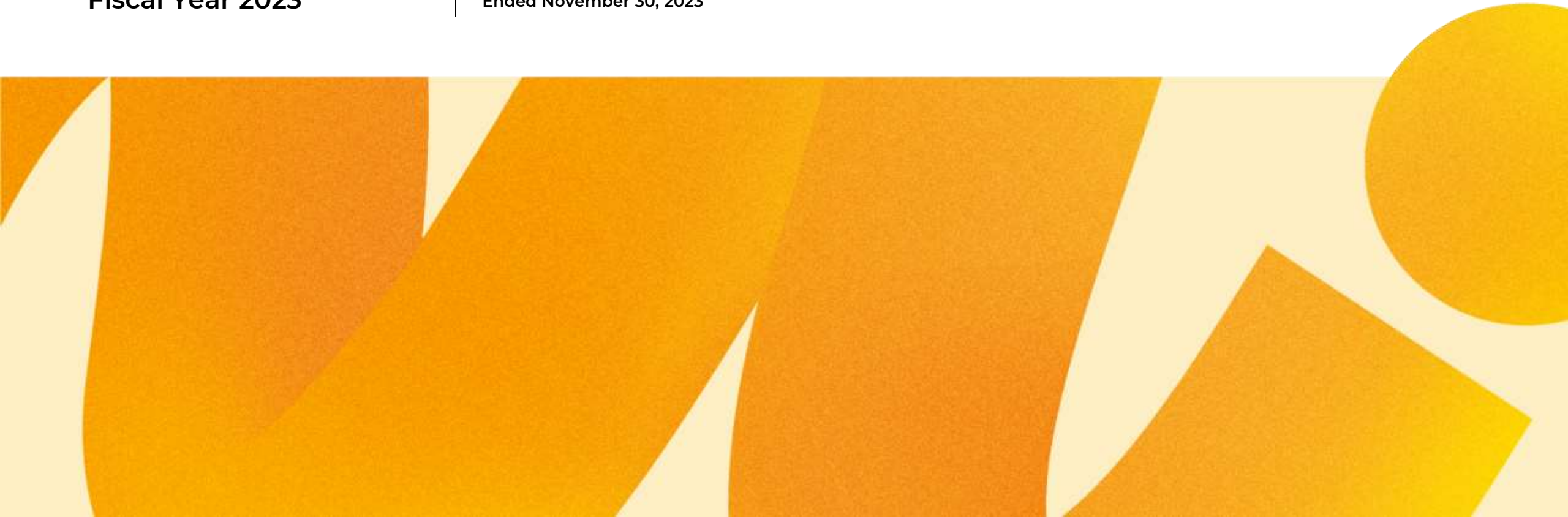


# Financial Results



Fiscal Year 2023

| Ended November 30, 2023



<b>01</b>	<b>Companywide Financial Highlights in FY11/23</b>	<b>P.2</b>
<b>02</b>	<b>Business Highlights and Initiatives in Focus Areas</b>	<b>P.18</b>
<b>03</b>	<b>FY11/24 Guidance and Medium to Long Term Financial Targets</b>	<b>P.29</b>
<b>04</b>	<b>Appendix: Financial Highlights by Domain</b>	<b>P.35</b>

# Companywide Financial Highlights in FY11/23

## Highlights in FY11/23

Full-year net sales and SaaS ARR topped the upper end of forecasts upwardly revised in Q2\*<sup>1</sup>

Q1-Q4 EBITDA reached quarterly forecasts\*<sup>2</sup>

Consolidated full-year net sales

+41% YoY

¥30.38bn

(FY11/22 net sales: ¥21.48 bn)

SaaS ARR\*<sup>3</sup>

+42% YoY

¥23.15bn

(FY11/22 SaaS ARR: ¥16.30 bn)

Organic growth rate without impact of M&As.

Business domain  
Corporate ARR

+46% YoY

¥16.69bn

Organic growth rate without impact of M&As.  
Maintained high growth rate even as business scaled.

Full-year EBITDA\*<sup>4</sup>/  
Full-year Gross Profit

¥(2.26)bn/¥19.08bn

Gross profit increased by ¥5.7 bn and EBITDA by ¥3.8 bn YoY. EBITDA margin improved 21pt to (7)%.  
Q4 gross profit stood at ¥5.49 bn and EBITDA at ¥(0.60) bn.

Acquired record high  
No. of corporate customers  
in Business domain in Q4

by addressing the Invoice System  
and demand for digital  
transformation (DX)

\*1 Forecasts revised upward on July 18, 2023. Full-year forecasts are ¥29.21 to 30.28 bn (+36 to +41% YoY) for net sales and ¥22.33 to 23.14 bn (+37 to +42% YoY) for SaaS ARR at FY11/23-end.

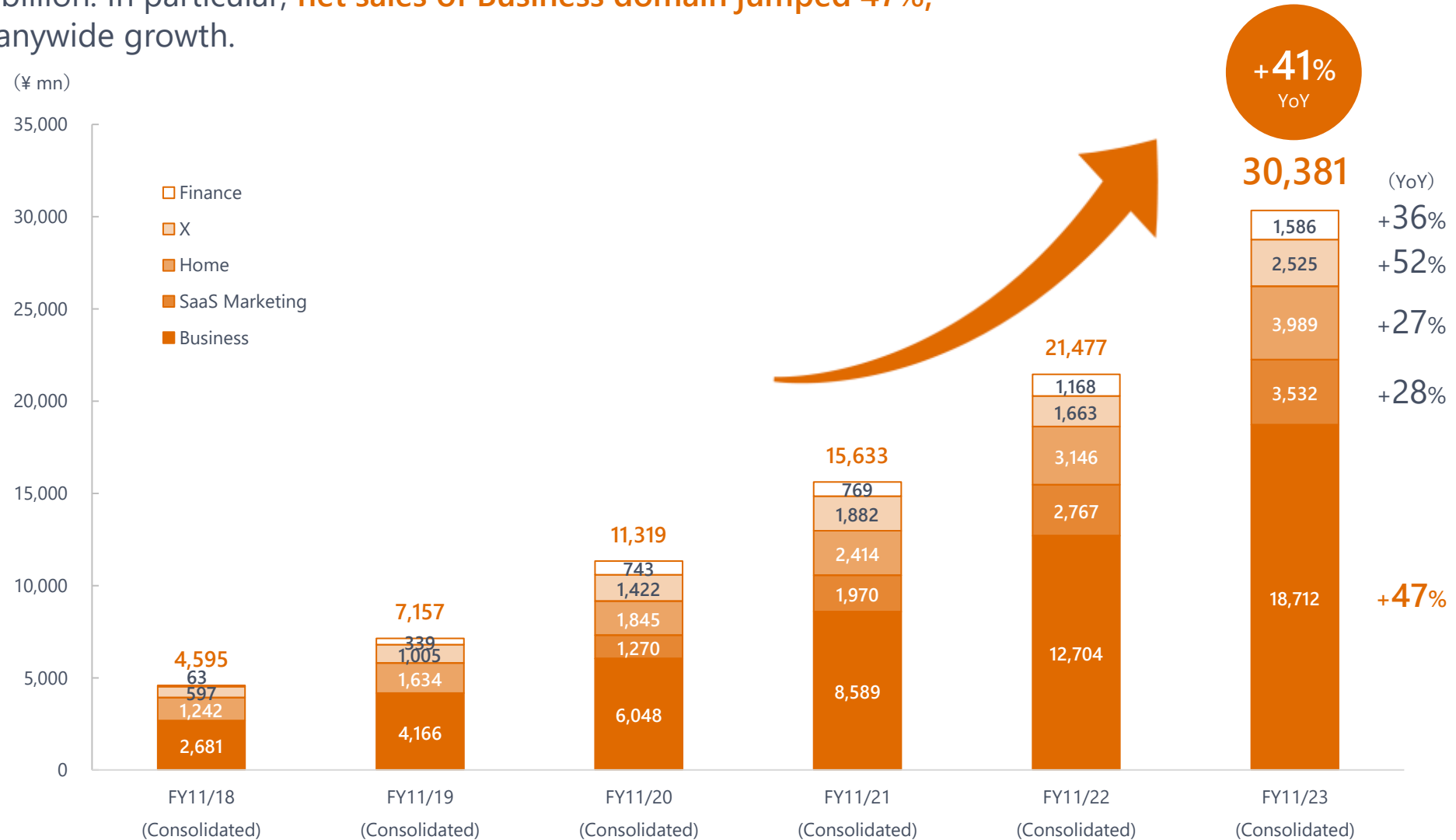
\*2 EBITDA forecasts for each quarter of FY11/23 announced on January 16, April 14, July 18, and October 13 2023, respectively. Forecasts were ¥(1.70) to (1.20) bn for Q1, ¥(1.10) to (0.60) bn for Q2, ¥(0.80) to (0.30) bn for Q3, and ¥ (1.00) to (0.50) bn for Q4.

\*3 See P.41 for the definition of SaaS ARR.

\*4 EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses.

## Consolidated Full-Year Net Sales

Achieved historical high growth rates in each domain, with consolidated net sales surging 41% over the previous year to exceed ¥30.0 billion. In particular, net sales of Business domain jumped 47%, driving companywide growth.

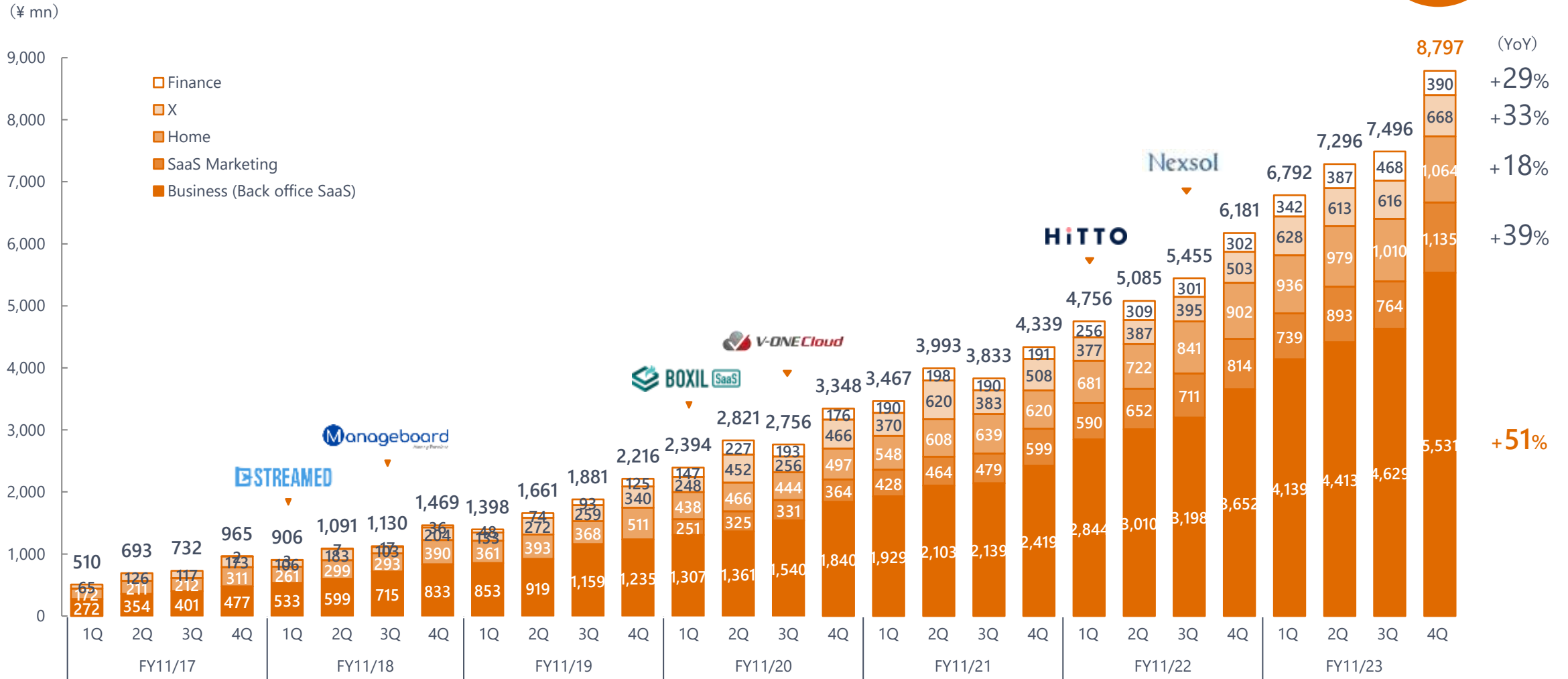


\* The aggregate of net sales of each domain do not necessarily correspond to consolidated net sales as net sales of "Other" are omitted from the graph.

# Consolidated Q4 Net Sales Up 42% YoY

Net sales of Business domain continued to soar in Q4, up 51% YoY.

**+42%**  
YoY

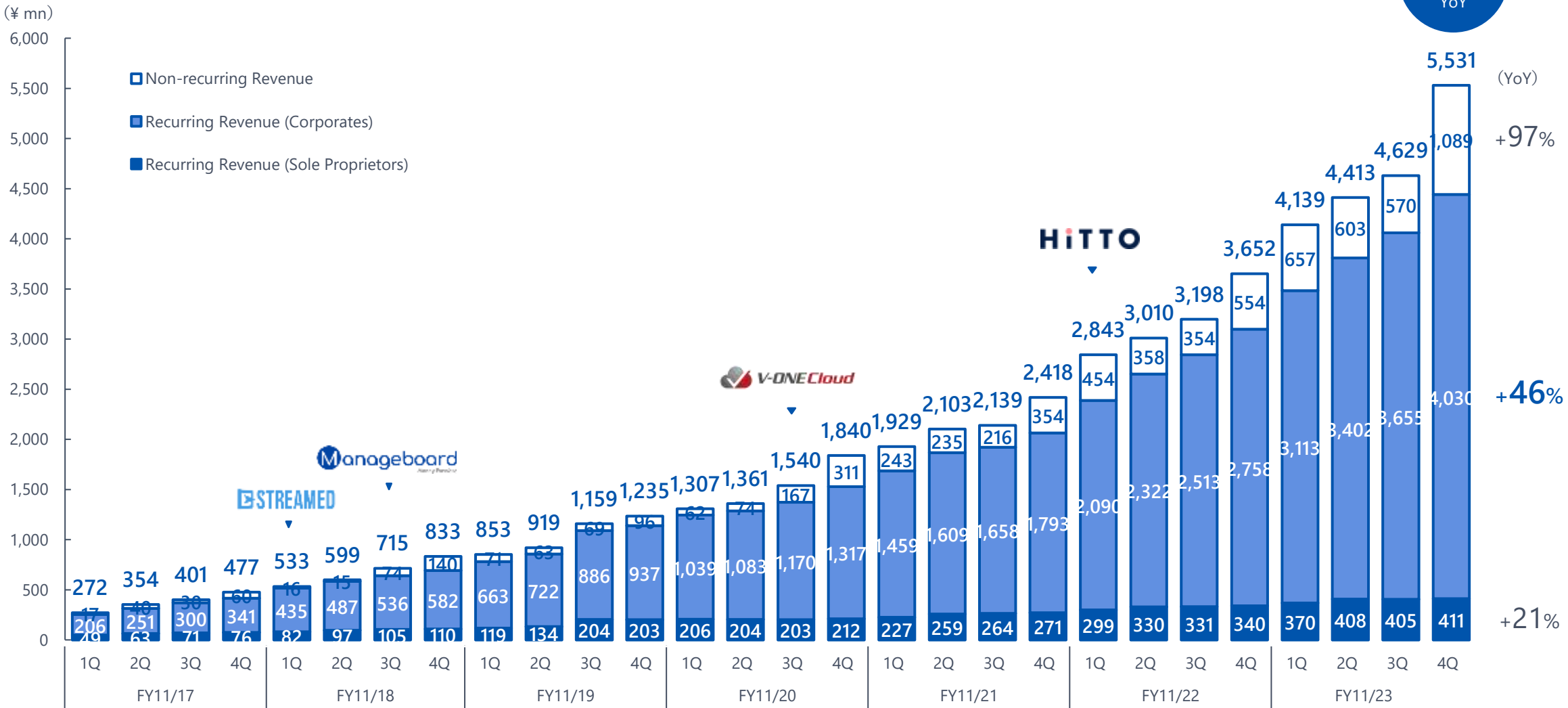


\* The aggregate of net sales of each domain do not necessarily correspond to consolidated net sales as net sales of "Other" are omitted from the graph.

# Quarterly Net Sales of Business Domain

Net sales surged **51% YoY** in Q4. Corporate recurring revenue continued to see robust growth, **up 46% YoY**. Non-recurring revenue also **surged 97%** due to the rise in transaction volume of *Pay for Business*.

**+51%**  
YoY

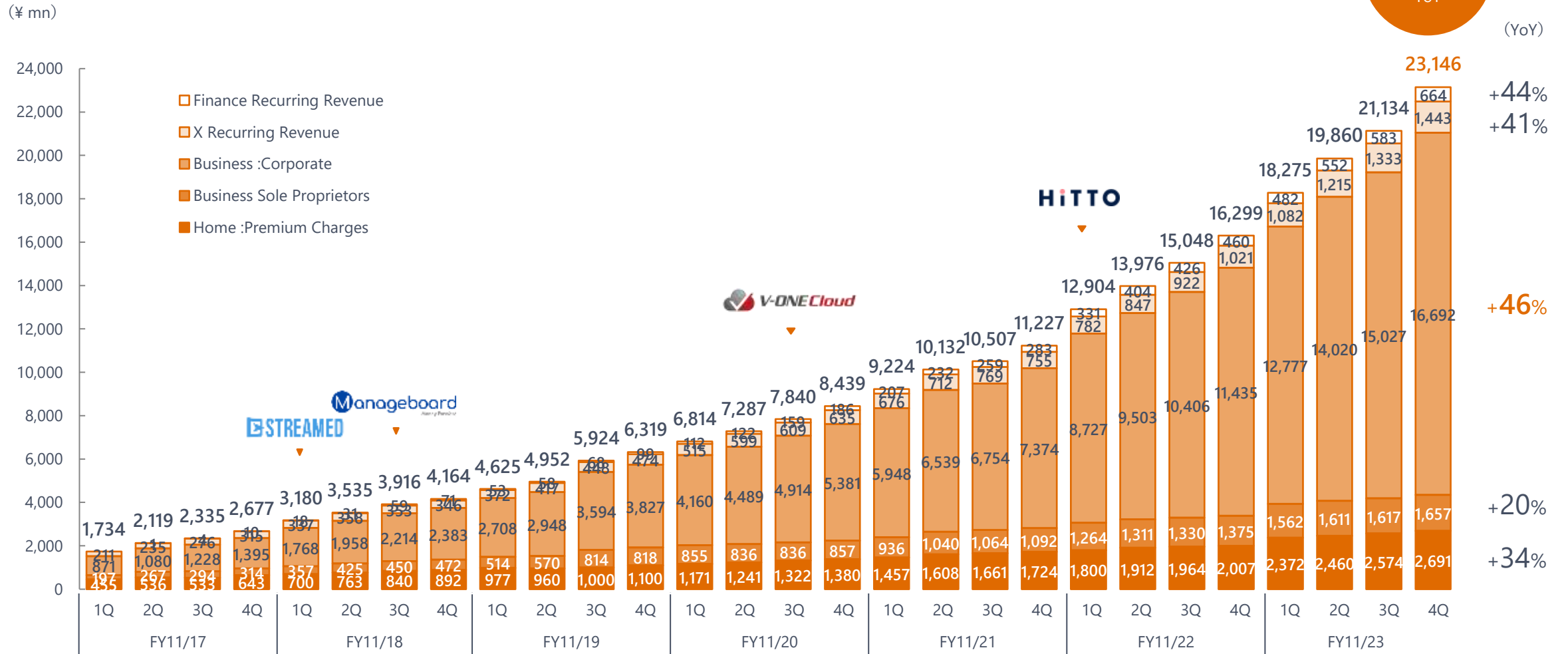


\* "Recurring Revenue (Sole Proprietors)" is the revenue from services for sole proprietors in *Money Forward Cloud*. "Recurring Revenue (Corporates)" is the revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *Money Forward Certified Member System*, *HITTO*, and *Money Forward Admina*. "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*.

