

Translation

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Summary of Consolidated Financial Results for the Year Ended November 30, 2022 (Based on Japanese GAAP)

January 16, 2023

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 of ordinary general meeting of shareholders: February 22, 2023
 Scheduled date to file Securities Report: February 22, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended November 30, 2022 (from December 1, 2021 to November 30, 2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		SaaS ARR		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended November 30, 2022	21,477	37.4	16,299	45.2	(6,029)	–	(8,469)	–	(9,581)	–	(9,449)	–
Year ended November 30, 2021	15,632	38.1	11,227	33.0	429	–	(1,062)	–	(1,432)	–	(1,482)	–

(Note) Comprehensive income (millions of yen)

Year ended November 30, 2022: (8,766) (-%). Year Ended November 30, 2021: (1,548) (-%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended November 30, 2022	(176.44)	–	(25.9)	(15.6)	(39.4)
Year ended November 30, 2021	(29.97)	–	(5.9)	(3.6)	(6.8)

(Reference) Share of loss of entities accounted for using equity method (millions of yen) As of November 30, 2022: (922). As of November 30, 2021: 0

(Note 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).

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

(Note 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2022	65,986	35,082	49.4	606.33
As of November 30, 2021	56,942	42,332	71.1	759.04

(Reference) Equity (millions of yen) As of November 30, 2022: 32,600. As of November 30, 2021: 40,491.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended November 30, 2022	(4,124)	(14,780)	9,074	26,309
Year ended November 30, 2021	(2,327)	(5,199)	34,797	36,020

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended November 30, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ended November 30, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ending November 30, 2023 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending November 30, 2023 (from December 1, 2022 to November 30, 2023)

In the fiscal year ending November 30, 2023, 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 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		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	27,491	28.0	21,188	30.0	–	–
	~29,639	38.0	~22,818	~40.0		

	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 February 28, 2023	6,278	32.0	17,550	36.0	(1,700)	–
	~6,563	~38.0	~18,066	~40.0	~(1,200)	

	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 February 28, 2023	(2,569)	–	(2,584)	–	(2,585)	–	(48.07)
	~(2,069)		~(2,084)		~(2,085)		~(38.77)

(Note 1) Rounded to the nearest million yen.

(Note 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.

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

(Note 4) Advertising expenses for the three months ending February 28, 2023, are expected to range from 1,400 million yen to 1,600 million yen.

4. Notes

(1) Changes in significant subsidiaries during the year ended November 30, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of November 30, 2022	53,828,535 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 November 30, 2022	61,247 shares	As of November 30, 2021	36,475 shares
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Average number of shares during the period

Year ended November 30, 2022	53,556,752 shares	Year ended November 30, 2021	49,450,652 shares
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(Reference)

Non-consolidated financial results for the year ended November 30, 2022(from December 1, 2021 to November 30 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended November 30, 2022	14,720	31.1	(7,208)	-	(7,284)	-	(8,116)	-
Year ended November 30, 2021	11,231	34.2	(784)	-	(1,126)	-	(1,924)	-

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Year ended November 30, 2022	(151.54)	-	-	-
Year ended November 30, 2021	(38.93)	-	-	-

(Note) Diluted earnings per share is not disclosed because it is anti dilutive due to the Company's net loss position.

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%	Yen	Yen
Year ended November 30, 2022	55,319	36,366	36,366	65.7	65.7	675.75		
Year ended November 30, 2021	51,266	43,066	43,066	83.9	83.9	806.58		

(Reference)Equity (millions of yen)

