

FINATEXT

HOLDINGS

Third Quarter FY2023
Financial Results

Finatext Holdings Ltd.

February 14, 2024

SUMMARY

Q3 FY2023 Actual

Revenue

3,633 m. yen
YoY **+28%**

Partners
(Financial Infrastructure)

19
YoY **+4**

Adj. EBITDA¹

97 m. yen
Margin **2.7%**

**Achieved operating profit
ahead of schedule!!**

Operating Income

38 m. yen
Margin **1.1%**

FY2023 Guidance

Revenue

5,352 m. yen
YoY **+40%**

Partners
(Financial Infrastructure)

25
YoY **+8**

Adj. EBITDA¹

127 m. yen
Margin **2.4%**

Operating Income

21 m. yen
Margin **0.4%**

1. Adj. EBITDA = Operating income + Depreciation and amortization + Stock-based compensation expense ± Other adjustments

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OUR BUSINESS

Our Mission

By realizing our mission together with our partners, we aim to provide financial services connected to our daily lives.

Reinvent

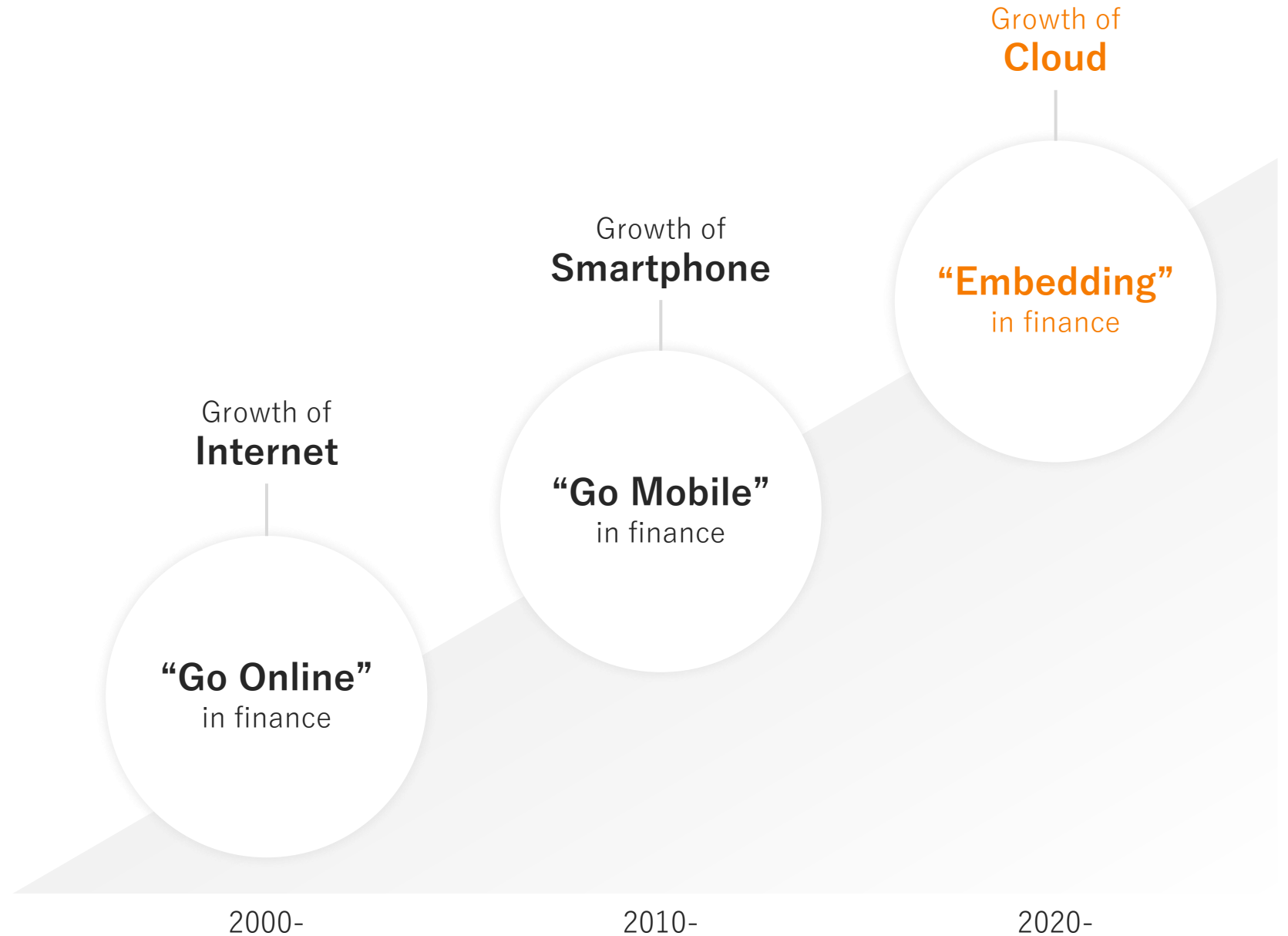
Finance

As a “Service”

Next-gen Cloud Infrastructure

On the rise of cloud technology, we are among the first to develop cloud-based infrastructure.

Possible to provide financial products at a lower cost than conventional systems in a form embedded in various daily services.



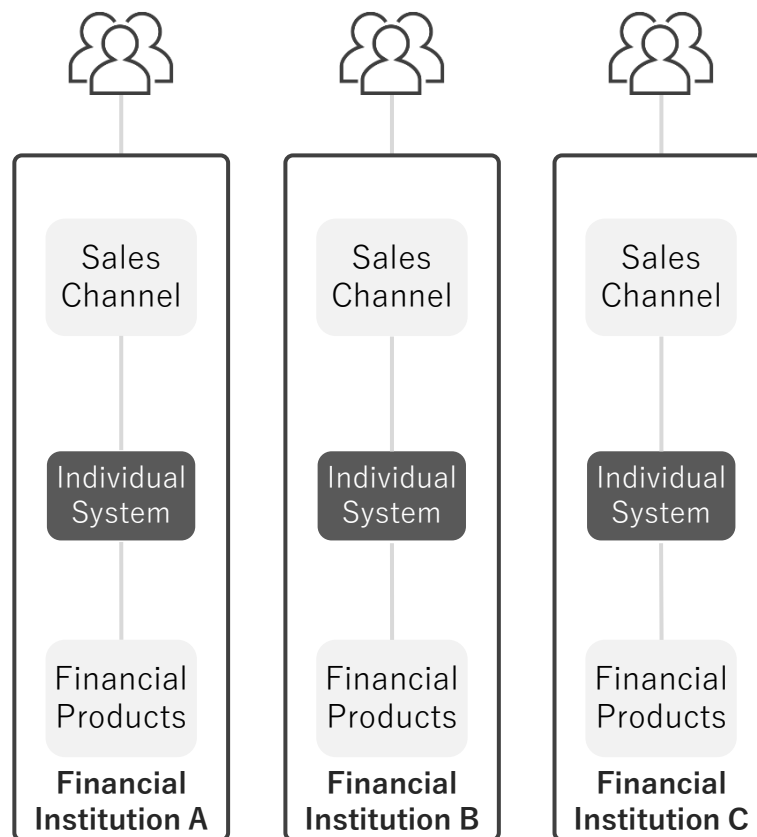
Vision

With the next-gen cloud infrastructure, we aim to transform the structure of the financial industry from “vertically integrated” to “horizontally integrated”.

This will enable the convenient use of financial services from companies close to users' lives.

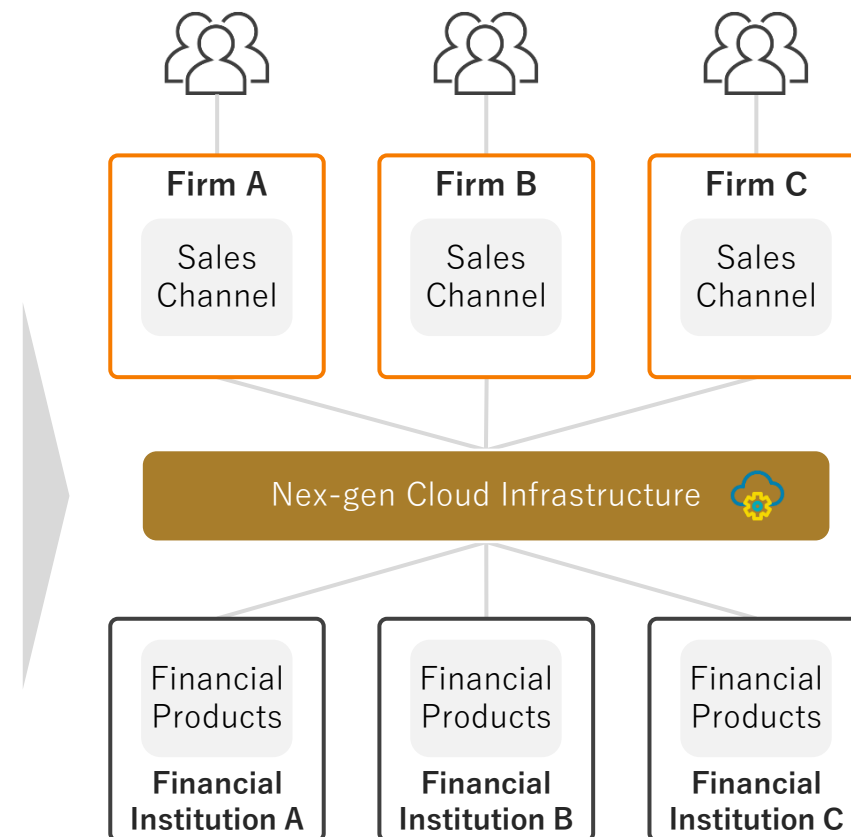
Incumbent Institutions

- Financial institutions work in a vertically integrated manner from origination to sales of financial products



Finatext's Approach

- Separate origination / monitoring from marketing of financial products
- Financial institutions will focus on origination / monitoring of financial products, while companies closer to users' lives will take charge of marketing



Our Business

We started business of Fintech Solution in 2014.

After entering into the field of Big Data Analytics in 2016, we started our current core business, Financial Infrastructure, in 2018.

Overview

Example

Fintech Solution

(2014-)

- Develops **front-end applications** and provides **off-the-shelf tech solutions** to financial institutions to accelerate their DX
- Beside system development, we also provide service planning and marketing support

“Money Canvas”

- Support development in MUFG Bank’s asset management platform
- Provide Finatext’s ID integration solution

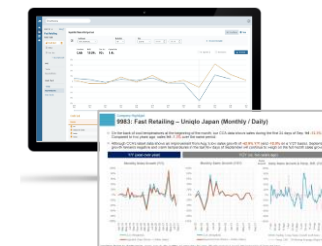
Big Data Analytics

(2016-)

- Provide **alternative data** for institutional investors and governments
- Possess knowledge of cleansing and analysis of **POS and credit card data**

“Alterna Data”

- Provide performance forecasts and price trends of individual tickers



Financial Infrastructure

(2018-)

- Provide **cloud-native, API-based infrastructure** for asset management and insurance businesses

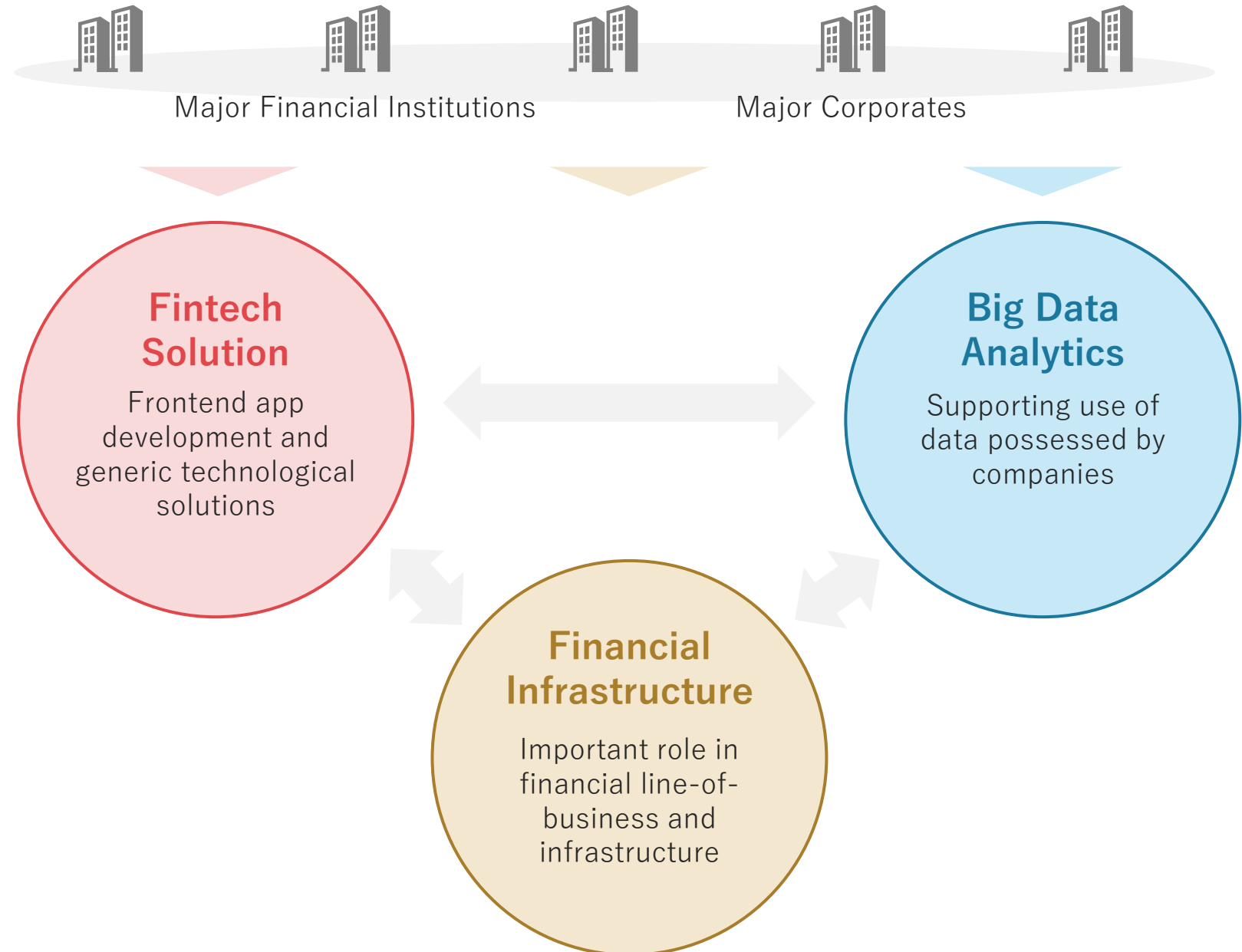
“BaaS”

- Infrastructure that enables partner companies to provide stock trading services for individual customers

- Japan Stock
- US Stock
- Robo advisory
- Fractional Shares

Group Collaboration

Since most of our clients are major financial institutions and corporates, we are able to acquire large-scale projects as a group by creating client touchpoint in various aspects from web service planning and development to data analysis.



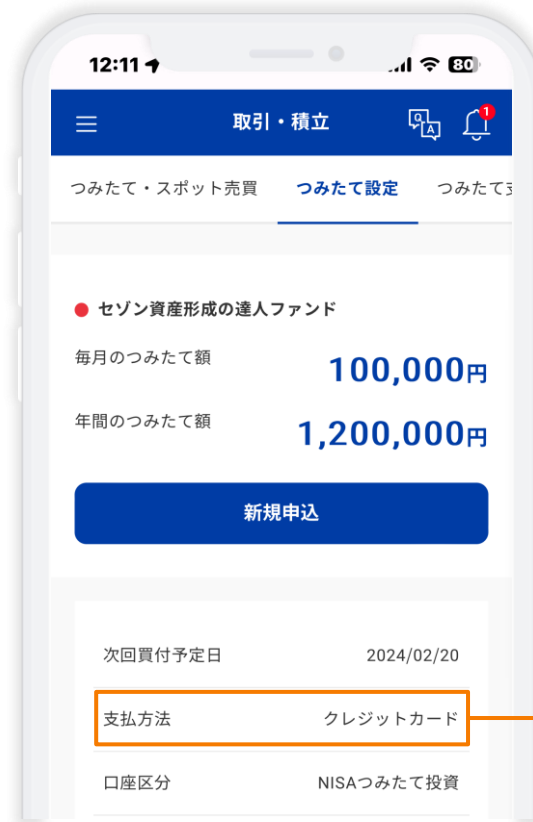
BUSINESS HIGHLIGHT

Launch of First System Migration

Saison AM started a new online trading service “Saison To Tsuzuku” with our brokerage infrastructure BaaS in Jan 2024.

It was successfully launched as planned despite being our first system migration project for financial institutions with customer accounts.

Saison AM “Saison To Tsuzuku”



Feature 1: Integration with Saison Card allows periodic investment via credit cards.



Feature 2: Long-term periodic investment helping tools and investor-oriented features of total assets and allocations at-a-glance.

Project Overview

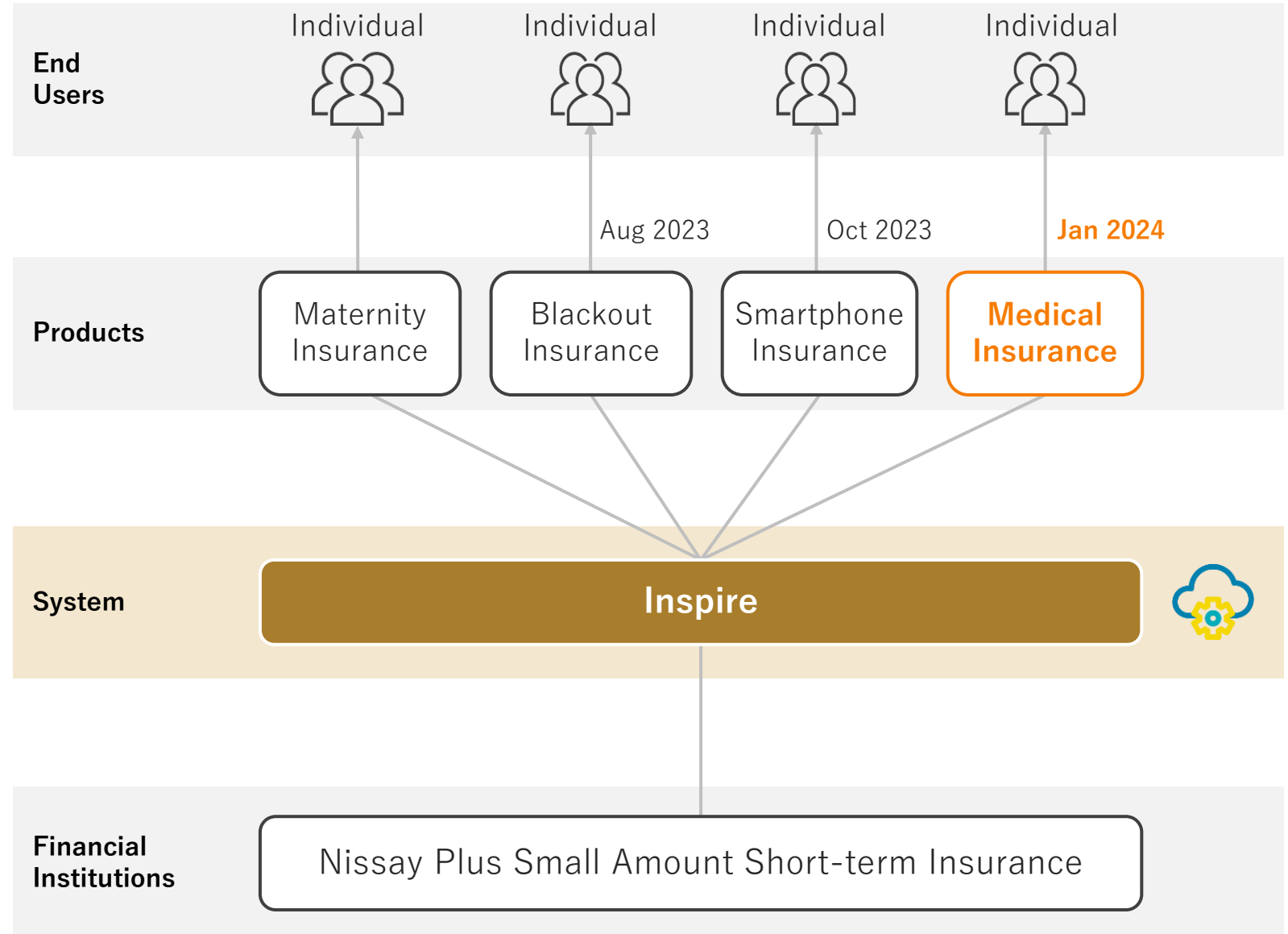
- Saison AM had been considering DX of the system, along with the response to the new NISA scheme.
- With our brokerage infrastructure BaaS, not only was the adaption to the new NISA scheme implemented, but the entire process from account opening, mutual fund buy/sell, and support became possible to complete via smartphones.
- Furthermore, the improvement of UI/UX for back-office features was also achieved through BaaS.

FINANCIAL INFRASTRUCTURE

Product Expansion of Existing Partners

Nissay Plus SSI started selling “Medical Insurance” in Jan 2024.

Following the release of 2 products in a short period of time in the previous quarter, this quarter also saw the release of “Medical Insurance” in just about 6 weeks.



New Product Launch

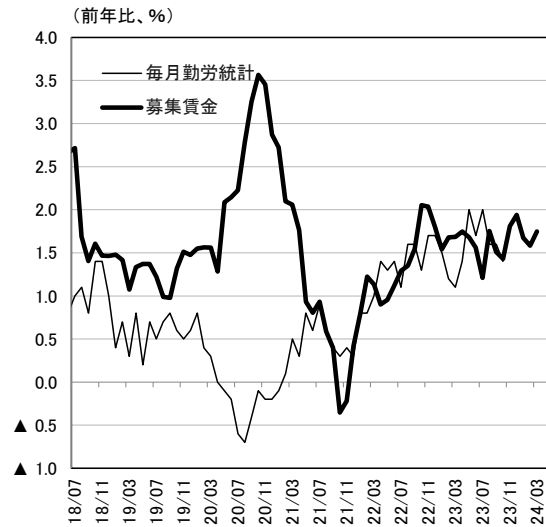
Started offering wage index service “HRog Wage Now” based on job advertisement data from data partner HRog.

Timely released in response to ongoing inflation, which has made understanding wage and labor market trends paramount for predicting the future of policy.

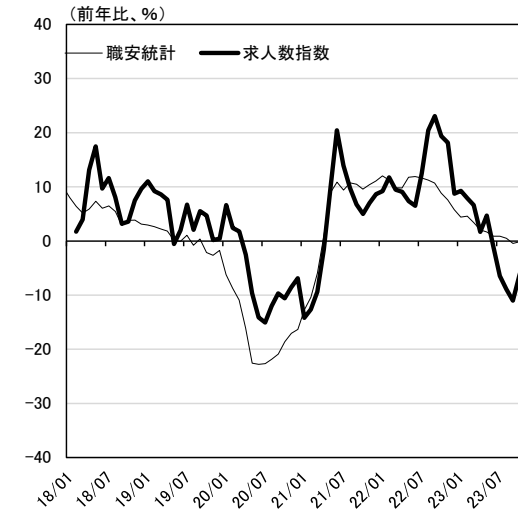
Overview of “HRog Wage Now”

- Wage index service offers faster reporting with higher frequency compared to official labor market statistics, making it easy to conduct cross-sectional analysis by region and job type

HRog Wage Now Wage Index
Comparison with Monthly Labor Survey
(5 months ahead)



HRog Wage Now Job Postings Index
Comparison with Employment Placement
Services Statistics



“ The recent two Bank of Japan governors' focus on the word “wage” is evident, as their use of the term in speeches is about 10x more frequent than their predecessors. The government has also committed to raising the minimum wage from the current ¥1,000 to ¥1,500 within 10 years, leaving no doubt that wages are the focus of government and BOJ. Both the Japan Business Federation (Keidanren) and the Japanese Trade Union Confederation (Rengo) also prioritize wage increases. However, despite society's growing interest in wages, the crucial wage variables are far from visible. Even setting aside the statistical irregularities related to wages a few years ago, there are numerous issues with the government's wage statistics from a purely statistical perspective, and these could hamper policy operations and corporate management if left unaddressed. “HRog Wage Now” is a project aimed at solving this issue through private-sector initiatives. Although it is not perfect, we hope that it will serve as a catalyst for the emergence of many more private-sector wage indicators and rapidly advance the visibility of wages.



Tsutomu Watanabe
Founder/Technical Advisor
Nowcast Inc.

Generative AI New Project

Support implementation of ChatGPT project for Sotetsu Group.

Currently conducting PoC to explore use cases for improving operational efficiency using a dedicated ChatGPT environment integrated with Sotetsu Group's internal documents.

Implementation of ChatGPT project for Sotetsu Group



Project Overview

- Objective: to explore ChatGPT use cases that lead to operational efficiency and value creation
- Participants involved in the trial: 17 Sotetsu Group companies with approximately 500 staff
- Target tasks: creation of meeting minutes and emails, creation and search of internal documents, information gathering, idea generation, program development, etc.

Enhancement of Existing Services

Continue to assist development of MUFG Bank's asset management platform “Money Canvas” since its release in Dec 2021.

Support in development of “Money Canvas” app and the addition of budgeting features.

Feature Enhancement Support for “Money Canvas”



Overview

- Supported mobile app development of the previously web-service-only “Money Canvas”.
- Added user-friendly household budgeting features by integrating Moneytree's API.
- Balances in various financial institutions and credit card statements are now accessible on “Money Canvas”, an everyday app enabling both budgeting and asset formation.

