

**F I N A T E X T**

**H O L D I N G S**

First Quarter FY2023  
Financial Results

Finatext Holdings Ltd.  
August 14, 2023

# SUMMARY

## Q1 FY2023 Actual

Revenue

**952**m. yen  
YoY **+54%**

Partners  
(Financial Infrastructure)

**17**  
YoY **+8**

Adj. EBITDA<sup>1</sup>

**▲112**m. yen  
Margin **▲12%**

Operating Income

**▲128**m. yen  
Margin **▲14%**

## FY2023 Guidance

Revenue

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

Partners  
(Financial Infrastructure)

**25**  
YoY **+8**

Adj. EBITDA<sup>1</sup>

**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**

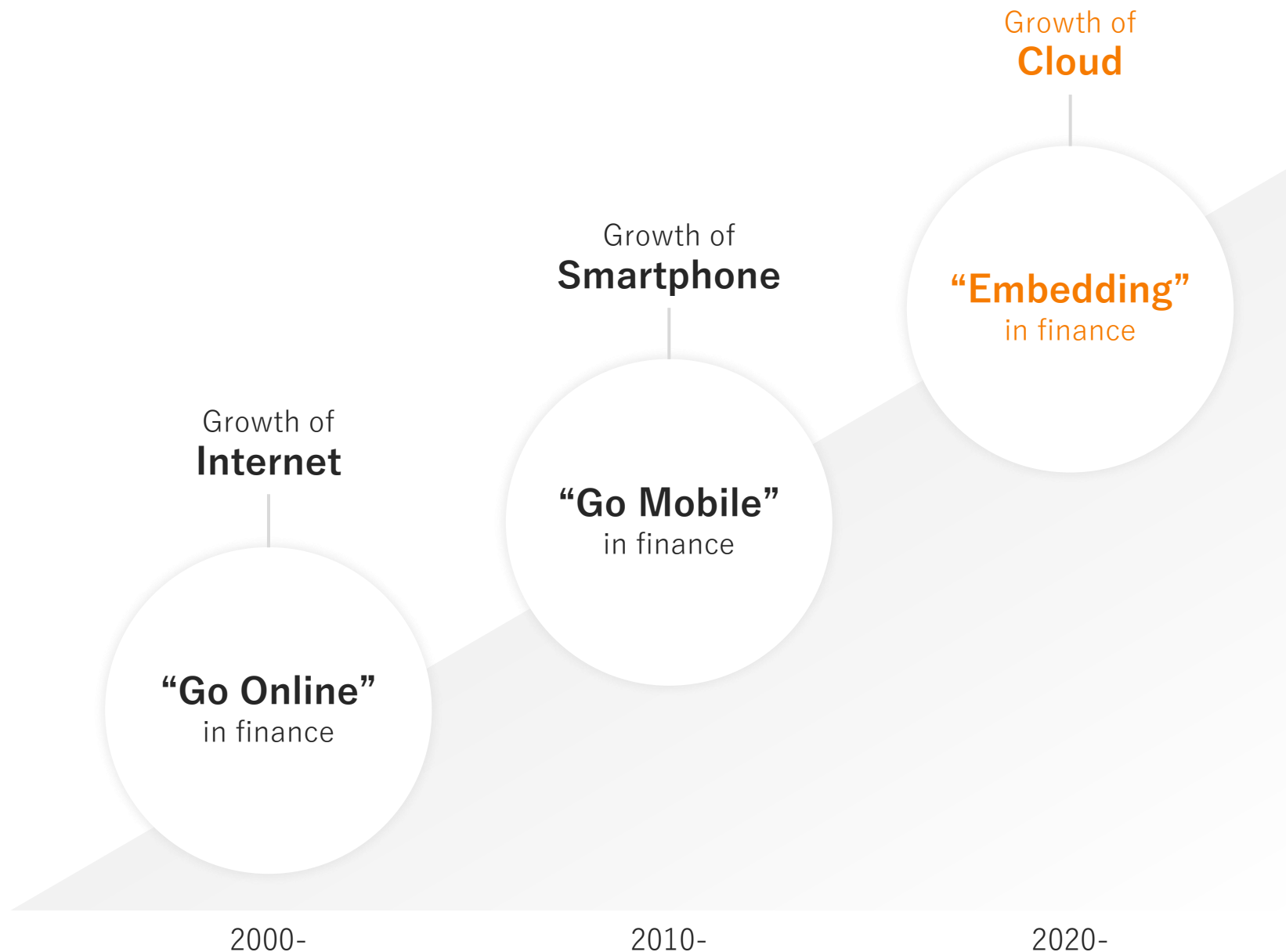
# **Finance**

# **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.



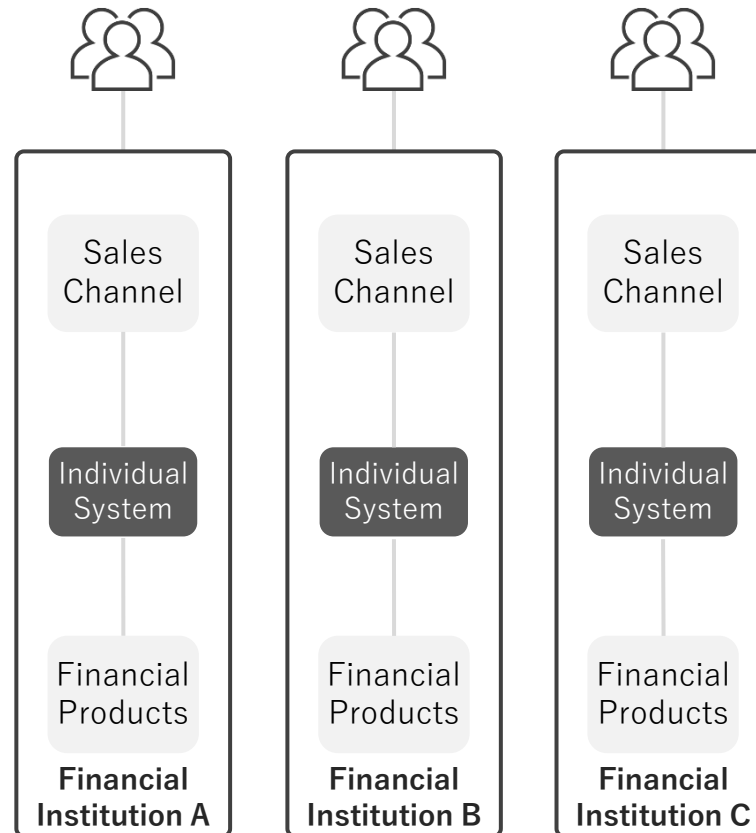
# Vision

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.

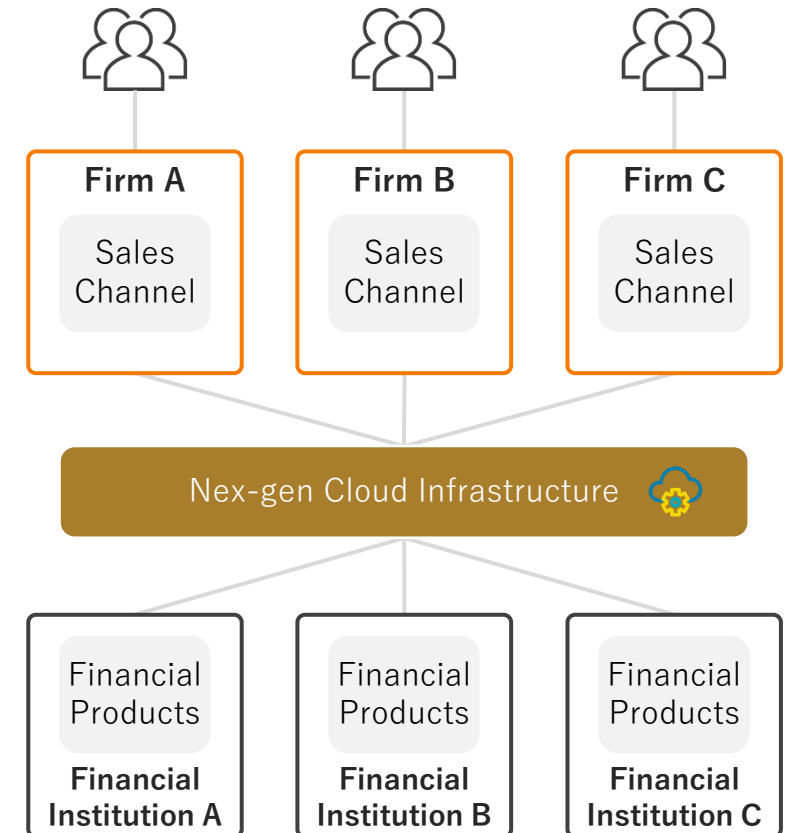
## Incumbent Institutions

- 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

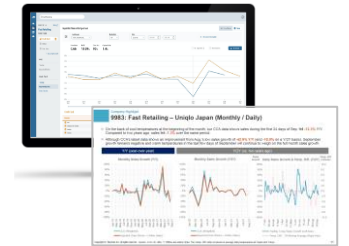
### Big Data Analytics

(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”

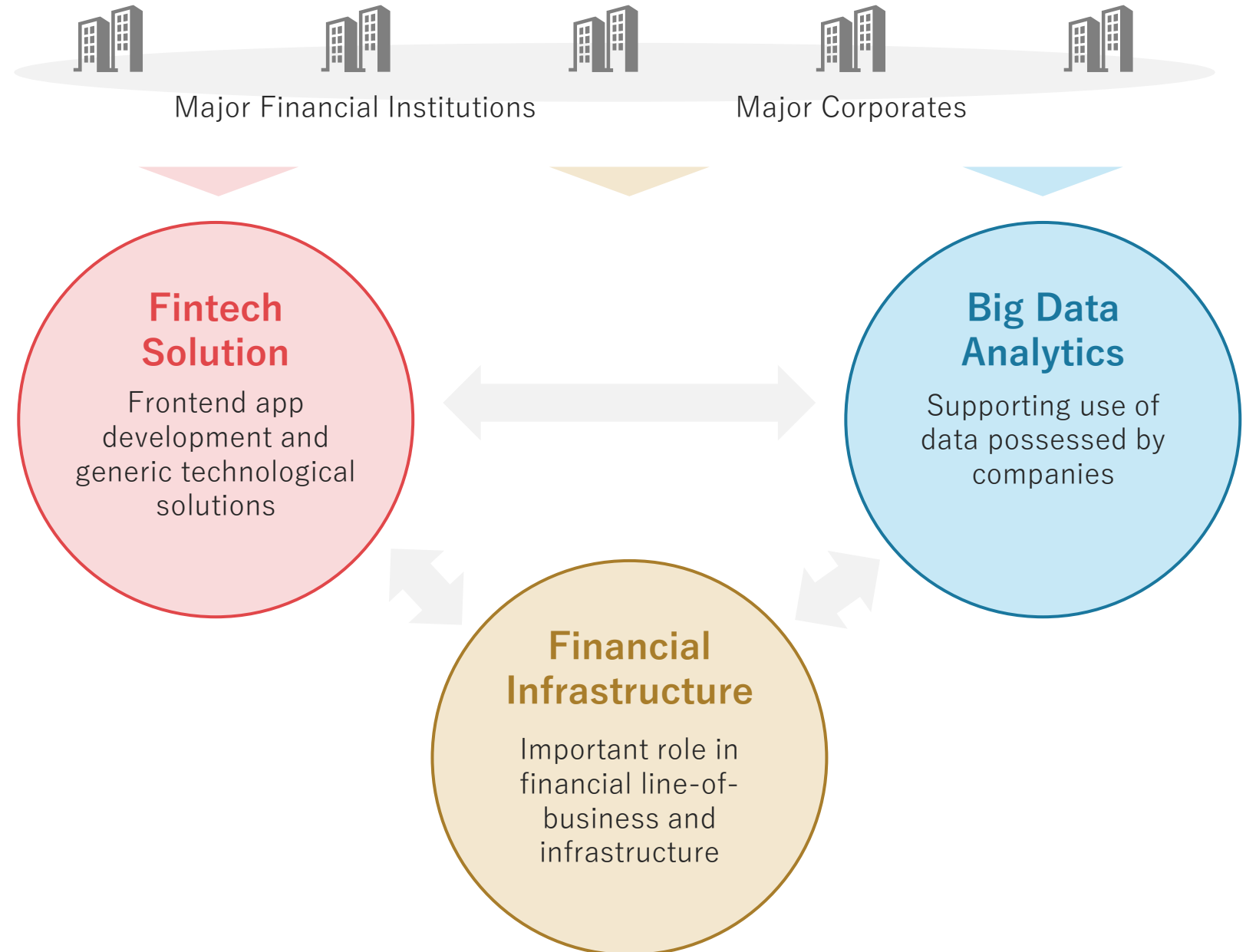
- Infrastructure that enables partner companies to provide stock trading services for individual customers

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.

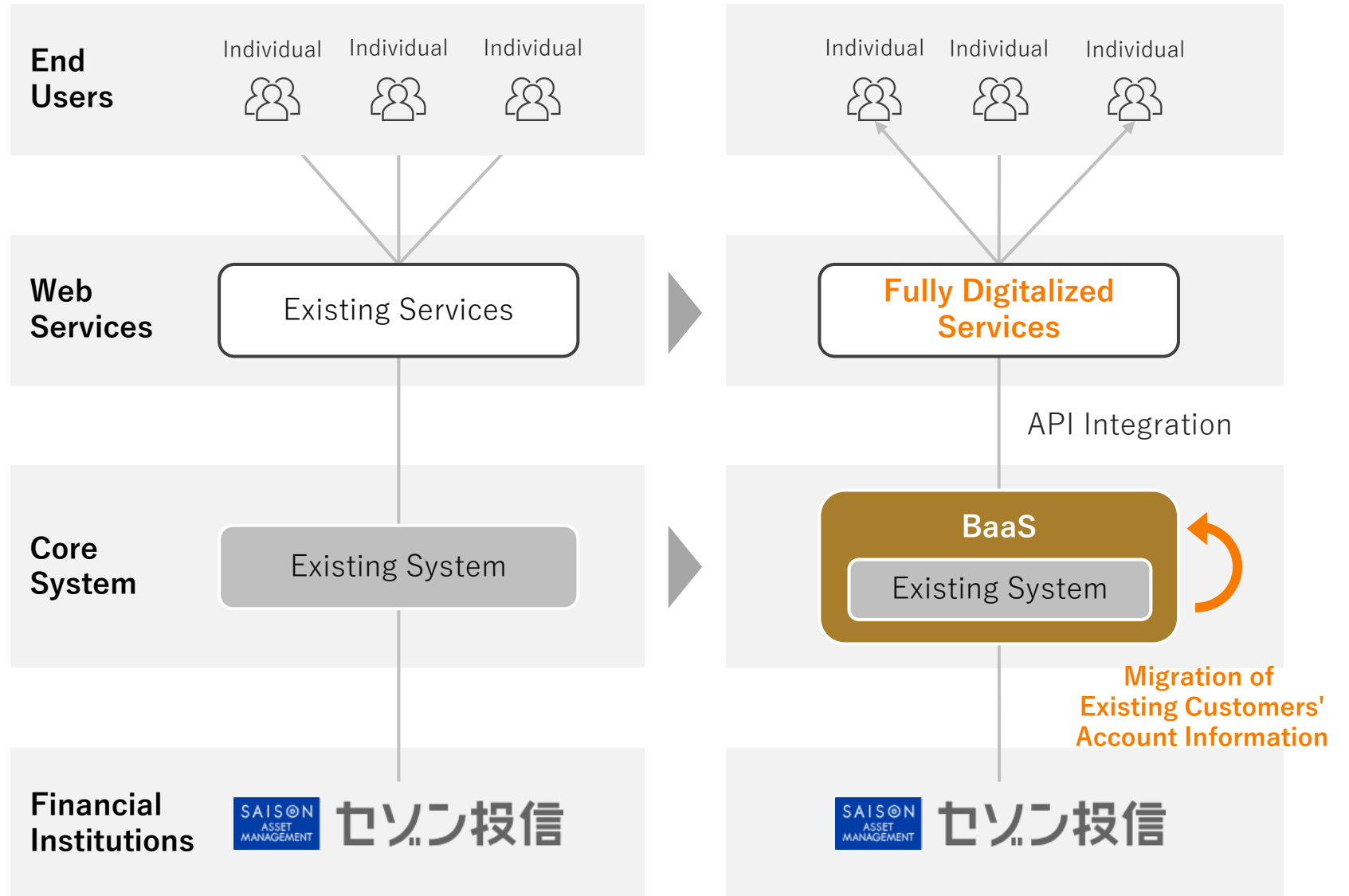


# BUSINESS HIGHLIGHT

# System Migration

Agreed with Saison AM to partially migrate their existing brokerage system to BaaS, aiming to improve services through the new NISA system adaptation and digitalization.

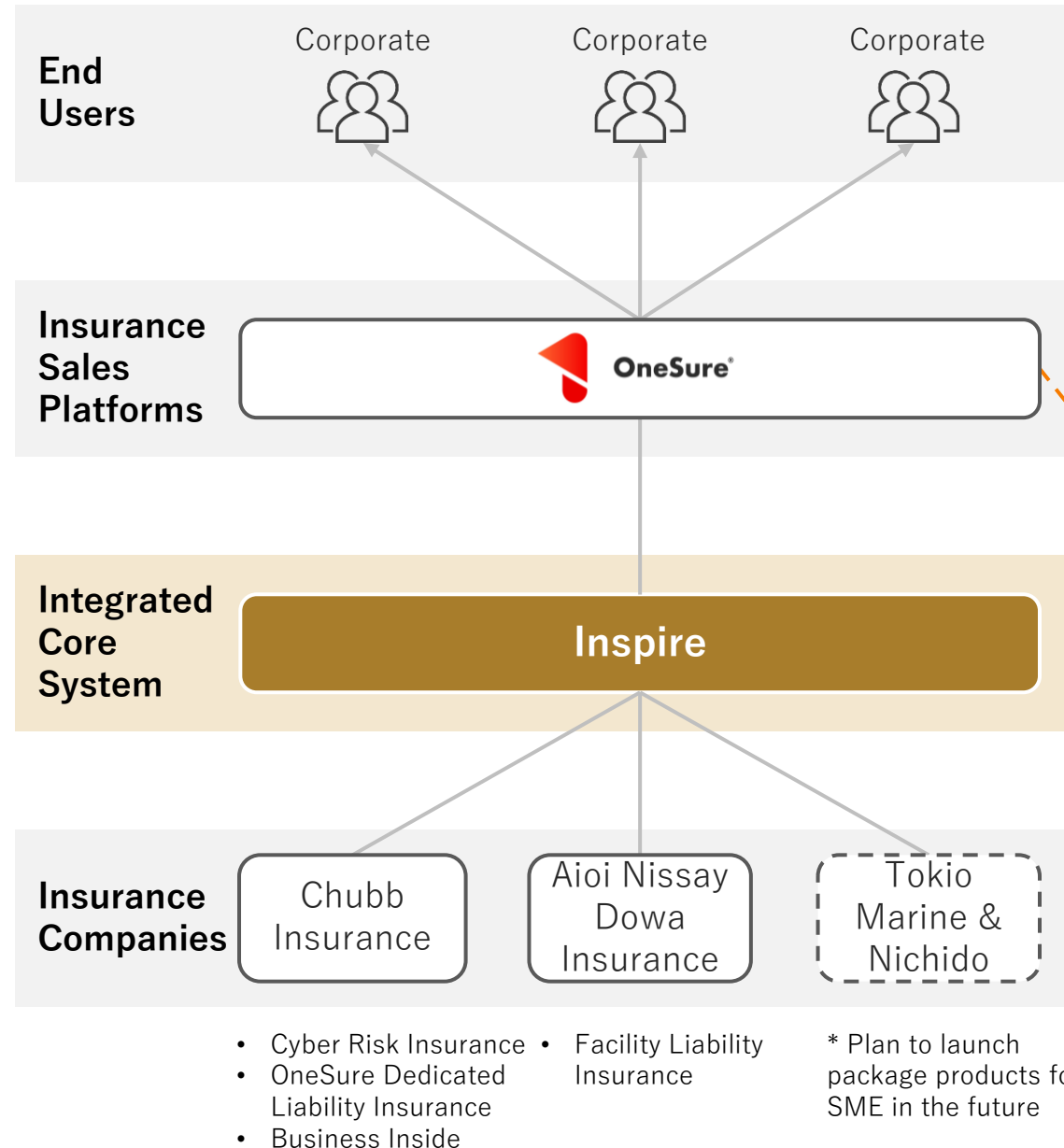
Our first project of system migration to BaaS with existing financial institutions.



## New Launch

MST Insurance Service officially started “OneSure®”, Japan's first corporate insurance platform that handles online products from multiple insurance companies, using Inspire.

Initial products include Chubb and Aioi Nissay, with plans to include Tokio Marine.



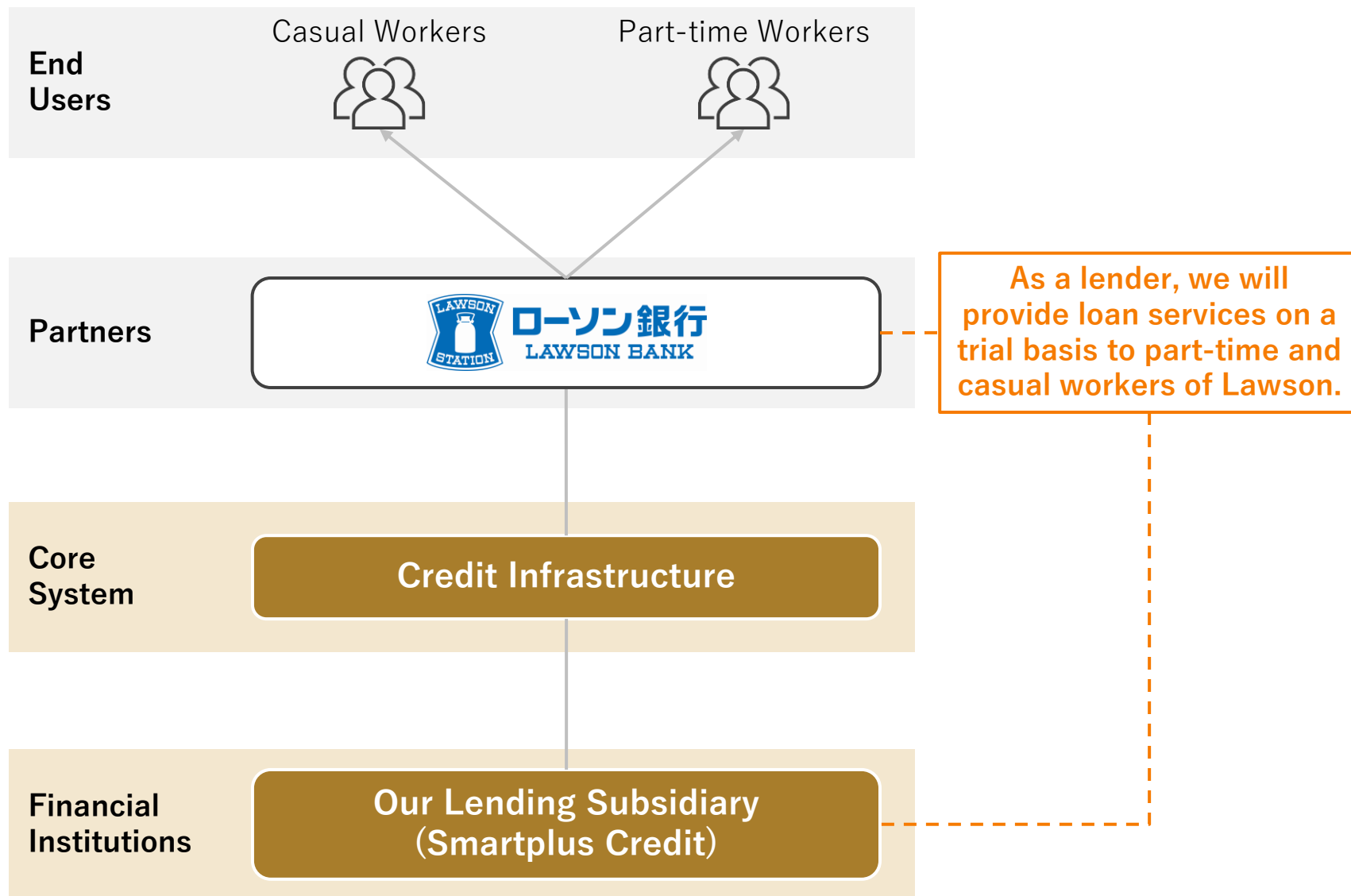
### 3 features of “OneSure®”

1. Obtain instant quotes in a few steps
2. From quotes to contracts in 5 min
3. Manage all enrolled contracts on My Page

## New Partnership in Credit

Reached basic agreement  
with Lawson Bank about  
PoC on personal loan  
services.

Our lending subsidiary  
which uses our credit  
infrastructure, will  
provide loan services on a  
trial basis to part-time  
and casual workers.



# Contribution to Society

Agreed to collaborate with Kyoto University to promote data science education.

For the purpose of academic research, we will provide some of our alternative data to students free of charge.

## Our Support

- We will provide our data free of charge for students of Faculty of Economics and Graduate School of Economics of Kyoto University who wish to analyze alternative data for academic research.
- Students will write papers using the provided data and report their findings to our company.
- In this initiative, credit card data owned by Credit Saison will be provided.

**Nowcast**  
Data Analysis  
Subsidiary



**Kyoto University**  
Graduate School of Economics  
and Faculty of Economics



**Free Data Provision**

**Writing Papers**

**Professor Takanori Ida**  
**Dean of Graduate School of Economics and Faculty of Economics, Kyoto University**

- I strongly feel the need for data science education from the perspectives of theoretical verification and economic policy evaluation based on data, and I want to provide students with research opportunities using alternative data that is available at a higher frequency.

