



**SBI RHEOS HIFUMI Inc.**  
**(Securities code: 165A)**

Earnings Presentation

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**FY2023**

(April 2023–March 2024)

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## Points to Consider

- SBI RHEOS HIFUMI Inc. (the “Company”) was established as the holding company (wholly owning parent company) of Rheos Capital Works Inc. (“Rheos Capital Works”) through a sole-share transfer of Rheos Capital Works on April 1, 2024, and the shares of the Company were listed on the TSE Growth Market.
- Accordingly, the results for the previous fiscal year (results for FY2023) are prior to the transition to the holding company structure and specifically disclose the financial results for Rheos Capital Works (former securities code: 7330).
- Regarding the disclosure of financial results after the transition to the holding company structure, which starts from the current fiscal year (FY2024), they shall be disclosed as the “investment management business” which integrates the “investment trust management and investment advisory businesses” of Rheos Capital Works and the “venture capital business” of Rheos Capital Partners (in other words, the investment management business includes the venture capital business).
- If you have any questions or concerns, please feel free to contact our IR Department.

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# FY2023 Full Year Financial Highlights: Summary

## Balance of assets under management (AUM)

¥1,368.8 billion

Change from previous fiscal year-end **+19.6%**

Although there was an outflow of assets for the full year, both Hifumi Fund and Hifumi World reached record high net asset values in 2024, and because of this, the balance of AUM as of the end of March was up 19.6% from the end of the previous fiscal year.

## Operating Revenue

¥10,309 million

Year-on-year change **+6.7%**

As with AUM, outflows continued for the full year in publicly-offered investment trusts as well. However, operating revenue increased due to both Hifumi Fund and Hifumi World reaching record high net asset values in 2024.

## Profit attributable to owners of parent

¥1,313 million

Year-on-year change **+20.8%**

In addition to steady growth in net asset value, operating profit ended up 10.5% from the end of the previous fiscal year due to the suppressed growth of selling, general & administrative expenses, excluding commission expenses. Moreover, share capital exceeded ¥100 million as a result of the listing, and the profit attributable to owners of parent reached a record high due to a decrease in the effective tax rate of the corporation tax, etc.

# Dividends

**FY2023**  
**Fiscal year-end dividend**

**¥18**

## Dividend History (per share)

(Unit: yen)

	FY2022	FY2023
<b>Interim dividend</b>	<b>0.00</b>	<b>18.00</b>
<b>Fiscal year-end dividend</b>	<b>27.50</b>	<b>18.00</b>
<b>Total</b>	<b>27.50</b>	<b>36.00</b>

SBI RHEOS HIFUMI is saying the dividend forecast for the current fiscal year (FY2024) is undetermined because the forecast of the financial results has not been disclosed.

However, the Company plans to pay a dividend from surplus with a target consolidated annual dividend payout ratio of 30% or more of the profit attributable to owners of the parent.

# Performance (Year-on-Year Change)

(Unit: millions of yen)

	FY2022	FY2023	
	Full Year	Full Year	Year-on-year change
Investment trust management fees	9,477	10,167	+7.3%
Investment advisory fees	182	219	+20.3%
Gain on operational investment securities <sup>1</sup>	-	(77)	-
<b>Operating revenue</b>	<b>9,660</b>	<b>10,309</b>	<b>+6.7%</b>
<b>Operating revenue (net)<sup>2</sup></b>	<b>5,815</b>	<b>6,206</b>	<b>+6.7%</b>
Selling, general and administrative expenses (excluding agency fees)	4,204	4,425	+5.3%
<b>Operating profit</b>	<b>1,610</b>	<b>1,780</b>	<b>+10.5%</b>
<b>Ordinary profit</b>	<b>1,625</b>	<b>1,797</b>	<b>+10.6%</b>
<b>Profit attributable to owners of parent</b>	<b>1,087</b>	<b>1,313</b>	<b>+20.8%</b>
<b>EPS</b>	<b>¥90.50</b>	<b>¥103.90</b>	<b>+14.8%</b>
<b>Diluted EPS<sup>3</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>

1. Amount recorded due to an impairment loss on a portfolio company of a VC fund managed by Rheos Capital Partners, and the loss attributable to the Group is approximately ¥11 million.

2. Amount when commission expenses (agency fees payable to sales partners in indirect sales) are deducted from operating revenue.

3. While Rheos Capital Works does have dilutive shares, information regarding diluted EPS in the fiscal year ended March 31, 2023, has not been presented because the average share price during the period could not be determined due to the shares of Rheos Capital Works being unlisted in the fiscal year ended March 31, 2023.

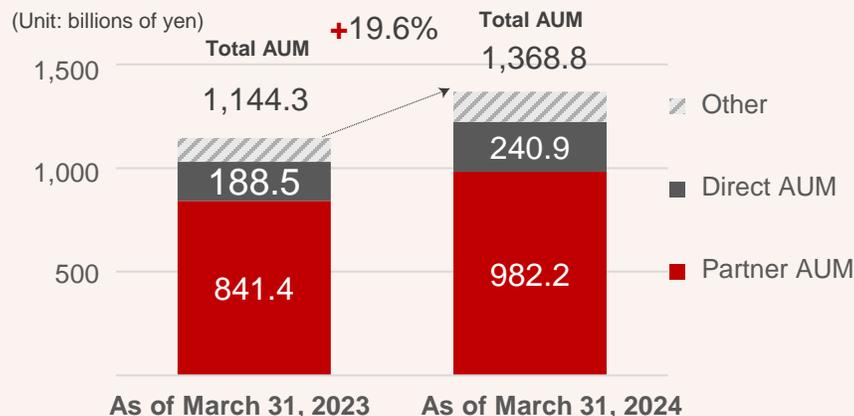
In addition, information regarding diluted EPS in the fiscal year ended March 31, 2024, is not presented as there are no potentially dilutive shares.

# Total Assets Under Management (AUM)

**Total AUM**  
**¥1,368.8 billion**

Change from previous fiscal year-end  
**+19.6%**

Although there was an outflow of assets for the full year, both Hifumi Fund and Hifumi World reached record high net asset values in 2024, and because of this, the balance of AUM as of the end of March 2024 was up 19.6% from the end of the previous fiscal year.



Sales **+¥192.4 billion**

Repurchases **-¥340.0 billion**

Increase or decrease due to NAV fluctuation<sup>3</sup> **+¥372.0 billion**

(Unit: billions of yen)

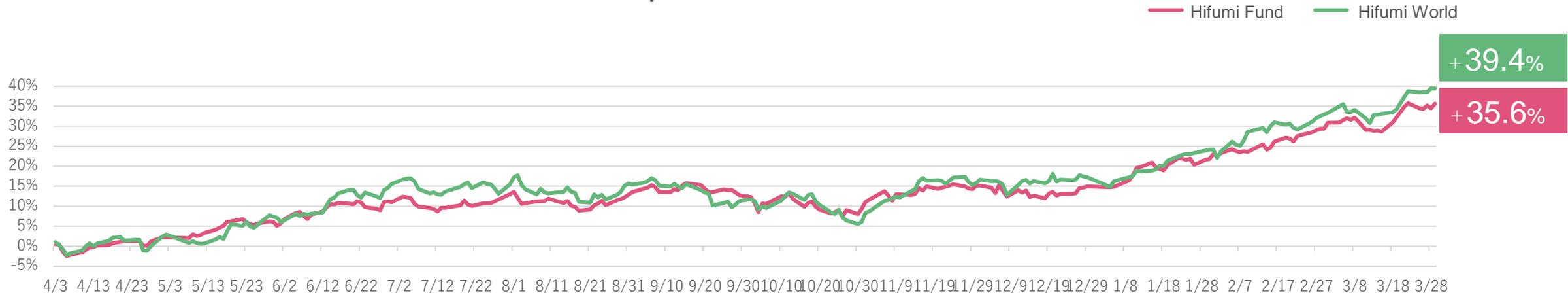
	As of March 31, 2023	As of March 31, 2024				
	AUM	AUM	Change from previous fiscal year-end in AUM	Sales	Repurchases	NAV fluctuation <sup>3</sup>
<b>Investment trusts</b>	<b>1,031.5</b>	<b>1,225.3</b>	<b>+18.8%</b>	<b>+192.4</b>	<b>(338.5)</b>	<b>+339.7</b>
Direct <sup>1</sup>	188.5	240.9	+27.8%	+30.7	(43.7)	+65.3
Partner <sup>2</sup>	841.4	982.2	+16.7%	+161.2	(294.5)	+274.1
Privately-placed investment trusts	1.5	2.1	+35.8%	+0.5	(0.1)	+0.2
<b>Investment advisory</b>	<b>112.7</b>	<b>143.5</b>	<b>+27.3%</b>	<b>0.0</b>	<b>(1.5)</b>	<b>+32.2</b>
<b>Company total</b>	<b>1,144.3</b>	<b>1,368.8</b>	<b>+19.6%</b>	<b>+192.4</b>	<b>(340.0)</b>	<b>+372.0</b>

- Publicly-offered investment trusts that are directly sold to customers who have opened an account at Rheos Capital Works
- Publicly-offered investment trusts that are indirectly sold through the Company's partners, such as banks or securities companies
- Amount of increase or decrease in AUM due to NAV fluctuation

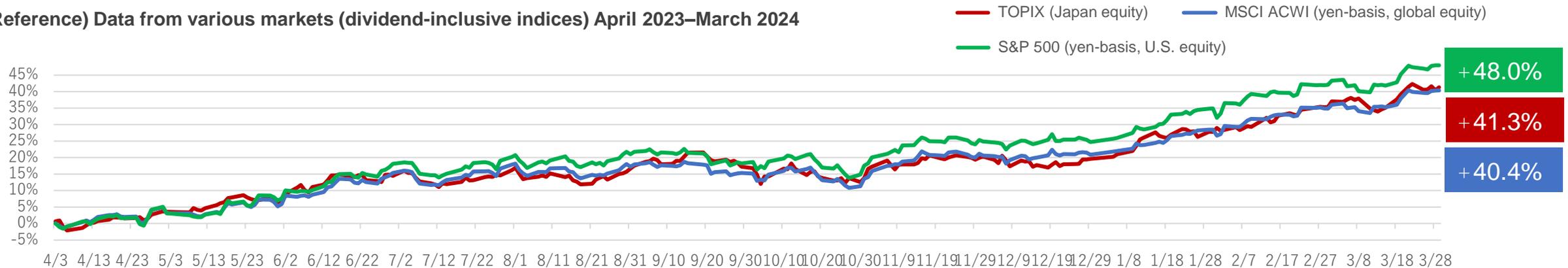
# Trends of Net Asset Value

Net asset values have risen significantly since the beginning of the year, and have continued to rise even after reaching record highs of ¥70,000 for Hifumi Fund and ¥20,000 for Hifumi World.

