Financial Results for the Full Year Ended November 30, 2019

Money Forward, Inc.

January 14, 2020

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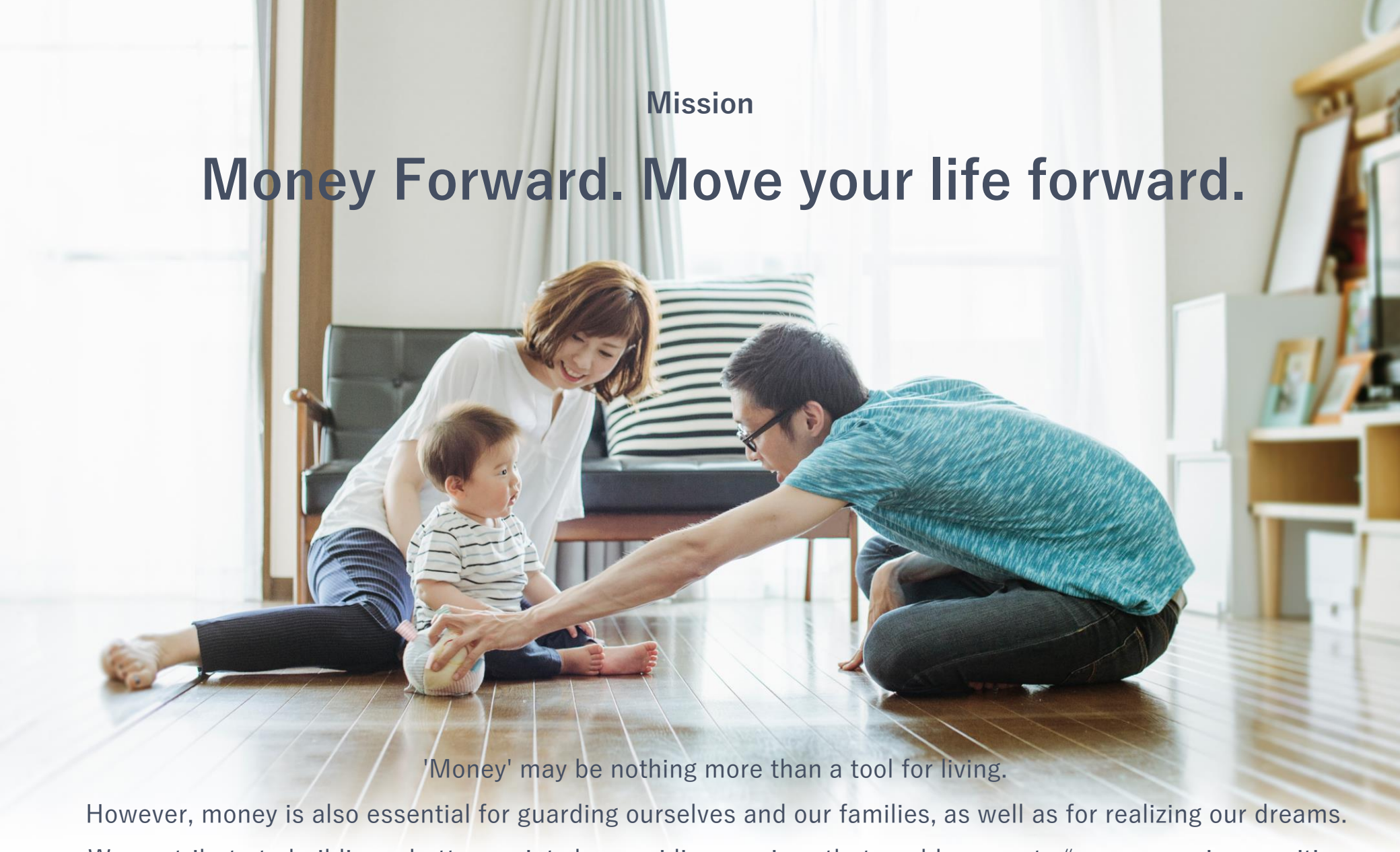
The World We Aspire



Mission

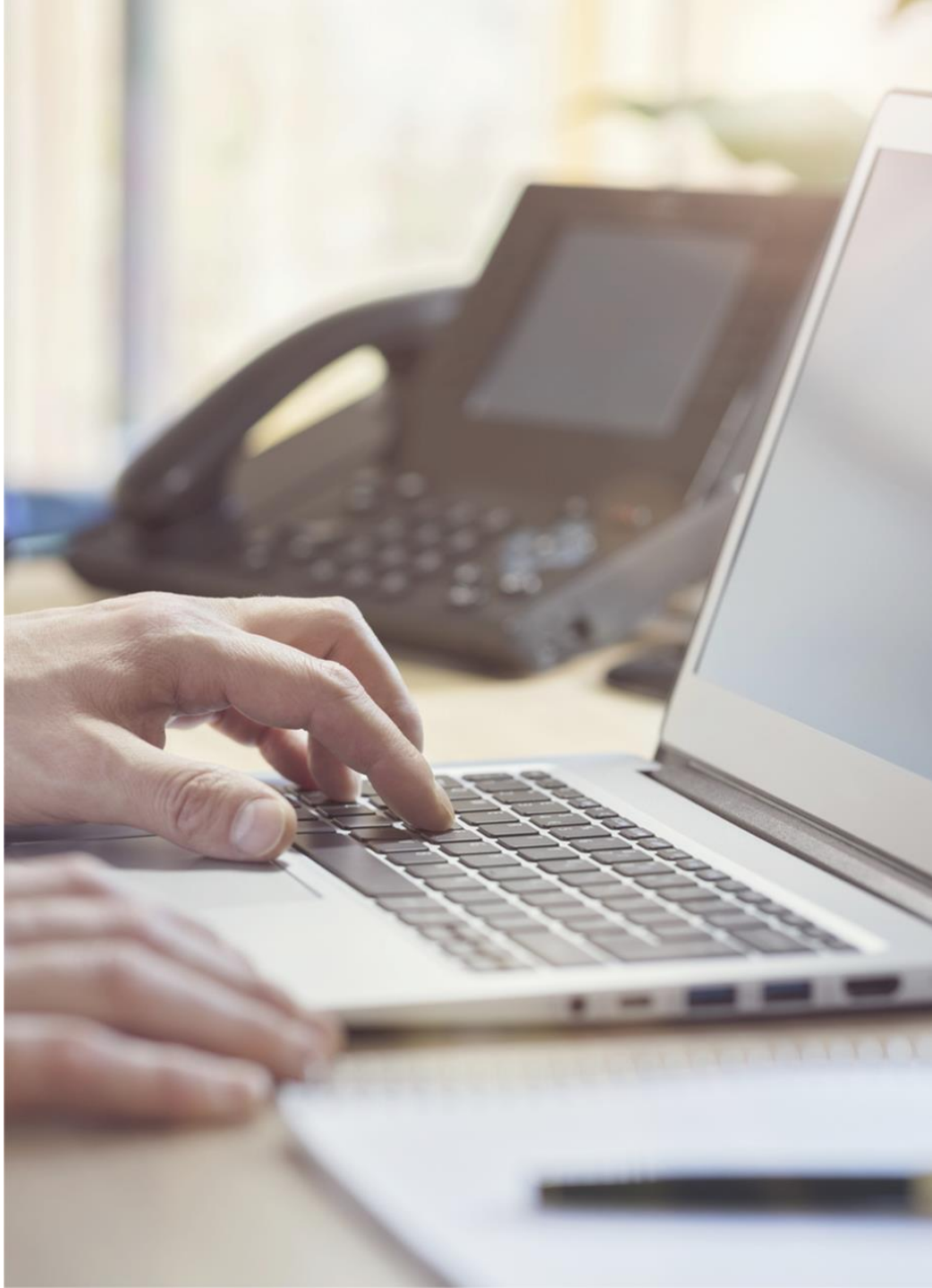
Money Forward. Move your life forward.

'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.
We contribute 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.

Key Social Issues We Face

SME Related Issues

- Decreasing working population due to aging society
- Low labor productivity
- Lack of growth capital
- Lack of entrepreneurship



Key Social Issues We Face

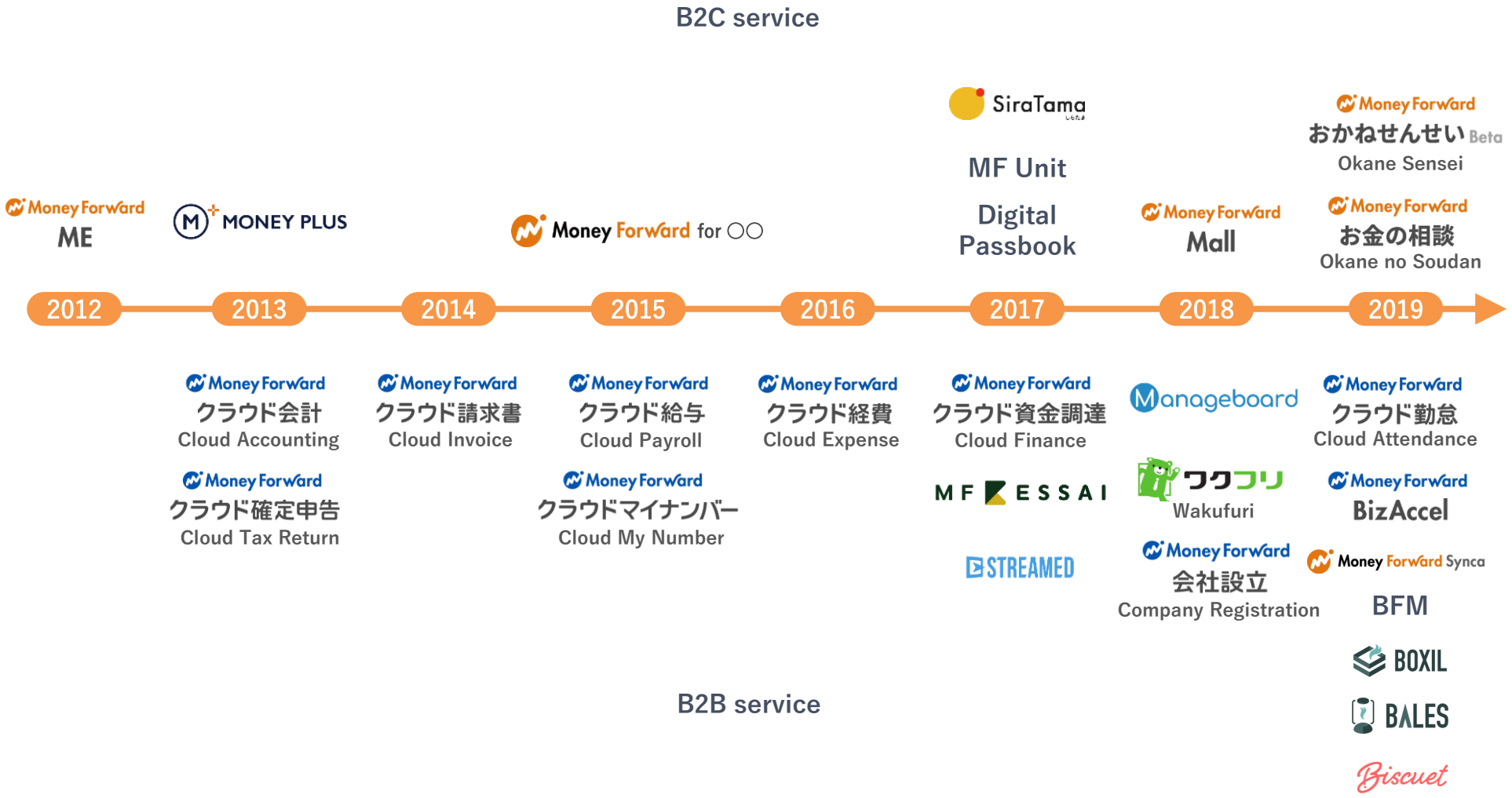
Individual Issues

- Insufficient financial literacy
- Vague anxiety for future financial conditions
  - Low birth rate derived from anxiety for future economy
  - Issues faced by senior citizens such as inheritance and dementia
  - Need for extra 20M yen in addition to public pension benefits*



We Aim for Providing Solutions to Social Issues

Since launching *Money Forward ME* in 2012, number of the service has expanded to 28.



* Subsidiaries' company logos are placed based on the acquisition date.

Co-Creation of Eco-System Together with Variety of Partners 7

We work with wide range of partners nationwide such as accounting and other professional firms, chamber of commerce, financial institutions, etc.



No. of Certified Members:
(Accounting firms and certified social insurance and labor consultant offices)

3,900+

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

97

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

33

# of API connections with FIs

944

Corporate Efforts to Encourage Innovation

For Public Relations and advocacy purposes, we participate in number of committees and meetings, including but not limited to, Money Forward Fintech Institute, Fintech Association of Japan, Japan Association of Corporate Executives, Japan Association of New Economy.



Director and Executive Officer, Head of Fintech Institute
Toshio Taki



Executive Officer, Money Forward X
Junichi Kanda

Helping Users Take A Step Forward





Nanbu Ironware: “Kanakeno”

- Successfully reduced work hours for its accounting after introducing *Money Forward Cloud*.
- While domestic production of traditional hand crafts declined by 80% during last 30 years, efficiency improvement plays critical role for maintaining and inheritance of traditional technology and culture

Helping Users Take A Step Forward



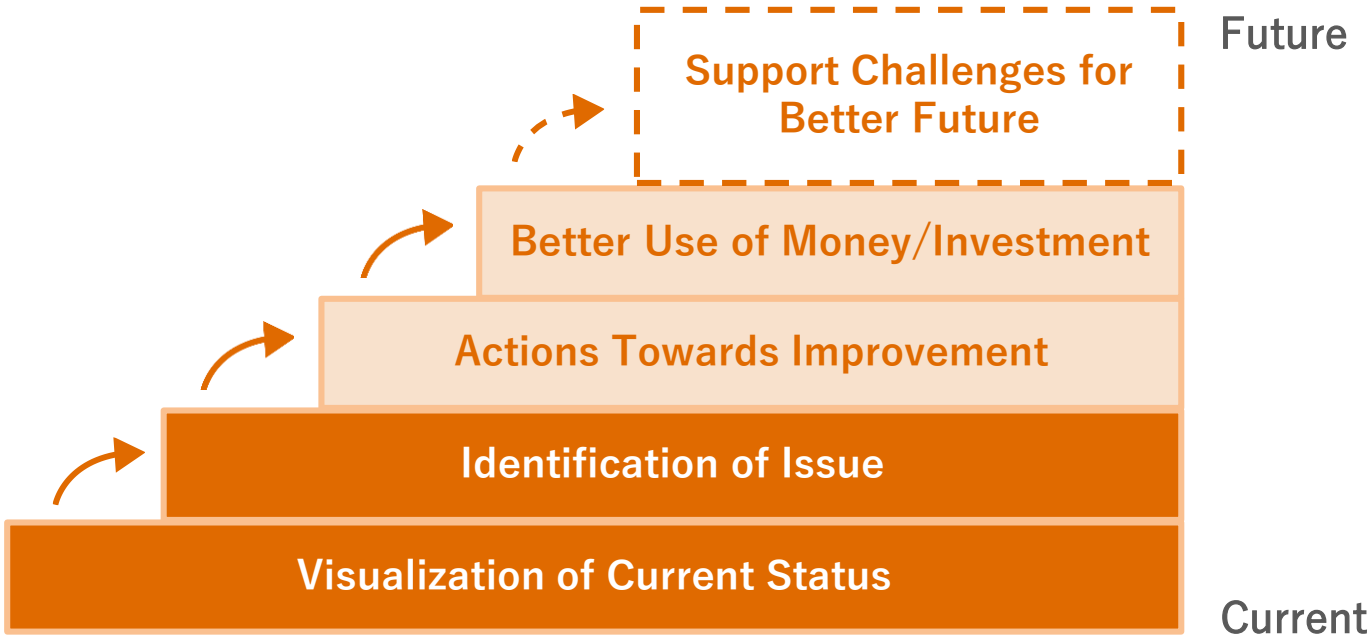


- It helped us turn vague anxieties into clear issues, enabling us to share such issues with the family.
- By planning and forecasting ahead, it makes us feel comfortable that we are prepared of what may happen in the future.
- We are able to set appropriate standards for our household spending as well as how we go about our daily lives, making our lives more enjoyable.

- We have become smarter with our money, leveraging our knowledge to start investing, crowd-funding and Furusato-tax deduction etc.
- We are able to save money for small luxuries such as for budget to go on overseas vacation, or to dine at Michelin-starred restaurants.
- Having an appropriate balance between saving money and spending money on small luxuries is important; we don’t want to be live a life being pressured by money issues.

Our Value Proposition

Money Forward. Move Your Life Forward



The World We Aspire

We aim to support new challenges for better future of both SMEs and Individuals, together with various partners.





Financial Results Highlights

Our Services

Money Forward

Money Forward. Move your life forward.

Money Forward Business

Accelerate business growth.

Money Forward Cloud
SaaS Platform for Back Office Operations

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

Money Forward Company Registration

STREAMED
Cloud-based Bookkeeping Service

Manageboard
Cloud-based Business Analysis Tool

BOXIL
SaaS Marketing Platform

BALES Biscuet
Inside Sales support

ワクフリ
Cloud Consulting for Back Office Operation

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

Money Forward お金の相談
Platform for connecting *Money Forward ME* user with Financial Planner

Money Forward おかねせんせい Beta
Advising tool on saving and asset management based on the data on *Money Forward ME*

Money Forward X

Create new financial services with partners.

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

Digital Passbook
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 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

Financial Highlights in FY11/19

- Consolidated net sales **increased by 56% YoY** to ¥7.16 billion, maintaining a growth rate of **+55% YoY** in net sales since the Company's founding. Expanded existing businesses while also extending reach to new business areas.
- All domains achieved high growth rates in net sales. Business domain started disclosing **attractive KPIs** for the first time today. B2B net sales*1 **increased by 65% YoY to ¥5.47 billion**, accounting for **76%** of consolidated net sales.
- Both net sales and EBITDA were within the range of **initial forecasts for three consecutive fiscal years** since IPO.
- Group annual recurring revenue (ARR)*2 **increased by 79% YoY** to ¥7.12billion. Number of paying end users*3 exceeded **300 thousand**.
- **Stock sales ratio*4 is 75%,** representing **a solid foundation for sustainable growth**.

*1 B2B net sales is the total of net sales of Business, X and Finance domains. *2 Group ARR is calculated by multiplying Group monthly recurring revenue (MRR) for November 2019 by 12. Please refer to P.84 for detailed definitions. Pro forma figure including net sales of Smartcamp Co., Ltd. *3 Total of 1) number of paying users in Business domain, and premium paying users of *Money Forward ME* and *Money Foward for ○○* series as of November 30, 2019, 2) number of users of *MF KESSAI* services in FY11/19, and 3) number of businesses granted loans through *Money Forward BizAccel* in FY11/19. *4 Recurring ratio is calculated by dividing FY11/19 recurring revenue by FY11/19 consolidated net sales. Recurring revenue include 1) net sales from charges of *Money Forward Cloud* and other cloud services in Business domain, 2) net sales from premium charges in Home domain, 3) recurring revenue in X domain, and 4) a portion of settlement service fees in Finance domain.

Business Highlights in FY11/19

Business domain **Growth of 55%** YoY

Released *Money Forward Cloud Attendance*

"¥1 Billion Funding Campaign"

Introduced new pricing plan

Home domain **Growth of 32%** YoY

Number of *Money Forward ME* users exceeded 9 million

Launched multiple new services

X domain **Growth of 69%** YoY

Jointly developed The Bank of Yokohama, Ltd.'s membership site catered to corporates and sole-proprietors

No. of customer expanded to 33 companies

Finance domain **Growth of 436%** YoY

Amount of receivable purchased in *MF KESSAI* exceeded ¥10 billion*

Launched *Money Forward BizAccel* which targets corporates and sole proprietors

* Accumulated amount of accounts receivable purchased by MF KESSAI, Inc. through services *MF KESSAI* and *MF KESSAI Early Payment*.

Corporate Achievements in FY11/19

- Made active investments to drive growth centered on Business domain, **and established a foundation for achieving EBITDA positive**.
- Raised **¥6.6billion** through overseas equity offering in December 2018, enabling **enhanced strategic investments**.
- With the acquisition of Smartcamp Co., Ltd. to the Group - the largest scale M&A thus far - the Group **extended its reach** to the **rapidly growing SaaS marketing realm**.
- Meanwhile, the Group has been **selecting and concentrating its businesses,** for example, through postponing its entry into the crypto currency-related business and closing the outlet of “mirai talk.”
- Stock prices recovered to **more than threefold the initial public offering price of ¥1,550***.

* As of January 10, 2020

FY11/20 Forecasts

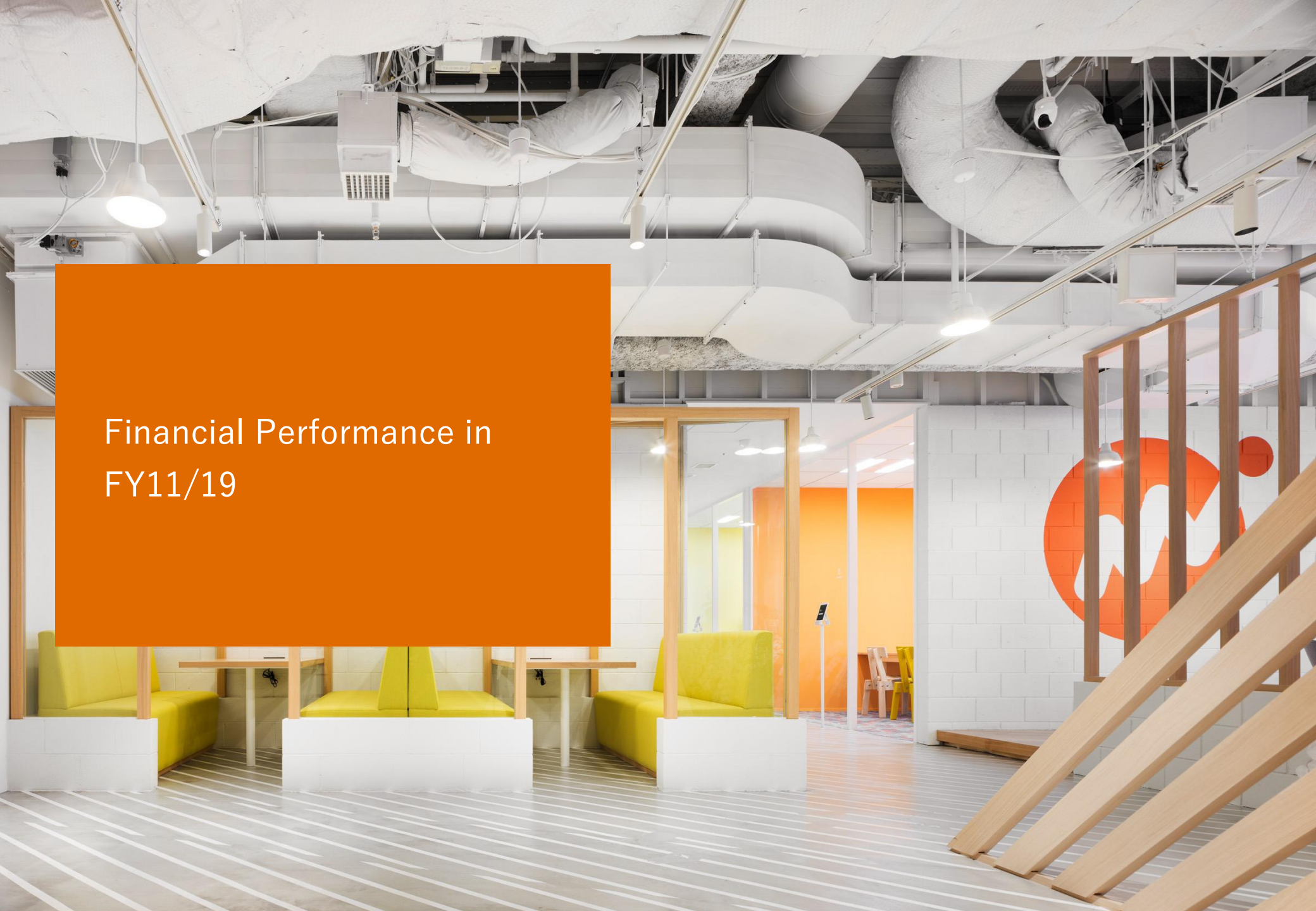
- Net sales are forecasted to increase **by 55%-60%** to **¥11.1 billion-¥11.5 billion**.*1 Aiming to achieve a growth rate higher than that of FY11/19 (+56%).

- EBITDA is forecasted to be negative ¥1.9 – negative ¥2.8 billion.*2 Advertising expenses will be spent within healthy investment return ratio, and are expected to increase by ¥1.2 billion YoY to maximum ¥2.7 billion. Aims to significantly improve EBITDA excluding advertising expenses from FY11/19.

- Will continue making active investments while maintaining “excellent” KPIs in Business domain, a rapidly growing platform business.

