Financial Results for the 1st Quarter of Fiscal Year Ending November 30, 2020

Money Forward, Inc.

April 14, 2020

COVID-19 is spreading across the world and causing a significant impact on our daily lives.
We express our condolences to those who have passed away as well as our deepest sympathy to the families of the deceased. We also pray for the swift recovery of those who have been infected.

Furthermore, as the number of patients rise day by day, we would like to extend our sincere gratitude to medical professionals and others who are fulfilling their duties to treat patients and prevent the spread.

Based upon the mission “Money Forward. Move your life forward,” Money Forward, Inc. aspires to resolve society’s money-related issues.

We aim to contribute to society through such initiatives as visualizing personal and corporate finance, proposing personal wealth management and financial plans according to individuals’ lifestyle, and supporting corporate cash flow, promoting digitization of paper-based evidence and seals which prevent the move toward remote work, and spreading the use of cloud services which lead to enhanced productivity and management capabilities of companies.

While COVID-19 will inevitably cause damage to the economy, all of our employees continue to make a concerted effort to deliver our services in order to alleviate the anxiety of our individual customers and corporate clients in any way possible.

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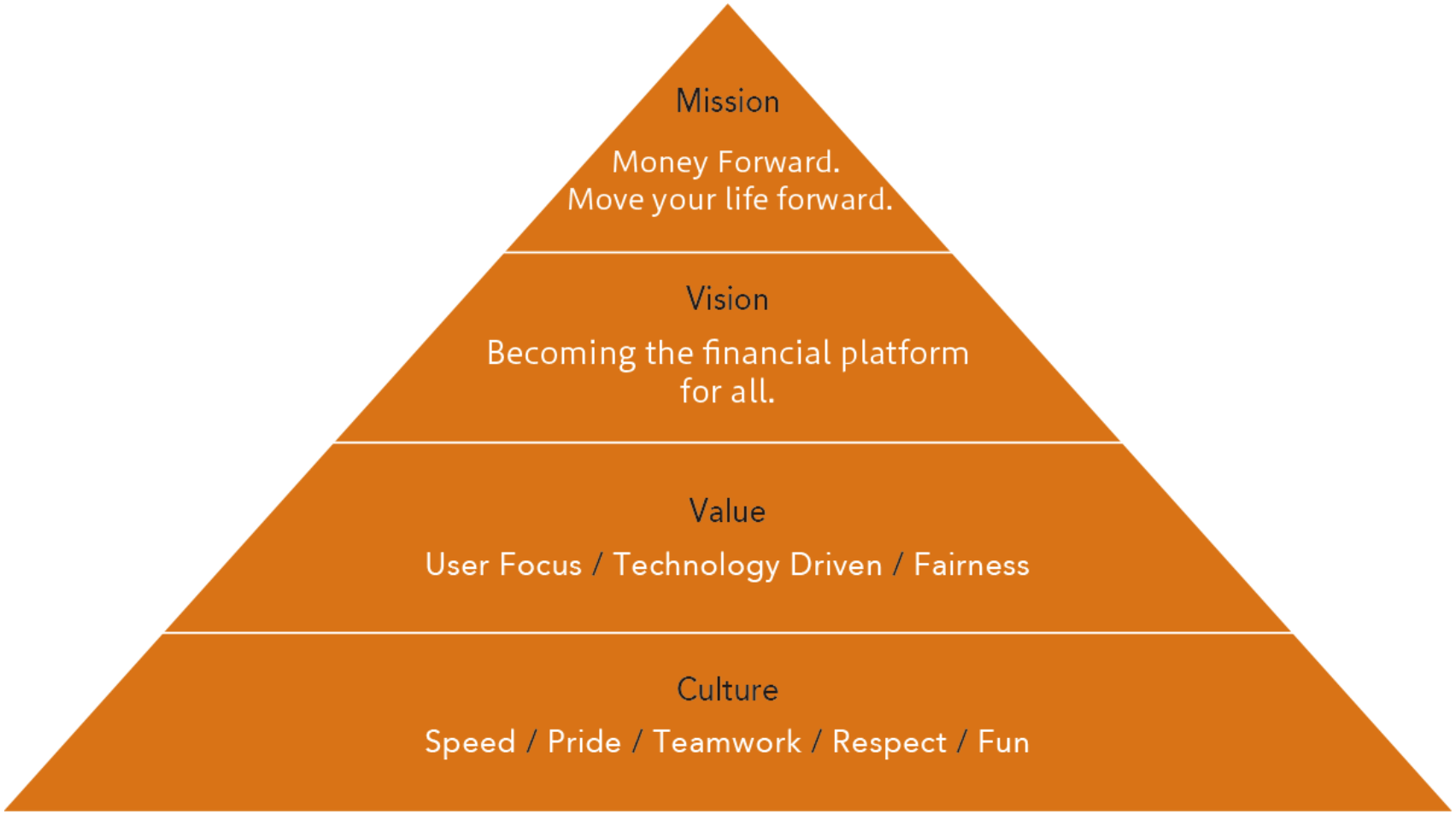
Our Business

Mission / Vision / Value / Culture



Nationwide Partnership

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 Labor and Social Security Attorney firms)

4,100+

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

98

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

34*1

# of API/Scraping connections with FIs

963*2

*1 As of end of March.
*2 Financial institutions that are contracted and published, have API connections or have started scraping connections. The number of scraping is 1.

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 Cloud Social Insurance
- Money Forward Cloud Accounting Plus
- 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

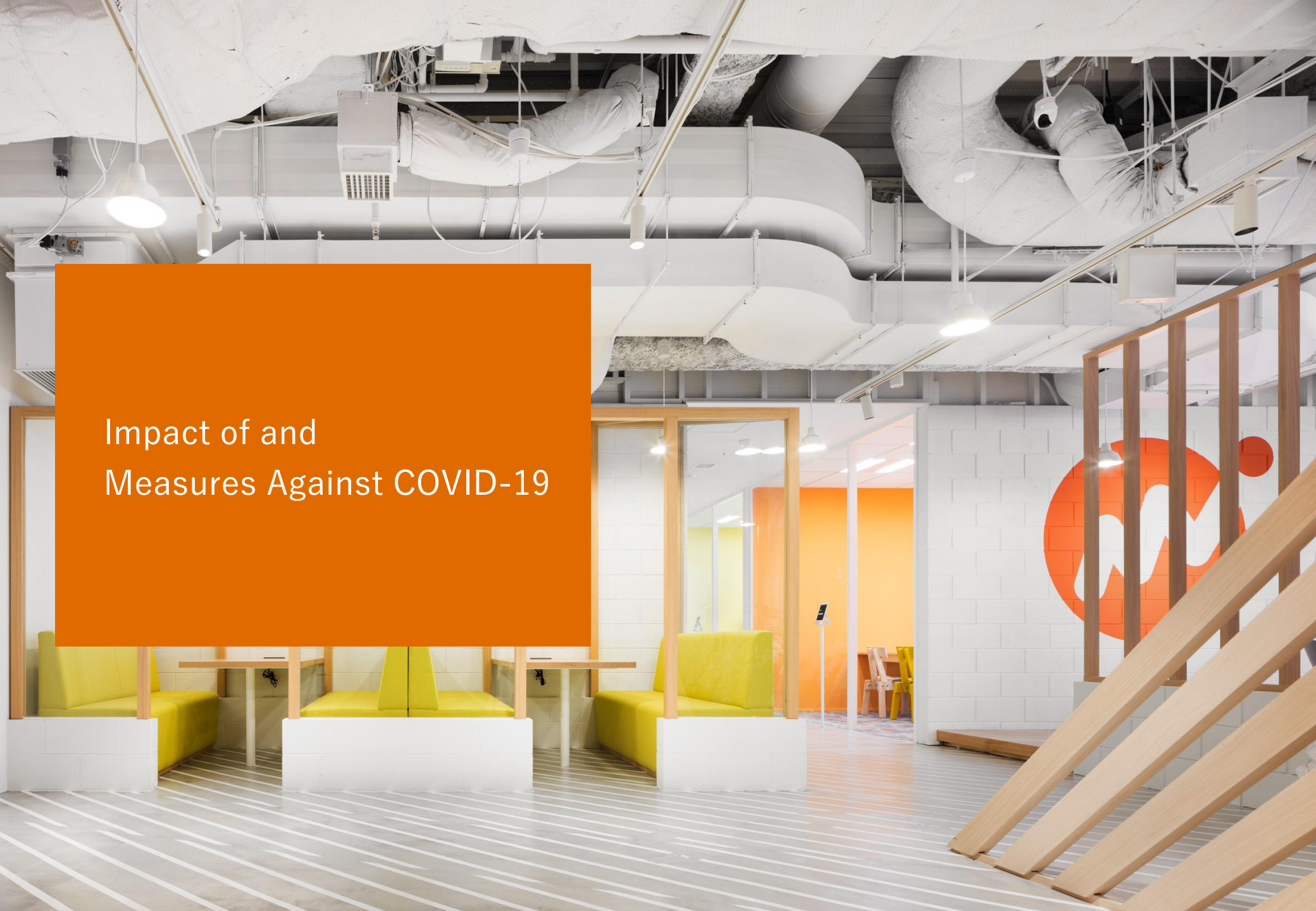
Create new financial services with partners.

- 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



Impact of and Measures Against COVID-19

Our Response to COVID-19

On February 21, we set up an Emergency Response Task Force, with Yosuke Tsuji, Representative Director and President and CEO, serving as chief executive.

	Internal and Employees	Customers and Business Partners
February	• Cancelled or postponed events and seminars organized by the Group • Limited non-essential and non-urgent domestic and overseas business trips • Encouraged staggered commuting • Reviewed use of conference rooms, etc.	• Cancelled or postponed events and seminars and switched to online events • Rescheduled interviews and switched to online meetings • Proposed SaaS services centered on those that promote remote back office operations
March	• Continued the above measures • Encouraged company-wide remote work from March 2 • Adopted remote work as a general rule from March 26	• Continued the above measures
April	• Continued the above measures • Prohibited working at the headquarters, etc. from April 8 (valid till May 6) • Applies to all the Company group'offices in regions subject to the "State of Emergency Declaration"	• Continued the above measures

Response to COVID-19 Infection of an Employee

It was confirmed that an employee working at the headquarters was infected with COVID-19. The employee is currently in stable condition.

Actions taken by the employee who was confirmed to be infected

March: 26 27 28 29 30 31 — April: 1 2 3 4 5 6 7 8 9

- 26 – 31: Worked from home
- 31 – 6: Developed a fever and observed health condition at home
- 6: Condition worsened; Received PCR testing at medical facility
- 9: Tested positive for COVID-19

Is currently treated at home as instructed by the relevant public healthcare center, and is in stable condition.

Inspection Results by Public Healthcare Center

- Employee was not in close contact with any customers, business partners, or the Company's officers and employees
- Disinfection, etc. of the headquarters was judged to be unnecessary



Disinfection work

Response Based on Company's Judgement

- Performed disinfection with the help of a professional institution
- Contacted and observed conditions of officers and employees as well as business partners with whom the patient had meetings, etc. within 14 days prior to developing a fever and confirmed that there were no issues

Company-wide Efforts Related to COVID-19

Launched various company-wide projects in anticipation of protracted impact.

Company-wide Remote Work, Including for Quarterly Financial Results

- Established and implementing company-wide remote work from February, placing top priority on the health of all employees and their families.
- Monthly and quarterly financial results are also being prepared remotely using *Money Forward Cloud Accounting Plus.*

Launch of Company-wide Projects

- Thoroughly reviewed overall costs.
- Implemented various measures to further optimize allocation of personnel and improve productivity
- Continue to expand bank loans (with an aim to prepare for prolonged risks - we do not face any problems in terms of immediate cash flow owing to the issuance of ¥4.79 billion worth of new shares in February).

Impact of and Measures Against COVID-19

Will pay close attention to developments and swiftly execute necessary measures.

Domain	Potential Impacts in and after Q2	Expected Measures
Business	• Loss of opportunities to acquire potential customers due to postponing or cancelling events • Decrease of ¥10 million* or less in net sales • Postponement or cancellation of business negotiations • Impact on customer retention rate • Rise in demand to implement cloud services	• Promote online business negotiations • Strengthen customer success • Respond to new demands
Home	• Decrease of ¥20 to 30 million* in net sales due to postponing or cancelling events • Rise in demand for PFM services	• Shift toward advertising in high demand • Respond to new demands
X	• Postponement or cancellation of ongoing projects or those under negotiation	• Promote online business negotiations and respond to new demands
Finance	• Increase in inquiries regarding *MF KESSAI* and *Money Forward BizAccel* • Increase in doubtful accounts of serviced users (none at this point of time)	• Provide financing functions based on adequate screening criteria • Implement continuous monitoring

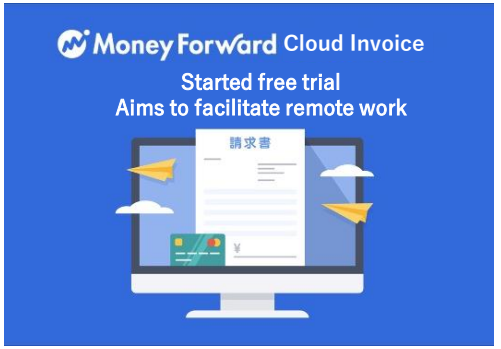
*The amount shown in “potential impacts in and after Q2” is the estimated impact on sales in FY11/20 Q2.

Efforts Related to COVID-19 (1/2)

Enhanced support for **promoting remote work** and **improving cash flow**.
Aims to become a social infrastructure as a **SaaS company that resolves social issues**.

- Launched **a website explaining the first round of applications for "2020 IT Introduction Subsidy."**
- Launched a website posting information on subsidies and grants, etc. for individuals and businesses, **"Summary of relief programs for COVID-19."**
- Provided a 90-day free trial for ***Money Forward Cloud Invoice***.
- Set up a **consultation desk for "Subsidy for Emergency Measures Concerning Business Continuity (Remote Work)."**
- Shared the **Company's know-how** on remote work both internally and externally.







Efforts Related to COVID-19 (2/4)

In response to voice of the customer, started live streaming for **individuals concerned about their personal finance or assets** due to a sharp drop in income or assets, etc.

- In response to voice of the customer, started live streaming **"Timely Facts About Money[*1]"** for **individuals concerned about their personal finance or assets** due to a sharp drop in income or assets, etc.
- Launched *Money Forward Cloud Community* which offers **online consultation on tax returns** [*2].
- Commenced support for a limited period for *MF KESSAI* and *ME KESSAI Early Payment*, and encouraged **enhanced risk support including for deteriorating cash flow** and outsourcing of invoice operations.
- Offered **online funding consultation for startups** with venture capitals.

Special Event

Live video will be available!

April 10/17 @19:00
Max. Attendance 1,000.
free of charge



Ryu Sawakami
Representative Director and President, Sawakami Asset Management Inc.



Mitsuaki Yokoyama
Personal Finance Revitalization Consultant, Representative of MYFP



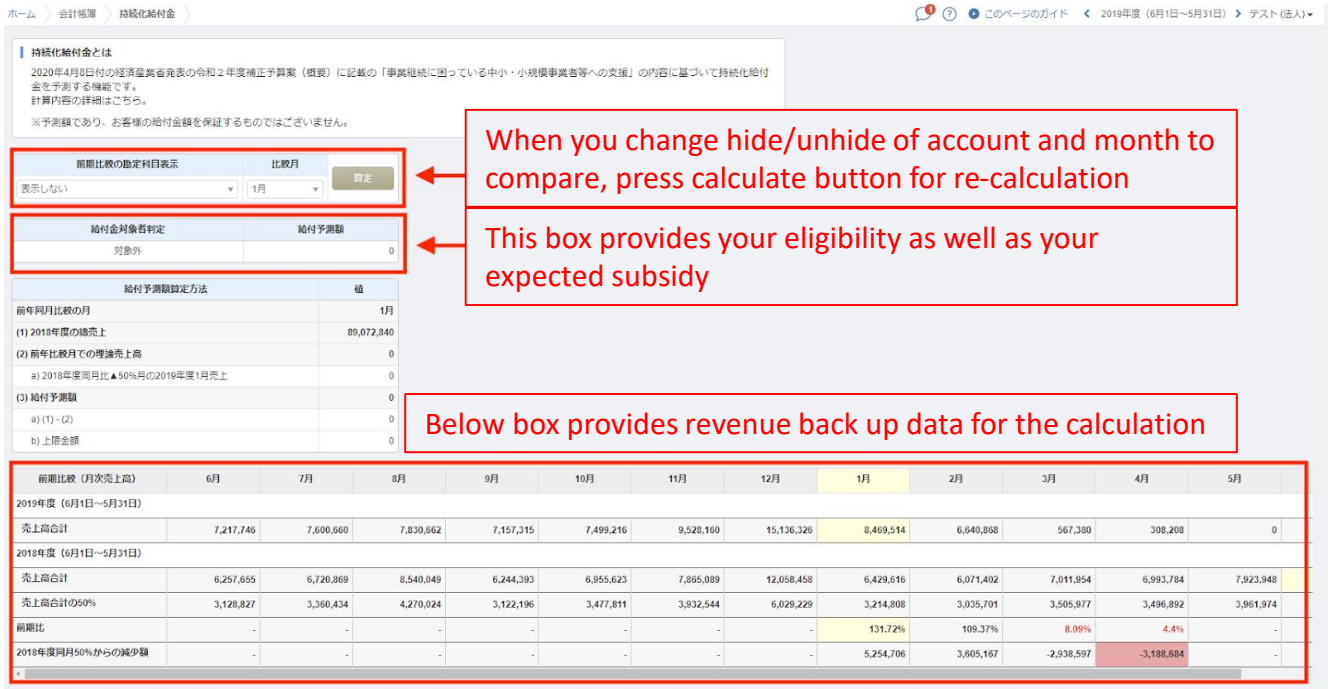
Mie Ido
Economic essayist, CFP®, Social Insurance Labor Consultant

*1 About 700 people watched "The impact on household finances and assets due to the spread of COVID-19 and measures" delivered by Mr. Yokoyama on April 10.
*2 Advice from the Company does not include advice on such matters as tax consultation which only tax accountants or other professionals can offer.

Efforts Related to COVID-19 (3/4)

Launched new functions to find out eligibility for receiving “Subsidy for ongoing businesses” as well as calculation of expected subsidy amount.

- “Subsidy for ongoing businesses”, which was announced as part of economic relief package requires complicated computation for one’s eligibility and subsidy amount.
- **The new function provides expected eligibility as well as subsidy amount.**
- Continuous update planned upon announcement of further detail of the subsidy.



Efforts Related to COVID-19 (4/4)

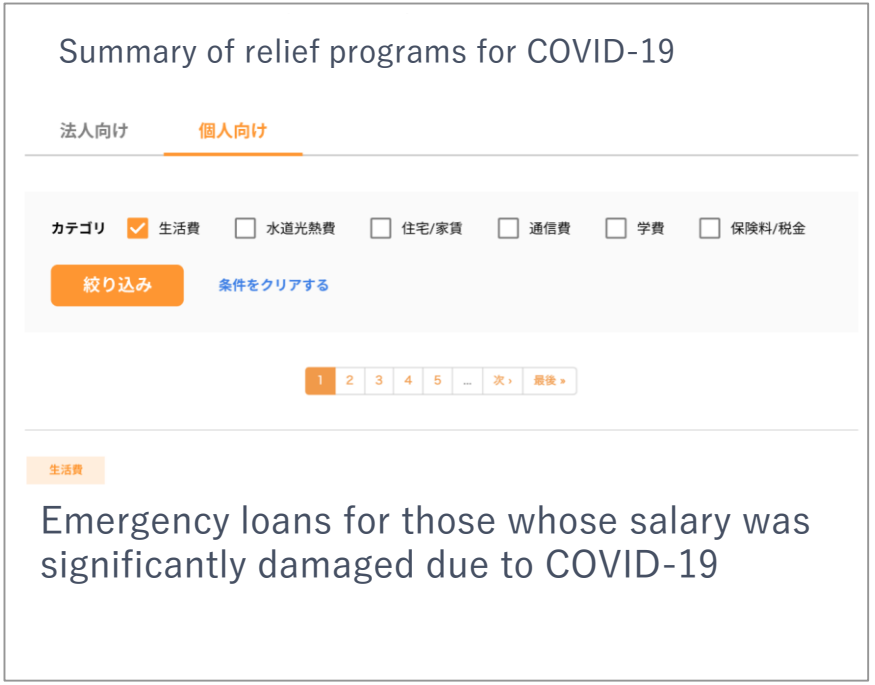
Released websites for individuals, who were affected financially by COVID-19, **to easily search for various relief and subsidy provided by governments and corporates**.

- Posts support program such as emergency loan/subsidy as well as extension of payment for mobile bills and utility bills.
- Liaises with social workers and mental health workers who have been working on the ground.