## Net Asset Value Trend of Hifumi Fund and Hifumi World for April 2023–March 2024



## (Reference) Data from various markets (dividend-inclusive indices) April 2023–March 2024



For explanations of various market data, see the “Notes on using this material” presented later in this material.

# Direct Sales

Direct AUM

¥240.9 billion

Change from previous fiscal year-end **+27.8%**

Although repurchases increased due to selling on rally in association with rising net asset value, there was an increase in direct AUM because the amount invested through accumulated investment remained at a certain level.

Number of Open Accounts<sup>4</sup>

62,417 accounts

Change from previous fiscal year-end **+15** accounts

Rheos Capital Works deepened relationships with many customers, primarily through various seminars, and focused its efforts on acquiring new customers by utilizing affiliates, etc. As a result, the number of direct sales customers (number of open accounts<sup>4</sup>) grew by 15 from the end of the previous year to 62,417 accounts.

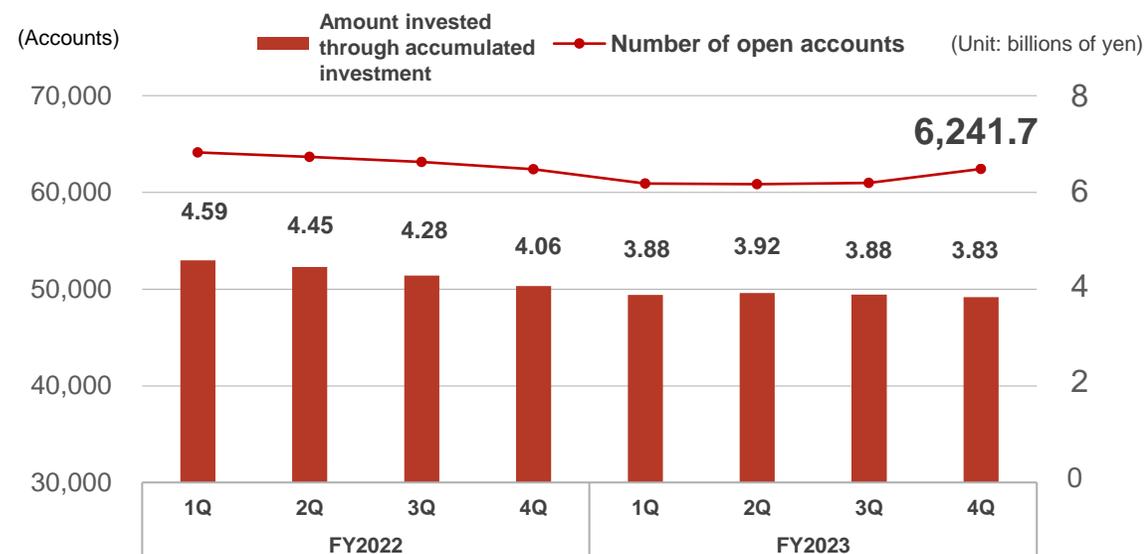
## Direct AUM

(Unit: billions of yen)

	As of March 31, 2023	As of March 31, 2024				
	AUM	AUM	Change from previous fiscal year-end in AUM	Amount invested through accumulated investment <sup>1</sup>	Spot amount <sup>2</sup>	NAV fluctuation
Hifumi Fund	143.7	182.3	+26.9%	10.9	(21.6)	49.3
Hifumi World	41.9	55.8	+33.3%	4.3	(6.4)	16.0
Hifumi Light	2.9	2.7	(7.7)%	0.2	(0.4)	0.0
<b>Direct Total</b>	<b>188.5</b>	<b>240.9</b>	<b>+27.8%</b>	<b>15.5</b>	<b>(28.5)</b>	<b>65.3</b>

1. The amount that customers have actually purchased in investment trusts under contracts for “accumulated investment purchases” offered by Rheos Capital Works.
2. The amount calculated by deducting the amount in 1. above, and the amount of repurchases from the amount of sales, i.e. net inflow/outflow amount excluding the purchases made by accumulated investment.
3. Total amount of 1. above for each quarter.
4. Number of accounts holding “Hifumi Fund,” “Hifumi World,” or “Hifumi Light” at the end of each quarter.

## Trends of amount invested through accumulated investment<sup>3</sup> and number of open accounts<sup>4</sup>



# Partner Sales

## Partner AUM

¥982.2 billion

Change from previous fiscal year-end **+16.7%**

Similar to direct sales, although repurchases increased due to selling on rally in association with rising net asset value for investment trusts, Rheos Capital Works was able to secure a certain amount of sales, and AUM increased.

In addition, “Hifumi Microscope Pro” launched in March 2024 to invest in small-cap stocks in Japan and raised ¥9.2 billion in funding less than a month after it started.

## Number of Sales Partners

A total of **280** companies

Change from previous fiscal year-end **+23** companies

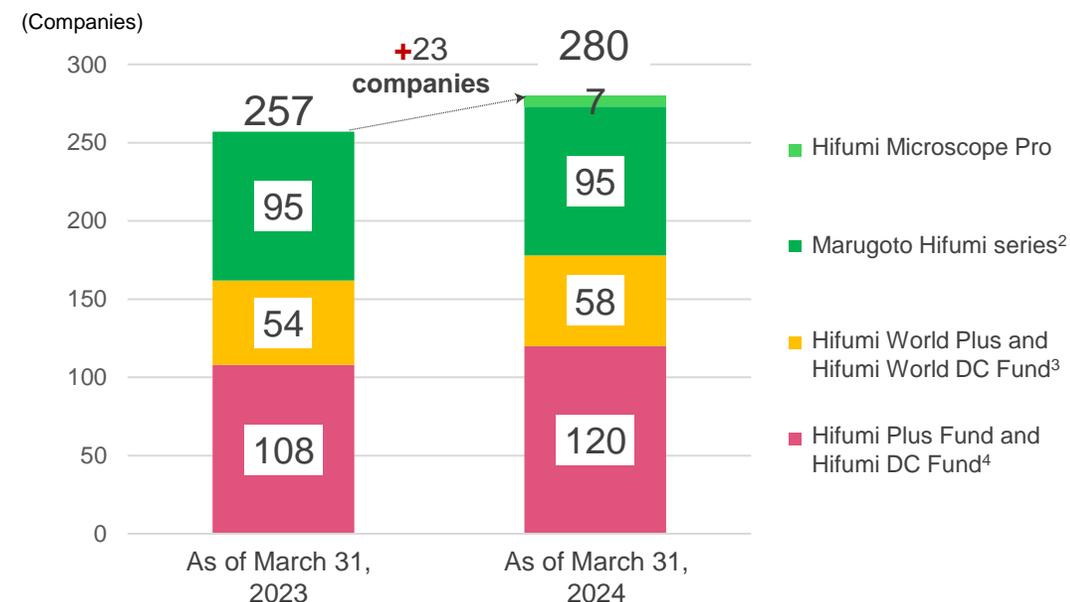
In light of the introduction of the new NISA system, Rheos Capital Works was able to increase the total number<sup>1</sup> of sales partners with the number of companies handling Hifumi Microscope Pro growing to seven in addition to securing new sales partners to handle the Hifumi Plus Fund.

## Partner AUM

(Unit: billions of yen)

	As of March 31, 2023	As of March 31, 2024				
	AUM	AUM	Change from previous fiscal year-end in AUM	Sales	Repurchases	NAV fluctuation
Hifumi Plus Fund	489.2	596.5	+21.9%	86.0	(143.1)	164.4
Hifumi World Plus	216.2	231.5	+7.1%	37.1	(94.5)	72.6
Hifumi Microscope Pro	-	9.3	-	9.2	0.0	0.0
Hifumi DC Fund	58.3	83.5	+43.2%	13.8	(10.2)	21.6
Hifumi World DC Fund	0.4	1.5	+262.4%	1.1	(0.3)	0.3
Marugoto Hifumi 15	8.1	6.1	(24.4)%	7.0	(9.2)	0.1
Marugoto Hifumi 50	29.0	21.2	(26.7)%	2.8	(14.3)	3.7
Marugoto Hifumi 100	39.9	32.2	(19.1)%	3.9	(22.6)	11.0
<b>Partner total</b>	<b>841.4</b>	<b>982.2</b>	<b>+16.7%</b>	<b>161.2</b>	<b>(294.5)</b>	<b>274.1</b>

## Change in number of sales partners offering each product



1. Aggregate of the number of sales partners for each investment trust. For example, if Partner A handles Hifumi Plus Fund, Marugoto Hifumi 50 and Marugoto Hifumi 100, Partner A counts as 3 sales partners.

2. Aggregate of the number of sales partners for Marugoto Hifumi 15, Marugoto Hifumi 50, and Marugoto Hifumi 100

3. Aggregate of the number of sales partners for Hifumi World Plus and Hifumi World DC Fund

4. Aggregate of the number of sales partners for Hifumi Plus Fund and Hifumi DC Fund

# Operating Expenses and General & Administrative Expenses

## Investigation Expenses

¥756 million

Year-on-year change **+8.9%**

Impact of business expansion and increased US dollar-denominated expenses caused by yen depreciation

## Personnel Expenses

¥1,605 million

Year-on-year change **+7.1%**

Impact of increased personnel because of new hiring in the previous fiscal year

## Advertising Expenses

¥283 million

Year-on-year change **-12.3%**

Focused on efficient advertising activities despite increasing the amount of some advertising in light of market conditions

## Depreciation

¥470 million

Year-on-year change **-14.9%**

Reduction in expenses of YouTube video production year-on-year

(Unit: millions of yen)

	FY2022	FY2023		Overview
	2022/4–2023/3	2023/4–2024/3	Year-on-year change	
Commissions expenses	3,844	4,103	+6.7%	Agency fees payable to sales partners in indirect sales
Investigation expenses	694	756	+8.9%	Usage fees for customer management systems, investment trust back office systems, market information services and other business systems
Other operating expenses	114	135	+17.9%	Promotion expenses, print expenses, etc.
<b>Operating expenses</b>	<b>4,654</b>	<b>4,995</b>	<b>+7.3%</b>	
Personnel expenses	1,498	1,605	+7.1%	Remuneration for directors (and other officers), employees' salaries, etc.
Advertising expenses	323	283	(12.3)%	WEB advertising expenses for new customer acquisition, affiliate expenses, and expenses for YouTube video traffic acquisition
Depreciation	552	470	(14.9)%	Amortization of expenses for YouTube video production capitalized in non-current asset, etc.
Rent expenses on real estate	210	206	(1.6)%	Rent for Head Office, rent for New York Office, etc.
Other general and administrative expenses	810	968	+19.5%	Legal welfare expenses, outsourcing expenses, fee expenses, etc.
<b>General and administrative expenses</b>	<b>3,394</b>	<b>3,534</b>	<b>+4.1%</b>	
<b>Total of operating expenses and general and administrative expenses</b>	<b>8,049</b>	<b>8,529</b>	<b>+6.0%</b>	

# Consolidated Balance Sheet

Shareholders' Equity

¥6,897 million

Change from previous fiscal year-end **+21.0%**

Net asset amount per share

¥534.21

- Increase in retained earnings from profit attributable to owners of parent.
- Equity ratio was 61.5%, and we aim to maintain a robust financial base.