# Q4 SaaS ARR\*1 Surged 42% YoY, Marking Record Quarterly Net Increase of ¥2.0bn

SaaS ARR grew rapidly in all domains. ARR for corporate customers in Business domain increased by 46% YoY.

+42%  
YoY

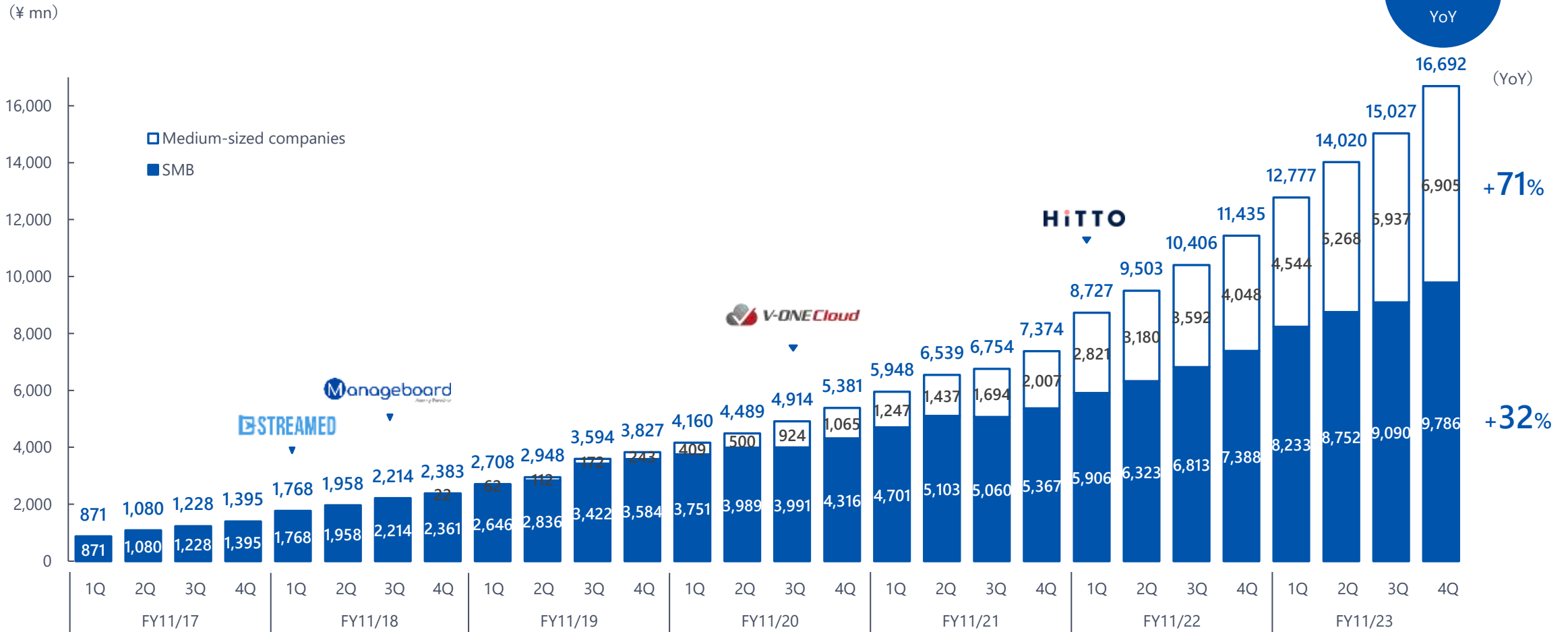


\*1 "Business: Sole Proprietors" is revenue from services for sole proprietors in Money Forward Cloud. "Business: Corporates" is revenue from services for corporate customers, including Money Forward Cloud, STREAMED, Manageboard, V-ONE Cloud, Money Forward Certified Member System, HITTO, and Money Forward Admina. "X: Recurring Revenue" includes maintenance fees of co-creation projects with financial institutions and revenue from services for customers of financial institutions, including the Mikatano series and Money Forward for XX. As a seasonal adjustment, the MRR of STREAMED is calculated as one-third of its revenue in Q1 and Q2 of each fiscal year. Non-recurring revenue of each business and net sales of SMARTCAMP Co., Ltd. are not included. Figures for Finance domain include monthly fixed fees, and settlement and associated fees of Money Forward Kessai and SEIKYU+. See P.41 for the definitions of ARR, MRR, etc.



## Q4 Corporate ARR in Business Domain Rose 46% YoY on Robust Growth in SMB/Midmarket Area

In particular, ARR of medium-sized companies\*<sup>1</sup> maintained a high growth rate, up 71% YoY, on steady progress in customer acquisitions and cross-selling as well as enhanced sales per sales personnel.



\*1 "SMB" is revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, and *Money Forward Certified Membership System*, as well as from professional service firms and their clients. As a seasonal adjustment, the MRR of *STREAMED* is calculated as one-third of its revenue in Q1 and Q2 of each fiscal year. Revenue from *STREAMED* tends to rise in Q1 and Q2 as transactions increase during the fiscal year-end of corporate customers, but drop in Q3 (mainly in August) relative to Q2 since there are less business days. "Medium-sized companies" includes general corporate users (excluding professional service firms) that have adopted such services as *Money Forward Cloud*, *Manageboard*, *V-ONE Cloud*, *HITTO*, and *Money Forward Admina* via field sales, with the majority of companies having 50 or more employees. Non-recurring revenue of each business. See P.41 for the definitions of ARR, MRR, etc.

## Business Domain: Highlights in FY11/23

Full-year net sales  
¥18.71 bn

**+47%**

YoY

Paying customers (total/corporate)  
301,233/149,168

**+27.8% / +30.4%**

YoY

(+27.7%\*1)

(+30.2%\*1)

ARPA (total/corporate)  
¥60,911/¥111,898

**+12.1% / +11.9%**

YoY

(+11.1%\*1)

(+10.9%\*1)

ARR (total/corporate/  
medium-sized companies\*2)  
¥18.35 bn/¥16.69 bn/¥6.91 bn

**+43% / +46% / +71%**

Net increase of corporate  
paying customers in Q4  
Achieved record  
high net increase

**+10,020**  
corporates

Corporate customer churn rate\*3  
(Avg. of last 12 months/  
3 months)

**0.8% / 0.7%**

The 12- and 3-month churn rate average among sole proprietors was 1.9% and 1.1%, respectively.

\*1 Figures in parentheses indicate YoY growth rates in FY11/23 Q3.

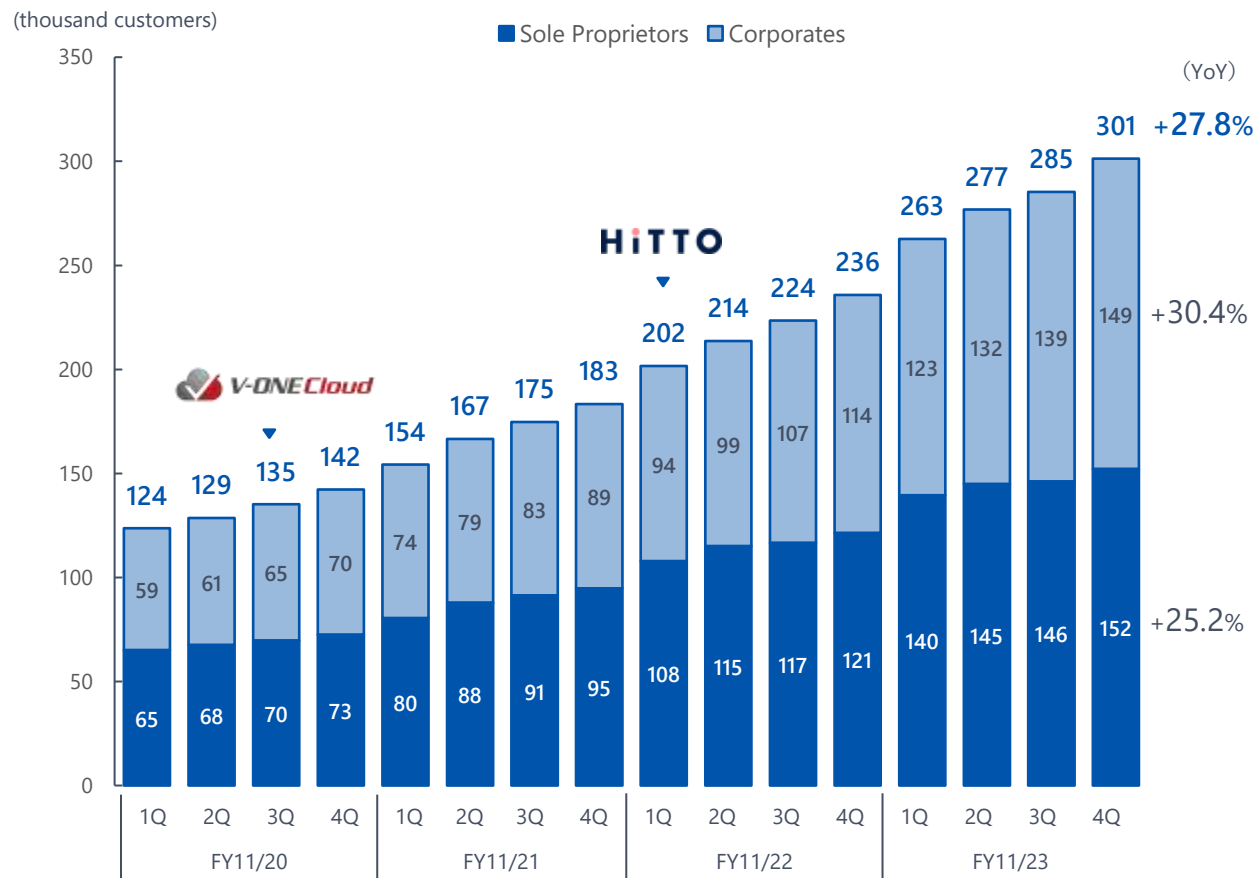
\*2 "Medium-sized" companies refer to corporate users (excluding professional service firms), mostly with 50 or more employees, that have deployed our services via field sales.

\*3 Averages of the 12 months and 3 months up to November 2023.

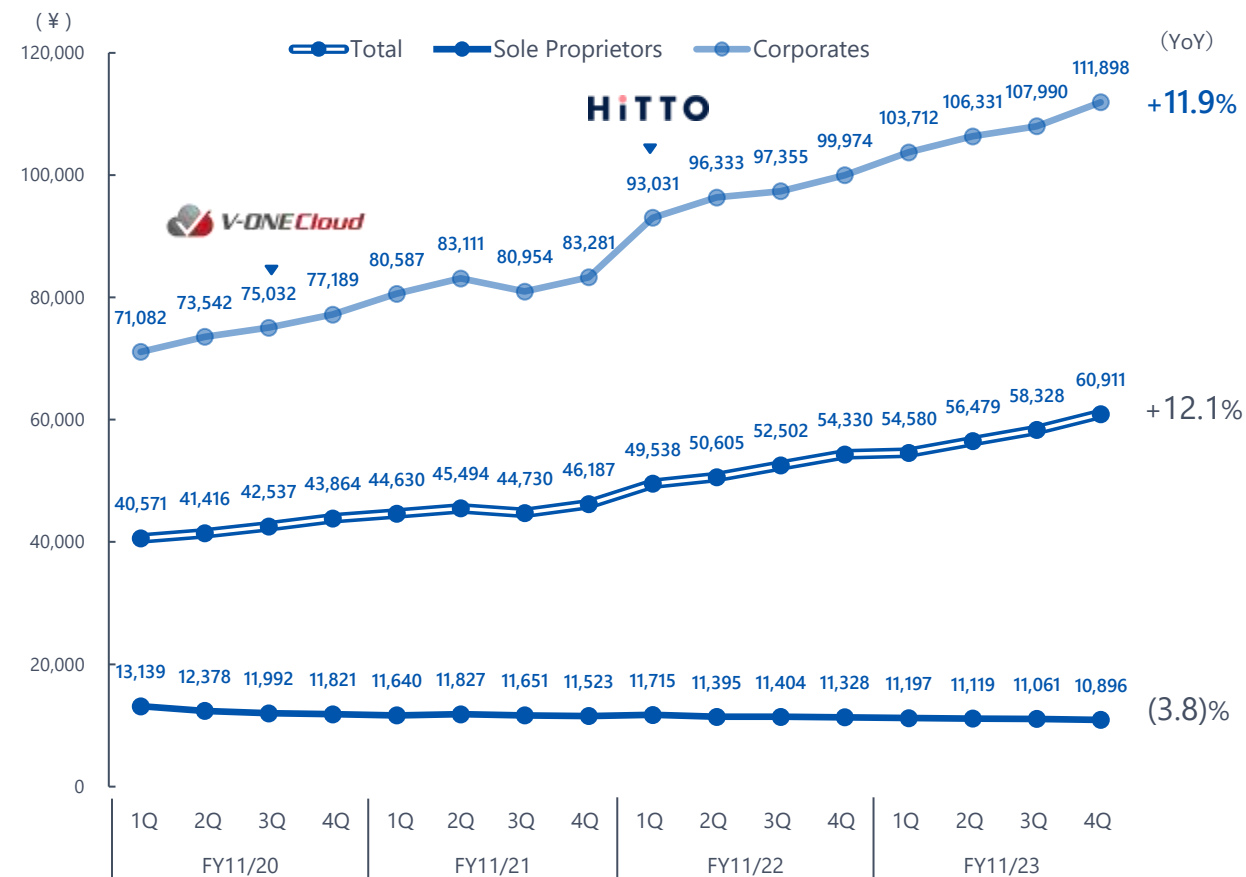
## Corporate Paying Customers\*1 and ARPA\*2 Continued to Rise

The number of total paying customers **increased by 27.8% YoY** in Q4, driven by the steady rise in corporate paying customers, up 30.4%. Corporate ARPA continued to climb firmly, **up 11.9% YoY** on the increase of both users and ARPA of medium-sized companies.

### Paying Customers\*1



### ARPA\*2

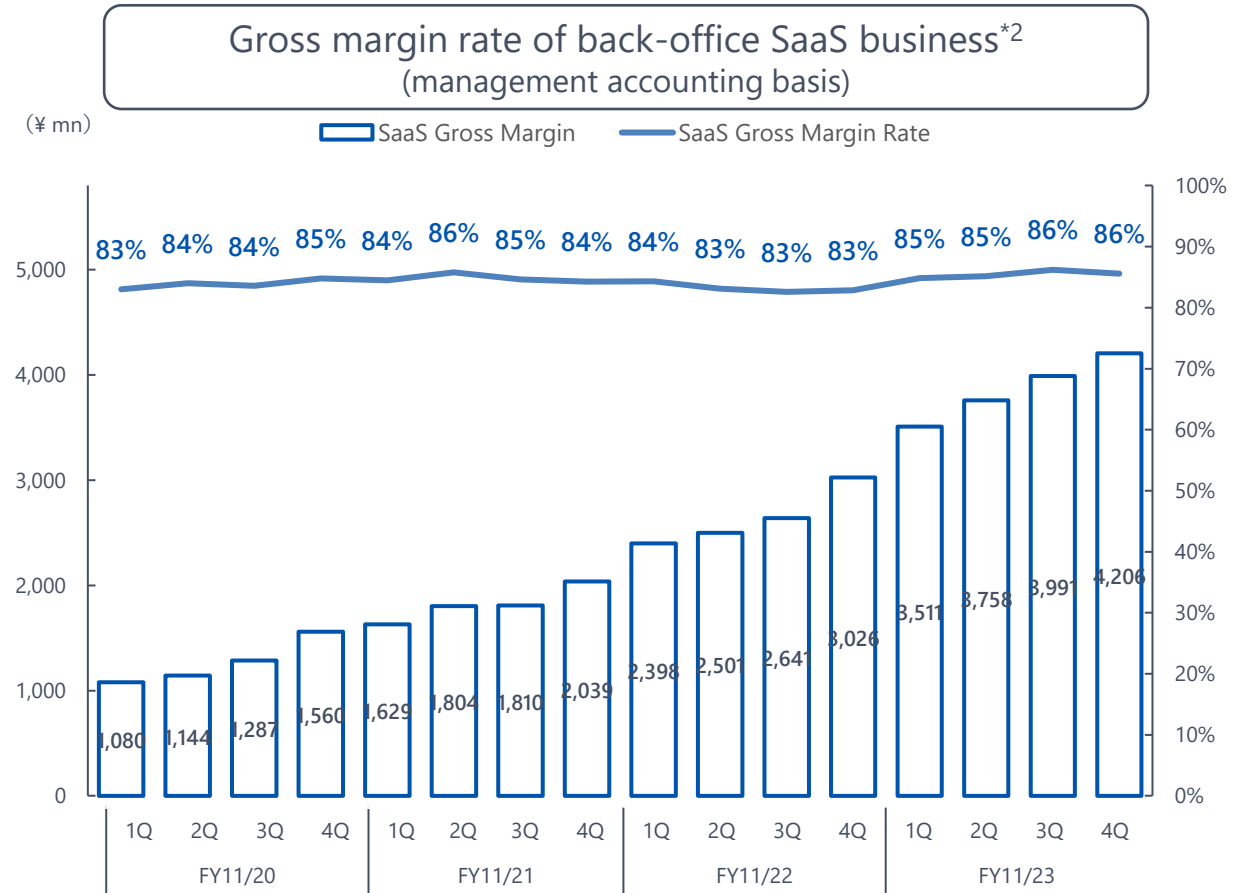
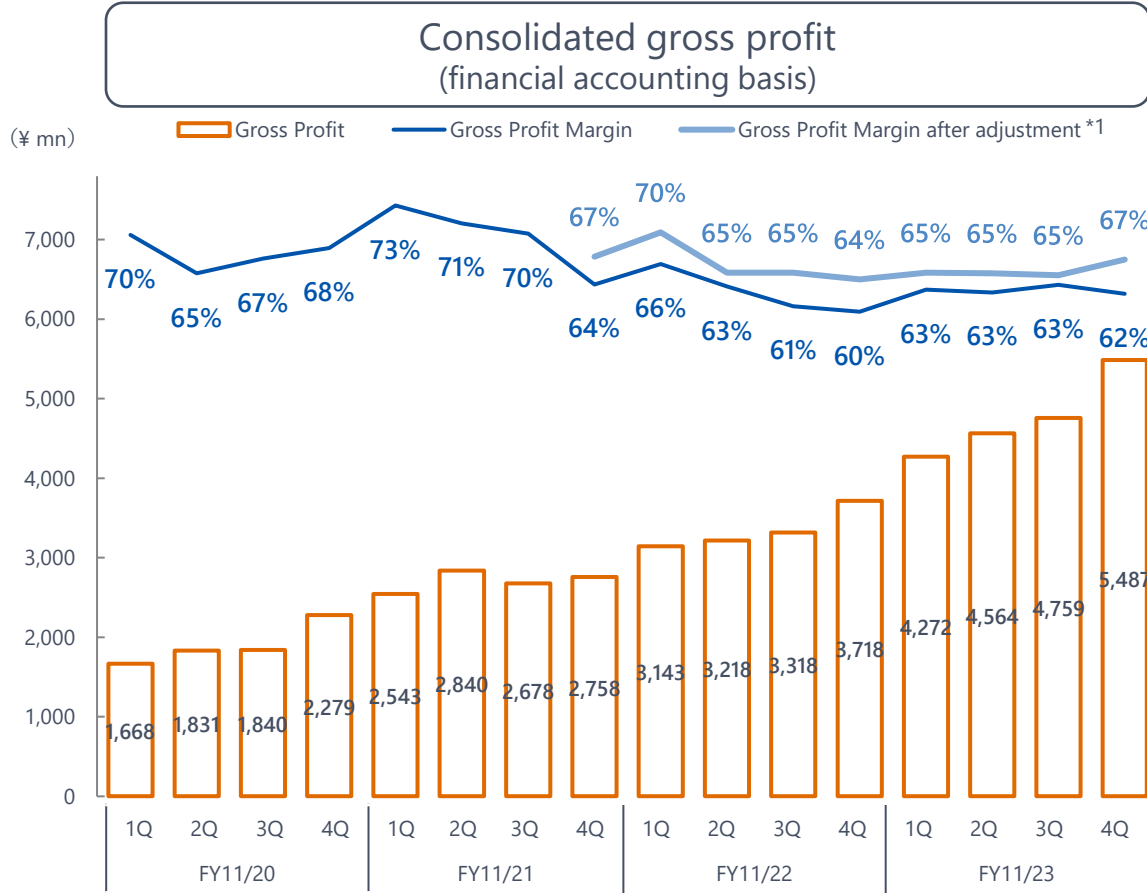