Appointment of CHRO

Group CHRO appointed in Jan 2024.

Take the lead in utilizing data and technology to further strengthen recruitment capabilities and prepare the workplace environment for organizational expansion.



CHRO Keiko Iwamoto

After graduating from college, Iwamoto led the HR department at a human resources startup during its expansion from 5 to 500 employees.

After gaining experience in recruiting engineers at an IT company which supports DX of financial institutions, she joined Finatext Holdings in Feb 2022.

As an HR leader, she managed the personnel system design and operation, and recruitment of the group. She was appointed as CHRO in Jan 2024.

QUARTERLY RESULTS

FY2023 Q3

Q3 Financial Summary

Consolidated revenue +28% YoY, while **consolidated revenue is expected +40%YoY for the full year.**

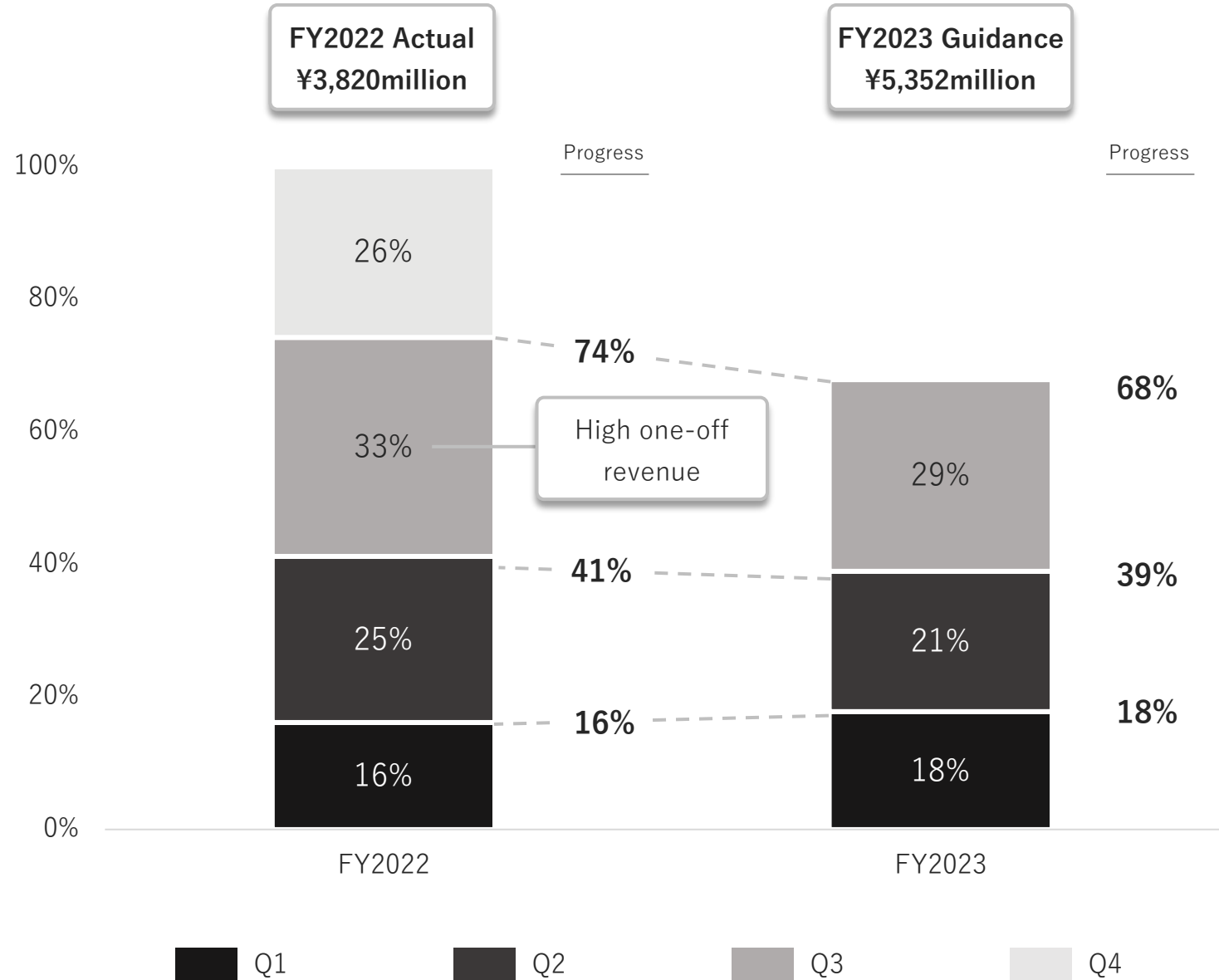
In terms of profitability, both operating and ordinary income have **achieved profitability.**

(¥million)	FY2023 Q3	FY2022 Q3	YoY	Major Factors
Revenue	3,633	2,837	+ 28%	<ul style="list-style-type: none"> Growth in recurring and usage-based revenue from the rise in Financial Infrastructure partners along with one-off revenue from Fintech Solution business drove the overall growth
COGS	1,515	1,215	+ 25%	<ul style="list-style-type: none"> Rise in labor and outsourcing expenses due to new projects
COGS Ratio	42%	43%	-	
Gross Profit	2,117	1,622	+ 31%	
SG&A	2,079	1,706	+ 22%	<ul style="list-style-type: none"> Rise in labor and outsourcing expenses due to business expansion One-off office expansion related expenses (¥22m)
SG&A Ratio	57%	60%	-	
Operating Income	38	▲ 84	-	<ul style="list-style-type: none"> Achieve operating income profitability
Operating Margin	1%	▲ 3%	-	
Ordinary Income	33	▲ 77	-	<ul style="list-style-type: none"> Achieve ordinary income profitability
Net Income Attributable to Owners of Parent	▲ 141	▲ 173	-	

Revenue Progress

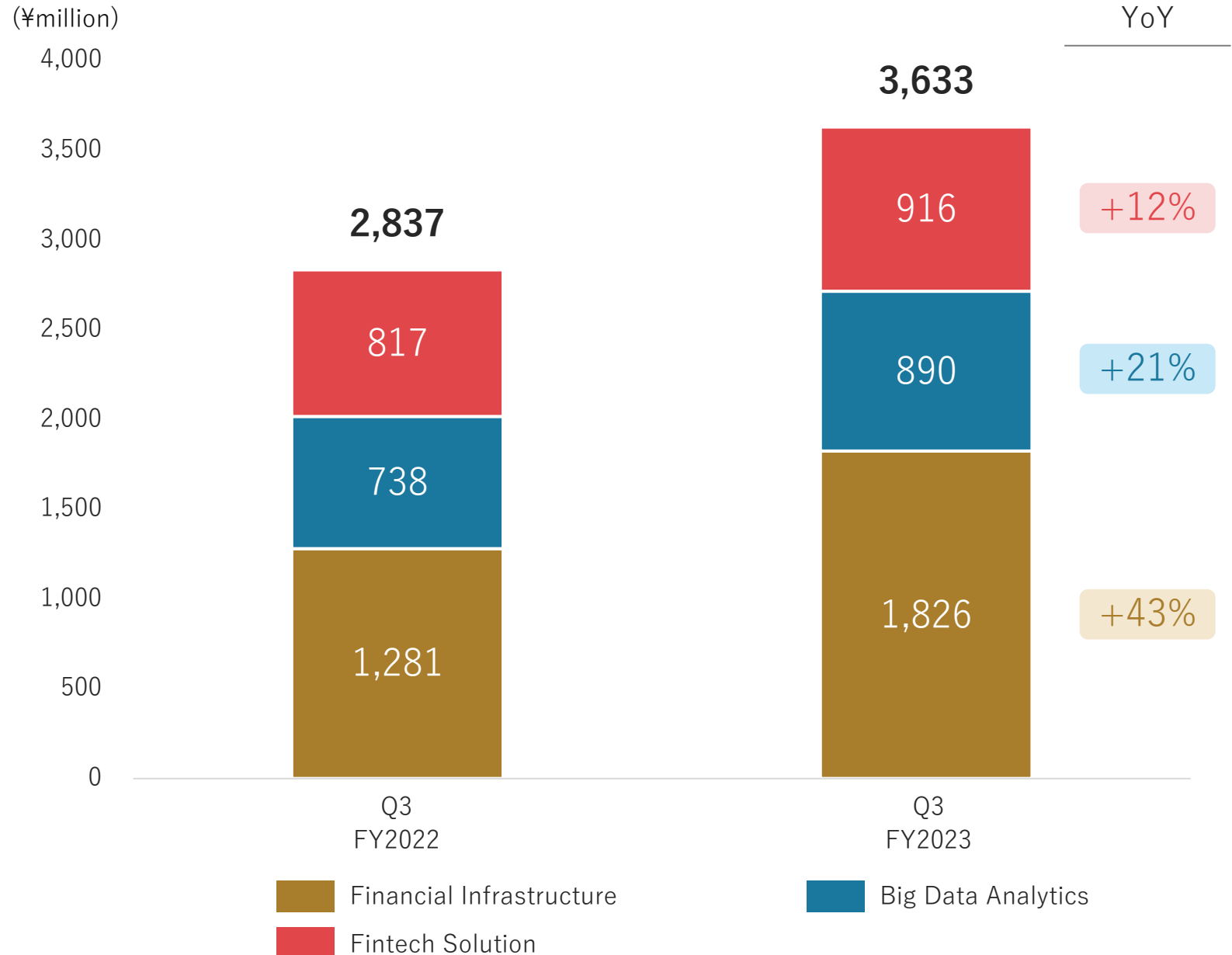
Although the progress rate against the annual plan remains at 68%.

However it is going as planned, since revenue tends to happen in the second half of the year.

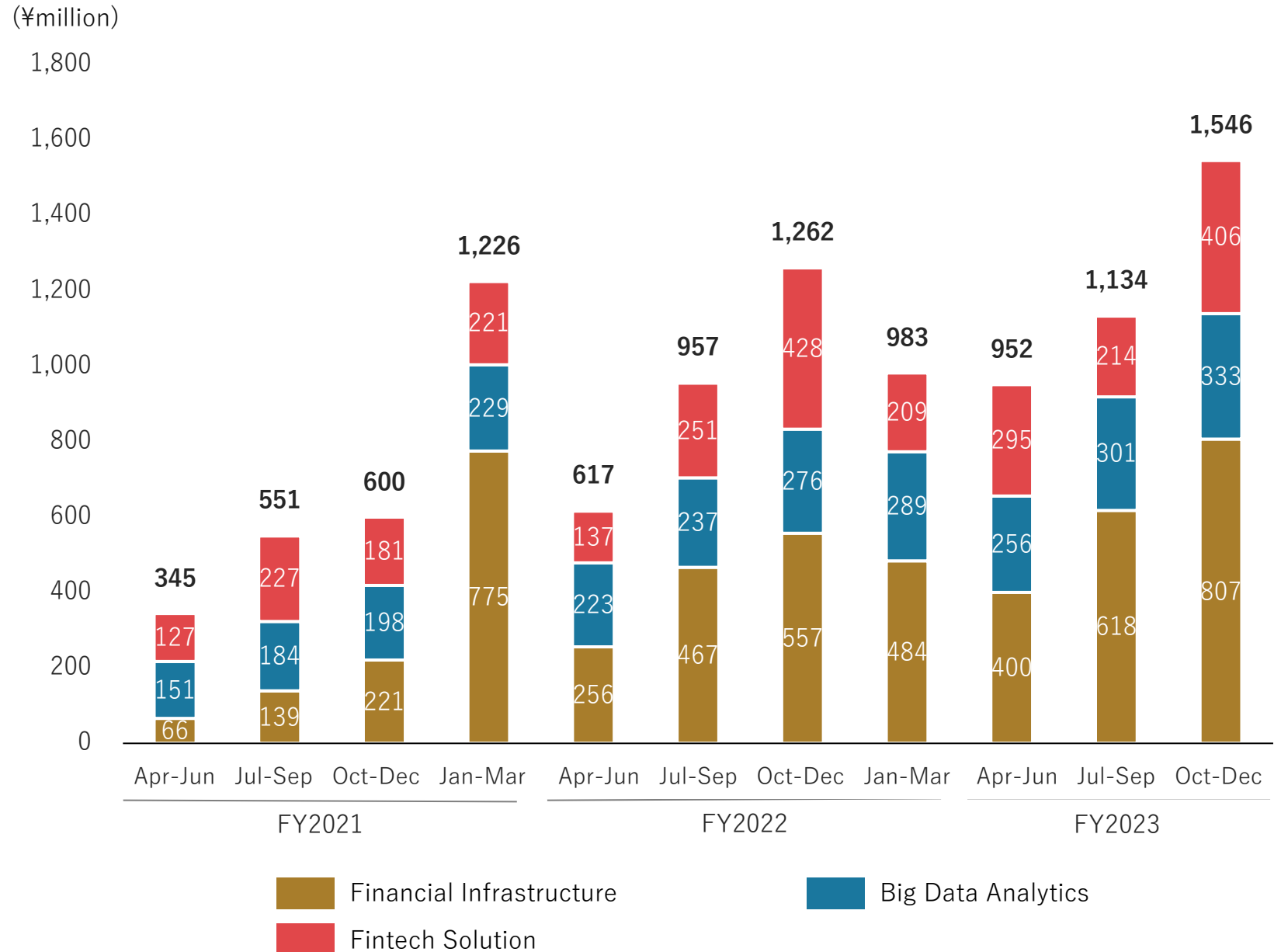


Revenue by Segment

Financial Infrastructure drove revenue growth with **over +40% YoY increase.**

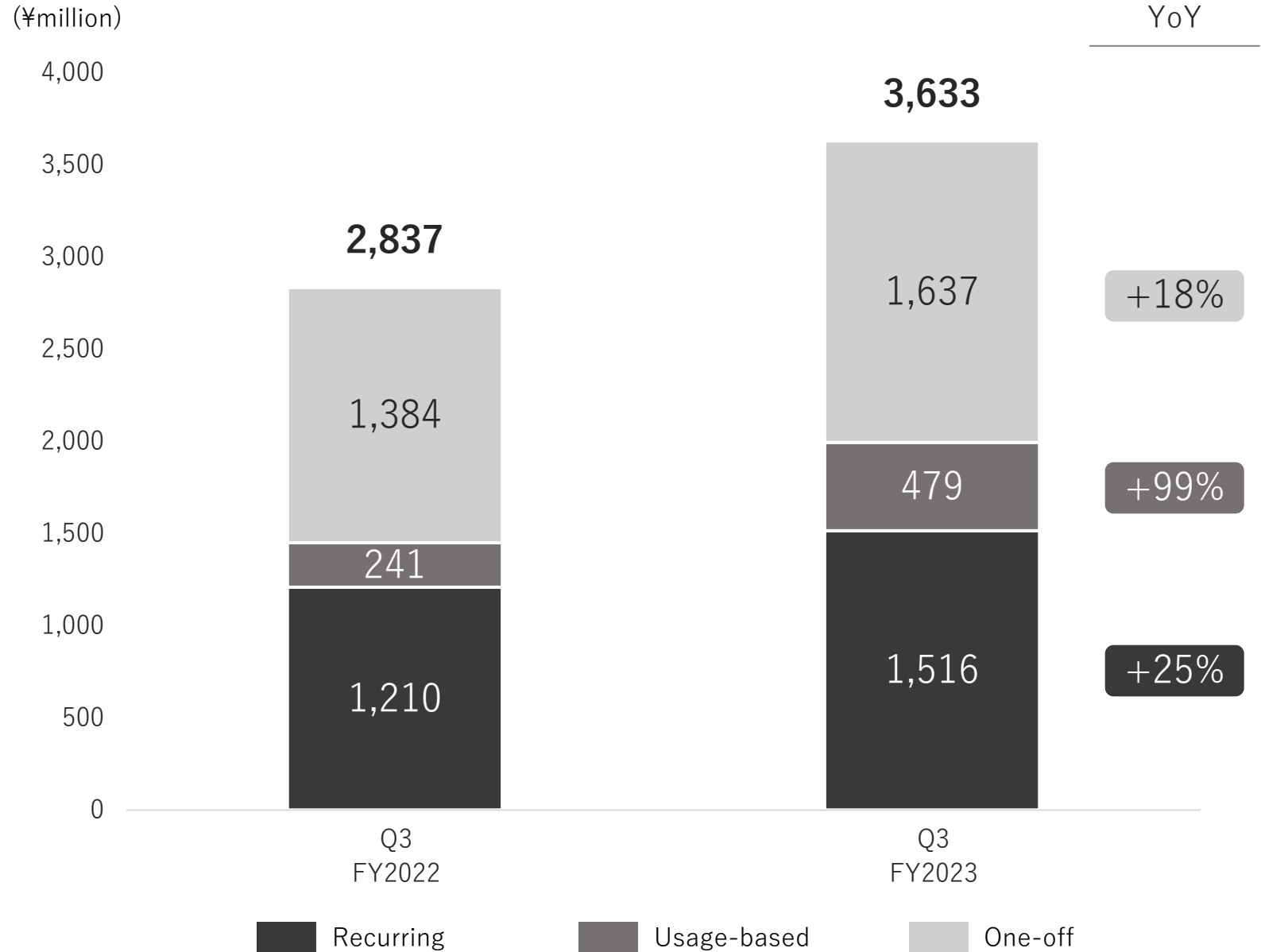


Revenue by Segment

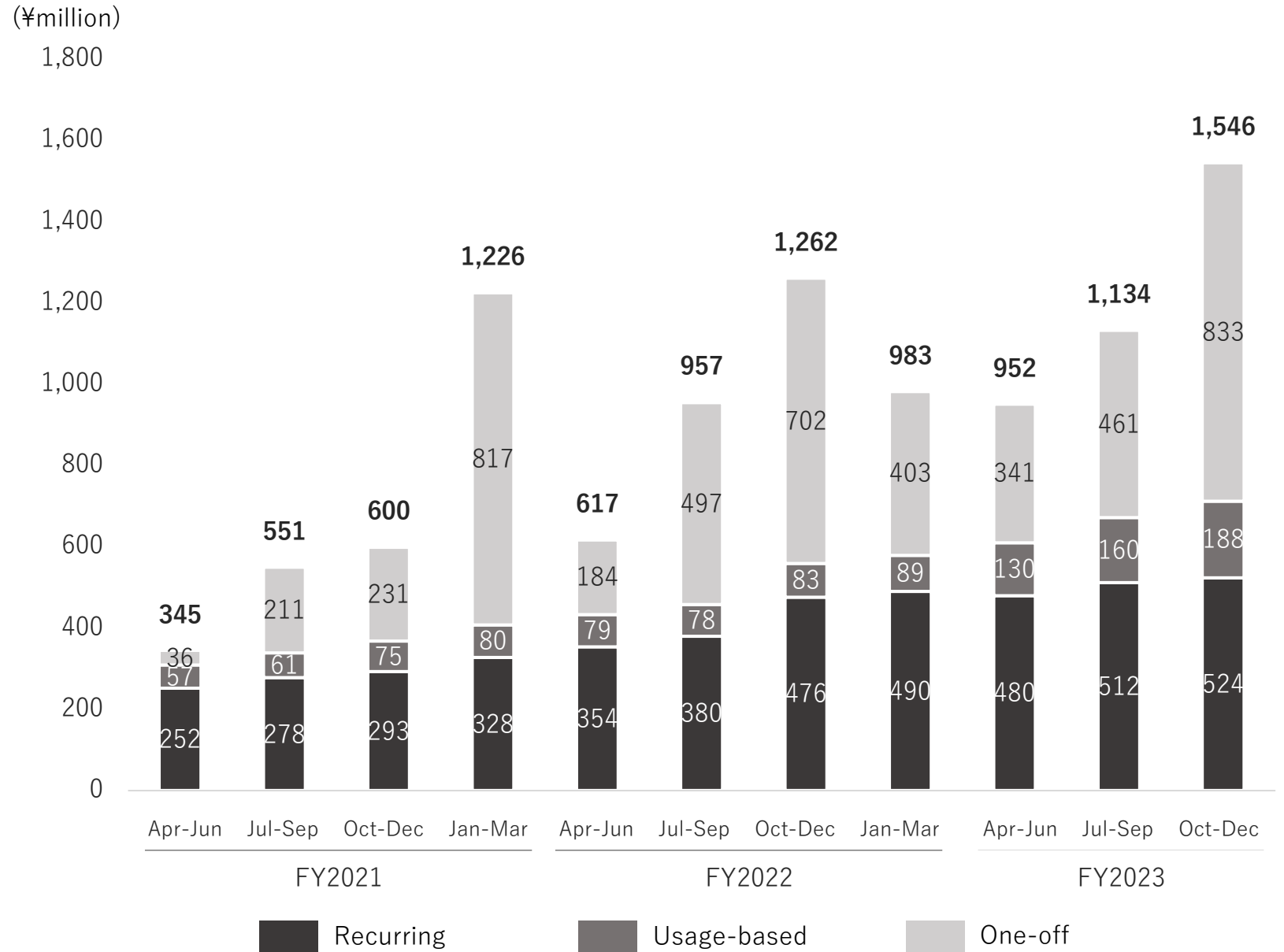


Revenue by Type

Due to the increased number of Financial Infrastructure partners and growth in AUM, **recurring revenue +25% YoY** and **usage-based revenue experienced a significant increase of +99% YoY.**



Revenue by Type



(For Reference) Revenue Type

One-off revenue received at the time of system implementation, and recurring revenue and usage-based revenue received subsequently.

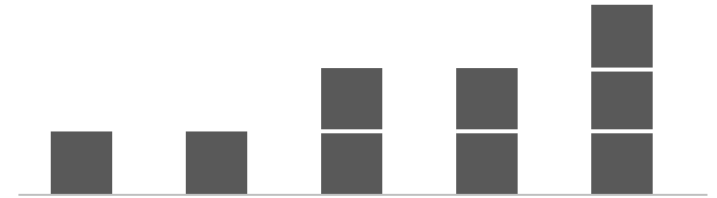
1 One-off

- One-off revenue received from partners at service implementation and additional development



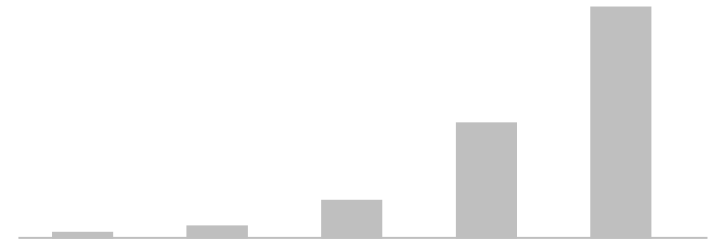
2 Recurring

- Recurring revenue received monthly from existing partners for operations



3 Usage-based

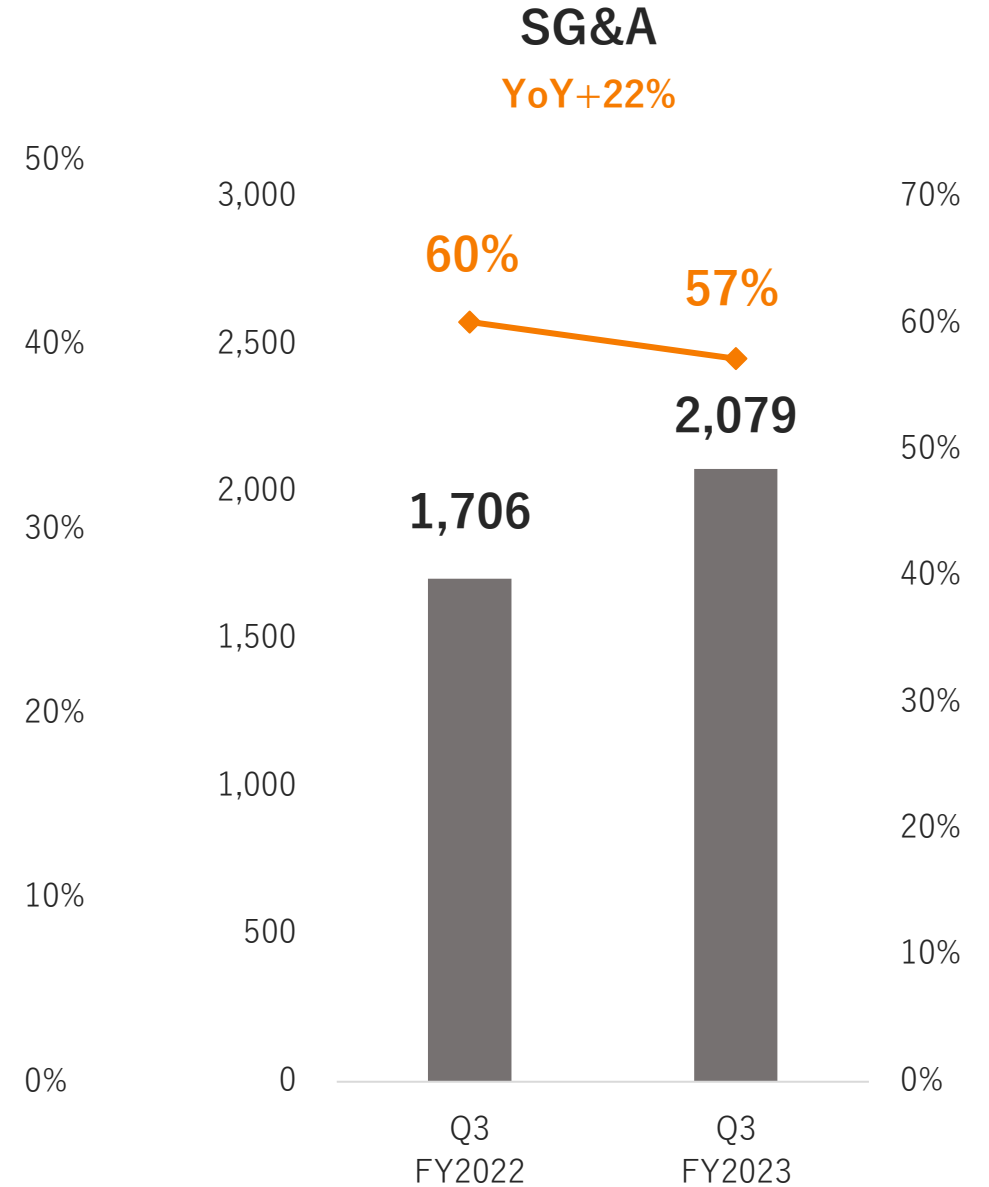
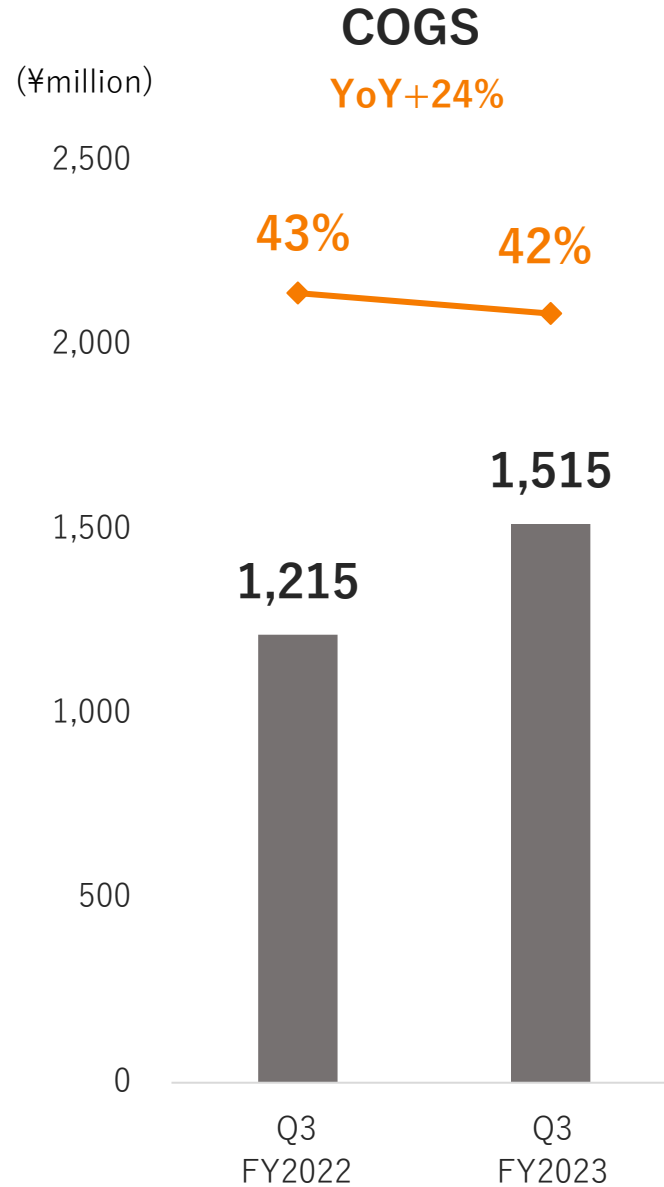
- Usage-based revenue according to AUM and insurance premium income



COGS and SG&A

COGS increased by only +24% YoY, reducing COGS ratio to 42%.

