FINATEXT

HOLDINGS

First Quarter FY2026 Financial Results

Finatext Holdings Ltd.

August 12, 2026

SUMMARY

FY2026 Q1 Results

Revenue progressed in line with previous years, while net income surged on deferred tax benefits from a tax-effect reclassification.

Revenue	Partners (Financial Infrastructure)	EBITDA[1]	Net Income Attributable to Owners of Parent
2,843 million yen	53	323 million yen	565 million yen
YoY +35%	vs. FY-end +3	Margin 11%	Margin 20%

FY2026 Guidance

Targeting +40% Revenue and +71% EBITDA growth toward our new mid-term targets: ¥30B in Revenue and ¥10B in EBITDA.

Revenue	Partners (Financial Infrastructure)	EBITDA[1]	Net Income Attributable to Owners of Parent
15,500 million yen	70	3,875 million yen	2,322 million yen
YoY +40%	vs. FY-end +20	Margin 25%	Margin 15%

1. EBITDA = Operating Income + Depreciation & Amortization + Stock-based Compensation Expenses

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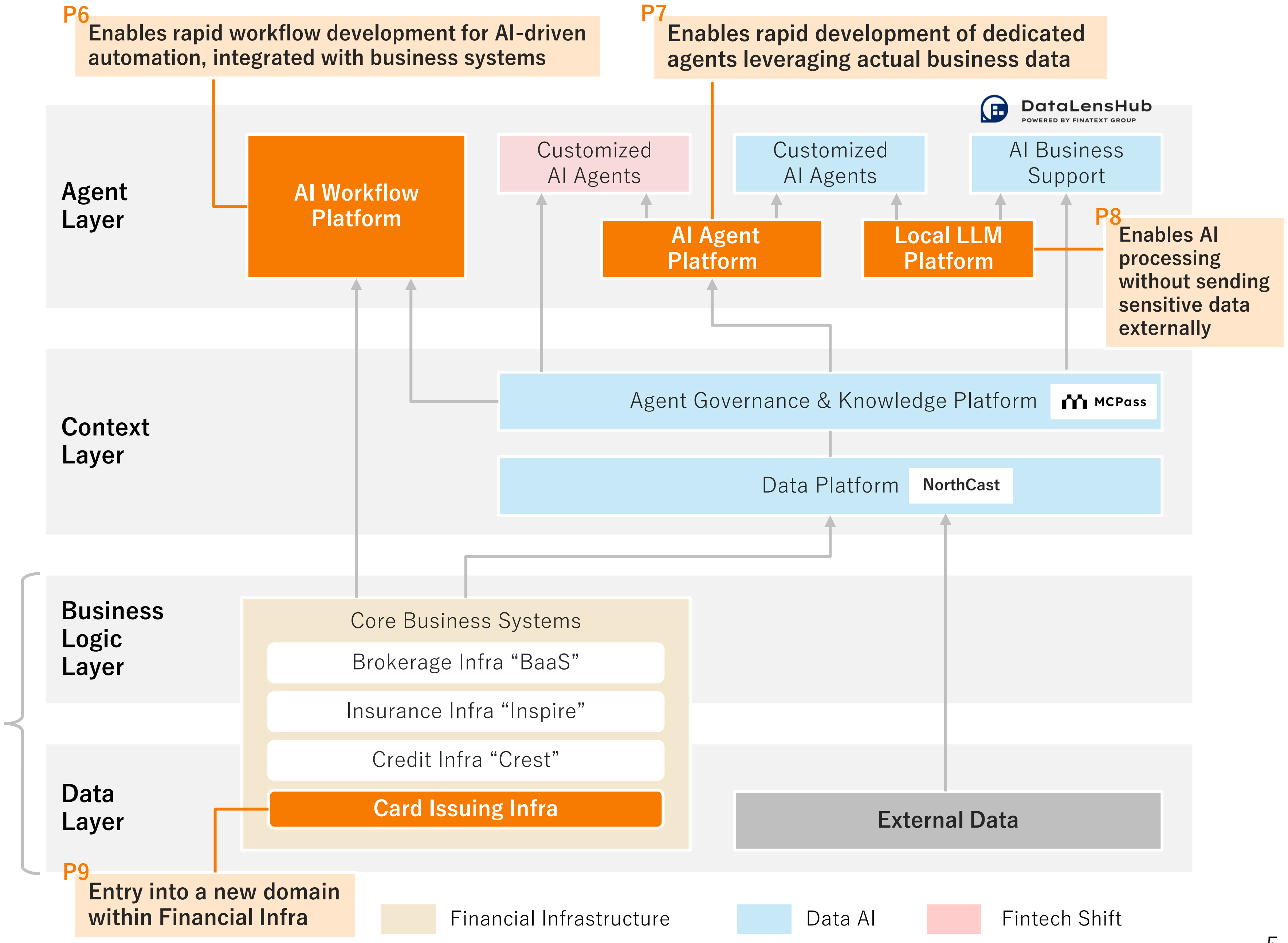
BUSINESS HIGHLIGHT

New AI Products

Developing new AI-related products, centered on the agent layer.

Focusing in particular on platforms for building workflows and agents that automate business operations in conjunction with the context and SoR layers.



AI Workflow Platform

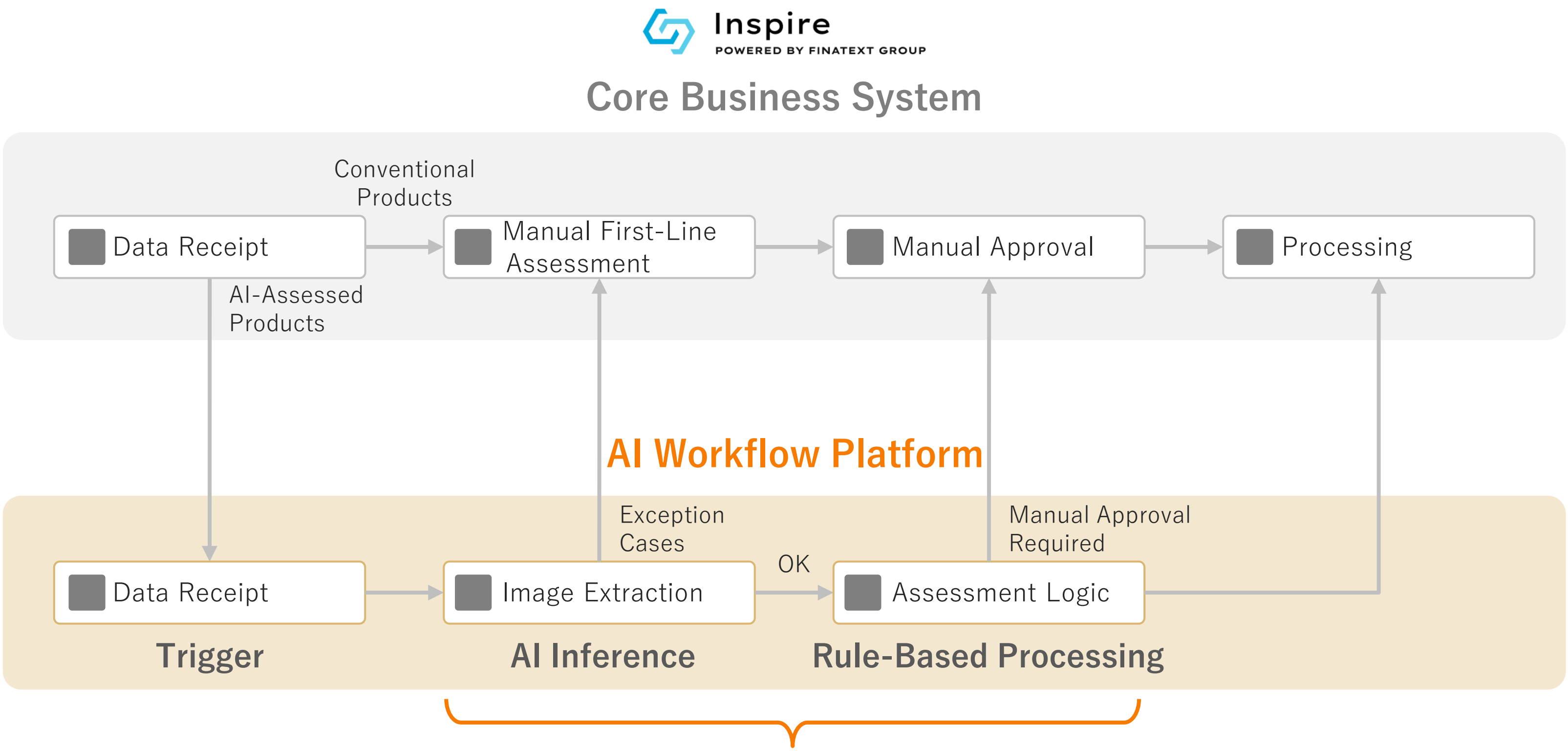
Developed the "AI Workflow Platform" to build and run workflows combining AI and rule-based tasks.

First applied to automating assessment operations.

This shared platform can be rolled out to other operations and clients.

Streamlining Assessment Operations at Nissay Plus

- Insurance operations involve extensive manual work with significant room for AI, yet building systems separately for each process raises costs and makes AI misjudgment harder to control.
- Developed a shared platform that incorporates AI inference and rule-based logic as workflow tasks and connects to business systems via API.
- First implemented for assessment operations at Nissay Plus Small Amount and Short-Term Insurance.



- Automatically triggered by API integration from the core system
- **Flexible orchestration of AI inference and rule-based tasks**
- Assessment results returned to the core system via API

Fintech Shift

AI Agent Platform

Developed "Finstage Cowork," which clients can safely entrust with real business data to build dedicated agents.

A wide range of external data for daily operations is available via our MCP integration, and internal data loads securely from dedicated folders.

Delivering AI Agents You Can "Safely Entrust" with Real Business Data

- Many companies have rolled out general-purpose AI chat across the organization, but without access to real business data, usage stops at general questions and drafting.
- Finstage Cowork delivers business-ready external datasets and out-of-the-box preset agents, making it usable in day-to-day operations from day one.
- It also connects internal data to AI under access control and audit logging, enabling clients to build their own dedicated agents.

External Data

Business-Ready External Data
- Data provided by our Data AI Service (DataLinc, etc.)

MCP Integration

Internal Data

Personal Folder
- Isolated space for each user
- No external sharing

Shared Folder
- Shared across the organization
- Configurable access scope and permissions

AI Chat

References external and internal data to answer questions and execute tasks in the company's own context

Preset Agent | Customized Agent | Customized Agent

Governance Platform: Access Control & Audit Logs

Fully accountable (who accessed what, and when)

Expected Use Cases

- Drafting approval requests and forms
- Recording and organizing client meeting notes
- Drafting proposals and product materials
- Searching internal policies and manuals
- Summarizing market and industry reports
- Compliance document checks

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Local LLM Platform

Developed a "Local LLM Text Processing Platform" that processes sensitive data entirely in-house.

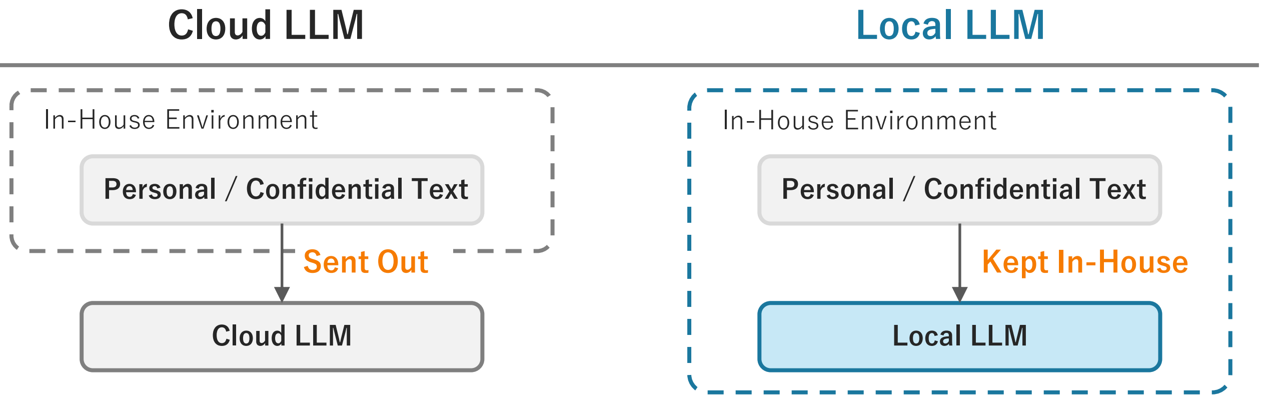
First applied to credit card merchant name mapping, demonstrating a 95.7% cost reduction.

Exploring commercialization for financial institutions and data providers.

AI Processing for Data That Cannot Be Sent Externally

- In financial services, sensitive data often cannot be sent to cloud LLM APIs, stalling adoption; at scale, per-token pricing is a further barrier.
- Developed a shared platform that runs open-weight models on-premises or in a closed-network cloud, performing classification, matching, and extraction entirely in-house.
- First applied to our own merchant name mapping (c.300k records/month), cutting costs by 95.7% versus the OpenAI API, and by c.98% versus manual review.
- Layering our mapping databases and dictionaries builds a hard-to-replicate advantage.

Overview



	Cloud LLM	Local LLM
Security	• Personal and confidential data is sent to an external environment, which may conflict with internal policies.	• Inference stays entirely in-house—nothing is sent out. • Easier to meet FISC Security Guidelines and APPI requirements.
Cost	• Per-token pricing means costs scale with each record; high-volume repetitive tasks can undermine the economics.	• In-house inference lowers the marginal cost as volume increases.

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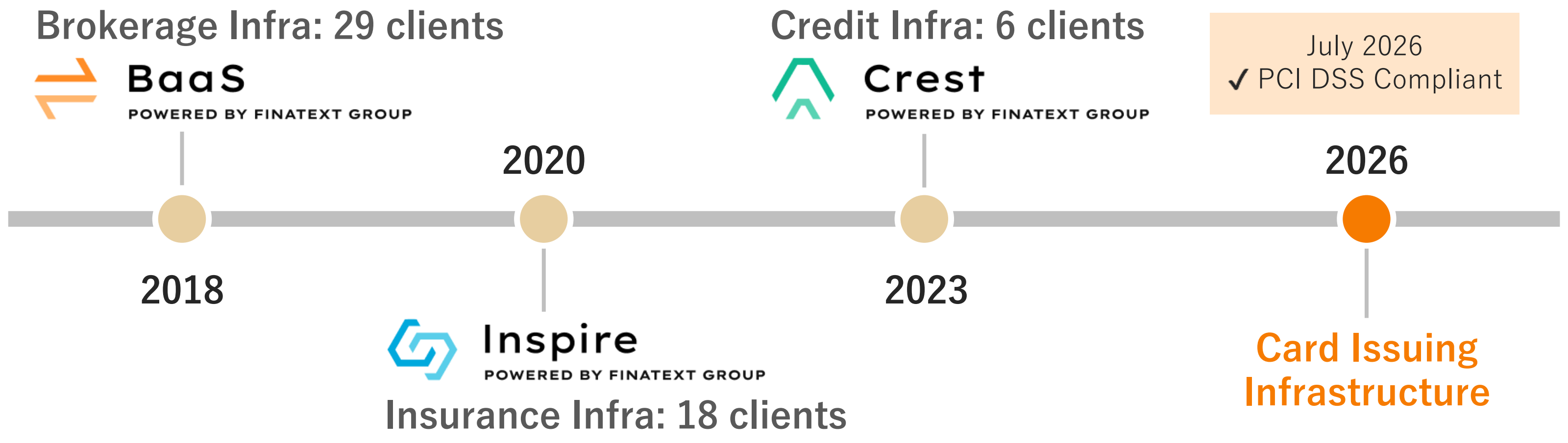
Card Issuing Infrastructure

Entering the credit card issuing market as our fourth infrastructure business, following brokerage, insurance, and credit (mainly lending).

Achieved PCI DSS compliance in July 2026, completing preparations to deliver secure card issuing services.

API-Native Infrastructure for Embedding Card Issuing into Your Service

- An API-based third-party processor that connects card issuers to card networks and powers card issuance and payment processing.
- A key differentiator: seamless, end-to-end delivery of finance services such as revolving credit.



Features

API-Native Issuing Platform

- Unlike legacy systems needing custom builds and long rollouts, one API connection embeds card issuing into any service. This opens the issuer market to businesses beyond finance.

Seamless Delivery of Finance Services

- By building on Crest's credit and servicing functions, we deliver not only card issuing and payments but also finance services such as revolving credit, end to end.

Data Platform Built for Payment Data Utilization

- Leveraging payment data analytics expertise from our Data AI business, we support clients in utilizing their own payment data.

Corporate Real Estate DB

Partnering with registry-data provider TRUSTART to build a service that lists and analyzes property holdings for c.240,000 companies, listed and private.

Strong inbound interest from real estate developers seeking new sites, as well as from funds and other investors.

Building a "Company-Centric" Corporate Real Estate Database

- Registry data only supports looking up an owner from a land parcel number. Listing a company's holdings from the company side requires obtaining and matching a vast number of records one by one.
- By applying our proprietary matching technology to the extensive registry data TRUSTART has accumulated, we consolidate property data on a company-centric basis and deliver property sale signals.
- Development of these sale signals is supervised by Eiji Enomoto, former Vice President of Nomura Real Estate Solutions, who joined as an advisor in April 2026.

✗ Searchable only by land parcel number

✗ Inconsistent name formats

✗ Group company relationships unclear

Registry Data

- Land parcel number
  - Owner name
  - Owner name
- Land parcel number
  - Owner name
  - Owner name

DataLinc

GenAI-powered matching of owner names

Real Estate DB

- Company name
  - Land parcel number
  - Company info
- Company name
  - Land parcel number
  - Company info

✓ Converted to company-centric data

✓ Data enrichment

✓ Aggregated at corporate group level

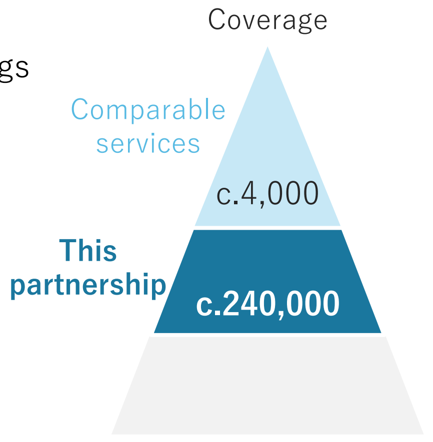
Features

1. A "company-centric" database powered by DataLinc's AI matching

- Enables reverse lookup—identifying a company's full property holdings from its name
- Captures assets absent from IR disclosures down to the parcel and building number level

2. Property sale signals from registry data × corporate activity data

- Combines corporate activity data from DataLinc's automated change detection with TRUSTART's real estate and commercial registry data
- Delivers sale signals based on disposal scores and estimated book-value properties, helping prioritize sales and utilization proposals



QUARTERLY RESULTS FY2026 Q1

Q1 Financial Summary

Despite the absence of the large-scale development projects booked in the same period last year, Q1 revenue reached **JPY 2.84B (+35% YoY)**, driven by usage-based revenue and Data AI.

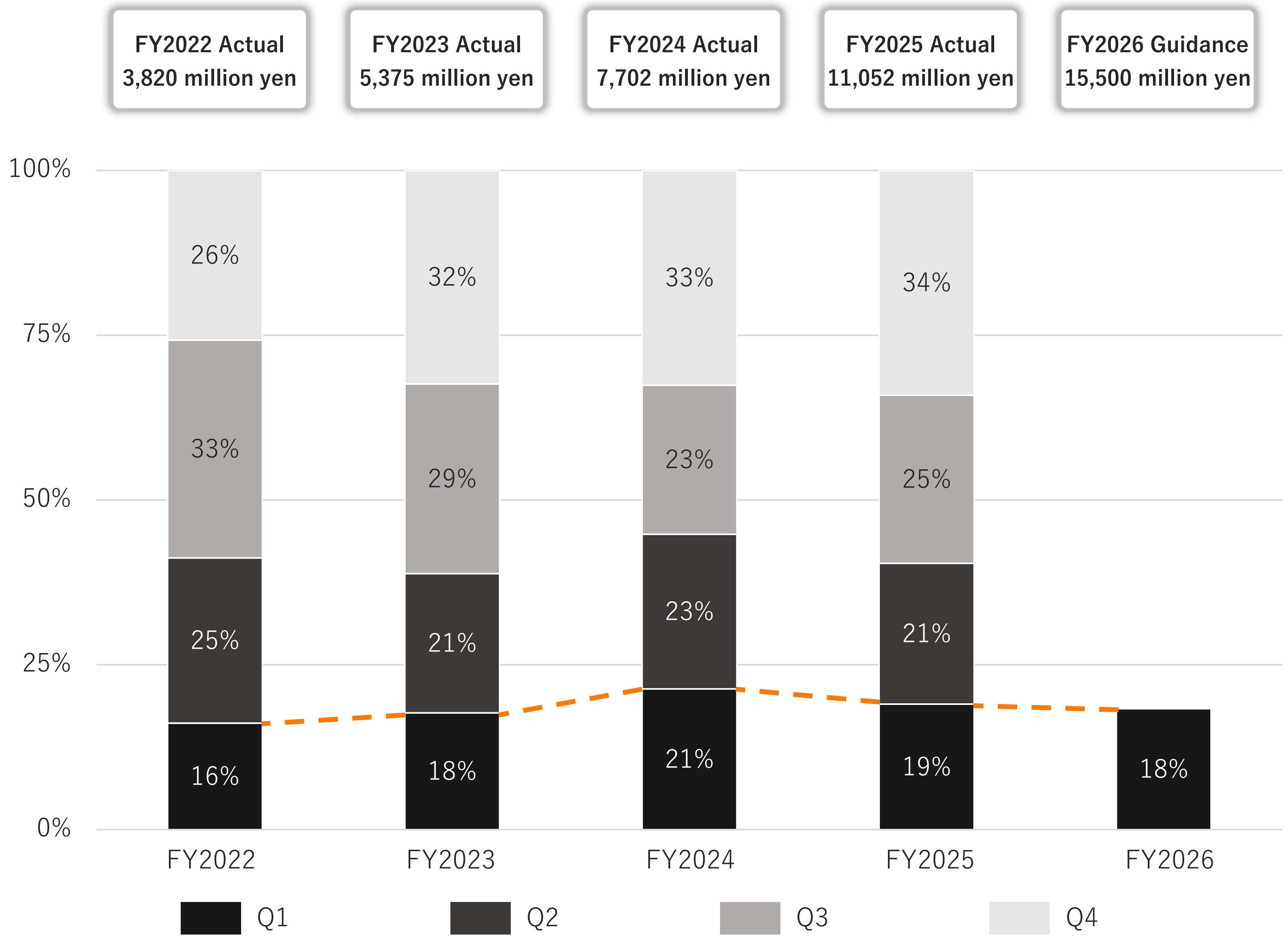
Net income increased significantly due to changes in tax-effect classifications.

