Money Forward, Inc.

Q2 Financial Results Briefing for the Fiscal Year Ending November 2020

July 15, 2020

Presentation

Moderator: Thank you for waiting. It's time now, so we will begin the online briefing meeting for Q2 of the fiscal year ending November 2020 of Money Forward, Inc. Thank you for watching today. This briefing meeting is scheduled to last for about 90 minutes, including questions and answers.

First, let me introduce the participants. We have two speakers today. Yosuke Tsuji, President and CEO. Naoya Kanesaka, Director and CFO.

Next, I'll explain the materials. The Company posted its financial results summary and earnings presentation on its website today. We'll proceed with today's briefing meeting in accordance with the presentation material. This material can also be viewed on the screen, but if you would like to see it on your own, please access it from our website.

Next, I'll introduce the agenda for today's meeting. First, President and CEO Tsuji will give his greetings followed by an explanation of results for the first half for the fiscal year ending November 2020 for about 40 minutes. After that, we'll have a Q&A session. All questions will be handled via Zoom's Q&A feature. Please ask your questions, along with your name and affiliation.

Mr. Tsuji will now give a presentation.

Tsuji: Hello, everyone. This is Tsuji of Money Forward. Thank you for participating in our briefing meeting for Q2 of the fiscal year. Just as we did last time, we're holding the briefing meeting online. Thanks for your understanding. Let's begin.

Here's today's table of contents. I'll explain our business, highlights, financial performance in the first half for the fiscal year ending November 2020, and the four business segments.

Our Response to COVID-19 3

Prioritized the health of customers and all employees.
Events and meetings were conducted online.

	Customers/Business Partners	Internal/Employees
April	• Cancelled/postponed events/seminars and switched to online events • Rescheduled interviews and switched to online meetings • Proposed SaaS services to promote DX for back office operations • Held financial results briefing online	• Limited non-essential and non-urgent domestic and overseas business trips • Adopted remote work as a general rule from March 26
May	• Continued the above measures	• Continued the above measures • Offered remote work allowance
June	• More than 5,000 participants signed up for the online exhibition “BOXIL EXPO 2020”	• Held group-wide online meeting
July	• Online event for accounting and tax professionals will be held online	• Adopted “commute 1 day per week” policy

First, I’ll talk about our response to COVID-19. We started taking measures against the virus in March, prioritizing the health of all business partners and workers.

As for customers and business partners, we canceled or postponed events and seminars, and switched to online events and seminars. We proposed the implementation of SaaS aimed at DX of back-office operations, which is one of our services. In June, as I will explain again later, we held BOXIL EXPO 2020, an online exhibition, which had over 5,000 participants. In July, we will hold the Professional Summit 2020. We used to hold this event every year offline. But, this time, we plan on holding the event completely online.

As for workers, we restricted unnecessary and non-urgent business travel domestically and abroad, moving to telework in principle from March 26. As part of our efforts to create an environment where most work is done remotely, we held a Company-wide online general meeting in June.

Starting in July, from this week, we’ll be rolling out a once-a-week office workday for some teams because some new employees, including new graduates and mid-career hires, struggle in the onboarding process when working remotely. So, we’re taking the initiative to have them come to the office just once a week to build a stronger bond with their teammates. Given the daily changes in the situation surrounding COVID-19, we hope to explore the best way to operate while responding swiftly.

ESG Initiative – Promoting DX to Society (1/2) 4

Tackle the social issues by promoting the digitalization such as easing the money related concerns of individuals and corporates, proposing the change of conventional operations which can be barriers for remote work.



Launched a Website "Summary of Relief Programs for COVID-19".

- March 31st: Launched a website posting information on subsidy and grants for corporates.
- April 14th : Launched a website posting information on life support and benefits for individuals.



Released Proposal Document Aiming Paperless and Stamp-less Society

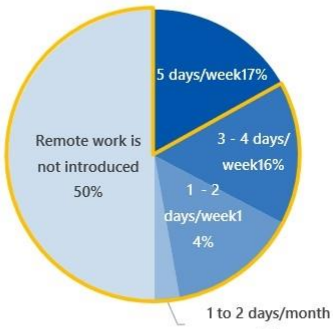
- May 1st: Released a proposal document which claims that **the guideline for electronic contract and electronic signature** is needed in order to transfer smoothly for companies from the conventional operations with papers and stamps to digital operations.
- June 19th: Cabinet Office released "Q&A regarding sealing".

Also, we're accelerating our efforts to promote DX in society as part of our ESG activities against the COVID-19 backdrop. We're mainly taking two initiatives. The efforts of many people have led to the release of various support information, subsidies, and grants associated with COVID-19. However, it can be quite difficult to find the right information. Therefore, we released a website for companies and individuals that compiles such support information. We've had a very large number of visitors to this website, and we think we've been able to help these visitors to an extent.

We also announced a proposal aimed at realizing a paperless and hanko-less society. It's easy to say, "let's get rid of paper," or "let's stopping using hanko (carved stamp)." But how do you initiate that change in a practical manner in spite of long-standing customs? The hurdles are very high, presenting difficulties. We carefully analyzed the situation and did some research on our own as to what we need to implement to create a paperless and hanko-less society. Based on our findings, we announced a proposal. I've had the opportunity to explain this proposal at an IT conference organized by the LDP. In this way, I've disseminated the proposal. Although I'm not sure if this is directly related, but the Cabinet Office announced on June 19 that it would publish a Q&A on the use of hanko. Thus, I think progress is being made steadily in government DX.

ESG Initiative – Promoting DX to Society (2/2) 5

Promoting the remote work for back office operation by not only offering cloud services but also offering company's know-how on operation improvement.



"Survey on Remote Work of Accounting Department"

- More than 80% of accounting staff are still commuting even after the emergency declaration.
- More than 40% are commuting for paperwork such as financial closing and invoice related work.



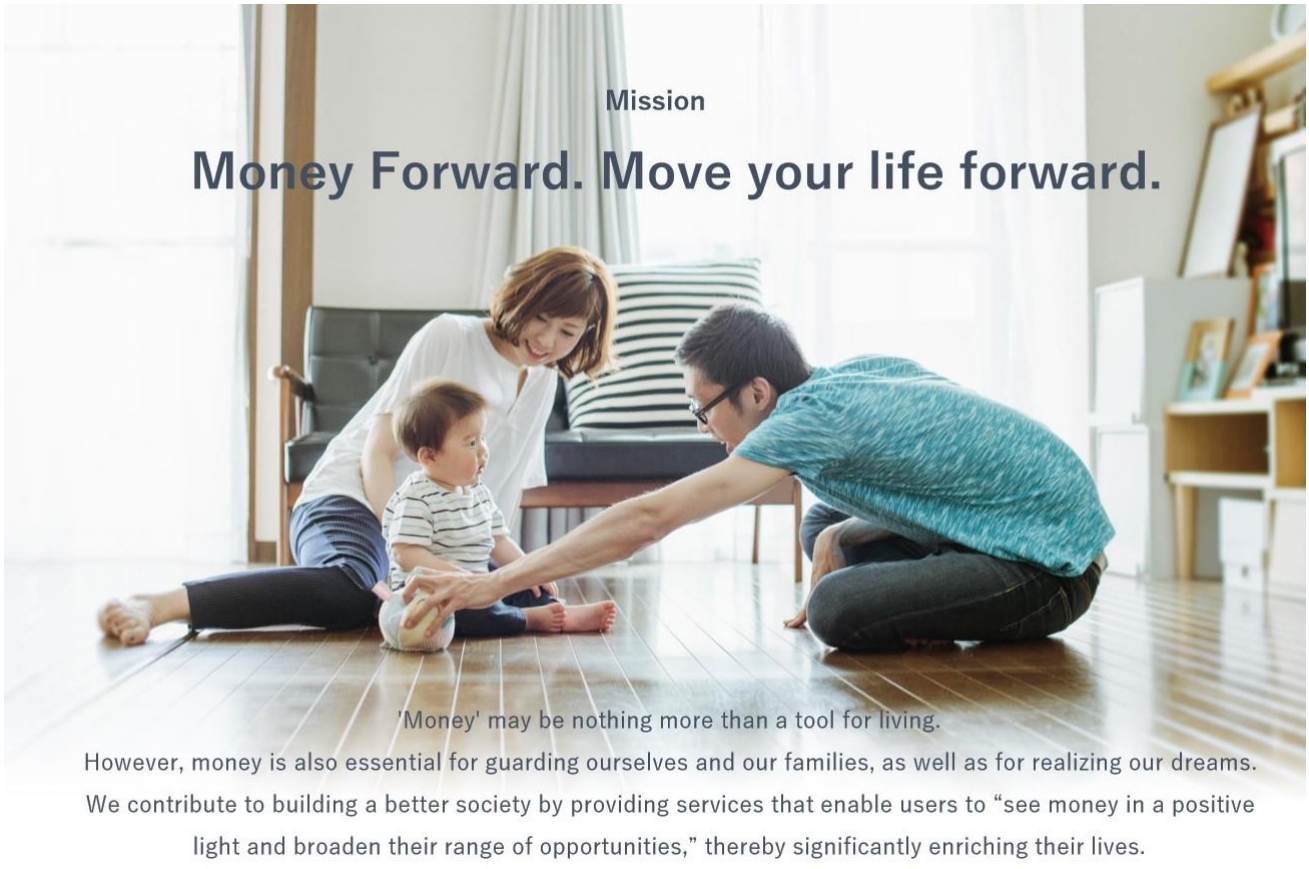
Promoting Remote Work for Back Office by Sharing Our Operation

- Our Q1 quarterly closing and monthly closing were prepared remotely in early March.
- Shared the operation of our accounting department on the website.

We also conducted a study on the status of teleworking by accounting departments. Please look at the pie chart on the left side. Unfortunately, about half of the companies have not implemented teleworking. Meanwhile, 17% of companies adopt teleworking every day. It's relatively easy for IT companies like ourselves to switch to teleworking. But I think there are various industries in which teleworking would be difficult, such as the manufacturing industry.

In particular, many people in accounting departments needed to commute to the office even after the state-of-emergency declaration. That said, we think that it's necessary to implement teleworking even partially when infections are spreading. Thus, we distributed a free material that compiles our know-how in improving operations into a material that describes how we overcame the quarterly earnings season through full teleworking. And I believe we are the first ones to do so amongst listed companies.

