

Morningstar Japan K.K

Third Quarter Financial Results

Third Quarter Ended December 31, 2020
(Fiscal Year Ending March 31, 2021)



January 27, 2021
Morningstar Japan K.K
Representative Director & President
Tomoya Asakura

Part 1

Summary of Consolidated Financial Results

Consolidated Financial Results

- **All-time highs in revenue, ordinary income and net income**
- **9th consecutive quarter of increased revenue - a record high for 4 quarters running**
- **Ordinary income has grown for 12 quarters in succession, exceeding the old record for 9 quarters in a row**

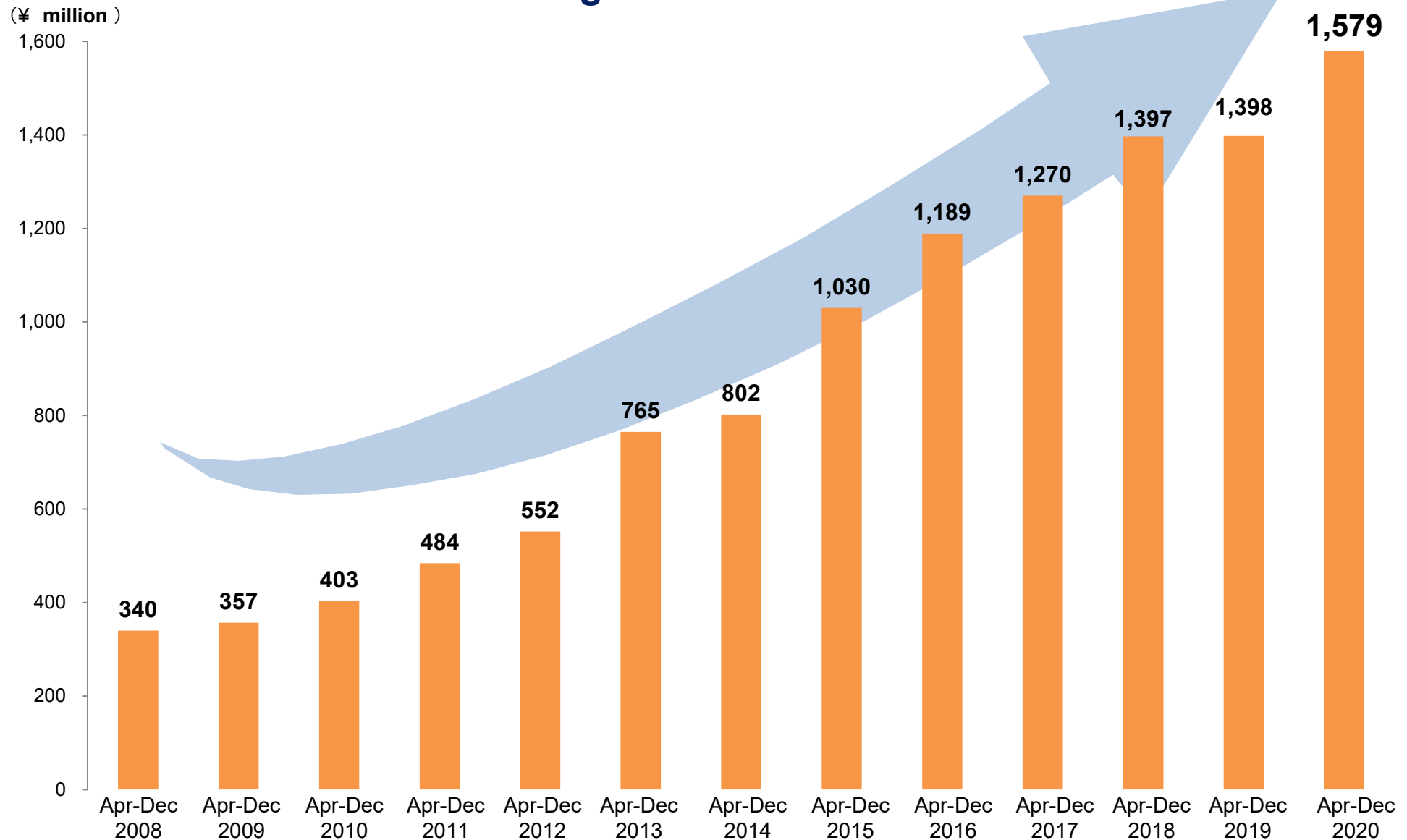
(¥ Thousand)

	FY 2020 Apr.–December.2019	FY 2021 Apr.–December.2020	Increase △Decrease (%)
Sales	4,931,171	5,479,100	11.1
Operating profit	1,160,331	1,284,924	10.7
Ordinary profit	1,398,522	1,579,304	12.9
Net profit	953,607	984,969	3.3

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

Changes in consolidated ordinary income

After the Lehman shock, profits increased for the 12th consecutive term and reached record highs for the 9th consecutive term.



Comparison of consolidated ordinary income compared to the same quarter of the previous year

After hitting the bottom in 1Q, ordinary income for 3Q and 4Q rose more than 30% year-on-year.



Change in sales by major services / product

Both the SaaS (Software as a Service) business, asset management data providing business and the private placement investment funds-driven asset management business showed steady growth.

(¥ Thousand)

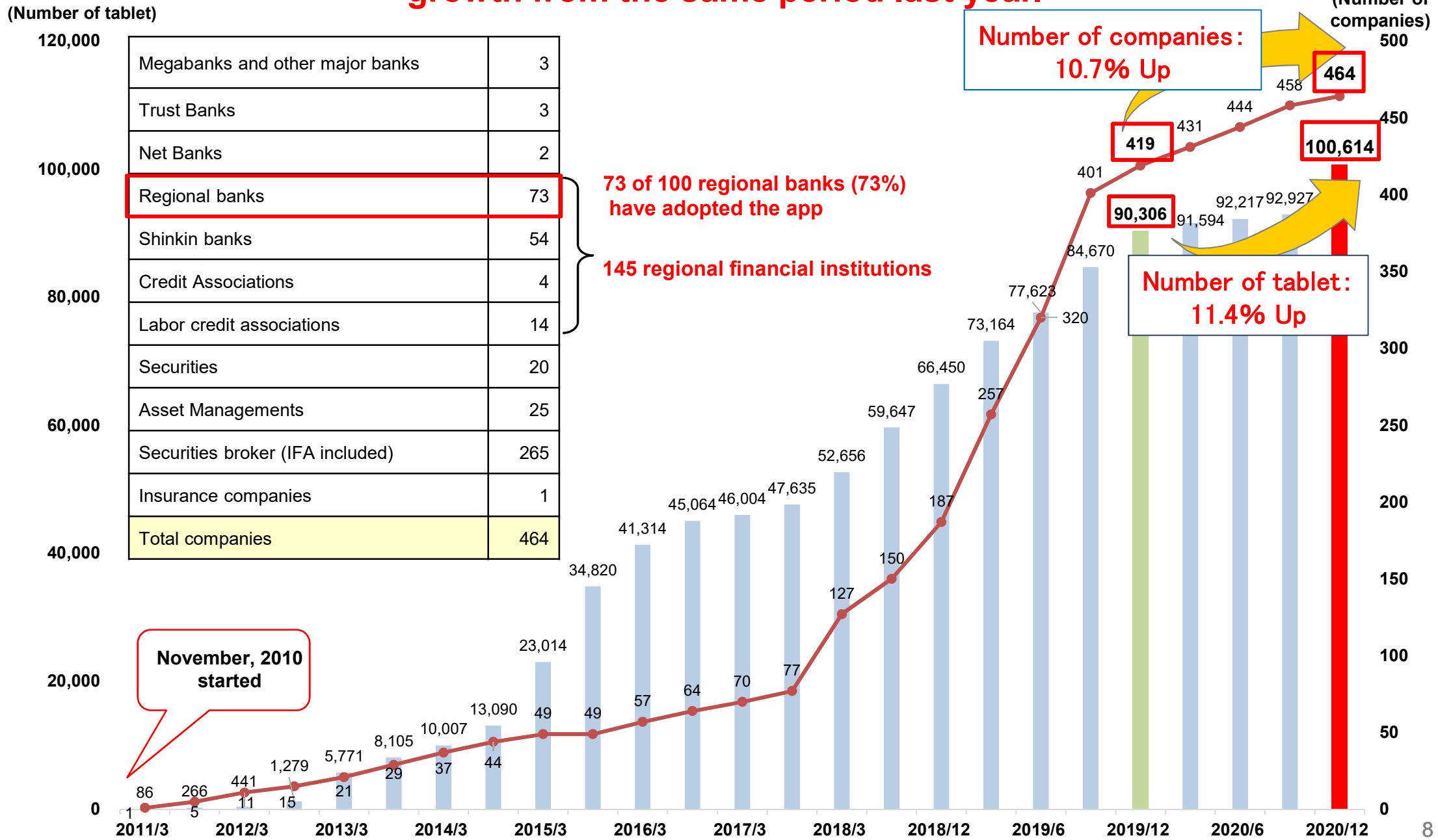
	Service / Product	FY 2020 Apr.–December. 2019	FY 2021 Apr.–December. 2020	Increase Decrease (%)
Financial Service Business (Data Solution)	Fund Data			
	Data for tablet devices	355,826	372,719	4.7%
	Data for Smartphones, PC	455,245	476,886	4.8%
	Fund Report	150,918	141,802	-6.0%
	Stock Newspaper subscription fee			
	(Newspaper)	138,139	124,059	-10.2%
	(Web)	27,517	36,935	34.2%
Financial Service Business (Media Solution)	Media Solutions			
	Seminar	252,962	192,123	-24.1%
	Web Advertising	273,329	77,178	-71.8%
	Web consulting (Gomez Consulting Business)	259,671	209,308	-19.4%
Assets Management (Investment trust fee)	SBI Asset Management	1,917,700	1,677,362	-12.5%
	Carret Asset Management	809,744	833,565	2.9%
	SBI Bond Investment Management	504,692	721,571	43.0%
	SBI Regional Revitalization Asset Management	51,755	406,061	7.8 times

Part 2

Overview of the Financial Services Business

The SaaS (Software as a Service) business provides asset management-related data for tablet devices

Tablet devices with the 'Wealth Advisors' application have now surpassed the '100,000' mark. Both the number of user companies and tablets have delivered **double digit growth from the same period last year.**



Installation of a lifetime planning simulation tool developed by our capital alliance partner 'MILIZE' on the 'Wealth Advisors'

The app now offers a comprehensive lifetime planning simulation tool, enabling users to consolidate and manage their entire financial assets and liabilities including savings, investment funds, pension plans, properties and loans.

Perform individual life plan simulation

Constantly update the tuition fees of each university and wage data of companies, and perform detailed analysis.

Set goals and objectives and make optimal proposals to individuals with a goal-based approach



The SaaS (Software as a Service) business provides asset management-related data for tablet devices

‘Wealth Advisors’ tablet is set to be equipped with an online consultation function, facilitating effective communication with clients in remote locations.

Morningstar and clients can view the same screen images and information, helping us make consistent proposals or recommendations as in in-person meetings

Remote

Online

‘Wealth Advisors’

Asset Management Advisor



Share the same Screen images

Individual investor

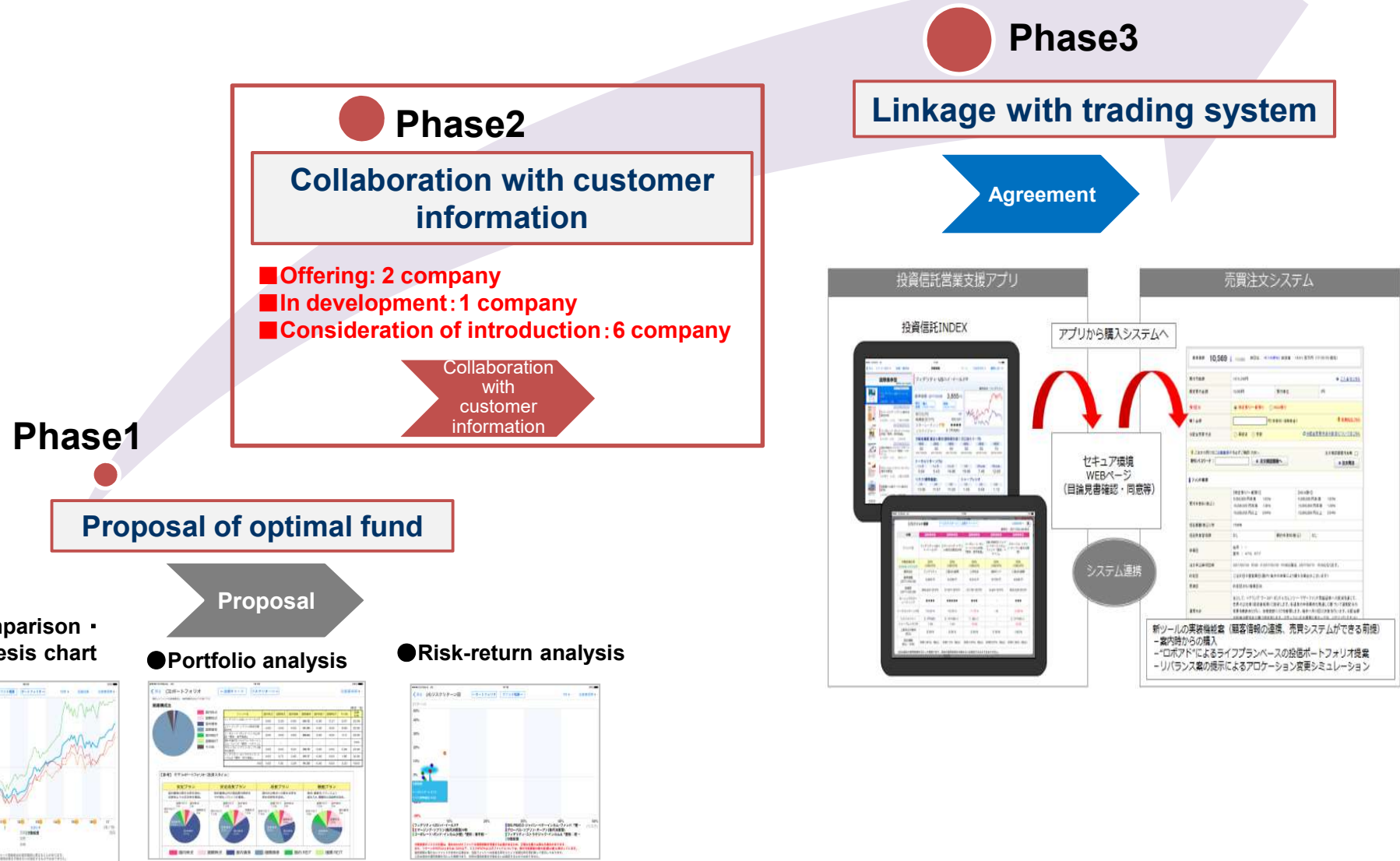


Share the same Screen images



The SaaS (Software as a Service) business provides asset management-related data for tablet devices

The role of 'Wealth Advisors' is shifting from its Phase 1, 'customer advisory function' to 'Phase 2', 'liaising with clients to deliver information'.



The SaaS (Software as a Service) business provides asset management-related data for tablet devices

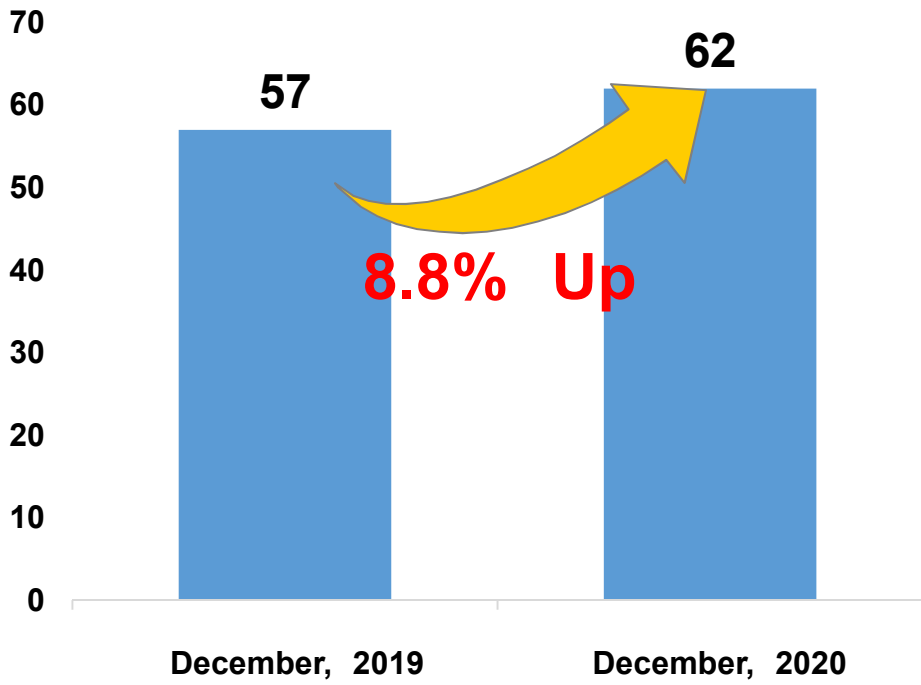
Demand for investment fund data and asset management tools designed to smartphones and PCs is increasing, thanks to progress in DX (digital transformation).