For Individual Use

Summary of relief programs for COVID-19

Money Forward



Strong SaaS (Software as a Service) Business Model

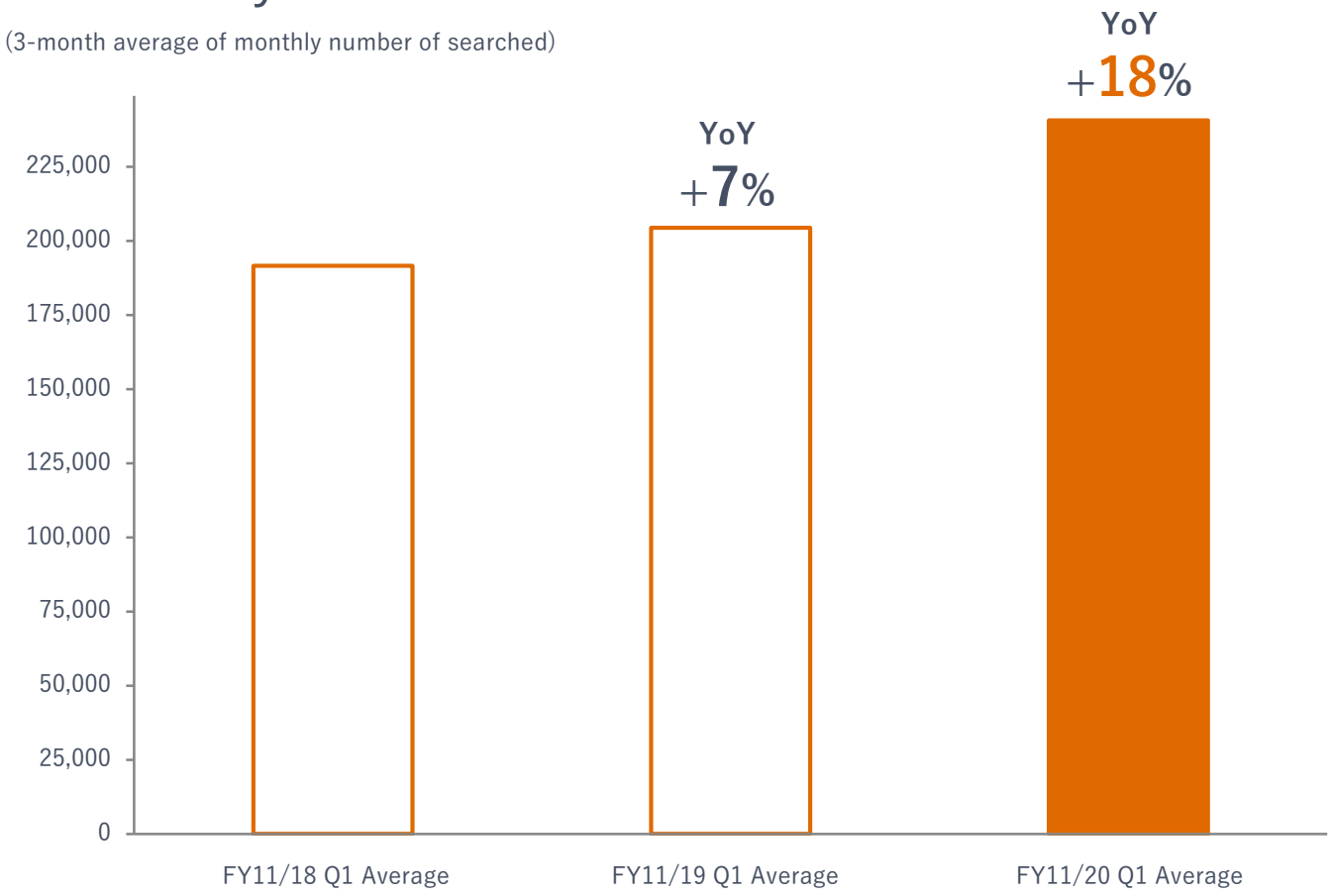
SaaS business, which is based on a stock model, is less susceptible to slowdowns in consumer spending or supply chain disruptions, etc.

- Since our business is based on a **subscription (recurring subscription charges) business model**, forecasting net sales is relatively easy.
  (Recurring revenue accounts for approx. 90% of Business domain's net sales.)
- **The business model offers a high gross profit margin** (the Company's gross profit margin is 70%*), enabling raising profit margin through reduction of SG&A expenses based on management decisions.
- In contrast to conventional packaged software, our services **generally do not require initial implementation costs** and are also inexpensive; therefore **the initial implementation cost is limited.**
  (e.g., the Small Business Plan is ¥2,980 or more per month)
- **Since SaaS services promote remote working** and aim to increase productivity, demand is expected to rise further.

* Consolidated basis.

Continued Increase in Recognition of the Company and Demands

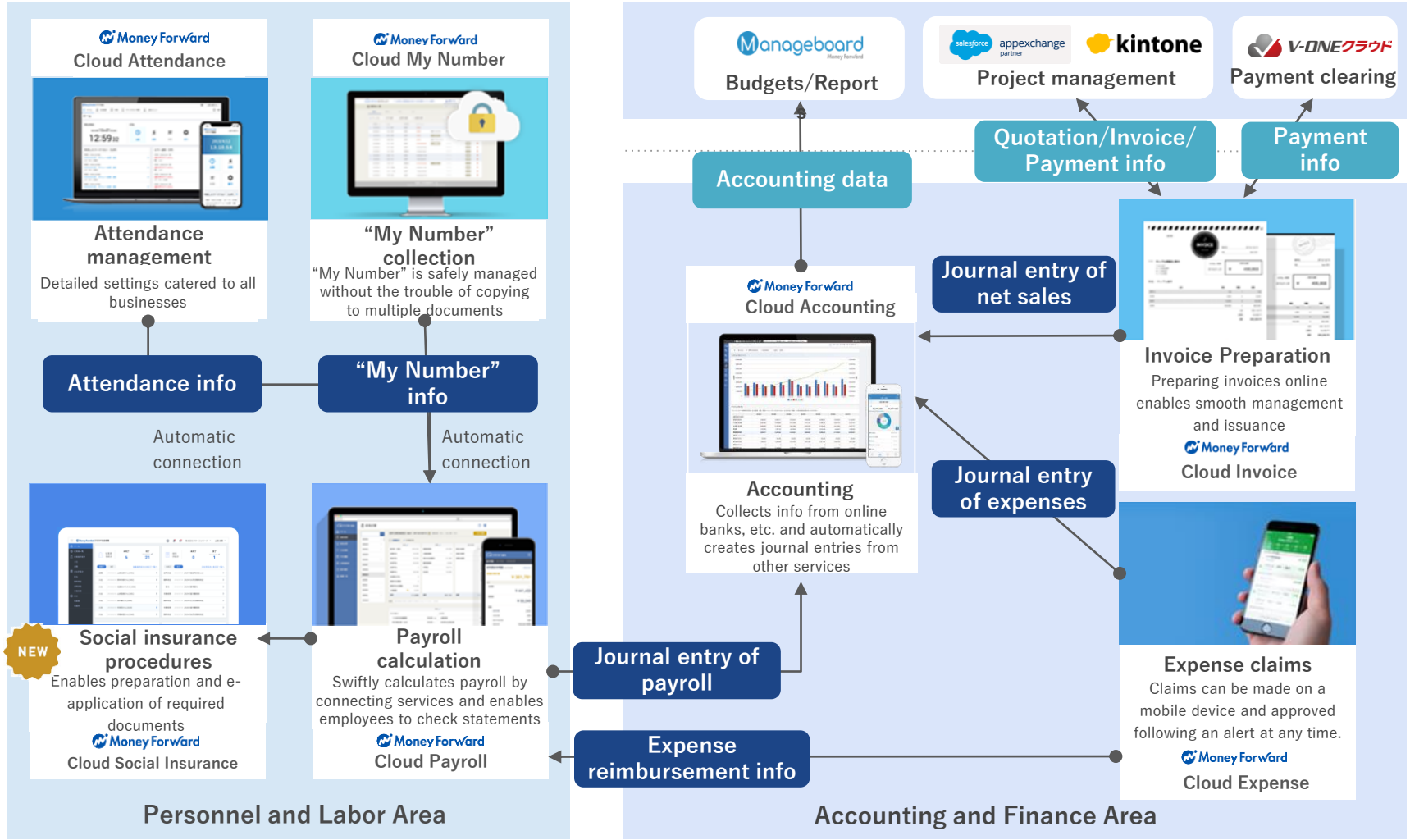
In addition to a continued rise in recognition of the Company which promotes cloud services and visualization, the number of searches for the Company has recently accelerated.



* Total number of searches based on Google AdWords for "MFクラウド (Cloud)", "money forward", "マネーフォワード (Money Forward)", and "マネーフォワード クラウド (Money Forward Cloud)".

Back office Services That Promote Remote Work

Using various *Money Forward Cloud* services enables **remote work in back office operations**.



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Voice of the Customer of Corporate Users

Using our services enables smooth business operations even in a remote environment.



Owing to the use of cloud, operations were hardly affected.

Ms. Kimi Narisawa, Director, Sming co., ltd.

Our operations were hardly affected by the COVID-19 owing to utilizing cloud. We can check employees' working status at home using the attendance function, and payroll and accounting data are linked. Our invoice operations are also cloud-based, so we were able to smoothly collect accounts receivable. We are truly glad that we had digitized all possible operations.



The shift to cloud was not only effective in remote work, but in all areas.

Mr. Kazuhiro Watanabe, Director and Vice President, CLEAN HOUSE

Without the implementation of cloud, I believe our company would not have been the same. We were able to adopt remote work since we had shifted to cloud using such services as *Cloud Accounting*, USEN's cash register and *G Suite*.
Using cloud brings about many changes since various services are introduced, causing many employees to adopt a positive mindset and leading to enhanced value of accounting personnel (i.e., they acquire skills in cloud utilization in addition to regular accounting operations). We feel the impact of implementing cloud services not only in remote work, but also in various other areas.

Many Listed and Unlisted Companies Use Our Services 20

Our platform is used by **over 40%** of the top 100 unlisted companies ranked by amount of funds raised*.

Listed Companies

Chatwork　VALUE COMMERCE　feedforce

UZABASE　giftee*　SPACEMARKET　ビザスク

Growing Companies

BIZREACH　Mirrativ　Astroscale

Retty　DOME UNITED　CAMPFIRE

CADDi　Timee　COCON

*Top 100 companies based on amount of funds procured among unlisted companies that procured funds between January 1, 2018 and August 1, 2019, based on the Company's research. *The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

Voice of the Customer of Tax Accountant Office and Labor and Social Security Attourney Firm

Actively uses cloud services represented by *Money Forward Cloud* to respond to clients' needs and expectations even in times of emergency.



Felt the impact of promptly shifting to cloud.

Mr. Makoto Mishima, Representative Partner,
TripleGood Certified Public Tax Accountant's Corporation

We have promoted the shift to cloud among over 1,000 clients since right after *Money Forward Cloud* was released. While we initially faced various challenges, we have been able to carry out online meetings with clients, check management data using *Cloud Accounting* functions, and adequately execute operations even during the COVID-19 crisis, and thus acknowledge the positive effects of having shifted to cloud at an early stage.



Shifted to remote work with hardly any preparation.

Mr. Hiroto Okamoto, Representative Partner,
Shujiinoyouna Labor and Social Security Attorney Corp

Since we had introduced cloud services, including *Money Forward Cloud*, in all of our operations, all employees who had been commuting using public transportation were able to shift to remote work with hardly any preparation from February, when measures against the COVID-19 were implemented in full scale in Hokkaido. We are truly grateful!

Expanded Partnerships with Accounting Firms and Labor and Social Security Attorney Firms Across Japan

Collaborating with over **4,100*** accounting firms and labor and social security attorney firms across Japan.

Hokkaido Tohoku

シマ会計 / Accounting Resource Management Service アームズグループ / 税理士法人ノースブレーン NORTH BRAIN / Parts Formation 税理士法人 中野会計事務所 / あすか 税理士法人 ASUKA Tax accountants' Co.

Kanto Koshin-etsu

KODATO 株式会社 古田土経営 税理士法人 古田土会計 / OAG Ohta Accounting Group / TOTAL Group 税理士法人 TOTAL / ATLAS アトラス総合事務所 / Seven Rich 会計事務所 Seven Rich Accounting / KJM 税理士法人 児島会計 / ベンチャーサポート税理士法人 VENTURE-SUPPORT / 黒川税理士事務所 / BUSINESS NAVIGATION / A.G.S.

Tokai Hokuriku

SMC ホールディングス SUPPORT MANAGEMENT CONSULTANTS / MMPC GROUP / 税理士法人 大樹 / Ion / 税理士法人スマッシュ経営 / 顧客企業の繁栄に総合力で奉仕する 合同会計グループ

Kansai

TripleGood トリプルグッドグループ / ひかりアドバイザーグループ ひかり税理士法人 / Ogasahara Solution & Accompany 御堂筋税理士法人 / ひろせ税理士法人 HIROSE LICENSED TAX ACCOUNTANT / act-cess

Chugoku Shikoku

axis 税理士法人アクシス / お客様企業の「黒字化と節税」が私たちの目標です。 みどり合同税理士法人グループ / 形山税理士事務所 株式会社形山会計 / 広島県広島市中区 菊池孝太郎税理士事務所 / 下川・柏信 税理士法人

Kyushu

アップパートナーズグループ / TAKEUCHI Total Accounting / 税理士法人アーリークロス / 永田経営グループ NAGATA Management Group / KAF 黒川合同会計事務所 Kurokawa Accounting Firm / エスペランサ税理士法人

*As of March 31, 2020 *The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.



Highlights

Highlights in FY11/20 Q1

- Q1 consolidated net sales growth accelerated to **71% YoY** reaching ¥2.39 billion*1.
- Gross profit reached a **record high** of ¥1.67 billion, while gross profit margin **improved to 70%. Achieved profitability** in EBITDA excluding advertising expenses.
- **Stock sales ratio*2 accounted for 78%** of Q1 consolidated net sales, representing a solid foundation for sustainable growth.
- Group annual recurring revenue (APR) *3 increased by **64% YoY** to ¥7.87 billion, while B2B net sales increased by **89% YoY** to ¥1.94 billion*4.
- KPI in Business domain trended steadily. (Please refer to P.37 for details.)
- PMI of Smartcamp Co., Ltd. showed steady progress. Net sales from marketing platform *BOXIL* increased accompanying the promotion of remote work.

*1 Smartcamp Co., Ltd.'s net sales are included from FY11/20 Q1. *2 Stock sales ratio is calculated by dividing FY11/20 Q1 recurring revenue by FY11/20 Q1 consolidated net sales. Recurring revenue includes: 1) net sales from charges 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 BPO invoicing service *MF KESSAI* in Finance domain. *3 Group annual recurring revenue (ARR) is calculated by multiplying Group monthly recurring revenue (MRR) for February 2020 by 12. Please refer to P.77 for detailed KPIs definitions. *4 B2B net sales is the total of net sales of Business, X and Finance domains.

Enhanced Balance Sheet by ¥4.79bn Equity Issuance

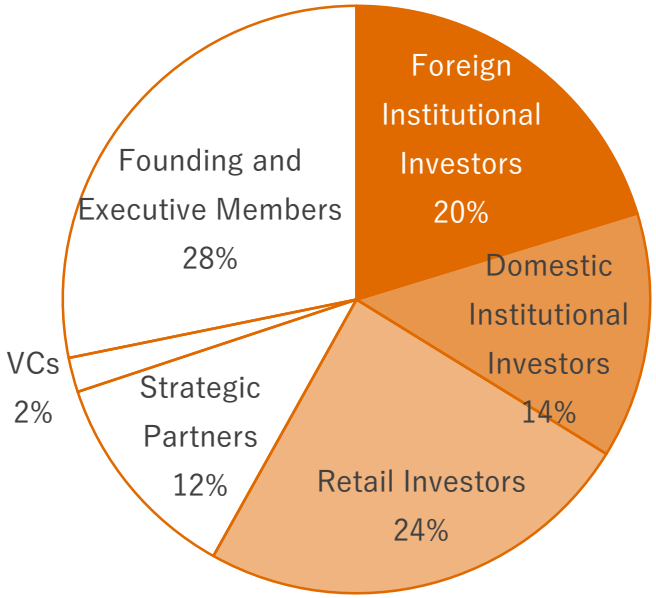
- **Raised ¥4.79 billion**[*1] in February 2020.
- **60 to 70 companies** submitted demands for offering. **Demand rose to approx. tenfold**[*2]**(approx. ¥50 billion)** within some seven hours after announcing the offering.
- Adopted a method of offering new shares termed accelerated book-building[*3] (ABB) **to minimize the impact of share price**.
- Share price (closing price) on the day following the announcement was **1.41%, falling below** the dilution rate (4.95%).
- During the period from pricing to payment date, share price reached **¥5,240** (closing price on February 5), **exceeding** the issue price (¥4,577).

*1 Based on the amount to be paid in. Please refer to the press release dated January 22, 2020 for further details.
*2 Source: Dealwatch
*3 A method whereby book-building is completed and offering and pricing terms are determined in a short period after the offering is announced, usually within one day to a few days.

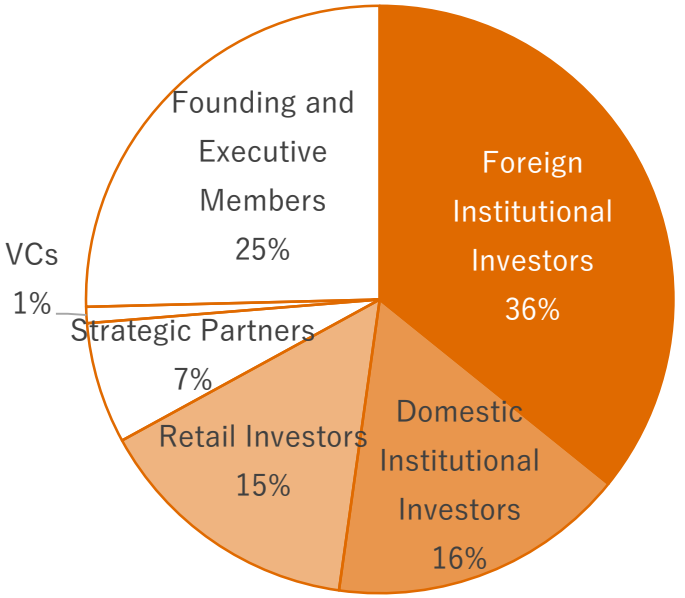
Over 50% of Shareholders Are Institutional Investors

Foreign institutional investors account for 36% and domestic institutional investors for 16%*1. The ratio of foreign institutional investors is expected to rise following the issuance of new shares through international offering.

As of November 30, 2018



As of November 30, 2019
(before issuing new shares by way of international offering*2)

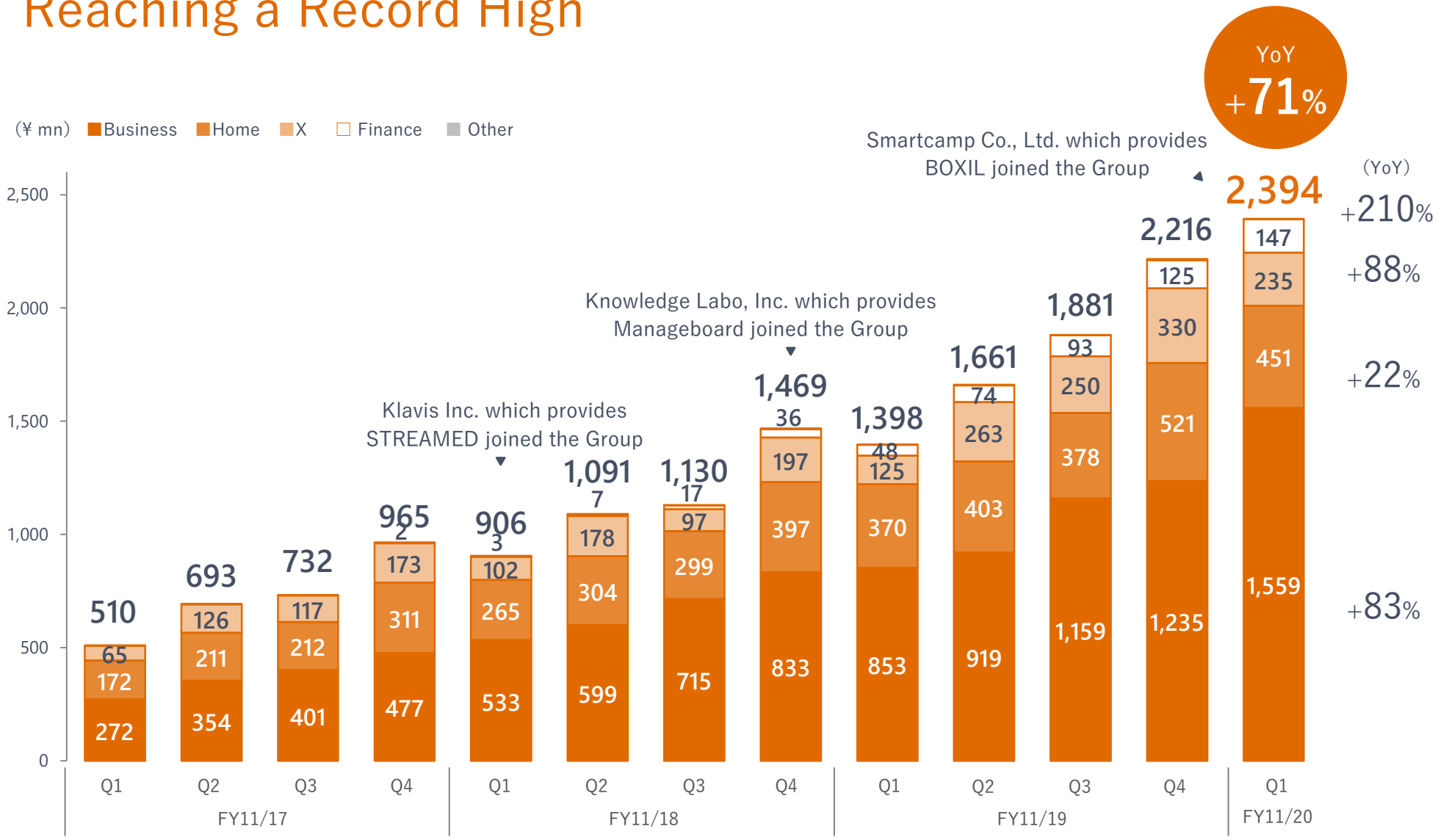


*1 As of November 30, 2019. *2 Issuance of new shares worth ¥4.79 billion by means of international offering carried out in February 2020. * Institutional investors that submitted substantial shareholding reports are represented by: JPMorgan Asset Management (Japan) Limited; Capital Research and Management Company; Rheos Capital Works Inc.; T. Rowe Price Japan, Inc. and FMR LLC.