\*1 The number of paying customers who are sole proprietors is the number of those who pay for *Money Forward Cloud* services catering to individuals. The number of corporate paying customers includes business corporations, and professional service firms and their clients that pay for services catering to corporations, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *HiTTO*, and *Money Forward Admina*, as well as professional service firms that pay for *Money Forward Cloud Certified Member System*.

\*2 ARPA: 12 times the monthly recurring revenue of Business domain in the last month of each term (ARR), divided by the number of paying customers. See P.41 for detailed definitions.

# Consolidated Gross Profit and Gross Margin of Back-Office SaaS business

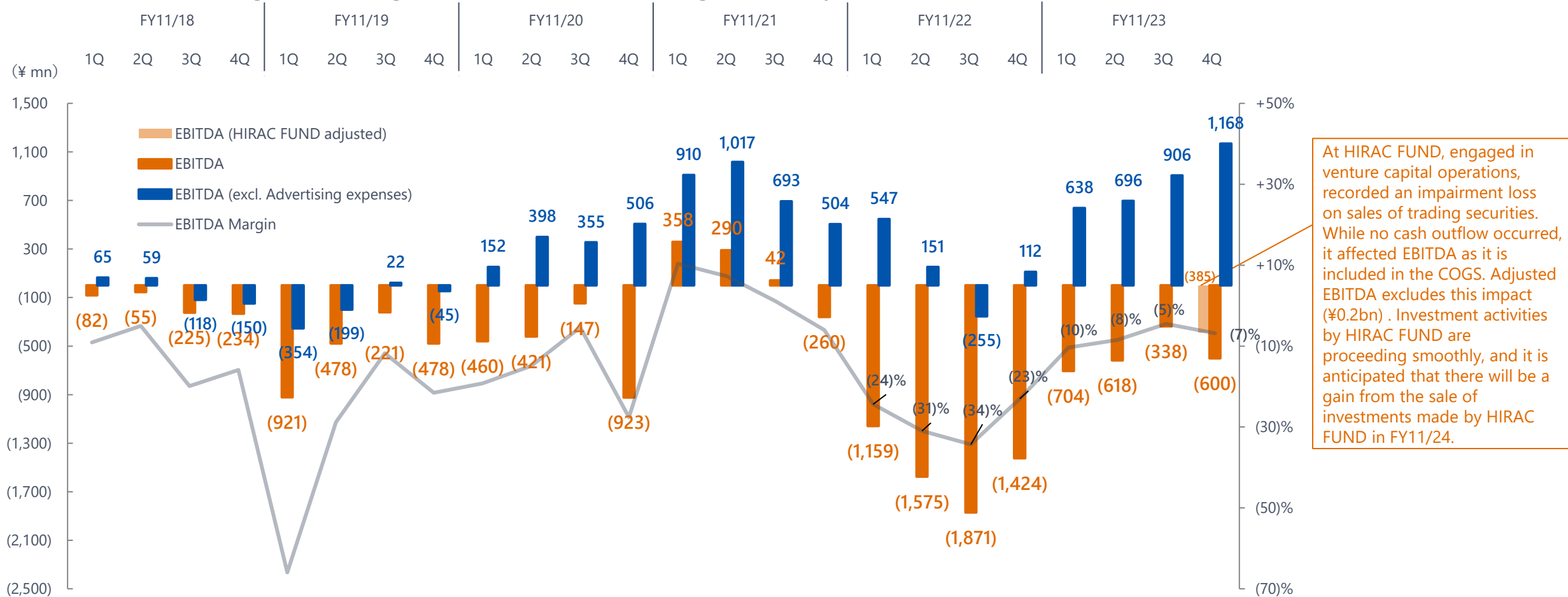
Gross profit as well as gross margin of Back-office SaaS business reached record highs. Consolidated gross profit margin stood at 62% (67% after adjustment\*1), while the gross margin rate\*2 of Back-office SaaS business, as commonly defined by global SaaS companies, came in at 86%.



\*1 Gross profit margin after adjustment is calculated by excluding sales and fees related to IT introduction subsidies from both net sales and cost of sales as the seasonal impact is large. Also, when advertising of Group companies is conducted by SMARTCAMP Co., Ltd. (ADXL business), the relevant advertising expenses are booked as cost of sales (net sales of SMARTCAMP Co., Ltd. and subcontract expenses of the Group companies are offset, while advertising media purchase costs of SMARTCAMP Co., Ltd. are booked as cost of sales). Thus, gross profit margin is adjusted. Impairment loss in HIRAC FUND is excluded from cost of sales as it is a one-time factor. \*2 Calculated based on the definition used by typical global SaaS companies for Business domain (SaaS applications for back-office operations). 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. Net sales of Pay for Business are included up to F11/23 Q3 but excluded from Q4 due to its expansion.

# EBITDA\*1 (Quarterly Trend)

Q4 EBITDA stood at ¥(0.60) billion and EBITDA margin at (7)%, both landing in the upper range of forecasts. Improvements are expected in and beyond the next quarter toward achieving EBITDA profitability for the full year of FY11/24. Q4 EBITDA excluding advertising expenses hit a record high at nearly ¥1.17 billion.

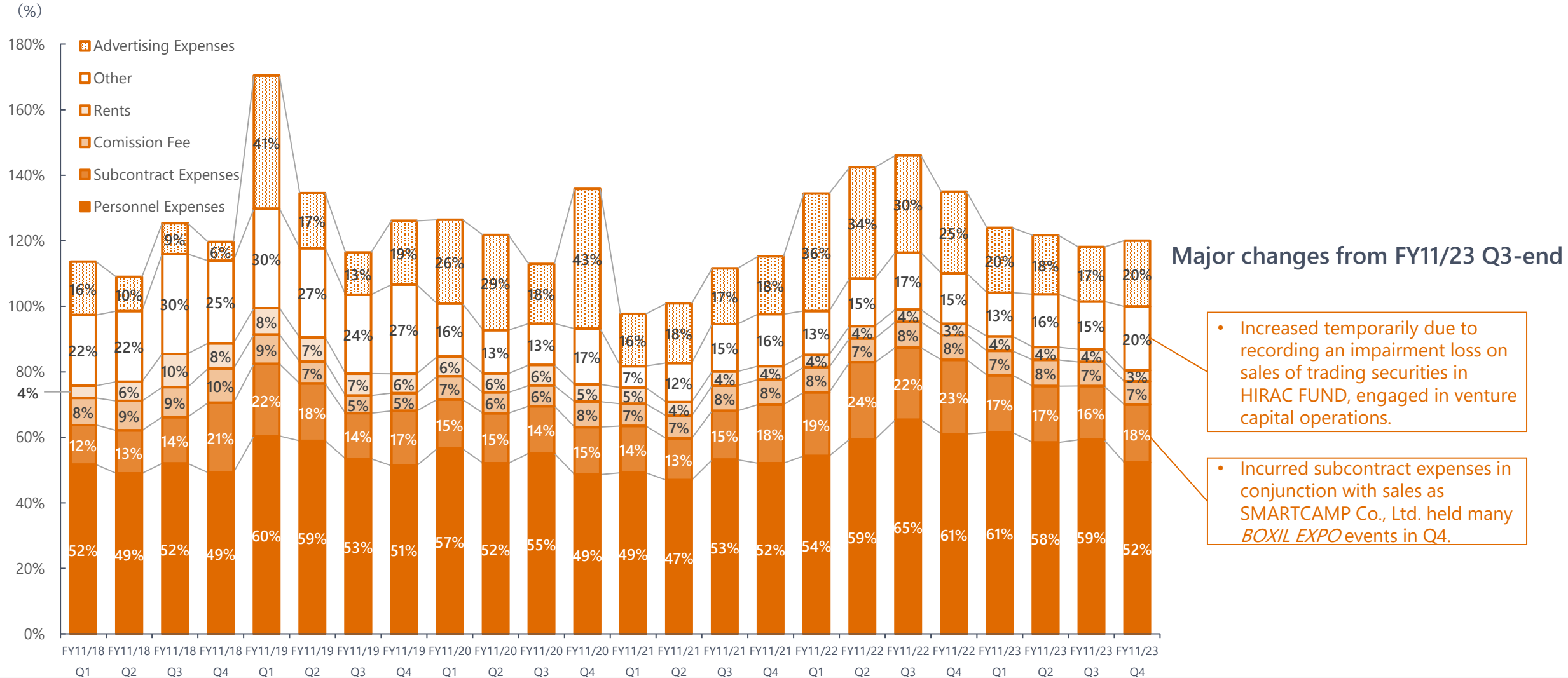


At HIRAC FUND, engaged in venture capital operations, recorded an impairment loss on sales of trading securities. While no cash outflow occurred, it affected EBITDA as it is included in the COGS. Adjusted EBITDA excludes this impact (¥0.2bn). Investment activities by HIRAC FUND are proceeding smoothly, and it is anticipated that there will be a gain from the sale of investments made by HIRAC FUND in FY11/24.

\*1 EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses

# Breakdown of Cost of Sales and SGA (% to Net Sales)

Advertising expenses came in at ¥1.77bn, below the forecasted range\*1.

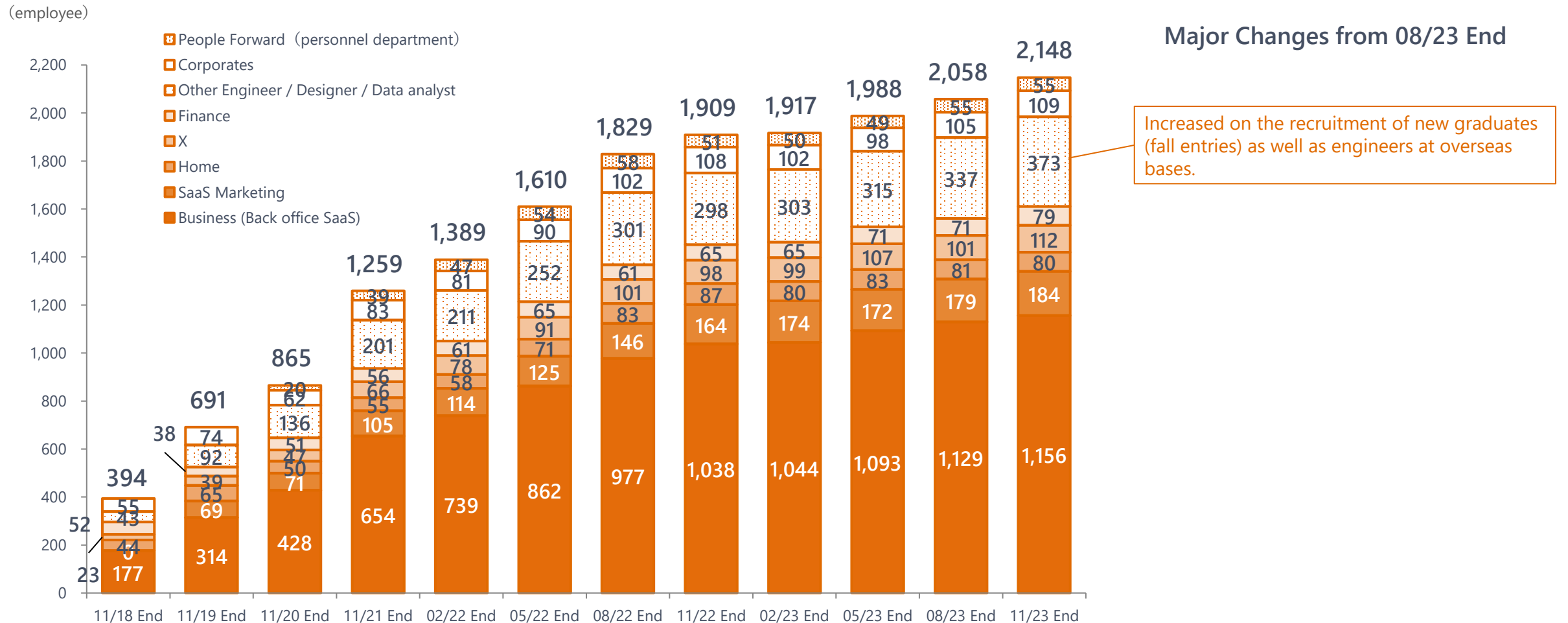


\* "Other" includes IT introduction subsidy fees, taxes and dues, communication expenses, recruiting/training expenses, amortization of goodwill, depreciation, fee expenses and point expenses related to *Pay for Business*.

\*1 Forecasts disclosed on October 13, 2023. Q4 advertising expenses were projected at ¥1.85 to 2.05 bn.

# Employees\*1

The number of employees increased by 90 from Q3.



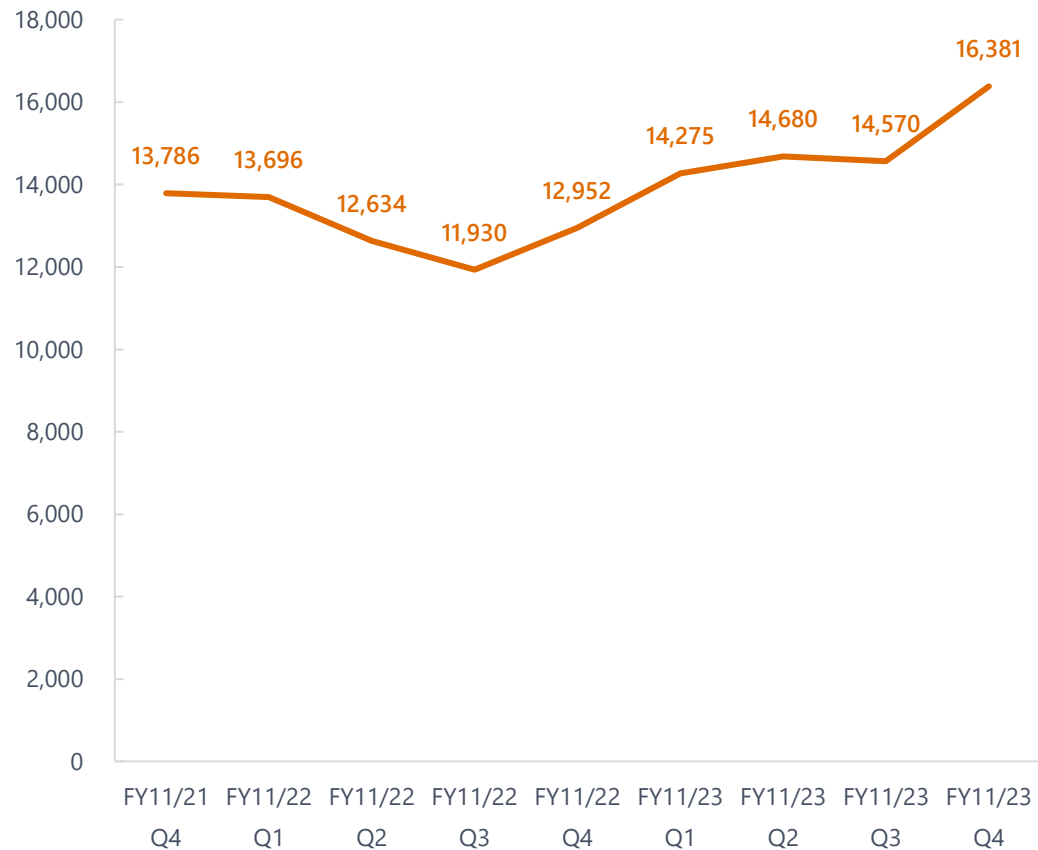
\* The employees of Lab, Analysis Promotion Office, Data Strategy Office, and Design Strategy Office, previously included in "Corporate," are now included in "Engineer/Designer/Data Analyst" in light of their duties.  
 \* Aside from the above, "Engineers/Designers/Data Analysts" includes the CISO Office, CIO Office, CTO Office, Account Aggregation Dept., and Money Forward Vietnam, Co., Ltd. "Corporate" includes the CEO Office, Corporate Development Dept., Accounting Dept., Legal and IP Dept., and Public Affairs Office.  
 \*1 The total number of employees (excluding contract, part-time, dispatched, and other temporary workers) and executive officers who do not concurrently serve as directors.

## Annual Sales\*1 and ARR\*2 per Employee

Annual sales and ARR per employee have been rising after bottoming out in FY11/22 Q3, with temporary contributions from the rise in non-recurring revenue in Business domain and sales in SaaS Marketing domain in Q4.

