Financial Results for the 3rd Quarter of Fiscal Year Ending November 30, 2019

Money Forward, Inc.

October 15, 2019

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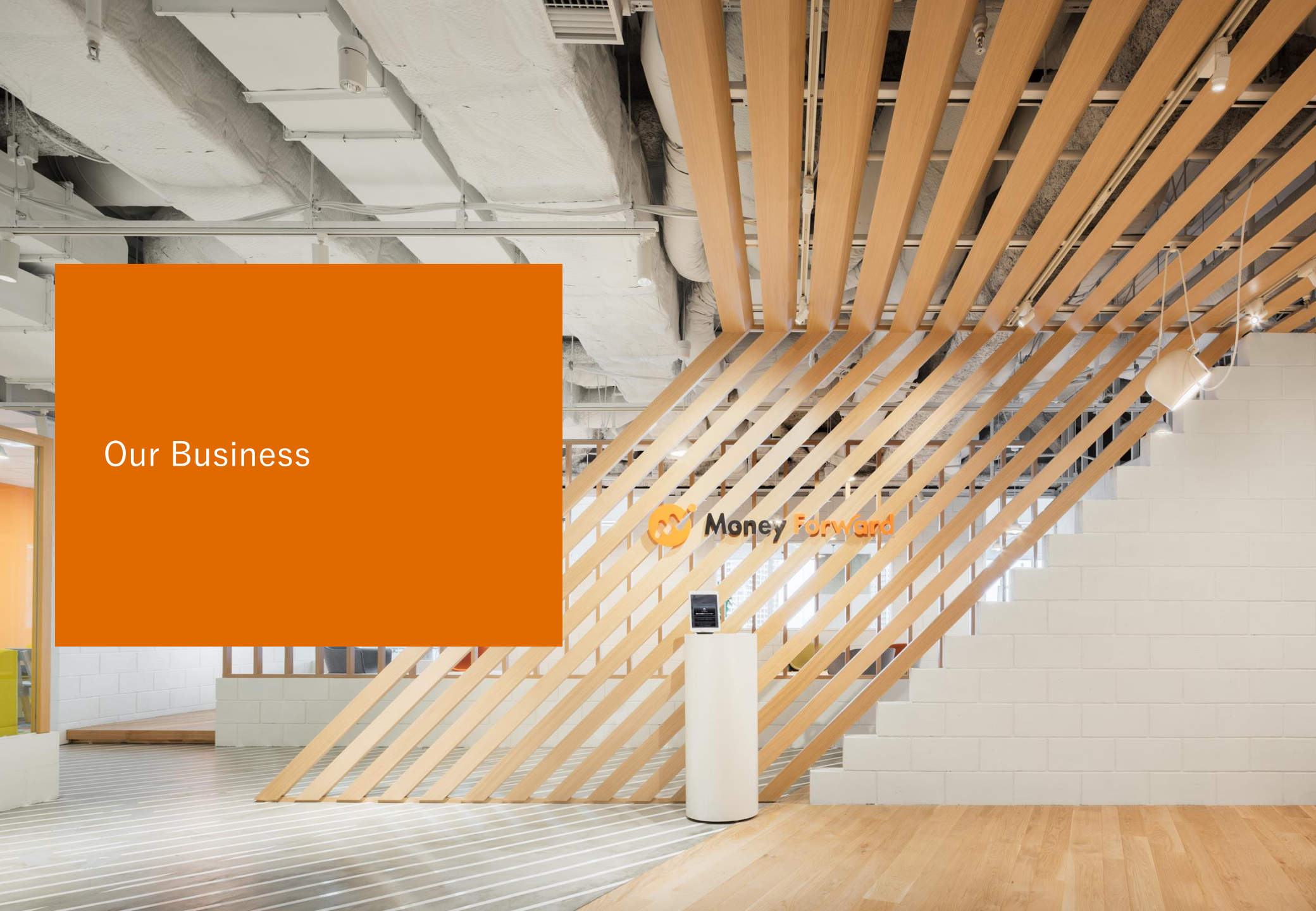
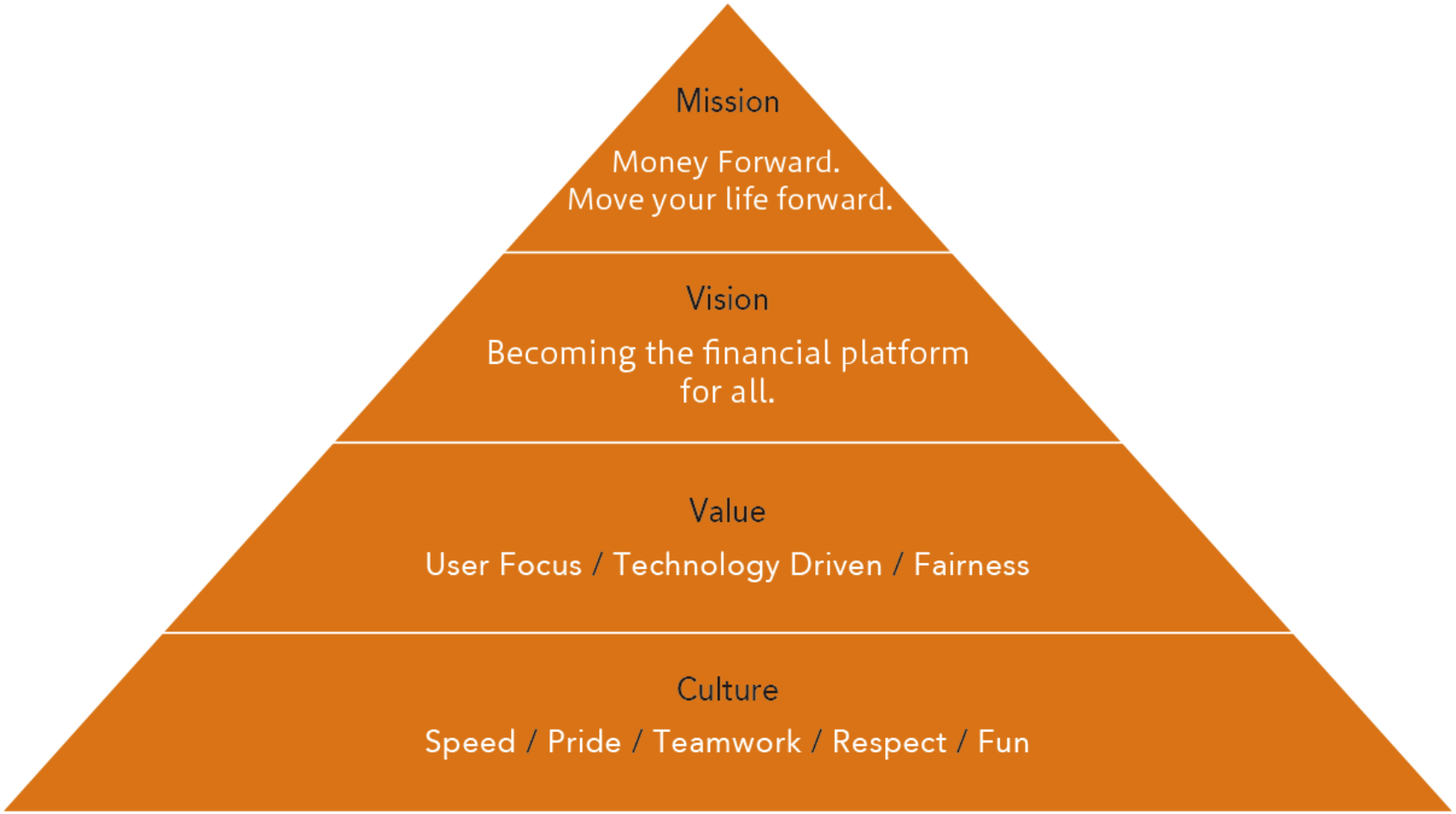


Our Business

Mission / Vision / Value / Culture



Our Services

Money Forward

Money Forward. Move your life forward.

Money Forward Business

Accelerate business growth.

Money Forward Cloud Series
SaaS Platform for Back Office Operations

- Money Forward Cloud Accounting
- Money Forward Cloud Tax Return
- Money Forward Cloud Expense
- Money Forward Cloud Payroll
- Money Forward Cloud Invoice
- Money Forward Cloud My Number
- Money Forward Cloud Finance
- Money Forward Cloud Attendance

STREAMED
Cloud-based Bookkeeping Service

Manageboard
Cloud-based Business Analysis Tool

Money Forward Home

Make everyone's life convenient and prosperous.

Money Forward ME
Automated PFM Service

Money Forward Mall
Platform for Comparing and Applying for Financial Services

MONEY PLUS
Practical Economic Media

SiraTama
Automated Savings App

mirai talk
Personal Finance Consulting Outlet*

tockpop
Coupon App

Money Forward X

Create new financial services with partners.

Money Forward for ○○
Customized *Money Forward ME* for Financial Institutions and its Clients

Passbook Apps
Passbook Apps for Financial Institutions and its Clients

MF Unit
Offering PFM Tools within Financial Institutions Apps

BFM
Financial management service for financial institutions' corporate clients

Money Forward Cloud for ○○
Cloud-based Services for Financial Institutions and its Clients

Money Forward Finance

Circulate money towards right direction.

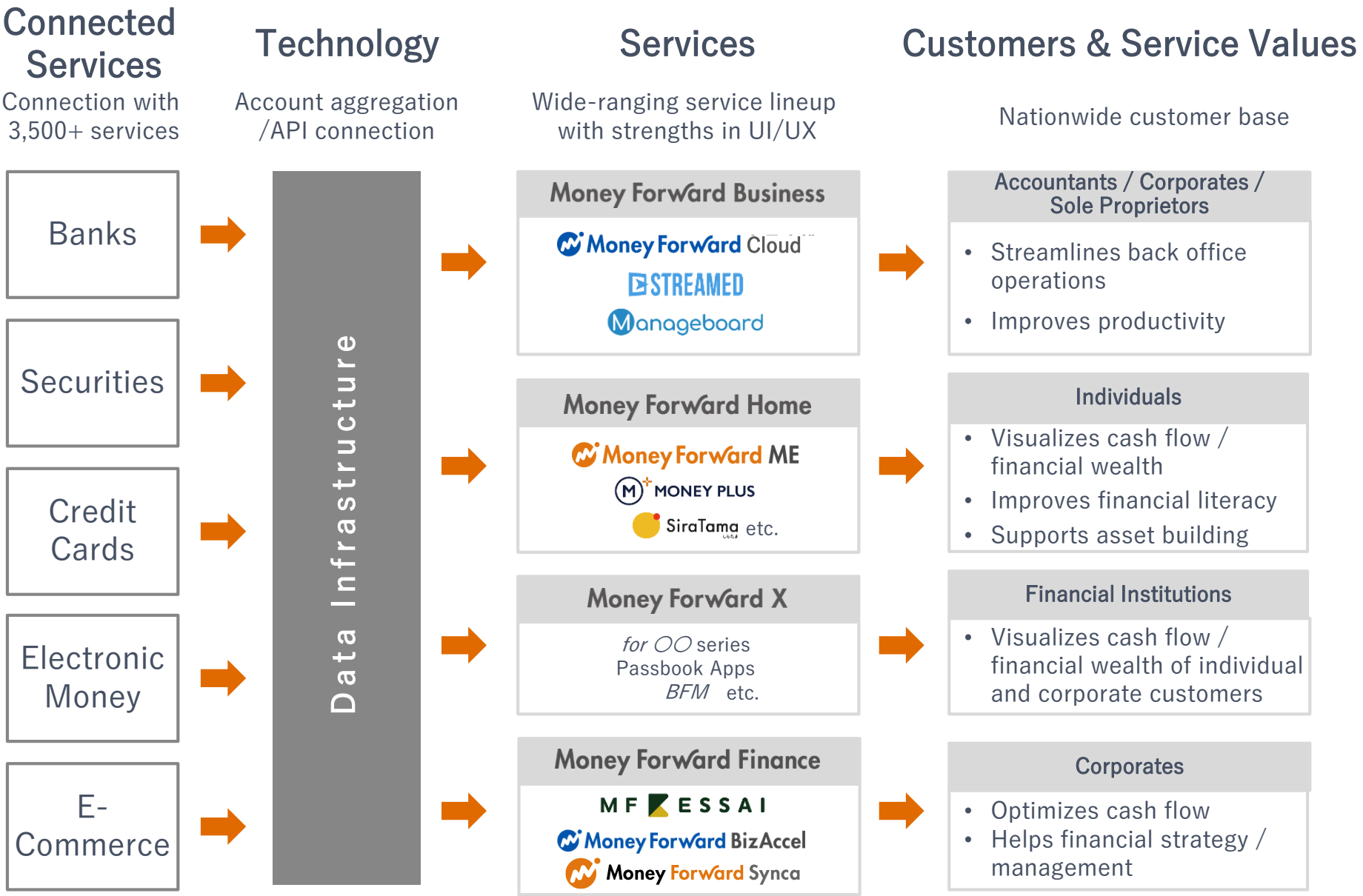
MF ESSAI
BPO and Factoring Service

Money Forward BizAccel
Online Lending Service

Money Forward Synca
Financial advisory service for growing companies

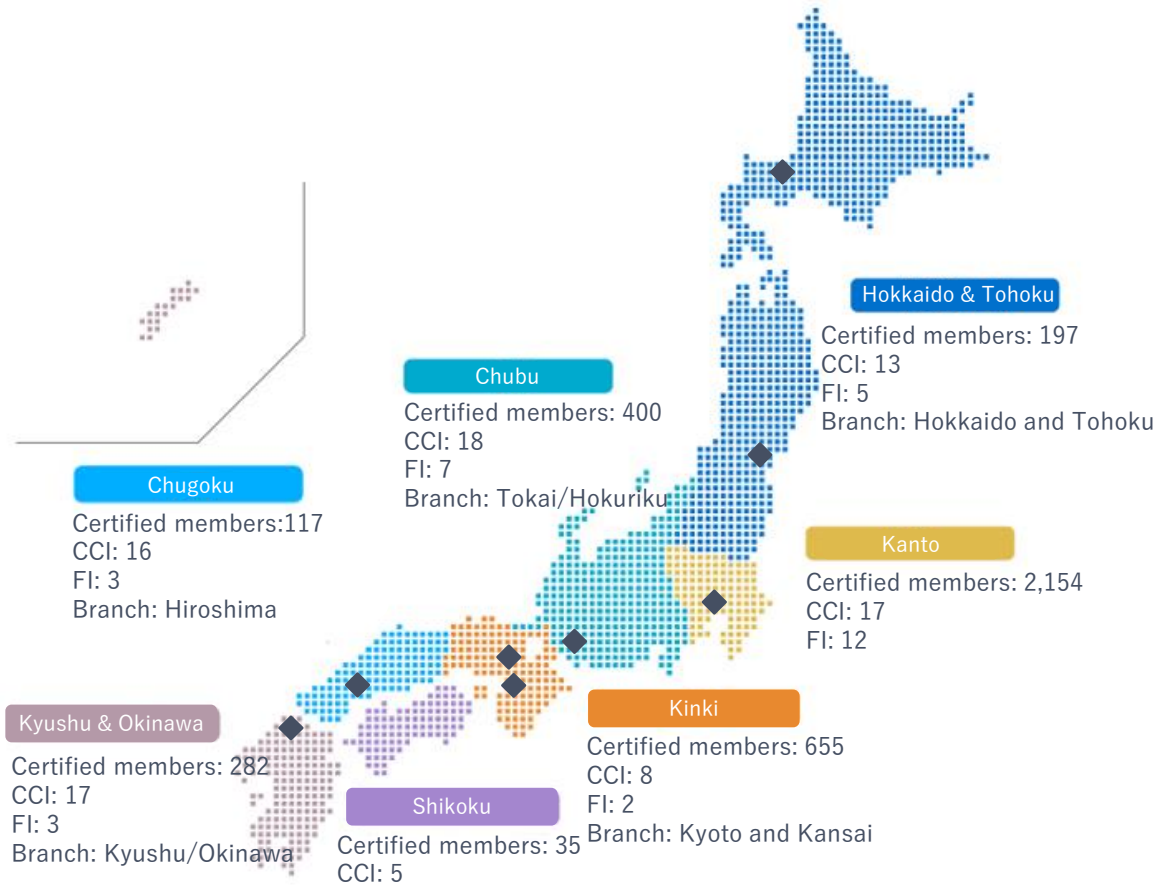
※ The outlet of mirai talk in Tokyo will be closed by the end of 2019.

Our Business Model



Nationwide Partnership

Established offices in 8 cities across Japan through which we help reinvigorate regional economies leveraging on our technology and real-world community.



No. of Certified Members:

3,800+

(Accounting firms and
certified social insurance and labor consultant offices)

No. of Chambers of Commerce and Industry (CCI) that We Partner with:

94

No. of Financial Institutions (FI) Served with Our Products:

32



Highlights

Financial Highlights in FY11/19 Q3

- Q3 consolidated net sales achieved accelerated growth, **increasing by 67% YoY** to ¥1.88 billion. Q3 YTD consolidated net sales **increased by 58% YoY** to reach ¥4.94 billion.

- In Business domain, Q3 recurring sales **increased by 70% YoY**, largely exceeding the 2H forecast of 60%-65% presented at the time of announcing Q2 financial results.

- Number of *Money Forward ME* users reached **8.5 million**, with the number of premium paying users exceeding **200,000**.

- X domain **achieved record-high Q3** recurring and non-recurring sales.

- Consolidated gross profit margin for Q3 **improved to 65%**. Consolidated EBITDA decreased to negative ¥270 million, while consolidated EBITDA excluding advertising expenses decreased to negative ¥30 million.

