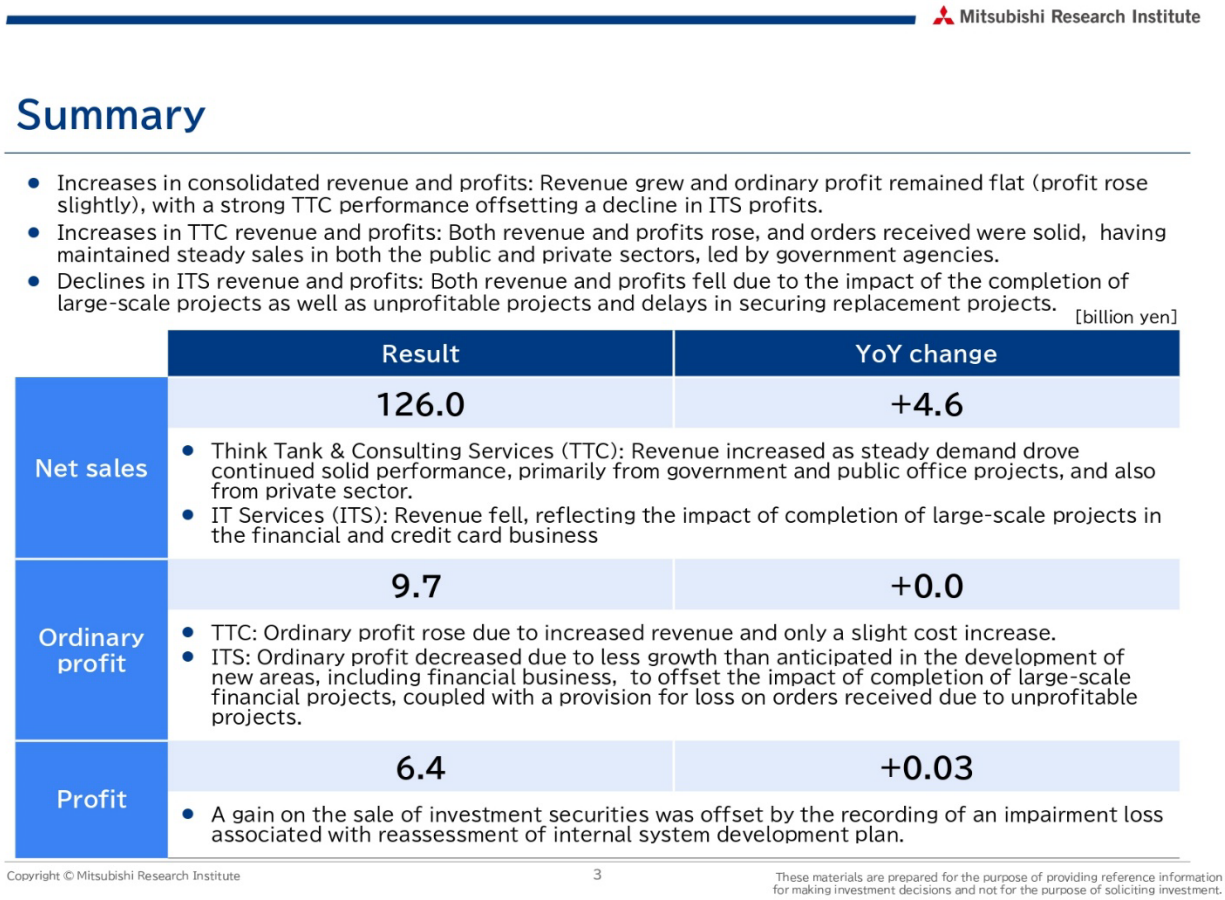
Mitsubishi Research Institute

Envisioning the future, leading change

Financial Results Briefing for the Fiscal Year Ended September 2026

November 5, 2026

Presentation



Mitsubishi Research Institute

Summary

- Increases in consolidated revenue and profits: Revenue grew and ordinary profit remained flat (profit rose slightly), with a strong TTC performance offsetting a decline in ITS profits.
- Increases in TTC revenue and profits: Both revenue and profits rose, and orders received were solid, having maintained steady sales in both the public and private sectors, led by government agencies.
- Declines in ITS revenue and profits: Both revenue and profits fell due to the impact of the completion of large-scale projects as well as unprofitable projects and delays in securing replacement projects.

[billion yen]

	Result	YoY change
Net sales	126.0	+4.6
	• Think Tank & Consulting Services (TTC): Revenue increased as steady demand drove continued solid performance, primarily from government and public office projects, and also from private sector. • IT Services (ITS): Revenue fell, reflecting the impact of completion of large-scale projects in the financial and credit card business	
Ordinary profit	9.7	+0.0
	• TTC: Ordinary profit rose due to increased revenue and only a slight cost increase. • ITS: Ordinary profit decreased due to less growth than anticipated in the development of new areas, including financial business, to offset the impact of completion of large-scale financial projects, coupled with a provision for loss on orders received due to unprofitable projects.	
Profit	6.4	+0.03
	• A gain on the sale of investment securities was offset by the recording of an impairment loss associated with reassessment of internal system development plan.	

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Yabuta: I am Yabuta, the President. Thank you all very much for taking time out of your busy schedules to attend our financial results briefing today.

I will now briefly explain three points: our financial results for the fiscal year ended September 2026, our new three-year medium-term management plan, and our forecasts for the fiscal year ending September 2027. Detailed data is included in the document, so please check it later.

First, let's look at the financial results for the fiscal year ended September 2026. Please turn to page three.

Consolidated net sales were JPY126 billion, ordinary profit was JPY9.7 billion, and profit attributable to owners of parent was JPY6.4 billion.

Amid increased net sales, ordinary profit and profit attributable to owners of parent remained roughly the same as the previous fiscal year, with TTC's strong performance offsetting the decline in ITS's profits. In

addition, ITS has recorded an impairment loss as a result of a review of its internal system plan.

While the results for this fiscal year confirmed TTC's growth potential, we also see them as a reminder that restoring ITS's profitability remains the Group's top priority.

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Think Tank & Consulting Services (TTC)

[million yen]

	FY2025	FY2026	Amount	Rate
Net sales	47,090	53,379	+6,289	+13.4%
Operating profit	4,344	5,989	+1,645	+37.9%
Operating profit margin	9.2%	11.2%	+2.0P	
Ordinary profit	5,715	7,051	+1,335	+23.4%
Orders received	51,506	62,010	+10,503	+20.4%
Order backlog	30,217	38,847	+8,630	+28.6%

Key points

- Performance was supported through initiatives for government and public offices including Level 4 autonomous driving-related projects, digitalization- and DX-related projects, and environment- and energy-related projects, as well as initiatives for the private sector including operations related to AI, energy, semiconductors and artificial satellites, and operations related to management plans.
- Profits increased sharply as increases in personnel expenses and other costs were more than offset, and segment revenue and profit reached record highs.
- Demand remained strong, and both orders received and the order backlog steadily increased, primarily from government and public offices (chiefly for information and communications such as the All-Photonics Network and digitalization). At MRI, orders received in line with the government's strategic sectors were strong. See pages 14 and 15.

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I will explain by segment. Please move on to page five.

TTC achieved record-high sales of JPY53.3 billion and ordinary profit of JPY7 billion.

In the government sector, projects related to autonomous driving, digitalization, information and communication technology, and environment and energy saw growth, while in the private sector, projects related to AI, energy, semiconductors, and space were among the most successful.

Orders received totaled JPY62 billion, and the order backlog is JPY38.8 billion, both showing significant growth.

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IT Services (ITS)

[million yen]

	FY2025	FY2026	Amount	Rate
Net sales	74,367	72,679	(1,688)	(2.3%)
Operating profit	3,683	2,406	(1,277)	(34.7%)
Operating profit margin	5.0%	3.3%	(1.7P)	
Ordinary profit	4,037	2,691	(1,346)	(33.3%)
Orders received	75,077	69,132	(5,944)	(7.9%)
Order backlog	50,315	46,768	(3,546)	(7.0%)

Key points

- In response to the completion of large-scale system projects in the financial and credit card business, efforts to expand into new areas, including finance, progressed more slowly than initially expected.
- Additional expenses were posted for unprofitable projects that arose in 1H.
- Both orders received and the order backlog declined significantly in the financial and credit card business. (The completion of large-scale projects in the financial and credit card business had an impact, and slow progress was made in developing new areas, etc.)

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Page six is about ITS.

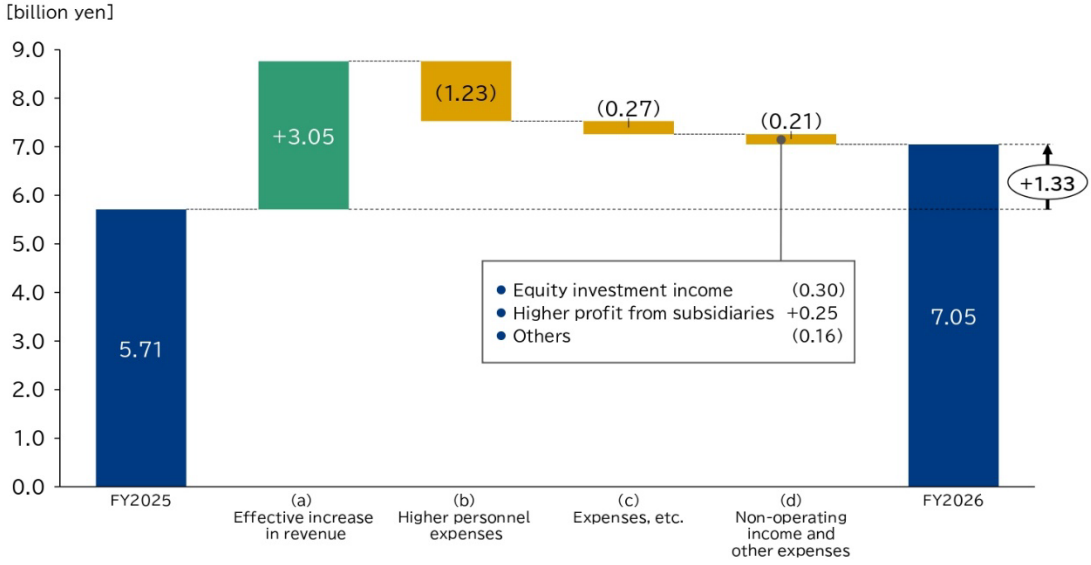
Net sales were JPY72.6 billion and ordinary profit was JPY2.6 billion, resulting in a decrease in both sales and profit.

After completing large-scale financial and credit card projects, the development of new projects to replace them did not progress as smoothly as expected. In addition, the expense accounting for unprofitable projects had an impact.

Orders received have been decreasing, making it urgent to develop new projects and restore profitability.

Factors Behind Fluctuation in TTC's Ordinary Profit

- In TTC, ordinary profit increased, with an effective increase in revenue (a) absorbing higher personnel expenses due to an increase in the number of personnel and their average wages (b), higher expenses (c), and higher other expenses (d).

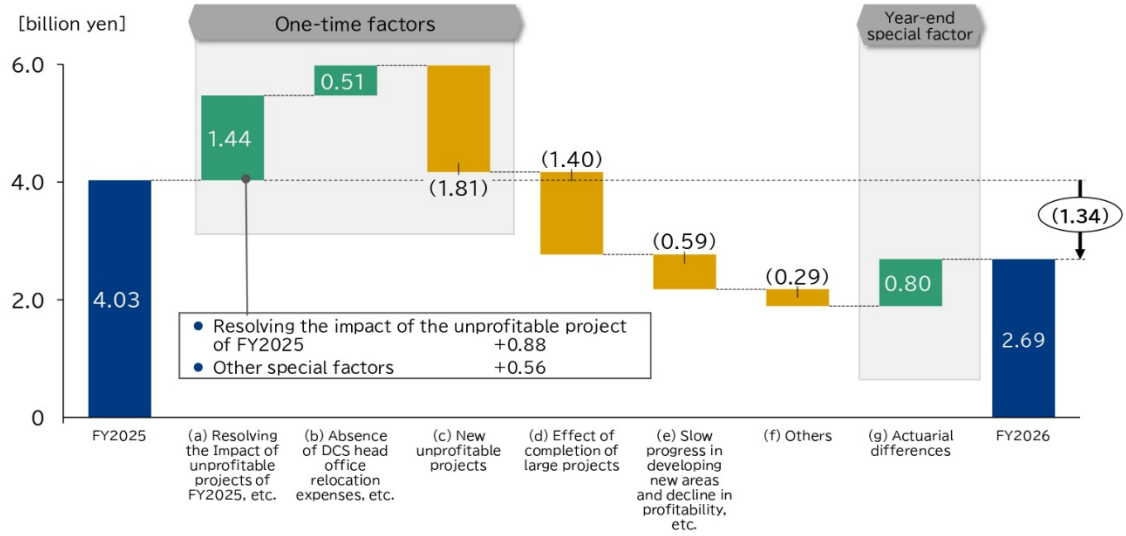


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Factors Behind Fluctuation in ITS's Ordinary Profit

- The elimination of one-time factors in the first half of the prior year for (a)–(b) was offset by new negative impacts from unprofitable projects under (c).
- Profitability declined due to the completion of large-scale projects (d) and to slow progress in developing new areas and decline in profitability (e). Other expenses for (f) increased.
- Although actuarial differences (g) increased year on year, ordinary profit fell on a full-year basis.



