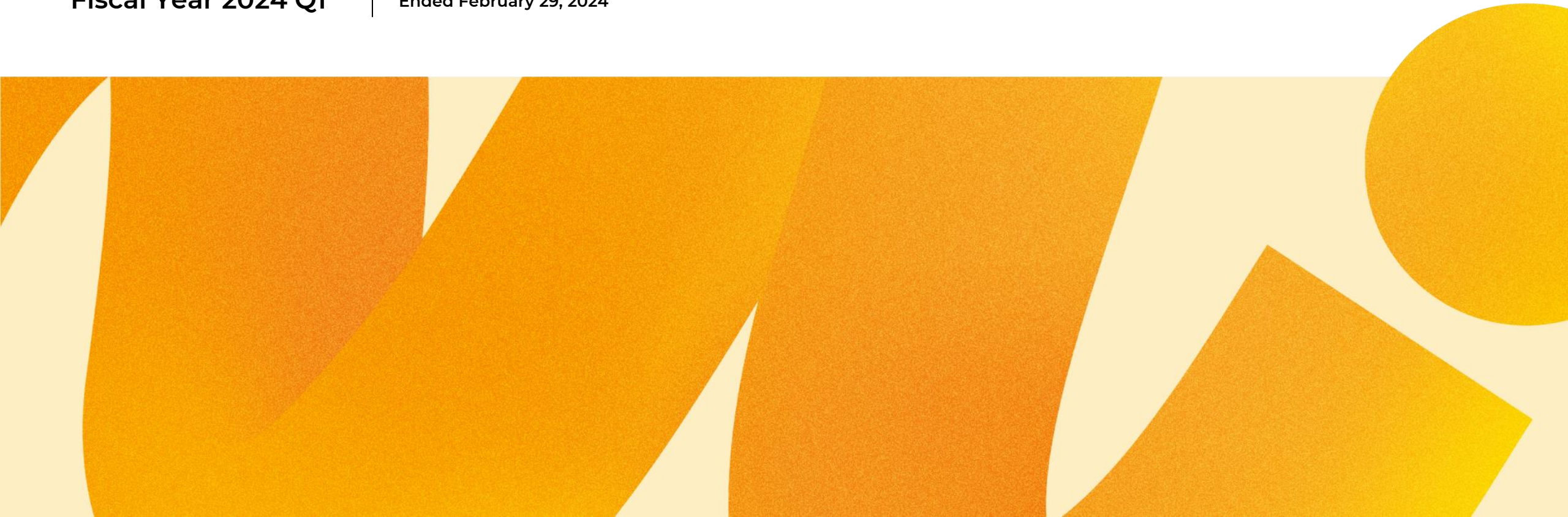


Financial Results



Fiscal Year 2024 Q1

| Ended February 29, 2024



01 Consolidated Financial Highlights in FY11/24 Q1	P.3
02 Business Highlights and Initiatives in Focus Areas	P.19
03 Appendix 1: Financial Highlights by Domain	P.30
04 Appendix 2: Medium- to Long-Term Financial Targets	P.36

Companywide Financial Highlights in Q1 of FY11/24

Highlights in Q1 of FY11/24

Both net sales and EBITDA are off to steady start toward achieving FY11/24 full-year forecasts*¹

Achieved positive EBITDA and record-high net increase in paying customers of Business domain

Q1 Consolidated net sales

+41% YoY

¥**9.54** bn

(FY11/23 Q1 net sales: ¥6.79 bn)

SaaS ARR*²

+40% YoY

¥**25.5** bn

(FY11/23 Q1 SaaS ARR: ¥18.28 bn)

Organic growth rate without impact of M&As. Achieved record-high quarterly net SaaS ARR increase of ¥2.4 bn vs FY11/24 Q4-end.

Corporate ARR in Business domain

+43% YoY

¥**18.29** bn

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

Q1 EBITDA*³/Gross profit

¥**0.53** bn / ¥**6.54** bn

EBITDA margin improved 13 pts to 6%. EBITDA adjusted for HIRAC FUND was ¥0.33 bn.

Sole proprietor ARR in Business domain

+**40%** YoY

Price revisions for sole proprietors from December 2023. Expanded markedly from +20% YoY in FY11/23 Q4, with no significant change in churn rate.

*1 Forecasts disclosed on January 12, 2024. See P.37 for details.

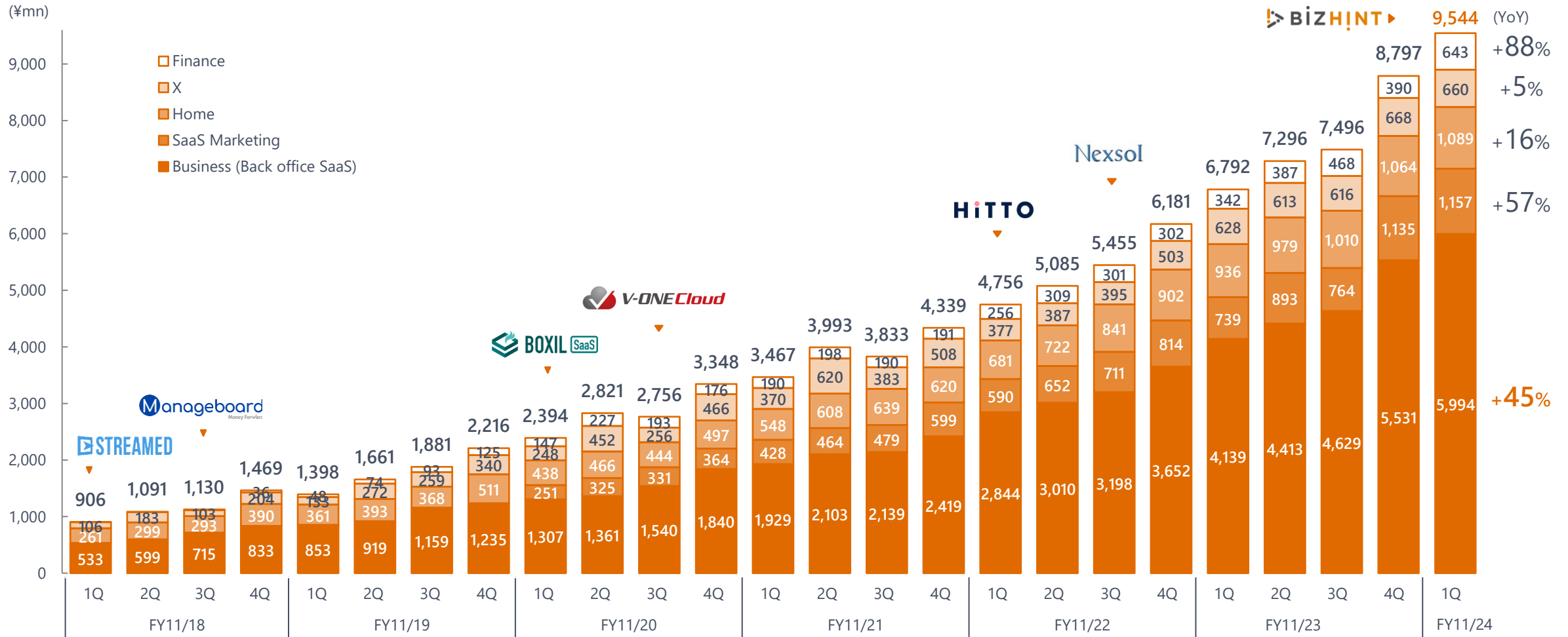
*2 See P.43 for the definition of SaaS ARR.

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

Q1 Consolidated Net Sales Up 41% YoY

Net sales of Business domain continued to surge, **up 45% YoY**.

+41%
YoY

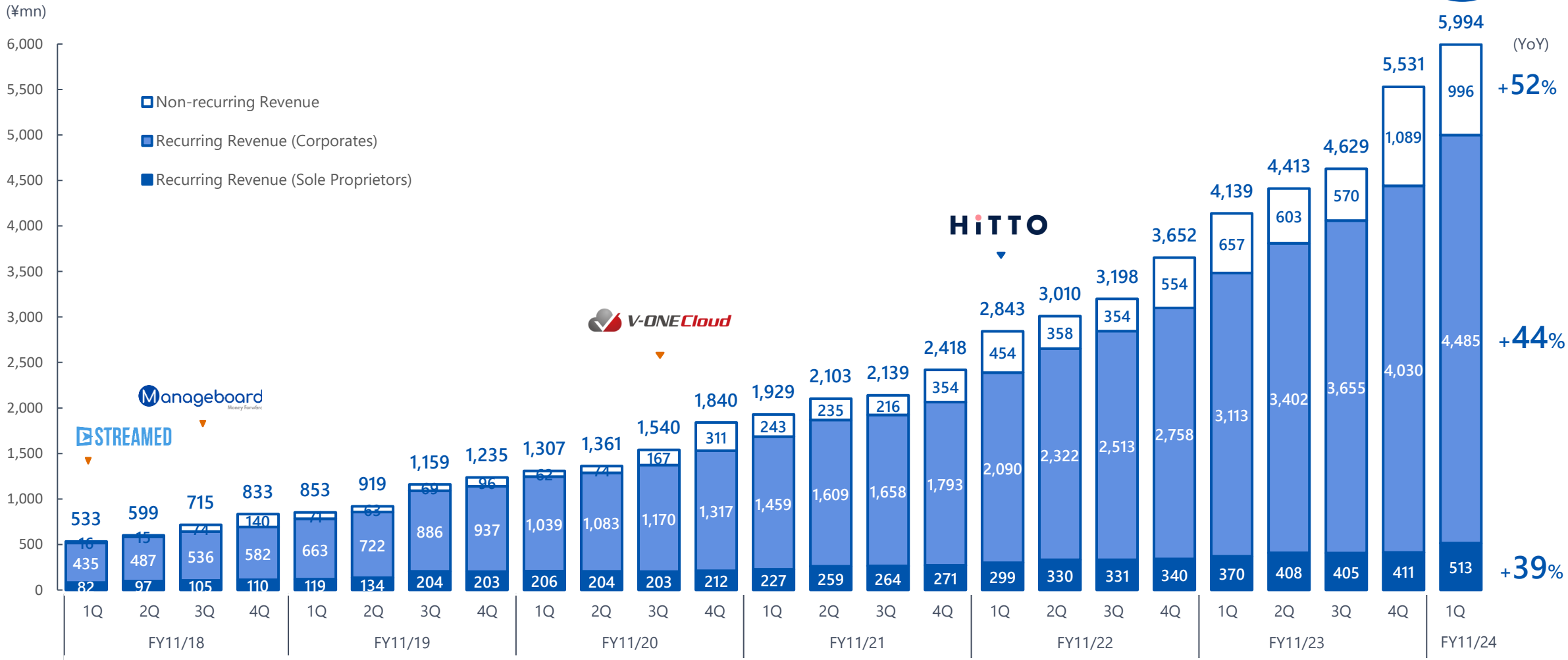


* The aggregate of net sales of each domain do not necessarily correspond to consolidated net sales as net sales of "Other" are omitted from the graph.

Quarterly Net Sales of Business Domain

Net sales jumped **45% YoY**. Corporate recurring revenue continued to see firm growth, **up 44% YoY**, while non-recurring revenue also **soared 52%** on the favorable rise in transaction volume in *Money Forward Pay for Business*.

+45%
YoY

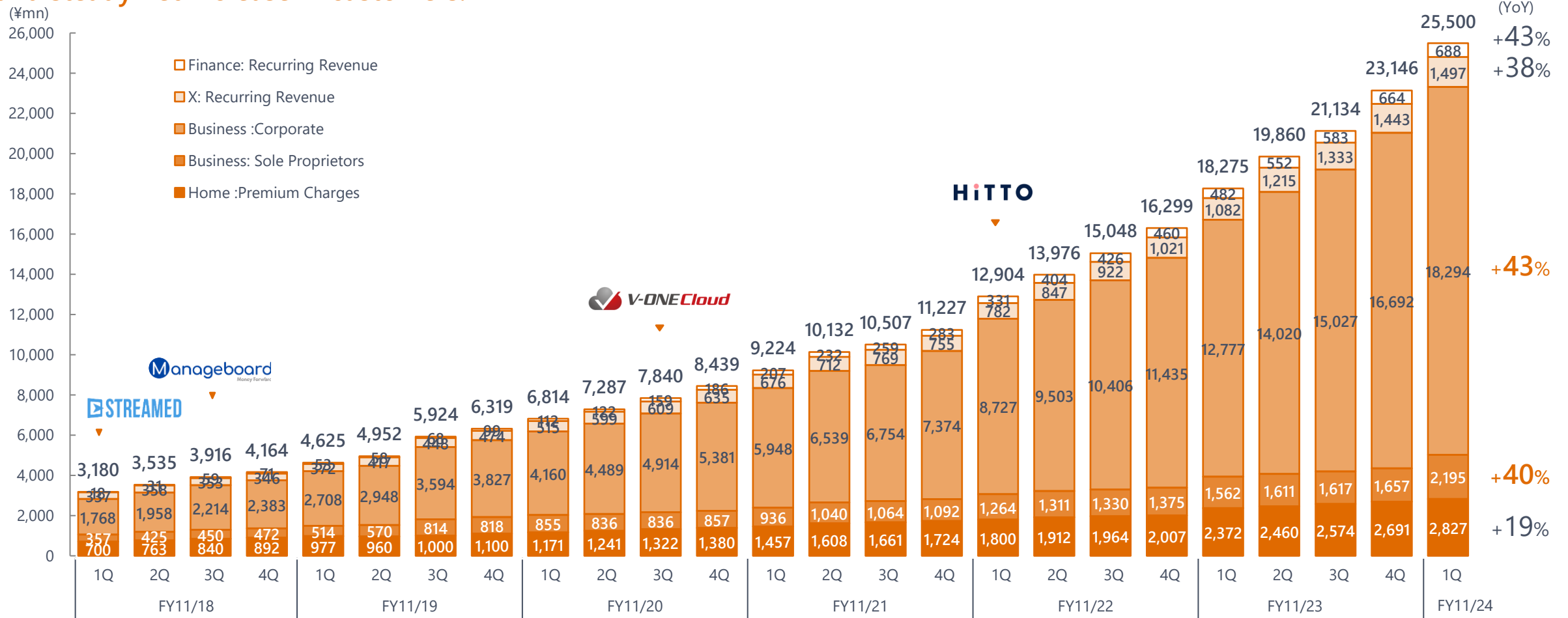


* "Recurring Revenue (Sole Proprietors)" is the revenue from services for sole proprietors in *Money Forward Cloud*. "Recurring Revenue (Corporates)" is the revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *Money Forward Certified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

SaaS ARR*1 Surged 40% YoY Marking Record-High Quarterly Net Increase of ¥2.4 Bn

SaaS ARR grew rapidly in all domains, with the net increase in SMB and sole proprietor ARR in Business domain hitting record highs. Sole proprietor ARR grew 40% YoY owing to the price revisions and steady net increase in customers.

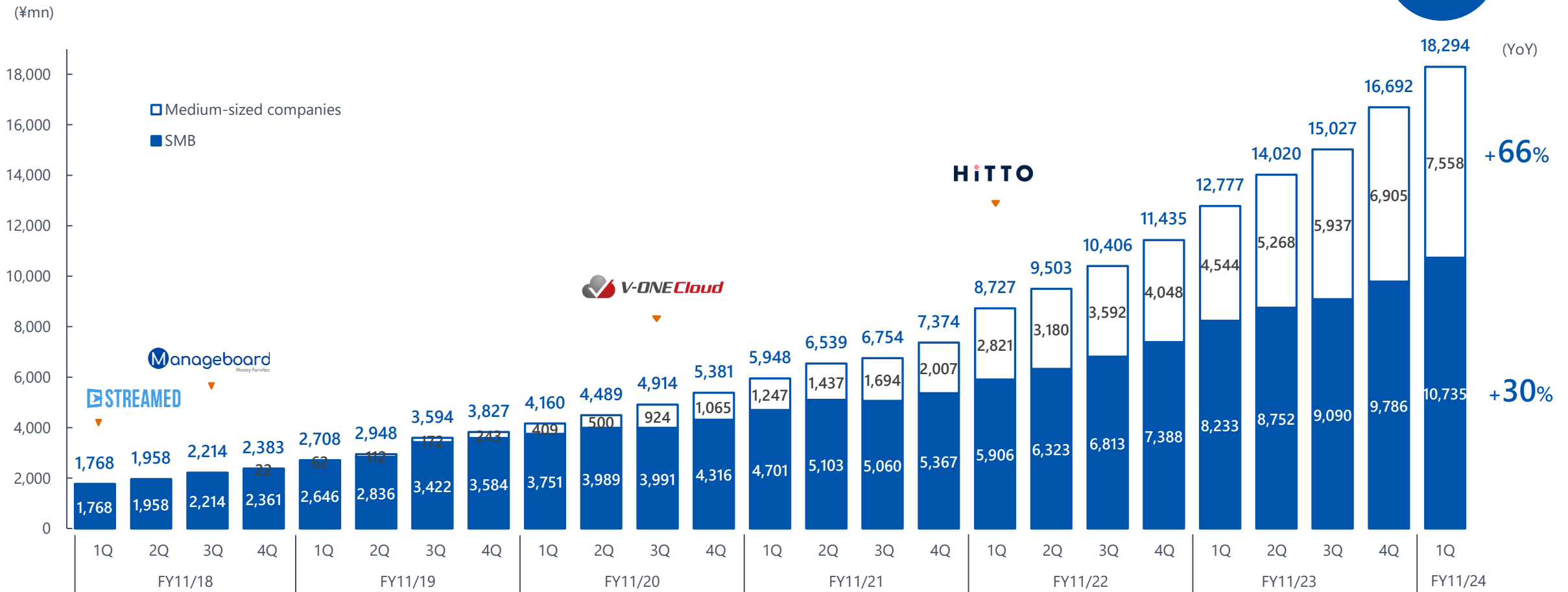
+40%
YoY



*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 is not included. Figures for Finance domain include monthly fixed fees, and settlement and associated fees of Money Forward Kessai and SEIKYU+. See P.43 for the definitions of ARR, MRR, etc.

