

F I N A T E X T

H O L D I N G S

Second Quarter FY2025
Financial Results

Finatext Holdings Ltd.

November 12, 2025

SUMMARY

Q2 FY2025 Actual

Revenue progression stands at 41% of the full-year forecast in line with historical trends, with expenses progressing as planned.

Revenue

4,464 million yen
YoY **+29** %

Partners (Financial Infrastructure)

42
vs. FY-end **+10**

EBITDA ¹

518 million yen
Margin **12** %

Net Income Attributable to Owners of Parent

495 million yen
Margin **11** %

FY2025 Guidance

Aim to achieve our previously stated goals of exceeding 100 hundred million yen in revenue and an EBITDA margin of 20%.

Revenue

11,000 million yen
YoY **+43** %

Partners (Financial Infrastructure)

49
vs. FY-end **+17**

EBITDA ¹

2,240 million yen
Margin **20** %

Net Income Attributable to Owners of Parent

1,210 million yen
Margin **11** %

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

Table of Contents

1. BUSINESS HIGHLIGHT	P4
2. QUARTERLY RESULTS	P12
3. QUARTERLY RESULTS BY SEGMENT	P26
4. EARNINGS GUIDANCE	P48
5. APPENDIX	P55

BUSINESS HIGHLIGHT

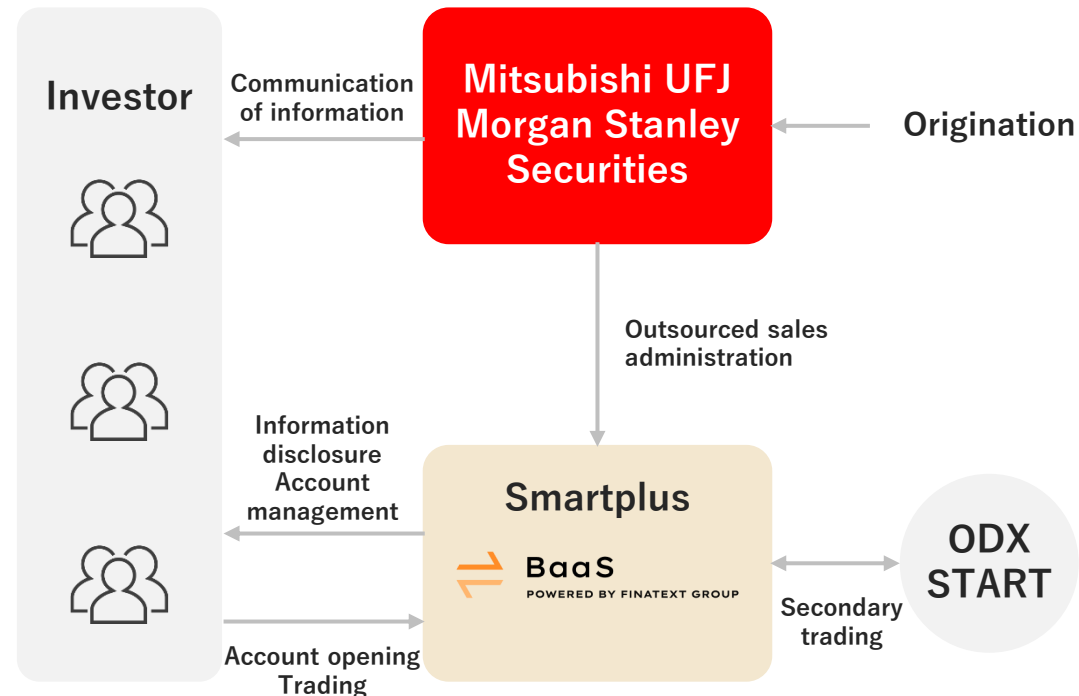
New Release of Brokerage Infra

In October 2025,
Mitsubishi UFJ Morgan Stanley Securities
adopted Brokerage
Infrastructure BaaS to
enter the digital asset
business.

For the first time, we
offered the feature of
security token trading.

Digital Securities Trading Service “ASTOMO”

- In response to the evolving market environment, including the expansion of the security token market and the establishment of a secondary market through "START", Mitsubishi UFJ Morgan Stanley Securities entered the digital asset business, adopting our Brokerage Infrastructure BaaS as their core platform.
- Leveraging Mitsubishi UFJ Morgan Stanley Securities' digital securities origination capabilities and combining them with our platform development and operation capabilities, we launched "ASTOMO", a digital securities trading service for individual investors.
- As a first step, we are planning to handle real estate security tokens.
- Connected our platform to security token trading market “START” by ODX to support secondary trading.



ASTOMO

- Mitsubishi UFJ Morgan Stanley Securities carefully selects digital securities with professional expertise, offering asset formation opportunities through periodic distributions and principal redemption at maturity.
- Smartplus offers digital securities originated by Mitsubishi UFJ Morgan Stanley Securities.
- Minimum investment of 100,000 yen, available on smartphone.

New Release of Insurance Infra

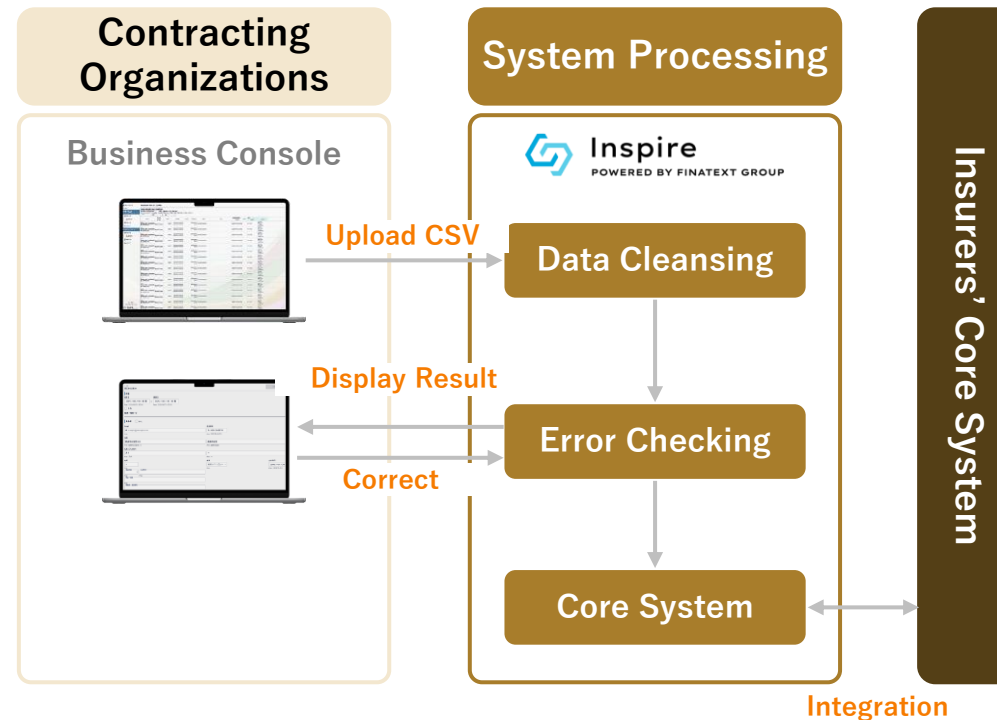
In October 2025, **SBI Insurance** adopted our **Insurance Infrastructure Inspire**, leveraging its “Bulk Contract Data Upload & Error Checking Function” to digitize group insurance operations.

This significantly cuts administrative workload for both insurers and contracting organizations.

Providing Inspire Group Insurance Feature to SBI Insurance

- In group insurance contracts, the process of notifying insurers of member information is typically conducted using excel files or paper documents.
- SBI Insurance had to manually review tens of thousands of member records received monthly from contracting organizations and manually import and reconcile revisions with core systems.
- By digitizing the end-to-end member information notification process using Inspire, we aim to significantly reduce the administrative burden on both SBI Insurance and contracting organizations.

Key Features of “Bulk Contract Data Upload & Error Checking Function”



- Contracting organizations can bulk upload information as CSV files through the business console.
- Automatic data cleansing and validation checks for duplicates and input errors.
- Cleansing and error checking results are displayed on the business console.
- Errors can be corrected directly from the business console.
- Finalized member information is seamlessly transferred to the insurer's core system.

Insurance companies can now receive member information without errors.

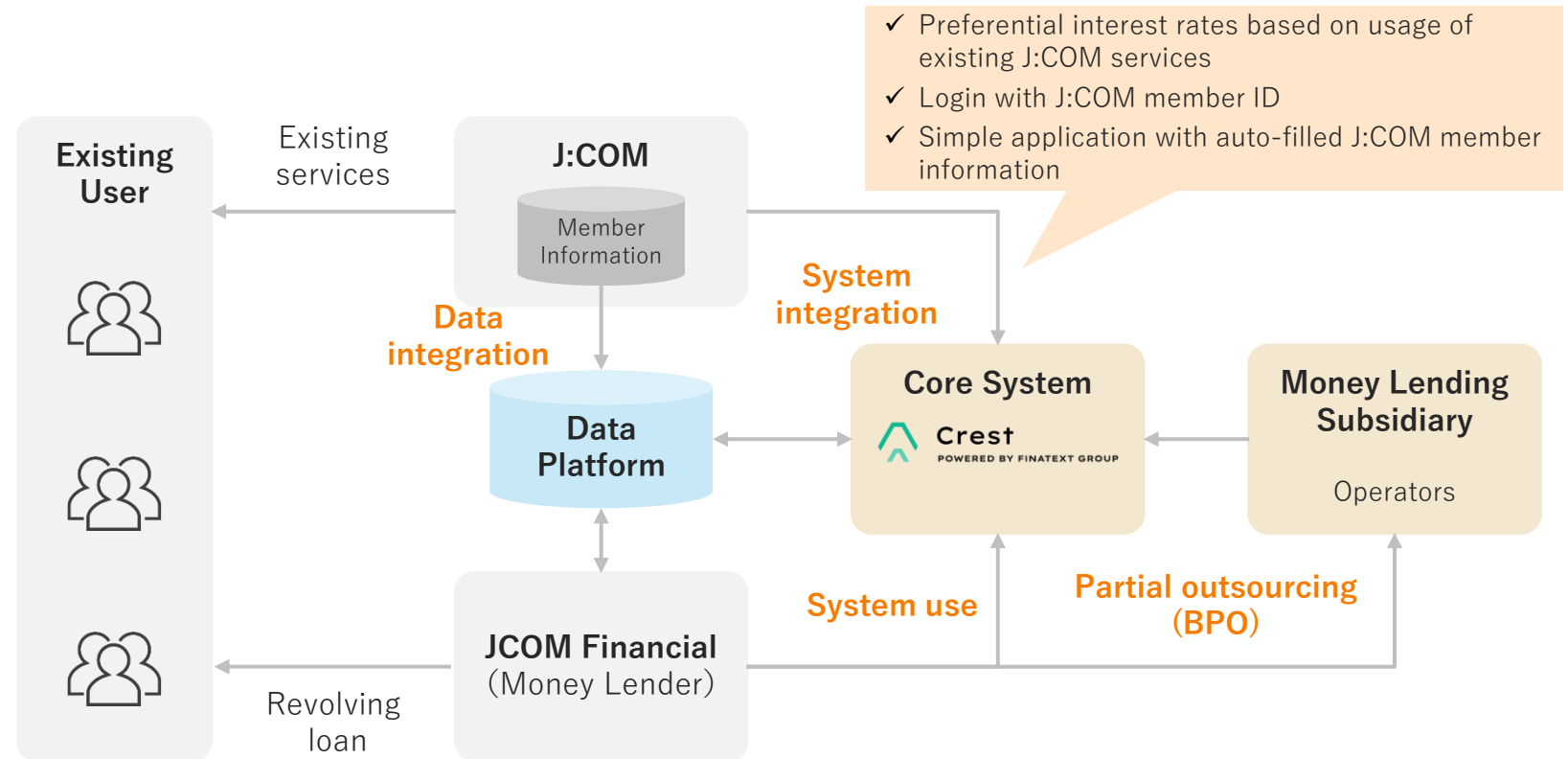
New Release of Credit Infra

In November 2025, J:COM Group launched their new personal loan service adopting Credit Infrastructure Crest.

This marks our first full-scale BPO service offering and includes group-wide support for building their data platform to leverage data and generative AI.

Support for J:COM Group's Entry Into Personal Loan Business

- J:COM Group provides various services closely tied to daily life, including cable television, to approximately 5.77 million households. As part of its growth strategy, J:COM is entering the personal loan business, leveraging its extensive customer base.
- Crest was adopted as the core system for the new personal loan service exclusively for J:COM subscribers.
- Crest's cloud-native/API-based architecture enables seamless integration with J:COM's existing services.
- By providing BPO services using Crest, we support the rapid establishment of stable operations.
- Additionally supporting data platform implementation to enhance marketing and operations through data and generative AI utilization (revenue recognized in the Big Data Analytics segment).



New Product Release

Expanded our data service for real estate industry, "DataLensHub", by launching "DataLens for Office Leasing".

Mitsubishi Estate and Sumitomo Realty & Development have adopted the service to enhance office leasing efficiency by leveraging multiple data sources.

Release of "DataLens Office Leasing"

- "DataLens Office Leasing" is a sales DX tool that combines multiple data sources to identify companies with high office relocation potential.
- By integrating with internal data and systems, it streamlines the tenant leasing process.
- The key strength lies in its office relocation prediction model built using various third-party data sources.

総合不動産デベロッパーのDXを支えるカスタマイズ性。「オフィス営業」×「サードパーティデータ」が開いた可能性



三菱地所株式会社 DX推進部 協業・変革支援ユニット
ユニットリーダー／篠原靖直 様
マネージャー／高山沙也加 様

オフィスビルをメインに、商業施設やホテル、物流施設などの開発・運営・賃貸事業といった不動産事業を幅広く展開する、三菱地所株式会社様。ナウキャストは、DX推進部の篠原様、高山様と共におよそ1年をかけて、オフィスビルのリーシング営業に特化した「DataLensオフィス営業」の開発・導入に取り組んできました。今回は、お2人に

徹底した企業研究の仕組み化に取り組む住友不動産のオフィス営業哲学

～求人データで成長企業をいち早くキャッチ～



東京都心のオフィスビルをはじめ、高級賃貸マンション、戸建住宅、住宅リフォームなど、不動産に関わる幅広い事業を全国規模で展開する総合デベロッパー、住友不動産株式会社様。現在、オフィス営業の現場でナウキャストのオルタナティブデータをご活用いただいています。同社のデータ活用を推進するビル事業本部 法人営業第二部長の副島様に、ナウキャストCEOの社中がお話をうかがいました。

「選ばれるビル」を作る、住友不動産の営業力

計中：

Snowflake Award

Received “**Industry Solution Partner of the Year**” award from Snowflake, recognizing Japanese partners that demonstrate exceptional expertise.

Leveraging the expertise gained from developing our own products, we launched "SnowCast" to support clients in their data and AI utilization.

Awarded Snowflake’s “Industry Solution Partner of the Year”

- Received “Industry Solution Partner of the Year – Japan” award at the recent Snowflake Partner Awards.
- The award recognizes Japanese partners demonstrating exceptional expertise by deploying innovative, industry-specific solutions on the Snowflake Data Cloud.
- We were recognized for developing highly innovative alternative data analysis solutions for the financial and retail sectors on the Snowflake AI Data Cloud.



Providing External Clients with Expertise from Our Own Services

- "SnowCast" is a data platform framework that enables rapid deployment of modern data infrastructure and AI data operations based on Snowflake.
- Through our experience as a data provider accumulating and managing diverse data, we have designed a highly advanced and standardized data platform on Snowflake capable of handling enormous data volumes and complex data management.
- By leveraging this data platform development expertise, we support clients' AI and data utilization.

PoC with GenAI

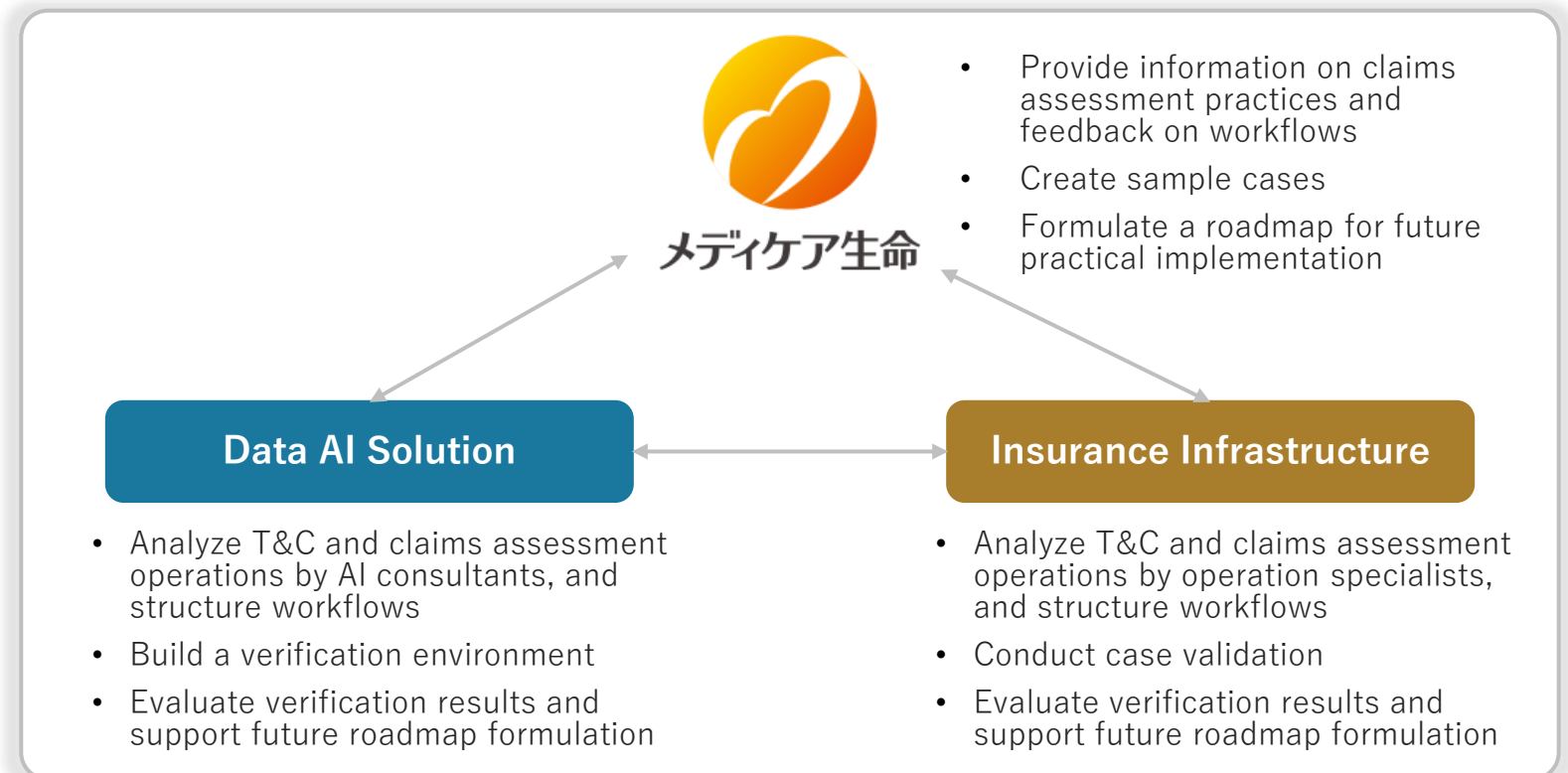
Initiated a PoC with Medicare Life for insurance claims assessment operations.

The joint project brings together expertise from two areas: generative AI from our Data AI Solution and insurance systems from our Insurance Infrastructure. This combination enables generative AI deployment in core financial operations.

PoC of Operational Efficiency using GenAI with Medicare Life

- As insurance products become more diverse and sophisticated, claims assessment operations have grown increasingly complex, requiring insurance companies to invest time and resources in training assessors and maintaining quality standards.
- Initiated a PoC with Medicare Life to streamline claims assessment operations using generative AI.
- The PoC uses multiple AI models trained on policy documents to determine benefit eligibility with justifications, verifying the practicality of AI-generated decisions.

Role of Each Company



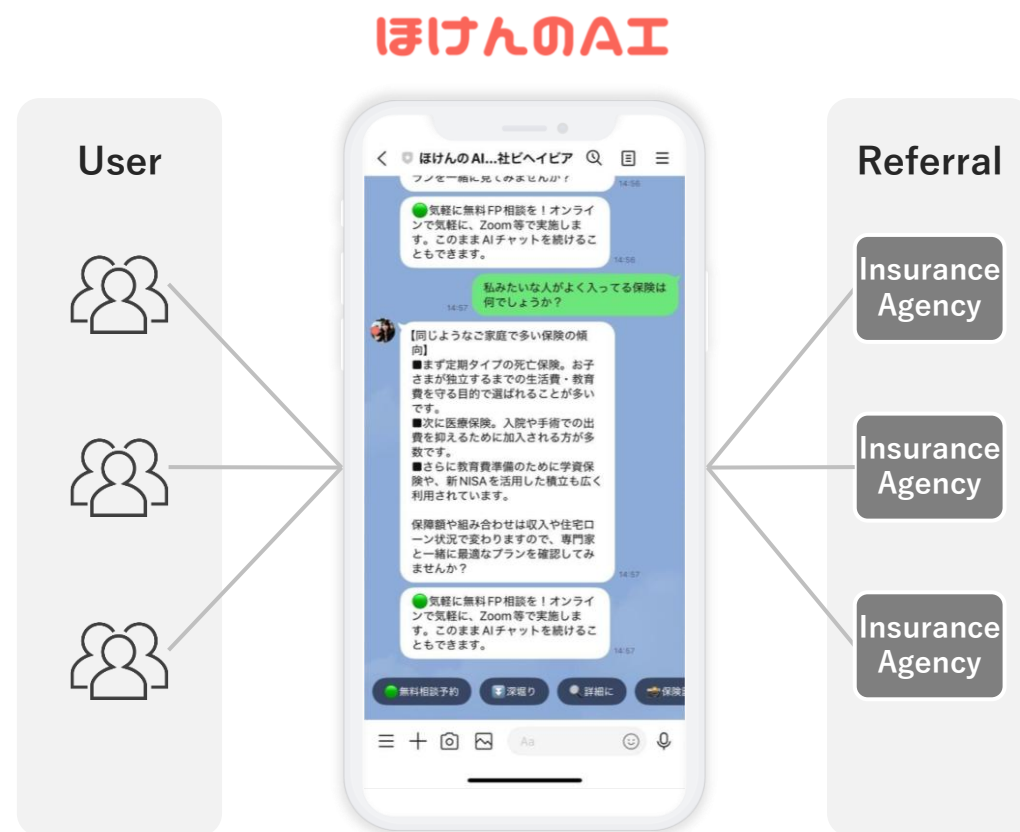
Acquisition of Behavior

In October 2025, we acquired Behavior, Inc., a provider of generative AI sales support services for the insurance industry, as a wholly owned subsidiary.

By integrating Behavior's generative AI and customer needs analysis technologies, we will develop customer acquisition and sales support solutions for diverse financial products.

Overview of Behavior

- Behavior is an AI × InsurTech startup that provides "Hoken-no-AI," an insurance consultation AI chat service, and "LifeLight," a life planning AI agent.
- Its key strengths are precise user-centric needs assessment and conversational design capabilities powered by generative AI.
- We will leverage its generative AI and customer needs analysis technologies to expand service offerings beyond insurance agencies into broader range industries.



- Users can easily consult with AI chat anytime, 24/7
- User needs are analyzed based on data from AI interactions
- Insurance agencies' financial planners understand user needs prior to consultations

Support insurance agencies' financial planners in conducting higher-quality consultations

QUARTERLY RESULTS

FY2025 Q2

Q2 Financial Summary

Revenue at **4,464 million yen, +29% YoY**, driven by usage-based revenue from Financial Infrastructure.

Progress against the full-year plan is 41%, compared to 45% last year.

EBITDA margin of 12% is a reasonable level given the current progress rate, although it declined slightly due to fixed costs.

