



Apr. 2023 – Jun. 2023

1Q Earnings Presentation

August 9th, 2023

Rheos Capital Works Inc. (Securities Code : 7330)

Financial Instruments Business Operator - issued by Director-General of Kanto Local Finance Bureau "Kinsho" No. 1151

Member Association : The Investment Trusts Association / Japan Investment Advisers Association

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RHEOS CAPITAL WORKS

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Company Profile

Creating the Flow of Enrichment through Financial Inclusion



Company name Rheos Capital Works Inc. (the “Company”)

Philosophy To have a positive impact on society as a responsible participant of capital markets

Services Investment advisory services on investment trusts

Foundation April 2003

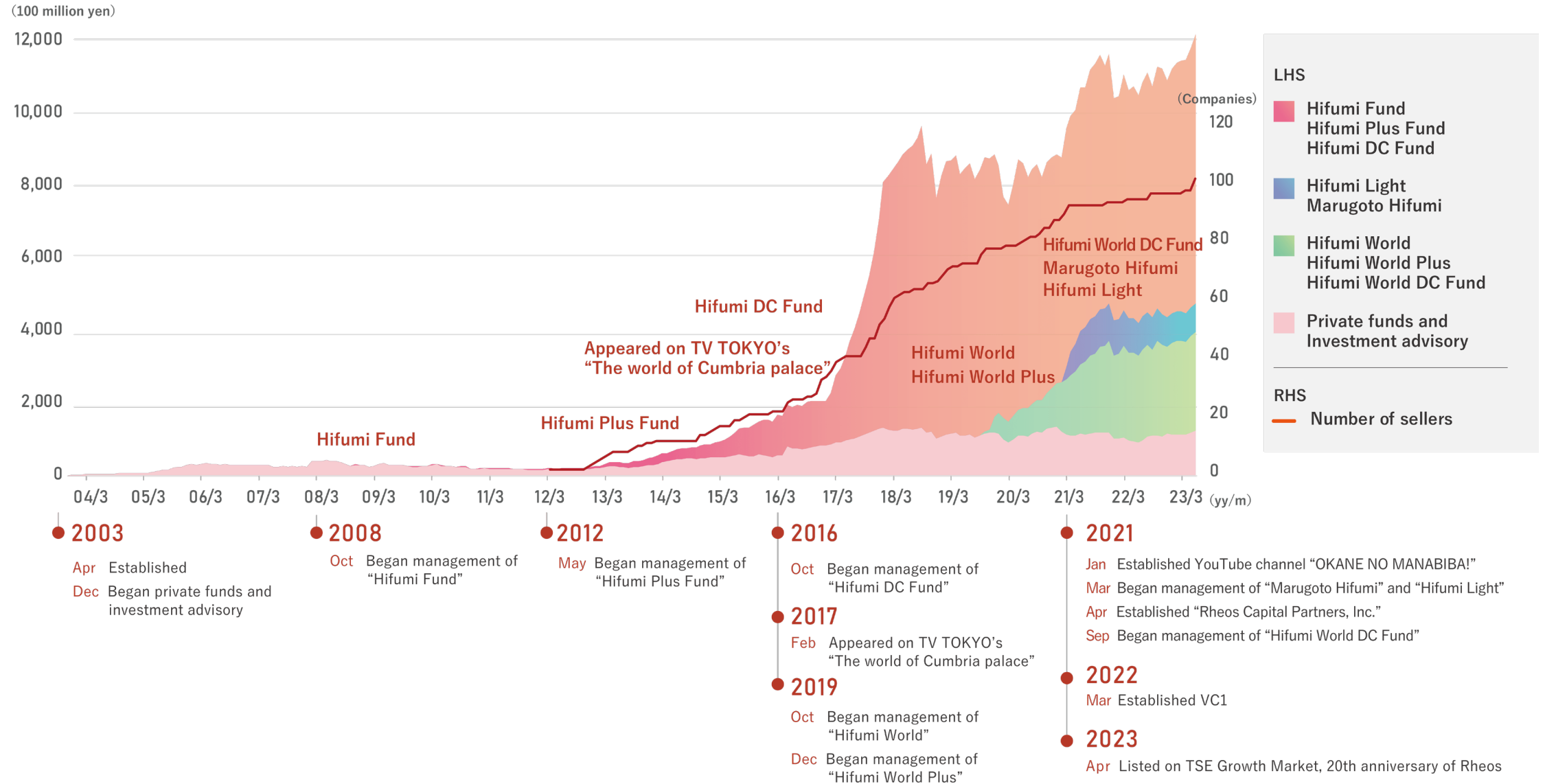
Number of employees 116 (118 on a consolidated basis)
as of March 31, 2023

Origin of the company name

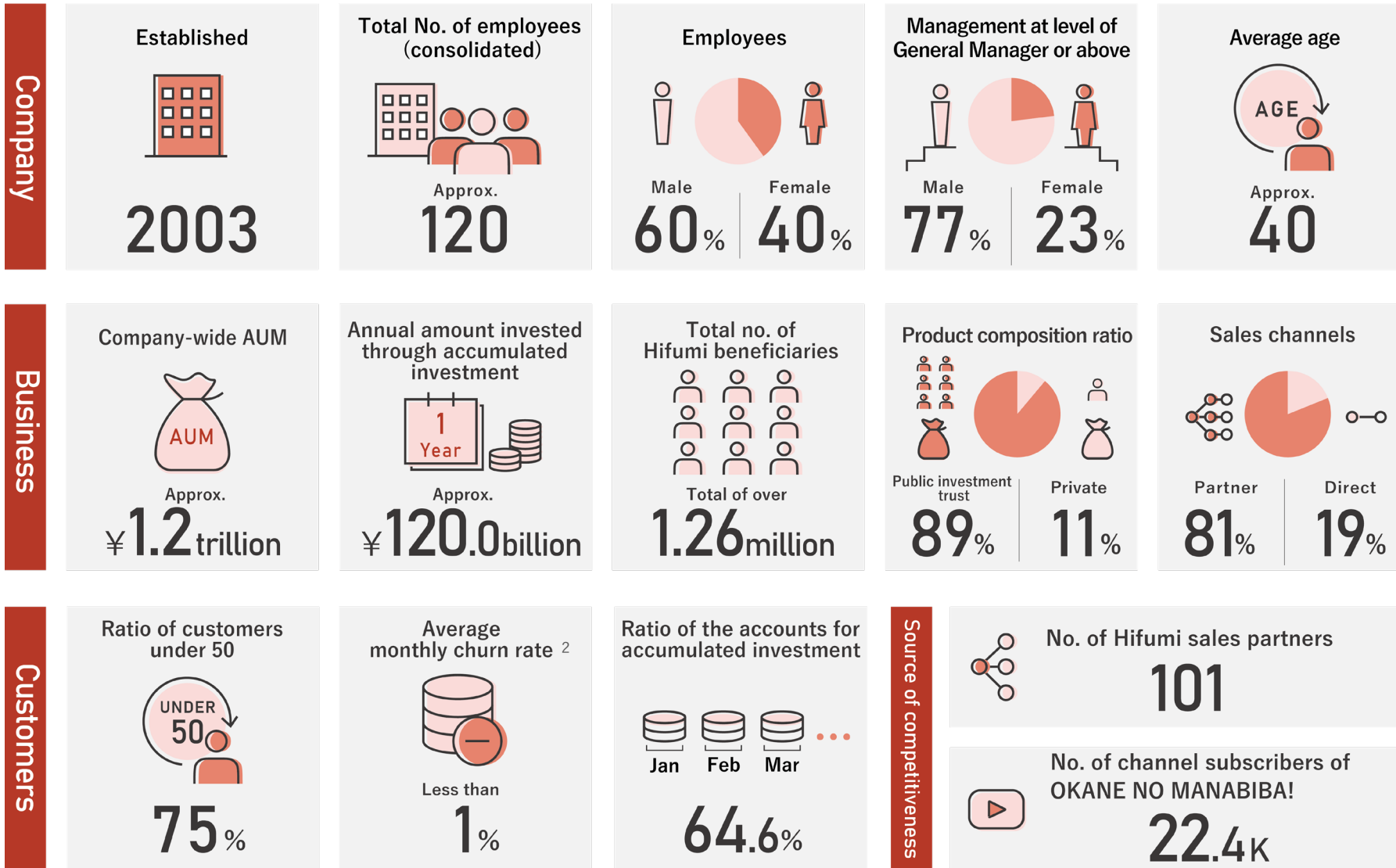
“Rheos” means “flow” in ancient Greek.

We named the company with a desire to be a “works” that creates the “flow” of “capital” such as human resources, capital, wisdom, technology, etc.