Key Topics in and after FY11/19 Q3

- Launched **“¥1 Billion Support Campaign” for *Money Forward Cloud* ahead of the consumption tax reform and application of the reduced tax rate**.
- Plans to release *Money Forward Cloud Accounting for IPO** targeting pre-IPO and listed companies in FY11/20.
- Made new API connections with **250** shinkin banks across Japan.
- Established Money Forward Synca, Inc. which provides financial advisory service and management consulting for growing companies.
- Makes steady progress toward achieving full-year financial forecasts, and expects full-year net sales growth to **exceed** the initial forecast of **55%.**

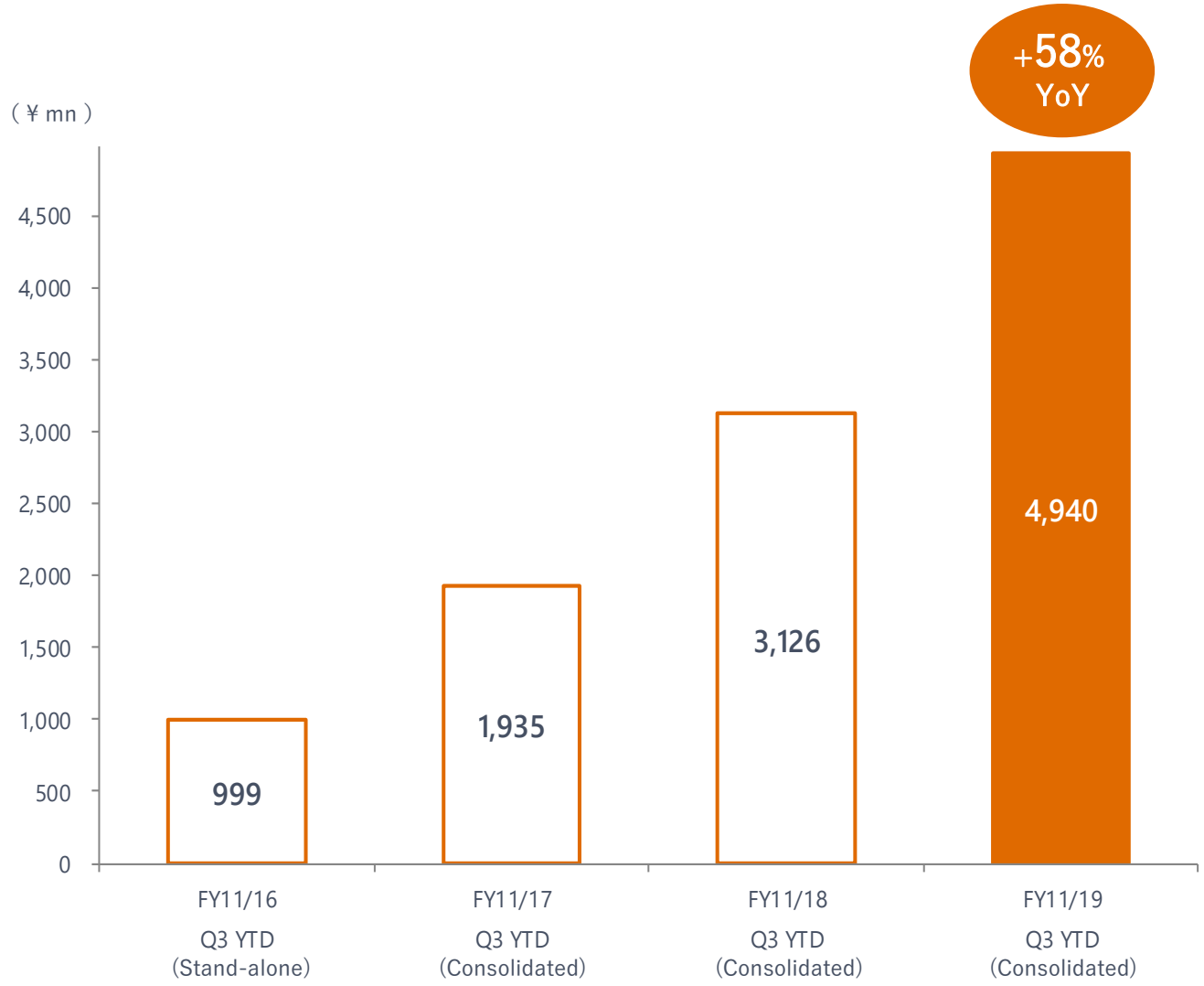
※ Tentative service name.



FY11/19 Q3 Financial Highlights and Topics

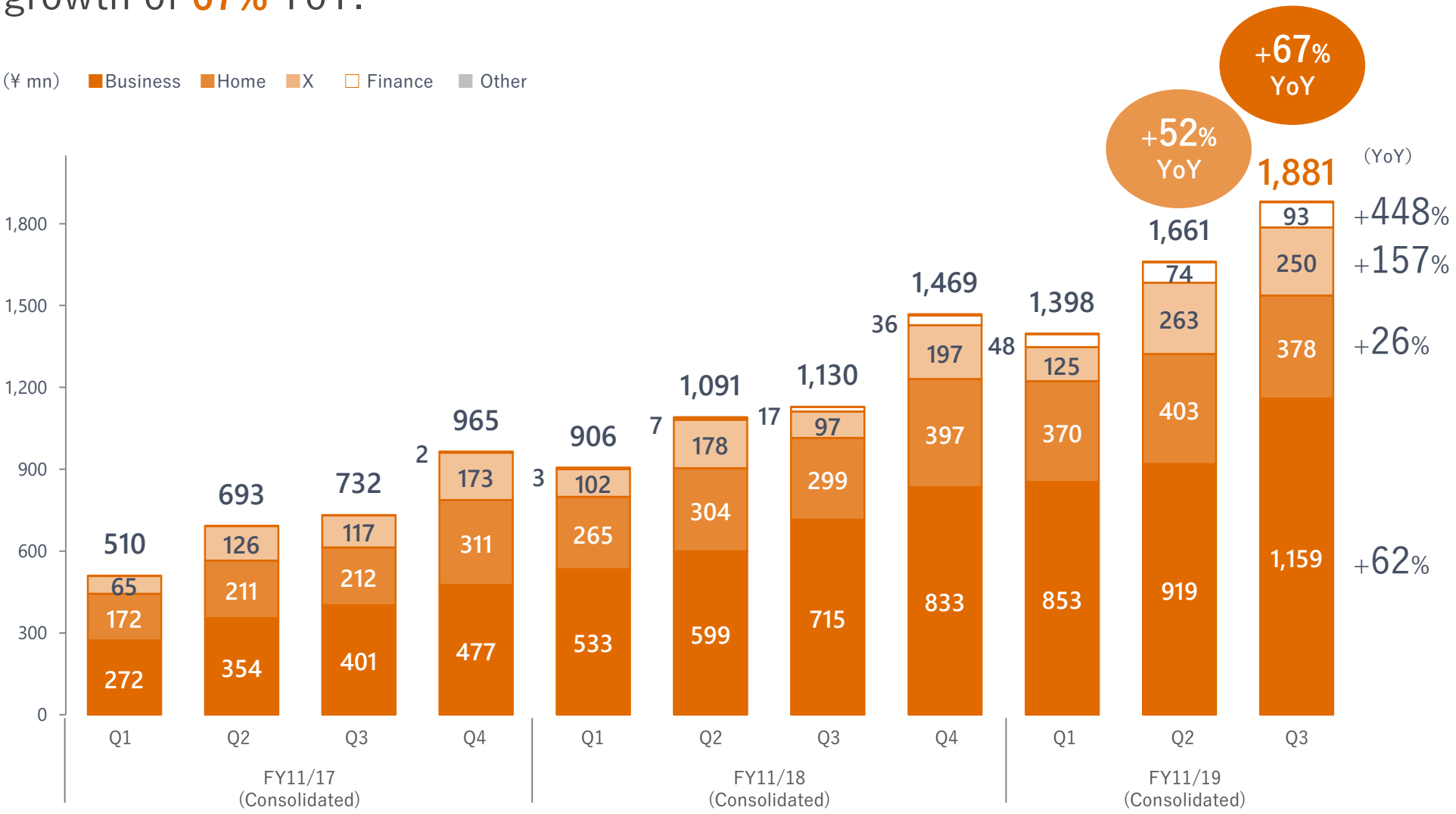
Q3 Consolidated Net Sales (YoY Comparison)

Q3 YTD consolidated net sales achieved accelerated growth, **increasing by 58%** YoY.



Consolidated Net Sales (Quarterly Trend)

Q3 consolidated net sales grew at an accelerating speed, achieving a growth of **67%** YoY.

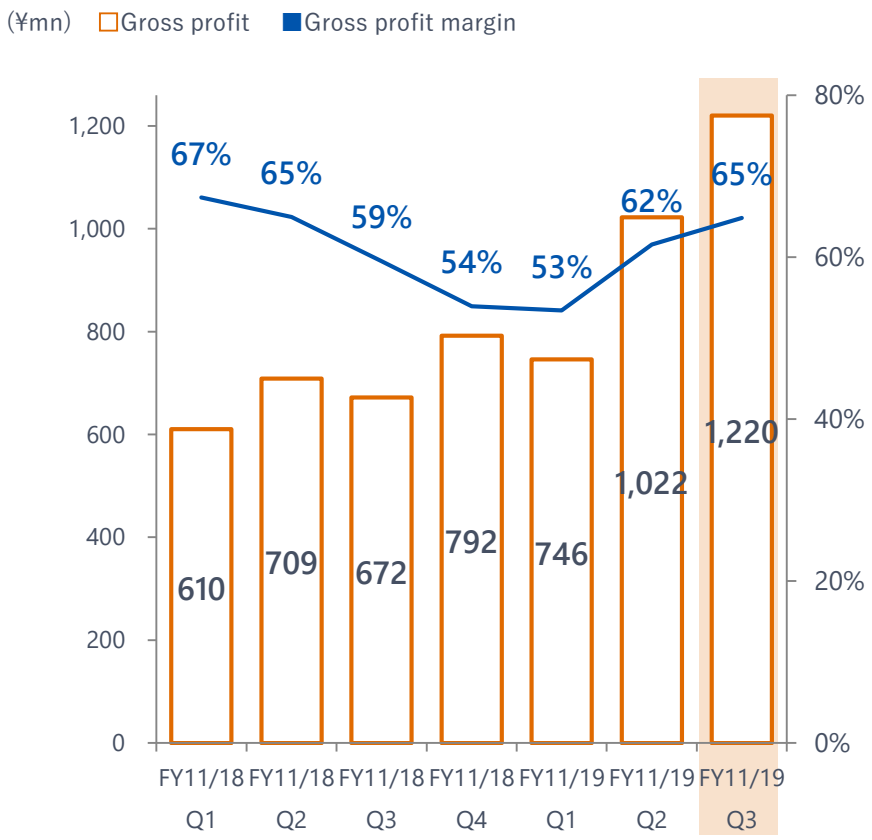


※ Figures for “Other” domain net sales are omitted from the graph.

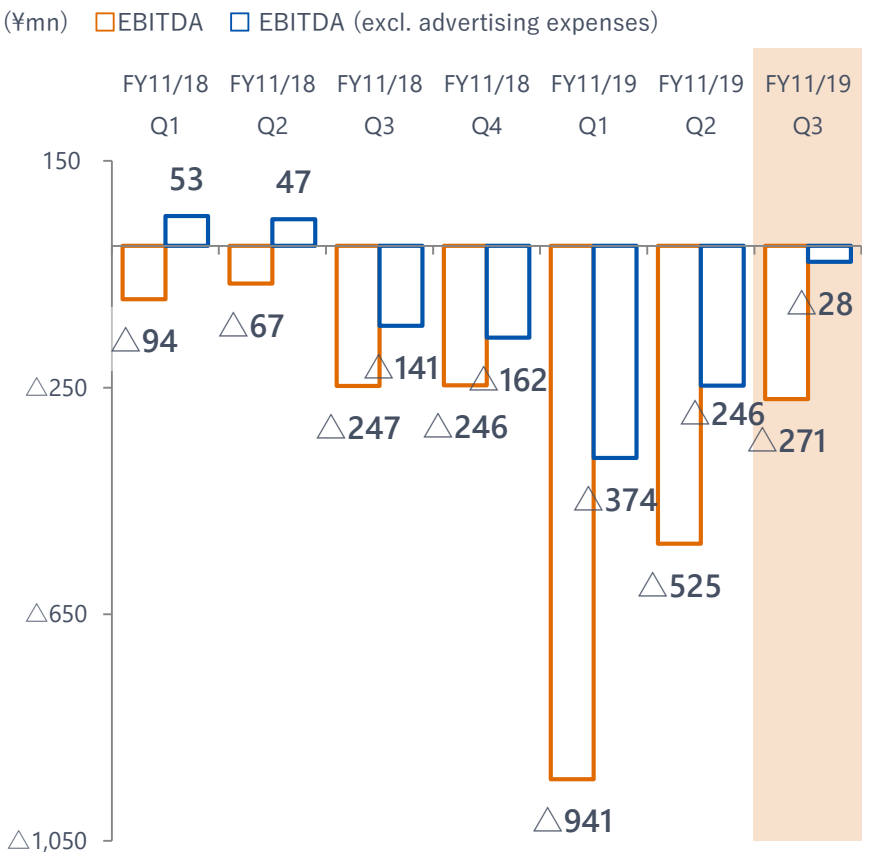
Gross Profit / EBITDA (Quarterly Trend)

Gross profit reached **a record high**, while gross profit margin improved to **65%**. EBITDA loss decreased.

Gross Profit



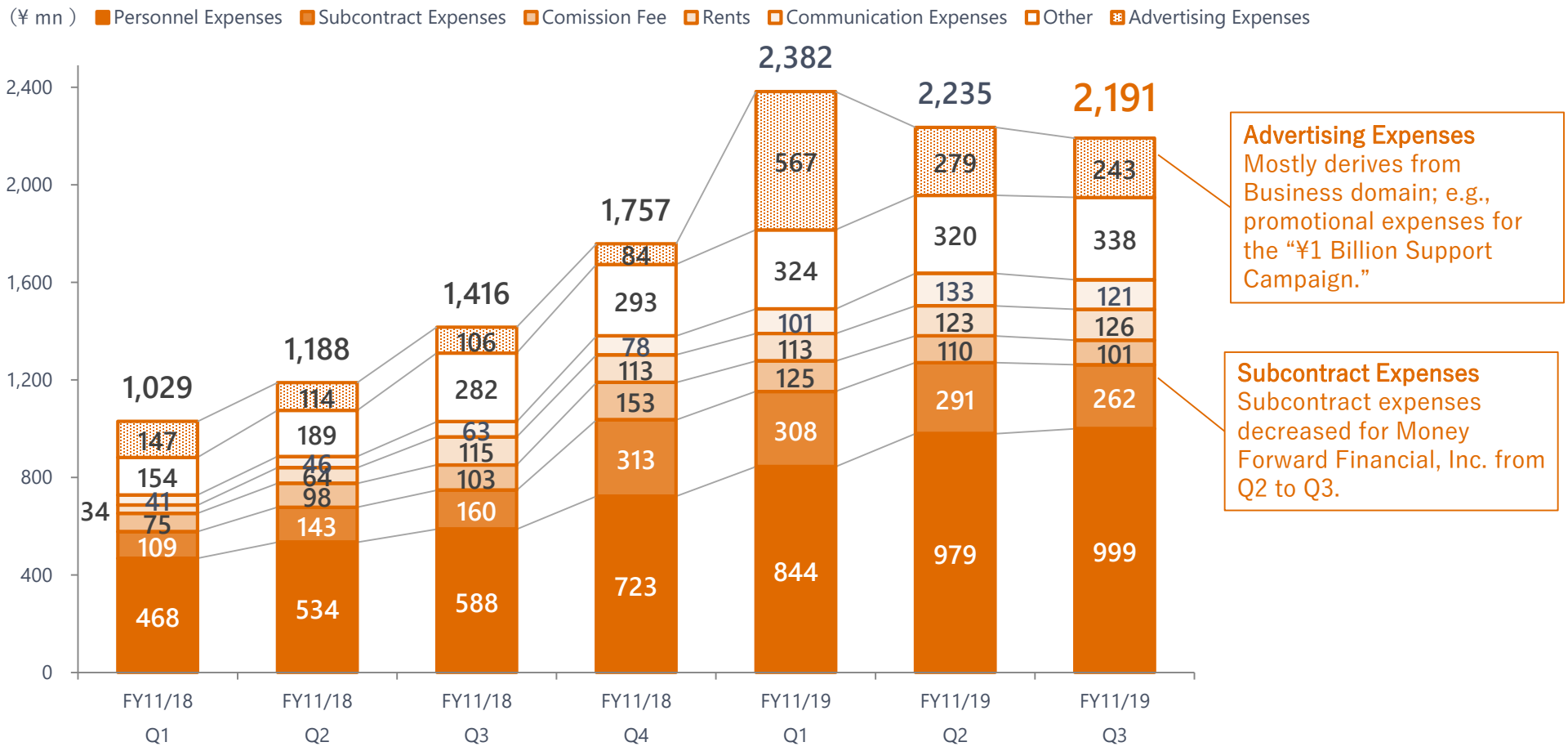
EBITDA



※ EBITDA = Operating profit/loss + depreciation + amortization

Breakdown of Expenses (Cost of Sales & SGA)

Total expenses decreased slightly from the previous quarter.



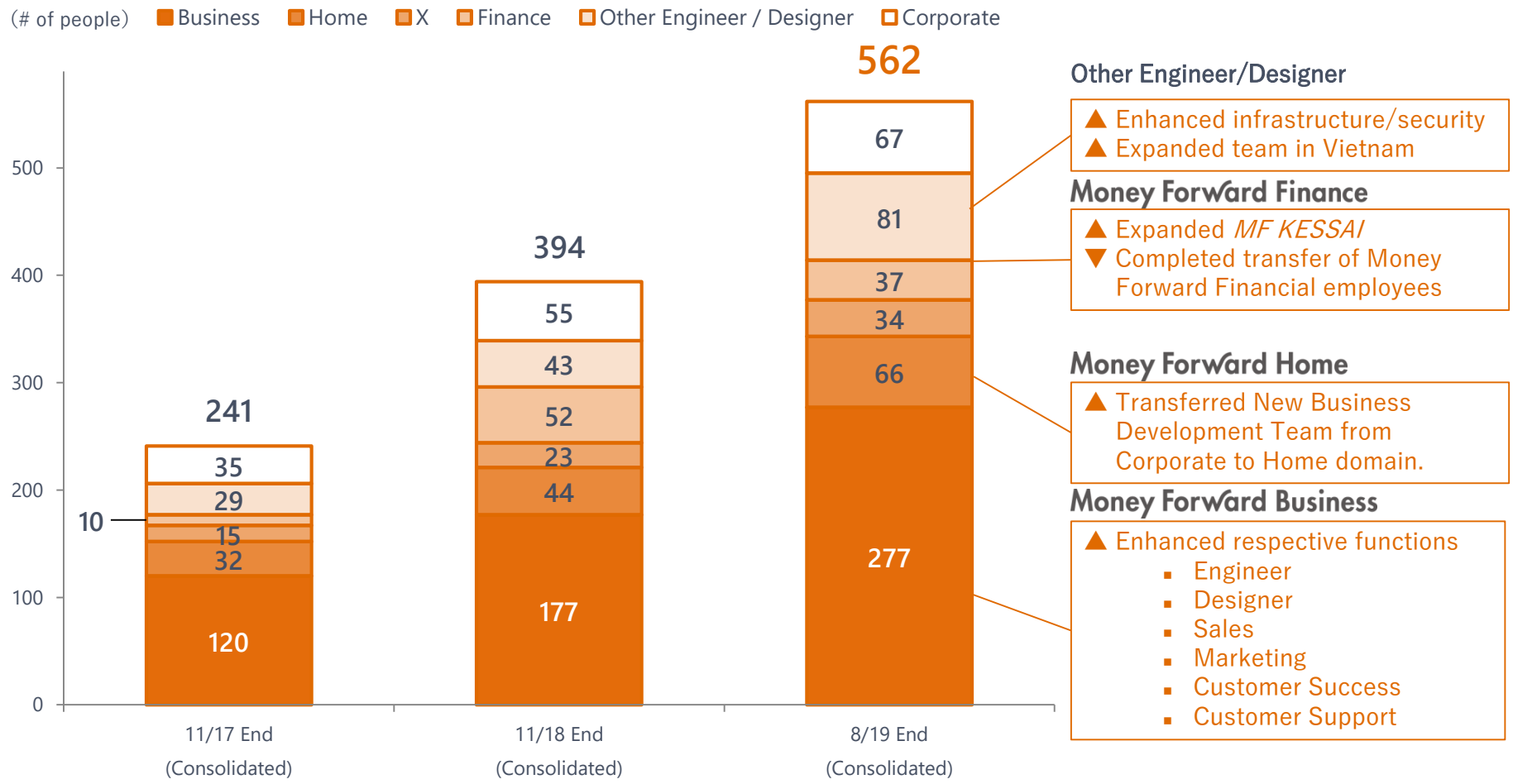
Advertising Expenses
Mostly derives from Business domain; e.g., promotional expenses for the "¥1 Billion Support Campaign."

Subcontract Expenses
Subcontract expenses decreased for Money Forward Financial, Inc. from Q2 to Q3.

※ Other expenses for FY11/19 Q3 include traveling and transportation expenses (¥77mn), recruiting/training expenses (¥40mn) and fee expenses (¥39mn).