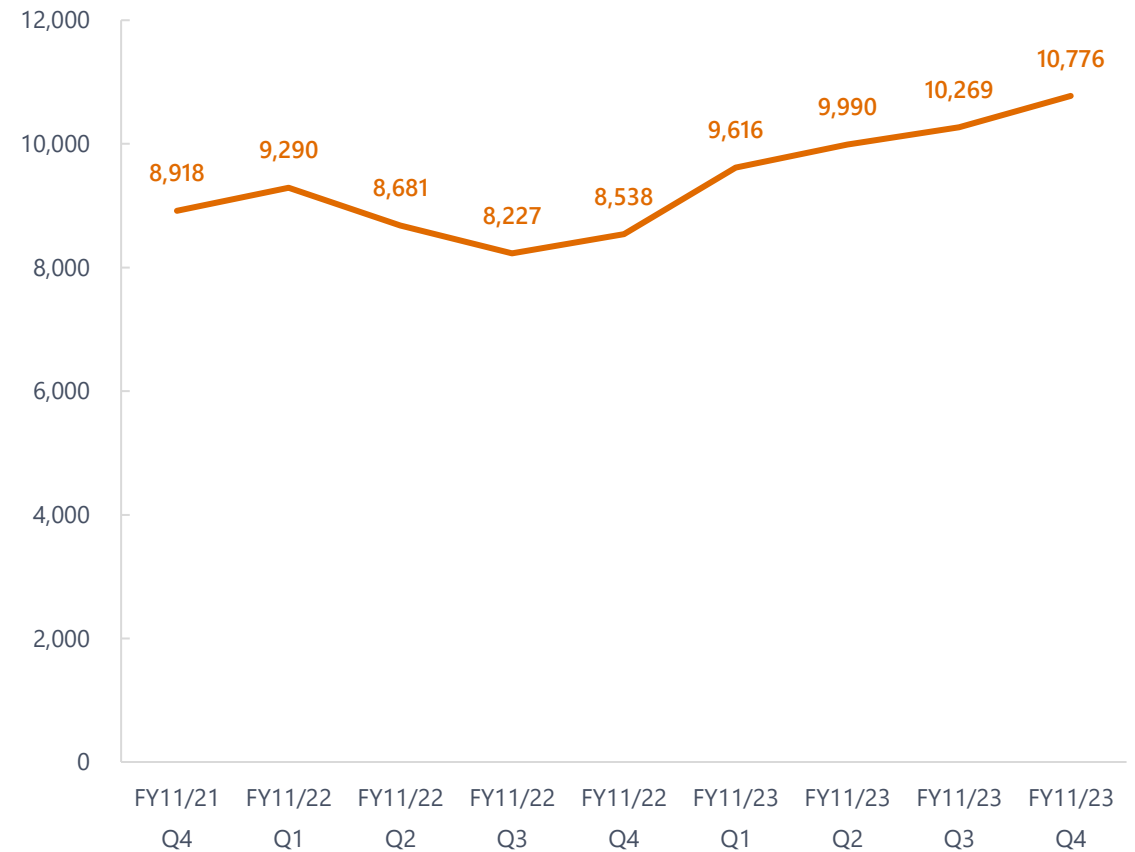
Annual sales per employee\*1

(¥ thousand)



ARR per employee\*2

(¥ thousand)



\* See P.14 for the number of employees.

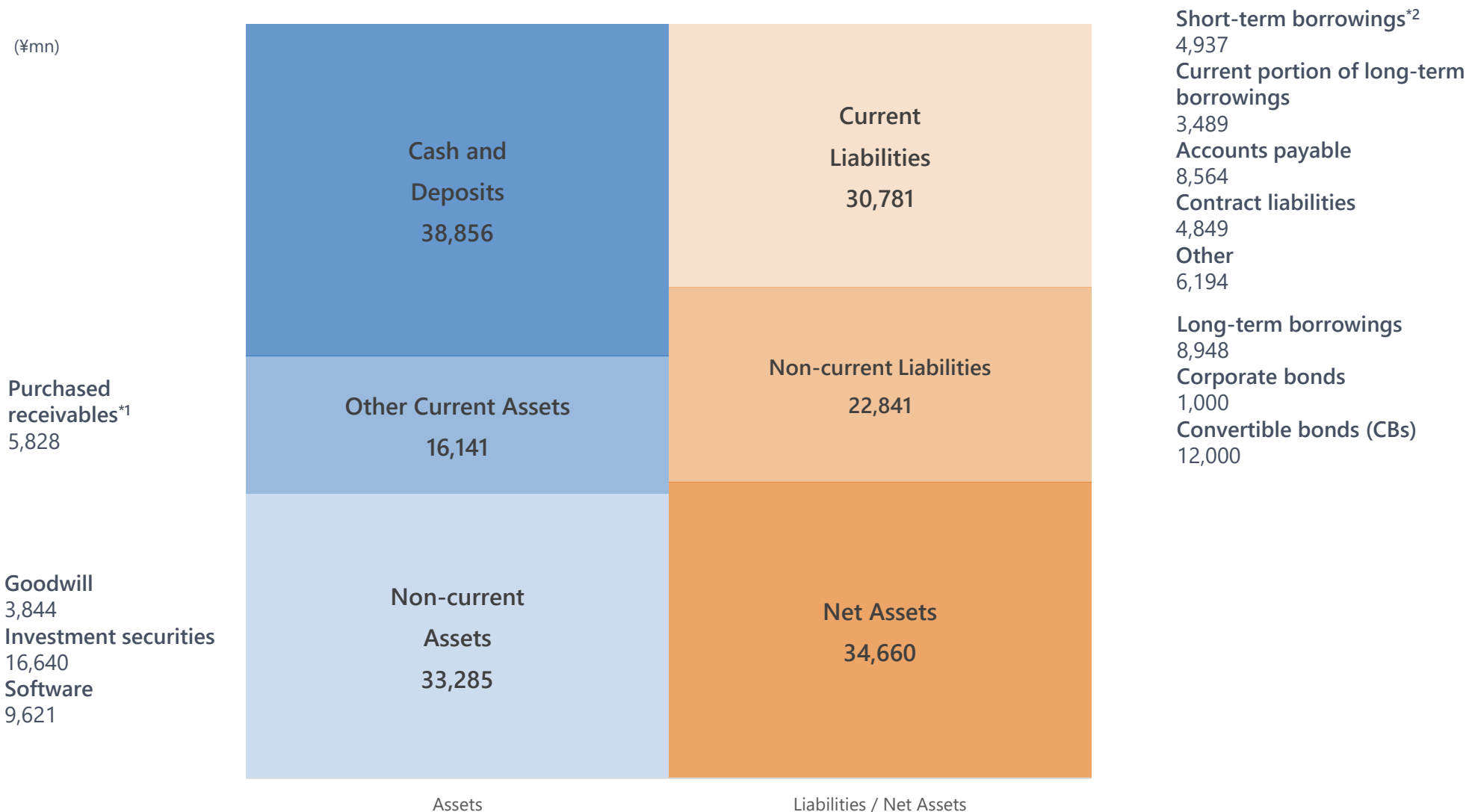
\*1 Calculated by dividing four-fold of net sales for each quarter by the number of employees at the end of each quarter.

\*2 Calculated by dividing ARR at the end of each quarter by the number of employees at the end of each quarter.



## Balance Sheet Items

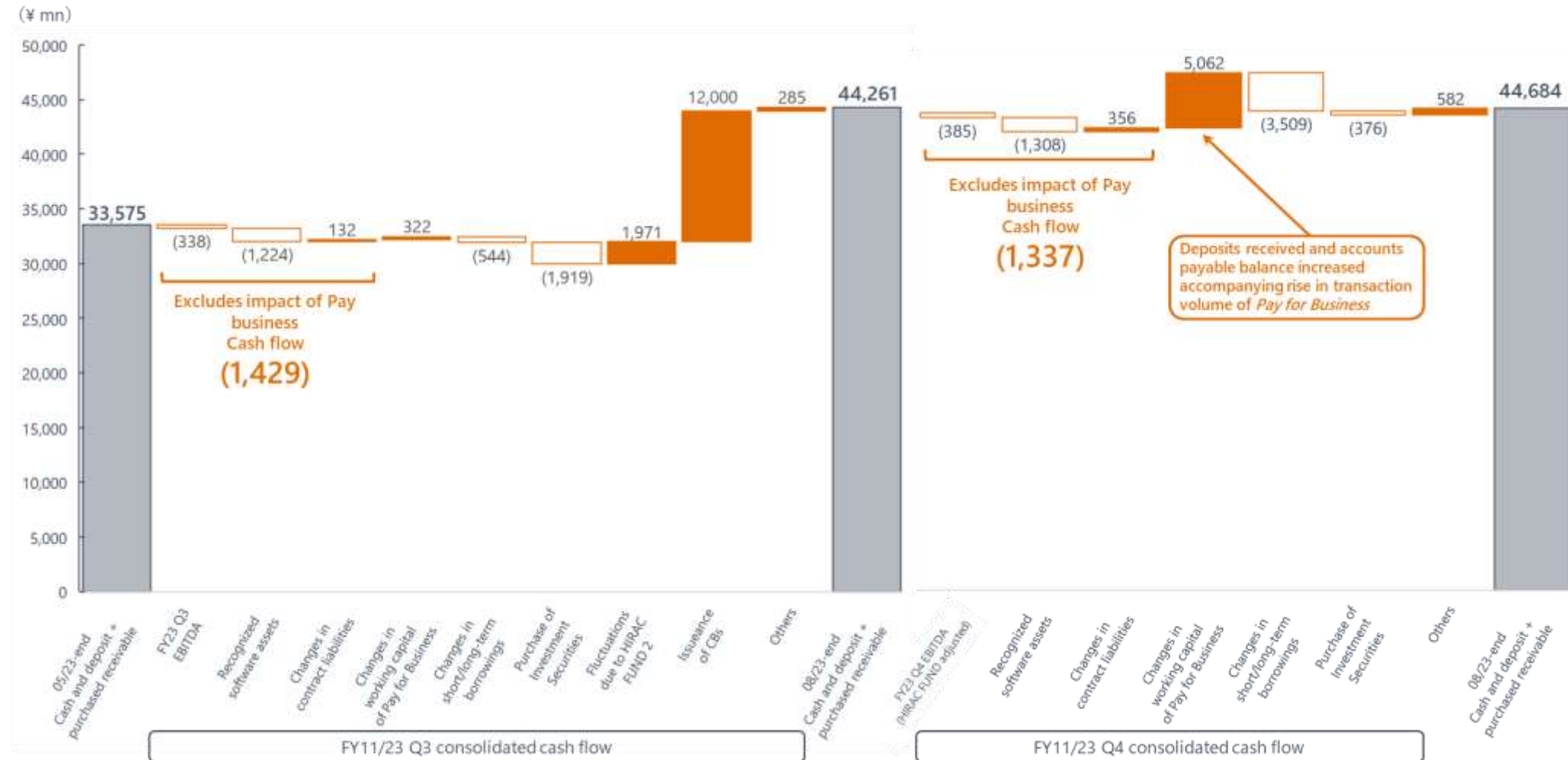
Continued to maintain a high level of financial soundness.



\*1 Mainly related to Money Forward Kessai, Inc. and Biz Forward, Inc. \*2 Mainly related to Money Forward Kessai, Inc., Biz Forward, Inc. and *Pay for Business*.

## Analysis of Changes in Cash and Deposits Balance

The cash deposits and purchased receivable increased by 400million yen from the previous quarter-end.



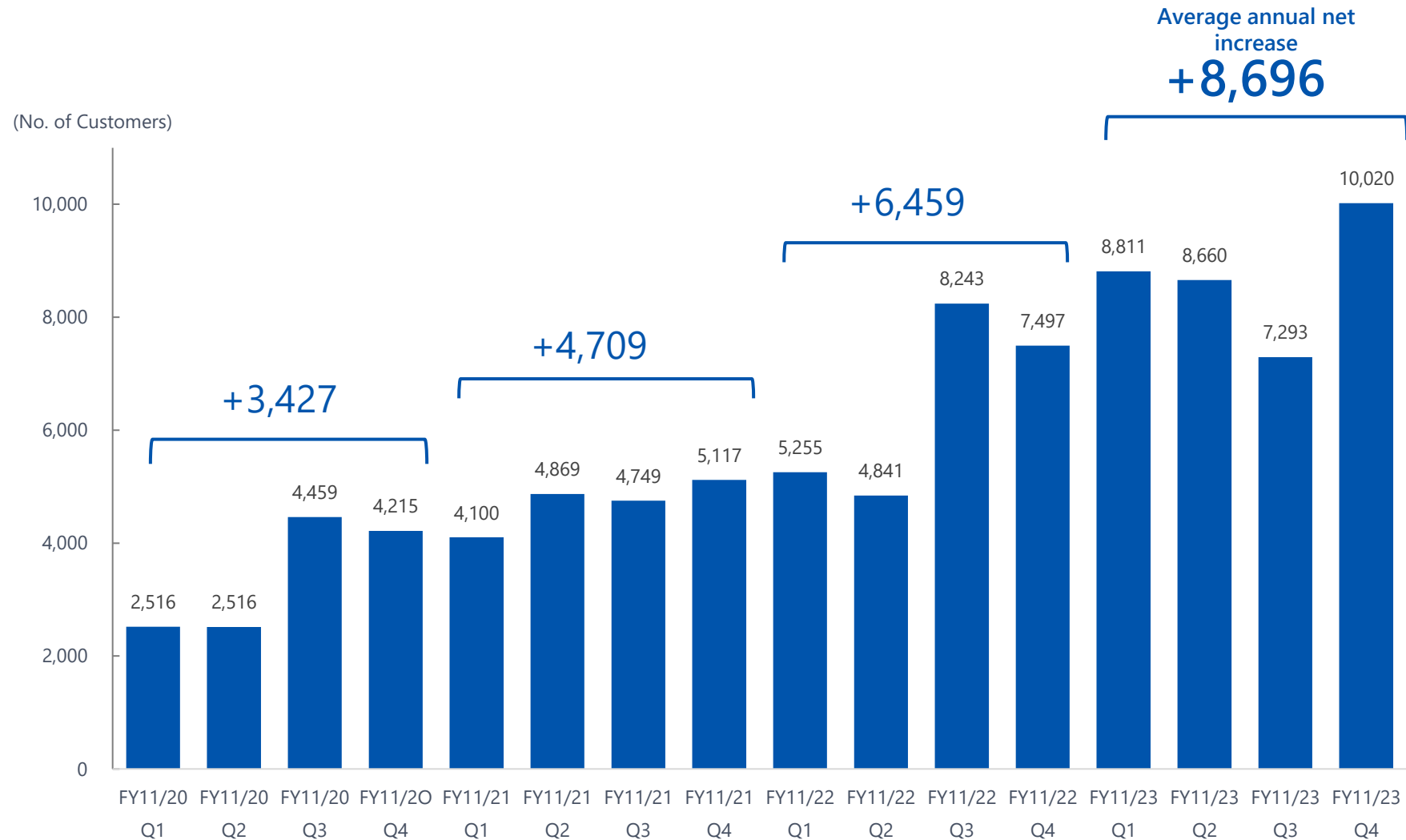
\*1 In the consolidated balance sheets on the *Summary of Consolidated Financial Result*, accounts payable, deposits received, and account receivable are included in "accounts payable –trade", "deposit received", and "other" (Current asset) respectively. Prior to FY23 Q3, deposits received were included in "other" (current liabilities).

# **Business Highlights and Initiatives in Focus Areas**

- 01 Record High No. of Corporate Customer Acquisitions** P.20
- 02 Expansion of Professional Service Channel and Effective Sales & Marketing** P.21
- 03 Growth in Midmarket Area** P.24
- 04 Increased Sales in SaaS and Fintech Area** P.28

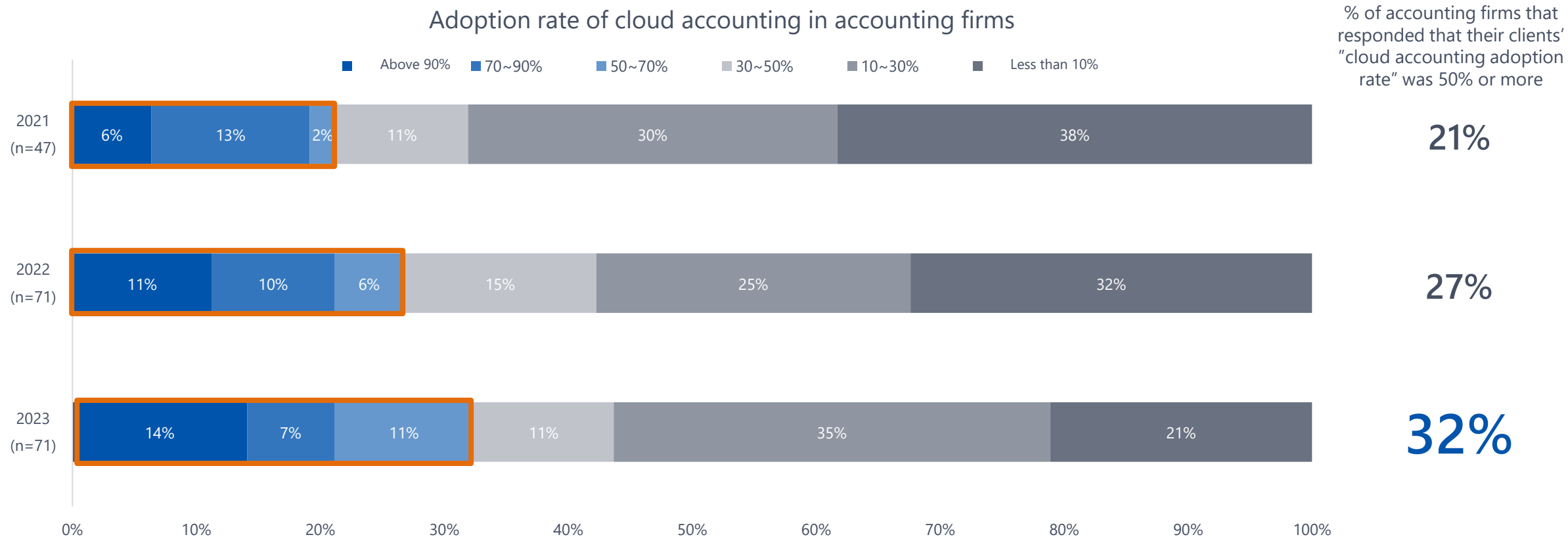
## 01. Achieved Record Net Increase in No. of Corporate Customers in FY11/24 Q4

Achieved a record quarterly net increase in FY11/23 Q4 on rising demand for DX in back-office operations, including to address the Invoice System and law revisions. The average annual net increase also continued to rise.



## 02. Steady Rise in Adoption Rate of Cloud Accounting Among Accounting Firms

According to a 2023 survey conducted by Funai Consulting Incorporated <sup>\*1</sup>, the number of accounting firms that responded that the "cloud accounting software adoption rate" among their clients was "50% or more" increased over the previous year, with those responding that the rate was "90% or more" climbing from 11% to 14%.



