)	FY2021/9 3Q (Oct.-Jun.)	Year-on-year	
			Amount	Rate
Net sales	41,762	46,667	+4,905	+11.7%
Operating profit	1,920	2,245	+325	+16.9%
Operating profit margin	4.6%	4.8%	+0.2P	
Ordinary profit	2,125	2,419	+294	+13.9%
Orders received	43,091	50,356	+7,265	+16.9%
Order backlog (of which amount carried forward to next fiscal year)	41,703 (27,770)	46,125 (31,788)	+4,422 (+4,017)	+10.6% (+14.5%)

## Key points

- Both sales and profit increased thanks to sales growth in the finance and credit card business.
- Operating profit was at a record high. A profit margin was maintained despite prior investment in DX. etc.
- Orders received and order backlog both rose, driven by large orders in the finance and credit card business.
- The order backlog includes 31,788 mil. yen (up 4,017 mil. yen YoY) to be carried forward to sales from the next fiscal year.

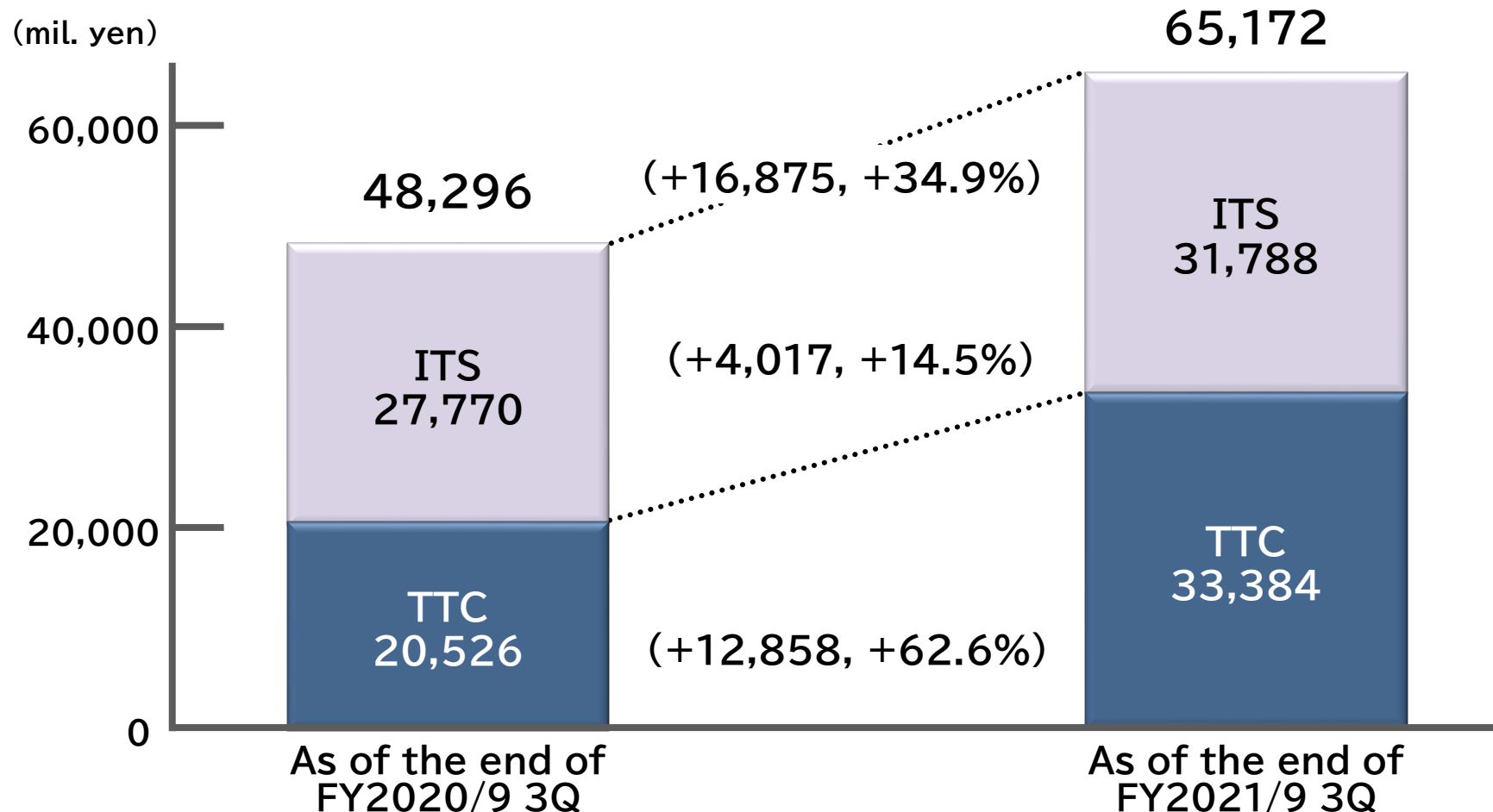
# Order Backlog (net sales for FY2021)

- Achieved 104% of the FY2021 forecast (97,000 mil. yen at the beginning of the fiscal year; order backlog for cumulative sales and FY2021 sales)
- Achievement rate of 98% against the upwardly revised sales forecast (> Page 13-14)



# Order Backlog (carried forward to next fiscal year)

- Strong results were achieved in projects such as solution of social issues and DX in line with MP2023. Steady progress in expected the next fiscal year.
- Orders for large-scale projects (ITS;SI-related, TTC; COVID-19, 5G-related projects, etc.) have built up, resulting in a carried forward order backlog of +16,875 mil. yen YoY.