Full-time Employees

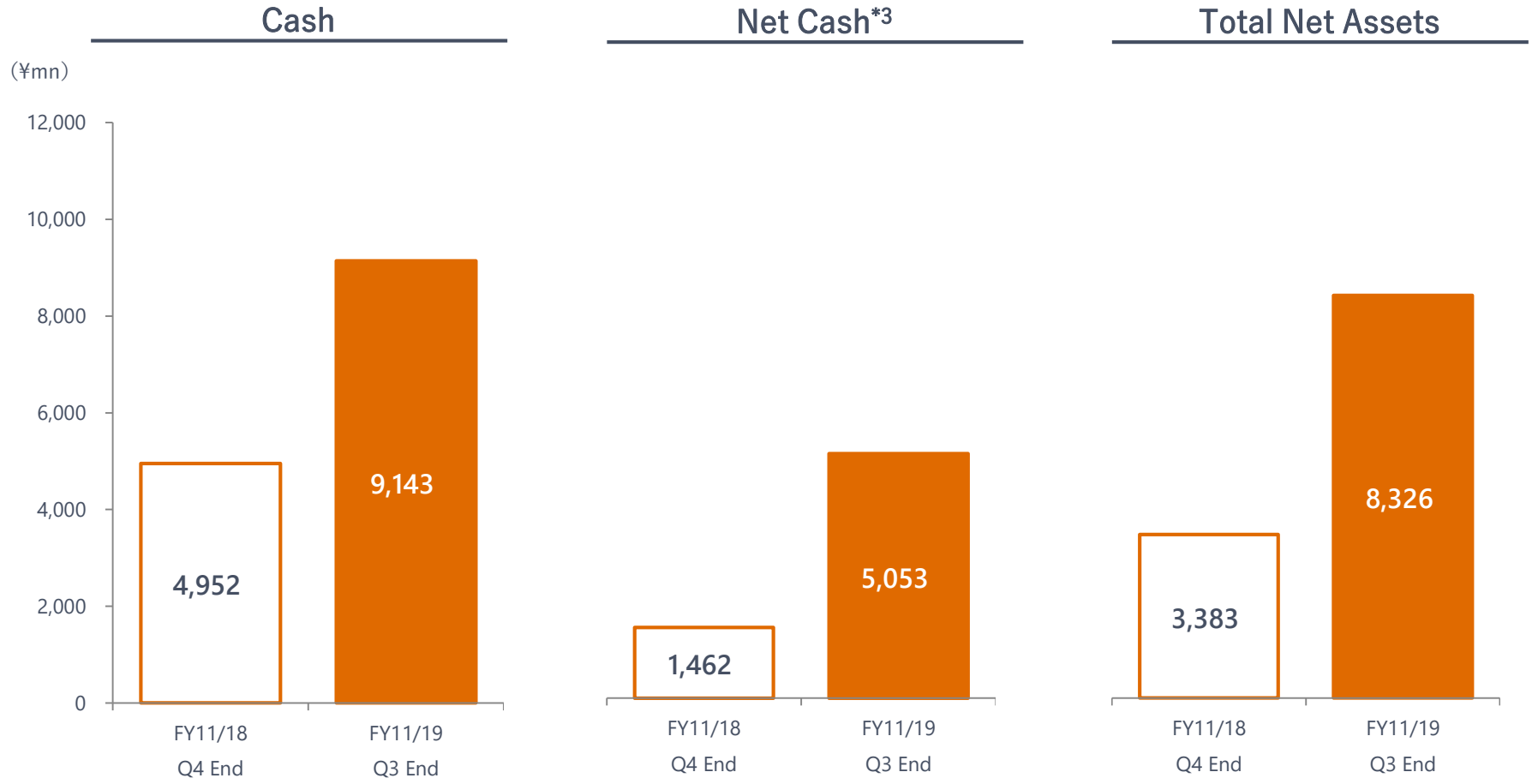
Made firm progress in recruiting, with the number of full-time employees increasing to 562 (+168 from the end of FY11/18 and +32 from the end of Q2).



※ Other Engineer/Designer includes CISO Dept., CTO Dept., Account Aggregation Dept., MONEY FORWARD VIETNAM etc.
Corporate includes CEO's Office, Corporate Planning Dept., Finance Dept., Administrative Dept., Human Resource Dept., Fintech Research Office, etc.

Financial Highlights

In addition to investing actively in businesses and increasing *MF KESSAI* transaction volume*1, made strategic investments*2 targeting rapidly growing SaaS and Fintech companies both in Japan and abroad.

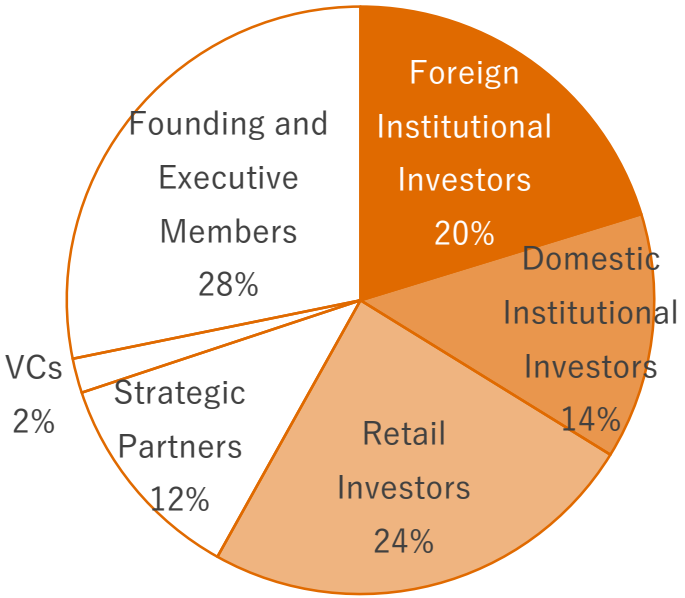


※1 Purchased receivables for *MF KESSAI* increased by ¥140 million QoQ.
※2 In July 2019, made additional investments (equivalent to approx. ¥400 million) in Indonesia-based Mekari Group which provides cloud-based HR and accounting services.
※3 Deducted amount of debt from cash amount.

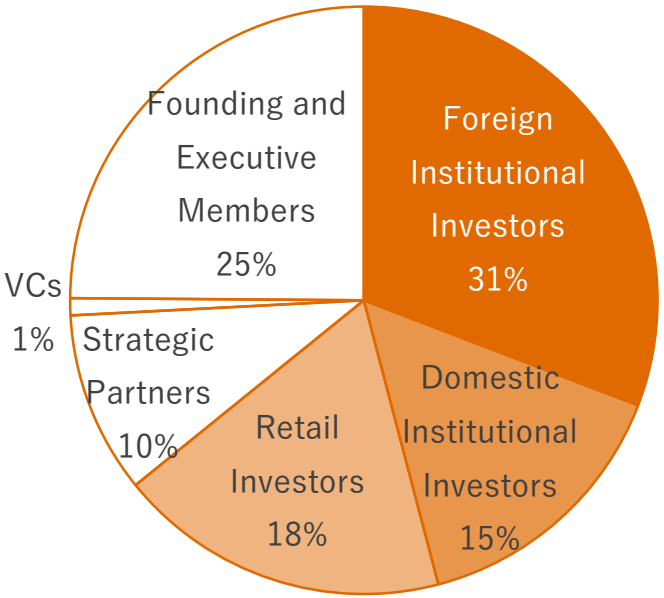
High Ratio of Foreign Institutional Investors

The ratio of foreign institutional investors increased to 31%*.

As of November 30, 2018



As of May 31, 2019



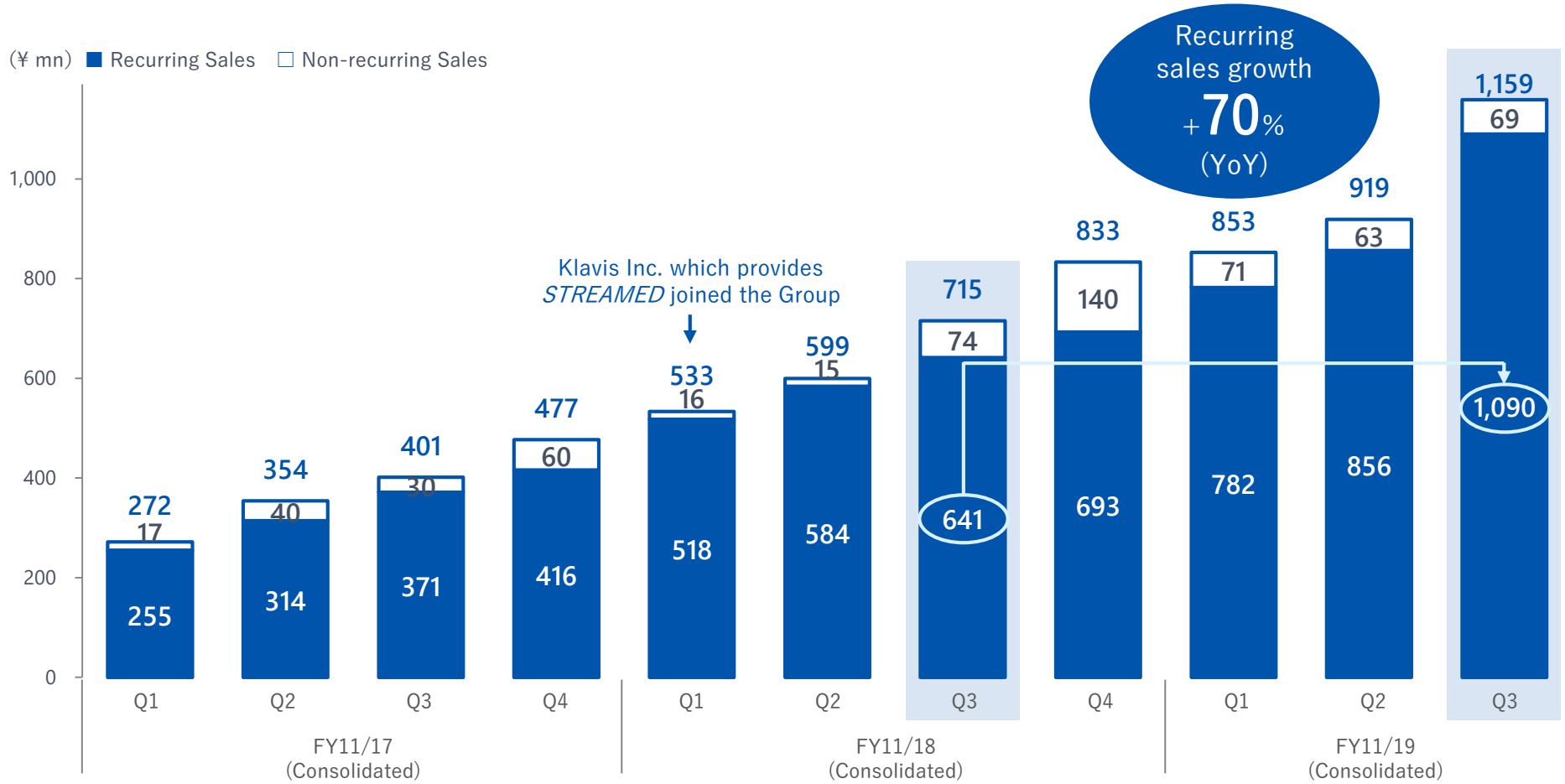
※ As of May 31, 2019

Money Forward Business



Net Sales from Money Forward Business

Growth in Q3 recurring sales accelerated, **increasing by 70% YoY**.
Net sales per user increased owing to conversions to new plans.



※ Consolidated with net sales from Knowledge Labo, Inc. and Wakufuri, Inc. which joined the Group in Jul. 2018 and Aug. 2018, respectively (from FY11/18 Q4)
※ Non-recurring sales include: 1) fees for implementation of services, 2) development fees from *Money Forward Cloud Series* for corporates, 3) seminar ticket sales (e.g. MF Cloud Expo), 4) consulting fees from Knowledge Labo, Inc. , 5) net sales of Wakufuri, Inc., etc.
※ In past disclosure, development and maintenance charges from *Money Forward Cloud Series* for financial institutions were categorized in “Alliance Businesses” of “Money Forward Cloud Services”. From FY11/19 and onwards, the sales are excluded from Money Forward Business, but included in Money Forward X.

“¥1 Billion Support Campaign” for Cloud Conversion

Supporting SMEs' new installment of our cloud-based products as they seek for switching from other products at the time of consumption tax reform.

¥1 billion to drastically reform work style across Japan



Full-scale Sales of *Money Forward Cloud Attendance* 21

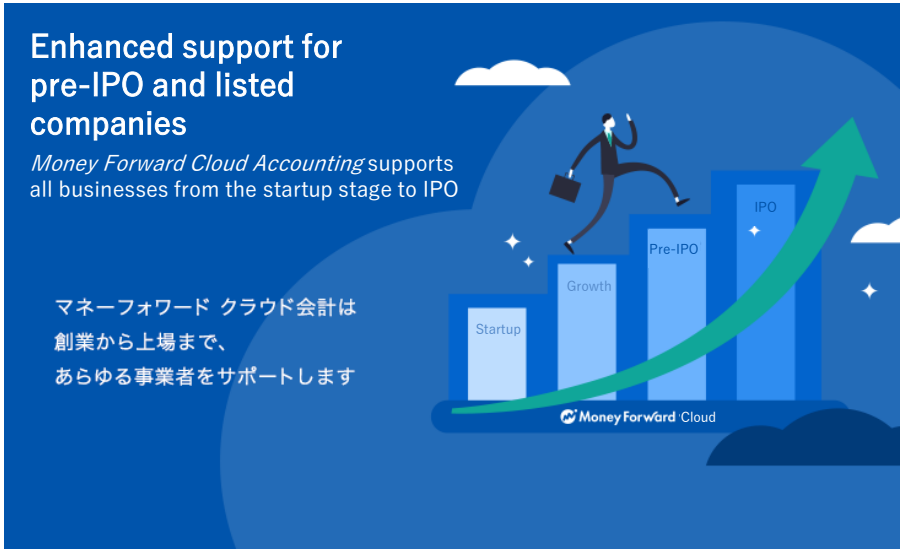
Starting to charge fee and launches full scale sales from November 2019.
Added new functions including for paid leave management and flextime working hours.



Enhanced Support for Pre-IPO and Listed Companies 22

Received the “SOC1 Type 1 Report,” enabling more effective evaluation of internal control.
Currently developing more services for pre-IPO and listed companies, including functions for journal entry approval and journal entry update histories, to be released in February 2020.





※ The “SOC1 Type 1 Report” is an assurance report for internal control of the outsourcing party’s financial reports within operations outsourced to a third-party. Service scope includes *Money Forward Cloud Accounting*, *Tax Return*, *Invoice*, *Expense*, *Payroll* and *Attendance.*
※ Money Forward, Inc. aims to receive the “SOC1 Type 2 Report” in spring of 2020.

Continual Functional Updates

Responded to legislative changes including the consumption tax reform and “Related Acts to Promote Work-Style Reform.” Reinforced development across the platform and raised efficiency and productivity of back office operations.

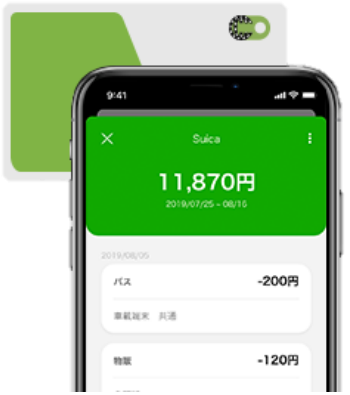
Money Forward Cloud

Conformed to the consumption tax reform and reduced tax rate system



Money Forward Cloud Expense

Released an iOS version IC card reader app

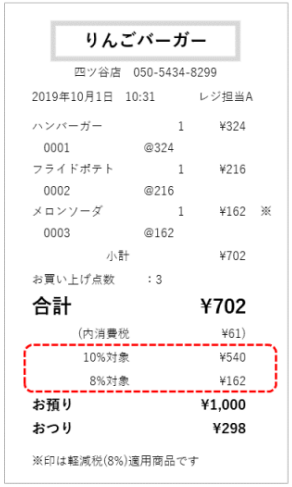


Money Forward Cloud Attendance

Extended functions in response to the “Related Acts to Promote Work-Style Reform”

STREAMED Money Forward

Fully conformed to the consumption tax reform and reduced tax rate system



りんごバーガー

四ツ谷店　050-5434-8299

2019年10月1日　10:31　　レジ担当A

ハンバーガー	1	¥324	
0001	@324		
フライドポテト	1	¥216	
0002	@216		
メロンソーダ	1	¥162	※
0003	@162		
小計		¥702	
お買い上げ点数	：3		
合計		**¥702**	
(内消費税		¥61)	
10%対象		¥540	
8%対象		¥162	
お預り		**¥1,000**	
おつり		**¥298**	

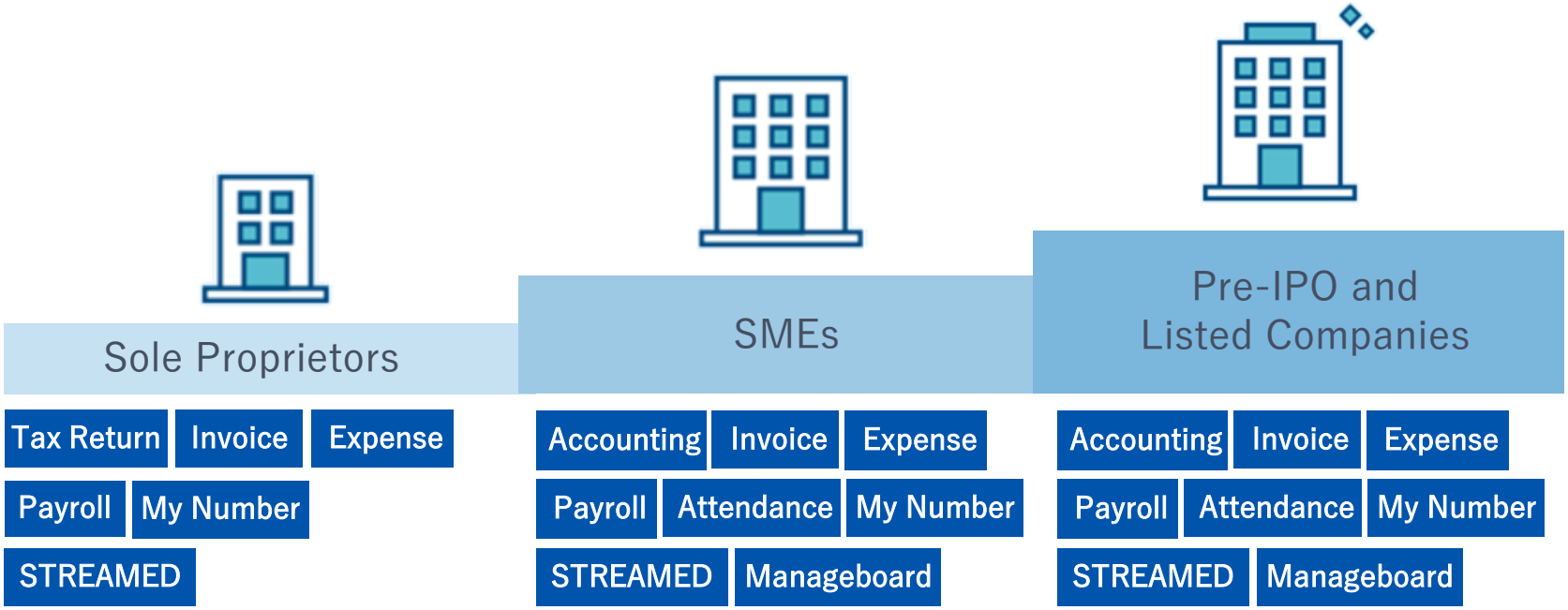
※印は軽減税(8%)適用商品です

Manageboard Money Forward

Started providing plans for corporates
(previously, the main target was accounting firms)

Supporting Sole Proprietors, Pre-IPO and Listed Companies 24

Enhanced product functions have enabled us to support a wider range of companies.