## Consolidated Balance Sheet

(Unit: millions of yen)

	As of March 31, 2023	As of March 31, 2024	Change from previous fiscal year-end
<b>Assets</b>	<b>8,704</b>	<b>11,211</b>	<b>+28.8%</b>
<b>Current assets</b>	<b>7,737</b>	<b>9,897</b>	<b>+27.9%</b>
Cash and deposits	2,103	3,567	+69.6%
Segregated deposits for customers	1,500	1,800	+20.0%
Accrued investment trust management fees	3,725	4,133	+11.0%
Operational investment securities	218	201	(8.0)%
<b>Non-current assets</b>	<b>967</b>	<b>1,313</b>	<b>+35.8%</b>
Property, plant and equipment	238	621	+161.0%
Intangible assets	381	338	(11.5)%

(Unit: millions of yen)

	As of March 31, 2023	As of March 31, 2024	Change from previous fiscal year-end
<b>Liabilities</b>	<b>2,610</b>	<b>4,000</b>	<b>+53.2%</b>
<b>Current liabilities</b>	<b>2,432</b>	<b>3,665</b>	<b>+50.7%</b>
<b>Non-current liabilities</b>	<b>177</b>	<b>335</b>	<b>+88.4%</b>
<b>Net assets</b>	<b>6,094</b>	<b>7,210</b>	<b>+18.3%</b>
<b>Shareholders' equity</b>	<b>5,700</b>	<b>6,897</b>	<b>+21.0%</b>
Share capital	100	322	+222.8%
Capital surplus	407	630	+54.7%
Retained earnings	5,193	5,944	+14.5%
<b>Non-controlling interests</b>	<b>393</b>	<b>312</b>	<b>(20.6)%</b>

# (Reference) Quarterly Status

(Unit: millions of yen)

Quarterly Business Performance	FY2022				FY2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Investment trust management fees	2,322	2,396	2,403	2,354	2,487	2,548	2,500	2,630
Investment advisory fees	52	56	10	62	63	68	11	75
Gain on operational investment securities	-	-	-	-	-	(29)	-	(47)
<b>Operating revenue</b>	<b>2,375</b>	<b>2,452</b>	<b>2,414</b>	<b>2,417</b>	<b>2,551</b>	<b>2,587</b>	<b>2,511</b>	<b>2,659</b>
<b>Operating revenue (net)</b>	<b>1,437</b>	<b>1,482</b>	<b>1,438</b>	<b>1,457</b>	<b>1,538</b>	<b>1,557</b>	<b>1,503</b>	<b>1,606</b>
Selling, general and administrative expenses (excluding agency fees)	1,035	1,068	1,073	1,027	1,054	1,043	1,134	1,193
<b>Operating profit</b>	<b>402</b>	<b>414</b>	<b>364</b>	<b>429</b>	<b>483</b>	<b>514</b>	<b>369</b>	<b>412</b>
<b>Ordinary profit</b>	<b>412</b>	<b>419</b>	<b>364</b>	<b>430</b>	<b>482</b>	<b>520</b>	<b>372</b>	<b>421</b>
<b>Profit</b>	<b>262</b>	<b>265</b>	<b>230</b>	<b>306</b>	<b>327</b>	<b>346</b>	<b>251</b>	<b>301</b>
<b>Profit attributable to owners of parent</b>	<b>264</b>	<b>274</b>	<b>235</b>	<b>312</b>	<b>332</b>	<b>377</b>	<b>256</b>	<b>347</b>

(Unit: billions of yen)

AUM	FY2022				FY2023			
	1Q-end	2Q-end	3Q-end	4Q-end	1Q-end	2Q-end	3Q-end	4Q-end
<b>Investment trusts</b>	<b>962.3</b>	<b>965.2</b>	<b>975.1</b>	<b>1,031.5</b>	<b>1,095.7</b>	<b>1,075.6</b>	<b>1,072.8</b>	<b>1,225.3</b>
Direct	176.6	176.6	179.0	188.5	205.9	206.0	208.6	240.9
Partner	781.0	783.6	794.4	841.4	888.1	867.8	862.4	982.2
Privately-placed investment trusts	4.6	4.8	1.6	1.5	1.7	1.6	1.7	2.1
<b>Investment advisory</b>	<b>87.7</b>	<b>105.0</b>	<b>107.3</b>	<b>112.7</b>	<b>123.4</b>	<b>120.7</b>	<b>127.4</b>	<b>143.5</b>
<b>Company total</b>	<b>1,050.1</b>	<b>1,070.2</b>	<b>1,082.4</b>	<b>1,144.3</b>	<b>1,219.2</b>	<b>1,196.3</b>	<b>1,200.2</b>	<b>1,368.8</b>

Rheos Capital Works has prepared reference values for the first and second quarters of the fiscal year ended March 31, 2023, as it did not prepare quarterly consolidated financial statements. An audit and quarterly review were not carried out by Crowe Toyo & Co. for these figures or AUM.

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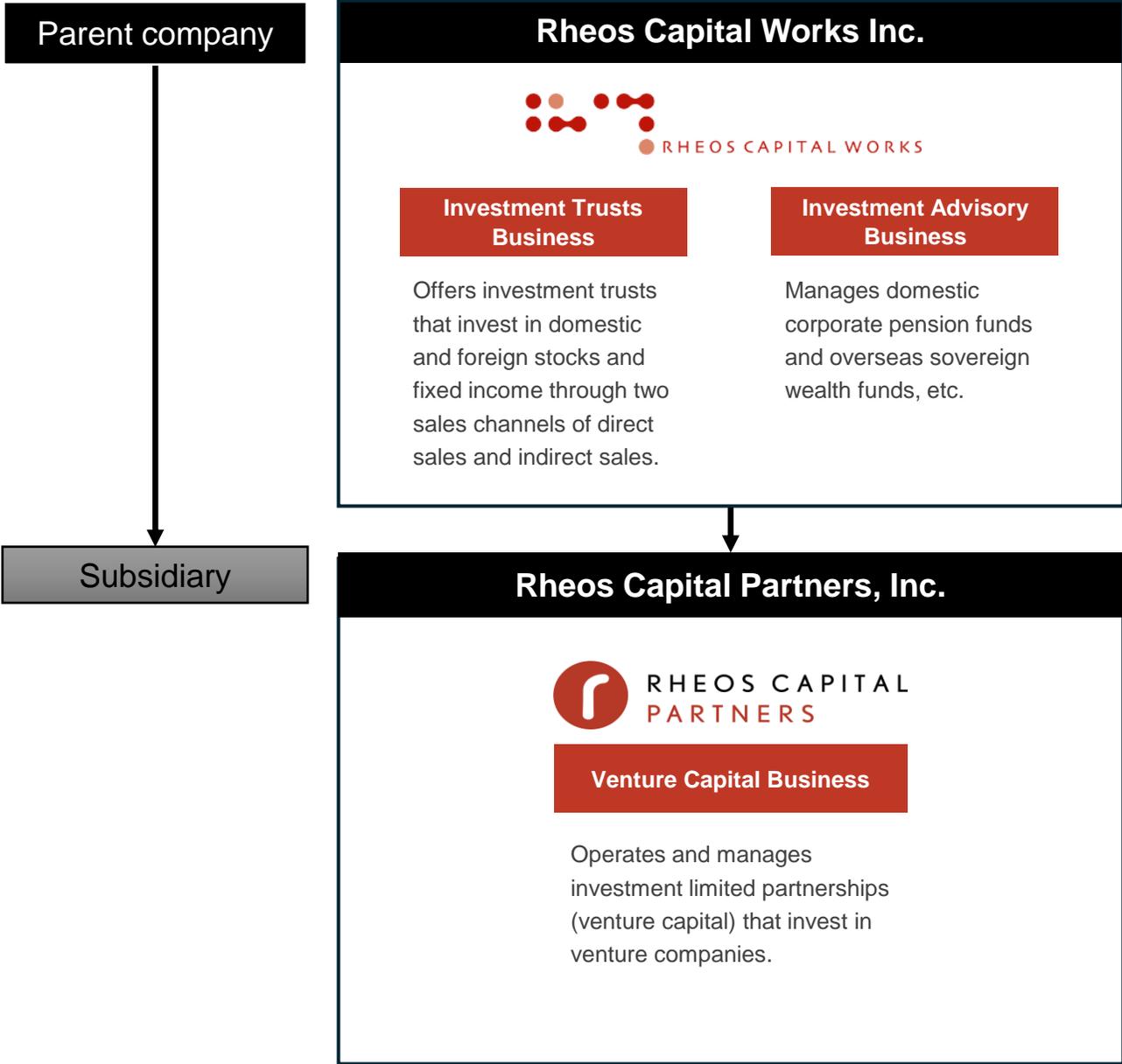
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Roll Out of New Products in the Investment Management Business