SG&A expenses also remained at rise of +22%, which led to a decrease in SG&A ratio to 57%.



— COGS ratio

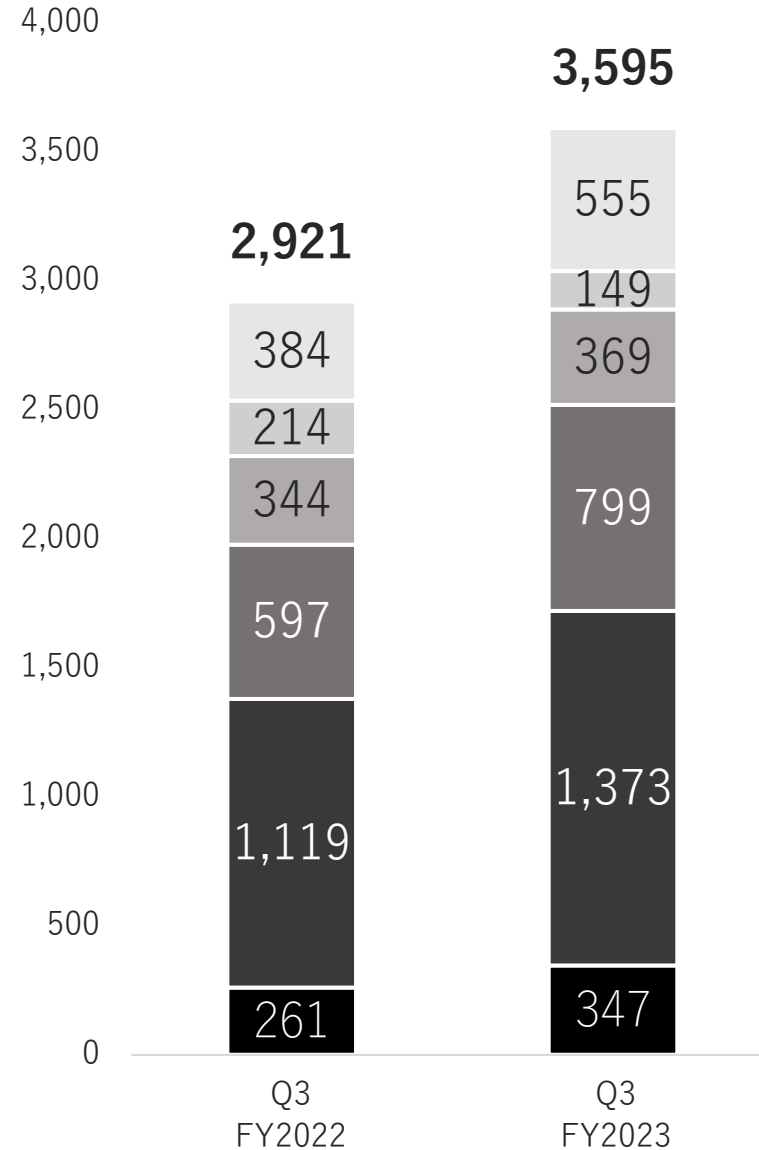
— SG&A ratio

Cost Breakdown

Although expenses are increasing due to the business expansion, **overall expenses remained at +23% YoY compared to +28% YoY increase in revenue.**

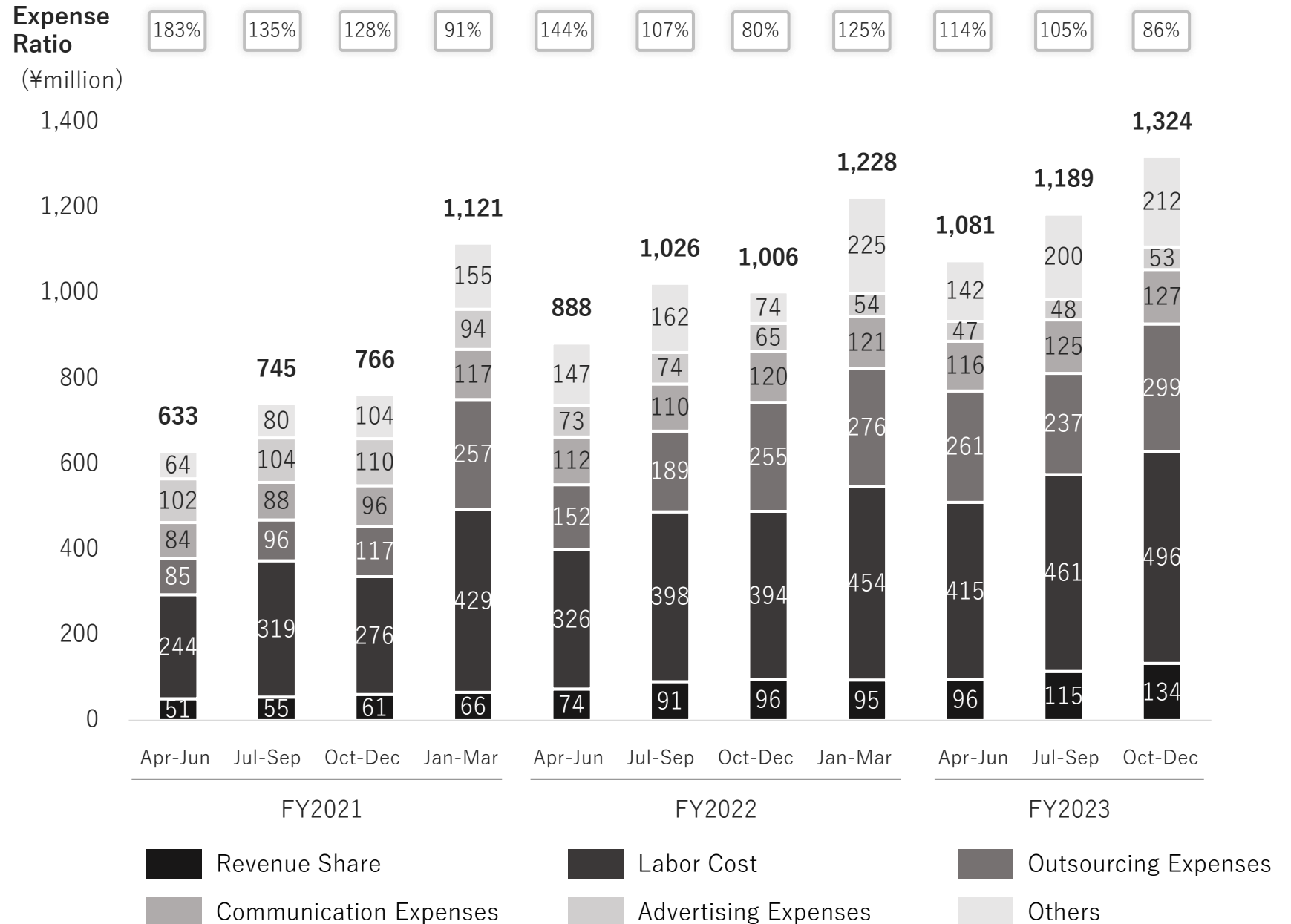
(¥million)

YoY+23%



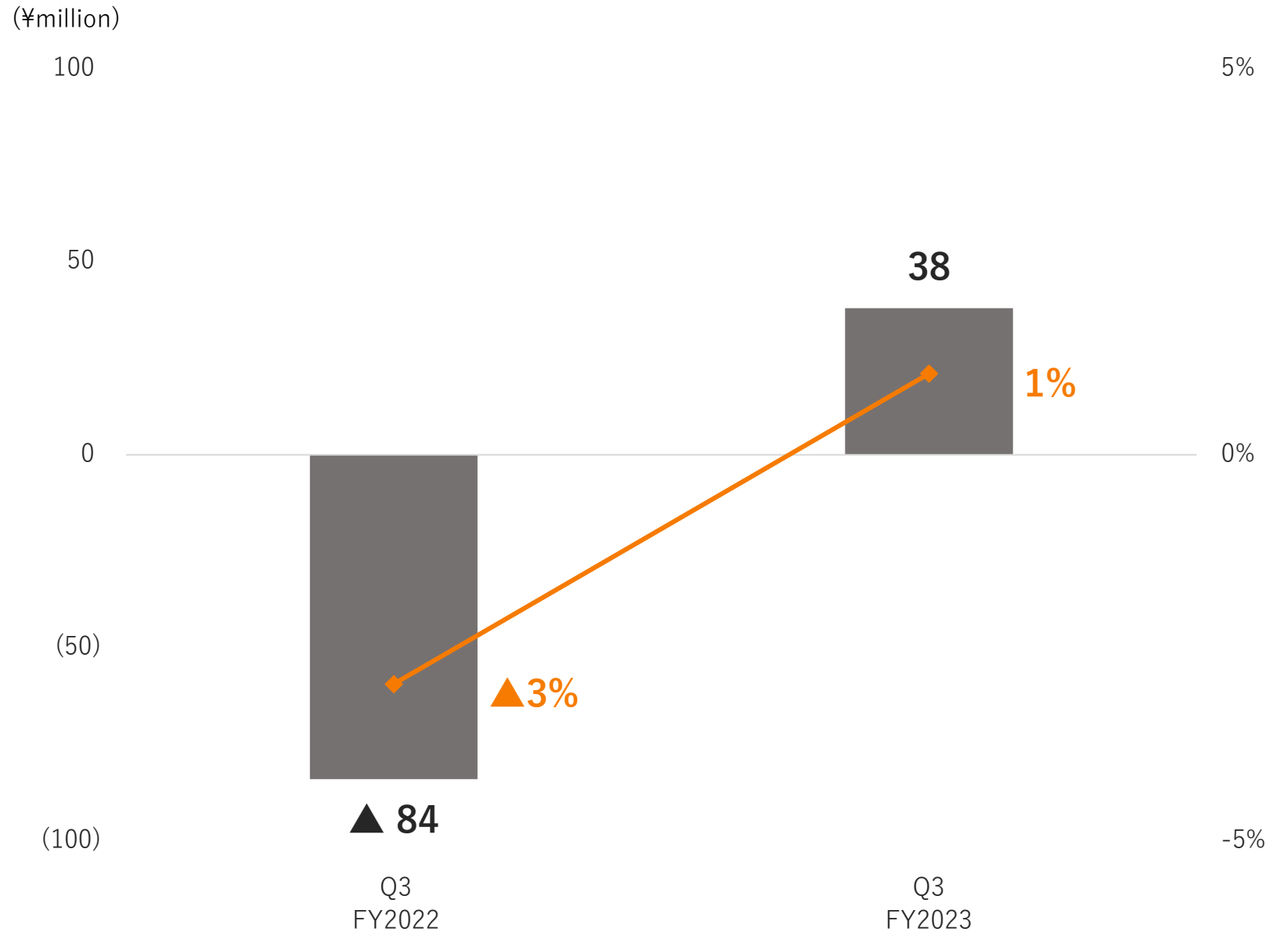
- Others (YoY+45%)**
 - Financial-related expenses have increased due to the growth in the number of active services, and costs related to office expansion (¥22m) resulted in a YoY increase.
- Advertising Expenses (YoY▲30%)**
 - Decrease due to reduced advertising and promotion for our own services
- Communication Expenses (YoY+7%)**
 - Despite expansion of operating services in scale, YoY increase rate remained at 7%, thanks to cost-cutting measures
- Outsourcing Expenses (YoY+34%)**
 - Mainly due to increase in development projects
- Labor Cost (YoY+23%)**
 - Increased due to team expansion
- Revenue Share (YoY+33%)**
 - Increased mainly due to respective growth of data license business

Cost Breakdown

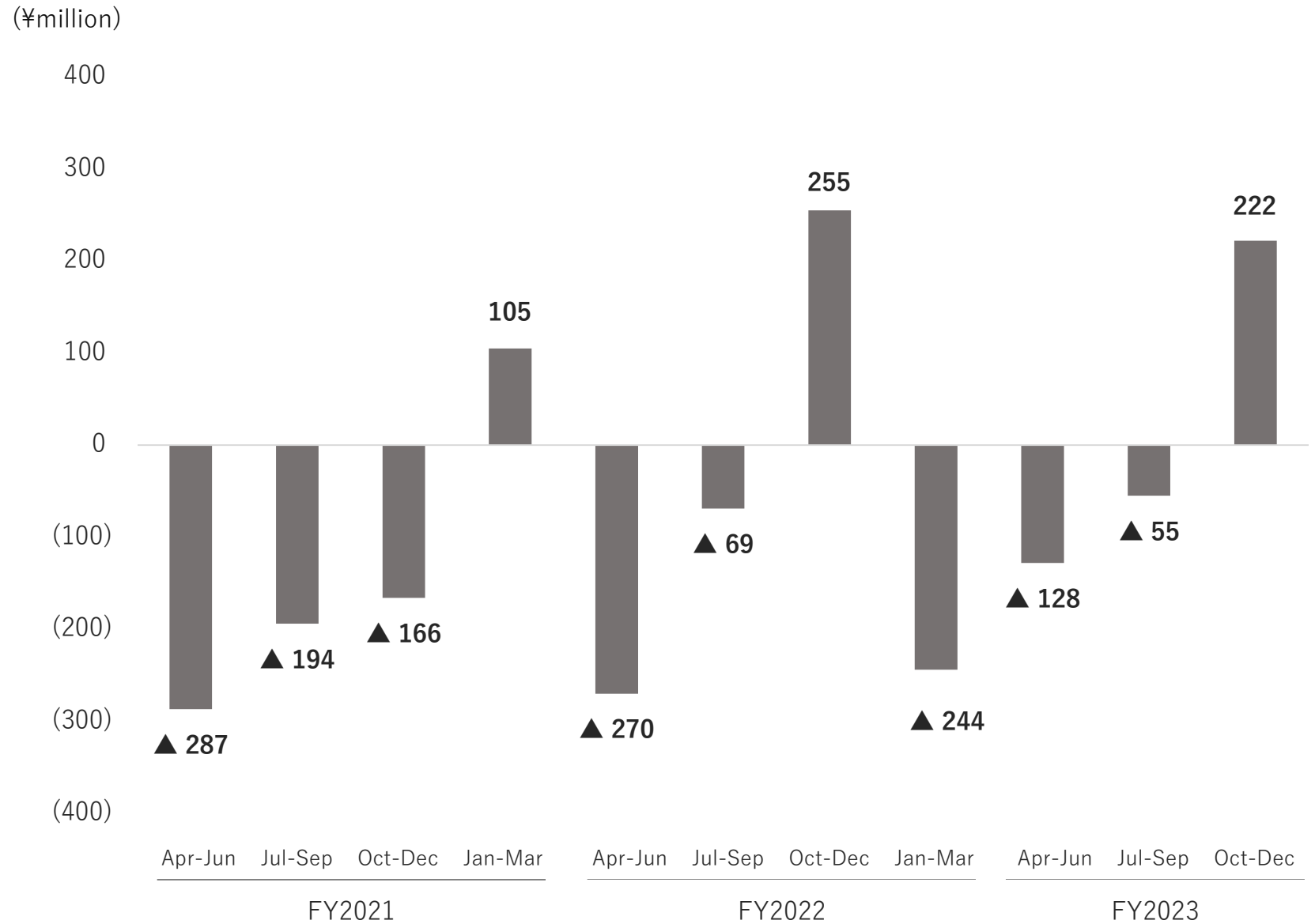


Operating Margin

Achieved operating profit due to the increase in revenue and the decline in SG&A ratio.



Operating Income



Balance Sheet

Strong financial base with about ¥5.6 billion in cash and deposits as of the end of Dec 2023.

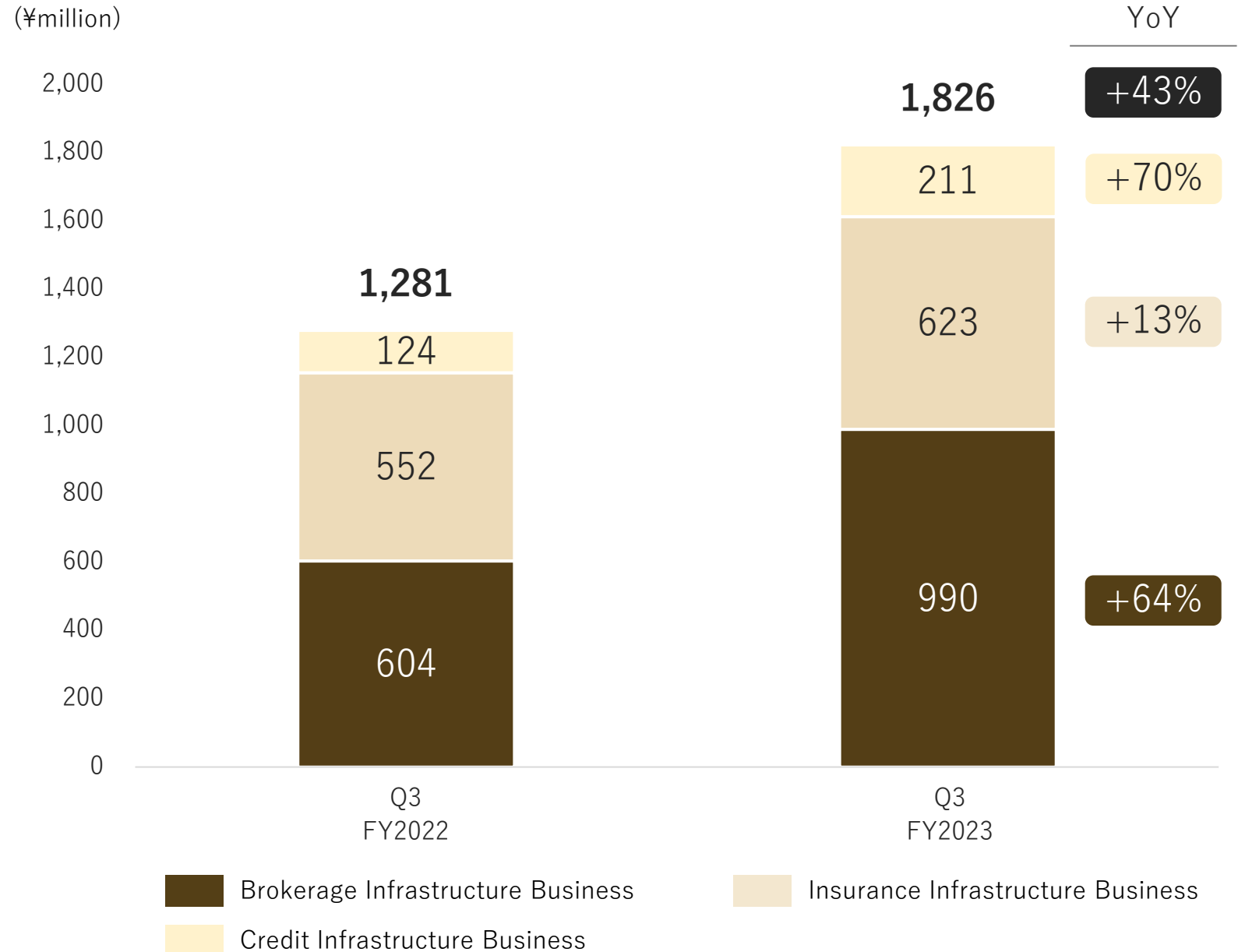
(¥million)

Assets: 19,042	Liabilities and Net Assets: 19,042
Cash and deposits 5,614	Guarantee deposit for brokerage business 3,055
Deposits for brokerage business 6,511	Other current liabilities 3,940
	Other current liabilities 2,758
Credit trading assets for brokerage business 3,257	Non-current liabilities and reserves under special laws 659
	Net assets 8,627
Other current assets 3,081	
Non-current assets 578	

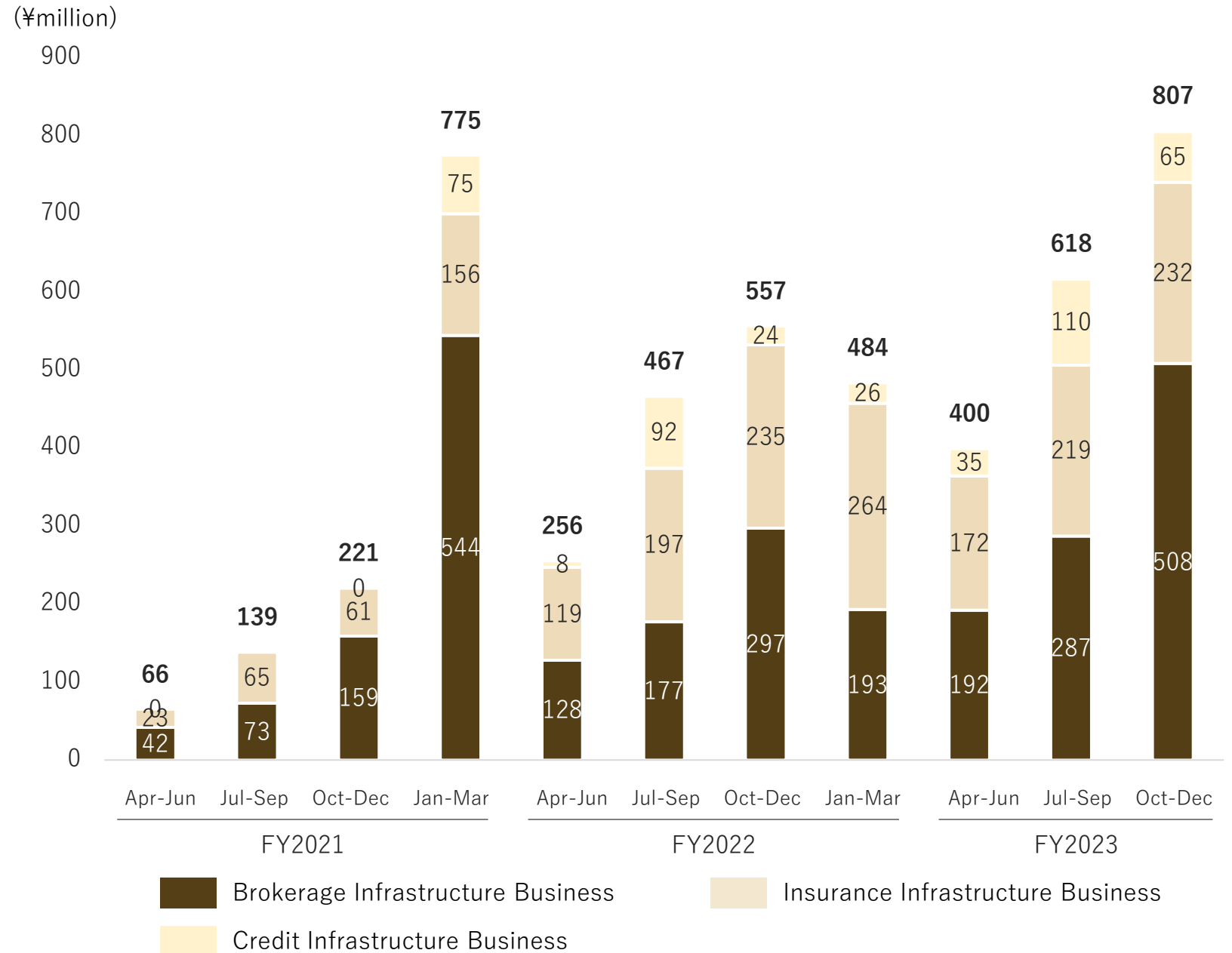
QUARTERLY RESULTS BY SEGMENT FY2023 Q3

Revenue by Business

All businesses experienced growth, and revenue was recorded at **¥1,826 million, +43% YoY.**