Corporate ARR in Business Domain Rose 43% YoY on Robust Growth in SMB/Medium-sized

Achieved a record-high net increase in SMB ARR primarily driven by the steady net increase in corporate customers and seasonal factors associated with the tax return period. Maintained a high growth rate of +30% YoY.



*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. See P.43 for the definitions of ARR, MRR, etc.

Business Domain: Highlights in Q1 of FY11/24

Q1 net sales
¥5.99 bn

+45%
YoY

Paying customers
(total/corporate)
333,993/158,190

+27.1% / +28.4%
(+27.8%*1) (+30.4%*1)
YoY

Record-high quarterly net increase in
paying customers.

ARPA
(total/corporate/sole proprietor)
¥61,345 / ¥115,645 / ¥12,484

+12.4% / +11.5% / +11.5%
(+12.1%*1) (+11.9%*1) (-3.8%*1)
YoY

ARR
(total/corporate/medium-sized)
¥20.49 bn / ¥18.29 bn / ¥7.56 bn

+43% / +43% / +66%
YoY

Achieved record-high net increases in
corporate and sole proprietor ARR.

Q1 net increase in
corporate paying customers

+9,022 companies

While demand from Invoice System has
stabilized in the midmarket,
demand for digital transformation (DX) drove
sales in a wide range of products.

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

0.8% / 0.7%

The 12-month and 3-month average churn rate
of sole proprietors was 2.0% and 1.5%,
respectively.

*1 Figures in parentheses indicate YoY growth rates in FY11/23 Q4.

*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.

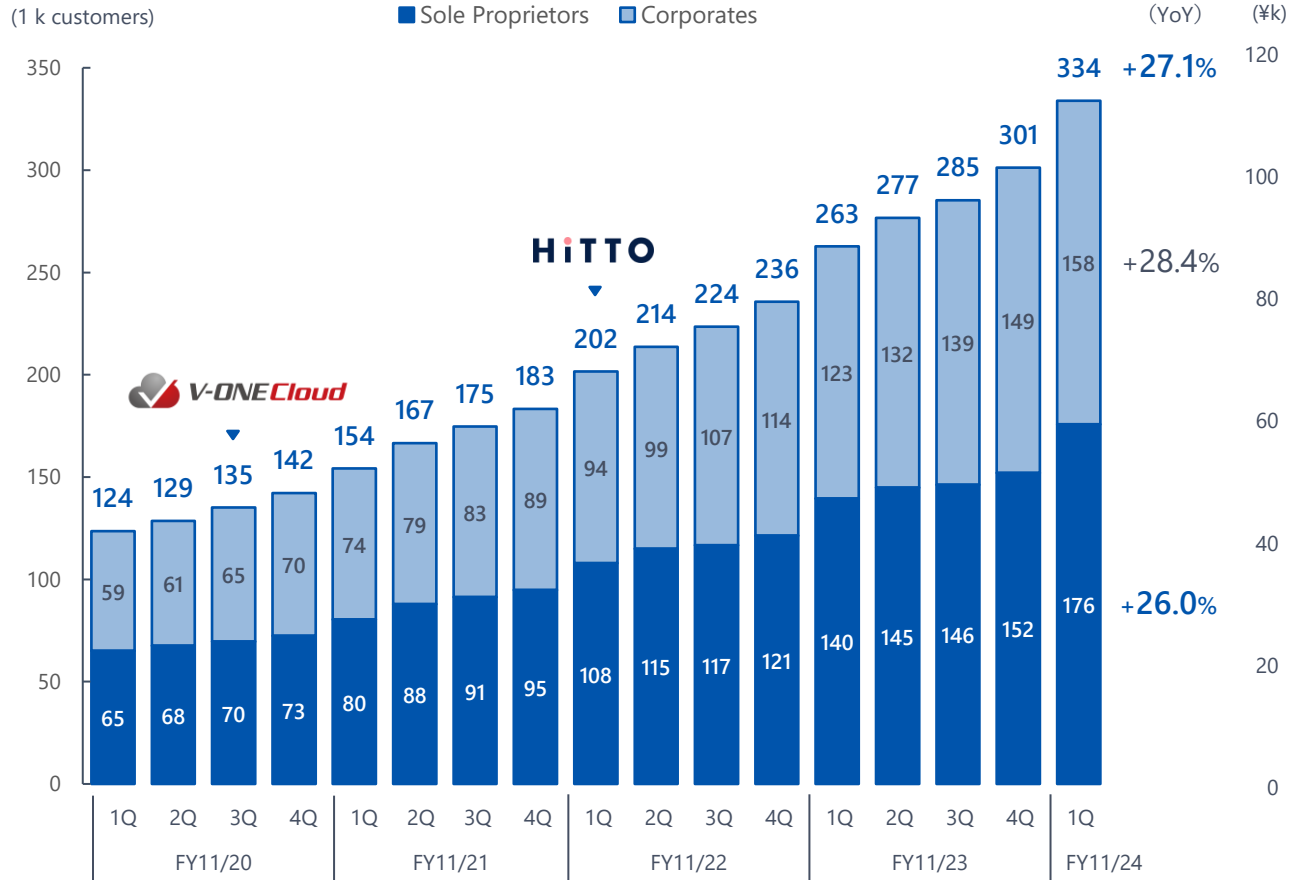
*3 Averages of the 12 months and 3 months up to February 2024.

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

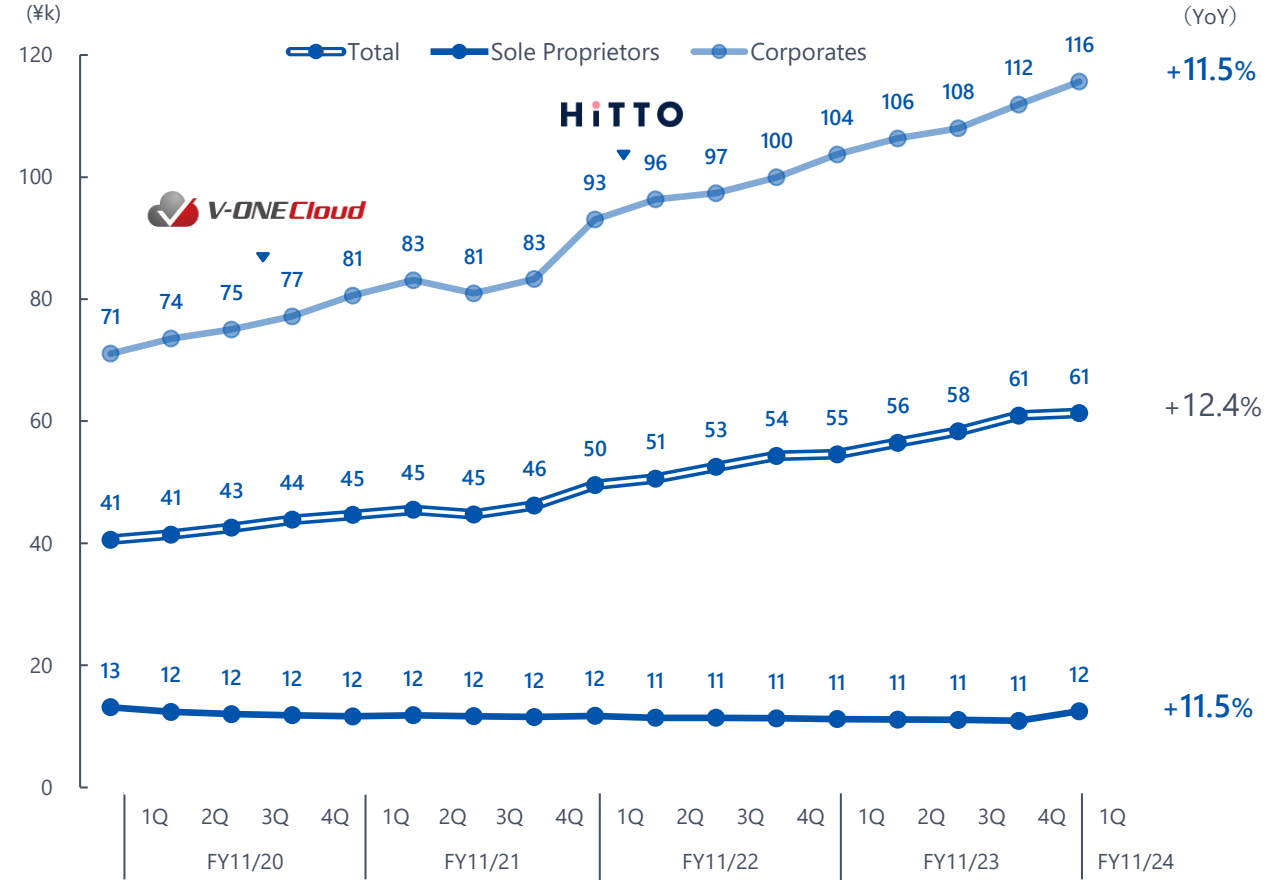
The net increase in paying customers of *Money Forward Cloud* marked a record high of +32,760.

Corporate ARPA continued to climb steadily, up 11.5% YoY on the expansion in the midmarket user base and rise in ARPA.

Paying customers*1



ARPA*2



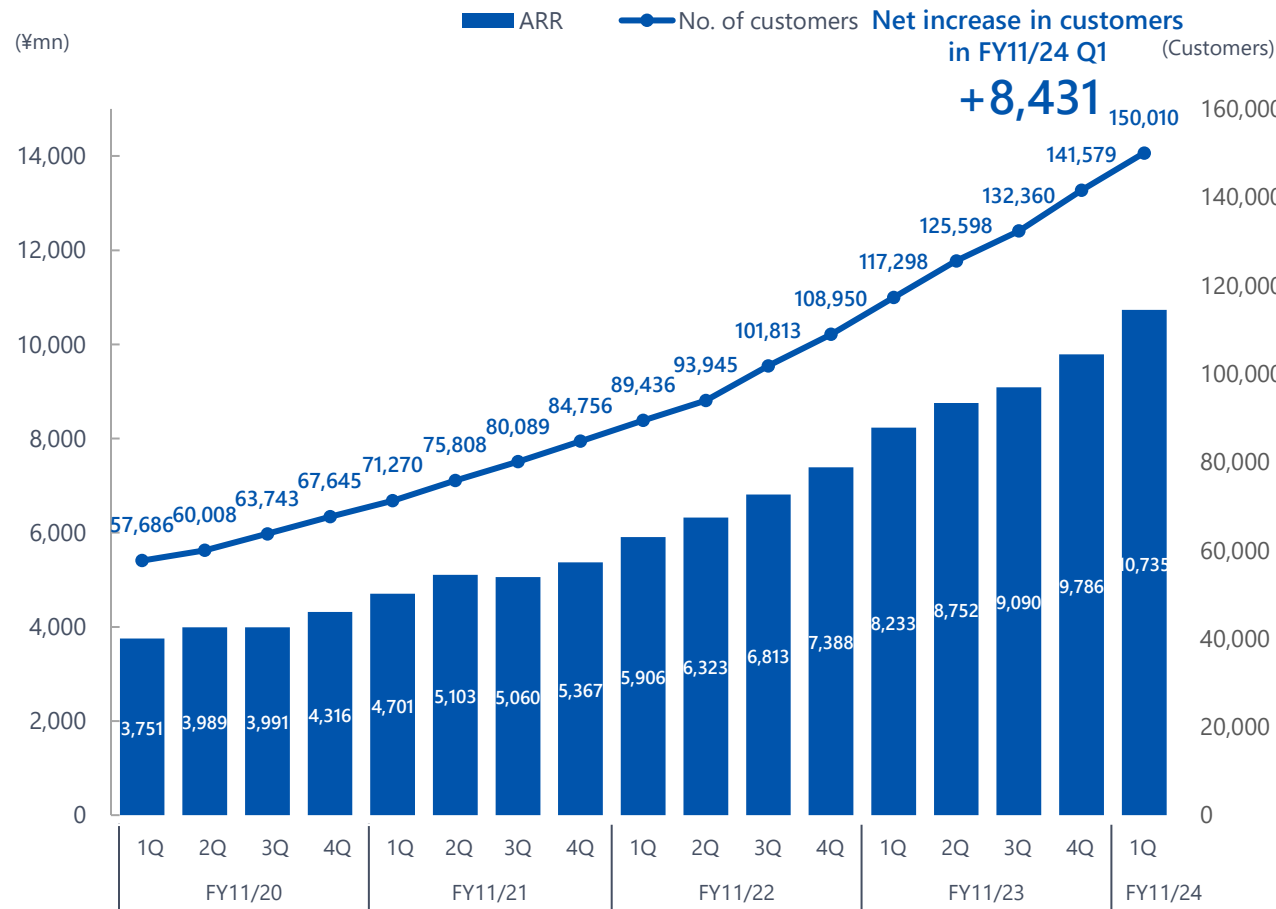
*1 The number of paying sole proprietor customers is the number of those who pay for *Money Forward Cloud* services catering to individuals. The number of corporate paying customers includes business corporations, and professional service firms and their clients that pay for services catering to corporations, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *HITTO*, and *Money Forward Admia*, 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.43 for detailed definitions.

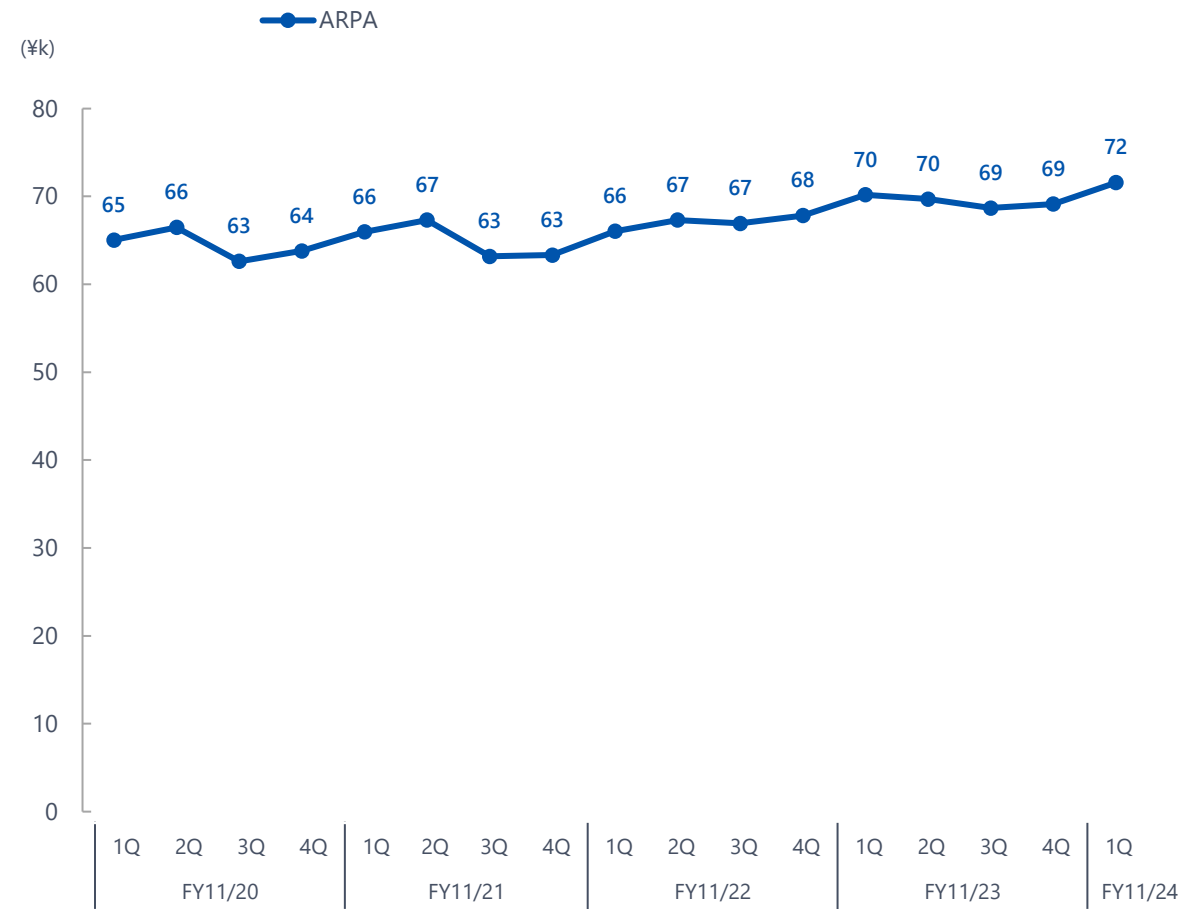
SMB ARR Continues to Grow on Increase in Customers

SMB ARR*1 trended favorably, hitting a record-high net increase (+¥0.95bn from FY11/23 Q4) in part due to seasonal factors associated with the tax return period. Also acquired many new customers via professional service firms. In addition, the automatic bookkeeping service *STREAMED* temporarily helped boost ARPA during the tax return period.