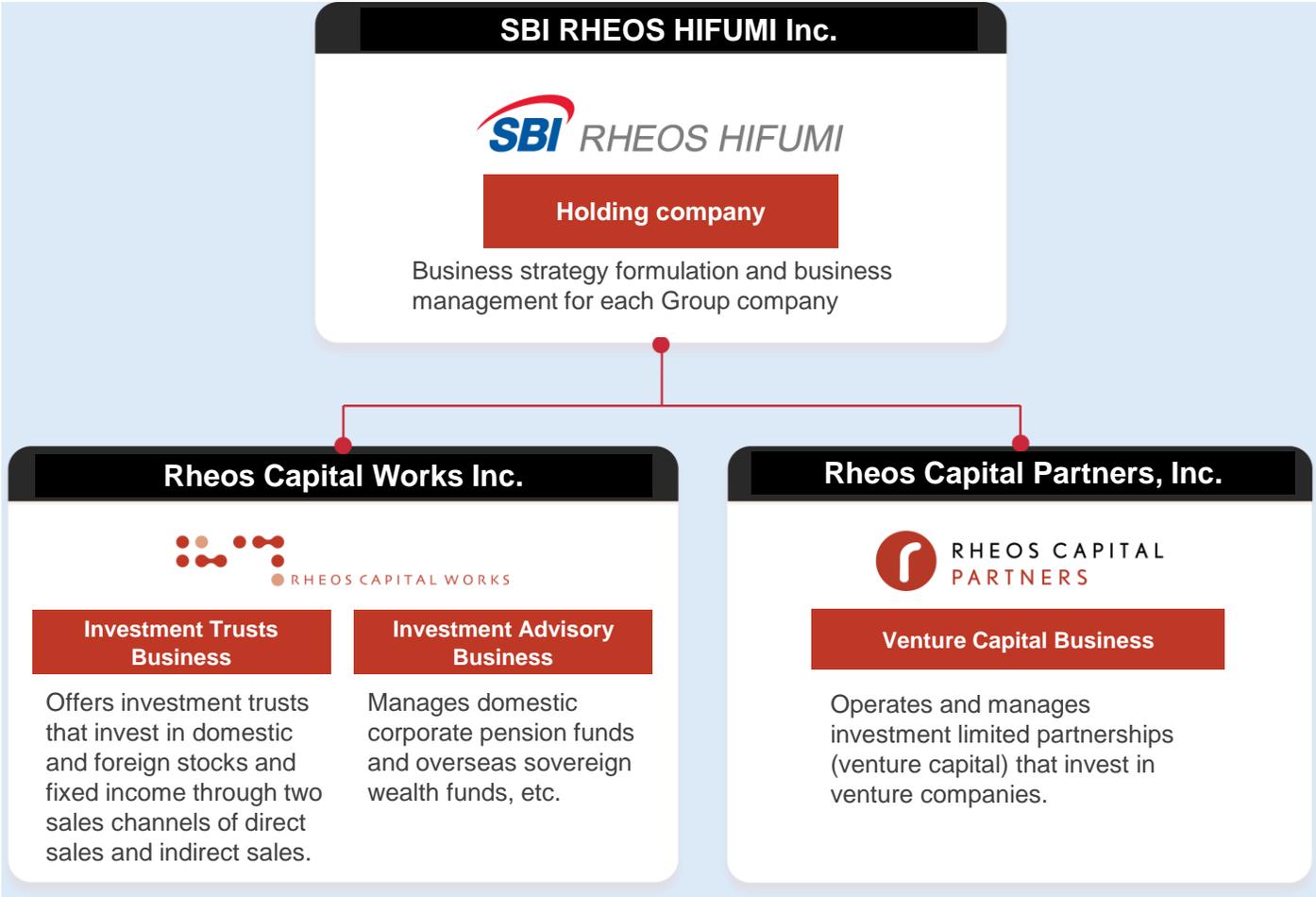
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Appendix

# Corporate Profile of Rheos Capital Works (Up to March 31, 2024)



# Rheos Capital Works Transitioned to a Holding Company Structure on April 1, 2024



Enable everyone to benefit from financial services

Expand the customer base through the new NISA (tax exemption program for small investments)

Increase the recognition of the Hifumi brand through further cooperation with the SBI Group

Promote an expansion of the balance of AUM

To achieve this goal...

Adopt a new group structure that specializes in high-level investment functions as well as business management and strategic planning functions

# SBI RHEOS HIFUMI Management Structure: A Proven Management Team



**Hideto Fujino**

Representative Director, Chairman, President, Group CEO

Founded Rheos Capital Works in 2003 following a career at Goldman Sachs Asset Management, Jardine Fleming (currently JP Morgan Fleming Asset Management) and Nomura Asset Management. Has served as Chief Investment Officer (CIO) since the founding. Abundant experience as a fund manager with a deep expertise in small mid cap and emerging growth equity investments.



**Mitsuhiro Yuasa**

Representative Director, Deputy President, Group COO

Founded Rheos Capital Works in 2003 following a career at Rothschild Asset Management and Gartmore Asset Management. Extensive experience in analysis and management of emerging growth stock portfolios and long/short equity hedge funds. Deep knowledge of Japanese and global asset management industry.



**Miki Shiramizu**

Senior Managing Director, Group CHRO

Began her career as an equity trader at Daiichi Securities (currently Mitsubishi UFJ Morgan Stanley Securities), followed by Sony Life insurance and then participated in the founding of DJLdirect Securities (currently Rakuten Securities). Experienced in corporate planning, administration and the management of customer services over many years in the internet securities industry before joining Rheos Capital Works in 2008. Appointed director in 2009. Appointed Managing Director from 2020.



**Jiro Iwata**

Managing Director, Group CAO

Developed numerous IT solutions and served as a systems project leader at Toshiba. He became a director of I&AS in January 2004, providing systems consultation for domestic financial instruments providers. Subsequently co-founded Gaitame Online and served as the director in charge of foreign exchange transactions, leading the company to a leadership position in the industry through the implementation of advanced information technology platforms. Believes in the potential to implement information technology for statistical and basic analysis. Appointed director in 2015. Appointed Managing Director from 2020.



**Takeshi Nakamichi**

Director, Group CCO

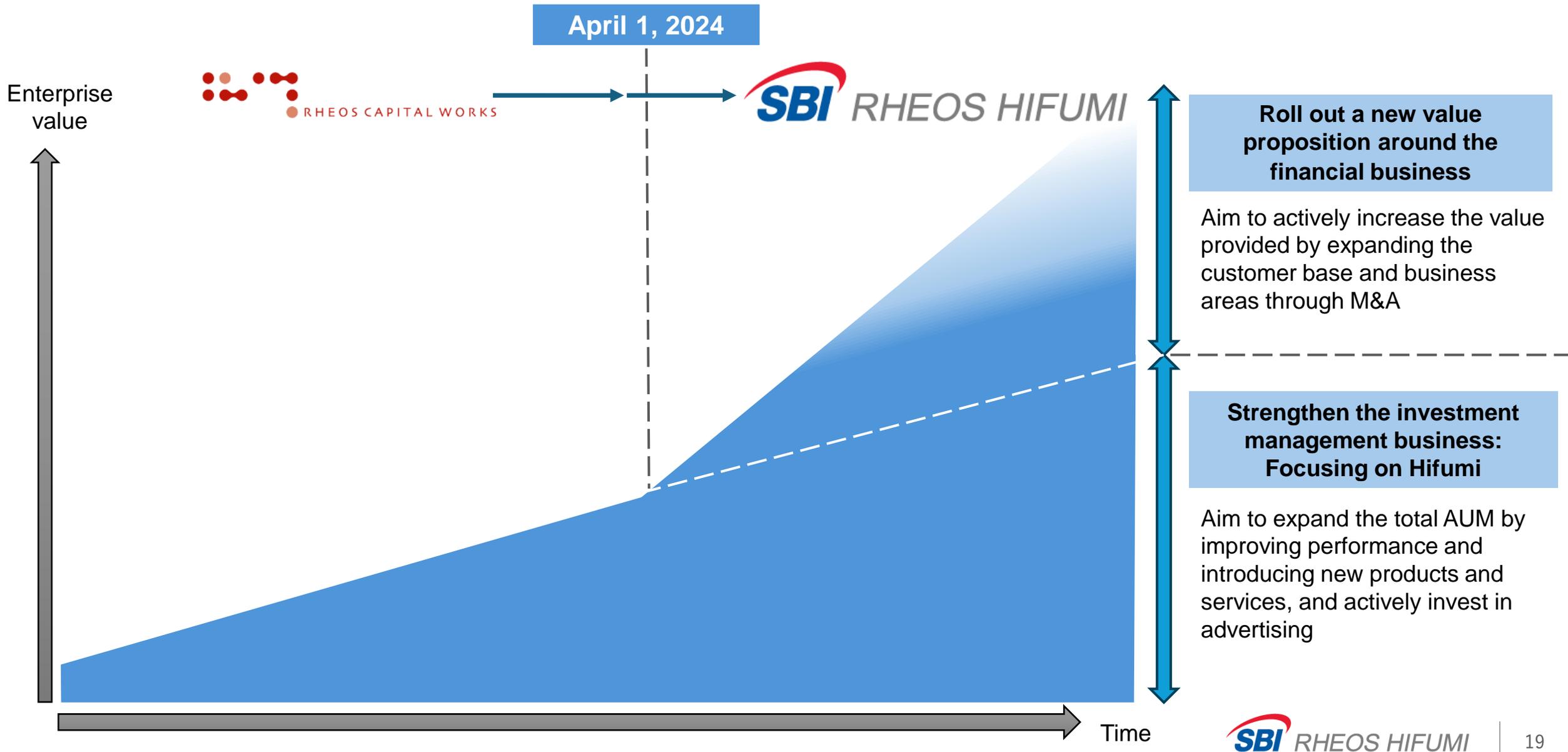
After joining SBI Investment Co., Ltd. and served as Manager of Administrative Department and Manager of Sales Planning Department, etc., he has been engaged in venture capital management as Executive Vice President and Director for 8 years since 2015. Also served as a director of a number of companies in the SBI Group and venture capital funds' portfolio companies, contributing to the strengthening of management and compliance systems. Appointed Director & COO from June 2023.

