

Money Forward. Move your life forward.

Forward Map



Money Forward, Inc.

Integrated Report 2023





"Money Forward. Move your life forward."

We will embrace our founding spirit of "user focus" even as society becomes increasingly complex, and continue to take on challenges to achieve further growth.

The Company, which initially kicked off by providing *Money Forward ME* to individuals in 2012, has developed various services that resolve financial issues of businesses and financial institutions, and has grown to become a company with one of the largest customer bases in Japan.

I am thrilled that we were able to contribute to society's growth, however slightly, as we celebrated our 10th anniversary. At the same time, I would like to take this opportunity to express my sincere gratitude to all of our stakeholders who have supported us throughout our journey. Looking at the external environment, we face one new social challenge after another, arising from unpredictable changes such as the Ukraine conflict, rising interest rates in the U.S., and inflation. Such an environment demands responsive managerial judgement. However, I also believe that the true value we must provide to our users remains unchanged, and we must react swiftly and appropriately to changes in the external environment.

In an age of turbulence when society is becoming more complex and diverse, alleviating financial concerns should drive individuals and companies to take their first step toward realizing their dreams and wishes. The power of individuals can transform into the power of companies and ultimately, the power of society as a whole

Building on our mission, "Money Forward. Move your life forward," we are reinforcing our commitment to contribute to society.

We are also benefiting from a favorable tailwind. As demonstrated by the launch of the Digital Agency by the Japanese government, there is growing

momentum to raise the productivity of society as a whole through digitalization not only within IT companies but also across all industries. To stay ahead of the curve, we raised 31.5 billion yen from the large-scale public offering we made in 2021, accelerating our recruitment and marketing investment, enhancing product development and brand awareness, and strengthening our sales force. With our current headcount of over 1,900, and talented colleagues joining us year after year, I have high confidence in our team.

As for our financial performance, in the fiscal year ended November 30, 2022 (FY11/22), consolidated net sales came in at 21,477 million yen (+ 37% YoY) and SaaS annual recurring revenue (ARR) totaled 16,299 million yen (+ 45% YoY), achieving results in the range of initial forecasts for the sixth consecutive term since we were publicly listed. Notably, among our corporate ARR in Business domain, ARR from services for medium-sized and large companies increased by more than 100%. With regard to profit and loss, we executed upfront investments based on the strategy devised at the time of our large-scale public offering worth 31.5 billion yen in August 2021, and as a result, EBITDA was minus 6,029 million yen. However, steady improvements are being made toward our goal of achieving EBITDA profitability in FY11/24.

The Japanese society has just begun to tackle DX and it is crucial to sustain this movement to overcome issues related to population decline and aging. We are committed to making society a better place in any way possible through our business. With the goal of expanding the development and offering of services to support society moving forward, we will continue to accelerate our business growth, working together with our members and partners who share our aspirations.

We have updated our four growth strategies as follows for the fiscal year ending November 30, 2023 (FY11/23).

Enhance value of back-office SaaS platform with go-to-market strategy based on disciplined investment Maximize synergies between domains and improve Company-wide productivity Create new user value through integrating SaaS and fintech Continue disciplined M&A (group join) and optimize group capital strategy

Enhance value of back-office SaaS platform with goto-market strategy based on disciplined investment

In the field of SaaS applications for back-office operations, which boasts the highest growth rate, our focus remains on rapid growth while managing disciplined investment. For medium-sized companies in particular, we have adopted a "composable ERP" scheme, which provides users with optimal functions on an as-needed basis. By tailoring our offerings to meet the needs of companies of varying sizes and requirements, we will further promote cross-selling of our diverse product portfolio.

In response to the upcoming enactment of the Invoice System, we have extended our service lineup and released the *Money Forward Cloud Invoice System* in addition to highly in-demand products such as *Money Forward Consolidated Accounting* and *Money Forward Cloud Project Cost*.

We anticipate further shifts toward cloud-based operations among professional service firms, who are essential partners that undertake SMEs' accounting tasks. Collaborating with these firms, we will continue to enhance the convenience and efficiency of back-office operations of even more companies.

(► P.60 Business Domain)

Maximize synergies between domains and improve Company-wide productivity

Next, from the perspective of improving profitability as a Group, we will reinforce synergies between each domain. Specifically, we will enhance efficiency throughout the Group by transferring customers between domains and applying existing know-how to other product development.

While many exceptional talents have recently joined the Group, raising each individual's productivity is also vital. Supporting the on-boarding of new members and enhancing employee engagement are among the top priorities for our management members, including myself.

In addition, a crucial factor in enhancing members' productivity is to achieve a balance between a supportive and motivating workplace.

To that end, we are reinforcing our efforts to build a supportive environment, including systems for both men and women who need to balance work and caregiving responsibilities. At the same time, we will also reinforce our efforts in creating a motivating workplace. We aim to establish fair systems and schemes in which members are rewarded for their accomplishments regardless of their tenure or work experience, and to thereby build an organization that offers an expansive growth cycle for individuals as well as the Company.

It is also the management team's responsibility to provide opportunities for

each member to thrive. We will continue to explore new businesses that align with current trends and offer ambitious young members the chance to grow within our organization, while feeding their aspirations. (> P.48 Talent Forward) Our efforts in this area have been recognized by the Great Place to Work Institute, which ranked us 10th in the large company category for its Great Place to Work award for fiscal year 2023, despite this being our first run.

3

Create new user value through integrating SaaS and fintech

Our focus on providing new value leveraging SaaS and fintech is rooted in our commitment to addressing Japan's low productivity challenge. We have been at the forefront of developing services and broadening the concepts of "fintech" and "SaaS" since 2012, when these terms were hardly even known. We now have over 230,000 paying businesses users and 14 million individual users. Our cash flow and payment services for corporate customers have received positive reviews, with Money Forward Kessai, Inc. having purchased receivables worth over 135 billion yen, and Money Forward Pay for Business issuing over 150,000 corporate cards.

By embedding these new services into our existing ones, we aim to offer a smoother and swifter user experience. This vision can be achieved through the integration of SaaS and fintech. By connecting operations such as cash management and payments seamlessly and instantly, we can drastically reduce human error in back-office operations, leading to cost reduction and potentially to more creative operational reforms. We are eager to unveil such a landscape as soon as possible.

Investing in technology and people

Strategies in technology are indispensable in such a business growth scenario. Money Forward Lab is currently carrying out research on the optical character reader (OCR), while the CTO Office is developing AI solutions. (▶ P.36 Technology and Design; ▶ P.43 Money Forward Lab)

And at the core of development are, needless to say, people. We are setting up a development base in India, following our Vietnam base to bolster the recruitment of engineers. Our CTO relocated to India a year ago and has been orchestrating the formation of a competent local team.

Globalization is crucial in attracting superior talents from around the world. As such, we aim to completely shift the engineer divisions' common language to English during FY11/24, and are now investing in internal training and recruitment. Currently, almost 40% of our engineers are non-Japanese, and hearing English spoken in our office is no longer uncommon.

Following the proverb, "Beginning at Kai (To take oneself as an example)," I also committed myself to relearning English and have given a presentation in English since this new year's Company-wide meeting. I believe that for a company to achieve sustainable growth, it is important for the leader to constantly gain new inspirations and continue learning, even if it means taking oneself out of the comfort zone and taking the risk of making mistakes and embarrassing oneself.

4

Continue disciplined M&A (group join) and optimize group capital strategy

M&As (group joins) are one of the pillars of our growth strategies. We will continue to promote our M&A strategies while maintaining high discipline. (>P.80 M&As)

However, it is also important to enhance resilience against the changing external environment. We will undertake further endeavors to increase productivity and investment efficiency, while optimizing our capital strategy to be able to deal with any environmental changes. (>P.54 CFO Message)

Toward the Next Decade

While we celebrated our 10th anniversary last year, the next decade will be completely different from the 10 years we have walked so far.

I am confident that we can create a significantly greater impact on society than we did over the past 10 years, and also feel obligated to do so. While new challenges may bring failures, I have unwavering faith in the abilities of the exceptional members and business partners by our side, and that can overcome any obstacle, no matter how daunting.

My motivation and aspirations have remained unchanged after a decade since our founding.

For instance, I recently received an email from a partner accounting firm on the day we released a new service. On reading the message, "Our year-end tax adjustment process has become so much easier! Everyone in the office cheered and clapped," I felt fortunate to have entered this business. There was also a time a client said, "Ever since we started using the cloud accounting system, I have been able to work from home whenever my child has a fever, so I was able to keep my job."





I am truly grateful to our users and business partners, who are constantly moving forward without breaking stride, for helping Money Forward become what it is now.

Over the years, our user and partner base has grown significantly, encompassing not only individual and corporate customers but also professional service firms, financial institutions, and governmental agencies, and we have recently also been expanding partnerships with regional banks. It is extremely rewarding to serve those who have been struggling to boost their operational efficiency and undertake digital transformation. With the support of such banks, we believe that companies in rural areas will experience substantial growth and invigorate the regional economy, enabling more individuals and companies to increase prosperity throughout Japan. Our goal is to build partnerships that generate numerous "co-creations" in which we can share joy with our partners.

As we chart our course for the next decade, I myself am resolved to retain our founding spirit of "user focus." As all of our employees will make a concerted effort to deliver excellent services, we ask for the continued support and guidance of all our stakeholders, including our users, partner companies, and shareholders, for their ongoing support and guidance.



Opting not to set a vision; contributing to humanity with cutting-edge healthcare as a biotech startup "originating in Japan"





Our company does not uphold a specific vision. We have opted not to, as surprising as this may seem. Many startups decide on their corporate direction by setting a vision. Doing so, however, creates a restriction of sorts. Our intention is to remove such restraints and expand our business flexibly, keeping abreast of the times.

February 2023 marks our 20th anniversary. We have undergone various transformations during this time, and are now aspiring to contribute to humanity in the field of advanced regenerative medicine. Entering into the regenerative medicine space is difficult for major drug makers as it requires massive time and effort. To that end, we want to unleash and drive the growth of Japanese technologies on a global scale, thereby becoming a flag bearer among startups.

Now is an opportune time for SMEs. It used to be impossible for smaller companies to deploy the same systems as large companies. Yet, *Money Forward* enables enables us to carry out the operations required of a listed company, from accounting and taxation to financial management, even with a limited workforce, and thus I feel that times have changed.

As one of the very few biotech startups listed in Japan, we aspire to deliver our products to many people and continue growing. In order to have excellent talents join our company, it is vital that we enhance our brand power in recruiting. By being acknowledged as an attractive company, we can employ more talents with distinguished capabilities and accelerate our growth.

Our goal is to generate such a virtuous cycle.



Advancing together as an excellent mentor to managers while keeping an eye on the present and future





Our corporate message is, "Advancing and growing together with you." We wish to become mentors to whom managers can ask for advice on anything. Since each of our clients pursue different forms of growth and happiness, we aspire to be a tax accountant corporation that offers accommodating support.

The term "together" also includes the staff we work with. We encourage their growth, with a commitment to the idea that "everyone is different and wonderful," in order to make the most of each of their characteristics. If everyone works freely without restraint, the company will expand and in turn contribute to society.

That is why we choose to move forward, notwithstanding any hurdles, if that is what benefits our clients and staff in the long run. While initially meeting with some resistance, we decided to deploy *Money Forward Cloud* with an eye to the years to come, and are thus now able to deliver tailored support to our clients.

By always making new future-oriented proposals, we can reserve our clients' precious time to discuss essential matters. Our aim is to listen to managers more attentively and deliberate business management with them. Our greatest joy is to hear our clients say, "We have come this far thanks to you."

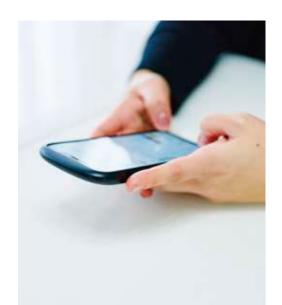
Managers are required to take on responsibility for future generations. For instance, when hiring new graduates, managers must look 40 or 50 years down the road. They need to observe both the present and future. We therefore believe in the power of technology and want to advance hand-in-hand with our clients in terms of product evolution as well.

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Managing assets in the long run using Money Forward ME to enjoy daily life with peace of mind





I started using *Money Forward ME* when I first began working. Vaguely thinking that I should keep my personal finances in check, I searched for an app and found that *Money Forward ME* was the easiest to use. After marrying a few years later and giving birth, and on thinking about the money we would need going forward, I talked with my husband about how we should save up. I was then reminded of *Money Forward ME* and registered as a premium member.

The app allows us to manage our finances based on a long-term perspective without effort, because it visualizes all of our assets, including our cash balance and investments. We typically first reserve part of our income as savings and allocate the rest to daily expenses, and since the app enables us to check how much we have spent and have left, we can enjoy daily life with peace of mind.

Money Forward ME is therefore an essential tool in my life.

I recommend those who don't feel confident about keeping track of their finances in particular to try using Money Forward ME, because it automatically integrates and manages financial information. My job is actually in accounting, and knowing how user-friendly Money Forward ME is, I proposed implementing Money Forward Cloud Accounting at my workplace. My company used to manage everything manually, but with Money Forward Cloud Accounting our workload was significantly reduced, allowing me to spend more time working from home and to lead a more fulfilling life. Since my family is now anticipating various life events, such as our children's entrance exams and relocation of our home, I hope to continue enjoying managing my personal finances using Money Forward ME.

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Supporting clients' digitalization and creating future-oriented environments as a financial institution rooted in the region



Since our founding in 1878, Shikoku Bank has built a management foundation with the mission of continuing to be a bank rooted in the region. We want to be like family to local community members, with whom they can consult first.

Japanese society as a whole is already aging, and rural areas are additionally faced with the issue of population decline. For local businesses to continue operating under such circumstances, they must promote digitalization and raise efficiency. That is why it is significant for us as a financial institution and mentor to local community members to promote services that drive digital transformation (DX).

In collaboration with Money Forward, Inc., we are promoting the *Mikatano* series to businesses that have not felt the need for digitalization up till now, having them experience its usefulness and indispensableness, and building a scheme to thoroughly support them.

Individual bankers also need to see things through a "customers' perspective" and make proposals based on an explicit narrative. We thus set up a dedicated team consisting mainly of young volunteer members to conduct consulting in DX. Members with a strong passion to contribute to the community have volunteered and are proposing a wide range of DX tools. Digitalization backed by financial institutions will serve to enhance the sustainability of local industries without leaving anyone behind and to revitalize regional communities and economies. We believe that this is an essential role of regional banks.

Technology as well as the role of banks will continue to evolve going forward. By leveraging a digital platform and making customized proposals, banks will be able to offer new discoveries to clients. We hope to initiate the creation of such exhilarating future-oriented environments here in Kochi.

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Extending genuine teamwork, created through the flattening of information, to the world

Cybozu upholds the philosophy, "Building a society brimming with teamwork." The flattening of information is key to creating teamwork.

Up till now, information in Japanese companies generally flowed from the top to bottom. However, this created a hierarchical relationship that didn't necessarily appreciate of individuals' abilities, in which those with information were deemed superior, thereby causing damage to the organization. We believe that this issue can be solved through equal distribution of information.

We think that if all members can fully demonstrate their abilities regardless of their position or age, it will become possible to execute management that reflects the opinions of not only a handful of people but everyone.

We have been advocating such team empowerment for

about 10 years, and now *Cybozu* is also being implemented by larger companies. On realizing that changing tools changes the organization, more and more customers are empathizing with us.

Thankfully, our sales volume has risen, leading to more complex internal invoicing operations. Yet, by deploying *Money Forward Kessai*, we were able to reduce our person-hours significantly.

In order to extend into the global market, it is essential that companies concentrate their resources on their core operations. We are now setting our eyes on the world. Our goal is to spread genuine teamwork, created through the flattening of information, to the world. We will continue to take on challenges in search of a globally viable business model.



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Employees/Ratio of Engineers and Designers

SaaS Applications for Back-Office Operations

Cumulative Amount of Receivables Purchased in Money Forward Kessai and Early Payment*2



21,477

Consolidated Net Sales

¥21,477_{mn}



Consolidated EBITDA*1

(EBITA excluding advertising expenses was ¥556 mn)

SaaS ARR (YoY)

(+37% YoY)

¥16,299mn



1,909/37%



(+45% YoY)

Services



235,000+

Paying Customers



(38 for corporates, 6 for individuals, and 11 for financial institutions)

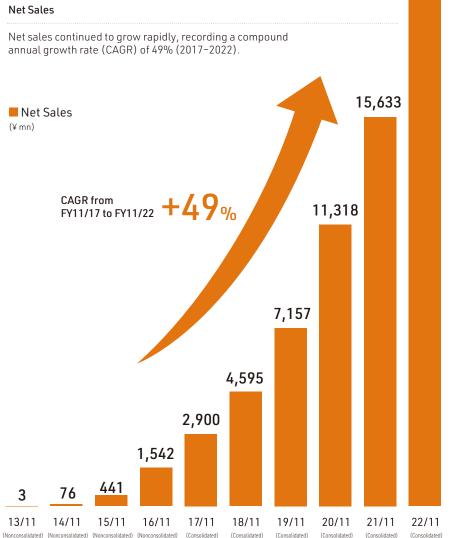
Paying Users of Money Forward ME







^{*1} Consolidated operating profit/loss + depreciation + tax expenses included in operating expenses + share-based remuneration expenses



(Month/Fiscal Year)

^{*2} Cumulative amount transacted through Money Forward Kessai and Money Forward Early Payment

History

May

Moneybook Co., Ltd. (currently Money Forward, Inc.) is established

Dec.

Money Forward ME is released as a service for visualizing personal finances



Money Forward for XX Bank is released Customized versions of Money Forward ME for individual customers of financial institutions





2013

2014

2015

2016



Nov.

Money Forward Cloud Accounting/Tax Return is released

MFKESSAI

KLAVIS

Mar.

Nov.

Money Forward Kessai, Inc. is established Provides an accounts receivable financing service and B2B invoicing/payment BPO service

Sep. The Company is listed on TSE's Mothers

Klavis, Inc. joins the Group

Provides STREAMED, which converts scanned paper documents, such as receipts, into digital accounting data

Money Forward, Inc. was established in May 2012, and its first product was Money Forward ME for visualizing personal finances. The service aggregates data scattered across various services, including that of banks, securities companies, and credit card companies, and displays all data on a single screen, making it easier for users to understand and manage their personal finances.

The following year, we released Money Forward Cloud Accounting/Tax Return as our first SaaS application for back-office operations. Our aim was to reduce cumbersome manual work in the back office, capitalizing on our aggregation technology and know-how in user interface (UI) and user experience (UX) as with Money Forward ME.

We then released Money Forward for XX Bank for financial institutions' customers as an OEM of Money Forward ME. Since then, we have continued to bolster DX promotion through co-creations with financial institutions in X domain.

In 2017, we established Money Forward Kessai, Inc. as a company dedicated to

Jul. Knowledge Labo, Inc. joins the Group

Provides cloud-based budget and cash flow management software *Manageboard* and consulting services in business administration

Aug. 2018 Money Forward Vietnam Co., Ltd. is established

Jul. HIRAC FUND is launched

Supports startups mainly in their seed or early stages

Aug. R&AC Co., Ltd. joins the Group

Mainly provides *V-ONE Cloud*, a cloud service for payment reconciliation and receivables management

Oct. Money Forward Cloud ERP for medium-sized companies is announced





May

The Company changes the listing of its shares to TSE's Prime Market in conjunction with the restructuring of TSE's market segments

Nexsol CO., LTD. joins the Group

Provides consulting services by financial planners as an insurance agency

Nexsol

2018

2019

2020

Aug.

2021

2022

4010

SMARTCAMP

Mar. Money Forward Lab is established

An R&D organization for promoting effective use of technology and data

Sep. 2019 Money Forward Synca, Inc. is established Supports financing, IPO, and M&As of startups

Nov. 20

2019 SMARTCAMP Co., Ltd. joins the Group

Deploys a SaaS marketing platform business centered on *BOXIL SaaS*, a SaaS comparison site targeting corporates

Jun. The Company changes the listing of its shares to TSE's First

Section

Money Forward IT Management Cloud (later renamed Admina by Money Forward) is released

Biz Forward, Inc., a joint venture with MUFG Bank, Ltd., is established

Sep. Money Forward Pay for Business is released

Dec. HiTTO Inc. joins the Group

Provides HiTTO, which holds the No.1 share in Japan for internal AI chatbots*

Biz Forward

* Market share of internal AI chatbots in 2018 (on a sales amount basis) from market research report Marketing Analysis of Task Automation Tools Market (May 2019) issued by Techno Systems Research Co., Ltd.

financial services, to support clients' cash flows and in consideration of the affinity between SaaS platforms and financial services. The company provides an accounts receivable financing service and B2B invoicing and payment BPO service.

Meanwhile, we also established Money Forward Vietnam Co., Ltd. as a development foothold in 2018 with the aim of raising the quality and volume of product development. We have been driving globalization internally, including at our domestic bases, with a focus on engineers. In 2018, we also extended our

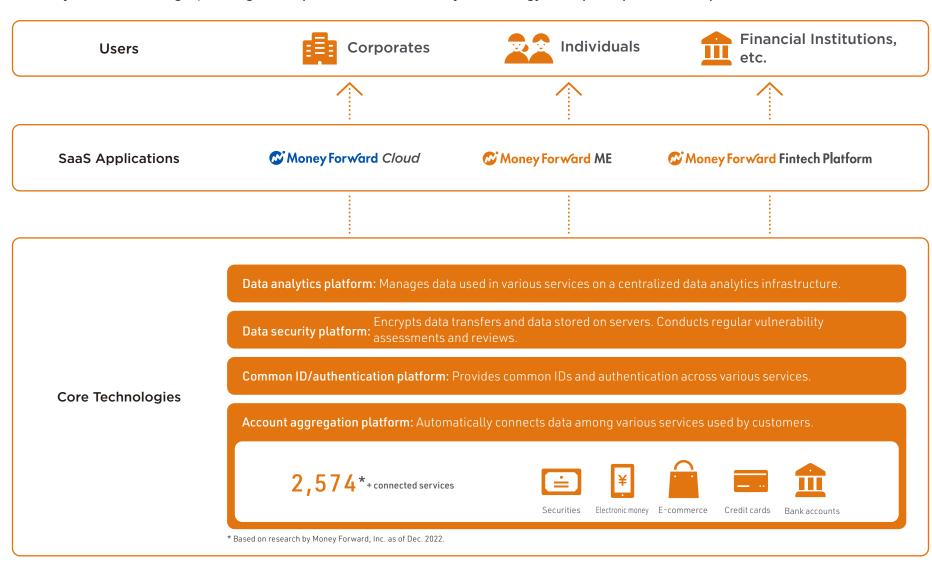
business coverage through the acquisition of SMARTCAMP Co., Ltd., which offers *BOXIL SaaS*, a marketing platform for SaaS businesses. Six companies, including SMARTCAMP Co., Ltd., have joined the Group since 2017 and have been contributing to the expansion of our product lineup and business scope.

We will continue to aim for further growth through such strategies as new business development and M&As to meet the expectations of our users and all other stakeholders

Our Service

Core Technologies

We offer our services to a variety of customers including corporates, individuals, and financial institutions. Many of our services are backed by our core technologies, enabling us to improve investment efficiency in technology and expedite product development.



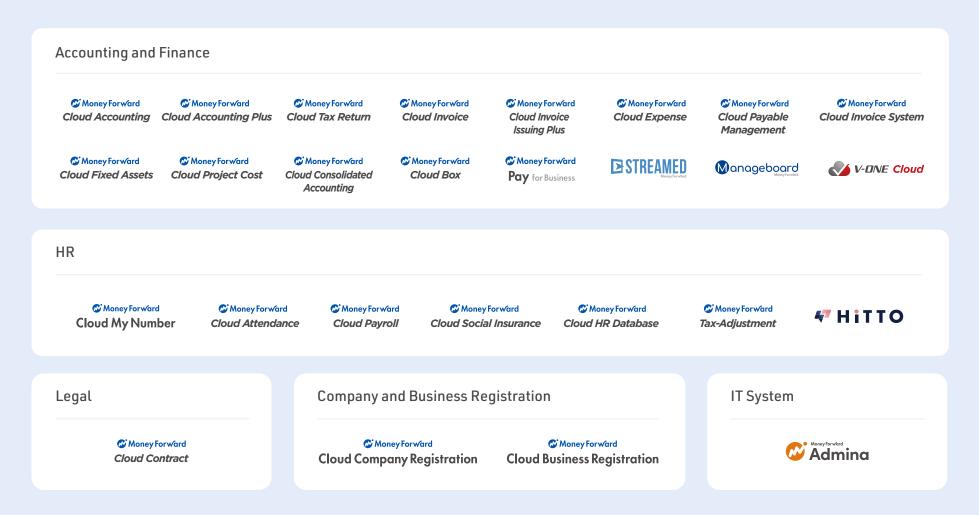
Business Domain



Product Lineup

Connects various back-office data to automate operations.

A cloud service that streamlines cumbersome accounting and HR operations.



Integrating End-to-End Operations, from Expense Claims to Accounting and Payroll Calculations

Example of integrated workflow using Money Forward Cloud



2 Approval by authorizer

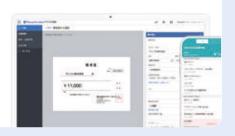
integrates credit card statements

Also supports workflows



Money Forward

Cloud Expense



3 Accounting

Aggregates to accounting books



Money Forward

Cloud Accounting



Integration of payroll and expenses

Links employee information to integrate payroll and expenses



5

Expense settlement with payroll payment



Money Forward

Cloud Payroll



Issues payslips online

Loading Attendance and Employee Information and Integrating Information with Payroll Calculation and Year-End Tax Adjustments

Example of integrated workflow using

Money Forward Cloud

1

Manage employee information

Collects and centrally manages employee information



Money Forward

Cloud HR Database



2

Manage attendance information

Centrally manages attendance status



Money Forward

Cloud Attendance



3

Reflect to payroll

Integrates attendance information with payroll



Money Forward

Cloud Payroll



4

Year-end tax adjustment by integrating information

Enables easy preparation of statutory statements by integrating payroll data



Money Forward

Tax Adjustment



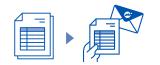
Integrating Operations from Sending and Receiving to Saving Qualified Invoices

Example of integrated workflow using Money Forward Cloud



Preparation and sending of qualified invoices

Supports end-to-end operations from preparing invoices using a template to sending them



Money Forward

Cloud Invoice





Receiving qualified invoices

* To be added in June 2023

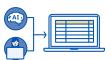
Collectively receives all invoices, both in the form of paper and email





Scanning and digitization of invoices

Invoice data is automatically input with an optical character reader function based on artificial intelligence (AI OCR), or manually input by an operator











Data storage

Collectively stored to enable searches

What is the Invoice System?

