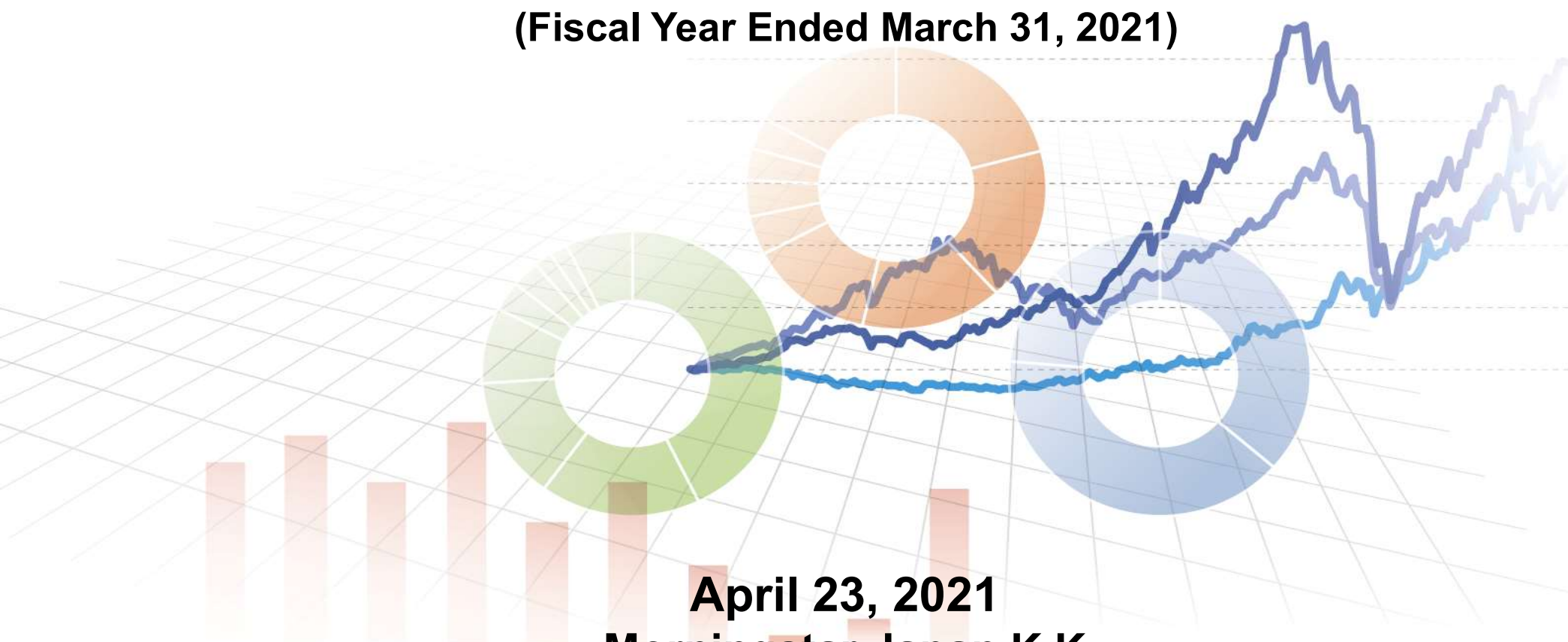


Morningstar Japan K.K

Annual Financial Results

(Fiscal Year Ended March 31, 2021)



April 23, 2021
Morningstar Japan K.K
Representative Director & President
Tomoya Asakura

Part 1

Summary of Consolidated Financial Results

Consolidated Financial Results

- Net sales, operating income, ordinary income and net income all hit record highs
- Ordinary income increased for the 12th consecutive year and reached a new record high for the 10th consecutive year
- Net income increased for the 12th consecutive year and reached a new record high for the 8th consecutive year

(¥ million)

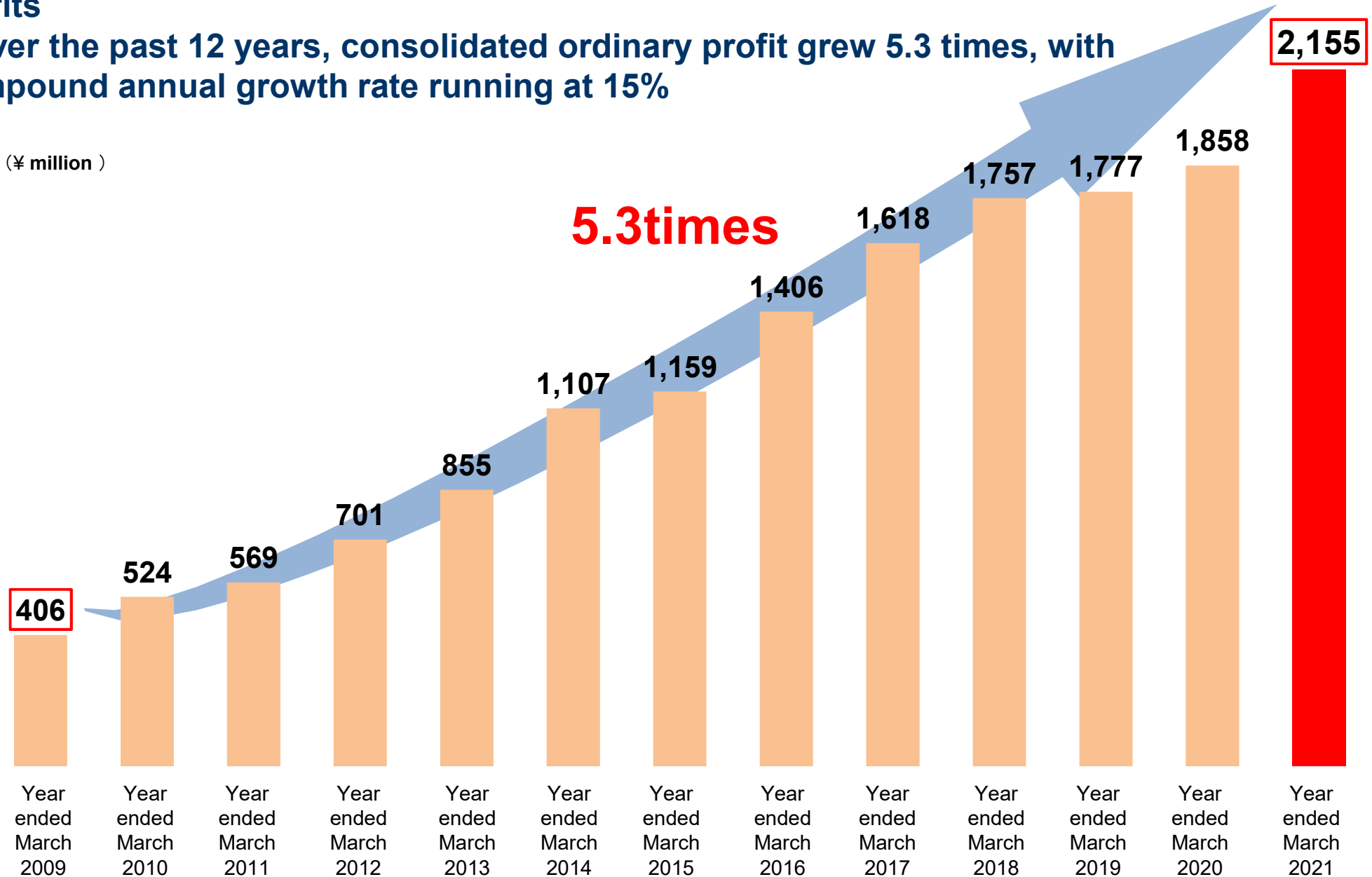
	Fiscal Year ended March, 2020	Fiscal Year ended March, 2021 <forecast> Announced on March 12, 2021	Fiscal Year ended March, 2021 <Actual Result>	Increase △Decrease (%)
Sales	6,814	7,300	7,485	9.8
Operating profit	1,541	1,700	1,765	14.5
Ordinary profit	1,858	2,050	2,155	16.0
Net profit	1,230	1,280	1,318	7.1

※ Net Profit refers to Net Profit attributable to Parent company.

Changes in consolidated ordinary income

- 12th consecutive year of profit growth, 10th consecutive year of record high profits
- Over the past 12 years, consolidated ordinary profit grew 5.3 times, with compound annual growth rate running at 15%

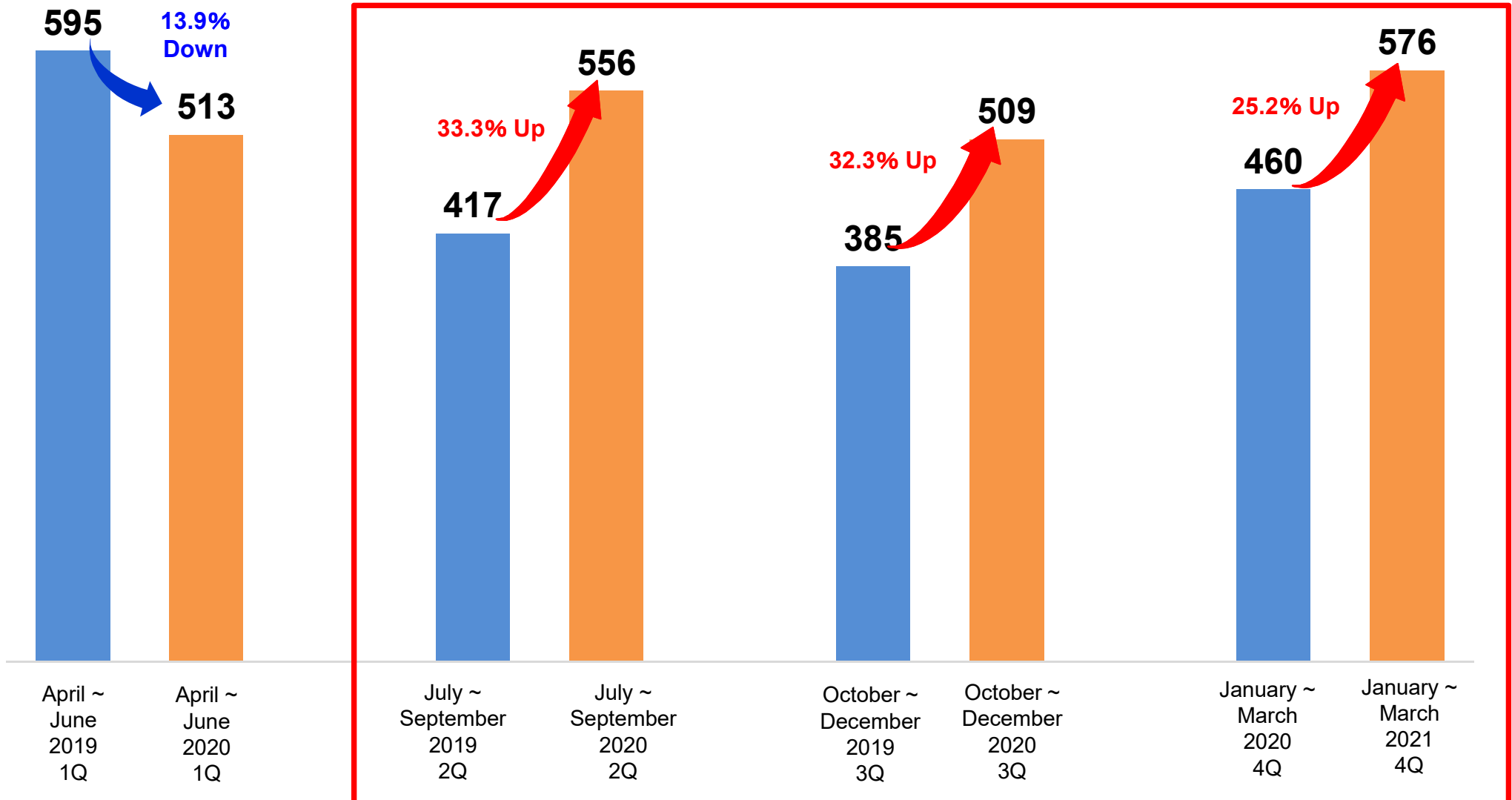
(¥ million)



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

Having hit the bottom in 1Q following the COVID-19 crash, since 2Q consolidated ordinary profit marked a 25%+ increase year-on-year

(¥ million)



Sales Volume by major service/product

The Asset Management business saw a surge in investment trust fees (i.e. its revenue) on the back of increasing managed securities assets entrusted by regional financial institutions

(Unit : Thousand)

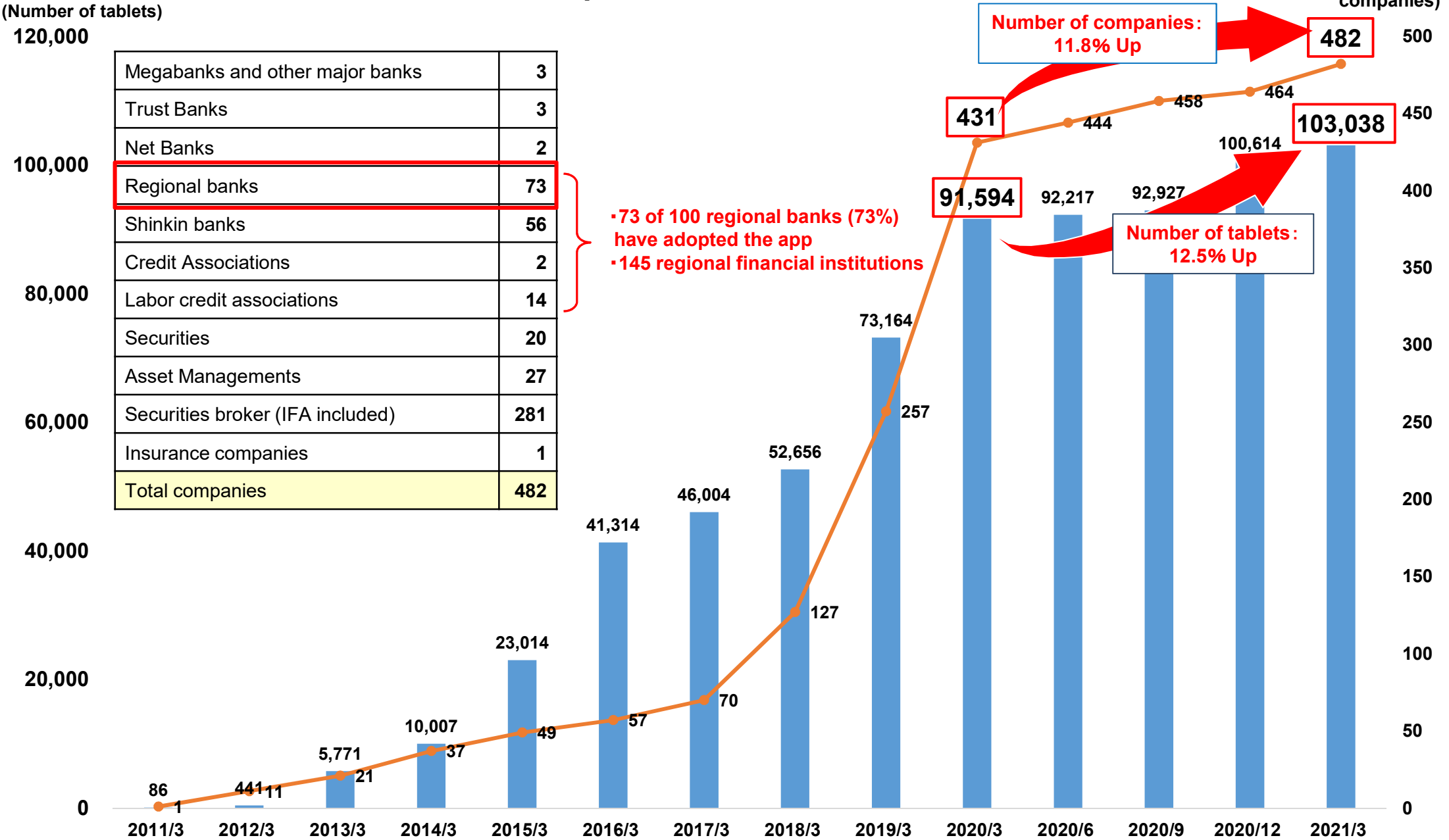
segment	Service / Product	Year ended March 2020 (Apr.2019 –March. 2020)	Year ended March 2021 (Apr.2020 –March.2021)	Increase Decrease (%)
Financial Service Business (Data Solution)	Fund Data			
	Data for tablet devices	491,149	513,847	4.6%
	Data for Smartphones, PC	654,479	711,193	8.7%
	Fund Report	204,518	186,592	-8.8%
	Stock Newspaper subscription fee	36,627	51,743	41.3%
Financial Service Business (Media Solution)	Media Solutions			
	Seminar	251,386	209,943	-16.5%
	Web Advertising	422,076	83,031	-80.3%
	Web consulting (Gomez Consulting Business)	341,119	328,202	-3.8%
Assets Management (Investment trust fee)	SBI Asset Management	2,494,731	2,243,719	-10.1%
	Carret Asset Management	1,118,364	1,132,596	1.3%
	SBI Bond Investment Management	194,882	1,003,304	5.1times
	SBI Regional Revitalization Asset Management	59,657	603,054	10.1times

