

Morningstar Japan K.K.



Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year ended March 31, 2022

April 26, 2022

Company name Morningstar Japan K.K. Stock exchange listing: Tokyo Stock Exchange
 Stock code 4765 URL <https://www.morningstar.co.jp> TEL03-6229-0810
 Representative (Title) Representative Director and President (Name) Tomoya Asakura
 Person responsible for disclosure (Title) Director and Chief Financial Officer (Name) Kazuhisa Ogawa
 Scheduled date of ordinary shareholders' meeting: June 23, 2022
 Scheduled date for filing of annual securities report: June 24, 2022 Scheduled date of payment of dividends: June 1, 2022
 Supplementary documents for financial result: None
 Financial results briefing : None (A video of the briefing will be posted promptly to our website).

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Consolidated Results of Operations (Percentages show year-on-year changes)

Fiscal Year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	8,123	8.5	2,129	20.6	2,403	11.5	1,454	10.3
March 31, 2021	7,485	9.8	1,765	14.5	2,155	16.0	1,318	7.1

(Note) Comprehensive income Fiscal Year ended March 31, 2022 2,000 Million yen (28.0 %)
 Fiscal Year ended March 31, 2021 1,563 Million yen (100.6 %)

Fiscal Year ended	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	yen	yen	%	%	%
March 31, 2022	16.22	—	14.1	18.2	26.2
March 31, 2021	15.34	—	12.6	16.2	23.6

(Reference) Share of (profit) loss of entities accounted for using equity method

Fiscal Year ended March 31, 2022 - Million yen
 Fiscal Year ended March 31, 2021 5 Million yen

(2) Consolidated financial position

Fiscal Year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
March 31, 2022	14,055	12,273	84.0	131.64
March 31, 2021	14,189	12,358	84.6	133.95

(Reference) Shareholders' equity Fiscal Year ended March 31, 2022 11,804 Million yen
 Fiscal Year ended March 31, 2021 12,011 Million yen

(3) Consolidated Cash Flows

Fiscal Year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
	Million yen	Million yen	Million yen	Million yen
March 31, 2022	1,128	1,324	△2,149	5,176
March 31, 2021	2,104	△1,166	△391	4,904

2. Dividends

Fiscal Year ended	Dividend					Total dividend (annual)	Payout ratio (consolidated)	Net dividend rate (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	yen	yen	yen	yen	yen	Million yen	%	%
March 31, 2021	—	7.50	—	8.50	16.00	1,383	104.3	13.3
March 31, 2022	—	8.00	—	9.00	17.00	1,524	104.8	12.9
Fiscal Year ending March 31, 2023	—	—	—	—	—	—	—	—

(Note) Forecast of the annual dividend for the year ending March 31, 2023 is yet to be determined.

3. Forecast of Consolidated Financial Results for the Fiscal Year ending March 31, 2023 (April 1, 2022 to March 31, 2023) Consolidated Forecasts for the Fiscal Year Ending March 31, 2023 is yet to be determined.

* Notes

(1) Changes in significant subsidiaries during Fiscal Year ended March 31, 2022
(Changes in specified subsidiaries affecting the scope of consolidation): None

(2) Changes in accounting policies and estimates, and retrospective restatements:

- 1) Changes in accounting policies caused by revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1): None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatements: None

(3) Number of shares issued (common stock)

- 1) Number of shares outstanding at end of period (including treasury stocks)

As of March 31, 2022	89,673,600 shares	As of March 31, 2021	89,673,600 shares
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- 2) Number of treasury stocks at end of period

As of March 31, 2022	170 shares	As of March 31, 2021	170 shares
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- 3) Average number of shares during period

Fiscal Year ended March 31, 2022	89,673,430 shares	Fiscal Year ended March 31, 2021	85,976,392 shares
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(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Financial Results (Percentages show year-on-year changes.)

Fiscal Year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	1,935	△23.0	477	△30.1	2,652	183.7	2783	322.6
March 31, 2021	2,513	△14.6	683	△33.0	935	△18.9	658	△17.8

Fiscal Year ended	Net income per share (basic)	Net income per share (diluted)
March 31, 2022	yen 31.04	yen —
March 31, 2021	yen 7.66	yen —

(2) Non-Consolidated Financial Position

Fiscal Year ended	Total assets	Net assets	Equity ratio	Net assets per share
March 31, 2022	Million yen 10,337	Million yen 10,062	% 97.3	yen 112.21
March 31, 2021	Million yen 9,546	Million yen 9,179	% 96.2	yen 102.37

(Reference) Shareholders' equity Fiscal Year ended March 31, 2022 10,062 Million yen
Fiscal Year ended March 31, 2021 9,179 Million yen

2. Forecast of Non-consolidated Financial Results for the Fiscal Year ending March 31, 2023
(April 1, 2022 to March 31, 2023)

(Note) Non-consolidated Forecasts for the Fiscal Year Ending March 31, 2023 is yet to be determined.

- * This financial summary is outside the scope of auditing performed by certified accountants and auditors.
- * Explanation regarding the appropriate use of financial forecasts and other special items

(Dividend forecast of Fiscal Year ending March 31, 2023)

The dividend forecast for the Fiscal Year ending March 31, 2023 is yet to be determined. It will be disclosed as soon as the dividend per share is determined after comprehensively taking into account future business performance, etc.

(How to obtain the financial results briefing)

A briefing of financial results for analysts is scheduled to be held on April 26, 2022 and a video of the briefing will be posted promptly to our website

1. Qualitative information on the results for the Fiscal Year ended March 31, 2022

(1) Explanation of Business Results

1) Overview of consolidated business performance

In the current consolidated fiscal year (April 1, 2021 to March 31, 2022), the Japanese economy remained in a severe state due to stagnation of economic activity and sluggish personal consumption caused by the spread of COVID-19 infections and repeated implementation of priority measures such as declarations of a state of emergency and other infection prevention measures.

In the investment trust market, which is highly relevant to the Group's business, the net inflow of publicly offered additional stock investment trusts, excluding ETFs, is 9,688.5 billion yen in the current consolidated fiscal year from 3,117.9 billion yen in the previous consolidated fiscal year (April 1, 2020 to March 31, 2021), an increase of 6,570.6 billion yen (211%). However, the Nikkei Stock Average at the end of the current consolidated fiscal year (March 31, 2022) fell 4.6% from the end of the previous fiscal year to 27,821 yen.

Under such a business environment, in the Group's asset management business, the investment balance of publicly offered index funds provided by SBI Asset Management Co., Ltd. increased by 2.26 times from 453 billion yen at the end of the previous consolidated fiscal year to 1,022.4 billion yen. In addition, the total balance of investment trusts of SBI Bond Investment Management Co., Ltd. and SBI Regional Revitalization Asset Management Co., Ltd., which support the advancement and diversification of securities investment of regional financial institutions, has also increased by 198 billion yen (10.5%) from 1,887.9 billion yen at the end of the previous consolidated fiscal year to 2,085.9 billion yen.

The balance of net assets under management of investment trusts managed by the Group increased by 828.5 billion yen (28.0%) from 2,869.1 billion yen at the end of the previous consolidated fiscal year to 3,697.6 billion yen at the end of the current consolidated fiscal year, and trust fees increased. As a result, sales of the asset management business increased by 953 million yen (19.1%) from 4,995 million yen in the previous consolidated fiscal year to 5,949 million yen.