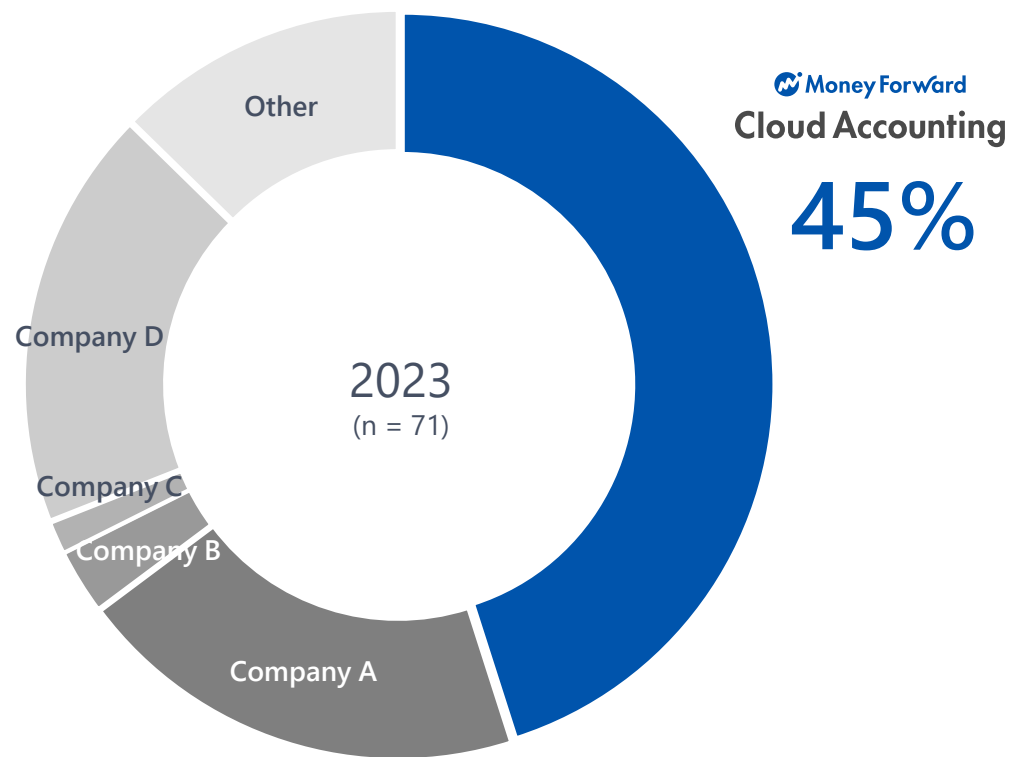
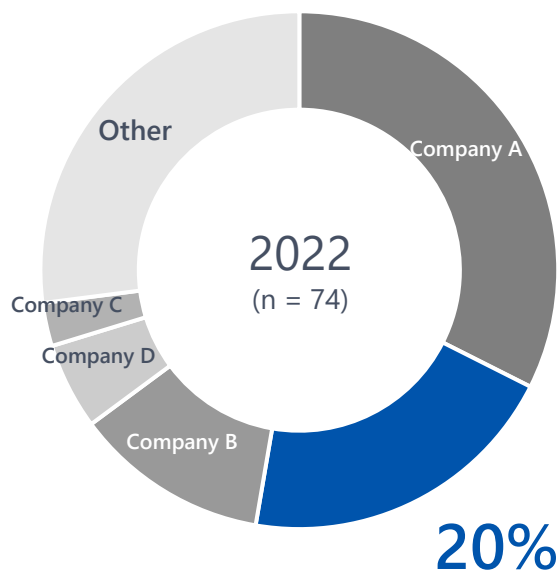
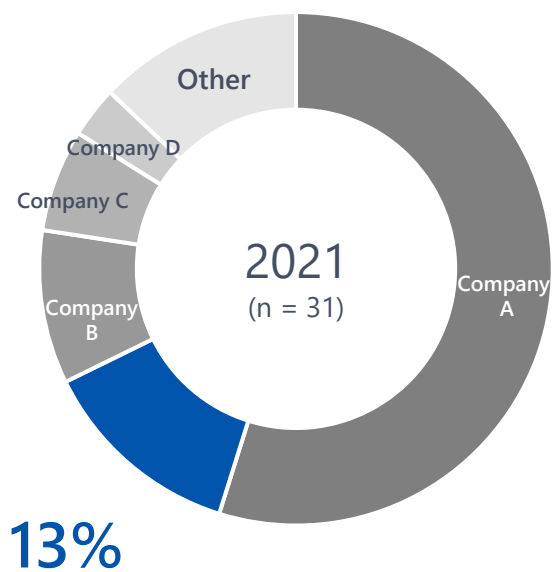
\*1 Source: Funai Consulting Incorporated, *Management Study Group for Accounting Firms: Regular Meeting Materials*, December 9, 2023.

## 02. Expansion in Share of *Money Forward Cloud Accounting* Among Accounting Firms

*Money Forward Cloud Accounting* is No.1 in terms of most heavily used accounting software (among both packaged and cloud software), according to a survey conducted by Funai Consulting Incorporated\*1.

- Company A
- Money Forward, Inc.
- Company B
- Company C
- Company D
- Other

Most used accounting software



\*1 Source: Funai Consulting Incorporated, *Management Study Group for Accounting Firms: Regular Meeting Materials*, December 9, 2023.

## 02. Widespread Use Among Accounting Firms on Demand for Cloud-Based Software and DX in Accounting and Other Back-Office Operations

### Japan Creas Tax Corporation



#### Migrating from on-premise to cloud to streamline operations

The firm was considering switching from its long-used on-premise software to address the rising demand for cloud migration and DX. Setting streamlined operations and regulatory compliance as key criteria, the firm selected *Money Forward Cloud* for its potential of being **adopted smoothly in offices** in light of its simple migration processes, efficient bookkeeping operations via API, and excellent UI and UX. Over 220 clients have implemented the service in FY2023 (as of November 30, 2023).

### Sanbe Accounting Group



#### Delivering added value to clients by promoting cloud

The group is one of the largest accounting firms in the Tohoku region and has been using installed software since its founding in 1965 but decided to adopt *Money Forward Cloud* in anticipation of the era of cloud-based software. **A new team dedicated to cloud was set up and has facilitated migrations** by over 120 clients during FY2023 (as of November 30, 2023).

**After adopting cloud-based software, the group has initiated new services including DX consulting.**

### Kanade Group



#### Shifted to cloud driven by service expansion and regulatory updates

The group aspires to provide management accounting services in addition to traditional services such as bookkeeping and financial accounting operations by leveraging cloud-based software that reduces the burden of data entries and enables timely data collection.

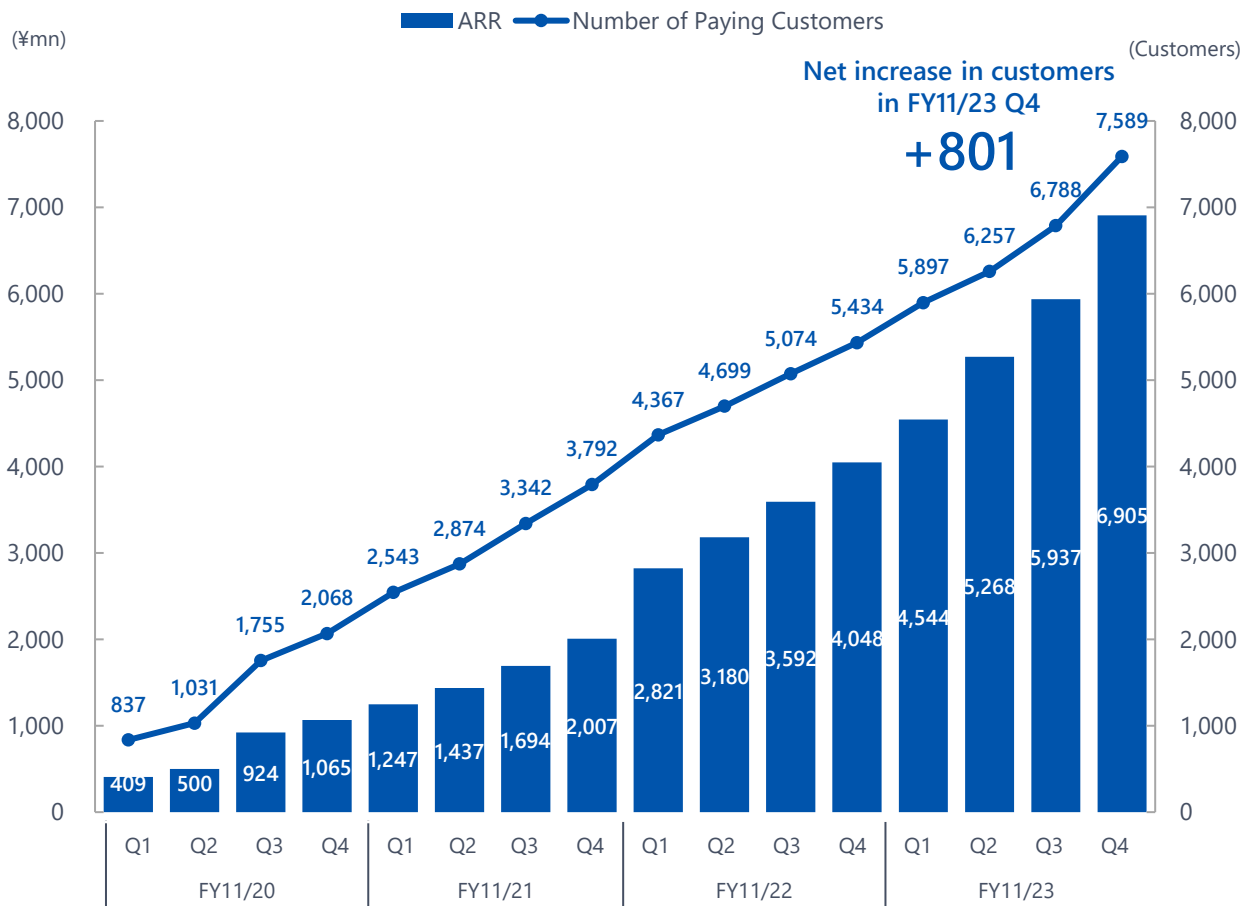
Fuelled by its **focus on DX consulting and Invoice System-related initiatives**, the group introduced *Money Forward Cloud* to more than 190 clients in FY2023 (as of November 30, 2023).



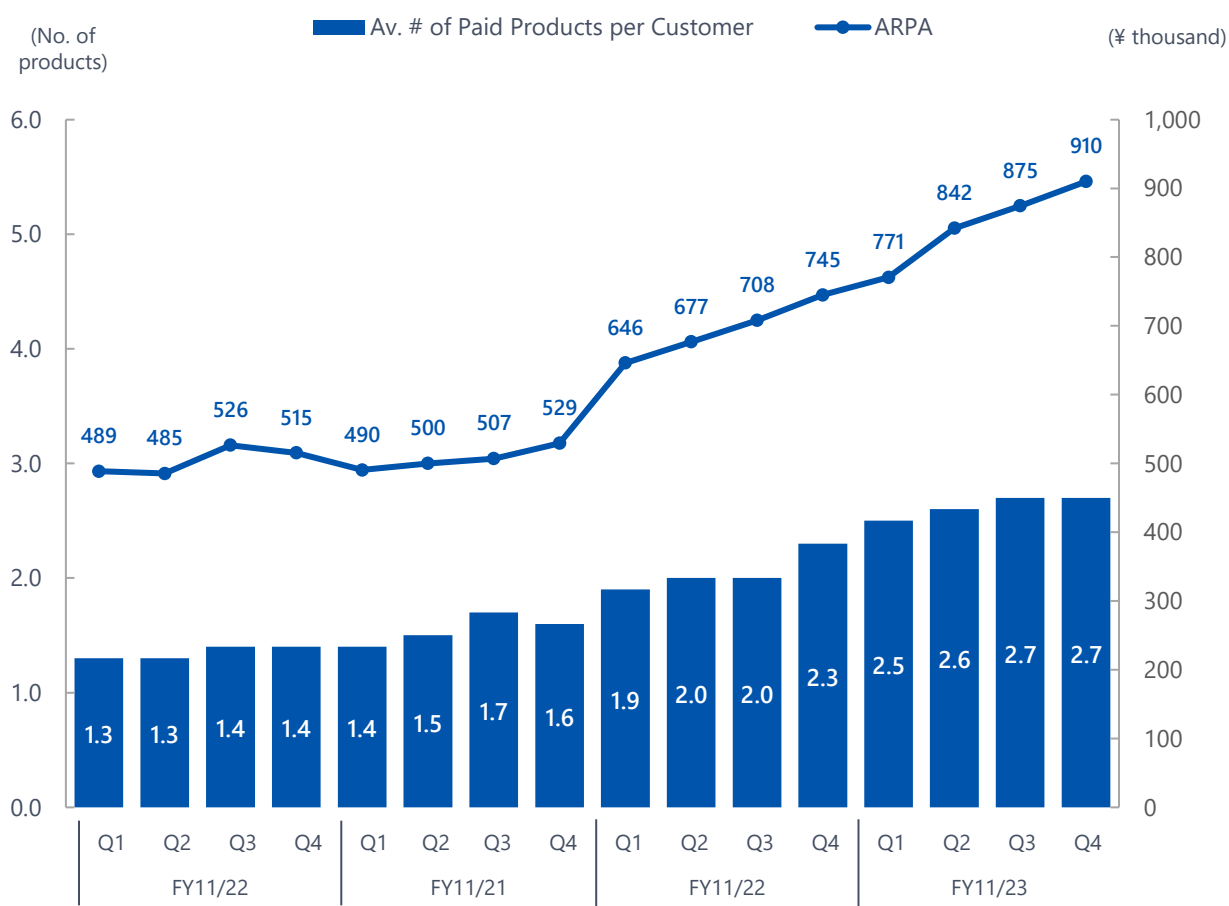
### 03. Midmarket ARR Continues to Rise in Terms of Both No. of Customers and ARPA

ARR for medium-sized companies\*1 has grown markedly over the past four years, with both the number of customers and ARPA continuing to rise rapidly.

Midmarket ARR\*1 and No. of customers

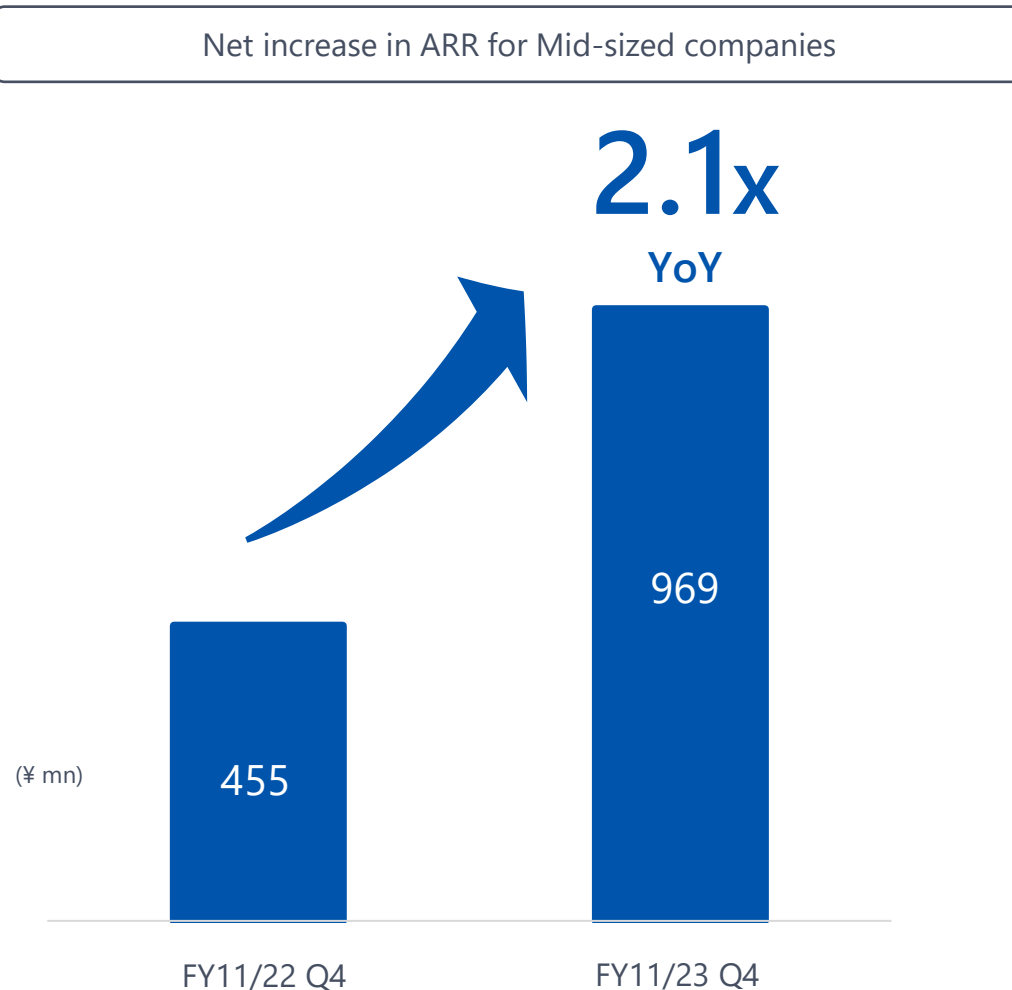


Average No. of paid products and ARPA per 1 medium-sized company



\*1 "Medium-sized companies" includes general corporate users (excluding professional service accounting firms) that have adopted such services as *Money Forward Cloud*, *Manageboard*, *V-ONE Cloud*, *HITTO*, and *Money Forward Admina* via field or partner sales, with the majority of companies having 50 or more employees.

### 03. Net Increase in ARR for Mid-Sized Companies Per Sales Personnel Doubled



- 1 Increase in cross-selling**
  - Multi-product implementations accelerated owing to integration among products and functional enhancements centered on new products.
  - Set up a team dedicated to cross-selling to existing customers.
- 2 Progress in acquisition of large enterprises**
  - Implementations among large enterprises (including group companies) accelerated, driven by added functions in expense and payable management services and proposals for cross-selling with *Pay for Business*.
- 3 Increase in the average order value per sales personal**
  - Contributed to early onboarding and skills development by upgrading orientations and standardizing proposals to customers.

### 03. Positive Uptake Continues in Midmarket (Case No.1)

As part of promoting companywide DX, the companies considered using cloud in their accounting divisions prompted by revisions to the Electronic Book Preservation Act and other regulations. Implemented *Money Forward Cloud Payable Management*, which not only complies with laws but also enables end-to-end cloud-based operations, including receiving invoices, logging expenses, preparing transfer data, and exporting data to other accounting systems.

Kyoto Toyopet Co., Ltd. 京都トヨペット

Netz Toyota Kyoka Co., Ltd. ネットトヨタ京華

Business

Sales of automobiles (Toyota cars, Lexus business, and used cars), parts, kerosene, and various automobile accessories; maintenance, repair, and mending of automobiles; sales of various insurance products; sales of mobile phones, etc.

