FINATEXT

HOLDINGS

Second Quarter FY2024 Financial Results

Finatext Holdings Ltd.

November 14, 2024

SUMMARY

Q2 FY2024 Actual

Notable increase in partner numbers with revenue +65% YoY, on track for robust growth. Adj. EBITDA margin exceeded annual plan reaching 15%.

Revenue
3,451 m. yen
YoY **+65%**

Partners (Financial Infrastructure)
26
vs. FY-end **+4**

Adj. EBITDA[1]
511 m. yen
Margin **15%**

Operating Income
407 m. yen
Margin **12%**

FY2024 Guidance

Accelerate sales growth and aim for +42%, exceeding the previous year's growth rate, and increase operating income by c.3 times.

Revenue
7,627 m. yen
YoY **+42%**

Partners (Financial Infrastructure)
30
vs. FY-end **+8**

Adj. EBITDA[1]
944 m. yen
Margin **12%**

Operating Income
686 m. yen
Margin **9%**

1. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)

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OUR BUSINESS

Our Mission

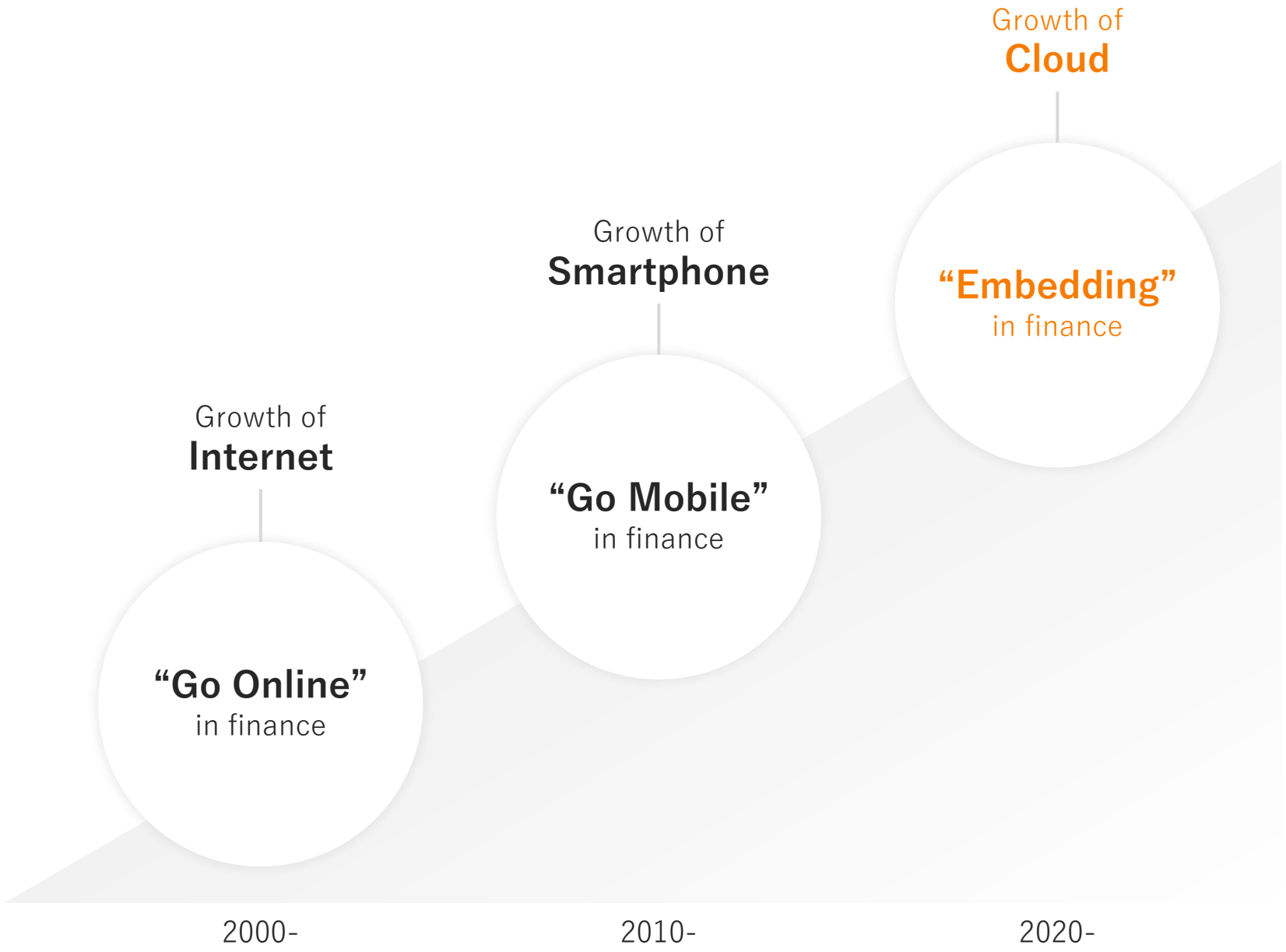
By realizing our mission together with our partners, we aim to provide financial services connected to our daily lives.

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”.

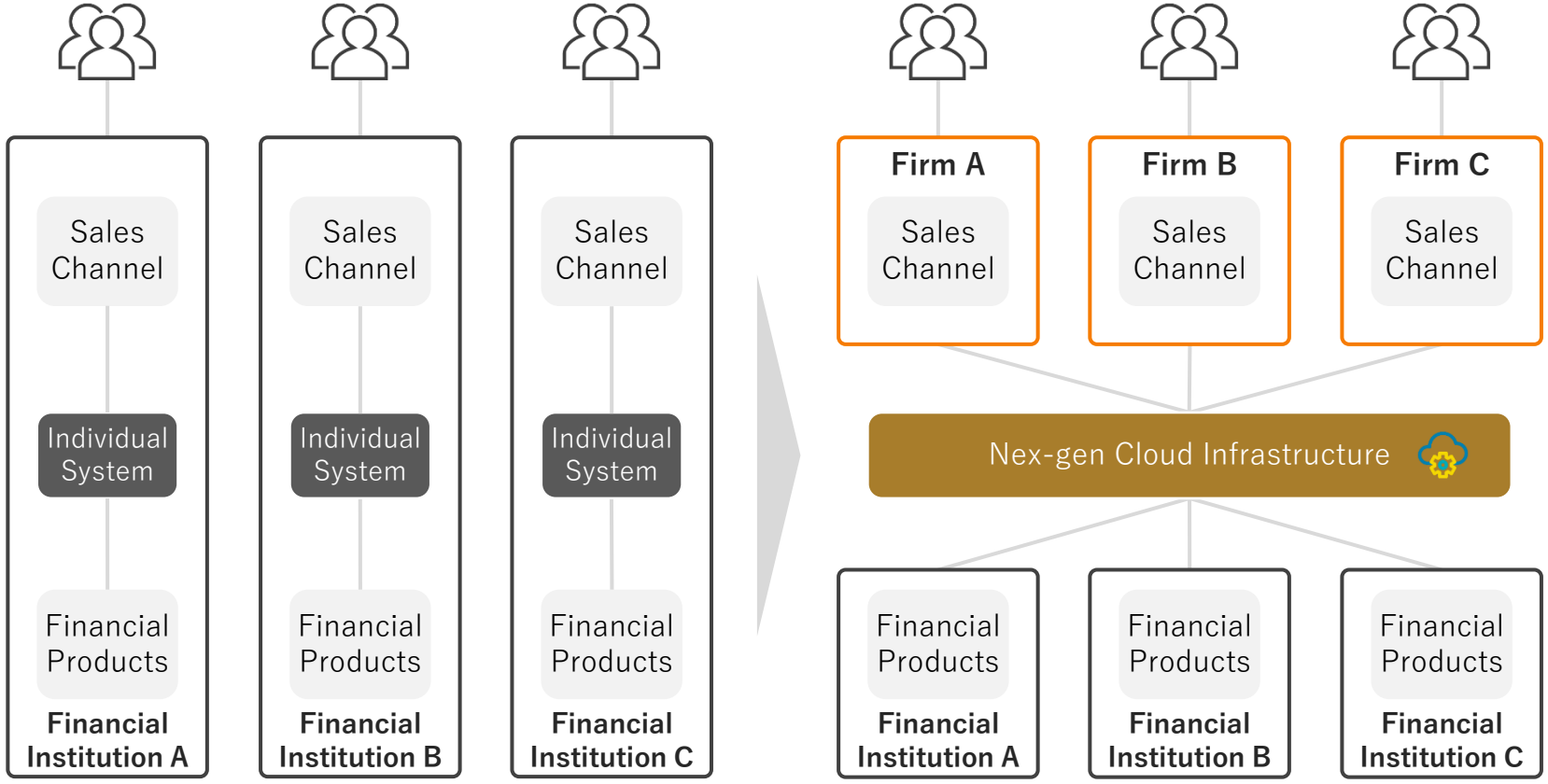
This will enable the convenient use of financial services from companies close to users' lives.

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



Policy

We have documented our policies and how we implement them in advancing our projects.

Experience-first

Put User Experience First

- We pursue the best experience by combining a variety of specialties rather than focusing on any particular domain.
- While the provider perspective is important, we place greater emphasis on the user perspective.

Streamline

Proceed With Optimal Means

- We drive automation and systemization, reducing dependence on manpower.
- Instead of insisting on zero risk, we focus on controlling risk.

Update×∞

Enhance Value Continually

- We do not treat service releases as the goal, but continue to make swift, flexible improvements.
- Instead of accepting "conventional wisdom" without question, we persistently explore the most optimal methods.

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 Infra-structure (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

BUSINESS HIGHLIGHT

FINANCIAL INFRASTRUCTURE

System Migration

In October 2024, Mitsubishi UFJ AM migrated their system to our Brokerage Infrastructure BaaS, launching a online direct sales service “mattoco+”.

Successfully released our 2nd migration project on schedule, following the Saison AM.

Mitsubishi UFJ AM “mattoco+”





Project Overview

- Mitsubishi UFJ AM needed to enhance their service content and strengthen marketing to seize the opportunity offered by new NISA scheme's market expansion.
- Our BaaS improved user experience of their service for beginners and enabled quick and easy addition of new features.

FINANCIAL INFRASTRUCTURE

New Release of Brokerage Infra.

4 IFA firms have chosen our AM platform DWM.

IFA Leading and Innovation IFA have started their discretionary investment services.

Snowball and Value Management have chosen DWM as an investment trust trading system for the new features (see p.35).

IFA Leading

- In July 2024, they started offering its unique discretionary investment service for U.S. stocks.
- With our BaaS and DWM, they have added a unique feature that gives back a portion of the commission to customers as “donation points”.

1

Innovation IFA Consulting

- In August 2024, they launched a discretionary investment service for U.S. stocks.
- Facilitate the discretionary investment service “Smart Manager”, jointly developed with Financial Standard, under the unique brand “Money Palette Manager”.

2

Snowball

- In September 2024, Snowball started managing investment trusts through DWM.

3

Value Management

- In October 2024, Value Management began managing investment trusts through DWM.

4

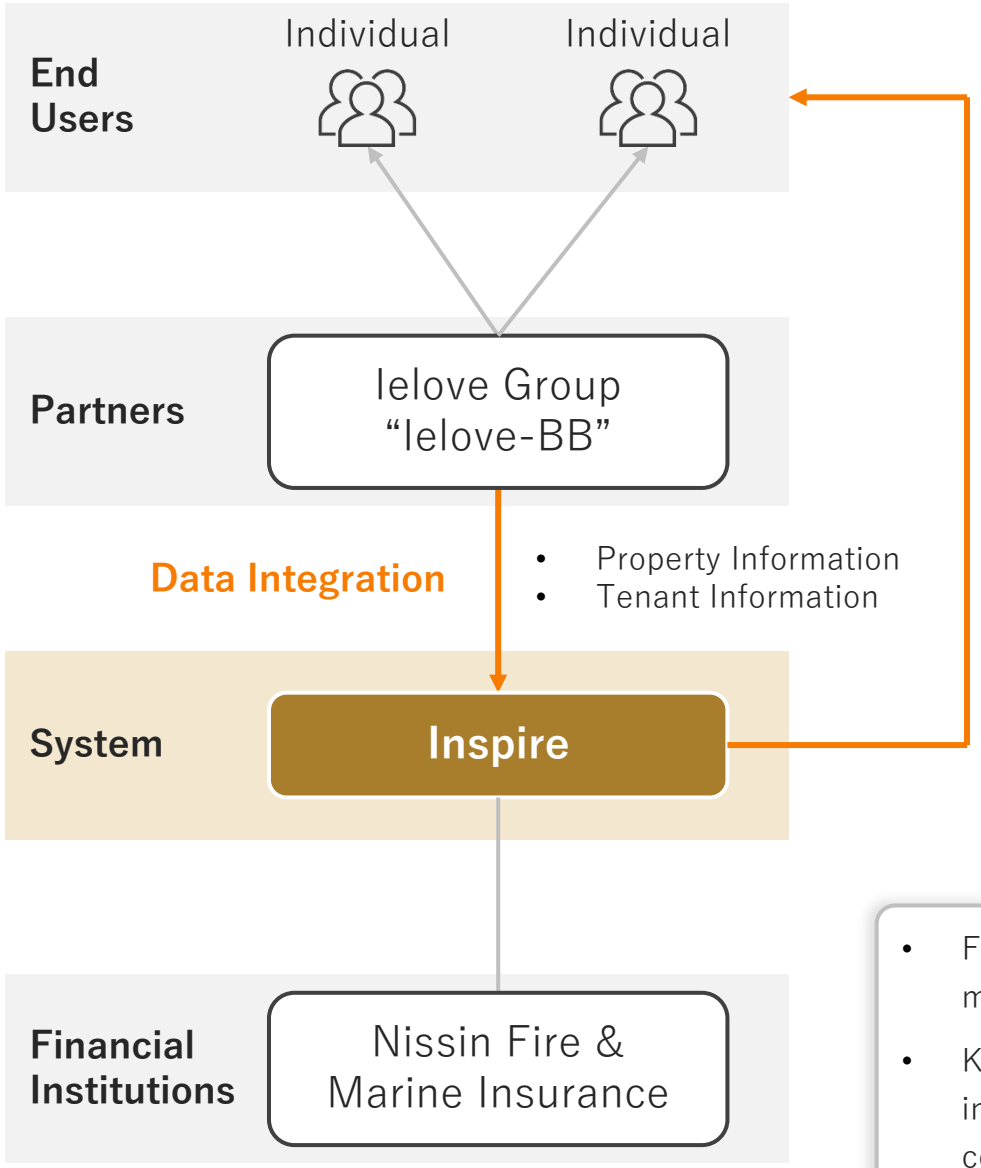
FINANCIAL INFRASTRUCTURE

New Release of Insurance Infra.

In Aug 2024, Nisshin Fire implemented our Inspire.

With Ielove Group, they started providing home insurance for tenants on the real estate platform “Ielove-BB”.

Realized smooth application process through data integration.



Auto-fill Application Form

- Send application form with relevant data already filled in.
- End users can smoothly complete applications by entering only the minimum required information.

Overview of “Ielove-BB”

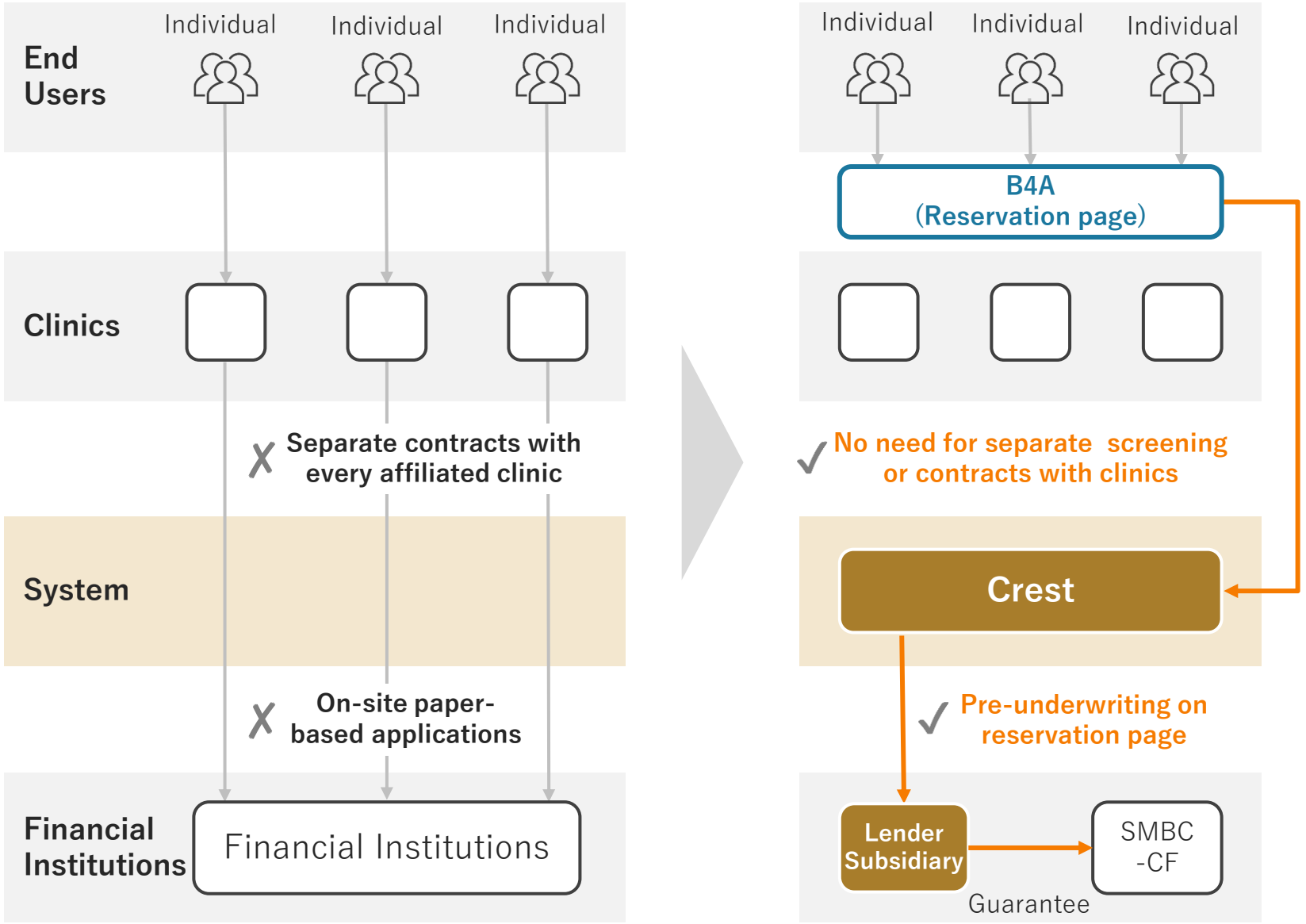
- Free B2B platform that connects real estate management companies and agents.
- Keep property information and tenant information required for insurance contracts in the system.

FINANCIAL INFRASTRUCTURE

New Release of Credit Infra.

Launched a medical loan service for customers on “B4A”, a DX tool specialized for private medical clinics, together with SMBC-CF.

With our Crest, it is possible to apply for a loan on the reservation page, so that loan underwriting can be completed before the clinic visit.



FINTECH SOLUTION

Release of New Service

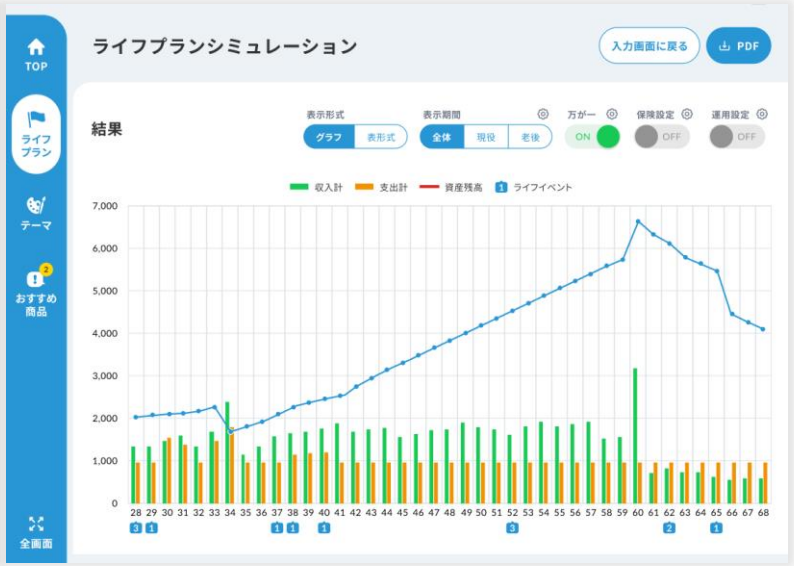
We have developed **financial sales support tools focusing on life plan management** for reginal banks, securities companies, insurance agents and IFAs.

In collaboration with North Island, we utilize their simulation tool, “LIFEPLAN CANVAS”.

Life Management Service “Planny”

- With cash flow and financial asset simulations based on life events, it is able to propose insurance and mortgage loans, and offer asset management recommendations based on risk tolerance assessment.
- By accumulating customer data through customer records, leveraging generative AI and superior UI/UX, it achieves seamless experiences across both online and offline interactions, and improves the productivity of financial sales.





Main Features

1. **Life Plan Simulation**
2. **Multiple Products Recommendation**
3. **Customer Records**
4. **Integration with Finatext Advisory Assist**

Service Overview

- Optimal recommendations through continuous management of life plans using customer records.
- Improved productivity and accuracy in post-meeting documentation and daily reports, with generative AI.
- Seamless customer experience from appropriate recommendations based on life plans to sales.
- Automated product explanations via AI avatars

FINATEXT HOLDINGS

QUARTERLY RESULTS
FY2024 Q2

Q2 Financial Summary

Revenue soared to **¥3,451m, +65% YoY**, largely driven by Financial Infrastructure.

Profits have greatly improved, with a **gross profit margin of 63% and an adjusted EBITDA margin of 15%,** surpassing our annual plans.

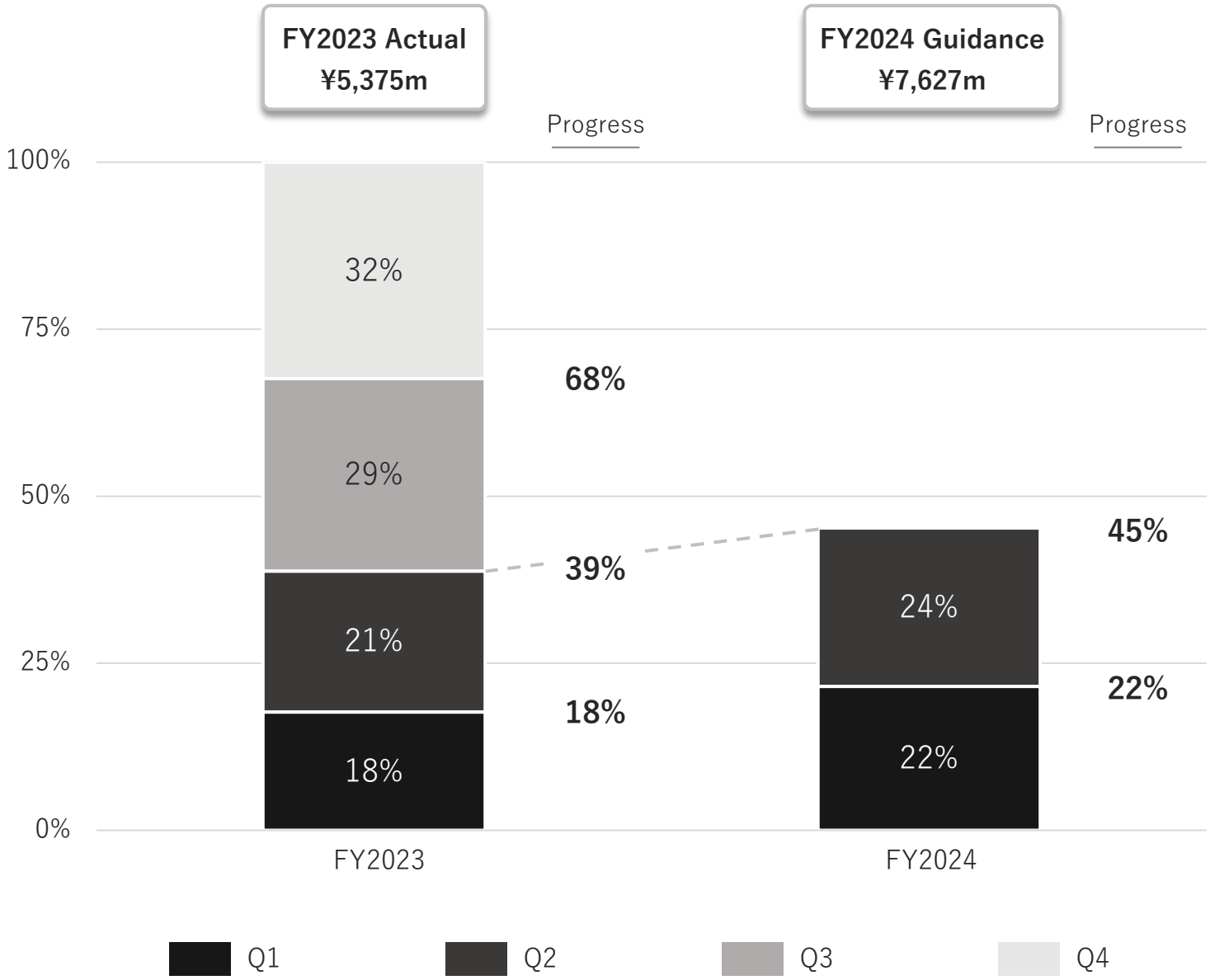
	FY2024 Q2	FY2023 Q2	YoY	Major Factors
Revenue	**3,451**	**2,086**	**+65%**	• Increase in one-off and usage-based revenue in Financial Infrastructure
COGS	1,260	928	+36%	• Rise in labor and outsourcing expenses due to rising number of projects
Gross Profit	**2,191**	**1,158**	**+89%**	
COGS Ratio	63%	56%		
Adj. SG&A[1]	1,679	1,307	+28%	• Rise in labor, communication expense and revenue share due to business expansion
Adj. SG&A Ratio	49%	63%		
Adj. EBITDA[2]	**511**	**▲ 148**	**-**	
Adj. EBITDA Margin	15%	-7%		
Depreciation + Stock-based compensation expense	104	35	+197%	• Recorded expenses of paid SO issued in April 2024 (¥53m)
Margin	3%	2%		
Operating Income	**407**	**▲ 184**	**-**	
Operating Margin	12%	-9%		
Ordinary Income	402	▲ 181		
Net Income Attributable to Owners of Parent	287	▲ 311		

1. Adj. SG&A expense = SG&A expense - (Depreciation + Stock-based compensation expense)
2. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)

Revenue Progress

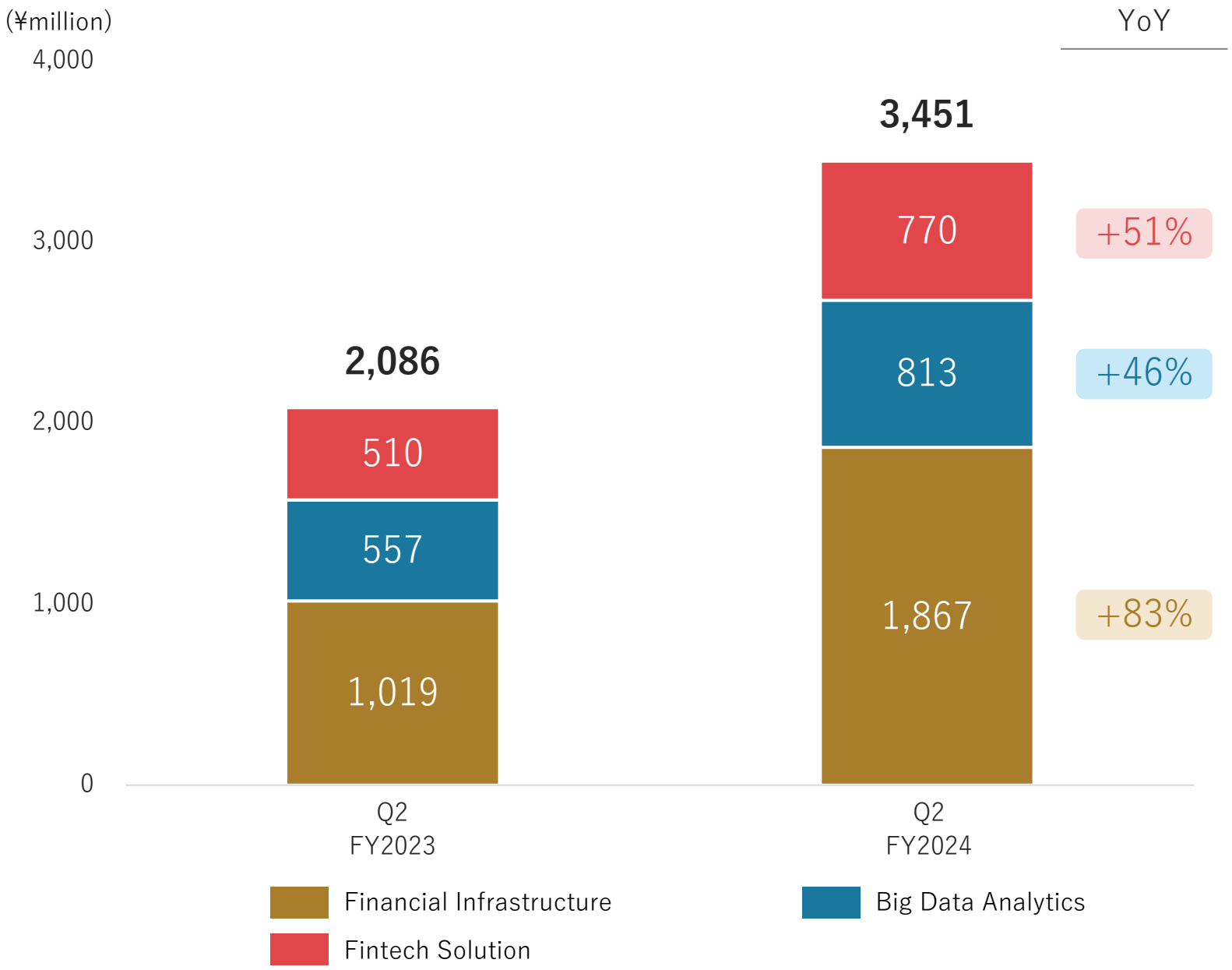
Although the progress rate compared to the annual plan remains at 45%, it is trending at a higher level than last year.