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Pages seven and eight show the factors that influenced the increase or decrease in profits for both segments.

TTC saw increased revenue directly translate into profit growth. Meanwhile, in the ITS segment, the completion of large-scale projects, delays in new business development, and the impact of unprofitable projects weighed down profits.

Based on the achievements and challenges of both segments, we have formulated a new medium-term management plan.

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Orders Received Related to Government's Strategic Sectors (MRI)

- Orders received at MRI which are related to the 17 strategic sectors identified by the Headquarters for Japan's Growth Strategy (see page 16) increased steadily.
- The amount of orders in the 17 sectors increased 27% in the total amount of orders.
  - The number of orders increased approx. 50 YoY.
  - The order volume increased approx. 10.0 billion yen YoY.
  - Overall orders increased in terms of both volume and number.
- Orders increased particularly in sectors such as "information and communications" and "digital security and cybersecurity."

Orders received at MRI

	FY2025		FY2026		YoY change	
Number and volume of orders related to the 17 sectors	1,480	37 billion yen	1,530	47 billion yen	+50	+10 billion yen
Number and volume of other orders	630	10 billion yen	690	12 billion yen	+60	+1 billion yen
Total	2,100	48 billion yen	2,200	59 billion yen	+110	+11 billion yen
Percentage of orders related to the 17 sectors	70%	77%	69%	80%	(1Pt)	+3Pt

Note: We used AI and other tools to classify and organize projects based on the names of contracts we received on a non-consolidated basis, and compiled data on projects falling under the 17 sectors.

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Please proceed to page 14.

Orders received at MRI related to the 17 strategic sectors designated by the government increased by JPY10 billion, from JPY37 billion in the previous fiscal year to JPY47 billion. This accounts for 80% of all orders. In particular, it is growing in the fields of information and communications and cybersecurity.

Our strength and the source of our growth lie in our ability to provide comprehensive support, from policy formulation to demonstration and social implementation.

Key Points of this Chapter



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Now, let me explain the Medium-Term Management Plan 2029. Please turn to page 18.

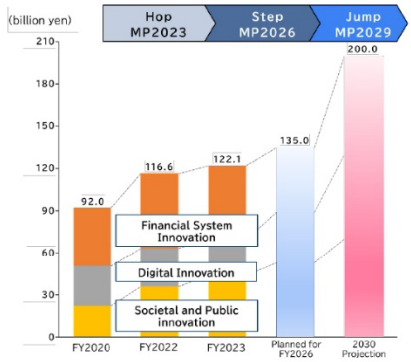
There are five things I would like to tell you today.

First, the challenges identified in the previous medium-term management plan have been thoroughly reflected in this one. Second, TTC aims for continuous growth. Third, we are strengthening ITS and restoring its profitability. Fourth, we are achieving both social value and corporate value. And fifth, we are committed to successfully executing this medium-term management plan under a new framework.

Overview of Medium-Term Management Plan 2026 (1)

- MP2026 was positioned as a “step phase” towards our 2030 vision.

- A corporate group that provides unique value — Combining the strengths of TTC and ITS segments
- Raise net sales to 200.0 billion yen
  — Freedom in pursuing our strategies, securing stakeholder trust, and establishing social presence
- Aim for growth in 3 main businesses: Societal and Public Innovation, Digital Innovation and Financial System Innovation, based on integrated collaboration between TTC and ITS segments



	FY2023 results	FY2026 initial target
Net sales	122.1 billion yen	135.0 billion yen
Operating profit (Operating profit margin)	8.6 billion yen (7.1%)	12.0 billion yen (8.9%)
Ordinary profit (Ordinary profit margin)	10.0 billion yen (8.2%)	14.0 billion yen (10.4%)
ROE	9.8%	12.0%

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First, let's review the 2026 Medium-Term Management Plan. Please turn to page 19.

In the previous medium-term management plan, we aimed to expand our scale based on the premise of integrated collaboration and synergies between TTC and ITS. However, the effects of the collaboration were limited.

Overview of Medium-Term Management Plan 2026 (3)

- FY2026 results exceeded the revised plan targets but fell short of initial MP2026 target
- Especially in the ITS segment, profit fell far short of the target
- Consolidated ordinary profit stalled during the period of the three-year medium-term management plan (compared with FY2023: consolidated: (3.0%), TTC: +59%, ITS: (53%))

[billion yen]

		FY2023	FY2026			
			(i) Initial target	(ii) Revised plan (Beginning of FY2026)	(iii) Results	Compared with initial target ((iii) - (i))
TTC	Net sales	50.4	60.0	48.5	53.3	(6.7)
	Ordinary profit	4.4	8.1	5.3	7.0	(1.1)
	Ordinary profit margin	8.8%	13.5%	10.9%	13.2%	(0.3P)
ITS	Net sales	71.6	75.0	73.5	72.6	(2.4)
	Ordinary profit	5.5	5.7	3.7	2.6	(3.1)
	Ordinary profit margin	7.8%	7.6%	5.0%	3.7%	(3.9P)
Consolidated	Net sales	122.1	135.0	122.0	126.0	(9.0)
	Ordinary profit	10.0	14.0	9.0	9.7	(4.3)
	Ordinary profit margin	8.2%	10.4%	7.4%	7.7%	(2.7P)

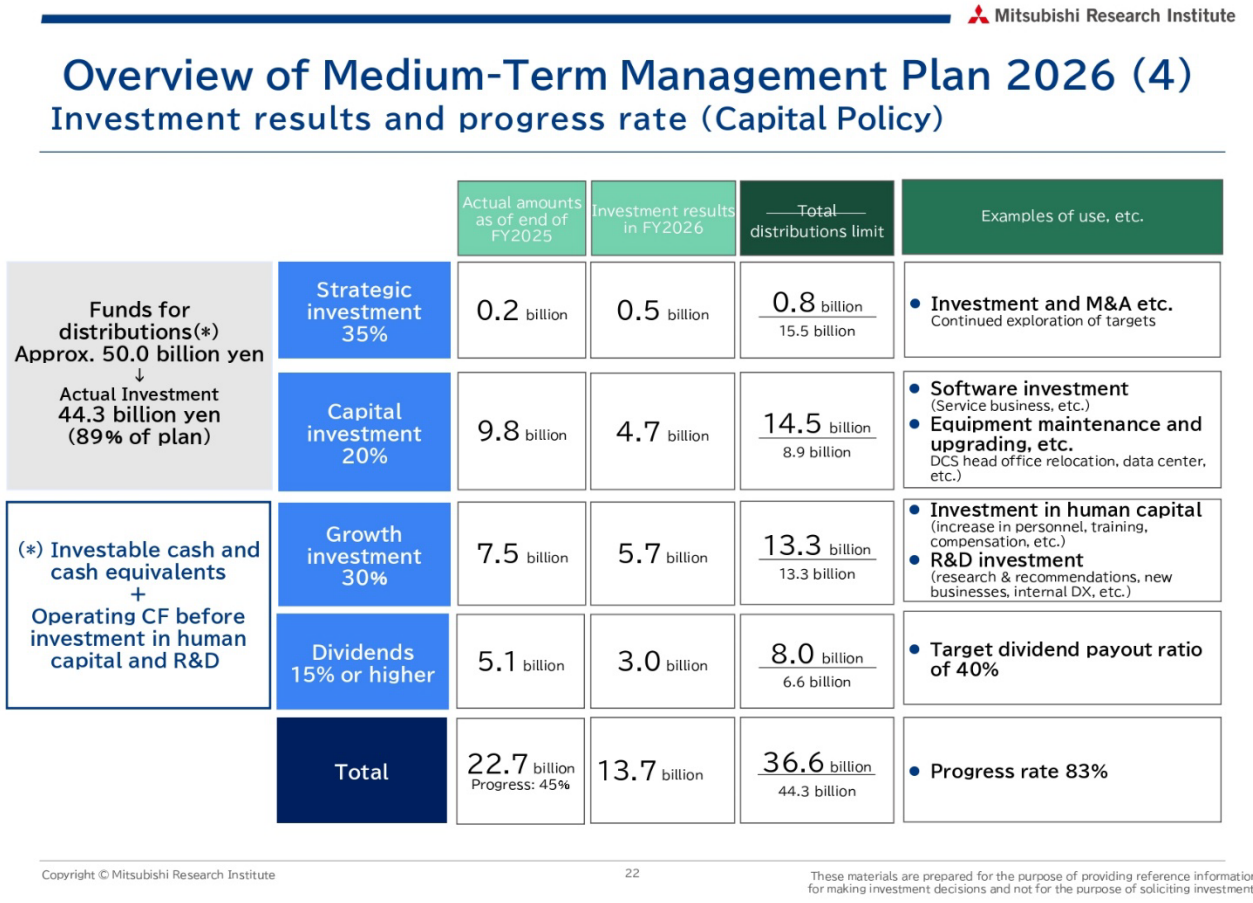
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As shown in the table on page 21, consolidated ordinary profit for the final fiscal year was only JPY9.7 billion, compared to the initial target of JPY14 billion.

TTC's ordinary profit increased by approximately 60% over the past three years, reaching a record high. However, the increase in personnel, productivity, and growth in the service business fell short of the plan.

ITS fell significantly short of its profit targets due to two consecutive years of unprofitable projects, delays in securing highly profitable projects after the completion of large-scale projects, and increased costs associated with reforms.



Furthermore, as shown on page 22, we regret that we were unable to fully execute our strategic investments.

Overview of Medium-Term Management Plan 2026 (5)

- We failed to achieve the targets under MP2026 on a consolidated basis
  - On the capital policy front, the amount to be allocated for “strategic investment” was hardly used (0.8 billion yen out of an initially planned 17.5 billion yen)
- In TTC, net sales, profits and profit margins all fell short of initial MP targets, even though ordinary profit was up approximately 60% from the FY2023 level
  - Increase in personnel was less than envisaged and productivity also fell short of assumed level
  - Service business growth also failed to reach the planned level
  - The business direction of the focus and general domains became clearer
- In the ITS segment, numbers fell short of targets
  - The occurrence of unprofitable projects for two consecutive years pushed down profit and impacted personnel deployment
  - Following the completion of large projects in the financial and credit card business, we were slow in securing replacement projects with high profit margins
  - Expenses for measures to reform business and infrastructure, etc. increased
  - The business direction in growth and priority domains was used as a basis for determining a more detailed business direction

TTC	Non-attainment of targets for increase in personnel and productivity Slow progress on growth of service business
ITS	Consecutive occurrence of unprofitable projects Slow progress securing replacement projects after completion of large projects Increased expenses for measures to reform business and infrastructure expenditure for business and management base transformation, etc.

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A summary of these points is provided on page 23.

As management, I take these results seriously, and in our new medium-term management plan, we have clearly defined the challenges and growth paths for each business and incorporated them into our management structure.



Page 24 shows assumptions about the business environment.

The proliferation of generative AI and AI agents is dramatically changing the structure of businesses and industries.

The expansion of policy investment and the growth of the consulting and IT markets are favorable factors. On the other hand, competition centered around AI is becoming even more intense.



Please move on to page 26. This is the basic concept behind the 2029 medium-term management plan.

We prioritize three points. First, we will prioritize value creation and profitability over scale. Second, instead of across-the-board synergies, we will focus on segment-specific competitive advantages and collaboration in complementary areas. Third, we will place greater emphasis on investment returns and disciplined capital allocation.

