

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended May 31, 2022 (Based on Japanese GAAP)

July 13, 2022

Company name: Money Forward, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 3994 URL: <https://corp.moneyforward.com>  
 Representative: Representative Director, President and CEO Yosuke Tsuji  
 Executive Officer and Accounting Department Manager  
 Inquiries: Shun Matsuoka TEL 03(6453)9160  
 Scheduled date to file Quarterly Securities Report: July 13, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended May 31, 2022 (from December 1, 2021 to May 31, 2022)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		SaaS ARR*1		EBITDA*2		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended May 31, 2022	9,841	31.9	13,976	37.9	(2,734)	–	(3,796)	–	(3,875)	–
Six months ended May 31, 2021	7,460	43.1	10,132	39.0	648	–	44	–	28	–

(Note) Comprehensive income (millions of yen)

Six months ended May 31, 2022: (3,671) (-%). Six months ended May 31, 2021: 29 (-%)

	Profit attributable to owners of parent		Earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Six months ended May 31, 2022	(3,887)	–	(72.78)	–
Six months ended May 31, 2021	20	–	0.43	0.41

\*1 SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of *STREAMED*, its MRR is calculated as one-third of the revenue from *STREAMED* in Q1 and Q2 of each fiscal year (rounded to the nearest million yen).

\*2 EBITDA=Operating profit(loss) + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses

(Note) Diluted earnings per share for the six months ended May 31, 2022 is not disclosed because it is anti dilutive due to the Company's net loss position.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2022	66,422	40,048	56.4
As of November 30, 2021	56,942	42,332	71.1

(Reference) Equity (millions of yen) As of May 31, 2022: 37,469. As of November 30, 2021: 40,491.

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended November 30, 2021	–	0.00	–	0.00	0.00
Year ending November 30, 2022	–	0.00			
Year ending November 30, 2022 (Forecast)			–	0.00	0.00

(Note) Revisions to most recent dividend forecast: None

3. Forecast of consolidated financial results for the year ending November 30, 2022 (from December 1, 2021 to November 30, 2022)

In the fiscal year ending November 30, 2022, the Company will execute investments more flexibly mainly in Business domain, while monitoring the return on investment and market environment. As such, it is difficult to calculate a reasonable earnings forecast for the full year, and the Company plans to continuously disclose the earnings forecast for the next quarter.

Percentages indicate year-on-year changes

	Net sales		SaaS ARR*1		EBITDA*2	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	20,322	30.0	15,718	40.0	—	—
	~21,886	~40.0	~16,841	~50.0		

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	—	—	—	—	—	—	—

The percentages indicate changes from the same period of the previous fiscal year

	Net sales		SaaS ARR		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ending August 31, 2022	5,175	35.0	14,605	39.0	(2,200)	—
	~5,405	~41.0	~15,025	~43.0	~(1,700)	

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Three months ending August 31, 2022	(2,850)	—	(2,870)	—	(2,920)	—	(54.33)
	~(2,350)		~(2,370)		~(2,420)		~(45.03)

(Note) Revisions to most recent dividend forecast: None

\*1 SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of *STREAMED*, its MRR is calculated as one-third of the revenue from *STREAMED* in Q1 and Q2 of each fiscal year (rounded to the nearest million yen).

\*2 EBITDA=Operating profit(loss) + depreciation and amortization + tax expenses included in operating expenses +share-based remuneration

(Note) Advertising expenses for the nine months ending August 31, 2022, are expected to range from 1,800 million yen to 2,000 million yen.