Number of companies providing data for smartphones and PCs and operation-related tools



カテゴリー	基金名	運用会社	運用資産 (円)	前年比 (%)	成長率 (1年)	1年未満 (%)	1年未満 (%)	1年未満 (%)	1年未満 (%)	1年未満 (%)
国内株式	しんきん 先進国株式ファンド	しんきん	16,752	+70%	+4.42%	40,353	191	単任	★★★★	★★★★
国内株式	先進国株式ファンド	先進国	49,236	+10%	+1.51%	36,874	0	単任	★★★★	★★★★
国内株式	先進国株式ファンド	先進国	12,947	+32%	+6.43%	26,993	20,032	単任	★★★★	★★★★
国内株式	しんきん 先進国株式ファンド	しんきん	15,657	+12%	+0.77%	6,559	600	単任	★★★★	★★★★
国内株式	しんきん 先進国株式ファンド	しんきん	11,242	+68%	+0.81%	2,004	20,032	単任	★★★★	★★★★
国内株式	しんきん 先進国株式ファンド	しんきん	10,164	+8%	+0.78%	1,152	600	単任	★★★★	★★★★
国内株式	しんきん 先進国株式ファンド	しんきん	11,219	+4%	+0.53%	798	55	単任	★★★★	★★★★

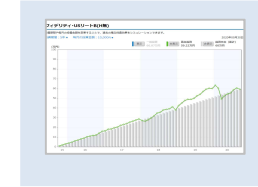
(Number of company)



Investment trust data for PC



Simulation of funded investment trust



Inheritance simulation



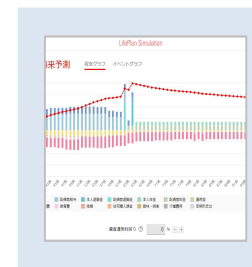
Insurance filtering tool



Robo Advisor



Life Plan Simulation



Money color-coded diagnostics



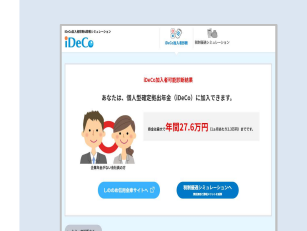
Financial calculator



Freshly-picked NISA tax saving simulation



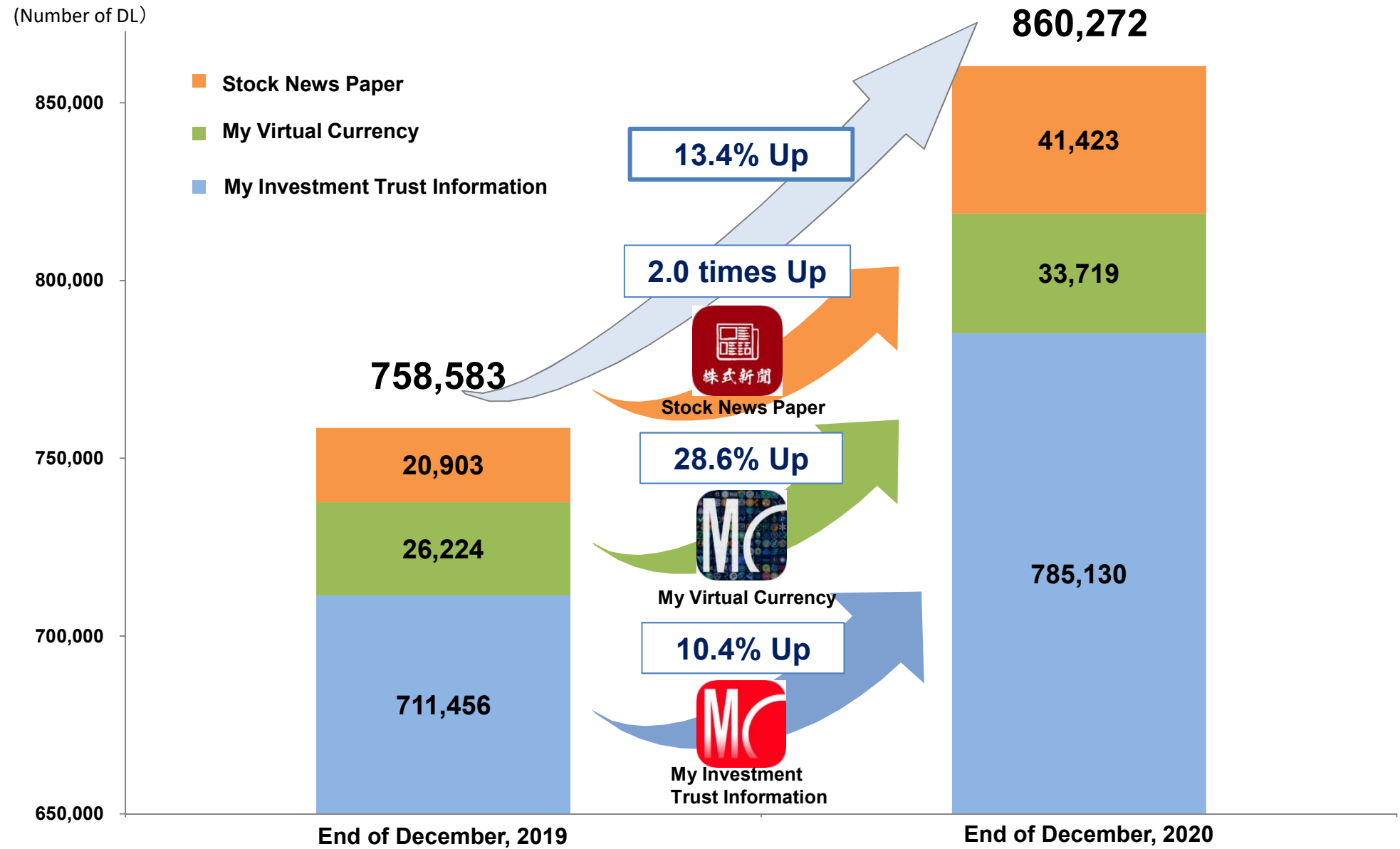
iDeCo tax saving simulation



The SaaS (Software as a Service) business provides asset management-related data for smart phones, PC

The number of downloads of all smartphone apps increased by double digits compared to the end of the same period of the previous year.

<Changes in the number of smartphone app downloads>



Morningstar's Official YouTube Channel has tallied more than '20,000 subscribers' and '1 million cumulative views'

Number of subscribers to the official YouTube channel

(Number of people)



It launched its full-swing news delivery service on April 30, 2020, when the Japanese government's 'state of emergency' was in place.



Two videos have exceeded 100,000 views.

< **243,063 views** >
(as of January 27)

'For those who start 'tax-free savings-type NISA'
1,280 Likes



< **117,331 views** >
(as of January 27)

How to buy investment funds, avoiding "buy high, sell low"?
1,231 Likes



Other most-viewed videos (number of views as of January 27):

- Again, how effective is 'long-term, accumulation and diversified investment'? 70,664 views
- 'Our message to investors as we enter into the post-COVID crisis era' 65,676 views
- For those who plan to start 'iDeCo' now 63,766 views
- Stop saving and start to invest! Our recommendation on investment - 'iDeCo', 'periodic NISA' and a full 'investment account'. 59,834 views
- Self-determining fund selection and asset allocation in 'new normal times' 49,357 views
- What you most need to know to select investment funds 41,066 views

‘Morningstar Conference 2021’, held during the government’s state of emergency, it welcomed more than 6,300 visitors in one day, many of them online.

The number of first-time participants was 4,134, 65% of the total.

Morningstar Conference 2021
 【Held on opened on January 16, 2021 (Sat.)】



The keynote speech video, released the following day of the conference, recorded 10,000+ views on the first day alone!

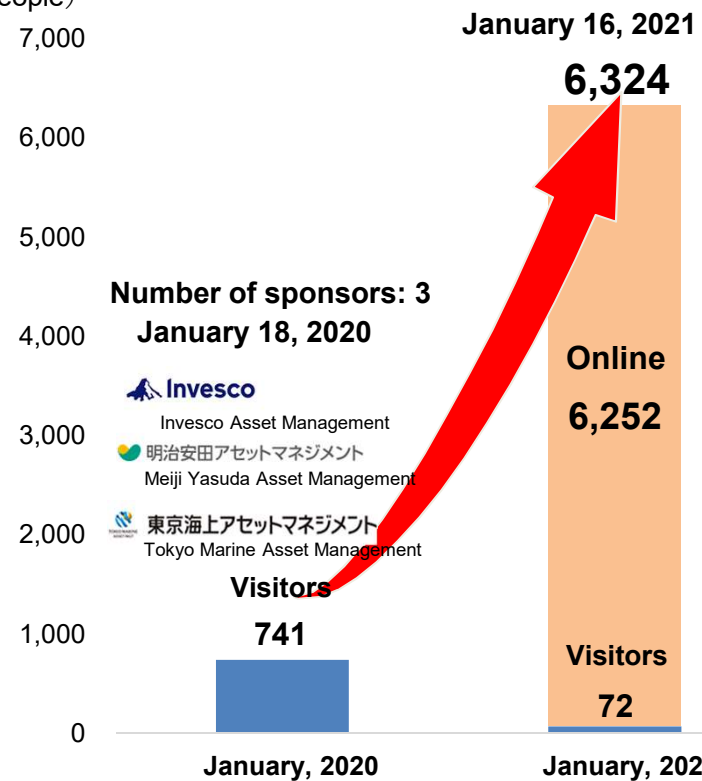
18,115 views
 275 Likes as of January 27



- Viewers : 6,252
- Visitors : 72
- Total : 6,324

(Number of people)
 7,000

<Number of participants>



Number of sponsors: 7

- HSBC Global Asset Management
- COMGEST Comgest Asset Management
- 大和アセットマネジメント Daiwa Asset Management
- 野村アセットマネジメント Nomura Asset Management
- PICTET Pictet Asset Management
- 三井住友DSアセットマネジメント Sumitomo Mitsui DS Asset Management
- MUFG 三菱UFJ国際投信 Mitsubishi UFJ Kokusai Asset Management

Excerpt from comments on SNS

“As usual, I enjoyed your neatly-phrased speech. Your presentation was very impressive. I was thoroughly satisfied with the clearly presented information.”

“As happens each year, I was thrilled with the presentation. The presenter emphasized the partial incorporation of hedged foreign bonds and emerging equities from a long-term investment perspective. “

“I will try to find a ‘convincing way’ to manage my assets by drawing upon the insights obtained from the presentation.”

Due to the corona pandemic, a string of major seminars was cancelled. They are slated to be held on our 'YouTube Chanel' platform.

January 26-28, 2021
 Kansai Mirai Bank
 3Days New Year Conference

<Kansai Mirai Bank>

Online seminar
 Approximately 1,000 people

March 6, 2021
 Rosina Group
 Joint Online Conference

<Resona Group>

Online seminar
 Approximately 3,000 people

March 26-27, 2021
 Investment Trust Fair 2021
 in Fukuoka

<Fukuoka Financial Group>

Online + Face-to-face seminar
 Approximately 3,000 people

WEB開催!

3Days 関西みらい銀行 新春カンファレンス
 ニューノーマル(新常态)時代を迎えた
 2021年のマーケット展望

開催日程 / 2021年1月26日(火)~28日(木)

参加費 無料

プログラム	時期(1日2回)
運用会社講演 1月26日(火) ニッセイアセットマネジメント	昼の部 15:00~15:40(40分)
1月27日(水) 大和アセットマネジメント	夜の部 20:00~20:40(40分)
1月28日(木) アセットマネジメントOne	※昼の部と夜の部は別日開催です

メディア等で著名な金融のプロたちが熱く語る夢の3日間

セミナーのお申込みについてはお問い合わせください

共催: アセットマネジメントOne, 大和アセットマネジメント, ニッセイアセットマネジメント株式会社, 関西みらい銀行, MORNINGSTAR

充実した人生
 100年時代を迎えるために
資産運用を考える

りそなグループ合同WEBセミナー

開催日 / 2021年3月6日(土)

参加費 無料

- りそなグループ初となる4行合同の「資産運用WEBセミナー」を、運用会社とともに開催いたします。皆さまのご参加を心よりお待ちしております。
- ご自宅から参加可能な完全オンライン型フェア!
- 今注目の運用会社が一堂に会し、みなさまへ最新の情報をお伝え!
- アンケート回答による楽しみ抽選会も開催!

セミナーお申し込み方法
 モーニングスター 参加お申込用ホームページ
<http://mjkk.ca/3a5F76X>

詳しくは、お取引店までお問い合わせください。

協賛企業一覧 (50音順)
 アセットマネジメントOne, JPMorgan Asset Management, 大和アセットマネジメント, Fidelity ファイデリティ投資, リそなアセットマネジメント, 共催: リそな銀行 埼玉りそな銀行, 関西みらい銀行, みなと銀行, 協賛協力: MORNINGSTAR

投信フェア2021 in 福岡
 ハイブリッド型フェア

日時 2021年3月26日(金)・27日(土)

会場 ソラリア西鉄ホテル福岡
 福岡県福岡市中央区天神2-2-43

共催: FFG, 三井住友投資信託グループ, MORNINGSTAR

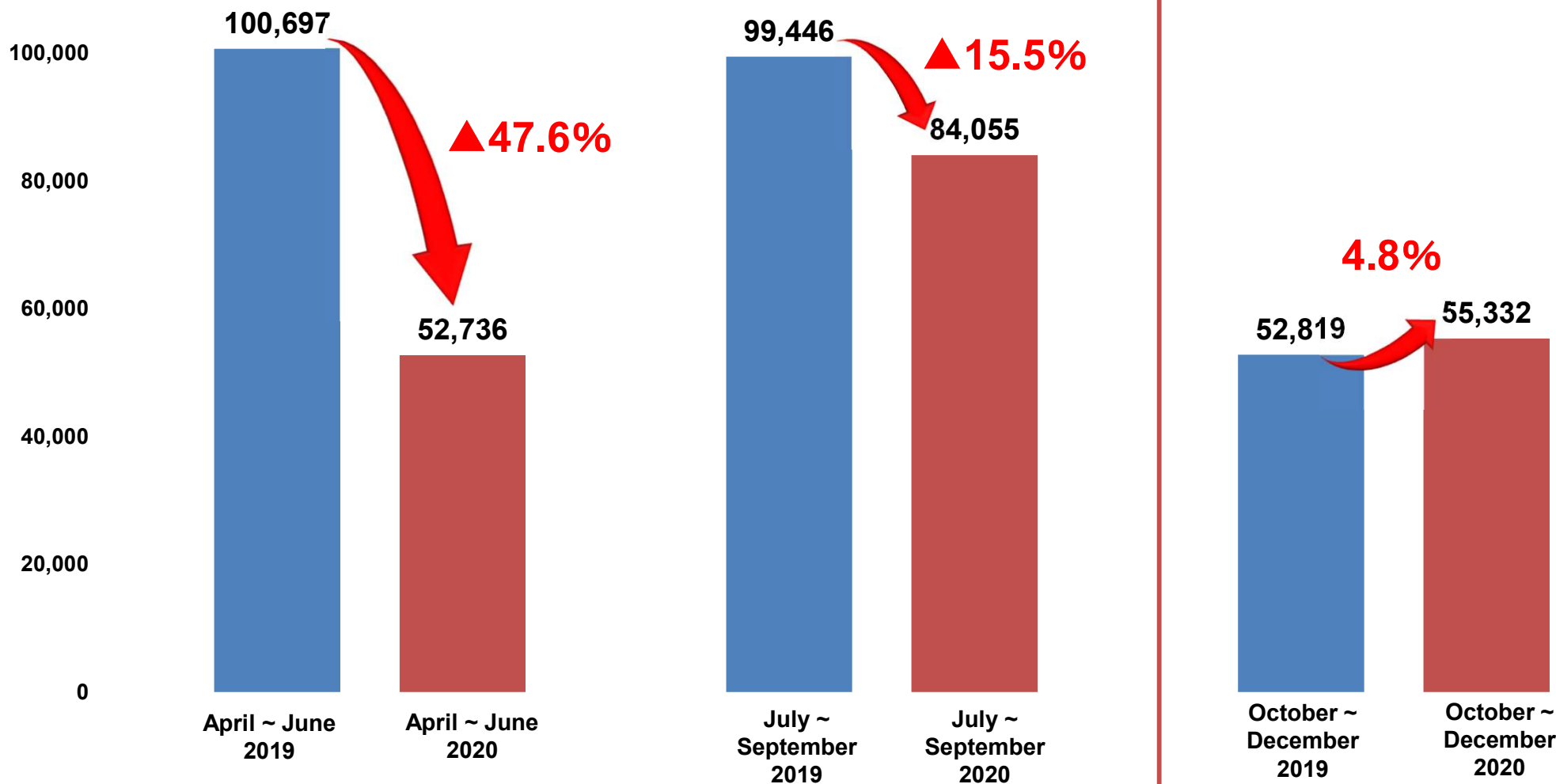
Revenue from seminars for 2Q and 3Q recovered significantly, after a sharp decline in 1Q

(単位: 千円)

<1Q>
 <1Q for the fiscal year ending March 2020
 vs.
 1Q for the fiscal year ending March 2021>