(million yen)	FY2026 Q1	FY2025 Q1	YoY	Major Factors
Revenue	**2,843**	**2,104**	**+35%**	• Despite the absence of the large-scale development projects, growth was strong—driven by usage-based revenue and Data AI.
COGS	917	753	+22%	• Remained below the revenue growth rate.
Gross Profit	**1,926**	**1,351**	**+43%**	
Gross Profit Margin	68%	64%		
Adjusted SG&A[1]	1,603	1,054	+52%	• Revenue share increased with higher usage-based revenue. • Communication expenses rose due to expanded AI utilization.
vs revenue	56%	50%		
EBITDA [2]	**323**	**296**	**+9%**	
EBITDA Margin	11%	14%		
Depreciation and Amortization + Stock-based compensation	135	73	+84%	• Stock-based compensation increased temporarily due to overlapping expense periods for stock option grants.
vs revenue	5%	4%		
Operating Income	**188**	**223**	**▲16%**	
Operating Income Margin	7%	11%		
Ordinary Income	167	214	▲22%	
Net Income Attributable to Owners of Parent	565	366	+54%	• Adjustment of +579 million yen in corporate tax, etc., for the change in tax-effect classification.

1. Adjusted SG&A Expenses = SG&A Expense - Depreciation & Amortization - Stock-based Compensation Expenses
2. EBITDA = Operating Income + Depreciation & Amortization + Stock-based Compensation Expenses

Revenue Progress

The Q1 progress rate against the full-year plan was 18%, broadly in line with recent years.

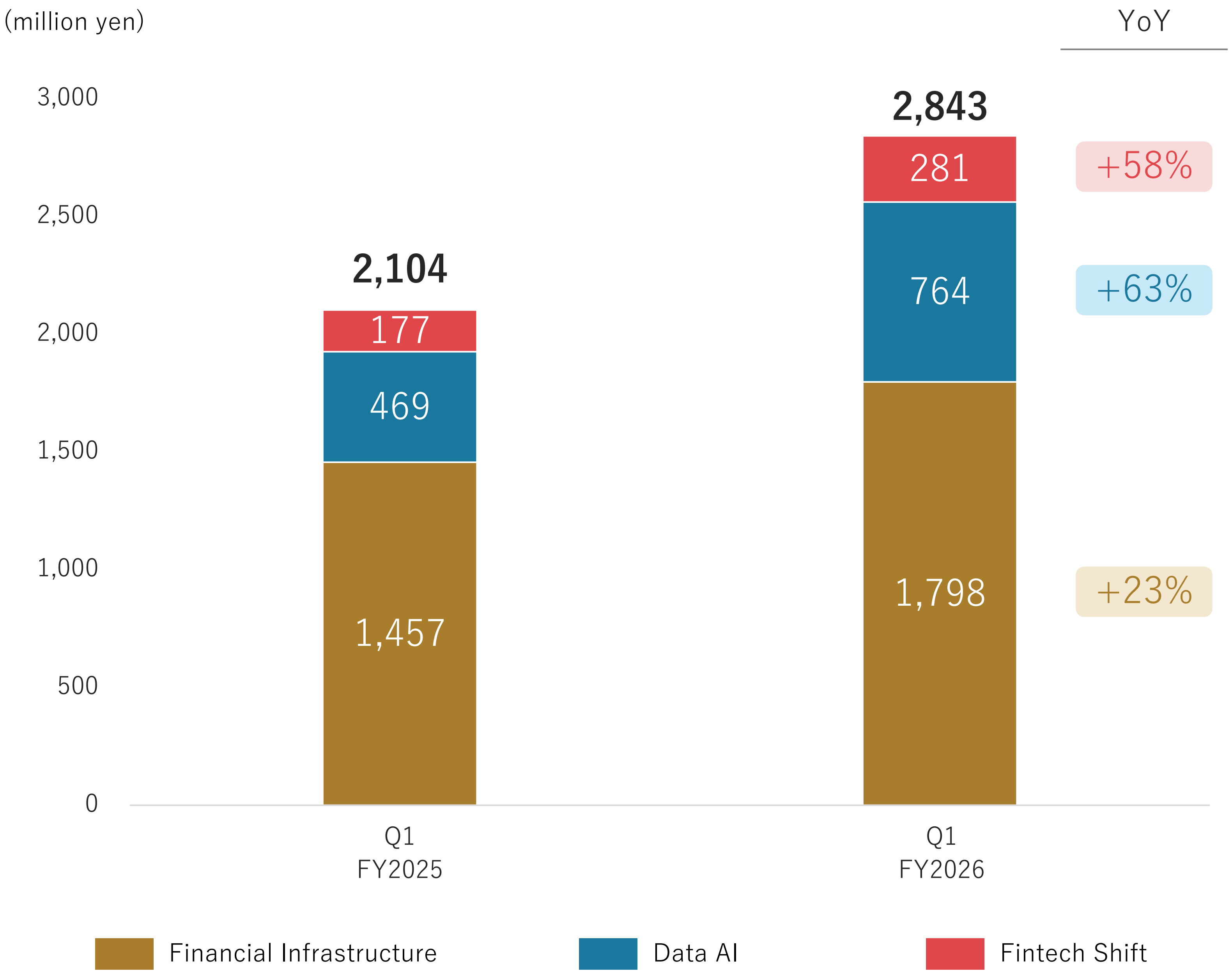


Revenue by Segment

Data AI expanded significantly this quarter, driving growth across the entire group.

Fintech Shift also recorded strong performance with +58% YoY growth.

- Effective this fiscal year, the segment name has been changed from “Big Data Analytics” to “Data AI.”



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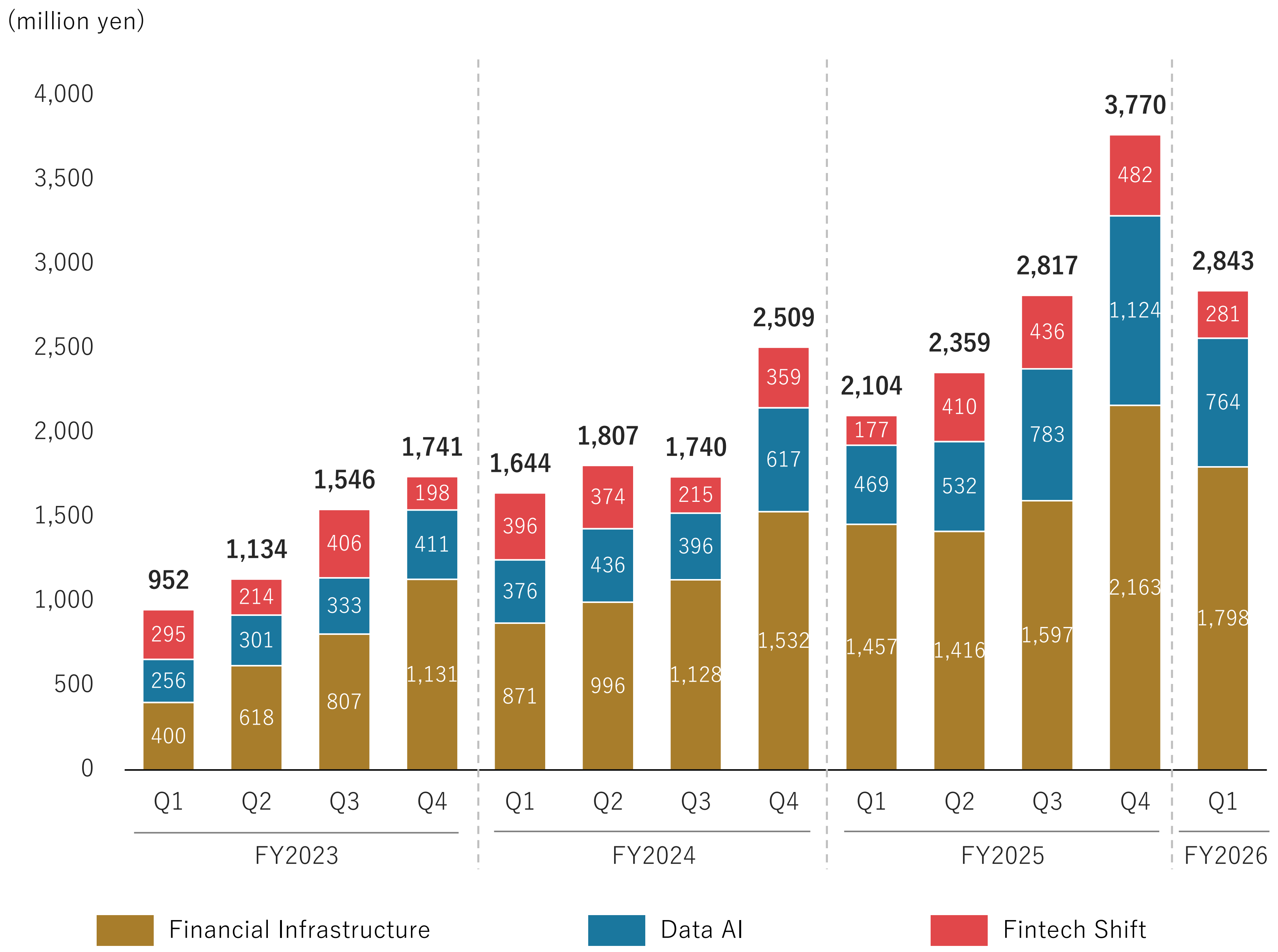
Group

Revenue by Segment



- Effective this fiscal year, the segment name has been changed from "Big Data Analytics" to "Data AI."

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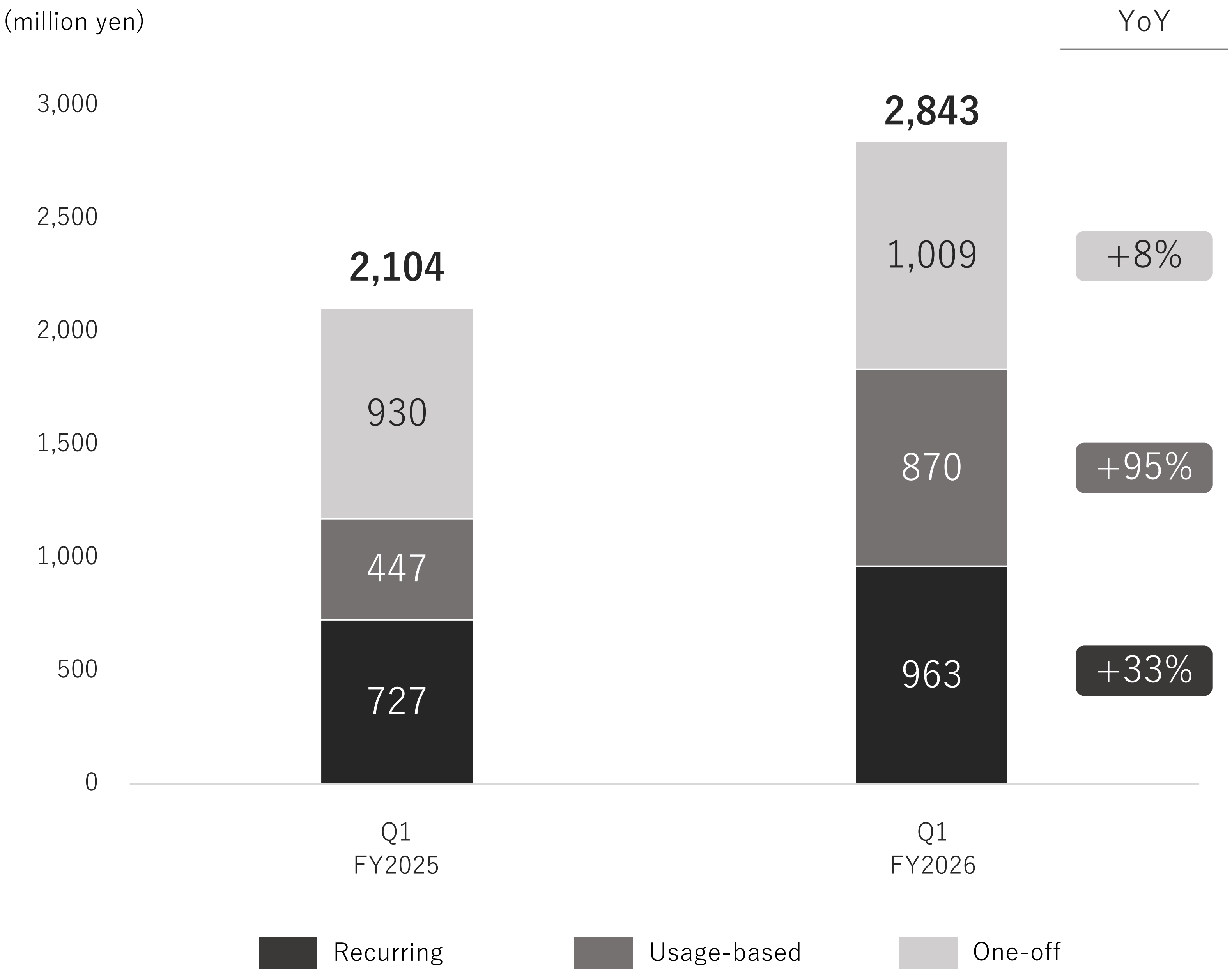
Revenue by Type

Usage-based revenue continued its strong growth trajectory at +95% YoY, driven by an expansion in Financial Infrastructure partners and AUM.

Recurring revenue also steadily built up at +33% YoY.



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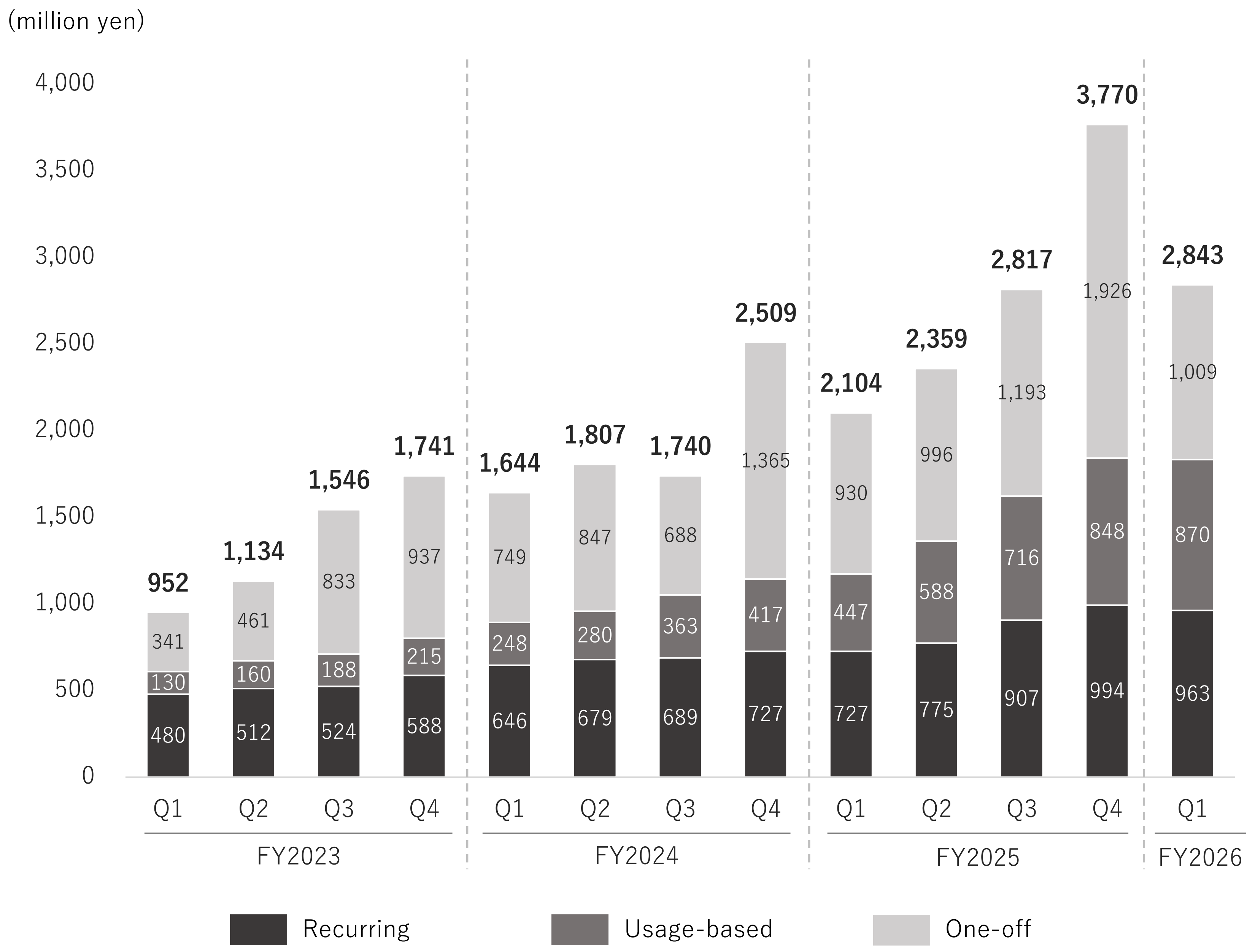
Revenue by Type

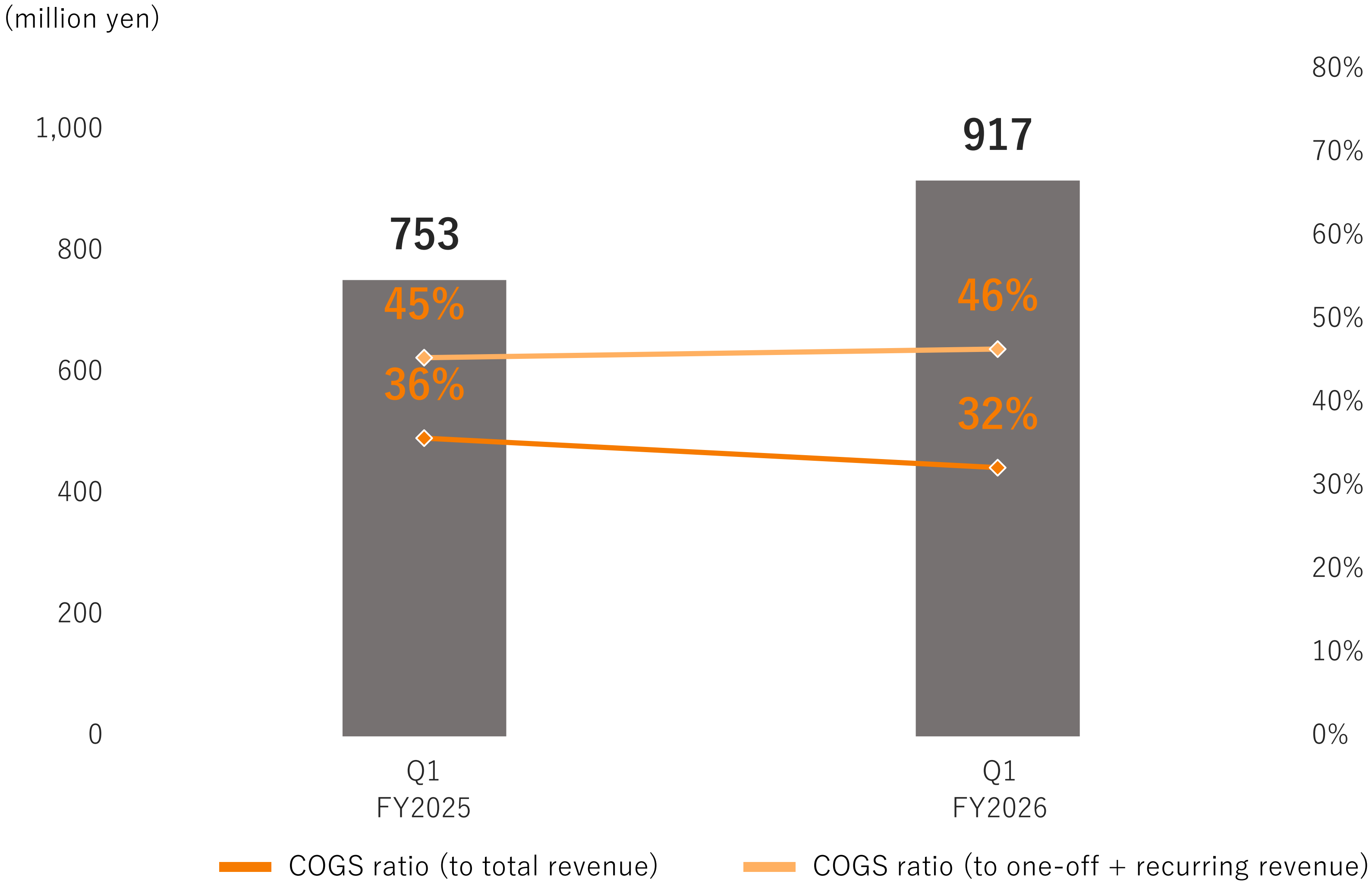


COGS

The COGS ratio for one-off and recurring revenue remained broadly unchanged from the same period last year.

Meanwhile, reflecting the increase in usage-based revenue, COGS as a percentage of total revenue declined from 36% to 32%.

