

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 7, 2024

Company name: SBI RHEOS HIFUMI Inc.
 Stock exchange listing: Tokyo
 Stock code: 165A URL <https://www.sbirheoshifumi.rheos.jp/english/>
 Representative: Representative Director, Chairman, President, Hideto Fujino
 Group CEO
 Inquiries: Managing Director, Group CAO Jiro Iwata TEL 03(6311)6799
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	2,848	–	569	–	575	–	419	–
Three months ended June 30, 2023	–	–	–	–	–	–	–	–

Note: Comprehensive income Three months ended June 30, 2024 ¥387 million [–%]
 Three months ended June 30, 2023 ¥– million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	32.47	–
Three months ended June 30, 2023	–	–

Notes: 1. As the Company was established on April 1, 2024 through a sole share transfer, there are no financial results for the corresponding quarterly period of the previous fiscal year.

2. Diluted earnings per share for the three months ended June 30, 2024 have not been disclosed because there are no potential shares with dilutive effects.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	11,195	7,500	63.2
As of March 31, 2024	–	–	–

Reference: Equity As of June 30, 2024 ¥7,074 million
 As of March 31, 2024 ¥– million

Note: As the Company was established on April 1, 2024 through a sole share transfer, there are no financial results for the previous fiscal year.

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, 2024	–	–	–	–	–
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	–	–

Notes: 1. Revisions to the cash dividend forecasts most recently announced: No

2. The dividend forecast for the dividends of the Company for the fiscal year ending March 31, 2025 is undetermined because the forecast of financial results has not been disclosed.

3. As the Company was established on April 1, 2024 through a sole share transfer, there are no financial results for the previous fiscal year.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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, 2024	12,912,800 shares	As of March 31, 2024	– shares
---------------------	-------------------	----------------------	----------

Number of treasury shares at the end of the period

As of June 30, 2024	– shares	As of March 31, 2024	– shares
---------------------	----------	----------------------	----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	12,912,800 shares	Three months ended June 30, 2023	– shares
----------------------------------	-------------------	----------------------------------	----------

Note: As the Company was established on April 1, 2024 through a sole share transfer, there are no financial results for the previous fiscal year and the corresponding quarterly period of the previous fiscal year.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* 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 Group and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Group. Actual performance and other results may differ substantially due to various factors.

(Regarding financial results for the previous fiscal year and the corresponding quarterly period of the previous fiscal year)

As the Company was established on April 1, 2024 through a sole share transfer from Rheos Capital Works Inc., the fiscal year ending March 31, 2025 is the first fiscal year and, accordingly, there are no financial results of the previous fiscal year or the corresponding quarterly period of the previous fiscal year.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of June 30, 2024

Assets	
Current assets	
Cash and deposits	3,972,292
Deposits held in trust	1,800,000
Operational investment securities	273,241
Supplies	8,042
Prepaid expenses	131,398
Accrued investment trust management fees	3,632,809
Accounts receivable-advisory fee	78,970
Other	7,922
Total current assets	9,904,677
Non-current assets	
Property, plant and equipment	618,609
Intangible assets	357,362
Investments and other assets	314,695
Total non-current assets	1,290,667
Total assets	11,195,345
Liabilities	
Current liabilities	
Deposits received	1,176,431
Accounts payable	188,724
Accrued expenses	1,561,005
Income taxes payable	160,270
Accrued consumption taxes	112,302
Provision for bonuses	96,346
Other	58,072
Total current liabilities	3,353,154
Non-current liabilities	
Deferred tax liabilities	1,831
Retirement benefit liability	122,205
Asset retirement obligations	217,681
Total non-current liabilities	341,718
Total liabilities	3,694,872
Net assets	
Shareholders' equity	
Share capital	322,757
Capital surplus	623,272
Retained earnings	6,127,616
Total shareholders' equity	7,073,646
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	740
Total accumulated other comprehensive income	740
Non-controlling interests	426,085
Total net assets	7,500,472
Total liabilities and net assets	11,195,345

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, 2024
Operating revenue	
Investment trust management fees	2,802,865
Investment advisory fee	75,327
Gains and losses related to operating investment securities	(29,999)
Total operating revenue	<u>2,848,193</u>
Operating expenses	1,362,444
General and administrative expenses	<u>916,251</u>
Operating profit	<u>569,497</u>
Non-operating income	
Interest income	0
Foreign exchange gains	4,322
A lecture and a manuscript fee income	446
Advertisement fee	777
Other	452
Total non-operating income	<u>5,999</u>
Non-operating expenses	
Other	<u>30</u>
Total non-operating expenses	<u>30</u>
Ordinary profit	<u>575,467</u>
Profit before income taxes	<u>575,467</u>
Income taxes - current	145,506
Income taxes - deferred	40,849
Total income taxes	<u>186,355</u>
Profit	<u>389,111</u>
Loss attributable to non-controlling interests	<u>(30,123)</u>
Profit attributable to owners of parent	<u>419,234</u>

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2024
Profit	389,111
Other comprehensive income	
Valuation difference on available-for-sale securities	(2,051)
Total other comprehensive income	(2,051)
Comprehensive income	387,059
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	418,923
Comprehensive income attributable to non-controlling interests	(31,863)