Since revenue tends to be weighted towards the second half, we expected a progress rate of 40% for the first half, indicating that progress is ahead of our original plan.

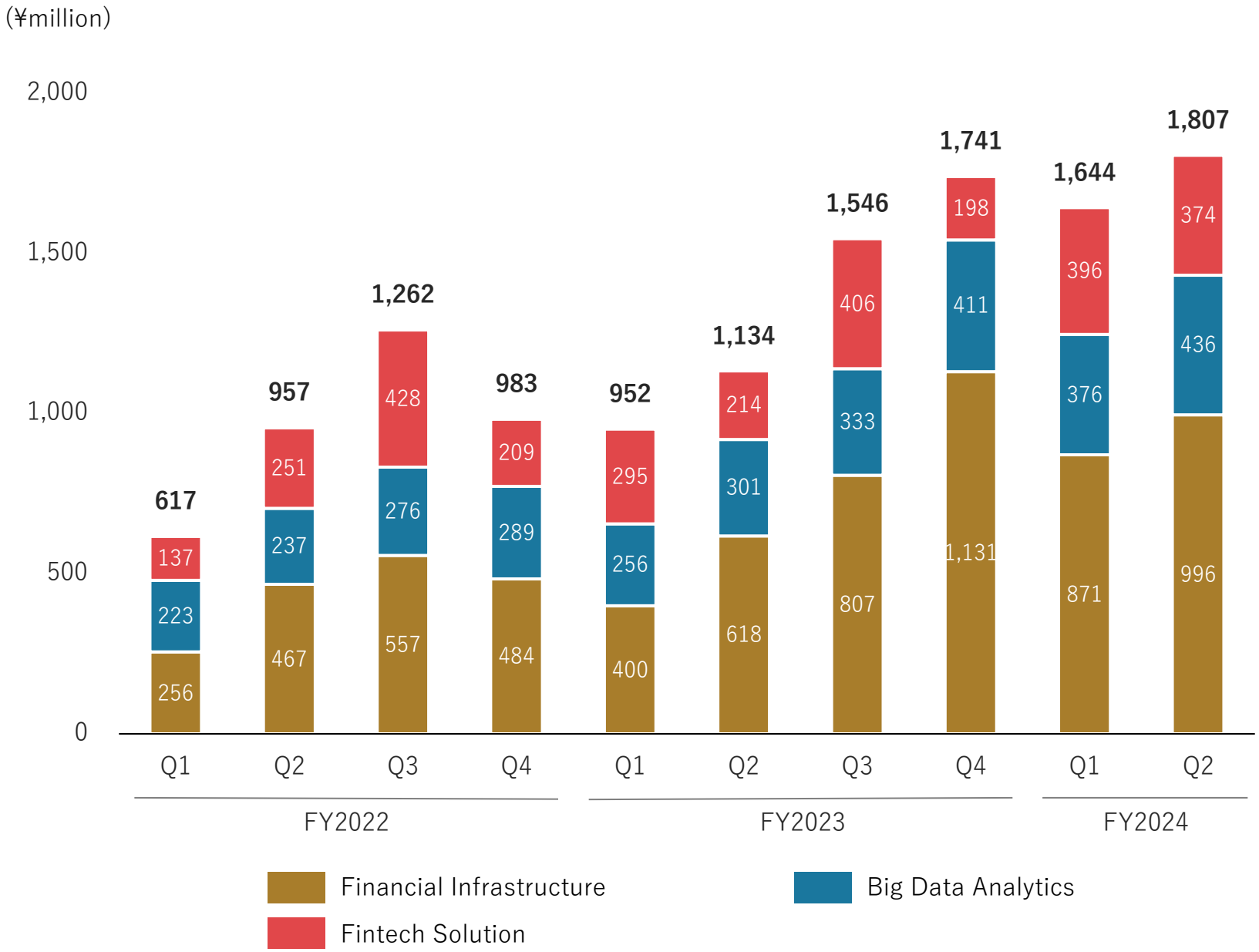


Revenue by Segment

Financial Infrastructure drove revenue growth with +**83% YoY**.

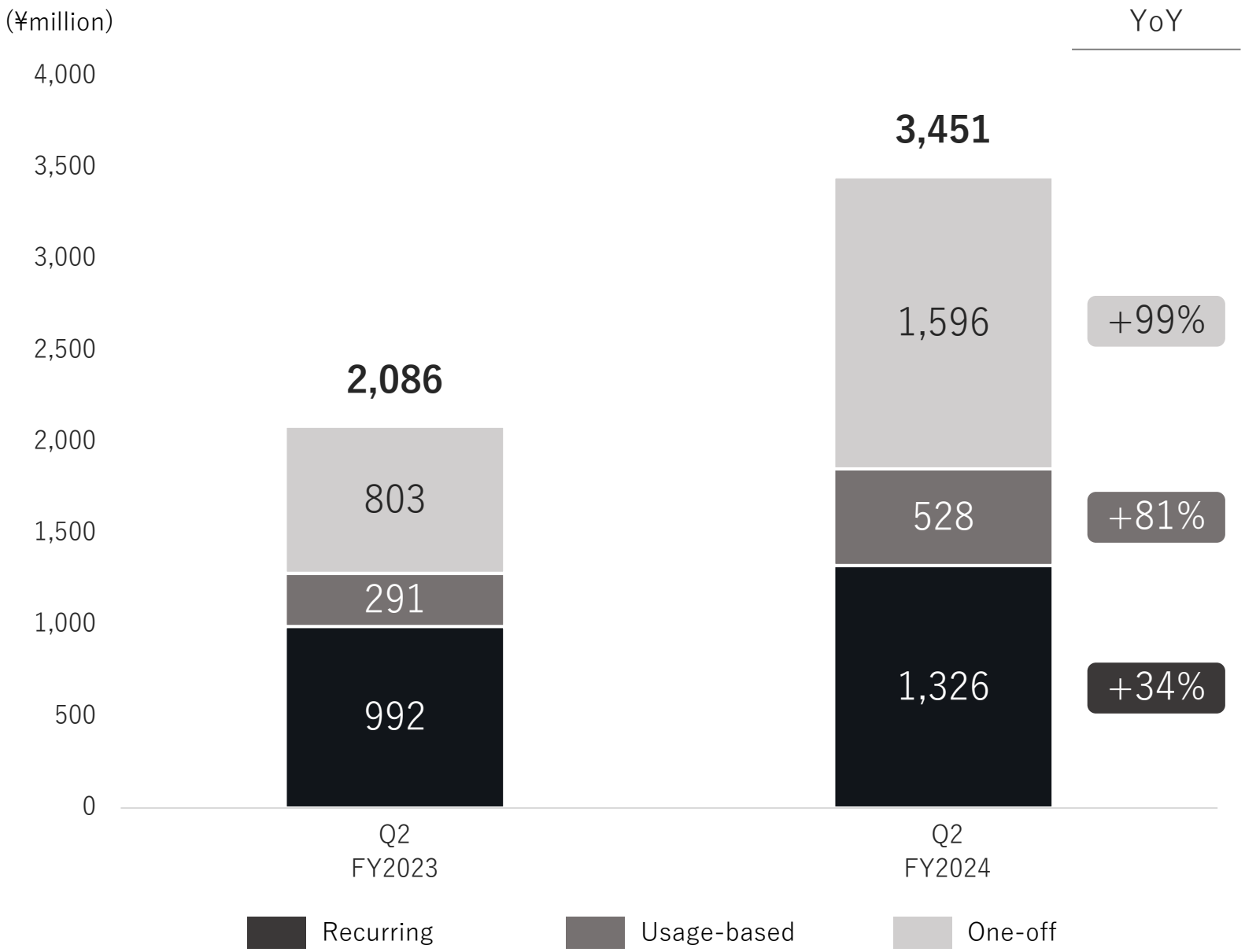


Revenue by Segment

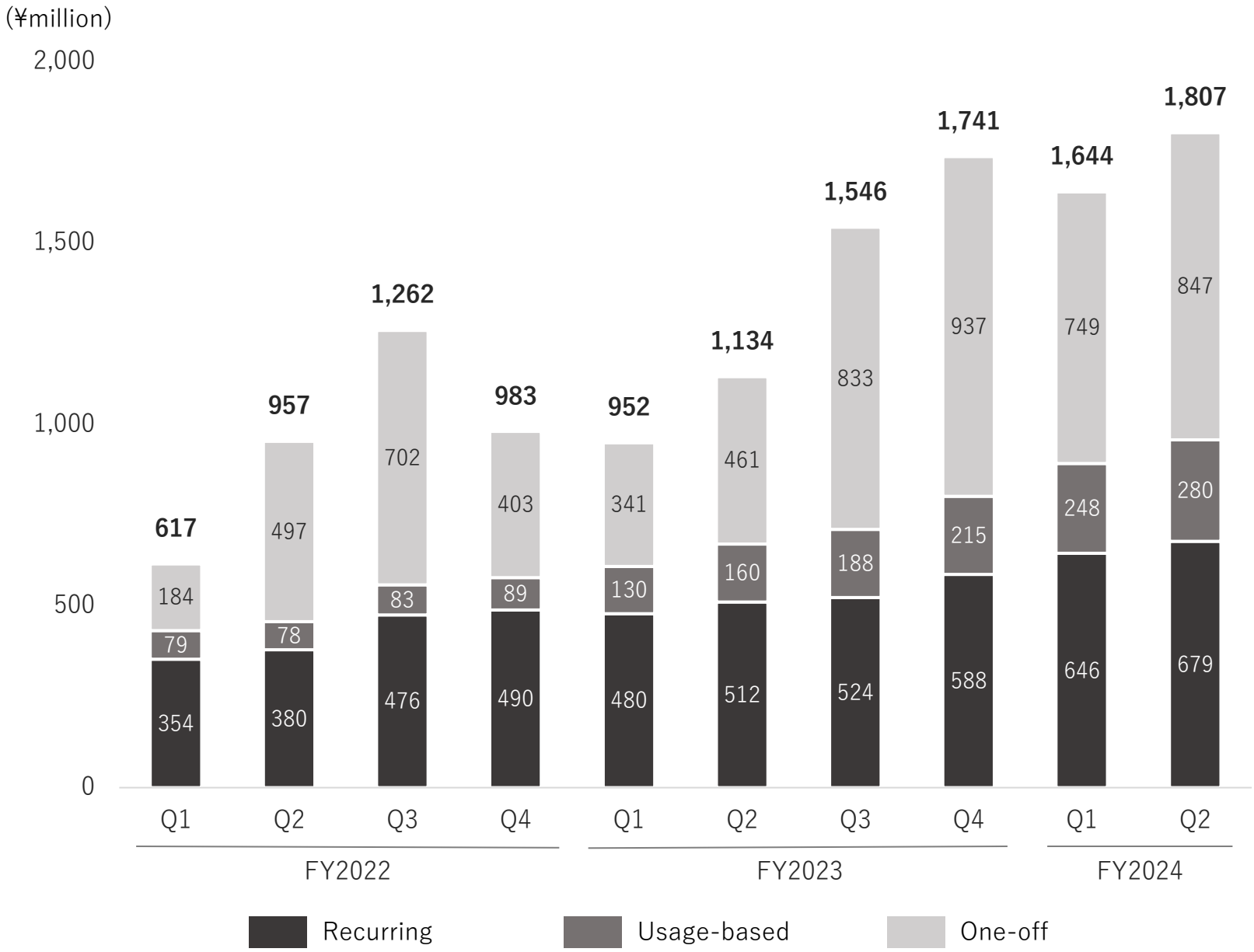


Revenue by Type

Due to the increased number of Financial Infrastructure partners and growth in AUM, **one-off revenue +99% YoY and usage-based revenue +81% 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.

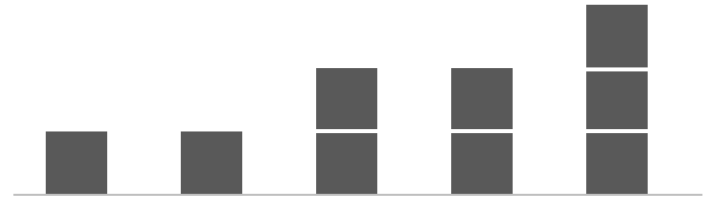
1 One-off

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



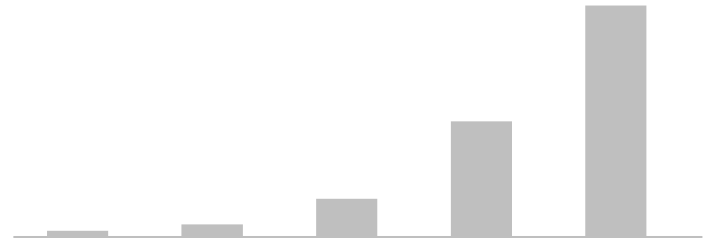
2 Recurring

- Recurring revenue received monthly from existing partners for operations



3 Usage-based

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

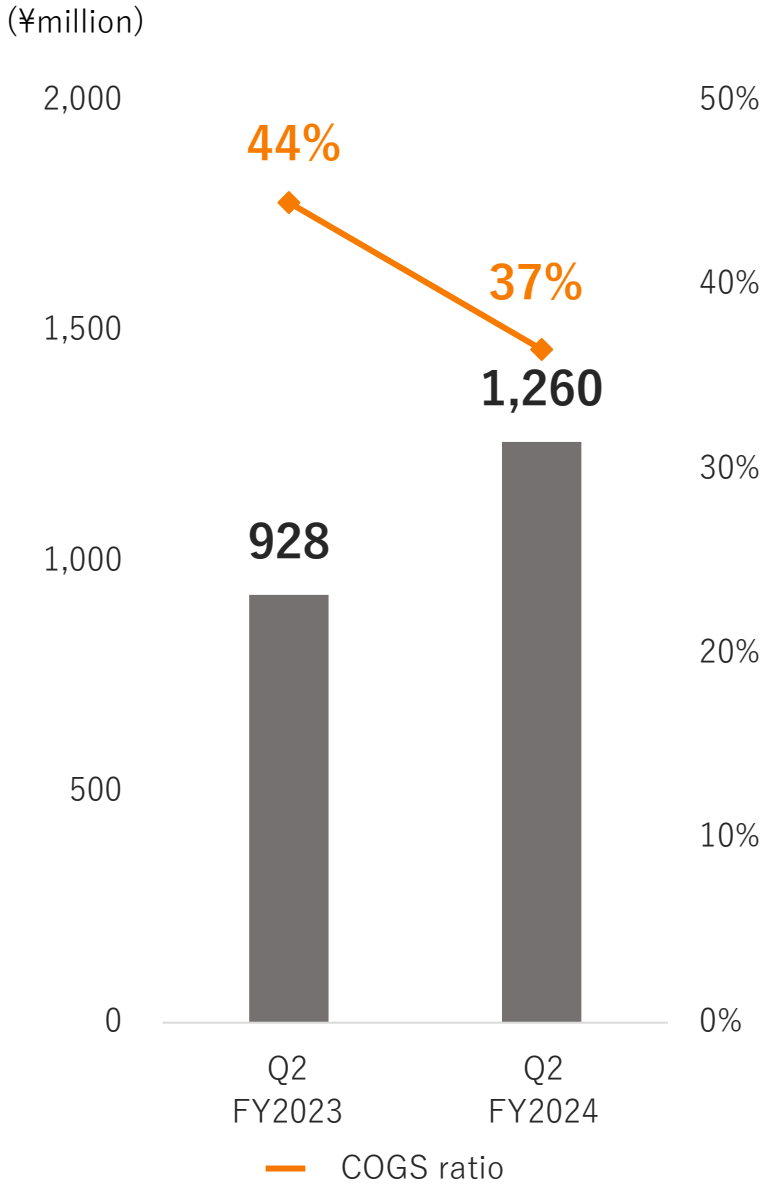


COGS and SG&A

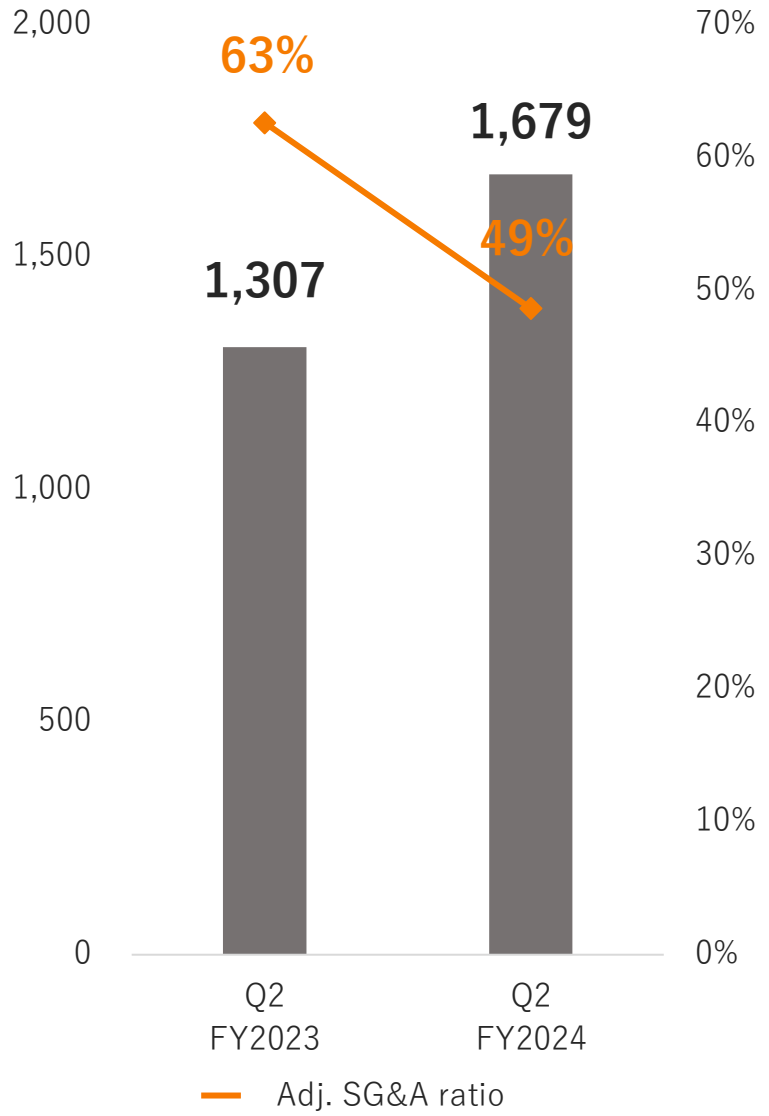
While revenue increased by +65%, COGS remained at YoY +36%, reducing COGS ratio to 37%.

Adjusted SG&A expenses were also capped at YoY +28%, bringing adj. SG&A ratio to 49%.

COGS



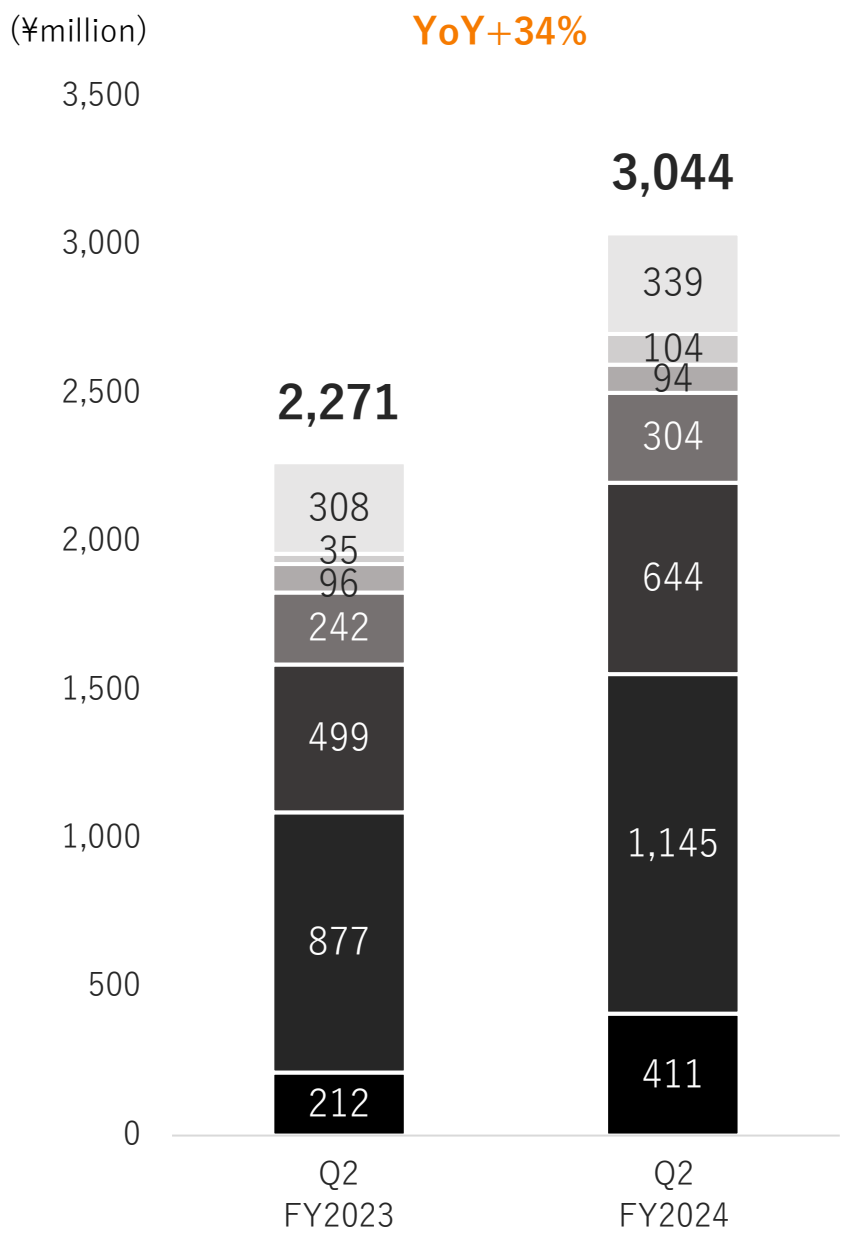
Adj. SG&A expense[1]



1. Adj. SG&A expense = SG&A expense - (Depreciation + Stock-based compensation expense)

Cost Breakdown

Labor and outsourcing expenses are less than originally planned, **overall expenses remained at +34% YoY compared to +65% YoY increase in revenue.**



Other（YoY+10%）
- Increased YoY due to additional office-related expenses

Depreciation + Stock-based Compensation Expense（YoY+197%）
- Recorded expenses of paid SO issued in April 2024 (¥53m)

Advertising Expenses（YoY-2%）
- Trending at roughly the same level as the same period last year

