



## Regarding the Acquisition of Klavis Inc.

November 2, 2017      Money Forward, Inc.

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1

Klavis Inc. provides *STREAMED*, a unique cloud service that digitalizes analog data.

2

The services, customer bases and technologies of Klavis Inc. and Money Forward, Inc. are highly complementary and generate synergistic effects.

3

Through this acquisition, we can further promote our four growth strategies.

## Overview of Money Forward

We alleviate concerns and insecure feelings about personal finance, boost businesses' growth potential, and aspire to become the largest financial platform in Japan.

## Mission

**Money Forward. Move your life forward.**

'Money' may be nothing more than a tool for living. However, money is also essential for guarding ourselves and our families, as well as for realizing our dreams. Money Forward contributes to building a better society by providing services that enable users to "see money in a positive light and broaden their range of opportunities," thereby significantly enriching their lives.

## Vision

**Becoming the financial platform for all.**

We aim to solve financial issues of all individuals and businesses through building an open and fair financial platform and providing essential services.

## Values

### User Focus

Defying all obstacles, we will retain a user-oriented stance at all times, grasping users' substantive issues and delivering solutions that exceed their expectations.

### Technology Driven

We believe technology to be a major driver in changing the world. We will therefore delve deeper into technology and provide society with deriving services, and thus unceasingly drive innovation.

### Fairness

We pledge to be fair and open to all stakeholders including our users, employees, shareholders and society as a whole.

# Mainstay Services

We provide both B2C and B2B services.



Personal Financial Management (PFM)  
Services (B2C)

*MF Cloud Services (B2B)*

**Money Forward**

We eliminate all money-related concerns of individuals to move their lives forward.

The image shows two smartphones displaying the Money Forward app interface. The left phone shows a summary for April 2016 with a total balance of ¥129,825. The right phone shows a detailed expense breakdown for October 2016, including categories like 'コンビニ' (convenience store) and '食費' (food expenses).

**MFクラウド**

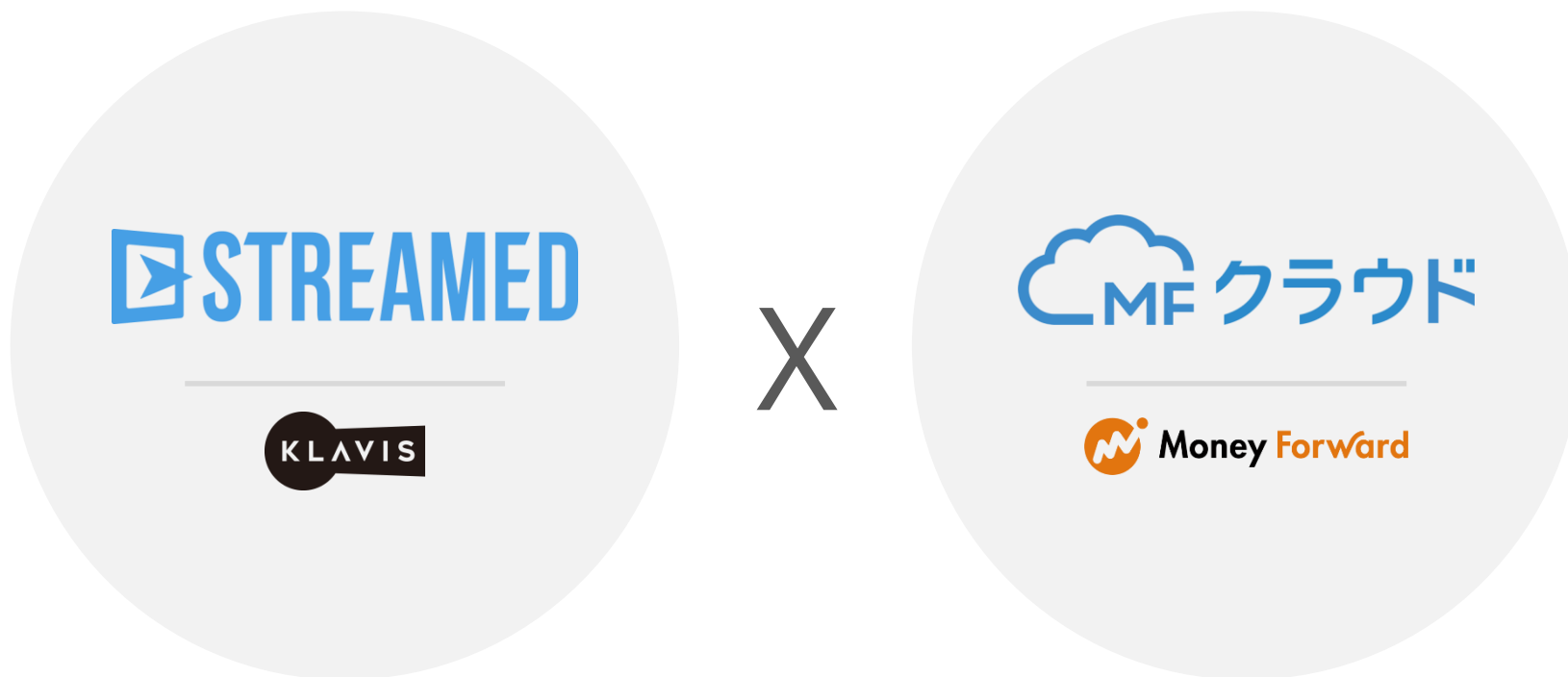
We resolve businesses' managerial issues to move the Japanese economy forward.