The Invoice System is a new method for receiving tax credit for consumption tax, slated to come into effect on October 1, 2023. Ahead of this, taxable businesses must not only change their invoice formats and adjust their systems, but also apply and register as a qualified invoice issuer in advance.





Issuer is also obligated to save invoices

SMARTCAMP | Comprehensive Marketing and Support Platform



SaaS Comparison Site

With this service, users are able to compare various SaaS for corporations and request materials. It offers exhaustive product information, including information on functions, pricing, as well as case studies, and enables users to create comparison charts of multiple SaaS. Users can find the optimal SaaS on the website, by checking word-of-mouth reviews, white papers, and other materials.







Home Domain





Asset Management

Enables asset breakdown checking in the form of graphs, by connecting with a range of financial services.



Budget Control

Visualizes actual expenses vs. budget by category, based on the monthly budget by category in fixed and variable costs, according to users' monthly savings goal.



Personal Financial Management (PFM)

Visualizes monthly personal finances (income and expenses) based on automatically integrated data and manual entries. Expenses can be categorized.



Services for Resolving Problems

Provides various related services. Planning on enhancing data integration on *Money Forward ME* to further address financial issues.

Money Forward ME

Money Forward Fixed Cost Review



Promotes the improvement of personal finances by helping users reduce fixed costs, such as insurance premiums and electricity bills.

Money Forward Personal Financial Consulting



Offers free consultation on financial concerns by a financial planner, at any time or place.

Nexsol



Expand cutomer value such as enhancing Money Forward Personal Financial Consulting services though collaborating with Nexol, which provides consultation by the financial planners.

X Domain







For Corporations

DX Support Services by Financial Institutions

We provide the *Mikatano* series, a DX support service to be provided by financial institutions to their corporate customers.



Mikatano Works

A digital service that can be used for daily operations, represented by groupware for communication tools, workflows, and attendance management.



Mikatano´ Business Financial Management

A corporate fund management service for corporate customers of financial institutions. It Centrally manages deposit information.



Mikatano´ Invoice Management

Automatically digitizes invoice contents, by simply uploading scanned data of issued or received paper invoices to the *Invoice Portal*.

Passbook Application Money Forward for XX Bank

For Individuals

For individual customers of financial institutions, we offer *Money Forward for XX Bank*, which visualizes personal cash flow and assets, as well as *PFM App and Passbook Application for Specified Financial Institutions*, which digitizes paper passbooks.













BANK APP

For Individuals

In the spring of 2023, we will release the *BANK APP*, a mobile app for customers of regional financial institutions. It enables users to easily access a variety of financial services anytime, anywhere.



In addition to daily management of finances, such as checking account balance, deposits/withdrawals, mortgage loan balance, or status of investment trusts, users can use various financial services, including for opening accounts, transferring funds, borrowing or repaying loans, and changing one's registered address.



Finance Domain





A B2B deferred payment service that offers BPO of payment operations from credit screening of business partners, to invoice issuance and credit collection.









screening

Screening of business partners is completed within a few seconds at the earliest, to two business days at the latest

Register transaction



screening

Transaction screening is also completed within a few seconds at the earliest

Confirm transfer



····· Transaction ····· Issues ··· Credit collection and reconciliation invoice

> If there is an outstanding payment, either Money Forward Kessai, Inc. or Biz Forward, Inc. contacts the purchaser.

A service for early payment of purchase orders and invoices

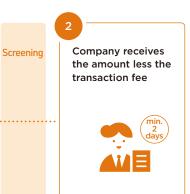




Money Forward Transaction Finance for Startup











Creating Synergies

Business domain

SaaS marketing platforms

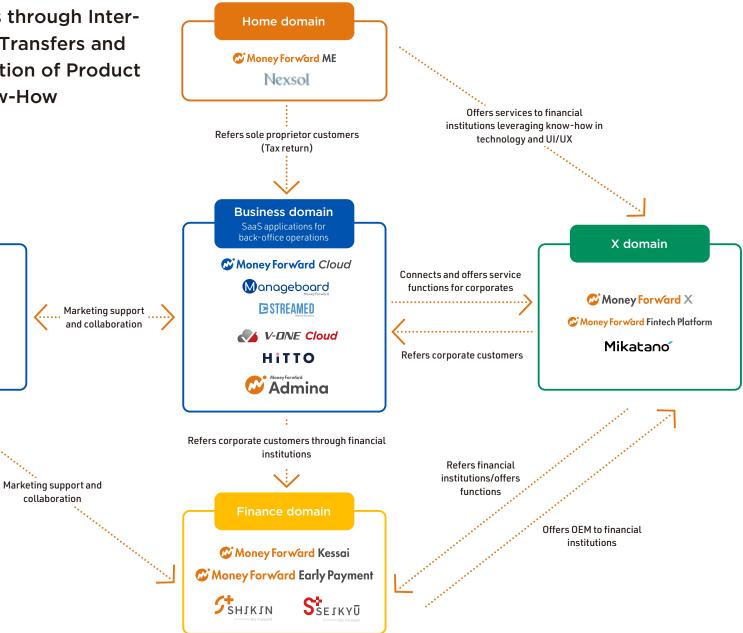
Sas BOXIL Sas

BALES

BOXIL EXPO

NDXL

Creating Synergies through Inter-Domain Customer Transfers and Horizontal Application of Product Development Know-How



Value Creation

Human capital

Intellectual capital

R&D investment in data utilization and cutting-edge technology

Design and product development know-how Investments related to security measures Intellectual property such as patents

Social capital

Partnerships with financial institutions, accountants, and business corporations across Japan

Participation in industry groups, recommendations to the government, among other efforts

Financial capital

Stable financial base

Value · Culture Advancement of value proposition **Business field** Synergy creation and higher productivity expansion M&A strategy execution Disciplined M&A strategy with proven track record Disciplined M&A strategy with proven track record Disciplined M&A strategy with proven track record The provential track record with and risk control and ris

Inputs Four Growth Strategies

Mission Money Forward. Move your life forward.

Vision Becoming the financial platform for all.

Money Forward Cloud: **Provision of services Businesses** that solve financial Money Forward Early Payment: issues for corporates, individuals, and financial institutions. Money Forward ME: monthly improvement ¥281.000 Individuals Amount of assets managed under all integrated accounts Amount of financial assets under all integrated accounts

SaaS applications for back-office



User Forward

To drive users' lives forward.

- Enhance labor productivity and management of companies
- Improve household finances and financial literacy
- Provide more convenient financial services in financial institutions and other organizations
- Support businesses' cash flow and growth

Realization of better social systems through co-creation with diverse partners 

Society Forward

To drive our society forward.

- · Promote innovation in financial services
- Promote DX in society as a whole (realization of remote work)
- Reduce the environmental impact of corporate activities (reduction of the use of paper)

Efforts to attract superior talents, create growth opportunities, promote diversity and inclusion

Ratio of women among managers
Overal 20.2%
Business side 26.0%

Cumulative number of participants in Leadership
Forward Program 126

Cumulative number of participants in
manager basic training 419

Childcare leave acquisition rate
Women 100.0%
Men 50.0%



Talent Forward

To drive our employees' potential forward.

- Create diverse growth opportunities that bring out the potential of our members
- · Management is committed to fostering members
- Create an environment that accepts diverse perspectives, regardless of gender, nationality, age, or academic background

Outputs

Outcomes

Technology

Driving the world forward with technology and design

The clouded outlook of global politics and the economy is impacting our daily lives in terms of the financial issues we face and the way we work. Since its founding, Money Forward has been developing products that resolve such social issues. A major driving force behind such endeavors is the power of technology and design, which Money Forward cherishes. In our roles as Chief Technology Officer (CTO) and Chief Design Officer (CDO), we are leading efforts toward not only resolving users' issues but also creating products that offer inspiration.

Resolving Issues with Technology Delivered to Society through Design

Technology makes our lives more convenient. For example, *Money Forward ME* and *Money Forward Cloud* utilize a technology that aggregates and enables users to view account information of multiple financial institutions. The workload of users is reduced considerably by automating data aggregation, which users previously had to do manually by logging into each of their accounts and checking the latest transaction records. In this way, technology can be the key to solving problems.

Technology holds great potential; however, not everyone can use it readily. Technology must thus be delivered in a way that is easier to understand and use. This is where design comes into play. Design bridges this gap between technology and people. Money Forward

values "user focus," and design is none other than the process of thinking with a focus on people. We wish to deliver products that not only look good but also offer a pleasant user experience. For instance, with such products as *Money Forward Cloud*, the amount of time each operation takes will collectively have a large impact on users' work productivity. Pursuing an easy-to-use design generates a profound impact.

The presence of data is also indispensable when considering technology. The potential of the data we retain is rising every year. For example, in *Money Forward Pay for Business*, which we will elaborate on later, we developed an original credit screening model that capitalizes on accounting data, making the application process more convenient than ever. Since we retain users' precious data, we are working toward passing on benefits to users while protecting such data with highly advanced security and encryption. *Money Forward Pay*





for Business is one of the services created by focusing on users and integrating technology and design.

Scalable Development

No matter how great the technology and design proposal, value will not be delivered to users unless they actually take shape. Money Forward Group has engineering and design teams that are constantly working on the development of over 50 digital products.

The engineering team is becoming more global, with non-Japanese members currently comprising about 40% of the team. We have development bases across Japan as well as in Vietnam. We also intend to completely shift the common language used in product development from Japanese to English during FY11/24. Amid the intensifying competition to hire engineers, we are building a scalable team by driving globalization in our organization.

We also have over 80 designers—one of the largest headcounts among SaaS companies in Japan. We received the Good Design Award for Money Forward Pay for Business and Money Forward IT Management Cloud in 2022, following in the steps of Money Forward Cloud ERP and One Stock in 2021. In addition, we won the Japan Branding Award 2022 for our brand promotion activities based on our corporate culture.

Japan Branding Awards 2022

Understanding Users Better Than Anyone Else

We value technology and design because we want to understand our users better than anyone else and deliver true value. Both engineers and designers embrace the stance of co-creation and aspire to move forward alongside our users. Our goal goes beyond resolving users' issues to include releasing products that offer inspiration. To this end, we will continue to combine technology and design with a view to creating new value.

Moving Business Forward with Cashless

Money Forward Pay for Business is a platform that promotes cashless payments through cards and a wide range of other payment methods, to streamline back-office operations. Users can issue as many physical or virtual cards as they like according to their purpose of use, such as expense claims or purchases, and can consolidate them all into a single corporate card for managing business expenses.



Offering Ideal User Experience with Technology

Although our team members involved in the development of Money Forward Pay for Business are physically separated, with some located in Fukuoka and others in Tokyo, we communicate closely online and work in concert to resolve users' issues. We were fixated on covering the entire credit screening application process via smartphone to enable busy corporate users to apply without hesitation. Since there are very few precedents of electronic know-your-customer (eKYC) targeting businesses, our designers and engineers jointly contemplated various measures and repeated user tests with the cooperation of the Company's accounting and legal affairs members to produce the function. Also, our new deferred payment function does not require the submission of financial statements and other documents as it provides users with credit by taking full advantage of the accounting data on Money Forward Cloud, as well as our account aggregation platform, which is one of our core technologies.

Future Prospects

DX of sending/receiving invoices is advancing rapidly in view of the enforcement of the Invoice System in October 2023. We are thus aiming to provide a new B2B payment method that can replace bank transfers through "embedded finance," which adds on a function for payment to that of sending/receiving invoices.



Creating a society where everyone can pursue their true ambitions. This will lead to fulfilling responsibilities to the future.

"Money," which is also the Company's namesake, is a difficult theme to confront. We not only project such negative thoughts as fear, uncertainty, inequality, and frustration to the concept of "money," which is in fact merely a tool for mankind, but also keep it shielded as information that one wants to avoid seeing.

Japanese society faces a host of issues associated in particular with its declining and aging population. Individuals are burdened with such themes as uncertainty over the social security system and the need to build wealth to prepare for longevity or protect wealth in later life. Meanwhile, businesses are faced with labor shortages, but unless they promote digitalization and the use of managerial data, it will be extremely difficult for them to envision the future of their business, let alone grow. The persistence of such issues will likely become a chronic stress

factor that causes people and businesses to shun the necessary decision-making and actions. In reality, such issues are resulting in societal losses. For example, people are giving up on marriage or on having a child, or are unable to choose the job of their preference due to uncertain financial outlooks.

Sustainability

We founded Money Forward in the belief that we could change this sense of stagnation in society. "Money" essentially functions as a "scale" for conveying situations, options, and images of goals in a way that anyone can understand. If all individuals can grasp where they stand financially and access user-friendly financial services and adequate professionals, they should be able to take actions that truly lead to solving problems or focus on what they actually want to do. If such services did exist, users would be able to capture "money" as a "scale" for their actions rather than a source of uncertainty. With a view to developing and providing such services, Money Forward first released an app that visualizes personal finance, and has since been releasing services that automate operations and help customers achieve their visions that lie ahead of such automations.

Three Materialities

To achieve these objectives, we position the three areas of "User," "Society," and "Talents" as our corporate materiality themes.

User Forward (i.e., to drive customers' lives forward) places value on delivering groundbreaking services more broadly, while capitalizing on the power of technology and design to resolve users' financial issues. In particular, since we collect and retain highly sensitive financial data, we consider reassurance for data safety as a key component in quality user experience, and thus promote investments in security as a major agenda.

Society Forward (i.e., to drive our society forward) is a commitment to help drive society as a whole forward through co-creations with diverse partners. Since the Company's early days, we have been making policy proposals oriented toward an optimal future in areas where DX has traditionally been viewed as a challenge, including fintech and smart public services. In doing so, we have leveraged insights from users to depict an ideal, yet achievable future. There are also areas that require public and private sectors to make concerted efforts, such as financial



User Forward

To empower users by unlocking their possibilities though our services.



Society Forward

To foster social progress in Japan through our corporate activities.



Talent Forward

To develop and unleash the greatest potential of our employees and organization.

Foundations Supporting the Three Materiality Themes

Common understanding of Money Forward's Mission/Vision/Value/Culture

Governance that balances growth and risk control

literacy education. To achieve our mission, we must also pursue societal change. We will thus continue making recommendations aimed at social transformation and putting them into practice.

As for Talent Forward (i.e., to drive our employees' potential forward), we aspire to offer wide-ranging growth opportunities that enable our members to live up to their potential, to have our management commit to talent growth, and to create an environment where diverse perspectives are accepted regardless of gender, nationality, age, religion, or academic background. As talents and businesses pursue more global and wide-ranging opportunities, we are particularly committed to making the utmost investments in human capital, which the Company considers to be its most valuable managerial input.

We will pursue sustainability by viewing "common understanding of Money Forward's Mission, Vision, Value, and Culture" and "governance that balances growth and risk control" as the foundations supporting our three materiality themes.

User Forward

To demonstrate our managerial commitment to the three materiality themes, we will set forth and disclose our sustainability indicators in a phased manner. Apart from our financial KPIs, we will closely monitor these indicators on a continual basis to measure our progress in sustainability. We already publicize evaluations of the values we as a business provide directly to customers. In addition, we plan to announce whether we are fulfilling our Mission and Vision based on a medium-to long-term perspective. Similarly, we will disclose governance indicators from

Sustainability Indicators

| Materialities | | Sustainability Indicators | | |
|--------------------|-------------|--|---------------|--|
| User Forward | Businesses | SaaS applications for back-office operations: paying customers*1 | 235,798 | |
| | | Money Forward Cloud: corporate customer churn rate*2 | 0.8% | |
| | | Money Forward Kessai and Early Payment: cumulative amount of receivables*3 | ¥135.2 bn | |
| | | Money Forward X: partner companies*4 | 67 | |
| | Individuals | Money Forward ME: yearly improvement in personal finance★5 | ¥281,000 | |
| | | Amount of assets managed under all integrated accounts*6 | ¥7.7 tn | |
| | | Amount of financial assets under all integrated accounts*7 | ¥17.3 tn | |
| Society Forward | | Money Forward Cloud: users associated with certified members*8 | 25,258 | |
| | | Money Forward Cloud: chambers of commerce in alliance*9 | 123 | |
| FORW | /aru | Money Forward X: services provided*10 | 126 | |
| | | Ratio of women among managers (overall*11 / business side*12) | 20.2% / 26.0% | |
| | | Cumulative number of participants in Leadership Forward Program*13 | 126 | |
| | | Cumulative number of participants in manager basic training*14 | 419 | |
| | | Childcare learve acquisition rate*15 (women/men) | 0.0% / 50.0% | |
| | | Employee engagement (MF Group Survey)*16 | | |
| | | Indicators for creating diverse growth opportunities to draw out the potential of members | | |
| Talent | | - I am achieving growth (or likely able to achieve growth) through my current job. | 4.2 | |
| | | - I find my job to be rewarding. | 4.1 | |
| Forw | ard | Indicators for management's commitment to foster talents | | |
| | | - My manager understands my career plan and my ambitions, and supports my long-term g | | |
| | | - My manager provides feedback on areas I excel in and areas requiring improvement d | 9 | |
| | | evaluation and 1:1 meetings. | 4.2 | |
| | | Indicators for creating an environment that accepts diverse perspectives regardless of g nationality, age, religion, or educational background | ender, | |
| | | - The Company finds value in perspectives and opinions from diverse standpoints. | 4.3 | |
| | | - The Company appreciates differences and promotes communication based on respect for one | | |
| | | another. | 4.4 | |

As of November 30, 2022, excluding *5, *6, *7, and *16.

the current fiscal year in accordance with the framework laid out by the Task Force on Climate-Related Financial Disclosures (TCFD). (P.98 Risk Management) Through such announcements and disclosures, we will build a framework that enables us to share a more explicit image of the future we aim to shape with our many stakeholders.

We believe that if every single member of society can take the necessary actions and make their wishes come true, they will be able to express their inherent kindness and fulfill their responsibilities to the future. Because we are living in an ever-changing age full of uncertainties, we aspire to provide a foothold for all individuals' decision-making and create a society that drives challenge.

- *1 The total number of businesses (corporates and sole proprietors) that pay a subscription fee for *Money Forward Cloud* or other SaaS applications for back-office operations.
- *2 The average monthly churn rate for Money Forward Cloud from December 2021 to November 2022.
- *3 The cumulative amount transacted through Money Forward Kessai and Money Forward Early Payment.
- *4 The number of companies that have entered into a business alliance in X domain.
- *5 12 times the average of the monthly amount of improvement in personal finances as perceived by users who responded that they felt their personal finances have improved, according to a survey targeting *Money Forward ME* users (conducted in October 2022).
- *6 The total amount of assets being managed under all individual users' accounts linked to Money Forward ME and services for financial institutions provided in X domain.
 Assets under management include listed stocks (spot-trading), bonds, mutual funds, and defined contribution pensions. Calculated based on aggregated results as of January 31, 2023.
- *7 The total amount of financial assets under all individual users' accounts linked to Money Forward ME and services for financial institutions provided in X domain. Calculated based on aggregated results as of January 31, 2023.
- *8 The number of users who have a Money Forward ID among the certified members of Money Forward Cloud.
- *9 The total number of chambers of commerce that have entered into an alliance with Money Forward Cloud.
- *10 The total number of services provided in X domain.
- *11 The ratio of women among Money Forward Group's regular employees in managerial positions.
- *12 The ratio of women among Money Forward Group's regular employees in business-side (i.e., other than engineering and design) managerial positions.
- *13 The total number of participants of a training program for fostering next-generation leaders targeting Money Forward Group's regular employees.
- *14 The total number of participants of a training program targeting Money Forward Group's regular employees in managerial positions.
- *15 Calculated based on the number of employees who took childcare leave by August 31, 2022, among those whose child was born between April 2021 and March 2022, counted based on applications for childbirth gift money. (The figures for FY2021 and FY2020 are calculated for the previous year using the same definition.)
- *16 The average score of key indicators for employee engagement in a survey targeting Money Forward Group's regular and contract employees (on a scale of 5, with 5 representing "excellent"; as of February 28, 2023).

1

User Forward

To empower users by unlocking their possibilities though our services.

Services That Address Financial Challenges of Diverse Users

Resolving issues of companies, sole proprietors, and workers with *Money Forward Cloud*

Companies and sole proprietors in Japan need to cope with a myriad of structural issues, such as the shrinking labor force, low labor productivity, cumbersome back-office work, and cash flow concerns. They must also deal with imminent institutional reforms, represented by the enactment of the Invoice System and compliance with the revised Electronic Book Preservation Act.

These are managerial challenges as well as personal challenges for each and every worker who must take responsive actions. By integrating and utilizing data and streamlining operations through *Money Forward Cloud* and other services, we enable users to raise labor productivity, respond to regulatory changes, and grasp their managerial and financial status in a timely manner. We thereby aim to help individuals undertake back-office operations with a positive mindset.

We launched the *Mikatano* series in collaboration with regional financial institutions in 2022. The series has simpler functions and is less difficult to implement relative to *Money Forward Cloud*. We are committed to solving the problems of even more companies and sole proprietors through our services and partnerships.

Contracting workforce due to Raises productivity through operational efficiency shrinking and aging population Reduces workload through service Long-hours culture connection and automation Money Forward Cloud Low labor productivity vs. Conducts analysis with salary and other countries attendance data Changes in regulations, Provides hassle-free updates e.g., consumption tax

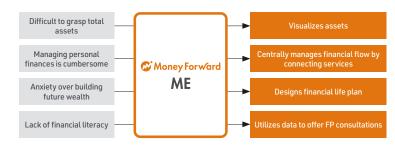
Resolving Individuals' Issues with Money Forward ME

In recent years, individuals' vague anxieties over their daily and future finances have amplified fueled by such issues as the aging and declining population, the so-called "20 million yen retirement problem,"*1 and inflation. Against this backdrop, the government, under its slogan, "doubling asset income," announced the expansion of the Nippon Individual Savings Account (NISA) scheme—a tax exemption program for small investments by individuals—as well as the promotion of financial literacy education. The importance of adequately managing personal finances and assets is being revisited.

Regardless, in Japanese households, cash and deposits occupy more than 50% of total assets, while investment trusts and stocks account for less than 15%. Unlike countries such as the U.S., where investment trusts and stocks account for over 50% of total household assets, many people in Japan are still unaccustomed to investing*2. Japan also lags behind in financial literacy education, for which its outreach ranks sixth among the G7 and 38th in the world, trailing most developed countries*3.

Through Money Forward ME and other services catered to individuals, we will not only help visualize personal finances but also enable users to select more appropriate financial services. Nexsol CO., LTD. joined the Group in May 2022, and with this acquisition we have fortified the groundwork for providing more personalized advice. We will provide services that aid users in improving their personal finances, and devising and executing their asset plans. We thereby aspire to help users lead a more enriched life, free from financial uncertainties or struggles.

- *1 An estimation that Japanese retirees "will be short by some 13–20 million yen in 20–30 years after retirement" was presented in Asset Building and Management in an Aging Society (in Japanese), a report issued by the Working Group on Financial Markets under the Financial System Council, Financial Services Agency.
- *2 Research and Statistics Department, Bank of Japan. Comparison among Japan, the U.S., and Europe of the Flow of Funds (August 31, 2022).
- *3 Standard & Poor's Ratings Services. Global Financial Literacy Survey (2014).



Automatic ···· Autonomous

Money Forward Lab

Creating the Future with the Power of Technology and Data

Money Forward Lab is committed to unleashing the power of technology and data based on the desire to enrich people's lives by enabling them to engage with finance in a positive light.

The lab is particularly focused on the area of autonomous technology and usability. Previously, our focus was on safely and automatically collecting data and visualizing the current state. We are now engaged in R&D that promotes autonomous technology and usability, in which future issues are predicted and actions for solving issues proposed. Key themes include machine learning and deep learning, natural language processing and image processing, and UI and UX.

Autonomous Back Office as the Ultimate Future

We believe that the shift toward automation and autonomy in back-office operations can be likened to that of autonomous cars. Just as the ultimate goal of autonomous cars is to fulfil the desire to safely, securely, and comfortably travel to a destination, the ultimate goal of accounting operations and business management is to fulfill the desire to safely, securely, and comfortably implement the management that a company envisions. We call this the autonomous back office.

How do we realize an autonomous back office? We believe the evolution process is also similar to that of autonomous driving. A car's system can be divided into stages according to level of automation, ranging from "manual driving" to a level where "the system completely controls the car under all conditions." Likewise, we believe that there are different levels in the evolution toward an autonomous back office, and are thus carrying out R&D considering each of these levels.

Before complete automation, there is a stage where "tasks are performed by machines based on procedures and criteria provided by humans." For this specific stage, we have developed a technology for automatic optical character recognition (OCR), which does not require the prior process of learning or extracting characters on paper vouchers. To reach a higher level of autonomy where "tasks

The future we want to achieve with Autonomous BackOffice









Manual ······

Collaborative

Humans execute all tasks, with no system intervention

System execute simple tasks in a repetitive manner System executes tasks based on procedures and decisions made by humans

System replaces humans in executing tasks and making decisions

are performed by machines based on procedures and criteria identified on their own," machines need to gain extensive insights from users' financial behaviors. To undertake such challenging R&D, we have hired computer science specialists, and are holding multidisciplinary and extensive discussions that integrate their knowledge and experiences with those of existing members. In addition, with the aim of enhancing the quality and speed of R&D and clarifying its social significance, we are actively exchanging opinions with external parties through academic conferences and the publication of papers.

