

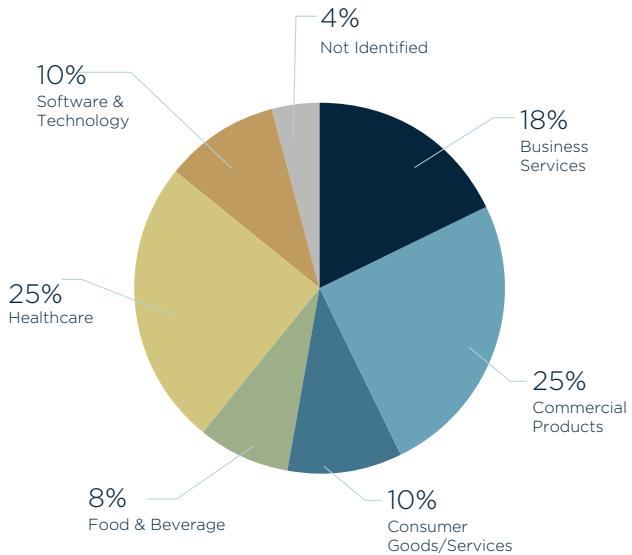
Artificial Intelligence: Borrower Survey Results

NXT Capital surveyed its borrowers in Q4 2025 to gather insights on current uses of Artificial Intelligence (“AI”), future plans for AI adoption, and overall perspectives toward the technology.

SUMMARY

- **AI is viewed as a strategic opportunity** by most borrowers—a lever for efficiency, growth, and better decision-making.
- **AI adoption is underway**, with 51% of respondents already using AI in select areas of their organization. Of these, 79% are currently expanding AI into additional business functions.
- **Cost savings and efficiency drive adoption**, while lack of expertise and unclear benefits are the primary barriers.
- **AI is expected to impact the workforce**, driving some headcount reductions as well as reskilling needs.
- **Competition is intensifying**, with efficiency gains achieved by competitors seen as the primary threat; however, most companies view AI as an opportunity and are optimistic about future benefits.

Breakdown of Survey Respondents By Industry



SURVEY QUESTION

In which business areas is AI being adopted in your company?

KEY TAKEAWAYS

As shown in the table below, the business segments with the greatest focus on AI adoption thus far are “Customer Service,” “Sales & Marketing,” and “IT & Security.” Although the adoption rate in these functional areas is relatively low at only 15-19%, most respondents indicated further implementation is either planned or currently in process. In contrast, respondents noted that AI is least likely to be implemented in “R&D/Product Development” and “Management/Strategy.”

Notably, both large and small companies are represented among adopters, though the firms furthest along in implementation tend to be larger in size and/or operate in “Software & Technology” or “Consumer Goods & Services.”

Status of AI Use by Business Segment

	Customer Service	Sales/Marketing	IT & Security	Operations/Supply Chain	Finance & Accounting	Human Resources	Mgmt/Strategy	R&D/Product Dev	Legal & Compliance
Currently Have an AI Solution in Place	19%	18%	15%	8%	6%	6%	6%	4%	2%
In Process of Implementing AI Solution	27%	29%	19%	8%	23%	8%	17%	19%	10%
No Use of AI, But Plan to Use in the Future	52%	33%	50%	53%	56%	48%	38%	25%	46%
No Use of AI, and No Future Planned Use	0%	18%	10%	20%	13%	27%	33%	44%	27%
Unsure	2%	2%	6%	10%	2%	10%	6%	8%	15%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

