Third Quarter for FY2021
Financial Result

KOKOPELLI Inc. (stock code: 4167)

February 14, 2022

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01.

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FISCAL YEAR 2021 Quarterly Financial Results

FY2021 Financial Highlights / FY2021 3Q Profit and Loss Statement

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Trends in quarterly cost structure / FY2021 Factors causing differences in operating income

Quarterly Trend in Customer Company Numbers / Trend in Member Financial Institutions Numbers

Churn Rate Trend / Collaboration with Junior Chamber International Japan

Net Sales

1,227 million yen

(YoY+76.1%)

Operating Income

326 million yen

(YoY+118.6%)

Achievements of "Big Advance"

Number of financial institutions that have introduced "Big Advance"

82 institutions

Number of customer companies

67,550 companies

Average churn rate

1.59 % （※1）

（※1） Churn rate: (the number of withdrawing companies during a month) / (the number of using and paying companies as of the end of the previous month. 12-month average from January 2021 to December 2021

FY2021 3Q Profit and Loss Statement

- Sales increased on the back of more financials and customers installing Big Advance.

- Operating income increased with more sales.

- Of the IT support services, outsourcing business of back-office operations for SMEs was sold off, posting an extraordinary profit of 36 million yen.

Unit: million yen

	FY2020 3Q	FY2021 3Q	Variance	YoY
Net Sales	696	**1,227**	530	**+76.1%**
Gross Profit	416	**792**	375	**+90.2%**
Gross Margin	59.8%	**64.6%**	–	**+4.8P**
Operating Income	149	**326**	177	**+118.6%**
Operating Income	21.4%	**26.6%**	–	**+5.2P**
Ordinary Income	139	**324**	185	**+133.6%**
Extraordinary Profit	-	**36**	36	-
Net Income	118	**265**	145	**+123.6%**

Net Sales Trend

Steady increase in the number of financial institutions and customer companies that have introduced "Big Advance"

Net Sales grows significantly to 422 million yen, up 113 million yen vs. FY2020 3Q

YoY
+36.7%

Unit: million yen

		FY2019				FY2020				FY2021	
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
62	91	125	134	162	225	308	327	400	405	422
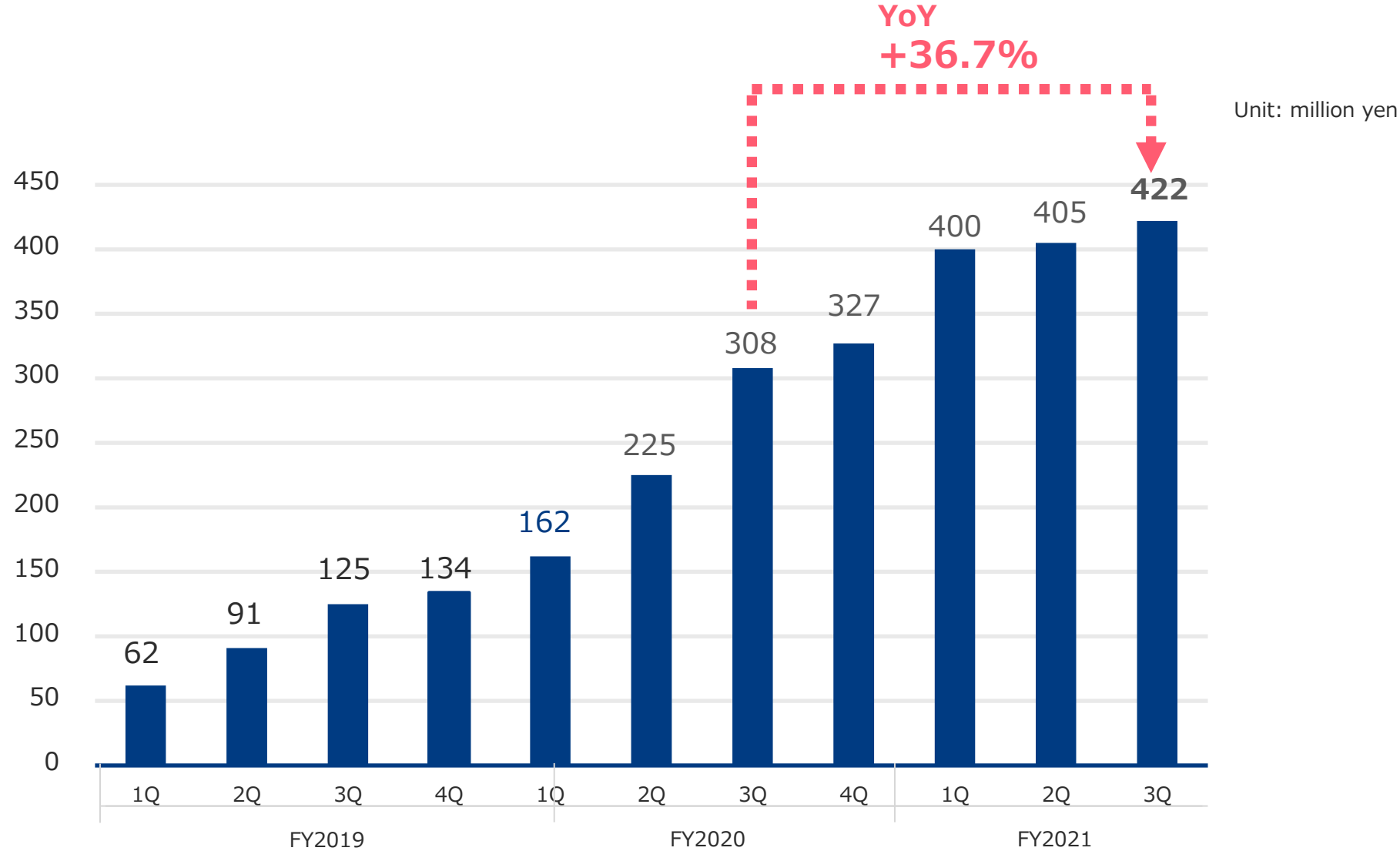
Net Sales Trend of "Big Advance"

The total amount of monthly fees, which is our continuous sales, increased due to increase in the numbers of financial institutions that introduced "Big Advance" and our member companies

In FY2021 3Q, setup fee for Big Advance dropped, but monthly fee rose, leading to sustained growth in quarterly sales

Unit: million yen

Legend: ■ Monthly Fee ▨ Setup Fee

	FY2019				FY2020				FY2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	39	45	81	95	132	186	272	285	362	372	388
Setup Fee	29	25	40	31	47	64	79	38	60	31	17
Monthly Fee	9	20	41	64	84	122	193	247	302	341	370

（※）Monthly Fees : Revenue share of monthly maintenance cost and fee for Big Advance at financial institutions
Setup Fee : Setup fees etc. for installing Big Advance
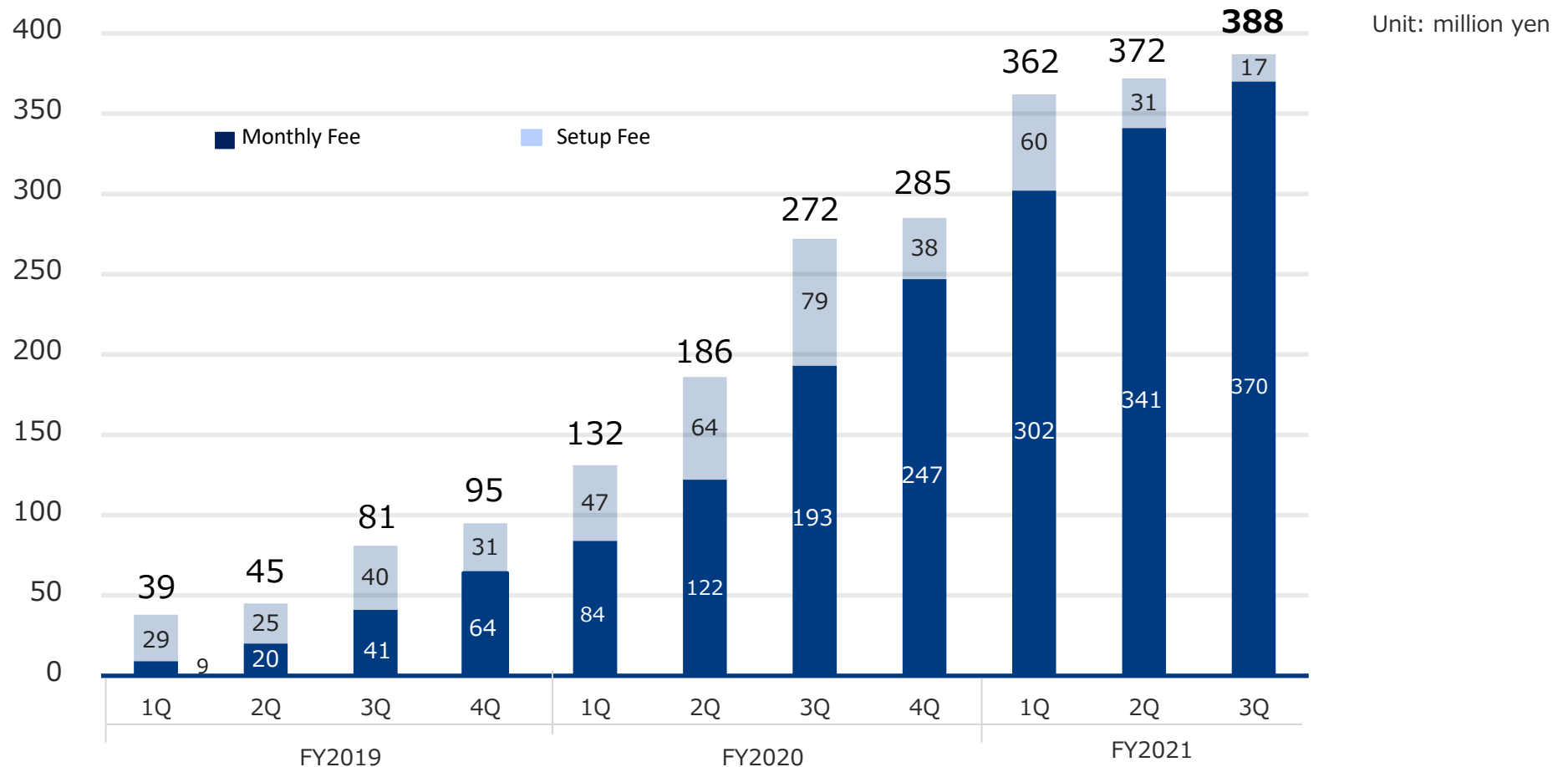
Trends in Operating Income and Loss