# QUARTERLY RESULTS

## FY2023 Q1

# Q1 Financial Summary

## Consolidated revenue

**+54% YoY**, which keeps attaining high growth.

Operating margin shows **significant improvement from ▲44% to ▲14%** due to revenue growth.

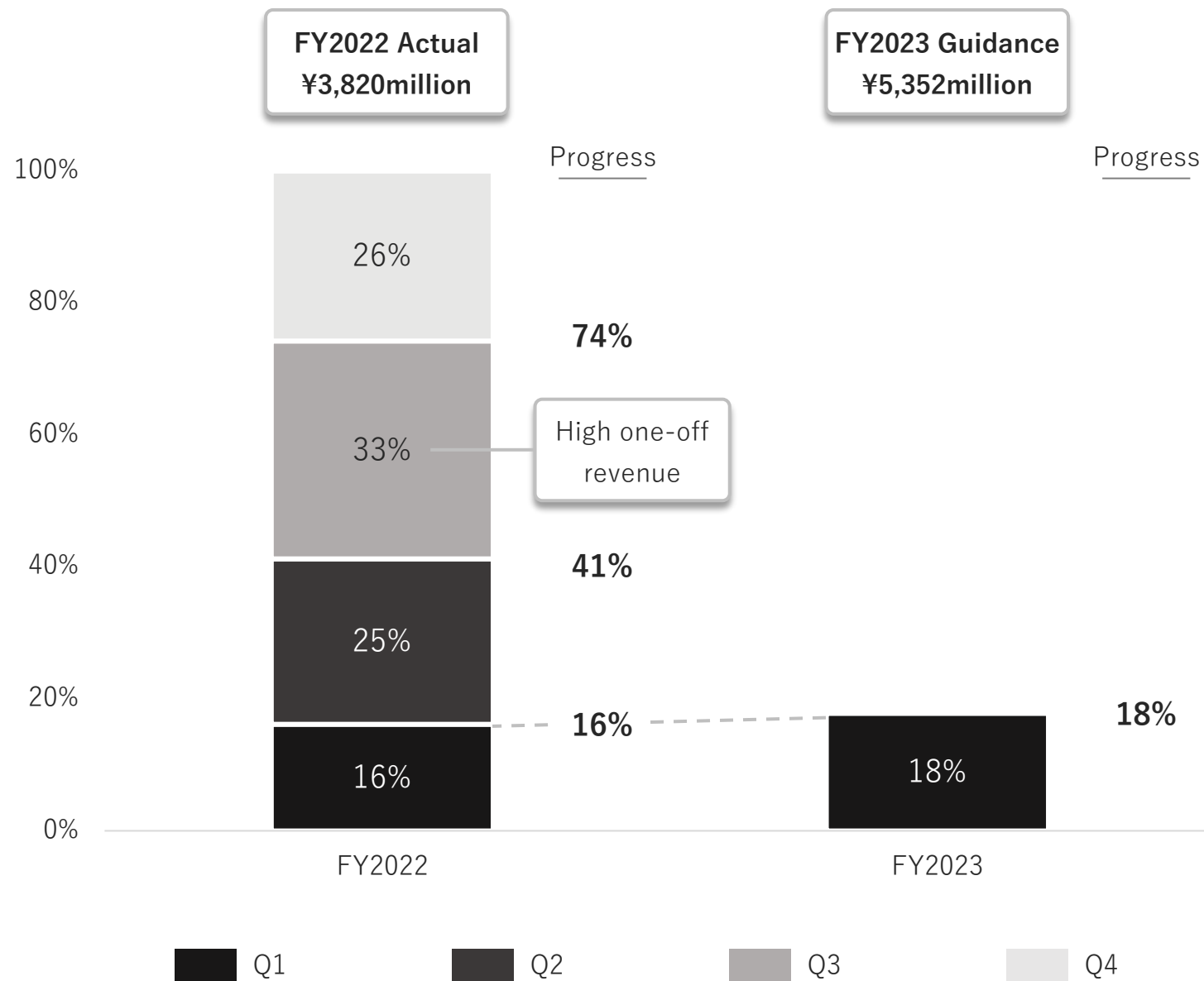
(¥million)	FY2023 Apr-Jun	FY2022 Apr-Jun	YoY	Major Factors
Revenue	952	617	+ 54%	<ul style="list-style-type: none"> <li>Rise in financial infrastructure partners and growth in AUM of partners' discretionary investment services</li> <li>Rise in # of development projects and amount for Fintech Solution</li> </ul>
COGS	444	330	+ 34%	<ul style="list-style-type: none"> <li>Rise in labor and outsourcing expenses due to new projects</li> </ul>
COGS Ratio	47%	54%	-	
Gross Profit	508	286	+ 77%	
SG&A	637	557	+ 14%	<ul style="list-style-type: none"> <li>Rise in labor and outsourcing expenses due to business expansion</li> </ul>
SG&A Ratio	67%	90%	-	
Operating Income	▲ 128	▲ 270	-	
Operating Margin	▲ 14%	▲ 44%	-	
Ordinary Income	▲ 129	▲ 271	-	
Net Income Attributable to Owners of Parent	▲ 140	▲ 243	-	



# Revenue Progress

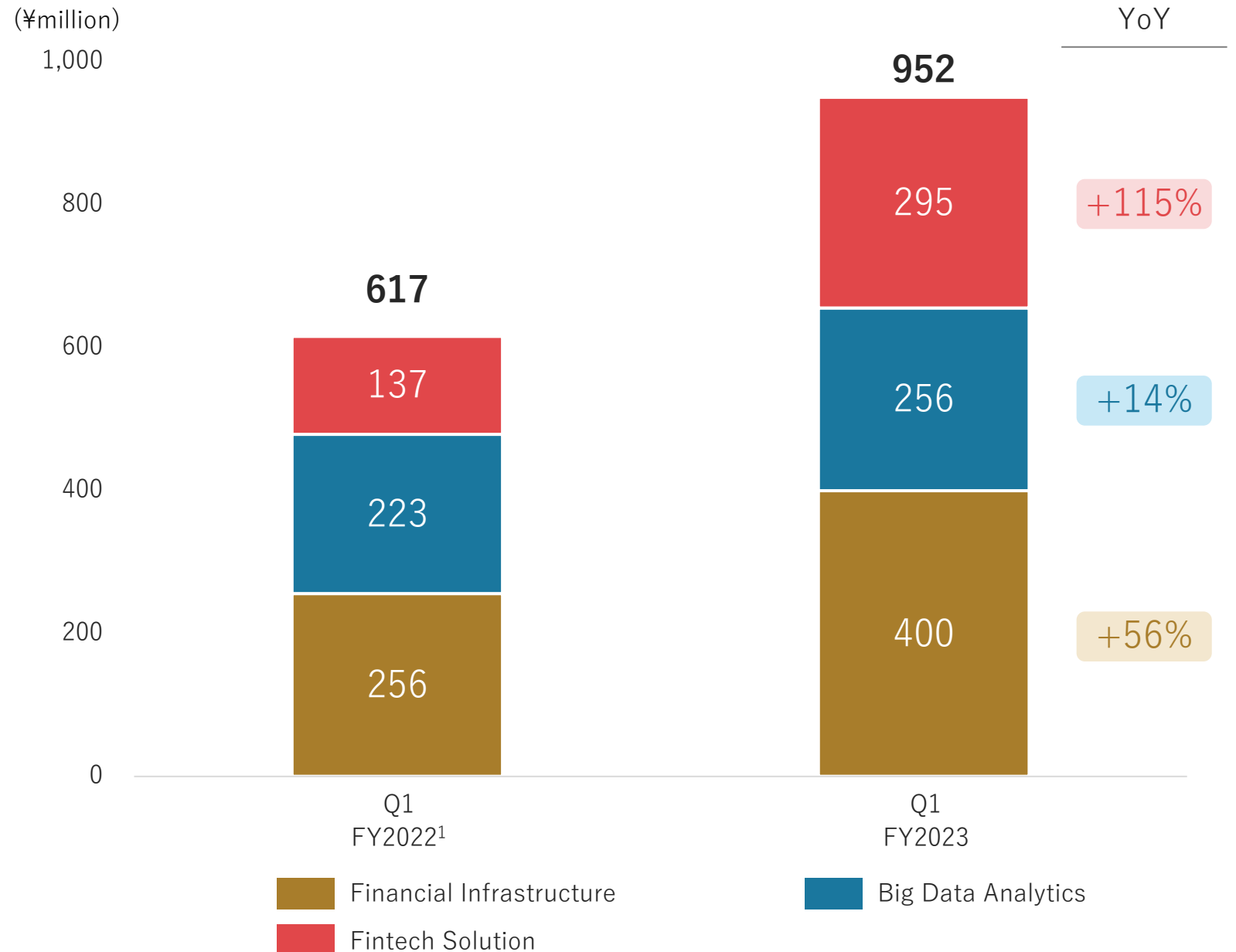
Progress rate against the annual plan is now 18%, performing better than last year.

Since revenue tend to happen in the second half of the year, it is going as planned.



# Revenue by Segment

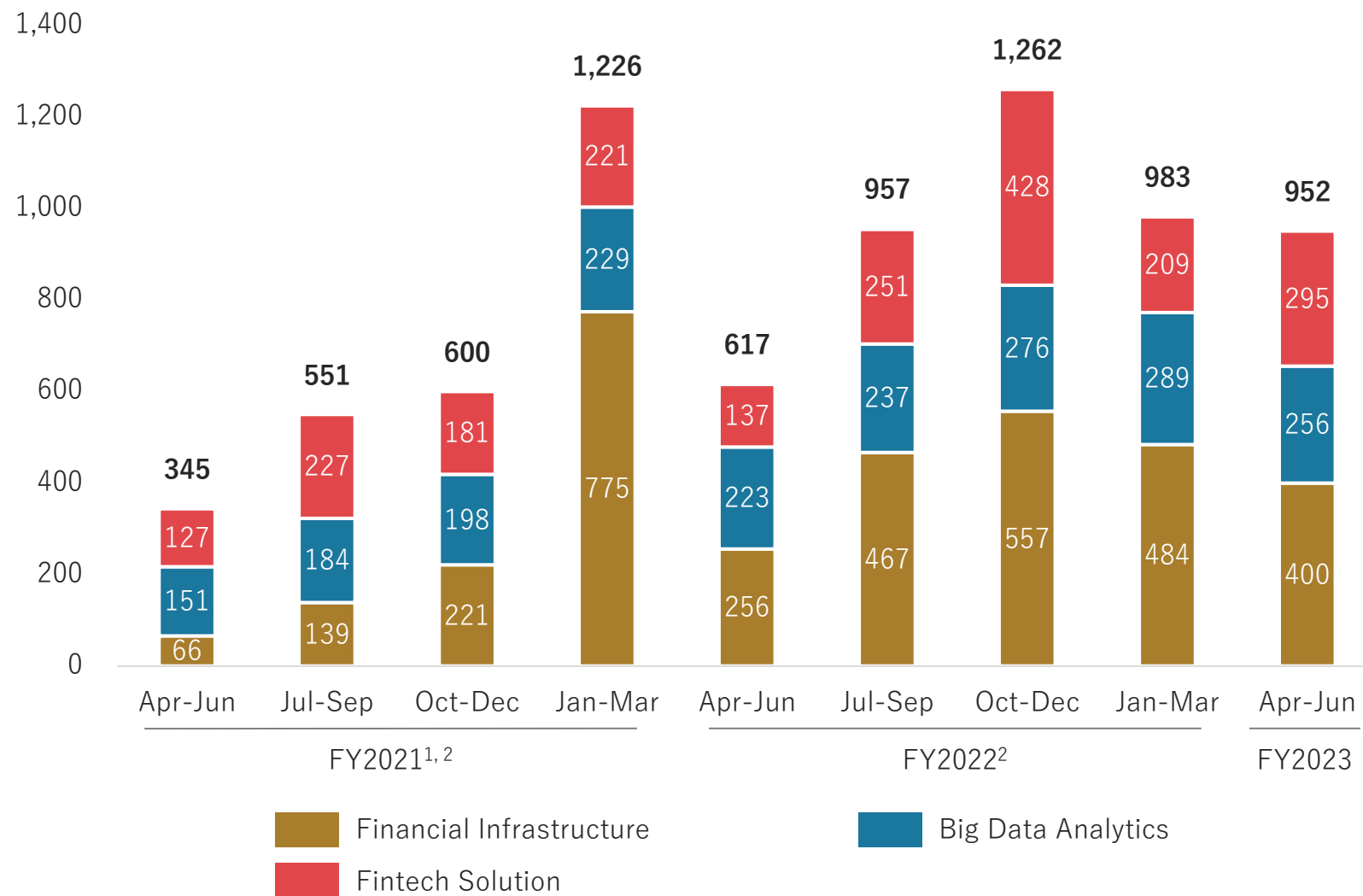
Financial Infrastructure and Fintech Solution drove revenue growth with **over +50% YoY increase** for both segments.



1. From Q2 FY2022, credit business has been included in “Financial Infrastructure” instead of “Fintech Solution”, and figures of Q1 FY2022 have been adjusted accordingly.

# Revenue by Segment

(¥million)

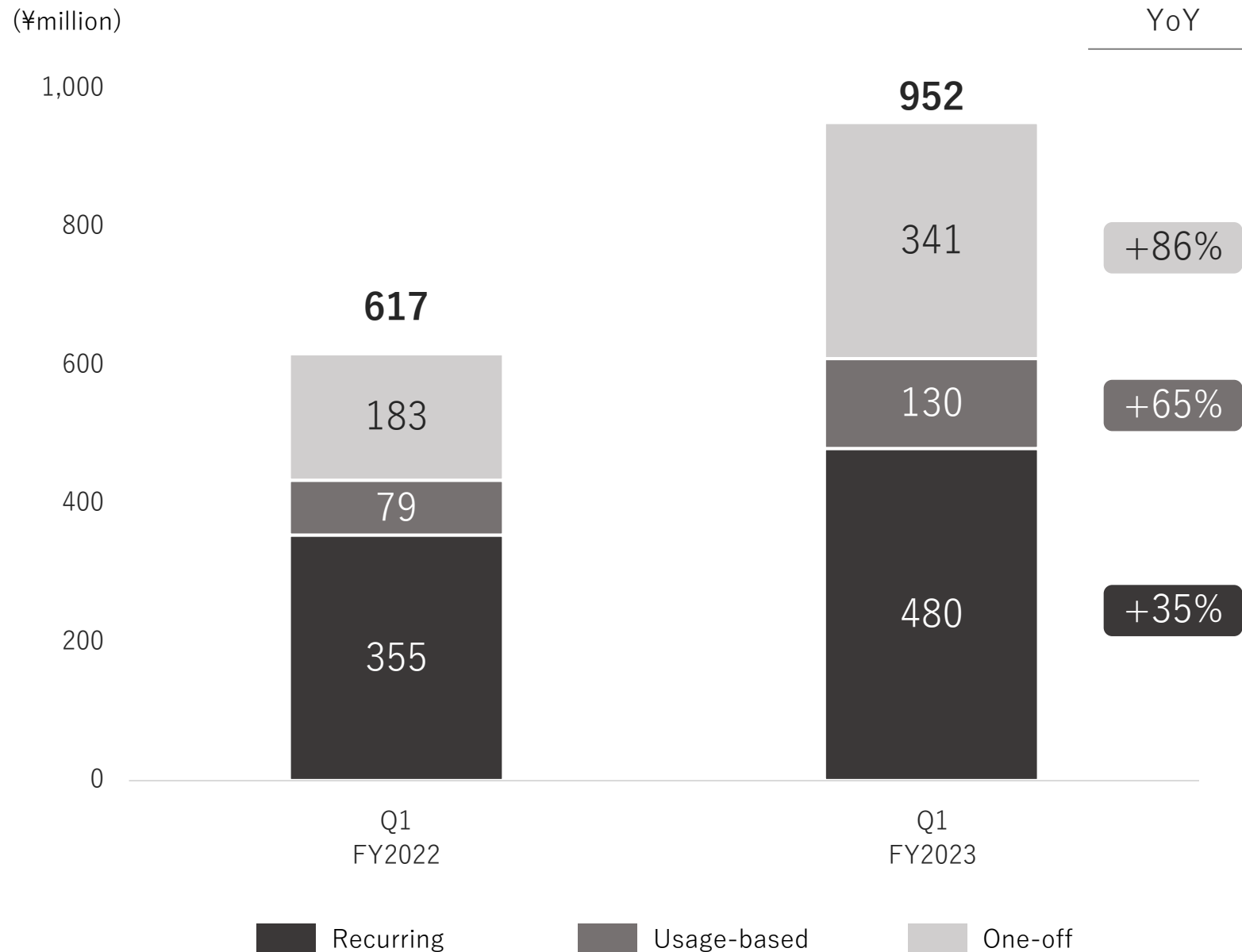


1. The quarterly results of FY2021 (Apr-Jun) are unaudited.

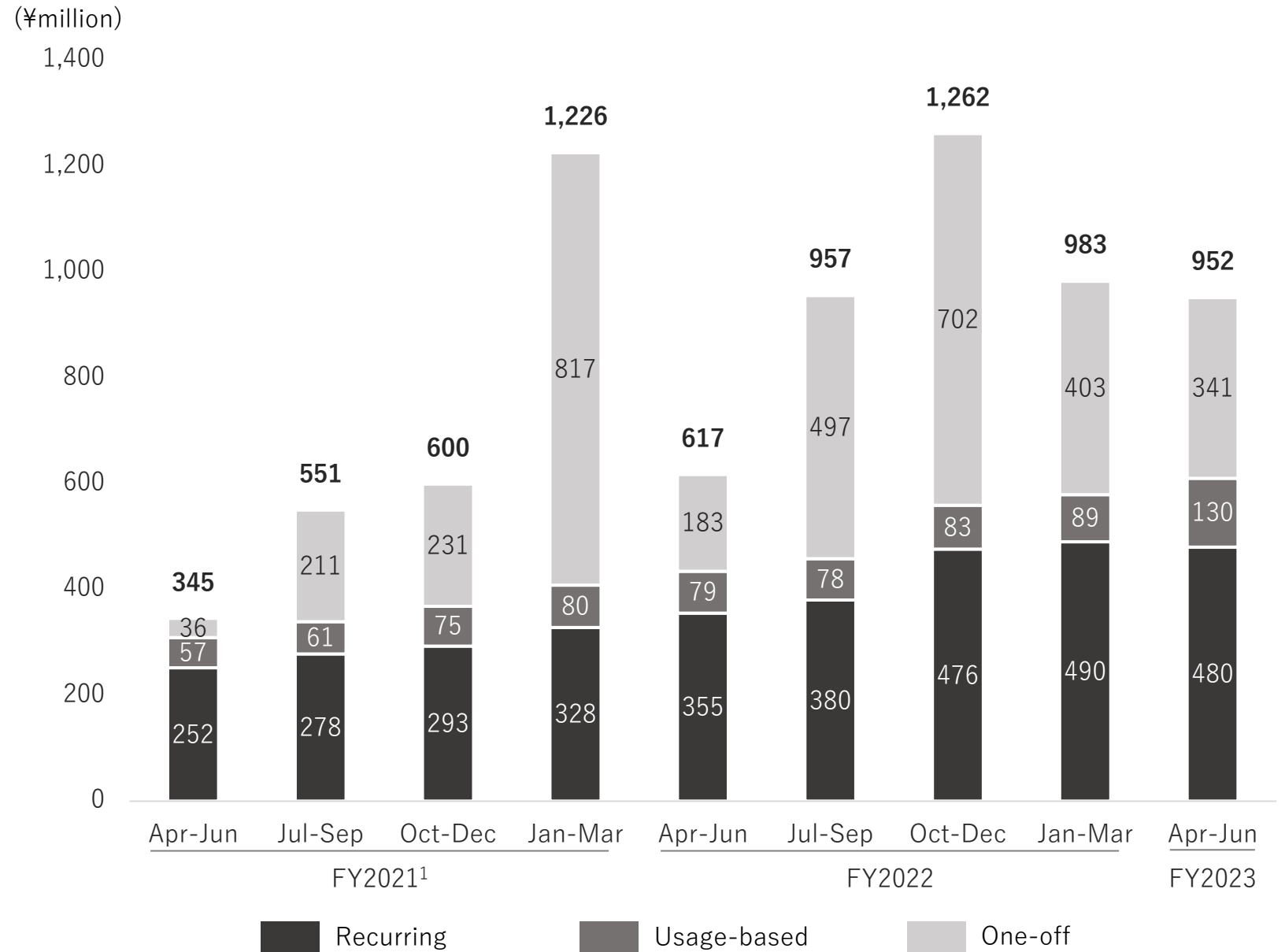
2. From the quarter of FY2022 (Jul-Sep), credit business has been included in “Financial Infrastructure” instead of “Fintech Solution”, and past figures have been adjusted accordingly.

## Revenue by Type

With increase in projects and value, **one-off revenue rose by +86% YoY**. Due to the growth in AUM of financial infrastructure partners, **usage-based revenue saw a significant increase of +65% YoY**.



# Revenue by Type



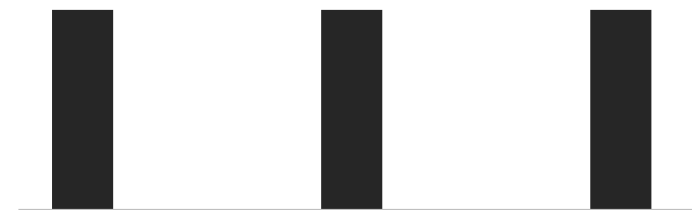
1. The quarterly results of FY2021 (Apr-Jun) are unaudited.

## (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

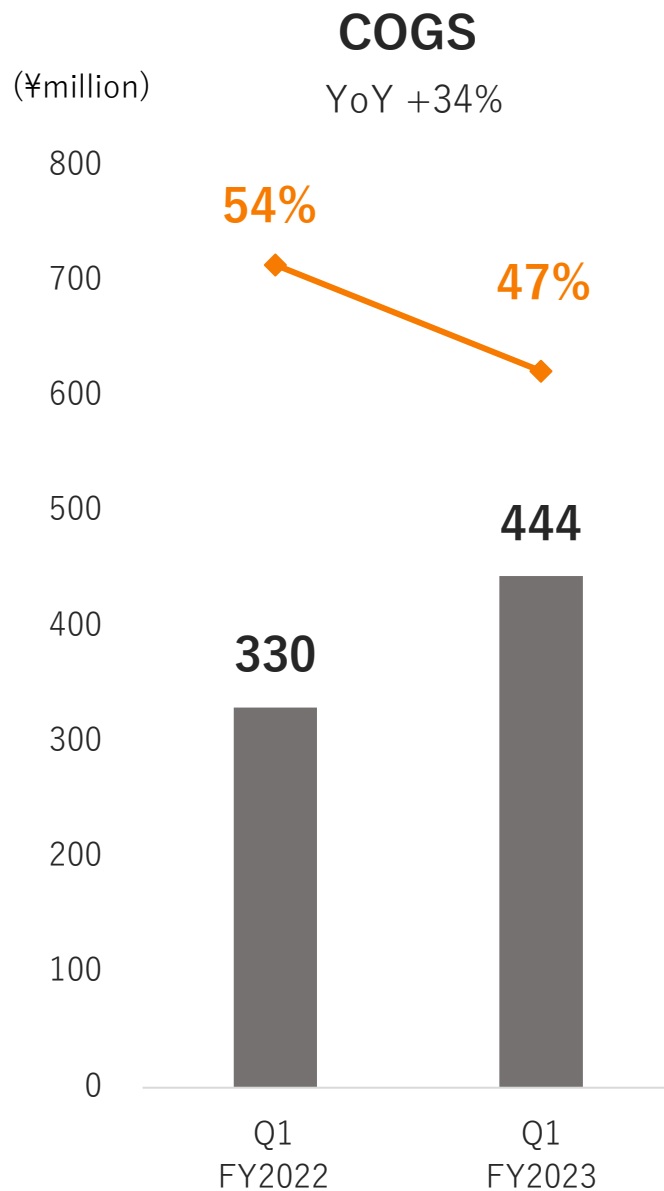
- Usage-based revenue according to AUM and insurance premium income



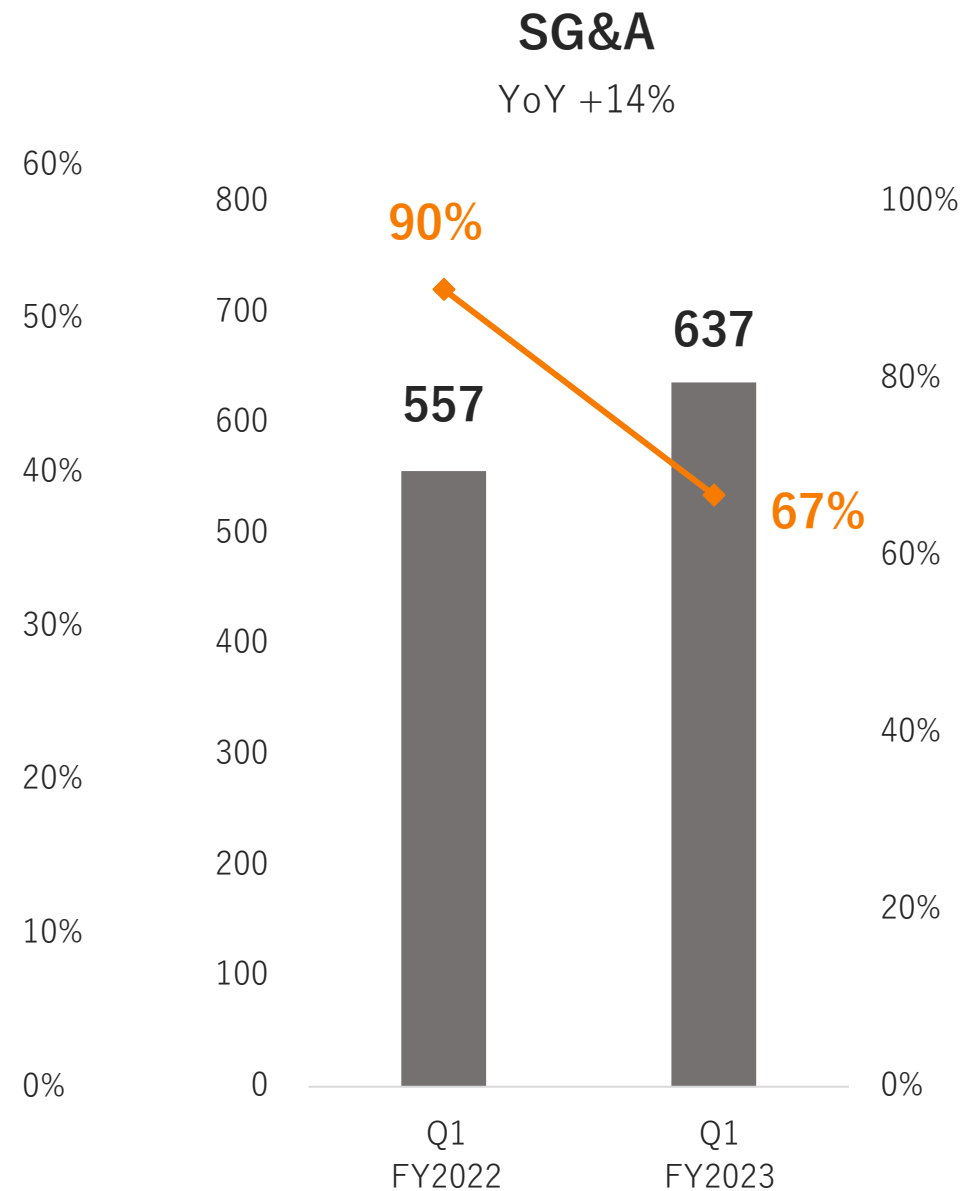
# COGS and SG&A

Although COGS increased by +34% YoY mainly due to rise in labor and outsourcing expenses, COGS ratio was reduced to 47% as revenue increased by 50%.