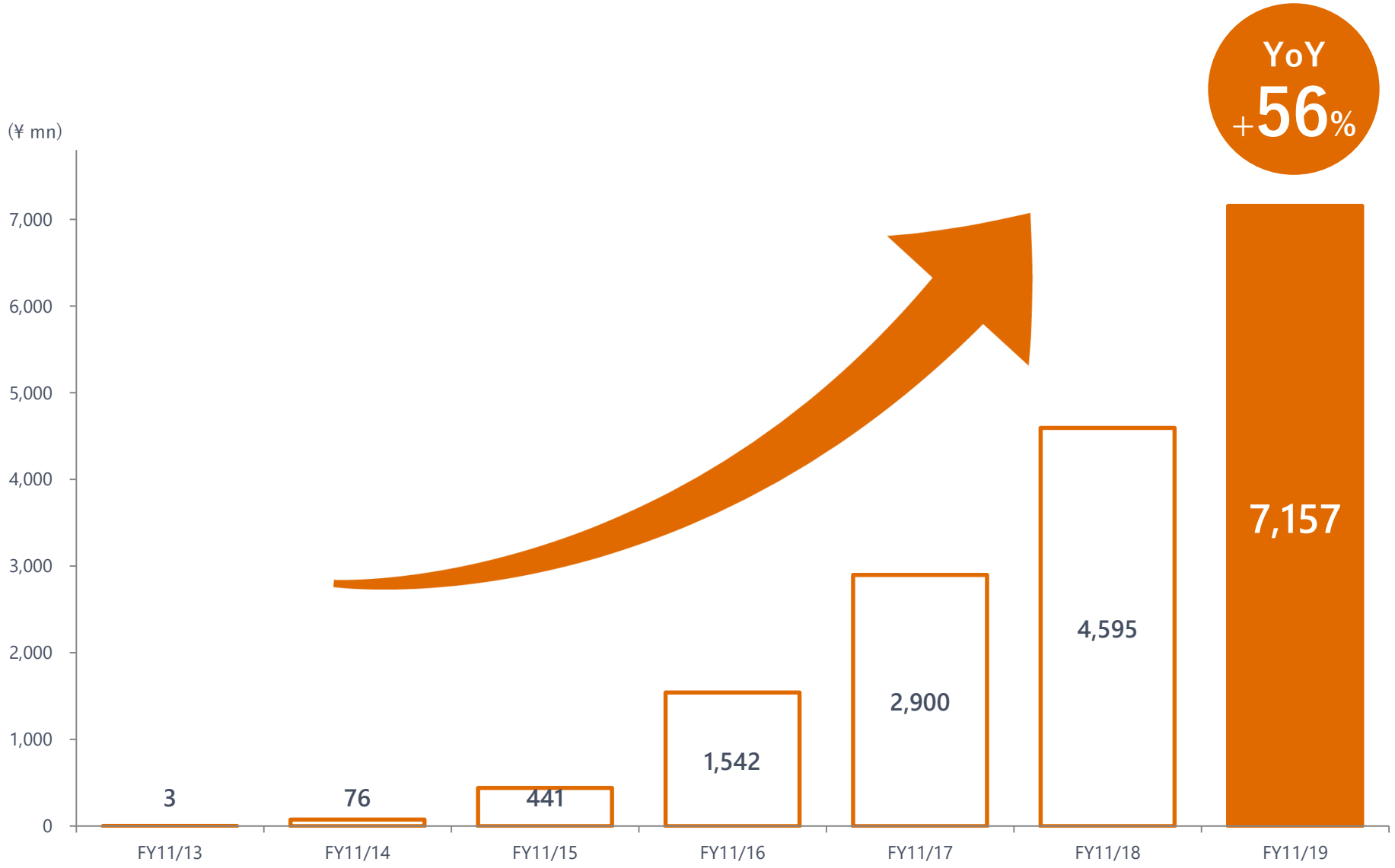
- The Group’s **Total Addressable Market (TAM)*3 size is significant at ¥3.6 trillion**. Expects to achieve **profitability in EBITDA in FY11/21** while maintaining rapid growth.

*1 Financial results of Smartcamp Co., Ltd. will be consolidated from the beginning of FY11/20.
*2 FY11/20 EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses
*3 Please refer to P.70 for detailed definitions of Total Addressable Market (TAM).



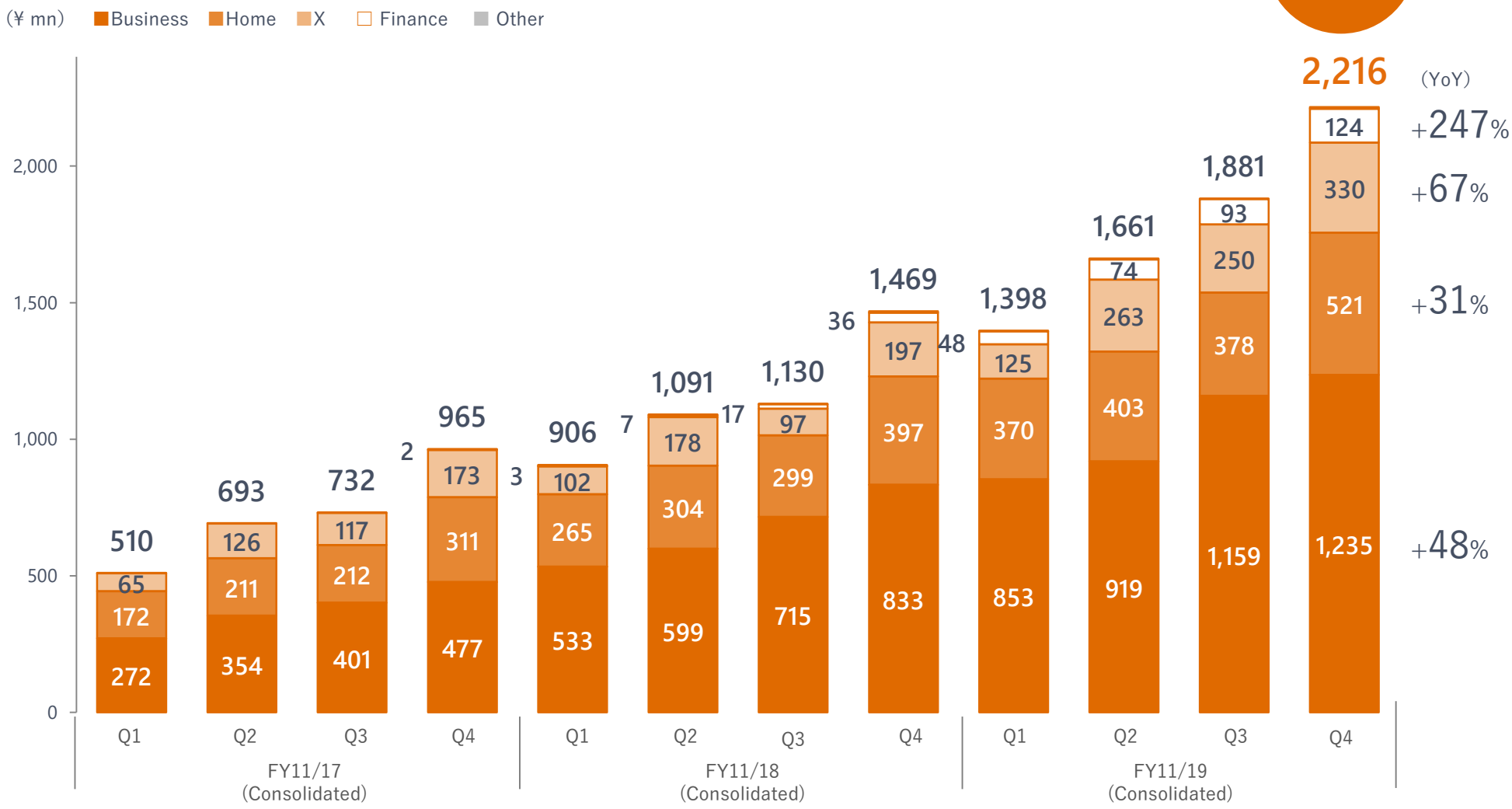
Financial Performance in FY11/19

Consolidated Net Sales Grew Significantly by 56% YoY



* Figures for FY11/16 and earlier are stand-alone results, while figures for FY11/17 and beyond are consolidated results.

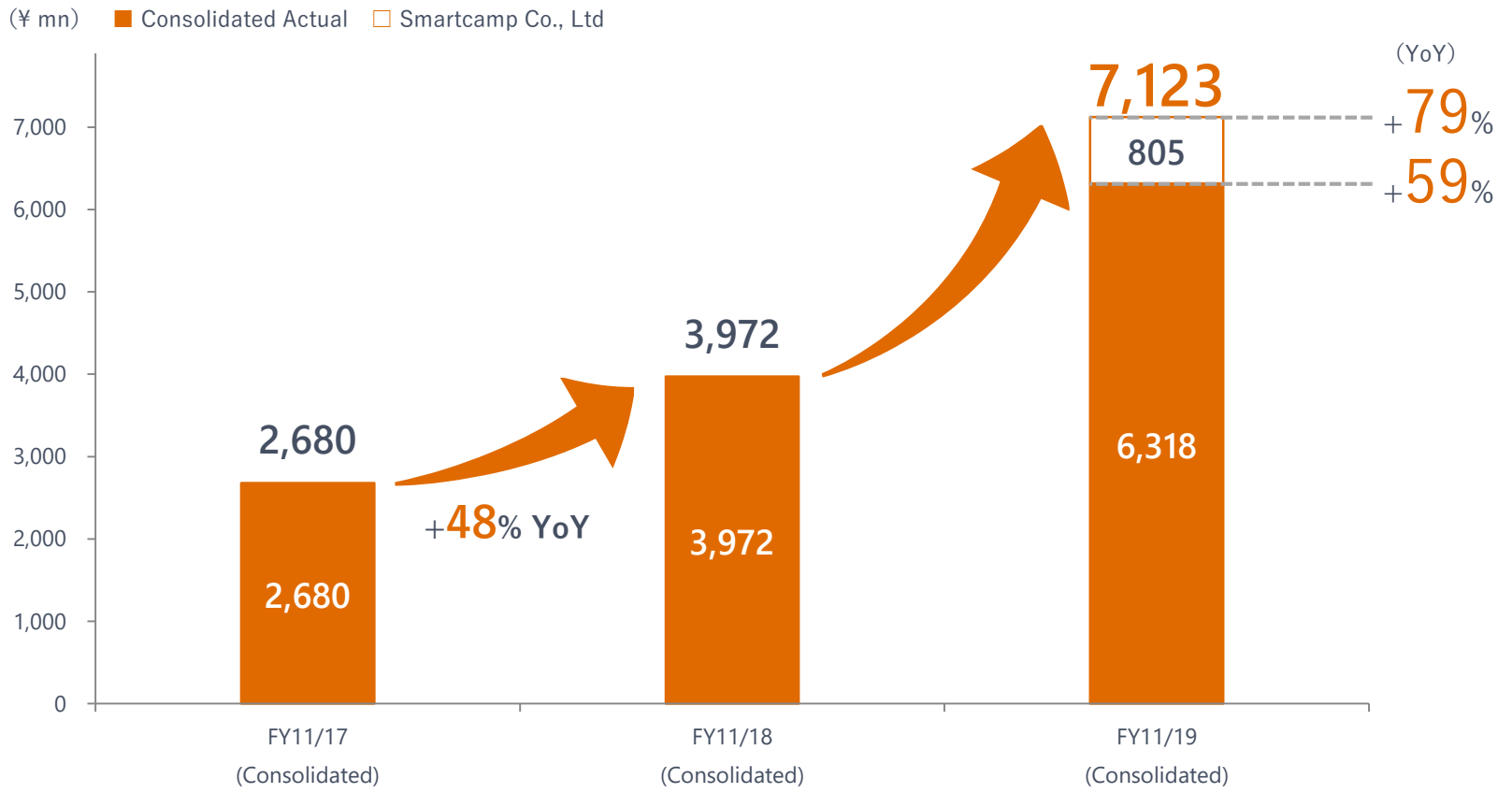
Q4 Consolidated Net Sales Increased by 51% YoY, Reaching a Record High



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

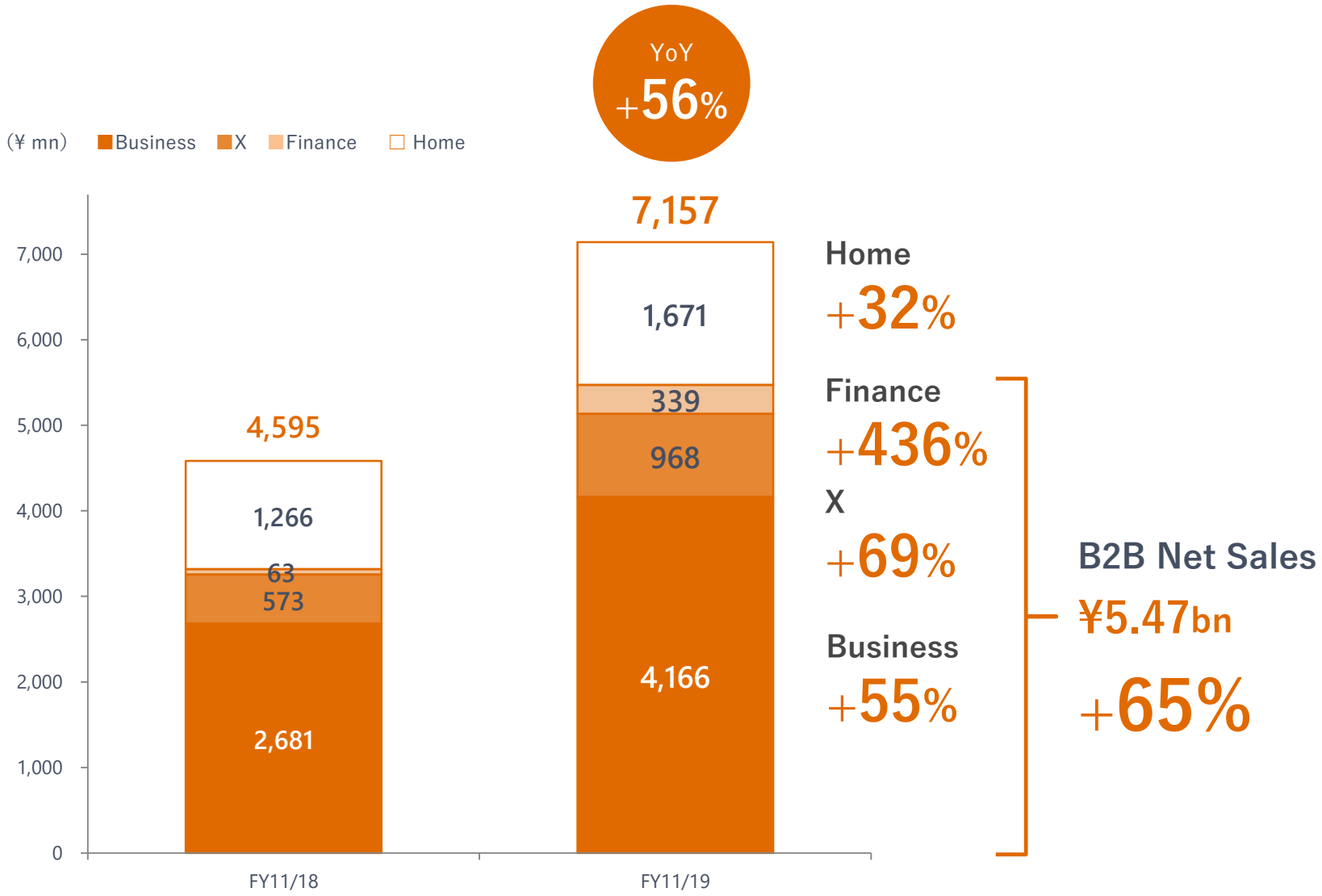
Group ARR Increased at an Accelerated Pace

Group annual recurring revenue (ARR) **increased rapidly, by 59%** YoY.
With addition of Smartcamp Co., Ltd., ARR was **¥7.12 billion**.



* Group ARR is calculated by multiplying Group monthly recurring revenue (MRR) for the final month of each fiscal year by 12. Group MRR includes: 1) net sales from subscription charges of *Money Forward Cloud* and other cloud services in Business Domain, 2) the result of multiplying net sales of Smartcamp Co., Ltd. by customer retention rate (the ratio of net sales from customers who commenced transactions prior to March 2019, to FY3/20 1H net sales), 3) net sales from premium charges in Home domain, 4) recurring revenue in X domain, and 5) a portion of settlement service fees in Finance domain.
*Smartcamp Co., Ltd. became a consolidated subsidiary of Money Forward, Inc. at the end of FY11/19, and its financial results will be consolidated from FY11/20. The figure for FY11/19 in the graph is a pro forma figure that includes results of Smartcamp Co., Ltd.

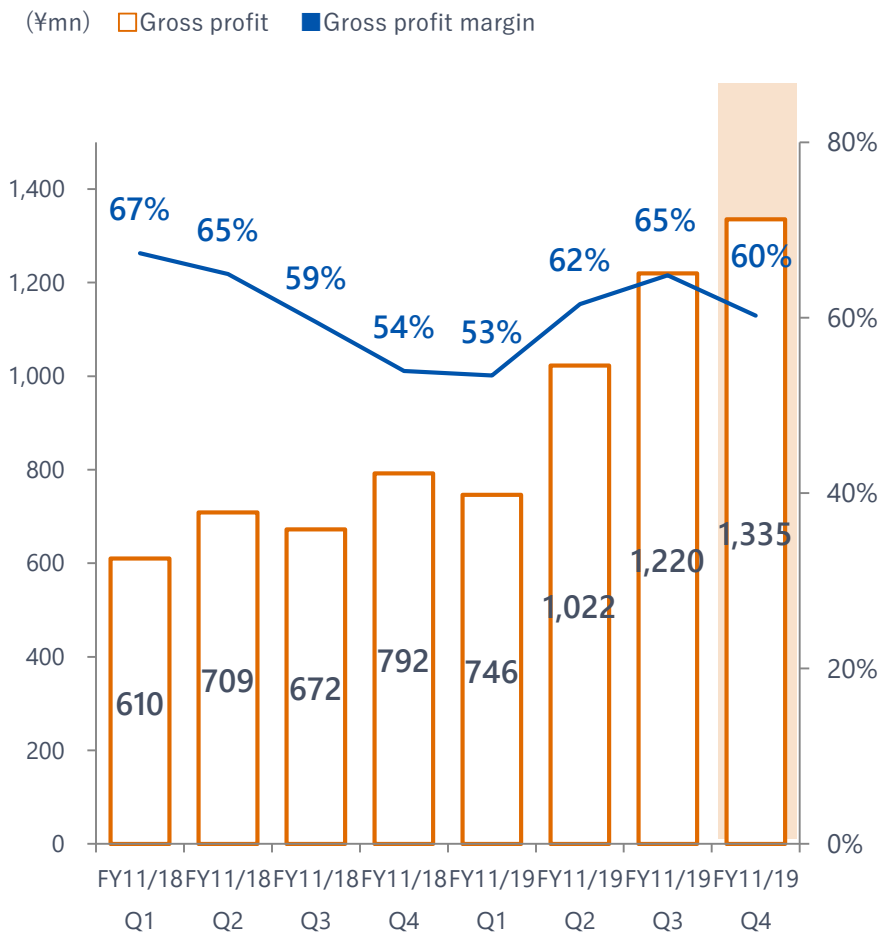
Achieved Significant YoY Growth in All Domains



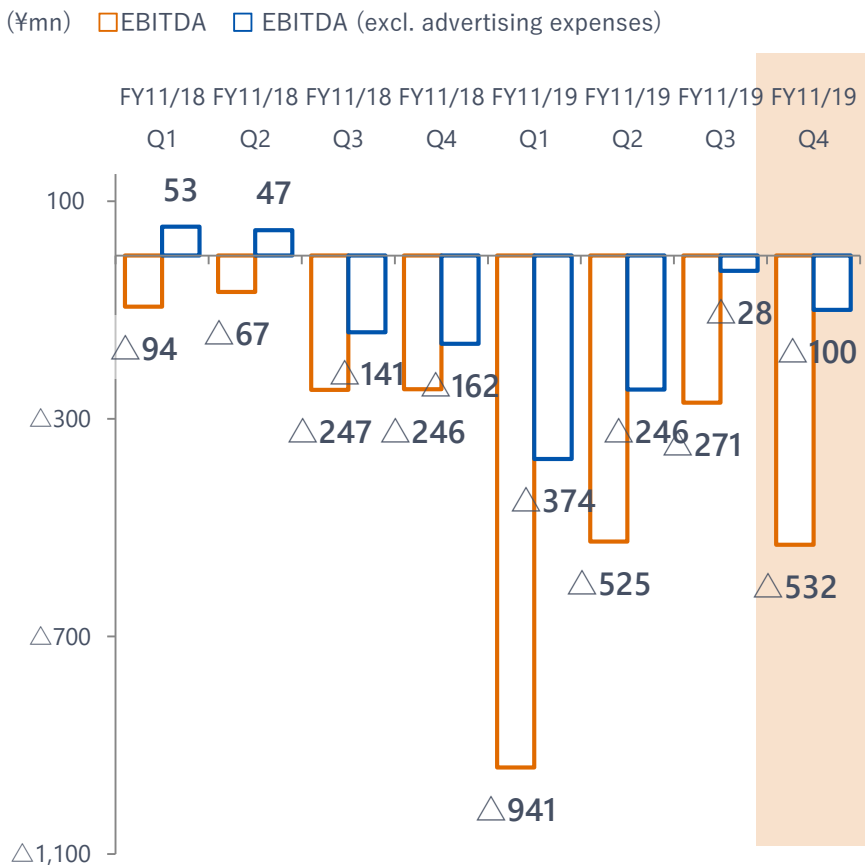
Gross Profit / EBITDA (Quarterly Trend)

Quarterly gross profits posted a **record high**. Invested actively in advertising expenses in Q4.

Gross Profit

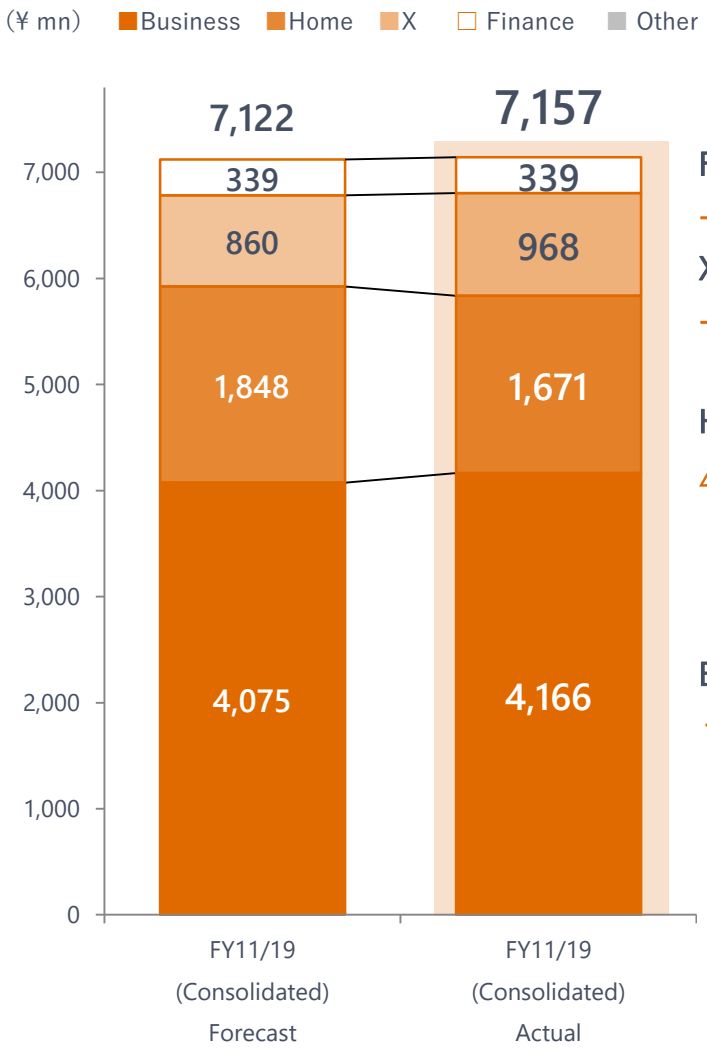


EBITDA



* EBITDA = Operating profit/loss + depreciation + amortization

Consolidated Net Sales vs. Initial Forecasts (by Domain) 25



Finance domain
+0%

- Initial forecasts included contributions expected from MFF*; however, in April, entry into the crypto currency-related business was postponed.
- *MF KESSAI*, business process outsourcing and factoring service, achieved rapid growth.

X domain
+12%

- Both flow and recurring revenue reached record highs as a result of the acceleration in acquisition of customers and projects.

Home domain
△10%

- Number of users exceeded 9 million. Number of premium users is over 210,000.
- Delay in new services
- Closure of outlet of “mirai talk.”