As for data solutions in the financial services business, the number of "Wealth Advisors" provided to investment trust sales financial institutions increased by 11,642 units (11.3%) from 103,038 units in the previous consolidated fiscal year to 114,680 units, and data sales of tablet applications increased. In addition, sales of online content for PCs and smartphones continued to expand, and the SaaS (Software as a Service) model business continued to expand. On the other hand, as for stock data, although sales of the stock newspaper WEB version increased, sales decreased due to the suspension of publication of the "stock newspaper" on March 31, 2021.

As a result, sales of data solutions decreased by 267 million yen (Δ 14.6%) from 1,835 million yen in the previous consolidated fiscal year to 1,568 million yen in the current consolidated fiscal year.

Media solutions in the financial services business continued to be unable to hold face-to-face asset management seminars due to priority measures such as declarations of a state of emergency and other COVID-19 infection prevention measures. But by switching from face-to-face seminars to online-centric and holding hybrid seminars that combine face-to-face and online sales, sales of seminars increased. In addition, web advertising sales increased due to a large increase in the number of web advertisements that promote sponsor brands and products in conjunction with the holding of seminars. However, due to the decrease in sales of Gomez Consulting Business due to the transfer of Gomez Consulting Business through a company split on July 1, 2021, sales of media solutions decreased by 48 million yen (Δ 7.4%) to 605 million yen from 653 million yen in the previous consolidated fiscal year.

As a result, sales of the Financial Services Business were 2,173 million yen, a decrease of 315 million yen (Δ 12.7%) from 2,489 million yen in the same period last year.

For the consolidated business results for the Fiscal Year ended March 31, 2022, sales were 8,123 million yen, an increase of 637 million yen (8.5%) from 7,485 million yen in previous fiscal year.

The cost of sales was 3,654 million yen, an increase of 97 million yen (2.7%) from 3,556 million yen in previous fiscal year. Selling, general and administrative expenses were 2,339 million yen, an increase of 175 million yen (8.1%) from 2,163 million yen in previous fiscal year.

As a result, operating income for the Fiscal Year ended March 31, 2022 was 2,129 million yen, an increase of 364 million yen (20.6%) from 1,765 million yen in previous fiscal year.

Net amounts of non-operating income and expenses decreased by 116 million yen as compared with the previous fiscal year. As a result, ordinary income for the Fiscal Year ended March 31, 2022 was 2,403 million yen, an increase of 247 million yen (11.5%) from 2,155 million yen in previous fiscal year.

As a result of recording a gain on sales of investment securities of 594 million yen and an extraordinary loss due to asset valuation loss, impairment loss, etc. of 520 million yen, net income attributable to owners of parent for the Fiscal Year ended March 31, 2022 was 1,454 million yen, an increase of 135 million yen (10.3%) from 1,318 million yen in previous fiscal year.

(Summary of consolidated financial results)

(Thousand yen)

	Fiscal Year From April 1, 2020 To March 31, 2021		Fiscal Year From April 1, 2021 To March 31, 2022		Increase/Decrease	
	Amount	Profit rate (%)	Amount	Profit rate (%)	Amount	Rate (%)
Net sales	7,485,655		8,123,286		637,631	8.5
Operating income	1,765,406	23.6	2,129,805	26.2	364,398	20.6
Ordinary income	2,155,698	28.8	2,403,695	29.6	247,997	11.5
Net income attributable to owners of parent	1,318,528	17.6	1,454,134	17.9	135,605	10.3

Consolidated sales increased for the 10th consecutive year and recorded the highest sales for the 3rd consecutive year.

Operating income increased for the 2nd consecutive year and recorded the highest income for the 2nd consecutive year.

Ordinary income increased for the 13th consecutive year and recorded the highest income for the 11th consecutive year.

Net income attributable to owners of parent increased for the 13 consecutive year and recorded highest income for the 9th consecutive year.

2) Sales by Segment and Sales by Service are as follows

(Thousand yen)

Sales by Segment	Fiscal Year From April 1, 2020 To March 31, 2021		Fiscal Year From April 1, 2021 To March 31, 2022		Rate of change (%)
	Amount	Rate (%)	Amount	Rate (%)	
Asset Management Business					
Asset Management	4,995,873	66.7	5,949,302	73.2	19.1
Financial Services Business					
Data Solutions	1,835,871	24.5	1,568,218	19.3	△14.6
Media Solutions	653,911	8.7	605,766	7.5	△7.4
Total	2,489,782	33.3	2,173,984	26.8	△12.7
Consolidated sales	7,485,655	100.0	8,123,286	100.0	8.5

Asset Management Business

- Asset Management

In addition to expanding the investment balance of publicly offered index funds provided by SBI Asset Management Co., Ltd., the investment balance of privately placed investment trusts of SBI Bond Investment Management Co., Ltd. and SBI Regional Creation Asset Management Co., Ltd., which support securities management of regional financial institutions, has increased.

The balance of net assets of investment trusts managed by the Group increased by 828.5 billion yen (28.9%) from 2,869.1 billion yen at the end of the previous consolidated fiscal year to 3,697.6 billion yen at the end of the current consolidated fiscal year, and trust fees increased.

As a result, sales of Asset Management of the Fiscal Year ended March 31, 2022 were 5,949 million yen, an increase of 953 million yen (19.1%) from 4,995 million yen in the previous fiscal year.

Financial Services Business

- Data Solutions

Sales of fund data from tablet apps increased as the number of tablet apps provided increased by 11,642 (11.3%) from 103,038 at the end of the previous consolidated fiscal year to 114,680 at the end of the current consolidated fiscal year.

On the other hand, as for stock data, although sales of the stock newspaper WEB version increased, the stock newspaper subscription fee has disappeared due to the suspension of the daily paper-based "stock newspaper" on March 31, 2021.

As a result, sales of Data Solutions of the Fiscal Year ended March 31, 2022 were 1,568 million yen, a decrease of 267 million yen (-14.6%) from 1,835 million yen in the previous fiscal year.

- Media Solutions

Face-to-face asset management seminars could not be held due to priority measures such as declarations of a state of emergency and other COVID-19 infection prevention measures, but by switching the face-to-face seminars to online-centric and holding hybrid seminars that combine face-to-face and online sales, sales of seminars and online advertising sales also increased. However, sales of the Gomez Consulting Business decreased due to the transfer of the Gomez Consulting Business on July 1, 2021 through a company split.

As a result, sales of Media Solutions of the Fiscal Year ended March 31, 2022 were 605 million yen, a decrease of 48 million yen (-7.4%) from 653 million yen in the previous fiscal year.

By segment, sales of the Asset Management Business were 5,949 million yen, an increase of 953 million yen (19.1%) from 4,995 million yen in the same period last year.

Segment income was 1,557 million yen, an increase of 461 million yen (42.1%) from 1,095 million yen in the previous fiscal year.

Sales of the Financial Services Business were 2,173 million yen, a decrease of 315 million yen (-12.7%) from 2,489 million yen in the previous fiscal year.

Segment income was 572 million yen, a decrease of 97 million yen (-14.5%) from 669 million yen in the previous fiscal year.

In the financial services business, the daily stock newspaper "Kabushikishinbun" was suspended on March 31, 2021. In addition, on July 1, 2021, the Gomez Consulting Business was transferred through a company split.

The current financial services business, which does not include stock newspapers (paper media) and Gomez Consulting Business, has sales of 2,093 million yen, an increase of 98 million yen (4.9%) from 1,995 million yen in the previous fiscal year. Operating income increased by 86 million yen (19.8%) from 439 million yen in the previous fiscal year to 526 million yen.