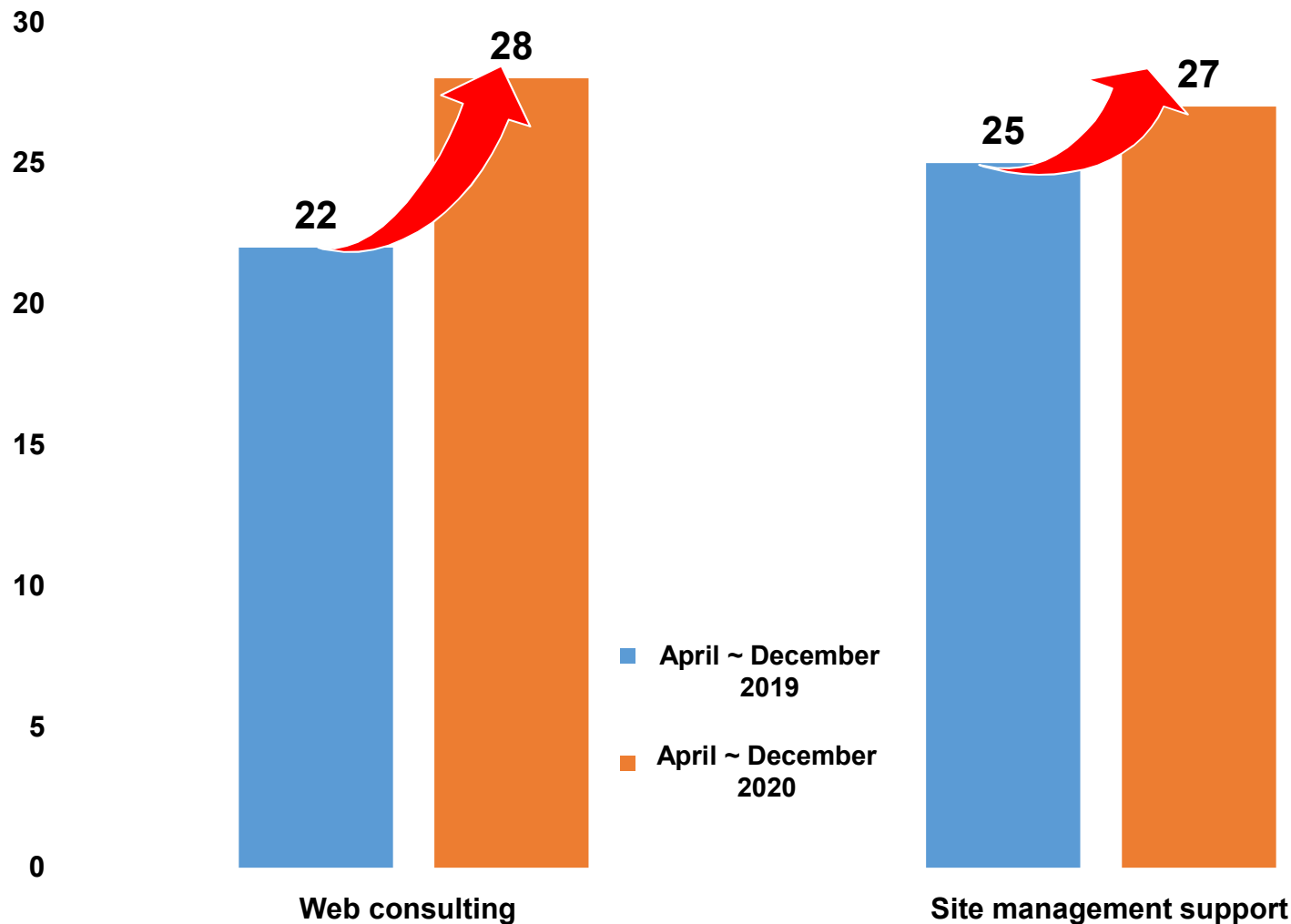
<2Q>
 <2Q for the fiscal year ending March 2020
 vs.
 2Q for the fiscal year ending March 2021>

<3Q>
 <3Q for the fiscal year ending March 2020
 vs.
 3Q for the fiscal year ending March 2021>



Gomez Consulting reported robust growth of website consultation and website management support transactions.

<Number of orders for web consulting and site management support >



Gómez
CONSULTING SERVICES

評価項目：社会(Social)

項目	2019年10月31日現在	2020年10月31日現在	2020年10月31日現在(前年比)
ESGスコア	4.5	4.5	100%
ESGリスク	Low	Low	100%
ESG機会	High	High	100%
ESG課題	Low	Low	100%
ESG対策	High	High	100%
ESG報告	High	High	100%
ESG評価	High	High	100%
ESG情報	High	High	100%
ESGリスク	Low	Low	100%
ESG機会	High	High	100%
ESG課題	Low	Low	100%
ESG対策	High	High	100%
ESG報告	High	High	100%
ESG評価	High	High	100%
ESG情報	High	High	100%

Gómez
CONSULTING SERVICES

ESGに関する情報提供について①

世界経済フォーラム (WEF) の年次総会 (ダボス会議) では、サステナビリティの観点で世界最良の企業を選定する「Global 100 Most Sustainable Corporations in the World (Global 100 Index)」が発表されました。2020年10月の当社のランキングによると、Global (エンタープライズレベル-調整済み) を平均して100社の最良の持続可能な企業に選定され、日本からは6社がランクインしています。

2020 Global 100 4位 : Cisco Systems Inc (米国) <https://www.cisco.com/ja/na/about/our-story>

Global priority (グローバル優先) を取り入れ、By the numbers (数値) に、ESG (環境・社会・ガバナンス) をよりよく、深く認識している。

ESG (環境・社会・ガバナンス) の取り組みは、ESG (環境・社会・ガバナンス) の取り組みを推進している。

ESG (環境・社会・ガバナンス) の取り組みは、ESG (環境・社会・ガバナンス) の取り組みを推進している。

Part 3

Overview of Asset Management business

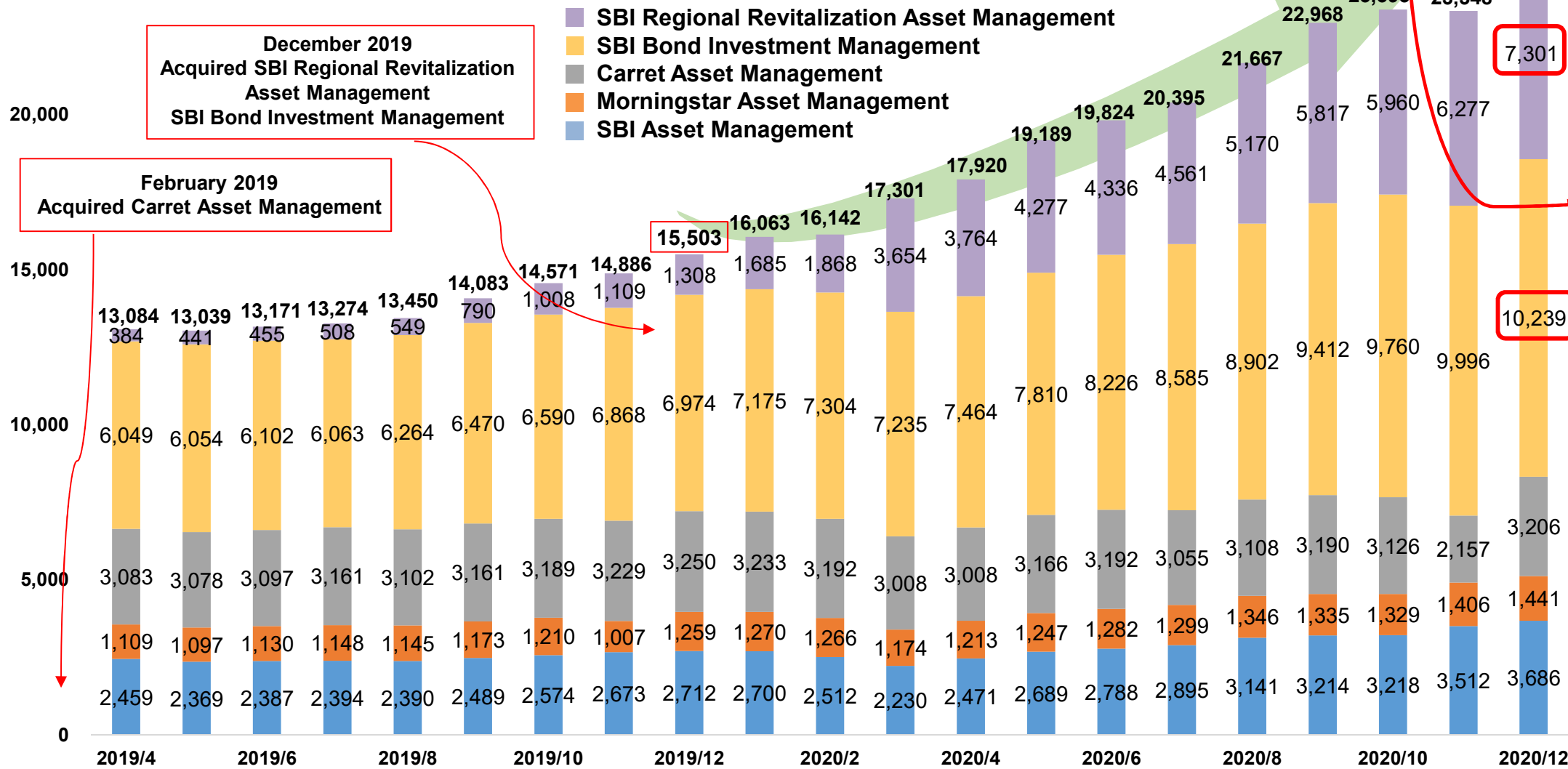
Asset Under Management of the Group which includes investment advisory has substantially increased

[AUM]

Balance as of January 25, 2021: 2,689.2 billion yen

Combined AUM from regional financial institutions exceeds 1.7 trillion yen

(¥ 100million)
25,000



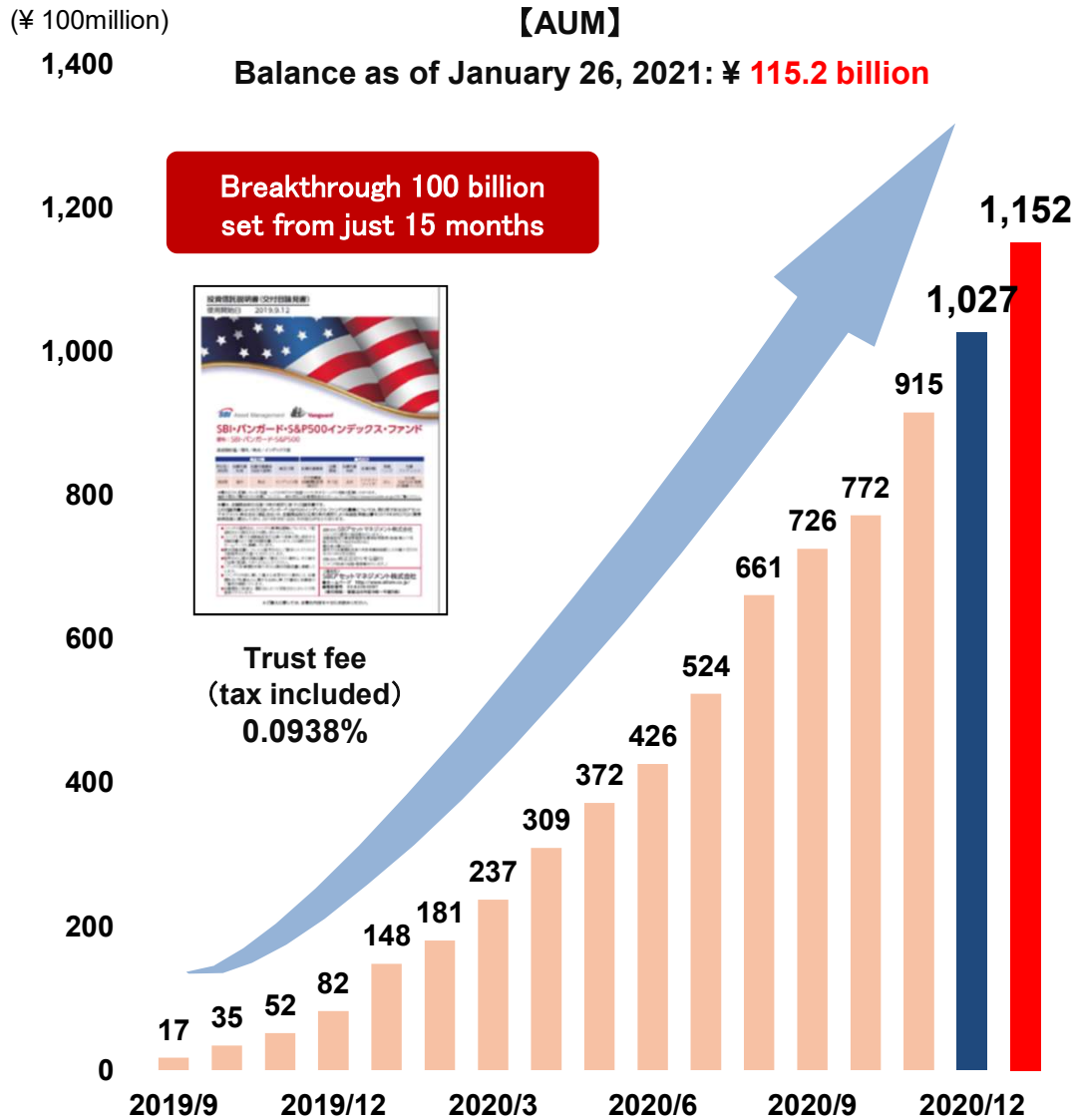
December 2019
Acquired SBI Regional Revitalization Asset Management
SBI Bond Investment Management

February 2019
Acquired Carret Asset Management

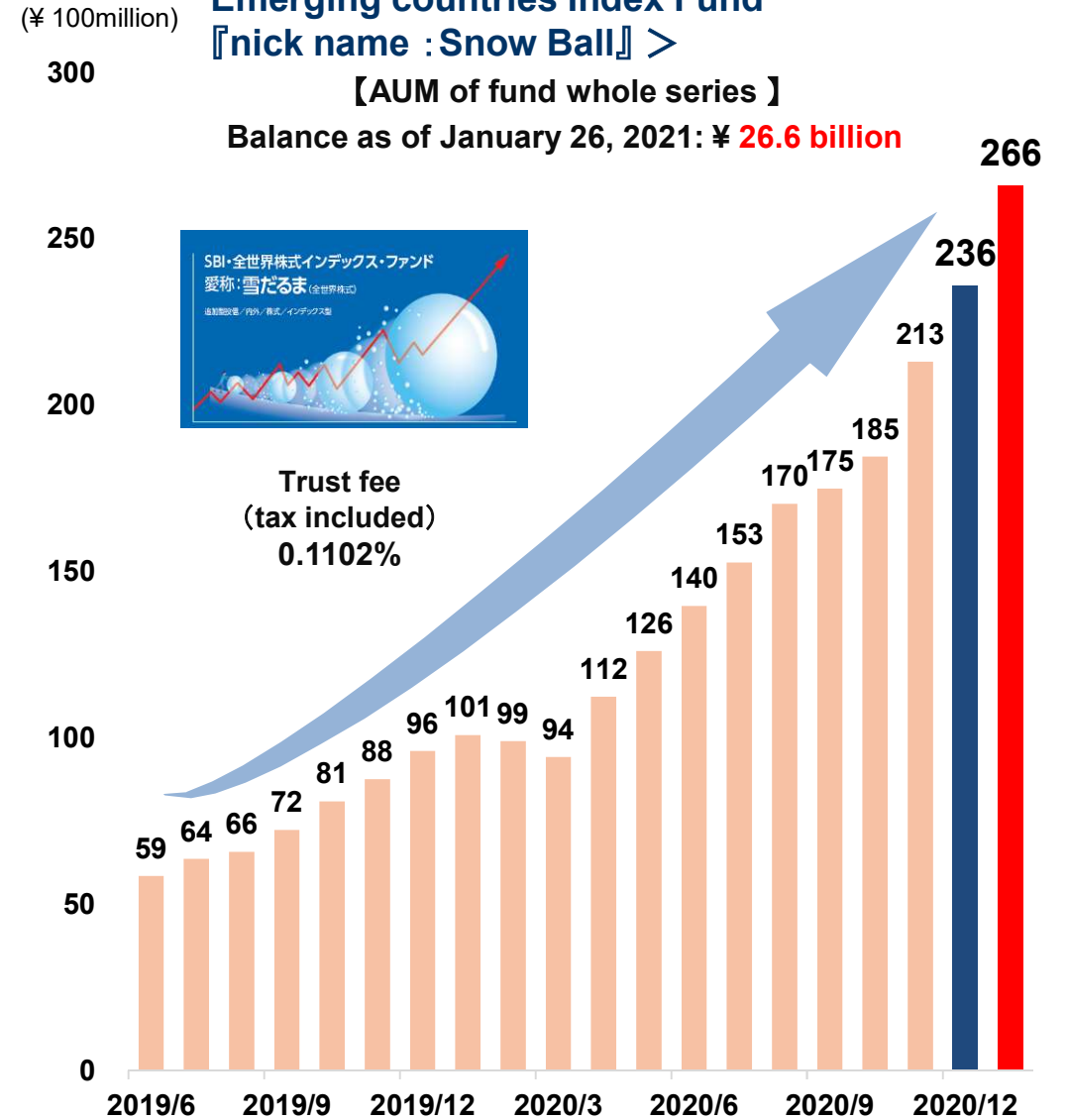
※Carret Asset Management's Asset Under Management is converted at Mizuho Bank's month-end rate, December 2020: 1 dollar = 103.89 yen

'SBI Vanguard S&P 500 Index Fund', the flagship fund for SBI Asset Management, is valued in excess of ¥ 100 billion