(million yen)	FY2025 Q2	FY2024 Q2	YoY	Major Factors
Revenue	4,464	3,451	+ 29%	• Driven by usage-based revenue from Financial Infrastructure
COGS	1,546	1,260	+ 23%	• Remained below the revenue growth rate
Gross Profit	2,918	2,191	+ 33%	
COGS Ratio	65%	63%		
Adjusted SG&A ¹	2,400	1,679	+ 43%	• Increased revenue share as usage-based increased • Recorded a one-time expense of c.30 million yen from office expansion
Adjusted SG&A Ratio	54%	49%		
EBITDA²	518	511	+ 1%	
EBITDA Margin	12%	15%		
Depreciation + Stock-based compensation	155	104	+ 49%	
Margin	3%	3%		
Operating Income	363	407	△ 11%	
Operating Margin	8%	12%		
Ordinary Income	348	402	△ 13%	
Net Income Attributable to Owners of Parent	495	287	+ 72%	• Adjustment of +225 million yen in corporate tax, etc for change in tax effect classification in Q1

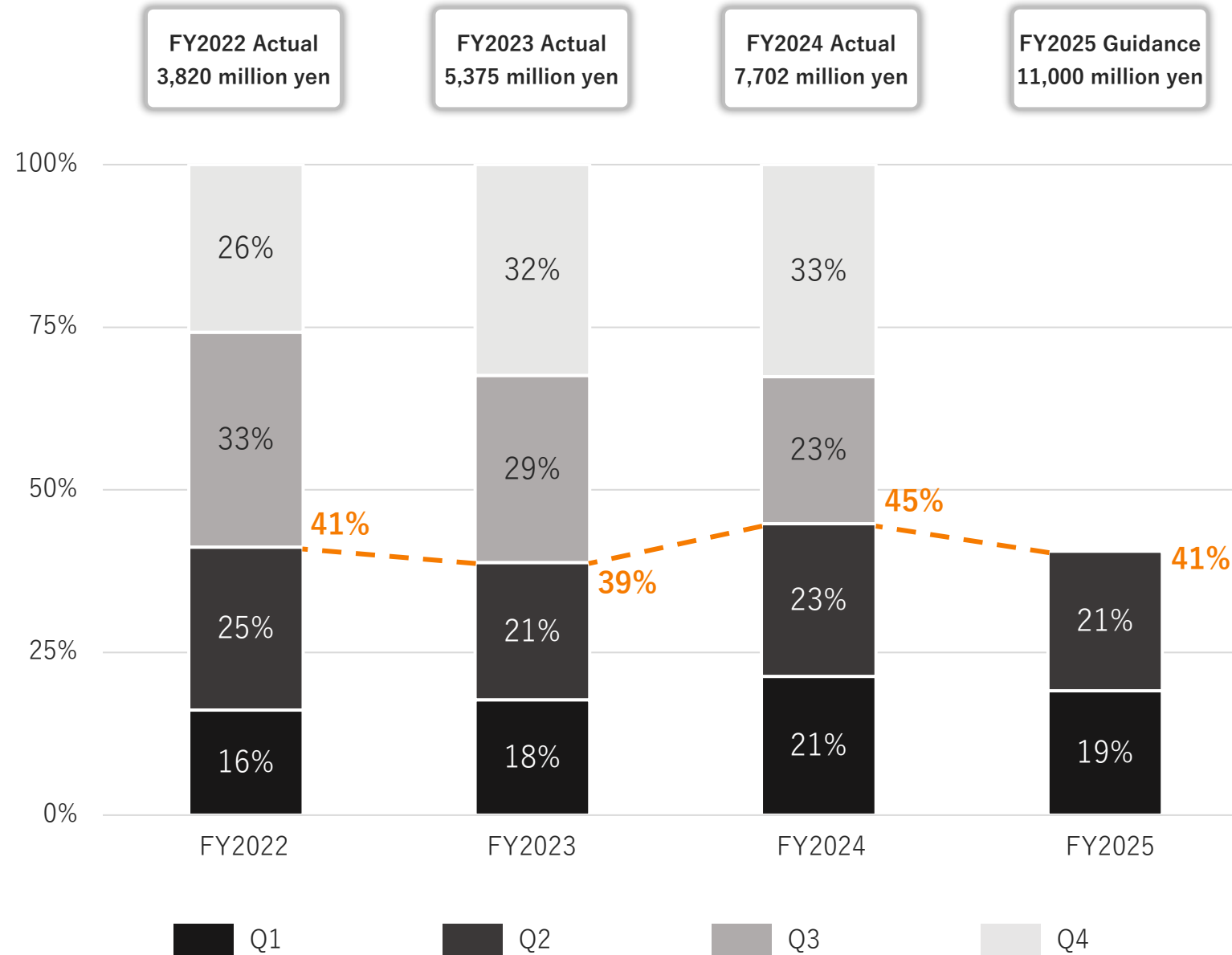
1. Adjusted SG&A = SG&A – (Depreciation and amortization + Stock-based compensation expenses)

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

Revenue Progress

The 41% progress rate is in line with FY2022 and FY2023 levels.

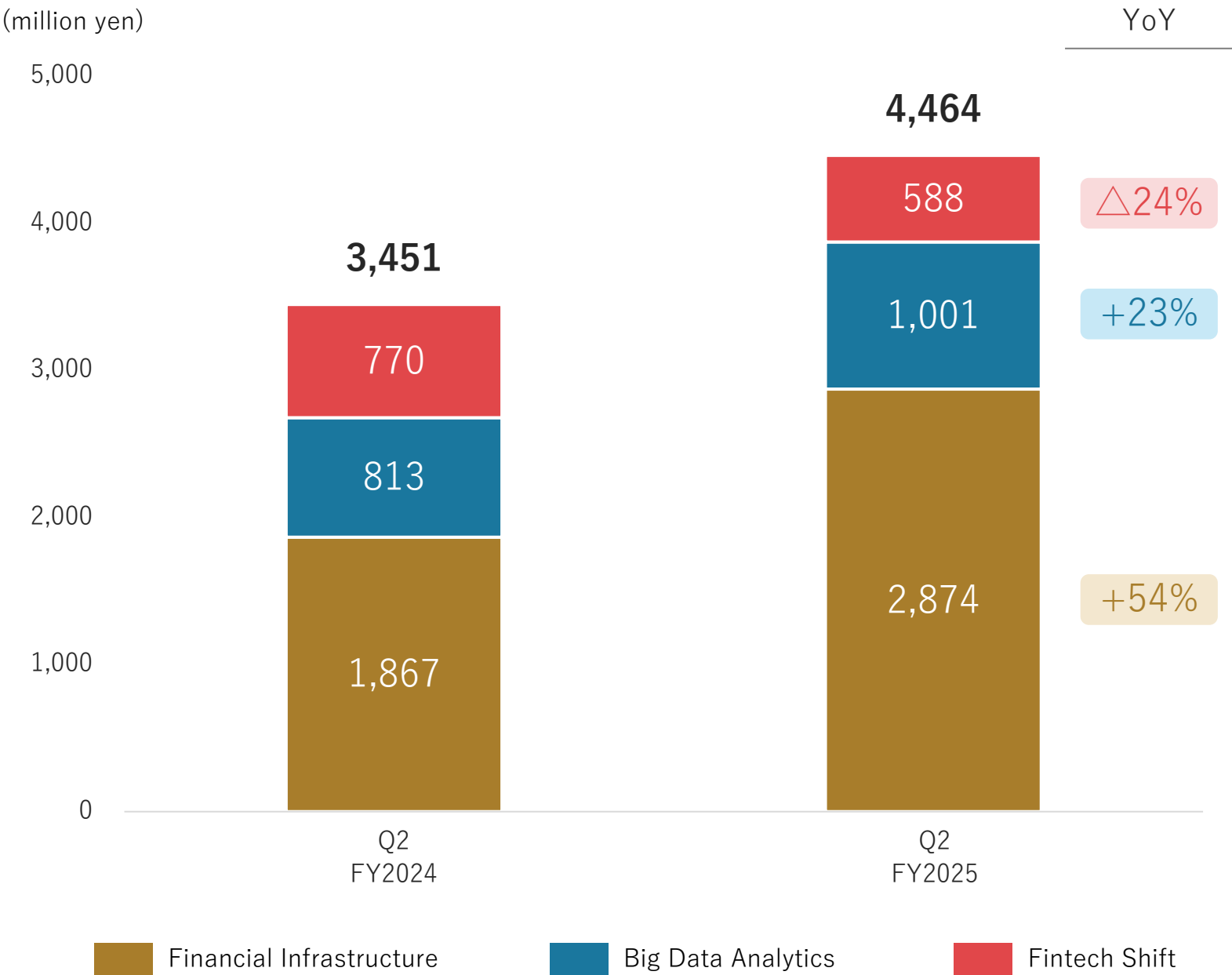
Although slightly below the initial plan's 43% target, we aim to achieve approximately 60% of revenue in the second half, consistent with our typical pattern.



Revenue by Segment

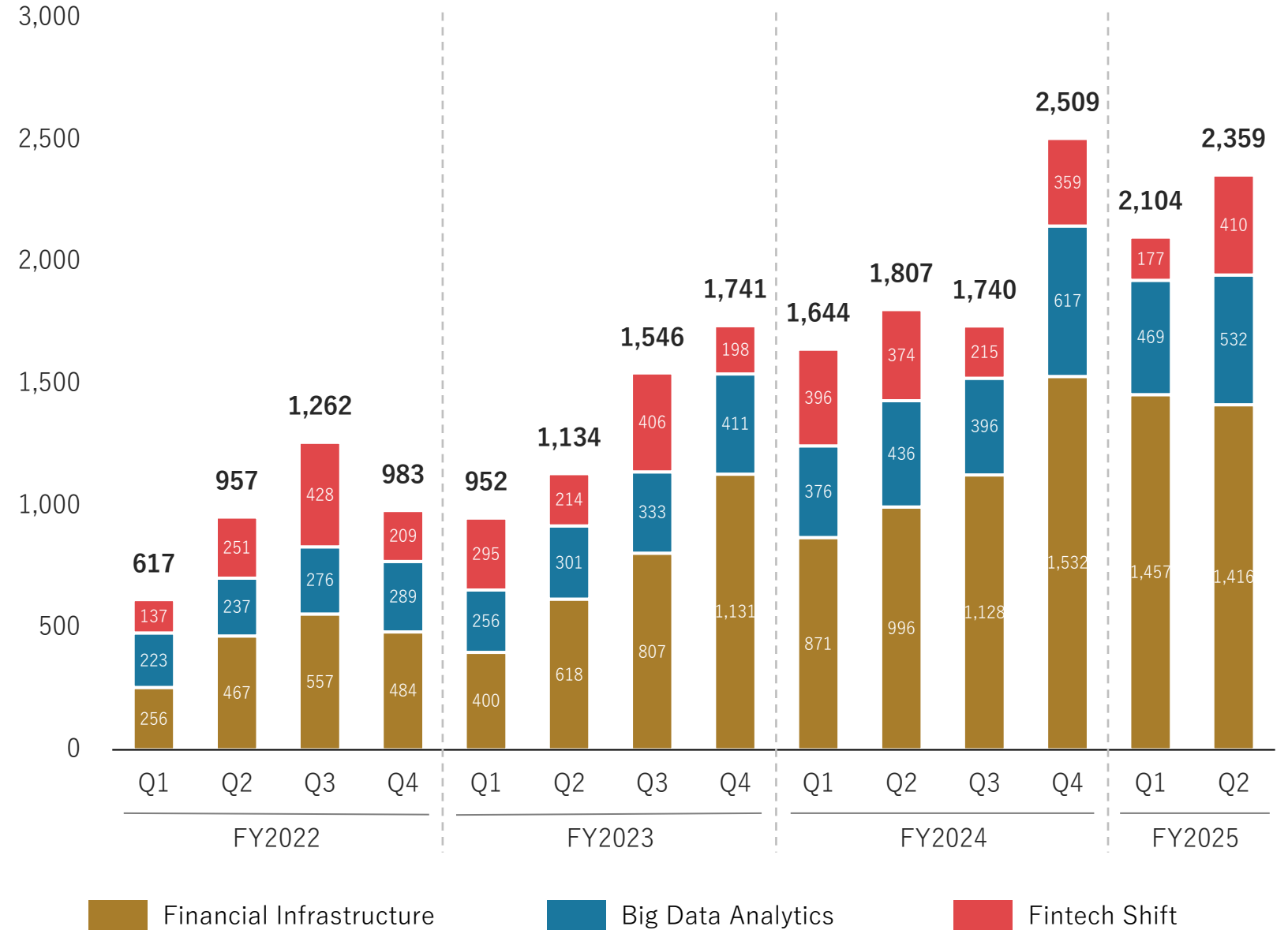
Growth was driven by Financial Infrastructure, which achieved +54% YoY.

Meanwhile, Fintech Shift experienced a revenue decline due to the absence of large-scale deliveries that occurred in the previous fiscal year.



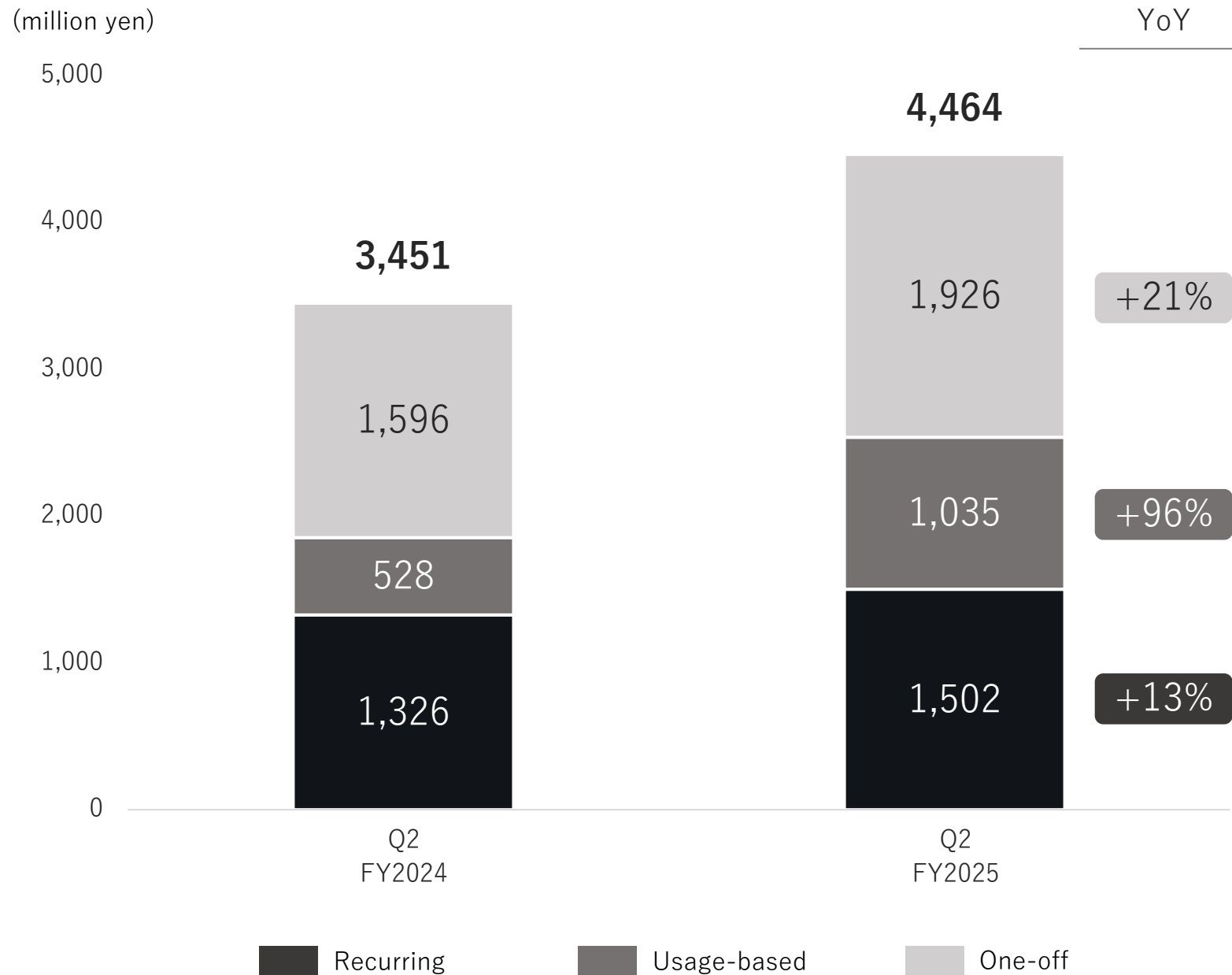
Revenue by Segment

(million yen)



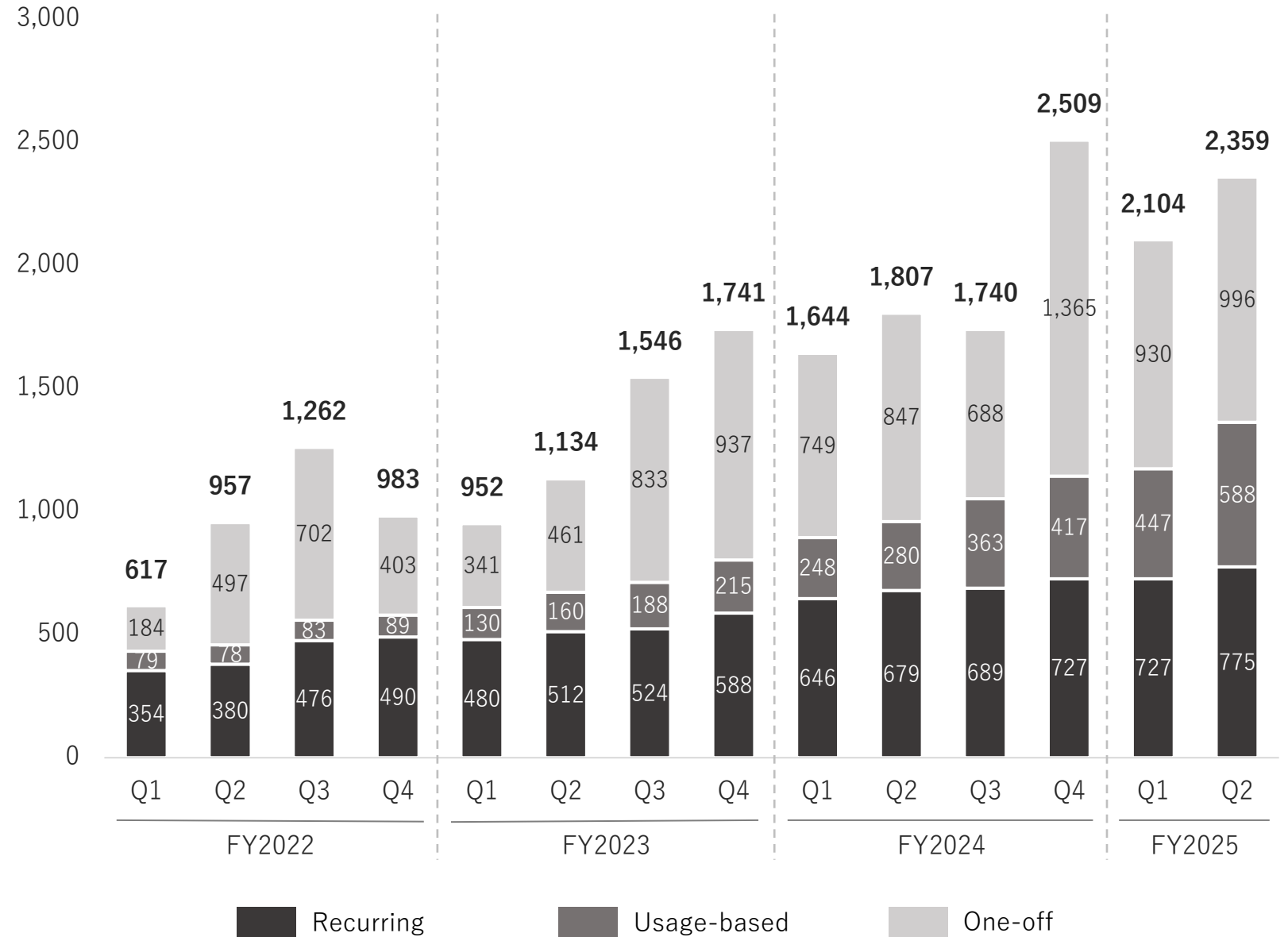
Revenue by Type

Driven by the increase in the number of Financial Infrastructure partners and AUM, **usage-based revenue increased significantly by 96% YoY.**



Revenue by Type

(million yen)

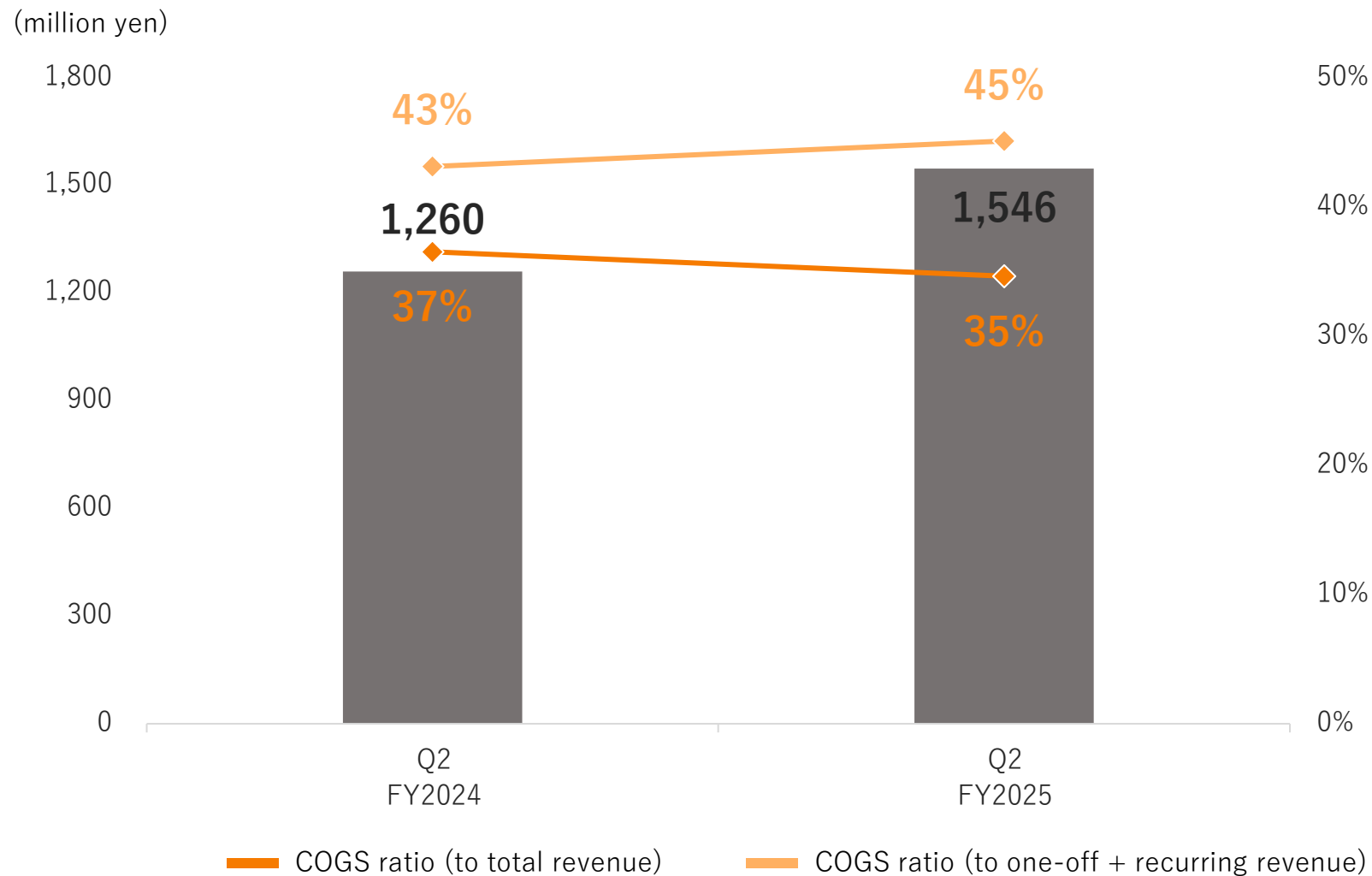


COGS

COGS were recorded at 1,546 million yen, +23% YoY.

As usage-based revenue grew, the one-off + recurring ratio to total revenue fell to 77%, driving the COGS ratio down from 37% to 35%.

Total Revenue	3,451 million yen	4,464 million yen
One-off + Recurring	2,923 million yen	3,429 million yen
One-off + Recurring Ratio	85%	77% ↓



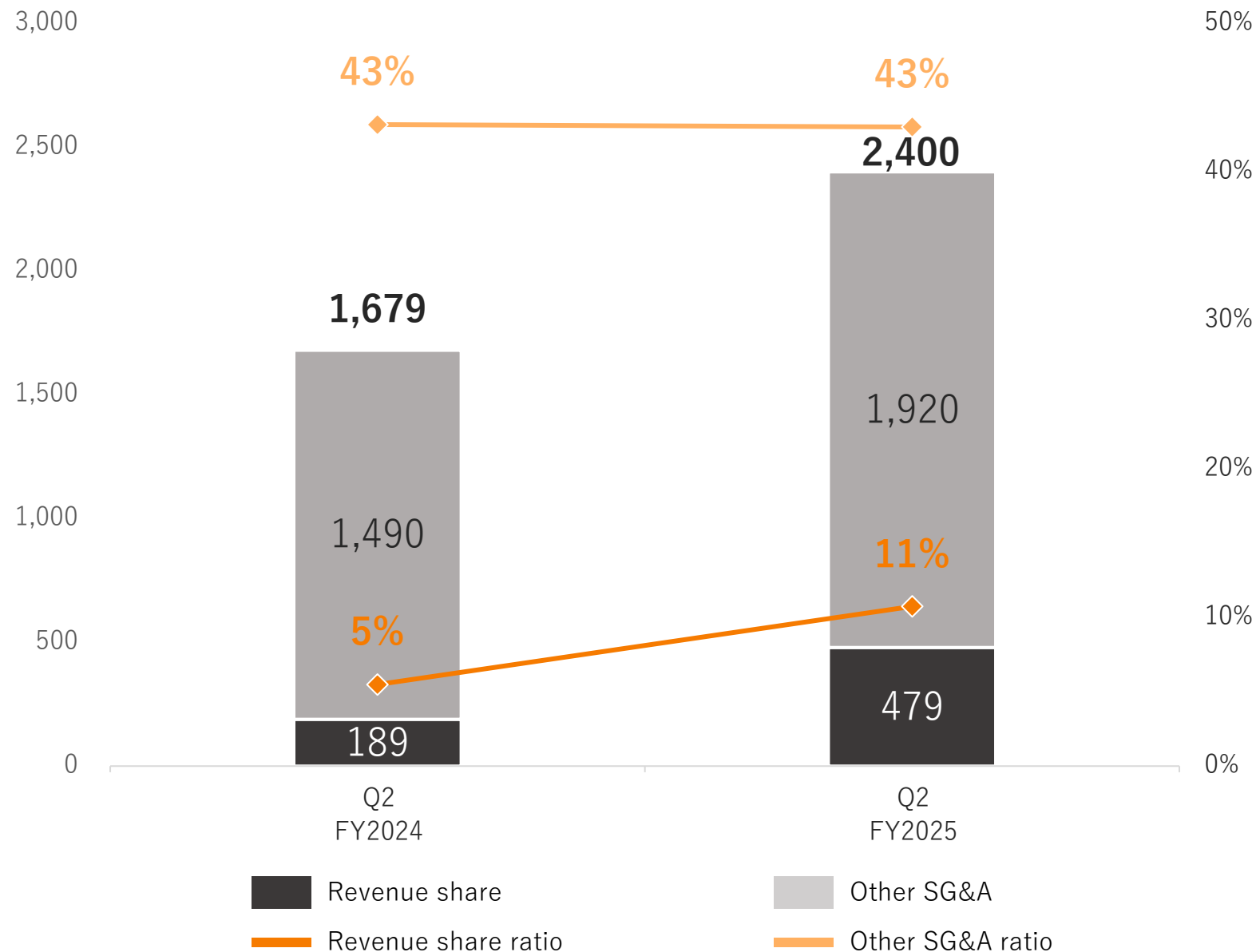
Adjusted SG&A

Adjusted SG&A increased +43% YoY to 2,400 million yen.

Revenue share increased significantly, driven by the growth in usage-based revenue.