Revenue by Business

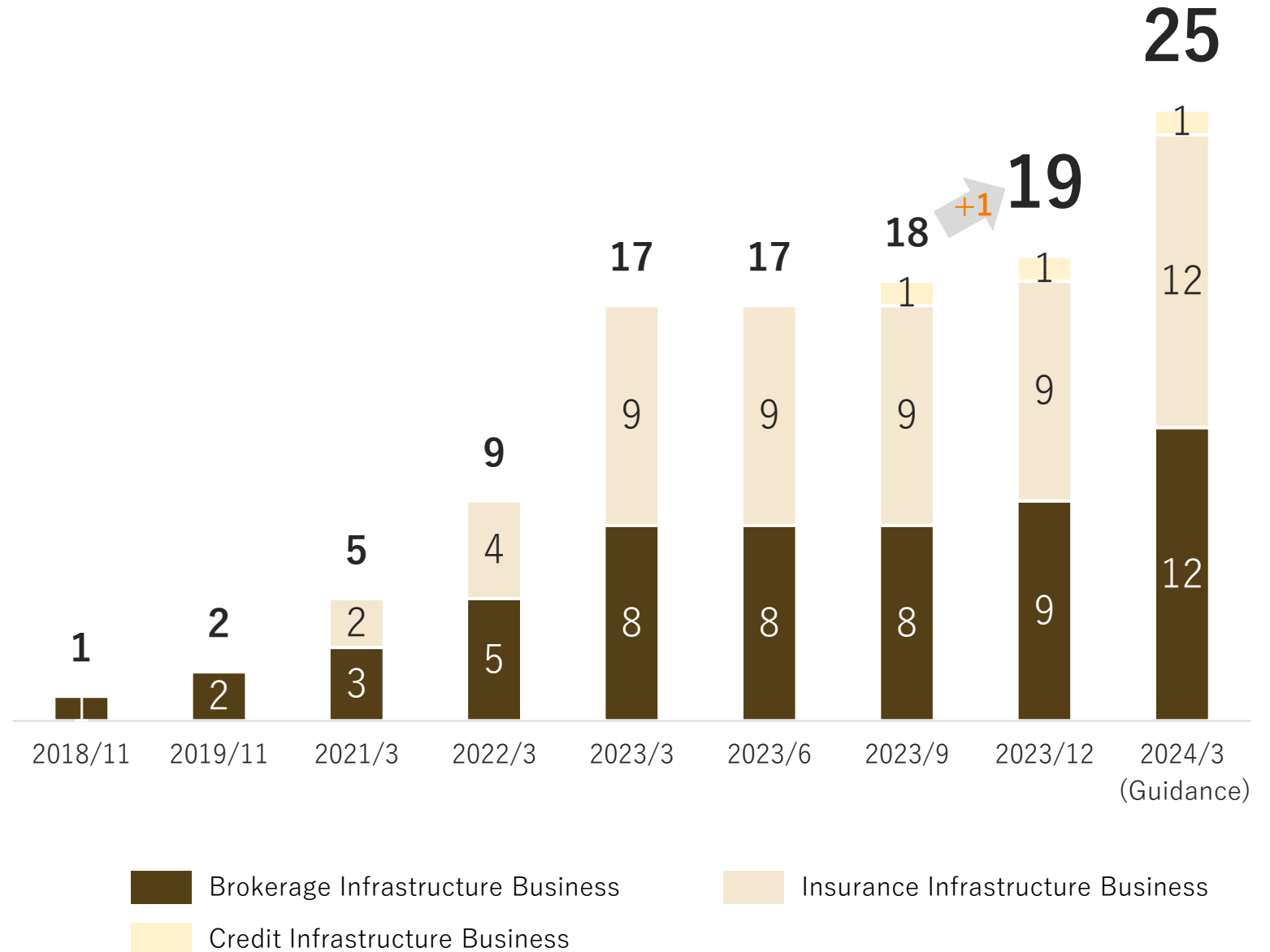


FINANCIAL INFRASTRUCTURE

Number of Partners

Regarding brokerage business, there was 1 new project of BaaS in Nov 2023 - Amber AM, an IFA.

Regarding insurance business, we focused on projects with existing partners, while the number of new partners is expected to be lower than the initially planned 3 due to rescheduling.



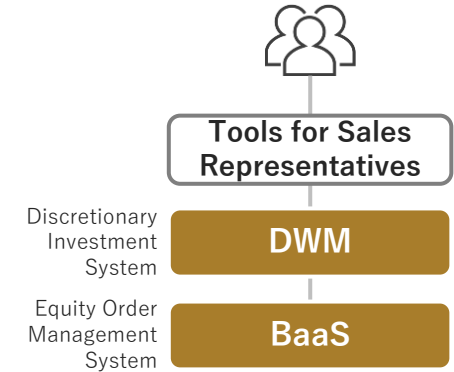
Focus of BaaS

There are 3 patterns in brokerage infrastructure.

Aiming 4 new launches in this fiscal year by continuous growth of Digital Wealth Management (DWM) and acquiring system migration projects from existing financial institutions.

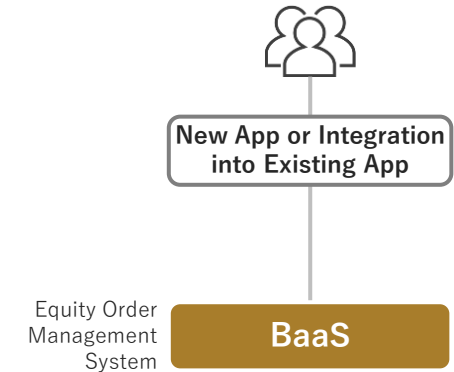
Digital Wealth Management (DWM)

- Integrating online and offline allows high-quality wealth management services to be provided to more customers.
- Provide a platform that can implement discretionary investment service at a low cost, with tools for sales representatives.
- Partner examples: Nissay AM, Financial Standard



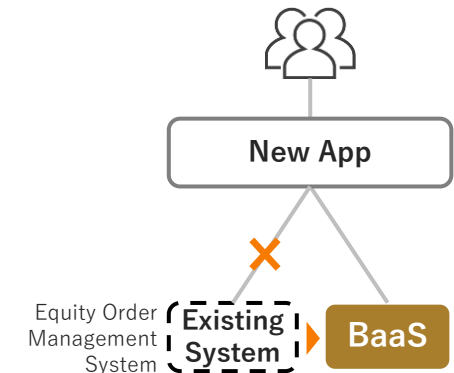
Embedded Investment

- Players with large customer bases leverage their customer contact and context to reach potential users.
- Support the development of investment services from planning stages tailored to partners, such as enabling the provision of investment functions within existing services.
- Partner examples: Credit Saison, Seven Bank



System Migration

- Migrate from existing systems to BaaS for financial institutions with customer accounts.
- Achieve DX of services simultaneously by refreshing web applications for users along with core system migration.
- Partner example: Saison AM

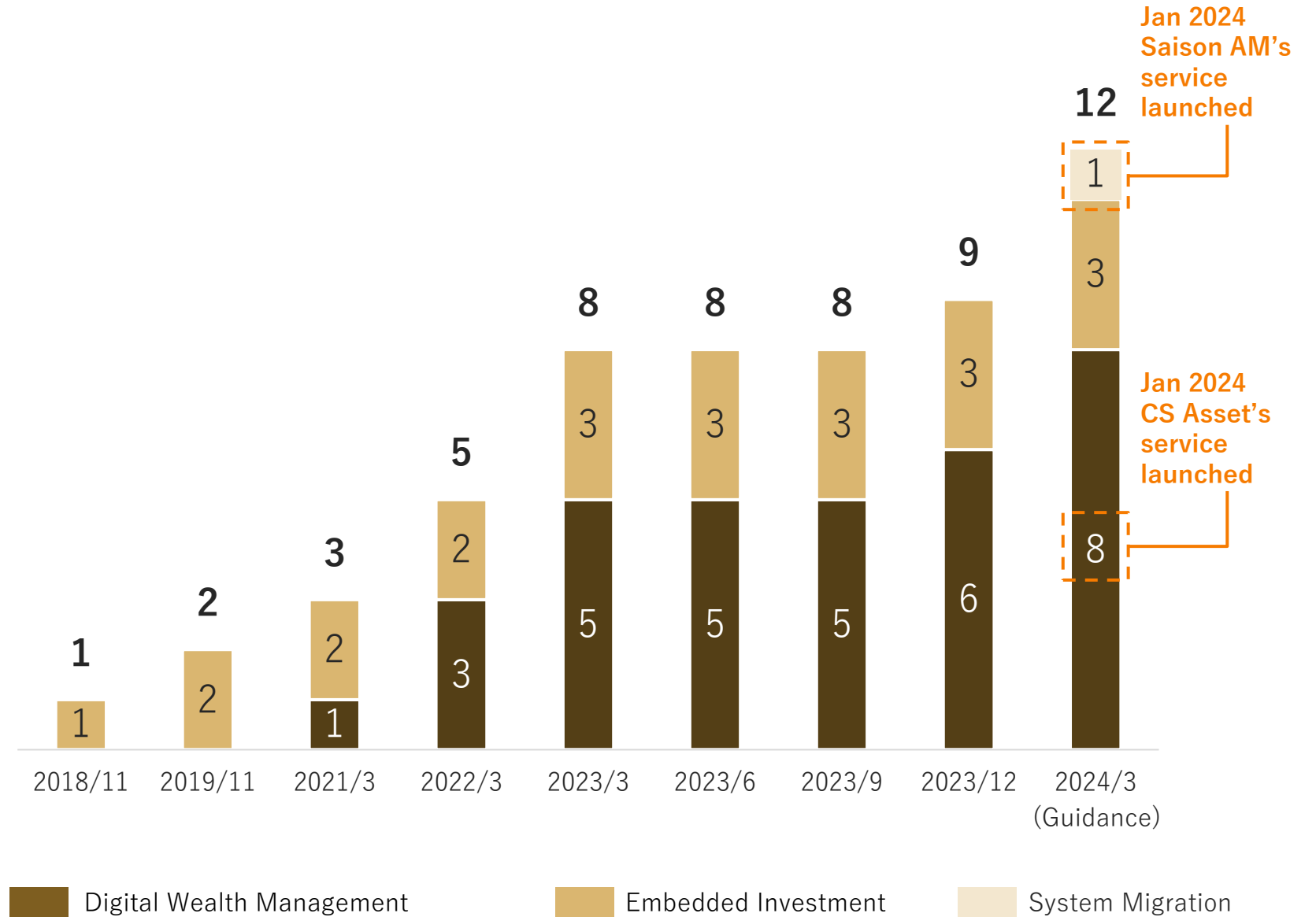


FINANCIAL INFRASTRUCTURE

of Services on BaaS

Launch of Amber AM's service in Nov 2023 brought the total number of services to 9 as of the end of this quarter.

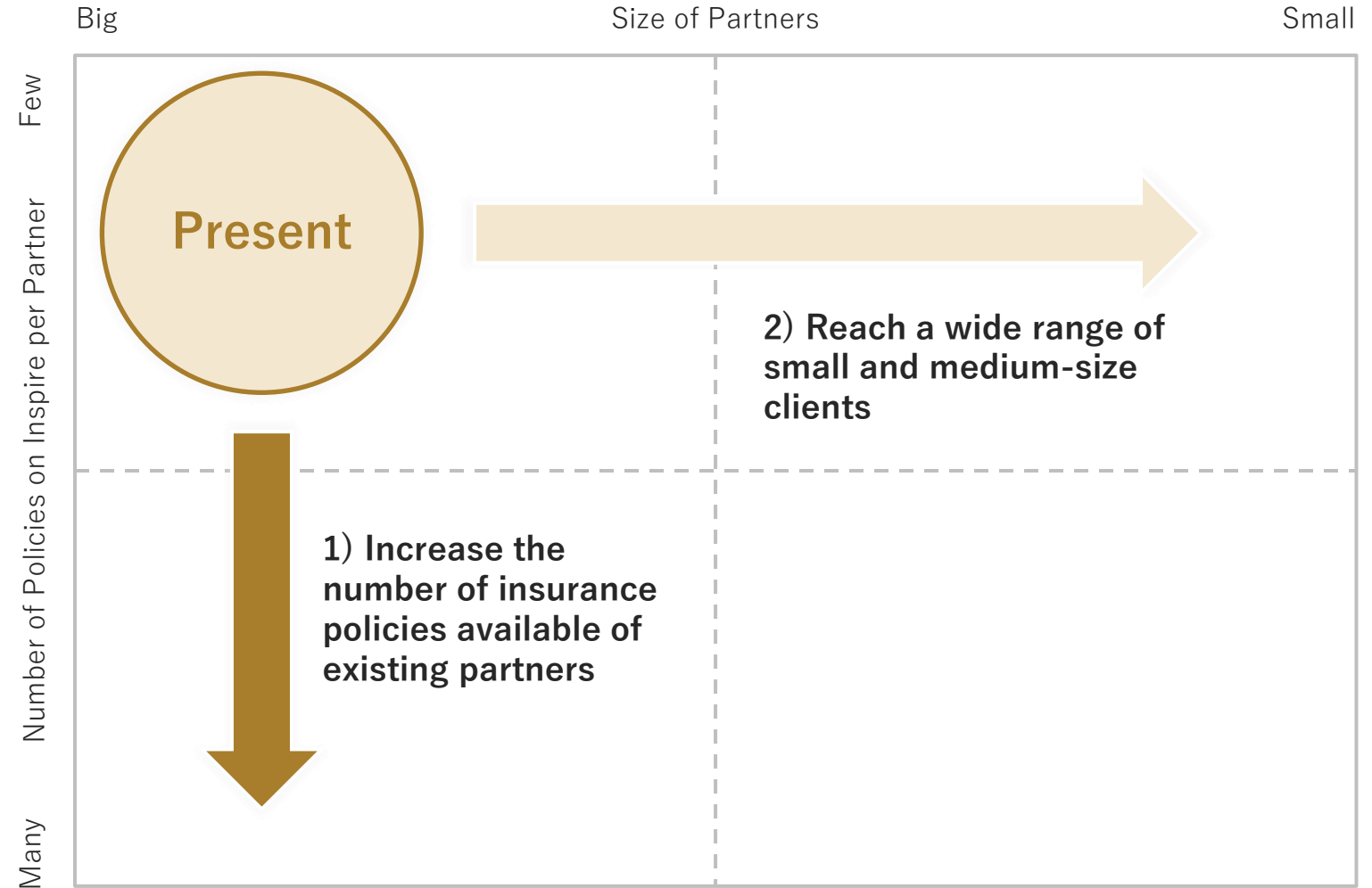
Also, with the launch of services of Saison AM and CS Asset in Jan 2024, progress toward the target of 12 services is on track.



1. Including subsidiary Smartplus which provides STREAM via BaaS

Focus of Inspire

1) Increase the number of insurance policies available of existing partners, and 2) add new features to reach a wider range of clients.

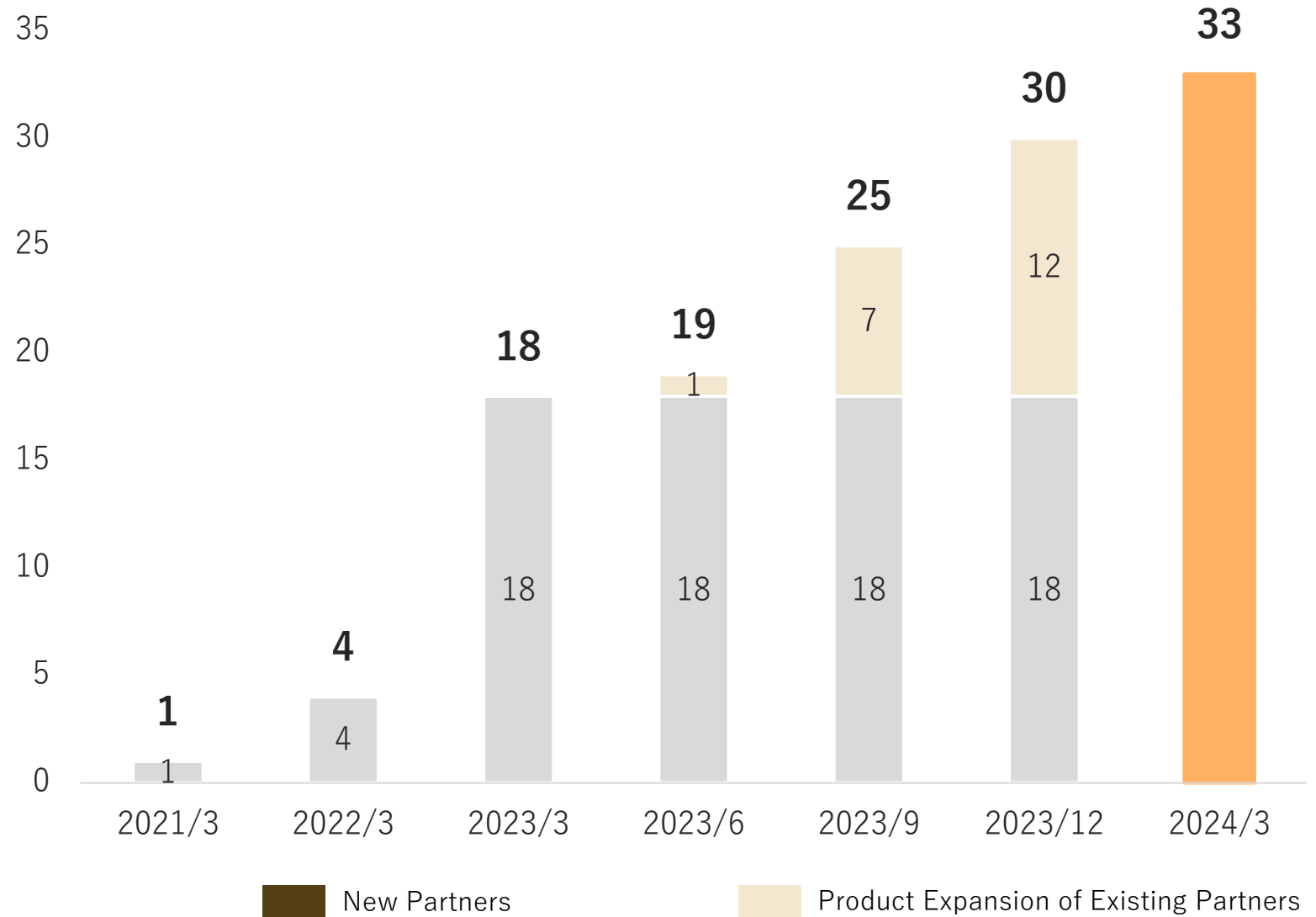


FINANCIAL INFRASTRUCTURE

Increase # of Policies on Inspire

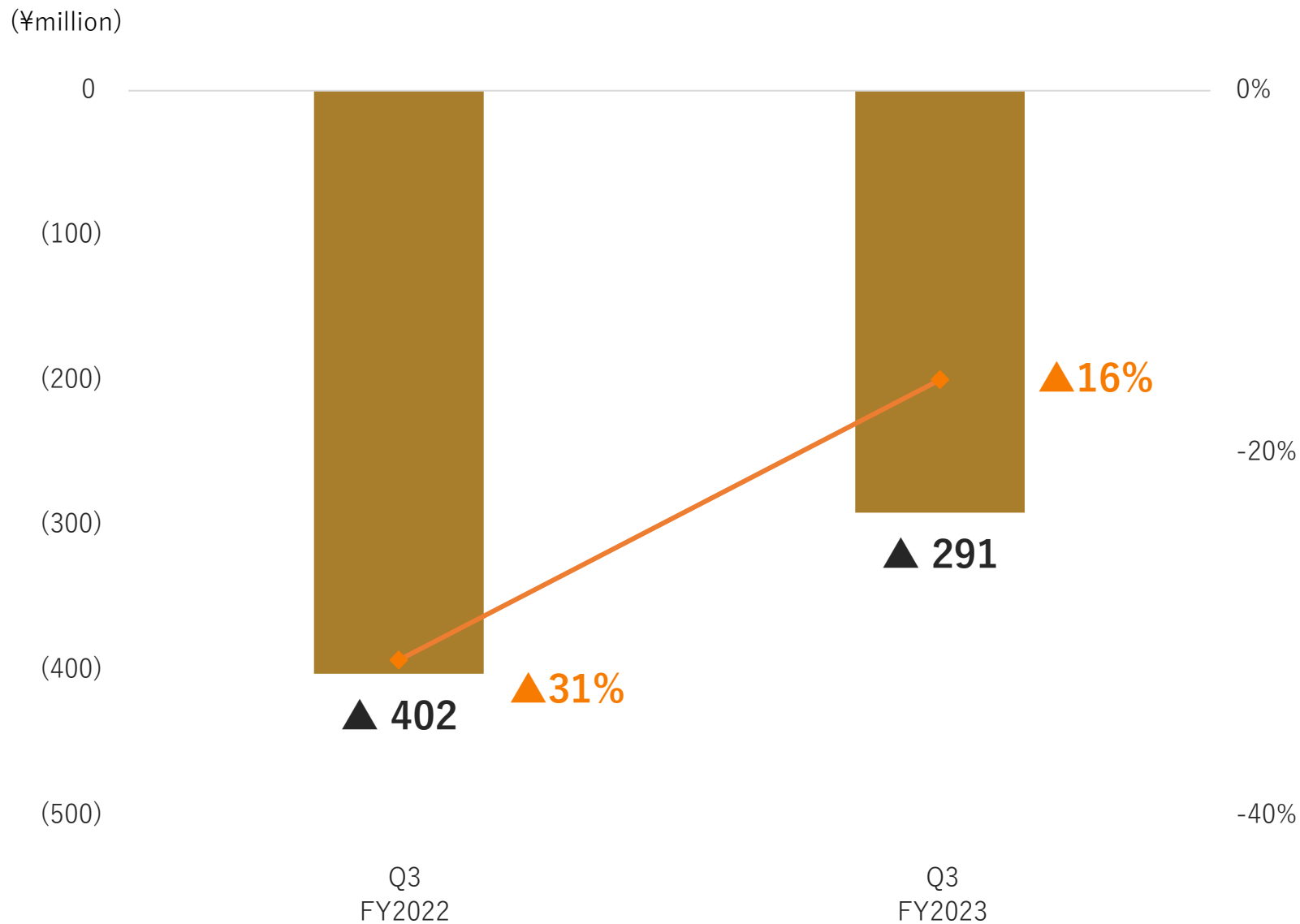
In this quarter, the number of policies increased from 25 to 30, as existing partners, including Nissay Plus SSI, added 5 new products.

Aim to increase the number of insurance policies available on Inspire to 33 by focusing on policies expansion of existing partners.