SMB ARR*1 and No. of customers



ARPA

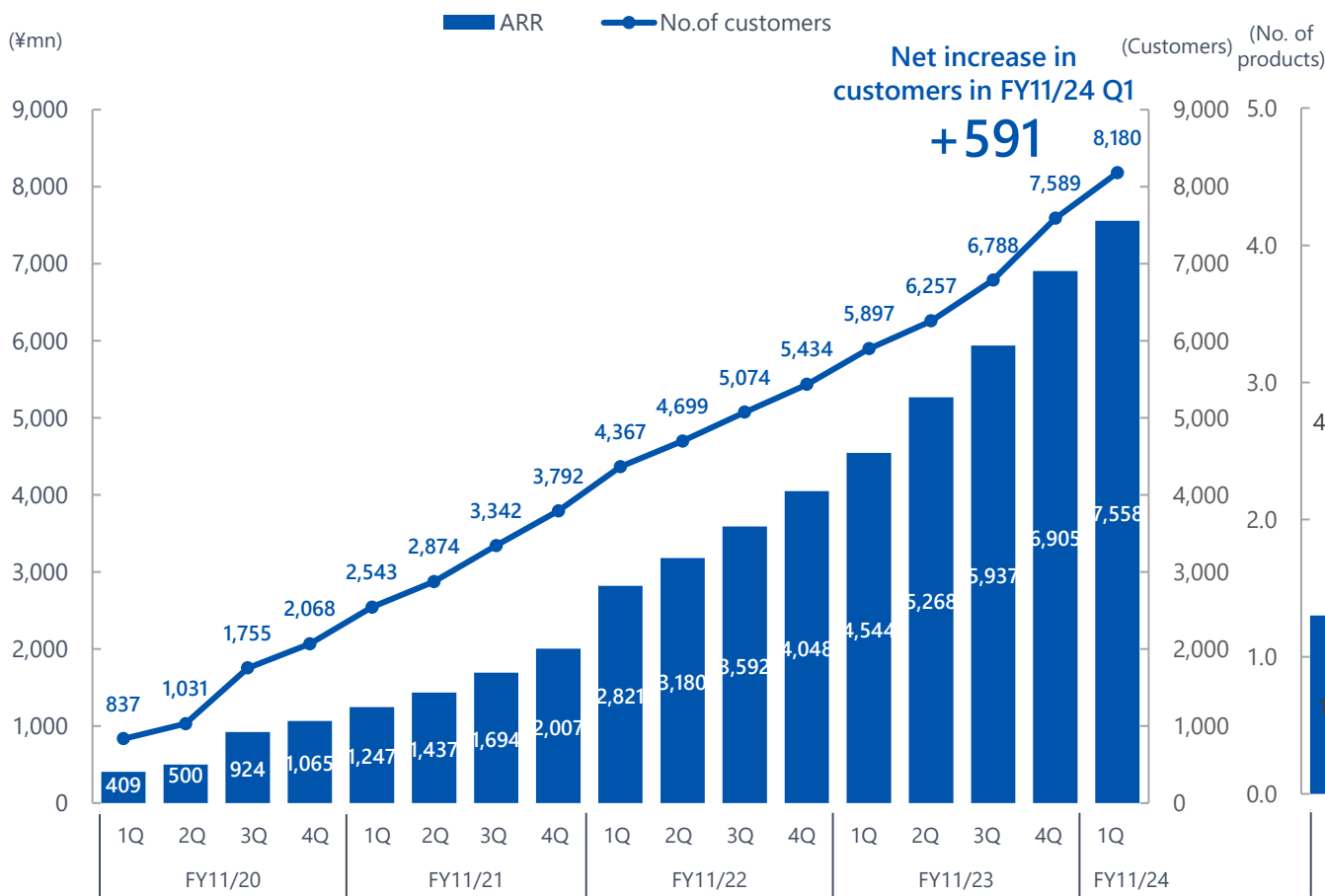


*1 "SMB" is revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, and *Money Forward Certified Membership System*, as well as from professional service firms and their clients. As a seasonal adjustment, the MRR of *STREAMED* is calculated as one-third 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.

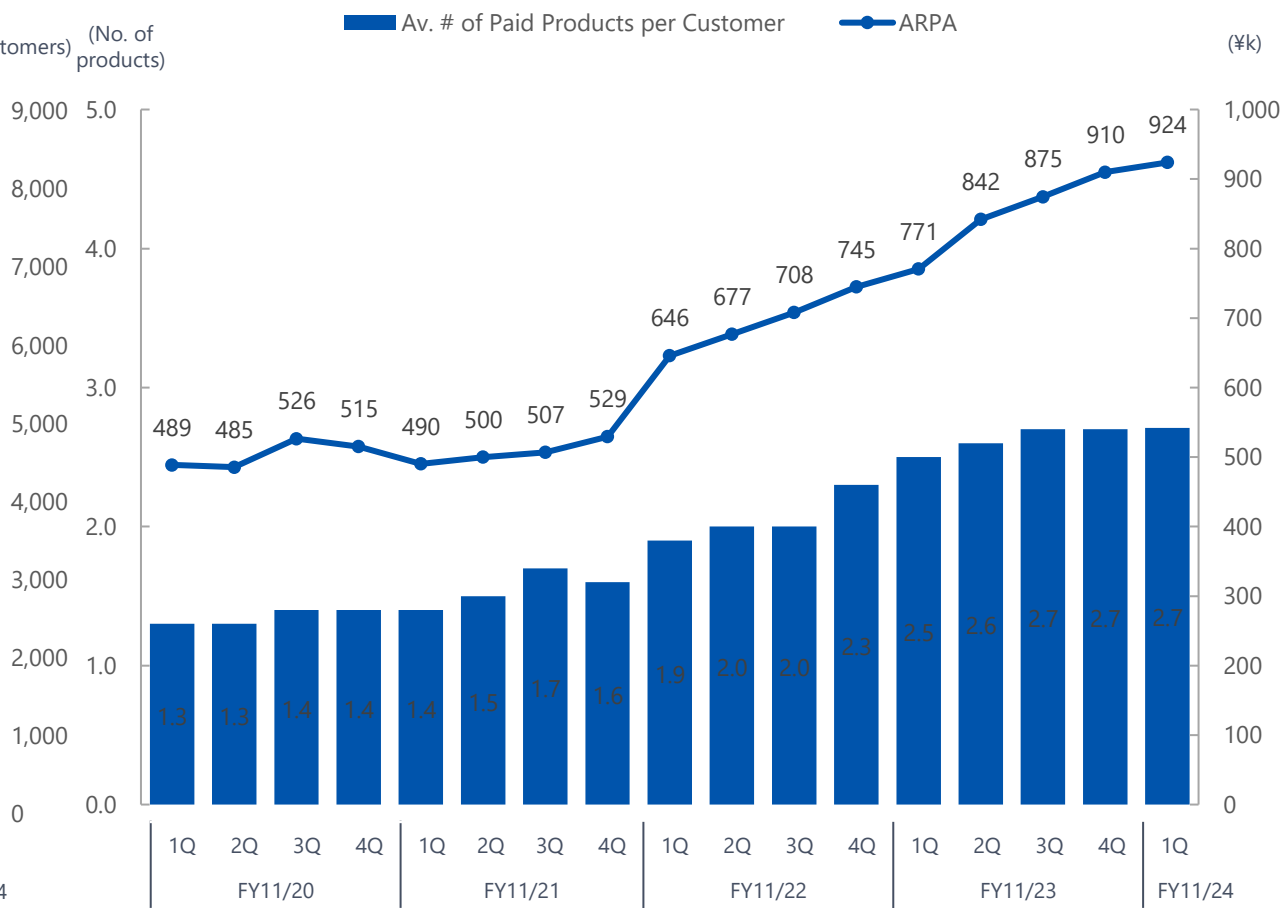
Medium-sized ARR Continues to Rise in Terms of Both No. of Customers and ARPA

Net increase in ARR has stabilized compared to Q4 of FY11/23, where ARR was driven by products related to the Invoice System and HR, including *Cloud Tax Adjustment*. Meanwhile, customers and ARPA increased steadily.

Medium-sized company ARR*1 and No. of customers



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

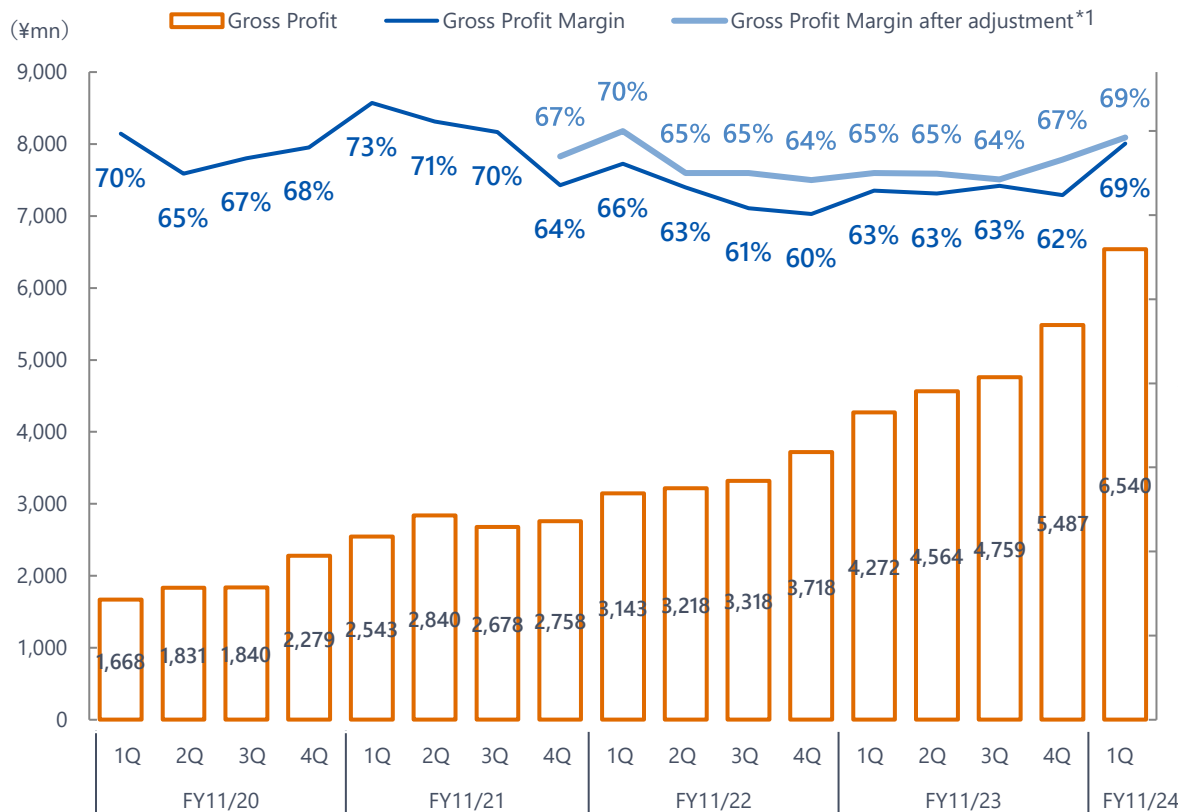


*1 "Medium-sized companies" includes general corporate users (excluding professional service firms) that have adopted such services as *Money Forward Cloud*, *Manageboard*, *V-ONE Cloud*, *HITTO*, and *Money Forward Admina* via field or partner sales, with the majority of companies having 50 or more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

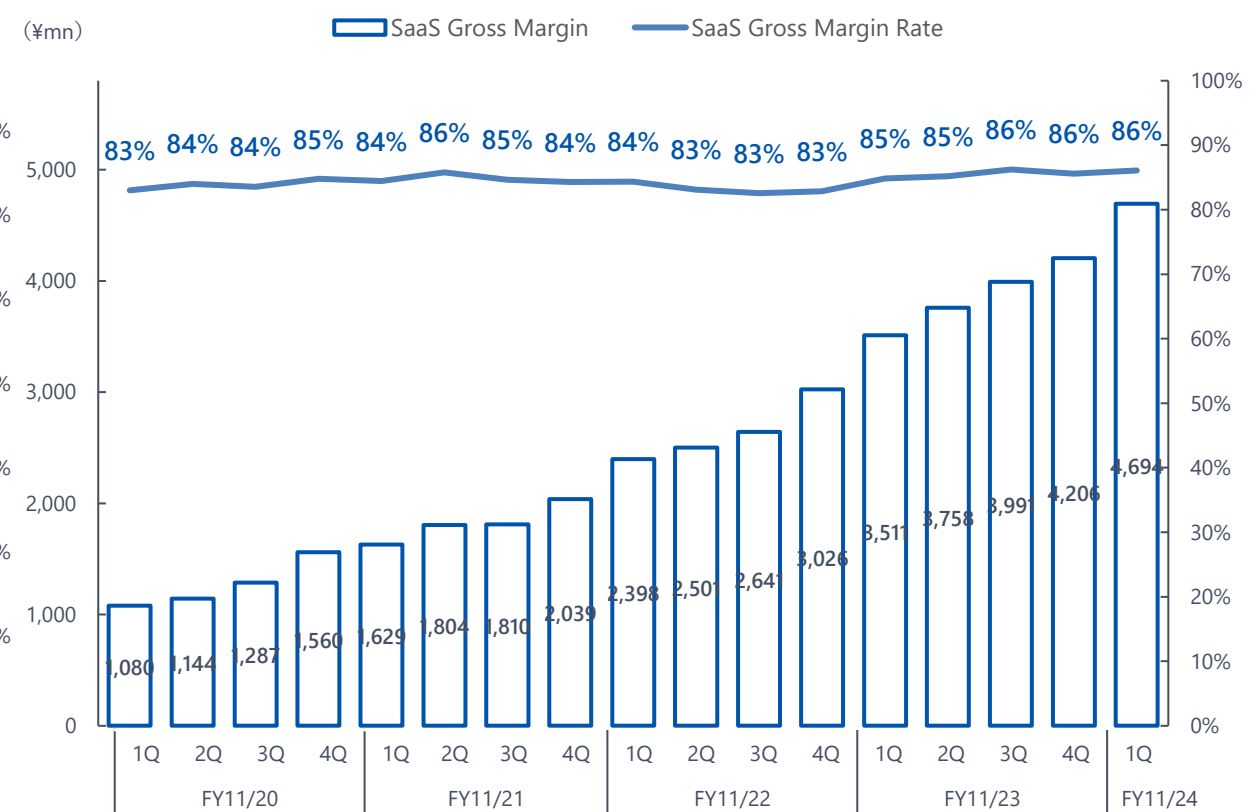
Consolidated Gross Profit and Gross Margin of Back-Office SaaS business

Gross profit as well as gross margin of Back-office SaaS business reached record highs. Consolidated gross profit margin stood at 69% (69% 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%.

Consolidated gross profit
(financial accounting basis)



Gross margin rate of back-office SaaS business *2
(management accounting basis)

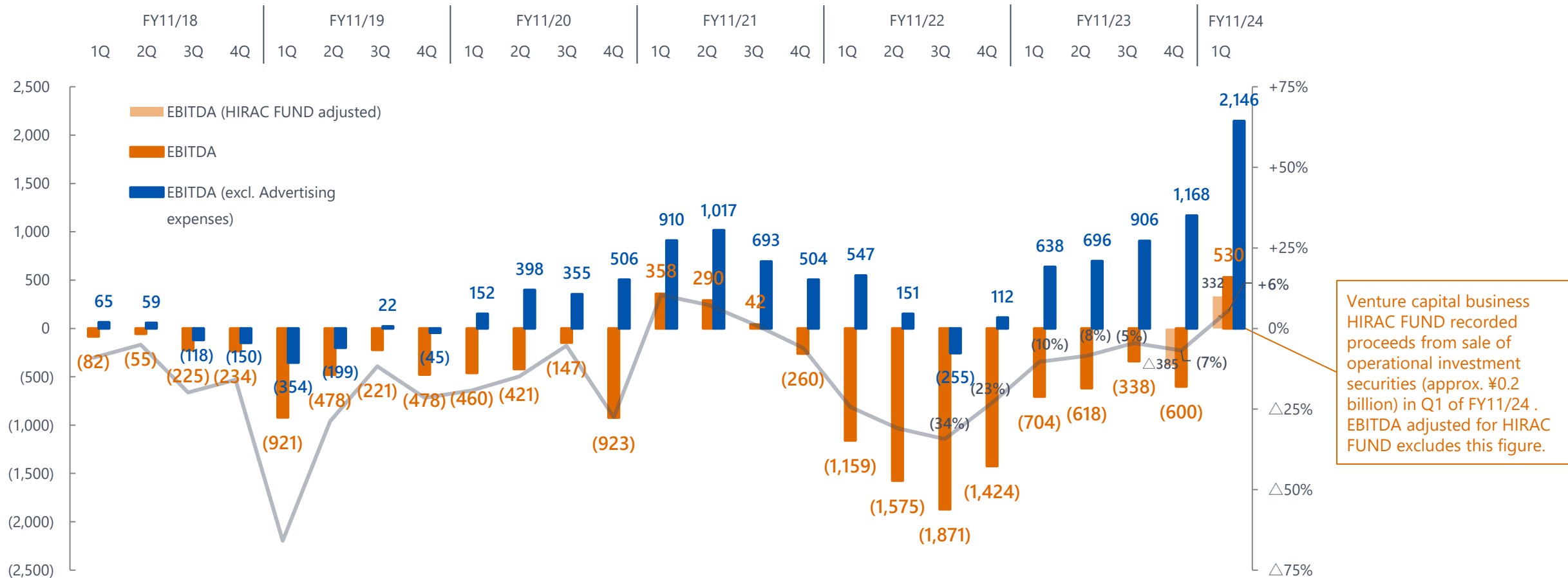


*1 Gross profit margin after adjustment is calculated by excluding sales and fees related to IT introduction subsidies from both net sales and costs as the seasonal impact is large. Also, when advertising of Group companies is conducted by SMARTCAMP Co., Ltd. (ADXL business), the relevant advertising 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 is adjusted. Furthermore HIRAC FUND's proceeds from sale of marketable securities, cost of securities sold, and impairment losses are excluded from both sales and costs. This is because sales and costs are not posted in the same quarter, leading to large fluctuations in quarterly gross profit margins.

*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)

Q1 EBITDA was ¥0.53 billion (EBITDA margin: 6%), achieving profitability on a quarterly basis (EBITDA adjusted for HIRAC FUND was ¥0.33 billion). EBITDA excluding advertising expenses hit a record high at ¥2.15 billion.