## Governance structure

Directors	Full-time	5
	Part-time	4 <sup>1</sup>
Auditors	Full-time	2 <sup>2</sup>
	Part-time	2 <sup>3</sup>

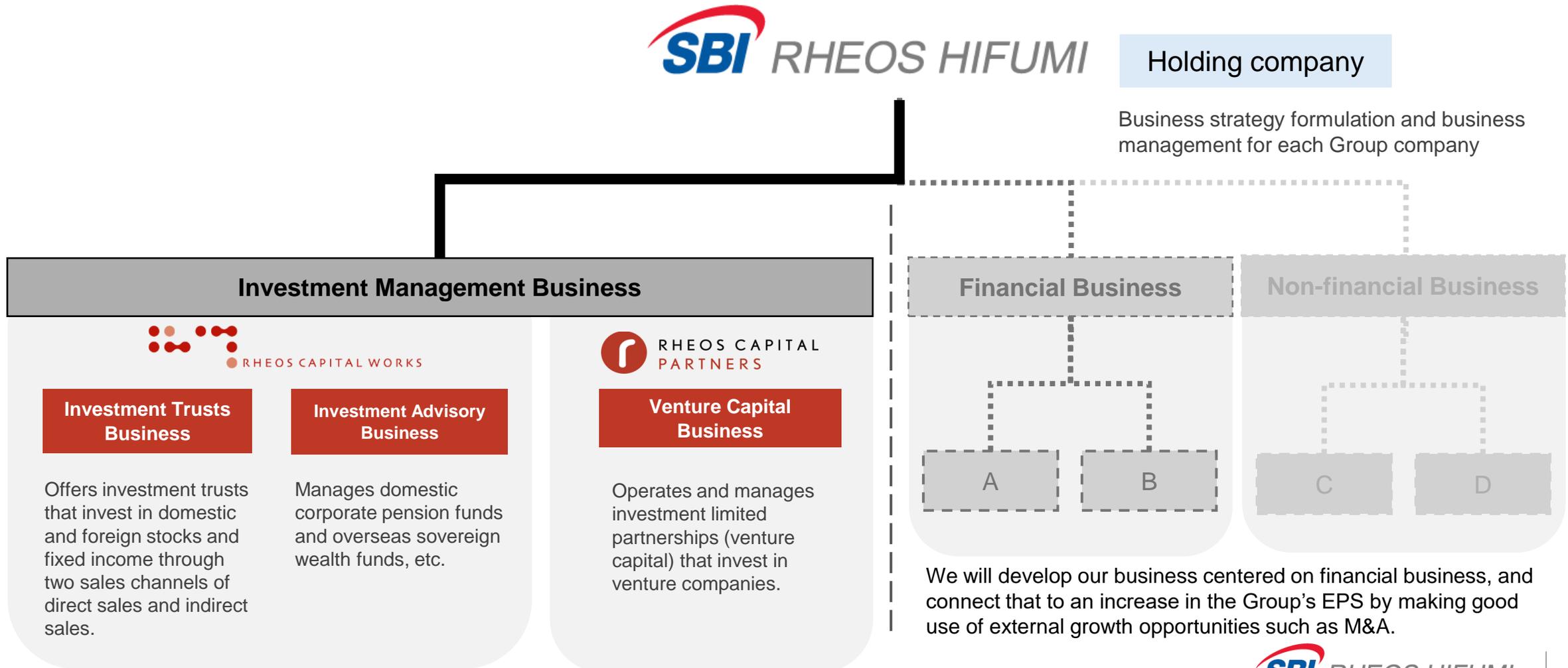
- 1) Three are independent outside directors
- 2) One is an outside auditor
- 3) Two are outside auditors

# Group Growth Strategy: Long-term Vision



# Long-term Image the Group is Aiming for

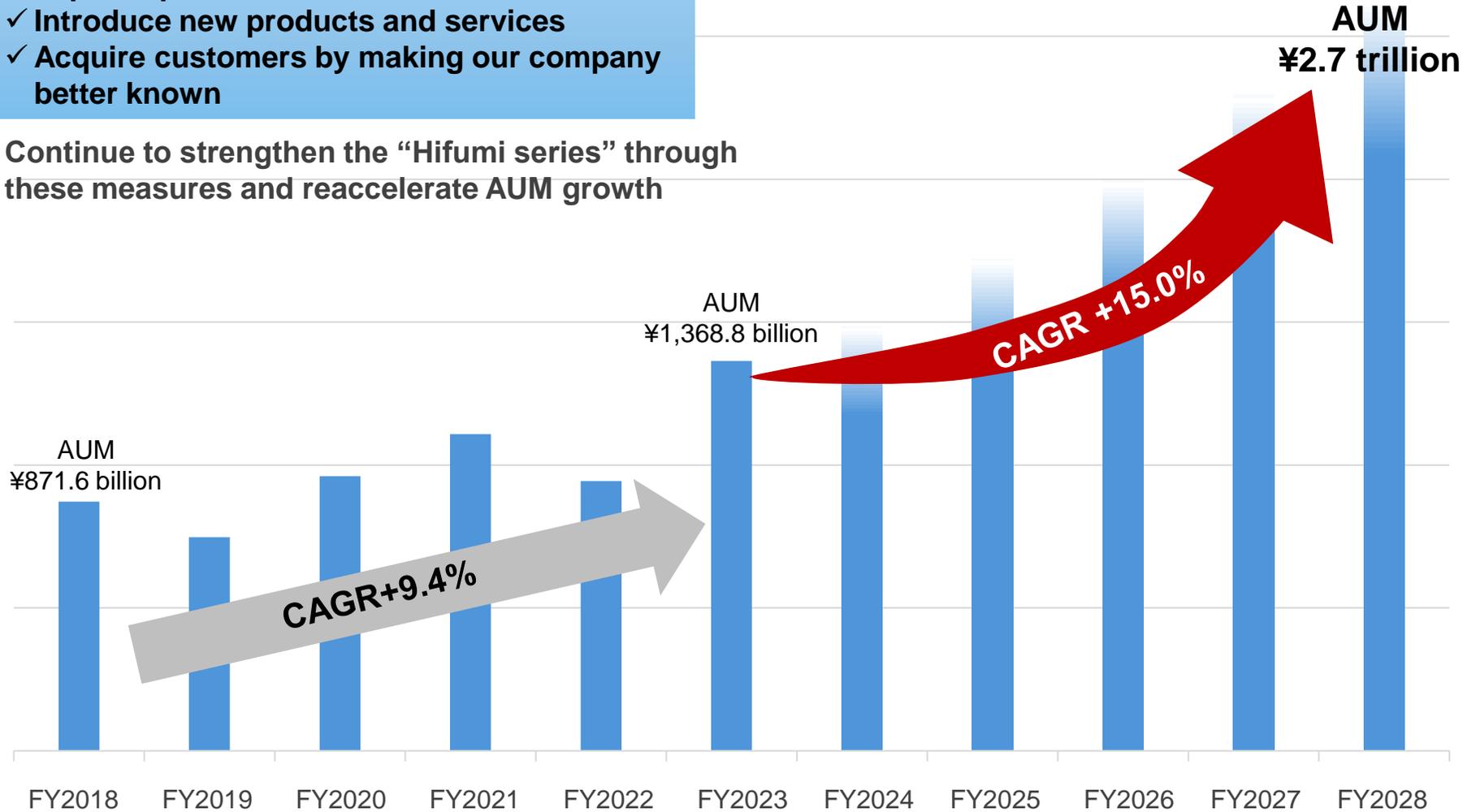
We aim to apply our **“assessment ability”** as an investment company to expand into new business areas and **“make the world a colorful place!”**



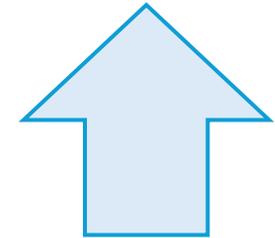
# Strengthening the Investment Management Business: Long-term Vision

- ✓ Improve performance
- ✓ Introduce new products and services
- ✓ Acquire customers by making our company better known

Continue to strengthen the “Hifumi series” through these measures and reaccelerate AUM growth



**FY2028**  
AUM: ¥2.7 trillion  
Operating Revenue: ¥20 billion  
Operating Profit: ¥4 billion to ¥5 billion



**FY2023**  
AUM: ¥1.3 trillion  
Operating Revenue: ¥10.3 billion  
Operating Profit: ¥1.7 billion

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# “Our Awareness of Problems” in the Investment Management Business

## Problems

- Most Japanese people think **“it isn’t necessary to invest to build assets,”** and **the proportion of cash and deposits to the total individual financial assets in Japan remains high.**
- If this way of thinking continues, **the structure of people’s financial assets will probably become polarized, resulting in the widening of financial disparity.**

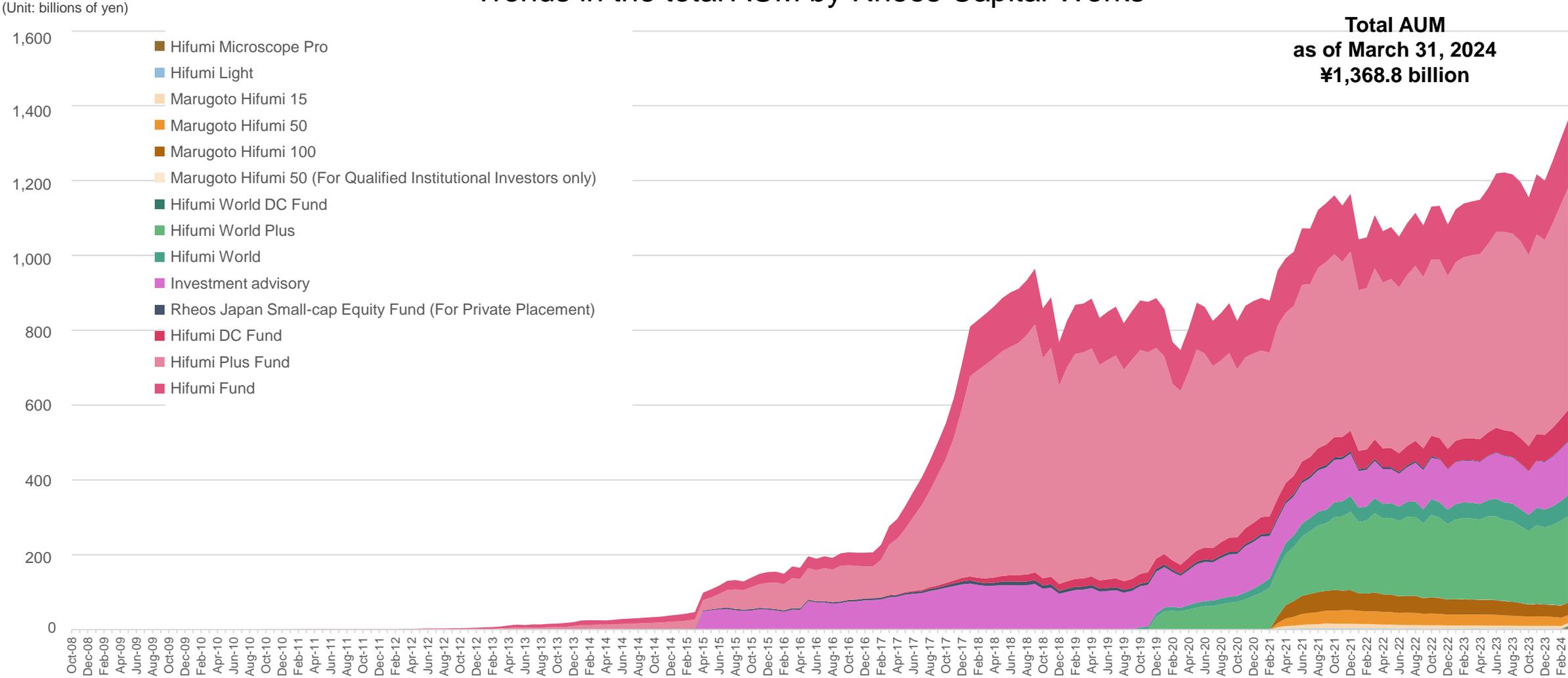
## Solutions

- Don’t grow investment trusts to just a financial asset, but grow them to be **a partner of asset building** that our customers will cherish for a long time.
- Share our knowledge on investment with a wide range of people, and develop and provide a mechanism for enabling anyone to start building assets in an easy and safe manner.