Outsourced development cost for new functions in Big Advance, rental fees for planned office move in February, higher cost of wear and tear for fixed assets due to shorter depreciation period at the current office, resulted in less operating profit than 2Q at 62 million yen

Unit: million yen
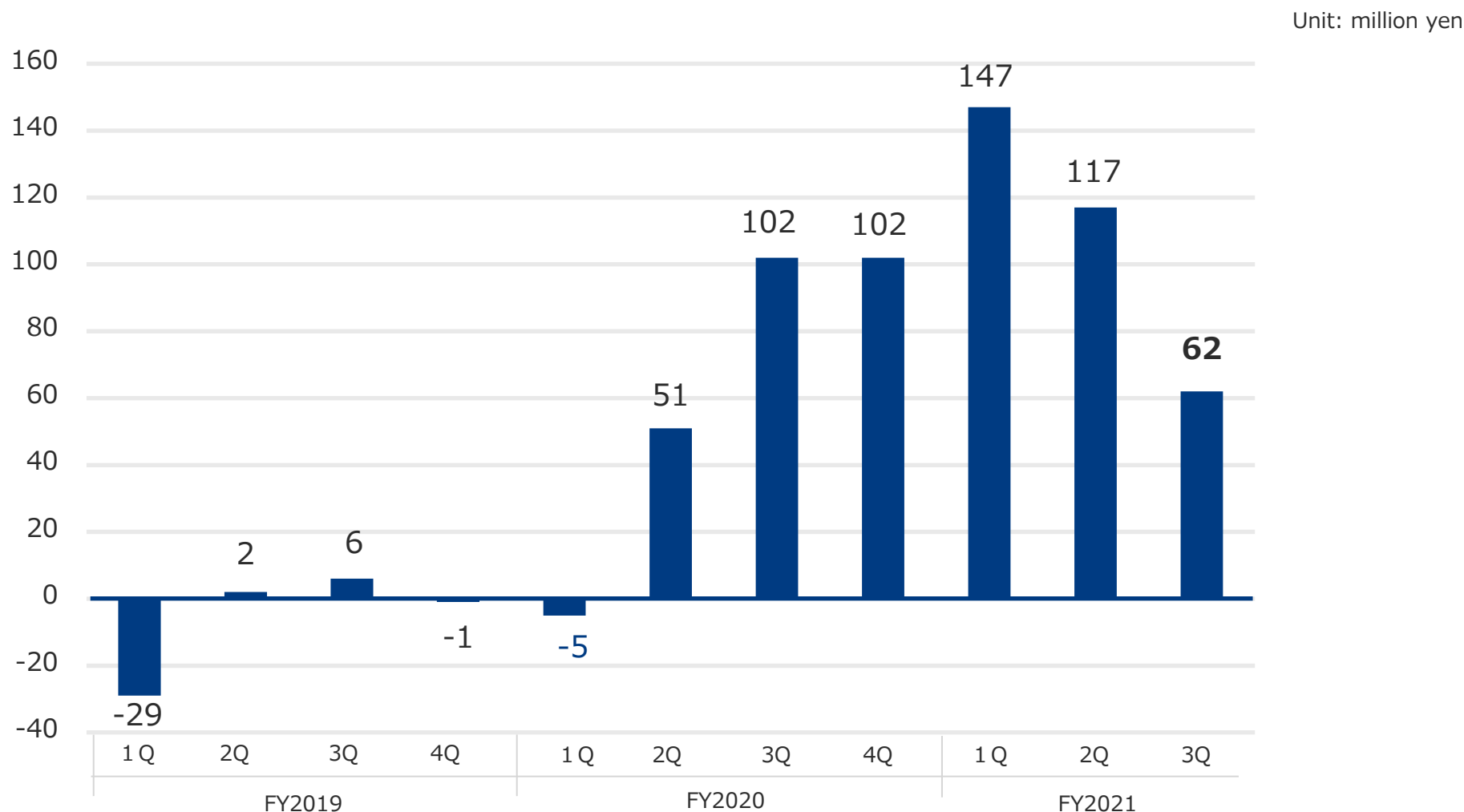
Trends in quarterly cost structure

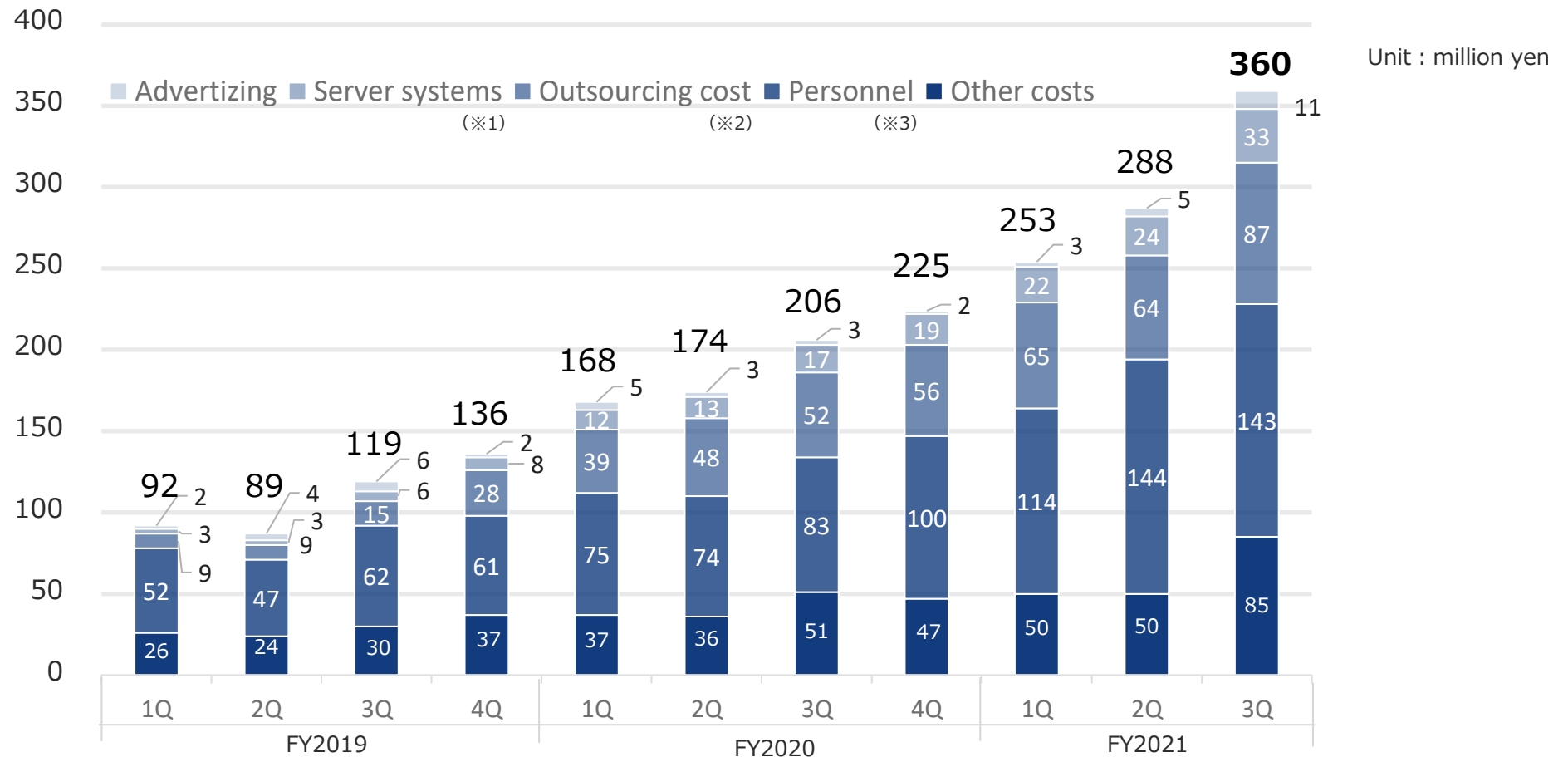"Other costs" increased on the back of outsourced development cost for new functions in Big Advance, rental fees for planned office move in February and higher cost of wear and tear for fixed assets due to shorter depreciation period at the current office.

Unit : million yen

Legend: ■ Advertizing ■ Server systems ■ Outsourcing cost ■ Personnel ■ Other costs

(※1) AWS, web system usage fees. Total cost of sales and selling, general and administrative expenses
(※2) Development costs etc., that outsourced to external engineers. Cost of sales.
(※3) Salary for engineers, sales, CS and corporate staff, executive pay, social welfare and hiring cost. Total of CoGS and SGA.

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Higher sales exceeded higher costs for personnel, outsourcing and server system, resulting in higher operating profit.