Financial Performance in FY11/20 Q1

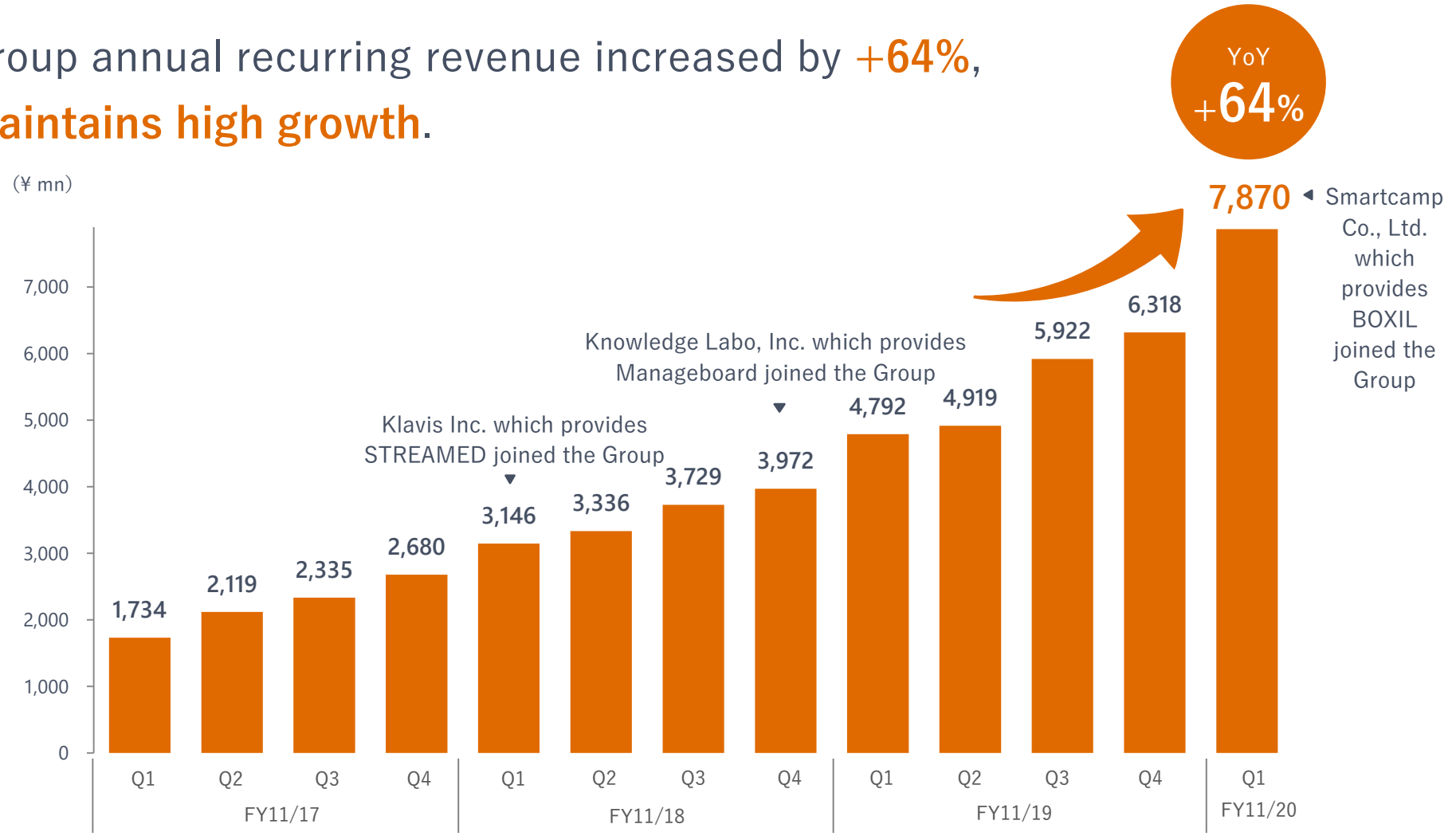
Q1 Consolidated Net Sales Increased by 71% YoY, Reaching a Record High



* Figures for net sales of “Other” domain are omitted from the graph. * Net sales of Klavis Inc. was consolidated from FY11/18 Q1, Knowledge Labo, Inc. and Wakufuri, Inc. were consolidated from FY11/18 Q4, Smartcamp Co., Ltd. was consolidated from FY11/20 Q1.

Group ARR Maintains High Growth

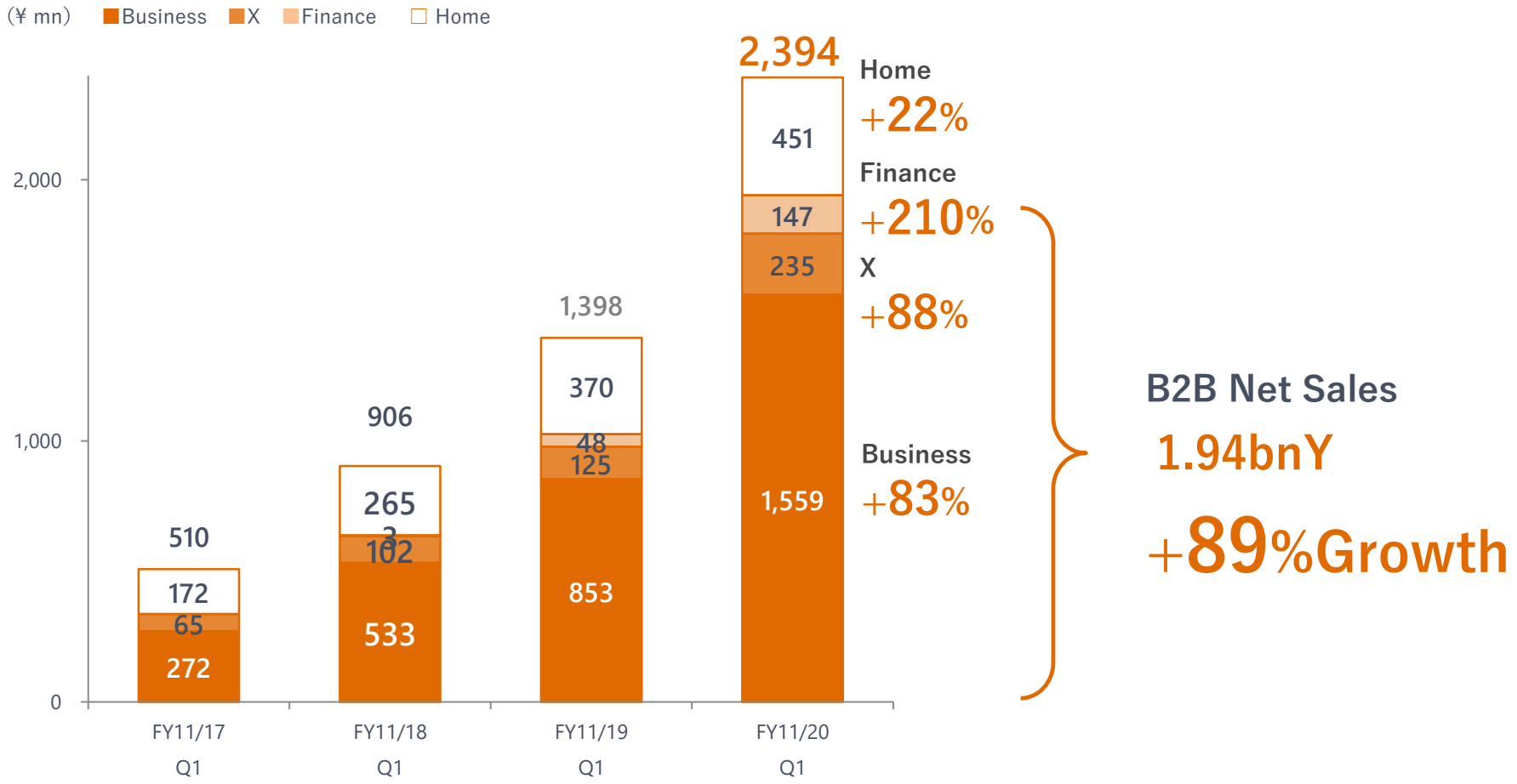
Group annual recurring revenue increased by **+64%**, **maintains high growth**.



* Net sales of Klavis Inc. was consolidated from FY11/18 Q1, Knowledge Labo, Inc. and Wakufuri, Inc. were consolidated from FY11/18 Q4, Smartcamp Co., Ltd. was consolidated from FY11/20 Q1. * 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) 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. * Group ARR includes 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 FY11/19 Q2, to FY11/20 Q1 net sales) from FY11/20 Q1.

Growth in B2B Net Sales Accelerated to 89% YoY

Growth accelerated in Business, Finance and X domains. Meanwhile, the challenge going forward is to boost the growth rate of Home domain.



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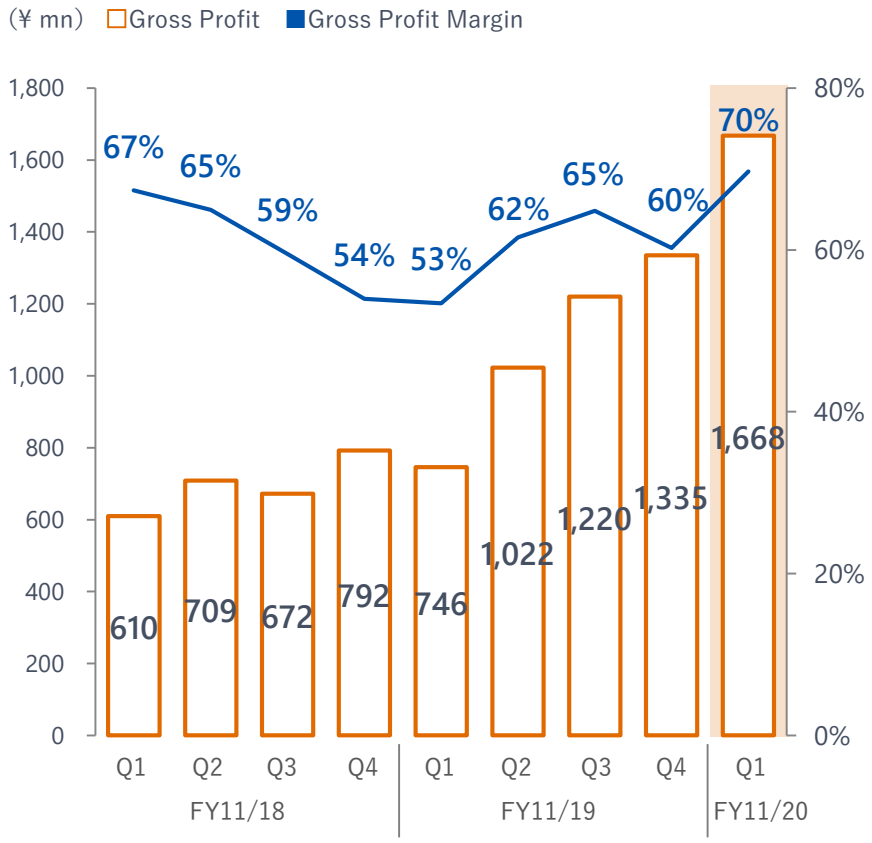
Gross Profit / EBITDA (Quarterly Trend)

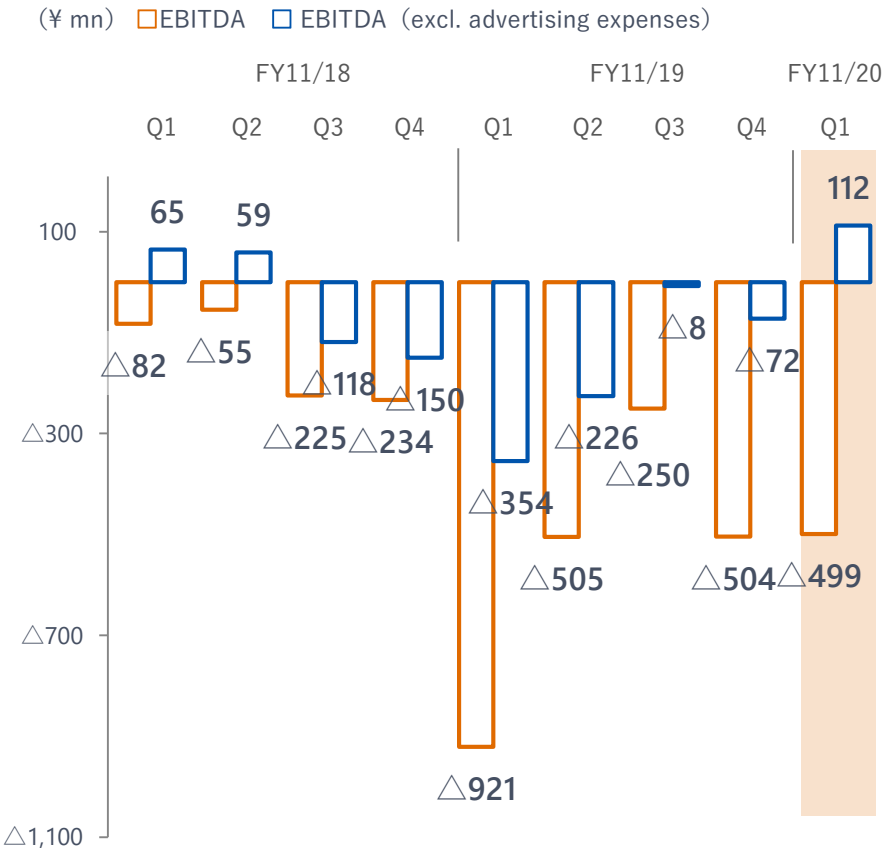
Gross profit and gross profit margin marked **record highs**.

Achieved profitability in EBITDA excluding advertising expenses.

Gross Profit



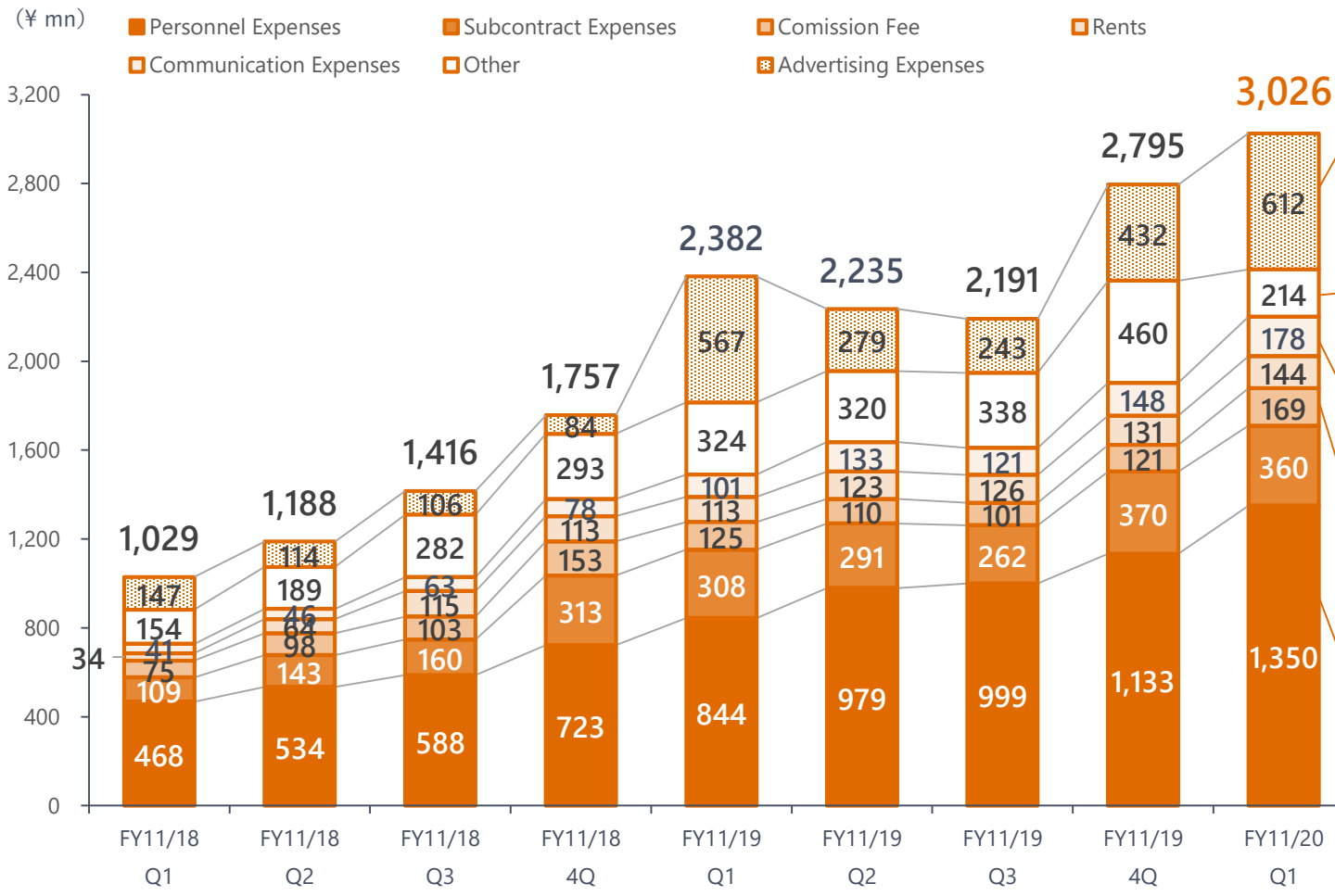
EBITDA



* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses * Tax expenses included in operating expenses is added to EBITDA from FY11/20. The graph above calculates EBITDA for previous terms using the same definition. * Capitalized software for a development project that is expected to generate revenue going forward, owing to continued enhancement of development capabilities.

Breakdown of Expenses (Cost of Sales & SGA)

Personnel expenses increased accompanying the acquisition of Smartcamp Co., Ltd.



Advertising expenses
- Expenses related to TV advertising campaigns in Home domain and marketing expenses directed at the tax return season in Business domain

Other
- Decrease in recruiting/training expenses, and allowance for doubtful accounts, among others
- Deducted the impact (worth ¥180 mn) of capitalizing software*1

Communication expenses
- Increase in server cost and tool usage fees

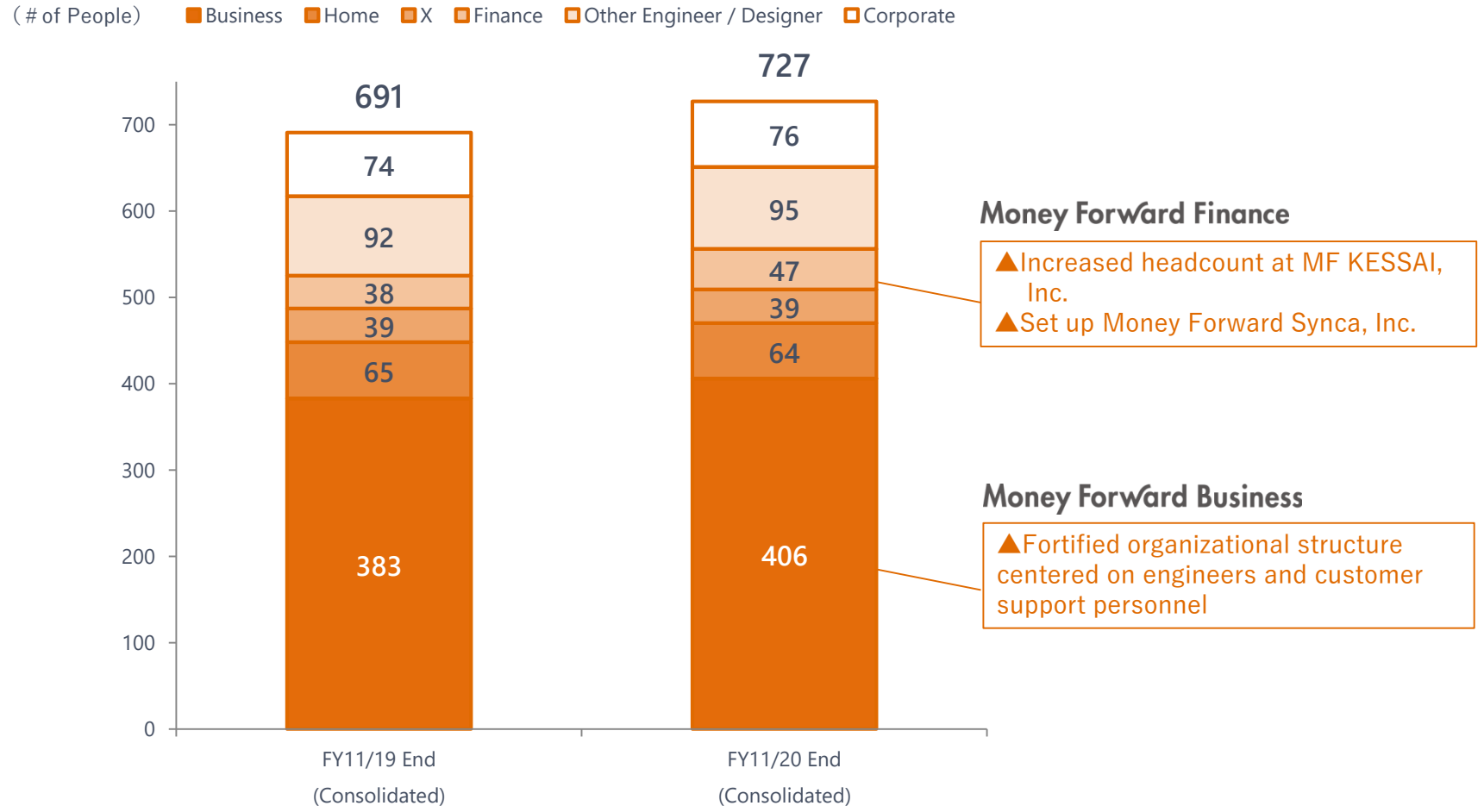
Commission expenses
- Increased due to Smartcamp Co., Ltd. joining the Group and expenses for organizing events

Personnel expenses
- Increased mainly in Business domain due to Smartcamp Co., Ltd. joining the Group among other reasons

* "Other expenses" include amortization of goodwill, traveling and transportation expenses, fee expenses, and recruiting/training expenses, among others. *1 Capitalized software for a development project that is expected to generate revenue going forward, owing to continued enhancement of development capabilities.