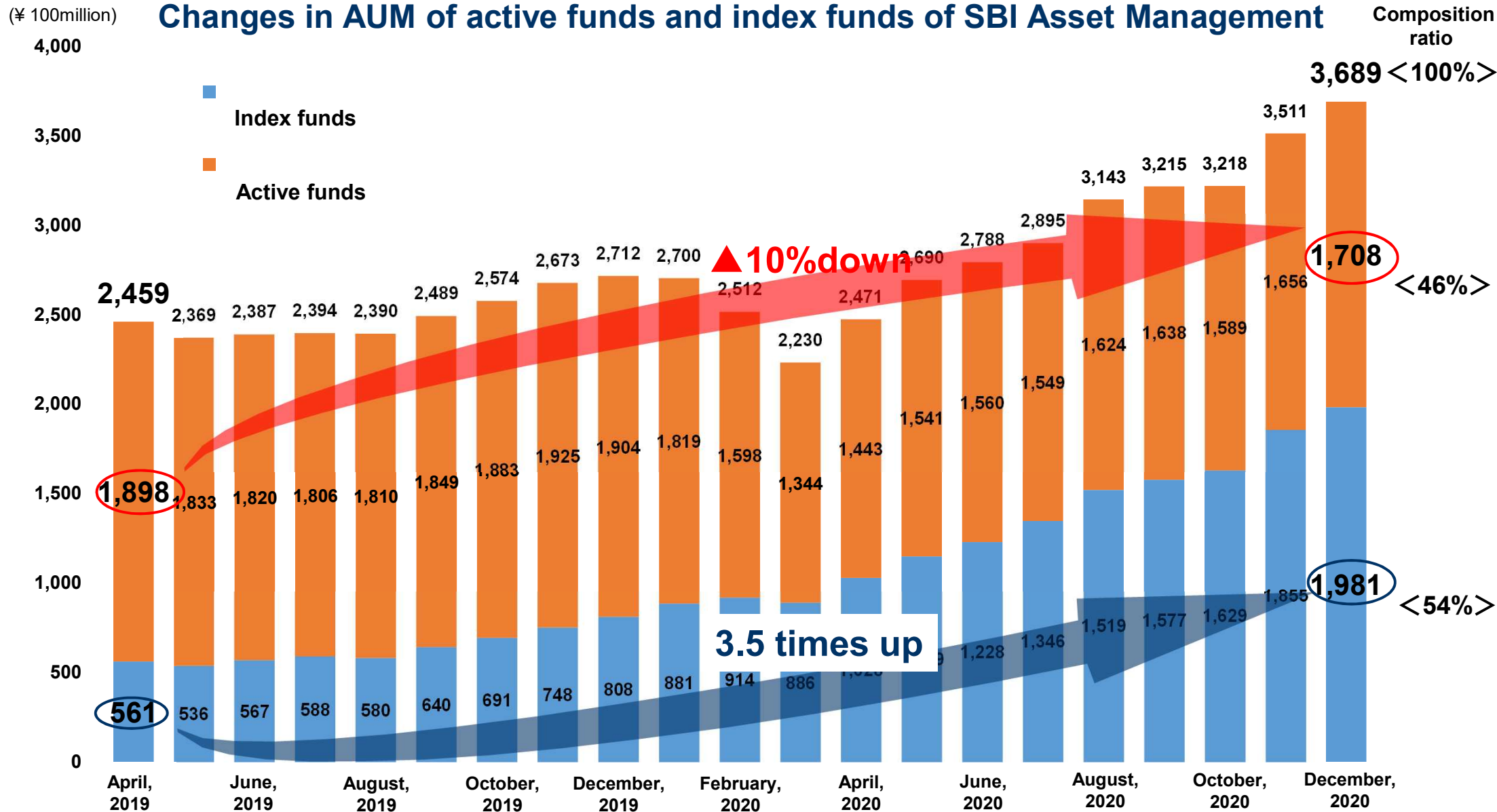
<SBI·Vanguard·S&P 500 Index Funds>



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

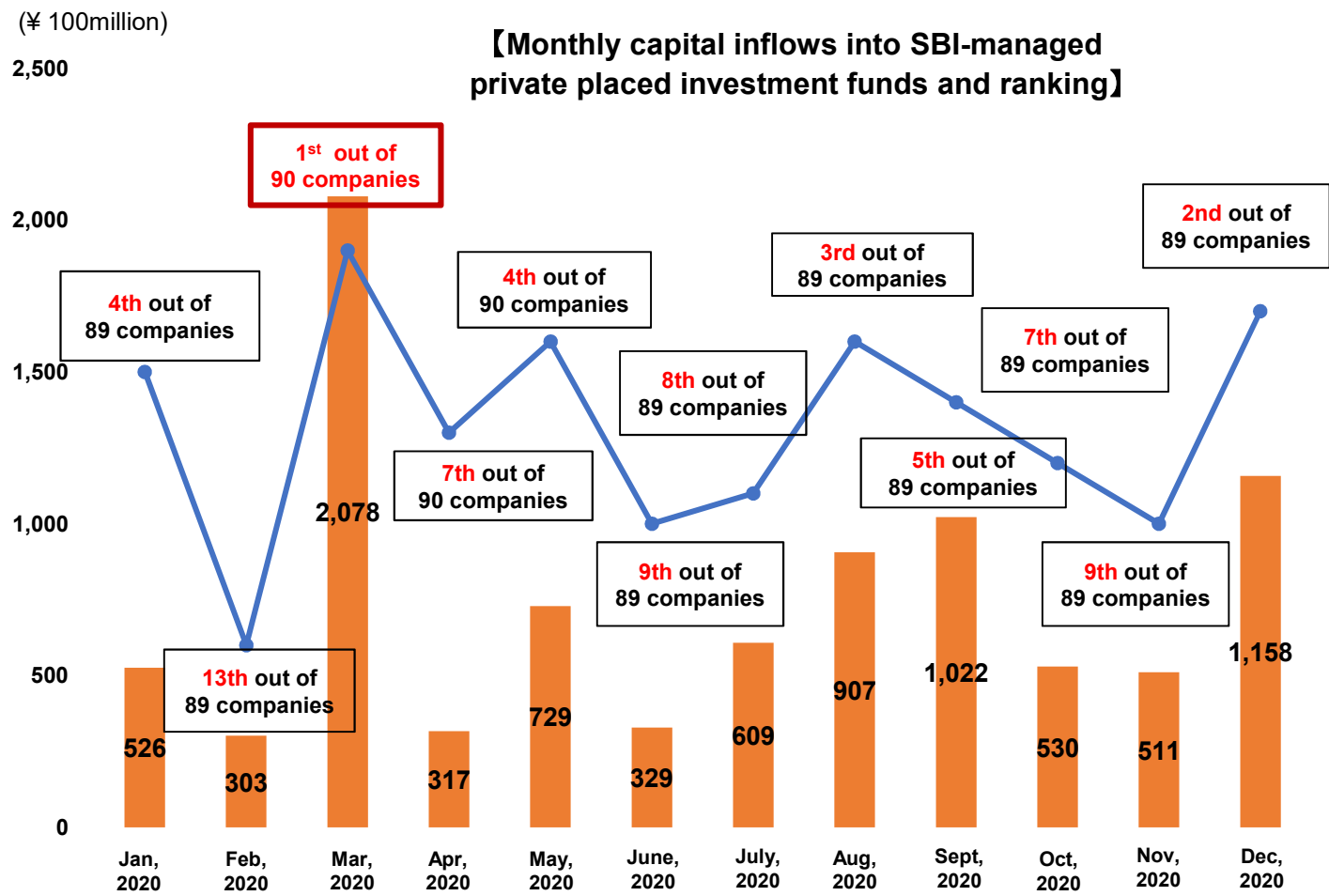


In contrast to the public offered active funds managed by SBI Asset Management that have suffered sluggish growth in assets under management, assets managed by index funds have increased substantially.



Cash flows into Morningstar group's private placed investment funds increased by over ¥900 billion in 2020 ; the third largest inflow amongst 89 fund managers in Japan

Cumulative net cash inflows in 2020 ranked third, staving off foreign capital and Japanese major fund managers



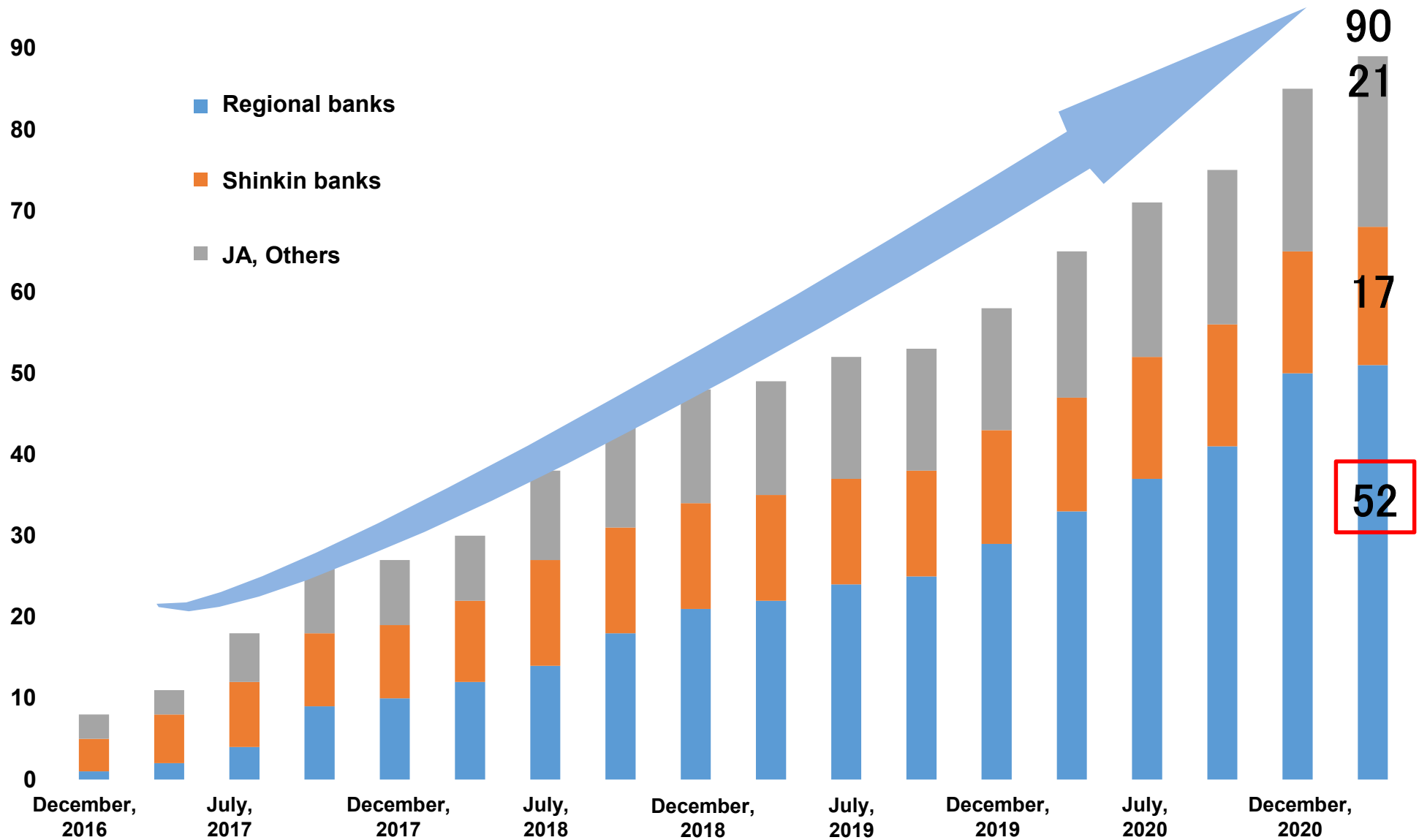
【Cumulative net inflows into private placement investment】

Rank	Asset Management Company	Y-to-Y total for 2020 Net inflows of funds (billion yen)
1	JPMorgan Chase & Co.	11,748
2	PIMCO	9,097
3	SBI Asset Management Group	9,055
4	Blackrock Asset Management	8,903
5	Invesco	6,471
6	Mitsubishi UFJ Kokusai Asset	6,445
7	SOMPO Asset Management	6,047
8	Nissei Asset Management	4,938
9	Sumitomo Mitsui Trust Asset Management	3,855
10	BlueBay	3,345
11	Daiwa Asset Management	2,175
12	Sinsei Asset Management	1,631
13	Axa Invest Managers	1,520
14	Meiji Yasuda Asset Management	1,481
15	Goldman Sachs Asset Management	1,310
16	Prudential Financial	1,215
17	Simplex Asset Management	1,138
18	Neuberger Berman	1,064
19	Barclays	725
20	Sinsei Asset Management	706

※Statistical data of the Investment Trusts Association of Japan Created from the asset increase / decrease status of private placement investment trust management companies
 ※SBI's private placement investment trust balance is the total of SBI Asset Management, SBI Bond Investment Management, and SBI Regional Revitalization Asset Management.

A total of 90 regional financial institutions now entrust their funds with the Morningstar group.

Of which, 52 out of 100 regional banks entrust Morningstar to manage their funds.



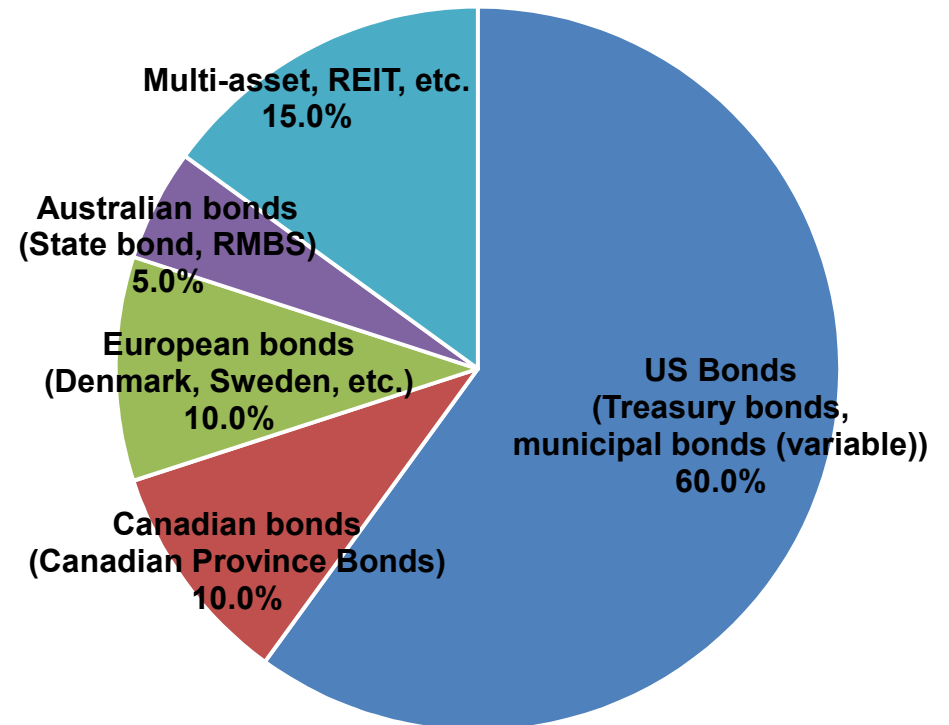
Breakdown of asset classes held by regional financial institutions



Morningstar group deploys its global network advantage to offer fund management products.