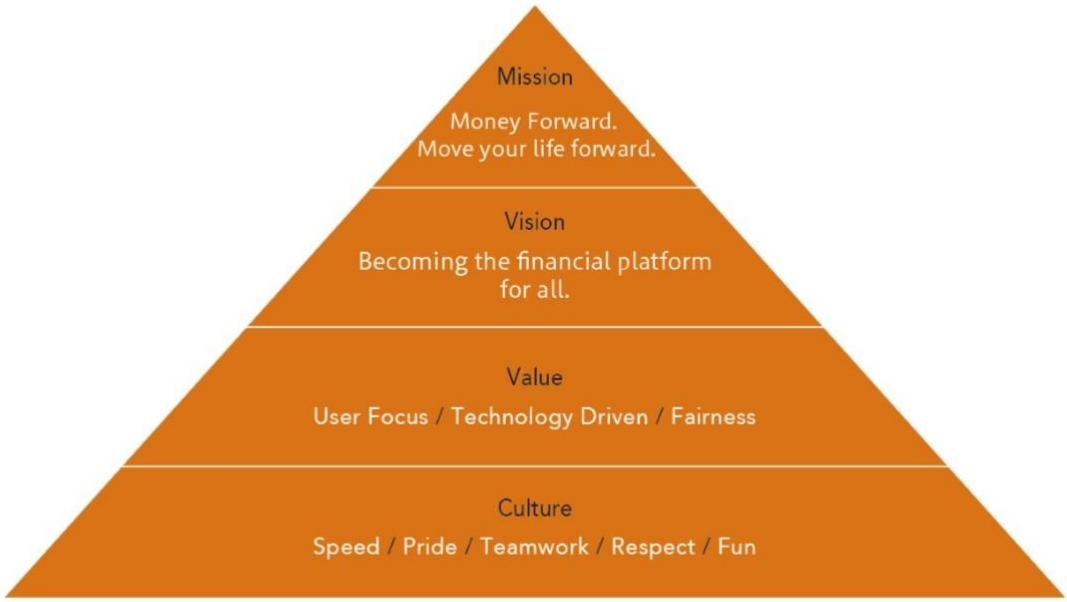
At Money Forward, we offer cloud services. There are many issues to be solved when examining actual operations, such as improving operations and gaining IT knowledge, that cannot be overcome solely through service provision. We've made public the knowledge of our accounting staff, our know-how, and ingenuity. By doing so, we hope to be of help even to a small extent. This is our response to the COVID-19 situation.



Next, I will explain our business. At Money Forward, our mission is “Money Forward. Move your life forward.” Our Company was founded in 2012 based on the wish to solve money-related problems through technology.

We held a board of directors meeting before today’s earnings announcement. At this meeting, many social problems and issues were brought up by outside directors in light of the current situation. They pointed out that solving these social issues even to a small degree is what Money Forward should be doing, and that equates to our corporate value. We hope to solve money-related problems with technology and contribute to society as much as possible through our services.

Mission / Vision / Value / Culture 8



Our Company emphasizes mission, vision, value, and culture. We're carrying out services for various companies based on the value and culture you can see on the slide.

Nationwide Partnership 9

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)
4,200+[*1]

No. of Chambers of Commerce and Industry that We Partner with:
101[*1]

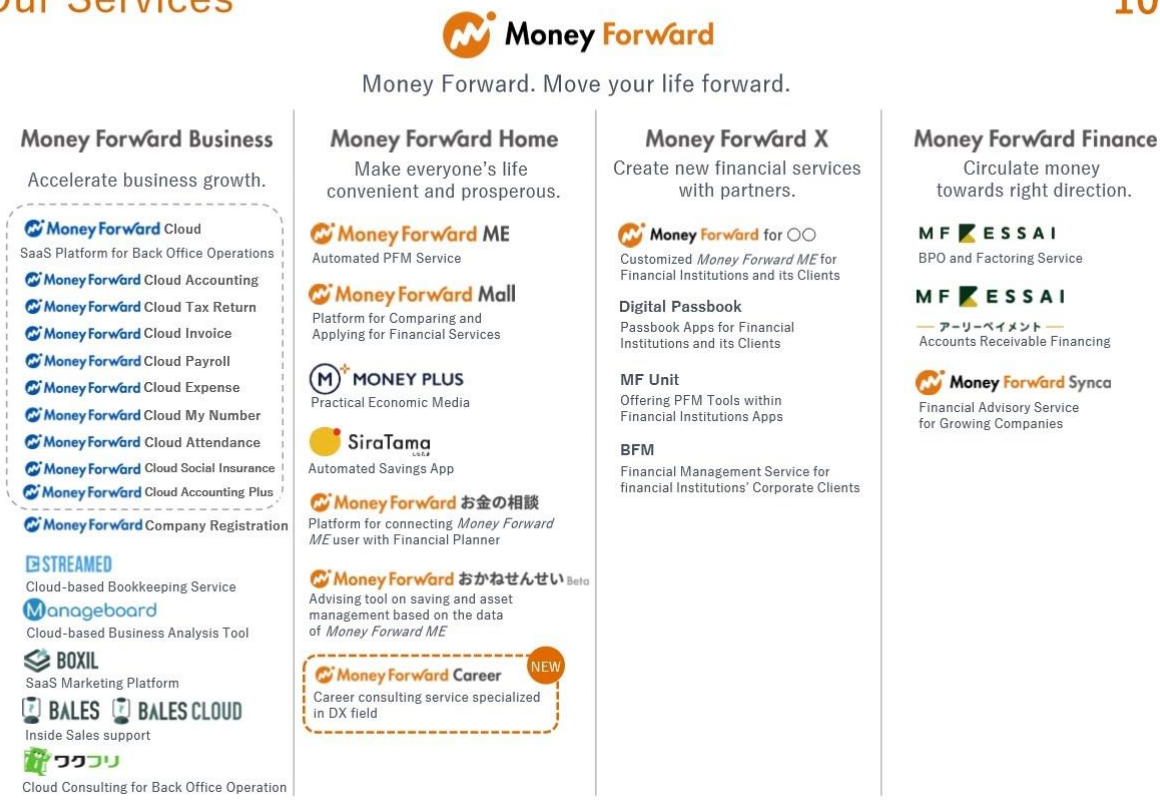
No. of Financial Institutions Served with Our Products:
36[*1]

# of Financial Institutions with API/Scraping connections
990[*2]

*1 As of end of May 2020.
*2 As of May 16th, 2020. Counting financial institutions (including Shinkin Banks, Labor Banks and Agricultural and Fishery Cooperative Savings Insurance Corporations) that are determined to have API connections or web scraping connections with contracts. The number of scraping is 19.

In addition, we work in collaboration with many partners nationwide that share our values. Currently, we have over 4,200 certified members among professionals, over 100 partnering chambers of commerce and industry, 36 financial institutions using our services, and 990 financial institutions that have adopted or are planning to adopt our scraping or API connections. We are carrying out work together with various players and partners nationwide.

Our Services



We've expanded our services to various fields over the last eight years. As some of you may know, we operate our business in four main domains. First, we operate Money Forward Business, which upholds the mission of accelerating the business growth of SMEs. In this business, we provide services centering on cloud services. We also operate Money Forward Home for individuals, Money Forward X mainly for financial institutions, and Money Forward Finance in which we aim to direct money in the right direction.

Highlights in FY11/20 Q2 12

- Q2 YTD consolidated net sales maintained high growth, increasing by **+70%**[*1] **YoY** to ¥5.21 billion.
- Achieved **45.5% - 47.0%** of our full-year sales forecast.
  (Progress rate for Q2 of FY11/19 was 43% [*2].)
  Full-year forecast remains unchanged.
- Q2 YTD gross profit increased by **+98% YoY** to ¥3.50 billion.
  Achieved profitability in EBITDA excluding advertising expenses.
- Q2 Group ARR [*3] increased by **+64% YoY** to ¥8.07 billion.
- Financial impact of the spread of COVID-19 was limited. Continue to **accelerate the business to address irreversible structural changes (DX)**.
- To be contracted with **all 125 banks** with connections before the deadline in September that is required by revised Banking Act.

*1 Smartcamp Co., Ltd.'s net sales are included from FY11/20 Q1. *2 Ratio is calculated by FY11/19 Q2 YTD net sales divided by FY11/19 actual full-year net sales.
*3 Group annual recurring revenue (ARR) is calculated by multiplying Group monthly recurring revenue (MRR) for May 2020 by 12.

Now, I'll explain the business highlights. There are six points I will cover for the business highlights of the first half for the fiscal year. Consolidated net sales for the first half were JPY5.21 billion, up 70% YoY, indicating ongoing robust growth.

Net sales were 45.5% to 47% versus our forecast. Last year, the progress rate was 43% as of the end of Q2, so net sales are progressing steadily. We haven't changed our earnings forecast at this point in spite of the COVID-19 impact.

In Q3 of the fiscal year ending November 2020, we rolled out a plan change for the cloud business. Some progress was made on that front, resulting in a higher progress rate than last year, but we hope to come within the forecasted range for full-year results.

In addition, gross profit in the first half was JPY3.50 billion, up 98% YoY, realizing EBITDA profitability excluding advertising expenses. The Group's annual recurring revenues were JPY8.07 billion, up 64% YoY, showing steady growth.

Although there were various concerns about the impact of COVID-19's spread on earnings, the impact has been limited so far. We think there is no doubt that irreversible structural changes will continue to occur, so we hope to accelerate our business expansion, leveraging services for DX.

As for API connections with banks in relation to the amendment of the Banking Act, in which the contract deadline is at the end of September, we are making progress toward signing contracts with all 125 banks. This is the quarterly highlight.

Impact of the spread of COVID-19 13

Negative financial impact was limited to the expectation as of Q1.
Overall, the customer acquisition is accelerating.

	Impact to Our Business
Business	• Customer acquisition through webinar, etc. is accelerating. • Number of *BOXIL* users increased significantly owing to the growing demand for SaaS services.
Home	• *Money Forward ME* acquired new users at a faster pace. • Decrease of net sales due to the cancellation/postponement of events (as announced in Q1).
X	• No impact, Q2 net sales marked record highs. • User acquisition of *Passbook Apps* is accelerating.
Finance	• Applications for *MF KESSAI* increased but the default rate did not rise. • Inquiry is increasing at Money Forward Synca.

I mentioned earlier that there is no impact from COVID-19's spread. By this, I mean that its impact is within our expectations at the time of Q1. Meanwhile, given the moves to adopt cloud environments, remote work, and DX, we have recently seen an acceleration of new customer capture.

As for the Money Forward Business division, we're making steady progress in capturing corporate customers online, such as through webinars. The number of users of BOXIL, which is Japan's No. 1 SaaS marketing platform, has increased sharply, on the back of surging needs for SaaS adopting amidst COVID-19.

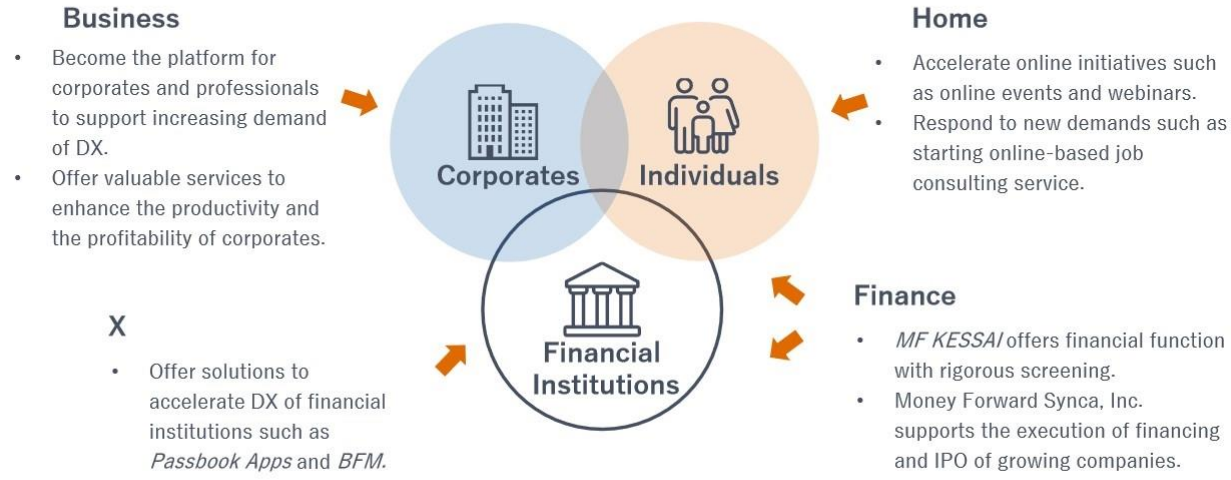
Also, the pace of capturing new users for Money Forward ME targeting individuals is accelerating. Due to the occurrence of delays and cancellations of offline events, there has been a decrease in sales in this domain.

