

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

August 2, 2023

To All Concerned Parties

Company Name: Money Forward, Inc.
Representative: Yosuke Tsuji
Representative Director, President and CEO
(Securities Code: 3994,
Stock Exchange: TSE Prime)
Inquiries: Naoya Kanesaka
Director, Group Executive Officer and CFO
(TEL: +81-3-6453-9160)

Notice Regarding the Issuance of Zero Coupon Convertible Bonds Due 2028

Money Forward, Inc. (the “Company”) hereby announces that it has resolved to issue Zero Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakukēn-tsuki shasai*) due 2028 (the “Bonds with Stock Acquisition Rights”), as follows:

Present Status of the Company

In line with the Company’s mission “Money Forward. Move your life forward”, the Company has been developing innovative services to resolve concerns related to money for both wholesale customers and retail customers with a vision of “Becoming the financial platform for all”. To be more specific, the Company has been operating its business through its 5 business domains, namely, Money Forward Business domain which offers services to corporates, Money Forward Home domain which offers services to individuals, Money Forward X domain which develops services for financial institutions and corporations, Money Forward Finance domain which offers new finance solutions, and Money Forward SaaS Marketing domain which helps SaaS companies with their marketing.

Background and Purpose of the Issuance of Bonds with Stock Acquisition Rights

The Company has resolved to issue Zero Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakukēn-tsuki shasai*) to secure funds to achieve further growth in SaaS x Fintech area, in order to increase the life time value of the Company’s SaaS user base. Convertible bonds have been chosen as the method of financing considering the impact to the Company’s existing shareholders and market conditions as well as the expected size and certainty of the offering, funding cost, impact of potential dilution, and expected expansion of the Company’s investor base. The Company has structured the bonds with maximum consideration to its existing shareholders, and expects conversion price to be higher than JPY6,586, the issue price of the Company’s issuance of new shares by way of an international offering in August 2021.

The Company has arranged credit support for the issue of convertible bonds under a pre-agreement with a credit investor with the aim of expanding the Company’s investor base and supporting the convertible bond pricing.

Use of Proceeds

The net proceeds of the issue of convertible bonds will be used by the Company to provide working capital and funds to further expand their Fintech services, based on its strategy to “Create new user value through integrating SaaS and Fintech”. The Company will use the proceeds to provide working capital and funds for the account receivable financing services of Money Forward Kessai, “Money Forward Business Card” business and other related Fintech services, in “SaaS x Fintech” business area, in which the Company aims to achieve further growth, by the end of November 2027. To the extent that any amount remains unused due to the market conditions, etc., such amount will be allocated to personnel and advertising expenses to acquire new customers in “SaaS x Fintech” business area, and costs for developing systems to improve customer value for such fintech services by around the

end of July 2028.

Issuance of the Bonds with Stock Acquisition Rights

1. Securities Offered	¥12,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2028 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i>)
2. Issue Price	100.0%
3. Closing Date	August 18, 2023
4. Coupon	0%
5. Redemption at Maturity	100%

Note: This press release has been prepared for the sole purpose of publicly announcing the information contained herein, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release is not an offer of securities for sale in the United States and nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”) absent registration or an exemption from registration under the Securities Act. The securities referred to herein have not been, and will not be registered under the Securities Act. If any public offering of securities is made in the United States, it will be by means of a prospectus that may be obtained from the Company that will contain detailed information about the Company and its management, as well as financial statements of the Company. The Company does not intend to register the securities in the United States or to conduct a public offering of the securities in the United States. A prospectus has not been prepared for the securities.