

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 2023

Company name: Rheos Capital Works Inc.
 Stock exchange listing: Tokyo
 Stock code: 7330 URL <https://www.rheos.jp/english/>
 Representative: Representative Director, Chairman, President & CEO, Chief Investment Officer Hideto Fujino
 Inquiries: Managing Director & CAO Jiro Iwata TEL 03(6311)6799
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	2,551	–	483	–	482	–	332	–
Three months ended June 30, 2022	–	–	–	–	–	–	–	–

Note: Comprehensive income Three months ended June 30, 2023 ¥327 million [–%]
 Three months ended June 30, 2022 ¥– million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	27.04		25.94	
Three months ended June 30, 2022	–		–	

Notes: 1. Figures for the three months ended June 30, 2022 and the percentages indicating year-on-year changes for the three months ended June 30, 2023 are not presented because the Company did not prepare quarterly consolidated financial statements for the three months ended June 30, 2022.

2. The Company's shares were listed on the Growth Market of the Tokyo Stock Exchange on April 25, 2023. For the diluted earnings per share for the three months ended June 30, 2023, the figure is calculated using the average share price from the date the shares were newly listed to June 30, 2023 as the average share price for the period.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2023	9,419		6,518		65.1	
As of March 31, 2023	8,704		6,094		65.5	

Reference: Equity As of June 30, 2023 ¥6,130 million
 As of March 31, 2023 ¥5,700 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	27.50	27.50
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		14.00	–	–	–

Note: Revisions to the cash dividend forecasts most recently announced: Yes

Note: The Company has not determined the dividend forecast for the dividends for the fiscal year ending March 31, 2024 because the forecast of financial results has not been disclosed.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

The consolidated financial results forecast has not been presented as it is difficult to announce the detailed financial results forecast due to the balance of assets under management, which is the source of the Group's revenue, being significantly impacted by the stock markets of not only Japan, but also the rest of the world as well as the existence of various uncertainties in the forecast resulting from economic conditions, the market environment, etc.

For the past figures regarding the balance of assets under management in the investment trust business and investment advisory business, please refer to the preliminary figures for the end of the previous month disclosed separately around the tenth business day at the beginning of every month.

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- | | |
|------------------------------------------------------------------------------------------------|----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | No |
| Changes in accounting policies due to other reasons: | No |
| Changes in accounting estimates: | No |
| Restatement of prior period financial statements: | No |

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	12,374,300 shares	As of March 31, 2023	12,016,600 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	– shares	As of March 31, 2023	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	12,283,892 shares	Three months ended June 30, 2022	– shares
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Note: Average number of shares during the period for the three months ended June 30, 2022 is not presented because the Company did not prepare quarterly consolidated financial statements for the three months ended June 30, 2022.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance and other results may differ substantially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	2,103,583	2,947,700
Deposits held in trust	1,500,000	1,800,000
Operational investment securities	218,722	229,722
Supplies	8,671	7,216
Prepaid expenses	88,024	109,369
Accrued investment trust management fees	3,725,272	3,232,439
Accounts receivable-advisory fee	52,165	68,490
Other	41,255	5,365
Total current assets	7,737,696	8,400,305
Non-current assets		
Property, plant and equipment	238,236	348,961
Intangible assets	381,765	372,048
Investments and other assets	347,092	297,772
Total non-current assets	967,094	1,018,782
Total assets	8,704,790	9,419,087
Liabilities		
Current liabilities		
Deposits received	225,727	760,950
Accounts payable	119,080	186,158
Accrued expenses	1,561,345	1,430,410
Income taxes payable	155,966	117,264
Accrued consumption taxes	100,867	92,885
Provision for bonuses	199,333	93,832
Provision for bonuses for directors (and other officers)	11,566	–
Other	58,863	35,328
Total current liabilities	2,432,750	2,716,831
Non-current liabilities		
Retirement benefit liability	92,009	97,576
Asset retirement obligations	85,886	85,991
Total non-current liabilities	177,895	183,567
Total liabilities	2,610,645	2,900,398
Net assets		
Shareholders' equity		
Share capital	100,000	313,904
Capital surplus	407,370	621,275
Retained earnings	5,193,158	5,194,919
Total shareholders' equity	5,700,529	6,130,099
Non-controlling interests	393,614	388,589
Total net assets	6,094,144	6,518,689
Total liabilities and net assets	8,704,790	9,419,087

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Three months ended June 30, 2023
Operating revenue	
Investment trust management fees	2,487,709
Investment advisory fee	63,898
Total operating revenue	<u>2,551,607</u>
Operating expenses	1,227,575
General and administrative expenses	<u>840,161</u>
Operating profit	<u>483,871</u>
Non-operating income	
Interest income	1
Foreign exchange gains	4,584
A lecture and a manuscript fee income	672
Advertisement fee	739
Other	33
Total non-operating income	<u>6,031</u>
Non-operating expenses	
Listing expenses	6,872
Other	291
Total non-operating expenses	<u>7,163</u>
Ordinary profit	<u>482,738</u>
Profit before income taxes	<u>482,738</u>
Income taxes - current	105,677
Income taxes - deferred	49,869
Total income taxes	<u>155,546</u>
Profit	<u>327,191</u>
Loss attributable to non-controlling interests	<u>(5,025)</u>
Profit attributable to owners of parent	<u>332,217</u>

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023
Profit	327,191
Comprehensive income	327,191
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	332,217
Comprehensive income attributable to non-controlling interests	(5,025)