As of November 30, 2022: 36,333. As of November 30, 2021: 43,027.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2021	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	36,220,522	26,712,865
Notes and accounts receivable - trade	1,516,402	–
Notes and accounts receivable - trade, and contract assets	–	2,327,171
Operational investment securities	1,074,286	1,769,083
Inventories	21,762	20,426
Purchased receivables	4,222,155	5,454,012
Other	1,073,146	2,626,285
Allowance for doubtful accounts	(102,517)	(94,815)
Total current assets	44,025,758	38,815,030
Non-current assets		
Property, plant and equipment		
Buildings	460,326	593,629
Accumulated depreciation	(143,887)	(202,388)
Buildings, net	316,439	391,240
Tools, furniture and fixtures	383,671	590,452
Accumulated depreciation	(165,893)	(259,377)
Tools, furniture and fixtures, net	217,778	331,075
Construction in progress	3,112	8,750
Other	–	0
Total property, plant and equipment	537,330	731,066
Intangible assets		
Goodwill	3,068,762	4,504,481
Software	2,313,203	4,552,583
Software in progress	723,223	1,919,275
Other	–	507
Total intangible assets	6,105,189	10,976,847
Investments and other assets		
Investment securities	5,006,164	13,284,537
Leasehold and guarantee deposits	606,325	1,156,316
Other	712,468	1,022,906
Allowance for doubtful accounts	(50,678)	–
Total investments and other assets	6,274,279	15,463,760
Total non-current assets	12,916,799	27,171,675
Total assets	56,942,558	65,986,706

(Thousands of yen)

	As of November 30, 2021	As of November 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	211,852	340,994
Short-term loans payable	4,700,000	8,240,000
Current portion of long-term loans payable	1,713,041	2,295,000
Accounts payable – other	1,822,487	5,386,371
Accrued expenses	908,826	1,352,406
Income taxes payable	350,189	169,550
Unearned revenue	1,722,767	–
Contract liabilities	–	3,486,806
Provision for bonuses	34,506	190,600
Provision for bonuses for directors (and other officers)	–	58,029
Provision for points	644	47,608
Other	812,054	2,397,401
Total current liabilities	12,276,371	23,964,769
Non-current liabilities		
Long-term loans payable	2,141,100	6,367,157
Retirement benefit liability	2,376	4,848
Other	189,728	567,107
Total non-current liabilities	2,333,205	6,939,113
Total liabilities	14,609,576	30,903,882
Net assets		
Shareholders' equity		
Capital stock	25,775,494	26,316,141
Capital surplus	17,233,262	15,804,942
Retained earnings	(2,755,553)	(10,693,566)
Treasury shares	(850)	(1,219)
Total shareholders' equity	40,252,352	31,426,298
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	228,409	1,073,608
Foreign currency translation adjustment	10,898	101,059
Total accumulated other comprehensive income	239,307	1,174,667
Share acquisition rights	38,529	32,860
Non-controlling interests	1,802,791	2,448,996
Total net assets	42,332,981	35,082,823
Total liabilities and net assets	56,942,558	65,986,706

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended November 30, 2021	Fiscal year ended November 30, 2022
Net sales	15,632,601	21,477,195
Cost of sales	4,814,024	8,079,469
Gross profit	10,818,576	13,397,725
Selling, general and administrative expenses	11,880,838	21,867,022
Operating profit (loss)	(1,062,262)	(8,469,297)
Non-operating income		
Interest income	78	549
Dividend income	–	524
Subsidy income	2,281	2,580
Gain on sale of investment securities	3,213	–
Consumption taxes refund	9,013	3
Late payment charge	–	1,206
Other	11,904	5,742
Total non-operating income	26,491	10,606
Non-operating expenses		
Interest expenses	48,325	83,054
Share issuance costs	313,935	4,126
Share of loss of entities accounted for using equity method	–	922,064
Other	34,497	113,612
Total non-operating expenses	396,758	1,122,857
Ordinary loss	(1,432,529)	(9,581,548)
Extraordinary income		
Gain on reversal of share acquisition rights	2,462	1,070
Total extraordinary income	2,462	1,070
Extraordinary losses		
Loss on retirement of non-current assets	–	1,328
Loss on valuation of investment securities	–	33,819
Total extraordinary losses	–	35,148
Loss before income taxes	(1,430,066)	(9,615,626)
Income taxes - current	136,850	101,095
Income taxes - deferred	15,632	(14,934)
Total income taxes	152,483	86,161
Loss	(1,582,549)	(9,701,788)
Loss attributable to non-controlling interests	(100,287)	(251,983)
Loss attributable to owners of parent	(1,482,262)	(9,449,804)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended November 30, 2021	Fiscal year ended November 30, 2022
Loss	(1,582,549)	(9,701,788)
Other comprehensive income		
Valuation difference on available-for-sale securities	13,516	845,199
Foreign currency translation adjustment	20,651	90,160
Total other comprehensive income	34,167	935,360
Comprehensive income	(1,548,382)	(8,766,427)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,448,094)	(8,514,444)
Comprehensive income attributable to non-controlling interests	(100,287)	(251,983)