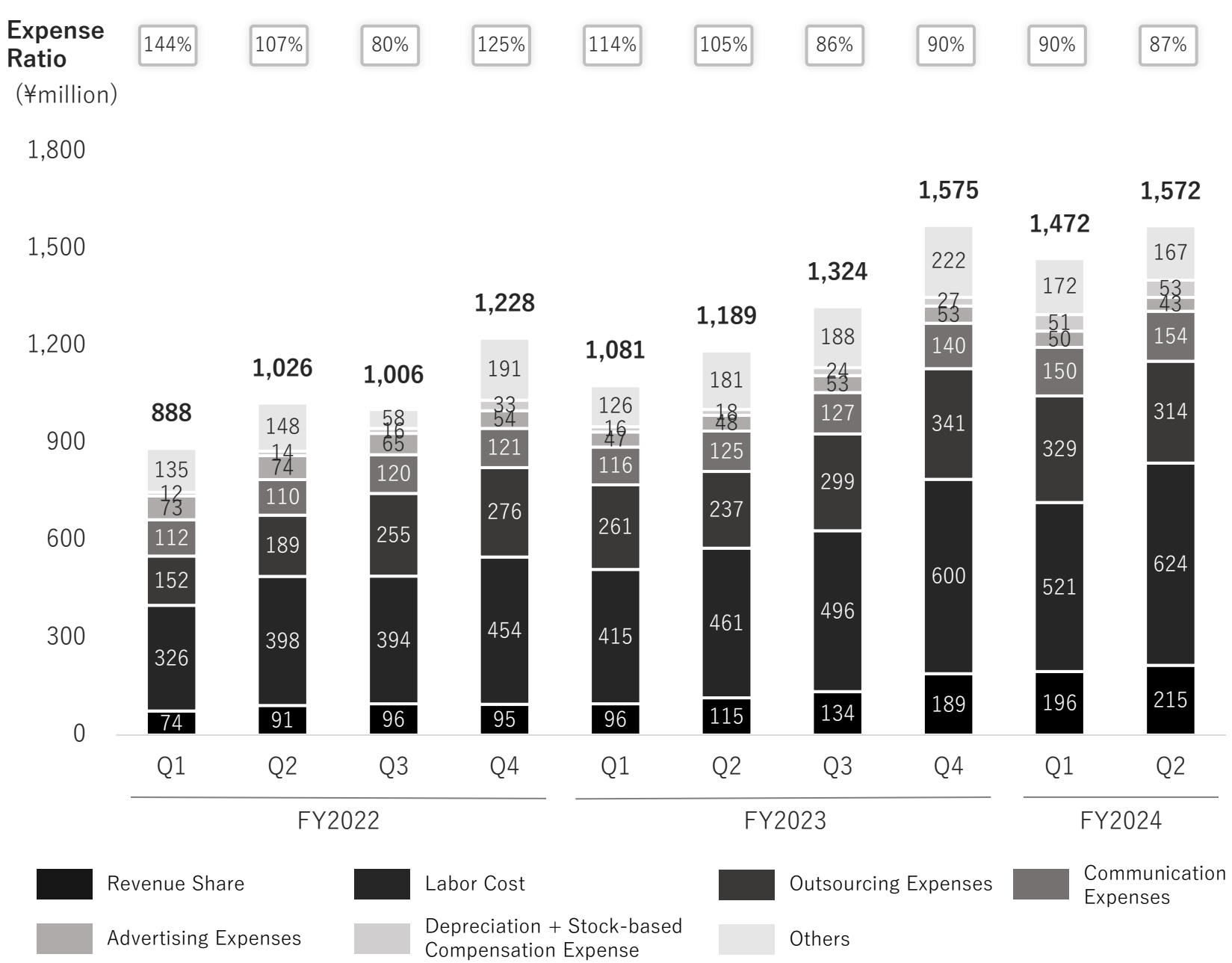
Communication Expenses（YoY+26%）
- Increase due to business expansion and currency depreciation

Outsourcing Expenses（YoY+29%）
- Mainly due to increase in development projects

Labor Cost（YoY+31%）
- Increased due to team expansion

Revenue Share（YoY+93%）
- Increased mainly due to respective growth of Data License Business and Financial Infrastructure

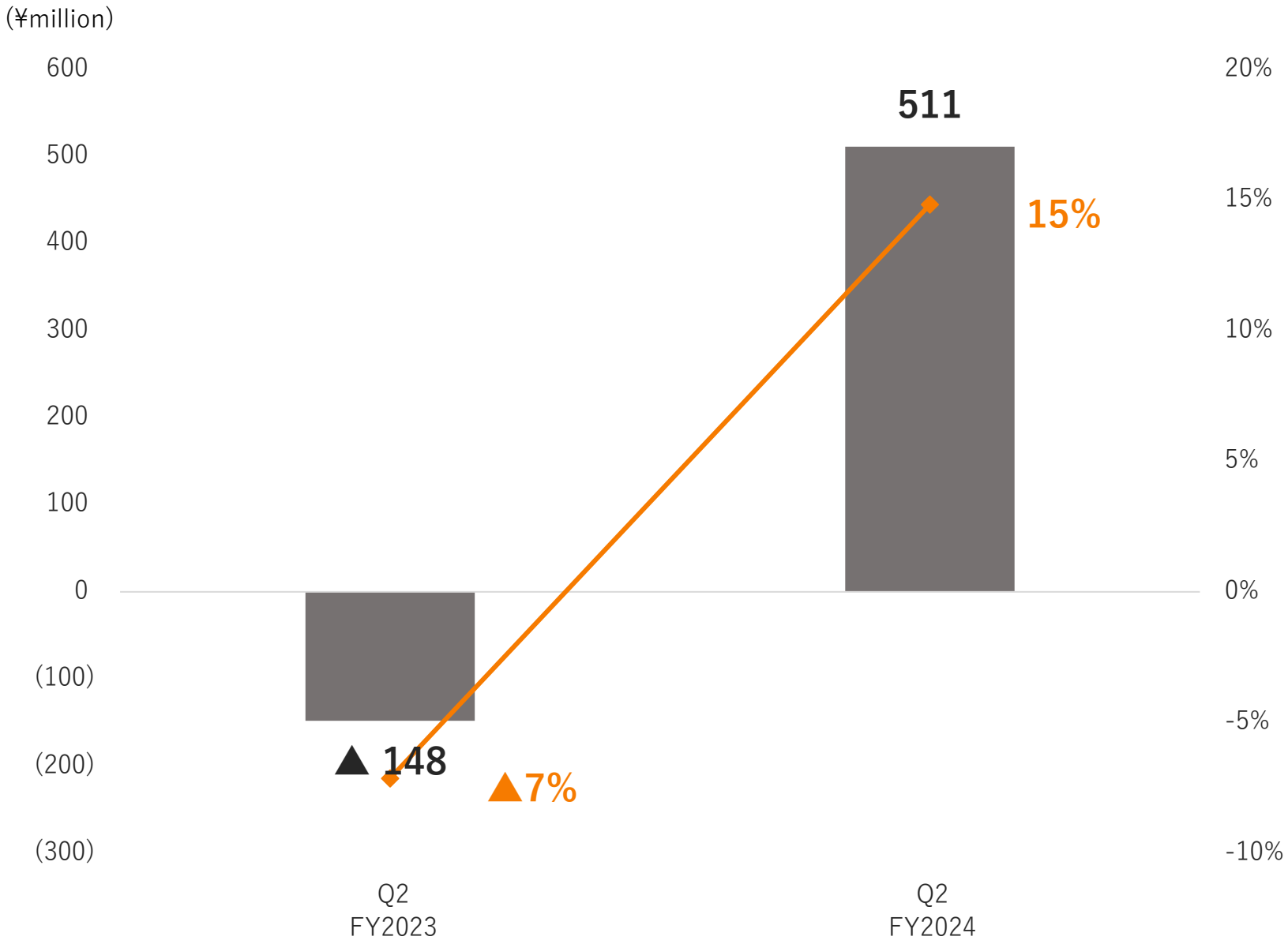
Cost Breakdown



Adj. EBITDA

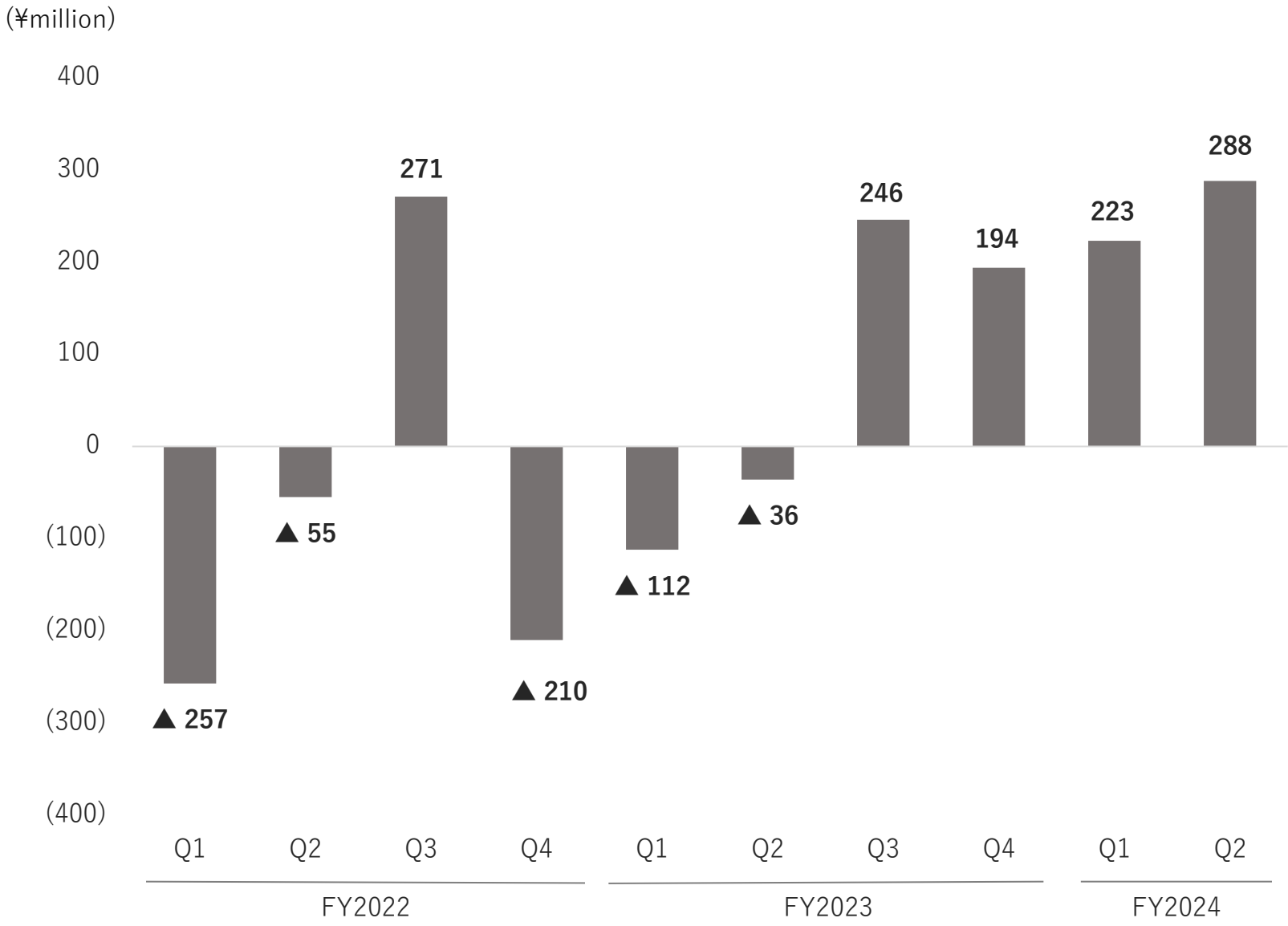
With the increase in revenue, profitability has significantly improved.

Adj. EBITDA[1] margin is trending at 15%, exceeding the annual plan of 12%.



1. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)

Adj. EBITDA

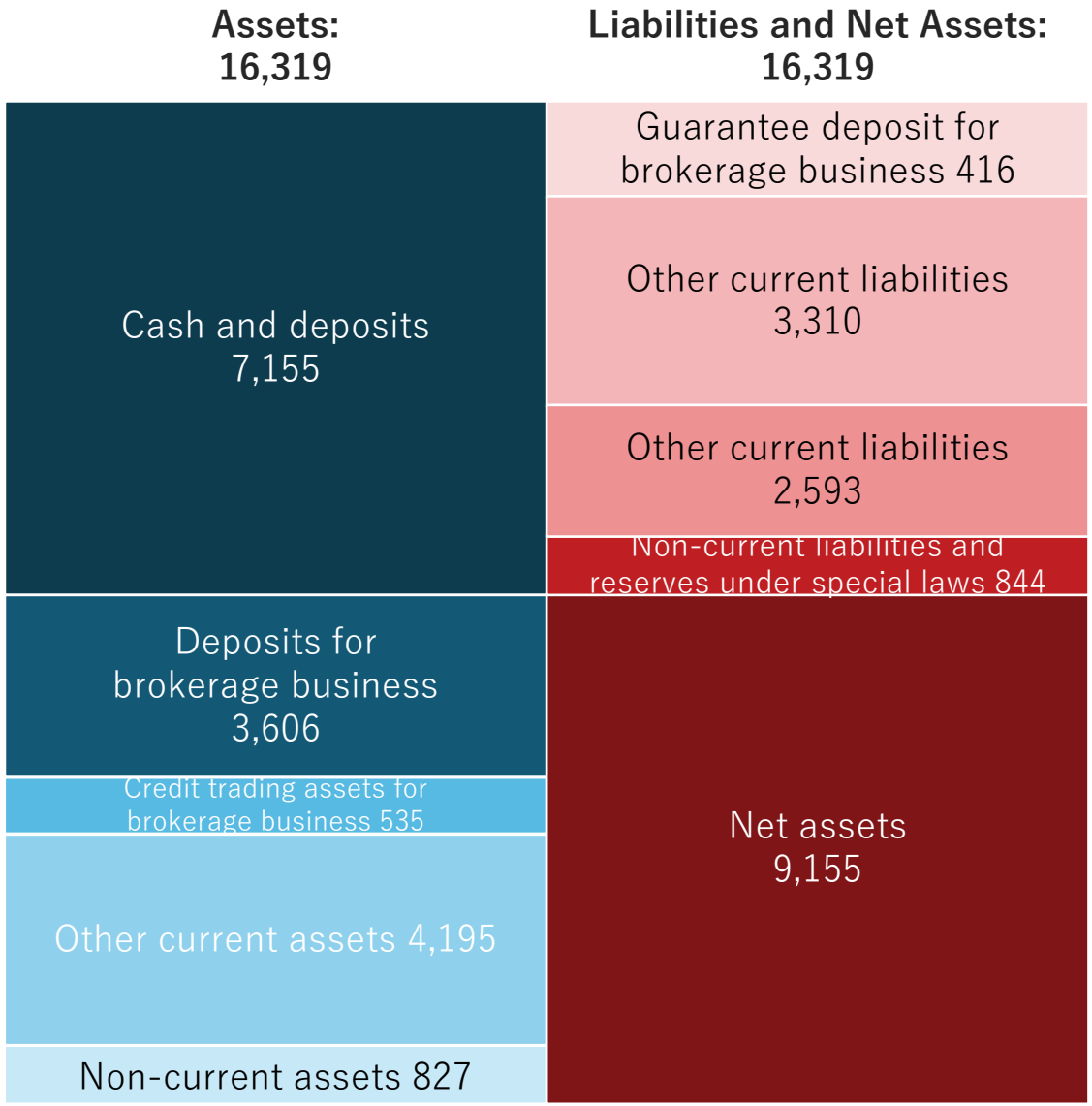


1. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)

Balance Sheet

Strong financial base with about ¥7.2b in cash and deposits as of the end of September 2024.

(¥million)

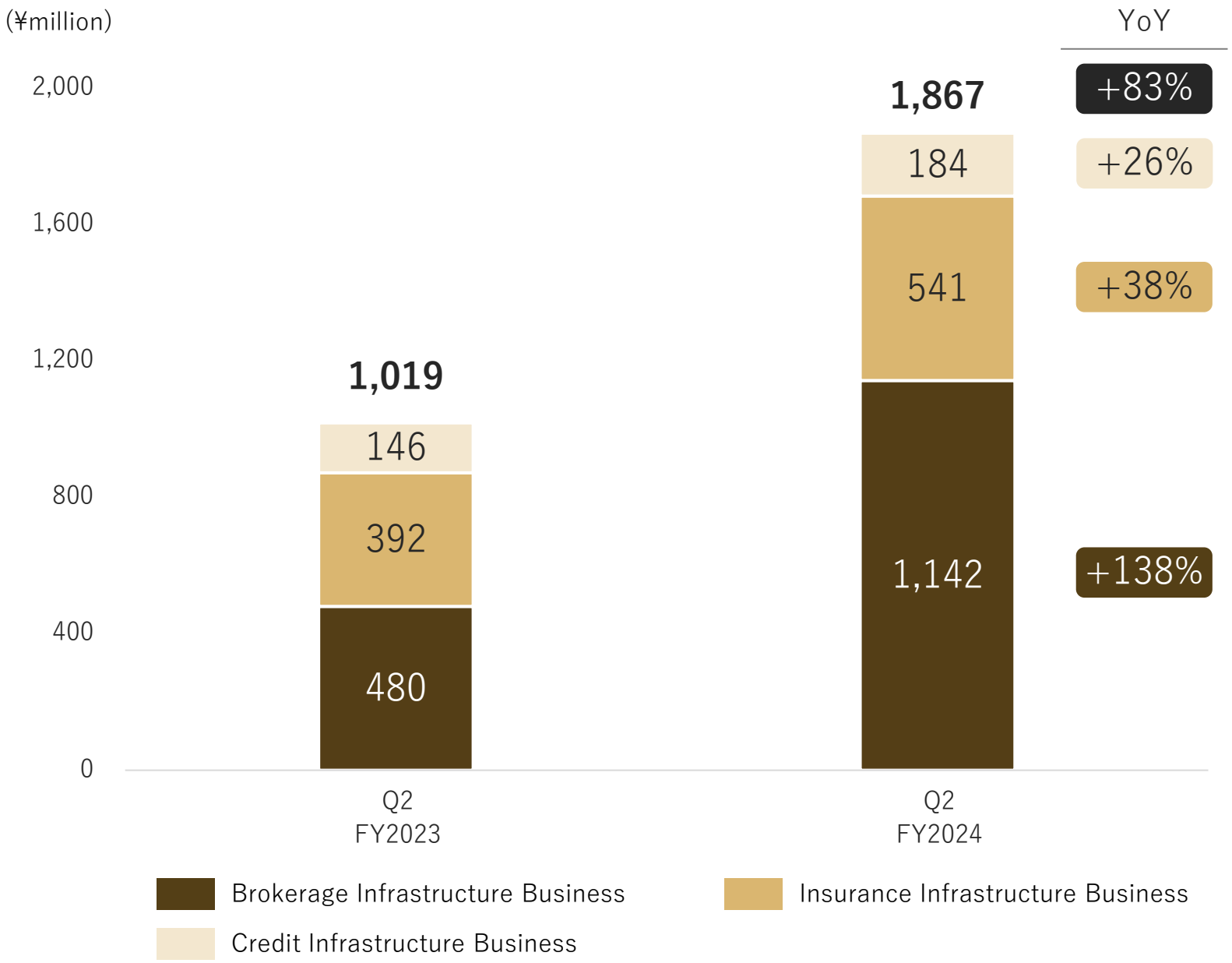


QUARTERLY RESULTS BY SEGMENT FY2024 Q2

FINANCIAL INFRASTRUCTURE

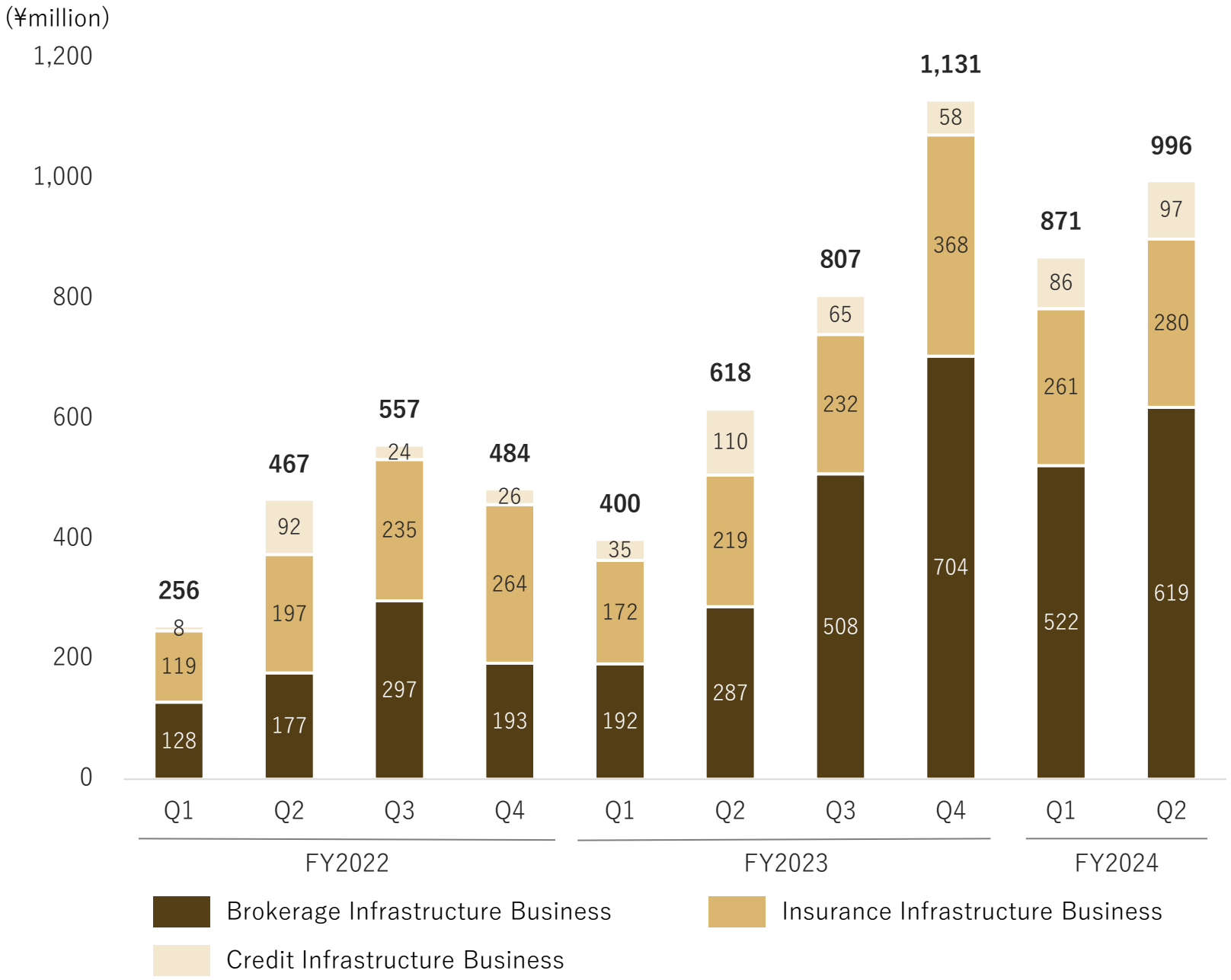
Revenue by Business

While all businesses are growing, particularly Brokerage Infrastructure grew more than 2 times, resulting in a revenue increase of **+83% YoY to ¥1,867m**.



FINANCIAL INFRASTRUCTURE

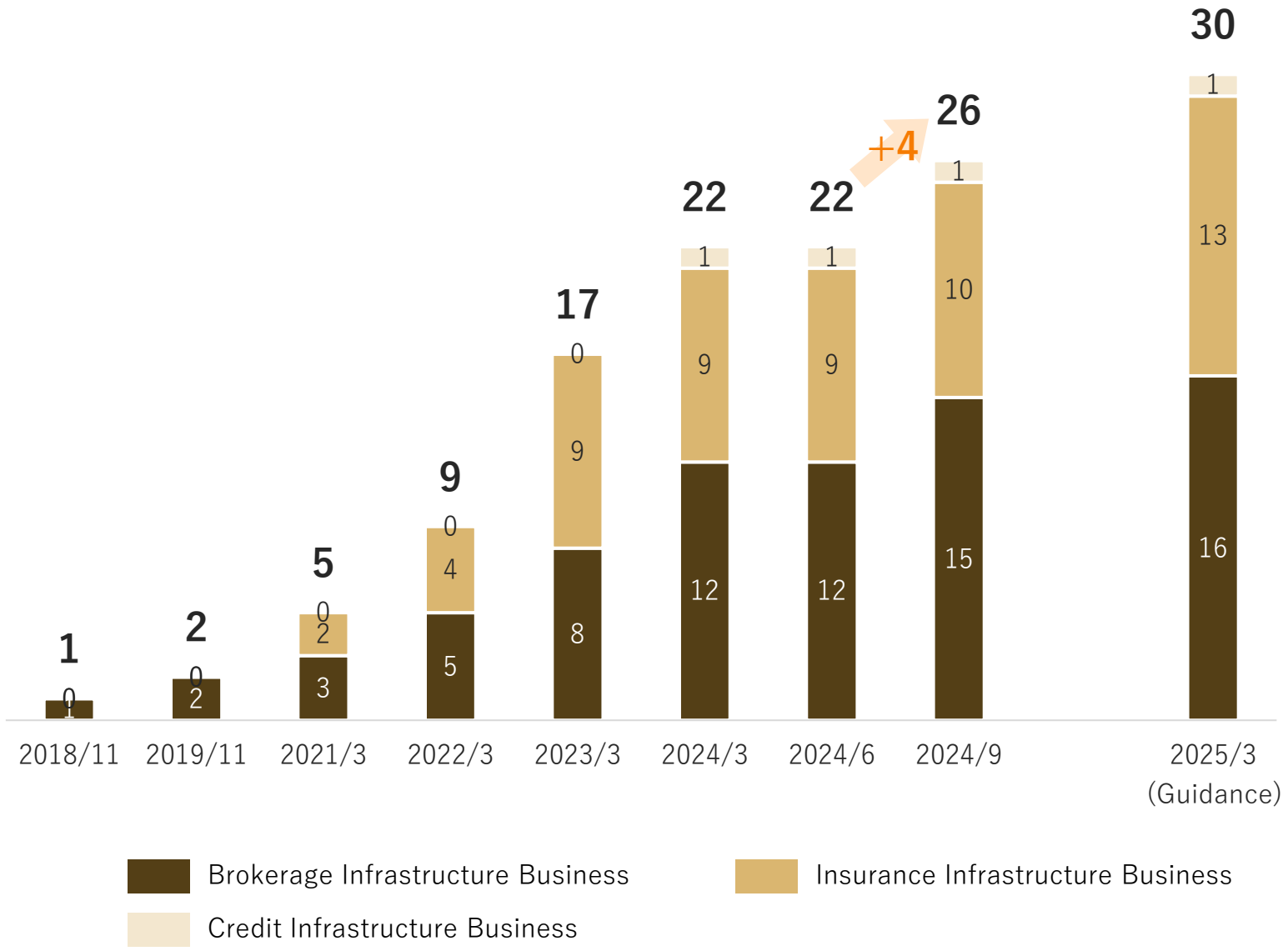
Revenue by Business



FINANCIAL INFRASTRUCTURE

Number of Partners

This quarter saw new introduction of 3 partners in Brokerage Infrastructure and 1 partner in Insurance Infrastructure, resulting in the **expansion of our partners from 22 to 26**.

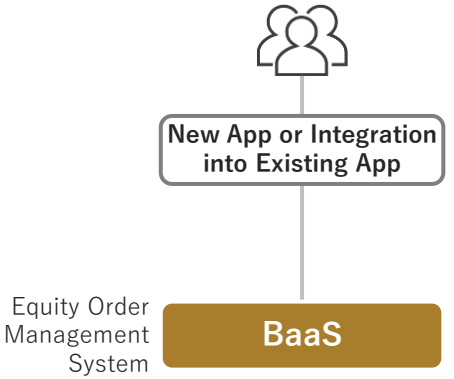
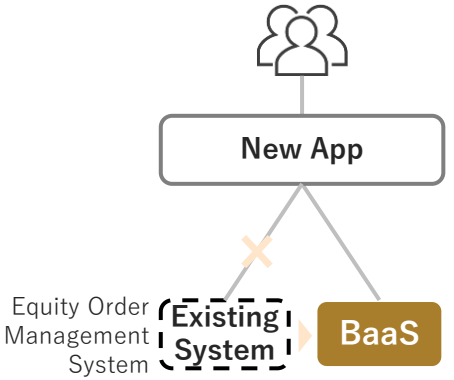
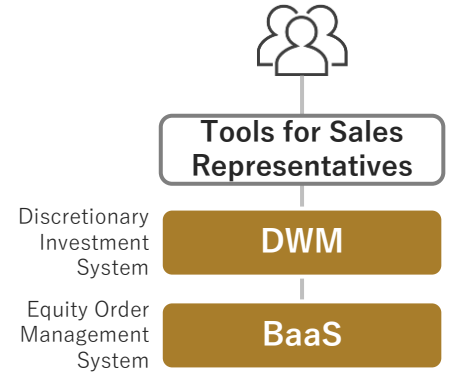


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Focus of Brokerage Infra.