Employees  
(as of March 31, 2022)

537 (Kyoto Toyopet), 161 (Netz Toyota Kyoka)

Established

1956 (Kyoto Toyopet), 1980 (Netz Toyota Kyoka)

Net sales

¥28.0 bn (Kyoto Toyopet, FY2021 results), ¥9.4 bn (Netz Toyota Kyoka, FY2020 results)

#### Before implementing service

Heavy workload of about six business days was required for manually entering data, making transfers, and accounting tasks.



Had to enter data of about 1,300 invoices per month and create journal data for the accounting system and firm banking data for transfers. Transfer-related tasks alone consumed four business days.



Ensured workflow control by stamping seals and sending and storing paper-based evidence.



#### Launch of Value Creation Project aimed at DX of back-office operations

Digitization of invoices **resulted in about a six business day reduction in man-hours** for post-processes, including creating and reconciling transfer data and entering data into other accounting systems, with not only the accounting division but all users enjoying the benefits of streamlined operations. Was able to implement **operational reforms that unleash the inherent value of back-office operations**, such as data analyses and proposals for improving operations based on such analyses.



Creates accounting and transfer data from invoices received by using the AI-OCR function in *Money Forward Cloud Payable Management*. Reconciling is no longer required as journal data for the headquarters' accounting system and bank transfer data are generated from the same data. In addition, transfers can be completed with one click via bank API integration.

The approval workflow is now completed within the system.  
Has also established a workflow that adequately addresses internal control.

### 03. Positive Uptake Continues in Midmarket (Case No.2)

Adopted *Money Forward Cloud Payable Management* and *Money Forward Cloud Expense* to comprehensively streamline the receipt of invoices, payments, and expense settlements. Also addressed the Invoice System and other legal revisions.

#### Kyocera Industrial Tools Corporation

(Adopted *Money Forward Cloud*)



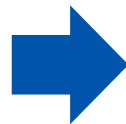
Business	Manufacturing, development and sales of electric tools
Employees (as of October 1, 2023)	517
Established	January 10, 2018

#### Kyocera Corporation (for reference)

Established	April 1, 1959
Employees (as of September 30, 2023)	Consolidated: 81,102
Market capitalization (as of November 30, 2023)	Approx. ¥3 tn

#### Before implementing service

Faced challenges in raising efficiency of the back office, managed in an analog fashion including manual data entries and paper documents, as well as in building a workflow that complies with regulations.



#### After implementing service

Selected *Money Forward Cloud* because of its UI design fit for going paperless (e.g., enables checking evidence and data submitted in system on a single screen) and its capability to unify master data of the invoice/payment data creation system and expense settlement system. **Built a back-office structure that enables paperless operations and compliance with the latest regulations** by addressing all formats of invoicing (digital and paper) and expense settlements.



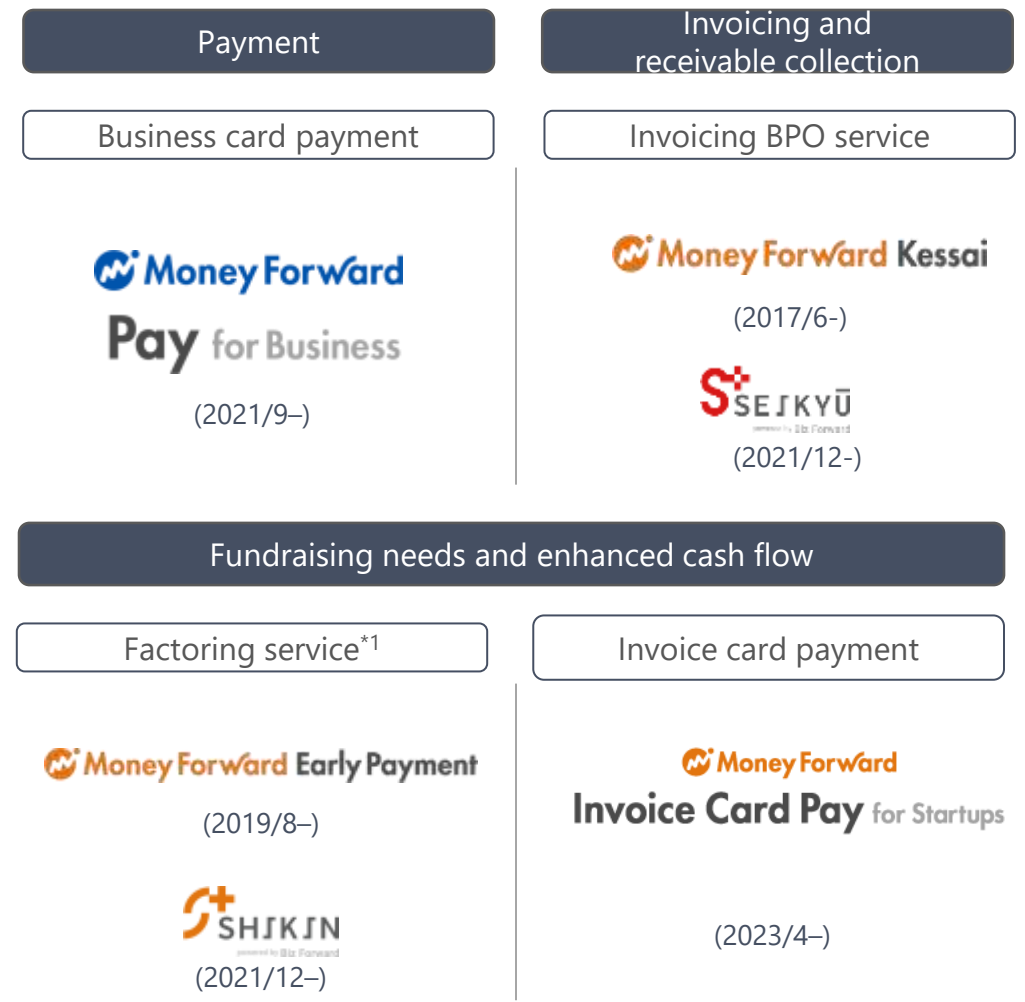
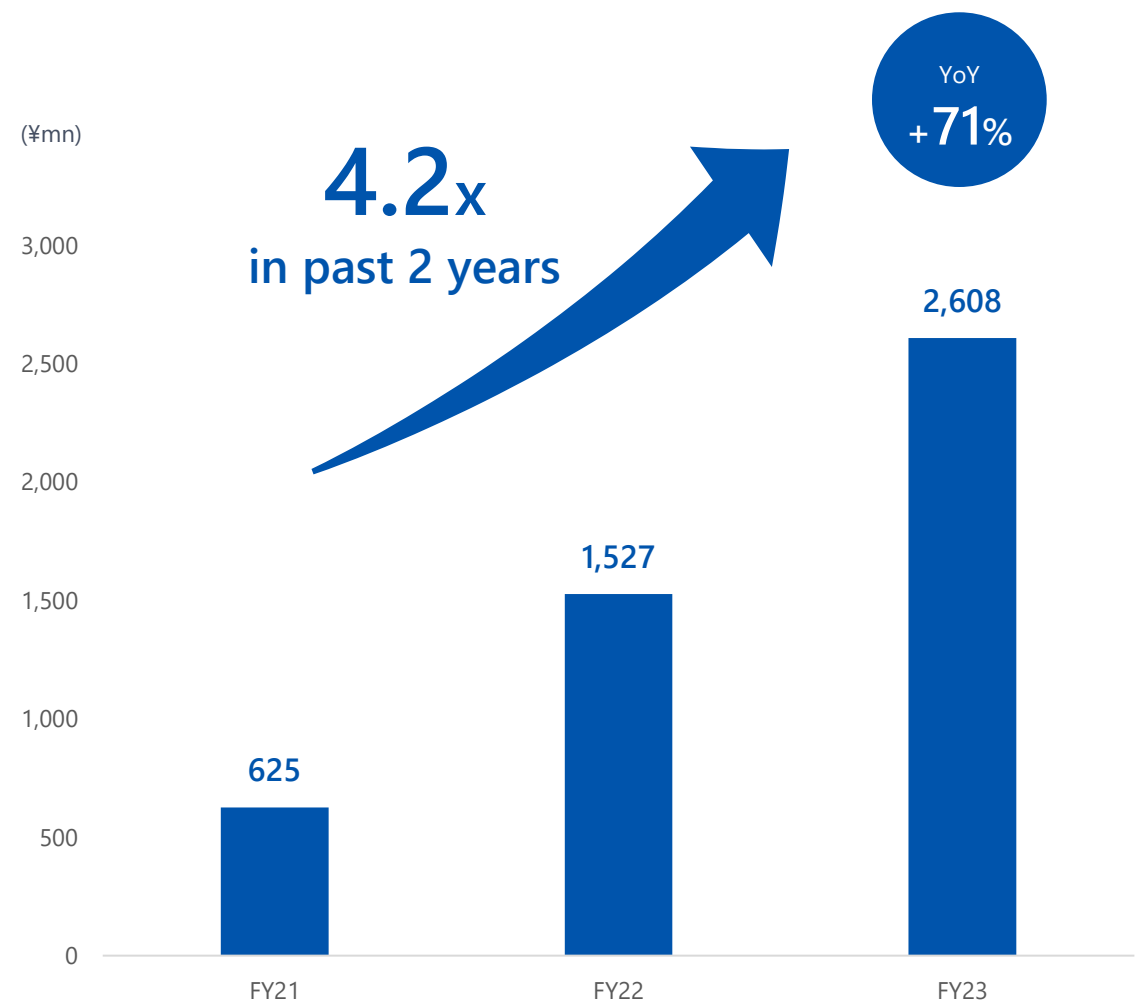
Money Forward  
Cloud Payable Management



Money Forward  
Cloud Expense

# 04. Revenue from Fintech Services Rose 4.2-fold in 2 Years on Expansion in SaaS User Base

A credit card function was released in *Pay for Business* in FY23 Q4, fuelling functional expansion.

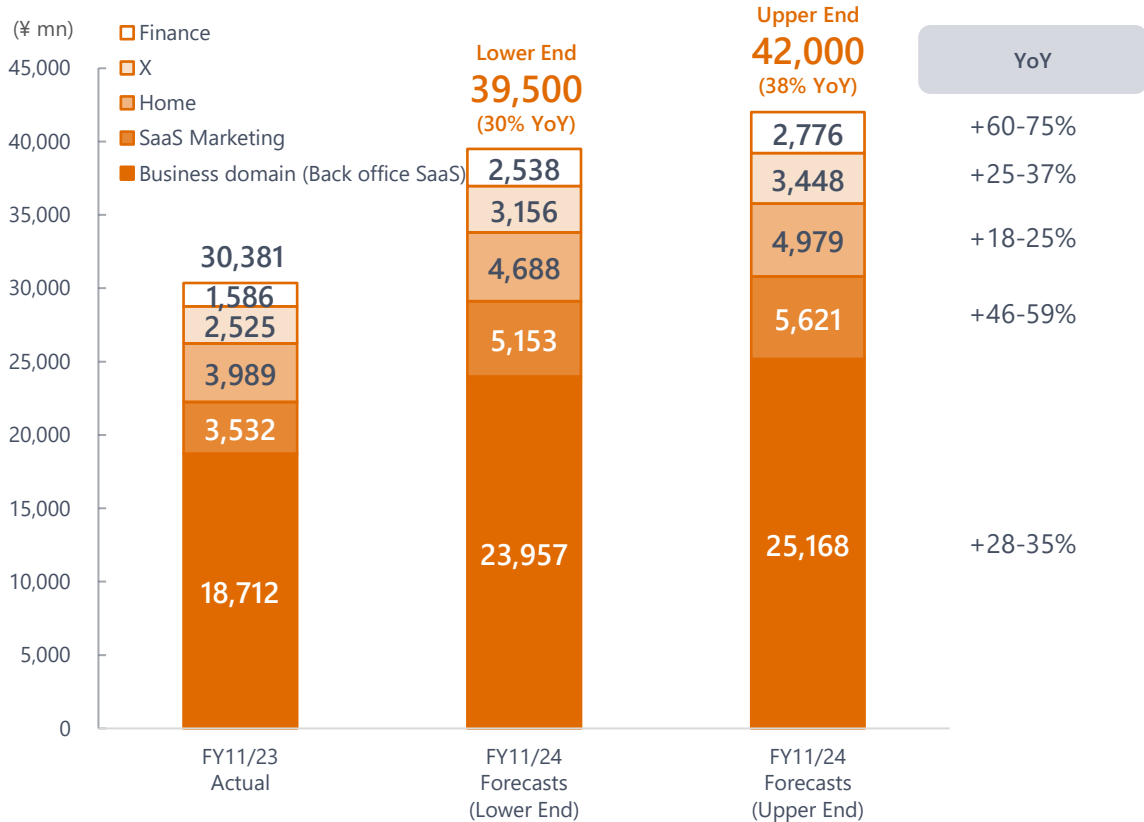


# **FY11/24 Guidance and Medium to Long Term Financial Targets**

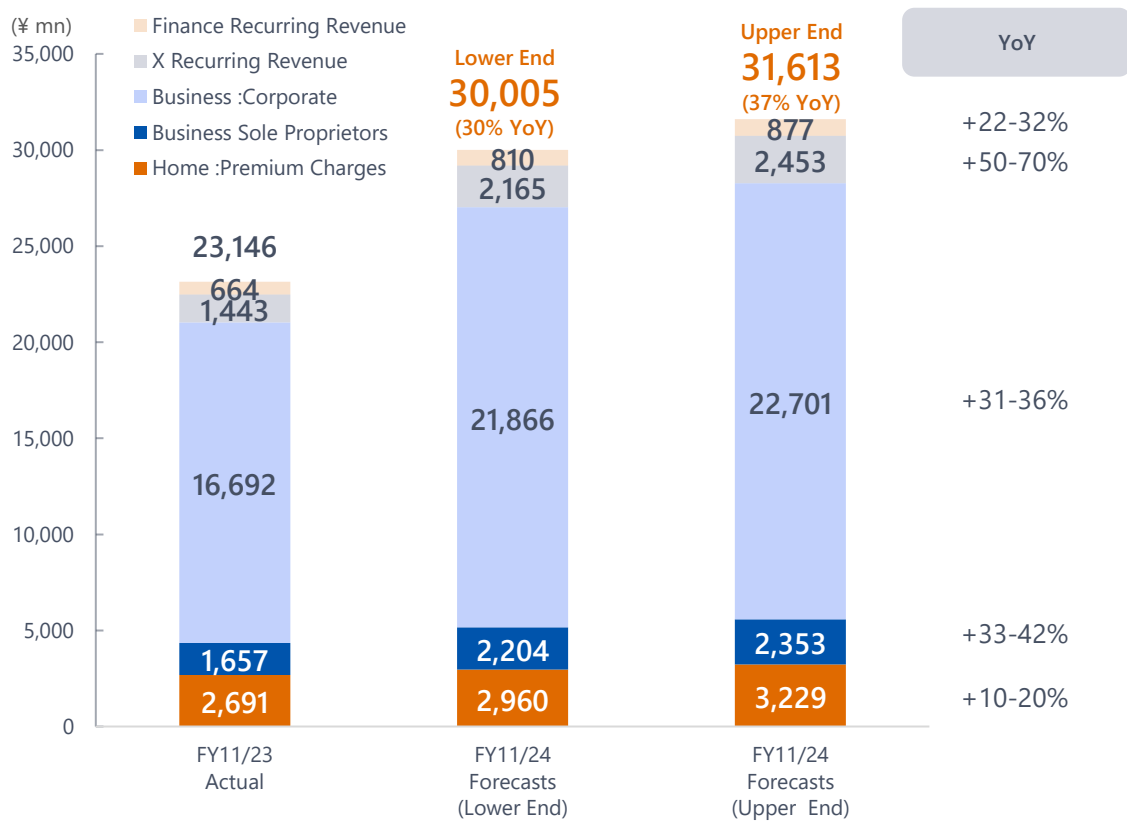
# FY11/24 Net Sales / SaaS ARR Forecasts (Each Domain)

For FY11/24, the target is to achieve net sales in the range of ¥39.5-42.0 bn(YoY+30-38%), SaaS ARR in the range of ¥30.0-31.6 bn(YoY +30-37%), and EBITDA within ¥1.0-3.0 bn. The target for the advertising expenses to sales ratio is an improvement to 15-17%, and the personnel and subcontract expenses to sales ratio are expected to be 64-69%. Additionally, the EBITDA Margin is aimed to improve by +10-15% compared to FY11/23.

Net Sales\*2 Forecasts



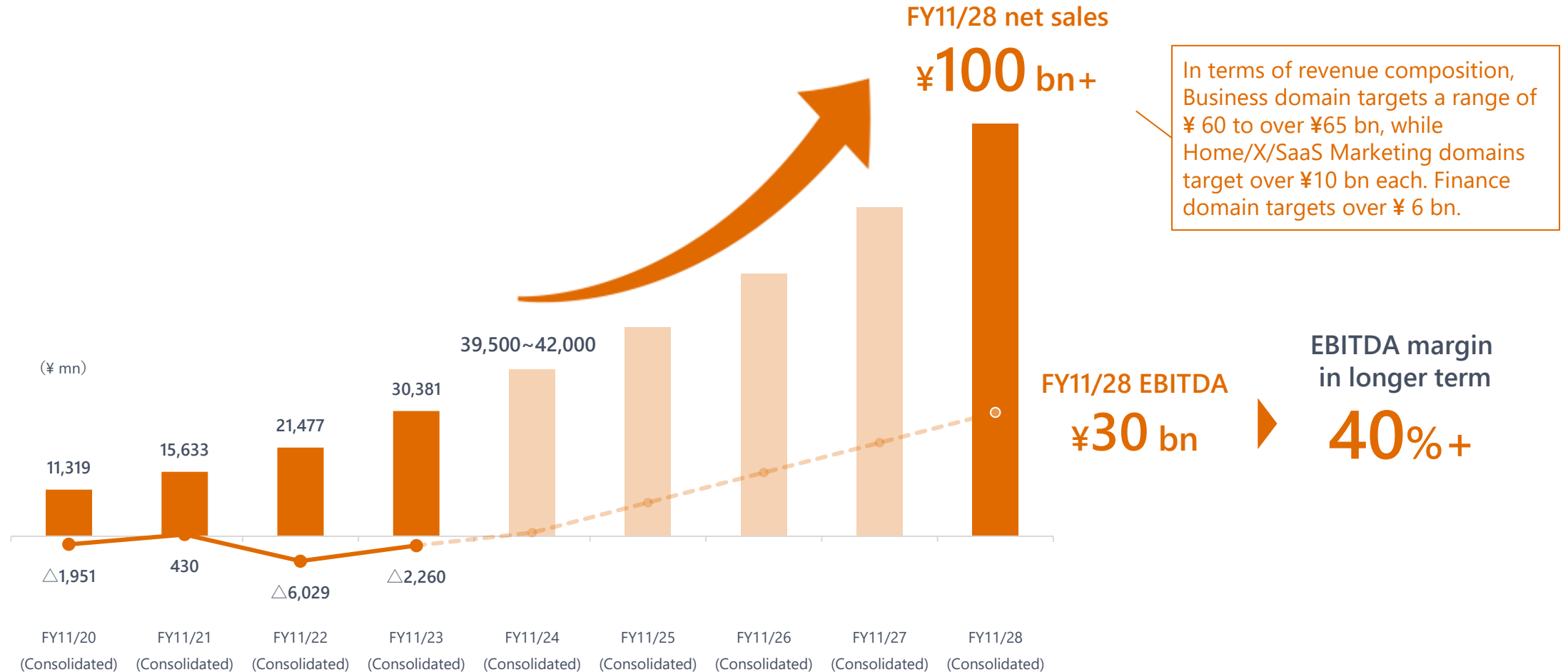
SaaS ARR Forecasts



\*1 As for FY11/23, the advertising expenses to sales ratio was 19%, the personnel and subcontract expenses to sales ratio was 75%, and EBITDA Margin was (7%). \*2 Includes other net sales.