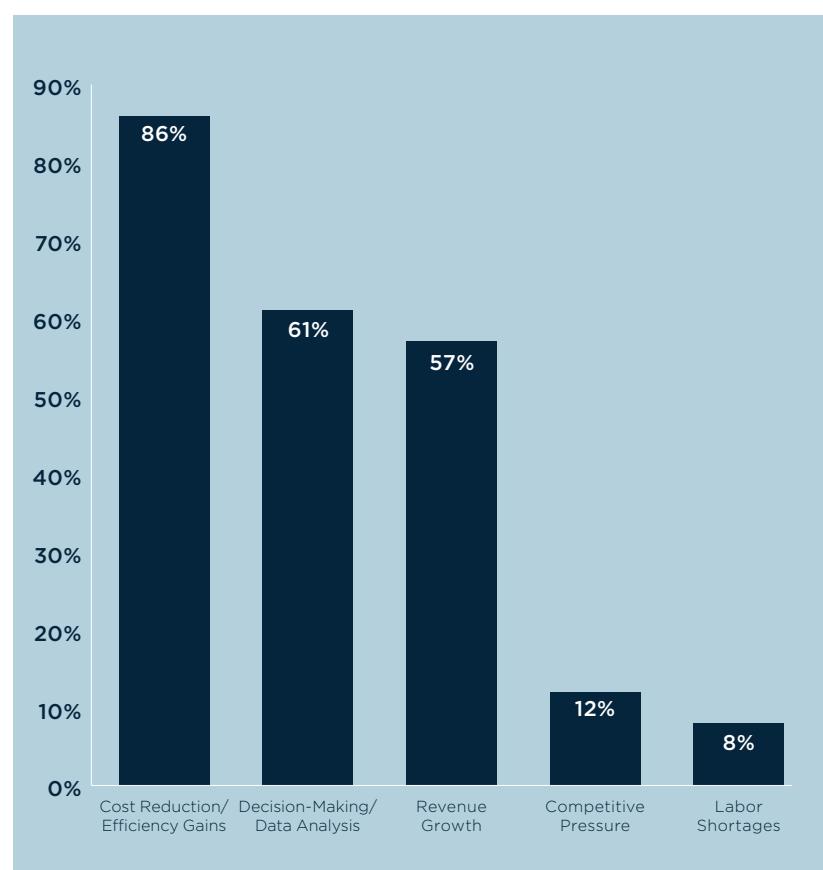
SURVEY QUESTION

What is the primary motivation for your organization to use AI?
(select all that apply)

KEY TAKEAWAYS

As shown in the adjacent chart, the most common reason for using AI is “Cost Reductions/Efficiency Gains” (e.g., automating tasks, reducing labor costs). Conversely, very few companies cited the need to keep up with competitors (only 12% of respondents) or to address hiring challenges (only 8%).

Reasons for Using AI



SURVEY QUESTION

What are the main barriers to adopting AI in your organization?
(select all that apply)

KEY TAKEAWAYS

The primary barrier to AI adoption is “Lack of Expertise/Resources,” cited by 55% of respondents and especially pronounced among businesses with less than \$100 million in revenue. The second most common barrier is “Unclear Benefits/Use Cases,” identified by 39% of respondents and was the barrier most frequently reported by businesses with more than \$100 million in revenue. Refer to the adjacent table for additional details.

Main Barriers to AI Adoption

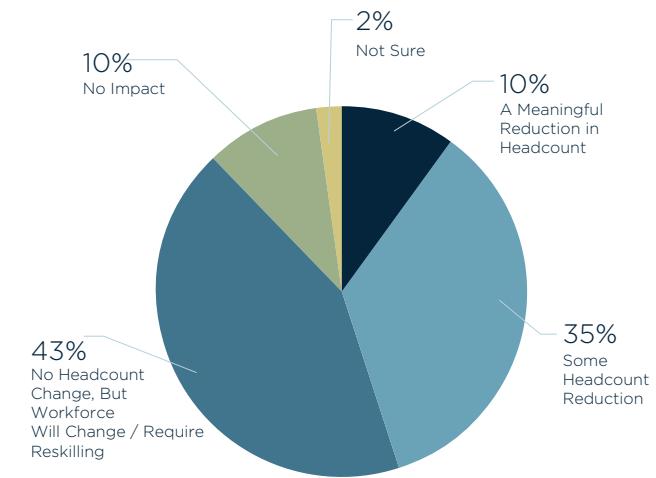
Lack of Expertise/Resources	55%
Unclear Benefits/Use Cases	39%
Data Quality/Availability	33%
High Cost / Uncertain ROI	27%
Integration Challenges / Too Complex	24%
Not a Strategic Priority at This Time	20%
Cultural Resistance / Change Management	10%
We Do Not Face Any Notable Obstacles	10%
Regulatory Concerns	6%

SURVEY QUESTION

How do you expect AI to impact your organization's workforce over the next three years?

KEY TAKEAWAYS

As shown in the chart, 88% of respondents expect AI to impact their workforce in some way. This includes 45% who anticipate reducing their headcount to varying degrees. The industries most likely to report expected headcount reductions are "Healthcare," followed by "Software & Technology." Notably, the most common response (at 43%) is that headcount will remain unchanged, but the workforce will need to adapt through reskilling.



SURVEY QUESTION

To what extent has AI adoption improved your business metrics (e.g. revenue, margins, efficiency)?

KEY TAKEAWAYS

As shown in the adjacent table, the impact of AI adoption on business metrics varies, with the most common response being that it is "too early to tell / not measured," and no respondents reporting a "substantial improvement." By industry, the Healthcare sector appears to be generating the most benefit from AI, with 50% of Healthcare respondents citing "some improvement."