SG&A expenses also remained at rise of +14% due to solid cost control, which led to a decrease in SG&A ratio to 67%.



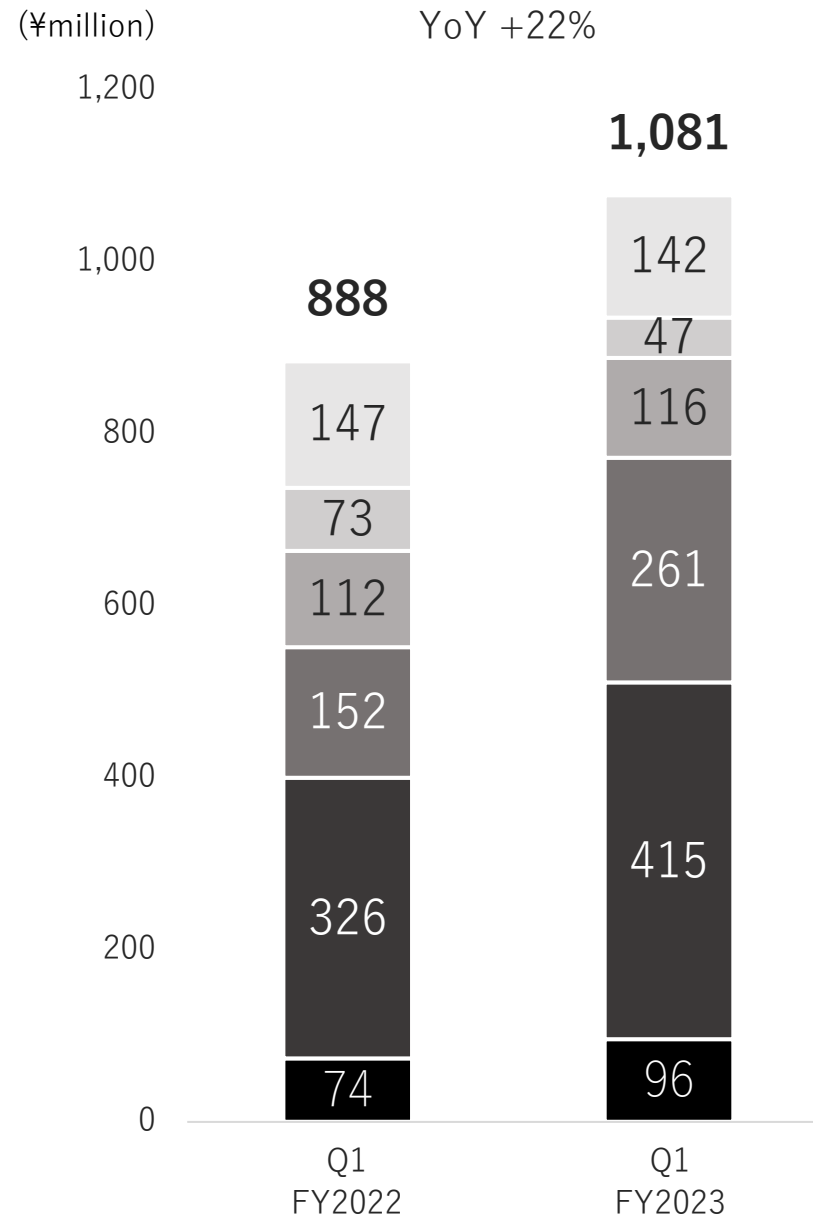
— COGS ratio



— SG&A ratio

# Cost Breakdown

Although expenses are increasing due to the business expansion, **overall expenses remained at +22% YoY compared to +50% YoY increase in revenue.**



## Others (YoY▲4%)

- Despite increase in financial-related expenses for increase in operating services, YoY decrease is primarily due to the end of special factors (such as temporary expenses related to office relocation)

## Advertising Expenses (YoY ▲35%)

- Decrease due to reduced advertising and promotion for our own services

## Communication Expenses (YoY+3%)

- Despite expansion of operating services in scale, growth rate decreased to a YoY increase of 3%, thanks to cost-cutting measures

## Outsourcing Expenses (YoY+72%)

- Mainly due to increase in development projects

## Labor Cost (YoY+27%)

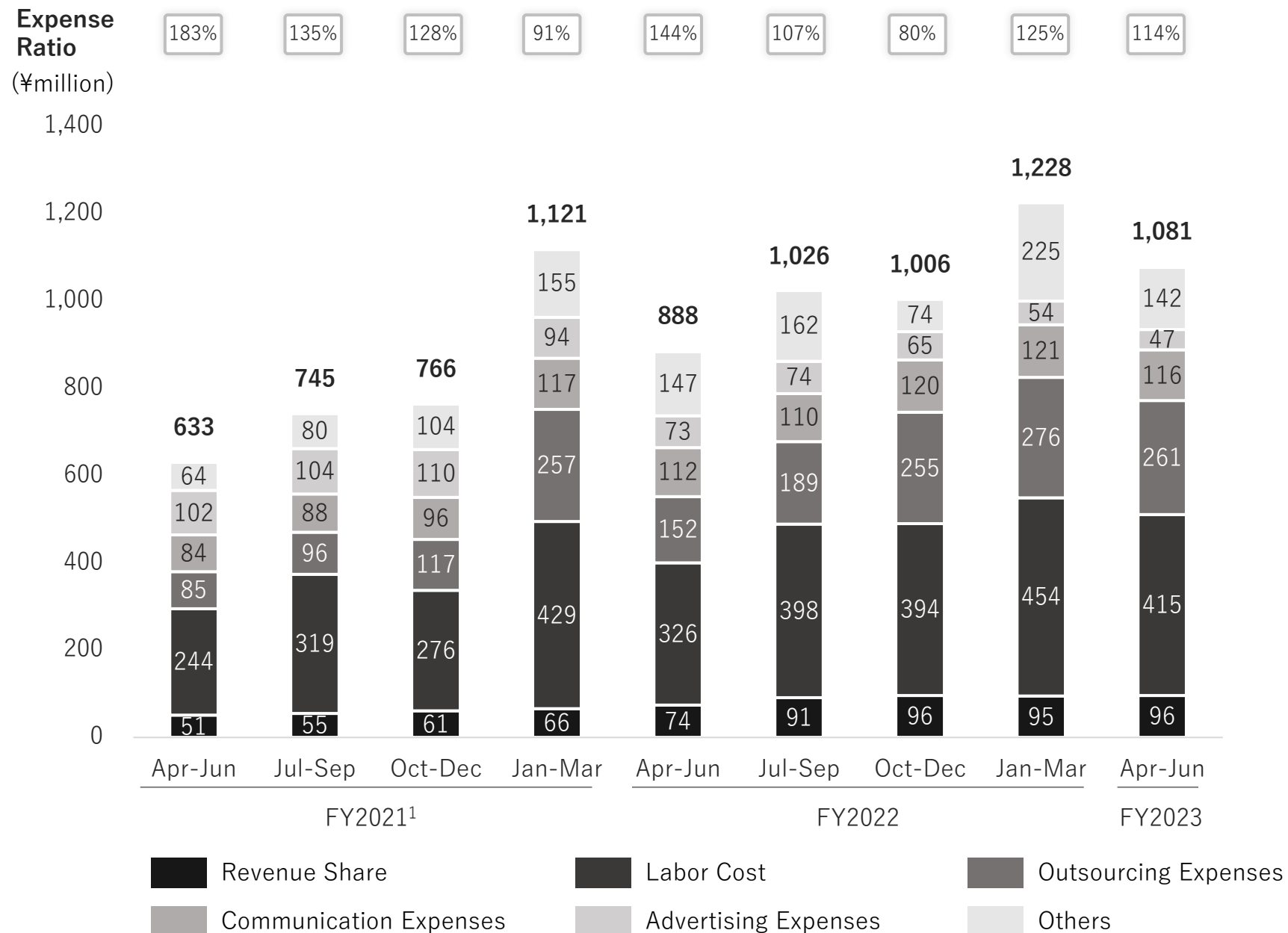
- Increased due to team expansion

## Revenue Share (YoY+31%)

- Increased mainly due to respective growth of data license business



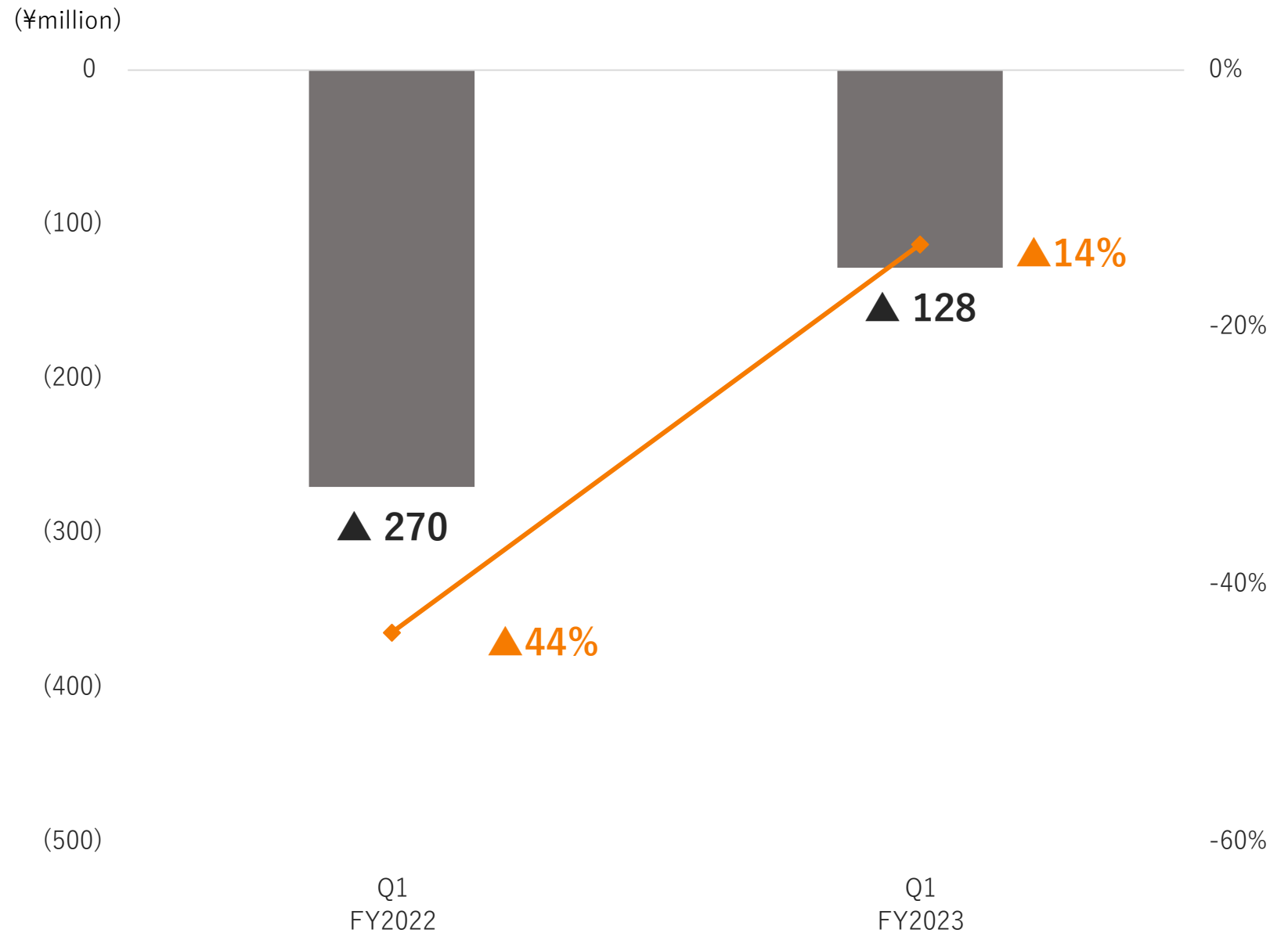
# Cost Breakdown



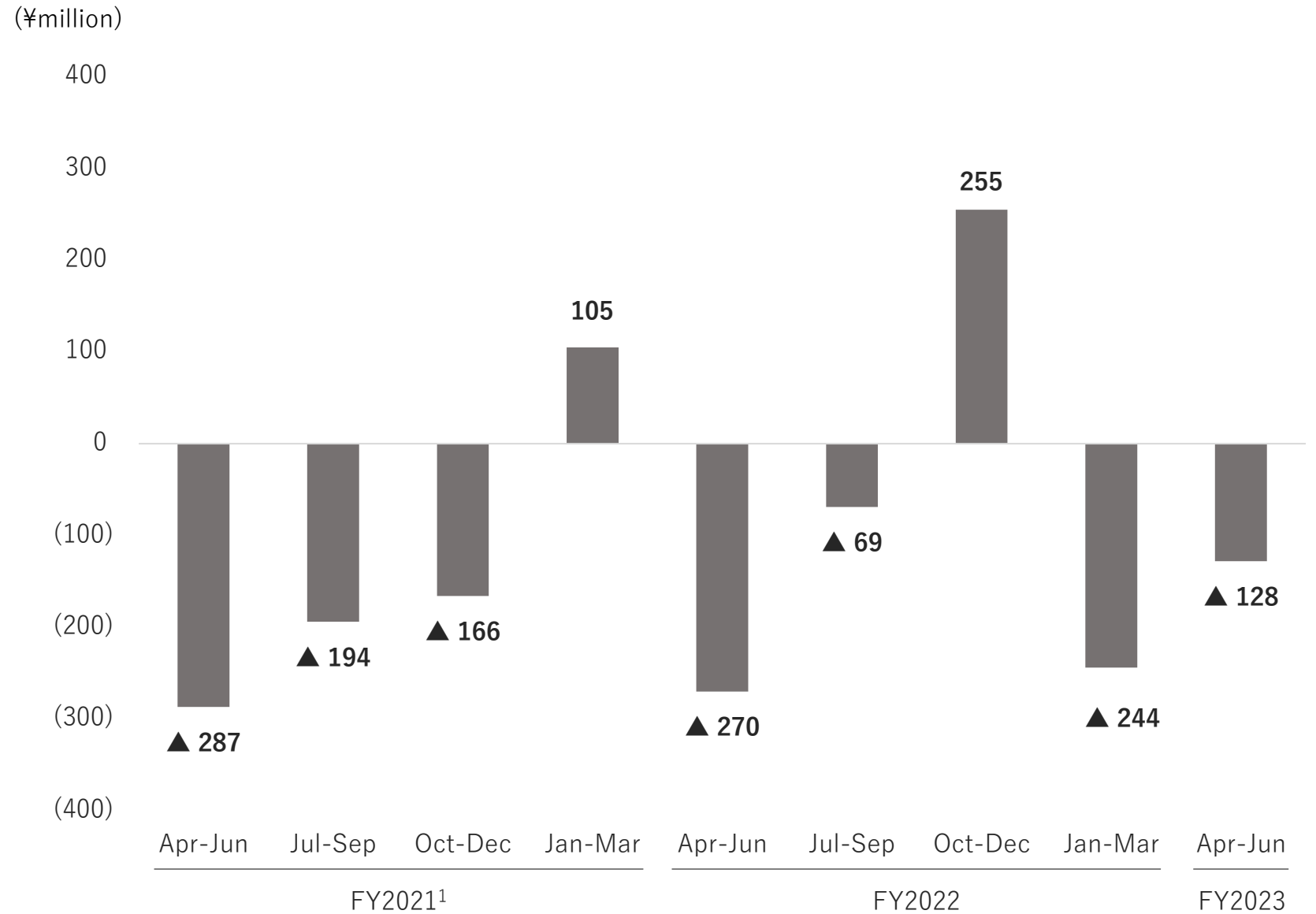
1. The quarterly results of FY2021 (Apr-Jun) are unaudited.

# Operating Margin

Due to an increased in revenue and a significant decline in SG&A ratio, **operating margin improved from ▲44% to ▲14%.**



# Operating Income



1. The quarterly results of FY2021 (Apr-Jun) are unaudited.

# Balance Sheet

Strong financial base  
with about ¥5.7 billion in  
cash and deposits as of  
the end of June 2023.

(¥million)

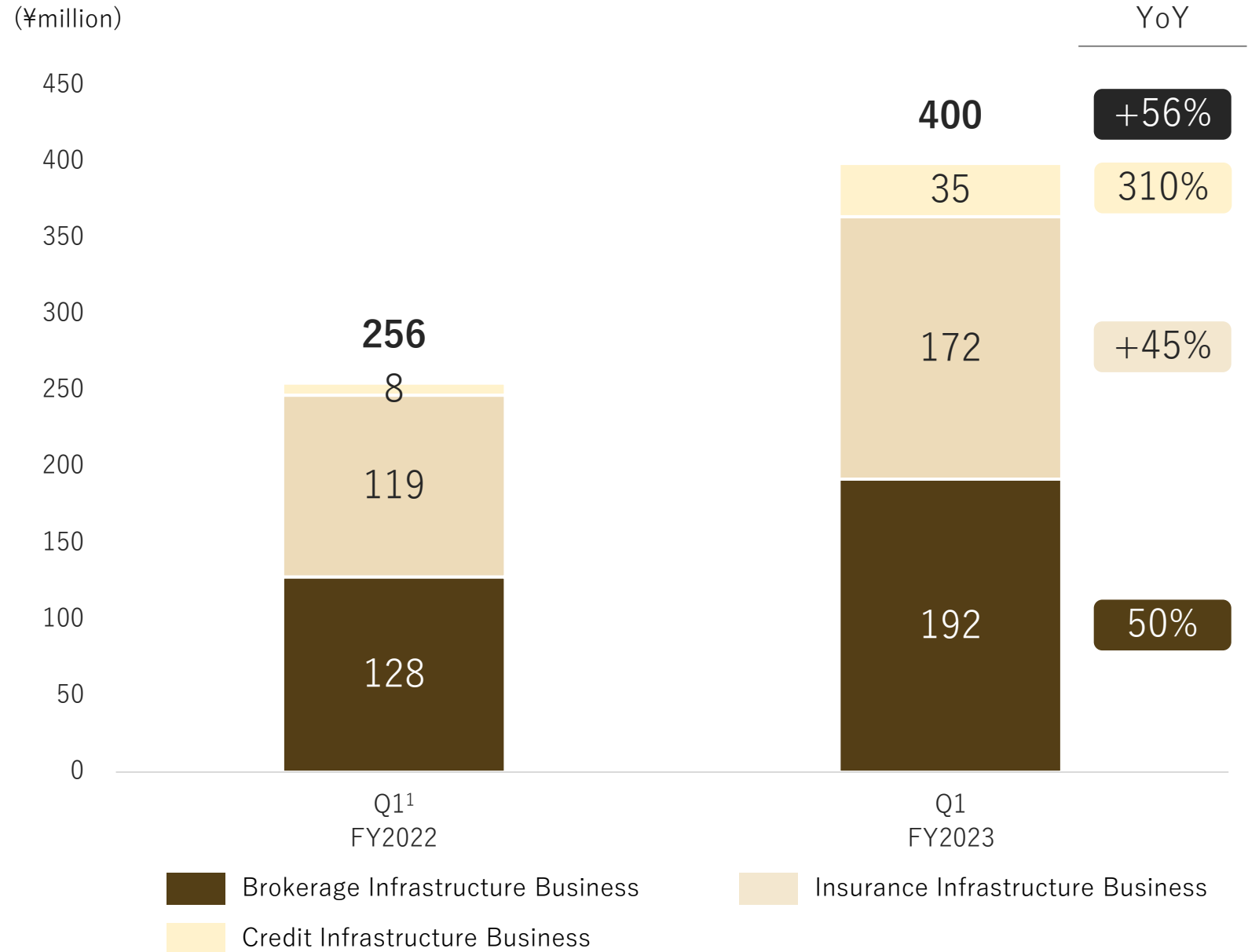
Assets: 19,505	Liabilities and Net Assets: 19,505
Cash and deposits 5,764	Guarantee deposit for brokerage business 4,059
	Deposit received for brokerage business 3,674
	Other current liabilities 3,035
	Non-current liabilities and reserves under special laws 79
Deposits for brokerage business 7,731	Net assets 8,657
Credit trading assets for brokerage business 3,694	
Other current assets 1,844	
Non-current assets 471	

# QUARTERLY RESULTS BY SEGMENT

## FY2023 Q1

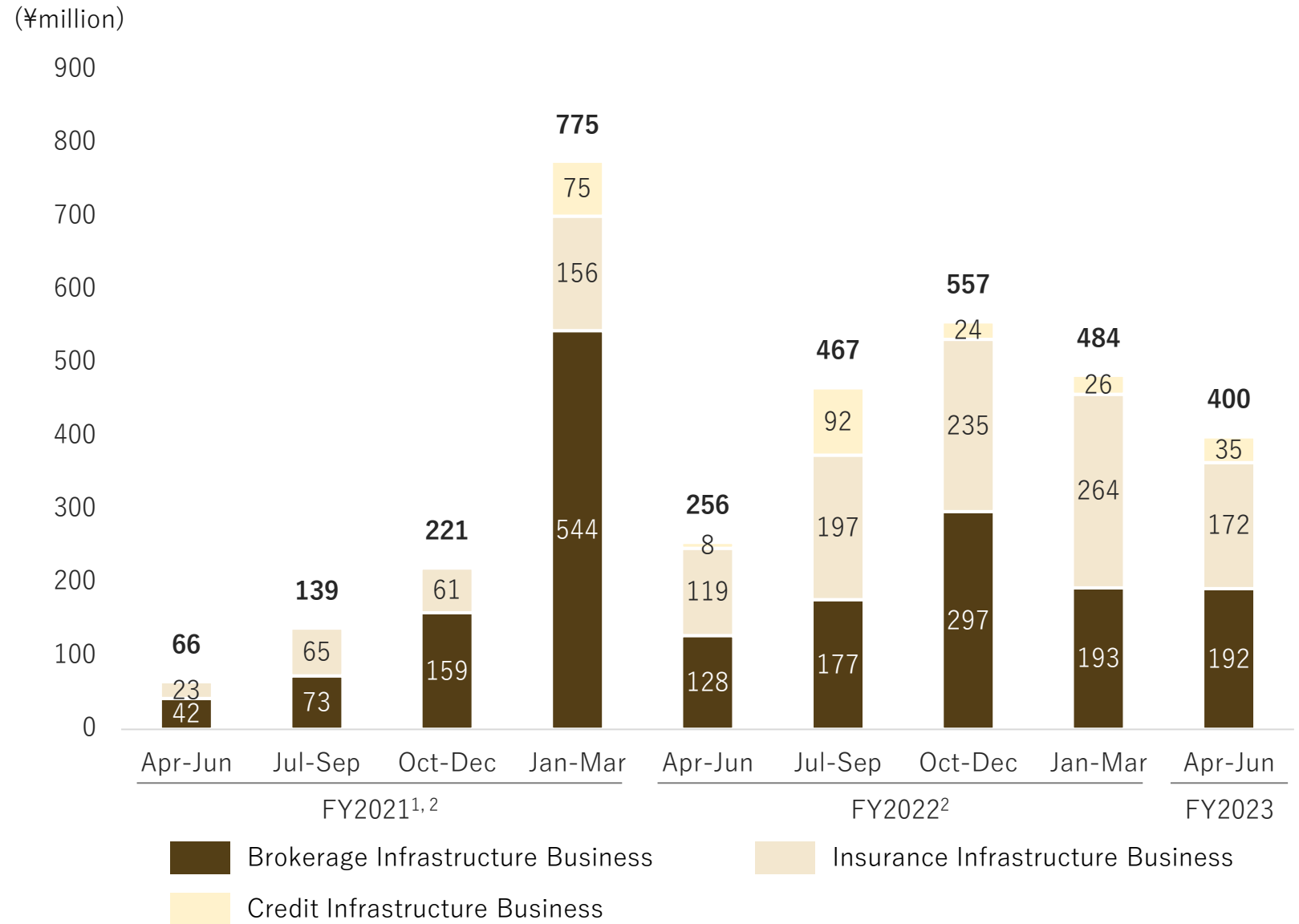
# Revenue by Business

All businesses experienced growth, and revenue was recorded at ¥400 million, a +56% YoY increase.



