

Translation

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Summary of Consolidated Financial Results for the Year Ended November 30, 2023 (Based on Japanese GAAP)

January 12, 2024

Company name: Money Forward, Inc.
 Stock exchange listing: Tokyo
 Stock code: 3994 URL <https://corp.moneyforward.com>
 Representative: Representative Director, President and CEO Yosuke Tsuji
 Group Executive Officer and Accounting Department Manager
 Inquiries: Shun Matsuoka TEL 03(6453)9160
 Scheduled date of ordinary general meeting of shareholders: February 28, 2024
 Scheduled date to file Securities Report: February 28, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended November 30, 2023 (from December 1, 2022 to November 30, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		SaaS ARR		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended November 30, 2023	30,380	41.5	23,146	42.0	(2,260)	–	(6,329)	–	(6,738)	–	(6,315)	–
Year ended November 30, 2022	21,477	37.4	16,299	45.2	(6,029)	–	(8,469)	–	(9,581)	–	(9,449)	–

(Note) Comprehensive income (millions of yen)

Year ended November 30, 2023: (5,659) (-%). Year ended November 30, 2022: (8,766) (-%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended November 30, 2023	(116.98)	–	(20.9)	(8.7)	(20.8)
Year ended November 30, 2022	(176.44)	–	(25.9)	(15.6)	(39.4)

(Reference) Share of loss of entities accounted for using equity method (millions of yen)

Year ended November 30, 2023: (70). Year ended November 30, 2022: (92).

(Note 1) SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of STREAMED, its MRR is calculated as one-third of the revenue from STREAMED in Q1 and Q2 of each fiscal year (rounded to the nearest million yen).

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

(Note 3) Diluted earnings per share for the year ended November 30, 2023 is not disclosed although the company has dilutive shares, due to its net loss position.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2023	88,282	34,660	31.5	514.09
As of November 30, 2022	65,986	35,082	49.4	606.33

(Reference) Equity (millions of yen)

Year ended November 30, 2023: 27,822. Year ended November 30, 2022: 32,600

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended November 30, 2023	2,460	(7,448)	17,462	38,818
Year ended November 30, 2022	(4,124)	(14,780)	9,074	26,309

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended November 30, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ended November 30, 2023	–	0.00	–	0.00	0.00	–	–	–
Year ending November 30, 2024 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

Percentages indicate year-on-year changes

	Net sales		SaaS ARR		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	39,500 ~42,000	30.0 ~38.3	30,005 ~31,613	29.6 ~36.6	1,000 ~3,000	–

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	(3,898) ~(1,898)	–	(4,397) ~(2,397)	–	(4,725) ~(2,725)	–	(86.92) ~(50.13)

(Note 1) Rounded to the nearest million yen.

(Note 2) SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of STREAMED, its MRR is calculated as one-third of the revenue from STREAMED in Q1 and Q2 of each fiscal year (rounded to the nearest million yen).

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

(Note 4) The advertising expenses to sales ratio are expected to be 15.0-17.0%, and the personnel and subcontract expenses to sales ratio are expected to be 64.0-69.0%.

4. Notes

(1) Changes in significant subsidiaries during the year ended November 30, 2023

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of November 30, 2023	54,235,305 shares	As of November 30, 2022	53,828,535 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	115,124 shares	As of November 30, 2022	61,247 shares
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Average number of shares during the period

Year ended November 30, 2023	53,982,543 shares	Year ended November 30, 2022	53,556,752 shares
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(Reference)

Non-consolidated financial results for the year ended November 30, 2023 (from December 1, 2022 to November 30, 2023)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended November 30, 2023	21,620	46.9	(5,610)	-	(5,876)	-	(5,715)	-
Year ended November 30, 2022	14,720	31.1	(7,208)	-	(7,284)	-	(8,116)	-

	Earnings per share	Diluted earnings per share
Year ended November 30, 2023	Yen (105.87)	Yen -
Year ended November 30, 2022	(151.54)	-

(Note) Diluted earnings per share is not disclosed although the company has dilutive shares, due to its net loss position.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
Year ended November 30, 2023	Millions of yen 75,129	Millions of yen 32,581	% 42.7	Yen 592.72
Year ended November 30, 2022	55,319	36,366	65.7	675.75

(Reference)Equity (millions of yen)

Year ended November 30, 2023: 32,078. Year ended November 30, 2022: 36,333

*Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts, and other special matters.