Part 2

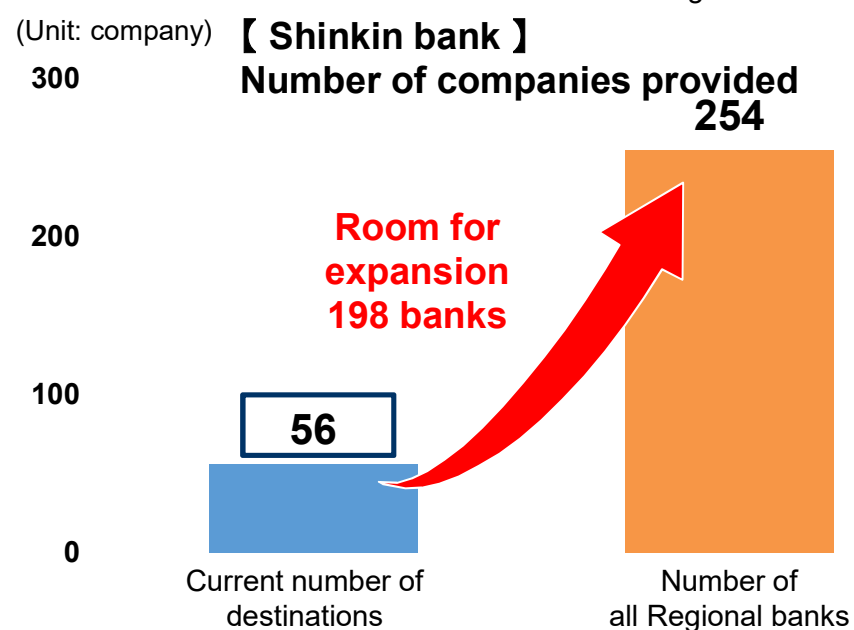
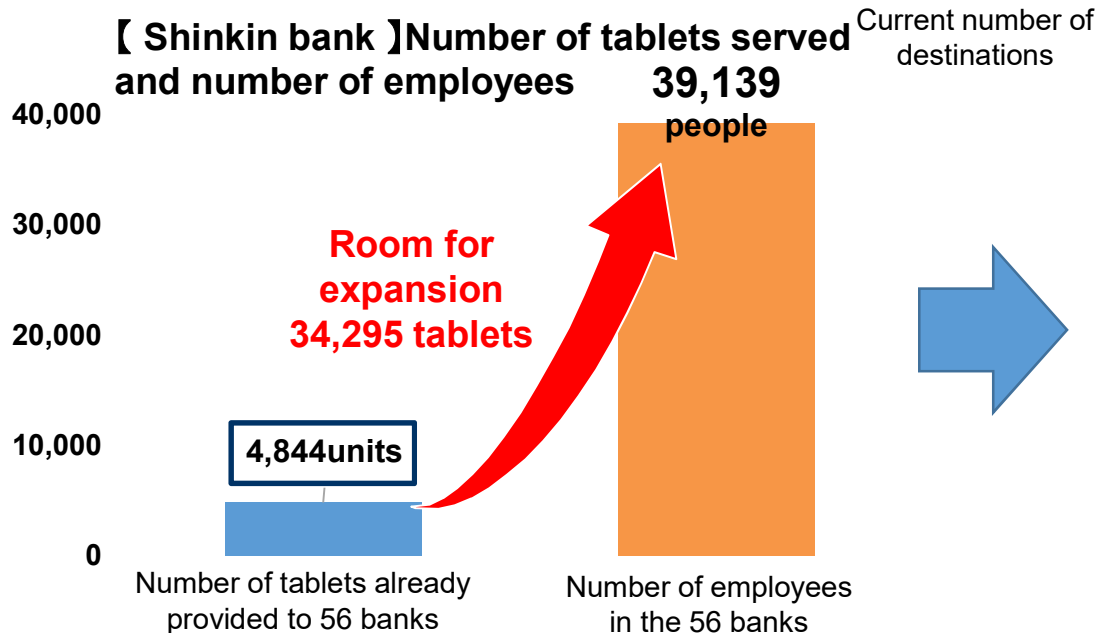
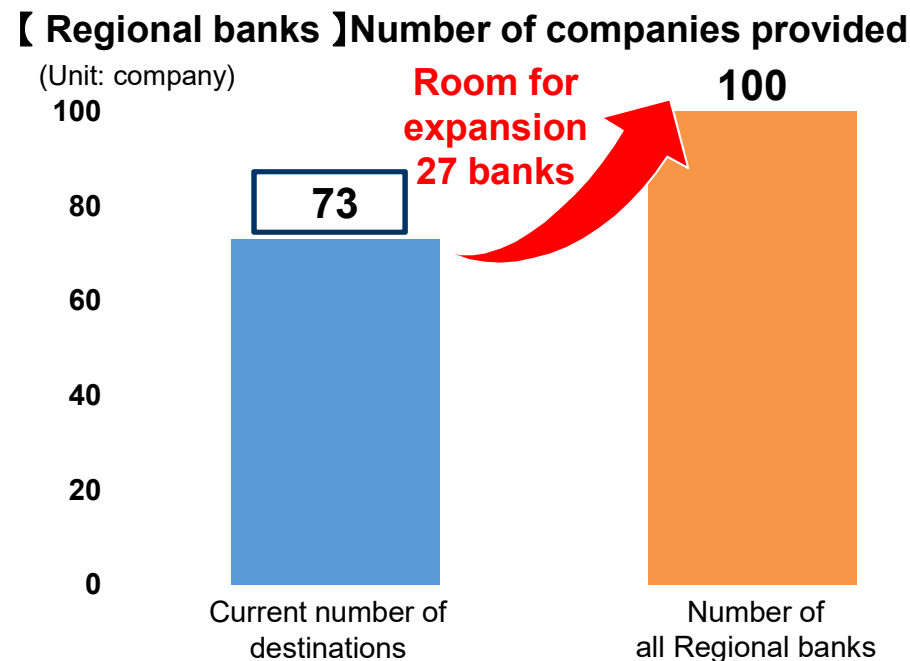
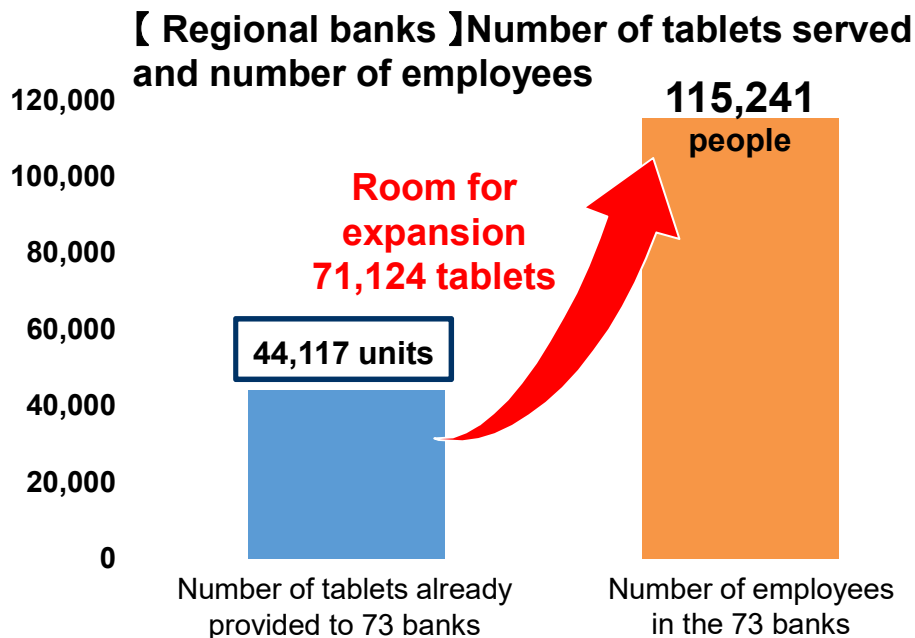
Overview of the Financial Services Business

**Further focus of asset management data on the SaaS
(Software as a Service) Business**

Tablet devices with the ‘Wealth Advisors’ application increased by double digits compared to the end of the same period of the previous year in terms of both the number of companies and the number of tablets.



There is a lot of room for expanding the number of 'Wealth Advisors' for regional financial institutions.



In the 'customer relation management tie-ups' stage, 'Wealth Advisors' pressed forward with its 'customer-oriented business operations', leading to an expansion in 'potential users'

Phase1

Proposal of optimal fund

Proposal

●Comparison - Synthesis chart



●Portfolio analysis



●Risk-return analysis



Phase2

Collaboration with customer information

- Offering : 3 companies
 - Mega Bank
 - Trust bank
 - Local bank
- Consideration of introduction : 6 companies
 - 4Regional banks
 - 2Securities companies

Collaboration with customer information

Phase3

Linkage with trading system

Agreement



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

Subscriptions for investment trust data for smartphones and PCs delivered double-digit growth

< Morningstar's proprietary investment-related tools >

(Unit : Company)

70

68

66

64

62

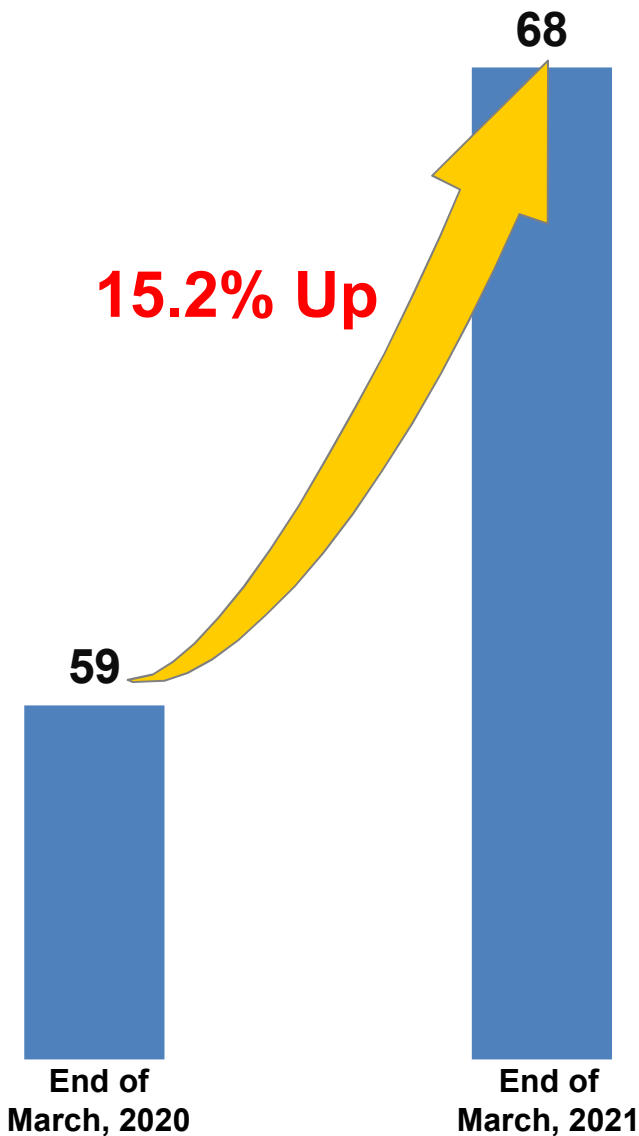
60

58

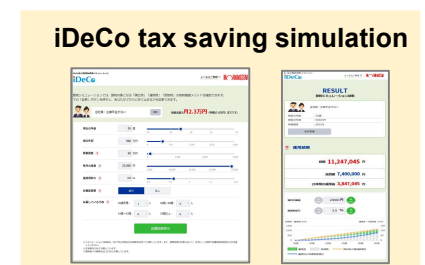
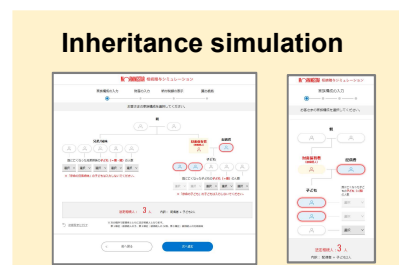
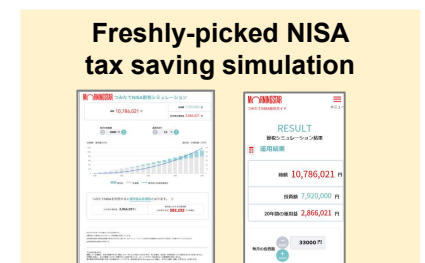
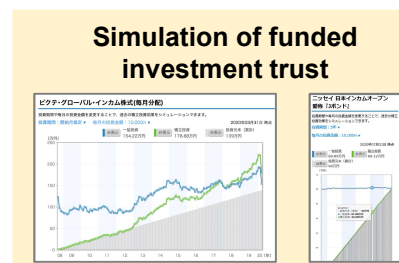
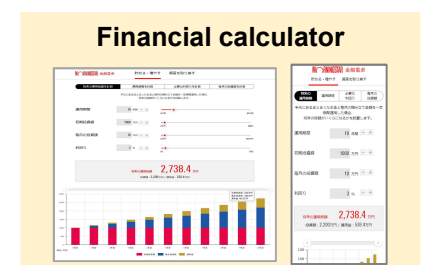
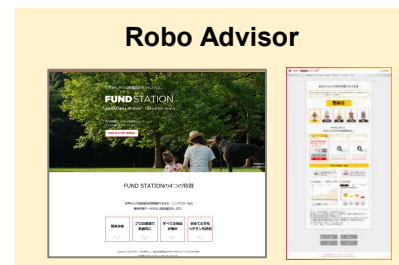
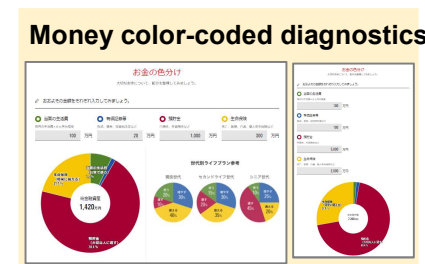
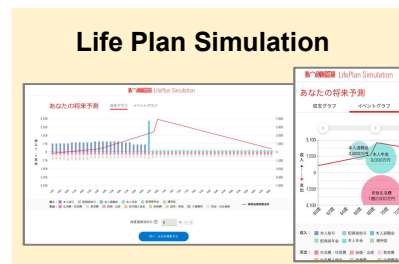
56