1. From the quarter of FY2022 (Jul-Sep), credit business has been included in “Financial Infrastructure” instead of “Fintech Solution”, and figures of Q1 FY2022 have been adjusted accordingly.

# Revenue by Business



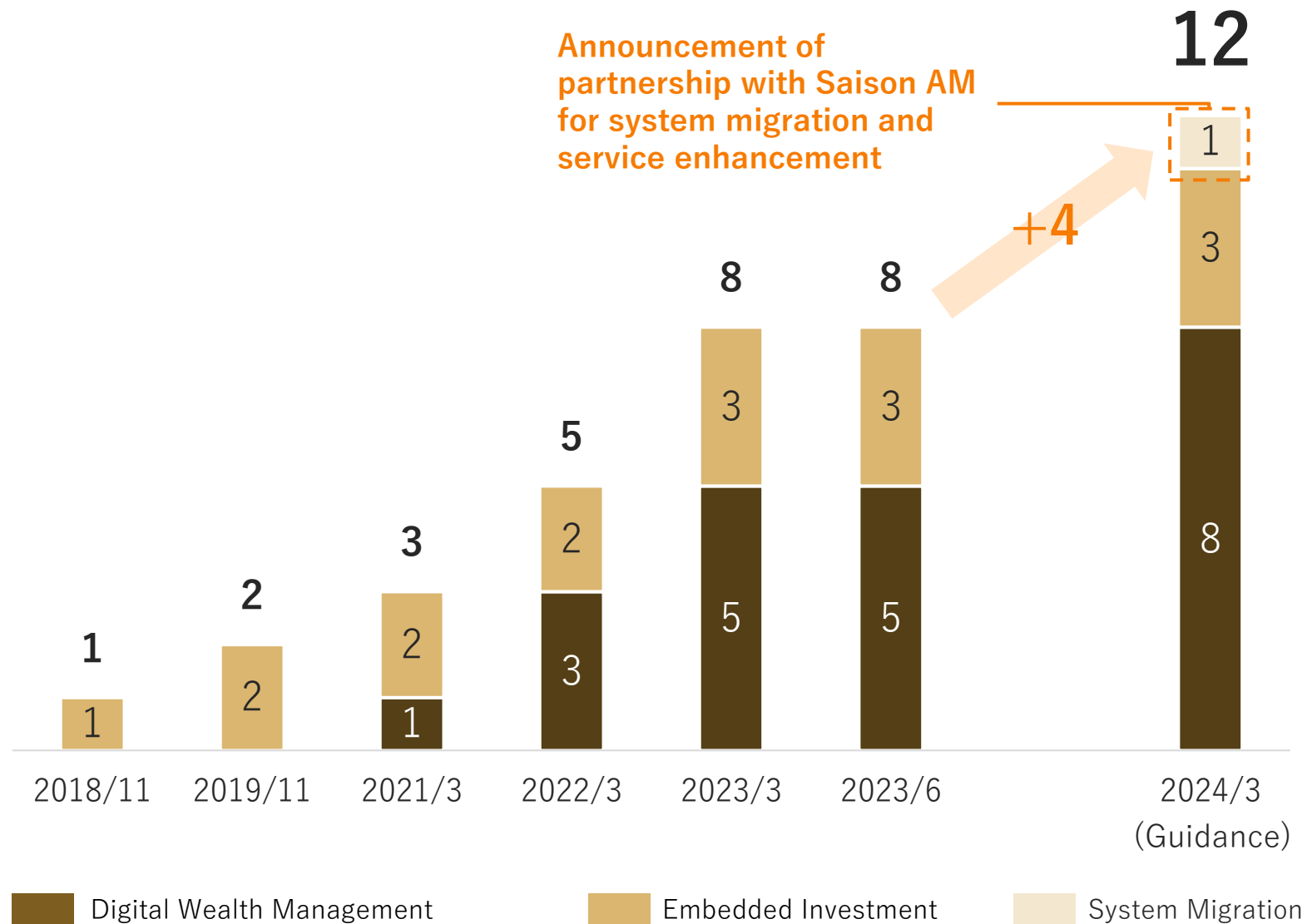
1. The quarterly results of FY2021 (Apr-Jun) are unaudited.
2. From the quarter of FY2022 (Jul-Sep), credit business has been included in “Financial Infrastructure” instead of “Fintech Solution”, and past figures have been adjusted accordingly.

## FINANCIAL INFRASTRUCTURE

# # of Services on BaaS

Aim for 4 new releases by  
1) continues growth of  
DWM; and 2) new system  
migration projects from  
existing financial  
institutions.

Despite no new service  
releases in this quarter,  
we announced  
**partnership with Saison  
AM as our first system  
migration project.**



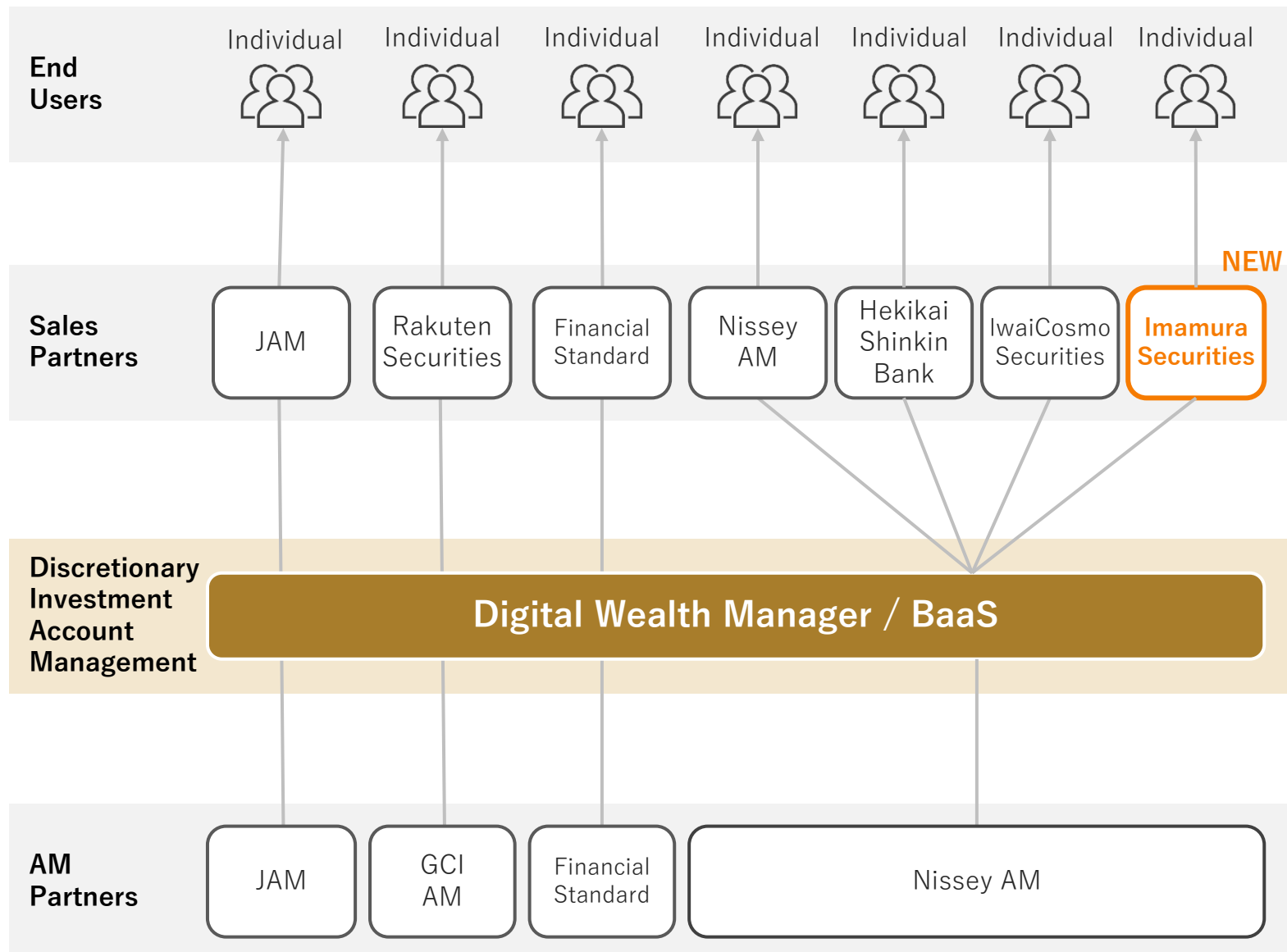
1. Including subsidiary Smartplus which provides STREAM via BaaS



## Expansion of DWM Partners

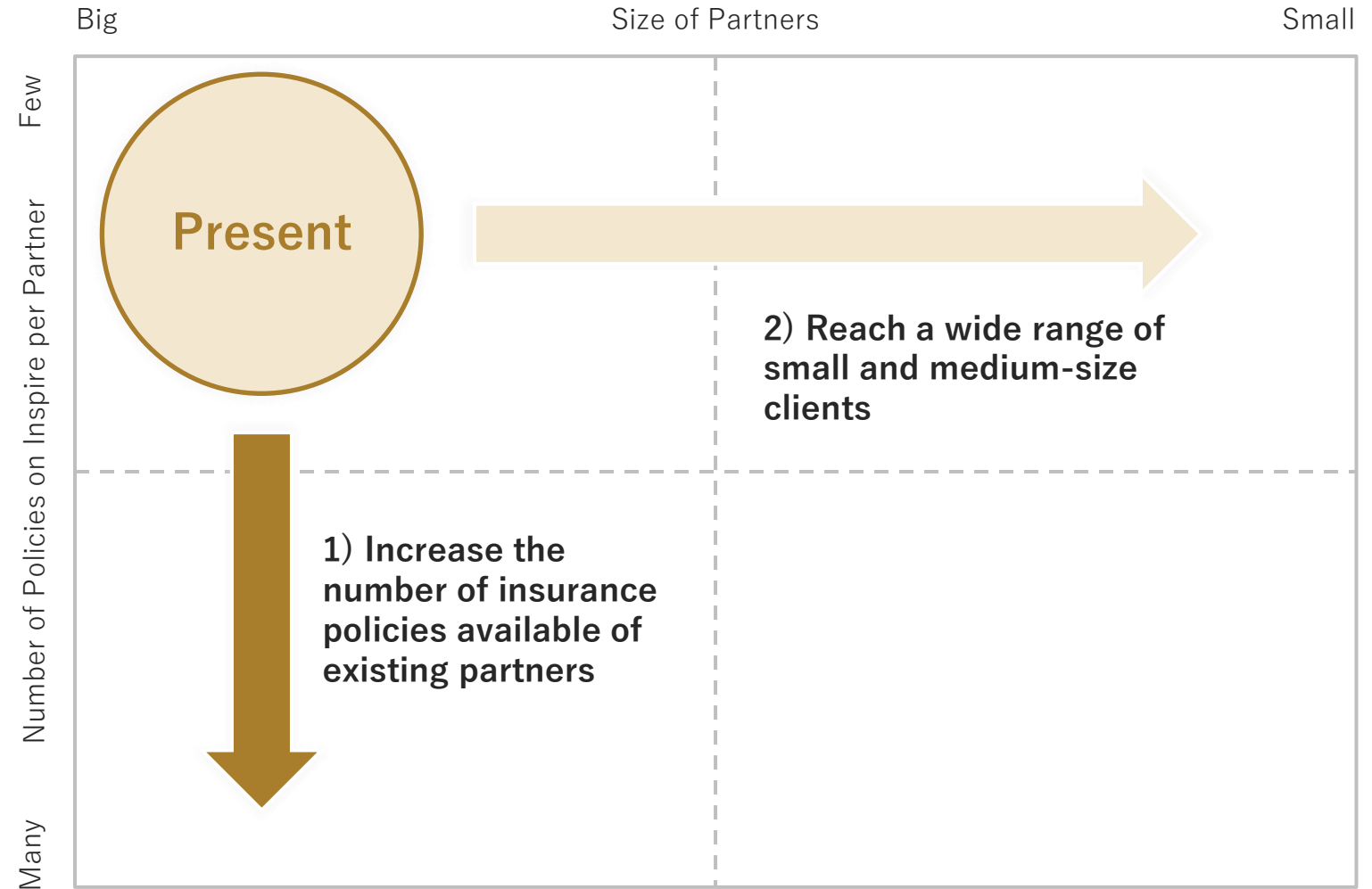
**Plan to expand** not only  
“AM Partners” but also  
“**Sales Partners**” for  
discretionary investment  
system DWM.

In this quarter, Imamura  
Securities began offering  
Nissay AM’s individual  
fund wrap product "Goal  
Navi".



# Focus Area for Inspire

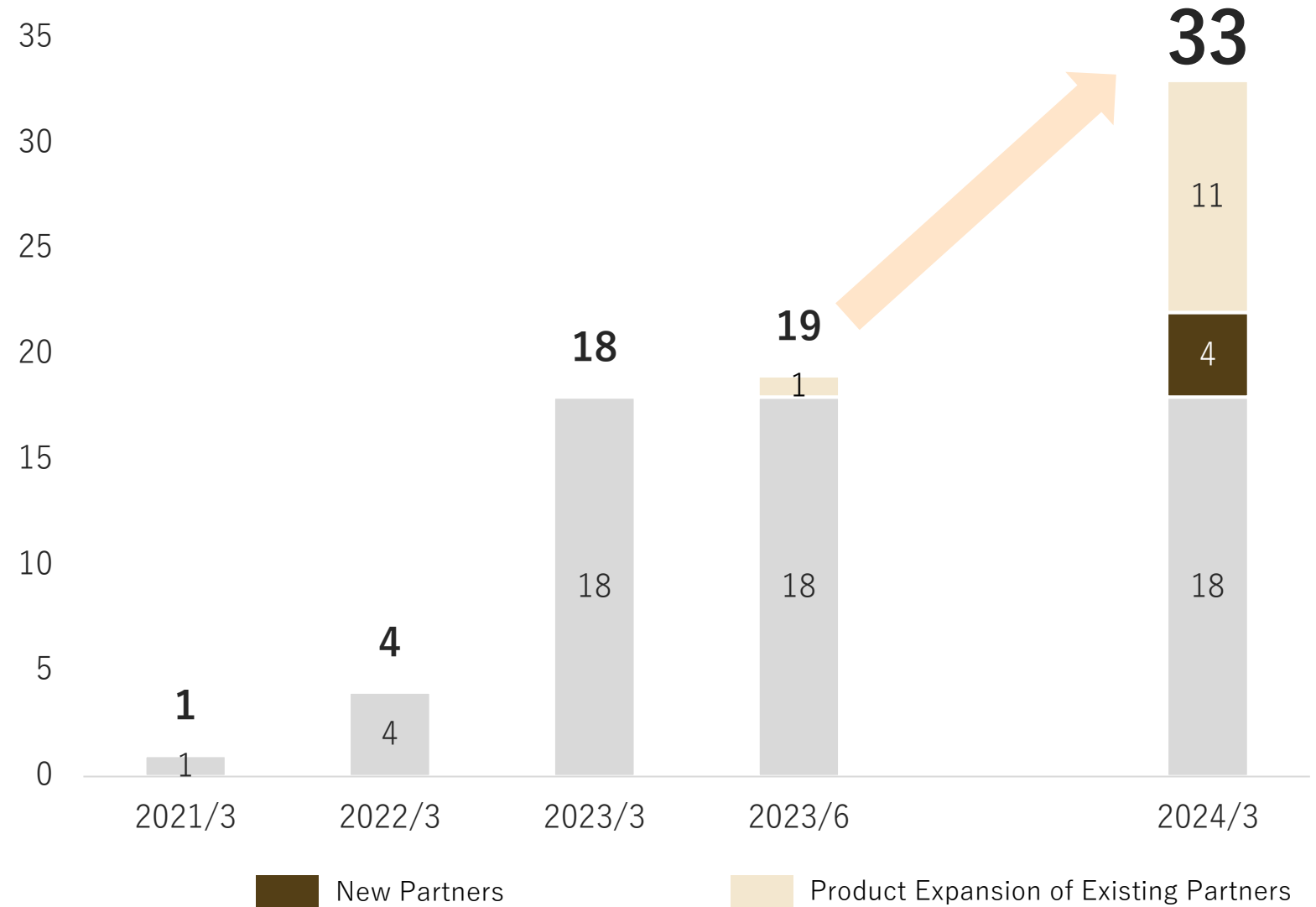
1) Increase the number of insurance policies available of existing partners, and 2) add new features to reach a wider range of clients.



## Increase # of Policies on Inspire

In this quarter, Tokio Marine started selling fire insurance using Inspire, increasing the number of products from 18 to 19.

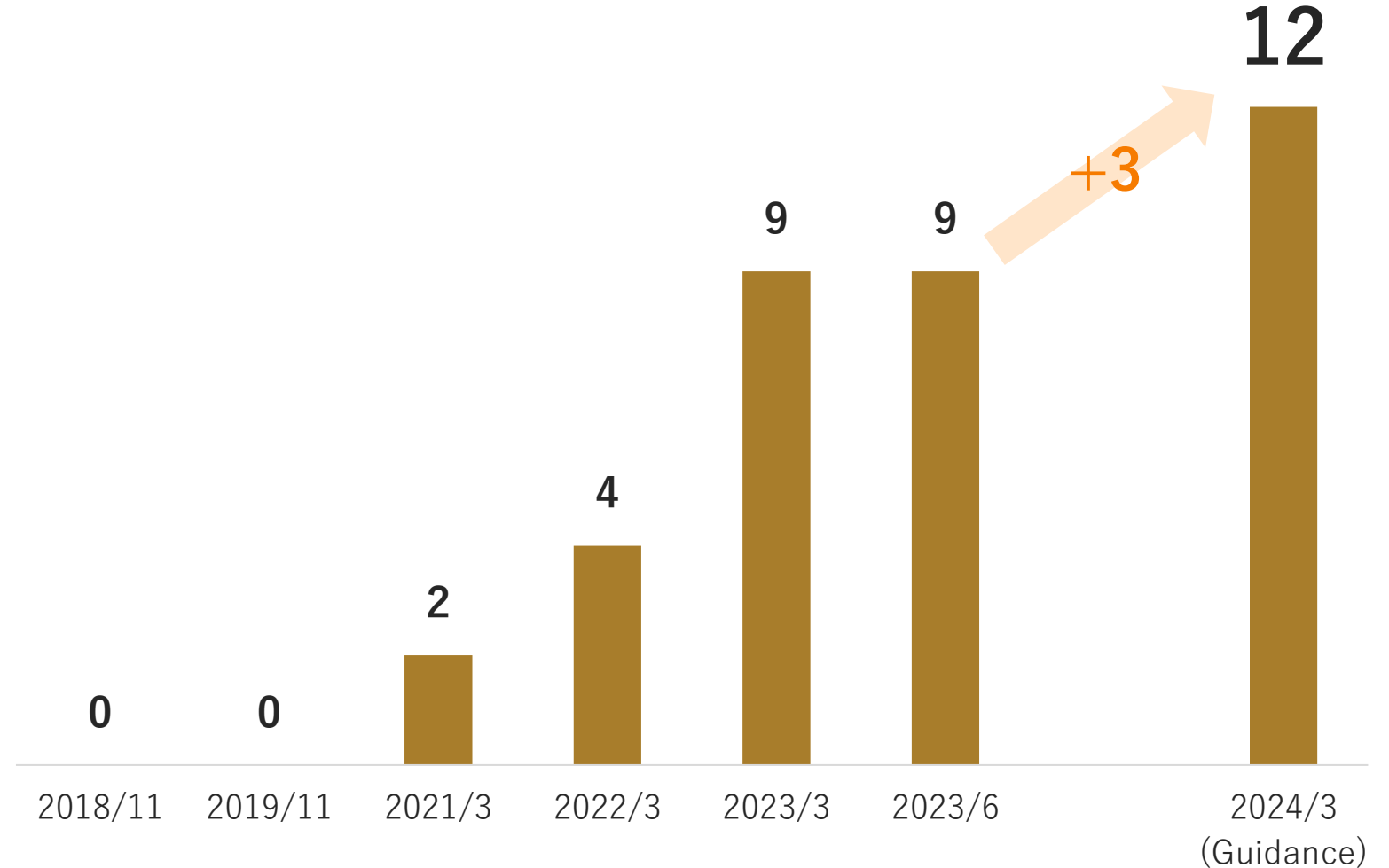
Aim to increase the number of insurance policies available on Inspire to 33 by focusing on policies expansion of existing partners.



## # of Partners on Inspire

During this quarter, although there were no new service releases, we worked on enhancing features to acquire a wider range of partners.

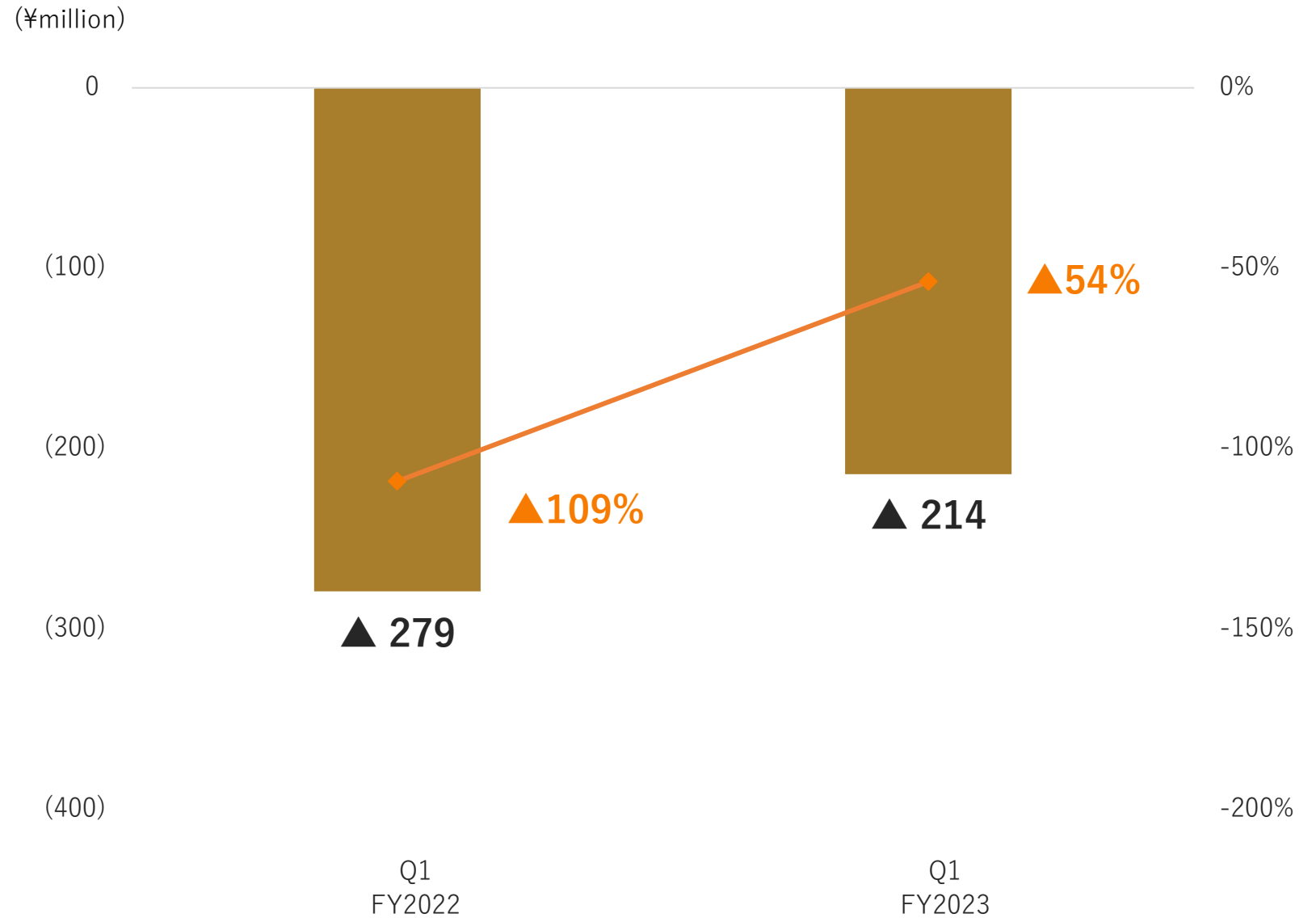
**In FY2023, 3 new releases are planned** so the number of partners is expected to increase to 12.