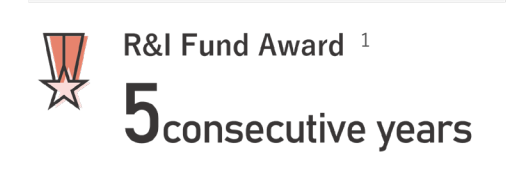
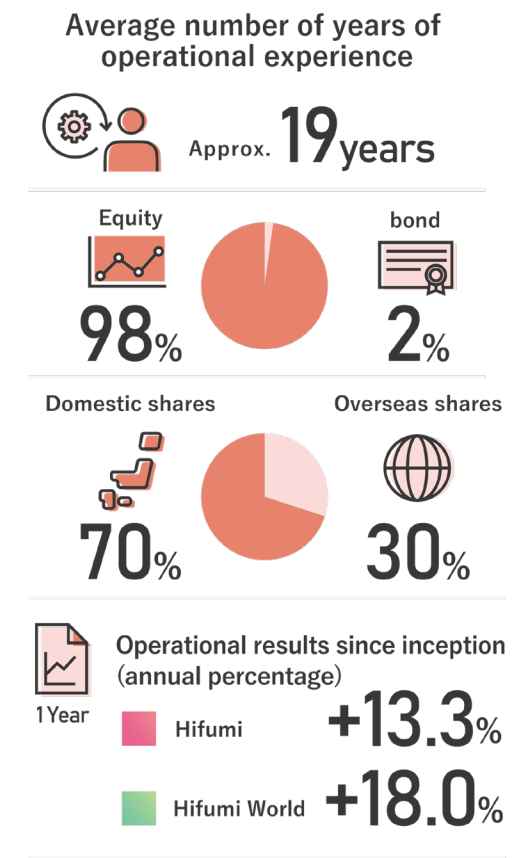
History



Highlights



Operations



Prepared by Rheos Capital Works based on information available as of June 30, 2023.

- Please refer to "Notes on using this material" as described hereafter for details regarding the "R&I Fund Award."
- Cancelled account means an account whose balance of the month is zero. Direct accounts only.

A new asset management company that supports asset building through unique dissemination of information to the working generation

Investment Trusts Business

We offer investment trusts that invest in domestic and foreign stocks and fixed income through two sales channels of direct sales and indirect sales.

Investment Advisory Business

We manage domestic corporate pension funds and overseas sovereign wealth funds.

Other Business

Rheos Capital Partners, Inc., our wholly owned subsidiary, manages funds designed to invest in venture companies, etc.

Product line-up

By Sales Channel

By Investment Assets

	Publicly-offered investment trusts (Direct) ¹	Publicly-offered investment trusts (Partner) ²	Privately-placed investment trusts
Domestic equity		—	Rheos Japan Small-cap Equity Fund (For Private Placement)
Domestic and foreign equity	Hifumi Fund (0.90%)	Hifumi Plus Fund (0.455%) Hifumi DC Fund (0.355%) Marugoto Hifumi 100 (0.59%)	—
Foreign equity	Hifumi World (1.46%)	Hifumi World Plus (0.73%) Hifumi World DC Fund (0.49%)	—
Domestic and foreign asset composite (Balanced fund)	Hifumi Light (0.48%)	Marugoto Hifumi 15 (0.29%) Marugoto Hifumi 50 (0.415%)	Marugoto Hifumi 50 (For Qualified Institutional Investors only)

Hifumi DC Fund and Hifumi World DC Fund are investment trusts that can only be invested in a defined contribution plan (iDeCo/Corporate DC).

1. Sales to customers who have opened accounts directly with us
2. Sales through partner banks, securities companies, etc.
3. The figures shown for each product are the trust fee rate (annualized and exclusive of tax) that the Company earns as trustee of the mutual fund. For partners, the agency commission rate paid to the distributing partner is deducted. For products for which the trust fee rate decreases in proportion to net asset value, the maximum rate is shown.

Our Problem Awareness

Challenges

- Most Japanese people think “**investment is not necessary for asset building**”, and **the ratio of cash and deposits to the total individual financial assets in Japan remains high.**
- If this trend goes on, **the structure of people’s financial assets may be polarized,** resulting in the widening of financial disparity.

Solutions

- Grow investment trusts to not just a financial asset, but **a partner of asset building** that our customers will cherish for a long time.
- Deliver knowledge on investment to a wide range of people, and develop and provide **a mechanism for enabling anyone to start asset building in an easy and safe manner.**

We work on financial inclusion.

The World We Aim for through Financial Inclusion

A world in which all people can enjoy the benefits of financial services.

Bring more people to “the center of the next era of prosperity.”

Learn about money, save it with Hifumi,
and support each other with mutual assistance.

The world we don't aim for



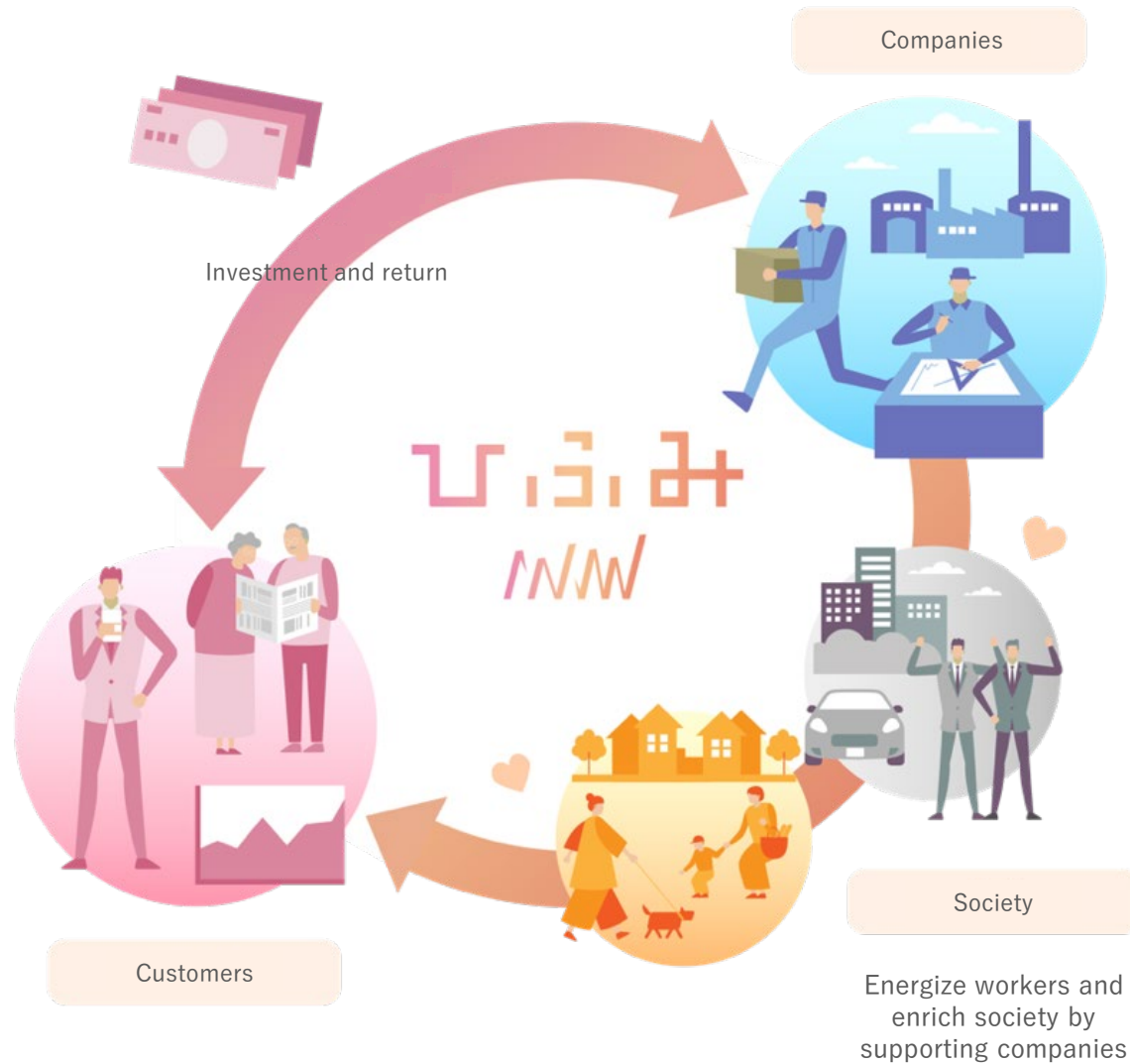
The world we aim for



Pathway to that world

- 1 More people hold Hifumi.
- 2 Learn and implement an effective way to use money.
- 3 Society gets better through investment.