As for X, there has been no major impact. Net sales in Q2 were a record high. The growth pace of the number of new users of the Passbook app, which we offer to banks, is accelerating.

As for the Finance division, we have seen a significant increase in the number of applications for the factoring services of MF KESSAI. However, there has not been a particular rise in the loan loss ratio, thanks to careful screening. Inquiries about Money Forward Synca have increased.

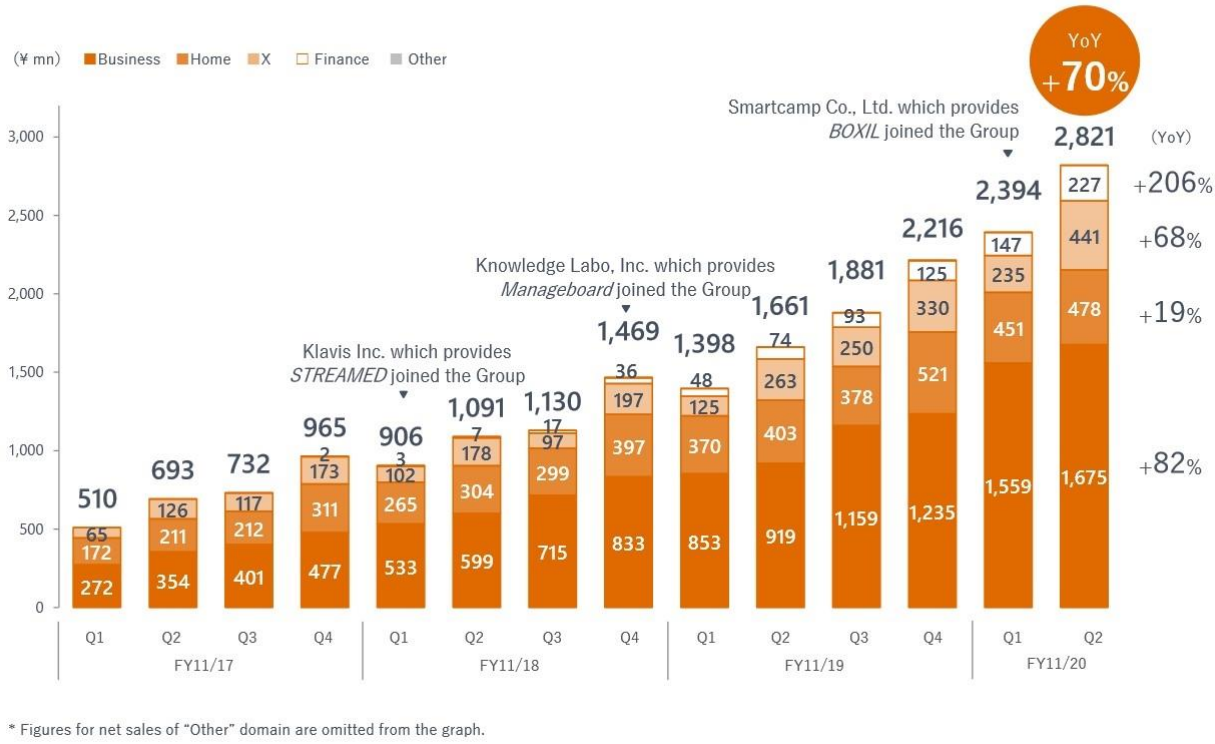
Our Direction During and After COVID-19 Outbreak 14

To address irreversible structural changes, will promote DX for the society by offering various services such as cloud services for corporates, PFM service for individuals and solutions for financial institutions.



We are discussing internally which direction we want to take the Company in the age with and after COVID-19. We have long been promoting various DX, such as the cloud adoption for corporate activities, PFM for individuals, and solution provision for financial institutions. Once again, based on the irreversible structural changes, we are currently working to provide such value to users and to create and deliver such services.

Q2 Consolidated Net Sales Marked Record Highs 16



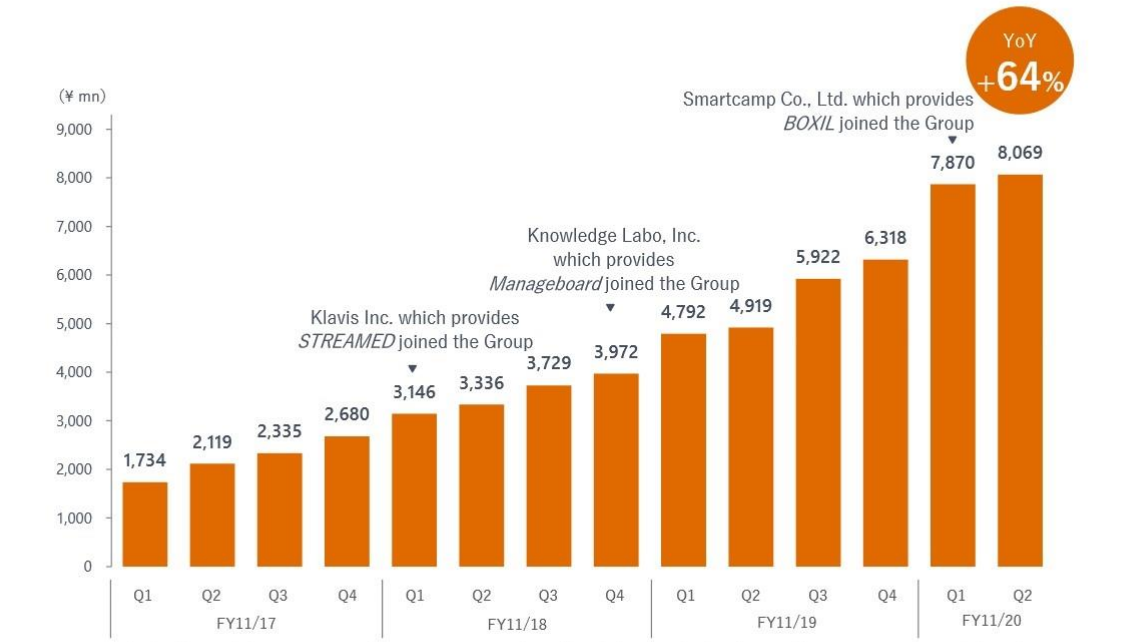
* Figures for net sales of "Other" domain are omitted from the graph.

From here, I'll explain the business results for Q2 the fiscal year ending November 2020. As I mentioned earlier, we delivered steady growth, up 70% YoY. This was a record high. Showing particularly robust growth was Money Forward Finance (+206%), Business (+82%), and X (+68%).

Group ARR Maintains High Growth

17

Group annual recurring revenue maintains **high growth (+64% YoY)**.

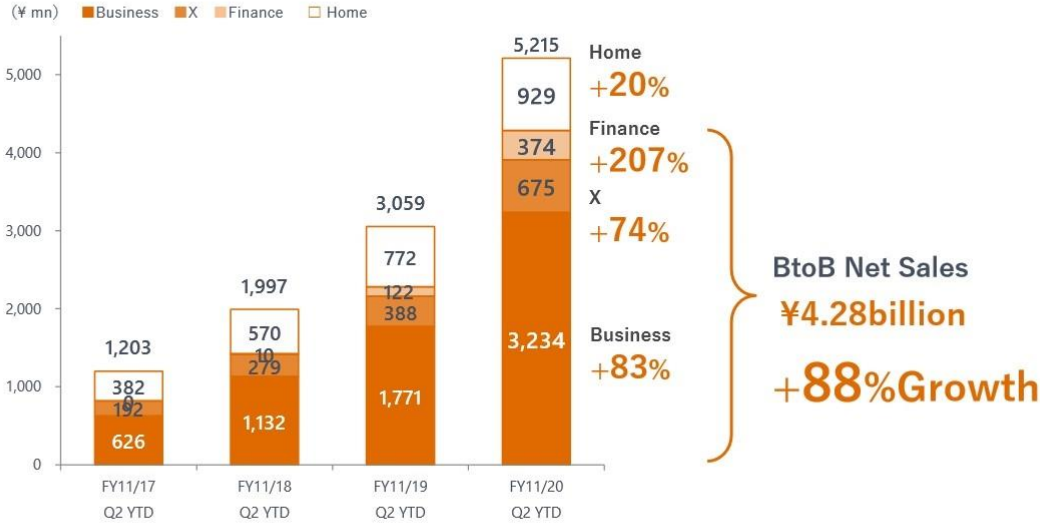


* Group ARR is calculated by multiplying Group monthly recurring revenue (MRR) for the last month of each period by 12. *Group MRR includes subscription revenue of cloud services such as *Money Forward Cloud* of Business domain, premium charges of Home domain, recurring revenue of X domain and revenue of *MF KESSAI* of Finance domain. Annual 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 Q3, to FY11/20 Q2 net sales) from FY11/20 Q1.

As for recurring revenue, we posted a growth of 64% YoY in annual recurring revenue. In Q1, we consolidated Smartcamp, which provides BOXIL, so results grew robustly.

Growth in B2B Net Sales Achieved +88% YoY 18

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

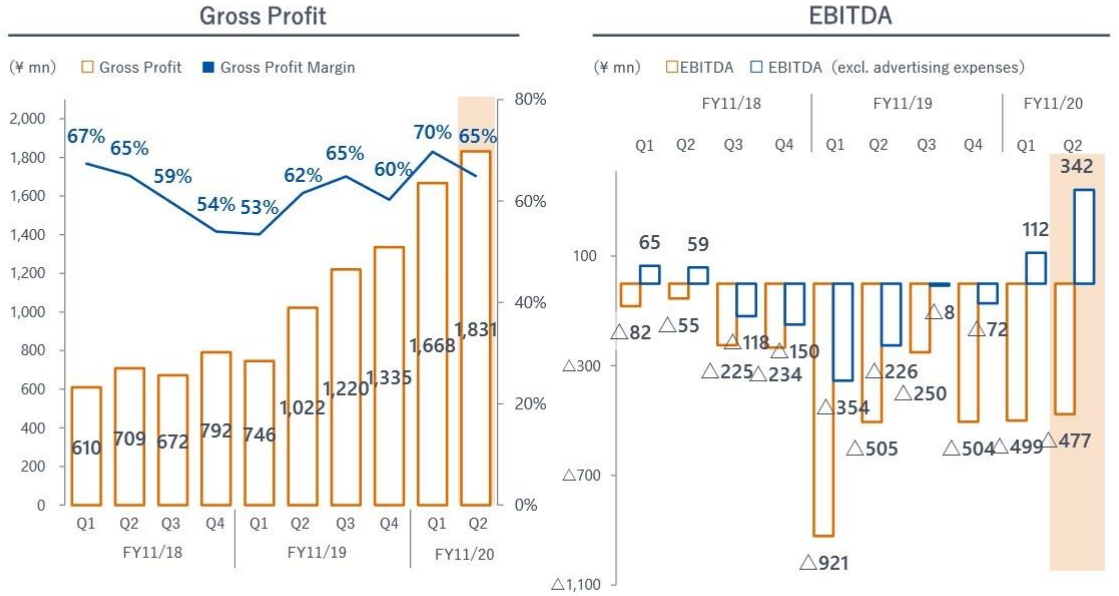


* Figures for net sales of "Other" domain are omitted from the graph. *BtoB net sales are the sum of net sales from Business, X and Finance domain.
* Net sales of Klavis Inc. were consolidated from FY11/18 Q1, Knowledge Labo, Inc. and Wakufuri, Inc. from FY11/18 Q4, and Smartcamp Co., Ltd. from FY11/20 Q1 in Business domain.

