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HOLDINGS

FY2024 Full-Year Financial Results and Mid-Term Plan

Finatext Holdings Ltd.

May 13, 2025

SUMMARY

FY2024 Annual Results

Revenue achieved growth of +43% as initially planned, while profit landed at levels significantly exceeding the initial guidance.

Revenue
7,702 m. yen
YoY **+43%**

Partners
(Financial Infrastructure)
32
vs. FY-end **+10**

EBITDA[1]
1,187 m. yen
Margin **15%**

Net Income
Attributable to Owners of Parent
659 m. yen
Margin **9%**

FY2025 Guidance

Aim to achieve our previously stated goals of exceeding 10 billion yen in revenue and an EBITDA margin of 20%.

Revenue
11,000 m. yen
YoY **+43%**

Partners
(Financial Infrastructure)
49
vs. FY-end **+17**

EBITDA[1]
2,240 m. yen
Margin **20%**

Net Income
Attributable to Owners of Parent
1,210 m. yen
Margin **11%**

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

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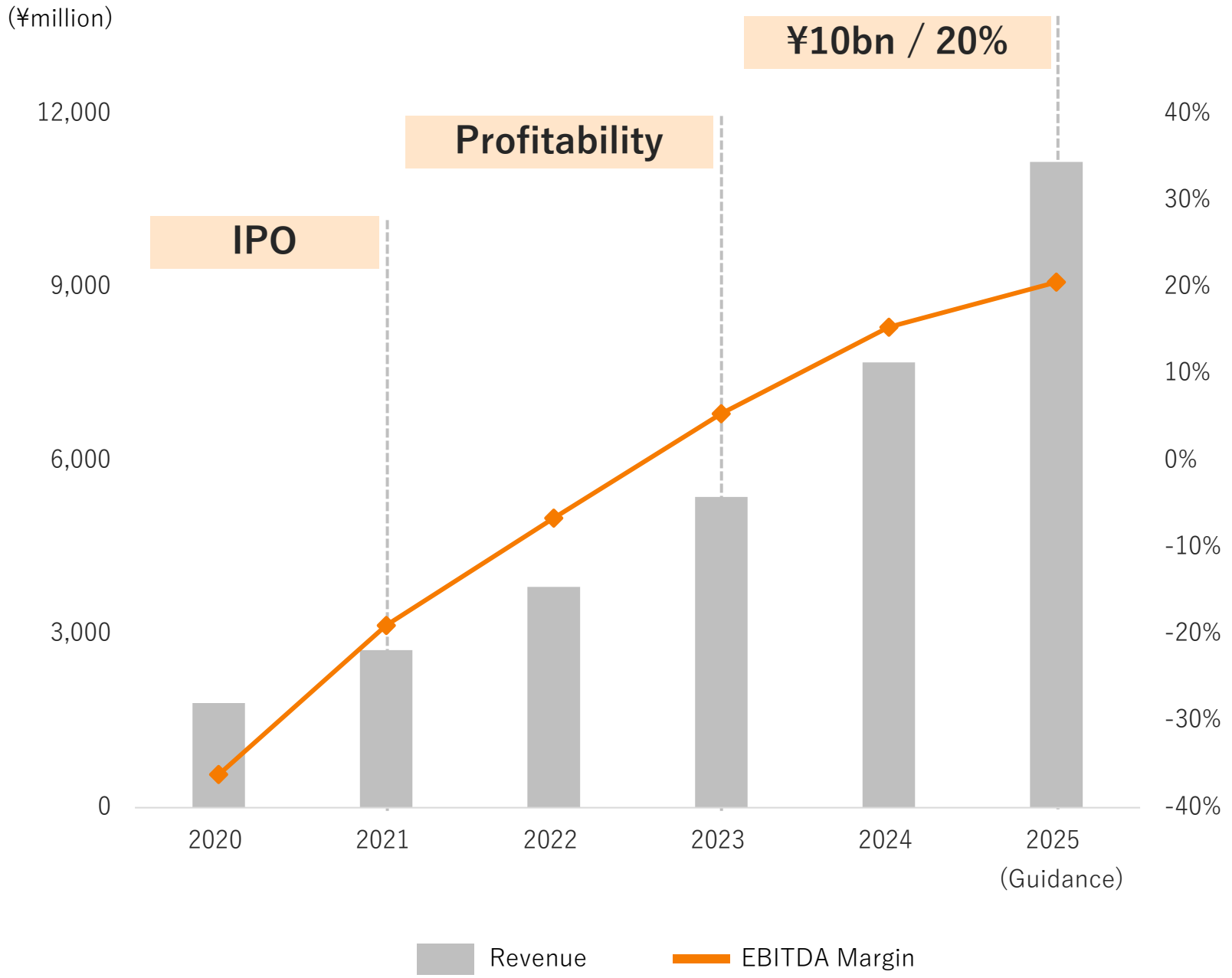
Mid-Term Plan

Target Financials

Our Journey Since IPO

Since our listing in FY2021, we achieved our initial target of profitability in FY2023.

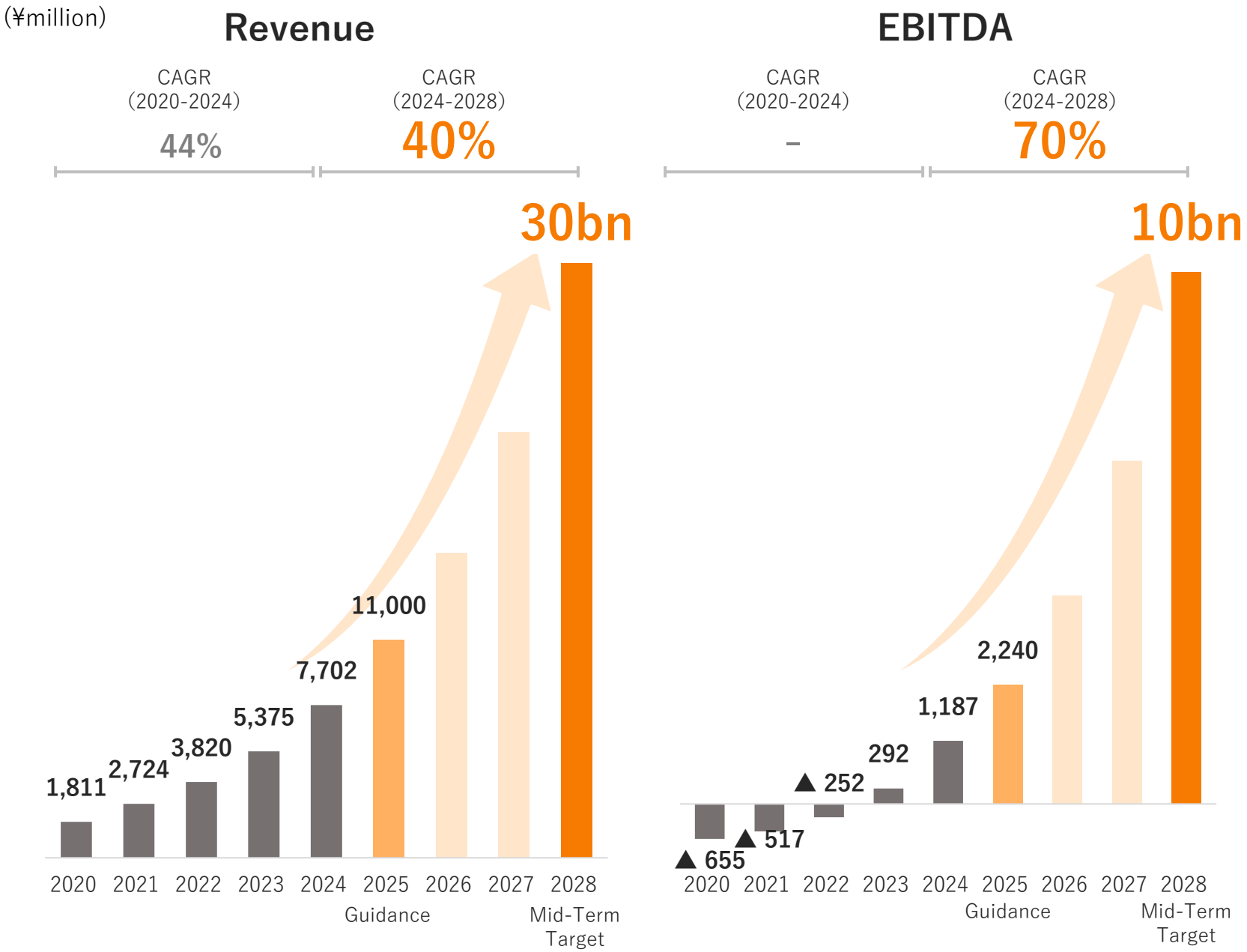
We are also on track to meet our current mid-term targets of ¥10 billion in revenue and 20% EBITDA margin in FY2025.



Next Mid-Term Targets

Our next mid-term targets, set for FY2028, are revenue of ¥30 billion and EBITDA of ¥10 billion.

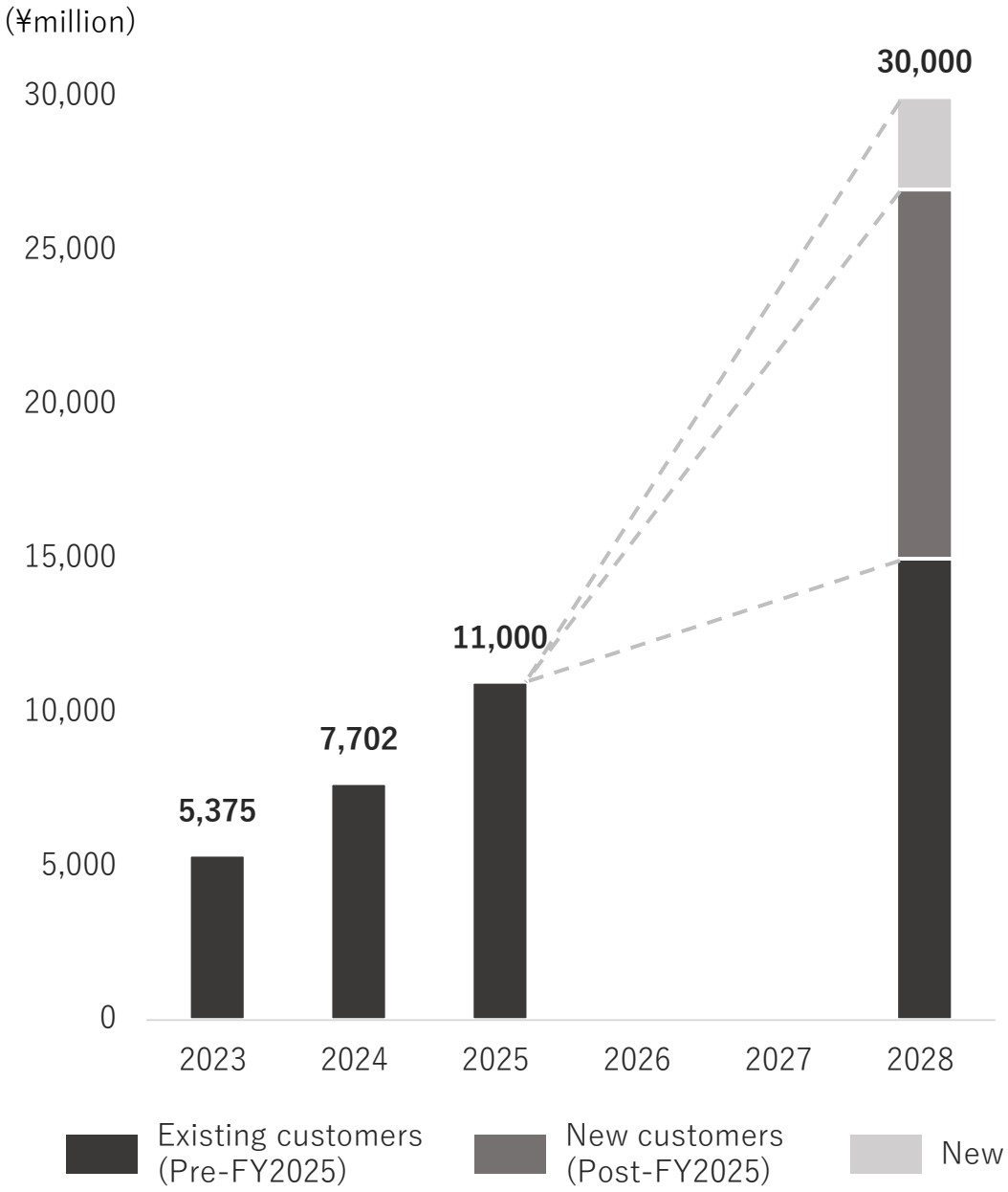
We are aiming for an average annual growth rate of 40% for revenue and 70% for profits.



Revenue by Customer

Our revenue growth strategy includes both: 2) **Acquiring new customers for existing business**, and 1) **Increasing revenue from existing customers**.

We also factor in 3) New business, developed in-house and through M&A.



3) New Business

- Credit card processing systems
- Systems in payment domain
- M&A etc.

2) Acquiring new customers for existing business

- Expand sales of existing products in Financial Infrastructure, Big Data Analytics, and Fintech Shift

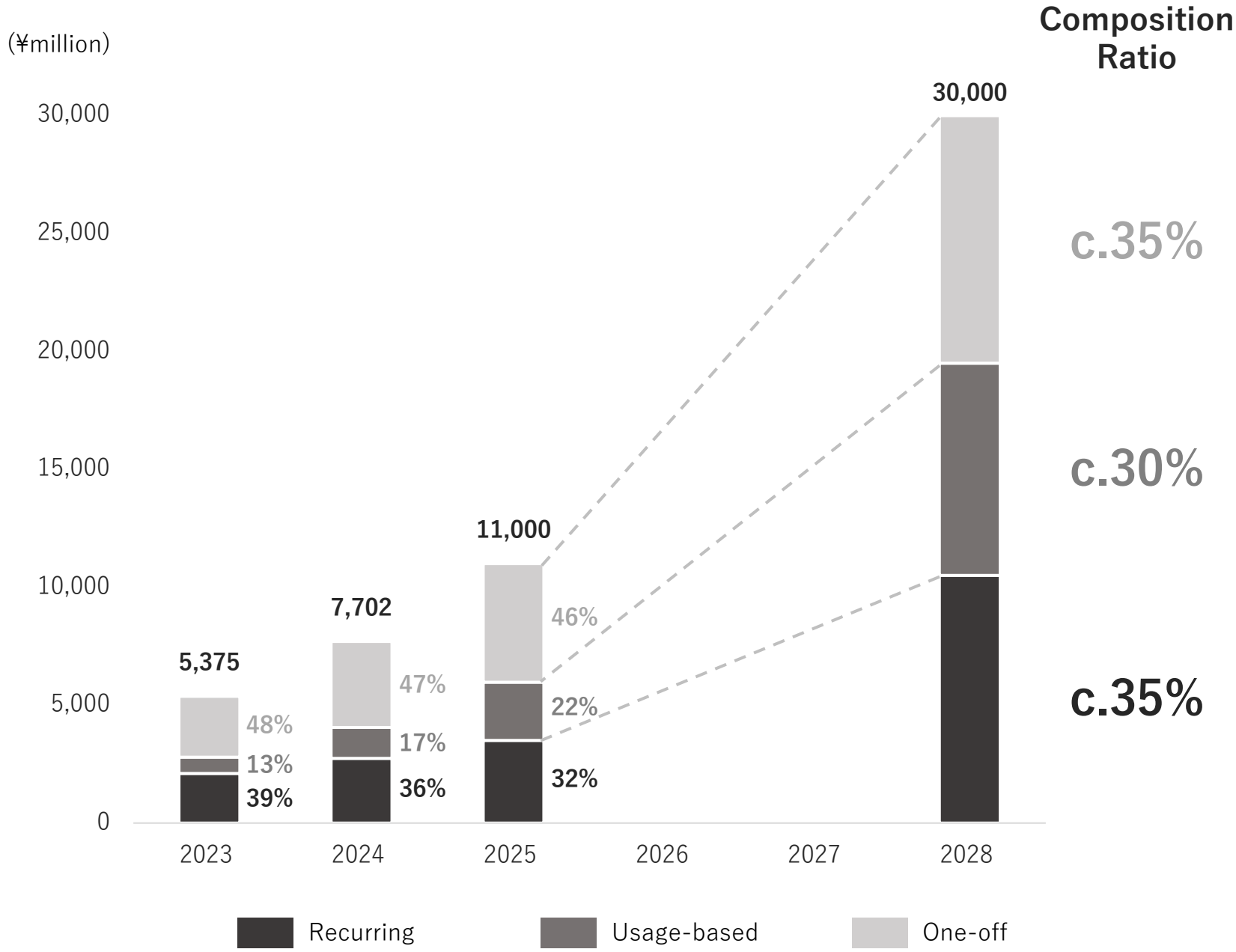
1) Increasing revenue from existing customers

- Expand usage-based revenue
- Additional development for existing services
- Cross-selling other products
- Business process outsourcing (BPO)

➢ One-off revenue from existing customers, from whom revenue was recorded in the previous fiscal year, accounts for over 70% (see page 90).

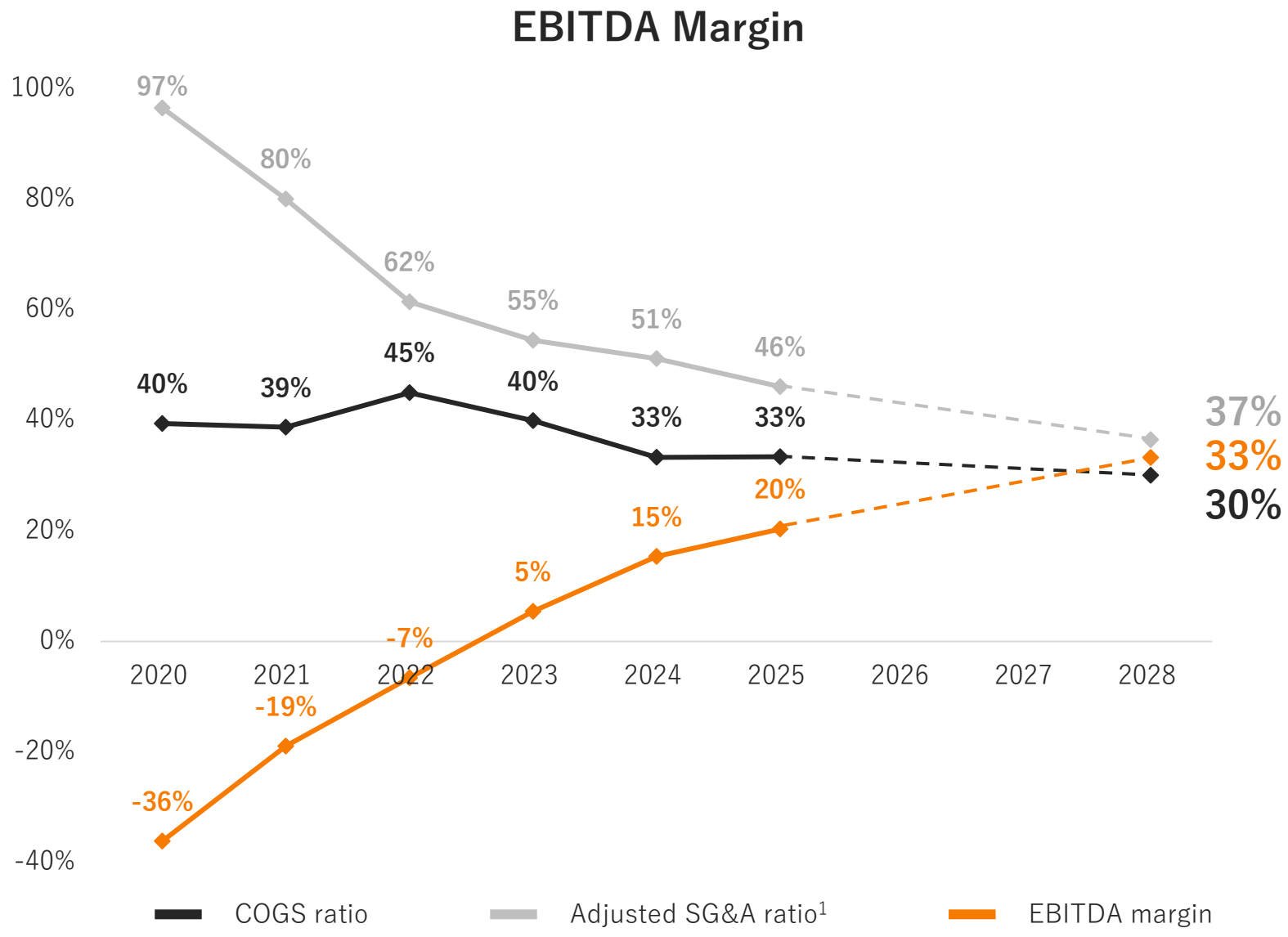
Revenue by Type

We expect an increase in the proportion of recurring revenue, and usage-based revenue.



Margin Outlook

When we achieve over ¥30 billion in revenue and ¥10 billion in EBITDA, we anticipate a COGS ratio of approximately 30% and an adjusted SG&A ratio of around 37%.

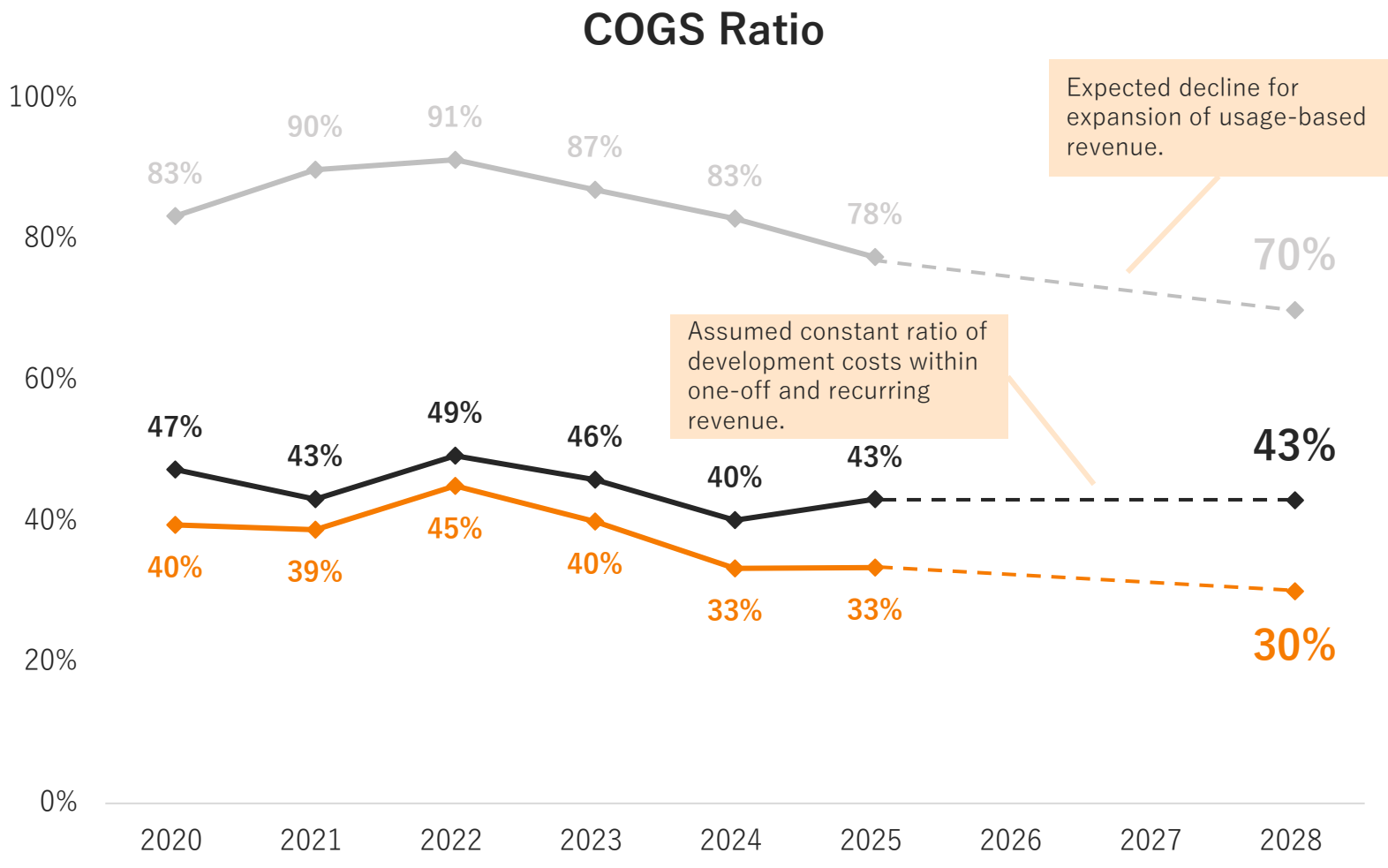


1. Adj. SG&A expense = SG&A expense - (Depreciation + Stock-based compensation expense)

COGS Ratio Outlook

COGS primarily comprises labor and outsourcing expenses related to development, **tending to correlate with the aggregate of one-off and recurring revenues.**

We expect COGS ratio will naturally decrease as usage-based revenue grows, reducing the relative share of one-off and recurring revenues.



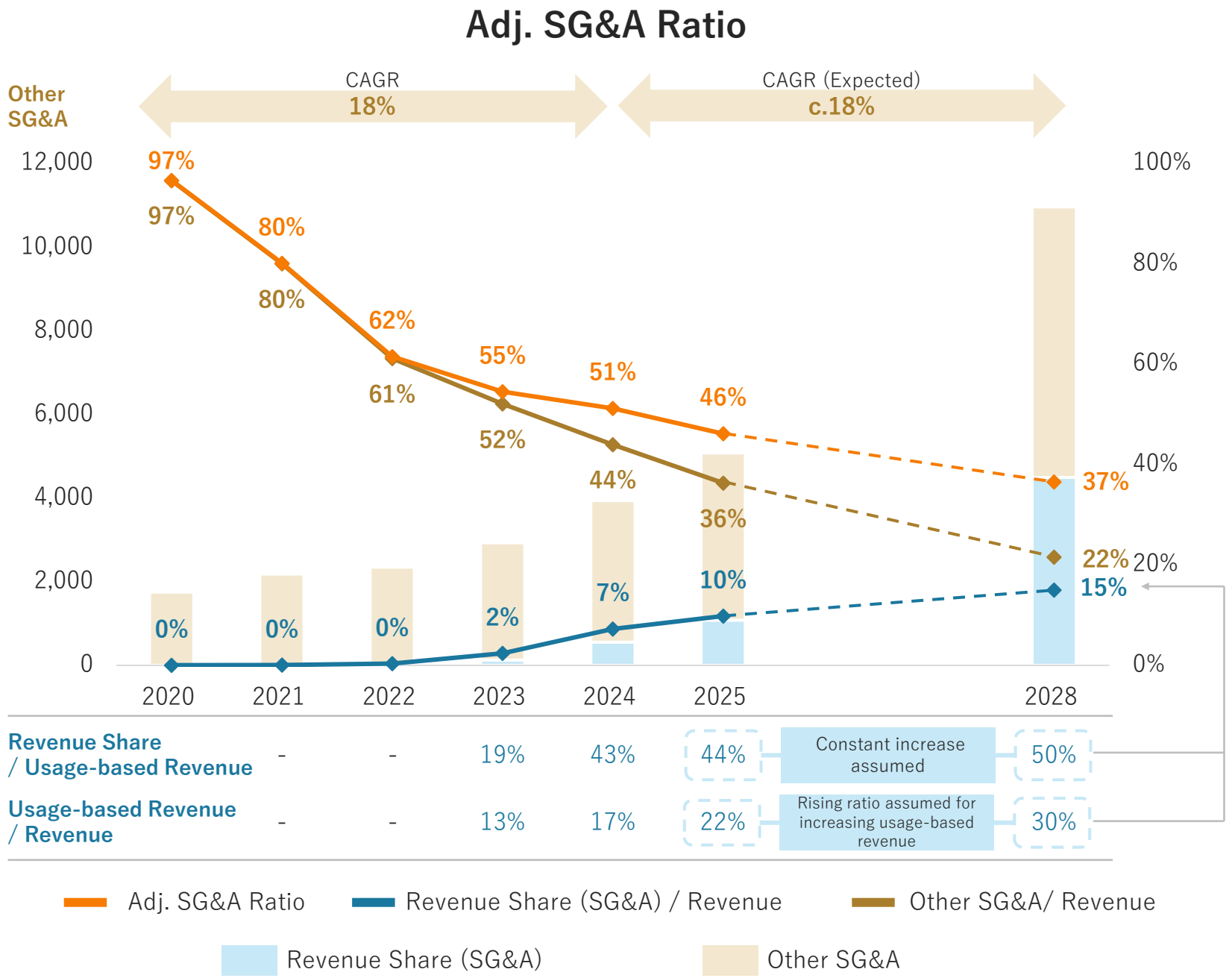
$$\frac{\text{COGS}}{\text{Revenue}} = \frac{\text{COGS}}{(\text{One-off} + \text{Recurring Revenue})} \times \frac{(\text{One-off} + \text{Recurring Revenue})}{\text{Revenue}}$$

Adj. SG&A Ratio Outlook

Adjusted SG&A expenses are divided into Revenue share and other SG&A.

Revenue share, mainly driven by usage-based revenue, is expected to reach 15% of total revenue.

Other SG&A, which correlates with headcount, is expected to grow at around 18%. Consequently, this ratio is expected to decline to 22% of total revenue.



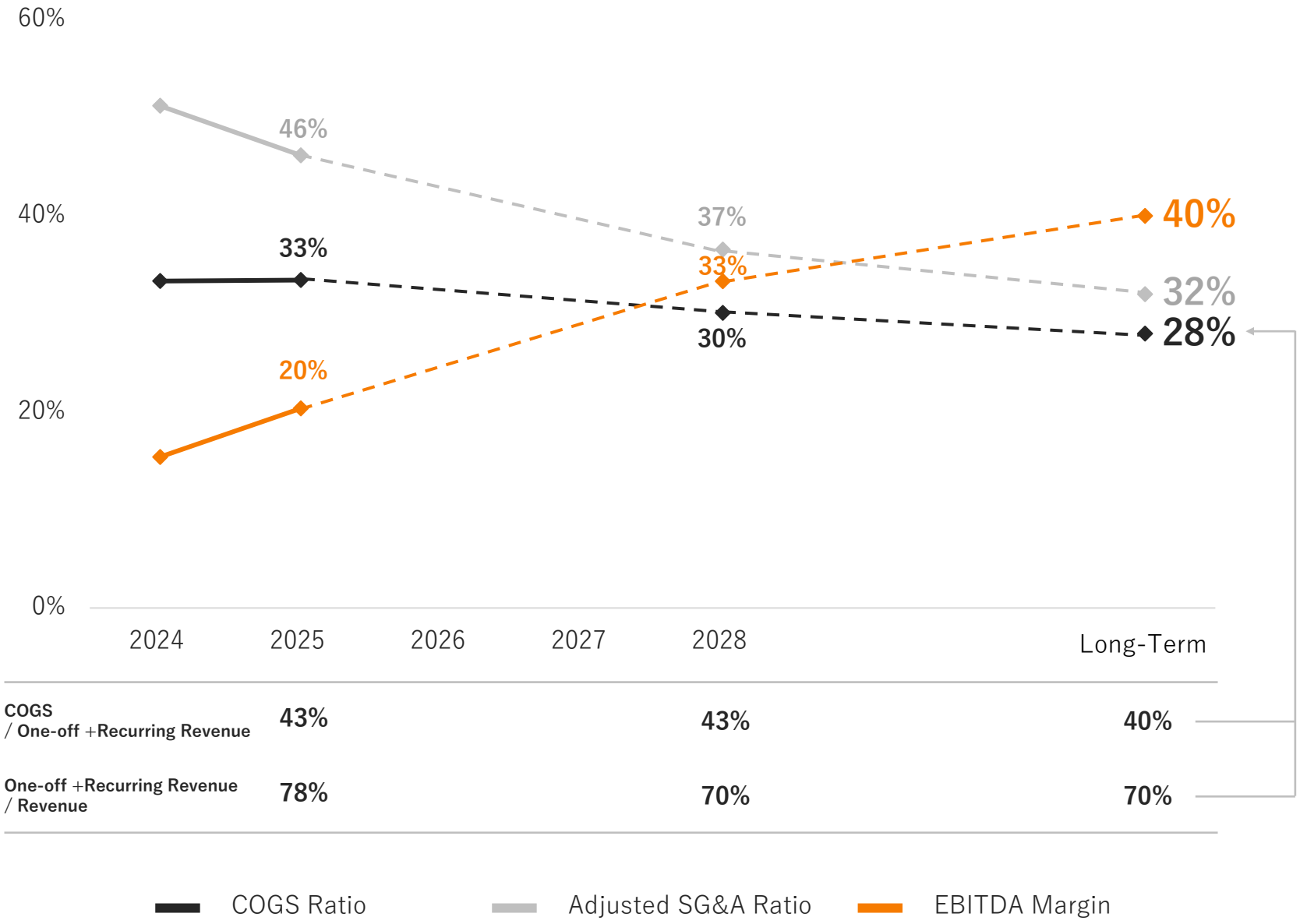
Long-Term Outlook

Our long-term target is an EBITDA margin of c.40%.

This assumes a steady improvement in COGS relative to one-off and recurring revenue.

Furthermore, we will leverage generative AI to improve development efficiency itself.

Long-Term EBITDA Margin Target



	2025	2028	Long-Term
COGS / One-off +Recurring Revenue	43%	43%	40%
One-off +Recurring Revenue / Revenue	78%	70%	70%

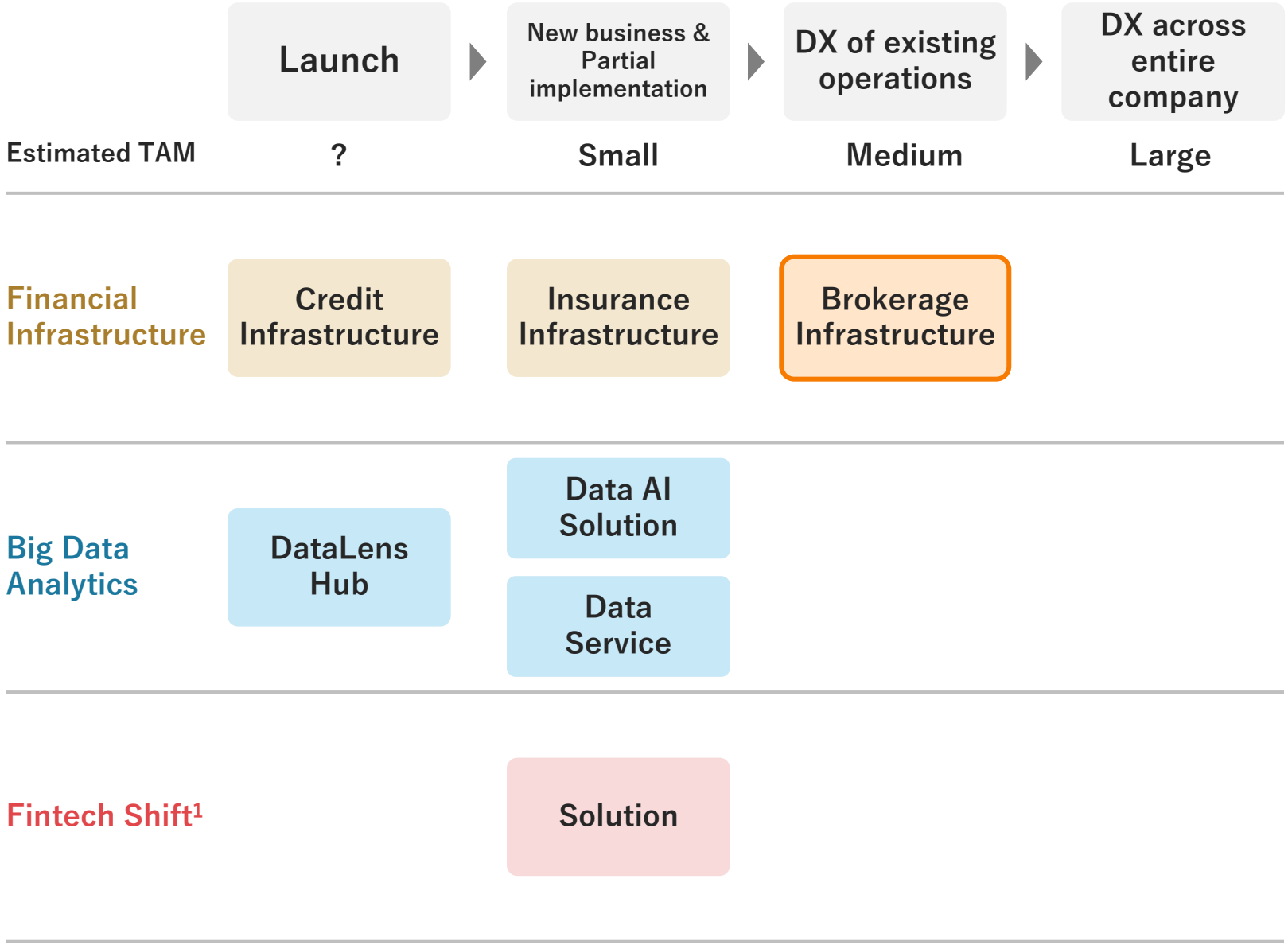
Mid-Term Plan

Overview of Business Strategy

Objectives

We aim to expand our market presence by evolving from a “**partner for new business**” to a “**provider of DX solutions for existing operations**”.