Unit: million yen

Net Sales Increase

Personnel Cost (※1)

+530

-168

Outsourcing Cost (※2)

-77

Server System cost (※3)

-38

Payment Fees

-18

Others

-52

Operating Profit

Operating Profit

149

326

FY2020 3Q

FY2021 3Q

177-million-yen increase
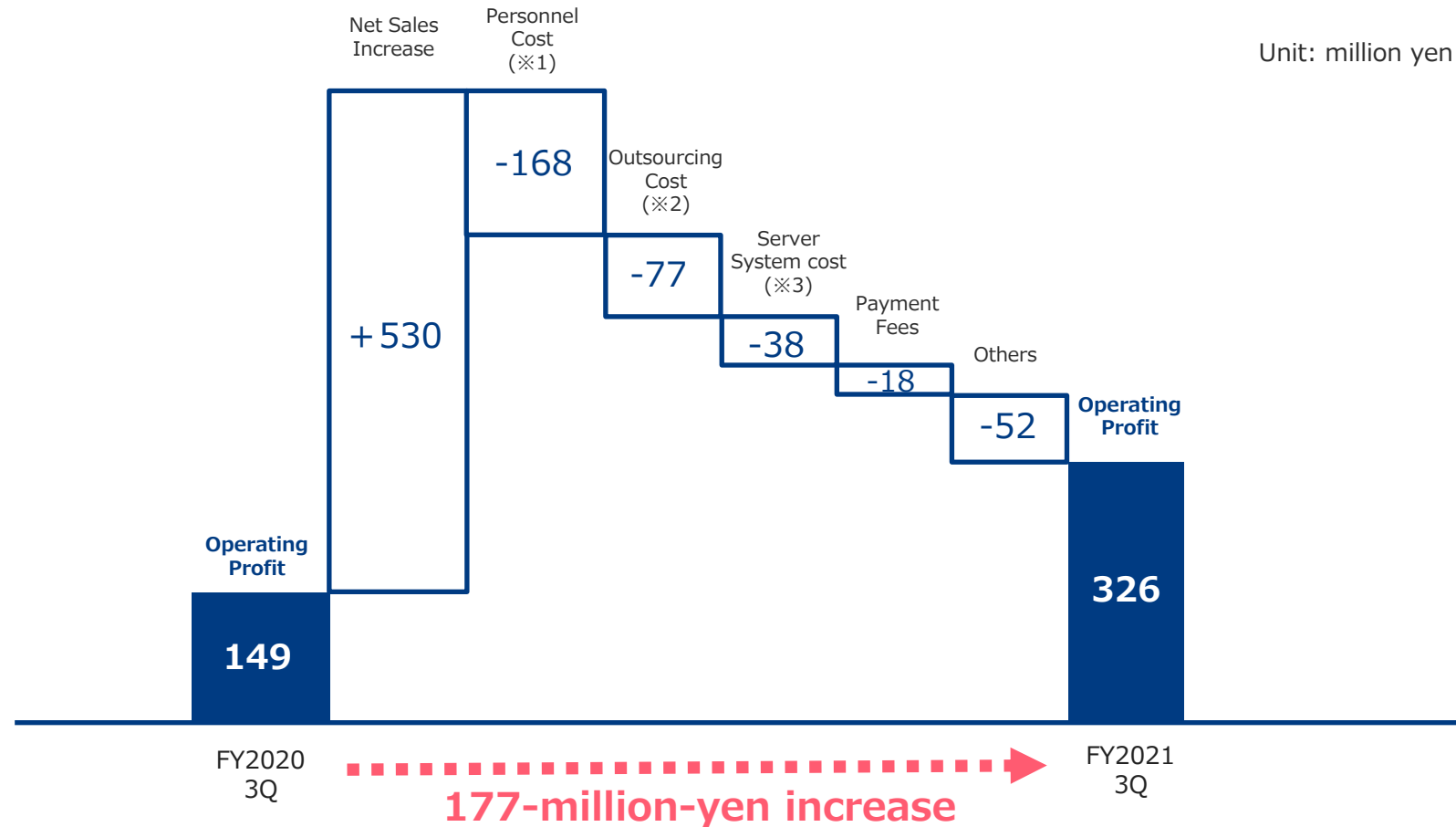
（※1) Salary for engineers, sales, CS and corporate staff, executive pay, social welfare and hiring cost. Total of CoGS and SGA.
（※2) Development costs etc., that outsourced to external engineers. Cost of sales.
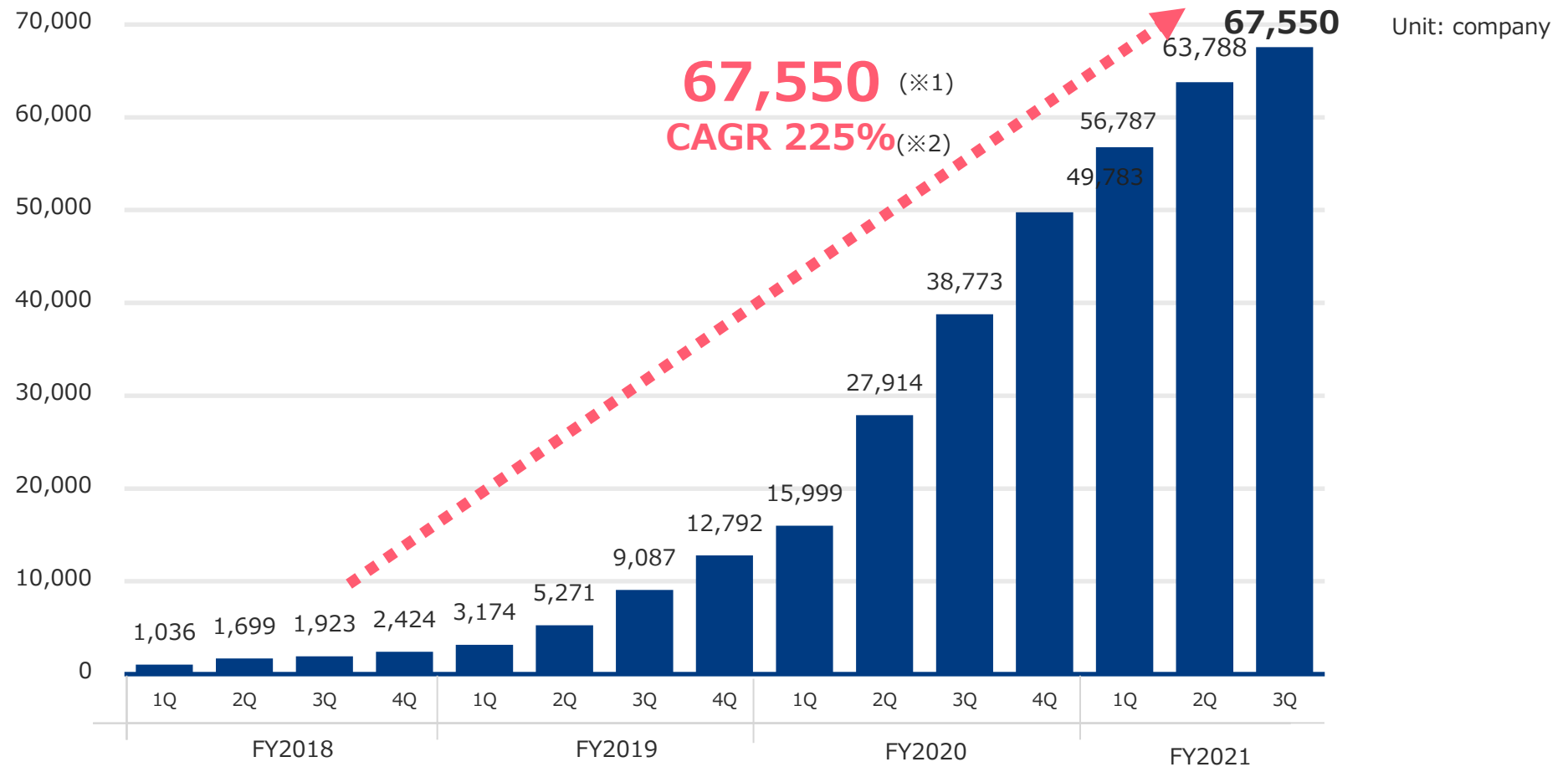（※3) AWS, web system usage fees. Total cost of sales and selling, general and administrative expenses

Client companies rose to 67,550, +3,762 compared to 2Q

Although CAGR is still high, 3Q growth rate slowed due to more efforts being poured into combating corona instead of grabbing more clients. To make up for this, more online seminars and training, development of onboarding functions and distribution of pamphlets are being carried out.

67,550 (※1)

CAGR 225%(※2)

67,550 Unit: company

| FY	Quarter	Value
FY2018	1Q	1,036
FY2018	2Q	1,699
FY2018	3Q	1,923
FY2018	4Q	2,424
FY2019	1Q	3,174
FY2019	2Q	5,271
FY2019	3Q	9,087
FY2019	4Q	12,792
FY2020	1Q	15,999
FY2020	2Q	27,914
FY2020	3Q	38,773
FY2020	4Q	49,783
FY2021	1Q	56,787
FY2021	2Q	63,788
FY2021	3Q	67,550

(※1) As of the end of December 2021
(※2) CAGR : Compound Annual Growth Rate from December 2018 to December 2021

Member Financial Institutions have significantly increased from the previous by 75 to 82.

Unit : company
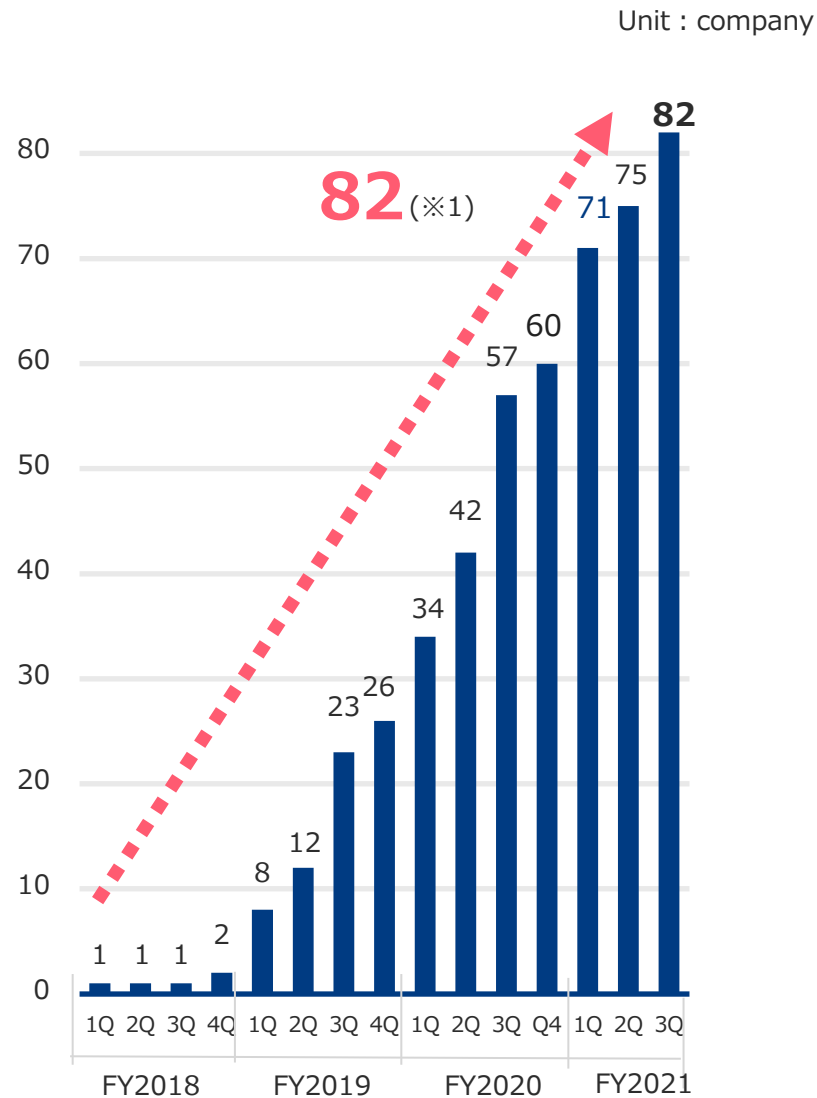
Hokkaido / Tohoku Region

Aomori Bank / Asahikawa Credit Union / Iwate Bank / Kita-Nippon Bank / 77 Bank / Shonai Bank / Sendai Bank / Daichi Mirai Credit Union / Toho Bank / North Pacific Bank