In addition, B2B sales (Business, X, Finance) grew by 88% YoY. Meanwhile, in the Home domain, the growth rate was 20% YoY, indicating a slower growth rate than the other divisions. We intend to carry out new activities recognizing this as an issue.

Gross Profit / EBITDA (Quarterly Trend) 19

Gross profit and gross profit margin marked **record highs**.
Achieved profitability in EBITDA excluding advertising expenses.

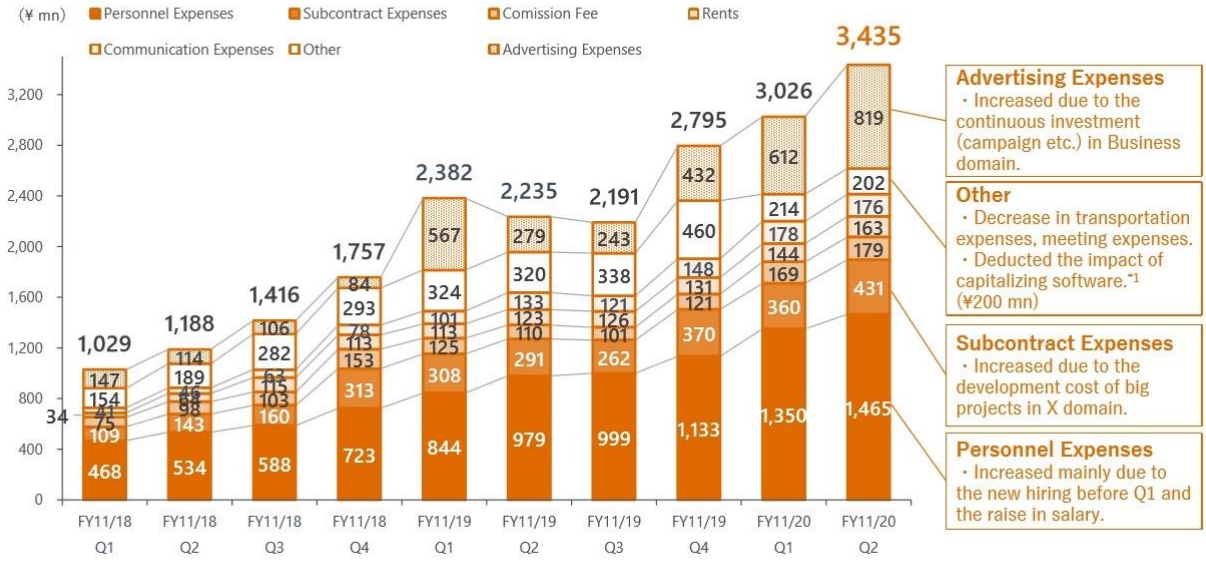


* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses * Tax expenses included in operating expenses is added to EBITDA from FY11/20. The graph above calculates EBITDA for previous terms using the same definition. * Capitalized software for a development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

Gross profit hit a record high, realizing EBITDA profitability excluding advertising expenses.

Breakdown of Expenses (Cost of Sales & SGA) 20

Executed cost cutting/budgeting on group-wide basis. Advertising expenses increased due to the continuous investment in Business domain.

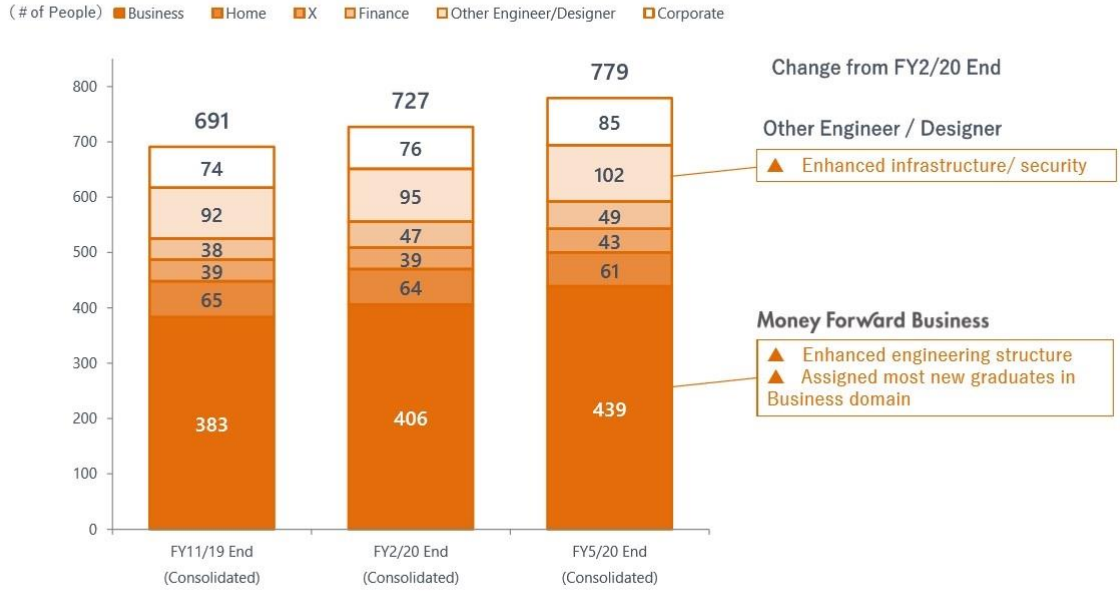


*1 Capitalized software for a development project that is expected to generate revenue going forward, owing to continued enhancement of development capabilities.
* "Other expenses" include amortization of goodwill, recruiting/training expenses, tax expenses included in operating expenses, professional fees, among others.

This is the breakdown of costs. We reviewed and reduced Company-wide expenses given the COVID-19 situation. Specifically, we reviewed the marketing expenses, and we improved the efficiency of some tasks that used to be outsourced by completing them in-house. Various services, SaaS services, and services used at the Company have been reviewed, as part of a comprehensive review of what's really necessary, so that we can cut costs. In this way, we have been implementing cost cuts. Meanwhile, we have been investing aggressively in the Business domain to drive growth, and we are expanding advertising expenses.

Full-time Employees 21

Increase from the end of February is mainly the new graduates joined in April.
Engineer and designer ratio keeps approximately 40%.



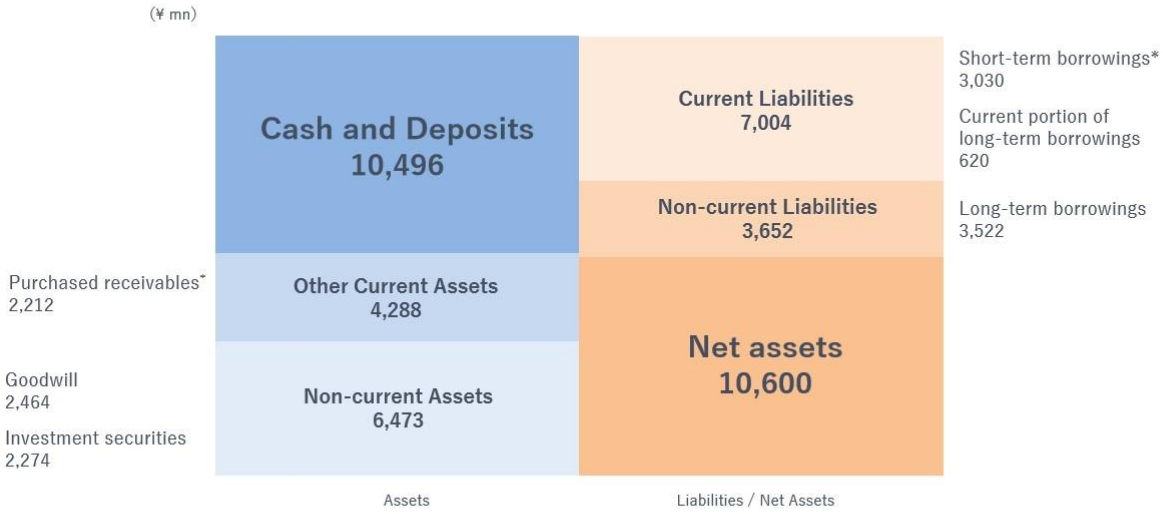
* Other Engineer/Designer includes CISO Dept., CTO Dept., Account Aggregation Dept., MONEY FORWARD VIETNAM etc. Corporate includes CEO's Office, Corporate Planning Dept., Finance Dept., Administrative Dept., Human Resource Dept., Fintech Research Office, etc.

As for the number of full-time employees, we have increased the number, but the majority are new graduates who joined in April. We have maintained the percentage of engineers and designers at 40%.

Balance Sheet

22

We **maintain sound financial base** with more than ¥10 billion of cash/deposits and net assets.



*1 Recorded at MF KESSAI, Inc.

As for the balance sheet condition, as explained, we have cash and deposits and net assets amounting to over JPY10.0 billion, continuing to maintain a very sound financial position. Purchased loans at MF KESSAI amount to JPY2,212 million. A large portion of short-term loans is related to MF KESSAI. This is the overall explanation.

Money Forward Business Highlights in FY11/20 Q2 24

- **Recurring revenue** maintained high growth at **+76% YoY** owing to growth in existing businesses and the acquisition of Smartcamp Co., Ltd.
- **Average Revenue per Account (ARPA) rose to ¥62,297** *1 owing to the expansion of the end users of partner accountants.
- **Customer Churn Rate** was **2.2%***2, rising from Q1 (1.4%*3) due to the seasonal impact of tax return, while improving from FY11/19 Q2 (2.4%*4).
- **Monthly Recurring Revenue (MRR) Churn Rate** was **negative 1.4%***5, achieving a negative churn.
- Since the adoption of the new pricing plan, **percentage of annual pricing / Small Business Plan accounts have gradually increased** (refer to P28 and after).

*1 Annualized figure as of the end of May 2020. *2 The 3-month average up to May 2020. *3 The 3-month average up to February 2020. *4 The 3-month average up to May 2019. *5 The 18-month average up to May 2020. The figure indicates the MRR churn from the beginning of FY11/19 which is before the introduction of new pricing plan. * Please refer to P.75 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

Now I will talk about each segment. First is Money Forward Business. Recurring revenue grew robustly, up 76% YoY, thanks to the growth of existing businesses and the consolidation of Smartcamp.

Annual revenue per paying account (ARPA) increased to JPY62,297, boosted by expanded use among the customers of accounting firms. The churn rate based on the number of customers was 2.2%. The churn rate rose from 1.4% in Q1, primarily due to seasonal factors, because Q2 is the tax filing season, meaning that applications increase, but cancellations also increase. Meanwhile, when looking at the YoY figure, it was 2.4% last year, so compared to that, the churn rate has fallen, and we think it's within our expected range.

As for the monthly recurring revenue (MRR), we logged a negative 1.4% in terms of the base churn rate, realizing a negative churn.

It's been one year since rolling out the new plan last year for the cloud service. As I will explain later, it can be seen that there's a moderate rise in the ratio of annual plan users and the ratio of small business plan users.