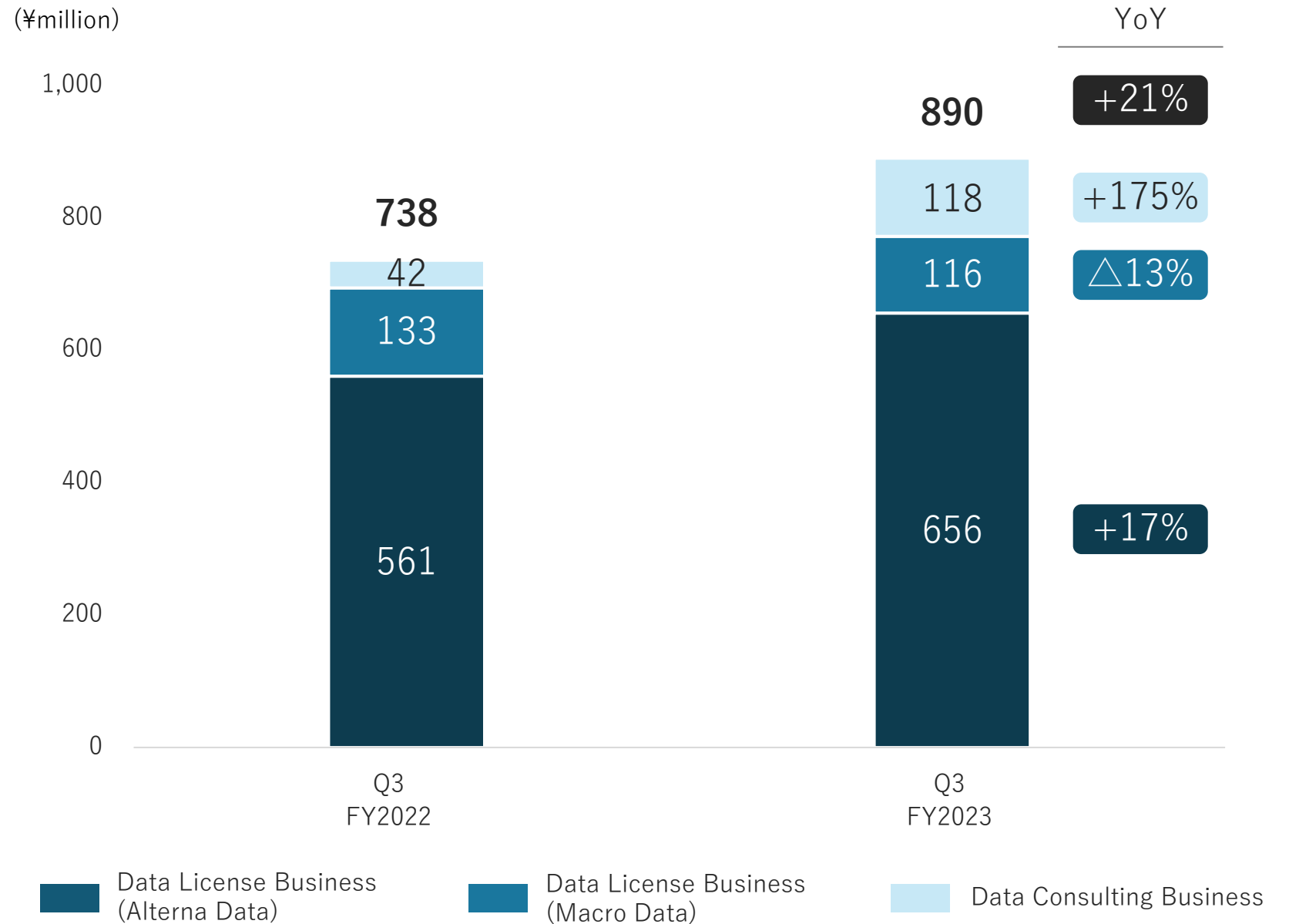
Operating Margin

Although labor and outsourcing expenses increased in response to business expansion, operating loss decreased, and **operating margin also improved from ▲31% to ▲16%.**

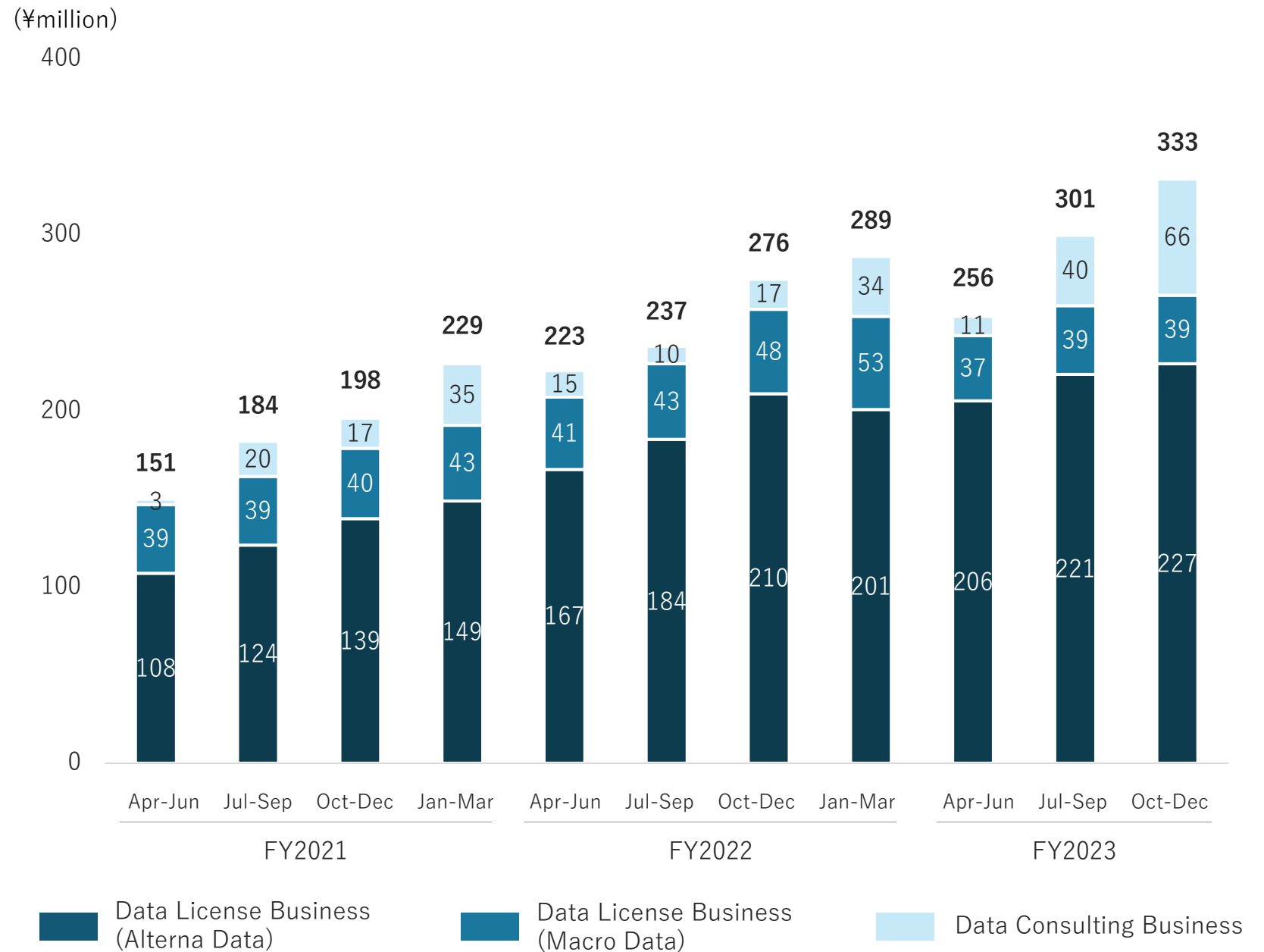


Revenue by Business

As a result of Alterna Data, a corporate analysis data service, growing by +17% YoY, **revenue was recorded at ¥890 million, +21% YoY.**

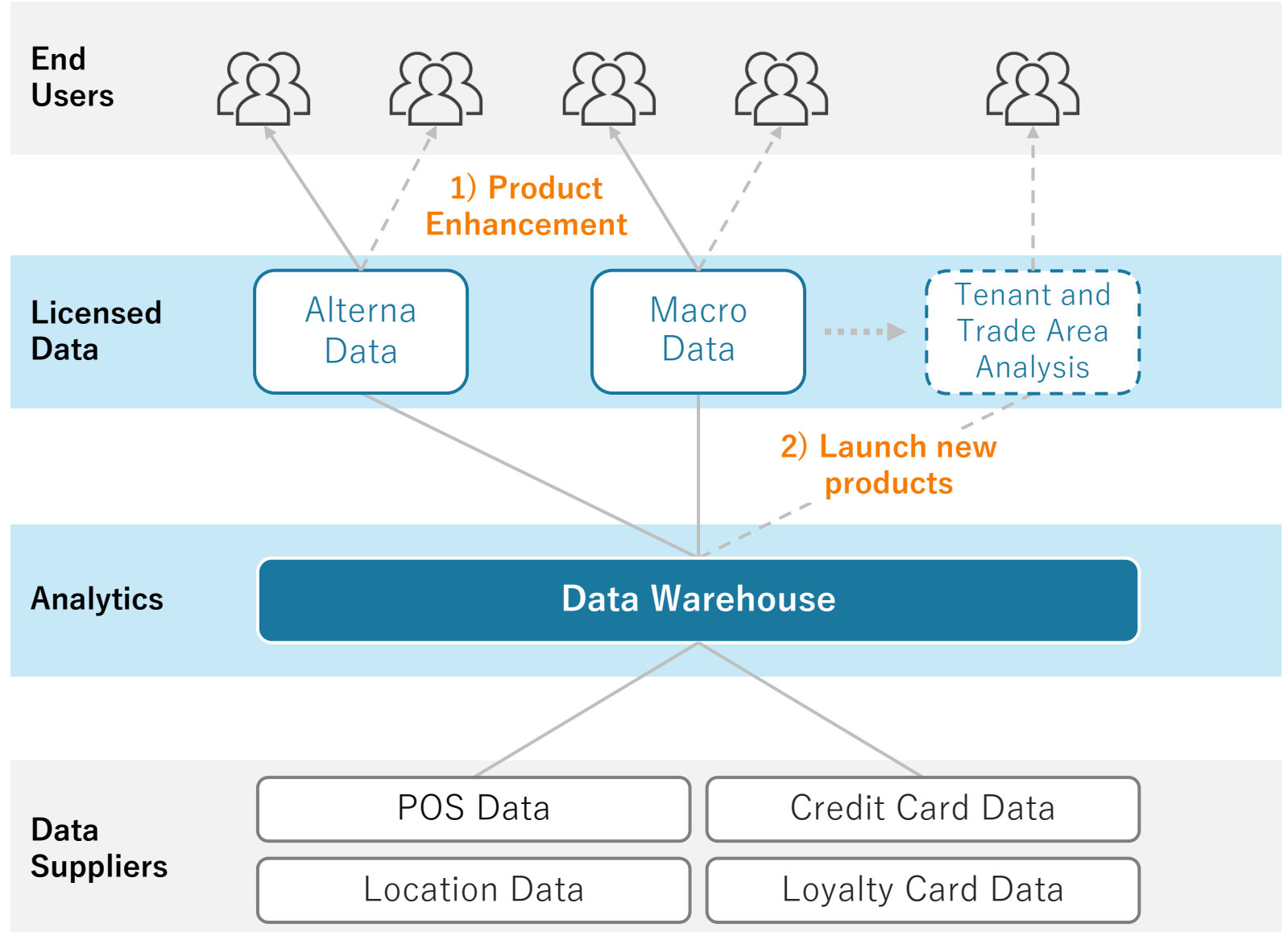


Revenue by Business



Strategy

Aim to 1) enhance the products by increasing the variety of data, while the growth of Alterna Data is slowing down due to backlash of weakening yen; and 2) launch a new business in real estate domain, such as tenant and trade area analysis services.



Strengthening Macro Data

While “Nikkei CPINOW” and “JCB Consumption NOW” have been being provided as macro data, “HRog Wage NOW” has been newly added as a wage index.

NEW



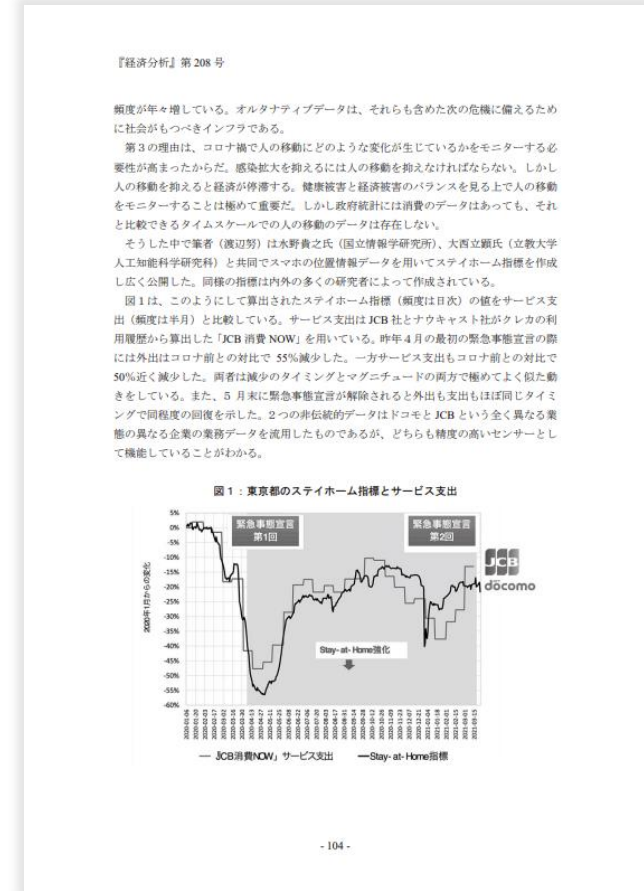
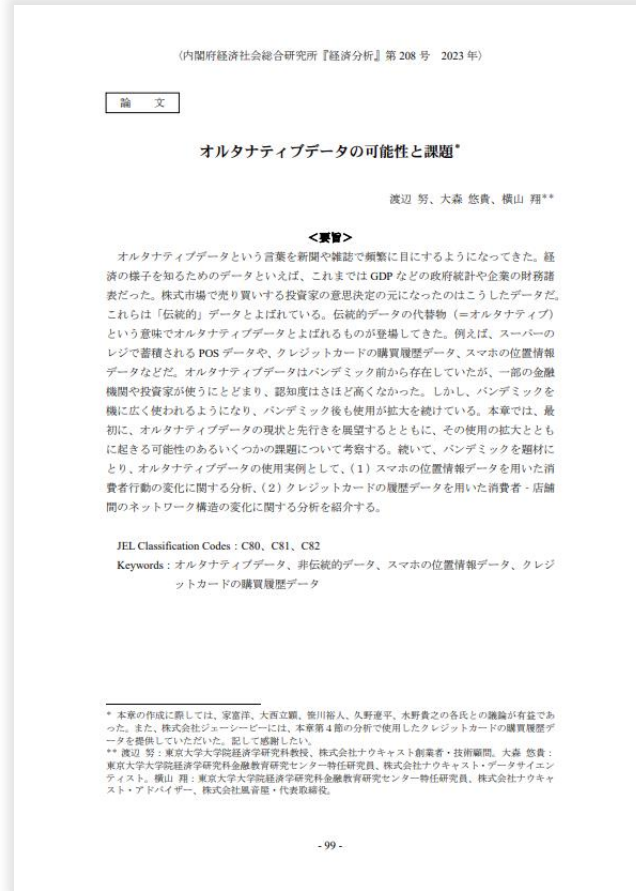
Overview	<ul style="list-style-type: none"> Provide daily consumer price indexes using POS data Mainly used to monitor inflation rate in Japan 	<ul style="list-style-type: none"> Provide consumption indexes using credit card data Classified by industries, location of retailers and types of consumers 	<ul style="list-style-type: none"> Provide Wage Index and Job Postings Index using job advertisement data. Cross-sectional analysis by job type and prefecture
Data Partners	<ul style="list-style-type: none"> Nikkei 	<ul style="list-style-type: none"> JCB 	<ul style="list-style-type: none"> HRog
Data	<ul style="list-style-type: none"> POS data 	<ul style="list-style-type: none"> Credit card data 	<ul style="list-style-type: none"> Job advertisement data
Frequency	<ul style="list-style-type: none"> Daily 	<ul style="list-style-type: none"> Biweekly 	<ul style="list-style-type: none"> Weekly

Thesis on Alternative Data

Committed to contributing to the academic field for the development of the alternative data industry.

Our group members Watanabe and Omori, along with advisor Yokoyama, published a joint paper in Cabinet Office’s “Economic Analysis Issue 208”.

“Possibilities and Challenges of Alternative Data”

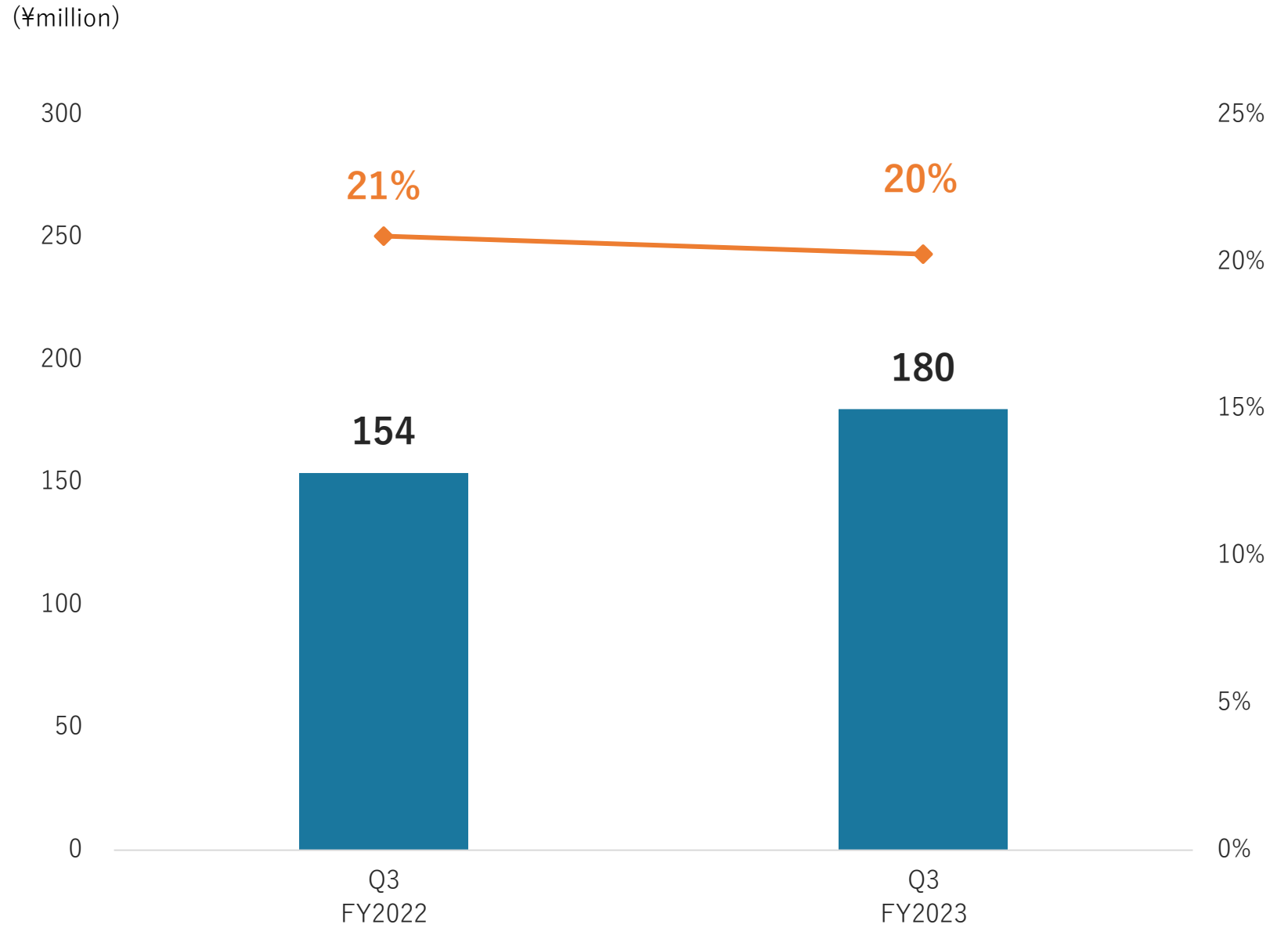


- With the theme of pandemic, the paper introduces real-world examples of using alternative data, such as the analysis of changes in consumer behavior using smartphone location data, and the analysis of changes in the network structure between consumers and stores using credit card transaction history data.

Credits: “Economic Analysis Issue 208 (Special Edition 'New Trends in Business Cycle Analysis') (Oct 2023)”, Cabinet Office

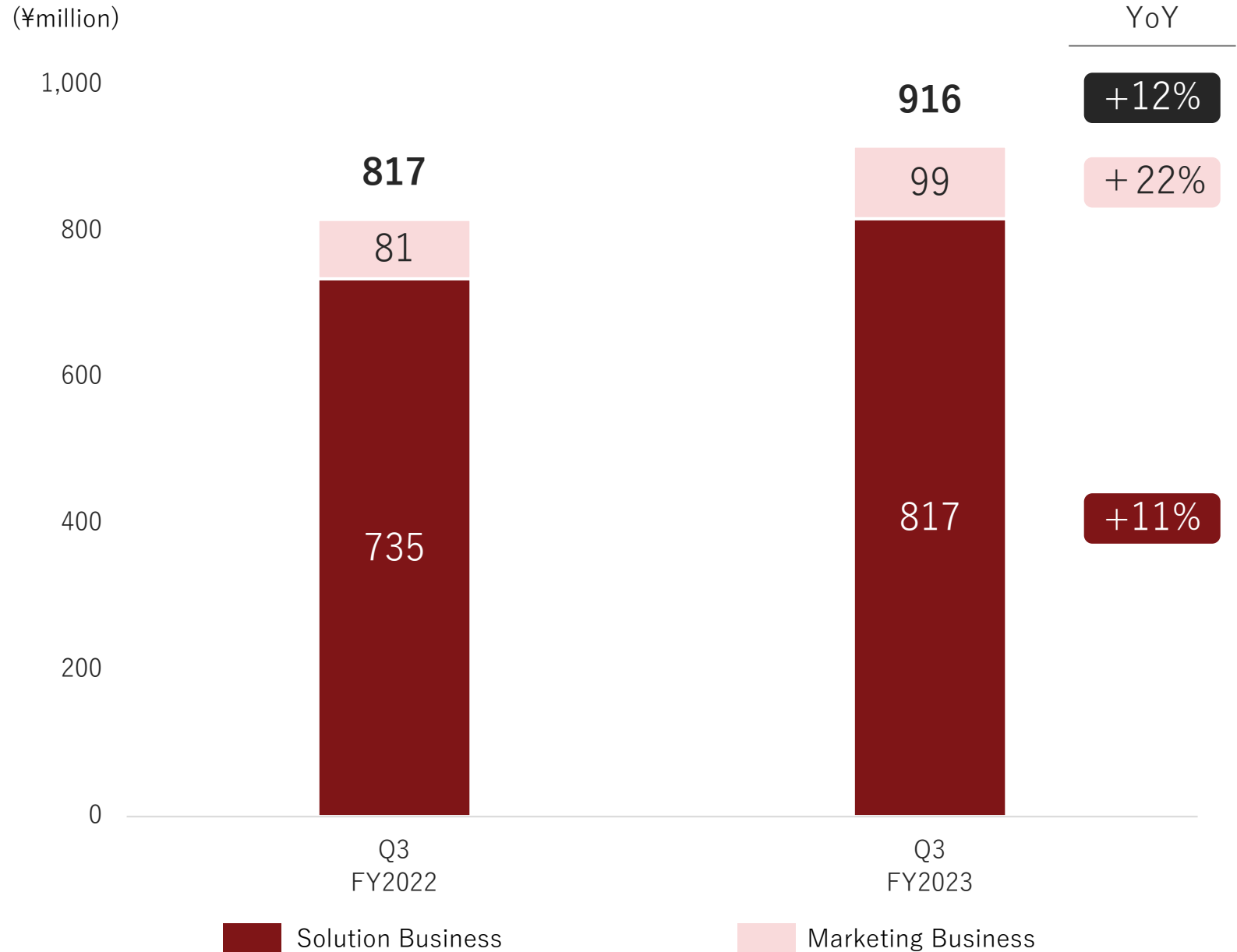
Operating Margin

Although Data License Business continued to grow, **operating margin slightly decreased from 21% to 20%** due to the planned increase in resources for new businesses, such as LLM.



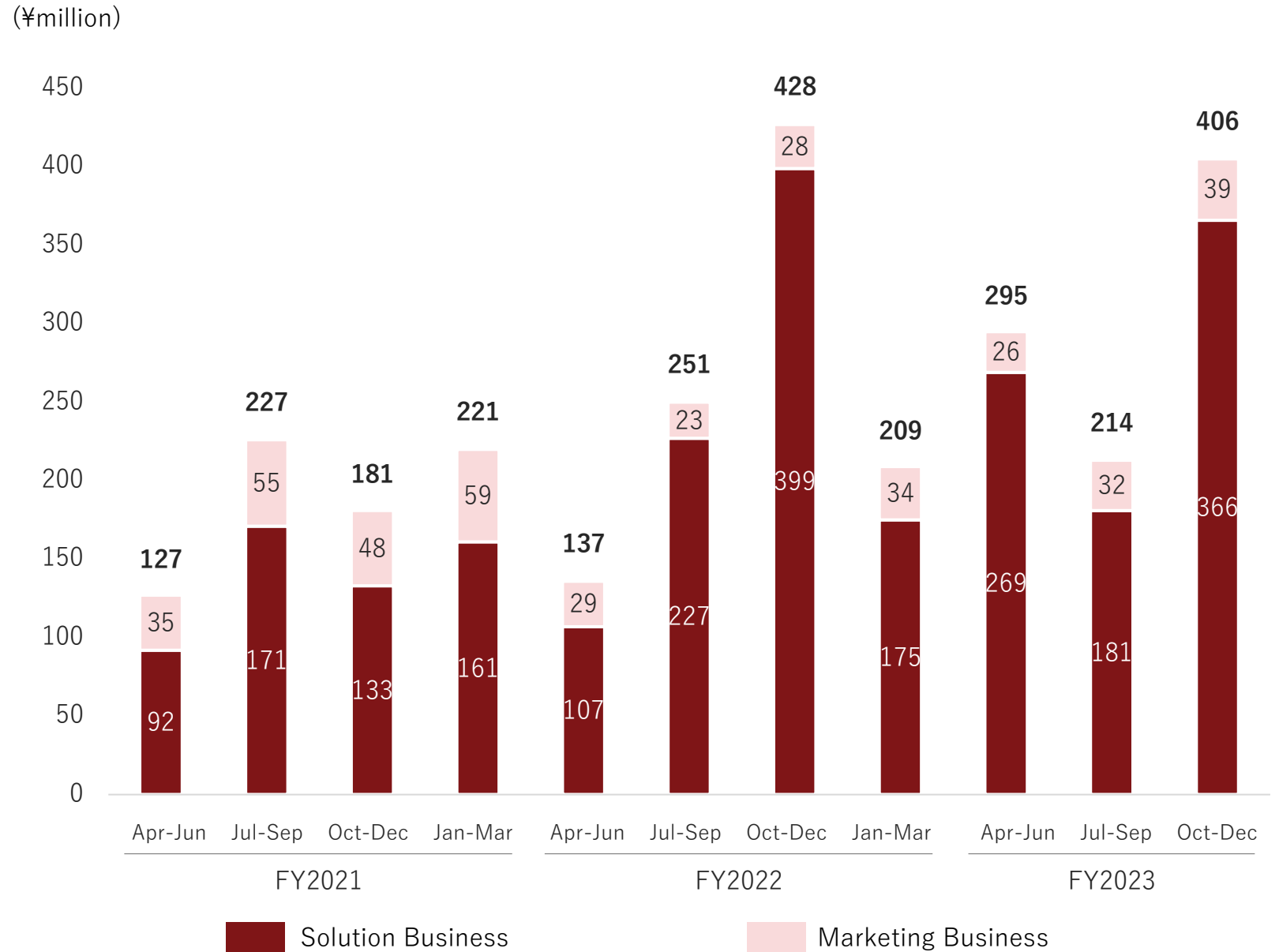
Revenue by Business

As a result of increase in one-off revenue from Solution Business, revenue was ¥916 million, +12% YoY.