	Q1 FY2025	Q1 FY2026
Total Revenue	2,104 million yen	2,843 million yen
One-off + Recurring	1,657 million yen	1,973 million yen
One-off + Recurring Ratio	79%	69% ↓

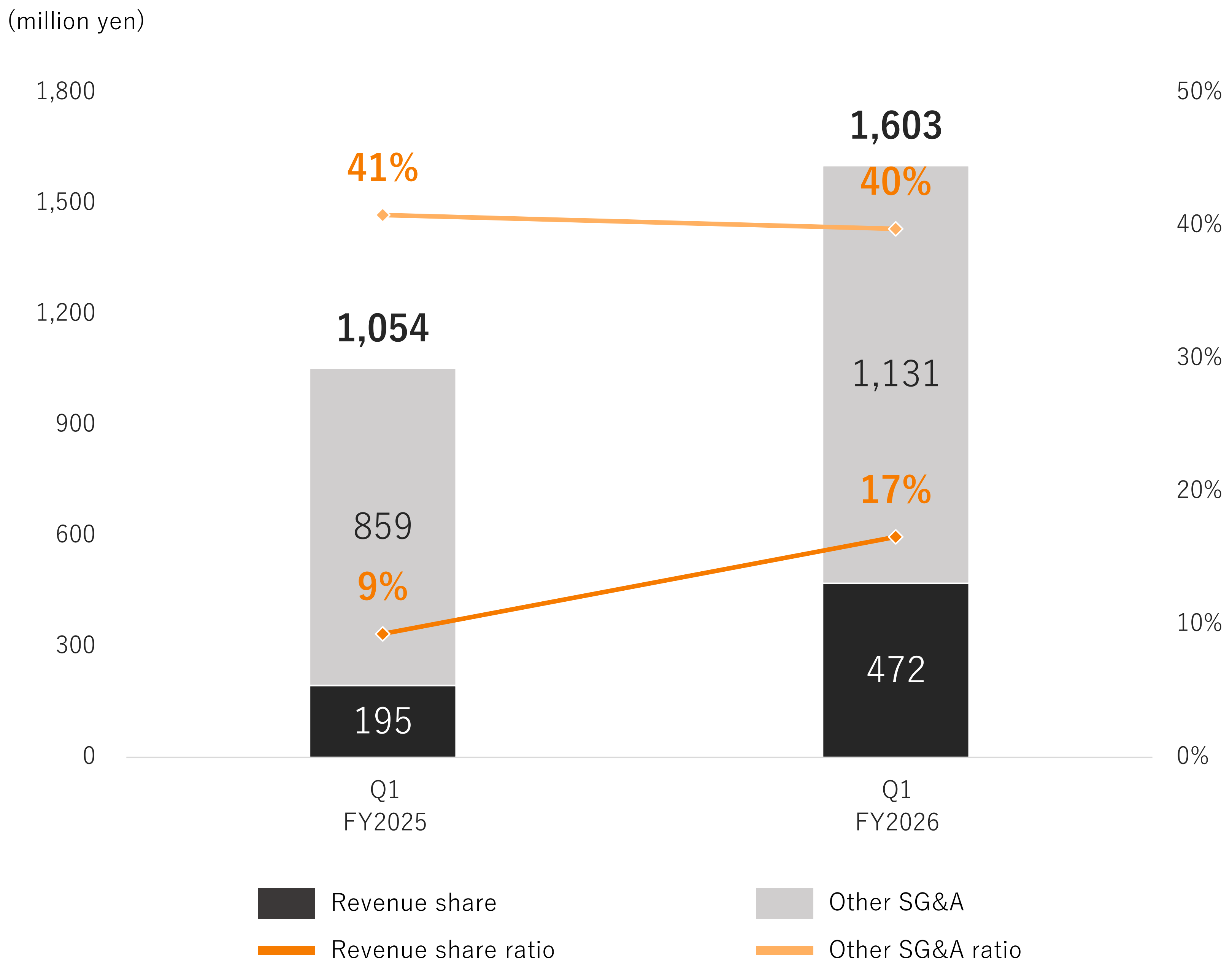


Group

Adjusted SG&A

The revenue share ratio rose as the proportion of usage-based revenue in total revenue increased.

Meanwhile, other SG&A expenses expanded by +31% YoY, primarily driven by higher communication expenses associated with AI adoption, in addition to the impact of yen depreciation.



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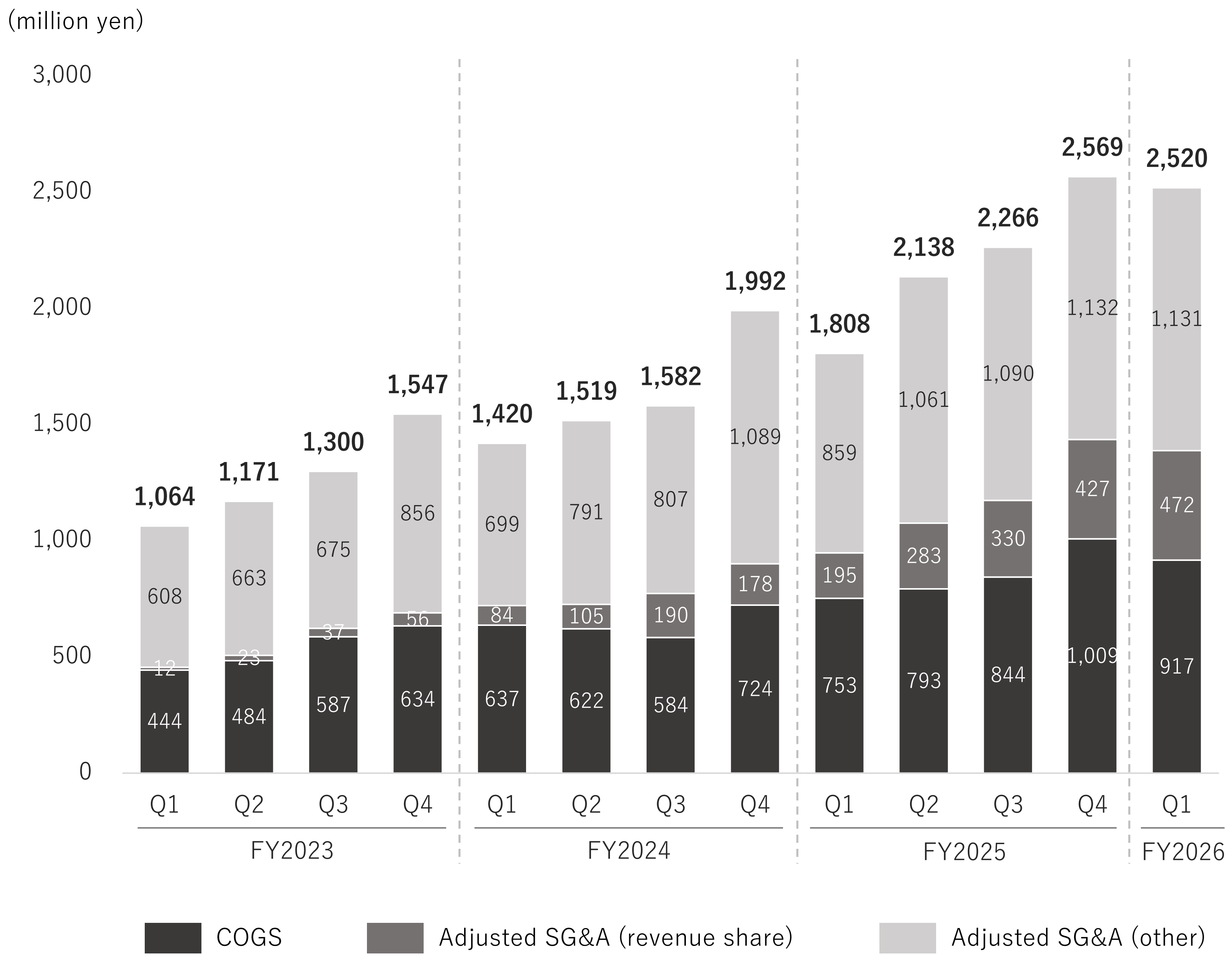
Group

Cost Breakdown



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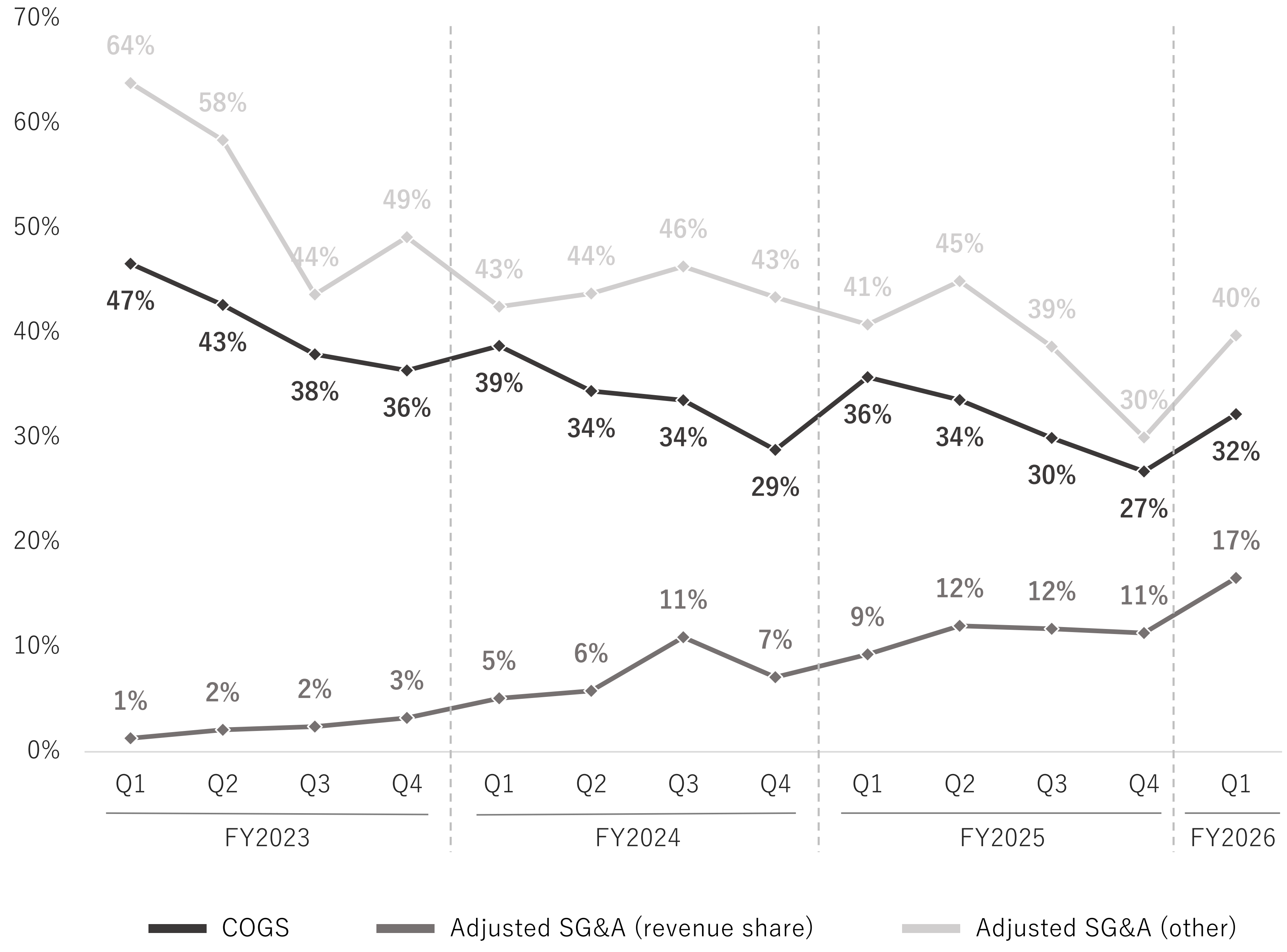
Cost Breakdown (% of Revenue)

Revenue share costs increased as a percentage of total revenue, reflecting the higher contribution of usage-based revenue.

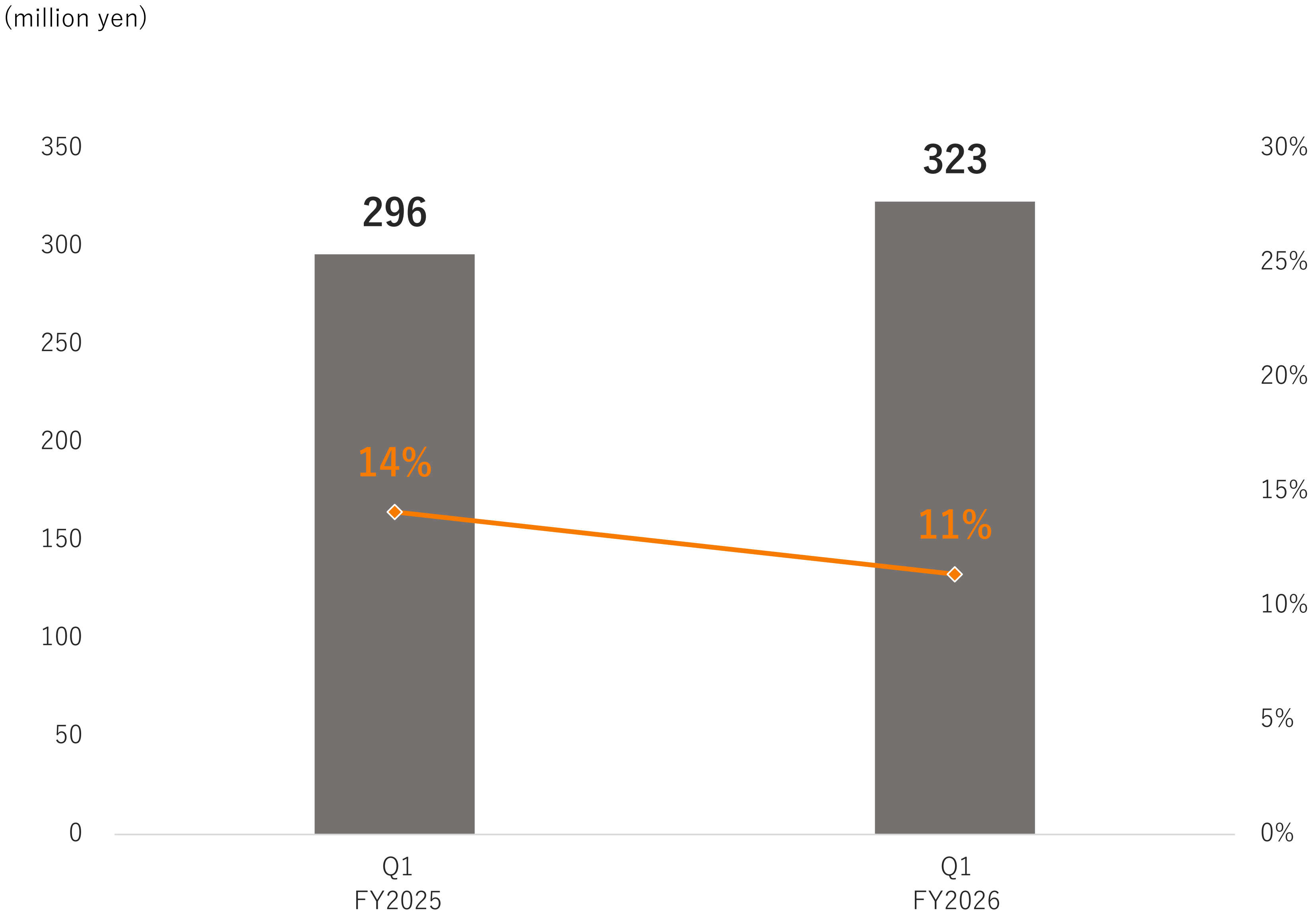
While COGS and adjusted SG&A (other) are affected by seasonality in revenue, their underlying downward trend on a Q1 basis remains unchanged.



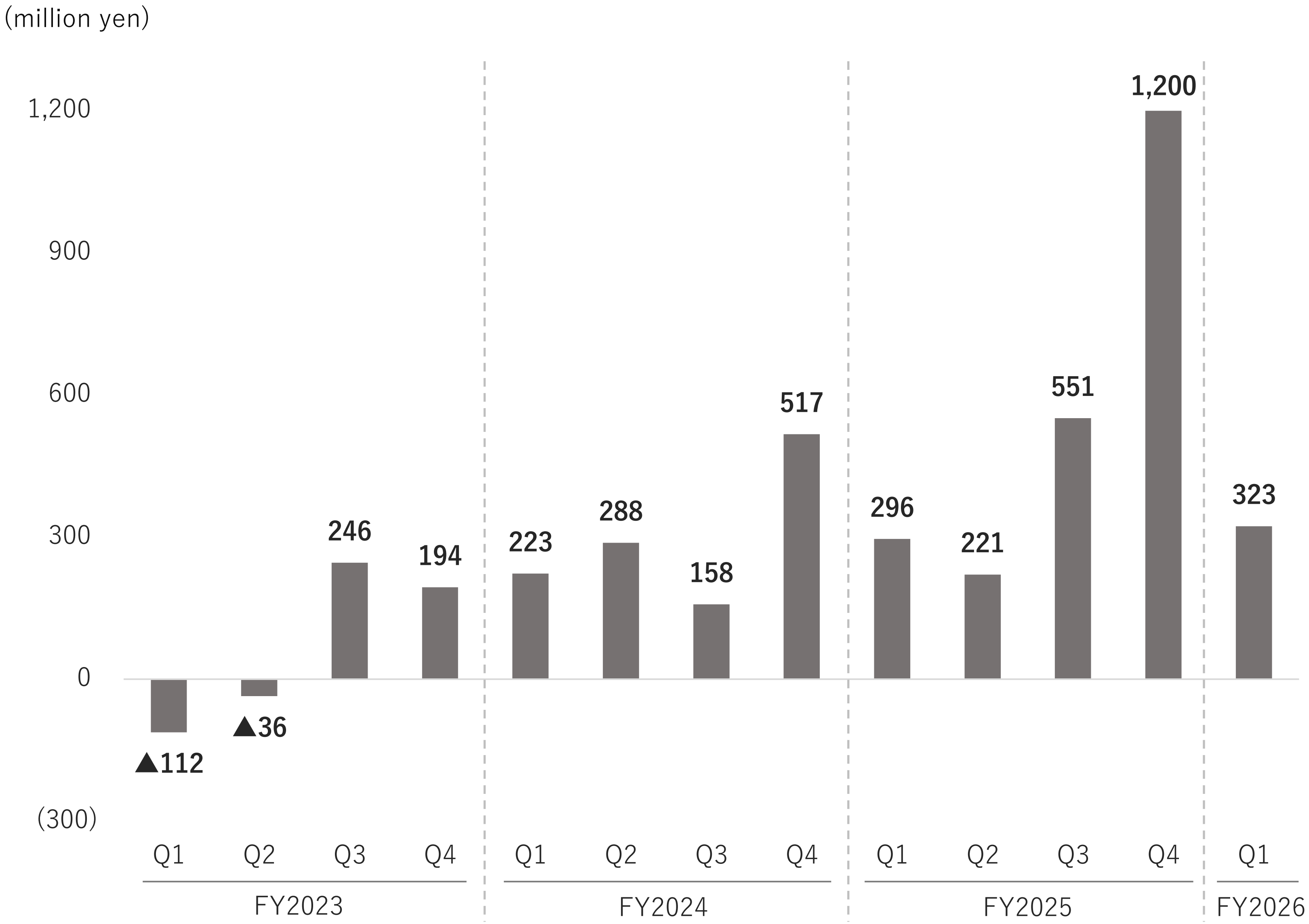
EBITDA

EBITDA reached **JPY 323 million (+9% YoY)**.

While the EBITDA margin declined slightly against the tough comparison with large-scale development projects delivered in the same period last year, disciplined cost control kept it at 11%.

