



SBI RHEOS HIFUMI Inc.

(Ticker : 165A)

Q1 FY2024

Earnings Presentation

(August 13th, 2024)

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 Public Relations and IR Department.

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FY2024 1Q Financial Highlights (April 1, 2024 - June 30, 2024) - Summary

Balance of assets under management (AUM¹)

¥1,384.5 billion

Change from previous fiscal year-end **+ 1.1%**

Together with the shift to net inflows, there was steady growth in Hifumi World net asset values in FY2024 1Q, and total AUM increased 1.1% from the previous fiscal year-end to ¥1,384.5 billion. This was a record high for a month-end balance.

Operating revenue

¥2,848 million

Year-on-year change **+ 11.6%**

As with total AUM, there was a shift to net inflows for publicly-offered investment trusts in FY2024 1Q, and steady growth in Hifumi World net asset values also contributed to an increase in operating revenue.

profit attributable to owners of parent

¥419 million

Year-on-year change **+ 26.2%**

In addition to steady growth in net asset value, operating profit ended up 17.7% year on 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 increased 26.2% year on year due to a decrease in the effective tax rate of the corporation tax, etc.

1: Balance of assets under management for the Group's Investment Trust Business and Investment Advisory Business

See the "Notes on using this material" presented later in this material.

Performance (Year-on-Year Change)

(Unit: millions of yen)

	FY2023 ¹		FY2024	
	1Q	Full Year	1Q	Year-on-year change
Investment trust management fees	2,487	10,167	2,802	+12.7%
Investment advisory fees	63	219	75	+17.9%
Gain (loss) on operational investment securities ²	-	(77)	(29)	-
Operating revenue	2,551	10,309	2,848	+11.6%
Operating revenue (net)³	1,538	6,206	1,728	+12.4%
Selling, general and administrative expenses (excluding agency fees)	1,054	4,425	1,159	+10.0%
Operating profit	483	1,780	569	+17.7%
Ordinary profit	482	1,797	575	+19.2%
profit attributable to owners of parent	332	1,313	419	+26.2%
EPS	¥27.04	¥103.90	¥32.47	+20.0%
Diluted EPS⁴	¥25.94	-	-	-

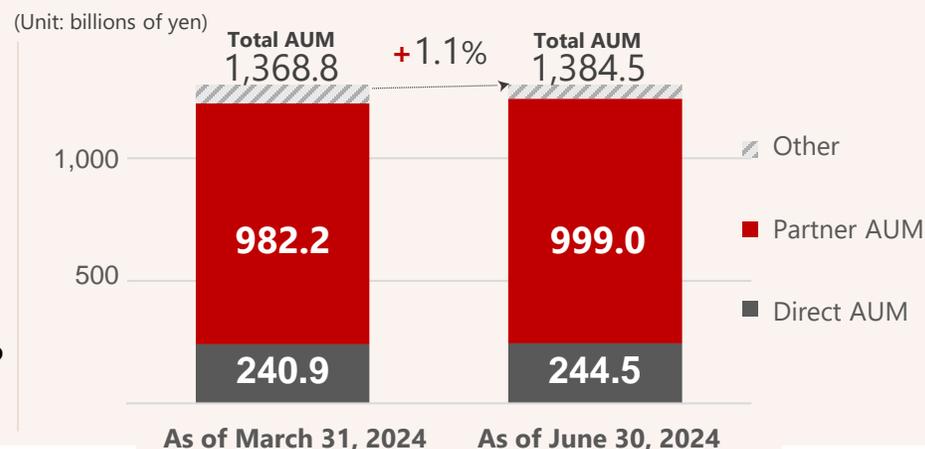
1. On April 1, 2024, SBI RHEOS HIFUMI Inc. (the "Company") was established as the holding company (wholly owning parent company) of Rheos Capital Works Inc. ("Rheos Capital Works") through a sole-share transfer of Rheos Capital Works. The figures for the previous fiscal year are the financial figures for Rheos Capital Works.
2. 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 ¥4 million.
3. Amount when commission expenses (agency fees payable to sales partners in indirect sales) are deducted from operating revenue.
4. Information regarding diluted EPS in FY2024 1Q and in FY2023 full year is not presented as there are no potentially dilutive shares.

Total Assets Under Management (AUM)

Total AUM¹
¥1,384.5 billion

Change from previous fiscal year-end **+1.1%**

Together with the shift to net inflows, there was steady growth in Hifumi World net asset values in FY2024 1Q, and total AUM increased 1.1% from the previous fiscal year-end to ¥1,384.5 billion. This was a record high for a month-end balance.



Sales	+¥53.6 billion
Repurchases	-¥50.0 billion
Increase or decrease due to NAV fluctuation ³	+¥12.1 billion

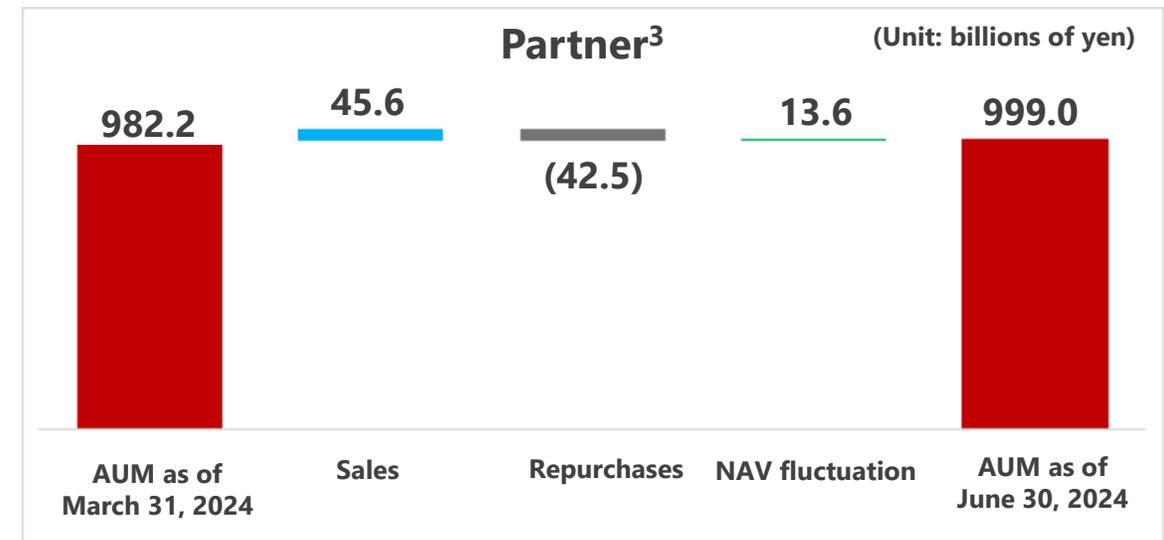
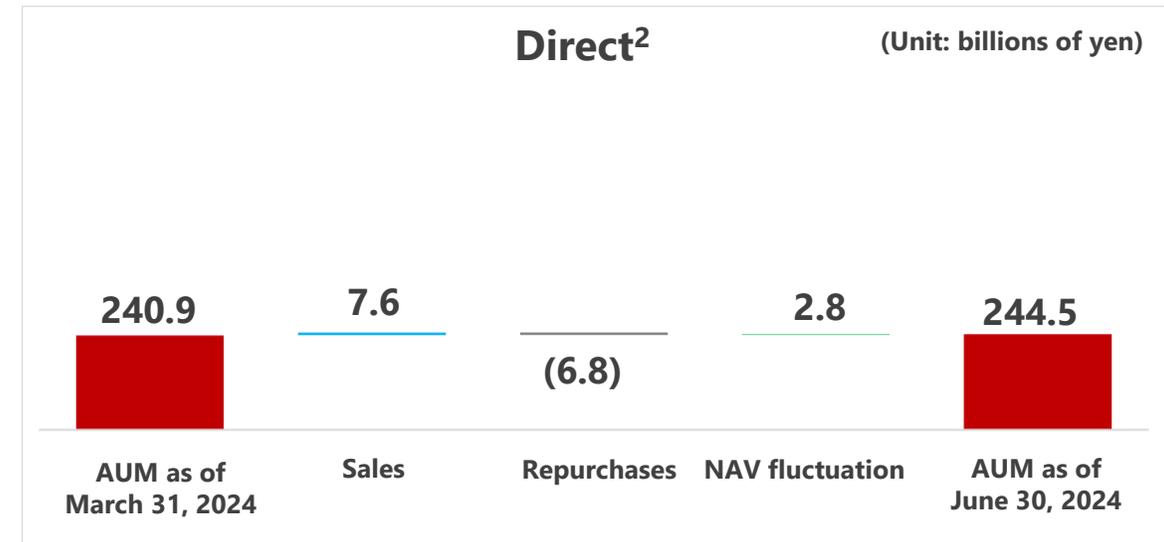
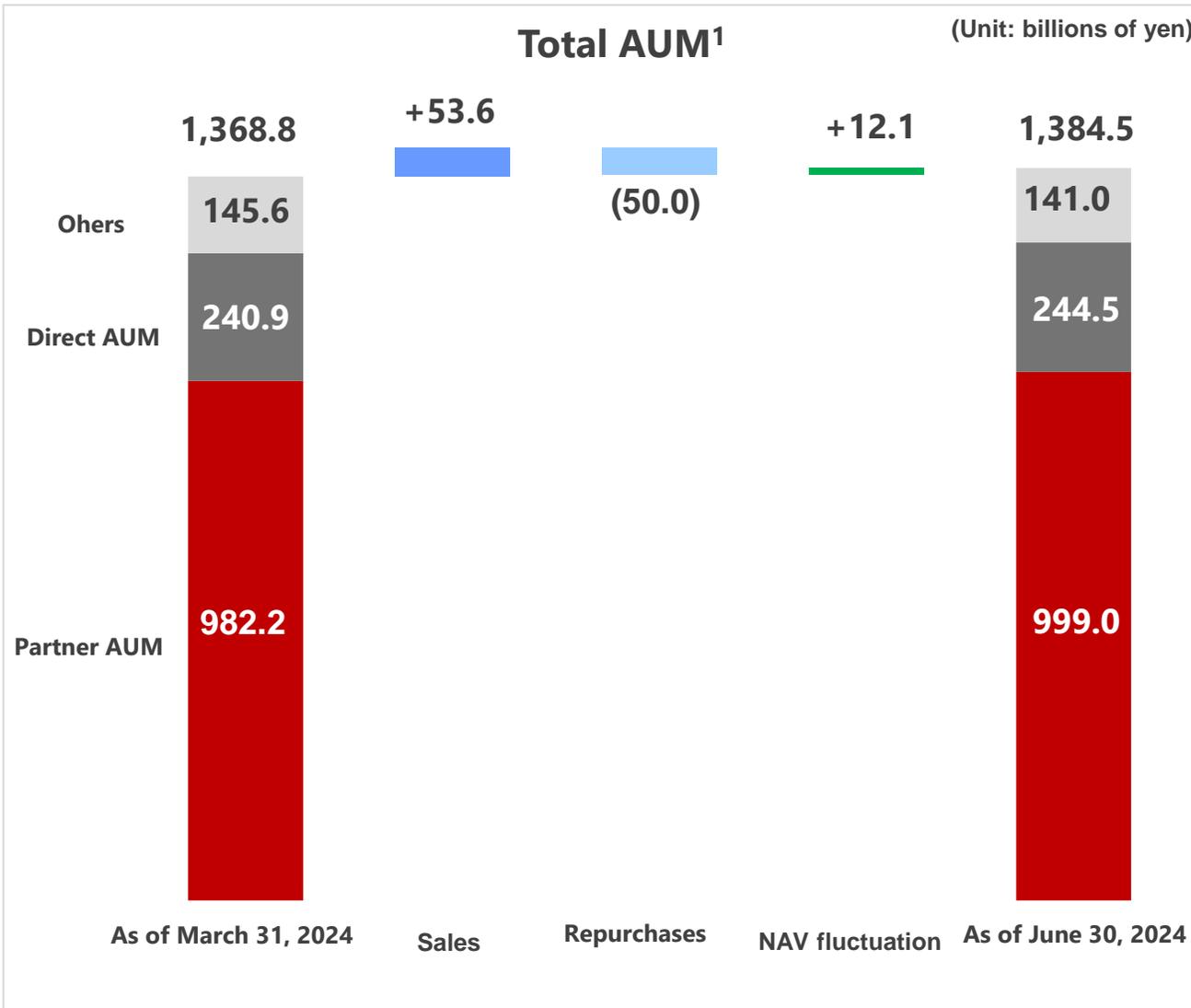
(Unit: billions of yen)

	As of March 31, 2024	As of June 30, 2024				
	AUM	AUM	Change from previous fiscal year-end in AUM	Sales	Repurchases	NAV fluctuation ⁴
Investment trusts	1,225.3	1,245.2	+1.6%	+53.6	(50.0)	+16.3
Direct ²	240.9	244.5	+1.5%	+7.6	(6.8)	+2.8
Partner ³	982.2	999.0	+1.7%	+45.6	(42.5)	+13.6
Privately-placed investment trusts	2.1	1.7	(18.2)%	+0.3	(0.6)	0.0
Investment advisory	143.5	139.2	(3.0)%	0.0	0.0	(4.2)
Company total	1,368.8	1,384.5	+1.1%	+53.6	(50.0)	+12.1

- Balance of assets under management for the Group's Investment Trust Business and Investment Advisory Business. The figures for the previous fiscal year are the financial figures for Rheos Capital Works.
- 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

See the "Notes on using this material" presented later in this material.