54

15.2% Up



Data & Investment Related Tools



Paying members subscribing to Kabushiki Shimbun Web (¥4,000/month) grew 2.2 times

(Unit: people)

1,800
1,700
1,600
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500



2.17
times

824



April 6, 2020

1,790



April 16, 2021

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

for Stock Newspaper Web

Measures to increase the number of members of the 'Stock Newspaper Web'

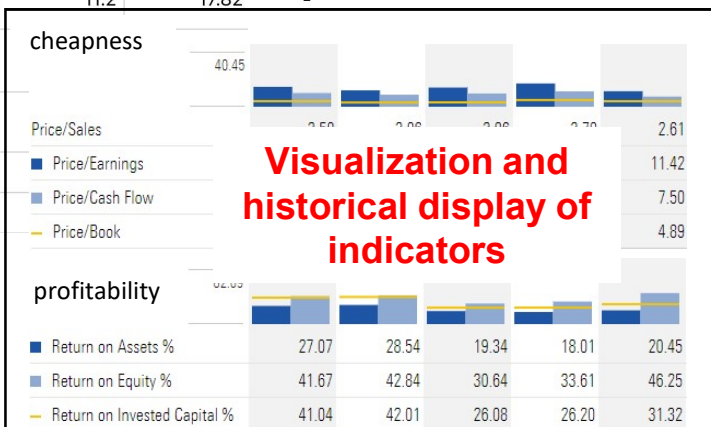
~ Rich stock information of Japan, the US and China ~

● 'Stock News Paper Web' now integrates US and Chinese stock data

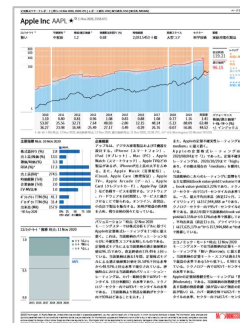


Index stock comparison

	AAPL アップル	VZIO VIZIO Hol...	IRBT アイロボ...	NASDAQ Index
PER(倍)	35.63	41.76	22.32	24.3
PBR(倍)	33.51	29.19	4.05	4.00
配当利回り (%)	0.63	-	-	-
3年売上高成長率 (%)	5.51	11.2	17.82	-
3年営業利益成長率 (%)	3.69	-	-	-
営業利益率 (%)	24.15	-	-	-
ROE (%)	73.69	-	-	-
ROA (%)	17.33	-	-	-



● Morningstar Inc. delivers US stock quants reports



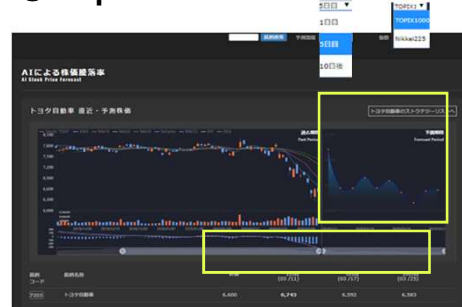
● Enriched US Stock/Chinese Stock news

Information from The Motley Fool (US stocks)

Information from Serchina (Chinese Stock)

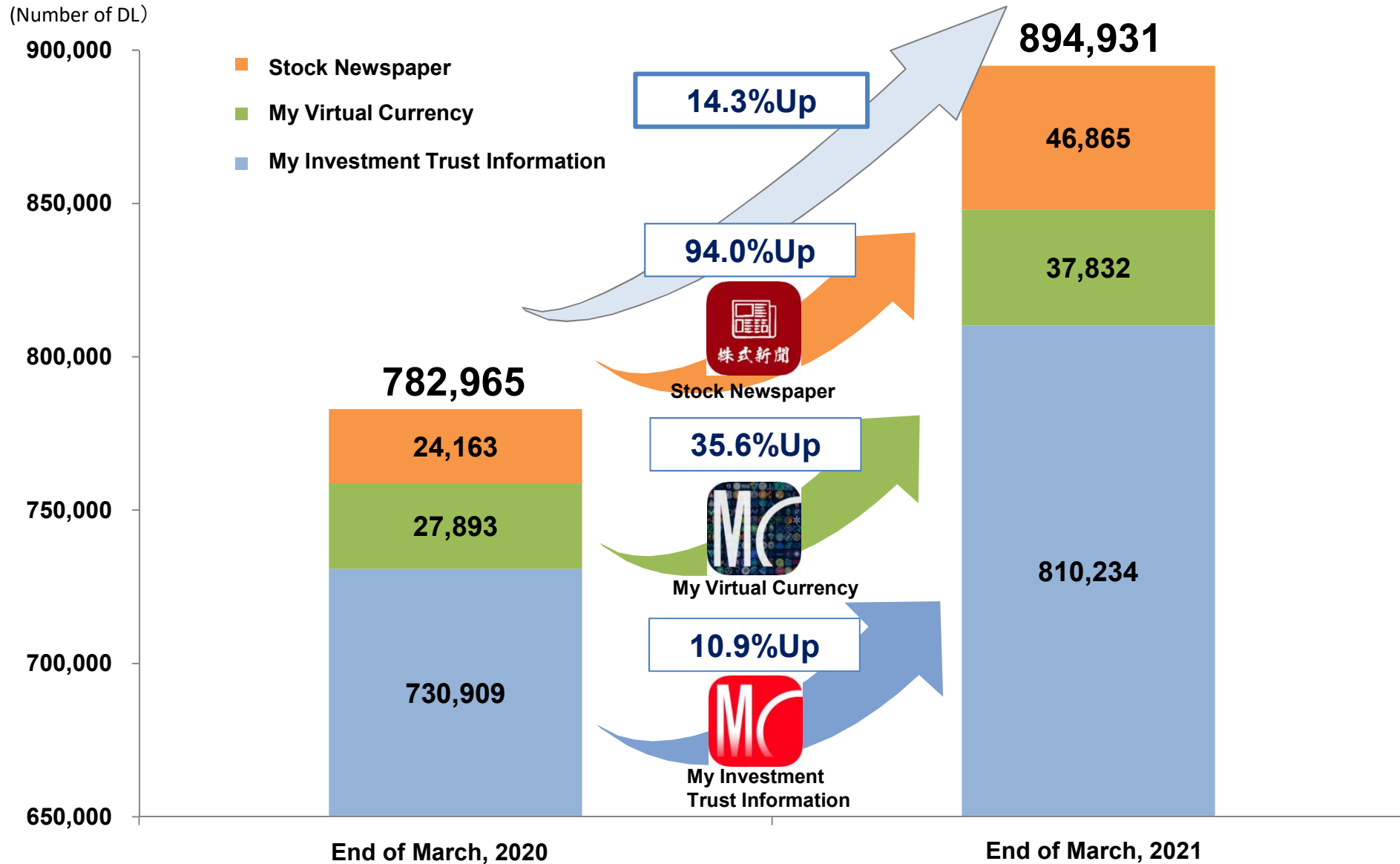


● Implementation of AI stock price forecast by MILIZE



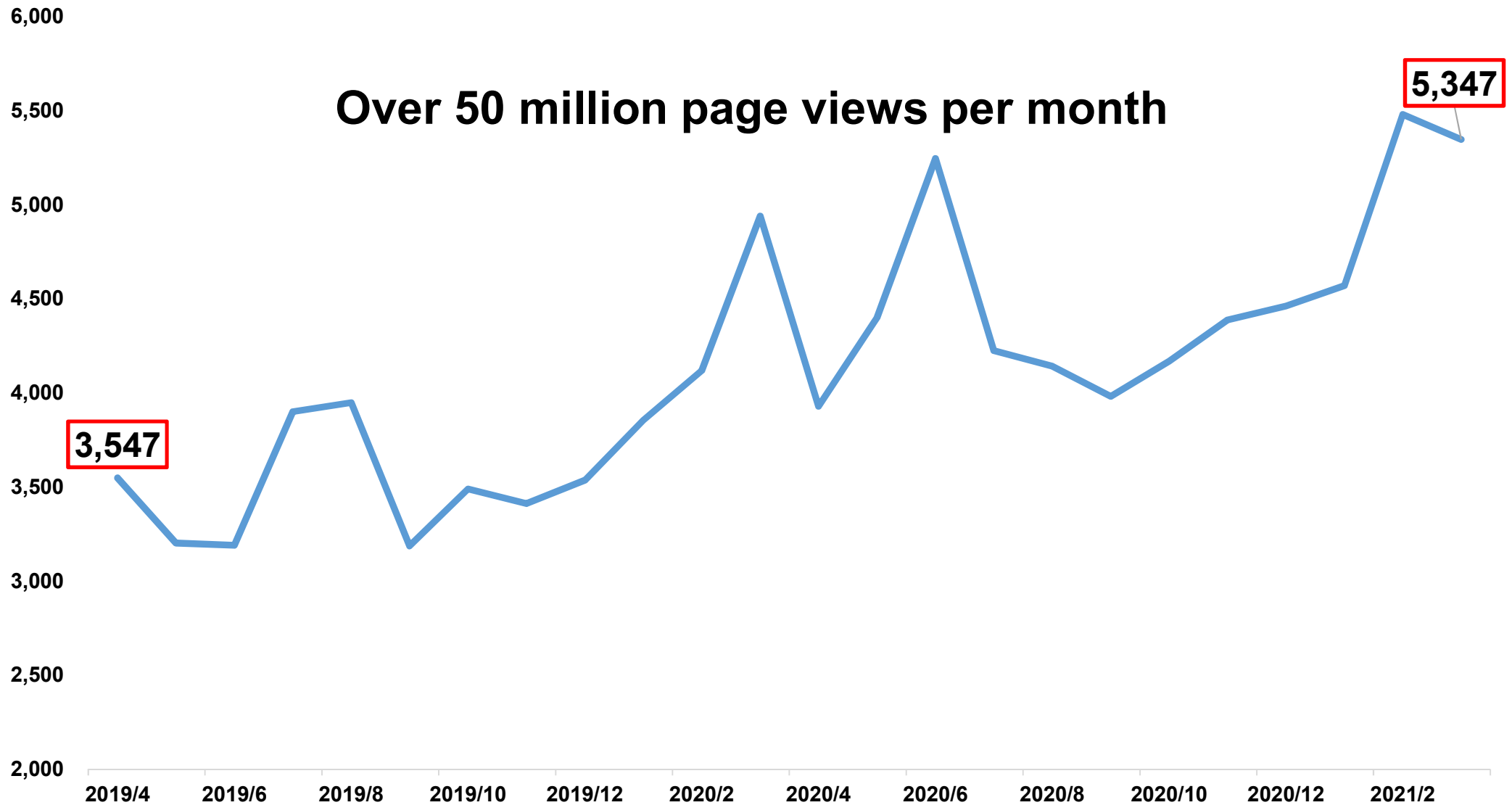
Double-digit increase in the number of downloads of all smartphone applications compared to the end of the same period last year

< Number of smartphone applications downloaded >



Trends in page views of the Morningstar website (including smartphone apps)

(Unit: million page views)



Morningstar's Official YouTube Channel has tallied more than '30,000 subscribers' and '2 million cumulative views'

(Number of people)
35,000

Number of subscribers to the official YouTube channel
31,512



About 15.8 times

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

2,000

April 30, 2020

April 23, 2021

3 videos have exceeded 100,000 views.

< **408,574 views** (as of April, 23) >

'For those who start 'tax-free savings-type NISA'

1,995 Likes



< **158,844 views** (as of April, 23) >

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

1,505 Likes



< **107,694 views** (as of April, 23) >

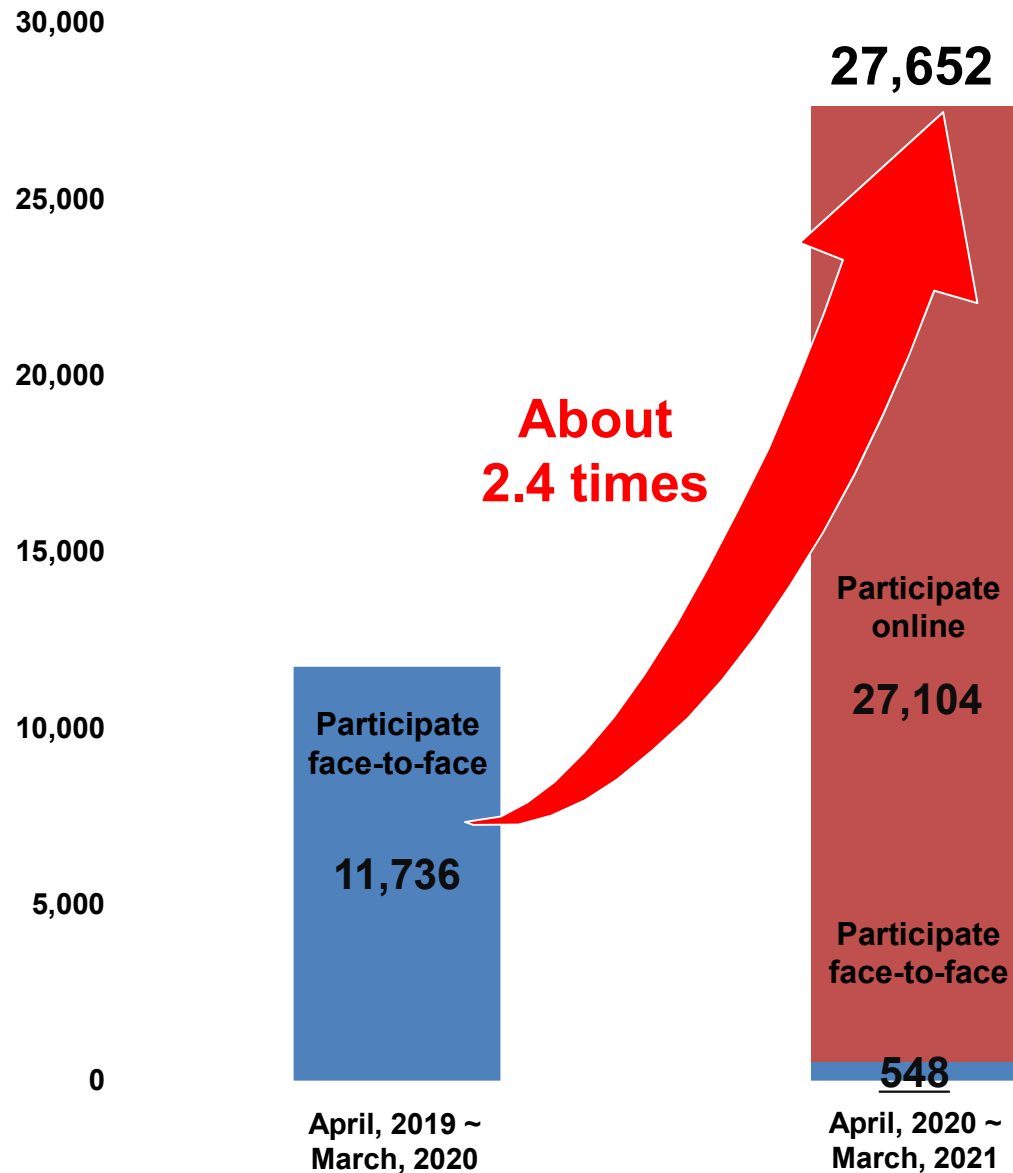
Stop saving and start to invest!
Our recommended steps to investment
- 'iDeCo', 'periodic NISA' and a full 'investment account'.