3) Overview of non-consolidated business performance

The Company suspended the daily "Stock Newspaper" on March 31, 2021, and on April 1, 2021, the stock newspaper business and the Searchina business, excluding the daily "Stock Newspaper", were split into companies. It was succeeded by e-Advisor Co., Ltd., a wholly owned subsidiary.

As a result, sales related to the stock newspaper business and the Searchina business decreased.

In addition, on July 1, 2021, the Gomez Consulting Business was transferred outside the Group due to a company split, resulting in a decrease in sales related to the Gomez Consulting Business.

As a result, sales decreased by 578 million yen (-23.0%) from 2,513 million yen in the previous fiscal year to 1,935 million yen, and operating income was 477 million yen from 683 million yen in the previous fiscal year, a decrease of 206 million yen (-30.1%).

The Company received a dividend of 1,999 million yen from a subsidiary in order to use it as a source of dividends to our shareholders.

As a result, ordinary income increased by 1,717 million yen (183.7%) from 955 million yen in the previous fiscal year to 2,652 million yen, and net income increased by 2,124 million yen (322.6%) to 2,783 million yen from 658 million yen in the previous fiscal year.

(2) Explanation on financial position

Total assets decreased by 134 million yen from the end of the previous consolidated fiscal year to 14,055 million yen.

This was due to an increase of 1,190 million yen in current assets, and a decrease of 1,320 million yen in fixed assets.

The increase in current assets was mainly due to increases of 271 million yen in cash and deposits, 305 million yen in accounts receivable, and 613 million yen in other current assets.

The increase in cash and deposits was due to the payment of dividends of 1,479 million yen, income of 620 million yen from the sale of investment securities, and cash inflow of 1,128 million yen from operating activities.

The increase in accounts receivable is due to the increase in sales. The increase in other current assets was due to an accrued tax of 627 million yen on dividends from subsidiaries.

The decrease in fixed assets was due to a decrease of 961 million yen in investment securities and a decrease of 345 million yen in intangible fixed assets.

Investment securities decreased due to a decrease in managed investment securities. The decrease in intangible fixed assets was due to amortization, in addition to a loss on retirement of software of 139 million yen and an impairment loss on goodwill of 50 million yen.

Total liabilities decreased by 49 million yen from the end of the previous consolidated fiscal year to 1,781 million yen.

The decrease in debt was mainly due to a decrease in accounts payable by 50 million yen.

When an additional 33% of the shares of Carret Holdings, Inc., the holding company of the US asset management company Carret Asset Management LLC, which is a subsidiary, was acquired, the difference between the investment amount and the equity increase amounted to 427 million yen, resulting in capital surplus decreased by the same amount.

As a result, a net income attributable to owners of parent of 1,454 million yen was recorded and dividends of 1,479 million yen were paid during the Fiscal Year (twelve months) ended March 31, 2022, and retained earnings decreased by 25 million yen to 4,439 million yen.

Valuation difference on other securities decreased mainly due to a valuation loss on investment securities of 326 million yen.

As a result, total net assets decreased by 85 million yen from the end of the previous consolidated fiscal year to 12,273 million yen.

(3) Analysis of cash flow

The balance of cash and cash equivalents at the end of the current consolidated fiscal year increased by 271 million yen from the end of the previous consolidated fiscal year to 5,176 million yen. The status of each cash flow is as follows.

(Cash flows from operating activities)

Cash flows from operating activities decreased by 976 million yen from the previous consolidated fiscal year to 1,128 million yen.

This is mainly due to the recording of income before income taxes and minority interests of 2,478 million yen, the amount of income taxes paid of 667 million yen, and the provisional tax to be refunded of 627 million yen related to dividends received from other corporate groups.

(Cash flows from investing activities)

Cash flows from investing activities increased by 2,491 million yen from the previous consolidated fiscal year to 1,324 million yen. This was mainly due to the fact that while there was no expenditure for the acquisition of investment securities in the current fiscal year, income of 1,609 million yen was generated from the sale and cancellation of the specified comprehensive trust property, and the acquisition of intangible fixed assets was 311 million yen.

(Cash flows from financing activities)

Cash flows from financing activities decreased by 1,757 million yen from the previous consolidated fiscal year to 2,149 million yen. This was mainly due to the fact that no income was generated from the public offering in the current fiscal year, the dividend payment amount was 1,479 million yen, and the expenditure from the acquisition of subsidiary shares without changing the scope of consolidation was 609 million yen.

(4) Explanation about future forecast information such as consolidated earnings forecast

In the asset management business, SBI Asset Management Co., Ltd., which provides publicly offered additional stock investment trusts, contributes to the asset formation of investors by providing index funds at low cost and would like to expand the profit of the Group.

In addition, SBI Bond Investment Management Co., Ltd. and SBI Regional Revitalization Asset Management Co., Ltd., which manages privately-offered investment trusts, will manage the funds entrusted by regional financial institutions with high profitability, and contribute to the performance of regional financial institutions, while at the same time, increasing the investment balance of the Group and stably expanding our earnings base.

In the financial services business, we would like to build a system that can respond swiftly and appropriately to the rapidly changing information environment, and always provide products and services that utilize the latest information equipment and communication tools. In addition, we would like to provide services that meet the specific measures of fiduciary duty (customer-oriented business operation) promoted by sales financial institutions. In particular, we are striving to increase the number of tablet apps that sales staff of financial institutions can use to explain financial products appropriately to individual investors, and we will contribute to fiduciary duty by ensuring that more investors can receive appropriate explanations of financial products.

At the same time, we would like to expand the stable earnings base of the Group based on these two core businesses.

Currently, the outlook for COVID-19 infections is still uncertain, although it is expected that economic activities will pick up after lifting priority measures to prevent infection was lifted in all regions in March 2022.

In the responding to COVID-19, although we were unable to hold face-to-face asset management seminars during the current consolidated fiscal year, sales of web-ads as well as sales of seminars increased from the previous consolidated fiscal year by switching our focus on online seminars from face-to-face seminars and holding hybrid seminars combining face-to-face and online seminars.

Meanwhile, the online seminars that have attracted customers on the Internet, which had started to cover the impact of the decrease in the number of seminars held face-to-face by attracting customers to the seminar venue, are now gaining popularity with more than 30,000 participants annually.

We will continue to attract customers for online seminars in the fiscal year ending March 2023 to expand the revenue base of media solutions.

Regarding the forecast for the current fiscal year (April 1, 2022 to March 31, 2023), it is difficult to predict the financial market trends closely related to our business, including the impact of COVID-19 infections, for the full fiscal year. For this reason, it is difficult to make a rational calculation of the business results at this time, so we have not yet decided.

2. Basic concept regarding the selection of accounting standards

The Group currently conducts its business mostly in Japan, and since there are few activities overseas, it has adopted Japanese GAAP in consideration of the cost of adopting IFRS (International Financial Reporting Standards).

In the future, we will consider adopting IFRS when the need to adopt IFRS for the Group arises.