Total AUM and by Sales Channel

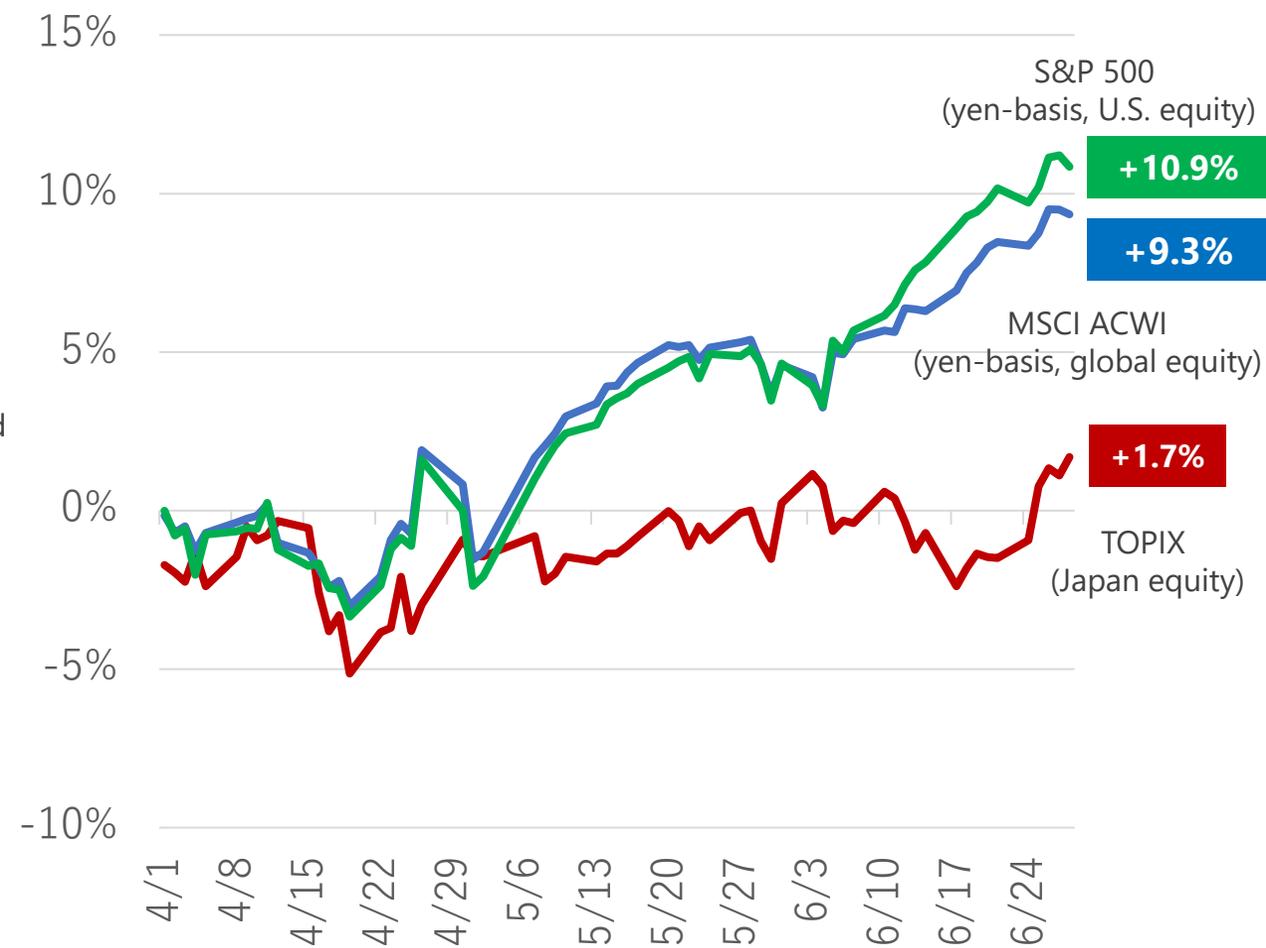
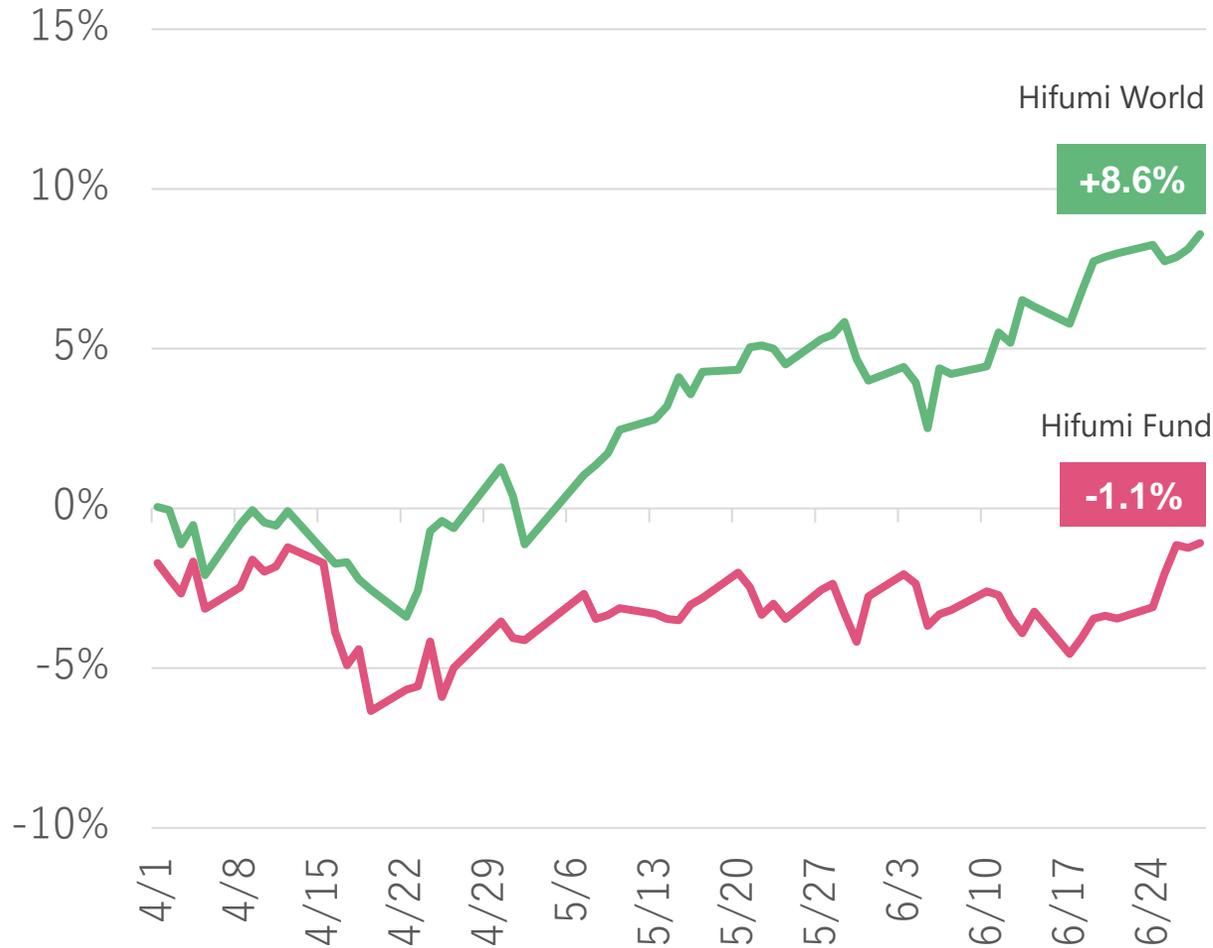


1. Balance of assets under management at the Group's Investment Trust Business and Investment Advisory Business. The figures for the previous fiscal year are the financial figures for Rheos Capital Works.
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Trends of Net Asset Value (April 1, 2024 to June 30, 2024)

Foreign stocks such as Hifumi World remains steady partly due to the impact of the depreciation of the yen against the U.S. dollar.



Direct Sales

Direct AUM
¥244.5 billion

Change from previous fiscal year-end **+1.5%**

Repurchases associated with selling on rally settled down, and there was a turnaround to net inflows because the amount invested through accumulated investment remained at a certain level, resulting in an increase in direct AUM.

Number of Open Accounts
63,257 accounts

Change from previous fiscal year-end **+840 accounts**

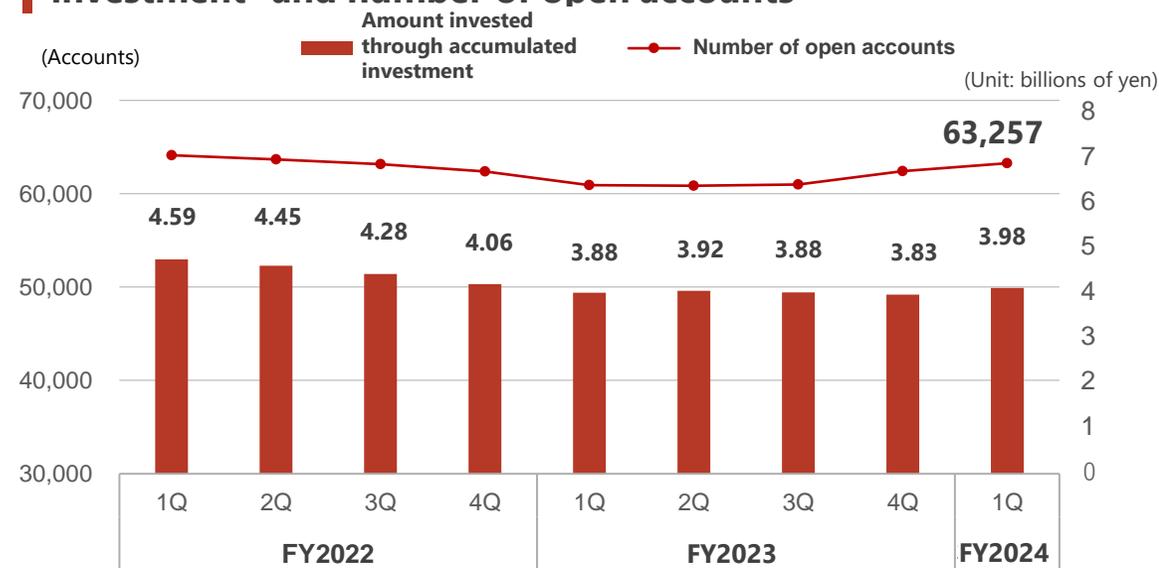
Engaging in both online and face-to-face interactions, we deepened relationships with many customers primarily through various seminars, and also focused on new customer acquisition utilizing affiliates, etc. As a result, the number of customers (number of open accounts) holding direct sales investment trusts of either Hifumi Fund, Hifumi World, or Hifumi Light increased from the previous fiscal year-end.