The image shows a desktop computer monitor, a laptop, a smartphone, and a tablet, all displaying the MF Cloud Services interface. The desktop monitor shows a large bar chart and a line graph, while the other devices show smaller versions of the same data.

Regarding the  
Acquisition of Klavis Inc.

# Overview of Acquisition

Money Forward, Inc. acquired Klavis Inc., which provides a cloud bookkeeping service *STREAMED*.



Date of agreement: November 2, 2017  
Date of shares transfer: November 2017 (planned)  
Number of shares to be owned by Money Forward, Inc.: 100%  
Impact on financial results for FY11/17: Expected to be negligible.

# Overview of Klavis Inc.

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Company Name: Klavis Inc.  
Business : Development of cloud bookkeeping service *STREAMED*  
Capital: ¥81 million  
Established: December 3, 2012  
Net Sales: ¥100 million (fiscal year ended June 30, 2017)

Klavis Inc.'s three highly competent executives will continue to manage the *STREAMED* business after the acquisition.

Specialty:  
Strategy



Tatsuya Kanto, CEO

- Born in 1978 (currently 38 years old).
- Worked in the gaming industry/ launched overseas bases.
- Was involved in M&A of current Macromill, Inc. (TSE 1st section).
- Founded Klavis Inc. in 2012.

Specialty:  
Business development



Akira Yokoi, CTO

- Born in 1977 (currently 40 years old).
- Founding member of an ERP startup (TSE Mothers).
- Joined Klavis Inc. in 2015 and was appointed as CTO.

Specialty:  
Corporate management



Masanobu Takeda, CFO

- Born in 1976 (currently 41 years old).
- Worked in the online advertising industry.
- Served as director of Macromill, Inc. and president of an affiliated company.
- Joined Klavis Inc. in 2016 and was appointed as CFO.