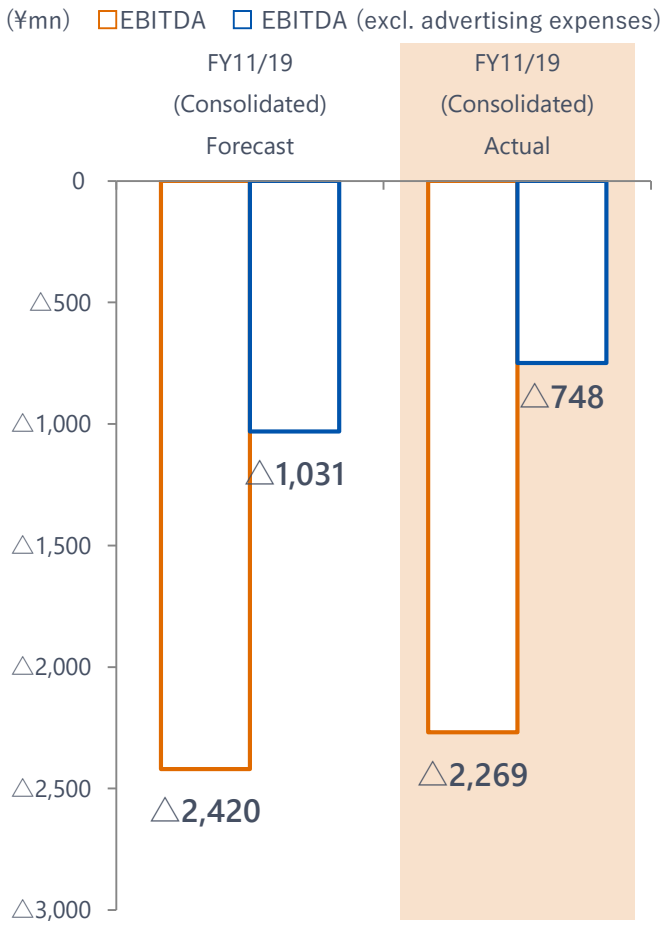
Business domain
+2%

- In the Web marketing channel, average revenue per paying account (ARPA) increased owing to the new *Money Forward Cloud* pricing plan, driven by shifts to the higher pricing plans.
- Increase in churn rate accompanying the introduction of the new pricing plan was within expectation. The latest customer churn rate is in line with levels prior to the new price plan.
- Net sales from *STREAMED* also trended favourably, and cross-selling utilizing the accountants marketing channel showed progress.

* MFF: Money Forward Financial, Inc.
* The ratio to initial forecasts is calculated based on the lower end of net sales forecasts (¥7.12 billion) disclosed on January 15, 2019.

Consolidated EBITDA vs. Initial Forecast

EBITDA was within the range of initial forecast.

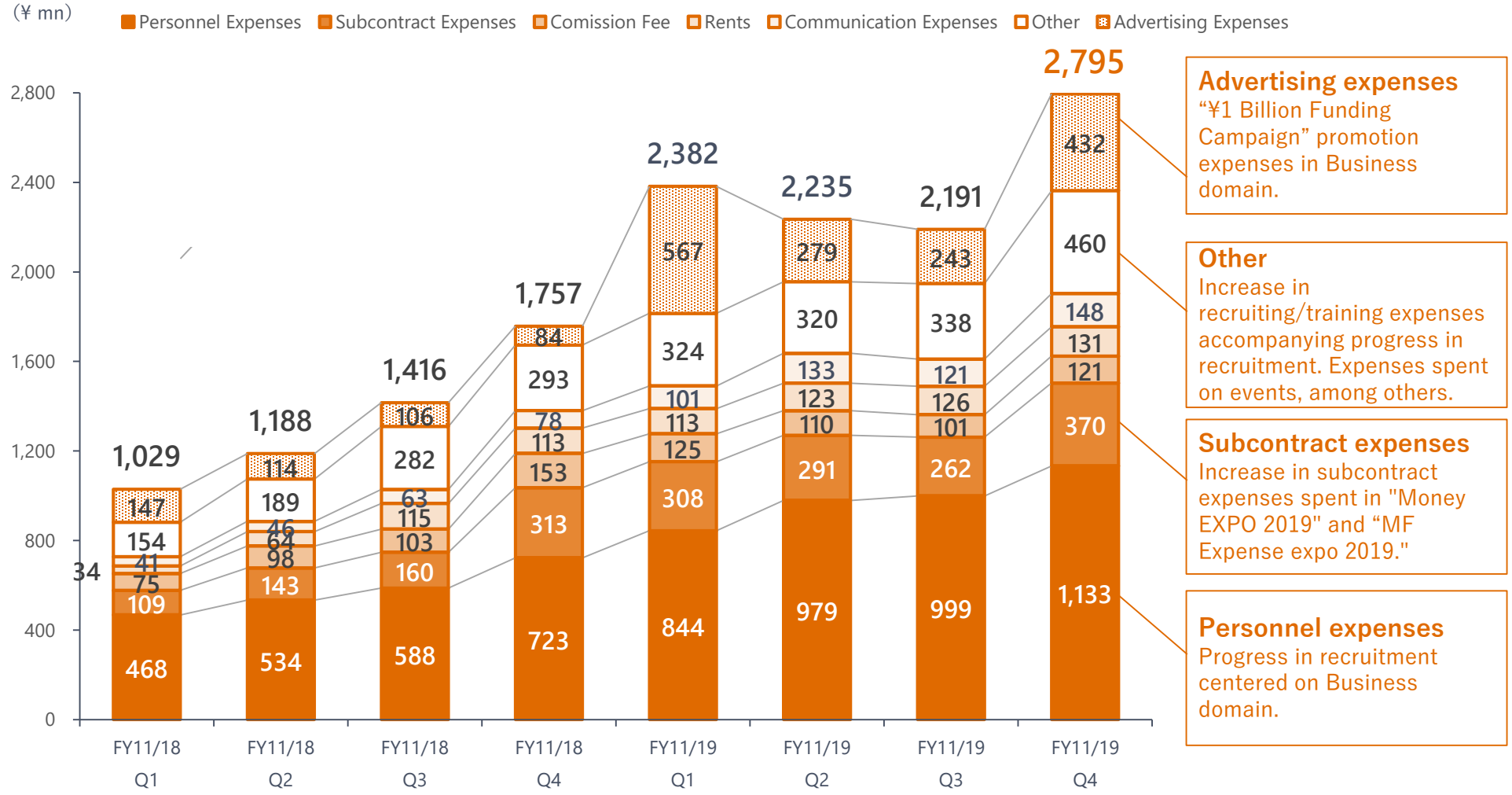


- Active investments were made in sales and marketing, and product development throughout the year.
- Reduced costs in relation to the postponement of businesses such as MFF, etc.
- Maintained sound unit economics while investing.

* FY11/19 EBITDA and EBITDA excl. advertising expenses are calculated based on the lower end of net sales forecasts (¥7.12 billion).
* EBITDA = Operating profit/loss + depreciation + amortization

Breakdown of Expenses (Cost of Sales & SGA)

Total expense increased, mainly due to an increase in advertising and personnel expenses.



Advertising expenses
"¥1 Billion Funding Campaign" promotion expenses in Business domain.

Other
Increase in recruiting/training expenses accompanying progress in recruitment. Expenses spent on events, among others.

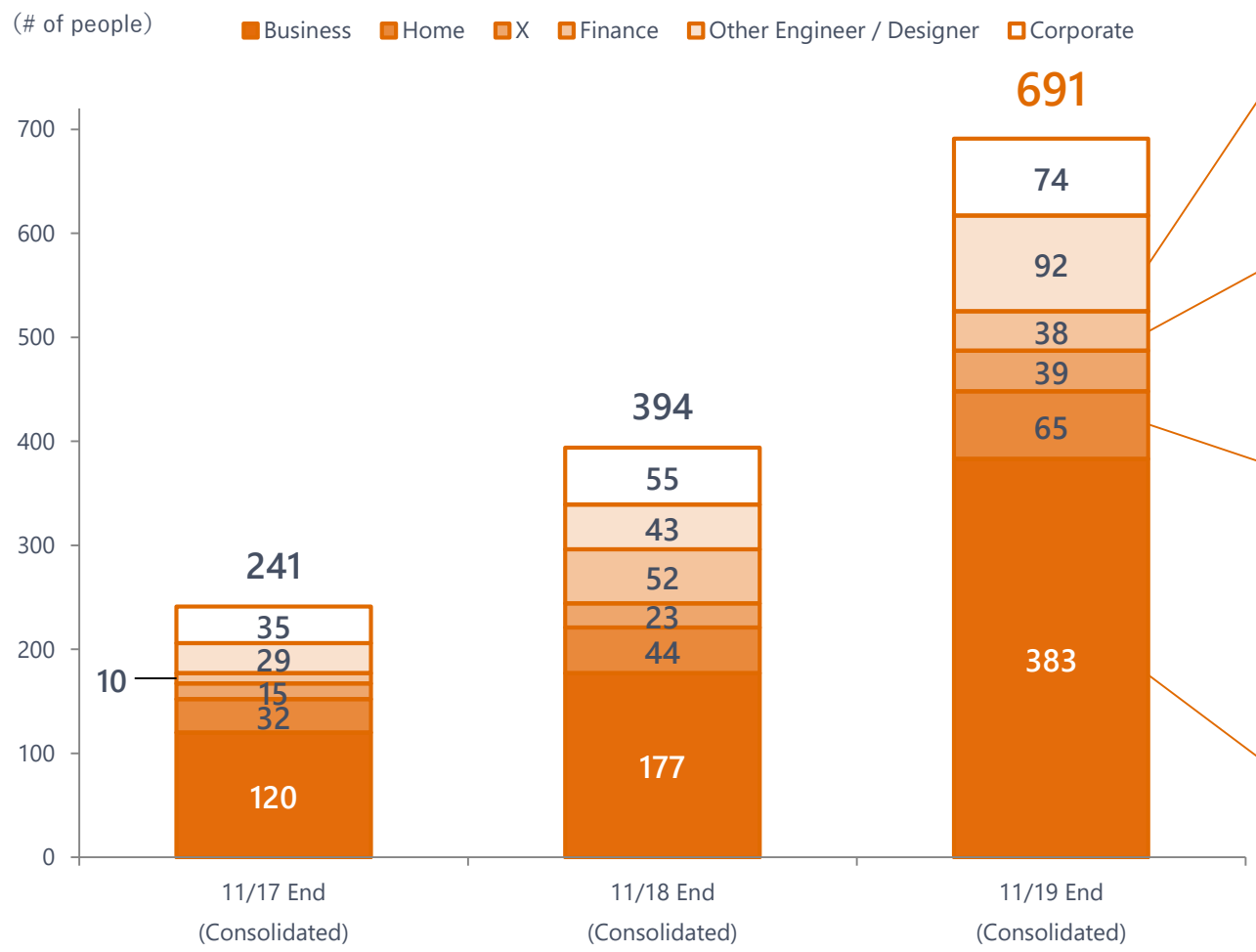
Subcontract expenses
Increase in subcontract expenses spent in "Money EXPO 2019" and "MF Expense expo 2019."

Personnel expenses
Progress in recruitment centered on Business domain.

* "Other expenses " include recruiting/training expenses, traveling and transportation expenses, fee expenses, and taxes and dues, among others.

Successful Workforce Expansion

Number of Full-time employees increased by 297 YoY, to 691. Engineers and Designers make up of approximately 40% of the total workforce.



Other Engineer/Designer

▲ Enhanced infrastructure/security
▲ Expanded team in Vietnam

Money Forward Finance

▲ Expanded *MF KESSAI*
▼ Completed transfer of Money Forward Financial employees

Money Forward Home

▲ Transferred New Business Development Team from Corporate to Home domain

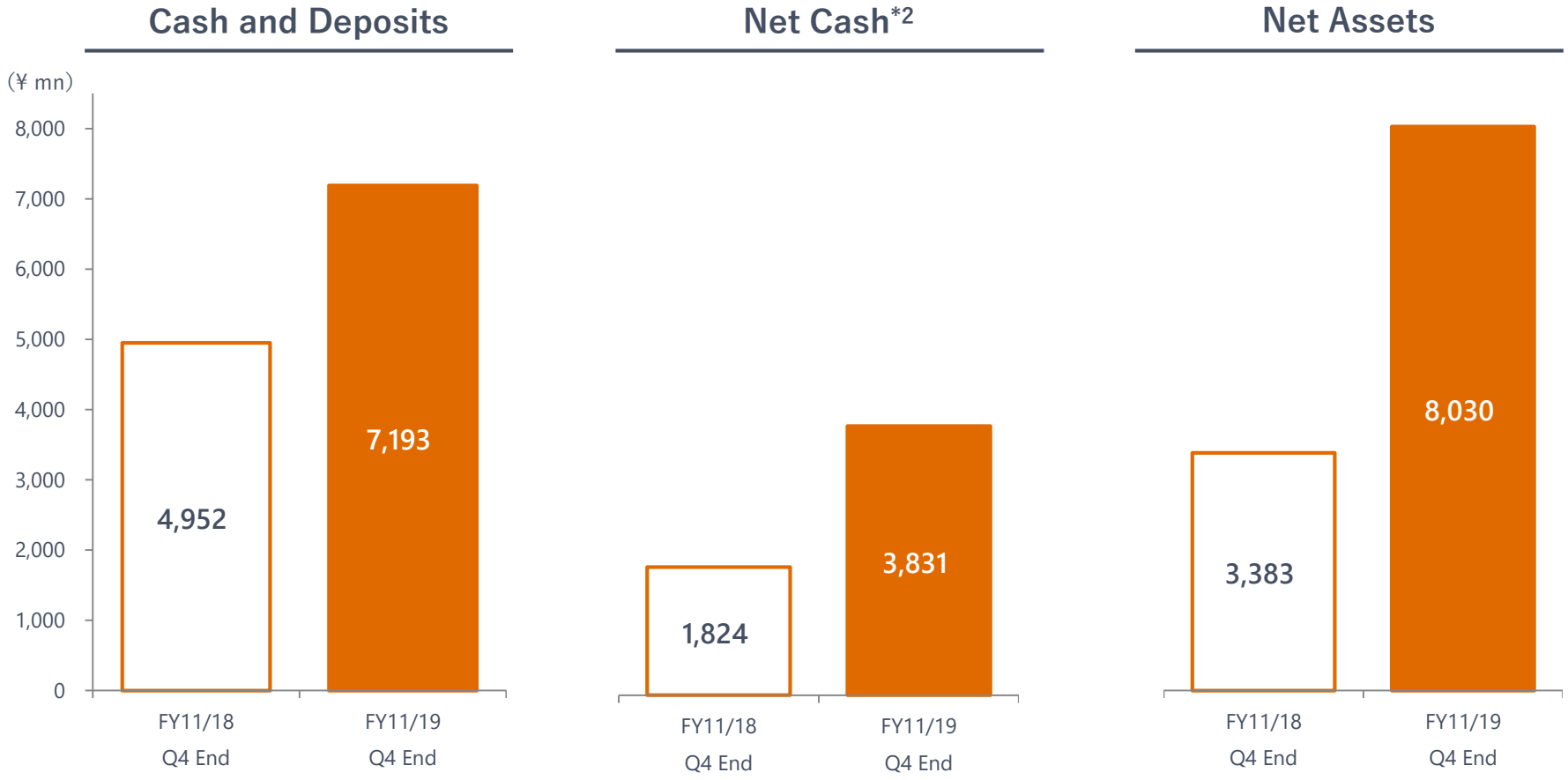
Money Forward Business

▲ Acquired SMARTCAMP in November (+69)
▲ Enhanced functions overall:
- Engineer
- Designer
- Sales
- Marketing
- Customer Success
- Customer Support

※ 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.

Balance Sheet Items

Actively invested in existing business and strategically invested in high-growth SaaS/Fintech companies both in Japan and abroad. Announced investment in Smartcamp Co., Ltd., in November 2019 *1 .



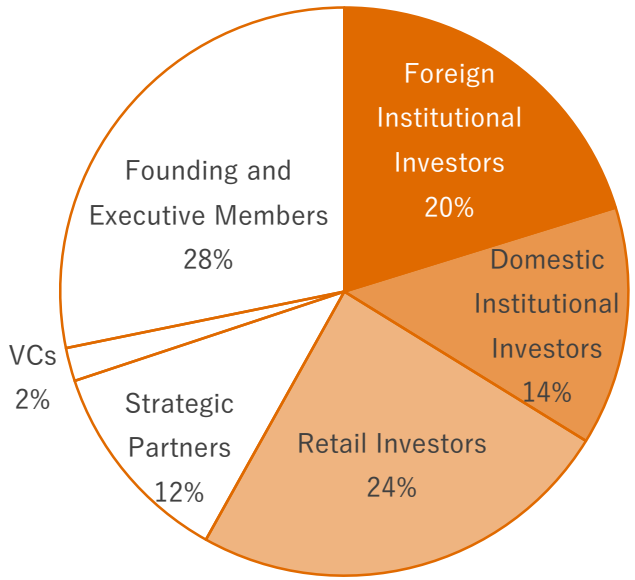
*1 Announced acquisition of 72.3% stake of Smartcamp Co., Ltd for approximately ¥2 billion on November 11.

*2 Deducted interest-bearing debt from cash and deposits and added back purchased receivables of *MF KESSAI*. Amount of purchased receivables was ¥0.36 billion in FY11/18 Q4 and ¥2.07 billion FY11/19 Q4.

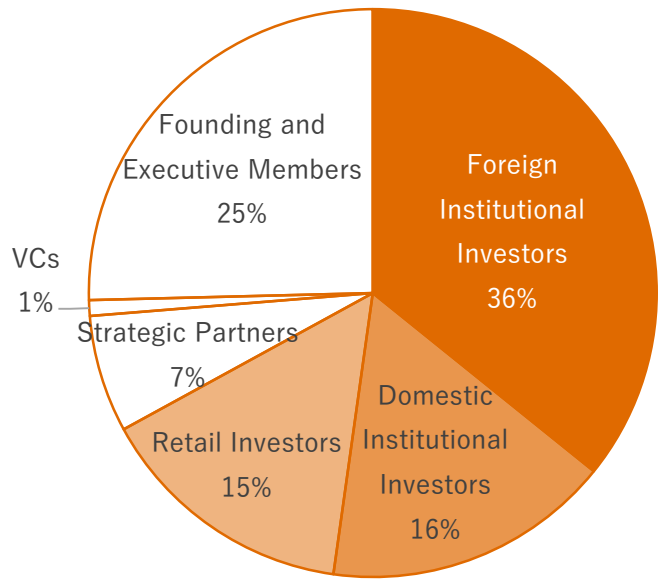
Over 50% of Shareholders are Institutional Investors

Foreign institutional investors increased to 36%, and domestic institutional investors to 16%.*

(As of November 30, 2018)



(As of November 30, 2019)



* As of November 30, 2019.
* Conducted an equity offering of ¥6.6 billion targeting foreign institutional investors in December 2018.

No.1 Company for Increase in Foreign Shareholders

Ranked No.1 among companies* that achieved an increase in foreign shareholders according to a survey by Nikkei Inc.

2018年度に外国人株主が増えた企業

順位	社名	業容	外国人株主の増加数	18年度の最終損益
1	マネーフォワード	会計ソフト開発	89社	-8億円
2	北の達人コーポレーション	健康食品販売	72	13
3	ラクス	クラウドサービス	65	10
4	ペプチドリーム	医薬品関連製造	62	23
5	オープンドア	旅行情報サイト運営	59	11
6	ストライク	M&A仲介	57	9
7	サンバイオ	再生細胞薬の開発	53	-29
8	弁護士ドットコム	法律相談サイト運営	49	3
9	RPAホールディングス	ソフトウエア開発	45	6
10	イー・ギャランティ	信用リスク保証	44	17
10	エニグモ	個人輸入代行	44	15
12	PKSHA Technology	AI開発	43	6
13	夢の街創造委員会	ネット飲食配達	42	6
14	HANATOUR JAPAN	インバウンド専門旅行	39	6
14	エリアクエスト	ビル経営支援	39	3
16	シグマ光機	レーザー関連部品製造	35	10
17	デジタルアーツ	閲覧制限ソフト開発	34	20
18	インターアクション	光源装置製造	33	7
19	シンバイオ製薬	医薬品開発	32	-28
20	インフォマート	食材の電子取引市場	31	16
21	クロスフォー	宝飾品製造	28	1
21	イトクロ	学習塾検索サイト	28	11
21	フィックスターズ	ソフトウエア開発	28	8
21	テリロジー	通信機器販売	28	2
21	アサックス	不動産担保ローン	28	28



NEXT 1000

外国人株主が増えた企業

高い増収率 潜在力期待

クラウド、M&A含め拡大

1位 マネーフォワード

日本経済新聞社が売上高100億円以下の上場企業「NEXT1000」を対象に2018年度に外国人株主数を増やした企業を調べたところ、上位にはフィンテックやバイオ関連、訪日観光関連などの企業が入った。売上高の成長期待の高さが運用会社などの海外投資家を引き付けている。首位はクラウドを活用した会計ソフトを手掛けるマネーフォワードだった。

調査の概要 直近決算期の売上高が100億円以下の上場企業986社が対象（決算期変更など除く）。2018年度（18年4月期～19年3月期）の外国人株主数を1年前と比べた。18年度に上場した企業や第三者割当増資をした企業は除いた。10月21日時点。

家計簿アプリ「マネーフォワードME」を手掛けるマネーフォワード。消費者が日ごろ使っている銀行やクレジットカードと連携して、毎日の支出やポイントの残高など家計を「見える化」するアプリとして知名度が高まり、今年8月時点で利用者数が850万人を超えた。

だが足元で売上高の6割をBtoBのクラウドサービスだ。中小企業や個人事業者向けに会計などの業務効率を高めるソフトをクラウドを使って提供している。

開発コストや広告宣伝費など先行投資がかさんで赤字が続いているが、海外投資家の注目度は高い。海外勢による株式の保有比率は今年5月時点で3割を超え

マネーフォワードの業績

（注）16年11月期は単独、17年11月期以降は連結

家計簿アプリ「マネーフォワードME」で支出やポイントを一元管理できる

マネーフォワードのクラウド活用がベンチャーの業務効率を高めている（制服向けITサービスを手掛けるリンクウェル）

た。株主には米運用大手のキャピタル・リサーチ・アンド・マネジメント（カリフォルニア州）など中長期の視点で保有する投資家も目立つ。

海外勢が評価するのはクラウド事業の高い増収率。ネットを通じてソフトを提供するSaaS（ソフトウエア・アズ・ア・サービス）は、開発や販売促進に先行して多くかかる費用を利用者から毎月受け取る料金によって回収する事業モデル。当初は赤字が先行しがちだが、利用者の裾野が広がれば利益は改善する。契約数などから将来の収益を予測しやすいと言われる。

売上高は高い伸びを続けている。2019年6～8月期は企業会計など法人向けクラウドのストック収入の成長率が前年同期に比べ70%増えた。複数の商品をパッケージで提供したことが奏功した。10月の消費増税に合わせ法人向けにクラウド導入費用の一部など

を負担するキャンペーンを実施し、一段の取引先開拓を進めている。

M&A（合併・買収）も成長を支える。11月にはクラウドソフトの比較情報サイトなどを手がけるスマートキャンプ（東京・港）を子会社にし、SaaSのマーケティング事業に参入。マネーフォワードの辻庸介社長は「導入機運が高まっているaaS関連の事業を拡大していく」と話す。

課題は利益が出る体質づくり。21年11月期にEBITDA（利払い・税引き・償却前利益）を黒字化する目標を掲げており、その先に現在のマザーズ市場から東証1部への上場を目指す。SaaS領域をどこまで取り込めるかがカギだ。

外国人投資家の裾野拡大には、海外投資家向けに広報（IR）活動を専門としている。米欧やアジアでIR活動を担う内河慎輔・最高財務責任者（CFO）は「米国などに投資家の関拓余地がある」とみて、積極的にアプローチする狙だ。

IR活動で得た投資家からの声は社内にフィードバックし、経営陣が意思決定する際の参考にすることもあるという。例えば今年4月に発表した第5資産（仮想通貨）交換業への参入延期も、投資家の意見を踏まえたものだった。

参入企業が増えて競争も激しくなる一方、中堅・中小企業のクラウド導入率は依然として低い。海外投資家をはじめ株主との良好な関係を築きながら柔軟を伸ばしていく考えだ。

*Companies that achieved an increase in number of foreign shareholders in FY2018, among listed companies with net sales of ¥10 billion or less, labelled “NEXT1000” by Nikkei Inc. (*The Nikkei*, morning edition of November 19, 2019)


Money Forward Business

Money Forward Business FY11/19 Highlights

- **Full-year recurring revenue** achieved rapid growth, **increasing by 59% YoY**. In 2H, recurring revenue increased by 67%, exceeding the forecast of +60%-65% disclosed at the time of announcing Q2 financial results.
- **Average revenue per paying account (ARPA) increased by 37%** YoY **to ¥59,248**[*1] mainly due to to the new pricing plan.
- **Customer churn rate** excluding effects from the introduction of the new pricing plan was **1.2%**[*2]. **MRR churn rate** was **negative 2.3%**[*3].
- **Net revenue retention** was **129%** YoY[*4].
- **Sales Efficiency** was the highest among SME targeted SaaS players at **1.6x**[*5] . This is expected to be impacted by an increase in investment in FY11/20, but within an attractive level.

* Please refer to P.84 for detailed definitions of KPIs. *1 Annualized amount as of November 30, 2019. *2 As the new pricing plan was announced in April 2019, the figure represents the 12-months average up to March 2019. The 12-month average up to November 2019 was 1.8% . *3 The 12-month average up to November 2019. *4 Recurring revenue as of end of FY11/19 coming from existing paying users as of the end of FY11/18 divided by recurring revenue as of end of FY11/18. *5 Difference between FY11/19 net sales and FY11/18 net sales, divided by FY11/18 Sales & Marketing expense. The difference between FY11/19 and FY11/18 is affected by the acquisition of Knowledge Labo, Inc. in July 2018.