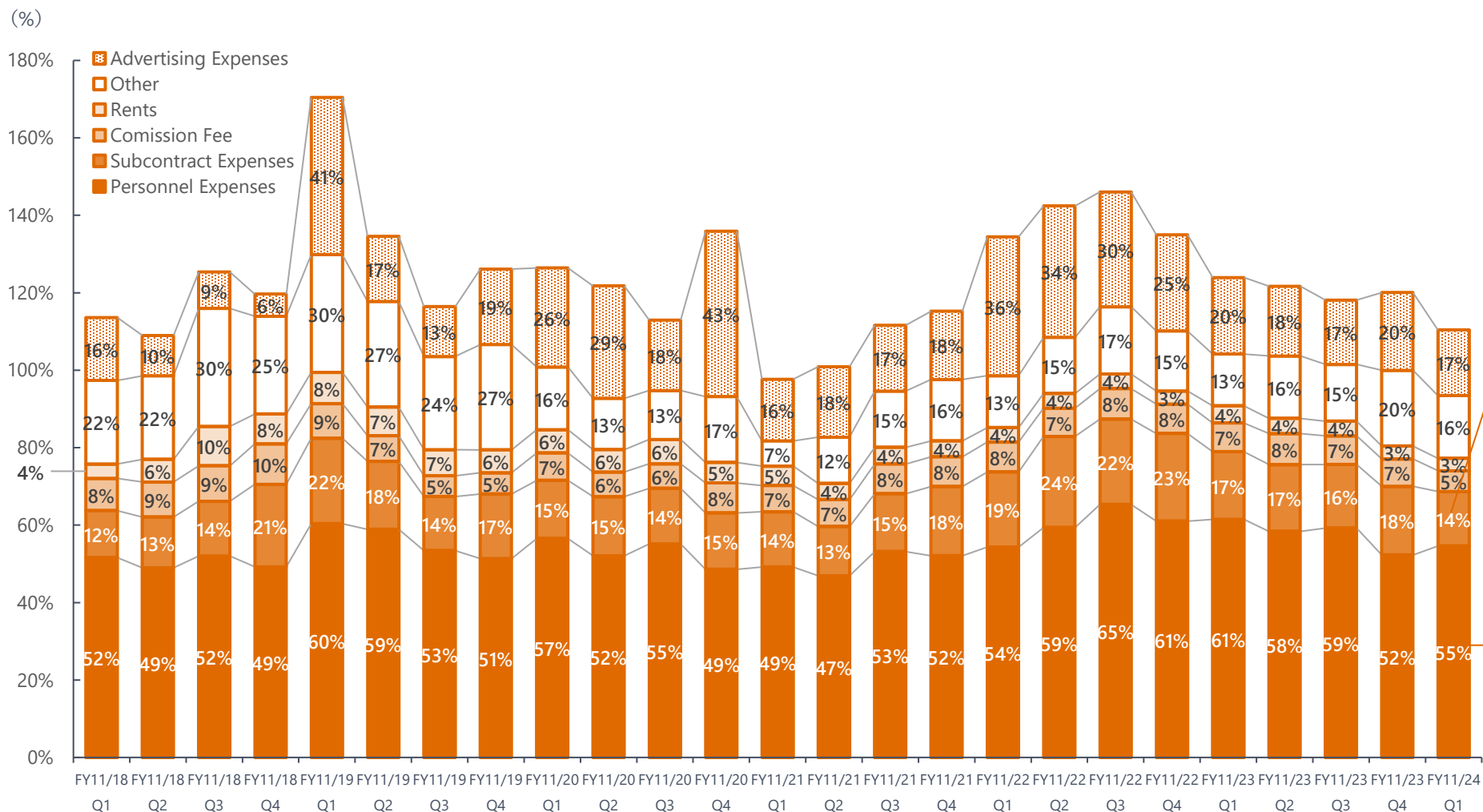


Venture capital business HIRAC FUND recorded proceeds from sale of operational investment securities (approx. ¥0.2 billion) in Q1 of FY11/24. EBITDA adjusted for HIRAC FUND excludes this figure.

*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)

An overall improvement was seen in ratio to net sales, especially for advertising expenses.



Major changes from FY11/23 Q4

Decreased due to the contraction of *ADXL* businesses in SaaS Marketing domain which has high outsourcing ratio and to the expansion in in-house engineering.

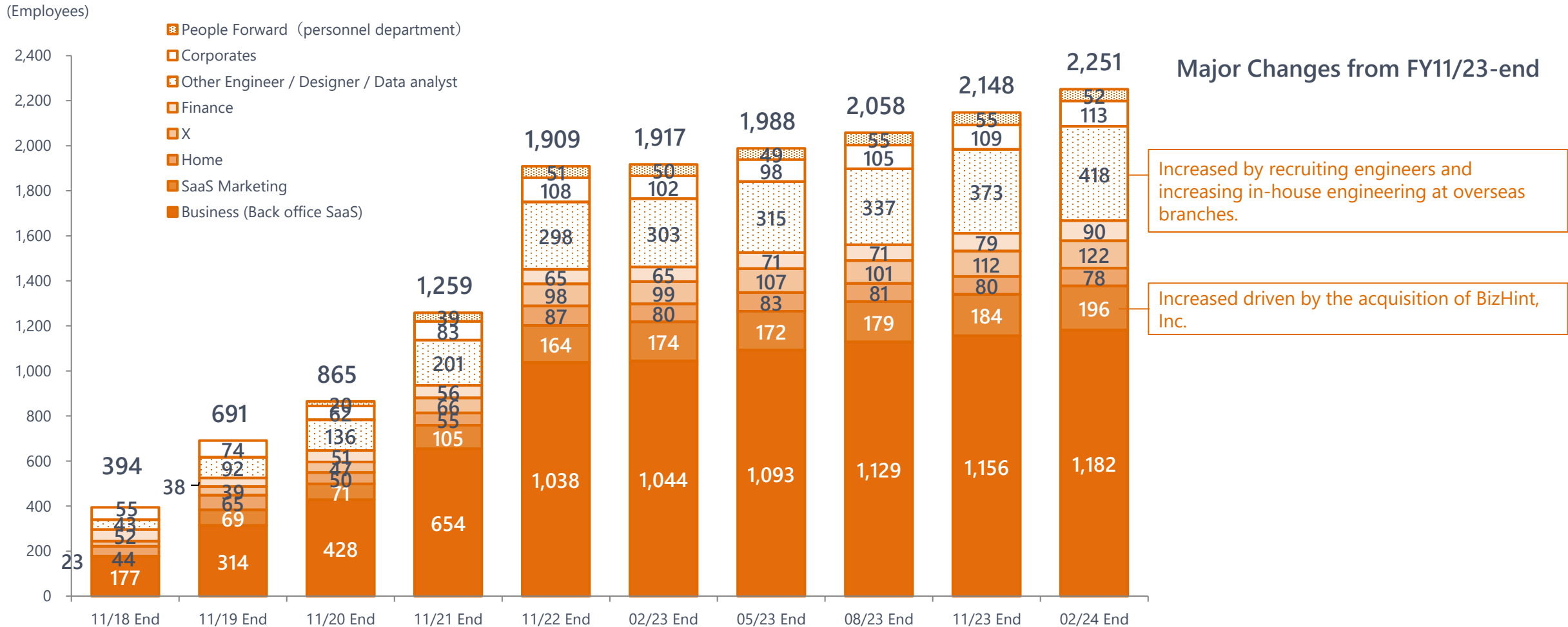
Stock compensation expenses amounted to 580 million yen (an increase of 330 million yen from the previous quarter). All these expenses do are non-cash items and have no impact on EBITDA. The increase from the previous quarter is due to the heightened probability of achieving the targets associated with the performance-linked stock acquisition rights issued in January 2023, following the EBITDA profitability achieved in Q1 of FY24*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. Various expenses include non-cash items. Stock compensation expenses included in "personnel expenses," amortization of goodwill, depreciation, and provisions, etc., included in "other."

* 1 If the average annual sales growth rate from FY11/21 to FY11/24 is 35% or more, and EBITDA positive is achieved in FY11/24, 100% of the option can be exercised. If the option is fully exercisable, a total of up to 2.8 billion yen in expenses(non-cash) is expected to be recorded between FY11/24 to FY11/27. Refer to the announcement on January 23, 2023, "[Notice Regarding Issuance of Stock Acquisition Rights \(Performance-Linked Stock Acquisition Rights\)](#)".

Employees*1

Employees increased by 103 from the previous quarter. The headcount climbed by directly hiring engineers at overseas branches rather than outsourcing operations.



* The employees of Lab, Analysis Promotion Office, Data Strategy Office, and Design Strategy Office, previously included in "Corporate," are now included in "Engineers/Designers/Data Analysts" 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.

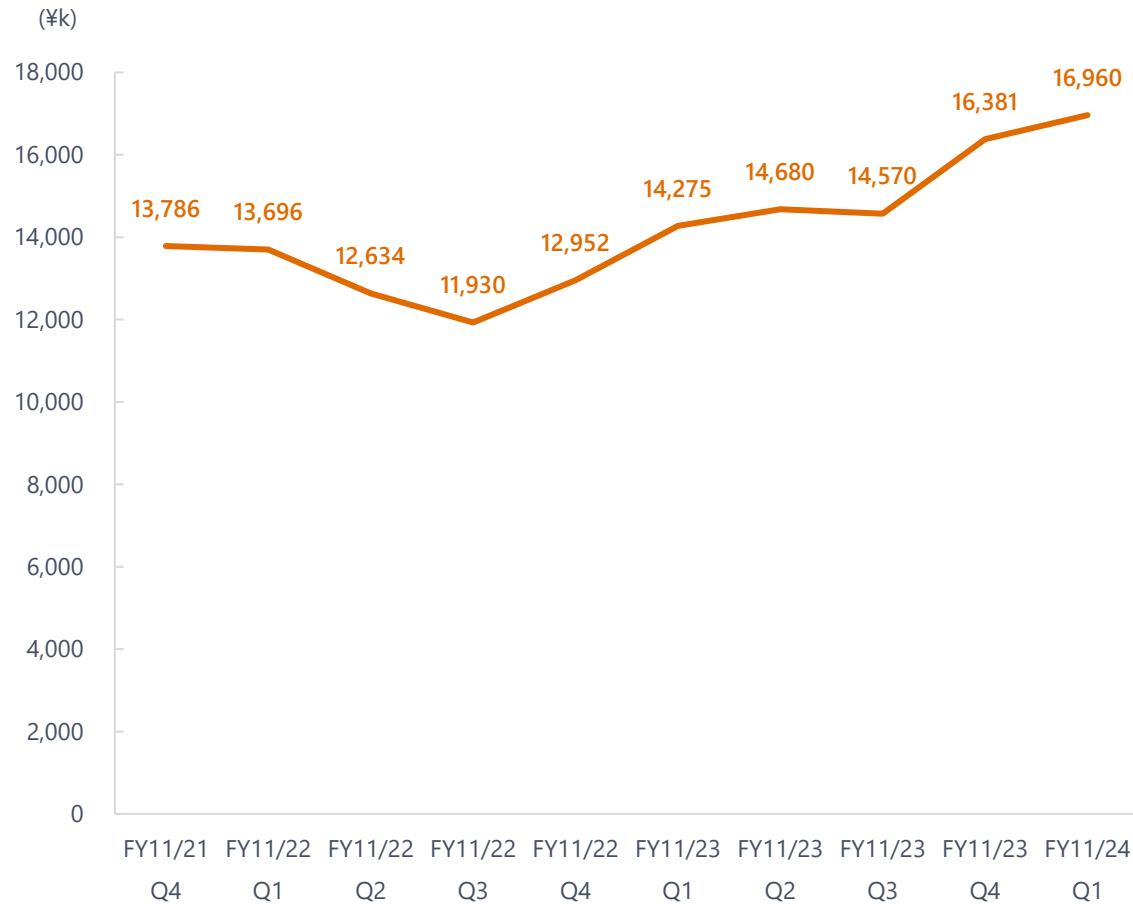
*1 The total number of employees (excluding contract, part-time, dispatched, and other temporary workers) and executive officers who do not concurrently serve as directors. Delegated executive officers will be excluded from the employee headcount from this fiscal year accompanying the Company's adoption of the "delegated executive officer system."

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

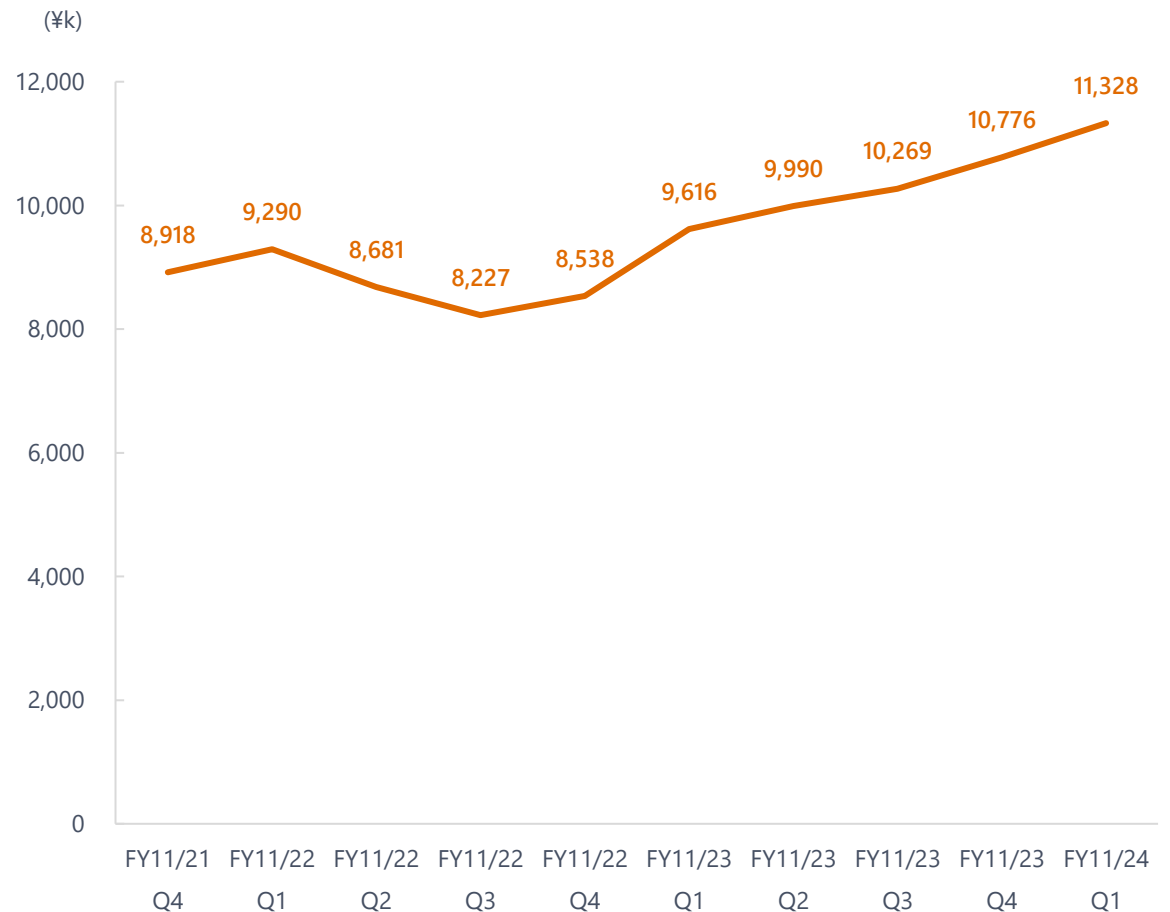
Annual sales and ARR per employee have been rising after bottoming out in FY11/22 Q3.

Sales per employee increased owing to the proceeds from sale generated in HIRAC FUND and consolidation of BizHint, Inc.

Annual sales per employee*1



ARR per employee*2



* See P.15 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.

Assets		Liabilities / Net Assets	
(¥mn)	Cash and Deposits 30,754	Current Liabilities 28,440	Short-time borrowings*² 5,957
	Other Current Assets 19,327	Non-current Liabilities 22,394	Current portion of long-term borrowings 3,362
Purchased receivables*¹ 7,176			Accounts payable 7,497
	Non-current Assets 34,858	Net Assets 34,105	Contract liabilities 5,307
Goodwill 3,908			Deposit 3,227
Investment Securities 17,072			Long-term borrowings 8,273
Software 10,456			Corporate bonds 1,000
			Convertible bonds (CBs) 12,000

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

Analysis of Changes in Cash and Deposits Balance

Cash flow from operating activities excluding the impact of Pay business improved significantly in line with achieving a positive EBITDA.

Breakdown of cash flow

Cash and deposits + purchased receivable

Since the Company's purchased receivable is highly equivalent to cash, the amount is aggregated with the amount of cash. Funds for purchasing receivable are procured via short-term borrowings.

Recognized software assets

Amount newly recorded as software assets in each quarter. No impact on EBITDA, but decreases cash balance.

Changes in contract liabilities

Mainly attributable to unearned revenue from users paying an annual subscription fee. Cash and deposits increase in line with contract liabilities.

Changes in working capital of Pay business

The Pay business provides *Pay for Business*, which includes a prepaid feature. Changes in working capital include changes in deposits received from users and accounts payable/receivable pertaining to the Pay business. Cash and deposits increase when deposits or accounts payable increase, and decrease when accounts receivable increases*1.