**We work on financial inclusion.**

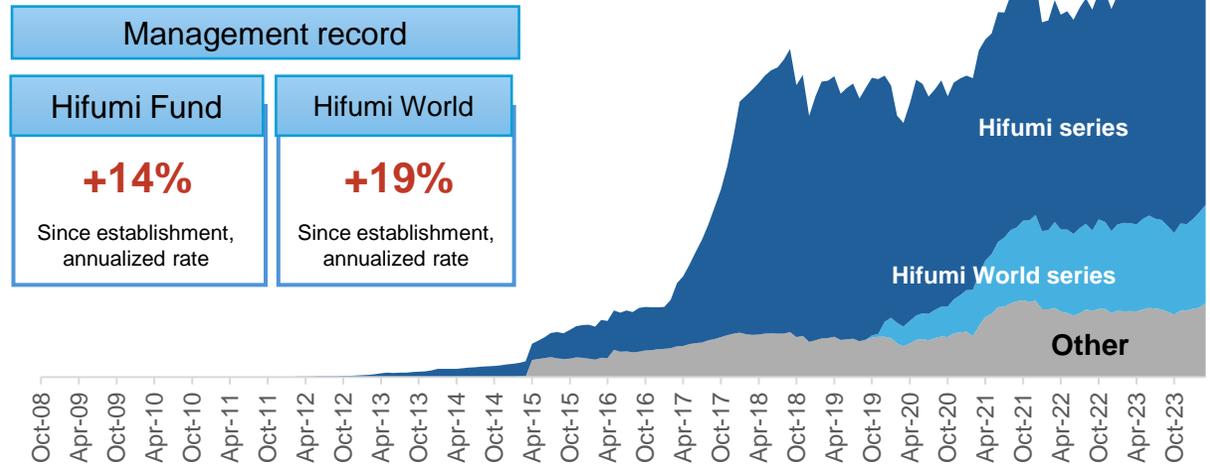
# Current State of Our Investment Management Business

## Trends in the total AUM by Rheos Capital Works

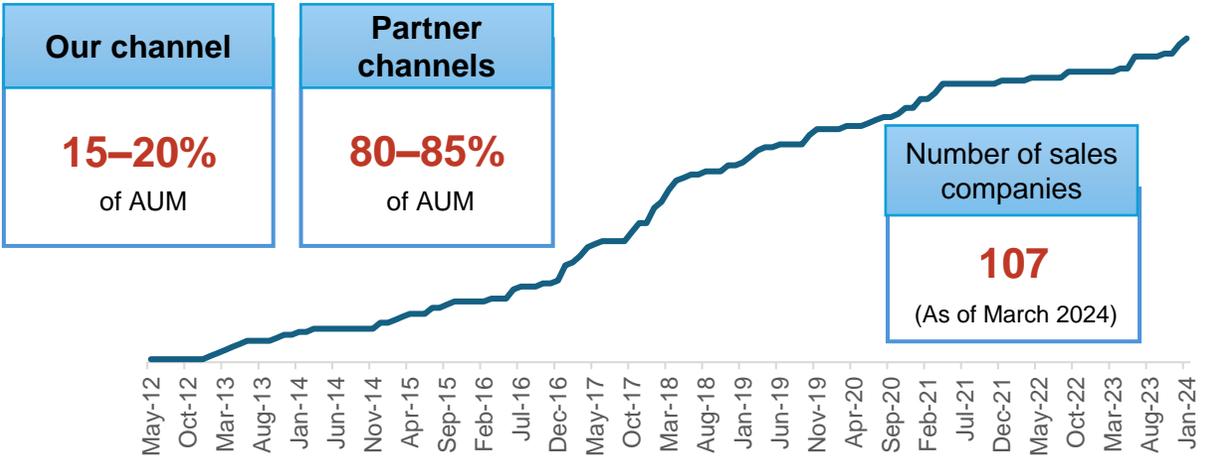


# Investment Management Business: “Four Characteristics” of Rheos Capital Works

Total AUM of ¥1,368.8 billion (March 31, 2024)

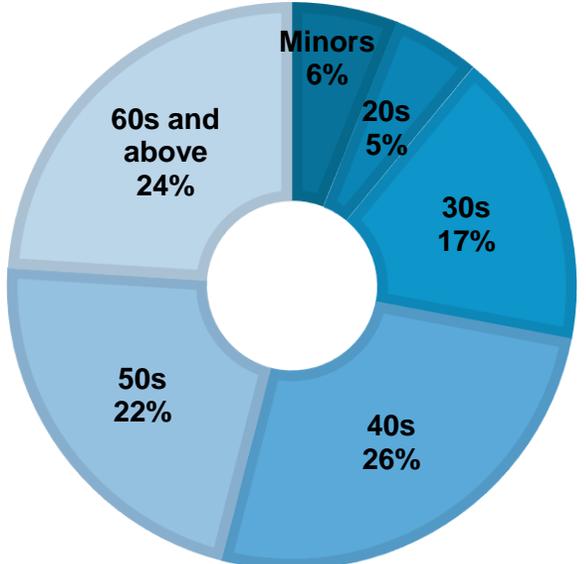


Investment trust sales channels include direct and indirect sales



Asset-building customers in their 40s and below account for just over 50% of the total

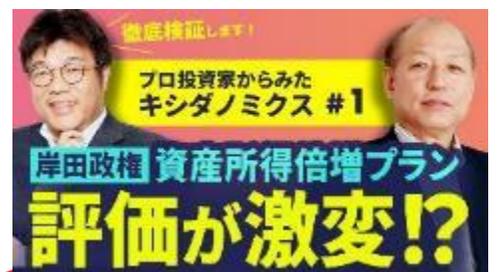
Just over 50% of customers make regular investments of ¥10,000 to ¥30,000 per month



Investment education activities on YouTube

“A Place to Learn about Money! (OKANE NO MANABIBAI!)” **boasts the largest number of subscribers in the financial industry**

This is a channel where viewers can learn about money, investment, the economy, and other topics, which are usually difficult to discuss. Here, they can discuss them with Hideto Fujino, who is in charge of the Hifumi series, and members of the Hifumi team.



# Key Points of Introducing New Products in the Investment Management Business

Create a world in which everyone can benefit from financial services

**Diversification of investment destinations**

Provide money to support all kinds of people taking on challenges.



Communicate the appeal of finance regardless of gender, age, region, or asset status.

**Diversification of customers**



Our mission

**Financial Inclusion**

ファイナンシャル・インクルージョン



Aiming for a world in which everyone can benefit from financial services.

**Diversification of investment methods**

Expand to methods other than investment trusts.



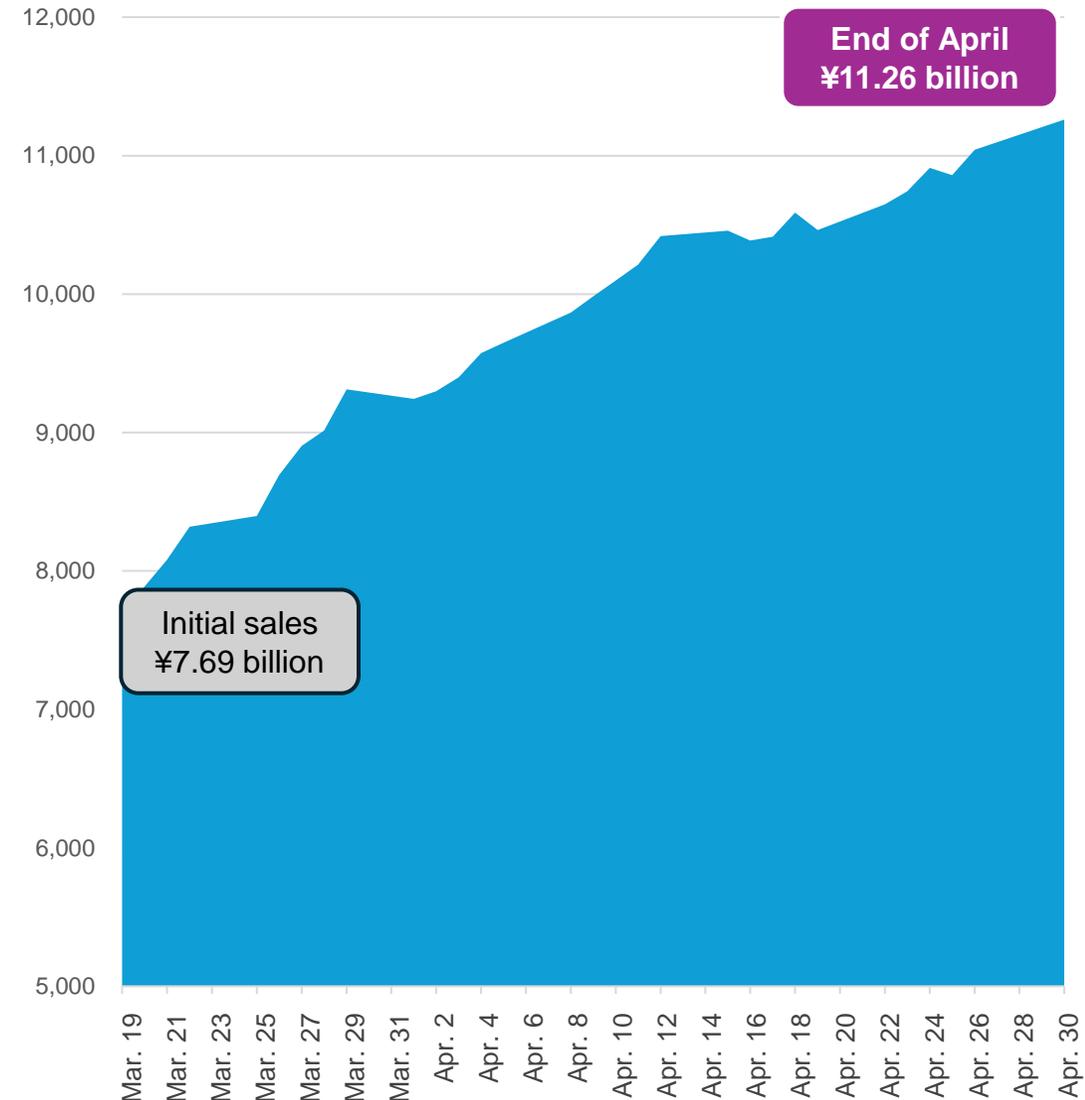
# Microscope pro: Total Net Assets Surpass ¥10 Billion!