Expansion of Customer Base

Our platform is used by **more than 40%** of the top 100 private companies ranked by amount of funds raised*. Supports many growing and listed companies while cooperating with accounting firms across Japan.

Accounting Firm

TripleGood.

Seven Rich 会計事務所
Seven Rich Accounting

axis 税理士法人アクシス

act-cess

BUSINESS NAVIGATION

シマ会計

税理士法人アーリークロス

TOTAL Group 税理士法人 TOTAL

Growing Companies

BIZREACH

DOME UNITED

Retty

Mirrativ

FiNC Technologies

Astroscale

CADDi

CAMPFIRE

SPACEMARKET

ビザスク

Taimee

COCON

Listed Companies

Chatwork

giftee*

UZABASE

VALUE COMMERCE

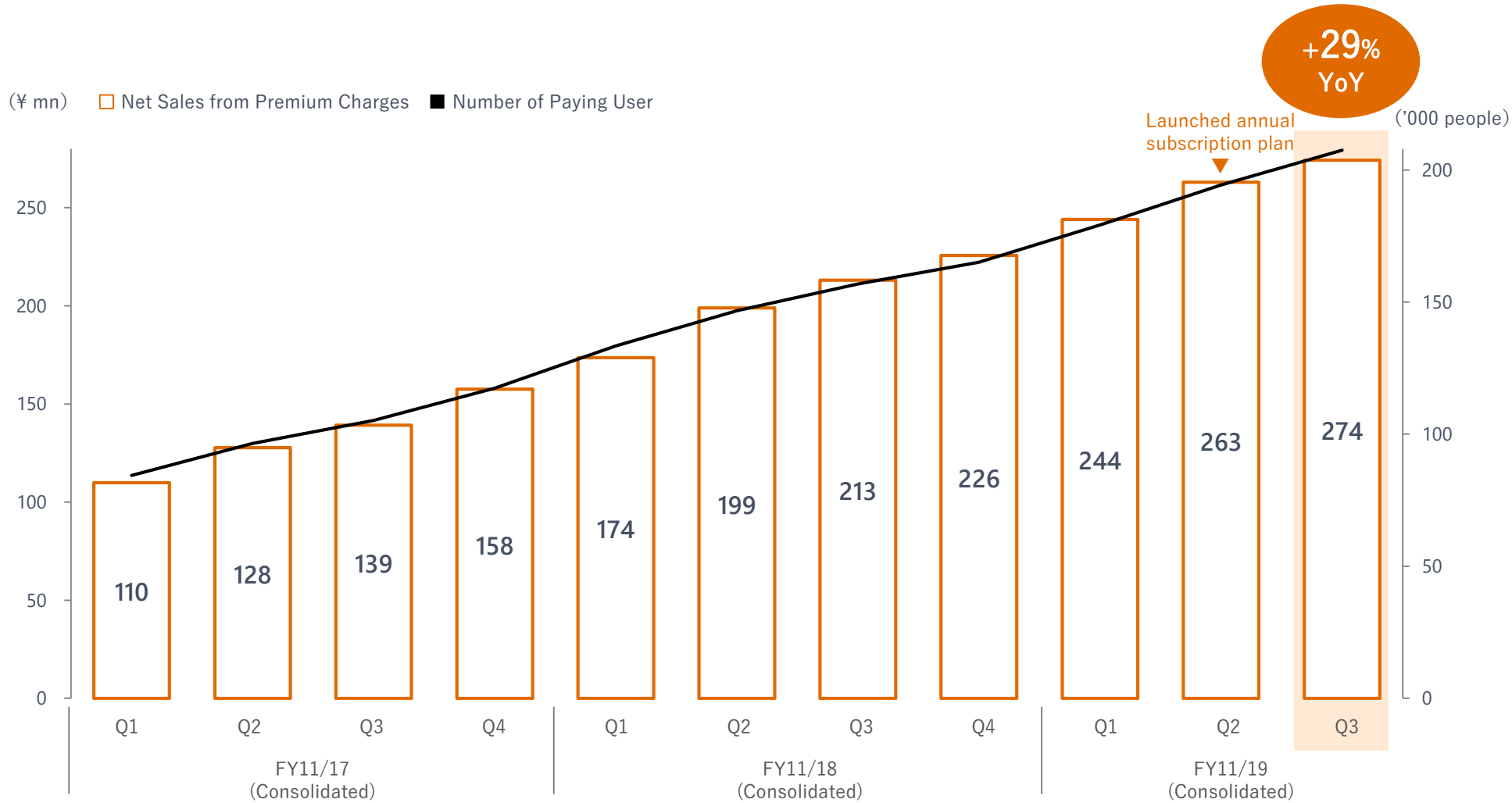
feedforce

※ 100 companies that procured the largest amount of funds among private companies that raised funds between Jan. 1, 2018 and Aug. 1, 2019, based on research by Money Forward, Inc.


Money Forward Home
2018年03月
¥-39,350
¥78,000
¥49,555
¥32,225
¥29,474
¥25,772
¥16,345

Net Sales from Premium Charges (Trend in Net Sales) 27

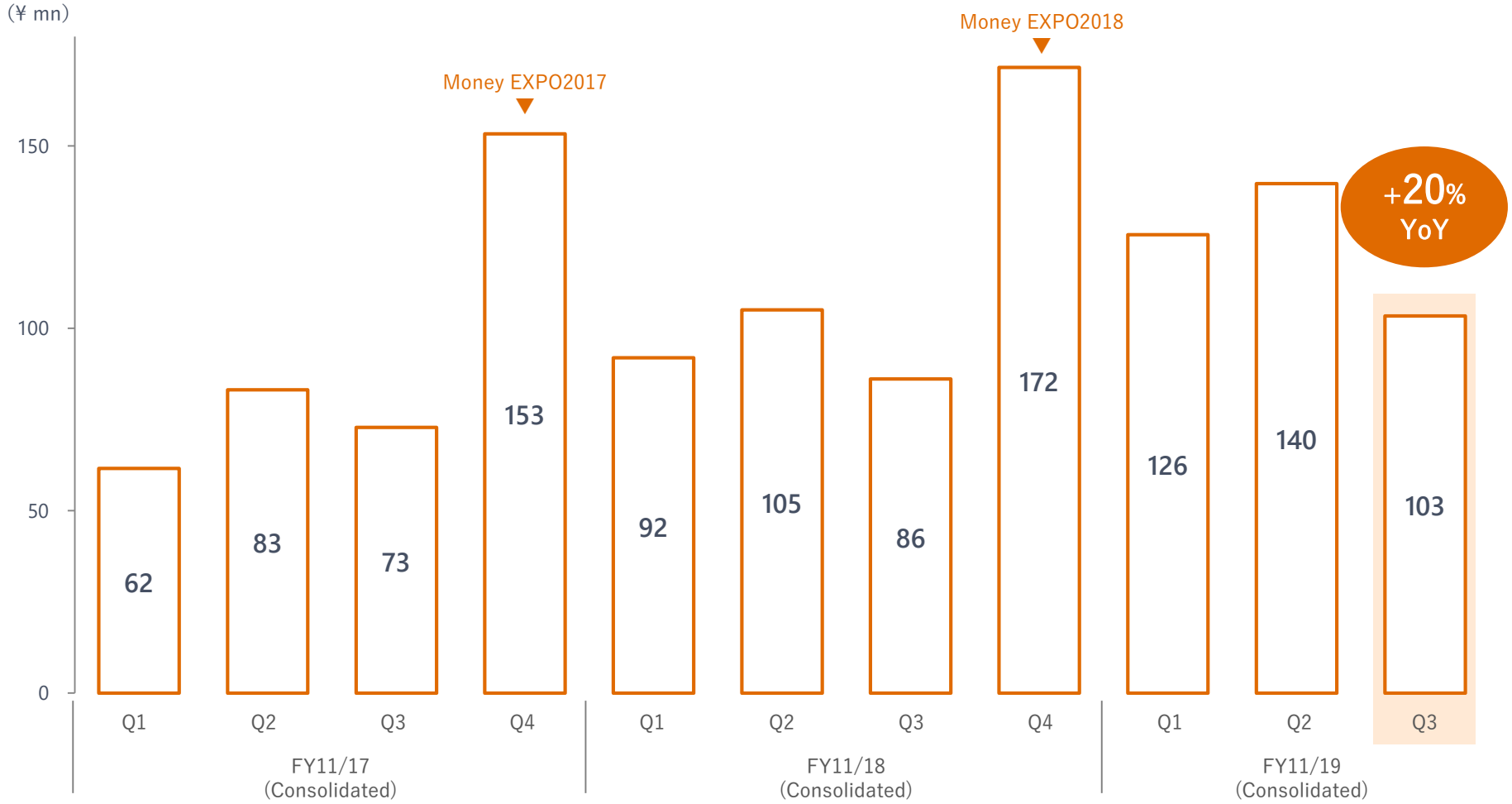
Number of paying users increased firmly, **exceeding 200,000***.



※ As of end of August 2019

Net Sales from Media/Advertising (Trend in Net Sales) 28

Achieved a growth of 20% YoY. Plans to hold “Money EXPO2019” in November of Q4.

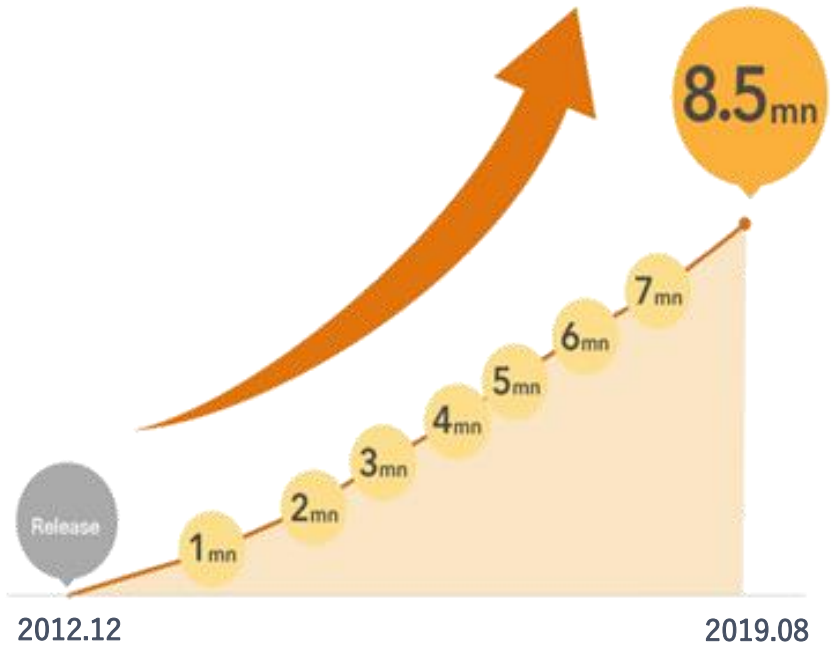


※ Net sales from media/advertising include: 1) advertising sales from *MONEY PLUS* - practical economic media, 2) sales from events (Money EXPO) and seminars (e.g., on real estate and DC plan), and 3) sales from other PFM services including *mirai talk*.

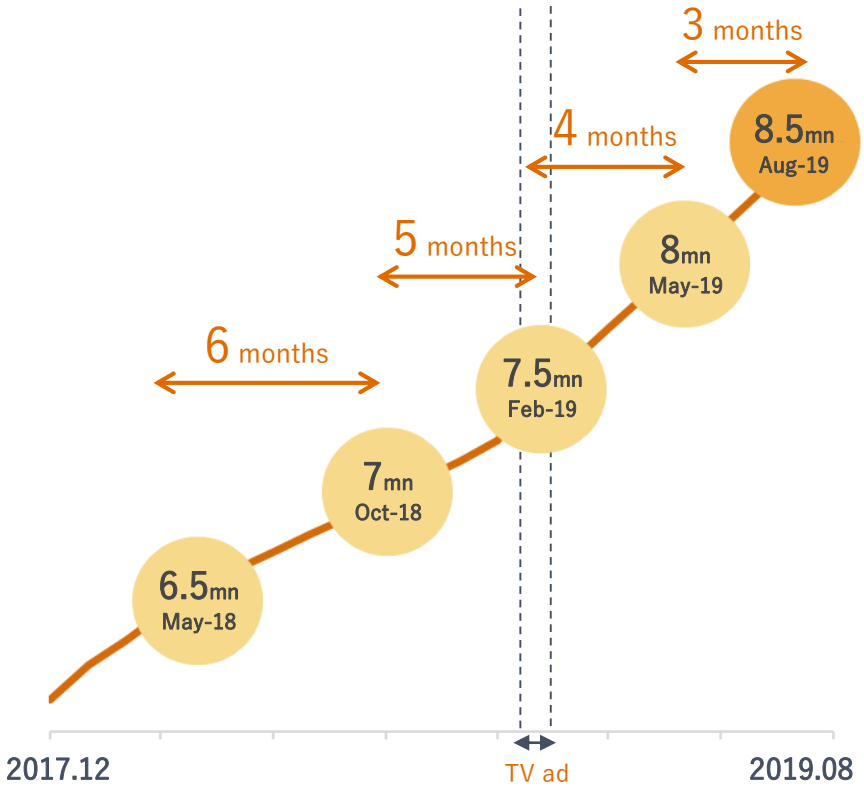
Accelerated Increase in *Money Forward ME* Users

Number of *Money Forward ME* users exceeded **8.5 million**.
TV advertising campaigns implemented in early FY11/19 among other initiatives contributed to the accelerated increase in number of users.

No. of Users Exceeded 8.5 Million



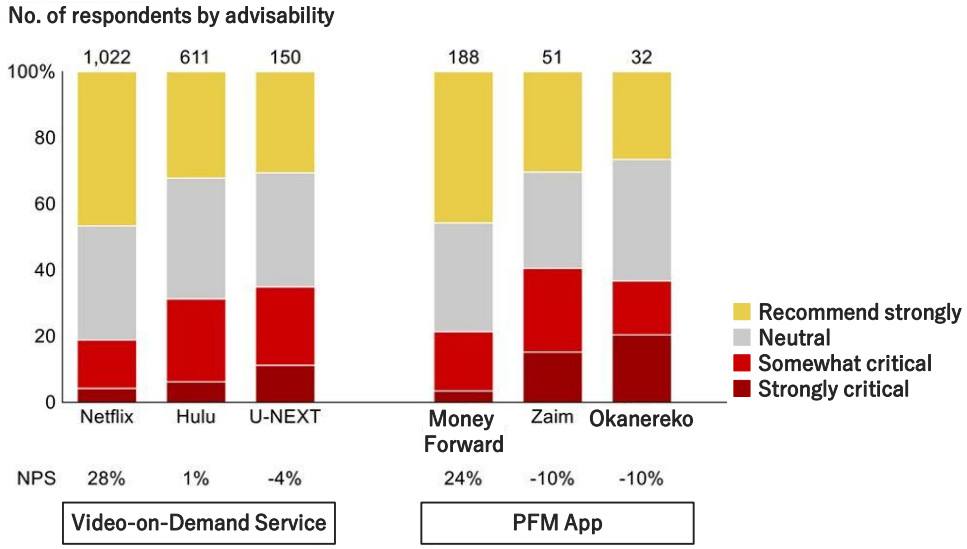
Accelerated Increase in Users



Ranked No.1 in Surveys

Money Forward ME **ranked No.1** by a large margin in a research based on NPS®(Net Promotor Score) which represents customer loyalty. Also, **ranked No.1** for both utilization and satisfaction in a research targeting women.

Subscription NPS*1



NPS = Total ratio of respondents who recommend the service
– Total ratio of critical respondents

Research Targeting Women*2

Most used PFM app among women

No.1

Customer satisfaction of PFM app

No.1

※1 Bain & Company, *Subscription Servicey Loyalty Survey*; number of those subject to screening=30,000; number of those subject to this research=2,244 (June 2019).
※2 Sankei Living Shimbun Inc., *Women Research—Survey on PFM app—*(September 9, 2019).

Released an “Insurance Visualization” Function

Money Forward ME made an API connection with an insurance company for the first time. Enables users to check insurance contract information such as insurance product names and maturity dates.

TOKIO MARINE NICHIDO

Tokio Marine & Nichido Fire Insurance Co., Ltd.
Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.

×

Money Forward





Plans to Hold “Money EXPO2019”

The exposition invites participants to learn about PFM in keeping with the theme of “learn for a day; gain benefits for a lifetime.” 2,500 participants are expected to join this year.



TAMESUE DAI

為末 大

Former professional track and field’s athlete



KOIZUMI SHINJIRO

小泉 進次郎

Minister of the Environment and Minister of State for Nuclear Emergency Preparedness



MITACHI TAKASHI

御立 尚資

Senior Advisor of Boston Consulting Group



Editor of “*Dragon Zakura*” and Representative Director of Cork, Inc.



KITANO YUIGA

北野 唯我

Author of “*Tensai wo Korosu Bonjin*” and “*Tenshoku no Shikōhō*”



OZAWA TAKAO

小澤 隆生

Director and Senior Managing Corporate Officer of Yahoo Japan Corporation



CHOFUKU HISAHIRO

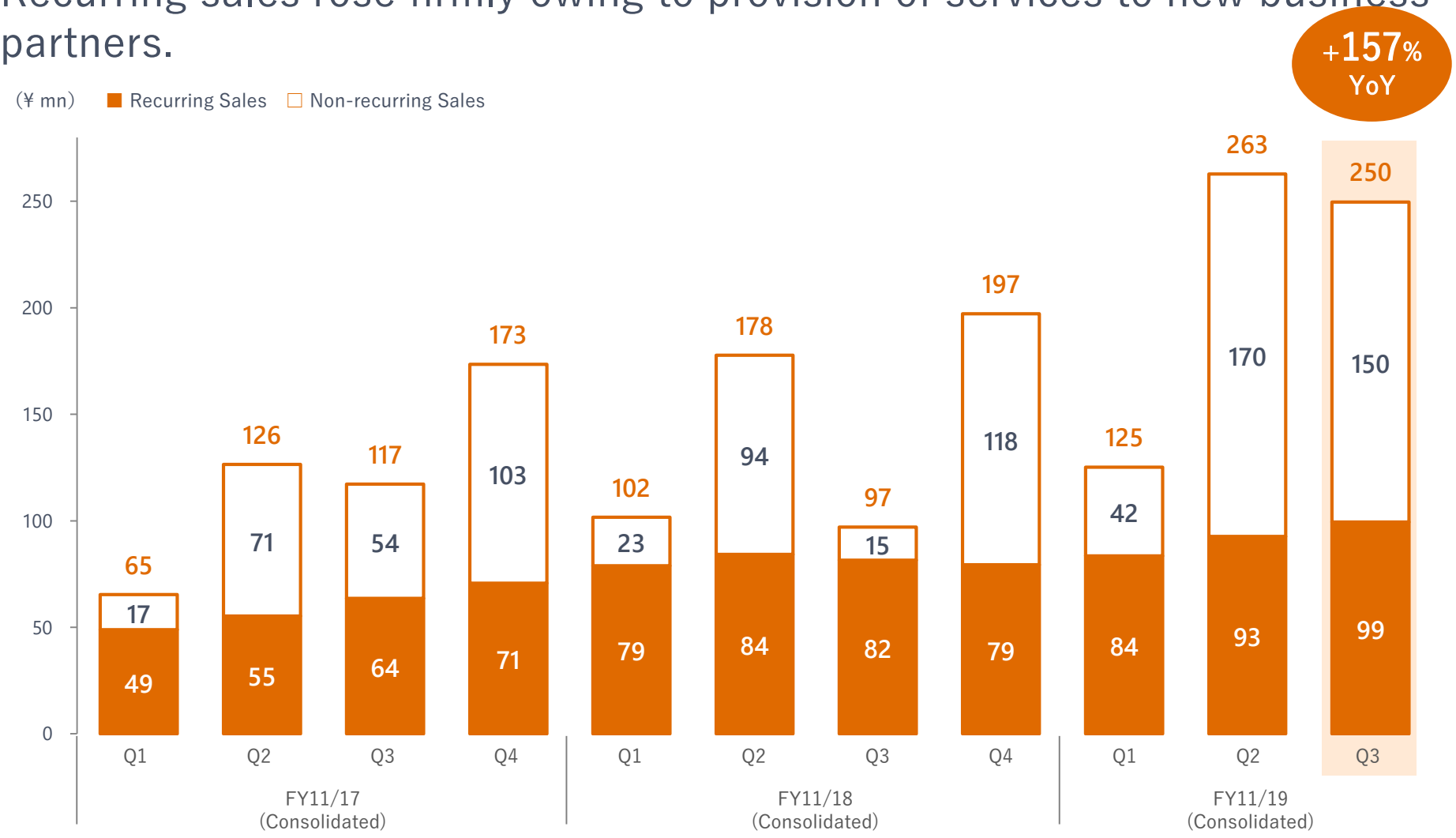
長福 久弘

Director and COO of LINE Pay Corporation


Money Forward X

Net Sales from Money Forward X

Achieved record-high Q3 recurring and non-recurring sales.
Recurring sales rose firmly owing to provision of services to new business partners.