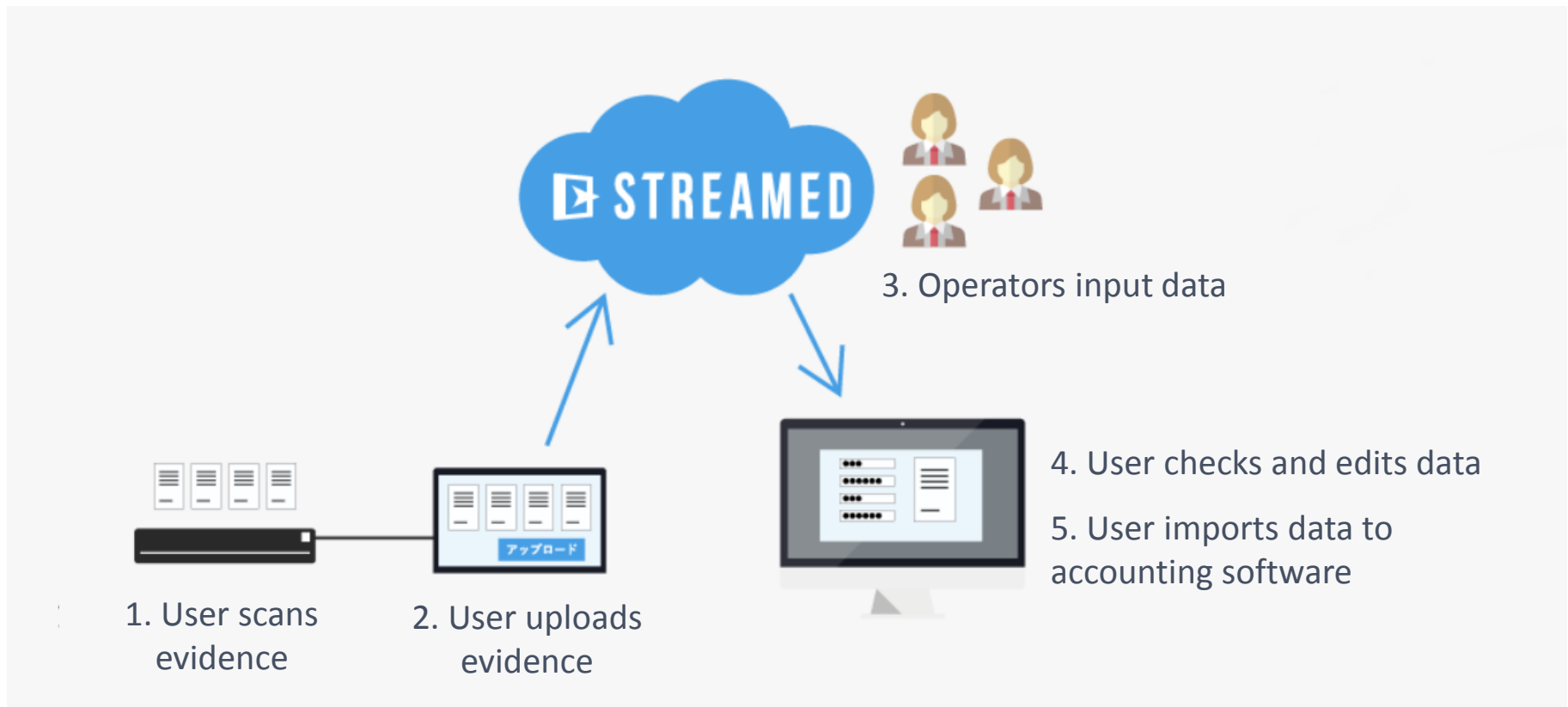


# Service Provided by Klavis Inc.: *STREAMED*

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Klavis Inc. provides *STREAMED*, a cloud bookkeeping service in which users simply scan and upload images of receipts and bankbooks, etc., and operators accurately and swiftly digitalize that data.

## Solution for automating and streamlining accounting operations



Accepts various documents

Deploys BPO to Vietnam

Utilizes AI



- Accepts five types of documents—receipts, invoices, bankbooks, credit card statements and cash ledger.
- Digitalizes analog data within one business day.
- Ensures 99.9% accuracy even for handwritten receipts.

**Attains the highest level of customer satisfaction with a track record of digitalizing over 10,000 data per day.**

## Purpose of Acquisition



- 1 100% automation of bookkeeping operations
- 2 Tenfold expansion in addressable market size
- 3 No.1 AI service provider for back office operations



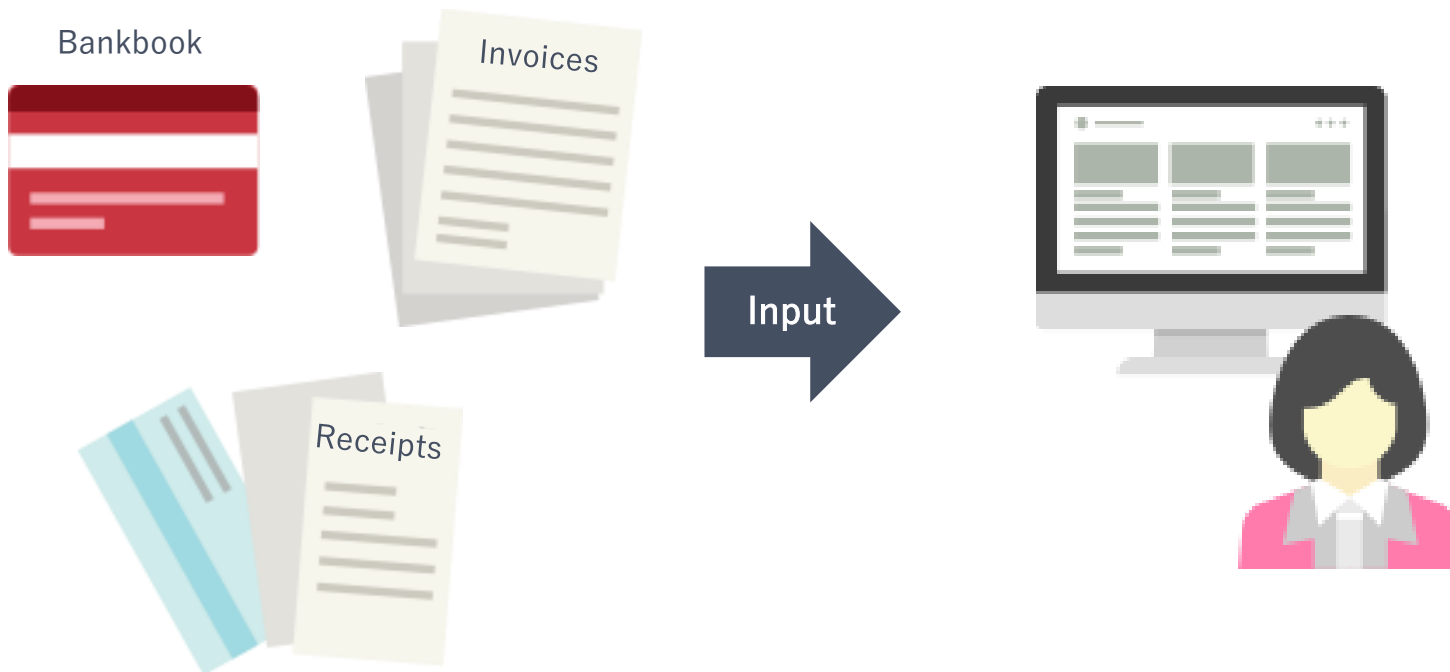
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# Scope of “Bookkeeping Operations”

Within the realm of accounting operations, “bookkeeping operations” refers to the collection of transaction data (i.e., evidence) and input of such data to an accounting software.