Date established: March 19, 2024  
 Trust fee: Annual rate of 1.485%  
 (includes tax/annualized)

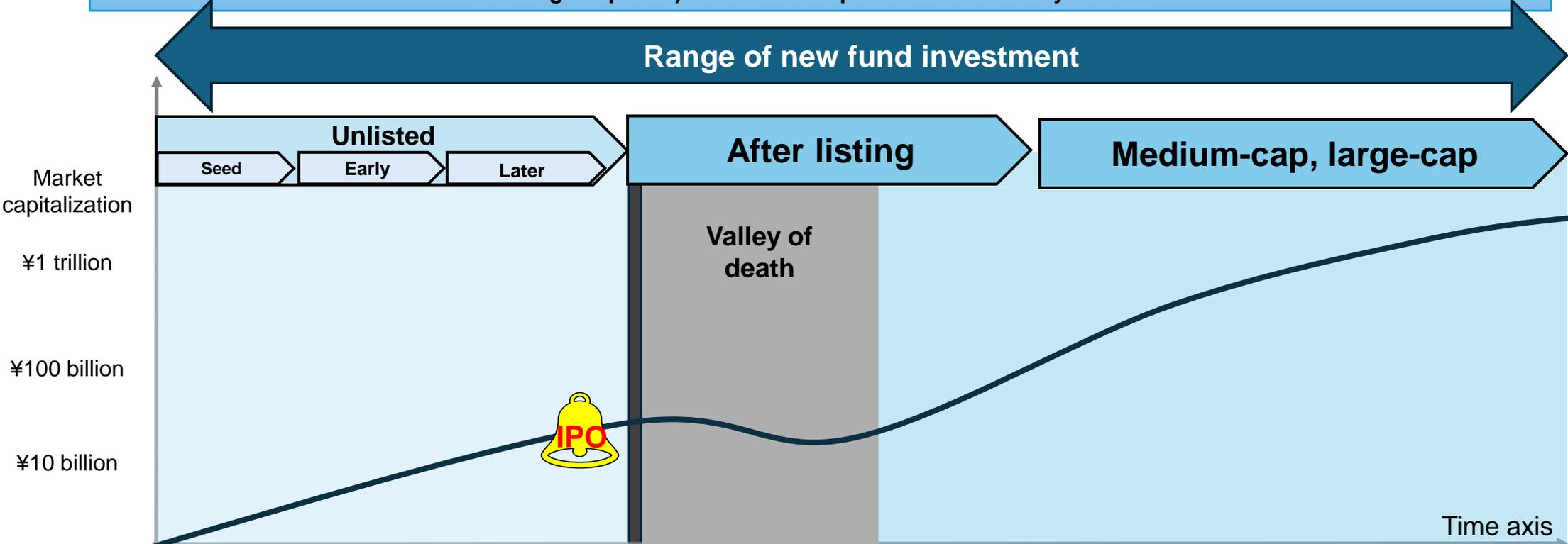
## Fund overview

- The first fund in the “Pro” series based on the concept of “carefully observing small but growing companies and watching for exciting changes!”
- Primarily investing in domestic small-cap stocks through the “Rheos Japan Small-cap Equity Mother Fund” managed since November 17, 2011.
- Net assets surpassed ¥10 billion on April 10.
- Will soon become available for purchase directly from Rheos in addition to banks and securities companies.



# Consideration of Crossover Investment: Aiming to Solve the Issues Faced by Japanese Startups

Our goal is to take a crossover strategy in investing (invest in start-ups from the unlisted stage and maintain the investment even after it goes public) and solve the problem of the valley of death.



<b>Investors</b>	Angel investors, VCs	Mainly individual shareholders, lack of stable shareholders	Increase foreign and domestic institutional investors
<b>Investment period</b>	Support with the goal of listing	Short-term orientation One out of 4,000 listed companies	Increase investors with a long-term perspective
<b>Company status</b>	In the red and constantly securing funding Contact with limited investors	Growth phase Secure growth funding through capital increase	From expansion period to global expansion Invest management resources in investor relations

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# Leading Positions Among Independent Japanese<sup>1</sup> Asset Management Companies

From the "Changes in Assets of Publicly Offered Investment Trusts of Contractual Type by each Management Company" of The Investment Trusts Association, Japan (as of December 31, 2023)

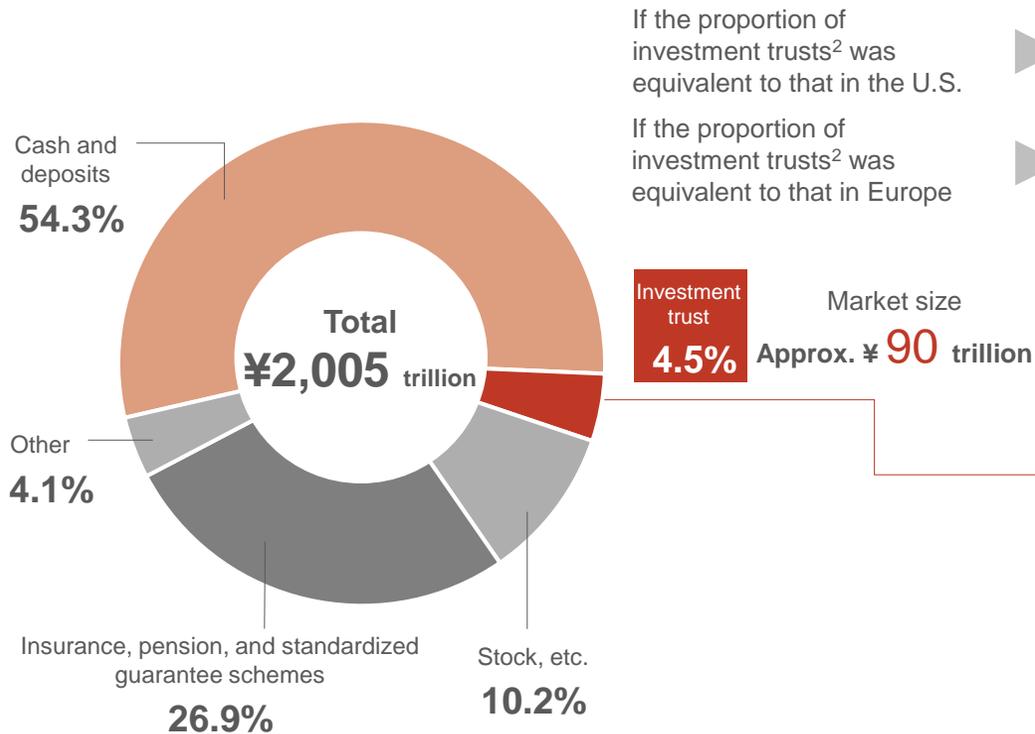
## Publicly-offered investment trusts of each company: Total net assets (Unit: billions of yen)

Top 22 companies by balance				(Ref.) Independent <sup>1</sup> asset management companies				
1	Nomura Asset Management Co., Ltd.	51,687.1	12	Goldman Sachs Asset Management Co., Ltd.	2,424.3	25	SAISON ASSET MANAGEMENT Co., Ltd.	712.0
2	Daiwa Asset Management Co. Ltd.	25,128.8	13	SBI Asset Management Co., Ltd.	2,137.0	32	SPARX Asset Management Co., Ltd.	419.7
3	Nikko Asset Management Co., Ltd.	24,484.3	14	Pictet Asset Management (Japan) Ltd.	2,085.2	34	Sawakami Asset Management Inc.	392.6
4	Mitsubishi UFJ Asset Management Co., Ltd.	22,829.2	15	Rakuten Investment Management, Inc.	2,038.1	41	Simplex Asset Management Co., Ltd.	256.4
5	Asset Management One Co., Ltd.	12,845.3	16	Invesco Asset Management (Japan) Limited	1,557.7	44	Hitachi Investment Management, Ltd.	209.0
6	Sumitomo Mitsui DS Asset Management Company, Limited	8,124.6	17	Capital International K.K.	1,510.3	54	Commons Asset Management, Inc.	63.4
7	Sumitomo Mitsui Trust Asset Management Co., Ltd.	6,780.1	18	Tokio Marine Asset Management Company, Limited	1,373.0	58	Money Design Co., Ltd.	48.4
8	BlackRock Japan Co., Ltd.	4,618.3	19	T.Rowe Price Japan, Inc.	1,232.4	59	Kamakura Investment Management Co., Ltd.	48.0
9	FIL Investments (Japan) Limited	4,350.2	20	Resona Asset Management Co., Ltd.	1,214.9	63	Fivestar Asset Management CO., LTD	26.9
10	AllianceBernstein Japan Ltd.	3,736.2	21	SBI Okasan Asset Management Co., Ltd.	1,185.3	64	Portfolia Inc.	24.0
11	Nissay Asset Management Corporation	3,159.8	22	<b>RHEOS CAPITAL WORKS Inc.</b>	<b>1,071.1</b>			

1. Asset management companies whose fund managers are not dispatched from their parent companies and whose investment decisions are made independently.

# Upside Potential of the Investment Trust Market

## Breakdown of Household Financial Assets in Japan<sup>1</sup>

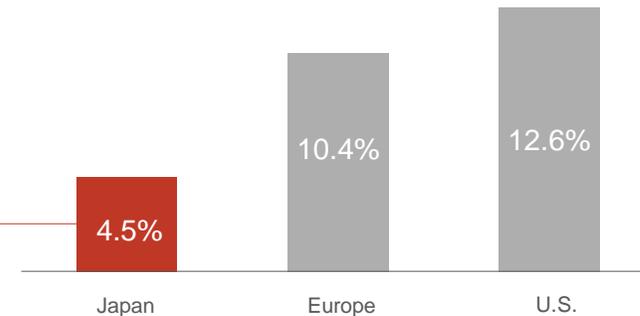


## Comparison of Japan, Europe, and the U.S. in the share of household financial assets held in investment trusts

Market size of investment trusts<sup>3</sup>

▶ **Approx. ¥252 trillion**

▶ **Approx. ¥208 trillion**



1. "Flow of Funds," Bank of Japan (as of March 31, 2022)
2. "Flow of Funds—Overview of Japan, the United States, and the Euro area," Bank of Japan (as of March 31, 2022)
3. Calculated based on the market size of Japan's investment trusts as of March 31, 2022 if the proportion of investment trusts in Japan expanded to the same as in Europe or in the U.S. as of March 31, 2022 respectively.