Hokuriku Region

Kanazawa Credit Union / Sanjo Credit Union / Toyama Credit Association / Fukui Bank / Fukui Credit Union / Fukuho Bank / Hokuriku Bank

Kanto / Koshinetsu Region

Alupuschuo Credit Union / Ashikaga Bank / Asuka Credit Association / Kawasaki Credit Union / Kofu Credit Union / Seibu Credit Union / Shinonome Credit Union / Joyo Bank / Suwa Credit Union Daiko Bank / Chiba Bank / Chiba Kogyo Bank / Chiba Credit Union / Tokyo Star Bank / Tokyo Higashi Credit Union / Towa Bank / Tochigi Bank / Nagano Bank / Hanno Credit Union / Higashi Nihon Bank / Hiratsuka Credit Union / Mito Credit Union /Yokohama Bank / Yokohama Credit Union

Tokai Region

Gifu Credit Union / Kuwana Mie Credit Union / Seishin Credit Union / Takayama Credit Union / Chukyo Bank / Tono Credit Union / Toyokawa Credit Union / Nagoya Bank / Hekikai Credit Union / Mishima Credit Union

Kansai Region

Ikeda Senshu Bank / Kinokuni Credit Union / Kiyo Bank / Kyoto Bank / Shiga Bank / Shiga Chuo Credit Union / Tajima Bank / Tajima Credit Union / Himeji Credit Union / Minato Bank

Chugoku / Shikoku Region
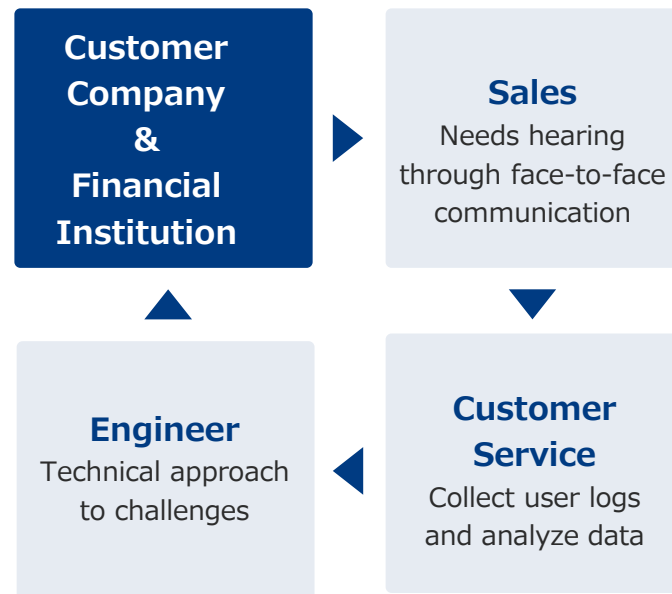
Iyo Bank / Ehime Bank / Kure Credit Union / Kochi Bank / Sanin Godo Bank / Shikoku Bank / Tamashima Credit Union / Tomato Bank

Kyushu / Okinawa Region

Okinawa Bank / Okinawa Kaiho Bank / Kagoshima Sougo Credit Union/ Koza Credit Union / Saga Bank Nishi Nihon City Bank / Higo Bank / Fukuoka Chuo Bank / Nagasaki Bank / Minami Nippon Bank / Miyazaki Bank

（※1）As of the end of December 2021

Churn Rate Trend

Quick services responding to customer needs increased satisfaction and usability for customers, keeping annual average churn rate below 2%

Function Improvement Cycle

Customer Company & Financial Institution

Sales
Needs hearing through face-to-face communication

Customer Service
Collect user logs and analyze data

Engineer
Technical approach to challenges

Ave. Annual Churn Rate **1.59%** （※1）

Ave. Quarterly Churn Rate
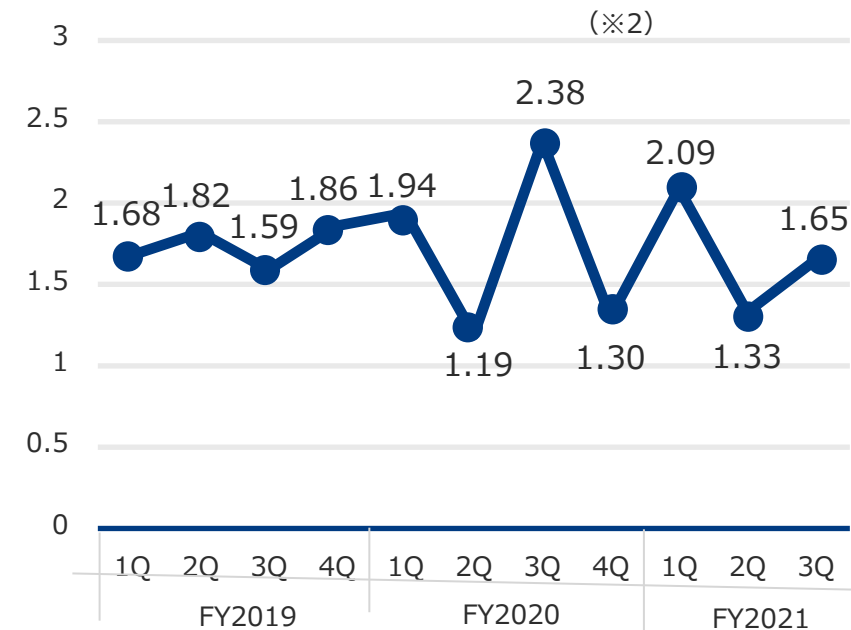
（※2）

1.68	1.82	1.59	1.86	1.94	1.19	2.38	1.30	2.09	1.33	1.65
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
FY2019				FY2020				FY2021		

（※1）Churn rate: (the number of withdrawing companies during a month) / (the number of using and paying companies as of the end of the previous month. 12-month average from January 2021 to December 2021

（※2）This temporary increase was due to special factors at certain financial institutions in December 2020. Average churn rate for FY 2020 is 1.67% without the effect of this increase.

Collaboration with Junior Chamber International Japan

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More collaboration with Junior Chamber International Japan (JCI-Japan) is intended to facilitate better management at SMEs.

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公益社団法人 日本青年会議所
関東地区協議会

- The Chamber's Kanto District Council is planning to propose Big Advance to 7,000 companies and promote DX in the Kanto region (Tochigi, Ibaraki, Gunma, Saitama, Tokyo, Yamanashi, and Kanagawa prefectures)

- With this collaboration, negotiations are planned with 1,000 or more companies between January 17, 2022 and December 31, 2022.

- Intending to promote open innovation, and collaboration with large corporations in the Kanto region and SMEs.

02.

Outlook for FY2021 and Growth strategy

FY2021 Outlook / Future Growth Strategies

Growth strategy and progress / Growth expectations

FY2021 Outlook

4Q posted higher costs for personnel, hiring and outsourcing to develop new services and bolster sales, advertising to grab more clients, and office relocation to strengthen the organization, resulting in performance forecast made at the beginning to remain intact.

Unit: million yen

	FY2020 (Actual)	FY2021 (Outlook)	Amount of variance	Percentage of variance
Net Sales	1,024	**1,800**	**776**	**+75.1%**
Operating Income	251	**360**	**109**	**+43.1%**
Ordinary Income	239	**360**	**121**	**+50.5%**
Net Income	253	**288**	**35**	**+13.4%**

Future Growth Strategies

In the meantime, we will focus on increasing the number of financial institutions and customer companies adopting our services, while strengthening our service provision infrastructure for the ARPU expansion growth phase, in the future, aiming to become the largest management support platform in Japan.

Moving towards the largest management support platform for SMEs in Japan

ARPU expansion

Profitability improvement and open strategy
- Monetize the released β Version function
- Open the platform by conducting API linkage with other companies' services

Increasing number of users

High value-added services and functional expansion through data utilization
- Release online financing function β Version using our AI module "FAI" (9/1/2021)
- Provide a new data analysis platform by utilizing the big data accumulated in "Big Advance " and the vast amount of financial data held by financial institutions
- Attract more users with the release of new functions

Further expansion of users
- Reach out to financial institutions as new users
- Increase the number of customer companies/financial institutions, by further collaborating with financial institutions that have introduced our service
- Achieve optimal UI/UX by pursuing customer needs
- Hosting of online seminars

Present

FY2020

Growth strategy and progress

For mid to long term growth plans, 3 strategies are each under way

Expanded client base	・YoY increase of +22 Financials and +17,767 member companies ・Carry out large scale replacement of system infrastructure in Big Advance, and up the pace of development and extensibility going forward ・Hosting of online seminars
Expand functions and add higher value through the use of data	・Release of AI screening/corporate loan service, "BA Finance" ・Carry out rating based on analysis of big data stored in Big Advance ・Carry out development of new functions to expand client base
Raise profitability and open strategy	・Projects under way to achieve an open platform

Growth expectations

Expecting sustainable growth based on an expanded client base and higher Average Revenue Per User (ARPU) through the provision of new functions, services and collaborations with other services.