Money Forward Business FY11/19 KPIs

ARPA

¥59,248*1

Customer Churn Rate

1.2%*2

Net Revenue Retention

129%*3

Sales Efficiency

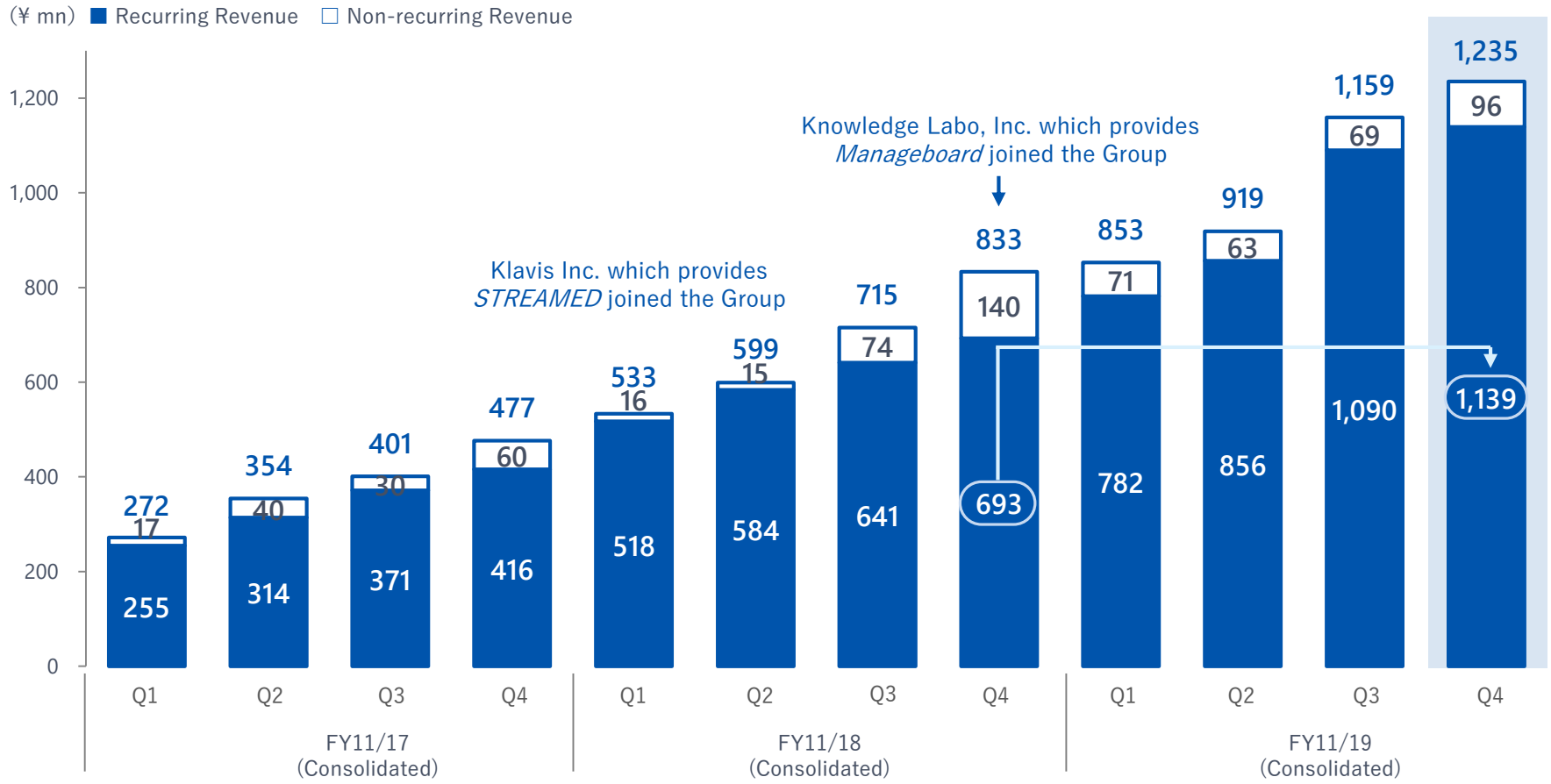
1.6x*4

* Please refer to P.84 for detailed definitions of KPIs. *1 Annualized amount as of November 30, 2019. *2 As the new pricing plan was announced in April 2019, the figure represents the 12-months average up to March 2019. The 12-month average up to November 2019 was 1.8% . *3 Recurring revenue as of end of FY11/19 coming from existing paying users as of the end of FY11/18 divided by recurring revenue as of end of FY11/18. *4 Difference between FY11/19 net sales and FY11/18 net sales, divided by FY11/18 Sales & Marketing expense. The difference between FY11/19 and FY11/18 is affected by the acquisition of Knowledge Labo, Inc. in July 2018.

Net Sales from Money Forward Business

Q4 growth rate of recurring revenue remained high, marking **an increase of 64% YoY**.

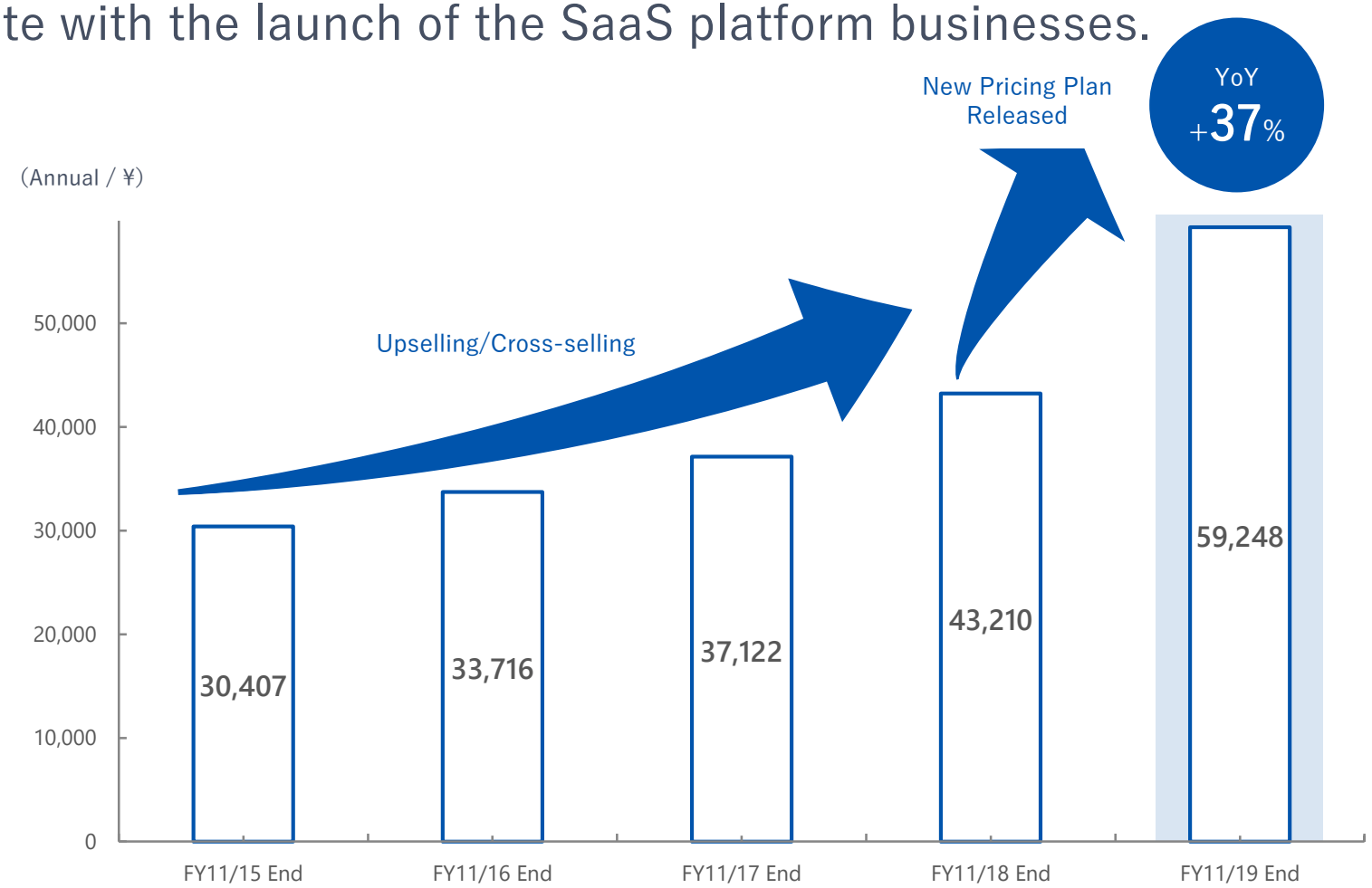
Recurring revenue +64% YoY



* Net sales of Knowledge Labo, Inc. and Wakufuri, Inc. which joined the Group in July 2018 and August 2018, respectively, were consolidated from FY11/18 Q4.
* Non-recurring Revenue include: 1) fees for implementation of services, 2) development fees for providing OEM in *Money Forward Cloud Series* for corporates, 3) sponsorships and ticket sales of events (e.g., MF Cloud Expo), 4) consulting fees from Knowledge Labo, Inc., and 5) net sales of Wakufuri, Inc.
* In disclosures in and prior to FY11/18, development and usage fees from financial institutions were categorized in Alliance Businesses of *Money Forward Cloud Services*. From FY11/19 onwards, fees are included in net sales of Money Forward X and this excluded from net sales of Money Forward Business.

ARPA increased to ¥59,248*1 (+37% YoY)

Increase in average revenue per paying account (ARPA) was maintained owing to enhanced service lineup and features, and is expected to accelerate with the launch of the SaaS platform businesses.



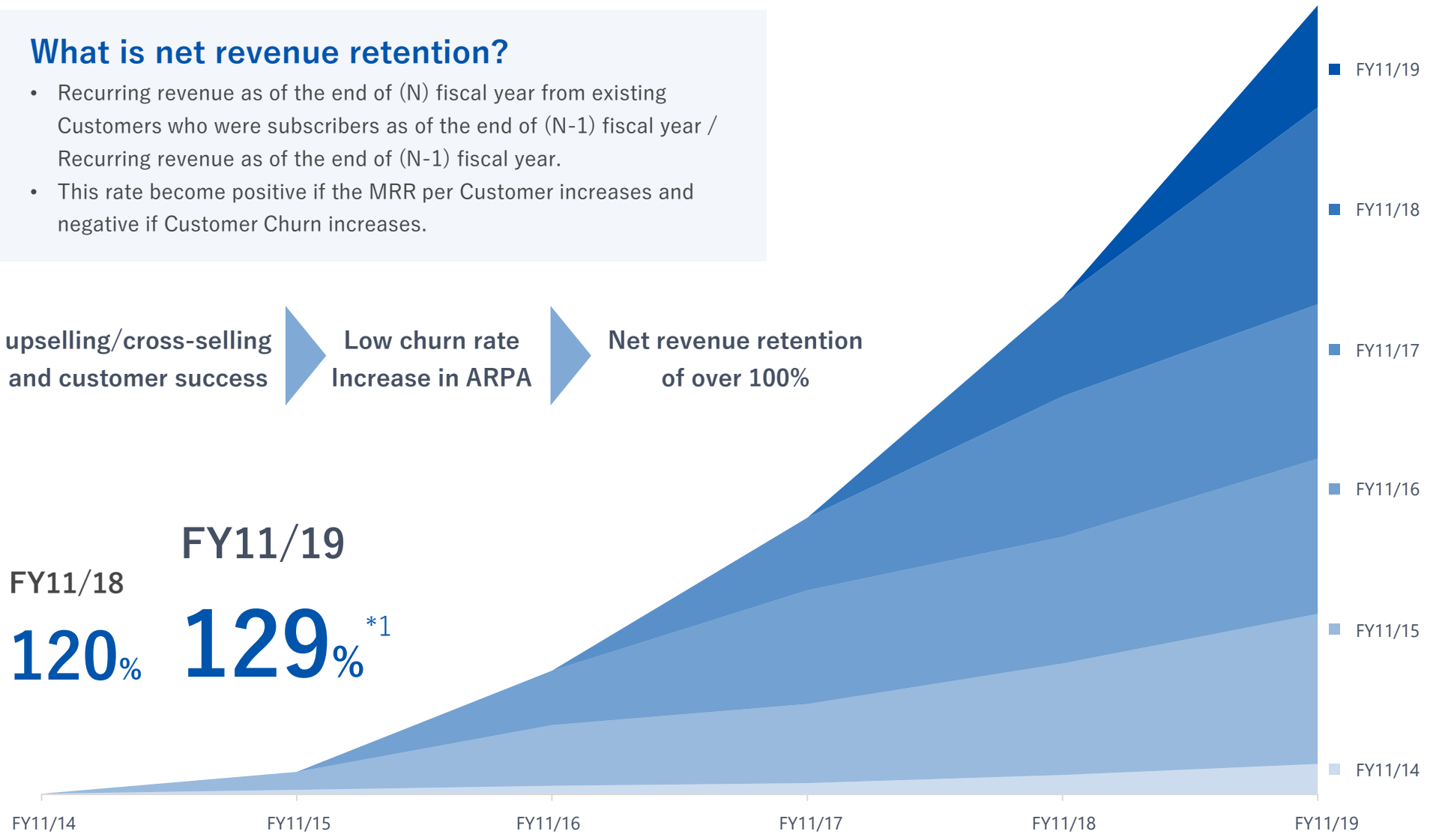
* Please refer to P.84 for detailed definitions of KPIs.
*1 Annualized figure as of November 30, 2019.

Net Revenue Retention of Over 100%

What is net revenue retention?

- Recurring revenue as of the end of (N) fiscal year from existing Customers who were subscribers as of the end of (N-1) fiscal year / Recurring revenue as of the end of (N-1) fiscal year.
- This rate become positive if the MRR per Customer increases and negative if Customer Churn increases.

upselling/cross-selling and customer success ▶ **Low churn rate Increase in ARPA** ▶ **Net revenue retention of over 100%**



FY11/18 **120%**

FY11/19 **129%** *1

* Above illustrates recurring revenue from customers acquired in the particular fiscal year.
* Please refer to P.84 for detailed definitions of KPIs.
*1 Recurring revenue as of end of FY11/19 coming from existing users as of the end of FY11/18 divided by recurring revenue as of end of FY11/18.

Money Forward Business Topics in and After FY11/19

- Expects to expand to the **rapidly growing SaaS marketing realm** as a result of **Smartcamp Co., Ltd. joining the Group.**
- Announced to release **SaaS platform, *Money Forward Cloud Store.***
- **Enhance SaaS product lineup** for back office operations.
  Provide additional value to existing users while acquiring new customers.
  - Significant updates will be made to the tax return app (January 2020)
  - Plans to release *Money Forward Cloud Accounting Plus* (February 2020)
  - Plans to release *Money Forward Social Insurance* (March 2020)
- Carried out **“¥1 billion Funding Campaign - Extended”** and **“Campaign for Supporting First-Time Financial Reporting”** which promote cloud implementation in back office operations.
- **“Biz Forward 2020",** a large-scale event that encourages taking on business challenges.

Joining of Smartcamp Co., Ltd. to the Group

Expanded to the SaaS marketing realm where rapid growth is expected. Smartcamp Co., Ltd. became a fully-owned subsidiary with an aim to improve corporate value through reinforced cooperation. Additional investment amount is ¥1.38 billion*

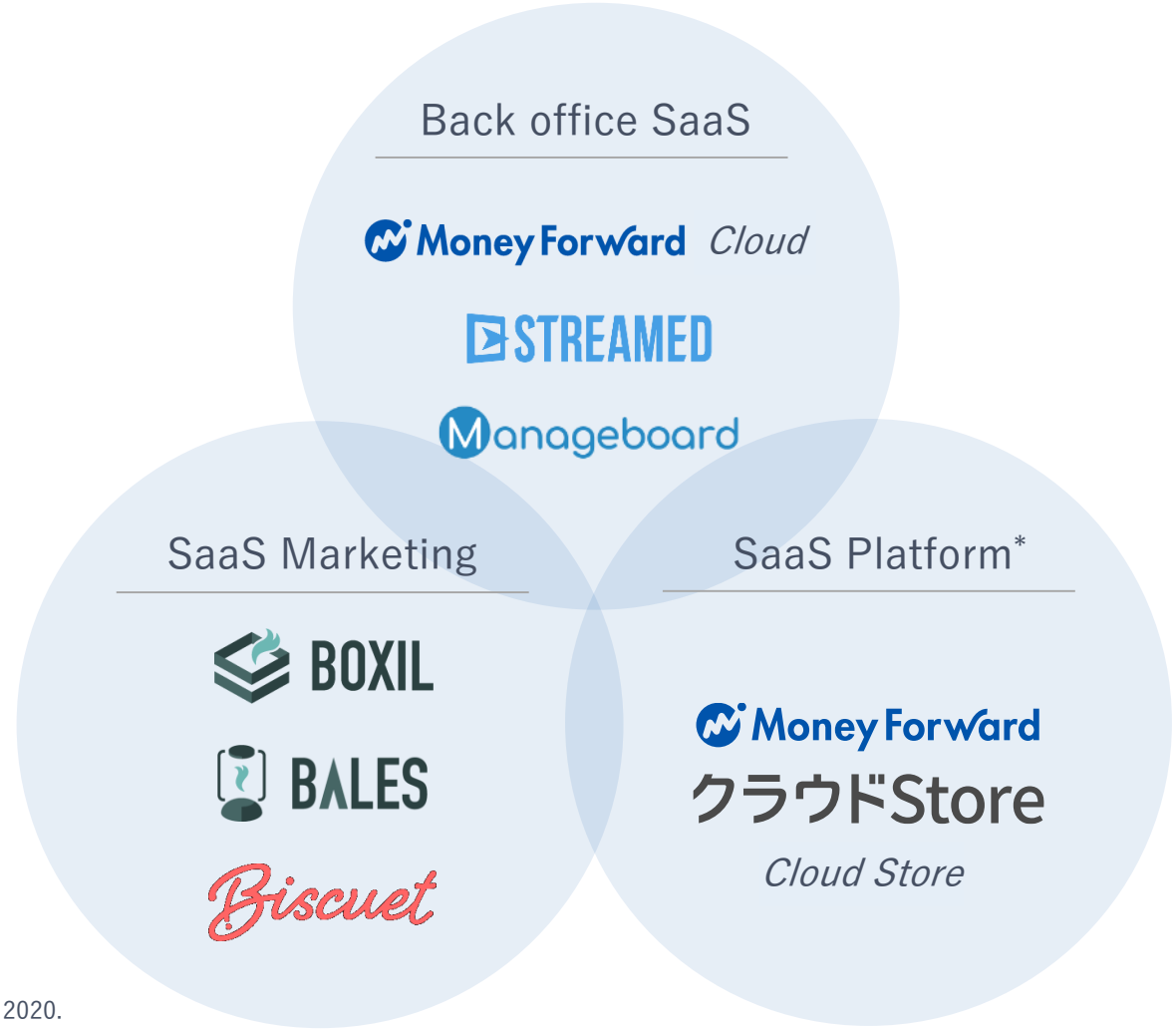


SMARTCAMP × Money Forward

* Additional investment includes 27.7% of voting rights as well as stock options.

Money Forward Group's SaaS Business Strategy*1

Money Forward will set out to be No.1 in both back office SaaS and SaaS marketing, both high-growth markets in Japan.



* Scheduled to release in March 2020.

Release *Money Forward Cloud Store* in March

Aims to market SaaS/cloud services in wide-ranging business realms throughout Japan, thereby promoting enhanced productivity by users. Aims to become a platform for SaaS/cloud services.



Release *Money Forward Social Insurance* in March 42

Handles documents subject to obligatory electronic application from April 2020, as well as those that are not. Tedious procedures can be simplified through electronic application and automated entries from integration with payroll data.



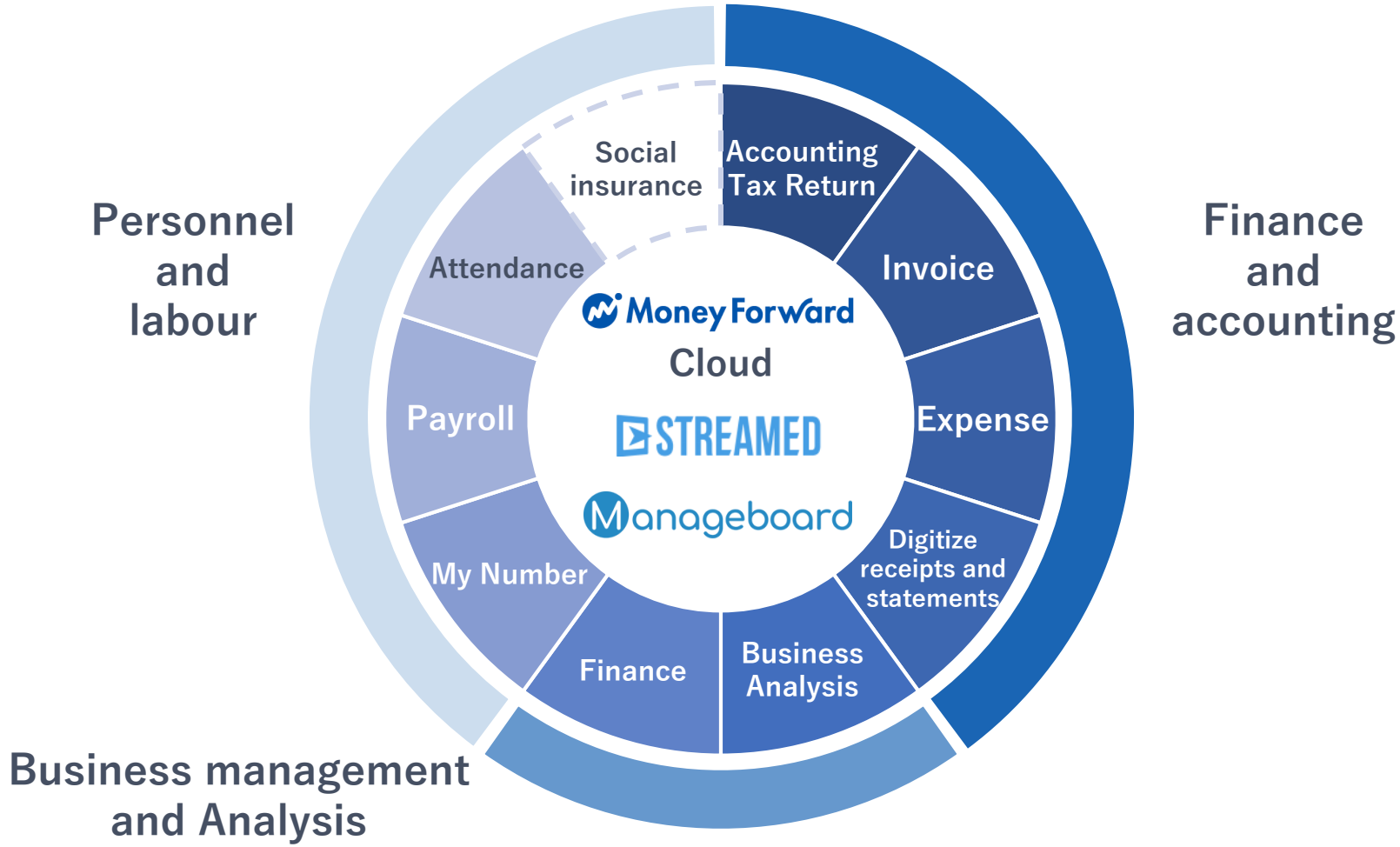
Enabling Journal Entries for Tax Return on App

Money Forward Cloud Accounting and *Tax Return* app will be updated significantly around the end of January, enabling users to make journal entries on their smartphones.



