

Translation

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November 16, 2022

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Representative Director, President and CEO
(Securities Code: 3994,
Stock Exchange: TSE Prime Section)
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Notice Regarding Risk of Uncollectibility of Receivables at a Consolidated Subsidiary

Money Forward, Inc. (the “Company”), hereby announces that the Company recognized a risk that the receivables to a transaction counterparty (the “Counterparty”) of the Company’s consolidated subsidiary, Money Forward Kessai, Inc. (“Kessai”) may become delayed or uncollectible, and recorded operating loss accordingly.

1. Overview of Kessai

(1) Name	Money Forward Kessai, Inc.
(2) Location	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo
(3) Job title and name of representative	Representative Director and President, Naomichi Tomiyama
(4) Description of business	Development and offering of BPO and online invoicing service, <i>Money Forward Kessai</i> , and accounts receivable financing service, <i>Money Forward Early Payment</i>
(5) Share capital	350.47 million yen

2. Overview of the Counterparty

Considering the circumstances described in 3. below and the fact that the legal liquidation policy of the Counterparty has not been finalized, the Company will refrain from disclosing the name of the Counterparty.

3. Course of events that lead to the risk of uncollectibility

Kessai, a consolidated subsidiary of the Company, had acquired the receivables of the Counterparty through the provision of the *Money Forward Early Payment* service to the Counterparty. We have received a notice from the attorney representing the Counterparty that it intends to conduct voluntary debt restructuring and that the attorney have been appointed for the voluntary debt restructuring. Considering this notice, as well as the Counterparty's assets and debt burden disclosed by the attorney, it has become difficult for Kessai to collect the assigned receivables.

4. Type and amount of receivables to the Counterparty and provision of allowance for doubtful receivables

Transferred receivables, etc.: 103.13 million yen (Percentage of consolidated net assets 0.3%)

Provision of allowance for doubtful receivables as of the year ending November 31, 2022: 10.313 million yen

Kessai protects the transferred receivables related to *Money Forward Kessai* and *Money Forward Early Payment* with insurance, based on the contract between Money Forward Hosho, Inc., Kessai's guarantee organization and a consolidated subsidiary of the Company, and insurance companies. Although 103.13 million yen of the said receivables is fully covered by the insurance, 10% of the total loss is expected to be posted as a provision for allowance for doubtful receivables in the fiscal year ending November 30, 2022.

5. Future outlook

There is no change in full-year guidance due to the recognition of provision of allowance for doubtful receivables.