Powerful Hifumi Brand



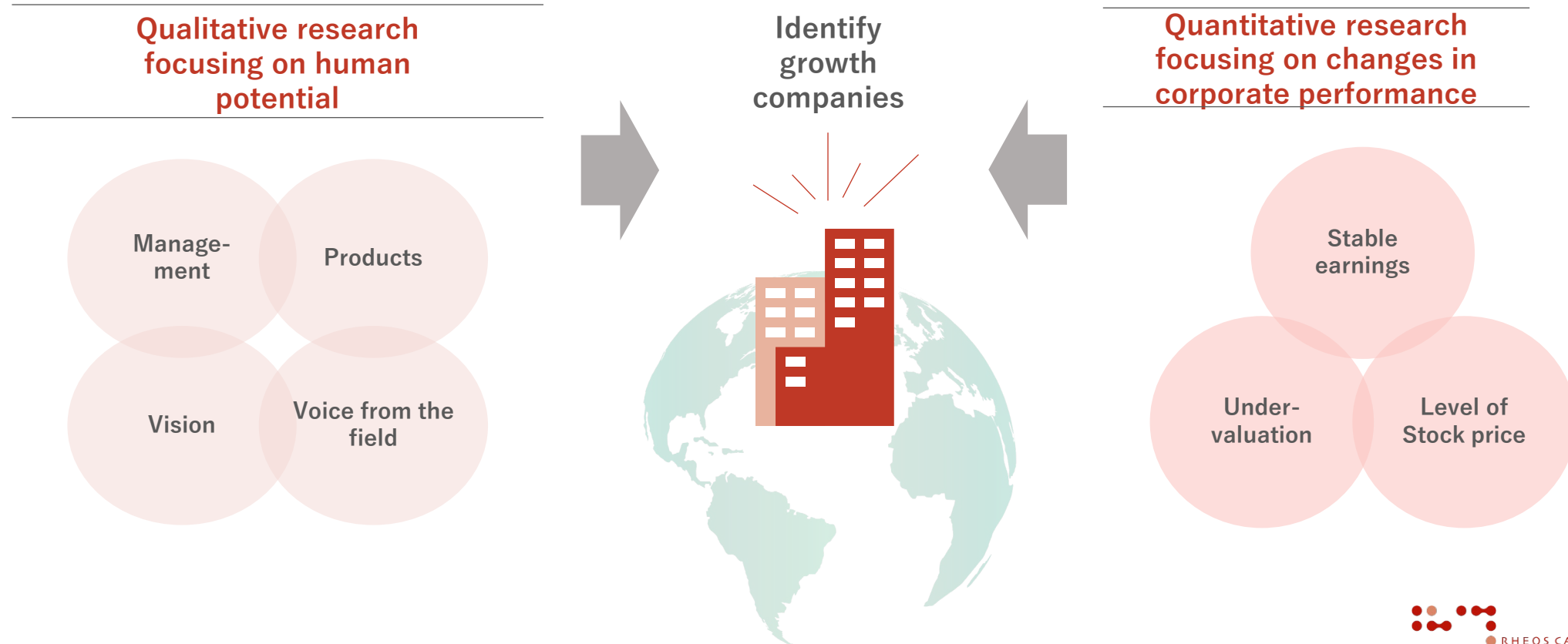
To the center
of the next level
of prosperity

Three Key Elements That Support the Hifumi Brand

We will continue to enhance the value of the Hifumi brand by concentrating our “Asset management ability”, “Power of influence”, and “Sales force.”



- Long-term investment in stocks that we believe are undervalued against long-term future value, regardless of industry or company size.
- Conduct quantitative evaluation based on thorough analysis of financial and stock price indices.
- Analysts actively meet with the management in Japan and abroad to conduct qualitative evaluation of management policies and strategies as well as products and services based on feedback from the field.
- The asset accumulation-type business model with low cancellation rates leads to the medium- to long-term holding of investments.



Educational Activities on Investment on YouTube

- Make a conscious effort to fully understand the needs of customers through a face-to-face asset management, organize seminars and other events in which asset managers would share their ideas in their own words, and make them available via YouTube, Zoom, Spotify, etc.
- Launched a YouTube channel called “A Place to Learn about Money! (OKANE NO MANABIBA!)” in January 2021 to provide fun and easy-to-understand information on money and investment.

Face-to-Face Asset Management

One of the largest number of subscribers in the industry



Number of YouTube subscribers¹

224K

Total number of YouTube views¹

54.16 million times

1. Number of YouTube subscribers and total number of views of OKANE NO MANABIBA! (as of June 30, 2023)

Comparison of Sales Methods

➤ AUM¹ has increased, leveraging the respective strengths of partner and direct sales methods.

	Direct	Partner
AUM¹	¥ 205.9 billion	¥ 888.1 billion
Beneficiaries²	60,911	Total of over 1.2 million
Others	Kotsukotsu accumulated investment ratio ³ 64.6% Cancellation ratio ⁴ < 1%	Number of sales partners ⁵ 101

1. Outstanding balance of publicly-offered investment trusts sold directly and indirectly as of June 30, 2023.
2. As of June 30, 2023. For partners, estimated value based on questionnaires to sales companies as of September 30, 2022 (number of beneficiaries who responded to the questionnaire x company-wide AUM / AUM who responded to the questionnaire) is used. Customers who have two or more accounts are counted multiple times.
3. The ratio of the number of the accounts for accumulated investment to the number of all remaining accounts. Direct accounts only as of June 30, 2023.
4. Cancelled account means an account whose balance of the month is zero. Average monthly cancellation ratio from July 2022 to June 2023 (number of cancelled accounts as of the month end / number of accounts remaining as of the end of the previous month).
5. As of June 30, 2023.



RHEOS CAPITAL WORKS

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FY2023 1Q Financial Highlights (April 1, 2023-June 30, 2023)

Summary of Financial Results

- Operating revenue was ¥2,551 million, an increase of 7.4% year on year, due to a significant increase to the balance of assets under management caused by a rise in net asset value for investment trusts from April 2023 onward. Operating profit was ¥483 million, an increase of 20.3% year on year, due to the growth of selling, general and administrative expenses, other than commission expenses, being suppressed.
- The Company plans to pay interim dividends (record date: September 30, 2023; ¥14 per share) from this fiscal year. For the year-end dividend, together with the interim dividend, the Company plans to pay a surplus dividend with a target consolidated annual dividend payout ratio of 30%.

(Unit: millions of yen)

	FY2023 1Q	Year-on-year change	FY2022 1Q	FY2022
Investment trust management fees	2,487	7.1%	2,322	9,477
Investment advisory fees	63	21.7%	52	182
Operating revenue	2,551	7.4%	2,375	9,660
Operating revenue (net) ¹	1,538	7.0%	1,437	5,815
Selling, general and administrative expenses (excluding commission expenses)	1,054	1.9%	1,035	4,204
Operating profit	483	20.3%	402	1,610
Ordinary profit	482	17.1%	412	1,625
Profit attributable to owners of parent	332	25.4%	264	1,087
EPS	¥27.04	22.7%	¥22.05	¥90.50
Diluted EPS ²	¥25.94	-	-	-

The Company has prepared reference values for the first quarter of the fiscal year ended March 31, 2023 as it did not prepare quarterly consolidated financial statements. A quarterly review was not carried out by Crowe Toyo & Co. for these figures.

¹ Amount when commission expenses (agency fees payable to sales partners in indirect sales) are deducted from operating revenue.

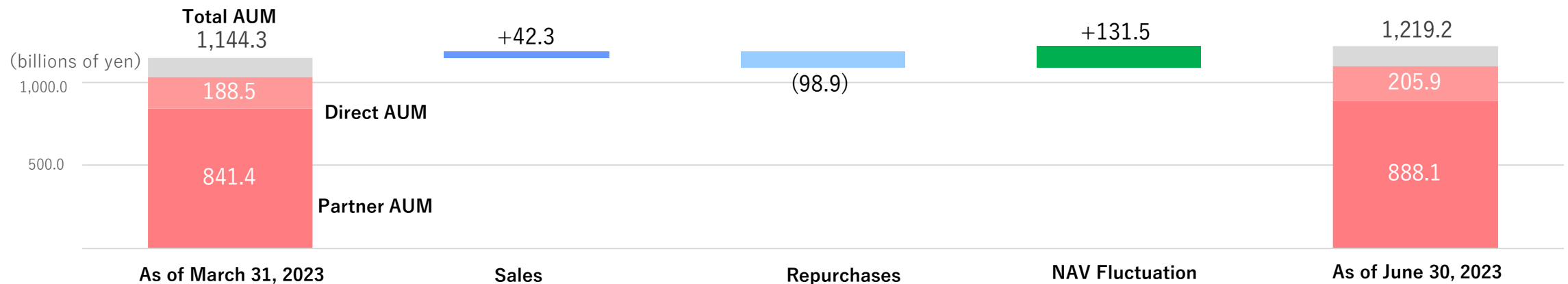
² While the Company does have dilutive shares, information regarding diluted EPS in the fiscal year ended March 31, 2023 has not been presented as the average share price during the period could not be determined due to the Company's shares being unlisted in the fiscal year ended March 31, 2023.

Total Assets Under Management (AUM)

■ Net asset value rose significantly due to the market environment taking a turn for the better. Although repurchases increased due to selling on rally, the total balance of assets under management was ¥1,219.2 billion, an increase of 6.5% year on year.