1. Including subsidiary Smartplus Small amount Short term Insurance which provides maternal and child insurance for pregnant women and cancellation insurance via Inspire

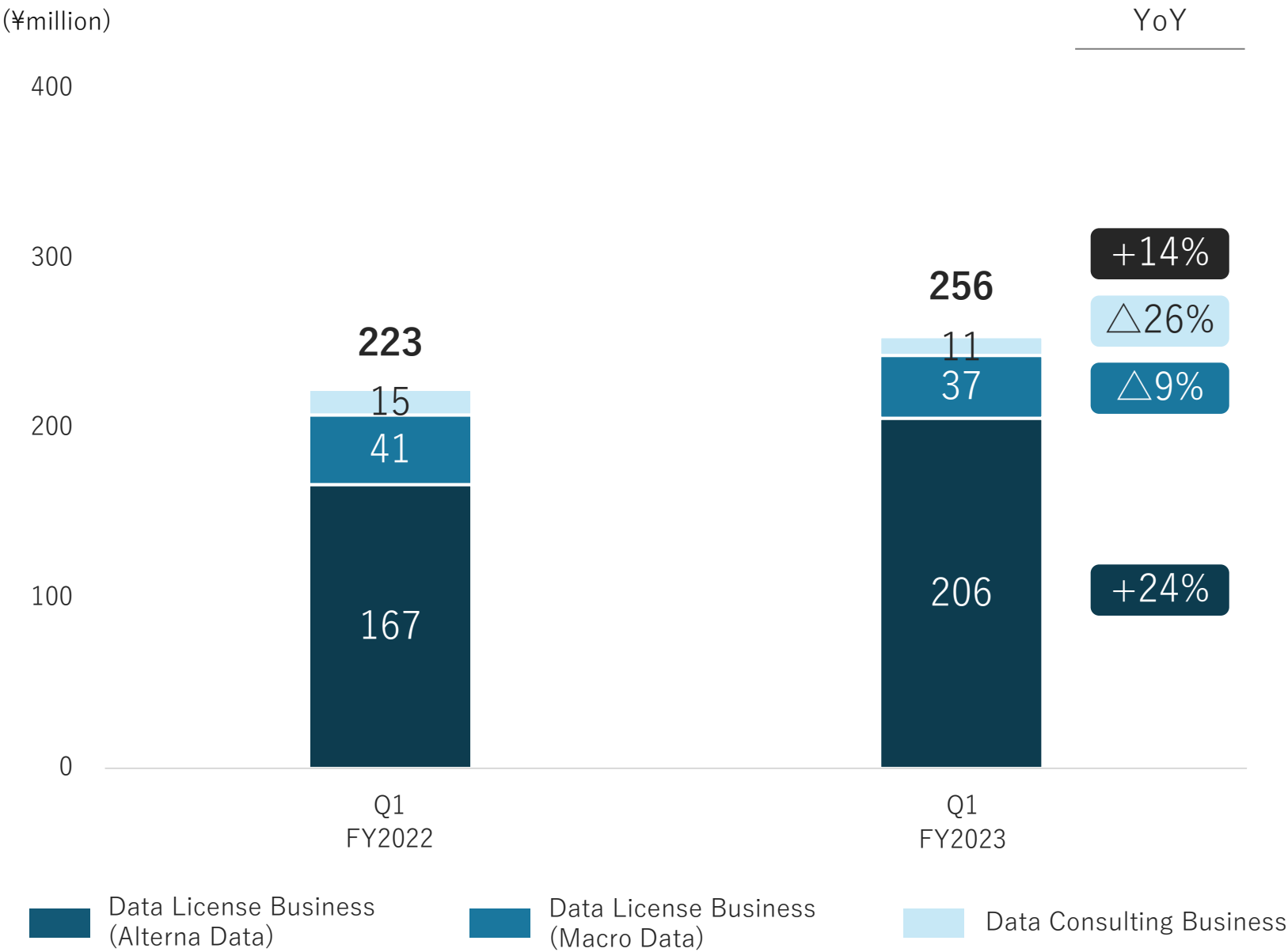
# Operating Margin

Although labor and outsourcing expenses increased in response to business expansion, operating loss decreased, and **operating margin also improved from ▲109% to ▲54%.**

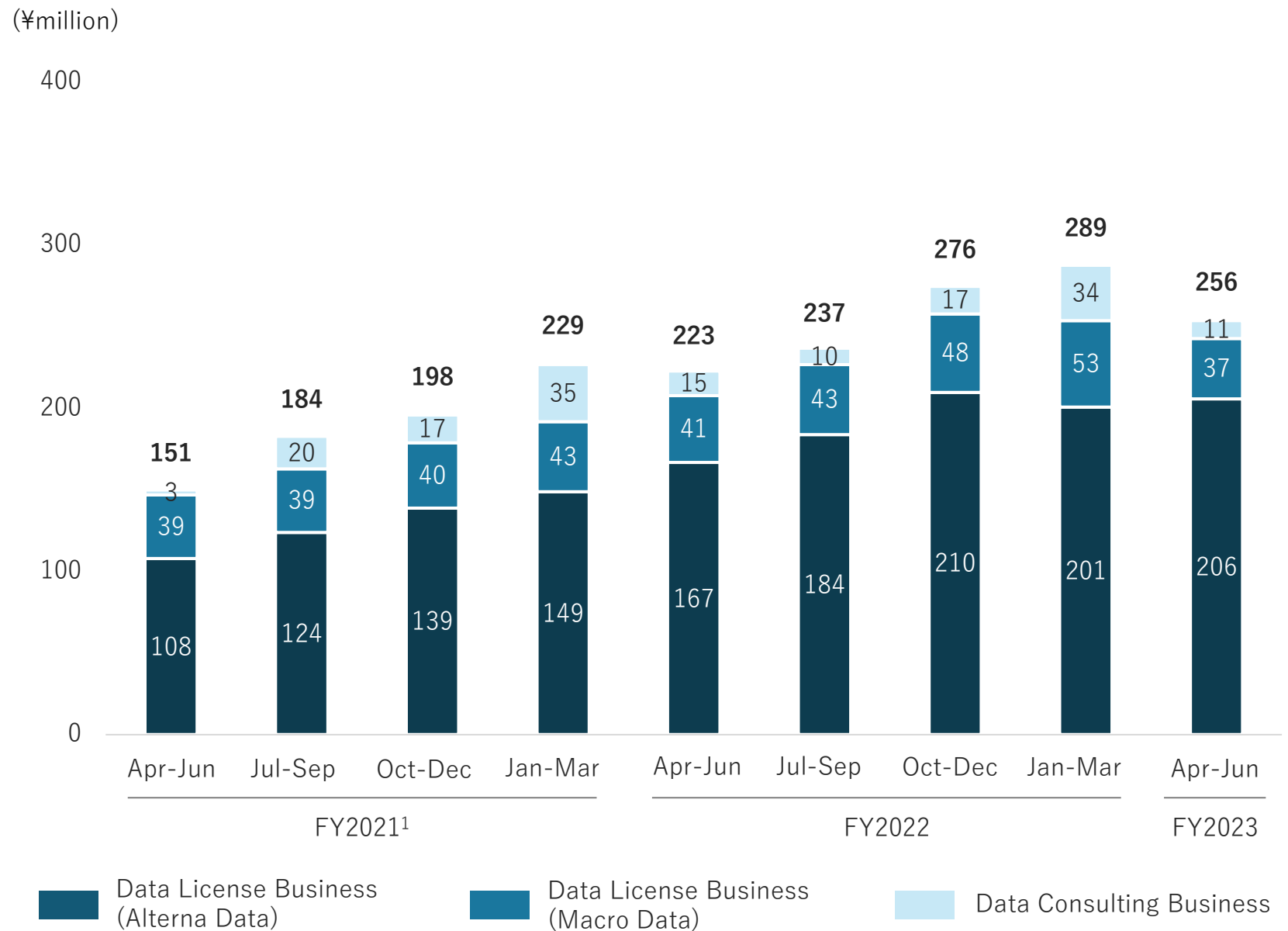


## Revenue by Business

As a result of the "Alterna Data" corporate analysis data service growing by +24% YoY, **revenue was recorded at ¥256 million, a +14% increase YoY.**



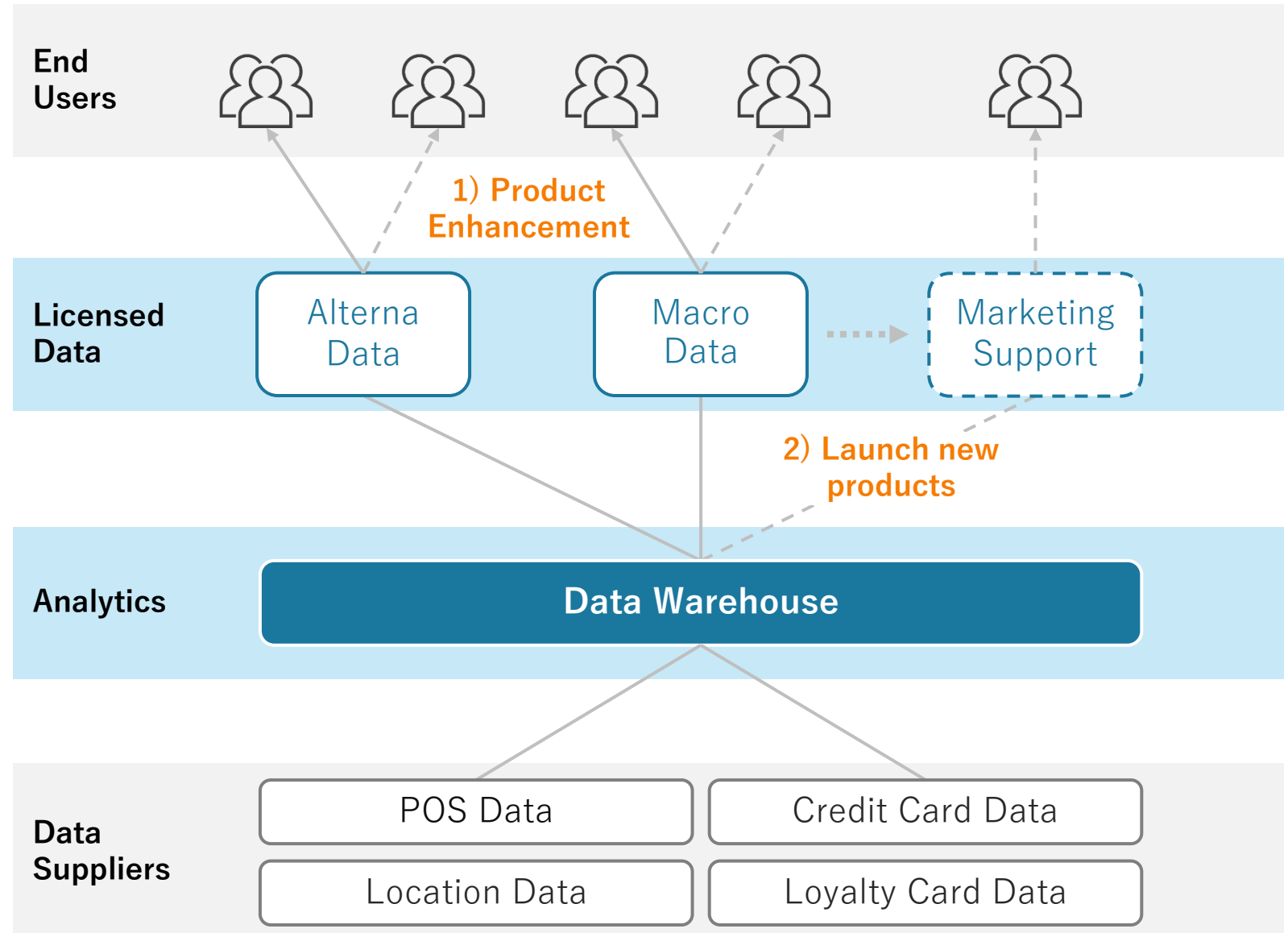
# Revenue by Business



1. The quarterly results of FY2021 (Apr-Jun) are unaudited.

## 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 new services, such as tenant and commercial area analysis services.





## New Data Partners

Started collaborating with HRog, a provider of job listing data, in our "Alterna Data".

As attention on wage trends increases due to rising prices, we analyze over 40 billion job listing data held by HRog and provide data and reports to institutional investors.

### List of Data Partners

	Data Partners	Type of Data	Area of Collaboration
1	Nikkei	POS Data	<ul style="list-style-type: none"> <li>Macro Data</li> <li>Alterna Data</li> </ul>
2	True Data	POS Data	<ul style="list-style-type: none"> <li>Alterna Data</li> </ul>
3	CCC Marketing	Loyalty Card Data	<ul style="list-style-type: none"> <li>Alterna Data</li> </ul>
4	JCB	Credit Card Data	<ul style="list-style-type: none"> <li>Macro Data</li> </ul>
5	BCN	Electric Goods POS Data	<ul style="list-style-type: none"> <li>Alterna Data</li> </ul>
6	KDDI	Location Data	<ul style="list-style-type: none"> <li>Alterna Data</li> <li>Commercial Real Estate</li> </ul>
7	Credit Saison	Credit Card Data	<ul style="list-style-type: none"> <li>Commercial Real Estate</li> </ul>
8	<b>HRog</b>	<b>Job Listing Data</b>	<ul style="list-style-type: none"> <li><b>Alterna Data</b></li> </ul>

# Expanding Macro Data Utilization

In "2022 Survey on SME" conducted by SME Agency, we have developed a prototype "SME Index" using "JCB Consumption NOW" to support the analysis of sales trends of small and medium-sized enterprises.

## 2022 Survey on SME

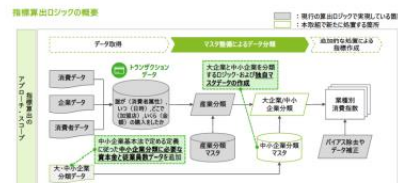


図 2-2 指標算出ロジックの概要

### (2) 中小企業分類マスタの特徴

本調査で活用した中小企業分類マスタの特徴を以下に示す。

#### 1) データの網羅性

中小企業分類マスタでは、約 150 万社の上場企業などの与信会社データ、約 450 万社の医療法人や学校法人などの登記法人データを保有している。また、個人事業主や事業所施設などのデータも含めると計 820 万拠点を網羅しており、国内拠点網羅率は 99.7% となっている。

#### 2) データの項目

中小企業分類マスタで保有している主なデータ項目を表 2-1 に示す。

表 2-1 中小企業分類マスタの主なデータ項目

データ項目	備考
契約番号	-
社名	-

\* 本内容は、JCB 社からの情報提供を基に記述している。

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### (2) 業種ごとの評価

#### 1) 織物・衣服・身の回り品小売業の評価

##### a. 指数の推移

研究会の内容を踏まえ、「織物・衣服・身の回り品小売業」においては「中小企業指数」と「中小企業指数(不明含む)<sup>1)</sup>」の 2 パターンを作成し、併せて「大企業指数」も作成した。試作した本業種における各指数の推移を図 2-10 に示す。

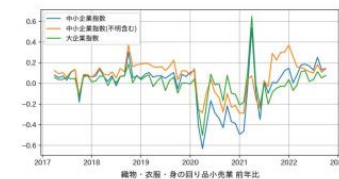


図 2-10 織物・衣服・身の回り品小売業の指数の推移

##### b. 有効性・妥当性評価

本業種の中小企業指標の有効性に関しては、ベンチマーク指標と比較して 2 週間程度の期間短縮が見込める連動性があり、かつ全ての都道府県別・地域別指数を作成できる詳細性がある。妥当性に関しては、サンプリングチェックの結果、中小企業の抽出精度が高いことを確認でき、2つのベンチマーク指標と強い正の相関がみられることから、正確性・相関性の観点のいずれもおおむね満たしている。したがって、活用可能性が高い指標と考えられる。

<sup>1)</sup> 中小企業分類マスタを活用したデータ分析を実施したが、データ分類の結果、「大企業」もしくは「中小企業」の判定が不明な「不明」データが検出されたため、この「不明」データを試作する中小企業指数に含めるべきか否かの判断のために試作した指数。

26

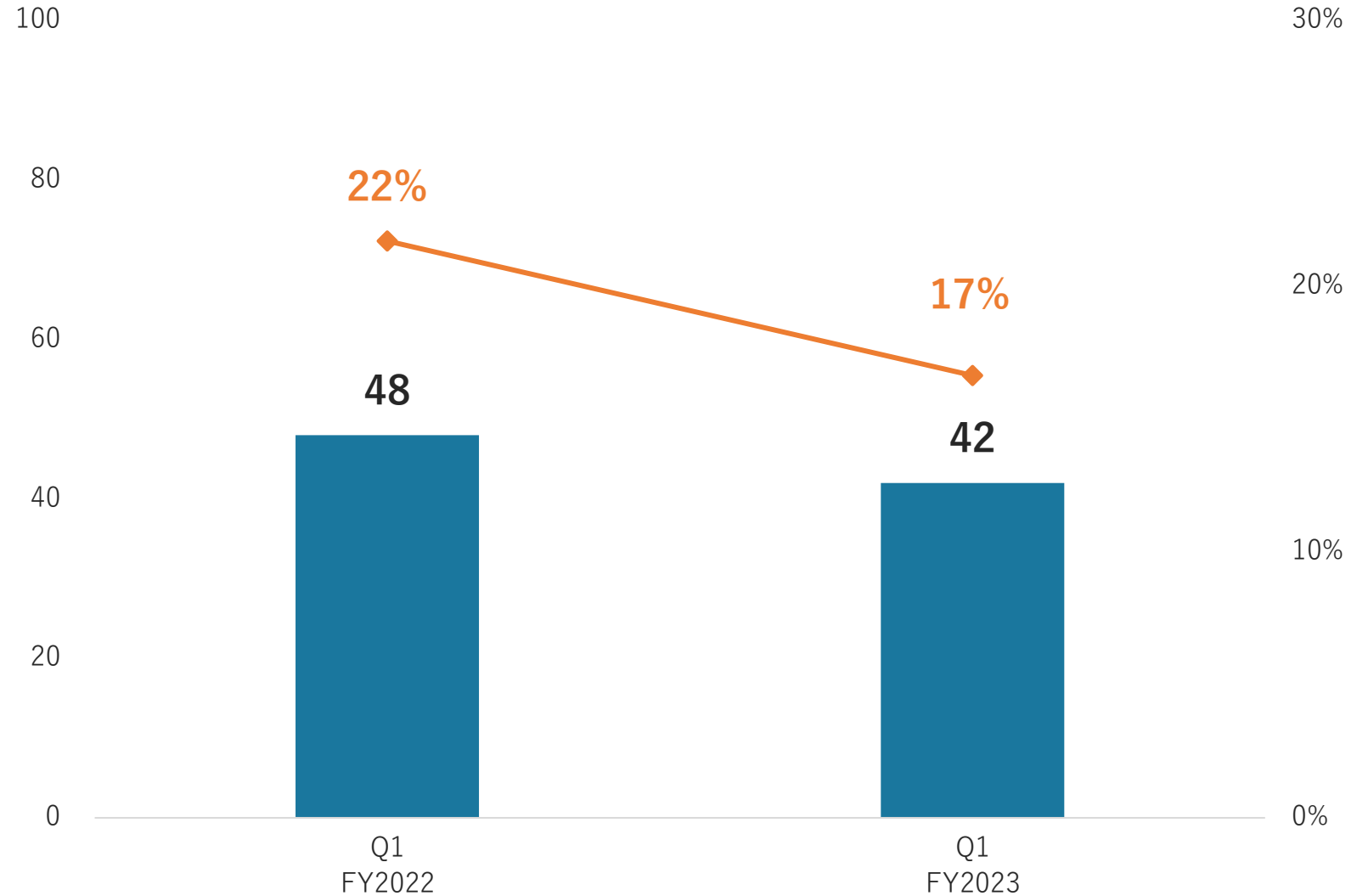
## Background

- External environment surrounding SME is changing significantly due to factors such as the spread of COVID-19 and soaring crude oil and raw material prices.
- To implement policy based on facts, the importance of understanding the status of economic activities such as sales and production, as well as changes in the external environment that impact SMEs' economic activities, has increased.

# Operating Margin

Although Data License Business continued to grow, **operating margin decreased from 22% to 17%** due to the planned increase in resources for new businesses, such as LLM.

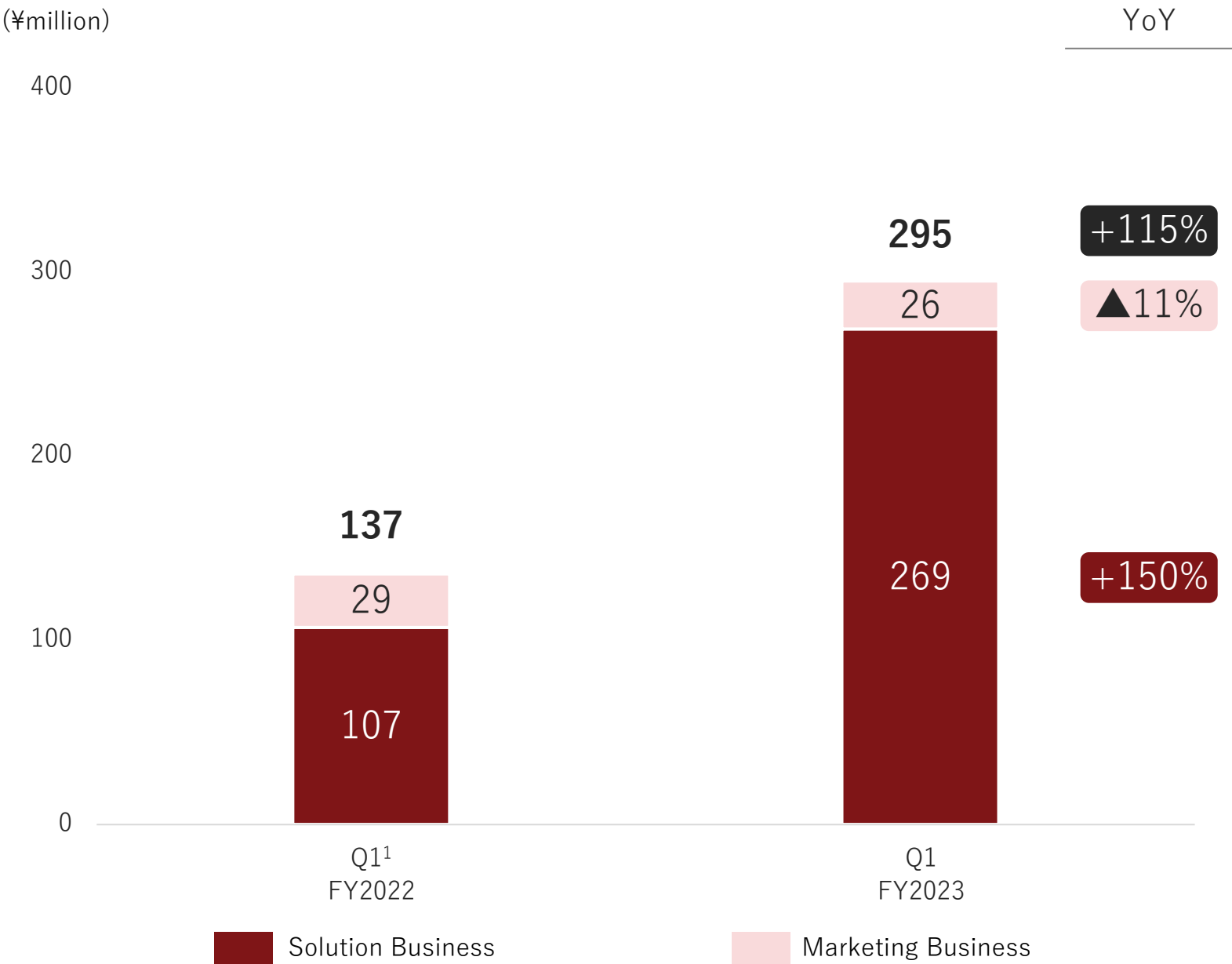
(¥million)



# Revenue by Business

As a result of increase in one-off revenue from Solution Business, **revenue was ¥295 million, a +115% increase YoY.**

Although the growth rate was higher YoY due to more one-off revenue recorded, we continue to target a growth rate of c.10% for the full year.

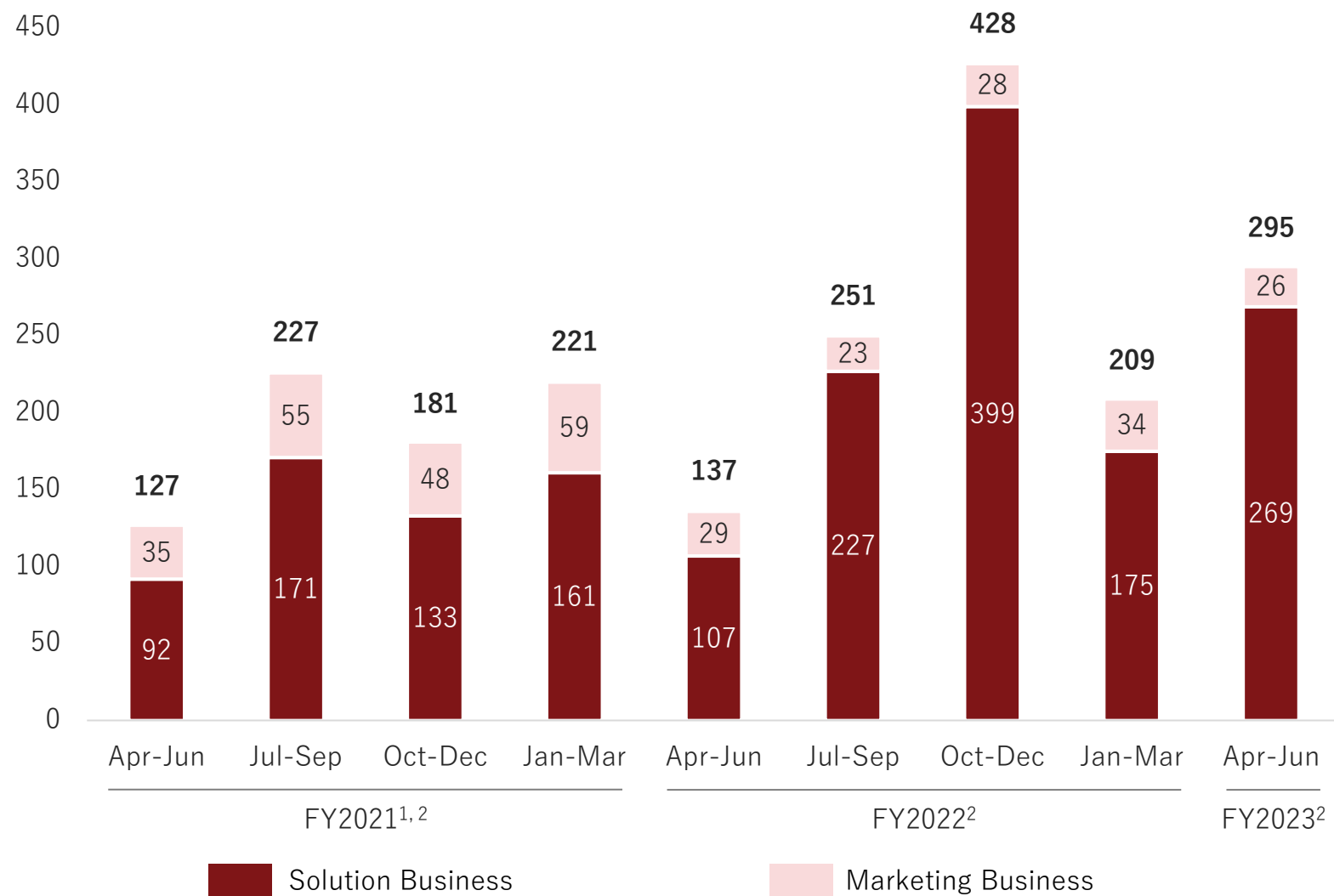


1. From the quarter of FY2022 (Jul-Sep), credit business has been included in “Financial Infrastructure” instead of “Fintech Solution”, and figures of Q1 FY2022 have been adjusted accordingly.

