

Morningstar Japan K.K

Second Quarter Financial Results

Second Quarter Ended September 30, 2020
(Fiscal Year Ending March 31, 2021)



October 23, 2020
Morningstar Japan K.K
Representative Director &
President
Tomoya Asakura

Part 1

Summary of Consolidated Financial Results

Summary of Consolidated Interim Financial Results

Revenue: 9 consecutive growth, recorded all-time high for 4 Interim result in a row

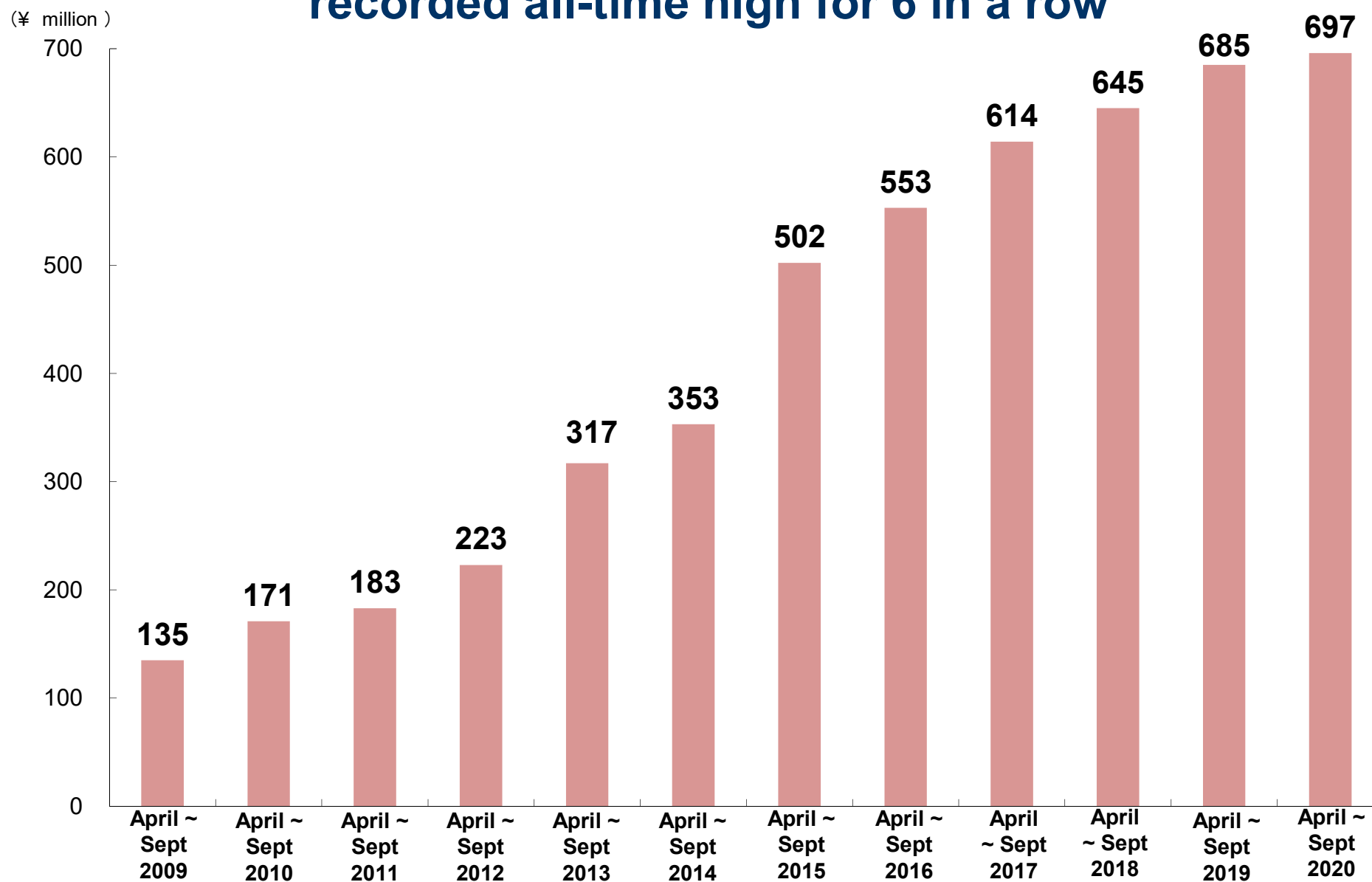
(¥Thousand)

	FY 2020 Apr.–September.2019	FY 2021 Apr.–September.2020	Increase △Decrease (%)
Sales	3,333,100	3,615,730	8.5
Operating profit	865,790	872,352	0.8
Ordinary profit	1,013,349	1,069,661	5.6
Net profit	685,072	696,751	1.7

※ Net Profit refers to Net Profit attributable to owners of the parent.

Changes in consolidated net profit

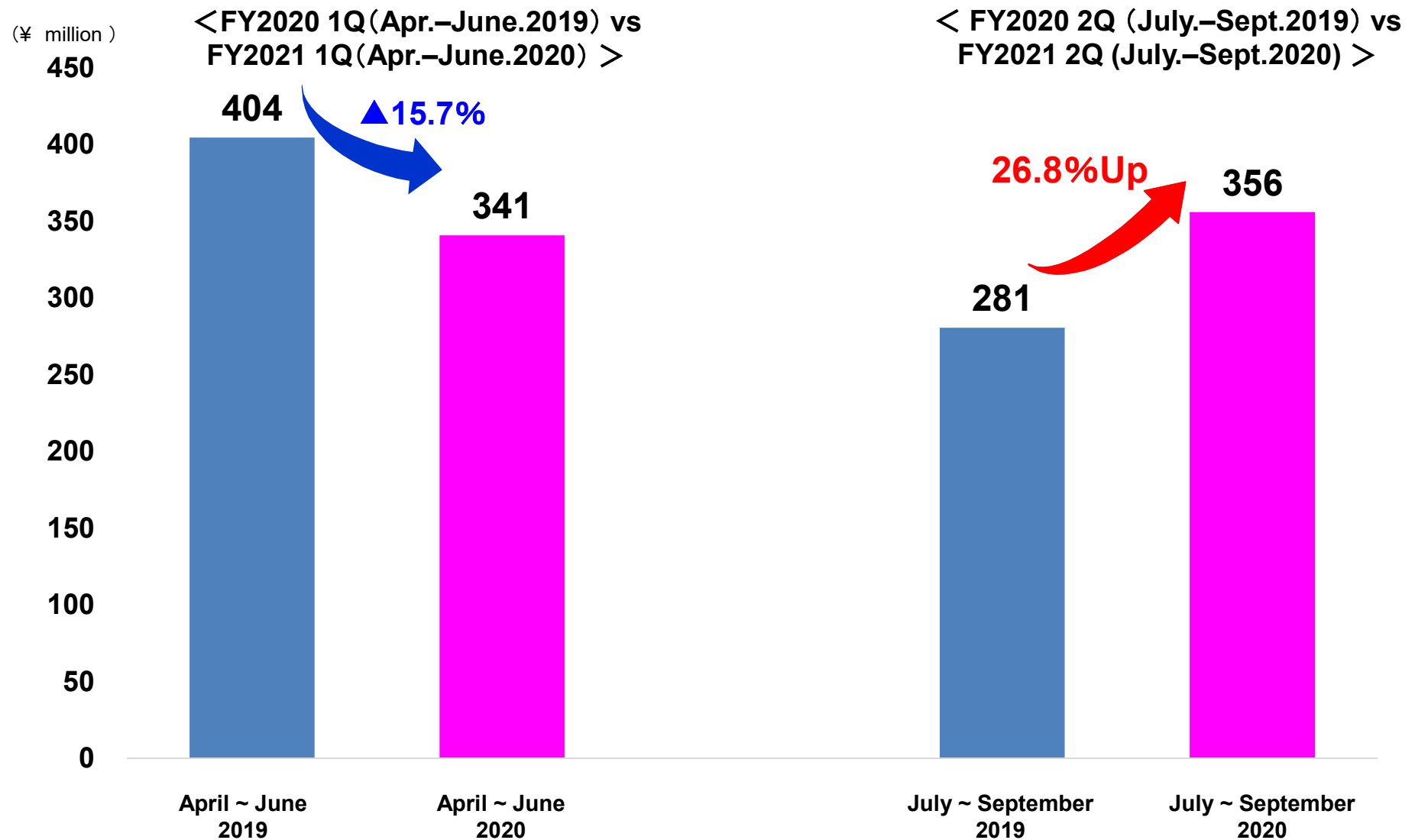
Net profit: 11 consecutive growth,
recorded all-time high for 6 in a row



※ Net profit refers to Net profit attributable to owners of the parent.

Consolidated net profit increased by double digits in the second quarter (three months)

Consolidated net profit increased 26.8% in the 2Q(three months) from a 15.7% decline in the 1Q(three months).



Change in sales by major services / product

(¥ Thousand)

Segment	Service / Product	FY 2020 Apr.–September. 2019	FY 2021 Apr.–September. 2020	Increase Decrease (%)
Financial Service Business (Data Solution)	Fund data			
	(Data for tablet devices)	227,384	244,802	7.7%
	(Data for Smartphones, PC)	345,501	375,304	8.6%
	(Asset management tools including Robo Advisor)	50,340	15,700	-68.8%
	Total	623,225	635,805	2.0%
	Fund Report	106,388	105,310	-1.0%
	Stock Newspaper subscription fee			
(Newspaper)	93,501	83,552	-10.6%	
(Web)	18,327	23,083	26.0%	
Total	111,828	106,635	-4.6%	
Financial Service Business (Media Solution)	Media Solutions			
	(Seminar)	200,143	146,791	-26.7%
	(Web Advertising)	169,171	35,518	-79.0%
Total	369,314	182,309	-50.6%	
	Web consulting (Gomez Consulting Business)	159,719	151,875	-4.9%
Assets Management (Investment trust fee)	SBI Asset Management	1,273,345	1,066,030	-16.3%
	Carret Asset Management	529,938	552,911	4.3%
	SBI Bond Investment Management	—	450,472	—
	SBI Regional Revitalization Asset Management	—	241,263	—
	Total	1,803,284	2,310,677	28.1%

Part 2

Overview of the Financial Services Business

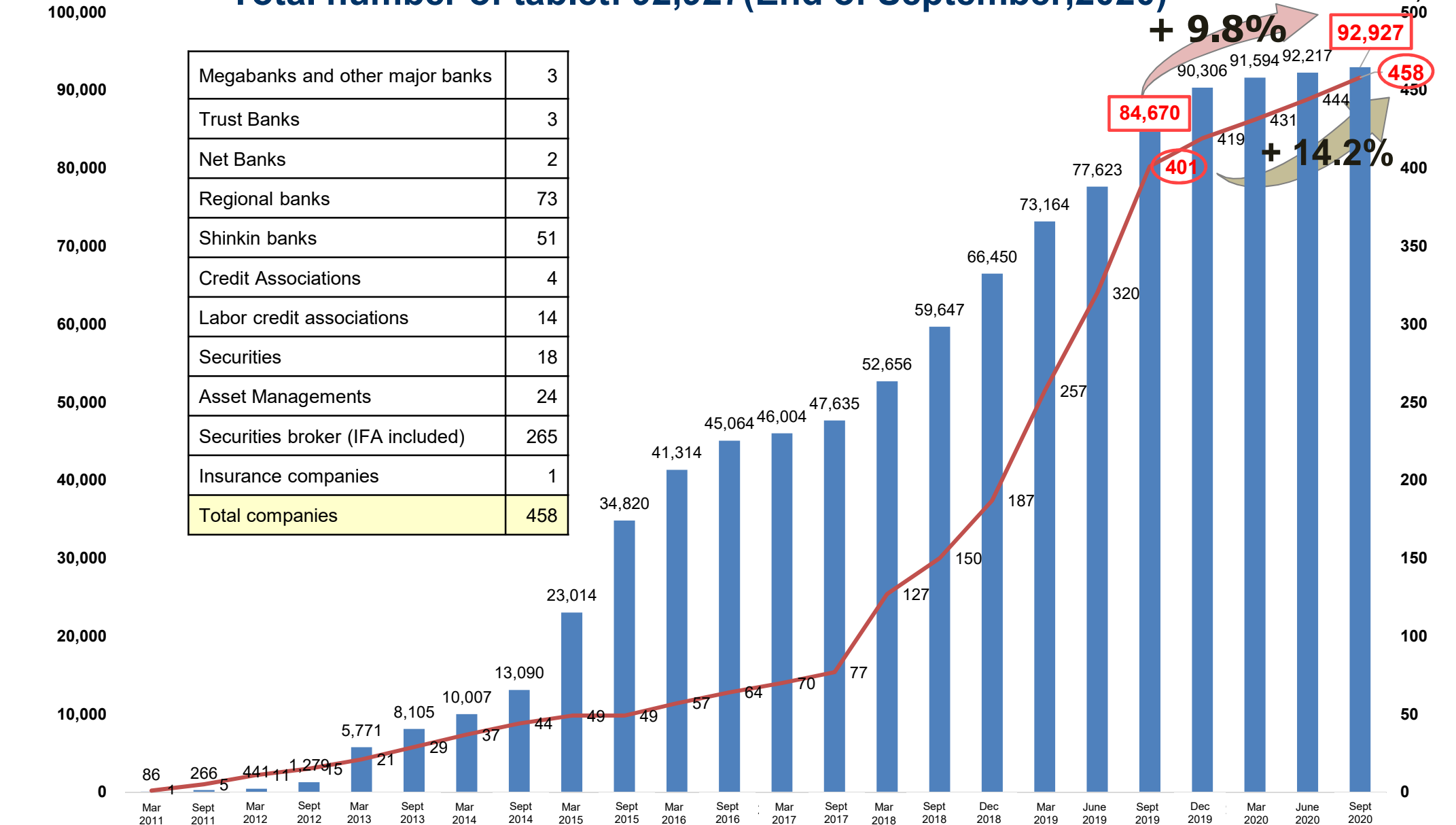
Double-digit year on year growth in the number of users for our 'Wealth Advisors' (an application for tablet devices)

Number of Financial Institution: 458

Total number of tablet: 92,927 (End of September, 2020)

(Number of tablet)

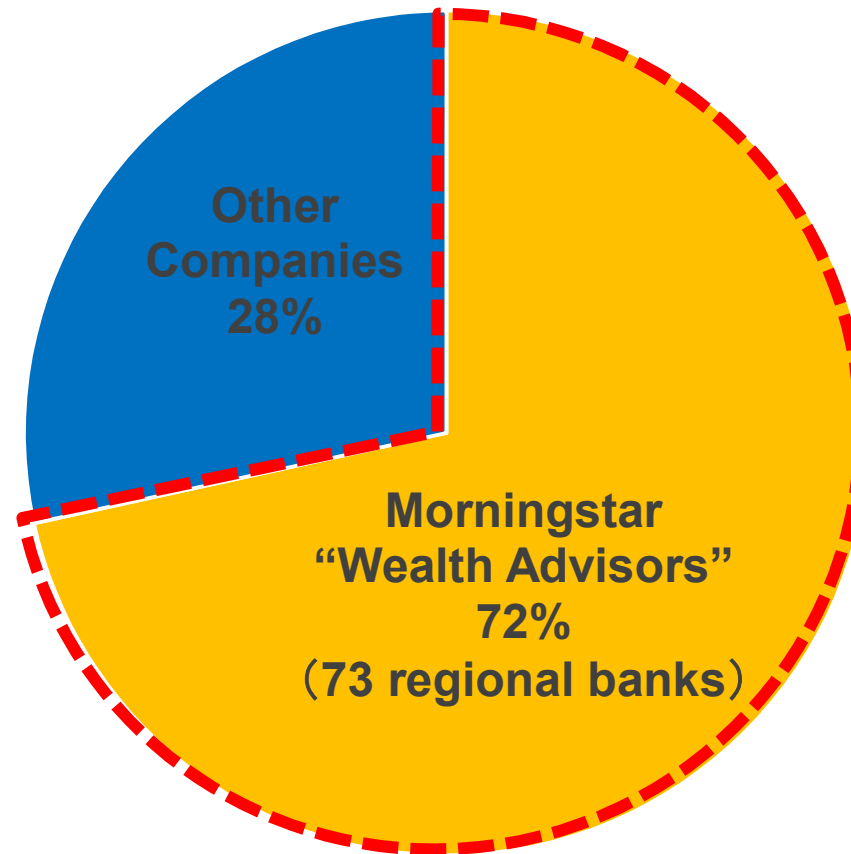
(Number of users)



73 out of 102 regional banks have adopted our ‘Wealth Advisors’, demonstrating an overwhelming share in the market

73 first-tier and second-tier regional banks (out of a total of 102 as of 30 Sept.※) have adopted our ‘Wealth Advisors’

Our Tablet Share in regional banks



An increase in data & tools for smartphones and PCs provided to financial institutions, thanks to the progress in the 'DX (digital transformation) move' amidst the COVID-19 crisis

<Commenced the provision of life planning and inheritance-related tools in addition to fund data>

Number of data provided for smartphones and PCs

Life plan / Inheritance related

(Number of unit)