Collect transaction data

Input to accounting software



- The need to make massive journal entries from analog data (i.e., paper-based evidence)
- Low productivity deriving from simple tasks
- Dependence on individuals' skills
- The need to secure accounting personnel
- Seasonal bias in workload

*STREAMED* aims to provide services that resolve such conventional issues.

# Automated Bookkeeping Operations with *MF Cloud Accounting/Tax Return*

*MF Cloud Accounting/Tax Return* automates the journal entries of digital data by aggregating them from over 3,600 financial services.

## Collect transaction data

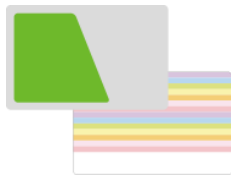
- Automatically acquires online digital data.
- No need to collect analog data.



Bank account statements



Credit card statements



Electronic money



POS online shopping

(Examples of automatically acquired data)

## Input to accounting software

- Automatically suggests account titles based on contents of the acquired data.

Date	Amt	Company	Remarks	Account Title
15/6	-165	E-money	from station A to B	Travel exp
10/6	-999	Amazon.co.jp	Introduction of Fintech	Book exp
7/6	-7030	MF Bank	Internet usage fee	Communication exp

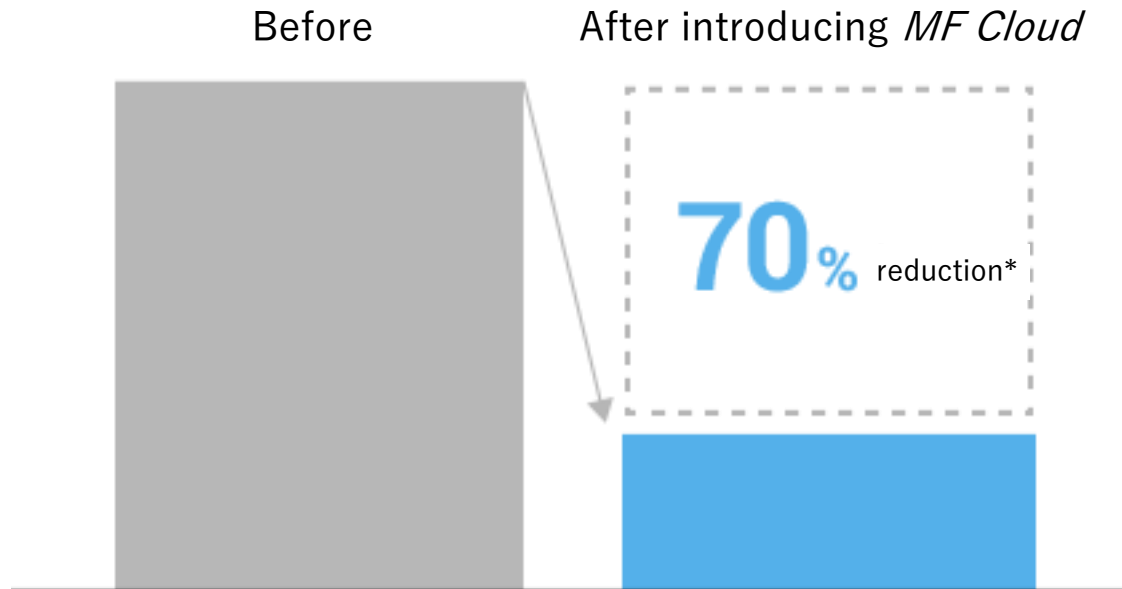


# Impact of *MF Cloud's* Automatic Data Acquisition

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*MF Cloud's* automatic data aggregation (ADA) function helps reduce **70% of manual inputs.**

Impact of *MF Cloud Accounting/Tax Return's* ADA function



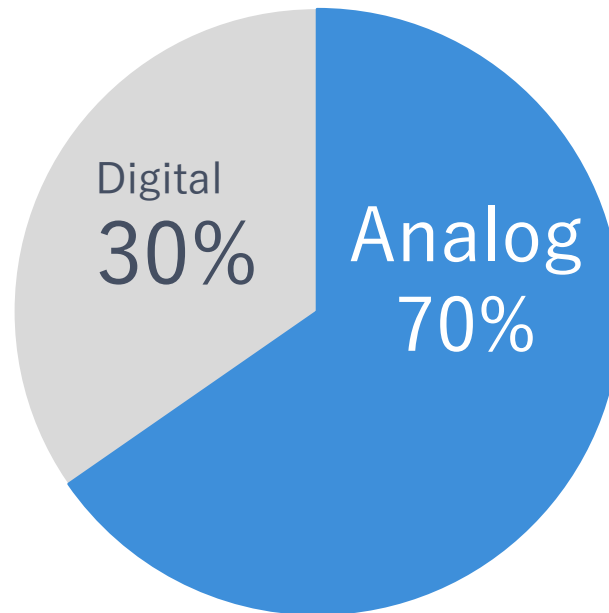
\*According to Money Forward, Inc.'s analysis of data inputs by *MF Cloud Accounting* users.

# Challenges in Full Automation of Bookkeeping Operations

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Accounting operations still rely heavily on analog data, creating a barrier to introducing cloud accounting software.