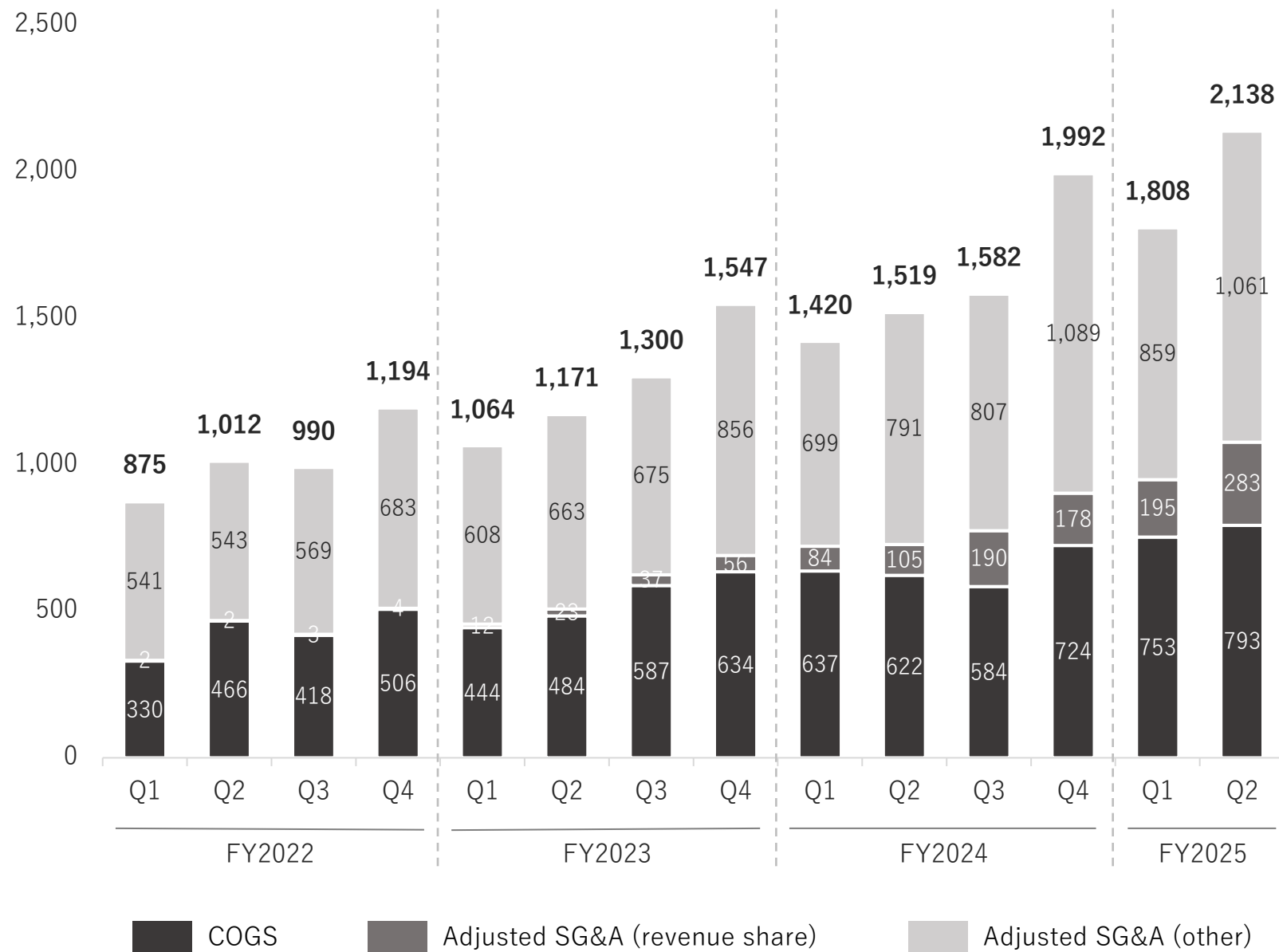
Other SG&A increased +29% yoy, primarily due to one-time office expansion expenses (c. 30 million yen).

(million yen)

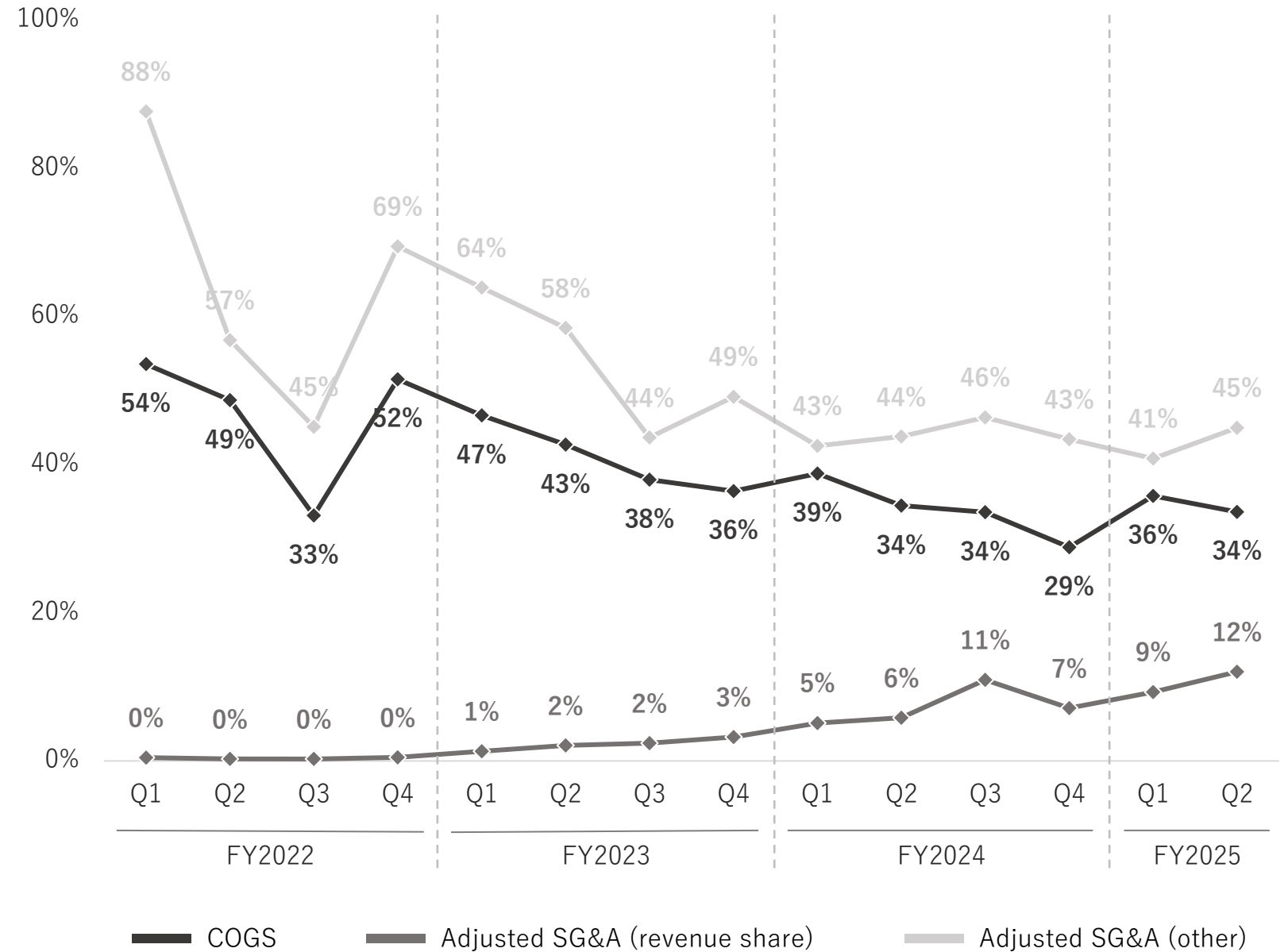


Cost Breakdown

(million yen)



Cost Breakdown (% of Revenue)

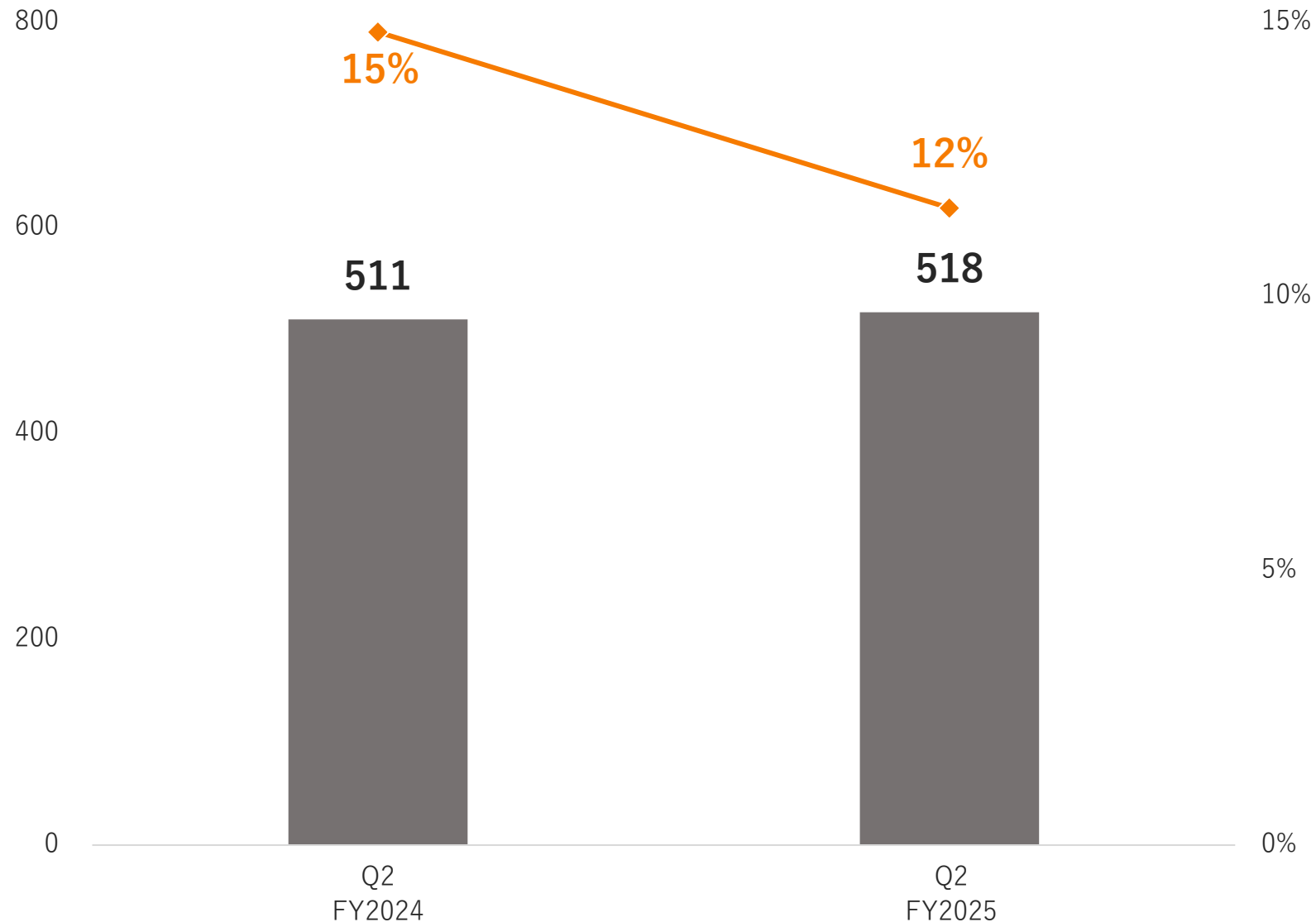


EBITDA

EBITDA of 518 million yen, +1% YoY.

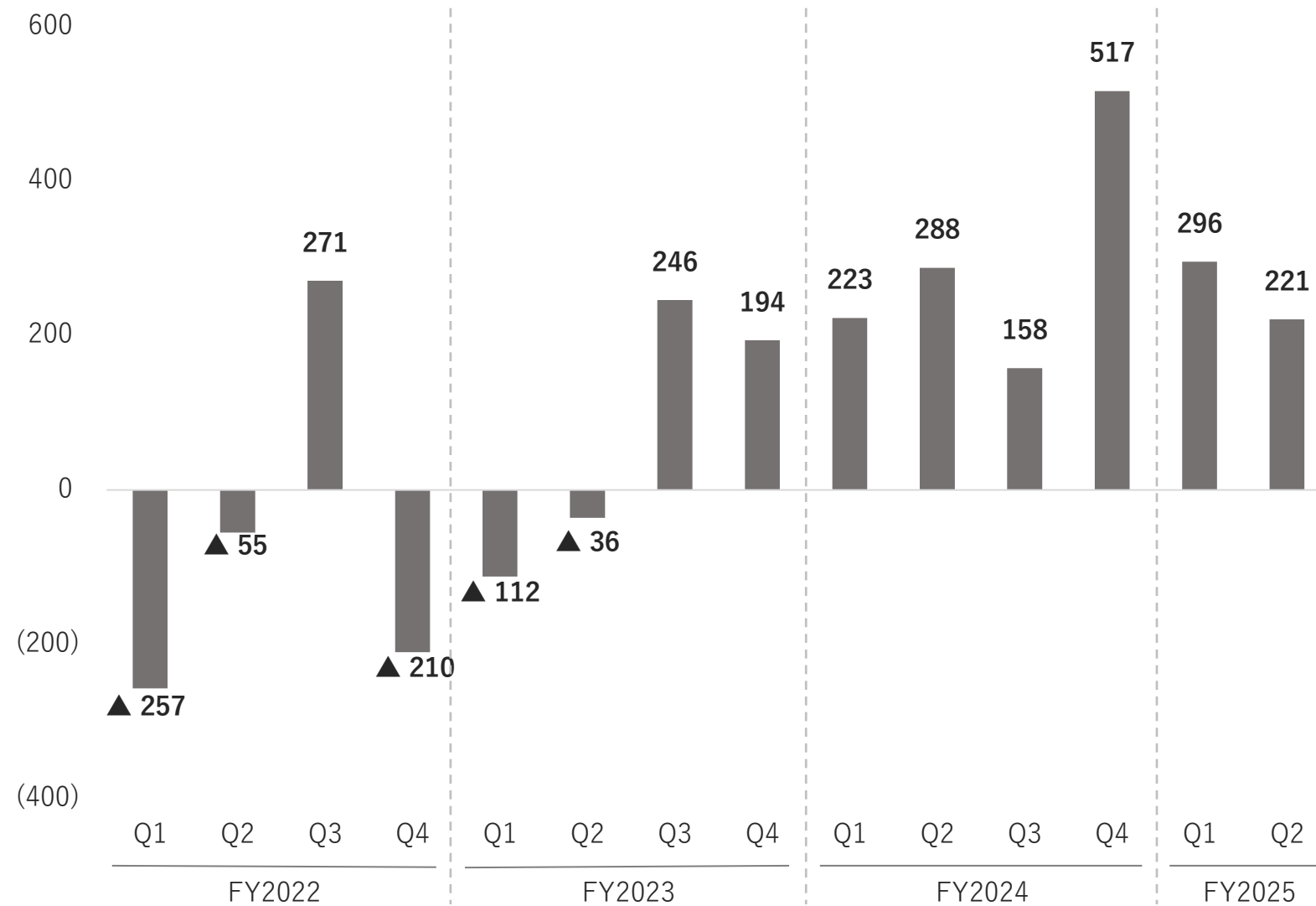
While expenses are tracking in line with the initial plan, EBITDA margin remained at 12% due to revenue being more weighted toward the second half compared to the initial plan.

(million yen)



EBITDA

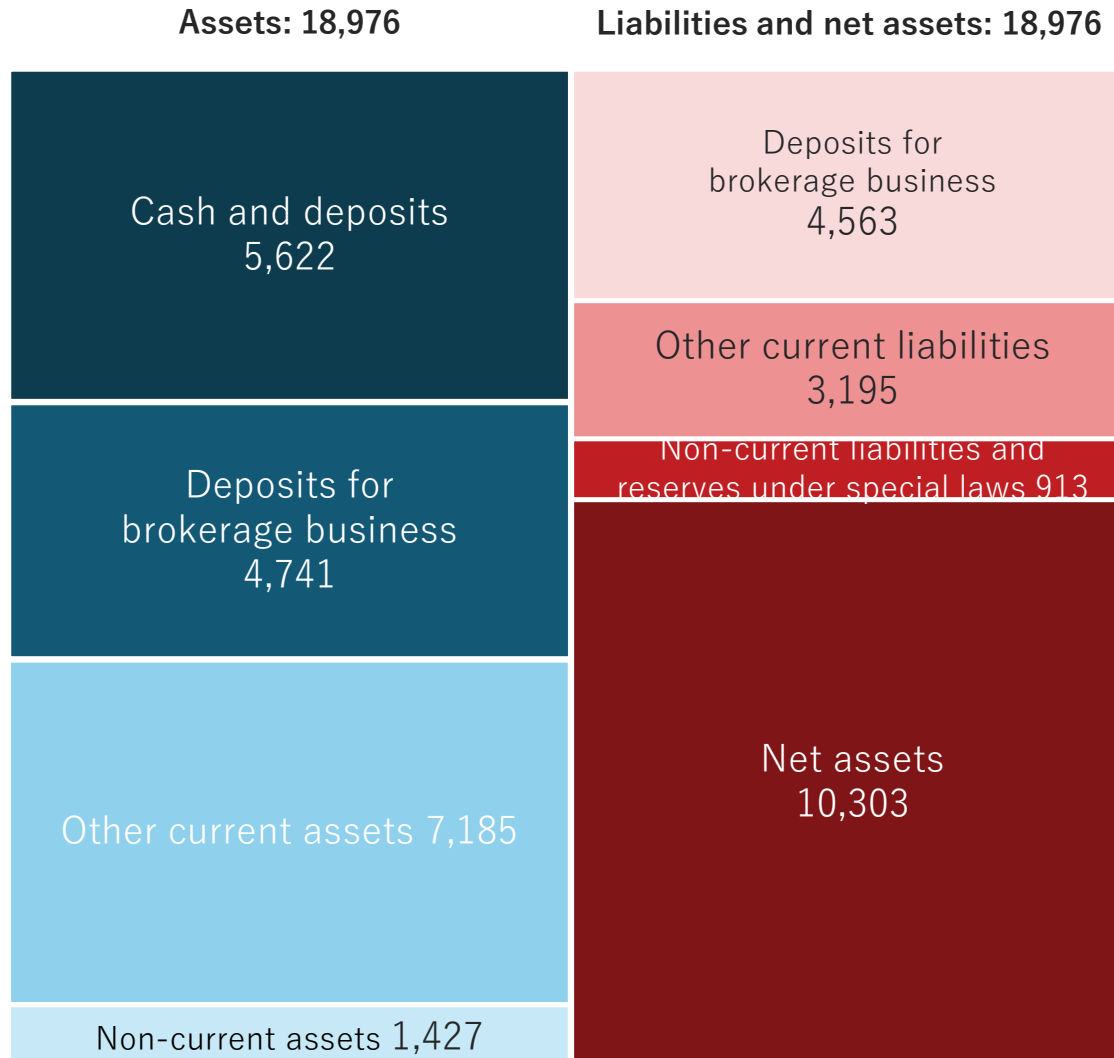
(million yen)



Balance Sheet

Strong financial base with about 5.6 billion yen in cash and deposits as of the end of September 2025.

(million yen)

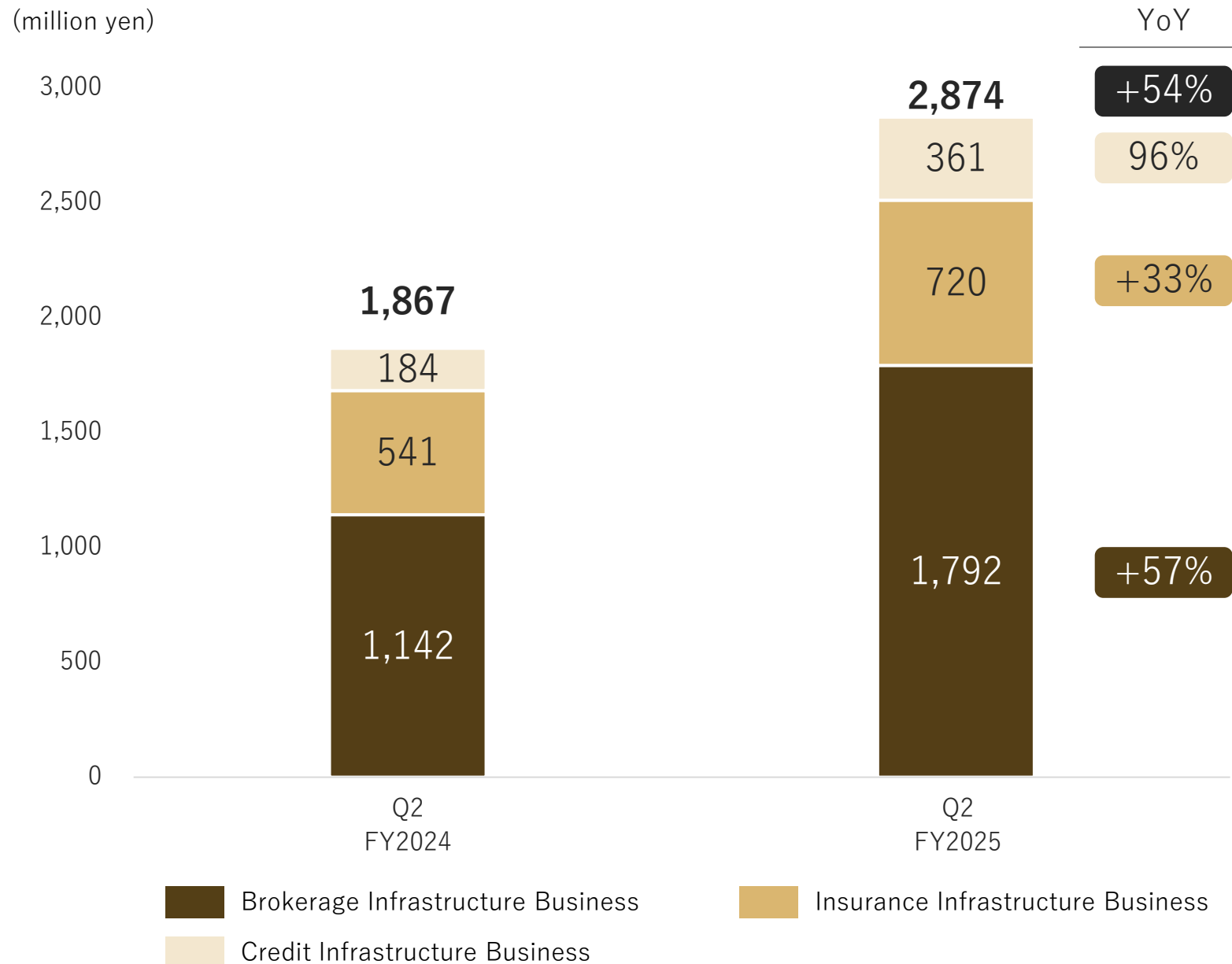


QUARTERLY RESULTS BY SEGMENT

FY2025 Q2

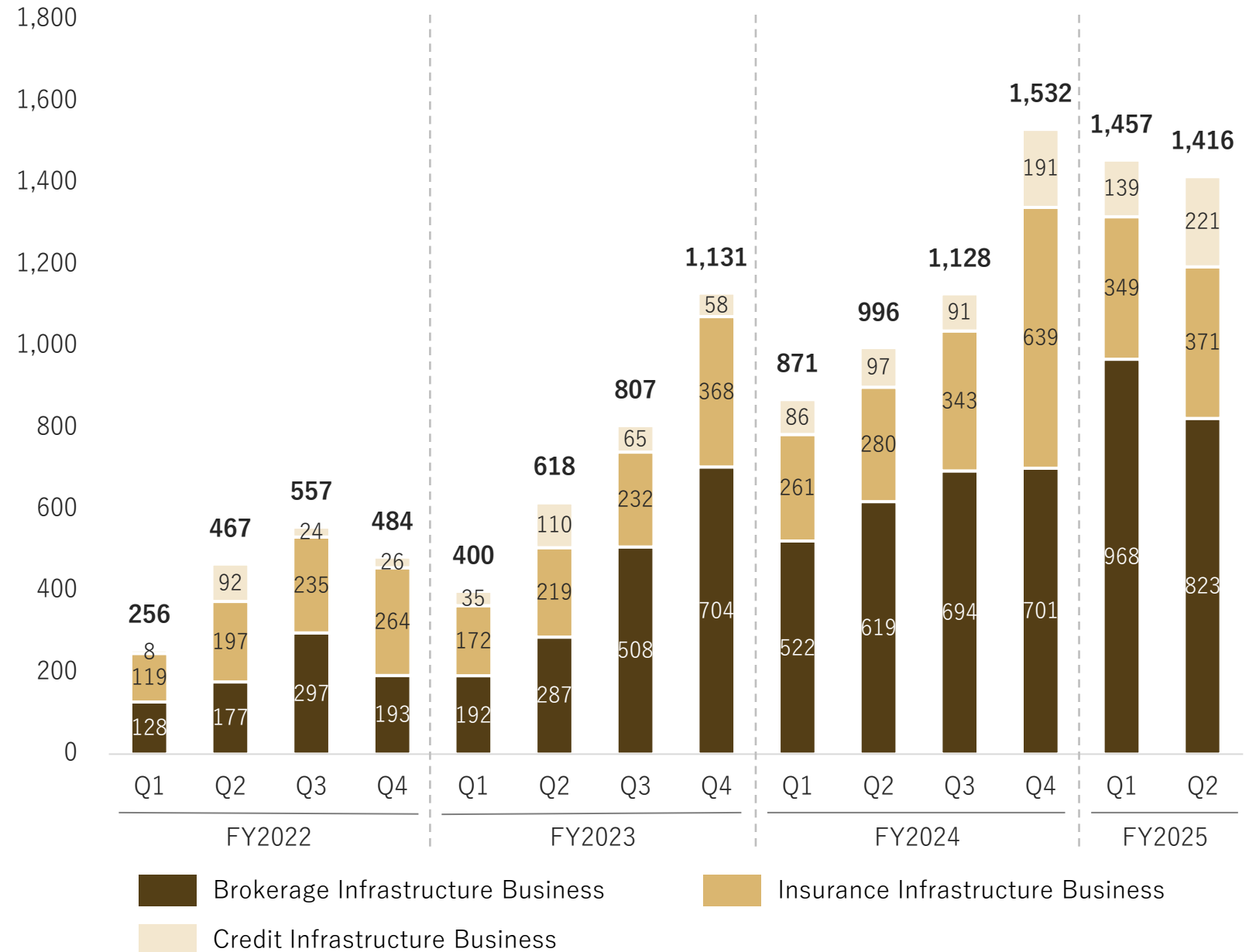
Revenue by Business

Significant growth in Brokerage Infrastructure's usage-based revenue drove **revenue to 2,874 million yen, +54% YoY.**



