

SBI Global Asset Management Co., Ltd.



Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2024

April 26, 2024

Company name SBI Global Asset Management Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Stock code 4765 URL <http://www.sbiglobalam.co.jp>
 Representative (Title) Representative Director and President (Name) Tomoya Asakura
 Person responsible for disclosure (Title) Executive Officer and CFO (Name) Yasuyuki Ogasawara +81 3 6229-0812
 Scheduled date of ordinary shareholders' meeting: June 20, 2024
 Scheduled date of payment of dividends: June 3, 2024 Scheduled date for filing of annual securities report: June 20, 2024
 Supplementary documents for financial results: None
 Financial results briefing: Yes (We will post a video of the briefing on our official website, targeting analysts and institutional investors.)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	10,137	15.9	2,111	15.3	2,510	2.1	1,589	△70.8
March 31, 2023	8,747	7.7	1,831	△14.0	2,458	2.3	5,443	274.3

(Note) Comprehensive income Fiscal Year Ended March 31, 2024 1,404 Million yen (△77.8%)

Fiscal Year Ended March 31, 2023 6,337 Million yen (216.9%)

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, 2024	17.72	—	9.8	12.6	20.8
March 31, 2023	60.70	—	38.5	13.9	20.9

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

Fiscal Year Ended March 31, 2024 - Million yen

Fiscal Year Ended March 31, 2023 - 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, 2024	18,625	16,110	85.7	178.03
March 31, 2023	21,356	16,799	77.2	183.79

(Reference) Shareholders' equity Fiscal Year Ended March 31, 2024 15,964 Million yen

Fiscal Year Ended March 31, 2023 16,481 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, 2024	8,762	△5,492	△2,148	3,638
March 31, 2023	2,608	△3,471	△1,889	2,485

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			
March 31, 2023	—	8.25	—	12.75	21.00	1,883	34.6	13.3
March 31, 2024	—	8.50	—	13.00	21.50	1,927	121.3	11.9
March 31, 2025 (forecast)	—	—	—	—	—	—	—	—

(Note) A forecast of the annual dividend for the year ending March 31, 2025, is yet to be determined.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Consolidated forecasts for the fiscal year ending March 31, 2025, are yet to be determined.

*Notes

(1) Changes in significant subsidiaries during fiscal year ended March 31, 2024

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

New company (Company name) — Excluded 1 company Shinsei Investment Management Co., Ltd.
(Company name)

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

- 1) Changes in accounting policies caused by revision of accounting standards : None
 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, 2024 89,673,600 shares As of March 31, 2023 89,673,600 shares

2) Number of treasury stocks at end of period

As of March 31, 2024 120 shares As of March 31, 2023 120 shares

3) Average number of shares during period

Fiscal Year Ended March 31, 2024 89,673,480 shares Fiscal Year Ended March 31, 2023 89,673,453 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	800	Δ53.4	325	17.1	511	Δ1.5	299	Δ94.6
March 31, 2023	1,716	Δ11.3	277	Δ41.8	519	Δ80.4	5,505	97.8

Fiscal Year ended	Net income per share (basic)		Net income per share (diluted)	
	yen		yen	
March 31, 2024	3.34		—	
March 31, 2023	61.40		—	

(2) Non-Consolidated Financial Position

Fiscal Year ended	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		yen	
March 31, 2024	16,719		10,802		64.6		120.47	
March 31, 2023	18,832		12,734		67.6		142.00	

(Reference) Shareholders' equity Fiscal Year Ended March 31, 2024 10,802 million yen
 Fiscal Year Ended March 31, 2023 12,734 million yen

2. Forecasts of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Note) Non-consolidated Forecasts for the Fiscal Year Ending March 31, 2025, are 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

A briefing of financial results for analysts is scheduled to be held on April 26, 2024, and a video of the briefing will be posted promptly on our website.

1. Explanation of Business Results

(1) Organizational restructuring

On March 30, 2023, the Company changed its name to “SBI Global Asset Management Co., Ltd.,” had Wealth Advisor Co. Ltd. take over its financial services business that had been operated under the Morningstar brand, and made a transition to a pure holding company. In the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024), which is effectively the first year since the transition to a holding company, ordinary income increased for the 15th consecutive fiscal year, driven especially by the asset management business.

While we stopped using the Morningstar brand due to the sale of the brand, we changed the brand to “Wealth Advisor” with the same products and services as before in the financial services business. This brand change has had no particular negative impacts.

In the asset management business, our major subsidiary SBI Asset Management Co., Ltd. merged with another subsidiary Shinsei Investment Management Co., Ltd. on April 1, 2023, and we took measures to strengthen the operation of the Company, such as increasing its stake in SBI Asset Management.

(2) Summary of results of operations for the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024, the Japanese economy was in a relatively favorable environment, despite the impact of the situation in Ukraine and conflict in the Middle East, as socioeconomic activities were going back to normal from the COVID-19 pandemic. Particularly during the second half of the fiscal year under review, there were a series of historic events, such as the Nikkei Stock Average reaching a record high in February 2024 and a major shift in the Bank of Japan’s monetary policy in March 2024. In the investment trust market, which is highly relevant to the Group’s businesses, the Company’s performance was generally steady partly backed by the New NISA system, which started in January 2024.

Under these business circumstances, the balance of publicly offered investment trusts in the Group’s asset management business significantly increased 88.3% from 1,441.3 billion yen at the end of the previous fiscal year to 2,714.4 billion yen at the end of the fiscal year under review. The balance of low-cost index funds that pursue the growth of assets, which we have been working on, increased 89.2% from 1,240.2 billion yen to 2,346.5 billion yen during the same period. In addition, the “SBI Japanese High Dividend Equity Fund (quarterly distribution)”, which was newly launched to pursue growth and distribution, and other products that distribute dividends four times a year, were popular among investors, and the balance of net assets of active funds increased 82.9% from the end of the previous fiscal year. For existing funds, we also implemented customer-centric measures throughout the fiscal year under review, such as lowering trust fees and restructuring our product lineup from the perspective of beneficiaries, in accordance with the product governance policy of the Company established in June 2023.