85
80
75
70
65
60
55
50



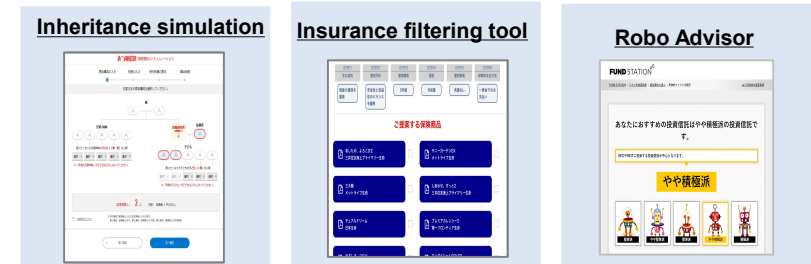
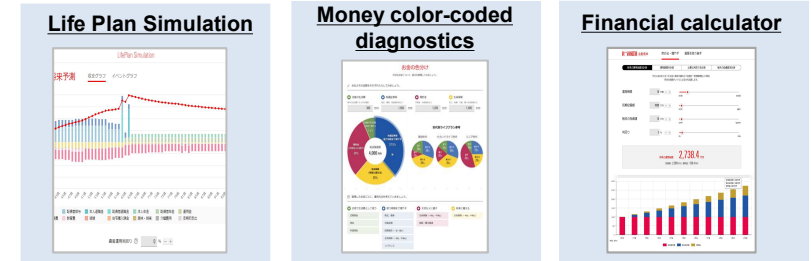
68

81

19.1% Up

End of September, 2019

End of September, 2020



Fund information is provided with expanded functions

Providing investment trust data for homepage



Simulation of funded investment trust



Freshly-picked NISA tax saving simulation

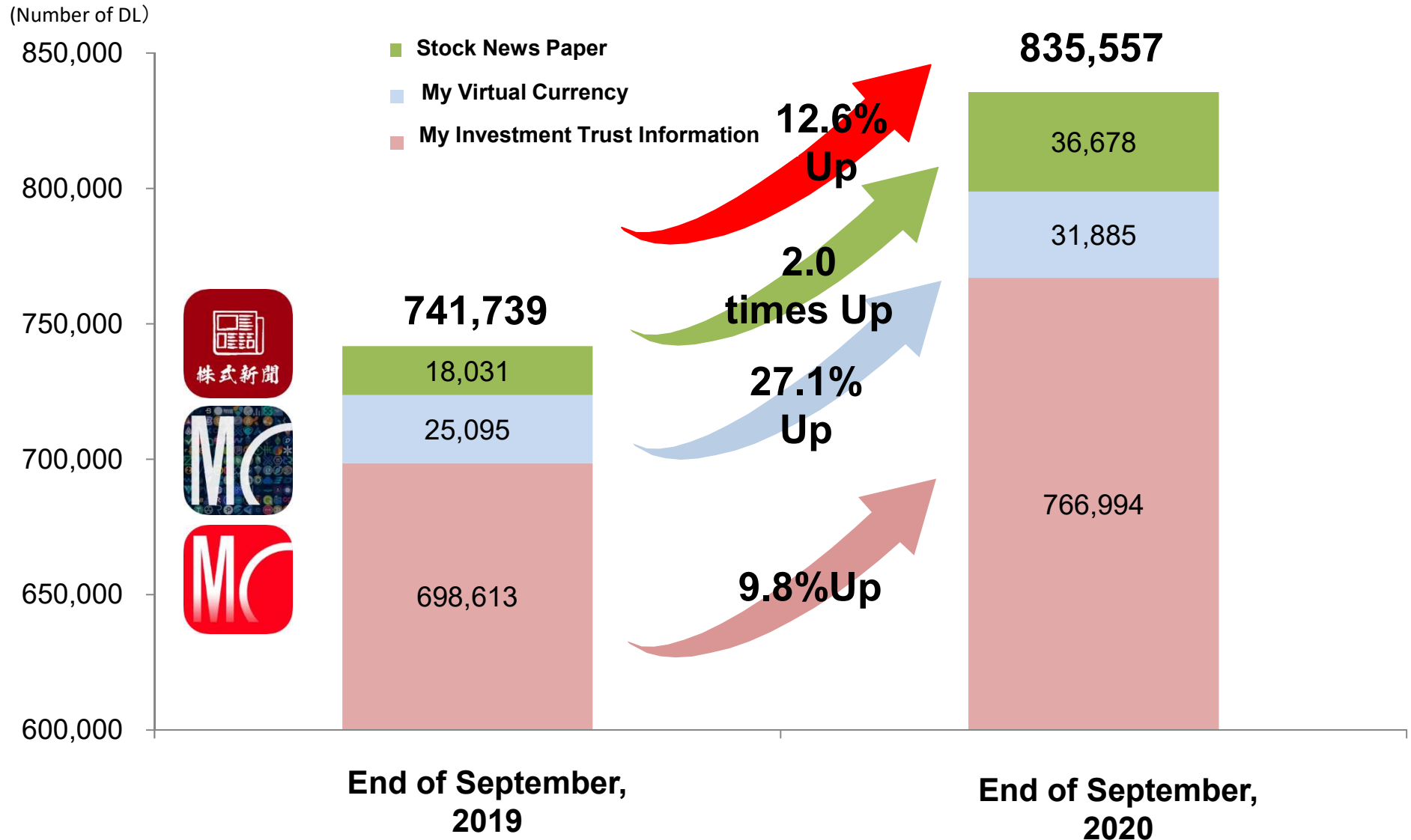


iDeCo tax saving simulation



The number of downloads of "smartphone apps" that increase media value has expanded to double-digit growth

<Changes in the number of smartphone app downloads>

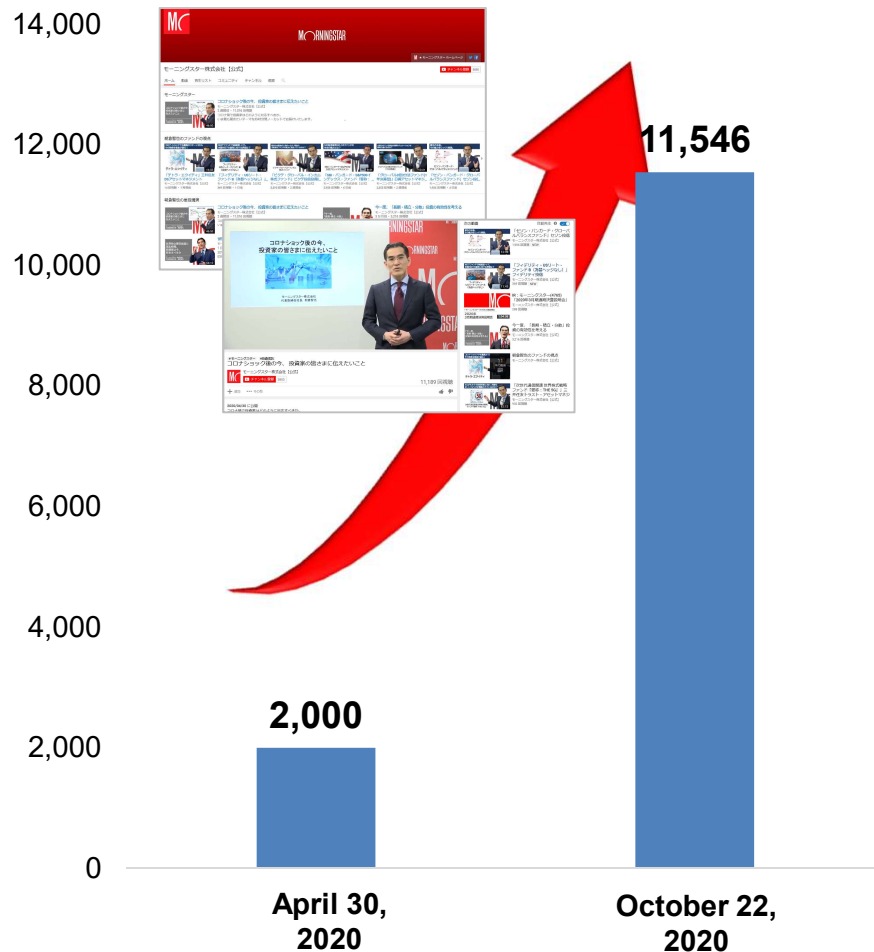


Morningstar's YouTube channel subscribers topped 11,500

It is also used by sales companies and Investment management companies as a medium for online seminars and promotions.

YouTube channel subscribers have more than quintupled in five months

(Number of people)



<Most popular videos>



'Our message to investors as we enter into the post-COVID crisis era'
27,857 views
(As of Oct 20, 2020)



'For those who start tax-free savings-type NISA'
20,134 views
(As of Oct 20, 2020)

Fund's point of view: 47 videos (as of October 20, 2020)

Rank	Video Name (Fund Name)	views
1	SBI Bangard S&P500 Index Fund 『Nickname: SBI Vanguard S&P500』	27,406
2	iFree Leveraged NASDAQ100	26,814
3	Hifumi Plus	16,985
4	Pictet Global profit Equity Fund	12,441
5	Saison Vanguard Global Balance Fund	10,203

'Investment Fund EXPO 2020' was successfully held for two 'types' of attendees - physical and online participants.

Roughly 10,000 attended the one day seminar.

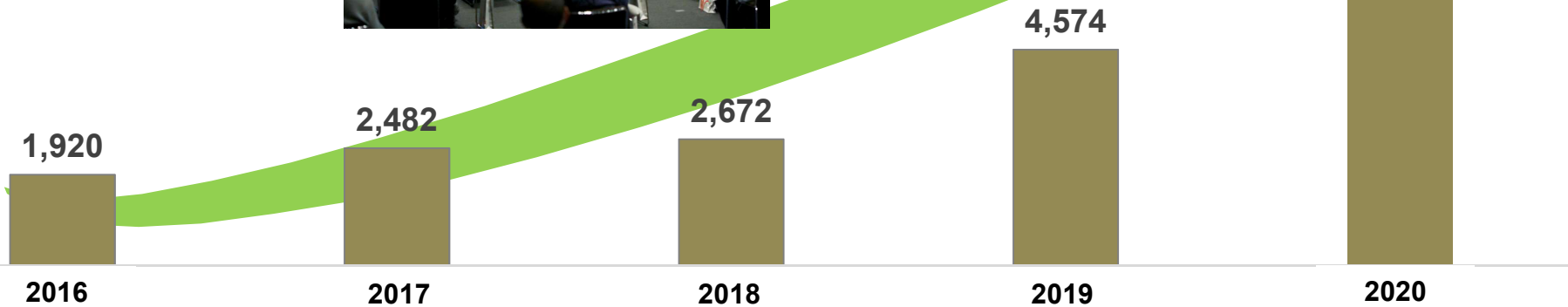
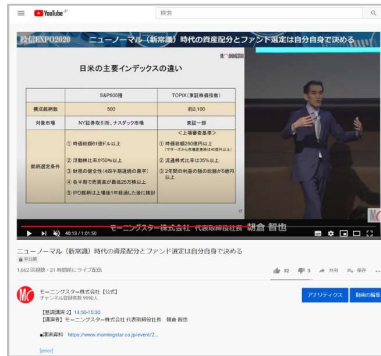
< Changes in the number of seminar visitors >

(Sep 12, 2020)

Venue visitors: 420
 Online visitors: 9,152
 Total: 9,572
 Number of questionnaire responses: 3,218
(New participants: 3,661)

(Number of people)

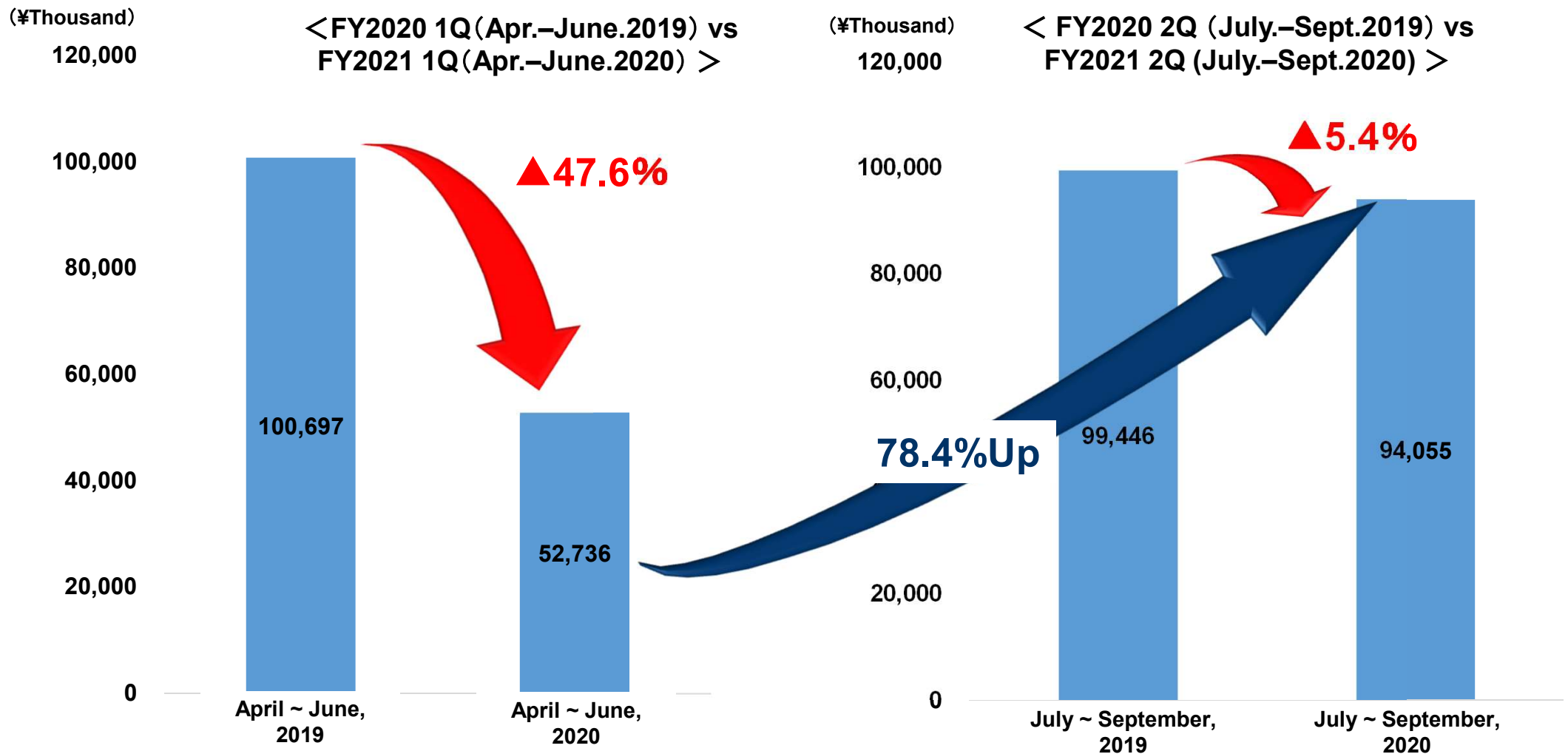
12,000
10,000
8,000
6,000
4,000
2,000
0



Abstracts from survey answers
"I am glad that I was able to attend the seminar live. I think we can understand and recall the presentations better at the live seminar."
"I am pleased to have continued attending the live seminar this year. I could have chosen online attendance. But I did enjoy the dynamic vibe at the live seminar!"
"I live far away from the venue, so I am grateful for the online attendance. "
"I hope you will continue to offer this choice (online attendance). I appreciate your online participation option as I had to cancel my original live attendance at short notice."

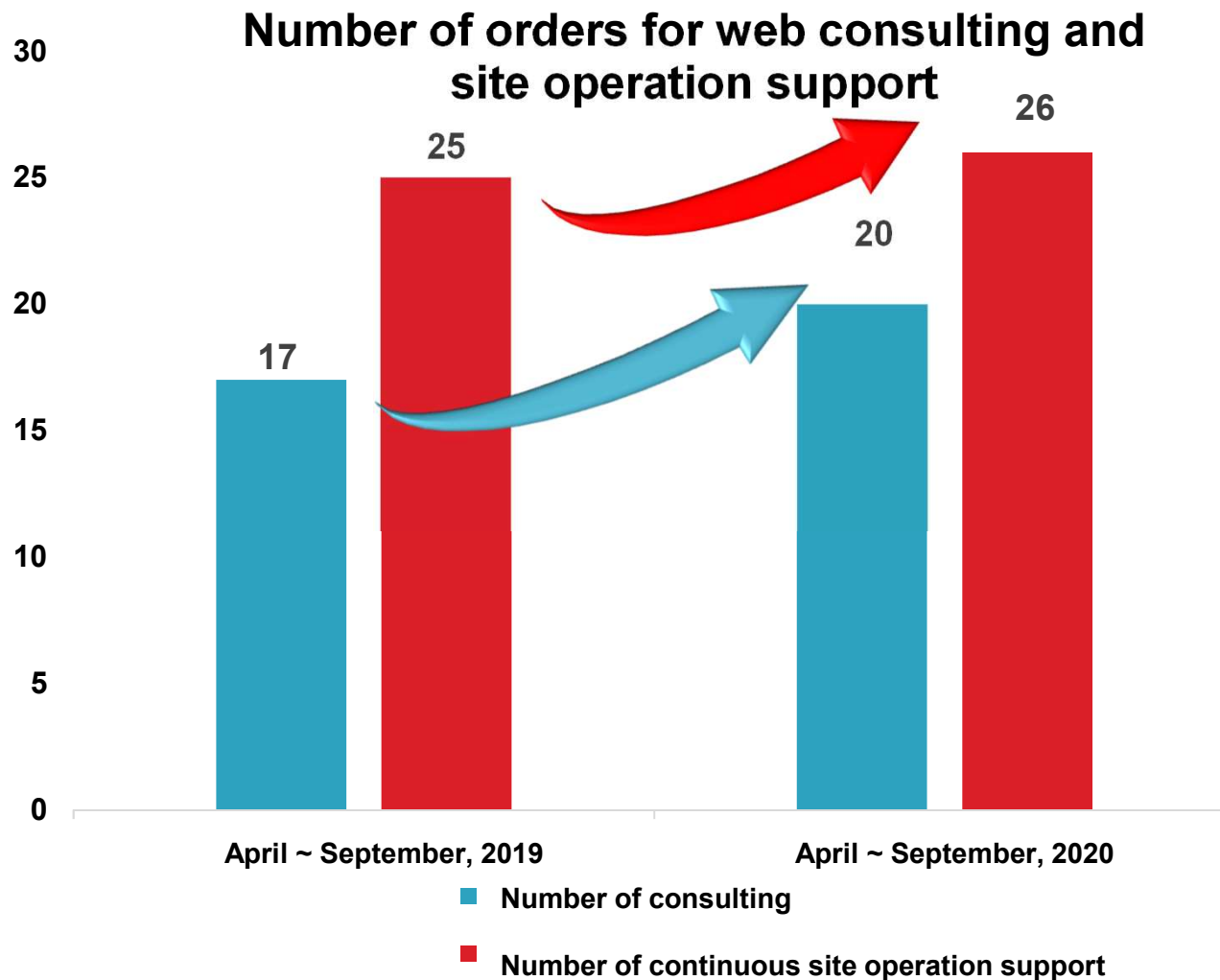
Sales from seminars for the last three months (2Q) marked a significant improvement

Sales fell sharply in 1Q, but it staged a major turnaround in 2Q, driven in large part to the provision of seminars on the online platform.