We expect at least our Brokerage Infrastructure will transition to this phase during the upcoming mid-term plan period.



1. From this fiscal year, the segment “Fintech Solution” has been renamed “Fintech Shift”.

Growth Drivers for Brokerage Infra.

We will pursue growth by: 1) securing system migration projects from financial institutions (FIs), and 2) developing next-gen wealth management services with FIs.

Targeting more than ¥370b market, we aim to gain a certain market share.

Previous Growth Drivers

Supporting New Market Entrants	• Support enterprise companies to develop investment services, leveraging their existing customer touchpoints and contexts (eg: Credit Saison, Seven Bank). • Support IFAs offering new discretionary investment management services (eg: Financial Standard, Amber AM, IFA Leading).	Estimated TAM ?

Next Mid-Term Growth Drivers

1 **System Migration Projects from Financial Institutions**	• Provide cloud-native SaaS solutions to financial institutions already engaged in brokerage business for more flexible services. • Particularly aim to acquire customers mainly from FIs specializing in selling mutual trusts.	Estimated TAM c.¥180b
2 **Next-Gen Wealth Management Services**	• Offering hybrid wealth management services combining face-to-face and online. • Providing discretionary investment management, along with mutual funds, bonds and other services. • Target affluent segment to increasing AUM through partnerships with IFAs and securities companies.	Estimated TAM at least ¥190b

1) Market Size of System Sales

Market size for brokerage system is estimated to be c.¥180 billion.

Our share remains at 1%, and we aim to expand our share via mutual funds sales systems.

Over 180 target customers, direct sales AM and regional banks are our main targets.

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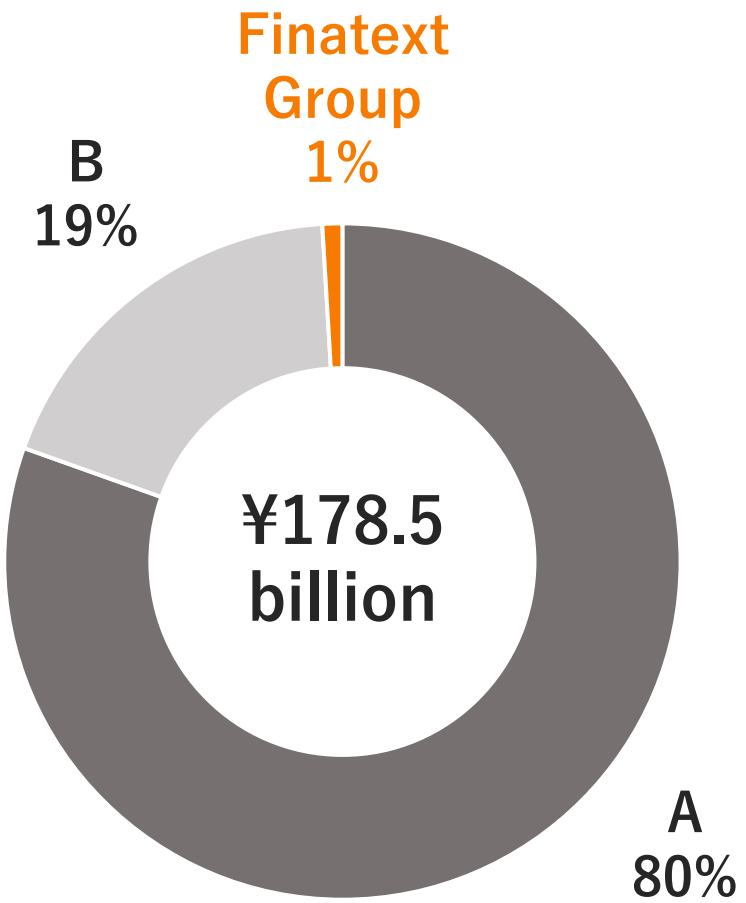
Market Size of Brokerage System[1] (FY2023)



Target Customers of Mutual Funds Sales Systems

Direct Sales AM	10	Partially acquired
Regional Banks	99	Acquisition target in next mid-term period
Regional Bank Affiliated Brokers	27	
Regional Brokers	47	
	Total 183	

Source: Based on our company's research

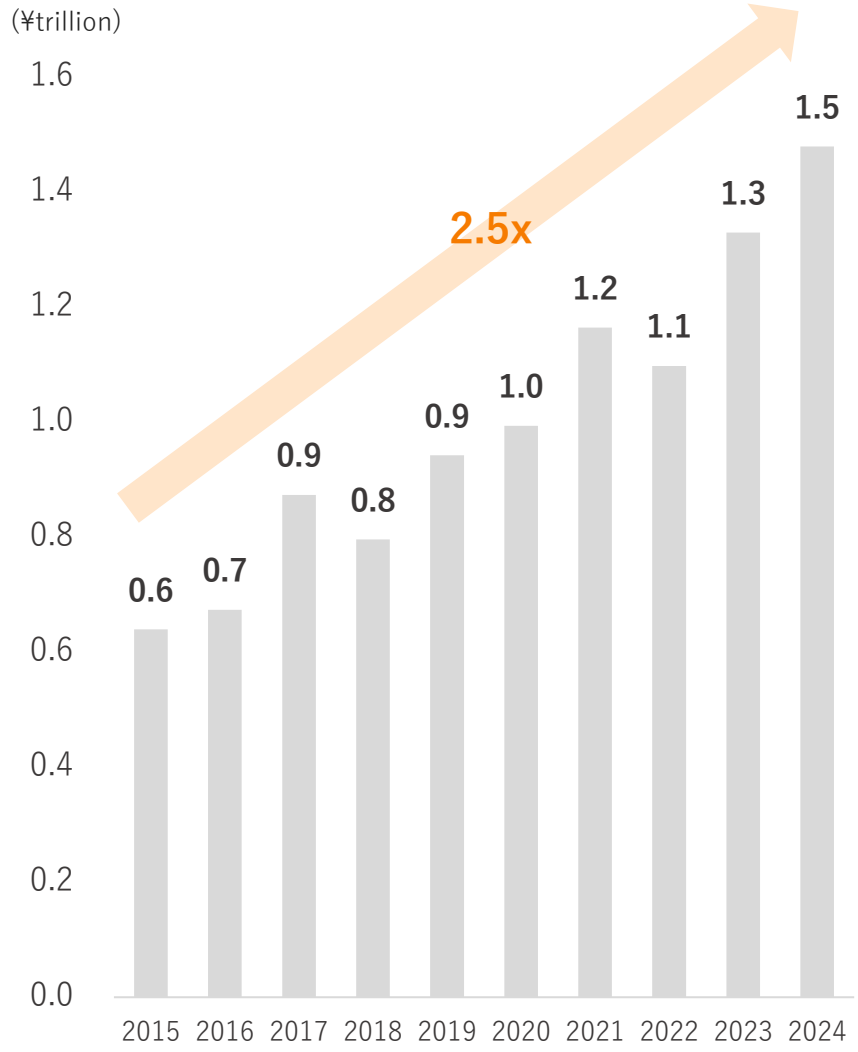
1. Estimated by aggregating brokerage industry revenue (or total company revenue when securities industry is the main customer) of companies that sell brokerage systems externally, targeting only companies with information disclosure.

1) Expansion of Direct Sales

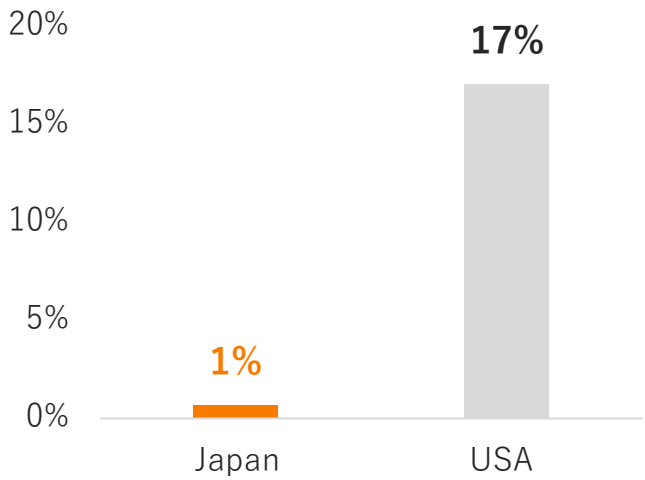
While direct sales market for mutual funds is expanding, its proportion remains low compared to the US.

Particularly after New NISA program, lower fees and commissions is accelerating the trend to strengthen direct sales channels for active fund distribution.

Amount of Mutual Funds through Direct Sales Channel



Direct Sales Ratio in Mutual Funds



Current AM Partners

- Nissay AM
- Saison AM
- Mitsubishi UFJ AM

Credits：Investment Trusts Association, ICI “Characteristics of Mutual Fund Investors, 2024”

1) Competitive Edge

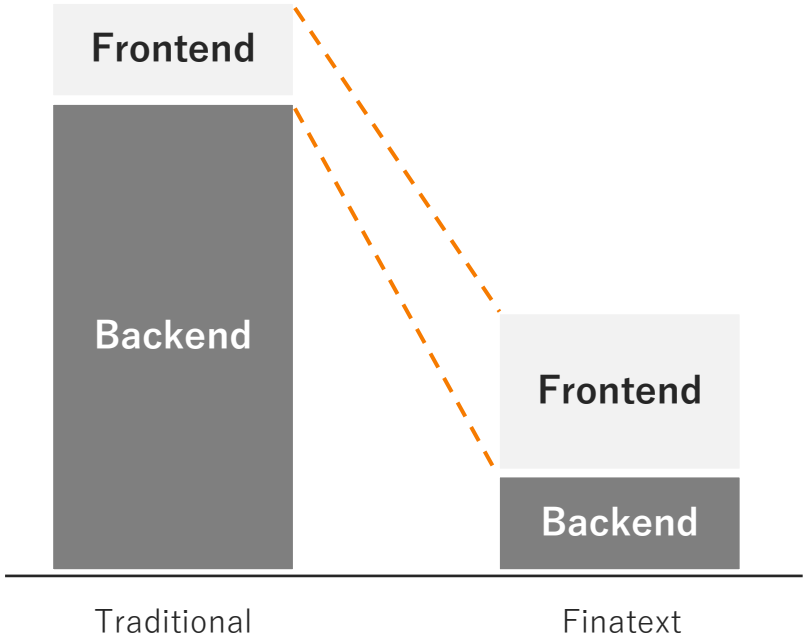
We aim to provide systems to existing financial institutions who seek to simultaneously improve UI/UX of user-facing services and optimize operational costs by leveraging our Brokerage Infrastructure.

Focus on expanding product offerings to meet potential customer needs.

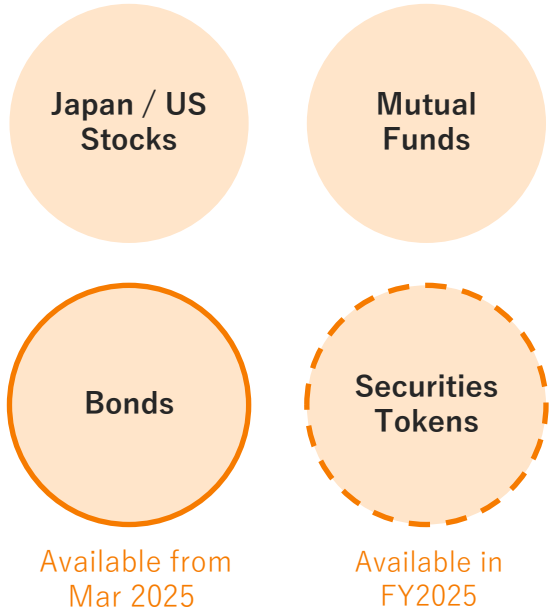
Features of Brokerage Infrastructure

- Our cloud-native shared system allows for low-cost backend implementation.
- The loosely coupled backend and frontend structure enables highly flexible development of user applications through APIs
- This approach enables customers to allocate a greater portion of their budget to customizing user-facing services, which are the primary source of value, while controlling total costs.

Comparison of System Investment



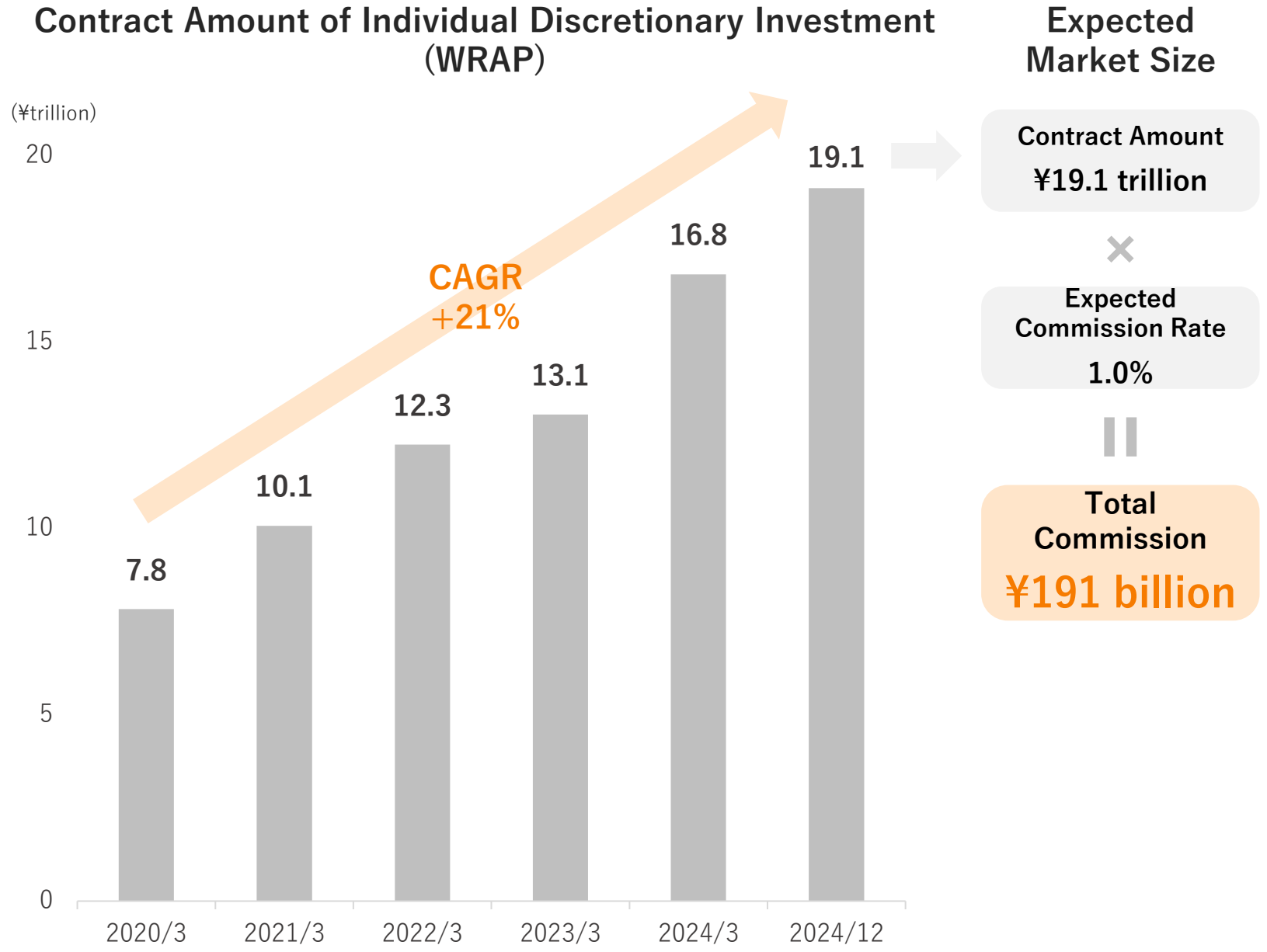
Available Product Offerings



2) Market Size of Discretionary Investment Service

Discretionary investment, a key component of the next-gen wealth management service, is growing steadily with AUM currently reaching 19.1 trillion yen.

Assuming 1% fee rate, fee pool for Japan's discretionary investment is c.¥190 billion. With our current market share at less c.0.3%, we have substantial growth potential.



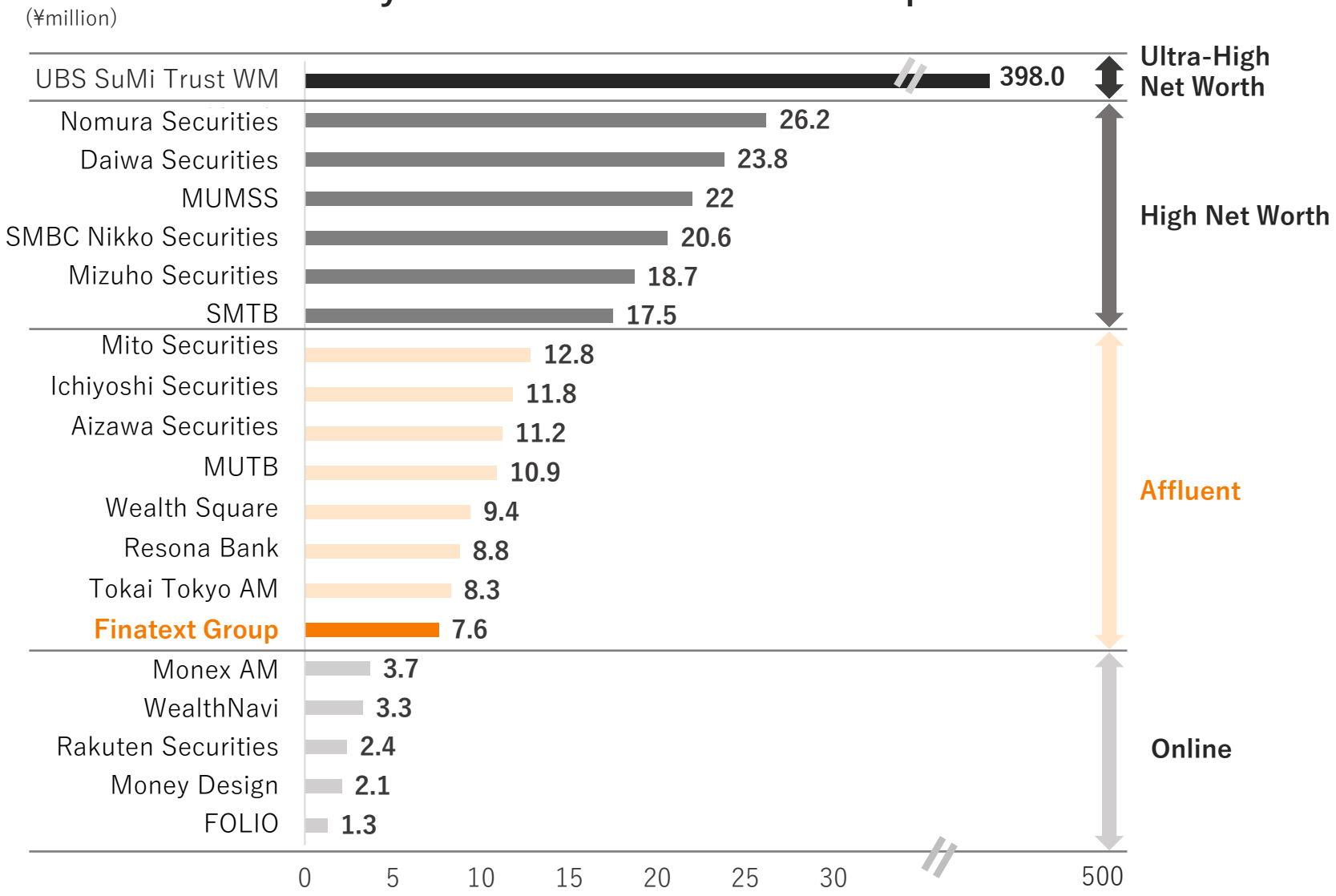
Credits: Japan Investment Advisers Association

2) Target Customer

We are targeting affluent segment with high assets per customer.

Through partnerships with IFAs and brokers, we aim to expand the market for affluent customers by providing high-quality services through a hybrid model combining face-to-face and online channels.

Discretionary Investment Contract Balance per Customer[1]



Credits: Japan Investment Advisers Association (Dec, 2024)

1. AUM over ¥10 billion

BUSINESS HIGHLIGHT

New Release of Brokerage DWM

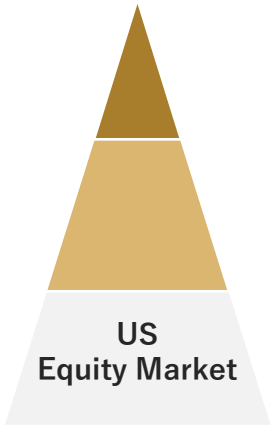
JTG Securities, using our DWM platform, has launched a discretionary investment management service for affluent investors.

“Industry-first” discretionary investment service targeting individual investors that focuses exclusively on US stocks.

J Trust Global Securities “WEALTH GROWTH”

Service Overview

- “Industry-first” discretionary investment service for individual investors focused exclusively on US stocks.
- Build and actively manages portfolios of large-cap high-quality and small/mid-cap growth from US individual stocks, using a proprietary multi-factor analysis.



Large-Cap High Quality

- Mainly composed of S&P 500 and NASDAQ 100 stocks

Small/Mid-Cap Growth

- Composed of stocks from Russell 3000, excluding those in the large-cap high-quality portfolio

Project Overview

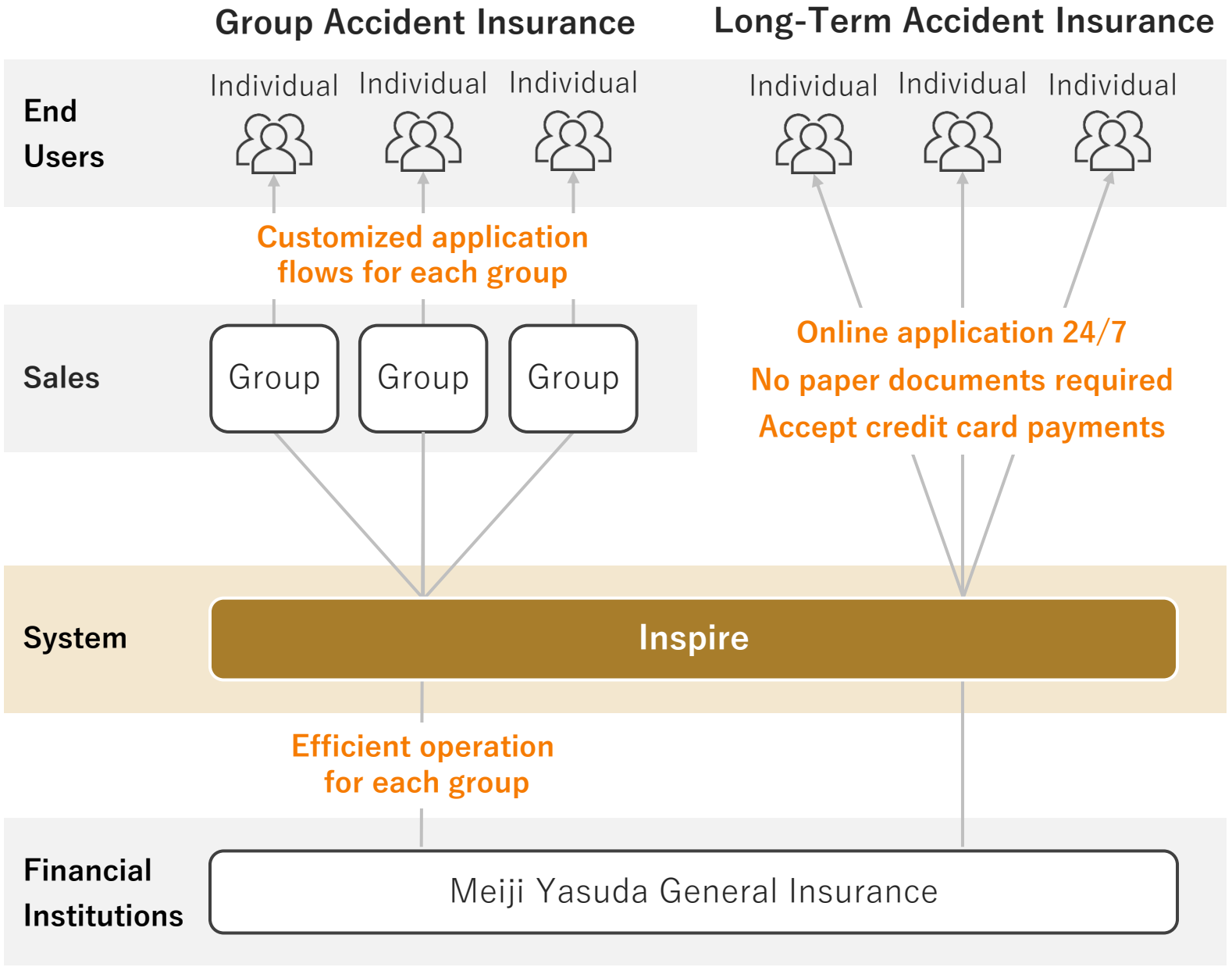
- JTG Securities is expanding its private banking services and seeking to introduce distinctive new financial products.
- They selected our DWM platform for its ability to support sophisticated investment strategies and flexible fee structures, enabling the creation of new asset management services tailored to the needs of affluent customers.



New Release of Insurance Infra.

In Mar 2025, Meiji Yasuda General Insurance adopted our Insurance Infrastructure Inspire.

Provides web application for group accident insurance and long-term accident insurance, enhancing operational efficiency and customer experience.



Promoting Gen-AI Utilization

We aim to improve operational efficiency by combining next-gen financial infrastructure with Data AI Development platform.

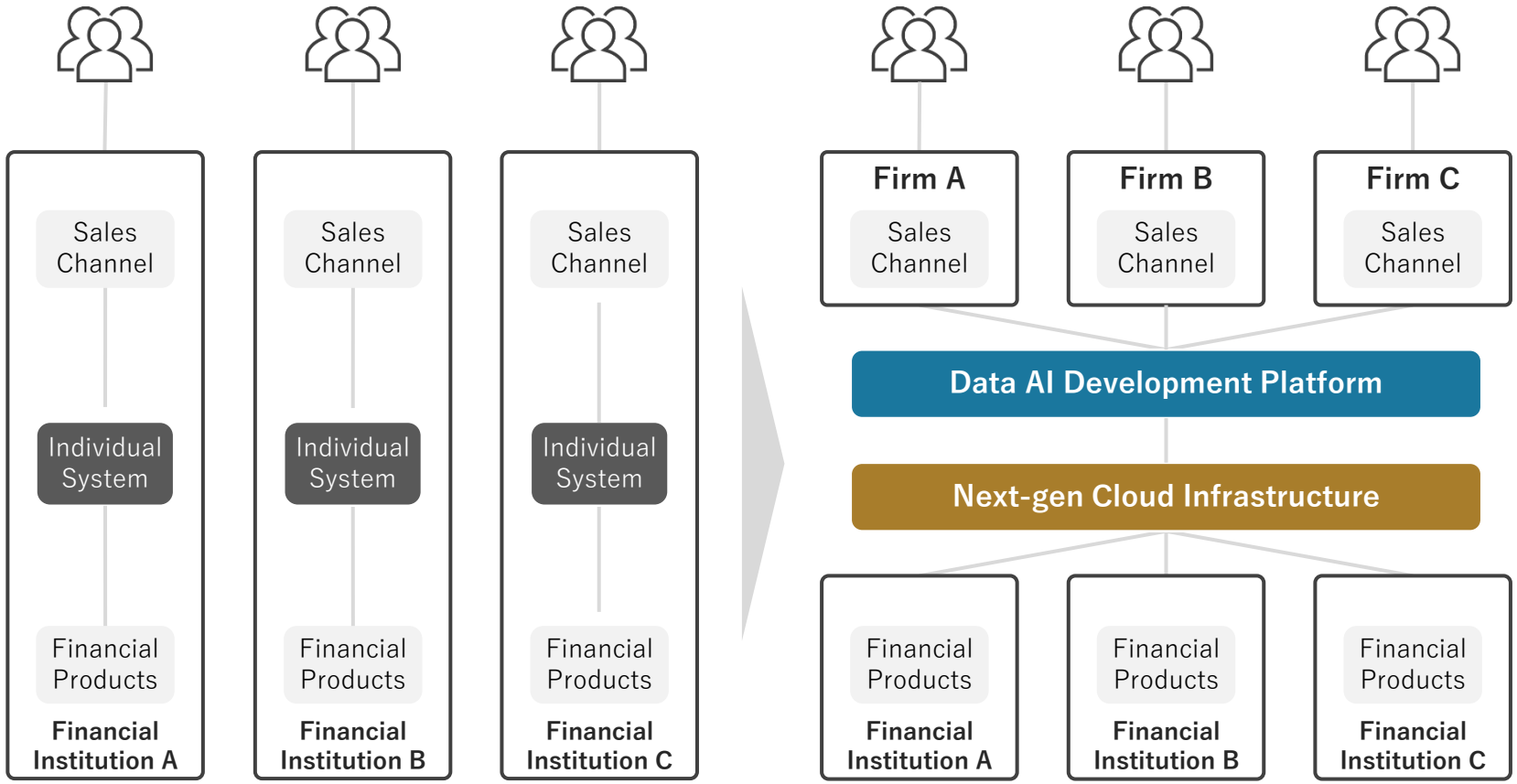
Initially, we will leverage generative AI expertise accumulated in Big Data Analytics business to develop AI tools for financial industry.

Traditional Financial Industry

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

Finatext

- Embed financial products into external partners through a cloud-based core system.
- Enhance operational efficiency with generative AI, facilitating services with various partners.



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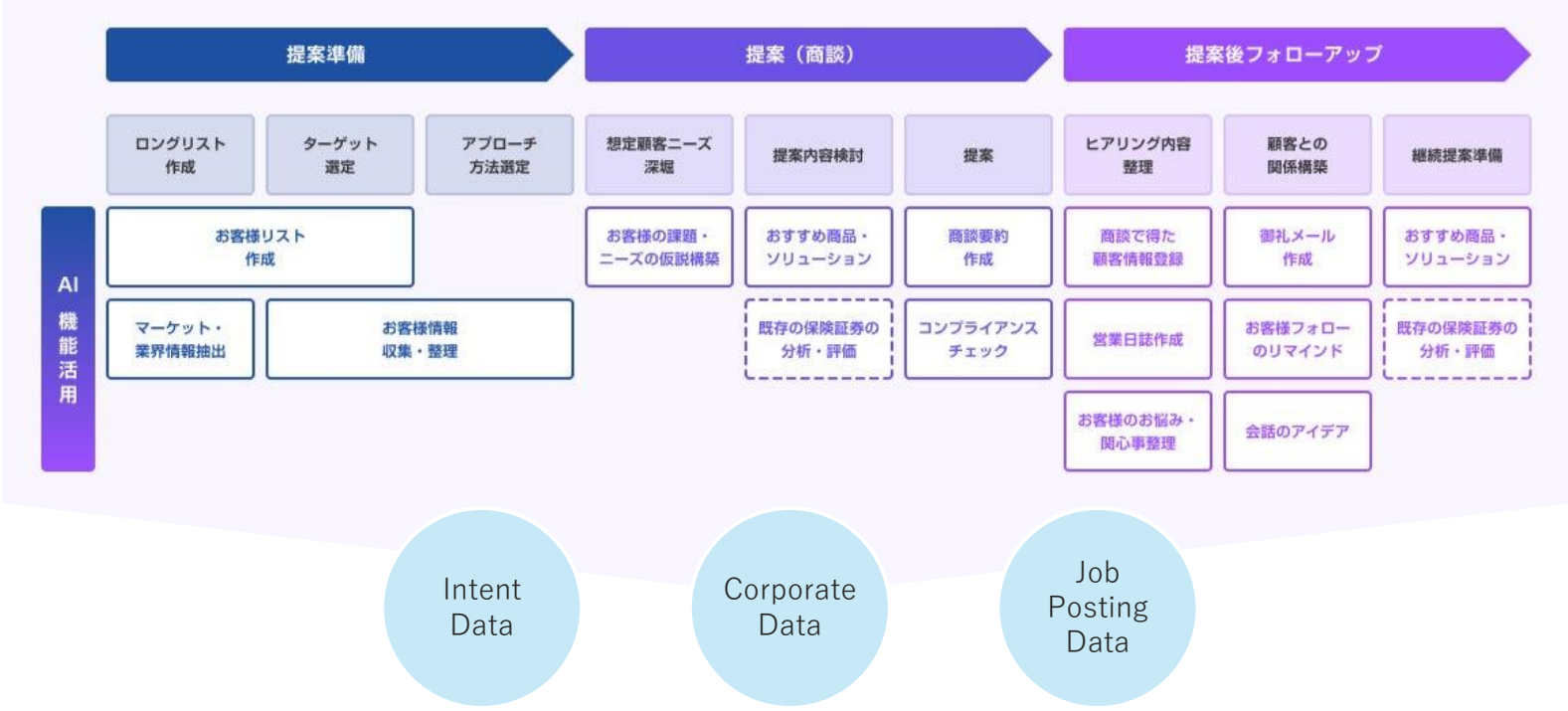
Gen-AI Tool for Financial Industry

As one of our generative AI tools for financial industry, we launched “Finatext Advisory Assist for Corporate Insurance Sales”, a generative AI tool designed to support corporate insurance sales by leveraging intent data and generative AI.

Finatext Advisory Assist for Corporate Insurance Sales

- Comprehensive AI support for corporate insurance sales activities, from generating potential customer lists using intent data[1] to providing conversation topics for post-meeting follow-ups.
- Leveraged by our corporate database, which incorporates company information such as employee counts by job title and changes in the number of operating locations.
- Developed generative AI tools tailored for financial industry, which combines sales support analysis expertise derived from intent data, corporate data, and job posting data from Big Data Analytics business, with industry knowledge from Insurance Infrastructure business.



1. “Intent data” refers to data indicating a user's or company's interest in specific products or services.

ANNUAL RESULTS FY2024

Financial Summary

Revenue reached **¥7.7 billion**, a **43% increase YoY** and a **1% increase compared to our initial guidance**.

Profits significantly exceeded the initial guidance due to reduced outsourcing costs, resulting in **gross margin rising to 67% and EBITDA margin increasing to 15%**.