(Cautionary statement regarding forward-looking statements)

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the company and certain assumptions deemed reasonable. Results may differ materially from the forecasts due to various factors.

Consolidated Financial Statements
Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2022	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	26,712,865	38,855,733
Notes and accounts receivable - trade, and contract assets	2,327,171	4,139,325
Operational investment securities	1,769,083	3,667,981
Inventories	20,426	12,008
Purchased receivables	5,454,012	5,827,883
Other	2,626,285	2,650,063
Allowance for doubtful accounts	(94,815)	(155,775)
Total current assets	<u>38,815,030</u>	<u>54,997,220</u>
Non-current assets		
Property, plant and equipment		
Buildings	593,629	991,232
Accumulated depreciation	(202,388)	(218,201)
Buildings, net	<u>391,240</u>	<u>773,030</u>
Tools, furniture and fixtures	590,452	724,783
Accumulated depreciation	(259,377)	(334,468)
Tools, furniture and fixtures, net	<u>331,075</u>	<u>390,314</u>
Construction in progress	<u>8,750</u>	-
Total property, plant and equipment	<u>731,066</u>	<u>1,163,345</u>
Intangible assets		
Goodwill	4,504,481	3,843,595
Software	4,552,583	7,848,892
Software in progress	1,919,275	1,772,113
Other	507	459
Total intangible assets	<u>10,976,847</u>	<u>13,465,061</u>
Investments and other assets		
Investment securities	13,284,537	16,640,845
Leasehold and guarantee deposits	1,156,316	984,183
Other	1,022,906	1,031,754
Total investments and other assets	<u>15,463,760</u>	<u>18,656,783</u>
Total non-current assets	<u>27,171,675</u>	<u>33,285,190</u>
Total assets	<u>65,986,706</u>	<u>88,282,410</u>

(Thousands of yen)

As of November 30, 2022 As of November 30, 2023

		As of November 30, 2022	As of November 30, 2023
Liabilities			
Current liabilities			
Accounts payable - trade		340,994	370,317
Short-term borrowings		8,240,000	4,937,000
Current portion of long-term borrowings		2,295,000	3,488,750
Accounts payable - other		5,386,371	8,563,985
Accrued expenses		1,352,406	1,519,897
Income taxes payable		169,550	219,037
Deposits received		2,264,560	5,422,686
Contract liabilities		3,486,806	4,849,429
Provision for bonuses		190,600	297,960
Provision for bonuses for directors (and other officers)		58,029	80,042
Provision for point card certificates		47,608	260,316
Other		132,841	771,154
Total current liabilities		23,964,769	30,780,576
Non-current liabilities			
Long-term borrowings		6,367,157	8,947,869
Convertible-bond-type bonds with share acquisition rights		–	12,000,000
Bonds payable		–	1,000,000
Retirement benefit liability		4,848	6,454
Reserve for bonuses		–	6,288
Reserve for directors' bonuses		–	1,317
Other		567,107	879,440
Total non-current liabilities		6,939,113	22,841,370
Total liabilities		30,903,882	53,621,947
Net assets			
Shareholders' equity			
Share capital		26,316,141	26,716,695
Capital surplus		15,804,942	7,595,957
Retained earnings		(10,693,566)	(8,378,442)
Treasury shares		(1,219)	(1,352)
Total shareholders' equity		31,426,298	25,932,858
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities		1,073,608	1,766,439
Foreign currency translation adjustment		101,059	123,445
Total accumulated other comprehensive income		1,174,667	1,889,884
Share acquisition rights		32,860	504,492
Non-controlling interests		2,448,996	6,333,228
Total net assets		35,082,823	34,660,463
Total liabilities and net assets		65,986,706	88,282,410