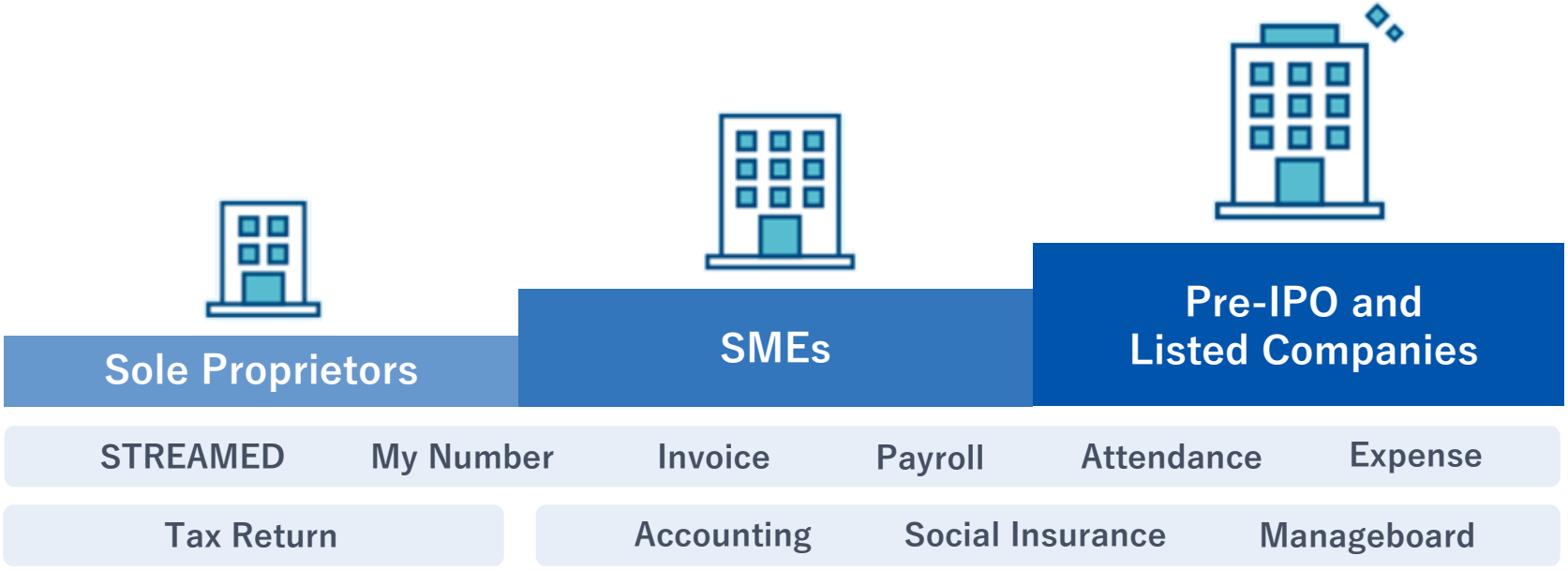
Expansion of Product Line up

Our product line up helps businesses visualize its management issues as well as improve efficiency by integrating finance, personnel and labor, and other back office data with respective services.



Supporting Sole Proprietors, Pre-IPO and Listed Companies 45

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



Money Forward クラウド会計Plus
Cloud Accounting Plus

Aims to enhance functions targeting pre-IPO and listed companies

Campaigns Promoting “Cloud” From January

Launched “¥1 Billion Funding Campaign - Extended” following the campaign deployed in FY11/19. Plans to deploy several other initiatives to support users’ cloud implementation expenses.

“¥1 Billion Funding Campaign - Extended"



Campaign for Supporting First - Time Financial Reporting



“Biz Forward 2020” supporting Business Challenges

Plans to hold a one-day event on January 16 (Thu) with an aim to encourage business persons to take on challenges that will move their business forward.



武 豊
騎手
PHOTO:沢田 康文



宇賀 康之
Number編集長
（聞き手）



宮坂 学
東京都副知事



坪内 知佳
萩大島船団丸
株式会社GHIBLI
代表取締役



須賀 千鶴
世界経済フォーラム
第四次産業革命日本センター長



松本 恭攝
ラクスル株式会社
代表取締役社長CEO



梅田 優祐
株式会社ユーザベース
代表取締役 CEO



倉林 陽
DNX Ventures
Managing Director



弘兼 憲史
『島耕作』シリーズの著者
PHOTO:白鳥 真太郎



石川 康晴
株式会社ストライプ
インターナショナル
代表取締役社長 兼CEO



遠山 正道
株式会社スマイルズ
代表取締役社長



南條 史生
森美術館館長
※役職は2019年12月時点のものです



佐藤 潤
株式会社ヤッホーブルーイング
よなよなピースラボ
ラボ長



深津 貴之
THE GUILD 代表
UI/UXデザイナー

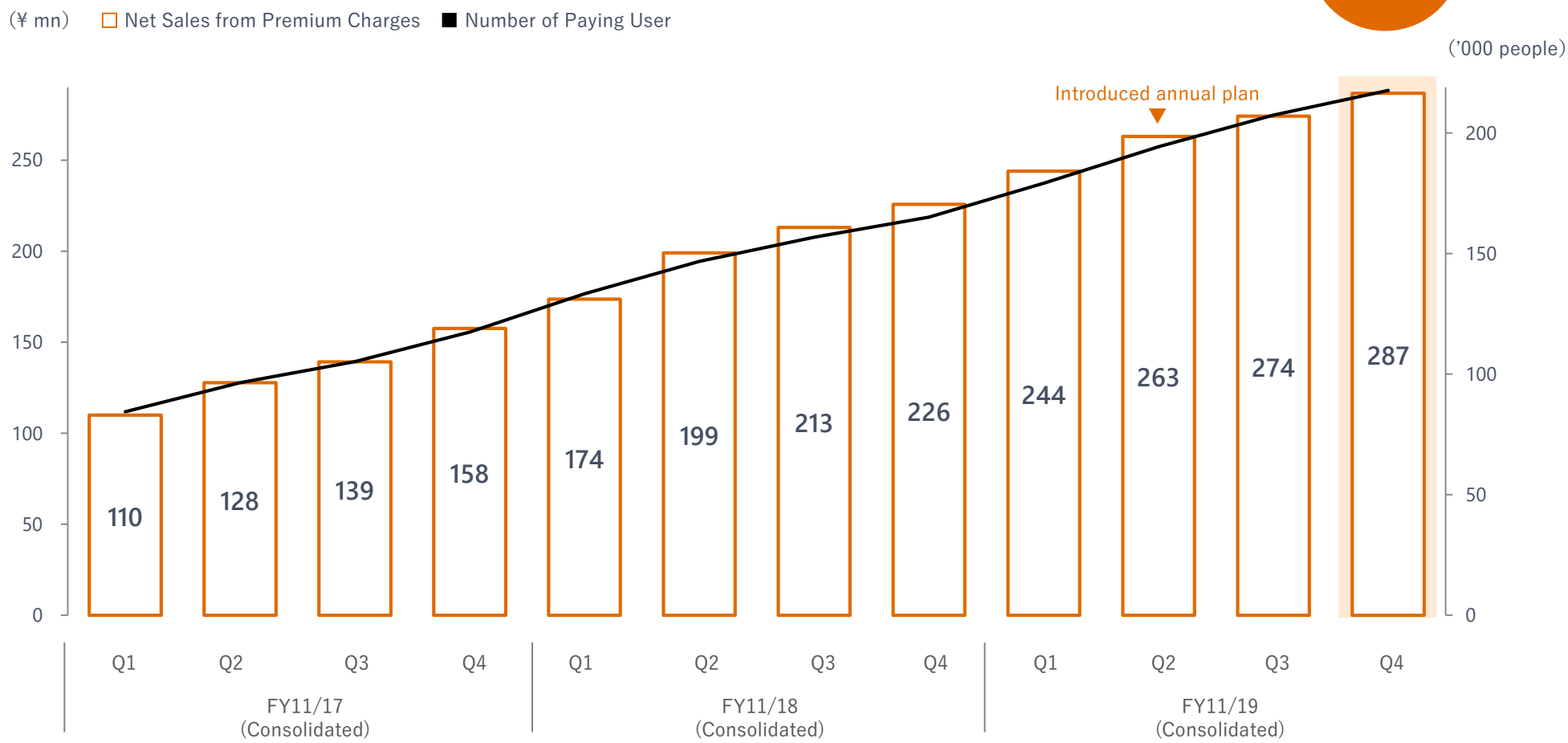
Money Forward Home



Net Sales from Premium Charges (Trend in Net Sales) 49

Number of paying users increased steadily, **exceeding 210,000***.

YoY +27%



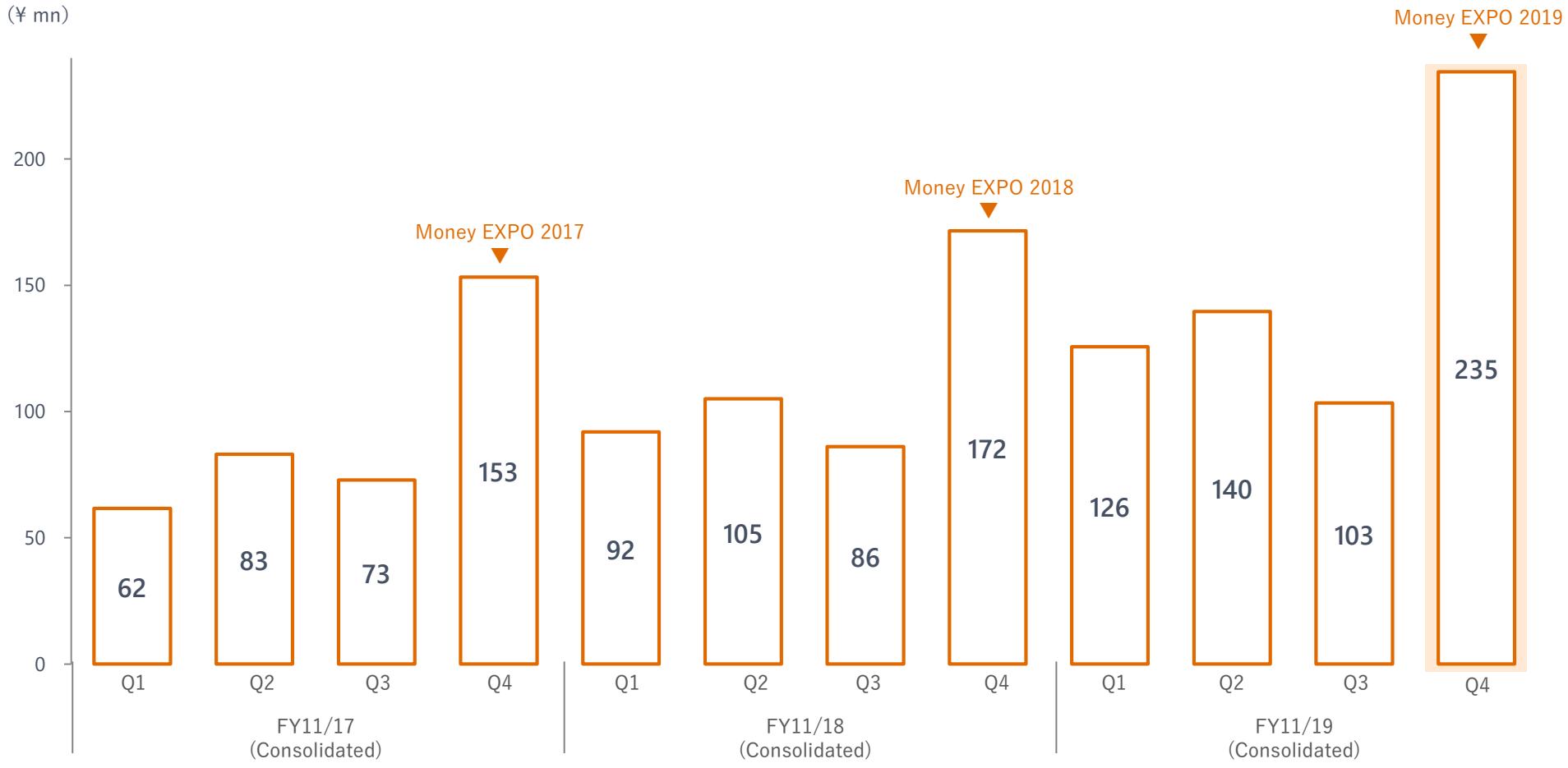
* As of end of November 2019

Net Sales from Media/Advertising (Trend in Net Sales) 50

Achieved a growth of **+37% YoY**.

"Money EXPO 2019" was held in November of Q4.

YoY +37%

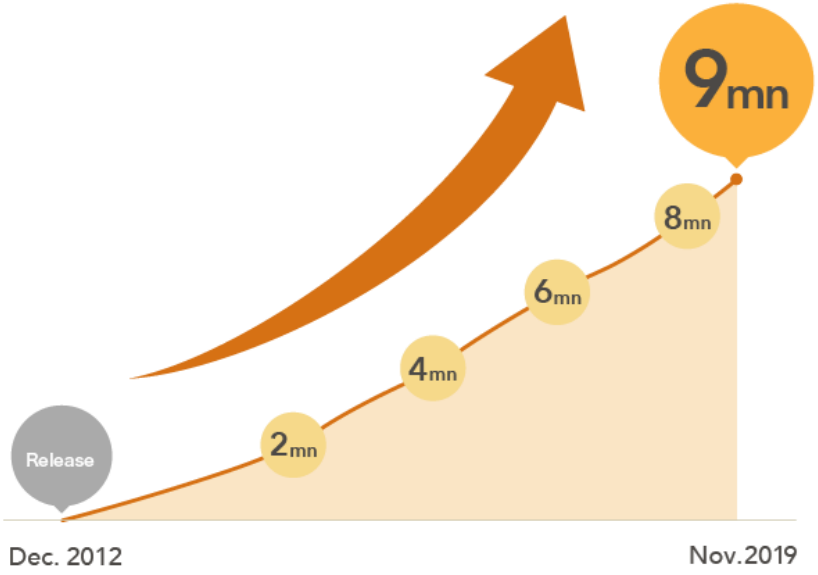


* Net sales from media/advertising include: 1) advertising sales from *MONEY PLUS* - practical economic media, 2) sales from events (Money EXPO) and seminars (e.g., on real estate and DC plan), and 3) sales from other PFM services including "mirai talk."

Accelerated Increase in *Money Forward ME* Users

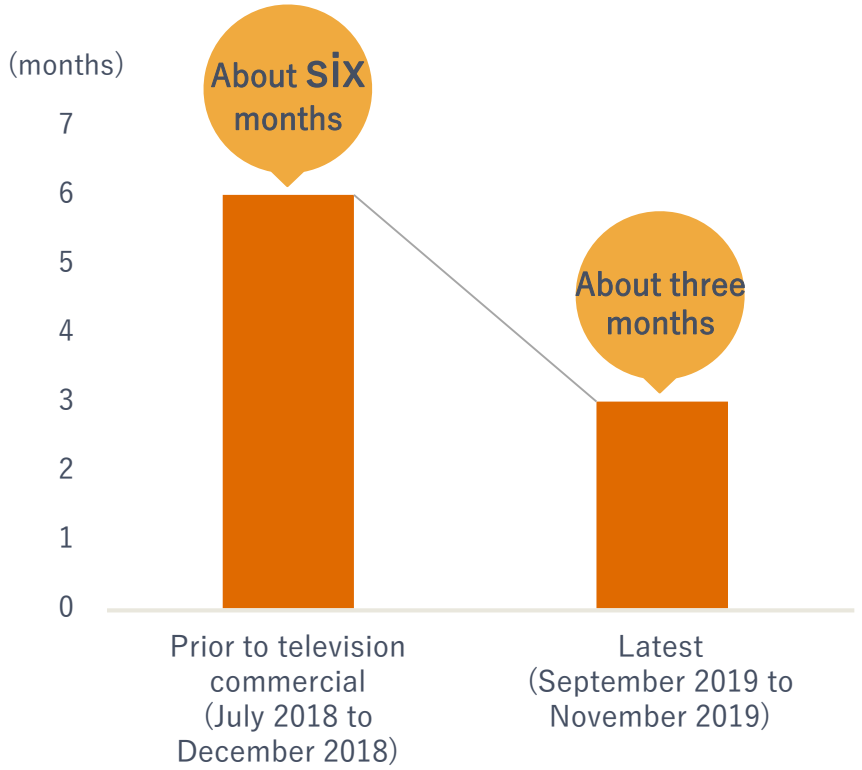
Number of *Money Forward ME* users exceeded **9 million**.
Acquired new users at a faster pace owing to effects from television commercials deployed at the beginning of FY11/19 and other efforts.

Number of Users Exceeded 9 Million



Accelerated Increase in Number of Users

Comparison of number of months it took to acquire 0.5 million new users



Large-Scale Promotion at the Beginning of the Year

Deployed a large-scale promotional campaign at the beginning of the year, when demand for personal financial management is high.





From “Visualizing” to “Solving Issues”

Released new services that not only visualizes cash flow as well as financial wealth, but also help solve money-related issues, including offering advice on saving and managing assets.

Money Forward おかねせんせい Beta

Okane Sensei



Money Forward お金の相談

Okane no Soudan

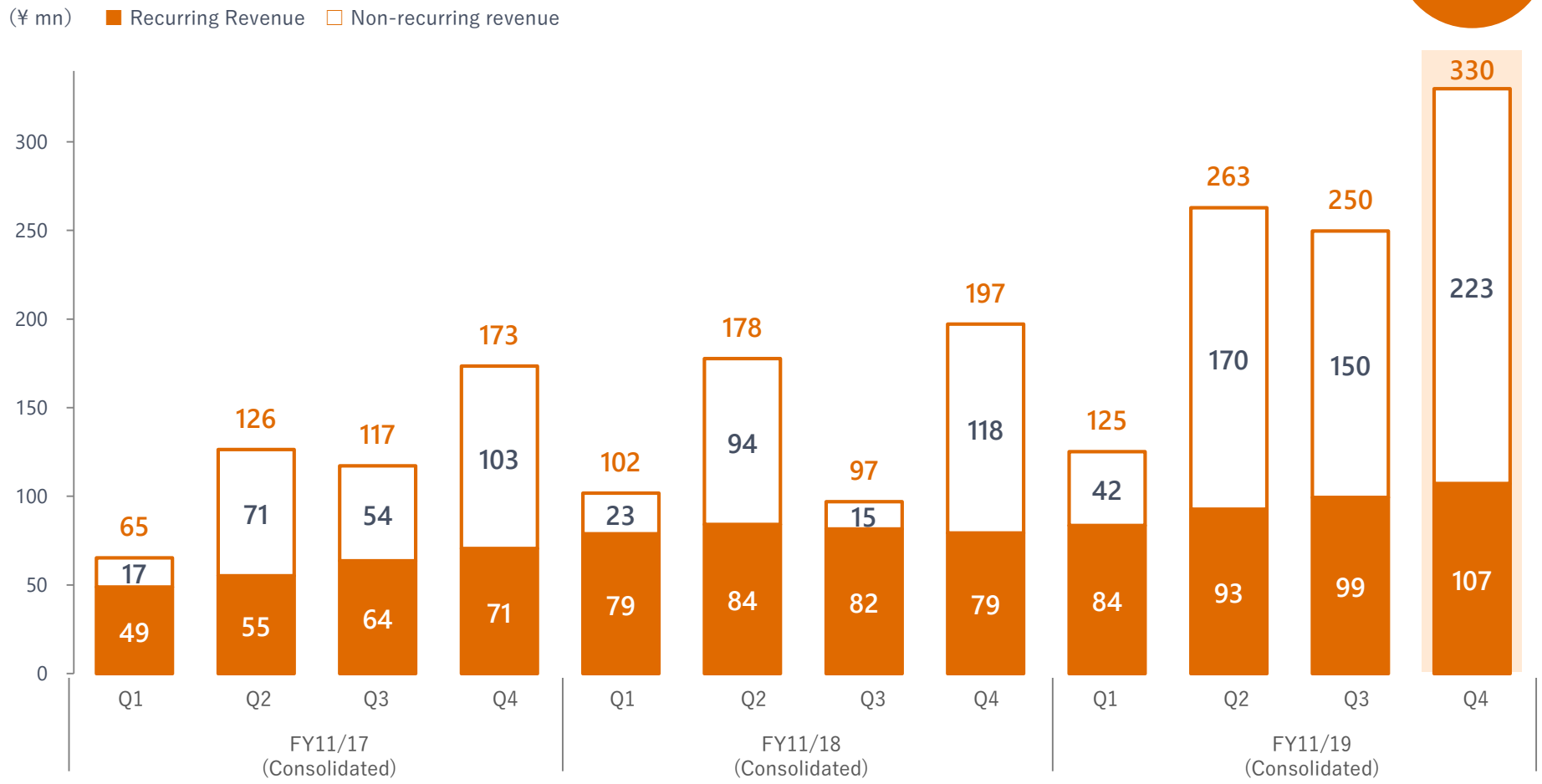



Money Forward X

Net Sales from Money Forward X

Both Recurring and Non-recurring revenues reached **record highs**.
Recurring revenue rose steadily owing to new customers.

YoY +67%



※ Non-recurring revenue from initial development charges are recorded at the time of acceptance by the customer, not at service launch time.

Alliance with Financial Institutions (Apps and Tools)

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

MF Unit Series

Offering PFM tools within financial institutions apps

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

Other Projects

NTT docomo

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

KDDI

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

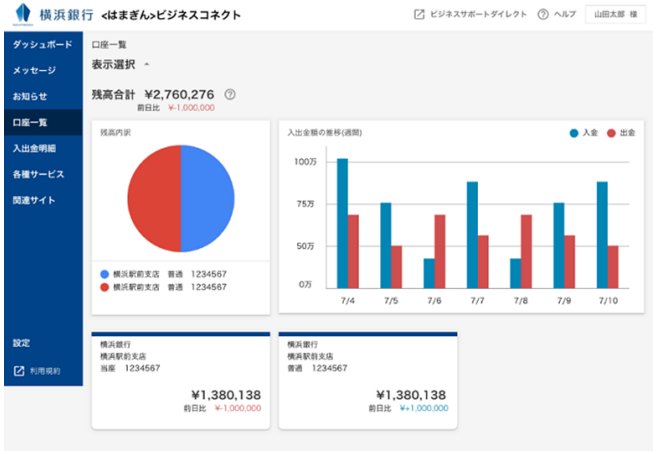
※1 *Lending Manager* is a trademark of NTT DOCOMO, INC.
※2 *au WALLET app* is a trademark of KDDI CORPORATION.

Alliance with Financial Institutions (WEB Service)

NEW: Bank of Yokohama

Jointly Developed Membership Site for Corporate and Sole Proprietors with NTT DATA Corporation

横浜銀行　NTT DATA



“<*Hamagin*> Business Connect"*

Enables various transactions including centrally managing savings and deposit/withdrawal information of multiple accounts, and viewing electronic documents

“Business Financial Management”

岡崎信用金庫



“*Okashin* Asset Management Service ‘Collectively Manage Assets’”

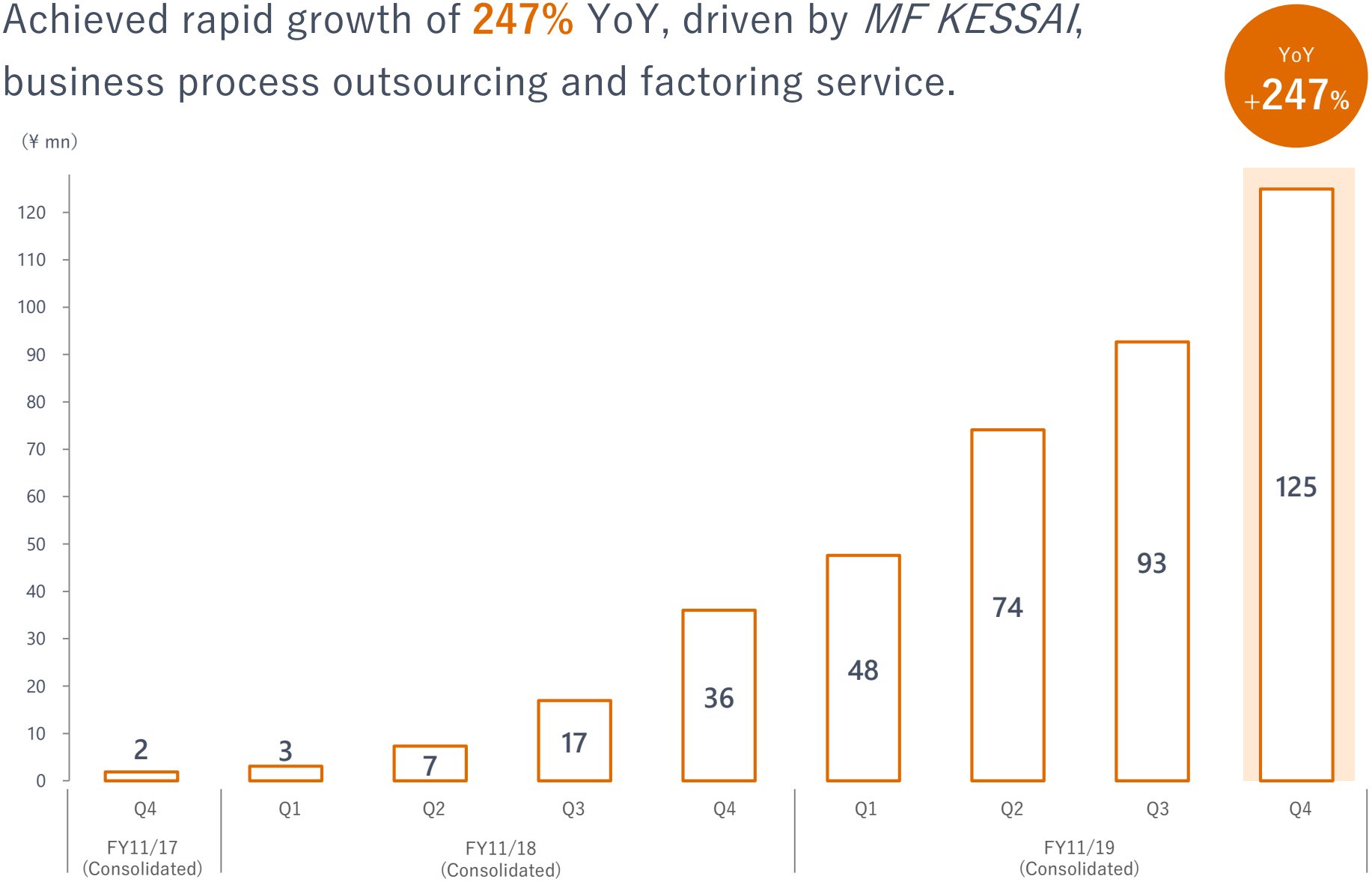
Business financial management service for financial institutions

* To be released on January 20, 2020


Money Forward Finance

Net Sales from Money Forward Finance

Achieved rapid growth of **247%** YoY, driven by *MF KESSAI*, business process outsourcing and factoring service.