Full-time Employees

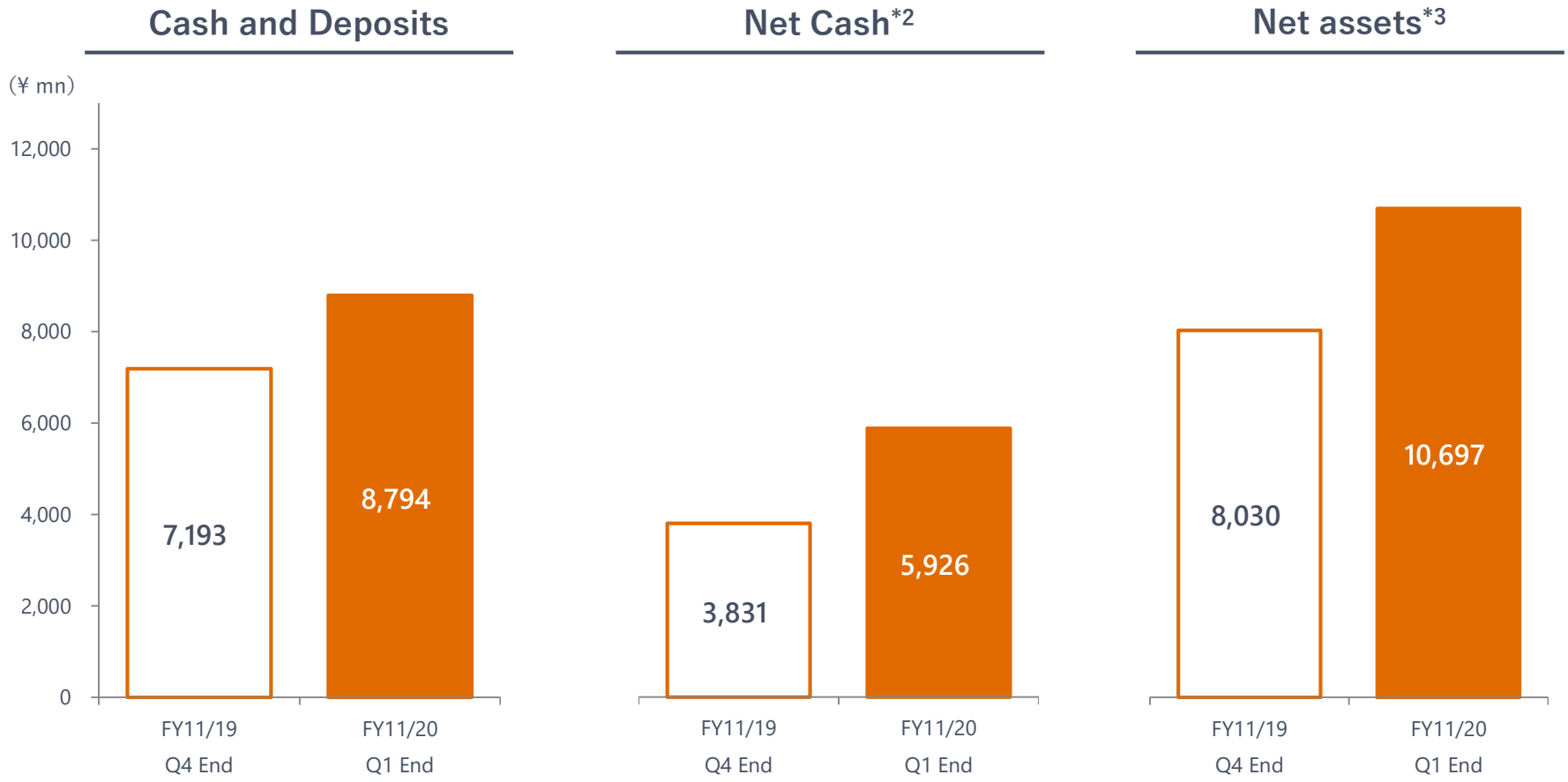
Fortified organizational structure centered on Business domain. Engineers and designers currently account for some 40%.



* Smartcamp Co., Ltd. is included in the figures as of the end of FY11/19.
* 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

Issued new shares by means of international offering in February, raising ¥4.79 billion*1 and thereby enhancing balance sheet. Smartcamp Co., Ltd. became a wholly owned group company for ¥1.38 billion.



*1 Please refer to “Announcement Regarding Determination of Issue Price and Other Matters” dated January 22, 2020 for details. *2 Deducted interest-bearing debt from cash and deposits and added back purchased receivables of *MF KESSAI*. Amount of purchased receivables was ¥2.07 billion in FY11/19 Q4 and ¥2.4 billion in FY11/20 Q1. *3 Major increases/decreases in FY11/20 Q1 consist of: issuance of new shares (approx.¥4.79 billion), decrease in capital surplus due to Smartcamp Co., Ltd. becoming a wholly owned group company (approx. negative ¥1.34 billion), and loss attributable to owners of parent (approx. negative ¥660 million).


Money Forward Business

Money Forward Business Highlights in FY11/20 Q1

- Growth accelerated in **Q1 recurring revenue, increasing by 80% YoY** owing to growth in existing businesses and the acquisition of Smartcamp Co., Ltd.
- **Average Revenue per Paying Account (ARPA)** rose steadily **to ¥61,558**[*1].
- **Customer Churn Rate** was **1.4%**[*2]**. Churn Rate based on Monthly Recurring Revenue (MRR)** was **negative 2.3%**[*3] and continued to achieve a negative churn.
- **Net Revenue Retention** was **131%**[*4], maintaining high levels.

*1 Annualized figure as of February 29, 2020. ARPA as of the end of FY11/20 Q1 excludes seasonal factors of cloud-based bookkeeping service *STREAMED*. *2 The 3-month average up to February 2020. *3 The 12-month average up to February 2020. *4 Recurring revenue as of the end of FY11/20 Q1 coming from paying users as of the end of FY11/19 Q1 divided by recurring revenue as of the end of FY11/19 Q1. * Please refer to P.77 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

Money Forward Business FY11/20 Q1 KPIs

ARPA increased steadily, MRR churn continued to be negative churn.

ARPA

¥61,558[*1]

Customer Churn Rate

1.4%[*2]

MRR Churn Rate

△2.3%[*3]

Net Revenue Retention

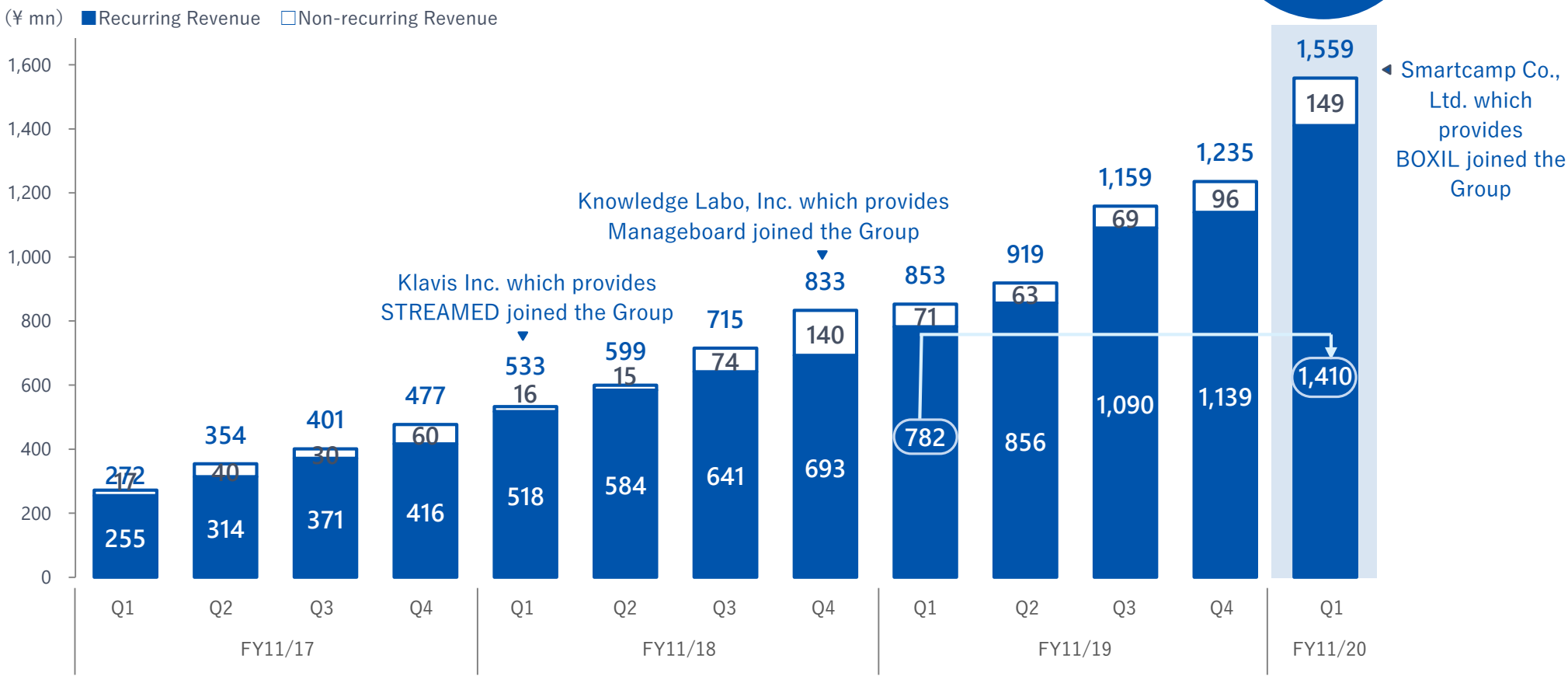
131%[*4]

*1 Annualized figure as of February 29, 2020. ARPA as of the end of FY11/20 Q1 excludes seasonal factors of cloud-based bookkeeping service *STREAMED*. *2 The figure is 3-months average up to February 2020. The Customer Churn rate excluding the impacts from the introduction of new pricing plan was 1.2%, the 12 months average up to March. (As the new pricing plan was announced in April 2019, the 12-months average up to March 2019 is used). The 12-month average up to November 2019 was 1.8% . *3 The 12-month average up to February 2020。*4 Recurring revenue as of end of FY11/20 Q1 coming from existing paying users as of the end of FY11/19 Q1 divided by recurring revenue as of end of FY11/19 Q1. * Please refer to P.77 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

Net Sales from Money Forward Business

Recurring revenue growth in Q1 was solid at +80% YoY.

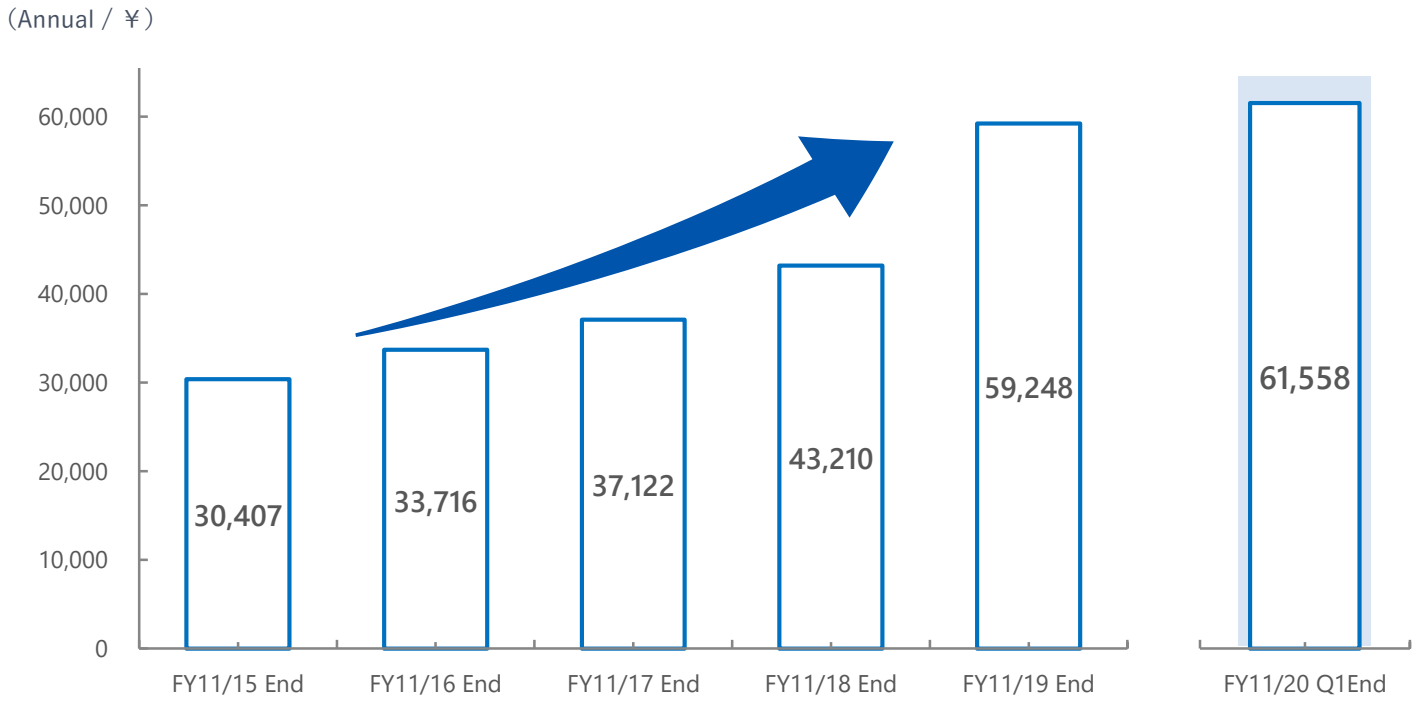
Recurring Revenue +80% YoY



* Net sales of Klavis Inc. was consolidated from FY11/18 Q1, Knowledge Labo, Inc. and Wakufuri, Inc. were consolidated from FY11/18 Q4, Smartcamp Co., Ltd. was consolidated from FY11/20 Q1. Net Sales for Smartcamp Co., Ltd. Q1 was approx. 250mn (of which recurring revenue was approx. 180mn) * 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. *Recurring revenue includes 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 FY11/19 Q2, to FY11/20 Q1 net sales) from FY11/20 Q1.

ARPA Continues to Increase Steadily

ARPA increased to ¥61,558 owing to continued product development and enhanced service line up.



*1 Annualized figure as of the end of each quarter. ARPA as of the end of FY11/20 Q1 excludes seasonal factors of cloud-based bookkeeping service *STREAMED*
* Please refer to P.77 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

Net Revenue Retention of Over 100%

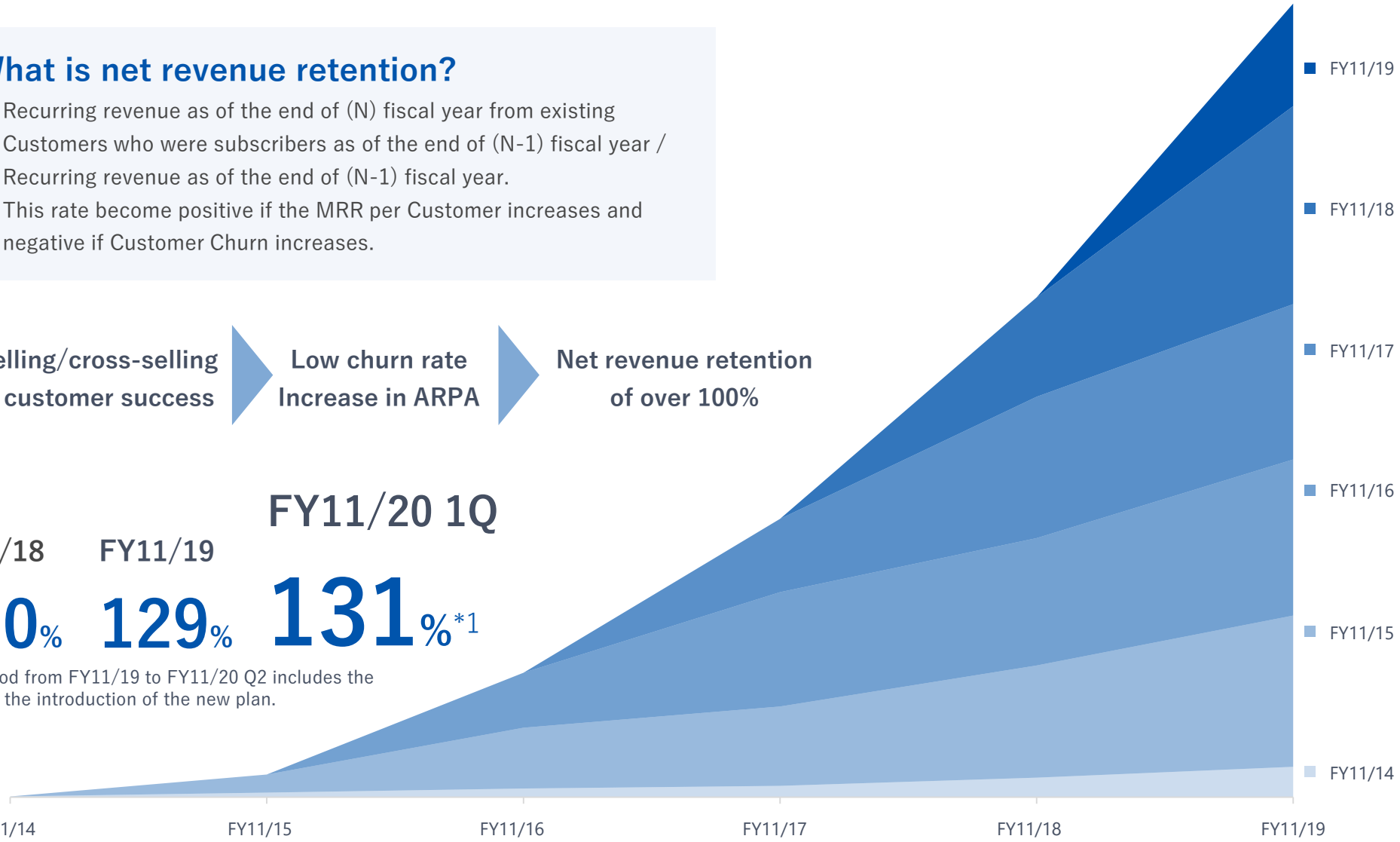
What is net revenue retention?

- 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	FY11/19	FY11/20 1Q
120%	129%	131%*1

*The period from FY11/19 to FY11/20 Q2 includes the impact of the introduction of the new plan.



* 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. * Above illustrates recurring revenue from customers acquired in the particular fiscal year. FY11/20 Q1 is not included. * Please refer to P.77 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

New Cloud Accounting and Social Insurance Services

Responds to a wider range of companies and needs through **raising efficiency of internal control for pre-IPO and listed companies** as well as **of social insurance procedures.**

Money Forward Cloud Accounting Plus



Received orders or consents from **30 companies or more** within a month after release.

Money Forward Cloud Social Insurance

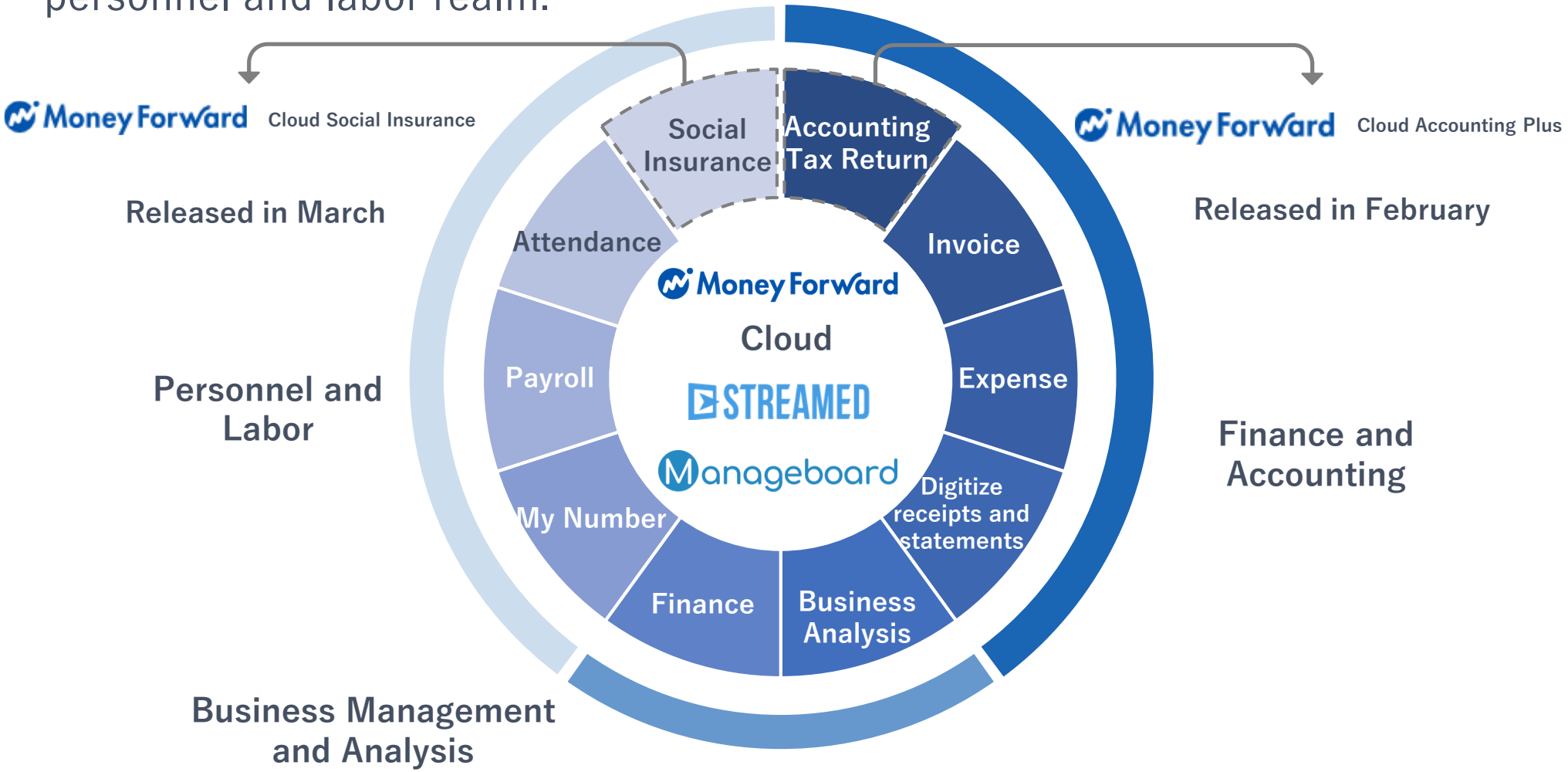


Is free of charge during promotional campaign period*.

* The campaign may be suspended without prior notice. Using *Money Forward Cloud Payroll* is a prerequisite for using *Money Forward Cloud Social Insurance*.

Expansion of Product Line up

Offering a wide-ranging line up for back office operations. **Entered into market targeting medium-sized companies** in the accounting realm, and responded to **obligatory electronic application of social insurance** in the personnel and labor realm.



Enhanced *Money Forward Cloud Store* Service Offerings 43

Plans to begin offering globally renowned SaaS services including *Zoom*, *Office365*, *G-suite*™*, *Dropbox* in *Money Forward Cloud Store.*

zoom　Office 365　G Suite　Dropbox

AI-CON 登記 Online application for registration support	Chatwork Business chat	hubble Service for managing and sharing legal documents
jooto Tool for managing tasks and projects	wevox Platform for enhancing organizations and teams	Manageboard Money Forward Cloud-based business management system

** G Suite* is a trademark of Google LCC. * The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

Launched “Cashless Transfer ”Service for Expenses

Enables cashless payment to reimbursement of expenses, reducing bank transfer fees paid by companies and time till reimbursement to employees.

Cashless transfer to employees

Enables low-cost and immediate, cashless expense reimbursement



LINE Pay

* To be released in late May

Jcoin

pring

* Users need to register to transfer services offered by each company. * The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

Online Exhibition "BOXIL EXPO 2020"

Will create opportunities for participants to come across with services that enable streamlining operations and implementing remote work, among others. **As an online exhibition representing a new era**, plans to offer matching services and seminars, etc.