Similar to a future where one can travel freely to one's destination, through our activities at Money Forward Lab, we aspire to create a future where users can implement management as they envision it.



(From left)

Hayahide Yamagishi Researcher Money Forward Lab

> Hideki Ogawa Researcher Money Forward Lab

Ikuo Kitagishi Director Money Forward Lab

Yuki Hisai Manager Money Forward Lab

User Forward

Security

Investment in Cyber Security to Ensure Safe Use of Services

As our services involve collecting and retaining users' various financial information, we consider adequate information management to be a top priority and believe that constantly reinforcing information management is critical in sustaining stable business activities.

To ensure proper and safe handling of information, we have established the Basic Policy on Information Security (Security Policy). Under this policy, we appointed a Chief Information Security Officer (CISO) to oversee security management operations and stipulated operational rules on information security management. We are also are taking appropriate measures to prevent risks including data breach through such means as unauthorized system access by malicious third parties to unlawfully obtain information.

Also, to protect sensitive personal information of users, we have established the Personal Information Protection Policy (Privacy Policy) as an action guideline for all employees to comply with. We have also compiled internal rules for protecting personal information and are carrying out internal training for executives and employees on the handling of such information. These measures show our commitment to fostering a shared understanding of the importance of the personal information we handle and the rules we must comply with. In March 2022, we established the Personal Data Statement, in which we declared our philosophy on the handling of information about an individual. This includes data that can identify a



Takashi Ichikawa Group Executive Officer CISO (Chief Information Security Officer)

specific individual, such as personal information and personal data; identifier information, such as cookie information, IP address and terminal ID; location information; and log information on internet use, such as browsing history.

In addition, to extend governance to the area of information security, every month the CISO reports the status of security operations to the representative director and Chief Technology Officer (CTO) to receive evaluation and feedback on the validity and effectiveness of such operations. The CISO also presents an annual summary of these reports at Board of Directors meetings.

We will continue to invest in cyber security, with a focus on reinforcing security measures for Group companies.



Key Initiatives

Measures against Third-Party Cyberattacks

- Review at time of design and development
- Firewall installation and management of security operations center
- · App vulnerability evaluation by external security diagnostics firm
- · Penetration testing by external security diagnostics firm
- Data encryption and enhanced monitoring system
- Switched anti-virus software on officer and employee devices to endpoint detection and response (EDR; to enhance cyberthreat detection, prevention, and response)
- Separate designated network environment for maintenance involving personal data

Measures against Information Leaks

- Operation details of production system
- Fortify rules on information security and personal data protection
- Officer and employee training
- Single sign-on (SSO) and automated provisioning of executive and employee IDs
- · Access control of third-party PCs
- Internal access authorization and access log record
- Separate network between environments of user services and officer and employee PCs

External Authentications

- Nippon CSIRT Association membership
- Service Organization Control 1 (SOC1) Report (Money Forward Cloud)
- Audits under agreed upon procedures (AUP) (for electronic payment services)

2

Society Forward

To foster social progress in Japan through our corporate activities.

Proposing Policies toward Institutional Reform

Money Forward Group is spearheading institutional reforms through wide-ranging activities, including proposing policies at meetings hosted by the government, conducting research at Money Forward Lab, and sharing our initiatives via our services. We are also aiming to cultivate an ecosystem for achieving financial innovation by organizing industry groups, including the Fintech Association of Japan and Japan Association for Financial APIs. Furthermore, we are creating opportunities for individuals across all generations to think about their finances by holding educational classes and events and operating user communities.

Social demand for improving financial literacy has been rising in recent years. For example, the NISA investment cap was raised substantially under the FY2023 tax revision, while a new certificate for experts who give neutral advice on personal asset formation is slated to be established. As *Money Forward ME* and the Group's other services can serve as an introduction to financial literacy, we are committed to meet this rise in interest with appropriate and comprehensible information. For instance, we are offering financial education to high school students. We will accordingly work on resolving social issues, such as economic disparity, and help individuals and businesses unleash their potential with the aim of creating a better social system.



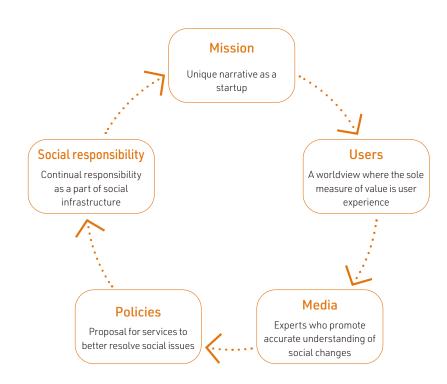




Move the Society Forward with Fintech

In providing services that empower users and contribute to solving social issues, we at times create services that go beyond the expectations of conventional systems or wisdom. For example, a decade ago, it would have been unthinkable for financial institutions to offer open APIs and allow access to data by non-financial companies, or for companies to handle sensitive corporate data in a cloud environment.

Yet, we believe we should create services that contribute to the sound development of society, however unexpected they may be. This is based on one of our core values—Technology Driven. In addition, to facilitate the ability to make sense of new services and technologies, a wide range of users need to experience the convenience of the technology and to have its safety ensured through expertise. For example, last year we released a new service that drives DX of SMEs in collaboration with regional financial institutions. This was because we wanted SMEs in rural areas, where the advantages of digital services and DX may be



2

Society Forward

difficult to perceive, to also experience the benefits of fintech. As a startup that develops services internally, we possess first-hand knowledge of users' experience. With such insight serving as a persuasive force, we forge partnerships with stakeholders for the purpose of changing society and actively recommend new policies to answer any calls for institutional reform. We believe that such efforts will enhance our corporate value in the long run and that this is also the new responsibility of companies operating in society.

We believe that a co-creative approach between private entities and policymakers, utilizing the knowledge gained from our pursuit of superior service, can help address social issues by proposing solutions and returning this knowledge to society. We view this approach as essential to achieving our goal of becoming a financial platform for all.

The digitalization of payment infrastructures has also been accelerating. For example, the ban on digital salary payments was officially lifted last year, while the Bank of Japan's experiment on Central Bank Digital Currency (CBDC) is entering its final stage. Furthermore, digital invoicing is expected to become widespread spurred by the enactment of the Invoice System in October 2023, while the government's Digital Principle will take effect, represented by the extended use of My Number Cards. Such changes should culminate in faster and more seamless procedures. Retrofitting our services in accord with such movements and streamlining procedures should relieve some of the stress of individuals and businesses. We are of the firm belief that this approach will serve as a catalyst for driving positive change in individuals' lives and society as a whole.

In the world of fintech, which is intertwined with the financial system, one failure can lead to the risk of compromising industry trust. At the same time, however, adequately incorporating innovation in the financial world should be a source of individual happiness. While fulfilling our social responsibilities, we will continue to advocate Society Forward activities so that financial issues of all individuals are resolved, and our society will move forward through fintech.

Practicing Environmentally Conscious Management

The protection of the global environment has become an urgent matter of concern, and it is the responsibility of all individuals and companies that constitute society to take this issue into their own hands. Recognizing the importance of this issue, the Company is taking proactive measures to address it through Company-wide initiatives. Internally, we identify areas to be reviewed in the office, internal tools, and employees' workstyle, and implement environmentally friendly measures. In addition, we are promoting eco-friendly individual and corporate activities by reducing paper usage and improving operational efficiency through our service offerings.

 $\textbf{SDGs} \, \rightarrow \, \textbf{Goal}$



Internal Initiatives

- Introduction of a new workstyle centered on remote work. Reduction in the physical transportation of people and materials, and the use of paper by shifting to cloudbased operations including for internal memorandum, settlement of expenses, contracting, and invoice issuance
- Use of 100% renewable energy for power generation in our headquarters from 2021 and our Tokai Branch Office and Nagoya Development Center from 2022
- Use of renewable energy-based Amazon Web Service (AWS)
- Calculation of greenhouse gas in scopes 1 and 2 (> P.98 Risk Management)

Servicebased Initiatives

- Improving operational efficiency and promoting reduction of paper use including for invoices (e.g., #Invoice Forward Project) by migrating back-office operations to cloud
- Promoting reduction of paper passbooks and streamlining of operations through support for DX in financial institutions with large user bases
- Efforts to visualize environmental impact utilizing fintech (patent pending)

Activities to Achieve a Better Social System

Current Focal Areas of Policy Proposals and Relevant Parties

As a Company

As an Industry

Business X **Finance** Home Digital Invoice Promotion Association Visualization of pension system Promotion of digitalization among SMEs Improvement in SMEs' cash flow (Private companies and Digital Agency (DA), etc.) MHLW and Liberal Democratic Party (LDP) (The Small and Medium Enterprise Agency (SMEA)) (FSA and SMEA) Resolving issues of a super-aging society Advancement in cyber security of fintech companies Promotion of online factoring Promotion of smart public services (Ministry of Economy, Trade and Industry (METI), MHLW, (Expert members of the Center for Financial Industry (Representative directors of Online Factoring (DA, etc.) Information Systems (FISC)) Association (OFA)) Payroll Card, etc. Promotion of Financial Service Intermediary **Business** (Ministry of Health, Labour and Welfare (MHLW) and Financial Services Agency (FSA), etc. post-retirement planning) (FSA and other organizations) Reform in payment infrastructure (Japanese Banks' Payment Clearing Network (Zengin-net)) Promotion of data portability (Representative director of Japan Association for Financial APIs and director of MyData Japan) Promotion of open innovation in fintech (FINOVATORS, FINOLAB, Fintech Association of Japan (FAJ), and Tokyo Metropolitan Government (TMG))

Digital Invoice Promotion Association (Private companies and DA, etc.)

Promoting the standardization of digital invoices and streamlining of other operations under the system in line with the start of the invoice system.

Visualization of pension system (MHLW and LDP)

Visualizing public pensions and personal assets and support post-retirement life planning.

Promotion of digitalization among SMEs (SMEA)

Implementing requests related to promoting digitalization among SMEs, such as improving the usability of IT introduction subsidies.

Advancement in cyber security of fintech companies (Expert members of $\ensuremath{\mathsf{FISC}})$

Promoting the establishment and operation of security standards that provide safety when fintech companies connect with financial institutions and financial systems.

Promotion of online factoring (Representative directors of OFA)

Contributing to the sound market development for online factoring as a flexible procurement means other than lending.

Improvement in SMEs' cash flow (FSA and SMEA)

Making proposals for system development concerning factoring of accounts receivables and loans to enable SMEs to secure operating funds.

Promotion of smart public services (DA, etc.)

Making policy proposals as a key player in realizing smart public services based on the My Number System and corporate authentication infrastructure.

Resolving issues of a super-aging society (METI, MHLW, and FSA)

Conducting research and making policy proposals to inclusively provide financial services, as users face various changes such as dementia in a superaging society.

Payroll Card, etc. (MHLW and FSA, etc.)

Proposing systems that will offer more options for workers in the way they receive their salaries or accumulate wealth.

Promotion of Financial Service Intermediary Business (FSA and other organizations)

Ensuring the provision of safe and reliable services and support the industry adapt to the newly introduced intermediary business for financial products.

Reform in payment infrastructure (Zengin-net)

Actively participating in discussions on the transformation of payment infrastructures such as the Zengin System, and making recommendations regarding systems toward the establishment of a convenient payment infrastructure.

Promotion of data portability (Representative director of Japan Association for Financial APIs and director of MyData Japan)

Conducting research and building a consensus toward personal data ownership rights, which have not yet been established in Japan.

Promotion of open innovation in fintech (FINOVATORS, FINOLAB, FAJ, and TMG) $\,$

Supporting the advancement of the fintech industry and implement activities to maintain a structural environment where innovation continuously comes to life, beyond our self-interest.

3

Talent Forward

To develop and unleash the greatest potential of our employees and organization.

Since its founding, Money Forward has been deploying business with a focus on fulfilling its Mission (M) and Vision (V). We also enacted Values (V) as a code of conduct for all employees and to embrace the shared understanding and promotion of its Culture (C). We are committed to hiring talented employees who empathize with our Mission, Vision, and Values, and fit into our Culture. We also strive to cultivate an environment where each employee continues to embrace these concepts as their own after they are employed.

Mission, Vision, Value, Culture, and Engagement

Our Values encompass our social code of conduct. Our Culture meanwhile depicts what we cherish in terms of workstyle and relationships with colleagues and serves as a common understanding in our quest to create an appealing workplace. In order to achieve Money Forward's grand Mission and Vision, diverse members must draw on their respective strengths to create and promote businesses. Our Value and Culture serve as the backbone of decisions made by such diverse members. It is essential that these concepts be understood by all, as the organization works in union to achieve its Mission and Vision. The embodiment of our Value and Culture is emphasized not only at the time of hiring but also in evaluations by the HR Department. In addition, we advocate our Culture by regularly awarding "Culture Hero" rewards and having the winners share their thoughts and accomplishments with other members. (> P.51 Culture)



Chiaki Ishihara Head of People Forward Division

| | User Focus | Defying all obstacles, we will retain a user-oriented stance at all times, grasping users' true issues and delivering solutions that exceed their expectations. |
|---------|----------------------|---|
| Value | Technology Driven | We believe technology to be a major driver in changing the world. We will therefore delve deeper into technology and provide society with deriving services, and thus unceasingly drive innovation. |
| | Fairness | We pledge to be fair and open to all stakeholders including our users, employees, shareholders, and society as a whole. |
| | | |
| | Speed | We will make decisions more swiftly, and take and complete ensuing actions as quickly as possible. |
| | Pride | We will maintain a professional mindset in order to constantly advance and produce the best outcomes. |
| Culture | Teamwork | Under the spirit of "one for all, all for one," we pledge to achieve our goals as a team. |
| | Respect | We will always be sincere to everyone, never forgetting gratitude and respect. |
| | Fun | We will enjoy work, personal growth, and life. |
| | ••••• | |

MF Group Survey: Indicators for Talent Forward

| Indicators for creating diverse growth opportunities to draw out the potential of members | | | | | | |
|--|-----|--|--|--|--|--|
| - I am able to grow through my current job. | 4.2 | | | | | |
| - I find my job to be rewarding. | 4.1 | | | | | |
| Indicators for management's commitment to foster talents | | | | | | |
| - My manager understands my career plan and my ambitions, and supports my long-term growth. | 4.1 | | | | | |
| - My manager provides feedback on areas I excel in and areas requiring improvement during evaluation and 1:1 meetings. | 4.2 | | | | | |
| Indicators for creating an environment that accepts diverse perspectives regardless of gender, nationality, age, or educational background | | | | | | |
| - The Company finds value in perspectives and opinions from diverse standpoints | 4.3 | | | | | |

- The Company appreciates differences and promotes communication based on respect or one another. 4.4

Employee engagement is influenced by how well members understand our MVVC, how satisfied they are with management, and how comfortable and rewarding they feel the workplace is. Every six months, the Group conducts an anonymous survey called MF Group Survey, that covers about 40 questions. We pay especially close attention to the scores for job satisfaction and self-acknowledged personal growth, which have high correlation with employees' performance. After the survey, each division and office develops action plans based on the results with the aim of further enhancing the work environment. In FY11/22, we started a new non-anonymous monthly pulse survey called MF Selfie Map. This helps managers understand the motivation of their members more often and to provide support and opportunities for new challenges in a timely manner.

Securing Talents Essential for Continuous Business Expansion

We accelerated recruitment in FY11/22, given that we had a huge opportunity to expand our business rapidly in response to heightened potential with the tailwind of institutional changes, especially in the area of SaaS applications for back-office operations. As a result, the headcount of employees increased from 1,259 at the beginning of FY11/22 to 1,909 by the end. The Company's unique characteristic regarding talent acquisition is that not only the HR department but also each business unit takes ownership and passion in the process. Each business division voluntarily publicizes information of the Company, its appeal, and its present standing to reduce any mismatches in hiring. The HR department meanwhile communicates closely with the members and management of each department seeking new employees to confirm what kind of talents are necessary considering their respective business conditions. We continue to expand while flexibly adjusting the HR department's strategy according to the varying phases of our businesses.

As hiring engineers in Japan is becoming more difficult every year, we decided to drastically globalize our engineer organization in 2021 in order to secure excellent engineers despite such an environment. In FY11/22, we recruited over 50 engineers who are non-native speakers of Japanese and assigned them to respective

departments in Japan. Also, to ensure smooth communication in English, we offer English learning programs for non-English-speaking engineers and support by a team specializing in conference interpretation and document translation.

Diverse Growth Opportunities to Unleash Members' Potential

We cherish our Culture, which encourages employees to set challenging goals, and provides appropriate and clear feedback through periodic one-on-one sessions to communicate expectations to each member. When setting goals, we value interconnection of goals within each department as well as throughout the Company. In addition, we believe that it is important for each employee to take ownership of their future and be able to think and act for themselves in the Company. We offer opportunities that match the abilities and preferences of employees regardless of age, tenure, or academic background, and decide job assignments in a way that respects their passion and suitability, rather than based on convenience for the organization.





- HR evaluation and compensation system of performance-based salary raises and bonuses (From FY11/22, high performers are granted a bonus and higher salary raise)
- One-on-one mentorship and training for members' goal achievement and selflearning
- MF Challenge System: internal job posting system to realize transfers initiated by employees
- MF Group Survey: a survey on the organization's current state
- MF Selfie Map: a survey on each employee's engagement
- Career meeting: a voluntary career consultation with HR team
- · New business proposal opportunity

3

Talent Forward

Creating an Environment That Accepts Varying Perspectives and Allows Diverse Members to Shine

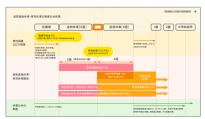
The Company thoroughly embraces Fairness as one of its core Values and has adopted a hiring policy to recruit members regardless of gender, nationality, religion, age, or academic background. We are committed to creating a work environment that is supportive and motivating for all employees with diverse backgrounds, including those who are going through life stage changes such as childcare and nursing care.



Key Initiatives

- Hiring regardless of background, including gender, nationality, religion, age, and education
- Mid-career and new graduate hiring throughout the year
- · Active hiring of people with disability
- Japanese language study support system TERAKOYA for non-native speakers of Japanese
- English language study support for Japanese engineers
- Issuance of Parental Leave Guidebook to support those taking parental leave as well as their partner and team
- Promotion of childcare leave for both men and women, and support for returning to work
- Training on unconscious bias and cross-cultural communication
- · Introduction of remote work
- Introduction of flexible work hours (also applies to reduced work hours) and discretionary work
- Expanded scope of those eligible for sick/injured childcare or nursing care leave





Parental Leave Guidebook published in September 2022

Management's Commitment to Foster Members

In FY11/23, we plan to scale down recruitment compared to FY11/22. HR team and management will work as one to cultivate an environment in which those who join will be retained and can make the most of their capabilities. For example, even as the organization expands, we continue to provide on-boarding employees with opportunities to converse with the CEO and executive officers overseeing each department to promote understanding of our MVVC. In addition, in the Leadership Forward Program, a training program launched in 2021 for fostering next-generation leaders, the CEO and other management members give lectures and provide practical advice to assist the growth of participants. Close communication with management also boosts engagement and commitment among participants.

We believe that the growth of each of our members is paramount in achieving our Mission and Vision. As such, we are aware that management, in addition to the HR Department, must actively engage with employees to maximize their potential and commit to their development. Our management is proactively involved not only in raising employees' performance but also in maintaining and boosting their motivation and discussing their career design and workstyle.



Key Initiatives

- Leadership Forward Program: training by management for fostering next-generation leaders
- Succession plans and discussions on fostering next-generation leaders at management boot camps

Appraising such initiatives as well as our corporate Culture, the Great Place to Work Institute ranked the Group in 10th place in the large-company category of its "2023 Research on 'great place to work®' in Japan."



Creating a Culture Centered on Empathy and Co-Creation

At our Company, we place great importance on our MVVC as its common values. The various judgements and actions made since the Company's founding days have gradually shaped the values that the Company is committed to and that employees cherish in terms of the way they work and live. Our Value and Culture articulate the promised values. Our Value and Culture depict our identity, and we believe they are inextricably connected to achieving the Company's Mission and Vision.

By having a common understanding of this Culture, members will be able to take voluntary actions that link to our MVV, even as the organization grows. Conversely, our Culture is shaped from the results of each action grounded in our MVV, and this Culture is created by none other than our members. We are unique in that each member is involved in shaping our Culture, rooted in empathy and cocreation, instead of having a message conveyed in a top-down style.

We have been working to permeate Company-wide understanding of our Culture from multiple angles. This includes creating a mechanism to link the Mission of Money Forward to those of each organization and individual, rewarding "Culture Heroes," who embody our Mission, and fostering a Culture of open communication and creation with the aim of building a shared platform for cocreating with society. Money Forward is also unique in that it assigns a VP of

Culture, responsible for contemplating all internal activities from a cultural perspective. To maintain the integrity of our Culture even as the organization expands, we will instill our Culture by engaging our management and People Forward (HR) Division, as well as each member.



Keiko Kanai VP of Culture

Connecting Users and the Internal Team to Create Better Products

I am responsible for customer support with over 50 other members in the department overseeing customer support of *Money Forward Cloud*. Customer support serves the role of sharing and explaining information both internally and externally, at times as a "service provider" and at times as a spokesperson for "customers."

When acting as a "service provider," it is vital not only to have a grasp of product specifications but also to understand the background and intentions behind the latest specifications. In order to ensure that customers who contact us can use our services with greater reassurance and satisfaction thereafter, we endeavor to keep up with the

latest information while cooperating with relevant departments on a daily basis and to contribute to product development by relaying customer feedback within the Company.



(Title as of the time of the interview conducted in Dec. 2022. Is on childcare leave from Feb. 2023)

Emi TakoyaDeputy Manager of CS Division

Aspiring to Deliver Our Products to the World

I am the CTO of Money Forward i, Inc., which oversees *Admina by Money Forward*. My main task is to determine the technology strategy and system configurations of Money Forward i, and to thereby maintain the security of systems. As an engineer, I wish to create products that are convenient for users not only in Japan but around the world, and therefore hope to make *Admina by Money Forward* a product used across the globe. We work closely with the product design team to provide functions with great usability.

I am also responsible for building a diverse and competent engineering team through recruitment and team building activities. I would like to raise the technical level of not only Money Forward i but also Money Forward as a whole, together with excellent engineers from all over the world.



Tran Ba Vinh Son CTO of Money Forward i, Inc.

Money Forward Vietnam and User Focus

Money Forward Vietnam Co., Ltd. was established in 2018 as the first offshore development base of the Group. Under the leadership of Vietnamese leaders and managers, our teams, consisting of Vietnamese members, create products by communicating with other teams working in Japan.

Needless to say, we value the mindset of "User Focus." Once a development team of Money Forward Vietnam joins a project, they are usually involved in that project for several years. Members therefore develop the product while expanding their knowledge and experience in that field over the years and communicating closely with business teams in Japan. Although we do not interact with users on a daily basis, we intend to fully understand and consider who the users are, why and how they use the product, and what kind of value we deliver.

We are also working to create an autonomous and sustainable organization. To do so, we are building schemes and promoting visualization. For instance, we are



reinforcing our hiring capabilities in Vietnam by setting up talent acquisition and branding teams, devising an internal communication program by reconsidering its purpose, and creating a scheme in which local members take the project lead in order to establish a stable development structure.

We also give priority to creating opportunities for members to take on challenges. We are implementing various initiatives, including charting career paths, restructuring evaluation schemes, and designing training for skill improvements.

Now that the scale of the organization and developments has expanded, we wish to strengthen collaborations among teams, organizations, and locations in order to create better products.



Nana Nagai CEO of Money Forward Vietnam

Our Business

Our Vision is to become the financial platform for all. This Vision guides us in providing a wide range of services to various users including corporations, individuals and financial institutions. We deploy the power of technology and design to create products that resolve user issues. We will continue to create innovative services by making further use of data and by linking products.

| CFO Message | 5 |
|--|---|
| Business Domain | 6 |
| Home Domain | 7 |
| X Domain | 7 |
| Finance Domain | 7 |
| M&As (Group Joins) | 8 |
| Working together with the Soccer Clubs | 8 |
| Teamwork | 8 |



CFO Message

Maximizing Shareholder Value by Balancing High Sales Growth and Greater Profitability

Naoya Kanesaka

Director, Group Executive Officer and CFO (Chief Financial Officer)

FY11/22 Financial Results

In FY11/22, consolidated net sales rose 37% YoY to 21,477 million yen, while SaaS ARR, or the Group's total recurring revenue, climbed 45% to 16,299 million yen, both achieving initial forecasts for the sixth consecutive year since IPO. Notably, the SaaS ARR growth rate, a key to maximizing medium- to long-term corporate value, surged from +33% YoY at FY11/21-end.

ARR of *Money Forward Cloud* and other SaaS applications for back-office operations soared 55% YoY to 11,435 million yen. We now have 114,000 paying corporate customers (+ 26,000), with net increase rising 1.3-times over FY11/21 on enhanced investments in sales and marketing. ARPA also steadily grew 20% on



accelerated adoption and combined use of products among medium-sized companies and pricing plan revisions for SMEs. On the product side, we continued to develop and enhance various functions and also launched *Money Forward Cloud Invoice System*, which receives and digitizes invoices in bulk, to capture the rising demand stemming from the revised Electronic Book Preservation Act and Invoice System.

On top of expanding existing businesses, we have issued over 150,000 prepaid *Money Forward Business Cards* in just 15 months after its release in September 2021, and launched a deferred payment function in July 2022. We also acquired Nexsol CO., LTD. in May 2022, and by integrating its FP consulting service with *Money Forward ME*, we are bolstering the usability and user base of our financing services. Through such new developments and M&As, we are building a portfolio of businesses with high growth rates in the SaaS and fintech space.

As for P&L, we bolstered upfront investments in sales and marketing as well as products mainly in Business domain with funds from an international public offering in August 2021. As such, consolidated EBITDA was minus 6,029 million yen, but is expected to turn positive in FY11/24 as we Continue disciplined investments and balance high sales growth with better profitability.