(Unit: billions of yen)

	As of March 31, 2023	Position of current fiscal year			As of June 30, 2023	Change
	AUM	Sales	Repurchases	NAV Fluctuation ³	AUM	
Direct ¹	188.5	6.7	(11.4)	22.1	205.9	9.2%
Partner ²	841.4	35.5	(87.4)	98.6	888.1	5.6%
Privately-placed investment trusts	1.5	0.0	0.0	0.1	1.7	9.2%
Investment trusts	1,031.5	42.3	(98.9)	120.8	1,095.7	6.2%
Investment advisory	112.7	0.0	0.0	10.7	123.4	9.5%
Company total	1,144.3	42.3	(98.9)	131.5	1,219.2	6.5%

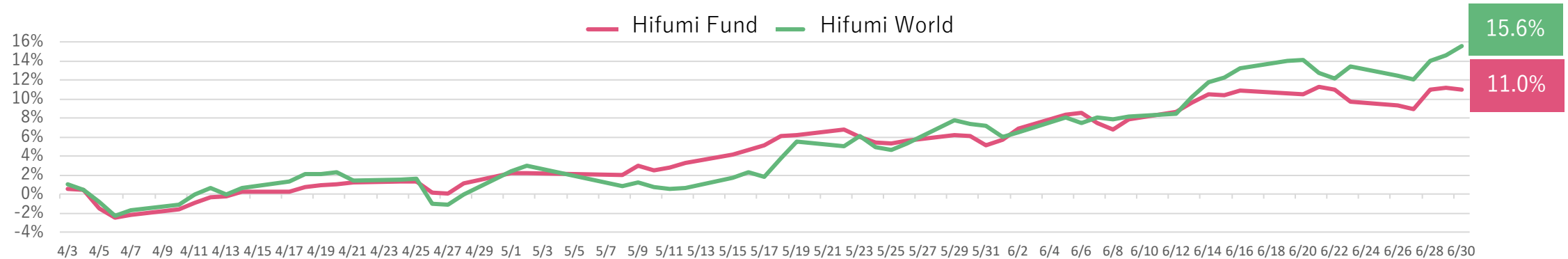


1 Publicly-offered investment trusts that are directly sold to customers who have opened an account at the Company
 2 Publicly-offered investment trusts that are indirectly sold through the Company's partners, such as banks or securities companies
 3 Increase or decrease in AUM due to fluctuations in net asset value (NAV)

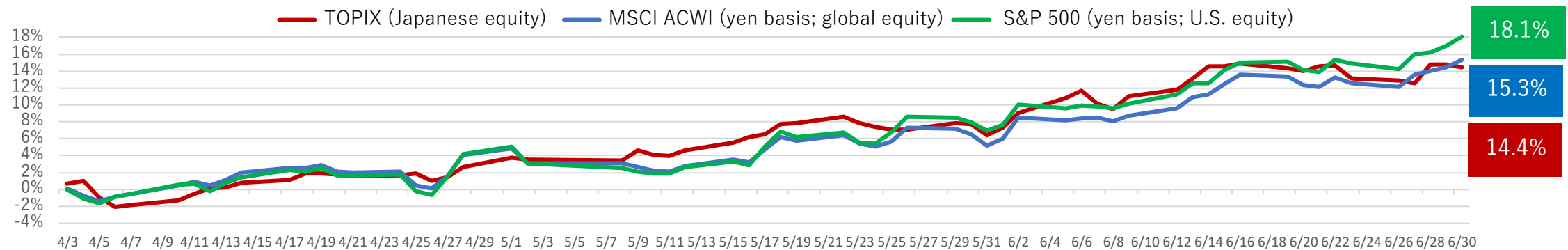
Investment Management

- The market environment took a turn for the better, and net asset value rose significantly, with Hifumi Fund increasing by 11.0% year on year and Hifumi World increasing by 15.6% year on year, due to overseas markets trending strongly after inflation indicators calmed down and review purchases proceeding in the Japanese market caused by overseas momentum because of the expectation that low-PBR will be supported by the TSE, the expectation that the Japanese market will move away from the long-lasting deflation and other factors.

< Trends of net asset value of Hifumi Fund and Hifumi World for April 2023-June 2023 >



(Reference) Various market data (dividend-inclusive indices) April 2023-June 2023



For an explanation of the various markets data, see the "Notes on using this material" presented later in this material.

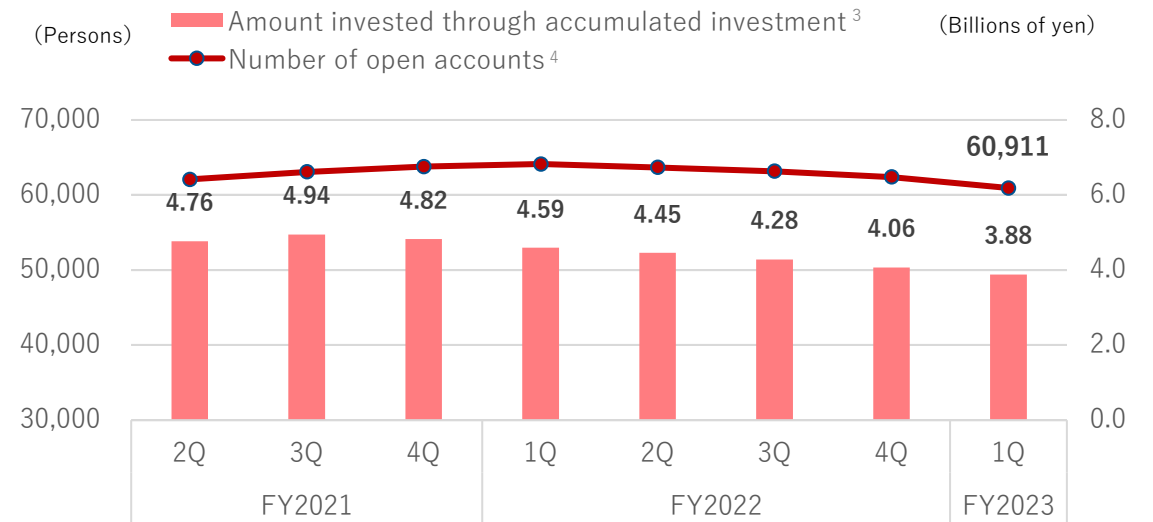
Direct Sales

- Although repurchases increased due to selling on rally in association with rising net asset value, direct AUM was ¥205.9 billion, an increase of 9.2% year on year, as the amount invested through accumulated investment showed signs of bottoming out on a monthly basis.
- Although the Company deepened relationships with many customers, primarily through various online and face-to-face seminars, the repurchase rate increased due to the increase of net asset value for investment trusts, and the number of customers (number of open accounts) holding direct sales investment trusts of either “Hifumi Fund,” “Hifumi World” or “Hifumi Light” decreased by 1,491 persons from the end of previous fiscal year to 60,911 persons.

(Unit: billions of yen)

	As of March 31, 2023 AUM	Amount invested through accumulated investment ¹	Spot amount ²	NAV fluctuation	As of June 30, 2023 AUM	Change
Hifumi Fund	143.7	2.7	(6.0)	15.6	156.1	+8.6%
Hifumi World	41.9	1.0	(2.4)	6.4	46.9	+12.0%
Hifumi Light	2.9	0.0	(0.1)	0.0	2.8	(1.2)%
Direct Total	188.5	3.8	(8.6)	22.1	205.9	+9.2%

< Trends of amount invested through accumulated investment and number of open accounts >



- 1 The amount that customers have actually purchased in investment trusts under contracts for “accumulated investment purchases” offered by the Company.
- 2 The amount calculated by deducting the amount in 1. above, and the amount of repurchases from the amount of sales, i.e. net inflow/outflow amount excluding the purchases made by accumulated investment.
- 3 Total amount of 1. above for each quarter.
- 4 Number of customers holding either “Hifumi Fund,” “Hifumi World,” or “Hifumi Light” at the end of each quarter.