# 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.

(¥million)



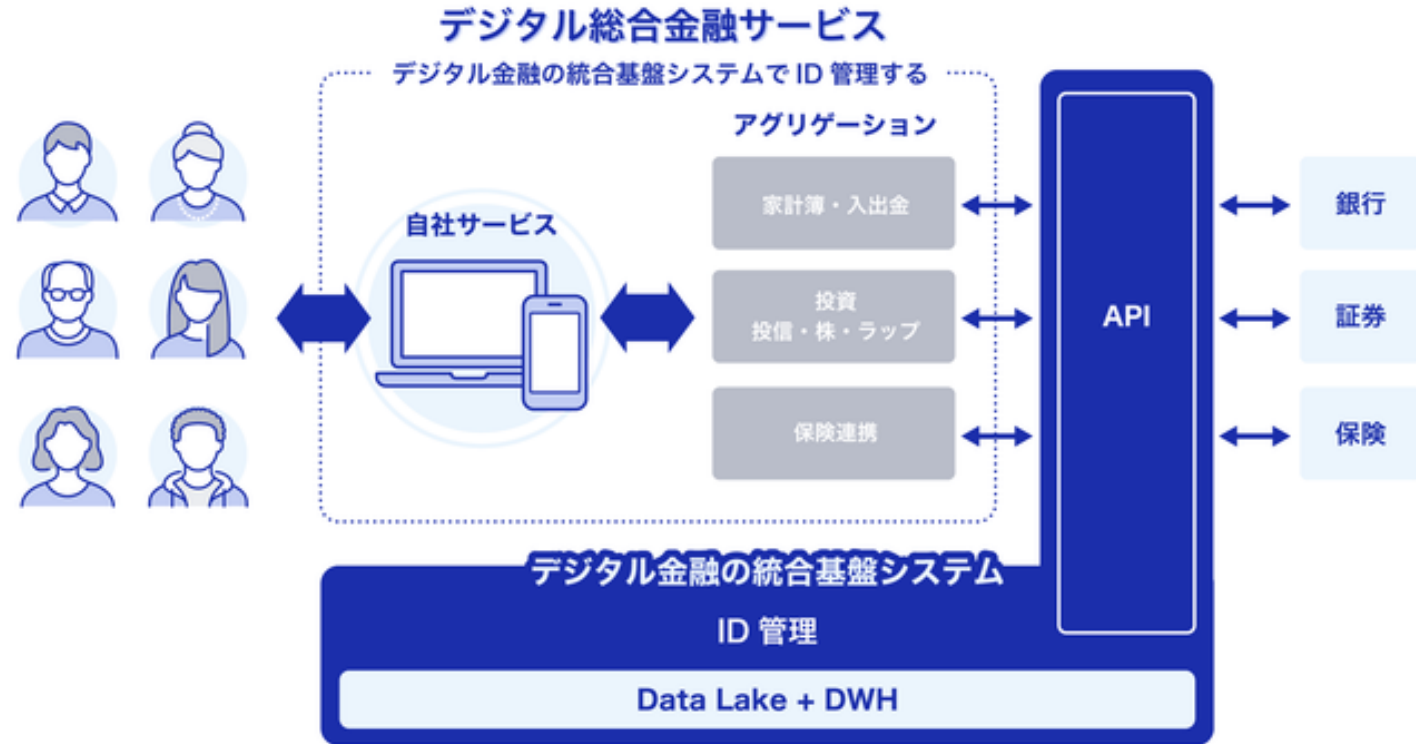
1. The quarterly results of FY2021 (Apr-Jun) are unaudited.
2. From the quarter of FY2022 (Jul-Sep), credit business has been included in “Financial Infrastructure” instead of “Fintech Solution”, and past figures have been adjusted accordingly.

## 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 December 2021.**

### MUFG Bank's "Money Canvas"

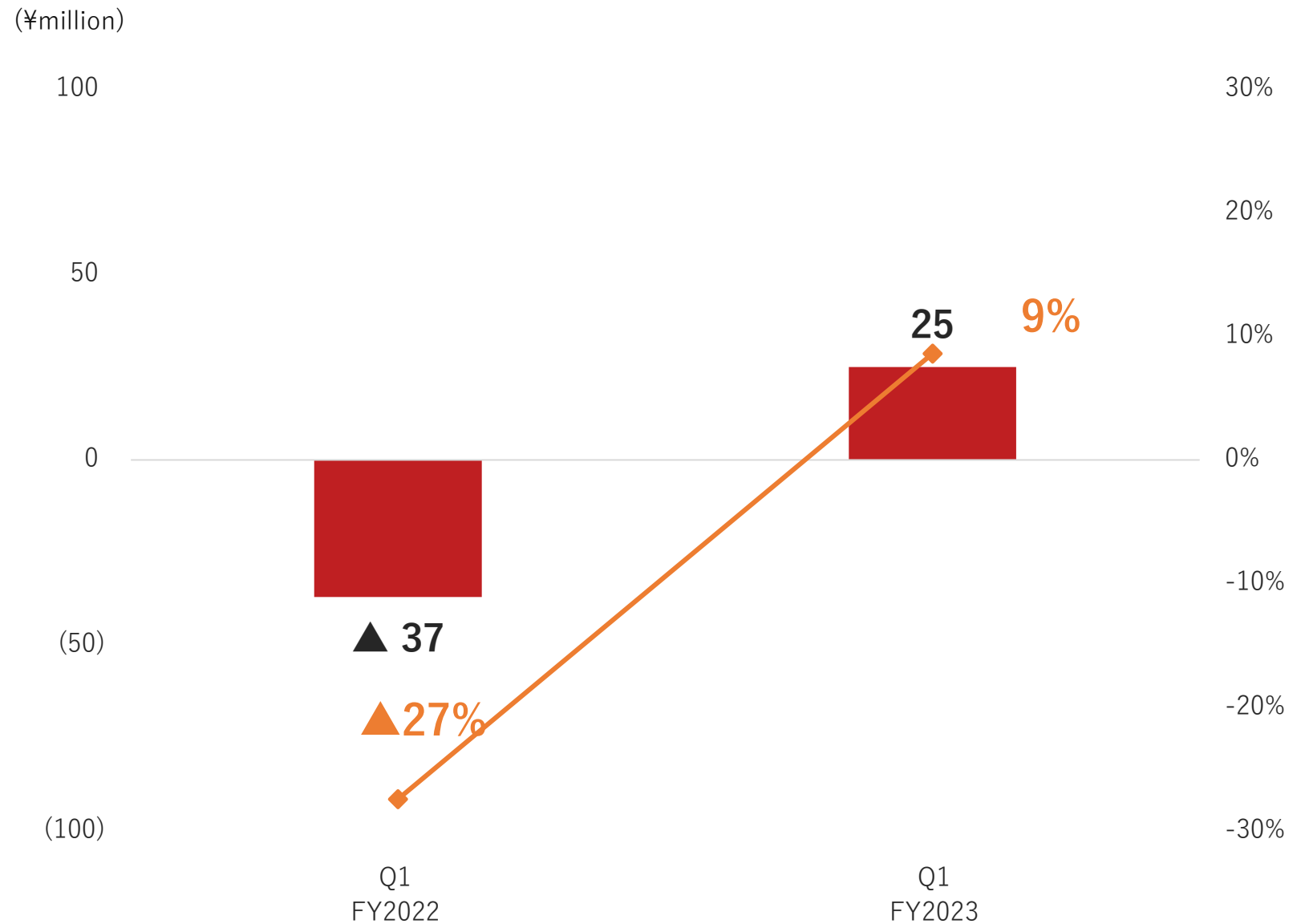


#### Project Overview

- In December 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

Increase in one-off revenue led to an improvement in operating margin.



# EARNINGS GUIDANCE FY2023



# Guidance Highlights

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

(¥million)

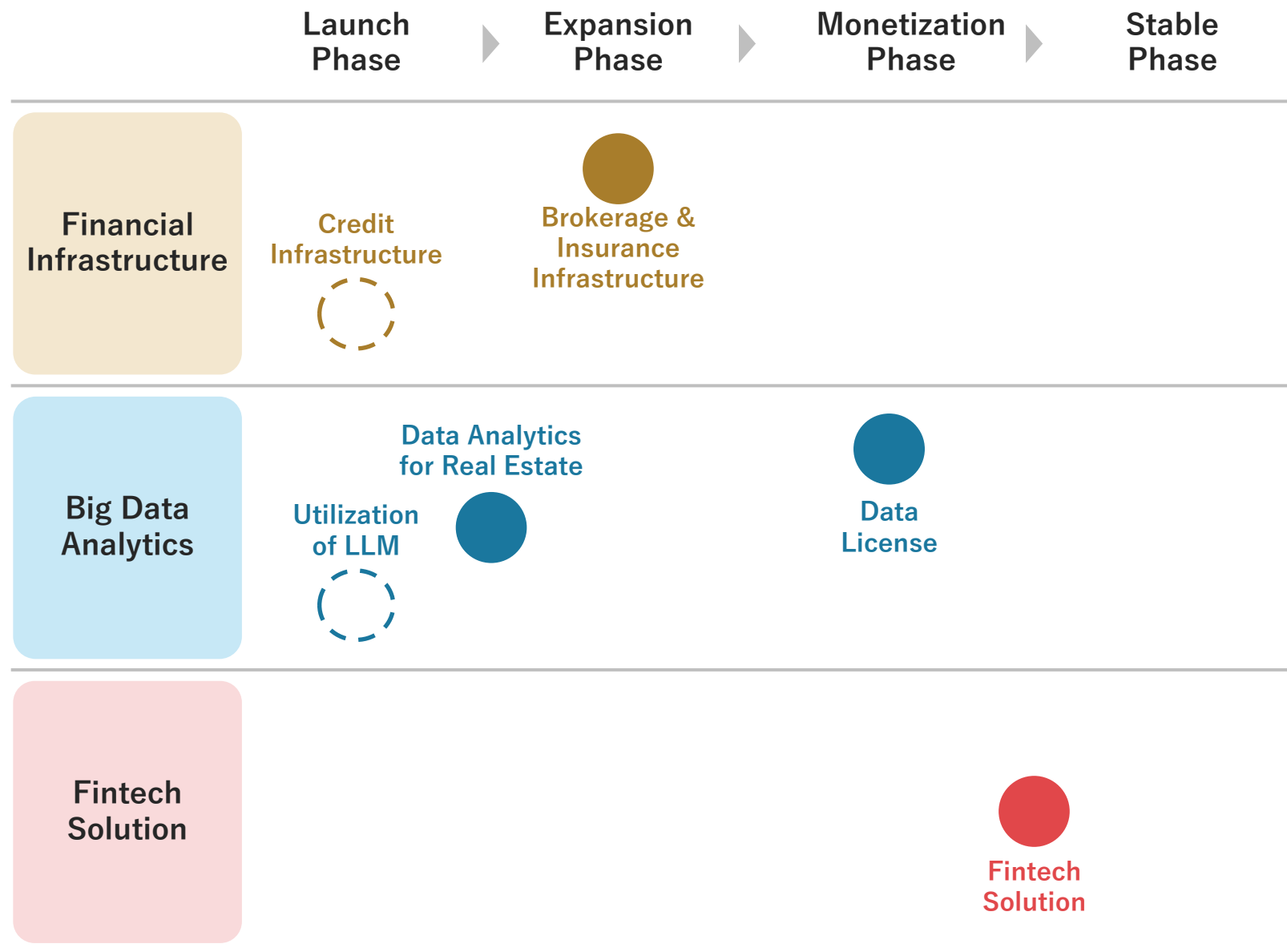
	FY2023 Guidance	FY2022 Actual	YoY
Revenue	5,352	3,820	+ 40%
COGS	2,398	1,721	+ 39%
Gross Profit	2,954	2,099	+ 41%
Gross Margin	55%	55%	-
SG&A	2,932	2,427	+ 21%
Operating Income	21	▲328	-
Operating Margin	0%	▲9%	-
Adj. EBITDA <sup>1</sup>	127	▲252	-
Adj. EBITDA Margin	2%	▲7%	-

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.

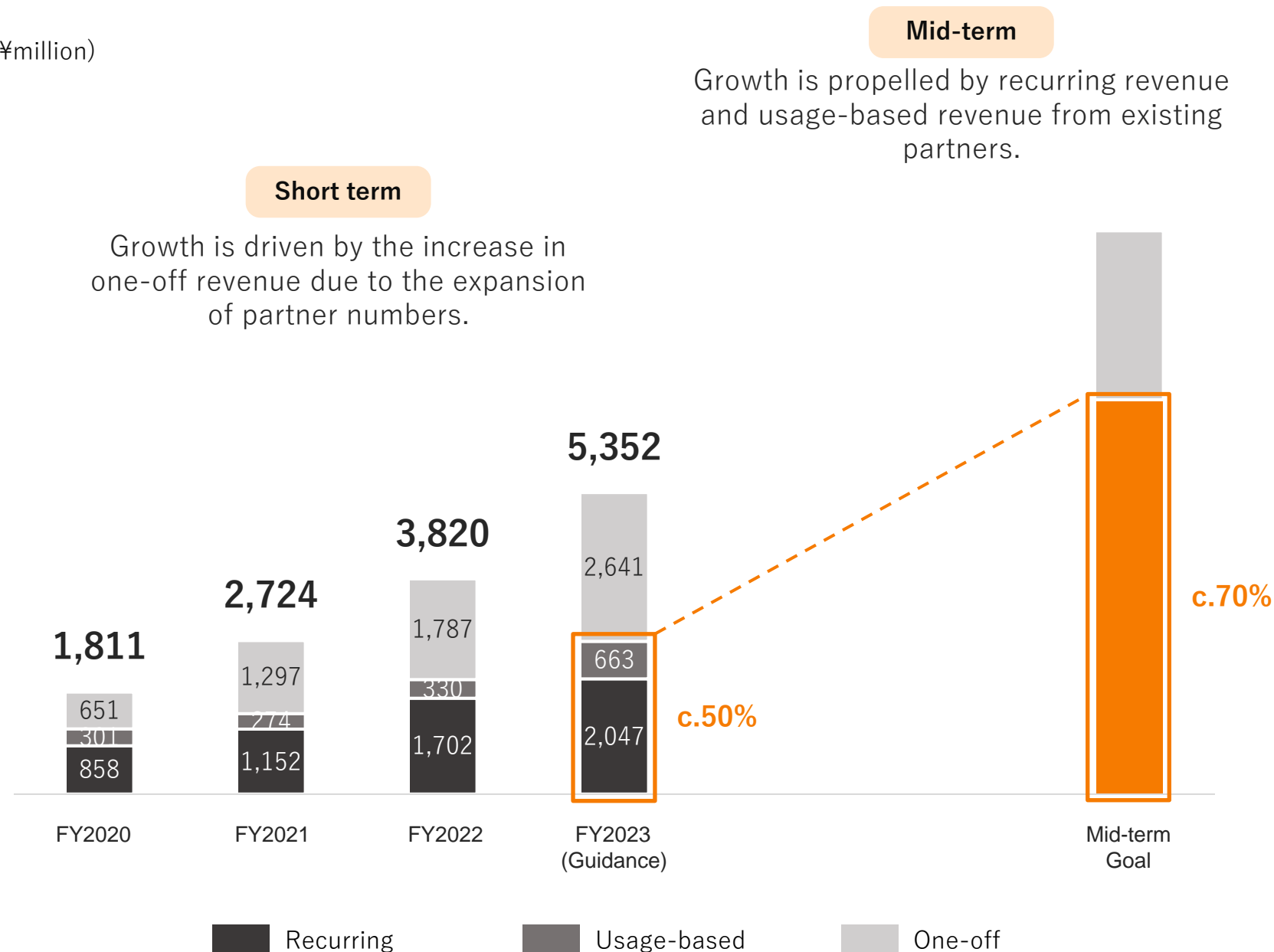


# Growth Strategy

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**.

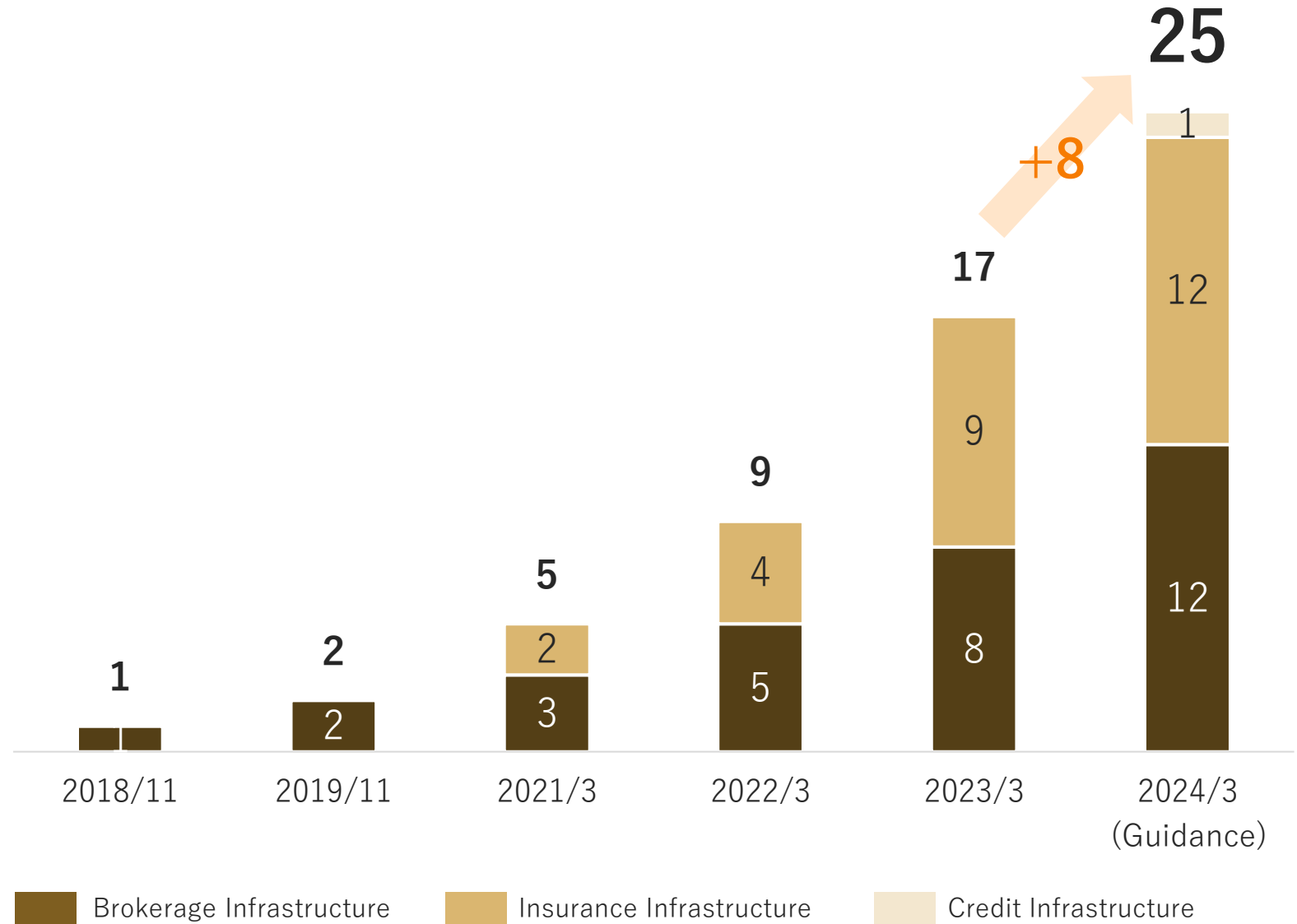
In the mid-term, aim to increase **recurring** and **usage-based revenue** from existing partners and raise continuing revenue to c.70%.

(¥million)



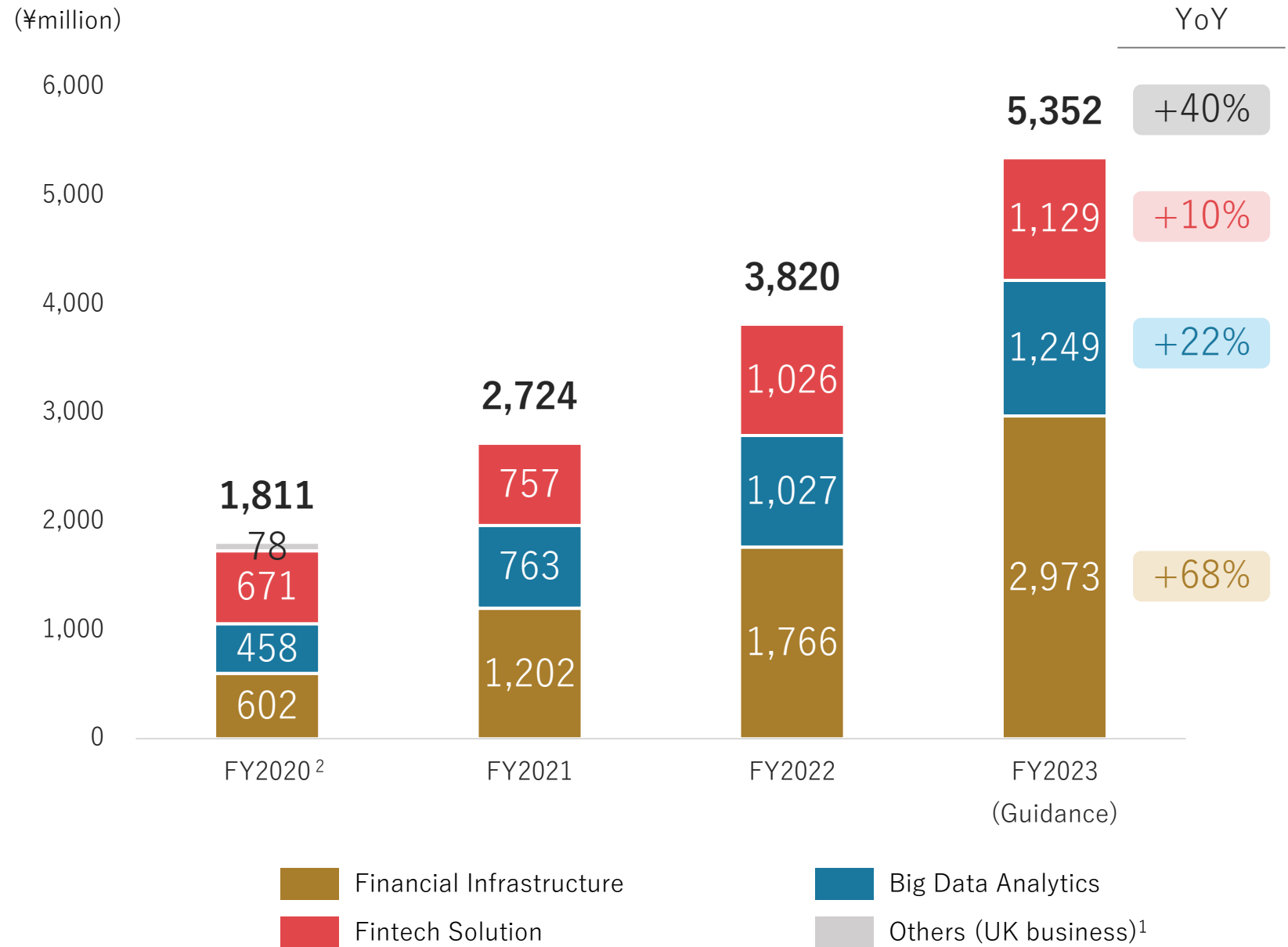
# Pipeline for Financial Infra.

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.