※ Non-recurring sales from initial development charges are to be recorded at the acceptance by partner financial institution, not at service launch time.

Alliance with Financial Institutions (For Individuals)

Money Forward for X Series

Developing customized Money Forward ME for financial institutions and its clients.

SBI Sumishin Net Bank	Michinoku Bank
Yamaguchi FG	Tsukuba Bank
Shizuoka Bank	Tokyo Star Bank
Tokai Tokyo Securities	Sumitomo Mitsui Trust Bank
Toho Bank	Sompo Japan Nipponkoa Himawari Life Insurance
Gunma Bank	Tochigi Bank
Shiga Bank	Mizuho Bank
Fukui Bank	North Pacific Bank
Okazaki Shinkin Bank	JA Bank

Passbook Apps

Developing passbook apps for financial institutions and its clients

Gunma Bank	Kyoto Shinkin Bank
Toho Bank	North Pacific Bank
Tochigi Bank	Chiba Bank
Taiko Bank	JA Bank
Tsukuba Bank	Shiga Bank
Michinoku Bank	Daishi Bank
Hokuriku Bank	Chugoku Bank NEW
Labour Bank NEW	

MF Unit Series

Offering PFM tools within financial institutions apps

Asset Monitoring Unit	*PFM Unit*
JAL Card	Akita Bank
Taiko Bank	Awa Bank NEW
Sendai Bank	

Other Projects

NTT docomo

***Lending Manager*[*1]**
Advising loan amounts and repayment plans.

KDDI NEW

***au WALLET app*[*2]**
Visualizing outstanding amount and detailed statement of 2,000+ financial institutions

※1 *Lending Manager* is a trademark of NTT DOCOMO, INC.
※2 *au WALLET app* is a trademark of KDDI CORPORATION.

Alliance with Financial Institutions (For Corporates)

Money Forward Cloud Finance :
Lending platform utilizing *Money Forward Cloud* data

GMO Epsilon
GMO Epsilon Transaction Lending

The Bank of Fukuoka
Fast Pass (Loan for SMEs)
ふくぎん ビジネスローン ファストパス

The Fukui Bank
Q-pit (Loan for SMEs)
福井銀行 ビジネス応援ローン Q-pit キューピット

Money Forward Cloud Accounting/Tax Return for BANK:
Accounting and Tax return preparation service for financial institution clients

Money Forward クラウド会計・確定申告 for 福井銀行
Money Forward Cloud Accounting/Tax Return for The Fukui Bank

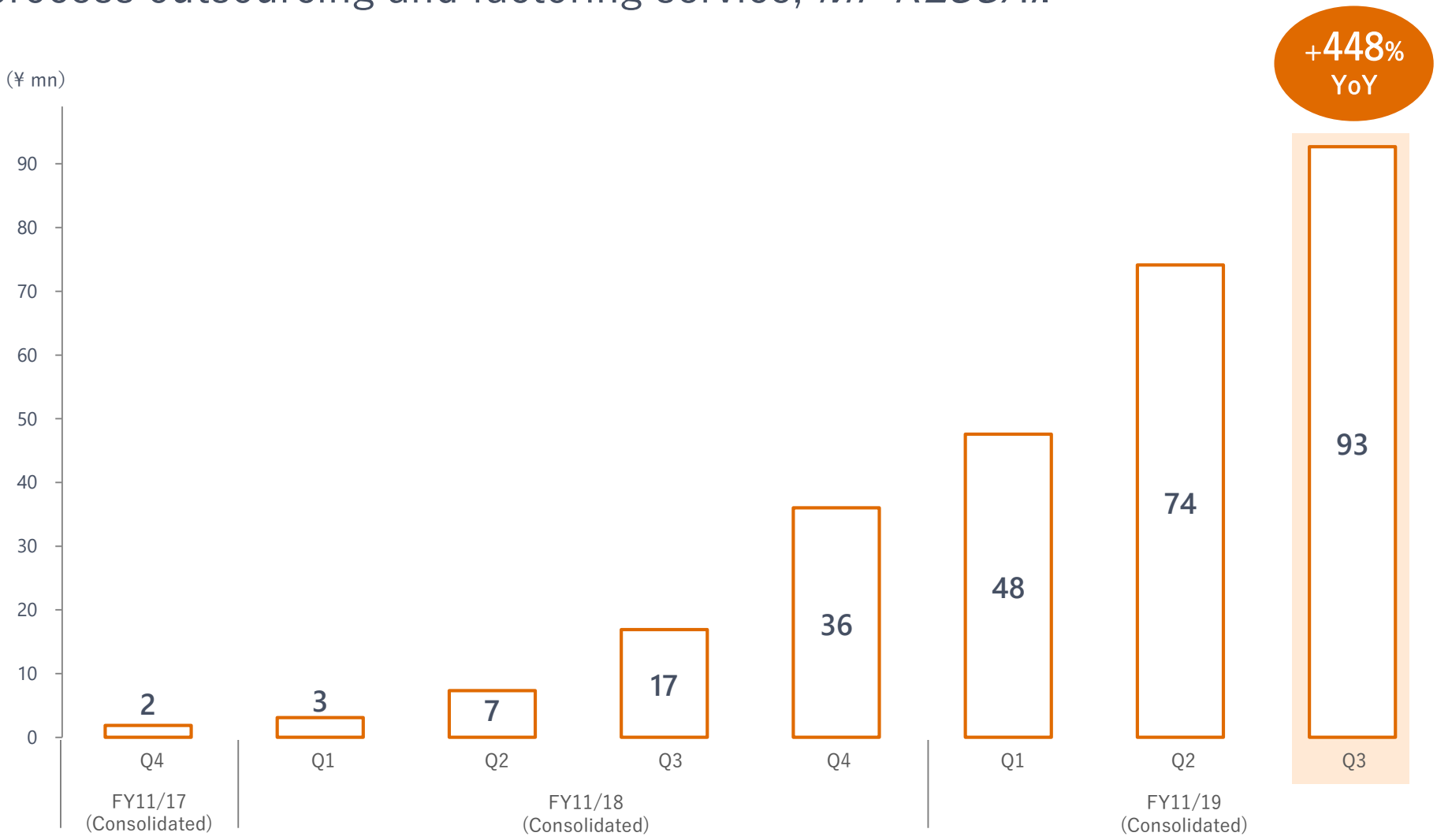
***Business Financial Management (BFM)*:**
Financial management service targeting financial institutions' corporate clients

NEW Okazaki Shinkin Bank (released in October 2019) 岡崎信用金庫


Money Forward Finance

Net Sales from Money Forward Finance

Achieved a growth of **448%** YoY. The rapid growth was driven by business process outsourcing and factoring service, *MF KESSAI*.



Installation of *MF KESSAI* to *Wantedly Visit*

Wantedly Visit outsourced credit, invoice, payment, demand for payment operations to *MF KESSAI* . Streamlined back office operations allow them to focus on their core businesses and provide high-quality customer experience.





Other Strategic Initiatives

Alliance with Financial Institutions (APIs)

Japan's top Fintech company in terms of number of referential and money transfer API connections※1. Made new API connections with 250 shinkin banks across Japan in July※2. 80+ banks are to adopt API by 2020 as part of the Japanese government's "Future Investment Strategy 2018."

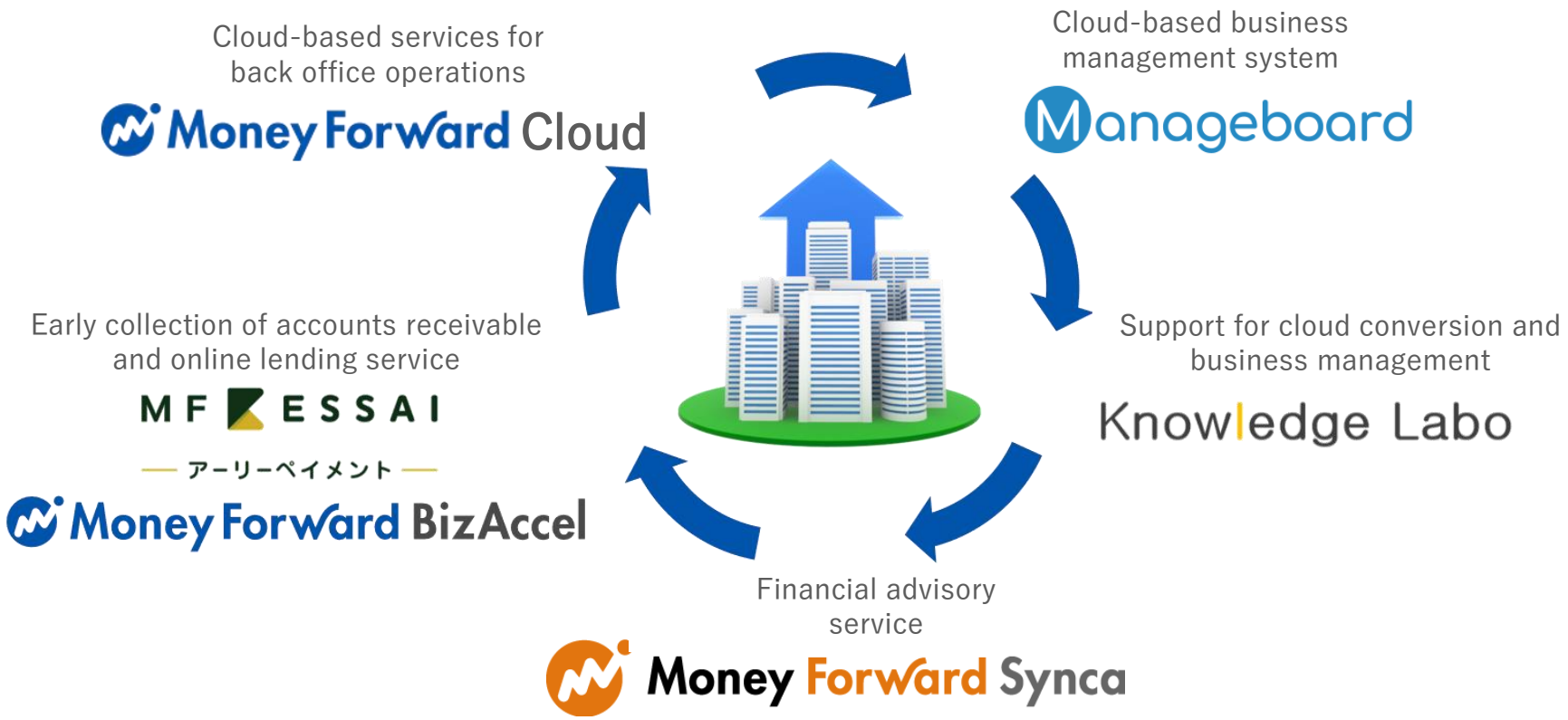
	Banks		Shinkin Banks		Labor Banks		Agricultural and Fishery Cooperative Savings Insurance Corporations	
	Referential	Money Transfer	Referential	Money Transfer	Referential	Money Transfer	Referential	Money Transfer
Individuals	38	1	251	—	13	—	744	—
Corporates	15	8	251	—	13	—	—	—

Making API connections with 1,048 financial institutions

※1 Based on research by Money Forward, Inc.
※2 Among the 250 shinkin banks, three are scheduled to be connected in the near future.

Established Money Forward Synca, Inc.

Money Forward Synca, Inc. will provide growing companies with end-to-end solutions and comprehensive know-how in addition to cloud services.



Listing of Capital and Business Alliance Partners 43

Chatwork Co., Ltd., a capital and business alliance partner of Money Forward, Inc., was listed on TSE Mothers on September 24, and similarly, BASE, Inc. will be listed on October 24. Together, we will aim for further growth.



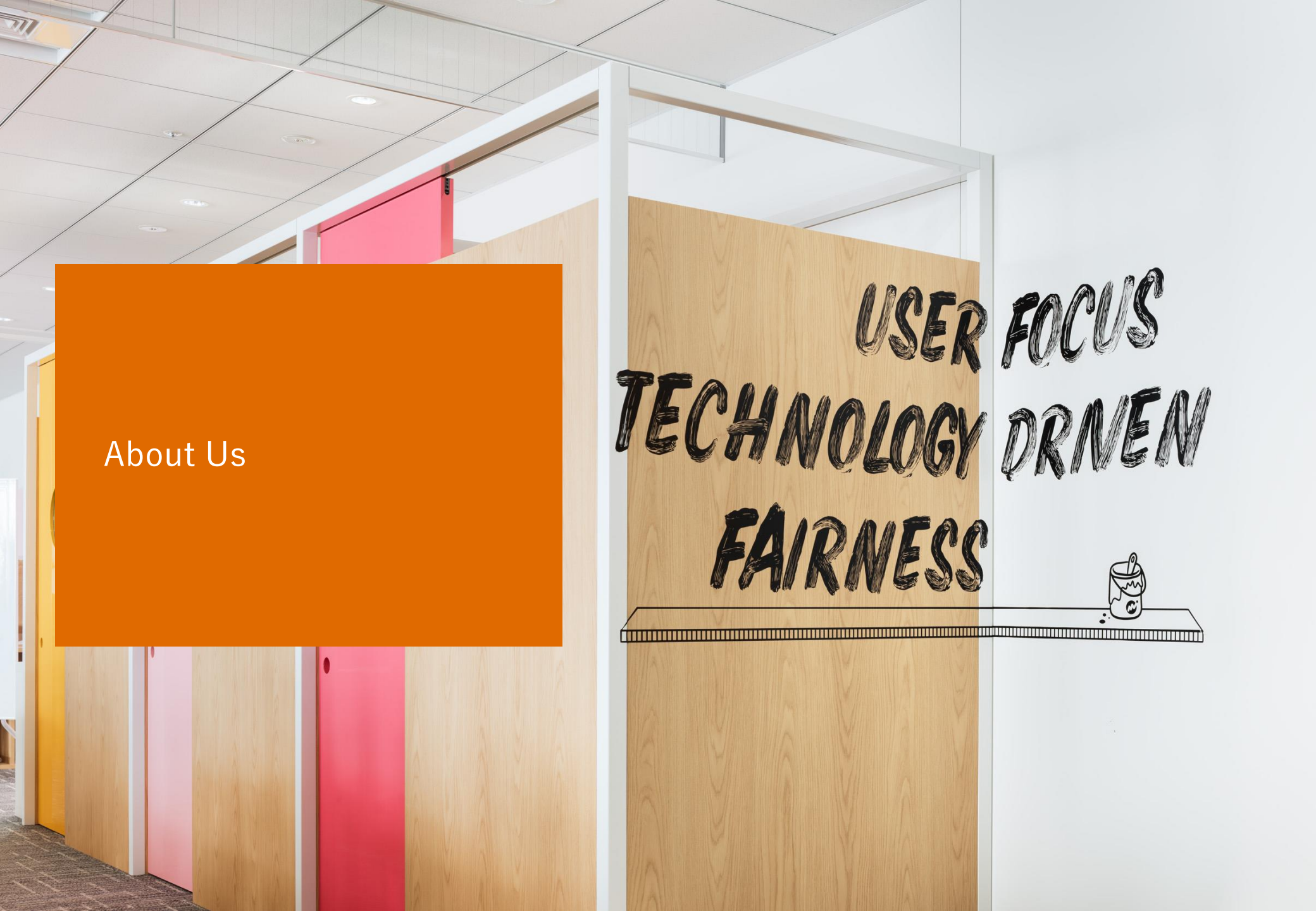




Money Forward. Move your life forward.

Appendix

About Us





Yosuke Tsuji

Representative Director, President and CEO

Yosuke Tsuji worked at Sony Corporation and Monex Securities before establishing Money Forward, Inc. in 2012. He currently serves as an Executive Officer of the Japan Association of New Economy (JANE) and committee member of the METI Fintech Review Conference.
Kyoto University Faculty of Agriculture (BS), Wharton School, University of Pennsylvania(MBA).

Awards (including awards to Money Forward)

Jan. 2014	US Embassy's Award at the Entrepreneur Awards Japan (TEAJ) 2014
Feb. 2014	JVA Chief Judge's Award at the Japan Venture Awards (JVA) 2014
Mar. 2014	Grand Prize at the Financial Innovation Business Conference (FIBC) 2014
Nov. 2016	Ranked in Forbes Japan's "Japan's Top 10 Entrepreneurs" for two consecutive years
Dec. 2016	Selected by *Nikkei Business* magazine as one of "The 100 Most Influential People for Japan 2017"
Feb. 2018	Judges Association's Special Award at the Japan Venture Awards 2018

Executive Profiles

Our management team has in-depth expertise in finance and technology.



Toshio Taki

Director and Executive Officer
Head of Money Forward Fintech Institute

- Appointed as director of Money Forward, Inc. in 2012.
- Member of FSA panel of experts on FinTech start-ups.
- 2004-2012: Nomura Securities Co., Ltd./Nomura Institute of Capital Markets Research. Engaged in research on household behaviour, the pension system, and financial institution business models etc.
- Graduated Keio University (Faculty of Economics) in 2004 and Stanford University (MBA) in 2011.



Takashi Ichikawa

Director, Executive Officer and CISO

- Joined Money Forward, Inc. in 2012. Appointed as director in 2017.
- 2011-2012: Major financial systems development company. Led the infrastructure division and launched a new FX transactions site.
- 2000-2011: Monex Group, Inc. Developed and operated securities trading systems and engaged in project management for subsidiary mergers, etc.



Naoya Kanesaka

Director, Executive Officer, Corporate Development
Representative Director, Money Forward Synca, Inc.

- Joined Money Forward, Inc. in 2014. Appointed as director in 2017.
- 2007-2014: Goldman Sachs (Tokyo and San Francisco offices). Engaged in advisory services for cross-border M&As and fund procurement mainly in the technology and financial industries, and in enhancing value of investee companies.
- Graduated The University of Tokyo (Faculty of Economics) in 2007.