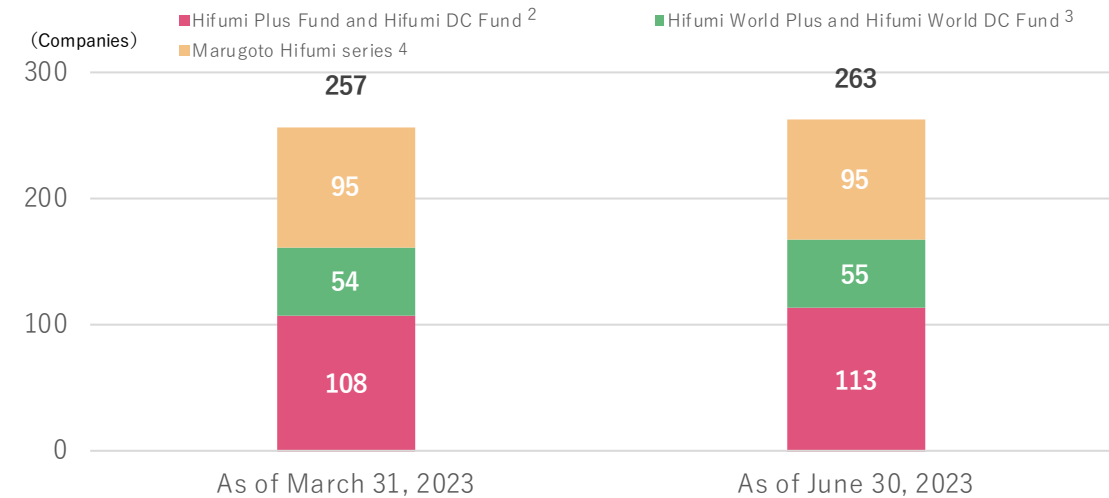
Partner Sales

- Similar to direct sales, although repurchases increased due to selling on rally in association with rising net asset value for investment trusts, partner AUM was ¥888.1 billion, an increase of 5.6% year on year, as the Company was able to secure a certain amount of sales.
- In light of the introduction of the new NISA system, the number of sales partners¹ increased by 6 companies, bringing the total to 263 companies, as the Company was able to secure new sales partners to handle the Hifumi Plus Fund.

(Unit: billions of yen)

	As of Mrch 31, 2023 AUM	Sales	Repurchases	NAV fluctuation	As of June 30, 2023 AUM	Change
Hifumi Plus Fund	489.2	20.5	(40.0)	53.4	523.1	6.9%
Hifumi World Plus	216.2	8.4	(33.0)	31.9	223.5	3.4%
Hifumi DC Fund	58.3	3.3	(2.9)	6.4	65.3	11.9%
Hifumi World DC Fund	0.4	0.2	0.0	0.0	0.6	59.2%
Marugoto Hifumi 15	8.1	1.3	(2.0)	0.1	7.6	(6.3)%
Marugoto Hifumi 50	29.0	0.9	(2.7)	1.7	28.9	(0.2)%
Marugoto Hifumi 100	39.9	0.6	(6.5)	4.7	38.6	(3.0)%
Partner total	841.4	35.5	(87.4)	98.6	888.1	5.6%

< Trend of number of sales partners handling each product >



1 Aggregate of the number of sales partners for each investment trust. For example, if Partner A handles Hifumi Plus Fund, Marugoto Hifumi 50 and Marugoto Hifumi 100, Partner A counts as 3 sales partners.

2 Aggregate of the number of sales partners for Hifumi Plus Fund and Hifumi DC Fund

3 Aggregate of the number of sales partners for Hifumi World Plus and Hifumi World DC Fund

4 Aggregate of the number of sales partners for Marugoto Hifumi 15, Marugoto Hifumi 50, and Marugoto Hifumi 100

Operating Expenses and General & Administrative Expenses

- Investigation expenses increased by 9.9% year on year to ¥181 million mainly due to business expansion and increased US dollar-denominated expenses caused by yen depreciation.
- Personnel expenses increased by 15.9% year on year to ¥403 million due to the impact of increased personnel because of new hiring in the previous fiscal year.
- Advertising expenses decreased by 60.4% year on year to ¥47 million due to focusing on efficient advertising activities despite increasing the amount of some advertising in light of market conditions.
- Depreciation decreased by 0.7% year on year to ¥105 million due to a decrease from the previous fiscal year in the number of YouTube videos produced despite an increase in depreciation of facilities attached to buildings due to office layout changes.

(Unit: millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on- year change	Overview
Commission expenses	938	1,013	8.0%	Commission expenses to sales partners in indirect sales
Investigation expenses	165	181	9.9%	Usage fees for customer management systems, investment trust back office systems, market information services and other business systems
Other operating expenses	36	32	(11.0)%	Promotion expenses, print expenses, etc.
Operating expenses	1,139	1,227	7.7%	
Personnel expenses	348	403	15.9%	Remuneration for directors (and other officers), employees' salaries, etc.
Advertising expenses	119	47	(60.4)%	WEB advertising expenses for new customer acquisition, affiliate expenses, and expenses for YouTube video traffic acquisition
Depreciation	106	105	(0.7)%	Amortization of expenses for YouTube video production capitalized in non-current asset, etc.
Rent expenses on real estate	53	51	(3.1)%	Rent for Head Office, rent for NY Office, etc.
Other general and administrative	206	232	12.6%	Legal welfare expenses, outsourcing expenses, fee expenses, etc.
General and administrative expenses	833	840	0.8%	
Total of operating expenses and general and administrative expenses	1,973	2,067	4.8%	

The Company has prepared reference values for the first quarter of the fiscal year ended March 31, 2023 as it did not prepare quarterly consolidated financial statements. A quarterly review was not carried out by Crowe Toyo & Co. for these figures.

Consolidated Balance Sheet

- The amount of net assets increased by 7.0% year on year to ¥6,518 million because of factors such as an increase in share capital, etc. due to becoming listed, an increase in retained earnings from profit attributable to owners of parent, and the payment of dividends.
- Equity ratio was 65.1%, and we aim to maintain a robust financial base.

< Consolidated Balance Sheet >

(Unit: millions of yen)

	As of March 31, 2023	As of June 30, 2023	Change
Assets	8,704	9,419	8.2%
Current assets	7,737	8,400	8.6%
Cash and deposits	2,103	2,947	40.1%
Segregated deposits for customers	1,500	1,800	20.0%
Accrued investment trust management fees	3,725	3,232	(13.2)%
Operational investment securities	218	229	5.0%
Non-current assets	967	1,018	5.3%
Property, plant and equipment	238	348	46.5%
Intangible assets	381	372	(2.5)%

	As of March 31, 2023	As of June 30, 2023	Change
Liabilities	2,610	2,900	11.1%
Current liabilities	2,432	2,716	11.7%
Non-current liabilities	177	183	3.2%
Net assets	6,094	6,518	7.0%
Shareholders' equity	5,700	6,130	7.5%
Share capital	100	313	213.9%
Capital surplus	407	621	52.5%
Retained earnings	5,193	5,194	0.0%
Non-controlling interests	393	388	(1.3)%

(Reference) Quarterly Status

Business Performance

(Unit: millions of yen)

	FY2022				FY2023
	1 Q	2Q	3Q	4Q	1 Q
Investment trust management fees	2,322	2,396	2,403	2,354	2,487
Investment advisory fees	52	56	10	62	63
Operating revenue	2,375	2,452	2,414	2,417	2,551
Operating revenue (net)	1,437	1,482	1,438	1,457	1,538
Selling, general and administrative expenses (excluding agency fees)	1,035	1,068	1,073	1,027	1,054
Operating profit	402	414	364	429	483
Ordinary profit	412	419	364	429	482
Profit	262	265	230	306	327
Profit attributable to owners of parent	264	274	236	312	332

AUM

(Unit: billions of yen)

	FY2022				FY2023
	1Q-end	2Q-end	3Q-end	4Q-end	1Q-end
Direct	176.6	176.6	179.0	188.5	205.9
Partner	781.0	783.6	794.4	841.4	888.1
Privately-placed investment trusts	4.6	4.8	1.6	1.5	1.7
Investment trusts	962.3	965.2	975.1	1,031.5	1,095.7
Investment advisory	87.7	105.0	107.3	112.7	123.4
Total	1,050.1	1,070.2	1,082.4	1,144.3	1,219.2

The Company has prepared reference values for the first and second quarters of the fiscal year ended March 31, 2023 as it did not prepare quarterly consolidated financial statements. An audit and quarterly review were not carried out by Crowe Toyo & Co. for these figures or AUM.