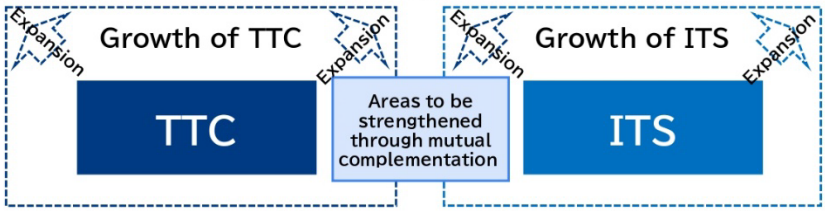
On the other hand, our core purpose—to create value by solving social issues—remains unchanged. Based on that foundation, we will strengthen our commitment to capital efficiency, business portfolio, and shareholder returns.

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Direction Aimed for under Medium-Term Management Plan 2029

The MRI Group will achieve sustainable enhancement of corporate value across the Group through efforts by the TTC and ITS segments (their core companies -MRI and DCS respectively) and each subsidiary to sharpen their competitive edge.

- The MRI Group is a corporate group consisting of the TTC segment (core company: MRI), which provides solutions to societal issues and implements them in society, and the ITS segment (core company: DCS), which provides IT services.
- The two core companies in both segments have different business areas, customer bases and sources of competitiveness. We will sharpen the competitive edge of each and expand the value provided across the Group to shareholders, customers and society through the autonomous growth of each company, including subsidiaries, and reinforcement of the management base.
- Through capital allocation, management discipline, the development of management assets, and collaboration in areas where competitive advantages complement each other, we will pursue enhancement of corporate value that cannot be achieved alone.

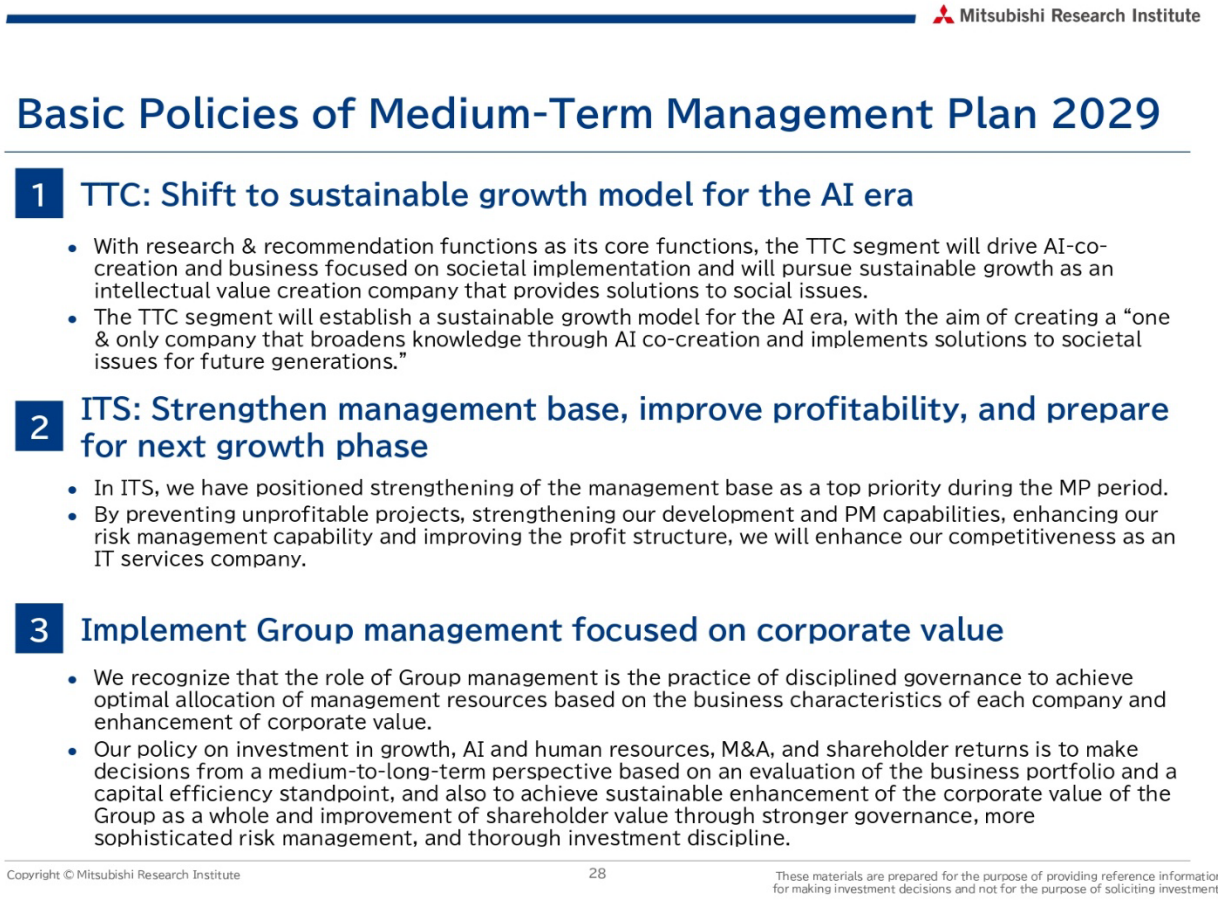


Both segments will pursue growth and value creation, maximizing the sum of the parts

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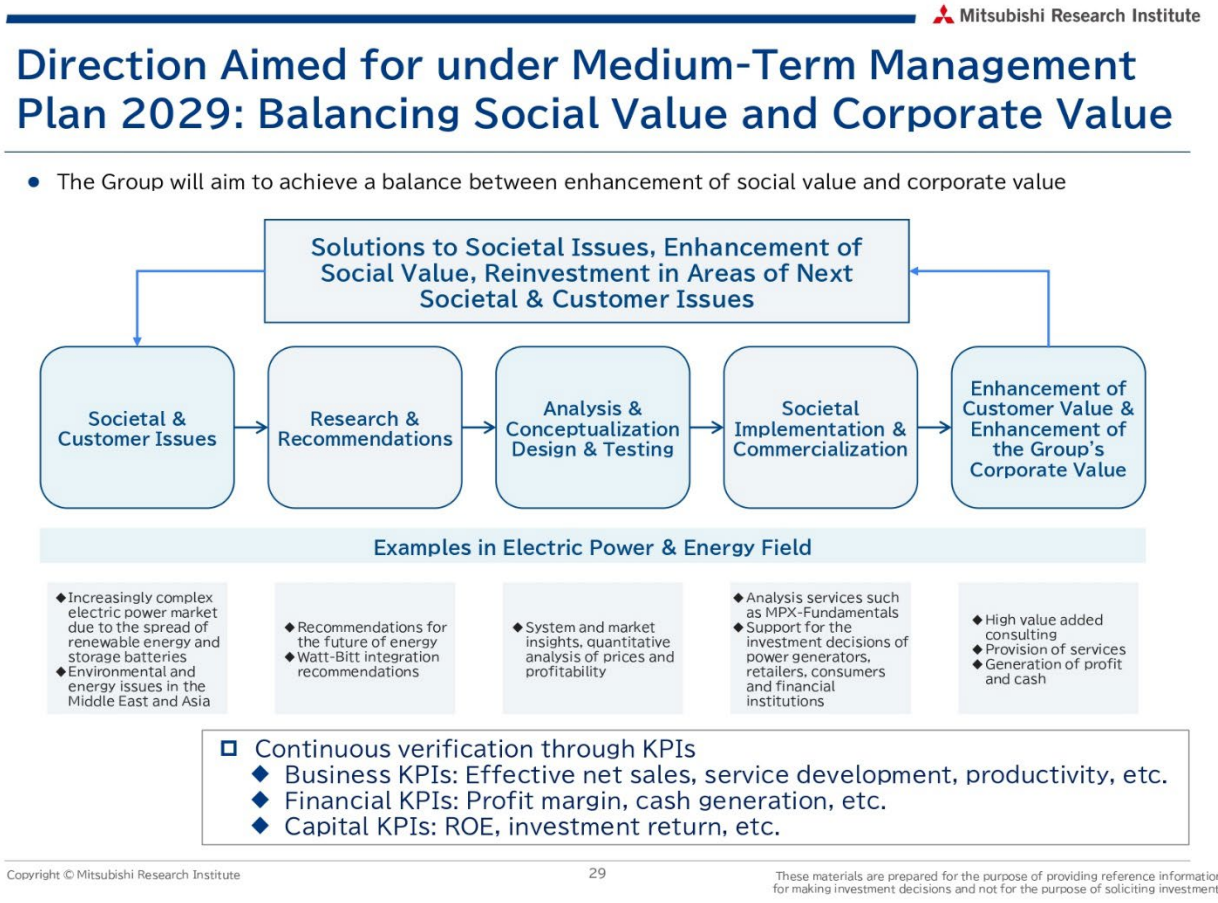
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Page 27 onward outline our goals and direction.



TTC and ITS differ in their business areas, customer base, and sources of strength.

Based on the principle of each individual becoming stronger independently, the Group will maximize overall value through capital allocation and management discipline.



Page 29 shows an example in the electric power and energy field of how social value can be linked to corporate value.

It starts with research and recommendations, progresses through analysis, conceptualization, and testing, and then is commercialized as a service. The profits and cash generated will be reinvested in addressing the next social issues.

We will verify this cycle using KPIs for business, finance, and capital.

MP2029 Approach to Numerical Targets

- **Plan incorporating "recovery of profitability," "investment" and "discipline"**
- Recovery and growth of consolidated ordinary profit from 9.7 billion yen to 12.0 billion yen
  - ◆ Emphasis on certainty of achievement, without factoring in discontinuous growth through M&A, etc.
  - ◆ Positioning of M&A, share buybacks, etc. as upside/additional measures
- Target ROE of 10%
- TTC: Creation of high added value, with government policy insight and societal implementation capability as starting points
  - ・ Factoring-in of upfront investments in AI, human resources, information security, R&D, etc.
- ITS: Improvement of profit margin through reallocation to priority areas and AI utilization
  - ・ Prioritization of recovery in profitability, emphasis on gross profit growth

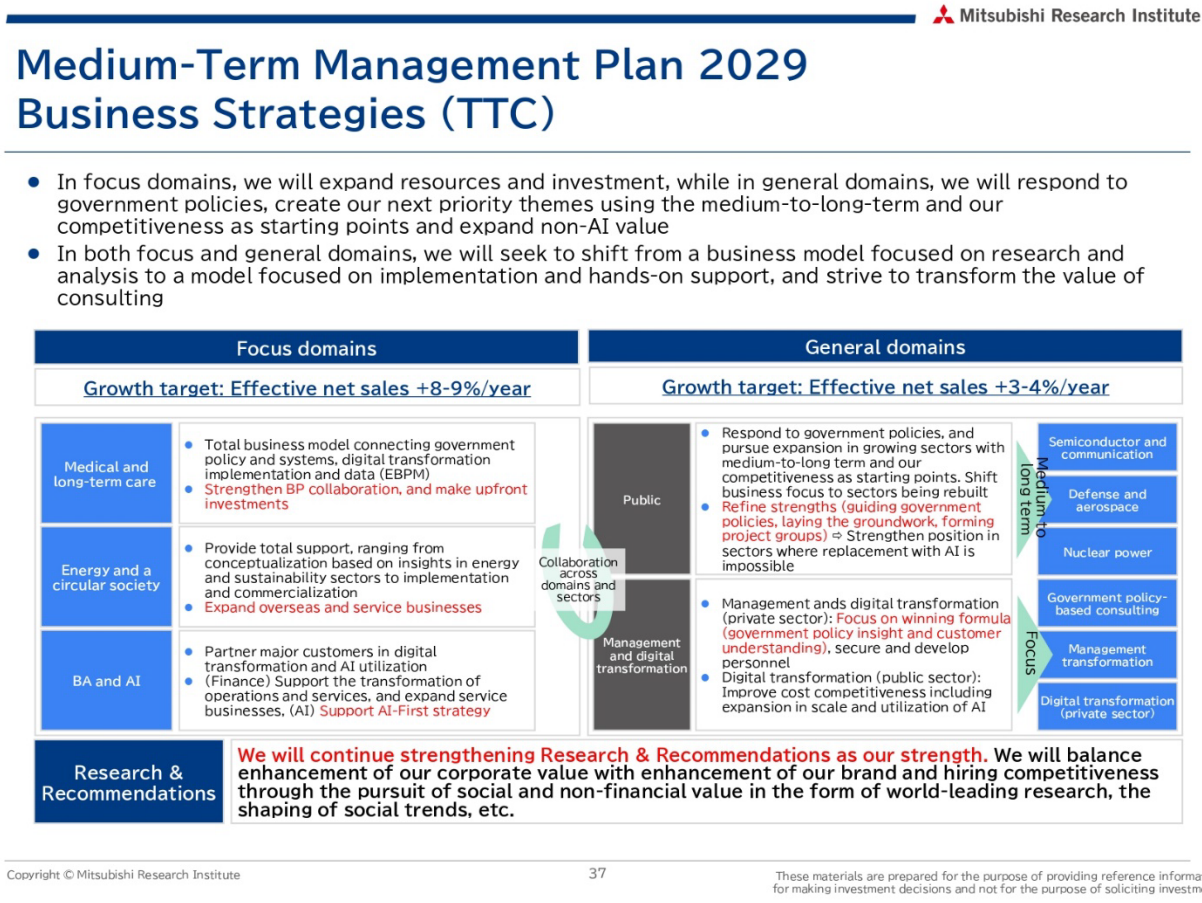
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Page 32 onward contain the numerical targets.