Purchase of investment securities

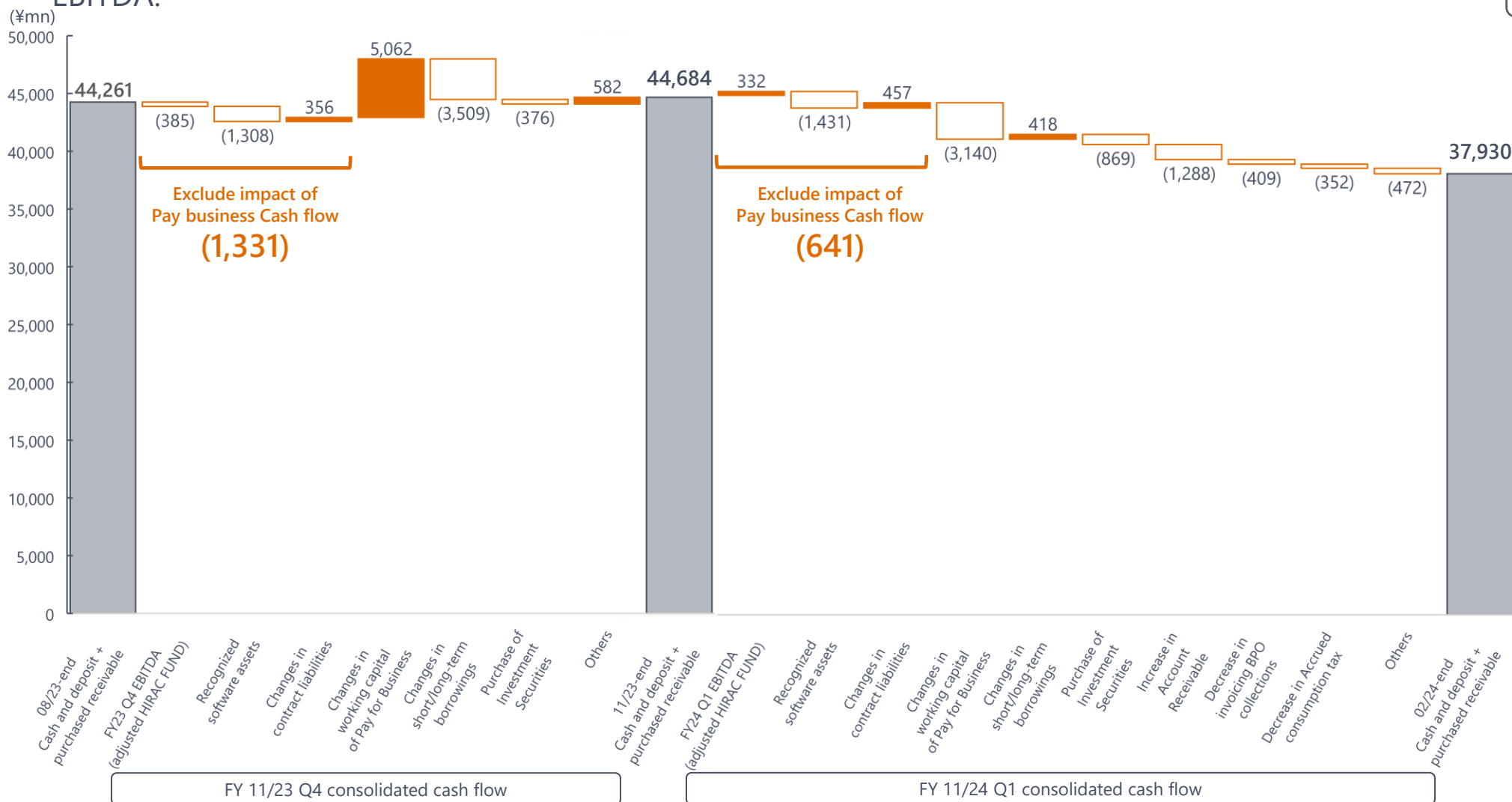
Includes changes deriving from the purchase of shares of subsidiaries and associates.

Decrease in invoicing BPO collections

Invoicing BPO collections are the accounts payable collected on behalf of the customer, prior to being paid to the customer. A decrease in collections translates to a decrease in cash and deposits.

Other

Cash flow items that are not reflected in EBITDA, such as tax payments, and cash flow items from changes in the balance sheet, such as increase/decrease in accounts receivable.



*1 In the consolidated balance sheets in the Company's "Annual Report" and "Summary of Consolidated Financial Results," accounts payable, deposits received, and accounts receivable are respectively included in "accounts payable," "deposits received," and "other current assets"

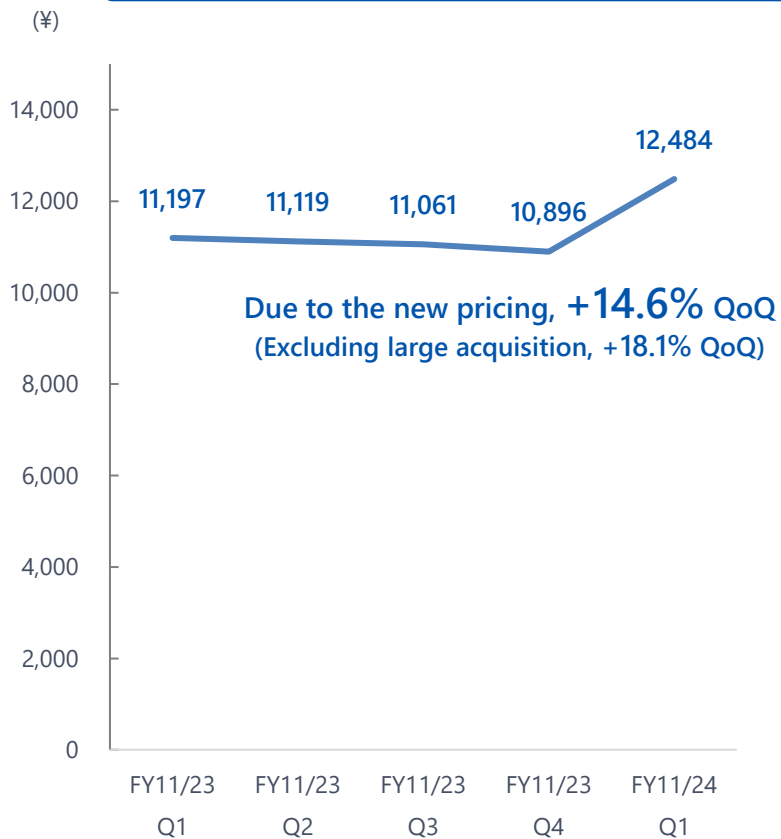
Business Highlights and Initiatives in Focus Areas

- 01 Impact of New Pricing for and Net Growth in Sole Proprietor Customers** P.21
- 02 Net Growth in Corporate Customers and Continuous Enhancement of Professional Service Channel** P.23
- 03 Promotion of Composable ERP Strategy in Midmarket** P.25

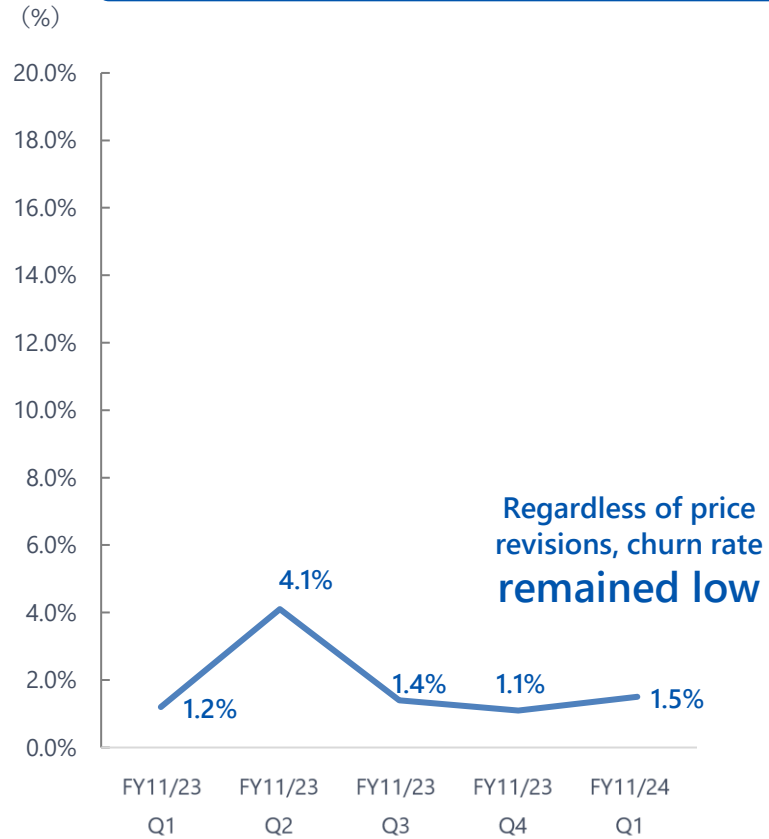
01. Impact of New Pricing for and Net Growth in Sole Proprietor Customers

While the pricing revisions of the web plan for sole proprietors has started since December 2023, the churn rate remained largely unchanged and landed within expectations. Additionally, influenced by a significant acquisition of approximately 5,000 customers*¹ from a BPO company, the net increase in sole proprietor customers recorded an all-time high. Excluding the impact of this large acquisition, ARPA saw a QoQ increase of +18.1%.

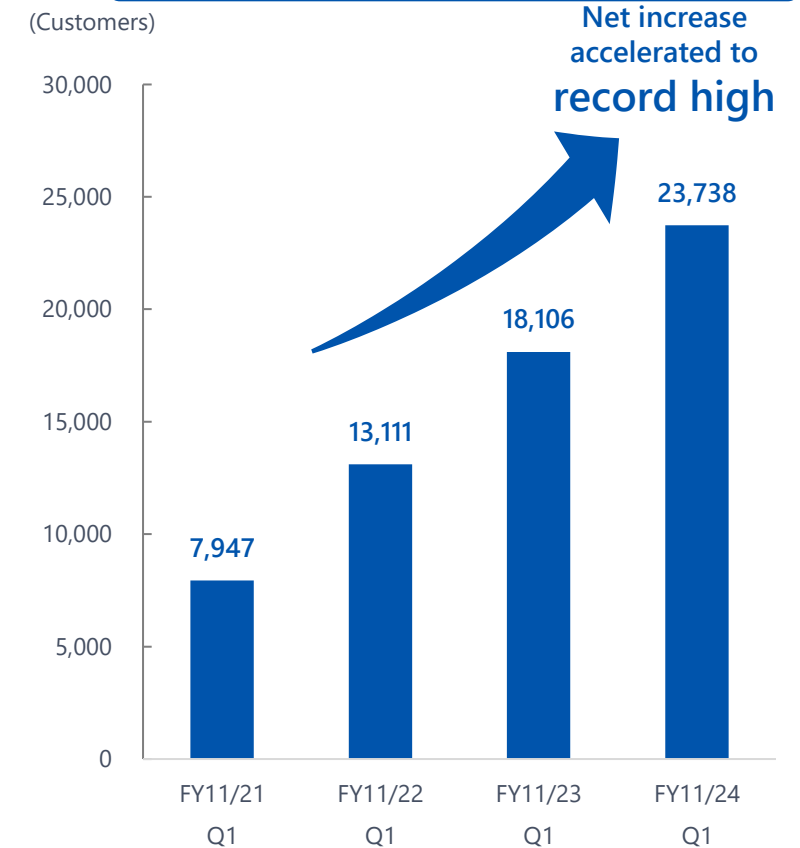
ARPA (last 5 quarters)



Churn rate*² (last 5 quarters)



Net increase in customers (last 4 Q1s)



*1 The clients utilize the "Bookkeeping Service plan, which enables professional firms and BPO companies to use *Money Forward cloud accounting* and *Money Forward cloud tax return* without limitations for an unlimited number of companies. However, this plan comes with restrictions on the number of IDs and available functionalities. *2 3-month average churn rate of sole proprietors.

01. New Pricing for Sole Proprietor Customers (Reference)

The basic fee for sole proprietors was revised in December 2023*1 taking into account the enhanced value of products, including through addressing the Invoice System and revised Electronic Book Preservation Act, as well as the rise in development costs amid an inflationary economy.

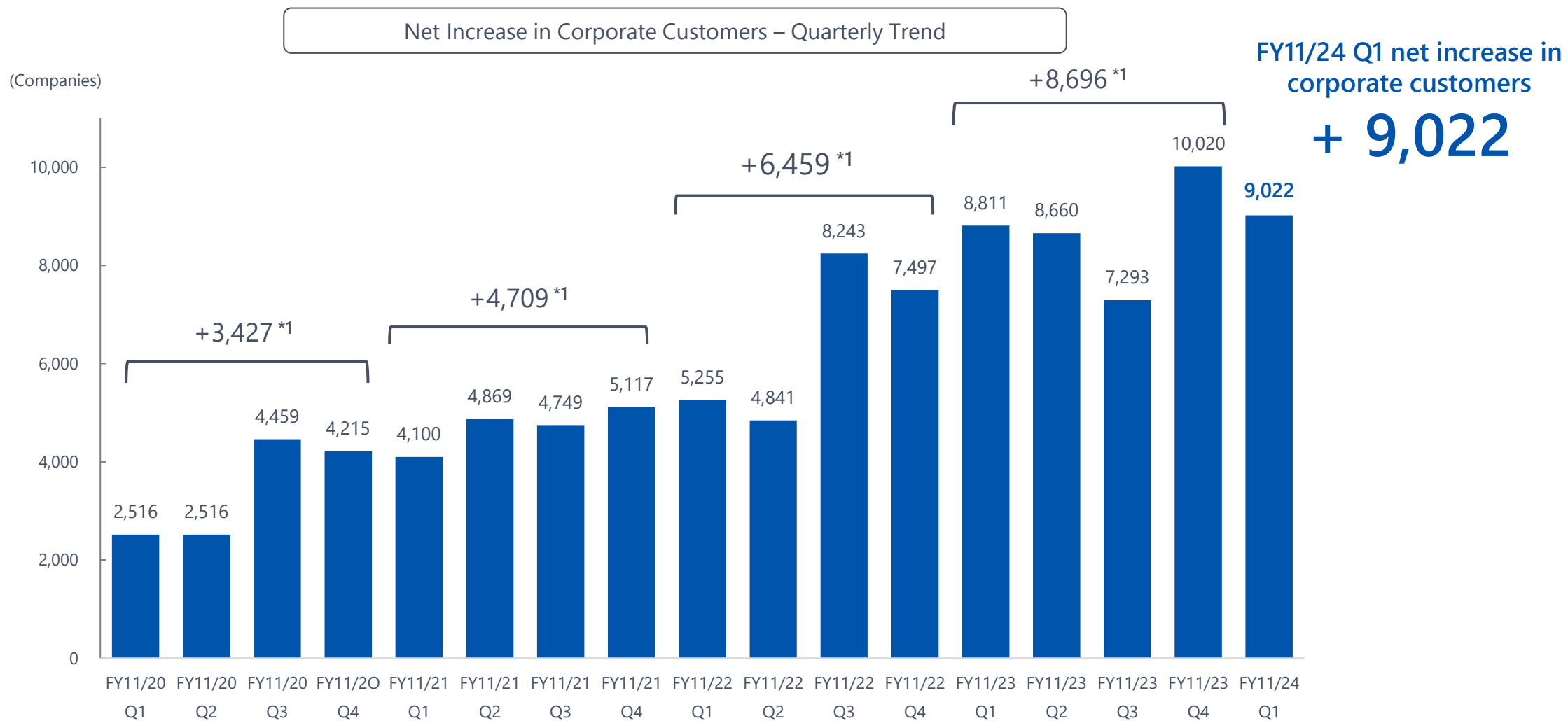
Plan		Before revision	After revision
Personal Mini (app)	Monthly plan	¥980/month	¥1,500/month
Personal Mini	Monthly plan	¥980/month	¥1,280/month
	Annual plan	¥9,600/year (Equivalent to ¥800/month)	¥10,800/year (Equivalent to ¥900/month)
Personal	Monthly plan	¥1,280/month	¥1,680/month
	Annual plan	¥11,760/year (Equivalent to ¥980/month)	¥15,360/year (Equivalent to ¥1,280/month)

*1 Users who subscribed to an annual plan prior to the price revision will be charged with the updated fee only after their subscription is renewed, with all revisions to be completed by November 2024.

* The fees indicated above do not include tax, with the exception of the Personal Mini (app) plan, as app stores display fees including tax for all apps. Furthermore, the Personal Plus Plan (annual fee of 35,760 yen) is not subject to the price revision.

02. Net Growth in Corporate Customers and Enhancement of Professional Service Channel

The net increase in corporate customers has been strong, driven primarily by the large-scale acquisition of customers via a professional service firm. The net increase in FY11/24 Q1 topped the average quarterly net increase (+8,696) of FY11/23.



*1 Average quarterly net increase in corporate customers for each fiscal year.

02. Expanded Use Among Accounting Firms on Demand for Cloud Migration, DX in Back-Office

Hongo Tsuji Tax & Consulting

Continued to Support DX Through Cloud Adoption



- One of Japan's largest tax accountant corporations with over 2,000 employees.
- Promoted the adoption of *Money Forward Cloud Accounting* to support the DX of clients and reduce costs within the corporation. Deployed *Cloud Accounting* at over 89 location across Japan by actively promoting adoptions among bookkeeping divisions to **standardize and streamline operations**, thereby supporting the DX of regional SMEs.

Venture-Support

Streamlined Operations with *STREAMED*



VENTURE-SUPPORT

- One of Japan's largest tax accountant corporations with other 1,350 employees.
- Switched from existing system to the automatic bookkeeping service *STREAMED* to streamline bookkeeping operations, address changes in laws and regulations, and reduce costs. **Working toward boosting bookkeeping efficiency by adopting *STREAMED* in combination with *Money Forward Cloud Accounting***, which the corporation has adopted since 2022.
- Introduced *Cloud Accounting* to over 1,000 clients in FY11/24 Q1.

Salire Group

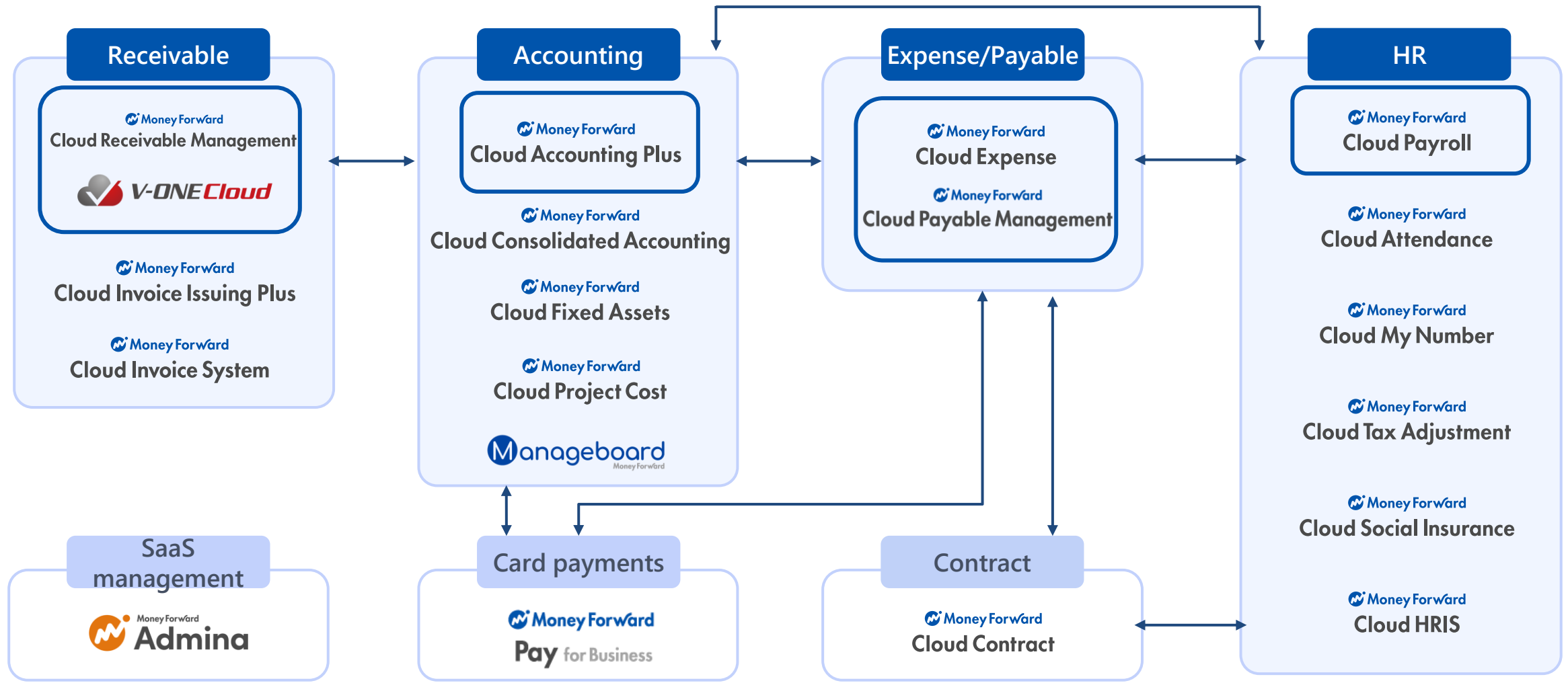
Helped Clients Set Up Back-Office Structure



- A leading tax accountant corporation in the northern Kanto region that deploys business centered on the Tochigi Prefecture, with strengths in startup and financing support.
- Consistently proposes comprehensive back-office solutions, combining *Money Forward Cloud Accounting*, *Expenses*, and *Payroll*, in addition to offering clients with accounting support.
- Helps clients establish seamless operations though solutions that also cover *Money Forward Business Card*.