3. Consolidated Financial Statements and major notes

(1) Consolidated Balance Sheet

	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
	(Thousand yen)	(Thousand yen)
ASSETS		
Current assets		
Cash and cash equivalents	4,904,634	5,176,612
Accounts receivable	1,306,261	1,611,378
Inventories	1,252	1,263
Other current assets	201,592	814,825
Total current assets	6,413,742	7,604,080
Non-current assets		
Tangible fixed assets		
Leasehold improvement	159,510	159,445
Accumulated depreciation	△101,091	△107,516
Leasehold improvement : net	58,418	51,929
Furniture, fixtures and equipment	309,977	197,044
Accumulated depreciation	△281,985	△168,111
Furniture, fixtures and equipment : net	27,991	28,932
Lease equipment under capital	155,615	69,089
Total tangible fixed assets	242,025	149,951
Intangible fixed assets		
Goodwill	1,892,815	1,786,713
Software	1,294,494	1,076,849
Other intangible assets	304,295	282,050
Total intangible assets	3,491,605	3,145,612
Investments and other assets		
Investment securities	3,585,678	2,624,582
Deferred tax assets	223,214	345,615
Other investments and other assets	209,851	166,511
Total investments and other assets	4,018,745	3,136,709
Total noncurrent assets	7,752,376	6,432,274
Deferred assets		
Stock issuance cost	23,732	19,003
Total deferred assets	23,732	19,003
TOTAL ASSETS	14,189,850	14,055,358

(All the figures less than 1,000 are rounded down)

	Fiscal Year ended March 31, 2021 (Thousand yen)	Fiscal Year ended March 31, 2022 (Thousand yen)
LIABILITIES		
Current liabilities		
Accounts payable-trade	62,838	62,618
Accounts payable-other	798,850	748,528
Lease payable	128,059	69,089
Income taxes payable	457,220	464,822
Consumption taxes payable	93,566	90,498
Other current liabilities	254,586	346,255
Total current liabilities	1,795,121	1,781,813
Non-current liabilities		
Long-term lease payable	35,798	-
Total non-current liabilities	35,798	-
TOTAL LIABILITIES	1,830,919	1,781,813
NET ASSETS		
Shareholders' equity		
Common stock	3,363,635	3,363,635
Capital surplus	4,906,035	4,478,772
Retained earnings	4,464,870	4,439,392
Treasury stocks	△29	△29
Total shareholders' equity	12,734,512	12,281,770
Accumulated other comprehensive income		
Valuation difference on other securities	△627,728	△513,787
Foreign currency translation adjustments	△95,418	36,309
Total accumulated other comprehensive income	△723,146	△477,478
Non-controlling shareholders' equity	347,566	469,252
TOTAL NET ASSETS	12,358,931	12,273,545
TOTAL LIABILITIES AND NET ASSETS	14,189,850	14,055,358

(All the figures less than 1,000 are rounded down)

(2) Consolidated Statement of income

	Fiscal Year		Fiscal Year	
	From April 1, 2020 To March 31, 2021		From April 1, 2021 To March 31, 2022	
	(Thousand yen)		(Thousand yen)	
Sales	7,485,655		8,123,286	
Cost of sales	3,556,727		3,654,398	
Gross profit	3,928,927		4,468,888	
Selling, general and administrative expenses	2,163,521		2,339,083	
Operating income	1,765,406		2,129,805	
Non-operating income				
Interest income	224,405		197,072	
Dividends income	140,931		62,335	
Gain on sale of investment securities	26,295		26,918	
Equity in gain of affiliates	5,688		-	
Foreign exchange gains	10,840		-	
Other non-operating income	1,544	409,706	7,331	293,659
Non-operating expenses				
Interest expenses	16,447		-	
Foreign exchange losses	-		7,436	
Stock issuance cost	-		9,278	
Other non-operating expenses	2,967	19,414	3,054	19,769
Ordinary income	2,155,698		2,403,695	
Extraordinary profit				
Gain on sale of investment securities	-	-	594,466	594,466
Extraordinary loss				
Impairment loss of goodwill	-		50,408	
Loss on sale of investment securities	-		4,035	
Loss on valuation of investment securities	-		326,300	
Impairment loss of intangible fixed assets	-	-	139,365	520,110
Income before income taxes	2,155,698		2,478,052	
Income taxes-current	660,110		878,051	
Income taxes-deferred	13,839	673,950	△115,515	762,535
Profit	1,481,747		1,715,516	
Net income attributable to non-controlling interests	163,218		261,382	
Net income attributable to owners of parent	1,318,528		1,454,134	

(All the figures less than 1,000 are rounded down)

Consolidated Statement of Comprehensive income

	Fiscal Year		Fiscal Year	
	From April 1, 2020 To March 31, 2021		From April 1, 2021 To March 31, 2022	
	(Thousand yen)		(Thousand yen)	
Profit	1,481,747		1,715,516	
Other comprehensive income				
Valuation difference on available-for-sale securities	201,598		113,941	
Foreign currency translation adjustments	△116,983		170,547	
Deferred gains or losses on hedges	△3,343	81,272		284,488
Comprehensive income	1,563,020		2,000,005	
(Breakdown)				
Comprehensive income attributable to owners of the parent	1,422,100		1,699,802	
Comprehensive income attributable to non-controlling interests	140,919		300,202	

(All the figures less than 1,000 are rounded down)

Consolidated Statement of Changes in Shareholders' Equity

Fiscal Year ended March 31, 2021

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
As of April 1, 2020	2,115,620	3,371,967	4,431,174	△186,865	9,731,896
Fluctuation amount for the current period					
Dividends from retained earnings			△1,284,832		△1,284,832
Issuance of new shares through public offering	1,248,015	1,248,015			2,496,030
Disposal of treasury stock due to the exercise of stock options		286,534		186,835	473,369
Net income attributable to owners of parent			1,318,528		1,318,528
Increase / decrease in equity due to acquisition of shares of consolidated subsidiary					
Decrease in equity due to transfer of shares of consolidated subsidiary		△480			△480
Net income attributable to non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes during the period	1,248,015	1,534,068	33,696	186,835	3,002,615
As of March 31, 2021	3,363,635	4,906,035	4,464,870	△29	12,734,512

	Accumulated other comprehensive income				Non-controlling shareholders' equity	TOTAL NET ASSETS
	Valuation difference on securities	Foreign currency translation adjustments	Deferred gains or losses on hedges	Total		
As of April 1, 2020	△829,327	△735	3,343	△826,718	203,405	9,108,582
Fluctuation amount for the current period						
Dividends from retained earnings						△1,284,832
Issuance of new shares through public offering						2,496,030
Disposal of treasury stock due to the exercise of stock options						473,369
Net income attributable to owners of parent						1,318,528
Increase / decrease in equity due to acquisition of shares of consolidated subsidiary						
Decrease in equity due to transfer of shares of consolidated subsidiary						△480
Net income attributable to non-controlling interests		19,058		19,058	144,160	163,218
Net changes of items other than shareholders' equity	201,598	△113,741	△3,343	84,513		84,513
Total changes during the period	201,598	△94,683	△3,343	103,571	144,160	3,250,348
As of March 31, 2021	△627,728	△95,418	—	△723,146	347,566	12,358,931

Consolidated Statement of Changes in Shareholders' Equity

Fiscal Year ended March 31, 2022

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
As of April 1, 2021	3,363,635	4,906,035	4,464,870	△29	12,734,512
Fluctuation amount for the current period					
Dividends from retained earnings			△1,479,612		△1,479,612
Net income attributable to owners of parent			1,454,134		1,454,134
Increase / decrease in equity due to acquisition of shares of consolidated subsidiary		△427,263			△427,263
Net income attributable to non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes during the period		△427,263	△25,478		△452,741
As of March 31, 2022	3,363,635	4,478,772	4,439,392	△29	12,281,770