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

(Thousands of yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Net sales	21,477,195	30,380,629
Cost of sales	8,079,469	11,298,423
Gross profit	13,397,725	19,082,206
Selling, general and administrative expenses	21,867,022	25,412,008
Operating loss	(8,469,297)	(6,329,802)
Non-operating income		
Interest income	549	1,287
Dividend income	524	1,350
Subsidy income	2,580	5,049
Consumption taxes refund	3	–
late charges income	1,206	–
Other	5,742	7,180
Total non-operating income	10,606	14,868
Non-operating expenses		
Interest expenses	83,054	131,480
Share issuance costs	4,126	4,730
Bond issuance costs	–	108,324
Foreign exchange losses	89,744	60,417
Loss on investments in investment partnerships	22,047	39,177
Share of loss of entities accounted for using equity method	922,064	70,906
Other	1,819	9,021
Total non-operating expenses	1,122,857	424,058
Ordinary loss	(9,581,548)	(6,738,993)
Extraordinary income		
Gain on reversal of share acquisition rights	1,070	1,535
Total extraordinary income	1,070	1,535
Extraordinary losses		
Loss on retirement of non-current assets	1,328	67,890
Loss on valuation of investment securities	33,819	–
Total extraordinary losses	35,148	67,890
Loss before income taxes	(9,615,626)	(6,805,348)
Income taxes - current	101,095	120,120
Income taxes - deferred	(14,934)	(65,648)
Total income taxes	86,161	54,472
Loss	(9,701,788)	(6,859,820)
Loss attributable to non-controlling interests	(251,983)	(544,769)
Loss attributable to owners of parent	(9,449,804)	(6,315,050)

Consolidated Statements of Comprehensive Income

	(Thousands of yen)	
	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Loss	(9,701,788)	(6,859,820)
Other comprehensive income		
Valuation difference on available-for-sale securities	845,199	1,176,849
Foreign currency translation adjustment	90,160	22,385
Share of other comprehensive income of entities accounted for using equity method	–	1,564
Total other comprehensive income	<u>935,360</u>	<u>1,200,799</u>
Comprehensive income	<u>(8,766,427)</u>	<u>(5,659,020)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(8,514,444)	(5,599,833)
Comprehensive income attributable to non- controlling interests	(251,983)	(59,186)

Consolidated Statements of Changes in Equity
Fiscal year ended November 30, 2023

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

(Thousands of yen)

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

Fiscal year ended November 30, 2023

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,316,141	15,804,942	(10,693,566)	(1,219)	31,426,298
Changes during period					
Issuance of new shares - exercise of share acquisition rights	75,283	75,283			150,567
Restricted Stock Unit	325,270	325,270			650,541
Purchase of shares of consolidated subsidiaries		169			169
Change in ownership interest of parent due to transactions with non-controlling interests		10,950			10,950
Increase/decrease due to change in fiscal year end of consolidated subsidiaries			9,514		9,514
Deficit disposition		(8,620,659)	8,620,659		
Loss attributable to owners of parent			(6,315,050)		(6,315,050)
Purchase of treasury shares				(132)	(132)
Net changes in items other than shareholders' equity					
Total changes during period	400,554	(8,208,985)	2,315,123	(132)	(5,493,440)
Balance at end of period	26,716,695	7,595,957	(8,378,442)	(1,352)	25,932,858

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,073,608	101,059	1,174,667	32,860	2,448,996	35,082,823
Changes during period						
Issuance of new shares - exercise of share acquisition rights						150,567
Restricted Stock Unit						650,541
Purchase of shares of consolidated subsidiaries						169
Change in ownership interest of parent due to transactions with non-controlling interests						10,950
Increase/decrease due to change in fiscal year end of consolidated subsidiaries						9,514
Deficit disposition						-
Loss attributable to owners of parent						(6,315,050)
Purchase of treasury shares						(132)
Net changes in items other than shareholders' equity	692,830	22,385	715,216	471,632	3,884,231	5,071,080
Total changes during period	692,830	22,385	715,216	471,632	3,884,231	(422,359)
Balance at end of period	1,766,439	123,445	1,889,884	504,492	6,333,228	34,660,463