As for Brokerage Infrastructure, there are 3 main patterns.

In this fiscal year, the focus will be on supporting direct sales for asset managers and discretionary investment management services for IFAs (DWM).

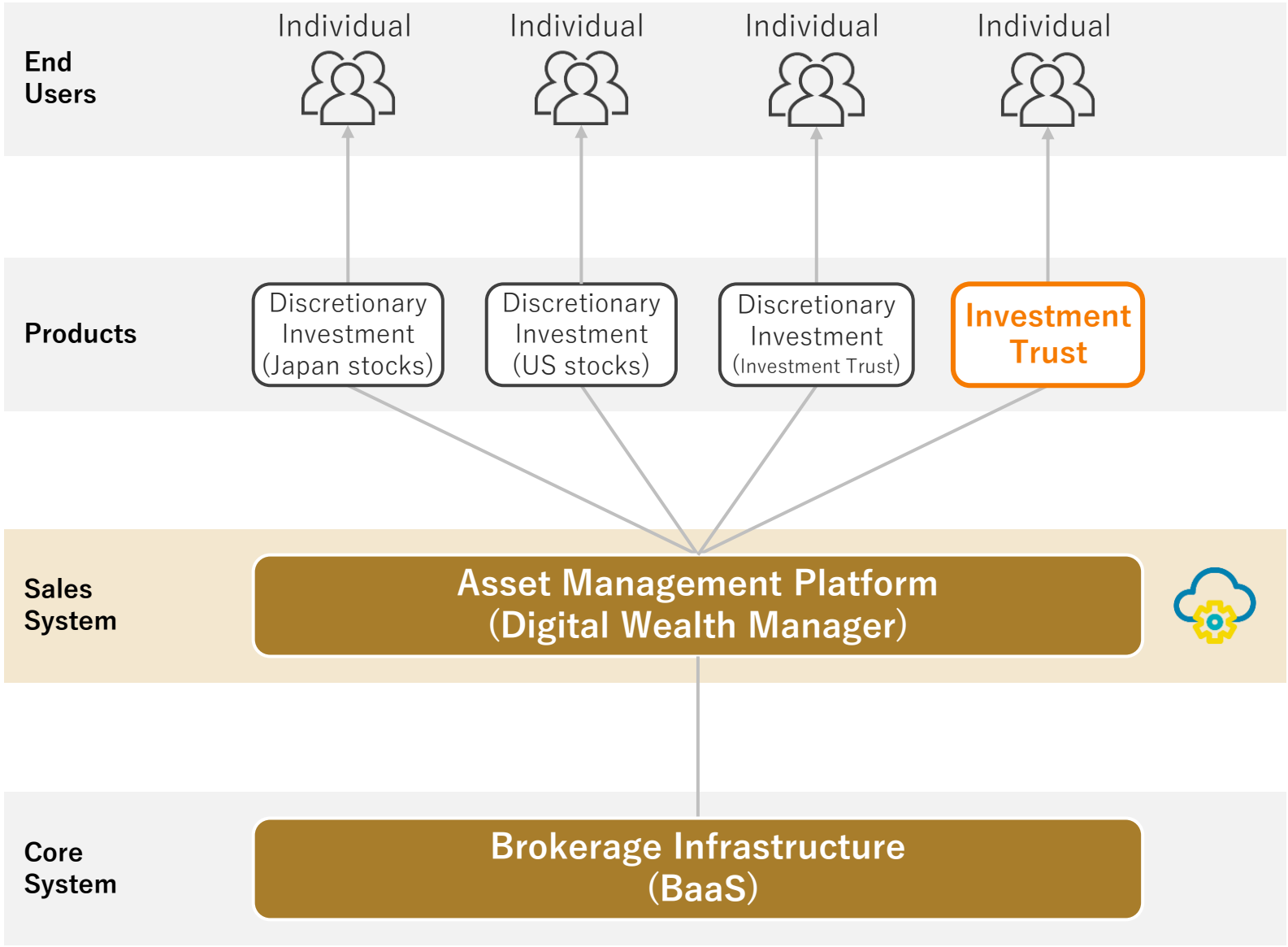
Embedded Investment by Non-FIs	• Players with large customer bases leverage their customer contact and context to reach potential users. • Support the development of investment services from planning stages tailored to partners, such as enabling the provision of investment functions within existing services. • Partner examples: Credit Saison, Seven Bank	
Direct Sales by Asset Managers	• Support Asset Managers to develop its direct sales business • 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	
Discretionary Investment Management by IFA	• 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: Financial Standard	

FINANCIAL INFRASTRUCTURE

Expansion of Client Base

DWM, our discretionary investment management platform, started to offer mutual fund trading, enabling broader use by IFAs without discretionary investment management services.

IFA firms, Snowball and Value Management, have adopted the platform.



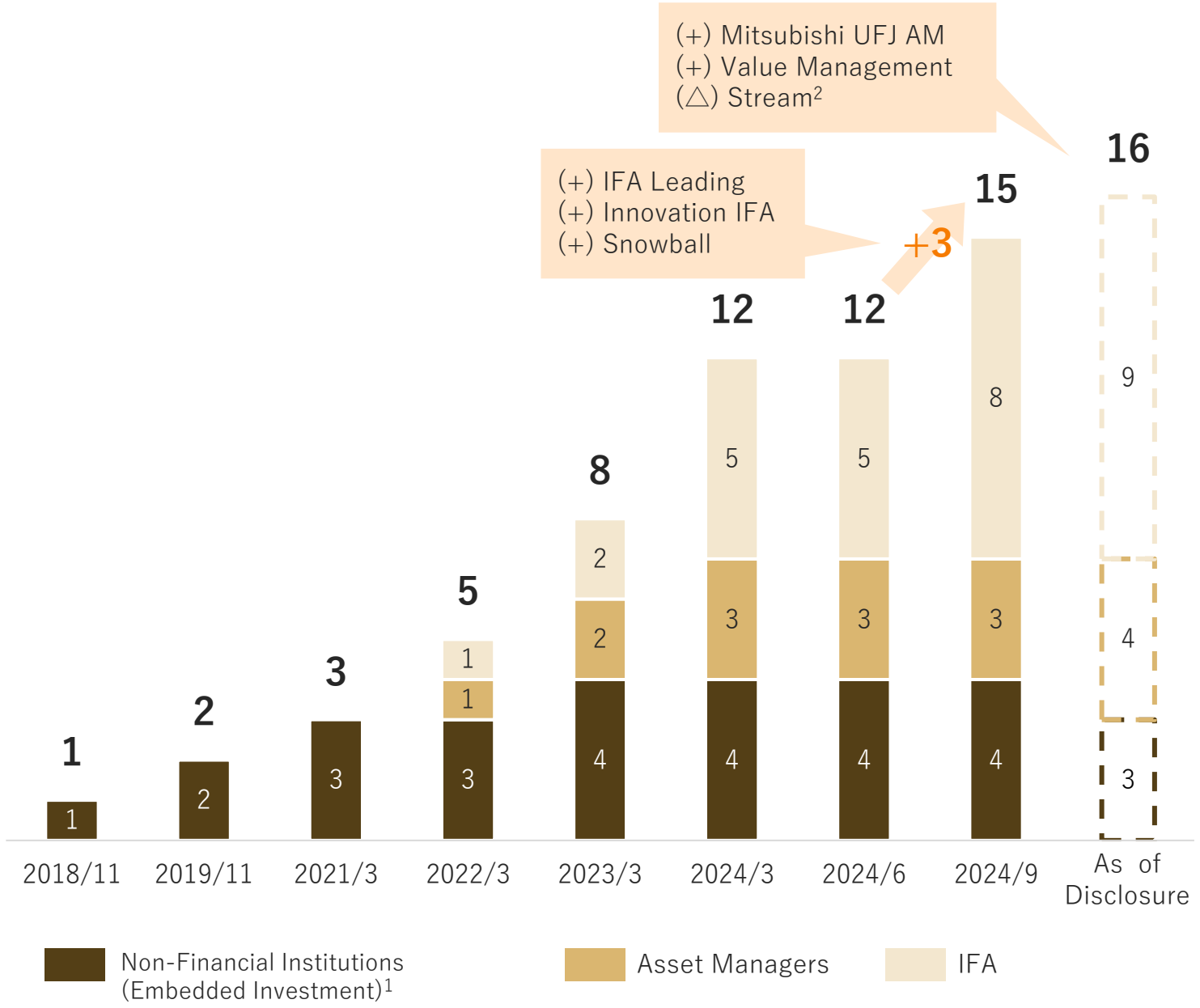
FINATEXT HOLDINGS

FINANCIAL INFRASTRUCTURE

of Services on BaaS

As a result of feature enhancements of DWM which enabled light implementation, partners numbers increased by 3 to 15 by the end of Q2.

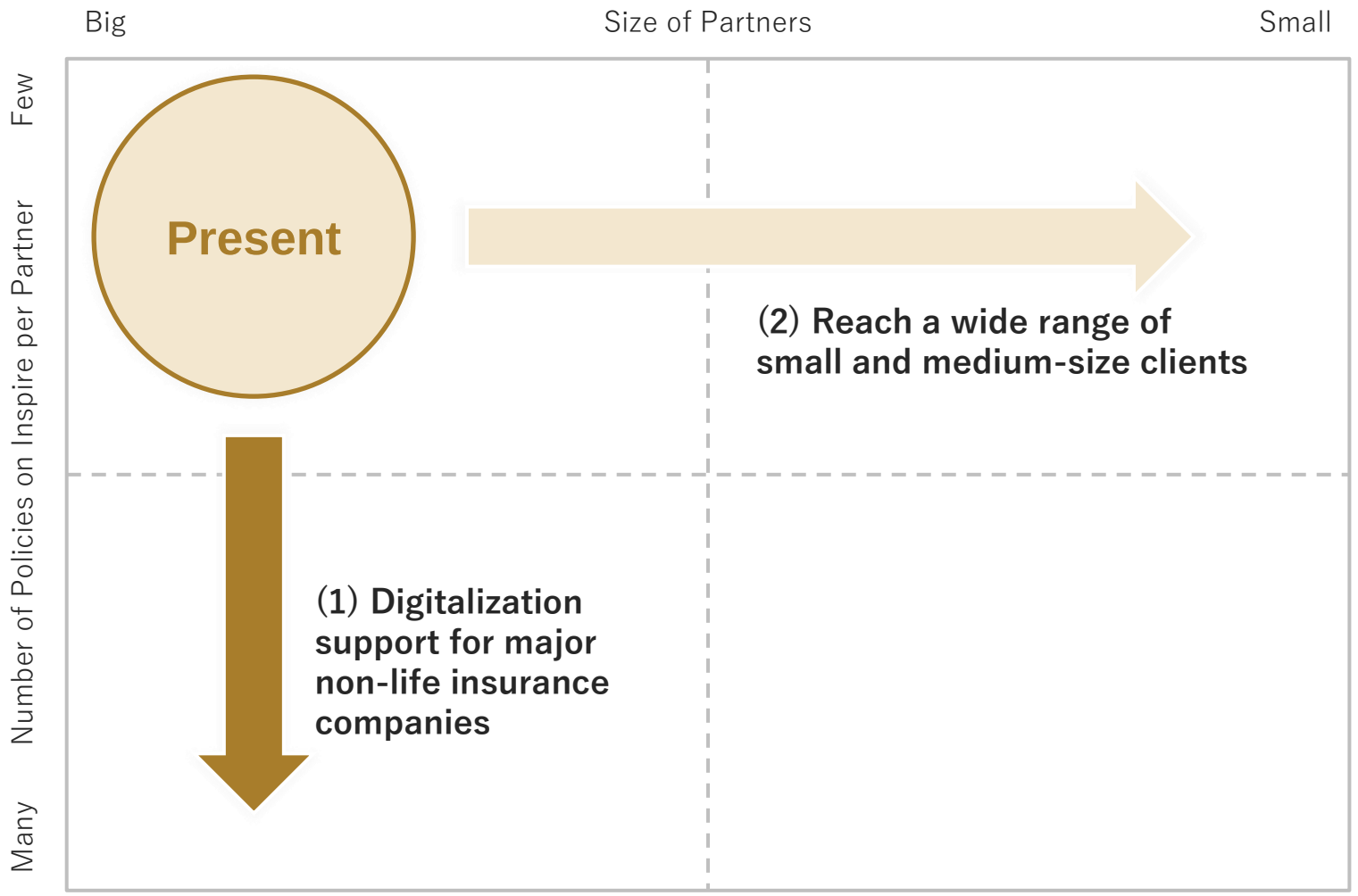
As of this disclosure, partners numbers have further increased, **already reaching fiscal year-end target of 16**.



1. Including Stream which is run by our subsidiary Smartplus
2. End of service at the end of October 2024.

Focus of Insurance Infra.

Aim to (1) support digitalization of major non-life insurance companies, and (2) strengthen efforts to reach a wider range of clients

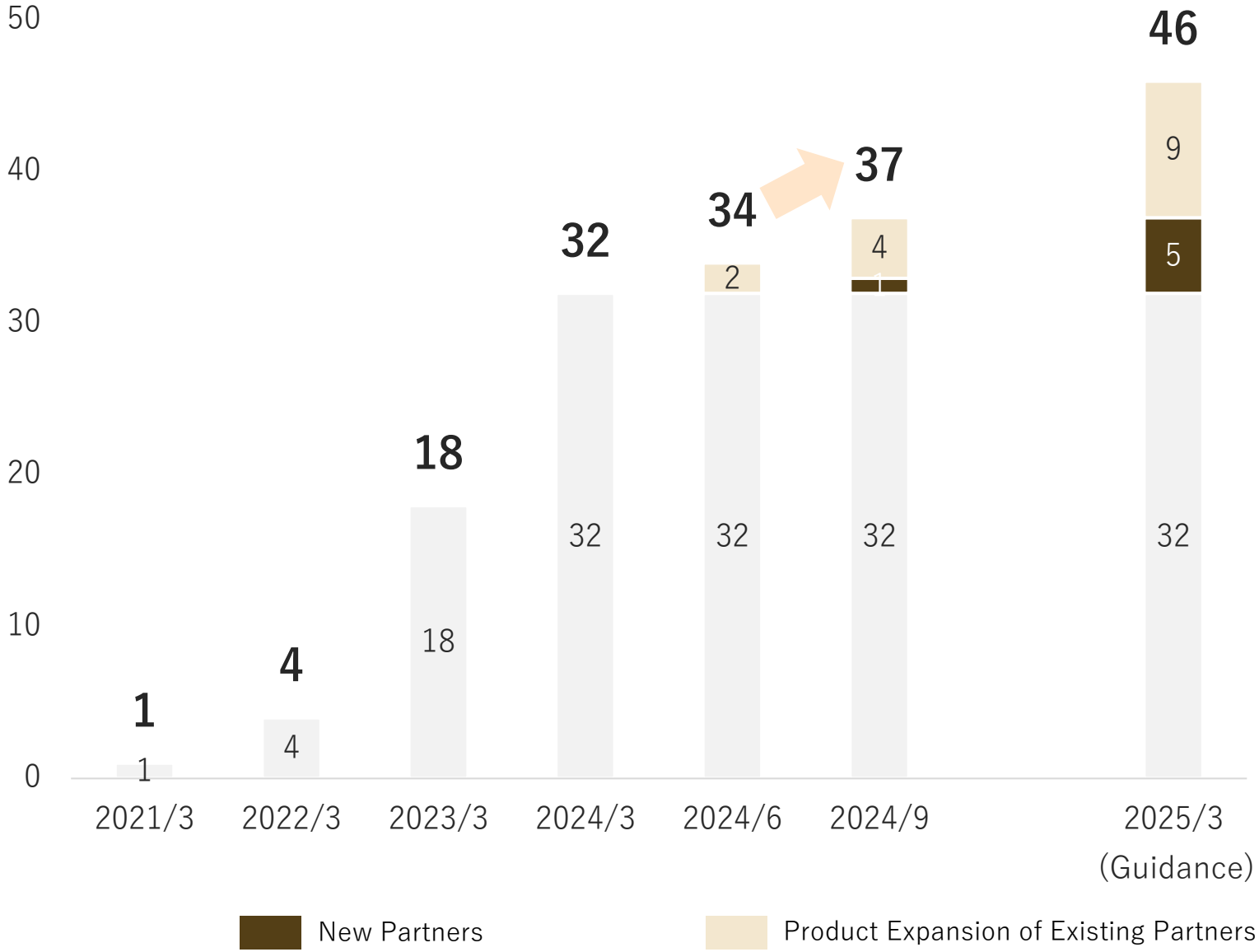


FINANCIAL INFRASTRUCTURE

DX Support for Non-Life Insurance Companies

Centering on product expansion of existing partners, we aim to raise the number of insurance products on Inspire to 46.

Due to a new partnership with Nisshin Fire, the **number of insurance products has increased from 34 to 37** this quarter.



New Features With Generative AI

We leverage generative AI to streamline claim appraisal processes, achieving a 66% reduction in processing time at our group's small amount and short-term insurance company.

We plan to integrate this into Inspire and make it available to external clients in the future.

Key Challenges		Use of Generative AI	
1	**Accumulation of Appraisal Knowledge** Require continuous accumulation and sharing of policies and internal knowledge among staff.	1	RAG
2	**Handling Specialized Docs and Images** Require ability to handle cross-media information, such as documents and images.	2	Multi-modal
3	**Increase in Workload with Scale** Strain on human resources as the business scale expands and the number of assessment rises.	3	Auto Document Creation

1. Product/Contract Information

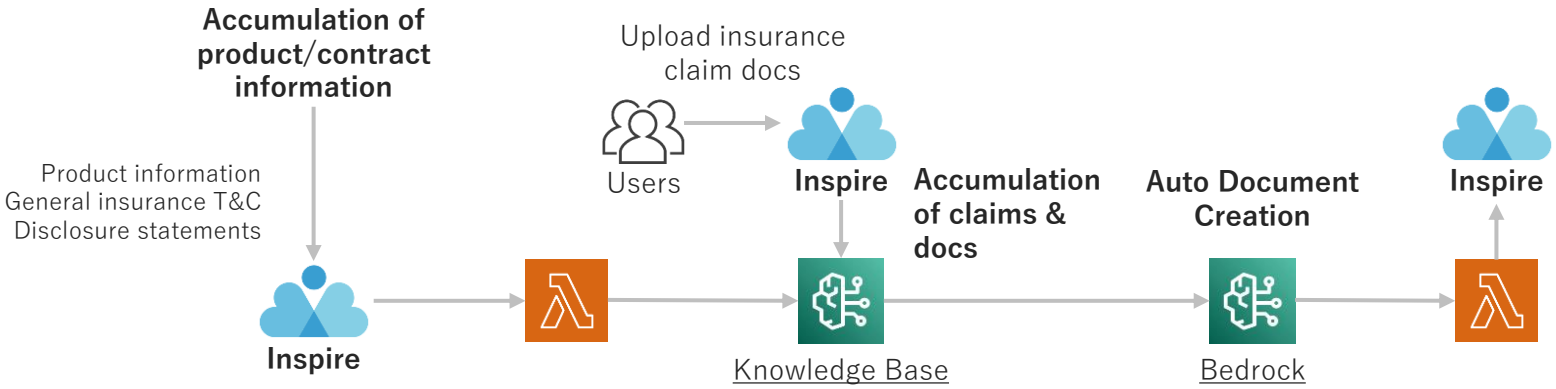
- Record documents like product information and basic insurance contracts on Inspire as RAG in advance.

2. Insurance Claims

- Input all necessary items and upload documents and images for insurance claims.
- Store these details as RAG.

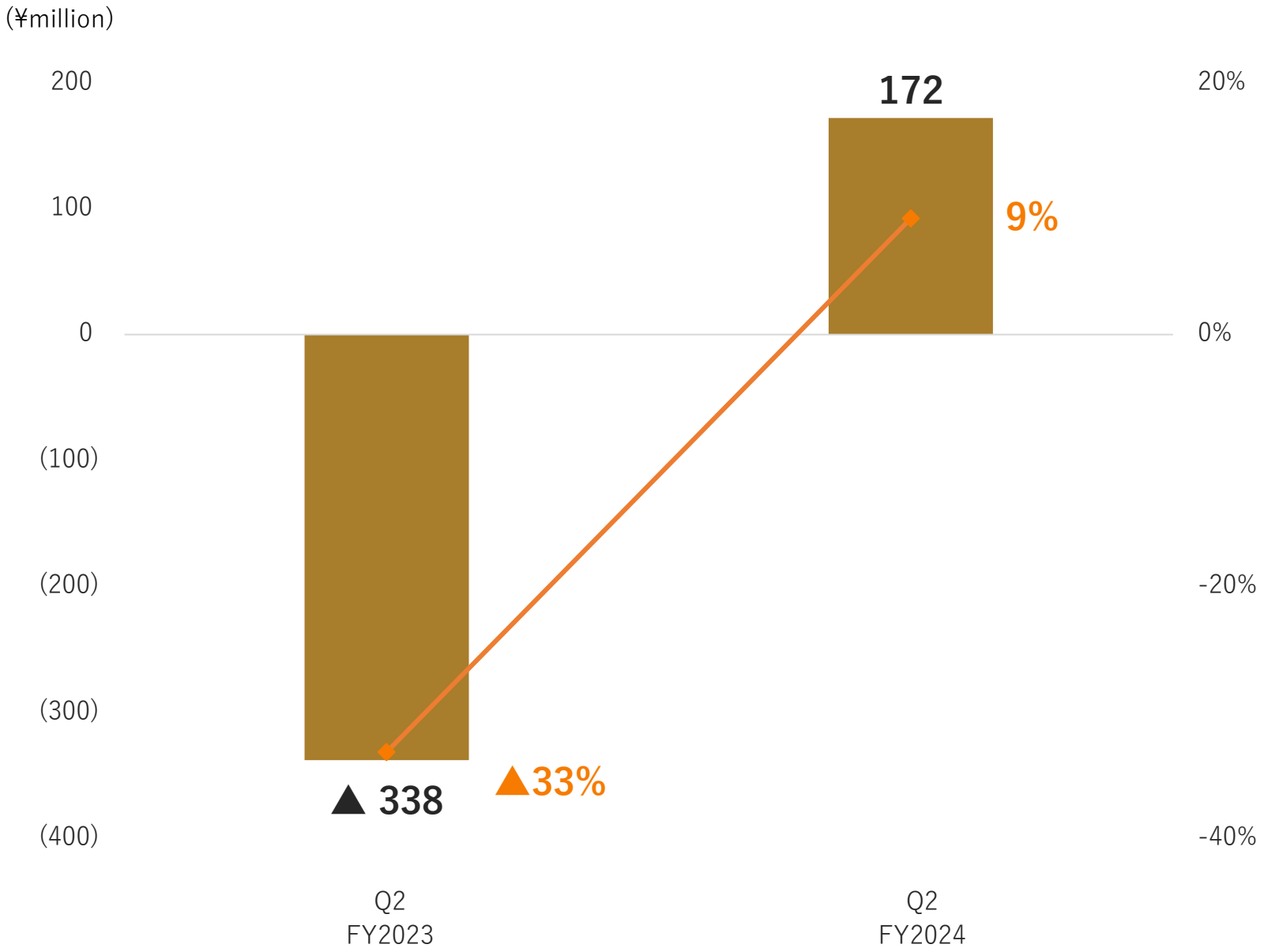
3. Payment Assessment Creation

- Execute prompts to create a payment assessment document, based on RAGs such as product/contract information and insurance claim information.



Operating Margin

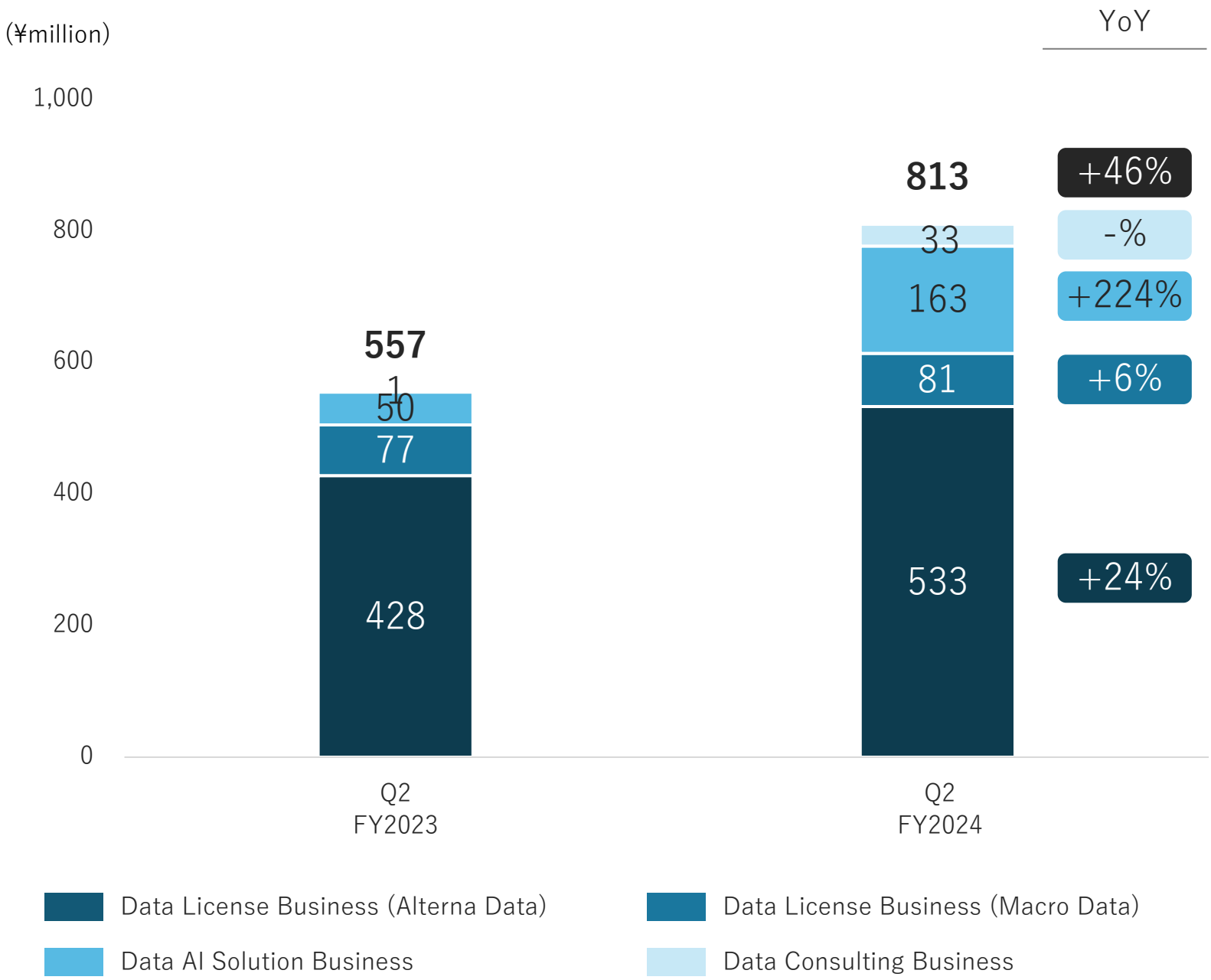
Profitability significantly improved as the business scale expanded.