Direct AUM

(Unit: billions of yen)

	As of March 31, 2024	As of June 30, 2024				
	AUM	AUM	Change from previous fiscal year-end in AUM	Amount invested through accumulated investment ¹	Spot amount ²	NAV fluctuation
Hifumi Fund	182.3	180.7	(0.9)%	2.8	(2.4)	(1.9)
Hifumi World	55.8	61.1	+9.5%	1.0	(0.6)	4.8
Hifumi Light	2.7	2.6	(3.7)%	0.0	(0.1)	0.0
Direct Total	240.9	244.5	+1.5%	3.9	(3.2)	2.8

Trends of amount invested through accumulated investment³ and number of open accounts⁴



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.

See the “Notes on using this material” presented later in this material.

Partner Sales

Partner AUM
¥999.0 billion

Change from previous fiscal year-end **+1.7%**

Similar to direct sales, the repurchases related to selling during rallies stabilized, allowing us to secure a certain level of sales, including the newly launched Hifumi Microscope pro, which led to an increase in partner AUM.

Number of Sales Partners
283 companies
 A total of

Change from previous fiscal year-end **+3** companies

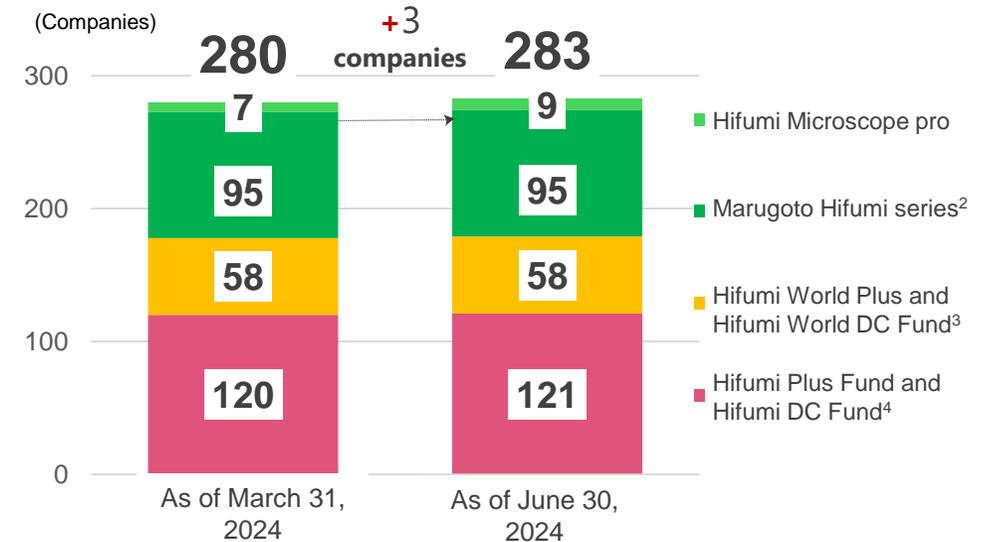
With the introduction of the new NISA system, we were able to increase the total number of sales partners. This includes expanding the number of companies handling the Hifumi Microscope pro and securing new partners for the Hifumi Plus Fund.

Partner AUM

(Unit: billions of yen)

	As of March 31, 2024	As of June 30, 2024				
	AUM	AUM	Change from previous fiscal year-end in AUM	Sales	Repurchases	NAV fluctuation
Hifumi Plus Fund	596.5	593.5	(0.5)%	22.4	(19.4)	(6.1)
Hifumi World Plus	231.5	248.9	+7.5%	10.3	(12.6)	19.7
Hifumi Microscope pro	9.3	14.7	+58.6%	6.0	(0.4)	(0.1)
Hifumi DC Fund	83.5	84.2	+0.7%	3.6	(2.2)	(0.8)
Hifumi World DC Fund	1.5	2.0	+33.2%	0.4	0.0	0.1
Marugoto Hifumi 15	6.1	5.9	(4.5)%	1.6	(1.8)	0.0
Marugoto Hifumi 50	21.2	18.5	(12.9)%	0.5	(3.4)	0.1
Marugoto Hifumi 100	32.2	31.1	(3.6)%	0.4	(2.3)	0.8
Partner total	982.2	999.0	+1.7%	45.6	(42.5)	13.6

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
 See the "Notes on using this material" presented later in this material.

Operating Expenses and General & Administrative Expenses

Investigation Expenses

¥198 million

Year-on-year change **+9.4%**

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

Personnel Expenses

¥412 million

Year-on-year change **+2.2%**

Impact of increased personnel because of continuous new hiring

Advertising Expenses

¥89 million

Year-on-year change **+89.2%**

In addition to the increase in some advertising to adapt to the market situation, the number of new customer acquisitions by affiliates increased

(Unit: millions of yen)

	FY2023	FY2024		Overview
	1Q	1Q	Year-on-year change	
Commissions expenses	1,013	1,119	+10.5%	Agency fees payable to sales partners in indirect sales
Investigation expenses	181	198	+9.4%	Usage fees for customer management systems, investment trust back office systems, market information services and other business systems
Other operating expenses	32	44	+36.2%	promotion expenses, print expenses, etc.
Operating expenses	1,227	1,362	+11.0%	
Personnel expenses	403	412	+2.2%	Remuneration for directors (and other officers), employees' salaries, etc.
Advertising expenses	47	89	+89.2%	WEB advertising expenses for new customer acquisition, affiliate expenses, and expenses for YouTube video traffic acquisition
Depreciation	105	89	(15.1)%	Amortization of expenses for YouTube video production capitalized in non-current asset, etc.
Rent expenses on real estate	51	51	(0.7)%	Rent for Head Office, rent for New York Office, etc.
Other general and administrative expenses	232	273	+17.9%	Legal welfare expenses, outsourcing expenses, fee expenses, etc.
General and administrative expenses	840	916	+9.1%	
Total of operating expenses and general and administrative expenses	2,067	2,278	+10.2%	

The figures for FY2023 1Q are the financial figures for Rheos Capital Works.
See the "Notes on using this material" presented later in this material.

Consolidated Balance Sheet

Shareholders' Equity
¥7,073 million
 Change from previous fiscal year-end **+2.6%**

Net asset amount per share
¥547.86

- Shareholders' equity was up 2.6% from the previous fiscal year-end, reflecting an increase from profit attributable to owners of parent and a decrease due to the fiscal year-end dividend.
- Equity ratio was 63.2%, and we aim to maintain a robust financial base.

Consolidated Balance Sheet

(Unit: millions of yen)

	As of March 31, 2024	As of June 30, 2024	Change from previous fiscal year-end
Assets	11,211	11,195	(0.1)%
Current assets	9,897	9,904	+0.1%
Cash and deposits	3,567	3,972	+11.4%
Segregated deposits for customers	1,800	1,800	+0.0%
Accrued investment trust management fees	4,133	3,632	(12.1)%
Operational investment securities	201	273	+35.8%
Non-current assets	1,313	1,290	(1.7)%

(Unit: millions of yen)

	As of March 31, 2024	As of June 30, 2024	Change from previous fiscal year-end
Liabilities	4,000	3,694	(7.6)%
Current liabilities	3,665	3,353	(8.5)%
Accrued expenses	1,710	1,561	(8.7)%
Deposits received	1,051	1,176	+11.9%
Non-current liabilities	335	341	+2.0%
Net assets	7,210	7,500	+4.0%
Shareholders' equity	6,897	7,073	+2.6%

The figures as of March 31, 2024 are the financial figures for Rheos Capital Works.

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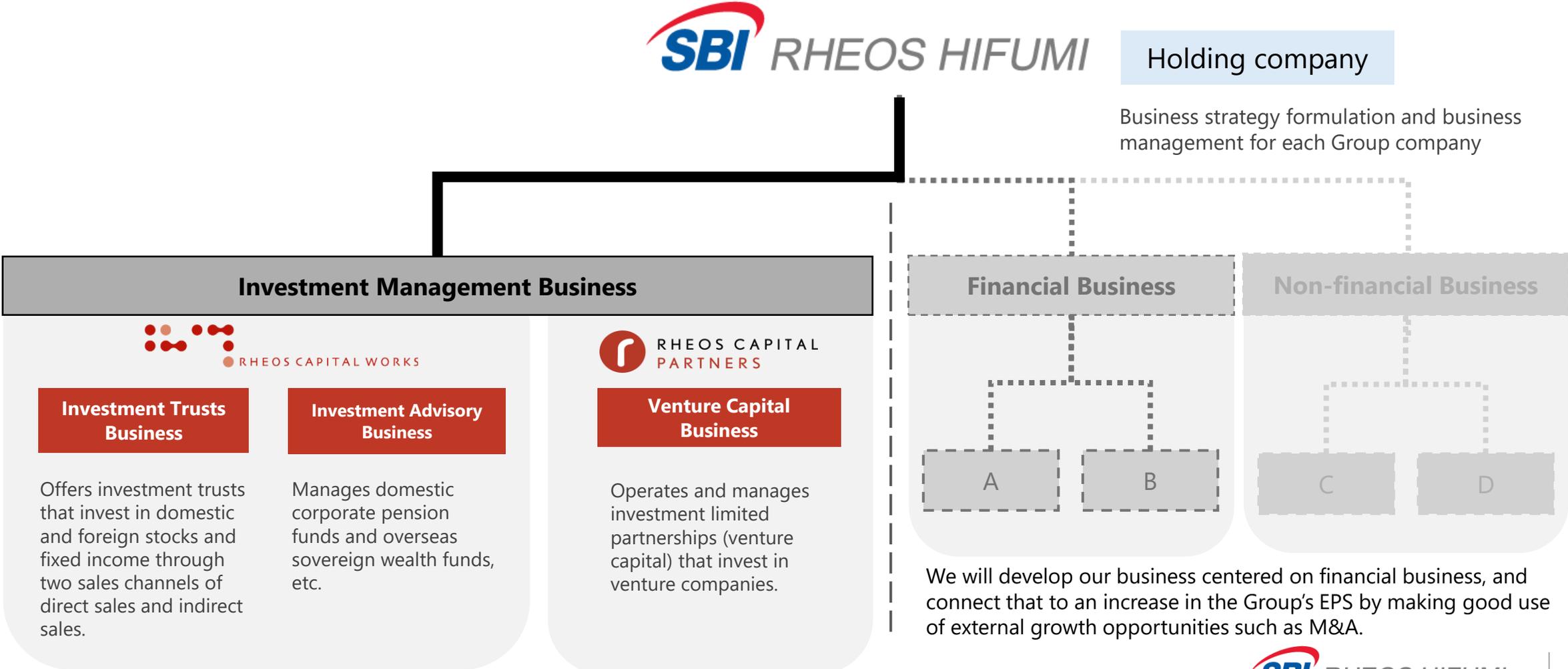
Release of an investment trust with coverage from private
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Appendix

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!”**



See the “Notes on using this material” presented later in this material.

“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.