Web-based consultation business offered by 'Gomez Consulting' also maintained growth

'Gomez Consulting' reported an increase in newly launched ESG-related website consultation transactions. It is also promoting continuous support for website management.



< ESG Site Assessment Report >

The report displays a table of assessment items for 'Social' (社会) with columns for 'Item', 'Score', 'Weight', and 'Total Score'. Below the table, there is a detailed text-based analysis of the client's ESG performance, including a section on 'ESGに関する情報発信について' (Information disclosure regarding ESG) and a section on 'ESG関連の取り組み' (ESG-related initiatives).

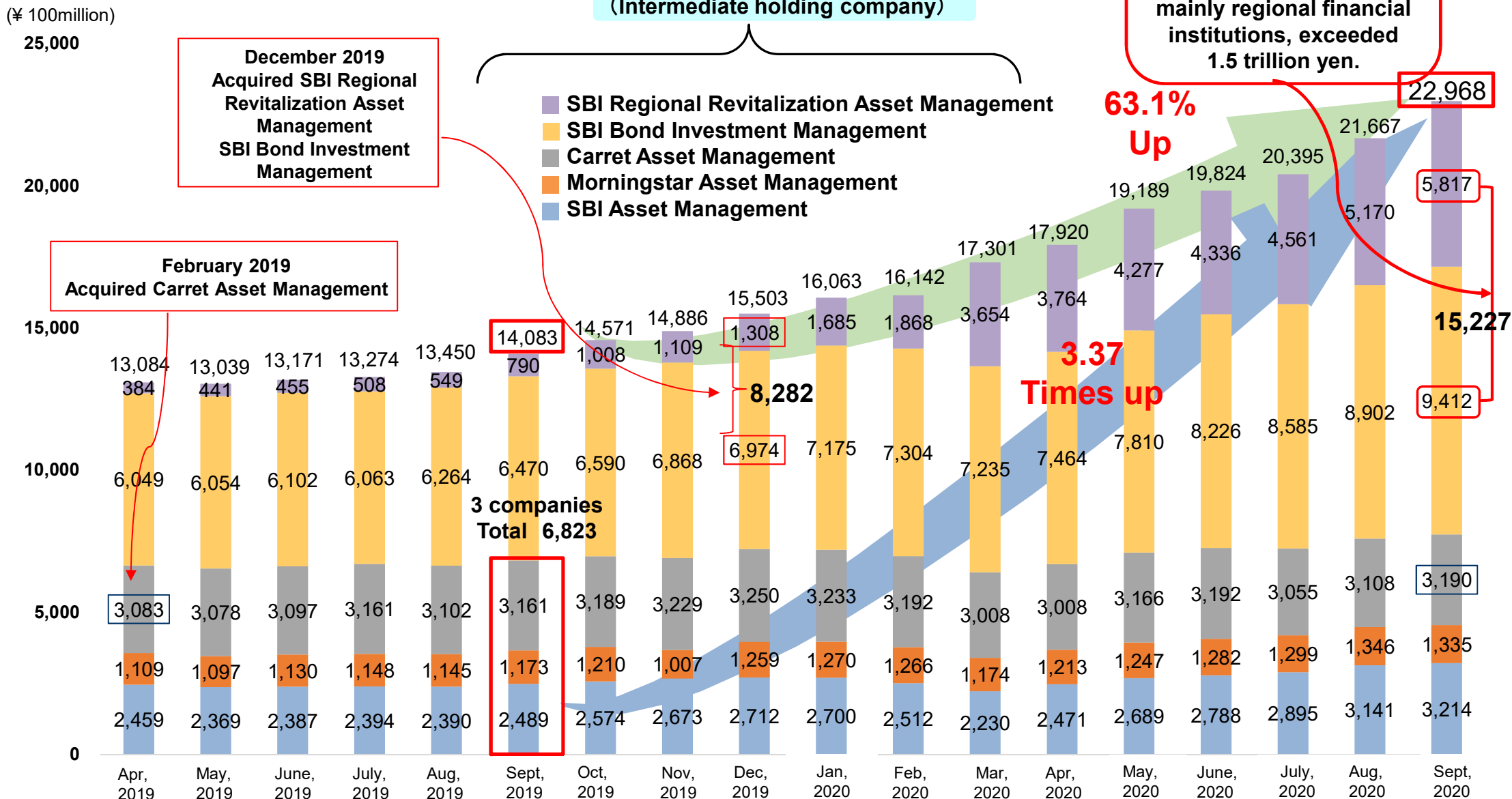
Part 3

Overview of Asset Management business

Asset Under Management of the Group which includes investment advisory is greatly increased to approximately 2.3 trillion yen,

SBI Asset Management Group

(Intermediate holding company)

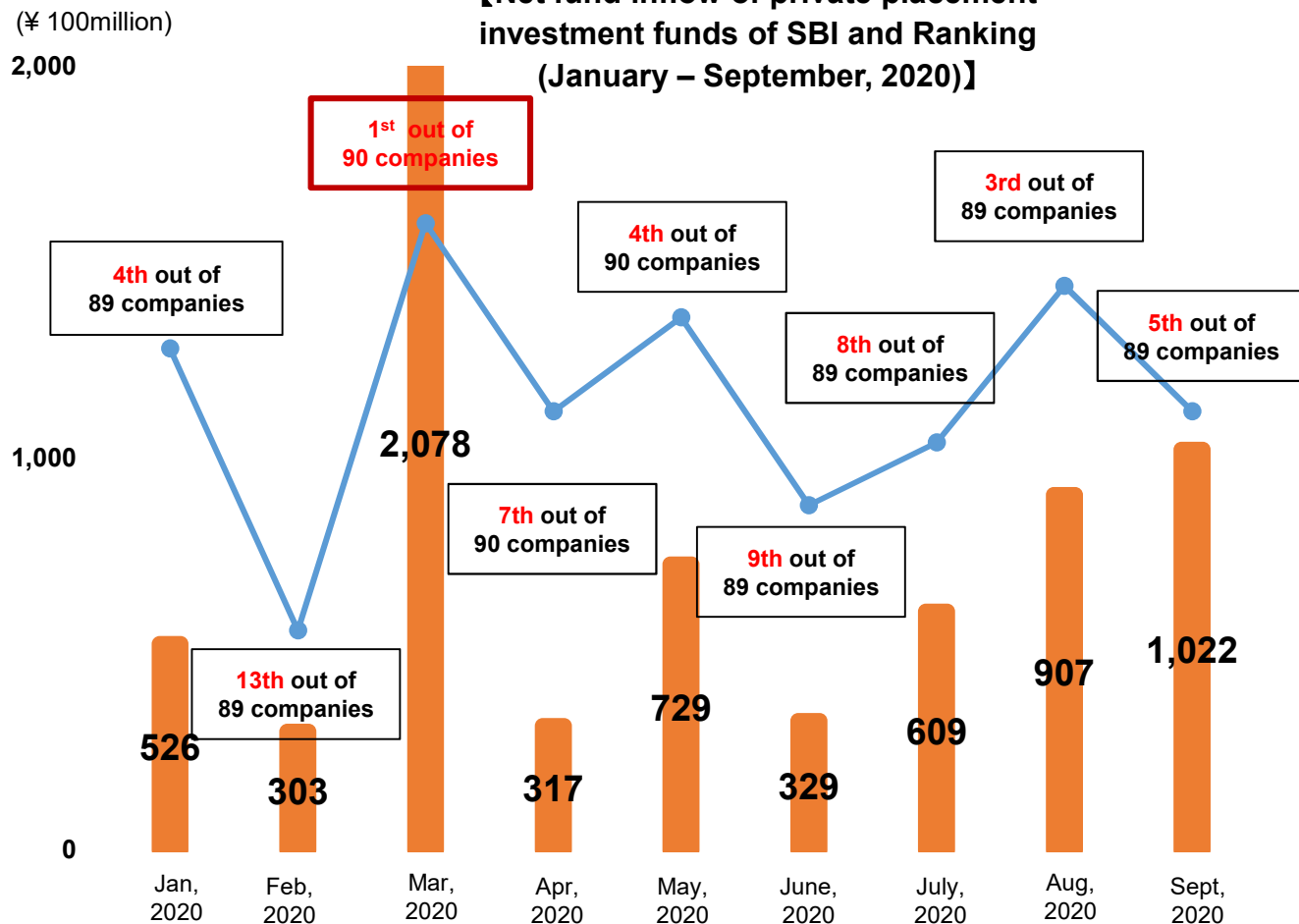


※Carret Asset Management's Asset Under Management is converted at Mizuho Bank's month-end rate, September 2020: 1 dollar = 105.81 yen

Net inflow into private placement funds of the SBI group is always ranks at top level in the industry.

- The net inflow of private placement investment trusts of the out group at the market crash due to the COVID-19 crisis shock (March, 2020) was the highest among all 90 companies.
- Cumulative inflow of funds since the beginning of the year is the third highest among all 90 companies

【Net fund inflow of private placement investment funds of SBI and Ranking (January – September, 2020)】



【Cumulative net inflows into private placement investment funds(Jan ~ Sep, 2020)】

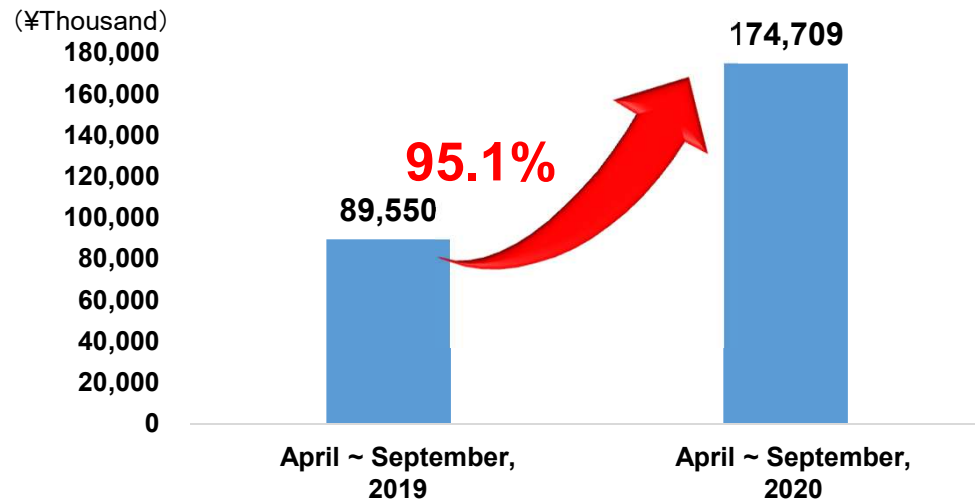
Rank	Asset Management Company	Y-to-Y total for 2020 Net inflows of funds (billion yen)
1	PIMCO	1144
2	JPMorgan Chase & Co.	1057
3	SBI Asset Management Group	681
4	Blackrock Asset Management	664
5	Mitsubishi UFJ Kokusai Asset Management	456
6	Nissei Asset Management	445
7	SOMPO Asset Management	372
8	Invesco	322
9	BlueBay	210
10	Daiwa Asset Management	180
11	Prudential Asset Management	116
12	Axa Invest Managers	113
13	Meiji Yasuda Asset Management	91
14	Goldman Sachs Asset Management	85
15	Shinkin Asset Management	74
16	Sinsei Asset Management	73
17	Sumitomo Mitsui Trust Asset Management	67
18	Nikko Asset Management	63
19	Simplex Asset Management	54
20	Neuberger Berman	53

※ Statistics of the Investment Trusts Association of Japan.

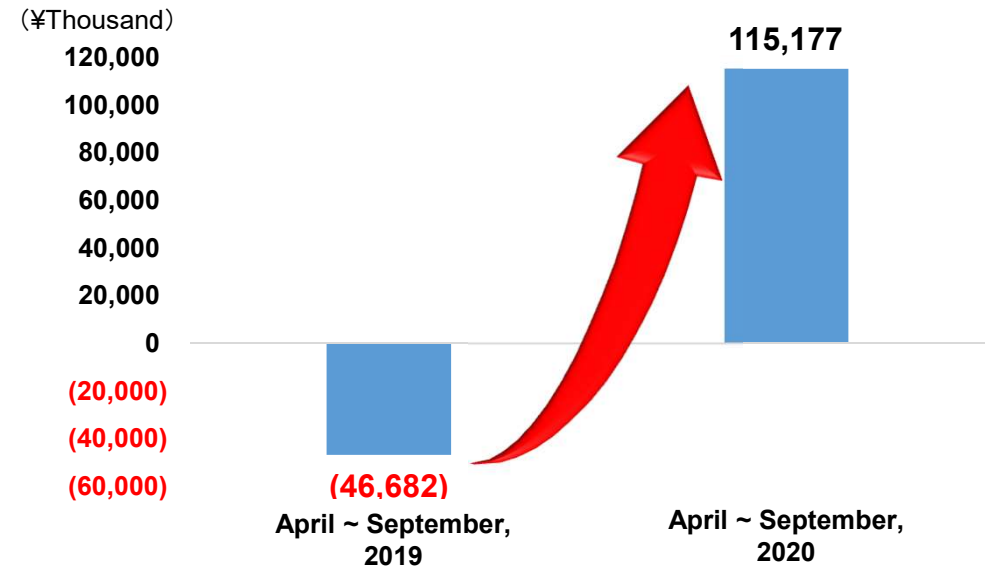
Created from the status of the increase or decrease in assets of management companies of private placement investment trusts

Operating profit of the asset management companies in the Group

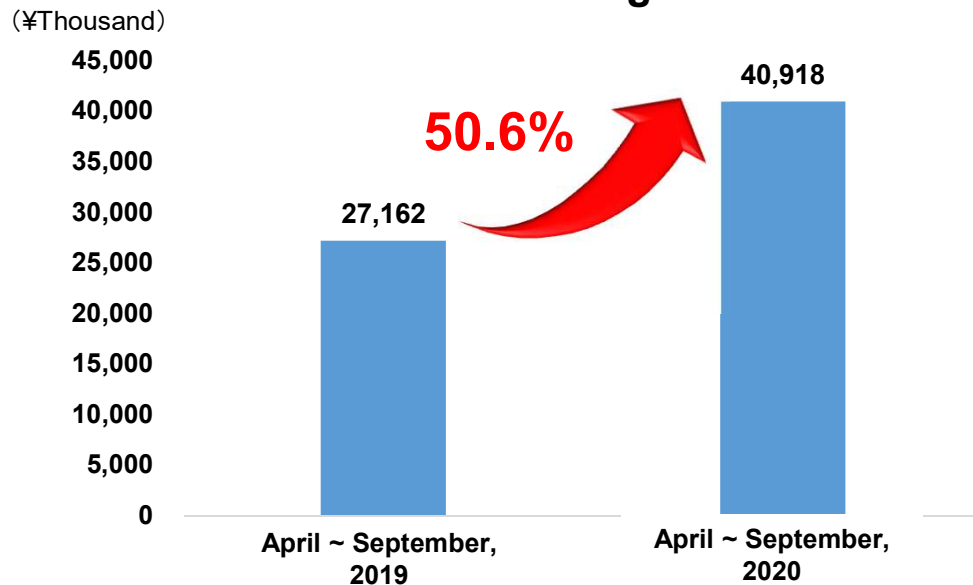
SBI Bond Investment Management



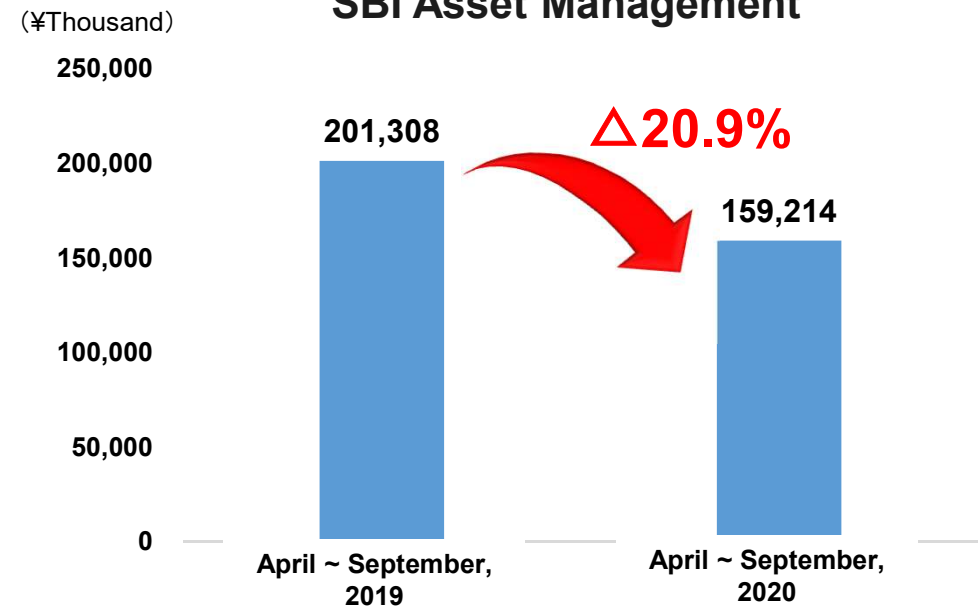
SBI Regional Revitalization Asset Management