4. Notes

(1) Changes in significant subsidiaries during the six months ended May 31, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2022	53,654,860 shares	As of November 30, 2021	53,382,460 shares
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Number of treasury shares at the end of the period

As of May 31, 2022	49,171 shares	As of November 30, 2021	36,475 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended May 31, 2022	53,417,679 shares	Six months ended May 31, 2021	47,829,028 shares
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## Quarterly Consolidated Financial Statements

### Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2021	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	36,220,522	30,438,339
Notes and accounts receivable - trade	1,516,402	–
Notes and accounts receivable - trade, and contract assets	–	1,762,158
Operational investment securities	1,074,286	1,590,182
Inventories	21,762	14,420
Purchased receivables	4,222,155	5,906,301
Other	1,073,146	1,981,955
Allowance for doubtful accounts	(102,517)	(75,987)
Total current assets	44,025,758	41,617,371
Non-current assets		
Property, plant and equipment	537,330	620,145
Intangible assets		
Goodwill	3,068,762	4,839,144
Software	2,313,203	3,188,780
Software in progress	723,223	1,356,992
Total intangible assets	6,105,189	9,384,916
Investments and other assets		
Investment securities	5,006,164	12,834,190
Leasehold and guarantee deposits	606,325	729,030
Other	712,468	1,287,915
Allowance for doubtful accounts	(50,678)	(50,678)
Total investments and other assets	6,274,279	14,800,457
Total non-current assets	12,916,799	24,805,520
Total assets	56,942,558	66,422,891

(Thousands of yen)

	As of November 30, 2021	As of May 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	211,852	243,128
Short-term loans payable	4,700,000	8,600,000
Current portion of long-term loans payable	1,713,041	2,490,314
Accounts payable – other	1,822,487	4,610,518
Accrued expenses	908,826	1,087,596
Income taxes payable	350,189	244,580
Unearned revenue	1,722,767	–
Contract liabilities	–	2,978,450
Provision for bonuses	34,506	139,041
Provision for bonuses for directors (and other officers)	–	30,439
Provision for points	644	24,110
Provision for loss on order received	–	380
Other	812,054	827,549
<b>Total current liabilities</b>	<b>12,276,371</b>	<b>21,276,108</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,141,100	4,789,314
Retirement benefit liability	2,376	2,789
Other	189,728	305,711
<b>Total non-current liabilities</b>	<b>2,333,205</b>	<b>5,097,815</b>
<b>Total liabilities</b>	<b>14,609,576</b>	<b>26,373,924</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	25,775,494	26,250,753
Capital surplus	17,233,262	15,783,621
Retained earnings	(2,755,553)	(5,131,506)
Treasury shares	(850)	(1,018)
<b>Total shareholders' equity</b>	<b>40,252,352</b>	<b>36,901,849</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	228,409	533,862
Foreign currency translation adjustment	10,898	33,987
<b>Total accumulated other comprehensive income</b>	<b>239,307</b>	<b>567,849</b>
Share acquisition rights	38,529	35,078
Non-controlling interests	1,802,791	2,544,188
<b>Total net assets</b>	<b>42,332,981</b>	<b>40,048,966</b>
<b>Total liabilities and net assets</b>	<b>56,942,558</b>	<b>66,422,891</b>

## Consolidated Statements of Income (cumulative) and Consolidated Statements of Comprehensive Income (cumulative)

### Consolidated Statements of Income (cumulative)

	(Thousands of yen)	
	Six months ended May 31, 2021	Six months ended May 31, 2022
Net sales	7,460,296	9,841,023
Cost of sales	2,077,343	3,479,301
Gross profit	5,382,952	6,361,721
Selling, general and administrative expenses	5,338,583	10,157,798
Operating profit (loss)	44,369	(3,796,076)
Non-operating income		
Interest income	40	198
Dividend income	–	521
Consumption taxes refund	9,013	0
Gain on investments in investment partnerships	2,281	231
Other	5,311	3,612
Total non-operating income	16,646	4,563
Non-operating expenses		
Interest expenses	22,217	33,391
Foreign exchange losses	6,063	26,137
Share of loss of entities accounted for using equity method	–	387
Loss on investments in investment partnerships	2,747	19,037
Other	1,451	4,719
Total non-operating expenses	32,478	83,673
Ordinary profit (loss)	28,536	(3,875,187)
Extraordinary income		
Gain on reversal of share acquisition rights	1,210	966
Total extraordinary income	1,210	966
Profit (loss) before income taxes	29,747	(3,874,220)
Income taxes	35,401	126,249
Profit (loss)	(5,653)	(4,000,469)
Loss attributable to non-controlling interests	(26,064)	(112,725)
Profit (loss) attributable to owners of parent	20,410	(3,887,744)