In addition, the balance of privately offered investment trusts, which mainly support the advancement and diversification of securities investment of regional financial institutions, has also increased 1.7% from 2,408.1 billion yen at the end of the previous fiscal year to 2,448.5 billion yen at the end of the fiscal year under review. Since the assets under management mainly consist of bonds, interest rate hikes in Japan and overseas created a tough environment. Thanks to the success of our sales activities tailored to customer needs, however, we achieved the top position among all asset management companies in terms of the single-month net inflow in February 2024.

As a result, the balance of net assets under management of investment trusts managed by the Group as of the end of the fiscal year under review increased 26.2% from 4,692.8 billion yen at the end of the previous fiscal year to 5,922.4 billion yen at the end of the fiscal year under review.

Sales of the asset management business increased 20.0% from the previous fiscal year to 8,210 million yen in the fiscal year under review.

In the financial services business, we had provided Wealth Advisor, which is used by financial institutions distributing investment trusts, to 526 financial institutions as of March 31, 2024, and we provided those financial institutions with various tools contributing to life plan simulations, Robo Advisor, an inheritance simulation, and other fiduciary duties (customer-oriented business operation).

Against the backdrop of social conditions that were beginning to escape from the COVID-19 pandemic and increasing needs for asset management as represented by the introduction of the New NISA (Nippon Individual Savings Account), the number of face-to-face asset management seminars held with regional banks around Japan at a real venue recovered steadily and increased significantly to 16 sessions, a fourfold increase from the previous fiscal year. As a result, sales of the financial services business in the fiscal year under review were 1,927 million yen, an increase of 1.1% from the previous fiscal year.

For the consolidated business results for the fiscal year ended March 31, 2024, sales were 10,137 million yen, up 1,390 million yen (15.9%) from 8,747 million yen in the previous fiscal year. Sales reached a record high and the level of 10 billion yen for the first time.

As cost of sales increased 695 million yen and selling, general and administrative expenses grew 414 million yen from the previous fiscal year, operating income for the fiscal year ended March 31, 2024, was 2,111 million yen, an increase of 280 million yen (15.3%) from 1,831 million yen in the previous fiscal year.

Net amounts of non-operating income decreased 239 million yen and non-operating expenses fell 10 million yen as compared with the previous fiscal year. Thus, ordinary income for the fiscal year ended March 31, 2024, was 2,510 million yen, an increase of 51 million yen (2.1%) from 2,458 million yen in the previous fiscal year. The ordinary income increased for the 15th consecutive year, and recorded highest income for the 13th consecutive year.

Net income attributable to owners of parent for the fiscal year ended March 31, 2024, was 1,589 million yen, a decrease of 3,853 million yen (Δ 70.8%). This was because the extraordinary profit (8,000 million yen) from the sale of the Morningstar brand, which was recorded for the previous fiscal year, was absent in the fiscal year under review.

1) Summary of consolidated financial results

(Thousand yen)

	Fiscal Year From April 1, 2022 To March 31, 2023		Fiscal Year From April 1, 2023 To March 31, 2024		Increase/Decrease	
	Amount	Profit rate (%)	Amount	Profit rate (%)	Amount	Rate (%)
Net sales	8,747,113		10,137,596		1,390,483	15.9
Operating income	1,831,139	20.9	2,111,325	20.8	280,186	15.3
Ordinary income	2,458,942	28.1	2,510,110	24.8	51,167	2.1
Net income attributable to owners of parent	5,443,020	62.2	1,589,278	15.7	△3,853,742	△70.8

Consolidated sales increased for the 12th consecutive year and recorded the highest sales for the 5th consecutive year.

Ordinary income increased for the 15th consecutive year and recorded the highest income for the 13th consecutive year.

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

(Thousand yen)

Sales by Segment	Fiscal Year From April 1, 2022 To March 31, 2023		Fiscal Year From April 1, 2023 To March 31, 2024		Rate of change (%)
	Amount	Rate (%)	Amount	Rate (%)	
Asset Management Business	6,841,373	78.2	8,210,510	81.0	20.0
Financial Services Business	1,905,740	21.8	1,927,085	19.0	1.1
Consolidated sales	8,747,113	100.0	10,137,596	100.0	15.9

1) Asset Management Business

Both the low-cost index funds and the active funds drove the expansion of the balance of assets under management, and the balance of publicly offered investment trusts increased 88.3% from 1,441.3 billion yen at the end of the previous fiscal year to 2,714.4 billion yen at the end of the fiscal year under review. In addition, the balance of privately offered investment trusts, which support the advancement and diversification of securities investment of regional financial institutions, has also increased 1.7% from 2,408.1 billion yen at the end of the previous fiscal year to 2,448.5 billion yen at the end of the fiscal year under review. The balance of net assets under management of investment trusts managed by the Group increased 26.2% from 4,692.8 billion yen at the end of the previous fiscal year to 5,922.4 billion yen at the end of the fiscal year under review.

As a result, sales of the asset management business for the fiscal year under review were 8,210 million yen, an increase of 1,369 million yen (20.0%) from 6,841 million yen in the previous fiscal year.

Segment income was 1,766 million yen, an increase of 281 million yen (19.0%) from 1,484 million yen in the previous fiscal year.

2) Financial Services Business

In addition to Wealth Advisor, which is used by financial institutions distributing investment trusts, deliveries of our independently developed investment-related tools and fund data to financial institutions increased. The number of face-to-face seminars held in cooperation with regional financial institutions, etc. increased in response to the development of the post-pandemic world and growing interest in asset management. The rebranding had only minor impacts.

As a result, sales of the financial services business for the fiscal year under review were 1,927 million yen, an increase of 21 million yen (1.1%) from 1,905 million yen in the previous fiscal year.

Segment income was 344 million yen, a decrease of 1 million yen (△0.4%) from 346 million yen in the previous fiscal year.

3) Overview of non-consolidated business performance

The Company made a transition to a pure holding company through the organizational restructuring carried out on March 30, 2023. For this reason, it is difficult to compare the non-consolidated business performance of the Company with that for the previous fiscal year. Most of the Company's non-consolidated sales were business management and guidance fees paid by subsidiaries, while expenditures mainly included costs related to the Company's listing and expenses for operations of subsidiaries. As a result, on a non-consolidated basis, sales were 800 million yen, selling, general and administrative expenses were 474 million yen, and non-operating income and expenses were 246 million yen and 60 million yen, respectively. Operating income was 325 million yen, ordinary income was 511 million yen, and net income was 299 million yen, since there were no extraordinary profits or losses.