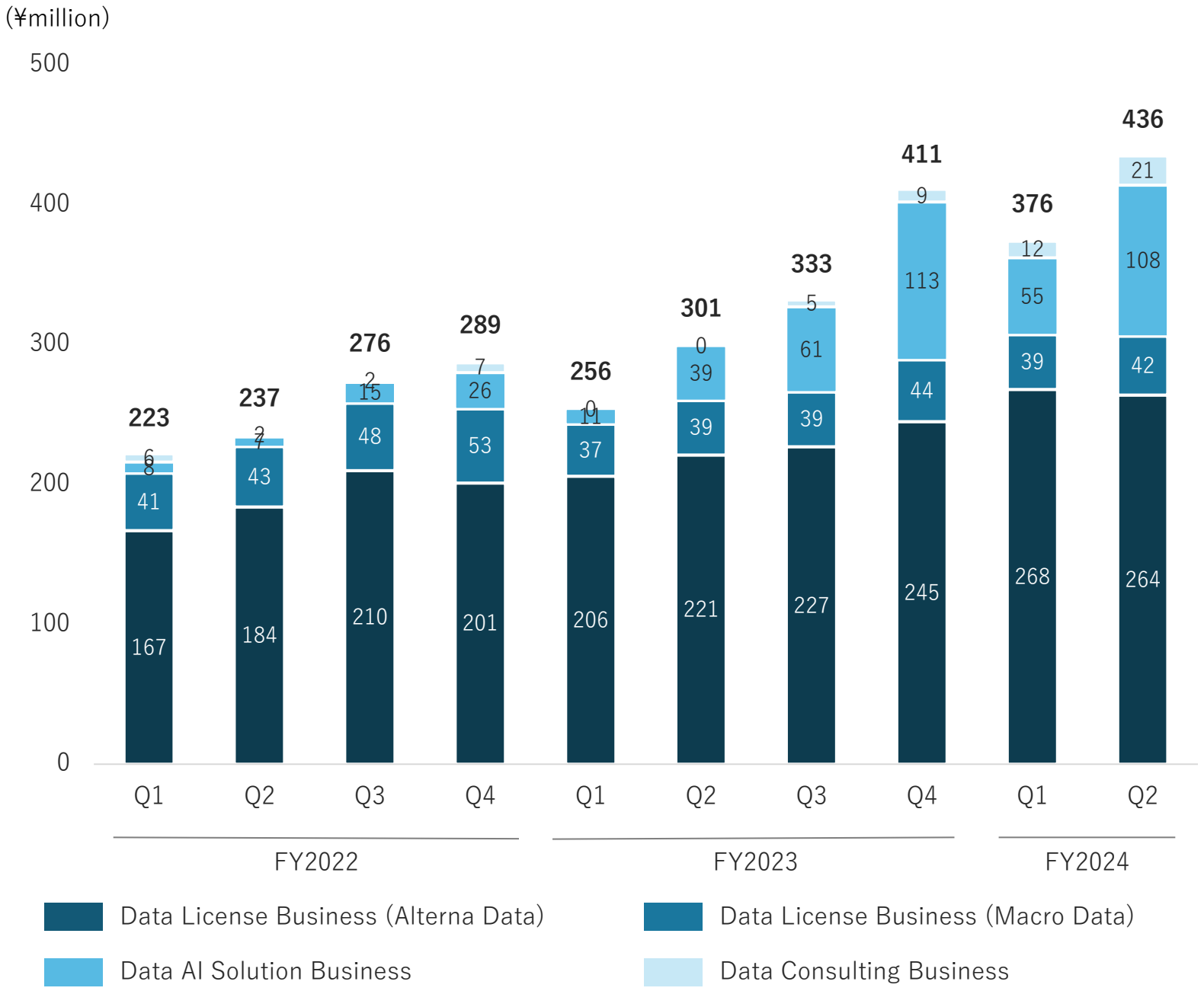
Revenue by Business

In addition to the growth of Alterna Data partly due to yen depreciation, the acquisition of multiple generative AI-related projects significantly expanded Data AI Solution.

As a result, **revenue rose to ¥813m, YoY +46%.**



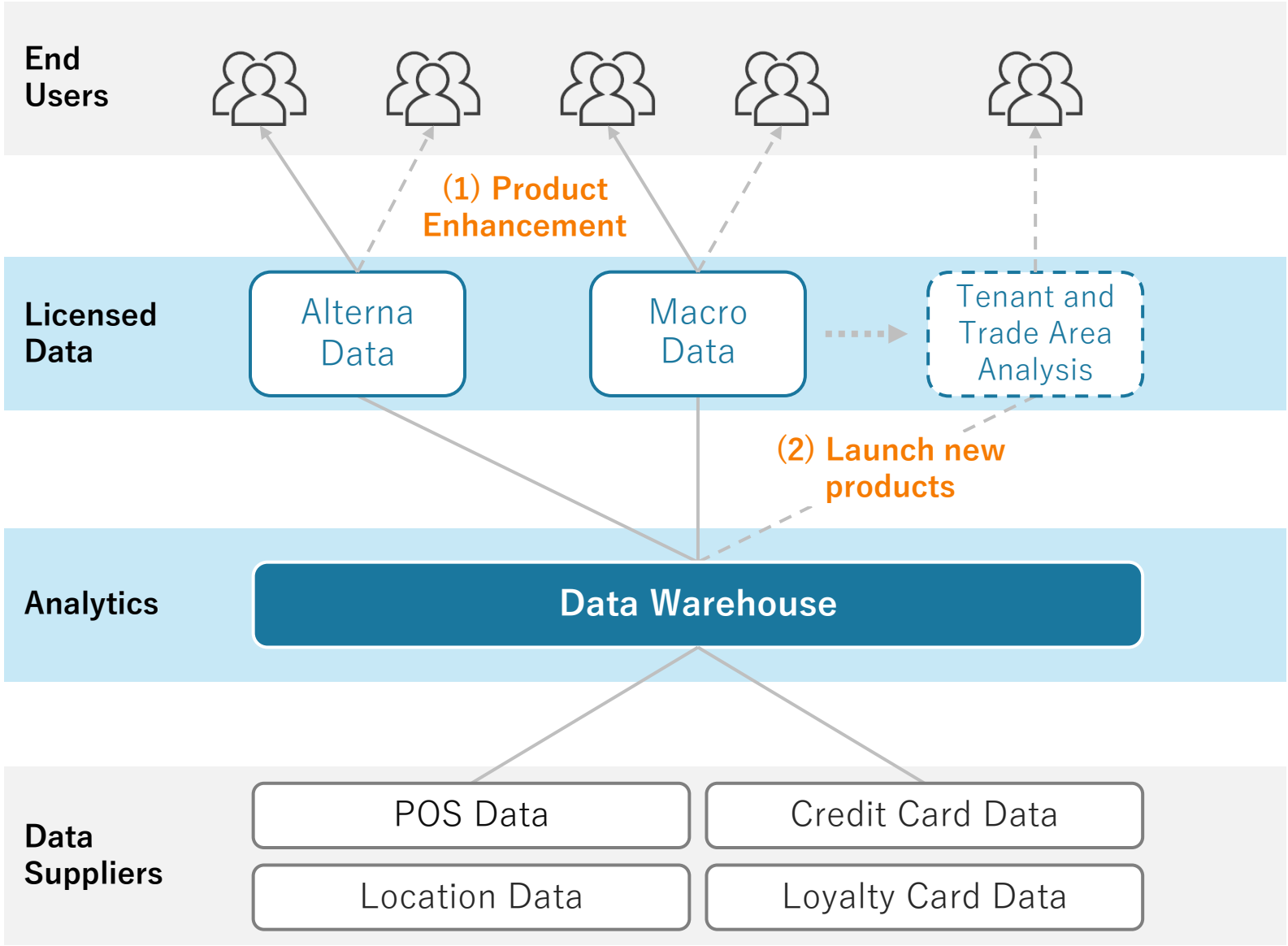
Revenue by Business



Strategy of Data License

As to Alterna Data, we enhance our products through the expansion of data variety.

As to Tenant and Trade Area Analysis, we aim to expand the provision of sales forecasting model for new store and basket analysis model built in the last fiscal year.



Release of New Product

Previously provided project-based support for store expansion analysis to companies operating restaurants, retail stores, and commercial facilities.

Leveraged accumulated expertise to develop "MarketLens" as a comprehensive solution.

Implemented by GYRO HOLDINGS and World Fit.

Store Expansion Analysis Solution “MarketLens”

Overview

- Provides store expansion analysis by combining the customer's 1st party data and alternative data.
- Offers a wide range of alternative data sources such as credit card data, location data, job posting data, store opening data, and personal budgeting data, allowing for analysis from diverse perspectives.

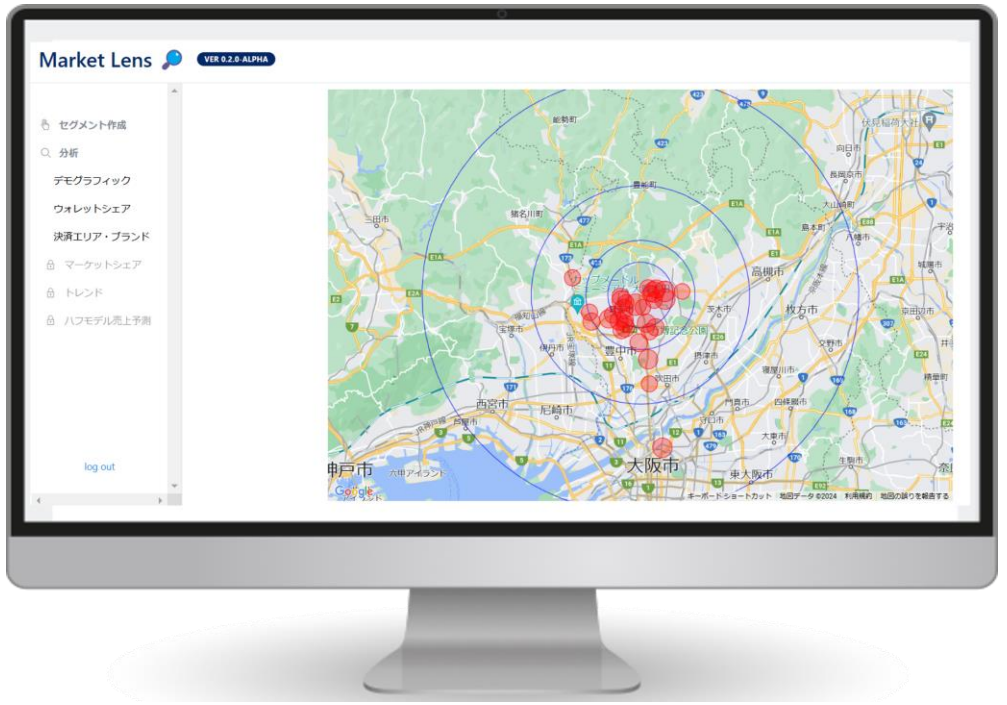
Use Examples

1. Purchase trend analysis in prospective store locations

   - Select promising areas through analysis of regional purchasing power and industry-specific payment trends.

2. Sales forecast analysis for new stores and renewals

   - Decide swiftly on store launches and closures, via sales forecasts using location data and credit card data.

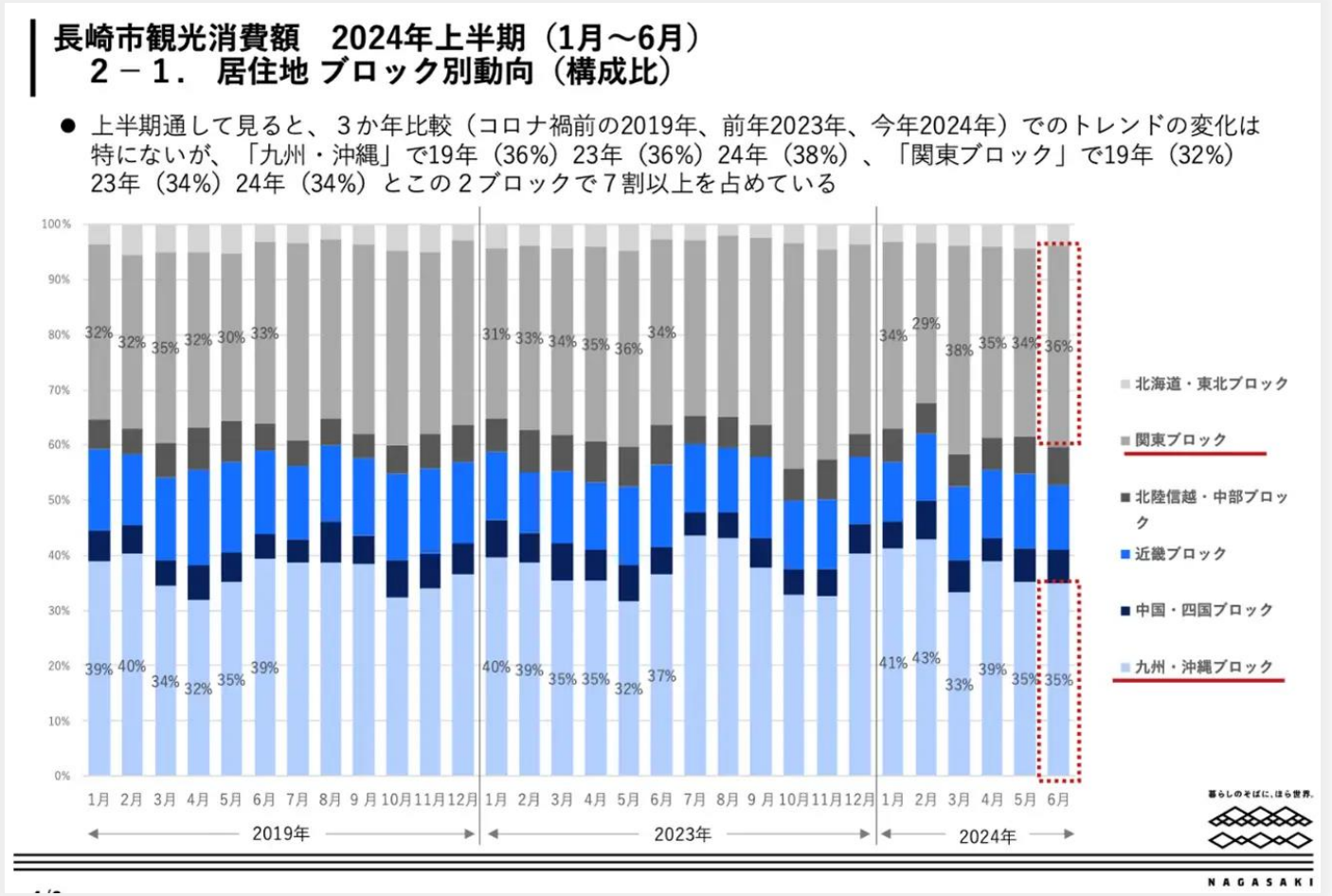


Expansion of Use Cases

DMO NAGASAKI used the domestic consumption index “JCB Consumption NOW” to **analyze the consumption trends of visitors of Nagasaki for tourism purposes**.

DMO NAGASAKI “Tourism Consumption Trend Report”

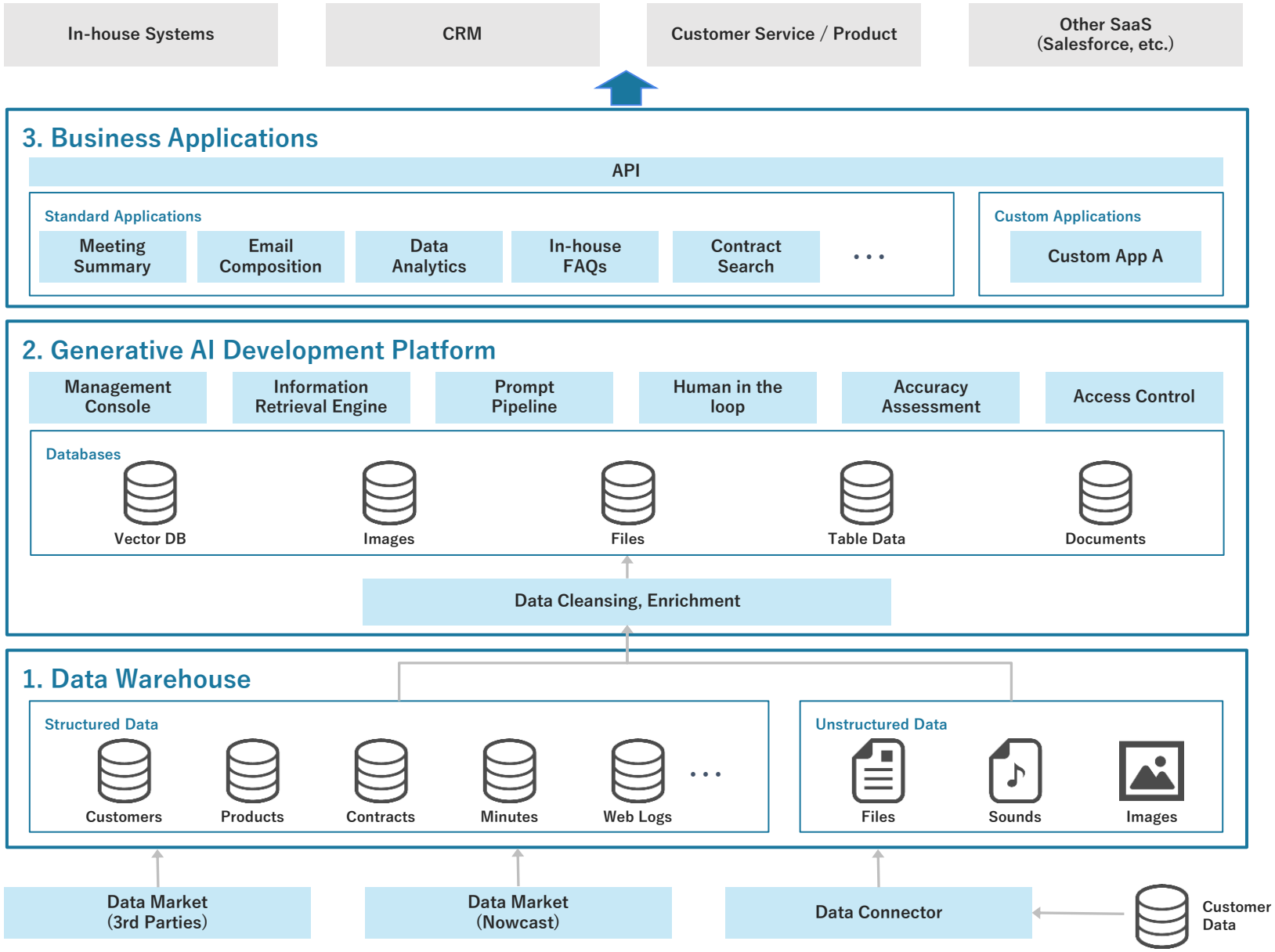
- DMO NAGASAKI utilized “JCB Consumption NOW” to understand the consumption trends of tourists visiting Nagasaki.
- They conducted a detailed analysis such as consumption trends based on attributes (residential area, gender, and age) and comparisons between 2019 (pre-COVID-19) and the previous year (2023).



Strategy of Data AI Solution

Leveraging the expertise in building data infrastructure, we are launching Data AI Solution from this quarter.

Recently, we have been engaged in multiple data warehouse implementation projects for major enterprise clients.



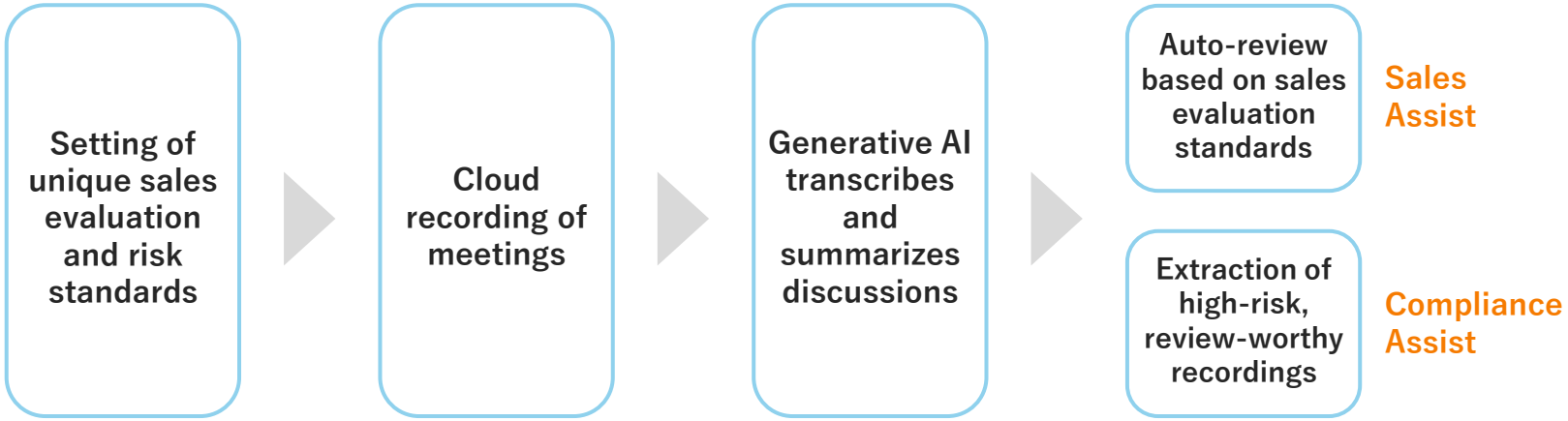
Development of AI Applications

Developing generative AI applications specialized for the financial industry.

Beside “**Finatext Advisory Assist**”, supporting from creation of sales diaries to compliance monitoring, we launched “**Nowit Corporate Research**”, which assists research tasks for asset management firms.

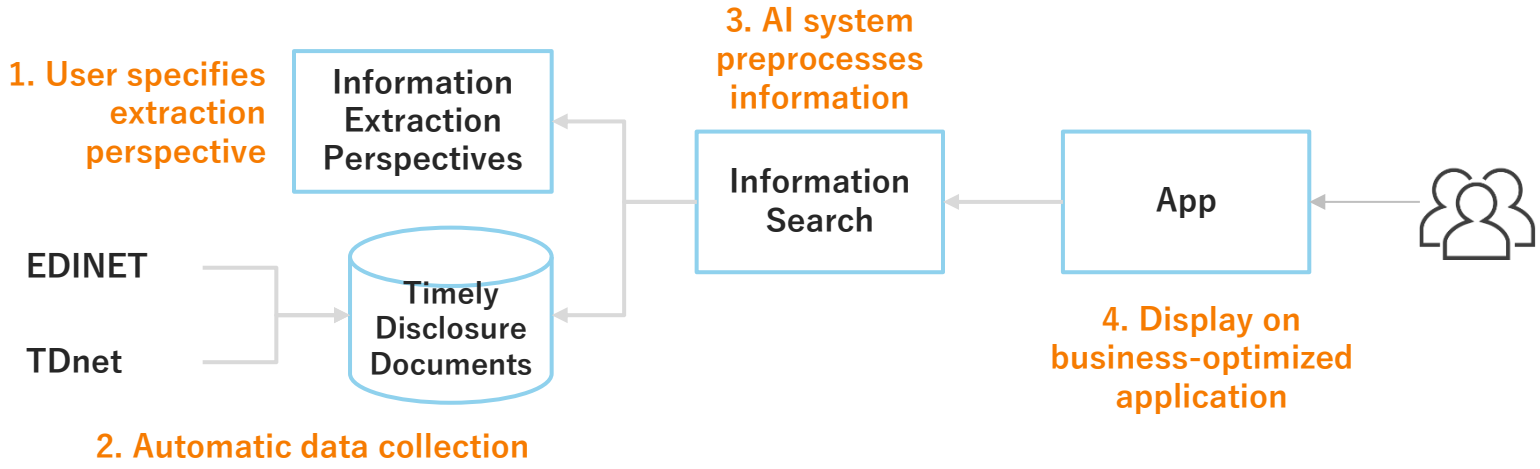
Finatext Advisory Assist

- Improve efficiency of sales and compliance in advisory businesses for personal financial services.



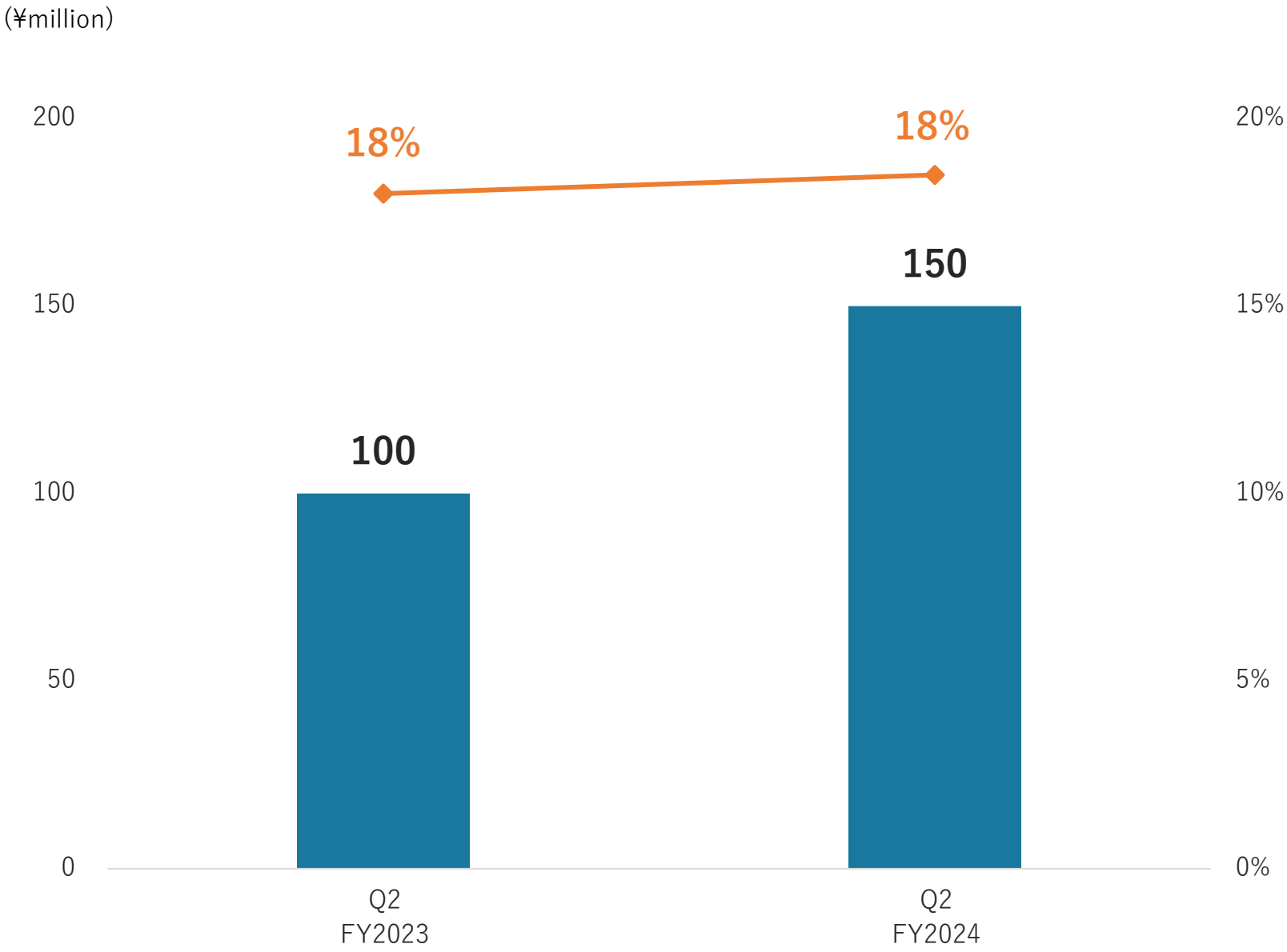
Nowit Corporate Research

- Improve efficiency of regular IR material review operations for asset management firms.