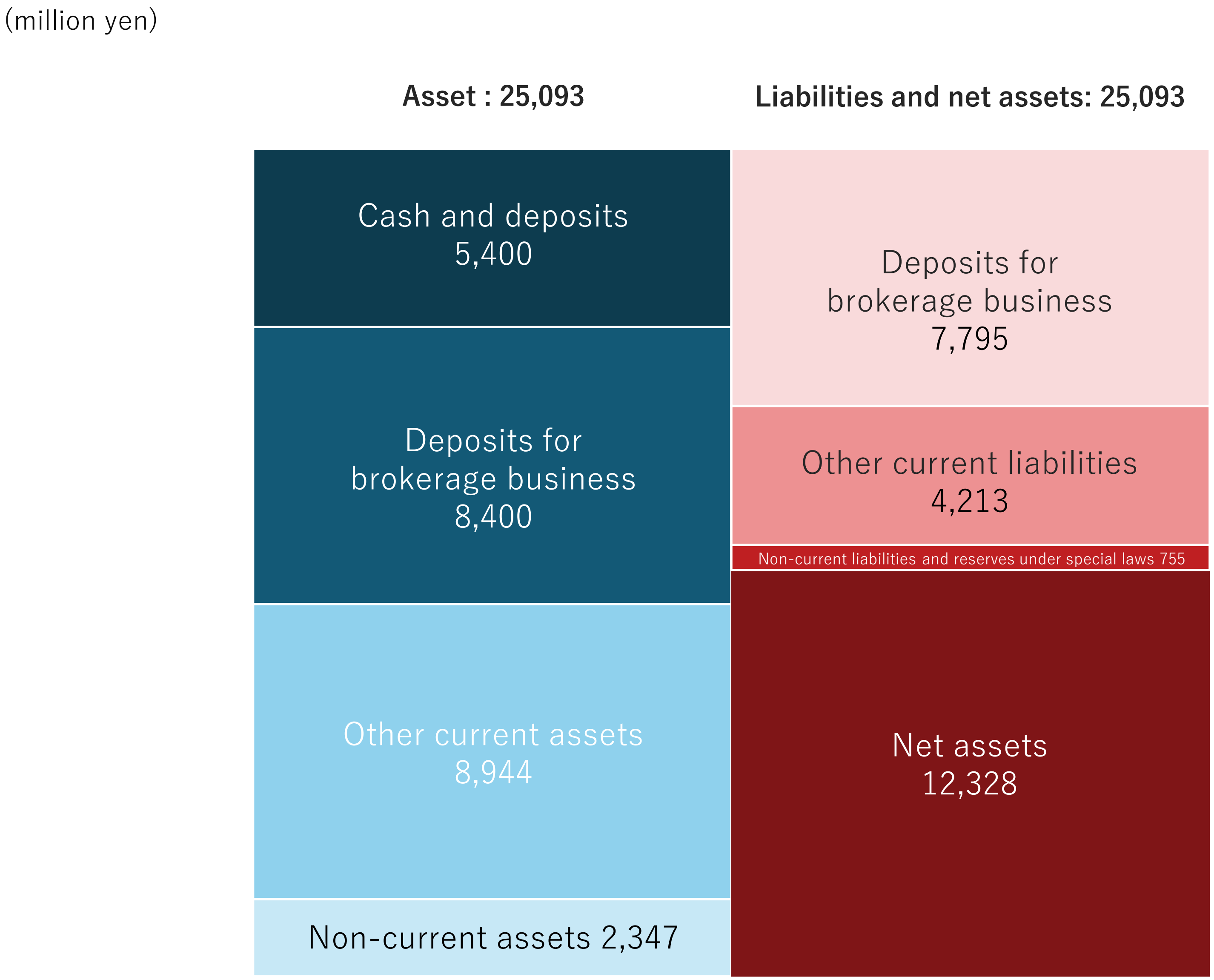


EBITDA


(million yen)
1,200
900
600
300
0
(300)
▲112
▲36
246
194
223
288
158
517
296
221
551
1,200
323
Q1
Q2
Q3
Q4
FY2023
Q1
Q2
Q3
Q4
FY2024
Q1
Q2
Q3
Q4
FY2025
Q1
FY2026

Balance Sheet

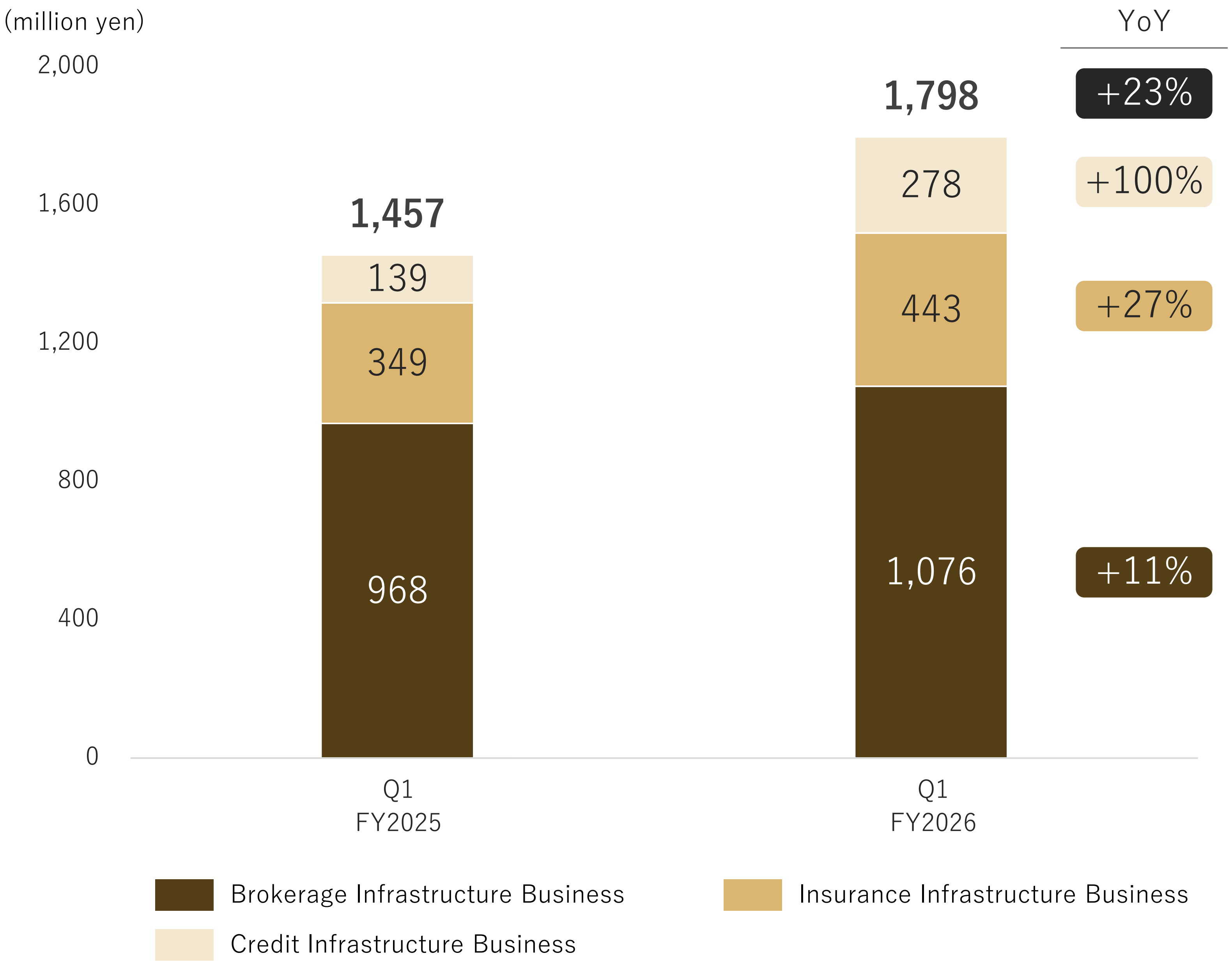
Strong financial base with about JPY 5.4 billion in cash and deposits as of the end of June 2026.



QUARTERLY RESULTS BY SEGMENT FY2026 Q1

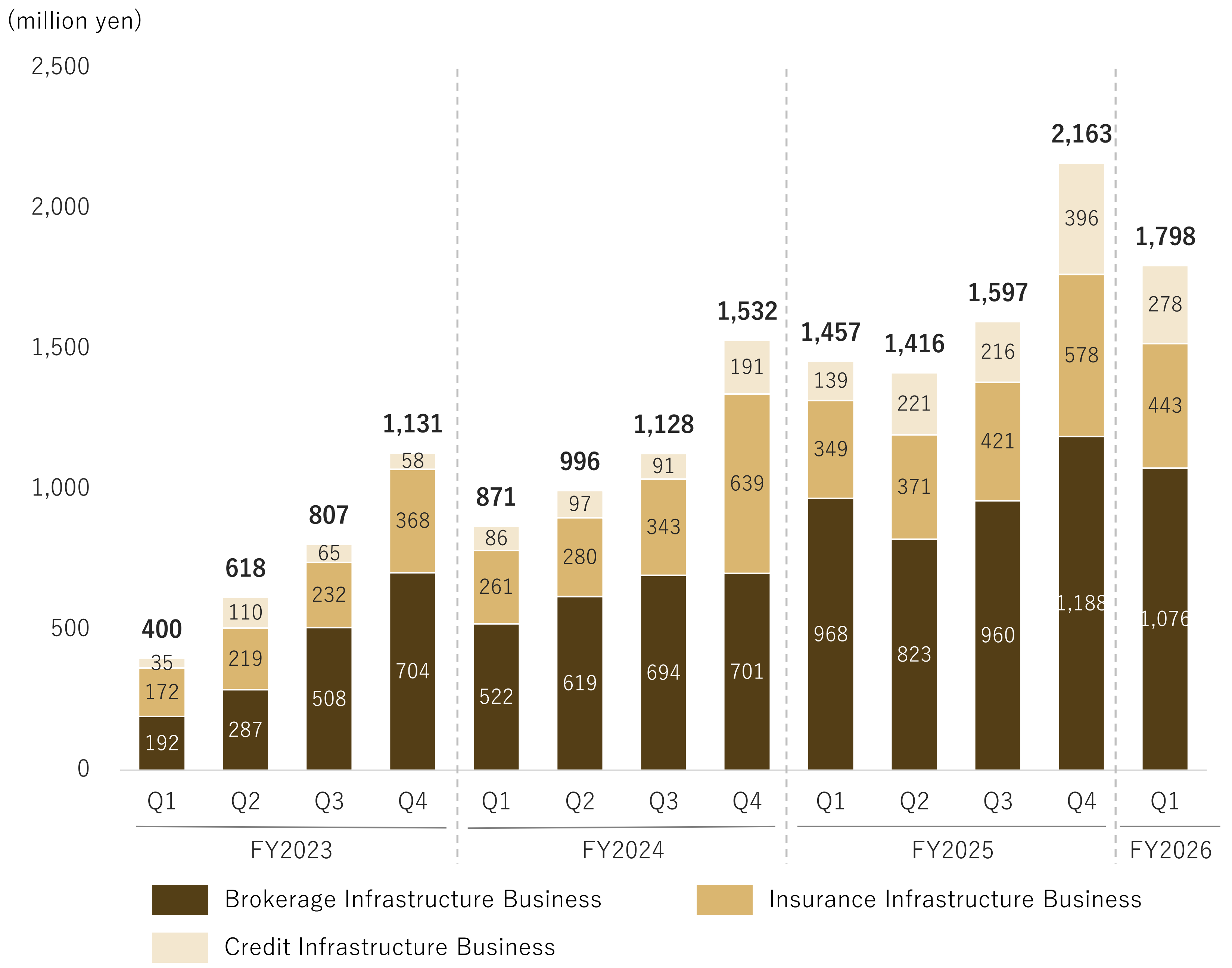
Revenue by Business

Despite the absence of the large-scale development projects booked in the same period last year, **revenue reached JPY 1,798 million (+23% YoY),** driven by growth in usage-based revenue and Credit Infra.



Financial Infrastructure

Revenue by Business



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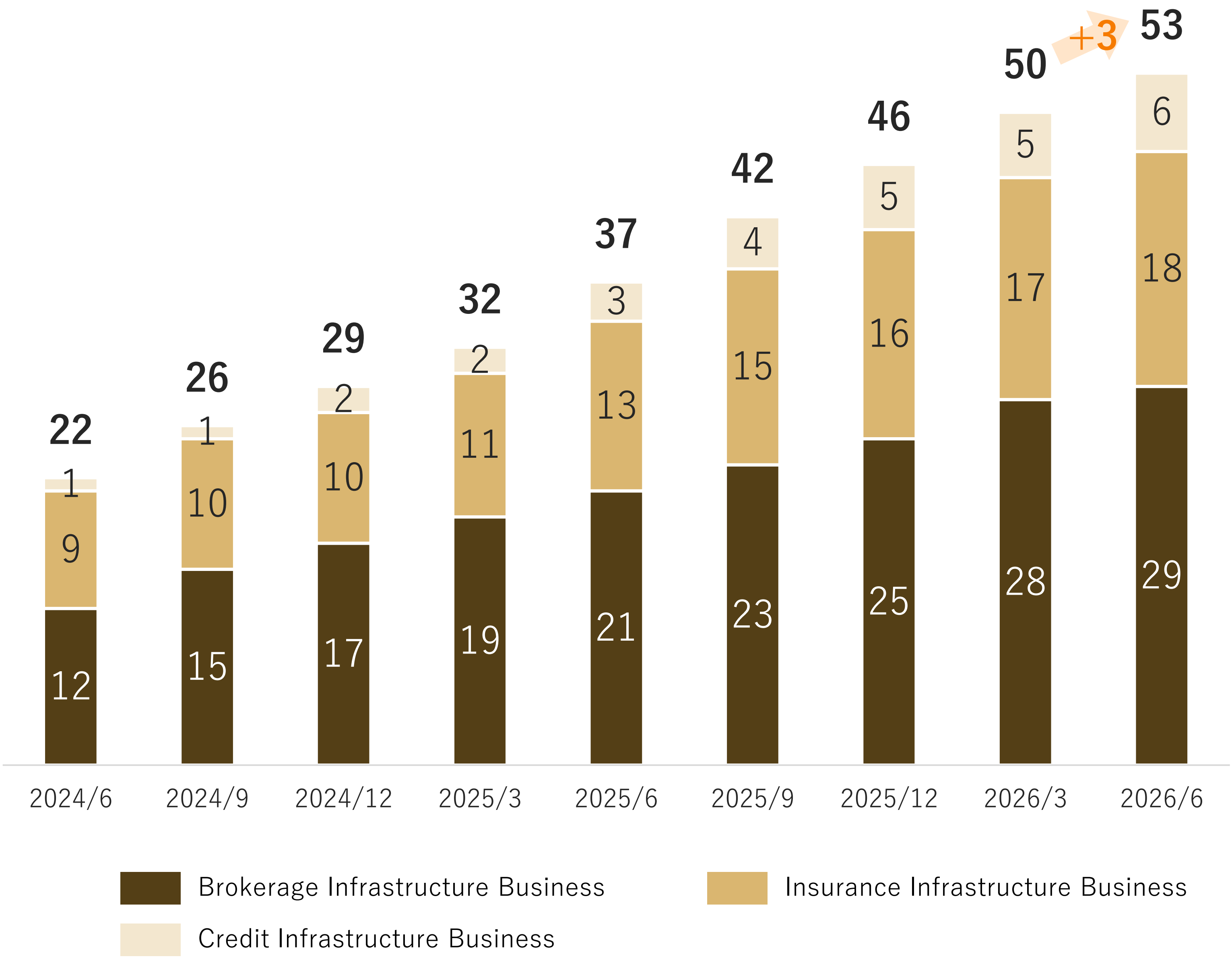
Number of Partners

During this quarter, the number of partners expanded from 50 to 53, with a net addition of 1 each in Brokerage, Insurance, and Credit.



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Focus of Brokerage Infra

For BaaS, we are focusing on acquiring system migration projects, while starting to provide specific modules this fiscal year.

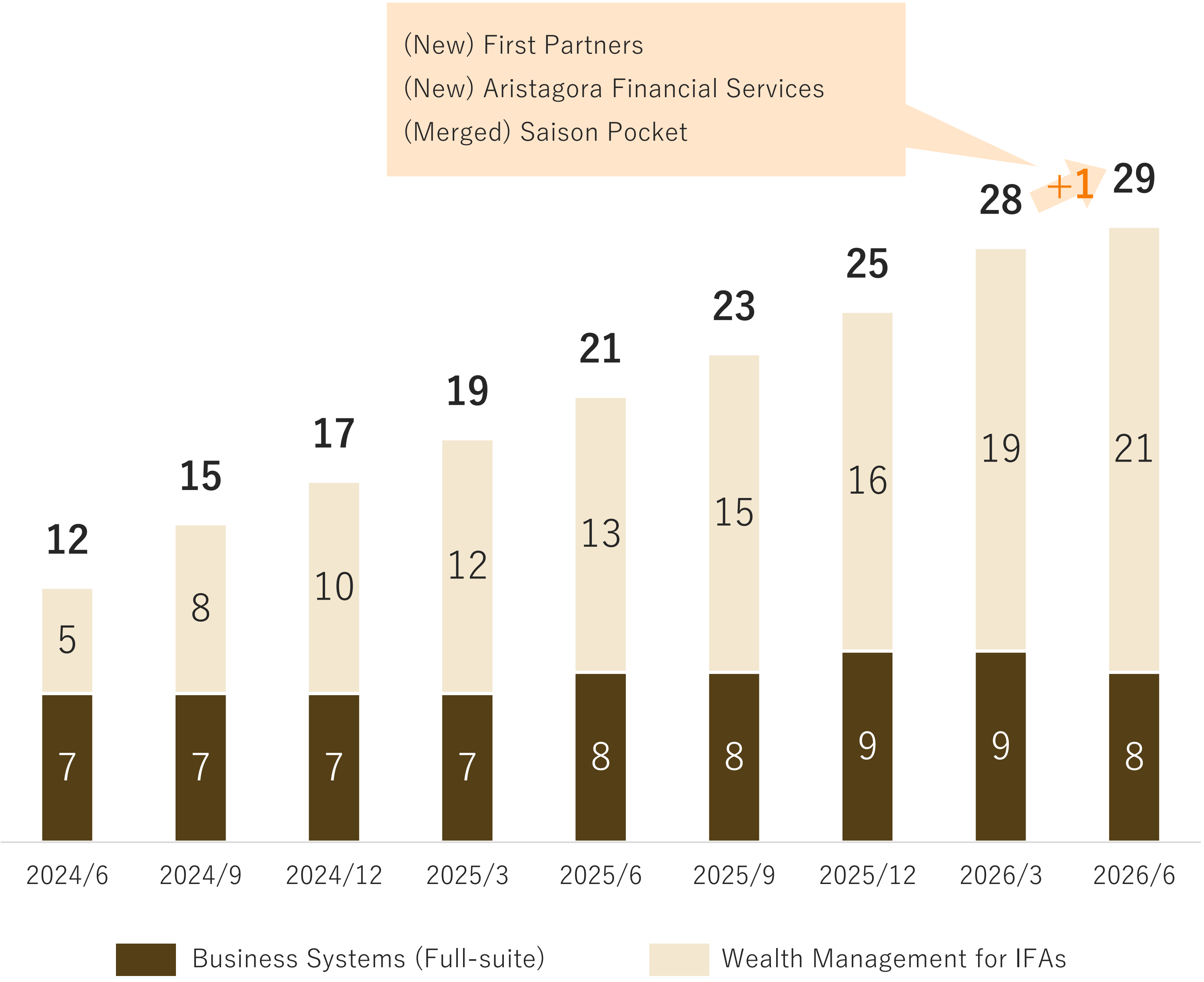
In Wealth Management for IFAs, we aim to enhance partner productivity through AI-powered workflow automation.

	Overview	FY2026 Focus
Business Systems (Full-suite) BaaS POWERED BY FINATEXT GROUP	• End-to-end operational systems required for securities trading (Equities, ITs, Bonds, STs, etc.). • Used by large-customer-base players entering the market or asset managers launching direct-sales businesses.	• Aim to **acquire system migration projects** from existing financial institutions. • Targeting financial institutions with Investment Trust distribution needs or legacy system replacement requirements.
Business Systems (Modular) BaaS POWERED BY FINATEXT GROUP	• Providing specific features from our Brokerage Infra BaaS • Available modules: - My Number management - Account opening screening - Account information updates	• Aim to **launch modular system provision** starting this fiscal year • Exploring entry into AI BPO services using these modules
Wealth Management for IFAs DWM POWERED BY FINATEXT GROUP	• Hybrid wealth management services combining face-to-face and online support. • Focusing on discretionary investment, ITs, and bonds.	• Aim to **build a dedicated MCP to improve quality and productivity in customer support and compliance**

Pipeline for Brokerage Infra

During this quarter, First Partners and Aristagora Financial Services adopted our wealth management platform "DWM".

Meanwhile, Credit Saison's "Saison Pocket" merged with Saison AM, resulting in termination of service.



Focus of Insurance Infra

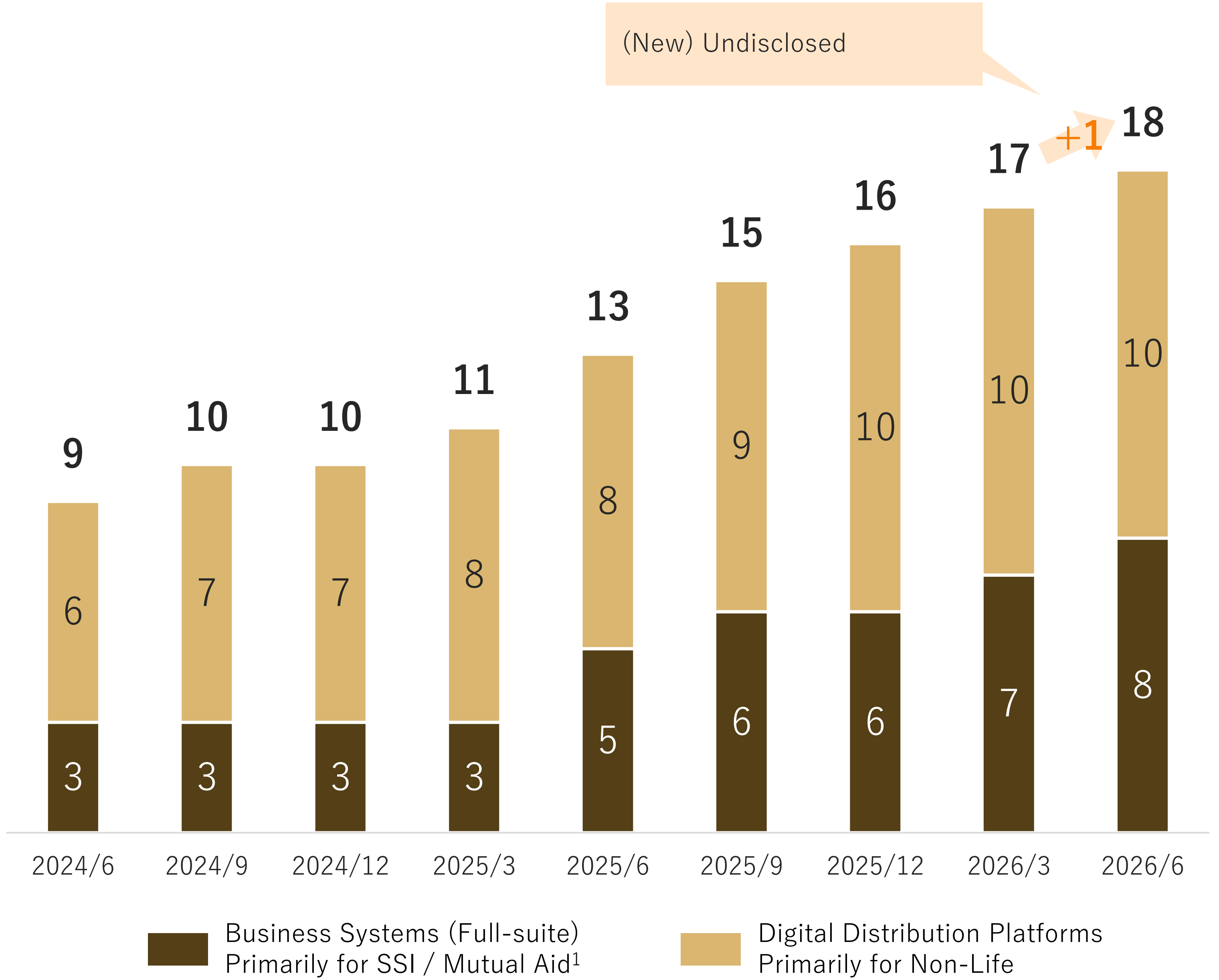
Through Inspire's full-suite offering, we are focused on establishing our position as an "AI-Ready SoR" while securing new contracts from small amount and short-term insurers and mutual aid providers.

Leveraging our deep insurance domain expertise, we will also strengthen AI-native operational support.