Approx. 70% of all accounting operations are still analog data-based



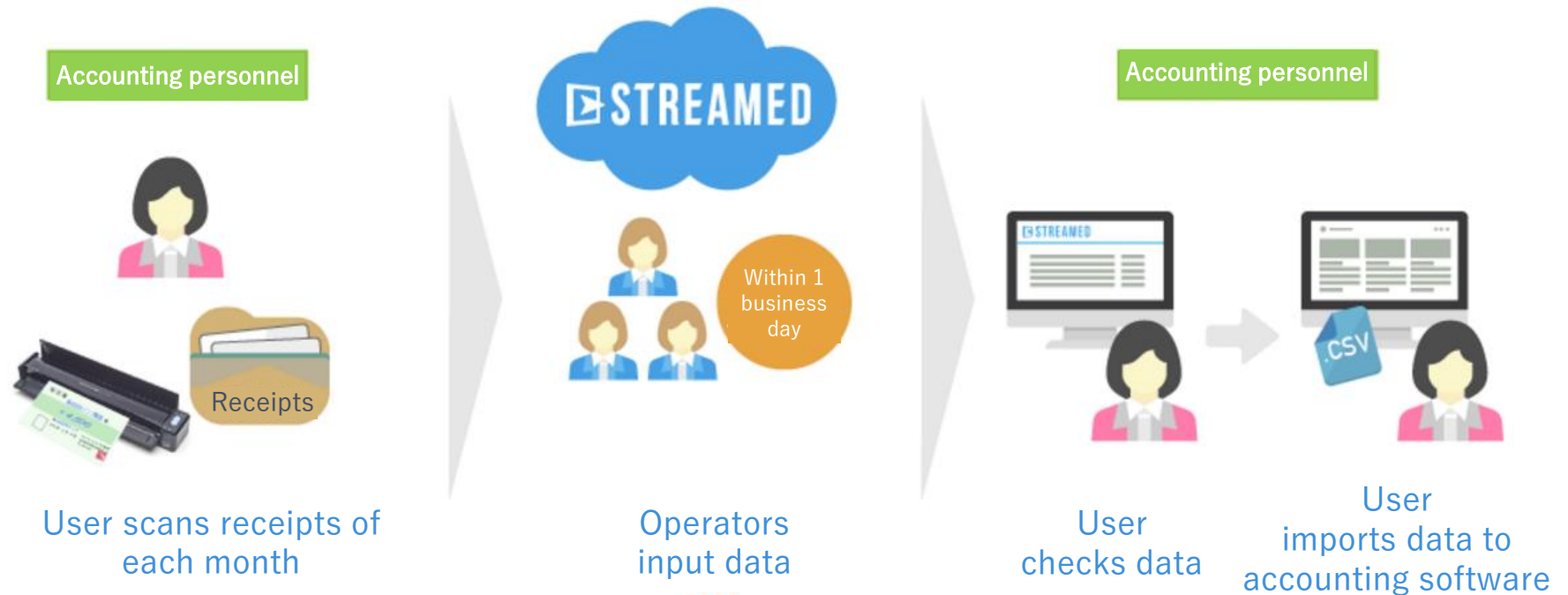
# Automated Bookkeeping with *STREAMED*

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Operators input analog data and digitalize it within one business day.

Collect transaction data

Input to accounting software



*MF Cloud Series* effectively acquires digital data, while *STREAMED* effectively collects analog data.

	Automated journal entry of digital data	Automated journal entry of analog data
	<p><b>Fully capable</b></p> <p>Aggregates wide ranging digital data including online banking statements and makes journal entries automatically.</p>	<p><b>Partially capable</b></p> <p>Although partial functions are provided, speed, accuracy and usability are insufficient.</p>
	<p><b>Partially capable</b></p> <p>Only partial functions are provided for online banking statements etc.</p>	<p><b>Fully capable</b></p> <p>Handles a variety of documents. Ensures 99.9% accuracy and speedy digitalization.</p>

# Synergistic Effect of *MF Cloud Series* and *STREAMED* 20

Integrating the technologies of both companies will allow automatic data acquisition and journal entries of both analog and digital transaction data.