Carret Asset Management



SBI Asset Management



※ Asset Under Management of Carret Asset Management is at the rate of 105.81 yen to the U.S. dollar at the end of September, 2020

Net Assets of SBI Asset Management Index Funds

<SBI-Vanguard-S&P 500 Index Funds>

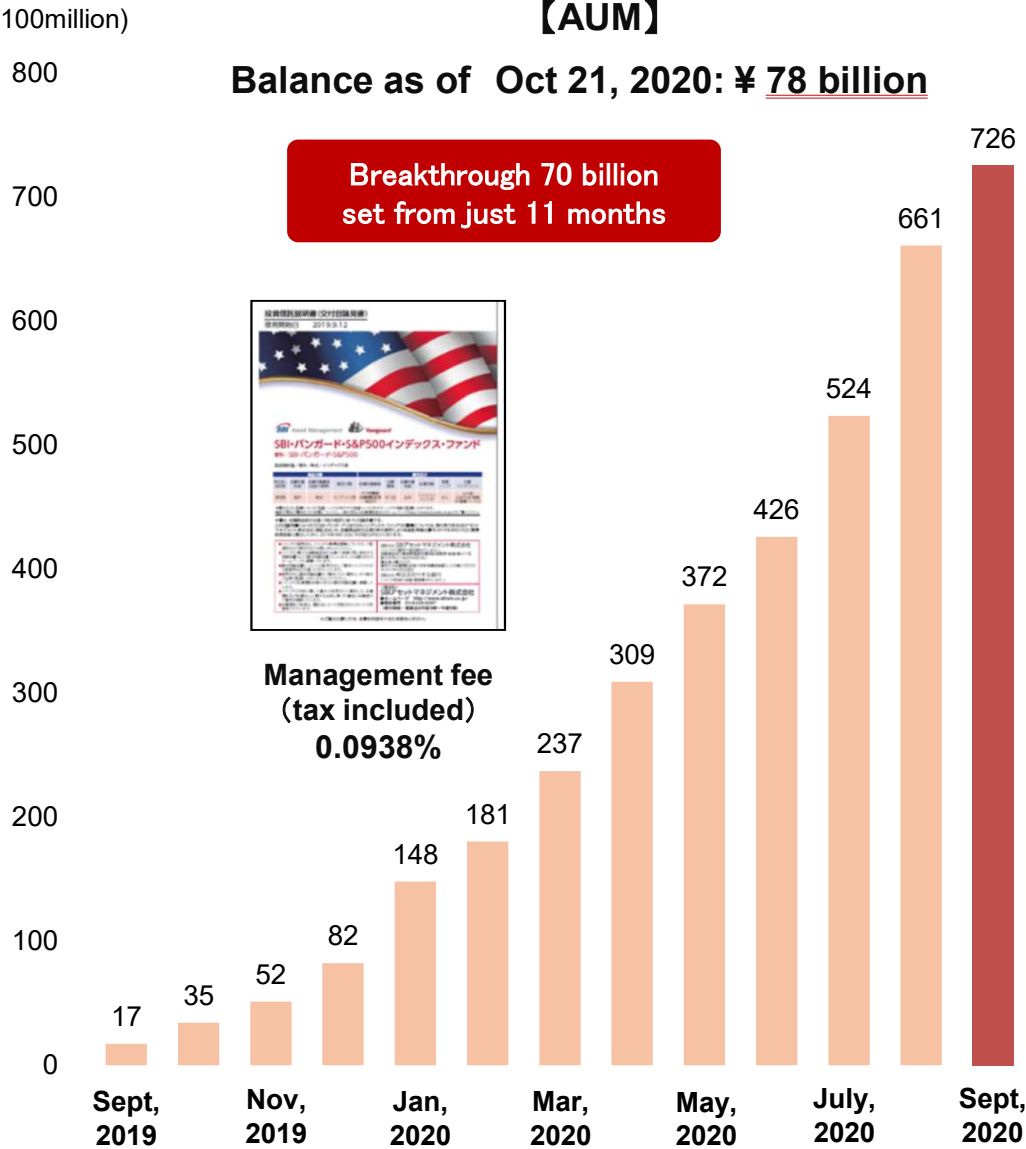
【AUM】

Balance as of Oct 21, 2020: ¥ 78 billion

Breakthrough 70 billion set from just 11 months



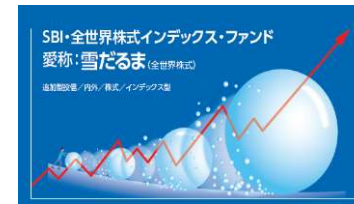
Management fee (tax included)
0.0938%



< SBI-the Global Market-Developed countries- Emerging countries Index Fund 『nick name : Snow Ball』 >

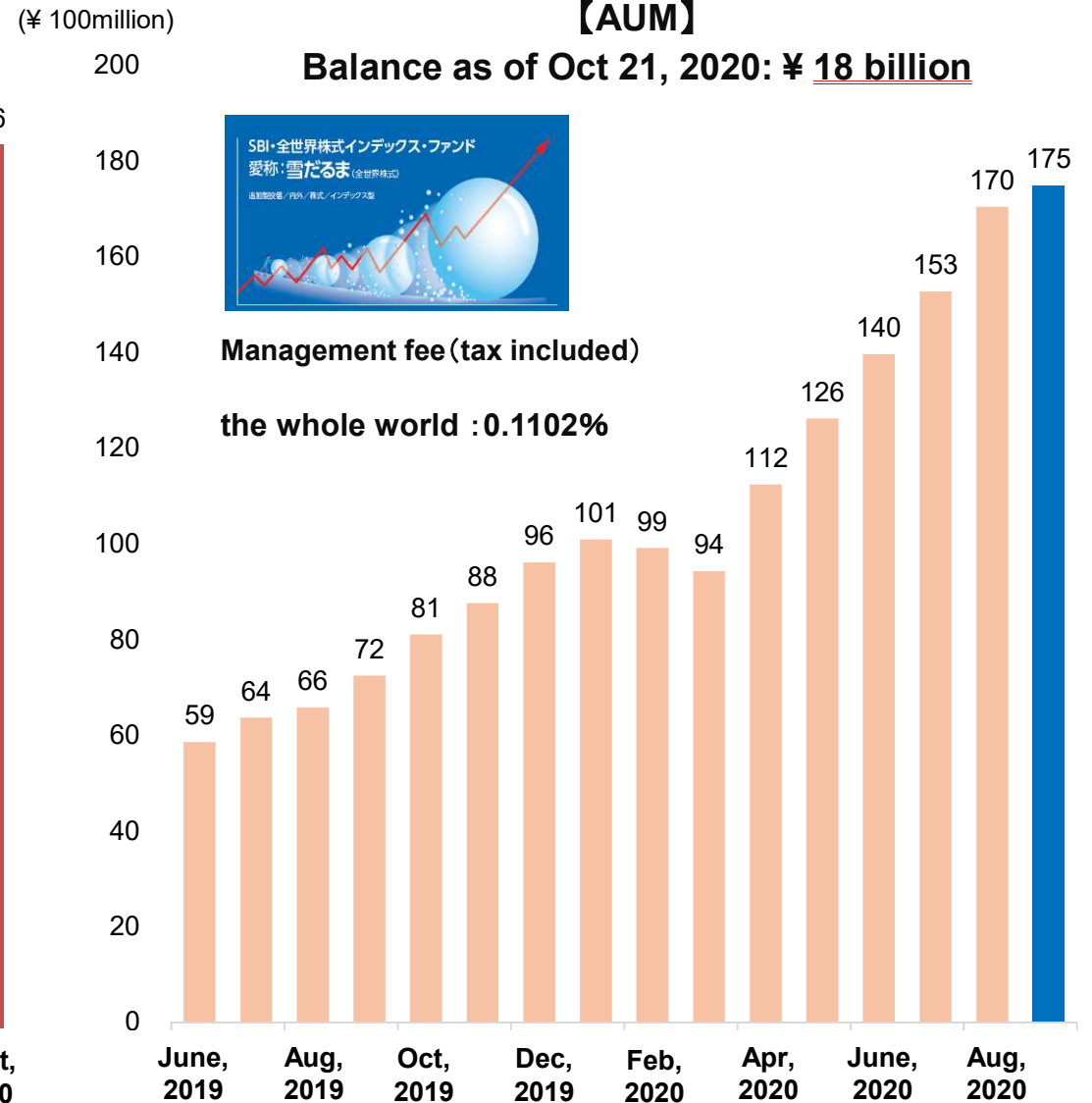
【AUM】

Balance as of Oct 21, 2020: ¥ 18 billion



Management fee (tax included)

the whole world : 0.1102%



An Operational Performance Survey of Domestic Management Companies Published by the Financial Services Agency (August 2020)

Ranking of average management fees and expenses ratio (weighted average), as of end FY2019 (in ascending order)

	Asset Management company	Management fees (%)
1	SBI Asset Management	0.13
2	Hitachi	0.15
3	Rakuten	0.18
4	Nissei Asset Management	0.19
5	Meiji Yasuda Asset Management	0.28
6	Sumitomo Mitsui DS Asset Management	0.33
7	Resona Asset Management	0.35
8	Nomura Asset Management	0.35
9	Sumitomo Mitsui Trust Asset Management	0.36
10	Mitsubishi UFJ Kokusai Asset Management	0.38

Assets under management by ‘SBI-PICTET Asia Hi-Tech Venture Fund’ topped ¥ 4.0bn (this fund can invest in unlisted companies)

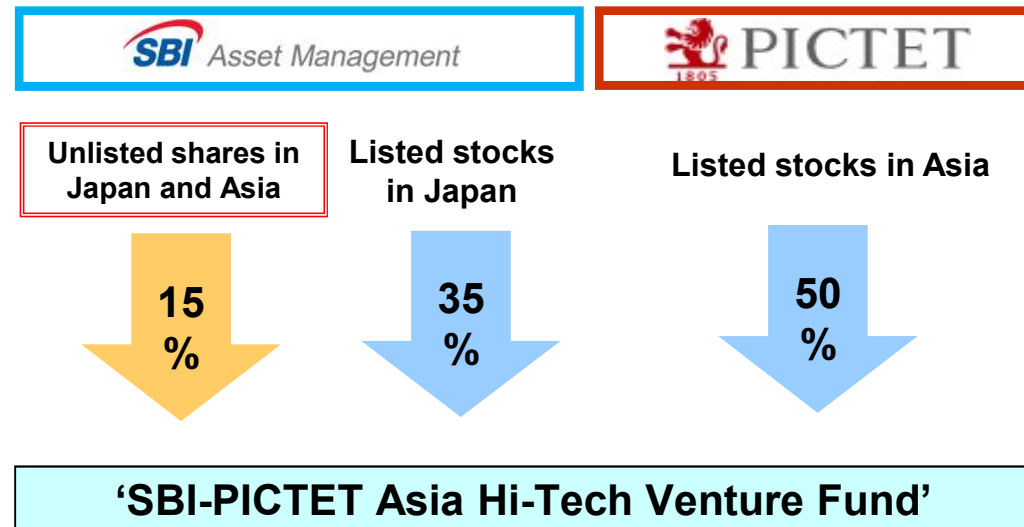
Initial AUM on July 29: ¥ 1.5 billion



As of October 22: ¥ 4.3 billion (Continued application period: Until October 29, 2020)

【Fund features】

- ◆ The first fund managed by SBI in collaboration with Pictet
- ◆ Investing up to 15% of fund in unlisted shares in Japan and Asia
- ◆ Investing in high-tech ventures in Japan and Asia



Part 4

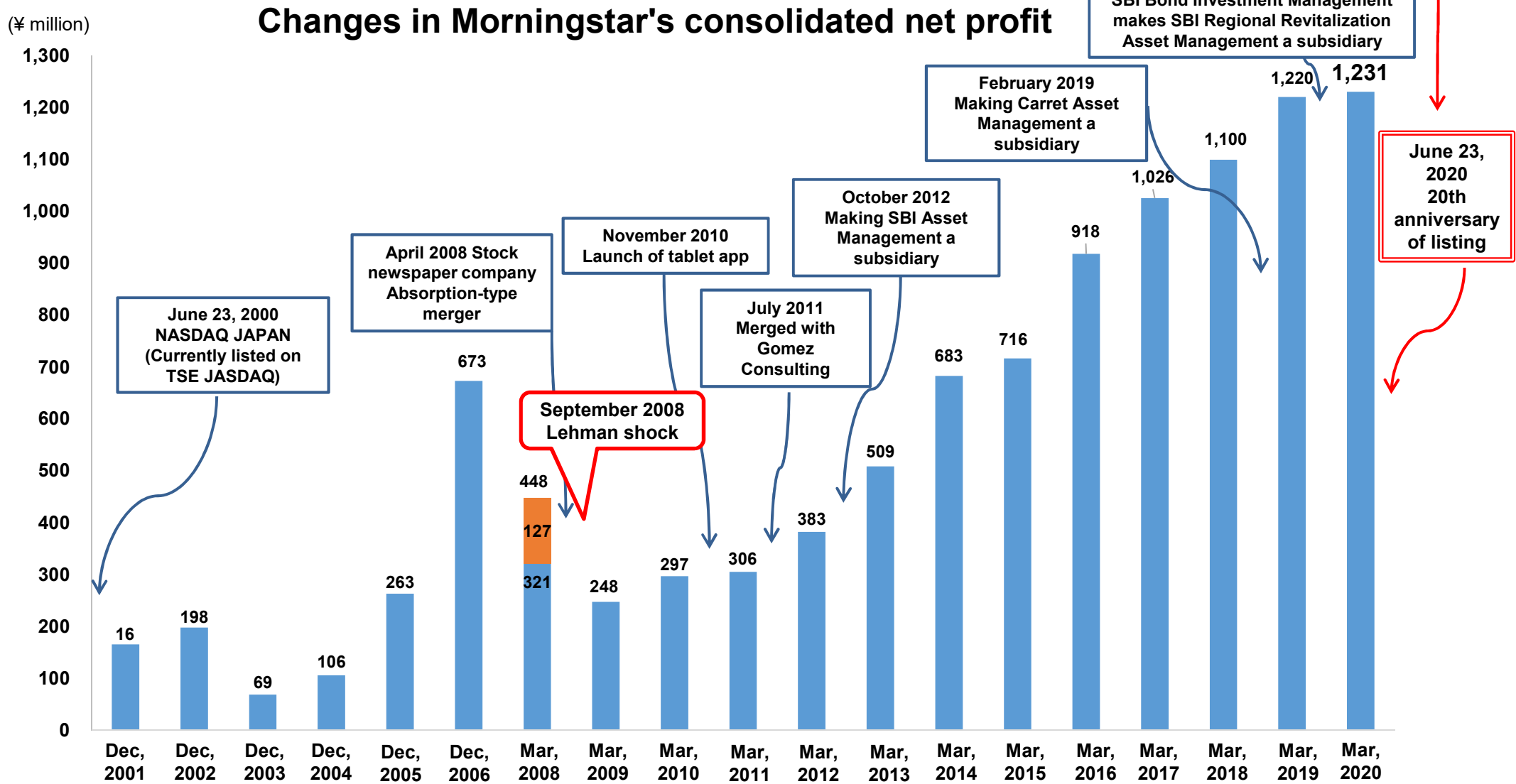
Measures for leaping forward to seize the opportunity of an upgraded listing on the First Section of the Tokyo Stock Exchange

- 1) Provision of appropriate investment & financial products and management tools to support for the shift ‘from savings to investment’ of ¥ 100 trillion household deposits and savings.
- 2) Provision to 7.5 million members of defined contribution-type corporate pension plans with ‘investment advice’ to support their pension management.
- 3) Provision of ‘portfolio management and investment products’ to regional financial institutions for supporting their management of securities portfolios.