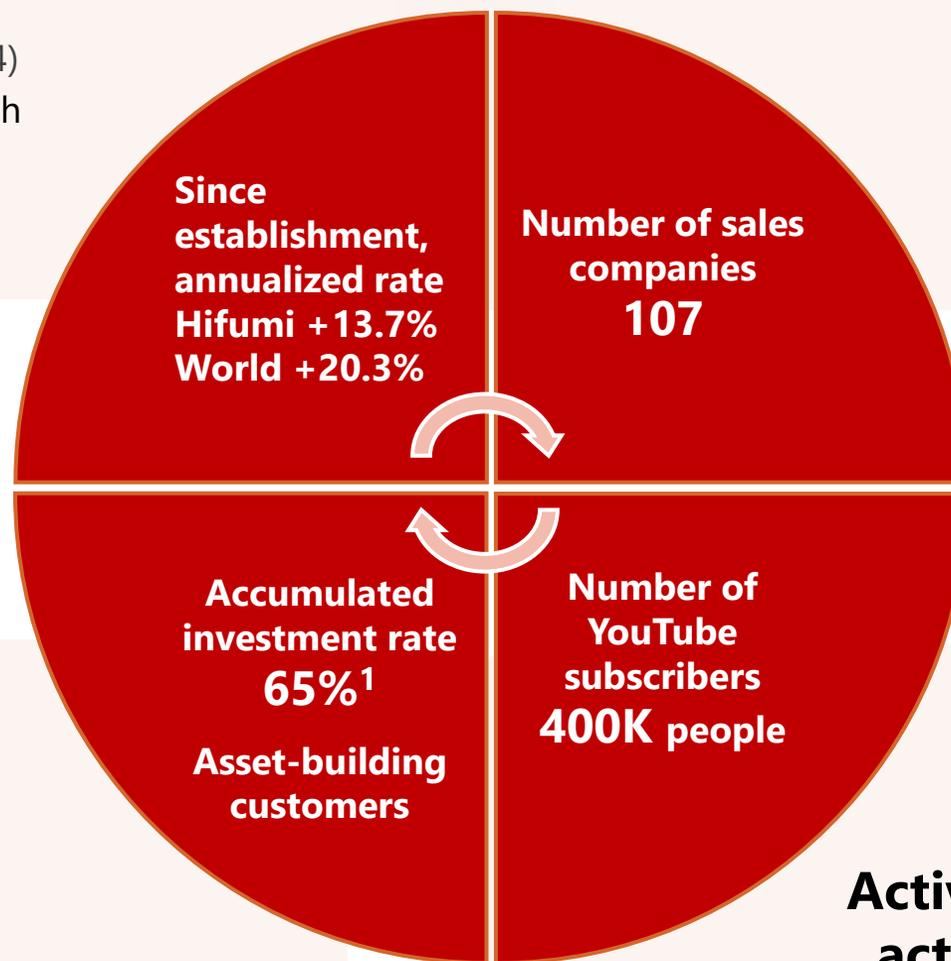
Investment Management Business: “Four Characteristics” of Rheos Capital Works

High management record

AUM ¥1,384.5 billion (As of June 30, 2024)
Awarded the R&I Fund Award for the sixth consecutive year

Two sales channels

AUM composition ratio for balance of investment trusts
Direct sales 15–20%
Indirect sales 80–85%



The majority of customers are aged in their 40s and below
Cancellation rate is below 1%

Asset-building customers and accumulated investment

“A Place to Learn about Money! (OKANE NO MANABIBA!),” boasting the largest number of subscribers in the financial industry

Active investment education activities

1. The accumulated investment rate of customers who have opened an account at Rheos Capital Works is shown.

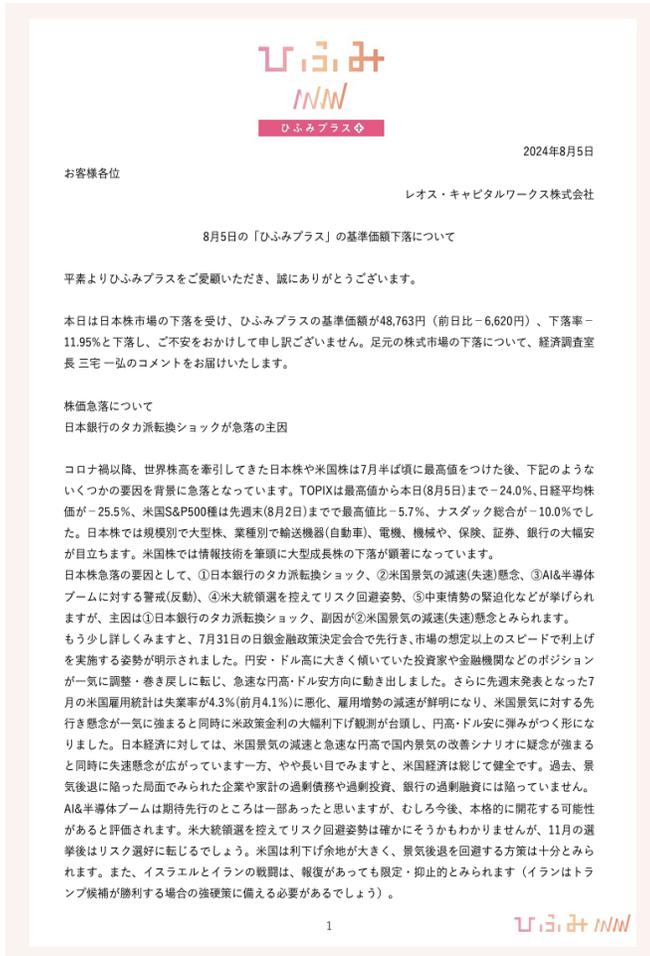
Customer Services in Times of Sudden Market Changes

■ Immediately disseminate messages and market comments from investment managers

- ✓ August 2 (Friday): Issued all fund reports
- ✓ August 5 (Monday): Issued fund reports (Hifumi, World, Micro)

■ Hold timely seminars and seminars for all sales companies

- ✓ August 6 (Tuesday): Timely seminar "Thorough explanation of the current situation: Stock market drop"
- ✓ August 13 (Tuesday): Study session for all sales companies ("Partners Meeting")



主要国の中で急落際立つ日本株：下落の主因は？

- ✓ **日銀のタカ派転換ショック**
 - ⇒ 先行き、想定以上のスピードでの利上げ不安
 - ⇒ 急速な円高・ドル安懸念
 - ⇒ 国内景気改善(経済の好循環シナリオ)の失速懸念
- ✓ **米国景気の減速(世界景気に暗雲)懸念**
 - AI & 半導体ブームに対する警戒(反動)
 - 米国大統領選挙の接戦と、トランプとハリスの政策相違
 - ⇒ 選挙日までリスク回避の？
 - 中東情勢の緊迫化(イランvsイスラエルの紛争拡大懸念)

過去2回の失敗



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Customer Trends in Times of Sudden Market Changes

- Spot purchases¹ increase from normal times when the Hifumi Fund drops more than 5%

Average number of accounts for purchase and repurchase²

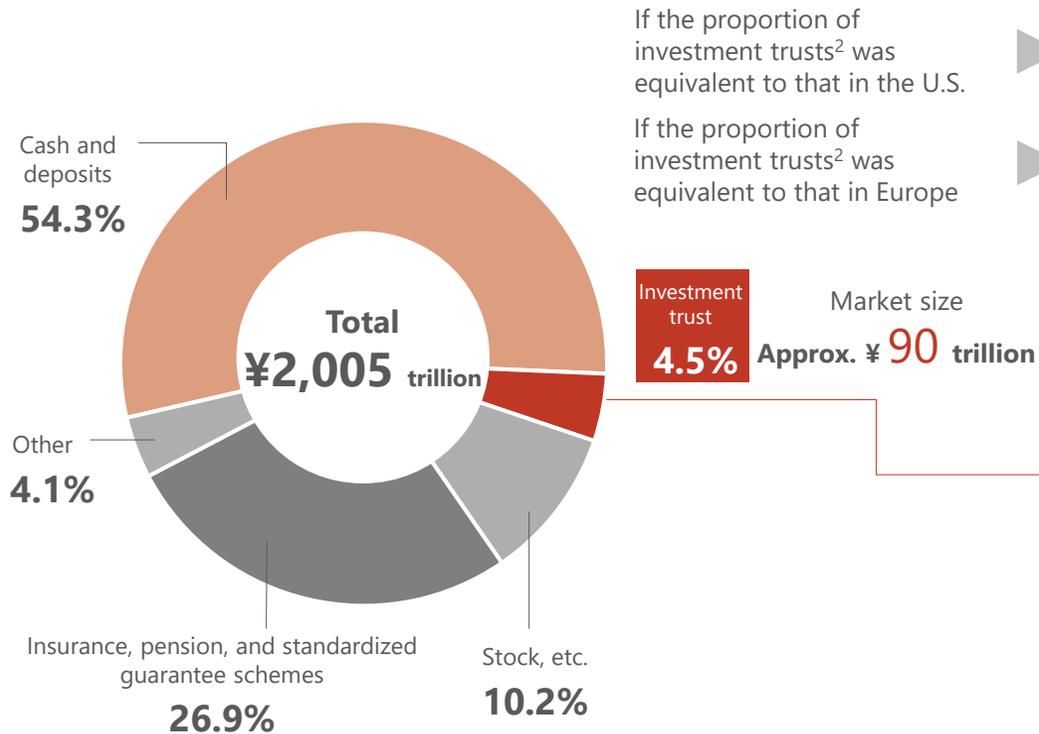


- The spot purchases of customers who have opened an account at Rheos Capital Works are shown.
- Total for spot purchase and repurchase accounts, taking the past application dates for direct sales customers as the base and based on the day-on-day rate of increase or decrease of the "Hifumi Fund." The totals are for the period from October 1, 2008 to August 2, 2024

See the "Notes on using this material" presented later in this material.

Upside Potential of the Investment Trust Market

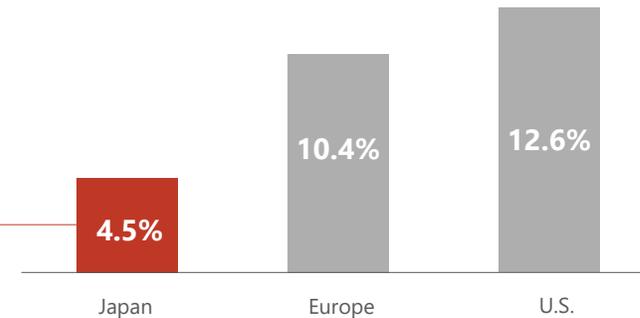
■ Breakdown of Household Financial Assets in Japan¹



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

Market size of investment trusts³

- ▶ **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 NISA¹

- The current Kishida administration, which advocates a “New Form of Capitalism,” announced the “Doubling Asset-based Income Plan”¹ 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 FY2023.²
- 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.