Strengthening Investment Discipline of Back-Office SaaS and Enhancing Company-Wide Productivity

The Group primarily adopts a SaaS business model, which records revenue according to service usage. Compared to a model that records all revenue at the time of implementation, it takes time to monetize, but the churn rate is low (monthly average is 0.8%*1 for *Money Forward Cloud* for corporations) and gross margin rate high (83% for back-office SaaS*2). We thus expect profitability to surge in the medium to long run. As for the market environment, digitization of documents is being fueled by the revised Electronic Book Preservation Act and Invoice System, workstyles are shifting, with remote work and side jobs on the

rise, and the government's promotion of digitalization. Thus, demand for our cloud services is anticipated to rise further.

While sustaining upfront investments to capture new users and develop products and services, we also aim for more efficient user acquisitions by targeting a CAC payback period*3 of 18 to 24 months for corporations (vs. the target of 24 to 36 months set at the start of FY11/22).

From the perspective of business resources, we will concentrate investments in Business domain (back-office SaaS for corporations), where ARR growth rate is accelerating. In other domains, while sustaining growth, we will prioritize raising profitability. To do so, we will strengthen synergies between domains through mutual customer transfers and sharing of development know-how, as modeled by the promotion for parallel use of *Money Forward ME* and *Money Forward Cloud Tax Return*. Also, while the employee headcount reached 1,909 in FY11/22, up 650 from 1,259 at FY11/21-end, we will scale down on hiring in FY11/23 to raise sales per employee and thereby boost productivity.

^{*1} Average monthly churn rate from Dec. 2021 to Nov. 2022.

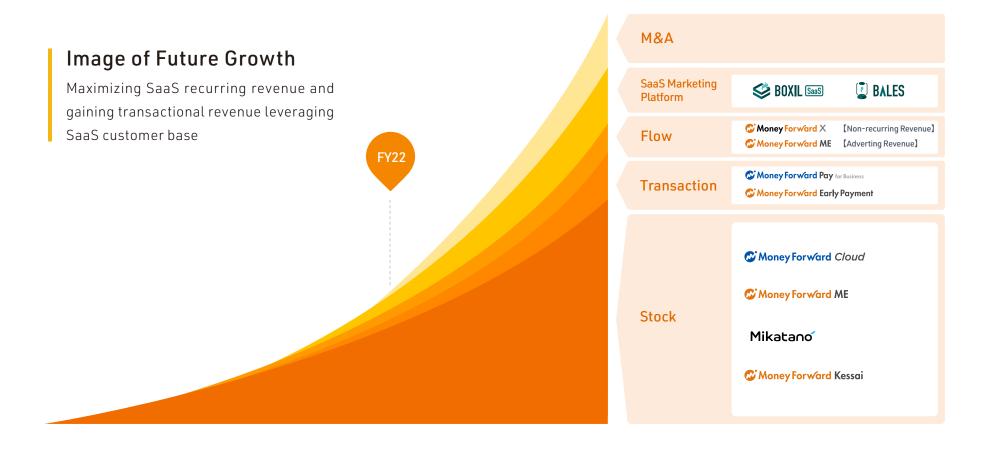
^{*2} Figure for entire Business domain (back-office SaaS) excluding SMARTCAMP. Calculated based on definitions commonly used by global SaaS companies. The cost portion includes communication expenses and system subscription fees related to product development, server fees including for AWS, API connection fees, as well as personnel expenses related to customer support, service infrastructure, and operators of STREAMED. Personnel expenses for engineers and designers involved in product development are included in cost of sales in the Japanese accounting standards and the Company's statement of income.

^{*3} Abbreviation for customer acquisition cost payback period. Calculated by dividing sales and marketing costs to acquire one new user by gross margin-based ARPA.

Creating New User Value by Integrating SaaS and Fintech

When I met CEO Tsuji for an interview some eight years ago, I was moved by his powerful words, "We will change and revamp Japan's financial services and society," and decided to join the Company. In pursuing the vision of "becoming the financial platform for all," promoting embedded finance is a crucial initiative for directly resolving financial issues of individuals and corporations, which I myself find exciting.

As we currently provide our services to over 14 million users, over 235,000 paying corporations and sole proprietors, and 126 financial institutions, our customer base in each realm is among Japan's largest and serves as a platform for integrating SaaS and fintech. In addition to embedding transfer and payment functions in *Money Forward Cloud* and other cloud services, we will promote real-time credit and online factoring utilizing accounting data, and accelerate partnerships with financial institutions (e.g., increase API connections) to provide unparalleled user value. We will thereby maximize SaaS recurring revenue while increasing transactional revenue by leveraging our SaaS customer base.



Sustain Disciplined M&A Strategy While Optimizing Intragroup Capital Strategy

Five companies have joined Business domain and one has joined Home domain through M&As. Each offers competitive products in their respective fields, and had maintained a high growth rate at the time of M&A.

We value business synergies as well as affinity of such companies for our Mission, Vision, and Culture, and also promote post-merger integration (PMI) so that they can focus on their core business and evolve. Specifically, while integrating legal affairs, accounting, and other back-office functions, we respect any managerial and business decisions made by each company's management and provide backup as necessary.

As a result, Klavis, Inc., Knowledge Labo, Inc., and R&AC Co., Ltd., have maintained high growth, recording a net sales CAGR of +46%, +56%, and +31%, respectively.

SMARTCAMP Co., Ltd., which became a wholly owned subsidiary in February 2020, also continues to expand, recording a net sales CAGR of +47% from the term prior to the M&A and a 40% YoY increase in net sales in FY11/22. Under the theme, "For SaaS," SMARTCAMP provides marketing and sales support to various SaaS companies. BOXIL SaaS and BALES, released before the M&A, continue to grow, while online exhibition business BOXIL EXPO and SaaS marketing support service ADXL were launched successfully post-M&A and now account for 30% of total sales, contributing to a diversified sales mix. SMARTCAMP has a different business model from Money Forward and is thus aiming for an IPO in the medium to long run to expand further by bolstering its capital policy and team while preserving managerial independence.

Continuing to Grow after Acquisition through Intragroup Synergies

Klavis

Acquired new customers by collaborating with the Money Forward sales team, which has strong ties to professional service firms.

(¥mn)



Knowledge Labo

Conducted marketing via professional service firms and cross-selling with the Money Forward mid-market user base.

(¥mn)



R&AC

Jointly developed and created links between credit management products.

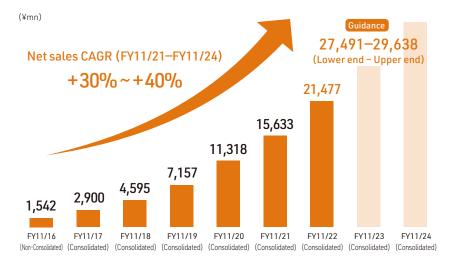


Direction of Medium- to Long-Term Growth Investment and Guidance for FY11/23

The Company continues to target a net sales CAGR of 30–40% in FY11/21–FY11/24, and aims to improve margins to achieve EBITDA profitability in FY11/24.

In FY11/23, consolidated net sales is projected at 27,491-29,638 million yen (YoY growth rate of +28-38%). We continue to focus on growth of SaaS ARR, which is projected at 21,188-22,818 million yen (YoY growth rate of +30-40%).

To sustain high growth of SaaS ARR, we are focused on increasing customers and ARPA mainly in the corporate segment of Business domain (back-office SaaS). We will aim for a higher net increase in SME customers, while promoting upselling and cross-selling of multiple products among medium-sized companies. The ARR growth rate of this segment is thus expected to rise by over 34% YoY to 15,272 million yen or more.



^{*} Chart created by projecting annual growth rate of net sales at +35%.

Although we do not disclose a full-year guidance of EBITDA, we expect to gradually improve toward our goal of achieving positive EBITDA in FY11/24.

Actively Communicating with the Capital Market and Incorporating Feedback into Corporate Management

The Company is intent on communicating closely with the capital market, responding to expectations, and fostering trust. We are also committed to disclosing more exhaustive and comprehensive information in a timely and fair manner so that investors and shareholders can better understand and accurately evaluate our strategies and performance. In addition, we convey the practical aspects of our management and business that cannot be covered in earnings briefings through Investor Day events and integrated reports.

We will continue to consider and incorporate feedback from our investors and shareholders into our disclosure policy. We also regularly provide the Board of Directors and business division managers with feedback from IR meetings with many domestic and overseas investors and shareholders, and thereby strive to make managerial decisions that reflect the capital market's perception.

Bolstering Financial Base and Governance for Aggressive Strategies in Growing Market with Large TAM

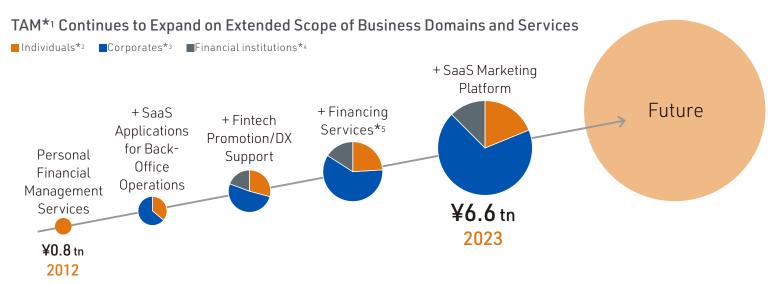
As represented by our back-office SaaS, we operate in the SaaS and fintech space characterized by rapid TAM growth and drastic change. We thus launch new businesses at a fast pace and execute M&As for accelerating business growth, and have also invested an additional 48 million U.S. dollars (about 6.12 billion yen) in Indonesia's first-in-class SaaS firm Mekari as a foothold for our medium- to long-term overseas strategies. In this way, we invest in both immediate and longer-term growth. The Company will fortify its financial base to facilitate such investments and strengthen governance by examining and minimizing risks of new business

developments and M&As, thereby balancing active growth and controlled risk.

As for financing, we procured 31.5 billion yen in an overseas public offering in August 2021 and secured long-term borrowings, with cash and deposits standing at 26,713 million yen at FY11/22-end. With an overdraft line of 13,300 million yen, we are prepared to flexibly obtain the liquidity necessary for business growth. While maintaining the soundness of our balance sheet from the perspective of capital efficiency, we will consider the optimal financing vehicle, including cash on hand, bank loans, and equity financing, when in need of funds for M&A or large investments.

As to governance, we fortified our management team by welcoming Hiroaki Yasutake and Gen Miyazawa, both with experience managing mega ventures, in February 2022. External directors continue to comprise the majority of the Board of Directors. We are also gradually transferring authority to the business divisions and striving to expedite business execution.

In this growth market with a large TAM, we will continue to agilely deploy strategies to achieve our Mission and Vision while promoting resilient risk control. We thereby aim for medium- to long-term growth that meets the expectations of our investors and shareholders.



- *1 Abbreviation for total addressable market. Estimated potential market size of the four domains of Money Forward Group, based on certain assumptions as well as third-party statistical data and disclosed materials, and past performance of the Company's services.
- *2 See P.120 of Presentation Material for FY11/22 Full-Year Financial Results for details on TAM of individuals.
- *3 See P.114 and P.117 of the same for details on TAM of corporates, including of back-office SaaS and SaaS marketing platform. See *5 for details on TAM of financing services.
- *4 Estimated market size of *Mikatano* and X domain services, within the total market size of Japan's contract development software industry. Estimated by the Company based on 2021 Basic Survey on Information and Communications Industry by METI and Ministry of Internal Affairs and Communications (MIC), Latest Number of Financial Institutions by Business Type by Japan Financial News Co., Ltd., and the Company's performance in service provisions.
- *5 Calculated based on the ratio of the use of B2B deferred payment services in annually required working capital by Japanese companies with net sales of less than 500 million yen and total annual fees paid by businesses using Money Forward Kessai. Required working capital is calculated by "accounts receivables + inventories trade payables." Prepared by the Company based on 2021 SMEA Basic Survey on Small and Medium Enterprises by METI.
- * These figures and graphs do not objectively represent the market size of the Company's business as of January 2023. The actual market size may differ from these estimates due to limitations in the accuracy of the aforementioned third-party research and disclosures.



Ryo Shibuya

Group Executive Officer; VPoE (VP of Engineering) of Money Forward Business Company

Masanobu Takeda

Director and Group Executive Officer; COO (Chief Operating Officer) of Money Forward Business Company

Kazuya Yamada

Group Executive Officer; CSO (Chief Strategy Officer) of Money Forward Business Company

Mission and Vision

Business Forward. Move Employees Forward.

Money Forward Cloud is a SaaS application that connects various back-office data to streamline operations in accounting and finance, HR, and legal affairs. We view the back office as a foundation that empowers companies, and thus help turn it into a business strength.

In raising efficiency of the back office, we embrace our service policy "cloud that touches your heart," and propose solutions that are just half a step away—rather than two or three (which would hinder practical understanding)—with an aim of resolving issues in a way that empathizes with users.

Owing to the spread of cloud-based back-office tools, service providers now have access to business data previously restricted to users, creating an environment where vendors can yield further value by utilizing such accumulated data. In addition to boosting back-office efficiency with our SaaS applications, we will add value by utilizing such data, for example, to improve companies' credit and support their financing.

Business Opportunities

Steady Cloud Adoption Owing to Reform toward Digitalization and Rapid Spread of Remote Work

According to a survey by Gartner, Inc.* of the U.S., Japan is positioned as a "resistive country" that is more than seven years behind the U.S. in terms of adopting cloud services. Thus, there is ample room for penetration of such services. In addition, the proliferation of remote work amid the pandemic and revisions to the Electronic Book Preservation Act have led to steady cloud adoption and substantial expansion of the market.

In its interim *DX Report 2*, METI warned that existing systems, which are dated and becoming increasingly complicated and obscure, will become barriers to DX. At the same time, the report urges companies to strategically deploy DX with the aim of transforming into digital

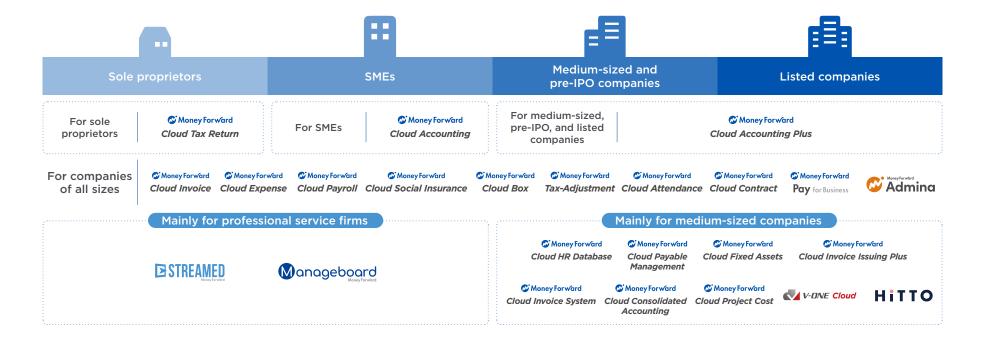
companies by 2025. This also underscores expectations that Japan as a whole will pivot toward cloud services.

Furthermore, the favorable business environment will most likely prevail owing to such factors as the expected rise in demand for replacing existing systems in response to law reforms that will impact back-office operations, including the introduction of the Invoice System in October 2023. Against this backdrop, we anticipate pronounced growth as the leading provider of cloudbased ERP.

Services

Developing Products That Meet the Needs of Wide-Ranging Businesses, from Sole Proprietors to Medium-Sized Companies

Our first cloud service offering was a tax return and accounting software product targeting sole proprietors and SMEs. We have since expanded our product lineup to support various areas, from accounting and finance, to HR, legal affairs, and IT, of companies in varying growth stages, from startup to post-IPO expansion phase. As of October 2022, our products had been implemented by over 100,000 businesses. We have also started offering fintech services that help businesses manage their payments and credits, represented by *Money Forward Pay for Businesss*. We are thus delivering value aside from improving operational efficiency.



^{*} Based on percentage and growth rate of cloud spending in 2022 (by country).

Value Proposition

Unrivalled Efficiency and Convenience Leveraging Cloud and Data Connectivity

We capitalize on the features of cloud services to raise efficiency in various operations. For example, in the area of accounting and finance, we automate data and journal entries by connecting with an array of services, including banks and credit card services, electronic money, and POS cash registers. In addition, Al suggests account titles based on big data. The more the service is used, the smarter it becomes, expediting automatic data and

journal entries. In the area of HR, hiring and resignation procedures as well as attendance of employees can be managed on cloud. Also, by connecting attendance data to the payroll system, payroll calculations and salary payments can be completed via cloud.

Furthermore, multiple users can operate the system, whether it be from their PC or smartphone, and unlike conventional packaged software, our services are quickly updated free of charge in response to law revisions or consumption tax changes, as well as for daily service improvements.

Reduces time and effort of data entry Data is securely saved Updates are free Offers extensive services

Adding Value by Integrating SaaS Applications for Back-Office Operations and Fintech

On top of being a tool for boosting workplace efficiency, Money Forward Cloud adds value by leveraging accumulated user data.

We provide Money Forward Pay for Business as a fintech service that uses data from Money Forward Cloud and serves as a means of payment. It is a prepaid card for business use issued by Money Forward. Since credit screening is unnecessary, the card can be issued and used immediately. Therefore, even companies in their early stages can make large payments for server fees and other expenses. We also provide a deferred payment function, which does not require pre-charging and provides a maximum monthly usage limit of several hundred million yen calculated based on a proprietary credit analysis model that uses data from Money Forward Cloud Accounting.



Image of ad for Money Forward Pay for Business

Growing, Medium-Sized, or Large Companies

Growing and Medium-Sized Companies Are Consumed with Manual Work

Growing and medium-sized companies tend to be consumed with manual work because their back-office structure cannot keep up with the growth of their business. Companies whose business remains unaltered may install a suitable system and continue to use it. However, more commonly, back-office workflows and systems must be upgraded in step with such shifts as launch of new businesses or organizational changes.

Constantly Evolving ERP for Companies Fearless of Change

We resolve issues in users' back-office operations by providing best practices, which advance with the times. Our services cover entire corporate activities, including accounting and finance, HR, and legal affairs. However, the larger a company becomes, the more resources it takes to replace or install a system. With this in mind, we have adopted a composable ERP architecture that enables starting from a single service, such as for claiming expenses or complying with the Invoice System. By making it easier to deploy components in phases starting from areas where customers face imminent issues, we are seeing wider-spread use among medium-sized and large companies.

With the release of *Money Forward Cloud Invoice* System in August 2022 and *Money Forward Cloud Project Cost* in February 2023, we have expanded the coverage of our composable ERP.

Extended Scope to Group Management

Although corporate group management has become commonplace, there are still many challenges in terms of efficiency in collecting financial data from group companies and preparing a consolidated financial statement, including the workload for converting data to conform to each system or posting records manually. To solve these issues, we released *Money Forward Cloud Consolidated Accounting* in December 2022 with the aim of enabling customers to complete their entire consolidation process on cloud.

Raising Brand Awareness of Support for Compliance with Invoice System

The Invoice System, slated to take effect in October 2023, will drastically change conventional practices in issuing and receiving invoices, which in turn will necessitate system adjustments. Our service lineup for mediumsized and large companies includes Money Forward Cloud Invoice Issuing Plus for issuing invoices, as well as Money Forward Cloud Payable Management and Money Forward Cloud Invoice System for receiving invoices.

We are also deploying marketing activities to gain recognition in the invoice space, including adding an "invoice edition" to the TV commercials that we have been broadcasting since January 2022.



Image of TV commercial

Professional Service Firms and SMEs

Reinforcing an Environment Where Professional Service Firms Can Fully Exert Their Expertise to Support Companies

We have strengthened partnerships with professional service firms, who are vital partners in resolving SME's managerial issues in areas such as productivity and cash flow. Currently, our services are used by more than 25,000 certified members, of which 80% are among Japan's top 100 professional service firms.*

Not only is *Money Forward Cloud* a one-stop service that streamlines back-office operations, but its products have been developed with an emphasis on usability for users working at professional service firms.

In addition to offering Money Forward Cloud as a

service, we aim to be a partner who addresses and resolves various challenges of professional service firms.

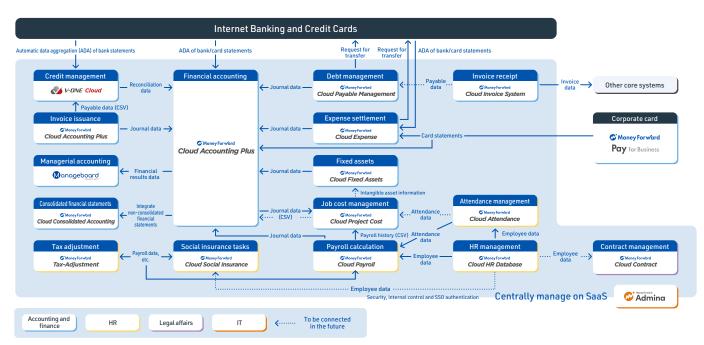
Supporting Professional Service Firms and SMEs through Swift, Flexible Responses to Law Revisions

Announced Measures for Supporting Compliance with Invoice System

The Invoice System that will come into effect in October 2023 will not only profoundly change the business practices of sole proprietors and SMEs but also have a significant impact on the professional service firms that

support them.

The Money Forward Cloud lineup includes Cloud Accounting for executing accounting compatible with the Invoice System, Cloud Invoice for issuing invoices online, and Cloud Box for centrally managing received invoices online. We thereby provide professional service firms and SMEs one-stop support for handling their invoices. In November 2022, we announced new functions of Money Forward Cloud and a roadmap for their development in preparation for the Invoice System.



^{*}The chart shows representative connections

^{*} As of February 30, 2023. Calculated by Money Forward, Inc. based on *Top 500 Professional Service Firms* in 2022 by Monthly ProPartner.

Automated Bookkeeping Frees Up Time for More Meaningful Work (STREAMED by Klavis)

STREAMED, which automates journal entries of such paper documents as receipts and passbooks, is currently used by 5,000 professional service firms. It helps create an environment where users can focus on more meaningful work.

Visualizing Management with Accounting Data and Helping Clients Achieve Their Goals (Manageboard by Knowledge Labo)

Targeting accounting firms that want to enhance clients' business management, we provide a budget control software product that can easily forecast profit and loss and cash flow by connecting with *Money Forward Cloud Accounting* and various other accounting software products.

Support from Streamlining to Enhancing Operations

Data entry

Accounting processes

Budget control



Automates journal entries of paper data

Money Forward

Cloud Accounting

Automates journal entries and visualizes cash flow



Visualizes budget control and forecasts future cash flow

Sole proprietors

Connecting Money Forward ME Data with Tax Returns

Money Forward Cloud Tax Return integrates Money Forward ME data to automatically record journal entries. Those with a second job or business owners can create financial statements required for tax returns by simply extracting business expenses, miscellaneous income, and other relevant data from their household accounting book, and linking that to Money Forward Cloud Tax Return. It also covers the Separate Taxation Form and Case of Loss Form (pages 3 and 4 of the Japanese tax return form) to support the filing of final tax returns by wide-ranging users.

Supporting the Transition from a Tax-Exempt Business to Taxable Business

Many sole proprietors are expected to switch from a taxexempt business to a taxable one accompanying the enactment of the Invoice System in October 2023. Taxable businesses are obligated to declare consumption tax, which should impose a heavy burden on sole proprietors. Money Forward Cloud Tax Return has a built-in function for declaring consumption tax and thus enables users without knowledge to execute end-to-end operations from accounting to consumption tax declaration.

Money Forward Cloud Accounting and Tax Return

Start tax return on your smartphone.

Use spare time to create journal entries on our smartphone. We support your accounting operations.





Shion Hayashi

Representative Director, President and CEO SMARTCAMP Co., Ltd.

Shinpei Abe

Director, Executive Officer and COO SMARTCAMP Co., Ltd.

Mission and Vision

Small Company, Big Business.

SMARTCAMP Co., Ltd., which joined Money Forward Group in November 2019, believes that big businesses can be achieved regardless of the number of people or amount of goods or money. We want to prove that even a small team can make the world a better place and drive society forward. In keeping with this spirit, our offerings include SaaS comparison site BOXIL SaaS, inside sales outsourcing service BALES, online exhibition BOXIL EXPO, and SaaS digital agency service ADXL. Based on our mission to "eliminate inefficiencies in the society with technology," we provide solutions and promote adoption of SaaS tailored to each company's challenges, thereby helping to raise operational efficiency and productivity, and drive business growth.

for SaaS

With its workforce destined to shrink, Japan faces the challenge of raising work productivity by defying conventional workstyles. SMARTCAMP believes that the widespread adoption of SaaS will become the key to achieving this end. We want to reduce inefficiencies in society and create a world where individuals can spend time on what they truly value through the support of SaaS companies. We thus uphold the theme of "for SaaS" with the aim of pursuing and embodying value propositions that can only be provided by SMARTCAMP, which has long engaged in and supported challenges pertaining to SaaS companies' marketing and sales.

Business Opportunities

Dramatic Growth in Japanese SaaS Market

The Japanese SaaS market*1 has maintained an average annual growth rate of 12.5% and is projected to reach 1.7 trillion yen in FY2026. In addition, the ratio of SaaS to the entire software market topped 50% in FY2021 and is estimated to rise to some 68% in five years. Furthermore, according to a survey targeting customers around the world conducted by identity as a service (IDaaS) provider Okta, Inc., the average number of SaaS used per company*2 was 89 in 2021, with larger companies (2,000+ employees) using an average 187, an increase of 24% over the six years from 2016. In Japan, the average percentage of people who said that SaaS had been introduced at their workplace*3 was 38%, with no significant gap among different regions, suggesting that the use of SaaS is expanding nationwide.

As shown in the graph on the right, companies that use cloud services have nearly 1.5× higher labor productivity*4 than those that do not, and the labor productivity gap is increasing year by year between the two cohorts. We believe that demand for SaaS adoption in Japan will rise further amid heightened concern for workstyle reform and enhanced labor productivity.