Morningstar Japan, K.K : 20-year history on the Stock Market

<October 19, 2020:
listed on the First Section of the Tokyo Stock Exchange>

October 19, 2020:
listed on the First
Section of the TSE



※ Following a change in the accounting term, the year ended March 2008 (FY2008) had 15 months. For comparison purposes, therefore, the above operating profit for FY2008 represented for the 12-month period between April 2017 and March 2008, excluding for the three months from between January 2007 and March 2007. The above graphs exclude the amount of inter-company elimination entries in consolidation

Transaction volume transition of Morningstar

(Number of stocks)

1,800,000

1,600,000

1,400,000

1,200,000

1,000,000

800,000

600,000

400,000

200,000

0

Dec 30,
2019

Jan 30,
2020

Feb 29,
2020

March 31,
2020

April 30,
2020

May 31,
2020

June 30,
2020

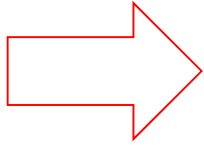
July 31,
2020

Aug 31,
2020

Sept 30,
2020

**Average daily volume
Listed on TSE JASDAQ
(Jan 6,2020 ~ Oct 16,2020)
75,952 shares**

**13.6
times**



**Average daily volume
After listing on the First Section
of the TSE
(Oct 19, 2020 ~ Oct 22, 2020)
1,036,525 shares**

**Oct 19, 2020
an upgraded listing on the
First Section of the Tokyo Stock Exchange**

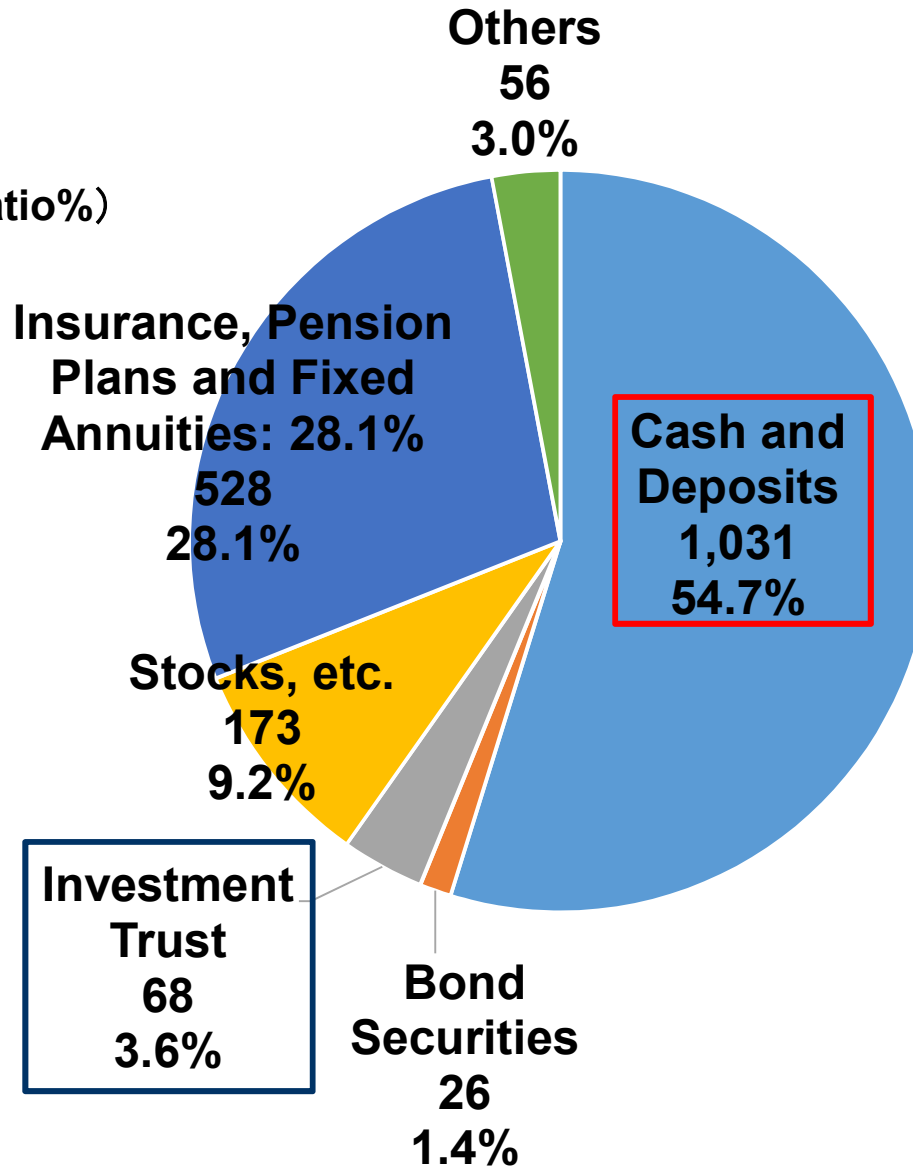


1) Provision of appropriate investment information and financial management tools to support the shift ‘from savings to investment’ of ¥ 1,000 trillion household deposits and savings

Structure of Financial assets held by households in Japan

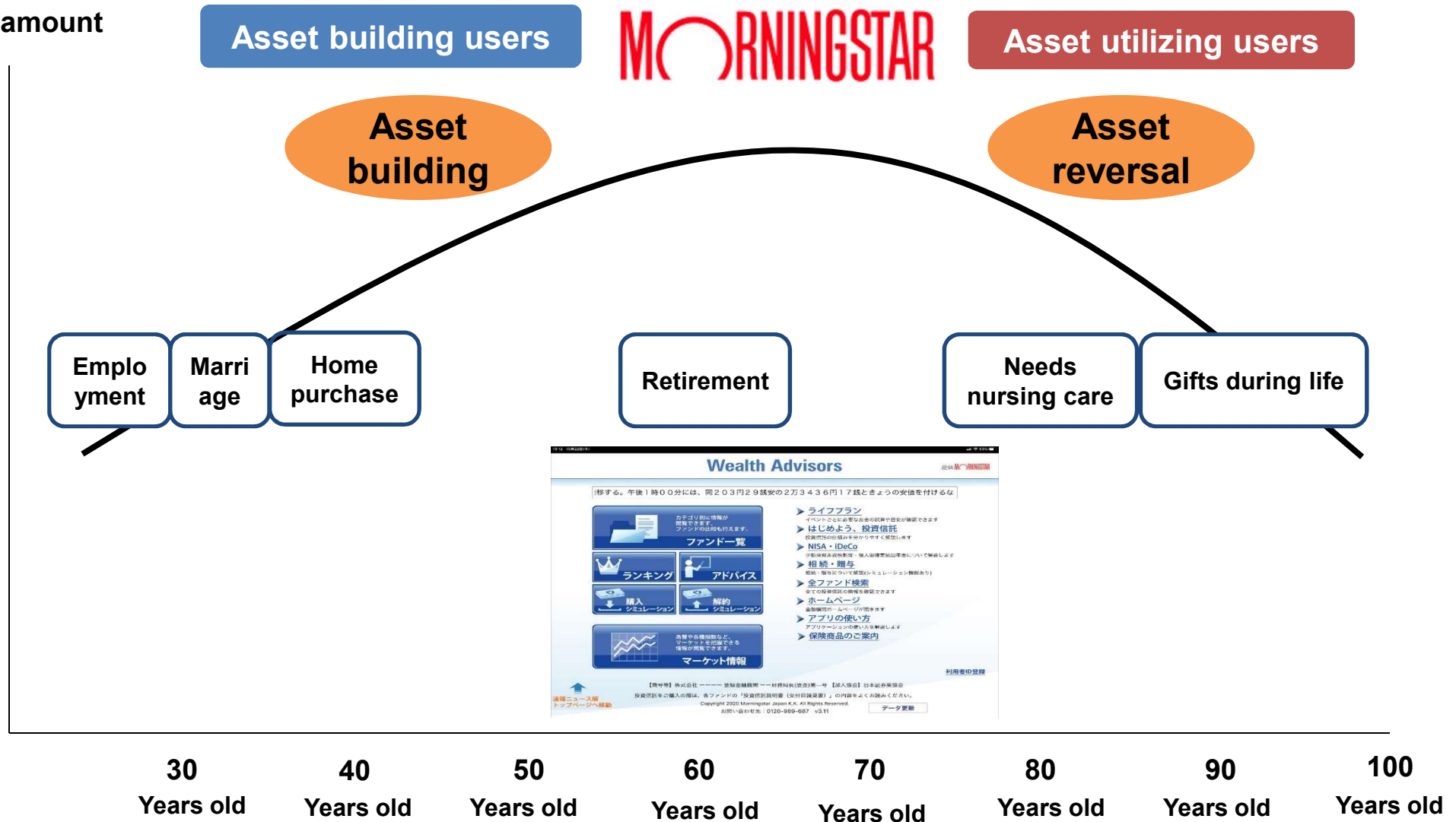
¥ 1,883 trillion (as of end June 2020)

(¥ Trillion,
Composition ratio%)



Providing the most appropriate investment information and financial management products for individual life plans

Asset amount



※ Source: 'The Role of Financial Services in Aging Society (interim summary)', by the Financial Services Agency of Japan

The development of original Robo-Advisor by E-Advisor Co., Ltd. (a subsidiary of Morningstar) (slated to launch in May 2021)

Referenced data from Morningstar & Sustainability in the United States

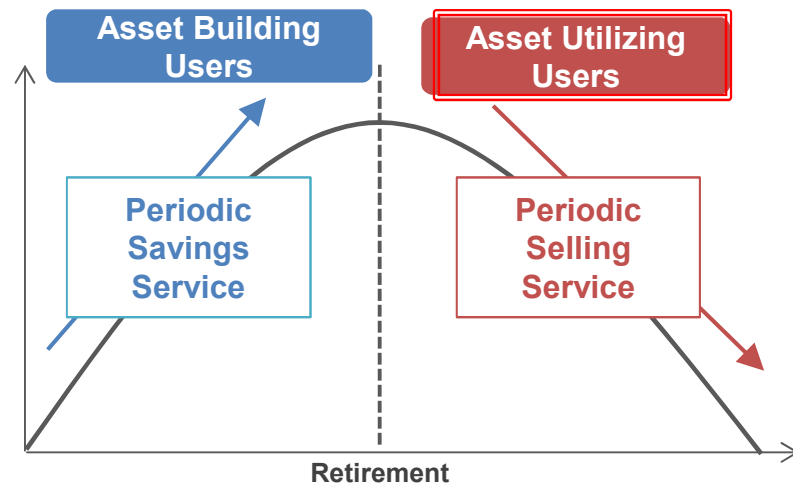


Japan's first ESG service wrap, a package of services that supports portfolio construction encapsulating an ESG perspective.

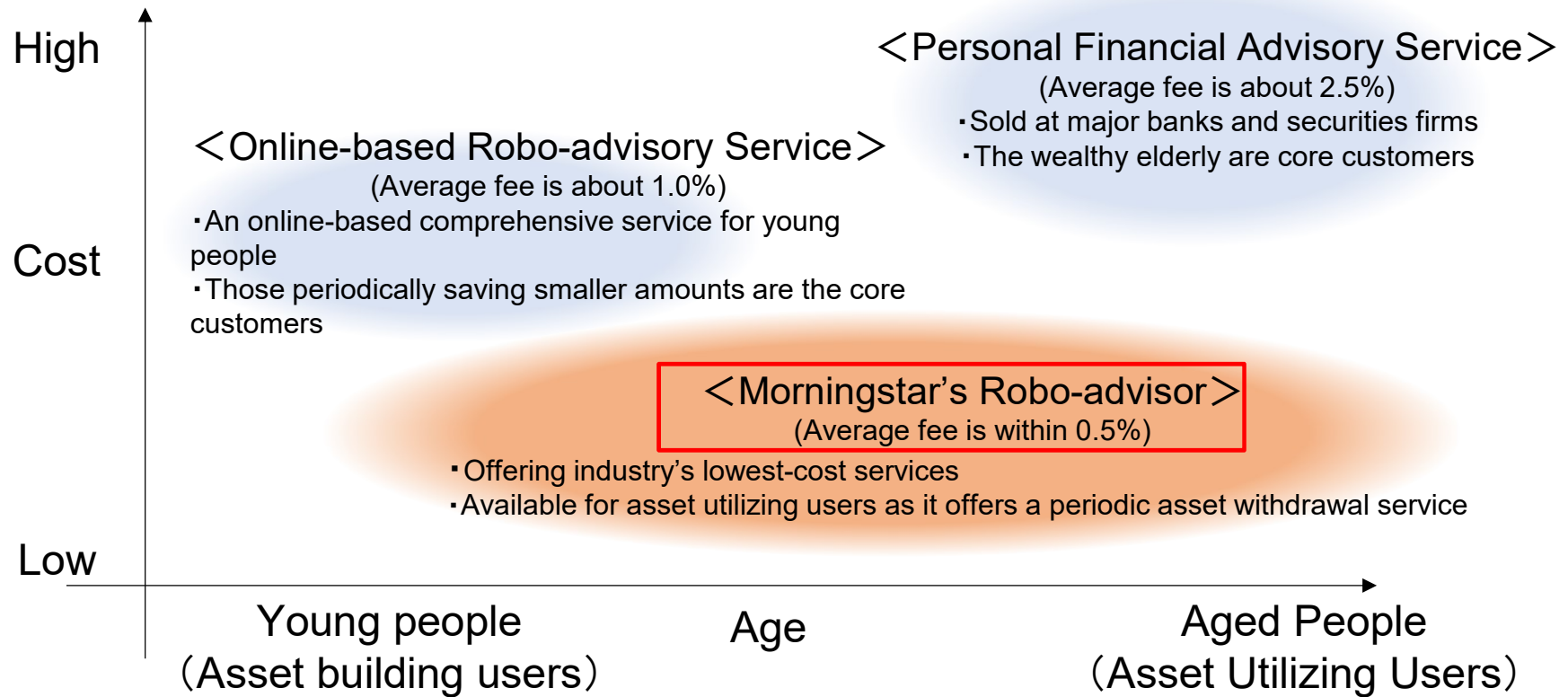


A lifetime servicing robo-advisor, capable of supporting users in the asset-utilizing period.

< Target customers of this wrap >



Differentiating our services from existing face-to-face and online-based robo-advisory service

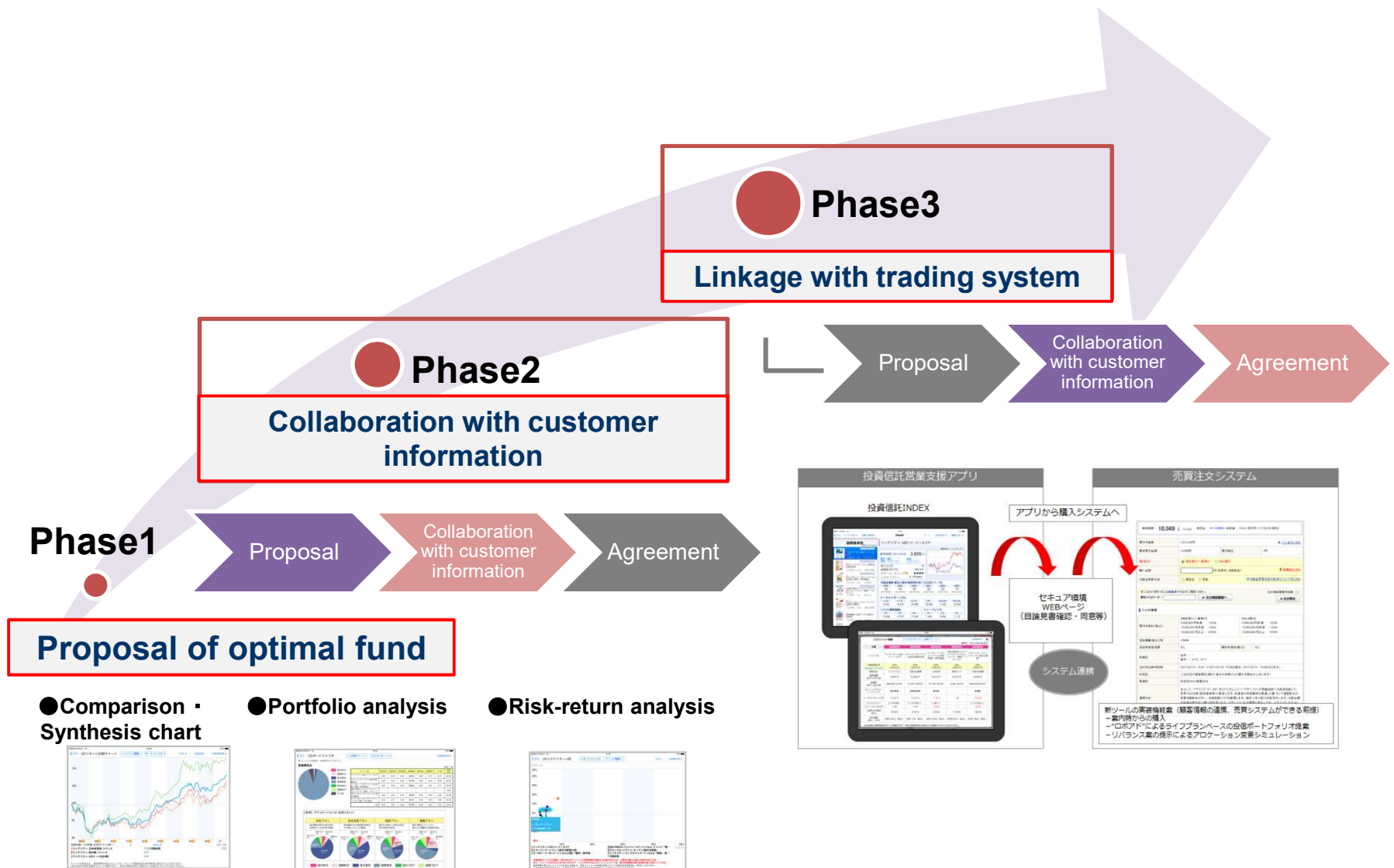


	Morningstar's Robo-advisor	Online-based Robo-advisory Service	Personal Financial Advisory Service
Fee	Within 0.50%	Average about 1.0%	Average about 2.5%
Main target	Asset Utilizing Users Asset Building Users	Asset Building users	Asset Utilizing Users Wealthy class
Main Service	Regular withdrawal service Funded investment	Funded investment	a lump-sum investment