RHEOS CAPITAL WORKS

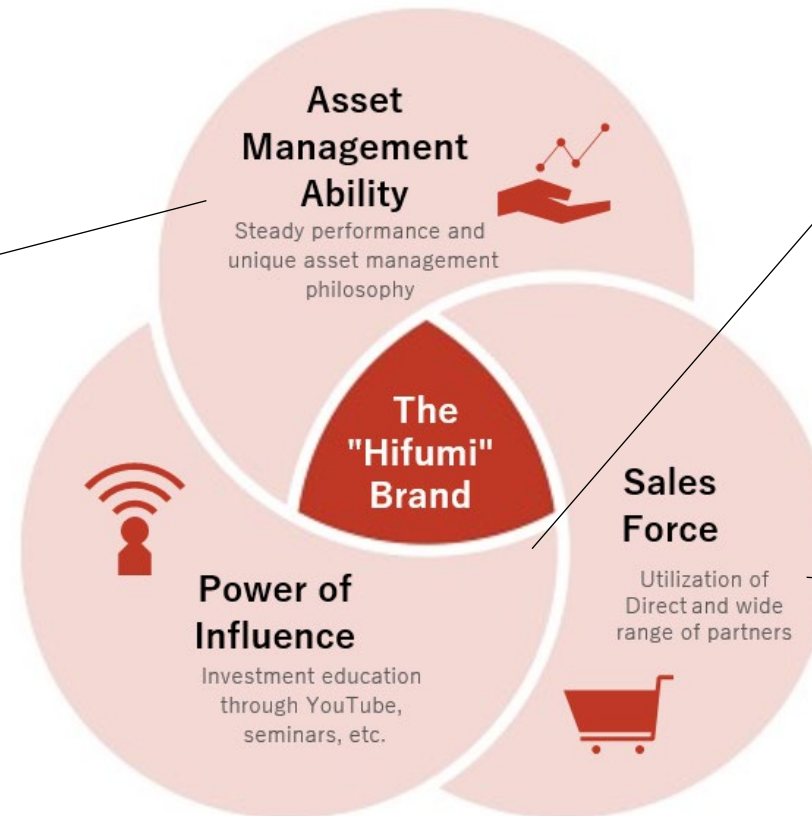
03

Future Growth Strategy

Future Growth Strategy

- We will strengthen our three strengths of “Asset management,” “Influence,” and “Sales” in order to gain widespread recognition of the “Hifumi” Brand, which is the source of our competitive advantage, and widely disseminate savings investment by “Hifumi” in Japan and spread the culture of asset building.

- CIO Fujino fully committed as FM, and enhancing the performance of Japanese equities by expanding the research system to cover the top 200 companies by market capitalization, discovering ten-bagger issues, and utilizing alternative data analysis.
- Enhancing performance of overseas stocks by expanding the New York office, including the dispatch of resident analysts.

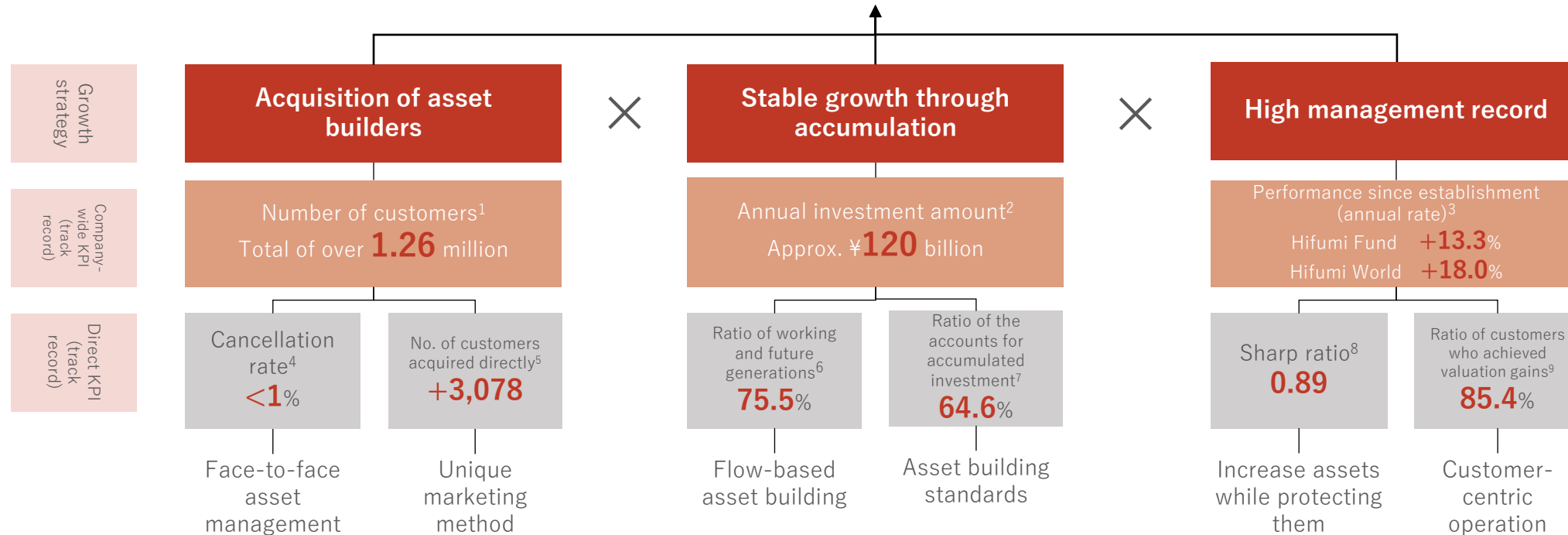


- By continuing to invest in our own media centered on “A Place to Learn about Money! (OKANE NO MANABIBA!)”, we aim to improve our ability to communicate, and by repeatedly verifying the effects, we create content that is highly satisfying and highly recommended by others.

- As for direct, the number of remaining accounts and the amount invested through accumulated investment accounts increased by attracting new novice investors and retaining existing Hifumi fans.
- As for partners, we will continue to develop new sales partners and increase each company's share of the Hifumi.

Growth Strategy and KPIs

Pursue AUM growth by getting more people to engage in accumulated investment.

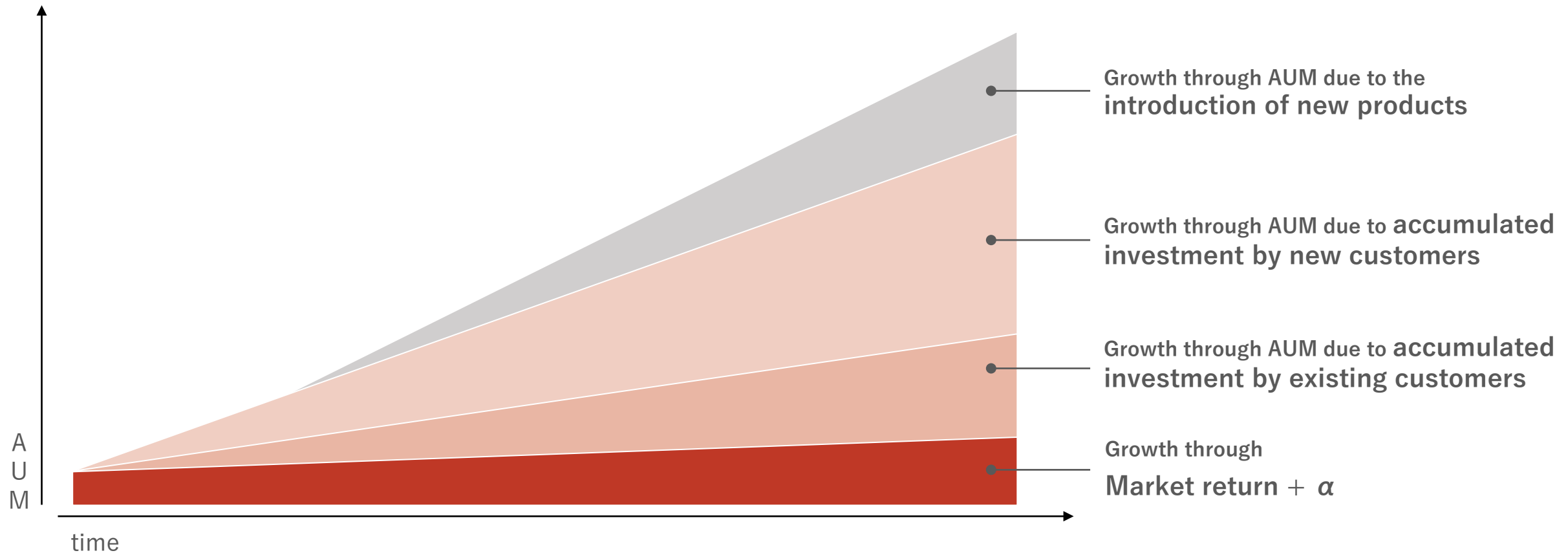


1. Company-wide total value of direct sales customers as of June 30, 2023 and partners as of September 30, 2022. For partners, estimated value based on questionnaires to sales companies (number of beneficiaries who responded to the questionnaire x company-wide AUM / AUM who responded to the questionnaire) is used. Customers who have two or more accounts are counted multiple times.
2. Calculated based on the total amount invested through accumulated investment by both our direct sales customers and our partners in September 2022 multiplied by 12. For partners, estimated value based on questionnaires to sales companies (Monthly accumulated amount that responded to the questionnaire x company-wide AUM / AUM that responded to the questionnaire) is used.
3. Increase rate of the net asset value since establishment to June 30, 2023.

4. Cancelled account means an account whose balance of the month is zero. Average monthly cancellation ratio from July 2022 to June 2023 (number of cancelled accounts as of the month end / number of accounts remaining as of the end of the previous month). Direct accounts only.
5. Total number of customers newly acquired from July 2022 to June 2023. Direct accounts only.
6. Ratio of customers in their 50s or below. Only direct accounts as of June 30, 2023.
7. The ratio of the number of the accounts for accumulated investment to the number of all remaining accounts. Only direct accounts as of June 30, 2023.
8. Data for Hifumi Fund since establishment to June 30, 2023. The Sharpe ratio is the annualized return (the annualized value of the cumulative return since inception) minus the annualized return of the risk-free asset divided by the annualized risk (the annualized value of the standard deviation of each monthly return).
9. Ratio of customers with an investment gain of 0% or more among customers holding investment trusts (excluding corporate customers) in direct accounts as of March 31, 2023.