Sustainable growth

Higher ARPU

Expand client base

・Provision of new functions and services
・Collaborations with other services

・Strengthen collaboration with financial firms installing the system through better customer satisfaction
・Ongoing functional improvements to optimize UI/UX
・Host more online seminars
・Explore new clients in finance interested in the system
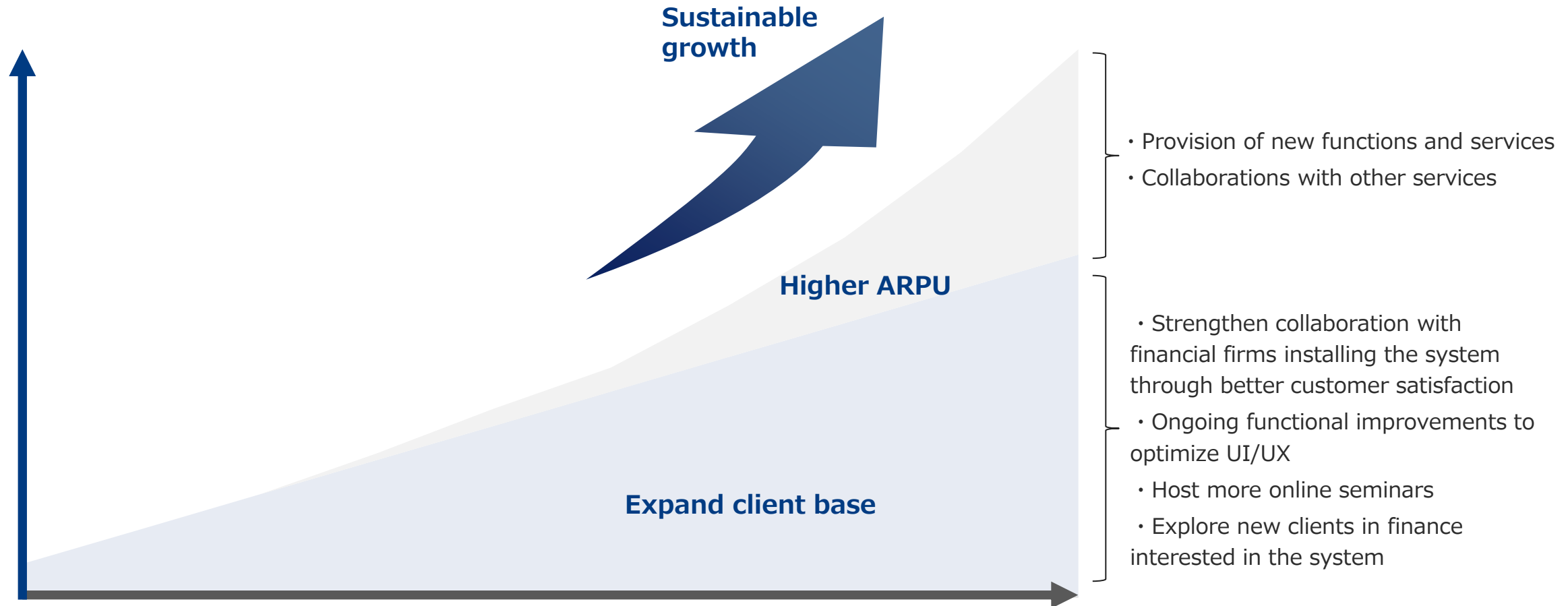
03.

Our Business

Company Information / Management Philosophy / Sustainable Development Goals (SDGs)

Background: Current Status & Challenges for SMEs

Background: Current Status & Challenges for Regional Financial Institutions

Service Contents / Our Business (Big Advance) / Management solutions with "Big Advance"

How "Big Advance" Works / Effect of Introducing "Big Advance" / Support for DX by SMEs

DX demand at SMEs / Further Expansion of Users / High Value-Added Services through Data Use

AI (Artificial Intelligence) Module "FAI" / About this Material

Company Information

Name:	**KOKOPELLI Inc.**
Address:	**Nibancho Onuma bldg. 4th floor, Nibancho 8-3, Chiyoda-ku, Tokyo**
Est.:	**June 2007**
Rep.:	**Shigeru Kondo**
Capital:	**805 million yen** *As of December 31, 2021
Workers:	**68 workers（permanent & part-time)** *As of December 31, 2021
Business:	**Business Platform** ・Development & operation of "Big Advance", the platform for supporting SMEs' management ・Development, etc. of "FAI", the AI module.

Management Philosophy

MISSION

To find the future in corporate value

VISION

Let's bring technology to SMEs

VALUES

| **Deep User In**	**Commit Myself**	**Big & Speedy**	**Team is Great**
Let's know users in and out and go beyond their expectation	Let's do the best we can now	Let's make a big policy and do it speedily	Let's achieve what one cannot achieve alone.

Sustainable Development Goals (SDGs)

Our mission is "Find the future in corporate value". To realize our vision "Let's deliver technologies to SMEs", we will sustainably improve corporate value and resolve social challenges through our services.

SDGs KOKOPELLI Inc. focuses on

KOKOPELLI Inc. supports Sustainable Development Goals (SDGs).
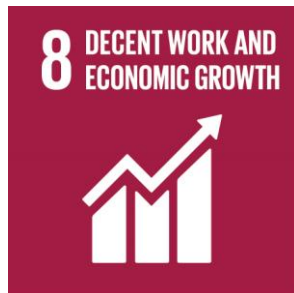
8.3
promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services
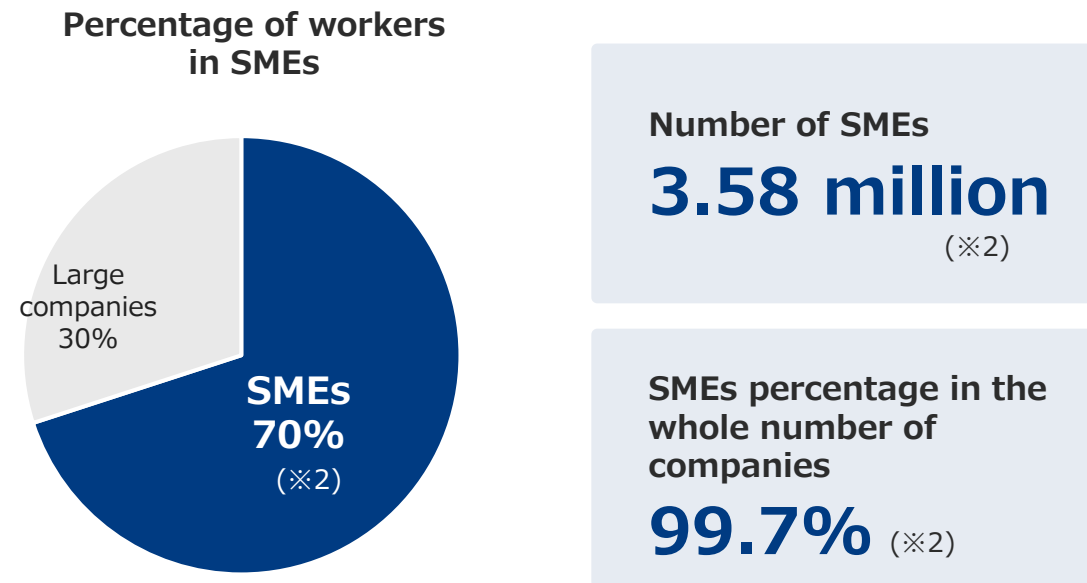
9.1
develop quality, reliable, sustainable and resilient infrastructure, including regional and trans- border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

17.17
encourage and promote effective public, public- private, and civil society partnerships, building on the experience and resourcing strategies of partnerships
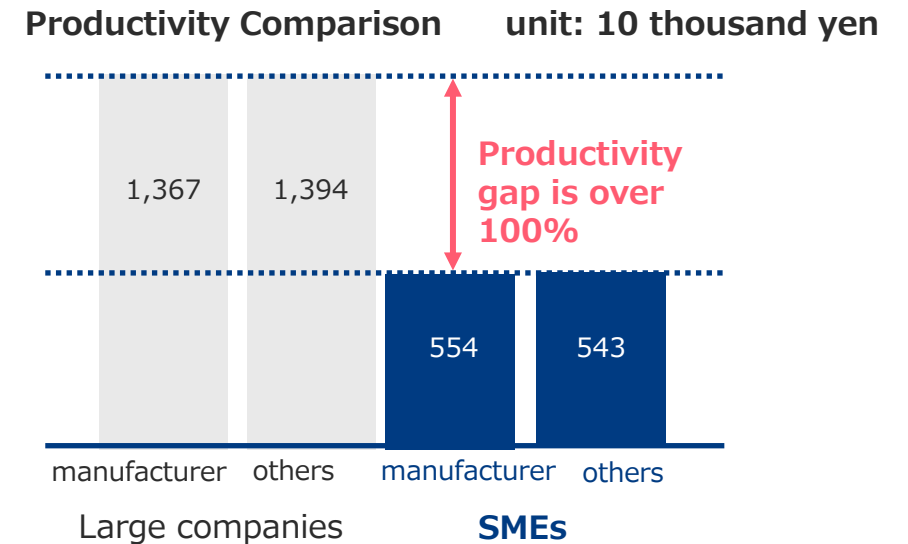
Background: Current Status & Challenges for SMEs

Challenge is to improve productivity. 10% improvement will create economic effect of 18 trillion. (※1)

Current Status: SMEs Great in Domestic Economy

Percentage of workers in SMEs

- Large companies 30%
- SMEs 70% (※2)

Number of SMEs

3.58 million
(※2)

SMEs percentage in the whole number of companies

99.7% (※2)

Challenges : SMEs' Low Productivity

SME's productivity: approx. **5.49 mil. yen** (※3※4)

Productivity Comparison   unit: 10 thousand yen

- 1,367
- 1,394
- 554
- 543

Productivity gap is over 100%

| manufacturer | others | manufacturer | others |

Large companies | SMEs

（※1） Calculated by us, based on ＊2＊3 above. (total SME workers approx. 32mil. X 5.49 mil. yen X 10%)
（※2） Ministry of Internal Affairs and Communications and METI, "2016 Economic Census"
（※3） Small and Medium Enterprise Agency "SMEs White Paper 2020"
（※4） the average of 5.54 million yen and 5.43 million yen

Stable Income by SMEs Support & DX (Digital Transformation) are Necessary

Current Status: Center of Regional Financial Infrastructure

Outstanding loans to SMEs: **270 trillion yen**

Type	Number	Outstanding loans to SMEs (※1,※2)
Regional Bank	64	156 trillion yen
2nd Tier Reginal Bank	38	40trillion yen
Credit Union	256	63 trillion yen
Credit Association	145	11 trillion yen
Total	**503**	**270 trillion yen**
Mega Bank (reference)	4	119 trillion yen