The targets for the final year of the medium-term management plan are consolidated sales of JPY136.5 billion, ordinary profit of JPY12 billion, and an ROE of 10%. This plan prioritizes the certainty of achievement and does not incorporate the effects of M&A or share buybacks, instead considering them as potential upside factors if the plan is realized.

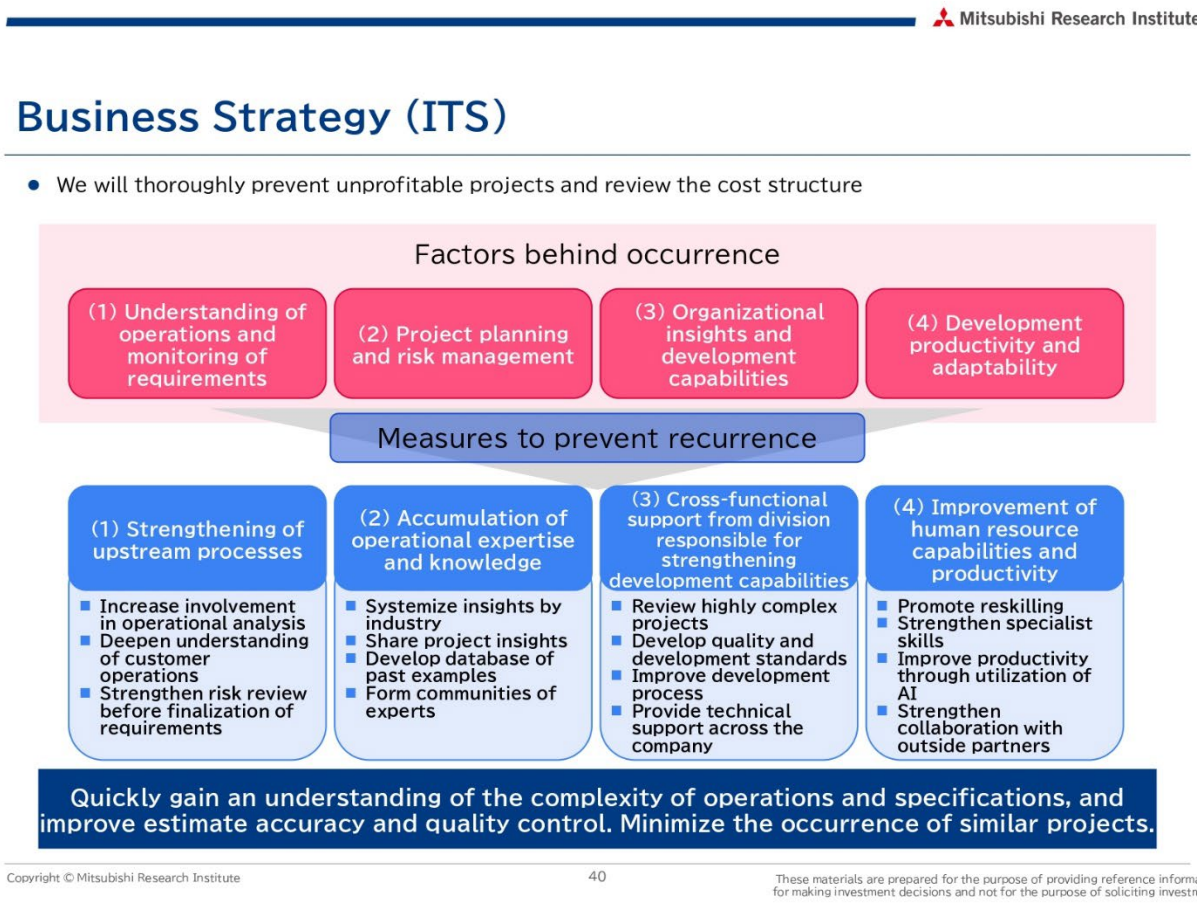
Looking at the segments individually, TTC will continue to grow while making proactive investments in AI, human resources, information security, and research and development. ITS prioritizes restoring profitability through reallocation to priority areas and gross profit growth, rather than focusing on sales volume.



Page 37 outlines TTC's business strategies.

We will focus our resources and investments on three key areas: medical and long-term care, energy and a circular society, and business analytics and AI. In the public and the management and digital transformation sectors, we will expand our growth areas by leveraging policy responses and our company's strengths.

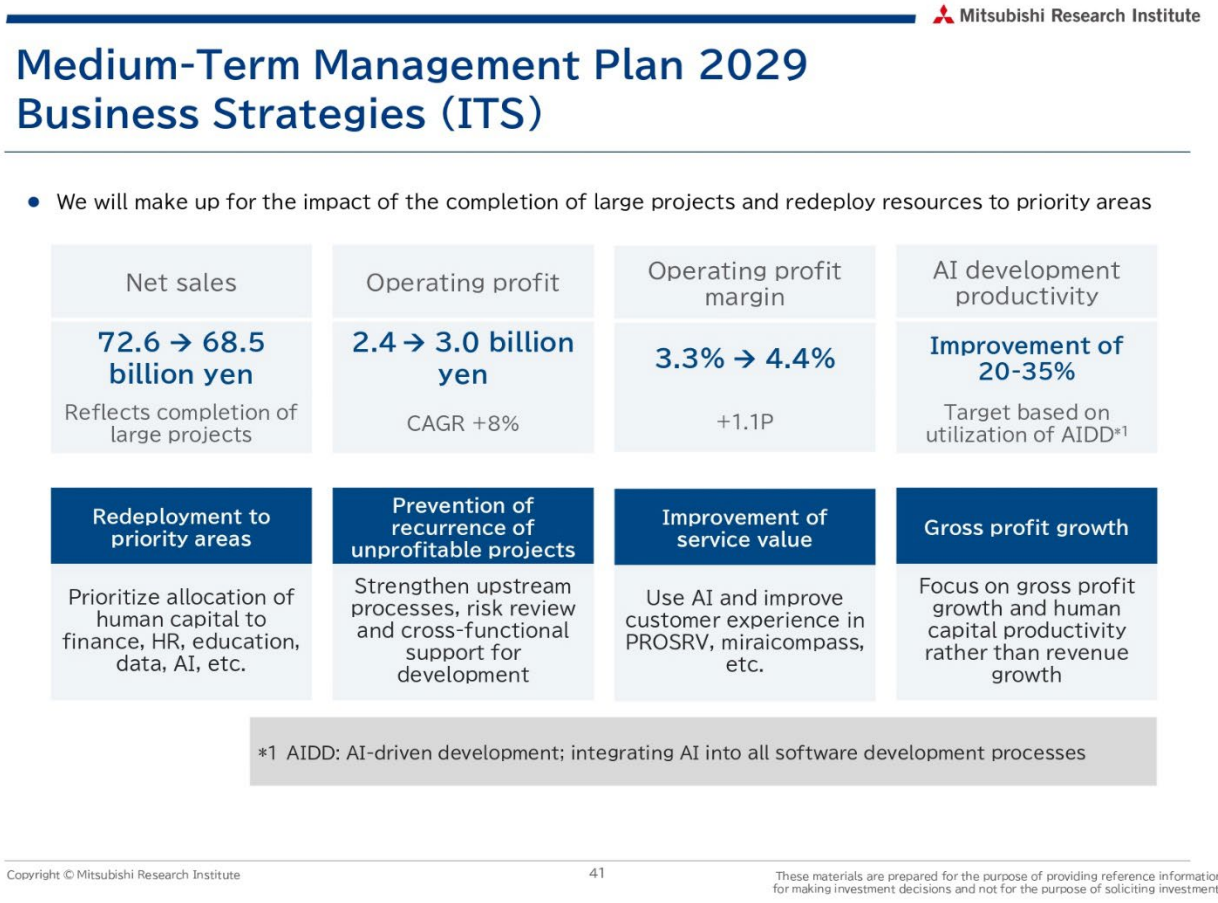
The common direction is a shift from businesses centered on research and analysis to higher value-added businesses that include implementation and hands-on support.



Next is ITS. Please turn to page 40.

During the medium-term management plan period, we will prioritize restoring profitability by thoroughly preventing the recurrence of unprofitable operations and reviewing our cost structure.

To prevent recurrence, we will strengthen estimation accuracy and quality control from four aspects: upstream processes, accumulation of operational knowledge, cross-functional development support, and human resources and productivity.



In addition, as shown on page 41, ITS will reallocate personnel to key areas such as finance, HR, education, data, and AI to increase gross profit and productivity.

For the fiscal year ending September 2029, we aim for an operating profit of JPY3 billion and an operating profit margin of 4.4%.

Please note that the costs incurred in terminating unprofitable projects that occurred in the fiscal year ended September 2026 have already been recorded in the same period. Our plan for the fiscal year ending September 2027 includes costs for preventing recurrence and strengthening our development capabilities.

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Medium-Term Management Plan 2029
Personnel Plan

- FY2029 target: 5,170 people (+340 people: TTC +190 people, ITS +150 people)
  - TTC
    - For achievement of the MP2029 target, we have set 3-year headcount targets by attribute, with particular focus on increasing the number of project leaders, who are in short supply, and have incorporated them into the recruitment plan
    - We assume an annual headcount growth rate of 4%
  - ITS
    - The main strategy is to prioritize deployment to priority areas. We will ensure the necessary personnel through AI-driven improvement in productivity and the development and optimal deployment of human resources, rather than relying solely on recruitment.

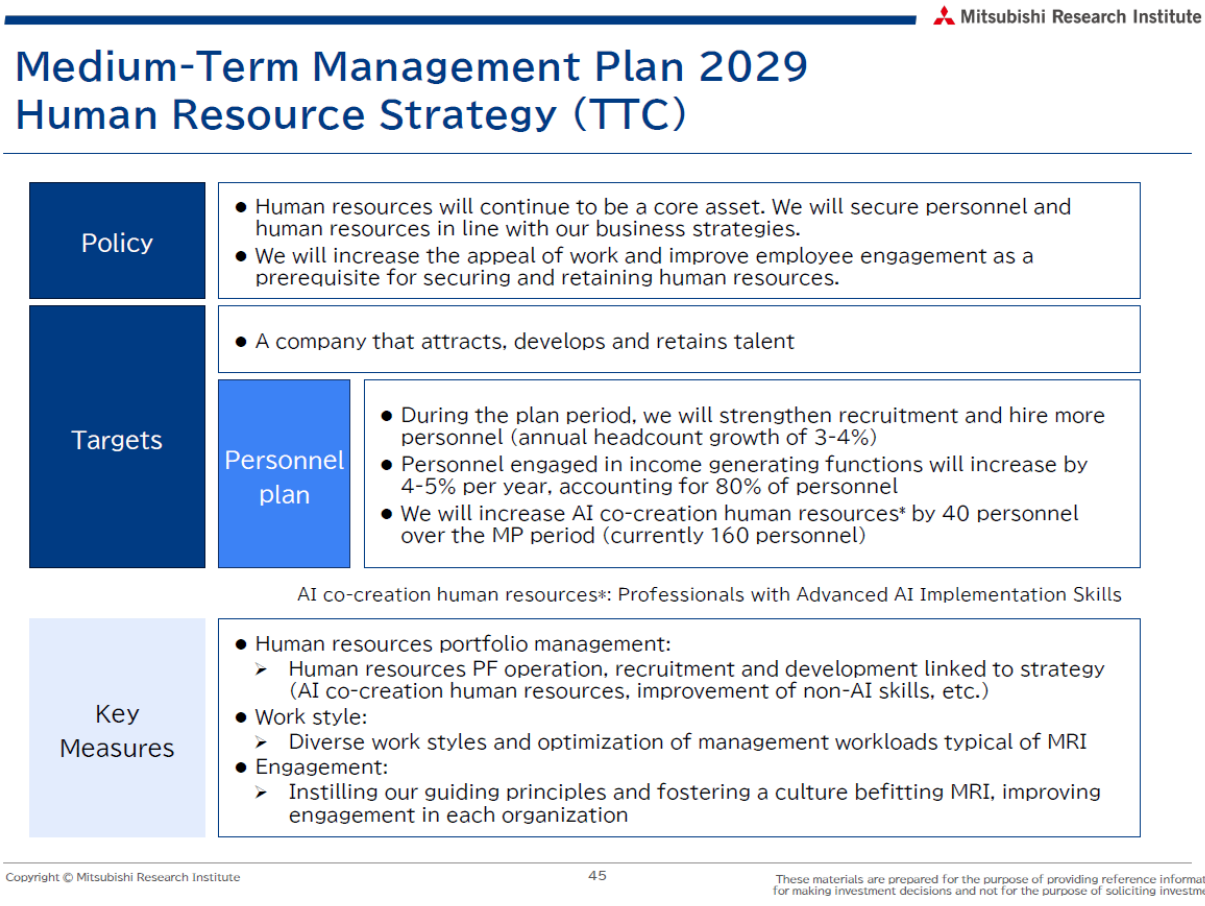
(people, approximate figure)	FY2026	FY2029	26→29 Net increase	26→29 CAGR
Consolidated	4,830	5,170	+340	2.3%
TTC	1,510	1,700	+190	4.0%
ITS	3,320	3,470	+150	1.5%

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Page 44 onward cover human resource strategy.