(¥million)	FY2024 Full-Year	FY2023 Full-Year	YoY	Initial Guidance	vs. Initial Guidance
Revenue	**7,702**	**5,375**	**+43%**	**7,627**	**+1%**
COGS	2,569	2,150	+19%	3,051	▲ 16%
Gross Profit	**5,133**	**3,225**	**+59%**	**4,576**	**+12%**
Gross Margin	67%	60%	-	60%	-
Adj. SG&A[1]	3,946	2,932	+35%	3,632	+9%
Adj. SG&A Ratio	51%	55%	-	48%	-
EBITDA[2]	**1,187**	**292**	**+306%**	**944**	**+26%**
EBITDA Margin	15%	5%	-	12%	-
Depreciation + Stock-based compensation	236	87	+171%	258	▲ 8%
Margin	3%	2%	-	3%	-
Operating Income	**950**	**204**	**+364%**	**686**	**+38%**
Operating Margin	12%	4%	-	9%	-
Net Income Attributable to Owners of Parent	**659**	**▲ 78**	**-**	**180**	**+266%**
Margin	9%	▲ 1%	-	2%	-

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

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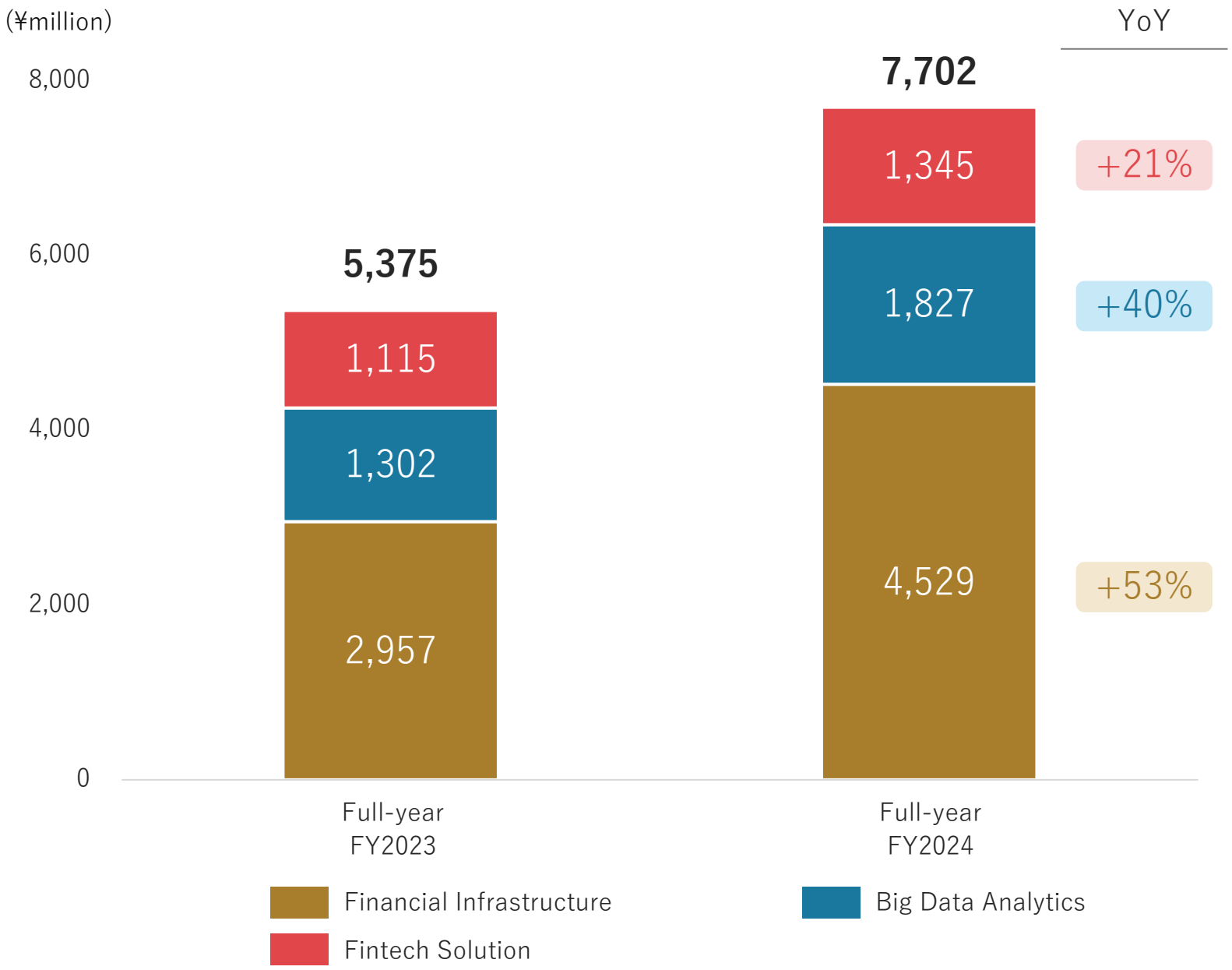
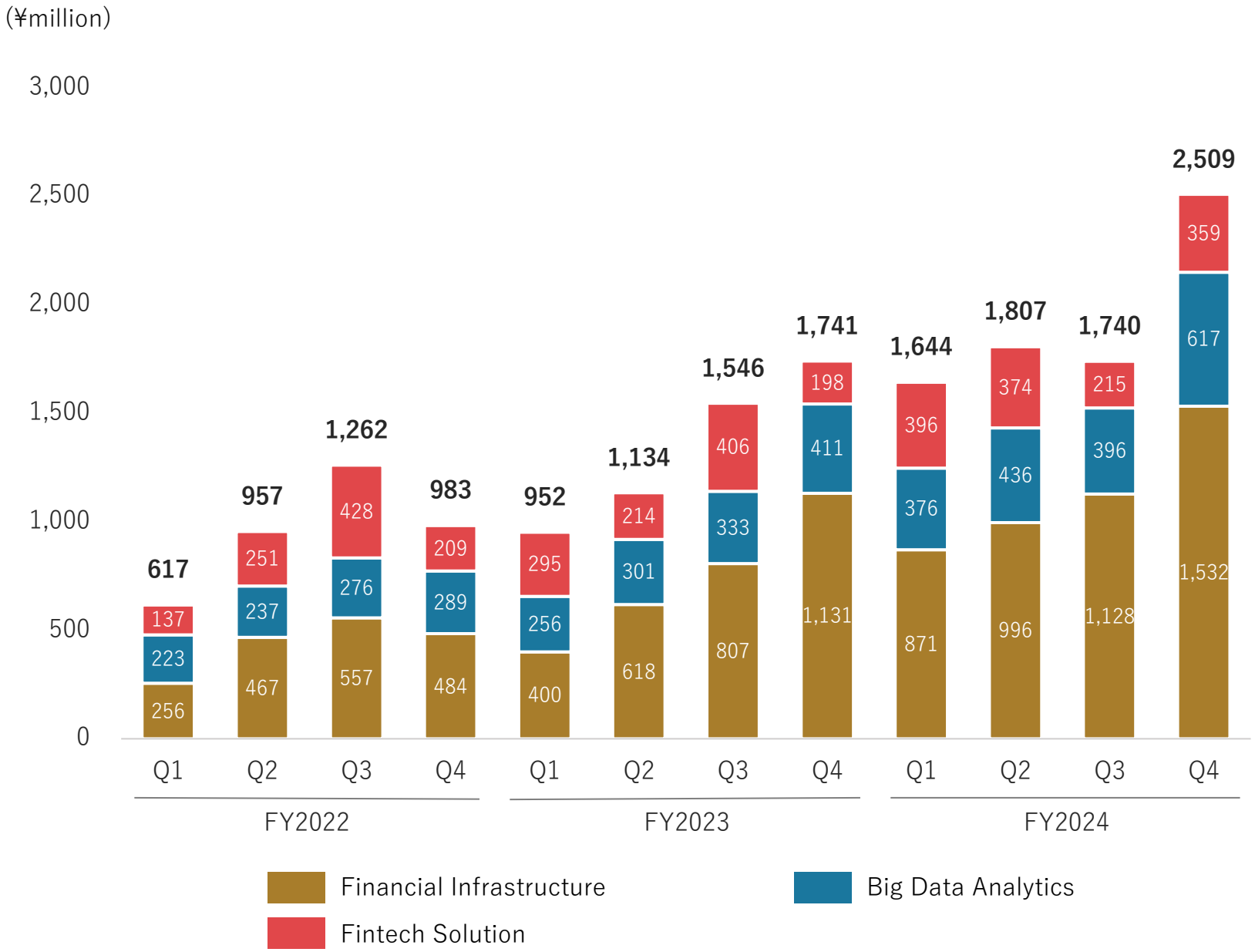
Revenue by Segment

Financial Infrastructure drove growth with a 53% YoY increase, while Big Data Analytics also accelerated, growing by 40% YoY.

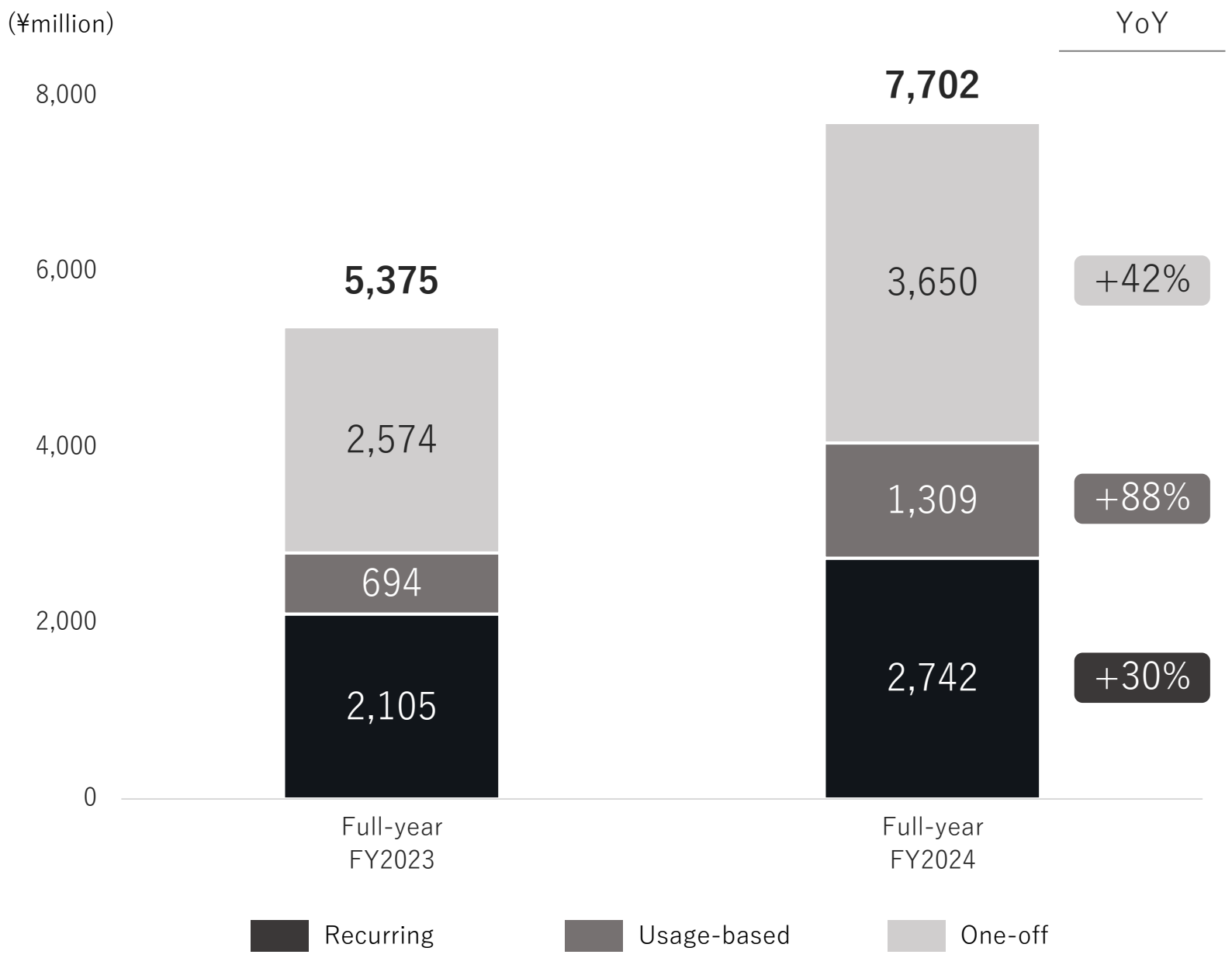


Revenue by Segment

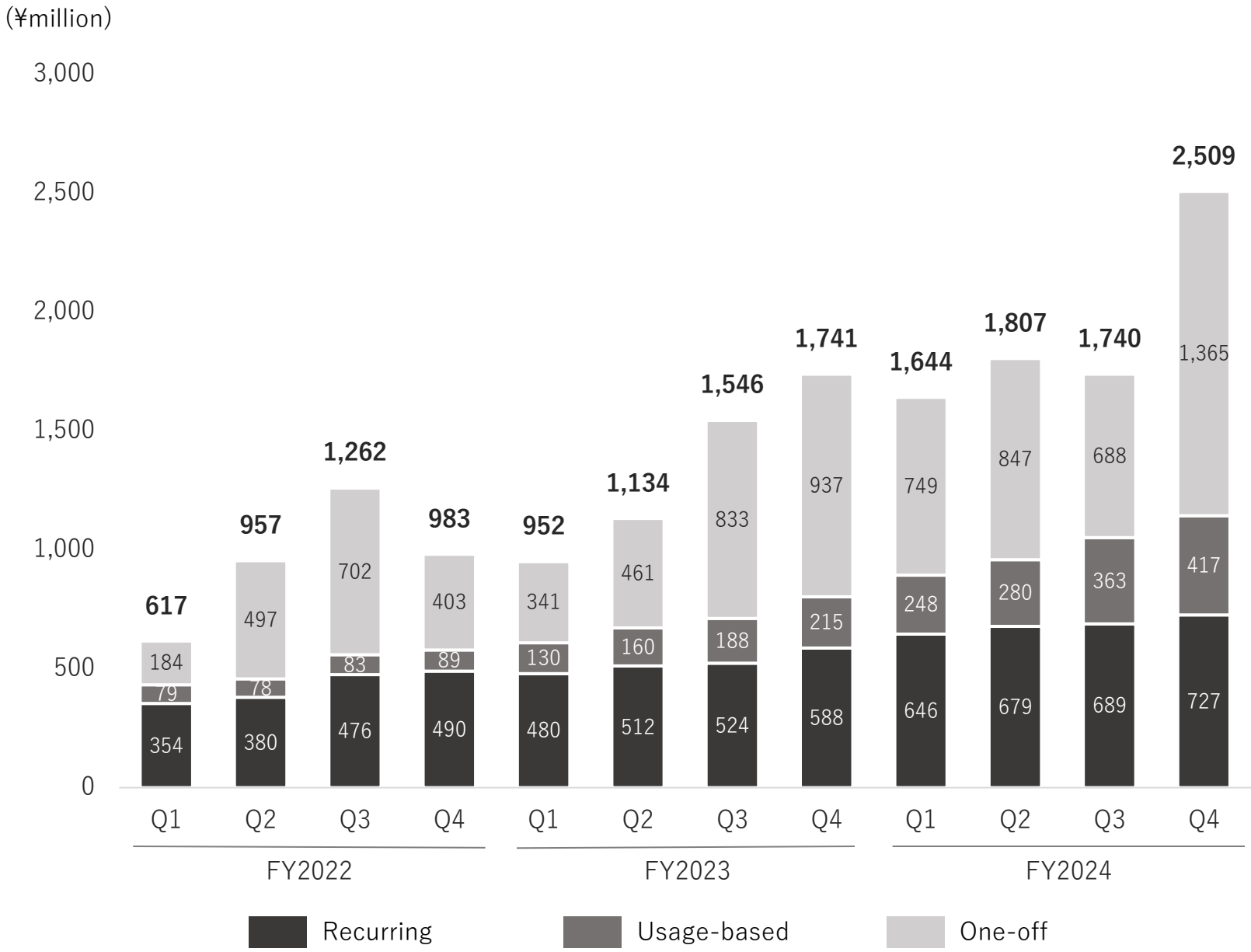


Revenue by Type

Driven by the increase in the number of Financial Infrastructure partners and AUM, **usage-based revenue increased significantly by 88%, and one-off revenue increased by 42% YoY.**



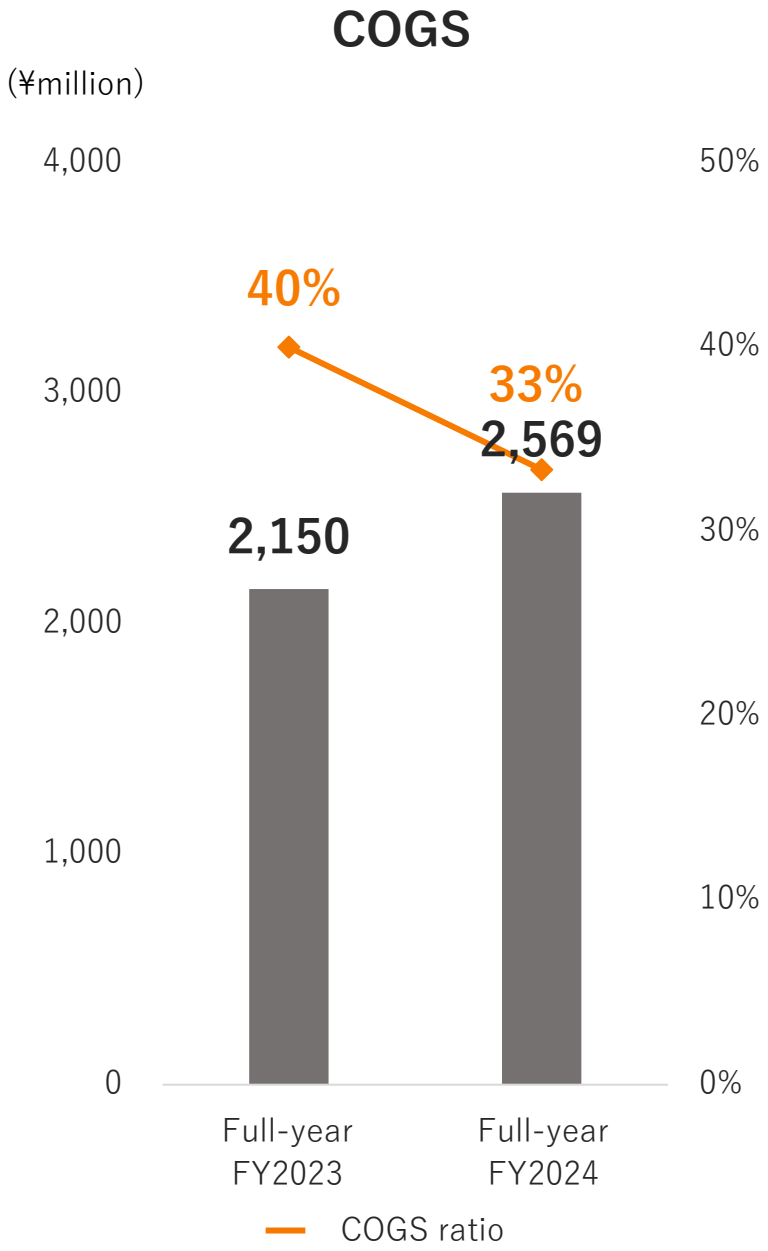
Revenue by Type

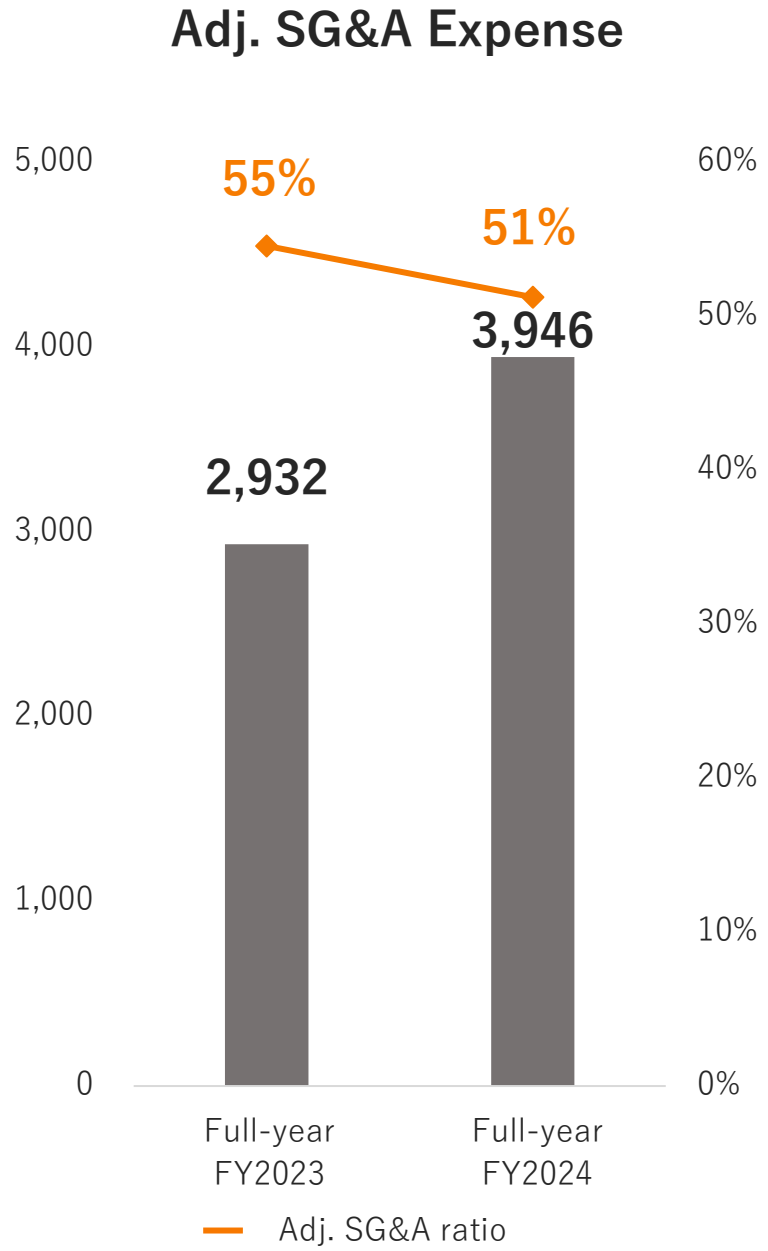


COGS and SG&A

While revenue increased by 43%, COGS was limited to a 19% YoY increase, reducing the COGS ratio to 33%.

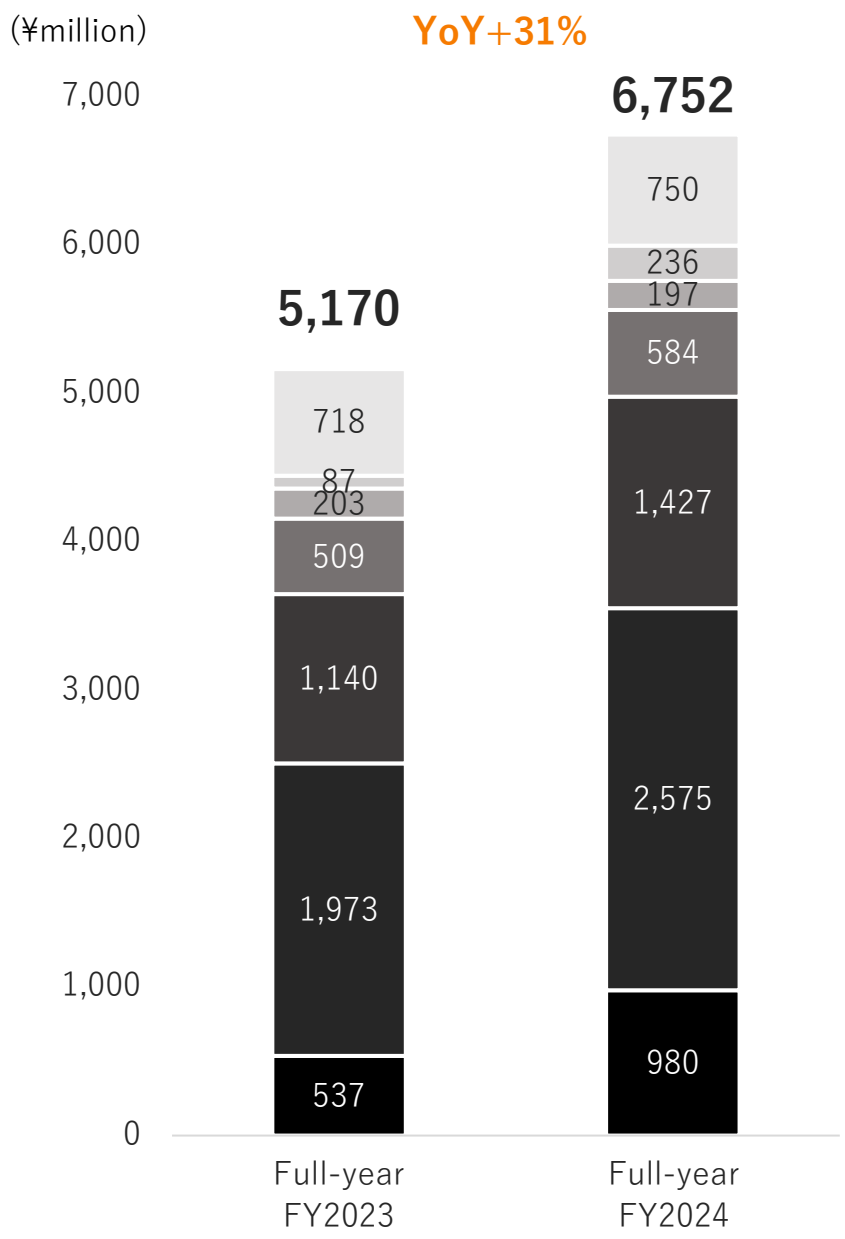
Adjusted SG&A expenses also remained controlled, increasing by 35% YoY, lowering the ratio to revenue to 51%.





Cost Breakdown

Overall expenses increased by 31% YoY, compared to a 43% YoY increase in revenue, primarily due to lower-than-planned outsourcing costs.



Other （YoY+4%）
- Increased YoY due to additional office-related expenses

Depreciation + Stock-based Compensation Expense （YoY+171%）
- Recorded expenses of SO issued in April and October 2024 (¥118m)

Advertising Expenses （YoY-3%）
- Trending at roughly the same level as the same period last year

Communication Expenses （YoY+15%）
- Increase due to business expansion and currency depreciation

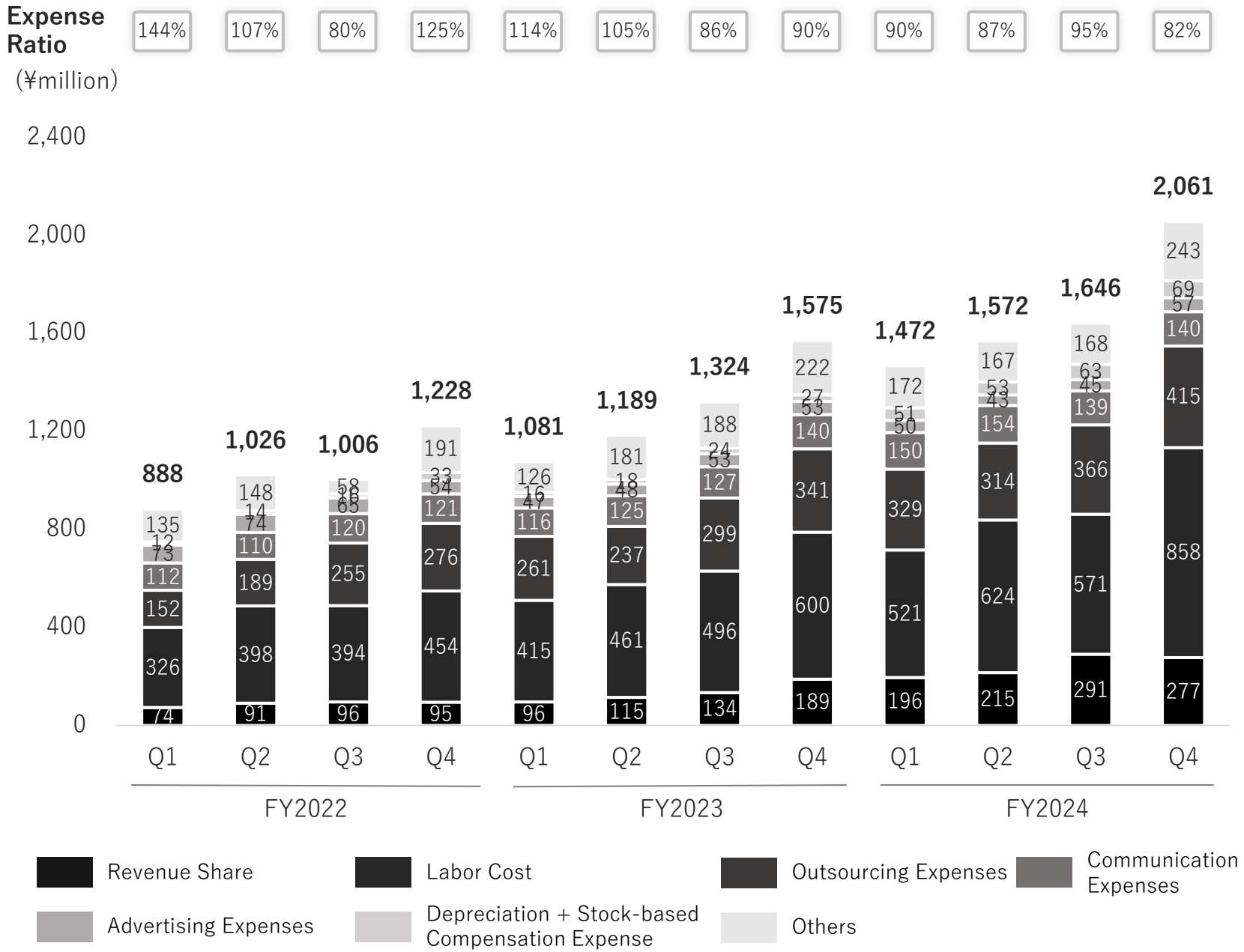
Outsourcing Expenses （YoY+25%）
- Mainly due to increase in development projects

Labor Cost （YoY+30%）
- Increased due to team expansion

Revenue Share （YoY+83%）
- Increased mainly due to respective growth of Data License Business and Financial Infrastructure

Group

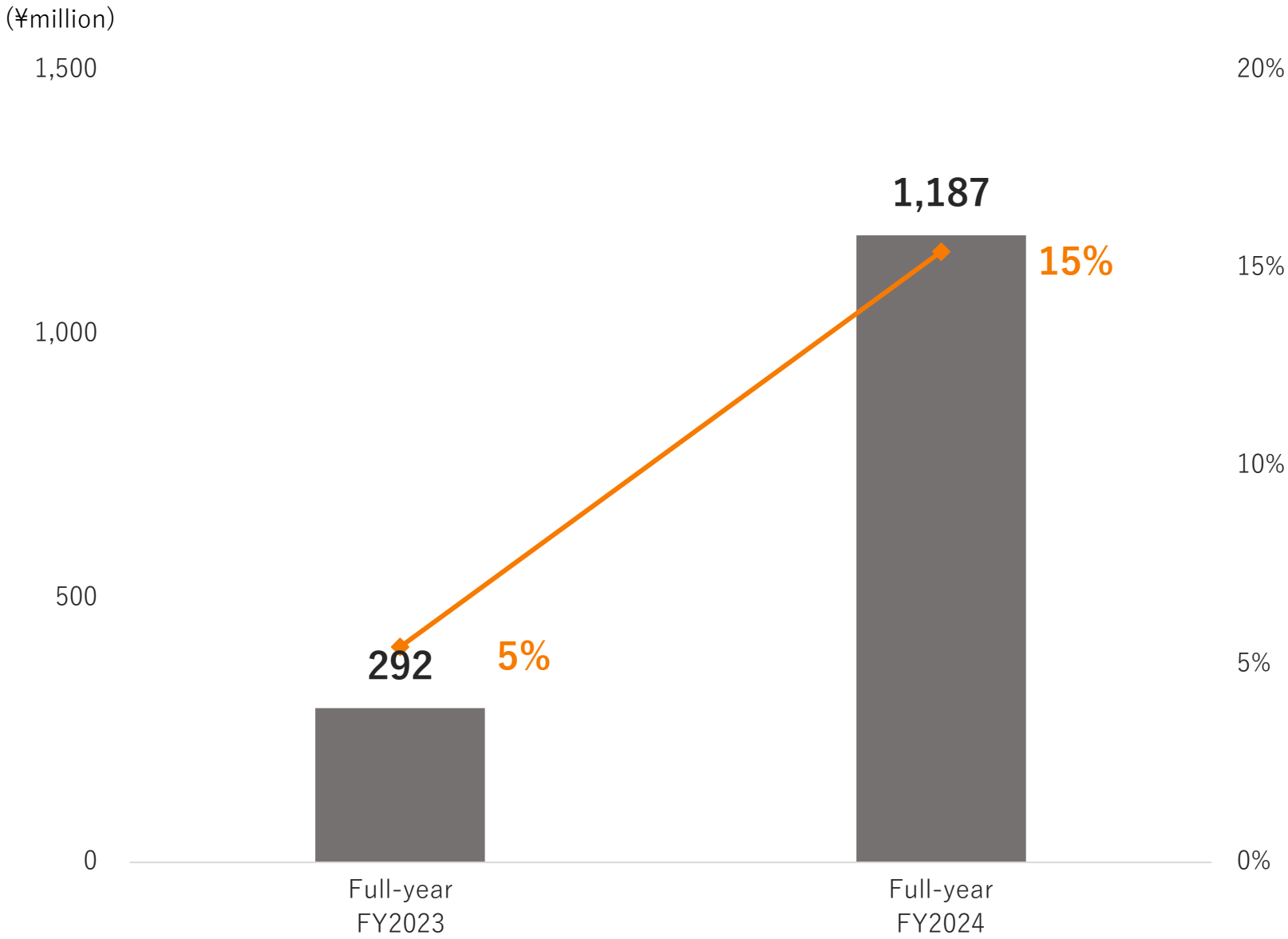
Cost Breakdown



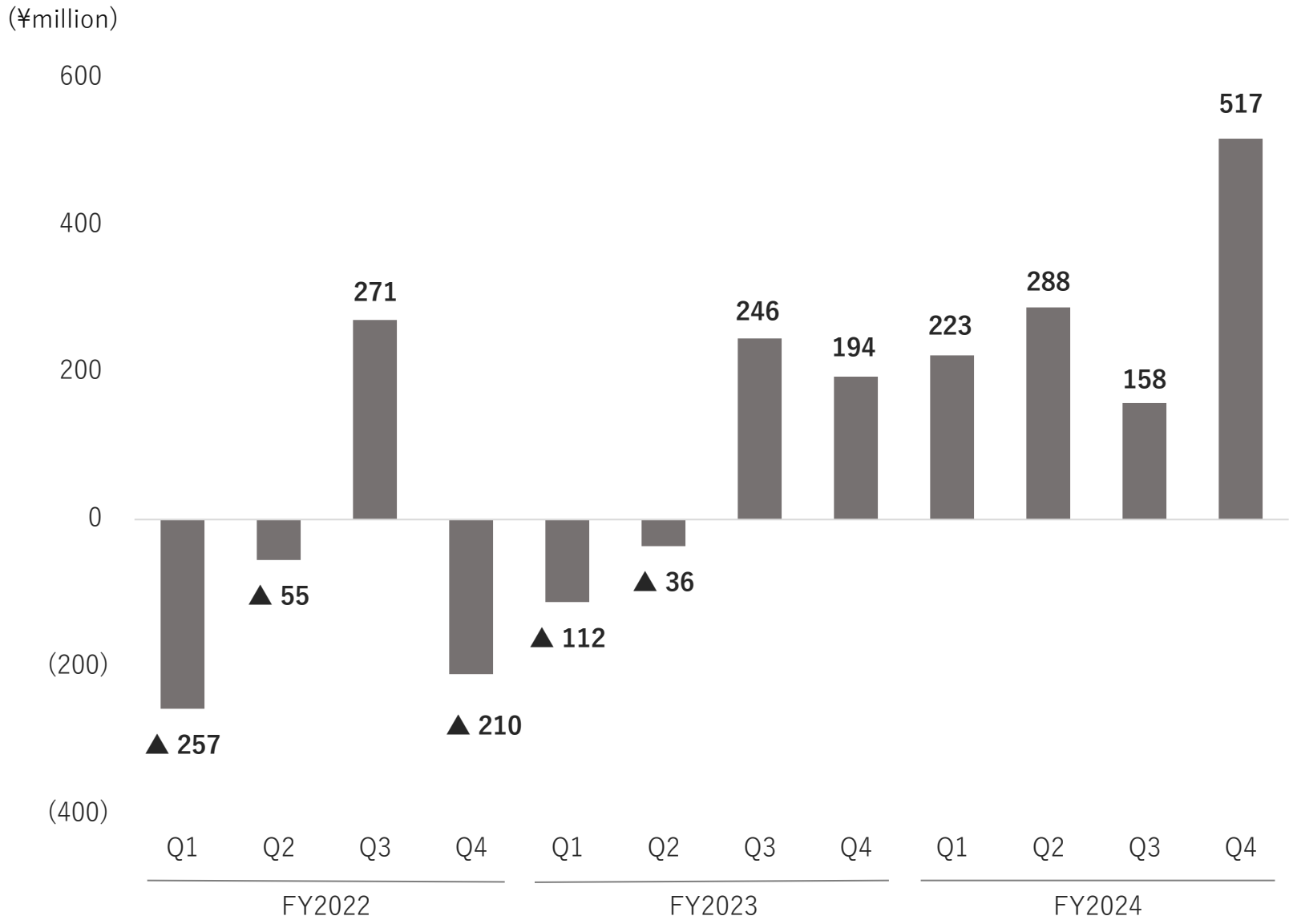
EBITDA

Profitability improved significantly with the increase in revenue.