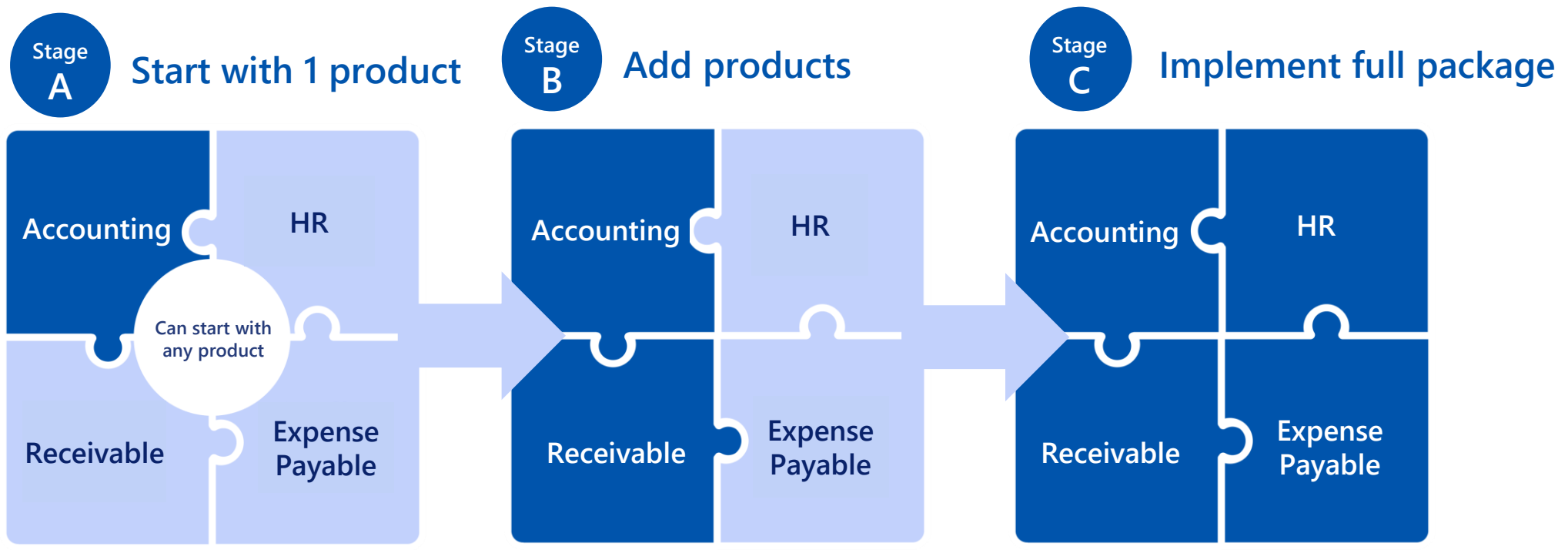
03. Providing Product Lineup That Covers Back-Office Operations for Medium-Sized Companies

Providing an expansive product lineup centered on four core segments, with each product having a competitive advantage.



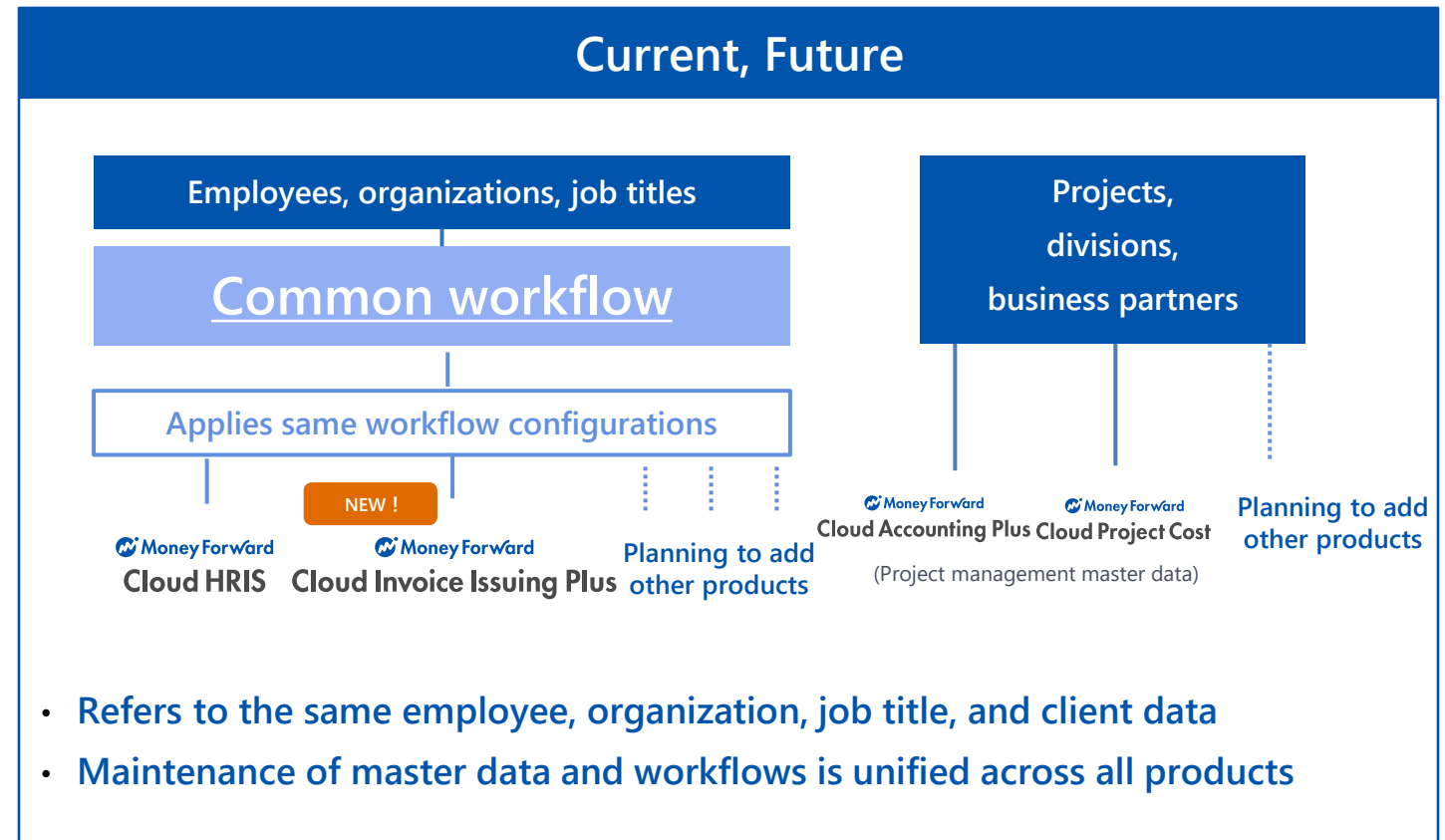
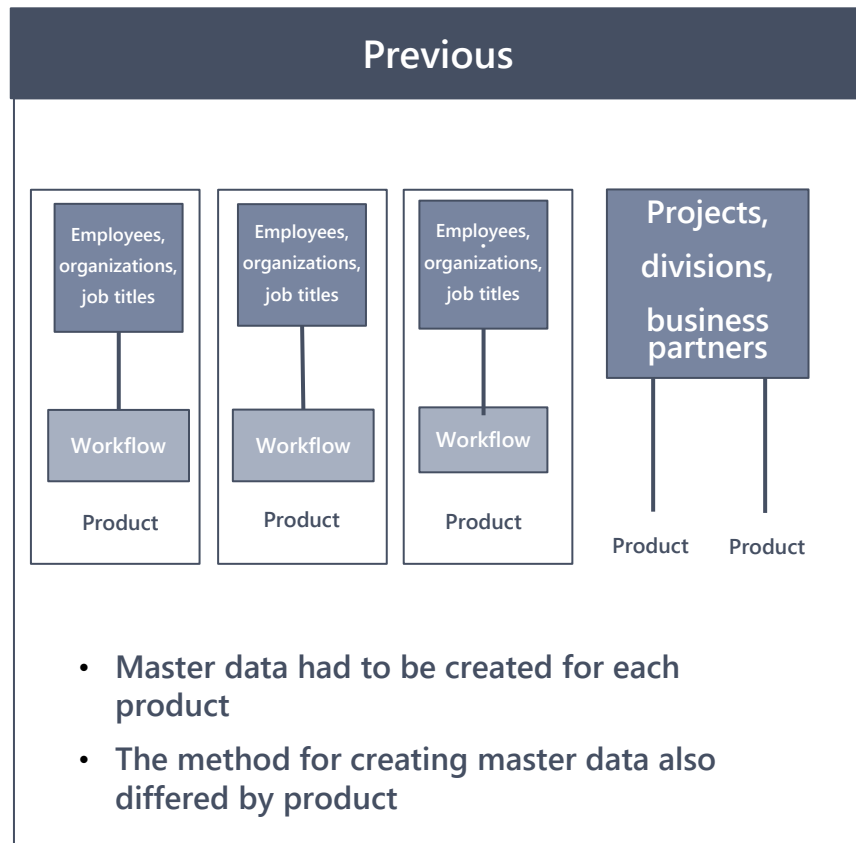
03. Deploying Composable ERP Strategy with Flexibility and Scalability

Develops and provides stand-alone functions for customer to speedily realize the optimal system configuration. Customers can implement individual functions as necessary while combining them with their existing systems and gradually adding new functions.



03. Improving User Experience by Standardizing Workflows and Master Data

Developing common workflows and master data to enable sharing and managing the same employee, client, and department data across all products. Driving cross-selling through flexible composable solutions and enhanced experience for combined usage. **Major headway was made in Q1 by incorporating HR-related employee and organization master data base into the accounting and finance product *Money Forward Cloud Invoice Issuing Plus*.**



03. Cases of Combined Product Use in Midmarket 1/2

Shifted from on-premise HR system to *Money Forward Cloud* because it enables flexible system configurations according to the company's needs based on its broad modular-based product lineup.



Business

Direct marketing, library management, and business solutions (product sales, IT solutions, connect design services, and system development)

Employees
(as of April 1, 2024)

1,860

Established

1973

Before implementing *Money Forward Cloud*

Used on-premise systems of multiple vendors.
Had to deal with heavy cost and operational burdens.

- Had to bear large costs, including for building and operating a data center
- Had to use paper documents excessively
- Had to conduct duplicate maintenance of multiple databases

After implementing *Money Forward Cloud*

Decided to first implement 6 *Money Forward Cloud*
HR-related products.

- No longer need to operate data center after migrating to cloud
- Reduced paper usage
- Consolidated HR database
- Can flexibly consider adding other products



03. Cases of Combined Product Use in Midmarket 2/2

Started considering digitizing operations to address the company's business expansion and shift toward remote work. Established a back-office structure that can withstand future business growth by shifting to cloud-based operations (*Money Forward Cloud*).

SMBC GMO PAYMENT, Inc.



Business

Provides payment services for commercial transactions

Established

2015

Parent company

Sumitomo Mitsui Card Company, Limited

Before implementing *Money Forward*

Analog operations led to overdependence on individuals' skills. Not being able to allow remote work was also an issue.

- Paper-based transfer slips were created using a spreadsheet software and approved using traditional *hanko* seals.
- Expense claims were handled using manual calculation and a spreadsheet software
- Was difficult to grasp information in real time

After implementing *Money Forward*

Selected *Money Forward Cloud* because it uses double-entry bookkeeping and allows flexible implementations and additions of products. Time spent on accounting was reduced by approx. 30% after implementation.

- Enables checking out trial balance in real time
- Requires less verifications of expense requests, helping to reduce psychological burden.
- Was able to foster a work environment that enables focusing on core operations
- Promoting diverse work styles accompanying the reduction of paperwork and shift to cloud.

 Money Forward
Cloud Accounting Plus

 Money Forward
Cloud Expense

Financial Results

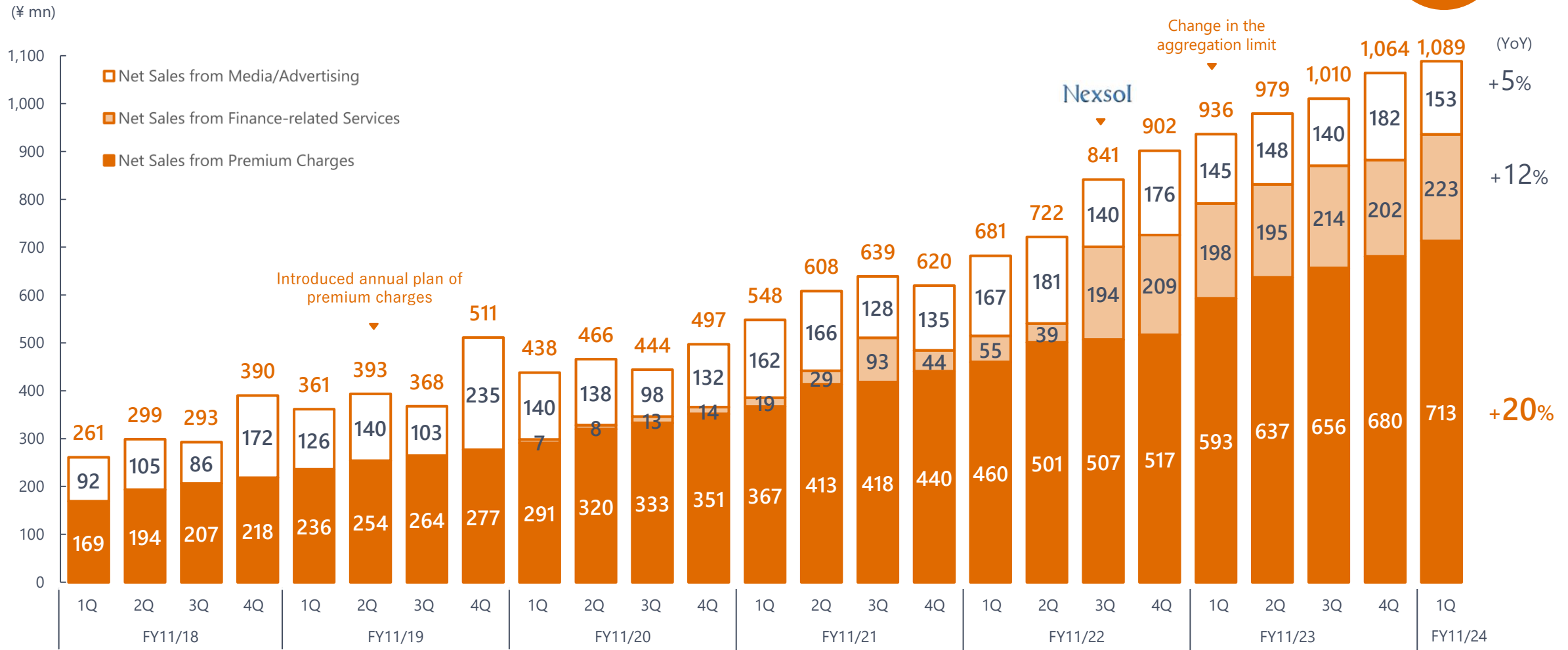
Appendix

Financial Highlights by Domain

Quarterly Net Sales of Home Domain

Released *SUSTEN for Money Forward* and **extended reach to asset management** to deliver further value to users. Users utilizing *Money Forward ME* and *Cloud Tax Return* in combination continued to rise.