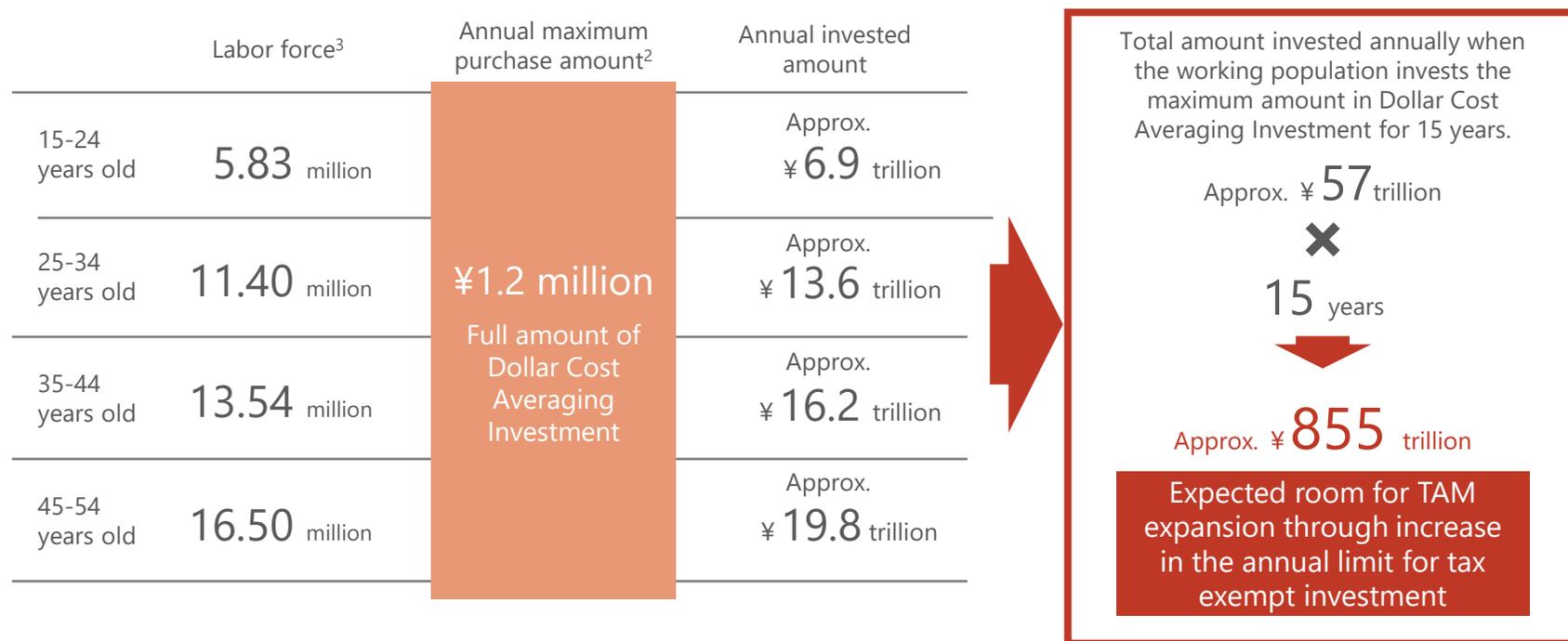
	Original NISA		New NISA	
	Tsumitate NISA	General NISA	Framework for Dollar Cost Averaging Investment	Framework for Long-term Investment
Investment period	Up to 20 years	Up to 5 years	Unlimited	
Tax-exempt holding period	20 years	5 years	Unlimited	
Choice of system	Cannot choose both		Can choose both	
Maximum investment amount	¥8 million	¥6 million	¥18 million	¥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

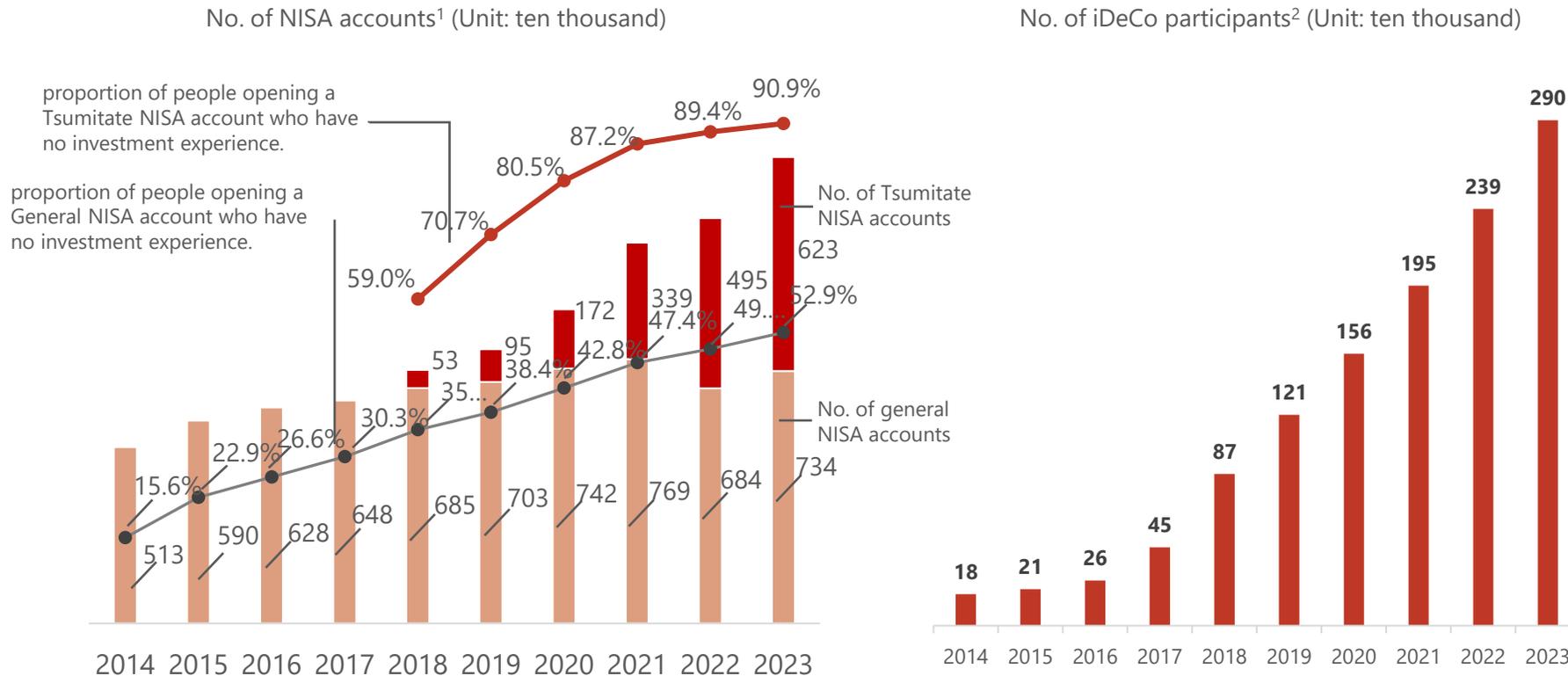
Expected room for TAM¹ expansion when the working generation makes accumulated investments of ¥1.2 million² per year (Framework for Dollar Cost Averaging Investment).



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.

Mid-Term Management Plan: Investment Management Business (Rheos Capital Works)

Improve performance:

- Expand the investment team and establish overseas research offices

Introduce new products and services:

- Aim for diversification of the investment destinations, customers and investment methods, with the introduction of "Hifumi Microscope pro" and "Hifumi Crossover pro" in 2024 and plans for the steady introduction of new products thereafter

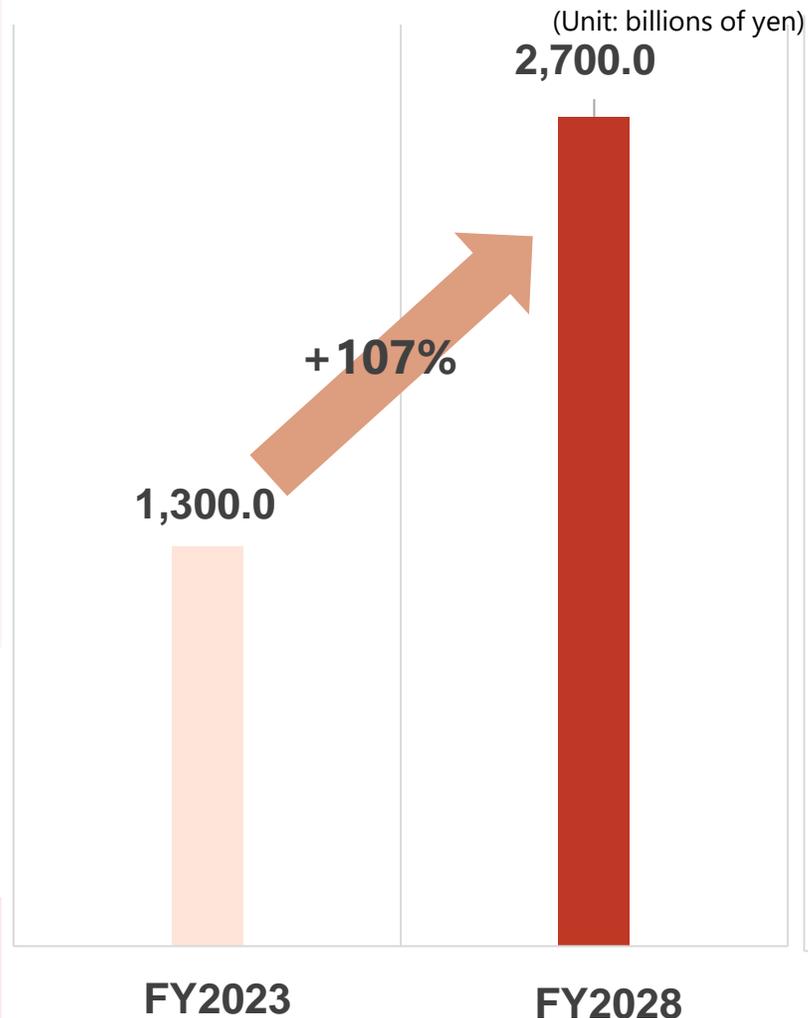
Acquire customers by making the Company better known:

- Continue investment education activities through the YouTube channel "A Place to Learn about Money! (OKANE NO MANABIBA!)" and aim for higher accumulated investment amounts
- Increase retention (=LTV) through various events for existing customers and expand customer base (=TAM) through seminars for beginning investors and product seminars
- Also plan to implement new advertising measures for this

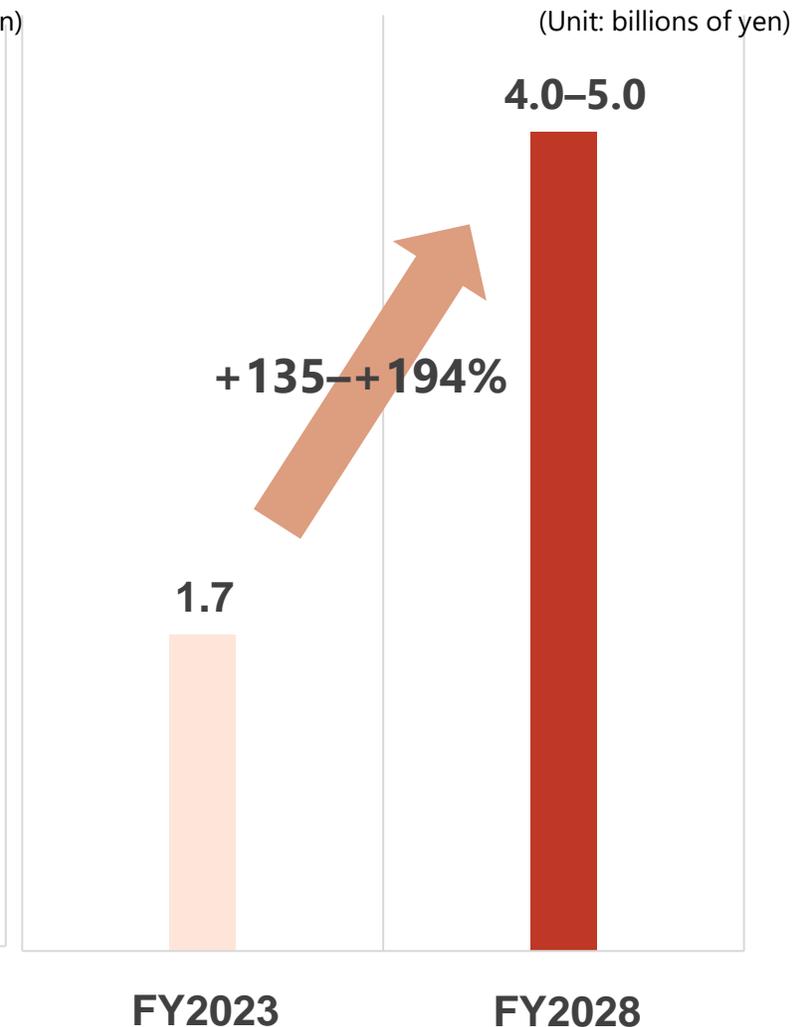


Aim to increase business performance and maintain an annual average growth rate for the balance of assets under management of 15% by strengthening the "Hifumi Series."

AUM



Operating profit



The figures for the previous fiscal year's actual results and the forecast for FY2028 are the figures for Rheos Capital Works

See the "Notes on using this material" presented later in this material.