MF KESSAI Exceeded ¥10 Billion In Receivable Purchase

MF KESSAI exceeded ¥10 billion* benchmark within merely two and a half years since service launch. *MF KESSAI* is serving to reduce workload of invoice operations and help improve the user's cash flows.



* Accumulated amount of accounts receivable purchased by MF KESSAI, Inc. through services *MF KESSAI* and *MF KESSAI Early Payment*.

Launched a Lending Service for Sole Proprietors

Launched an online lending service catered to sole proprietors by *Money Forward BizAccel*, . We recognize wide-ranging financial needs among sole proprietors.

Money Forward BizAccel

“Offensive” Financing

Investing in growth



- Wants to increase number of staff
- Wants to make upfront capital investments
- Wants to make a large procurement

“Defensive” Financing

Temporarily support for working capital



- Needs cash to maintain operations until payment of outstanding receivables
- Needs supplementary cash during offseason
- Needs to pay tax

Other Strategic Initiatives



Launched Sustainability Site in Japanese and English 63

Published the Group’s ESG initiatives on corporate website. Continues to aspire to resolve money-related issues of all SMEs and individuals and to create a society that keeps driving challenges.



Alliance with Financial Institutions (APIs)

Japan's top Fintech company in terms of number of referential and money transfer API connections※1. 80+ banks are to adopt API by 2020 as part of the Japanese government's "Follow-up on the Growth Strategy"*2.

	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	39	1	249*3	—	13	—	641	—
Corporates	17	8	249*3	—	13	—	—	—

Making API connections with 944 financial institutions*4

*1 Based on research by Money Forward, Inc.
*2 Prime Minister's Office of Japan, "Follow-up on the Growth Strategy," June 2019
*3 As of December 26, 2019. Among the 249 shinkin banks, one is scheduled to be connected in the near future.
*4 As of end of December 2019



Forecasts for FY11/20

Policy for Growth Investment and Profitability

Policy for Growth Investment

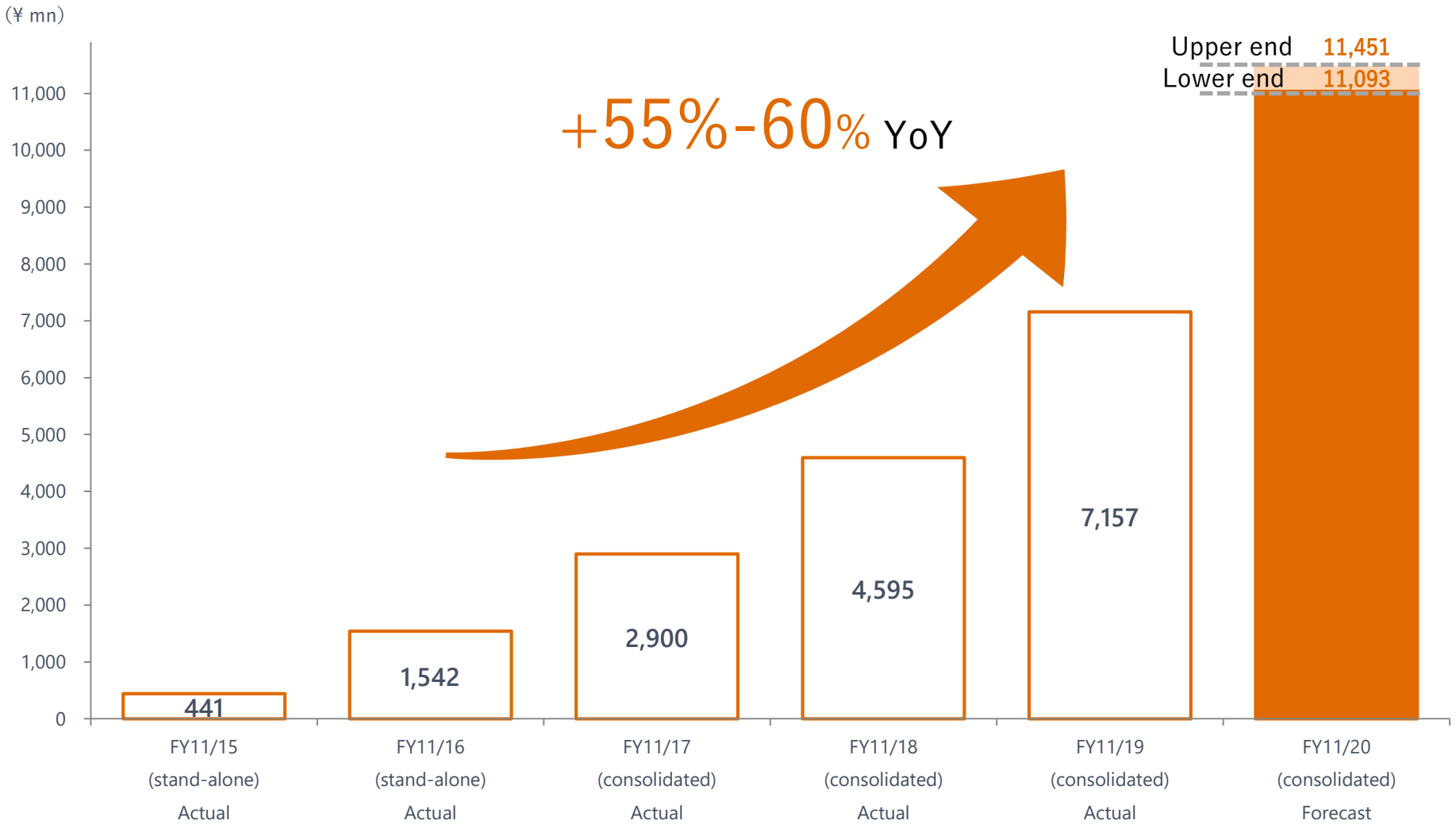
- As a **Subscription business model**, we focus on **maximizing medium-to-long term cash flow**.
- During FY11/20, **investment will be accelerated** in the Business domain, which is a SaaS business.
- Such investment to be executed **as long as unit economics metrics are reasonable and sound**, with an eye on external environment as well as competitions.
- Selectively pursue strategically meaningful M&A opportunities with emphasis on financial discipline.

Policy for Profitability

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

Consolidated Net Sales Forecasts for FY11/20

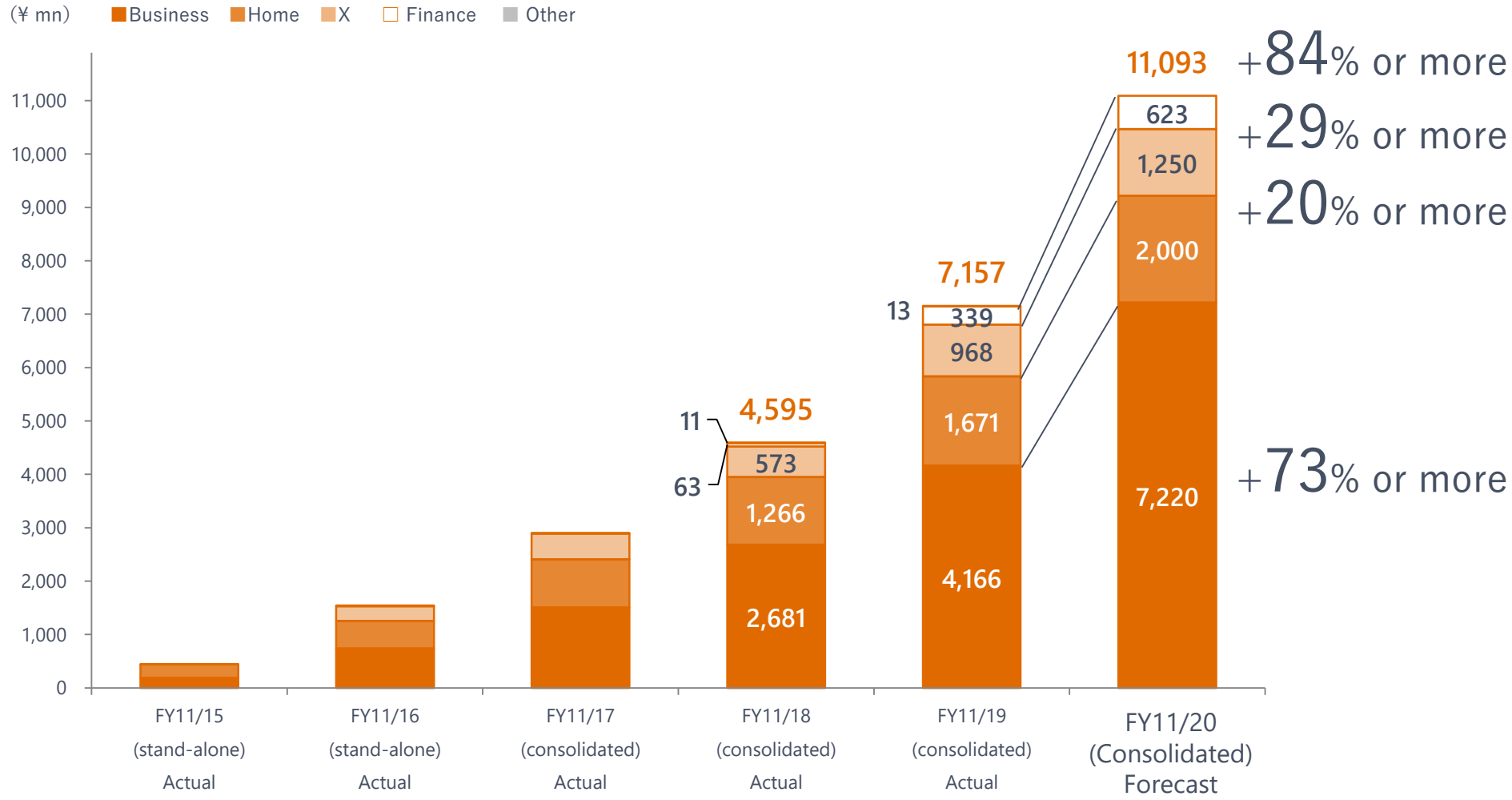
Net sales are expected to grow by **55%-60% YoY** to ¥11.1-¥11.5 billion.



* Figures for FY11/16 and earlier are stand-alone results, while figures for FY11/17 and beyond are consolidated results.

Net Sales Forecasts by Domain

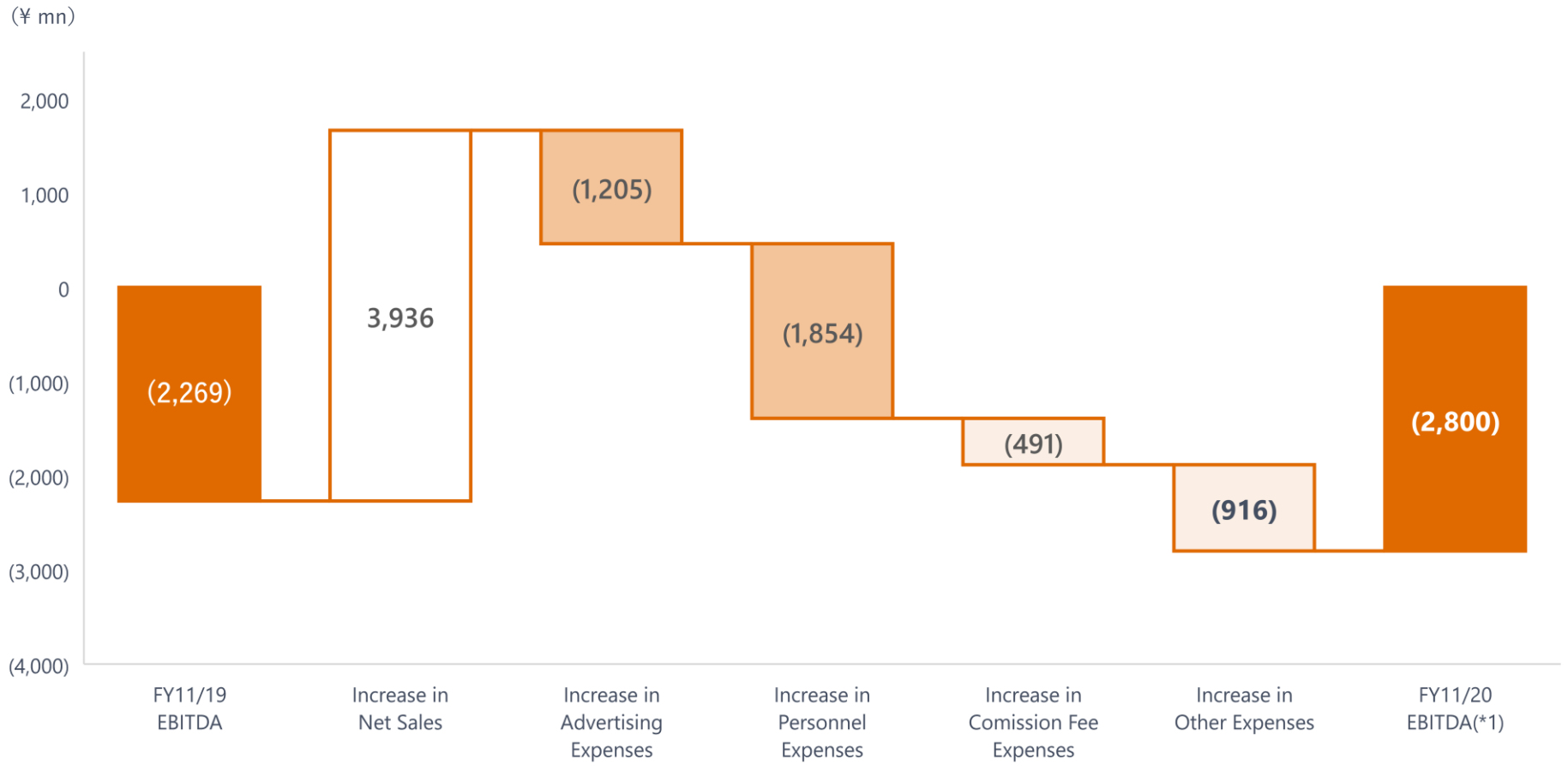
Fast growth is expected **in all domains**. Will continue investing actively in Business domain, which represents a rapidly growing platform business.



* Breakdown of the lower end of FY11/20 net sales forecasts of ¥1.11 billion.
* P/L of Smartcamp Co., Ltd. will be consolidated with the Group's P/L from the beginning of FY11/20.

EBITDA Waterfall Analysis

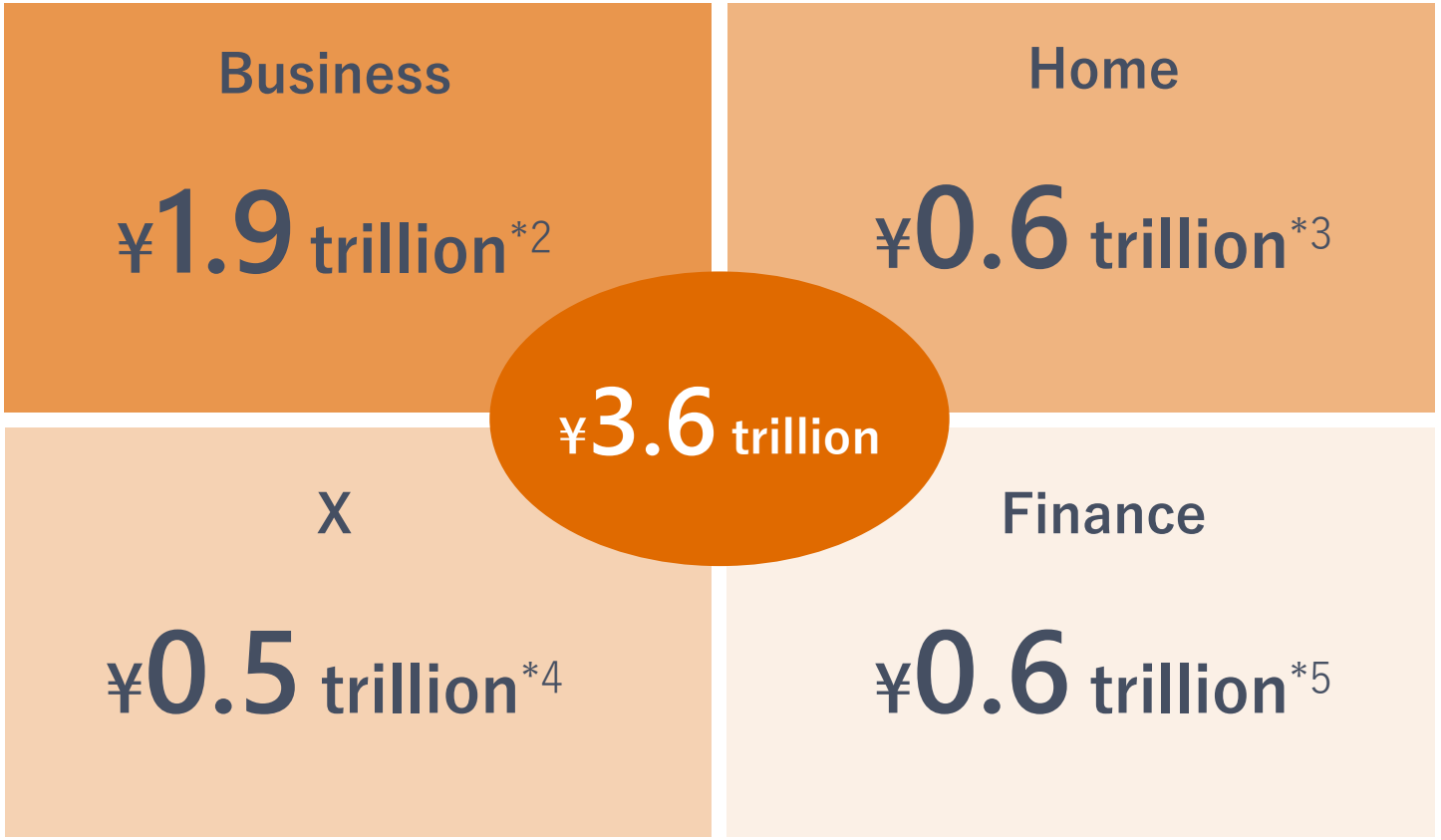
Advertising expenses are expected to increase driven by initiatives in raising brand awareness, including television commercials deployed mainly in 1H.



* Assuming FY11/20 EBITDA 2,800 million (lower end of the forecast)
FY11/20 EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses

Immense Total Addressable Market (TAM*1)

TAM of the four domains of Money Forward Group totals ¥3.6 trillion.



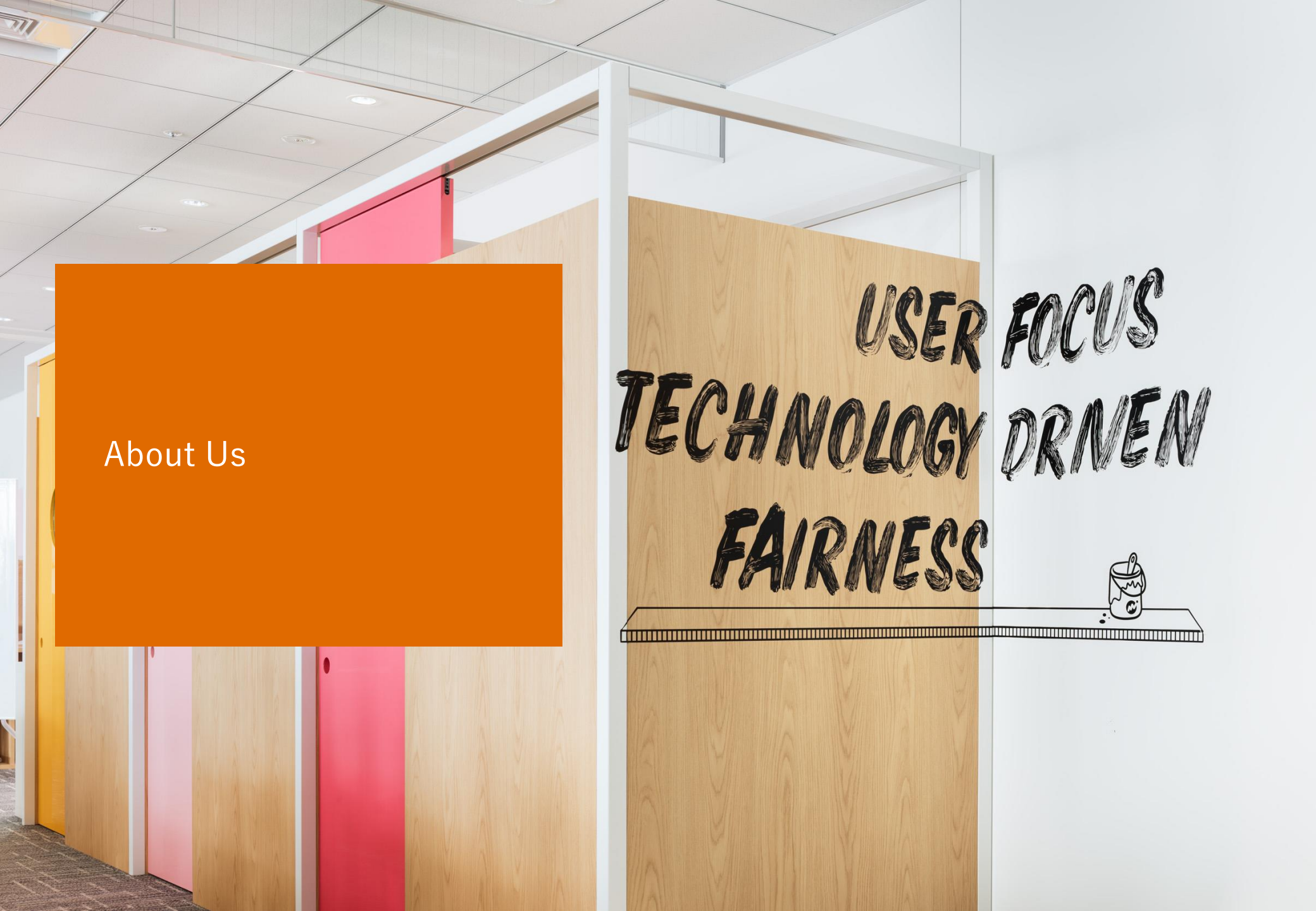
* All footnotes are described on P85.



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
Chairman of the Board
Representative Director of the Board, President & CEO
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.

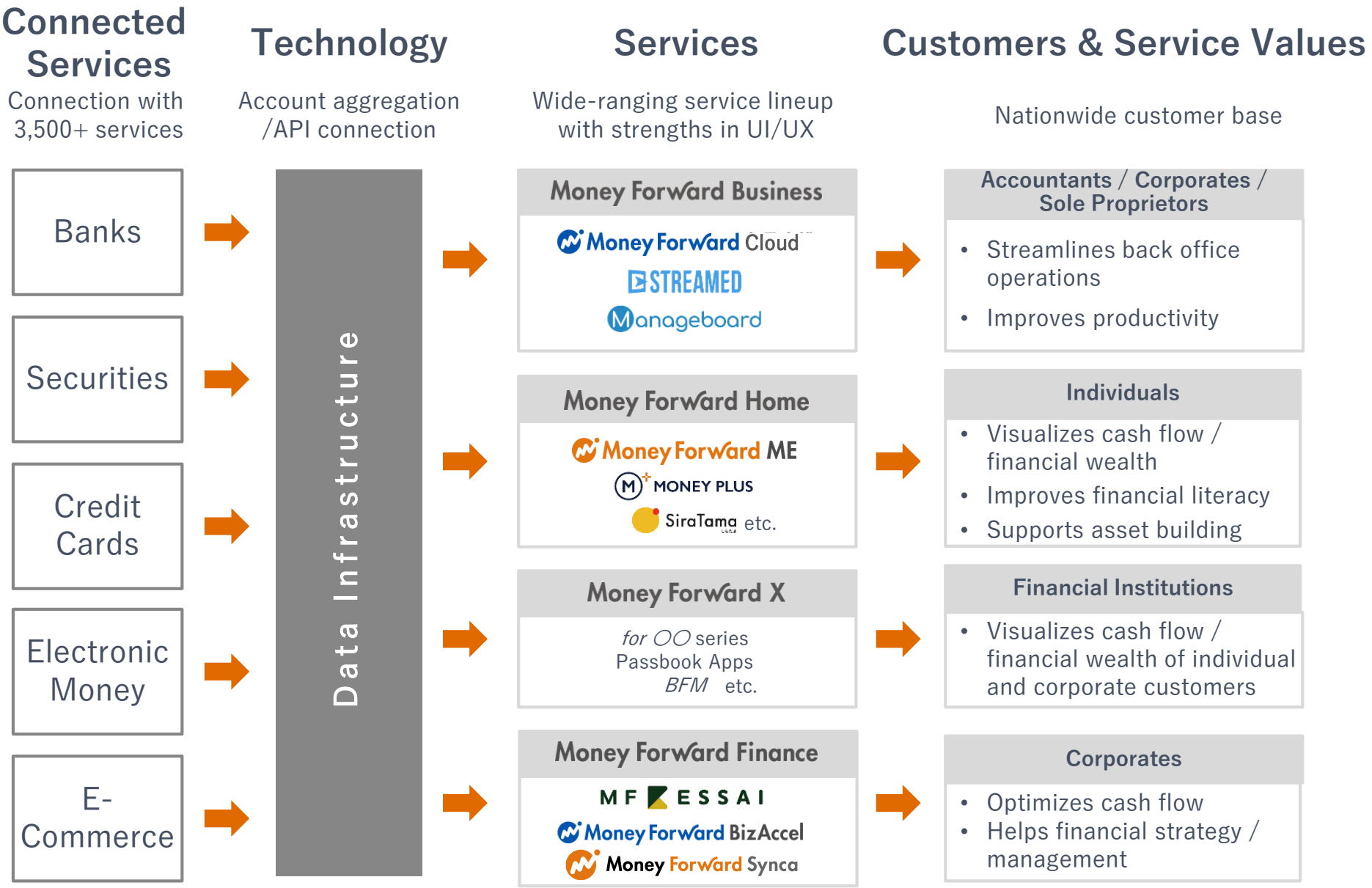


Makoto Haruta

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.