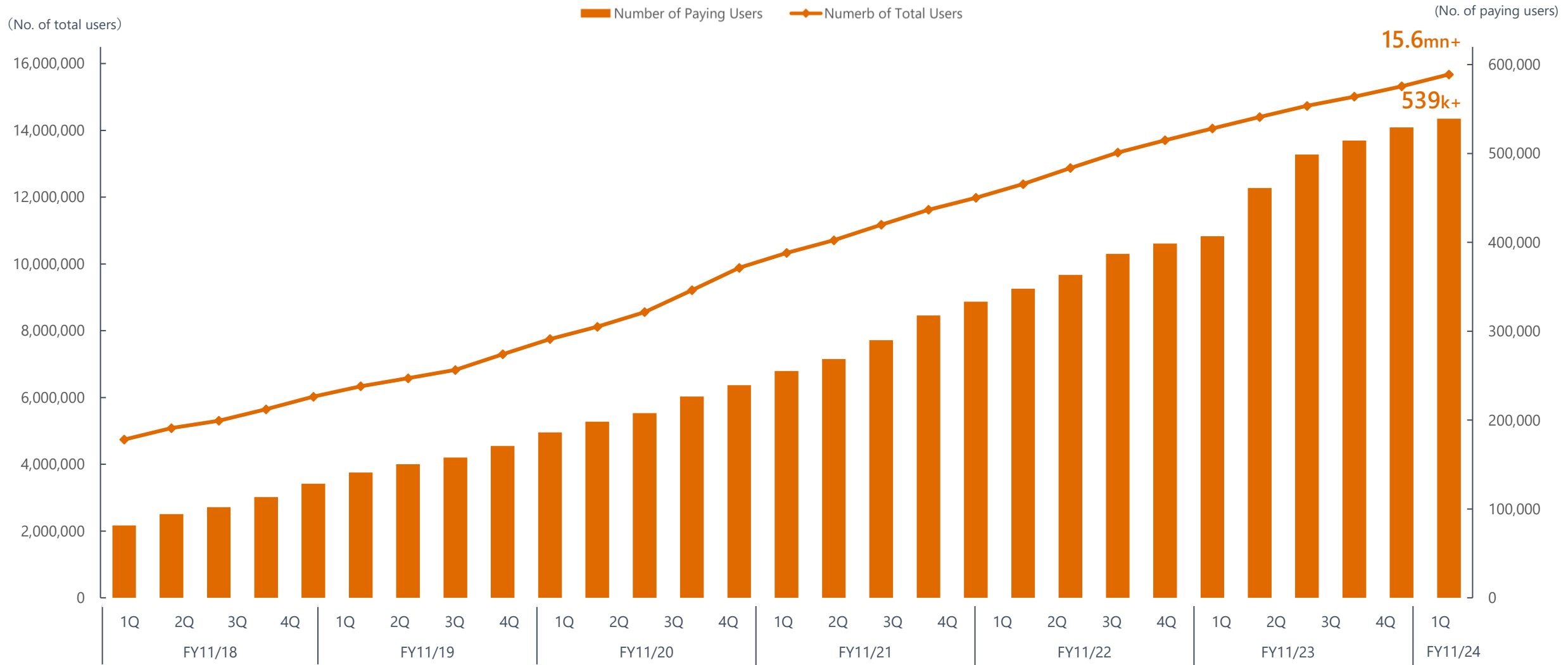
+16%
YoY



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

Total and Paying Users of Money Forward ME

The number of total and paying users expanded steadily, topping 15.6 million^{*1} and 539,000, respectively.

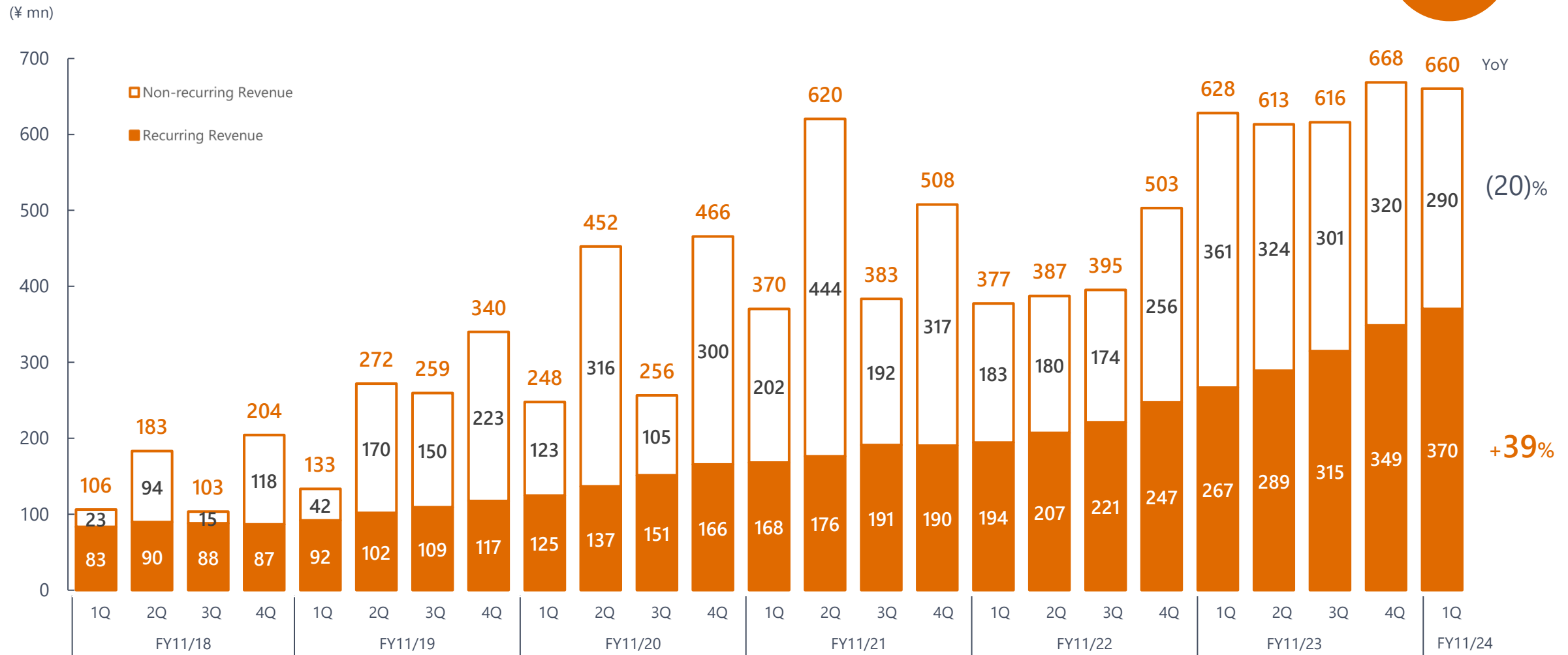


*1 Accumulated number of users of Money Forward ME in Home domain, consisting of app downloads and online registrations. Excludes the number of users of services for financial institutions in X domain.

Quarterly Net Sales of X Domain

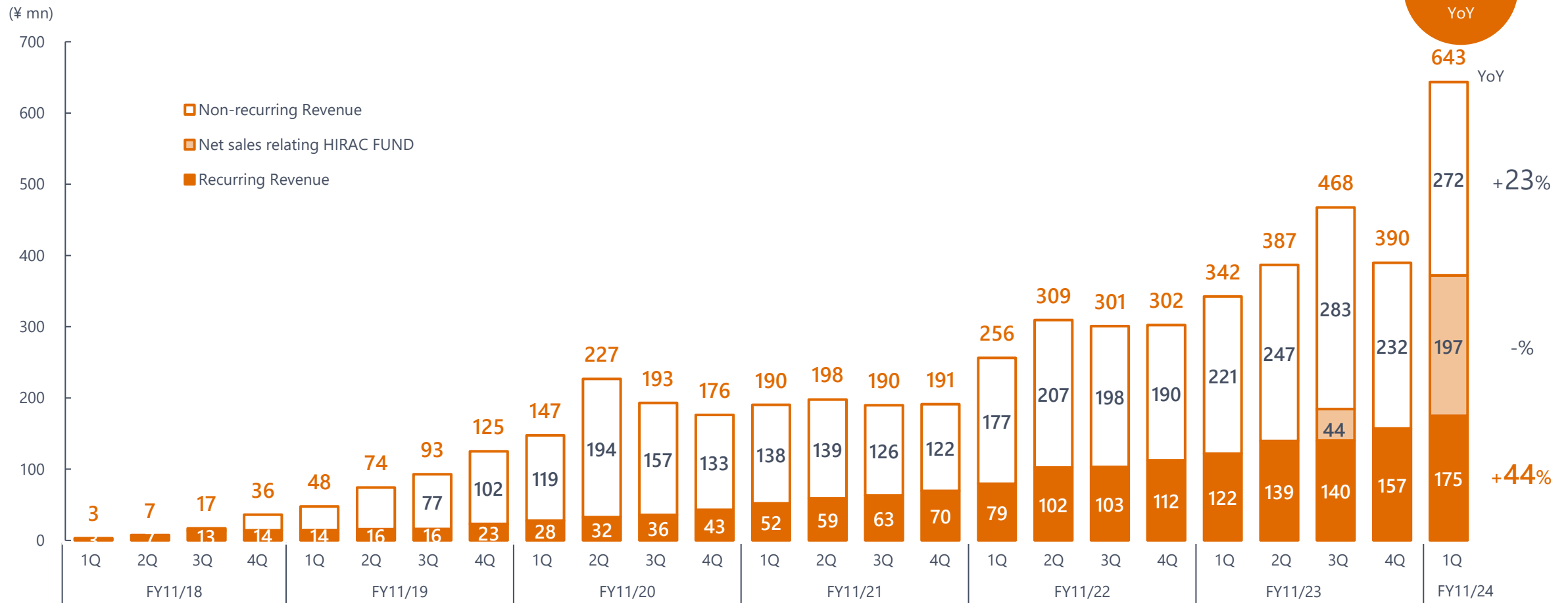
Recurring revenue **increased by 39% YoY**, driven by robust growth in the *Mikatano* series.
Non-recurring revenue contracted 20% due to the shift to a business model oriented toward recurring revenue.

+5%
YoY



Quarterly Net Sales of Finance Domain

Sustained rapid sales growth of **+88% YoY** (+30% excluding HIRAC FUND) in Finance domain as a whole and **+44% YoY** in the invoicing and payment BPO businesses (recurring revenue*¹). Continued to take a cautious stance in the factoring business (non-recurring revenue*¹) due to the credit tightening on the back of the macro environment. HIRAC FUND recorded proceeds from sale of operational investment securities.



*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+*.

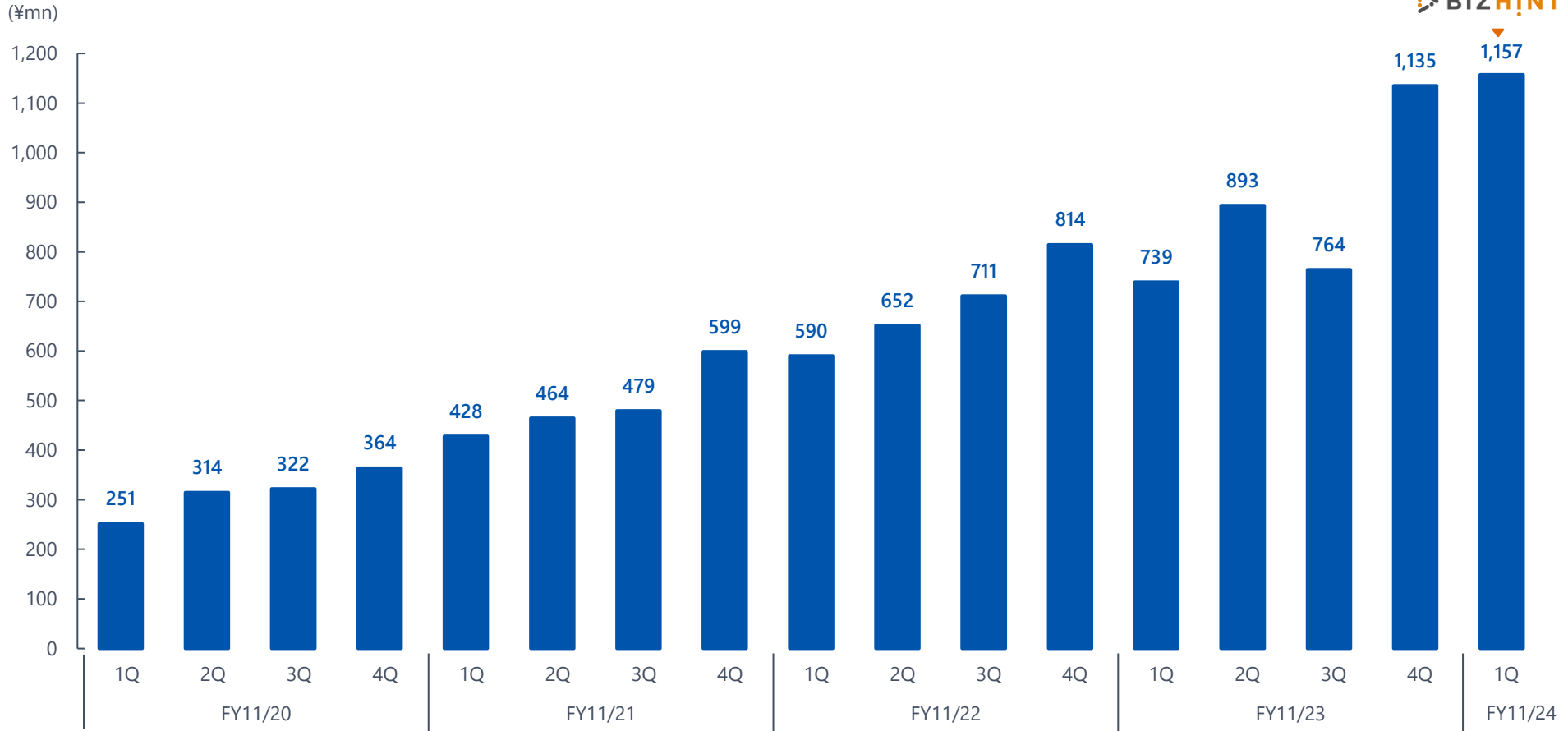
*HIRAC FUND-related sales are shown only in the quarters in which a large volume of proceeds from sale of investments incurred and included in non-recurring revenue in the quarters in which the volume is ¥10 million or less.

Quarterly Net Sales of SaaS Marketing Domain

BizHint, Inc., which has become a consolidated subsidiary from this fiscal year, **performed firmly,** with sales climbing **57% YoY**. Sales growth of the domain excluding the impact of BizHint was 15% YoY.

+57%
YoY

(+15% YoY
excluding BizHint)

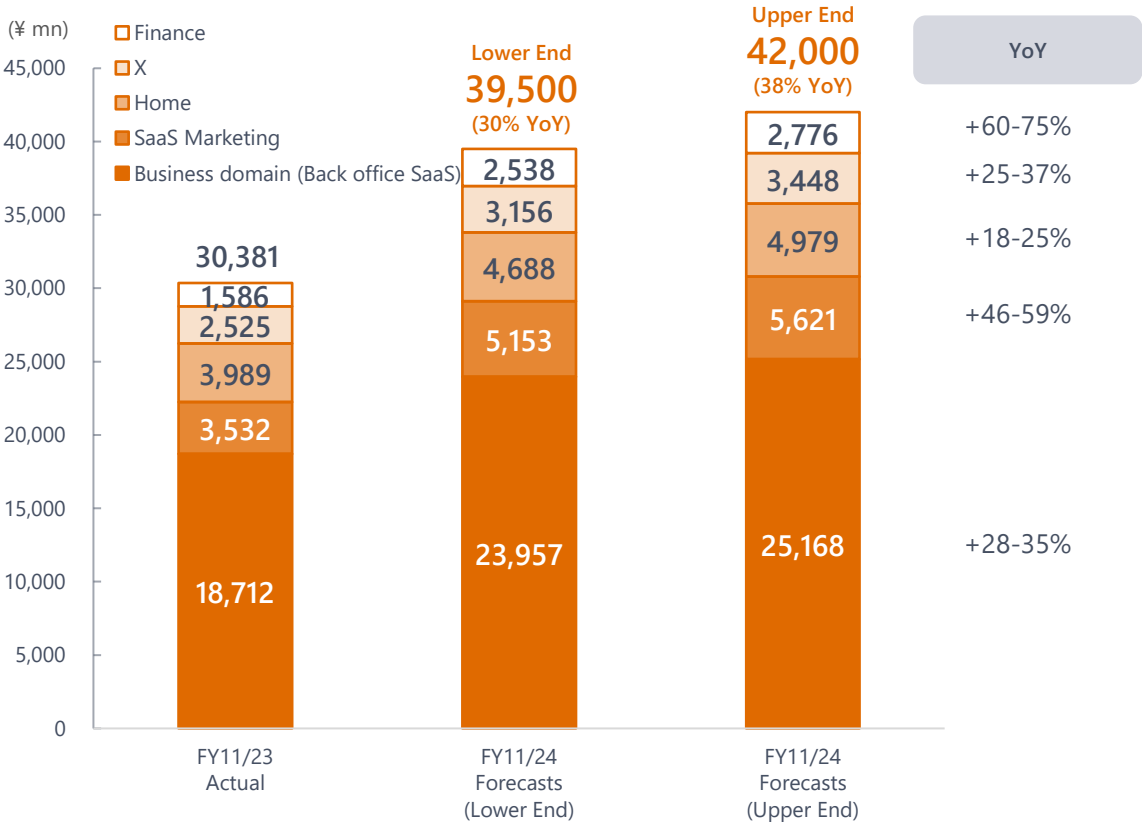


FY11/24 Guidance and Medium to Long Term Financial Targets

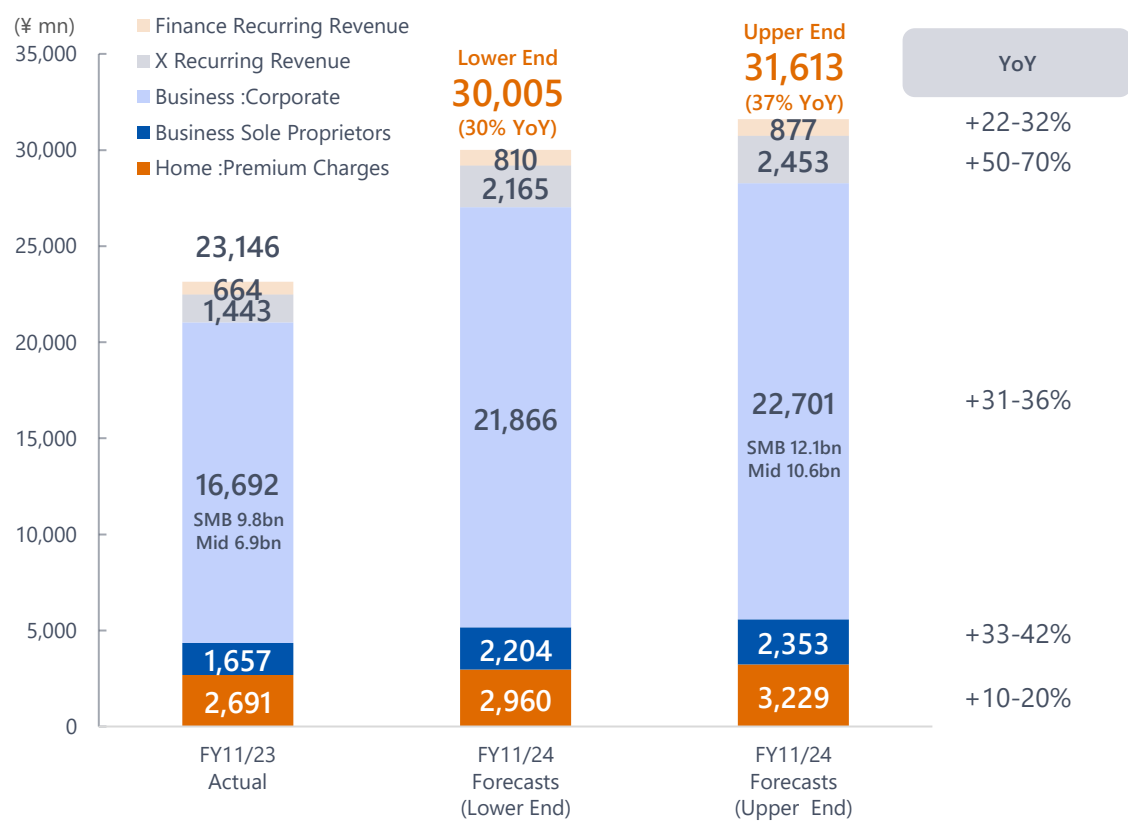
FY11/24 Net Sales / SaaS ARR Forecasts (Reference)

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.

