

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended August 31, 2022 (Based on Japanese GAAP)

October 17, 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: October 17, 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 nine months ended August 31, 2022 (from December 1, 2021 to August 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | SaaS ARR | | EBITDA | | Operating profit | | Ordinary profit | |
|-----------------------------------|-----------------|------|-----------------|------|-----------------|---|------------------|---|-----------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended August 31, 2022 | 15,296 | 35.4 | 15,048 | 43.2 | (4,605) | – | (6,306) | – | (7,356) | – |
| Nine months ended August 31, 2021 | 11,293 | 41.7 | 10,507 | 34.0 | 690 | – | (401) | – | (751) | – |

(Note) Comprehensive income (millions of yen)

Nine months ended August 31, 2022: (6,518) (-%). Nine months ended August 31, 2021: (811) (-%)

| | Profit attributable to owners of parent | | Earnings per share | Diluted earnings per share |
|-----------------------------------|---|---|--------------------|----------------------------|
| | Millions of yen | % | Yen | Yen |
| Nine months ended August 31, 2022 | (7,345) | – | (137.32) | – |
| Nine months ended August 31, 2021 | (758) | – | (15.74) | – |

*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

*3 Diluted earnings per share 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 August 31, 2022 | 65,364 | 37,241 | 53.0 |
| As of November 30, 2021 | 56,942 | 42,332 | 71.1 |

(Reference) Equity (millions of yen) As of August 31, 2022: 34,674. 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)

Percentages indicate year-on-year changes

| | Net sales | | SaaS ARR | | EBITDA | |
|-----------|-------------------|---------------|-------------------|---------------|---------------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Full year | 21,067 ~21,327 | 34.8 ~36.4 | 15,943 ~16,392 | 42.0 ~46.0 | (6,455) ~(5,955) | — |

| | 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 | (8,804) ~(8,304) | — | (9,876) ~(9,376) | — | (9,791) ~(9,291) | — | (182.82) ~(173.48) |

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 | % |
| Twelve months ending November 30 2022 | 5,771 ~6,031 | 33.0 ~39.0 | 15,943 ~16,392 | 42.0 ~46.0 | (1,850) ~(1,350) | — |

| | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|---------------------------------------|---------------------|---|---------------------|---|---|---|---------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Twelve months ending November 30 2022 | (2,497) ~(1,997) | — | (2,519) ~(2,019) | — | (2,445) ~(1,945) | — | (45.12) ~(35.90) |

*1 Revisions to most recent dividend forecast: Yes

*2 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.)

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

*4 Advertising expenses for the twelve months ending November 30, 2022, are expected to range from 1,500 million yen to 1,700 million yen.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended August 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 August 31, 2022 | 53,782,300 shares | As of November 30, 2021 | 53,382,460 shares |
|-----------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-----------------------|---------------|-------------------------|---------------|
| As of August 31, 2022 | 53,283 shares | As of November 30, 2021 | 36,475 shares |
|-----------------------|---------------|-------------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Nine months ended August 31, 2022 | 53,494,370 shares | Nine months ended August 31, 2021 | 48,200,562 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

Quarterly Consolidated Financial Statements
Consolidated Balance Sheets

(Thousands of yen)

| | As of November 30, 2021 | As of August 31, 2022 |
|--|-------------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 36,220,522 | 27,140,579 |
| Notes and accounts receivable - trade | 1,516,402 | - |
| Notes and accounts receivable - trade, and contract assets | - | 2,123,624 |
| Operational investment securities | 1,074,286 | 1,669,084 |
| Inventories | 21,762 | 13,134 |
| Purchased receivables | 4,222,155 | 5,669,259 |
| Other | 1,073,146 | 2,539,122 |
| Allowance for doubtful accounts | (102,517) | (77,667) |
| Total current assets | 44,025,758 | 39,077,137 |
| Non-current assets | | |
| Property, plant and equipment | 537,330 | 703,075 |
| Intangible assets | | |
| Goodwill | 3,068,762 | 4,671,025 |
| Software | 2,313,203 | 4,040,690 |
| Software in progress | 723,223 | 1,404,607 |
| Total intangible assets | 6,105,189 | 10,116,323 |
| Investments and other assets | | |
| Investment securities | 5,006,164 | 13,445,131 |
| Leasehold and guarantee deposits | 606,325 | 892,653 |
| Other | 712,468 | 1,181,166 |
| Allowance for doubtful accounts | (50,678) | (50,678) |
| Total investments and other assets | 6,274,279 | 15,468,272 |
| Total non-current assets | 12,916,799 | 26,287,670 |
| Total assets | 56,942,558 | 65,364,808 |