Challenges: SMEs' Low Productivity

- Loan profit difficult to expand (※3)
- Difficulty due to low financial demand, high competition, super-low interest rate for a long time.
- Banking Act revised for supporting FinTech evolution (※4)

History of Ordinary Income and Gross Incterest Margin
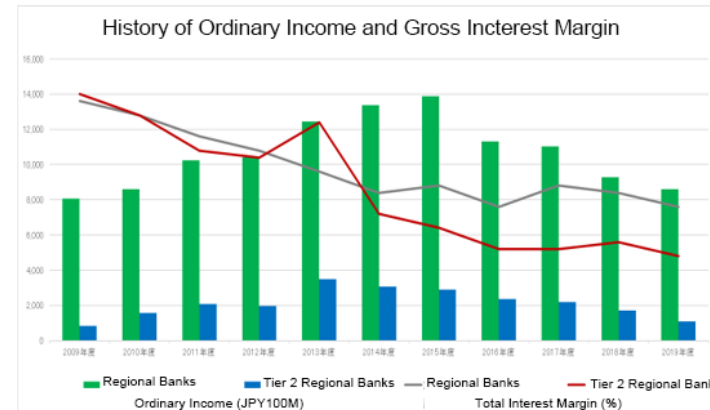
（※1）We calculated based on "A list of SMEs and Regional Banks in each Prefecture (as of the end of March 2019)" by Small and Medium Enterprise Agency

（※2）We calculated outstanding loan Mega Banks (Mitsubishi UFJ, Mitsui Sumitomo, Mizuho, Resona) to SMEs (as of the end of March 2019) based on materials disclosed by each bank.

（※3）We prepared this based on "2019 Financial Results Trend" by Japanese Bankers Association.

（※4）Revision in 2016 "Facilitating investment in FinTech companies, introduction of registration system for virtual currency exchange business operators, etc.", and revision in 2018 "Introduction of registration system for electronic payment business operators, use of Open API, etc."

Service Contents

BtoB SaaS Model to Support SMSs' Growth and Regional Development (※1)

Big Advance

Management Support Platform for SMEs Collaborating with Regional Financial Institutions

For Financial Institutions
Set-up Fee + Monthly Fee (Fixed Fee + Revenue Share)
For Customer Companies
Monthly Fee 3,000 yen （excluding tax） （※4）

Big Advance

"FAI", the AI Module

AI (※2) Module (※3) Development for Especially SMEs

For Financial Institutions and SI
Set-up Fee + Monthly Fee (Fixed Fee ＋Pay-as-you-go)

FAI

Other IT Support Services

Provide Services to SMEs and Professional Advisors mainly through SHARES

SHARES

FLOW

（※1） Abbreviation for "Software as a Service". A type of service which is provided by the service provider as software application function on clowd and which users use through networks.

（※2） Abbreviation for "Artificial Intelligence". This is a computer system which conducts intelligent behavior such as learning, inference, perception, and judgment.

（※3） This means a group of functions categorized in a re-usable form, and each of components the specifications of which is standardized.

（※4） We have adopted the style of revenue share with financial institutions.

Our Business (Big Advance)

Our business is a management support platform for SMEs of BtoB SaaS model and we provide it to companies having transactions with financial institutions.
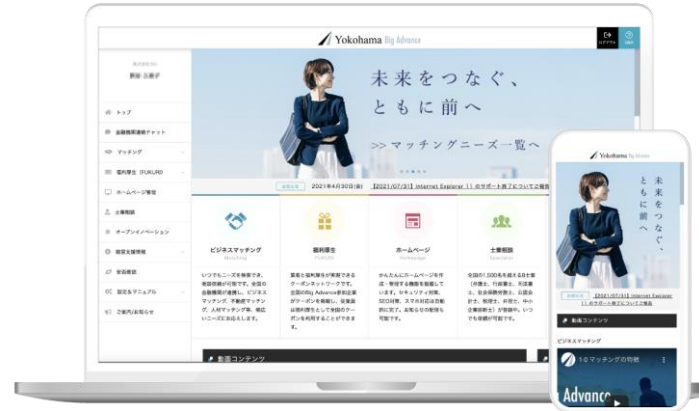
Business Matching
The function goes beyond frameworks of a region and a financial institution

Welfare Program "FUKURI"
Coupons available only for customer companies' employees

Quick HP Development
Smartphone HP ready within 15 mins by filling in a form

Subsidy
Subsidy can be easily searched for through our data on the whole of Japan

Business Chat
Communication with financial institutions and inside companies becomes efficient

Advisor Consultation
Over 2,000 professional advisors available 24h

Safety Confirmation
Safety confirmation & employees' situation management in emergency are available

Management solutions with "Big Advance"

What to do ?
⚠ Management issues

- Need to boost sales and customers !
- Need to outsource !
- Need to find suppliers !

- Need new equipment !
- Need to know available subsidy !
- Need to know how to apply !

- Need to advertise products !
- Need a website for new hires !
- Need more correspondence !

How ?
💡 Using Big Advance

Use business matching

Find suppliers from firms across the country. Matching is set-up through a financial intermediary.

Find a subsidy and a specialist

Easily find available subsidy, and ask for a specialist at the same time.

Create a Website

Easily create websites that appear at the top page on search engines

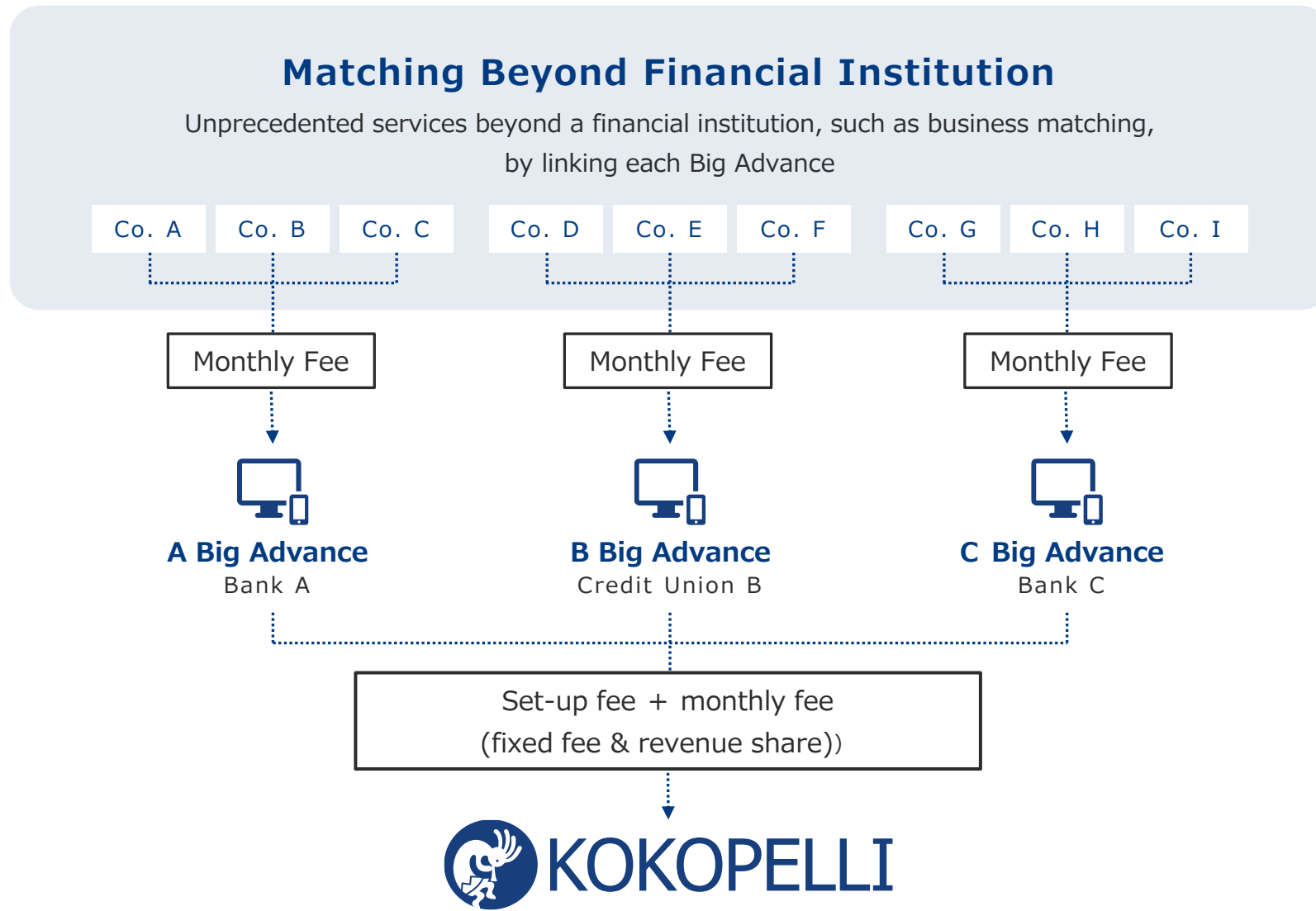## Goal
☺ Management solutions

- High matching rate, with great results
- Find new partners from other industries
- Advertise and PR across the country

- Get news updates in the area
- One-stop search on how to apply and who to ask

- Create another webpage specially tailored for hiring and product PR
- Secure new streams of inflow

How "Big Advance" Works

Each financial institution provides SMEs with "(institution name) Big Advance"

Unprecedented services beyond frameworks of regions and financial institutions

Matching Beyond Financial Institution

Unprecedented services beyond a financial institution, such as business matching,

by linking each Big Advance

| Co. A | Co. B | Co. C | | Co. D | Co. E | Co. F | | Co. G | Co. H | Co. I |

Monthly Fee　　　　Monthly Fee　　　　Monthly Fee

A Big Advance
Bank A

B Big Advance
Credit Union B

C Big Advance
Bank C

Set-up fee + monthly fee
(fixed fee & revenue share))

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Big Advance has supported many SMEs and created new values since its commencement, and even during the threat of new coronavirus infections, been used as SMEs support and DX promotion service.

Sales Growth Support

Business matching function supports developing new customers and business partners, and new products through inter-industrial matching.