Collect transaction data

Input to accounting software

  
Digital data



  
Analog data

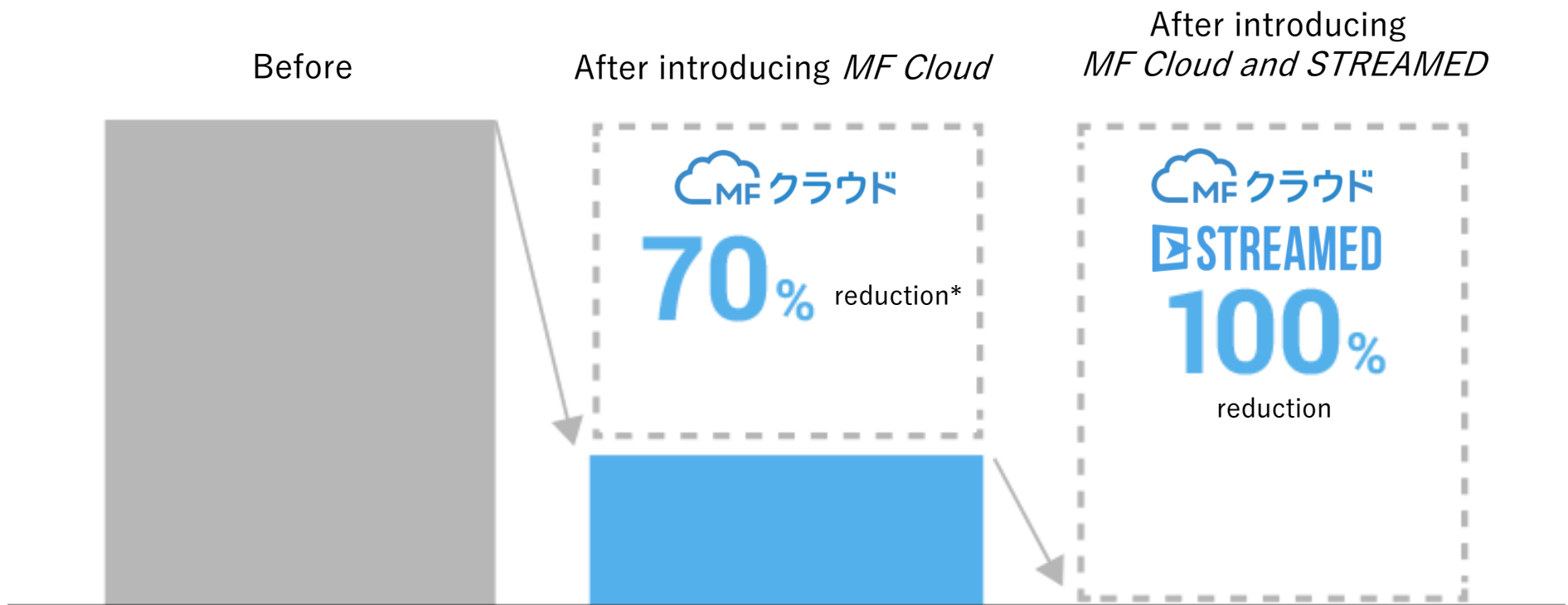


Automatic  
journal entry





Our goal is to eliminate all manual entries and achieve 100% automation of bookkeeping, thereby significantly boosting the productivity of client companies and accounting firms.



\*According to Money Forward, Inc.'s analysis of data inputs by MF Cloud Accounting users.



1 100% automation of bookkeeping operations

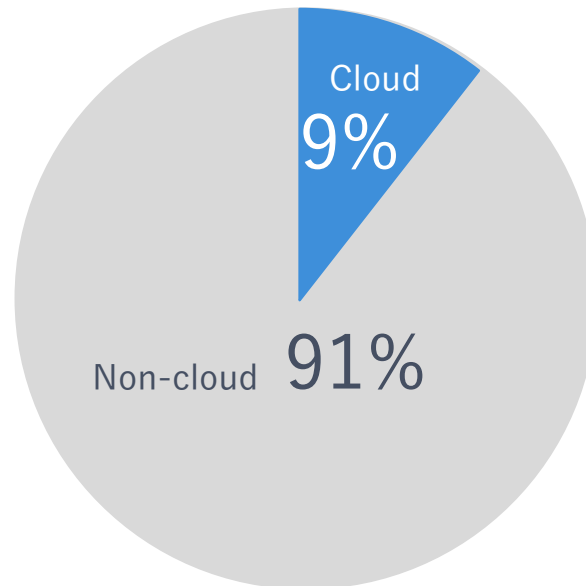
2 Tenfold expansion in addressable market size

3 No.1 AI service provider for back office operations

# Growth Potential of Japanese Cloud Accounting Market 23

While cloud accounting software has been spreading rapidly in Japan, it still only accounts for 9% of the market, and thus, further growth is expected.