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# FY2021 Full Year Forecasts

Revised upward from the initial forecast

## Full year forecast revised upward for both sales and profit (> page 14)

- ▣ Sales: 97 billion --> 103 billion (+6 billion)
- ▣ Operating profit: 6.6 billion --> 7 billion (+400 million)
- ▣ Ordinary profit: 7.5 billion --> 7.8 billion (+300 million)
- ▣ Profit: 4.8 billion --> 5 billion (+200 million)

## Impact of COVID-19 on financial results

- ▣ Impact of COVID-19 pandemic, state of emergency, etc. on financial results is limited.
- ▣ While the impact has become apparent in some areas of the private sector (transportation, real estate, etc.; --> page 5), orders from other industries and companies have offset the impact, and business inquiries and orders related to post-COVID prospects have been strong from both the private and public sectors.

# FY2021 Full Year Forecasts

Revised upward from the initial forecast

(mil. yen)

	FY2020/9 (Results)	FY2021/9 (Forecast)	Year-on-year		Initial forecast	Vs. initial forecast
			Amount	Rate		
Net sales	92,020	103,000	+10,980	+11.9%	97,000	+6,000
TTC	34,581	40,000	+5,419	+15.7%	36,000	+4,000
ITS	57,438	63,000	+5,562	+9.7%	61,000	+2,000
Operating profit	6,231	7,000	+769	+12.3%	6,600	+400
Operating profit margin	6.8%	6.8%	+0.0P		6.8%	-0.0P
Ordinary profit (excl. temporary factors in previous fiscal year)	8,387 (7,000)	7,800	-587 (+800)	-7.0% (+11.4%)	7,500	+300
TTC	5,283	4,300	-983	-18.6%	4,100	+200
ITS	3,092	3,500	+408	+13.2%	3,400	+100
Profit attributable to owners of parent	7,096	5,000	-2,096	-29.5%	4,800	+200
Basic earnings per share (yen)	436.64	308.04	-128.60		295.30	+12.74

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# Topics

## COVID-19 AI Simulation Project (Cabinet Secretariat)

The purpose of the project is to generate simulations utilizing AI and other technologies to strike a balance between preventing COVID-19 infections and supporting economic activity. MRI has participated in the project and announced its findings.

- **Healthcare and Testing Resource Optimization Solution**  
\* For details, refer to [the COVID-19 AI Simulation Project site](#).

## Accelerating Promotion of the Digital Transformation Business

Order received for DX implementation support services from Saitama Prefecture

- Track record of MRI and DCS received orders on a joint basis

Receiving accreditation under the DX Certification System

- The Company obtained accreditation as a "DX certified business operator" based on the DX Certification Program designated by the Ministry of Economy, Trade and Industry (May 1, 2021)
- A total of 141 companies had become DX certified companies by July



MRI's DX business concept is introduced on the official website ([see site](#)) (Japanese Only)



# Topics: Recent News Releases Related to DX

All releases below are only in Japanese

Date	Title
[MRI]	
2021.7.12	<a href="#">MRI launches review AI service for Mitsubishi Motors Finance</a>
2021.6.30	<a href="#">MRI starts phased provision of DX services for planning work</a>
2021.6.30	<a href="#">MRI makes additional investment in Exergy Power Systems</a>
2021.6.1	<a href="#">MRI launches ForePaaS big data analysis platform</a>
2021.5.17	<a href="#">MRI jointly utilizes AI-based general staff information service by Gifu Prefecture and 40 prefectural municipalities inside the prefecture</a>
2021.5.11	<a href="#">MRI signs memorandum of understanding with UK-based BVG Associates</a>
2021.5.10	<a href="#">MRI launches distributed energy resource operational support service</a>
[DCS]	
2021.5.20	<a href="#">NTT DATA INTRAMART and MRVS sign consulting partnership agreement - Will promote DX business reform through system development emphasizing business requirement definition -</a>

# Reference)

## Conducted stock offering (announced May 28, 2021, delivery date of June 15, 2021)

- Stock offering of 1,756,600 shares\* (approx. 10% of outstanding shares) held by 12 Mitsubishi Group companies  
(\* Including 200,000 shares for over-allotment)
  - The purpose of the stock offering was to expand the shareholder base and enhance liquidity
- The purpose was sufficiently achieved.
    - There were around 4,000 allottees for the stock offering, including individual and institutional investors.
    - Average monthly trading volume increased from approx. 550,000 shares\* before the stock offering to more than 1,000,000 shares in July
- \* Monthly average from October 2020 to April 2021

※Note that the stock offering was not an issuance of new shares, and there is no change to the number of outstanding shares.  
As a result, no so-called "dilution" has occurred, and theoretically does not affect the share price.

## 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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