	Accumulated other comprehensive income			Non-controlling shareholders' equity	TOTAL NET ASSETS
	Valuation difference on securities	Foreign currency translation adjustments	Total		
As of April 1, 2021	△627,728	△95,418	△723,146	347,566	12,358,931
Fluctuation amount for the current period					
Dividends from retained earnings					△1,479,612
Net income attributable to owners of parent					1,454,134
Increase / decrease in equity due to acquisition of shares of consolidated subsidiary				△176,783	△604,047
Net income attributable to non-controlling interests				261,382	261,382
Net changes of items other than shareholders' equity	113,941	131,727	245,668	37,088	282,757
Total changes during the period	113,941	131,727	245,668	121,686	△85,385
As of March 31, 2022	△513,787	36,309	△477,478	469,252	12,273,545

(4) Consolidated Cash Flow Statement

	Fiscal Year	Fiscal Year
	From April 1, 2020 To March 31, 2021	From April 1, 2021 To March 31, 2022
	(Thousand yen)	(Thousand yen)
Cash flows from operating activities		
Income before income taxes	2,155,698	2,478,052
Depreciation	400,741	449,754
Amortization of long-term prepaid expenses	5,120	4,927
Amortization of goodwill	115,064	111,904
Amortization of stock issuance cost	2,966	9,278
Loss (Δgain) on sale of investment securities	Δ26,295	Δ617,349
Loss (Δgain) on valuation of investment securities	-	326,300
Loss on retirement of fixed assets	-	139,365
Impairment loss	-	50,408
Interest and dividend income	Δ365,336	Δ259,407
Foreign exchange losses (Δgains)	Δ10,380	7,185
Interest expense	16,447	-
Share of (Δprofit) loss of entities accounted for using equity method	Δ5,688	-
Decrease (Δincrease) in trade payables	Δ8,860	Δ349,493
Decrease (Δincrease) in inventories	931	Δ5
Increase (Δdecrease) in trade receivables	34,650	Δ219
Decrease (Δincrease) in accounts receivable	Δ35,347	Δ586,958
Increase (Δdecrease) in accounts payable - other	60,780	Δ57,116
Decrease (Δincrease) in other current assets	15,683	136,350
Increase (Δdecrease) in other current liabilities	114,307	Δ123,566
Sub total	<u>2,470,481</u>	<u>1,719,409</u>
Interest and dividend income received	61,464	70,037
Interest expense paid	Δ4,202	-
Income taxes paid	Δ428,961	Δ667,271
Income tax refund amount	6,177	5,955
Net cash provided by (Δused in) operating activities	<u>2,104,959</u>	<u>1,128,130</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	Δ25,323	Δ11,695
Purchase of intangible assets	Δ585,435	Δ311,807
Purchase of investment securities	Δ613,930	-
Proceeds from sales of investment securities	42,128	1,609,199
Income from shares of subsidiaries resulting in change in scope of consolidation	8,757	-
Proceeds from collection of guarantee deposits	28,566	38,750
Payments for guarantee deposits	Δ21,750	-
Net cash provided by (Δused in) investing activities	<u>Δ1,166,987</u>	<u>1,324,447</u>
Cash flows from financing activities		
Cash dividends paid	Δ1,284,832	Δ1,479,612
Proceeds from short-term borrowings	1,000,000	-
Expenditure for repayment of short-term borrowings	Δ3,000,000	-
Income from issuance of shares	2,467,534	-
Income from disposal of treasury stock	473,369	-
Income from sales of shares of subsidiaries resulting in no change in scope of consolidation	3,000	-
Expenditure on acquisition of subsidiary shares without change in scope of consolidation	-	Δ609,154
Repayments of lease obligations	Δ50,374	Δ60,446
Net cash provided by (Δused in) financing activities	<u>Δ391,302</u>	<u>Δ2,149,212</u>
Effect of exchange rate change on cash and cash equivalents	<u>Δ11,348</u>	<u>Δ31,416</u>
Net increase (Δdecrease) in cash and cash equivalents	<u>535,321</u>	<u>271,948</u>
Cash and cash equivalents at beginning of period	<u>4,369,638</u>	<u>4,904,960</u>
Cash and cash equivalents at end of period	<u>4,904,960</u>	<u>5,176,908</u>

(5) Notes on Consolidated Financial Statements

(Notes on the premise of a going concern)

Not applicable

(Notes on the changes in accounting policies)

(Application of Accounting Standards for Revenue Recognition)

The Company has applied the Accounting Standards for Revenue Recognition (Corporate Accounting Standards No. 29 of March 31, 2020; hereinafter referred to as “Revenue Recognition Accounting Standards”) since the beginning of the first quarter of the consolidated cumulative fiscal year under review and decided to recognize revenue at an amount expected to receive in exchange for goods or a service at the time of transfer of control of those goods or service promised to a customer.

We apply the Revenue Recognition Accounting Standards accounting to the transitional handling specified in the proviso of Section 84 of the Revenue Recognition Accounting Standards. We have applied new accounting policies from the balance at the beginning of the first quarter of the current consolidated fiscal year by adding or subtracting an affected cumulative amount when the new accounting policies are retroactively applied before the beginning of the first quarter of that fiscal year. However, for the contracts for which almost all revenues have been recognized under the previous accounting method before the beginning of this consolidated fiscal year, the method stipulated in Article 86 of the Revenue Recognition Accounting Standard is not applied retroactively.

The impact of this change on the profit & loss for the consolidated fiscal and the beginning balance of retained earnings was insignificant.

(Application of Accounting Standards for Market Value Calculation)

We have applied the Accounting Standards for Market Value Calculation (Corporate Accounting Standards No. 30 of July 4, 2019; hereinafter referred to as “Market Value Calculation Accounting Standards”) since the beginning of the first quarter of the current consolidated fiscal year and decided to apply the new accounting policies specified by the Market Value Calculation Accounting Standards over the future according to the transitional handling specified in Section 19 of the Market Value Calculation Accounting Standards and Section 44-2 of the Accounting Standards for Financial Instruments (Corporate Accounting Standards No. 10 of July 4, 2019). There is no impact of this change on the consolidated financial statements.

(Important Matters as a Basis for Preparing Consolidated Financial Statements)

1. Matters concerning scope of consolidation

As of March 31, 2022, the Group consists of the Company and the following 10 subsidiaries.

(1) Names of consolidated subsidiaries

E-Advisor Co., Ltd.

SBI Asset Management Group Co., Ltd.

Morningstar Asset Management Co., Ltd.

SBI Asset Management Co., Ltd.

Carret Holdings Inc.

Carret Asset Management LLC

SBI Bond Investment Management Co., Ltd.

SBI Regional Revitalization Asset Management Co., Ltd.

SBI Alternative Asset Management Co., Ltd.

SBI Alternative Investments Co., Ltd. was excluded from the scope of consolidation because it merged with SBI Asset Management Co., Ltd. on May 1, 2021.

(2) Names of non-consolidated subsidiaries, etc.

SBI Alternative Fund GK

(Reason for excluding from the scope of consolidation)

SBI Alternative Fund GK is a business operator of an anonymous partnership business that manages investment trusts by the anonymous partnership method. Almost all profits and losses of the subsidiary, including the business of the anonymous partnership, belong to the anonymous partnership member and do not formally or substantially belong to the subsidiary or its parent company. Moreover, there are few transactions with the subsidiary. Since there is a risk that the consolidation of the subsidiary can significantly mislead the judgment of stakeholders, the subsidiary is excluded from the scope of consolidation in accordance with Section 19 of the Business Accounting Standards Application Guideline No. 22 “Application Guidelines for Determining the Scope of Subsidiaries and Affiliates in Consolidated Financial Statements”.