Money Forward Business FY11/20 Q2 KPIs 25

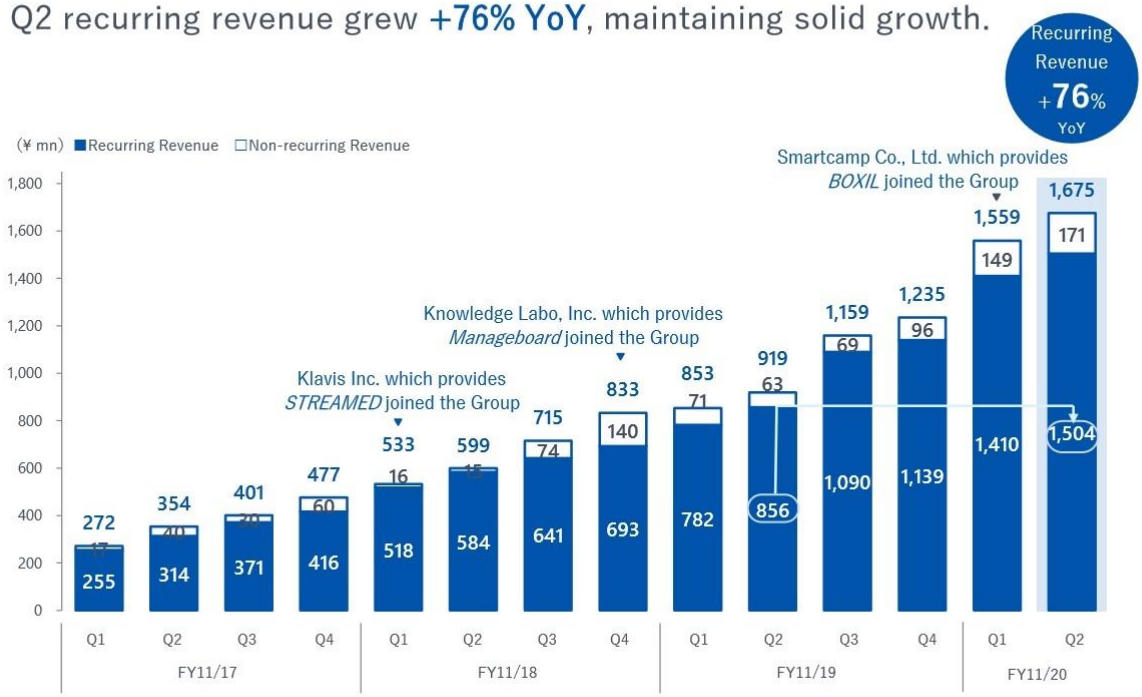
	FY11/20 Q1	FY11/20 Q2
ARPA	¥61,558*1	¥62,297*2
Customer Churn Rate	1.4%*3	2.2%*4
MRR Churn Rate	- 2.6%*5	- 1.4%*6

*1 Annualized figure as of the end of February, 2020. ARPA as of the end of FY11/20 Q1 excludes seasonal factors of cloud-based bookkeeping service *STREAMED*.
*2 Annualized figure as of the end of May 2020. *3The figure is 3-months average up to February 2020. *4 The figure is 3-months average up to May 2020. *5 The 15-month average up to February 2020. The figure indicates the MRR from the beginning of FY11/19 which is before the introduction of new pricing plan. *6 The 18-month average up to May 2020. The figure indicates the MRR from the beginning of FY11/19 which is before the introduction of new pricing plan. * ARPA is calculated based on ARR of last month of each period divided by number of customers at the end of each period. Number of customers is the sum of partner accountants and corporates and sole proprietors coming from website (paying users). * Please refer to P.75 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

On page 25 is the management indicators. As I mentioned earlier, ARPA is growing steadily. The churn rate is within the expected range. The churn rate has slightly declined, and it is within the expected range.

Net Sales from Money Forward Business 26

Q2 recurring revenue grew **+76% YoY**, maintaining solid growth.

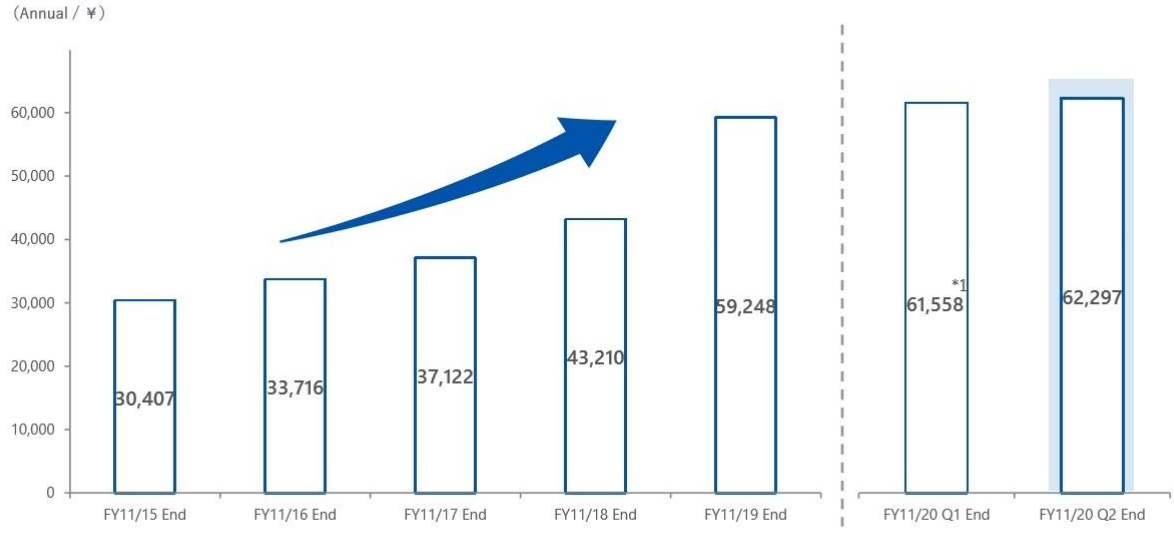


* Net Sales for Smartcamp Co., Ltd. Q2 was approx. ¥310mn (of which recurring revenue was approx. ¥220mn) * Non-recurring Revenue include: 1) fees for implementation of services, 2) sponsorships and ticket sales of events (e.g.,Bizforward, etc), 3) consulting fees from Knowledge Labo, Inc,. *Recurring revenue includes the result of multiplying net sales of Smartcamp Co., Ltd. by recurring customer rate (the ratio of net sales from customers who commenced transactions prior to FY11/19 Q3 to FY11/20 Q2 net sales) .

As I explained, the recurring revenue in Money Forward Business is growing steadily. Looking at Q2, recurring revenue was JPY1,675 million, boosted in part by the consolidation of Smartcamp in Q1.

ARPA Continues to Increase Steadily 27

ARPA increased from Q1 owing to the expansion of the end users of partner accountants.



*1 ARPA of FY11/20 Q1 end excludes seasonal factors of cloud-based bookkeeping service *STREAMED* * Annualized figure as of the end of each quarter/fiscal year.
*Please refer to P.75 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

As explained earlier, ARPA is growing steadily.

Pricing Plans for SMEs since May 2019 28

Offering Annual/Monthly Prices for Business/Small Business Plan.

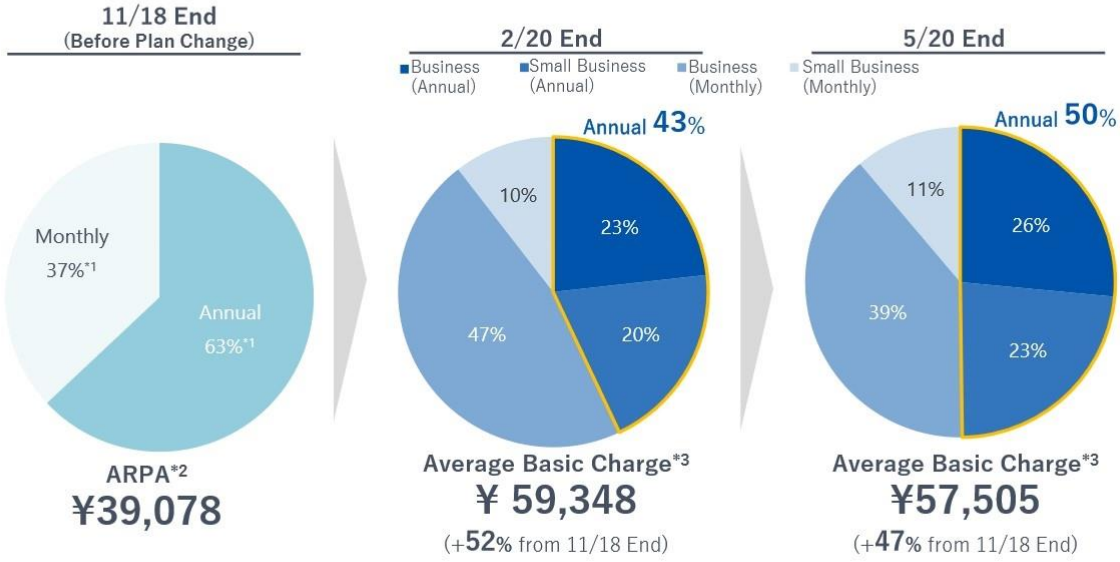
		Business Plan For SMEs with complicated accounting operations/a large volume of invoices	Small Business Plan For smaller SMEs
Basic Charge (Pay Annually)		Annual ¥59,760 (= 4,980/month)	Annual ¥35,760 (= ¥2,980/month)
Basic Charge (Pay Monthly)		Monthly ¥5,980	Monthly ¥3,980
Accounting	Department Registration	Unlimited	Up to 2 Departments
	Bank Transfer Data Preparation	✔	–
Invoice	Addition of Members	Unlimited	Up to 3 Members
	Batch Operation (mail/email)	✔	–

＊All listed prices are excluding tax.

Also, there are two service plans for corporate clients that started last May. More accurately, there are four service plans. We have a business plan and a small business plan, and each of these plans is available through an annual or monthly plan. Therefore, there are a total of four plans. The business plan is offered at slightly less than JPY60,000, so the monthly revenue is slightly less than JPY5,000. The monthly plan is offered at JPY5,980, so it's slightly lower than JPY6,000. As for the small business plan, the annual price is slightly less than JPY36,000, so the monthly revenue is slightly less than JPY3,000. On a monthly basis, the price is slightly less than JPY4,000. Therefore, there are four types of plans with different pricing.

Money Forward Cloud - Sales Mix for SMEs 29

Since the adoption of new pricing plan, annual pricing ratio has steadily increased, resulting in a stable customer churn rate. Rise of Small Business Plan ratio has been gradual along with new customer acquisition.



*1 Definition of annual/monthly pricing ratio at the end of 11/18 is based on the number of *Money Forward Cloud Accounting* paying accounts.
*2 ARPA is average revenue (annualized) per corporate account of *Money Forward Cloud* through web channel.
*3 Average basic charge (annualized) is weighted average by number of accounts of each plan. Please refer to P28 for the detail of each plan.