Extent That AI Has Improved Business Performance Metrics

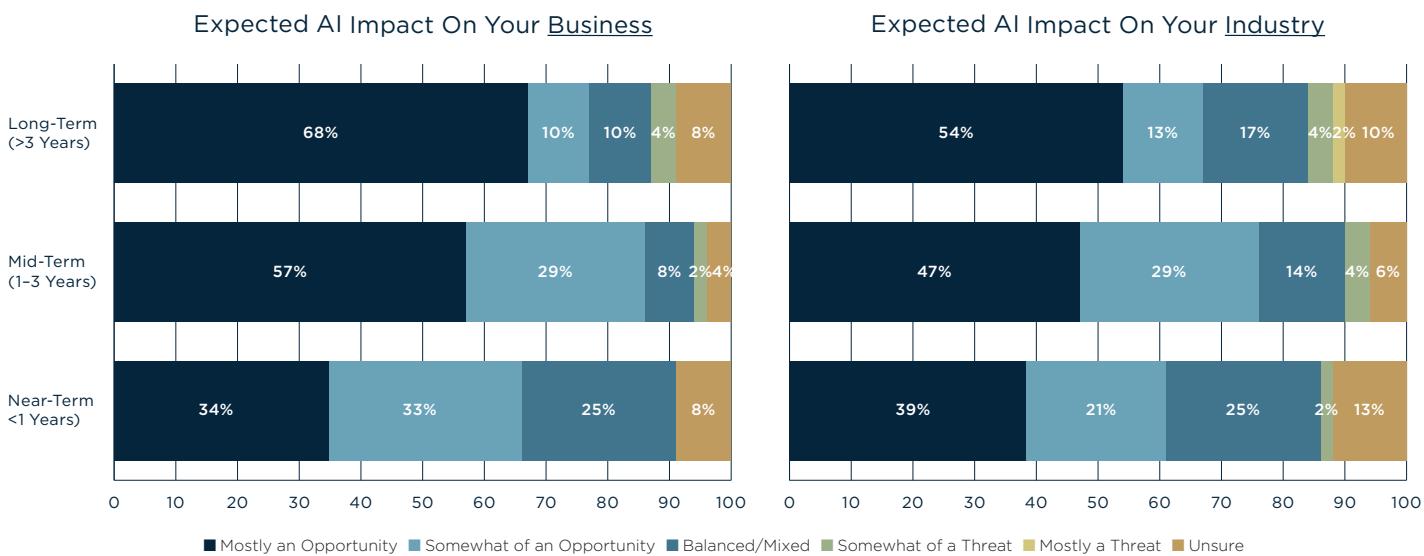
	Total	100%
Substantial Improvement	0%	
Some Improvement	24%	
No Noticeable Change	24%	
Negative Impact	0%	
Too Early to Tell / Not Measured	35%	
Not Applicable / Not Using AI	16%	

SURVEY QUESTION

In general, how do you view the impact of AI on your business and industry over time?

KEY TAKEAWAYS

As illustrated in the charts below, most respondents view AI as an opportunity for both their business and their industry as a whole. Over the longer term, respondents believe the opportunity presented by AI for their own business will exceed that for their broader industry.



SURVEY QUESTION

Which of the following competitive threats related to AI do you think are (or will be) relevant to your industry? (select all that apply)

KEY TAKEAWAYS

According to the table below, respondents view the main AI-related competitive threat as existing competitors adopting AI to improve efficiency and reduce costs, which may also potentially lead to pricing pressure. These views were generally consistent across all industries.

Summary of the Competitive Threats Related to AI

Competitive Threat	Description	Percentage
Existing Competitors	Legacy competitors adopting AI to enhance their offerings, improve efficiency, reduce costs.	65%
Pricing Pressure	Competitors using AI to significantly lower their cost structure, resulting in industry-wide margin and price compression.	43%
Talent Competition	Difficulty attracting/retaining talent as more firms seek AI-savvy employees or as AI itself changes talent needs.	22%
New Market Entrants	New businesses launching AI-driven products/services that directly compete with ours.	20%
Customers Insourcing	Customers using AI tools in-house to internalize tasks instead of relying on our products or services.	20%
Loss of Differentiation	Commoditization of features/services as AI makes capabilities cheaper or more accessible, blurring lines between offerings.	18%
Reduced Switching Costs	AI tools make it easier for customers to switch providers due to interoperability, standardized outputs, automated transitions, etc.	16%
Not Applicable	Do not view AI as a competitive threat.	12%
Disintermediation	Suppliers or partners using AI to move up the value chain or to offer competing products/services.	8%

Survey Methodology

NXT Capital surveyed its borrowers in Q4 2025 (November) to gather insights on current uses of Artificial Intelligence ("AI"), future plans for AI adoption, and overall perspectives toward the technology. The survey is based on responses from 49 existing portfolio CFOs. Response results have not been calculated to incorporate any statistical error rate.

The information provided is for informational purposes only and should not be relied on in any manner as legal, tax, accounting or investment advice.

About NXT Capital

NXT Capital provides structured financing solutions through its Direct Lending group and targets U.S.-based borrowers with EBITDA between \$5 million and \$50 million. Since NXT Capital's inception in 2010, their Direct Lending team has closed over \$32 billion in loan commitments in more than 525 platform transactions. NXT Capital is based in Chicago with offices in Atlanta, Dallas, and New York and is the direct lending focused wholly-owned subsidiary of ORIX Corporation USA. NXT Capital Investment Advisers, LLC is a subsidiary of ORIX USA and is registered with the SEC as an investment adviser. Registration with the SEC does not imply a certain level of skill or training. Additional information with regard to the various ORIX-affiliated investment advisers and the various ORIX USA investment teams and strategies is available upon request.