Future Growth Scenario

- The shift from savings to investment will continue to accelerate due to the permanent increase in the investment period and the expansion of investment limits under the new NISA.
- We aim to take advantage of this trend by spreading accumulated investment with "Hifumi" and promoting acquisition of new customers and additional deposits and increase in investment income by providing new products that meet customers' needs as appropriate.





RHEOS CAPITAL WORKS

04

References

Recent Topics Doubling Asset-based Income Plan ~ Fundamental expansion of New NISA¹~

- The current Kishida administration, which advocates "New Form of Capitalism," announced the "Doubling Asset-based Income Plan¹" designed to channel more than 1,000 trillion yen of household assets held in cash and deposits to investment, thereby creating a virtuous cycle in which households benefit from sustainable growth in corporate value. The introduction of new NISA from 2024 was announced in December 2022 as part of the Outline of the Tax Reform for FY2023².
- The new NISA system will be made permanent and the maximum investment amount will be significantly increased to 18 million yen over a lifetime. The convenience of the new system and the increase in the investment amount are expected to expand investor base and stimulate more investment.

	Current NISA		New NISA	
	Tsumitate NISA	General NISA	Accumulated investment limit	Growth investment limit
Investment period	Up to 20 years	Up to 5 years	Indefinite	
Tax-exempt holding period	20 years	5 years	Indefinite	
Choice of system	Cannot choose both.		Can choose both.	
Maximum investment amount	¥8 million	¥6 million	¥18 million	¥12 million (included in ¥18 million).
Maximum annual investment limit	¥400,000	¥1.2 million	¥1.2 million	¥2.4 million

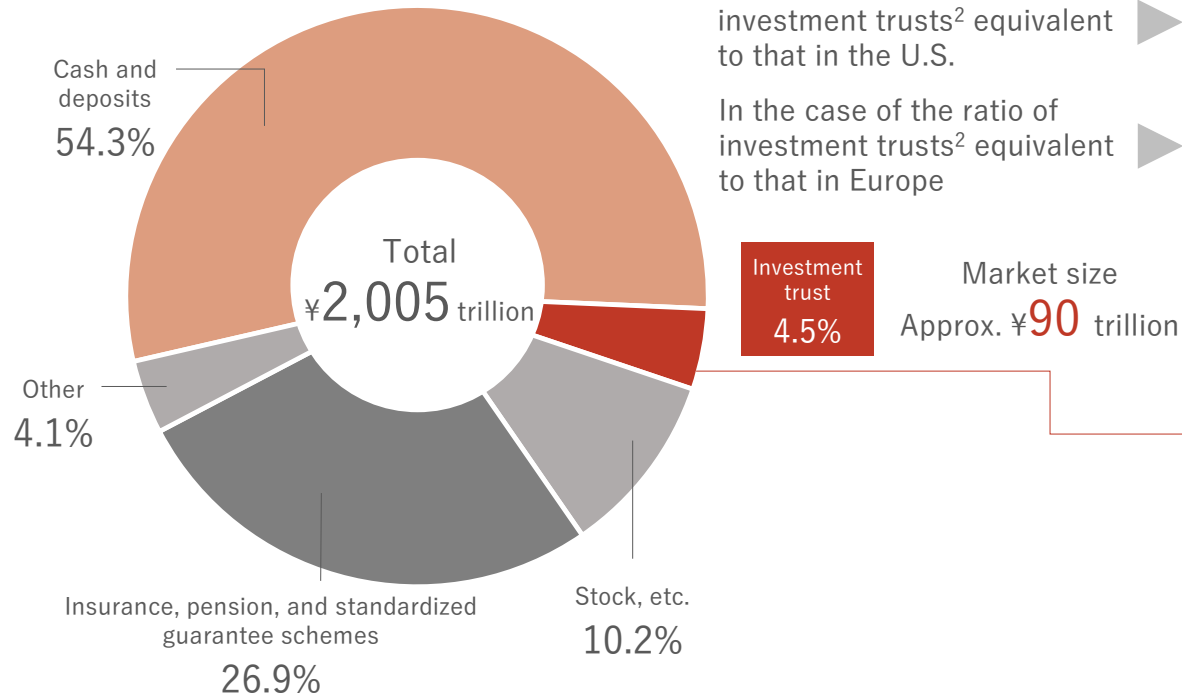
1. Cabinet Secretariat, the New Form of Capitalism Realization Headquarters /the Council of New Form of Capitalism Realization, Subcommittee Meetings, the 3rd Doubling Asset-based Income Subcommittee Meeting Handout (November 25, 2022)

2. Ministry of Finance, the Outline of the Tax Reform for FY2023 (Cabinet Decision on December 23, 2022)

Upside Potential of the Investment Trust Market

Investment trusts account for a lower share of Japan's household financial assets than in the U.S. and Europe, and market expansion is the upside going forward

■ Breakdown of Household Financial Assets in Japan ¹



■ Comparison of Japan, Europe, and the U.S. in the share of household financial assets held in investment trusts

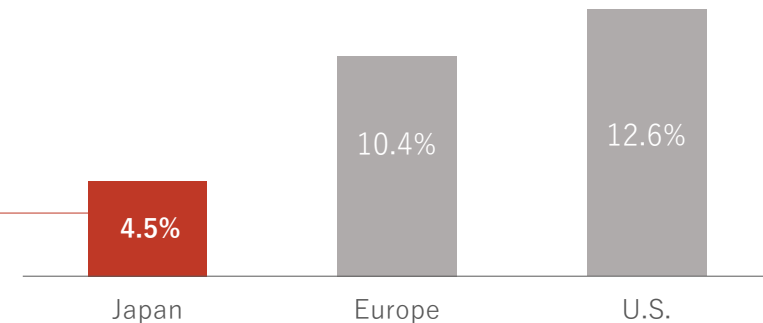
Market size of investment trusts³

In the case of the ratio of investment trusts² equivalent to that in the U.S.

Approx. ¥252 trillion

In the case of the ratio of investment trusts² equivalent to that in Europe

Approx. ¥208 trillion



1. "Flow of Funds," Bank of Japan (as of March 31, 2022)

2. "Flow of Funds—Overview of Japan, the United States, and the Euro area," Bank of Japan (as of March 31, 2022)

3. Calculated based on the market size of Japan's investment trusts as of March 31, 2022 if the ratio of investment trusts in Japan expanded to the same as in Europe or in the U.S. as of March 31, 2022 respectively

TAM Expansion through New NISA

Expected room for TAM¹ expansion when the working generation makes accumulated investment of ¥1,200,000² per year (upper limit of Tsumitate NISA).

	Labor force population ³	Annual maximum purchase amount ²	Annual invested amount
15-24 years old	5.83million	¥1,200,000 Full amount of Tsumitate NISA	Approx. ¥6.9trillion
25-34 years old	11.40million		Approx. ¥13.6trillion
35-44 years old	13.54million		Approx. ¥16.2trillion
45-54 years old	16.50million		Approx. ¥19.8trillion



Total annual investment amount when working generation invest the maximum amount of Tsumitate NISA in it

Approx. ¥57trillion

×

15years

↓

Approx. ¥855trillion

Expected room for TAM expansion through increase in the annual limit for tax exempt investment