875 Likes



Despite pandemic challenges, Morningstar successfully held seminars mainly on the Internet, the number of viewers registered well in excess of those last year

(Number of unique users)



‘Investment Fund EXPO 2020’ 【 Held on September 12, 2020 】

Online visitors : 9,152
Venue visitors : 420
Total : 9,572



‘Morningstar Conference 2021’ 【 Held on January 16, 2021 】

Online visitors : 6,252
Venue visitors : 72
Total : 6,324



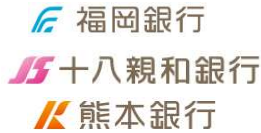
A hybrid seminar was convened, jointly hosted with a regional bank. Looking ahead, we plan to hold more seminars in various locations

‘Investment Trust Fair 2021 in Fukuoka’ (March 26-27, 2021)

The first hybrid seminar in the region
held online with the venue



- The Bank of Fukuoka, Ltd.
- The Juhachi-Shinwa Bank, Ltd.
- The Kumamoto Bank, Ltd.
- FFG Securities Co.,Ltd.



Total in-person and online participants
2,129

The first regional ‘hybrid’ seminar (a combination of in-person meetings in the venue & booths with online components)

Seminar



Booth / Consultation corner



‘Asset Management Fair 2021’ in Yokohama (Scheduled for April 24, 2021) * Completely online seminar

The Bank of Yokohama, Ltd. 横浜銀行
Hamagin Tokai Tokyo Securities Co., Ltd 浜銀TT証券

Approximately 2,000 people



At the seminar venue, strict measures were taken to prevent the coronavirus infection

Reception area was equipped with anti-COVID facilities



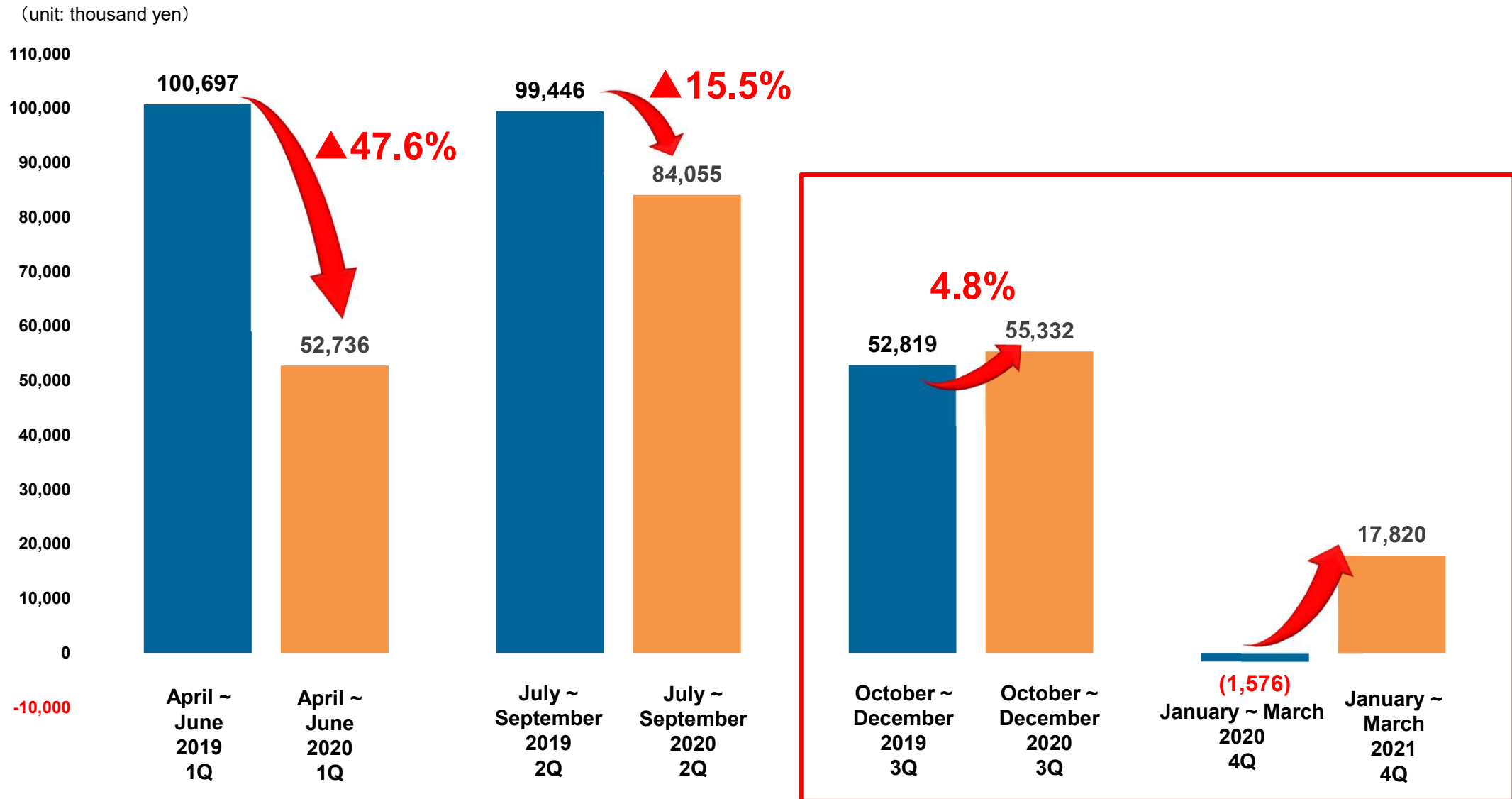
At the entrance, each visitor's temperature was taken



Regular disinfection of premises was carried out



Revenue from seminars has markedly turned around from 2Q, after the sharp fall in 1Q



Our advertising media, now hybrid, comprises 'advertisements' and 'subscriber' channels





"Advertisements"

"Subscription"

< Morningstar app users: Total 894,931 users >

					
	My Investment Trust Information 810,234		My Virtual Currency 37,832		Stock News Paper 46,865

< Morning Star Club members: 194,658 users in total >

			
Life Plan Simulation	Robo Advisor	Simulation of funded investment trust	Inheritance simulation

< Number of subscribers of YouTube channel:
3.15 million / Total 2.14 million views >

< An example of a face-to-face (hybrid) seminar >
Self-determining fund selection and asset allocation in 'new normal times'



63,969 views

< An example of online seminars >
How to buy investment funds, avoiding "buy high, sell low"?



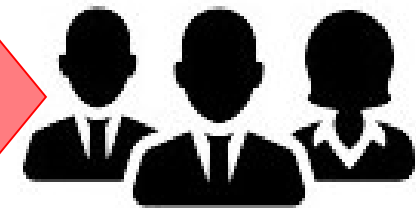
158,669 views

< Video example >
'For those who start 'tax-free savings-type NISA'



407,060 views

Selling a package of premium 'content', 'data' and 'video'

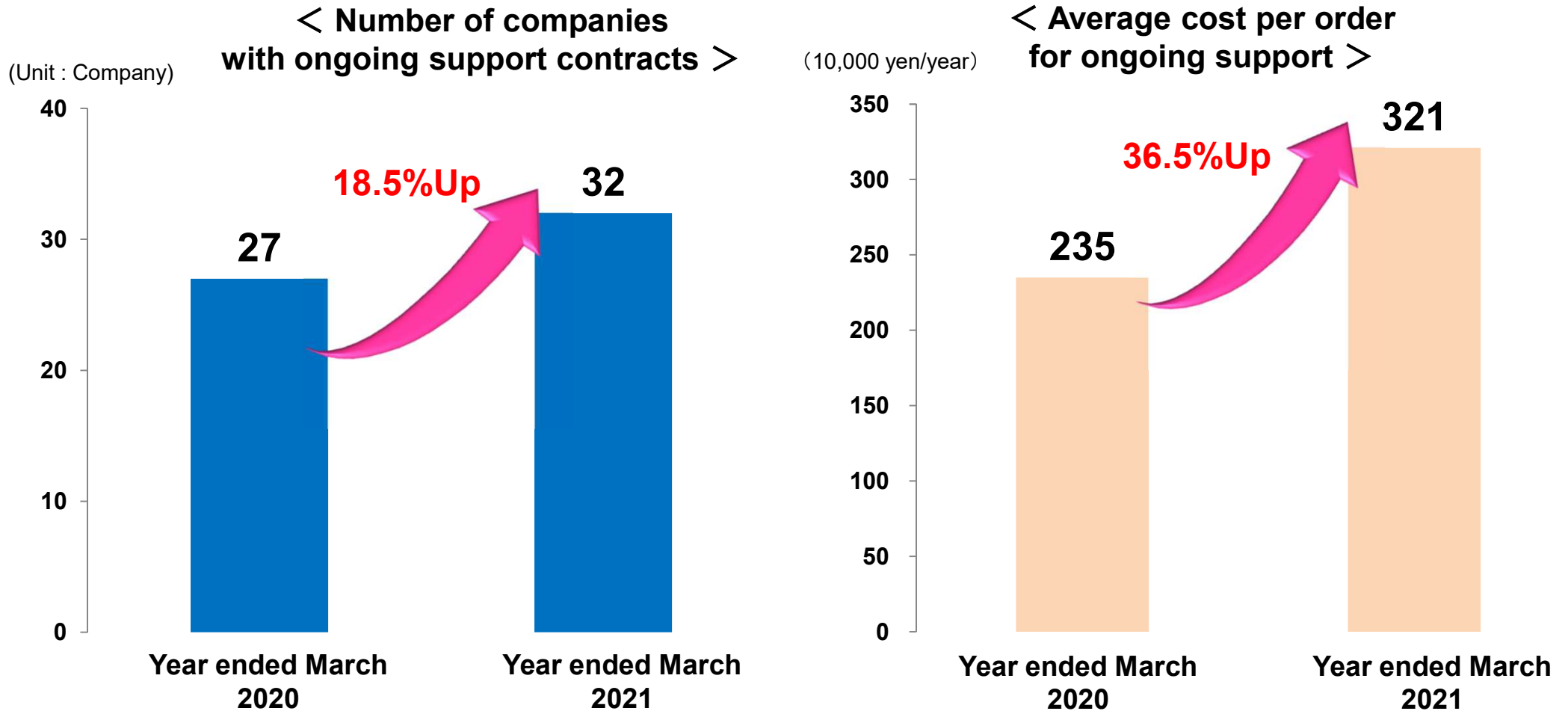


Expansion to subscription service

Consultation business at Gomez Consulting delivered increased orders and unit contract fees for its continuous support service

UI/UX-oriented continuous consulting support and website management services marked expanding growth

Gomez Consulting's continuous support service



Part 3

Overview of Asset Management business

Asset Under Management of the Group which includes investment advisory is approximately 2.9 trillion yen.

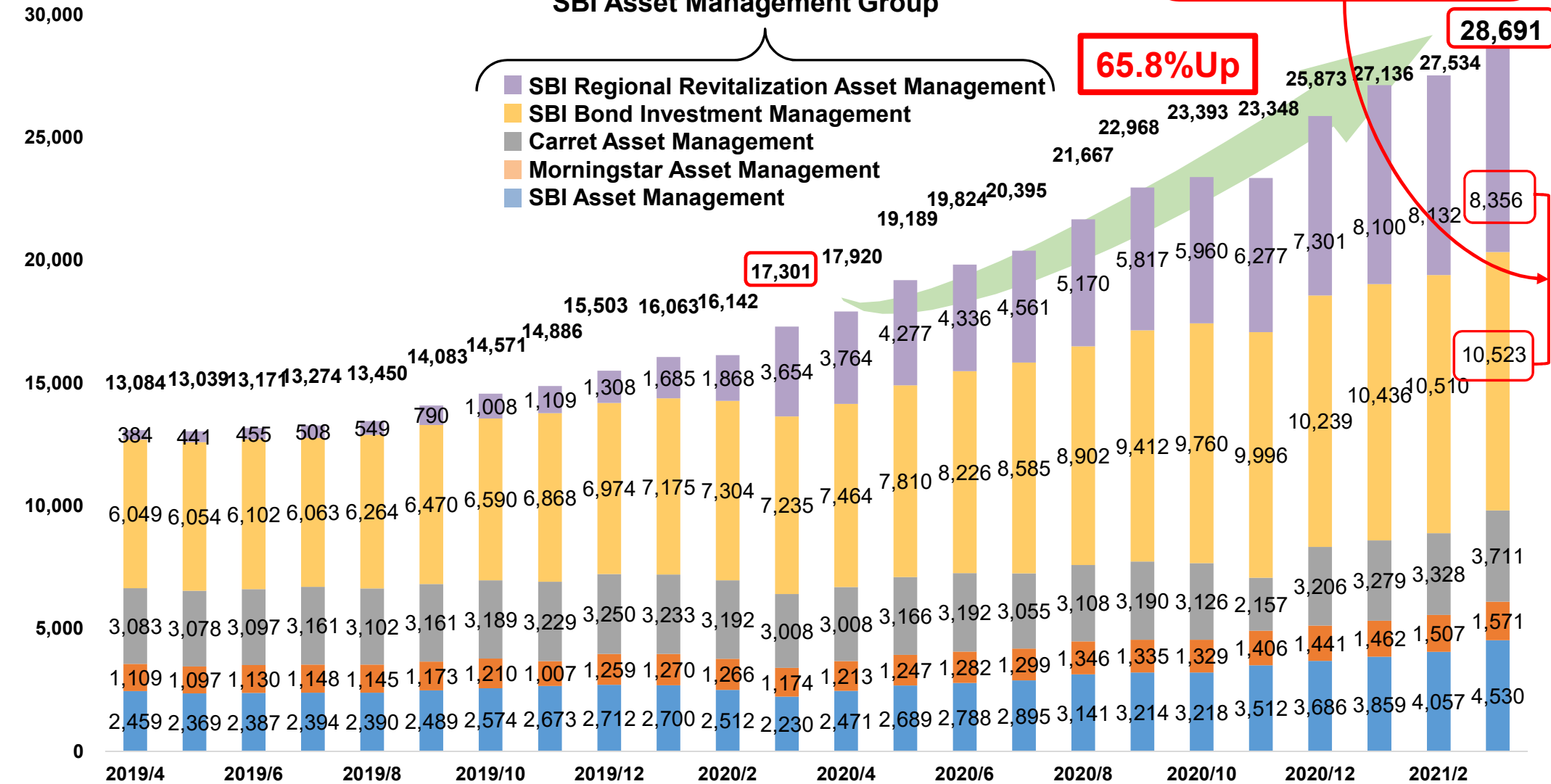
[AUM]
Balance as of April 22, 2021: 2,900.7 billion yen
SBI Asset Management Group