Human resources are the source of value creation for our group. Our consolidated workforce for the fiscal year ending September 2029 is projected to be 5,170 people, and we plan to increase it by approximately 340 people over the next three years.



Please move on to page 45.

Based on the fact that the increase in personnel fell short of the plan in the previous medium-term management plan, TTC aims to increase its workforce by approximately 3% to 4% annually, focusing on leadership positions where there is a shortage. In particular, we will increase the number of AI co-creation human resources who utilize generative AI to solve customer problems and create new businesses by 30 to 40 during the medium-term management plan period.

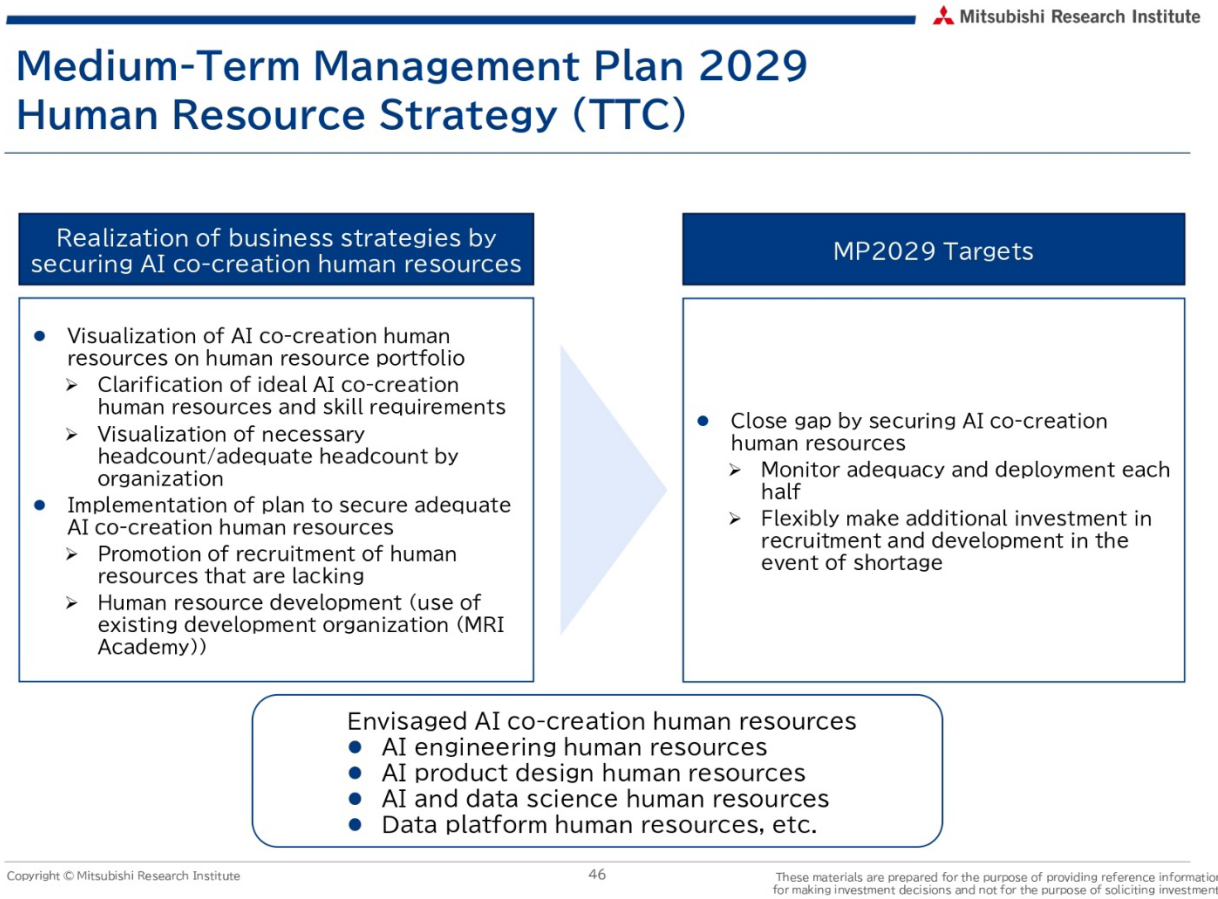
* The headcount figures in the material (P45) have been corrected as follows.

(Before correction)

We will increase AI co-creation human resources by 30–40 personnel over the MP period (currently 120–130 personnel)

(After correction)

We will increase AI co-creation human resources by 40 personnel over the MP period (currently 160 personnel)



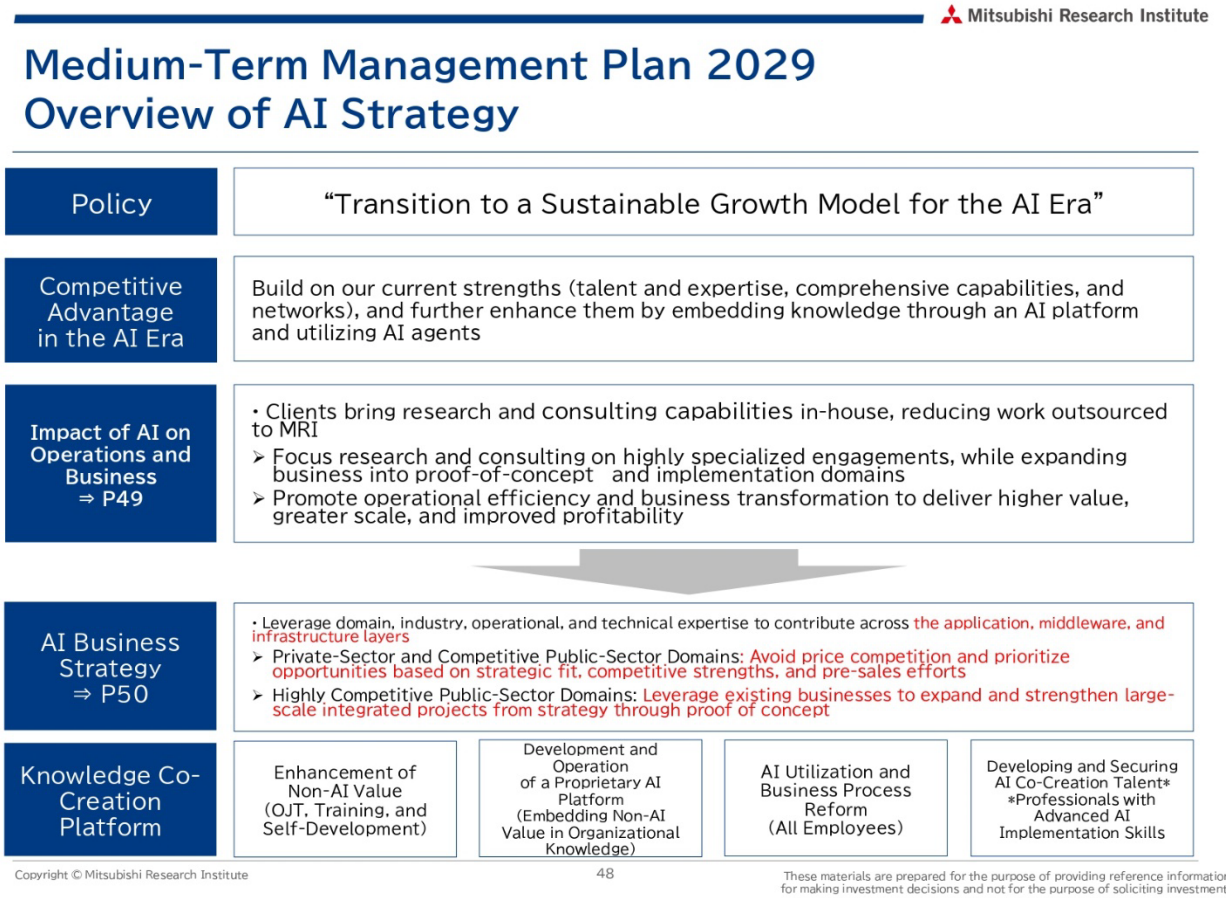
We will visualize the required personnel profile and skills, as well as the required and fulfilled numbers for each organization, and review the fulfillment rate and deployment status every six months. If there are any shortcomings, we will flexibly add funds for additional recruitment and training utilizing the MRI Academy.



Page 47 covers ITS.

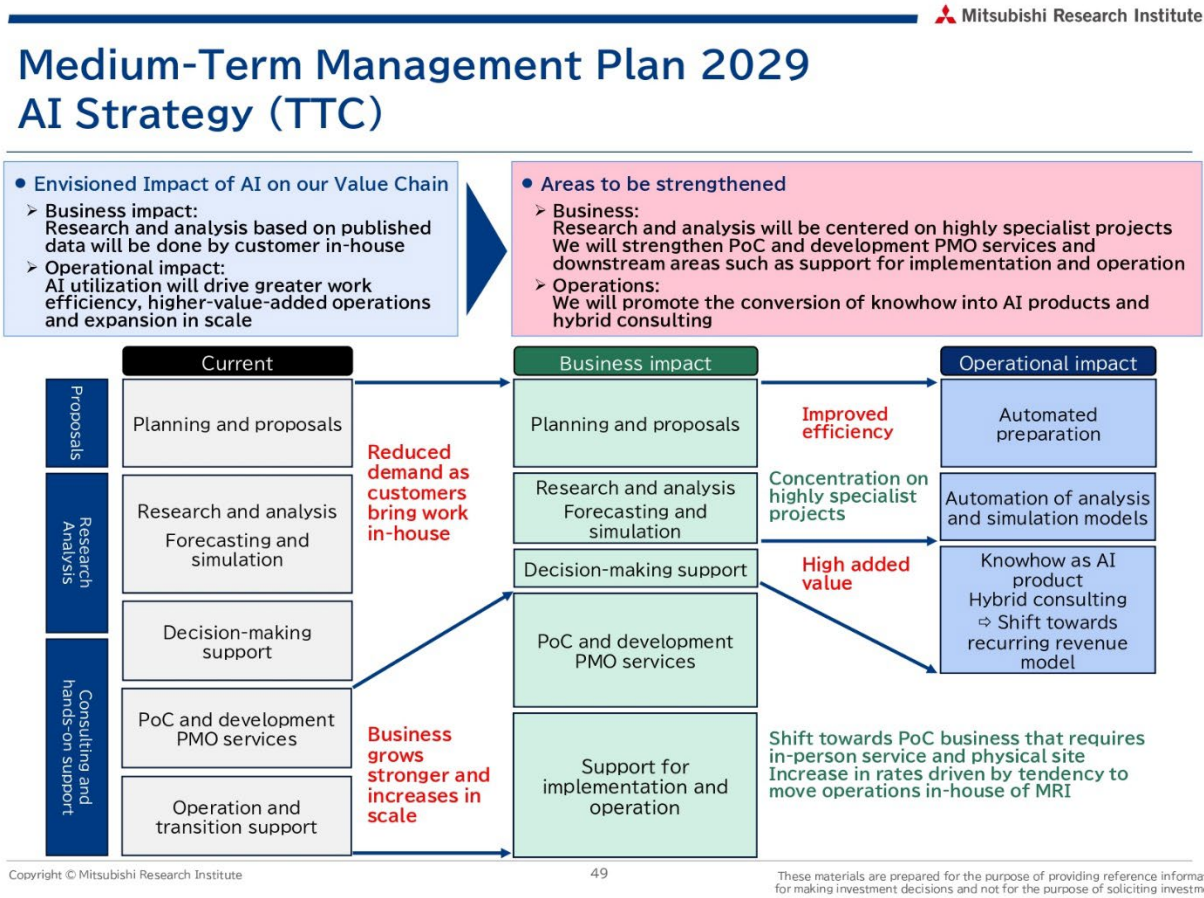
We will shift from a growth model based on increasing personnel to a human capital productivity improvement model that focuses on increasing the added value per person. We will limit the increase in personnel to approximately 1.5% per year. On the other hand, we will increase personnel in priority areas by 20%, and enhance productivity through the use of AI, training, and optimal allocation.