Revenue by Business

Solution Business is made up of high proportion of one-off revenue, resulting in volatility which depends on the timing of the implementation.

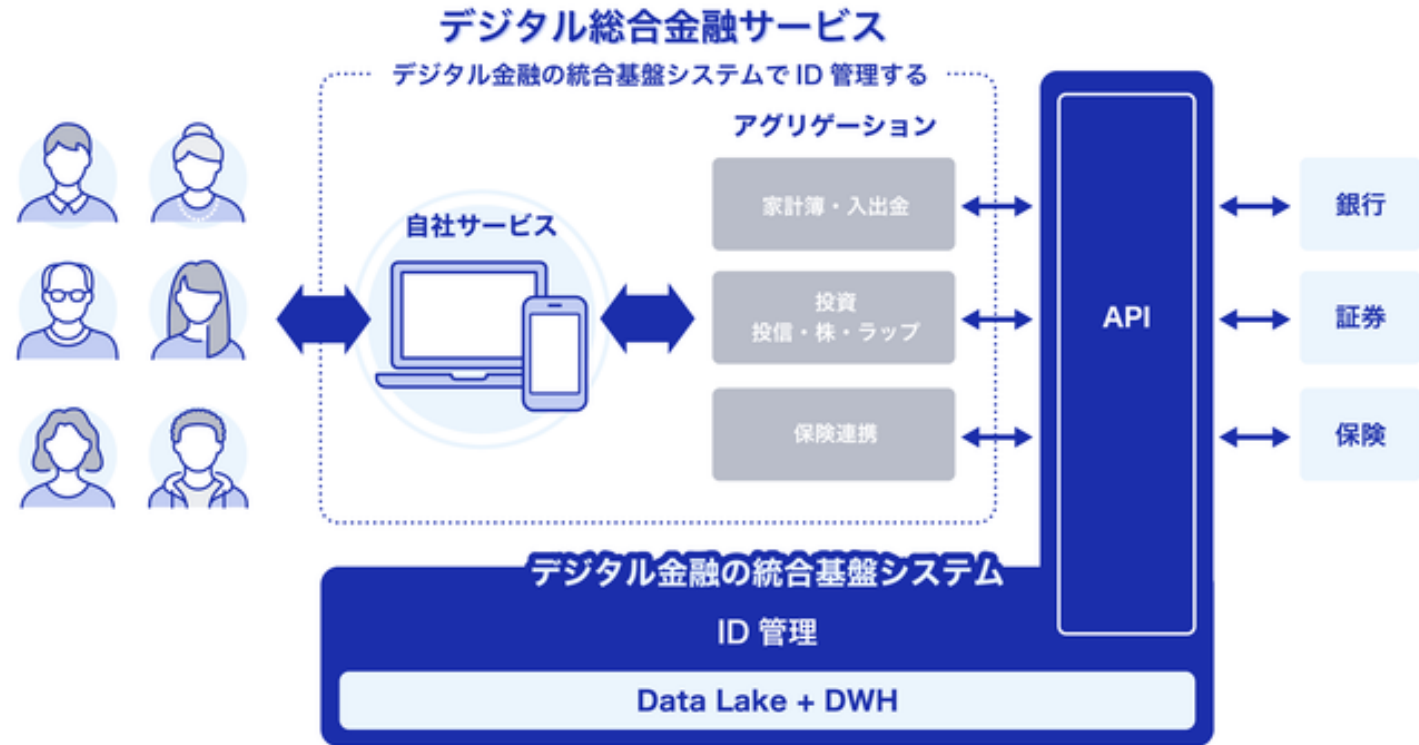


Diversifying Client Base

As a result of diversifying the client base, the number of projects with clients such as banks increased.

Continue to support development of MUFG Bank's "Money Canvas" after released in Dec 2021.

MUFG Bank's "Money Canvas"



Project Overview

- In Dec 2021, MUFG Bank released "Money Canvas", an asset management platform that provides a wide range of services including equities, mutual funds, crowdfunding, insurance, and use of loyalty points.
- Leveraging our ID integration solution, it is able to use the services of different financial institutions with only one account in the future.

Operating Margin

Recorded operating margin at 12%.

Progress is as expected despite the decrease comparing to the previous year, which is due to the temporarily higher year-ago operating margin.

※ Segment operating margin

FY2022 (full-year) : 13%

FY2021 (full-year) : 14%

(¥million)

200

17%

140

150

12%

114

100

50

0

Q3
FY2022

Q3
FY2023

20%

15%

10%

5%

0%

EARNINGS GUIDANCE FY2023

Guidance Highlights

Revenue is expected to improve +40% YoY, with operating income expected to be in the black.

(¥million)

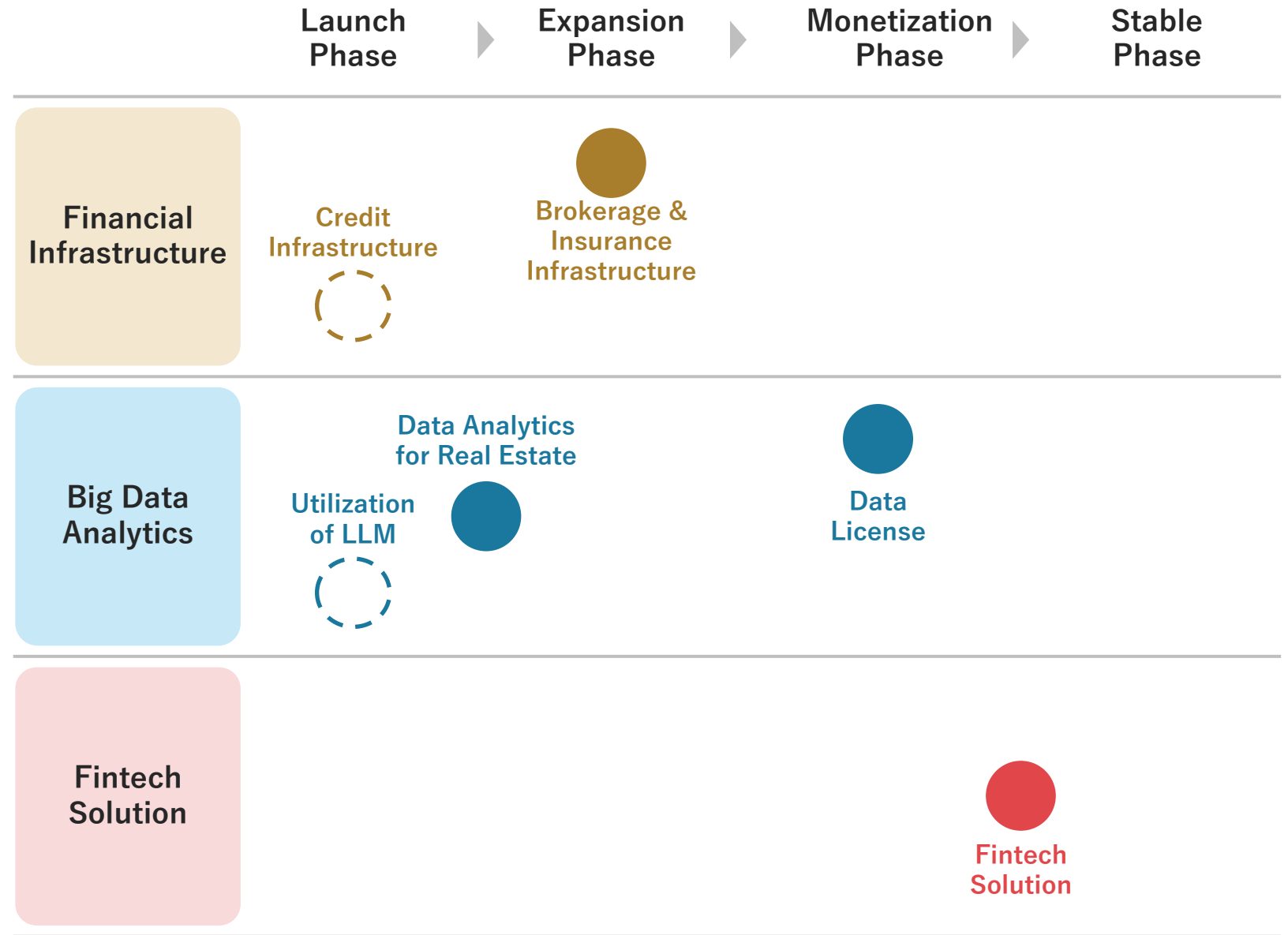
	FY2023 Guidance	FY2022 Actual	YoY
Revenue	5,352	3,820	+ 40%
COGS	2,398	1,721	+ 39%
Gross Profit	2,954	2,099	+ 41%
Gross Margin	55%	55%	-
SG&A	2,932	2,427	+ 21%
Operating Income	21	▲328	-
Operating Margin	0%	▲9%	-
Adj. EBITDA ¹	127	▲252	-
Adj. EBITDA Margin	2%	▲7%	-

1. Adj. EBITDA = Operating income + Depreciation and amortization + Stock-based compensation expense ± Other adjustments

Strategy Highlights

Top priority is to increase market share by acquiring new partners in Financial Infrastructure.

While maximizing the profits of existing data license business and Fintech Solution, we will launch new products for real estate and LLM.

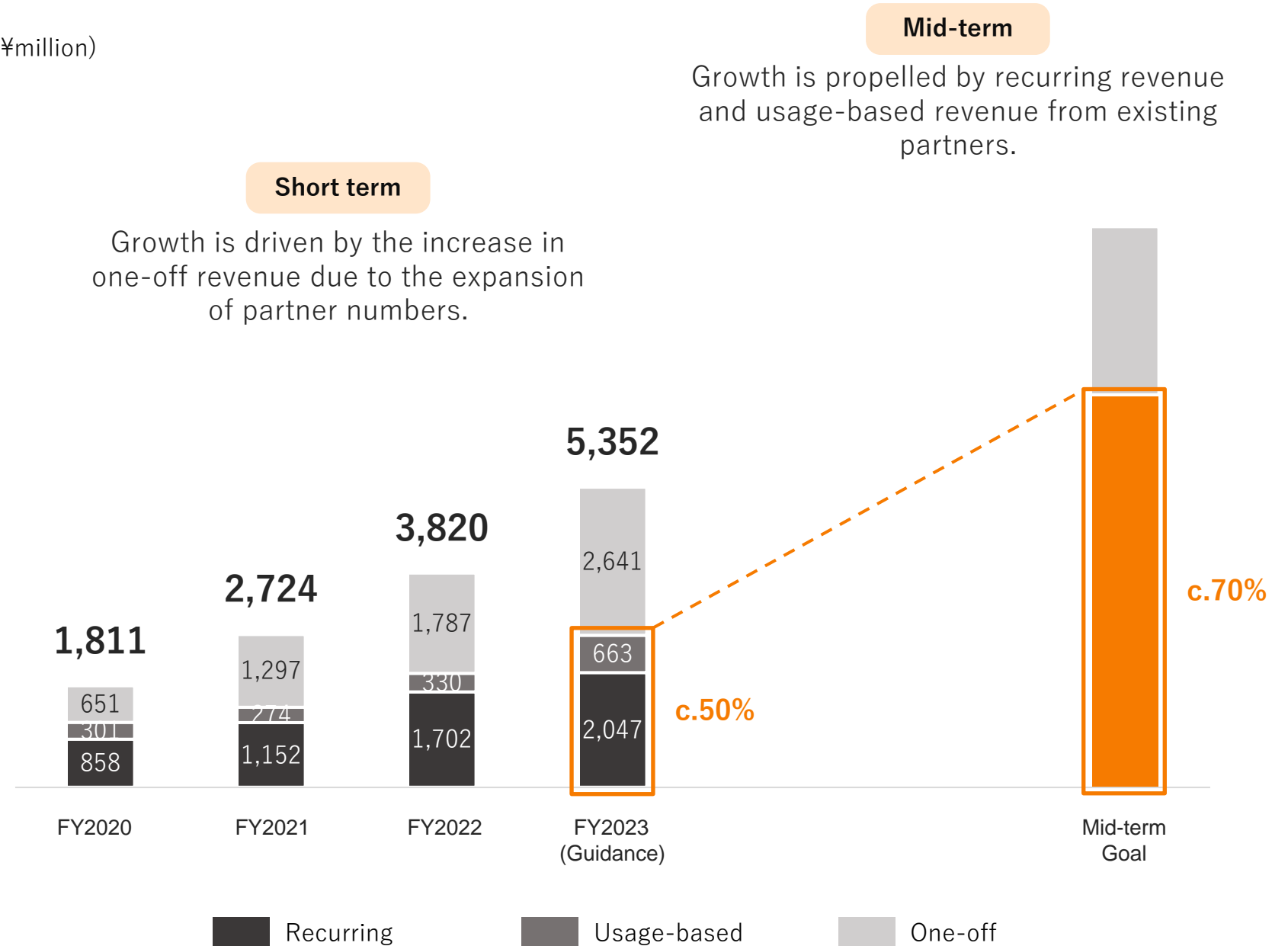


Growth Strategy

In the short term, prioritize market share expansion and aim to increase the # of partners, which leads to a higher ratio of **one-off revenue**.

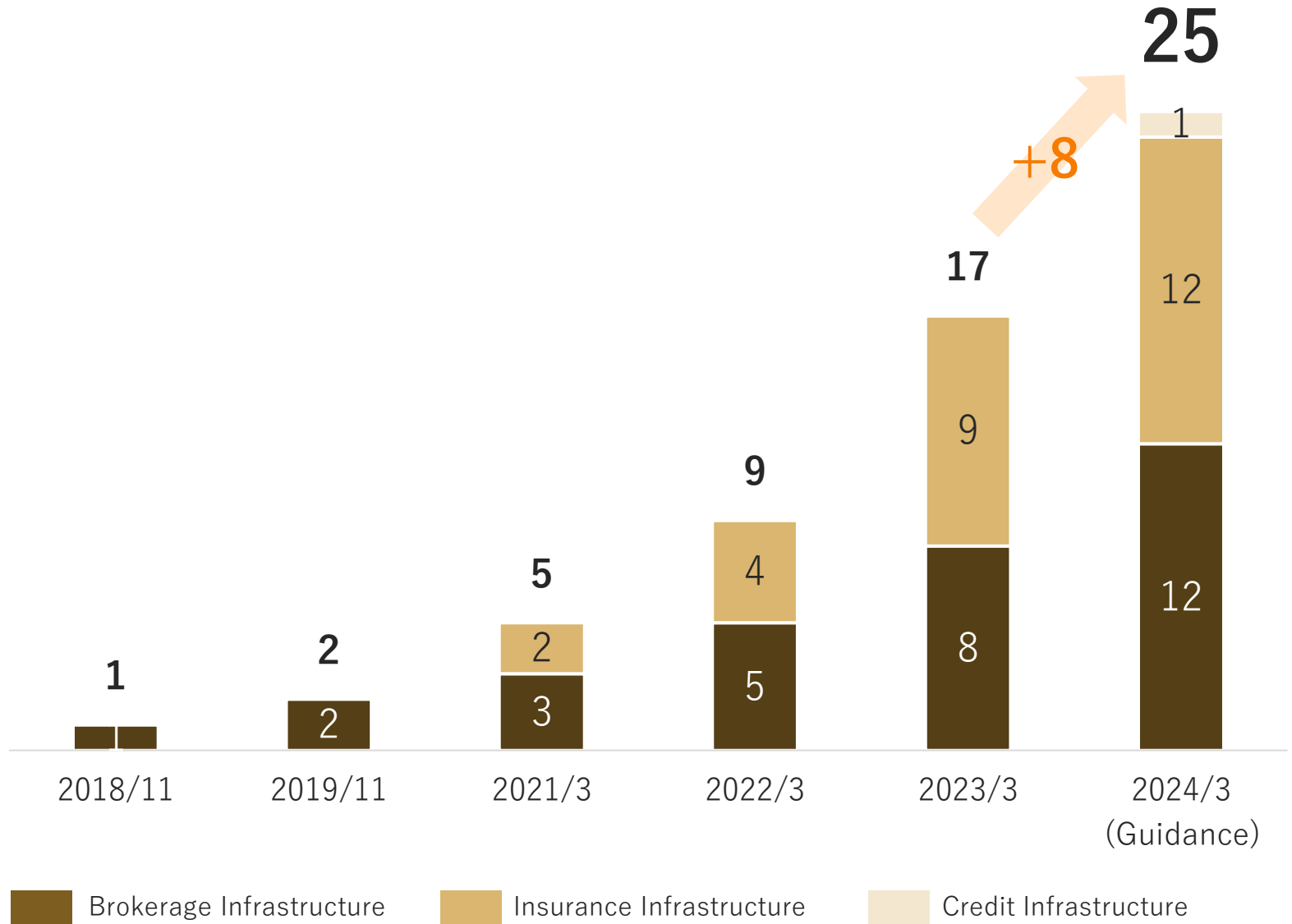
In the mid-term, aim to increase **recurring** and **usage-based revenue** from existing partners and raise continuing revenue to c.70%.

(¥million)



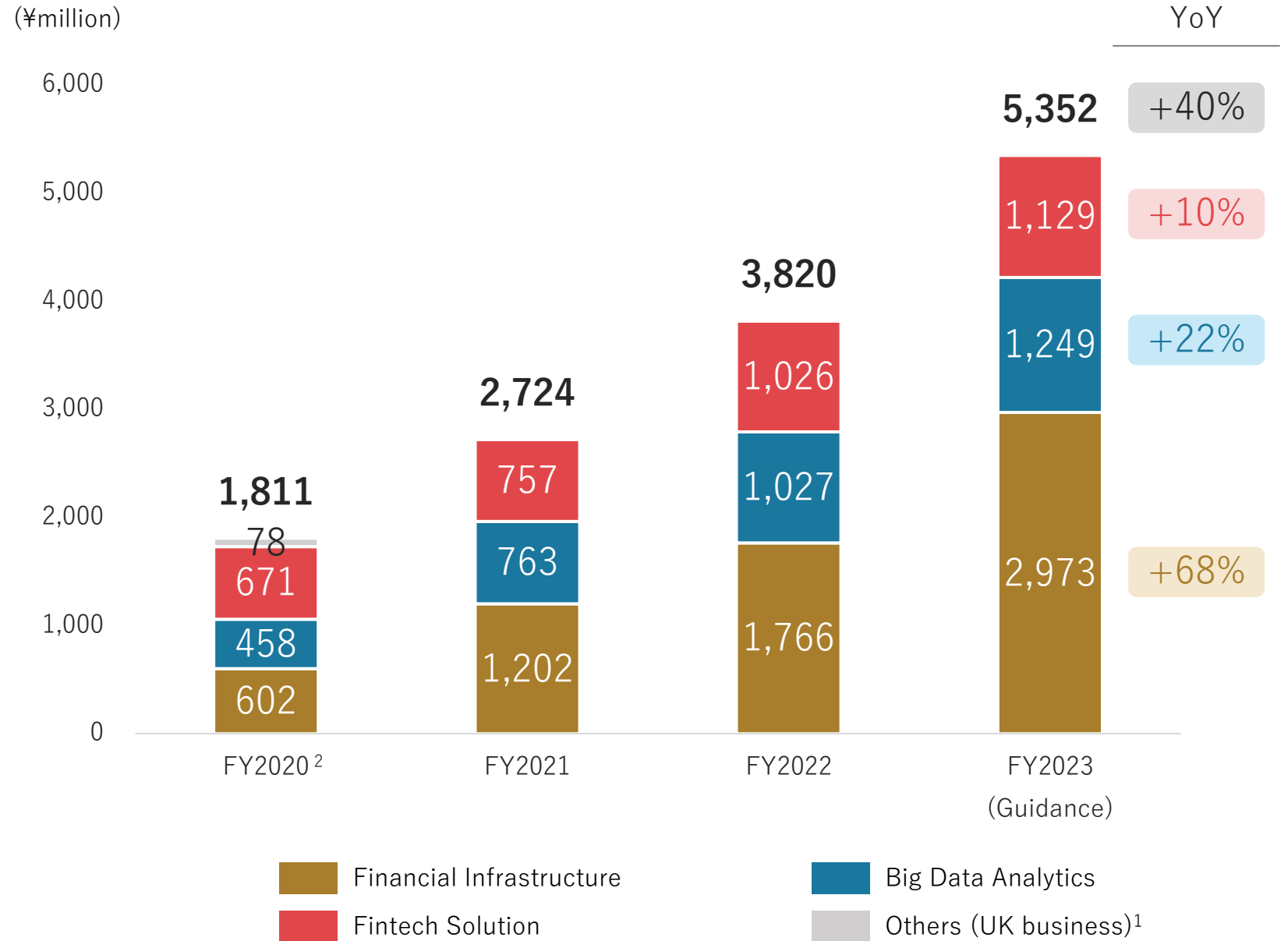
Pipeline for Financial Infra.

In FY2023, the goal is to acquire 8 new partners.



Revenue Forecast by Segment

Financial Infrastructure is expected to grow +68% YoY driving the growth of the whole group.

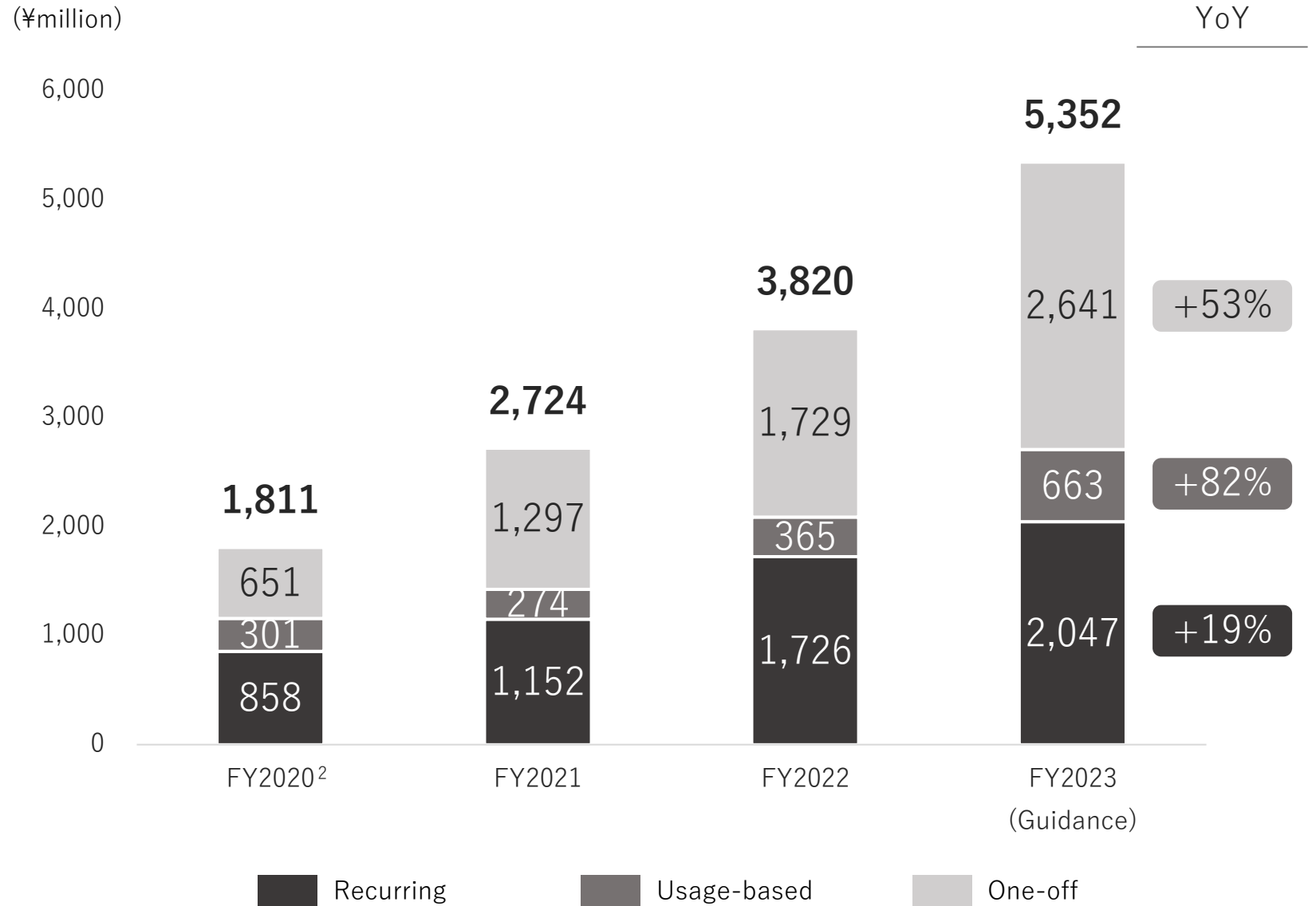


1. Revenue in UK business exited in the consolidated fiscal year 2020
 2. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

Revenue Forecast by Type

One-off revenue and usage-based revenue mainly from Financial Infrastructure are expected to increase.