Takuya Nakade

Director, Executive Officer and CTO

- Joined Money Forward, Inc. in 2015. Developed financial systems, and was appointed as CTO in 2016 and director in 2018.
- 2007-2014: Simplex Inc. Developed stock trading systems catered to securities companies.
- 2001-2007: Jupiter Shop Channel Co., Ltd. Led CRM system development as IT manager.



Hirokazu Ban

Director, Executive Officer and Administration Division Manager

- Joined Money Forward, Inc. in 2016. Appointed as director in 2018.
- 2009-2015: SBI Securities Co., Ltd. Served in the Legal and Corporate Planning Departments. Launched SBI Money Plaza Co., Ltd. in 2012 and became director.
- Graduated Waseda University (Sociology) in 2001. After graduating Aoyama Gakuin University Law School, registered as an attorney in 2008.



Masanobu Takeda

Director, Executive Officer and COO of Money Forward Business Company

Joined Money Forward in 2017 Inc after the acquisition of Klavis Inc., where he served as Director and CFO since 2016. Prior to joining Klavis, he served as Director at Macromill Group, in charge of corporate planning where he led the company's corporate and HR strategic planning, M&As, and new business development, and as Director and Head of Corporate Planning at eole Inc.

Executive Profiles

Highly experienced leaders in the Japanese economy are appointed as External directors and Advisors.



Nobuaki Kurumatani

External Director
Director, Representative Executive Officer
Chairman and CEO, Toshiba Corporation

Former Representative Director, Deputy president and Executive Officer of Sumitomo Mitsui Banking Corporation. Former President of Japan, CVC Capital Partners.



Masaaki Tanaka

External Director
Executive Chairman of the Board,
Nippon Paint Holdings Co., Ltd.

Former Director and Deputy President at Mitsubishi UFJ Financial Group and former President and COO of INCJ, Ltd. Current member of the Financial Services Agency (FSA) panel of experts on Fintech startups and other government-related panels. Appointed adviser to the FSA in February 2017.



Akira Kurabayashi

External Director
Managing Director, DNX Ventures

Joined DNX Ventures (former Draper Nexus Venture Partners) in 2015 where he currently serves as Managing Director. Engaged in venture capital businesses targeting Japan and the U.S. at Fujitsu Limited and Mitsui & Co., Ltd. Oversaw investments in Japan at Globespan Capital Partners and Salesforce Ventures.



Etsuko Okajima

External Director
CEO, ProNova Inc.

Etsuko Okajima founded ProNova Inc in 2007, and currently serves as CEO of the company. Earlier in her career, she worked at Mitsubishi Corporation, McKinsey & Company, and Globis Group, where she served as President of Globis Managment Bank Inc. Ms Okajima holds an MBA from Harvard University.



Takashi Mitachi

Adviser (Former External Director)
The Boston Consulting Group
Senior Advisor

External Director of Rakuten, Inc., and visiting professor at the Graduate School of Management, Kyoto University. Earlier in his career he worked for Japan Airlines, then Boston Consulting Group where he served as a member of the Global Management Committee for more than 10 years.

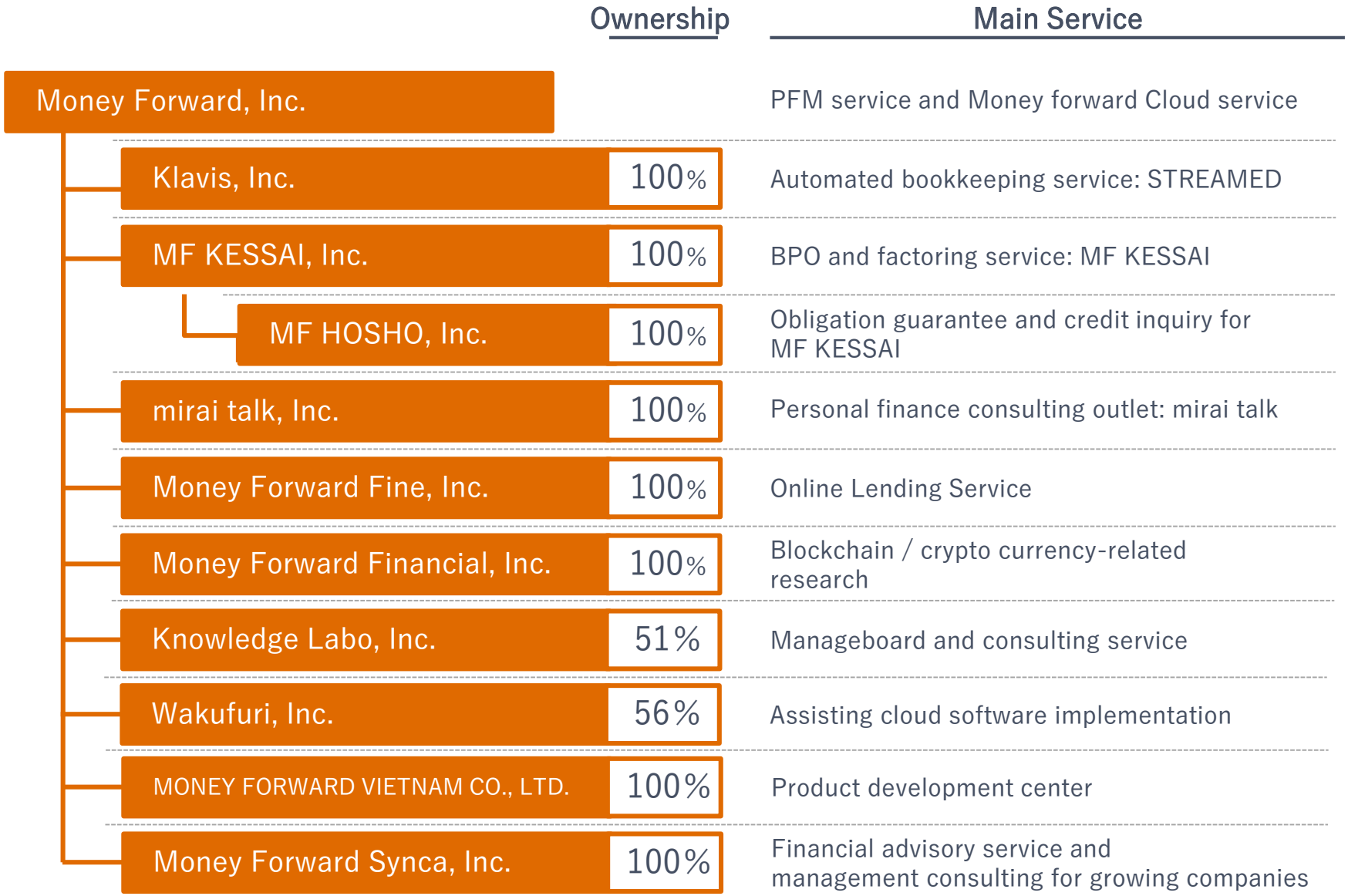


Makoto Haruta

Adviser
Representative Director and CEO, betaCatalyst Inc.

Established betaCatalyst Inc. in 2015. Former Director and Chairman of DeNA Co., Ltd. During his time with DeNA, Mr. Haruta led DeNA's IPO as CFO, established JVs wth major corporations, and oversaw M&As, including the acquisition of the Yokohama DeNA BayStars.

Money Forward Group Structure



※ Money Forward Synca, Inc. will be consolidated from FY11/19 Q4.

FY11/19 Q3 Financial Summary

(¥ mn)	FY11/19 Q3 (2019/6-2019/8)					FY11/19 Q3 YTD (2018/12-2019/8)				
		FY11/18 Q3		FY11/19 Q2			FY11/18 Q3 YTD		FY11/19 Full-year Forecast (lower end)	
	Actual	Actual	YoY%	Actual	QoQ%	Actual	Actual	YoY%	Actual	Progress
Net Sales	1,881	1,130	+66.6%	1,661	+13.3%	4,940	3,126	+58.0%	7,122	69.4%
Business	1,159	715	+62.1%	919	+26.1%	2,930	1,848	+58.6%	4,075	71.9%
Home	378	299	+26.2%	403	-6.2%	1,150	869	+32.4%	1,848	62.2%
X	250	97	+157.4%	263	-5.0%	638	376	+69.4%	860	74.1%
Finance	93	17	+547.8%	74	+125.0%	214	27	+784.2%	339	63.2%
Other	3	1	+94.2%	3	-13.0%	8	6	+30.3%	-	-
Gross Profit	1,220	672	+81.5%	1,022	+19.3%	2,989	1,991	+50.1%	-	-
Gross Profit Margin	*+64.8%*	*+59.5%*	*+5.3pt*	*+61.5%*	*+3.3pt*	*+60.5%*	*+63.7%*	*-3.2pt*	-	-
EBITDA	△271	△247	-	△525	-	△1,737	△408	-	△2,420	71.8%
EBITDA (excl. advertising expenses)	△28	△141	-	△246	-	△649	△41	-	△1,031	62.9%

Share Price and Trading Volume since IPO



※ As of October 11, 2019

Promotion of Fintech/SaaS by the Japanese Government 53

The Japanese government has set four KPIs to promote Fintech as part of its “Future Investment Strategy 2017.” It aims to raise the ratio of cloud-based back office operations to 40% by 2022.

Double the cashless payment ratio

Aims to double the cashless payment ratio to some 40% of all payments within the next decade (by June 2027).

Promote open banking APIs

Aims to promote the adoption of open banking APIs by 80+ banks within three years (by June 2020).

Migrate 40% of back office operations to cloud by 2022

Aims to increase the ratio of SMEs that utilize IT and cloud services etc. to improve productivity of back office operations. Target at 40% within five years (by June 2022).

Improve cash conversion cycle by 5%

Aims to improve Japan’s Supply Chain Cash Conversion Cycle (SCCC) by 5% until FY2020.

※ “Future Investment Strategy 2017 No.2-I-5 Promotion of FinTech,” June 2017

Disciplined Investment Execution

Product Development/New Business Investments

- Basic policy is to start with minimal investment to achieve product market fit, followed by the decision to invest further.
- Constant launch of add-ons and new businesses contribute to ARPPU increase, customer base expansion and product competitiveness.
- M&A is also considered as an effective means of entering new business, adding functions and/or customers.

Investment in Sales, Marketing and Customer Success

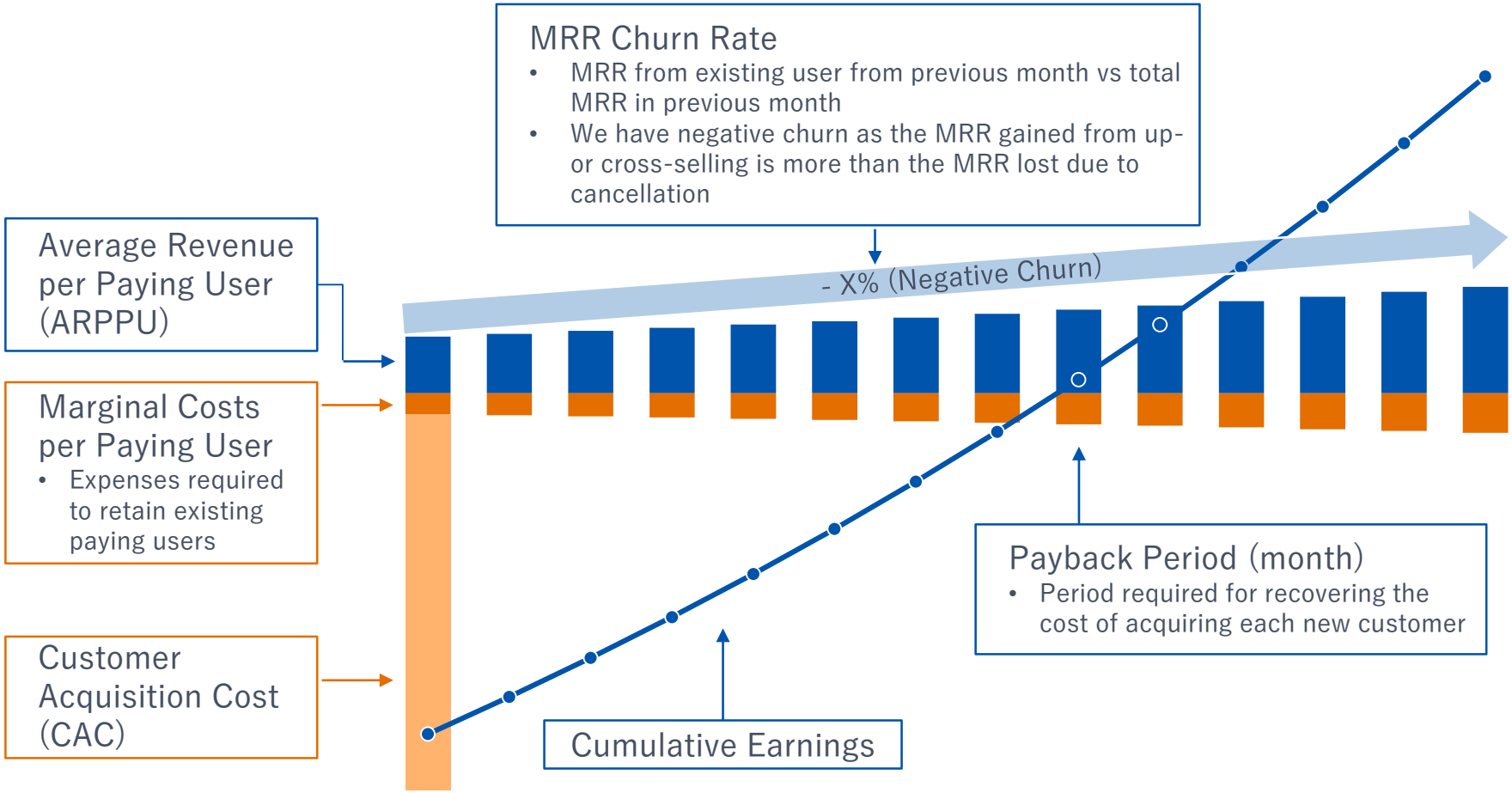
- Investment in sales, marketing and customer success to be accelerated as long as unit economics metrics are reasonable and sound.
- Investment decisions to be made based on the unit economics metrics described in next page.

Continuous Review and Revision of Product/Business

- Businesses are assessed by growth, market opportunities/competition and profitability every quarter to make appropriate decisions such as withdrawal.

Unit Economics-Driven Investment

Unit economics per product and per customer channel are taken into account when making investment decisions, metrics which are commonly used by global SaaS companies.



※ For illustrative purpose only and not to size.

Policy for Profitability

1 Aim at **turning EBITDA positive** in FY11/21 by strengthening the revenue base and boosting cash flow generation.

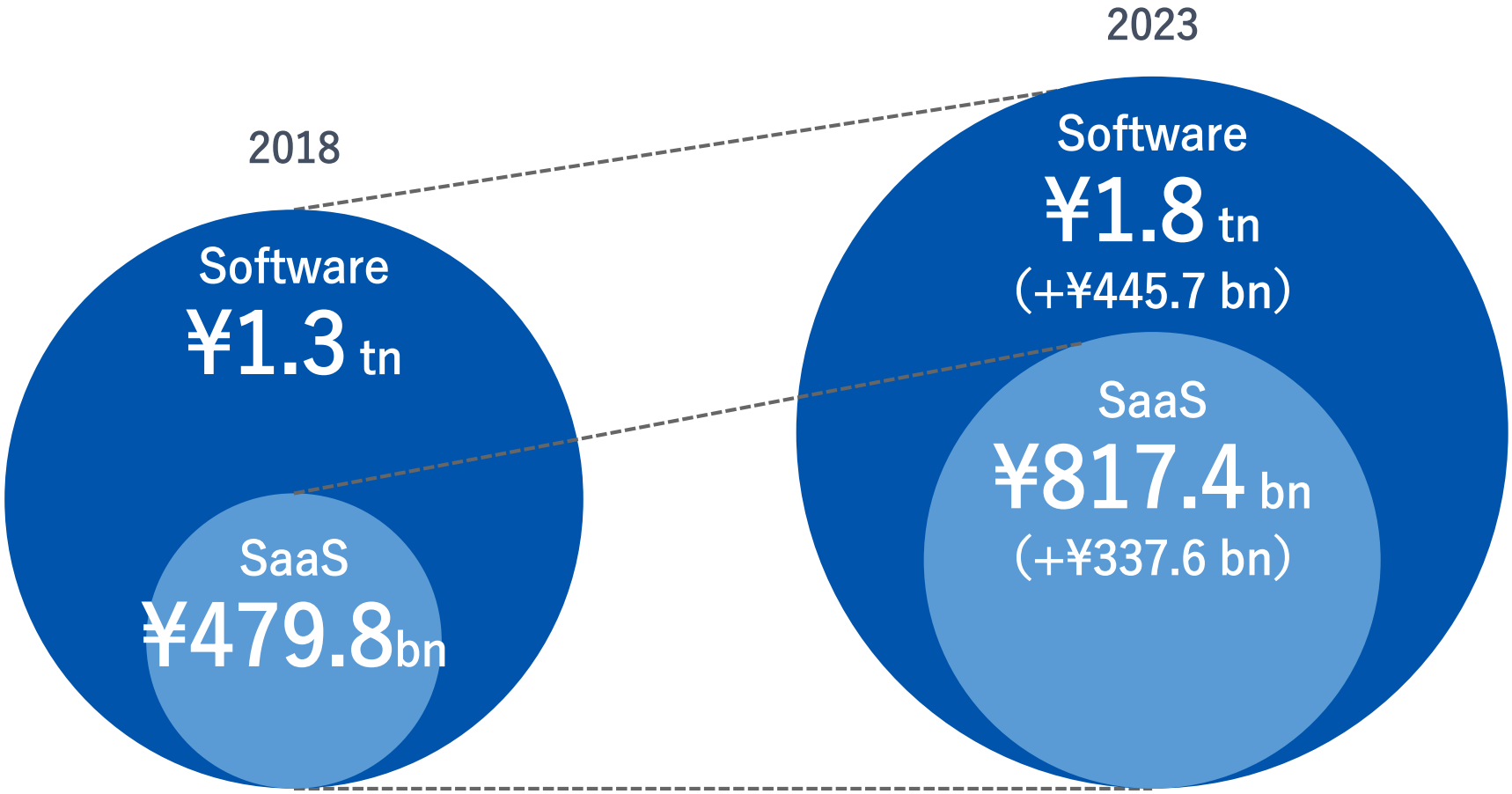
2 After turning EBITDA positive, we plan to further improve the enterprise value by **listing on the first section of the Tokyo Stock Exchange** as soon as possible.