‘Wealth Advisors’, an app for tablet devices, is evolving into an asset management advisory ‘platformer’

Expand from Phase1” Offers advise for customers”, Phase2

“Collaboration with customer information” to “Collaboration with trading system”



'Wealth Advisors' has incorporated the 'MILIZE' life plan simulation function

提供 MORNINGSTAR
Wealth Advisors
 (Provided by 458 company)



milize

In response to the summary, 'To Facilitate the Development of Customer-oriented Business Management' reported by the Market Working Group of the Financial Service Council (August 5, 2020)

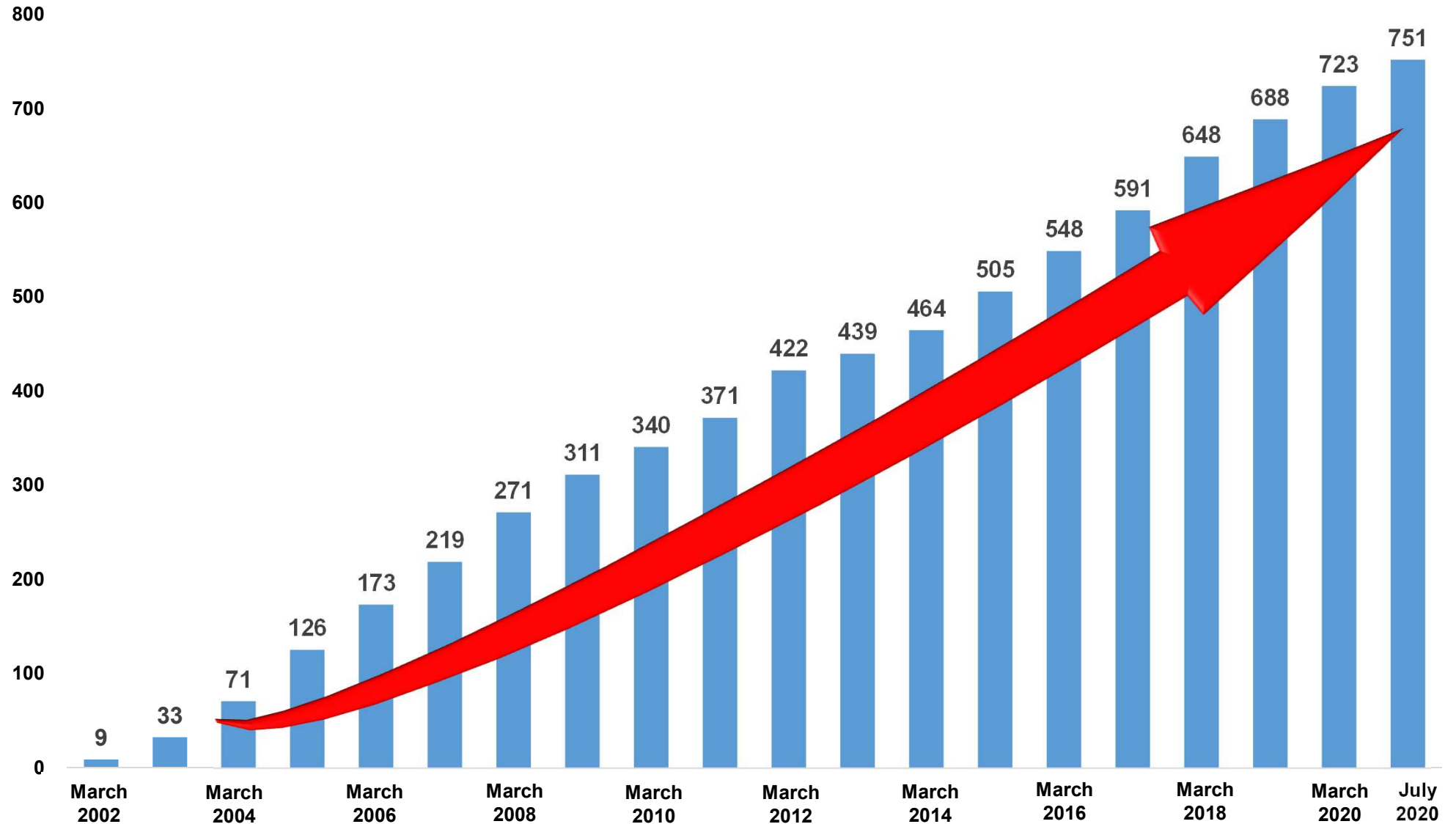
Implementation of cross-sectional product proposals in due consideration, among others, of customers' life plans together with the provision of appropriate post-sales follow up services.

'MILIZE' detailed life plan simulation tool

2) Provision of 'investment advice' to 7.5 million members of defined contribution-type corporate pension plans with the aim of supporting their effective pension management

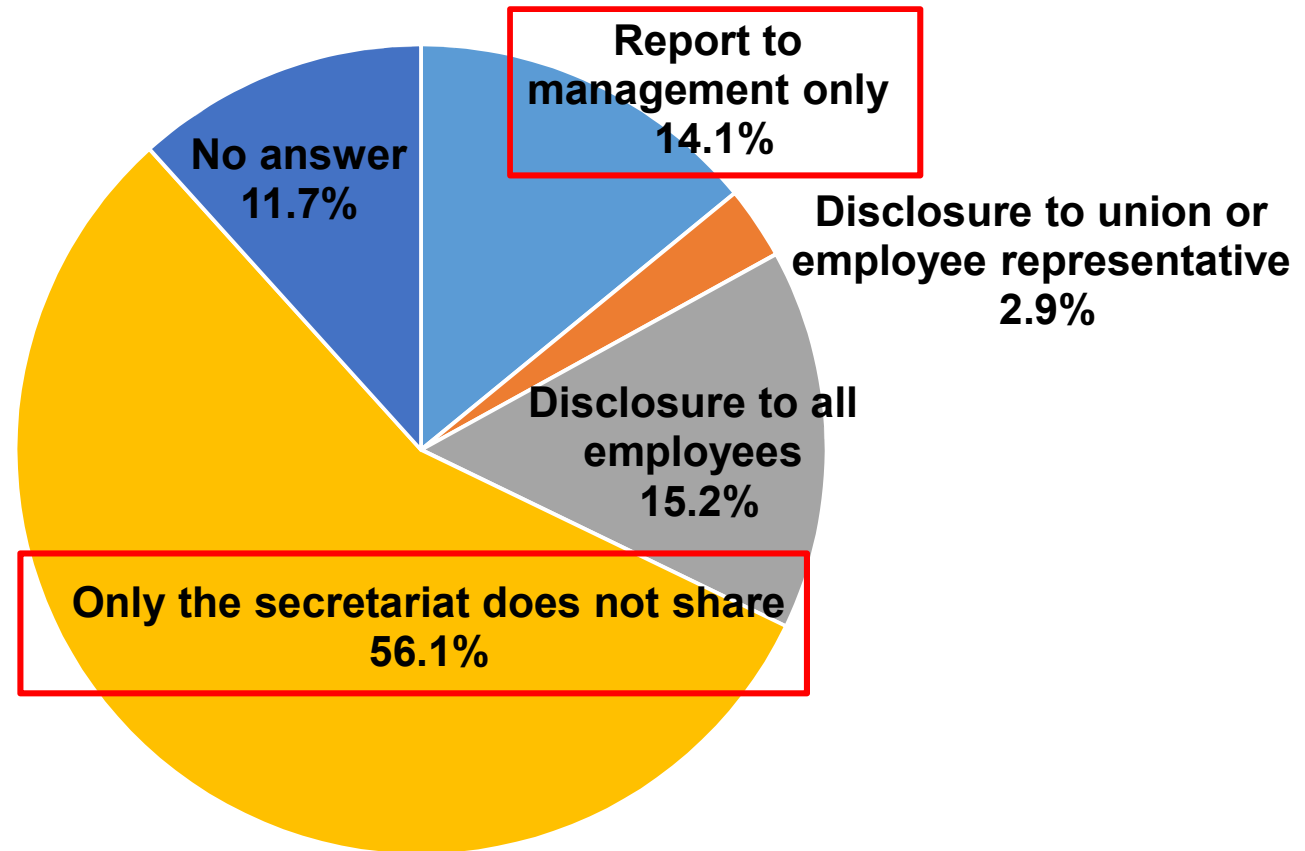
Changes in Members of Defined Contribution-type Corporate Pension Plans

(10Thousand)



※Source: Created Morningstar from data from the Investment Trusts Association

In-house Disclosure of Fund Management Performance (e.g. in a report) to Plan Members and Beneficiaries

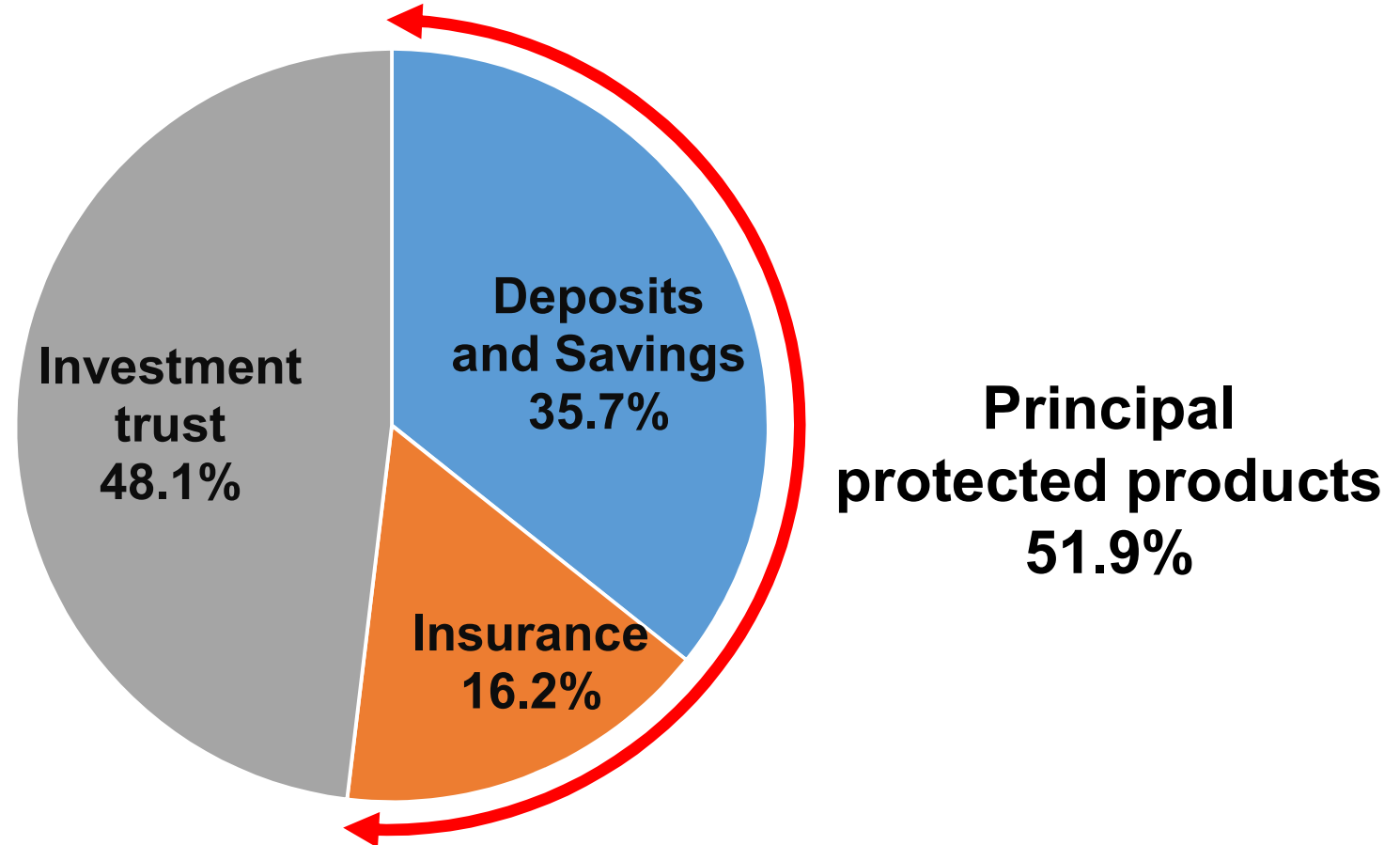


Source: 'Inquiries into the Management of Defined Contribution-type Corporate Pension Plans (conducted between late June 2017 and early August 2017)', the 401k Educational society

※ n=2,651

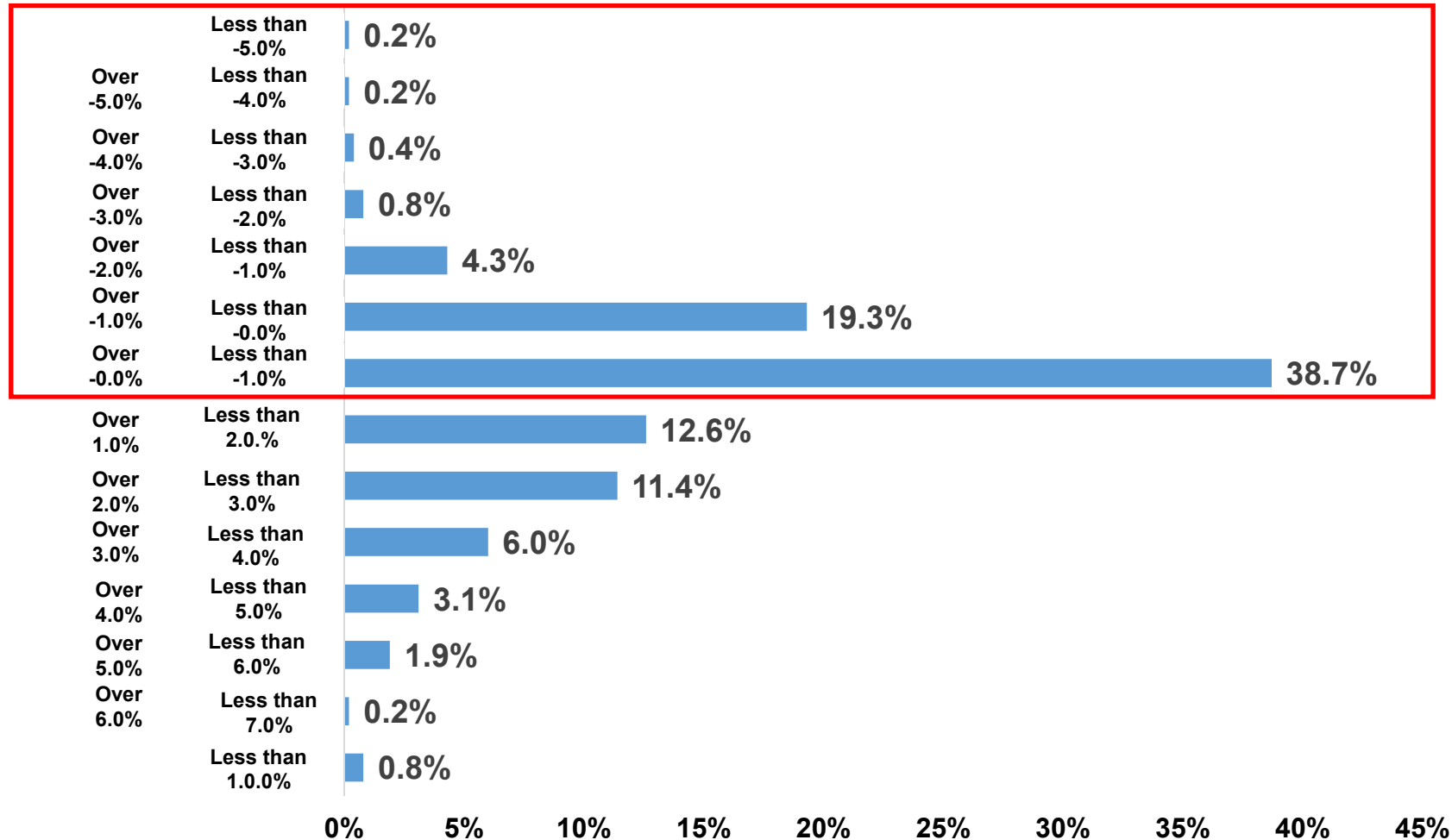
Type of Assets held by Defined Contribution-type Corporate Pension Plans

This chart shows principal protected products make up more than half of total members' assets.