	Overview	FY2026 Focus
Business Systems (Full-suite) Inspire POWERED BY FINATEXT GROUP	**Primarily for Small Amount and Short-Term Insurers / Mutual Aid Providers** • End-to-end systems for SSI and mutual aid providers. • Enables rapid development and flexible updates via low-code customization.	**Focus on acquiring new projects** • Establish positioning as an "AI-Ready SoR" for SSIs and mutual aid providers.
Digital Distribution Platform Inspire POWERED BY FINATEXT GROUP	**Primarily for Non-Life Insurers** • Solutions enabling insurers to sell products digitally via external web services. • Acts as a bridge between external services and core systems for data integration.	**Expand and deepen adoption within existing clients** • Promote system provision for new products and business domains for Non-Life clients.
AI-Native Operational Support	• Providing AI-native tools combining insurance domain expertise with GenAI development capabilities. • Providing consulting services that walk alongside clients through to full operational adoption.	**Developing use cases across diverse insurance operations** • Promote AI in sales support, underwriting, claims, and customer service.

of Insurance Infra Partners

During this quarter, a small-amount short-term insurance company adopted our insurance infrastructure "Inspire".



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

FINATEXT HOLDINGS

Focus of Credit Infra

Having specialized in consumer lending, we are now expanding into corporate lending starting this fiscal year.

We are focusing on acquiring customers for the modular feature APIs developed last fiscal year.

	Overview	FY2026 Focus
Business Systems (Full-suite) Crest POWERED BY FINATEXT GROUP	• End-to-end provision from core lending systems to consumer apps and back-office systems. • Supported products: - Consumer revolving loans	• Expand supported products to **corporate lending**. • Driving data utilization in SME finance.
Business Systems (Modular) Crest POWERED BY FINATEXT GROUP	• Providing specific features from our Credit Infra “Crest”. • Available modules: - Income certificate management - Credit bureau inquiry - UI/Customer management	• Focus on **acquiring customers for the income certificate management and credit bureau inquiry APIs** launched last period. • Plan to further expand the lineup of available modules.
AI BPO	• BPO services leveraging AI agents to operate specialized lending-related workflows with high efficiency.	• Building "Crest MCP" and **conducting proof-of-concept initiatives to drive operational efficiency through MCP**.

Credit Bureau Module

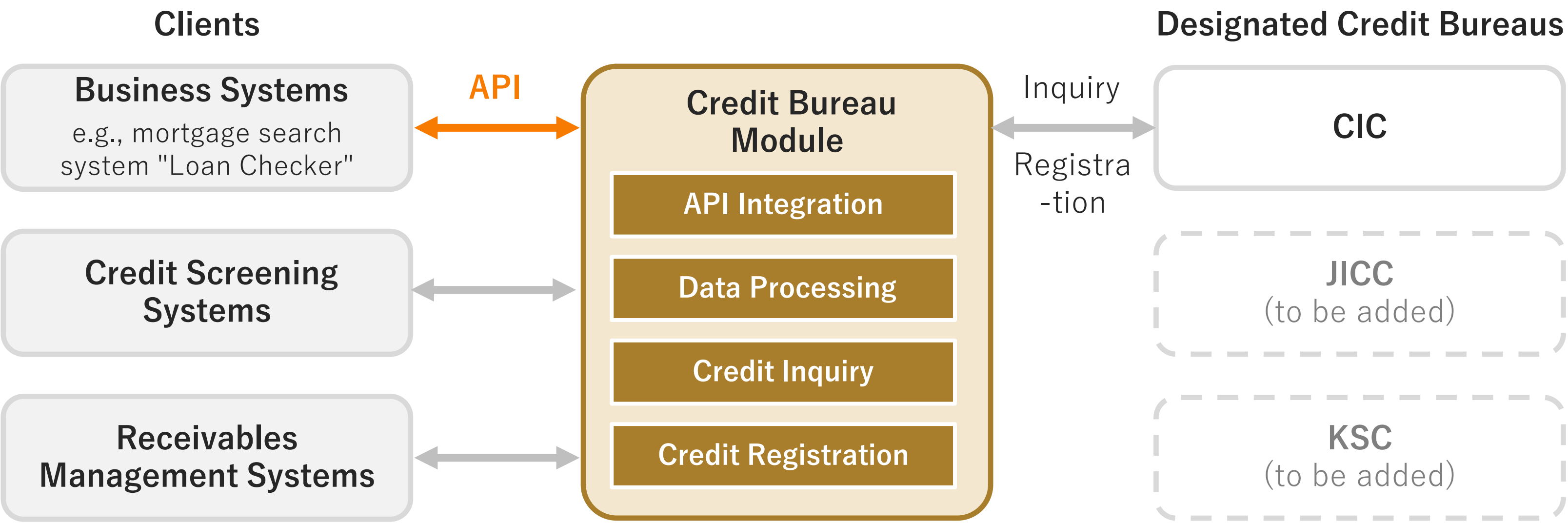
Launched the "Credit Bureau Module" on our Credit Infra Crest, allowing standalone adoption of inquiry functionality for designated credit bureaus.

In June 2026, real estate agent firm TERASS adopted the module.

Targeting customer acquisition primarily among real estate agents and corporate card issuers.

Launch of the Credit Bureau Module

- Embedding credit inquiry functions into business systems via API for efficient loan screening.
- End-to-end coverage—from connection to designated credit bureaus through data processing, credit inquiry, and registration.
- TERASS has embedded the module into "Loan Checker," its mortgage search and recommendation system, enabling smooth credit checks before a mortgage application is submitted.

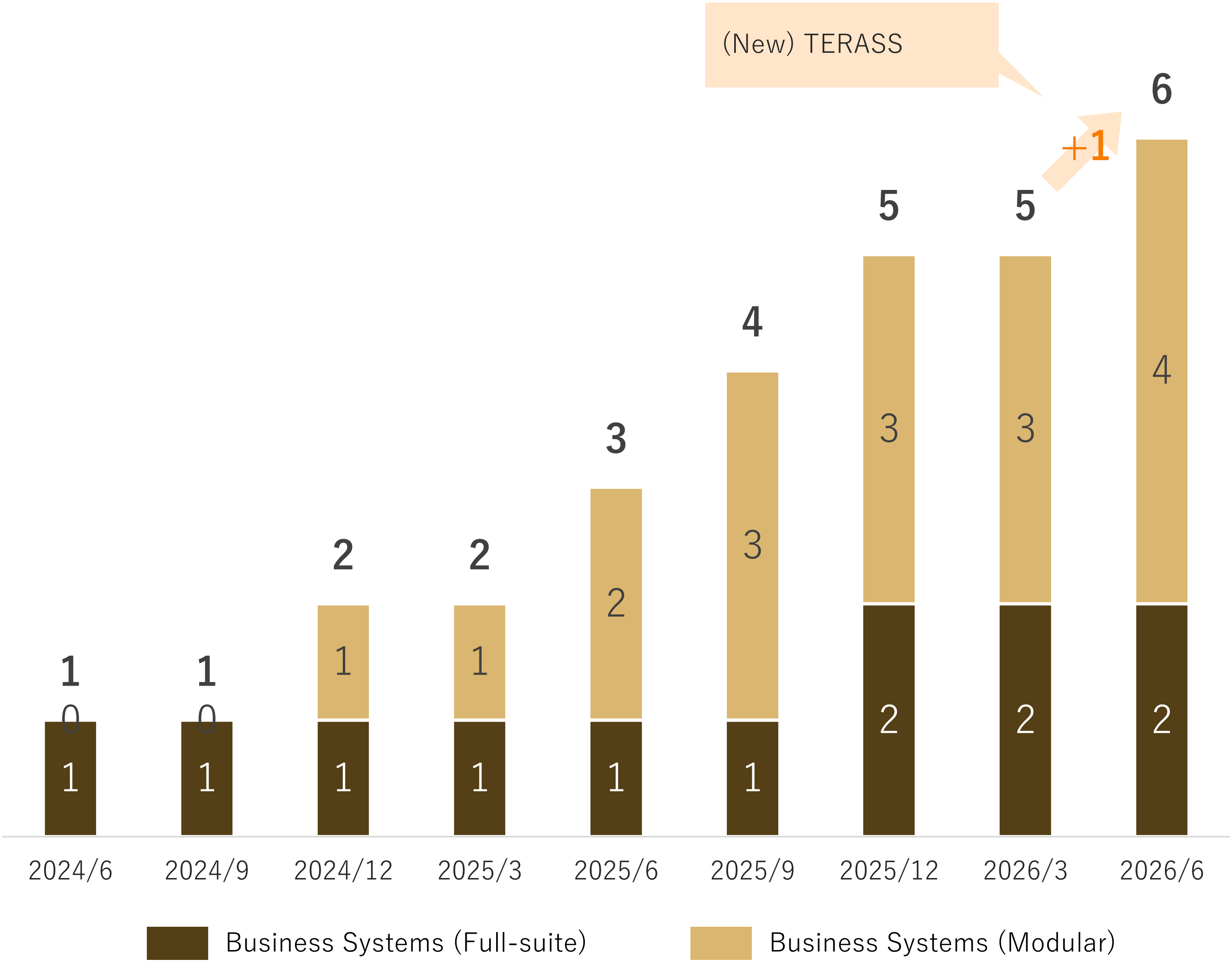


Target Users

Real Estate Agents	Corp Card Issuers	New Entrants	Existing Players
Credit checks ahead of the sales process	Credit checks when expanding into installment and revolving payments	Initial implementation, particularly when launching corporate finance services	System migration by incumbent finance providers

of Credit Infra Partners

During the quarter, TERASS implemented the credit bureau module of the credit infrastructure "Crest," as part of the modular offering strategy we are prioritizing this fiscal year.



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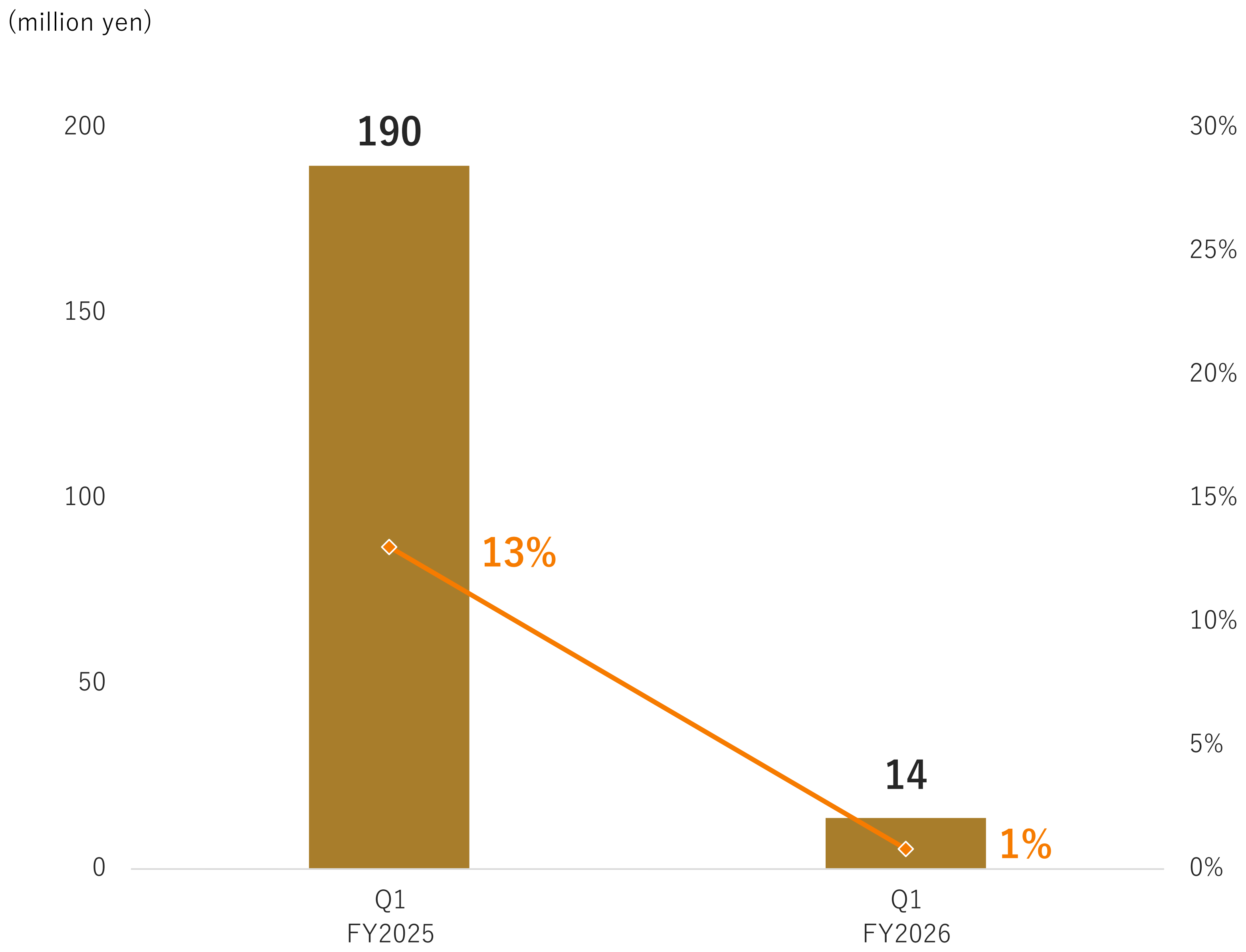
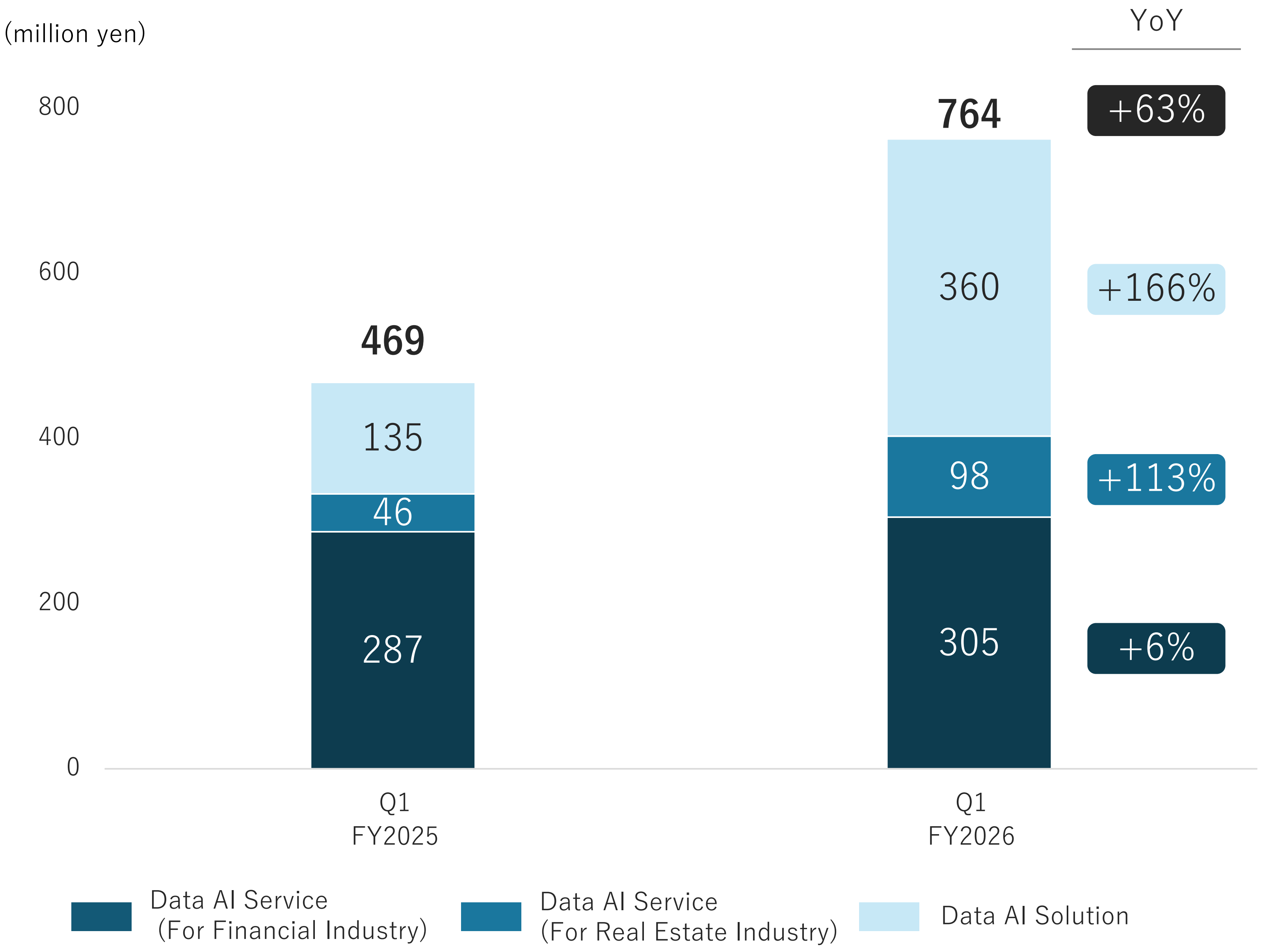
Operating Margin

Segment operating income came in at **JPY 14 million, down JPY 175 million YoY,** primarily reflecting the absence of the large-scale development projects delivered in the same period last year.



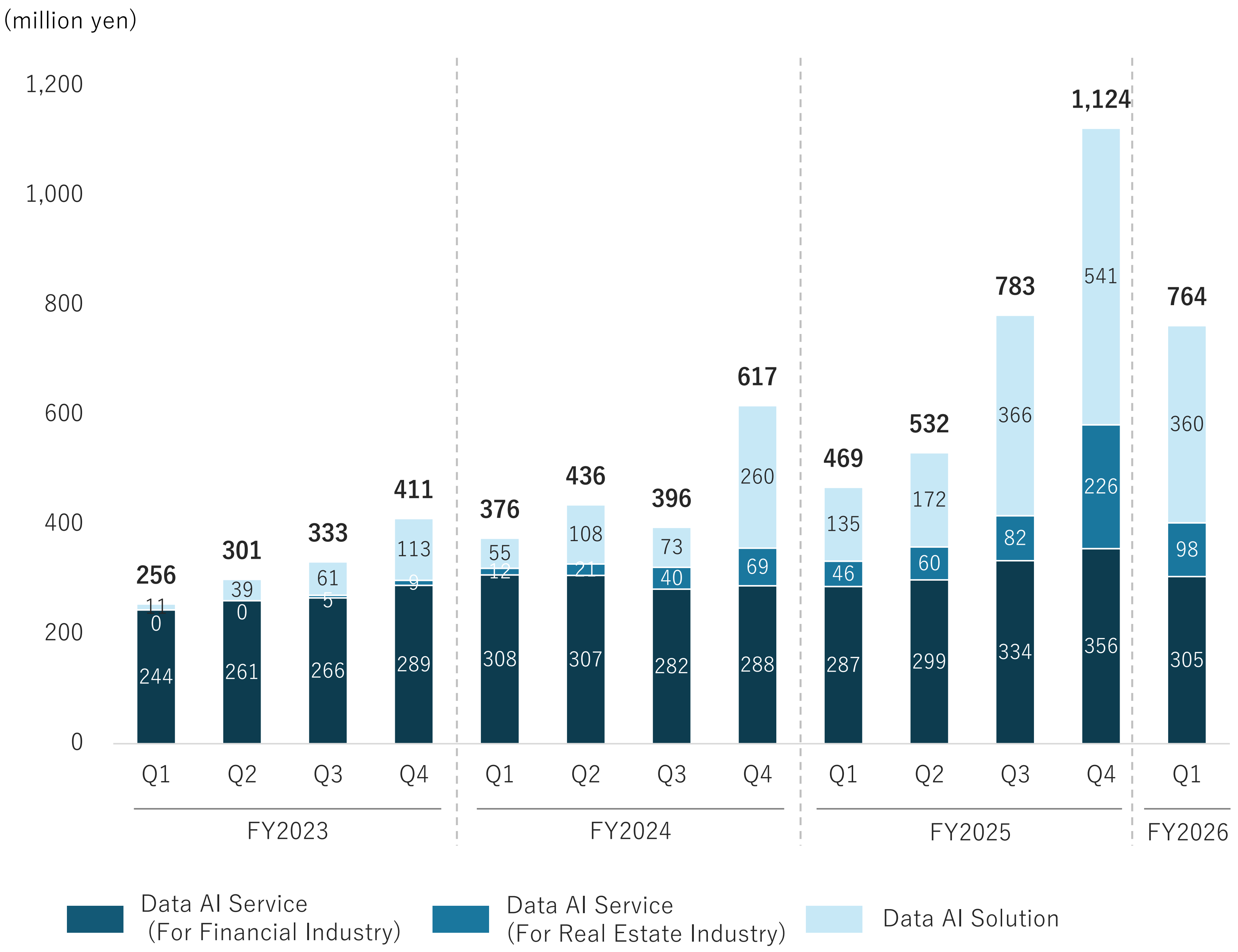
Revenue by Business

Revenue reached JPY 764 million (+63% YoY), driven by larger project sizes in Data AI Solution and higher recurring revenue from Data AI Service for real estate.



- Effective this fiscal year, the segment name has been changed from “Big Data Analytics” to “Data AI.”
- Renamed "Data Service" to "Data AI Service."

