

Morningstar Japan K.K



Quarterly Consolidated Financial Results (Japanese Accounting Standards) for the Third Quarter (Nine Months) ended December 31, 2022 (of the Fiscal Year ending March 31, 2023)

January 27, 2023

Company name Morningstar Japan K.K. Stock exchange listing : Tokyo Stock Exchange
 Stock code 4765 URL <https://www.morningstar.co.jp> TEL +81 3 6229-0810
 Representative (Title) Representative director and President (Name) Tomoya Asakura
 Person responsible for disclosure (Title) Chief financial officer (Name) Kazuhisa Ogawa
 Scheduled date of filing of quarterly securities report: February 8, 2023
 Scheduled date of commencement dividend: —
 Supplementary documents for quarterly financial result: None
 Quarterly Financial results briefing : Yes (for analysts and institutional investors)
 The video of the briefing will be posted promptly to our web site

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

1. Quarterly Consolidated Financial Results for the Third Quarter (Nine Months) ended December 31, 2022

(April 1, 2022~December 31, 2022)

(1) Consolidated Results of Operations

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third Quarter ended December 31, 2022	6,526	8.9	1,517	0.2	1,799	2.9	1,091	4.6
December 31, 2021	5,993	9.4	1,513	17.8	1,749	10.8	1,043	6.0

(Note) Comprehensive income Third Quarter ended December 31, 2022 1,319 Million yen (△ 20.4 %)

Third Quarter ended December 31, 2021 1,658 Million yen (47.0 %)

	Net income per share (basic)	Net income per share (diluted)
Third Quarter ended	yen	yen
December 31, 2022	12.18	—
December 31, 2021	11.64	—

Diluted net income per share are not stated because there are no dilutive potential outstanding shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
Third Quarter ended December 31, 2022	14,131	12,045	81.2	128.03
Fiscal Year ended March 31, 2022	14,055	12,273	84.0	131.64

(Reference) Shareholders' equity Third Quarter ended December 31, 2022 11,480 Million yen

Fiscal Year ended March 31, 2022 11,804 Million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	T o t a l
	yen	yen	yen	yen	yen
Fiscal Year ended March 31, 2022	—	8.00	—	9.00	17.00
Fiscal Year ending March 31, 2023	—	8.25	—		
Fiscal Year ending March 31, 2023 (Forecast)			—	12.75	12.75

(Note) Corrections from the most recently announced dividend forecast: Yes

3. Forecast of Consolidated Financial Results for the Fiscal Year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Fiscal Year ending March 31, 2023	9,000	10.8	2,150	0.9	2,500	4.0	5,700	292.0	63.56

(Note) Existence of revision from the most recently announced earnings forecast: Yes

(Note) Please refer to the "Earnings Forecast for the Fiscal Year Ending March 31, 2023: Significant Increase in Net Income Attributable to Parent Company Shareholders, Extraordinary Income, and Extraordinary Loss" announced today (January 27, 2023) for the revision of the consolidated earnings forecast.

※ Notes

(1) Significant changes in subsidiaries during Third Quarter ended December 31, 2022

(changes in specified subsidiaries affecting the scope of consolidation) : Yes

New: 1 (Company name) Excluded: 3 (Company name)
 Shinsei Investment Management Co.,Ltd. SBI Bond Investment Management Co., Ltd.,
 SBI Regional Revitalization Asset Management Co., Ltd.
 SBI Asset Management Group, Inc.

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

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

- ① Changes in accounting policies in accordance with revision of accounting standards: Yes
- ② Changes in accounting policies other than item ① above: None
- ③ Changes in accounting estimates: None
- ④ Retrospective restatements: None

(4) Number of shares issued (common stock)

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

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

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

Third Quarter ended December 31, 2022	89,673,430 shares	Third Quarter ended December 31, 2021	89,673,430 shares
---------------------------------------	-------------------	---------------------------------------	-------------------

※ This quarterly financial summary is outside to quarterly review by certified public accountant or audit Firm.