<Breakdown of asset classes held by investment products>

- ✓ Focus on provision of products with high-quality and highly liquid overseas fixed income
- ✓ Support to mitigate risk associated with rising interest rates through interest rate swaps
- ✓ All products are offered at low cost and customized to the clients' requirements



Offer supporting tools for regional financial institutions to enhance their portfolio management and risk management

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 'AcruX' - the tool for portfolio analysis and risk management applicable to securities investment

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

- ① Visualizing data to gain better comprehension of portfolio profiles.
- ② Extensive stress testing and scenario-based testing of existing portfolios
- ③ Running periodic income simulations for different portfolio restructuring projects



Support for education and development of human resources capable of securities portfolio management

<Features of the training provided by our Group >

- Offering opportunities to experience entire asset management operations, ranging from front to middle and back office tasks
- Acquisition of diverse knowledge of products



Our training encourages accurate understanding of overall securities investment operations and enhances not only management capability but also **a risk management function.**

Contents of practical experience during the training period

Asset management firm

<Overall business>

Portfolio analysis
Rating monitoring
Performance factor analysis

<Others>

Creating a model portfolio
Monetary Policy Report of Investment Target Country Urgent report at the time of sudden market change
Analysis of new investment targets

<Front desk operations>

Brand analysis / ordering

Cash flow management

Currency hedging

Create market comments

< Middle back business >

Market price fluctuation confirmation

Base price calculation

Monthly report creation

Risk asset table

Disclosure of holdings

IRRBB analysis data

Operation report

Part 4

Proactive development of two pillars of business, with the goal of enhancing enterprise value

- 1) The SaaS (Software as a Service) business provides asset management-related data**
- 2) Asset Management Business**

1) The SaaS (Software as a Service) business provides asset management-related data

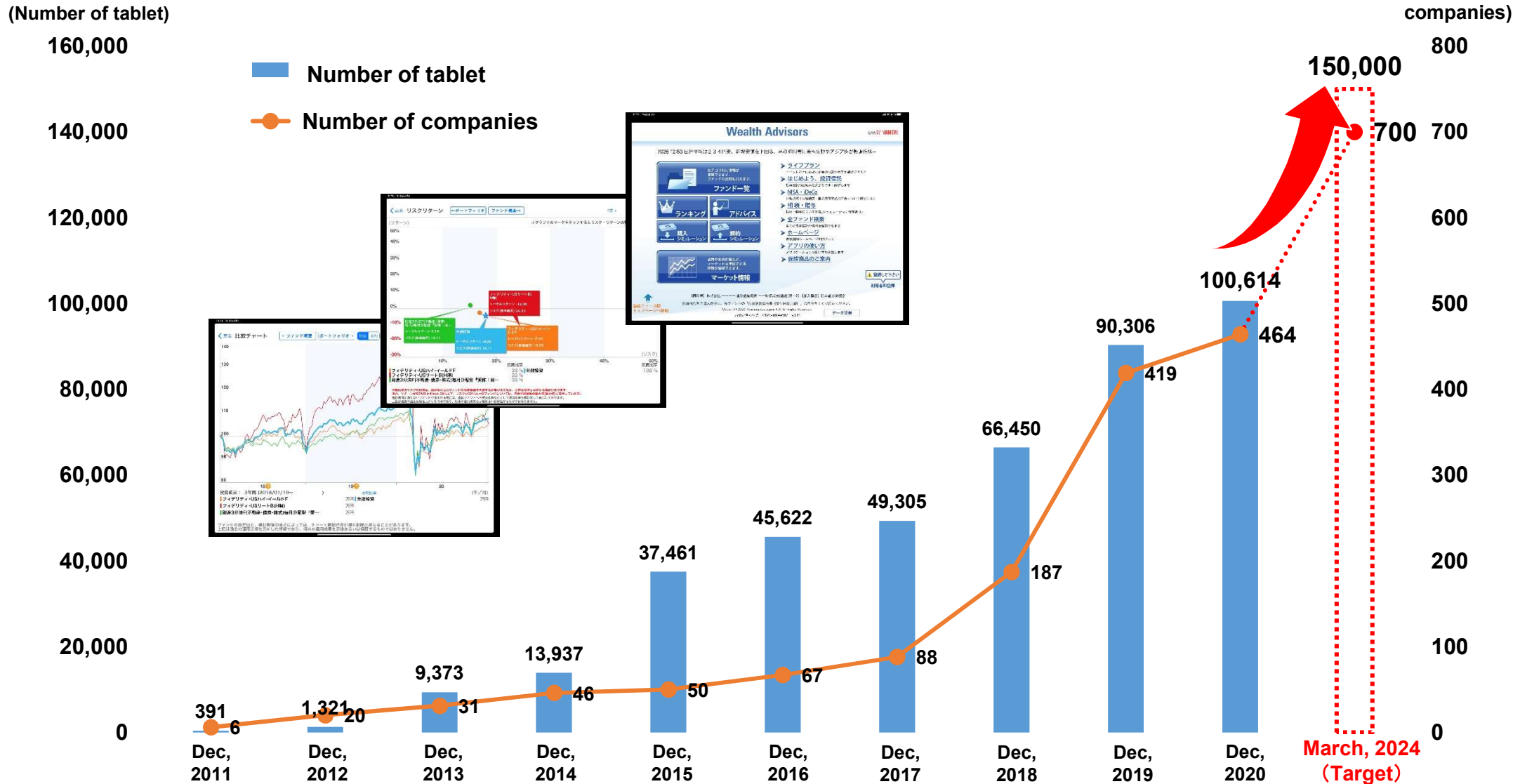
- ① For financial institutions (B to B)
- ② For employee members of corporate-type defined pension plans (B to E)

Employee

- ③ Stock newspaper WEB version (B to C)

Aiming to achieve stable revenue growth by further increasing the number of companies and tablets using our 'Wealth Advisors'

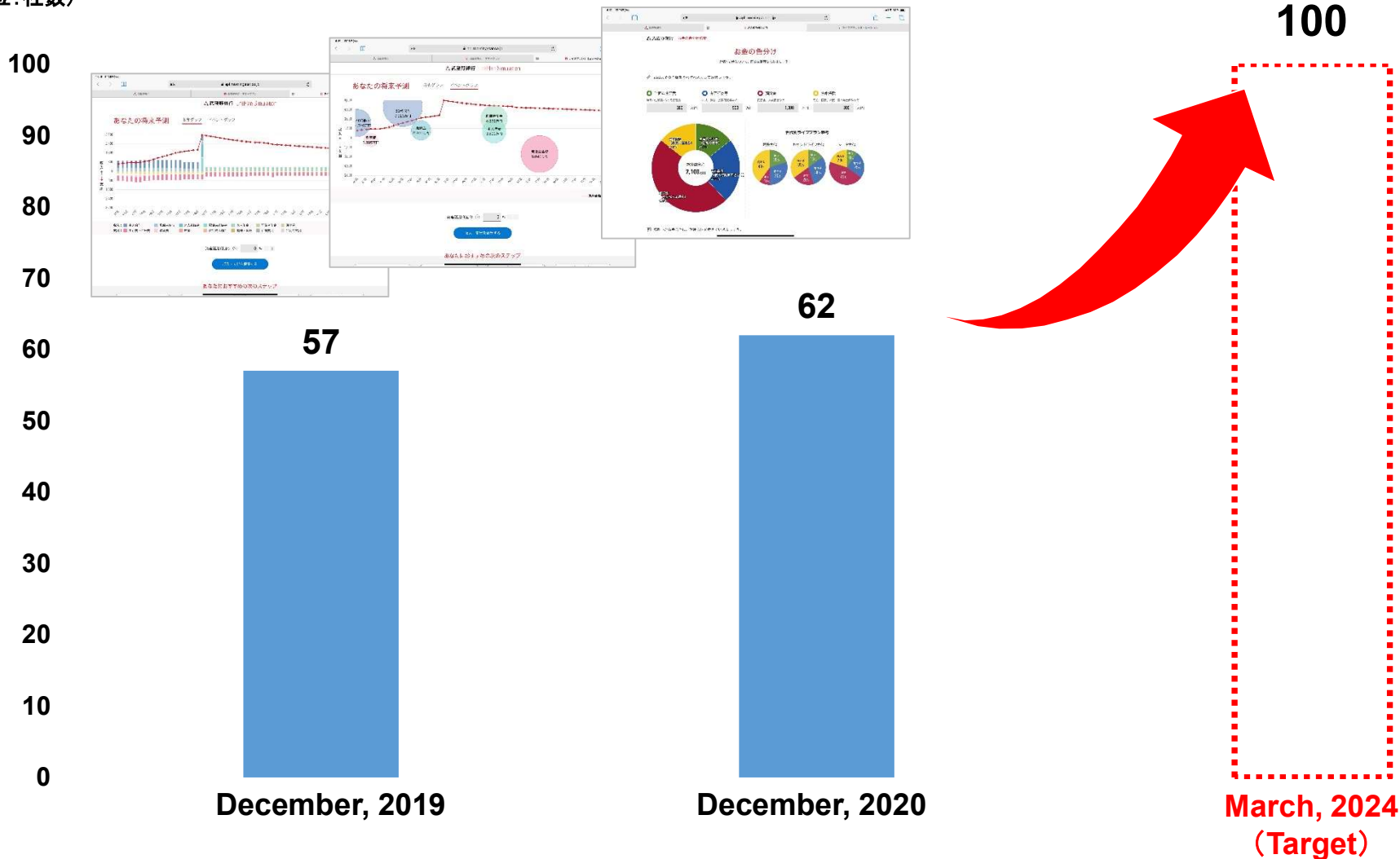
“We set our sights on the utilization of our app by 700 companies and 150,000 devices, together with our provision of ‘Phase 2 & 3’ services to 50 companies within three years.



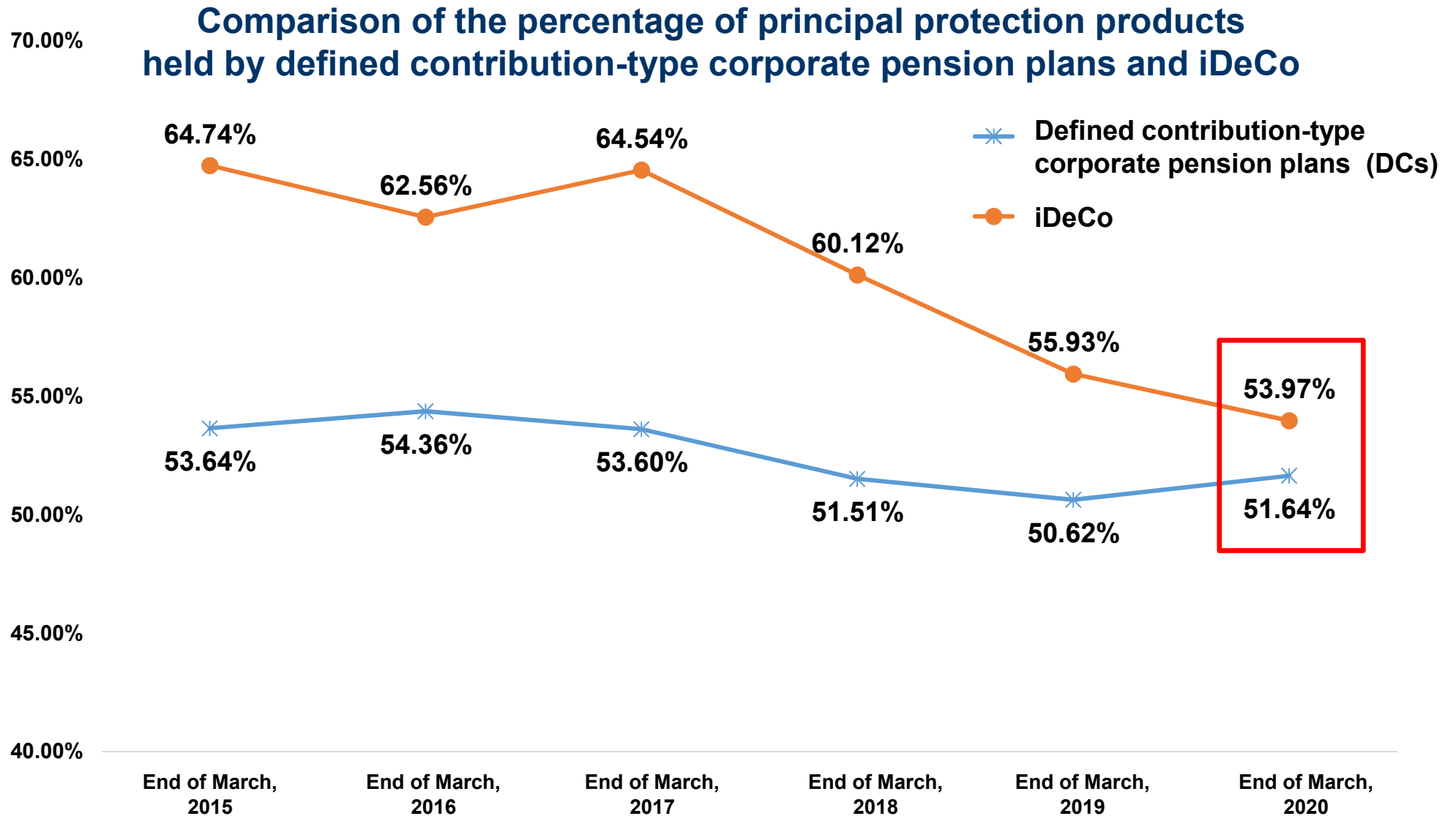
On the back of progress in DX, we are in line to offer high value-added data to support the promotion of non-face-to-face sales on which face-to-face marketing-oriented financial institutions is focusing.

“Aiming to provide data to 100 companies in 3 years”

(単位:社数)



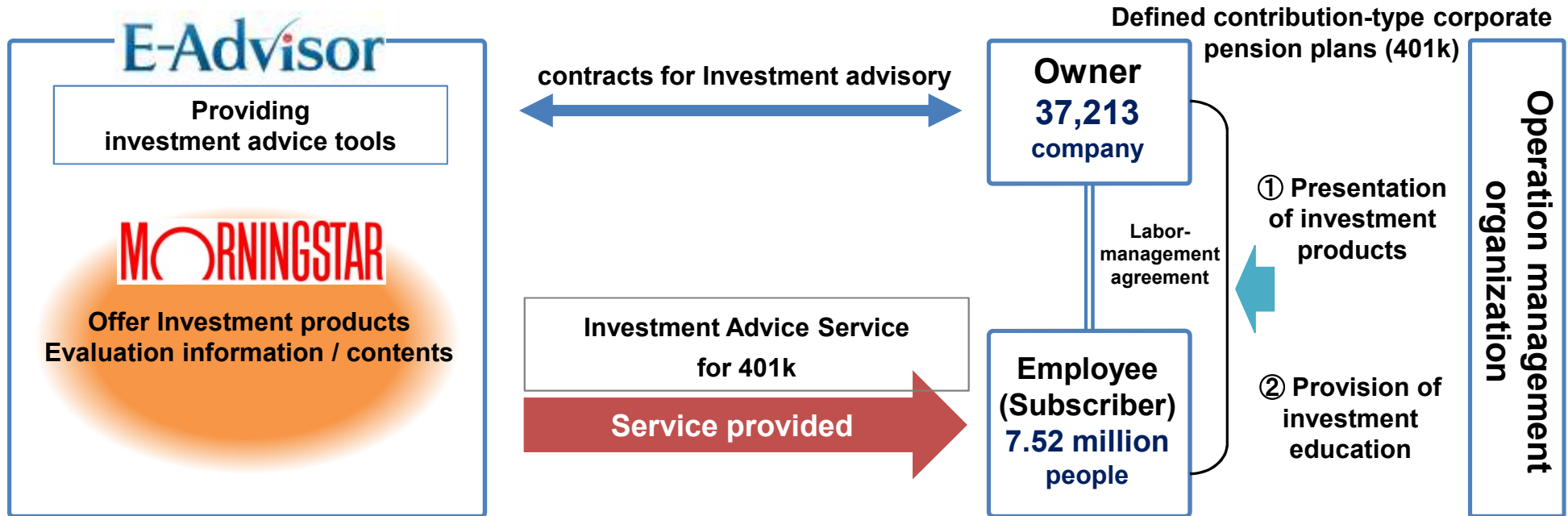
The percentage of principal protection products held by defined contribution-type corporate pension plans (DCs) remains high



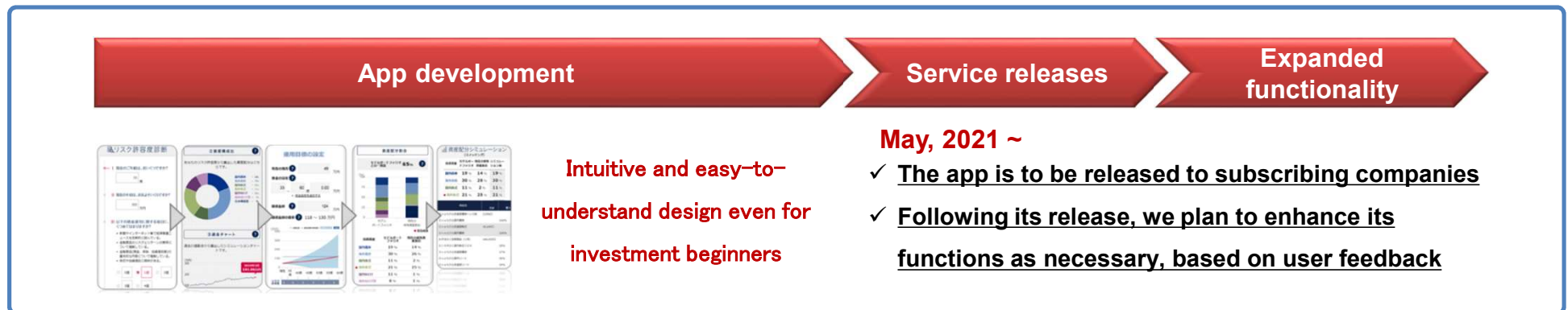
The SaaS (Software as a Service) business provides asset management-related data

for Defined Contribution Plan

We plan to provide employee members of defined contribution-type corporate pension plans with an investment education and advice service (charged) via smartphone app. (Scheduled to start in May, 2021)



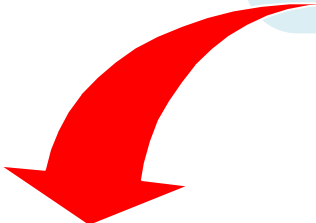
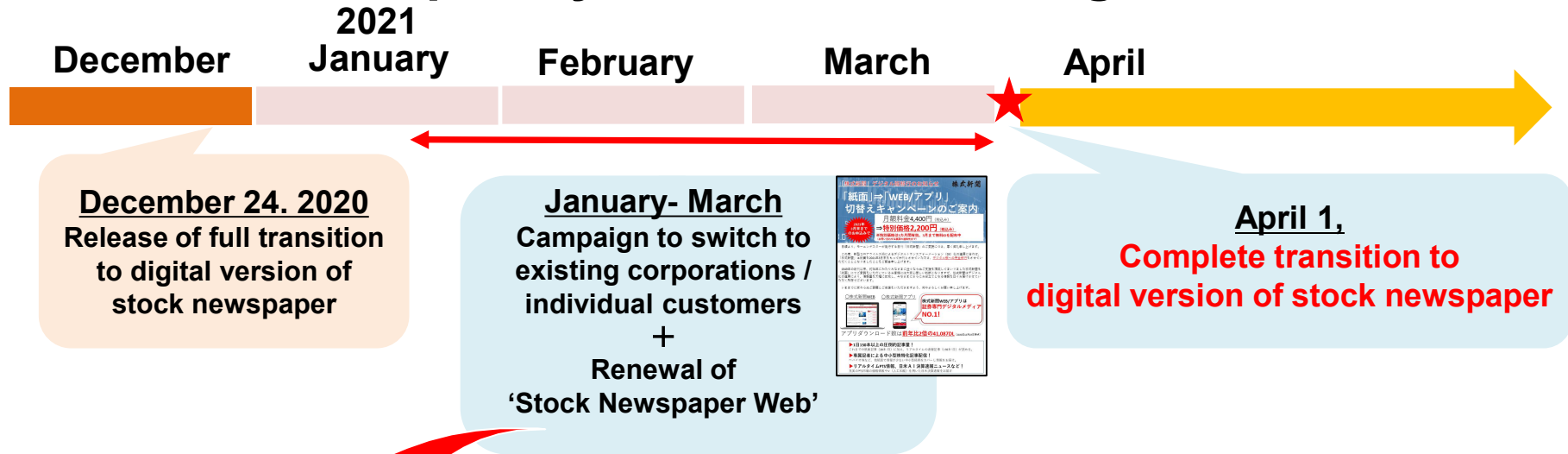
※ The number of business owners and employees (number of subscribers) is as of the end of November, 2020.