Our Business Model



Money Forward Group Structure

	Ownership	Main Services
Money Forward, Inc.		PFM service and Money Forward Cloud service
Klavis, Inc.	100%	Automated bookkeeping service: STREAMED
MF KESSAI, Inc.	100%	BPO and factoring service: MF KESSAI
MF HOSHO, Inc.	100%	Obligation guarantee and credit inquiry for MF KESSAI
mirai talk, Inc.	100%	Personal finance consulting outlet: mirai talk
Money Forward Fine, Inc.	100%	Online Lending Service
Money Forward Financial, Inc.	100%	Blockchain / crypto currency-related research
Knowledge Labo, Inc.	51%	Manageboard and consulting service
Wakufuri, Inc.	56%	Assisting cloud software implementation
MONEY FORWARD VIETNAM CO., LTD.	100%	Product development center
Money Forward Synca, Inc.	100%	Financial advisory service and management consulting for growing companies
SMARTCAMP Co., Ltd.	72%	SaaS Marketing platform *BOXIL* and supporting Inside Sales by *BALES* and *Biscuet*

※ Smartcamp Co., Ltd.'s B/S consolidated from the end of FY11/19, P/L from the beginning of FY11/20.

FY11/19 Financial Summary

(¥ mn)	FY11/19 Q4 (2019/9-2019/11)					FY11/19 (2018/12-2019/11)				
		FY11/18 Q4		FY11/19 Q3			FY11/18		FY11/19 Full-year Forecast (lower end)	
	Actual	Actual	YoY%	Actual	QoQ%	Actual	Actual	YoY%	Actual	Result
Net Sales	2,216	1,469	+50.9%	1,881	+17.8%	7,157	4,595	+55.8%	7,122	100.5%
Business	1,235	833	+48.3%	1,159	+6.6%	4,166	2,681	+55.4%	4,075	102.2%
Home	521	397	+31.2%	378	+38.1%	1,671	1,266	+32.0%	1,848	90.4%
X	330	197	+67.3%	250	+32.1%	968	574	+68.7%	860	112.5%
Finance	125	36	+246.9%	93	+34.8%	339	63	+435.6%	339	100.1%
Other	5	5	+1.4%	3	+100.7%	13	11	+17.2%	-	-
Gross Profit	1,335	792	+68.6%	1,220	+9.5%	4,324	2,783	+55.4%	-	-
Gross Profit Margin	*+60.2%*	*+53.9%*	*+6.3pt*	*+64.8%*	*-4.6pt*	*+60.4%*	*+60.6%*	*-0.1pt*	-	-
EBITDA	△532	△246	-	△271	-	△2,269	△654	-	△2,420	93.8%
EBITDA (excl. advertising expenses)	△100	△162	-	△28	-	△748	△203	-	△1,031	72.6%

Share Price and Trading Volume since IPO



※ As of January 10, 2020

Promotion of Fintech/SaaS by the Japanese Government 81

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.

Promote open banking APIs

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

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).

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.

*1 “Future Investment Strategy 2017 No.2-I-5 Promotion of FinTech (in Japanese),” June 2017.
*2 "Growth Strategy Follow-up (in Japanese),” June 2019.
*3 “Action Plan regarding the Innovative Business in FY2019 (in Japanese),” June 2019.

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 ARPA 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

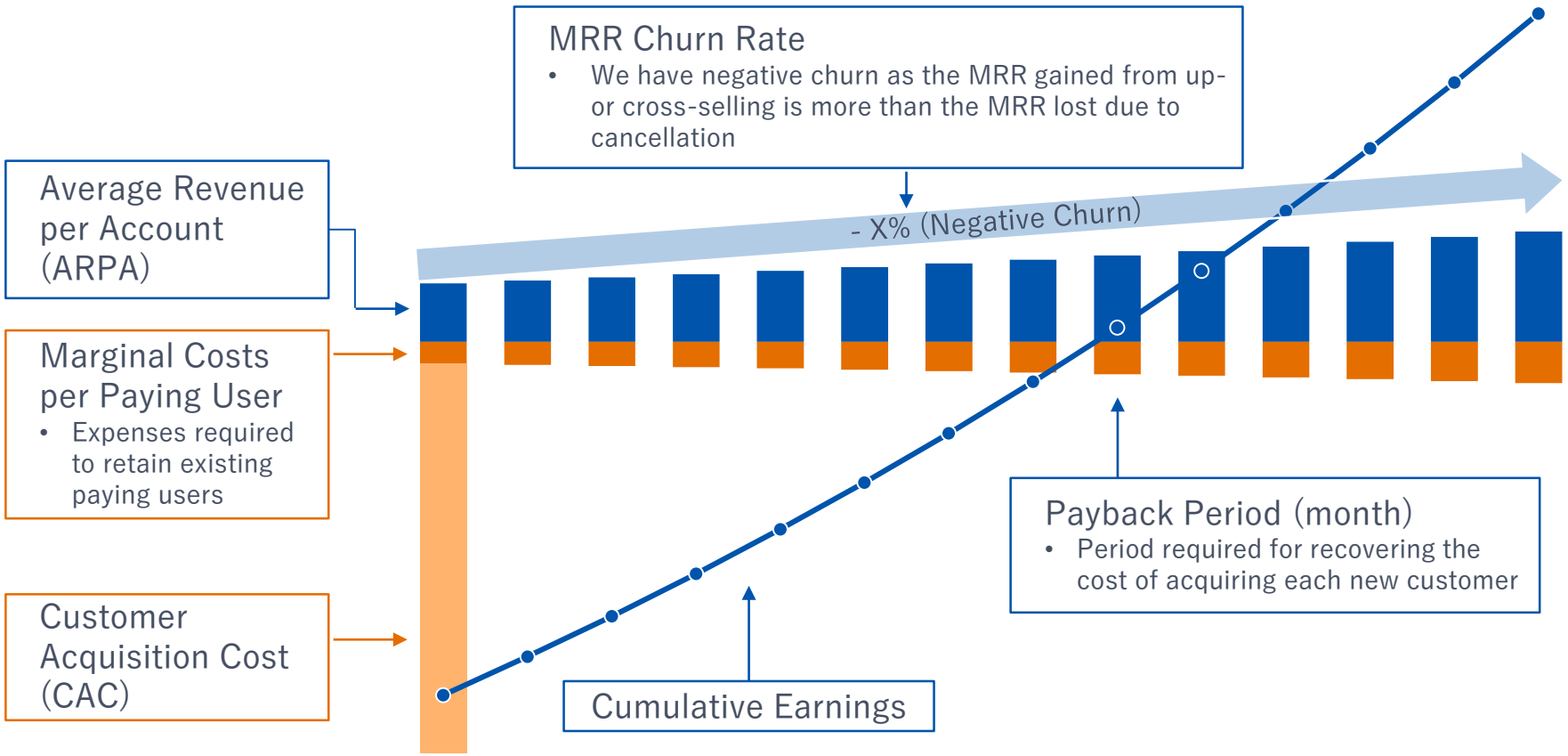
- Investment in sales, marketing and customer success to be accelerated as long as unit economics metrics are reasonable and sound.
- Investment decisions to be made based on the unit economics metrics described in next page.

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.

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 fiscal year by 12
Group ARR	Calculated by multiplying Group MRR of a particular fiscal year by 12. Group MRR includes: 1) recurring revenue from sales of *Money Forward Cloud* and other cloud services, and net sales from retained customers of Smartcamp Co., Ltd. in Business domain, 2) net sales from premium charges in Home domain, 3) recurring revenue in X domain, and 4) net sales from *MF KESSAI* in Finance domain.
Customer	Paid subscribers in the Business domain, which is a total of (1) accounting firms and (2) sole-proprietors and direct-sales corporates subscribed via the web channel etc.
ARPA	Average Revenue per Account. Calculated by dividing ARR as of the end of a particular fiscal year by the number of Customers
Customer Churn Rate	Average monthly churn rate of a particular fiscal year. Calculated by: 1 – [number of customer churns during (N) month] / [number of customers as of the end of (N-1) month]
MRR Churn Rate	Average monthly churn rate based on MRR for each fiscal year. Calculated as: 1 – [MRR as of the end of (N) month from Customers as of the end of (N-1) month / MRR as of the end (N-1) month
Net Revenue Retention	Rate of retained revenue. Recurring revenue as of the end of (N) fiscal year from existing Customers who were subscribers as of the end of (N-1) fiscal year / Recurring revenue as of the end of (N-1) fiscal year This rate become positive if the MRR per Customer increase and negative if Customer churn increases.
Sales Efficiency	Revenue growth amount in (N) fiscal year / Sales & Marketing expense in (N-1) fiscal year Sales and Marketing expense is the sum of Adverting expenses, Personnel expense engaging in sales, recruitment and hiring expense, travel expense, and other expenses associated with sales & marketing in the Business domain.

Definition of Total Addressable Market (TAM)

※1 Total Addressable Market. Potential market size for four domains of Money Forward is estimated, by using certain assumptions, based on third party research, publication as well as Money Forward historical data.

※2 Total sum of Back office SaaS TAM and Domestic SaaS marketing. Back office SaaS TAM is calculated based on 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 1,000 employees. Created by Money Forward based on National Tax Agency 2017 Survey, MIAC June 2016 Economic Census Activity Survey, MIAC 2017 Labor Force Survey. Total SaaS Marketing market size is estimated based on data which is back office SaaS expected market share in FY2019 (Fuji Chimera Research Institute, Inc., 2019 New Software Business Market.) and back office SaaS potential market size. Average advertising costs to net sales ratio of domestic major listed/scheduled to be public SaaS companies which was calculated by Money Forward based on financial reports and presentation documents of Money Forward, RAKUS, Uzabase, Wantedly, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, and TeamSpirit.

※3 Home TAM is calculated based on total potential number of domestic *Money Forward ME* paying user plus additional potential revenue coming from new applications fee for financial services such as life insurance, home loan, brokerage account, and credit card. The fee is based on Money Forward historical data. Number of total potential users are calculated based on number of internet banking accounts for major 5 banks as well as data provided in H28 Financial and Information System White Paper. New user is estimated based on various data source such as the life insurance association of Japan. Survey on Insurance policy by contract type in H30; Japan Securities Dealers Association. Survey on Individual shareholders, dated July 17, 2019; Ministry of Land, Infrastructure, Transport, and Tourism Survey on Housing Loan; and Japan Consumer Credit Association. Survey on Credit Related Statistics in 2018.

※4 Calculated for potential market size that is related to service provided by Money Forward X within domestic contract development software market. Data based on Information and Communication Basic Survey in 2018 as well as company historical data and estimates.

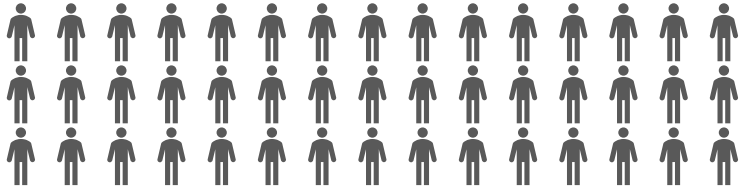
※5 Calculated by annual required working capital for corporate under revenue of 500 million yen multiplied by ratio of post payment settlement usage as well as annual fee potentially charged by MF KESSAI for its service. Working capital = receivable + inventory - payable. Data based on Small and Medium Enterprise Agency's report on basic survey on SMEs in FY2016 as well as company estimates.



Products and Services

Back Office SaaS Potential Market Size

Potential market size of back office SaaS, Money Forward's current area of focus, is estimated to be about ¥1tn*.

		Potential customers
Sole Proprietors		4.5mn
Small Enterprise*2		1.5mn
Medium Enterprise *2		0.3mn

* Created by Money Forward based on National Tax Agency *2017 Survey*, MIAC *June 2016 Economic Census Activity Survey*, MIAC *2017 Labor Force Survey*. 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 1,000 employees.
*2 Defined as "Small enterprise" for a corporate with less than 19 employees, "Medium enterprise" for a corporate with between 20 and 999 employees.

Domestic SaaS Marketing Potential Market Size

Domestic SaaS marketing potential market size is estimated to expand to about ¥0.9tn, along with the expansion of SaaS market in Japan.

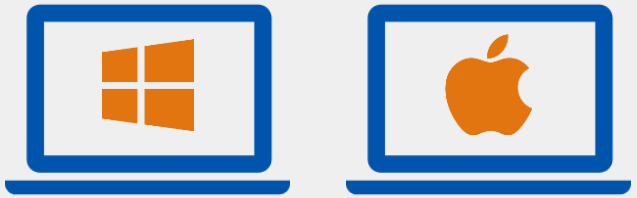
SaaS potential market size*		Advertising costs to net Sales Ratio*2		
¥6.0 tn	×	14.7%	=	**¥0.9 tn**

* Estimated based on 17.3% which is back office SaaS expected market share in FY2019 (Fuji Chimera Research Institute, Inc., *2019 New Software Business Market*.) and back office SaaS potential market size (Page 28).
*2 Average advertising costs to net sales ratio of domestic major listed/scheduled to be public SaaS companies. Created by Money Forward based on financial reports and presentation documents of Money Forward, RAKUS, Uzabase, Wantedly, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, and TeamSpirit.

Reasons Why Users Opt for Cloud-based Services

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

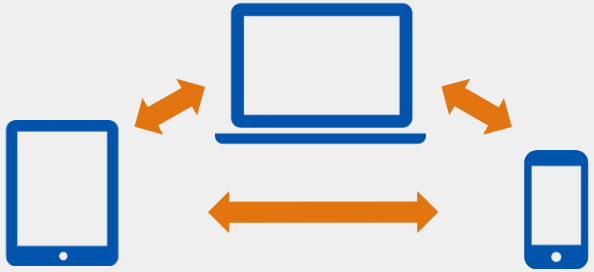
Can be used from any device
with an Internet connection



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



Can share data in real time

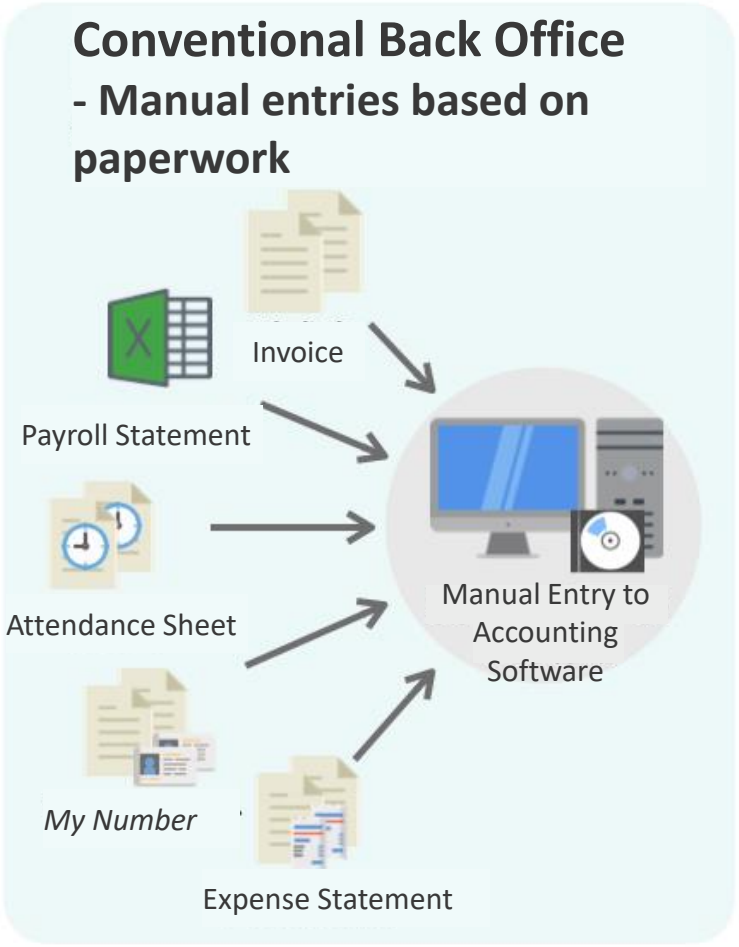


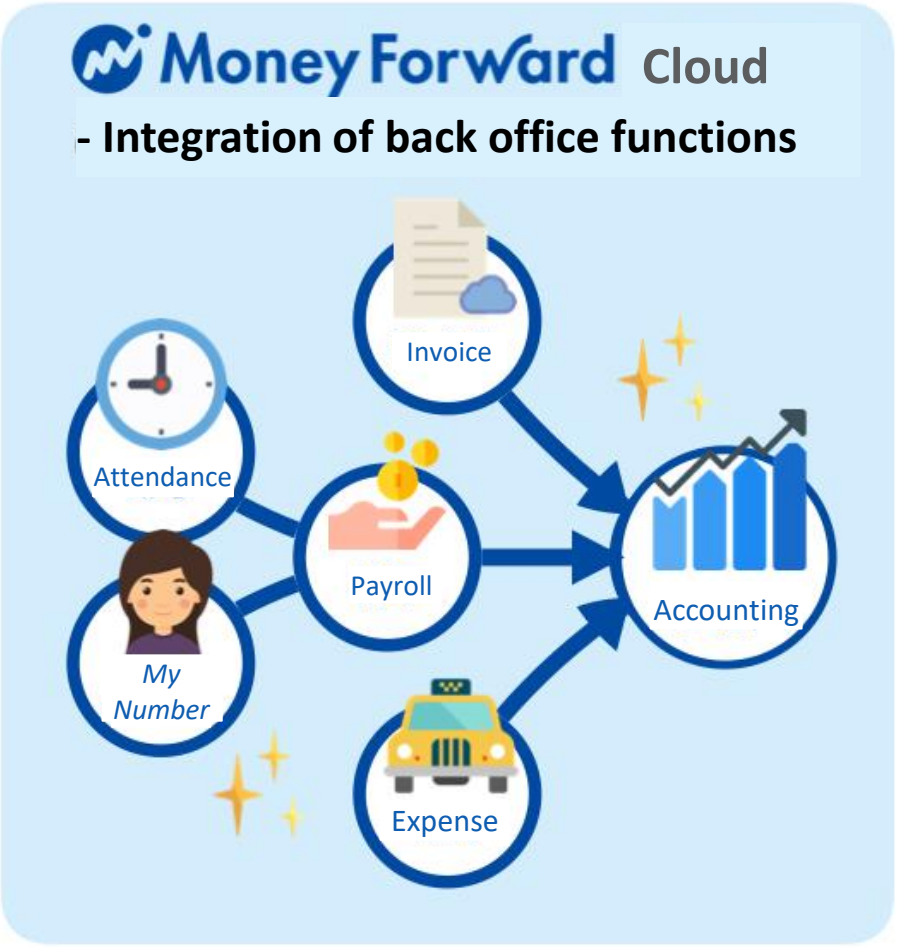
Upgrades are free of charge



Providing a Paradigm Shift - Integrated Back Office

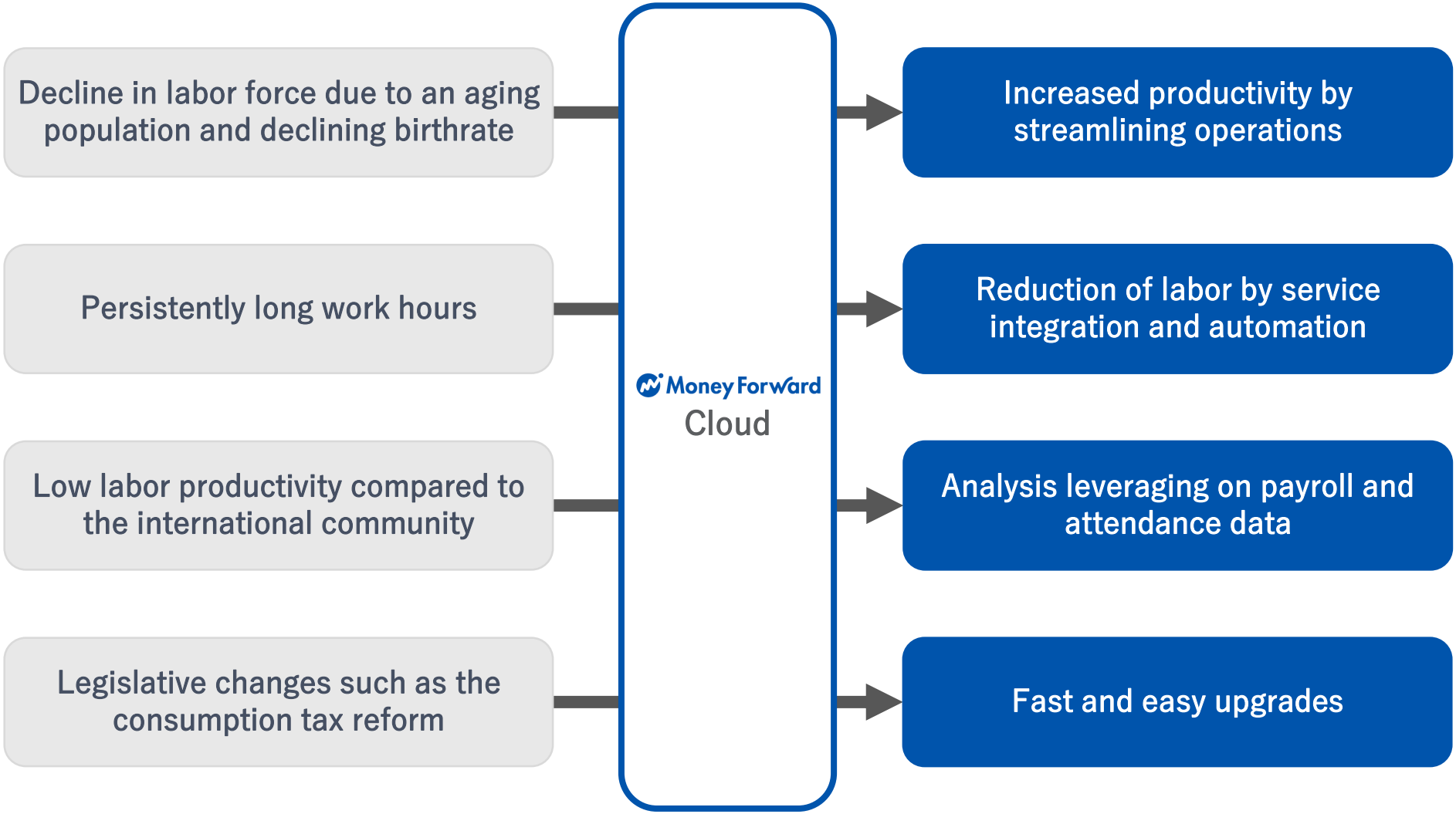
Plans to facilitate a shift from a world filled with cumbersome manual back office operations to one which automatically connects back office functions through cloud.