Combined AUM from regional financial institutions exceeds **1.8 trillion yen**

(¥ 100million)

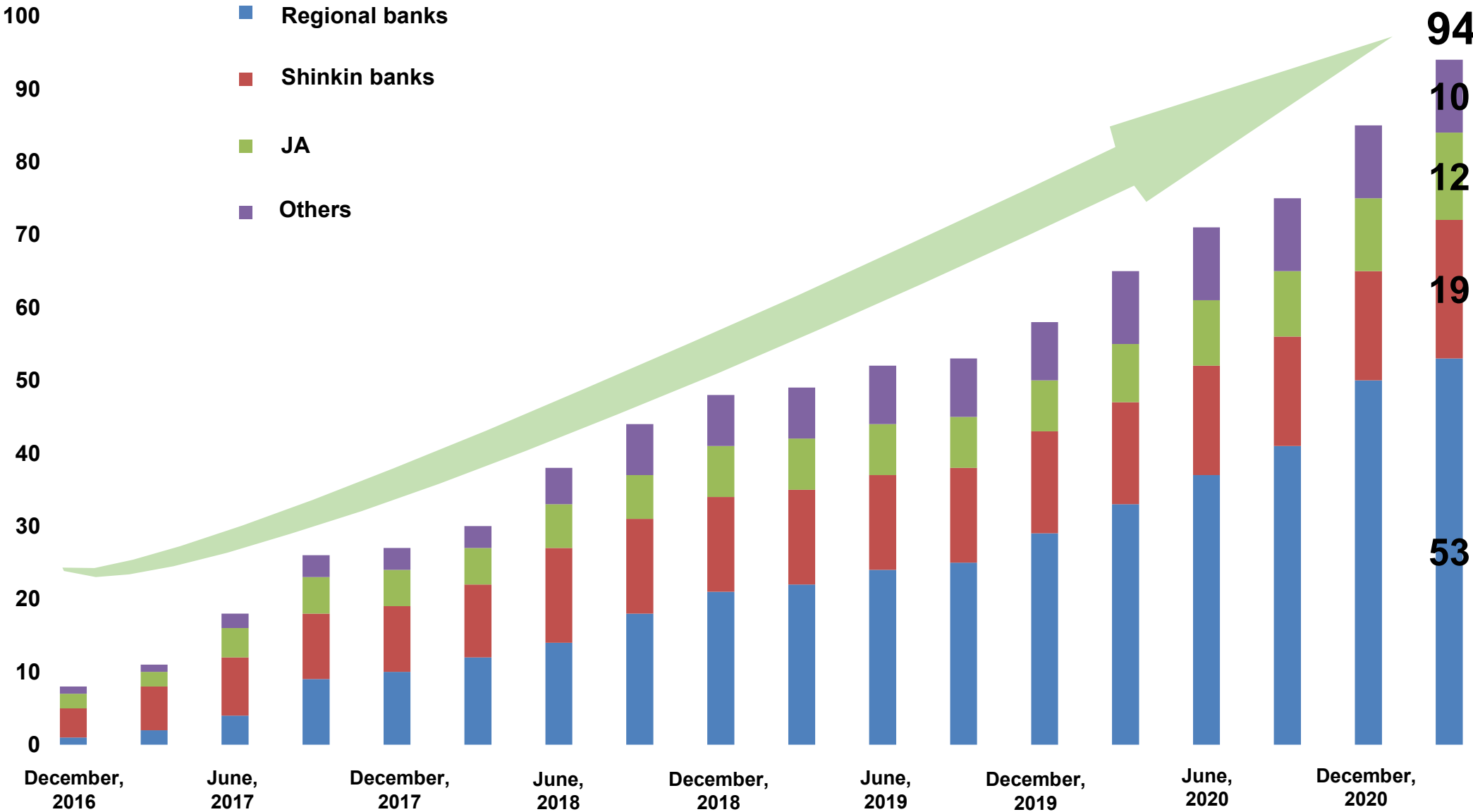
- SBI Regional Revitalization Asset Management
- SBI Bond Investment Management
- Carret Asset Management
- Morningstar Asset Management
- SBI Asset Management

65.8%Up



※Carret Asset Management's Asset Under Management is converted at Mizuho Bank's month-end rate, March 2021: 1 dollar = 110.72 yen

A total of 94 regional financial institutions now entrust their funds with the Morningstar group.



Fund management service for regional financial institutions continues to demonstrate great potential for growth

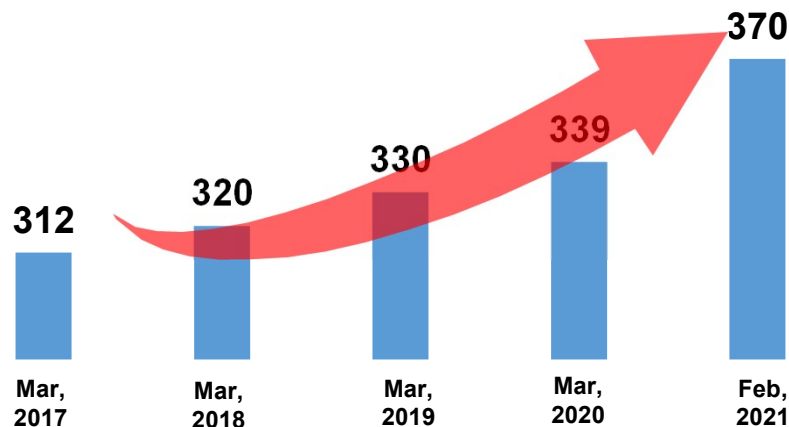
AUM of regional financial institutions: 127.6 trillion yen (as of the end of February 2021)

(Regional banks: 81.8 trillion yen, Shinkin banks: 45.8 trillion yen)

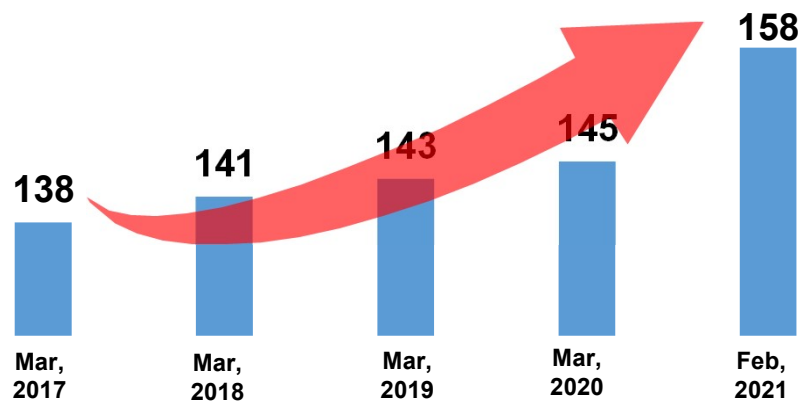
<Regional banks increasingly call on external professionals for sophisticated and diversified fund management>

- Bank deposits still trend upwards
- Low-yield Japanese yen bonds standing at approximately ¥85 trillion
- Gearing toward global asset allocation, a shortage of human resources with securities investment management skills is of concern

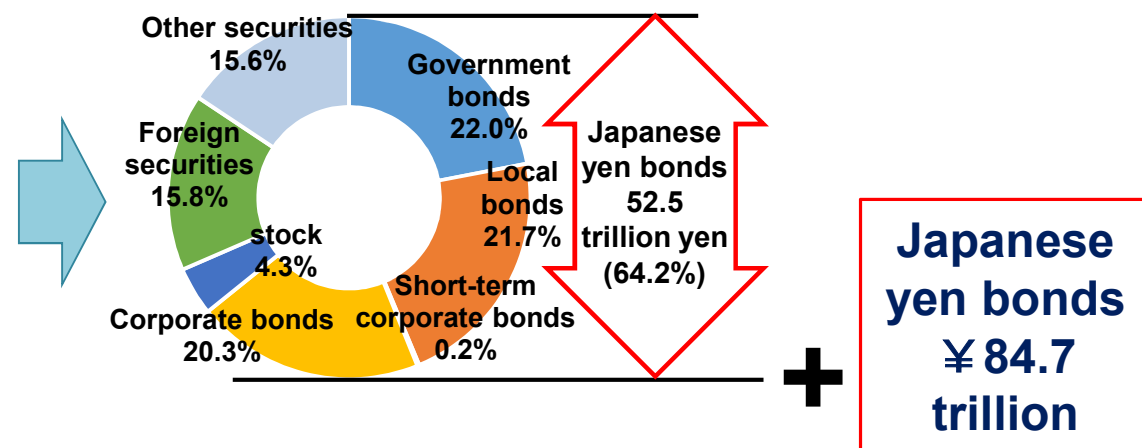
Deposits at regional banks (¥ trillion)



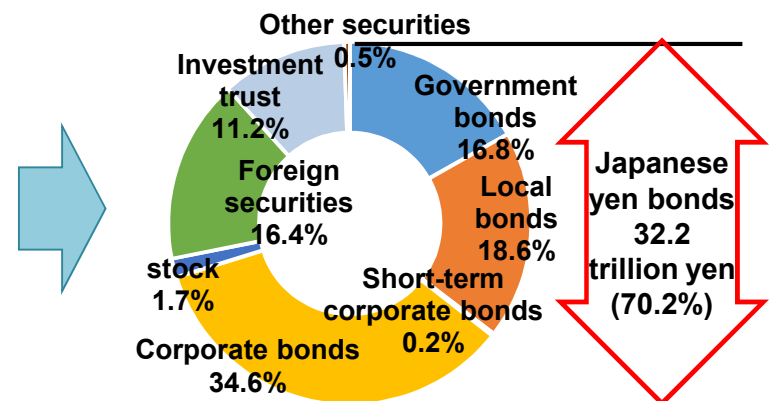
Deposits at Shinkin Bank (¥ trillion)



AUM of regional banks: 81.8 trillion yen



AUM of Shinkin banks: 45.8 trillion yen



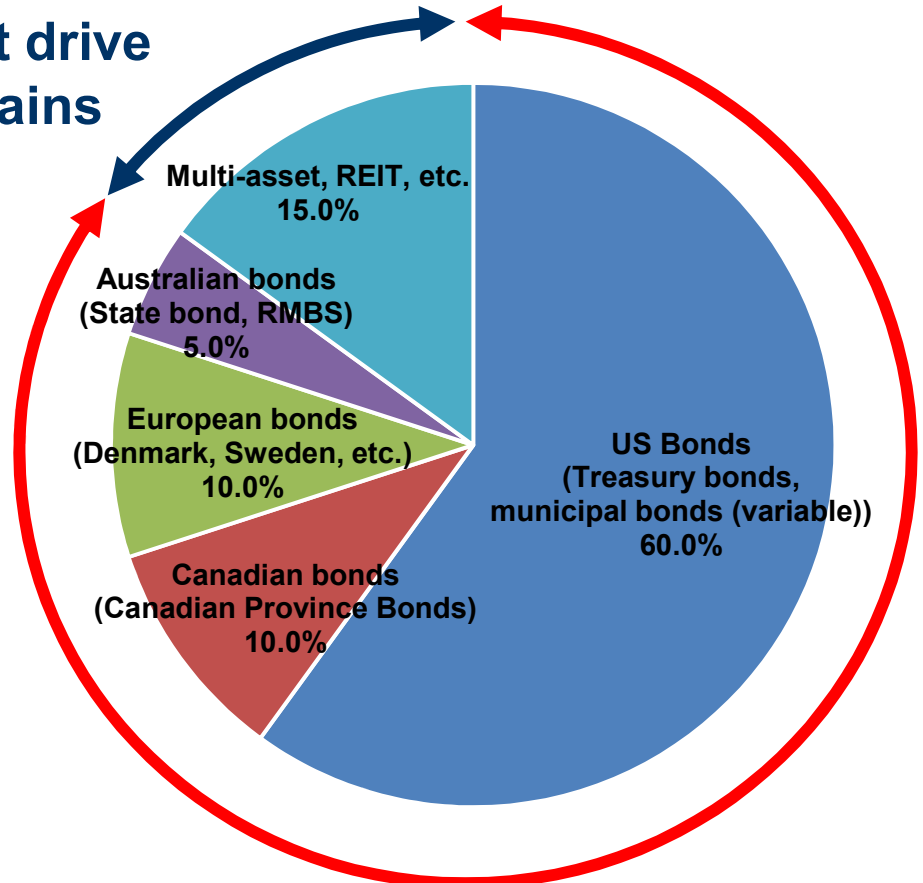
Asset management products for regional financial institutions offered by the Morningstar Group



Offering fund management products leveraging the Group's robust global network

< Breakdown of asset classes held by investment products >

Products that drive appraisal gains



Products that generate stable periodic income

Support for the sophistication and diversification of securities management at regional financial institutions

< Portfolio analysis and risk management tools >

Detailed stress testing of portfolios, scenario testing, etc.