※ Explanation regarding the appropriate use of financial forecasts and other special items

(How to obtain the financial results briefing)

A briefing of financial results for analysts is scheduled to be held on January 27, 2023 and a video of the briefing will be posted promptly to our

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	Fiscal Year ended	Third Quarter ended
	March 31, 2022	December 31, 2022
	(Thousand yen)	(Thousand yen)
ASSETS		
Current assets		
Cash and cash equivalents	5,176,612	2,416,420
Accounts receivable	1,611,378	2,131,731
Inventories	1,263 ※1	1,158 ※1
Other current assets	814,825	392,110
Total current assets	7,604,080	4,941,421
Non-current assets		
Tangible fixed assets		
Leasehold improvement : net	51,929 ※2	65,963 ※2
Furniture, fixtures and equipment : net	28,932 ※2	33,621 ※2
Lease Equipment under Capital	69,089	289,569
Total Tangible fixed assets	149,951	389,154
Intangible fixed assets		
Goodwill	1,786,713	1,971,425
Software	1,076,849	1,180,090
Other Intangible assets	282,050	55,233
Total Intangible assets	3,145,612	3,206,749
Investments and other assets		
Investment securities	2,624,582	4,983,441
Deferred tax assets	345,615	384,946
Other Investments and other assets	166,511	214,925
Total Investments and other assets	3,136,709	5,583,313
Total noncurrent assets	6,432,274	9,179,217
Deferred Assets		
Stock issuance cost	19,003	11,191
Total deferred Assets	19,003	11,191
TOTAL ASSETS	14,055,358	14,131,830

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

	Fiscal Year ended	Third Quarter ended
	March 31, 2022	December 31, 2022
	(Thousand yen)	(Thousand yen)
LIABILITIES		
Current liabilities		
Accounts payable-trade	62,618	47,034
Accounts payable-other	748,528	954,742
Lease payable	69,089	289,569
Income taxes payable	464,822	220,714
Consumption taxes payable	90,498	48,615
Other current liabilities	346,255	525,342
Total current liabilities	<u>1,781,813</u>	<u>2,086,018</u>
TOTAL LIABILITIES	1,781,813	2,086,018
NET ASSETS		
Shareholders' equity		
Common stock	3,363,635	3,363,635
Capital surplus	4,478,772	4,503,031
Retained earnings	4,439,392	3,984,472
Treasury stocks	△ 29	△ 29
Total shareholders' equity	<u>12,281,770</u>	<u>11,851,108</u>
Accumulated other comprehensive income		
Valuation difference on other securities	△ 513,787	△ 770,258
Foreign currency translation adjustments	36,309	399,762
Total accumulated other comprehensive income	<u>△ 477,478</u>	<u>△ 370,495</u>
Non-controlling shareholders' equity	469,252	565,198
TOTAL NET ASSETS	<u>12,273,545</u>	<u>12,045,811</u>
TOTAL LIABILITIES AND NET ASSETS	<u>14,055,358</u>	<u>14,131,830</u>

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

(2) Quarterly Consolidated Statement of income

	Third Quarter		Third Quarter	
	From April 1, 2021		From April 1, 2022	
	To December 31, 2021		To December 31, 2022	
	(Thousand yen)		(Thousand yen)	
Sales	5,993,736		6,526,688	
Cost of sales	2,750,243		3,054,325	
Gross profit	3,243,493		3,472,362	
Selling, general and administrative expenses	※1 1,729,823		※1 1,955,232	
Operating income	1,513,669		1,517,129	
Non-operating income				
Interest income	157,207		115,882	
Dividends income	59,551		162,319	
Gain on sale of investment securities	26,918		18,494	
Other non-operating income	7,492	251,169	4,411	301,108
Non-operating expenses				
Foreign exchange losses	7,300		378	
Amortization of stock issuance cost	6,674		7,812	
Other non-operating expenses	1,527	15,501	10,175	18,366
Ordinary income	1,749,337		1,799,872	
Extraordinary loss				
Loss on sale of investment securities	※2 4,035		974	
Office transfer expenses	-		9,290	
Loss on valuation of crypto assets	-	4,035	5,924	16,189
Income before income taxes	1,745,302		1,783,682	
Income taxes-current	496,380		477,593	
Income taxes-deferred	7,833	504,213	96,377	573,970
Net income	1,241,088		1,209,711	
Net income Attributable To Non Controlling Interests	197,330		117,765	
Net income attributable to owners of parent	1,043,757		1,091,945	

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

Quarterly Consolidated Statement of Comprehensive income

	Third Quarter		Third Quarter	
	From April 1, 2021		From April 1, 2022	
	To December 31, 2021		To December 31, 2022	
	(Thousand yen)		(Thousand yen)	
Net income	1,241,088		1,209,711	
Other comprehensive income				
Valuation difference on available-for-sale securities	413,072		△ 253,949	
Foreign currency translation adjustments	4,042	417,115	363,453	109,503
Comprehensive income	1,658,203		1,319,215	
(Breakdown)				
Comprehensive income attributable to owners of the parent	1,427,051		1,198,928	
Comprehensive income attributable to Non Controlling Interests	231,151		120,286	

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