Providing Timely Services, e.g., for “Work-Style Reform” 91

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

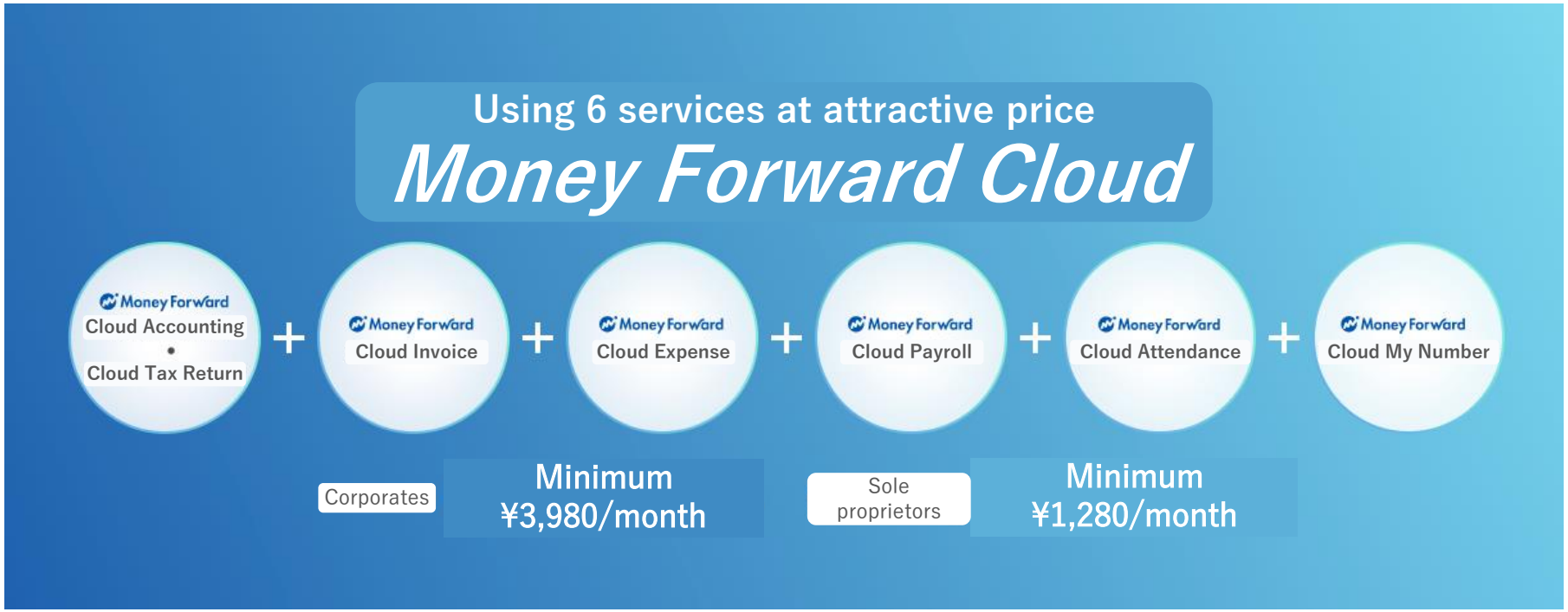
Money Forward Cloud Payroll　Money Forward Cloud Invoice　Money Forward Cloud My Number

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.

Providing Plan for Optimizing Back Office Operations 93

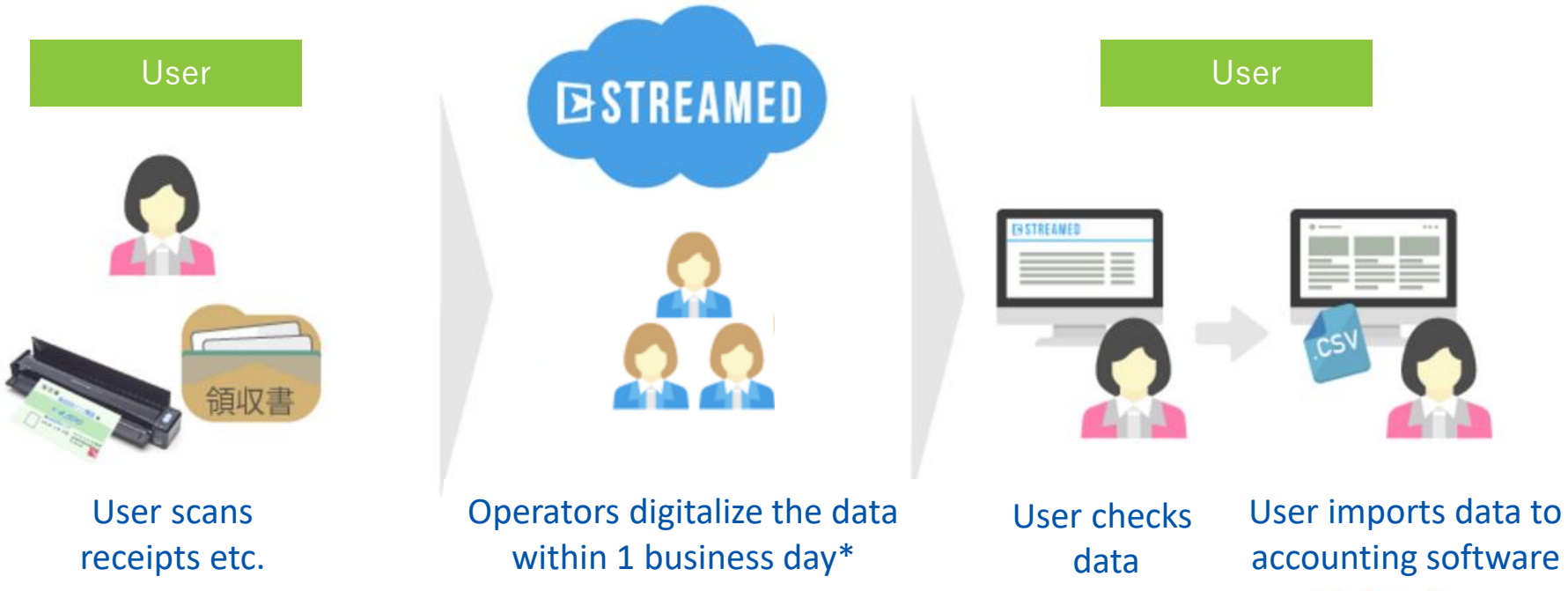
Provide a bundled service which enables sole proprietors and corporates with 30 or less employees to use six services at attractive price.



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.

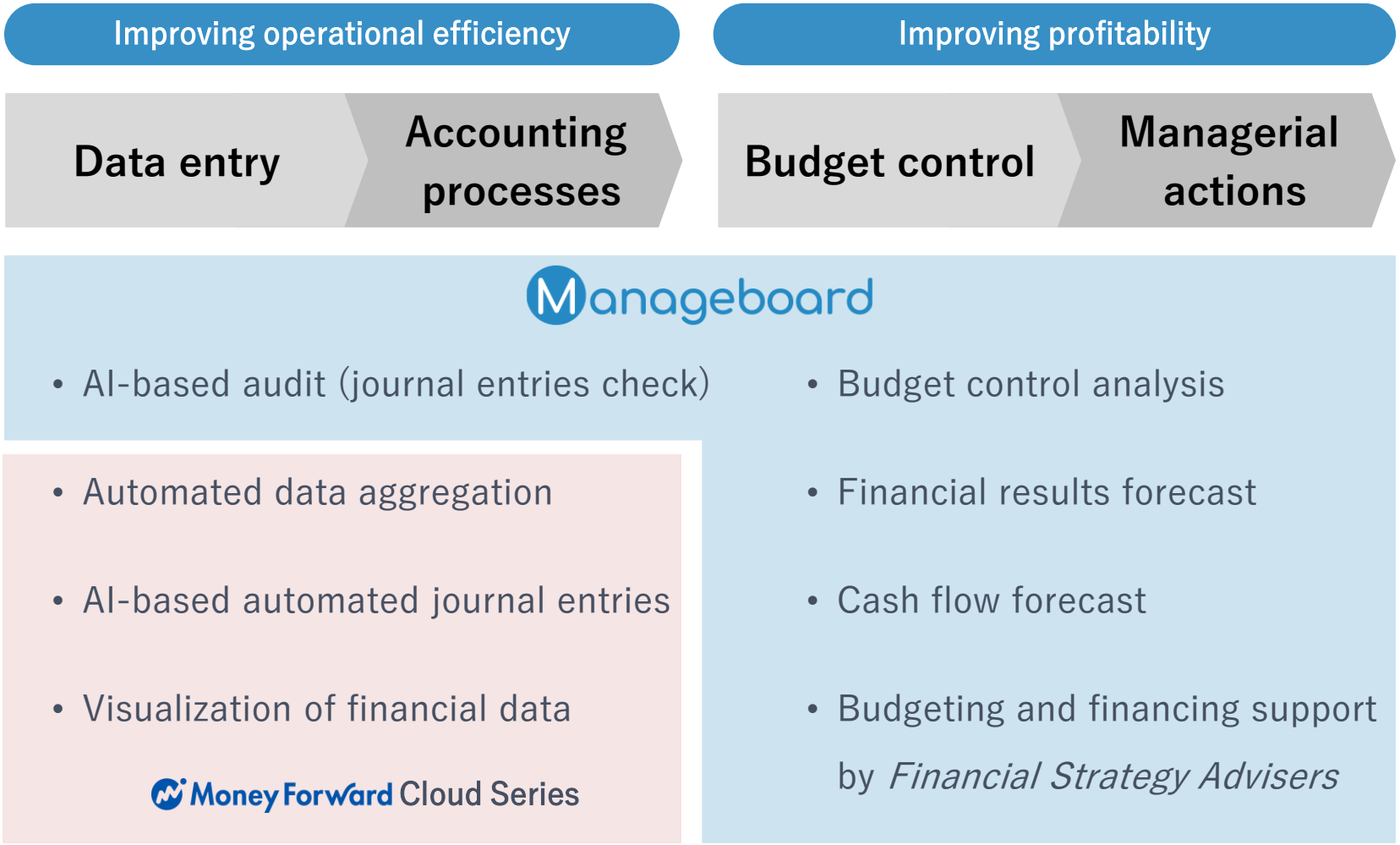
Gathering evidence → **Importing data**



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

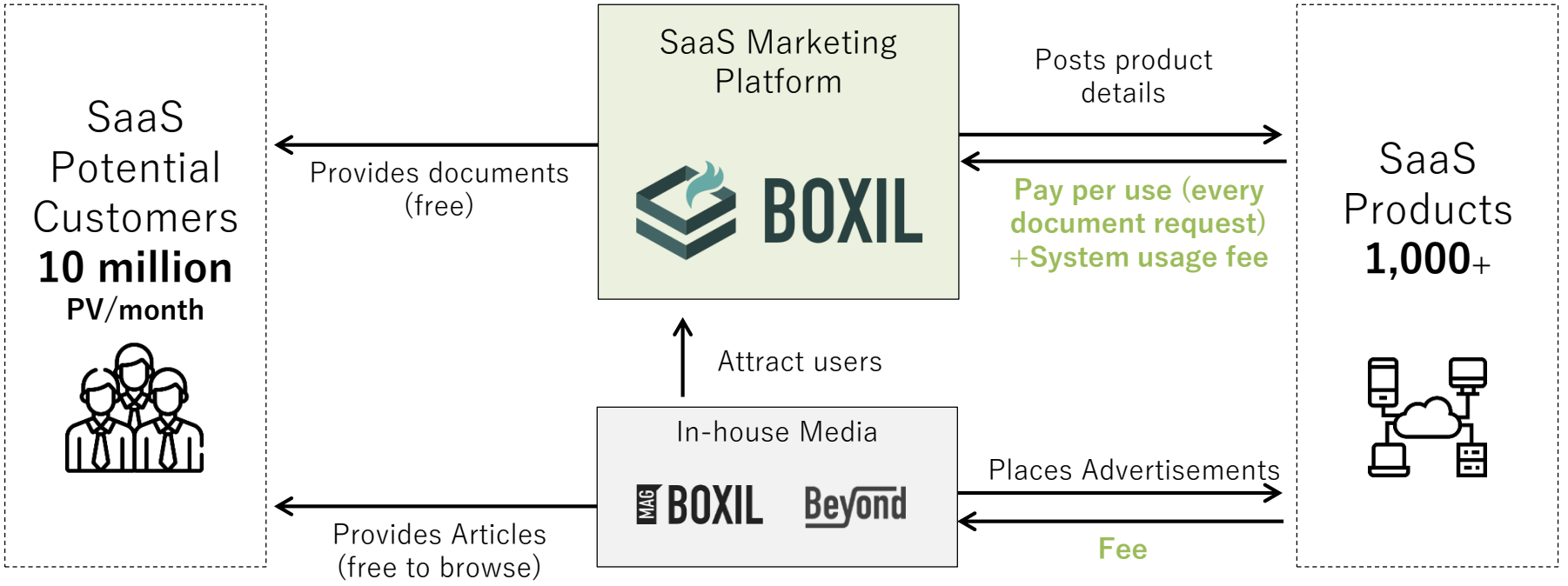
Manageboard - Cloud-based Business Analysis Tool

Manageboard primarily offers functions which help SMEs improve their profitability.



Business Model of BOXIL

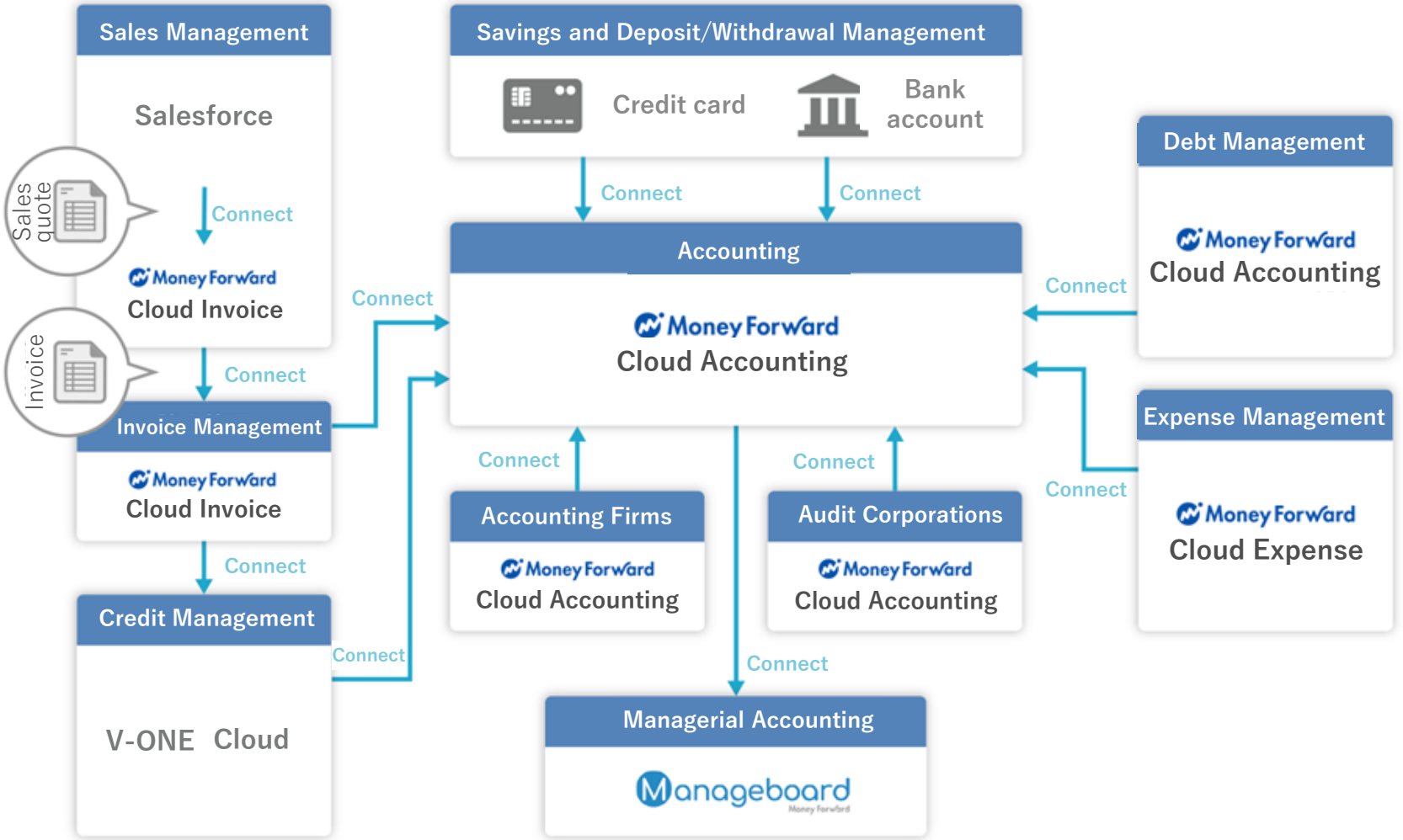
BOXIL connects its 10+ million PV monthly users (potential SaaS customers) with 1,000+ SaaS products, receiving fees from the SaaS vendors for every document request made by the potential customers.



*Monthly PV for October 2019 is 11.3 million.

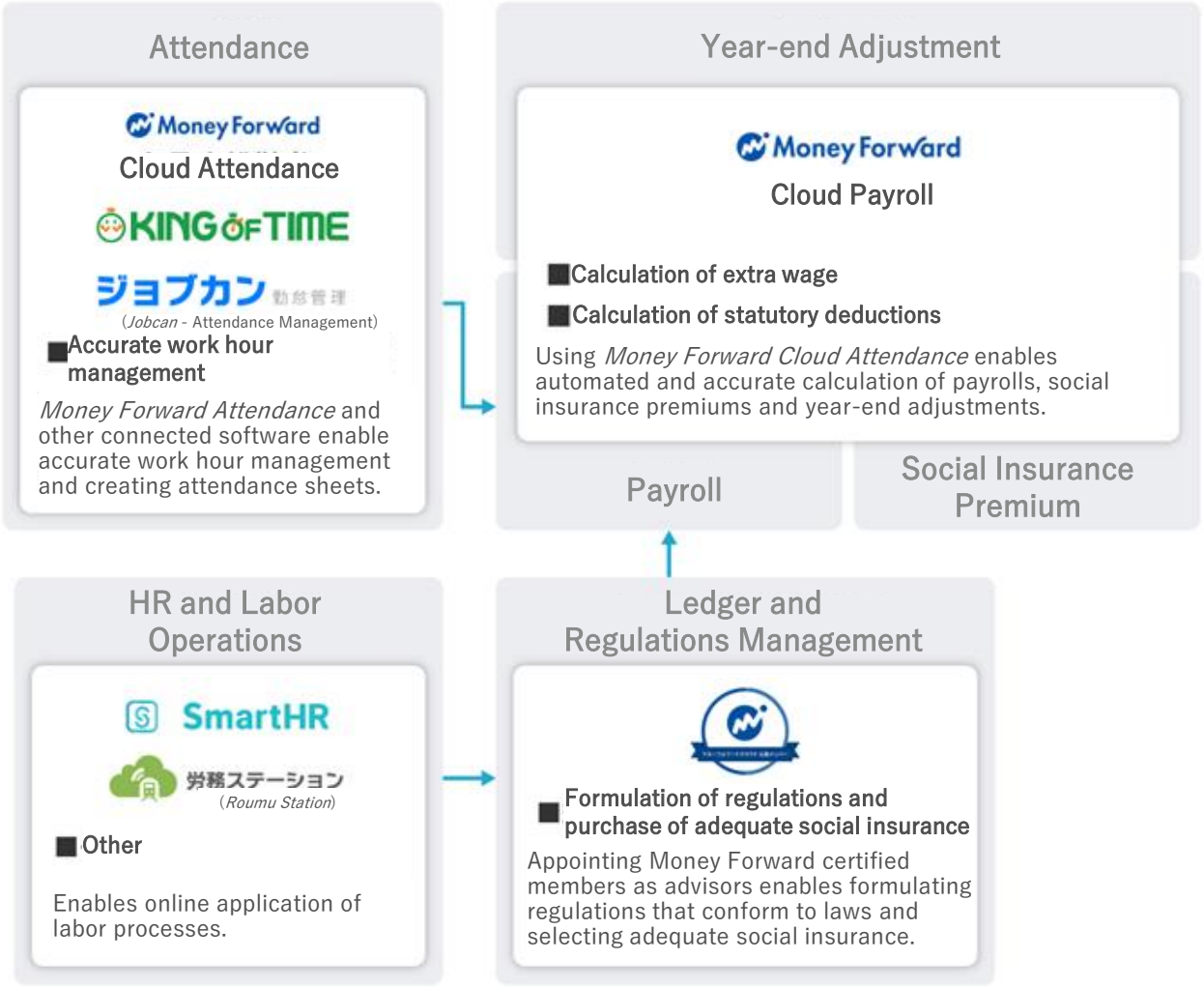
Service Connections - Financial Accounting

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.



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

DOME UNITED

BIZREACH

Mirrativ

Retty

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.

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

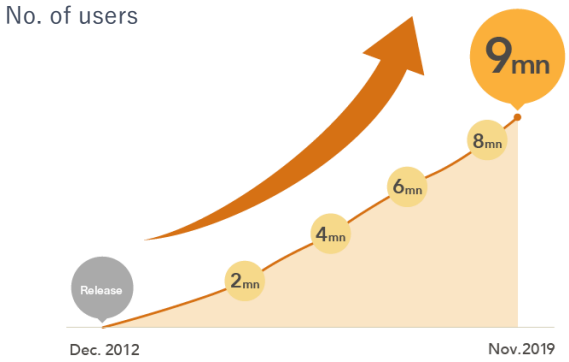
Money Forward ME - Automated PFM Service

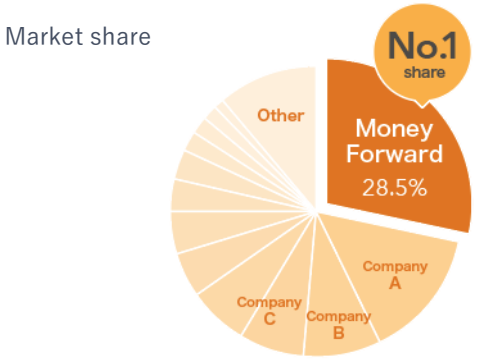
Money Forward ME is the No.1 PFM app in Japan*1, reaching 9 million users. One in four PFM app users are using *Money Forward.*

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 December 31, 2019

High Customer Ratings for both iOS and Android

Customer satisfaction is high, with a rating of 4 or more for both iOS and Android versions.

iOS



4.4/5

No. of reviews=69,000

Android



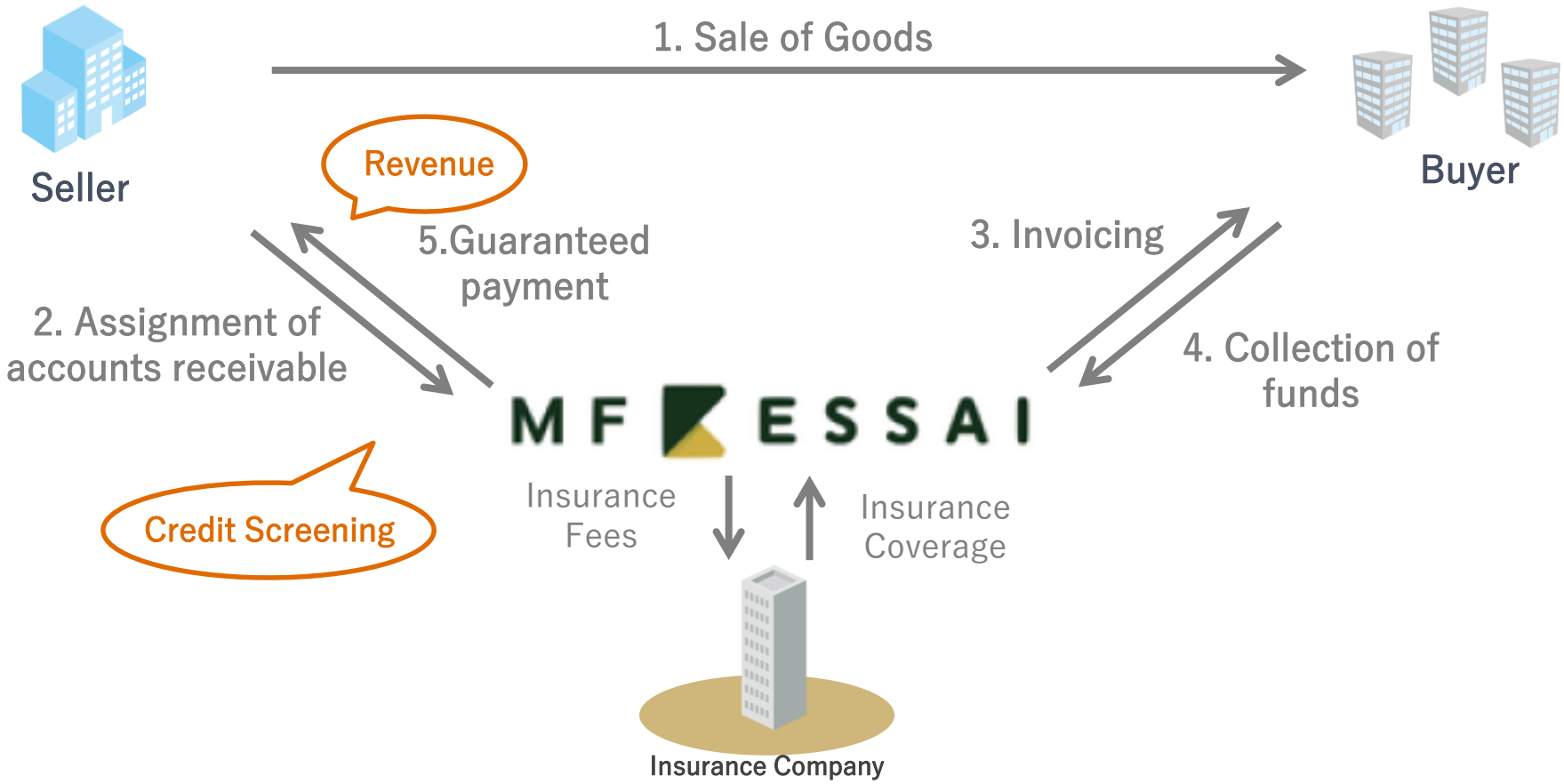
4.2/5

No. of reviews=33,000

※ Created based on data from App Store and Google Play (as of January10, 2020).

MF KESSAI - Online Invoicing and Factoring Services

MF KESSAI is a business process outsourcing and factoring service.



Disclaimer

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