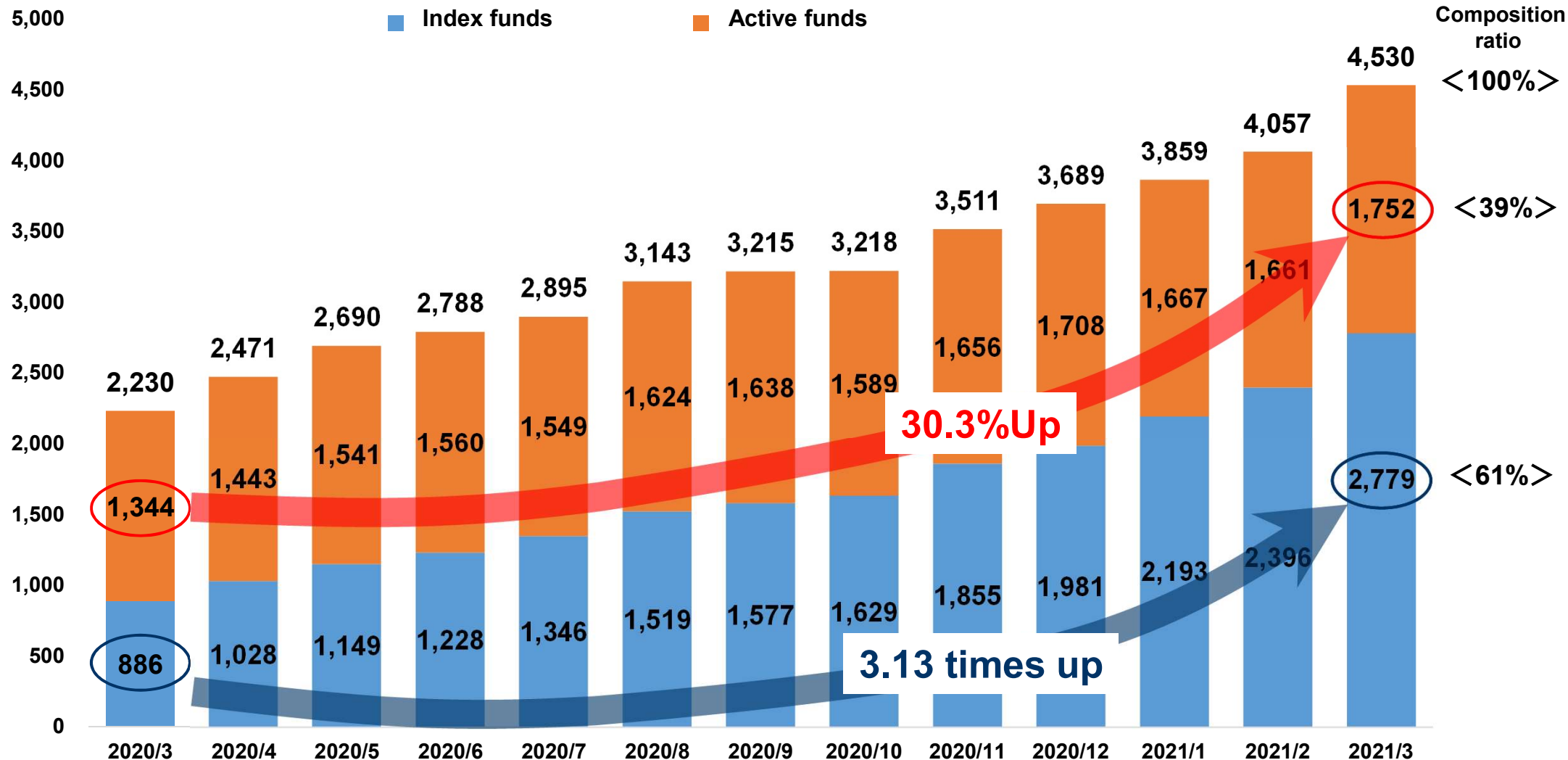
< Support for human resources training and development >



- Issue analysis and order placement
- Currency Hedging
- Performance Factor Analysis
- Cash flow management
- Creation of risk-weighted assets table
- Preparation of monthly reports

Changes in AUM of active funds and index funds of SBI Asset Management

(¥ 100million)



(year / month)

Establishment of domestic stocks active funds with new concepts

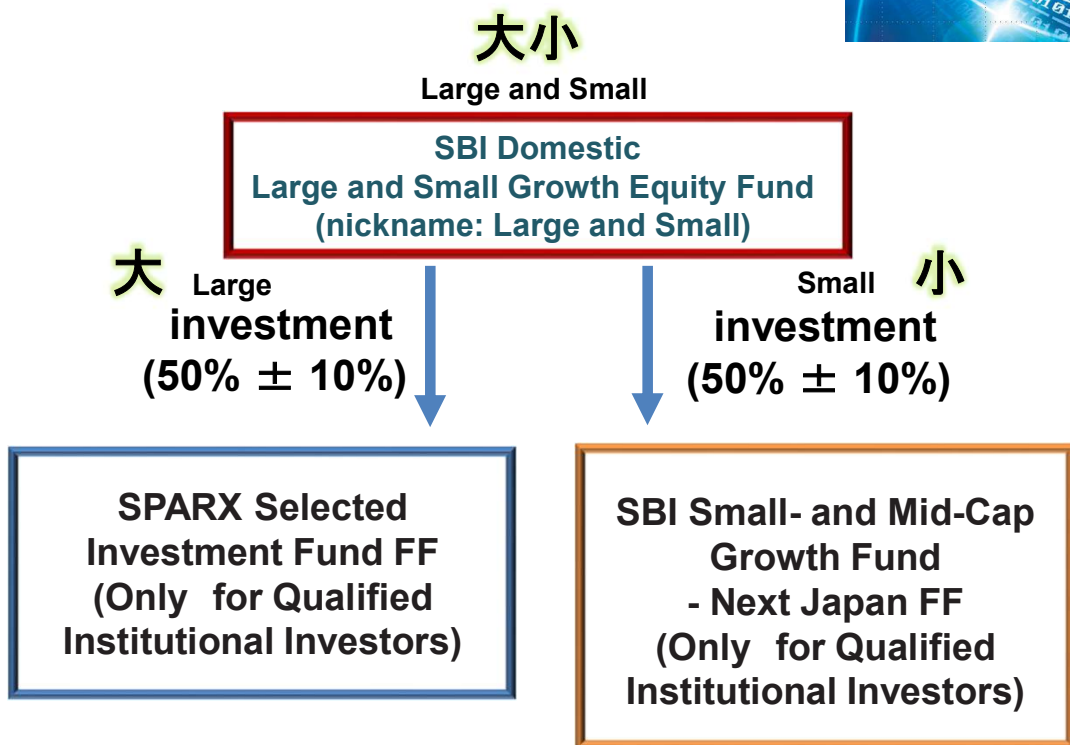
Initial collection period (April 19 to May 6, 2021)

SBI Domestic Large and Small Growth Equity Fund
(nickname: Large and Small)

- ◆ Large-growth stock: **SPARX Asset Management Co., Ltd.**
- ◆ Small growth stock : **Angel Japan Asset Management Co., Ltd.(investment advice)**

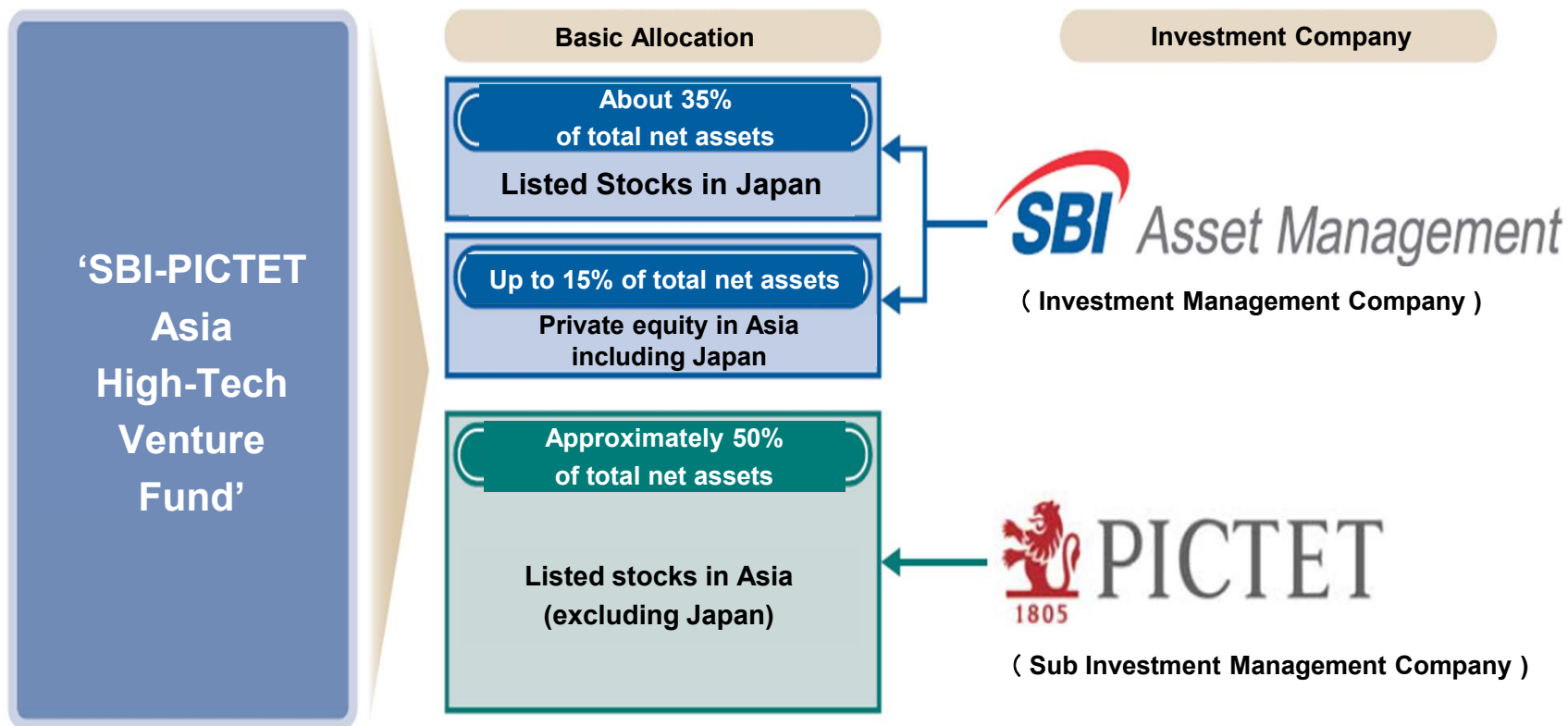


<Fund structure>



	period	TOPIX	Large and Small
Return (annual rate)	1 Year	26.4%	51.3%
	3 Years	4.2%	13.9%
	5 Years	10.0%	21.6%
Risk (standard deviation) (annual rate)	1 Year	17.6%	18.3%
	3 Years	17.1%	20.0%
	5 Years	15.2%	16.8%
Sharpe ratio	1 Year	1.50	2.81
	3 Years	0.25	0.70
	5 Years	0.66	1.29

Establishment and management of a fund that includes private equity ‘SBI-PICTET Asia High-Tech Venture Fund’



Status of the fund

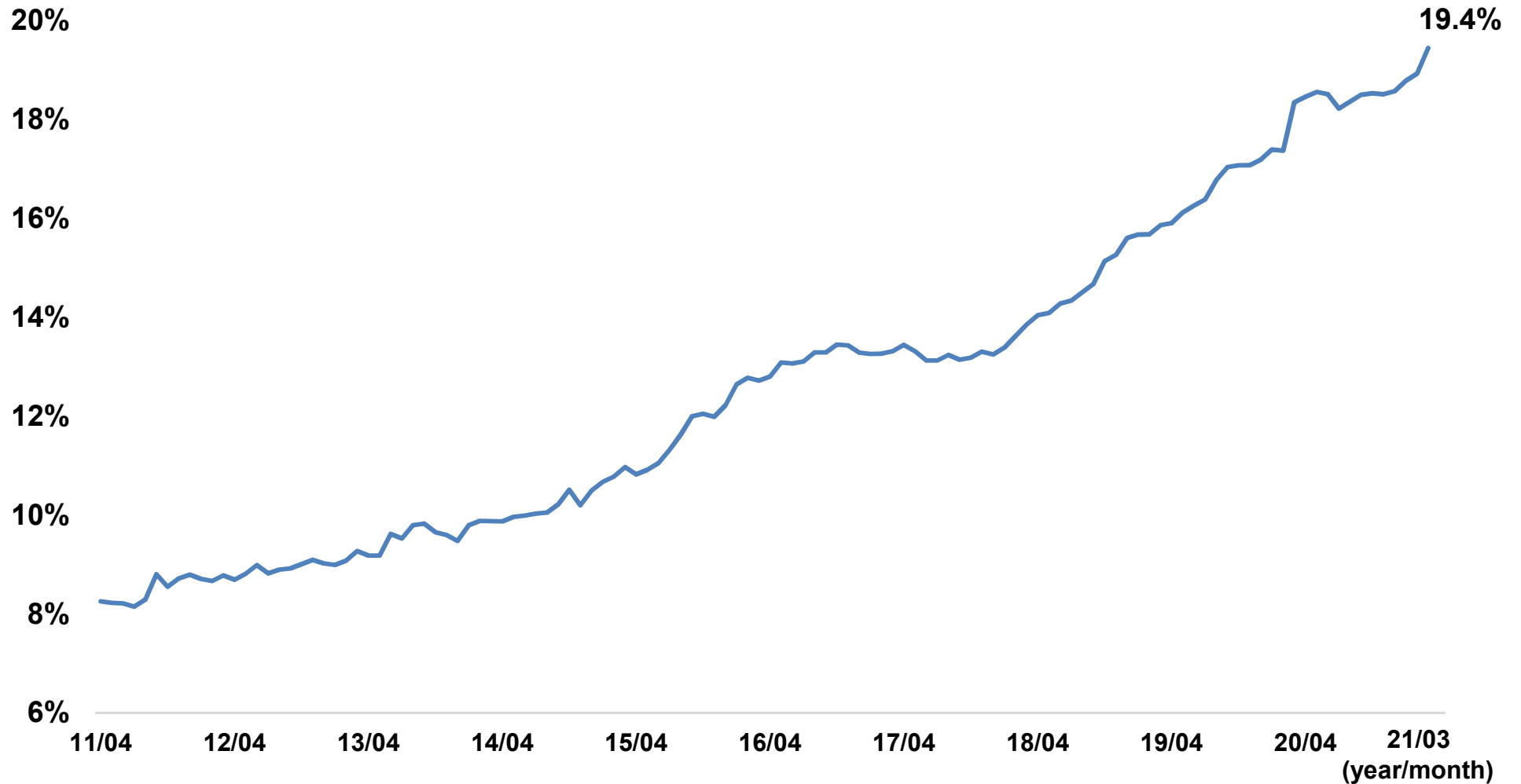
Date of establishment : July 29, 2020

Net asset balance : 5,468 million yen (as of April 22, 2021)

Total return : 6 months 18.47% (as of March 31, 2021)

Percentage of index funds in overall domestic investment trust market has shown steady growth

<Percentage of total net assets of index funds (ex ETFs) in overall domestic investment trusts>