(3) Summary of financial position for the fiscal year ended March 31, 2024

Total assets decreased 2,730 million yen from the end of the previous fiscal year to 18,625 million yen.

This was due to a decrease of 7,444 million yen in current assets, and an increase of 4,720 million yen in non-current assets. This was because the consideration for selling the Morningstar brand at the end of the previous fiscal year was recorded as other accounts receivable in current assets as of the end of the previous fiscal year, and subsequently the Company received the consideration during the fiscal year under review and invested most of the amount remaining after payment of dividends and income taxes in investment securities. Mainly because of those results, investment securities increased 4,841 million yen.

Total liabilities decreased 2,041 million yen from the end of the previous fiscal year to 2,515 million yen. The decrease in liabilities was mainly due to the absence of income taxes payable related to the consideration for the sale of the Morningstar brand and other extraordinary gains that were recorded at the end of the previous fiscal year.

In net assets, retained earnings decreased 316 million yen to 8,019 million yen as a result of the recording of net income attributable to owners of parent of 1,589 million yen and the payment of dividends of 1,905 million yen.

Valuation difference on other securities decreased 343 million yen due to fluctuations in net asset value of investment securities. Foreign currency translation adjustments increased 129 million yen due to the yen's depreciation, which widened the difference between the exchange rate at the time of acquisition of shares of a U.S. subsidiary and the exchange rate during the period of the fiscal year under review.

Non-controlling shareholders' equity fell 172 million yen due to a decrease in the ratio of non-controlling shareholders' equity resulting from the acquisition of additional shares of SBI Asset Management Co., Ltd., etc.

As a result, total net assets fell 689 million yen from the end of the previous fiscal year to 16,110 million yen.

(4) Summary of consolidated cash flows for the fiscal year ended March 31, 2024

The balance of cash and cash equivalents at the end of the fiscal year under review grew 1,152 million yen from the end of the previous fiscal year to 3,638 million yen. The status of each cash flow is as follows.

(Cash flows from operating activities)

Cash flows from operating activities grew 6,153 million yen from the previous fiscal year to 8,762 million yen.

This was mainly due to the recording of 2,510 million yen of income before income taxes, 9,314 million yen of collection of the Morningstar license return receivable and other accounts receivables, and 2,710 million yen of income taxes paid.

(Cash flows from investing activities)

Cash flows from investing activities were 5,492 million yen (compared with 3,471 million yen for the previous fiscal year). This was mainly due to the purchase of investment securities of 6,253 million yen, income of 1,186 million yen arising from the sale and redemption of investment securities and cancellation of specified comprehensive trust property, and the acquisition of intangible fixed assets of 409 million yen.

(Cash flows from financing activities)

Cash flows from financing activities were 2,148 million yen (compared with 1,889 million yen for the previous fiscal year). This was mainly due to dividend payments of 1,905 million yen, expenditure from the additional acquisition of existing subsidiaries' shares of 189 million yen, and expenditure from the repayment of lease obligations of 53 million yen.

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

In the asset management business, we will continue to take measures for the New NISA, and flexibly introduce new products that meet customer needs, such as distribution-oriented products and a lineup of publicly offered active funds that incorporate high-dividend stocks. We believe that these new publicly offered investment trusts will contribute to the asset formation of investors as they are characterized by both low cost and high quality, similar to index funds. In addition, for existing publicly offered funds, we will revise costs and reorganize lineups based on the client-centric approach in accordance with our product governance policy. We believe that for publicly offered investment trusts, gaining the support of investors through these measures will lead to an increase in the balance of assets under management. We also believe that for privately offered investment trusts, we can increase the balance of net assets under management and also increase income by supporting the advancement and diversification of asset management of regional financial institutions, etc. through the provision of appropriate products suitable for the increasingly complex market environment, and contributing to increasing the profitability of regional financial institutions.

In the financial services business, we would like to focus on having the Wealth Advisor brand penetrate further, build a system that can respond swiftly and appropriately to the rapidly changing information environment, and thereby always provide products and services that utilize the latest communication tools. In addition, together with sales financial institutions, we would like to develop and provide services that meet the specific measures of fiduciary duty (customer-oriented business operation) promoted by sales financial institutions. We will also contribute to optimal asset management of investors by actively holding asset management fairs and seminars in cooperation with regional financial institutions, in line with the trend from savings to investment, which is expected to continue to grow in Japan, as exemplified by the New NISA.

We would like to expand the stable earnings base of the Group based on these two core businesses. Regarding the forecasts for the current fiscal year (April 1, 2024 to March 31, 2025), it is difficult to make reasonable calculations of the Group's business results at this time and we have not yet decided on the forecasts, because it is hard to predict overseas interest rates and economic trends, as well as the financial market trends closely related to the Company's businesses for the full fiscal year.

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 International Financial Reporting Standards (IFRS).

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, 2023	Fiscal year ended March 31, 2024
	(Thousand yen)	(Thousand yen)
ASSETS		
Current assets		
Cash and cash equivalents	2,137,894	3,637,848
Accounts receivable	1,483,903	2,273,701
Inventories	* ₁ 1,386	* ₁ 3,698
Other accounts receivable	9,409,529	146,925
Other current assets	959,197	485,296
Total current assets	<u>13,991,911</u>	<u>6,547,470</u>
Non-current assets		
Tangible fixed assets		
Leasehold improvement	179,208	120,696
Accumulated depreciation	<u>△114,746</u>	<u>△46,776</u>
Leasehold improvement: net	<u>64,462</u>	<u>73,919</u>
Furniture, fixtures and equipment	200,935	185,458
Accumulated depreciation	<u>△172,908</u>	<u>△161,900</u>
Furniture, fixtures and equipment: net	<u>28,027</u>	<u>23,557</u>
Lease equipment under capital	253,288	216,568
Total tangible fixed assets	<u>345,777</u>	<u>314,046</u>
Intangible fixed assets		
Goodwill	1,676,585	1,633,229
Software	863,429	986,883
Other non-current assets	39,775	9,124
Total intangible assets	<u>2,579,790</u>	<u>2,629,237</u>
Investments and other assets		
Investment securities	* ₂ 3,871,154	* ₂ 8,712,813
Deferred tax assets	416,769	294,214
Other non-current assets	<u>142,375</u>	<u>126,228</u>
Total investments and other assets	<u>4,430,299</u>	<u>9,133,256</u>
Total non-current assets	<u>7,355,867</u>	<u>12,076,540</u>
Deferred assets		
Stock issuance cost	<u>8,587</u>	<u>1,632</u>
Total deferred assets	<u>8,587</u>	<u>1,632</u>
TOTAL ASSETS	<u><u>21,356,365</u></u>	<u><u>18,625,643</u></u>