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Appendix

ひふみ

hifumi

ひふみマイクロスコープ / pro

Started handling through direct channels from
June 28 (Friday)

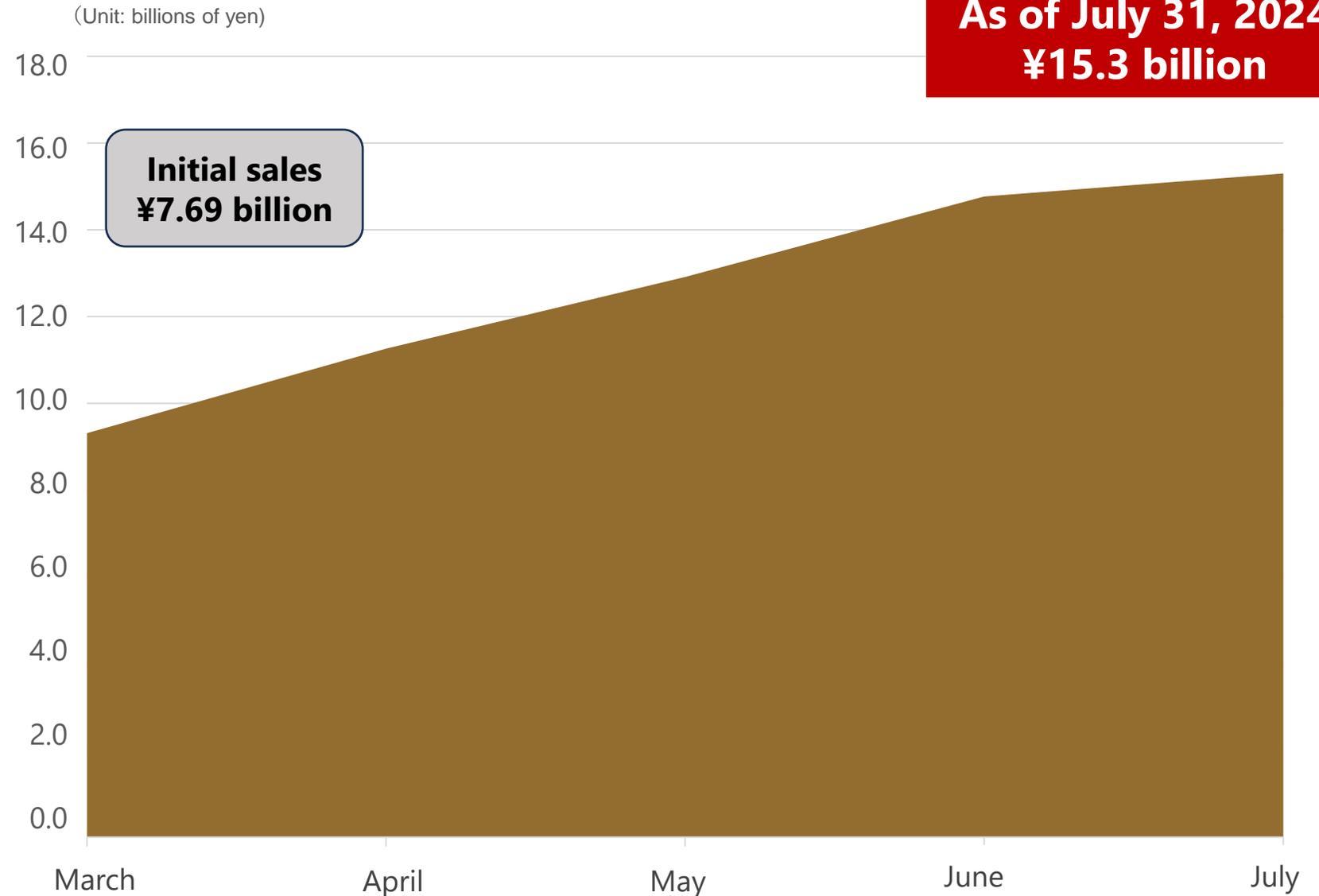
見えない
価値を見つける

Hifumi Micro Scope pro

AUM Trends (From Start of Operation Until July 31)

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

- 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 ¥10.0 billion on April 10. Started handling through direct channels from June 28 (Friday)



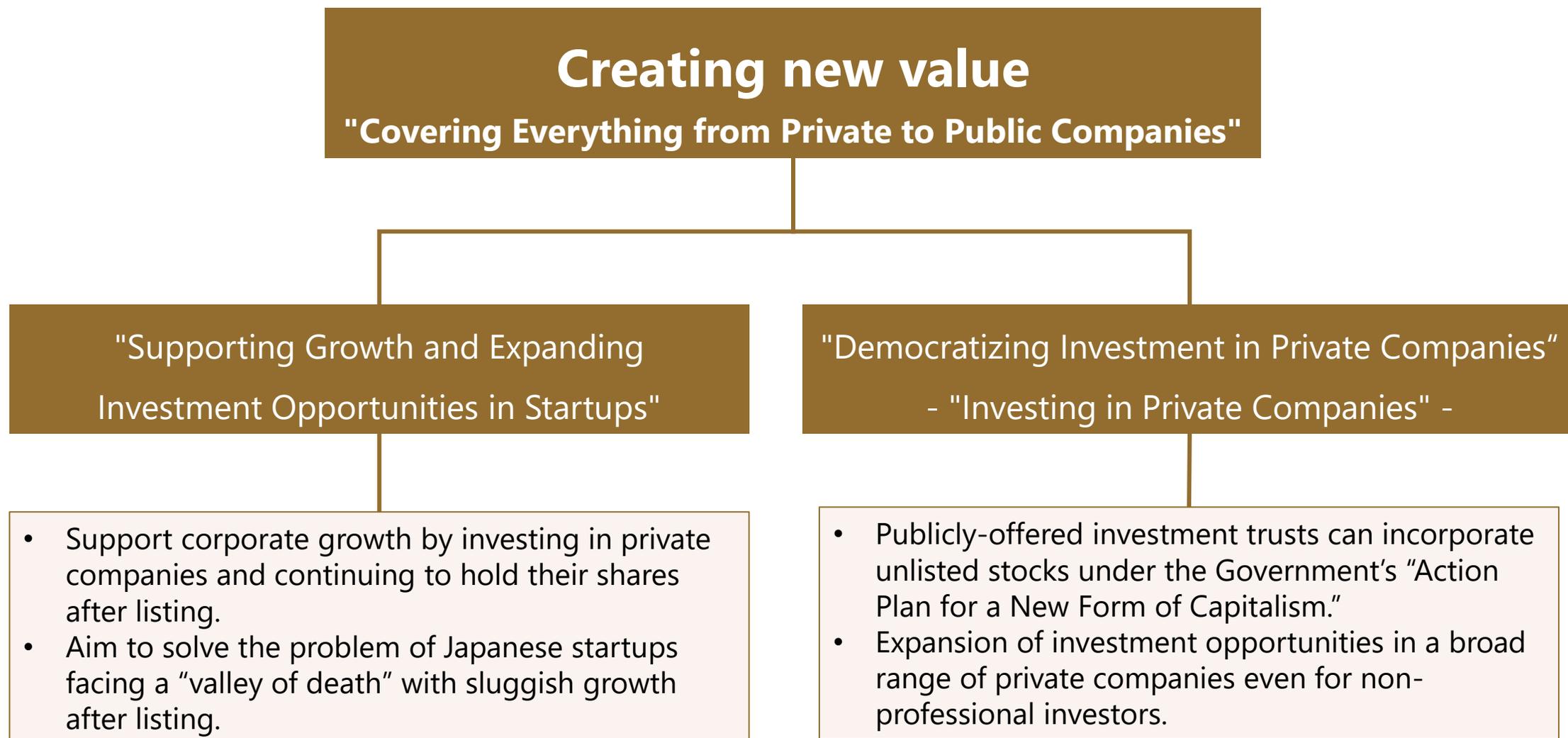
“An investment trust crossing the boundary between unlisted and public companies”

ひふみ
INW

ひふみクロスオーバー pro

追加型投信／内外／株式





Characteristics

1

"Focused on High-Growth Potential in Both Private and Public Companies"

Makes crossover investments that cross the boundary between unlisted and public companies.

Operates in the family fund format, investing in the "Hifumi Crossover Mother Fund," which effectively incorporates unlisted stocks, etc., and the "Hifumi Fund Mother Fund," which primarily invests in Japanese growth companies. Investment in unlisted stocks is through "Hifumi Startup Investment Limited Partnership" managed by the Company's affiliate Rheos Capital Partners.

Characteristics

2

"Identifying Growth Companies Through Fieldwork Insights"

Conducts careful investigation and analysis from both qualitative and quantitative perspectives and identifies companies that will grow because of their unique factors under any investment environment.

Characteristics

3

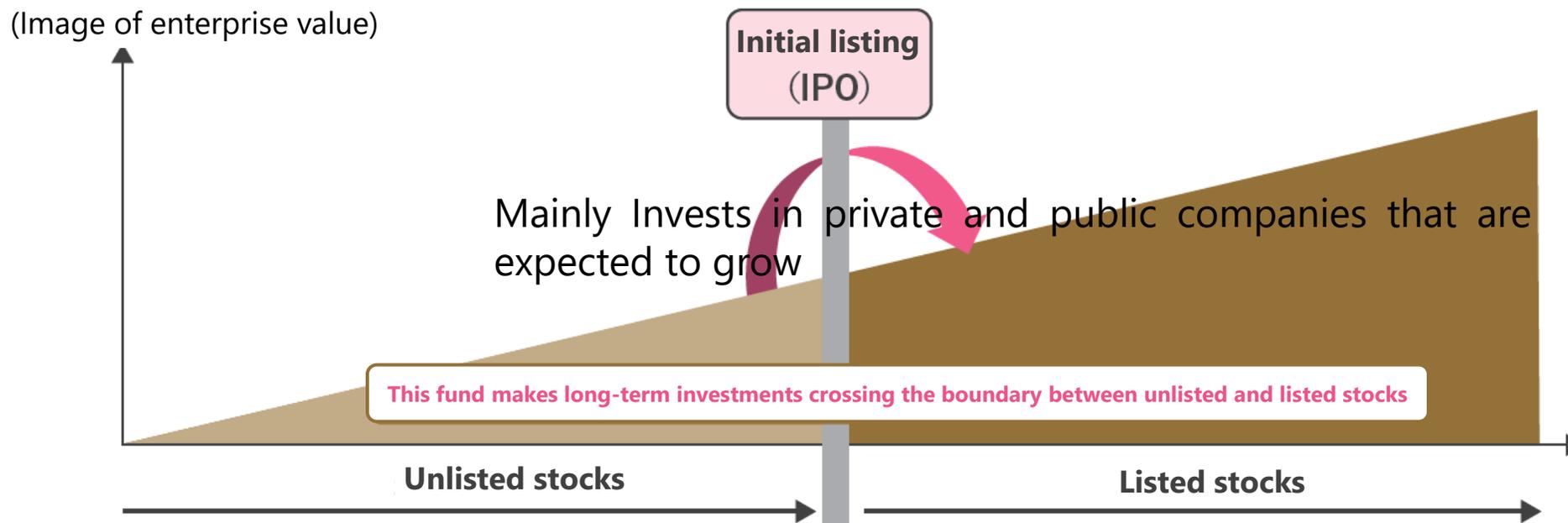
"providing Clear Explanations to Fund Investors by Portfolio Managers"

Aims to improve trust by adopting a face-to-face asset management by the fund manager and analysts.

Mainly Invests in private and public companies that are expected to grow

"Investing in Growth Companies from Private to Public"

"Hifumi Crossover pro invests in companies at various growth stages, from pre-IPO to post-IPO. By providing capital to growth companies before they go public, we enable investments that are typically challenging for individual investors."



1. Investors who invest funds in companies that have just started
2. Investment companies and investment funds that invest and acquire shares in new private companies (venture companies), selling the shares when such companies list their shares in future, with the aim of generating significant gains from increases in value.