Quarterly numbers of business matching
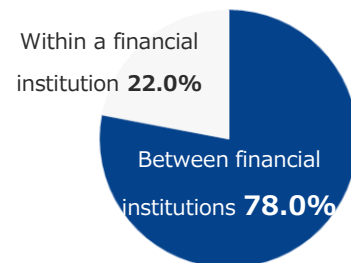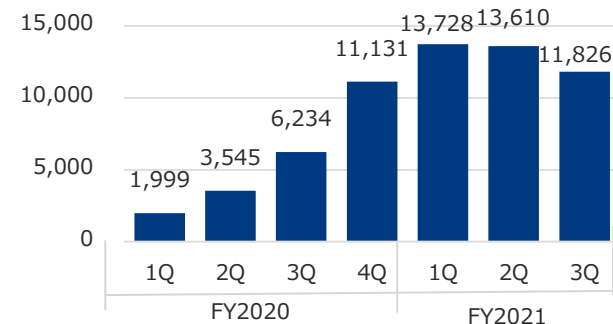
Accumulated number of business matching: **64,623** (※1)

More input criteria was added for requesting negotiations in FY2021 2Q, resulting in less requests. But the quality of negotiations improved as number of matchings stay the same.

Within a financial institution **22.0%**

Between financial institutions **78.0%**

Wide range matching beyond a framework of a financial institution

(※1)   From April 2018 to December 2021
(※2)   As of the end of December 2021

Release Information to the Whole of Japan

11,512 companies opened new HPs (※2). HPs ready within 15 mins & available for smartphones.

Stronger Relation with Financial Institutions

Big Advance chat enables users to communicate easily and make relation with financial institution, for smoother consultation.

Subsidy Use

8,083 subsidies in the whole of Japan (※2) Much corona-related info available.
Get info and consult with financial institutions and advisors

Info Sharing within a Company

Big Advance chat makes information sharing within a company smoother.
Fit for new work styles such as remote working.

Many Functions and Competitive Price for Realizing SMEs' DX

Big Advance has all these functions necessary for DX

Matching + Chat + Open HP + Welfare + Advisors + Subsidy +

Financial Institutions help with introduction & use of Big Advance

SMEs Challenge

want DX, but cannot do it, lacking:

- IT knowledge
- Budget
- HR

Fee (Co. A)
Fee (Co. B)
Fee (Co. C)
Fee (Co. D)
Fee (Co. E)
Fee (Co. F)

Co. A   Co. B   Co. C   Co. D   Co. E   Co. F

Monthly Fee per Company
3,000 yen (excluding tax)

Fee

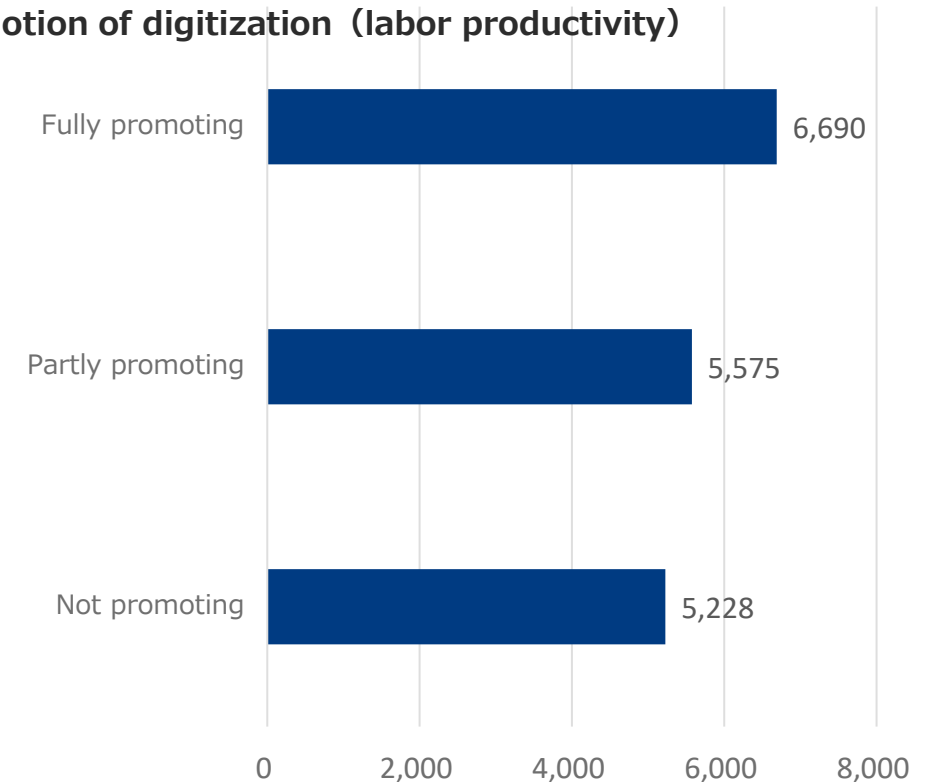Big Advance

DX demand at SMEs
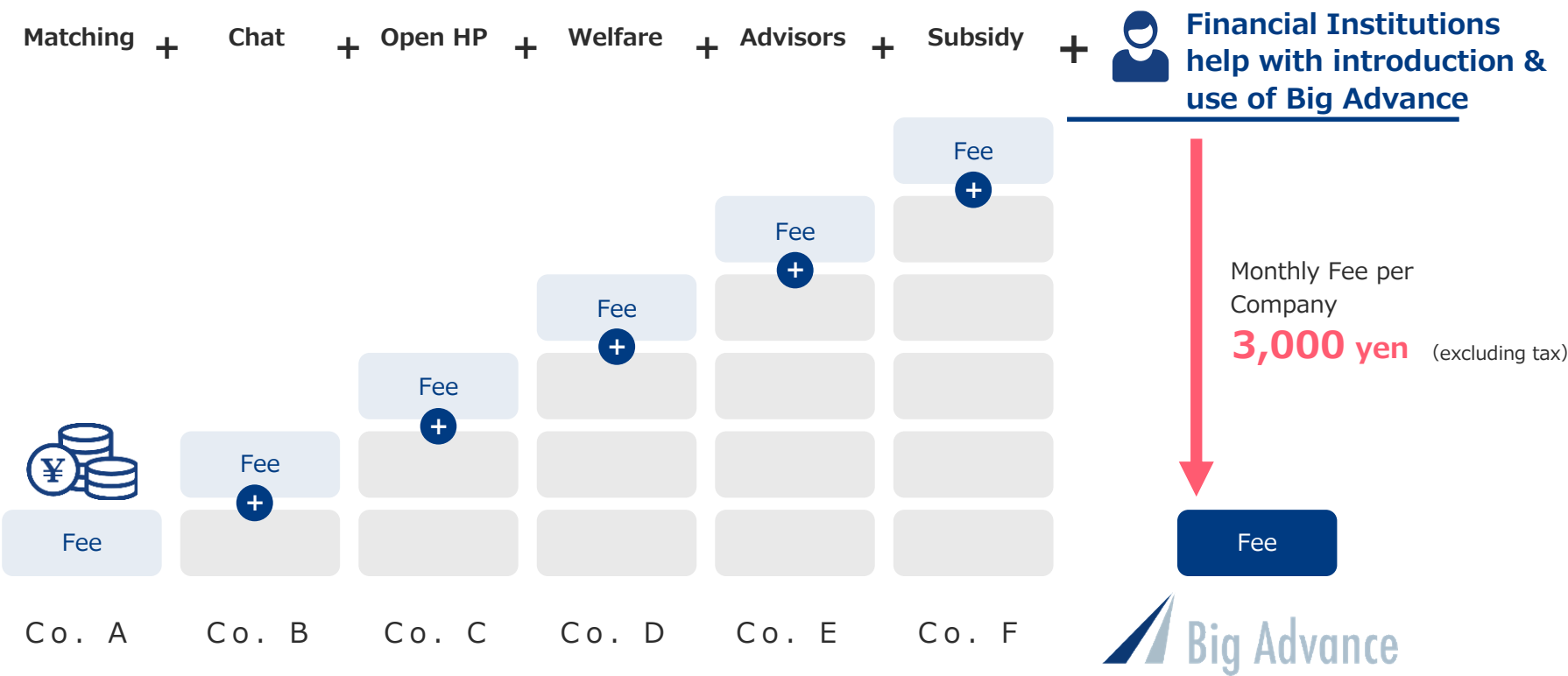
- Digital transformation (DX) exerts great impact on labor productivity at SMEs.
- Digitization has moved up the list of priorities, with 61.6% expressing an urgent need after Corona, compared to 45.6% before the pandemic.
- Companies fully promoting digitization is 28.0% more productive than companies not promoting it.

Change in priority for digitization

	High on list of priorities	Fairly high on list of priorities	Fairly low on list of priorities	Do not feel the need
Before Corona	11.3%	34.3%	38.7%	15.6%
After Corona	20.2%	41.4%	28.6%	9.7%

0% 20% 40% 60% 80% 100%

- High on list of priorities
- Fairly high on list of priorities
- Fairly low on list of priorities
- Do not feel the need
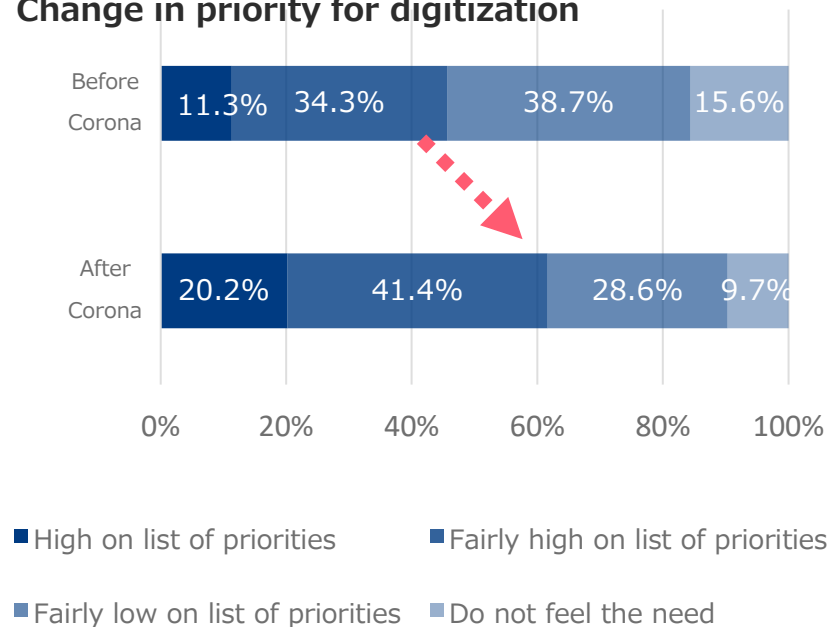
Promotion of digitization（labor productivity）

	thou. yen / person
Fully promoting	6,690
Partly promoting	5,575
Not promoting	5,228