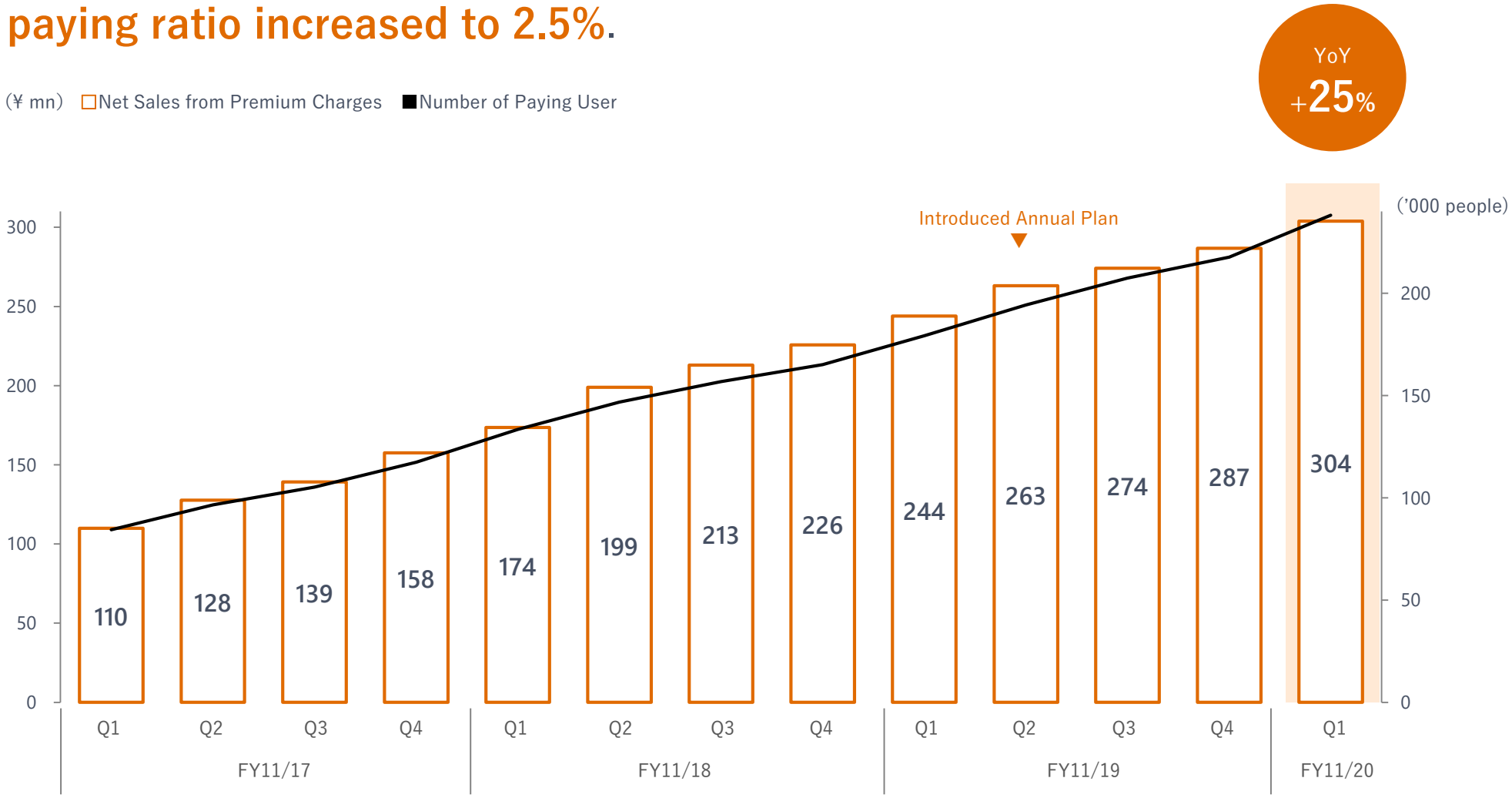


Money Forward Home



Net Sales from Premium Charges (Trend in Net Sales) 47

Number of paying users increased steadily **exceeding 230,000***, **paying ratio increased to 2.5%**.

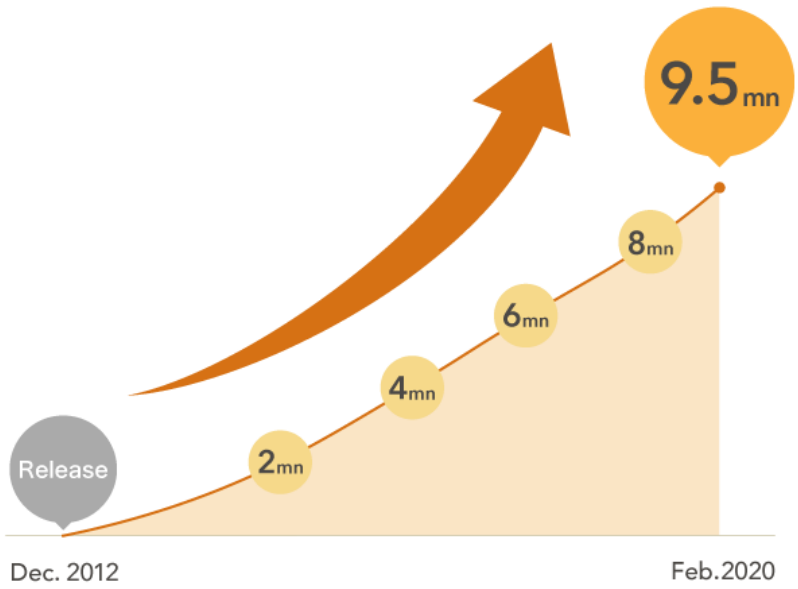


* As of end of February

Accelerated Increase in *Money Forward ME* Users

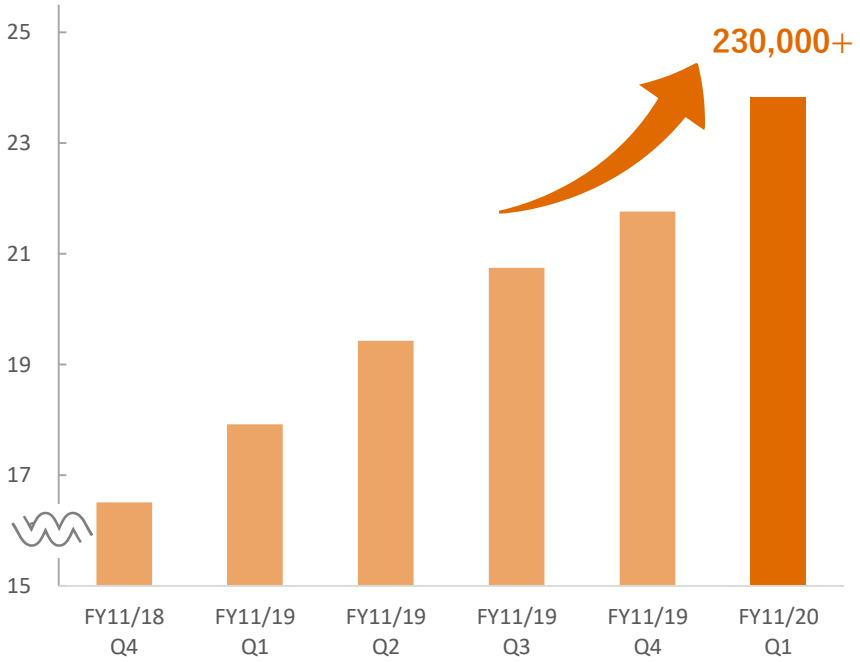
Number of Money Forward Me users exceeded **9.5 million**.
TV advertising campaigns and other efforts have accelerated the number of paying users.

Number of Users Exceeded 9.5 Million



Approximately three months to acquire 0.5 million new users

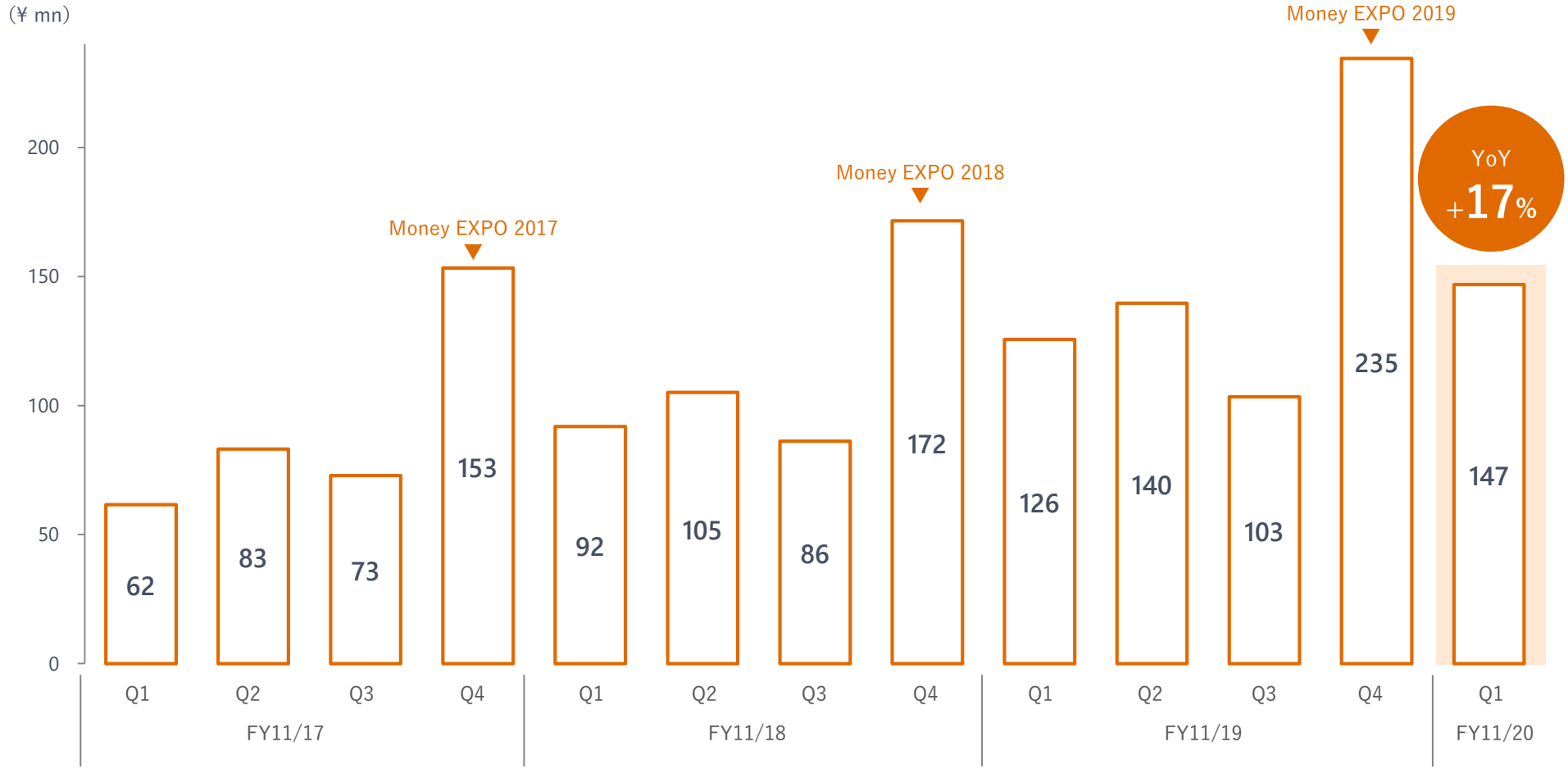
Number of Paying Users have Accelerated



Acquired 20,000+ paying users in Q1

Net Sales from Media/Advertising (Trend in Net Sales) 49

Achieved **+17% YoY**. Recording high for Q1. Net sales are expected to decline due to the cancellation of offline events from Q2.



* 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.” * Net sales from media/advertising excluding PFM services which includes “mirai talk. was 30% YoY.

Connecting with Rakuten's *Rakuma*

First connection with a flea market app by *Money Forward ME*.
Acquisition of new users accelerated owing to the promotional campaign for the new connection*.

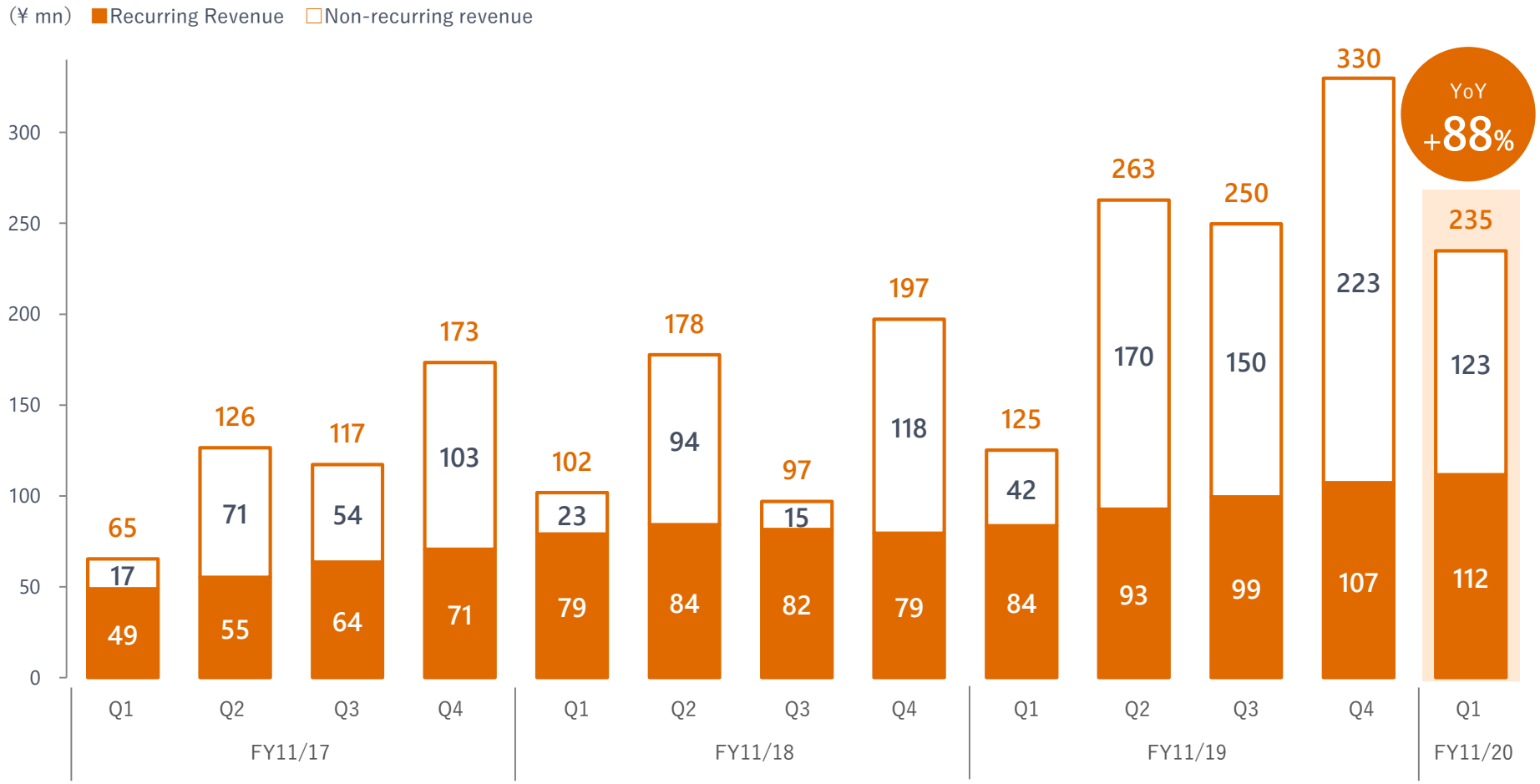


*Campaign period: March 9, 2020 to April 8, 2020 * The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.


Money Forward X

Money Forward X: Trend in Net Sales

Both recurring and non-recurring revenues reached **Q1 record highs**.
Initiatives toward digital transformation increased mainly among financial institutions.



- Non-recurring revenue from initial development costs are recorded at the time of acceptance by partner financial institution, and not necessarily at the time of service launch.

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
- Yamaguchi FG
- Shizuoka Bank
- Toho Bank
- Gunma Bank
- Shiga Bank
- Fukui Bank
- Okazaki Shinkin Bank
- Michinoku Bank
- Tsukuba Bank
- Sumitomo Mitsui Trust Bank
- Sompo Japan Nipponkoa Himawari Life Insurance
- Tochigi Bank
- Mizuho Bank
- North Pacific Bank
- JA Bank

Passbook Apps

Developing passbook apps for financial institutions and its clients

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

MF Unit Series

Offering PFM tools within financial institutions apps

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

Other Projects

NEW

おかねのコンパス for TT

Money Compass

Provides “asset management functions” for an app offering investment services, insurance, pension and other functions

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. * The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

Provision of “Passbook-less Signup Function”

Enables users to switch to bank accounts that do not use paper-based passbooks using the passbook app *Digital Passbook*.
Usability will be enhanced and costs to issue passbooks reduced.

As a first step, the new function was added to “The Tochigi Bank Simple Passbook” which uses API.

栃木銀行

かんたん通帳

Powered by Money Forward



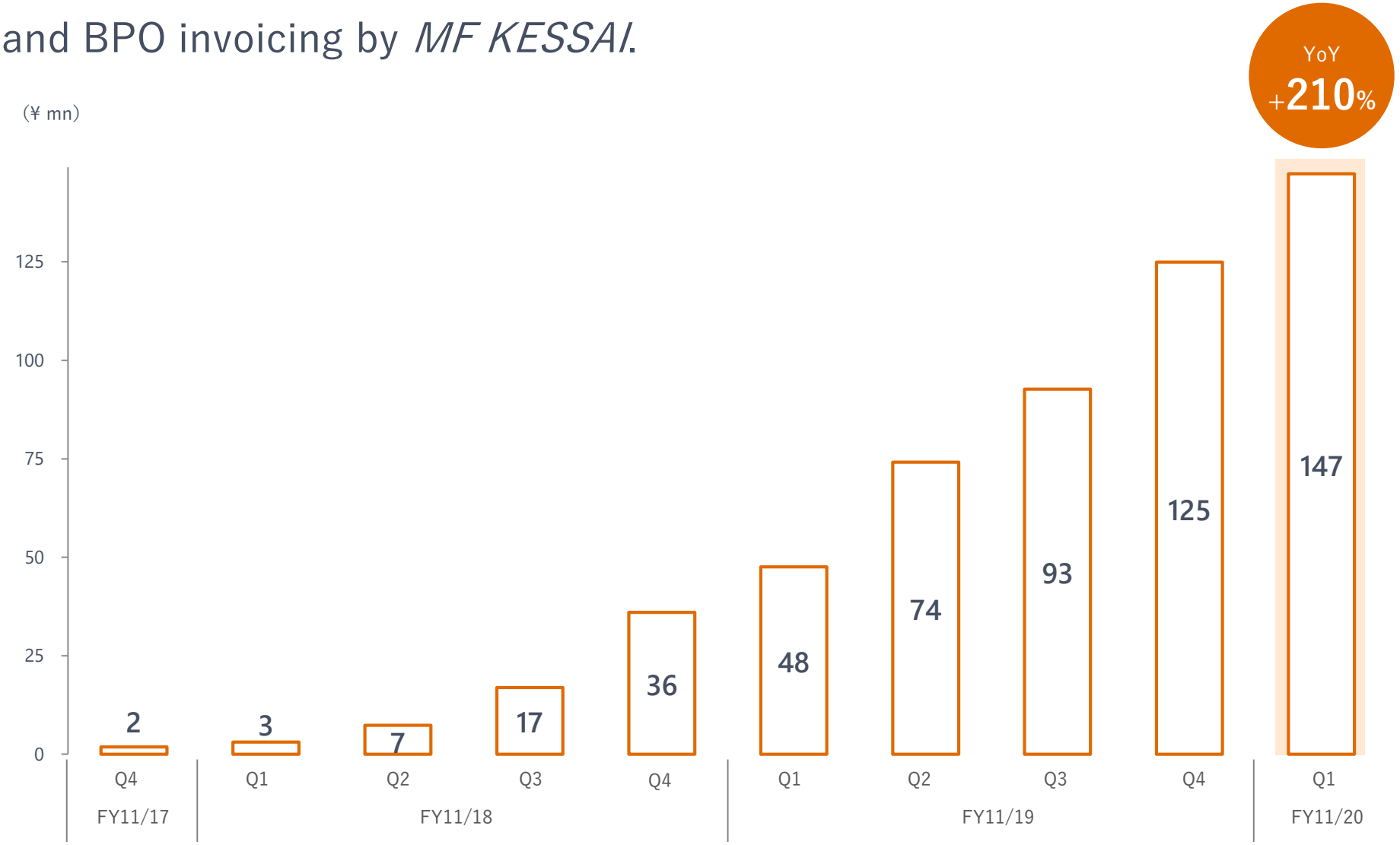


* The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.


Money Forward Finance

Money Forward Finance: Trend in Net Sales

Achieved rapid growth of **210%** YoY owing to expanded provision of OEM and BPO invoicing by *MF KESSAI*.



MF KESSAI Installed to Service Offered by Subsidiary of Sharp Corporation

Installed *MF KESSAI* to *LINC Biz* offered by AIoT Cloud Inc.
Is making steady progress in **installations not only by startups and SMEs, but corporates as well**.