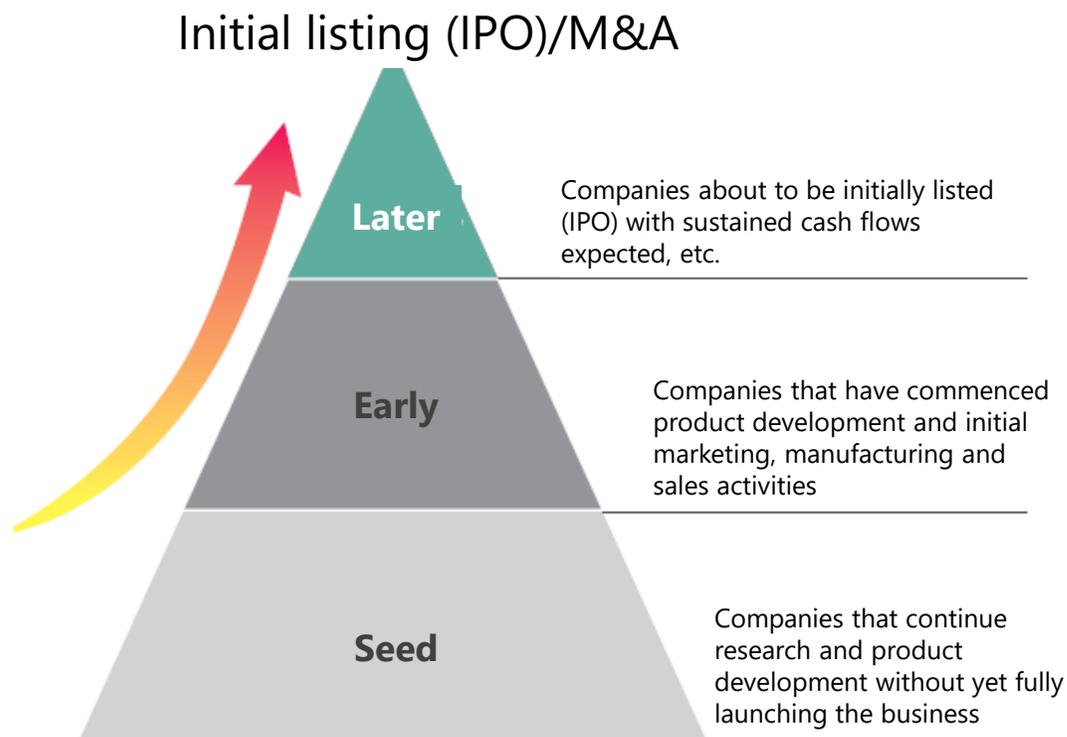
	Unlisted stocks	Listed stocks
Buying and selling	Buying and selling is very difficult because the stocks are not listed and cannot be traded on a securities exchange	Buying and selling is easy because stocks can be traded on a securities exchange
Investors	Angel investors ¹ and venture capital ²	Individual investors and institutional investors
Fund procurement	Fund procurement methods for companies are limited	Fund procurement methods for companies are diverse

See the "Notes on using this material" presented later in this material.

Unlisted Stocks With Large Hidden Growth Potential

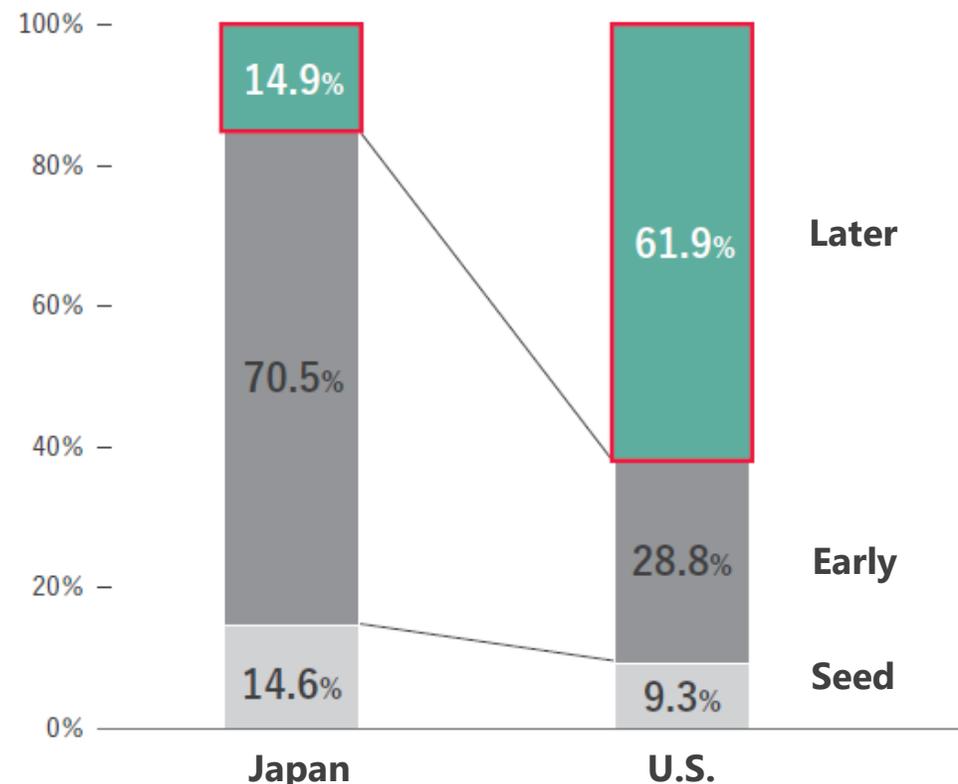
Later stage for private companies that are interesting investments

■ Growth stage for private companies



Note: The above is part of the explanation of the growth stage of private companies and does not encompass everything.

■ Japan and the U.S. venture capital investment destinations (by stage)



Source: Created by Rheos Capital Works based on information stated in the "VEC YEARBOOK 2023," Venture Enterprise Center, Japan.

Note: The later period for the U.S. (2022) is the total for the periods classified as "Later" and "Venture Growth" in the source.
The early period for Japan (FY2022) is the total for the periods classified as "Early" and "Expansion" in the source.

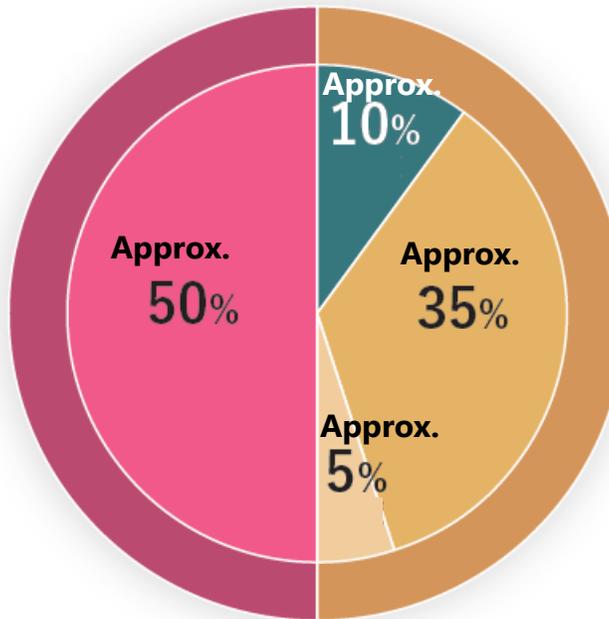
Hifumi Crossover pro Scheme

Mainly invests private and public companies that are expected to grow

Investing in private companies through Hifumi Startup Investment Limited Partnership* allows purchase and exchange on every business day as a fund (excluding fund holidays), even for unlisted stocks that are difficult to buy and sell and that take time to exchange.

*Investment limited partnerships: A framework used for venture capital, etc. for the purpose of investing in securities issued by private companies.

■ Diagram of Hifumi Crossover pro



■ Hifumi Fund Mother Fund

Invests and manages by adapting flexibly to stock market changes while incorporating companies showing growth with respective styles, not focused on the size or sector of the stock or near-term performance.

■ Hifumi Crossover Mother Fund

■ Hifumi Startup Investment Limited Partnership

Rheos Capital Partners mainly invests in unlisted stocks.

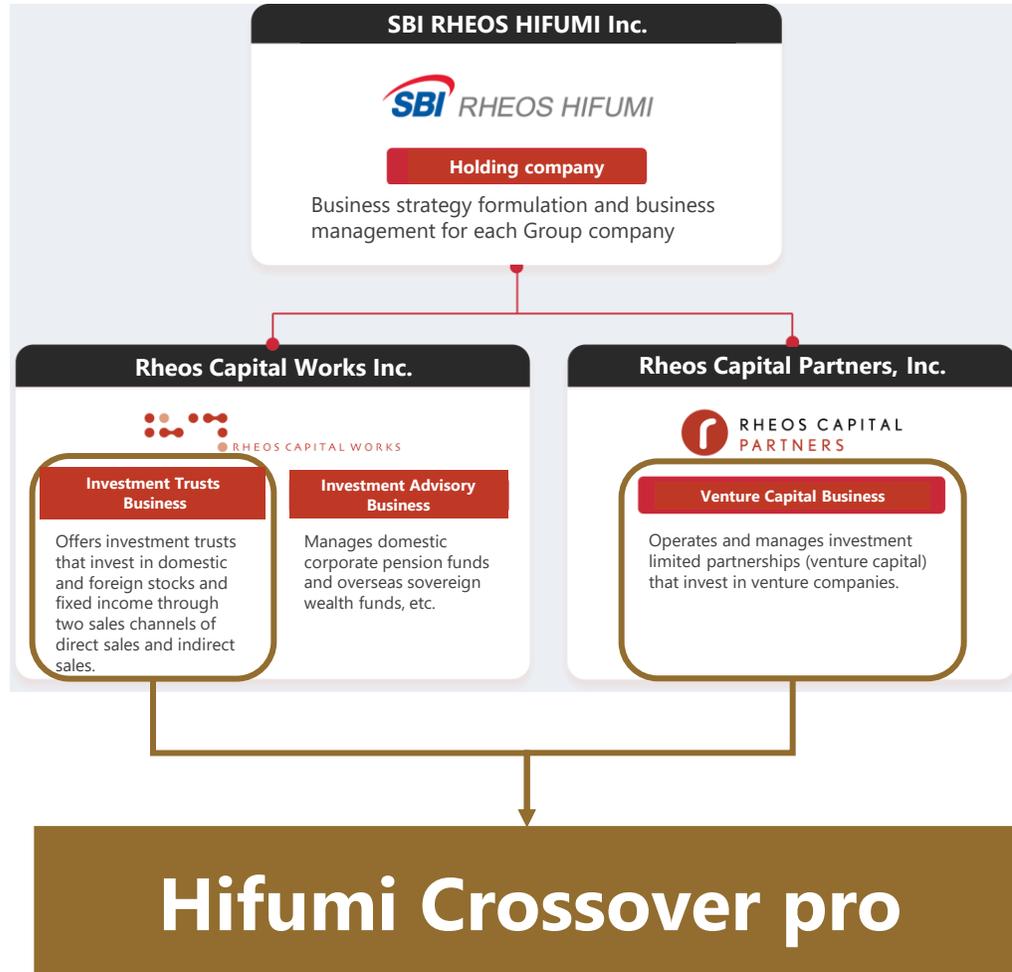
■ Crossover Investment

If an unlisted company in which Hifumi Startup Investment Limited Partnership has invested is listed, the investment continues by the Crossover Mother Fund.

■ Investment in other growth companies

Mainly investing in shares of companies within five years of their initial listing (IPO) when incorporated into the fund.

Formation of “Hifumi Crossover pro” with Total Group Effort



Company name: Rheos Capital Partners, Inc.

Foundation: April 16, 2021

Share capital: ¥0.1 billion

Rheos Capital Partners, Inc. is a team of experts working side-by-side with entrepreneurs and further promoting open innovation.