2. Matters concerning the application of the equity method
 - (1) PT. Bina Investama Infonet has been excluded from the scope of the equity method due to the decline in its equity ratio due to the sale of its shares.
 - (2) There are no affiliates accounted for by the equity method.

3. Matters concerning the fiscal year etc. of consolidated subsidiaries

Of the consolidated subsidiaries, Carret Holdings Inc., and Carret Asset Management LLC . have a closing date of December 31.

In preparing consolidated financial statements, the balance sheet as of December 31, 2021, and income statement and cash flow statement from January 1, 2021 to December 31, 2021 of Carret Holdings Inc. and Carret Asset Management LLC are consolidated. For important transactions that occurred between the consolidated closing date and fiscal year end of above companies, the necessary adjustments for consolidation are made.

4. Matters concerning accounting policy
 - (1) Valuation basis and valuation method of important assets
 - 1)Securities
 - Debt to maturity
 - Cost method
 - Other securities
 - Securities with market value
 - The market value method based on the market price etc. of the account closing date (net unrealized gains (losses) are directly included in net assets, and cost of sales is computed using the moving average cost method)
 - Securities without market value
 - Moving average cost method
 - 2)Inventory
 - Cost method (method of devaluation of book value due to decline in profitability)
 - Stocks ... Total average method
 - (2) Depreciation method of important depreciable assets
 - 1)Tangible fixed assets
 - The straight-line method
 - 2)Intangible fixed assets
 - The straight-line method
 - Of software, software for internal use purposes is based on the straight-line method based on the in-house usable period (5 years), and software for market sales is based on the straight-line method based on the expected validity period (within 3 years)
 - (3) Accounting standard for material allowances
 - Allowance for bad debt
 - Estimated uncollectible amounts are recorded for specific receivables, such as bad debts, taking into consideration recoverability individually.
 - (4) Basis for converting significant foreign currency assets or liabilities into Japanese currency
 - Assets and liabilities of foreign subsidiaries are converted into yen at the closing exchange rate on the closing date, and the conversion difference is included in the translation adjustment account and non-controlling interests in net assets.
 - (5) Important hedge accounting methods
 - 1)Hedge accounting method
 - Deferred hedge processing is used.
 - 2)Hedging method and hedged item
 - Hedging method ... Stock index futures
 - Hedged item ... Investment securities
 - 3)Hedging policy
 - To reduce the risk of price fluctuations, we hedge within the scope of the target assets.
 - 4) Method of assessing hedge effectiveness
 - During the period from the start of hedging to the time of effectiveness determination, the cumulative changes in the market value of the hedged item and the hedging instrument are compared, and judgment is made based on the amount of change in both.
 - (6) Matters concerning amortization of goodwill
 - Amortization of goodwill is equally amortized over 20 years.
 - (7) Deferred stock delivery expenses
 - Evenly depreciated for 3 years.

(8) Scope of funds in consolidated statement of cash flows

Cash (cash and cash equivalents) in the consolidated statement of cash flows consists of cash on hand, deposits that can be withdrawn on an as-needed basis, and short-term investments that can easily be redeemed with a redemption period within three months from the acquisition date, that bear only a small risk of value fluctuations.

(9) Other important matters for preparing consolidated financial statements

Accounting for consumption taxes This is based on the tax exclusion method.

(Notes on Consolidated Balance Sheet)

*1 Breakdown of inventories

(Thousand yen)

	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
Supplies	1,252	1,263

*2 Investments in non-consolidated subsidiaries and affiliat

(Thousand yen)

	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
Investment securities (shares)	5,070	5,000

(Notes on Consolidated Statement of Income)

* Major items of selling and general administrative expenses

(Thousand yen)

	Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Employee's salaries	873,400	1,003,493
Executive's salaries	371,029	356,587
Retirement benefit costs	12,727	12,232

(Notes on shareholders' equity)

I Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

1. Type and total number of outstanding shares

	Beginning of fiscal year	Increase number of fiscal year	Decrease number of fiscal year	Ending of fiscal year
Outstanding shares				
Common stock	83,973,600	5,700,000	—	83,973,600
Total	83,973,600	5,700,000	—	83,973,600

(Note) The increase in the number of shares for the current consolidated fiscal year of 5,700,000 is due to the issuance of new shares through public offering.

2. Type and number of treasury stock

	Beginning of fiscal year	Increase number of fiscal year	Decrease number of fiscal year	Ending of fiscal year
Treasury stock				
Common stock	1,081,700	—	1,081,000	170
Total	1,081,700	—	1,081,000	170

(Note) The decrease in the number of shares for the current consolidated fiscal year of 1,081,000 is due to the disposal of treasury stock through public offering.

3. Stock option

Not applicable

4. Self-stock acquisition rights

Not applicable

5. Dividends

(1) Dividends paid

Resolution of	Kind of shares	Source of dividends	Total dividends (Thousand yen)	Dividend per share (yen)	Date of right allotment	Effective date
May 19, 2020 board of directors	Common stock	Retained earnings	663,139	8.00	March 31, 2020	June 1, 2020

Resolution of	Kind of shares	Source of dividends	Total dividends (Thousand yen)	Dividend per share (yen)	Date of right allotment	Effective date
September 16, 2020 board of directors	Common stock	Retained earnings	621,693	7.50	September 30, 2020	November 16, 2020

(2) Dividends for which the record date belongs to the current consolidated fiscal year and the effective date of dividends belongs to the following consolidated fiscal year.

Resolution of	Kind of shares	Source of dividends	Total dividends (Thousand yen)	Dividend per share (yen)	Date of right allotment	Effective date
May 14, 2021 board of directors	Common stock	Retained earnings	762,224	8.50	March 31, 2021	June 1, 2021

II Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

1. Type and total number of outstanding shares

	Beginning of fiscal year	Number of increase for fiscal year	Number of decrease for fiscal year	Ending of fiscal year
Outstanding shares Common stock	89,673,600	—	—	89,673,600
Total	89,673,600	—	—	89,673,600

2. Type and number of treasury stock

	Beginning of fiscal year	Number of increase for fiscal year	Number of decrease for fiscal year	Ending of fiscal year
Treasury stock Common stock	170	—	—	170
Total	170	—	—	170

3. Stock Option

Not applicable

4. Self-stock acquisition rights

Not applicable

5. Dividends

(1) Dividends paid

Resolution of	Kind of shares	Source of dividends	Total dividends (Thousand yen)	Dividend per share (yen)	Date of right allotment	Effective date
May 14, 2021 board of directors	Common stock	Retained earnings	762,224	8.50	March 31, 2021	June 1, 2021
September 22, 2021 board of directors	Common stock	Retained earnings	717,387	8.00	September 30, 2021	December 1, 2021

(2) Dividends for which the record date belongs to the current consolidated fiscal year and the effective date of dividends belongs to the following consolidated fiscal year.