The SaaS (Software as a Service) business provides asset management-related data

for Stock newspaper web

'Stock newspaper' has been suspended and completely switched to the digital version



- ✓ **Enhancement of PTS price information and rating information of each company**
 - Distribution of enriched information during stock markets' off-hours (eg. early morning and lunch break)
 - Rating information, divergence from real-time value rankings and other
- ✓ **AI (artificial intelligence) stock price forecast-**
 - AI stock price forecast by MILIZE
- ✓ **Enrichment of foreign stock information**
 - Make full use of US Morningstar data

<PTS>

Distribution of enriched information during stock markets' off-hours

コード	銘柄名	前日比(基準比)
1 2342	トランスG	+185.00(28.51%)
2 8068	菱洋エレク	+700.00(20.59)
3 7359	東京通信	+366.00(19.22)
4 3353	メディー光G	+1,000.00(14.62)
5 9318	アジア開発	+0.70(11.67)
6 6897	ツインバド	+185.10(10.37)
7 5721	Sサイエンス	+4.90(10.21)
8 7049	識学	+160.00(9.52)

コード	銘柄名	乖離率
1 8890	レーサム	-57.47%
2 7867	タカラトミー	-54.98%
3 4925	HABA	-54.35%
4 6565	ABホテル	-52.61%
5 6047	Gunosy	-49.36%
6 3641	パピレス	-48.96%
7 3810	サイバーS	-44.08%
8 6249	G CジョイコHD	-41.46%
9 8927	明豊エンター	-38.06%

<Using milize's AI stock price forecast>

株式新聞 Stock newspaper

Among machine learning programs, MILIZE employs one of the most efficient 'Xgboost' AI. The AI analyzes 50 factors to forecast short-term (1~10 days) share price fluctuation rates.

2) Asset Management business

- ① Provision of Products (private placed investment funds) for institutional investors, mainly regional financial institutions**
- ② Provision of Products (public placed investment funds) for private investors**
- ③ Provision of Robot Advisor tools to private investors**

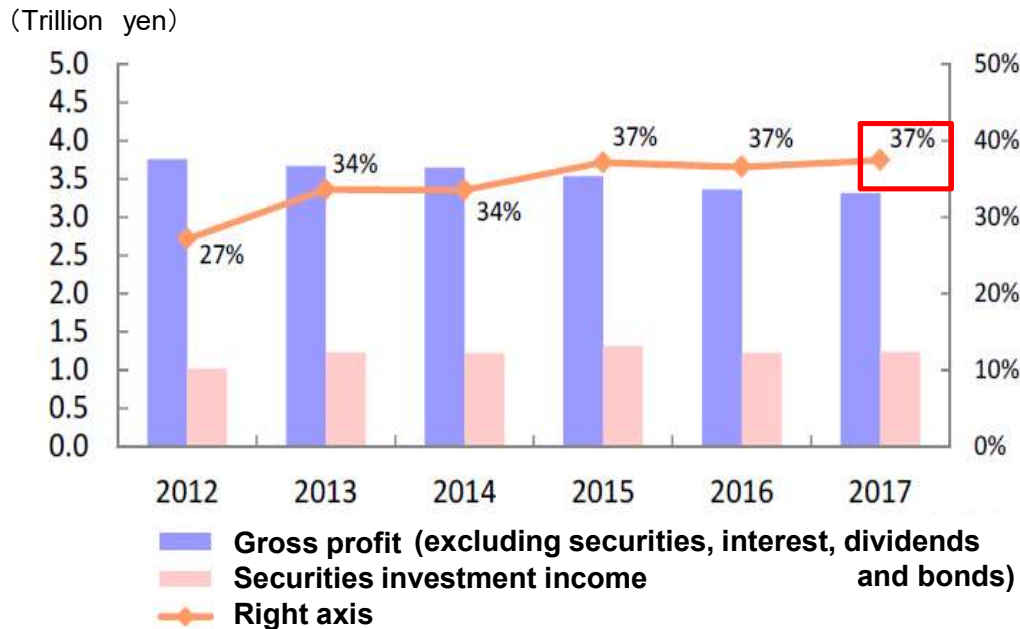
Asset Management business

- Provision of Products (private placed investment funds) for institutional investors, mainly regional financial institutions

Regional financial institution should not regard securities investment as mere surplus funds management; it is a critically important operation for their business management.

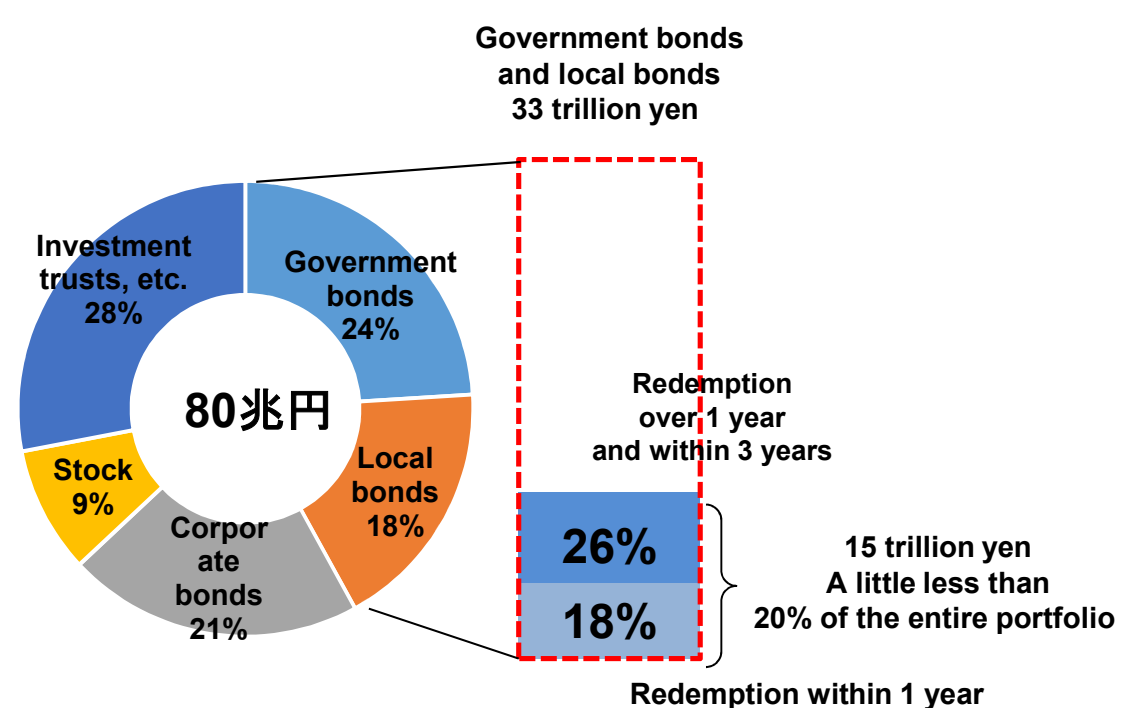
In the face of declining revenues from underlying operations (profits from customer service business), more banks are increasingly relying on securities investment gains.

Dependence on profits of regional banks for securities management



※ Securities investment income = securities interest dividend + bond 5 account tail + stock 3 account tail
 (Source) Financial Services Agency

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

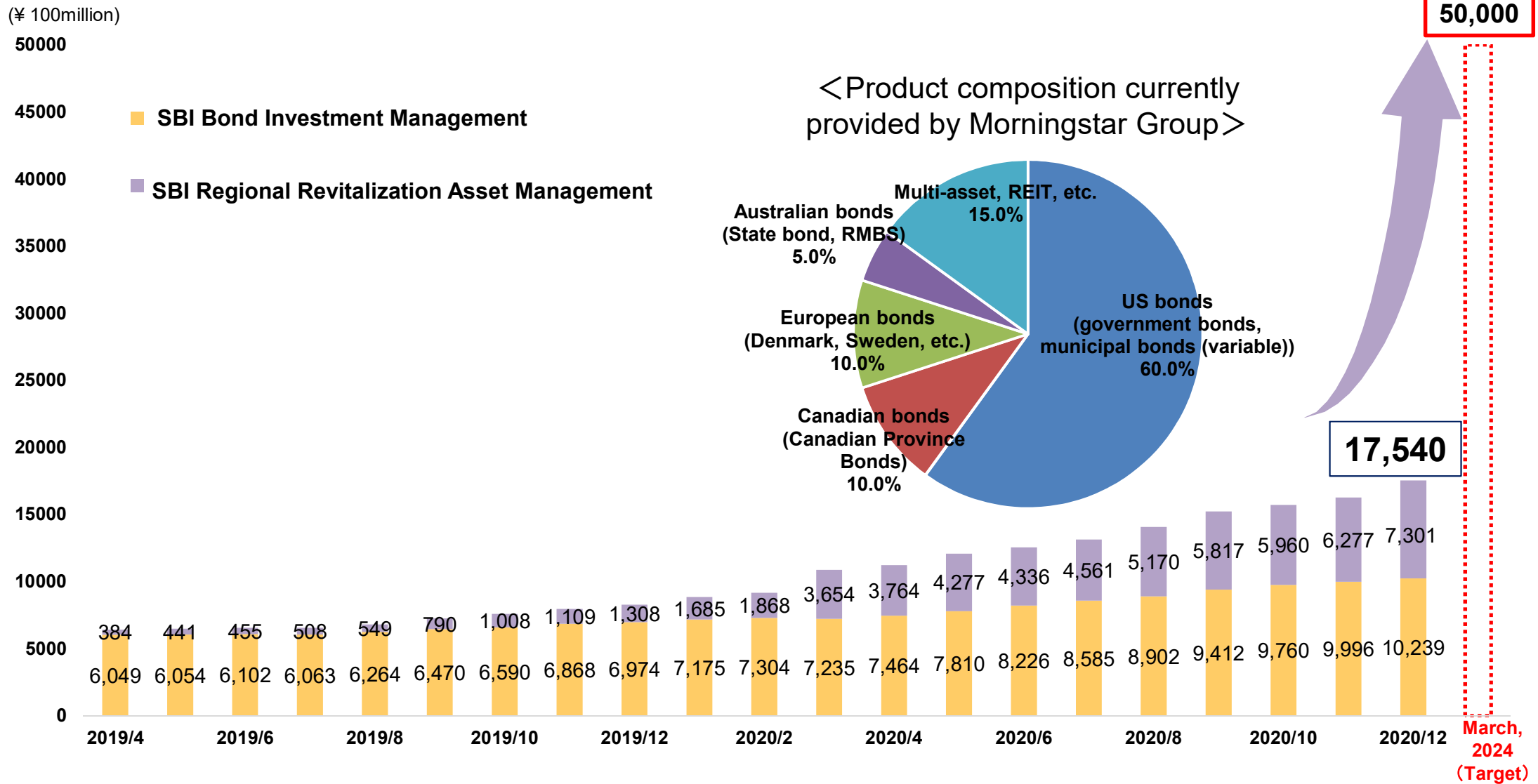


Asset Management business

- Provision of Products (private placed investment funds) for institutional investors, mainly regional financial institutions

Providing products and portfolio management for institutional investors, mainly regional financial institutions

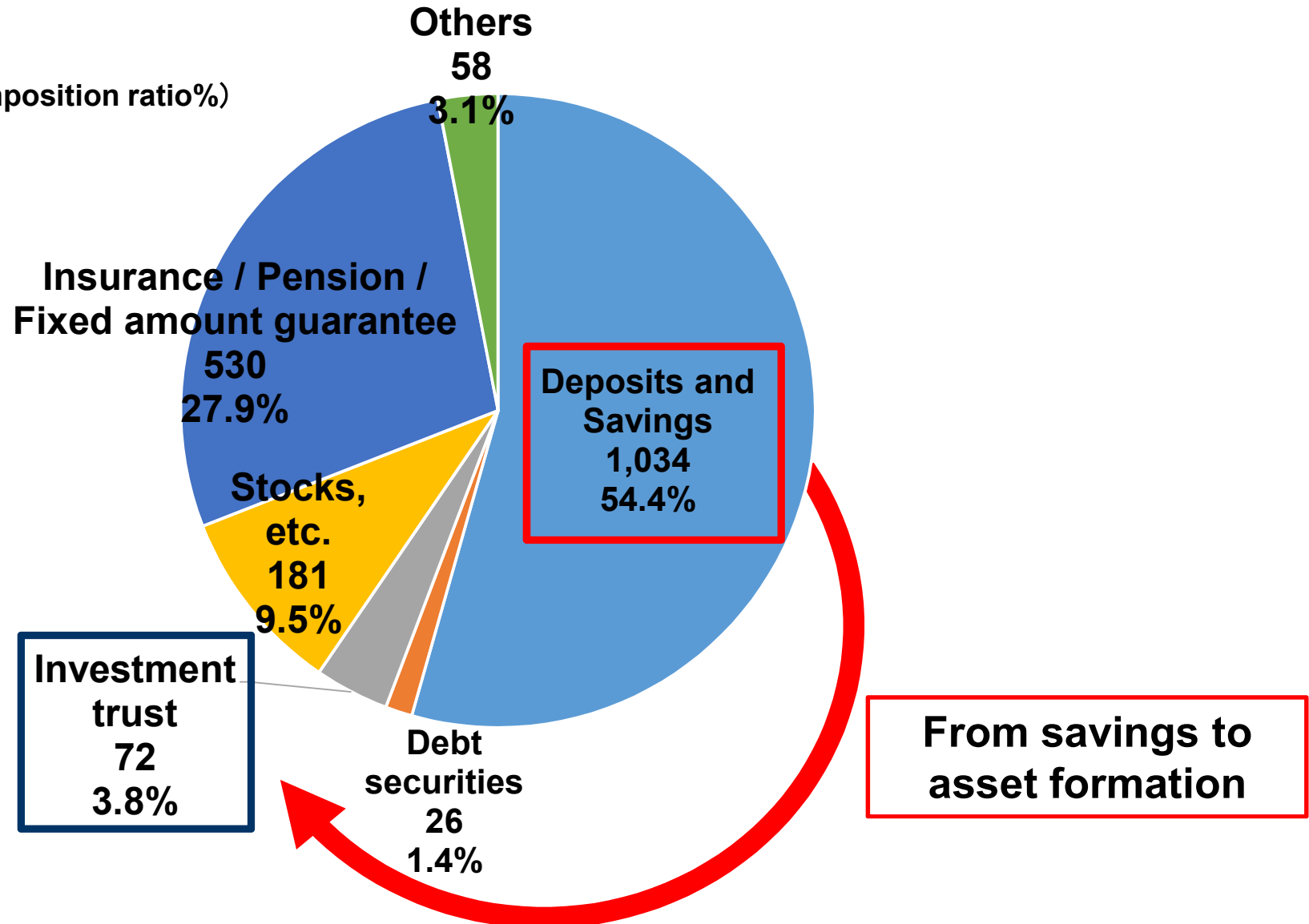
In three years, the outstanding amount of assets managed by private placed investment funds for regional financials, amongst other institutional investors, is targeted to top the ¥5.0tr mark.