In addition, we will work to improve employee engagement and reform our organizational culture, aiming to become a company where talented individuals can be attracted, nurtured, and retained.



Page 48 onward cover TTC's AI strategy.

To achieve sustainable growth in the age of AI, we will transform our business model and develop businesses that leverage our strengths.

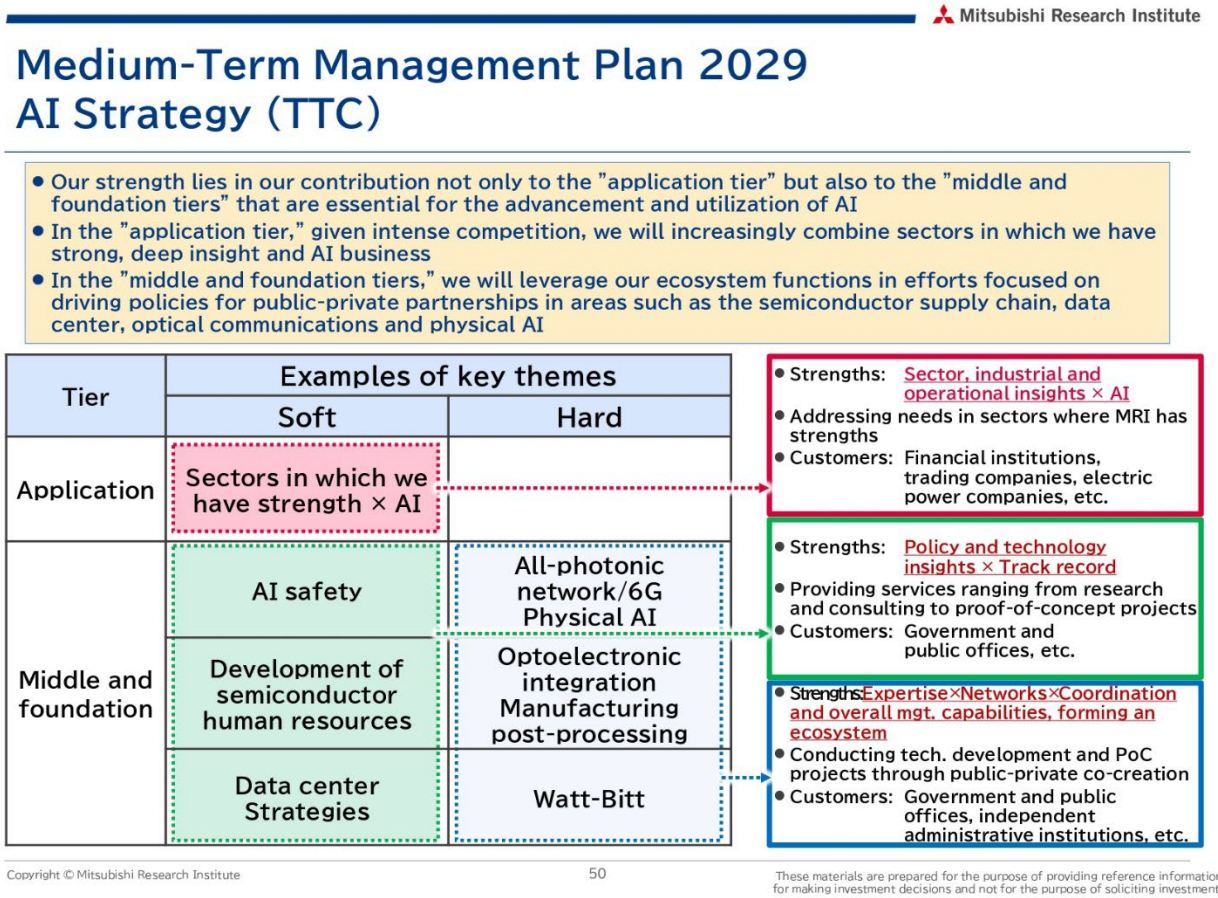


Please turn to page 49.

With the spread of AI, we anticipate that general research and analysis will increasingly be handled in-house by our customers. Our company will shift its focus to projects requiring a high level of expertise and to on-site demonstration and implementation support.

At the same time, we will use AI to streamline operations, commercialize the accumulated know-how, and combine it with consulting services to create a system that adds high value to operations and generates continuous revenue, a so-called recurring revenue model.

We not only use AI to improve efficiency, but we also refine our unique expertise and translate it into practical applications for society. This is the growth model we aim for.



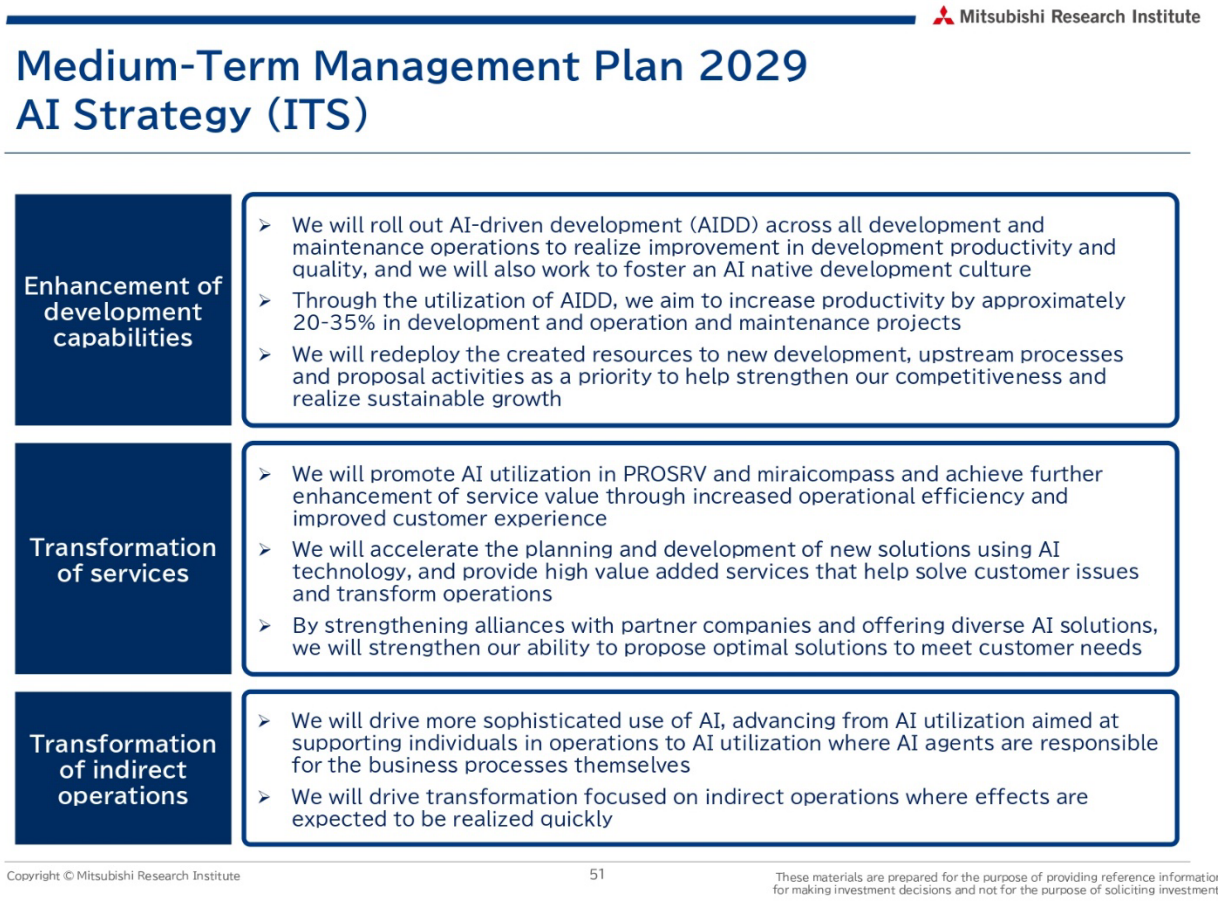
Page 50 details the specific business development.

Our focus will be on two areas: applications that utilize AI, and the foundation that supports AI.

In the former category, we focus on sectors with deep business expertise, such as financial institutions, trading companies, and electric power companies, and support our customers' business transformation through AI.

In the latter category, we will leverage our policy and technological expertise and public-private networks to handle everything from conception to technology development and demonstration, focusing on areas such as AI safety, semiconductor talent development, data center strategies, all-photonic networks, physical AI, optoelectronic integration, and watt-bit collaboration.

Our strength lies in our ability to contribute to both the utilization of AI and the social infrastructure that supports it.



Please turn to page 51 for ITS.

We will implement AI-driven development, or AIDD, across all development and maintenance operations, aiming for a 20% to 35% improvement in productivity and quality for target projects. The resources created will be reallocated with a focus on new development, upstream processes, and proposal activities.

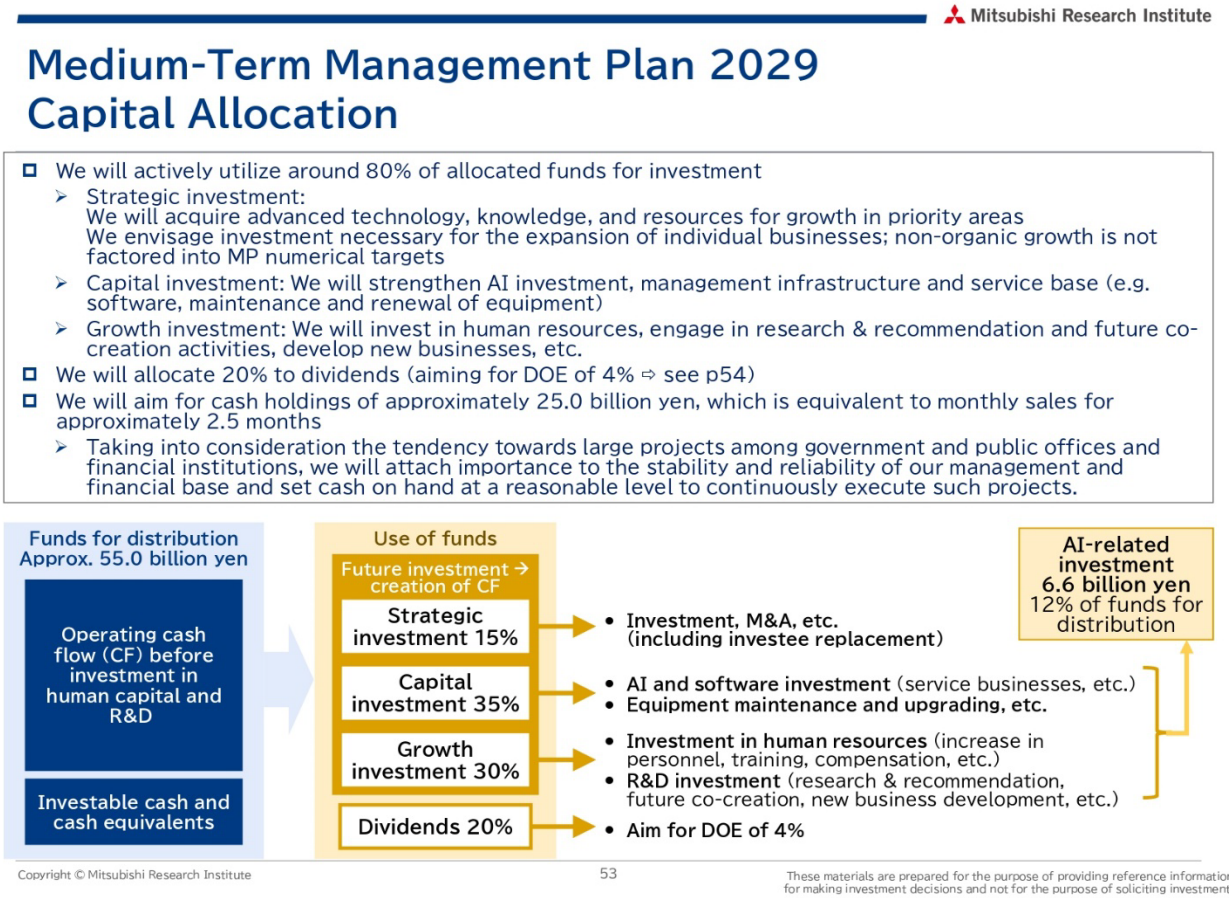
In addition, we will advance the use of AI in our flagship services, PROSRV and miraicompass, to improve operational efficiency, enhance customer experience, and plan and develop new solutions.