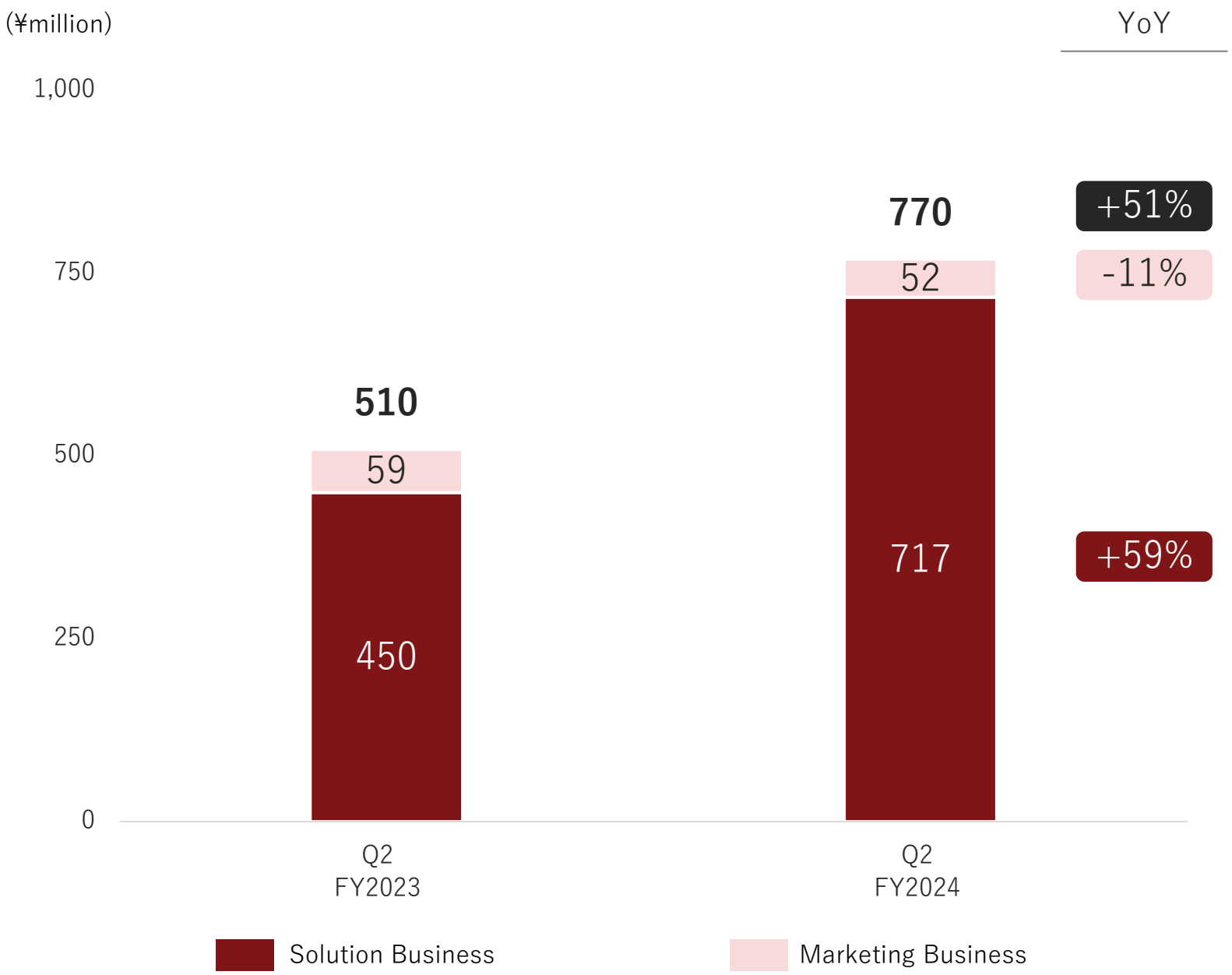
Operating Margin

Following last fiscal year, we are steadily increasing resources for new businesses including Data AI Solution, with the operating profit margin remaining at a similar level.



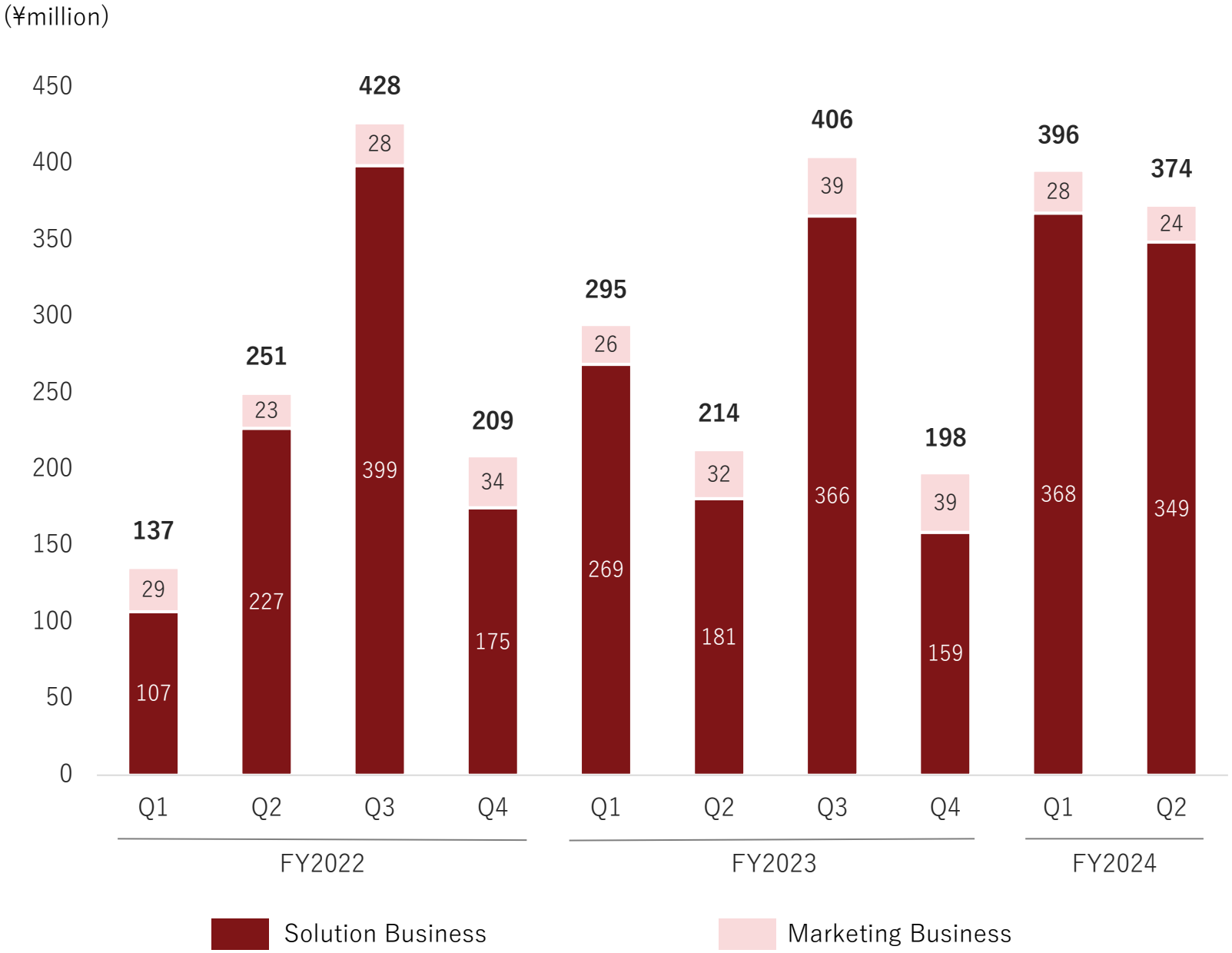
Revenue by Business

As a result of increase in one-off revenue from Solution Business, **revenue was ¥770m, +51% 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.



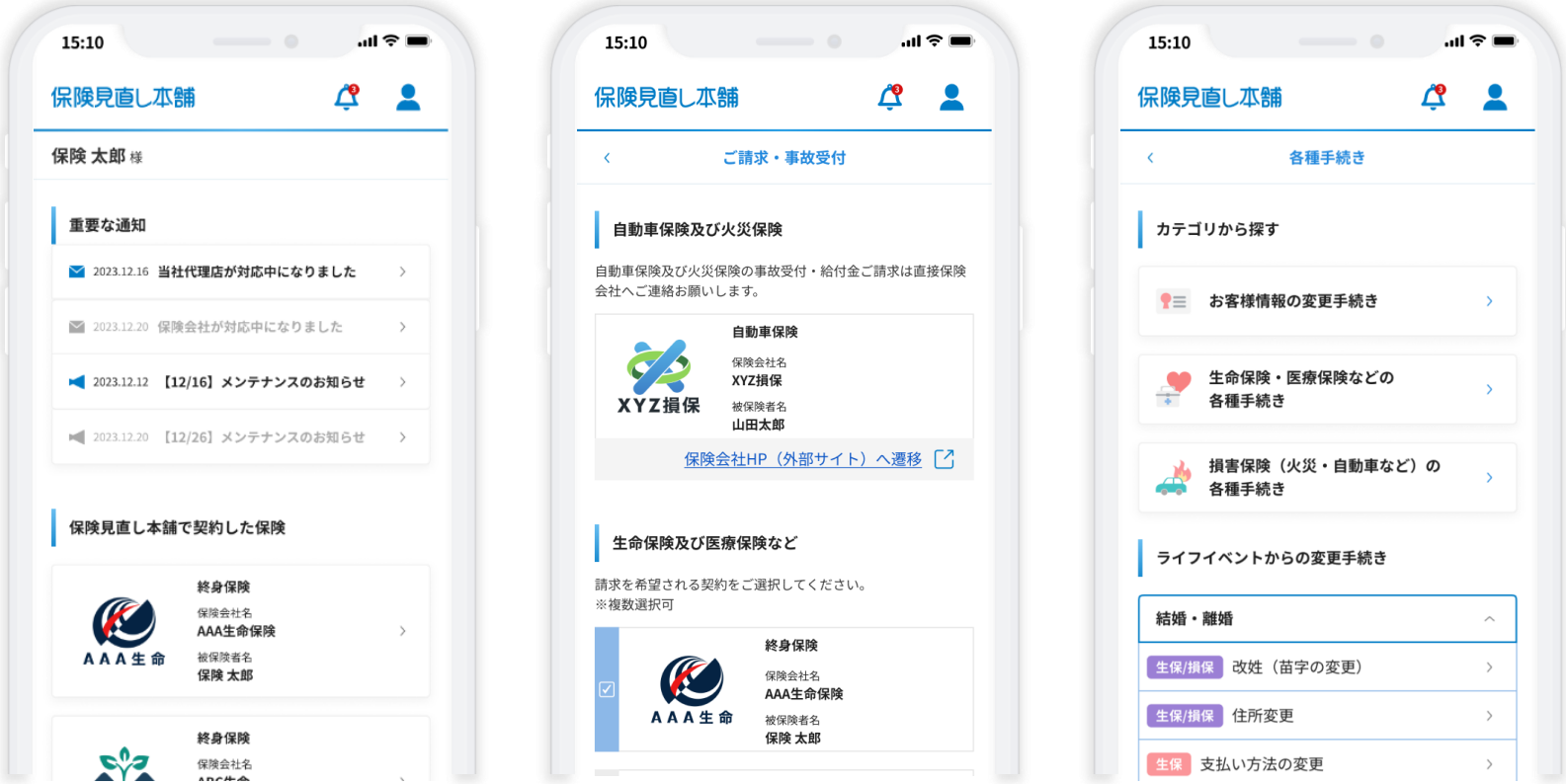
FINTECH SOLUTION

Diversifying Client Base

We assisted in the digital transformation of the insurance agent Hoken Minaoshi Hompo.

Developed an application that allows policyholders to check insurance details and apply for insurance claims.

Development Support of “Hoken Minaoshi Hompo App”

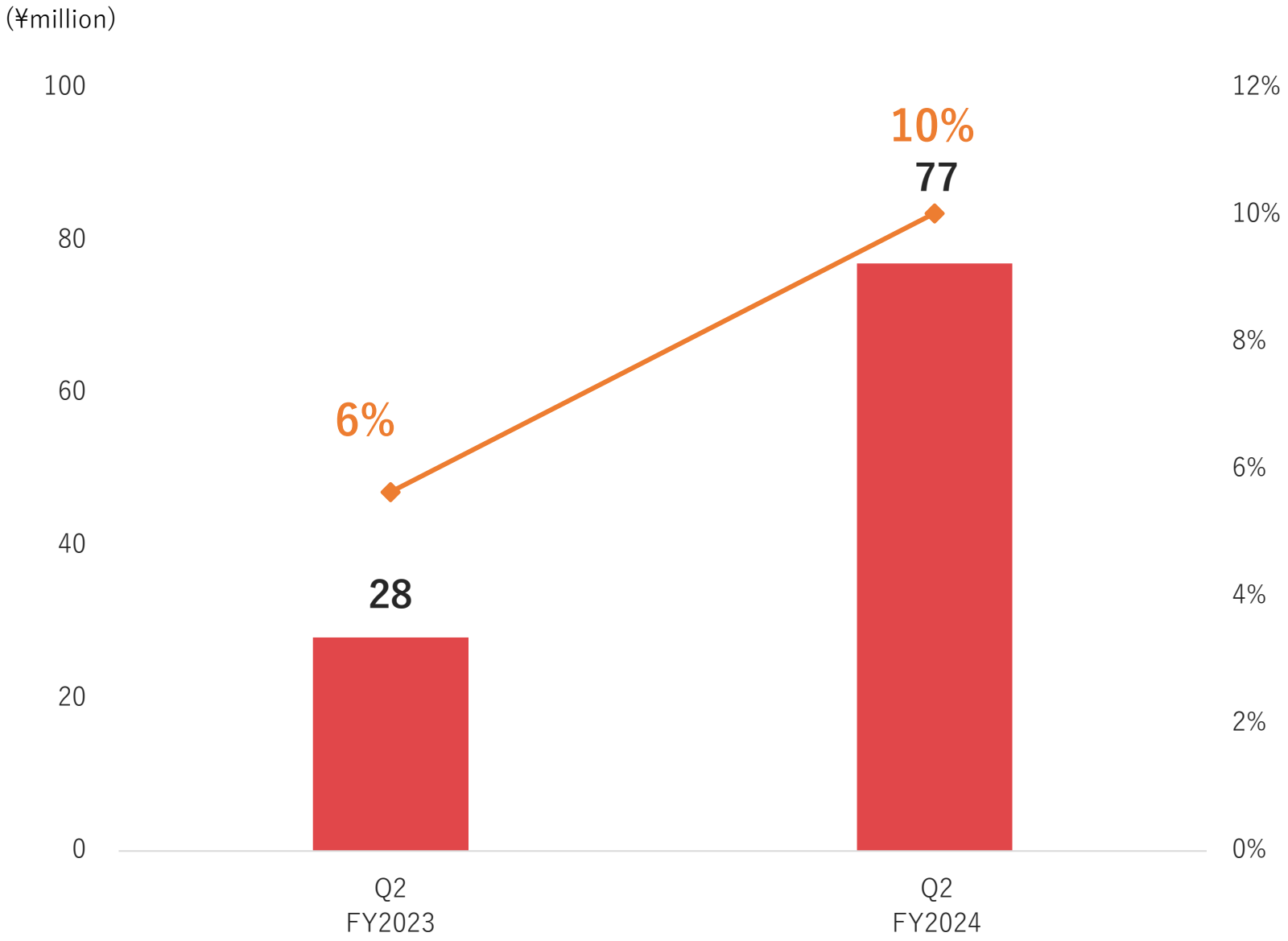


Major Features

- Check details of insurance contracted with Hoken Minaoshi Hompo anytime
- Complete insurance claim and accident report in-app
- Apply to change address or payment method in-app
- Check the progress status in-app

Operating Margin

Profitability increased compared to the same period last year due to the release of projects in this quarter with cost recovery method that crossed over from FY2023 Q4.



EARNINGS GUIDANCE FY2024

SUMMARY OF FY2024 EARNINGS GUIDANCE

GROUP

- Aim to further accelerate revenue growth and exceed the previous year's growth rate by +**42% YoY, ¥7.63b**
- Aim to improve profitability **from 5.4% to 12.4%**, to achieve mid-term target of adj. EBITDA margin[1] of 20%
- Will launch fully fledged Data AI Solution Business and Credit Infrastructure Business

FINANCIAL INFRASTRUCTURE

- Revenue growth aim at +**49%**
- Aim to increase the number of partners from 22 to 30
- Brokerage: focus on support of direct sales of AM firms and discretionary investment management services of IFA
- Insurance: DX support for non-life insurance firms and packages for SSI firms and mutual aid

BIG DATA ANALYTICS

- Revenue growth aim at +**34%**
- Expand sales of tenant store opening analysis packages in real estate domain
- As for Data AI Solution, expands features of "Finatext Advisory Assist", which boosts sales efficiency of financial services via multiple PoC

FINTECH SOLUTION

- Revenue growth aim at +**32%**
- Acquire Solution projects from major financial institutions and cross-sell within the group

1. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)

Guidance Highlights

Revenue is expected to accelerate further and exceed the growth of previous year by +42%.

Aim to improve adj. EBITDA margin to 12.4% and operating margin to 9.0%

With the mid-term incentive plan, stock-based compensation expenses are expected from this fiscal year.

(¥million)

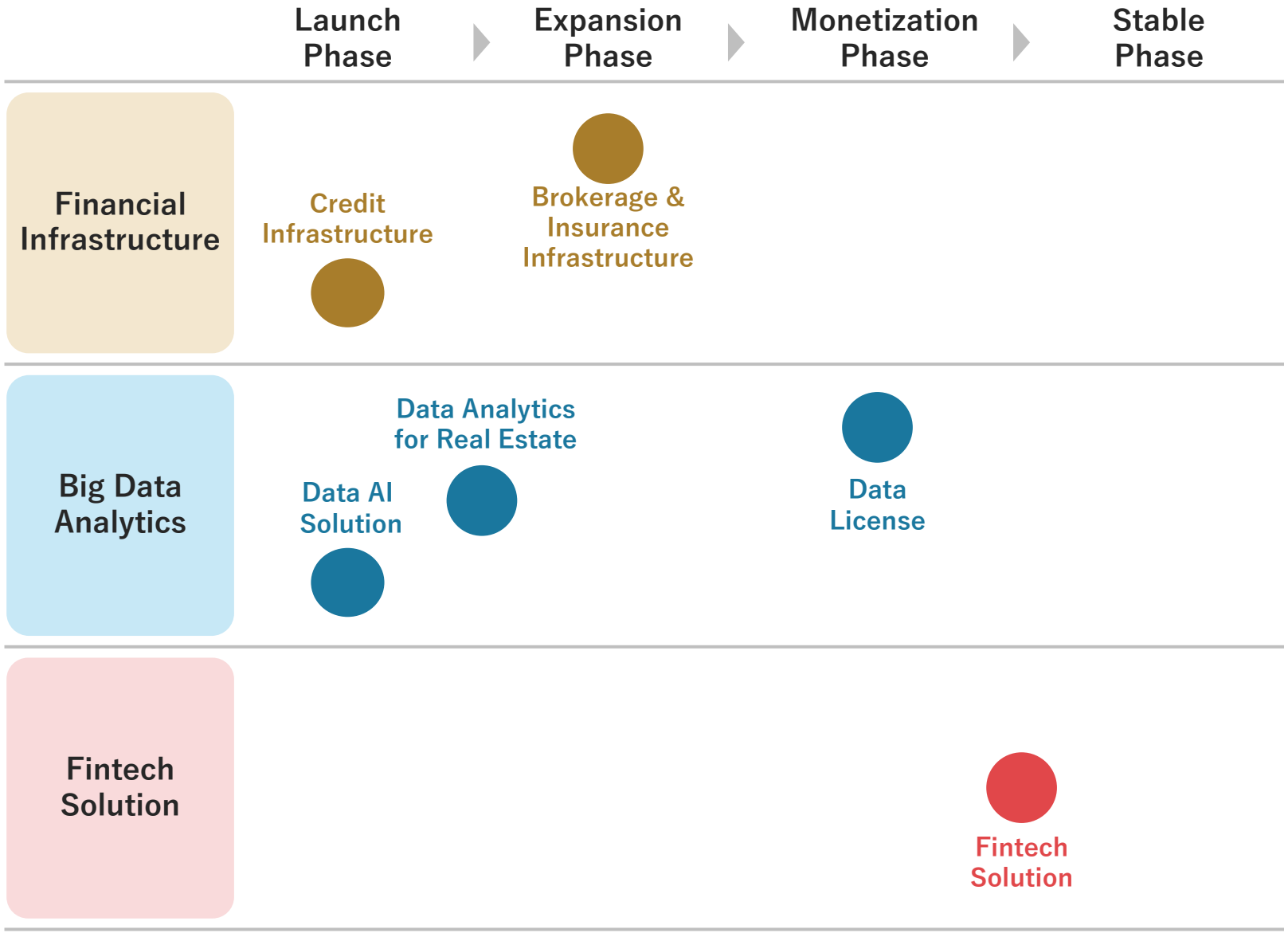
	FY2024 Guidance	FY2023 Actual	YoY
Revenue	**7,627**	**5,375**	**42%**
COGS	3,051	2,150	42%
Gross Profit	**4,576**	**3,225**	**42%**
vs Revenue	60.0%	60.0%	-
Adj. SG&A expense[1]	3,632	2,932	24%
vs Revenue	47.6%	54.6%	-
Adj. EBITDA[2]	**944**	**292**	**223%**
vs Revenue	12.4%	5.4%	-
Depreciation + Stock-based compensation expense	258	87	196%
vs Revenue	3.4%	1.6%	-
Operating Income	**686**	**204**	**235%**
vs Revenue	9.0%	3.8%	-

1. Adj. SG&A expense = SG&A expense - (Depreciation + Stock-based compensation expense)
2. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)

Strategy Highlights

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

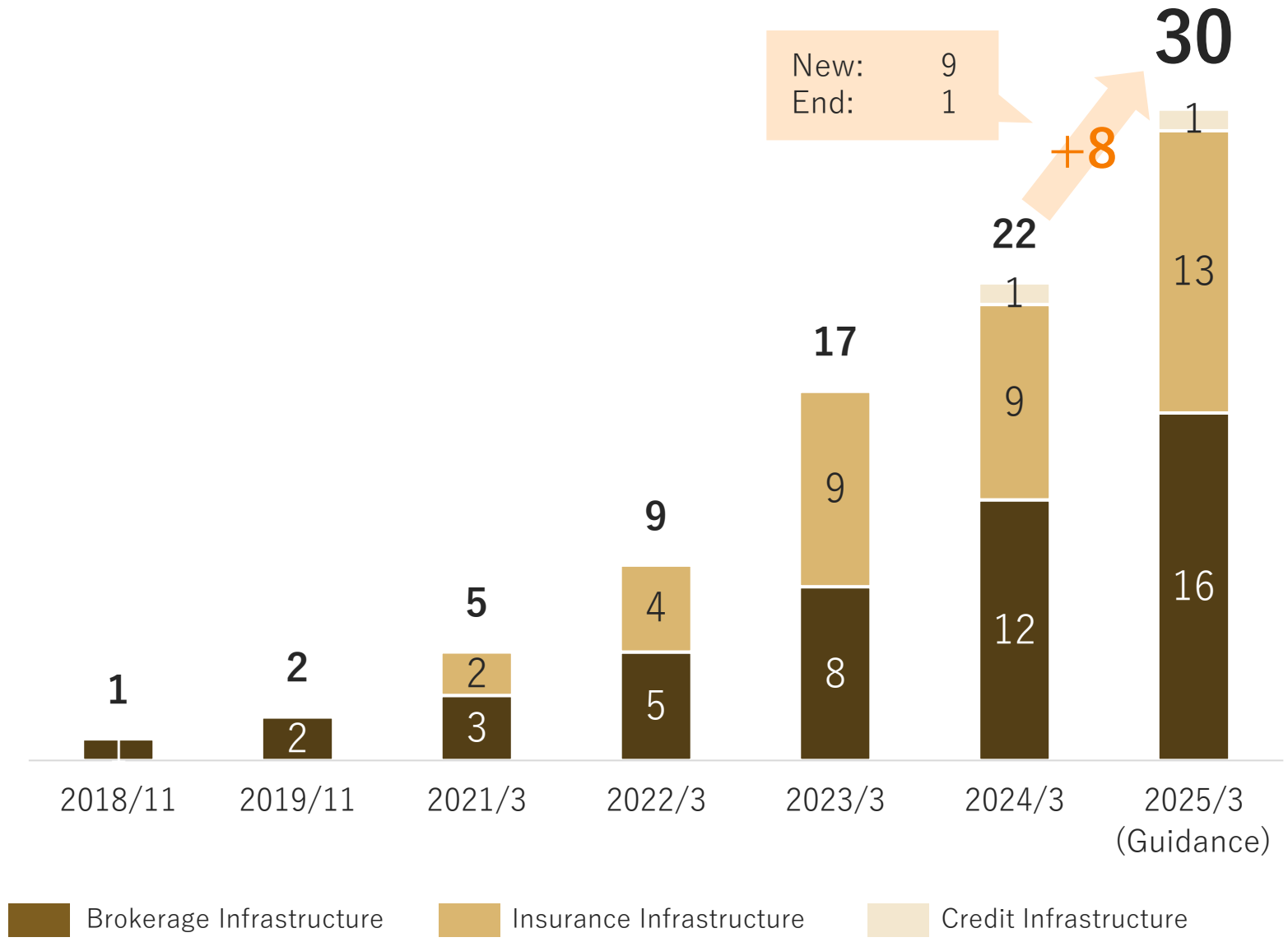
While maximizing the profits of existing Data License and Fintech Solution, we will launch new products for real estate and utilizing LLM.



Pipeline for Financial Infra.