Consolidated Statements of Changes in Equity

Fiscal year ended November 30, 2021

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614,410	2,910,162	(3,111,275)	(146)	9,413,150
Changes during period					
Issuance of new shares	15,786,000	15,786,000			31,572,000
Issuance of new shares - exercise of share acquisition rights	95,920	95,920			191,840
Restricted Stock Unit	279,163	279,163			558,327
Deficit disposition		(1,837,984)	1,837,984		–
Loss attributable to owners of parent			(1,482,262)		(1,482,262)
Purchase of treasury shares				(704)	(704)
Net changes in items other than shareholders' equity					
Total changes during period	16,161,084	14,323,100	355,721	(704)	30,839,202
Balance at end of period	25,775,494	17,233,262	(2,755,553)	(850)	40,252,352

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	214,893	(9,752)	205,140	46,549	572,927	10,237,768
Changes during period						
Issuance of new shares						31,572,000
Issuance of new shares - exercise of share acquisition rights						191,840
Restricted Stock Unit						558,327
Deficit disposition						–
Loss attributable to owners of parent						(1,482,262)
Purchase of treasury shares						(704)
Net changes in items other than shareholders' equity	13,516	20,651	34,167	(8,020)	1,229,864	1,256,011
Total changes during period	13,516	20,651	34,167	(8,020)	1,229,864	32,095,213
Balance at end of period	228,409	10,898	239,307	38,529	1,802,791	42,332,981

Fiscal year ended November 30, 2022

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,775,494	17,233,262	(2,755,553)	(850)	40,252,352
Cumulative effects of changes in accounting policies			(513,796)		(513,796)
Restated balance	25,775,494	17,233,262	(3,269,350)	(850)	39,738,555
Changes during period					
Issuance of new shares - exercise of share acquisition rights	76,617	76,617			153,235
Restricted Stock Unit	464,029	464,029			928,059
Purchase of shares of consolidated subsidiaries		(44,066)			(44,066)
Increase in retained earnings of entities accounted for using equity method			100,687		100,687
Deficit disposition		(1,924,900)	1,924,900		–
Loss attributable to owners of parent			(9,449,804)		(9,449,804)
Purchase of treasury shares				(369)	(369)
Net changes in items other than shareholders' equity					–
Total changes during period	540,647	(1,428,319)	(7,424,216)	(369)	(8,312,257)
Balance at end of period	26,316,141	15,804,942	(10,693,566)	(1,219)	31,426,298

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	228,409	10,898	239,307	38,529	1,802,791	42,332,981
Cumulative effects of changes in accounting policies					(9,877)	(523,674)
Restated balance	228,409	10,898	239,307	38,529	1,792,914	41,809,307
Changes during period						
Issuance of new shares - exercise of share acquisition rights						153,235
Restricted Stock Unit						928,059
Purchase of shares of consolidated subsidiaries						(44,066)
Increase in retained earnings of entities accounted for using equity method						100,687
Deficit disposition						-
Loss attributable to owners of parent						(9,449,804)
Purchase of treasury shares						(369)
Net changes in items other than shareholders' equity	845,199	90,160	935,360	(5,669)	656,082	1,585,773
Total changes during period	845,199	90,160	935,360	(5,669)	656,082	(6,726,484)
Balance at end of period	1,073,608	101,059	1,174,667	32,860	2,448,996	35,082,823