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Cash flows from operating activities		
Loss before income taxes	(9,615,626)	(6,805,348)
Depreciation	921,351	1,769,723
Amortization of goodwill	643,093	660,886
Share-based payment expenses	439,697	1,172,393
Increase (decrease) in provision for bonuses	151,100	111,427
Increase (decrease) in provision for bonuses for directors (and other officers)	58,029	22,594
Increase (decrease) in allowance for doubtful accounts	(58,380)	60,959
Increase (decrease) in provision for point card certificates	46,963	212,707
Interest and dividend income	(1,073)	(2,638)
Loss (gain) on sale of investment securities	–	(726)
Loss (gain) on valuation of investment securities	33,819	–
Interest expenses	83,054	131,480
Bond issuance costs	–	108,324
Share issuance costs	4,126	4,730
Share of loss (profit) of entities accounted for using equity method	922,064	70,906
Decrease (increase) in trade receivables and contract assets	(804,765)	(1,811,838)
Decrease (increase) in operational investment securities	(694,796)	(1,381,025)
Decrease (increase) in inventories	(434)	8,290
Decrease (increase) in purchased receivables	(1,231,857)	(373,871)
Increase (decrease) in trade payables	122,032	29,323
Increase (decrease) in accounts payable - other	3,207,851	3,170,549
Increase (decrease) in accrued expenses	429,982	174,299
Decrease (increase) in Contract liability	1,259,605	1,362,623
Increase (decrease) in deposits received	1,909,710	3,158,126
Other, net	(1,653,448)	828,422
Subtotal	(3,827,897)	2,682,322
Interest and dividends received	1,073	2,638
Interest paid	(84,356)	(130,714)
Income taxes paid	(212,901)	(93,921)
Net cash provided by (used in) operating activities	(4,124,082)	2,460,324
Cash flows from investing activities		
Payments into time deposits	(403,430)	(31,895)
Proceeds from withdrawal of time deposits	200,000	400,000
Purchase of property, plant and equipment	(333,022)	(632,850)
Purchase of intangible assets	(3,935,312)	(4,748,177)
Purchase of investment securities	(7,948,530)	(2,593,885)
Proceeds from sale of investment securities	–	58,473
Proceeds from share of profits on investments in capital	8,341	19,647
Payments of leasehold and guarantee deposits	(730,797)	(2,505)
Proceeds from refund of leasehold and guarantee deposits	168,053	132,260
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,808,290)	–
Other, net	2,550	(49,831)
Net cash provided by (used in) investing activities	(14,780,439)	(7,448,765)

(Thousands of yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	3,540,000	(3,303,000)
Proceeds from long-term borrowings	6,981,433	7,000,000
Repayments of long-term borrowings	(2,455,089)	(3,225,400)
Proceeds from issuance of shares	144,510	141,118
Purchase of treasury shares	(369)	(132)
Proceeds from share issuance to non-controlling shareholders	294,000	–
Proceeds from issuance of share acquisition rights	–	3,986
Proceeds from partnership	570,000	4,002,000
Distributions paid to investment partners	–	(41,441)
Proceeds from issuance of bonds	–	988,831
Proceeds from issuance of convertible bonds	–	11,902,843
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(6,020)
Other, net	(111)	–
Net cash provided by (used in) financing activities	9,074,373	17,462,785
Effect of exchange rate change on cash and cash equivalents	118,640	36,956
Increase (decrease) in cash and cash equivalents resulting from change in fiscal year end of consolidated subsidiaries	–	(2,123)
Net increase (decrease) in cash and cash equivalents	(9,711,507)	12,509,179
Cash and cash equivalents at beginning of period	36,020,522	26,309,014
Cash and cash equivalents at end of period	26,309,014	38,818,193