

Supplying cloud-based core systems to financial service providers

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【 4419 Finatext Holdings Sector : Information & Communication 】

Fiscal Year	Net sales (mn yen)	YoY (%)	Ope. profit (mn yen)	YoY (%)	Ord. profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Nov. 2019	1,707	-	-721	-	-766	-	-1,566	-	-55.4	-37.0	0.0
Mar. 2021	2,751	-	-633	-	-757	-	-1,012	-	-35.8	-62.6	0.0
Mar. 2022 f	2,654	-	-780	-	-782	-	-1,000	-	-24.4	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending Mar. 2022 are the company's forecast.

Figures for the fiscal year ending Mar. 2021 are 16 months financial results

Developing Cloud-Based Core Systems, Etc. for Financial Service Providers

Comprising Finatext Holdings and seven consolidated subsidiaries, the Finatext Holdings Group pursues the financial infrastructure business (providing cloud-based core systems to financial service providers), the fintech solutions business (supporting planning and development of front-end services such as websites and mobile apps), and the big data analysis business (supporting use of data accumulated at client companies).

In the first half of the fiscal year ending December 2021, the financial infrastructure business accounted for 22.9% of net sales, the fintech solutions business for 39.6%, and the big data analysis business for 37.5%.

Financial Infrastructure Business

The financial infrastructure business supplies core systems needed to provide financial services in the form of cloud-based SaaS systems.

The company is engaged in securities infrastructure services targeting securities business and insurance infrastructure services targeting insurance business. In the first half of the fiscal year ending March 2022, the sales composition is 57.4% for securities infrastructure services and 42.6% for insurance infrastructure services.

The Group provides services aimed at 1) new entry businesses which operate B-to-C services and are intending to offer financial services to their existing users, and 2) existing financial institutions that intend to use new core systems when launching new dedicated digital financial services.

Fintech Solutions Business

In terms of its fintech solutions business, the company pursues 1) solutions services and 2) marketing services. For the fiscal year ending March 2022, the sales composition is 74.4% for solutions services and 25.6% for marketing services.

Big Data Analysis Business

In the big data analysis business, the company's subsidiary Nowcast pursues 1) data

Finatext Holdings (4419 TSE Mothers) ----- January 6,2022

licensing services and 2) data analysis support services. For the first half of the fiscal year ending March 2022, the sales composition is 92.7% for data licensing services and 7.3% for data analysis support services.

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Financial Statements

Statement of income	Fiscal Year	Nov. 2019		Mar. 2021		Six months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,707	100.0	2,751	100.0	897	100.0
Cost of sales		422	24.8	930	33.8	419	46.8
Gross profit		1,284	75.2	1,821	66.2	477	53.2
Selling, general and administrative expenses		2,006	117.5	2,454	89.2	959	106.9
Operating profit		-721	-42.3	-633	-23.0	-481	-53.7
Non-operating income		4	-	28	1.1	0	-
Non-operating expenses		49	2.9	153	5.6	8	-
Ordinary profit		-766	-44.9	-757	-27.5	-488	-54.5
Profit before income taxes		-1,598	-93.6	-1,035	-37.6	-523	-58.4
Profit		-1,566	-91.8	-1,012	-36.8	-474	-52.9

Balance sheet	Nov. 2019		Mar. 2021		Sep. 2021	
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets	9,969	90.4	12,426	98.2	12,526	97.9
Cash and deposits	6,138	55.7	4,318	34.1	3,666	28.6
Accounts receivable	233	2.1	218	1.7	299	2.3
Cash segregated as deposits	2,300	20.9	5,100	40.3	5,150	40.2
Margin transaction assets	582	5.3	2,243	17.7	2,682	21.0
Short-term guarantee deposits	300	2.7	403	3.2	531	4.1
Non-current assets	1,058	9.6	228	1.8	273	2.1
Property, plant and equipment	22	0.2	1	0.0	1	0.0
Intangible assets	118	1.1	77	0.6	126	1.0
Investments and other assets	916	8.3	149	1.2	145	1.1
Deferred assets	0	0.0	-	-	-	-
Total assets	11,027	100.0	12,655	100.0	12,800	100.0
Current liabilities	3,266	29.6	5,997	47.4	6,590	51.5
Accounts payable	108	1.0	22	0.2	21	0.2
Deposits received	960	8.7	1,746	13.8	1,785	13.9
Margin transaction liabilities	582	5.3	858	6.8	869	6.8
Guarantee deposits received	1,069	9.7	2,638	20.9	2,737	21.4
Short-term borrowings	-	-	-	-	500	3.9
Current portion of long-term borrowings	85	0.8	75	0.6	75	0.6
Current portion of Convertible bonds	-	-	150	1.2	-	-
Non-current liabilities	405	3.7	154	1.2	100	0.8
Convertible bonds	150	1.4	-	-	-	-
Long-term borrowings	255	2.3	138	1.1	100	0.8
Reserves under special laws	3	0.0	17	0.1	23	0.2
Net assets	7,352	66.7	6,485	51.3	6,085	47.5
Shareholders' equity	6,477	58.7	5,754	45.5	5,434	42.5

Statement of cash flows	Nov. 2019		Mar. 2021		Six months to Sep. 2021	
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Cash flows from operating activities	-2,008		-1,751		-1,010	
Depreciation	110		65		10	
Cash flows from investing activities	-313		-325		-106	
Cash flows from financing activities	1,311		172		462	
Dividends paid	-		-		-	
Net increase in cash and cash equivalents	-1,027		-1,907		-651	
Cash and cash equivalents	6,138		4,318		3,666	

Note: Consolidated basis. Figures for the fiscal year ending Mar. 2021 are 16 months financial results
Source: Prepared by Stock Research Center based on the notifiable prospectus.

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