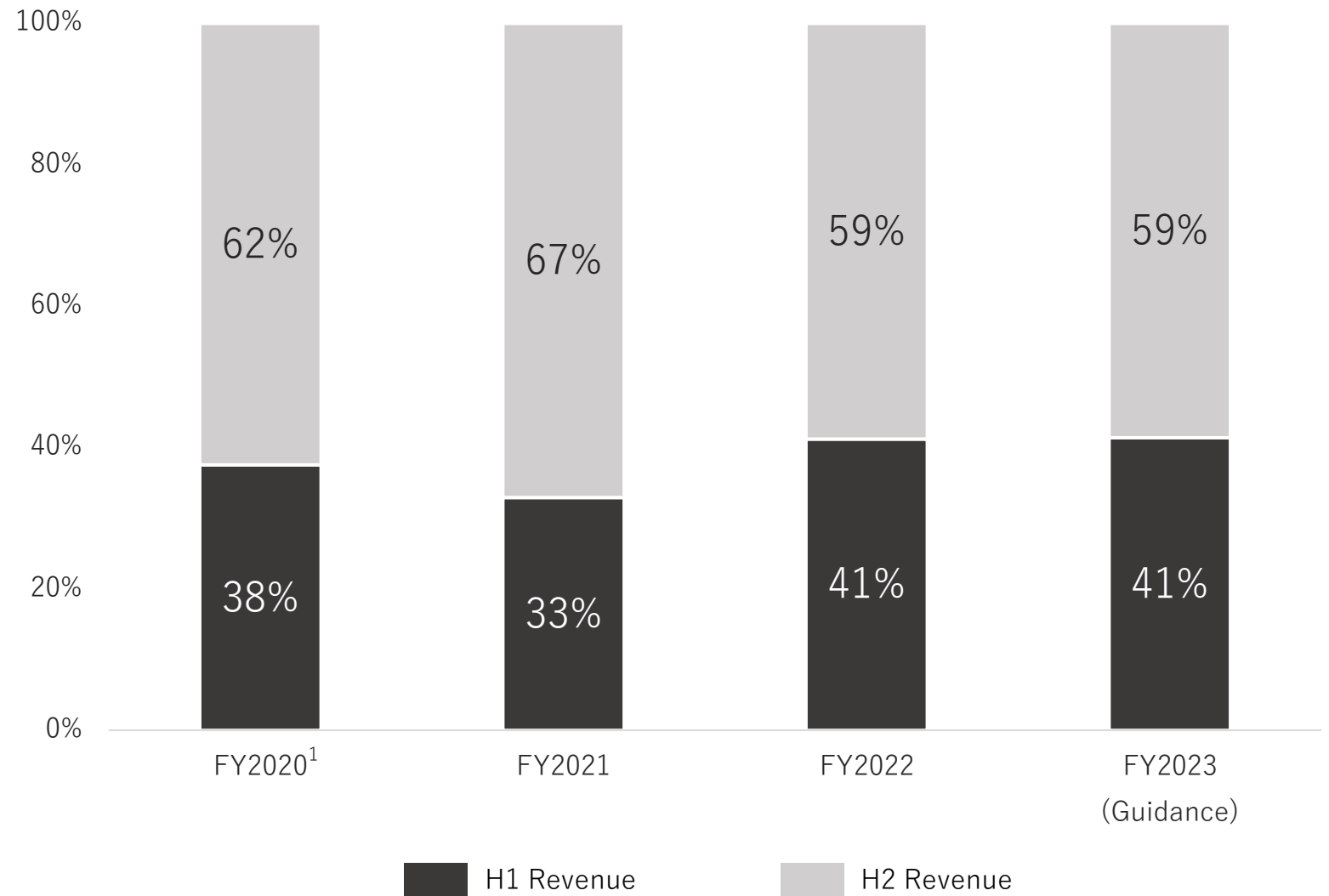
Recurring revenues are expected to grow only +19% overall, but Financial Infrastructure alone is expected to grow +52%.



1. Excluding revenue in UK business exited in the consolidated fiscal year 2020
 2. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

Seasonality

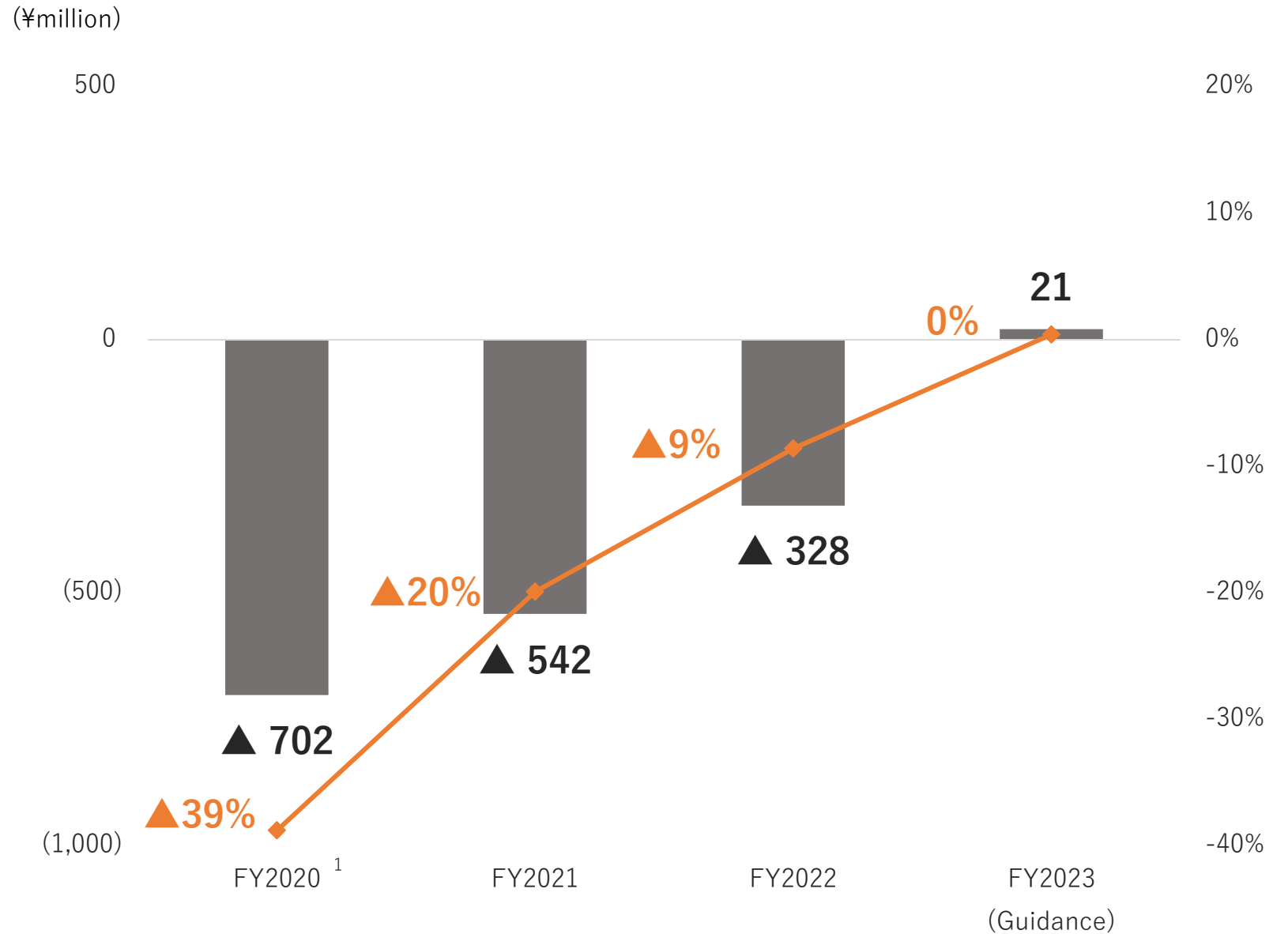
Revenue is expected to concentrate in the second half of FY2023 as before.



1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

Operating Income Forecast

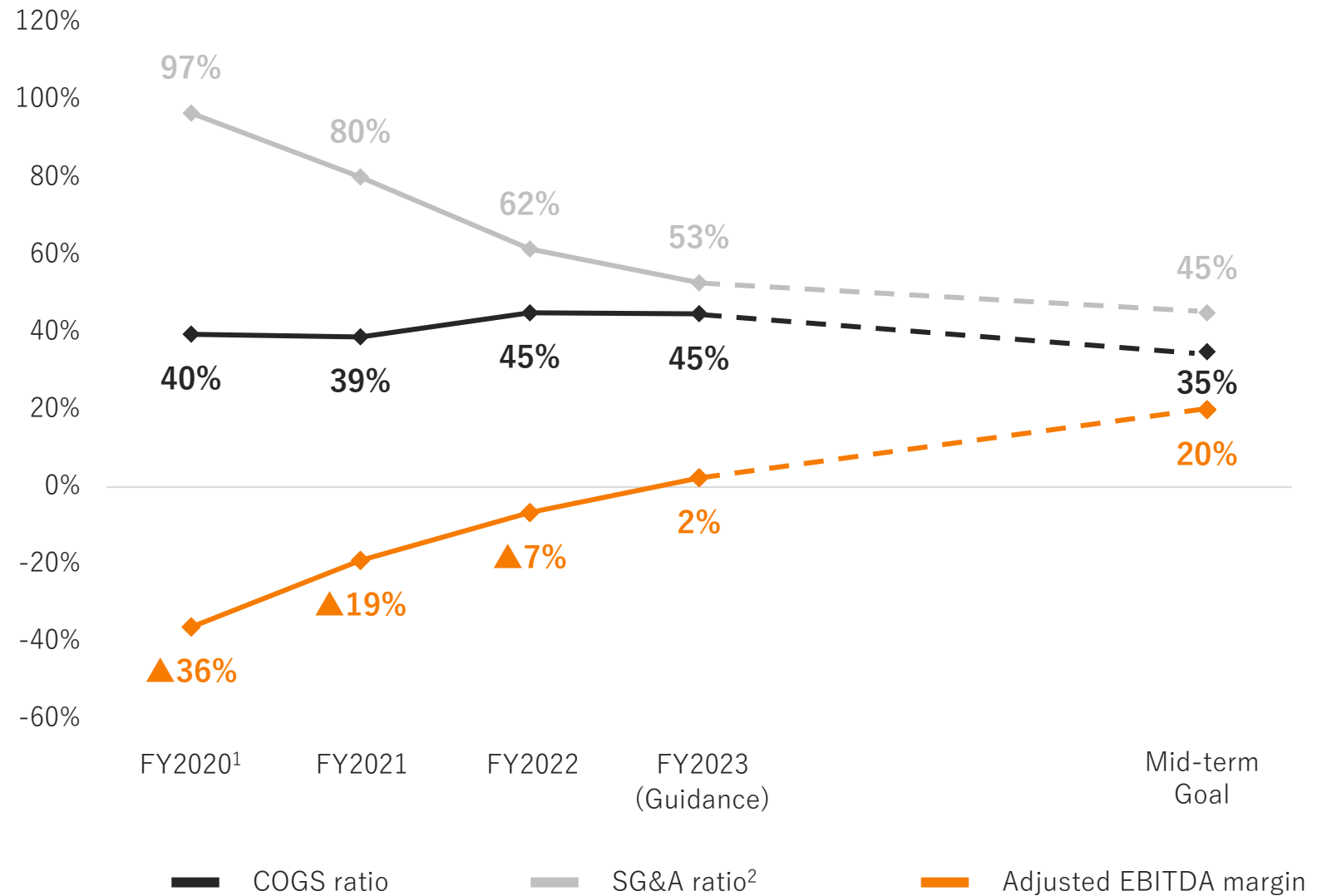
Operating income is expected to be in the black for the decrease in SG&A ratio with the increase in revenue.



1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

Mid-term Forecast

Goal in the mid-term is to achieve adjusted EBITDA margin of about 20% with revenue growth and lower SG&A ratio.



1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.
 2. Excluding depreciation and amortization expenses, stock-based compensation expenses, and other adjustment items.

APPENDIX

APPENDIX

COMPANY OVERVIEW

Corporate Overview

Finatext is a technology company which provides next-generation cloud infrastructure for the asset management and insurance industries.

Company Name:	Finatext Holdings Ltd.
Address:	9F, Sumitomo RD Kudan Bldg. 1-8-10 Kudankita, Chiyoda-ku Tokyo, 102 0073 Japan
CEO:	Ryota Hayashi
Establishment Date:	December 27, 2013
Business:	Fintech Solution Big Data Analytics Financial Infrastructure

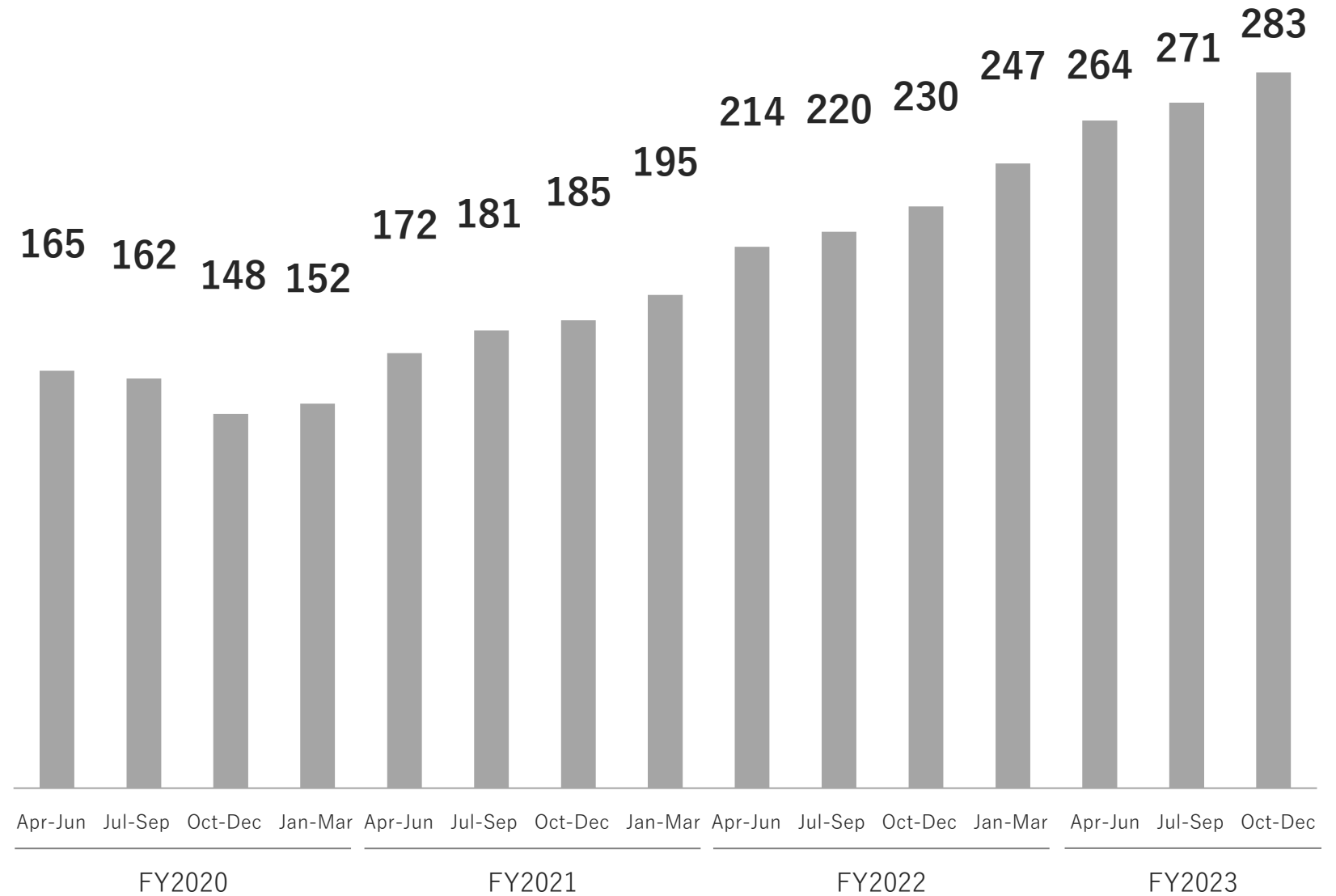
Corporate Structure

Subsidiaries	Ownership	# of Employees ¹	Business	Segment
FINATEXT HOLDINGS	-	15	• Group holding company	
Finatext	100%	100	• Software development for financial institutions and group enterprises	Financial Infrastructure Fintech Solution
Nowcast	100%	36	• Big Data Analytics service to institutional investors and government	Big Data Analytics
Smartplus	85%	36	• Brokerage company	Financial Infrastructure
Smartplus SSI	93%	4	• Small amount and short-term insurance company	Financial Infrastructure
Smartplus Credit	100%	0	• Lender	Financial Infrastructure
Teqnological	70%	5	• Offshore outsourcing bridge	Fintech Solution
Teqnological Asia	72% (50.4% ²)	87	• Offshore development for group companies in Vietnam	Fintech Solution

- # of employees as of December 31, 2023
- Indirect ownership ratio by Finatext Holdings Ltd.

of Employees

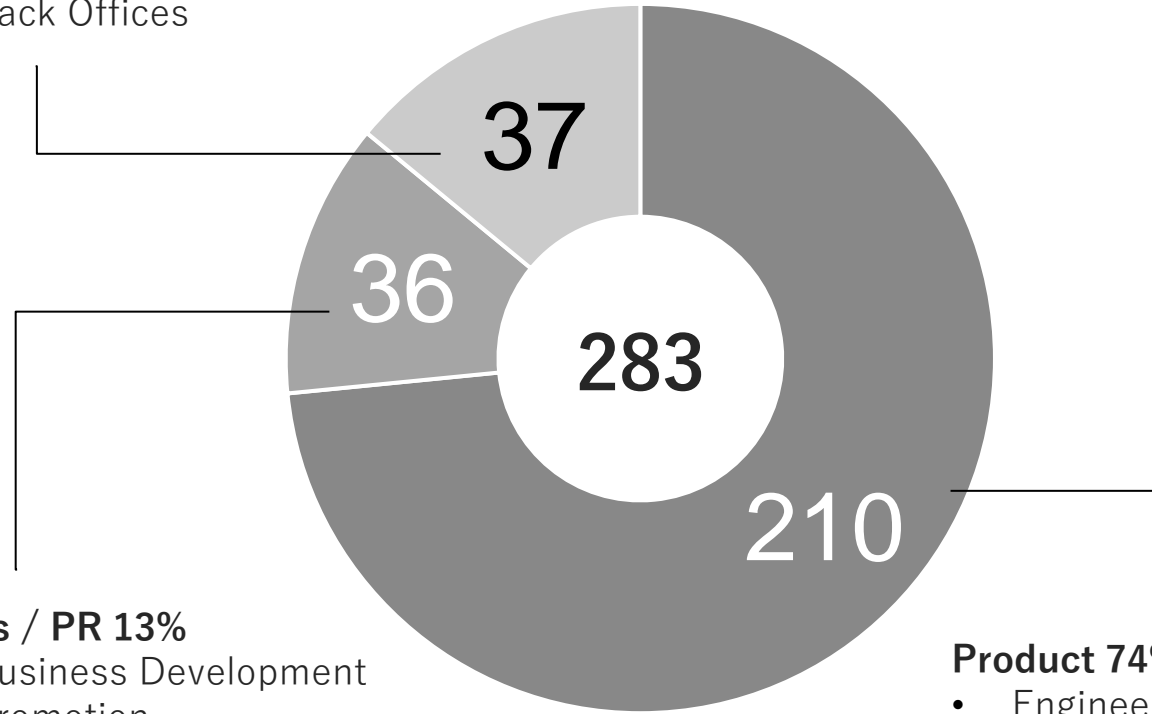
Although the number of employees decreased in Oct-Dec 2020 due to the exit of UK business, it has been increasing afterwards.



Staff Composition

Operations / Back Offices 13%

- Financial Operations
- Back Offices



Sales / PR 13%

- Business Development
- Promotion
- Research & Market

Product 74%

- Engineer
- Product Management
- Designer
- Web Director

1. Number of full-time employees as of December 31, 2023

Leadership



**Representative Director
CEO
Ryota Hayashi**

After working at Deutsche Bank in London and a hedge fund, Ryota co-founded Finatext in 2013. B.A. in Economics from The Univ. of Tokyo.



**Executive Director
CFO
Yuichiro Ito**

Yuichiro joined Finatext in 2016 after working IBD Div. in UBS Securities Japan for nearly 6 years. B.A. in Economics from The Univ. of Tokyo.



**Executive Director
CTO/CISO
Satoshi Tajima**

Satoshi joined Finatext in 2019 after working in VOYAGE GROUP (now CARTA HOLDINGS). Graduated from School of Information and Communication, Meiji University. CISSP holder.

Leadership



Outside Director Hideki Yamauchi¹

Hideki Established Global Cyber Investment in 2000 after working at The Industrial Bank of Japan. He became a outside director of Finatext in 2016. B.A. in Economics from The Univ. of Tokyo.



Statutory Auditor Ryosuke Nomura²

Ryosuke joined Edison Law Office as a lawyer in 2018 after working at several law offices. He became a statutory auditor of Finatext in 2020. B.A. in Laws from The Univ. of Tokyo.



Statutory Auditor Mamoru Sato²

Mamoru began his career at Bankers Trust in Japan and served as CFO and Statutory Auditor at Citi in Japan. He became a statutory auditor of Finatext in 2019. B.A. in Economics from Senshu Univ.



Statutory Auditor Hisayori Kataoka²

Hisayori established Hisayori Kataoka CPA Office in 2020 after working at Deloitte as a CPA. He became a statutory auditor of Finatext in 2021. B.A. in Economics from Keio Univ.

1. Hideki Yamauchi is an outside director.
2. Statutory auditors Mamoru Sato, Ryosuke Nomura and Hisayori Kataoka are outside statutory auditors.

APPENDIX

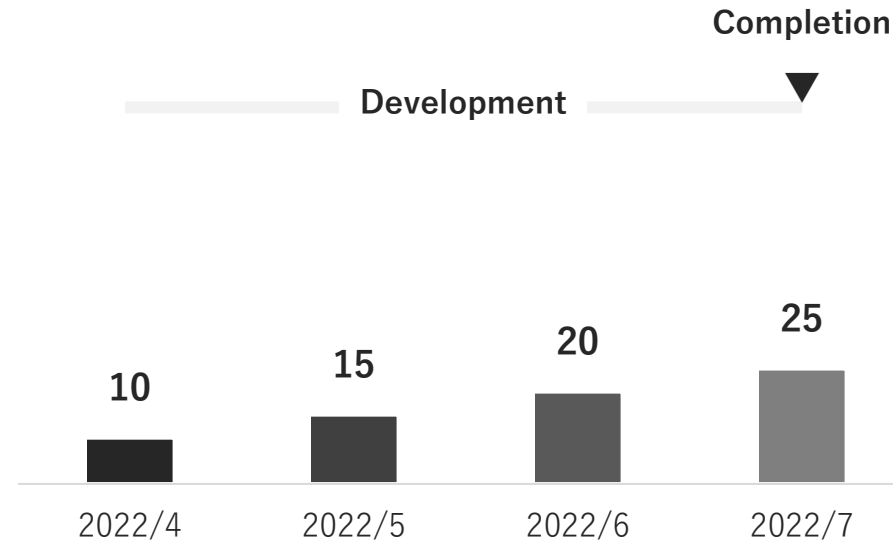
BUSINESS OVERVIEW

Revenue Recognition of Dev Projects

“Cost recovery method” is adopted in recording one-off revenue of development projects.

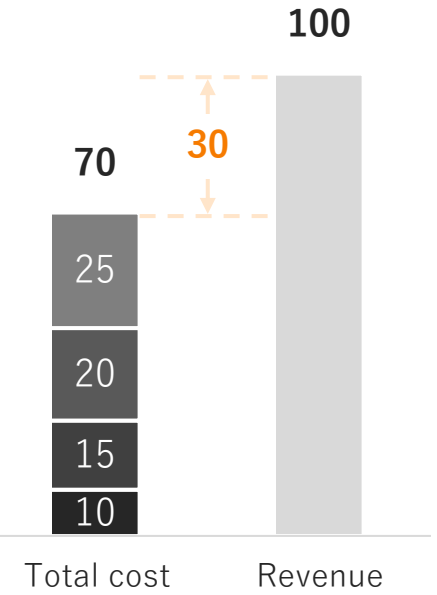
Although part of the revenue is recognized in development phrase, profitability tends to be low, because revenue and expenses are recorded in the same amount.