Resolution of (plan)	Kind of shares	Source of dividends	Total dividends (Thousand yen)	Dividend per share (yen)	Date of right allotment	Effective date
May 19, 2022 board of directors	Common stock	Retained earnings	807,060	9.00	March 31, 2022	June 1, 2022

(Notes on Consolidated Cash Flow Statement)

* 1 Relationship between the balance of cash and cash equivalents at the end of the period and the amount of items posted on the consolidated balance sheet

	Fiscal year ended March 31, 2021 (Thousand yen)	Fiscal year ended March 31, 2022 (Thousand yen)
Cash and cash equivalents	4,904,634	5,176,612
Deposit to securities company account (of other current assets)	325	296
Balance of cash and cash equivalents at the end of Fiscal Year	4,904,960	5,176,908

- * 2 Main breakdown of assets and liabilities of the company that became a consolidated subsidiary due to the acquisition of shares

Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

The amounts of assets and liabilities of the company that became a new consolidated subsidiary due to the acquisition of shares in the current consolidated fiscal year are omitted because they are not significant.

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

Not applicable

(Notes on Tax)

Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022																										
<p>1 Deferred tax assets and deferred tax liabilities by major cause</p> <p>Breakdown</p> <p>(Deferred tax asset) (Thousand yen)</p> <table> <tr> <td>Disallowed business tax payable</td> <td>32,605</td> </tr> <tr> <td>Disallowed account payable</td> <td>5,091</td> </tr> <tr> <td>Unrealized profit</td> <td>23,601</td> </tr> <tr> <td>Other securities valuation difference</td> <td>165,735</td> </tr> <tr> <td>Other</td> <td>△3,819</td> </tr> <tr> <td>Total deferred tax assets</td> <td>223,214</td> </tr> </table>	Disallowed business tax payable	32,605	Disallowed account payable	5,091	Unrealized profit	23,601	Other securities valuation difference	165,735	Other	△3,819	Total deferred tax assets	223,214	<p>1 Deferred tax assets and deferred tax liabilities by major cause</p> <p>Breakdown</p> <p>(Deferred tax asset) (Thousand yen)</p> <table> <tr> <td>Disallowed business tax payable</td> <td>41,506</td> </tr> <tr> <td>Disallowed account payable</td> <td>16,970</td> </tr> <tr> <td>Unrealized profit</td> <td>14,718</td> </tr> <tr> <td>Other securities valuation difference</td> <td>124,819</td> </tr> <tr> <td>Loss of impairment</td> <td>122,910</td> </tr> <tr> <td>Other</td> <td>24,690</td> </tr> <tr> <td>Total deferred tax assets</td> <td>345,615</td> </tr> </table> <p>“Impairment loss” (4,077 thousand yen in the previous consolidated fiscal year), which was included in “Others” in the previous consolidated fiscal year, is posted independently because it has become more important.</p>	Disallowed business tax payable	41,506	Disallowed account payable	16,970	Unrealized profit	14,718	Other securities valuation difference	124,819	Loss of impairment	122,910	Other	24,690	Total deferred tax assets	345,615
Disallowed business tax payable	32,605																										
Disallowed account payable	5,091																										
Unrealized profit	23,601																										
Other securities valuation difference	165,735																										
Other	△3,819																										
Total deferred tax assets	223,214																										
Disallowed business tax payable	41,506																										
Disallowed account payable	16,970																										
Unrealized profit	14,718																										
Other securities valuation difference	124,819																										
Loss of impairment	122,910																										
Other	24,690																										
Total deferred tax assets	345,615																										
<p>2 Breakdown of the main items that caused the difference between the legally effective tax rate and the tax burden rate after application of tax effect accounting</p> <p>Description is omitted because the difference between the statutory effective tax rate and the tax burden rate after application of tax effect accounting is less than 5% of the statutory effective tax rate.</p>	<p>2 Breakdown of the main items that caused the difference between the legally effective tax rate and the tax burden rate after application of tax effect accounting</p> <p>Description is omitted because the difference between the statutory effective tax rate and the tax burden rate after application of tax effect accounting is less than 5% of the statutory effective tax rate.</p>																										

(Segment information etc.)

[Segment information]

1. Summary of reporting segments

The Group's reporting segments have separate financial information available from the Group's constituent units and are subject to regular review by the Board of Directors to determine resource allocation decisions and assess performance.

The main business contents by reporting segment (as of March 31, 2022) are as follows.

(Asset Management Business)

Business that provides investment management and investment advice such as investment trust setting, solicitation, and management based on the Financial Instruments and Exchange Act

Service classification	Main business contents
Asset management	Establishment of investment trusts centered on publicly offered additional stock investment trusts and privately offered bond-type investment trusts, investment management such as offering and management, investment advisory services for funds of funds, defined contribution pension-related consulting, etc.

(Note) Companies belonging to the segment

SBI Asset Management Group Co., Ltd., SBI Asset Management Co., Ltd., Morning Star Asset Management Co., Ltd., Carret Holdings, Inc., Carret Asset Management LLC, , SBI Bond Investment Management Co., Ltd., SBI Regional Revitalization Assets Co., Ltd., SBI Alternative Asset Management Co., Ltd. ,SBI Alternative Fund G. K.

(Financial Services Business)

Business that collects information on finance, websites, etc., compares, analyzes, evaluates, and processes the accumulated information, provides it to customers, and provides consulting.

Service classification	Main business contents
Data Solutions	Daily web-based "stock newspaper" sales, stock and corporate information distribution, fund analysis report, domestic stock report, US stock report, provision of custom fund data to financial institutions and media such as "Star Rating", selection / announcement / license provision of Fund of the Year, provision of domestic investment trust comparison analysis tool / overseas fund comparison analysis tool, provision of stock information of domestic listed companies owned by overseas institutional investors, Morning Star Direct Japan Version development and provision, localization of various investment tools developed by Morning Star in the United States, provision of paid information for Morning Star Mobile, provision of paid information for WEB, consulting for financial product sales institutions, consulting for defined contribution pension plans, provision of investment advice for employees of companies that adopt defined contribution pension plans, development and provision of e-learning tools, development and provision of various investment education related products, defined contribution pension plan, individual defined contribution pension plan (iDeCo), small investment tax exemption system (NISA) related WEB operation and planning, content creation and provision, investment solution development provision, provision of Hong Kong and mainland China market data and corporate information to financial institutions, sales of tablet application data ETF (Listed Investment Trust Plan) evaluation information, corporate creditworthiness evaluation / bond rating, virtual currency evaluation information, etc.
Media Solutions	Advertising on our website (Morningstar website, Chinese information site "Searchna"), consulting income related to advertising of financial product sales institutions in various media, marketing consulting, advertising agency business, newspaper advertising, implementation of seminars on IR / life planning / asset operation etc., life planning support work such as provision of simulation tools, development and provision of e-learning tools, development and provision of various investment education related products, etc.

(Note) Company belonging to the segment, Morningstar Japan KK, E-Advisor Co., Ltd.

2. Procedure for calculating the amount of sales, profits or losses, assets, liabilities and other items in the reporting segment

The method of accounting for the reported business segments is the same as described in "Important matters that are the basis for preparing consolidated financial statements."

Profit for the reporting segment is based on operating income.

The amount of sales, profits, assets, liabilities and other items of the "asset management business" is the total of the amounts of sales, profits, assets, liabilities and other items of the following subsidiaries.

SBI Asset Management Group Co., Ltd., SBI Asset Management Co., Ltd., Morning Star Asset Management Co., Ltd., Carret Holdings, Inc., Carret Asset Management LLC, SBI Alternative Investments Co., Ltd. , SBI Bond Investment Management Co., Ltd., SBI Regional Creation Asset Management Co., Ltd., SBI Alternative Asset Management Co., Ltd.

Of the consolidated subsidiaries, Carret Holdings Inc., and Carret Asset Management LLC. have a closing date of December 31.