## Medium to Long Term Financial Targets

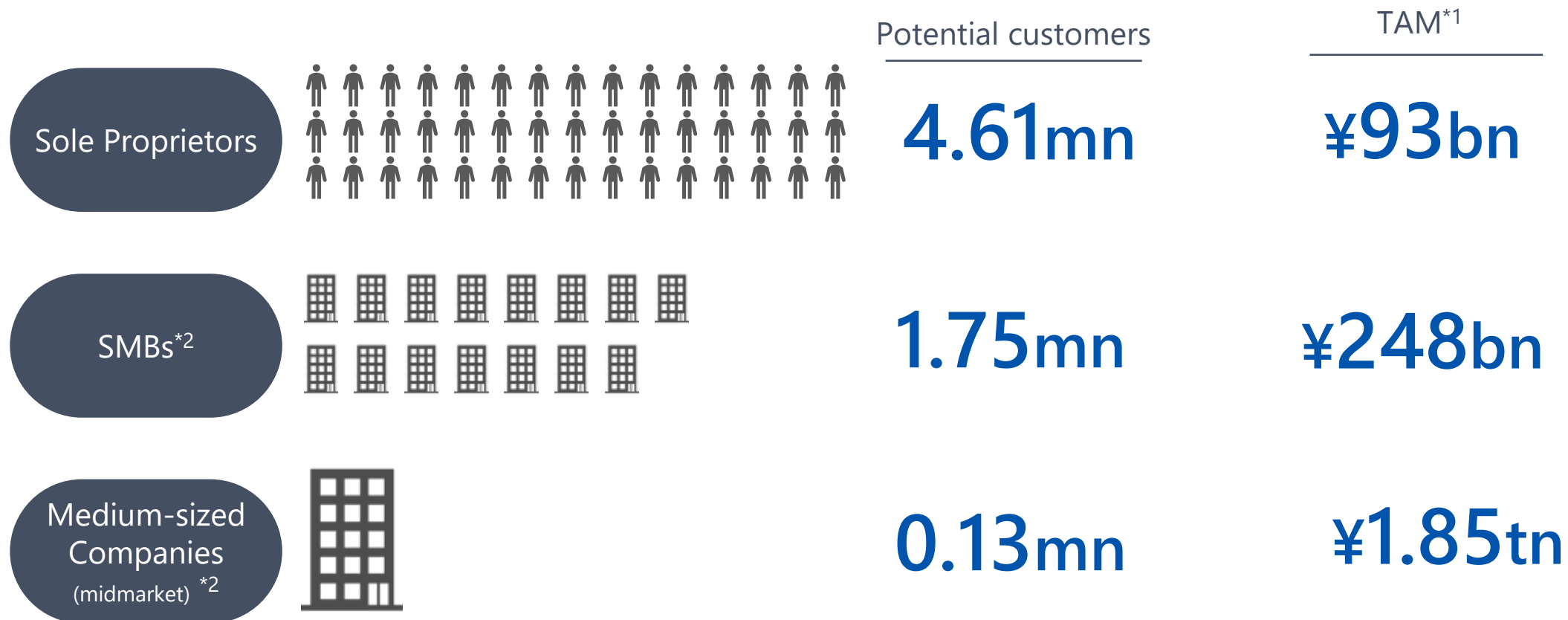
Aiming to achieve both high growth and better margins, with FY11/28 target net sales set to ¥100 bn+ (SaaS ARR ¥80bn+) and EBITDA to ¥30 bn+. In the longer term, eyeing an EBITDA margin of 40%+. Expecting EBITDA margin to improve 10-15% in FY11/24 and continue improvement FY11/25 and onward.





## Back Office SaaS Potential Market Size

Potential market size of back-office SaaS, Group's current area of focus, is estimated to be about **¥2.20 trillion**<sup>\*1</sup>.

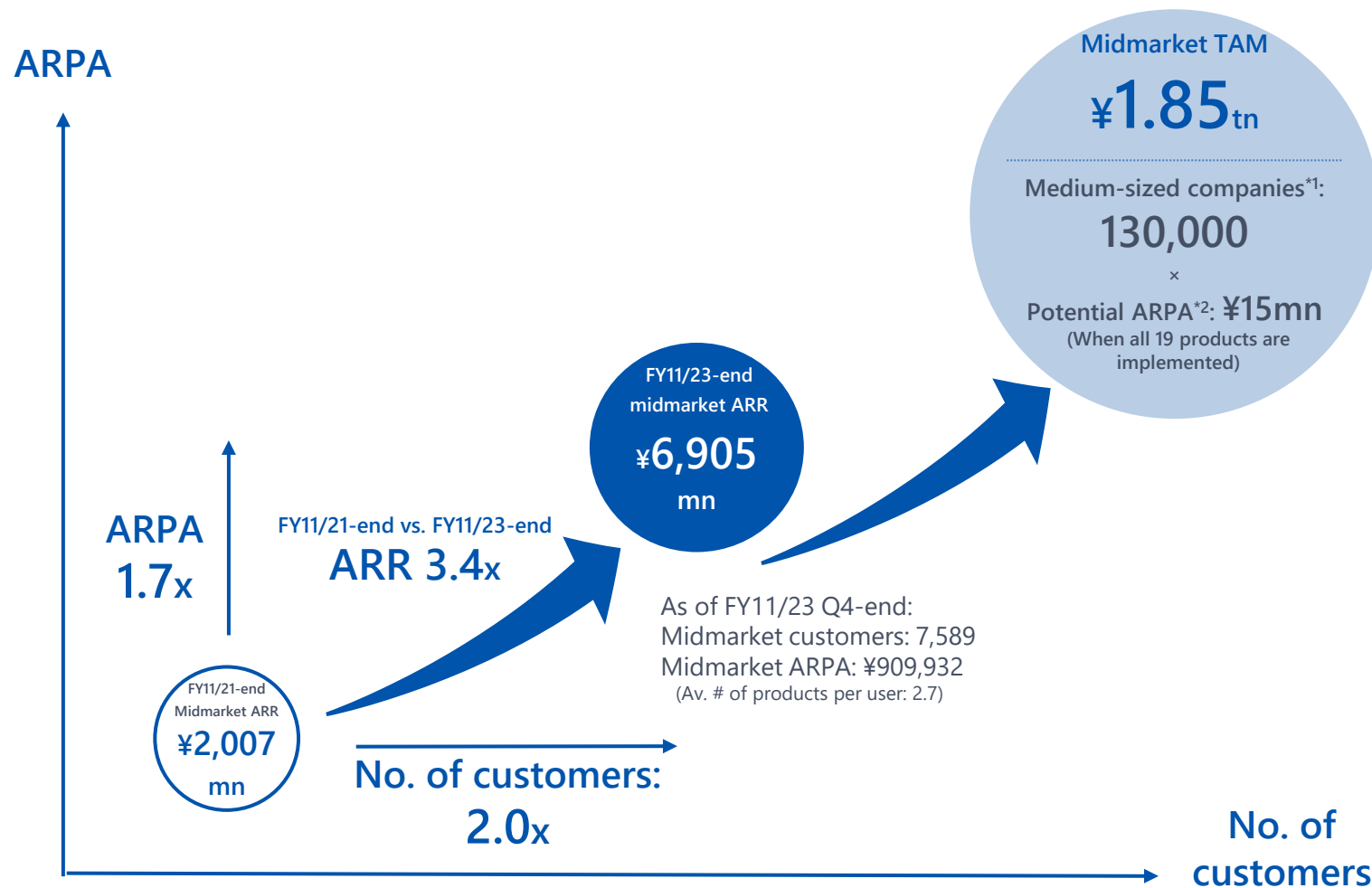


<sup>\*1</sup> Created by Money Forward, Inc. based on National Tax Agency 2021 Survey, MIAC June 2016 Economic Census Activity Survey, TEIKOKU DATABANK, Ltd, and Final tabulation report of the "Survey on the Actual Conditions Concerning the Administrative Workload of Settlement Affairs, etc.", October 26, 2016. Total annual expenditure when the Group's all potential customers introduced Money Forward Cloud in Japan. The total number of potential customers is the sum of sole proprietors and corporates with less than 2,000 employees.

<sup>\*2</sup> Revised the definitions of "Small Enterprise" (corporate with less than 20 employees) and "Medium Enterprise" (corporate with between 20 and 999 employees) which were used previously so that they will align with the company's latest classification. The definition of "SMBs" is corporate with less than 50 employees and that of "Medium-sized Companies" is corporate with between 50 and 1,999 employees.

## Potential of Midmarket

Further growth is expected driven by the expansion of the midmarket customer base and increase in ARPA (average number of paid products).

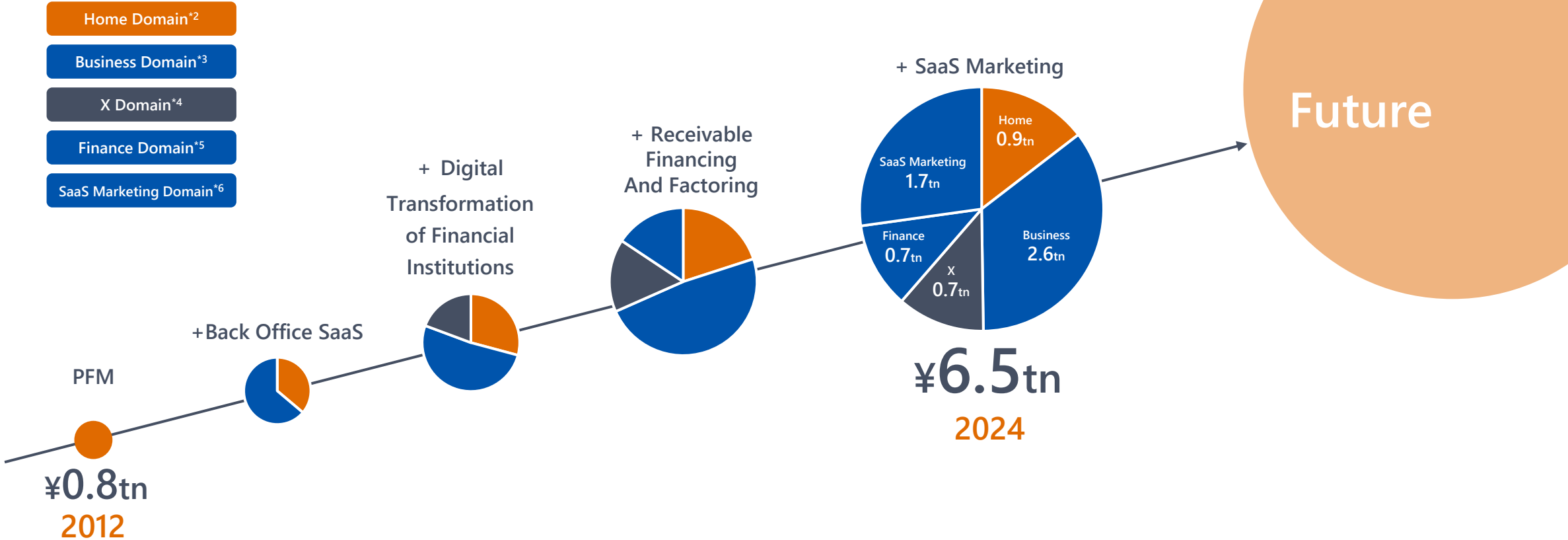


\*1 The total annual expenditure of all the Group's potential corporate users in Japan if they were to implement *Money Forward Cloud* or other *Money Forward* services. The total of potential corporate users is the sum of sole proprietors and companies with less than 2,000 employees. Prepared by Money Forward, Inc. based on the National Tax Agency's (NTA) 2021 survey, the Ministry of Internal Affairs and Communications' (MIC) June 2016 economic census activity survey, and Teikoku Databank, Ltd.'s *Final Aggregation Report of Survey on Administrative Workload of Payment Operations* (October 26, 2016). Companies with between 50 and 1,999 employees are defined as "medium-sized companies."

\*2 Annual fees paid by each company if they were to implement all 19 of the Group's services targeting the midmarket, based on the definition provided by the National Tax Agency, that the average number of employees of all medium-sized companies (50 to 1,999 employees) is 170 (NTA 2021 survey).

# TAM\*1 Continued to Expand, Driven by Expansion of Business Areas and Services

Continue to develop our business in this huge potential market, which totals ¥6.5tn, and aim for further growth.



\*1 Total Addressable Market. Potential market size for five domains of Money Forward is estimated, by using certain assumptions, based on third party research, publication as well as Money Forward historical data. \*2 See Business Overview's P21. \*3 The total TAM for Back Office SaaS and Pay for Business combined. See P32.\*4 Created by Money Forward, Inc. Calculated based on the market size for the Japanese contract software development market size and for *Mikatano* according to the Ministry of Internal Affairs and Communications/Ministry of Economy, Trade and Industry's 2021 Basic Survey on Information and Communications Industry multiplied by an estimated market share. \*5 Calculated based on an annual required working capital for Japanese companies with revenues of under ¥500 million according to the Small and Medium Enterprise Agency of Japan's Report on Basic Survey on SMB in 2021 multiplied by an estimated usage rate for accounts receivables financing services multiplied by a rate based on *Money Forward Kessa's* past fees received. Created by Money Forward, Inc. \*6 Estimated by the potential market size of back-office SaaS and the costs to net sales ratio. The potential market size of back-office SaaS is estimated by Fuji Chimera Research Institute, Inc., "2022 New Software Business Market" and the costs to net sales ratio is based on financial reports and presentation documents of Money Forward, RAKUS, Uzabase, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, TeamSpirit, and Yappli available as of December 31, 2022. All of those are created by Money Forward, Inc.

\*These figures are not intended as an objective indicator of the size of the market for our businesses as of October 2023. Actual market size may differ from this estimate due to the limitations peculiar to such third-party research and publications in terms of their accuracy.

Financial Results

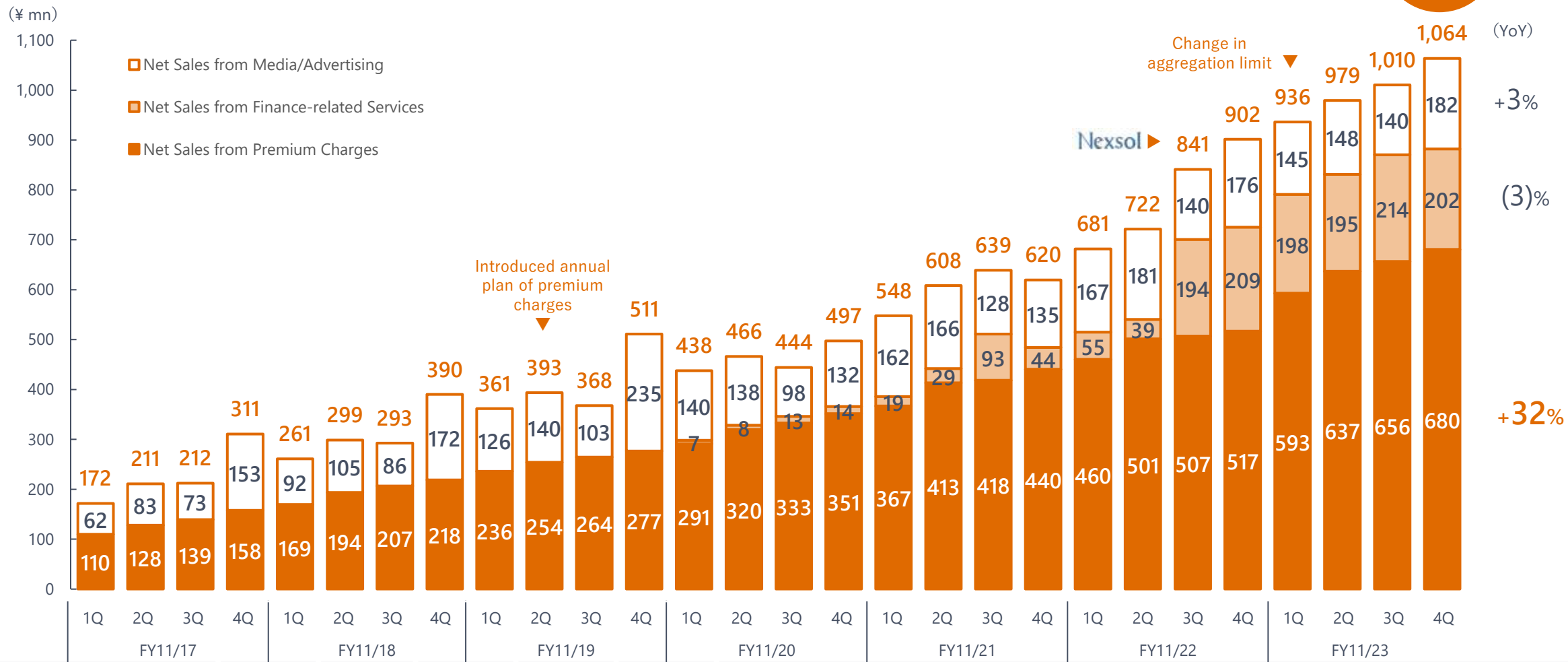
Appendix

# Financial Highlights by Domain

## Quarterly Net Sales of Home Domain

Revenue from premium charges **climbed 32% YoY** in part due to the change in the maximum number of connectable financial services in *Money Forward ME*. *Money Forward EXPO* was held offline for the first time in four years, with more than 4,000 applicants.