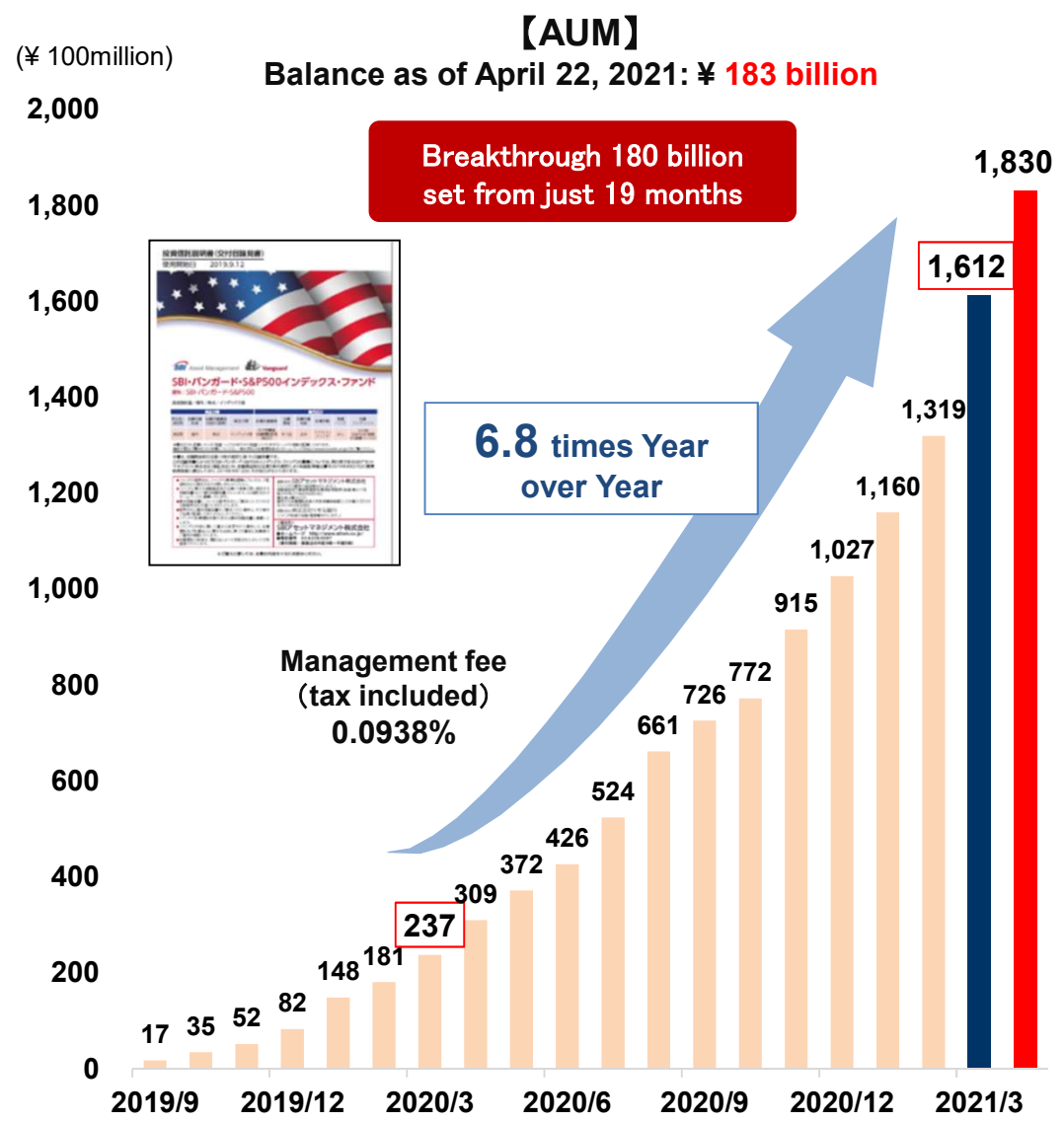
* Overall domestic investment trusts: Domestic publicly offered open stock investment trusts (excluding ETFs)

* Index funds are based on the Investment Trusts Association

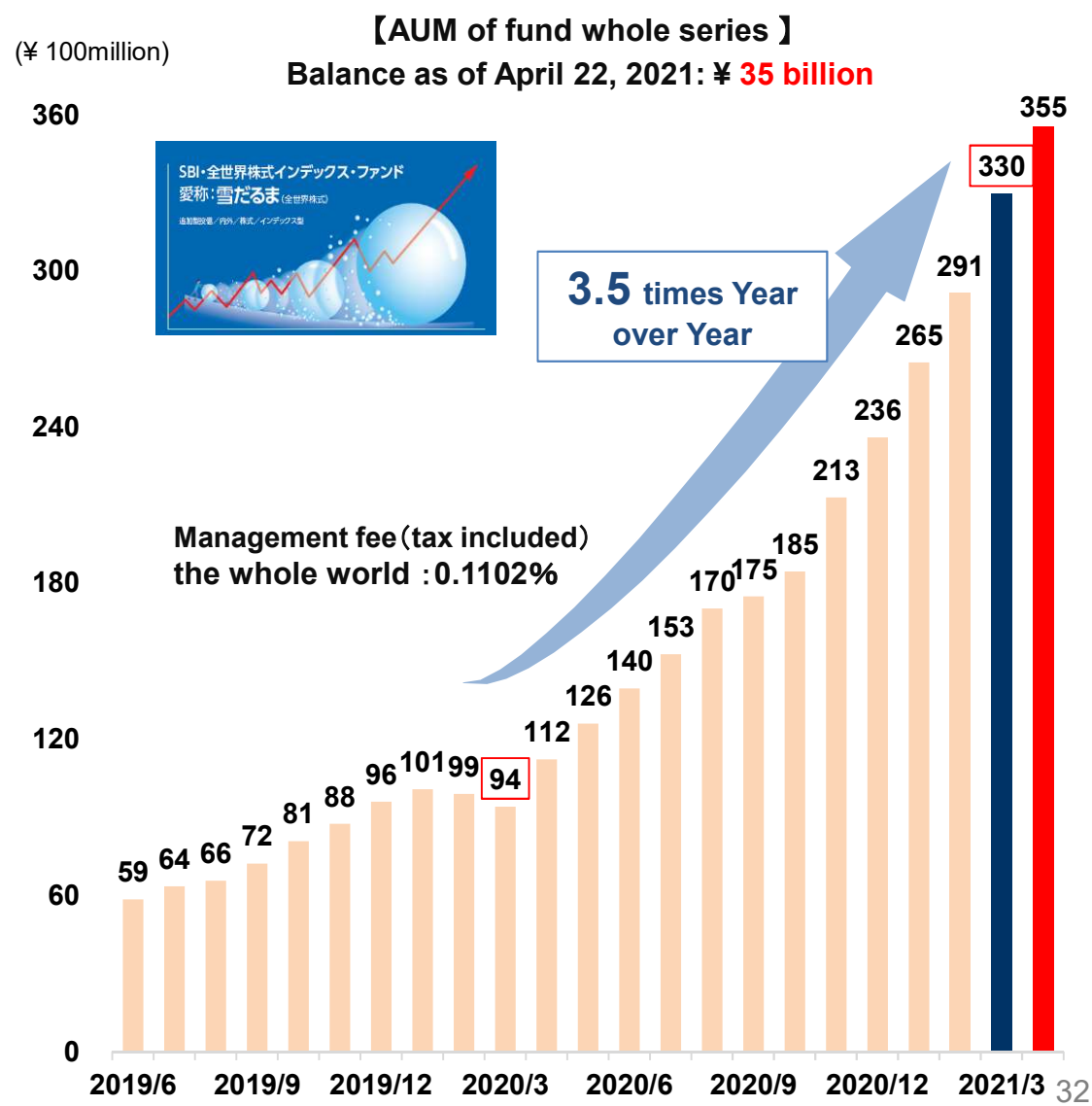
Source: Investment Trusts Association, April 2011-March 2021 (Monthly)

SBI Vanguard S&P 500 Index Fund has a net asset balance over 180 billion yen.

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

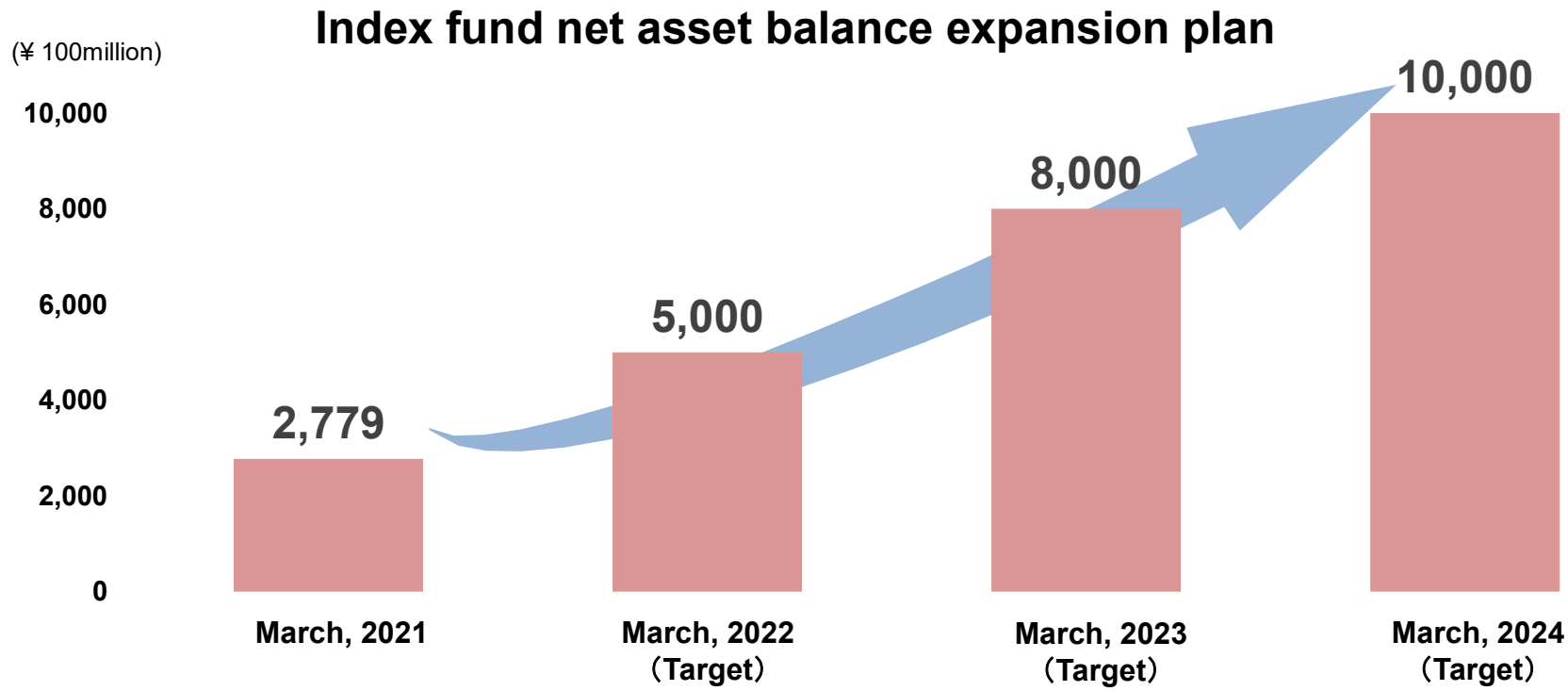


< SBI-the Global Market-Developed countries-Emerging countries Index Fund 『nick name : Snow Ball』 >



We have set a target of ¥ 1 trillion for total assets managed by our index funds in three years

- Developed world index fund: 2~3 funds to be added
 - Thematic index fund: To begin with, about 5 funds will be established
- Investment themes : ① Alternative energy, ② EV, ③ DX, ④ Advanced medical care,
⑤ Next-generation communications (5G/6G)
- China A-shares index fund



Part 4

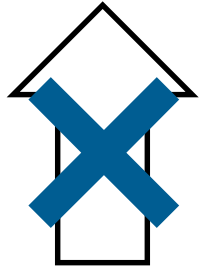
Promotion of new business regulations

- 1) Investment advisory service for defined contribution-type corporate pension plans
- 2) Robo-Advisor

What are members of contribution-type corporate pension plans really concerned about?

Members' concerns

- How to construct an investment portfolio?
- Which fund to choose?



As they provide limited information, members' concerns are not sufficiently met



Provision of impartial, objective information and investment advice

Existing service

Investment management organizations

Information is provided disproportionately to certain financial institutions

- General investment education content
- Study sessions to learn about investment

Our Information

Impartial and objective information from an evaluating company

- Provision of information on fund evaluation
- Personalized advice for the construction of an optimal portfolio
- Advice to help select funds

Provision of ‘investment education & investment advisory’ apps for members of defined contribution-type pension plans

Available from June 2021

Aiming to reach 300,000 users in 3 years

Asset Management & Monitoring

- Centralized management of multiple accounts of financial institutions

Automatically suggest portfolios

- Equipped with the user-friendly Robo-advisor function

Advisor Chat

- Users can seek investment advice appropriate to their circumstances on a chat line

Number of users
300,000 people



Number of users
100,000 people

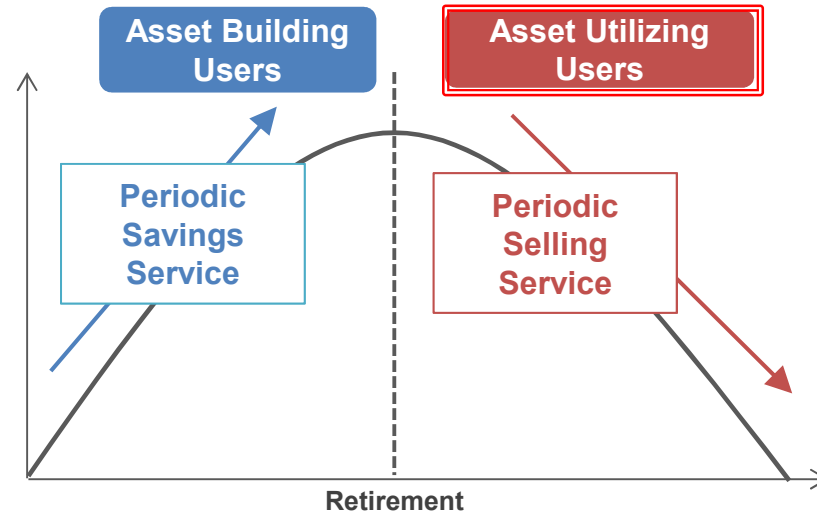
June, 2021

June, 2022

June, 2024

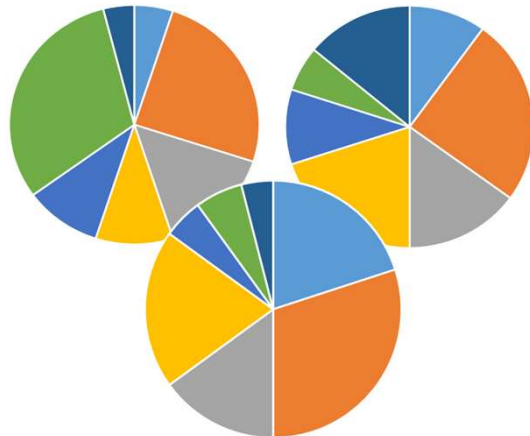
Robo advisor is set to support users in their 'asset-utilizing period' in addition to those in their 'asset building period'

The new service is to launch by the end of this fiscal year

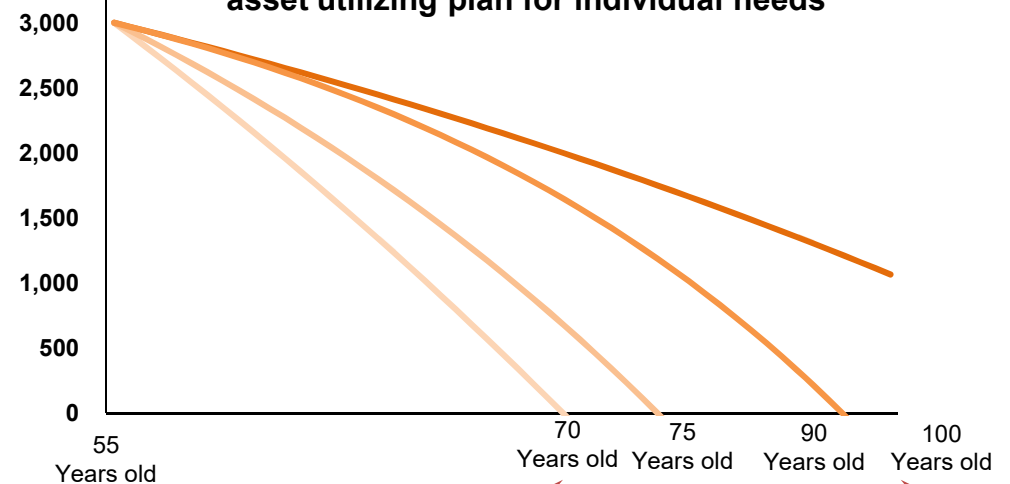


The Robo advisor is set to integrate a periodic asset disposal function, highly sought after by users in their asset-utilizing period, in addition to the conventional periodic savings function