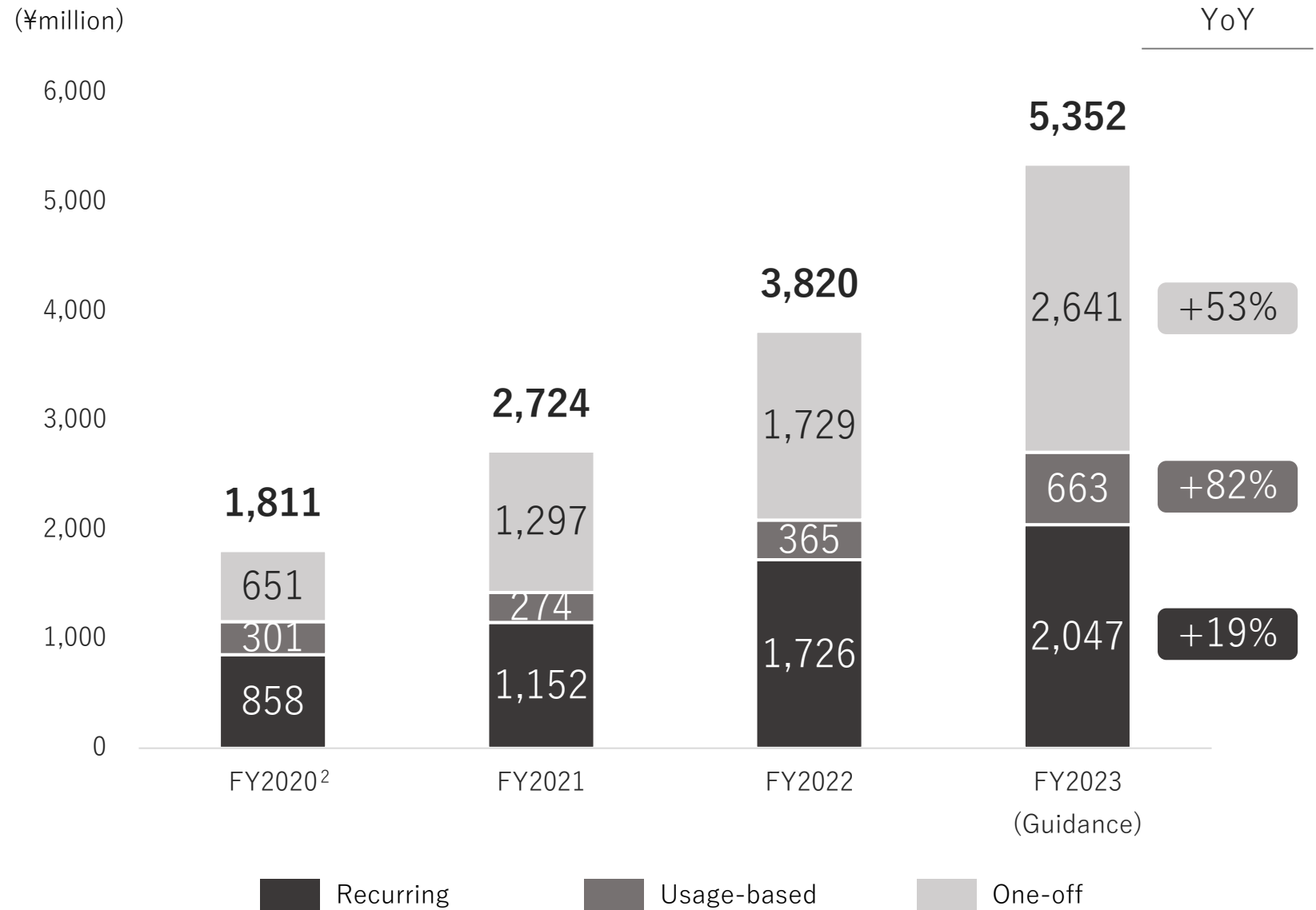


1. Revenue in UK business exited in the consolidated fiscal year 2020
2. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

## Revenue Forecast by Type

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

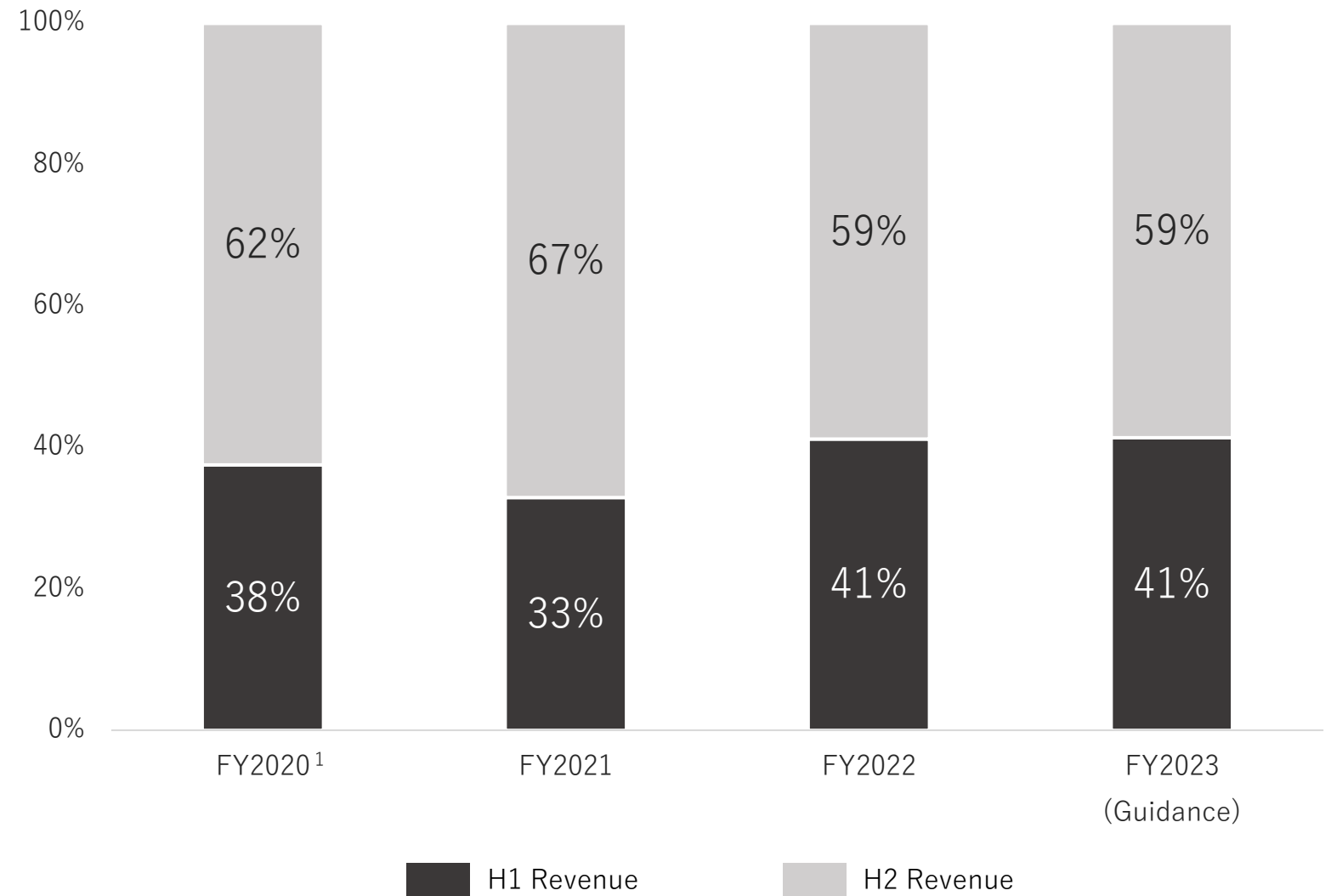
Recurring revenues are expected to grow only +19% overall, but Financial Infrastructure alone is expected to grow +52%.



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

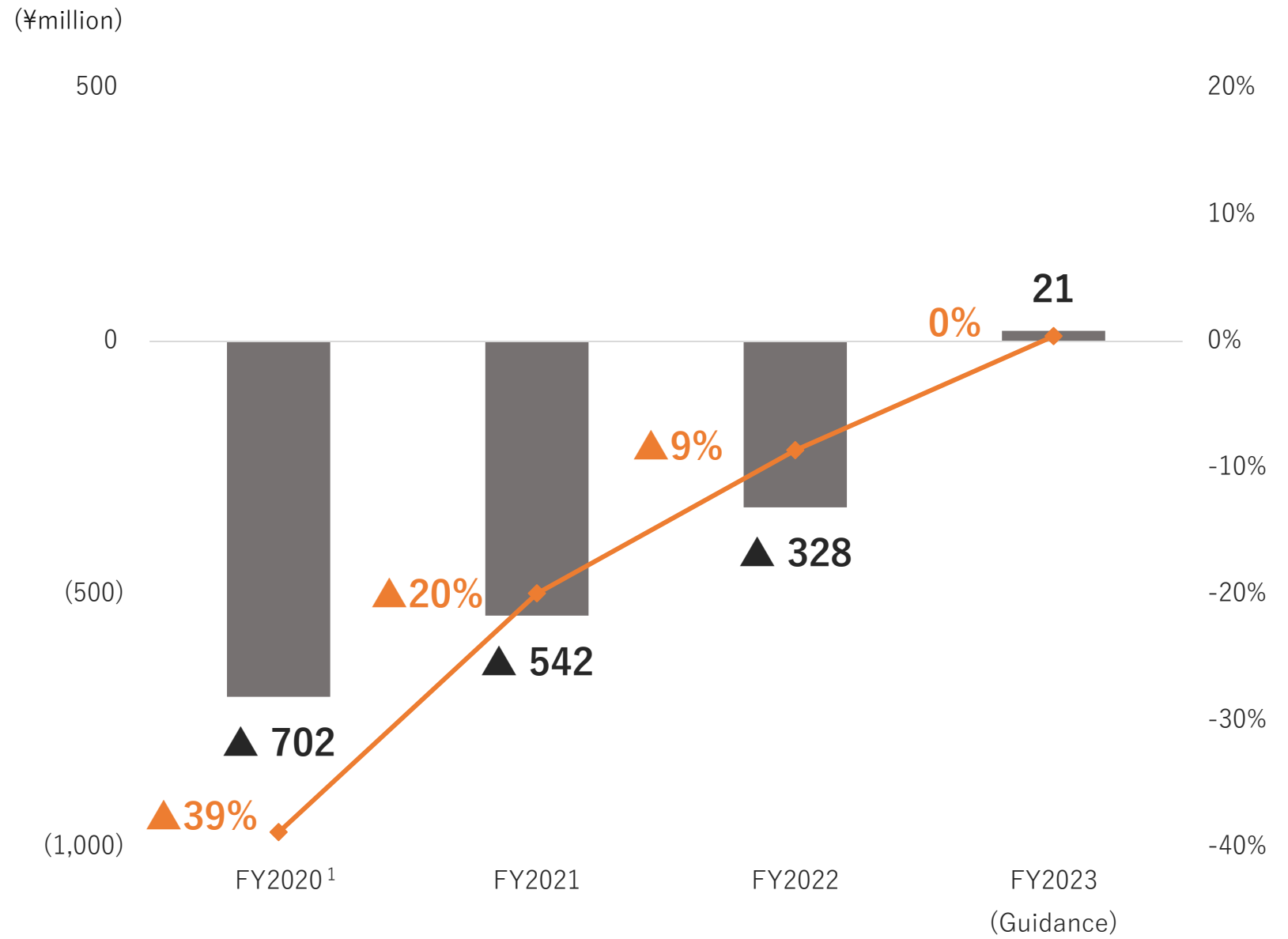
Revenue is expected to concentrate in the second half of FY2023 as before.



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.

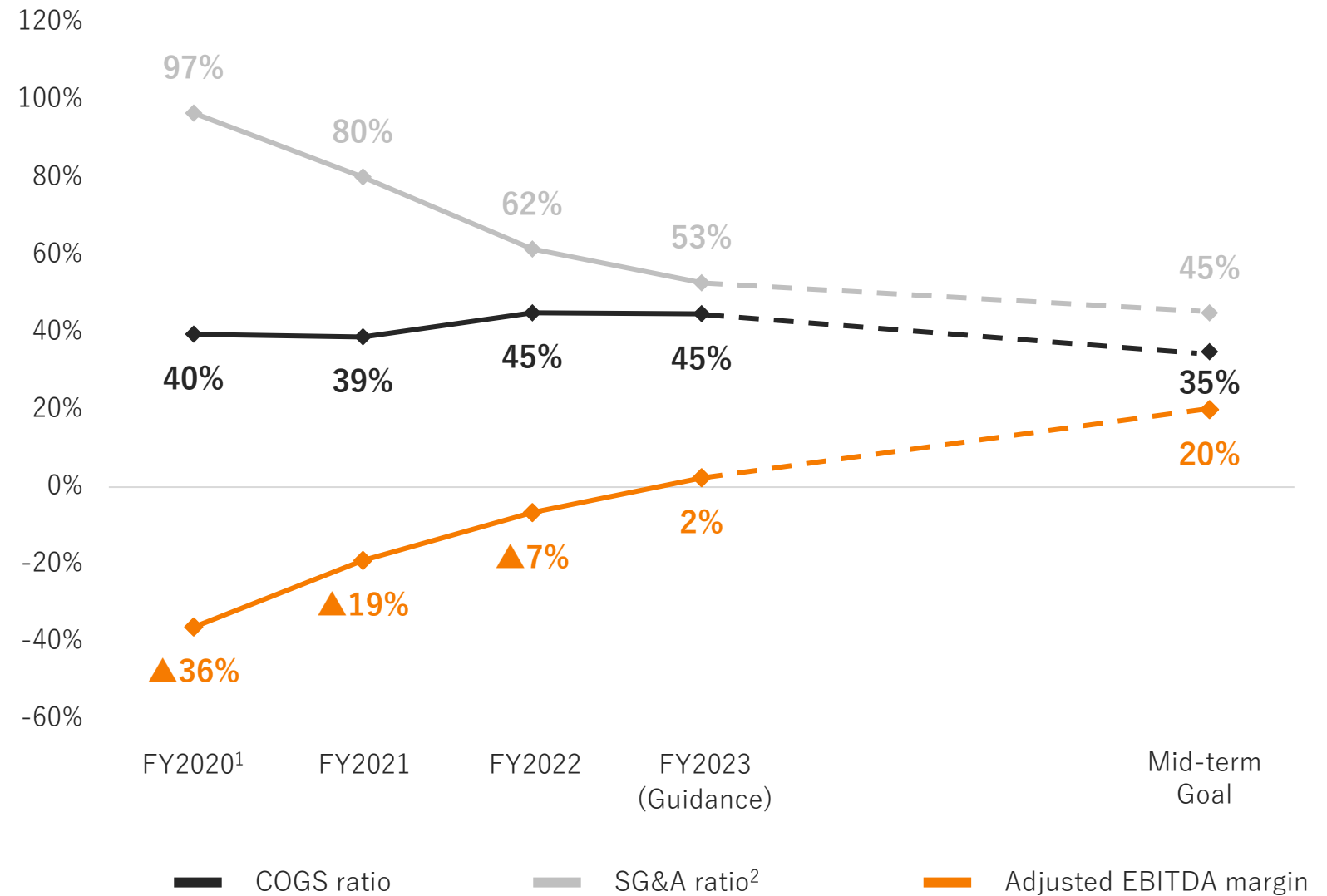


1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.



# 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.

<b>Company Name:</b>	<b>Finatext Holdings Ltd.</b>
<b>Address:</b>	<b>9F, Sumitomo RD Kudan Bldg. 1-8-10 Kudankita, Chiyoda-ku Tokyo, 102 0073 Japan</b>
<b>CEO:</b>	<b>Ryota Hayashi</b>
<b>Establishment Date:</b>	<b>December 27, 2013</b>
<b>Business:</b>	<b>Fintech Solution Big Data Analytics Financial Infrastructure</b>
<b>Number of Employees:</b>	<b>264 (as of the end of June 2023)</b>

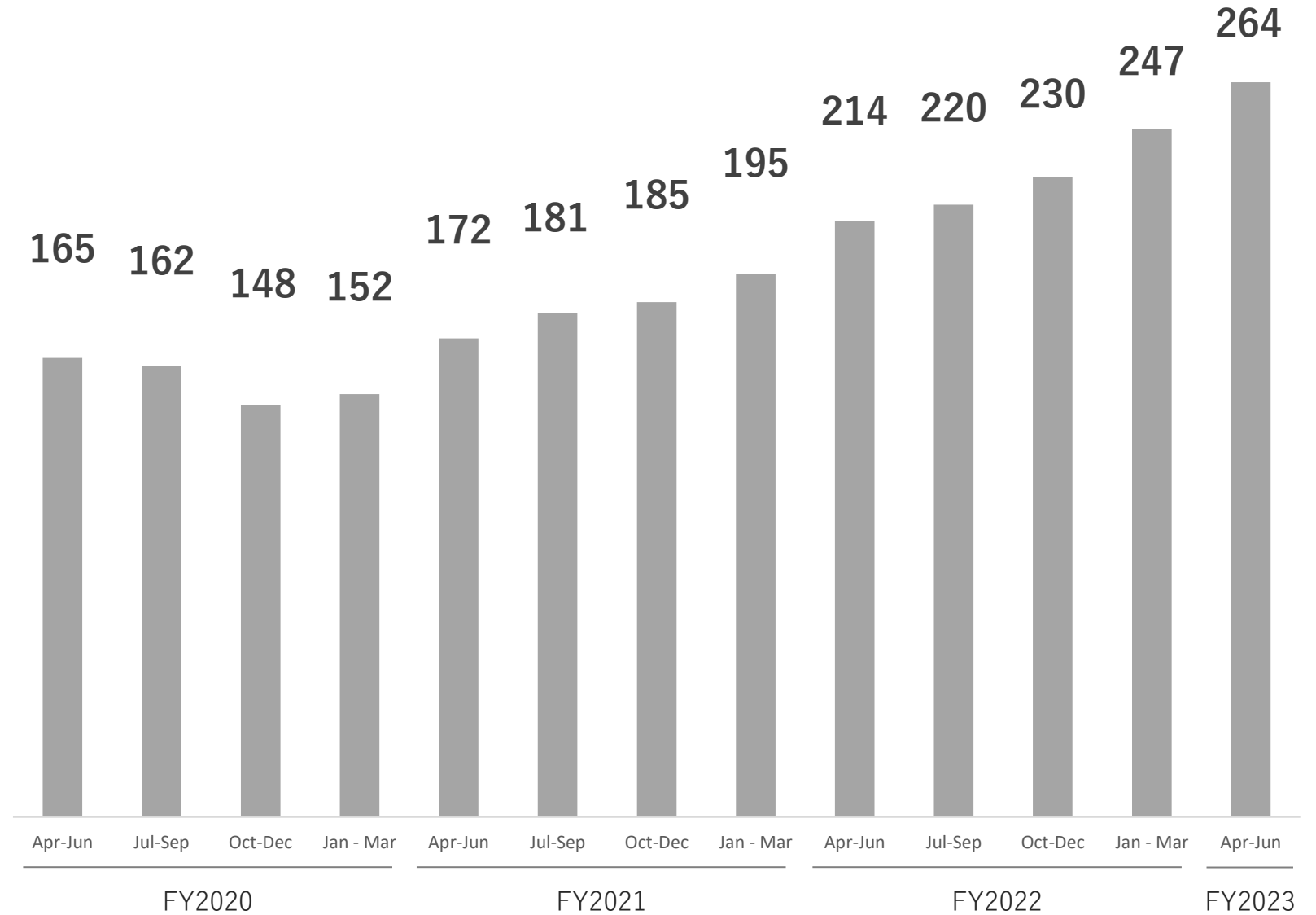
# Corporate Structure

Subsidiaries	Ownership	# of Employees <sup>1</sup>	Business	Segment
<b>FINATEXT HOLDINGS</b>	-	15	• Group holding company	
Finatext	100%	90	• Software development for financial institutions and group enterprises	Financial Infrastructure Fintech Solution
Nowcast	100%	34	• Big Data Analytics service to institutional investors and government	Big Data Analytics
Smartplus	85%	32	• Brokerage company	Financial Infrastructure
Smartplus SSI	93%	6	• Small amount and short-term insurance company	Financial Infrastructure
Smartplus Credit	100%	0	• Lender	Financial Infrastructure
Teqnological	70%	6	• Offshore outsourcing bridge	Fintech Solution
Teqnological Asia	72% (50.4% <sup>2</sup> )	81	• Offshore development for group companies in Vietnam	Fintech Solution

1. # of employees as of June 30, 2023
2. 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 15%**

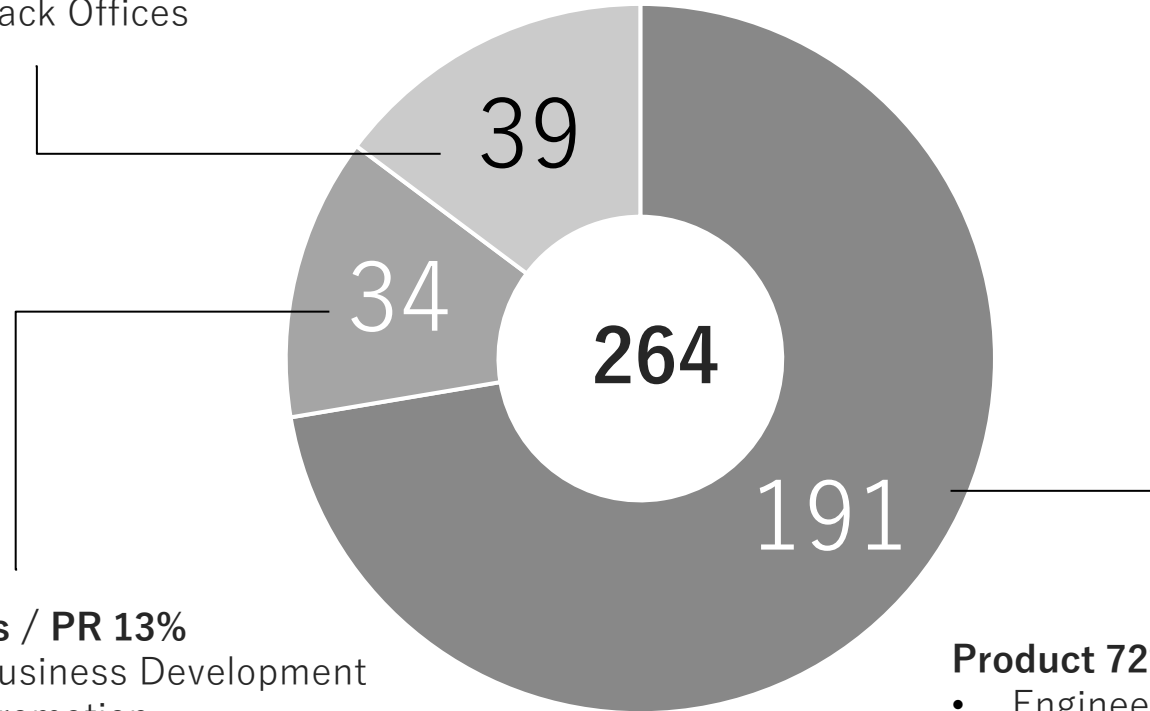
- Financial Operations
- Back Offices

**Sales / PR 13%**

- Business Development
- Promotion
- Research & Market

**Product 72%**

- Engineer
- Product Management
- Designer
- Web Director



1. Number of full-time employees as of June 30, 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 Yamauchi<sup>1</sup>

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 Nomura<sup>2</sup>

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 Sato<sup>2</sup>

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 Kataoka<sup>2</sup>

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

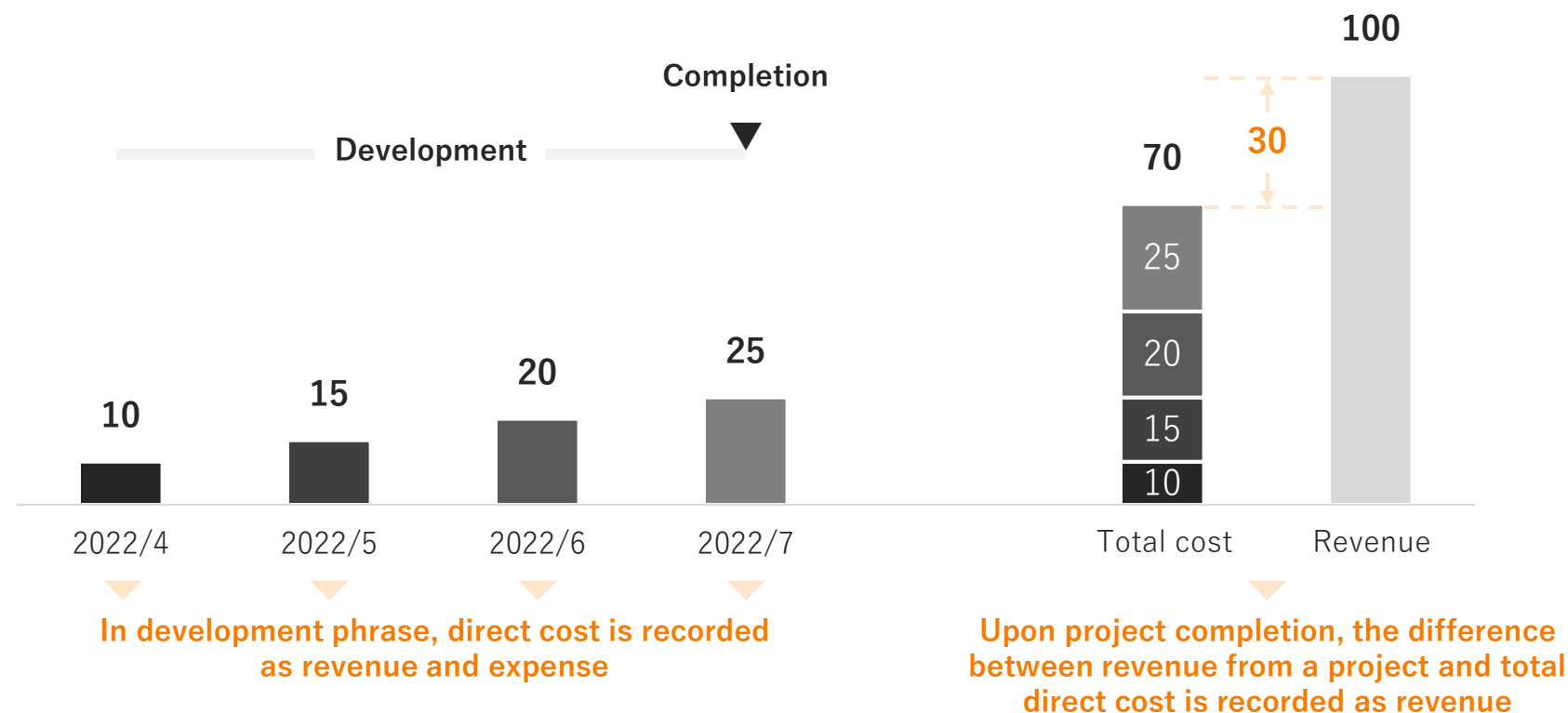
# BUSINESS OVERVIEW

# 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



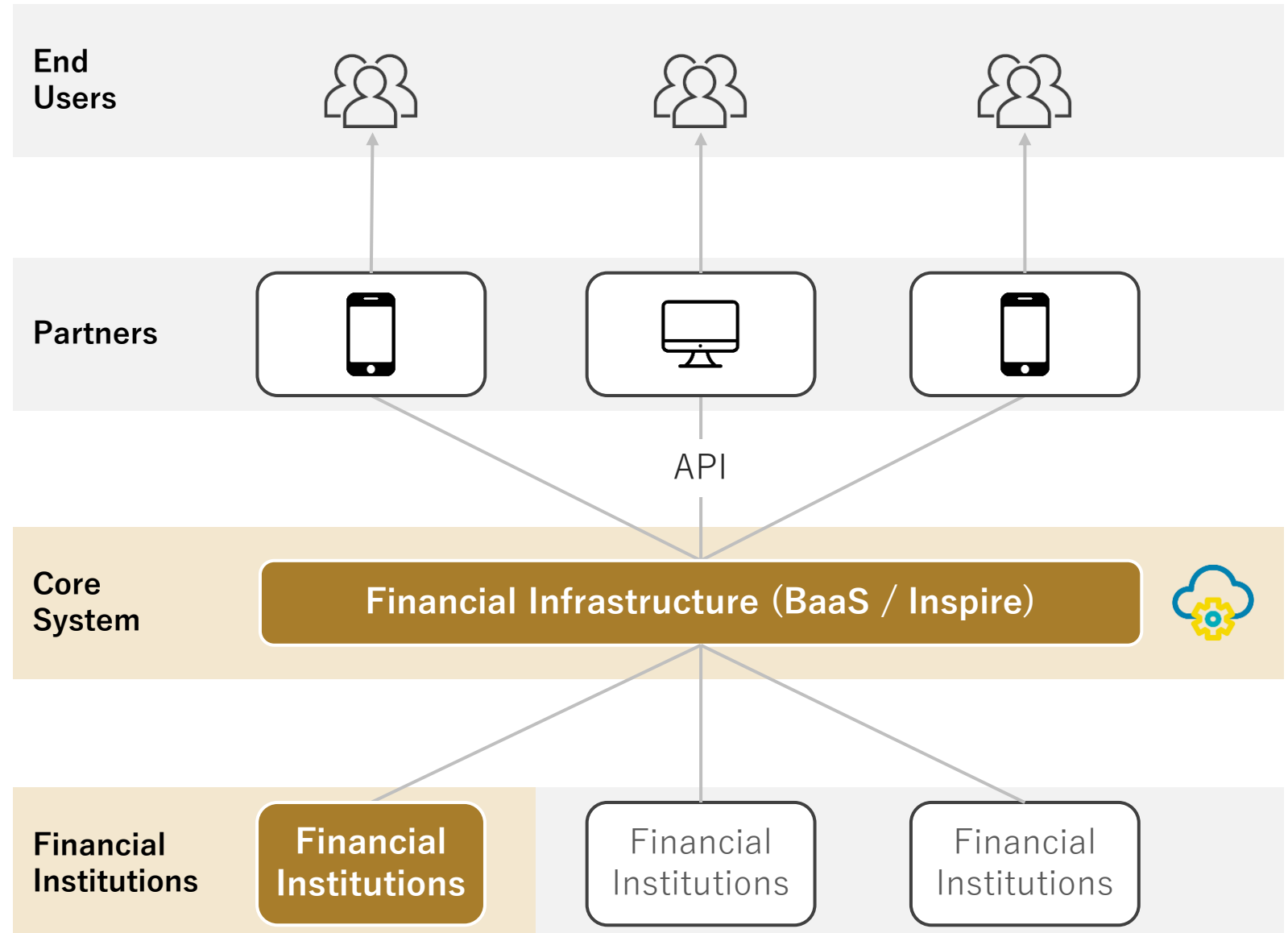
## Revenue Recognition

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

## Overview

Cloud-native and API-based modern Financial Infrastructure enables partners to install at low cost and embed functions seamlessly.