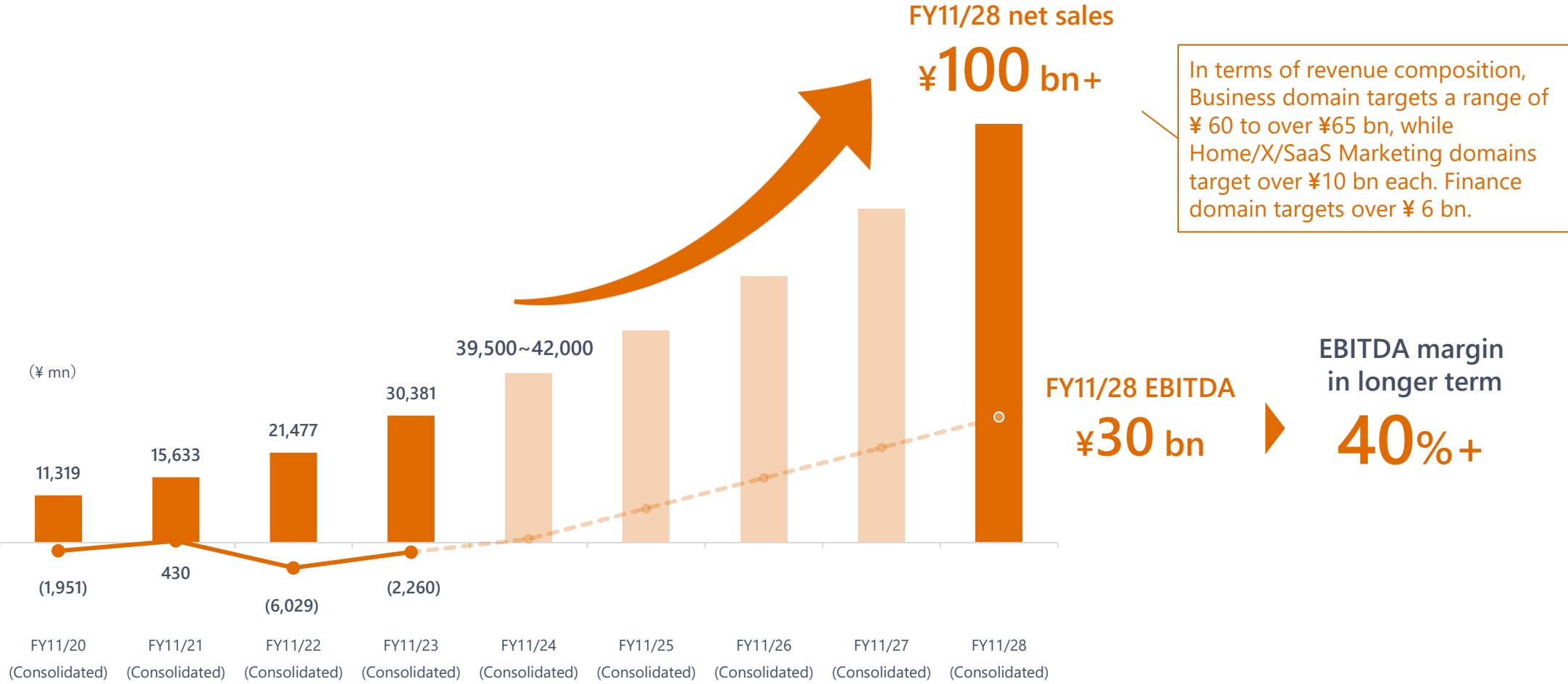
FY11/24 Business Directions by Domain

	Business directions
Entire Group	<ul style="list-style-type: none"> As with FY11/23, concentrate resources to Business domain (SaaS applications for back-office operations of corporations), where the ARR growth rate is accelerating rapidly. As for the other domains, prioritize improving profitability while sustaining growth. Raise profitability, primarily by reducing the ratio of advertising expenses and personnel/outsourcing expenses to total sales, with a target of improving EBITDA margin by +10-15%.
Business	<ul style="list-style-type: none"> Continue to bolster the professional service networks of SMB while concentrating investments to midmarket products and sales/marketing. Continue to strengthen links between products to enhance usability.
Home	<ul style="list-style-type: none"> Enhance functions in the <i>Wealth Formation Advanced Course</i> with a focus on asset management to boost user value and ARPA. Bolster customer referrals to financing services by utilizing the Group's user base, which is one of Japan's largest.
X	<ul style="list-style-type: none"> Continue to shift toward a business model that focuses on recurring revenues by upgrading functions in the <i>Mikatano series</i>. Reinforce sales structure including by expanding partnerships with financial institutions and driving customer success.
Finance	<ul style="list-style-type: none"> Promote the accounts receivable purchase business with caution in light of the current macro environment. Expecting to record proceeds from the sale of operational investment securities ^{*1} (non-recurring revenue) in FY11/24 of approx. ¥0.7bn.
SaaS Marketing	<ul style="list-style-type: none"> Maximize PMI and synergetic effects in BizHint, Inc. and enhance <i>BOXIL</i> services. BizHint, Inc. was consolidated in FY11/24 Q1.
M&A and Group capital strategies	<ul style="list-style-type: none"> Continue careful selections of strategic M&A deals while deploying active sourcing. Currently preparing an IPO of SaaS Marketing domain (SMARTCAMP Co., Ltd.), which has grown rapidly in the three years since its acquisition (CAGR of +41%), with the aim of maximizing and manifesting corporate value.

*1 To be incurred in HIRAC FUND, a venture capital business.

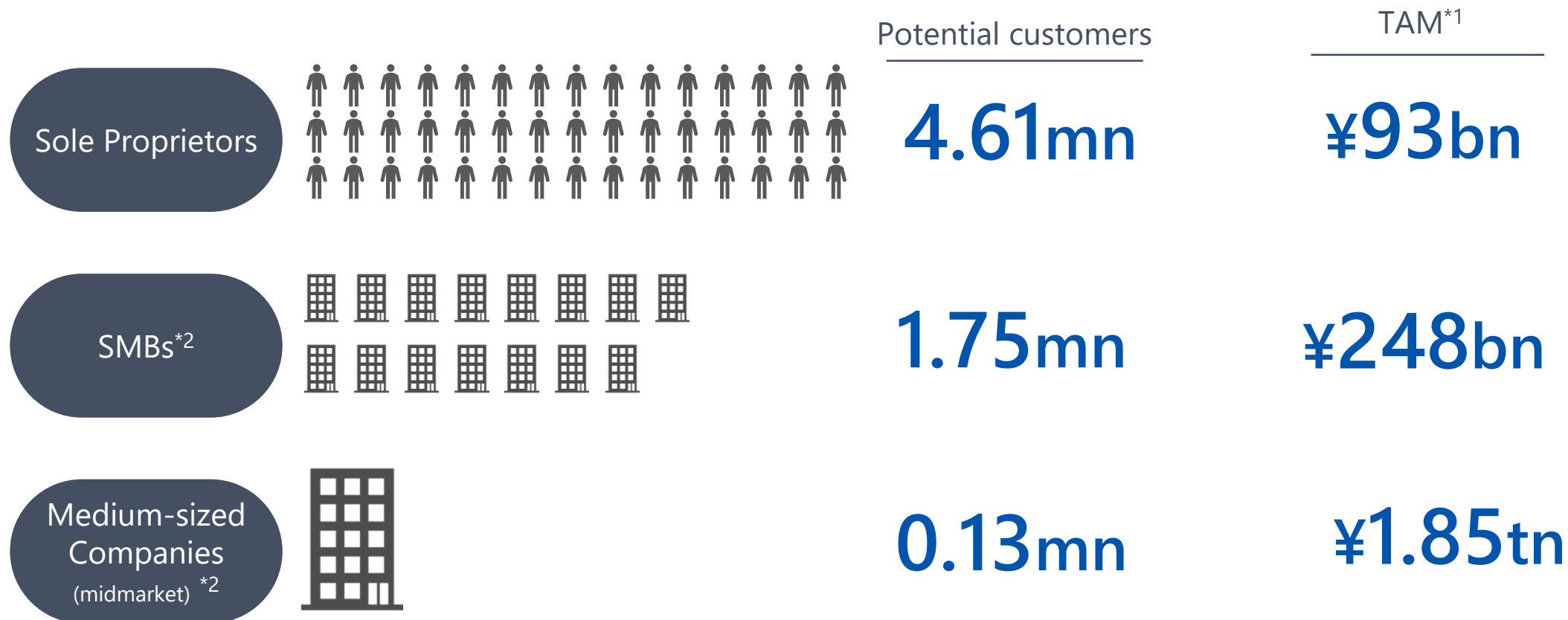
Medium to Long Term Financial Targets (Reference)

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**^{*1}.

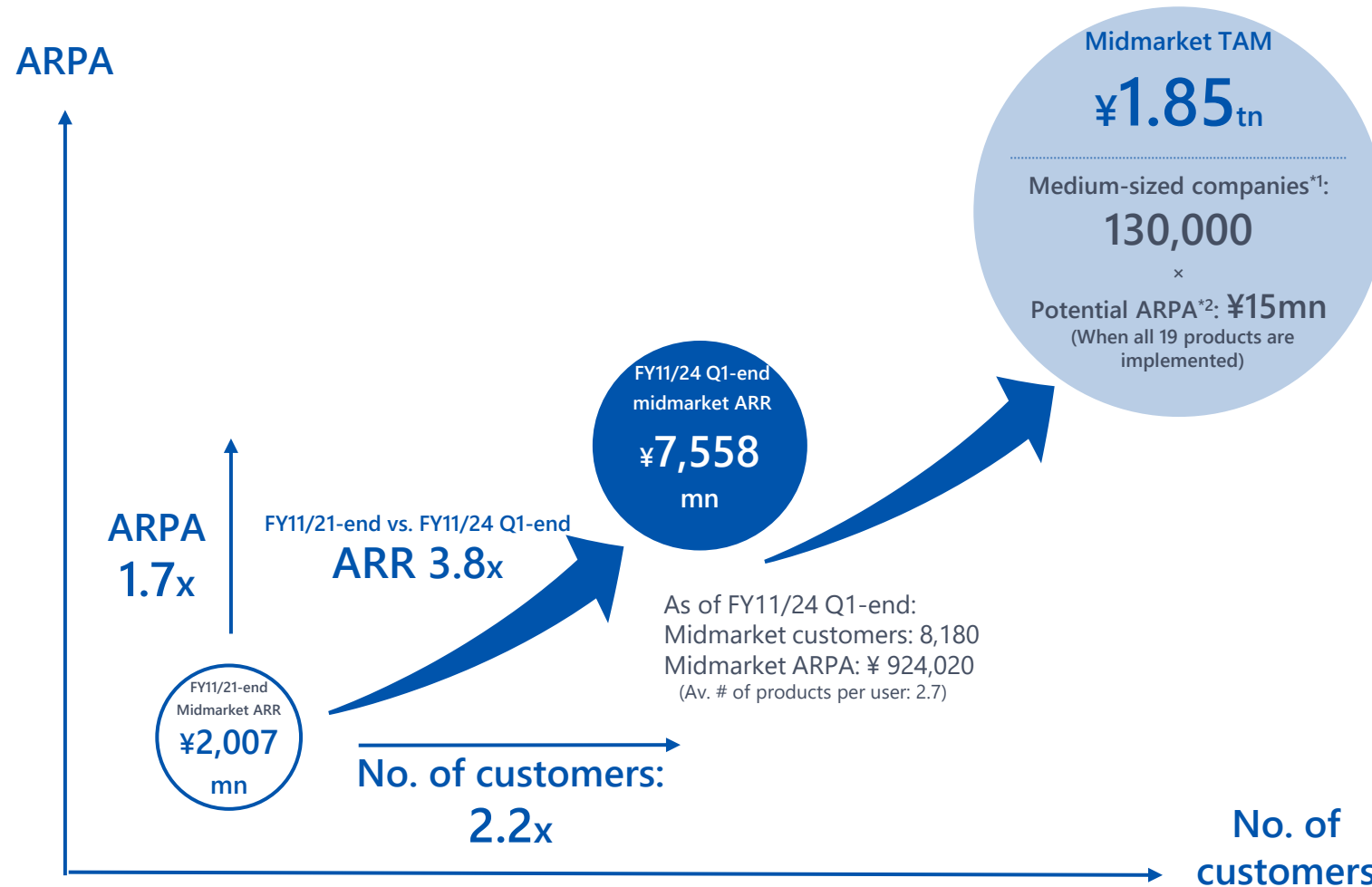


^{*1} Created by Money Forward, Inc. based on National Tax Agency 2021 Survey, MIAC June 2016 Economic Census Activity Survey, TEIKOKU DATABANK, Ltd, and Final tabulation report of the "Survey on the Actual Conditions Concerning the Administrative Workload of Settlement Affairs, etc.", October 26, 2016. 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.

^{*2} 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).

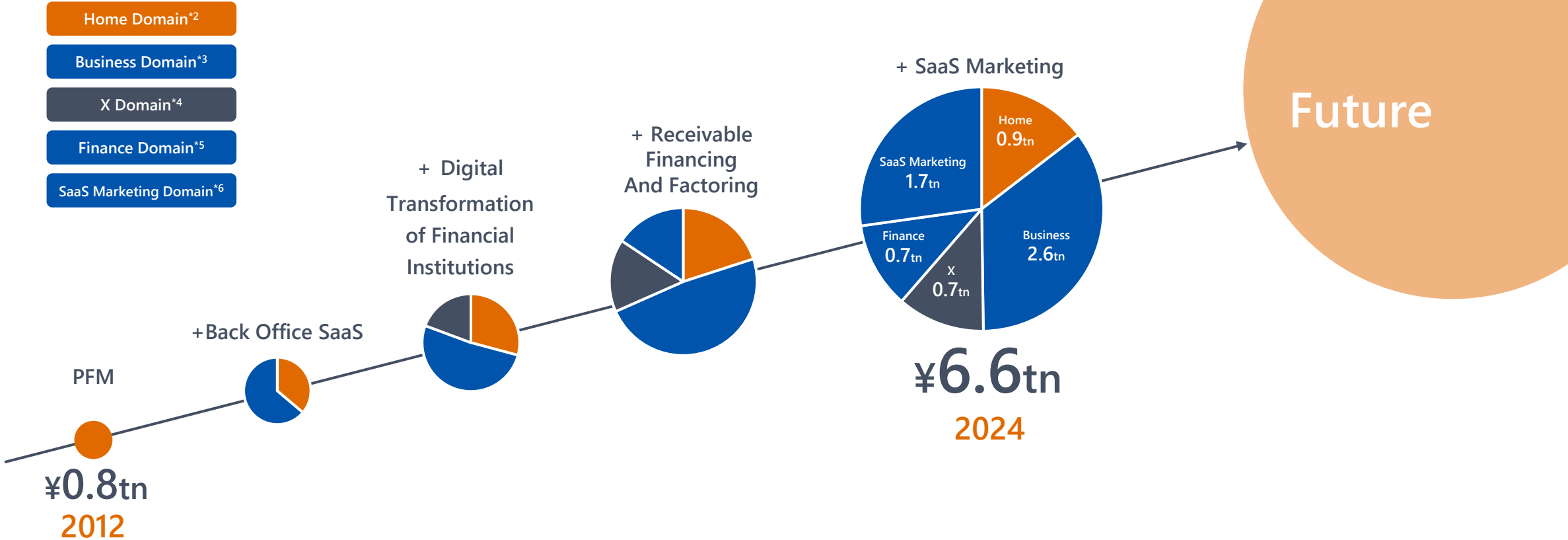


*1 The total annual expenditure of all the Group's potential corporate users in Japan if they were to implement *Money Forward Cloud* or other *Money Forward* services. The total of potential corporate users is the sum of sole proprietors and companies with less than 2,000 employees. Prepared by Money 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 ¥6.6tn, 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 P26. *3 The total TAM for Back Office SaaS and Pay for Business combined. See P40. *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.

Definition of KPIs

MRR	Monthly recurring revenue. Total recurring revenue as of the end of a particular month.
ARR	Annual recurring revenue. Calculated by multiplying the MRR as of the end of a particular period by 12.
SaaS ARR	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.
Paying customer	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.
ARPA	Average revenue per paying account. Calculated as: (ARR as of the end of a particular period) / (number of customers).
New ARPA	Calculated as: (MRR deriving from new paying customers) / (number of new paying customers).
Customer churn rate	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].
MRR churn rate (based on MRR)	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.
CAC payback period	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).
NRR	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.

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**FY11/24 2Q financial results briefings call is scheduled
to be held on 16:00 or later on July 12, 2024.**