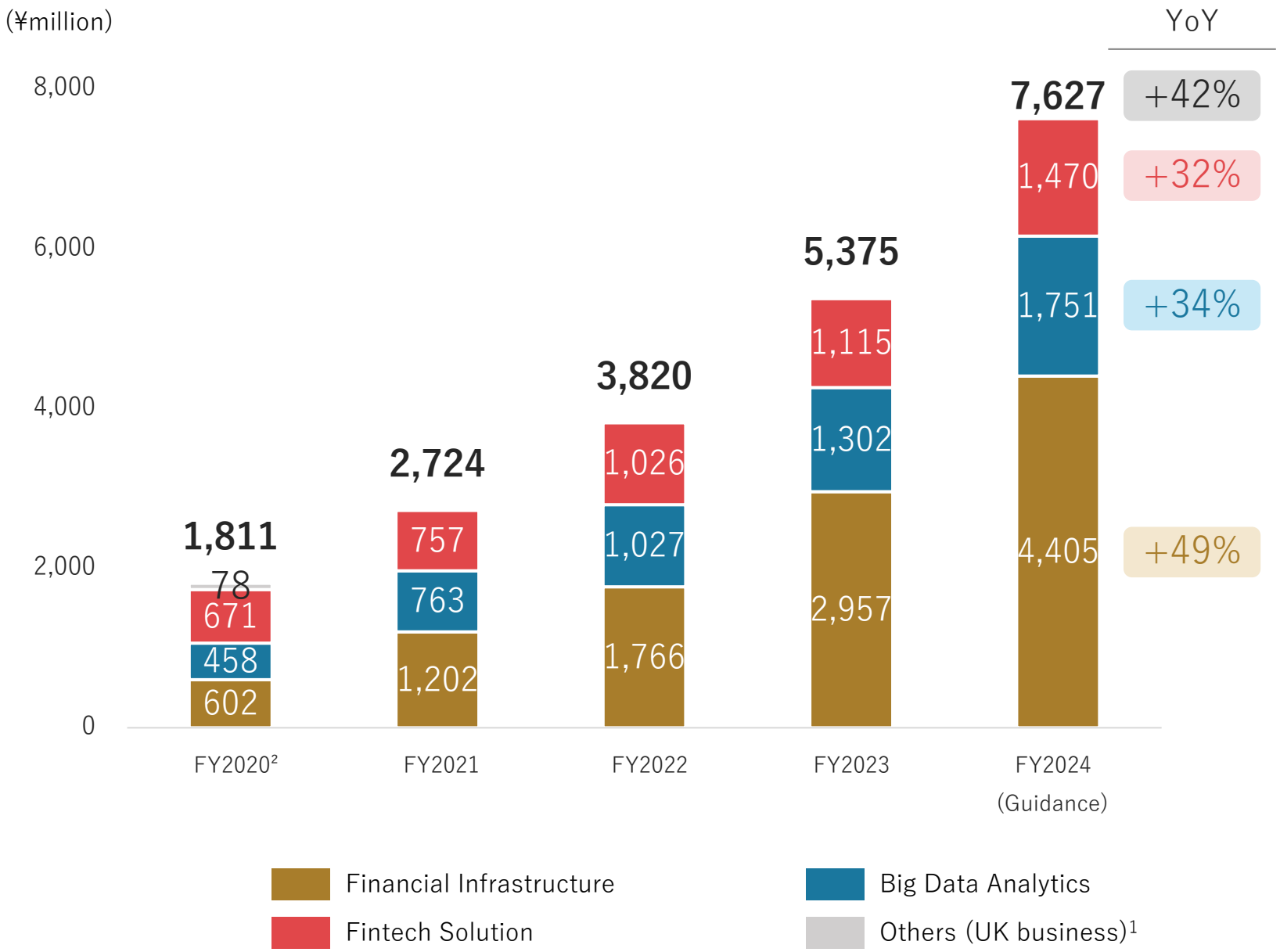
In FY2024, the goal is to acquire 9 new partners.

With the end of “Stream”, the number decreased by 1 and the net increase is expected to be 8.



Revenue Forecast by Segment

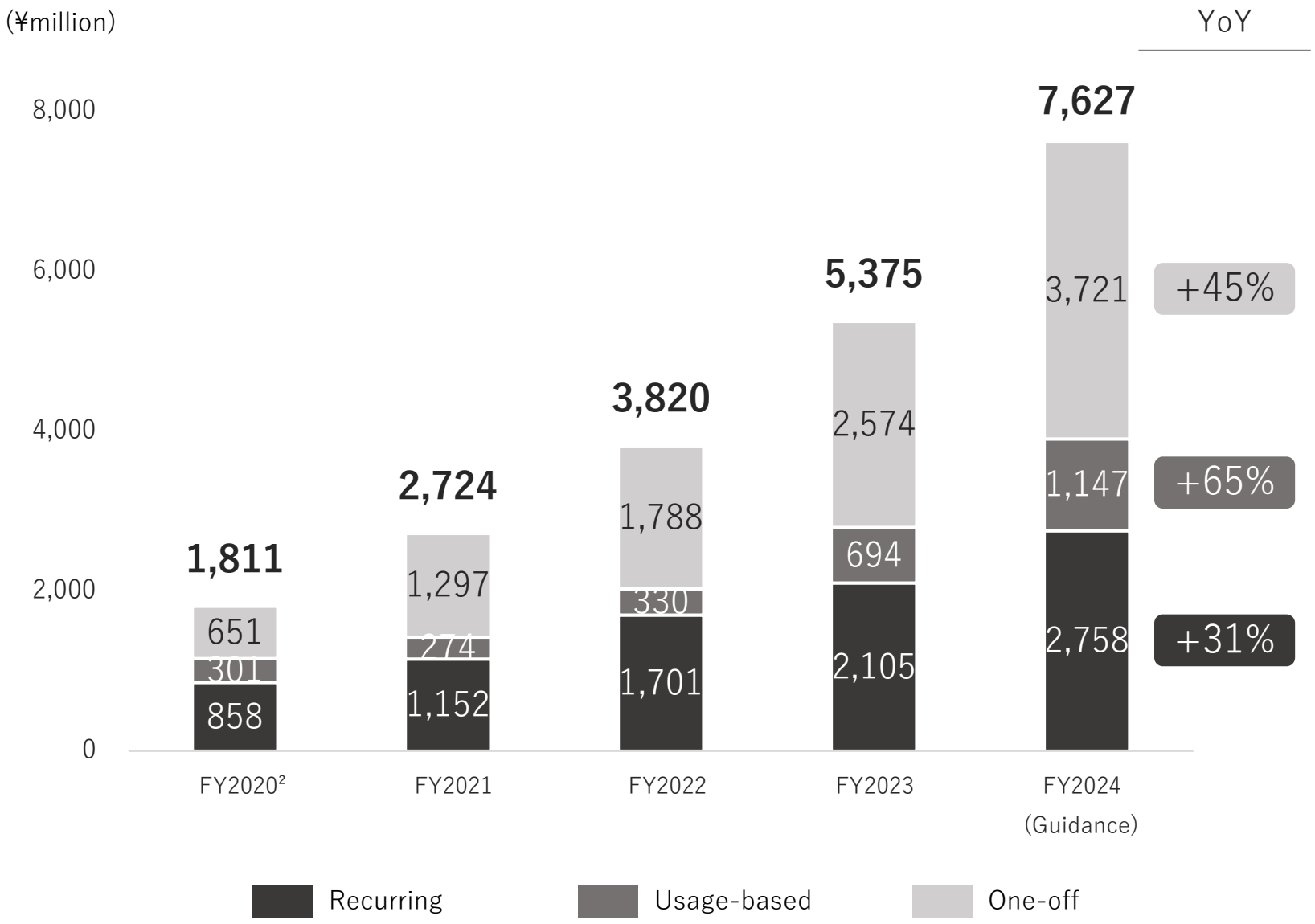
Expect a high growth rate of 30% or more in all segments, partly due to new business startups.



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

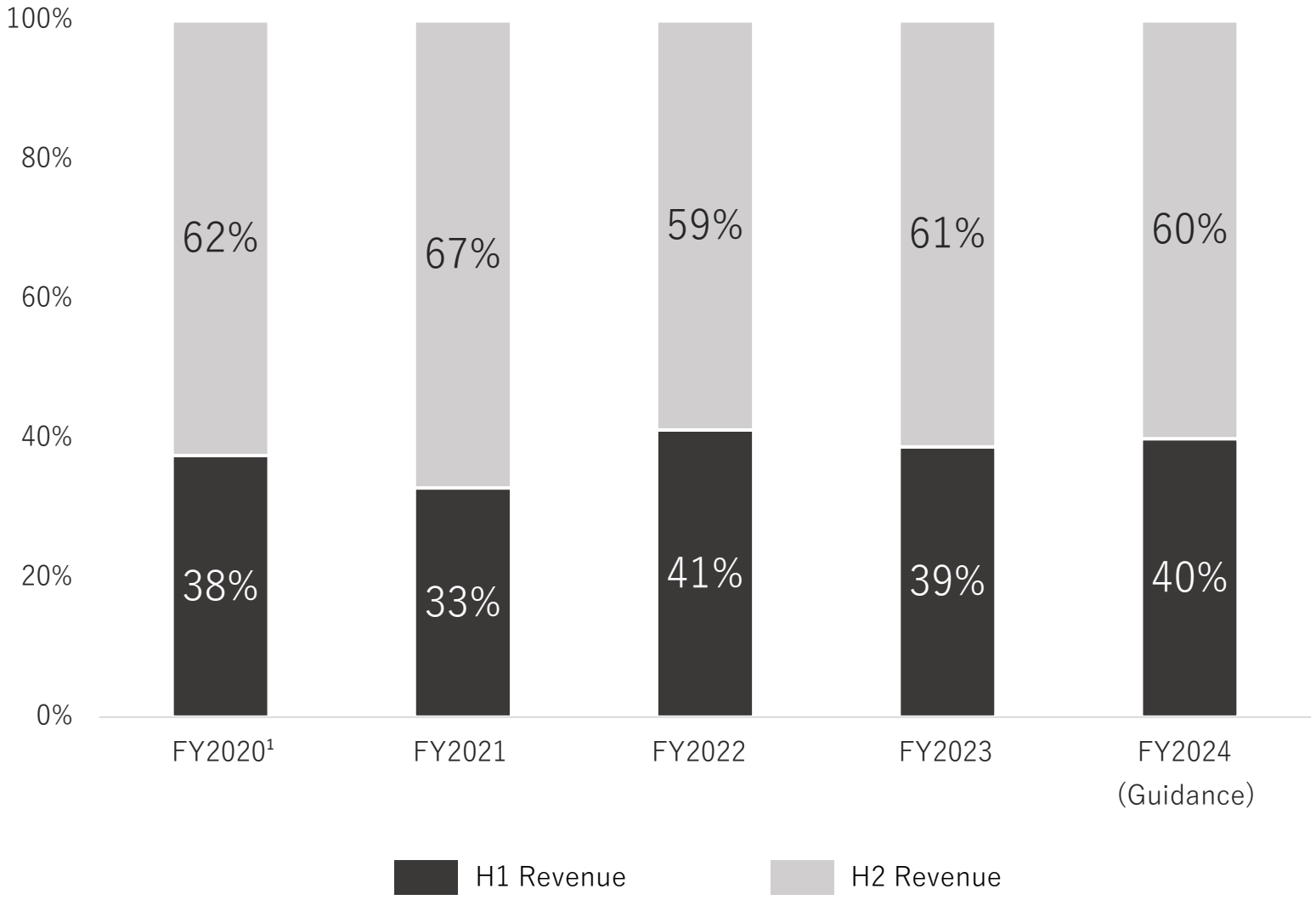
Expect both continuous revenue, namely recurring revenue and usage-based revenue to grow by +31% and +65% respectively.



1. 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 FY2024 as before.

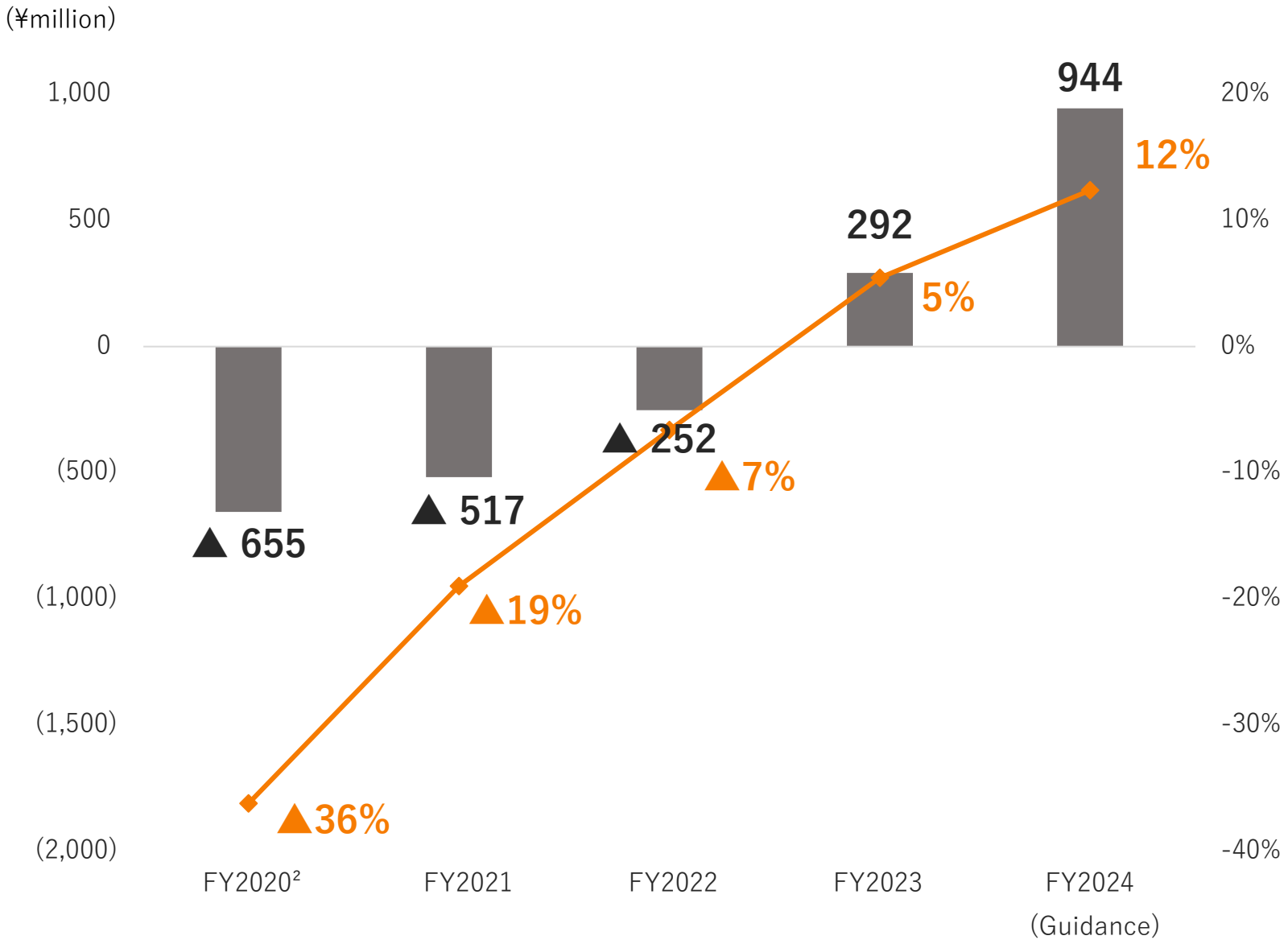


1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

Adjusted EBITDA Forecast

With continuous decline in SG&A ratio in line with increase in revenue, **adj. EBITDA[1] is expected to triple from ¥292m to ¥944m**.

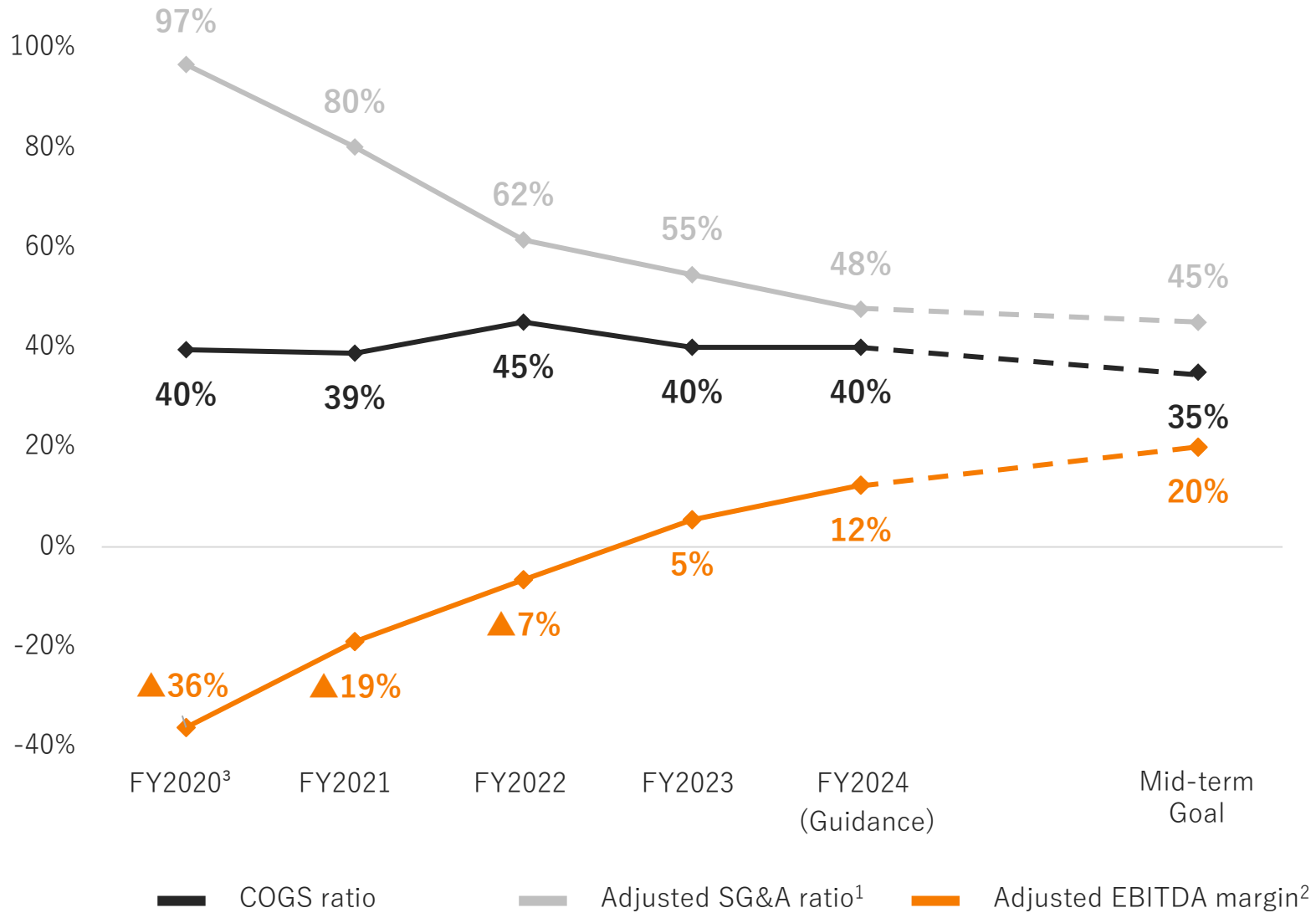
Adj. EBITDA margin is also expected to continue to improve and rise to 12.4%.



1. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)
2. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

Mid-term Forecast

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



1. Adj. SG&A expense = SG&A expense - (Depreciation + Stock-based compensation expense)
2. Adj. EBITDA = Operating income + (Depreciation + Stock-based compensation expense)
3. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

APPENDIX

APPENDIX

COMPANY OVERVIEW

Corporate Overview

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

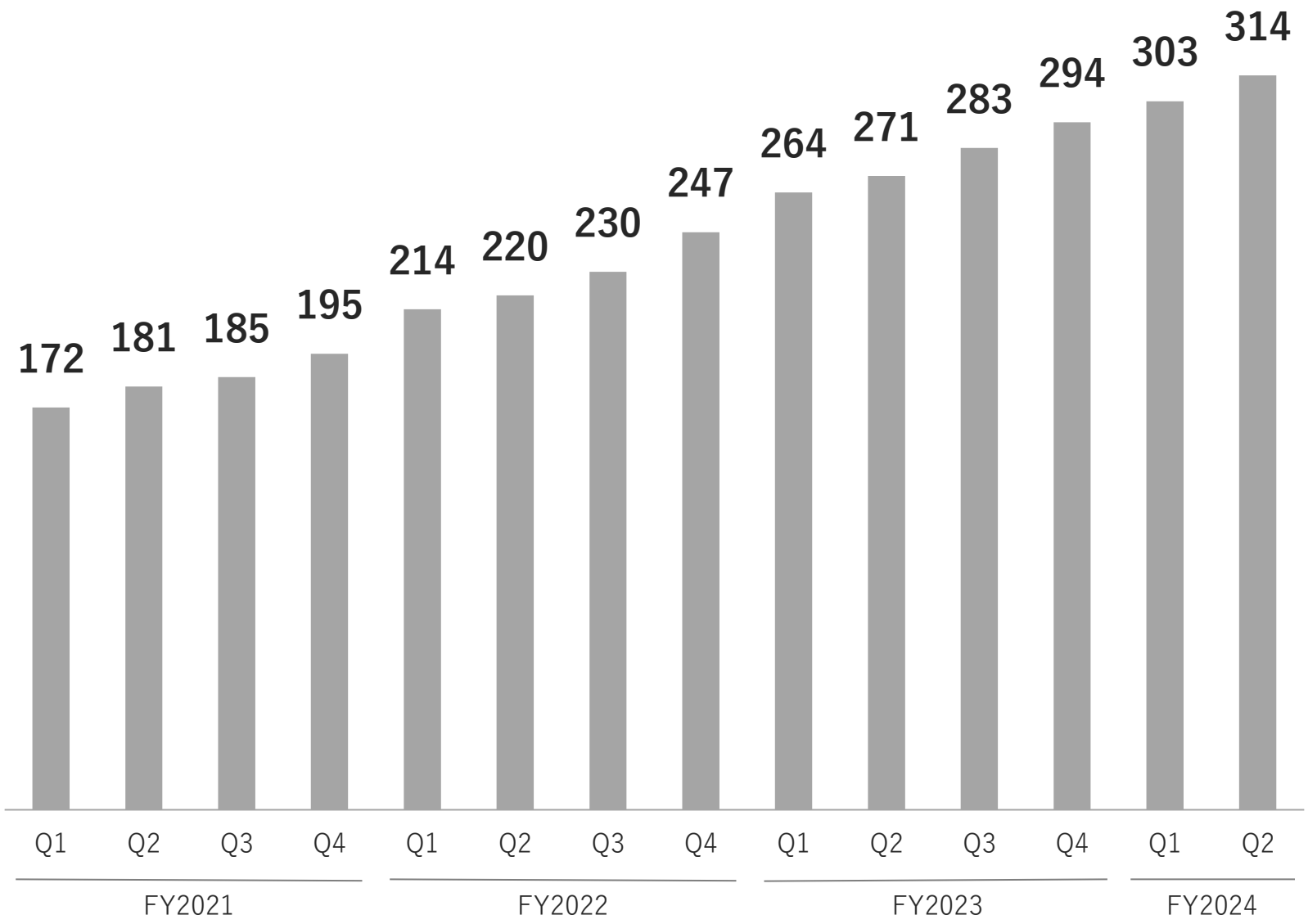
Company Name:	**Finatext Holdings Ltd.**
Address:	**9F, Sumitomo RD Kudan Bldg. 1-8-10 Kudankita, Chiyoda-ku Tokyo, 102 0073 Japan**
CEO:	**Ryota Hayashi**
Establishment Date:	**December 27, 2013**
Business:	**Fintech Solution Big Data Analytics Financial Infrastructure**

Corporate Structure

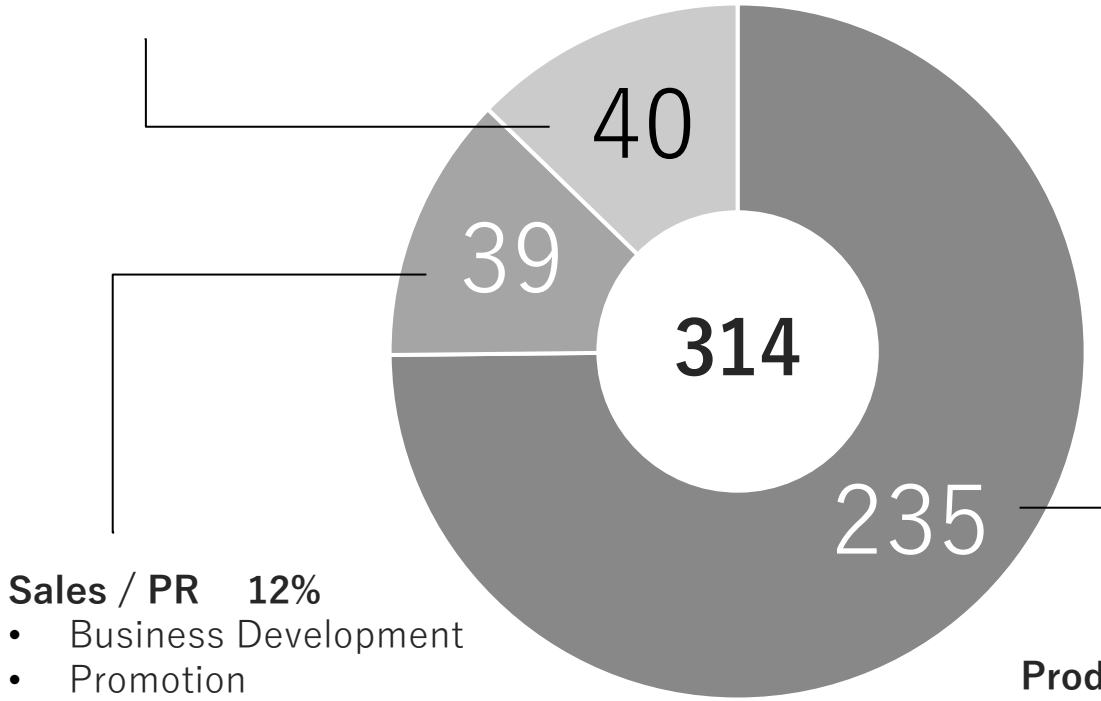
Entity	Ownership	Number of Employees[1]	Business	Segment
FINATEXT HOLDINGS	-	18	• Group holding company	
Finatext	100%	111	• Software development for financial institutions and group enterprises	Financial Infrastructure Fintech Solution
Nowcast	100%	50	• Big Data Analytics service to institutional investors and government	Big Data Analytics
Smartplus	85%	37	• 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%	4	• Offshore outsourcing bridge	Fintech Solution
Teqnological Asia	72% (50.4%[2])	90	• Offshore development for group companies in Vietnam	Fintech Solution

1. Number of full-time employees as of September 30, 2024.
2. Indirect ownership ratio by Finatext Holdings Ltd.

of Employees



Staff Composition



1. Number of full-time employees as of September 30, 2024.

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[1]

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[2]

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[2]

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[2]

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.