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
	(Thousand yen)	(Thousand yen)
LIABILITIES		
Current liabilities		
Accounts payable–trade	62,753	18,765
Accounts payable–other	1,010,877	1,162,069
Lease payable	50,646	58,881
Income taxes payable	2,709,257	430,601
Consumption taxes payable	12,179	108,637
Other current liabilities	508,107	578,594
Total current liabilities	<u>4,353,822</u>	<u>2,357,550</u>
Non-current liabilities		
Lease payable	202,641	157,686
Total non-current liabilities	<u>202,641</u>	<u>157,686</u>
TOTAL LIABILITIES	<u>4,556,464</u>	<u>2,515,237</u>
NET ASSETS		
Shareholders' equity		
Common stock	3,363,635	3,363,635
Capital surplus	4,514,168	4,528,571
Retained earnings	8,335,546	8,019,263
Treasury stocks	△20	△20
Total shareholders' equity	<u>16,213,329</u>	<u>15,911,449</u>
Accumulated other comprehensive income		
Valuation difference on other securities	13,440	△330,513
Foreign currency translation adjustments	254,273	383,462
Total accumulated other comprehensive income	<u>267,713</u>	<u>52,948</u>
Non-controlling shareholders' equity	318,858	146,008
TOTAL NET ASSETS	<u>16,799,901</u>	<u>16,110,406</u>
TOTAL LIABILITIES AND NET ASSETS	<u>21,356,365</u>	<u>18,625,643</u>

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

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

	Fiscal Year	
	From April 1, 2022 To March 31, 2023	From April 1, 2023 To March 31, 2024
	(Thousand yen)	(Thousand yen)
Net sales	8,747,113	10,137,596
Cost of sales	4,221,253	4,917,169
Gross profit	4,525,860	5,220,426
Selling, general and administrative expenses	*1 2,694,721	*1 3,109,101
Operating income	1,831,139	2,111,325
Non-operating income		
Interest income	143,396	78,006
Dividend income	462,017	181,462
Gain on sale of investment securities	18,494	131,942
Other non-operating income	23,377	16,391
Total non-operating income	647,285	407,803
Non-operating expenses		
Foreign exchange losses	232	642
Stock issuance cost	10,416	7,697
Other non-operating expenses	8,832	677
Total non-operating expenses	19,481	9,017
Ordinary income	2,458,942	2,510,110
Extraordinary profit		
Consideration for the brand return	*2 8,000,000	-
Total extraordinary profit	8,000,000	-
Extraordinary loss		
Loss on sale of investment securities	*3 1,565,298	-
Loss on valuation of investment securities	*4 2,562	-
Impairment loss	*5 433,072	-
Organizational restructuring cost	*6 224,468	-
Impairment loss of intangible fixed assets	*7 98,289	-
Office relocation expenses	9,736	-
Loss on valuation of crypto assets	5,924	-
Total extraordinary loss	2,339,352	-
Income before income taxes	8,119,590	2,510,110
Income taxes-current	2,875,940	615,412
Income taxes-deferred	△323,128	273,047
Total income taxes	2,552,811	888,459
Profit	5,566,778	1,621,651
Net income attributable to non-controlling interests	123,758	32,372
Net income attributable to owners of parent	5,443,020	1,589,278

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

Consolidated Statement of Comprehensive Income

	Fiscal Year	
	From April 1, 2022 To March 31, 2023	From April 1, 2023 To March 31, 2024
	(Thousand yen)	(Thousand yen)
Profit	5,566,778	1,621,651
Other comprehensive income		
Valuation difference on other securities	553,130	△346,673
Foreign currency translation adjustments	217,963	129,188
Total other comprehensive income	771,094	△217,484
Comprehensive income	6,337,873	1,404,167
(Breakdown)		
Comprehensive income attributable to owners of parent	6,188,212	1,373,154
Comprehensive income attributable to non-controlling interests	149,661	31,013

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

(3) Consolidated Statement of Changes in Shareholders' Equity

Fiscal year ended March 31, 2023

(Thousand yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
As of April 1, 2022	3,363,635	4,478,772	4,439,392	△29	12,281,770
Fluctuation amount for the period					
Dividends from retained earnings			△1,546,866		△1,546,866
Request for additional purchase of shares less than one unit		14		8	23
Net income attributable to owners of parent			5,443,020		5,443,020
Increase/decrease in non-controlling interests due to merger between consolidated subsidiaries		24,249			24,249
Increase/decrease in equity due to additional acquisition of shares of consolidated subsidiary		11,122			11,122
Increase/decrease in equity due to acquisition of treasury stocks by consolidated subsidiary		9			9
Net income attributable to non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes during the period	-	35,396	3,896,153	8	3,931,558
As of March 31, 2023	3,363,635	4,514,168	8,335,546	△20	16,213,329

	Accumulated other comprehensive income			Non-controlling shareholders' equity	TOTAL NET ASSETS
	Valuation difference on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
As of April 1, 2022	△513,787	36,309	△477,478	469,252	12,273,545
Fluctuation amount for the period					
Dividends from retained earnings					△1,546,866
Request for additional purchase of shares less than one unit					23
Net income attributable to owners of parent					5,443,020
Increase/decrease in non-controlling interests due to merger between consolidated subsidiaries				△24,249	-
Increase/decrease in equity due to additional acquisition of shares of consolidated subsidiary				△275,737	△264,615
Increase/decrease in equity due to acquisition of treasury stocks by consolidated subsidiary				△68	△59
Net income attributable to non-controlling interests				123,758	123,758
Net changes of items other than shareholders' equity	527,227	217,963	745,191	25,902	771,094
Total changes during the period	527,227	217,963	745,191	△150,394	4,526,355
As of March 31, 2023	13,440	254,273	267,713	318,858	16,799,901