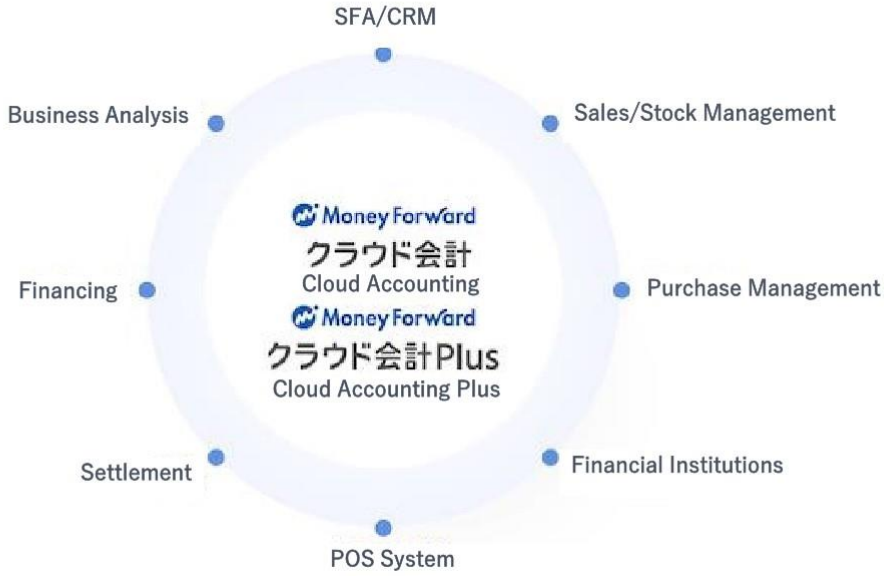
If you look at the slide, you can see the breakdown of the plan for corporate customers. On the very left, you can see the figure before switching to the new plan from the end of November 2018. ARPA is JPY39,078, of which the annual contracts account for 63%. After that, we started a new plan. As of the end of February 2020, the average basic fee was JPY59,348, which is up 52% compared to the end of November 2018. 43% of contracts are annual contracts. The average basic fee was JPY57,505 as of the end of May, up 47% compared to the end of November 2018.

The ratio of annual contracts has gone up from 43% to 50%, meaning that the churn rate would naturally head lower. We've seen a steady uptick in annual contracts, partly thanks to our recommendation to customers to sign up annually.

The number of users has risen significantly. Due to the increase in new customers, the ratio of the small business plan has gone up moderately. The ratio went up from 20% at end-February to 23%. The annual amount slightly decreases when the ratio of small business users increases, as explained earlier in the section about ARPA. However, we do not think this is a particular problem because the business is growing.

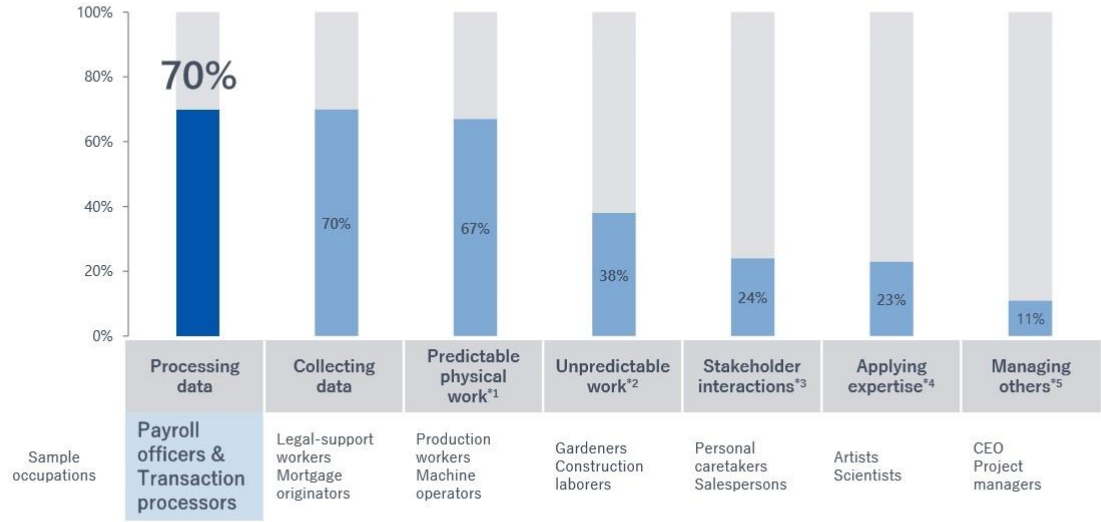
Opening-up Accounting API 30

Our cloud-based accounting platform can be connected seamlessly to a variety of services which support businesses. Delivering **higher productivity** and **business improvement** by visualizing financial data timely.



Next, I'll talk about business topics. We received requests from many people for API provision of cloud accounting, including Money Forward Cloud and Cloud Accounting Plus, and we were finally able to meet these needs. By using API, we hope to rapidly visualize management indicators through API linkage with the various wonderful services related to corporate management to realize management improvements and productivity gains.

Huge Potential for Automation in Payroll/Accounting Area 31



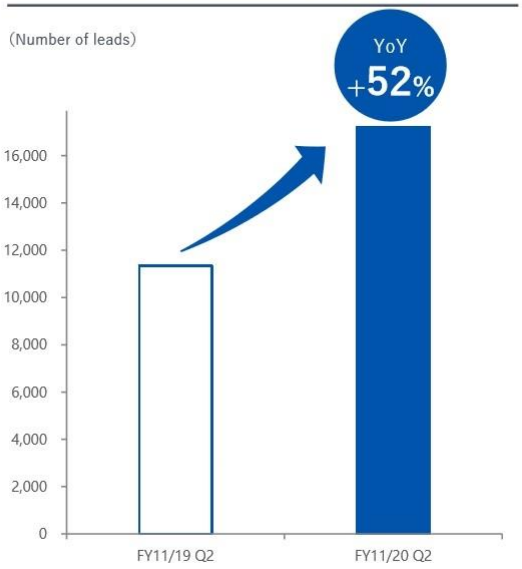
* Source：McKinsey & Company "The future of work in Japan"（May 2020）
*1 Manually operates machines in predictable environment.
*2 Manually operates machines in unpredictable environment.
*3 Interacts with various stakeholders (e.g. consumers, customers)
*4 Applies expertise for decision making, strategy planning and creative works, etc.
*5 Talent management and development.

In addition, there's a study out from McKinsey called The Future of Work in Japan that examines the potential for automation in each domain. As expected, the area of data processing in payroll and account processing showed a large potential for automation. We will push ahead with automation in this field to increase user productivity.

SaaS Marketing Platform *BOXIL* is Robust 32

With the growing demand for SaaS services, the number of lead generated on *BOXIL* offered by Smartcamp Co., Ltd. **increased drastically by +52% YoY.**

Trend of Number of Leads



Items with High Demand

- Video distribution system
- Project management/ process management tools
- Electronic signature and agreement Solution
- Online storage
- Online meeting system, etc.

Also, as I explained at the start, BOXIL, which is a corporate SaaS comparison and search website, has delivered very good results, up 52% YoY, marking a sharp increase in the number of requests for documents. As you know, BOXIL is used by many people, supported by the robust growth in the number of leads for online systems, such as web conferences, e-contracts, and remote work.

One of the Japan's Largest Online Exhibitions "BOXIL EXPO 2020" 33

More than **5,000 participants** signed up for "Sales and Marketing Exhibition" in June. Will hold "IT/SaaS/Remote Work Exhibition" in September.



Please turn to page 33. In June, we held a sales and marketing exhibit that had over 5,000 participants, and we held it online. Online meetings allow for easier participation. Some believe that making connections is more difficult in online meetings than offline ones, but in truth, business negotiations can be conducted online as well. Given the very high cost performance, many of our clients were happy. The second event will be an IT, SaaS, and Teleworking exhibit that's scheduled to be held in September.

Event for Accounting and Tax Professionals 34

Promoting DX for SMEs together with accounting and tax professionals all over Japan.



Date: July 27th, 2020 1pm-4pm JST (Online Event)

We're also going to hold the Professional Summit 2020. On July 27, together with accounting firms, tax accountant offices, and certified social insurance labor consultant offices, we will be holding an event aimed at promoting DX at SMEs. One of the speakers will be Mr. Kobayashi, who is promoting IT for the LDP.

Started Remote Work Campaign 35

Campaign is targeting new accounts of *Money Forward Cloud* and offers ¥50,000 worth of Amazon gift card to promote the remote work of back office operation.



80% of accounting staffs are still commuting
even during the COVID-19 crisis*1.
We want back office workers to work safely from home.
To support the introduction of remote work, we started this campaign.

*1 Source: "Survey on remote work of accounting finance workers" by MF KESSAI, Inc.
* Please refer to the website for the detail of this campaign.
https://biz.moneyforward.com/campaign/telework-subsidy/?internal_source=mfbanner&internal_medium=banner&internal_campaign=telework-subsidy&internal_content=cloud_top

We're also holding a teleworking subsidy campaign. By using our cloud services, we offer an Amazon gift card worth JPY50,000. Through this campaign, we're working to promote back-office teleworking. This concludes my explanation of Money Forward Business.

Net Sales from Premium Charges 37

Achieved +26% YoY.

Number of paying users increased steadily, **exceeding 250,000** *.

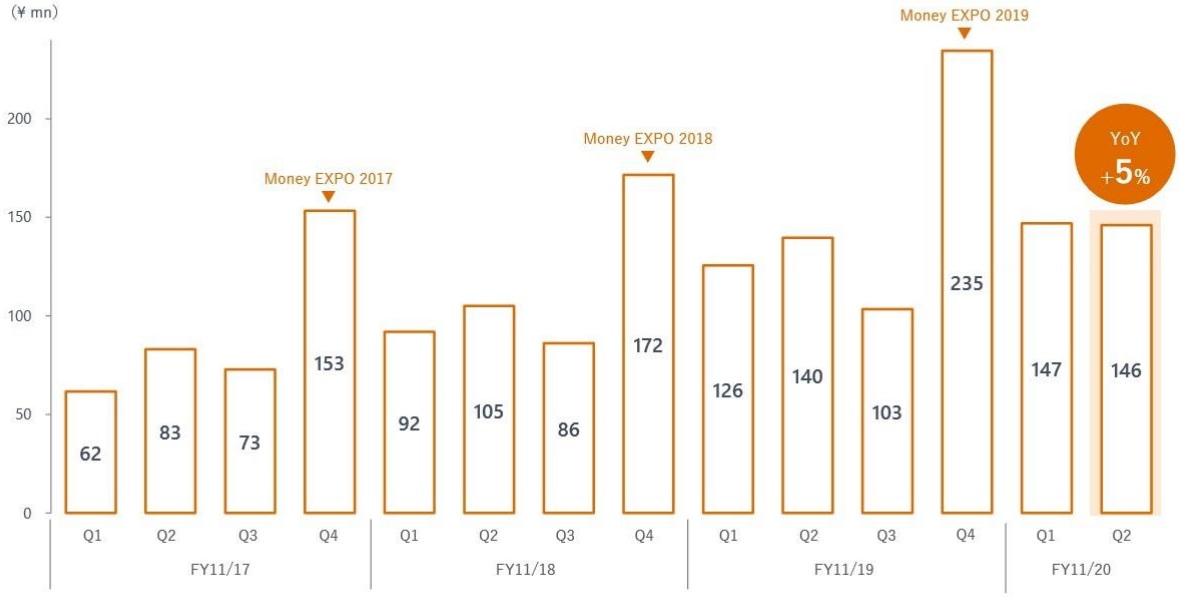


* As of end of May

Next, I'll move on to Money Forward Home. In the Home business, premium charges, which come from premium users who pay JPY500 per month, has shown a steady growth upwards, delivering 26% YoY growth and exceeding 250,000 users.

