

## Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

# Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 8, 2023

Company name: Rheos Capital Works Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 7330 URL <https://www.rheos.jp/english/>  
 Representative: Representative Director, Chairman, President & CEO, Chief Investment Officer Hideto Fujino  
 Inquiries: Managing Director & CAO Jiro Iwata TEL 03(6311)6799  
 Scheduled date to file Quarterly Securities Report: November 10, 2023  
 Scheduled date to commence dividend payments: December 8, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	5,139	—	998	—	1,003	—	709	—
Six months ended September 30, 2022	—	—	—	—	—	—	—	—

Note: Comprehensive income Six months ended September 30, 2023 ¥673 million [—%]  
 Six months ended September 30, 2022 ¥— million [—%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	57.27	57.13
Six months ended September 30, 2022	—	—

Notes: 1. Figures for the six months ended September 30, 2022 and the percentages indicating year-on-year changes for the six months ended September 30, 2023 are not presented because the Company did not prepare quarterly consolidated financial statements for the six months ended September 30, 2022.

2. The Company's shares were listed on the Growth Market of the Tokyo Stock Exchange on April 25, 2023. For the diluted earnings per share for the six months ended September 30, 2023, the figure is calculated using the average share price from the date the shares were newly listed to September 30, 2023 as the average share price for the period.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	10,423	6,882	62.6
As of March 31, 2023	8,704	6,094	65.5

Reference: Equity As of September 30, 2023 ¥6,524 million  
 As of March 31, 2023 ¥5,700 million

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	—	0.00	—	27.50	27.50
Year ending March 31, 2024	—	18.00			
Year ending March 31, 2024 (Forecast)			—	—	—

Note: Revisions to the cash dividend forecasts most recently announced: Yes

Note: The Company has not determined the dividend forecast for the dividends for the fiscal year ending March 31, 2024 because the forecast of financial results has not been disclosed.

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

The consolidated financial results forecast has not been presented as it is difficult to announce the detailed financial results forecast due to the balance of assets under management, which is the source of the Group's revenue, being significantly impacted by the stock markets of not only Japan, but also the rest of the world as well as the existence of various uncertainties in the forecast resulting from economic conditions, the market environment, etc.

For the past figures regarding the balance of assets under management in the investment trust business and investment advisory business, please refer to the preliminary figures for the end of the previous month disclosed separately around the tenth business day at the beginning of every month.

## 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- |  |    |
|--|----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | No |
| Changes in accounting policies due to other reasons:   | No |
| Changes in accounting estimates:   | No |
| Restatement of prior period financial statements:  | No |

### (4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	12,882,800 shares	As of March 31, 2023	12,016,600 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2023	— shares	As of March 31, 2023	— shares
--------------------------	----------	----------------------	----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	12,396,056 shares	Six months ended September 30, 2022	— shares
-------------------------------------	-------------------	-------------------------------------	----------

Note: Average number of shares during the period for the six months ended September 30, 2022 is not presented because the Company did not prepare quarterly consolidated financial statements for the six months ended September 30, 2022.

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance and other results may differ substantially due to various factors.

# Quarterly consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,103,583	2,980,051
Deposits held in trust	1,500,000	1,800,000
Operational investment securities	218,722	238,466
Supplies	8,671	6,617
Prepaid expenses	88,024	132,523
Accrued investment trust management fees	3,725,272	4,005,759
Accounts receivable-advisory fee	52,165	58,941
Other	41,255	7,139
Total current assets	7,737,696	9,229,500
Non-current assets		
Property, plant and equipment	238,236	488,480
Intangible assets	381,765	358,458
Investments and other assets	347,092	346,733
Total non-current assets	967,094	1,193,672
Total assets	8,704,790	10,423,172
<b>Liabilities</b>		
Current liabilities		
Deposits received	225,727	759,465
Accounts payable	119,080	212,124
Accrued expenses	1,561,345	1,685,803
Income taxes payable	155,966	354,169
Accrued consumption taxes	100,867	76,462
Provision for bonuses	199,333	184,880
Provision for bonuses for directors (and other officers)	11,566	–
Other	58,863	79,753
Total current liabilities	2,432,750	3,352,659
Non-current liabilities		
Retirement benefit liability	92,009	102,296
Asset retirement obligations	85,886	86,096
Total non-current liabilities	177,895	188,392
Total liabilities	2,610,645	3,541,052
<b>Net assets</b>		
Shareholders' equity		
Share capital	100,000	322,277
Capital surplus	407,370	629,638
Retained earnings	5,193,158	5,572,592
Total shareholders' equity	5,700,529	6,524,507
Non-controlling interests	393,614	357,612
Total net assets	6,094,144	6,882,120
Total liabilities and net assets	8,704,790	10,423,172

# Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

## Consolidated statements of income (cumulative)

	(Thousands of yen)
	Six months ended September 30, 2023
Operating revenue	
Investment trust management fees	5,036,644
Investment advisory fee	132,455
Gains and losses related to operating investment securities	(29,956)
Total operating revenue	5,139,143
Operating expenses	2,469,815
General and administrative expenses	1,670,484
Operating profit	998,844
Non-operating income	
Interest income	27
Foreign exchange gains	7,209
A lecture and a manuscript fee income	1,386
Advertisement fee	1,968
Other	1,330
Total non-operating income	11,922
Non-operating expenses	
Listing expenses	6,872
Other	295
Total non-operating expenses	7,168
Ordinary profit	1,003,599
Profit before income taxes	1,003,599
Income taxes - current	328,301
Income taxes - deferred	1,410
Total income taxes	329,711
Profit	673,887
Loss attributable to non-controlling interests	(36,002)
Profit attributable to owners of parent	709,889

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2023
Profit	673,887
Comprehensive income	673,887
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	709,889
Comprehensive income attributable to non-controlling interests	(36,002)

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023
Cash flows from operating activities	
Profit before income taxes	1,003,599
Depreciation	207,617
Increase (decrease) in provision for bonuses	(14,453)
Increase (decrease) in provision for bonuses for directors (and other officers)	(11,566)
Increase (decrease) in retirement benefit liability	10,287
Interest and dividend income	(27)
Decrease (increase) Segregated trust account	(300,000)
Account Receivable-increase and decrease management fee	(280,486)
Account Receivable-increase and decrease advisory fee	(6,776)
Decrease (increase) in operational investment securities	(19,743)
Decrease (increase) in other assets	(38,363)
Increase (decrease) in deposits received	533,738
Increase (decrease) in accounts payable - other	133
Increase (decrease) in accrued expenses	124,457
Increase (decrease) in accrued consumption taxes	(24,404)
Increase (decrease) in income taxes payable - factor based tax	26,069
Increase (decrease) in other liabilities	21,100
Subtotal	1,231,181
Interest and dividends received	27
Income taxes paid	(156,168)
Net cash provided by (used in) operating activities	1,075,041
Cash flows from investing activities	
Purchase of property, plant and equipment	(255,669)
Purchase of intangible assets	(57,191)
Other, net	200
Net cash provided by (used in) investing activities	(312,661)
Cash flows from financing activities	
Proceeds from issuance of shares	444,544
Dividends paid	(330,456)
Net cash provided by (used in) financing activities	114,088
Net increase (decrease) in cash and cash equivalents	876,468
Cash and cash equivalents at beginning of period	2,105,338
Cash and cash equivalents at end of period	2,981,806