Fiscal year ended March 31, 2024

(Thousand yen)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stocks	
As of April 1, 2023	3,363,635	4,514,168	8,335,546	△20	16,213,329
Fluctuation amount for the period					
Dividends from retained earnings			△1,905,561		△1,905,561
Request for additional purchase of shares less than one unit					
Net income attributable to owners of parent			1,589,278		1,589,278
Increase/decrease in non-controlling interests due to merger between consolidated subsidiaries		5,086			5,086
Increase/decrease in equity due to additional acquisition of shares of consolidated subsidiary		9,316			9,316
Increase/decrease in equity due to acquisition of treasury stocks by consolidated subsidiary					
Net income attributable to non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes during the period	-	14,402	△316,283	-	△301,880
As of March 31, 2024	3,363,635	4,528,571	8,019,263	△20	15,911,449

	Accumulated other comprehensive income			Non-controlling shareholders' equity	TOTAL NET ASSETS
	Valuation difference on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
As of April 1, 2023	13,440	254,273	267,713	318,858	16,799,901
Fluctuation amount for the period					
Dividends from retained earnings					△1,905,561
Request for additional purchase of shares less than one unit					-
Net income attributable to owners of parent					1,589,278
Increase/decrease in non-controlling interests due to merger between consolidated subsidiaries				△5,086	-
Increase/decrease in equity due to additional acquisition of shares of consolidated subsidiary				△198,776	△189,460
Increase/decrease in equity due to acquisition of treasury stocks by consolidated subsidiary					-
Net income attributable to non-controlling interests				32,372	32,372
Net changes of items other than shareholders' equity	△343,953	129,188	△214,764	△1,359	△216,124
Total changes during the period	△343,953	129,188	△214,764	△172,850	△689,495
As of March 31, 2024	△330,513	383,462	52,948	146,008	16,110,406

(4) Consolidated Cash Flow Statement

	Fiscal Year	Fiscal Year
	From April 1, 2022 To March 31, 2023	From April 1, 2023 To March 31, 2024
	(Thousand yen)	(Thousand yen)
Cash flows from operating activities		
Income before income taxes	8,119,590	2,510,110
Depreciation	433,967	399,544
Amortization of long-term prepaid expenses	4,540	-
Amortization of goodwill	117,304	105,743
Amortization of stock issuance cost	10,416	7,697
Loss (minus sign means gain) on sale of investment securities	1,546,803	△131,942
Loss (minus sign means gain) on valuation of investment securities	2,562	-
Loss on valuation of crypto assets	5,924	-
Loss (minus sign means gain) on sales of crypto assets	-	△13,717
Impairment loss of intangible fixed assets	98,289	-
Impairment loss	433,072	-
Office relocation expenses	9,736	-
Organizational restructuring cost	224,468	-
Consideration for the brand return	△8,000,000	-
Interest and dividend income	△605,412	△259,469
Foreign exchange losses (minus sign means gains)	△250	△642
Decrease (minus sign means increase) in trade receivables	250,212	△445,915
Decrease (minus sign means increase) in inventories	△122	△2,311
Increase (minus sign means decrease) in trade payables	135	△43,987
Decrease (minus sign means increase) in accounts receivable	△4,164	9,314,854
Increase (minus sign means decrease) in accounts payable—other	73,216	5,313
Decrease (minus sign means increase) in other current assets	△81,260	△173,393
Increase (minus sign means decrease) in other current liabilities	△105,788	165,649
Sub total	2,533,242	11,437,534
Interest and dividend income received	149,945	14,089
Income taxes paid	△744,449	△2,710,625
Income tax refund amount	669,777	21,222
Cash flows from operating activities	2,608,515	8,762,220
Cash flows from investing activities		
Purchase of property, plant and equipment	△19,198	△11,561
Purchase of intangible assets	△314,428	△409,229
Purchase of investment securities	△5,495,591	△6,253,027
Proceeds from sales of investment securities	2,534,716	1,186,244
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 △183,301	-
Proceeds from collection of guarantee deposits	36,059	61,725
Payments for guarantee deposits	△29,779	△66,918
Cash flows from investing activities	△3,471,524	△5,492,766
Cash flows from financing activities		
Cash dividends paid	△1,546,866	△1,905,561
Income from disposal of treasury stock	23	-
Expenditure on purchase of shares of subsidiaries without change in scope of consolidation	△273,674	△189,460
Repayments of lease obligations	△68,663	△53,947
Cash flows from financing activities	△1,889,180	△2,148,969
Effect of exchange rate change on cash and cash equivalents	60,831	32,108
Net increase (minus sign means decrease) in cash and cash equivalents	△2,691,356	1,152,593
Cash and cash equivalents at beginning of period	5,176,908	2,485,551
Cash and cash equivalents at end of period	*1 2,485,551	*1 3,638,145

(5) Notes on Consolidated Financial Statements

(Notes on the premise of a going concern)

Not applicable.

(Notes on the changes in accounting policies)

Not applicable.

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

1 Matters concerning scope of consolidation

(1) Names of consolidated subsidiaries

As of March 31, 2024, the Group consists of the Company and the following five subsidiaries.

Wealth Advisor Co., Ltd.

SBI Asset Management Co., Ltd.

SBI Alternative Investment Management Co., Ltd.

Carret Holdings Inc.

Carret Asset Management LLC

SBI Alternative Investment Management Co., Ltd. (former trade name: SBI Alternative Asset Management Co., Ltd.) changed its trade name on December 7, 2023.

(2) Change in scope of consolidation

Shinsei Investment Management Co., Ltd., which was a consolidated subsidiary of the Company, is excluded from the scope of consolidation as it ceased operating on April 1, 2023, as a result of an absorption-type merger in which SBI Asset Management Co., Ltd., a consolidated subsidiary of the Company, was the surviving company.

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

SBI Alternative Fund GK

(Reason for exclusion 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 ASBJ Guidance 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

Not applicable.

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, 2023, and income statement and cash flow statement from January 1, 2023 to December 31, 2023, 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 the 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

Other securities

Securities other than stocks without market value, etc.

The market value method (net unrealized gains (losses) are directly included in net assets, and cost of sales is computed using the moving average cost method)

Stocks without market value, etc.