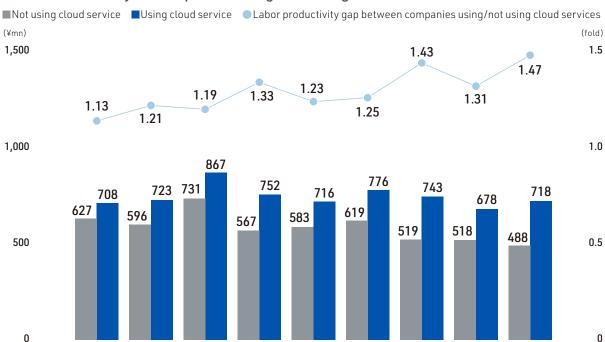
Labor Productivity of Companies Using/Not Using SaaS

FY2013

FY2014

FY2015

FY2016



FY2017

FY2018

FY2019

FY2020

FY2021

^{*1} Fuji Chimera Research Institute, Inc. 2022 New Software Business Market. Actual results for FY2021, outlook or FY2022, and projections thereafter.

^{*2} Okta, Inc. Businesses at Work 2022 Annual Report and Businesses at Work 2020 Annual Report (https://www.okta.com/businesses-at-work/).

^{*3} SMARTCAMP Co., Ltd. Survey on SaaS. Online survey conducted on September 16–29, 2022.

^{*4} MIC. FY2021 Communication Usage Trend Survey. Issued on May 27, 2022. Figures for 2020 and earlier are from previous versions of the survey. Labor productivity gap between companies using/not using cloud services = Labor productivity of companies using cloud service / Labor productivity of companies not using cloud service.

Business

Building an End-to-End Solution for Marketing and Sales with *BOXIL SaaS*, *BALES*, *BALES CLOUD*, *BOXIL EXPO*, and *ADXL*

BOXIL SaaS

An informative media for comparing and requesting materials of various cloud services for corporations. It offers exhaustive product information, including functions, pricing, as well as case studies, and enables users to create comparison charts of multiple SaaS. It also lists credible word-of-mouth reviews by those who led implementations to prevent inefficient SaaS selections.

BALES

An outsourcing and consulting service of inside sales, which has been gaining attention as a new sales method for streamlining corporate sales in the new era of remote work. We offer end-to-end support, from planning strategies and frameworks, to executing inside sales with our dedicated team.

BOXIL EXPO

An online exhibition where participants can find optimal services centered on SaaS. We webcast seminars on raising operational efficiency, adopting remote work, and increasing sales, as well as lectures on the latest industry trends by influential leaders in various industries.

ADXL

ADXL, Inc. was established in March 2021 as a subsidiary of SMARTCAMP Co., Ltd. With an overriding mission to "help businesses enrich the world," ADXL is a digital agency service that supports SaaS companies' marketing activities through strategy planning, operation, and execution, as well as data analysis.

BALES CLOUD

Customer Relations Management management (CRM) software for optimizing inside sales to raise efficiency of sales activities. It enables accumulating, visualizing, and analyzing behavioral data of leads, with intuitive operations.

Services launched after



Business Domain: Business Highlights

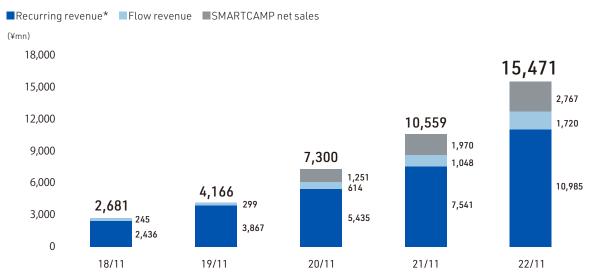
In FY11/22, net sales continued to grow rapidly, increasing by 47% YoY to 15,471 million yen. Growth was driven by recurring revenue of *Money Forward Cloud* and other SaaS applications for back-office operations, which came in at 10,985 million yen, +54% YoY.

Net sales of SMARTCAMP Co., Ltd. steadily rose 40.5% YoY to 2,767 million yen fueled by active marketing investments by SaaS companies and successful launches of new services, including *BOXIL EXPO* and *ADXL*.

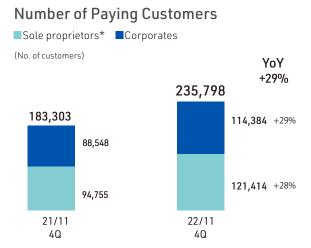
Trends in KPIs

On the back of accelerated customer acquisition, the number of paying businesses was about 235,000 (+ 28.6% YoY) as of FY11/22-end (among which some 114,000 were corporate customers). In services for sole proprietors and SMEs, ARPA is following a downward trajectory due to the increased ratio of annual subscriptions. However, the proportion of medium-sized companies, which pay a higher unit price, to total corporate ARR increased steadily to 35.4% (+8 ppts YoY), with total ARPA and corporate ARPA increasing firmly by 17.6% YoY and 20.0% YoY, respectively.

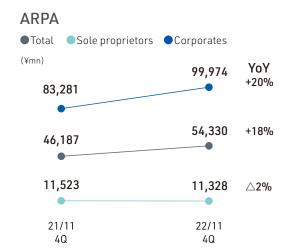
Net Sales of Business Domain



^{*&}quot;Recurring revenue (sole proprietors)" is the revenue from services for sole proprietors in Money Forward Cloud. "Recurring revenue (corporates)" is the revenue from services for corporate customers, including Money Forward Cloud, STREAMED, Manageboard, V-ONE Cloud, Money Forward Certified Member System, HiTTO, and Admina by Money Forward. Non-recurring revenue primarily consists of sales from IT introduction subsidies, sales from initial implementations of Money Forward Cloud and V-ONE Cloud mainly by medium-sized companies, sales from consulting by Knowledge Labo, Inc., and sales from card payment fees in Money Forward Pay for Business.







* ARPA: 12 times the monthly recurring revenue (MRR) of Business domain in the last month of each term (ARR) divided by the number of paying customers.



Tomohiko Kimura

Company Executive Director; Company COO of Money Forward Home Company

Jun Takeuchi

Company CSO of Money Forward Home Company

Junya Ogasawara

Company CTO of Money Forward Home Company

Mission and Vision

Alleviating Financial Concerns of All Individuals So That They Can Live True to Themselves.

To be able to live true to oneself, there are manifold hurdles to overcome. Among them, financial concerns tend to be a critical barrier. Everyone most likely has had the experience of not being able to focus on what they want to, or of giving up on something due to financial concerns.

By creating a society free of financial worries, all individuals will be able to express their true selves. Everyone can then lead a satisfying and fulfilling life. The mission and vision of Money Forward Home Company is to create a future where everyone can "live true to themselves."

Business Opportunities

Services Tailored to Users' Life Events

Money Forward, Inc. was established with a desire to improve people's access to accurate financial information and solutions. While everyone encounters financial challenges, topics will vary depending on age and financial situation. In a survey targeting *Money Forward ME* users, over 60% of those in their early 20s responded that they are concerned about living expenses, outstripping all other categories. Respondents in their late 20s to early 30s were more likely to be anxious about funds for life events, such as children's education or buying a home, in addition to daily funds. People from the late 30s on were worried about retirement and pensions, with over 70% of those aged 35 to 65 holding doubts about post-retirement wealth accumulation. A common characteristic of financial concerns among all

generations was the difficulty of grasping one's financial status because relevant data is scattered. The first service to tackle this was *Money Forward ME*, which now ranks $No.1^{*1}$ in this field in terms of number of users.

Regardless, our fundamental aspiration is to address the true financial challenges. For many users, financial solutions are out of reach. Such solutions are regarded as difficult or intimidating, and information and tools that ought to be accessible to more people are not. To address this true challenge, we are committed to developing services that conform to our corporate value of User Focus and thereby resolving users' challenges.

Over the past few years, we have collaborated with partner companies to provide users with options for improving their personal finances. In particular, we have launched new solutions related to life insurance, which accounts for a large percentage of users' spending, and to switching mobile carriers and internet providers, which would have little impact on quality of life but could help reduce monthly fixed costs. Going forward, we intend to deliver services and functions that support wealth formation, targeting users who have successfully improved their personal finances. We also believe we can propose solutions that are intuitive, manageable, and optimal for each and every user by combining customized data analysis algorithms with sophisticated UI and UX. We will continue to expand our solutions lineup and build systems for making proposals based on data and Al. Leveraging the products of Money Forward Home Company, we will eliminate financial concerns in a feasible way while empathizing with our users.

Our Business and Value Proposition

Visualizing Users' Financial Conditions with *Money Forward ME*

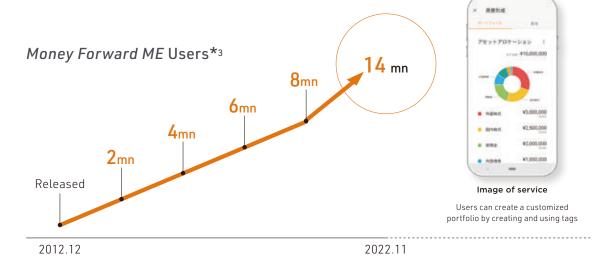
Money Forward ME uses aggregation technology to consolidate information on personal finances and assets, which was previously scattered, and to visualize the flow of money. Users can link various accounts, including credit card accounts, bank accounts, and e-commerce accounts. The service helps users easily grasp the latest status of their personal finances and assets by integrating daily cash flow as well as securities accounts.

Money Forward ME currently links with over 2,570 services, the most among any personal financial management (PFM) service,*1 enabling us to cover users' specific needs. API connections are also smooth owing to our tight network with financial institutions. Through these efforts, Money Forward ME now has many users, holding the top share and highest brand recognition among PFM apps,*2 with the number of users topping 14 million,*3 and the number of premium paying

users topping 400,000.

In February 2023, we set up the "Wealth Formation Advanced Course" (980 yen/month), which enables the management and analysis of investment assets, as a new course under *Money Forward ME* premium service (500 yen/month*4). Users who previously had to manually enter data or simultaneously use multiple investment management services can now centrally manage all of their assets on *Money Forward ME*. We will continue to update the functions offered in this new course as well as *Money Forward ME* as a whole, with the aim of achieving "visualization" and enhancing user experience.

- *1 As of December 31, 2022. (Based on research by Money Forward, Inc.)
- *2 Based on an internet survey outsourced to Macromill. Respondents consist of 1,035 PFM app users and 1,035 asset management app users in their 20s to 60s. Survey period: October 3–4, 2022. PFM app refers to an app that enables management of personal finances using a smartphone or tablet, while asset management app refers to an app that enables the user to centrally manage multiple assets using the same.
- *3The number of users is the sum of app downloads and online registrants of Money Forward ME. Users of services for financial institutions, such as Money Forward for XX are not included.



^{*4} Fee of web app version. Fee for users who register for the premium service via iOS or Android pay the amount displayed in the smartphone app.

Service Lineup That Solves Users' Problems

Aside from *Money Forward ME*, which visualizes personal finance, we are reinforcing initiatives for encouraging users to take actions that resolve and alleviate financial issues. Nexsol CO., LTD., which provides consulting services by financial planners, joined the Group in May 2022. We are now working together toward maximizing the value proposition of *Money Forward Personal Financial Consulting*.

In addition, as inflation has increasingly dominated the headlines since 2022, we are bolstering our *Money Forward Fixed Cost Review* offering as a practical solution for improving users' personal finances, and recently released a service for reviewing internet providers and smartphone price plans. Through such initiatives, we wish to propose insights and options that prompt users to take actions for improving their financial situation, and to achieve our business mission of "alleviating financial issues of all individuals so that they can live true to themselves."





The average of the monthly amount of improvement in personal finances as perceived by users who responded that they felt their personal finances have improved, according to a survey targeting *Money Forward ME* users (conducted in October 2022).

Promoting Business Alliances to Resolve Users' True Challenges

| Nexsol CO., LTD. | Resolving Issues in the Insurance Field Nexsol Life insurance is the most well-known and familiar financial product among Japanese people, with as much as 89.1% of all households purchasing life insurance.* Meanwhile, according to Voice Report*2 issued by the Life Insurance Association of Japan (LIAJ), life insurance also has its complications, including complaints regarding explanations at the time of insurance solicitation, cancellation refunds, and understanding of insurance coverage. With Nexsol, we propose only the necessary coverage based on life planning in order to help customer's live true to themselves. We pledge to offer such financial solutions that empathize with customers by leveraging insurance and other products. *1 Japan Institute of Life Insurance, 2021 National Field Survey on Life Insurance (preliminary report). *2 LIAJ, Voice Report (company-wide version), for first quarter of FY2022 (April-June 2022). | | | |
|--|--|--|--|--|
| Nexsol CO., LTD. Broad-minded Co., Ltd. FP Partner Inc. Financial Standard Co., Ltd. | Money Forward Personal Financial Consulting Service offering free consultation by financial planners (FP). By partnering with multiple financial planning companies, we have built a structure for offering quality consultations across Japan. Consultations are carried out efficiently by sharing personal finance data of Money Forward ME with FPs. Since our partners Broad-minded and Financial Standard have independent financial advisors (IFAs) and asset management experts, users can also inquire about purchasing or investing in specific financial products. | | | |
| Susten Capital Management Inc. | Promoting Capital and Business Alliances in the Asset Management Field Users can connect SUSTEN, a fully automated asset management service, with Money Forward ME. In addition to promoting SUSTEN among Money Forward ME users, we are jointly developing a function that automatically proposes the optimal asset management method for each individual based on personal finance and asset data retained by Money Forward, Inc. | | | |
| TUKURUBA Inc. | Promoting Business Alliances in the Real Estate Field We collaborate with TSUKURUBA, which provides cowcamo, a distribution platform for existing and refurbished homes, to create new services that visualize the value of real estate assets and optimize users' lifestyles grounded in those assets. | | | |
| LIFENET INSURANCE COMPANY | Money Forward Fixed Cost Review (Life Insurance Service) Provides diagnostic tools for reviewing insurance, while also suggesting life insurance products of the Company's brand. We offer a customer experience that extends from reviews of current insurance policies to online purchases of new life insurance. | | | |

Money EXPO Online (November 2022)

Organized a two-day online seminar by financial professionals.

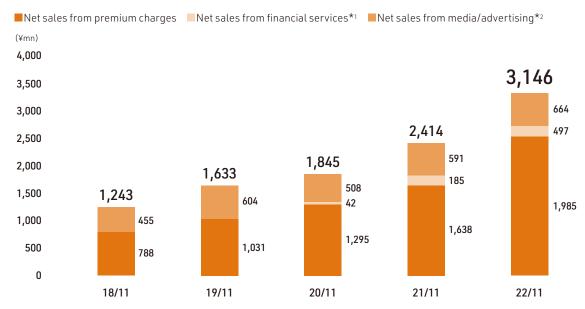
Commemorating our 10th anniversary, we have been incorporating new initiatives, including distributing original life plan simulation sheets to participants and conducting seminars in the metaverse space.



Home Domain: Business Highlights

FY11/21 net sales increased by 30% YoY to 3,146 million yen. Revenue from premium paying users of *Money Forward ME* climbed 21% YoY to 1,985 million yen. Net sales from media/advertising steadily rose 12% YoY to 664 million yen in line with the increase in users. Revenue from the financial services, which we started disclosing from the previous fiscal year, surged 269% YoY to 497 million yen, owing to sales growth in *Money Forward Personal Financial Consulting* and *Money Forward Fixed Cost Review* as well as to the acquisition of Nexsol.

Net Sales of Home Domain



^{*1} Net sales from financial services include net sales from Money Forward Personal Financial Consulting, Money Forward Fixed Cost Review, and other PFM services.

^{*2} Net sales from media/advertising include advertising sales from MONEY PLUS, a practical economic media, and sponsorships and ticket sales of events (Money EXPO).



Yuki Inoko

Company Executive Director; Company COO of Money Forward X Company

Daisuke Motokawa

Group Executive Officer and Head of Alliance Strategy; CSO of Money Forward X Company

Mission and Vision

Create New Experiences in Financial Service and Bring Forth Prosperity.

Money Forward X addresses the various challenges of clients, who in this case are financial institutions. With our clients, we create services that deliver new benefits and efficiency by combining our accumulated strengths in design and technology. As a partner in co-creation, we aim to build an open and fair financial platform that constantly and flexibly evolves.

Business Opportunities

Expanding Partnerships with Financial Institutions

On our own, we can neither build an open and fair financial platform that we envision, nor create new financial experiences that resolve financial issues of each and every individual. Thus, collaborating with financial institutions and various other partners has been crucial.

Initially, we only provided *Money Forward ME*, a personal finance and asset management service for individuals, and *Money Forward Cloud*, a SaaS application for corporate back-office operations. We now promote product enhancements and customized service developments and implementations tailored to the needs of each client, with a view to addressing the true needs and challenges of financial institutions as well as their individual and corporate customers.

Our Business and Value Proposition

Promoting DX of Financial Institutions and Their End Users

For individual customers of financial institutions, we offer Money Forward for XX Bank, an automated personal finance and asset management service, and Passbook App, a digitized passbook. We also provide functions such as Household Accounting Book Unit and Asset Management Unit, which can be added on to apps of financial institutions.

For corporate customers of financial institutions, we offer the *Mikatano* series, a DX support service provided via financial institutions.

We rebranded an existing service and launched *Mikatano* as a new brand in 2022. We have been extending its service scope to include *Mikatano Fund Management* for centrally managing deposit information, *Mikatano Invoice Management* for centrally managing issued and received invoices, and *Mikatano Works*, a simplified groupware.

The name *Mikatano* is based on the concept of becoming an ally (*mikata*) of "working people" and producing the joy of "working." It encompasses our wish to become a *mikata* to those who feel uncertain about using digital devices, and to have them "enjoy" their work by promoting operational DX among SMEs. Through *Mikatano*, we will provide a user experience that feels "positive" and "new"—comparable to the experience of holding a smartphone for the first time.

Currently, a total of 67 financial institutions* utilize our services catering to individuals and corporates.

Promoting Development of Services Tailored to the Various Needs of Financial Institutions and Companies

Based on our aggregation technology, which obtains account balance and other data by linking with financial services, we provide consulting and solutions for design, UX, data analytics, and marketing and promotion.

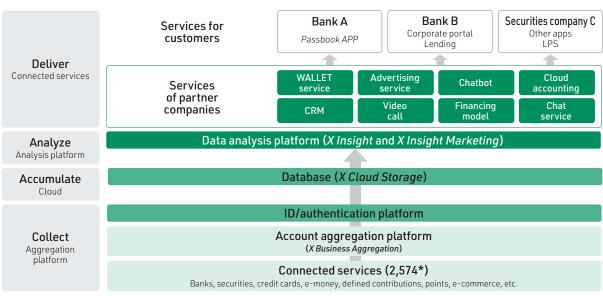
Operating an Open Platform for Financial Institutions

Under the new normal stemming from the spread of COVID-19, users' needs are rapidly diversifying while shifting toward the digital and online world.

Financial institutions, which play a central role in the financial and economic system, are also pressed to transform their business models through digitalization,

Expanding Services on Open Fintech Platform

Money Forward Fintech Platform



^{*} Based on research by Money Forward, Inc., as of December 31, 2022

^{*1} As of December 31, 2022.

in other words, to achieve financial DX. On the one hand, there are individuals who enjoy more convenience and companies that have grown markedly by leveraging digital technology. On the other, many SMEs have not gained the full benefits of IT and continue to have relatively low productivity. SMEA has indicated in its 2022 White Paper on Small and Medium Enterprises in Japan that labor productivity of SMEs is some 50% of that of large companies, and that the gap is growing.

In partnership with financial institutions, Money Forward X provides user-friendly and innovative services to their individual and corporate customers with the aim of boosting the operability of individuals and the productivity of corporations. We will also continue to operate an open platform for services through which financial institutions can deliver added value.

The platform is a common infrastructure that collects, accumulates and analyzes data from financial services, and connects that with services provided by fintech and other partner companies. Financial institutions can use this platform to swiftly deliver services that match their strategies or needs.

In FY11/22, we added new services such as *X-Insight*, a data analytics platform for individuals and businesses, *X-Insight Marketing*, a marketing automation platform, *XIM-BI*, which provides business intelligence (BI) functions, and *XIM-Contents*, which guides users to the optimal financial product. We plan to bolster our service lineup further during this fiscal year.

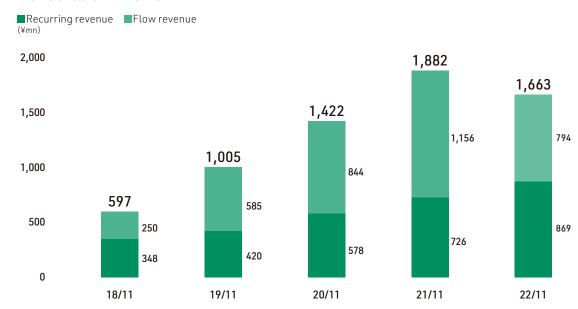
X Domain: Business Highlights

FY11/21 consolidated net sales stood at 1,663 million yen, decreasing by 12% YoY. This was primarily due to the YoY decline in co-creation projects (flow revenue) with financial institutions. Meanwhile, our service lineup continued to expand steadily, from 71 at FY11/21-end to 126 at FY11/22-end, + 20%.

We have recently been developing services that promote DX of financial institutions and their customers.

As such, in addition to the business model for generating flow revenue per co-creation project, we are strengthening recurring revenue from OEM of DX promotion tools. Although up until FY11/22, we mainly provided services catering to individuals, we have recently been bolstering services for corporate customers, with a particular focus on the *Mikatano* series from FY11/22. We are thereby aiming to contribute to the DX of regional SMEs that financial institutions serve, and to support financial institutions in their quest to raise the business value of such SMEs while utilizing data.

Net Sales of X Domain





Kentaro Tanaka

Director and Kessai Company CRO (Chief Risk Officer) of Money Forward Kessai, Inc.; Director and Payment Business Division Manager of Biz Forward, Inc.

Naomichi Tomiyama

Group Executive Officer; Representative Director and President of Money Forward Kessai, Inc.; Representative Director and President of Biz Forward, Inc.

Tomoyuki Kinoshita

Administrative Division Manager of Money Forward Kessai, Inc.; Finance Business Division Manager of Biz Forward, Inc.

Mission and Vision

Resolving Companies' Financial Issues and Jointly Moving Their Business Forward.

Money Forward Kessai and Biz Forward

The widespread use of the internet has enabled us to make transactions with far more counterparts at a lower cost and faster speed.

Yet, no improvement can be seen in the cost or speed of back-office operations, such as credit, invoicing and collection, or management of operating cash flow, which are all essential to credit sales. We believe that this impedes the efficiency of business transactions and makes it difficult for companies to focus on their core business.

Furthermore, credit information of SMEs, which account for 99.7%*¹ of all companies in Japan, is neither sufficiently maintained nor utilized. Companies and financial institutions also face many problems in credit and payment operations. Many companies seem to be hesitant to take on new business opportunities for scores of reasons, such as concerns about debt collection, operational burden, or inability to raise funds when necessary.

To resolve these issues, we established Money Forward Kessai, Inc. in 2017, and have since been striving to streamline not only back-office operations of companies and sole proprietors but also their flow of funds.

In 2021, we established Biz Forward, Inc. as a joint venture with MUFG Bank, Ltd. We have since started offering the services of Money Forward Kessai to MUFG

Bank's customers, who were difficult to access by ourselves. We have helped many companies reduce the burden of their back-office operations thus far, and are steadily expanding the scope of our services through funding support.

Business Opportunities

Approaching SMEs Whose Financing Needs Cannot Be Met by Short-Term Loans

The annual transaction volume of bill receivables and accounts receivable by SMEs in Japan is some 70 trillion yen.*1 This can be considered the TAM for business process outsourcing (BPO) for invoicing with promising growth opportunities. Meanwhile, the amount transacted through B2B deferred payment services still only accounts for some 100 billion yen,*1 leaving room for such services to become more widely known by collaborating with major financial institutions. In addition, many SMEs cannot procure enough funds through short-term loans

from financial institutions, with shortage in funds estimated to reach 22 trillion yen on a recurring basis, which translates to TAM for the financing business. Conventional methods of credit screening require extensive operating costs, and moreover, setting a high credit line is difficult for companies lacking a proven track record. Against this backdrop, we believe there is great demand for financing services.

*1 SMEA, 2021 Basic Survey on Small and Medium Enterprises Final Report (based on 2020 financial results).

Business

Money Forward Kessai and SEIKYU+

Money Forward Kessai and SEIKYU+ are B2B deferred payment and invoicing BPO services that aim to provide an environment where customers can concentrate on their core operations by fully outsourcing invoicing operations. We provide BPO for the entire invoicing process, including credit screening, issuance and delivery of invoices, collection, and follow-up for outstanding payments. We



also guarantee*2 accounts receivable to eliminate concerns that come with credit sales. Accounts receivable can be collected within three business days at the earliest.

Through our services, we offer BPO for the processes necessary in B2B payments with the aim of advancing clients' businesses.

*2 Excluding exceptional cases, such as when a breach of representations or warranties is detected after passing the screening.

Money Forward Early Payment and SHIKIN+

Money Forward Early Payment and SHIKIN+ are services that enable early financing of purchase orders and invoices. We offer B2B factoring, which allows a company to receive an amount less a specific fee by selling the company's own accounts receivable.

The company need not notify the other party or register for credit transfer,*3 enabling them to easily and quickly secure funds without affecting their future business.

*3 Upon request, we also offer factoring among three companies.

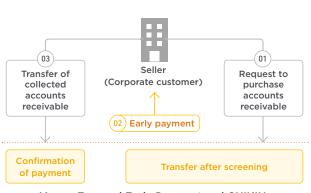
Growth Strategy

Speedy Service Delivery through Enhanced Credit Screening Model

We are expanding the scope of automatic screening through continuous updates to our transaction screening model. We are thus able to notify customers of screening results within a few seconds at the earliest, or one business day at the latest.

Expanding Target Customer Base

Our primary customer base has been startups and SMEs, but we also plan to strengthen the large enterprise domain. We will develop and provide functions that are



Money Forward Early Payment and SHIKIN+

essential for large enterprises to deploy the services of Money Forward Kessai. This includes authorization, IP address restrictions, and system enhancements for processing large volumes of transactions. Also, since large enterprises tend to have low default risk, we will expand our product lineup, including services that specialize in BPO for invoicing without the transfer of claims, and services for quaranteed accounts receivable.