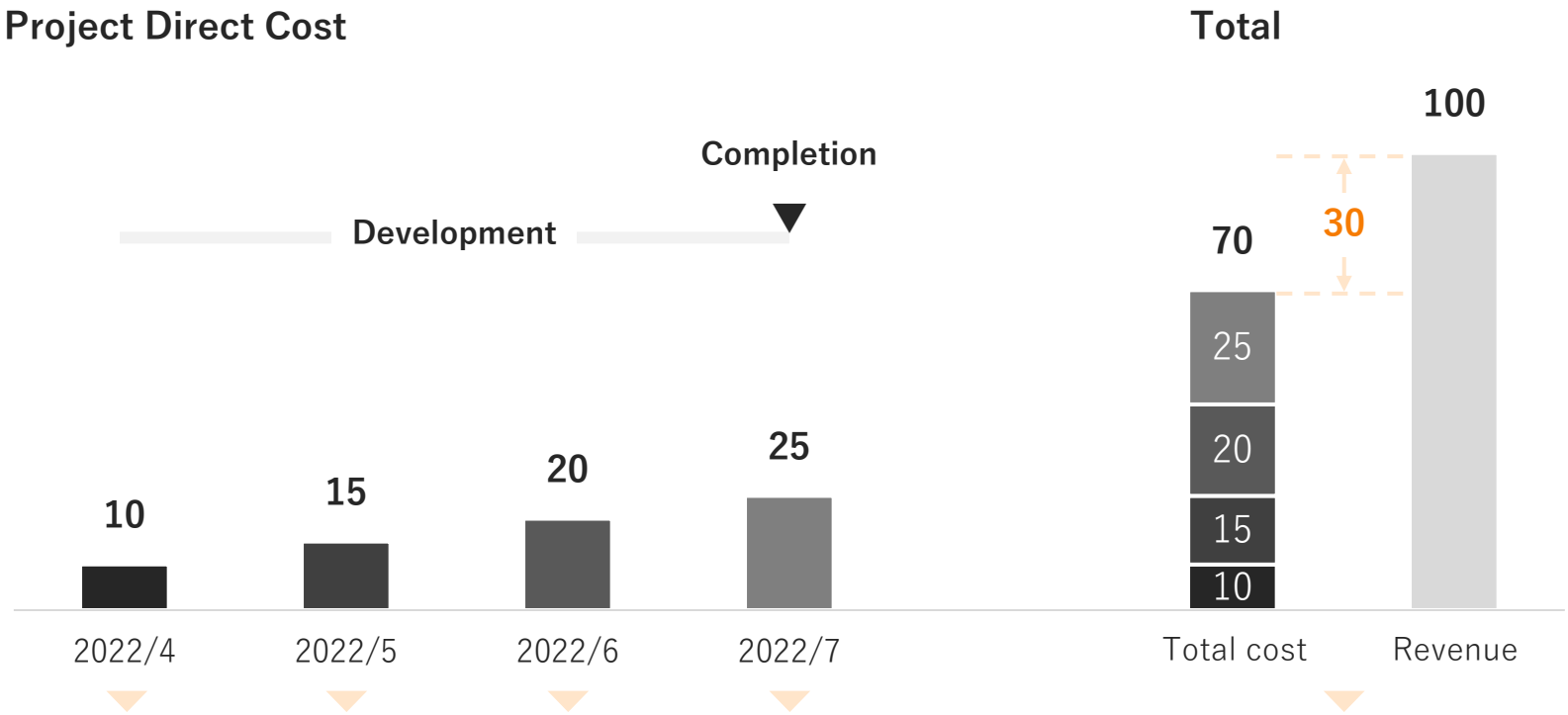
APPENDIX

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.



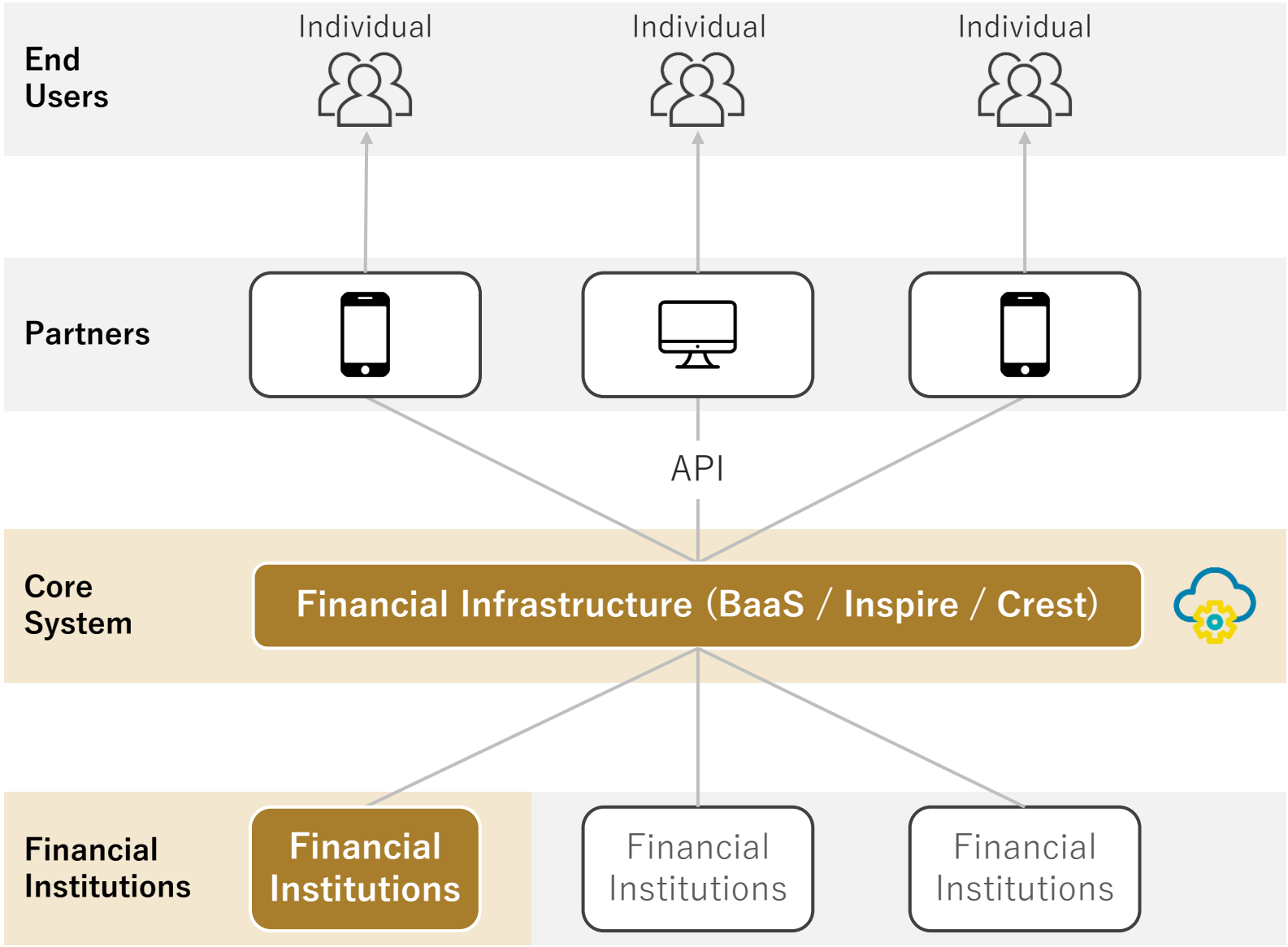
Revenue Recognition

	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.

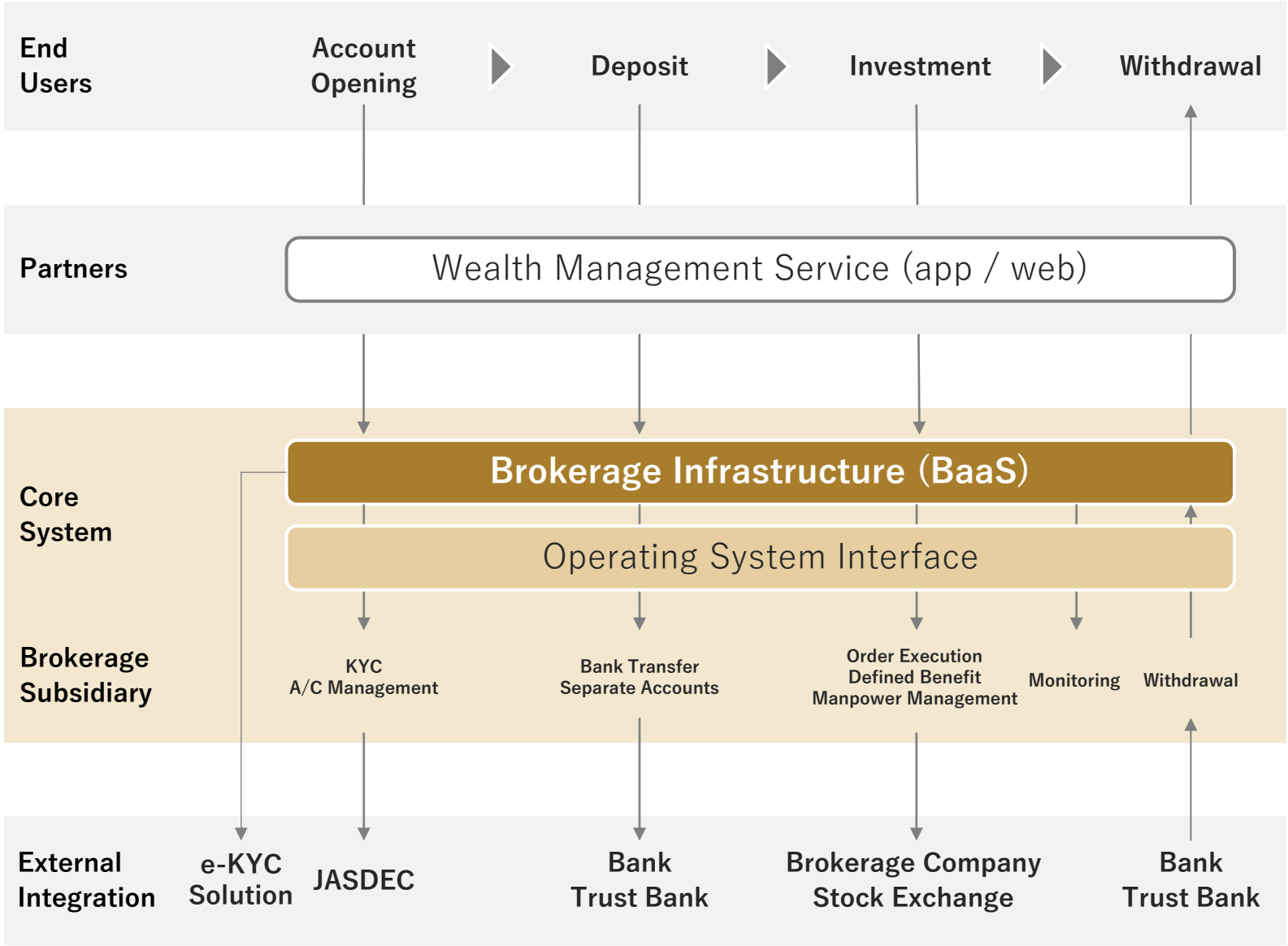
Currently offer 3 solutions: (1) “**BaaS**” for asset management services, (2) “**Inspire**” for insurance services, and (3) “**Crest**” for lending services.



(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

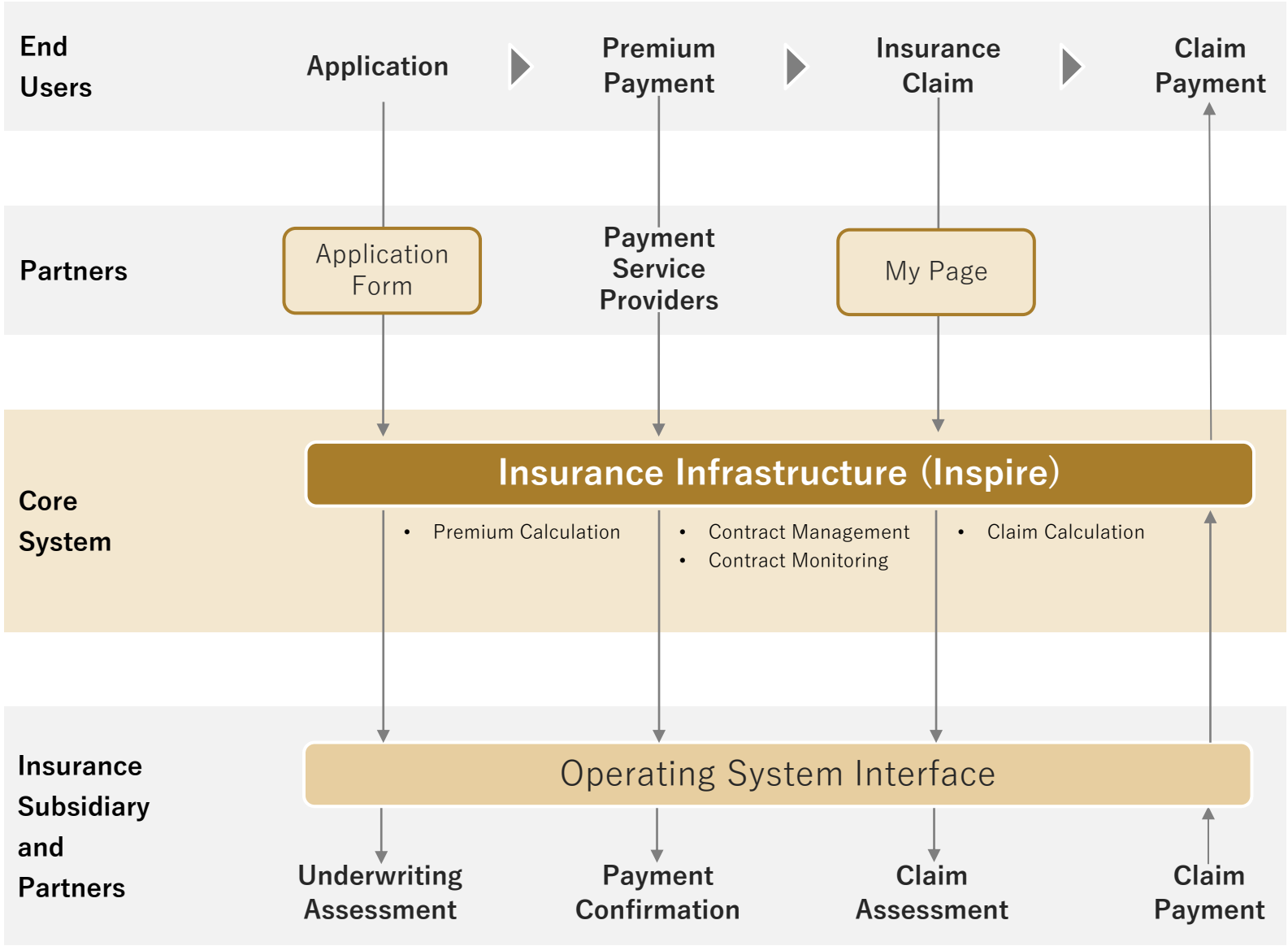
Currently 15 services are in operation.

Non-Financial Institutions (Embedded Investment)	Asset Managers (Direct sales)	IFAs (Discretionary Investment Management)	
Stream (Owned)	US ETF WRAP (GCI AM)	Japan Asset Management	CS Asset
Saison Pocket (Credit Saison)	N Direct (Nissay AM)	Innovation IFA Consulting	Financial Standard
Wealth Wing (ANA X)	Saison-to-tsuzuku (Saison AM)	Hoken No Madoguchi Group	Snowball
Korekabu (Seven Bank)		Amber Asset Management	IFA Leading

(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 10 companies, including our small amount short-term insurance subsidiary.

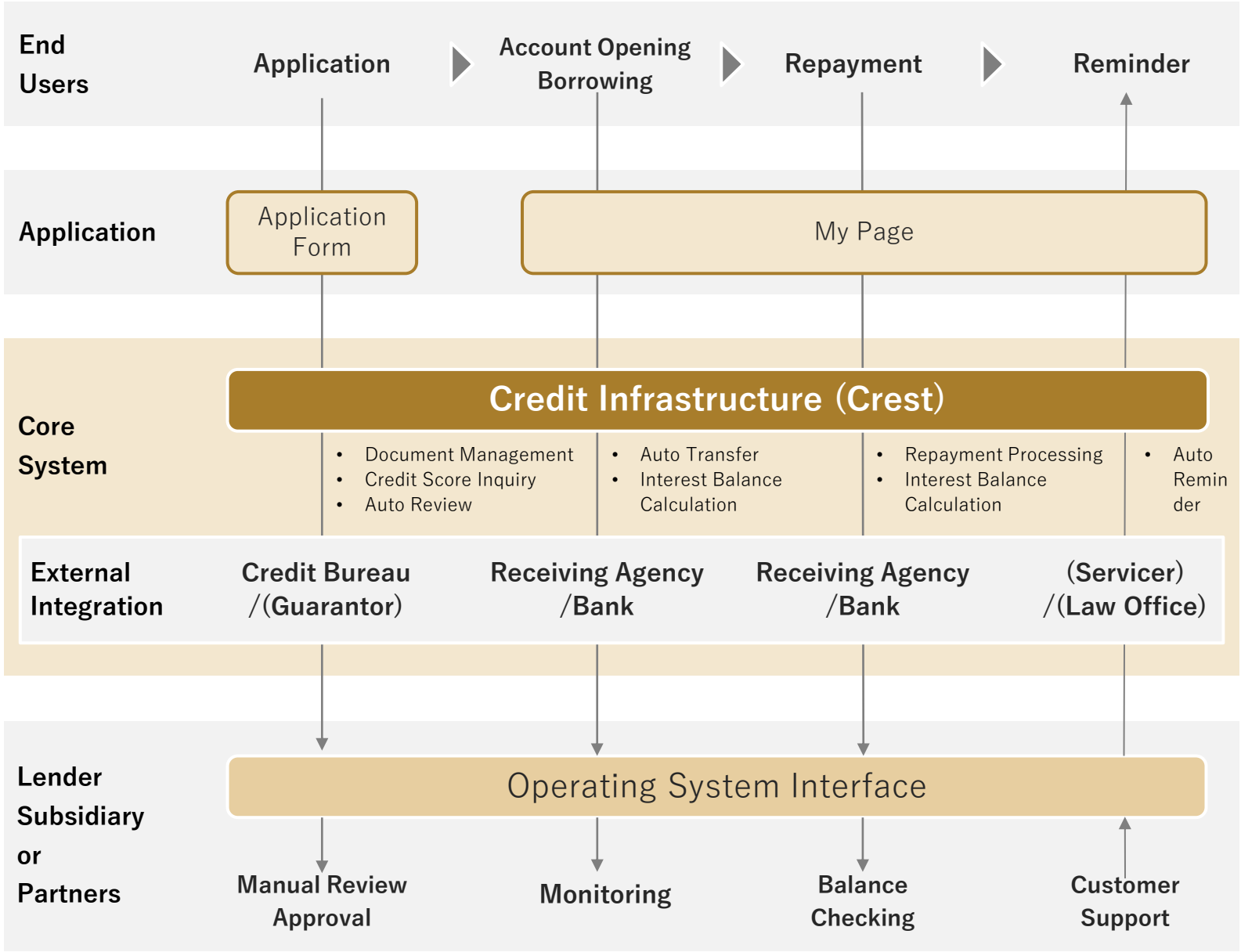
Support a wide range of insurance products from small amount short-term insurance to non-life insurance, from individuals to business entities.

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
10. Nisshin Fire & Marine Insurance

(3) Crest

"Crest" provides a suite of business processes needed in a lending business, all on an API basis.

It manages diverse external collaborations in the cloud, thus enabling the swift and cost-efficient launch of new services and DX of existing services.



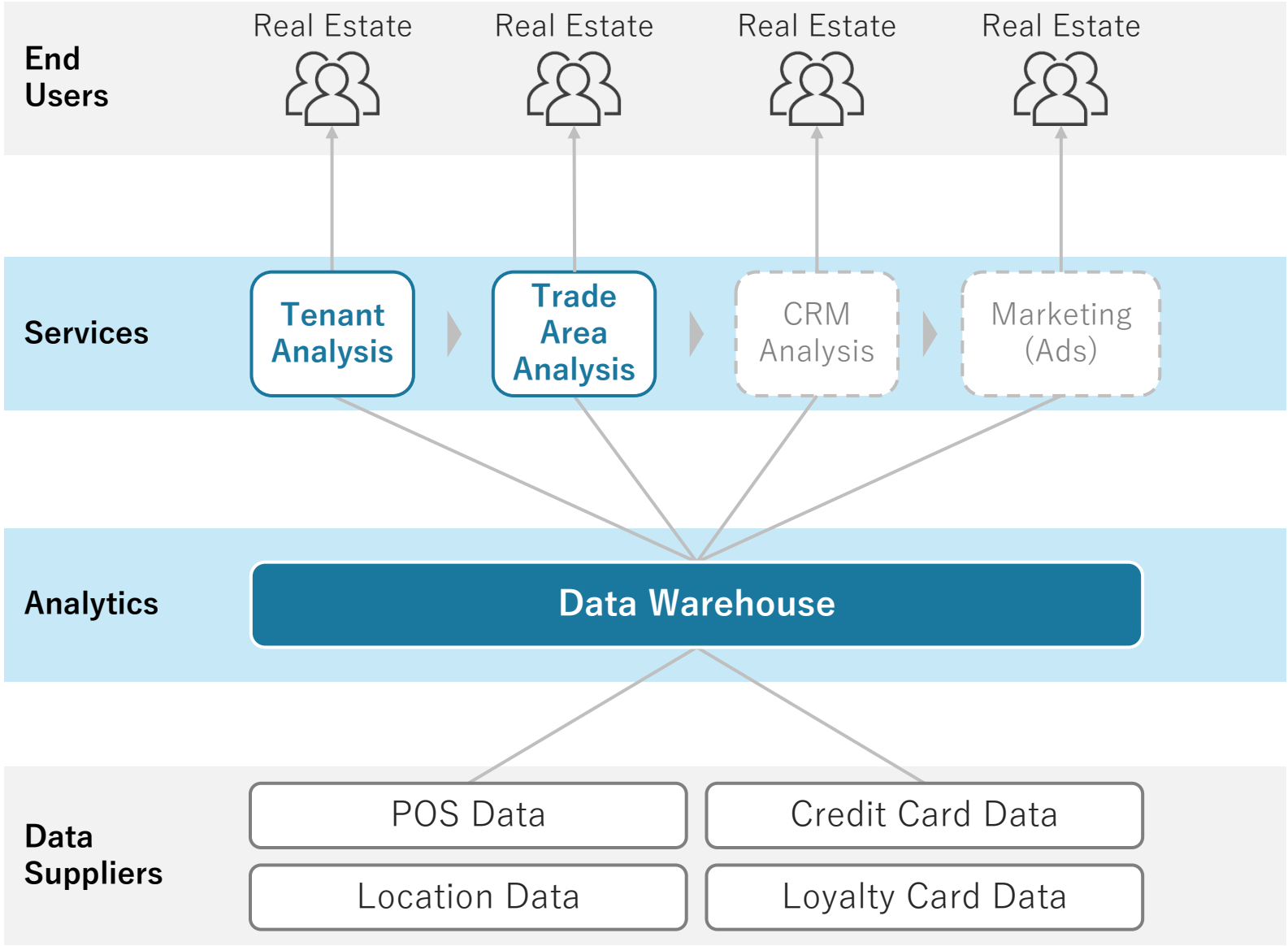
Data License

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	AlternaData	日経CPINOW JCB消費NOW HRog賃金Now
Overview	• Provide insights for corporate analysis, such as sales, product unit prices, and customer unit prices	• Offer price indices, consumption indices, and wage indices with higher frequency and faster reporting than official statistics
Data Partners	• Nikkei • True Data • KDDI • CCC Marketing • BCN • HRog etc.	• Nikkei • JCB • HRog
Data	• POS data • Location data • Loyalty card data • Credit card data • Job advertisement data • Electronic receipt data • TV commercials data	• POS data • Credit card data • Job advertisement data

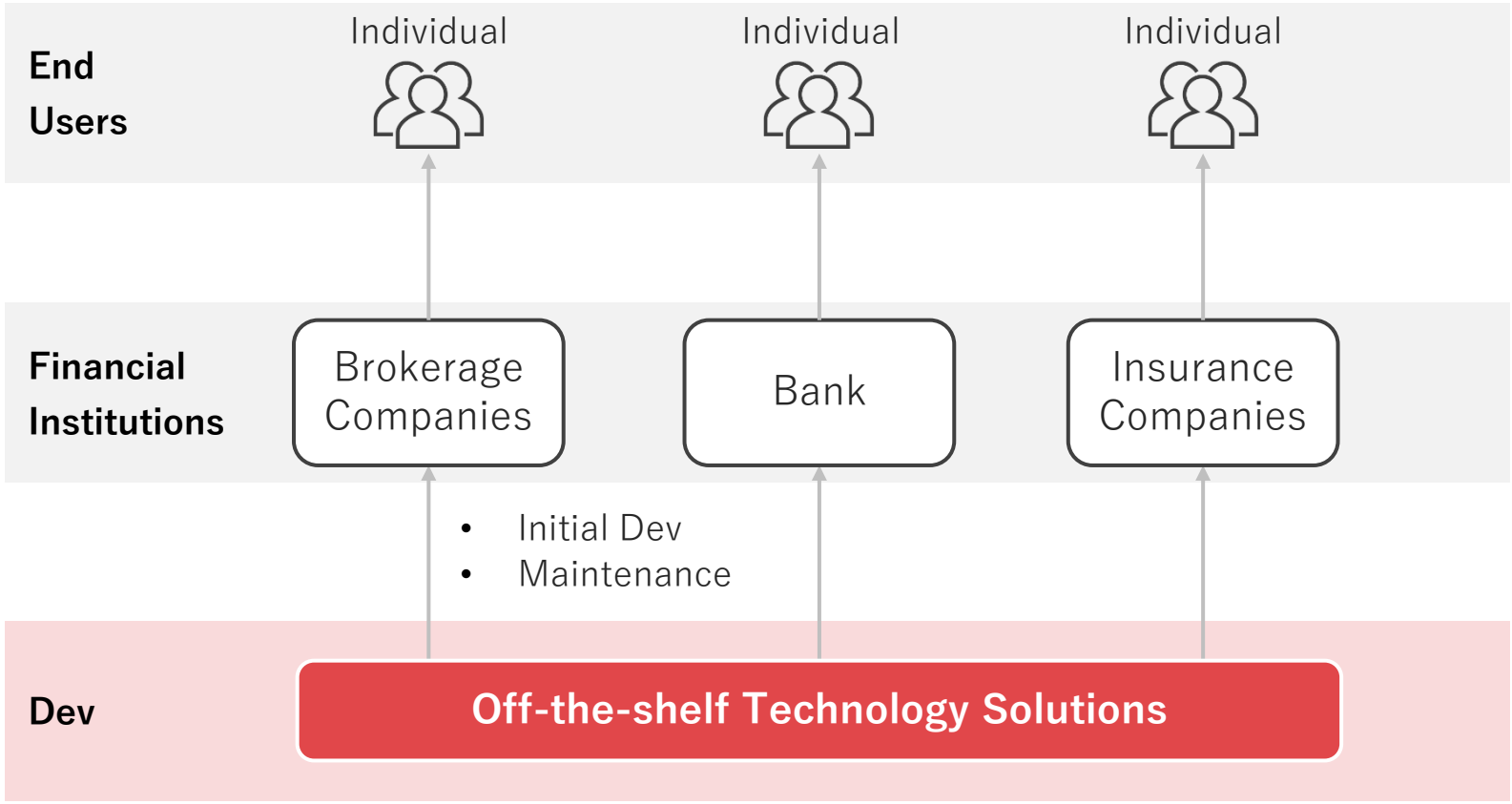
Data Analytics for Real Estate

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



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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Reinvent Finance as a Service