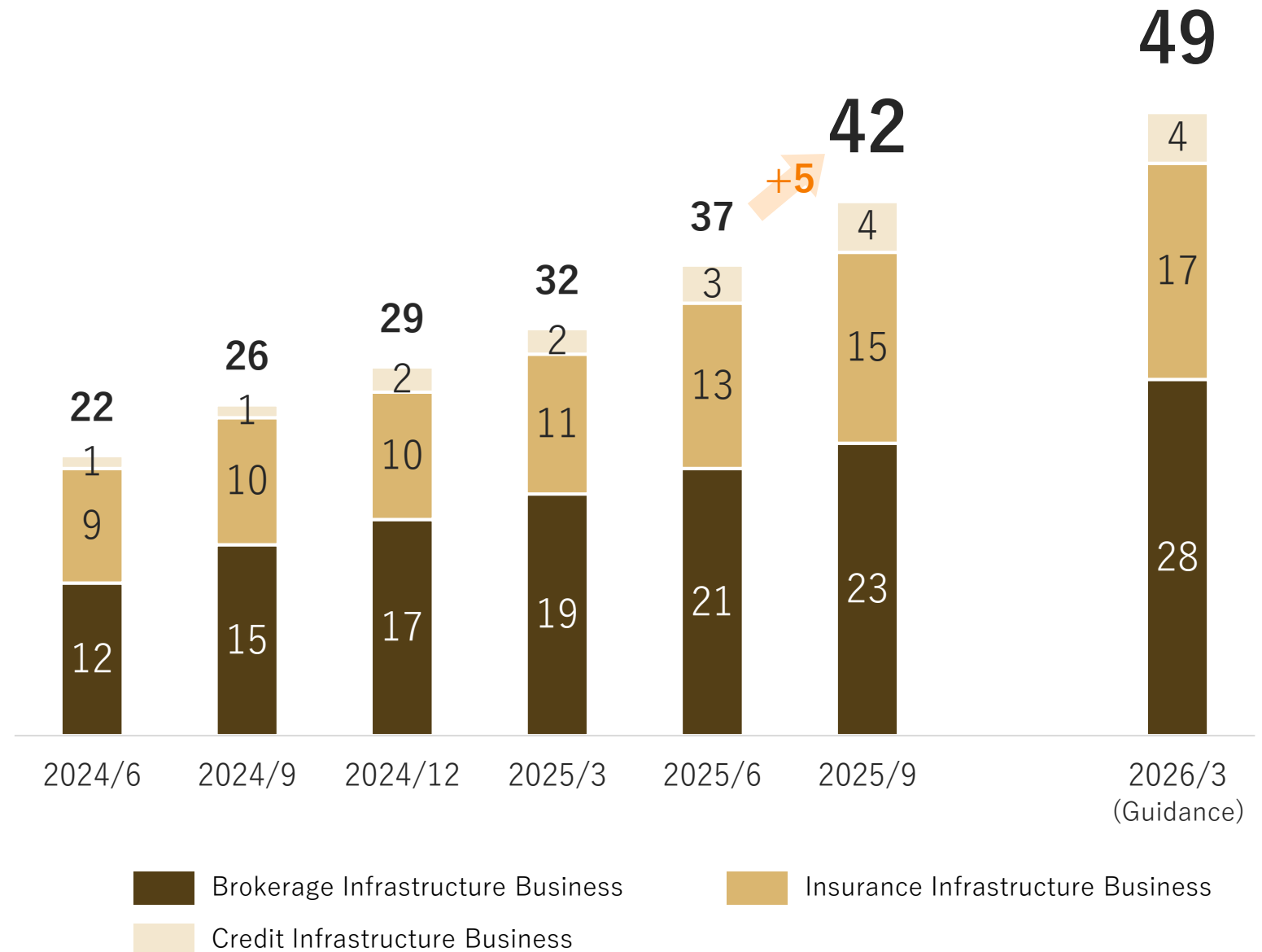
Revenue by Business

(million yen)



Number of Partners

During the quarter, the **number of partners increased from 37 to 42**, driven by 2 new partners in Brokerage, 2 in Insurance, and 1 in Credit.



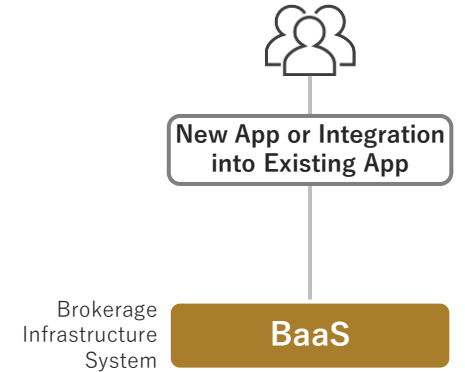
Focus of Brokerage Infra

As for Brokerage Infrastructure, there are 3 main patterns.

1

Embedded Investment by Non-FIs

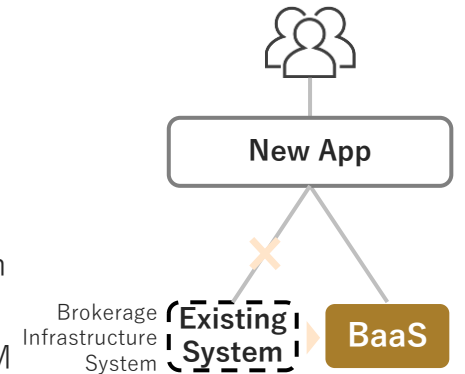
- Players with large customer bases leverage their customer contact and context to reach potential users.
- Support the development of investment services from planning stages tailored to partners, such as enabling the provision of investment functions within existing services.
- Partner examples: Credit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



2

Direct Sales by Asset Managers

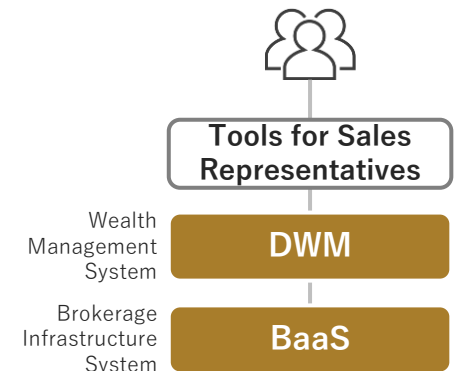
- Support Asset Managers to develop its direct sales business
- Migrate from existing systems to BaaS for financial institutions with customer accounts.
- Achieve DX of services simultaneously by refreshing web applications for users along with core system migration.
- Partner example: Saison AM, Mitsubishi UFJ AM



3

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

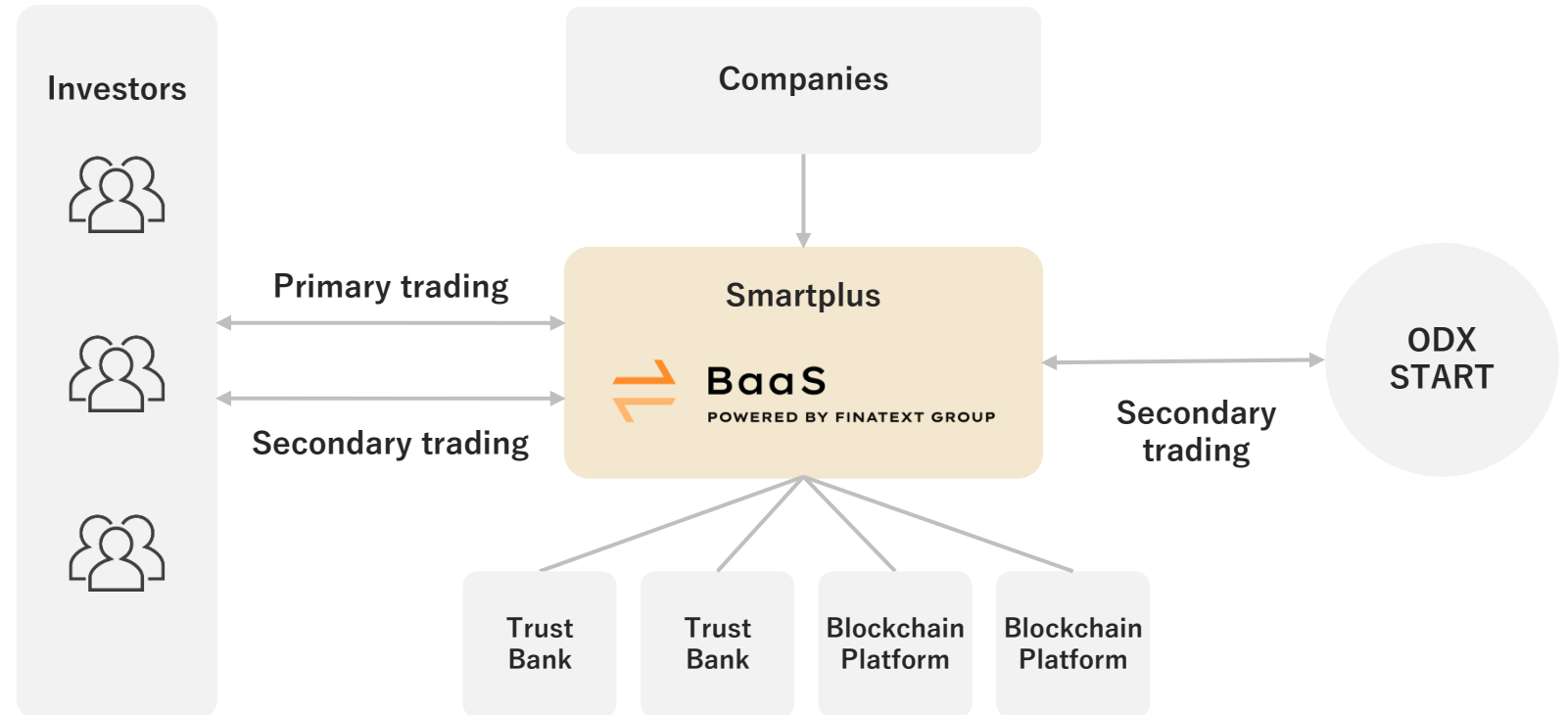


Platform Enhancement

Brokerage Infrastructure BaaS has expanded its security token trading capabilities and evolved into a comprehensive platform covering the entire lifecycle of security tokens, from primary issuance to secondary trading.

Expansion of Security Token Trading Capabilities

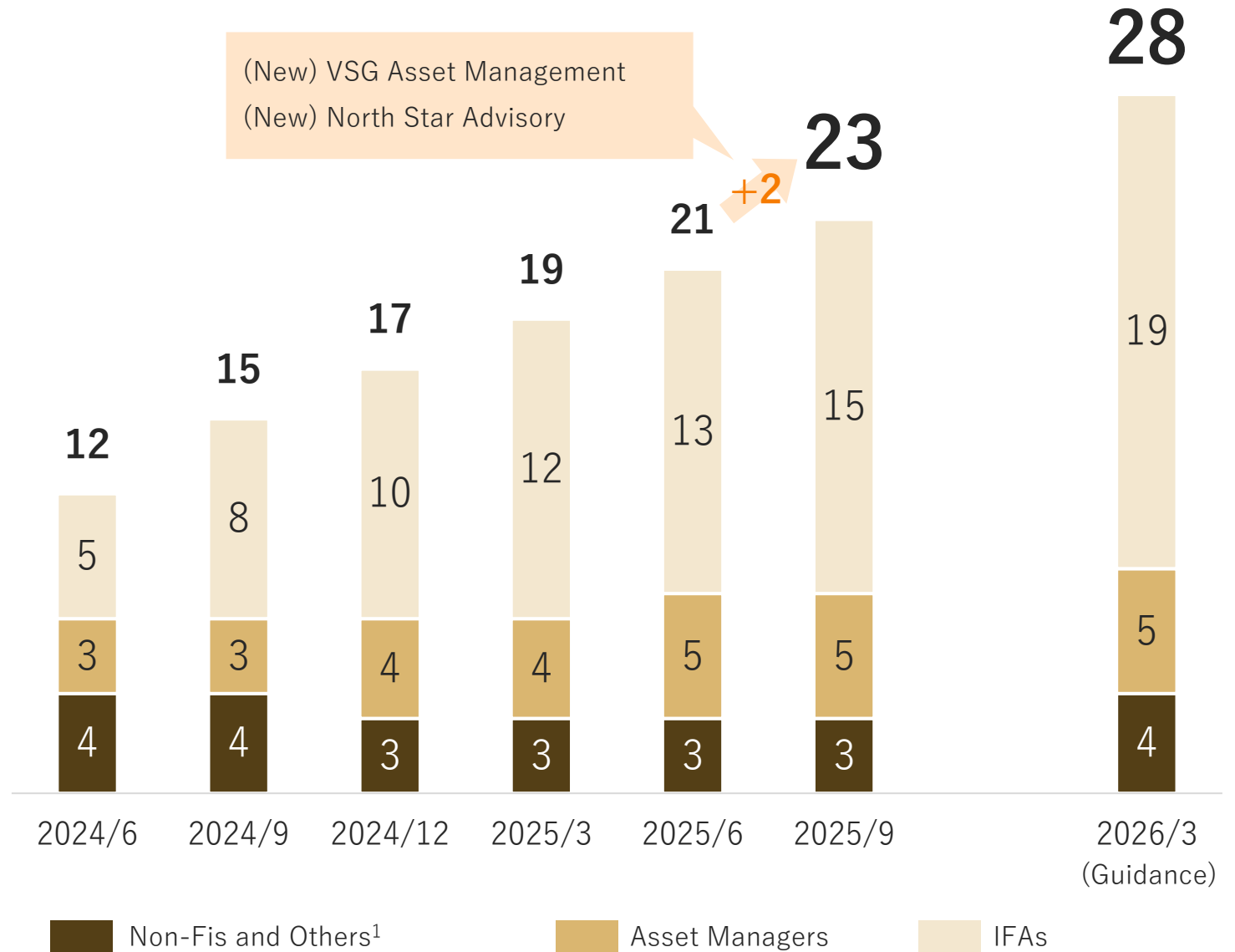
- Brokerage Infrastructure BaaS enables integration with multiple trust banks and blockchain platforms and connects to START, a PTS operated by ODX.
- In addition to primary market transactions for new security token offerings, it supports secondary market trading through both OTC transactions and trading on START operated by ODX.
- Compatible with both self-offering security tokens and GK/TK structure security tokens.



of Brokerage Infra Partners

There were 2 new partners in Q2.

VSG Asset Management and North Star Advisory adopted DWM to launch discretionary investment management services, mutual funds, bond trading and other asset management services.



1. Including "Stream" which was provided by our subsidiary Smartplus.

Focus of Insurance Infra

Aim to support 1) expansion of digital channels for major non-life insurers, and 2) DX of business operations for small and medium sized non-life insurers.

Focus of this fiscal year is acquisition of new partners of “2) Inspire for SSI / Mutual Aid” launched last year.

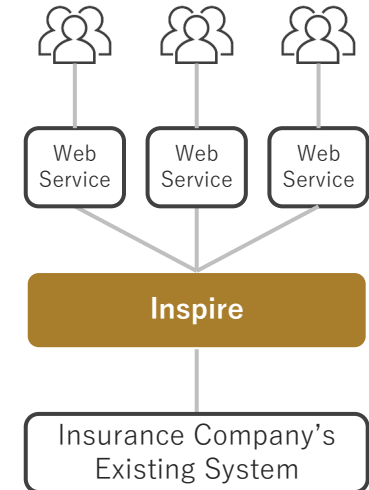
1

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.



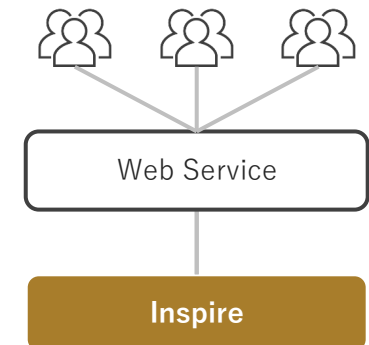
2

For Small and Medium Non-Life Insurers

DX Support of Operations

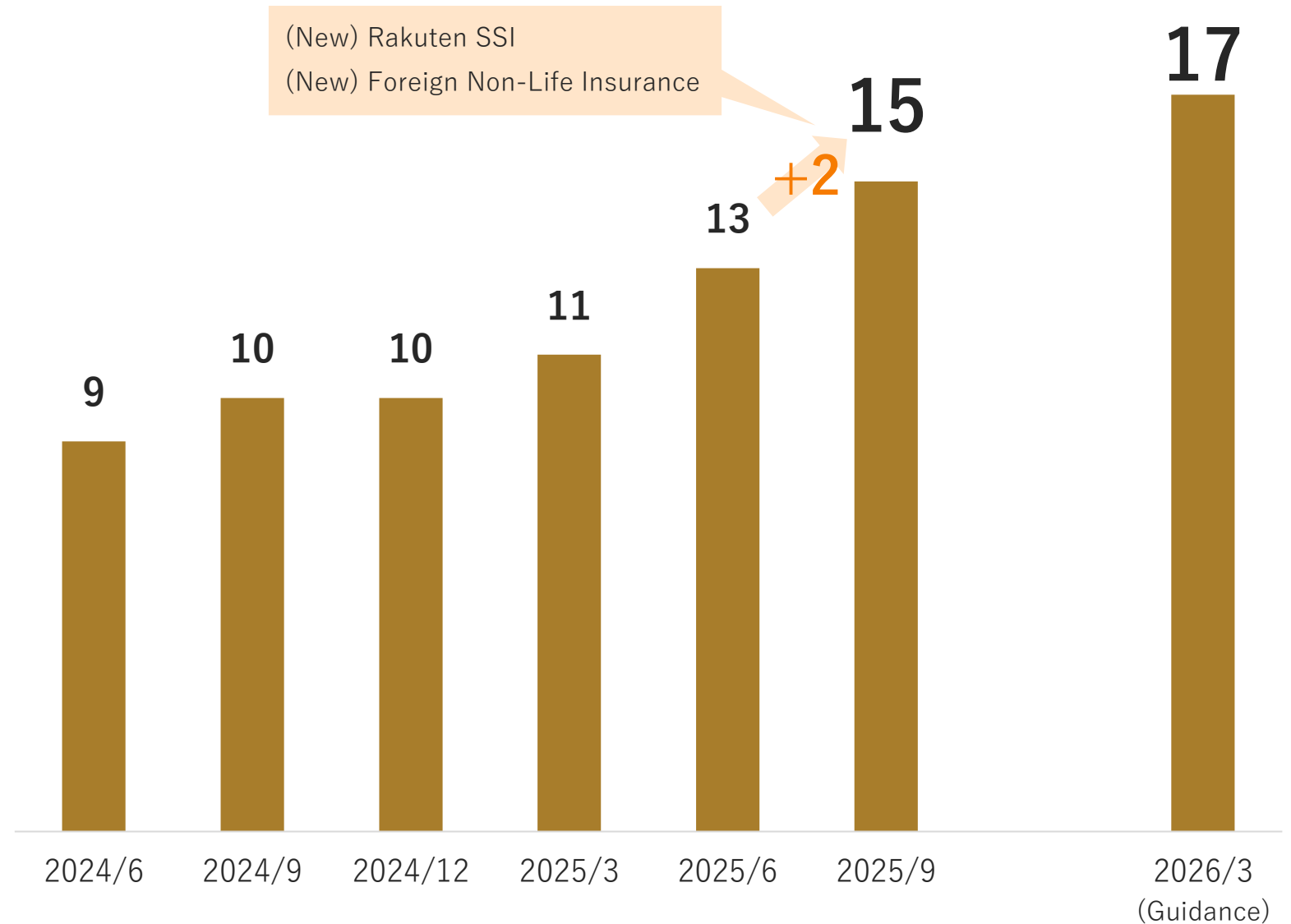
Inspire • Inspire for SSI / Mutual Aid

- 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.



of Insurance Infra Partners

During the quarter, 2 firms, including Rakuten SSI, adopted Insurance Infrastructure Inspire.



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

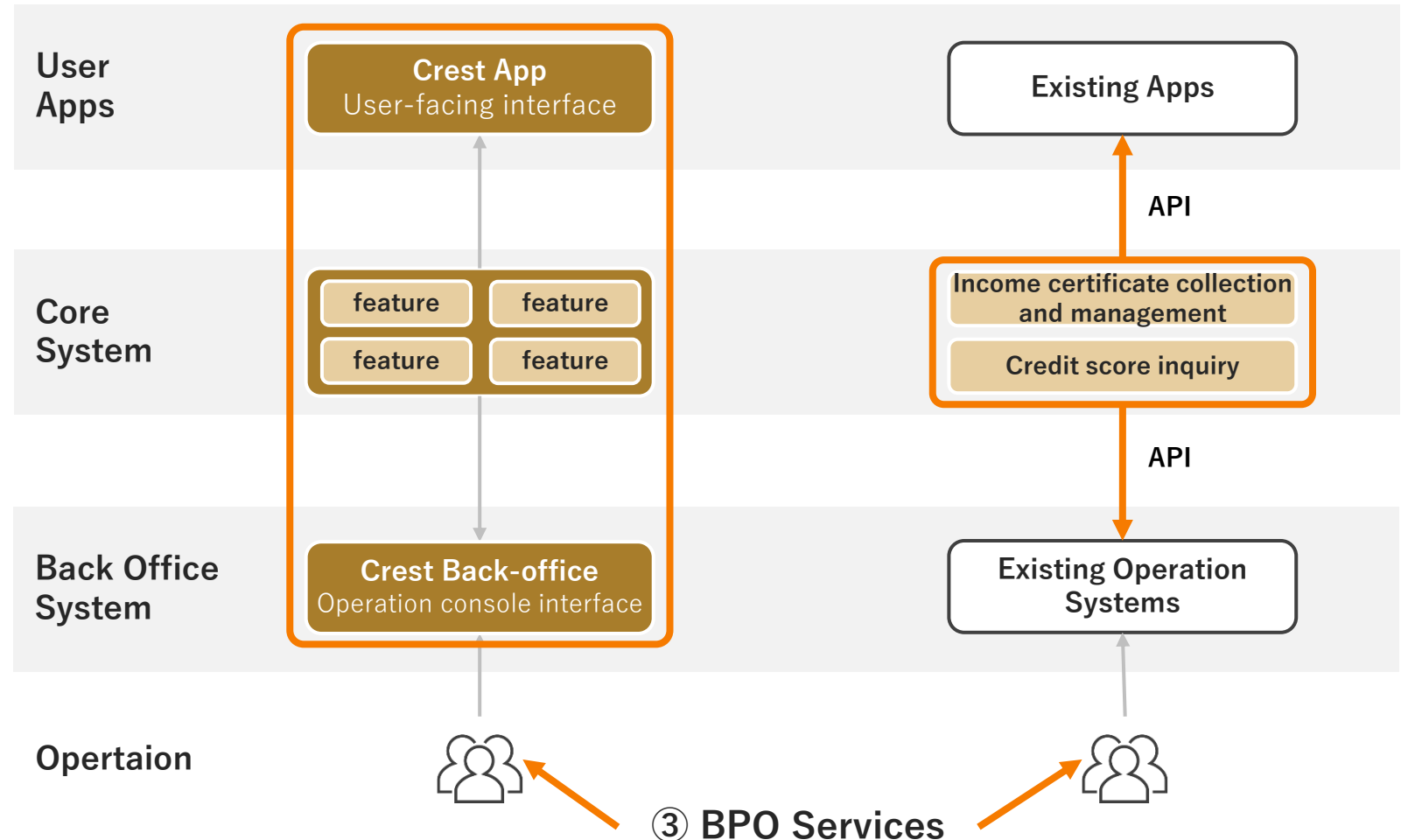
Focus of Credit Infra

Comprehensively built core systems required for lending operations, from user-facing apps to back-office systems.

We provide 1) full scope of the system, 2) partial features via API , and 3) BPO services that use the system.