AIoTcloud × MF KESSAI

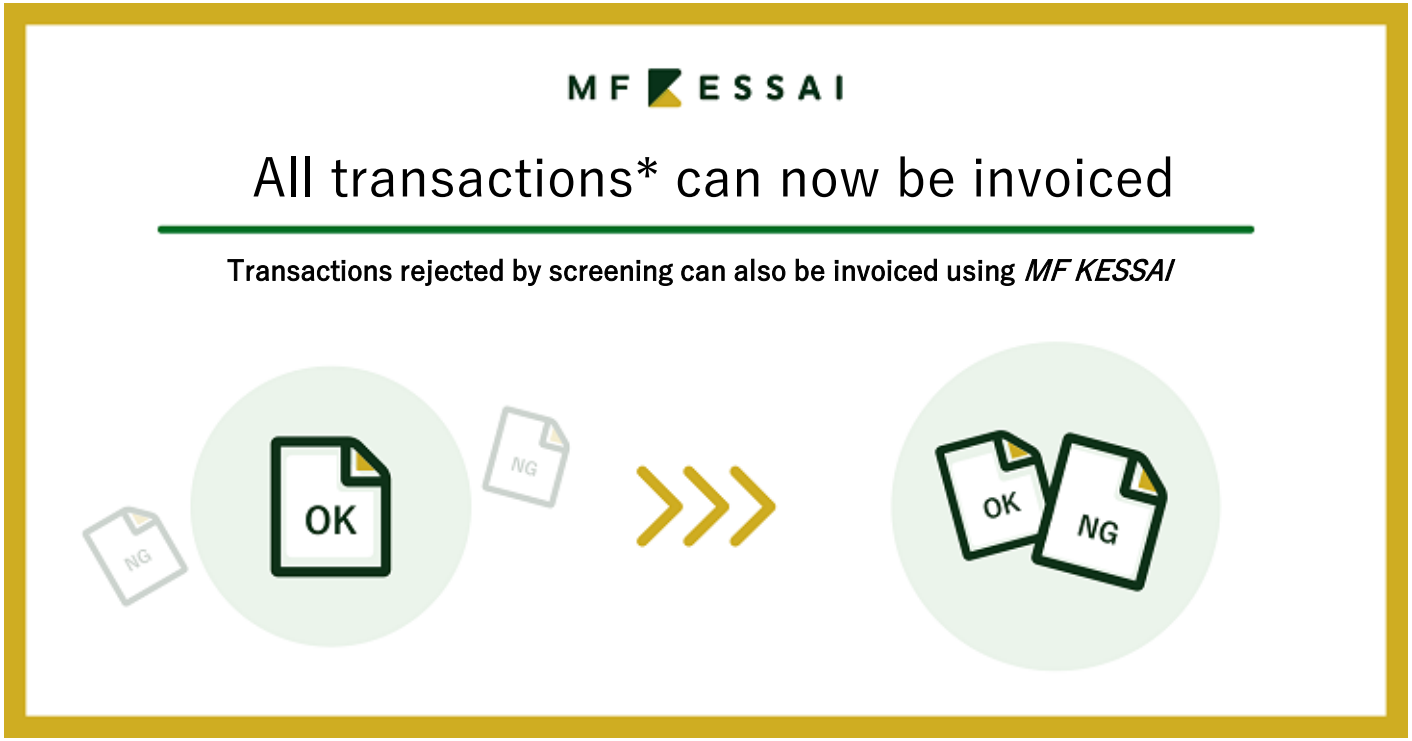
- *LINC Biz* is a business communication tool that offers business chat and audio/video conference features.

- Amid expectations for further demand, clients will be able to concentrate on core business activities by comprehensively outsourcing invoice operations and reducing invoicing workload.

*The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

Expanded Coverage of BPO invoicing, *MF KESSAI*

Invoicing to business partners can now be outsourced comprehensively.



* There may be cases where BPO invoicing cannot be performed due to requirements other than credit screening set forth by MF KESSAI, Inc.
* Previously, transactions rejected by credit screening were ineligible for BPO invoicing; however, going forward, rejected transactions can also be subject to BPO invoicing as long as they do not accompany assignment of accounts receivable.

Money Forward Synca, Inc. Completed First Financing Support Project

Supported funding of ¥315 million by ALP, Inc., a company offering *Scalebase* which enables subscription businesses to “streamline operations and maximize revenue.”



Alp, Inc. × Money Forward Synca

Mr. Hiroki Ito, Representative Director, ALP, Inc. (shown at the far left of photo)

We received comprehensive support on capital-raising strategies that our company, with no CFO, was seeking. When actually raising capital, we encountered challenges that we had not anticipated such as valuations and negotiation of terms and condition; yet, we were able to make decisions confidently owing to their helpful and precise advice. Also, I was truly grateful for their open style of communication which allowed me to consult them without hesitation at any time.

* “ALP raises ¥315 million from DNX Ventures, Dentsu Ventures, ANRI, and PKSHA SPARX Algorithm Fund (in Japanese)” https://prtimes.jp/main/html/rd/p/000000007.000050107.html * The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

Other Strategic Initiatives





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

Members of Board of Directors (Internal Directors)

The same members continues from last year. 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.



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.



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.



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.



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.



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.

Members of Board of Directors (External Directors)

Ms. Ueda, a Corporate Governance expert newly appointed as an External Director. Highly experienced leaders in the Japanese economy are appointed as External directors.



Nobuaki Kurumatani

Director, Representative Executive Officer, President and Chief Executive Officer,
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 Executive Officer 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.

Newly appointed



Ryoko Ueda

External Director
Associate Professor, SBI Graduate School

After joining Mizuho Securities Co., Ltd., was seconded to Japan Investor Relations and Investor Support, Inc. (J-IRIS). Served as Special Research Fellow of Financial Research Center, Financial Services Agency (FSA), worked at Mizuho International plc (London), and was then appointed Senior Researcher at J-IRIS. Holds current position since March 2020. Holds a PhD in policy research.

Alliance with Financial Institutions (APIs/Scraping) 64

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	58	1	249	—	13	—	641	—
Corporates	39	8	249	—	13	—	—	—

Making API connections with 963 financial institutions

*1 Based on research by Money Forward, Inc.
*2 Prime Minister's Office of Japan, "Follow-up on the Growth Strategy," June 2019
* As of April 8th 2020. Financial institutions that are contracted and published, have API connections or have started scraping connections. The number of scraping is 1.

Policy for Growth Investment and Profitability

Policy for Growth Investment

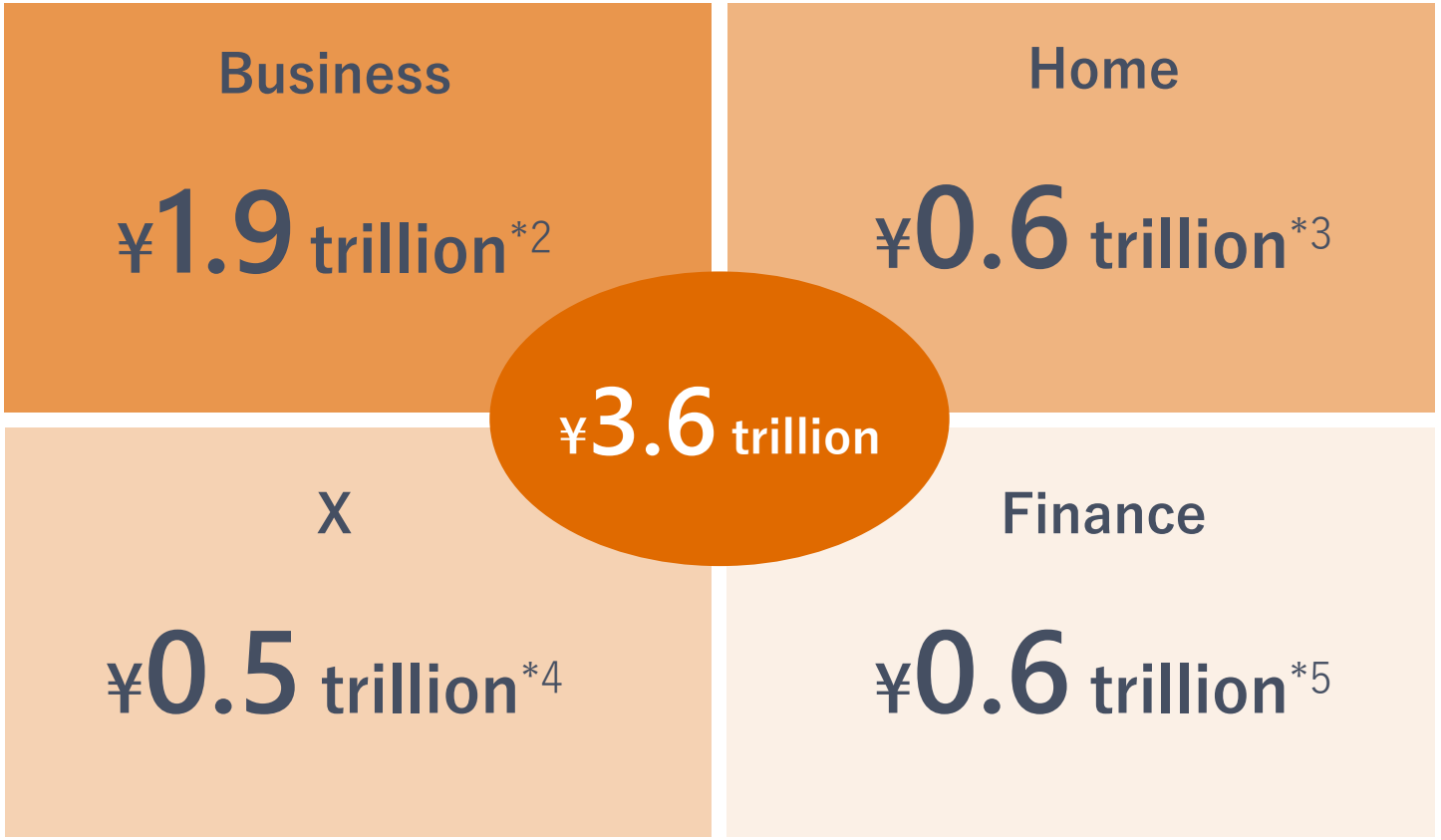
- As a **Subscription business model**, we focus on **maximizing medium-to-long term cash flow**.
- During FY11/20, **investment will be accelerated** in the Business domain, which is a SaaS business.
- Such investment to be executed **as long as unit economics metrics are reasonable and sound**, with 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.
- We plan to further improve the enterprise value by **listing on the first / prime section of the Tokyo Stock Exchange** as soon as possible.

Immense Total Addressable Market (TAM*1)

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



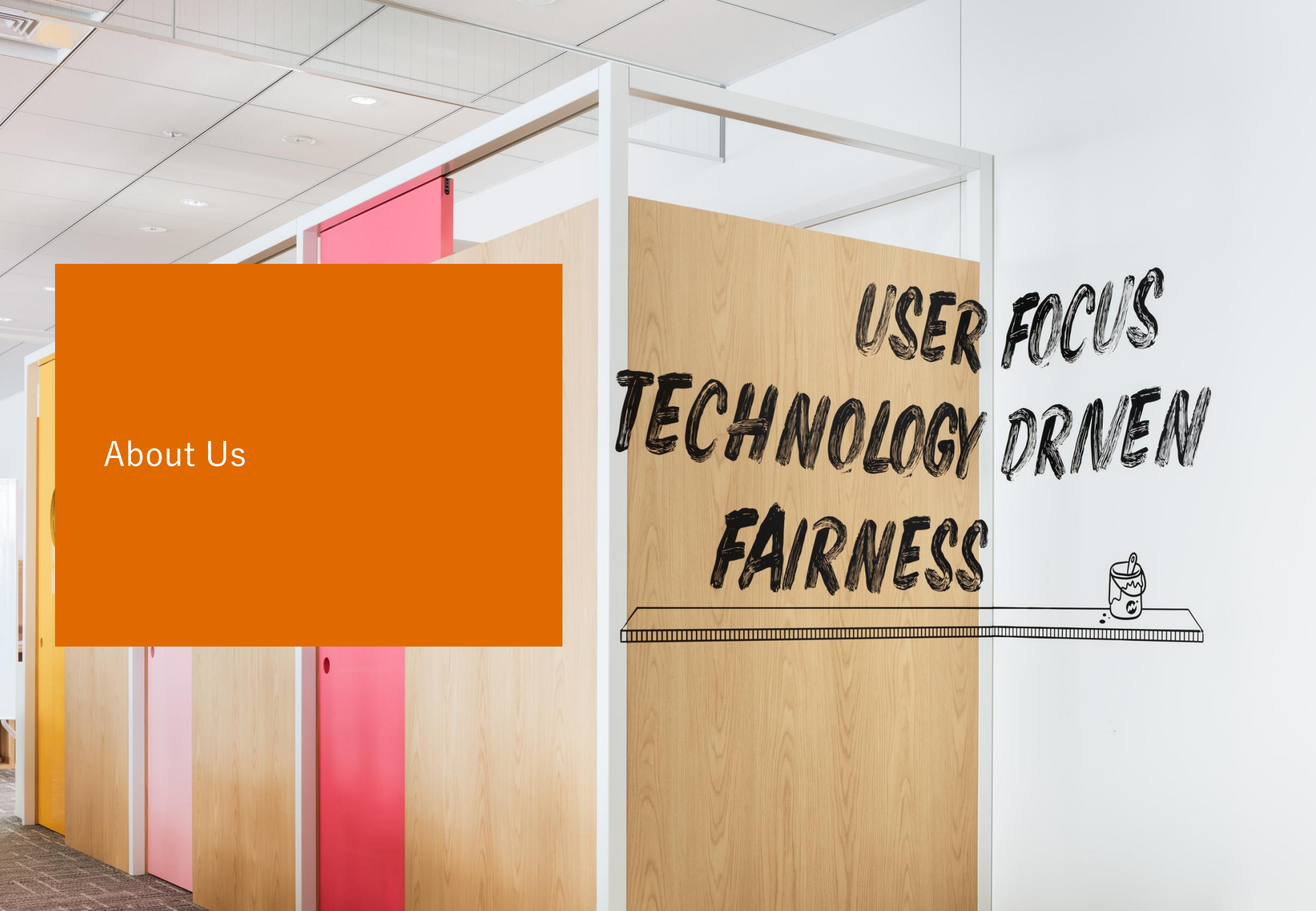
* All footnotes are described on P78.



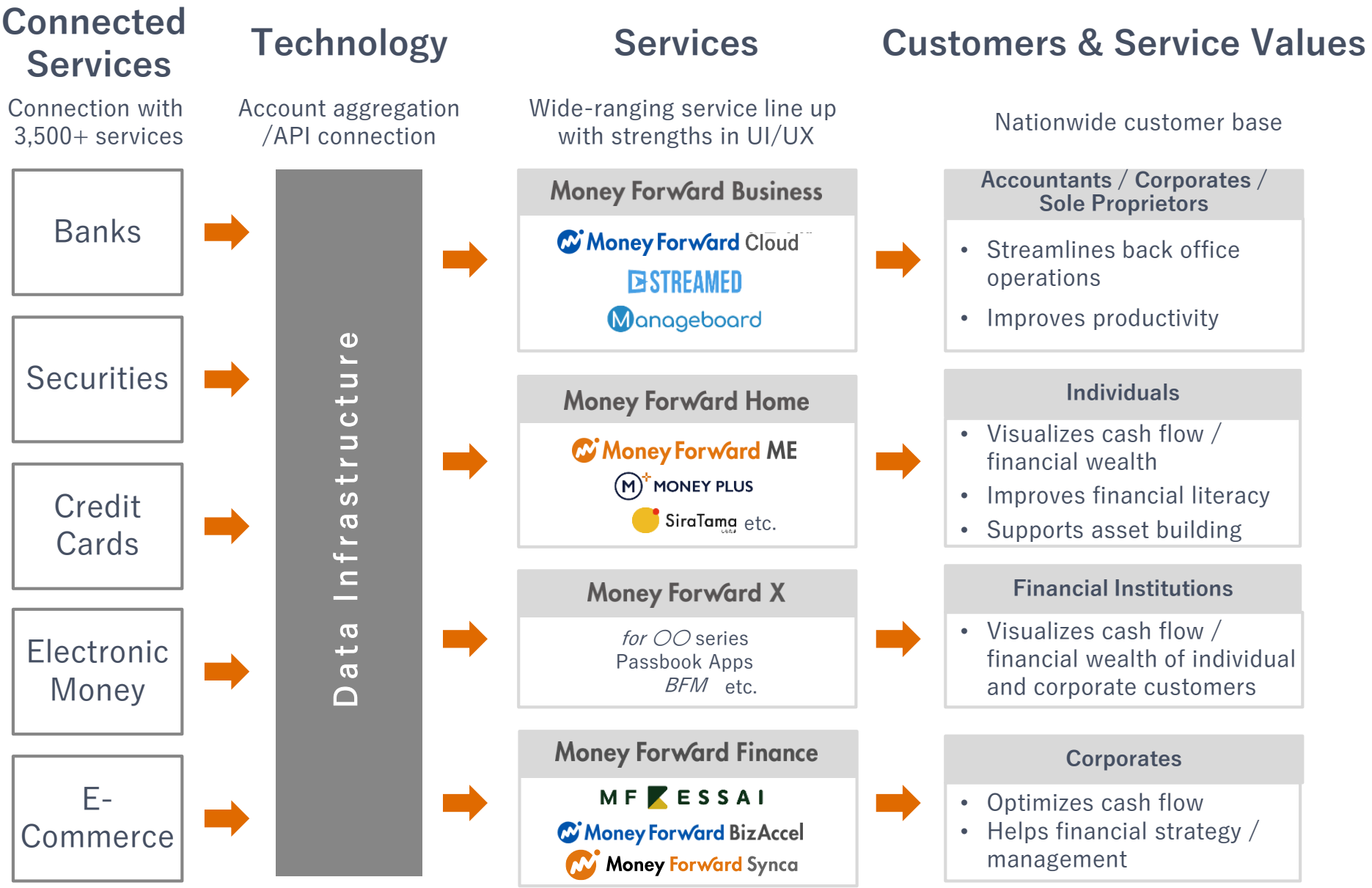
Money Forward. Move your life forward.

Appendix

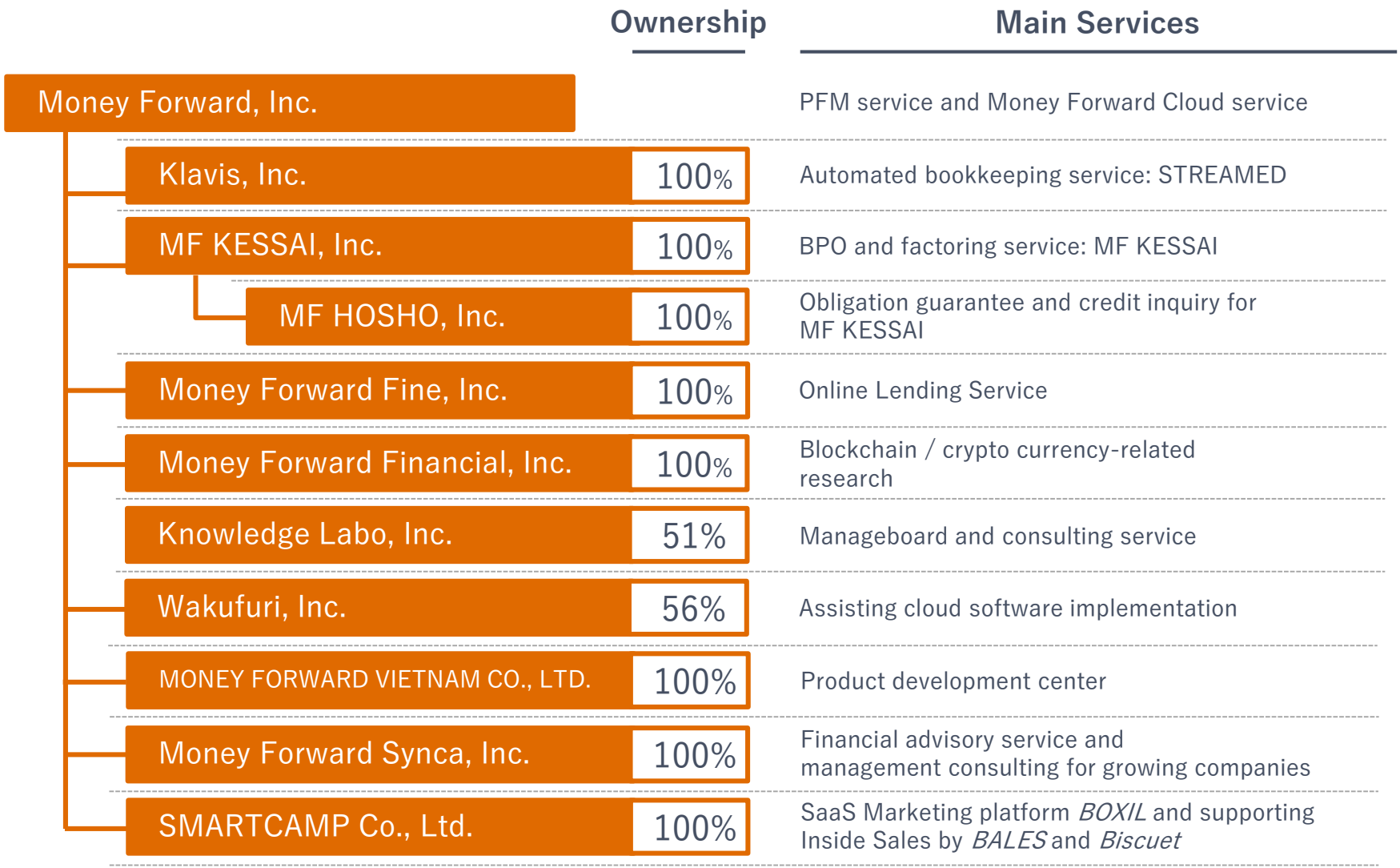
About Us



Our Business Model



Money Forward Group Structure



FY11/20 Q1 Financial Summary

(￥mn)	FY11/20 Q1 (2019/12-2020/2) Actual	FY11/19 Q1 Actual	FY11/19 Q1 YoY %	FY11/19 Q4 Actual	FY11/19 Q4 QoQ %
Net Sales	2,394	1,398	+71.3%	2,216	+8.0%
Business	1,559	853	+82.8%	1,235	+26.2%
Home	451	370	+22.0%	521	△13.5%
X	235	125	+87.5%	330	△28.8%
Finance	147	48	+209.7%	125	+17.9%
Other	2	2	△24.3%	5	△63.9%
Gross Profit	1,668	746	+123.5%	1,335	+24.9%
Gross Profit Margin	*+69.7%*	*+53.4%*	*+16.3pt*	*+60.2%*	*+9.4pt*
EBITDA	△499	△921	-	△504	-
EBITDA (excl. advertising expenses)	112	△374	-	△100	-

Share Price and Trading Volume since IPO



* As of April 13, 2020

Promotion of Fintech/SaaS by the Japanese Government 74

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

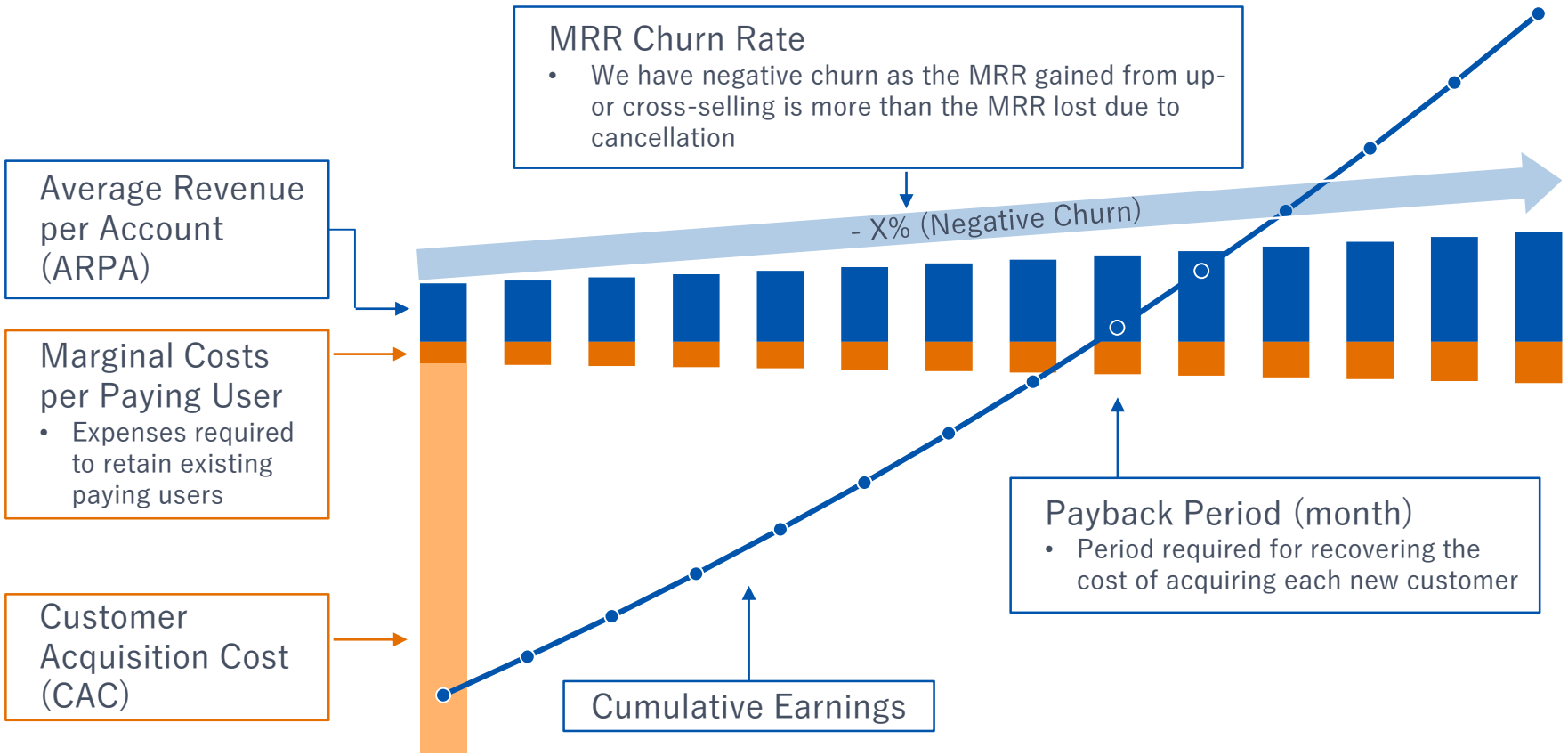
- Investment in sales, marketing and customer success to be accelerated as long as unit economics metrics are reasonable and sound.
- Investment decisions to be made based on the unit economics metrics described in next page.