Products and Services

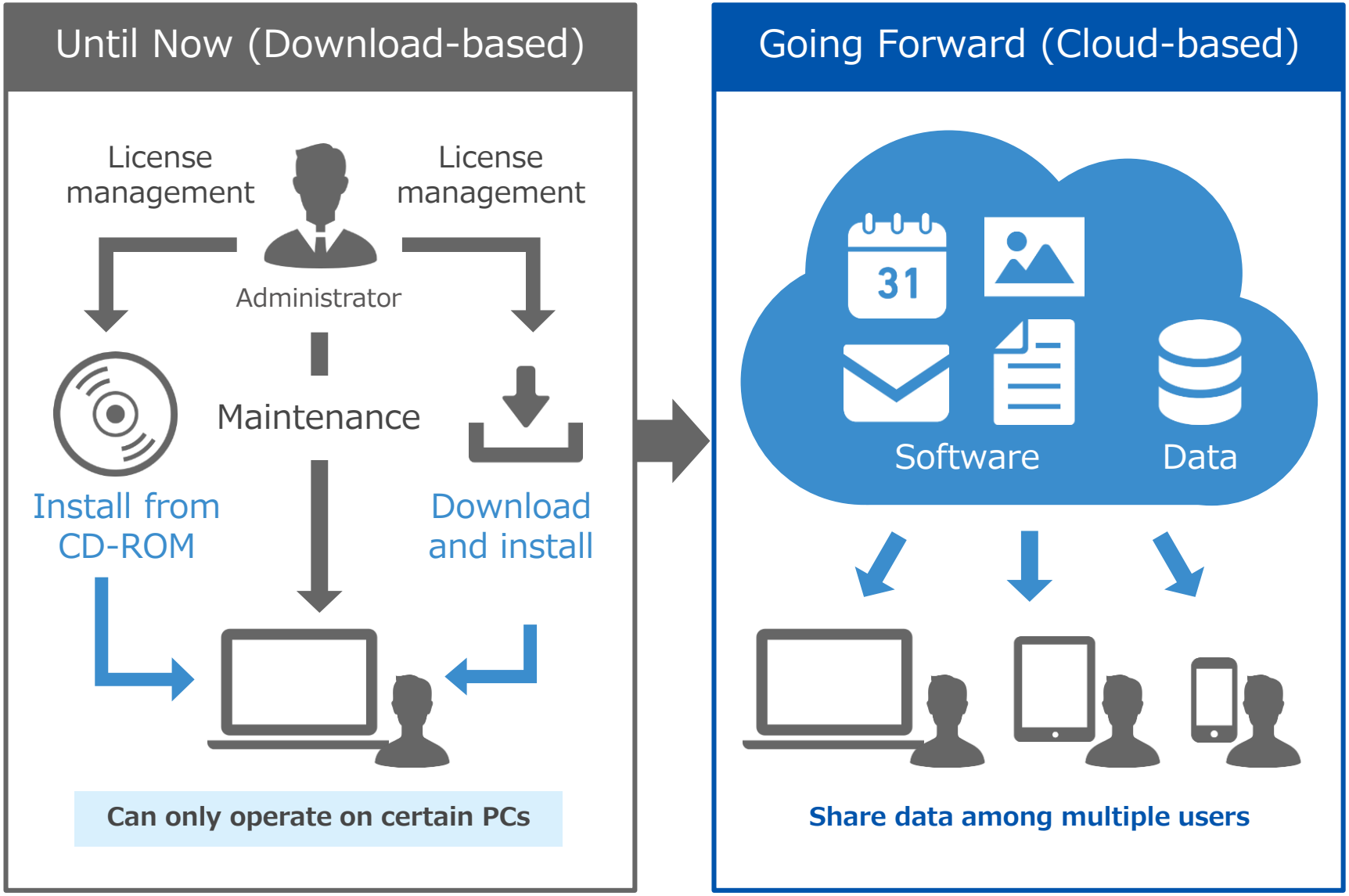
Outlook for Japan's Software Market Size

The software market size is expanding on the back of work-style reforms and promotion of cloud. In particular, the SaaS market is forecasted to expand rapidly to ¥817.4 billion (an increase of ¥337.6 billion).



※ Fuji Chimera Research Institute, Inc., *2019 New Software Business Market.*

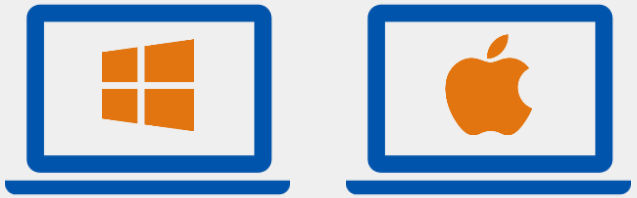
Conversion to Cloud-based Services



Reasons Why Users Opt for Cloud-based Services

Services can be used regardless of time, place or device.

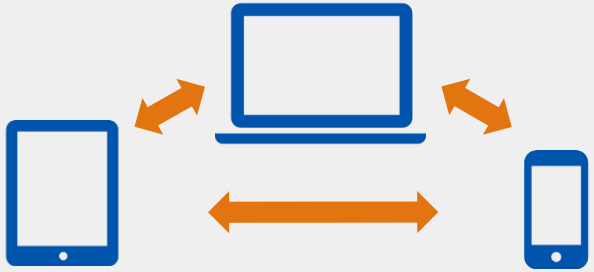
Can be used from any device
with an Internet connection



Data is automatically backed up,
providing security in cases of damage or loss of devices, or disasters



Can share data in real time

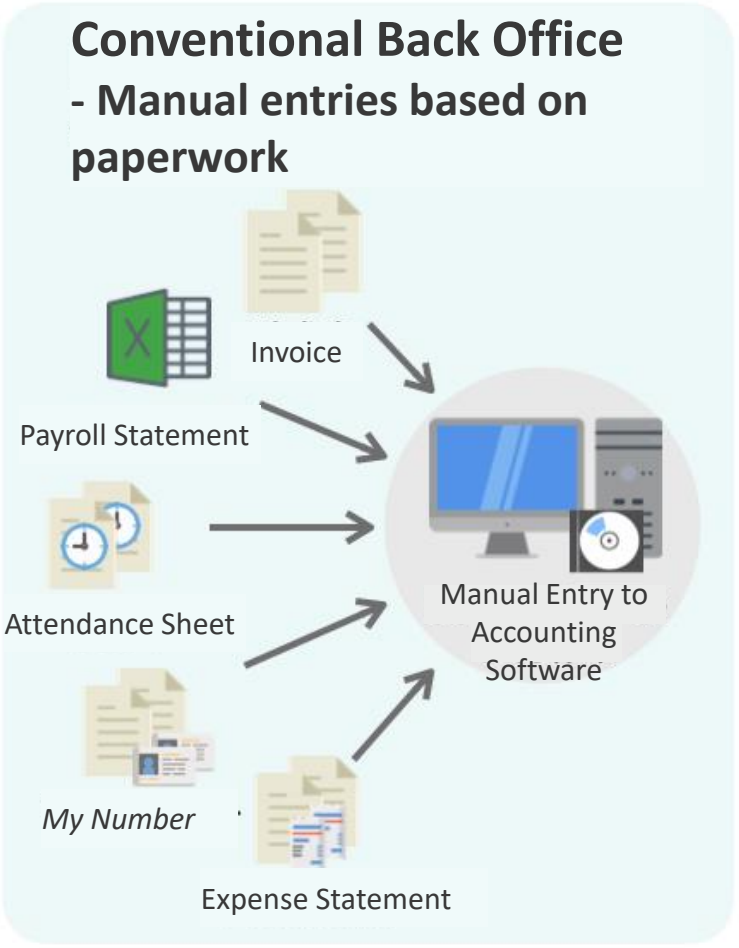


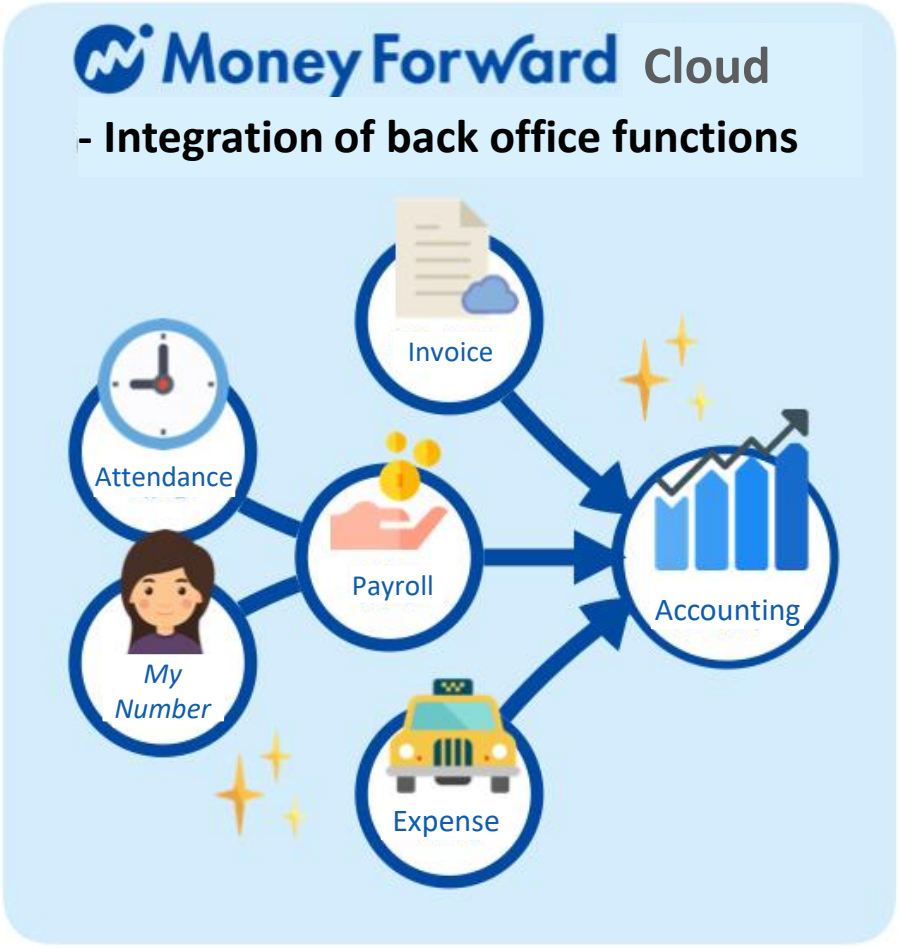
Upgrades are free of charge



Providing a Paradigm Shift - Integrated Back Office

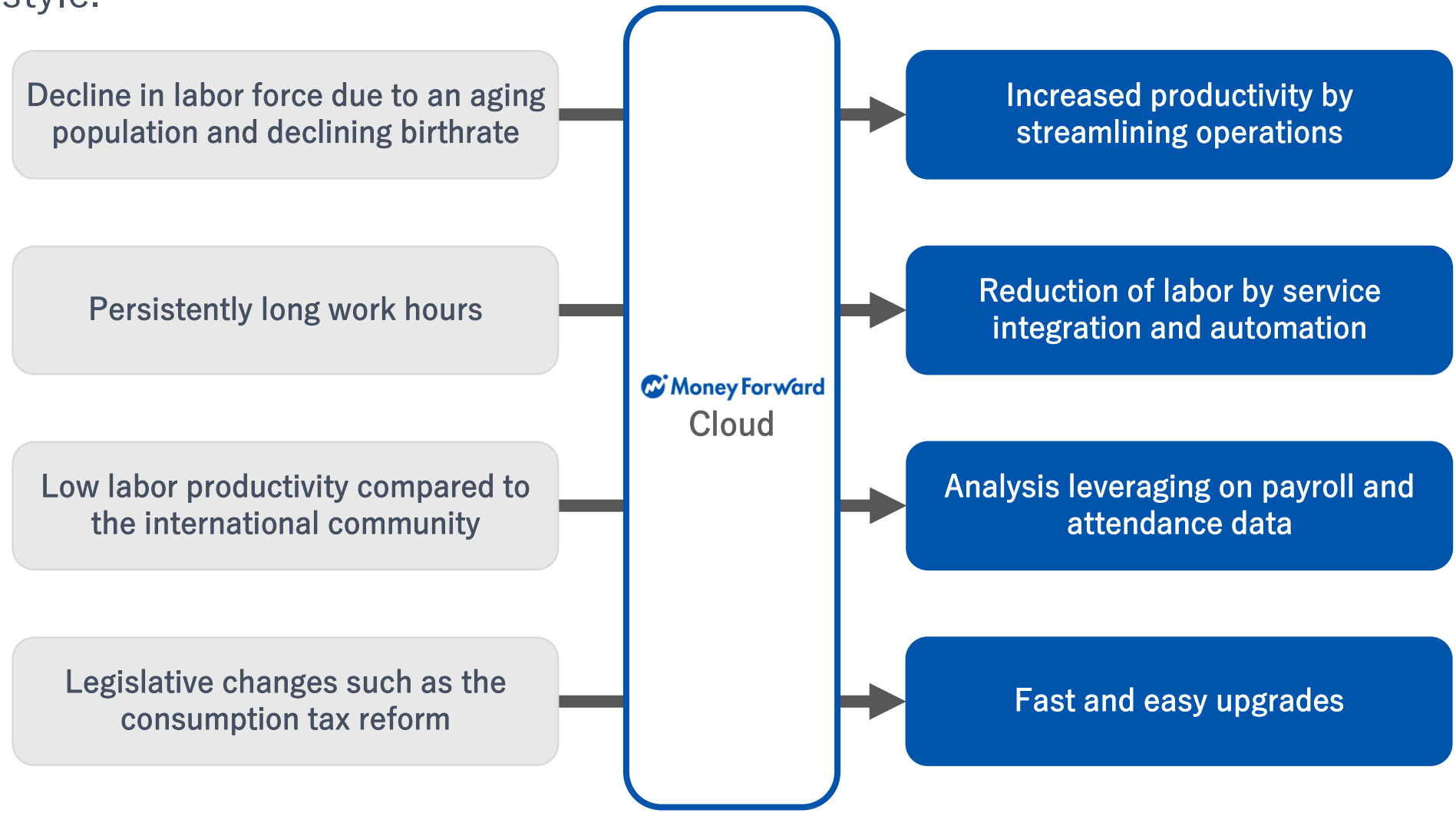
Plans to facilitate a shift from a world filled with cumbersome manual back office operations to one which automatically connects back office functions through cloud.





Providing Timely Services, e.g., for “Work-Style Reform” 62

Aims to deliver services that resolve Japan’s social issues concerning work style.



Money Forward Cloud Series - SaaS Platform

Money Forward Cloud Series is a SaaS platform for back office operations.



Money Forward Cloud Series

Money Forward Cloud Accounting　Money Forward Cloud Tax Return　Money Forward Cloud Expense

Money Forward Cloud Payroll　Money Forward Cloud Invoice　Money Forward Cloud My Number

Money Forward Cloud Finance　Money Forward Cloud Attendance

Tapping into the expanding cloud computing market, we provide products in the form of SaaS, reducing large initial investments that would otherwise be required.
We strive to provide the benefits of IT to businesses big and small.

New Pricing Plan for Optimizing Back Office Operations 64

Released a new bundled service which enables sole proprietors and corporates with 30 or less employees to use five services at attractive price in May 2019.



Customer Feedback on New Pricing Plan

Tax Accountant



- It is difficult to streamline operations and raise productivity using only an accounting software.
- We are grateful that Money Forward has taken steps to provide this bundled service instead of only providing stand-alone products.
- **Improved operational efficiency enables the accounting industry to provide a wider range of services.**

Tomoaki Sato Tax Accountant Office (Hokkaido)

Corporate



- We have been using another invoice service but **want to take this opportunity to shift to *Money Forward Cloud Invoice*.**
- We currently use *Excel* to calculate payrolls and were wondering what advantages *Money Forward Cloud Payroll* offers. **We plan to use the service as it seems convenient.**

Private company (Kanagawa)

Chamber of Commerce and Industry

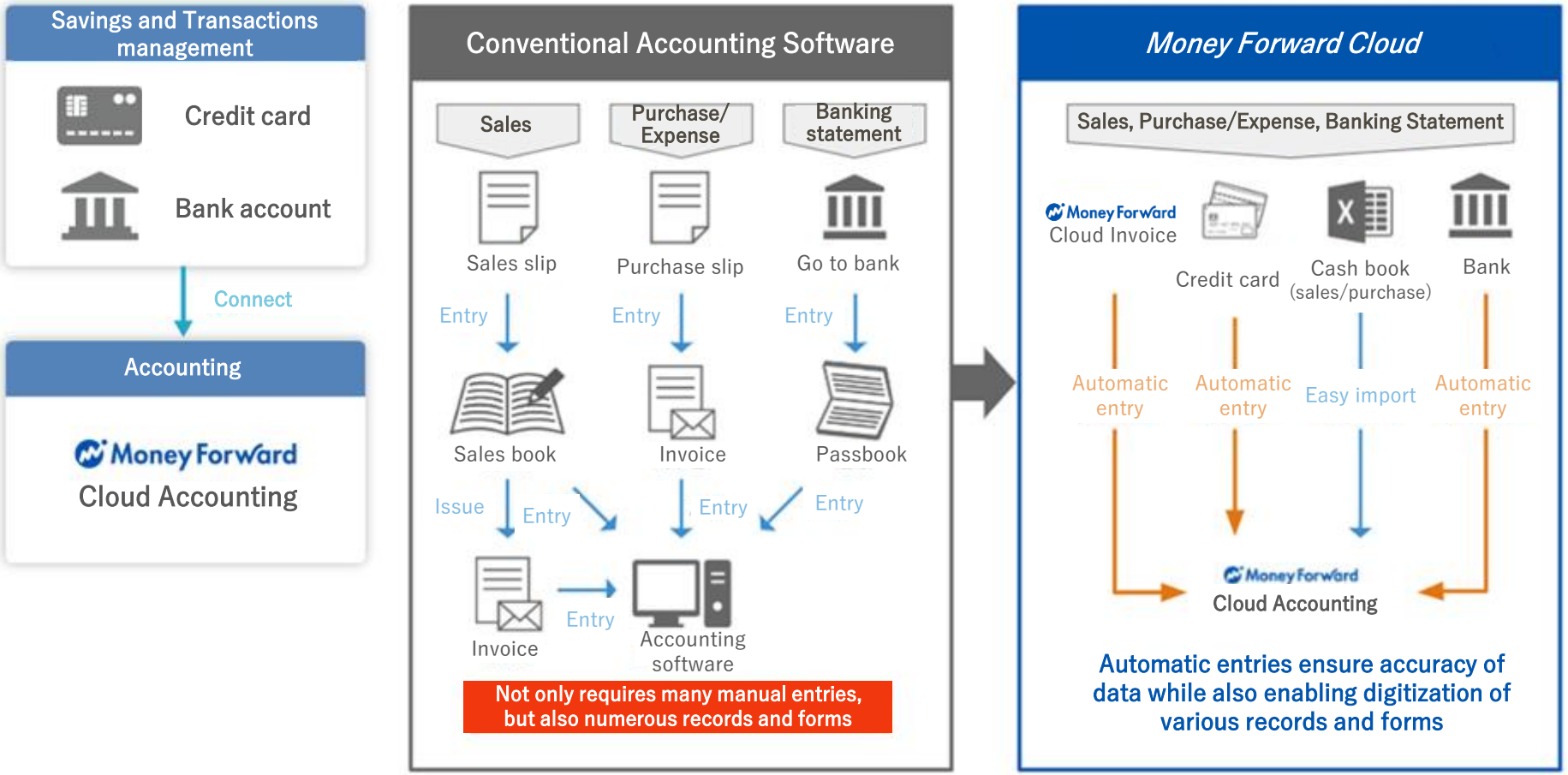


- Saving labor in the back office becomes effective by connecting managerial operations not only within the accounting division but also among various division. **We therefore expect that the bundled service will produce even larger effects.**
- **This will open a new path for improved efficiency** to businesses that were content with simply promoting the use of cloud in accounting operations.

The Mastuura Chamber of Commerce and Industry (Nagasaki)

In Comparison to Conventional Accounting Software

Using *Money Forward Cloud Accounting* enables automated and streamlined management of bank account savings and transactions.



STREAMED - Cloud-based Bookkeeping Service

STREAMED is a cloud bookkeeping service, where operators promptly digitalize receipt data scanned by users. The service is provided by Klavis Inc., which joined the Group in November 2017.

Gathering evidence

Importing data

User



User scans receipts etc.