EBITDA margin was 15%, exceeding the initial guidance of 12%.



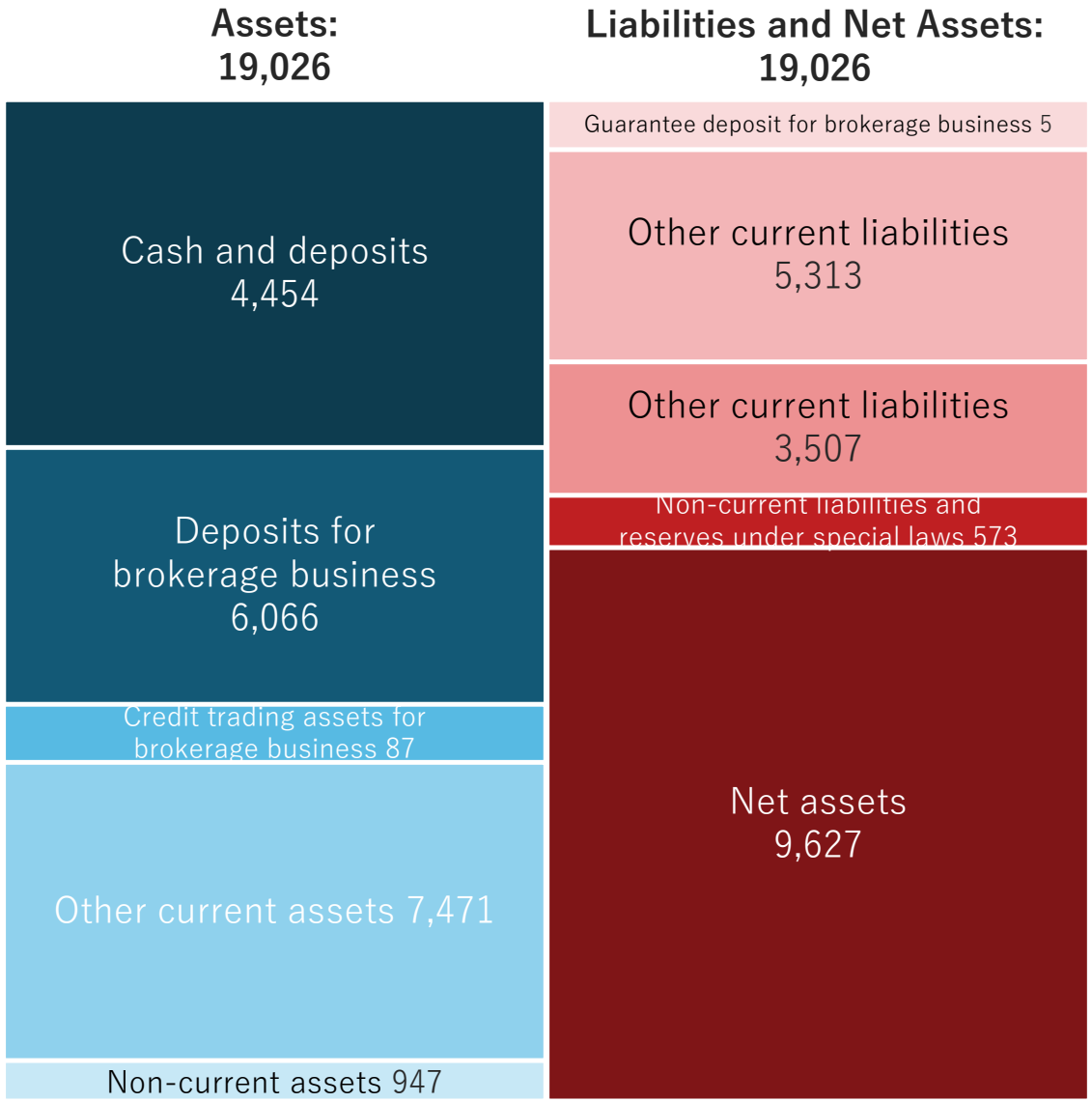
EBITDA


(¥million)
600
400
200
0
(200)
(400)
▲ 257
▲ 55
271
▲ 210
▲ 112
▲ 36
246
194
223
288
158
517
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
FY2022
FY2023
FY2024

Balance Sheet

Strong financial base with about ¥4.5 billion in cash and deposits as of the end of March 2025.

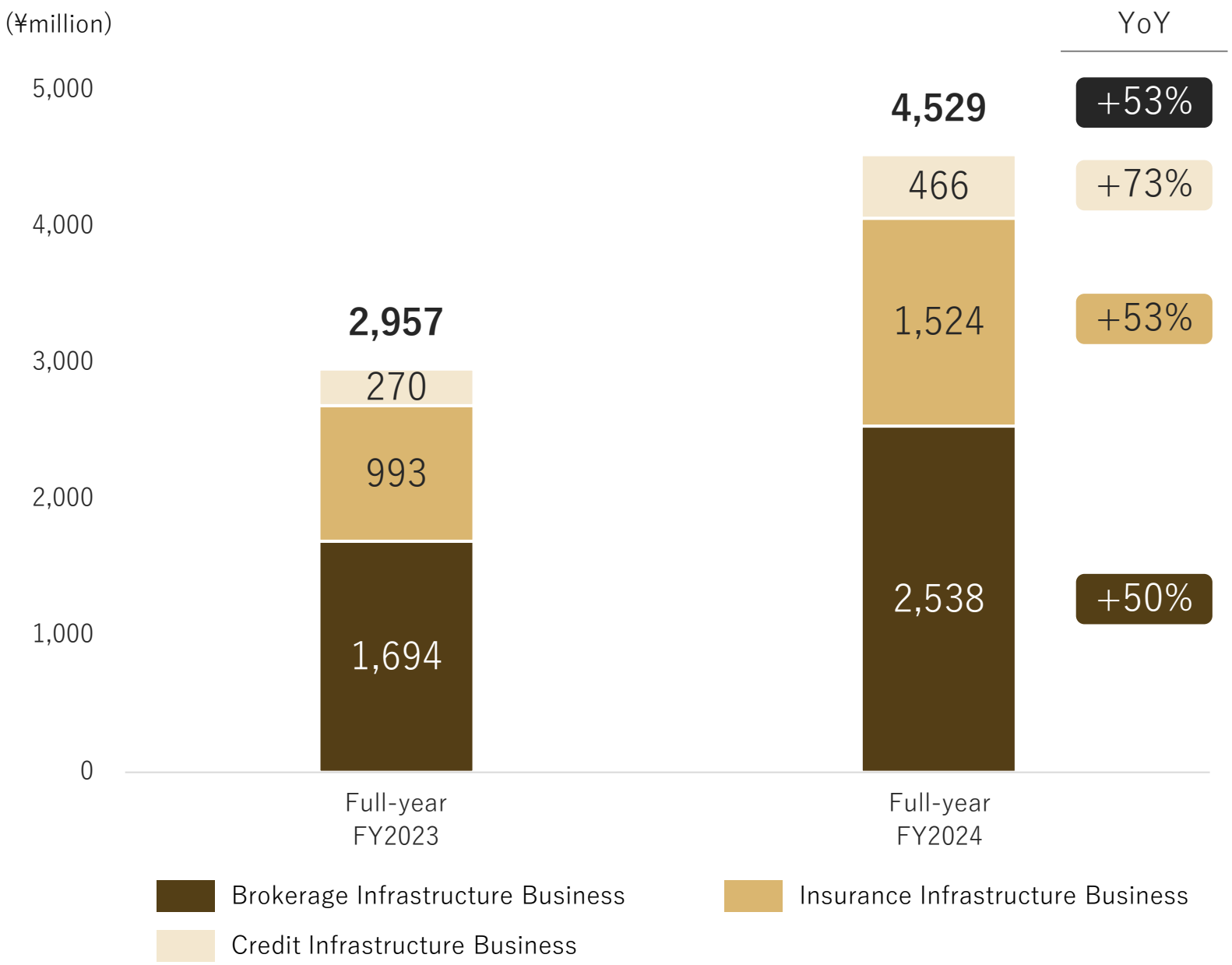
(¥million)



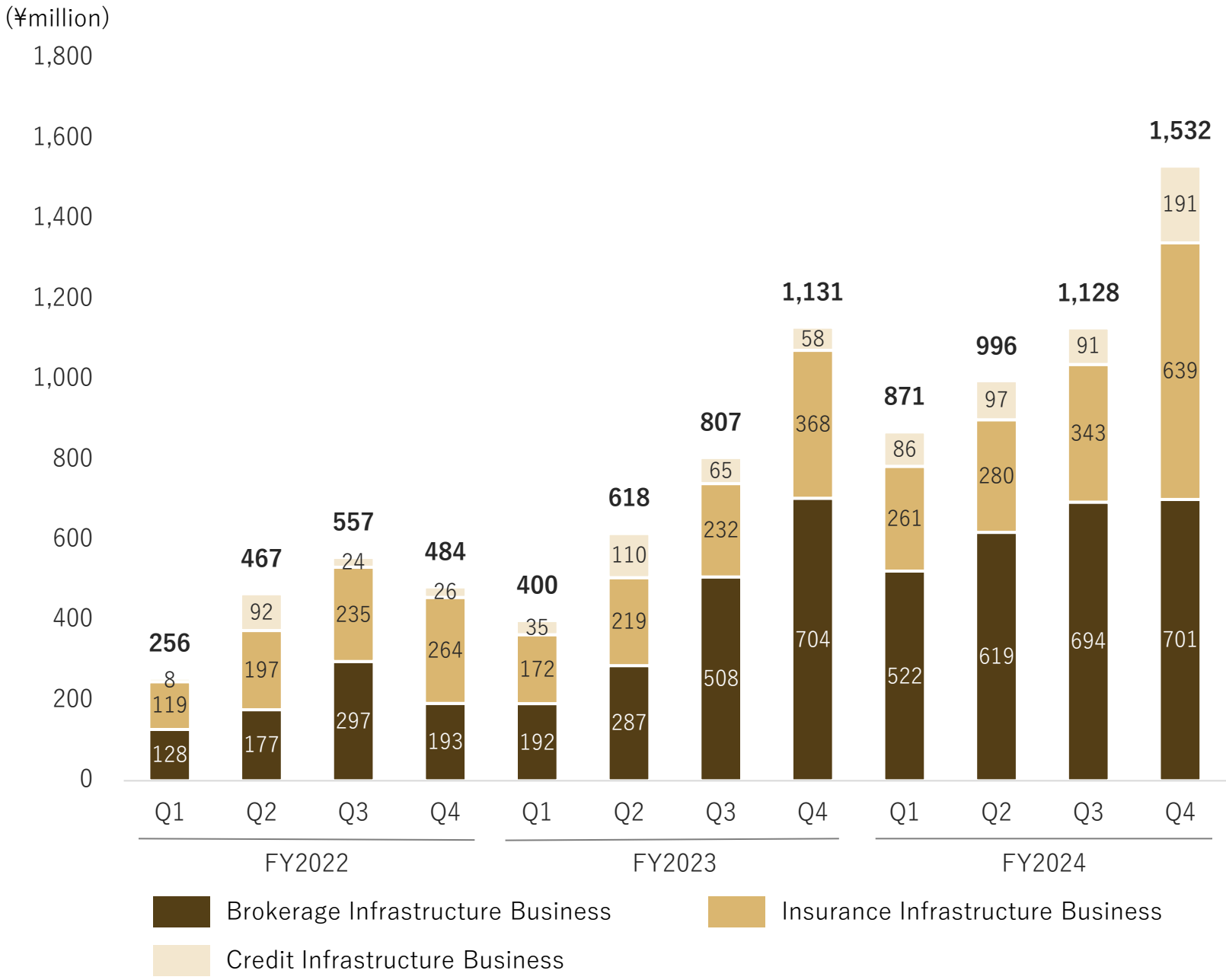
ANNUAL RESULTS BY SEGMENT FY2024

Revenue by Business

With all businesses growing by more than 50%, **revenue reached ¥4.5 billion, a 53% increase YoY**.

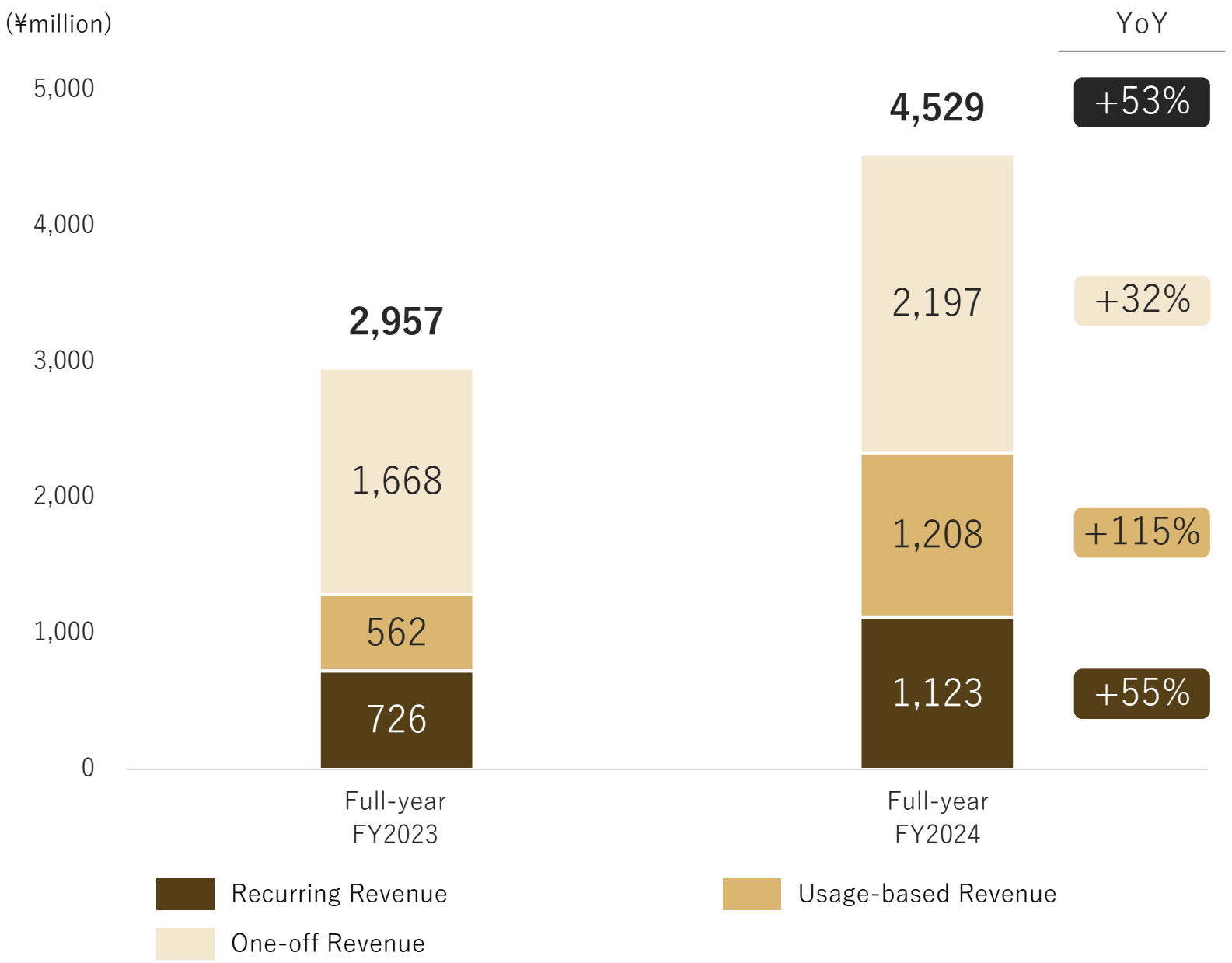


Revenue by Business



Revenue by Type

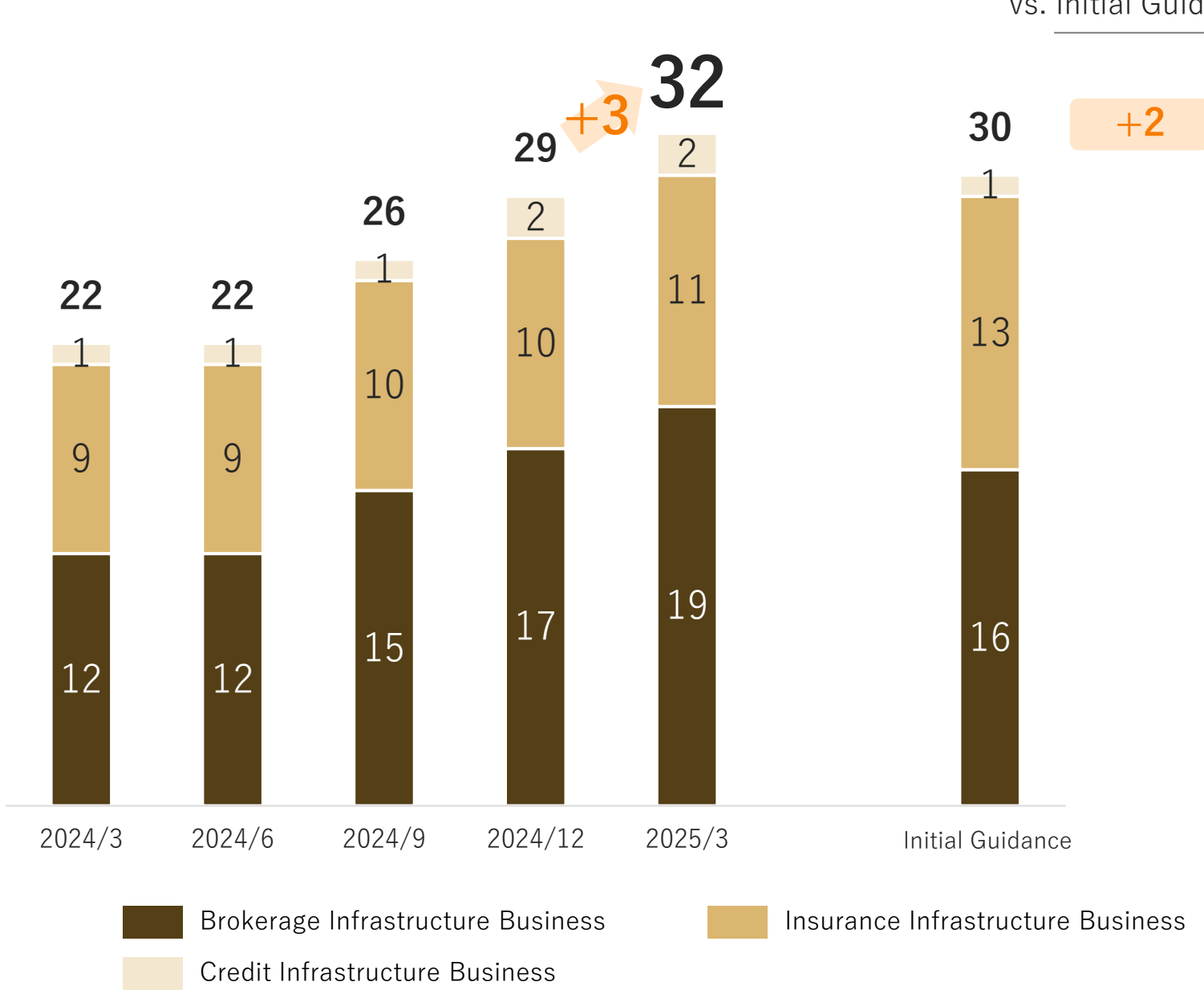
By revenue type, usage-based revenue drove significant growth, increasing by 115% YoY, while recurring revenue also grew by 55%.



Number of Partners

This quarter, we added 2 brokerage partners and 1 insurance partner, **increasing the total number of partners from 29 to 32**.

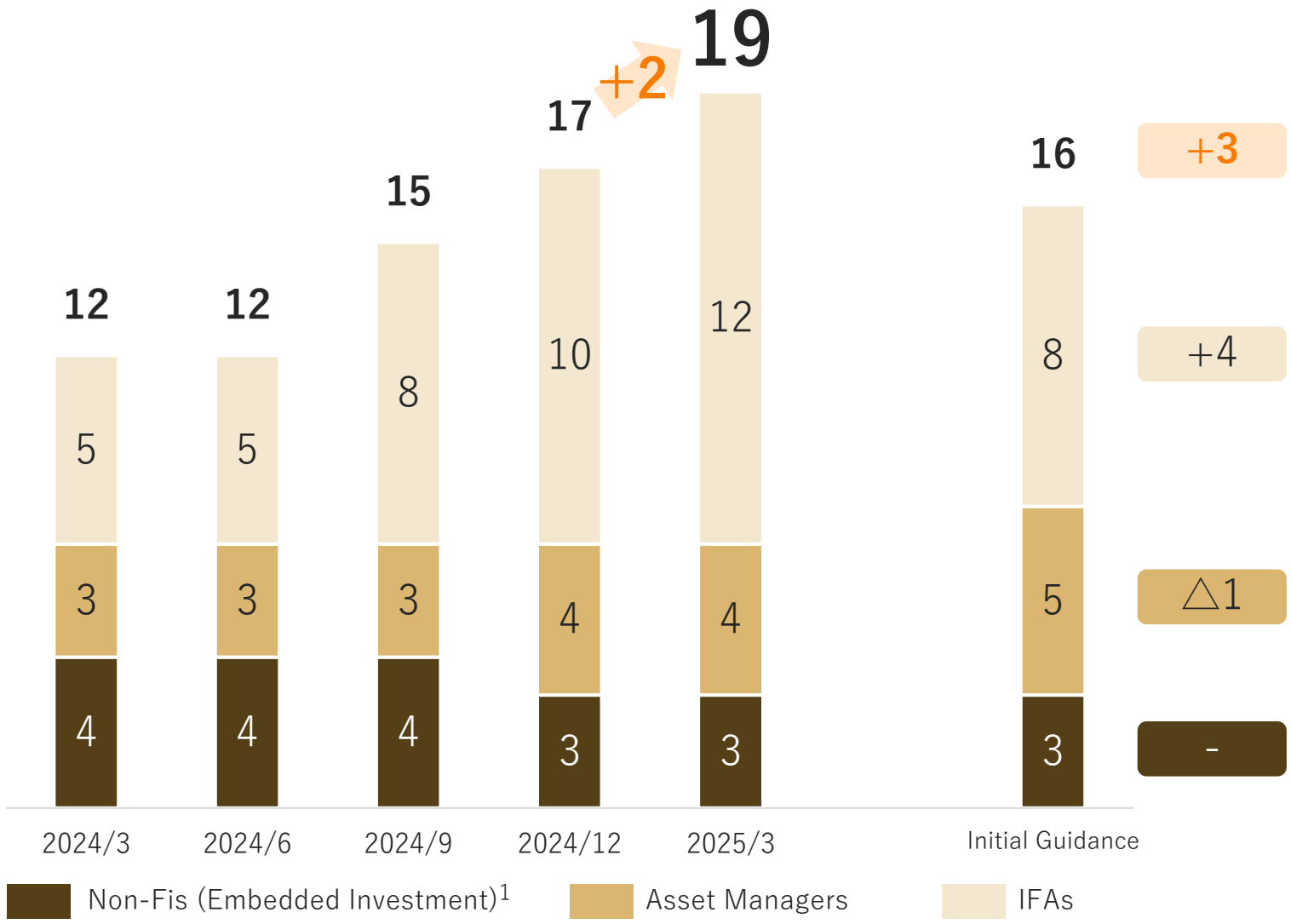
For the year, we added 10 partners, exceeding our initial guidance by 2.



of Services on BaaS

This quarter, we launched new services with Prudent Japan FS and JTG Securities.

For the year, the number of services for IFAs, increased significantly due to the expansion of product offerings, exceeding the initial guidance by 3, reaching a total of 19.

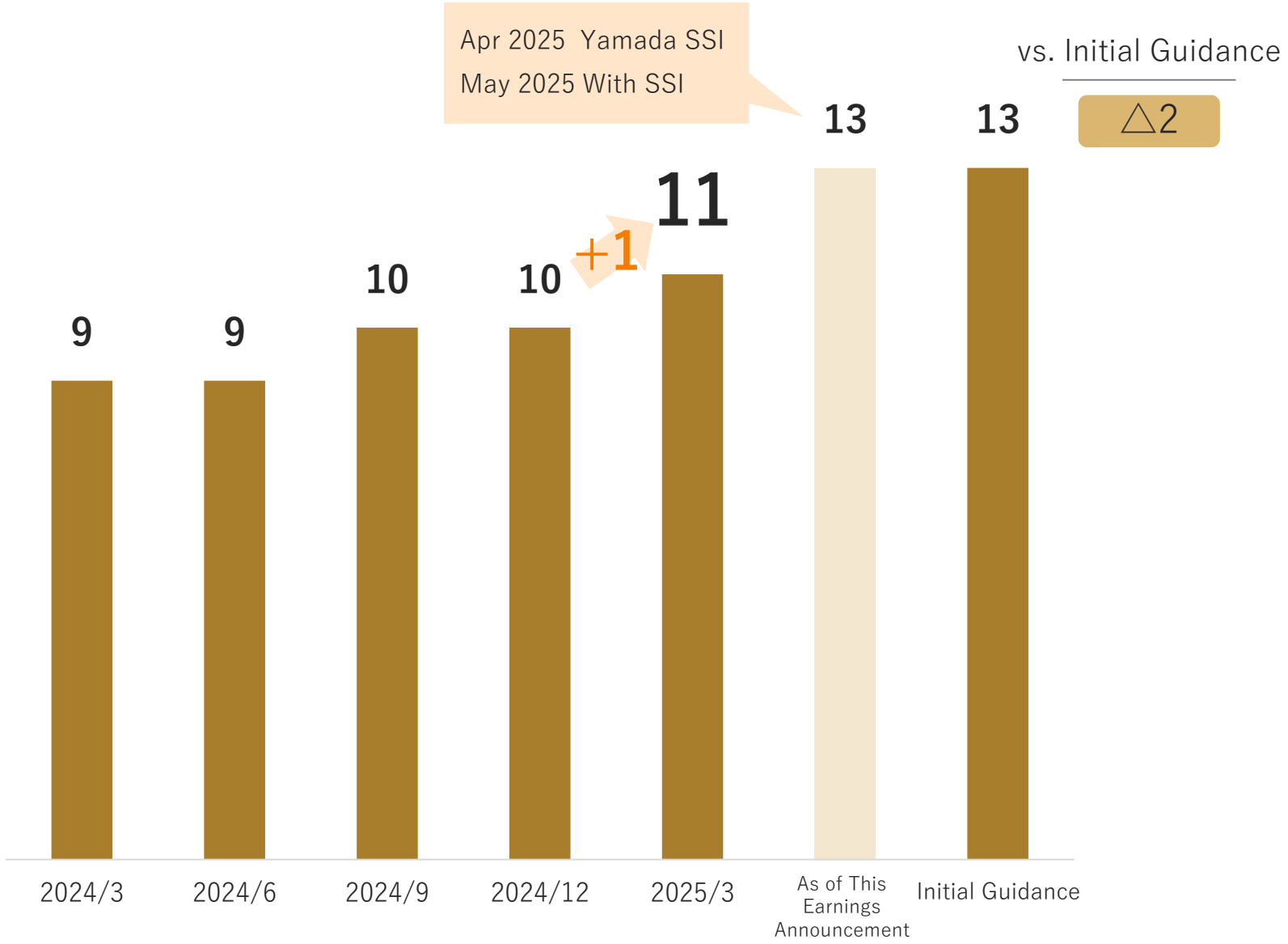


1. Including “Stream” which was provided by our subsidiary Smartplus.

of Partners of Inspire

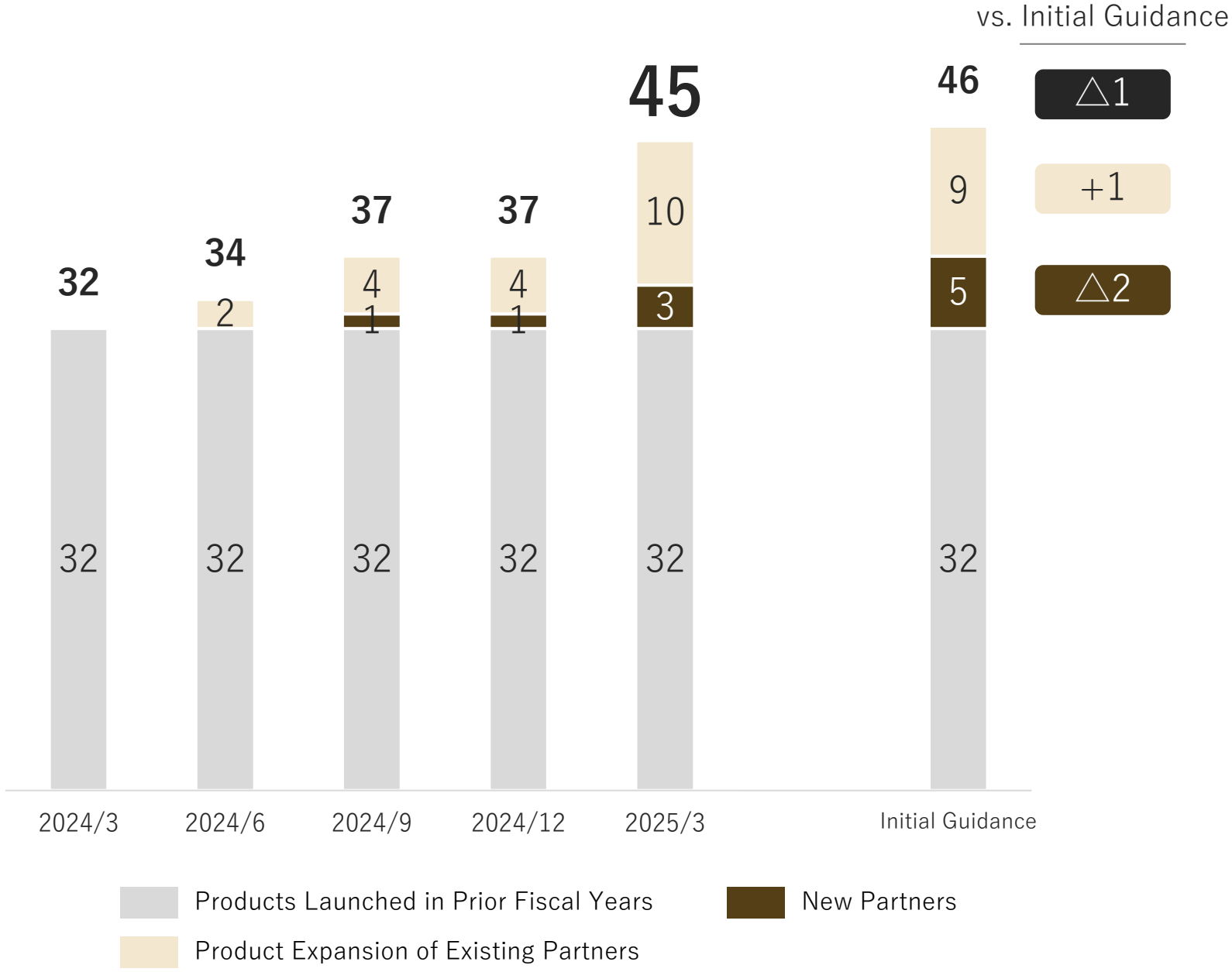
This quarter, we launched a service with Meiji Yasuda General Insurance.

For the full year, although we fell short of the initial guidance by 2 partners, we have already expanded to 13 partners as of this earnings announcement.



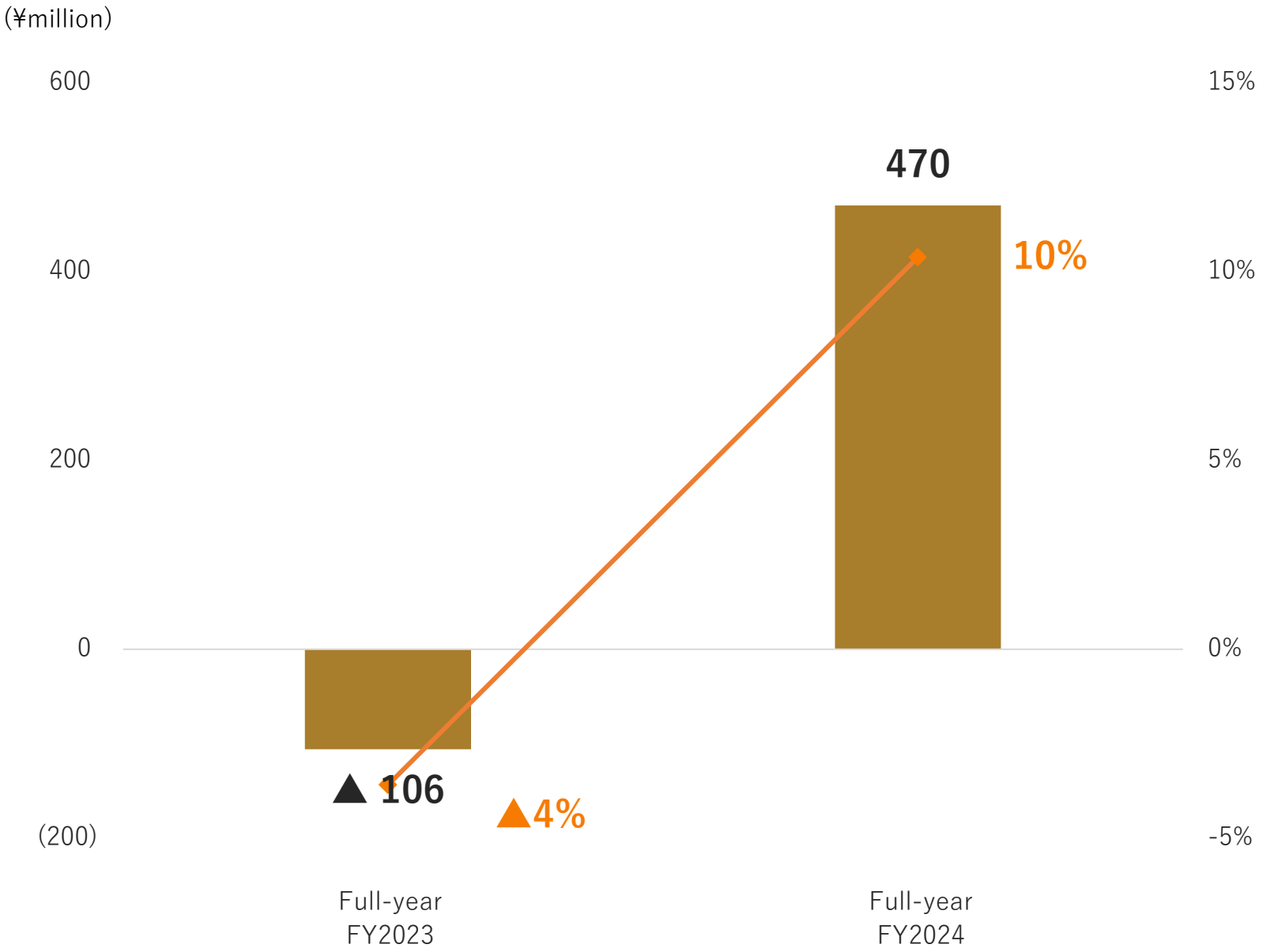
of Policies on Inspire

The number of insurance products offered on the Inspire platform **reached 45, nearly in line with the initial guidance of 46**, primarily driven by existing partners adding products.