Indirect operations will also evolve from individual support to AI agents taking over business processes.



Starting on page 52, I'll discuss capital policy.

We aim for 10% ROE based on profit growth, supplemented by capital control.



Please move on to page 53.

We aim to have cash on hand equivalent to 2.5 months of monthly sales, approximately JPY25 billion.

The allocation source for the medium-term management plan period is approximately JPY55 billion. We will strategically allocate 80% of that to human resources, research and development, AI and software, and strategic investments. Of that amount, JPY6.6 billion is invested in AI-related projects.

Investment decisions are based on their suitability to the strategy and their ability to generate returns that exceed the cost of capital, and these decisions are regularly reviewed even after execution. Our goal is not to use up our investment limit; if we do not meet our criteria, we will consider scaling back or withdrawing from the project.

We will also regularly evaluate our business portfolio, including our group companies, from the perspective of capital efficiency.

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Medium-Term Management Plan 2029 Dividend Policy

- Under the MP2029, we aim to achieve a ROE of 10%, and, to further enhance the continuous and stable return of profits to shareholders while prioritizing growth investments, we will also adopt a basic policy of paying progressive dividends and switch to a policy targeting a DOE (consolidated dividend on equity ratio) of 4%
- Based on the planned dividend for FY2026 and the dividend forecast for FY2027 (⇨page 62), we expect to increase dividends for 15 consecutive fiscal years (from FY2013)
- A DOE of 4% is roughly equivalent to a dividend payout ratio of 40%, calculated based on our target ROE of 10%
- We will determine whether to implement further acquisitions of treasury shares in the future as part of additional shareholder returns in light of factors such as our capital structure, financial condition, growth investment opportunities and the market environment

Dividend policy (changes are underlined)

- MRI's basic policy is to pay progressive dividends and we aim to pay stable and continuous dividends based on a comprehensive consideration of factors such as performance, future capital needs, and financial soundness, aiming for a DOE (dividend on equity ratio) of 4%.

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Please turn to page 54.

Shareholder returns will be based on a progressive dividend policy, with a target of 4% DOE.

Share buybacks will be considered as an additional measure of shareholder return, and decisions will be made based on financial conditions, investment opportunities, and market environment.

Consolidated Financial Forecasts for FY2027

The first fiscal year of MP2029 is a "year for making upfront investments and turning business around" in preparation for a earnings recovery from FY2028 toward FY2029

	FY2027 Upfront investment and turnaround	FY2028 Emergence of the effects of measures	FY2029 Recovery of profitability and return to growth path
TTC	Upfront investment in personnel and compensation, AI, R&D and information security	Improvement of productivity through AI utilization and creation of high added value	Continued growth through combination of policy insight and societal implementation
ITS	Prioritization of recurrence prevention, enhancement of development capabilities and development of management base	Benefits of redeployment to priority areas, AI-driven development and improved productivity	Operating profit target of 3.0 billion yen and operating profit margin target of 4.4%
Consolidated	Unchanged revenue and temporary decline in profit	Return to profit with start of recovery of upfront investment	Ordinary profit target of 12.0 billion yen and ROE target of 10%

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Next, I will talk about the forecasts for the fiscal year ending September 2027. Please move on to page 57.

We position the first year of our medium-term management plan as a year for making upfront investments and solidifying our foundation.

FY2027 Full-Year Forecasts

[million yen]

	FY2026 results	FY2027 forecast	Amount	Rate
Net sales	126,059	132,000	+5,940	+4.7%
TTC	53,379	61,500	+8,120	+15.2%
ITS	72,679	70,500	(2,179)	(3.0%)
Operating profit	8,395	7,500	(895)	(10.7%)
Operating profit margin	6.7%	5.7%	(1.0P)	
Ordinary profit	9,741	9,500	(241)	(2.5%)
TTC	7,051	6,800	(251)	(3.6)%
ITS	2,691	2,700	+8	+0. 3%
Profit attributable to owners of parent	6,421	6,200	(221)	(3.4%)
Basic earnings per share (yen)	407.54	393.42	(14.12)	(3.5%)
ROE	8.6%	7.9%	(0.7P)	

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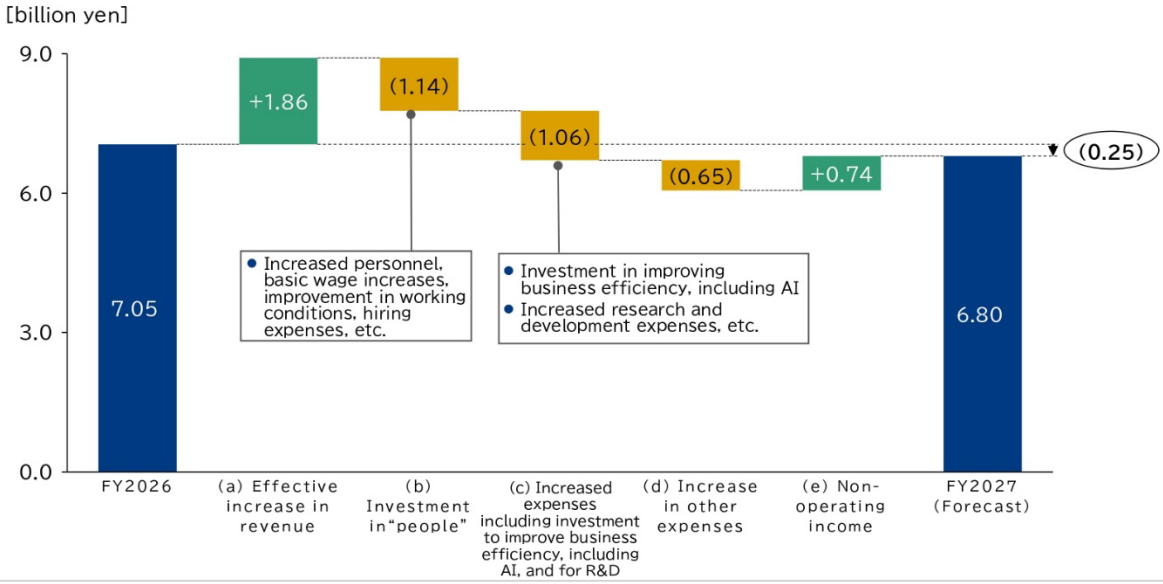
As shown in the table on page 58, we expect net sales to increase to JPY132 billion.

On the other hand, we are projecting a temporary decrease in profits, with operating profit at JPY7.5 billion, ordinary profit at JPY9.5 billion, and profit attributable to owners of parent at JPY6.2 billion.

This is because TTC will accelerate investments in human resources, AI, research and development, and information security from the first year, while ITS will accelerate the establishment of a solid foundation and infrastructure development from the first year. We hope you understand that this is not about maximizing short-term profits, but rather a strategic move aimed at restoring profitability for the fiscal year ending September 2029.

Factors Behind FY2027 TTC Ordinary Profit

- In TTC, ordinary profit is expected to decrease by 0.2 billion yen, with an effective increase in revenue (a) offset by increased investment in human resources (b), increased investment in the streamlining of operations, including AI, and R&D (c) and expected increased expenses (d), despite factoring in higher non-operating income (e).



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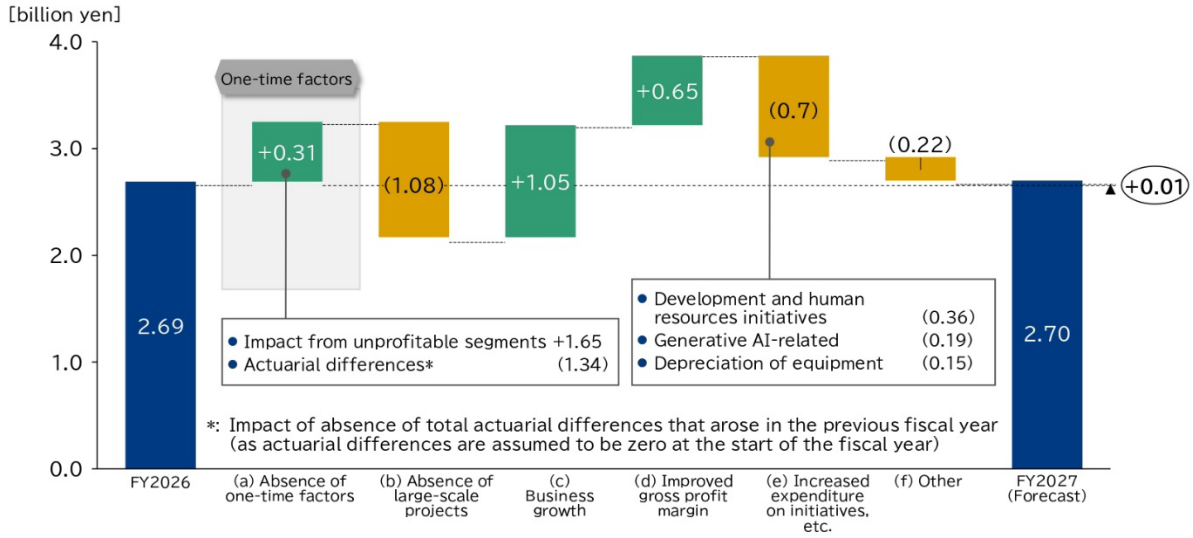
Pages 59 and 60 show the profit factors by segment.

TTC anticipates increased revenue while also increasing investment in people and AI/research and development. While this may reduce profits in the short term, we view it as a necessary investment to enhance productivity and added value throughout the medium-term management plan period.

Factors Behind FY2027 ITS Ordinary Profit

- Ordinary profit is expected to remain mostly flat, with the impact of lower profits from one-time factors* (a) and the absence of large-scale projects (b) offset by business growth (c) and improvement in the gross profit margin (d) but with higher expenses due to various measures (personnel, generative AI, capital investment, etc.) (e) and higher other expenses (f)

  *: Balance of elimination of impact of unprofitable projects in the previous fiscal year and absence of increased profit due to actuarial differences



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ITS expects to offset the impact of one-off factors and the completion of large projects through business growth and improved profitability, resulting in profits remaining largely flat.

In the first year, our priority will be to build a structure that can restore profitability.