Revenue by Business

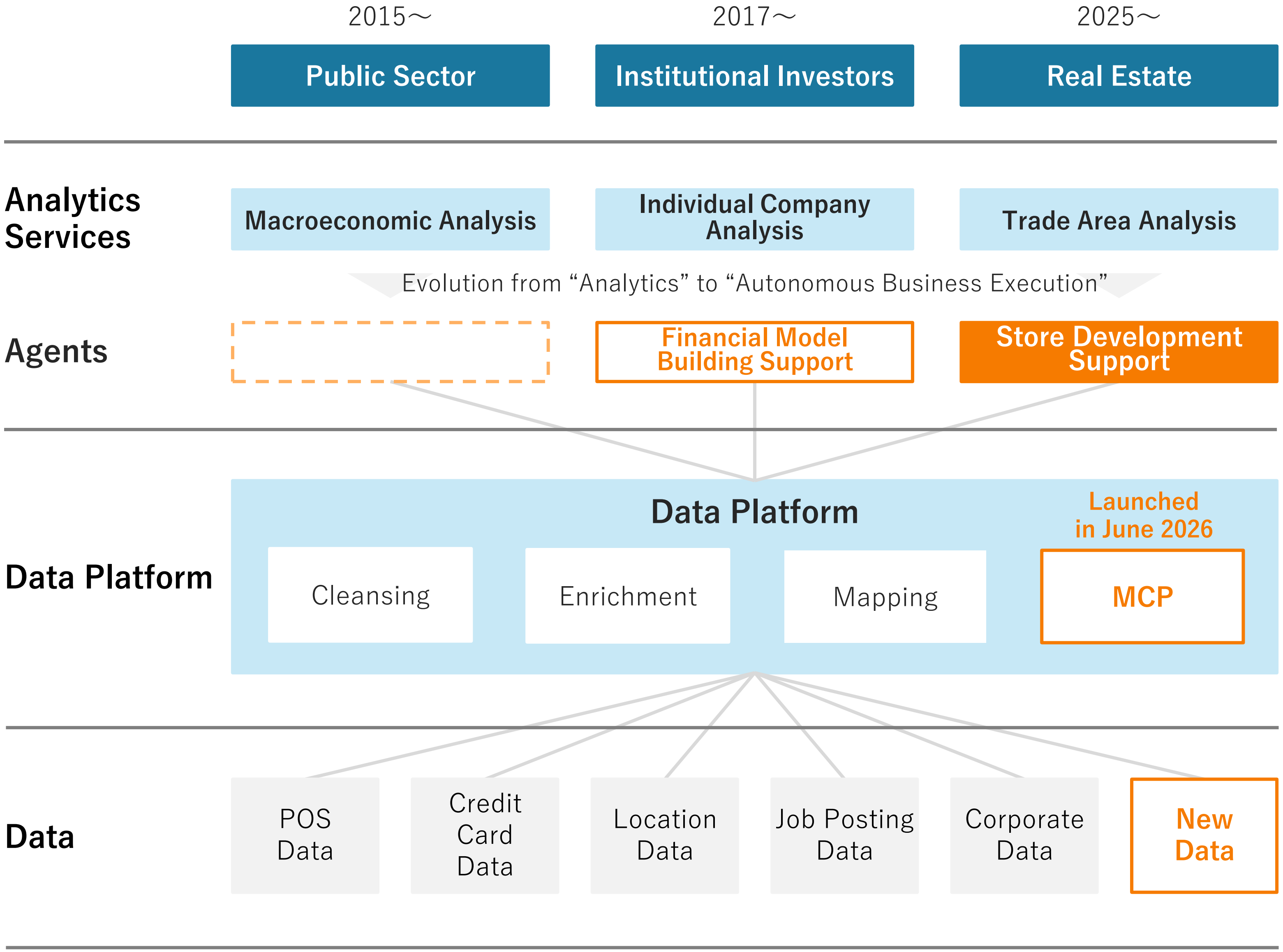


Focus of Data AI Service

Aiming to evolve from "Analytics" to "Business Automation" across all domains.

Accelerating customer acquisition for "DataLens Store Development," the most advanced of our DataLens tools.

Launched an AI BPO service for institutional investors, and MCP for our data integration service "DataLinc."



Data AI

Expanding Data Coverage

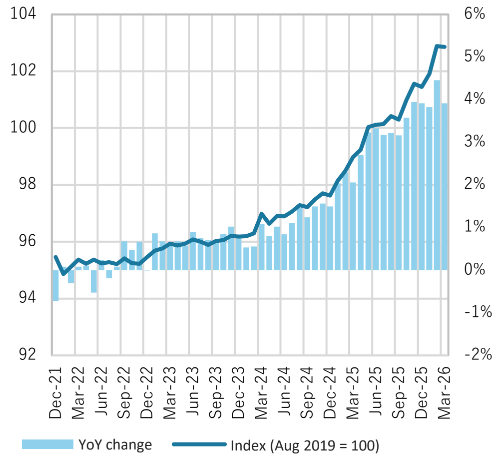
Began co-developing a new rent index with ITANDI, a real estate tech startup, leveraging its contract rent data from rental transactions.

Provides timely rent trends that conventional public statistics cannot capture.

A New Rent Trend Index Based on Contract Rent Data

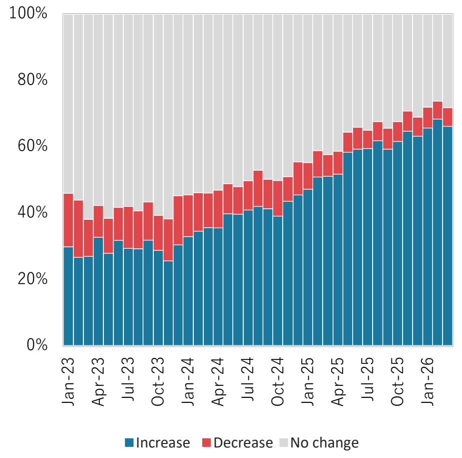
- Japan's rental housing market lacks a comprehensive public database, and existing official statistics have certain limitations in reflecting actual market conditions on a timely basis.
- By combining ITANDI's contract rent data from c.4,800 rental management and brokerage firms nationwide with our analytics technology, we aim to create a leading indicator that complements the CPI.

YoY Rent Growth Rate

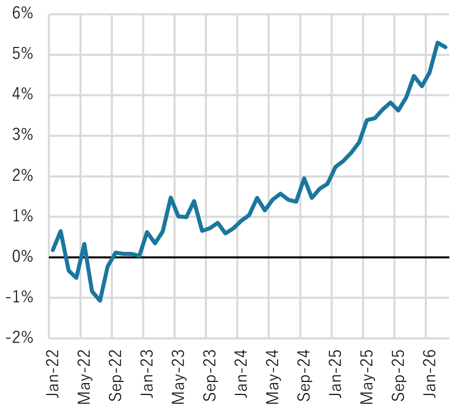


Trend in New Rental Contracts

Increases, decreases, and no-change



Rate of Rent Change at New Contract Signing



Features of the Index

- Captures rent trends on a timely basis using primary rental market data held by ITANDI.
- Enables granular analysis, including rent comparisons between new and existing tenants and rent trends by train station.
- Built on the internationally standard repeat-rent methodology (tracking rents for the same property over time), positioning it for use as a benchmark in global market analysis.

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Focus of Data AI Solution

Starting from data platform construction as our foothold, we will accelerate expansion into upper layers.

True AI-native transformation requires organizational change, not just technical enablement—so we are launching a dedicated AI consulting team to support clients end to end.

Expansion into Upper Layer

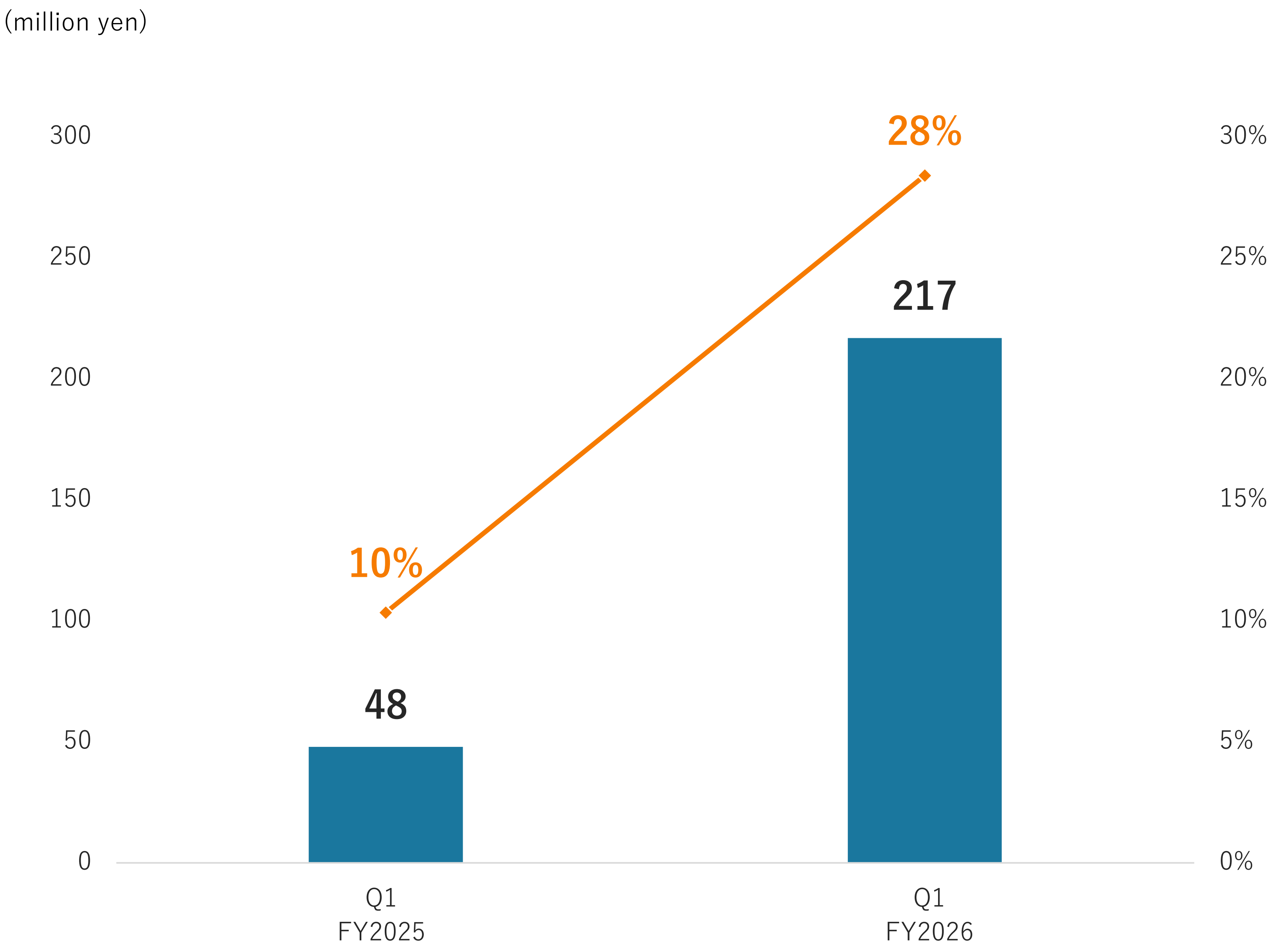
Current Core Business

	Overview	FY2026 Focus
Customized AI Agents	• Development of AI agents and applications tailored to specific business workflows. • Provide end-to-end consulting to ensure seamless adoption and operational stability.	• Building competitive advantage through finance-specific use cases, including compliance automation.
AI-Driven Development Environments	• Support infrastructure and toolchain setup to enable AI-powered workflows. • Providing consulting services to drive the adoption of AI-driven development practices.	• **Establish a new consulting team** focusing on end-to-end implementation support.
Agent Governance Platform	• Providing a one-stop governance framework to help large enterprises scale AI adoption safely.	• Focusing on the development and beta release of **our proprietary product, "MCPass."**
Data Platform	• Support for data warehouse construction and operation • Serves as the foundation of our Data AI Solutions business.	• As the entry point to our broader service portfolio, we continue to prioritize **new customer acquisition**.

Operating Margin

Revenue grew significantly in the quarter, driven mainly by strong demand in the Data AI Solution business, which also lifted the profit margin.

Achieved a record-high profit margin for a first quarter.



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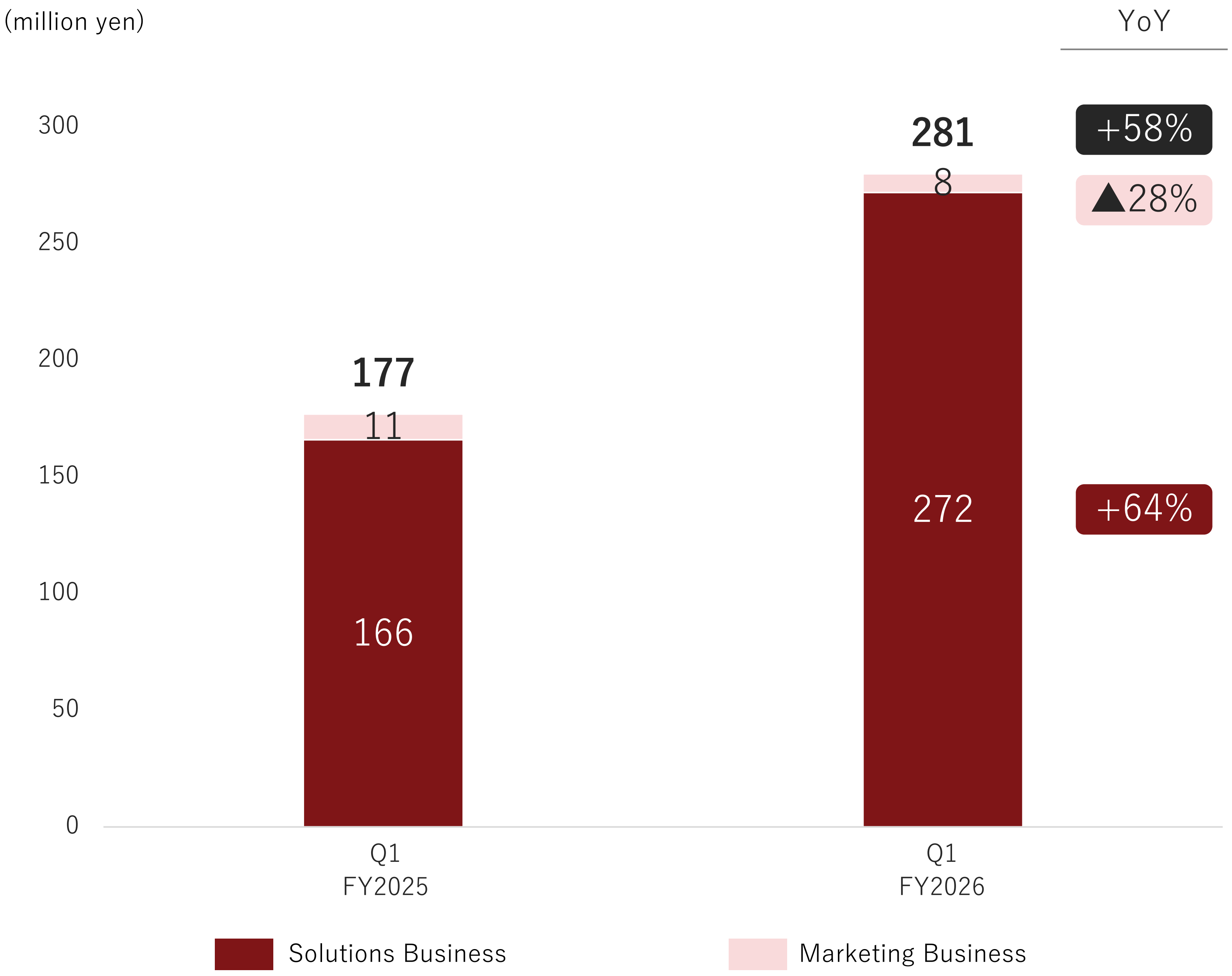
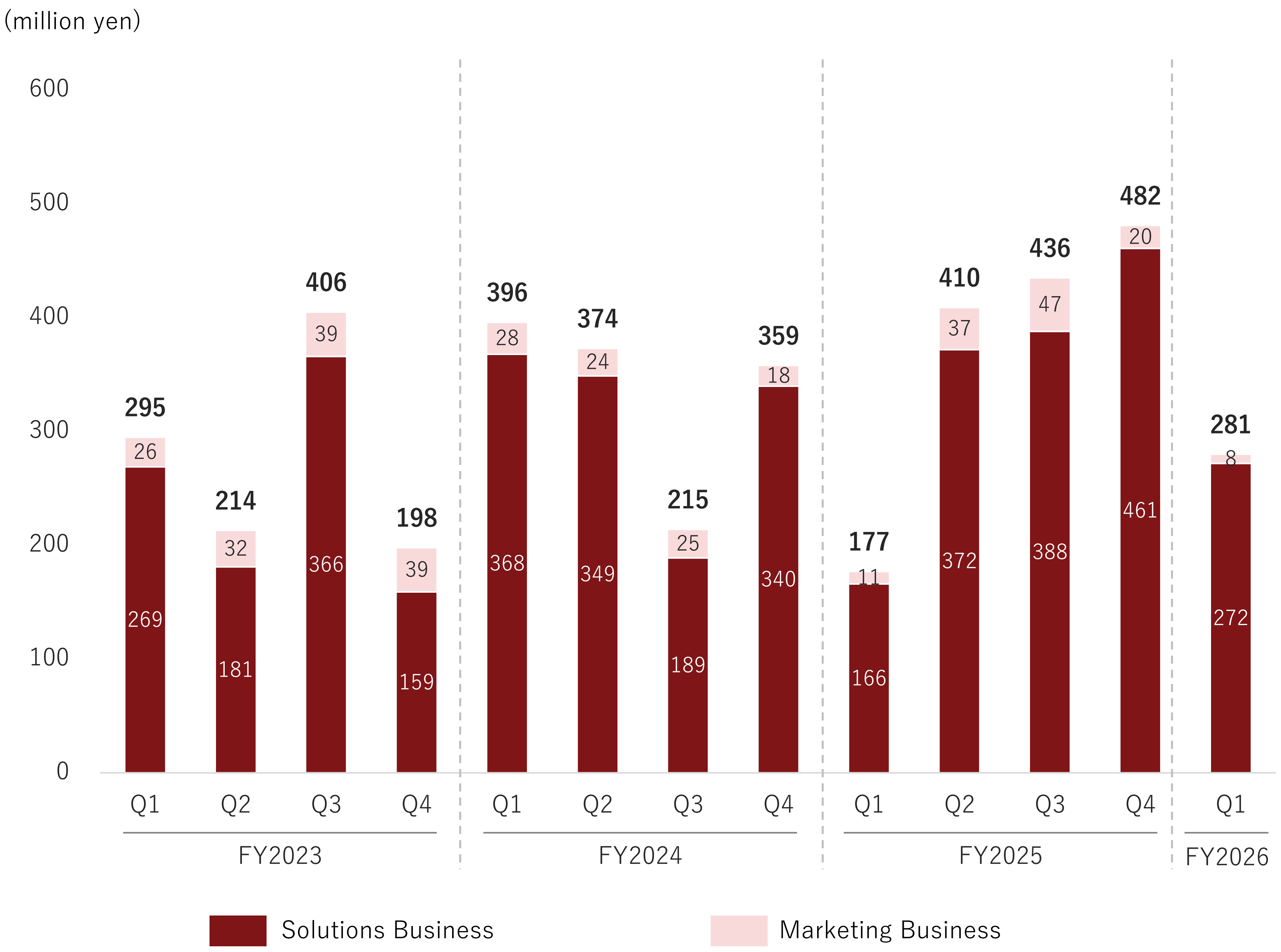
Revenue by Business

Revenue reached JPY 281 million (+58% YoY), driven by the delivery of development projects during Q1.



Revenue by Business

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



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Focus of Fintech Shift

Aiming to offer a suite of AI agent services that support the sales activities of financial institutions.

Focusing on building end-to-end support—from lead generation to continued client engagement—by enabling customers to combine these services.

Finstage
POWERED BY FINATEXT GROUP

Lead Generation	Preparation	Meetings & Proposals	Review
Lead Generation Content & Services	Role-Playing Tool	Portfolio Proposal Tool	Meeting Review Tool

Leads Assist
- Conversational AI that interviews naturally
- Captures customer needs
- Also auto-generates lead content and books appointments

Money Concierge (for End Users)
- AI-assisted simplified life plan simulation
- Leverages information gathered in advance via Leads Assist

AI Role-Play
- AI-powered role-playing tool
- Enables role-play informed by prior simulation results and past meeting records

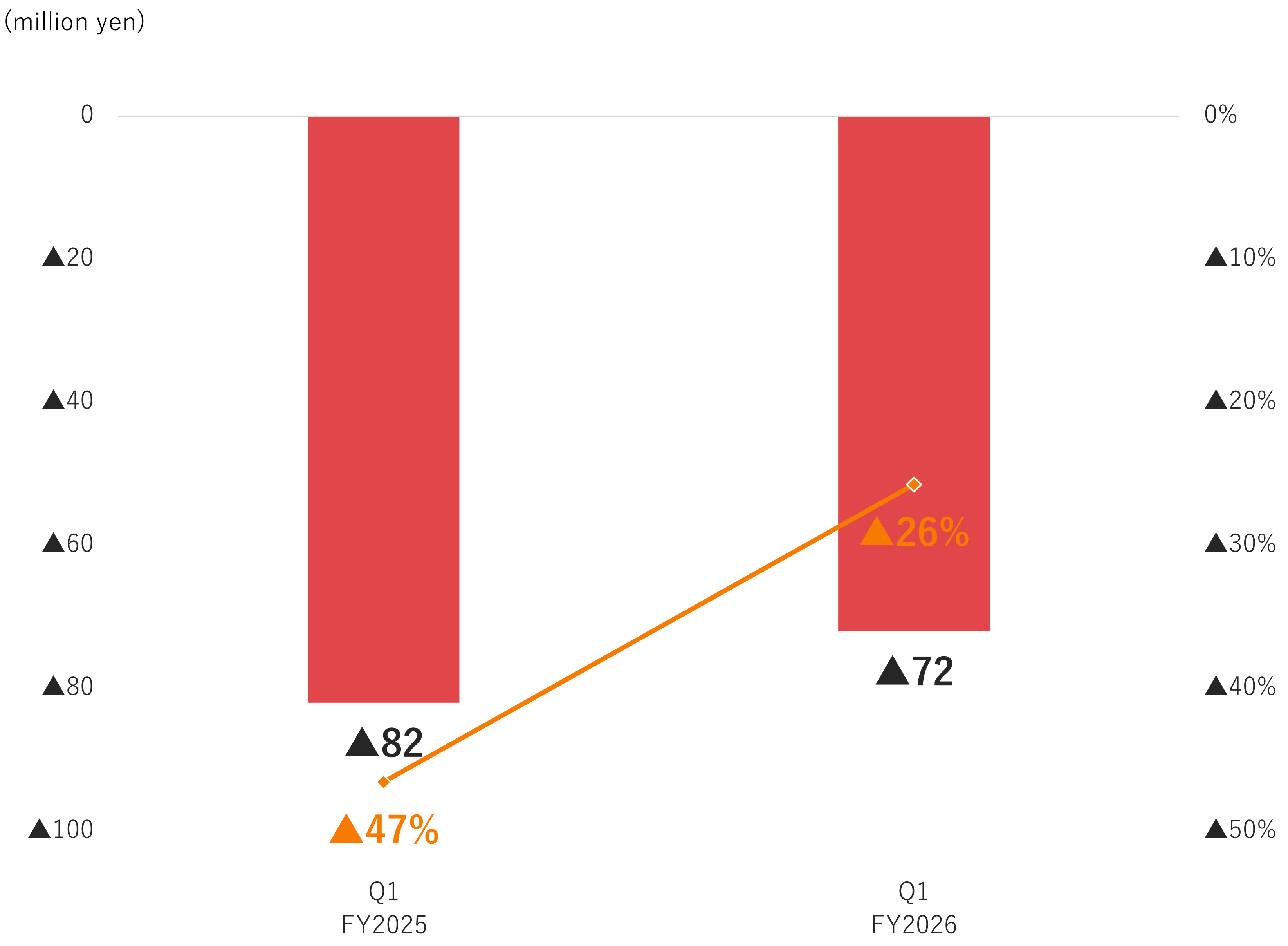
Money Concierge (for Sales Reps)
- Life plan simulation and portfolio proposal tool
- Proposals based on prior simulations
- Records and transcribes meetings
- Also provides a customer management tool to log proposals (CRM integration available)

Compliance Assist
- Reviews transcripts from a compliance perspective
- Review criteria configurable per company

Sales Assist
- Reviews transcripts from a sales perspective
- Review criteria configurable per company
- Extracts prospects

Operating Margin

Driven by revenue growth, the operating loss narrowed from JPY 82 million to JPY 72 million YoY.