1) Full-scope

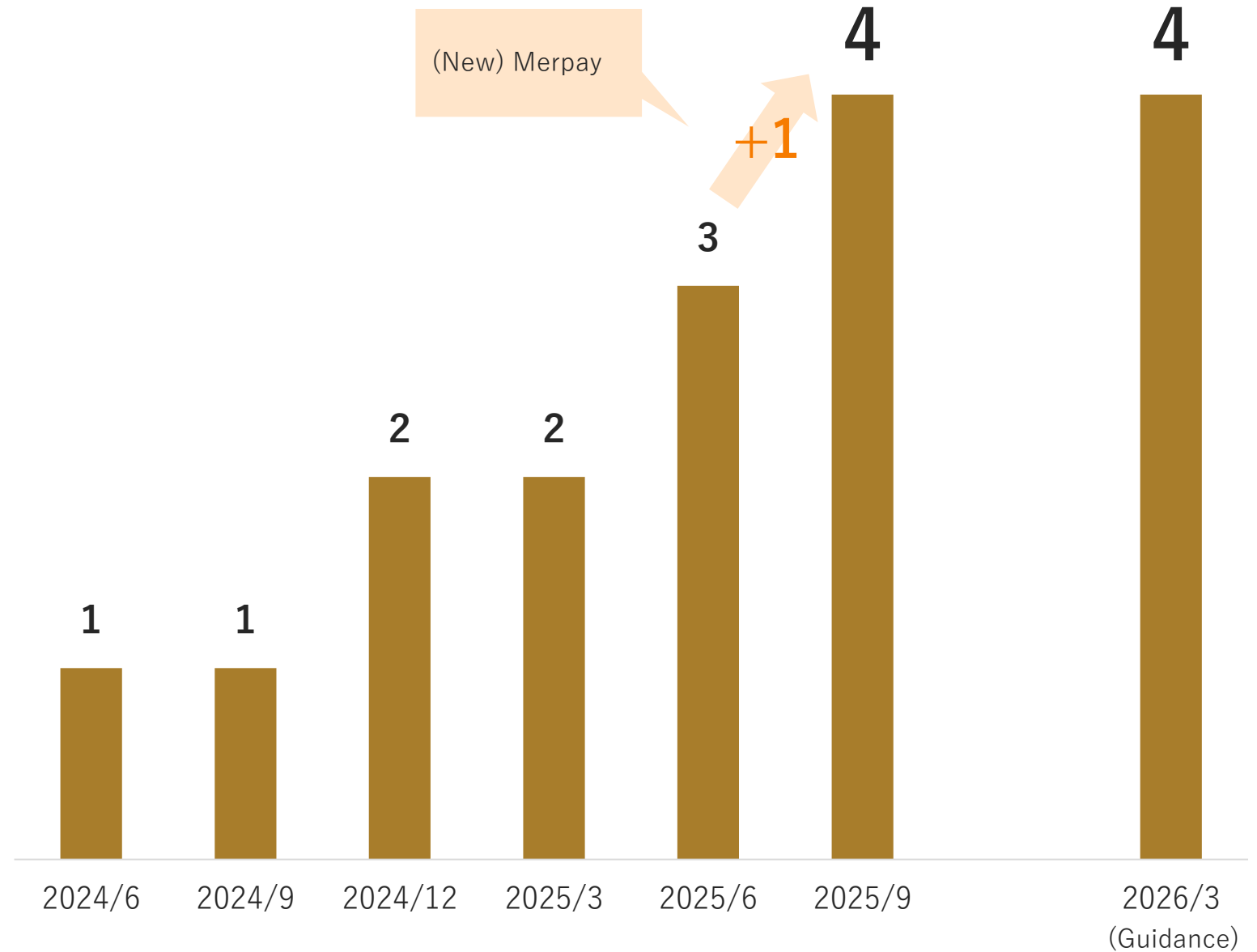
- Comprehensive, one-stop system for all lending operations



- High-efficiency operations driven by generative AI

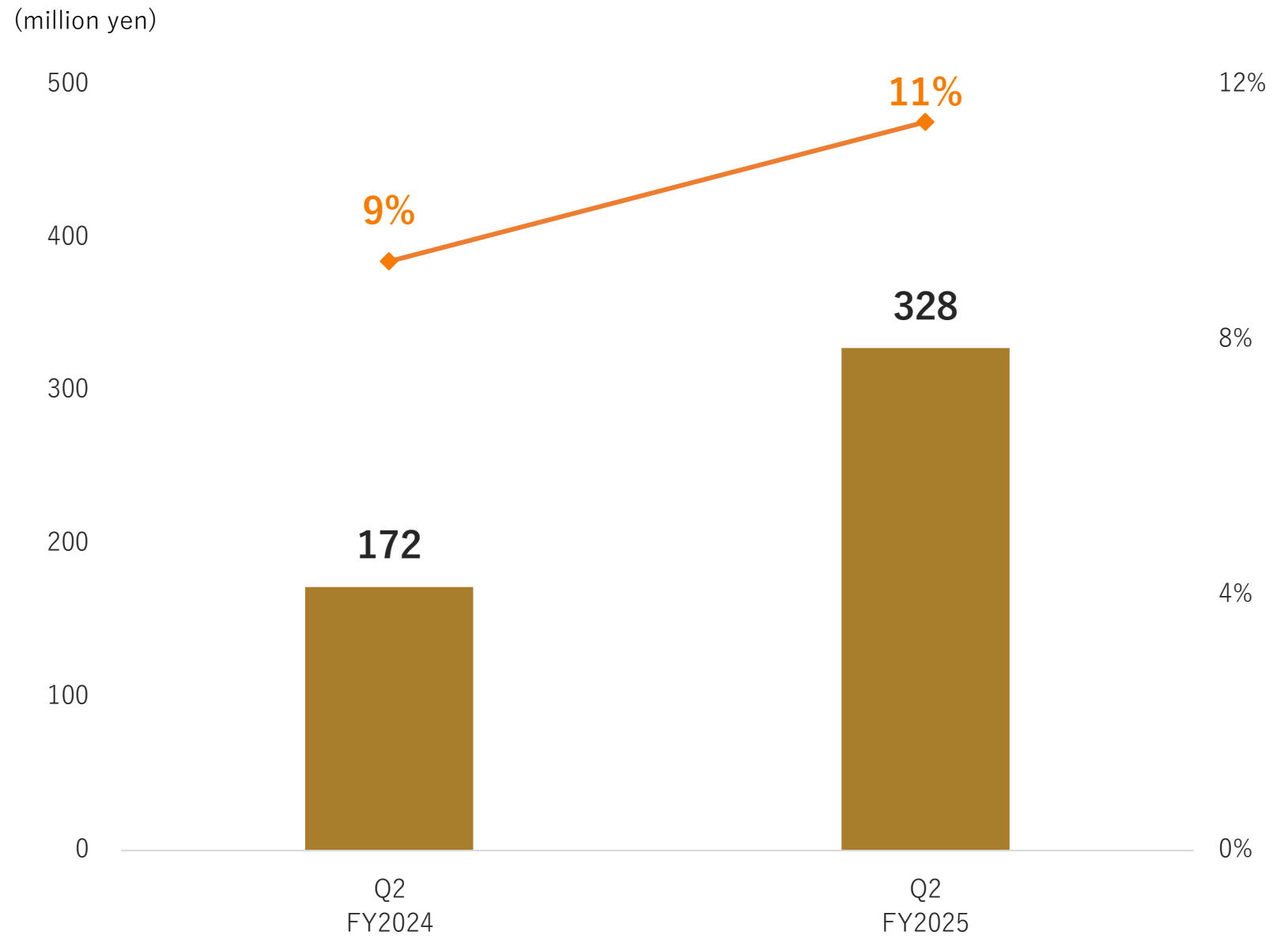
of Credit Infra Partners

During the quarter, Merpay adopted Credit Infrastructure Crest.



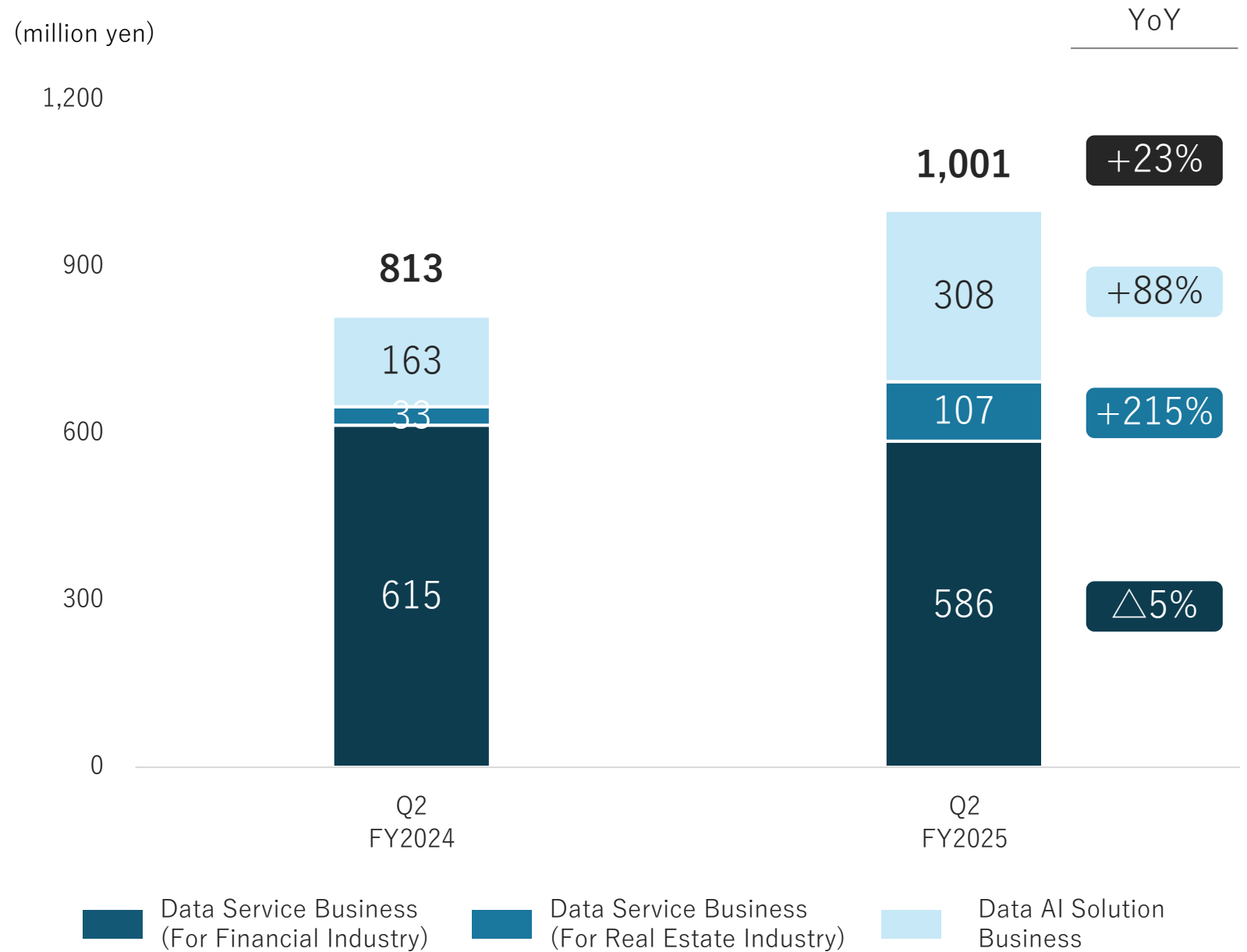
Operating Margin

Segment operating income of **328 million yen**, +**90% YoY**, due to the expansion of business scale.

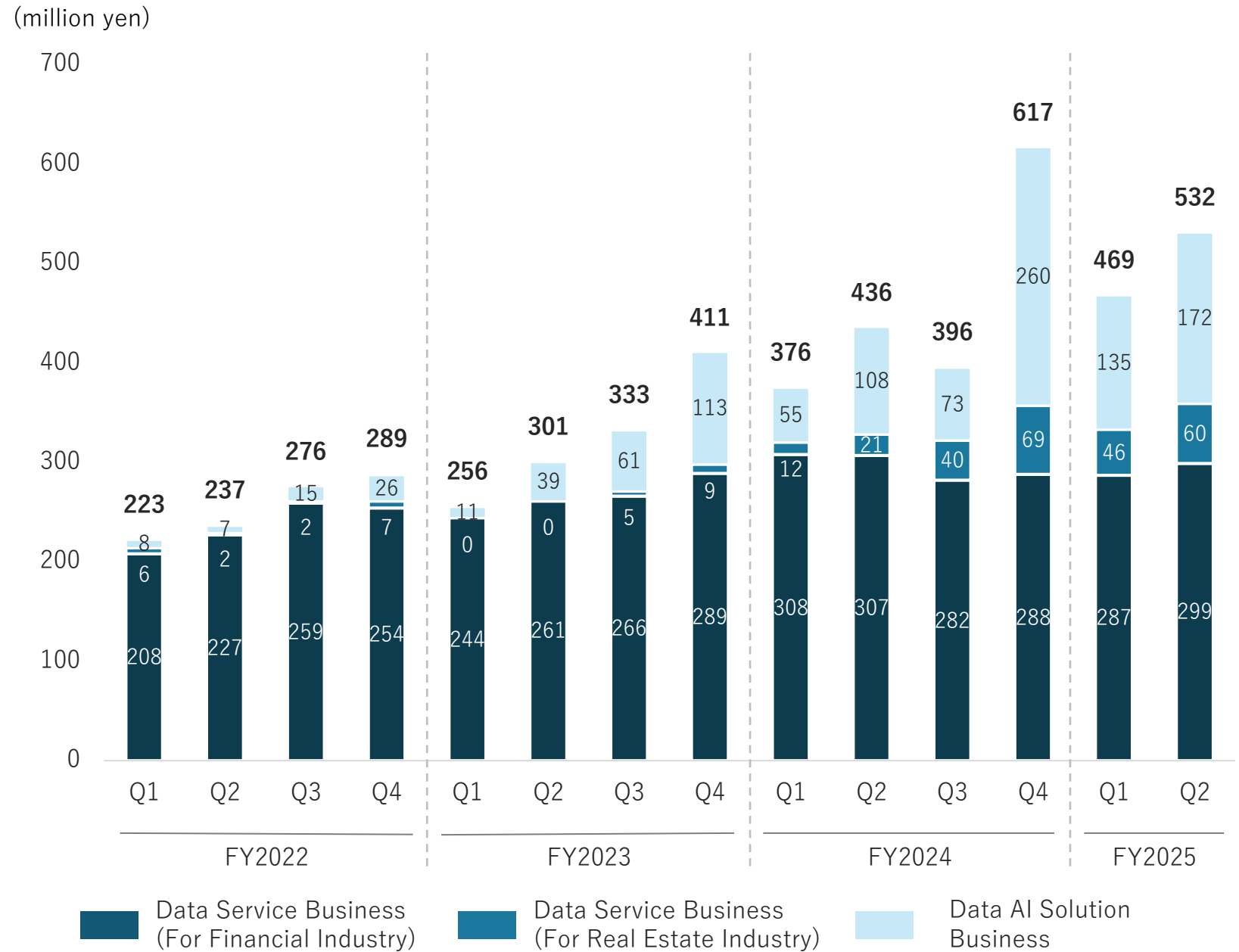


Revenue by Business

In addition to significant growth of Data AI Solution due to multiple generative AI projects, the launch of a new data service for the real estate industry led to **revenue of 1,001 million yen +23% YoY.**



Revenue by Business

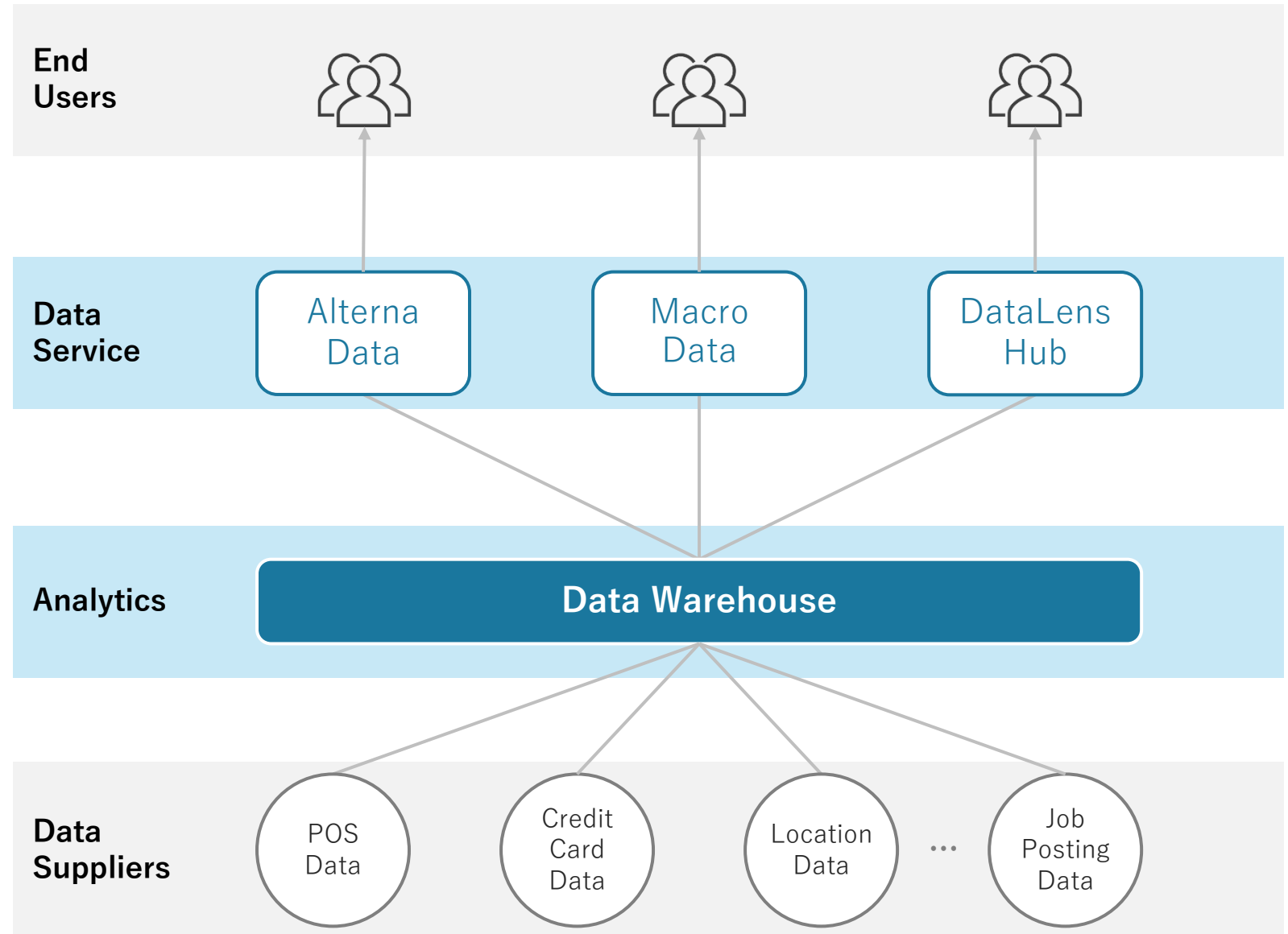


Data Service Strategy

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

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

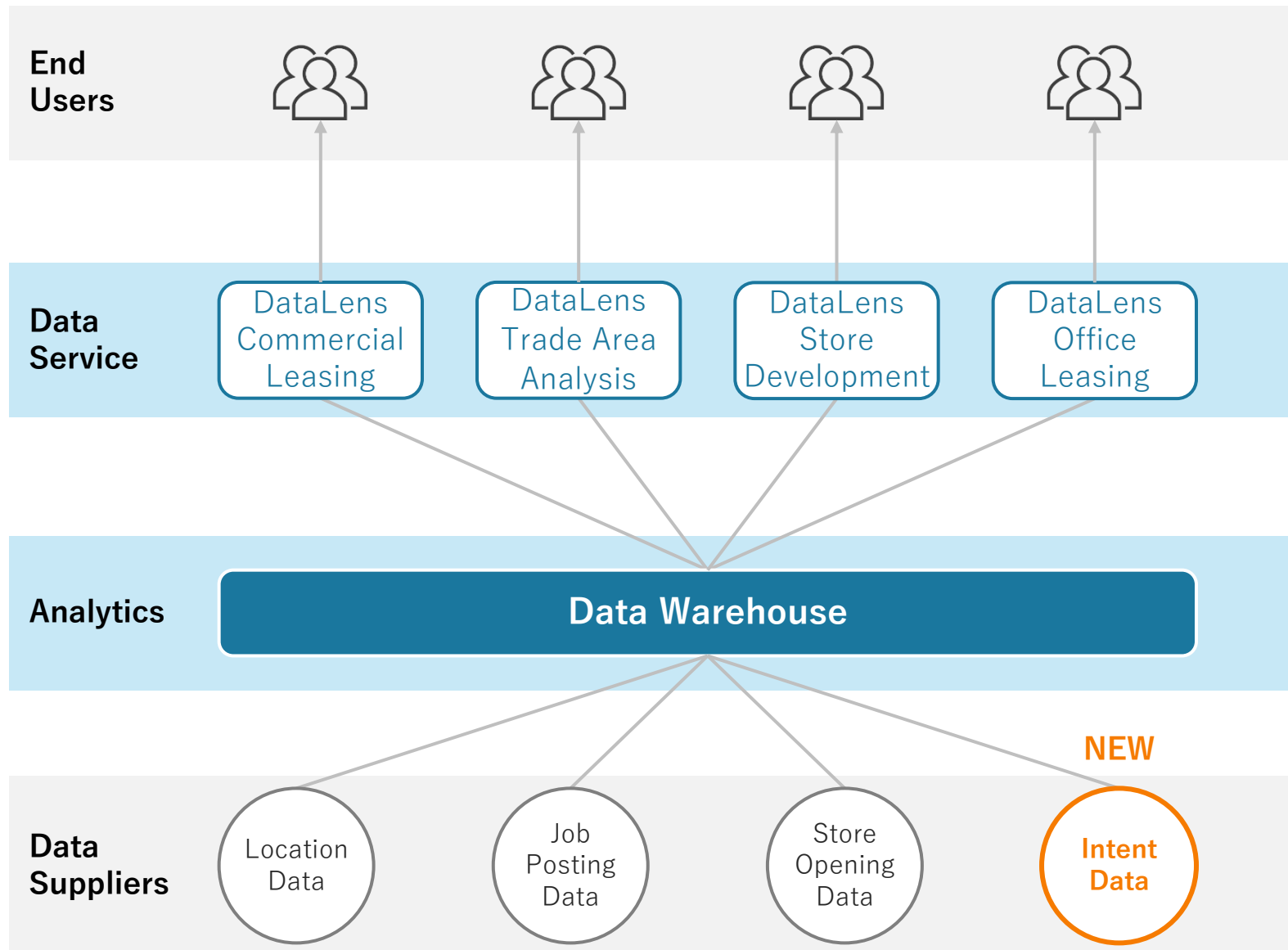
For real estate industry, we will focus on acquiring initial customers of “DataLensHub”.



Expansion of Data Variety

In October 2025, we **started providing intent data by partnering with Intimate Merger**, one of the largest public DMPs in Japan.

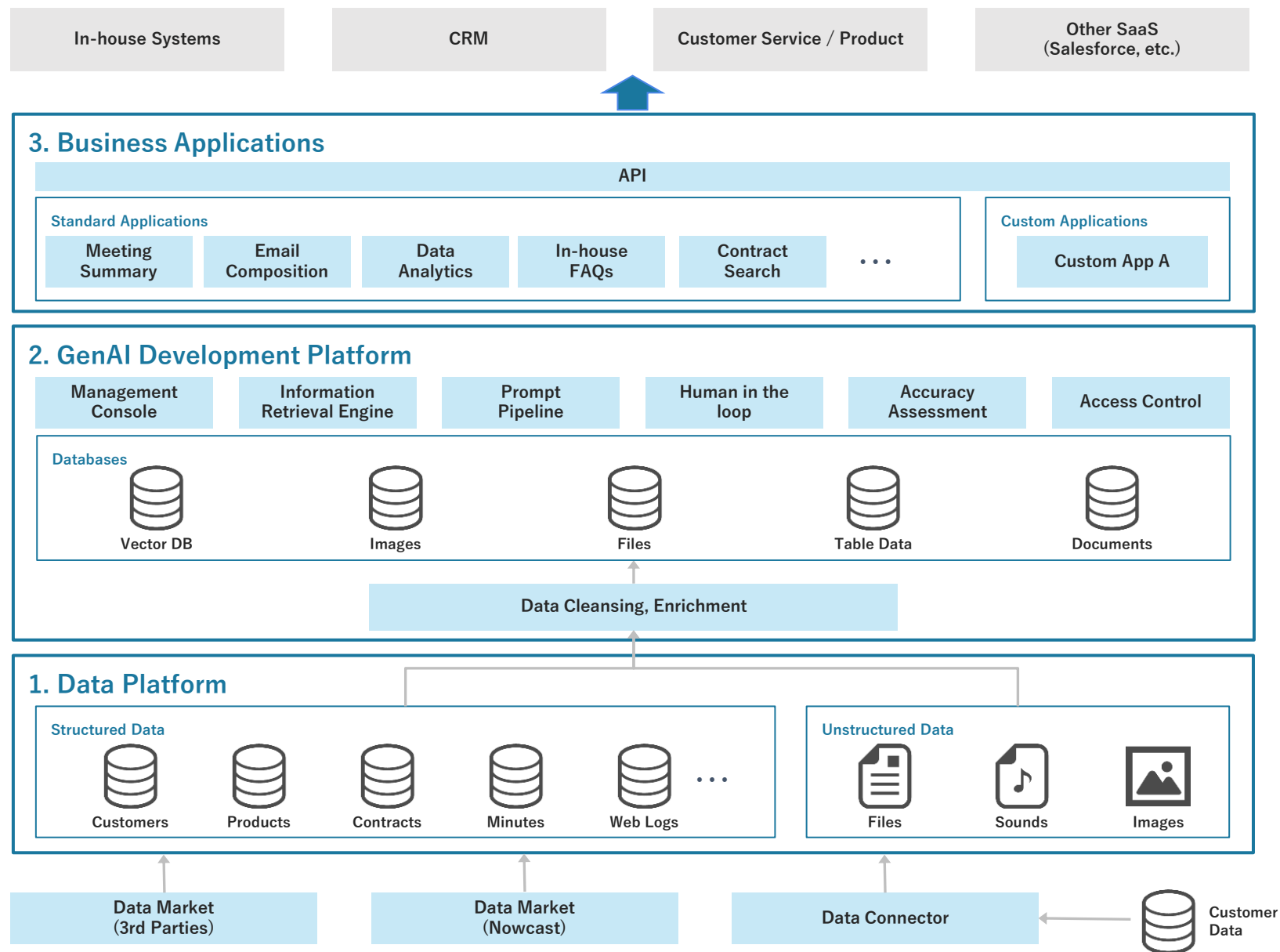
By using the data in the “DataLensHub” series of data service for real estate industry, we provide more advanced analysis and predictions.



Data AI Solution Strategy

Focus: 1. data platform development for large enterprises utilizing Snowflake and other tools, and 2/3. development of industry-specific business applications based on GenAI development platform.

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



GenAI Adoption for Asset Managers

Developed a proprietary generative AI application for Tokio Marine AM.

Built a GenAI development platform via a closed network environment, delivering flexibility while satisfying the strict security requirements of the asset manager.

Accumulated sector expertise by supporting multiple major asset managers.

