

Translation

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November 30, 2021

Company Name: Money Forward, Inc.
Representative: Yosuke Tsuji
Representative Director, President and CEO
(Securities Code: 3994,
Stock Exchange: TSE First Section)
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Notice of 100% Acquisition of Ownership of HiTTO Inc.

Money Forward, Inc. (the “Company”) hereby announces that it has decided, by a resolution of its Board of Directors on November 30, 2021, to acquire the shares and share acquisition rights of HiTTO Inc. (“HiTTO”), as a result of which HiTTO will be a wholly owned subsidiary of the Company. The Representative Directors of HiTTO will continue to be involved with HiTTO’s management.

1. Reason for the acquisition of shares

A SaaS for HR and labor department, *HiTTO*, offered by HiTTO (Headquarters: Chiyoda-ku, Tokyo, Representative Director and Co-CEO: Tomohiro Igarashi, Representative Director and Co-CEO: Akito Kimura) is a Japan’s No.1* AI-driven chatbot for employee usage that is mainly used in medium-sized to large-sized corporates. *HiTTO* provides an AI-driven HR chatbot that helps to create an organization that is resilient to change by building an information sharing system for internal employees mainly related to human resource management such as year-end adjustment, expense reimbursement, and benefits. *HiTTO* will contribute to the efficiency of back-office operations by automatically and immediately responding to employee inquiries that have traditionally been handled manually.

With the aim of increasing shareholder value and corporate value over the medium to long term, the Company is currently working to expand its customer base to medium-sized companies and pre-IPO companies through the provision of *Money Forward Cloud*, which covers accounting and finance, human resources and labor, and contracts. By the 100% acquisition of ownership of HiTTO, the Company will further improve the efficiency of the users’ back-office operations by saving manual labor and optimizing the response to employee inquiries. We aim to expand the number of users of *HiTTO* by utilizing the Company’s network and customer base. In the future, we plan to further expand our users’ benefit by providing individualized answers to each user by integrating *HiTTO* with our human resource management products such as *Money Forward Cloud Attendance* and *Money Forward Cloud HR Database*. In addition, we aim to expand *HiTTO*’s service coverage to accounting, legal and information system departments by utilizing our know-how and data assets related to back-office operations, and also to further improve the AI model of *HiTTO* through collaboration with Money Forward Lab, which is engaged in research on natural language processing and other topics.

*According to survey research report by Techno Systems Research Co., Ltd.: “Business Automation Tools Market Marketing Analysis” (May 2019), Share of AI chatbots for corporate internal use.

2. Outline of the company to become a subsidiary (HiTTO)

(1) Company name	HiTTO Inc.		
(2) Location	11F, 2-2-1 Kandnishiki-Cho, Chiyoda-ku, Tokyo		
(3) Title and name of representative	Representative Director and Co-CEO, Tomohiro Igarashi Representative Director and Co-CEO, Akito Kimura		
(4) Business	Development and sales of HR chatbot <i>HiTTO</i>		
(5) Amount of capital	100,775,310 yen		
(6) Date established	March 31, 2006 *1		
(7) Major shareholders and shareholding ratio (As of Oct. 31, 2021)	JMA Systems Corp., (22.9%) Tomohiro Igarashi (15.1%) Akito Kimura (12.0%) JAIC Venture Capital Investment L.P. (11.3%) MIC Innovation IV Limited Liability Fund (10.2%) Others (28.5%) There are no shareholders who hold 10% or more other than noted above.		
(8) Relationship between the Company and HiTTO	Capital relationship	Not applicable.	
	Personal relationship	Not applicable.	
	Business relationship	Not applicable.	
(9) Operating results and financial position of HiTTO over the past 3 years			
Fiscal year	Fiscal year ended February 2019	Fiscal year ended February 2020	Fiscal year ended February 2021
Net assets	74,305 thousand yen	28,772 thousand yen	34,072 thousand yen
Total assets	424,238 thousand yen	416,906 thousand yen	490,480 thousand yen
Net assets per share	7,930.17 yen	3,070.71 yen	3,636.34 yen
Net sales	908,047 thousand yen	718,342 thousand yen	332,465 thousand yen
Sales from <i>HiTTO</i> business *2	177,855 thousand yen	229,189 thousand yen	317,930 thousand yen
Operating income	42,864 thousand yen	(21,127) thousand yen	114 thousand yen
Ordinary income	38,997 thousand yen	(24,987) thousand yen	4,358 thousand yen
Net income	24,145 thousand yen	20,561 thousand yen	5,300 thousand yen
Net income per share	2,689.66 yen	2,194.34 yen	565.64 yen
Dividend per share	0 yen	0 yen	0 yen

*1 *HiTTO* business started in 2017.

*2 HiTTO conducted company split and business transfers etc. in 2019 and 2020 and changed its structure from providing multiple products, to focusing on developing and providing *HiTTO*.

3. Outline of the counterparties

(1) Name	Tomohiro Igarashi
(2) Address	Taito-ku, Tokyo
(3) Relationship between the Company and the counterparty	Not applicable.

(1) Name	Akito Kimura
(2) Address	Yokohama City, Kanagawa
(3) Relationship between the Company and the counterparty	Not applicable.

* As of today, Tomohiro Igarashi has entered into contracts with each existing shareholder except for Akito Kimura to acquire all shares it holds, the closing date of which is the same date as the closing date of the share transfer agreement between the Company, Tomohiro Igarashi and Akito Kimura. The Company will acquire all shares of HiTTO through the transfer from Tomohiro Igarashi and Akito Kimura pursuant to the share purchase agreement.

4. Number of shares to be acquired, acquisition price, and shareholdings before and after the acquisition

(1) Number of shares held by the Company before the transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2) Number of shares to be acquired by the Company	9,780 shares (Number of voting rights: 9,780)
(3) Acquisition price	1,999 million yen (Including share acquisition rights)
(4) Number of shares to be held by the Company after the transfer	9,780 shares (Number of voting rights: 9,780) (Percentage of voting rights held: 100%)

5. Basis of calculation of acquisition price

The Company agreed on the abovementioned acquisition price after internally analyzing DCF-based valuation results done by a third party.

6. Schedule

(1) Date of resolution of the Board of Directors	November 30, 2021
(2) Execution date of the share transfer agreement	November 30, 2021
(3) Implementation date of the acquisition of shares	December, 2021 (scheduled)

7. Future outlook

HiTTO will be a wholly owned subsidiary of the Company. Earnings will be included in the earnings forecasts for the following fiscal year and beyond of the Company. The Company will promptly disclose when any matters that should be announced occurs.