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EARNINGS GUIDANCE FY2026

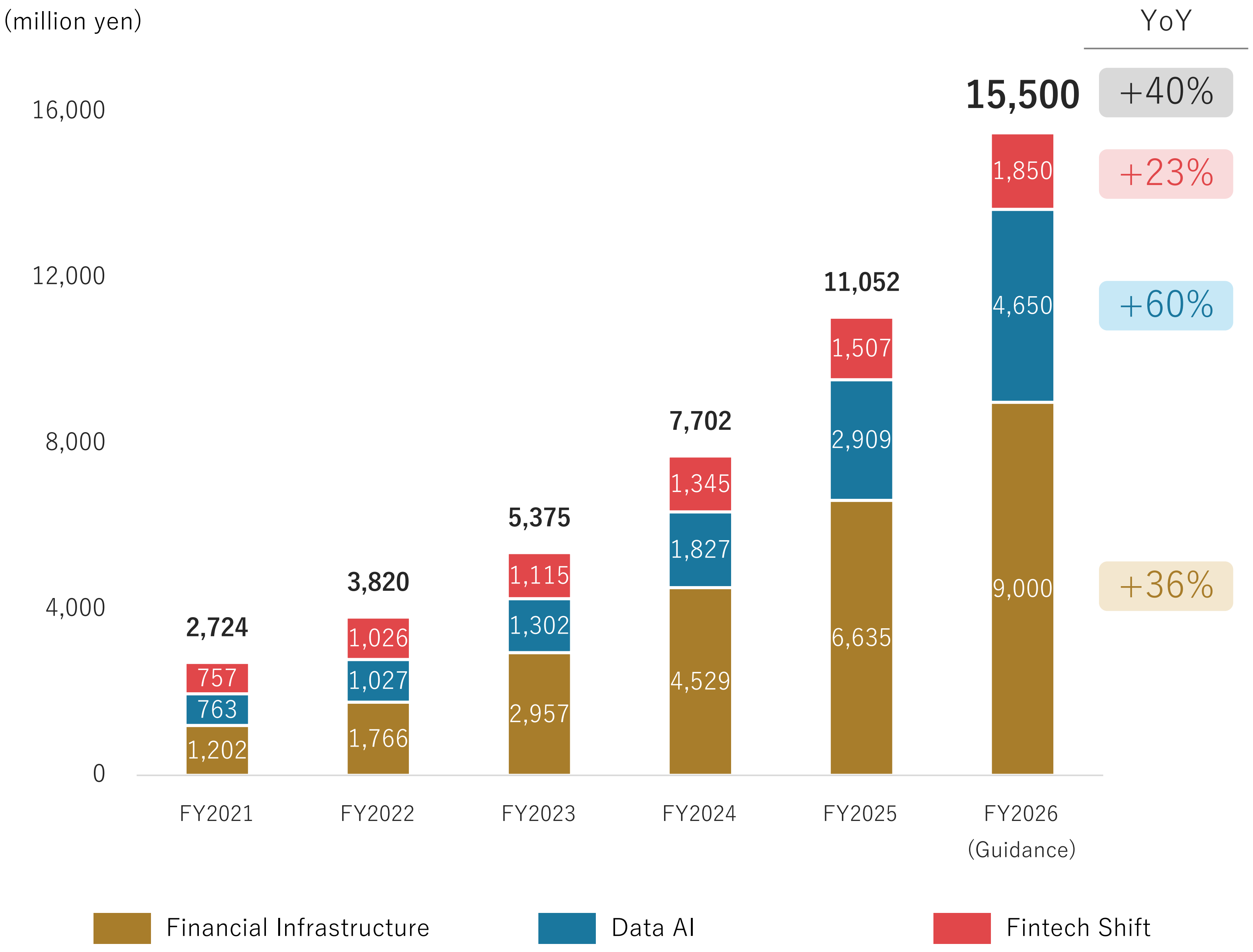
Group

Revenue Guidance by Segment

We forecast +40% YoY growth by capturing broader demand for AI utilization across all segments.

Data AI is expected to lead the way with +60% YoY growth, serving as the primary growth driver.

- Effective this fiscal year, the segment name has been changed from “Big Data Analytics” to “Data AI.”



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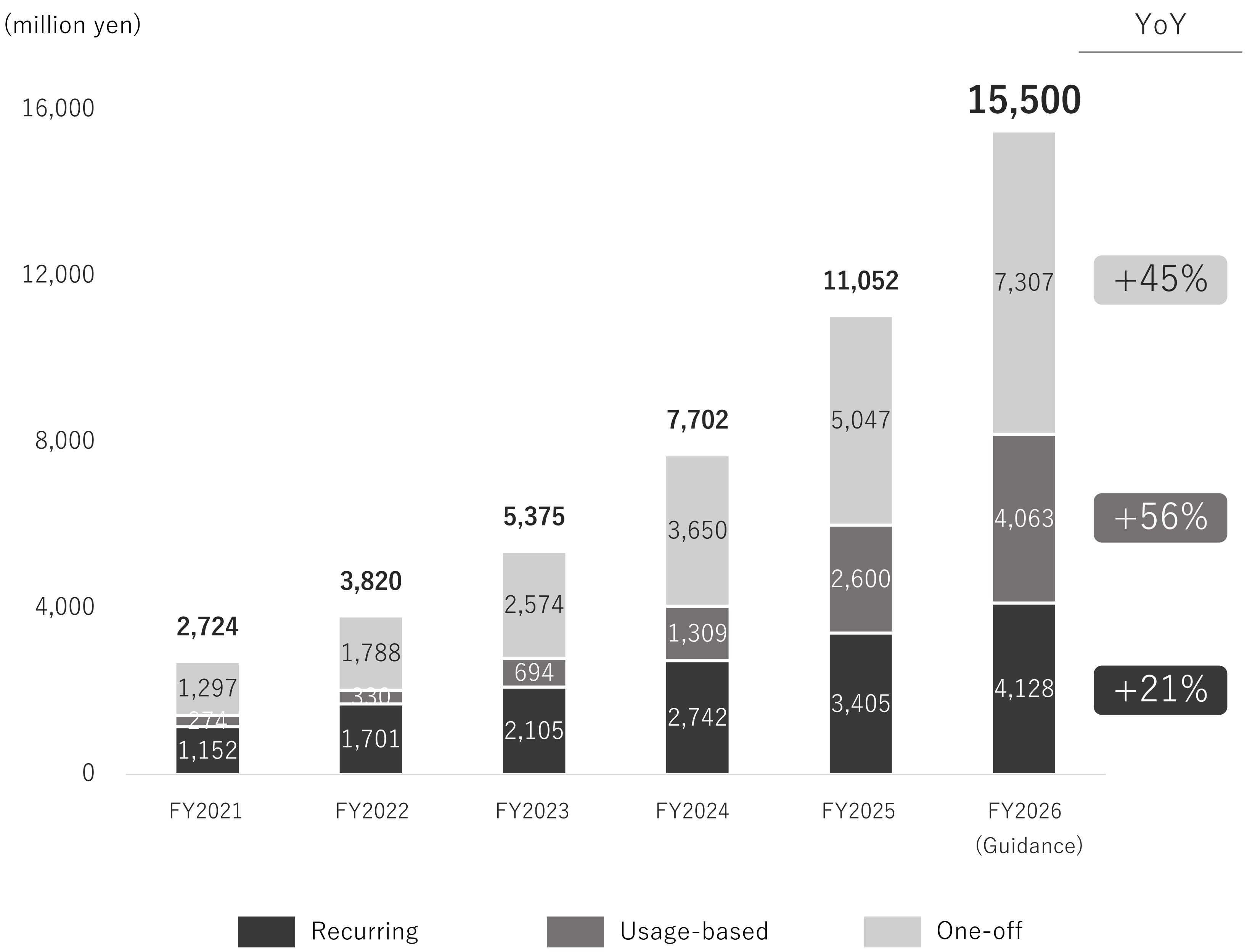
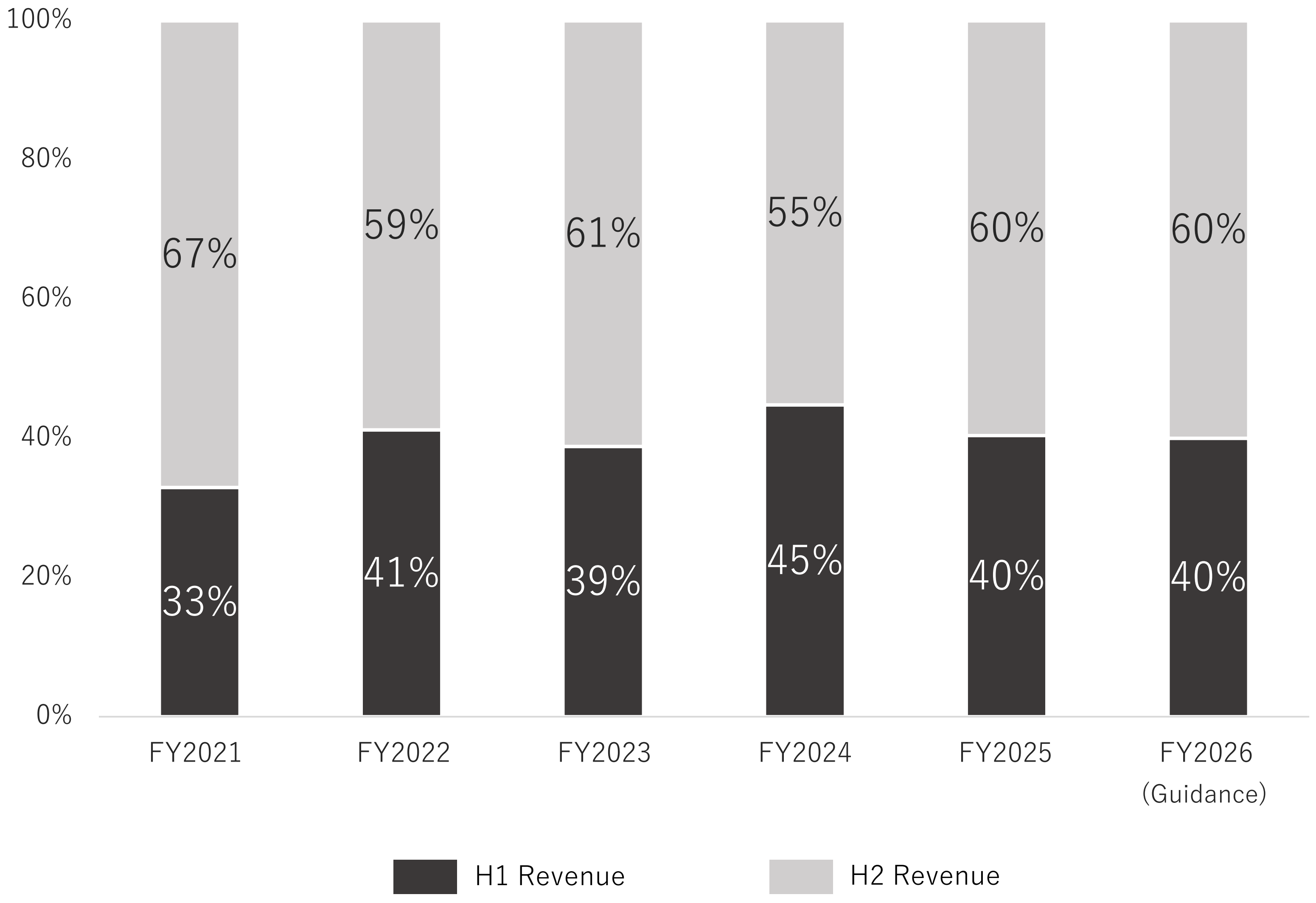
Revenue Guidance by Type

We forecast robust growth in our stable revenue streams, with recurring and usage-based revenue projected to grow by +21% and +56% respectively.



Seasonality

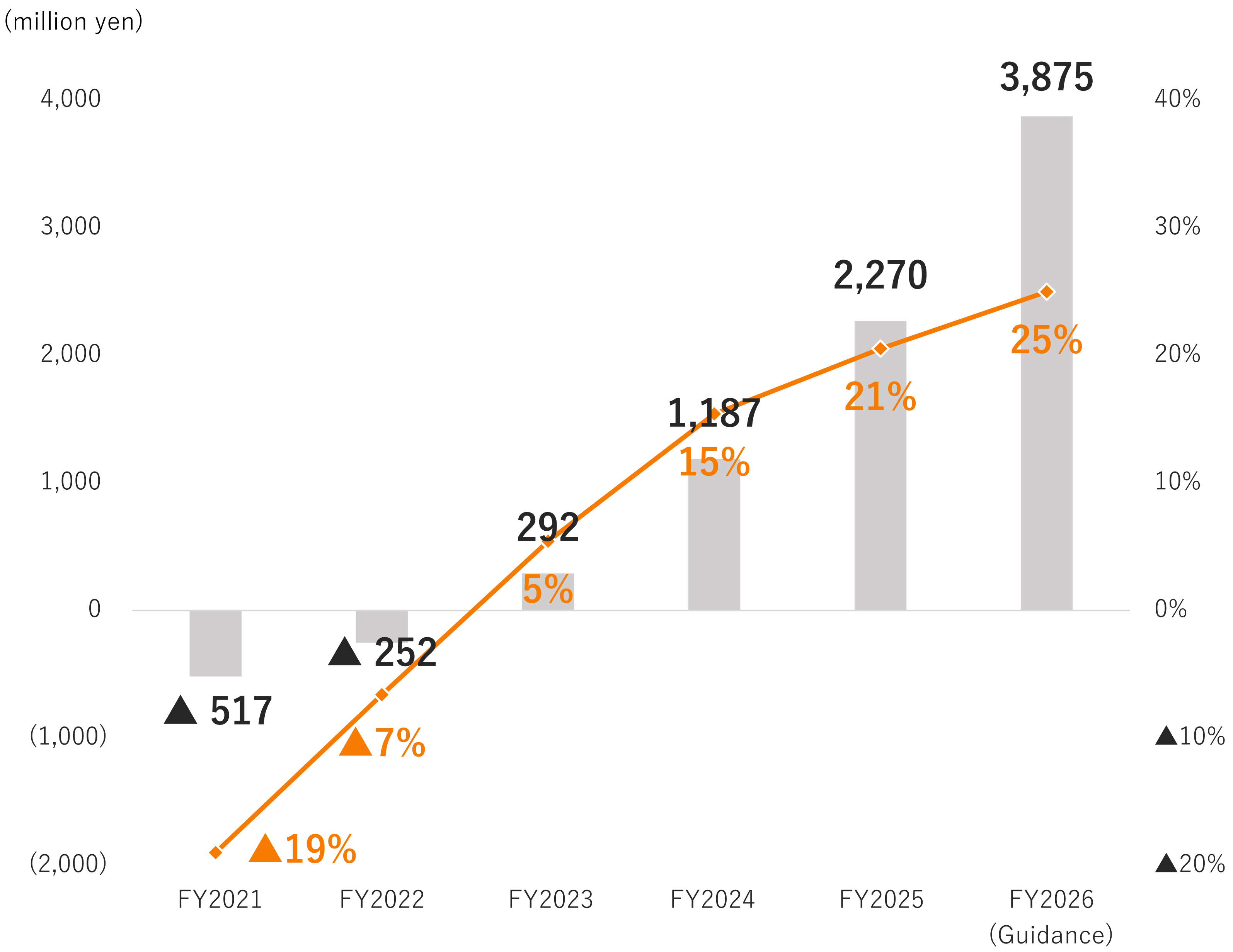
Revenue is expected to concentrate in the second half of FY2026, similar to previous years.



Group

EBITDA Guidance

EBITDA is projected to reach JPY3,875 million (+71% YoY).



APPENDIX

APPENDIX

COMPANY OVERVIEW

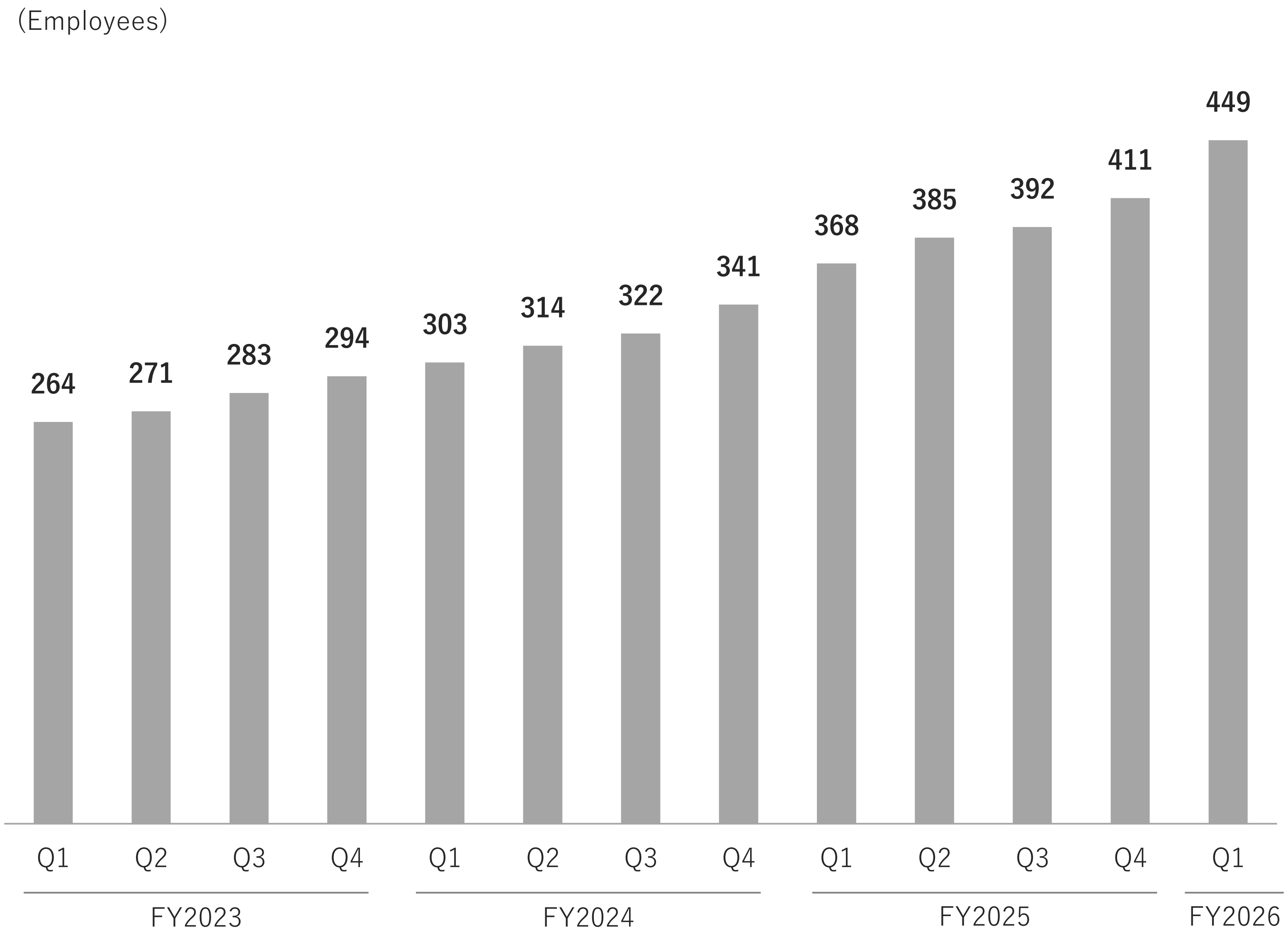
Corporate Structure

Entity	Ownership	Number of Employees[1]	Business	Segment
FINATEXT HOLDINGS	-	32	• Group holding company	
Finatext	100%	166	• Software development for financial institutions and group enterprises	Financial Infrastructure Fintech Shift
Nowcast	100%	92	• Data AI service to institutional investors and government	Data AI
Smartplus	85%	41	• 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%	5	• Offshore outsourcing bridge	Fintech Shift
Teqnological Asia	72% (50.4%[2])	111	• Offshore development for group companies in Vietnam	Fintech Shift

1. Number of full-time employees as of June 30, 2026.
2. Indirect ownership ratio by Finatext Holdings Ltd.

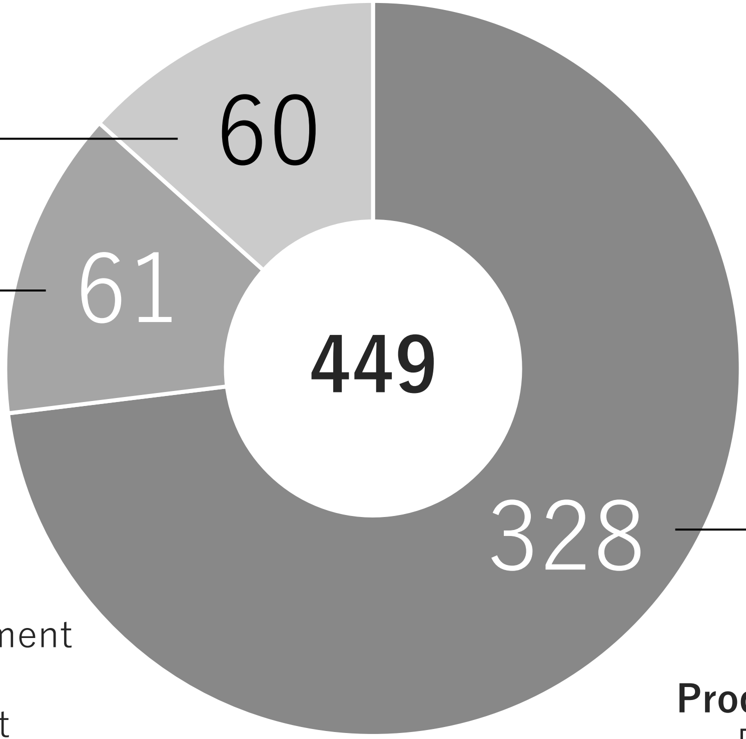
Group

Number of Employees



FINATEXT HOLDINGS

Staff Composition



Operations/Administration 13%
- Financial Operations
- Back Offices

Sales / PR　14%
- Business Development
- Promotion
- Research & Market

Product 73%
- Engineer
- Project Management
- Designer
- Web Director

1. Number of full-time employees as of June 30, 2026.

Revenue Type

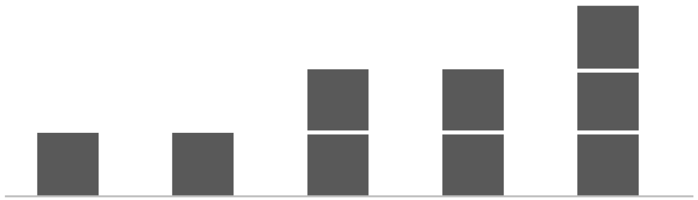
One-off revenue received at the time of system implementation, and recurring revenue and usage-based revenue received subsequently.