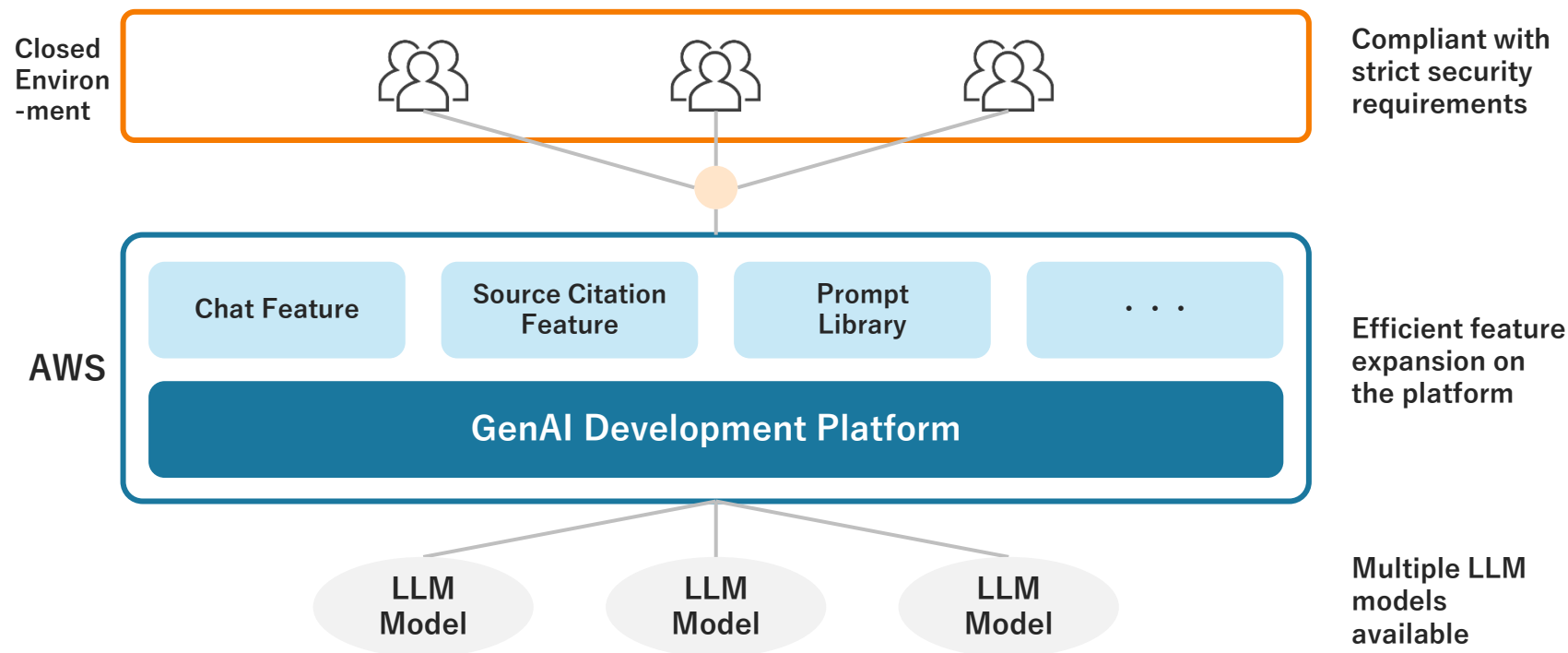
Tokio Marine Asset Management “TMAM AI”

Business Challenges

- Urgent need to rapidly implement and deploy generative AI company-wide while maintaining strict compliance with stringent security requirements
- Need to build a system that all employees can use seamlessly despite varying levels of digital literacy

Solution

- Built the platform on Tokio Marine AM's AWS via a closed network to comply with security requirements
- Enabled company-wide utilization through user-friendly UI/UX and flexible customization capabilities
- Introduced source citation feature for easy verification to ensure output accuracy

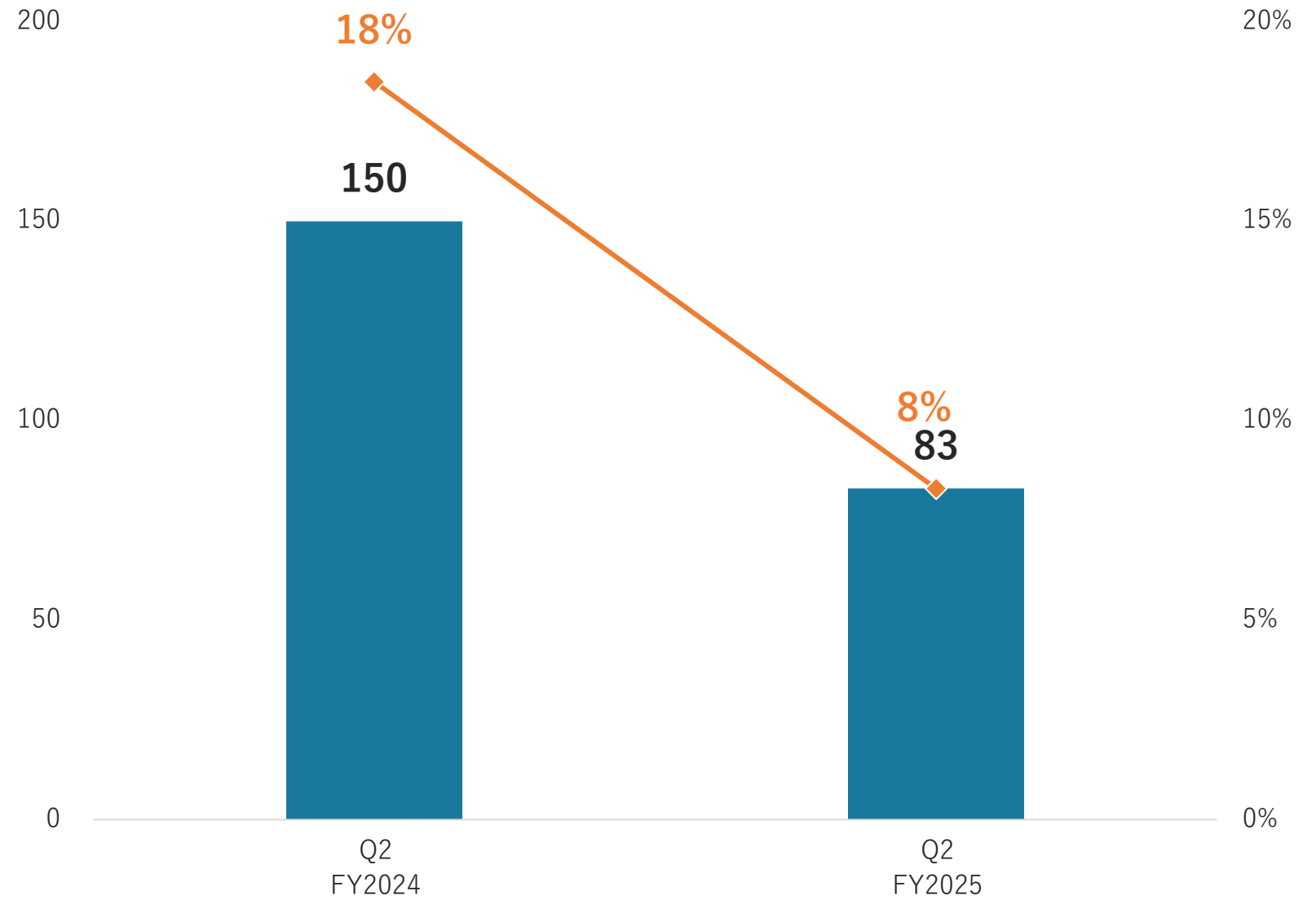


Operating Margin

Profitability temporarily declined following a staff expansion to support our rapidly growing Data Service (For Real Estate) and Data AI Solution.

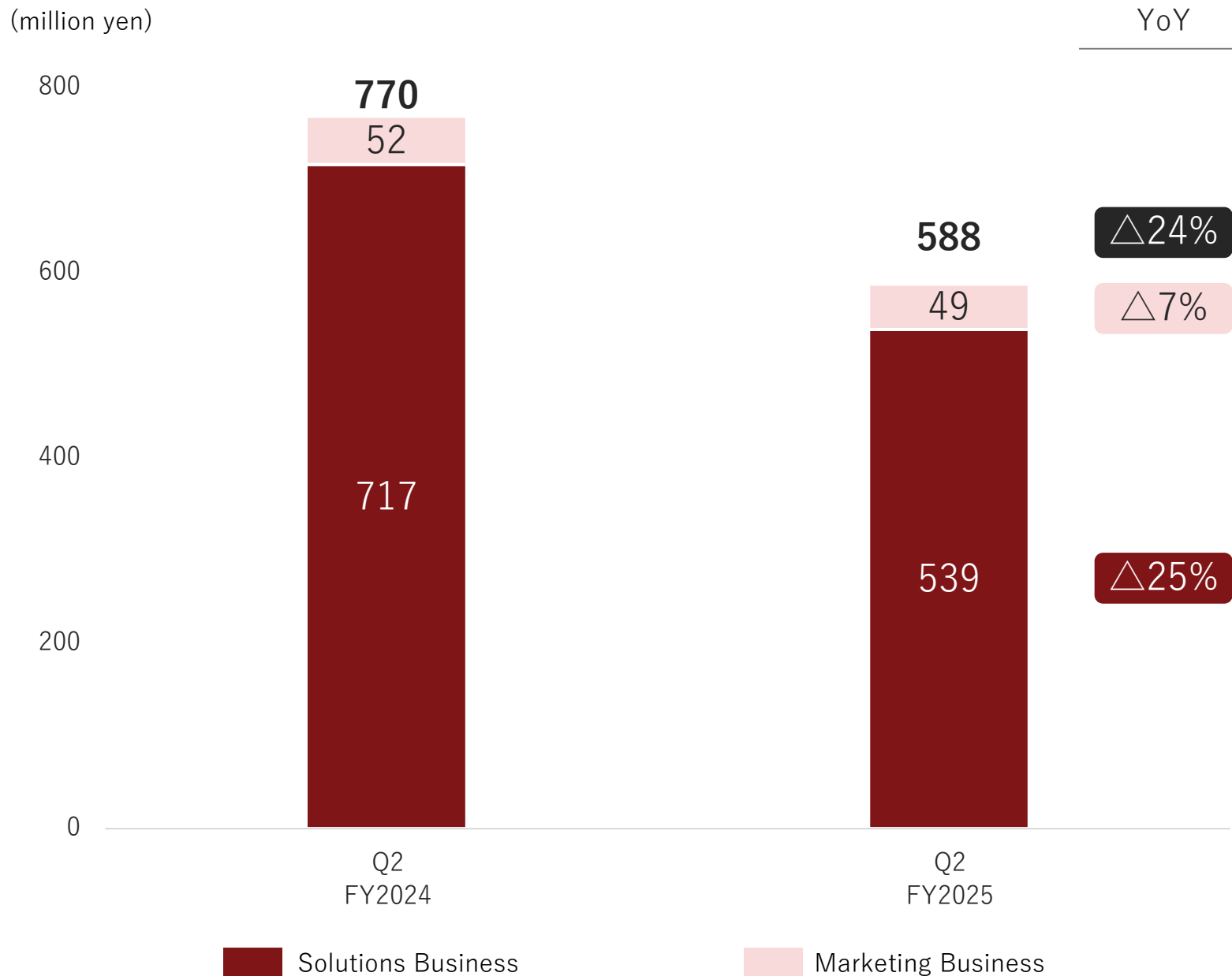
Revenue will concentrate in H2 due to increased one-off revenue, with profitability improving accordingly.

(million yen)



Revenue by Business

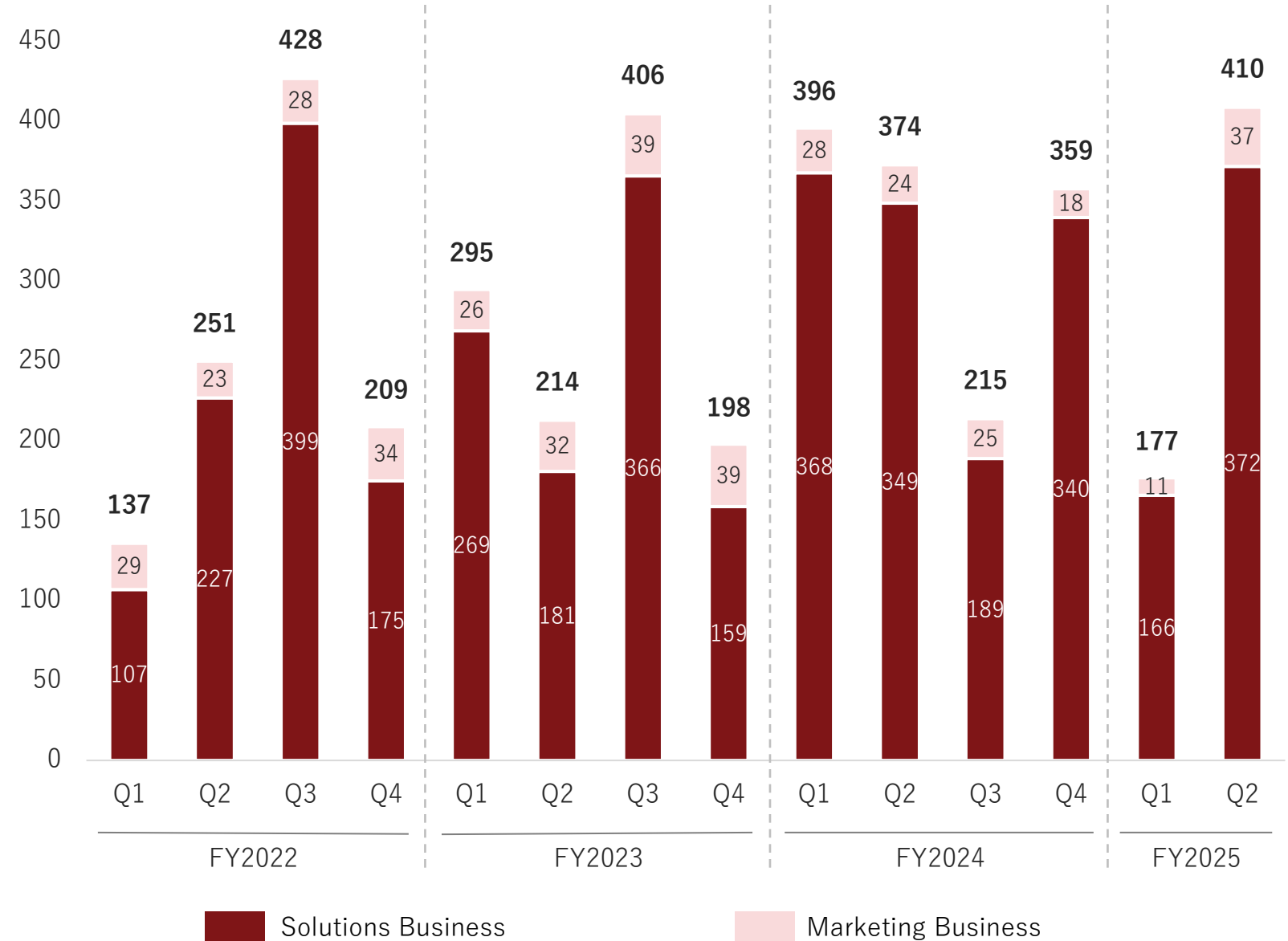
Due to the reversal effect of large-scale deliveries in the previous fiscal year, **revenue decreased by -24% YoY at 588 million yen.**



Revenue by Business

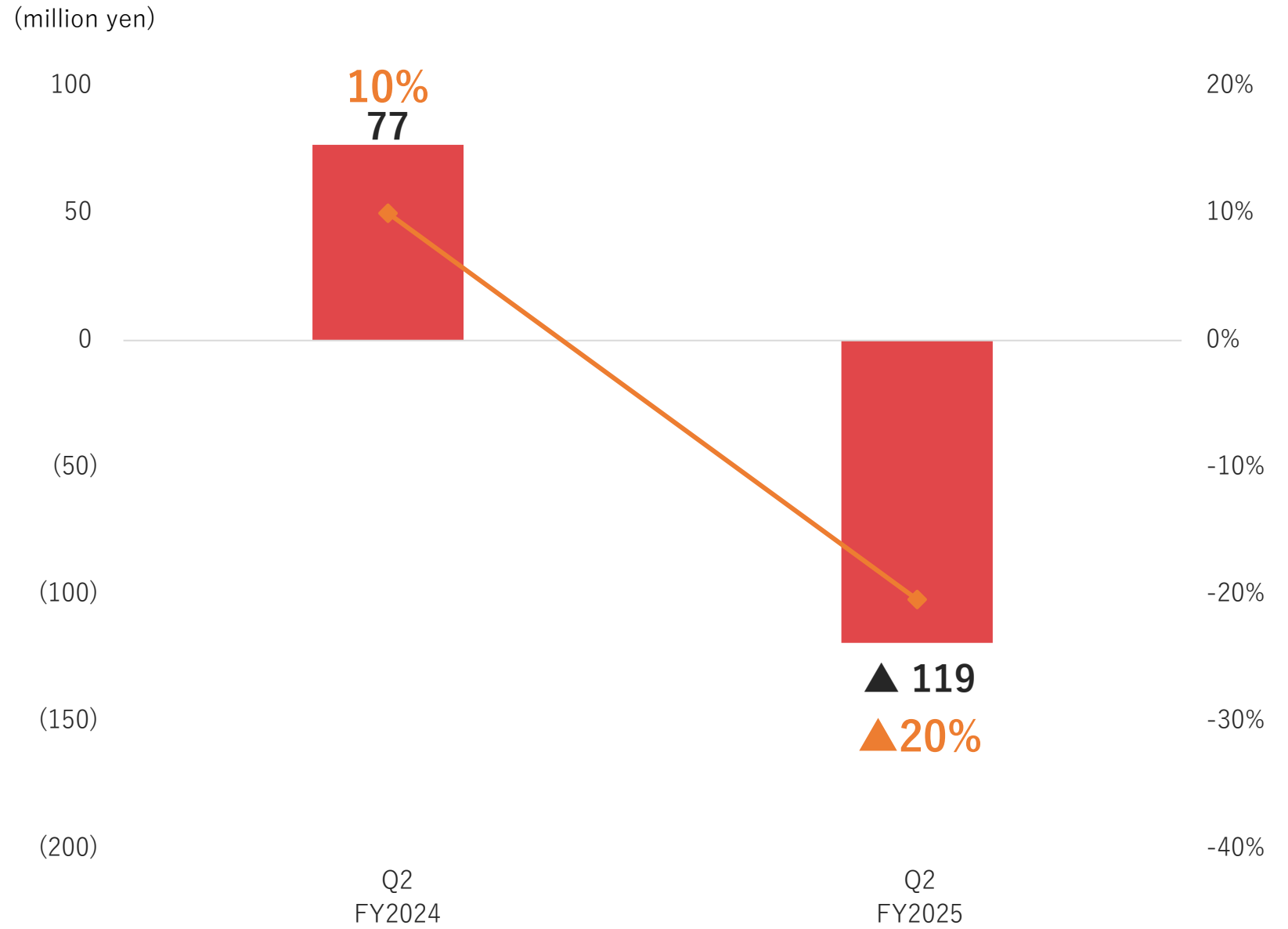
Solution Business has a high proportion of one-off revenue, so there are fluctuations depending on the timing of project implementation.

(million yen)



Operating Margin

Due to low one-off revenue, a loss was recorded for the quarter.



EARNINGS GUIDANCE FY2025

SUMMARY OF FY2025 EARNINGS GUIDANCE

Group

- Aim to mark the 5th consecutive year of over 40% revenue growth rate, **+43% at 110 hundred million yen.**
- 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 margin¹ 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%	-
EBITDA²	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%	-

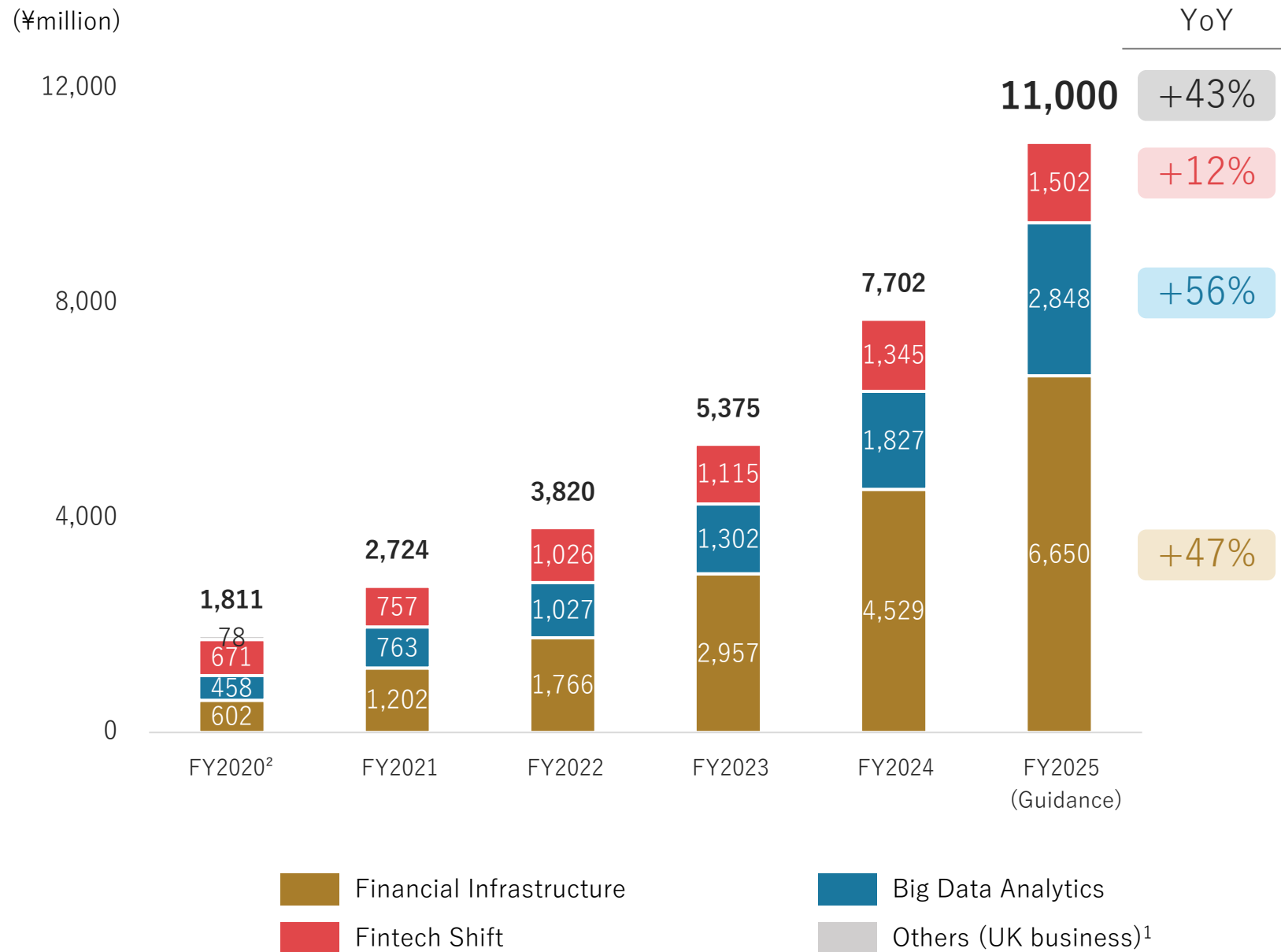
1. Adj. SG&A expense = SG&A expense - Depreciation and amortization - Stock-based compensation expense ± Other adjustments

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.