0   2,000   4,000   6,000   8,000

thou. yen / person

Source : The Small and Medium Enterprise Agency "White Paper on Small and Medium Enterprises in Japan 2021" From the Agency website

Further Expansion of Users

Targets: normal clients of regional banks all over Japan

67,000 companies

150,000 companies

3.22 million

Final Target

reference: estimated number of normal clients of regional banks all over Japan（※4）

Now

reference: financial institutions using BA introduces their clients to us by introduction rate of 1.0%（※2）

Current Target

reference: financial institutions using BA introduces their clients to us by introduction rate of 2.3%（※3）
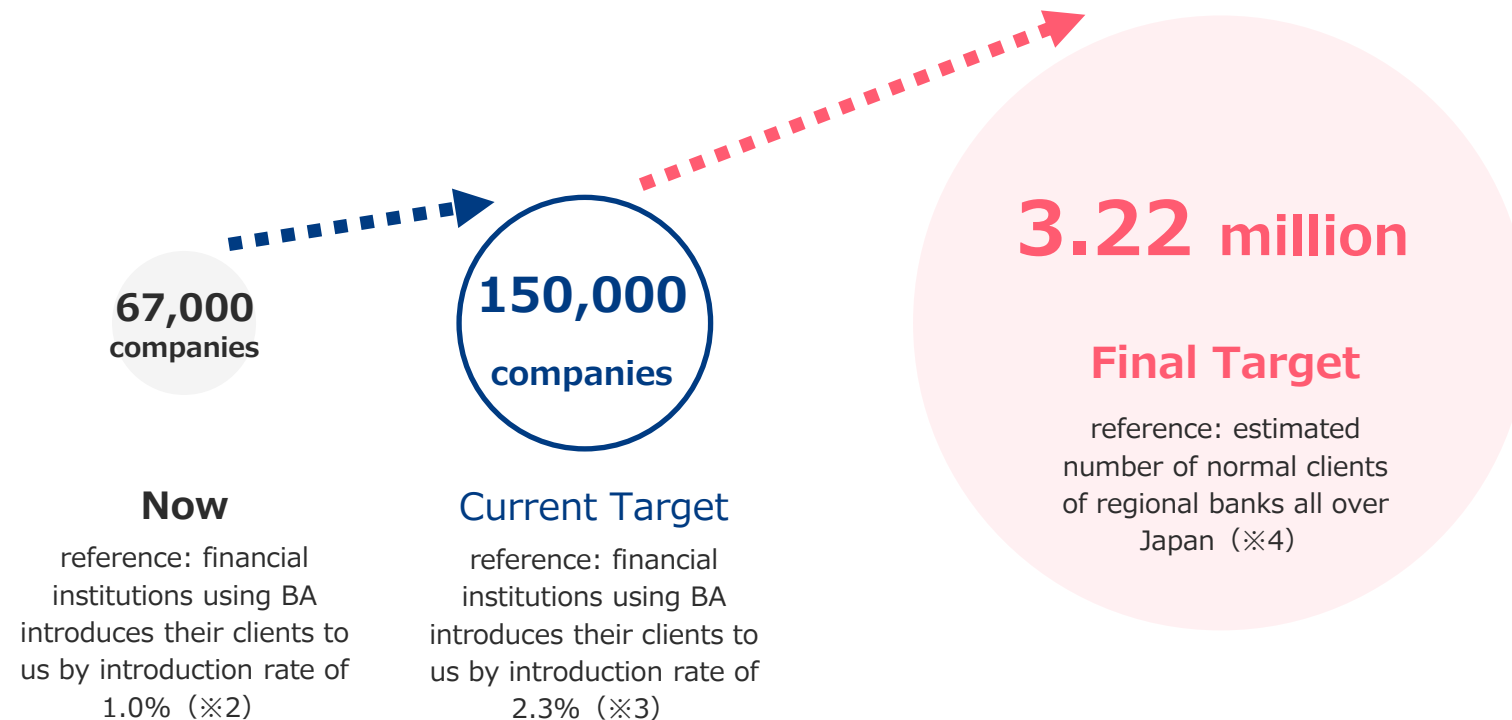
Supplementary Information on SMEs

● SMEs abolishment rate remains around 3%

● After Lehman Brothers collapse, 4.2% in 2010 was the highest in the last 20 years.

● According to BOJ, normal loans rate of regional financial institutions in 2019 was just below 90% ("Financial Results for Banks and Credit Unions in 2019", p. 23).

● Abolition rate: 3.5% ("SMEs White Paper 2020", p. 114).

● Commencement Rate; 4.4% ("SMEs White Paper 2020", p. 114).

Sources: BOJ "Financial System Report (supplement) July 2019", Ministry of Internal Affairs and Communications and METI, "2016 Economic Census" and the Financial Agency HP.
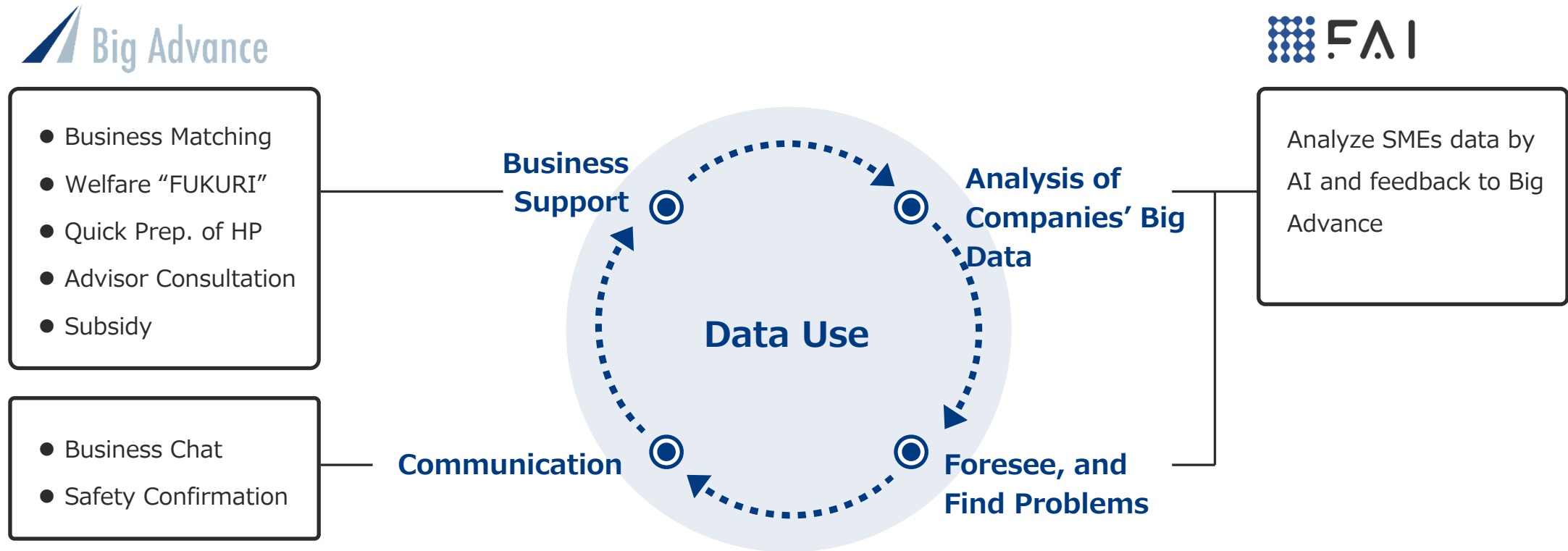（※1） Total number of corporate clients of financial institutions using BA: 6.48 million (as of the end of March 2021)
（※2） Introduction rate = (number of Big Advance customer companies) ÷ (number of corporate clients for financial institutions using BA (as of the end of March 2021)
（※3） 150,000 companies ÷ number of corporate clients for financial institutions using BA (as of the end of March 20201)
（※4） 3.58 million SMEs (the census above) × normal loans rate 90%

High Value-Added Services through Data Use

Create new output by using and comprehensively analyzing behavior data accumulated in Big Advance for SMEs and accounting data held by financial institutions.

Big Advance

FAI

- Business Matching
- Welfare "FUKURI"
- Quick Prep. of HP
- Advisor Consultation
- Subsidy

- Business Chat
- Safety Confirmation

Business Support

Analysis of Companies' Big Data

Data Use

Communication

Foresee, and Find Problems

Analyze SMEs data by AI and feedback to Big Advance

AI (Artificial Intelligence) Module "FAI"

Our unique AI module specialized in using SMEs data (※1)

Name of AI Module	Linked Services	Users	Contents
Company Estimate Module	FAI Service	Financial Institutions	Calculate companies' default probabilities and degrading probabilities
Recommendation Module	Big Advance	SMEs	Optimal business matching for each company
Loan Judgment Module	Financial Institutions	Financial Institutions	Calculate whether to lend money and how much, based on companies' financial data and account transaction data
Management Intelligence Module		SMEs and Financial Institutions	Extract companies similar to a specific company and show management issues based on such company's strategy
OCR Module	FAI Service (※2)	Financial Institutions	Read PDF data of financial statements at high precision

（※1) Patent obtained: patent no. 6354059 "Financial Information Analysis System and Program"
　　　　patent no. 6516309 "Financial Analysis System and Financial Analysis Program"
　　　　patent no. 6581282 "System for Calculating Bankruptcy Probabilities by AI"

（※2) We plan to provide the service in the future.

About this Material

- Contents in this material are prepared based on economic and social situations generally perceived presently and on certain conditions we deem reasonable; however, such contents may be change without any prior notice due to reasons including change of management environment.

- Materials and information provided in this explanation include forward-looking statements, which are based on foreseeing and risk-involving assumptions and therefore are subject to uncertainty that might bring results different from such statements. Such risk and uncertainty include general situations of industries and markets, and national and international, general economic situations including interest rate, and change of currency exchange.

- Even if new events occur in the future including information updates, we might not necessarily update or correct the information in this material including "outlook", except for required by disclosure rules and regulations.