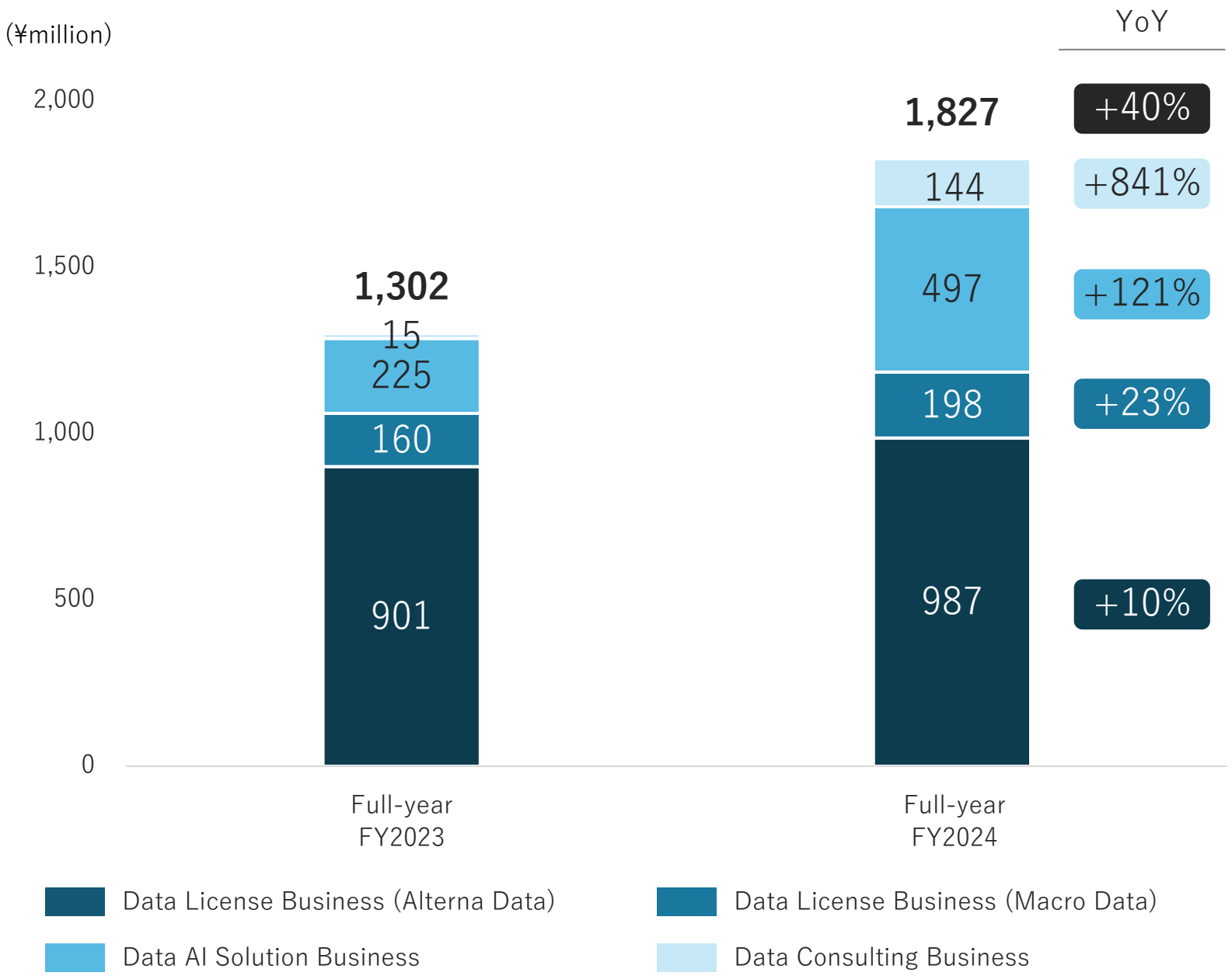
Operating Margin

Profitability significantly improved as the business scale expanded.



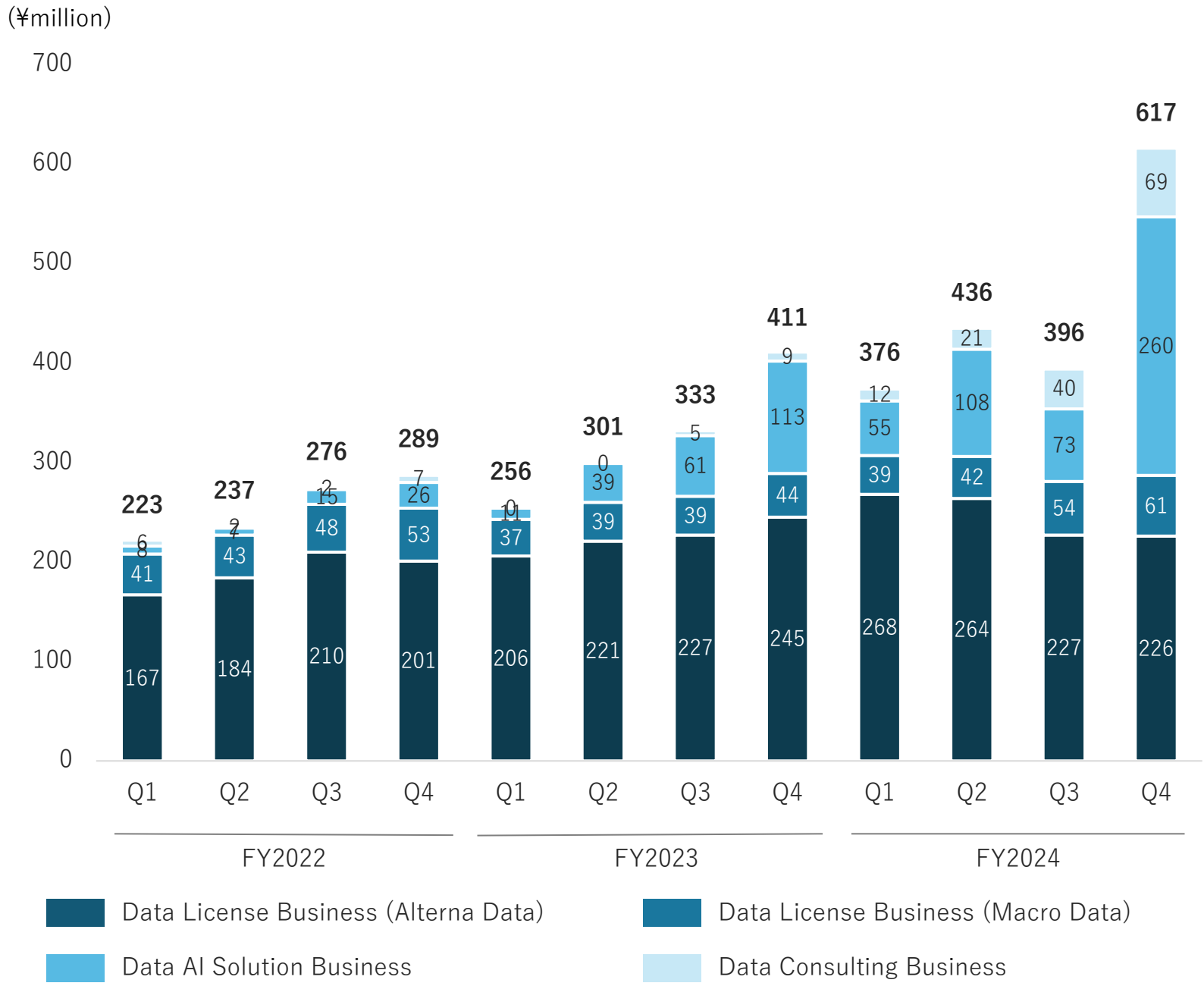
Revenue by Business

Revenue grew to ¥1.8 billion, a 40% increase YoY, driven by substantial growth in Data AI Solution from securing multiple generative AI projects and the successful launch of our new service for real estate industry[1].



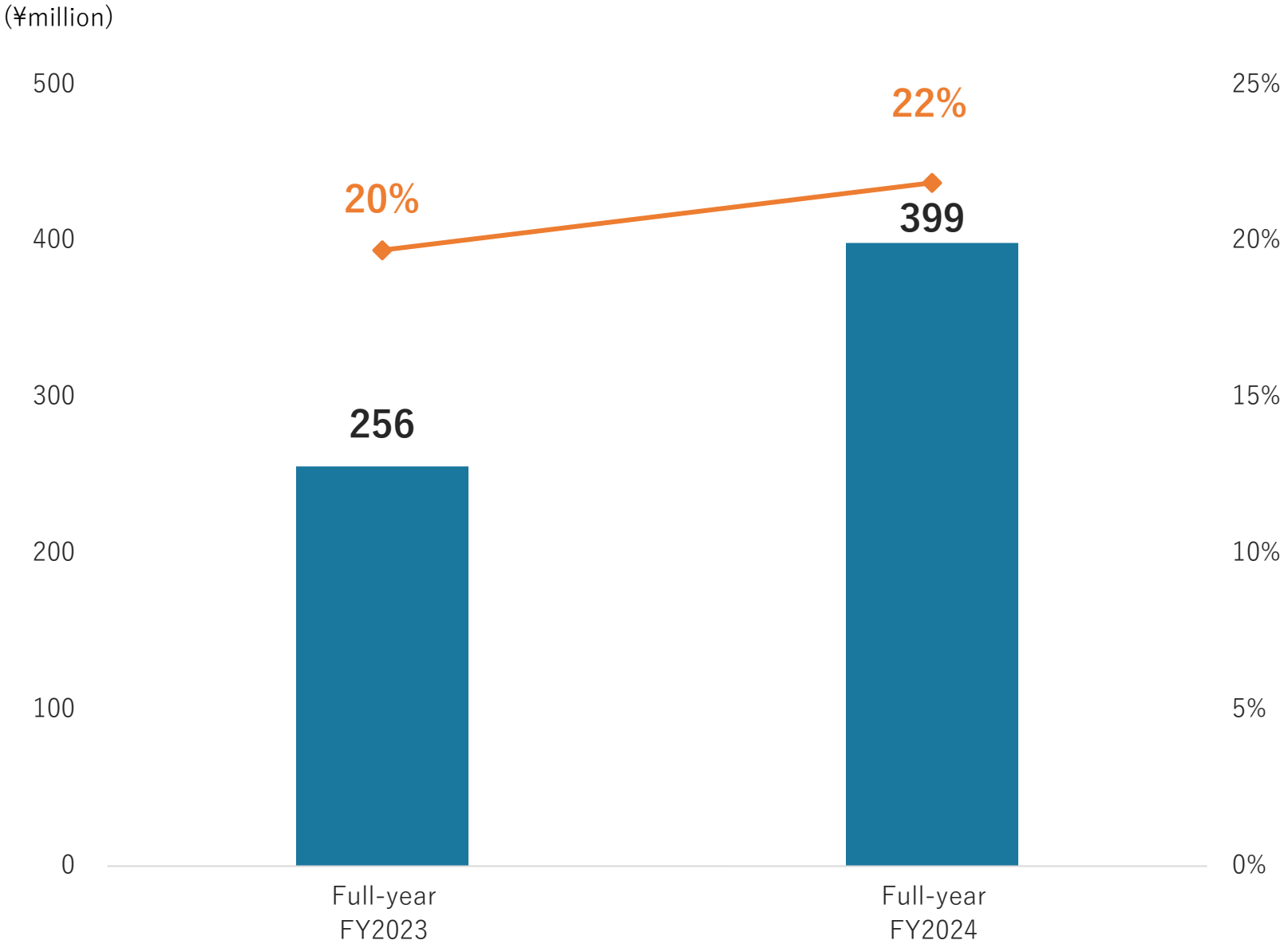
1. Revenue from the new service for real estate industry is included in “Data Consulting Business”.

Revenue by Business



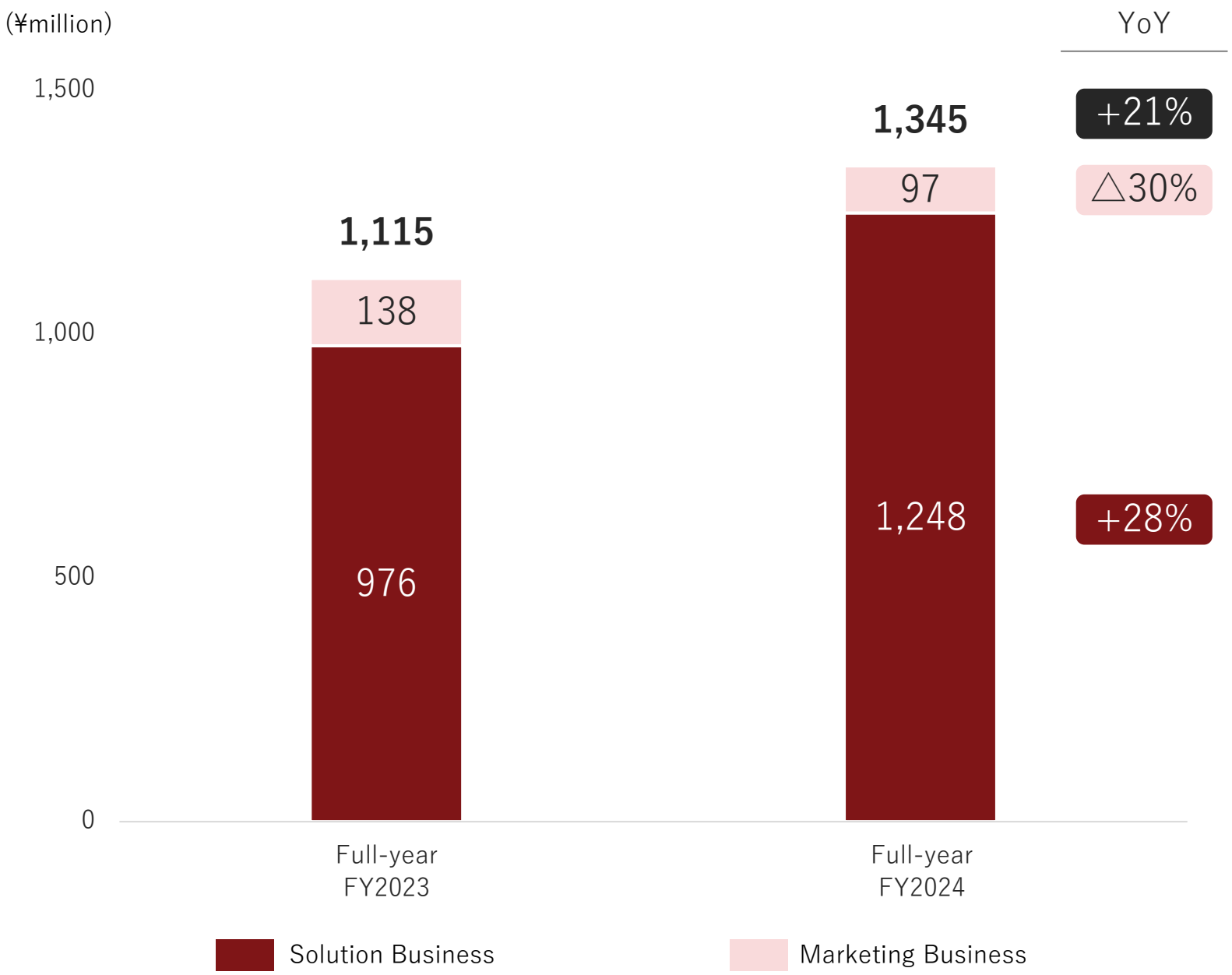
Operating Margin

Profitability is improving as new businesses such as Data AI Solution begin to scale.



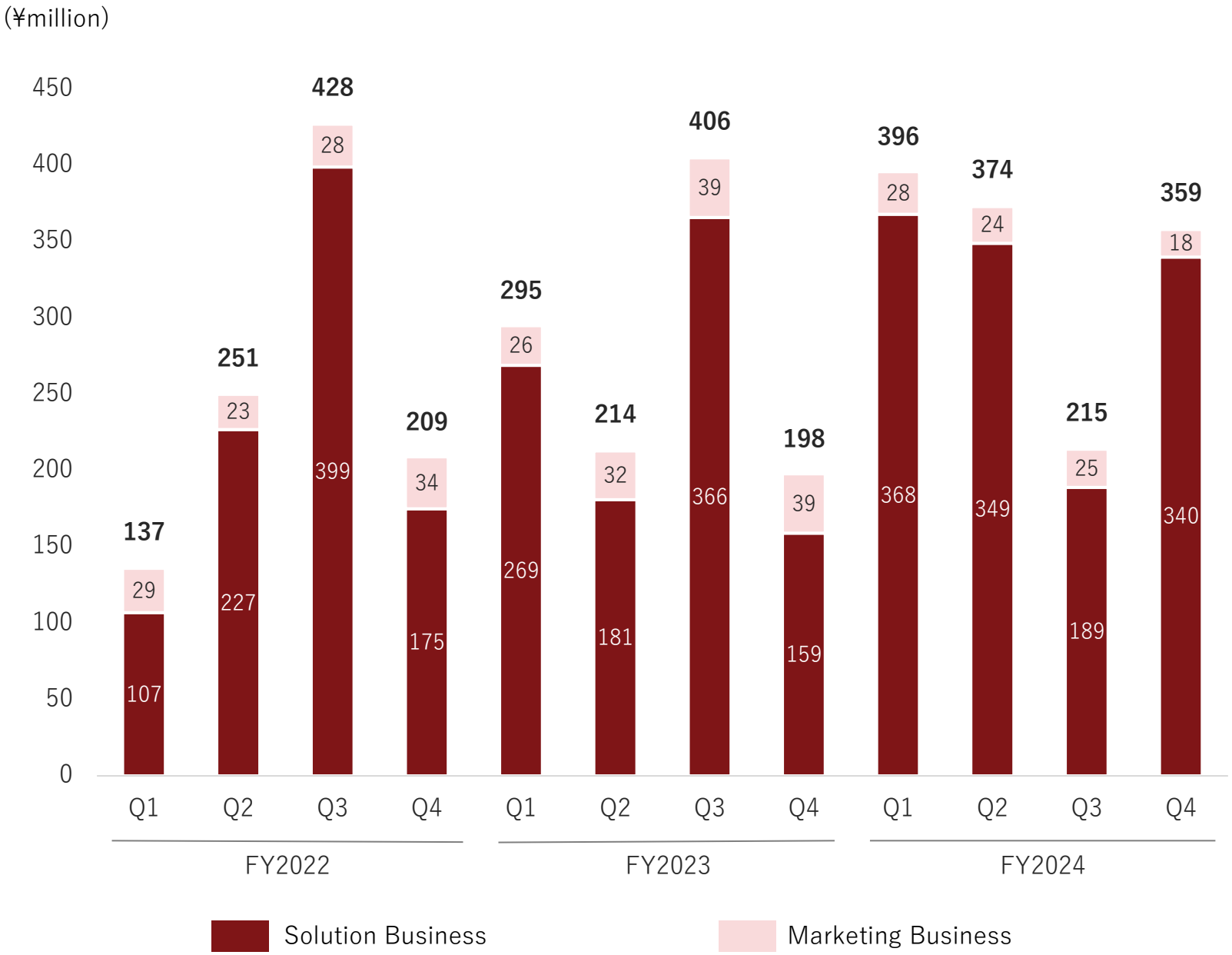
Revenue by Business

Revenue totaled ¥1.3 billion, an 21% increase YoY, due to growth in one-off revenue from our Solution business.



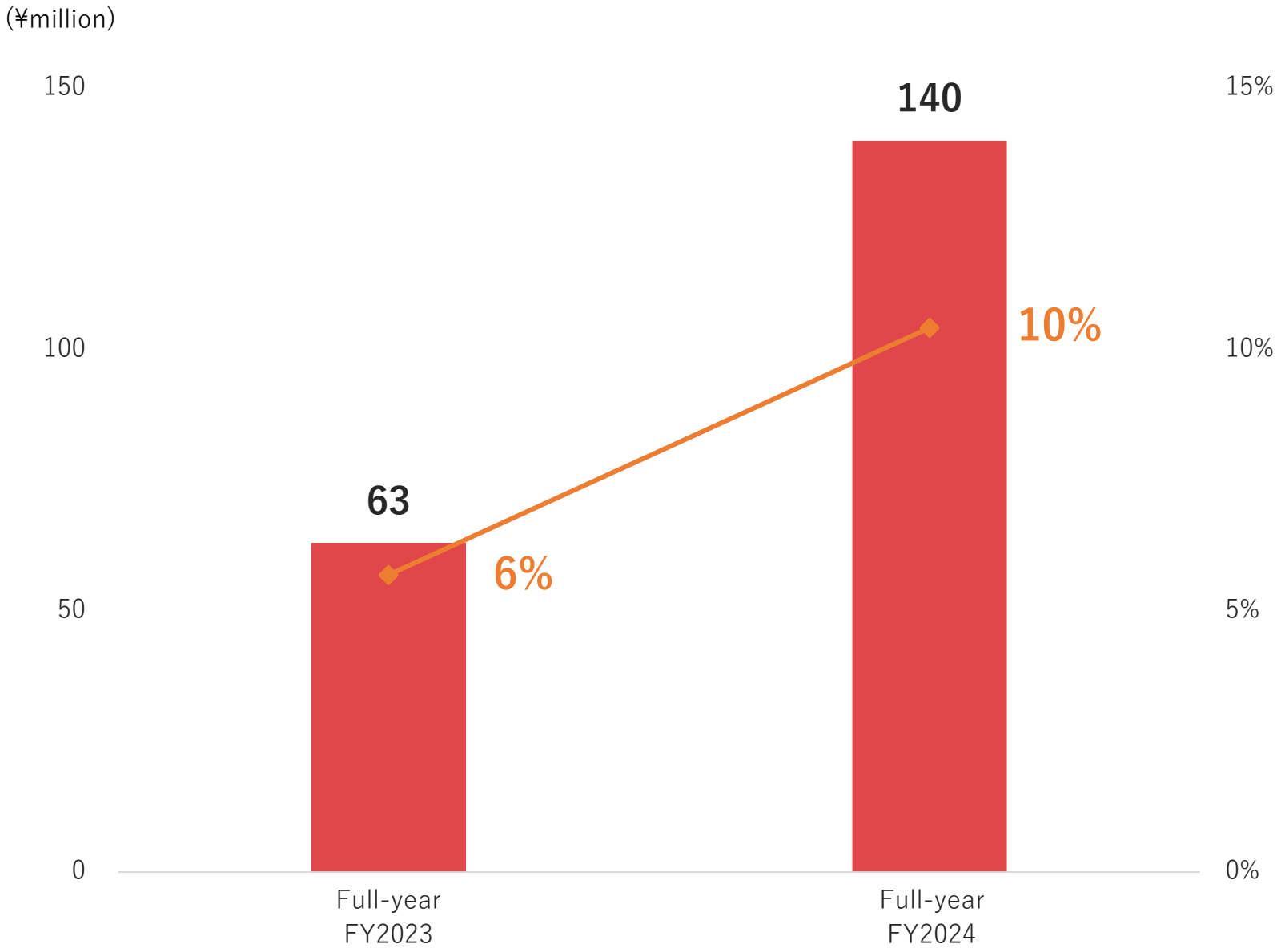
Revenue by Business

Because of the high proportion of one-off revenue in the Solution Business, revenue fluctuates depending on the timing of project implementations.



Operating Margin

Annual profitability was largely in line with the initial plan.



EARNINGS GUIDANCE FY2025

SUMMARY OF FY2025 EARNINGS GUIDANCE

Group

- Aim to achieve **revenue of ¥11bn, +43%**, marking the fifth consecutive year with a growth rate exceeding 40%.
- Growth will be driven by new businesses, including Data Service for the real estate industry, Data AI Solution, and Credit Infrastructure.
- Aim to achieve **our mid-term target of an EBITDA margin[1] exceeding 20%.**

Financial Infrastructure

- Expect **revenue growth of** +47%.
- Aim to significantly increase our partner count **from 32 to 49**.
- Brokerage: focus on supporting direct sales business of AM and discretionary investment for IFAs.
- Insurance: focus on supporting digital sales for major non-life insurance companies and providing a package for smaller companies

Big Data Analytics

- Expect **strong growth of +56%**, driven by revenue contributions from new businesses.
- Data Service: expand offerings for the real estate industry.
- Data AI Solution: focus on building data infrastructure for large firms and tailored apps based on our data AI development platform.

Fintech Shift

- Expect revenue growth of **+12%**.
- Acquire solution business from financial institutions and pursue cross-selling opportunities within the group.

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

Guidance Highlights

Revenue growth is expected to continue to exceed 40%, **forecasting +43%**.

Profitability aims to achieve **the mid-term target of 20% EBITDA margin**.

(¥million)

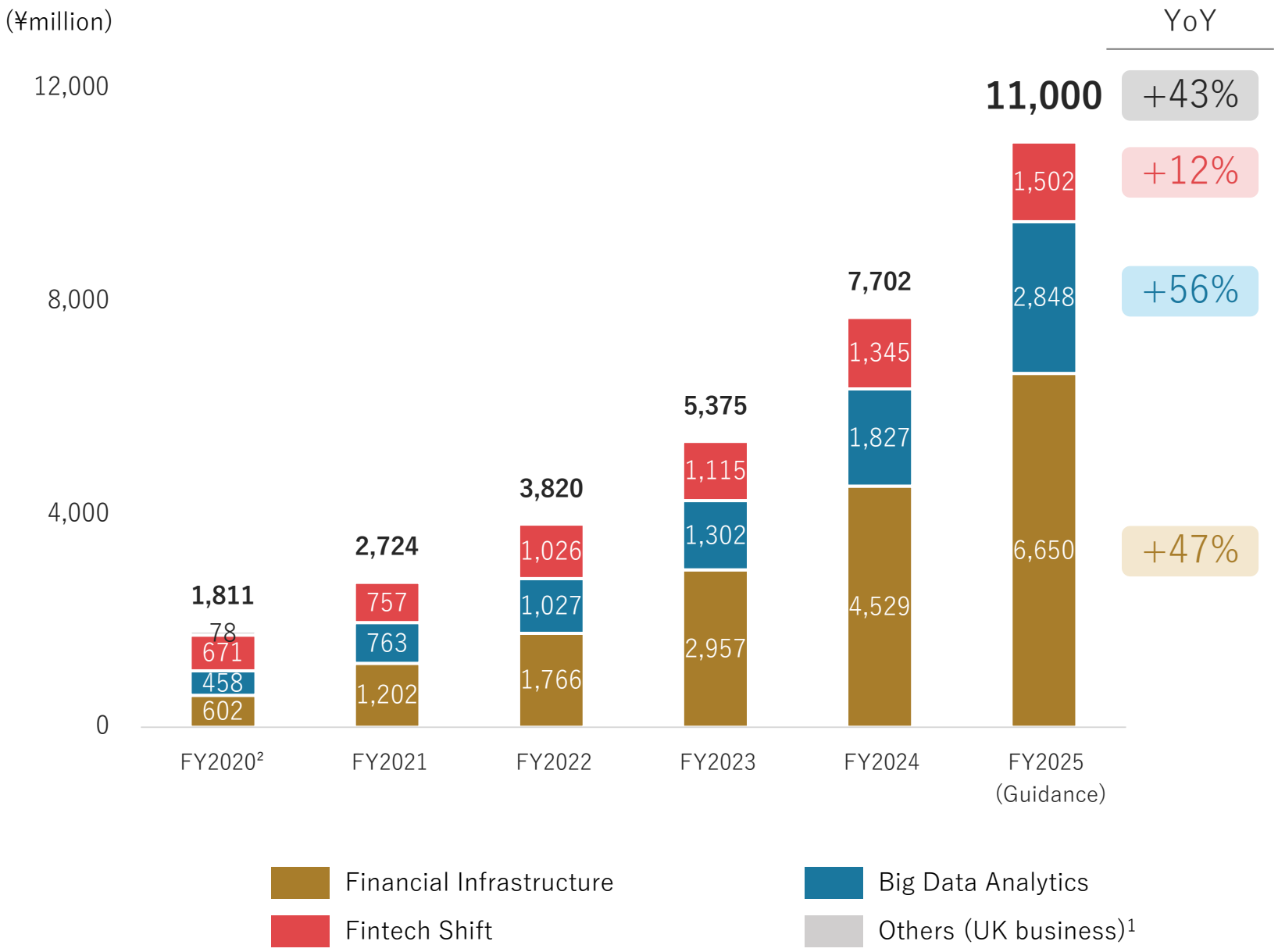
	FY2025 Guidance	FY2024 Results	YoY
Revenue	**11,000**	**7,702**	**43%**
COGS	3,680	2,569	43%
Gross Profit	**7,320**	**5,133**	**43%**
vs Revenue	67%	67%	-
Adj. SG&A Expense[1]	5,080	3,946	29%
vs Revenue	46%	51%	-
EBITDA[2]	**2,240**	**1,187**	**89%**
vs Revenue	20%	15%	-
Depreciation + Stock-based Compensation Expense	370	236	56%
vs Revenue	3%	3%	-
Operating Income	**1,870**	**950**	**97%**
vs Revenue	17%	12%	-
Net Income Attributable to Owners of Parent	**1,210**	**659**	**83%**
vs Revenue	11%	9%	-

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

Revenue Guidance by Segment

With new businesses ramping up, Big Data Analytics and Financial Infrastructure are expected to grow significantly.

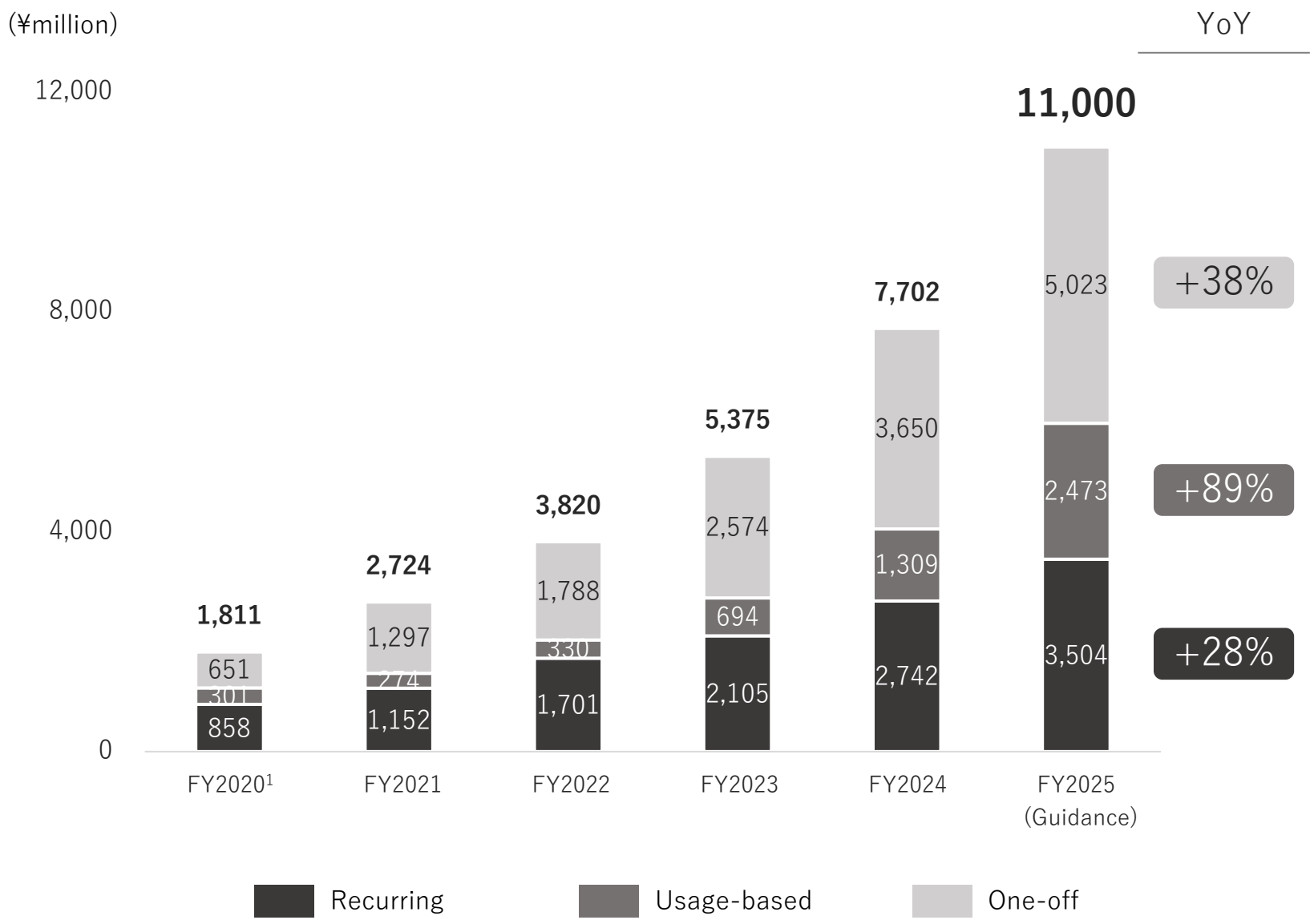
In Big Data Analytics, Data AI Solution and Data Service for real estate industry will drive growth, while in Financial Infrastructure, Credit Infrastructure will lead the expansion.