SHIKIN+ is equipped with a function to link internet banking accounts, making it possible to complete burdensome screening document submissions with just one click. By reducing the time and effort required in factoring, we will continue to create an environment where factoring becomes more accessible to customers.

Collaboration with and Provision of OEM to Financial Institutions and Large Corporations

We will continue to increase partnerships with financial institutions that have ties with customer bases to which Money Forward Group does not (e.g., regional companies and leading enterprises), as well as with major business corporations. In addition to commission agreements and business matching agreements, we conduct OEM of Money Forward Kessai, SEIKYU+, Money Forward Early Payment, and SHIKIN+, and thereby deliver payment services that leverage the brand of our partners.

Furthermore, our partners are the main service provider, with Money Forward Kessai working in the background and providing systems and accounts receivable guarantees. We thus realize services that combine the credibility of financial institutions with the technology of Money Forward Kessai and Biz Forward.

HIRAC FUND

Opening Doors to New Possibilities with Entrepreneurs

HIRAC FUND was launched with a vision of jointly resolving the various issues that clients face in their seed and early stages by sharing the know-how and network of entrepreneurs who are at the forefront of business management.

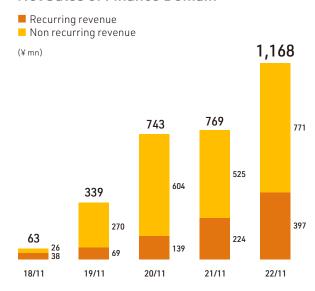
Fund No.1, launched in 2020, invested in 25 companies up to November 2022, with one of them achieving an IPO on the TSE Growth Market. We also announced the establishment of Fund No. 2 in December 2022. In addition to the entrepreneur community, we will strengthen partnerships with regional financial institutions, and invest in startups that aim to resolve social issues with technology.

We will leverage communities where investees can meet, learn from, and grow with peer entrepreneurs, as well as the network of Money Forward Group, and together endeavor to carve out a new future for them to achieve further growth.

Finance Domain: Business Highlights

FY11/22 consolidated net sales came in at 1,168 million yen (+ 52% YoY). *Money Forward Kessai* (invoicing and payment BPO business), which is based on a recurring-revenue model, has made steady progress owing to an increase in users. As for factoring service *Money Forward Early Payment*, we continue to focus on credit management, although we are seeing a recovery trend over FY11/21, when performance was affected by COVID-19.

Net Sales of Finance Domain



M&As (Group Joins)



Yumiko Nagao

Head of Corporate Development

Money Forward's M&As (Group Joins)

To shape our Mission and Vision, we actively drive dynamic growth through M&As (group joins), minority investments, and business alliances.

Since listing on TSE Mothers in 2017, we have been joined by six excellent companies and have also made minority investments in over 20 growing companies both in Japan and abroad. We believe that by joining forces, growing companies like our own can mutually raise corporate value and expand business more speedily. We have thus aggressively promoted M&As and

investments.

We have set three focal areas in our M&A strategy. First is M&As for expanding our product lineup of SaaS applications for back-office operations in Business domain, which holds the top sales ratio in the Group. Second is M&As aimed at expanding TAM by broadening business coverage. Third is M&As and investments designed to extend TAM geographically, primarily in Southeast Asia. In 2022, we made an additional investment in Indonesia's leading SaaS provider Mekari and became its largest shareholder, with a stake of 42.7% (9.9% with voting rights).

When deliberating M&As, the Corporate Development Office leads discussions with management, the corporate division, and relevant business departments on the significance of each M&A, while seeking advice from outside experts, and conducting due diligence on business and products, accounting and finance, legal affairs, HR, and systems. In addition to examining various risks, we always consider such matters as the strategic implications of the M&A, comparison to in-house development, financial priorities, and whether we can maintain an adequate PMI structure from the perspective of cultural fit. Consequently, we sometimes suspend deals after starting the M&A process.

The Company also strengthens investment governance by having the Board of Directors deliberate each deal before executing any investments and requiring a resolution by the Board of Directors prior to purchasing a company for a price over a certain amount. Since many of the directors have extensive insight into M&As (► P.100 Skill Matrix), active discussions from varying perspectives are held at Board of Directors meetings.

M&A Focused on Talent and Culture

M&A is an important event for both the acquired company and the company that acquires it, with various risks involved. We believe that to achieve successful M&As, it is critical to have a disciplined investment policy, or more specifically, to acquire companies at a reasonable valuation. Since attractive growing companies have many potential buyers, our approach for striking a deal at a reasonable valuation becomes important. We believe talent and culture to be key.

We think that for companies to continue growing after joining the Group, it is vital that their leader and other key members remain on board. We therefore focus on not only setting quantitative incentives but creating an environment that offers new growth opportunities and challenges to every Group company and individual.

It is paramount that we instill our Culture of welcoming Group companies at the management level as well as among all employees of the Group. This lays the foundation for successful PMIs. Aside from having the leader of Group companies participate in Money Forward's management-level boot camps, we hold regular morning meetings and assemblies attended by all Group employees and exchange personnel including through mutual secondments. There are also a number of study groups and club activities open to all members of the Group. To eliminate any disconnect in information or personnel exchanges among Group companies, and to emphasize that we are partners working toward the same Mission, we refrain from using the term "acquisitions" and refer to M&As as "group joins."

As a result, all companies that joined the Group thus far have been growing at an accelerated pace.

^{*} Mekari is the group's brand name. Money Forward, Inc. holds shares in SLEEKR PTE, LTD., which has a 99% ownership of the group's service operator PT Mid Solusi Nusantara (based in Indonesia).

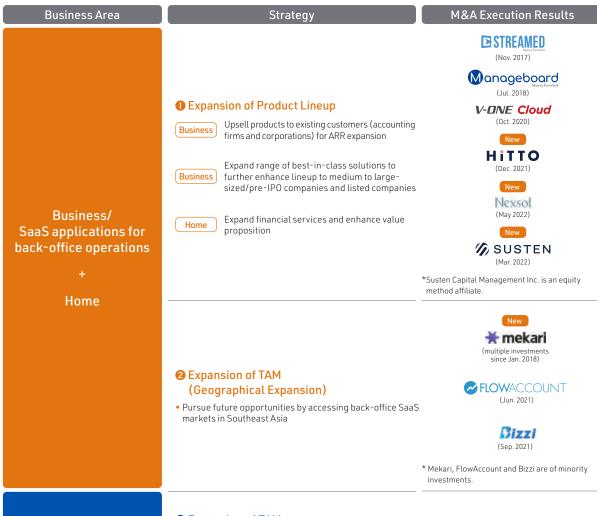
Money Forward's Overseas Strategy

Since its founding, Money Forward has provided a number of services and has strived to resolve financial issues of individuals and corporations in Japan. Thankfully, many customers have said they are glad they use Money Forward's services. We thus pledge to continue expanding our domestic business, while also focusing on overseas deployment as our next challenge.

We are strategically seeking candidate markets for global expansion, centered on Southeast Asia and taking into account market size and growth potential. We will carefully examine typical financial and business issues of each country, and work toward gaining expertise of and raising our presence in prospective regions through investments centered on both the SaaS and fintech models.

As for group joins, following in the steps of our domestic M&As, we will drive our overseas operations by emphasizing affinity with our Culture and Vision and selecting startups with whom we can team up with over the medium to long term.





Business/SaaS platform

3 Expansion of TAM (Business Area Expansion)

• Enter the SaaS marketing business, where the market size is expected to expand further



Shinji Kimura

Head of Global Strategy

* "New" indicates companies that joined the Group or received additional investments during FY11/22.

2022

Synergy Created by Joining the Group

for but not limited to insurance, by financial planners.

Company Overview Synergy Created by Joining the Group Money Forward Cloud excels in automating journal entries from digital data, Klavis, Inc. while STREAMED excels in the same from paper documents, complementing Established in 2012. value proposition. User acquisition has also accelerated by capitalizing on Kazuaki Kimijima Provides STREAMED, which converts paper evidence such as receipts Nov. Money Forward's sales network. The cumulative number of users has topped Klavis, Inc. into digital accounting data, simply by scanning them. Customers are 5,000 firms owing to synergies in both the product and sales front. Representative 2017 mainly accounting firms. Director and CEO Knowledge Labo, Inc. We cross-sell Manageboard, released in 2018, to professional service firms and medium-sized companies that use Money Forward Cloud. In our Provides cloud-based budget control software Manageboard, which Hidetsuau Kunim consulting service, we collaborate with Money Forward to support growing Jul. visualizes finances by collecting, analyzing, and projecting managerial companies according to their lifecycle, from DX in back-office operations to Knowledge Labo, Inc. 2018 data, as well as business administration consulting. turning around businesses. Representative Director and CEO SMARTCAMP Co., Ltd. In addition to our existing businesses BOXIL SaaS and BALES, we provide companies with comprehensive marketing and sales support through online Established in 2014. Shion Havashi exhibition BOXIL EXPO and SaaS digital agency service ADXL. We are also Nov. Supports sales and marketing mainly through SaaS comparison site strengthening our development capabilities, including by deploying inside sales SMARTCAMP Co., Ltd. 2019 BOXIL SaaS. management cloud service BALES CLOUD and opening a development base in Representative Director President and CFO Kyoto. R&AC Co., Ltd On the sales front, we collaborate in serving medium-sized and large companies, while on the product front, we are co-developing the receivable Tomovasu Established in 2004 Takayama billing function of V-ONE Cloud and Money Forward Cloud ERP. Aug. Provides V-ONE Cloud and Victory-ONE/G4, cloud services for payment R&AC Co., Ltd. 2020 reconciliation and receivables management. Representative Director After joining the Group, we have been collaborating on the sales front, HiTTO Inc. including crossover of customers, consisting mainly of medium- to large-sized Established in March 2006 Akito Kimura companies. We are also actively exchanging personnel, with Money Forward Dec. Provides HiTTO, which holds the top share* in Japan for internal AI chatbots seconding managers and other members to our company. Leveraging the HR HiTTO Inc. 2021 and is widely used by medium- to large-sized companies. Automates internal solutions of HiTTO and Money Forward Cloud, we will bolster collaborations Representative inquiries to back-office divisions regarding HR, labor, internal affairs, and on the product front to further improve usability. Director and CEO accounting, thereby boosting operational efficiency and internal DX. Since joining the Group, we have been promoting collaborations on the product Nexsol CO., LTD. front, including Money Forward ME and Money Forward Personal Financial Michiteru Established in July 2014 Kokatsu Consulting. We will continue to join forces to enhance user value proposition May We provide a wide range of financial consultation services, including

and raise the usability of our financial planning services.

Nexsol CO., LTD.

Representative

^{*}Was Top share among cloud-based payment reconciliation services in terms of number of corporate users, according to a survey by Shopper's Eye Inc. issued on July 22, 2020. According to research by Techno Systems Research Co., Ltd. (May 2019).

Working together with the Soccer Club









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©1992 Y MARINOS

©1996 CONSADOLE

With an overriding desire to move society forward and contribute to the sports community amid the pandemic, we have partnered with Yokohama F.Marinos, Avispa Fukuoka, and Hokkaido Consadole Sapporo of the Japan Professional Football League since 2020.

In 2022, Marinos won the league title for the first time in three years. The fascination of soccer, symbolized by the club's power to persistently drive forward, has captured the hearts of many of our employees, giving them much courage, inspiration, and vitality in daily life. A major initiative was Money Forward Day, a sponsor's game organized under the concept of "moving forward with all members of the Marinos family." The event was co-created by the club's fans and supporters and Money Forward employees, and we provided support banners with messages for the club fighting for the championship. Some 170 employees watched the match and cheered the team on.

We also promoted community activities and DX with sports serving as the hub. For example, we organized a seminar for DX promotion in the Kyushu region as an official DX partner of AVISPA and facilitated collaborative community activity Dosanko Mirai with Consadole in Hokkaido. We have implemented *Money Forward Cloud* in 18 clubs so far* and are committed to continue pushing forward the sports community as well as society at large.

^{*} As of January 4, 2023.

Teamwork



Customer Success Department, HR Solution Division Money Forward Business Company

We are committed to customer success with a focus on supporting companies with 51 or more employees in the implementation of and smooth start for using *Money Forward Cloud Payroll* and other HR products.

Our members have rich practical experience in HR and labor management as well as system implementation support, and exercise their ingenuity to deliver an exceptional customer experience, in which customers can make the best of implementations.

Finance Business Division Biz Forward, Inc.

At Biz Forward, we provide factoring service *SHIKIN+* mainly to SMEs. Our main targets are clients of MUFG Bank, Ltd., customers of *Money Forward Cloud*, and customers who register online. By fully drawing on the power of technology, we help them achieve factoring that is easy, speedy, and reasonable. From lead generation to sales, marketing, and development, we take full advantage of each organization's field of expertise and strive to achieve mutual growth so that we can broaden our customer reach.





Accounting Department

We are committed to standardizing accounting operations across Money Forward Group. We believe that by making extensive use of the products of each Group company and standardizing Group-wide processes, we can raise the operational efficiency, accuracy, and continuity, and believe that this will ultimately lead to customer value proposition. We also interact with back-office members of each Group company. While respecting the processes of each company, we continue discussions and trial and error on a daily basis to improve overall processes.

Money Forward X company Mikatano Project Team

Together with partner regional financial institutions, we aim to propel DX of SMEs with "technology" and "empathy."

Our team designs projects for conveying how easy it is even for non-tech-savvy people to use the *Mikatano* series. We also carry out measures and activities to deploy our services to regional SMEs together with staff of financial institutions. In partnership with regional financial institutions throughout Japan, we are committed to becoming allies (*mikata*) to SMEs and revitalizing regional economies.





ernance

A stable financial base and robust corporate governance are both key components of the foundation underpinning Money Forward Group. We balance offense and defense in building an organization that empowers all Group businesses to move forward.

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Sustaining Growth and Raising Corporate Value over the Medium to Long Term through Continuous Reforms in Corporate Governance

Tsuji

We have carried out various initiatives related to corporate governance. How would you evaluate our progress so far and where we stand now?

Tanaka

Five years have passed since I was appointed a director, and I believe the Company's governance has made solid progress during this time. Although further reforms are still necessary, the Company has reached an adequate level, given its size and stage of growth.

When thinking about governance, we need to understand what functions the Board of Directors is expected to serve. External directors are often asked to give managerial advice, but it's equally important for us to supervise management on behalf of the shareholders. To do so, external directors must be independent, and I believe we've been able to reinforce our independence from the management team.

Okajima

I also believe that the Board of Directors is functioning as a highly independent monitoring board, and that there's an adequate balance of tension and trust between the executive members and external directors.

Each external director has specialized knowledge and provides input by taking a managerial stance unrestrained by execution duties, as well as an expansive, medium- to long-term perspective. The board has been recently reinforced with the addition of Mr. Miyazawa and Mr. Yasutake, who are well versed in technology and have experience in managing group companies.

Also, I feel reassured by the Audit & Supervisory Board members who pay close attention to the details. It is reassuring to have a reliable team that can fulfill a defensive role, thus enabling us as directors to concentrate on key concerns such as strategic risk-taking and identifying growth opportunities.



Tanaka

It's very encouraging for us, as the Board of Directors, to have such a competent Audit & Supervisory Board.

Tsuji

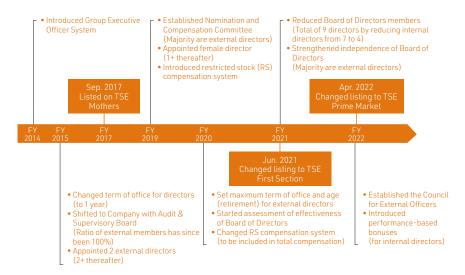
Thank you. Just as you mentioned, I think we have a team of excellent members with expertise in their respective fields. Also, since we always receive candid and unreserved opinions from the external directors, I feel an adequate level of tension when preparing for Board of Directors meetings. Are there any areas with room for improvement?

Okajima

It might be a good idea to spend some more time exploring the Company's medium- to long-term strategy, for example, discussing global strategies. Some other companies hold longer meetings once every quarter to discuss their medium- to long-term portfolios for business and human resources. When discussing medium- to long-term strategies, we need to understand what the president is aiming for. It is highly beneficial for the Board of Directors to have the opportunity to receive a monthly "CEO comment" during our meetings.

Tanaka

The agenda for Board of Directors meeting has improved, by eliminating unnecessary oral presentations that can be conveyed through materials, and reserving ample time for Q&As or remote resolutions via e-mail. This optimized schedule allows for the efficient use of our time. To further maximize the benefits of this approach, I think we should delve deeper into medium- to long-term topics more thoroughly, just as Ms. Okajima said.



Council of External Officers

Tsuji

Prompted by a proposal from the Council of External Officers, I have been presenting a "CEO Comment" to explain our current status, issues, and countermeasures. I feel that the Council of External Officers is a very effective means of governance. Can you please elaborate on how it started?

Tanaka

When I served as director to a company listed in the U.S., the CEO would leave the room after the board meeting, and the independent external directors would have a free discussion on the day's topics. By fostering an open and frank discussion, we can address challenging issues that may be difficult to bring up directly with the CEO. The feedback received from these discussions can be utilized to improve the effectiveness of the Board of Directors operations, creating a positive cycle of continuous improvement. I made the proposal based on this experience and feel that the Group has successfully adopted a structure that enhances the operations of the Board of Directors, which must serve a central role in management.

Okajima

As an external director, a significant responsibility is advise in the appointment and dismissal of the company's president. As this entails providing frequent feedback to the company's president, it's beneficial to have a system to provide feedback for Mr. Tsuji based on discussions in the Council of External Officers. In addition, the operations of the Board of Directors are continuously refined. For example, whenever we give feedback that a certain topic requires deeper discussions, it is appropriately incorporated in the next meeting's agenda.

Discussions by the Nomination and **Compensation Committee**

Tsuji

Thank you very much. On the topic of the president appointment and dismissal, we have set up a Nomination and Compensation Committee. We asked both of you to serve as a committee member from the beginning. What are your thoughts on the appointment and compensation of the management team?

Okajima

One notable characteristic of the Group is the presence of a significant number of highly sought-after professionals, including individuals with



previous experience in the financial industry. Retaining such talents is crucial. The first step is to increase hiring capabilities by offering a higher base salary relative to other startups. The next is to introduce a variable compensation to show some upside. This second step was particularly difficult. We held various discussions before deciding on the current share-based compensation and performance-based bonus system. The current system is excellent in that it is transparent and fair.

Tanaka

Brilliant talents are essential to sustain the Company's power to grow, and thus, having a competitive compensation system in place is vital in recruitment. I highly value our system for incorporating external perspectives and expertise into the design of our compensation system.

Also, a most important agenda item going forward is to nominate a possible successor to Mr. Tsuji. Undoubtedly, Mr. Tsuji as founder and president is instrumental and I am in favor of you continuing to serve as the president of the Company. Nevertheless, as a responsible director, we must continuously think of a viable structure in preparation for potential incidents or accidents.

Okajima

As a professional in succession planning, I provide support in this area to various companies. While we highly value Mr. Tsuji's contribution to the organization, it is crucial to consider contingency plans. With the Company's business growing rapidly and becoming multi-layered, it's increasingly important to have a strategic succession plan in place. There is another positive aspect to this, which is that unexpected persons might earn opportunities through this succession planning.

Tsuji

We created the current system based on feedback on the importance of providing compensation that appropriately reflects members' value in the labor market.

Regarding the selection of officer candidates, we also introduced the maximum term of office and retirement age of external directors based on a proposal by the Nomination and Compensation Committee. Can you explain the rationale behind this?

Tanaka

When looking at overseas best practices in securing the independence of external directors, it seems that many U.S. companies set a retirement age and many European companies set the maximum term of office to eight years. In the U.S. and Europe, many external directors voluntarily submit a proposal to the nomination committee to seek a successor before the year of their resignation. If an appropriate candidate is found, they will hand over their position even before the designated resignation year. This ensures board independence.

Okajima

Another company where I served as director adopted a method of ensuring overall capability by having officers recommend successors with similar skills and replacing one member every year. It's difficult for a company to ask someone to resign, so it would be beneficial for both sides to have such a system in place to preserve the board's capability.

Tanaka

That is absolutely true. It might be difficult for the current management team to say, "Mr. Tanaka, you need to quit because you're been here too long" (laughs).



Future Challenges

Tsuji

We would never think so. We're always grateful for your support (laughs). However, I do think this is imperative in order to maintain independence.

Lastly, the Group now has nearly 2,000 executives and employees, and is driving globalization internally. Please tell us about future challenges pertaining to governance and areas that need to be strengthened.

Tanaka

The Company has scaled and now has competent executive members who can spearhead respective businesses. Meanwhile, Mr. Tsuji concurrently serves as representative director, president, CEO, chairman of the Board of Directors, and chairman of the Nomination and Compensation Committee, among other positions. I feel it's time for you to consider which areas you want to concentrate on. As you begin to reallocate your time and attention from immediate tasks to longer-term strategic priorities, it becomes increasingly important to consider how to enhance our corporate governance by updating our management structure.

It is also necessary to actively appoint women as directors and executive officers. Regardless of gender. Of course, not all selections will turn out well regardless of his/her gender. It's important to support those who are selected so that they can experience success in a position that is one level above their current one.

Okajima

A position is merely a role, so I feel it's important to create an environment in which women, who represent the largest group among the minority, can eagerly take on challenges.

Tsuji

Thank you very much for offering valuable opinions from numerous perspectives. We will continue to strengthen corporate governance while aiming to achieve sustainable growth and raise corporate value over the medium to long term. We would be grateful for your ongoing support.

Corporate Governance

Basic Policy on Corporate Governance

We aim to foster social progress and to create a world where all individuals and corporations, including our users and employees, can actively take on challenges. To this end, we deliver services in the IT industry, where the operating environment is subject to constant change. We believe that it is essential for corporate governance to function effectively to achieve our vision and pursue sustainable enhancement of corporate value.

The Company is developing a governance structure that balances growth and risk control. To raise managerial soundness and transparency, and to steadily increase shareholder value over the long term, the Company is establishing an internal structure that allows for prompt and rational decision-making as well as streamlined business execution and fortifying its corporate governance.

Corporate Governance Structure (As of February 22, 2023)

The Company, which offers a platform service as its core business, has adopted an Audit & Supervisory Board system. This is to ensure managerial efficiency and soundness. It is effective to have in place a structure where the Board of Directors, consisting of directors who are familiar with the Company's business, decides on basic management policies and important business execution, while Audit & Supervisory Board members, with strong legal authority, audit the directors' execution of duties from an independent position.

The Company has strengthened the supervisory function of its Board of



Masakazu Sekita
Group Executive Officer and CLO
(Chief Legal Officer)



Hirokazu Ban
Group Executive Officer and CCO
(Chief Compliance Officer)

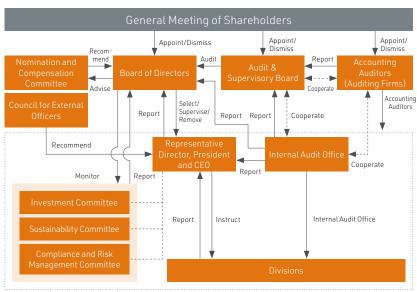
Directors by appointing independent external directors as the majority for the board. It has also set up the Nomination and Compensation Committee, in which external directors comprise the majority, and the Council of External Officers, which consists solely of external officers (external directors and external Audit & Supervisory Board members).

The Company aims to maintain a compliance structure for deploying business management grounded in sound ethical standards, secure corporate soundness and transparency, and to firmly increase long-term shareholder value. To achieve this end, the Company is building an internal structure that drives prompt and rational decision-making as well as efficient business execution. In this vein, it has set up three committees under the Board of Directors (focused on investment, sustainability, and compliance and risk management, all chaired by the Representative Director, President and CEO) as well as an Executive Officer and CxO System.

As for operations of the Board of Directors, the Legal and Intellectual Property Division serves as its administrative office, with the Executive Officer and CLO Chief Legal Officer (CLO) and the Executive Officer and Chief Compliance Officer (CCO) co-managing the division and leading planning and operations.

▶ P.94 Structure and Meetings of the Council of External Officers and Each Committee

Corporate Governance Structure (As of February 22, 2023)



Board of Directors

Current Structure (As of February 22, 2023)

The Company currently has nine directors. Independent external directors are to comprise a majority of the Board of Directors, and accordingly, five among the nine are independent external directors. In addition to the requirements of independent officers set forth in the Companies Act and by the Financial Instruments and Exchange Act, the Company has stipulated independence criteria for

Out of **9** directors, of them are independent external directors.



appointing independent external directors. The Company appoints external directors in accordance with these standards, with all five external directors being registered as independent directors.

Procedures for Appointing Directors

The Company has set up a Nomination and Compensation Committee, in which the majority consists of external directors. The aim of the committee is to strengthen the objectivity and accountability of the Board of Directors, and to reinforce the Group's corporate governance structure. All director candidates are subject to deliberations by the committee and resolution by the Board of Directors.

Rationale behind Composition of Board of Directors (Abridged)

- To ensure the independence of external directors, the total term of office of independent external directors shall be six terms (six years), and reappointment shall not be prevented for up to eight terms (eight years). In cases where a director is aged 72 by the end of an Annual General Meeting of Shareholders, the director shall resign as of the end of that meeting.*
- In order to effectively fulfill its roles and responsibilities, the Board of Directors shall specify skills it must possess as a whole, and well-balanced selections shall be made among individuals with the specified knowledge, experience, and abilities. Such characteristics as gender, internationality, and age will also be considered to diversify the board.*
- Independent external directors with experience managing other companies shall also be included.*
 - ▶ P.100 Skills Matrix of Directors and Auditor & Supervisory Board Members

Current Operations of the Board of Directors

The Company's Board of Directors is chaired by Yosuke Tsuji, Representative Director, President and CEO. In addition to monthly meetings (normally two hours; four hours twice a year), extraordinary meetings are held as necessary to make critical managerial decisions and supervise the execution of duties of each director.