1 One-off

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

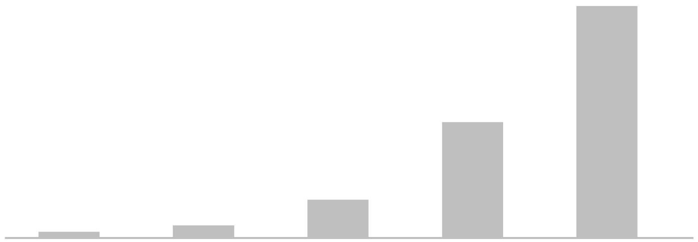
2 Recurring

- Recurring revenue received monthly from existing partners for operations



3 Usage-based

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



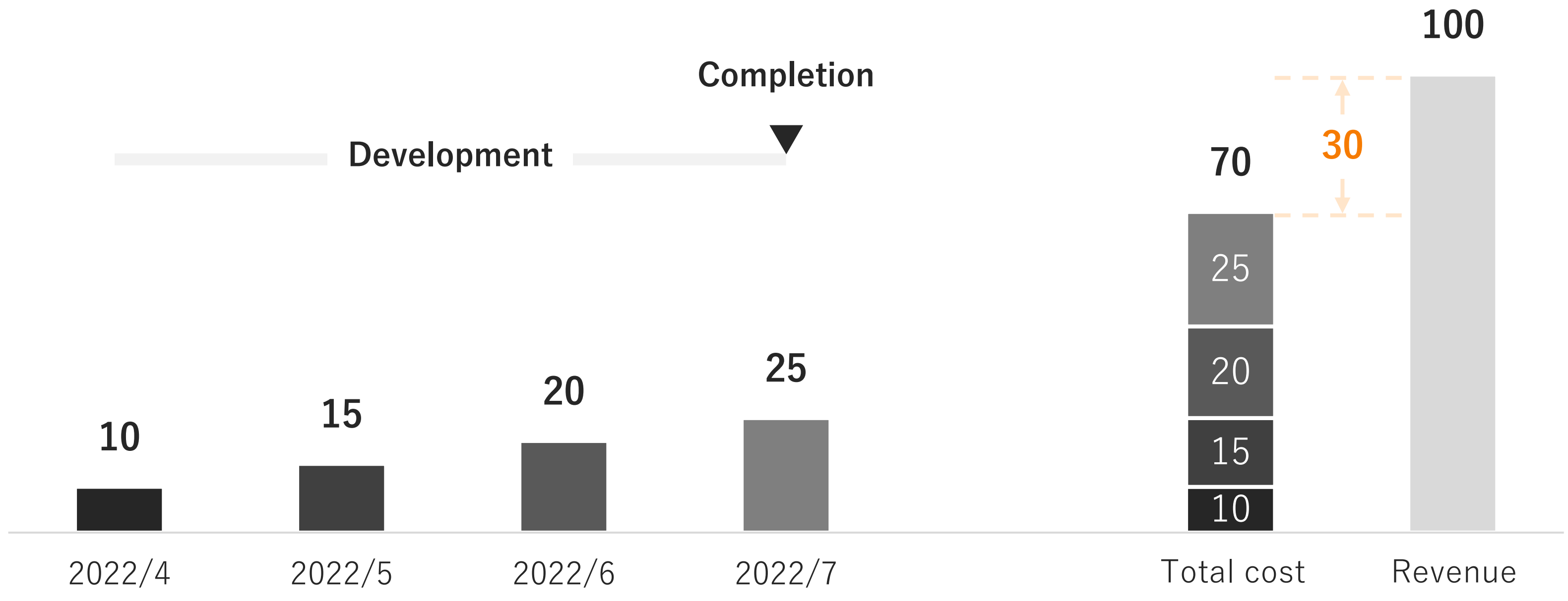
Revenue Recognition of Dev Projects

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

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

Project Direct Cost

Total



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

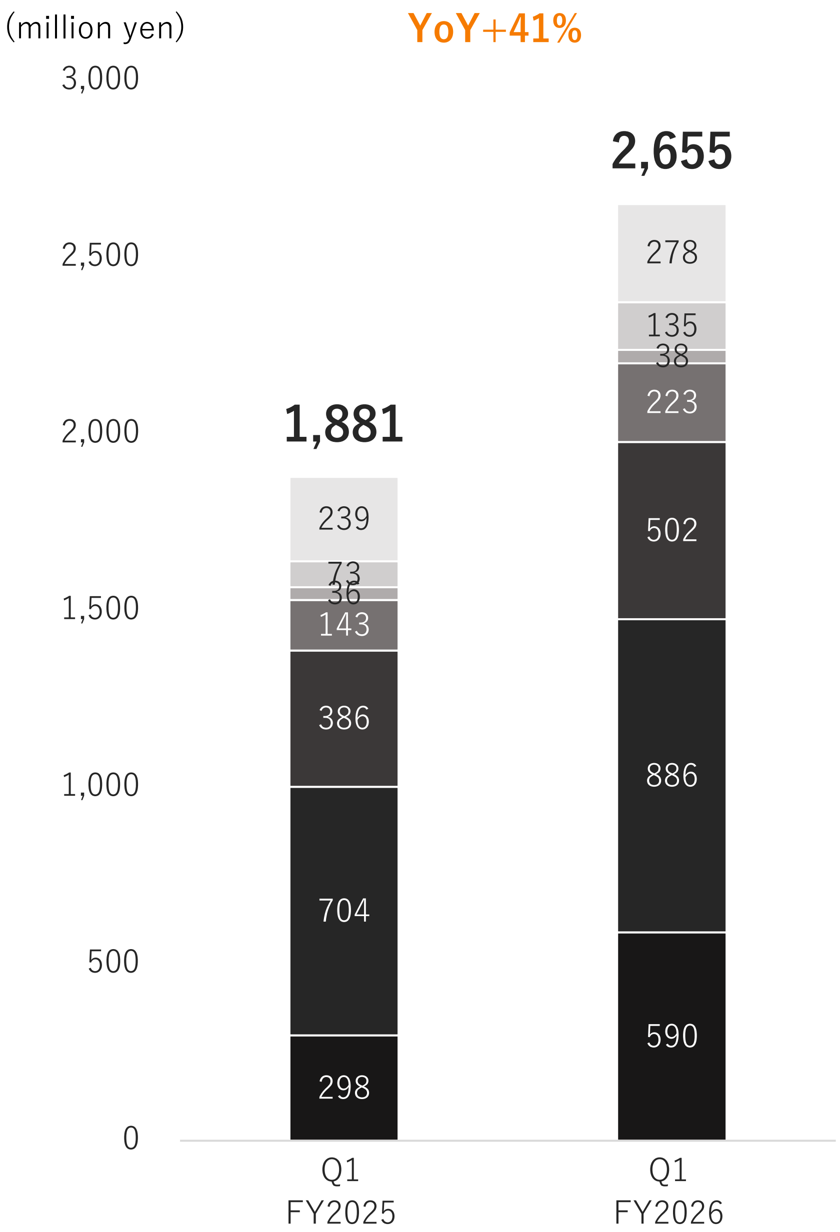
Upon project completion, the difference between revenue from a project and total direct cost is recorded as revenue

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 rose 41% YoY on higher revenue share costs from usage-based revenue growth in Financial Infrastructure, higher stock-based compensation, and higher communication costs from expanded AI use.



Other (YoY+17%)
- Increase in taxes and public charges (+JPY 34M YoY).

Depreciation and Amortization + Stock-based Compensation Expense (YoY+84%)
- Stock-based compensation (¥82M), up temporarily on overlapping expense periods.

Advertising Expenses (YoY+6%)
- Remained roughly unchanged compared to the same period last year.

Communication Expenses (YoY+56%)
- Usage-based AI costs increased due to the expanded utilization of AI.

Outsourcing Expenses (YoY+30%)
- Expenses increased due to preparations for launching the card issuing infrastructure.

Labor Cost (YoY+26%)
- Increased due to headcount growth (+22% YoY) and average salary increases.

Revenue Share[1] (YoY+98%)
- Increased primarily in tandem with the growth of data licensing and usage-based revenue from Financial Infrastructure.

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

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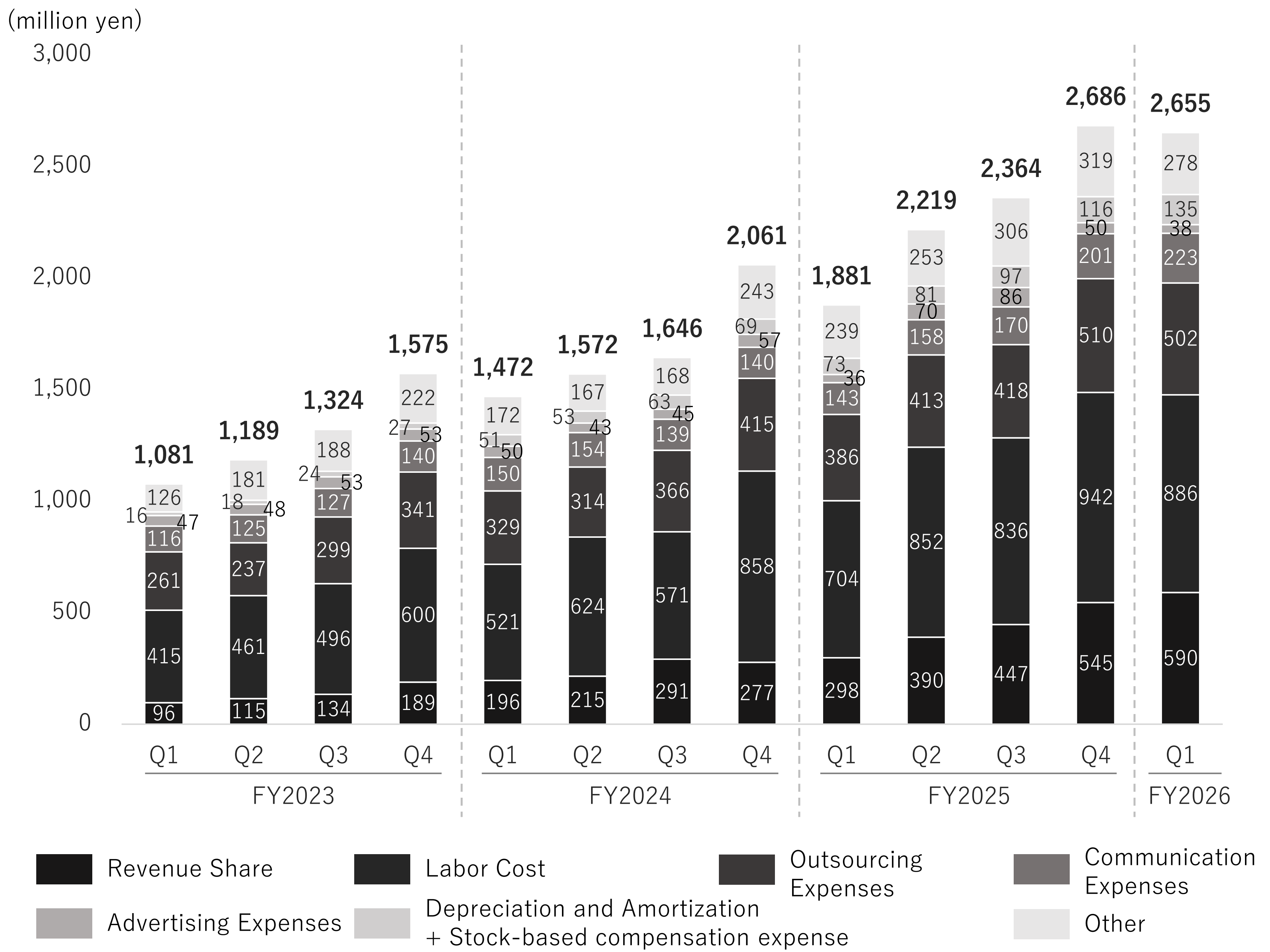
Cost Breakdown



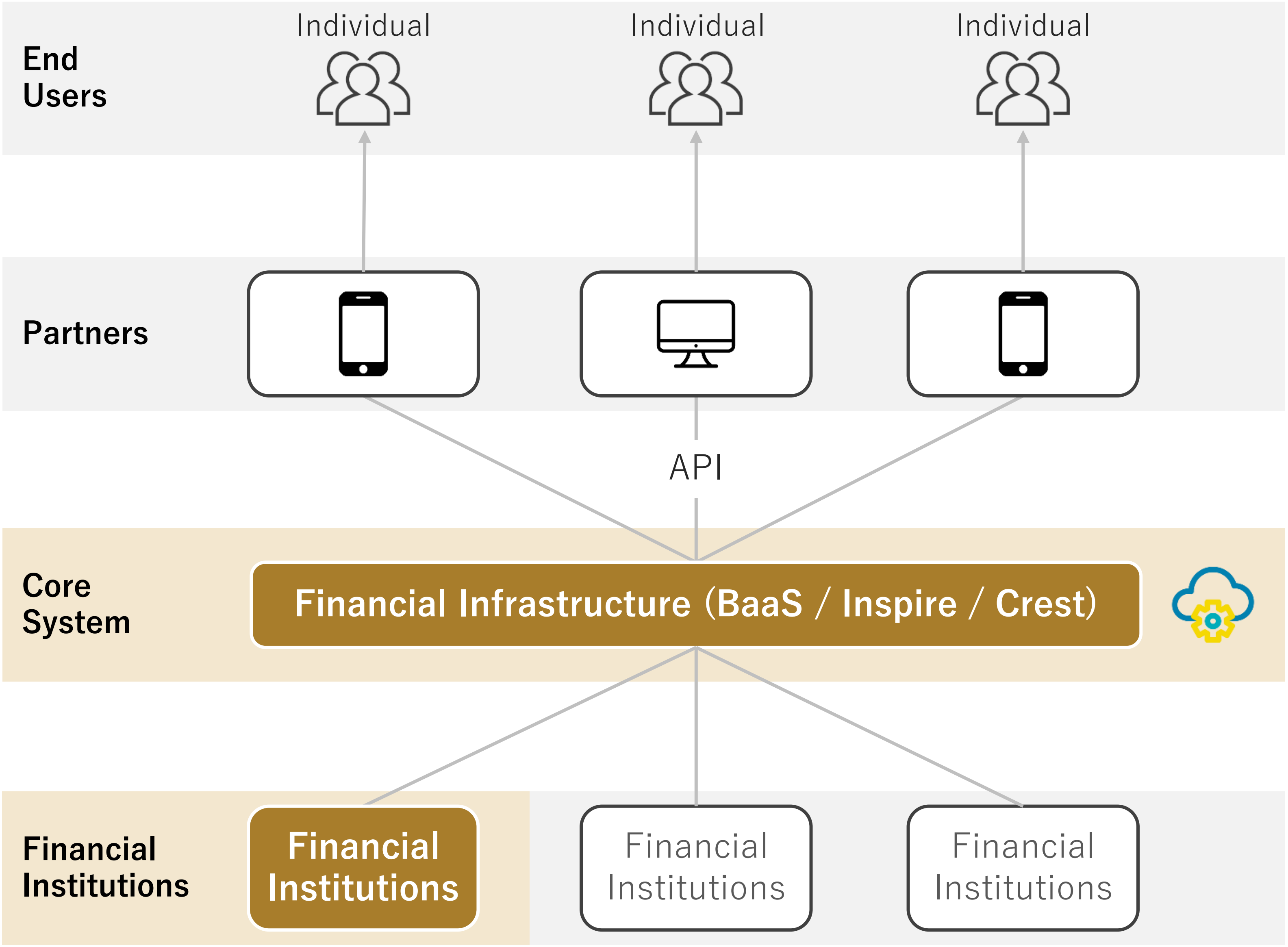
APPENDIX

BUSINESS OVERVIEW

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.



BaaS Service

As of the end of this quarter, 29 services were in operation.

Business Systems (Full-suite)	Wealth Management for IFAs		
N Direct (Nissay AM)	Japan Asset Management	Financial Standard	Amber Asset Management
Korekabu (Seven Bank)	CS Assets	Hoken No Madoguchi Group	IFA Leading
mattoco + (Mitsubishi UFJ AM)	Innovation IFA Consulting	Snowball	Value Management
ASTOMO (MUMSS)	LIFE-D	Prudent Japan FS	JTG Securities
Wealth Wing (ANA X)	REAL LIFE	VSG Asset Management	North Star Advisory
US ETF Wrap (GCI AM)	MK3 IFA	r-Laboratory	Tokio Marine Anshin Agency
Saison-to-tsuzuku (Saison AM)	GAIA	First Partners	Aristagora Financial Services
Bayview Investment Trust (Bayview AM)			

Inspire Client

As of the end of this quarter, there were 18 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.

Business Systems (Full-suite)	Digital Distribution Platforms
Smartplus Small Amount and Short-Term Insurance	Aioi Nissay Dowa Insurance
Epos Small Amount and Short-Term Insurance	MST Insurance Service
Nissay Plus Small Amount and Short-Term Insurance	MUFG Bank
Yamada Small Amount and Short-Term Insurance	Tokio Marine & Nichido Fire Insurance
With Small Amount and Short-Term Insurance	Mitsui Sumitomo Insurance
Rakuten Small Amount and Short-Term Insurance	Kyoei Fire and Marine Insurance
Small Amount and Short-Term Insurer (undisclosed)	Nisshin Fire and Marine Insurance
Small Amount and Short-Term Insurer (undisclosed)	Meiji Yasuda General Insurance
	Foreign Non-Life Insurer (undisclosed)
	SBI Insurance

Crest Client

As of the end of this quarter, there were 6 clients.

Business Systems (Full-suite)	Business Systems (Modular)
Smartplus Credit	B4A Technologies
JCOM Financial	SmartBank
	Merpay
	TERASS

Overview

Accumulated deep data expertise through years of operating multiple analytics services.

Launched “Data AI Solution” to monetize this expertise for external clients.

Expanding from data infrastructure to AI Agent development and governance as demand surges.

	Data AI Service	Data AI Solution
Overview	• Processes and refines data from external partners via our platforms to provide industry-specific data services.	• End-to-end support from data integration /cleansing to GenAI implementation and secure AI agent governance.
Products	**Data AI Services for Financial Institutions & Gov** Individual Company Analysis: AlternaData Macroeconomic Analysis: 日経CPINOW, JCB消費NOW, HRog賃金Now **Data AI Services for Real Estate** DataLensHub POWERED BY FINATEXT GROUP • Commercial Leasing • Trade Area Analysis • Store Development • Office Sales **Cross-Industry Data Feed Services** DataLinc • Corporate DB integrating company info via Corporate Numbers	**Data Platforms** • Framework to rapidly build environments for efficient GenAI utilization by integrating scattered internal data. NorthCast **Agent Governance Platforms** • Governance platforms for safe/efficient multi-agent operations. • Enables access control, governance, and monitoring. MCPass
Main Revenue Types	• For Financial/Gov: Recurring • For Real Estate – w/o Customization: Recurring – w/ Customization: One-off Recurring • Cross-Industry: Recurring	• Data Platforms: One-off • Agent Governance Platforms: One-off Note: Recurring and usage-based revenue expected to increase in the future.

FINATEXT HOLDINGS

For Financial & Public Sector

Offers “Alterna Data” and macroeconomic analysis Data AI Service such as “Nikkei CPI Now”, “JCB Consumption NOW” and “HRog Wage Now”.

	Data Service for Individual 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 • BCN • HRog • M Data 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

For Real Estate Industry

Provides “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.

DataLensHub
POWERED BY FINATEXT GROUP

	DataLens Commercial Leasing	DataLens Trade Area Analysis	DataLens Store Development	DataLens Office Sales
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 GenAI with trade area analysis features	• A sales DX tool that can extract companies with high office relocation needs from data
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	• Real estate developers who own business-use real estate
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 info management tool powered by GenAI	• Strengths in office relocation prediction models built using various third-party data

Data: Intent Data · Store Opening Data · Job Posting Data · Location Data · Registry Data · . . .

FINATEXT

Reinvent Finance as a Service