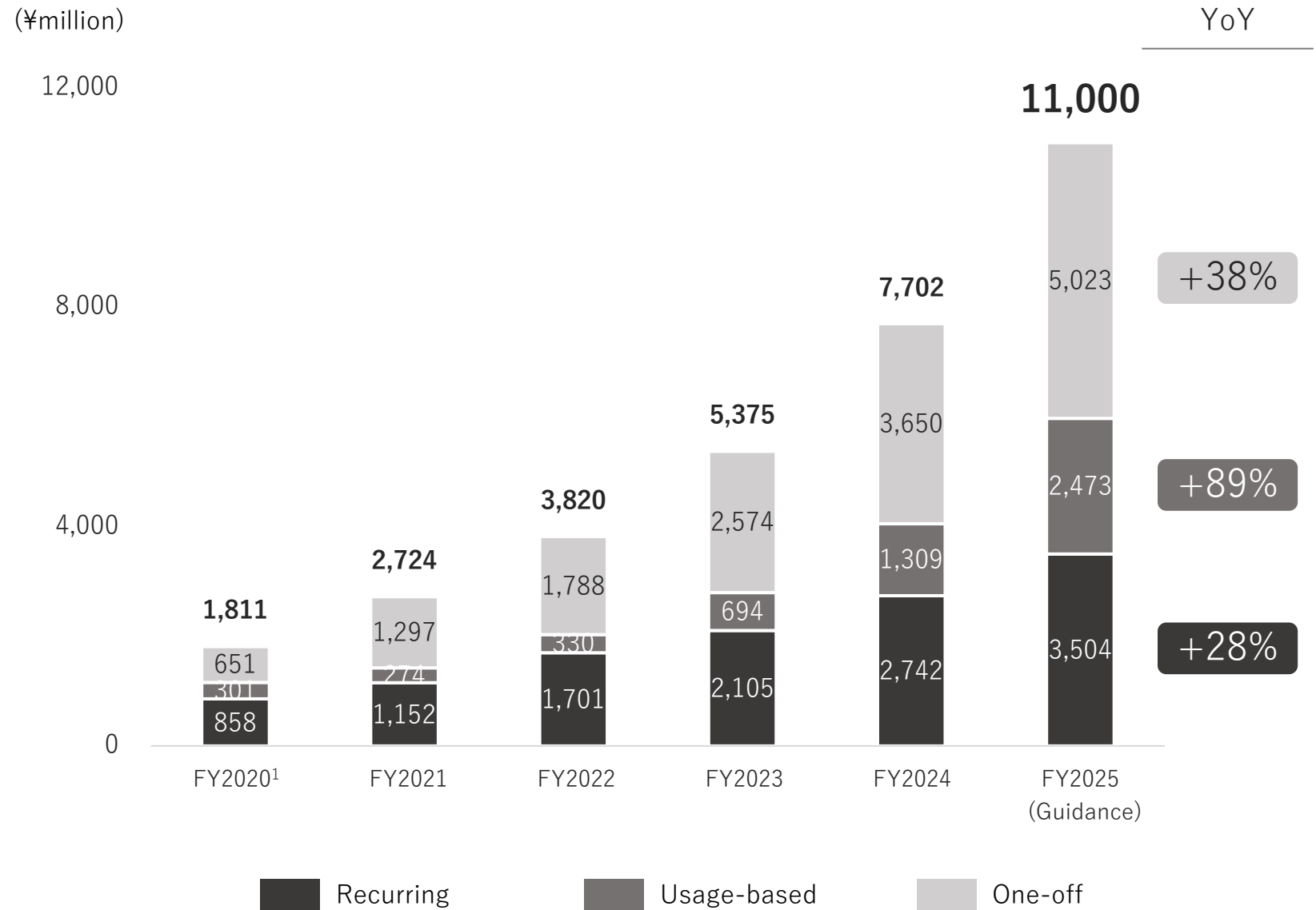


1. Revenue in UK business exited in the consolidated fiscal year 2020.

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

Revenue Guidance by Type

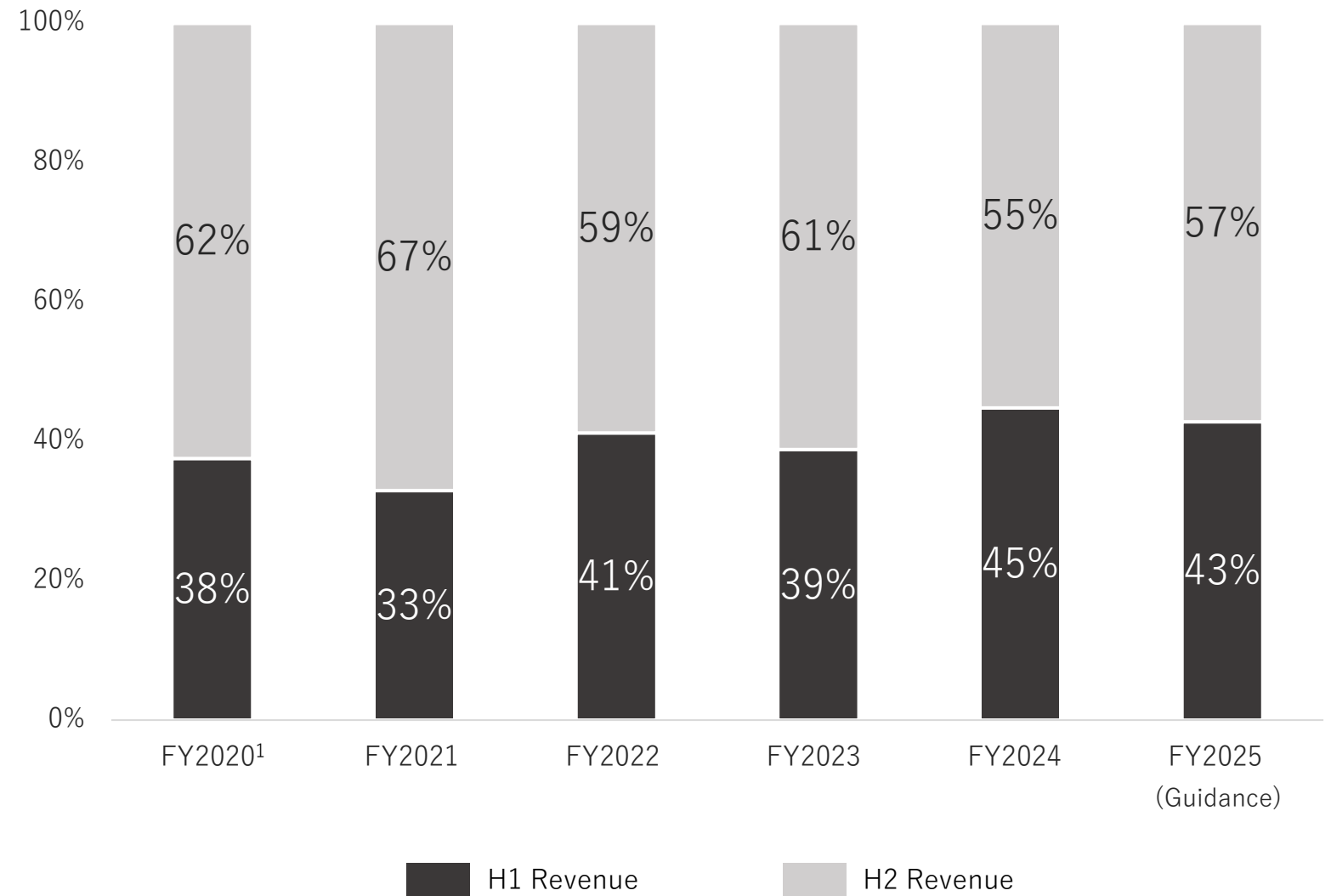
Continuous revenue streams, including recurring revenue and usage-based revenue, are expected to grow by +28% and 89% respectively.



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.

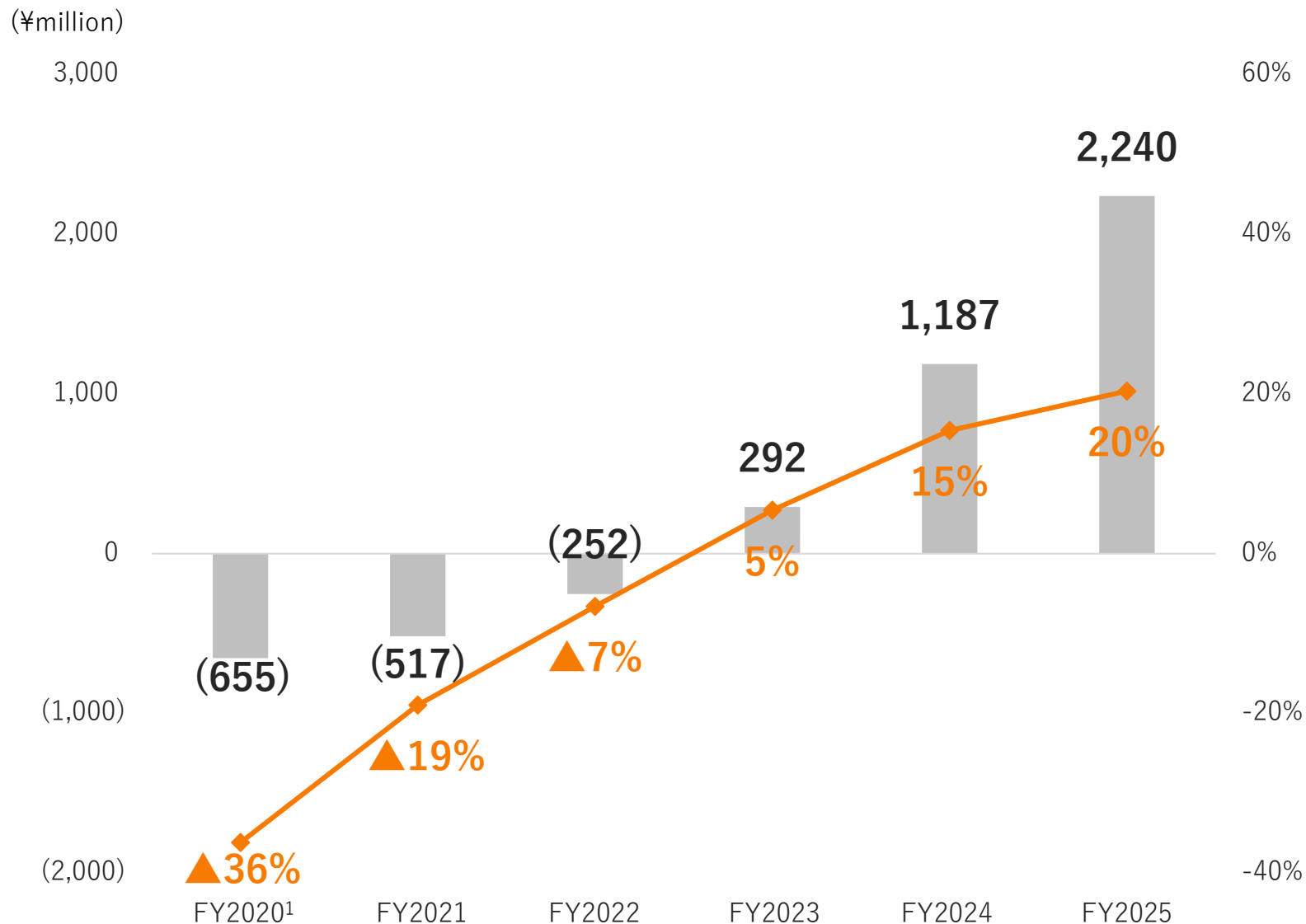


1. Financial results for FY2020 (April 2020 to March 2021) are unaudited.

EBITDA Guidance

As Revenue continues to expand, SG&A ratio is expected to decrease, leading to **an 89% YoY increase in EBITDA to 2,240 million yen.**

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



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

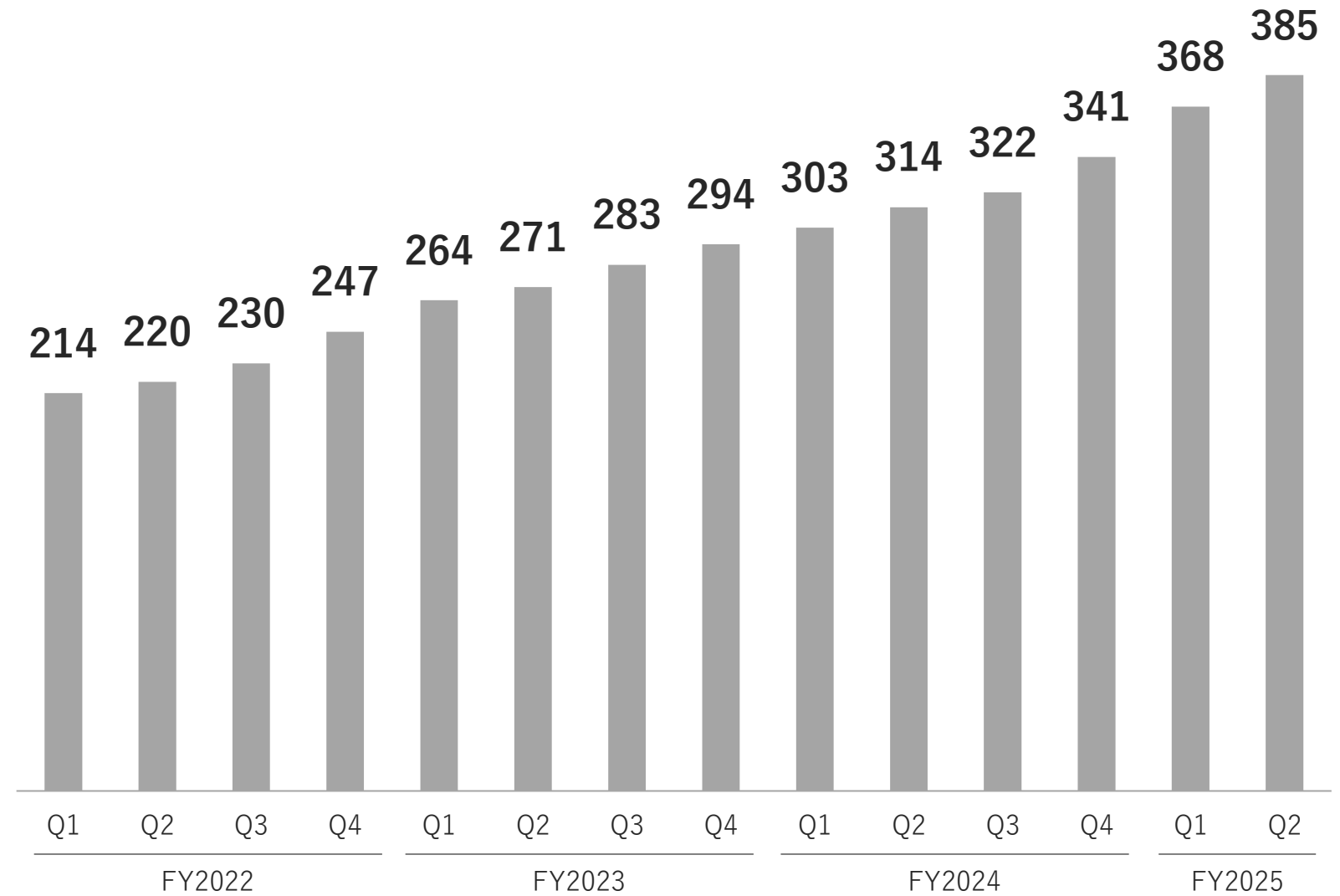
APPENDIX

Corporate Structure

Entity	Ownership	Number of Employees ¹	Business	Segment
FINATEXTHOLDINGS	-	24	• Group holding company	
Finatext	100%	150	• Software development for financial institutions and group enterprises	Financial Infrastructure Fintech Shift
Nowcast	100%	74	• Big Data Analytics service to institutional investors and government	Big Data Analytics
Smartplus	85%	39	• 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)	92	• Offshore development for group companies in Vietnam	Fintech Shift

1. Number of full-time employees as of September 30, 2025.
2. Indirect ownership ratio by Finatext Holdings Ltd.

Number of Employees



Staff Composition

Operations/Administration 14%

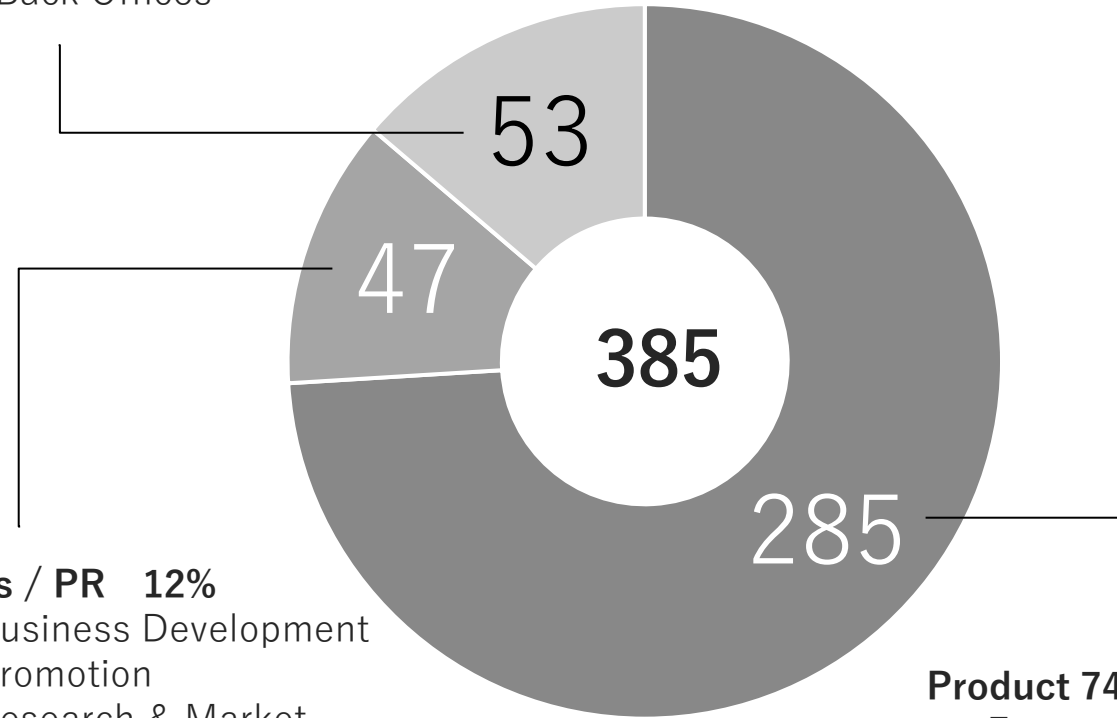
- Financial Operations
- Back Offices

Sales / PR 12%

- Business Development
- Promotion
- Research & Market

Product 74%

- Engineer
- Project Management
- Designer
- Web Director



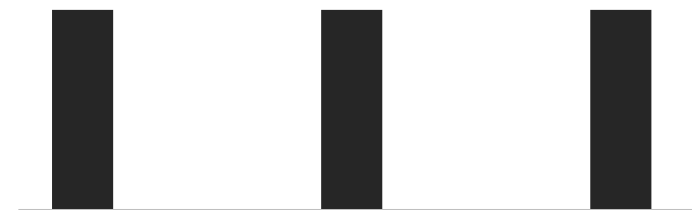
1. Number of full-time employees as of September 30, 2025.

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

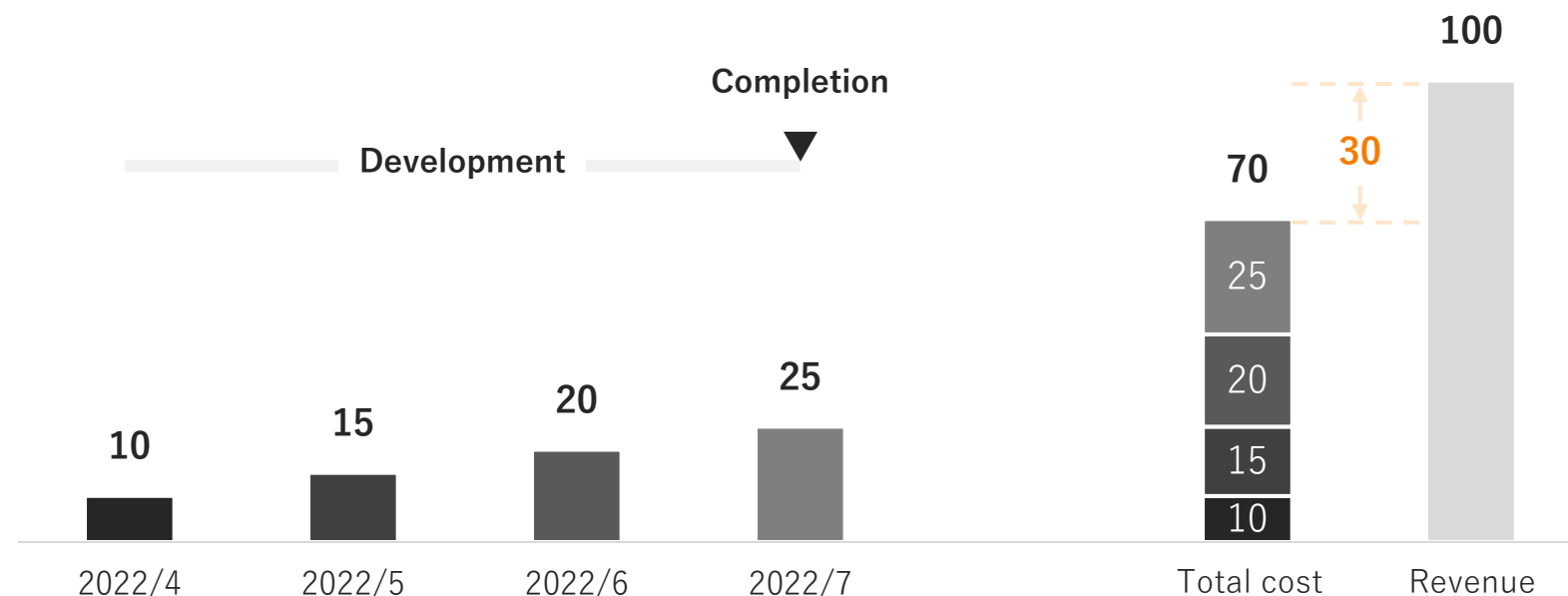


Revenue Recognition of Dev Projects

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

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

Project Direct Cost



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

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

Revenue Recognition

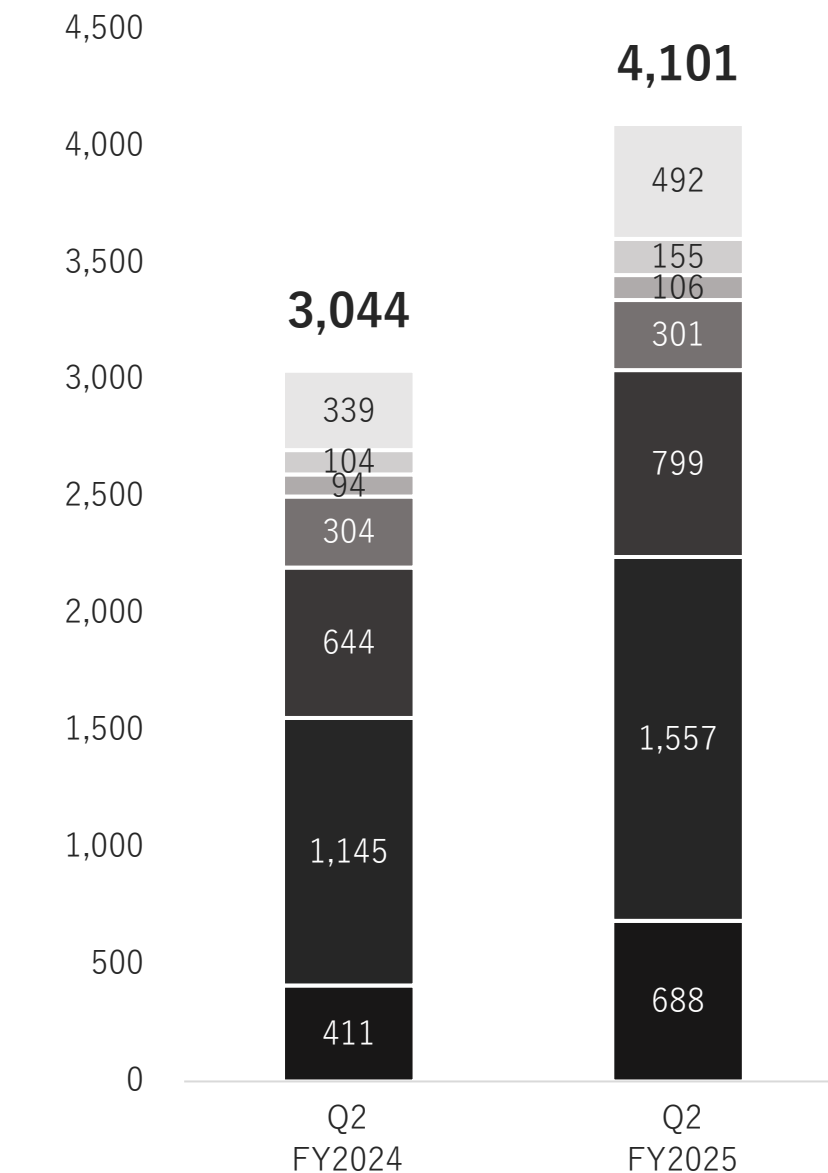
	2022/4	2022/5	2022/6	2022/7
Dev	10	15	20	25
Completion				30
Total	10	15	20	55

Cost Breakdown

Total expenses increased +35% yoy, driven by higher revenue share payments associated with the growth of usage-based revenue in Financial Infrastructure, as well as one-time expenses related to office expansion and new business initiatives.

(¥million)

YoY +35%



Other (YoY+45%)

- One-time expenses for office expansion (c.¥30m) and new business initiatives including Credit Infra and security token trading in Brokerage Infra (c. ¥20m)
- c.¥20m for internal generative AI utilization

Depreciation + Stock-based Compensation Expense (YoY+49%)

- Stock option expenses (¥80m)

Advertising Expenses (YoY+13%)

- Expenses to encourage IFA partners to migrate client accounts to our platform

Communication Expenses (YoY-1%)

- Decreased due to the termination of our owned service in Brokerage Infrastructure in October 2024

Outsourcing Expenses (YoY+24%)

- The growth rate remained lower than historical levels due to increased full-time hiring and generative AI utilization

Labor Cost (YoY+36%)

- Increased due to headcount growth (+23% YoY) and average salary increases

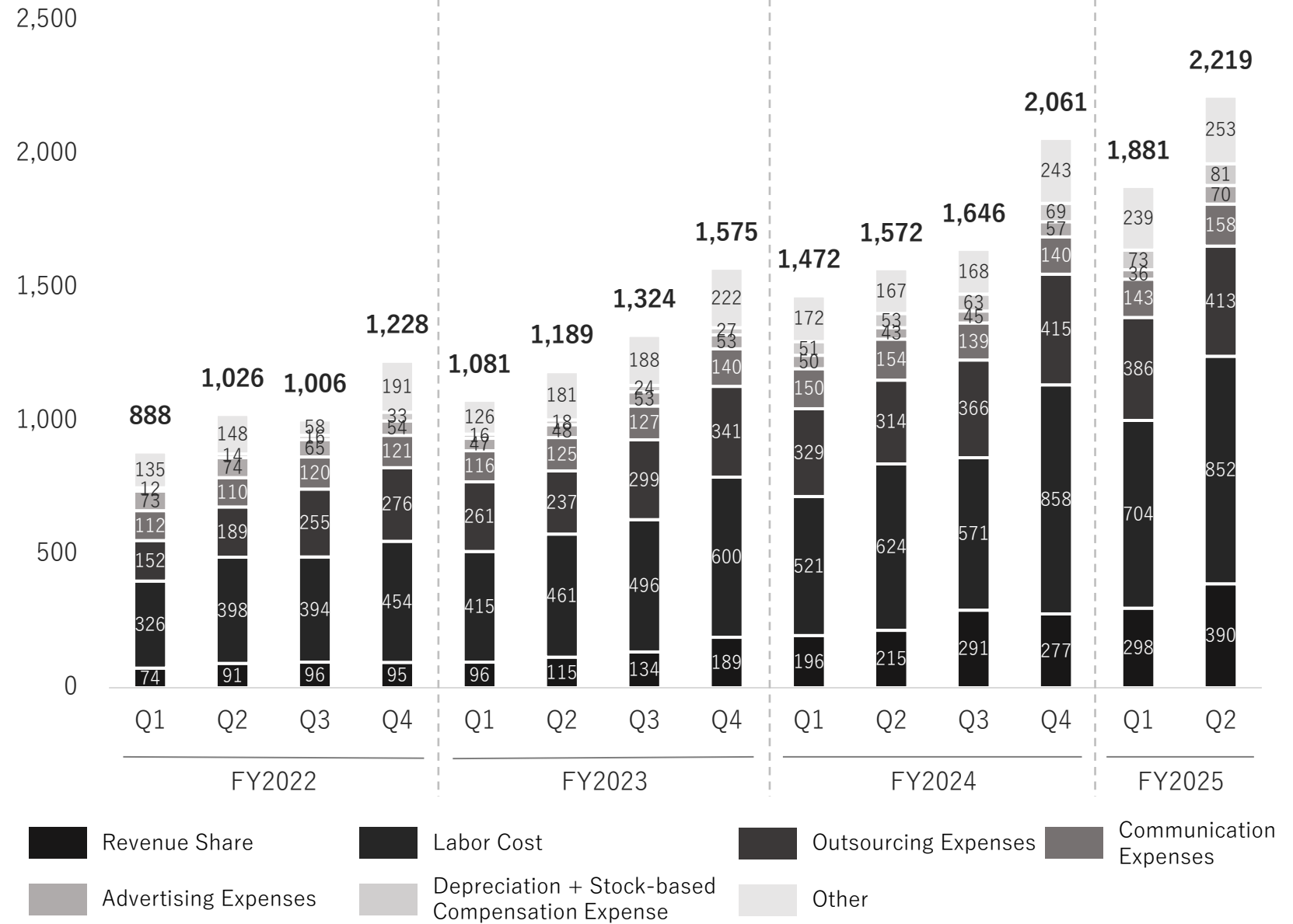
Revenue Share¹ (YoY+67%)

- Increased primarily in line with growth in revenue in Data Service and usage-based revenue in Financial Infrastructure

1. the revenue share included in both COGS and adjusted SG&A; therefore, it does not match the revenue share amount within adjusted SG&A alone.