**+18%**  
YoY

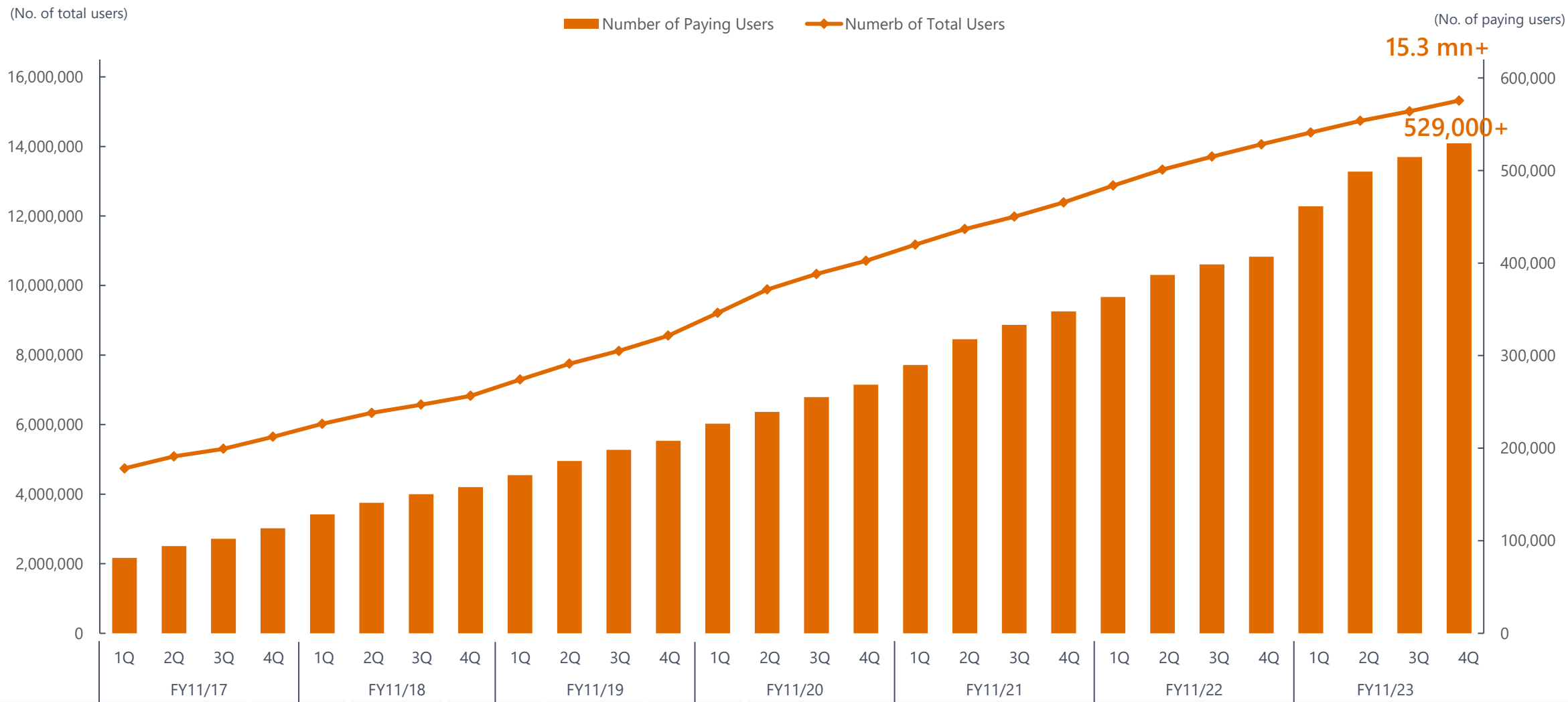


\* Net sales from financial services include revenues from *Money Forward Personal Financial Consulting*, *Money Forward Fixed Cost Review*, and Nexsol Co., Ltd.

\* Net sales from premium charges of *Money Forward for XX*, which targets financial institutions, have been revised retroactively since charges will be recognized in X domain from FY11/22.

## Total and Paying Users of *Money Forward ME*

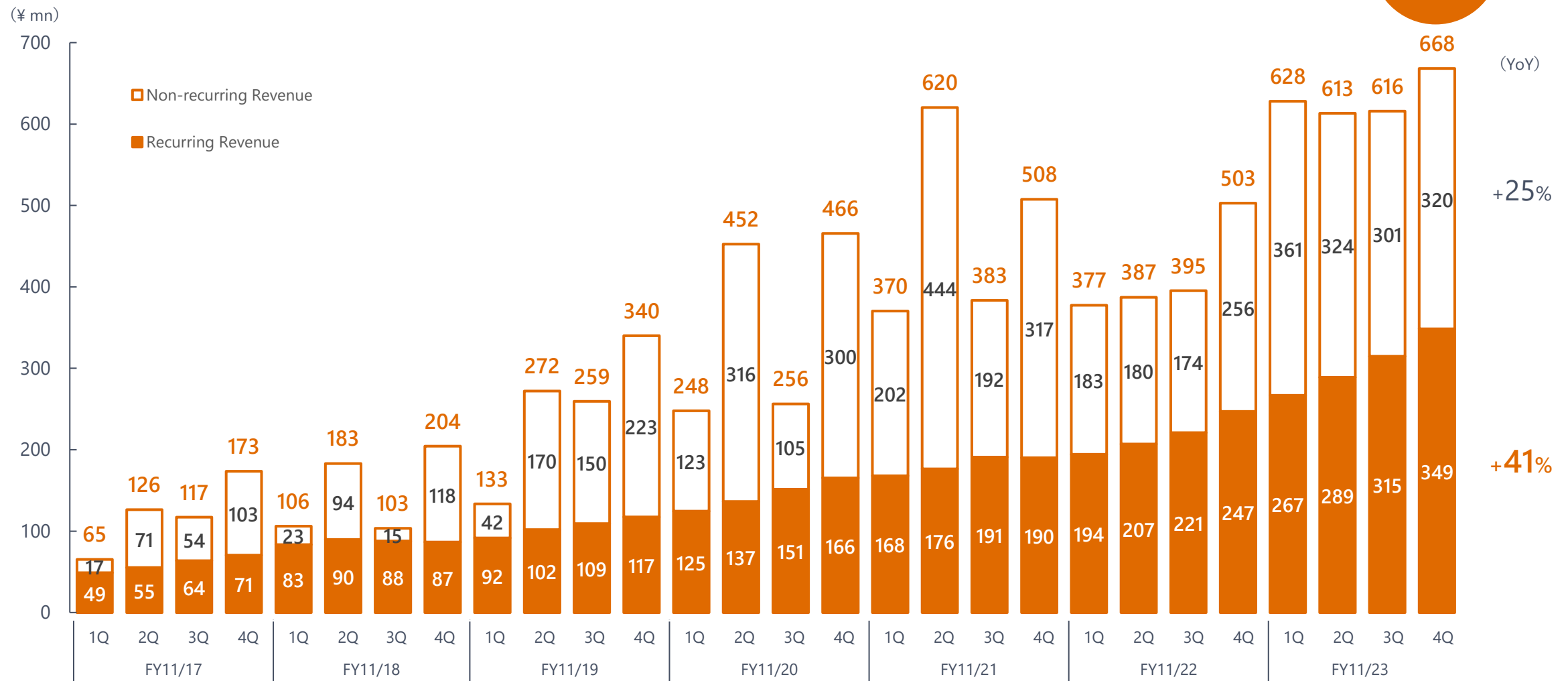
The number of total and paying users expanded steadily, topping 15.3 million\*<sup>1</sup> and 520,000, respectively.



\*1 Accumulated number of users of *Money Forward ME* in Home domain, consisting of app downloads and online registrations. Excludes the number of users of services for financial institutions in X domain, which was previously included.

## Quarterly Net Sales of X Domain

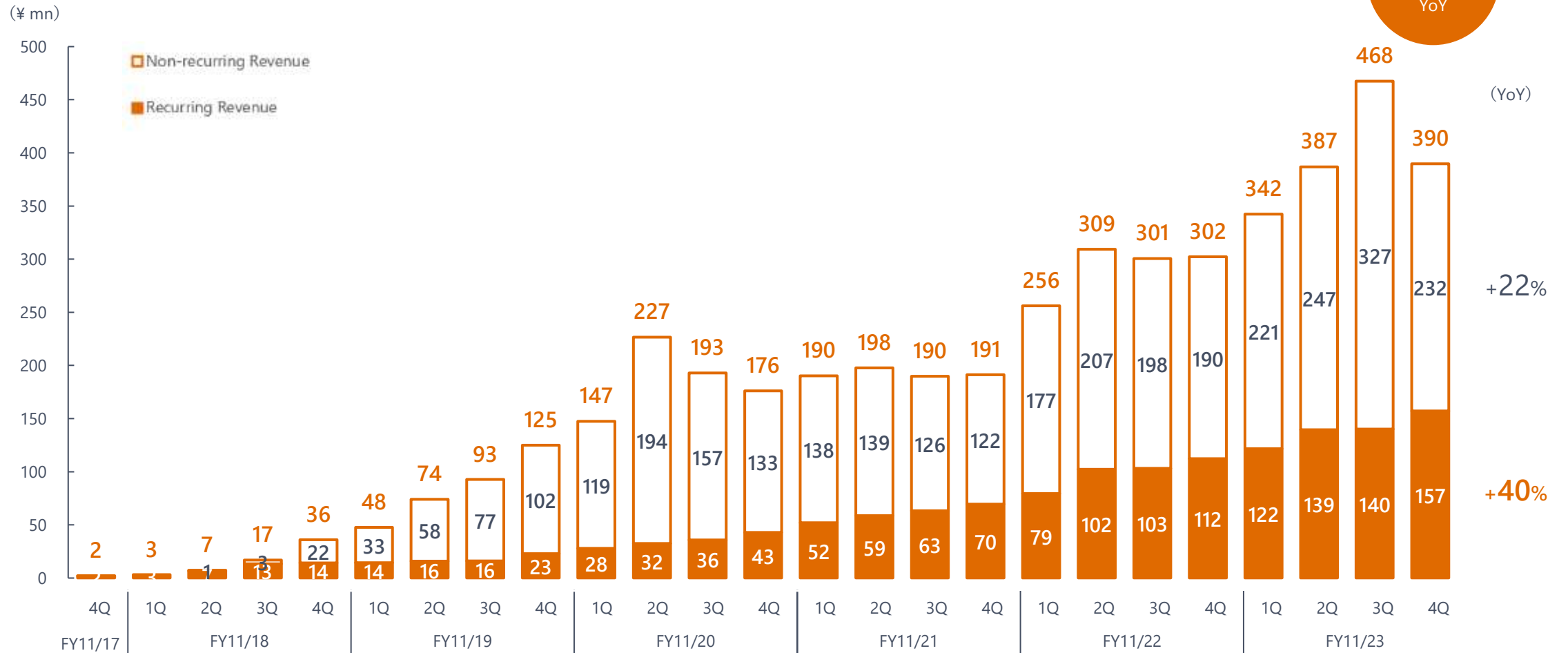
Recurring revenue **increased by 41% YoY**, driven by robust growth of the *Mikatano* series.  
Non-recurring revenue climbed 25% YoY.



\* Net sales from premium charges of *Money Forward for XX*, which targets financial institutions, have been revised retroactively since charges are recognized as recurring revenue in X domain from FY11/22.

## Quarterly Net Sales of Finance Domain

The invoicing/payment BPO service (recurring revenue\*<sup>1</sup>) continued to grow rapidly, **up 40% YoY**.  
 The transaction volume in the factoring business (non-recurring revenue\*<sup>1</sup>) dropped from Q3 due to credit tightening in light of the macro environment.



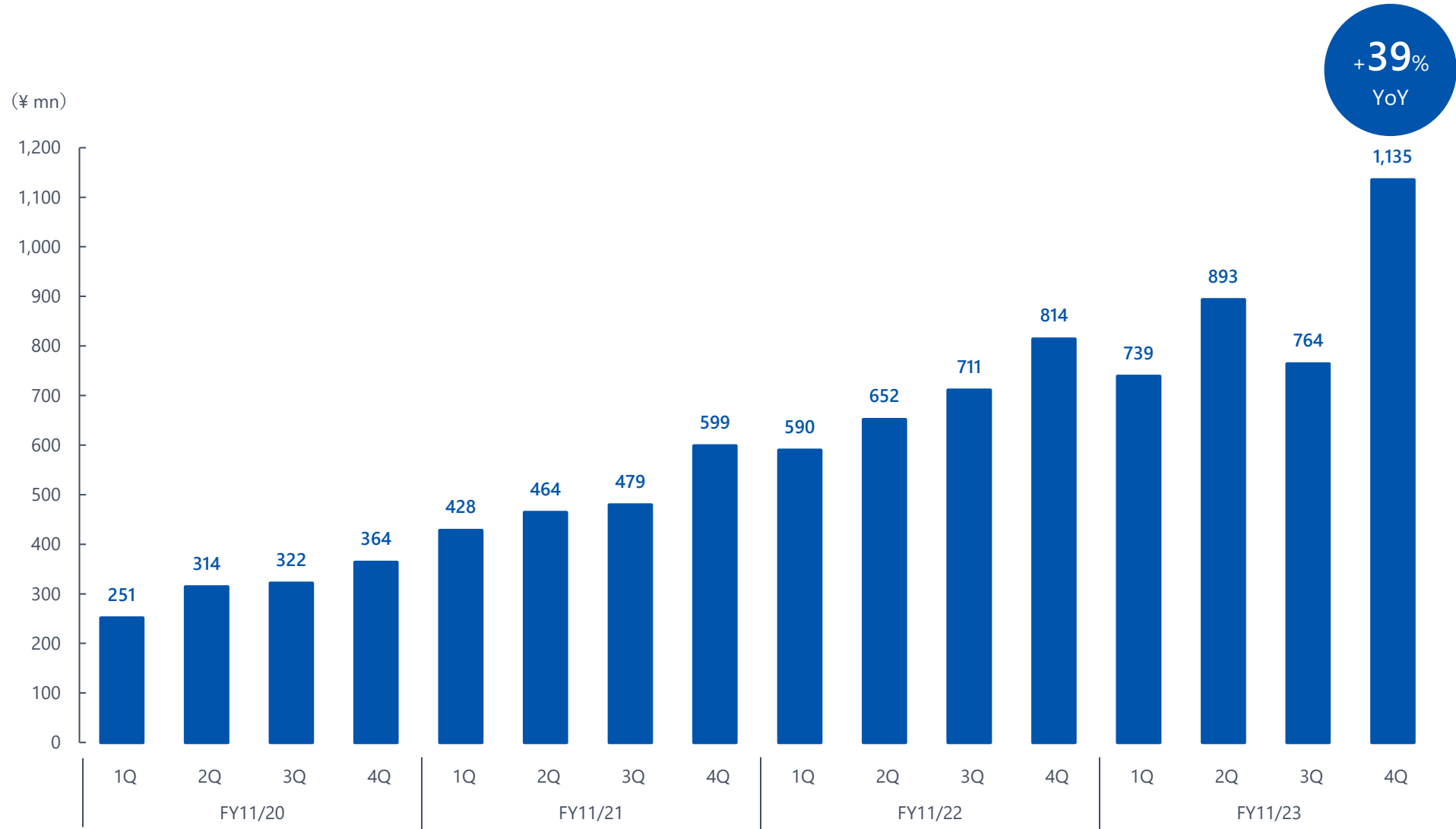
\*1 Recurring revenue includes monthly fixed fees, and settlement and associated fees of *Money Forward Kessai* and *SEIKYU+*. Non-recurring revenue includes net sales of *Money Forward Early Payment*, *SHIKIN+*, *Money Forward Invoice Card Pay for Startup*, as well as postage fees of *Money Forward Kessai* and *SEIKYU+*.

\* Non-recurring revenue was especially high in FY11/23 Q3 as VC business HIRAC FUND recorded ¥44 million in net sales in association with the sales of operational investment securities.



## SaaS Mark Quarterly Net Sales of SaaS Marketing Domain

Net sales **rose 39% YoY** owing to *BOXIL EXPO* etc. Acquired BizHint, Inc., which operates a website "*BizHint*" dedicated to cloud usage and enhanced productivity. The financial results of BizHint, Inc. will be consolidated from FY11/24 Q1.



## Definition of KPIs

<b>MRR</b>	Monthly recurring revenue. Total recurring revenue as of the end of a particular month.
<b>ARR</b>	Annual recurring revenue. Calculated by multiplying the MRR as of the end of a particular period by 12.
<b>SaaS ARR</b>	Calculated by multiplying the MRR of Home, Business, X, and Finance domains at the end of a particular period by 12. Includes: 1) revenue from premium charges in Home domain, 2) revenue from sales of services, including <i>Money Forward Cloud</i> , <i>STREAMED</i> , <i>Manageboard</i> , <i>V-ONE Cloud</i> , <i>Money Forward Certified Member System</i> , <i>HITTO</i> , and <i>Money Forward Admina</i> , in Business domain, 3) maintenance income of co-creation projects with financial institutions and revenue from services for customers of financial institutions, including the <i>Mikatano</i> series and <i>Money Forward for XX</i> , in X domain, and 4) monthly fixed fees as well as settlement and associated fees of <i>Money Forward Kessai</i> in Finance domain. In order to adjust for seasonal factors of <i>STREAMED</i> , its MRR is calculated as one-third of its revenue in Q1 and Q2 of each fiscal year.
<b>Paying customer</b>	Paid subscribers of services provided in Business domain, consisting of 1) professional service firms and their clients and 2) businesses and sole proprietors who have subscribed via direct marketing, including the web channel or field sales.
<b>ARPA</b>	Average revenue per paying account. Calculated as: (ARR as of the end of a particular period) / (number of customers).
<b>New ARPA</b>	Calculated as: (MRR deriving from new paying customers) / (number of new paying customers).
<b>Customer churn rate</b>	Average monthly churn rate of a particular period. Calculated as [number of customer churns during (N) months] / [number of customers as of the end of (N-1) month].
<b>MRR churn rate (based on MRR)</b>	Average monthly churn rate based on MRR of a particular period. Calculated as: $1 - \frac{[\text{MRR as of the end of (N) month from customers as of the end of (N-1) month}]}{[\text{MRR as of the end of (N-1) month}]}$ . A negative value (negative churn) indicates cases where the impact of the increase in revenue from upselling or cross-selling among existing customers surpasses the impact of the decrease in revenue due to customer churns.
<b>CAC payback period</b>	Customer acquisition cost payback period (months). CAC Payback Period is calculated as (customer acquisition cost / number of new customers) / (new ARPA * gross margin * NRR). The customer acquisition cost included the total expenses associated with sales and marketing, such as advertising and personnel costs for sales and marketing departments for corporate services like <i>Money Forward Cloud</i> , <i>Streamed</i> , <i>Manageboard</i> , <i>V-ONE Cloud</i> , <i>HITTO</i> , and <i>Money Forward Admina</i> . The gross margin was derived by deducting costs related to service operations personnel, customer support department expenses, and commission expenses from revenue. Prior to FY23 Q2 the Customer Acquisition Cost Payback Period was calculated as (customer acquisition cost / number of acquired customers) / (ARPA * gross margin). Unlike the prior calculation based on the ARPA of existing customers, this revised method appropriately considers the expected revenue from new customers. It factors in the improvements in the new revenue per account (new ARPA) and the enhancement in ARPA after acquisitions through cross-selling (NRR).
<b>NRR</b>	Net revenue retention. Metric that indicates the change in MRR of a cohort of paying customers from the same month of the previous year, calculated as: (MRR of the cohort in the current month) / (MRR of the cohort in the same month of the previous year).

### Disclaimer

The forward-looking statements and other contents included in this material are determined based on information currently available and may be subject to change due to macro economic trends, changes in the market environment or industry in which the Group operates, or for other internal/external factors.

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

The names of companies, products, and service (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective right holders.

**FY11/24 1Q financial results briefings call is scheduled  
to be held on 16:00 or later on April 12, 2024.**