Operators digitalize the data within 1 business day*

User



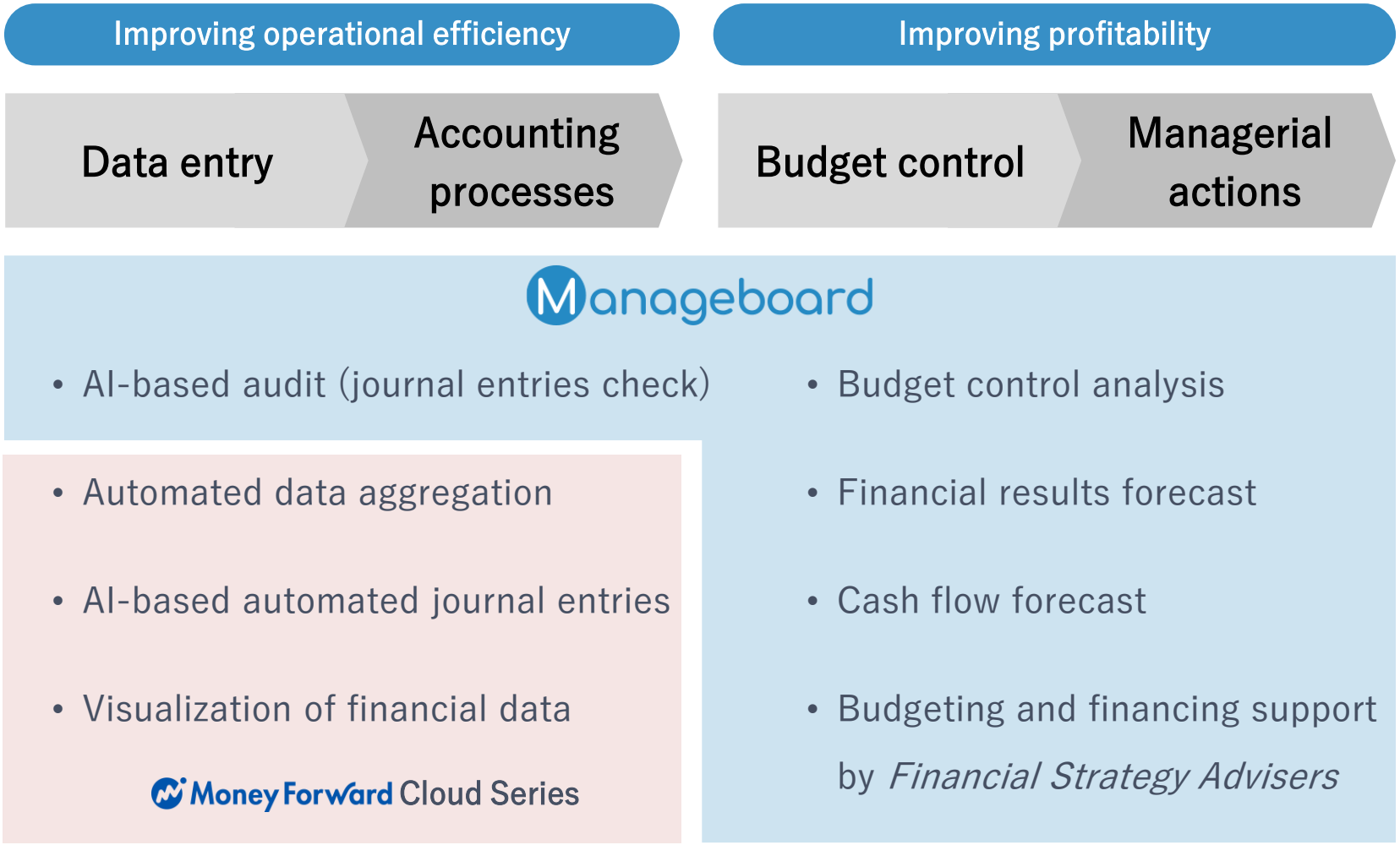
User checks data

User imports data to accounting software

※ Data scanned during 10 am -7 pm of business day is digitalized within 1 business day.

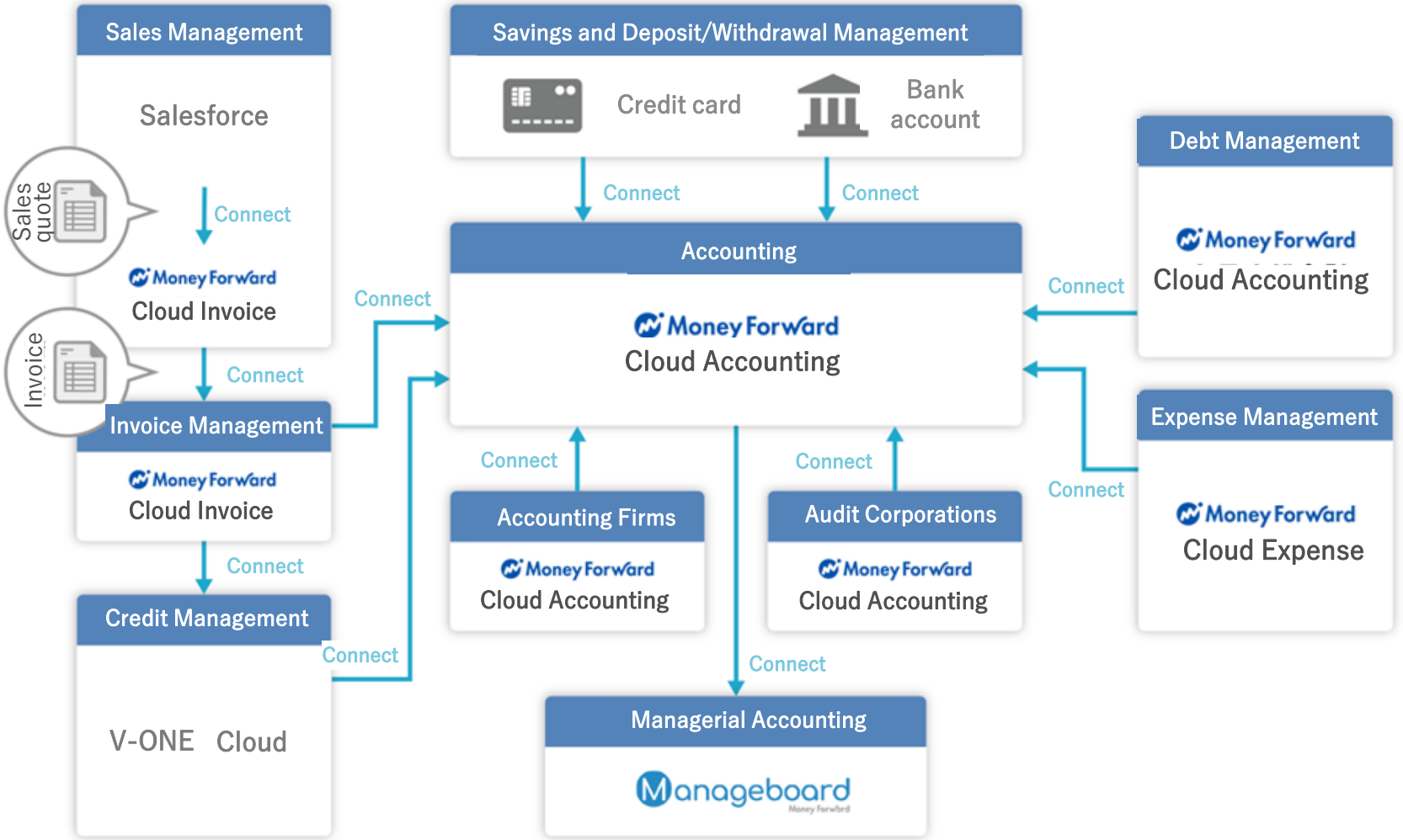
Manageboard - Cloud-based Business Analysis Tool

Manageboard primarily offers functions which help SMEs improve their profitability.



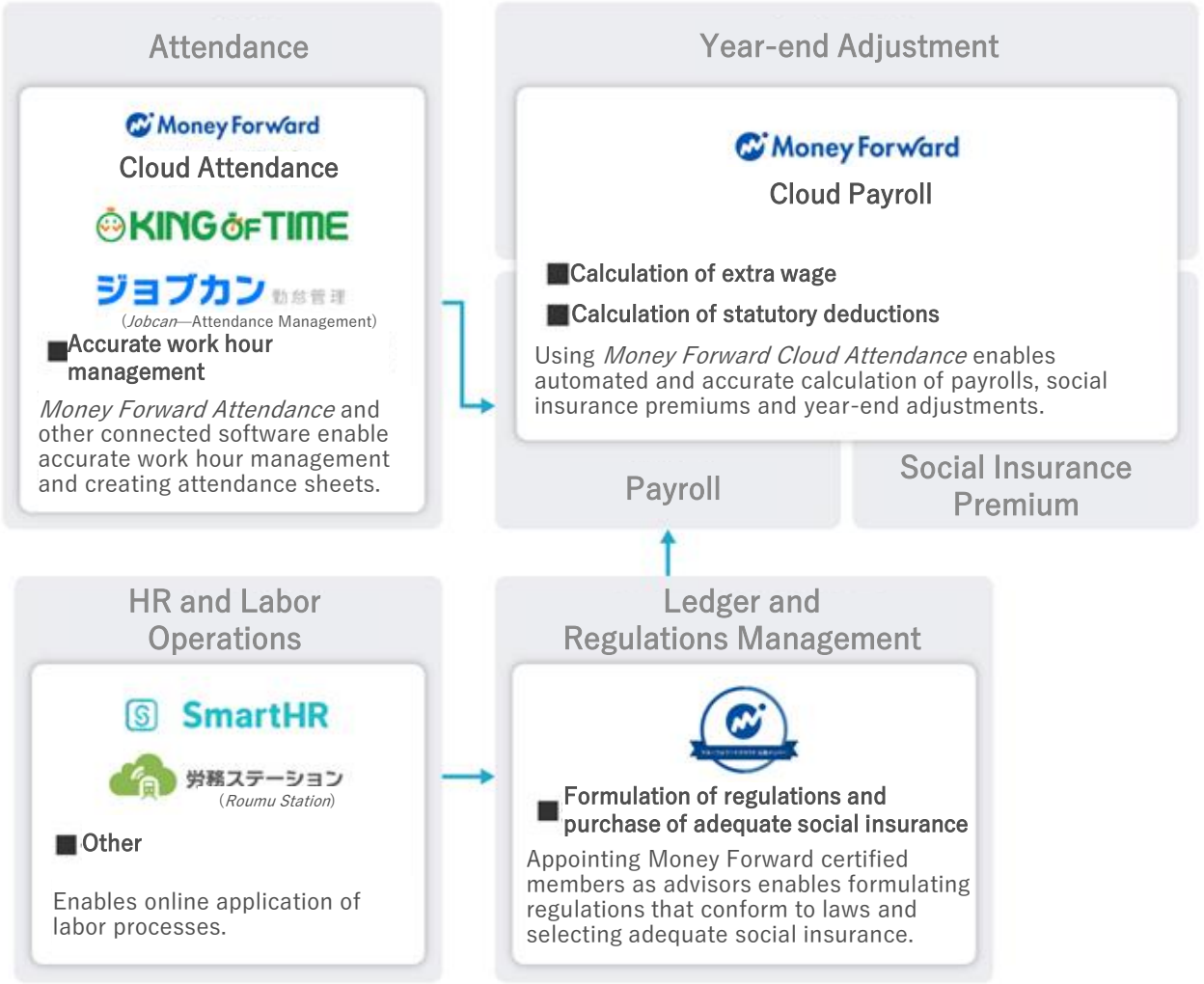
Service Connections - Financial Accounting

Connecting *Money Forward Cloud Series* with other services contributes to streamlining operations.



Service Connections – HR and Labor

Connecting *Money Forward Cloud Series* with other services contributes to streamlining operations.



Sales Strategies Aligned with Customer Profiles

	(a) Accountants	(b) Web		(c) Direct Sales
	Accountants & their clients	Sole Proprietors	SMEs	Corporates
Primary Products	Accounting/Payroll/ Attendance/STREAMED/ Manageboard	Personal Plan	Business Plan	Expense/Payroll/ Attendance
Distribution	Field sales	Mostly online (Inbound marketing)		Field sales/ Inside sales
Price (Example)	(Monthly) **Accounting** ¥2,980 **STREAMED** ¥12,000~ **MB** ¥49,800~	**Personal Light** Monthly: ¥1,280~ Annual:¥11,760~ (¥980/month) **Personal** Monthly: ¥2,480~ Annual: ¥23,760~ (¥1,980/month)	**Small Business** Monthly: ¥3,980~ Annual: ¥35,760~ (¥2,980/month) **Business** Monthly: ¥5,980~ Annual: ¥59,760~ (¥4,980/month)	**Expense** ¥500/employee **Payroll** ¥300/employee **Attendance** ¥300/employee
Marketing	Sales visits through field sales/ Events and seminars	Online ads/ SEO/ Organic marketing		Sales visits through field sales/ Phone calls through inside sales/ Events and seminars

Money Forward ME - Automated PFM Service

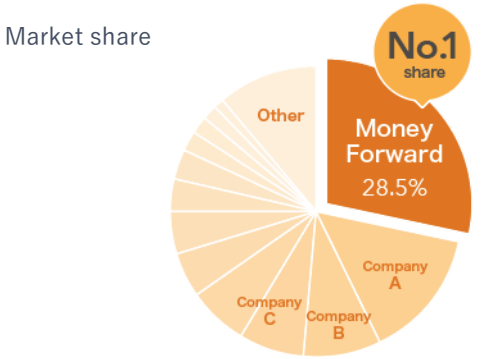
Money Forward ME is the No.1 PFM app in Japan[*1], reaching 8.5 million users. One in four PFM app users are using *Money Forward.*

No.1 coverage[*2]: integrates 2,600+ financial services/ Automatically creates household accounting books by aggregating multiple accounts



No. of users and market share[*1]





※1 Rakuten Insight, Inc., “PFM app currently used” (Mar. 23 to 27, 2017) Survey targets: 685 PFM app users in their 20s to 60s
※2 Based on research by Money Forward, Inc. as of August 31, 2019

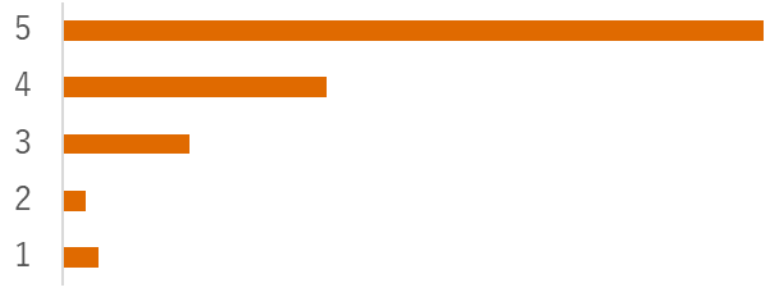
High Customer Ratings for both iOS and Android

Customer satisfaction is high, with a rating of 4.3 or more for both iOS and Android versions.

iOS

4.4/5

No. of evaluations=69,000



Android

4.3/5

No. of evaluations=32,000



※ Created based on data from *App Store* and *Google Play* (as of October 11, 2019).

MONEY PLUS - Practical Economic Media

MONEY PLUS delivers information on how to use money wisely as a tool to enrich one's life. Readers are encouraged to familiarize themselves with money and finance, a topic often considered complex.

MONEY PLUS
くらしの経済メディア

A practical economic media that enriches readers' lives now and in the future



Money Forward Mall

Platform for comparing and applying for financial services such as credit cards and securities accounts.



SiraTama - Savings App that Makes Life More Fun

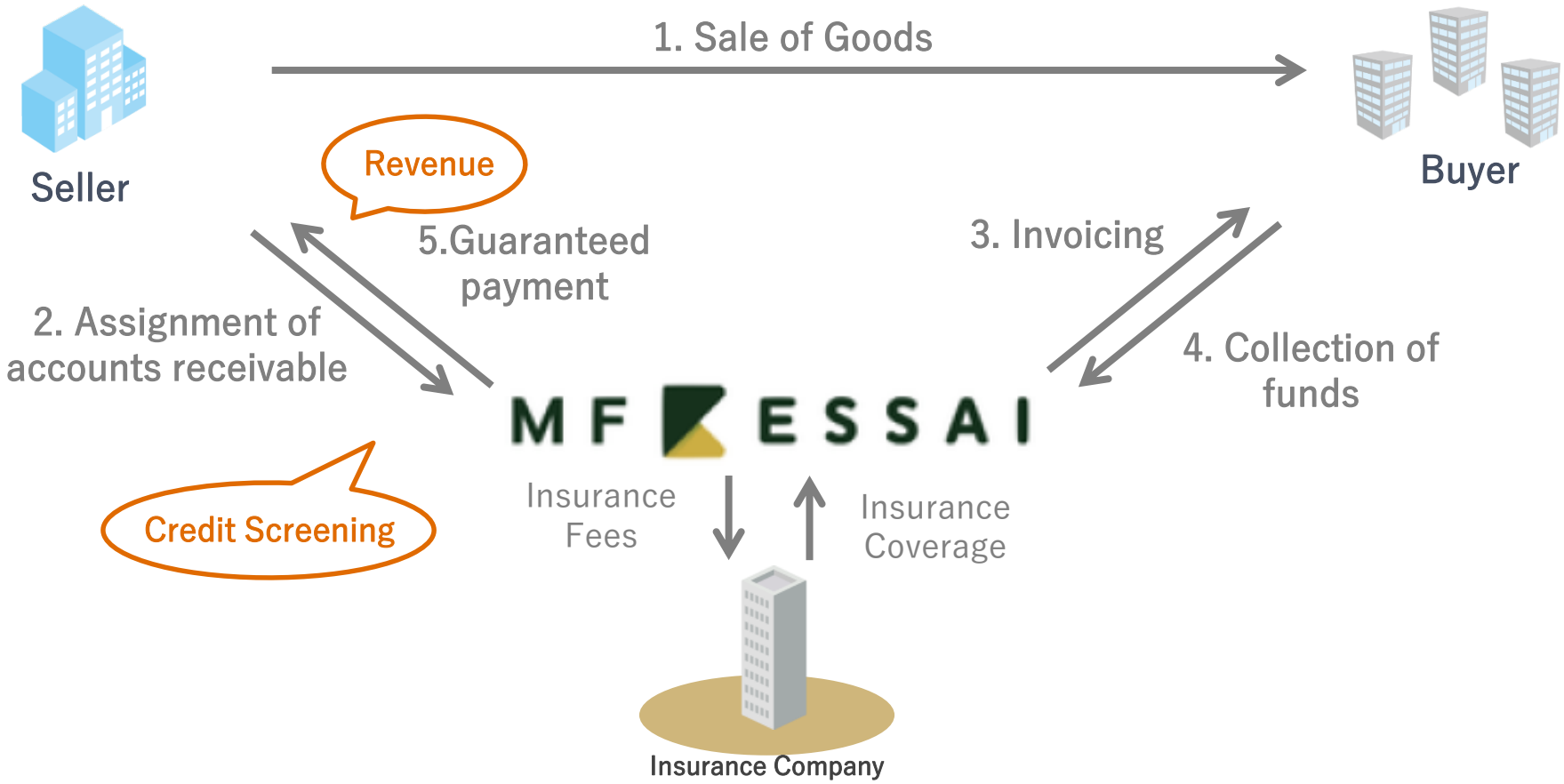
SiraTama is an automatic savings app that enables users to effortlessly (*"sira"zu*) build their savings (*"tama"ru*).





MF KESSAI - Online Invoicing and Factoring Services

MF KESSAI is a business process outsourcing and factoring service.



Disclaimer

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