Financial assets of Japanese households with more than 1,000 trillion yen in cash and deposits

1,901 trillion yen (end of September 2020)

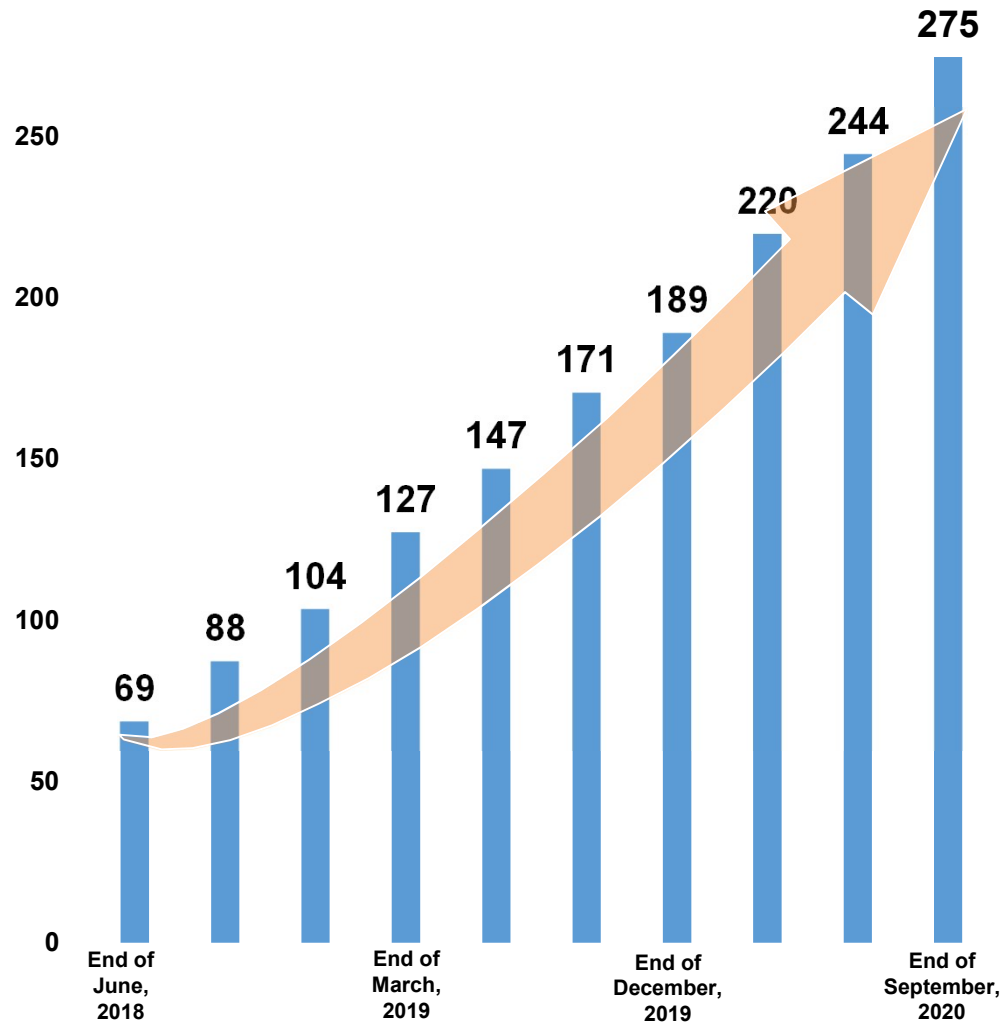
(Trillion yen, Composition ratio%)



Investors making long-term funded investments are expanding rapidly

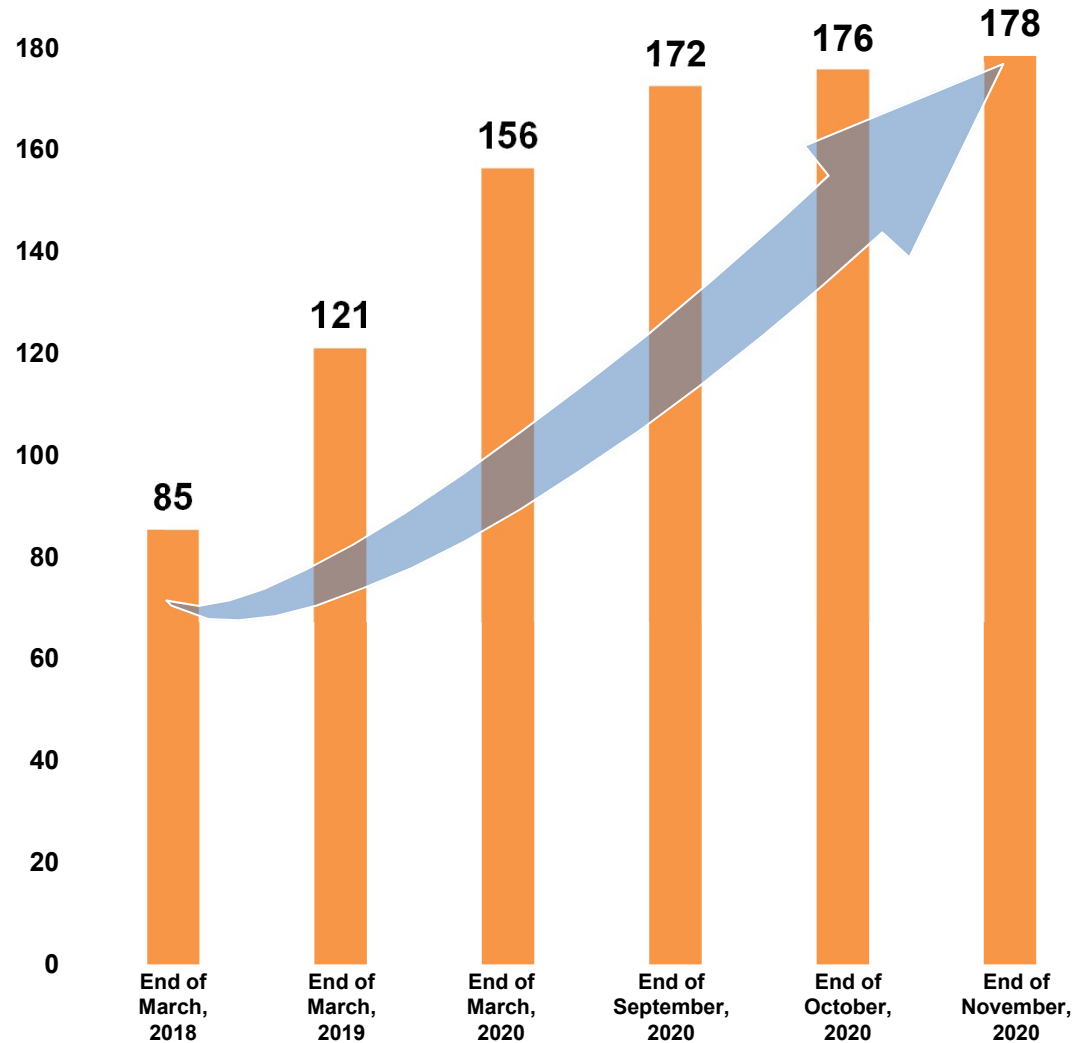
< Trends in the Number of Accounts for 'tax-free savings-type NISA' >

(Unit : 10,000 accounts)



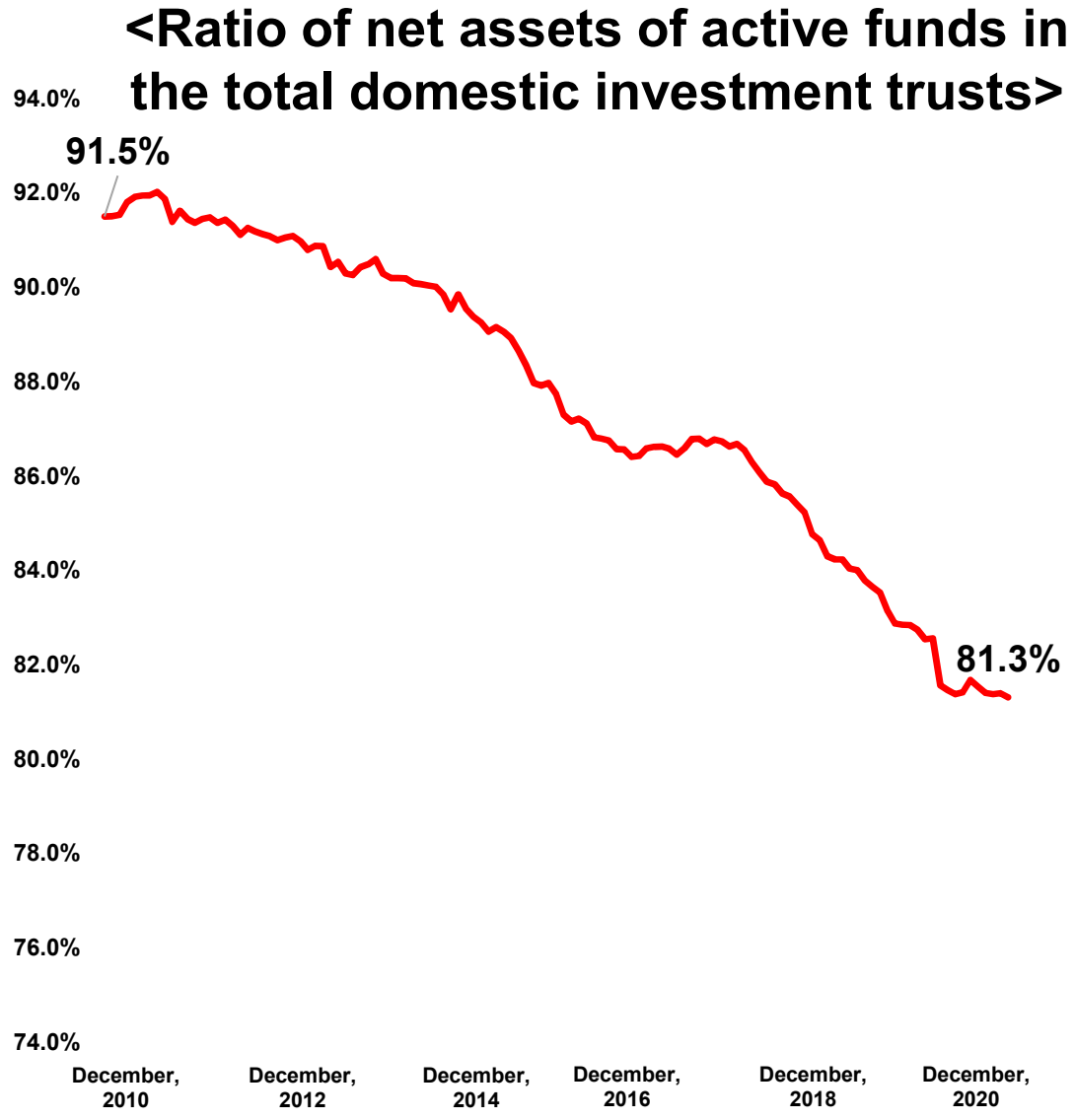
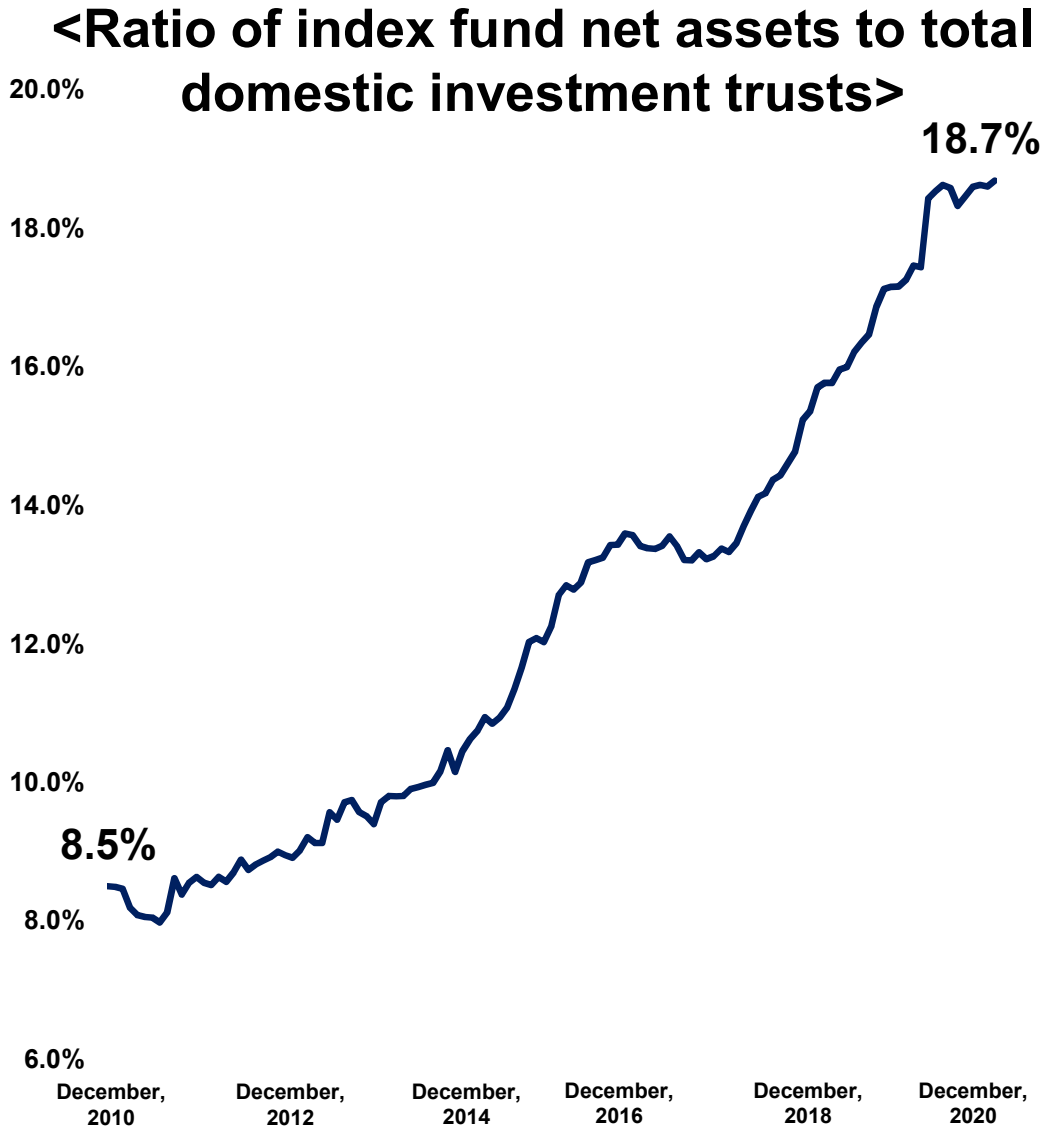
< Changes in the number of 'iDeCo' subscribers >

(Unit: 10,000 people)



Source: Number of 'tax-free savings-type NISA' accounts: Financial Services Agency, Number of "iDeCo" members: National Pension Fund Association "iDeCo Official Website"

The ratio of index funds to the total domestic investment trust market is steadily increasing, and the ratio of active funds is declining.



※ Domestic fund = domestic publicly offered additional stock investment trust (excluding ETF), index = investment trust association standard
 ※ December 2010-December 2020 (monthly)

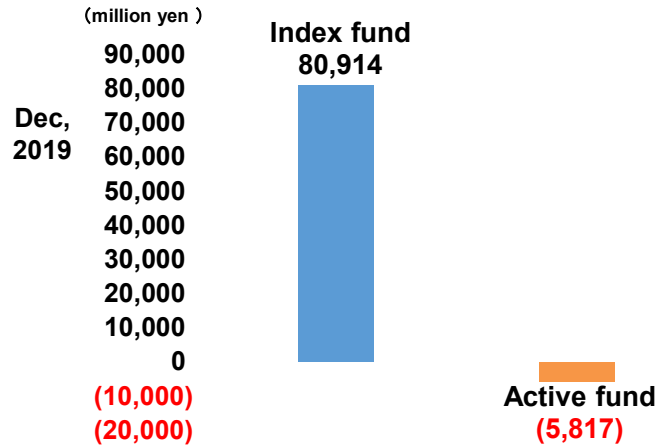
Asset Management business

- Provision of Products (public placed investment funds) for private investors

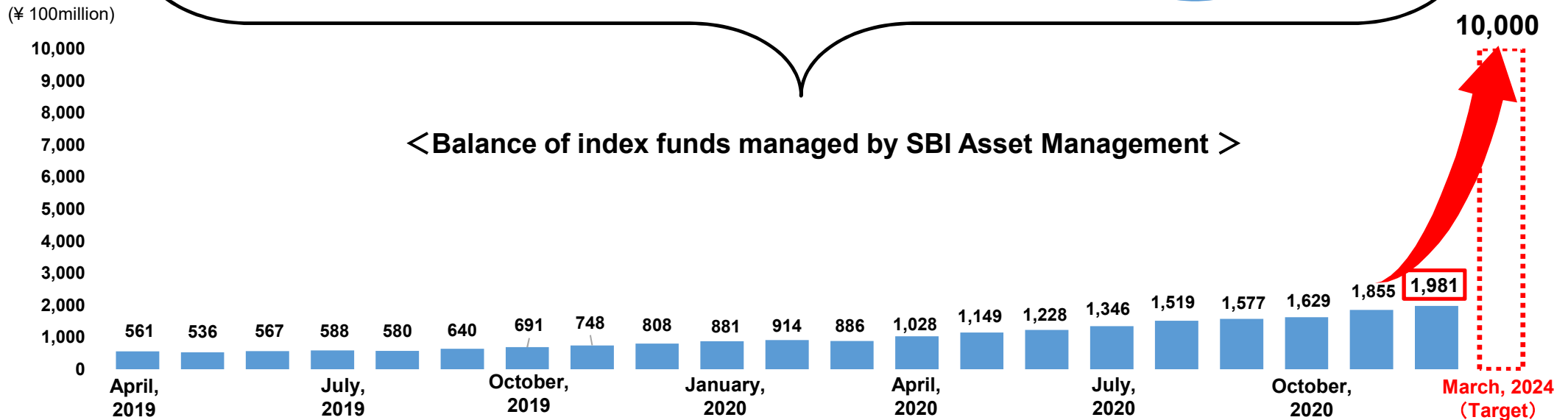
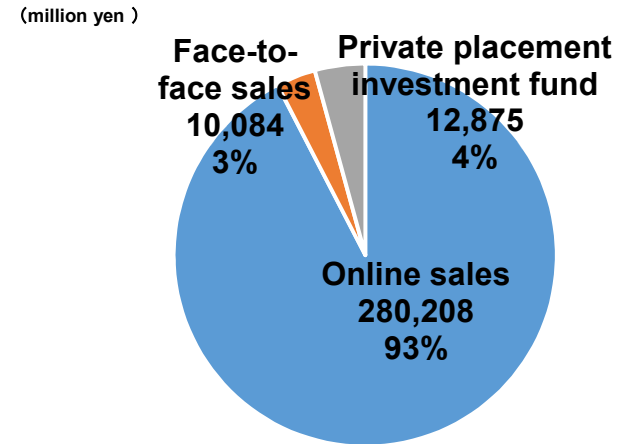
Providing low-cost index funds to support the asset formation of individual investors

In three years, Index fund balance is targeted to top the ¥1tr mark.