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. Group ARR includes 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 end of (N-2) quarter, to current N quarterly net sales) from FY11/20*.
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.

* Only KPI of Group ARR includes Smartcamp co., Ltd.

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 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.

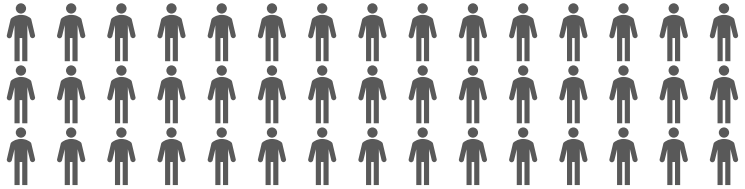
*5 Calculated by annual required working capital for corporate under revenue of 500 million yen multiplied by ratio of post payment settlement usage as well as annual fee potentially charged by MF KESSAI for its service. Working capital = receivable + inventory - payable. Data based on Small and Medium 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.

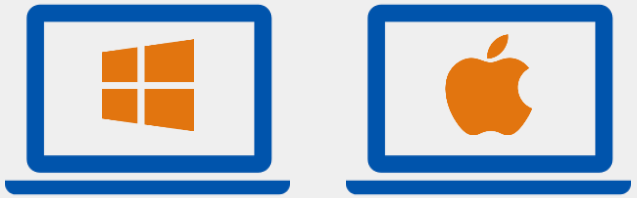
SaaS potential market size*		Advertising costs to net Sales Ratio*2		
¥6.0 tn	×	14.7%	=	**¥0.9 tn**

* 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 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 as of end of November, 2019.

Reasons Why Users Opt for Cloud-based Services

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

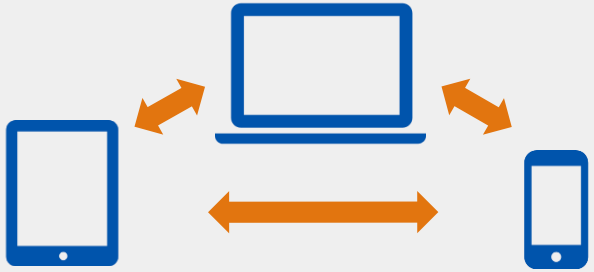
Can be used from any device
with an Internet connection



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



Can share data in real time

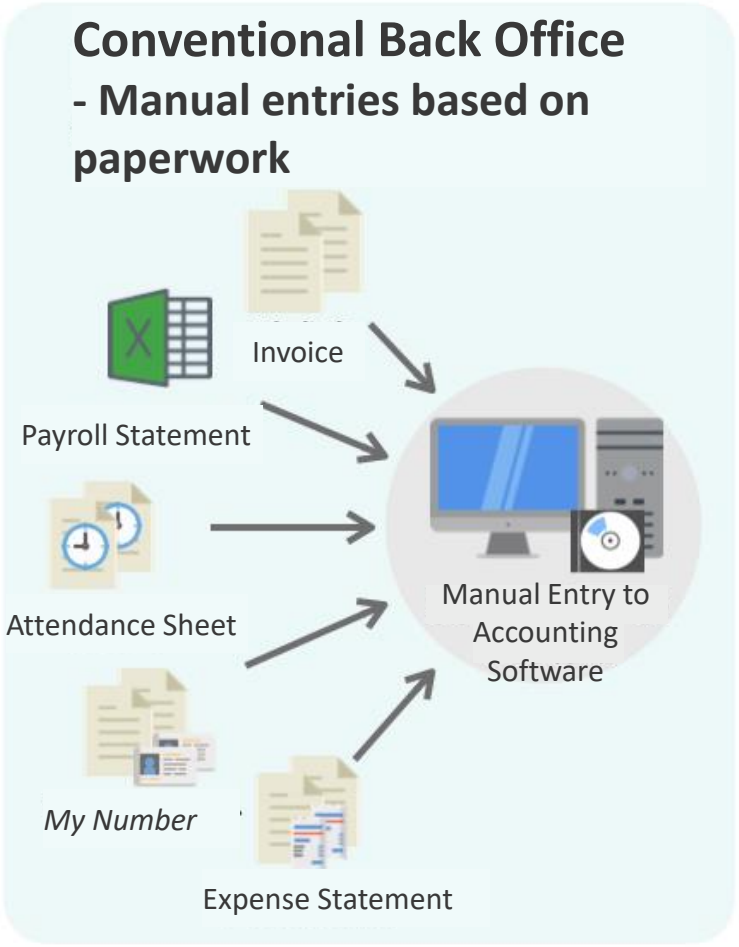


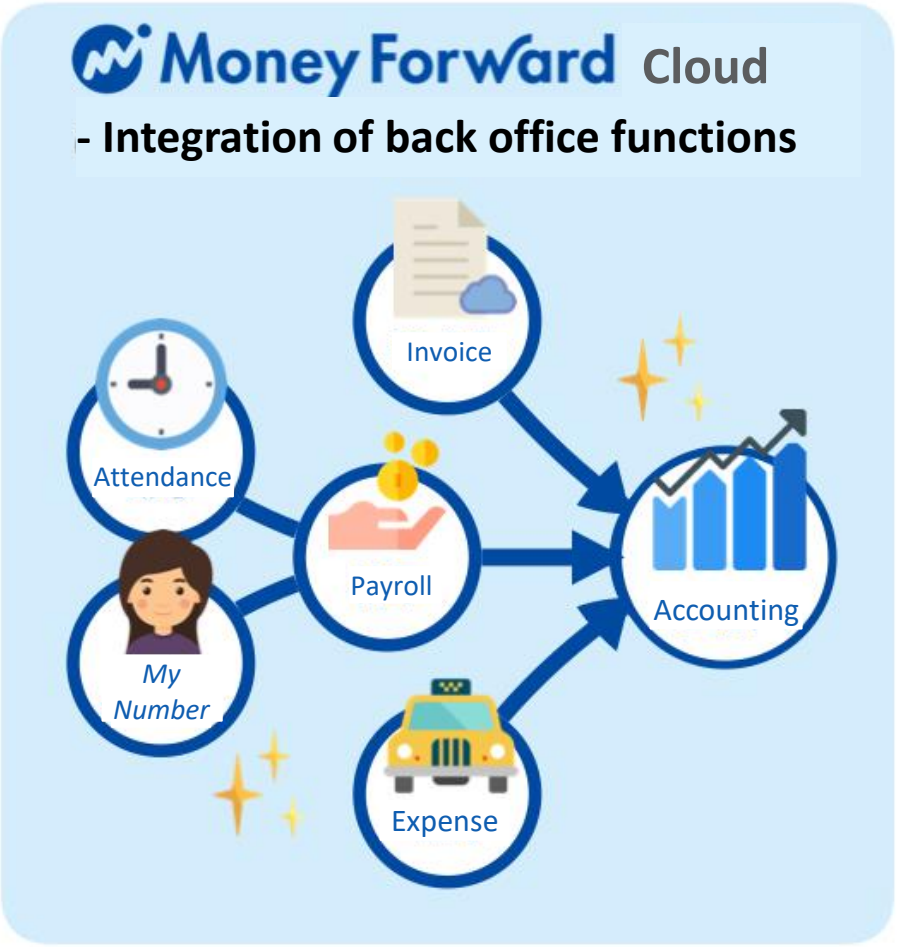
Upgrades are free of charge



Providing a Paradigm Shift - Integrated Back Office

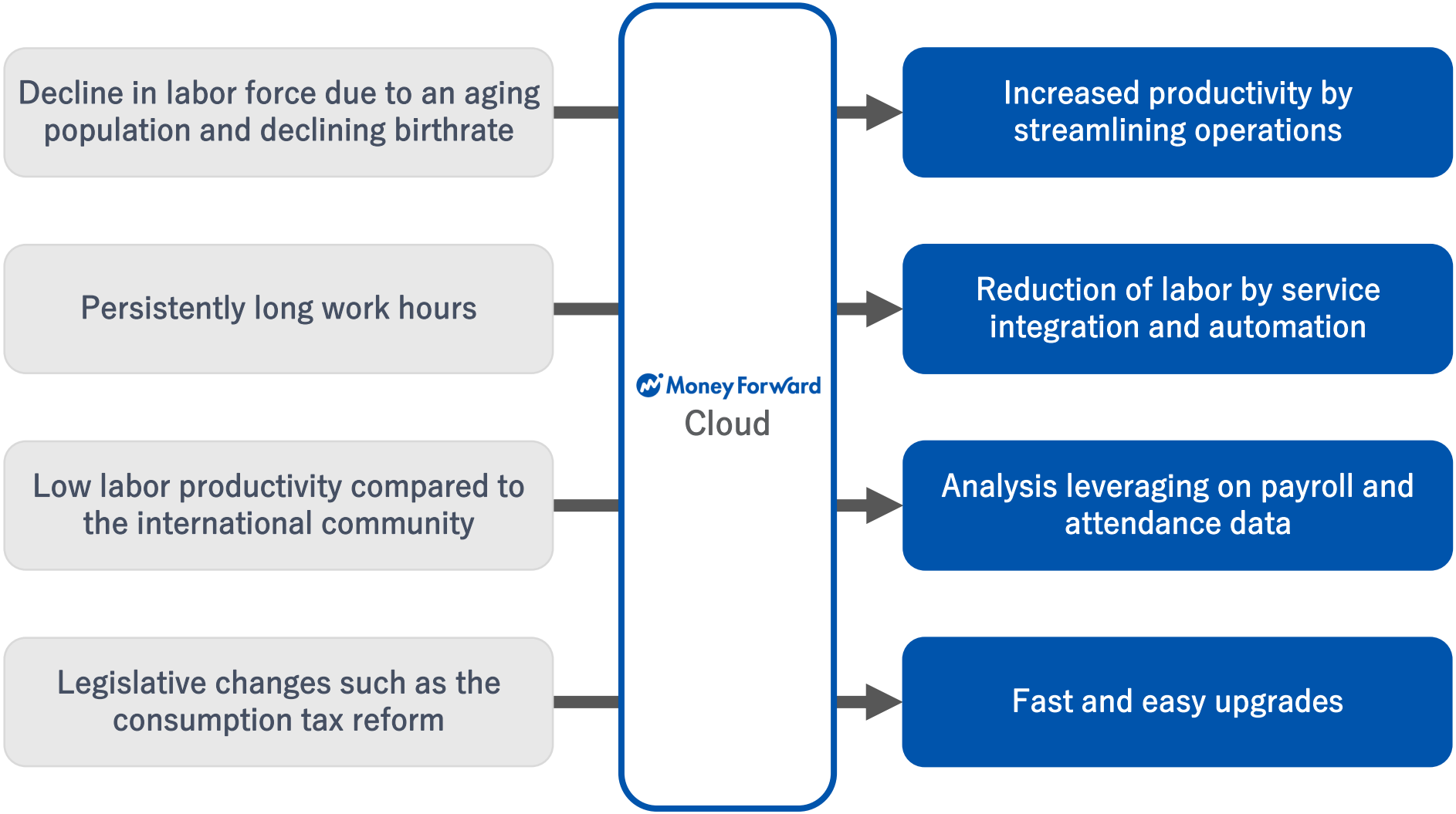
Plans to facilitate a shift from a world filled with cumbersome manual back office operations to one which automatically connects back office functions through cloud.





Providing Timely Services, e.g., for “Work-Style Reform” 84

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



Money Forward Cloud - SaaS Platform

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



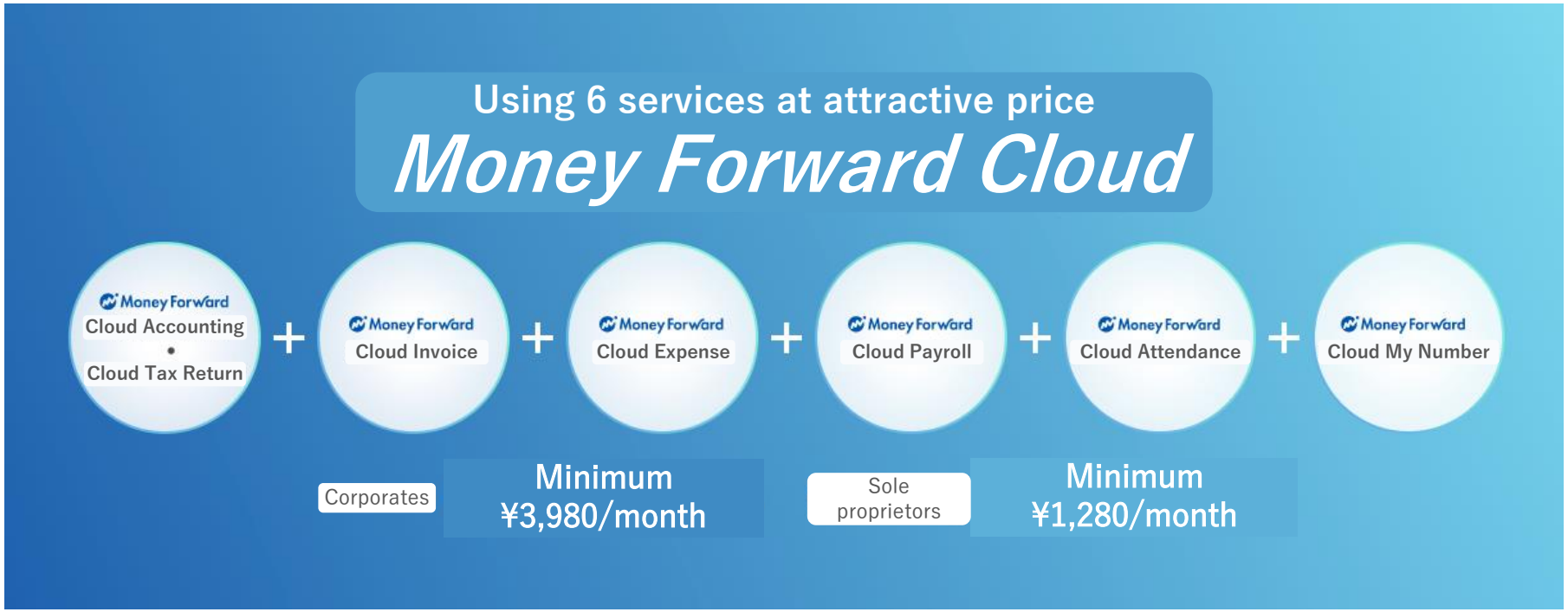
Money Forward Cloud Series

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
Money Forward Cloud Social Insurance
Money Forward Cloud Accounting Plus

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 86

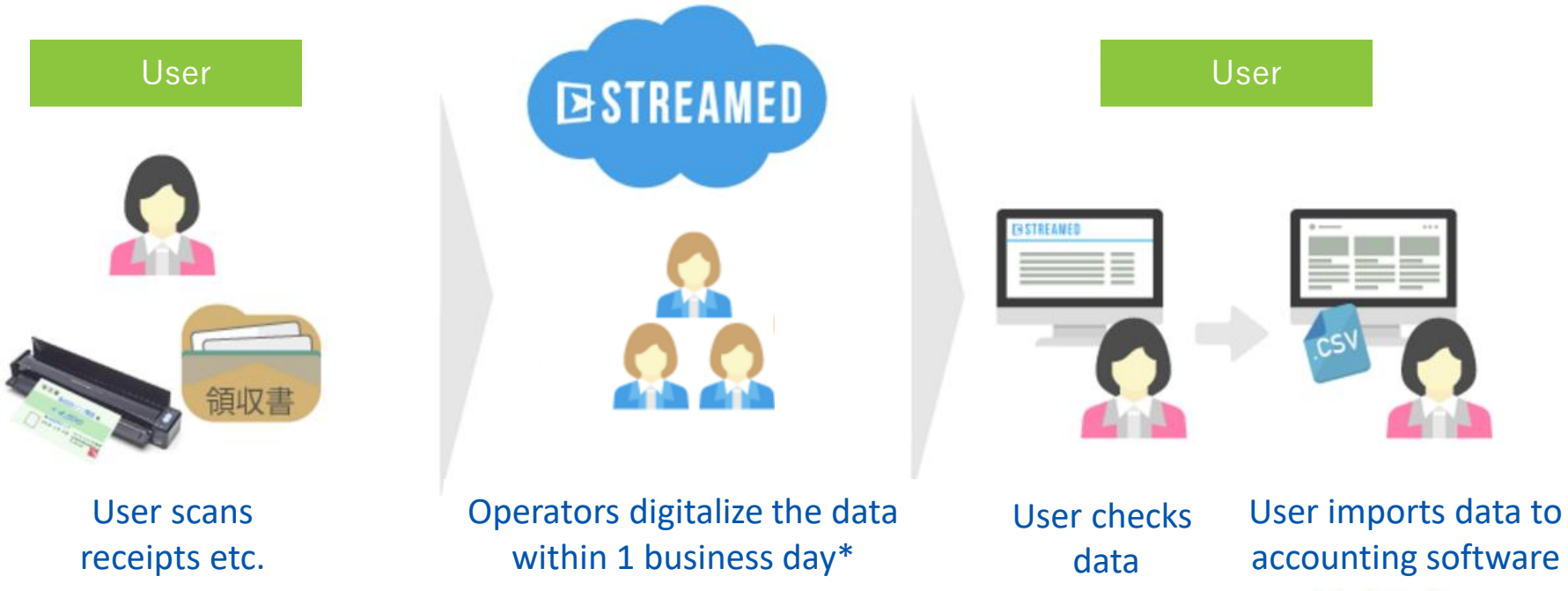
Provide a bundled service which enables sole proprietors and corporates with 30 or less employees to use six services at attractive price.



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.