# Doubling Asset-based Income Plan: Fundamental Expansion of NISA<sup>1</sup>

- The current Kishida administration, which advocates a “New Form of Capitalism,” announced the “Doubling Asset-based Income Plan”<sup>1</sup> designed to channel more than ¥1,000 trillion of household assets held in cash and deposits to investment, thereby creating a virtuous cycle in which households benefit from sustainable growth in corporate value. The introduction of new NISA from 2024 was announced in December 2022 as part of the Outline of the Tax Reform for FY2023.<sup>2</sup>
- The new NISA system has been made permanent and the maximum investment amount has been significantly increased to ¥18 million over a lifetime. The convenience of the new system and the increase in the investment amount are expected to expand the investor base and stimulate more investment.

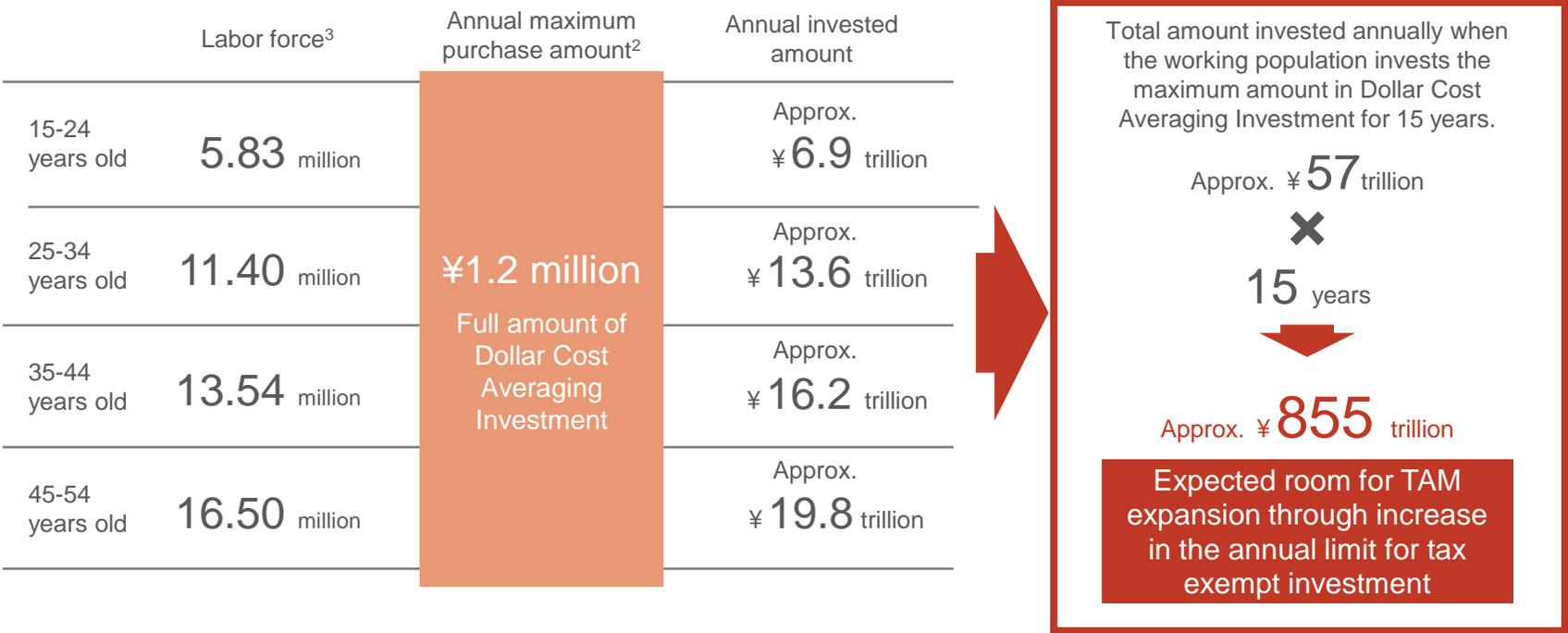
	Original NISA		New NISA	
	Tsumitate NISA	General NISA	Framework for Dollar Cost Averaging Investment	Framework for Long-term Investment
Investment period	Up to 20 years	Up to 5 years	<b>Unlimited</b>	
Tax-exempt holding period	20 years	5 years	<b>Unlimited</b>	
Choice of system	Cannot choose both		<b>Can choose both</b>	
Maximum investment amount	¥8 million	¥6 million	<b>¥18 million</b>	¥12 million (included in ¥18 million)
Maximum annual investment limit	¥400,000	¥1.2 million	¥1.2 million	¥2.4 million

1. Cabinet Secretariat, the New Form of Capitalism Realization Headquarters / the Council of New Form of Capitalism Realization, Subcommittee Meetings, the 3rd Doubling Asset-based Income Subcommittee Meeting Handout (November 25, 2022)

2. Ministry of Finance, the Outline of the Tax Reform for FY2023 (Cabinet Decision on December 23, 2022)

# TAM Expansion through New NISA

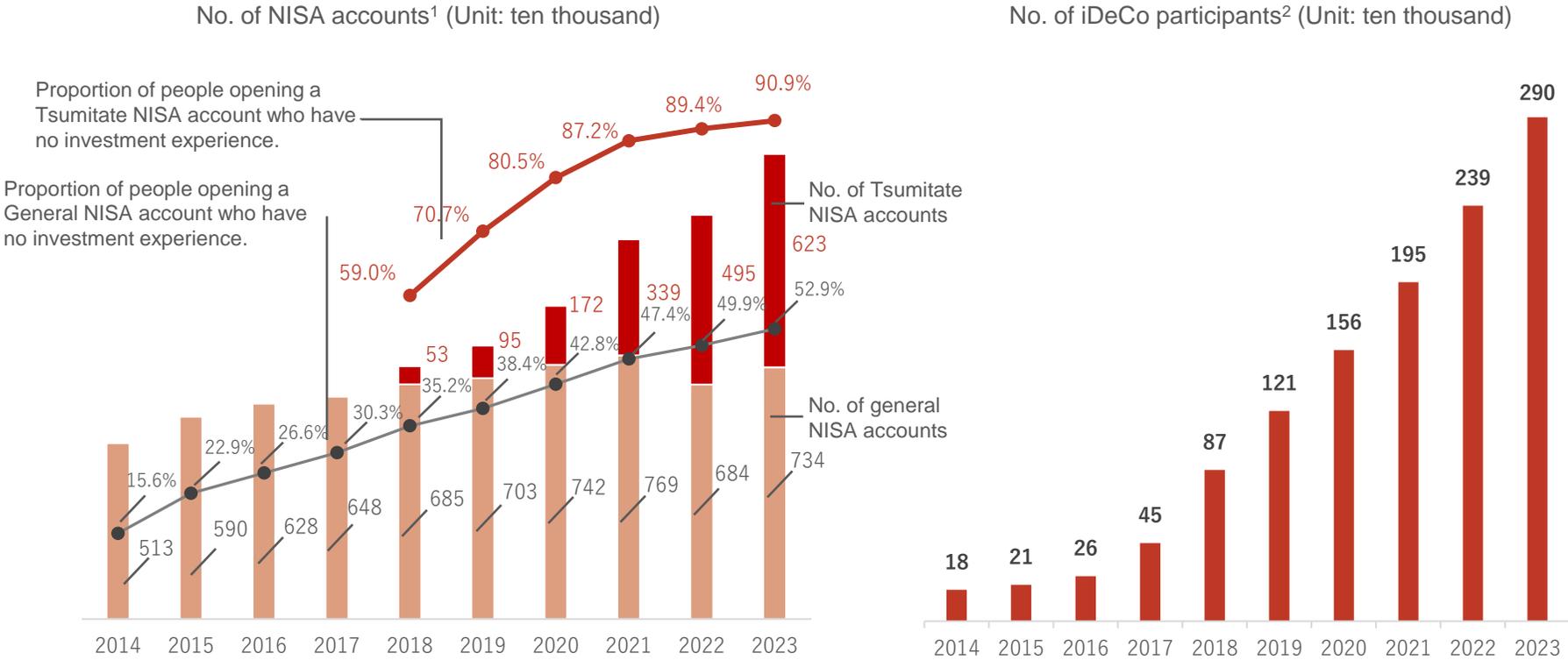
Expected room for TAM<sup>1</sup> expansion when the working generation makes accumulated investments of ¥1.2 million<sup>2</sup> per year (Framework for Dollar Cost Averaging Investment).



1. The size of the total addressable market (TAM) represents the maximum potential size of the market for regular contribution investments as assumed by us, and was not calculated as an objective estimate of the market size for our business as of March 2023. The size of the TAM is our estimate based on certain assumptions, as well as on external statistics and information from publicly available materials. The accuracy of our estimate is subject to inherent limitations in estimates from statistical and other data, and therefore the actual size of the market may differ from our estimate. In particular, the estimate provided on this slide is based on certain assumptions, including: that the working generation will invest ¥1.2 million per person annually under the new rules over 15 years from or after 2024, when the yearly investment limit under the tax-exempt investment program will be raised to that amount; and that the total NISA investment—including amounts invested in the long term investment framework—by the working generation will remain below the lifetime tax-exempt investment limit of ¥18 million per person (excluding investments made under the original Tsumitate NISA).
2. Premised on the implementation of the changes to the NISA program, effective from 2024, as set out in the government's FY2023 Tax Reform announced in December 2022.
3. Source: "Trends in Employment Status 1: Labor Force (2021 Average)," Statistics Bureau of Japan, Ministry of Internal Affairs and Communications.

# Accelerating Shift from Savings to Investment

The shift from “saving to investing” will continue, because NISA has been made permanent, investment limits have been expanded, and the age for joining iDeCo has been raised.



1. Source: “Survey on NISA Account Opening and Usage” Japan Securities Dealers Association as of September 30, 2023. Number and percentage of accounts as of December 31. The figures for 2023 are as of September 30.  
 2. Source: “Defined Contribution Pension Statistical Data (March 31, 2023),” Information Services Agent Liaison Meeting. Number of accumulated total participants as of March 31 of each year.

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