Offering advice to help 'asset utilizing period' users construct an appropriate diversified portfolio



(¥ million) This enables the formulation of the most suitable asset utilizing plan for individual needs



Our Robo-advisor offers relatively lower costs and more convenient services compared with others. It also serves wider ranging customers including those in the ‘asset utilizing period’

< Comparison of Robo-advisors >

	Morningstar	Company A	Company B	Company C
Fees (on balance)	Set at an industry lowest level (Around 0.5% p.a.)	1.0% per year	Fixed at ¥ 300 + 0.9%	Fully contingent fees scheme
Investment target	ETF or fund selected by Morningstar	ETF	Individual shares	ETF and fund
Timing of accumulation	Users can choose daily/weekly/monthly options	4 times a month	1 time a month	1 time a month
Regular sale	Fixed amount / fixed rate	No	No	No

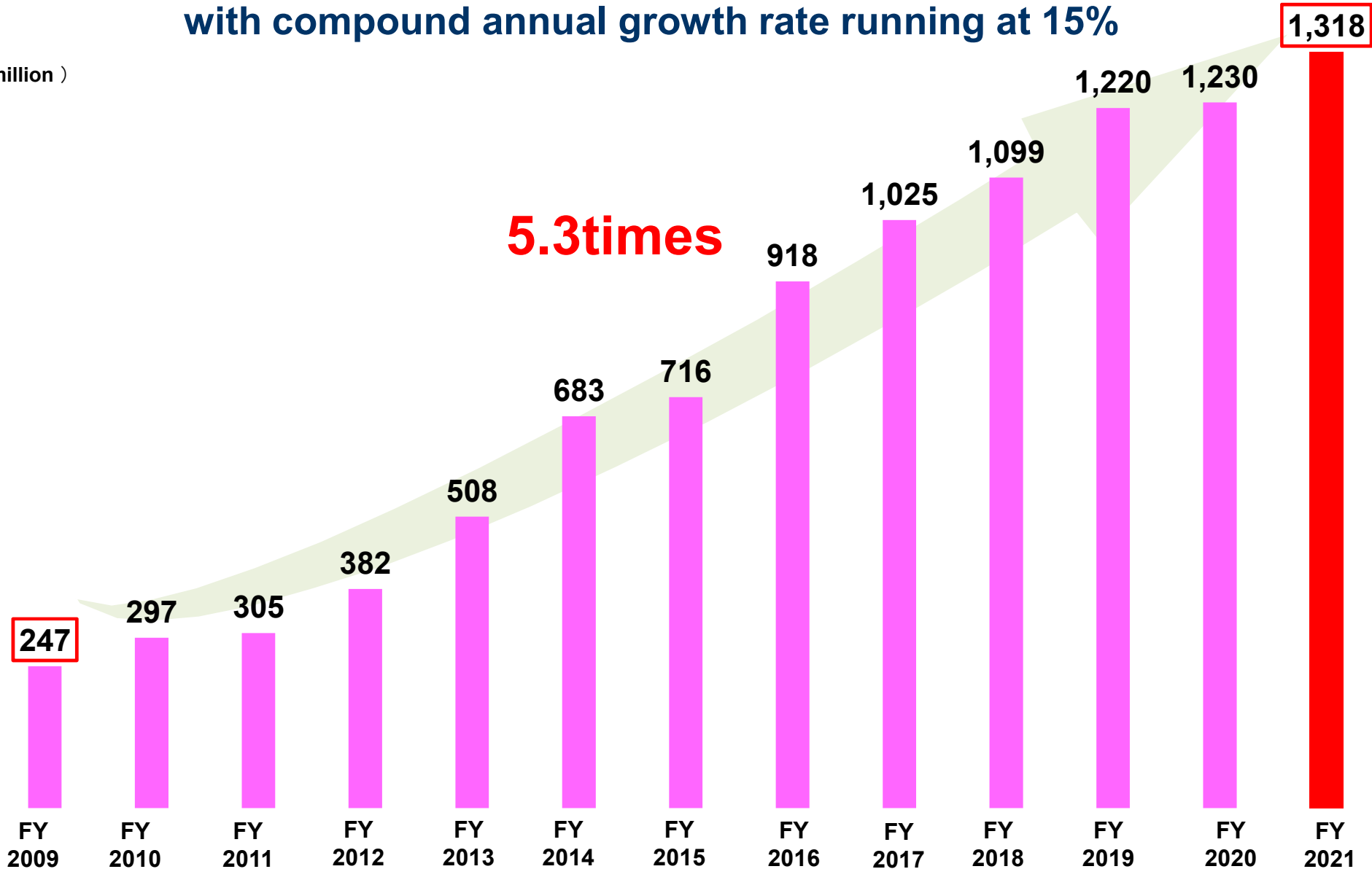
Part 5

Dividends and Shareholder Benefits

Consolidated net income

Over the past 12 years, consolidated ordinary profit grew 5.3 times, with compound annual growth rate running at 15%

(¥ million)

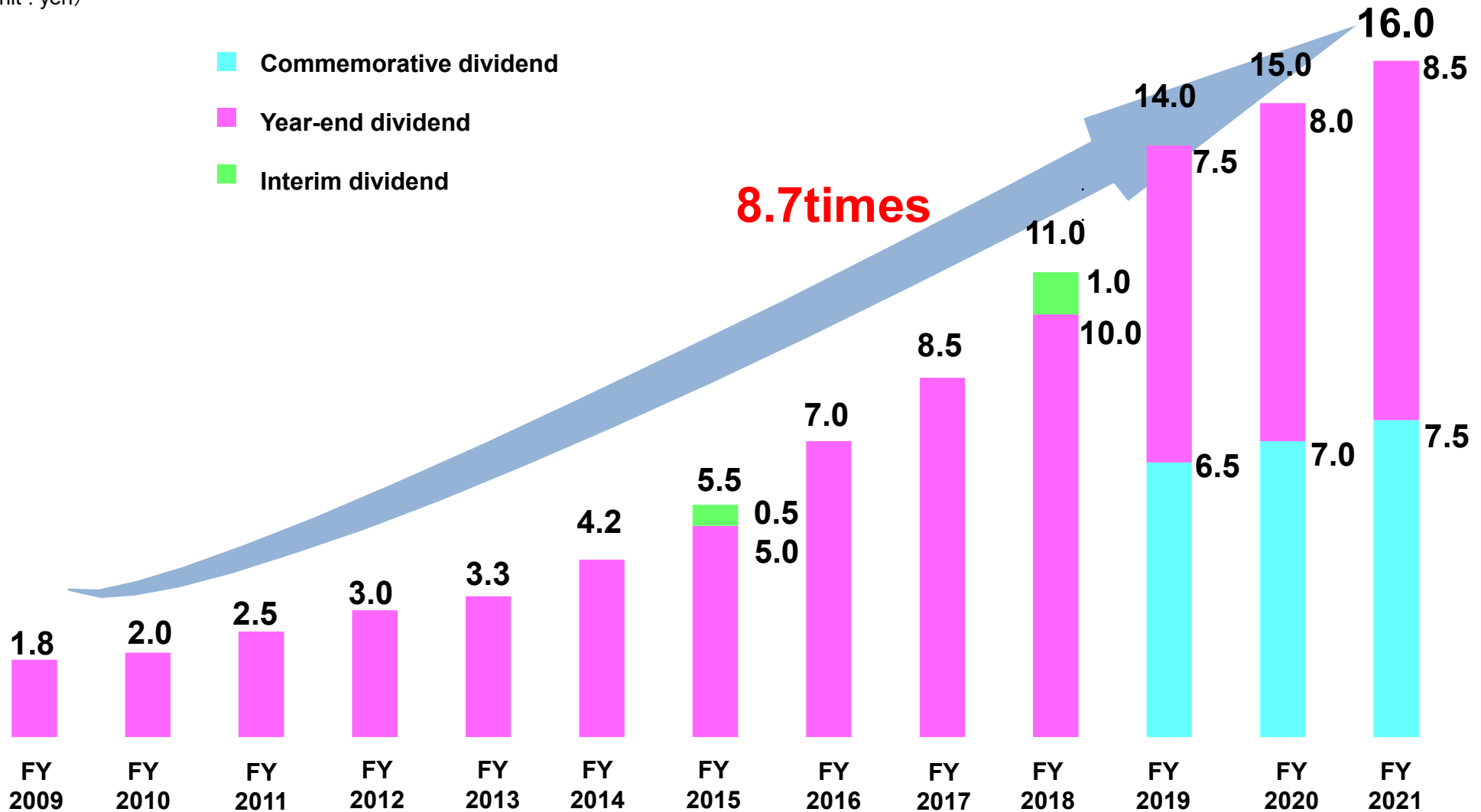


※ Net Profit refers to Net Profit attributable to owners of the parent.

Dividend increase for 12 consecutive year

Paid an interim dividend of ¥7.5 and final dividend of ¥8.5, totaling ¥16.0 for the year (up 6.6% y-o-y)

(unit : yen)



※ The commemorative dividend for the fiscal year ended March 31, 2015 is the 15th anniversary commemorative dividend.
The commemorative dividend for the fiscal year ending March 2018 is the 20th anniversary commemorative dividend.

**Of the 3,871 publicly traded companies (as of April 16, 2021),
only 4, including Morningstar, have delivered increased profit and
dividends for 12 years or more in succession**

Company Name	Security code	Consecutive years of increased profit and dividends	Net profit growth rate (10-year annualized rate)
Morningstar Japan K.K	4765	12 Years	15.8%
Kobayashi Pharmaceutical co., Ltd.	4967	15 Years or more	5.2%
Nitori Holdings Co., Ltd.	9843	15 Years or more	11.4%
Pan Pacific International Holdings Corporation	7532	12 Years	15.4%



※ Consecutive years include the year in which companies provided estimated figures (companies that had disclosed forecasts as on April 16).

※ Increased profit' in the above table indicates (increased) 'net income attributable to owners of the parent company'.

※ The profit growth rate (10-year annualized rate) for this fiscal year was calculated using the profits for the last 10 financial years through to this fiscal year that contained estimated profits.

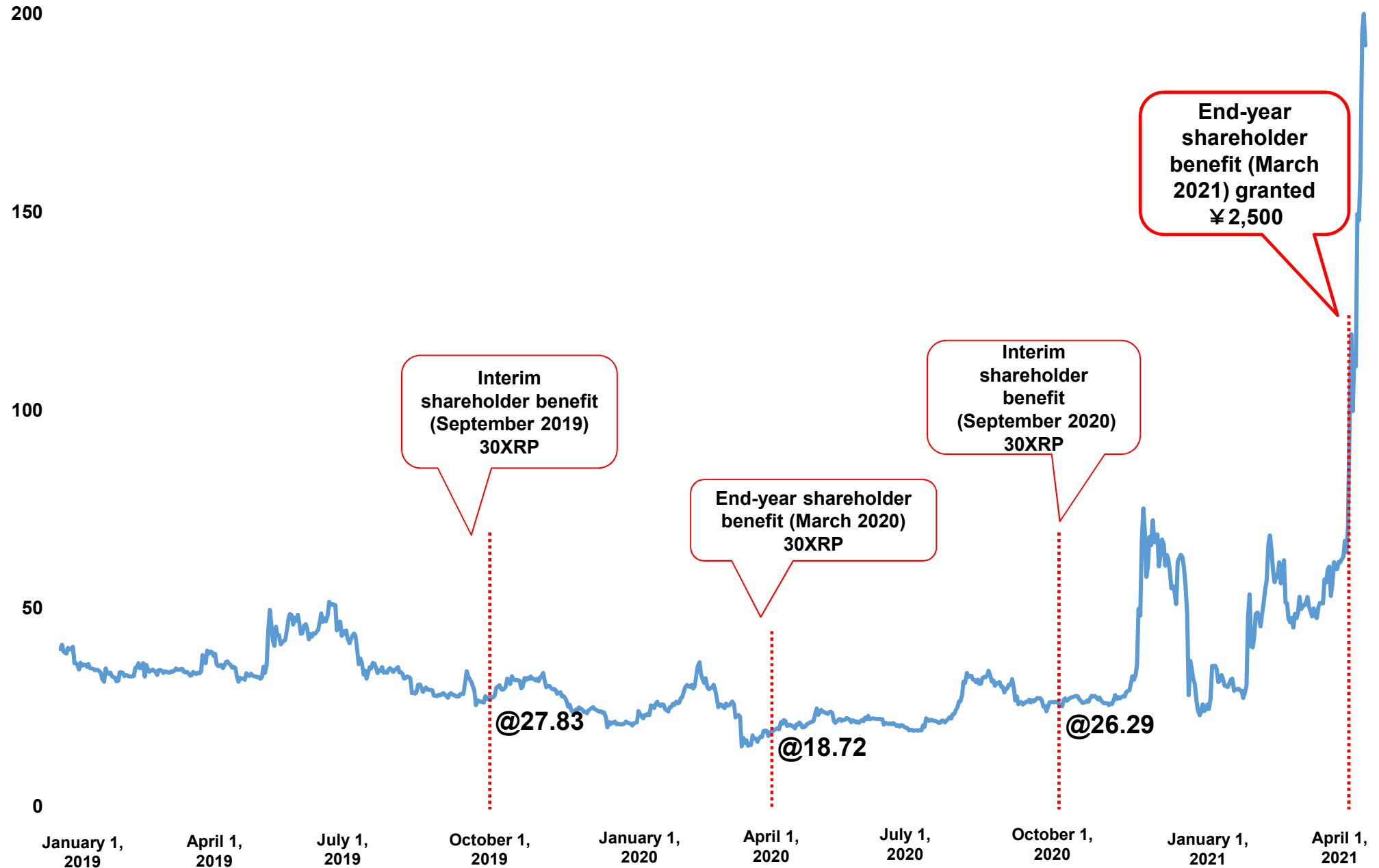
Shareholder Benefits

Shareholders will be given a free subscription to the ‘Stock Newspaper Web’ (¥4,000 per month before tax) and an XRP crypt asset (i.e. cryptocurrency) worth ¥2,500.

Number of units (shares)	(1) Stock Newspaper Web Edition	(2) cryptocurrency (crypto asset) XRP	Total benefit value (equal to usual prices)
<p>1 unit (100 shares) Or more 5 units (500 shares) Or more</p>	 <p>A free subscription for 6 months between June 1 2021 and November 30 2021 (worth ¥26,400)</p>	 <p>Complimentary XRP crypt asset (cryptocurrency) worth ¥2,500</p>	<p>¥ 28,900</p>
<p>Less than 5 units (500 shares)</p>	<p>A free subscription for 12 months between June 1 2021 and May 31 2022 (worth ¥52,800)</p>		<p>¥ 55,300</p>

Changes in Crypto Assets (cryptocurrency) XRP

(unit: yen)



Number of Shareholders

(Unit: person)