Net Sales from Media/Advertising 38

As expected, Q2 saw a slight decrease in net sales due to the cancellation of offline events. In Q4, **"Money EXPO" will be held online.**

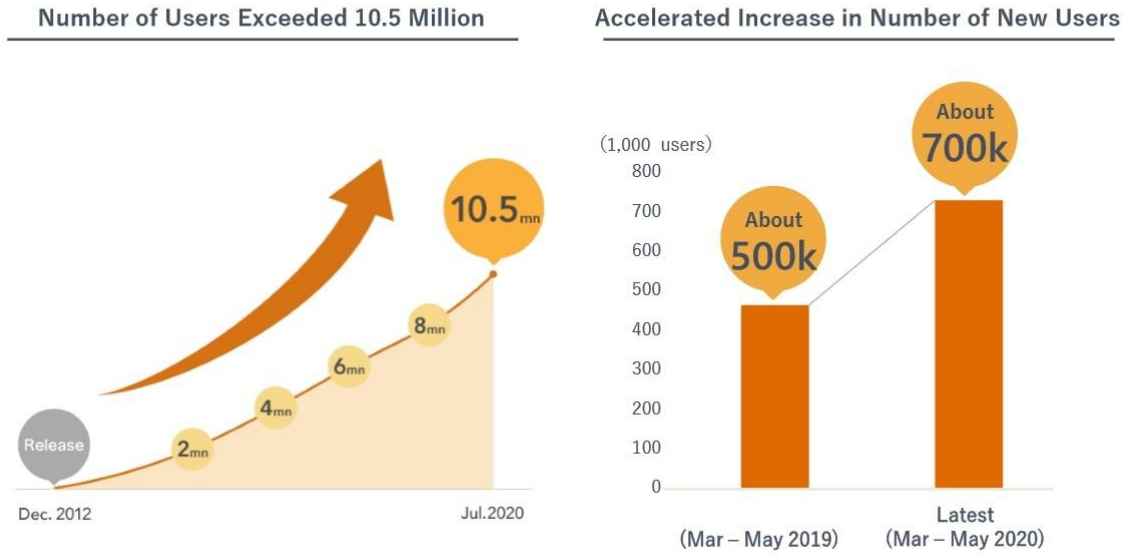


* Net sales from media/advertising include: 1) advertising sales from MONEY PLUS - practical economic media, 2) sales from events (Money EXPO) and seminars, and 3) sales from other PFM services including *Money Forward Money Consultation*.

In addition, for media and advertisement revenue, the cancellation of offline events has led to a slight decrease in Q1 revenue as we expected. Also, in Q4 of every year, we hold Money Forward Money EXPO, but this time it'll be difficult to hold an offline event. So, we're going to call the event Money Forward Week, which we plan to hold online.

Money Forward Me Users Exceeded 10.5 Million 39

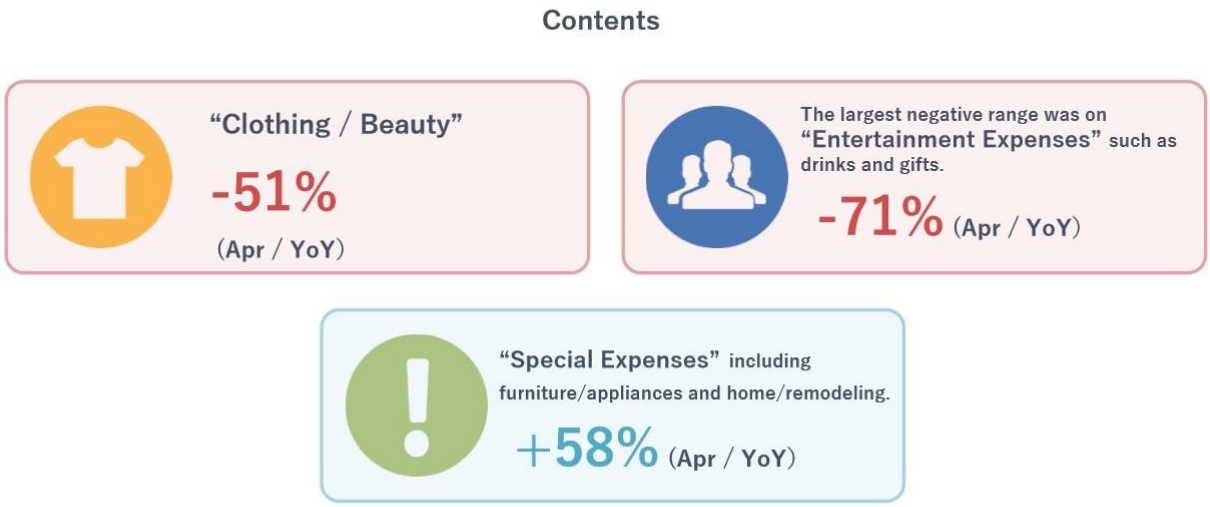
Acquired new users at a faster pace. 700k new users were added in Q2.



Next, please go to page 39. The number of users of Money Forward ME surpassed 10.5 million people, indicating an accelerated pace of new user acquisition. In the latest quarter, we had about 700,000 people who registered, which compares with 500,000 people last year in 2019. Probably in relation to cashless and other trends, we're seeing a large number of increases in users.

Contribution to Society with Statistical Data 40

Providing statistical data to the society to prove social changes by taking advantage of *Money Forward ME*.



* Randomly selected *Money Forward ME* users with permission. Spending items for January to April 2020 that were entered by May 9th were surveyed and analyzed.

To leverage the statistical data from Money Forward ME, and use that data for society, we analyzed the expenditure trends of users during COVID-19. The results are published here. Expenditures for clothing and beauty dropped by roughly half, while entertainment expenses fell by over 70%. Meanwhile, in large part due to the stay-at-home mood, expenditures for home remodeling rose by 58%. In this way, very interesting data can be observed.

Money Forward ME - Connecting with Individual Annuities

41

Enables users to visualize assets including individual annuities (annuity certain) through cooperation with life insurance companies. Plans to expand the number of connections.



* The insurance that can be connected are annuity certain products provided by Nippon Life Insurance Company, annuity certain/life annuity products provided by Meiji Yasuda Life Insurance Company. Depending on the annuity product and contract status, this may not be displayed.
* 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.

In the Money Forward ME business, tie-ups with life insurance companies have accelerated. We've made it possible to grasp assets, including personal pension insurance, and we've already formed tie-ups with Nissay and Meiji Yasuda Life. We also plan on forming tie-ups with Dai-ichi Life and Sumitomo Life. By having users grasp the overall picture of their assets on Money Forward Me, we want to make further progress in practically realizing the management of assets in a way that would help mitigate user concerns over money in the future.

Expansion of Services by Utilizing PFM User Base 42

Launched *Money Forward Career*, an integrated service of life planning and career support based on PFM data with a focus on personnel involved in DX.



As I stated earlier, the growth rate in the Home business is an issue. As a new initiative, we started a service called Money Forward Carrier for PFM users with the desire to raise their income. When switching jobs, there are cases where your salary drops. Money-related worries go hand-in-hand with career changes. Thus, we're providing life planning services.

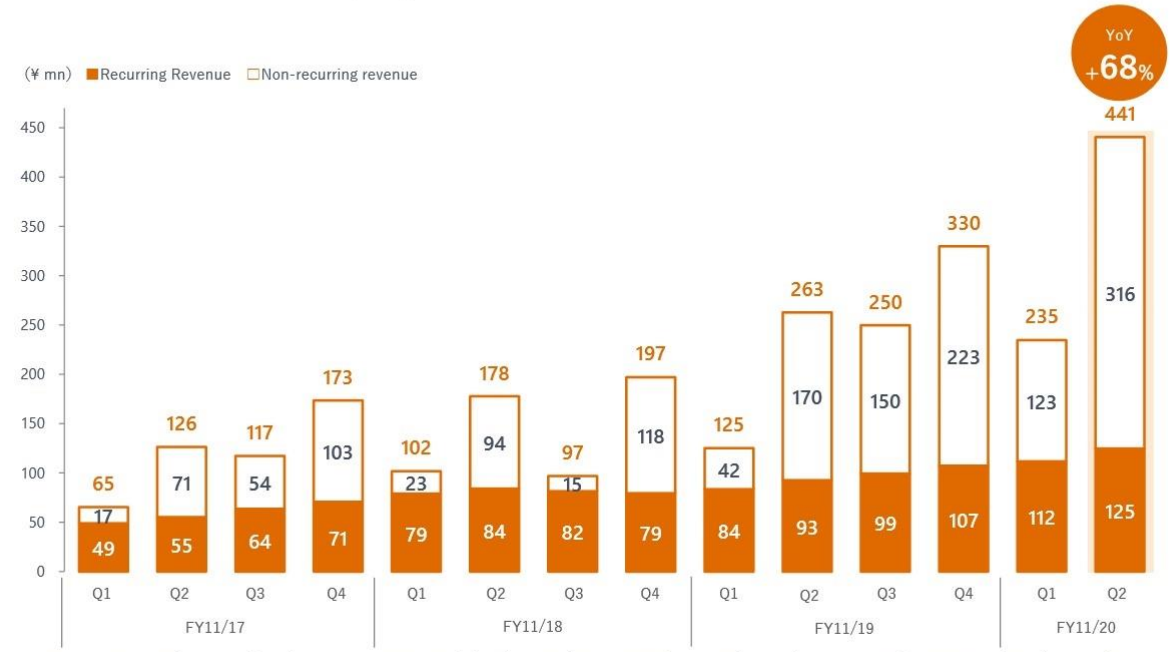
Also, we divide people's characteristics using a tool called FFS diagnosis—something like an AI-driven HR tool—to propose systems that ensure better matching based on data. We've also been using this internally, and it's a service that realizes very good matching. By using this tool, we hope to offer career changes and careers to people who newly partake in corporate DX.

Although this isn't included in the material, we conducted a website renewal for Money Forward Home. As some of you may know, we've received complaints from users that the newly created website is hard to use, and some of the functions have disappeared. As a result of various discussions internally, we determined that continuing to implement improvements won't lead to our initial goal, so we took down the newly released website in a hurry and restored the old version.

We're very sorry about what happened this time, and we'd like to apologize to the various users and stakeholders who were affected by it. Our original aim turned out to be difficult to achieve after actually releasing it. Our website hasn't been an area where we poured in a lot of resources ever since the time of our founding. Nonetheless, we had decided to implement a drastic change this time, which ended up surprising many of our users. And we regret that this has been the case. Going forward, based on the feedback we received this time, we'll redesign the method of the renewal and our approach toward target customers to once again conduct the website renewal. This concludes my explanation of the Home business.

Net Sales from Money Forward X 44

Both recurring and non-recurring revenues reached **record highs, achieved +68% YoY**. DX related projects with financial institutions are accelerating.



* 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.

Next, I'll go over Money Forward X. Financial institutions have stepped up their initiatives for DX, resulting in our recurring and one-time revenue both hitting record levels, up 68% YoY, logging net sales of JPY441.0 million for Q2.

Co-developed an Asset Management App *OneStock* with Nomura Securities 45

Supports to form future asset through visualizing asset life in one app and indicating useful lifespan of assets.



This time, we jointly developed OneStock, an asset management app, together with Nomura Securities. This is a service that supports future asset formation, such as through the visualization of asset life, central asset management, and functions to diagnose assets. This service can be used by anyone, so please take a look.

Launched Asset Management Functions for Iyo Bank Credit-card Loan App

46

Enables to calculate the projected shortfall based on the amount of deposits and withdrawals from financial institutions.