Investment Yields on Defined Contribution-type Corporate Pension Plans (for the year ended March 2019)

More than 60% of participants endure just 1% or lower yields

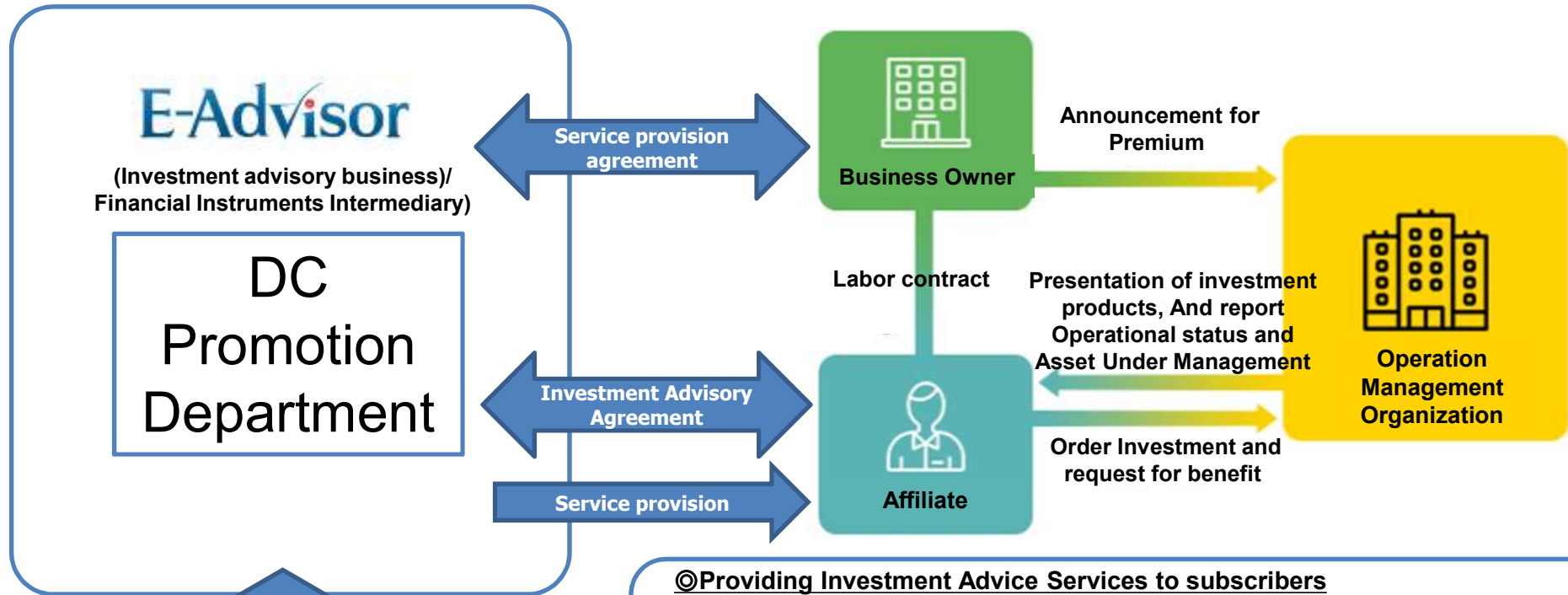


Source: 'Inquiries into the Management of Defined Contribution-type Corporate Pension Plans (conducted between late June 2017 and early August 2017)', the 401k Educational society

※ n=483

E-Advisor Co., Ltd. launches investment advisory service for corporate defined contribution pension plans (Scheduled for March 2021)

Strengthened sales approach to companies with defined contribution pensions



Provision of evaluation information for Operational products

◎Providing Investment Advice Services to subscribers

◎Automate operational orders and monitoring to eliminate anxiety about the future of subscribers

The interface includes several key components:

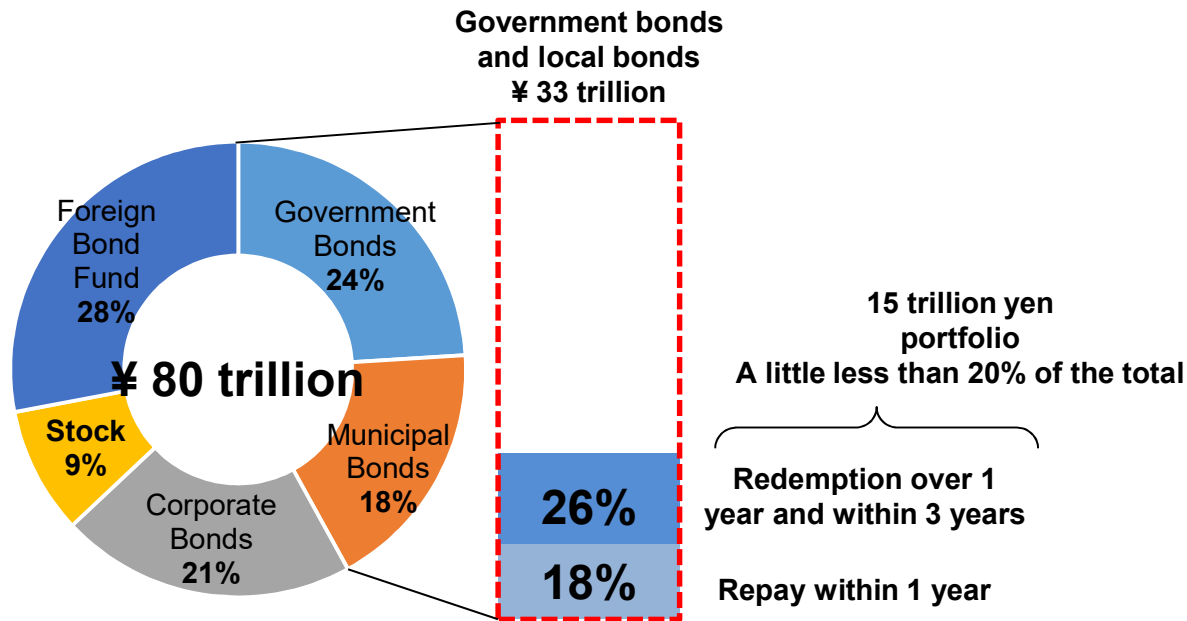
- App** and **PC** access points.
- リスク許容度診断** (Risk Tolerance Diagnosis): A questionnaire with questions like "現在の年齢は、おいくつですか?" (What is your current age?).
- 資産構成比** (Asset Composition Ratio): A donut chart showing the distribution of assets.
- 運用目標の設定** (Setting Investment Objectives): A screen for setting goals, showing "現在の預金" (Current savings) at 49万円 and "目標金額" (Target amount) at 118~130万円.
- 資産配分割合** (Asset Allocation Ratio): A bar chart showing the allocation of assets, with a target of 65% for "モデルポートフォリオ" (Model Portfolio).
- 資産配分シミュレーション** (Asset Allocation Simulation): A table showing the performance of different asset allocation strategies.

投資商品	モデルポートフォリオの保有割合	シミュレーションポートフォリオの保有割合	シミュレーションのスコア
国内債券	19%	14%	19%
海外債券	30%	26%	30%
国内株式	11%	2%	11%
海外株式	21%	25%	21%

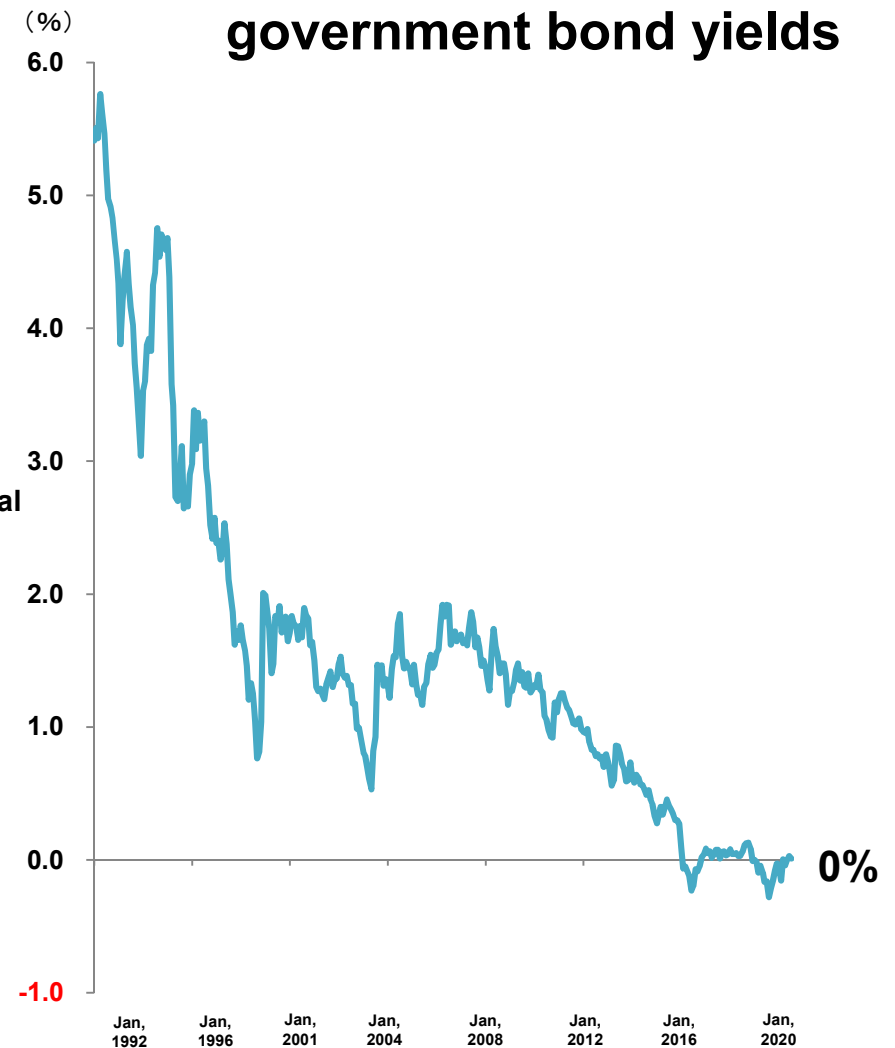
3) Provision of portfolio management and investment products to regional financial institutions for supporting their management of securities portfolios

A time to call an end to the domestic bond-centric (government and municipal bonds) fund management

Holding status of securities of regional banks (As of the end of March 2019)



Trends in 10-year government bond yields



Regional Banks Version of Corporate Governance Code (Corporate Governance Guidelines)

Eight points at issue in light of the management reforms conducted by regional banks (publicized by the Financial Services Agency)

1. Eight points at issue in light of the management reforms conducted by regional banks (publicized by the Financial Services Agency)
 1. Fundamental policies of regional banks
2. Relations with the local community
3. Roles of management
4. Role of the board of directors
5. Formulation of management strategy
6. Implementation of management strategy

7. Business process rationalization and partnership with other institutions

Amongst several available options toward these ends, such as the use of outside experts or facilities for portfolio management and system integration/sharing, which one(s) to adopt.

8. Human resources development and maintaining motivation

Morningstar Group's Global Operational Structure

The Group can deploy global networks of the SBI Group and Morningstar to provide attractive fund management products.



Morningstar has 27 locations around the world

<SBI Group's major partners>



Provision of services in collaboration with major partners

- Provision of market outlook and exchange of views
- Provision of expertise in portfolio management operations
- Human resources development and training

< Alliance with a global securities company >



Morningstar deploys its global network to deliver the best execution and maintain high-level liquidity by choosing appropriate brokers.

Morningstar provides portfolio analysis services in a neutral and impartial setting

① Portfolio analysis

Neutral and impartial positioned Morningstar scrutinizes overall securities asset to provide various opinions concerning for example challenges and areas needing improvement. (used as a second opinion)

(quantified risk, i.e. Var, sensitivity values, scenario-based analysis, etc.)

資産目	2020/06/30	比較対象	2020/06/30	変動率	比較対象	2020/06/30	変動率	比較対象	2020/06/30	変動率	比較対象	2020/06/30	変動率	比較対象	2020/06/30	変動率	比較対象	2020/06/30	変動率
有価証券ポートフォリオ	5,474.84	▲23.32	▲23.29	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
債券投資信託	13.83	▲1.70	▲1.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
外国債券ポートフォリオ	2,462.83	▲33.62	▲33.75	7.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
国内債券	640.02	▲4.63	▲4.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
外国債券(ハイブリッド)	640.02	▲4.63	▲4.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
多様なポート	820.99	▲21.98	▲21.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
株式	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
国内上場株式	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
海外上場株式	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
国内上場株式	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
海外上場株式	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
債券	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
国内債券	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
外国債券	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
国内REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
海外REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
債券	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
国内債券	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
外国債券	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
国内REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
海外REIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

② Utilized as a securities investment management platform

- Deploy the service to achieve effective and flexible portfolio management.
- To manage risks associated with the whole portfolio.
- To reduce overall management costs.



③ Taking on trainees to develop their ability and skills

- The Morningstar Group welcomes trainees to help them develop fund management skills and acquire necessary expertise at an investment management firm.

Changes in AUM and operating profit of 'SBI Bond Investment Management'

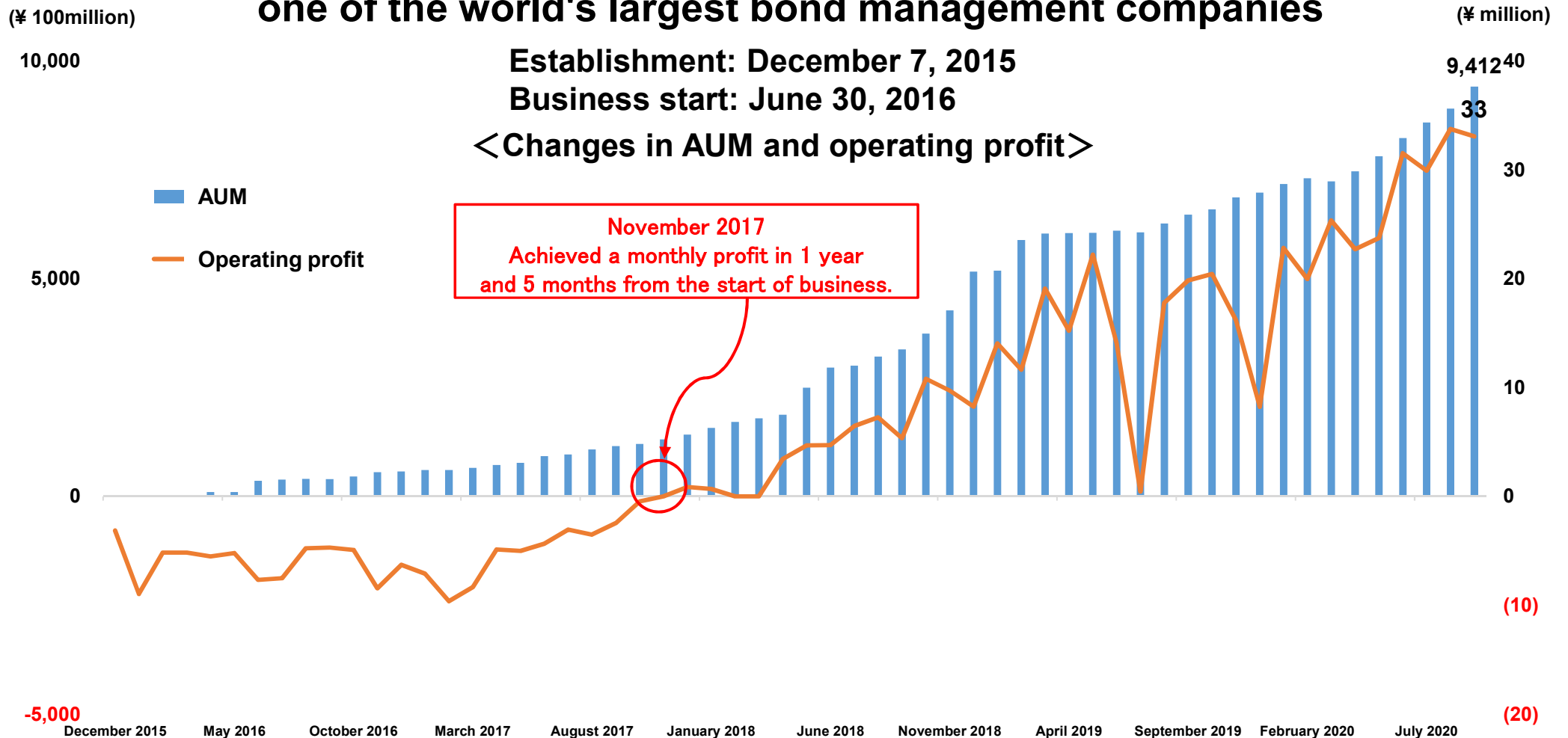
PIMCO Success stories of joint ventures - ①