Cost Breakdown

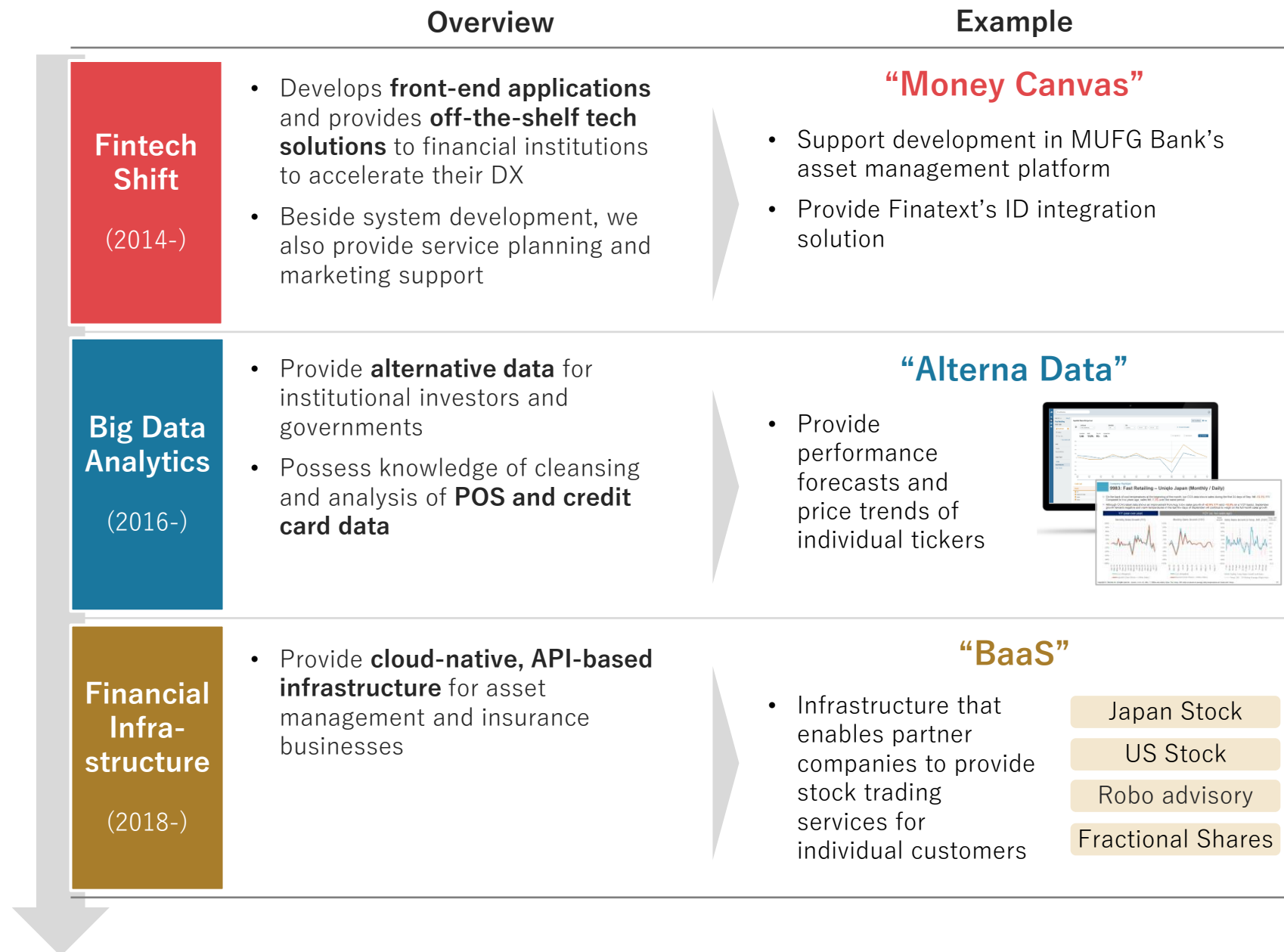
(¥million)



Business Overview

We started business of Fintech Shift in 2014.

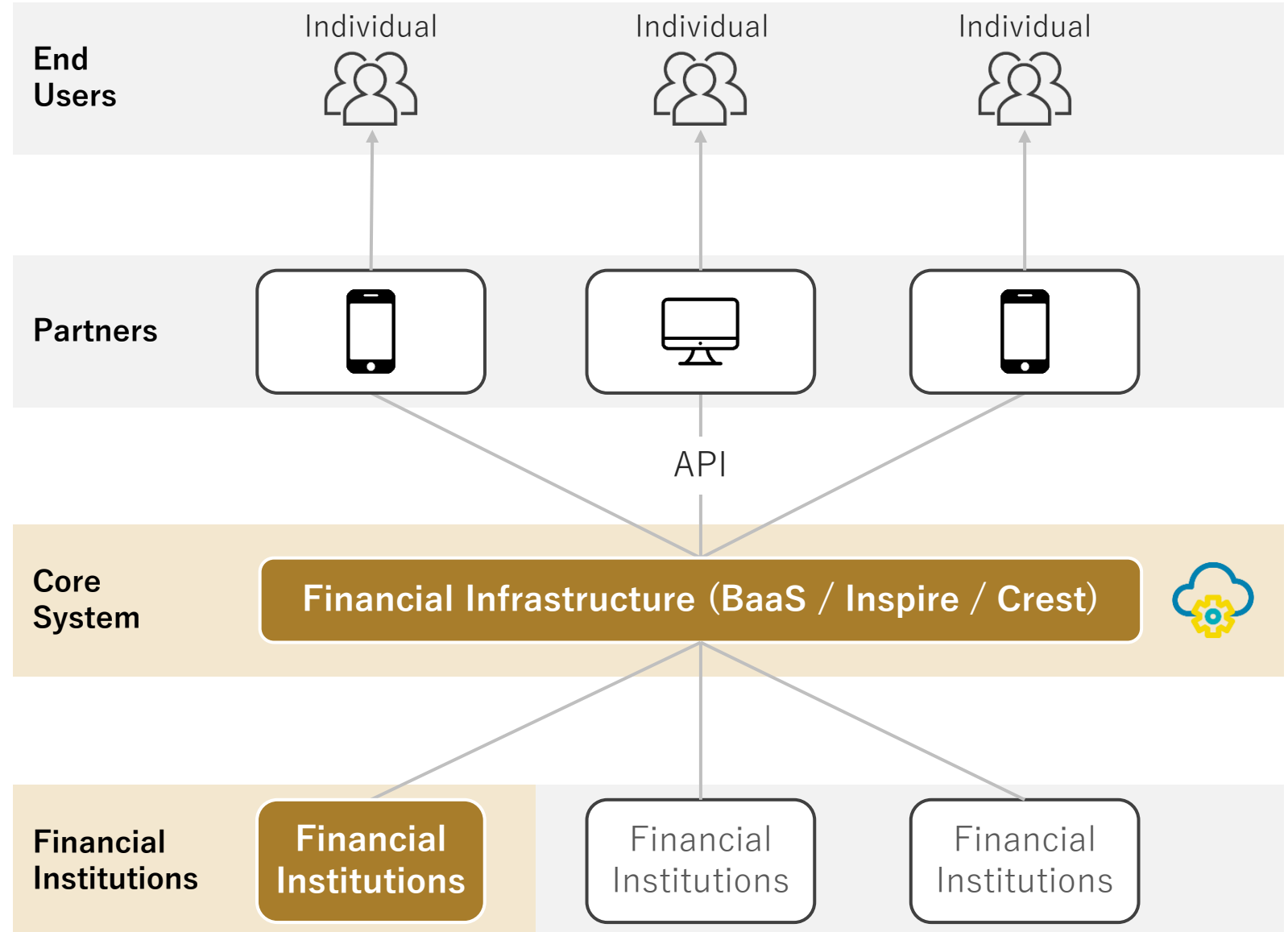
After entering into the field of Big Data Analytics in 2016, we started our current core business, Financial Infrastructure, in 2018.



Overview

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

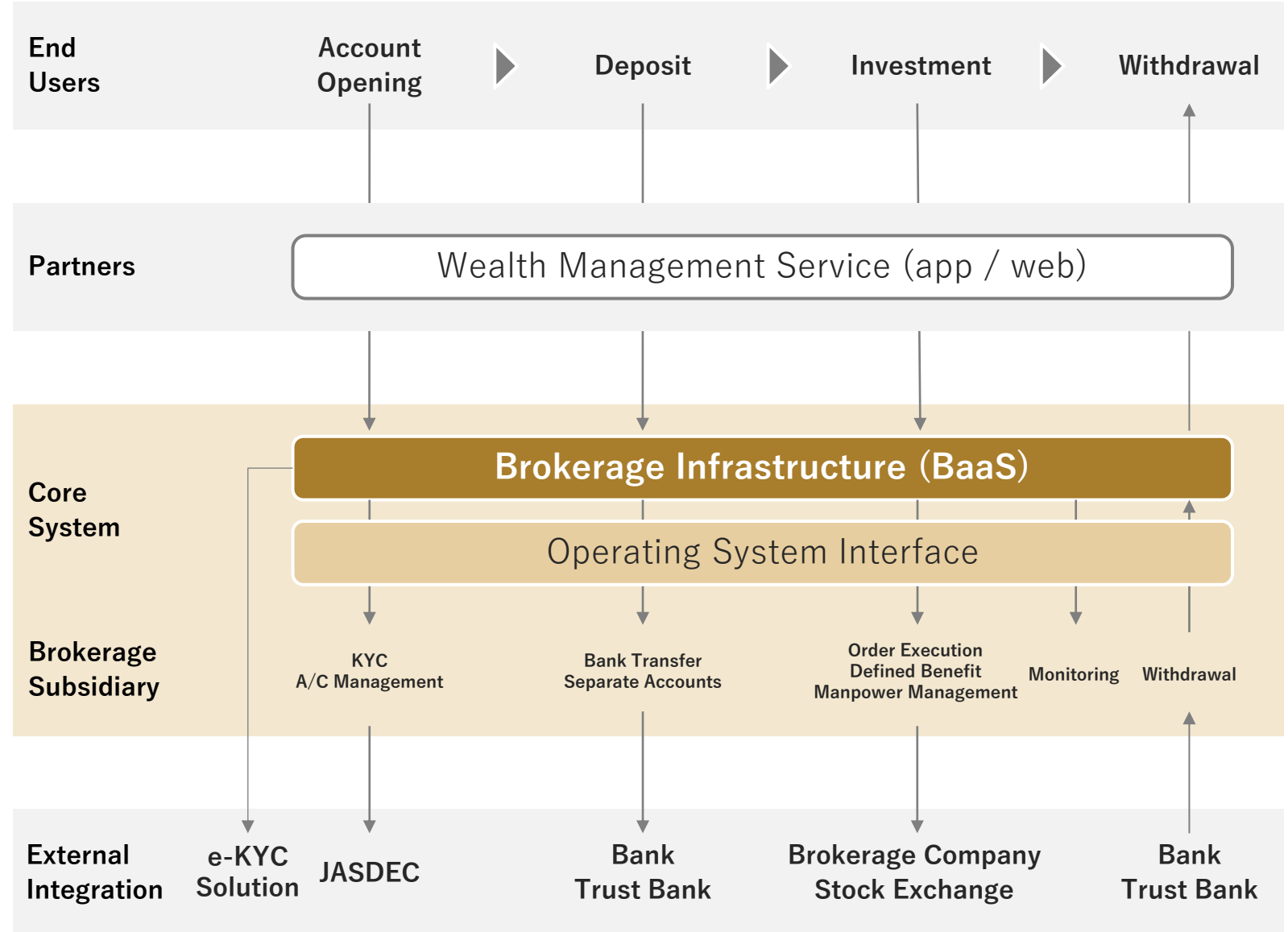
Currently offer 3 solutions:
① “**BaaS**” for asset management services, ② “**Inspire**” for insurance services, and ③ “**Crest**” for lending services.



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

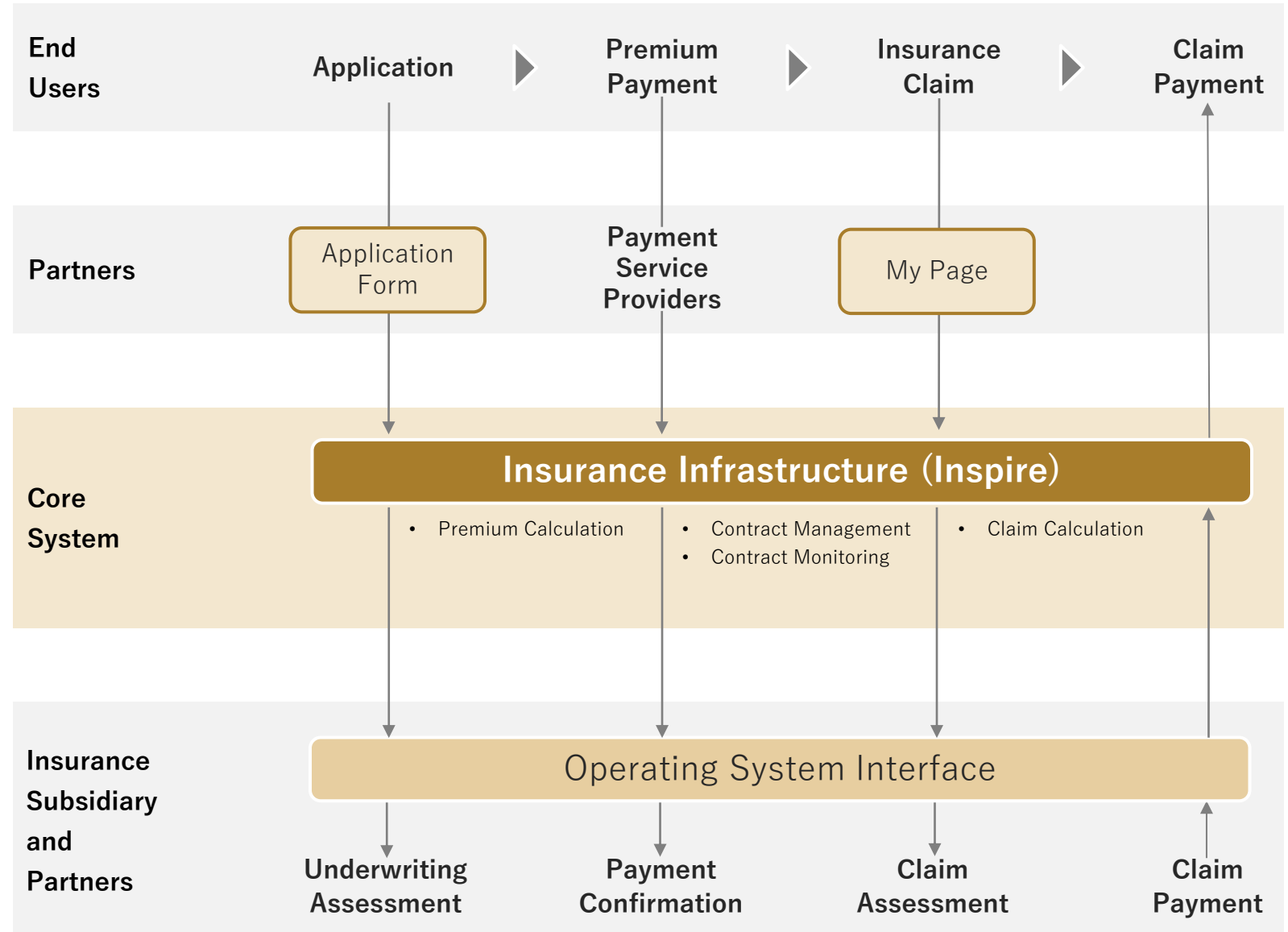
As of the end of this quarter, 23 services were in operation.

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 Assets
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
	Bayview Investment Trust (Bayview AM)	Value Management	LIFE-D
		Prudent Japan FS	JTG Securities
		REAL LIFE	VSG Asset Management
		North Star Advisory	

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 were 15 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. Smart Plus 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 and Marine Insurance

10. Nisshin Fire and Marine Insurance

11. Meiji Yasuda General Insurance

12. Yamada Small Amount Short-Term Insurance

13. With Small Amount Short-Term Insurance

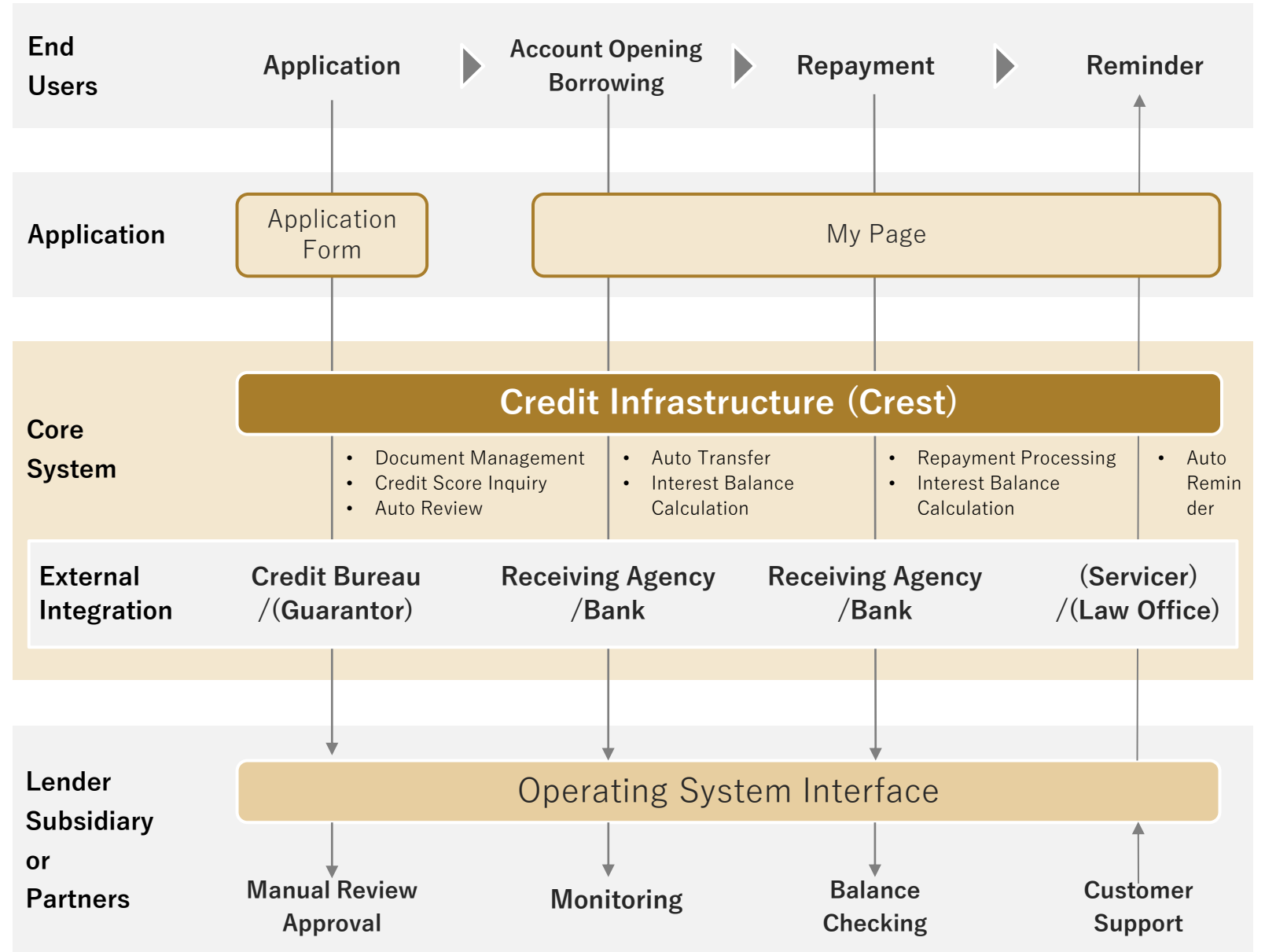
14. Foreign Non-Life Insurance (undisclosed)

15. Rakuten Small Amount Short-Term Insurance

③Crest



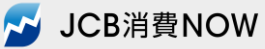

“Crest” provides a suite of business processes needed in a lending business, all on an API basis.

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

Data Service for Real Estate Industry

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

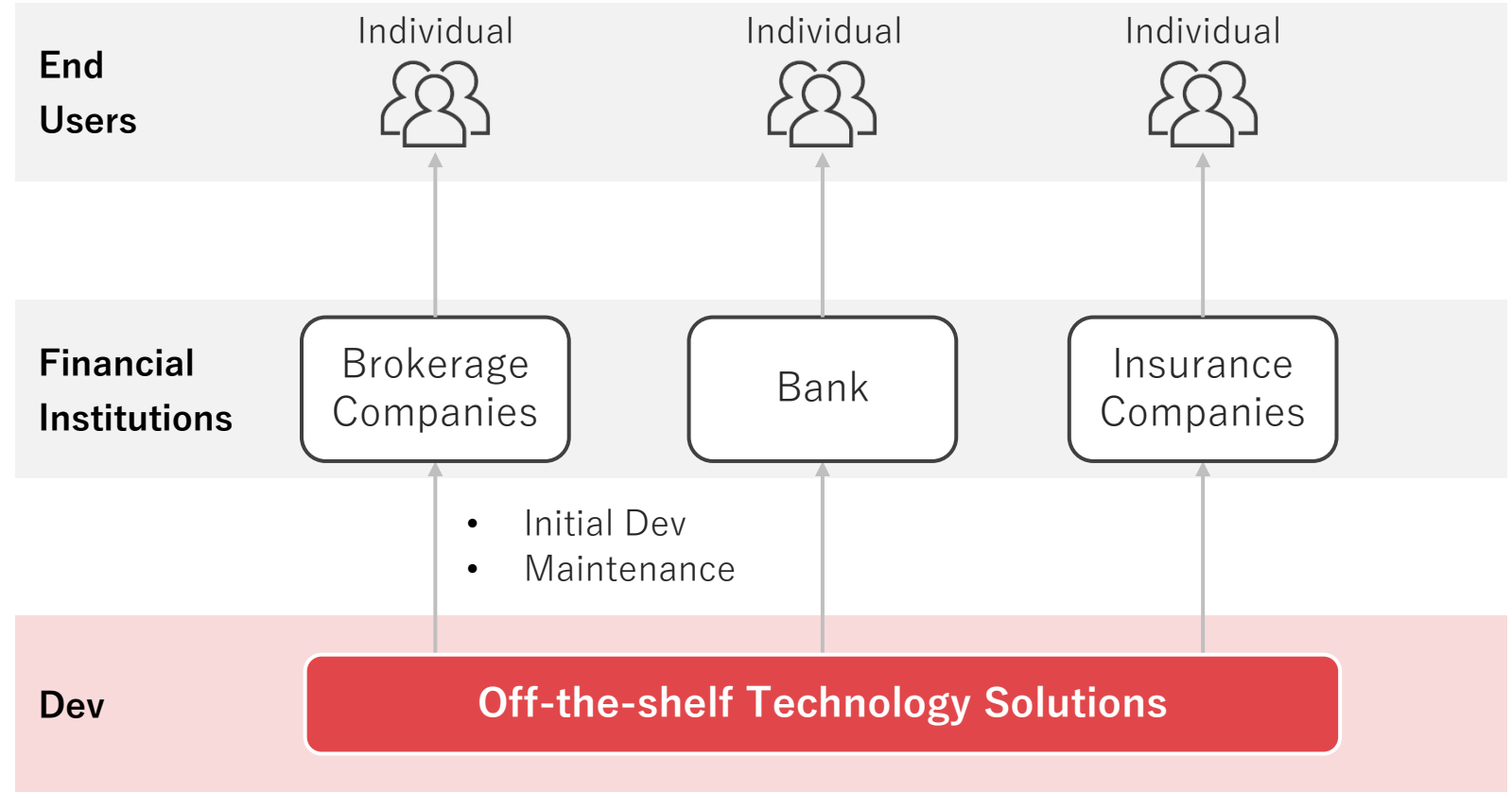
A solution that streamlines operations such as leasing and store development in the commercial real estate field, and leasing in the business-use real estate domain with data and GenAI.



	DataLens Commercial Leasing	DataLens Trade Area Analysis	DataLens Store Development	DataLens Office Sales
Overview	<ul style="list-style-type: none">A service that uses external data to extract tenant's intentions and tendencies for store openings	<ul style="list-style-type: none">A service that uses external data to analyze consumer needs within a trade area	<ul style="list-style-type: none">A store development DX tool that combines GenAI with trade area analysis features	<ul style="list-style-type: none">A sales DX tool that can extract companies with high office relocation needs from data
Target	<ul style="list-style-type: none">Real estate developers operating large commercial facilities	<ul style="list-style-type: none">Store operators such as restaurants and fitness studiosReal estate developers	<ul style="list-style-type: none">Store operators considering new store openings	<ul style="list-style-type: none">Real estate developers who own business-use real estate
Features	<ul style="list-style-type: none">Possible to build a dedicated CRM platform by combining customers' internal data on stores and brands with external data	<ul style="list-style-type: none">Enable purchase trend analysis in potential store locations and sales forecasting for new stores and renovations by combining multiple data	<ul style="list-style-type: none">Streamline decision-making process of store openings, by combining features of trade area analysis and a property information management tool powered by GenAI	<ul style="list-style-type: none">Strengths in office relocation prediction models built using various third-party data
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
- Daiwa Brokerage
- Nomura Holdings
- Rakuten Brokerage
- MUFG Bank
- SMBC Nikko
- Nomura Asset Management
- GMO Click Brokerage

F I N A T E X T

Reinvent Finance as a Service