### Consolidated Statements of Comprehensive Income (cumulative)

	(Thousands of yen)	
	Six months ended May 31, 2021	Six months ended May 31, 2022
Profit (loss)	(5,653)	(4,000,469)
Other comprehensive income		
Valuation difference on available-for-sale securities	22,380	305,453
Foreign currency translation adjustment	12,427	23,088
Total other comprehensive income	34,808	328,541
Comprehensive income	29,154	(3,671,927)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	55,218	(3,559,202)
Comprehensive income attributable to non-controlling interests	(26,064)	(112,725)

## Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended May 31, 2021	Six months ended May 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	29,747	(3,874,220)
Depreciation	146,846	378,466
Amortization of goodwill	236,373	310,007
Share-based payment expenses	108,414	190,887
Increase (decrease) in provision for bonuses	251	102,920
Increase (decrease) in provision for bonuses for directors (and other officers)	–	30,439
Increase (decrease) in allowance for doubtful accounts	35,294	(26,530)
Increase (decrease) in provision for points	–	23,465
Interest and dividend income	(40)	(719)
Interest expenses	22,217	33,391
Share issuance costs	–	4,126
Share of loss (profit) of entities accounted for using equity method	–	387
Decrease (increase) in notes and accounts receivable – trade	(63,352)	–
Decrease (increase) in notes, accounts receivable - trade, and contract assets	–	(239,982)
Decrease (increase) in investment securities for sale	(334,014)	(515,895)
Decrease (increase) in inventories	56,661	5,208
Decrease (increase) in purchased receivables	(787,423)	(1,684,146)
Increase (decrease) in notes and accounts payable - trade	(22,946)	24,167
Increase (decrease) in accounts payable - other	(381,824)	2,497,323
Increase (decrease) in accrued expenses	22,212	171,849
Increase (decrease) in unearned revenue	60,495	–
Decrease (increase) in contract liabilities	–	751,249
Other, net	(65,738)	(782,708)
Subtotal	(936,824)	(2,600,311)
Interest and dividends income received	40	719
Interest expenses paid	(22,911)	(35,336)
Income taxes paid	(37,118)	(127,513)
Net cash provided by (used in) operating activities	(996,814)	(2,762,441)
Cash flows from investing activities		
Payments into time deposits	(200,000)	–
Proceeds from withdrawal of time deposits	200,000	–
Purchase of property, plant and equipment	(93,000)	(141,202)
Purchase of intangible assets	(1,093,124)	(1,606,176)
Purchase of investment securities	(2,252,456)	(7,310,688)
Proceeds from sale of investment securities	18,596	–
Proceeds from share of profits on investments in capital	–	1,698
Payments of leasehold and guarantee deposits	(29,243)	(184,666)
Proceeds from refund of leasehold and guarantee deposits	19,159	60,904
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,808,290)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(14,218)	–
Other, net	(190)	(190)
Net cash provided by (used in) investing activities	(3,444,478)	(10,988,612)

	(Thousands of yen)	
	Six months ended May 31, 2021	Six months ended May 31, 2022
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	1,010,000	3,900,000
Proceeds from long-term loans payable	1,000,000	4,000,000
Repayments of long-term loans payable	(374,572)	(856,185)
Proceeds from issuance of common shares	64,811	70,960
Purchase of treasury shares	(704)	(168)
Proceeds from share issuance to non-controlling shareholders	–	294,000
Proceeds from partnership	570,000	546,000
Other, net	(167)	(111)
Net cash provided by (used in) financing activities	2,269,367	7,954,495
Effect of exchange rate change on cash and cash equivalents	10,602	14,376
Net increase (decrease) in cash and cash equivalents	(2,161,321)	(5,782,182)
Cash and cash equivalents at beginning of period	8,719,850	36,020,522
Cash and cash equivalents at end of period	6,558,528	30,238,339