Capital inflows/outflows of index funds and active funds management by SBI Asset Management (April-December, 2020)



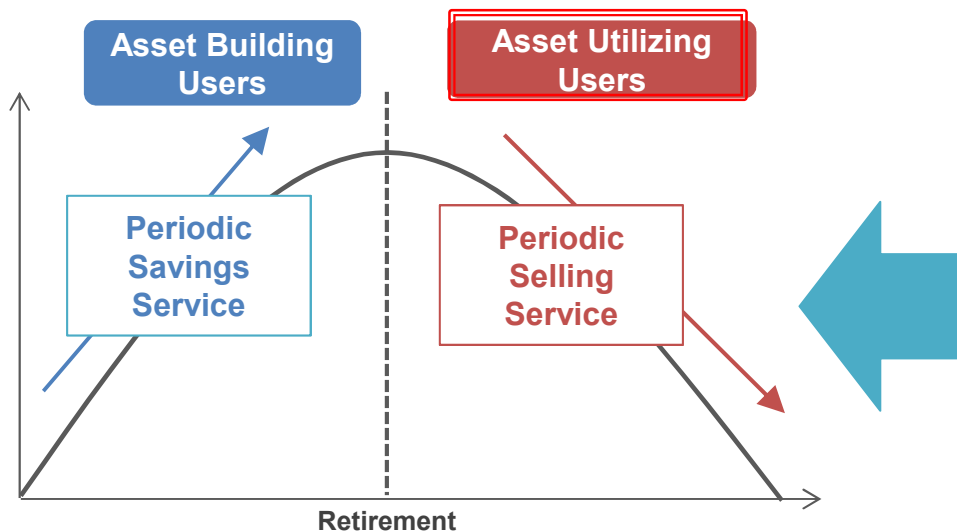
Composition ratio of SBI Asset Management by sales channel (April-December, 2020)



Providing Robot advisors for ‘asset formation layer’ and ‘asset utilization layer’

< Differentiation from other companies >

	Morningstar	Others
Investment target	ETF or fund selected by Morningstar	Overseas ETFs or index funds
Reserve amount	Daily, weekly, monthly	1 to 5 times a month
Regular sale	Fixed amount / fixed rate	×



Referenced data from Morningstar & Sustainability in the United States



Low cost ETF

○ ○ Bonds

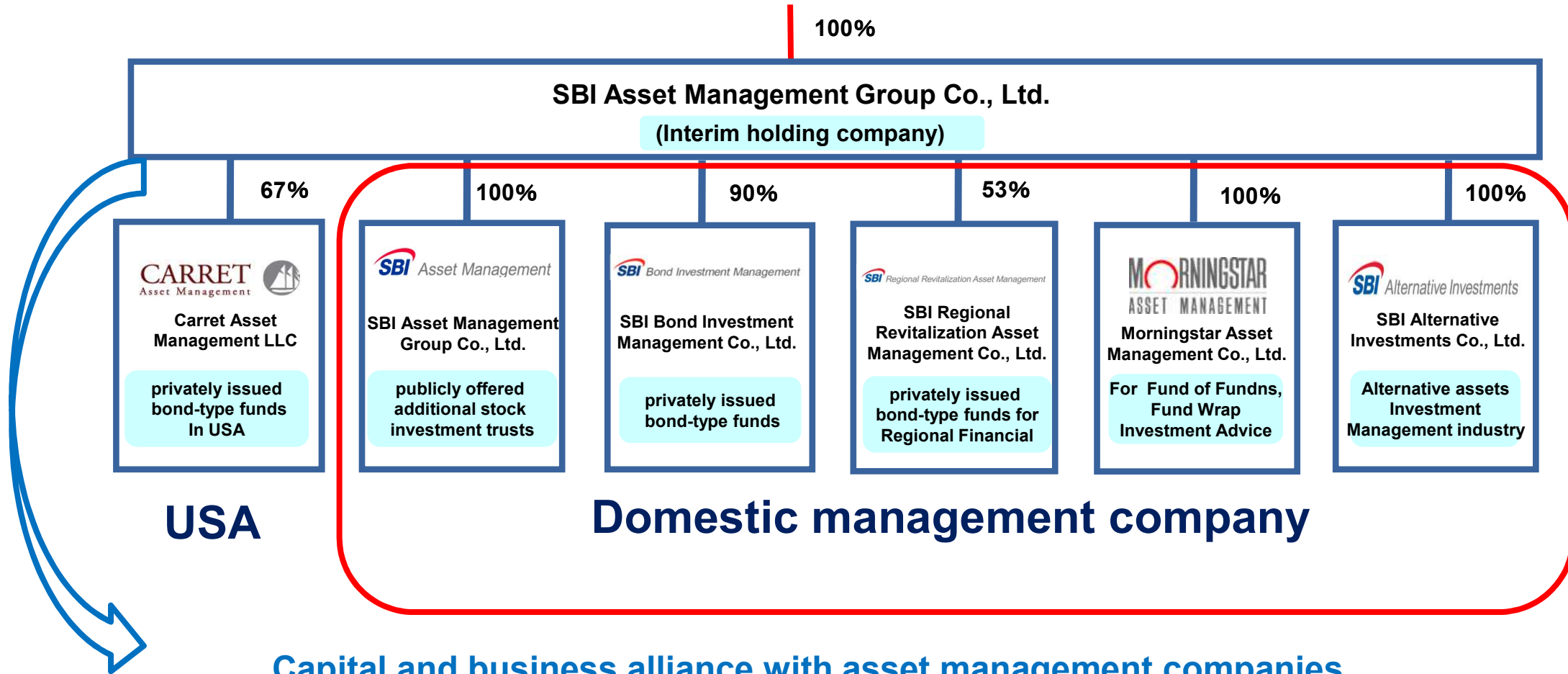
MORNINGSTAR Indexes

Low cost bond fund

SBI Bond Investment Management

In addition to the regular reserve function, we have also implemented a regular sale function that is highly needed by asset utilization groups.

**We are set to press on with capital alliance
with fund management companies at home and abroad,
to further increase the amount of assets entrusted to us.**



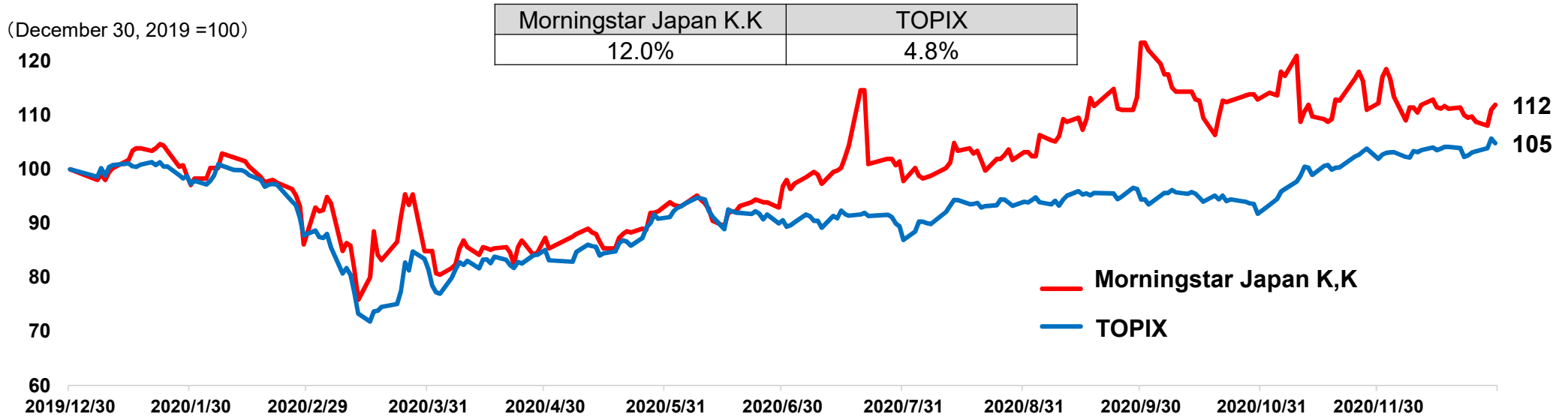
**Capital and business alliance with asset management companies
in Europe and Asia**

Part 5

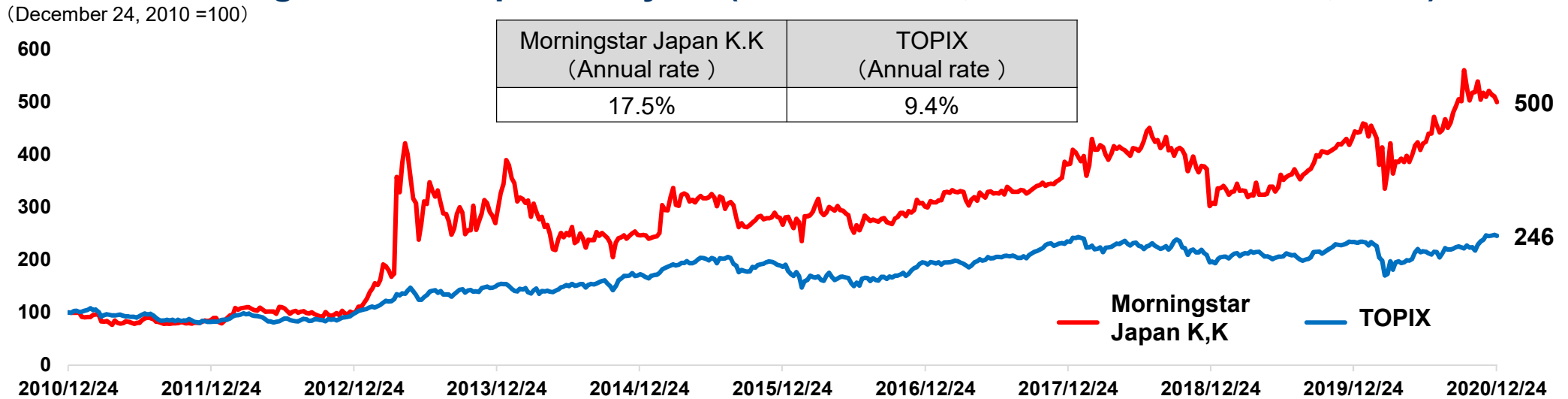
Consideration of Morningstar's stock price and shareholder benefit XRP

Morningstar's stock price has significantly exceeded TOPIX for the past year and 10 years

< Changes over the past one year (December 30, 2019 – December 30, 2020) >



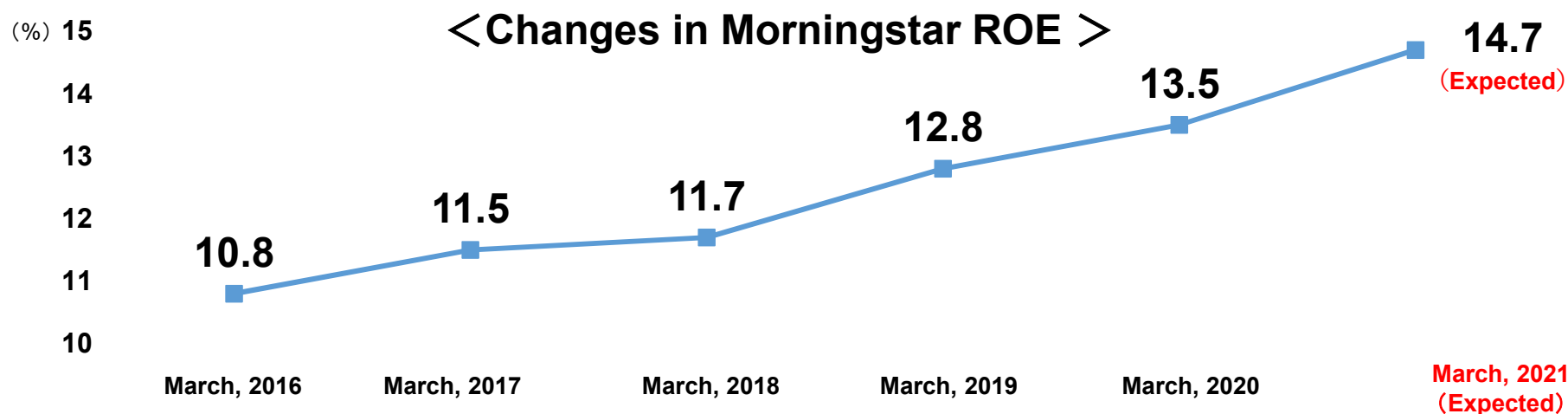
< Changes over the past ten year (December 24, 2010 – December 25, 2020) >



Morningstar's ROE is well above the average of companies listed on the First Section of the Tokyo Stock Exchange

ROE (Return On Equity)

	Fiscal year ending March 2020 (actual results)	Fiscal year ending March 2021 (forecast)
Morningstar Japan K.K	13.5%	14.7%
TSE 1st section listed companies	6.4%	4.2%

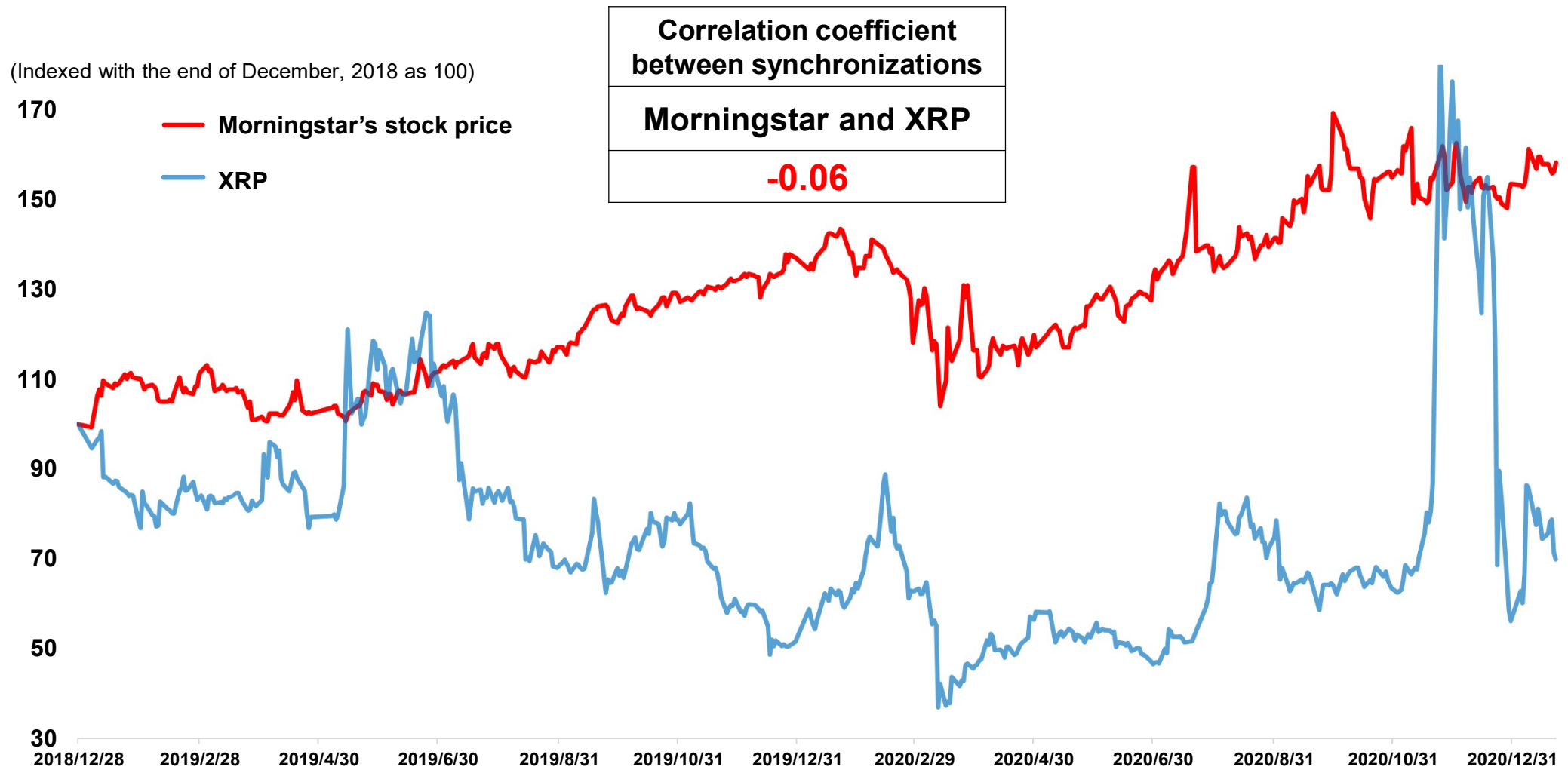


※ Morningstar's forecast ROE for the year ending March 2021 represents the annualized value of net profit through to 3Q divided by the shareholders' equity at previous year end.

※ Forecast ROE of TSE 1st section listed companies for the year ending March 2021, was calculated using their expected net profits and shareholders' equity at the previous year end. These companies close their books in March and financials are excluded. (1,326 companies)

Morningstar's stock price and XRP have a low correlation coefficient, and the effect of diversified investment can be expected.

(Period: End of December, 2018 - January 22, 2021)



※ Correlation coefficient The closer the value of coefficient correlation is to +1, the stronger the linear relationship (move in the same direction), in contrast, the closer to -1, the more inversely correlated (move in opposite direction).