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 Guidance by Type

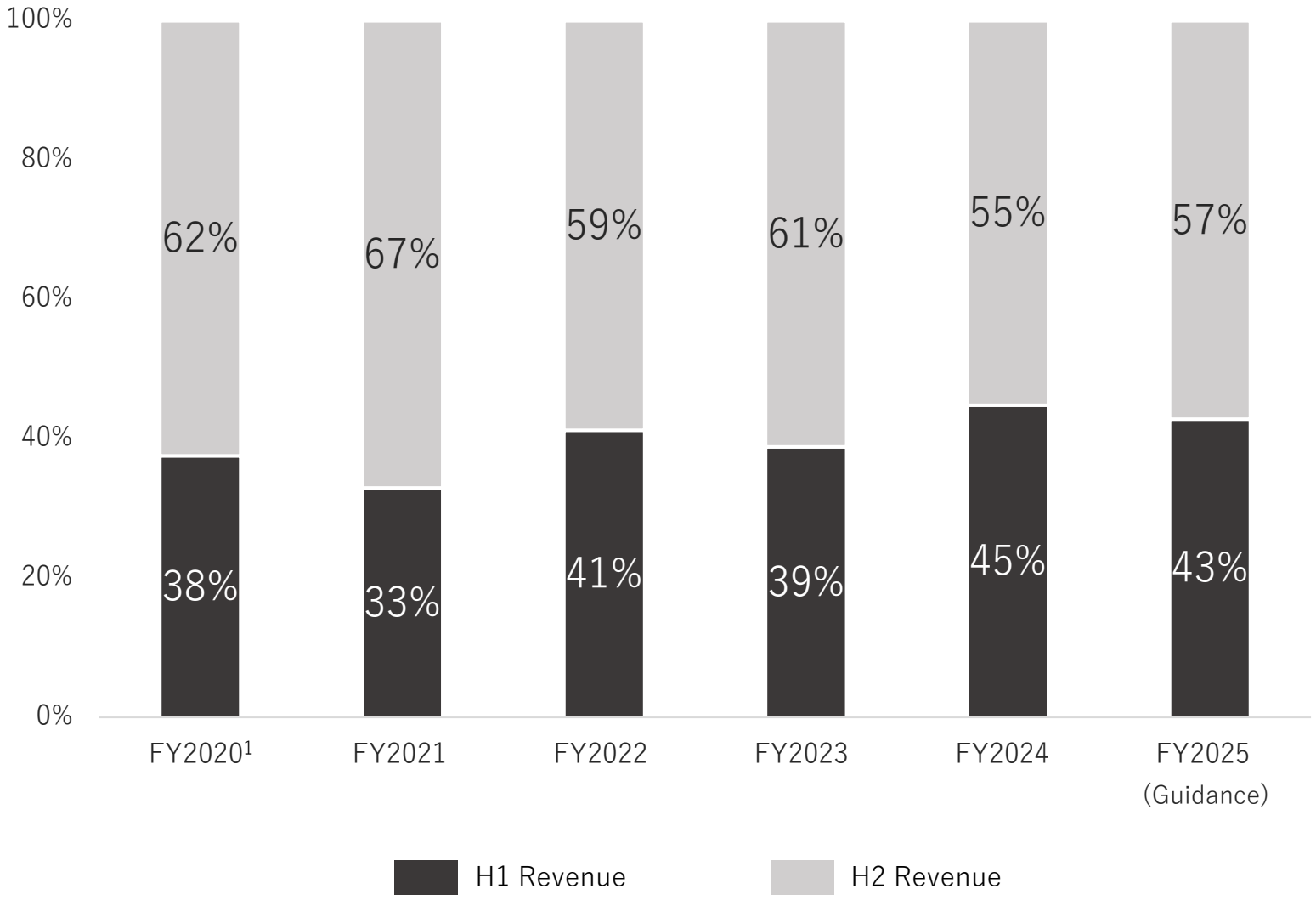
Continuous revenue streams, including recurring revenue and usage-based revenue, are expected to grow by +28% and 89% respectively.



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

Seasonality

Revenue is expected to concentrate in the second half of FY2025, similar to previous years.

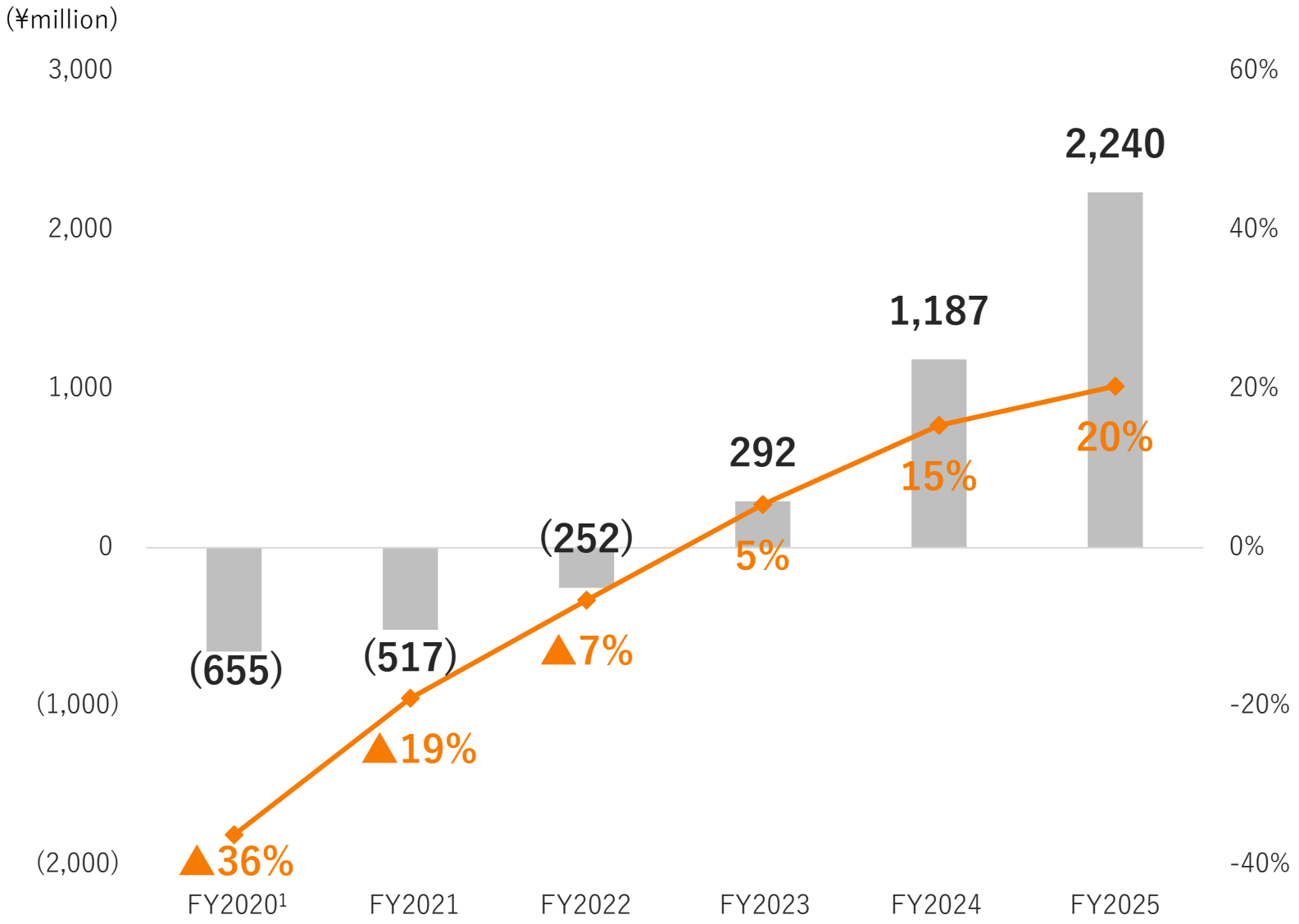


1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

EBITDA Guidance

As Revenue continues to expand, SG&A ratio is expected to decrease, leading to **an 89% YoY increase in EBITDA to ¥ 2.2billion**.

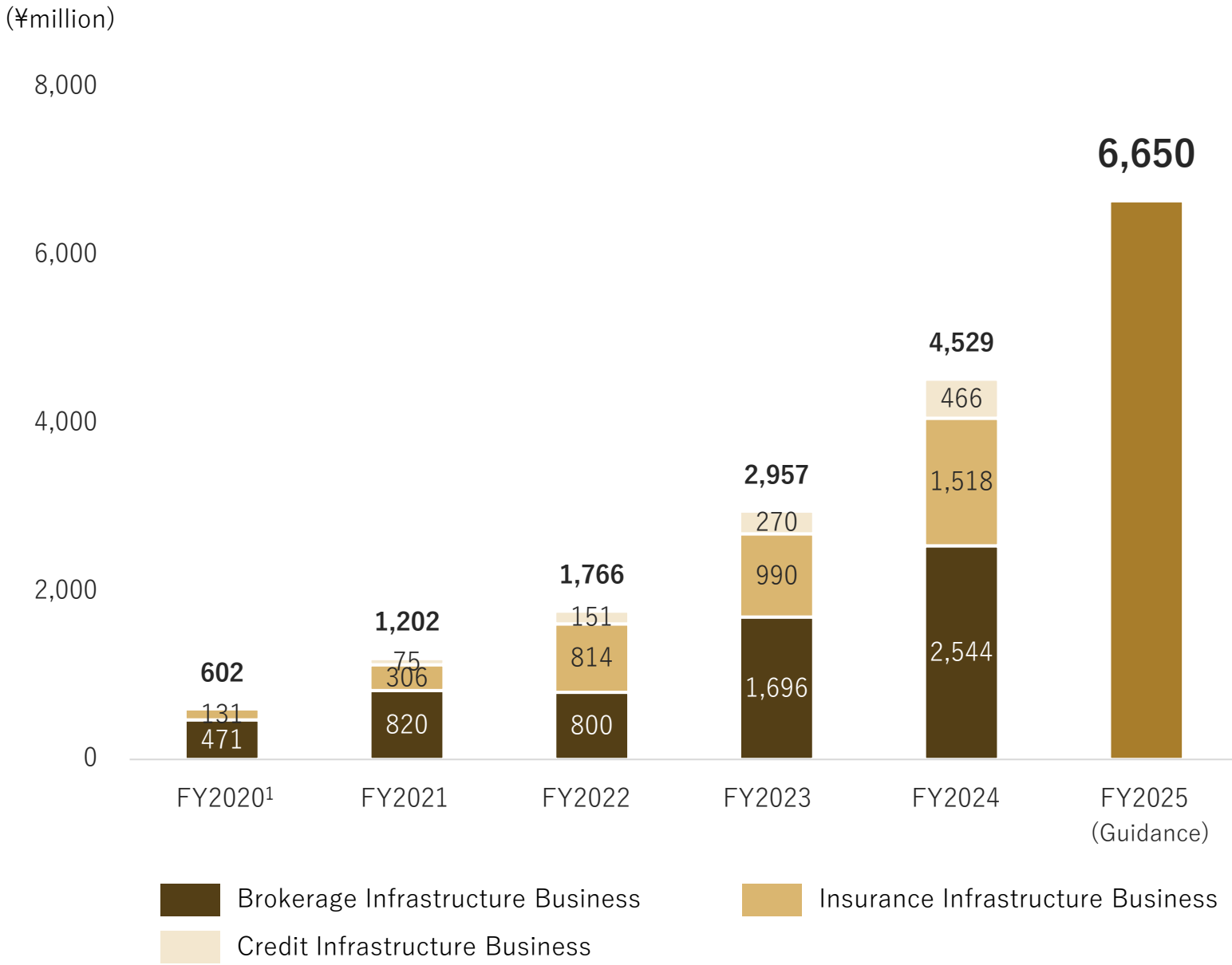
EBITDA margin aims to reach 20%, which is the mid-term target.



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

Revenue Guidance

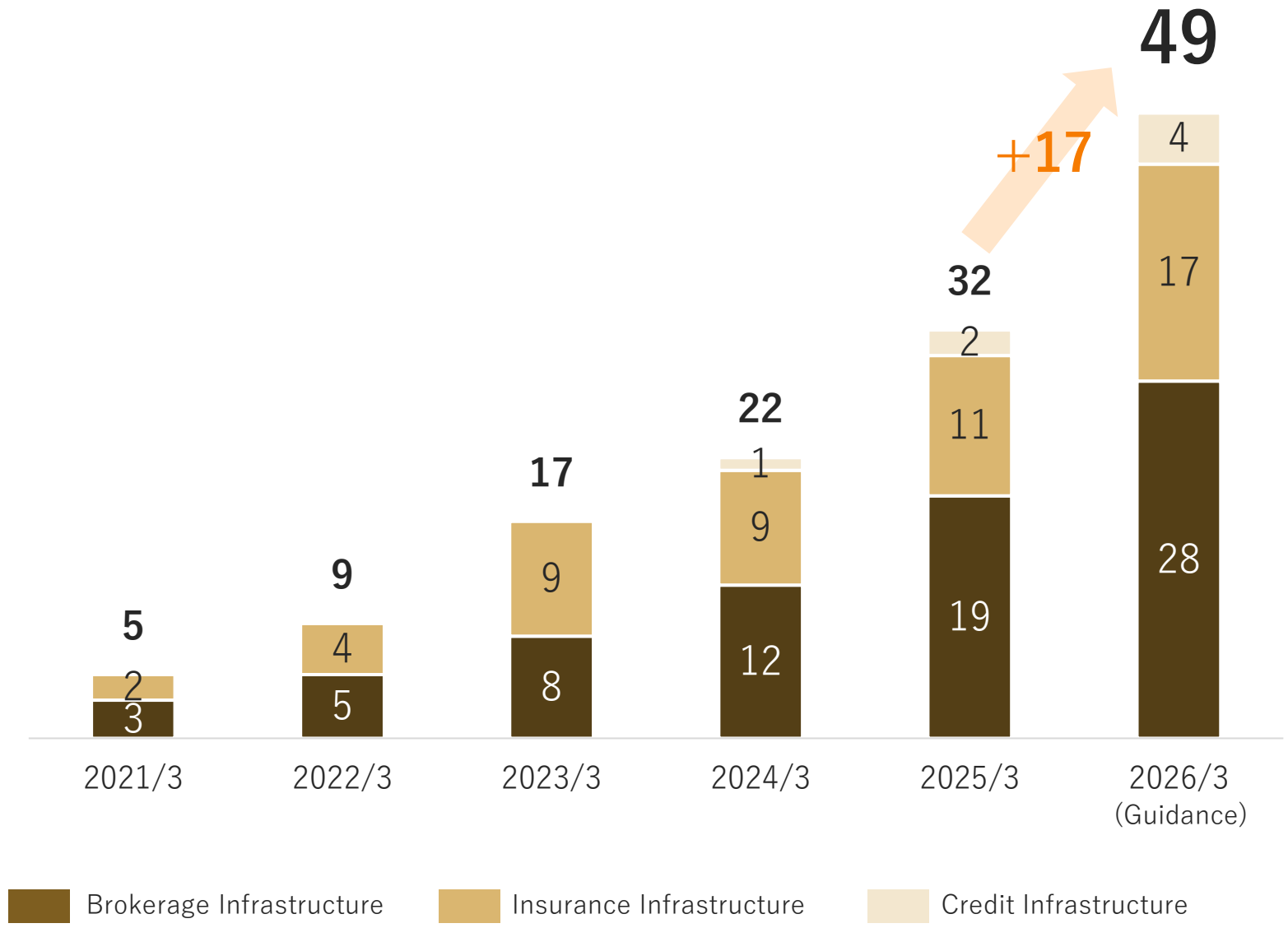
We expect a +**47% YoY growth** in Financial Infrastructure revenue, driven by the expansion of our new Credit Infrastructure Business.



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

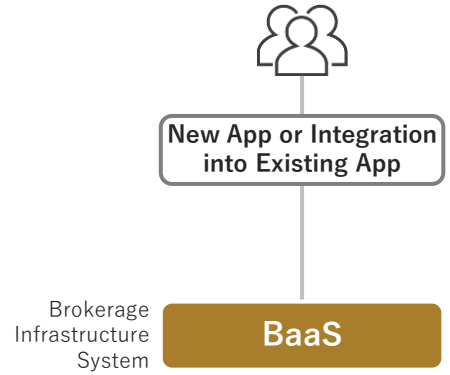
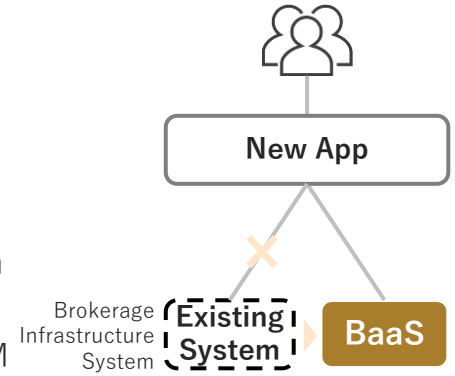
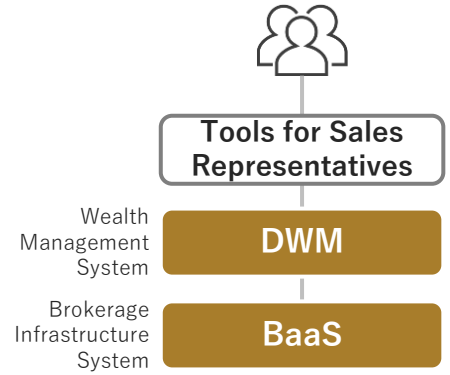
Pipeline for Financial Infra.

In FY2025, the goal is to acquire 17 new partners.



Focus of Brokerage Infra.

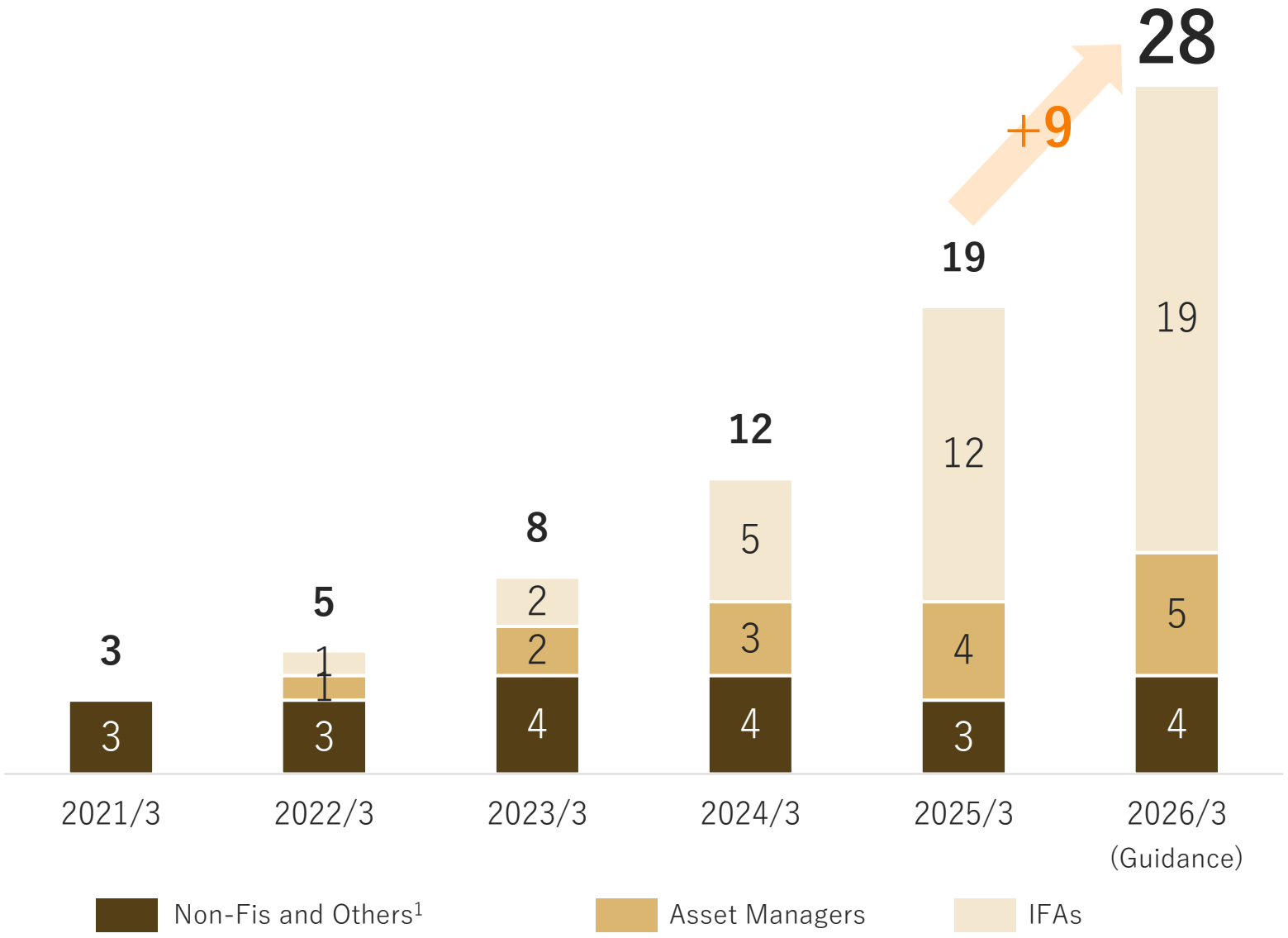
As for Brokerage Infrastructure, there are 3 main patterns.

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, Mitsubishi UFJ AM	
Discretionary Investment Management by IFAs	• Integrating online and offline allows high-quality wealth management services to be provided to more customers. • Beside a platform that allows for low-cost implementation of investment management, mutual funds, and bond investments, we also provide tools for sales representatives. • Partner examples: Financial Standard, Amber AM , IFA Leading	

Pipeline for Brokerage Infra.

In FY2025, we aim to acquire 9 new partners, primarily IFAs.

We will continue to focus on: 2) supporting direct sales by asset managers, and 3) supporting discretionary investment services for IFAs.

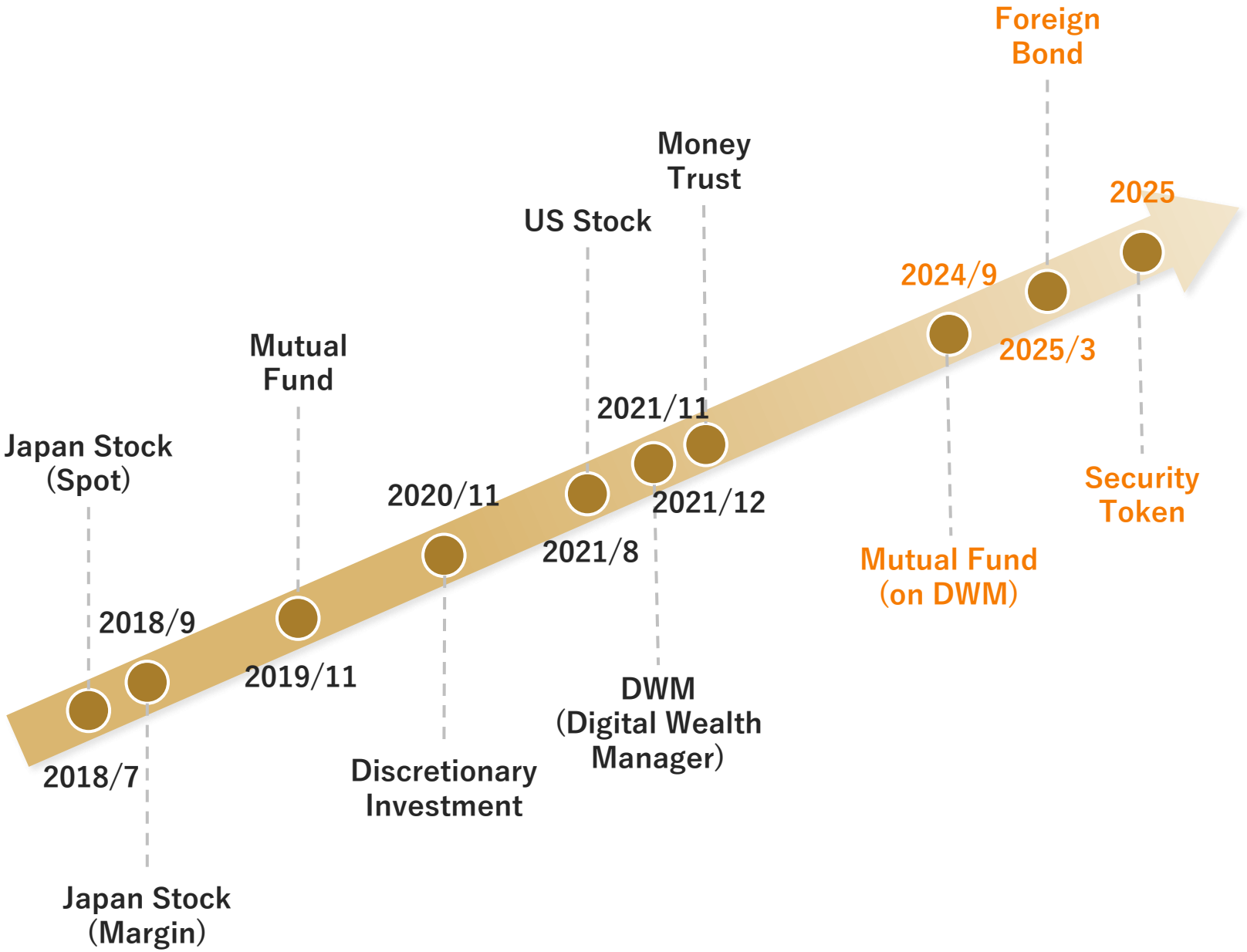


1. Including “Stream” which was provided by our subsidiary Smartplus.

Platform Enhancement

We aim to expand the number of partners by enhancing the products offered through our Brokerage Infrastructure, making our trading platform accessible to a wider range of IFAs.

In FY2025, we plan to start offering security tokens.



Focus of Insurance Infra.

We will pursue initiatives to: 1) support the expansion of digital channels for major non-life insurance companies, and 2) support the digital transformation of business operations for small and medium sized non-life insurance companies.

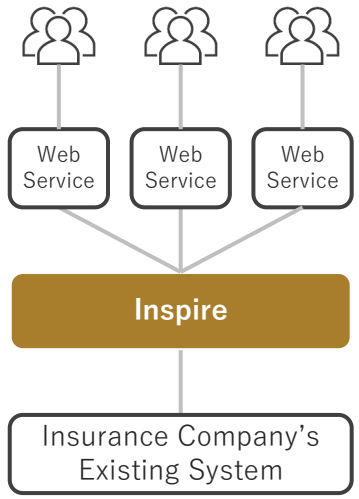
1

For Major Non-Life Insurers

Support for Digital Channel Expansion

Inspire Digital Sales Platform

- A solution that facilitates seamless partner integration when insurance companies integrate with external web services for online sales.
- An intermediary between external web services and insurance company's current core systems, handling application pages, data integration with partners of premium calculations, and integration of contract information into core systems.
- Flexible and low-cost addition of partners by customized application pages for each partner.
- Seamless integration of data held by partners.



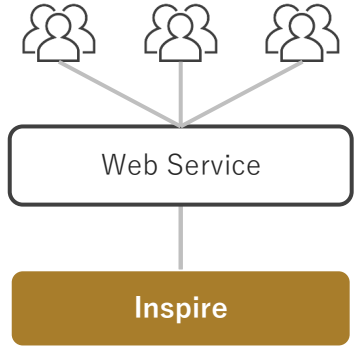
2

For Small and Medium Non-Life Insurers

DX Support of Operations

Inspire・Inspire for SSI / Mutual Aid

- A SaaS suite of core operational systems for the insurance business.
- Enabling customization of multiple functions through low-code settings that instantly reflect on application forms and customer portals, allowing for shortened development periods and flexible revision responses.
- Supporting various insurance types and even new products through a database designed based on fundamental insurance principles.

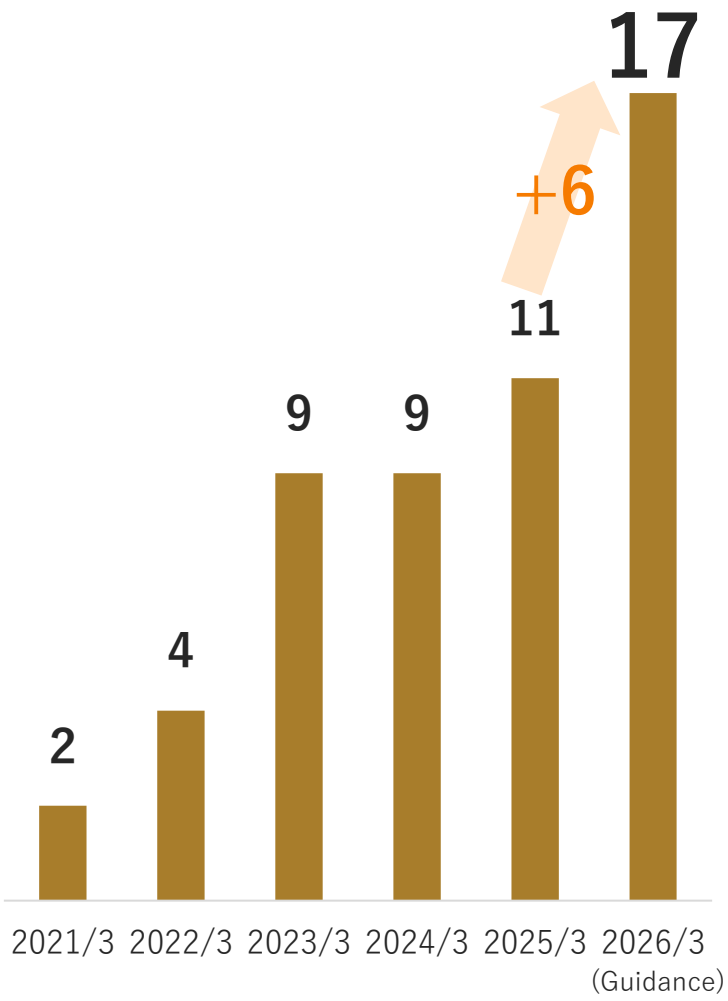


Pipeline for Insurance Infra.

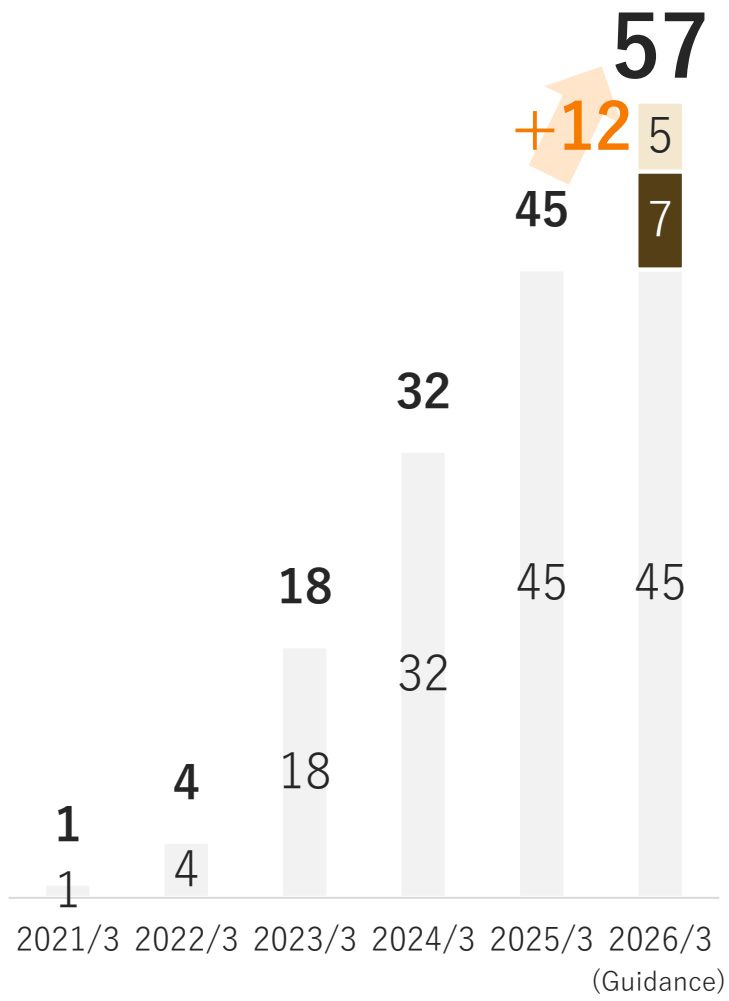
In FY2025, we **aim at 6 new implementations, focusing on 2) “Inspire for SSI / Mutual Aid” launched last year.**

Beside the new partners, we also expect existing partners adding products, bringing the total number of insurance products on Inspire from 45 to 57.

Number of Partners



Number of Insurance Products



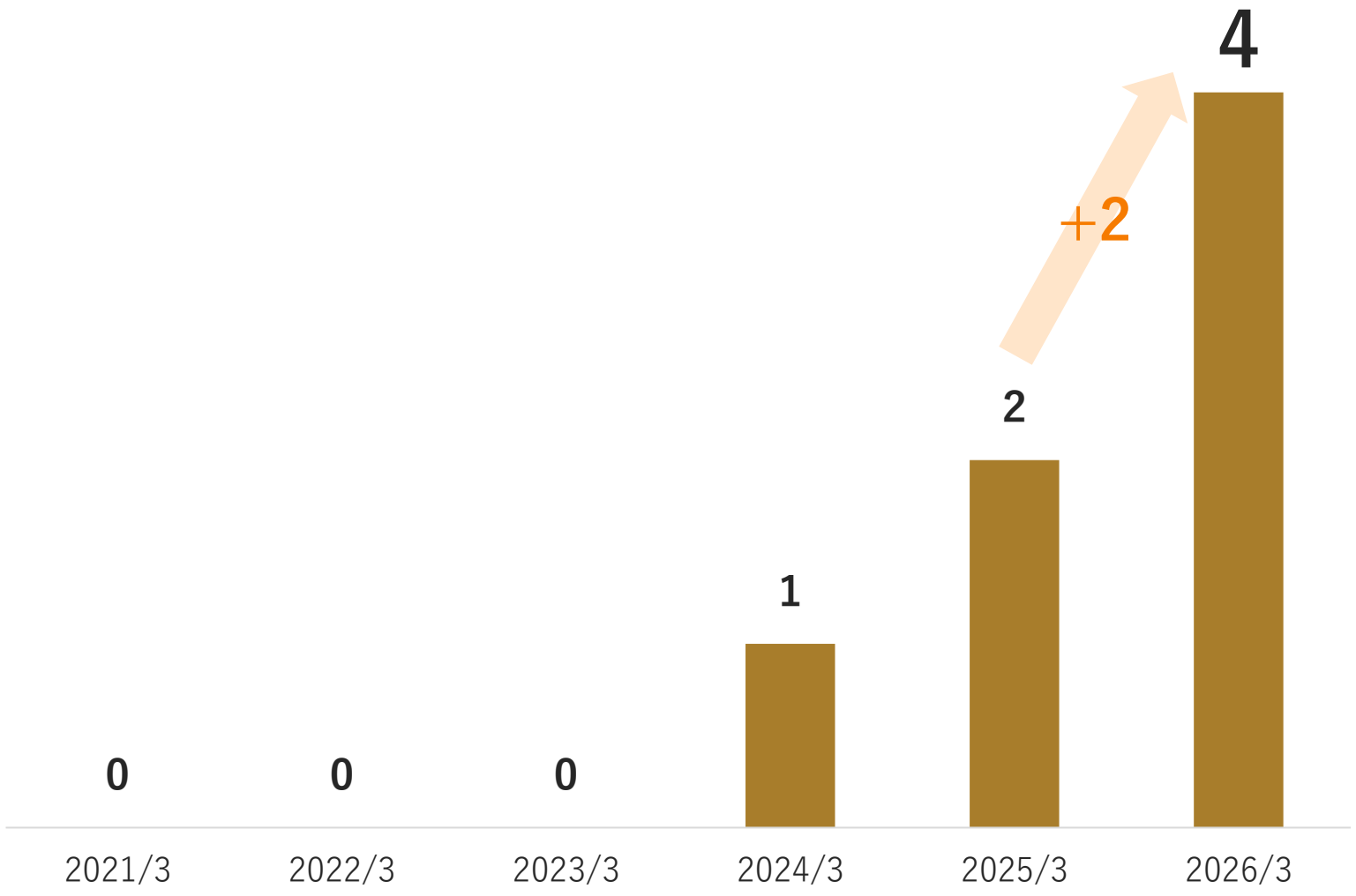
New Partners　Product Expansion of Existing Partners

1. Including SmartPlus SSI, our subsidiary offering maternity and lodging cancellation insurance through Inspire.

Pipeline for Credit Infra.

In FY2025, we aim to acquire 2 new partners.

We plan to release our first project, which will provide a full suite of operational systems for revolving loan.

