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**Announcement of the Recording of Equity Losses (Extraordinary Losses) and
Differences Between Financial Forecasts and Actual Results
for the Nine Months Ended August 31, 2022**

Money Forward, Inc. (the “Company”) hereby announces that it recorded equity losses of the affiliate company (extraordinary losses) in the consolidated financial results for the nine months ended August 31, 2022. The Company also reports that differences have arisen between the consolidated financial forecast for the nine months ended August 31, 2022 which was announced on July 13 2022 and actual results announced today.

1. Equity Losses in Affiliate Company (Extraordinary Loss)

The Company has been engaged in expanding its service line-up to solve broader financial issues of the users, from visualizing individual financial status to supporting actions to improve household finances. This has been done through offering Money Forward ME, which visualizes personal finance, and other finance-related service. To provide further value to its users in the field of asset management, the Company converted Susten Capital Management Inc. (“Susten”) into an equity method affiliate through the third-party allotment in March, 2022.

SUSTEN, the asset management service offered by Susten generates revenue on a pay-for-performance basis, and its investment strategy is centered on short-term bonds. Thus, the investment perform was weaker than expected due to the recent sharp rise in U.S. interest rates, leading to a material gap between the initial business plan of Susten and the actual progress of it.

Considering this situation, the Company cautiously and conservatively examined the business plan going forward. Consequently, it has decided, in accordance with the Accounting Standard for Impairment of Fixed Assets, to record 832 million in equity losses as extraordinary losses in the consolidated financial results for the nine months ended August 31, 2022.

2. Difference from the Financial Forecast for the Nine Months Ended August 31, 2022

(1) Difference from the Financial Forecast for the Nine Months Ended August 31, 2022 (from June 1, 2022 to August 31, 2022)

	Net Sales	SaaS ARR*1	EBITDA*2	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Earnings per share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous forecast (A)	5,175 ~5,405	14,605 ~15,025	(2,200) ~(1,700)	(2,850) ~(2,350)	(2,870) ~(2,370)	(2,920) ~(2,420)	(54.33) ~(45.03)
Revised forecast (B)	5,455	15,048	(1,871)	(2,510)	(3,481)	(3,458)	(64.64)
Changes (B – A)	280 ~50	443 ~23	329 ~(171)	340 ~(160)	(611) ~(1,111)	(538) ~(1,038)	(10.31) ~(19.61)
Changes (%)	5.1 ~0.9	2.9 ~0.2	–	–	–	–	–
(Reference) Results for the previous nine months ended August 31, 2021	3,833	10,132	41	(445)	(780)	(779)	(16.16)

*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

(2) Reason of the difference

As stated in section 1. above, the Company recorded equity losses of the affiliated company (extraordinary losses) in the financial result of nine months ended August 31, 2022. As a result, the ordinary loss has reached above 1.47 times of the upper range of previous forecast of (2,370) million yen, more than 1.3 times the forecast., which is the threshold for disclosure.