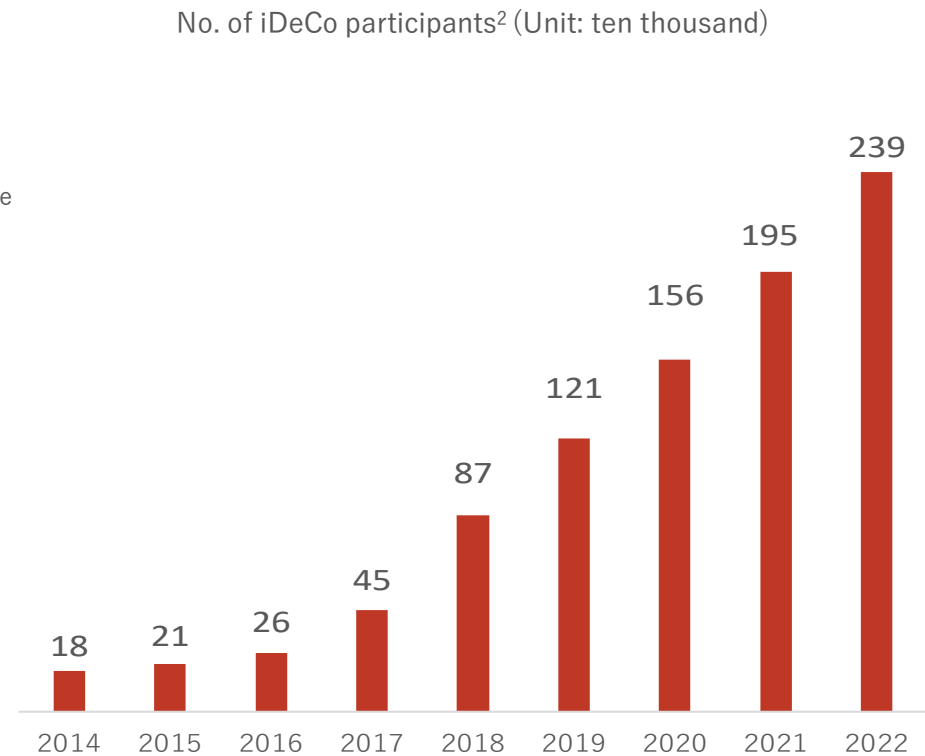
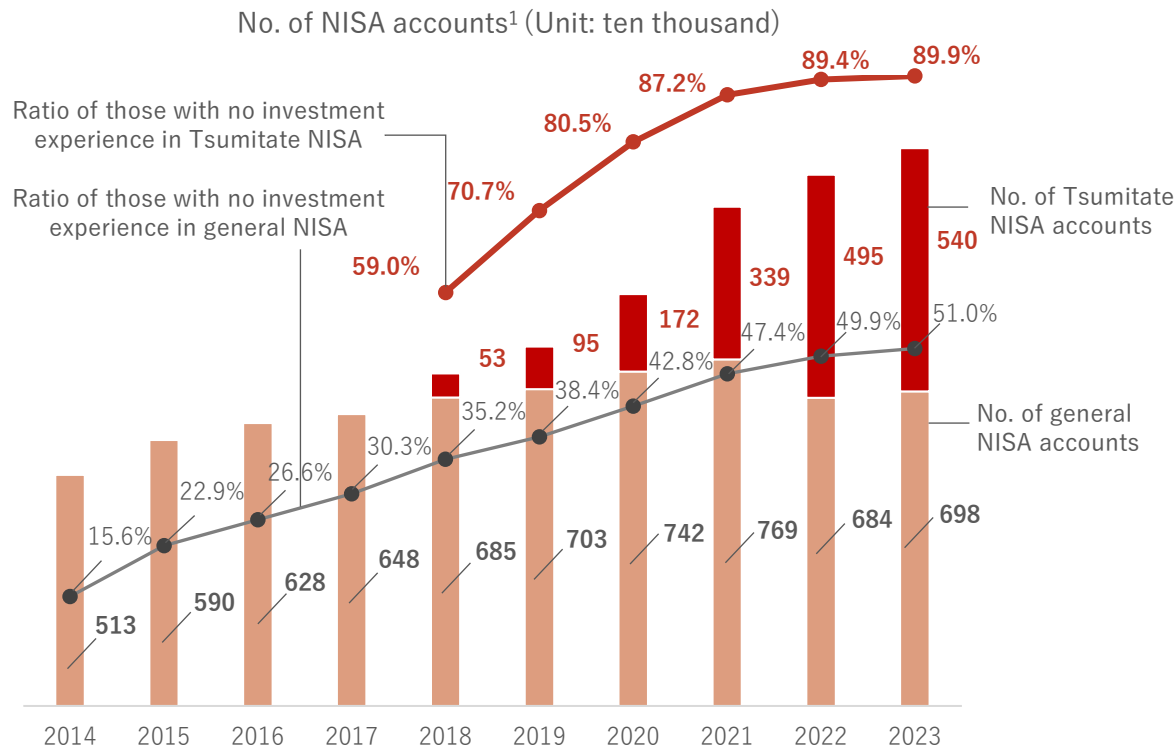
1. The size of the total addressable market (TAM) represents the maximum potential size of the market for regular contribution investments as assumed by us, and was not calculated as an objective estimate of the market size for our business as of March 2023. The size of the TAM is our estimate based on certain assumptions as well as on external statistics and information from publicly available materials. The accuracy of our estimate is subject to inherent limitations in estimating statistical and other data, and therefore the actual size of the market may differ from our estimate. In particular, the estimate provided on this slide is based on certain assumptions, including: that the working generation will invest 1.2 million yen per person annually under the new Tsumitate NISA over the 15 years starting from 2024, when the yearly investment limit under the tax-exempt investment program will be raised to that amount; and that the total NISA investment—including amounts invested under Growth NISA—by the working generation will remain below the lifetime tax-exempt investment limit of 18 million yen per person (excluding investments made under the current Tsumitate NISA).

2. Premised on the implementation of the changes to the NISA program, effective from 2024, as set out in the government's FY2023 Tax Reform announced in December 2022.

3. Source: "Trends in Employment Status 1: Labor Force (2021 Average)," Statistics Bureau of Japan, Ministry of Internal Affairs and Communications.

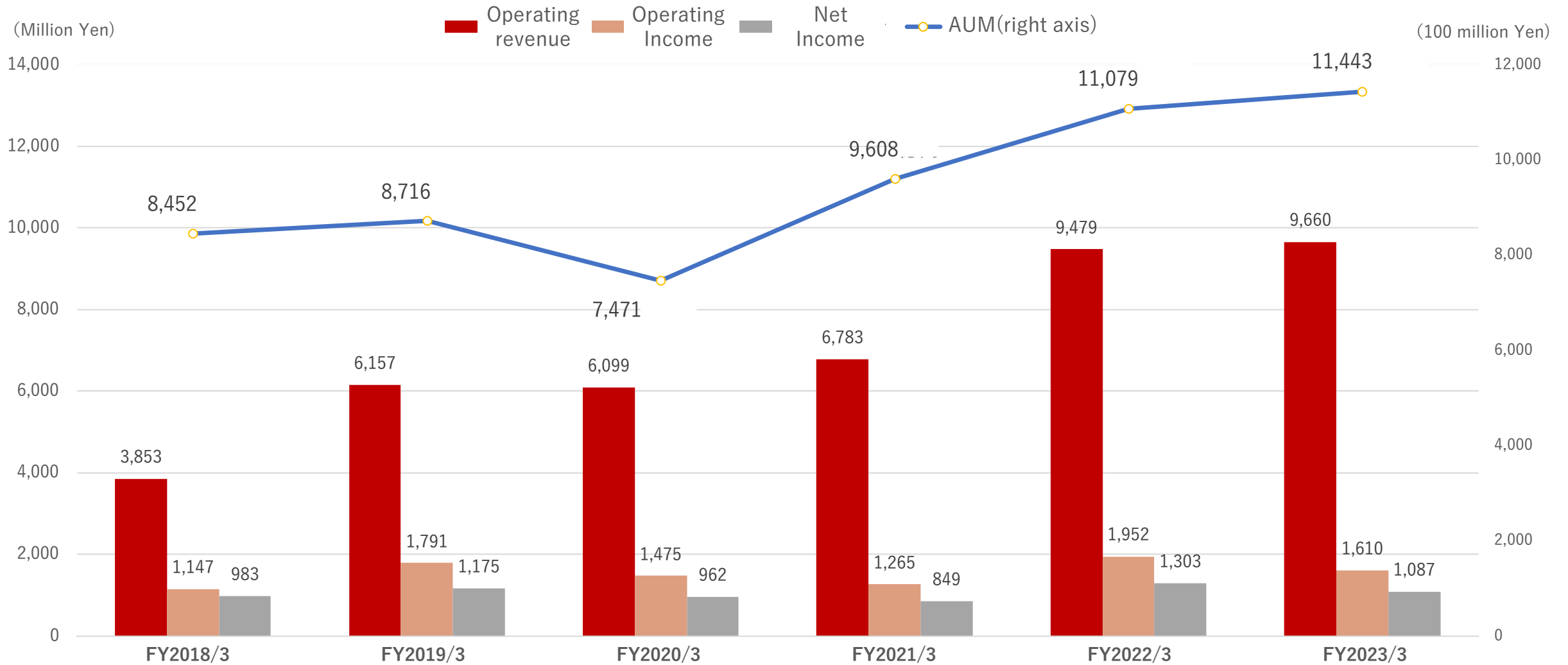
Accelerating Shift from Savings to Investment

The shift from "saving to investing" will continue to steadily progress, as NISA is made permanent, investment limits are expanded, and the age for joining iDeCo is raised.



1. Source: "NISA Account opening/Usage Survey Results" Information Services Japan Securities Dealers Association as of March 31, 2023. Number and percentage of accounts as of December 31. The figures for 2023 are as of March 31.
 2. Source: "Defined Contribution Pension Statistical Data (March 31, 2022)," Information Services Agent Liaison Meeting. Number of accumulated total participants as of March 31 of each year.

Business Performance



1. From the fiscal year ended March 31, 2022 onward, the amount of net income attributable to shareholders of the parent company is shown.

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