Joint venture with Pimco,
one of the world's largest bond management companies

Establishment: December 7, 2015

Business start: June 30, 2016

<Changes in AUM and operating profit>



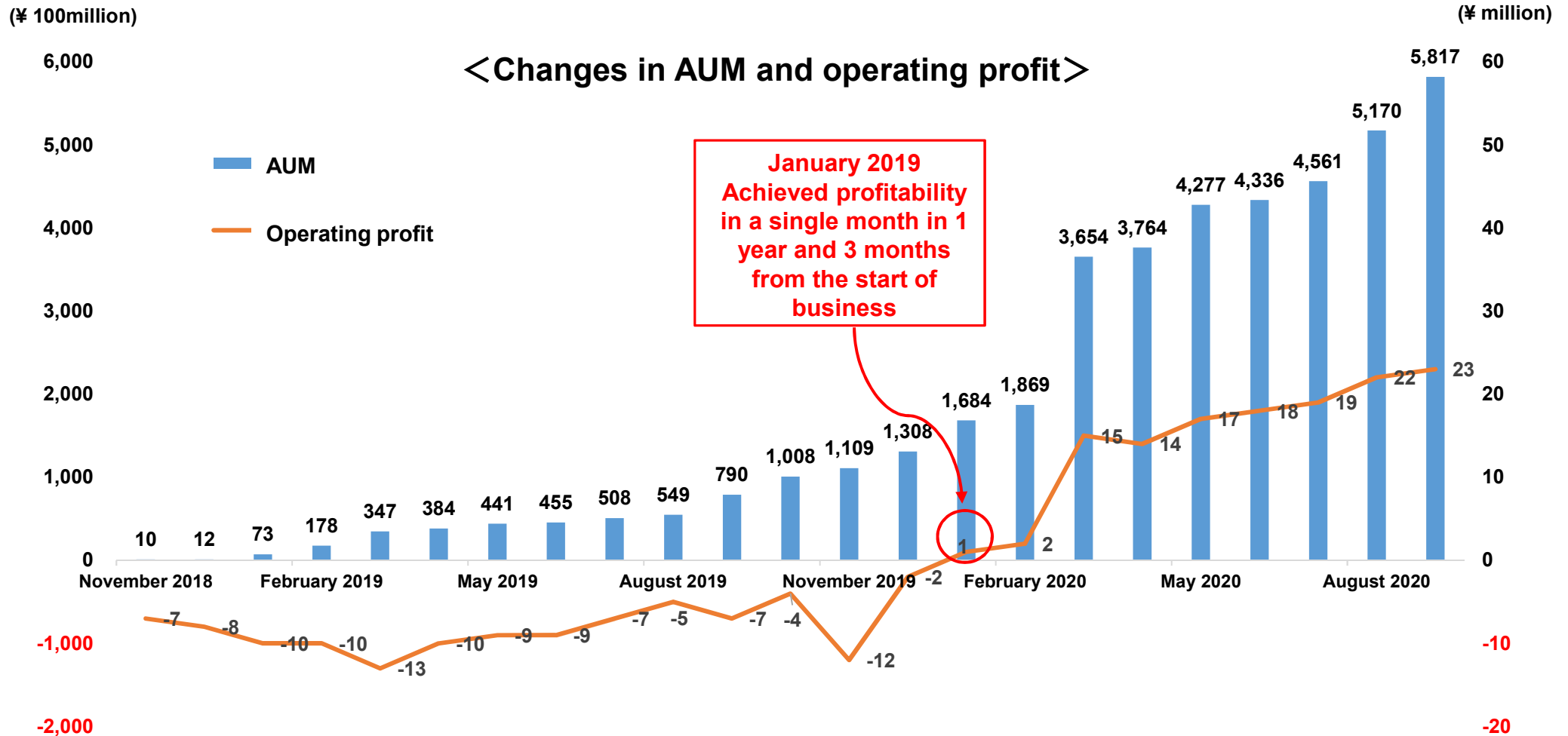
Changes in AUM and operating profit of 'SBI Regional Revitalization Asset Management'

Success stories of joint ventures - ②

Joint venture with 38 regional banks

Establishment: March 2018

Business start: November 2018



Provision of tools for portfolio analysis and risk management to regional financial institutions, with a view to helping them diversify and refine their securities portfolio management operations

SBI ボンド・インベストメント・マネジメント

SBI Bond Investment Management

SBI 地方創生アセットマネジメント

SBI Regional Revitalization Asset Management

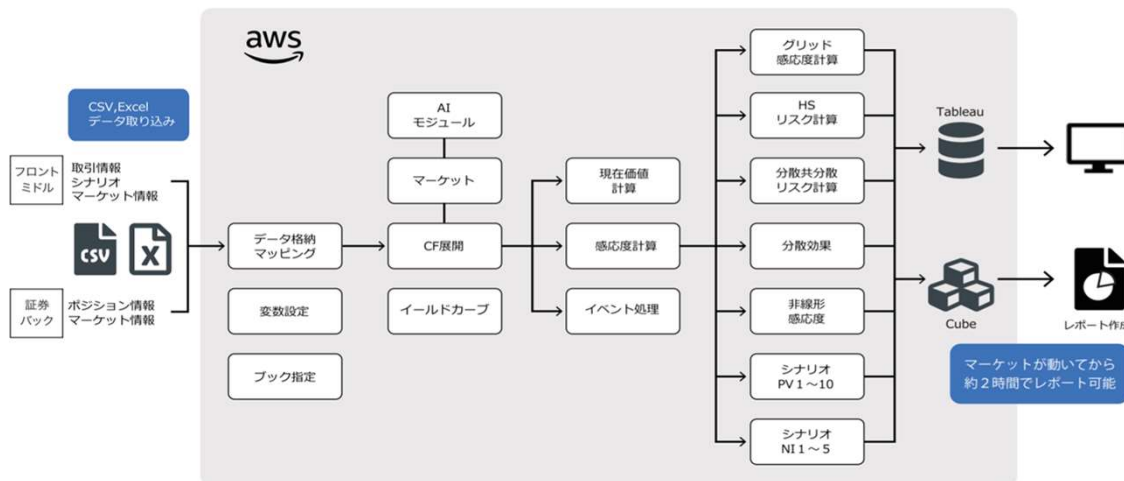


‘MILIZE’s securities management portfolio analysis, risk management tool “Acrux”

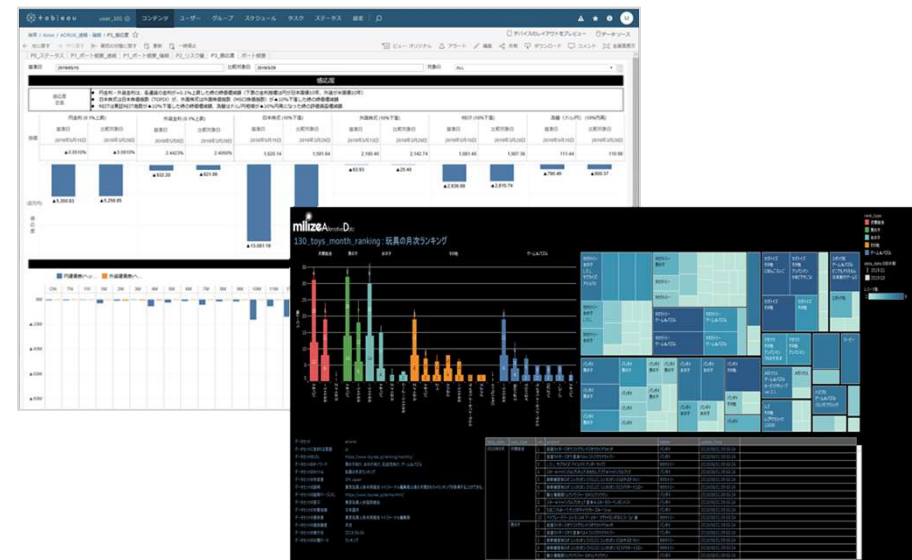
In a cloud environment, Morningstar provides regional financial institutions with next-generation platforms for securities investment and risk management.

- ① Visualizing data to gain a better comprehension of portfolio profiles.
- ② Stress testing and scenario-based testing of existing portfolios.
- ③ Running periodic profit simulations for portfolio restructuring variation

Providing a system using a cloud environment



Data visualization



Part 5

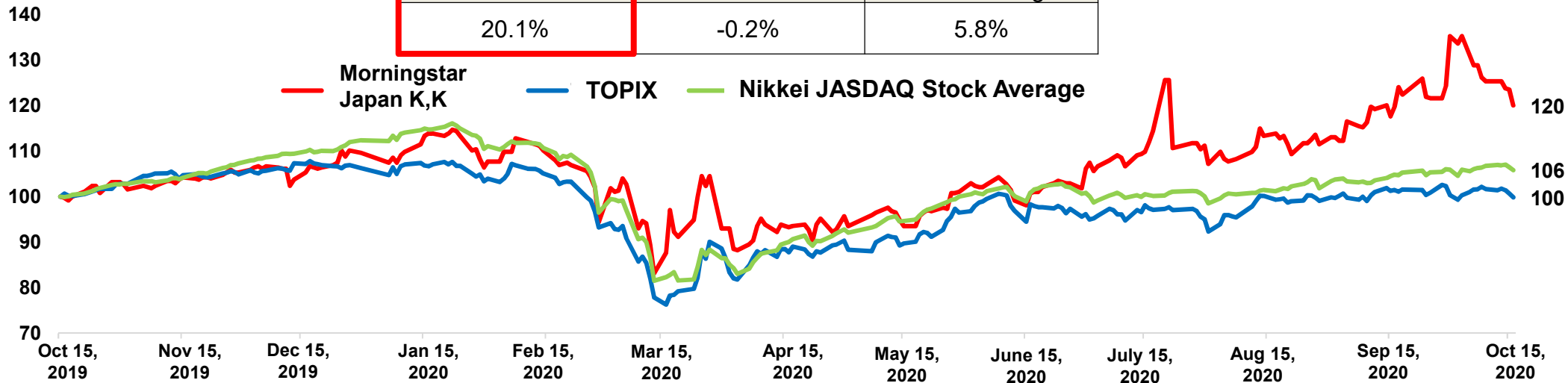
Our stock price and shareholder returns

Changes in stock prices of Morningstar

< Changes over the past one year (October 15, 2019 – October 16, 2020) >

(October 15, 2019=100)

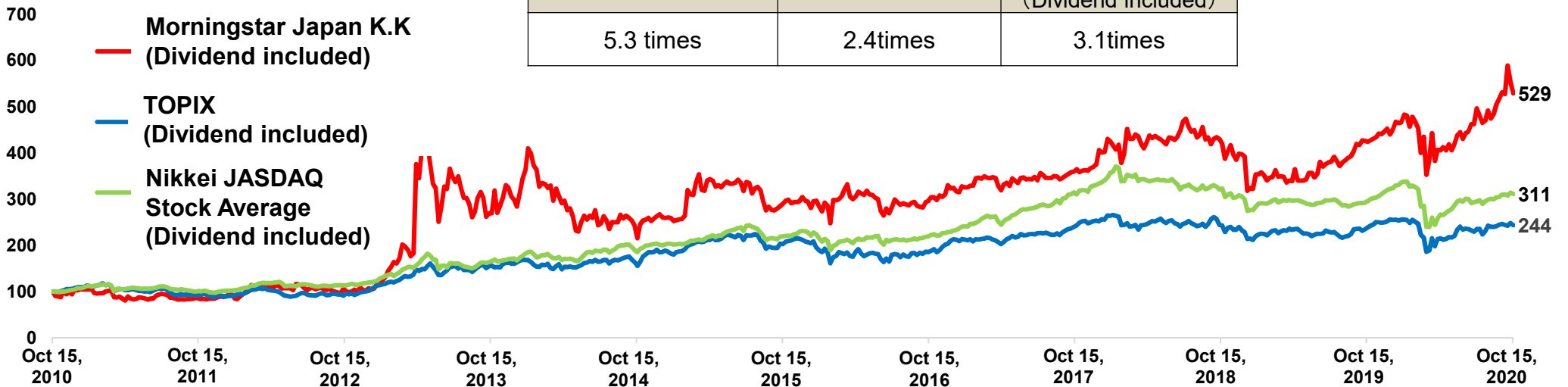
Morningstar Japan K.K	TOPIX	Nikkei JASDAQ Stock Average
20.1%	-0.2%	5.8%



< Changes over the past ten year (October 15, 2010 – October 16, 2020) >

(October 15, 2010=100)

Morningstar Japan K.K (Dividend included)	TOPIX (Dividend included)	Nikkei JASDAQ Stock Average (Dividend included)
5.3 times	2.4times	3.1times



Comparison of Business Results for 1H FY2020 (April ~ September 2020)

We achieved an increase in profit even in the harsh environment of corona

	(April-September 2020) Year-over-year basis Operating profit growth rate	(End of March 2020) ROE
First Section of the Tokyo Stock Exchange (Average of 695 companies in the company plan)	-56.0%	6.3%
TSE JASDAQ (Average of 160 companies in the company plan)	-25.3%	5.3%
Morningstar Japan K.K	0.80%	13.5%

※Companies that closed their books on March 31 (excluding financials).

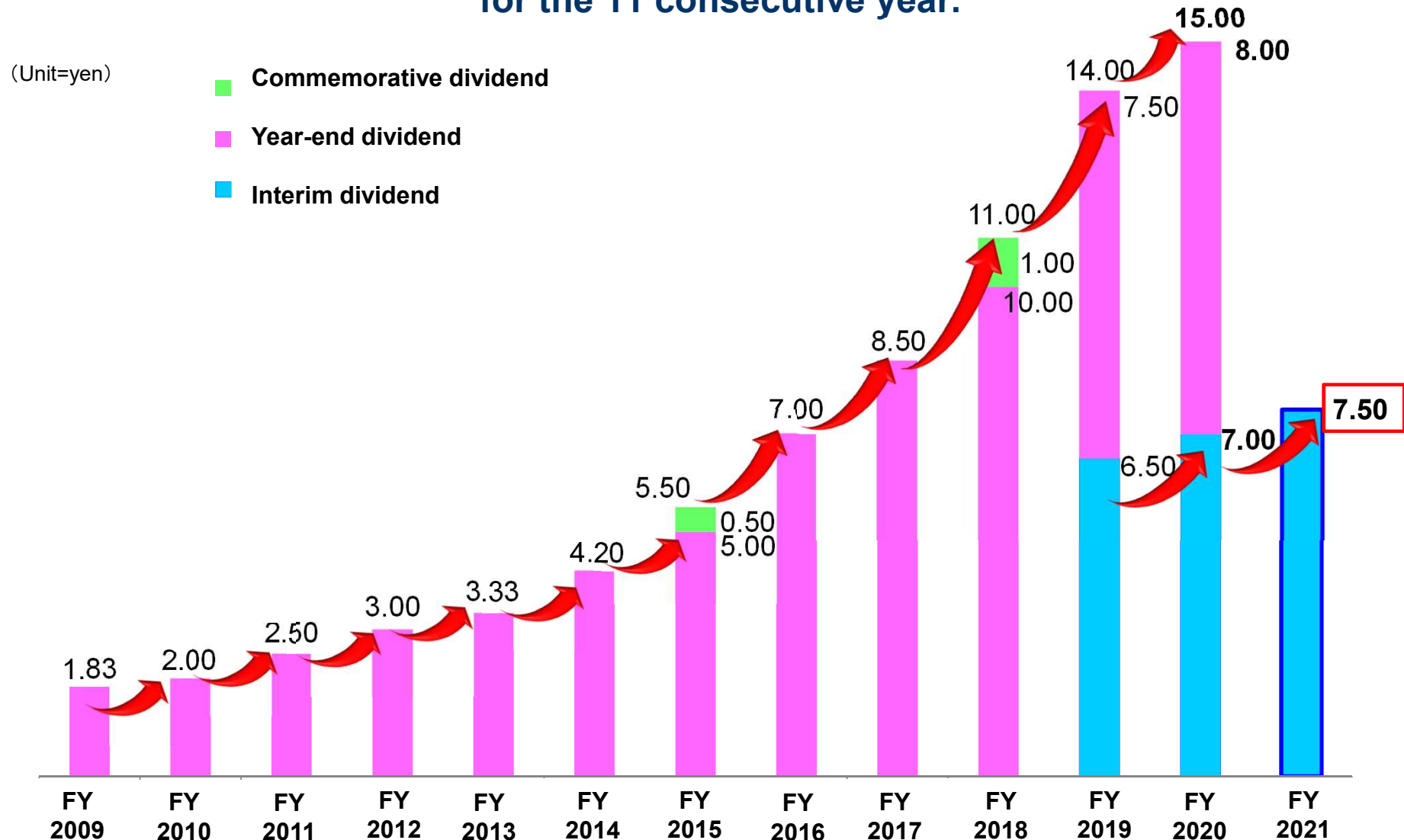
※Data were aggregated and calculated by Morningstar, based on companies' expected profit growth ratios for the first half of fiscal year ending March 2021 (involving 695 firms listed on TSE 1st and 160 on TSE's JASDAQ).

※ROE figures represent actual results for fiscal year ended March 2020.

We have already announced an increase in the interim dividend for the current fiscal year.

The interim dividend for the fiscal year ending March 2021 is 7.50 yen.

Dividends to shareholders for the full year have continued to increase for the 11 consecutive year.



※ The commemorative dividend for the fiscal year ended March 31, 2015 is the 10th anniversary commemorative dividend. The commemorative dividend for the fiscal year ending March 2018 is the 20th anniversary commemorative dividend.