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended November 30, 2021	Fiscal year ended November 30, 2022
Cash flows from operating activities		
Loss before income taxes	(1,430,066)	(9,615,626)
Depreciation	394,640	921,351
Amortization of goodwill	473,425	643,093
Share-based payment expenses	249,764	439,697
Increase (decrease) in provision for bonuses	16,961	151,100
Increase (decrease) in provision for bonuses for directors (and other officers)	–	58,029
Increase (decrease) in allowance for doubtful accounts	83,829	(58,380)
Increase (decrease) in provision for points	644	46,963
Interest and dividend income	(78)	(1,073)
Loss (gain) on sale of investment securities	(2,868)	–
Loss (gain) on valuation of investment securities	–	33,819
Interest expenses	48,325	83,054
Share issuance costs	313,935	4,126
Share of loss (profit) of entities accounted for using equity method	–	922,064
Decrease (increase) in notes and accounts receivable – trade	(303,621)	–
Decrease (increase) in notes, accounts receivable – trade, and contract assets	–	(804,765)
Decrease (increase) in investment securities for sale	(854,435)	(694,796)
Decrease (increase) in inventories	61,241	(434)
Decrease (increase) in purchased receivables	(2,011,852)	(1,231,857)
Increase (decrease) in notes and accounts payable - trade	36,820	122,032
Increase (decrease) in accounts payable - other	(7,714)	3,207,851
Increase (decrease) in accrued expenses	192,387	429,982
Increase (decrease) in unearned revenue	268,468	–
Decrease (increase) in Contract liability	–	1,259,605
Other, net	242,886	256,262
Subtotal	(2,227,306)	(3,827,897)
Interest and dividend income received	78	1,073
Interest expenses paid	(48,926)	(84,356)
Income taxes paid	(51,498)	(212,901)
Net cash provided by (used in) operating activities	(2,327,653)	(4,124,082)
Cash flows from investing activities		
Payments into time deposits	(400,000)	(403,430)
Proceeds from withdrawal of time deposits	400,000	200,000
Purchase of property, plant and equipment	(204,667)	(333,022)
Purchase of intangible assets	(2,129,319)	(3,935,312)
Purchase of investment securities	(2,824,447)	(7,948,530)
Proceeds from sale of investment securities	24,027	–
Proceeds from share of profits on investments in capital	–	8,341
Payments of leasehold and guarantee deposits	(69,623)	(730,797)
Proceeds from refund of leasehold and guarantee deposits	19,159	168,053
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	(381)	2,550
Net cash provided by (used in) investing activities	(5,199,470)	(14,780,439)

(Thousands of yen)

	Fiscal year ended November 30, 2021	Fiscal year ended November 30, 2022
Cash flows from financing activities		
Increase (decrease) in short-term loan payable	2,190,000	3,540,000
Proceeds from long-term loan payable	1,000,000	6,981,433
Repayments of long-term loan payable	(1,159,944)	(2,455,089)
Proceeds from issuance of common shares	31,444,347	144,510
Purchase of treasury shares	(704)	(369)
Proceeds from share issuance to non-controlling shareholders	196,000	294,000
Proceeds from partnership	1,140,000	570,000
Payments of listing-related expense	(11,539)	–
Other, net	(334)	(111)
Net cash provided by (used in) financing activities	34,797,825	9,074,373
Effect of exchange rate change on cash and cash equivalents	29,970	118,640
Net increase (decrease) in cash and cash equivalents	27,300,671	(9,711,507)
Cash and cash equivalents at beginning of period	8,719,850	36,020,522
Cash and cash equivalents at end of period	36,020,522	26,309,014