Moving average cost method

2) Inventory

Cost method (method of devaluation of book value due to decline in profitability)

Supplies ... 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 is amortized using the straight-line method based on the in-house usable period (5 years).
- (3) Accounting standard for material revenue and expenses
- The details of the main performance obligations in major businesses regarding revenue from contracts with customers and the ordinary point in time at which such performance obligations are satisfied (the ordinary point in time at which revenue is recognized) are as follows.
1. Data Solutions
Fund data reports, etc.:
We provide fund data reports, etc. for financial institutions. Because the performance obligations are satisfied by such provision to customers, we recognize revenue when the provision is completed.
Tablet application fees, etc.:
We provide financial institutions with Wealth Advisor, a sales support tool, etc. Because the performance obligations are satisfied by customers' use of the services, we recognize revenue according to the length of period of their use.
 2. Media Solutions
Because the performance obligations are satisfied by posting a customer's ad, we recognize revenue according to the period in which the ad is posted.
 3. Asset Management
Investment trust management fees are paid in consideration for satisfying the performance obligation to give investment instructions for publicly and privately offered investment trust property based on the terms and conditions of investment trusts. We recognize that the performance obligation is satisfied as the investment period of the fund elapses. After the establishment of a fund, the amount calculated by multiplying the daily net asset balance by a certain percentage is recognized over the investment period of the fund as the revenue of trust fees in accordance with the terms and conditions of investment trusts.
Management fees are paid mainly in consideration for satisfying the performance obligation to perform asset management, after a discretionary investment contract is concluded with an applicable customer (investor). We recognize that the performance obligation is satisfied as the investment period of the fund elapses. The amount calculated based on conditions, such as the assets to be managed, balance, period and rate, as specified for each discretionary investment contract, is recognized as revenue over the period during which the management is entrusted.
Investment advisory fees are paid mainly in consideration for satisfying the performance obligation to provide advice on asset management to an applicable customer, after an investment advisory (consulting) contract is concluded with the applicable customer (investor). We recognize that the performance obligation is satisfied as the period during which advice is provided elapses. The amount calculated based on conditions, such as the advisory assets, balance, period and rate, as specified for each investment advisory (consulting) contract, is recognized as revenue over the period during which advice is provided.
- (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) Matters concerning amortization of goodwill
Goodwill is equally amortized over 20 years.
- (6) Stock issuance cost
Straight-line amortization over 3 years
- (7) 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, and that bear only a small risk of value fluctuations.

(Notes on Consolidated Balance Sheet)

*1 Breakdown of inventories	(Thousand yen)	
	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024
Supplies	1,386	2,924
Work in progress	-	774

*2 Investments in non-consolidated subsidiaries and affiliates	(Thousand yen)	
	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024
Investment securities (shares)	14,000	14,000

(Notes on Consolidated Statement of Income)

*1 Major items of selling and general administrative expenses	(Thousand yen)	
	Fiscal Year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Employees' salaries	1,093,702	1,253,505
Executives' salaries	423,904	472,228
Retirement benefit costs	10,376	36,583

*2 Consideration for the brand return 8,000,000
We recorded the consideration for returning the Morningstar brand to Morningstar, Inc., U.S., as extraordinary income.

*3 Loss on sale of investment securities	(Thousand yen)	
	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
	1,565,298	-

This is a loss that arose when the Company sold some investment securities held by the Company and received income of cash (including cash equivalents in specified money trusts).

*4 Loss on valuation of investment securities	(Thousand yen)	
	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
	2,562	-

Because investment securities held included investment trusts whose long-term market value was less than 70% of their book value, a valuation loss was recorded.

*5 Impairment loss	(Thousand yen)	
	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Goodwill	184,449	-
Software	248,623	-

Note 1 In the previous fiscal year, impairment of the following goodwill was recognized in the amount reflecting profitability at the end of the previous fiscal year.

Factors causing goodwill	Businesses and services to which goodwill belongs	Month and year of business combination	Impairment loss of goodwill	Balance of goodwill
Acquisition of Kabushiki Shimbun Co., Ltd., making the company into a subsidiary, and merger	Publication of "Stock Newspaper" and provision of equity-related information	April 2008	31,943 thousand yen	- thousand yen
Acquisition of SBI Searchina Co., Ltd. and making the company into a subsidiary	Provision of financial information on China and Asia	October 2012	152,505 thousand yen	- thousand yen

Note 2 Impairment of software related to the return of the Morningstar brand was recognized in the entire amount.

*6 Organizational restructuring cost 224,468 thousand yen
Cost for retirement of paid royalties (long-term prepaid expenses) to Morningstar, Inc. was recorded due to the transition to the holding company system resulting from the return of the Morningstar brand.

*7 Impairment loss of intangible fixed assets	(Thousand yen)	
	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
	98,289	-

We disposed of software that was not expected to operate.

(Notes on Consolidated Statement of Changes in Shareholders' equity)

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

1. Type and total number of outstanding shares

Kind of shares	Beginning of fiscal year	Increase number of fiscal year	Decrease number of fiscal year	Ending of fiscal year
Outstanding shares Common stock	89,673,600	-	-	89,673,600
Annual	89,673,600	-	-	89,673,600

2. Type and number of treasury stock

Kind of shares	Beginning of fiscal year	Increase number of fiscal year	Decrease number of fiscal year	Ending of fiscal year
Treasury stocks Common stock	170	-	50	120
Annual	170	-	50	120

3. Stock acquisition rights

Not applicable.

4. Treasury 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, 2022 board of directors	Common stock	Retained earnings	807,060	9.00	March 31, 2022	June 1, 2022
September 22, 2022 board of directors	Common stock	Retained earnings	739,805	8.25	September 30, 2022	December 1, 2022

(2) Dividends for which the date of right allotment belongs to the fiscal year under review but the effective date belongs to the following 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 9, 2023 board of directors	Common stock	Retained earnings	1,143,338	12.75	March 31, 2023	June 1, 2023

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Type and total number of outstanding shares

Kind of shares	Beginning of fiscal year	Increase number of fiscal year	Decrease number of fiscal year	Ending of fiscal year
Outstanding shares Common stock	89,673,600	-	-	89,673,600
Annual	89,673,600	-	-	89,673,600

2. Type and number of treasury stock

Kind of shares	Beginning of fiscal year	Increase number of fiscal year	Decrease number of fiscal year	Ending of fiscal year
Treasury stocks Common stock	120	-	-	120
Annual	120	-	-	120

3. Stock acquisition rights

Not applicable.