(Thousands of yen)

| | As of November 30, 2021 | As of August 31, 2022 |
|--|-------------------------|-----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 211,852 | 311,724 |
| Short-term loans payable | 4,700,000 | 8,690,000 |
| Current portion of long-term loans payable | 1,713,041 | 2,865,000 |
| Accounts payable – other | 1,822,487 | 3,589,928 |
| Accrued expenses | 908,826 | 1,285,822 |
| Income taxes payable | 350,189 | 142,389 |
| Unearned revenue | 1,722,767 | – |
| Contract liabilities | – | 3,274,557 |
| Provision for bonuses | 34,506 | 131,455 |
| Provision for bonuses for directors (and other officers) | – | 44,986 |
| Provision for points | 644 | 17,583 |
| Other | 812,054 | 1,254,624 |
| Total current liabilities | 12,276,371 | 21,608,072 |
| Non-current liabilities | | |
| Long-term loans payable | 2,141,100 | 5,927,588 |
| Retirement benefit liability | 2,376 | 3,511 |
| Other | 189,728 | 584,296 |
| Total non-current liabilities | 2,333,205 | 6,515,396 |
| Total liabilities | 14,609,576 | 28,123,469 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 25,775,494 | 26,270,407 |
| Capital surplus | 17,233,262 | 15,759,208 |
| Retained earnings | (2,755,553) | (8,589,575) |
| Treasury shares | (850) | (1,143) |
| Total shareholders' equity | 40,252,352 | 33,438,898 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 228,409 | 1,155,787 |
| Foreign currency translation adjustment | 10,898 | 79,631 |
| Total accumulated other comprehensive income | 239,307 | 1,235,419 |
| Share acquisition rights | 38,529 | 34,406 |
| Non-controlling interests | 1,802,791 | 2,532,614 |
| Total net assets | 42,332,981 | 37,241,339 |
| Total liabilities and net assets | 56,942,558 | 65,364,808 |

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

| | (Thousands of yen) | |
|---|--------------------------------------|--------------------------------------|
| | Nine months ended August 31, 2021 | Nine months ended August 31, 2022 |
| Net sales | 11,293,311 | 15,296,090 |
| Cost of sales | 3,232,564 | 5,616,050 |
| Gross profit | 8,060,747 | 9,680,039 |
| Selling, general and administrative expenses | 8,461,892 | 15,986,823 |
| Operating loss | (401,145) | (6,306,783) |
| Non-operating income | | |
| Interest income | 73 | 369 |
| Dividend income | – | 524 |
| Subsidy income | 2,281 | 1,009 |
| Consumption taxes refund | 9,013 | 0 |
| Other | 10,082 | 4,493 |
| Total non-operating income | 21,450 | 6,396 |
| Non-operating expenses | | |
| Interest expenses | 35,155 | 59,335 |
| Share issuance costs | 313,935 | 4,126 |
| Foreign exchange losses | 6,378 | 84,880 |
| Loss on investments in investment partnerships | 3,822 | 21,152 |
| Share of loss of entities accounted for using equity method | – | 885,656 |
| Other | 12,992 | 1,129 |
| Total non-operating expenses | 372,284 | 1,056,281 |
| Ordinary loss | (751,978) | (7,356,668) |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | 2,207 | 966 |
| Total extraordinary income | 2,207 | 966 |
| Loss before income taxes | (749,771) | (7,355,701) |
| Income taxes | 58,821 | 158,477 |
| Loss | (808,593) | (7,514,178) |
| Loss attributable to non-controlling interests | (49,987) | (168,365) |
| Loss attributable to owners of parent | (758,605) | (7,345,813) |

Consolidated Statements of Comprehensive Income (cumulative)

| | (Thousands of yen) | |
|--|--------------------------------------|--------------------------------------|
| | Nine months ended August 31, 2021 | Nine months ended August 31, 2022 |
| Loss | (808,593) | (7,514,178) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (15,689) | 927,378 |
| Foreign currency translation adjustment | 13,090 | 68,733 |
| Total other comprehensive income | (2,598) | 996,111 |
| Comprehensive income | (811,191) | (6,518,067) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (761,203) | (6,349,701) |
| Comprehensive income attributable to non-controlling interests | (49,987) | (168,365) |