Project Direct Cost



In development phrase, direct cost is recorded as revenue and expense

Total



Upon project completion, the difference between revenue from a project and total direct cost is recorded as revenue

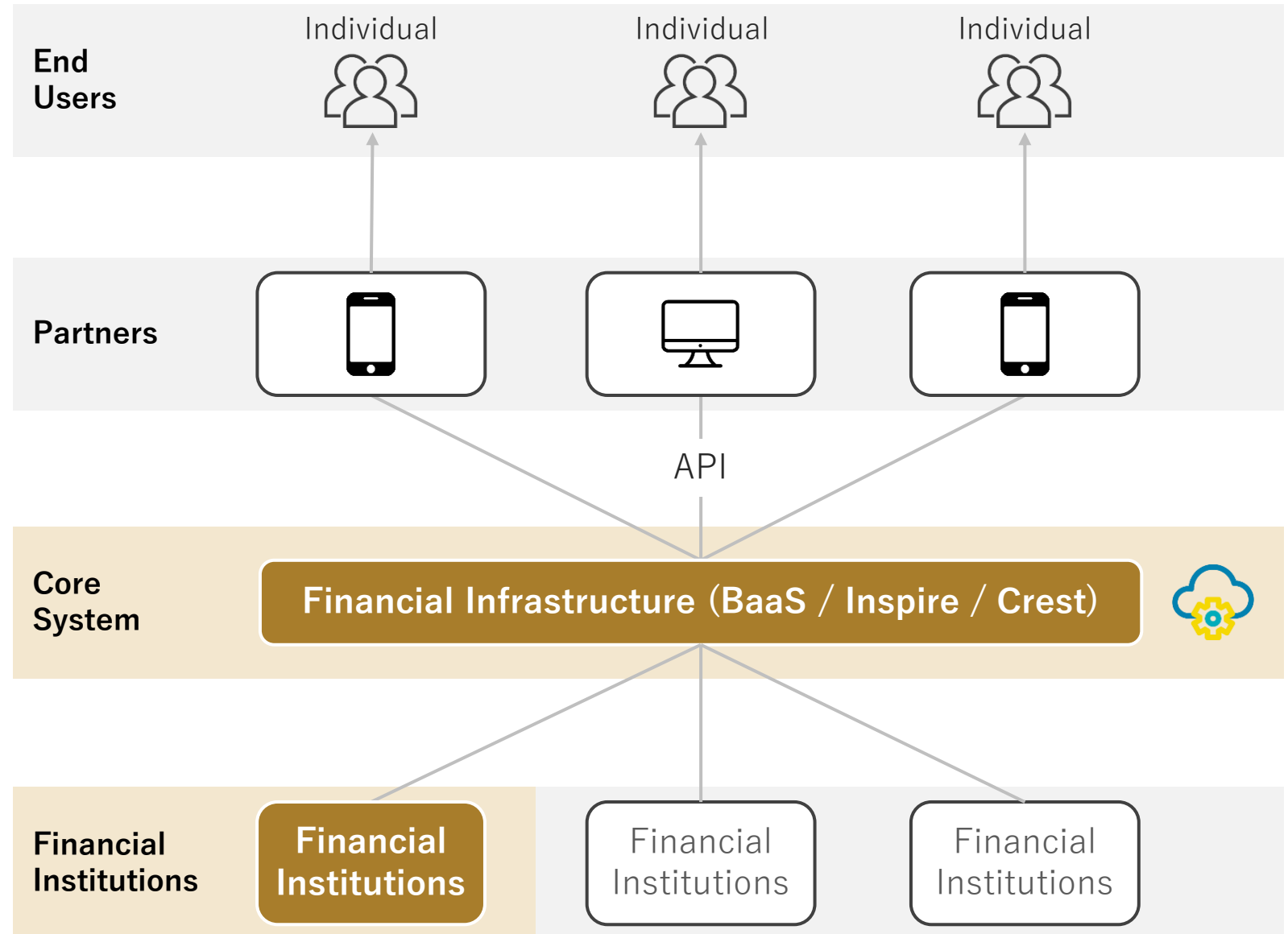
Revenue Recognition

	2022/4	2022/5	2022/6	2022/7
Dev	10	15	20	25
Completion				30
Total	10	15	20	55

Overview

Develop next-generation cloud-native core systems that provide necessary business infrastructure for offering financial services.

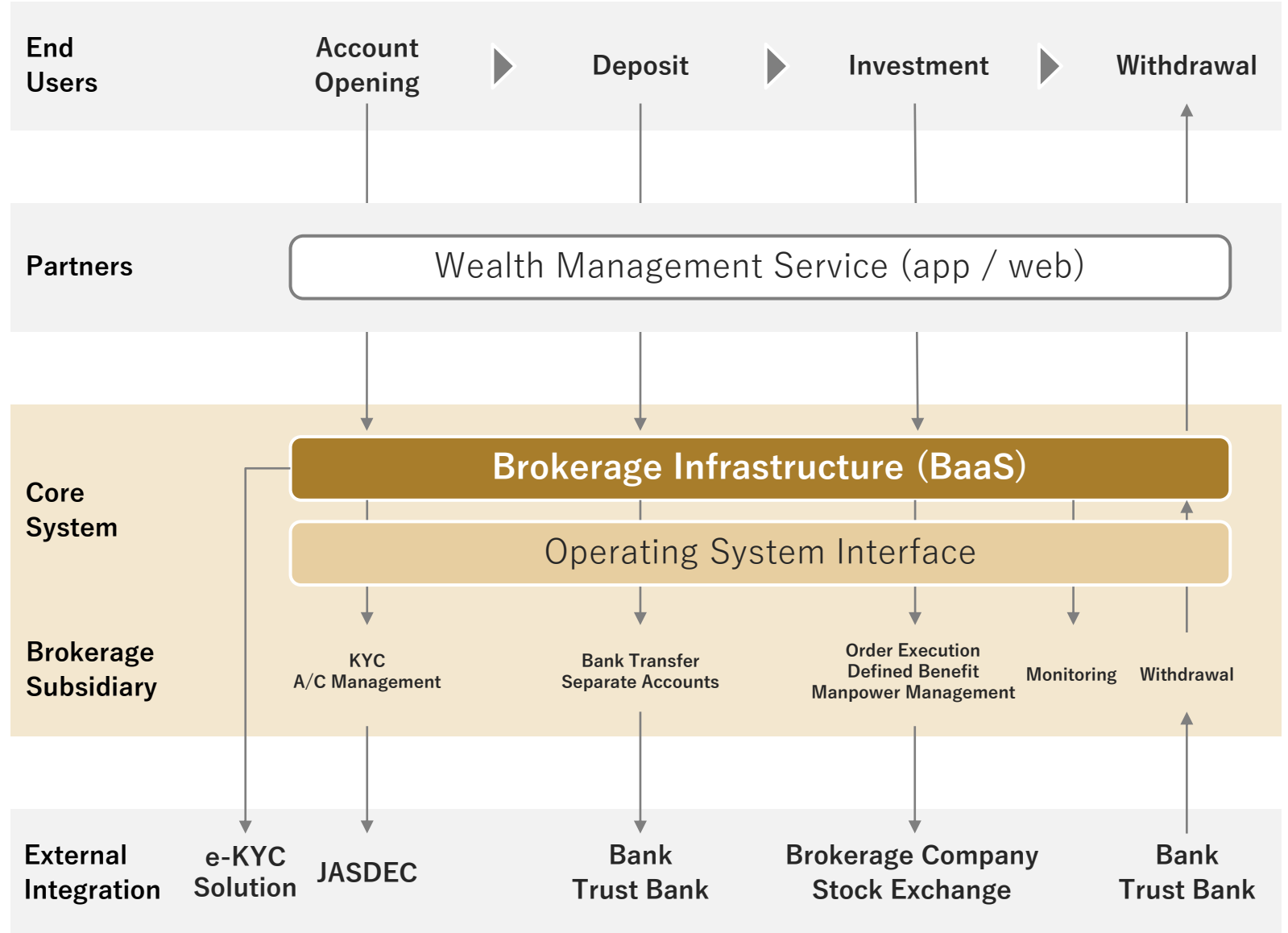
Currently offer 3 solutions: ① “**BaaS**” for asset management services, ② “**Inspire**” for insurance services, and ③ “**Crest**” for lending services.



① BaaS

Cloud-native, API-based infrastructure “BaaS” for wealth management providers.

Partners can launch wealth management services at low cost by managing the various external connections on the cloud.



① BaaS Service

Currently 9 services are in operation.

“**Digital Wealth Management**”, which aims to democratize high-quality financial services by using technology; and “**Embedded Investment**”, which seamlessly integrates with existing services.

Digital Wealth Management (DWM)



Wealth Wing
(ANA X)



Goal Navi
(Nissay AM)



Financial
Standard



JAM WRAP
(JAM)



US ETF WRAP
(GCI AM)

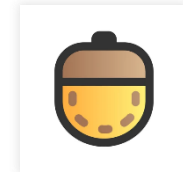


Amber AM

Embedded Investment



Stream
(Owned)



Saison Pocket
(Credit Saison)

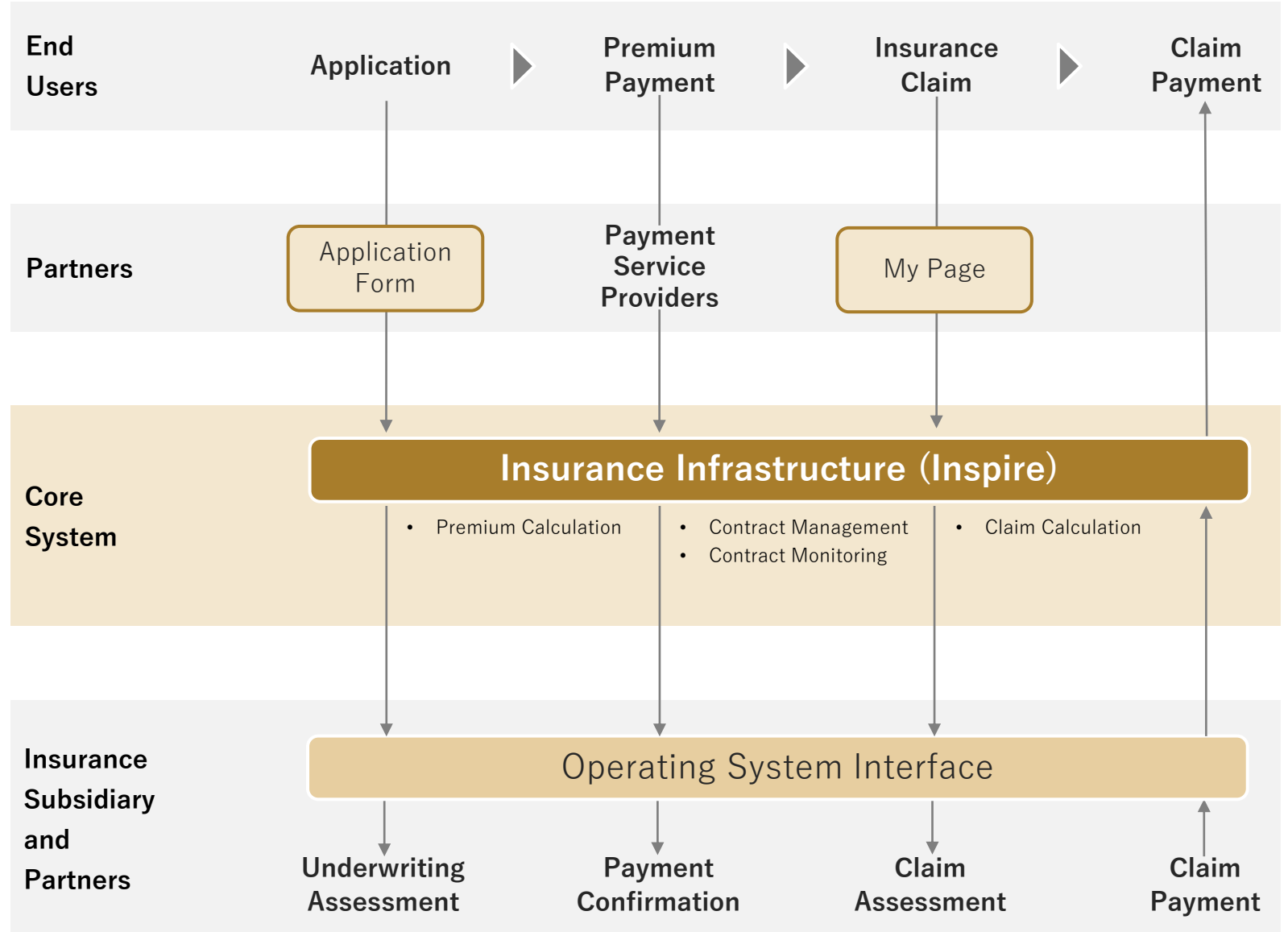


Korekabu
(Seven Bank)

② Inspire

Cloud-native, API-based infrastructure “Inspire” for insurance providers.

Enables partners to expand their business by putting new insurance products on the market in a short time with low cost.



② Inspire Client

Provided to 9 companies, including our small amount short-term insurance subsidiary.

Support a wide range of insurance products from small amount short-term insurance to non-life insurance, from individuals to business entities.

1. Aioi Nissay Dowa Insurance

2. EPOS Small Amount Short-term Insurance

3. Nissay Plus Small Amount Short-term Insurance

4. Smartplus Small amount Short-term Insurance

5. Mitsui Sumitomo Insurance

6. MUFG Bank

7. Tokio Marine & Nichido Fire Insurance

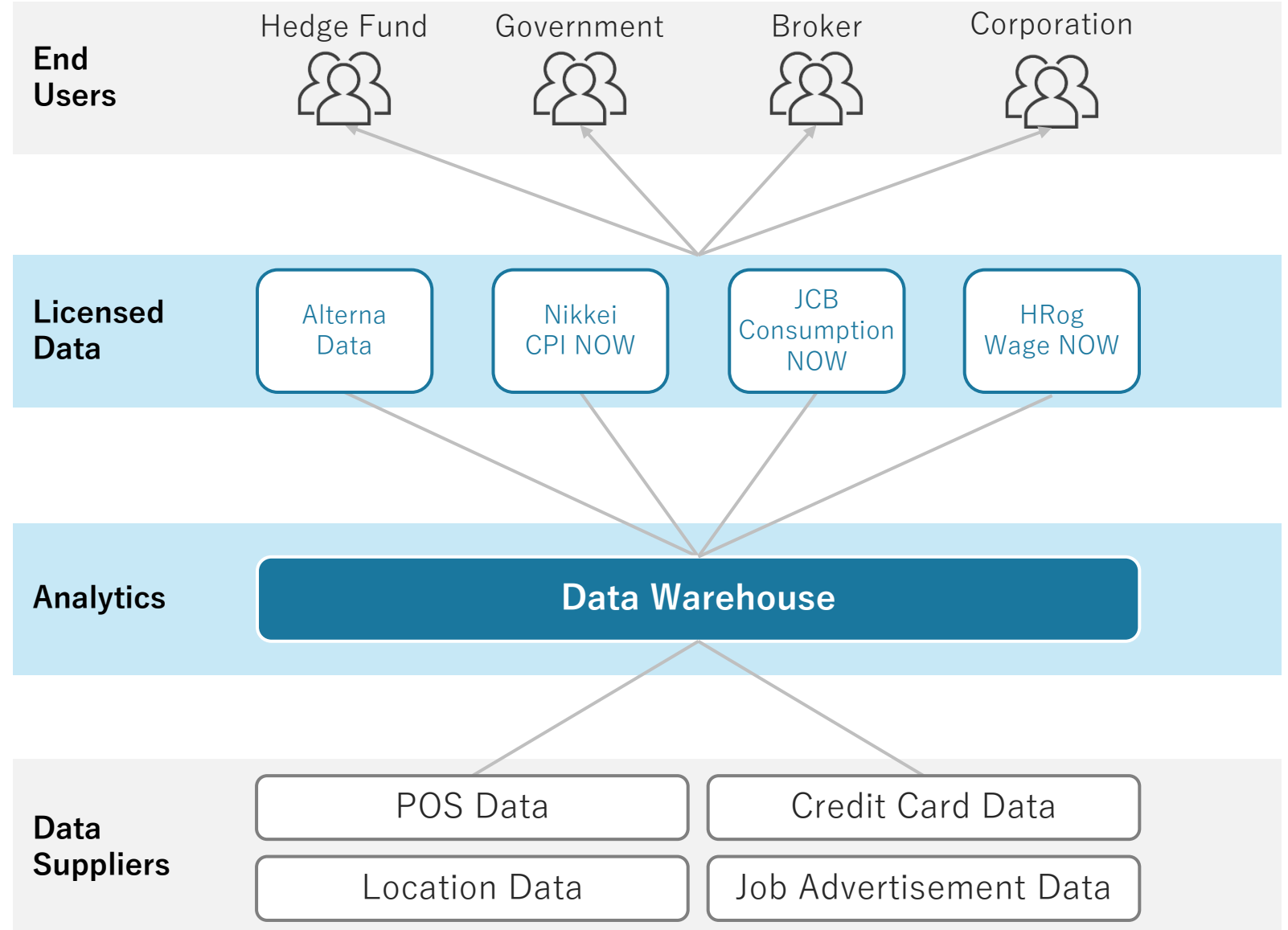
8. MST Insurance Service

9. Kyoei Fire & Marine Insurance

Overview



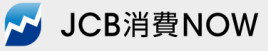

Provide alternative data, such as POS and credit card data, to institutional investors and public institutions.

Sell value-added data by transforming raw data of data suppliers, using proprietary cleansing, mastering and modeling techniques.



Data License

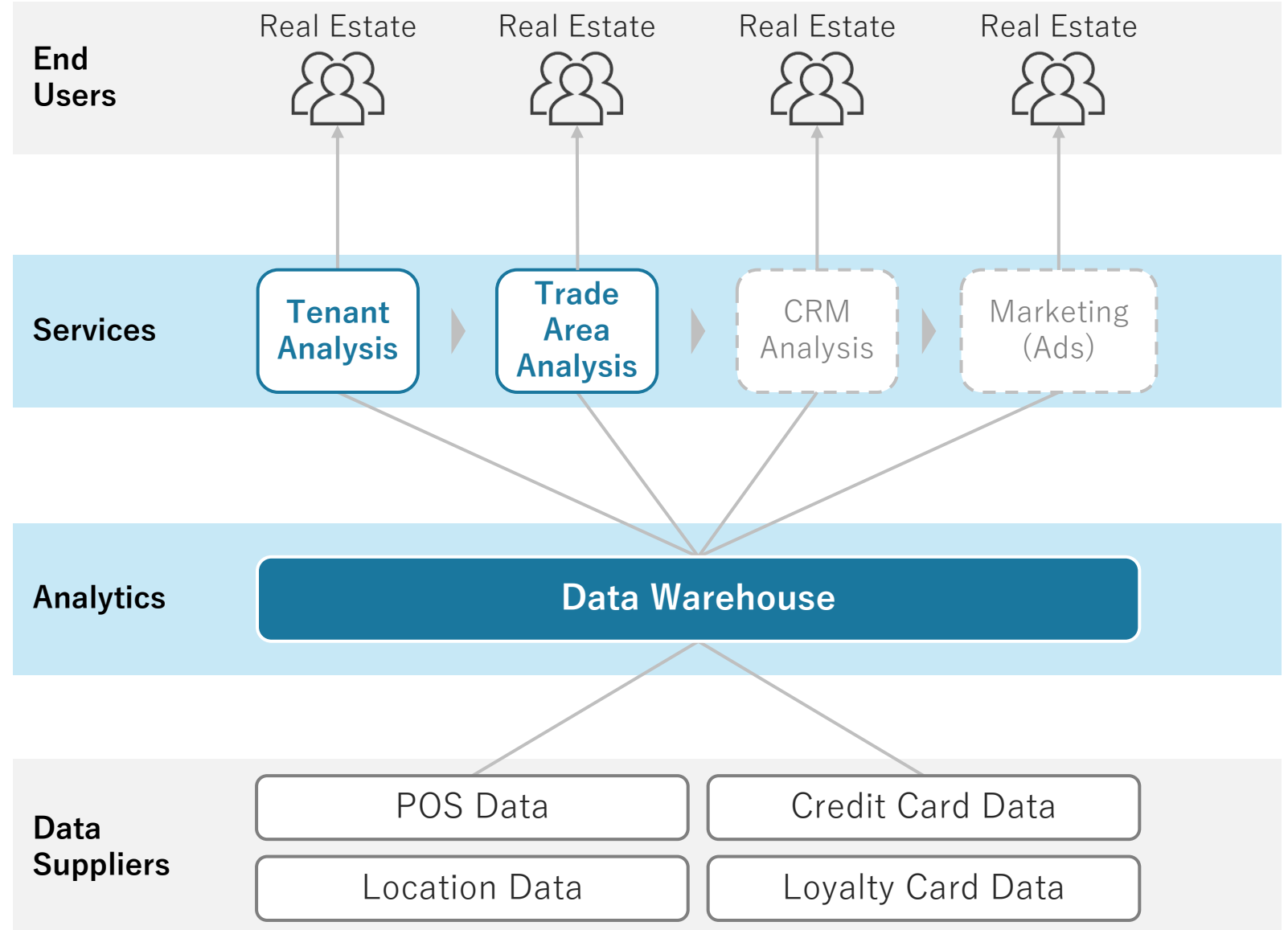
Currently offer “Alterna Data” for corporate analysis; and “Nikkei CPI NOW”, “JCB Consumption NOW” and “HRog Wage NOW” for macroeconomic research.

	Data Services for Corporate Analysis	Data Services for Macroeconomic Research
Overview		  
Overview	<ul style="list-style-type: none"> Provide insights for corporate analysis, such as sales, product unit prices, and customer unit prices 	<ul style="list-style-type: none"> Offer price indices, consumption indices, and wage indices with higher frequency and faster reporting than official statistics
Data Partners	<ul style="list-style-type: none"> Nikkei True Data KDDI CCC Marketing BCN HRog etc. 	<ul style="list-style-type: none"> Nikkei JCB HRog
Data	<ul style="list-style-type: none"> POS data Location data Loyalty card data Credit card data Job advertisement data Electronic receipt data TV commercials data 	<ul style="list-style-type: none"> POS data Credit card data Job advertisement data

Data Analytics for Real Estate

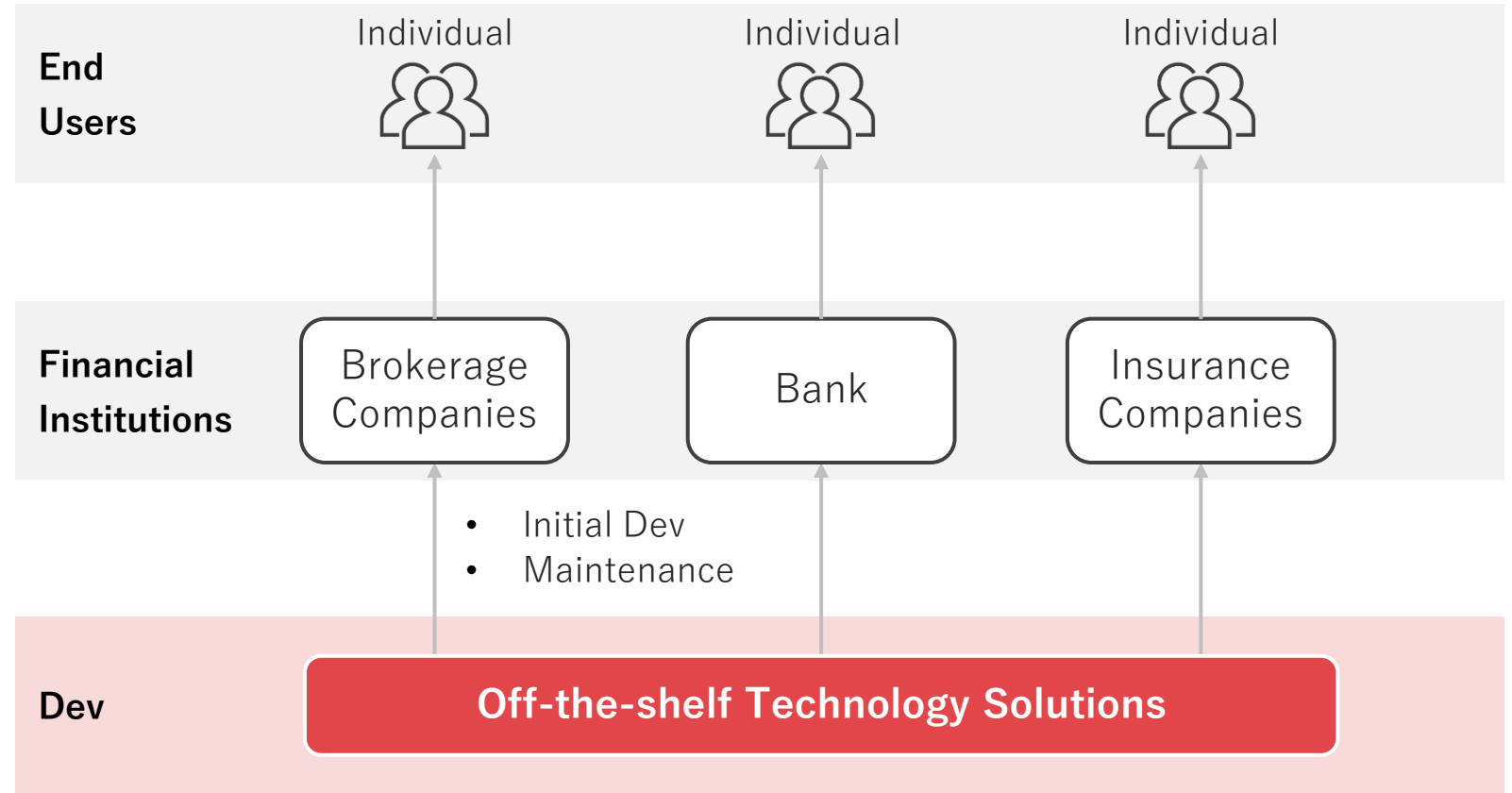
Data analytics services by integrating multiple alternative data with our knowledge and experience.

Start from real estate industry, supporting from tenant analysis to marketing.



Overview

Develops front-end applications and provides off-the-shelf technology solutions to financial institutions to accelerate their DX.



- Clients (Published)**
- KDDI
 - MUFG Bank
 - Daiwa Brokerage
 - SMBC Nikko
 - Nomura Holdings
 - Nomura Asset Management
 - Rakuten Brokerage
 - GMO Click Brokerage

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FINATEXT

Reinvent Finance as a Service