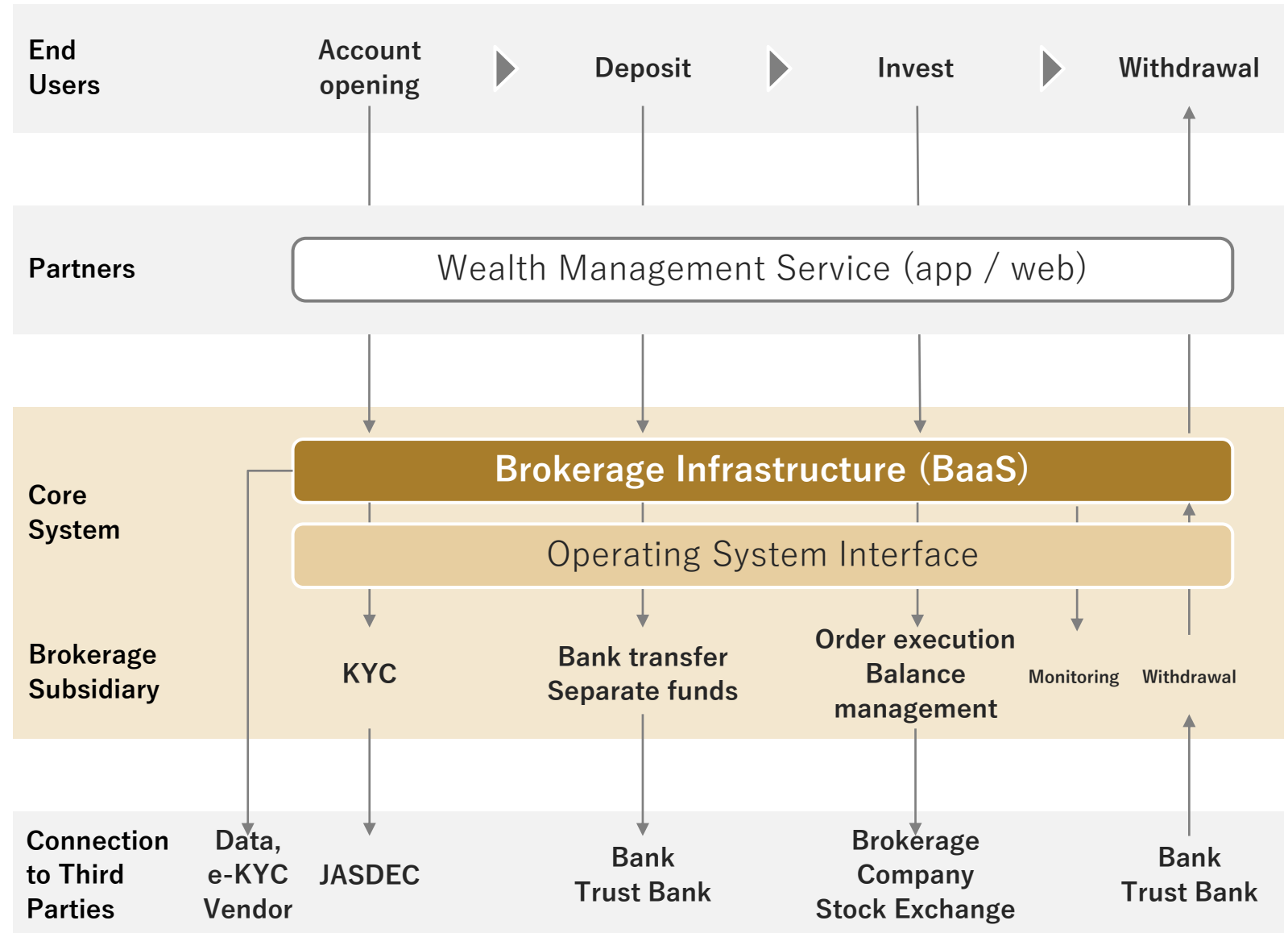
Provides ① “**BaaS**” for wealth management providers and ② “**Inspire**” for insurance providers.



## 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 Services on BaaS

8 services in operation currently.

Focus on “**Digital Wealth Management**”: aim to democratize high-quality financial services by using technologies and;  
“**Embedded Investment**”: seamlessly integrate with existing services to develop a new customer base.

#### Digital Wealth Management (DWM)

- Integrating online and offline allows high-quality wealth management services to be provided to more customers.
- Providing a platform that can implement discretionary investment service at a low cost, with tools for sales representatives.

##### Services



Wealth Wing  
(ANA X)



JAM WRAP  
(JAM)



Goal Navi  
(Nissay AM)



US ETF WRAP  
(GCI AM)



Financial  
Standard

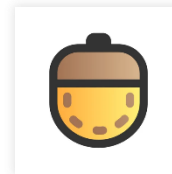
#### Embedded Investment

- Players with large customer bases leverage their customer contact and context to reach potential users of a financial service.
- Supporting from service planning to provide investment services tailored to the partner

##### Services



Stream  
(Owned)



Saison Pocket  
(Credit Saison)

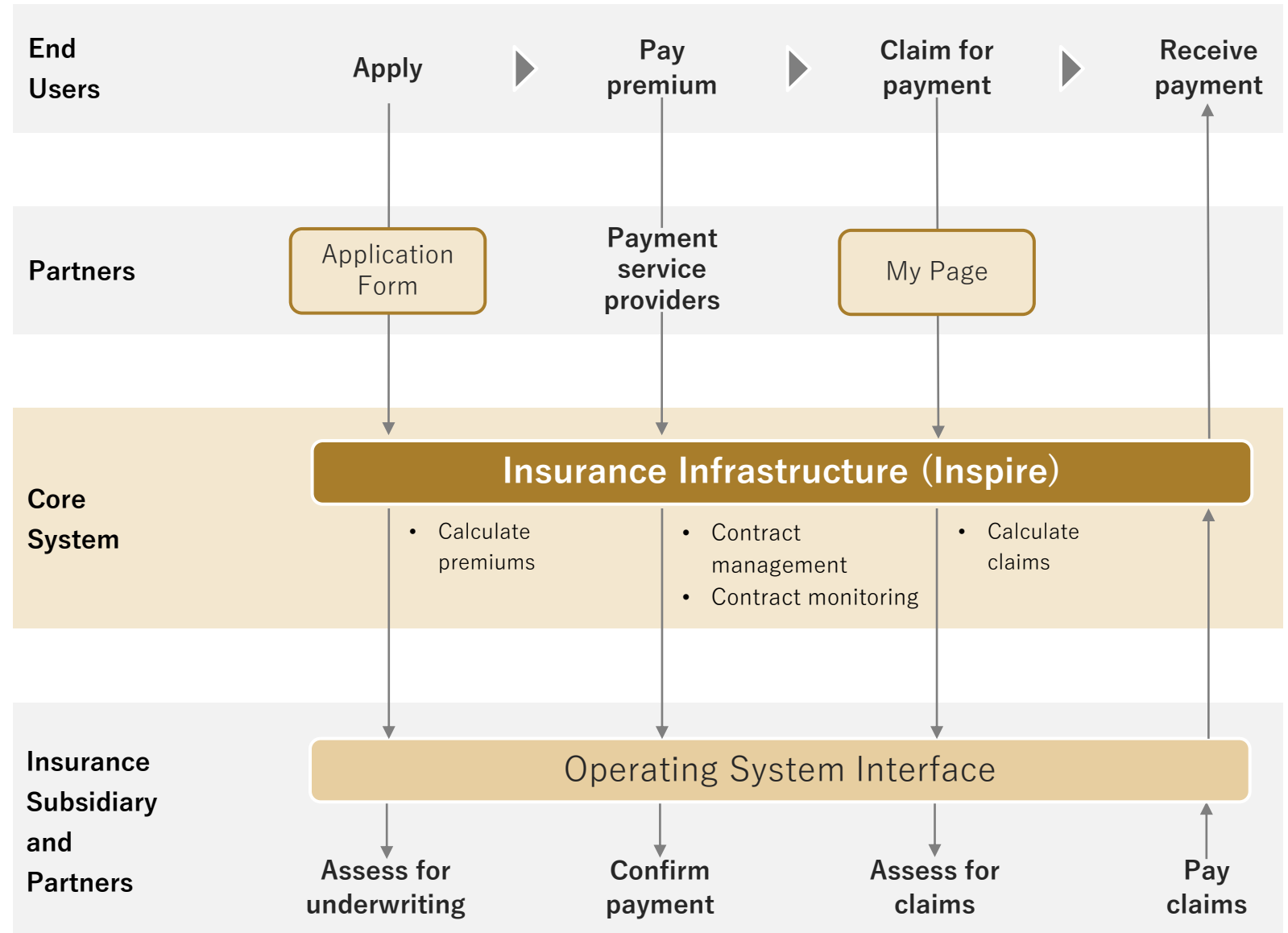


Korekabu  
(Seven Bank)

## 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 Clients of Inspire

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**

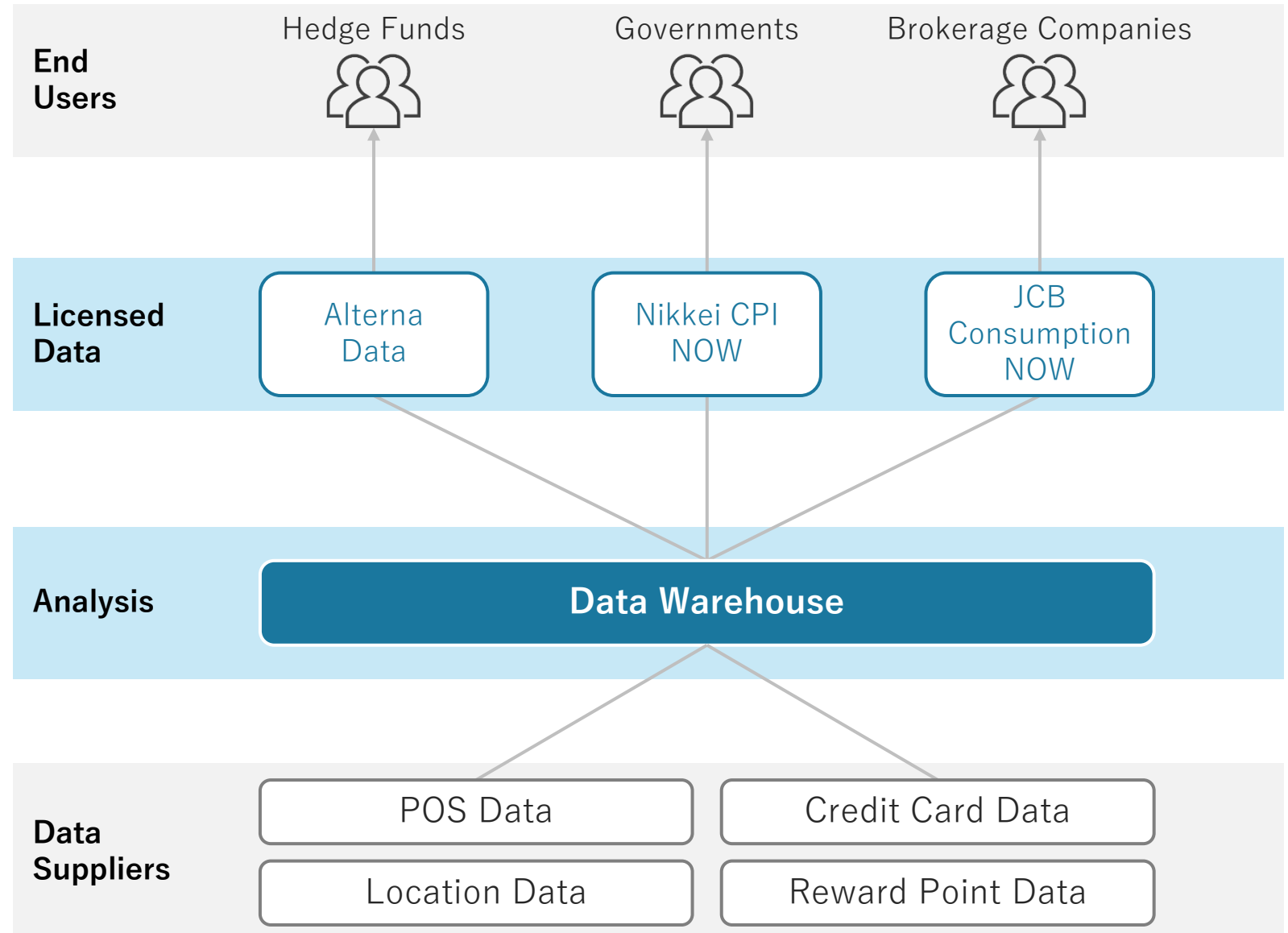
**9. Kyoei Fire & Marine Insurance**



## Overview

An alternative data provider for institutional investors and governments.

Receives data from third-party data suppliers and sells value-added data using proprietary technologies such as cleansing, mastering and modeling.



# Data License

Provides “Alterna Data” for corporate analysis and “Nikkei CPI NOW” and “JCB Consumption NOW” for economic research.

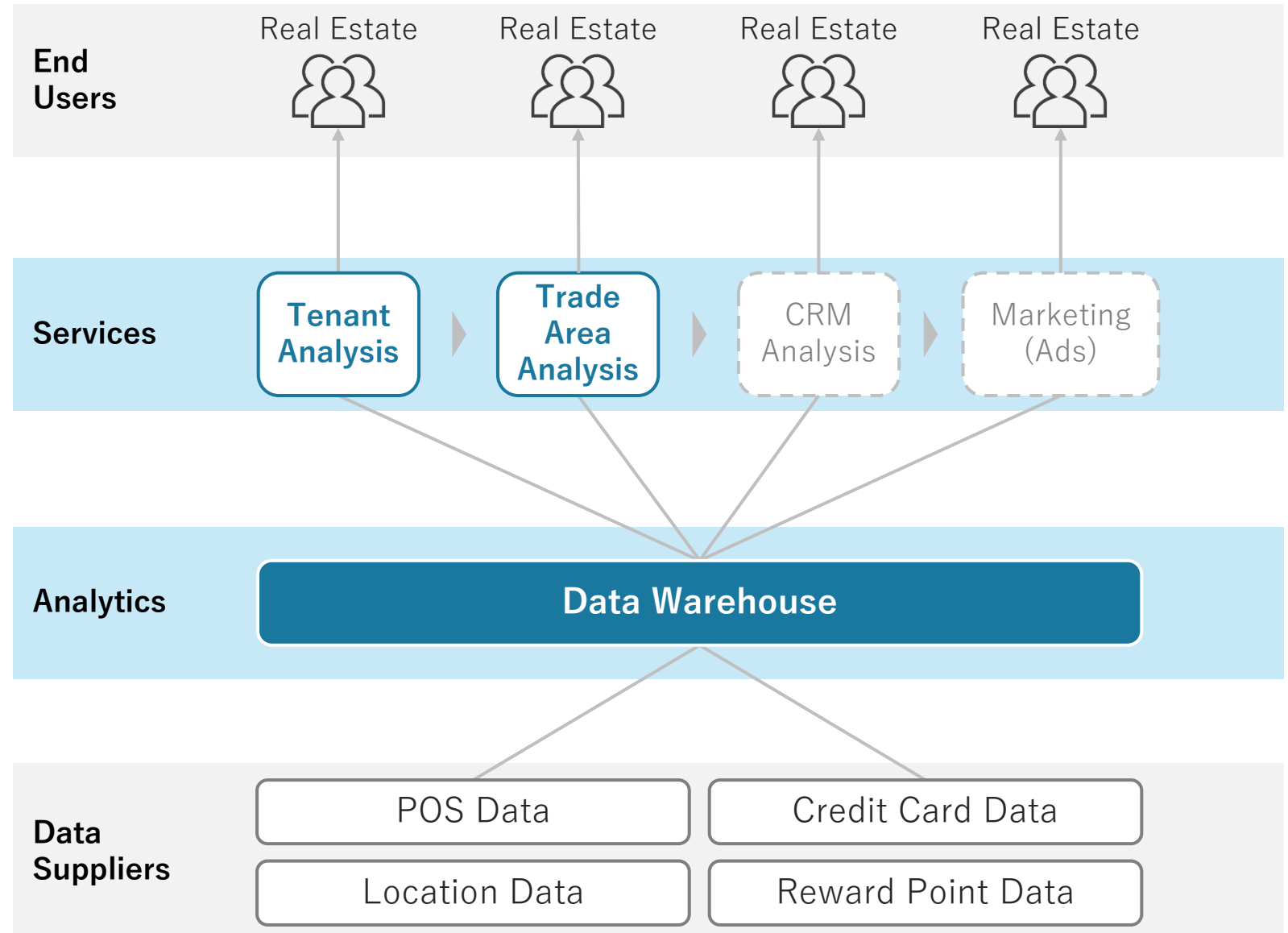


	Alterna Data	Nikkei CPI NOW	JCB Consumption NOW
<b>Overview</b>	<ul style="list-style-type: none"> <li>• Provide data for corporate analysis, such as sales, pricing, and unit price per customer</li> <li>• Provide insightful indexes derived from our data models</li> </ul>	<ul style="list-style-type: none"> <li>• Provide daily consumer price indexes using POS data</li> <li>• The indexes are mainly used to monitor inflation rate in Japan</li> </ul>	<ul style="list-style-type: none"> <li>• Provide bi-weekly consumption indexes using credit card data</li> <li>• The indexes are classified by industries, location of retailers and types of consumers</li> </ul>
<b>Data Partners</b>	<ul style="list-style-type: none"> <li>• Nikkei</li> <li>• True Data</li> <li>• KDDI</li> <li>• CCC Marketing</li> <li>• BCN</li> <li>• HRog etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Nikkei</li> </ul>	<ul style="list-style-type: none"> <li>• JCB</li> </ul>
<b>Data</b>	<ul style="list-style-type: none"> <li>• POS data</li> <li>• Location data</li> <li>• Reward point data</li> <li>• Credit card data</li> </ul>	<ul style="list-style-type: none"> <li>• POS data</li> </ul>	<ul style="list-style-type: none"> <li>• Credit card data</li> </ul>

# Data Analytics for Real Estate

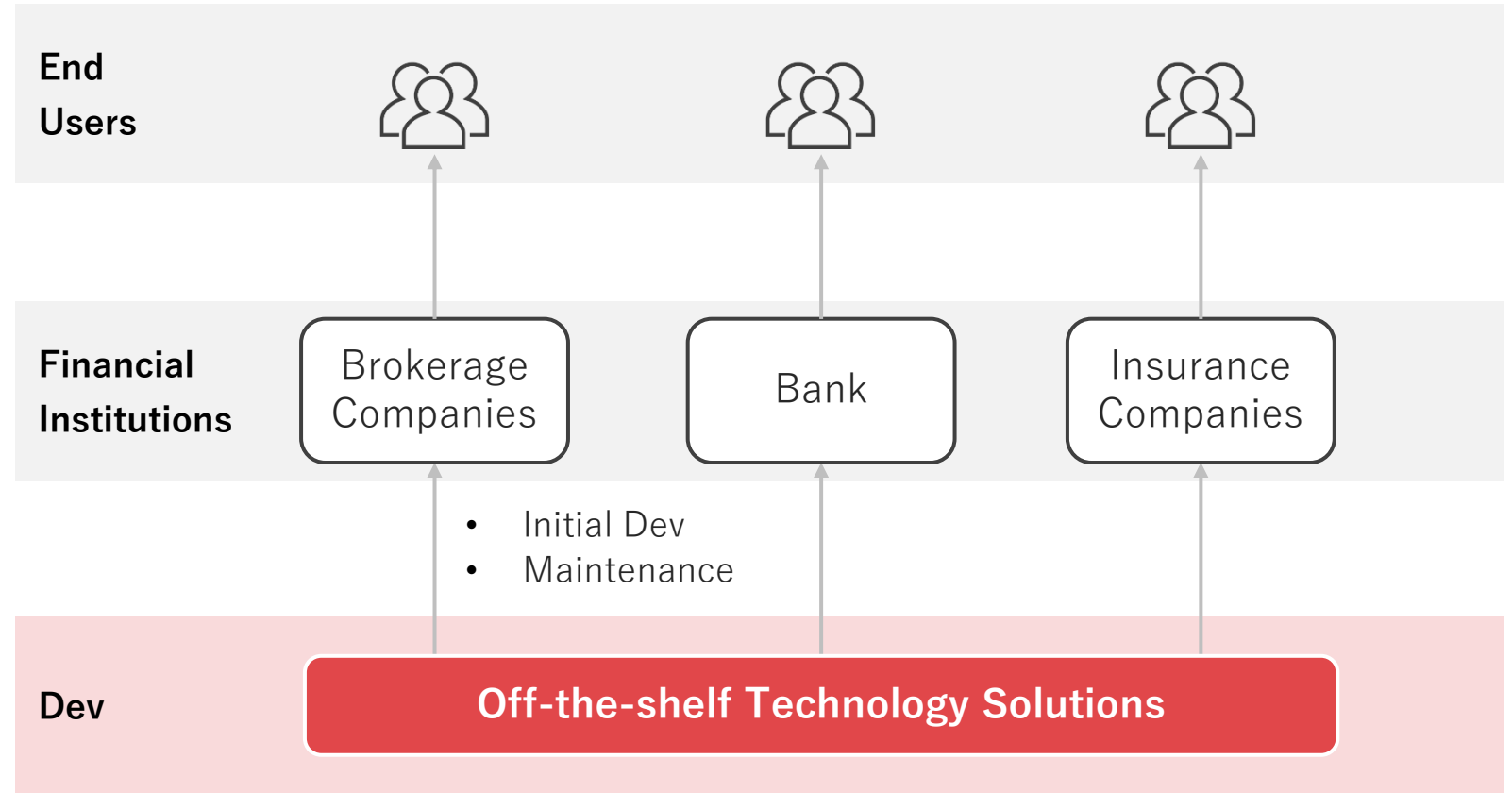
Data analytics services by integrating multiple alternative data with our knowledge and experience.

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
- Daiwa Brokerage
- Nomura Holdings
- Rakuten Brokerage
- MUFG Bank
- SMBC Nikko
- Nomura Asset Management
- GMO Click Brokerage

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**F I N A T E X T**

**Reinvent Finance as a Service**