In preparing the segment information, Carret Holdings, Inc. and Carret Asset Management LLC have decided on assets, liabilities and other items as of December 31, 2020, the figures for sales, profits, and other items from January 1, 2020 to December 31, 2020 are used. For important transactions that occurred between the consolidated closing date and fiscal year end of above companies, the necessary adjustments for consolidation are made.

For the amount of sales, profits, assets, liabilities and other items of the "Financial Service Business", the aggregated figures of the sales, profits, assets, liabilities and other items of Morningstar Japan KK and E-Advisor Co., Ltd. are used.

Internal sales or transfers between segments are determined by consultation taking into account market prices.

3. Information on sales and income or loss for each reporting segment
Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Thousand yen)

	Reporting segment			Matters concerning difference adjustment	Amount recorded on consolidated financial statements
	Asset Management Business	Financial Services Business	Total		
Sales					
Sales to external customers	4,995,873	2,489,782	7,485,655	-	7,485,655
Internal sales or transfers between segments	72	23,988	24,060	△24,060	-
Total	4,995,946	2,513,770	7,509,716	△24,060	7,485,655
Segment operating income	1,095,577	669,829	1,765,406	-	1,765,406
Segment assets	7,422,203	9,186,982	16,609,186	△2,419,338	14,189,848
Segment liabilities	3,901,808	348,446	4,250,254	△2,419,338	1,830,916
Other					
Depreciation expense	12,415	388,325	400,741	-	400,741
Amortization of goodwill	89,399	25,665	115,064	-	115,064
Increase in tangible and intangible fixed assets	15,365	606,326	621,691	-	621,691

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Thousand yen)

	Reporting segment			Matters concerning difference adjustment	Amount recorded on consolidated financial statements
	Asset Management Business	Financial Services Business	Total		
Sales					
Sales to external customers	5,949,302	2,173,984	8,123,286	-	8,123,286
Internal sales or transfers between segments	73	24,088	24,161	△24,161	-
Total	5,949,376	2,198,072	8,147,448	△24,161	8,123,286
Segment operating income	1,557,255	572,549	2,129,805	-	2,129,805
Segment assets	7,426,371	9,084,079	16,510,451	△2,455,092	14,055,358
Segment liabilities	3,949,248	287,657	4,236,905	△2,455,092	1,781,813
Other					
Depreciation expense	15,461	434,292	449,754	-	449,754
Amortization of goodwill	86,238	25,665	111,904	-	111,904
Increase in tangible and intangible fixed assets	8,581	280,112	288,693	-	288,693

4. Difference between the total of reporting segments and the consolidated income statement and the main content of the difference (matters concerning difference adjustment)

(Thousand yen)

Sales	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
Total of reporting segment	7,509,716	8,147,448
Elimination of transactions between segments	△24,060	△24,161
Net sales in the consolidated income statement	7,485,655	8,123,286

(Thousand yen)

Segment operating income	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
Total of reporting segment	1,765,406	2,129,805
Elimination of transactions between segments	-	-
Operating income in the consolidated income statement	1,765,406	2,129,805

(Thousand yen)

Segment assets	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
Total of reporting segment	16,609,189	16,510,451
Elimination of transactions between segments	△2,419,338	△2,455,092
Assets in the consolidated balance sheet	14,189,850	14,055,358

(Thousand yen)

Segment liabilities	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
Total of reporting segment	4,250,257	4,236,905
Elimination of transactions between segments	△2,419,338	△2,455,092
Liabilities in the consolidated balance sheet	1,830,919	1,781,813

(Thousand yen)

Other Item	Total of reporting segment		Elimination of transactions between segments		Amount recorded on consolidated financial statements	
	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
Depreciation expense	400,741	449,754	-	-	400,741	449,754
Amortization of goodwill	115,064	111,904	-	-	115,064	111,904
Increase in tangible and intangible fixed assets	621,691	288,693	-	-	621,691	288,693

(Related information)

1. Information about products and services

Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Thousand yen)

	Asset Management Business	Financial Services Business		
		Data Solutions	Media Solutions	Total
Sales to external customers	4,995,873	1,835,871	653,911	2,489,782

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Thousand yen)

	Asset Management Business	Financial Services Business		
		Data Solutions	Media Solutions	Total
Sales to external customers	5,949,302	1,568,218	605,766	2,173,984

2. Information about the area

(1) Sales

Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Note) Sales are classified by country or region based on the customer's location.

Japan	United States	Total
6,353,059	1,132,596	7,485,655

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Note) Sales are classified by country or region based on the customer's location.

Japan	United States	Total
6,785,501	1,337,785	8,123,286

(2) Property, plants and equipment

Since the amount of property, plants and equipment located in Japan exceeds 90% of the amount of property, plants and equipment on the consolidated balance sheet, information on property, plants and equipment by area is omitted

3. Information about major customers

Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

Not applicable

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

Not applicable

(Information on impairment loss on fixed assets of each reporting segment)

Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

Not applicable

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

Not applicable

(Significant changes in the amount of goodwill)

Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

Not applicable

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Thousand yen)

	Asset Management Business	Financial Services Business	All consolidated common / elimination	Amount recorded on consolidated balance sheet
Impairment loss	—	50,408	—	50,408

(Information on amortization of goodwill and unamortized balance per reporting segment)

Fiscal Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Thousand yen)

	Asset Management Business	Financial Services Business	All consolidated common / elimination	Amount recorded on consolidated balance sheet
Current period depreciation amount	89,399	25,665	-	115,064
Fiscal year-end balance	1,615,266	277,548	-	1,892,815

Fiscal Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Thousand yen)

	Asset Management Business	Financial Services Business	All consolidated common / elimination	Amount recorded on consolidated balance sheet
Current period depreciation amount	86,238	23,773	-	111,904
Fiscal year-end balance	1,585,239	201,474	-	1,786,713

(Note) An impairment loss of 50,408 thousand yen was recorded for goodwill attributable to the Financial Services Business.

(Significant negative goodwill income)
Not applicable

(Information of per share amount)

	Fiscal Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)	Fiscal Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)
Net asset per share (Yen)	133.95	131.64
Net income per share (Yen)	15.34	16.22
Diluted net income per share (Yen)	—	—

There were no significant changes in the diluted shares that were not included in the calculation of the diluted net income per share as there is no dilution effect from the end of the previous consolidated fiscal year.

(Note) 1. The amount of net income per share and the basis for calculation, the diluted net income per share after dilutive share adjustment and the basis for calculation are as follows.

	Fiscal Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)	Fiscal Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)
Net income per share		
Net income attributable to owners of parent (Thousand yen)	1,318,528	1,454,134
Amount not attributable to common shareholders(Thousand yen)	—	—
Net income attributable to owners of parent related to common stock (Thousand yen)	1,318,528	1,454,134
Average number of shares of common stock during the period (Share)	85,976,392	89,673,430

There were no significant changes in the diluted shares that were not included in the calculation of the diluted net income per share as there is no dilution effect from the end of the previous consolidated fiscal year.

2. The amount of net asset per share and the basis for calculation are as follows.

	Fiscal Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)	Fiscal Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)
Total amount of net assets (Thousand yen)	12,358,931	12,273,545
Amount to be deducted from the total amount of net assets (Thousand yen)	347,566	469,252
(Non-controlling interests of above) (Thousand yen)	(347,566)	(469,252)
Net asset value related to common stock of fiscal year end (Thousand yen)	12,011,365	11,804,292
Number of year-end common shares used to calculate net assets per share (Share)	89,673,430	89,673,430

(Significant subsequent events)
Not applicable