4. Treasury 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 9, 2023 board of directors	Common stock	Retained earnings	1,143,338	12.75	March 31, 2023	June 1, 2023
September 19, 2023 board of directors	Common stock	Retained earnings	762,224	8.50	September 30, 2023	December 1, 2023

(2) Dividends for which the date of right allotment belongs to the fiscal year under review but the effective date belongs to the following fiscal year

Resolution of (planned)	Kind of shares	Source of dividends	Total dividends (thousand yen)	Dividend per share (yen)	Date of right allotment	Planned effective date
April 26, 2024 board of directors	Common stock	Retained earnings	1,165,755	13.00	March 31, 2024	June 1, 2024

(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, 2023 (Thousand yen)	Fiscal Year ended March 31, 2024 (Thousand yen)
Cash and cash equivalents	2,137,894	3,637,848
Deposit to securities company account (of other current assets)	347,657	296
Cash and cash equivalents at the end of fiscal year	2,485,551	3,638,145

*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, 2023 (April 1, 2022 to March 31, 2023)

The breakdown of assets and liabilities at the start of consolidation resulting from consolidating Shinsei Investment Management Co., Ltd. through acquisition of shares on October 3, 2022 (deemed acquisition date: October 1, 2022), which was absorbed into SBI Asset Management Co., Ltd. (a subsidiary of the Company) as of April 1, 2023, and the relationship between the acquisition cost of the said company's shares and the expenditure (net) on the acquisition are as follows:

	(Thousand yen)
Current assets	1,524,318
Non-current assets	58,990
Current liabilities	327,228
Non-current liabilities	18,609
Goodwill	62,528
Acquisition cost of shares	1,300,000
Cash and cash equivalents	△1,116,698
Net: expenditure on the acquisition	183,301

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

(Notes on tax)

Fiscal Year ended March 31, 2023		Fiscal Year ended March 31, 2024	
1	Breakdown of deferred tax assets and deferred tax liabilities by major cause	1	Breakdown of deferred tax assets and deferred tax liabilities by major cause
	(Deferred tax assets) (Thousand yen)		(Deferred tax assets) (Thousand yen)
	Disallowed business tax payable 128,833		Disallowed business tax payable 39,670
	Disallowed account payable 44,508		Disallowed account payable 34,105
	Unrealized profit 2,204		Impairment loss 52,023
	Impairment loss 149,613		Impairment loss of intangible fixed assets 15,239
	Impairment loss of intangible fixed assets 45,346		Valuation difference on other securities 135,039
	Tax loss carry-forwards 115,876		Other current assets 18,136
	Other current assets 15,754		
	<u>Total deferred tax assets 502,137</u>		<u>Total deferred tax assets 294,214</u>
	(Deferred tax liabilities) (Thousand yen)		
	Valuation difference on other securities 17,360		
	Accrued dividends receivable 68,008		
	<u>Total deferred tax liabilities 85,368</u>		
	<u>Net amount of deferred tax assets 416,769</u>		
(Note)	Amount of tax loss carry-forwards and deferred tax assets by carry-over period		
		Within one year (Thousand yen)	Annual (Thousand yen)
	Tax loss carry-forwards (a)	115,876	115,876
	Valuation allowance	—	—
	Deferred tax assets	115,876	(b)115,876
(a)	The amount of tax loss carry-forwards is calculated by multiplying by the statutory effective tax rate.		
(b)	Deferred tax assets are recorded for tax loss carry-forwards of 115,876 thousand yen (calculated by multiplying by the statutory effective tax rate). The amount of deferred tax assets represents the recognition of the portion of tax loss carry-forwards determined to be recoverable based on the expected future taxable income, that resulted from non-recurring losses on the sale of investment securities recorded in the fiscal year under review by current Wealth Advisor Co., Ltd., which is a consolidated subsidiary (formerly E-Advisor Co., Ltd. and Morningstar Asset Management Co., Ltd.; Morningstar Asset Management Co., Ltd., as the surviving company, absorbed and merged with E-Advisor Co., Ltd., changed the trade name, and took over the Company's financial services business as of March 30, 2023).		
2	Breakdown of the main items that caused the difference between the statutory effective tax rate and the tax burden rate after application of tax effect accounting	2	Breakdown of the main items that caused the difference between the statutory effective tax rate and the tax burden rate after application of tax effect accounting
	Description is omitted because the difference between the statutory effective tax rate and the tax burden rate after application of tax effect accounting is 5% or less of the statutory effective tax rate.		Statutory effective tax rate 30.62%
			(Adjustment)
			Permanent difference 2.20%
			Cost for amortization of goodwill 1.29%
			Difference arising from difference in tax rates for consolidated subsidiaries 1.18%
			Resident tax per capita 0.24%
			Other adjustments <u>△0.13%</u>
			<u>35.40%</u>

(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 types of business by reporting segment (as of March 31, 2024) 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	Investment management including setting, solicitation, and management of investment trusts centered on publicly offered additional stock investment trusts and privately offered bond-type investment trusts, investment advisory services for funds of funds, defined contribution pension-related consulting, etc.

(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
Financial Services	Daily web-based "Stock Newspaper," stock and corporate information distribution, fund analysis report, domestic stock report, U.S. stock report, provision of custom fund data to financial institutions and media, selection and announcement of fund awards, provision of investment trust comparison analysis tools, advice related to corporate defined contribution pension plans, planning and operation of websites related to individual defined contribution pension plan (iDeCo) and small investment tax exemption system (NISA) as well as their content creation and provision, sales of tablet application data to financial institutions, and provision of information on valuation of crypto assets Advertising on the Group's website (Wealth Advisor website, Chinese information site "Searchina"), consulting income related to advertising of financial product sales institutions in various types of media, marketing consulting, advertising agency business, newspaper advertising, seminars on IR, life planning, asset management, etc., life planning support business including provision of simulation tools, etc.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items in the reporting segments

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

Profit for the reporting segment is based on operating income.

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

SBI Asset Management Co., Ltd., Shinsei Investment Management Co., Ltd. (currently SBI Asset Management Co., Ltd.), Carret Holdings, Inc., Carret Asset Management LLC, SBI Alternative Investment Management Co., Ltd.

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

For Carret Holdings, Inc. and Carret Asset Management LLC, the figures for assets, liabilities and other items as of December 31, 2023, and sales, profits and other items from January 1 to December 31, 2023, are used in preparing the segment information. For important transactions that occurred between the consolidated closing date and fiscal year end of the above companies, the necessary adjustments for consolidation are made.