The Company has stipulated the regulations of the Board of Directors, under which the Board of Directors deliberates and resolves 1) matters stipulated in laws and ordinances and the Articles of Incorporation, 2) important matters regarding management in general, including management policies and plans, 3) basic matters regarding the Company's management, including key organizational and personnel agenda, and 4) important matters regarding business execution, including highly significant investments and loans to Group companies. As to critical managerial issues, and matters requiring a medium- to long-term outlook, the Board of Directors holds discussions on the assumption that a resolution need not be reached during the meeting in which the agenda was raised.

Summary of FY11/22 Board of Directors Meetings

| No. of Meetings | 14 |
|--|--|
| Key Matters Deliberated or Discussed | FY11/23 budget Group join of Nexsol CO., LTD. Additional investment in Mekari Financing (initiatives with Funds, Inc. and bank loans) Sustainability initiatives Examination of the appropriateness of strategic shareholdings Overseas expansion Initiatives to visualize and improve productivity Selection of candidate officers and compensation of officers Selection of executive officers |
| Key Contents Reported | HR-related reports (including diversity and integration activity reports) Investor/shareholder relations activities Compliance report Information security activity report Performance evaluation report of Group companies Monthly performance reports and KPI reports |

Assessment on Effectiveness of Board of Directors (FY11/22)

The Company conducted an assessment on the effectiveness of the Board of Directors using a questionnaire that included 24 questions (answered by all officers). Evaluations suggested that the effectiveness of the Board of Directors was generally secured, with the average score for all items coming in at approximately 4.5 out of 5.

Progress in Issues Identified in FY11/21

In the FY11/21 assessment on effectiveness of the Board of Directors, the Company received a relatively low evaluation in "executive training," "enhancement of corporate value by addressing sustainability issues," and "appropriate disclosure of non-financial information," and worked toward improving these areas.

Among these items, the score for executive training remained relatively low, but improved slightly, primarily owing to the provision of preparatory lectures for newly appointed directors. As to "addressing sustainability issues," the score increased as a result of establishing the Sustainability Committee, which held regular discussions and reported to the Board of Directors as needed. Regarding "appropriate disclosure of non-financial information," the score rose significantly thanks to the disclosure of financial results presentation materials, integrated reports, and information on our website, with this item ranking among the top five of all items.

Issues Identified in FY11/22

The assessment for items related to risk management was relatively low. On the one hand, there were such comments as, "The Council of External Officers has, from the perspective of risk management, identified matters that would normally be overlooked, and is thus functioning effectively," and, "The risk management structure is functioning effectively amid a situation where we are receiving reports on accident responses and operational management." On the other hand, there were also opinions such as, "There are issues in the establishment of organizational systems," "The internal audit department must be reinforced," and "There are still areas where consistency and policies are not completely clear, regarding the withdrawal criteria and the future management of subsidiaries from the perspective of risk management." Such areas are issues in need of real improvement. Regarding the deliberation of strategic agenda at Board of Directors meetings, there were such opinions as, "At present, the Board of Directors is thoroughly discussing strategies" and "The external directors are appropriately fulfilling their roles." Meanwhile, it was pointed out that "More in-depth discussions are desired regarding overall strategy including global expansion, as well

as HR strategy, sustainability, and DX, and it is therefore necessary to increase informational inputs, including on trends of the industry, competitors, and customers."

Audit & Supervisory Board

Current Structure (As of February 22, 2023)

All four Audit & Supervisory Board members are independent external members, including one lawyer. In addition to the requirements of independent officers set forth in the Companies Act and by the Financial Instruments and Exchange Act, the Company has stipulated independence criteria for appointing external Audit and Supervisory Board

All 4 members of the Audit and Supervisory Board are external members









members. The Company appoints external members in accordance with these standards, with all four external members being registered as independent officers.

Current Operations of the Audit & Supervisory Board

The Audit & Supervisory Board is chaired by a full-time Audit & Supervisory Board member, and holds monthly meetings as well as extraordinary meetings on an asneeded basis (approximately one hour). In FY11/22, the board held 14 meetings. The main topics shared or discussed were as follows:

- Basic policies, priority audit policies, and division of roles among Audit & Supervisory Board members
- The appropriateness of audits by accounting auditors
- Audit results on internal control systems
- Current operations of the Group's internal control

Nomination Policy for Audit & Supervisory Board Members

The Company stipulates its nomination policy for Audit & Supervisory Board member candidates as follows, based on the opinions of the Audit & Supervisory Board, deliberations by the Nomination and Compensation Committee, and resolution of the Board of Directors

- Nominate persons with knowledge in finance, accounting, and legal affairs.*
- Nominate at least one person with sufficient knowledge in finance and accounting.*
 - * P.100 Skills Matrix of Directors and Auditor & Supervisory Board Members

Structure and Meetings of the Council of External Officers and Each Committee (FY11/22)

Council of External Officers

| Composition | All members are external officers (external directors or external Audit $\&$ Supervisory Board members) | |
|-----------------|--|--|
| Chairperson | Masaaki Tanaka (Independent External Director) | |
| No. of Meetings | 4 | |
| Key Discussions | Improved operational method of and contents deliberated and reported at Board of Directors meetings Strengthened the internal audit department and its functions Bolstered SR activities Revised and upgraded the incident response structure pertaining to IT systems | |

Nomination and Compensation Committee

| Composition | Chairperson: Yosuke Tsuji (Representative Director, President and CEO) Members: Masaaki Tanaka (Independent External Director), Etsuko Okajima (Independent External Director), and Ryoko Ueda (Independent External Director) |
|---------------------|---|
| No. of meetings | 5 |
| Key Discussions | Revised rationale behind the composition of the Board of Directors and the nomination policy for directors and Audit & Supervisory Board members Selected candidates for directors and Audit & Supervisory Board members Deliberated compensation of directors and executive officers (composition, level, maximum total of compensation), performance evaluation (performance-linked bonus payments) of directors, and individual compensation of executive officers |
| Committee Office | People Forward Division and Legal and Intellectual Property Division |

Investment Committee

| Composition | Representative Director and President, and two executive members overseeing investments Names are not listed as members changed several times during the term |
|---------------------|--|
| Role | Makes swift decisions on small investments, in order not to miss out on investment opportunities that can potentially drive the Group's dynamic growth |
| No. of Meetings | 6 |
| Key Activities | Deliberated investment deals (e.g., invested in Leading Mark, Inc. and Hubble, Inc. in FY11/22) |
| Committee Office | Corporate Development Office |

^{*}Aside from committee meetings, business conditions of investees were regularly reported to committee members.

Sustainability Committee

| Composition | Chairperson: Yosuke Tsuji (Representative Director, President and CEO) Members: Toshio Taki (Executive Officer and Head of Sustainability), Naoya Kanesaka (Director, Executive Officer, and CFO), and Chiaki Ishihara (Manager of People Forward Division) |
|---------------------|--|
| Role | Promotes sustainability activities, which is the Group's priority management agenda |
| No. of Meetings | 2 |
| Key Activities | Identified and analyzed opportunities and risks associated with climate change Set sustainability indicators Promoted and expanded scope of the disclosure of sustainability information |
| Committee Office | Public Affairs Office |

^{*}Aside from committee meetings, business conditions of investees were regularly reported to committee members

Compliance and Risk Management Committee

| Composition | Chairperson: Yosuke Tsuji (Representative Director, President and CEO) Members: Hirokazu Ban (Executive Officer and CCO); internal directors, full-time Audit & Supervisory Board members, and executive officers of the Company; COO of each Money Forward company; and representative directors of subsidiaries |
|---------------------|---|
| Role | Promotes integrated, cross-sectional compliance and risk management of the $\mbox{\rm Group}$ |
| No. of Meetings | 4 |
| Key Activities | Devised and monitored progress of compliance plan Operated the whistleblowing system Discussed contents of and responded to complaints and external inquiries Examined results of compliance-related items in Group survey Examined near-miss incidents deriving from operational errors or lack of knowledge and executed responsive measures Responded to amendments to laws and ordinances |
| Committee Office | Legal and Intellectual Property Division |

^{*} Convened as "compliance meeting" in FY11/22

Director and Audit & Supervisory Board Member Compensation

Director Compensation

The annual upper limit of directors' compensation has been set at 500 million yen by resolution of the General Meeting of Shareholders. Of this, the total amount of monetary compensation receivables for granting restricted stocks to eligible directors is set at 200 million yen or less per year.

Compensation of internal directors consists of 1) base compensation as fixed monetary compensation according to one's responsibilities, with the aim of encouraging the execution of respective duties, 2) short-term variable compensation as an incentive to firmly achieve corporate performance targets for each fiscal year, and 3) stock compensation as an incentive to raise corporate value over the medium to long term.

Meanwhile, compensation of external directors consists of 1) base compensation as fixed monetary compensation according to one's responsibilities, with the aim of encouraging the sufficient execution of managerial supervision functions, and 2) stock compensation as a medium- to long-term incentive for boosting corporate value, to which external directors must also commit.

The amount of short-term variable compensation fluctuates according to the degree to which each director achieves their goals every year, including goals on performance and developing organizations. As for stock compensation, we have adopted a restricted stock compensation system. This is positioned as a medium- to long-term incentive to increase corporate value by sharing value with shareholders and raising awareness of stock prices among directors.

| | \leftarrow | - 500 million yen or less | \longrightarrow |
|--------------------|---|-------------------------------------|--|
| | | | \leftarrow 200 million yen or less \rightarrow |
| Category | Base Compensation (Fixed Monetary Compensation) | Short-Term Variable Compensation | Stock Compensation (Non-Monetary Compensation) |
| Internal Directors | 0 | 0 | 0 |
| External Directors | 0 | | 0 |

Process of Determining Compensation of Each Director

Individual directors' compensation is deliberated by the Nomination and Compensation Committee, set up on a voluntary basis, within the upper limit resolved at the General Meeting of Shareholders. Based on the committee's proposal, the Board of Directors makes the final decision. The Company thereby ensures the transparency and objectivity of evaluations and decision-making process pertaining to compensation. Based on the Policy for Determining the Specifics of Individual Director's

Compensation, the Board of Directors considers and makes decisions based on the Director Compensation Table according to one's position, and taking into account the role expected of each director.

Directors' compensation is set at a level that appropriately compensates for sufficiently executing the Company's managerial decision-making and supervisory functions, taking into account social and market conditions, as well as comparison with other companies.

With regard to short-term variable compensation, the Nomination and Compensation Committee deliberates and decides on the specifics after each director performs a self-evaluation on the achievement of one's goals. As for the compensation of the representative director, deliberations and decisions are made by members of the Nomination and Compensation Committee excluding the representative director, while taking into account the opinions of external directors as needed. Because the majority of both the Board of Directors and the Nomination and Compensation Committee is composed of independent external directors, no resolutions are made only by internal directors.

Audit & Supervisory Board Member Compensation

Compensation of Audit & Supervisory Board members has been set to no more than 50 million yen per year by resolution of the General Meeting of Shareholders. It is composed solely of a base compensation in the form of fixed monetary compensation in accordance with one's responsibilities, so that members will sufficiently fulfill auditing and managerial supervision functions and execute their duties.

Compensation of individual Audit & Supervisory Board members shall be determined upon discussion by the Audit & Supervisory Board within the upper limit resolved at the General Meeting of Shareholders.

<Total Amount of Compensation in FY11/22>

| | Total | Breakdown by Compensation Type (¥mn) | | | No. of |
|--|--------------------------|--------------------------------------|------------------------|------------------------|----------------------|
| Title | Compensation, etc. (¥mn) | Base | Short-Term Variable | Non- Monetary, etc. | Eligible Officers |
| Directors (External Members) | 222 (58) | 126 (45) | 38 (–) | 57 (12) | 11 (7) |
| Audit & Supervisory Board Members (External Members) | 32 (32) | 32 (32) | - | - | 3 (3) |
| Total (External Members) | 255 (91) | 159 (78) | 38 (–) | 57 (12) | 14 (10) |

^{*}The figure for short-term variable compensation is the amount booked as a provision before taking into account performance evaluation for FY11/22.

^{*} The table above includes values associated with one director who resigned as of the end of the 11th Annual General Meeting of Shareholders held on February 21, 2022.

Compliance

Basic Policy on Compliance

The Group believes compliance to be a precondition for conducting its corporate activities. For the Group, compliance extends beyond simply following laws and regulations, internal rules and any other written rules, and social norms. It requires all officers and employees to observe the Company's Value, respond to rational expectations and demands from customers, shareholders and other stakeholders, act with sincerity and appropriately as a corporate citizen and member of society, and embody the Company's Culture.

The Group has established the *Money Forward Group Compliance Manual*, which sets forth basic action principles on compliance that all officers and employees of the Group must put into practice. At the same time, the Group is striving to cultivate a culture of compliance and to have all members habitually and naturally demonstrate compliance in their business activities.

<Compliance Structure>



Compliance Promotion Structure

The Representative Director and President oversees Group-wide compliance practices, while the Chief Compliance Officer (CCO), appointed by resolution of the Board of Directors, oversees Group-wide activities related to compliance promotion.

The Compliance and Risk Management Committee convenes once every quarter, chaired by the Representative Director and President. At the meeting, the CCO reports on the status of various initiatives for enforcing compliance practices, and also reports on and discusses matters and developments in laws and regulations that require attention in daily operations from the perspective of compliance. The committee brings together the executive team and Audit & Supervisory Board of the Company, and the representative director of each Group company, thereby establishing a structure for instilling compliance throughout the Group. In addition, the CCO promptly conveys the contents reported and discussed by the committee to the Board of Directors.

Furthermore, under the supervision of the CCO, the Legal and Intellectual Property Division, which oversees compliance promotion activities, plays a central role in implementing compliance plans, raising and instilling compliance awareness through training, and responding to compliance violations. Meanwhile, following the instructions and advice from the CCO, the People Forward Division engages in activities for preserving an excellent working environment, including by preventing sexual harassment, pregnancy discrimination, and abuse of authority.

Initiatives for Enforcing Compliance

Internal Reporting System

The Group has established the Group Internal Reporting Rules, which clearly emphasize confidentiality and prohibition of retaliation, and has set up a whistleblowing hotline accessible to all officers and employees of the Group. The system allows them to directly report and consult on conduct or possible conduct related to compliance breaches and harassment within the Group, and comprises an internal hotline as well as a hotline to a full-time external auditor and external lawyer.

In FY11/22, the Group received 12 whistleblowing reports primarily through its hotline. Appropriate investigations are conducted for all consultations and reports, and according to the results, disciplinary action, corrective measures, and recurrence prevention measures are taken. These results are reported to the Compliance and Risk Management Committee and the Board of Directors.

To make the hotline more accessible, the Group familiarizes members with the whistleblowing system, including its strict confidentiality and the prohibition of identifying or retaliating against whistleblowers, through internal communication tools and training.

Compliance Training

The Group provides a variety of compliance training for officers and employees to impart knowledge and raise awareness. Specifically, all Group employees receive training, with instruction from the CCO, on general compliance matters during new hire orientation. In addition, at the time of joining the Group and on a regular basis thereafter, they enroll in online training based on the *Money Forward Group Compliance Manual*, insider trading and information management, harassment, and information security and personal data protection. The Group also carries out tests to assess understanding. Furthermore, various compliance training sessions on specific topics are offered as necessary to address laws and regulations and internal rules associated with daily operations.*

* P.105 Compliance Training Attendance Rate

Survey

Queries on compliance are included in the Money Forward Group Survey—an employee satisfaction survey carried out twice a year to objectively understand the Group's issues—and responses are analyzed to make improvements. In the survey conducted in the second half of FY11/22, queries on corporate activities, managerial decisions, and harassment were included to gauge compliance. The average score for each item was 4.3 or more out of 5 across the Group, maintaining high levels from the previous survey. In addition, the Company regularly carries out surveys on compliance to identify concerns regarding compliance issues that are not raised via whistleblowing and to foster awareness of compliance among all officers and employees of the Group.

Activities for Eliminating Anti-Social Forces

As basic principles for severing and eliminating any relations with anti-social forces, the Company has formulated and disclosed the Basic Policy on Preventing Damage by Anti-social Forces. Under this policy, the Group has enacted the Group Rules on Anti-social Forces, which includes investigating business partners, employees and officers, and other counterparts for any ties with anti-social forces, and introducing provisions for the exclusion of anti-social forces in trade agreements and contracts.

Activities for Preventing Bribery

The Company has formulated and disclosed the Group Basic Policy on Bribery Prevention as basic principles to prevent the offering of bribes to civil servants as well as to build appropriate and transparent relationships, devoid of corruption, with users and business partners. Based on this policy, the Group Basic Rules on Bribery Prevention are enforced throughout the Group to obligate prohibition of offering bribes to civil servants and other third parties, and to stipulate procedures for prior approval and post reporting as well as the recording and preservation in exceptional cases

Risk Management

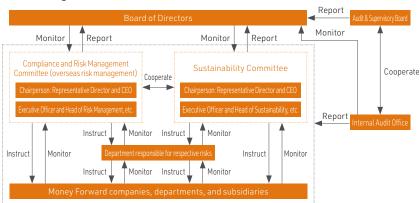
In order to understand the risks, opportunities, and impacts of future climate change on our business activities, we made predictions and analyzed changes in the external environment in accordance with the framework proposed by the Task Force on Climate-related Financial Disclosures (TCFD). As a result, we perceive that there are significant opportunities in our business domains, represented by the potential rise in demand for cloud services, and on the other hand the risks are relatively small. On the opportunity front, we will explore possibilities of expanding our business scope, whereas on the risk front, we will minimize exposure while assessing cost-effectiveness.

Governance

The Company has set up the Compliance and Risk Management Committee and Sustainability Committee under the Board of Directors. Both are composed of members appointed by the board, and chaired by the Representative Director, President and CEO.

The Compliance and Risk Management Committee (hereinafter referred to as the "Risk Committee") oversees risk management, delegates countermeasures to departments responsible for respective risks, and reports the situation to the Board of Directors. Meanwhile, the Sustainability Committee oversees climate change risks, delegates countermeasures to departments responsible for respective risks, and together with the Risk Committee reports the situation to the Board of Directors. The Internal Audit Office checks and supervises the overall risk management structure and status from an independent standpoint.

<Risk Management Structure>



Strategies

We have identified the following risks and opportunities related to climate change.

| | | Scenario | Risk or Opportunity for the Company | Impact Level | Countermeasures |
|--|----------------------------------|--------------------------------------|---|-----------------|---|
| | Policy and Regulatory Risk | Introduction of carbon tax | Increased tax burden due to carbon tax | Small | Reduce greenhouse gas (GHG) emissions |
| Transitional Risks | Market Risk | Rise in renewable energy prices | Increased cost burden for procuring renewable energy | Small | Reduce costs by diversifying and optimizing power suppliers |
| | Reputational Risk | Accelerated ESG investments | Difficulty raising funds from financial institutions and investors if climate change measures are evaluated as inadequate | Small | Enhance information disclosure and engage in appropriate dialogue with financial institutions and investors |
| Physical Risks | Acute Risk | Intensification of natural disasters | Outage of data center Damage to the office and employees | Medium | Strengthen business continuity plans (BCPs) (including dispersing risks of facility damage and promoting offsite measures) |
| Opportunities Product/ Service Accelerate | | Accelerated DX | Increased demand for cloud services | Large | _ |

Risk Management

In order to understand and evaluate the impact of climate change on the Group's business, we analyze scenarios and identify related risks and opportunities. Risks and opportunities that are identified are monitored by the Sustainability Committee in collaboration with the Risk Committee. There is also a process flow in which reports and recommendations are made to the Board of Directors depending on the gravity of the case.

Indicators and Goals

We calculate GHG emissions as an indicator for climate change. Scope 1 and 2 emissions are currently as follows.

| Scope 1 | 0 (t-CO ₂) | Scope 2 (location basis) | 370 (t-CO ₂) |
|---------|------------------------|--------------------------|--------------------------|
| | | | |

We have also been using 100% renewable electricity at our headquarters since 2021, and at our Tokai Branch Office and Nagoya Development Center since 2022. We will continue to consider ways to reduce emissions at each of our locations.

Executives

(As of March 30, 2023)



Yosuke Tsuji Representative Director, President and

Since the Company's founding, he has taken the helm of the Company's management and promoted the expansion of the Group's performance, while also spearheading the industry, including by achieving the first IPO as a Japanese fintech company.



Naoya Kanesaka

Director, Group Executive Officer and

He has expertise in global financial business, and since joining the Company, has driven business expansion by overseeing its capital policies, while also promoting business alliances and launching new businesses.



Takuya Nakade

Director, Executive Officer and

He has extensive experience in IT service development and consulting, and since joining the Company, has endeavored to build the infrastructure of the Company's services. After assuming the position of CTO, he has spearheaded business expansion, including by establishing an engineer-led development scheme.



Masanobu Takeda

Director and Group Executive Officer; COO of Money Forward Business

Since the early days of internet research, he has led a wide range of operations, including sales, business planning, and business administration, and is well versed in digital marketing research. Since joining the Company, he has engaged in business expansion as leader of Business domain centered on Money Forward Cloud.



Masaaki Tanaka External

Independant External Director Vice Chair, Board of Councilors of **US-Japan Council**

He was involved in the management of Mitsubishi UFJ Financial Group and served as the head of a major U.S. financial institution and a global enterprise, and thus has considerable experience in and expansive insight into the financial sector and global business management. In addition, he has in-depth knowledge of corporate governance and has participated in the FSA's Stewardship Code and Corporate Governance Code Follow-Up Conference. As an external director, he provides supervision and valuable advice regarding the Company's management from an independent and objective standpoint, with a focus on global strategies, finance, and governance.



Akira Kurabayashi External

External Director; Managing Partner and Head of Japan of DNX Ventures

He has been involved in many new business investments both in Japan and abroad and a broad spectrum of knowledge of SaaS companies as a pioneer in SaaS investments. As an external director, he provides supervision and valuable advice regarding the Company's management from an independent and objective standpoint, with a focus on Business domain. M&As, and investments.



Etsuko Okajima External

Independant External Director CEO of ProNova Inc.

She has considerable experience and knowledge as well as vast insight as an expert of HR development and organizational management, among other areas. As an external director, she provides supervision and valuable advice regarding the Company's management from an independent and objective standpoint, with a focus on HR development and sustainability.



Hiroaki Yasutake External

External Director;

Director of Japan CTO Association

Having served for many years as the leader of the engineering division of Rakuten, Inc. (currently Rakuten Group, Inc.), he has a great deal of knowledge and experience in the technology and IT fields. He also launched Rakuten's U.S. arm, and thus has in-depth knowledge and experience and broad insight regarding global business management. As an eternal director, he provides supervision and valuable advice regarding the Company's management from an independent and objective standpoint, with a focus on technology, IT, and global business management.



Gen Miyazawa External

External Director; Director and Managing Corporate Officer of Yahoo Japan Corporation

Having founded an IT company and served as an executive officer and director of a major IT company, he has a wealth of experience and knowledge of and broad insight into the internetrelated market, in which the Group operates, As an external director, he provides supervision and valuable advice regarding the Company's management, with a focus on internet-related markets and corporate management.

Skill Matrix for Directors and Audit & Supervisory Board Members

| | | | | | | | | | | Member Is Expect | | | | |
|------------------------|-------------------|--------|-----|-----------------------|--------------------------|-------------------------|--------------------|--|--------------------|------------------------|------------|----------------------------------|---|------------------------|
| | | Gender | Age | Meeting Attendance | Tenure | Corporate management | Global business | Understanding of business and industry (SaaS and fintech) | Investment/ M&A | Finance/ Accounting | Technology | Human resource development | Legal affairs/ Compliance/ Risk management | Sustainability/ ESG |
| | Yosuke Tsuji | Male | 46 | 100% (14/14 times) | 10 years and 3 months | • | • | • | • | | | | | |
| | Naoya Kanesaka | Male | 38 | 100% (14/14 times) | 6 years | • | | • | • | • | | | | |
| | Takuya Nakade | Male | 45 | 100% (14/14 times) | 5 years | • | | | | | • | • | | • |
| | Masanobu Takeda | Male | 46 | 100% (14/14 times) | 4 years | • | | • | • | | | • | | |
| Directors | Masaaki Tanaka | Male | 69 | 100% (14/14 times) | 5 years | • | • | | | • | | | • | |
| | Akira Kurabayashi | Male | 48 | 100% (14/14 times) | 5 years | • | • | • | • | | | | | |
| | Etsuko Okajima | Female | 56 | 100% (14/14 times) | 4 years | • | | • | | | | • | | • |
| | Hiroaki Yasutake | Male | 51 | 100% (14/14 times) | 1 year | • | • | | • | | • | | | |
| | Gen Miyazawa | Male | 41 | 100% (10/10 times) | 1 year | • | | | • | | | • | | • |
| | Yozo Ueda | Male | 80 | 100% (14/14 times) | 6 years | • | | • | | • | | | • | |
| Audit & Supervisory | Katsuyuki tanaka | Male | 58 | 100% (14/14 times) | 5 years | | | | • | • | | | • | • |
| Board Members | Hidetoshi Uriu | Male | 47 | 100% (14/14 times) | 5 years | • | • | | • | • | | | | |
| | Masami Hatakeyama | Male | 61 | _ | _ | • | | | | • | • | | • | |

^{*} Age and tenure are those as of February 22, 2023. Regarding the areas in which a member is expected to contribute during discussions by the Board of Directors, four focal skills were selected for each member. Thus, this does not represent all skills possessed by each member.