Share of cloud accounting software



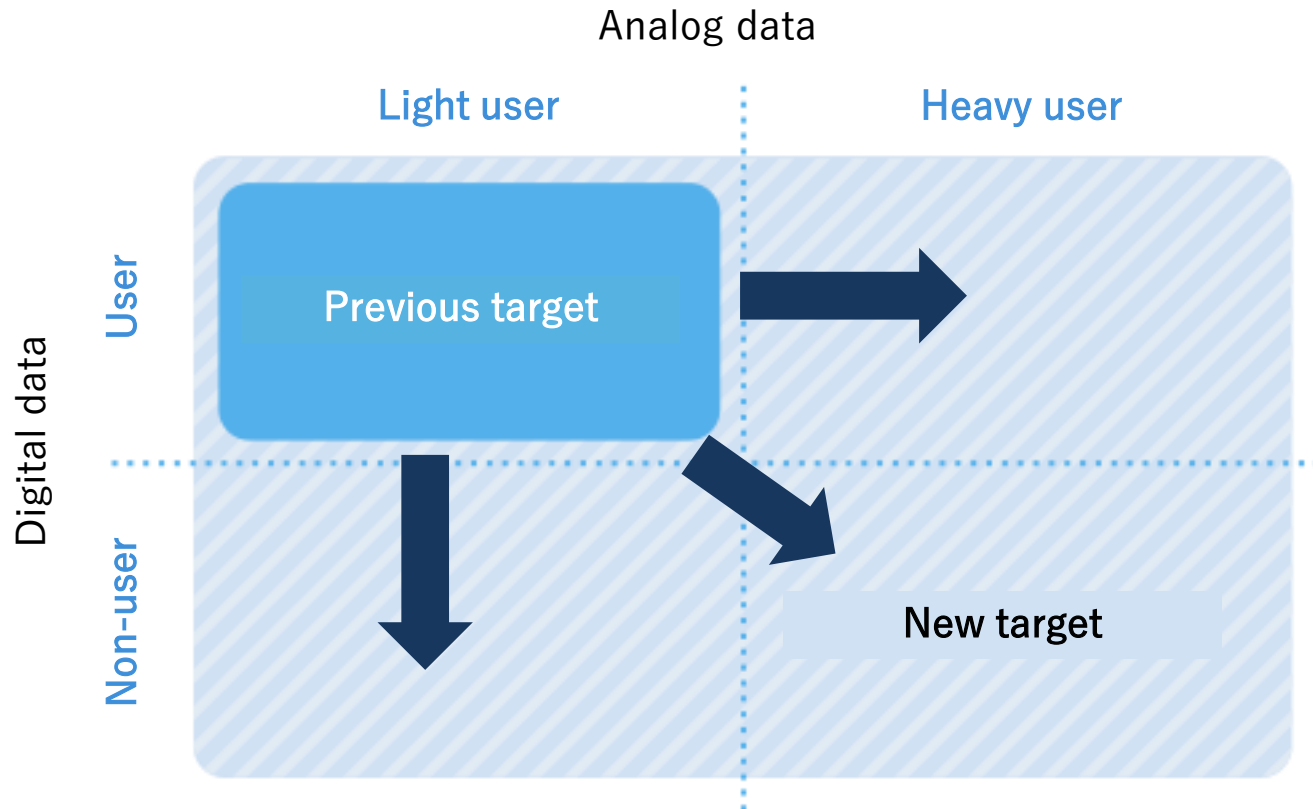
By accelerating the adoption of cloud accounting, we can extend our market reach by tenfold.



# Expansion of Targeted Customers

Existence of large volume of paper-based documents is a major barrier of introducing cloud accounting software.

With *STREAMED*, we will enhance the introduction of MF cloud accounting.





1 100% automation of bookkeeping operations

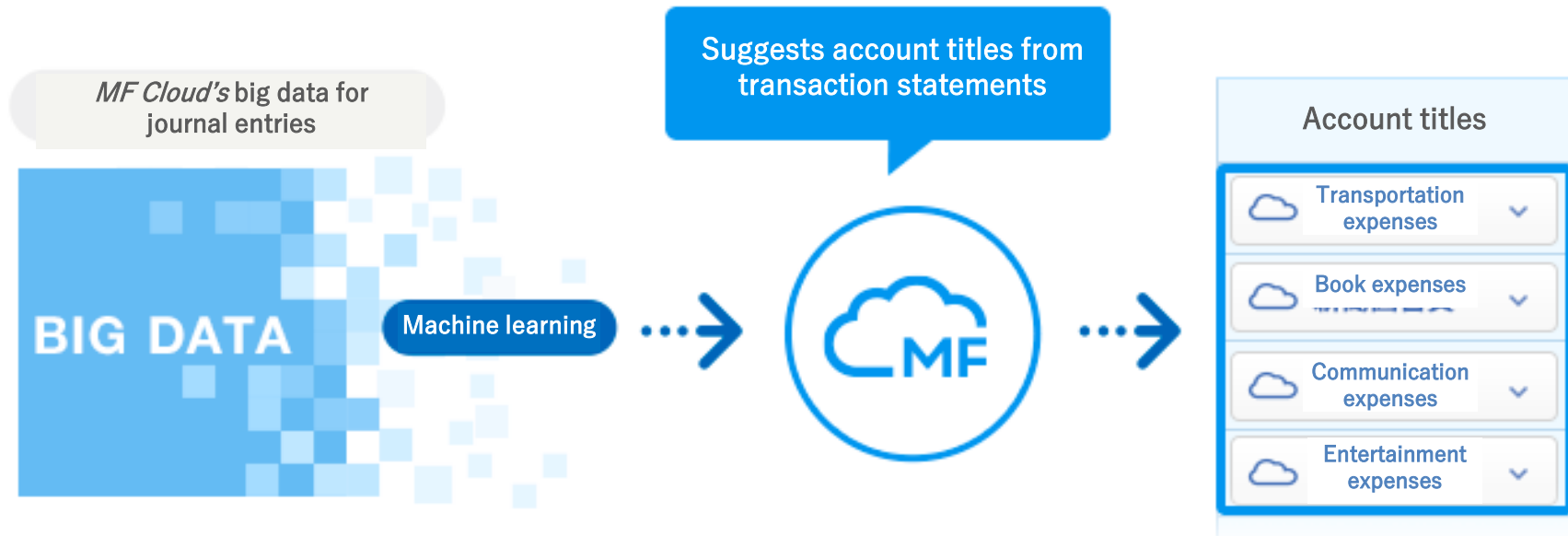
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# Track Record in AI (*MF Cloud Series*)

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*MF Cloud Series* applies AI to big data accumulated from journal entries in *MF Cloud Accounting/Tax Return* to automatically suggest account titles.