The amount of sales, profits and other items, and the amount of assets, liabilities and other items of the financial services business are the total of the amounts of sales, profits and other items, and the amounts of assets, liabilities and other items of SBI Global Asset Management Co., Ltd. and Wealth Advisor Co., Ltd.

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

3. Information on sales and income or loss for each reporting segment
Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	6,841,373	1,905,740	8,747,113	-	8,747,113
Internal sales or transfers between segments	164	24,019	24,184	△24,184	-
Total	6,841,538	1,929,760	8,771,298	△24,184	8,747,113
Segment operating income	1,484,812	346,326	1,831,139	-	1,831,139
Segment assets	8,321,184	15,592,340	23,913,524	△2,557,159	21,356,365
Segment liabilities	2,929,016	4,184,607	7,113,623	△2,557,159	4,556,464
Other					
Depreciation	15,072	418,895	433,967	-	433,967
Amortization of goodwill	100,279	17,025	117,304	-	117,304
Increase in tangible and intangible fixed assets	140,623	554,792	695,416	-	695,416

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	8,210,510	1,927,085	10,137,596	-	10,137,596
Internal sales or transfers between segments	702	4,596	5,298	△5,298	-
Total	8,211,213	1,931,681	10,142,894	△5,298	10,137,596
Segment operating income	1,766,411	344,913	2,111,325	-	2,111,325
Segment assets	11,790,806	11,673,957	23,464,763	△4,839,119	18,625,643
Segment liabilities	2,367,456	4,980,823	7,354,357	△4,839,119	2,515,237
Other					
Depreciation	98,908	300,636	399,544	-	399,544
Amortization of goodwill	105,743	-	105,743	-	105,743
Increase in tangible and intangible fixed assets	233,549	254,749	488,299	-	488,299

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, 2023	Fiscal Year ended March 31, 2024
Total of reporting segment	8,771,298	10,142,894
Elimination of transactions between segments	△24,184	△5,298
Net sales in the consolidated income statement	8,747,113	10,137,596

(Thousand yen)

Segment operating income	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024
Total of reporting segment	1,831,139	2,111,325
Elimination of transactions between segments	-	-
Operating income in the consolidated income statement	1,831,139	2,111,325

(Thousand yen)

Segment assets	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024
Total of reporting segment	23,913,524	23,464,763
Elimination of transactions between segments	△2,557,159	△4,839,119
Assets in the consolidated balance sheet	21,356,365	18,625,643

(Thousand yen)

Segment liabilities	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024
Total of reporting segment	7,113,623	7,354,357
Elimination of transactions between segments	△2,557,159	△4,839,119
Liabilities in the consolidated balance sheet	4,556,464	2,515,237

(Thousand yen)

Other	Total of reporting segment		Elimination of transactions between segments		Amount recorded on consolidated financial statements	
	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024
Depreciation	433,967	399,544	-	-	433,967	399,544
Amortization of goodwill	117,304	105,743	-	-	117,304	105,743
Increase in tangible and intangible fixed assets	695,416	488,299	-	-	695,416	488,299

[Related information]

1. Information about products and services

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousand yen)

	Asset Management Business	Financial Services Business
Sales to external customers	6,841,373	1,905,740

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Thousand yen)

	Asset Management Business	Financial Services Business
Sales to external customers	8,210,510	1,927,085

2. Information about the area

(1) Net sales

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

(Thousand yen)

Japan	United States	Total
7,338,551	1,408,562	8,747,113

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

(Thousand yen)

Japan	United States	Total
8,589,680	1,547,916	10,137,596

(2) Tangible fixed assets

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousand yen)

Japan	United States	Total
88,512	257,264	345,777

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Thousand yen)

Japan	United States	Total
93,535	220,510	314,046

3. Information about major customers

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Not applicable.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

4. Information on impairment loss on fixed assets or on goodwill of each reporting segment

[Information on impairment loss on fixed assets of each reporting segment]

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousand yen)

	Asset Management Business	Financial Services Business	All consolidated common/elimination	Amount recorded on consolidated balance sheet
Impairment loss	-	248,623	-	248,623

Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

(Significant changes in the amount of goodwill)

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousand yen)

	Asset Management Business	Financial Services Business	All consolidated common/elimination	Amount recorded on consolidated balance sheet
Impairment loss	-	184,449	-	184,449

Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

[Information on amortization of goodwill and unamortized balance per reporting segment]

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousand yen)

	Asset Management Business	Financial Services Business	All consolidated common/elimination	Amount recorded on consolidated balance sheet
Current period depreciation amount	100,279	17,025	-	117,304
As of March 31, 2023	1,676,585	-	-	1,676,585

(Note) An impairment loss of 184,449 thousand yen was recorded for goodwill attributable to the financial services business.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Thousand yen)

	Asset Management Business	Financial Services Business	All consolidated common/elimination	Amount recorded on consolidated balance sheet
Current period depreciation amount	105,743	-	-	105,743
As of March 31, 2023	1,633,229	-	-	1,633,229

[Information on significant negative goodwill income per reporting segment]

Not applicable.

(Information on a per share amount)

	Fiscal Year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Net asset per share (yen)	183.79	178.03
Net income per share (yen)	60.70	17.72
Diluted net income per share (yen)	-	-

Diluted net income per share is not stated as there are no dilutive shares.

(Notes) 1 The amount of net income per share and the basis for calculation of diluted net income per share are as follows.

	Fiscal Year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Net income per share (yen)		
Net income attributable to owners of parent (Thousand yen)	5,443,020	1,589,278
Amount not attributable to common shareholders (Thousand yen)	-	-
Net income attributable to owners of parent related to common stock (Thousand yen)	5,443,020	1,589,278
Average number of shares of common stock during the period (Share)	89,673,453	89,673,480

*Diluted net income per share is not stated as there are no dilutive shares.

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

	Fiscal Year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal Year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Total amount of net assets (thousand yen)	16,799,901	16,110,406
Amount to be deducted from the total amount of net assets (thousand yen)	318,858	146,008
(Non-controlling interests of above (thousand yen))	(318,858)	(146,008)
Net asset value related to common stock of fiscal year end (thousand yen)	16,481,042	15,964,398
Number of year-end common shares used to calculate net assets per share (shares)	89,673,480	89,673,480

(Significant subsequent events)

Not applicable.