Reason for Selecting Each Skill

| Skill | Reason for Selection |
|--|--|
| Corporate management | It is necessary to have managerial experience in order to achieve sustainable growth and advance in the changing business environment. |
| Global business | The Company has set up overseas bases and invests in overseas companies. It is thus necessary to devise future growth strategies and execute appropriate managerial supervision. |
| Understanding of the business and industry (SaaS and fintech) | The Company operates in the fields of SaaS and fintech. It is thus necessary to devise sustainable growth strategies and understand the business environment. |
| Investment/M&A | The Company has achieved dynamic growth through M&As and investment activities. It is thus necessary to maintain the speed of growth and execute sound investment activities. |
| Finance/Accounting | It is necessary to execute accurate financial reporting. In addition, the Company must continue investment activities (not only M&As and investments in business corporations but also investments in existing businesses) in order to build a strong financial base and sustain growth. Thus, consideration of the timing and method of procuring funds is crucial. |

| Chan | Decree for Colorline |
|---|--|
| Skill | Reason for Selection |
| Technology | In the internet-related market, the speed of technological innovations and changes in customer needs is extremely fast. It is thus necessary to keep abreast of the latest technology trends and changes in the environment and to take responsive measures. |
| Human resource development | With the aim of achieving its Mission and Vision, the Company facilitates the growth of its members along with its business and organization, and thus believes it is essential to foster talents. |
| Legal affairs/ Compliance/Risk management | In order to sustainably raise corporate value in the IT industry subject to constant change, it is necessary to establish a legal and compliance structure based on sound ethics, and to appropriately manage risks to achieve sound business growth. |
| Sustainability/ ESG | The Company strives to confront and eliminate universal and far-reaching financial issues, and is thereby aiming to create a sustainable society for individuals and companies, while sustainably raising corporate value. |

Audit & Supervisory Board Members



Yozo Ueda Full-time External Audit and Supervisory Board Member



Katsuyuki Tanaka External Audit and Supervisory Board Member; Partner at Tokyo Seiwa Sogo Law Firm



Hidetoshi Uriu External Audit and Supervisory Board Member; Director of Board, CSO of VisasQ Inc.



Masami Hatakeyama External Audit & Supervisory Board Member; Representative of Office W Vision LLC

Group Executive Officers and Chief Officers



Toshio Taki Group Executive Officer, Head of Sustainability, CoPA (Chief of Public Affairs), and Head of Money Forward Fintech Institute



Takashi Ichikawa **Group Executive Officer and** (Chief Information Security Officer)



Hirokazu Ban **Group Executive Officer and** (Chief Legal & Compliance Officer)



Daisuke Sergio Ito Group Executive Officer and CDO (Chief Design Officer)



Masakazu Sekita Group Executive Officer and CLO (Chief Legal Officer)

Group Executive Officers of Respective Areas

Kiminobu Tahira

Group Executive Officer and Head of President's Office

Kazuya Yamada

Group Executive Officer: CSO of Money Forward Business Company

Naoki Kuroda Group Executive Officer.

Head of Fukuoka Office, and Manager of Pay Business Division

Daisuke Motokawa

Group Executive Officer and Head of Alliance Strategy; CSO of Money Forward X Company

Shun Matsuoka

Group Executive Officer and Accounting Division Manager

Group Executive Officer: Representative Director and President of Money Forward Kessai, Inc.; Representative Director and President of Biz Forward, Inc.

Naomichi Tomiyama

Seiko Harada

Group Executive Officer and Head of Cross-Functional **Business:** Representative Director and President of ADXL, Inc.

Ryo Shibuya

Group Executive Officer; VPoE (VP of Engineering) of Money Forward Business Company

Satoshi Furuhashi

Group Executive Officer; Representative Director and Chairperson of SMARTCAMP Co., Ltd.; Representative Director of Money Forward Venture Partners, Inc.



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Financial Data

Statement of Income

(¥ mn)

| | FY11/13 (Nonconsolidated) | FY11/14 (Nonconsolidated) | FY11/15 (Nonconsolidated) | FY11/16 (Nonconsolidated) | FY11/17 (Consolidated) | FY11/18 (Consolidated) | FY11/19 (Consolidated) | FY11/20 (Consolidated) | FY11/21 (Consolidated) | FY11/22 (Consolidated) |
|--|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Net sales | 4 | 76 | 442 | 1,542 | 2,900 | 4,595 | 7,157 | 11,318 | 15,633 | 21,477 |
| Cost of sales | 52 | 159 | 431 | 734 | 959 | 1,812 | 2,833 | 3,701 | 4,814 | 8,079 |
| Gross profit (loss) | (48) | (83) | 11 | 809 | 1,940 | 2,783 | 4,324 | 7,617 | 10,819 | 13,398 |
| Gross profit margin | _ | _ | _ | 52% | 67% | 61% | 60% | 67% | 69% | 62% |
| Selling, general and administrative expenses | 54 | 443 | 1,132 | 1,685 | 2,738 | 3,579 | 6,770 | 10,422 | 11,881 | 21,867 |
| Operating profit (loss) | (102) | (525) | (1,120) | (877) | (797) | (796) | (2,446) | (2,805) | (1,062) | (8,469) |
| EBITDA**1 | (100) | (522) | (1,103) | (853) | (748) | (575) | (2,180) | (2,164) | 430 | (6,029) |
| EBITDA margin | _ | _ | _ | (55%) | (26%) | (13%) | (30%) | (19%) | 3% | (28%) |
| Ordinary profit (loss) | (107) | (548) | (1,134) | (883) | (834) | (824) | (2,567) | (2,539) | (1,433) | (9,582) |
| Profit (loss) attributable to owners of parent | (107) | (550) | (1,142) | (889) | (843) | (815) | (2,572) | (2,423) | (1,482) | (9,450) |

^{*1} Consolidated operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses

Employees

| | FY11/13 | FY11/14 | FY11/15 | FY11/16 | FY11/17 | FY11/18 | FY11/19 | FY11/20 | FY11/21 | FY11/22 |
|-----------|-------------------|-------------------|-------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | (Nonconsolidated) | (Nonconsolidated) | (Nonconsolidated) | (Nonconsolidated) | (Consolidated) | (Consolidated) | (Consolidated) | (Consolidated) | (Consolidated) | (Consolidated) |
| Employees | 10 | 47 | 93 | 162 | 241 | 394 | 691 | 865 | 1,248 | 1,909 |

^{*} Does not include delegated executive officers or directors.

^{*} Figures have been rounded to the nearest million.

Balance Sheet

(¥ mn)

| | FY11/13 (Nonconsolidated) | FY11/14 (Nonconsolidated) | FY11/15 (Nonconsolidated) | FY11/16 (Nonconsolidated) | FY11/17 (Consolidated) | FY11/18 (Consolidated) | FY11/19 (Consolidated) | FY11/20 (Consolidated) | FY11/21 (Consolidated) | FY11/22 (Consolidated) |
|-------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Current assets | 536 | 137 | 2,418 | 2,948 | 6,195 | 6,213 | 10,868 | 13,460 | 44,026 | 38,815 |
| Non-current assets | 8 | 18 | 95 | 143 | 1,202 | 2,447 | 5,445 | 8,251 | 12,917 | 27,172 |
| Total assets | 543 | 153 | 2,513 | 3,091 | 7,397 | 8,660 | 16,313 | 21,712 | 56,943 | 65,987 |
| Current liabilities | 13 | 101 | 566 | 664 | 1,431 | 2,849 | 5,395 | 8,240 | 12,276 | 23,965 |
| Non-current liabilities | 0 | 0 | 0 | 540 | 1,955 | 2,428 | 2,888 | 3,234 | 2,333 | 6,939 |
| Net assets | 528 | 33 | 1,946 | 1,887 | 4,012 | 3,383 | 8,030 | 10,238 | 42,333 | 35,083 |

Statement of Cash Flows

(¥ mn)

| | FY11/13 (Nonconsolidated) | FY11/14 (Nonconsolidated) | FY11/15 (Nonconsolidated) | FY11/16 (Nonconsolidated) | FY11/17 (Consolidated) | FY11/18 (Consolidated) | FY11/19 (Consolidated) | FY11/20 (Consolidated) | FY11/21 (Consolidated) | FY11/22 (Consolidated) |
|--------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Cash flows from operating activities | _ | (467) | (1,023) | (718) | (499) | (795) | (3,605) | (1,120) | (2,328) | (4,124) |
| Cash flows from investing activities | _ | (14) | (93) | (60) | (1,066) | (1,288) | (2,784) | (2,606) | (5,199) | (14,780) |
| Cash flows from financing activities | _ | 55 | 3,298 | 1,172 | 4,609 | 1,306 | 8,638 | 5,257 | 34,798 | 9,074 |
| Free cash flow | _ | (480) | (1,117) | (777) | (1,564) | (2,083) | (6,389) | (3,726) | (7,527) | (18,904) |

^{*} Figures have been rounded to the nearest million.

ESG Data

Environment

Greenhouse Gas Emissions

| | | FY11/22 |
|-----------------|--|--------------------------|
| GHG*1 Emissions | Scope 1 (Direct emissions) | 0 (t-CO ₂) |
| GHG" Emissions | Scope 2 (Energy-derived indirect emissions) *2 | 370 (t-CO ₂) |

^{*}The chart above summarizes emissions from December 1, 2021 through November 30, 2022.

Governance

Overview of Corporate Governance (As of February 22, 2023)

| Organizational Form | | Company with Audit & Supervisory Board |
|--------------------------------------|--------------------------|--|
| Chairperson of the Bo | ard of Directors | Yosuke Tsuji |
| | Members | 9 (among whom 1 is female) |
| Directors | % of External Members | 55.5% (5 persons. All of them have experience of managing other companies.) |
| Board of Directors | No. of Meetings | 14 |
| Meetings (FY11/22) | Attendance Rate | 100% |
| Audit & Supervisory Board Members | Members | 4 (All are independent external Audit & Supervisory Board members with knowledge and experience in finance and accounting, with 1 also having knowledge and experience in legal affairs) |
| | % of External Members | 100% |
| Audit & Supervisory | No. of Meetings | 14 |
| Board Meetings (FY11/22) | Attendance Rate | 100% |
| Nomination and | No. of Members | 4 (among whom 3 are independent external directors) |
| Compensation Committee | % of External Members | 75% |
| Nomination and Compensation | No. of Meetings | 5 |
| Committee Meetings (FY11/22) | Attendance Rate | 100% |

| Chief Officers | 14 |
|---------------------|---|
| Chief Officers | CEO, CFO, CTO, CISO, CDO (Chief Design Officer), CIO, CoPA (Chief of Public Affairs), CLO (Chief Legal Officer), CCO (Chief Compliance Officer), CQO (Chief Quality Officer) |
| Accounting Auditors | Deloitte Touche Tohmatsu LLC |

Director and Audit & Supervisory Board Member Compensation

| Director Compensation | Maximum Pool | 500 million yen or less per year *The total amount of monetary compensation receivables for granting restricted stock to eligible directors is set at 200 million yen or less per year |
|---|--------------|--|
| Compensation | Туре | Base compensation (fixed monetary compensation), short-term variable compensation, etc., non-monetary compensation, etc. (restricted stock compensation) |
| Audit & Supervisory Board Member Compensation | Maximum Pool | 50 million yen or less per year |
| | Туре | Base compensation (i.e., fixed monetary compensation) |

Total Amount of Compensation in FY11/22

| | Total | Breakdown by Compensation Type Total (¥mn) | | | | |
|--|--------------------------------|---|---|---------------------------|--------------------------------|--|
| Title | Compensation, etc. (¥mn) | Base | Short-Term Variable Compensation, etc. | Non- Monetary, etc. | No. of Eligible Officers | |
| Directors (External Members) | 222 (58) | 126 (45) | 38 (—) | 57 (12) | 11 (7) | |
| Audit & Supervisory Board Members (External Members) | 32 (32) | 32 (32) | _ | _ | 3 (3) | |
| Total (External Members) | 255 (91) | 159 (78) | 38 (—) | 57 (12) | 14 (10) | |

^{*}Short-term variable compensation includes the amount expensed as a reserve before taking into account the performance evaluation for the fiscal year ending November 30, 2022.

Compliance Training Attendance Rate

| Content | 2023 |
|---|-----------------|
| Content | Attendance Rate |
| New officers and employees | 100% |
| Compliance | 96.1% |
| Information security, personal information protection | 94.4% |
| Insider trading prevention | 96.4% |
| Harassment prevention | 91.6% |
| Intellectual property | 100% |

^{*1} GHG:Greenhouse Gas

 $^{^{\}star}2$ Scope 2 is calculated by location-based method.

[&]quot;Our headquarters office has been powered by 100% real renewable energy electricity since 2021. Tokai Branch Office and Nagoya Development Center have been utilizing sustainable energy source since 2022.

^{*} The table above includes one director who resigned as of the end of the 11th Annual General Meeting of Shareholders held on February 22, 2023.

Personnel-Related Data

| | | | As of 202 | 21/11/30 | As of 202 | 2/11/30 |
|---------------------------|---------------------------------|-------------|-----------|----------|-----------|---------|
| | | | (Persons) | (%) | (Persons) | (%) |
| | Total number of people | | 1,248 | | 1,894 | |
| Number of consolidated | Male | | 834 | 66.8% | 1,235 | 65.2% |
| employees*1 (Full time | Female | | 414 | 33.2% | 659 | 34.8% |
| employees) | Non-Japanes | e*2 members | 181 | 14.5% | 272 | 14.4% |
| | Engineers and | d designers | 480 | 39.0% | 703 | 37.1% |
| Number of emp | loyees in Japan | | 1,126 | | 1,730 | |
| Number of over | seas employees | | 122 | | 164 | |
| Male-to-female | Total number | of people | 44 | | 48 | |
| ratio in | Male | | 40 | 90.9% | 44 | 91.7% |
| management*3 | Female | | 4 | 9.1% | 4 | 8.3% |
| Total number | | of people | 1,248 | | 1,894 | |
| | Male | | 834 | 66.8% | 1,235 | 65.2% |
| | Female | | 414 | 33.2% | 659 | 34.8% |
| Male-to- | Of which. | Overall | 177 | | 257 | |
| female ratio in | managerial | Male | 140 | 79.1% | 205 | 79.8% |
| employees | positions | Female | 37 | 20.9% | 52 | 20.2% |
| | Of which, non- managerial | Overall | 1,071 | | 1,637 | |
| | | Male | 694 | 64.8% | 1,030 | 62.9% |
| | positions | Female | 377 | 35.2% | 607 | 37.1% |

^{*} This survey covers full-time employees of our Group (unless otherwise indicated)

| | | As of 20 | As of 2021/11/30 | | As of 2022/11/30 | |
|--------------------------|---------------------------------|-------------------|------------------|--------|------------------|-------|
| | | | (Persons) | (%) | (Persons) | (%) |
| Overall | | 768 | | 1,191 | | |
| M | Male | Male | | 54.9% | 652 | 54.7% |
| | Female | Female | | 45.1% | 539 | 45.3% |
| | Of which, | Overall | 118 | | 181 | |
| Male-to- female ratio | managerial | Male | 82 | 69.5% | 134 | 74.0% |
| in business positions | positions | Female | 36 | 30.5% | 47 | 26.0% |
| positions | Of which, | Overall | 650 | | 1,010 | |
| | non- managerial | Male | 340 | 52.3% | 518 | 51.3% |
| | positions | Female | 310 | 47.7% | 492 | 48.7% |
| | Of which, nor | -Japanese members | 29 | 3.8% | 31 | 2.6% |
| | Overall | | 429 | | 616 | |
| | Male | | 384 | 89.5% | 538 | 87.3% |
| | Female | | 45 | 10.5% | 78 | 12.7% |
| | Of which, managerial | Overall | 51 | | 68 | |
| Male-to- female ratio | | Male | 51 | 100.0% | 64 | 94.1% |
| in engineers | positions | Female | 0 | 0.0% | 4 | 5.9% |
| | Of which, | Overall | 378 | | 548 | |
| | non- managerial positions | Male | 333 | 88.1% | 474 | 86.5% |
| | | Female | 45 | 11.9% | 74 | 13.5% |
| | Of which, non | -Japanese members | 148 | 34.5% | 236 | 38.3% |
| | Overall | | 51 | | 87 | |
| | Male | | 28 | 54.9% | 45 | 51.7% |
| | Female | | 23 | 45.1% | 42 | 48.3% |
| | Of which, | Overall | 8 | | 8 | |
| Male-to- female ratio | managerial | Male | 7 | 87.5% | 7 | 87.5% |
| in designers | positions | Female | 1 | 12.5% | 1 | 12.5% |
| | Of which, | Overall | 43 | | 79 | |
| | non- managerial | Male | 21 | 48.8% | 38 | 48.1% |
| | positions | Female | 22 | 51.2% | 41 | 51.9% |
| | Of which, nor | -Japanese members | 4 | 7.8% | 5 | 5.7% |

 $^{{\}rm *1\,Does\,not\,include\,delegated\,executive\,officers, direct\,and\,Audit\,\&\,Supervisory\,Board.}$

^{*2} A full-time employee whose native language is other than Japanese.

^{*3} Directors, executive officers, etc. of Money Forward Group

| | | As of 2021/11/30 | As of 2022/11/30 |
|--------------------------|---------|------------------|------------------|
| | Overall | 2.0 years | 1.9 years |
| Average years of service | Male | 2.1 years | 2.0 years |
| | Female | 2.0 years | 1.9 years |
| Average age | Overall | 31.0 years old | 32.7 years old |
| | Male | 31.1 years old | 32.7 years old |
| | Female | 30.7 years old | 32.7 years old |

| | | As of 20 | 21/11/30 | As of 20 | 22/11/30 | |
|--------------------------|-----------------------|----------|-----------|----------|-----------|--------|
| | | | (Persons) | (%) | (Persons) | (%) |
| | | Overall | 462 | | 687 | |
| | Under 30 years old | Male | 329 | 71.2% | 470 | 68.4% |
| | | Female | 133 | 28.8% | 217 | 31.6% |
| | | Overall | 625 | | 951 | |
| | 30 - 39 years old | Male | 393 | 62.9% | 583 | 61.3% |
| | | Female | 232 | 37.1% | 368 | 38.7% |
| Employee age status | 40 - 49 years old | Overall | 143 | | 224 | |
| (Percentage of males and | | Male | 97 | 67.8% | 157 | 70.1% |
| females in the total) | | Female | 46 | 32.2% | 67 | 29.9% |
| total) | 50 - 59 years old | Overall | 16 | | 30 | |
| | | Male | 13 | 81.3% | 24 | 80.0% |
| | | Female | 3 | 18.8% | 6 | 20.0% |
| | 60 years old or | Overall | 2 | | 2 | |
| | | Male | 2 | 100.0% | 2 | 100.0% |
| | older | Female | 0 | 0.0% | 0 | 0.0% |
| Turnover rate*4 | | Overall | | 11.2% | | 13.6% |
| | | Male | | 11.9% | | 15.1% |
| | | Female | | 9.7% | | 10.6% |

| | | | As of 202 | 21/11/30 | As of 202 | 2/11/30 |
|--|--------|---------------------------|-----------|----------|-----------|---------|
| | | | (Persons) | (%) | (Persons) | (%) |
| C | | Overall | 48 | | 58 | |
| | New | Male | 36 | 75.9% | 51 | 87.9% |
| Number of new employees hired*5 Mid-career employment | Female | 12 | 24.1% | 7 | 12.1% | |
| | | Non-Japanese members*6 | 22 | 45.8% | 17 | 29.3% |
| | | Overall | 482 | | 748 | |
| | | Male | 320 | 66.4% | 464 | 62.0% |
| | | Female | 161 | 33.4% | 284 | 38.0% |
| | | Non-Japanese members*6 | 126 | 26.1% | 125 | 16.7% |

| Number of paid holidays (average) | | 11.9 days | 13.4 days | |
|--|--------|-----------|-----------|--|
| | | | | |
| Acquisition rate of | Male | 51.9% | 50.0% | |
| childcare leave*7 | Female | 100% | 100% | |
| Percentage of employees returning to work after childcare leave*8 | Male | 100% | 100% | |
| | Female | 100% | 100% | |
| | | | | |
| MF Group Survey (engagement survey, conducted twice a year) participation rate*9 | | 97.0% | 97.0% | |

^{*4} For FY2022, percentage of retired persons between December 1, 2021 and November 30, 2022 out of employees as of December 2021. For FY2021, percentage of retired persons between December 1, 2020 and November 30, 2021 out of employees as of December 1, 2020.

^{*5} For FY2022, number of employees who joined the company between December 1, 2021 and November 30, 2022. For FY 2021, number of employees who joined the company between December 1, 2020 and November 30, 2021.

^{*6} For FY2021, of the hired new graduates, 19 non-Japanese members (14 males and 5 females) on standby for entry into Japan due to the spread of the COVID-19 are included.

^{*7} For FY2022, calculated based on the number of employees whose children were born between April 1, 2021 and March 31, 2022 who took childcare leave. For FY2021, calculated based on the number of employees whose children were born between April 1, 2020 and March 31, 2021 who took childcare leave.

^{*8} For FY2022, percentage of employees who returned to work from childcare leave between April 1, 2021 and March 1, 2022 who continued working six months from the return date. For FY2021, percentage of employees who returned to work from childcare leave between April 1, 2020 and March 1, 2021 who continued working six months from the return date.

^{*9} For FY 2022, targeted full-time employees and contracted employees employed by the Group as of January 15, 2022. For FY2021, targeted full-time employees and contracted employees employed by the Group as of January 31, 2021

Stock Information

(As of November 30, 2022)

Listed exchange

Prime Market of the Tokyo Stock Exchange (Transferred market listing on April 2022)

Securities code

3994

Total number of authorized shares

89,956,000 shares

Total number of issued shares

53,828,535 shares

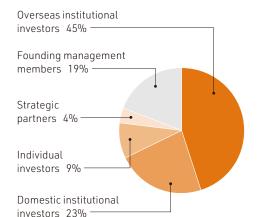
Number of shareholders

10,243

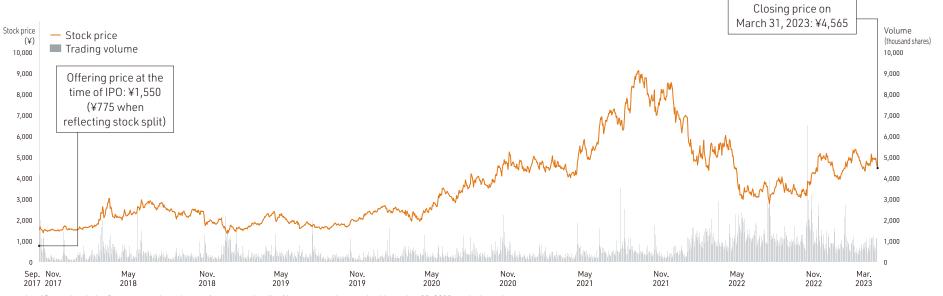
Share trading unit

100 shares

Shareholder composition



Major Shareholders (Top Ten) (%) Number of shares Yosuke Tsuji 7,136,365 13.27 The Master Trust Bank of Japan, Ltd. (Trust 7,022,000 13.06 Account) SSBTC CLIENT OMNIBUS ACCOUNT 4,134,755 7.69 MSIP CLIENT SECURITIES 3,033,500 5.64 BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) 3,015,662 5.61 Takashi Ichikawa 2,229,839 4.15 Custody Bank of Japan, Ltd. (Trust Account) 1,671,200 3.11 NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS 1,319,429 2.45 The Shizuoka Bank, Ltd. 1,188,240 2.21 MLI FOR CLIENT GENERAL OMNI NON 1,184,600 2.20 COLLATERAL NON TREATY-PB



As of December 1, the Company conducted a two-for-one stock split of its common shares using November 30, 2020, as the base date

^{*} Excludes treasury shares (36,475 shares) owned by the Company.

Company Information

(As of May 31, 2023)

Group

companies

| Company name | Money Forward, Inc. |
|---------------------|--|
| Business activities | Internet service development |
| Established | May 2012 |
| Representative | Yosuke Tsuji, Representative Director, President and CEO |
| Fiscal year end | November |
| Capital | ¥23,316 million |
| Group employees | 1,909 (As of November 30, 2022) |
| Head office | 21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo 108-0023 |
| Locations | Tokyo, Sapporo, Sendai, Nagoya, Kyoto, Osaka, Hiroshima, Fukuoka, Ho Chi Minh and Hanoi (Vietnam) |

Money Forward Kessai, Inc.

Money Forward Hosho, Inc.

Klavis, Inc.

Money Forward Fine, Inc.

Money Forward Financial, Inc.

Money Forward i, Inc.

Knowledge Labo, Inc.

Money Forward Vietnam Co., Ltd.

oney forward victilatif oo., Eta.

Money Forward Synca, Inc.

SMARTCAMP Co., Ltd.

Money Forward Venture Partners Co., Ltd.

R&AC Co., Ltd.

ADXL, Inc.

Biz Forward, Inc.

HiTTO Inc.

Nexsol CO., LTD.

Disclosures

[Financial information]

Timely disclosures, financial results briefings, and other financial-related information are available on the IR website.

• IR library https://corp.moneyforward.com/en/news/investorrelations/

[Non-financial information]

Please visit the following site for non-financial information.

• Corporate Governance https://corp.moneyforward.com/en/aboutus/governance/system

Sustainability https://corp.moneyforward.com/en/sustainability/

ESG Data https://corp.moneyforward.com/en/news/investorrelations/?category=integrated

Editorial Policy

Integrated Report 2023, Money Forward, Inc. is a report for all stakeholders, comprehensively covering financial and non-financial information, including financial results, management policies for creating medium- to long-term value, and business strategies of Money Forward, Inc. (on a consolidated basis). In writing this report, we mainly referred to the International Integrated Reporting Framework of the Value Reporting Foundation (VRF).

Scope of Report

Companies covered: Money Forward, Inc. and Group companies (subsidiaries)

* Throughout the report, "the Company" refers to Money Forward, Inc., while "the Group"

refers to companies of Money Forward Group.

Period covered: From December 1, 2021 to November 30, 2022

Also includes information on activities before and after this period

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Month of issuance: April 2023

Disclaimer:

This report is a translation of the original Japanese report. In the event of any discrepancy between this translated report and the original Japanese report, the latter shall prevail.

The forward-looking statements and other content included in this report are determined based on information available at the time of preparing this report, and may be subject to change due to macroeconomic trends, changes in the market environment or industry in which the Group operates, or for other internal or external factors.

Money Forward, Inc. shall not represent or warrant the accuracy or completeness of the information contained in this report.

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