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Progress on Order Backlog Brought Forward as Percentage of Revenue Forecast

[million yen]

		FY2024	FY2025	FY2026	FY2027
TTC	Full-year net sales*	45,419	47,090	53,379	61,500
	Order backlog brought forward	28,087	25,801	30,217	38,847
	Progress rate at beginning of period	61.8%	54.8%	56.6%	63.2%
ITS	Full-year net sales*1	69,942	74,367	72,679	70,500
	Order backlog brought forward	47,225	49,605	50,315	46,768
	Progress rate at beginning of period	67.5%	66.7%	69.2%	66.3%
Total	Full-year net sales	115,362	121,458	126,059	132,000
	Order backlog brought forward	75,313	75,406	80,532	85,615
	Progress rate at beginning of period	65.3%	62.1%	63.9%	64.9%

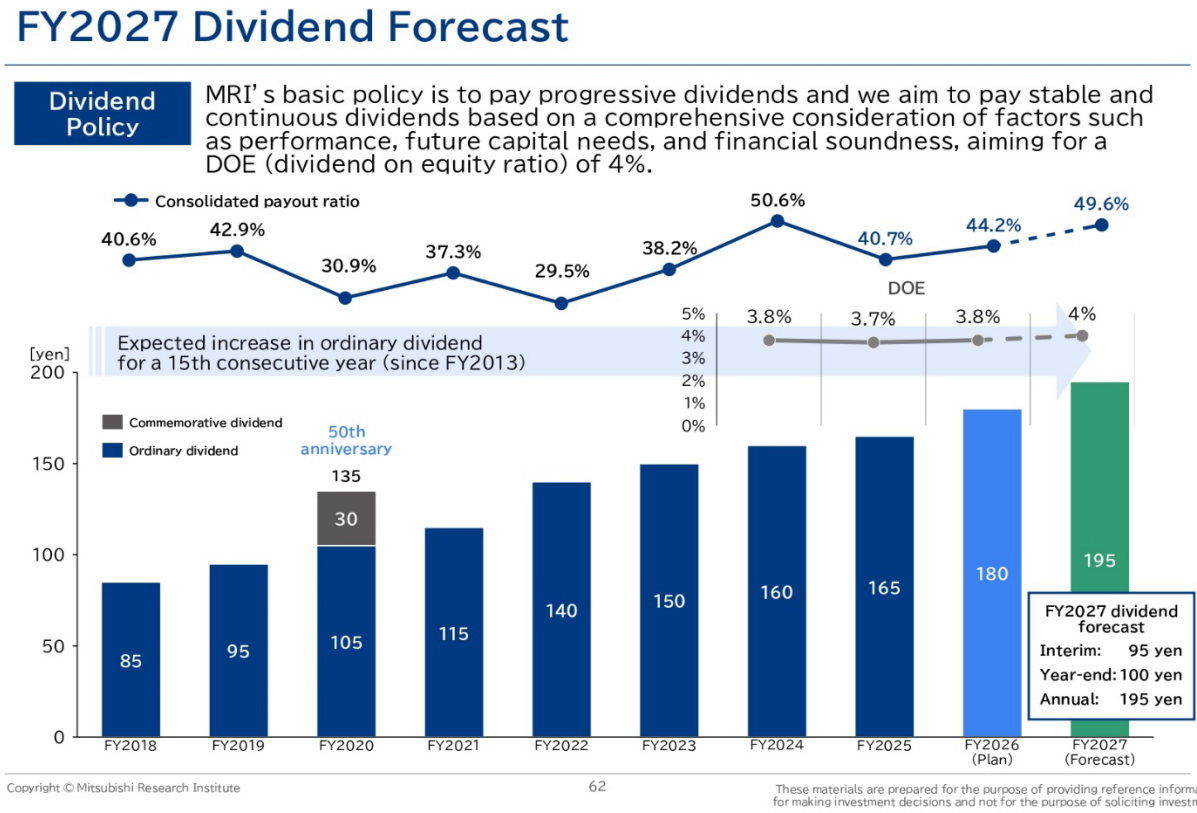
* Net sales for FY2024 through FY2026; forecasts for FY2027

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Page 61 shows the progress of revenue forecasts based on the order backlog.

As of the start of the fiscal year, we have already secured approximately 65% of our consolidated sales forecast and approximately 63% of our TTC sales forecast through order backlogs. Both figures are above the previous fiscal year's levels, and we believe there is a high probability of increased revenue.



Page 62 contains the dividend information.

We plan to pay an annual dividend of JPY180 for the fiscal year ended September 2026.

For the fiscal year ending September 2027, we forecast an interim payout of JPY95, a year-end payout of JPY100, and an annual payout of JPY195. If realized, this would mark the 15th consecutive year of dividend increases in ordinary dividends.



Now, let me introduce one topic. Page 64 outlines our initiatives in the resources and energy sector, one of the 17 strategic areas.

In collaboration with Hitachi, Ltd., we plan to offer a service starting in FY2027 that provides end-to-end support to grid-scale battery operators, from electricity market forecasting to bidding planning and market trading.

This initiative embodies a cycle of social and corporate value, connecting policy and market insights to increase our customers' profits.

Lastly, I would like to discuss the execution framework.

Subject to approval at the shareholders' meeting in December of this year, a new president and chairman are scheduled to assume their positions.

For the first time in our company's history, a senior executive with extensive experience within the Company and a deep understanding of our business and human resources will be appointed as the President. We

have established a system where the leader who understands our company best, supported by our chairman who possesses extensive management experience and a strong network, will lead our business transformation.

Mr. Nobe, who is scheduled to become the next president, is also present today. I myself will be stepping down as president at the shareholders' meeting in December. The new management team will be responsible for implementing the 2029 Medium-Term Management Plan.

This medium-term management plan frankly acknowledges the shortcomings of the previous plan and aims to evolve the Company's management style to prioritize profitability, capital efficiency, and investment discipline, while inheriting its raison d'être of solving social issues. We will steadily implement this cycle of continuing TTC's growth, restoring ITS's profitability, and connecting social value to corporate value.

We would appreciate your continued support.

During the question-and-answer session that follows, Mr. Nobe will also answer questions as needed.

That concludes my explanation. Thank you very much for your attention.

Question & Answer

A : In the Q3 financial results, profit attributable to owners of parent was up JPY1.8 billion YoY. By the fiscal year-end, however, almost all of that increase had disappeared, leaving profit roughly unchanged YoY. Did profit attributable to owners of parent fall by JPY1.8 billion in Q4? What happened?

Answer 1: This does not mean that performance deteriorated in H2. The officer responsible for corporate planning will provide the details.

Answer 2: The MRI Group is inherently seasonal, with H2 profits generally lower than H1 profits.

In addition, after reviewing the plan for an internal core system developed mainly by ITS, scrutinizing the related expenses, and consulting with the accounting auditor and others, we concluded that the system might not operate as originally expected and recorded an impairment loss. This was the factor that reduced profits attributable to owners of parent.

For the full fiscal year, the impact was offset by extraordinary gains, including gains in the sale of shares.

Answer 1: Please understand that our business performance and the substance of our operations remain solid.

B : I have four questions. First, what are the specific intended uses of the JPY6.6 billion in AI investment during the medium-term management plan period?

Answer 1: We formulated the medium-term management plan on the premise of making upfront AI-related investments so that both MRI and DCS can shift their businesses toward models suited to the AI era: MRI in think tank and consulting services（TTC）, and DCS in IT services（ITS）.

The investments include spending on human resources and on improving and transforming business processes.

Answer 2: First, we need an environment in which AI can be fully utilized. Although AI has already been introduced within the Group, we will further enhance the environment to enable its effective use.

In TTC, we are also undertaking development projects to make the expertise we have accumulated more accessible and useful through AI.

In ITS, the plan includes costs for building platforms that enable the active use of AI in development, maintenance, and operations.

It also includes Group-wide investment in human resources, including AI training and the recruitment and development of highly skilled personnel.

Answer 3: At DCS in particular, we intend to further improve development efficiency through AI-driven development, in which AI is used extensively or takes a degree of leadership in the development process, thereby contributing to customers' profits. We will invest primarily in the required environment and infrastructure, as well as in developing the people who can drive these initiatives.

Answer 1: The important point is to use AI investment not merely for operational efficiency and cost reduction, but also to enhance services, develop new services, strengthen our human resources, and build the operational and business foundations needed for sustainable growth in the AI era.

We will make upfront investments in the first year, FY2027, assess their effects, and seek to expand revenue and the value provided to customers in FY2028, FY2029, and beyond. We intend to maintain this cycle and share progress with investors at future financial results briefings.

B : Second, I understand that investment will be front-loaded in the first year of the medium-term management plan. Looking back, however, investments have been made every year, with limited visible results. Will the new plan be different?

Answer 1: In formulating Medium-Term Management Plan 2029, we placed the highest priority on feasibility, drawing on the lessons from Medium-Term Management Plan 2026. Although these are upfront investments, they are not intended to pursue discontinuous growth. Rather, they are designed to strengthen our existing business foundation and increase added value in a manner suited to the AI era, with investment brought forward to FY2027.

For FY2027, order backlog has built up, mainly in TTC, and inquiries are also very strong. Precisely because we have these favorable conditions, we intend to invest early in strengthening our structure and raising added value for the future.

The main upfront investments are in AI and human resources. We will verify their effects through FY2028, carefully assess the results, and then determine the next steps. We will work to ensure that the benefits of the investments become clearly visible this time.

B : Third, why did you change the shareholder return policy to a DOE target of 4%?

Answer 1: The main aim is to more clearly demonstrate our commitment to stable and continuous returns to shareholders.

By adopting a progressive dividend policy, we have clarified our intention to steadily increase returns in line with profit growth. By setting a DOE target level of 4%, we also aim to provide stable dividends that are less affected by short-term fluctuations in profit.

At the same time, the policy reflects our intention to strengthen capital-efficient management while maintaining a balance with growth investment.

B : Fourth, AI-driven cyberattacks have recently increased sharply. Has this begun to affect, positively or negatively, your system operations business for financial institutions?

Answer 1: We recognize this as a very important issue. It has positive implications for our business, but it is also a matter that requires careful risk management.

Answer 3: We recognize that AI-driven cyberattacks are a serious issue across a wide range of industries, not only financial institutions. We are receiving inquiries from a broad range of customers regarding security personnel and measures to strengthen security.

While this may create business opportunities, inadequate response could ultimately cause problems for our customers. From the standpoint of strengthening risk countermeasures, we are therefore also enhancing our cybersecurity skills and personnel.

C : The sales target in Medium-Term Management Plan 2029 is well below the JPY200 billion envisaged under the previous plan, and the ROE target of 10% also appears somewhat modest. Could you explain the background to these targets?

Answer 1: Management takes seriously the fact that we were unable to achieve the JPY200 billion sales target envisaged under the previous medium-term management plan.

Medium-Term Management Plan 2029 incorporates lessons from the previous plan. We reassessed the current business environment and the capabilities of each business and formulated a plan that emphasizes feasibility.

TTC continues to benefit from strong demand, which is expected to continue this fiscal year. Accordingly, a key objective is to make upfront investments while evolving toward a think tank and consulting model suited to the AI era.

For ITS, the basic policy is to strengthen profitability by curbing unprofitable projects and fundamentally reforming the cost structure.

As a result, the sales target is considerably below the JPY200 billion envisaged for the final year of the previous plan. However, ordinary

profit is planned to grow from JPY9.7 billion in FY2026 to JPY12.0 billion in FY2029, and ROE is planned to recover to 10%, although we recognize the view that this may appear somewhat modest.

The plan also does not incorporate the effects of discontinuous growth through M&A and other measures. We will steadily improve the profitability of existing businesses and then pursue further growth opportunities, with the aim of building growth beyond the current plan into FY2030 and thereafter.

D : In the forecast for the fiscal year ending September 2027, ITS ordinary profit is expected to remain roughly flat, while TTC is expected to post lower profit despite its substantial order backlog. Why is TTC expected to record lower profit, and is there scope to increase it further?

Answer 1: As you noted, TTC is forecast to record lower profit. Orders start from a considerably higher level than two years ago, and inquiries remain very strong, particularly in the government's 17 strategic fields. Based on these conditions, we expect increased sales to contribute approximately JPY1.8 billion to profit.

However, precisely because demand is so strong, we intend to anticipate the various impacts of AI and accelerate the transformation to a think tank and consulting model suited to the AI era.

For FY2027, we have factored in a YoY cost increase of approximately JPY2.0 billion for investments in human resources, AI, security, and research and development. As a result, operating profit is planned to decline temporarily.

The key is to ensure that these investments do not end as mere cost increases, but lead to profit growth from FY2028 onward through AI-driven productivity improvements, the creation of new services, and the advancement of human resources. We position FY2027 as a year of upfront investment and an important year for strengthening the business foundation needed to achieve the medium-term management plan.

E : A new president is scheduled to take office in December. What would you like to address or change as the new president?

Answer 2: I will take over the baton in December. My first mission is to ensure that the entire management team works together to deliver Medium-Term Management Plan 2029, and I intend to drive its execution firmly.

Over the next three years, various business challenges and opportunities will emerge. The rise of generative AI is likely to accelerate further, security issues will continue to change, and the business environment itself will evolve constantly.

To continue creating value as a Group, we must adapt in various ways. We need to become a company that looks ahead and determines how best to create value, and this will naturally require changes in the way we work.

I will work to ensure that these changes provide a foundation for growth not only during the three years of the current plan but also beyond, enabling the Group to develop and continue creating value.

[END]

[Translation for reference only]

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