Investment team members



Hideto Fujino

Investment track-record exceeding 30 projects as an angel investor. Founded Rheos Capital Works in 2003 following a career at Nomura Investment Advisory (currently Nomura Asset Management), Jardine Fleming (currently JP Morgan Asset Management) and Goldman Sachs Asset Management. Abundant experience as a fund manager with a deep expertise in small and medium cap and emerging growth equity investments.



Tsutomu Awaji

Venture investment experience at TEL Venture Capital, Inc. (Strategic investment CVC of Tokyo Electron) and INCJ (former Innovation Network Corporation of Japan) Venture Growth Investment Group. Experience in consideration of projects and investment in fields including renewable energy, electricity storage, equipment, machining, devices and material chemistry.



Toso Toda

Venture investment experience at Global Venture Capital, MITSUI SUMITOMO INSURANCE Venture Capital and INCJ (former Innovation Network Corporation of Japan) Venture Growth Investment Group. Experience in consideration of projects and investment in broad-ranging fields including ICT, robots, manufacturing and biotechnology.



Application Requirements

Hold Crossover pro product briefings nationwide during the application period



Currently creating a TV commercial with the image of “Looking towards a fresh and bright future”!

Broadcast scheduled from August 26!
(Broadcast on TVer nationwide)

Name	Hifumi Crossover pro
Notification Date	2024/Aug/9
Offering Period	2024/Aug/26 – 2024/Sep/11
Continuous Offering Period	2024/Sep/12 -
Inception Date (Start Date of Operation)	Sep 12
Purchase Fee	Max 3.30% (excl. tax 3.00%) : Please check with each distributor.
Trust Fee	Annual Rate 1.650% (Pre-tax Annual Rate 1.500%) Management Company Annual Rate 0.825% (Pre-tax Annual Rate 0.750%) Distributor Annual Rate 0.770% (Pre-tax Annual Rate 0.700%) Trustee Annual Rate 0.055% (Pre-tax Annual Rate 0.050%)
Trust Asset Retention Amount	None



See the “Notes on using this material” presented later in this material.

"Our Vision"

Revenue Growth

Expand experience
of diverse asset
formation

Improve UI for direct
sales service

A Place to Learn about Money!
(OKANE NO MANABIBA!)
Full of content

"Sustained Growth of Our Corporate Value"

Financial education
business

Democratization of
investment in
unlisted stocks

M&A

"Expansion of Business Opportunities"

SBI RHEOS HIFUMI

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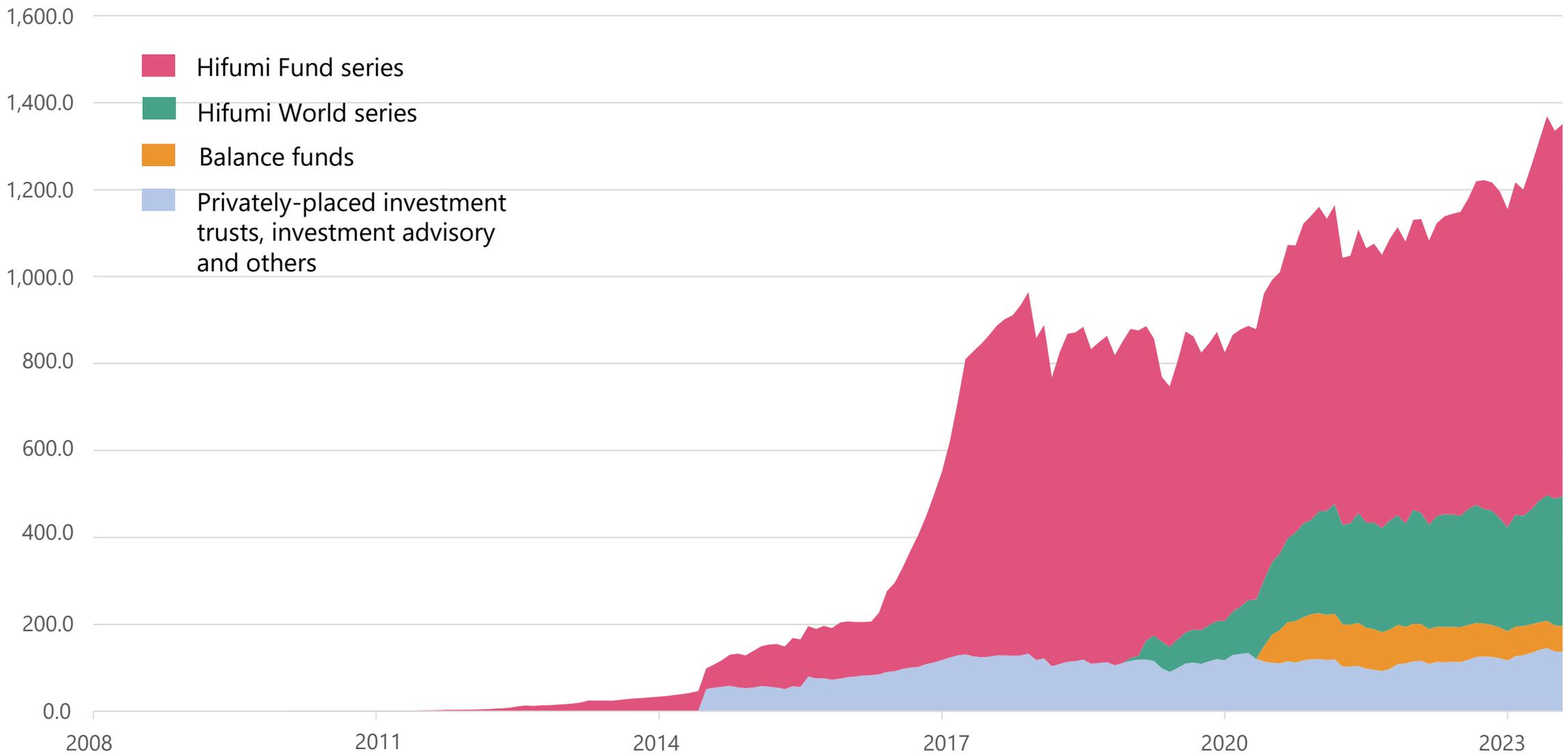
Release of an investment trust with coverage from private companies to public companies: "Hifumi Crossover pro"

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Appendix

Trends in the Total AUM by Rheos Capital Works (As of June 30, 2024)

(Unit: billions of yen)



See the "Notes on using this material" presented later in this material.

Quarterly Business Performance

(Unit: millions of yen)

Quarterly Business Performance	FY2022				FY2023				FY2024
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Investment trust management fees	2,322	2,396	2,403	2,354	2,487	2,548	2,500	2,630	2,802
Investment advisory fees	52	56	10	62	63	68	11	75	75
Gain (loss) on operational investment securities	-	-	-	-	-	(29)	-	(47)	(29)
Operating revenue	2,375	2,452	2,414	2,417	2,551	2,587	2,511	2,659	2,848
Operating revenue (net)	1,437	1,482	1,438	1,457	1,538	1,557	1,503	1,606	1,728
Selling, general and administrative expenses (excluding agency fees)	1,035	1,068	1,073	1,027	1,054	1,043	1,134	1,193	1,159
Operating profit	402	414	364	429	483	514	369	412	569
Ordinary profit	412	419	364	430	482	520	372	421	575
profit	262	265	230	306	327	346	251	301	389
profit attributable to owners of parent	264	274	235	312	332	377	256	347	419

(Unit: billions of yen)

AUM	FY2022				FY2023				FY2024
	1Q-end	2Q-end	3Q-end	4Q-end	1Q-end	2Q-end	3Q-end	4Q-end	1Q-end
Investment trusts	962.3	965.2	975.1	1,031.5	1,095.7	1,075.6	1,072.8	1,225.3	1,245.2
Direct	176.6	176.6	179.0	188.5	205.9	206.0	208.6	240.9	244.5
Partner	781.0	783.6	794.4	841.4	888.1	867.8	862.4	982.2	999.0
Privately-placed investment trusts	4.6	4.8	1.6	1.5	1.7	1.6	1.7	2.1	1.7
Investment advisory	87.7	105.0	107.3	112.7	123.4	120.7	127.4	143.5	139.2
Company total	1,050.1	1,070.2	1,082.4	1,144.3	1,219.2	1,196.3	1,200.2	1,368.8	1,384.5

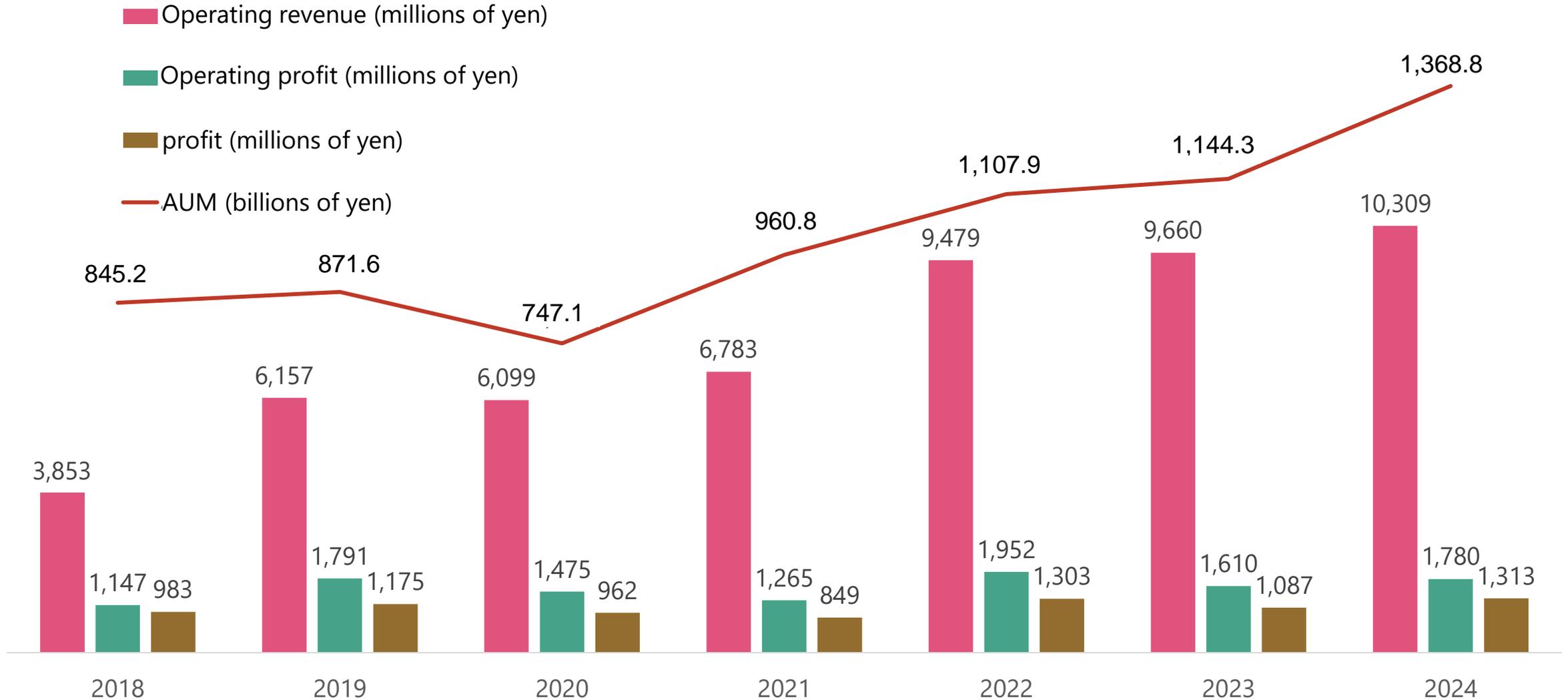
The figures for the periods prior to FY2024 are the financial figures for Rheos Capital Works.

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.

See the "Notes on using this material" presented later in this material.

Business Performance



On April 1, 2024, 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. All the figures for periods prior to the current fiscal year are the financial figures for Rheos Capital Works.

See the "Notes on using this material" presented later in this material.

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