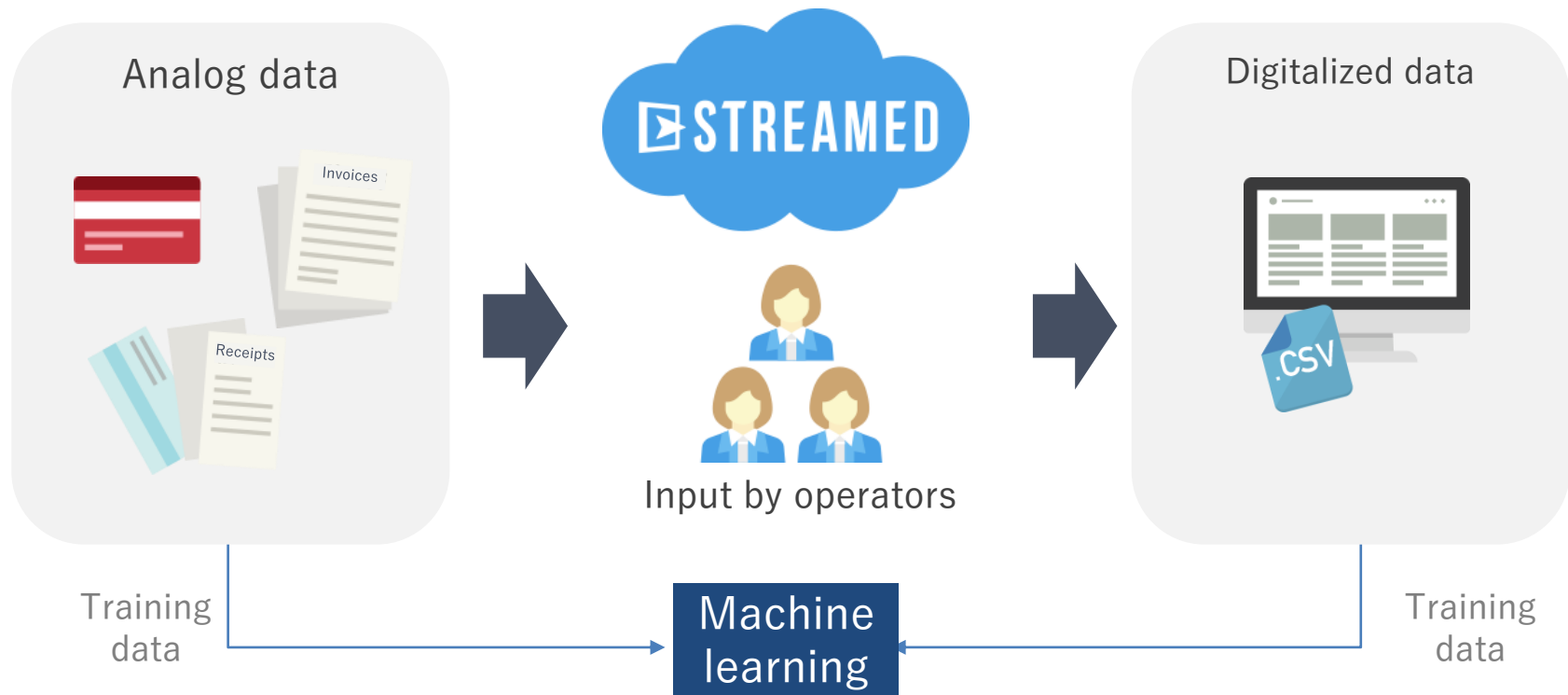


(Released on August 30, 2016)

# Track Record in AI (*STREAMED*)

*STREAMED* applies machine learning to accumulated training data(\*) to reduce turnaround time and enhance accuracy of data inputs.

(\*) A dataset consisting of input data and expected results that enables effective machine learning



We aim to further promote the use of AI in back office operations by integrating the data and technologies of the two companies.

# Money Forward Group's Growth Strategies

1 Customer base expansion

2 ARPU enhancement/  
Monetize acceleration

3 Launch of new services

4 Value creation with data utilization

1

Customer base expansion

Accelerate the introduction of cloud accounting through enhancement of service collaboration.

2

ARPU enhancement/  
Monetize acceleration

Increase APRU by cross-selling between customers of both companies.

3

Launch of new services

Provide *STREAMED* as a new core product.

4

Value creation with data utilization

Create new value by utilizing analog data.

# Money Forward Group's Growth Strategies

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By adding *STREAMED* to our service lineup, we aspire to accelerate group-wide growth and enhance corporate productivity nationwide.