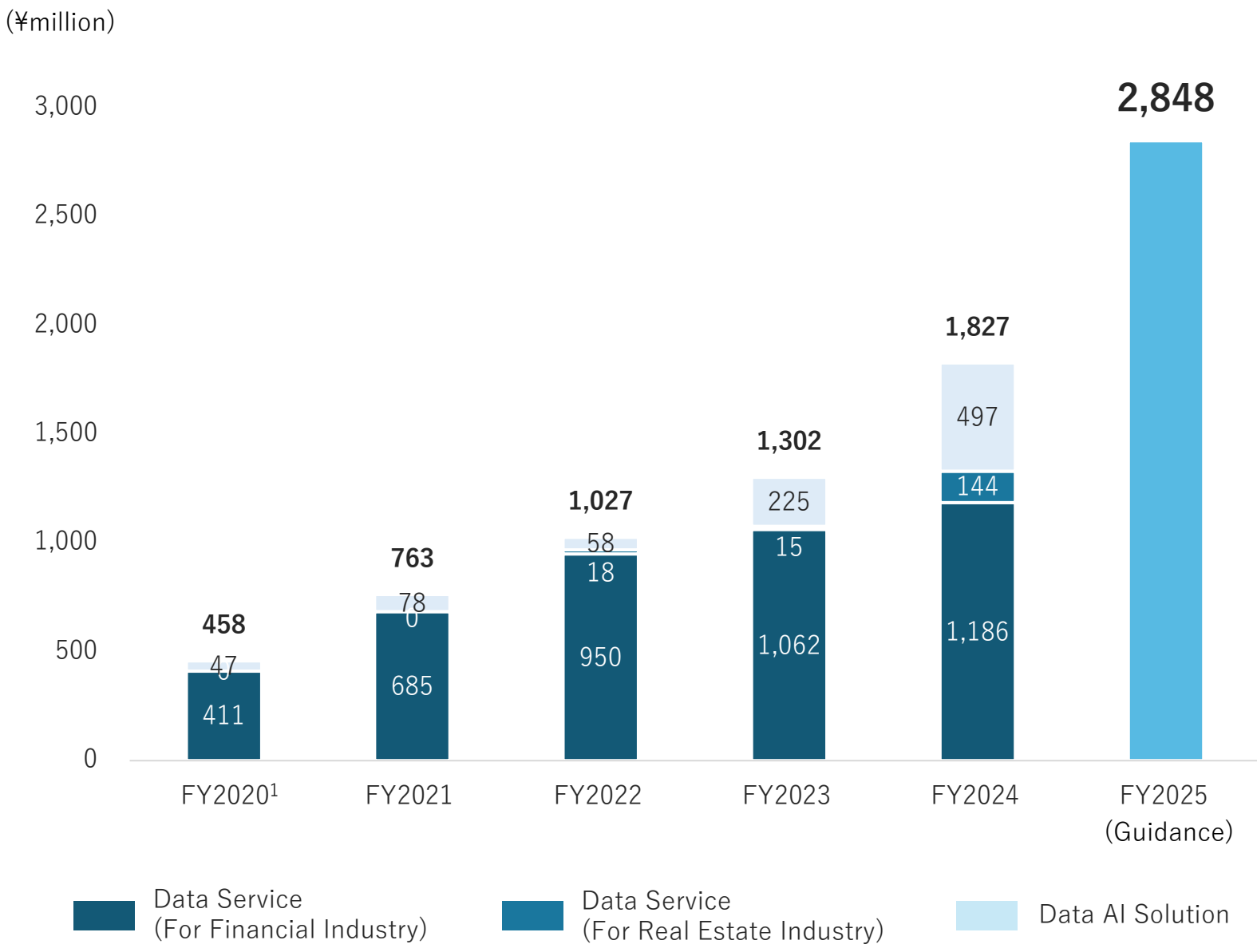


Revenue Guidance

We expect a +56% YoY growth, driven by expansion of new businesses.

Growth is expected to be driven by DataLensHub, Data Service for real estate industry launched in Feb 2025, and Data AI Solution, which leverages generative AI.

- “Data License” business has been renamed “Data Service”.
- “Alterna Data” and “Macro Data” have been integrated into “Data Service (for Financial Industry)”.



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

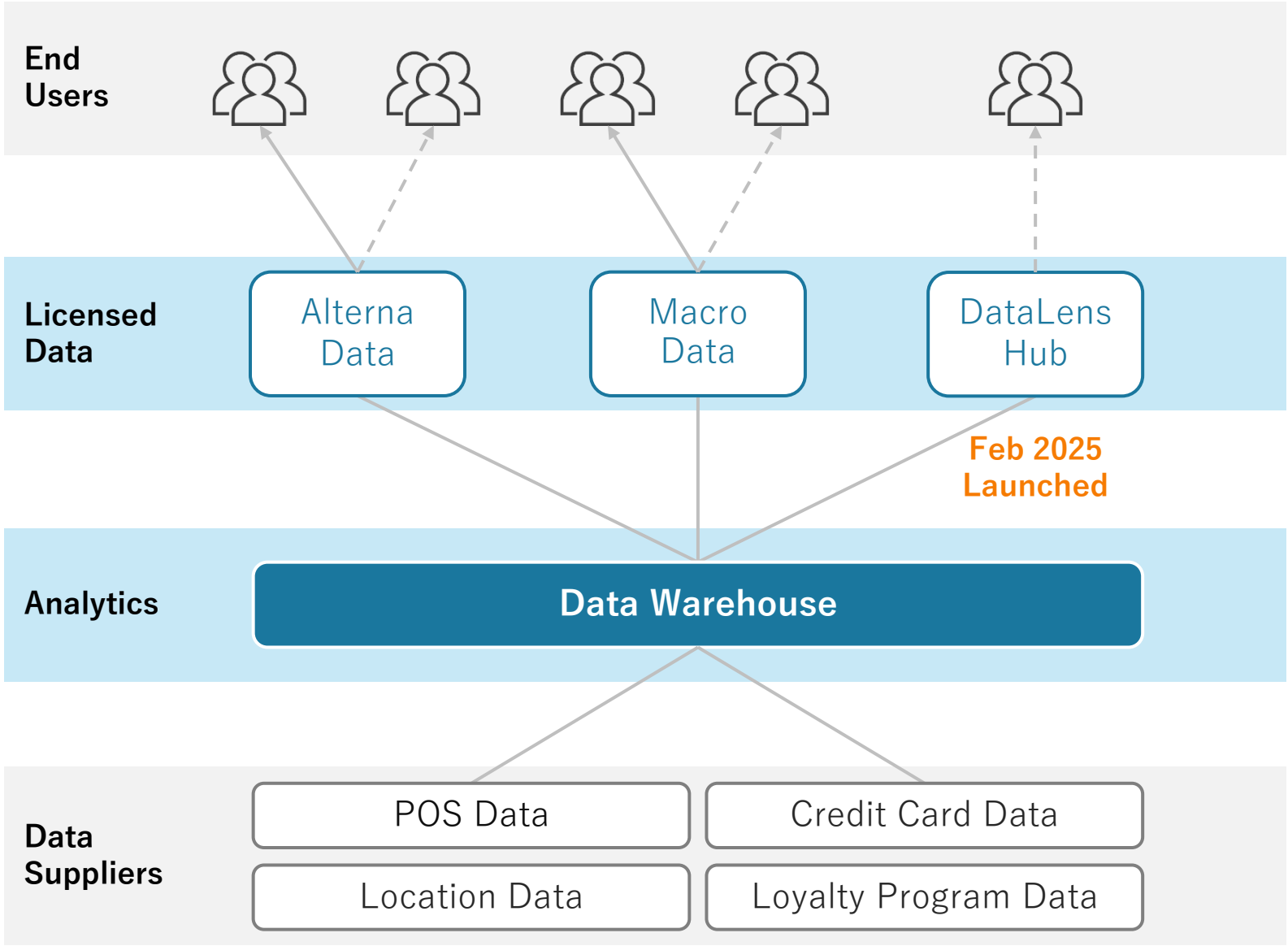
FINATEXT HOLDINGS

Data Service Strategy

Data Service tailored to specific industries, based on a wide variety of data.

For financial industry, we will continue to enhance data variety.

For real estate industry, we will focus on acquiring initial customers of DataLensHub.



Strengthening Data Acquisition

In April 2025, Tsutomu Watanabe was appointed as a Director of our subsidiary, Nowcast Inc.

To expand data variety, we have established Organic Data Lab and collaborated with companies with proprietary data to conduct joint R&D and PoC projects.



Director of Nowcast Inc. Tsutomu Watanabe

After working at the Bank of Japan and Hitotsubashi University, he served as a Professor in the Graduate School of Economics and the Faculty of Economics at the University of Tokyo since 2011, specializing in economic theory.

He also served as an Associate Editor of the International Journal of Central Banking, a Policy Commentator for the Council on Economic and Fiscal Policy, Cabinet Office, and a Research Director at the Canon Institute for Global Studies.

In March 2025, he assumed the position of Lab Director at Organic Data Lab, and in April of the same year, he was appointed as a director of Nowcast Inc.

Overview of Organic Data Lab

- Promote R&D of companies with proprietary data, drawing on extensive experience in commercializing organic data.
- Develop innovative services and solutions through joint R&D and PoC with data providers.

Growth of DataLensHub

We aim to expand sales of “DataLens Store Development”, our SaaS solution specializing in supporting new store openings for businesses.

DataLens Store Development

1. AI-Powered Automatic Capturing of Property Information

- Seamlessly processes property information received via email with generative AI, extracting and organizing information without manual effort

2. Cloud-Based Property Information Management

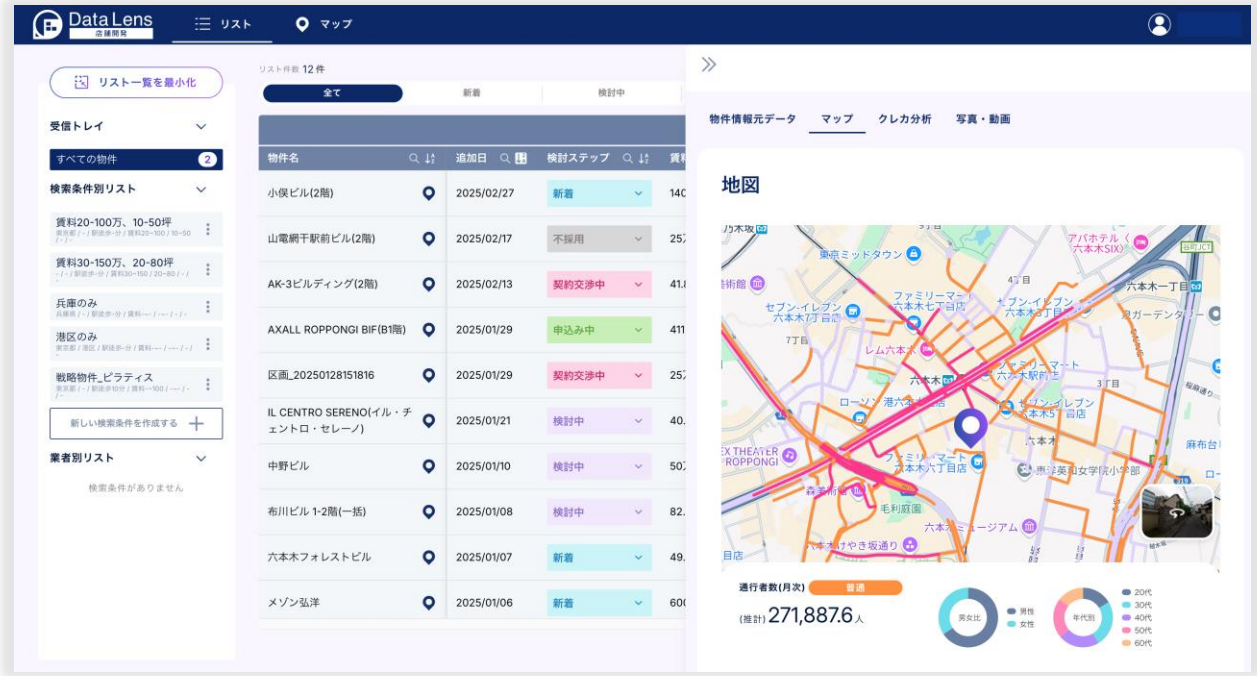
- Centrally manages captured property information and property evaluation statuses through a cloud pipeline

3. Property Screening Using Alternative Data

- Efficiently screens properties by analyzing trade area information, such as location data and official statistics

4. Sales Forecasting Using Alternative Data

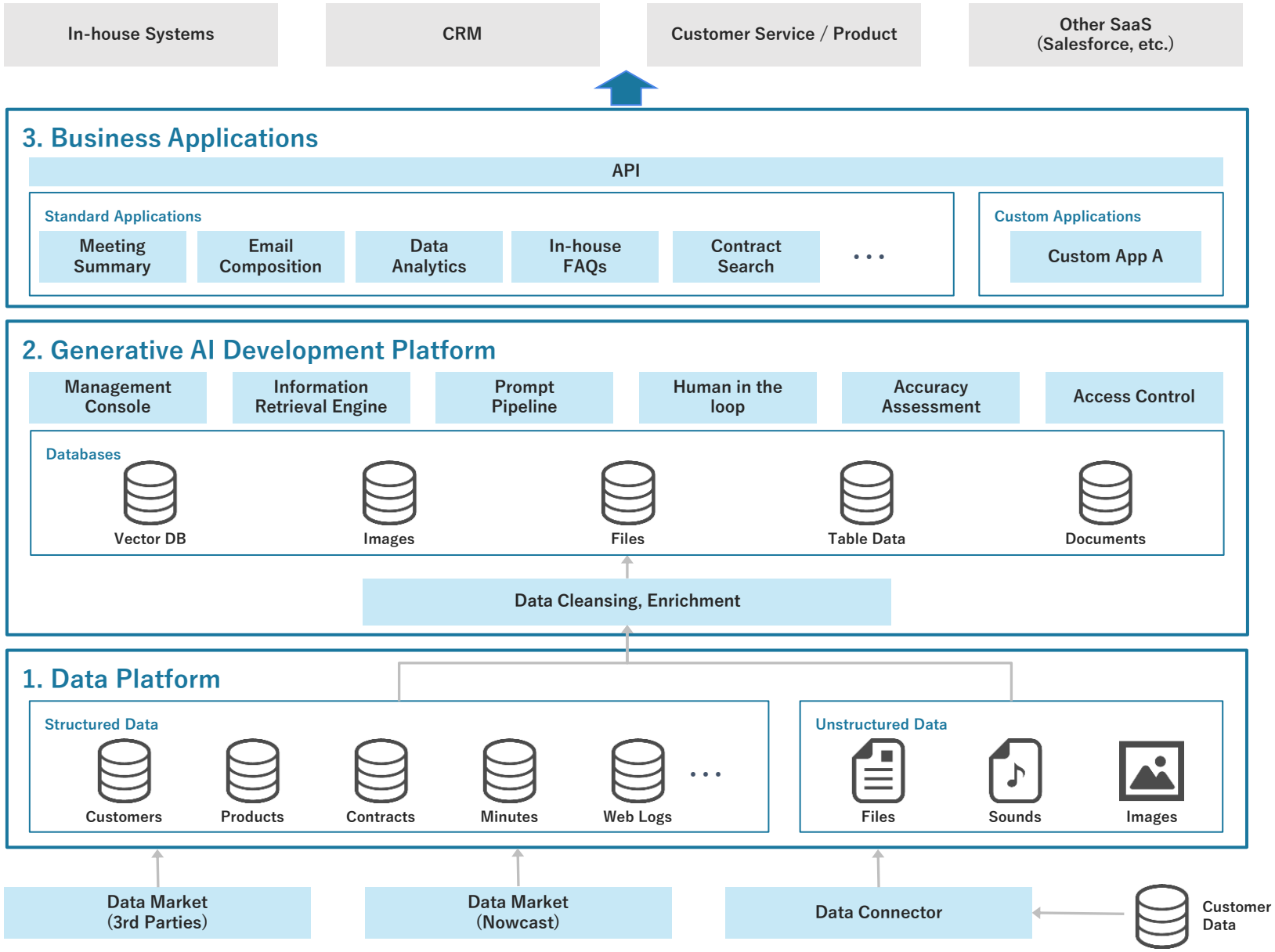
- Predicts sales of candidate properties based on existing store sales data, official statistics, and location data



Data AI Solution Strategy

We will focus on: 1) data platform development for large enterprises utilizing Snowflake and other tools, and 2/3) development of industry-specific applications based on generative AI development platform.

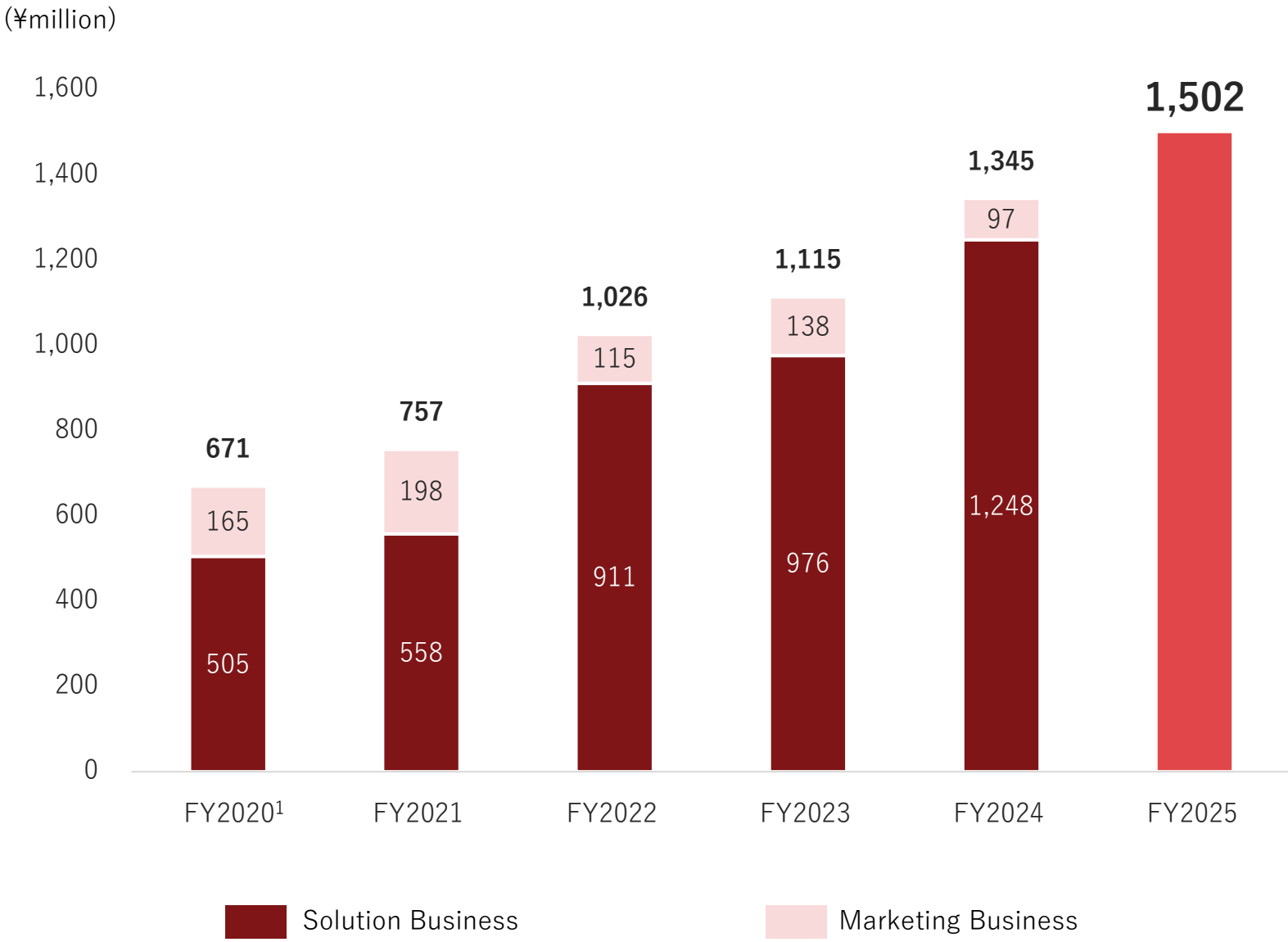
We aim to focus on industries such as asset management and brokerage to build expertise.



Revenue Guidance

We expect a **12% YoY increase**, primarily driven by the expansion of Solution Business.

- From this fiscal year, the segment “Fintech Solution” has been renamed “Fintech Shift”.



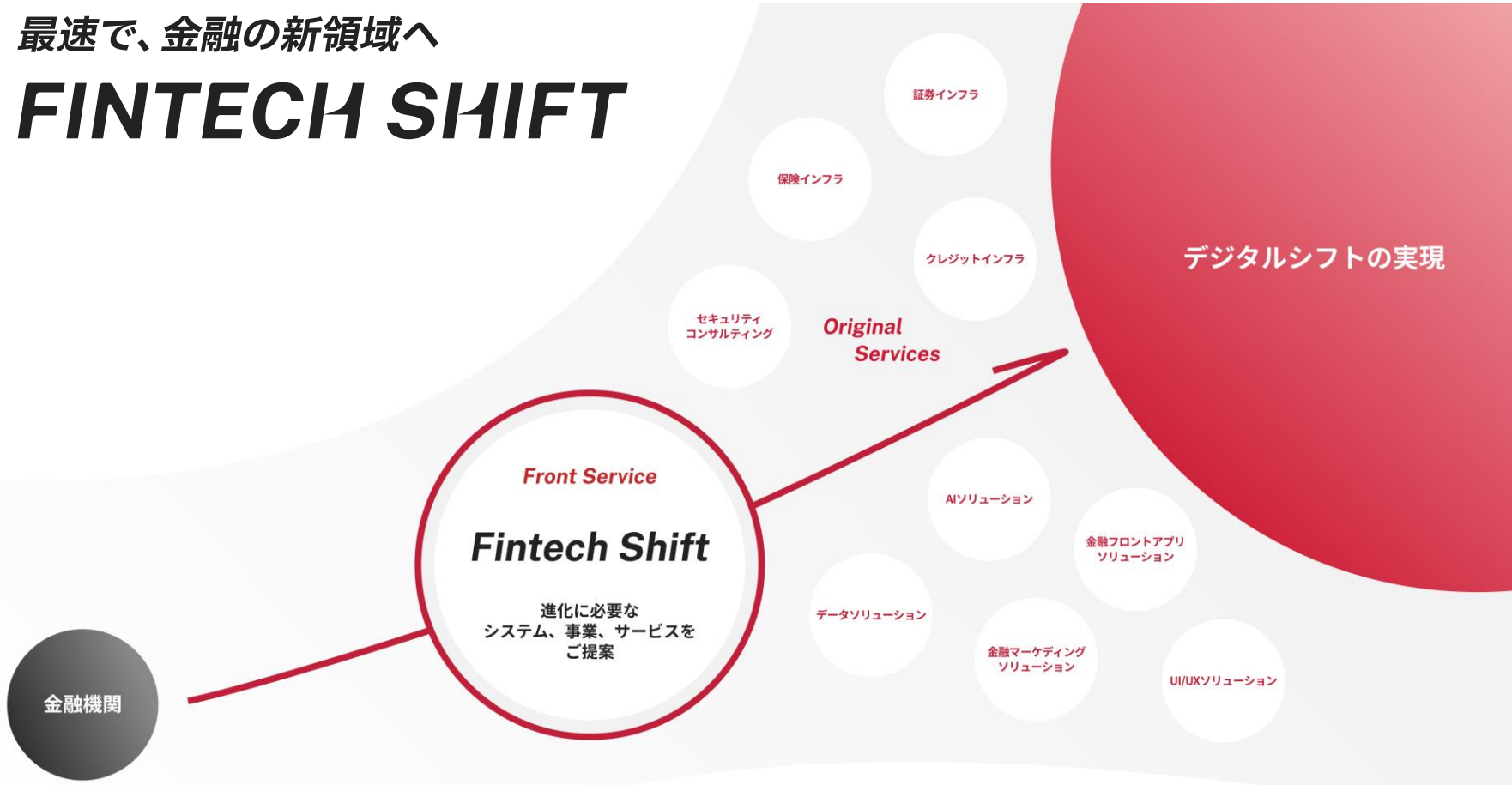
1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

FINATEXT HOLDINGS

Fintech Shift Strategy

Segment renamed to “Fintech Shift” and will operate across the group, providing solutions to financial institutions.

We will promote cross-selling of our cloud-based financial infrastructure, data platform, and generative AI development platform.



Fintech Shift

Expansion of Customer Base

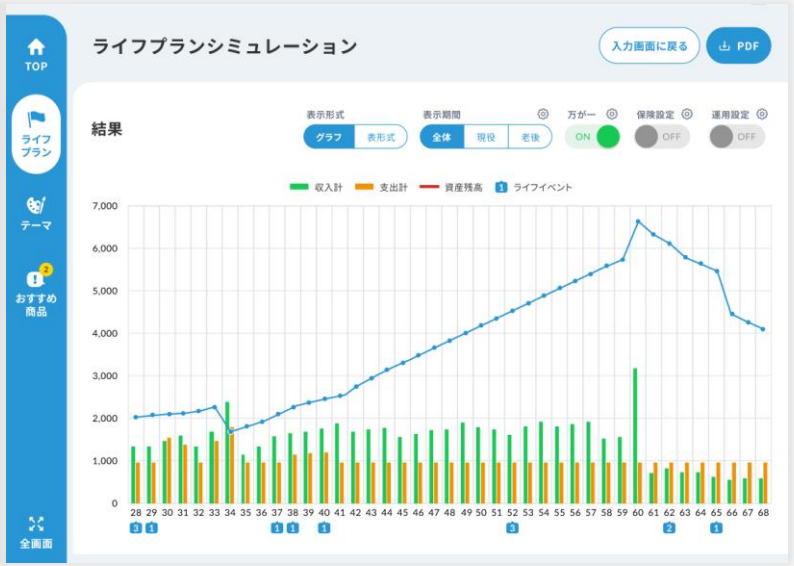
We have developed a financial sales support tool centered on life plan management.

Providing the tool to regional financial institutions, securities companies, insurance agencies, and IFAs to expand the customer base.

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

RISK FACTORS

Risks of Business

Material Risks	Countermeasures/Impact
Revocation of Licenses	In our group, we are registered as a “main shareholder” under the Insurance Business Act, our subsidiary Smartplus Ltd. is a “type I financial instruments business operator”, “type II financial instruments business operator”, and “investment management business operator” under the Financial Instruments and Exchange Act, our subsidiary Smartplus Small amount Short-term Insurance Ltd. is a “small-amount short-term insurance business operator” under the Insurance Business Act, and our subsidiary Smartplus Credit Ltd. is a “money-lending business operator” under the Money Lending Business Act. Compliance with these licenses (registrations) and respective regulatory laws is a material matter in the business operations of our group. As of the submission date of this document, we are not aware of any facts that would disqualify us as a business operator or lead to the revocation of these licenses (registrations). However, we recognize this as a particularly important risk, as the occurrence of disqualifying or revocation -causing facts in the future could lead to the revocation of licenses (registrations) and cause difficulties in our group's business operations, affecting our financial position and operating results. Furthermore, our group complies with laws, regulations, policies, business practices, accounting systems, and tax systems, including those mentioned above, in carrying out our business. These laws and regulations may be newly established, amended, or abolished in the future, and depending on their content, they could restrict the provision of our group’s services, necessitate the introduction of new risk management methods, require other system improvements, and adversely affect our group's business, operating results, and financial position.
Sanctions from Financial Services Agency	Our subsidiary, Smartplus Ltd., is registered with the Kanto Local Finance Bureau as a type I and type II financial instruments business operator under Article 29 of the Financial Instruments and Exchange Act and conducts its business in compliance with the laws, regulations, and rules of the Financial Instruments and Exchange Act, among others. For financial instrument trading businesses, the conditions for revocation of registration are stipulated in Article 52(1) and (4), or Article 53(3), and Article 54 of the Financial Instruments and Exchange Act. In the event that these conditions are met, administrative sanctions, including the revocation of registration, will be imposed. If any event of violation of relevant laws and regulations occurs within our group for any reason, we may be subject to administrative actions such as administrative guidance, suspension of business and revocation of registration. In such cases, our group’s goodwill may be significantly damaged, leading to a substantial impact on our operating results and financial position.

We have provided information on matters that we believe are particularly important for investors’ decision-making from the perspective of proactive information disclosure. The contents of this section do not cover all the risks associated with investing in our shares. While we recognize the potential for these risks to arise and strive to avoid their occurrence and respond promptly should they occur, we believe that investment decisions related to our shares should be made carefully after considering the information in this and other sections, as well as the “Risks in Business” in the securities reports. Please note that the matters concerning the future in this document are based on the company's judgment as of the submission date of this document. In addition, each risk may materialize due to external factors beyond our control, even if we have taken sufficient risk mitigation measures. Since accurate predictions cannot be made, we have omitted the description of the possibility of the manifestation of these risks.

Risks of Business

Material Risks	Countermeasures/Impact
Systems Malfunction	Our group's business is provided through the internet, and system stability is crucial for our operations. Therefore, we have implemented continuous measures against system failures, such as network monitoring and establishing system management structures. However, should system failures or information leaks occur due to factors such as program defects, human errors, unauthorized access, or natural disasters, the resulting loss of trust in our group, decrease in corporate goodwill, and significant cost burden could potentially impact our group's business and operating results.
Personal Information Protection	Our group holds various personal information through financial infrastructure businesses and other activities. We regard personal information management as a critical issue in our business operations, focusing not only on preventing external leaks but also on preventing inappropriate use and tampering. We have established personal information protection basic regulations and Information system management regulations to strictly manage personal information and have rigorously implemented internal training for all employees. We are actively working on personal information protection by complying with laws and regulations related to personal information protection, as well as relevant guidelines applicable to our group. However, in the event that personal information is leaked externally due to unauthorized access or flaws in our internal management systems, or if inappropriate use or tampering occurs, our group may face damage claims and significant expenses in addressing the issue. In addition, the loss of social trust could impact our group's business and operating performance.

We have provided information on matters that we believe are particularly important for investors' decision-making from the perspective of proactive information disclosure. The contents of this section do not cover all the risks associated with investing in our shares. While we recognize the potential for these risks to arise and strive to avoid their occurrence and respond promptly should they occur, we believe that investment decisions related to our shares should be made carefully after considering the information in this and other sections, as well as the "Risks in Business" in the securities reports. Please note that the matters concerning the future in this document are based on the company's judgment as of the submission date of this document. In addition, each risk may materialize due to external factors beyond our control, even if we have taken sufficient risk mitigation measures. Since accurate predictions cannot be made, we have omitted the description of the possibility of the manifestation of these risks.

APPENDIX

APPENDIX

COMPANY OVERVIEW

Our Mission

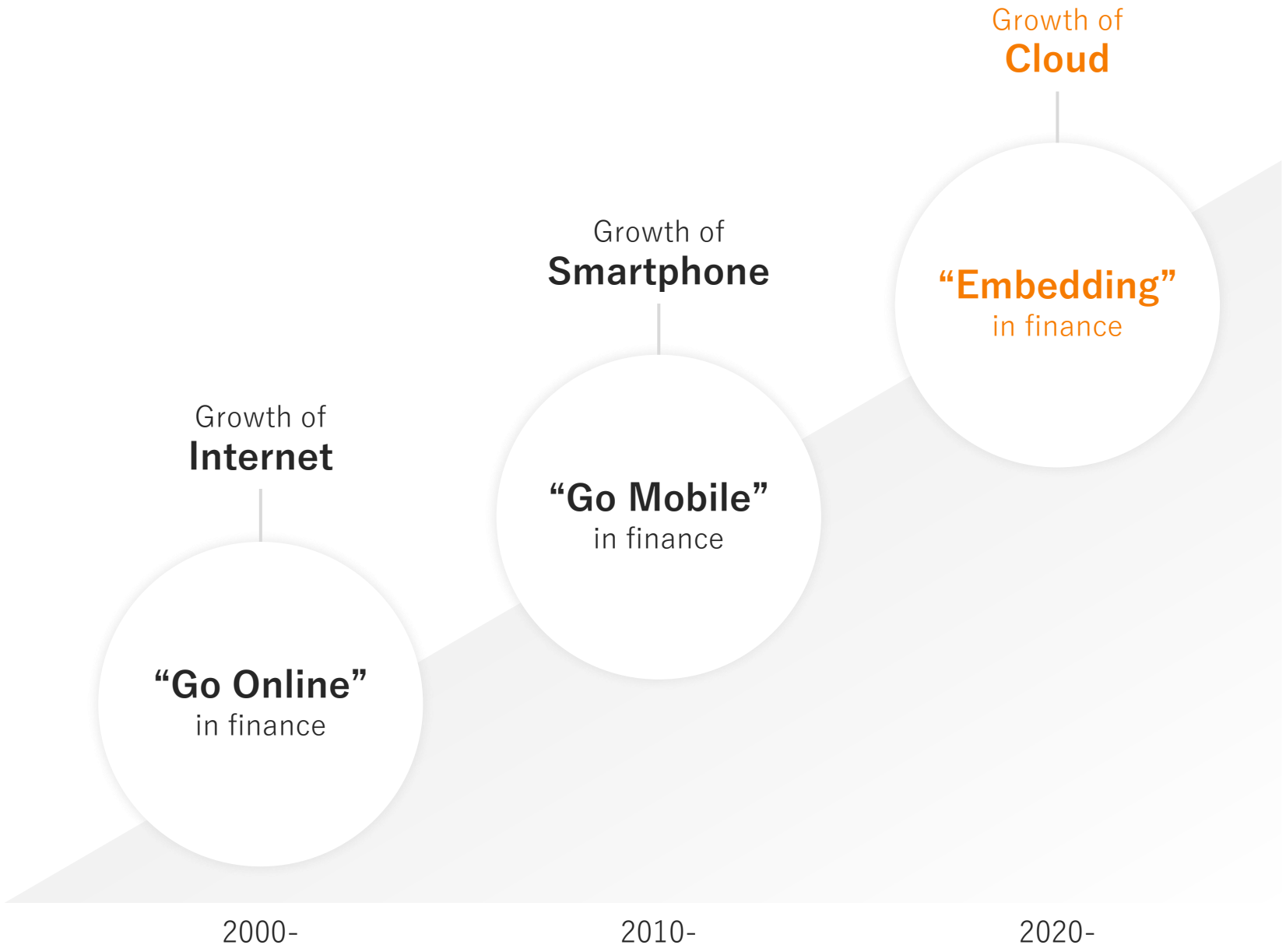
By realizing our mission together with our partners, we aim to provide financial services connected to our daily lives.

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.