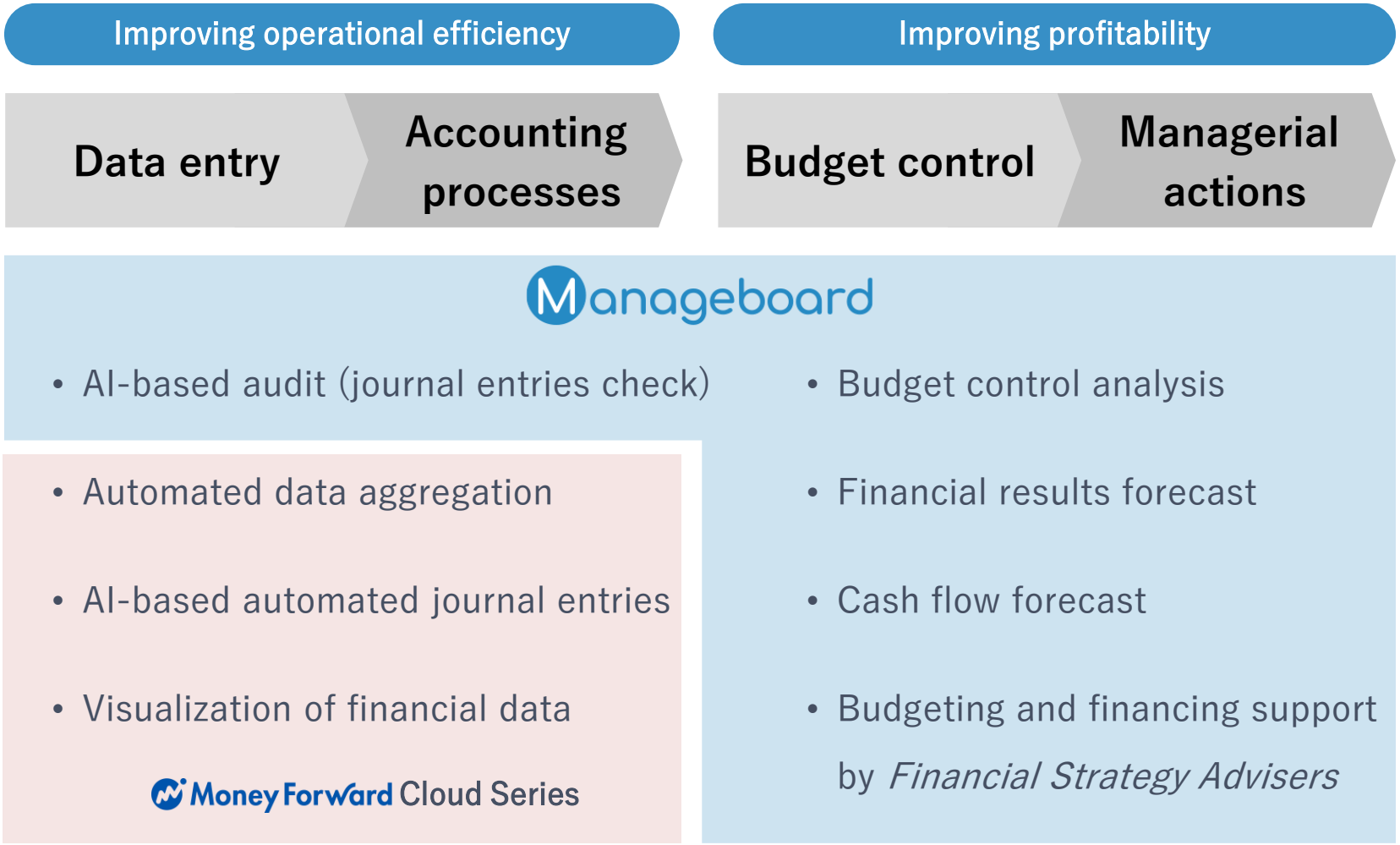
Gathering evidence → **Importing data**



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

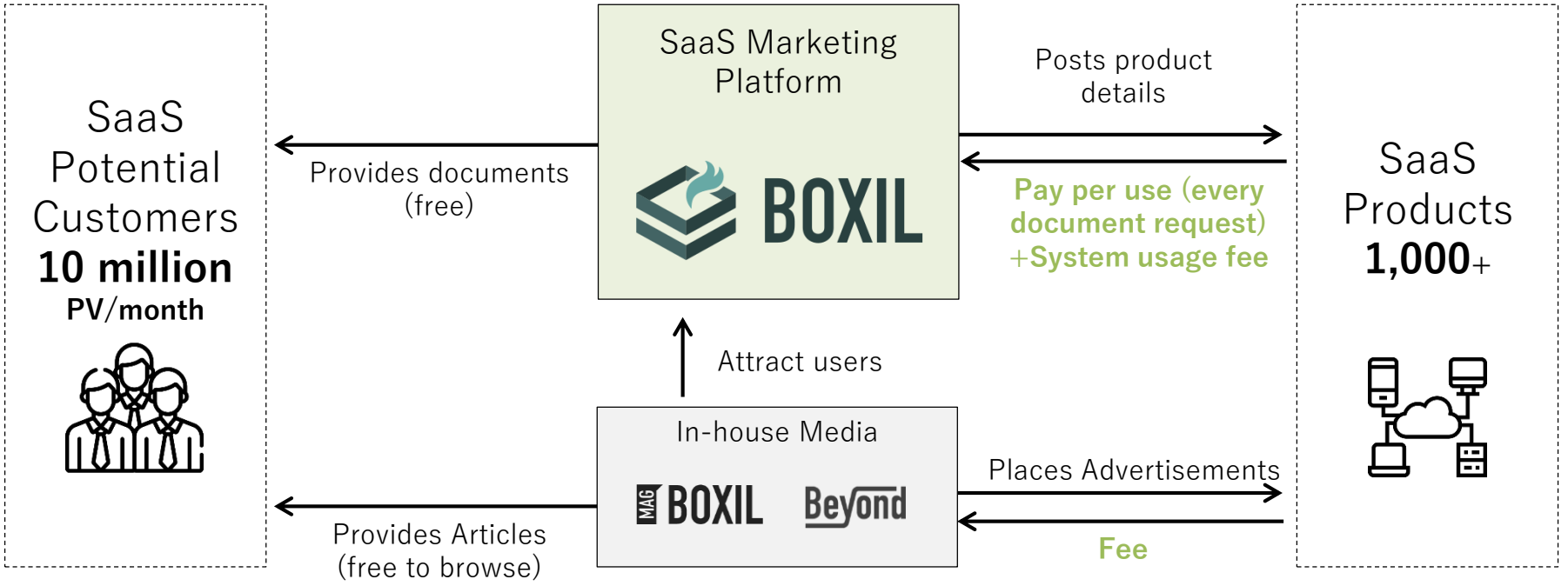
Manageboard - Cloud-based Business Analysis Tool

Manageboard primarily offers functions which help SMEs improve their profitability.



Business Model of *BOXIL*

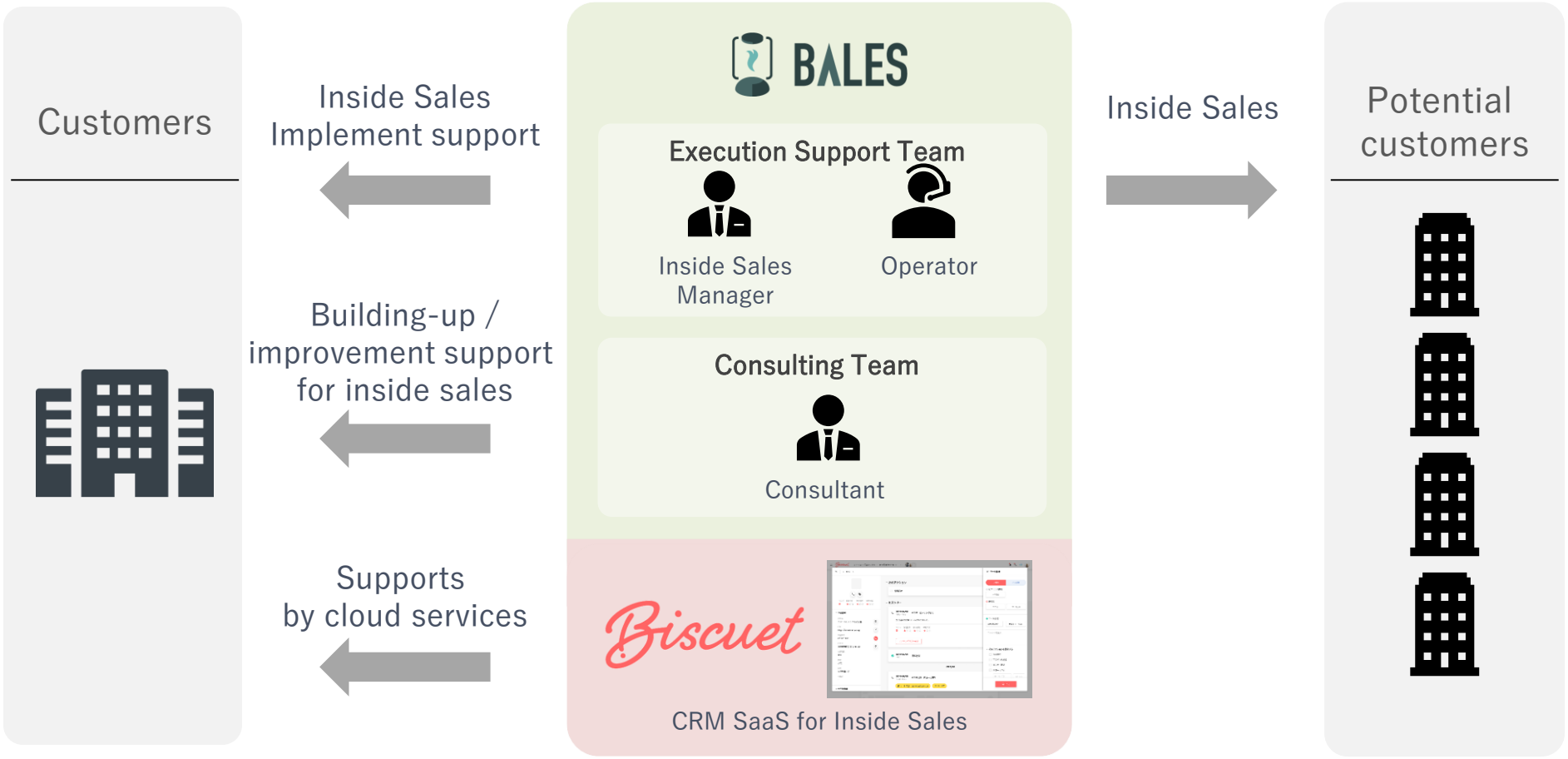
BOXIL connects its 10+ million PV monthly users (potential SaaS customers) with 1,000+ SaaS products, receiving fees from the SaaS vendors for every document request made by the potential customers.



*Monthly PV for October 2019 is 11.3 million.

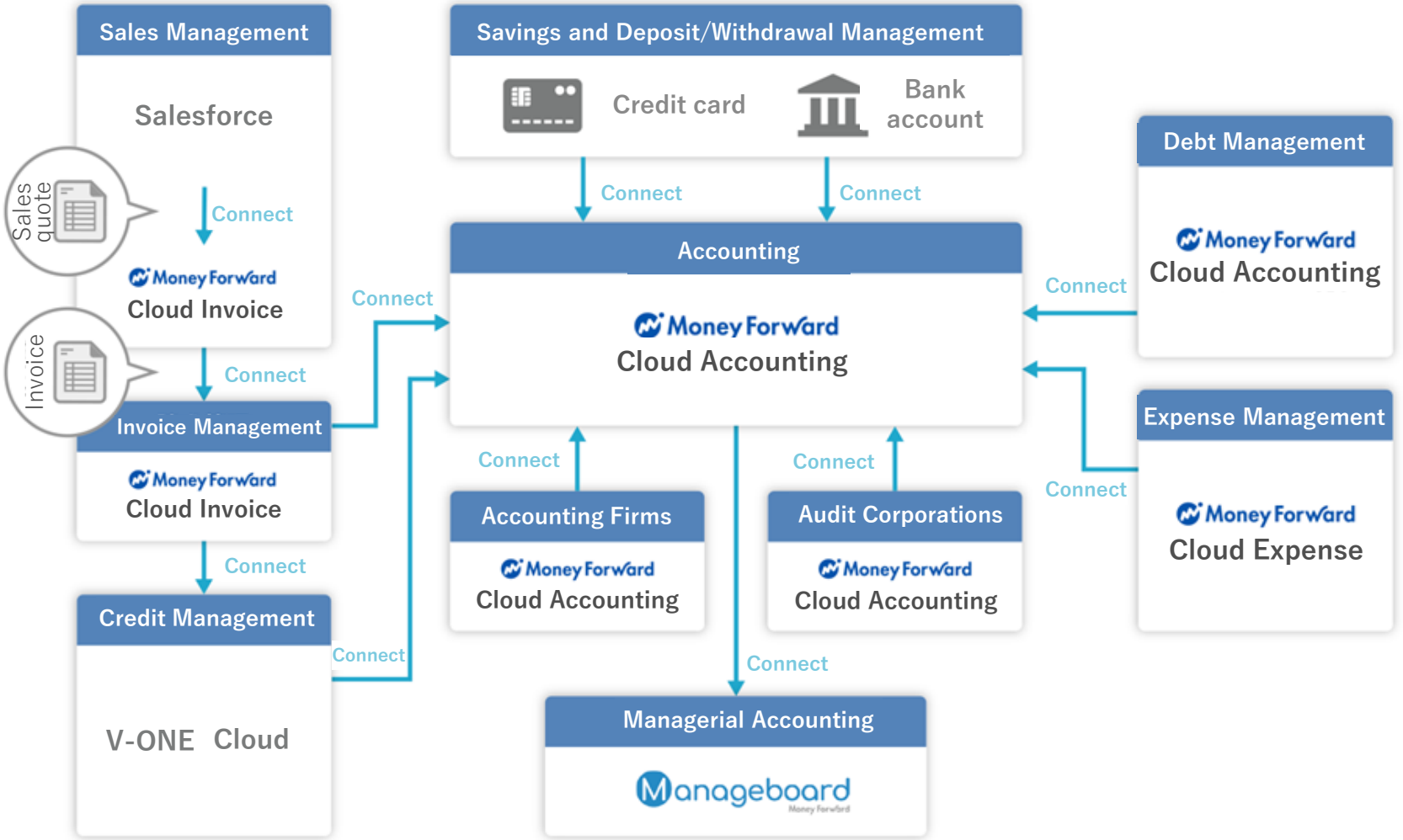
Overview of *BALES* / *Biscuet*

BALES provides Inside Sales agents and consulting services. *Biscuet* provides a CRM* SaaS product specialized for Inside Sales. Planning to provide both services in combination for customers.



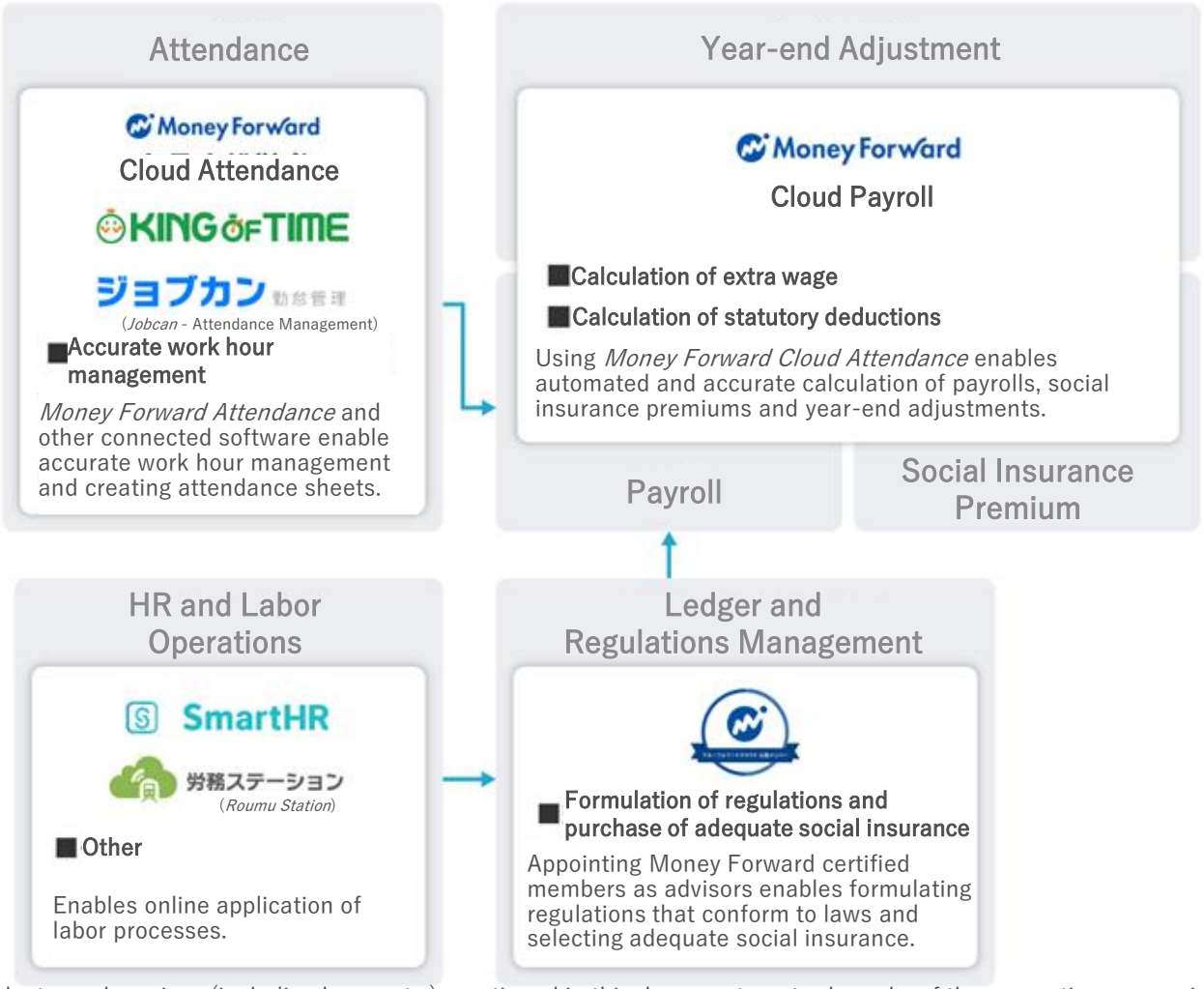
Service Connections - Financial Accounting

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



Service Connections – HR and Labor

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



*The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

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	**Accounting Plus** 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)	**Accounting Plus** ¥29,800~ **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 Cloud Accounting Plus

Accommodates internal controls required by pre-IPO and medium-sized companies, and helps enhance efficiency.

Journal entry approval workflow



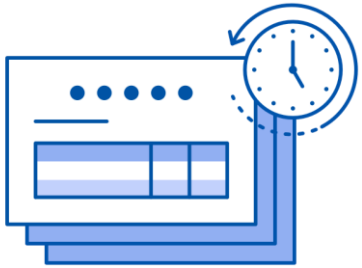
Ensures accuracy and reliability by booking all journal entries after they are approved.

Detailed authorization setting



Enables flexible actions according to respective departments and operations by setting authorizations such as "System Administrator" or "Business Administrator."

Function to view change log of journal entries



Enables effective early detection of problems and internal control since history of registrations, applications, updates and approvals for each journal entry can be viewed in CSV format or on screen.

Interface design in line with operations



Enables intuitive operations owing to interface design that is in line with accounting workflow.

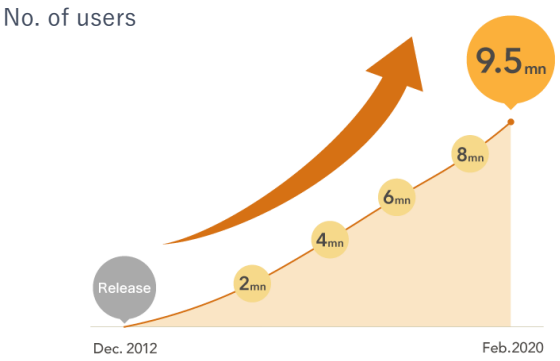
Money Forward ME - Automated PFM Service

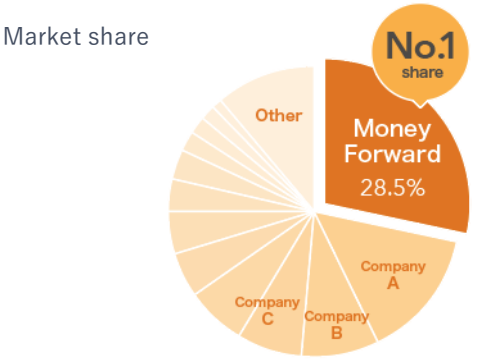
Money Forward ME is the No.1 PFM app in Japan*1, reaching 9.5 million users. One in four PFM app users are using *Money Forward.*

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 March 31, 2020

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



4.3/5

No. of reviews=70,000

Android



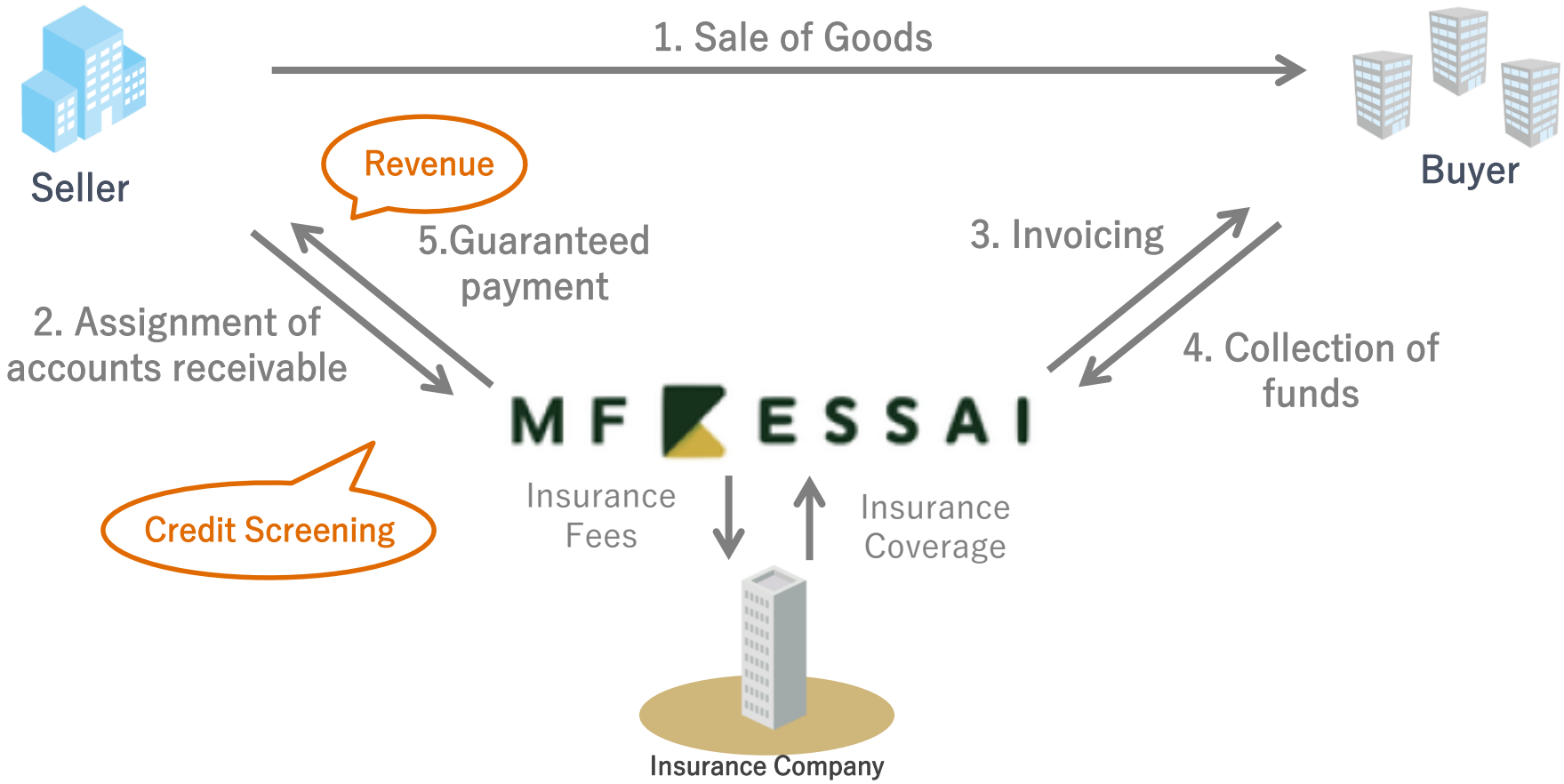
4.1/5

No. of reviews=33,000

* Created based on data from App Store and Google Play (as of April 10, 2020).

MF KESSAI - Online Invoicing and Factoring Services

MF KESSAI is a business process outsourcing and factoring service.



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