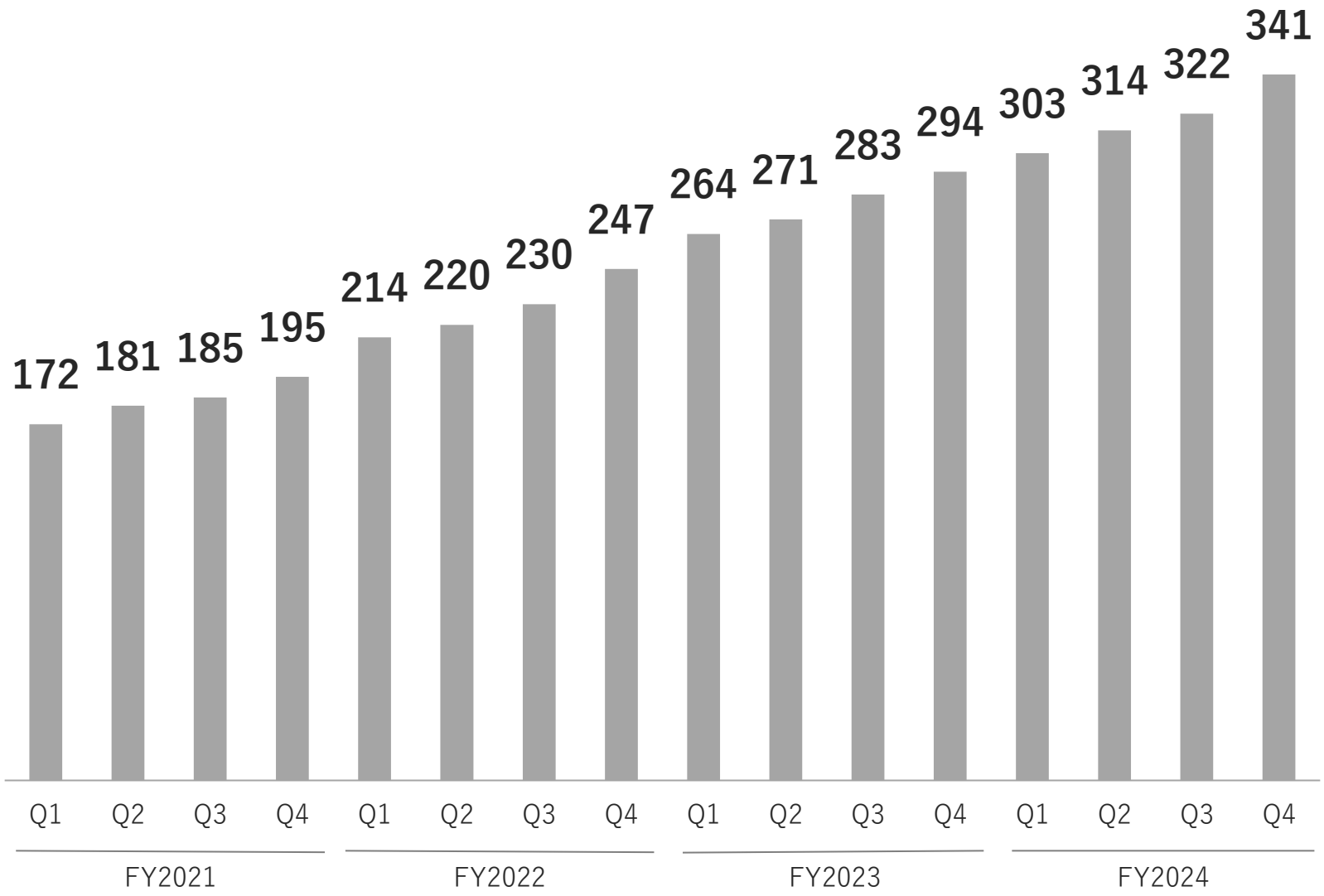


Corporate Structure

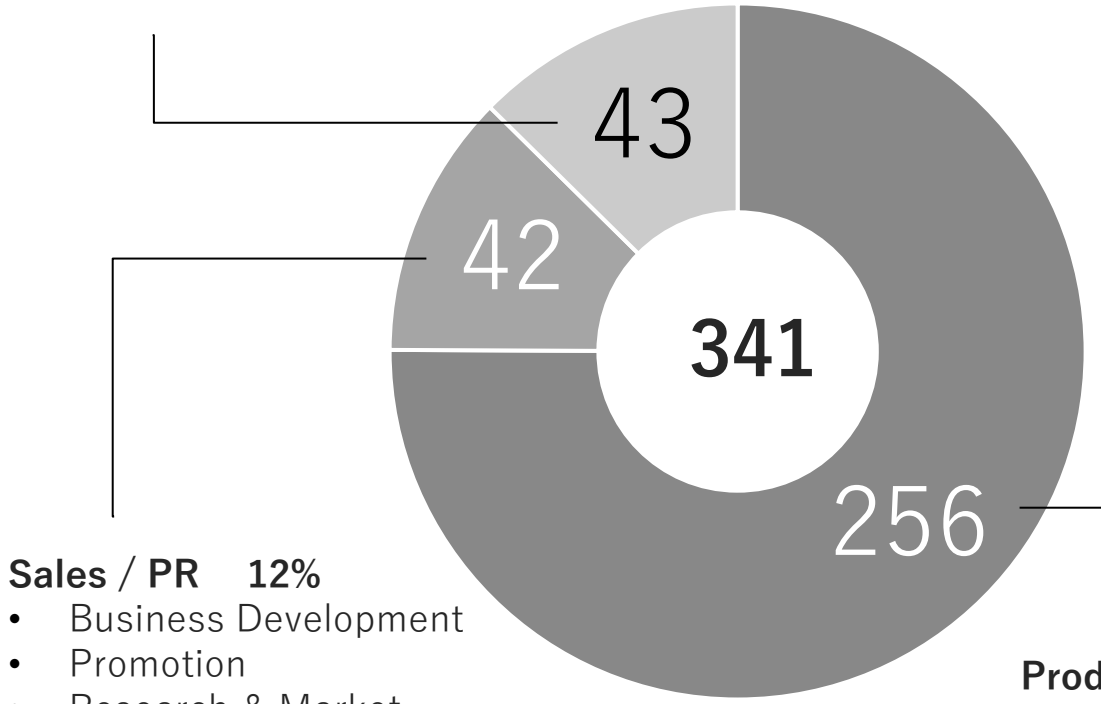
Entity	Ownership	Number of Employees[1]	Business	Segment
FINATEXT HOLDINGS	-	23	• Group holding company	
Finatext	100%	125	• Software development for financial institutions and group enterprises	Financial Infrastructure Fintech Shift
Nowcast	100%	62	• Big Data Analytics service to institutional investors and government	Big Data Analytics
Smartplus	85%	37	• Brokerage company	Financial Infrastructure
Smartplus SSI	93%	2	• Small amount and short-term insurance company	Financial Infrastructure
Smartplus Credit	100%	0	• Lender	Financial Infrastructure
Teqnological	70%	4	• Offshore outsourcing bridge	Fintech Shift
Teqnological Asia	72% (50.4%[2])	88	• Offshore development for group companies in Vietnam	Fintech Shift

1. Number of full-time employees as of March 31, 2025.
2. Indirect ownership ratio by Finatext Holdings Ltd.

Number of Employees



Staff Composition



Operations / Back Offices 13%
- Financial Operations
- Back Offices

Sales / PR 12%
- Business Development
- Promotion
- Research & Market

Product 75%
- Engineer
- Product Management
- Designer
- Web Director

1. Number of full-time employees as of March 31, 2025.

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 Type

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

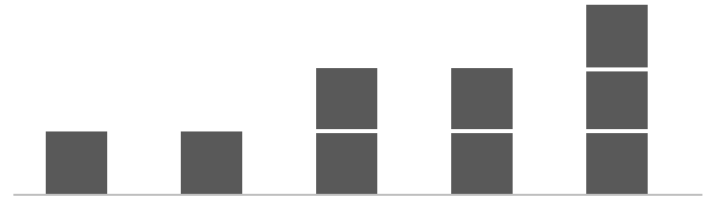
1 One-off

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



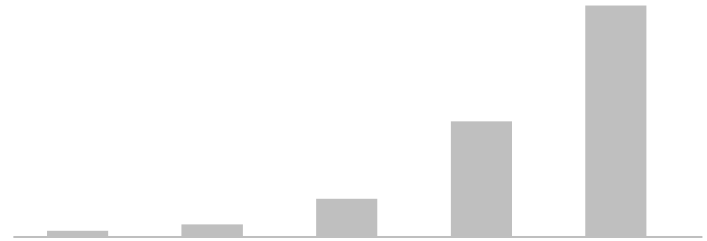
2 Recurring

- Recurring revenue received monthly from existing partners for operations



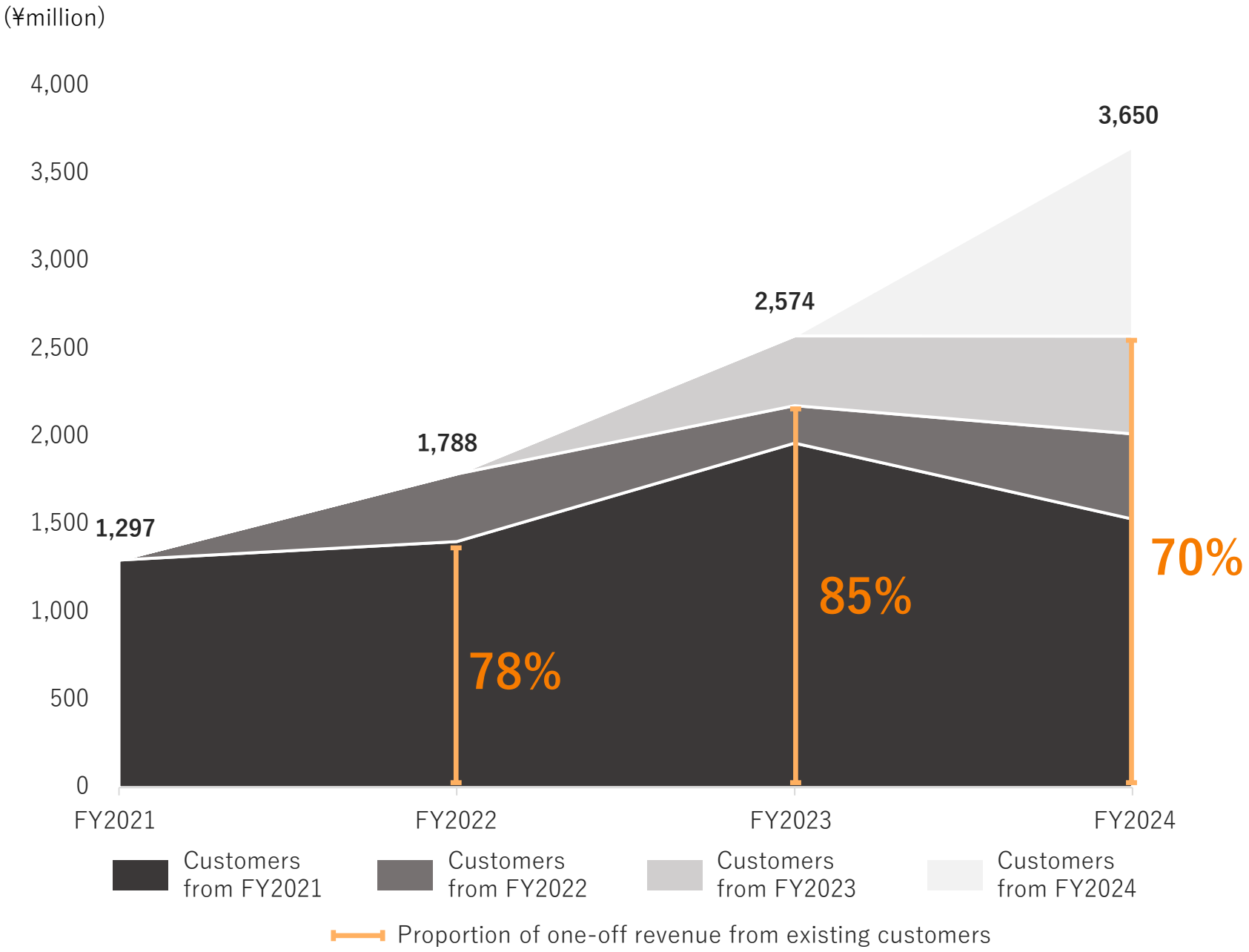
3 Usage-based

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



One-off Revenue from Existing Customers

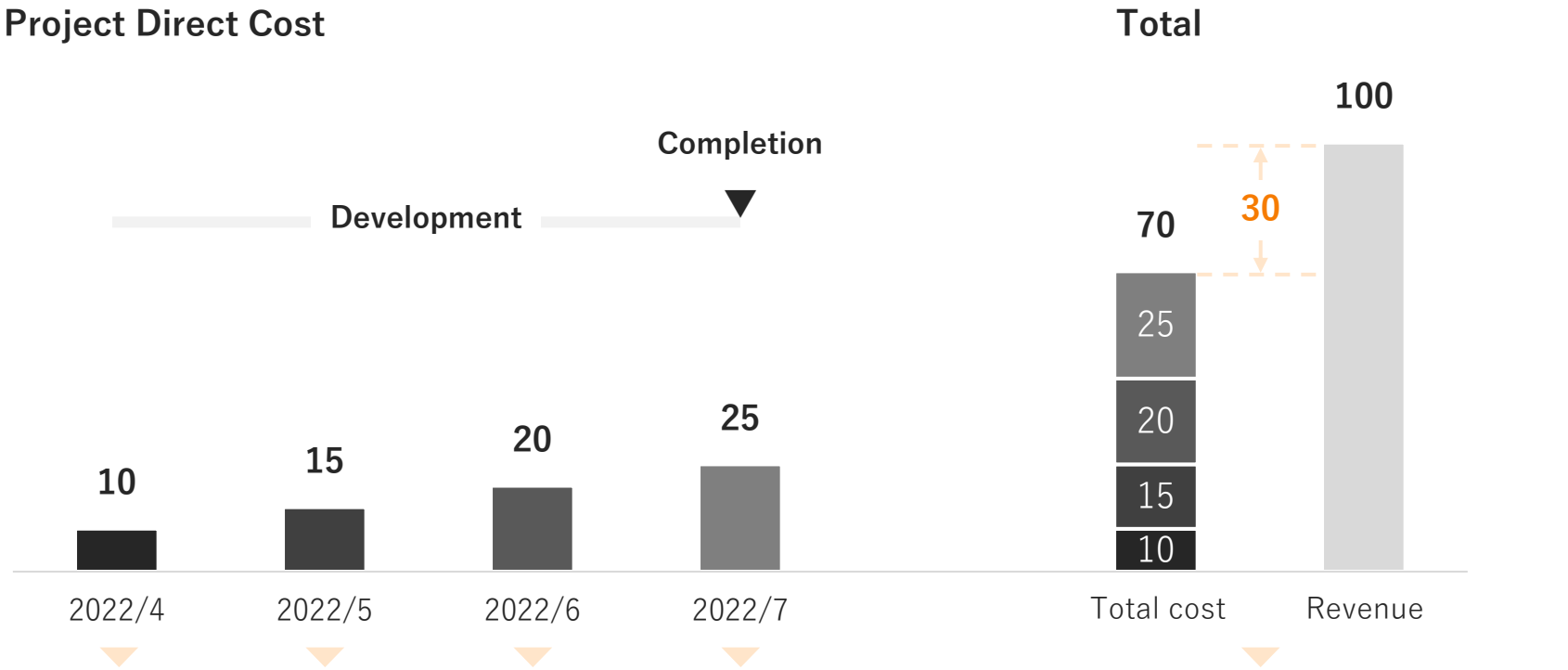
A high proportion, exceeding 70%, of one-off revenue is derived from customers for whom revenue was recorded in previous fiscal year.



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**

Business Overview

We started business of Fintech Shift in 2014.

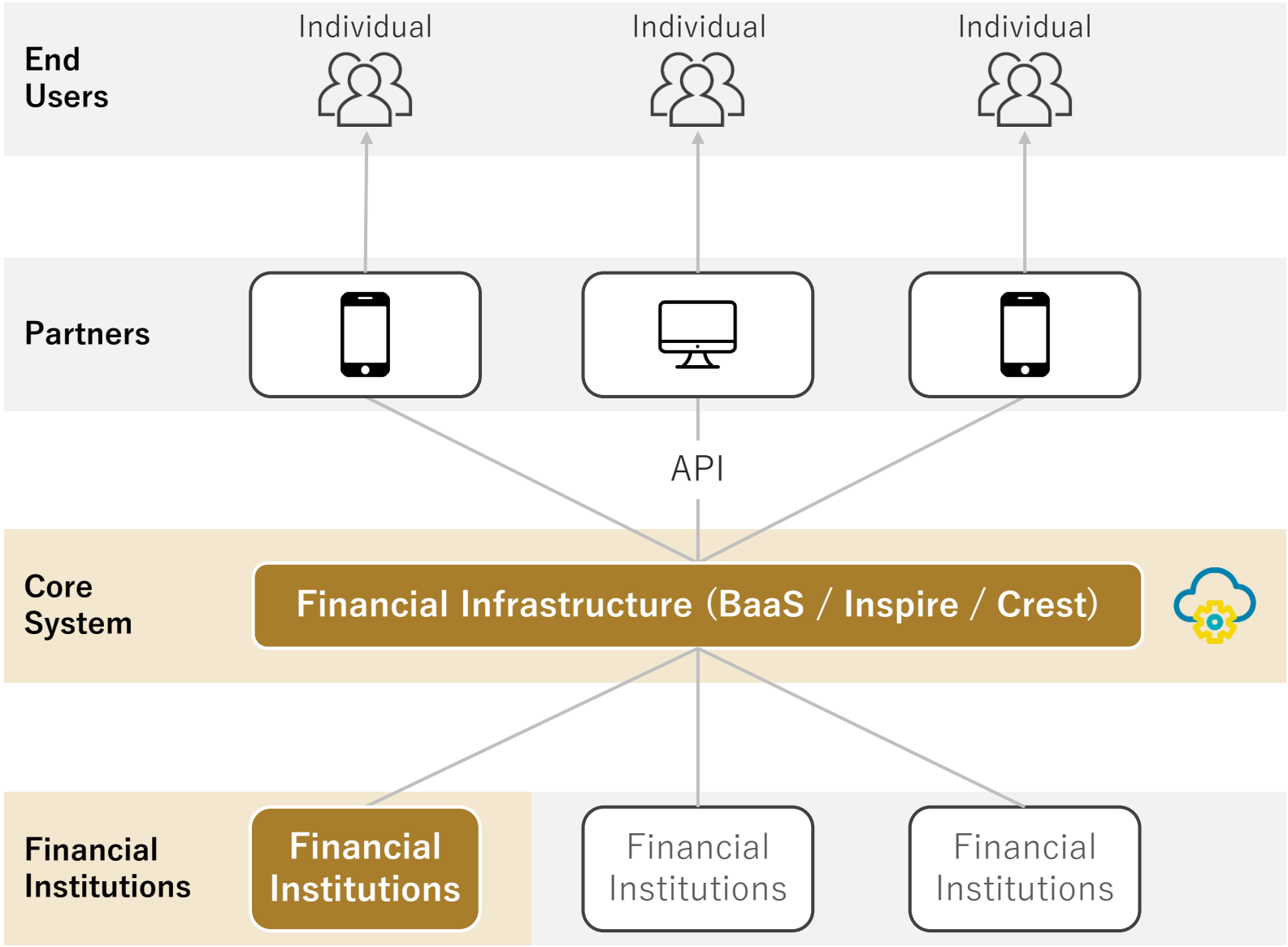
After entering into the field of Big Data Analytics in 2016, we started our current core business, Financial Infrastructure, in 2018.

	Overview	Example
Fintech Shift (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

Overview

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

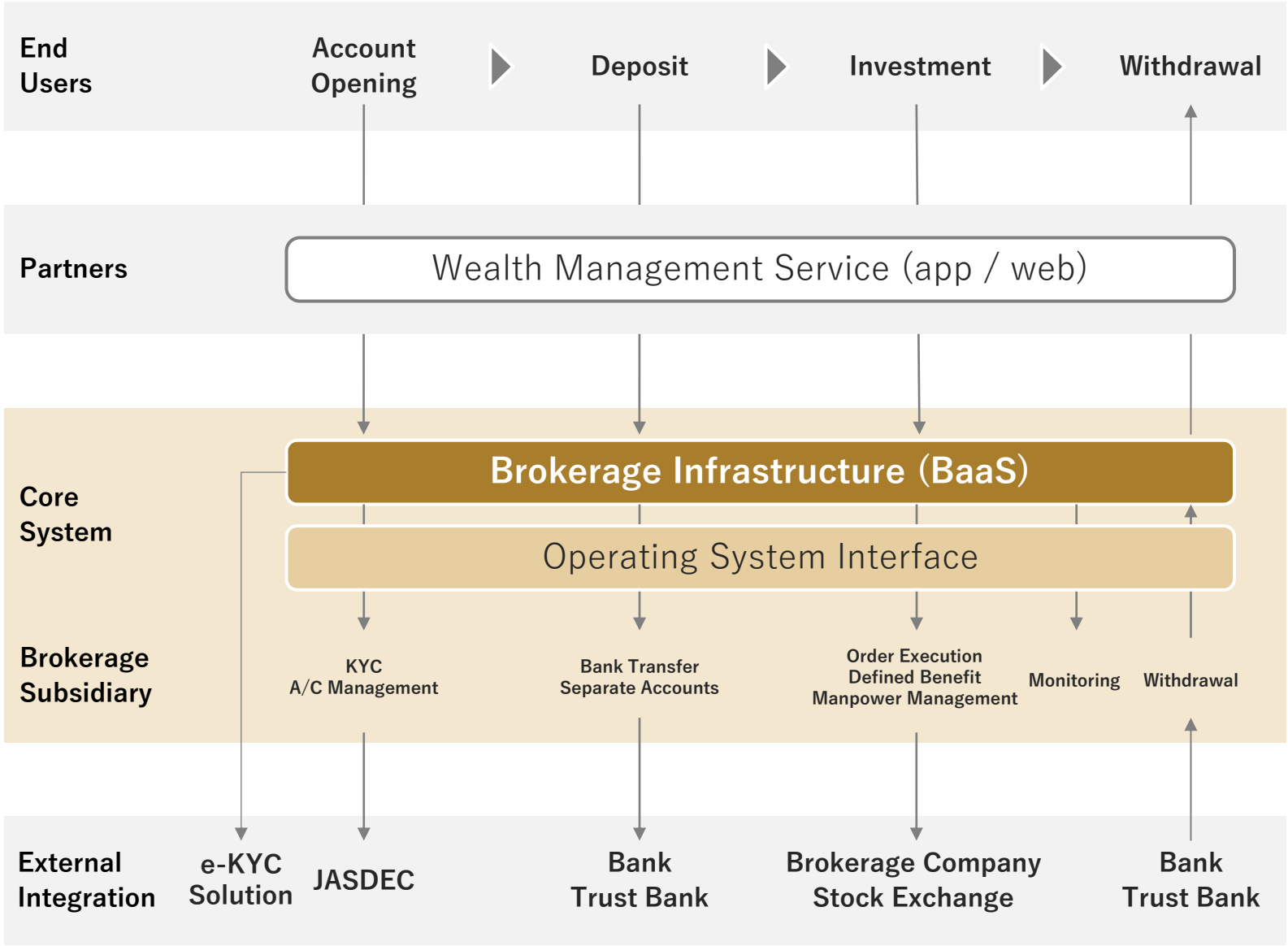
Currently offer 3 solutions: ①“**BaaS**” for asset management services, ② “**Inspire**” for insurance services, and ③“**Crest**” for lending services.



①BaaS

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.



①BaaS Service

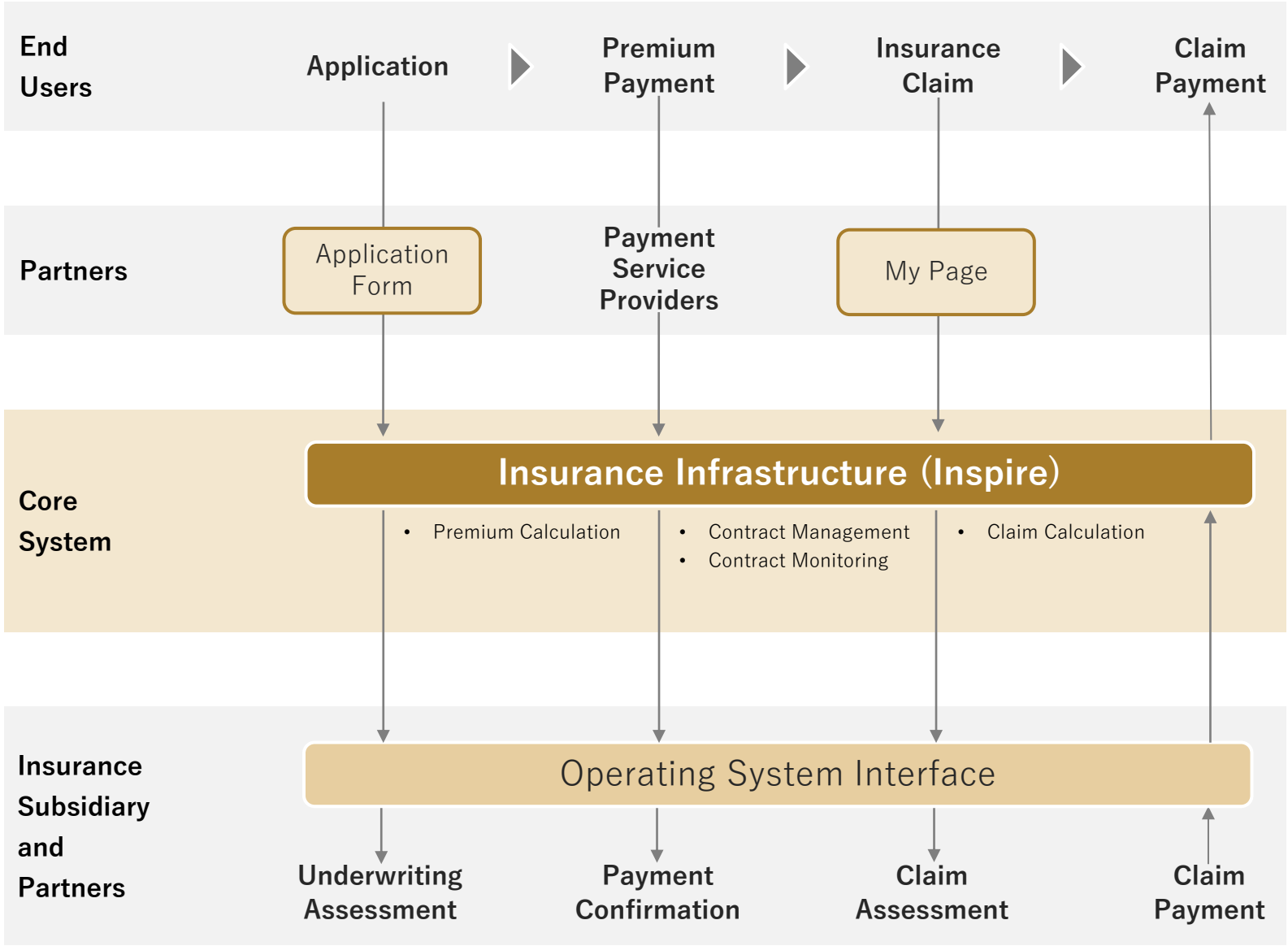
As of the end of this quarter, 19 services are in operation.

Non-FIs (Embedded Investment)	Asset Managers (Direct Sales)	IFAs (Discretionary Investment Management)	
Saison Pocket (Credit Saison)	US ETF WRAP (GCI AM)	Japan Asset Management	CS Asset
Wealth Wing (ANA X)	N Direct (Nissay AM)	Innovation IFA Consulting	Financial Standard
Korekabu (Seven Bank)	Saison-to-tsuzuku (Saison AM)	Hoken No Madoguchi Group	Snowball
	mattoco+ (Mitsubishi UFJ AM)	Amber Asset Management	IFA Leading
		Value Management	LIFE-D
		Prudent Japan FS	JTG Securities

②Inspire

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.



②Inspire Client

As of the end of this quarter, there are 11 clients, including our small amount short-term insurance subsidiary.

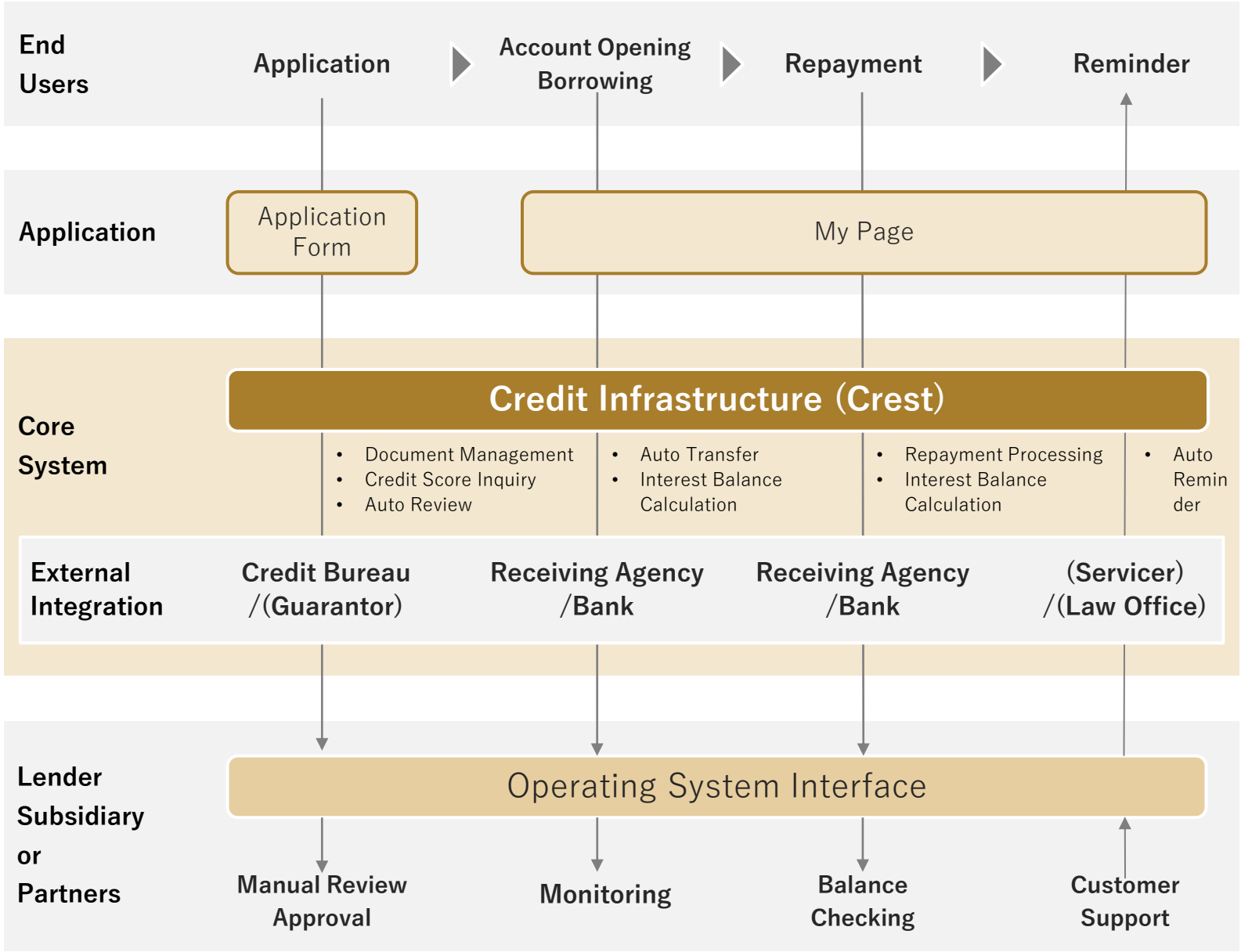
Support a wide range of insurance products from small amount short-term insurance to non-life insurance, from individuals to business entities.

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
11. Meiji Yasuda General Insurance

③Crest

"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 Service for Financial Industry

For financial industry, we offer “Alterna Data” and macroeconomic analysis Data Service such as “Nikkei CPI NOW”, “JCB Consumption NOW” and “HRog Wage NOW”.

	Data Service for Corporate Analysis	Data Service 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 posting data • Electronic receipt data • TV commercials data	• POS data • Credit card data • Job posting data

Data Service for Real Estate Industry

For the real estate industry, we provide “DataLensHub”.

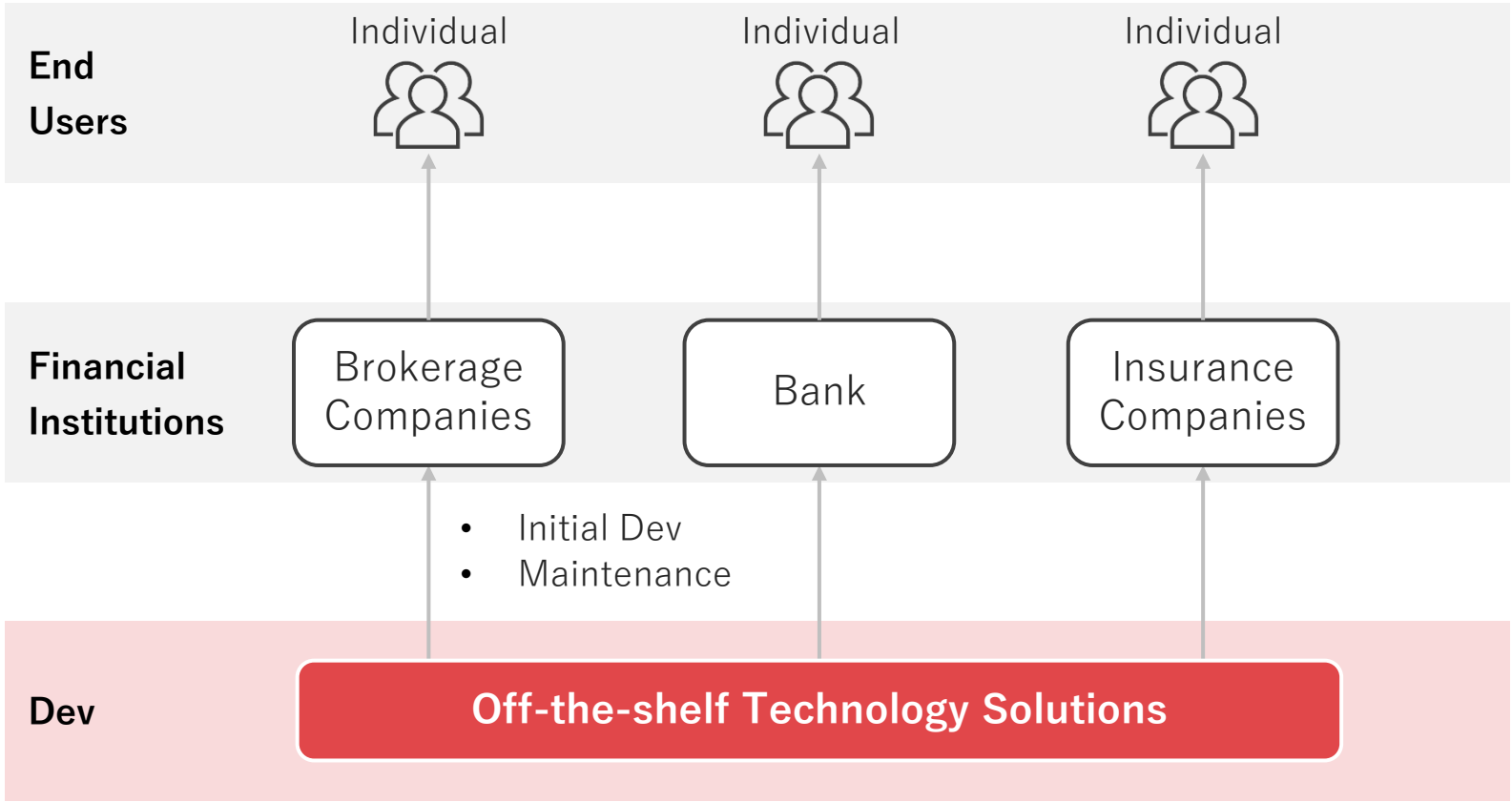
A solution that improves the efficiency of operations such as commercial leasing and store development in the commercial real estate industry using big data and generative AI.

DataLensHub
POWERED BY FINATEXT GROUP

	DataLens Commercial Leasing	DataLens Trade Area Analysis	DataLens Store Development
Overview	• A service that uses external data to extract tenant's intentions and tendencies for store openings	• A service that uses external data to analyze consumer needs within a trade area	• A store development DX tool that combines generative AI with trade area analysis features
Target	• Real estate developers operating large commercial facilities	• Store operators such as restaurants and fitness studios • Real estate developers	• Store operators considering new store openings
Features	• Possible to build a dedicated CRM platform by combining customers' internal data on stores and brands with external data	• Enable purchase trend analysis in potential store locations and sales forecasting for new stores and renovations by combining multiple data	• Streamline decision-making process of store openings, by combining features of trade area analysis and a property information management tool powered by generative AI
Data	Intent Data / Store Opening Data / Job Posting Data / Location Data / . . .		

Overview

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



Customers (Published)

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

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The next “Business Plan and Growth Potential” will be released in May 2026.



Reinvent Finance as a Service