伊予銀行

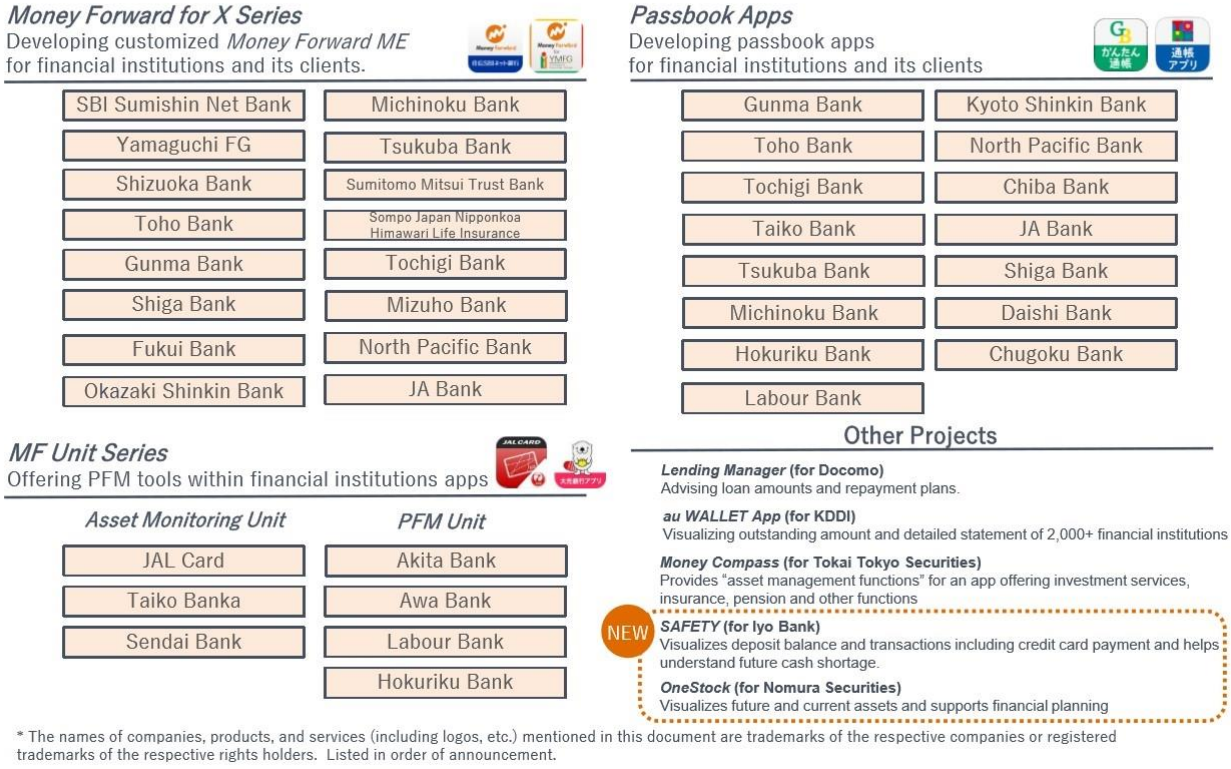
Iyo Bank



* *SAFETY* is a credit-card loan app co-developed by The Iyo Bank, Ltd. and Accenture Japan Ltd. Enables to borrow money from smartphone with a single tap.

We also started offering asset management features for Iyo Bank. This is a card loan app for financial institutions. It's possible to calculate the expected shortage in funds based on the balance of deposit and amount of deposits and withdrawals. It allows users to foster an awareness of fund shortages from an early stage.

Alliance with Financial Institutions (Apps and Tools) 47

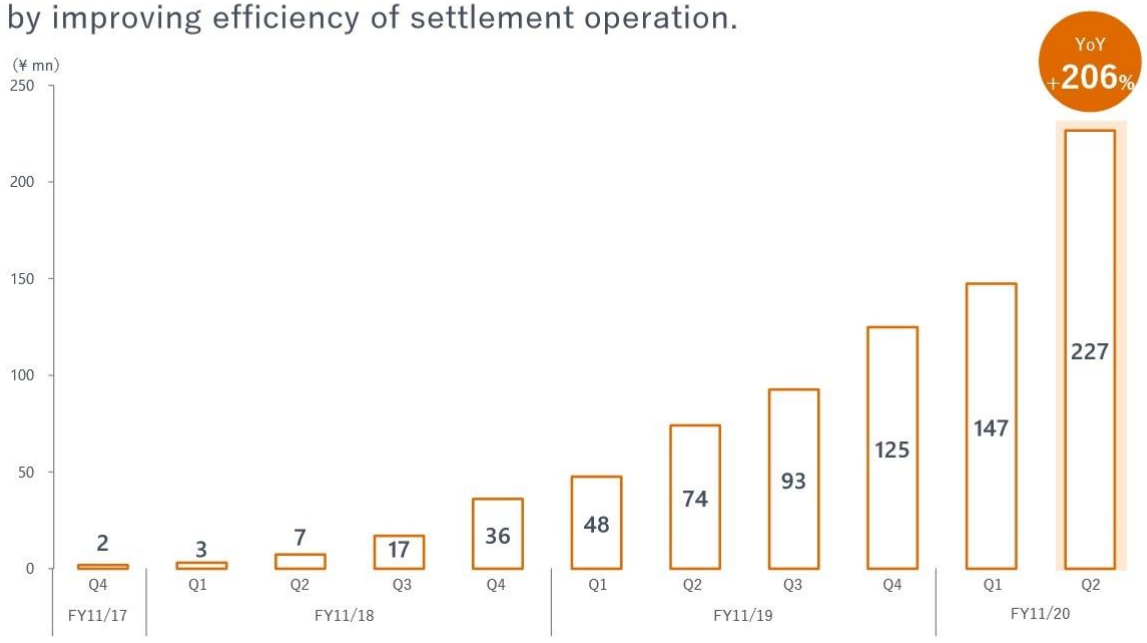


* The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders. Listed in order of announcement.

Through such activities, as shown on page 47, we're providing services to the financial institutions and businesses described on the page. We will continue to specialize in the development aspects of these tools. Through collaboration with financial institutions, we aim to provide new value to users and promote DX.

Net Sales from Money Forward Finance 49

Achieved rapid growth of +206% YoY, owing to expanded provision of OEM and BPO invoicing of *MF KESSAI*. Contributing to corporates' DX by improving efficiency of settlement operation.



Lastly, I'll go over the Money Forward Finance business. Growth has continued to accelerate, up 206% YoY. MF KESSAI's billing services and OEM have been robust.

MF KESSAI Exceeded ¥20 Billion in Total Transaction Volume 50

Transaction volume doubled in just six months[*1] after exceeded ¥10 billion in total transaction. The number of applications for *MF KESSAI Early Payment*, accounts receivable financing service **doubled from the end of last year** [*2].



*1 As of end of April 2020. Total accounts receivable transferred to MF KESSAI, Inc. through *MF KESSAI* (BPO and factoring service) and *MF KESSAI Early Payment* (accounts receivable financing service).
*2 As of April 2020.

In addition, the cumulative transaction volume surpassed JPY20.0 billion, just six months after exceeding JPY10.0 billion. Also, the early cashing service of accounts receivable, MF KESSAI Early Payment, has been very popular, with the number of applications doubling from the end of last year. In spite of COVID-19, the needs for the early cashing of accounts receivable have been very strong, and we intend to meet those needs.

MF KESSAI Entered into a Business Matching Agreement with Financial Institutions

51

Started offering *MF KESSAI* to **corporate clients of Shizuoka Bank and Hiroshima Bank**. Plans to expand the alliances with financial institutions.



Also, at MF KESSAI, we have signed a business matching contract with financial institutions, and we started providing MF KESSAI to the corporate customers of Shizuoka Bank and Hiroshima Bank. We hope to expand our partnership with various financial institutions going forward. If you know of any financial institution that may be interested, I would appreciate it if you could let us know.

MF KESSAI Launched Plan for Subscription Providers 52

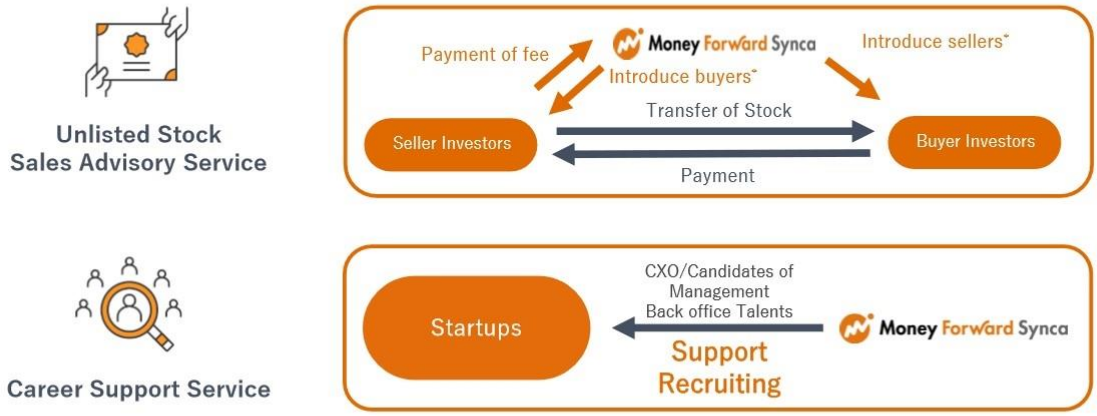
Enables to receive the annual fee of BtoB subscription services before the payment due.
Supports **subscription providers' growth** by BPO and early payment.



In addition, the market for B2B subscription services is expanding significantly. Although typically corporate customers pay a subscription fee on a monthly basis in small sums, we started a plan that makes it possible to receive the payments in a lump sum before the deadline. We hope to support the growth of companies that offer subscription services through our billing and early cashing services.

Money Forward Synca Expanded the Service Realm 53

Launched two new services, **unlisted stock sales advisory and career support** to help the startups' growth.



* We will not engage in any activities that fall under financial instruments business. Discussions on the sale will be conducted with the consent of the investor-funded startups.

As for Money Forward Synca, we are carrying out various initiatives aimed at supporting the growth of startup companies. We started offering two new services, including a sales advisory service of unlisted shares and carrier support. We hope to expand these new services steadily so as to meet these new needs.

With regard to Finance, we have decided to terminate Money Forward BizAccel. Although growth was steady, the growth rate of the online market was slower than we expected. We judged that the growth rate wouldn't reach our expected rate, given that financial institutions are aggressively expanding loans amidst COVID-19. Also, we're operating various other services, so we decided to suspend the service for the time being as part of the selection and concentration of services. We learned many things regarding online lending and financing, so we will continue to harness what we learned in advancing the creation of services.

Alliance with Financial Institutions (APIs) 55

To be contracted with **all 125 banks** with connections*1.
Building up **the biggest account aggregation platform** in Japan.

	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	110	1	249	—	13	—	617	—
Corporates	101	8	249	—	13	—	—	—

Japan's top*2 Fintech company in terms of number of referential and money transfer API contracts.

*1 Including provisional and permanent web scraping contracts.
*2 Based on the research by Money Forward, Inc.
* As of June 16th, 2020. Counting financial institutions (including Shinkin Banks, Labor Banks and Agricultural and Fishery Cooperative Savings Insurance Corporations) that are determined to have API connections or web scraping connections with contracts. The number of scraping is 19.

Lastly, I'll go over our strategic initiatives. As for API contracts, we formed a contractual agreement with all 125 banks with which we have an API connection. We are building Japan's largest account aggregation platform, and we hope to steadily provide account aggregation.

Enhancement of Management Structure 56

Naoya was reappointed as CFO effective on July 1st.
Tatsuya, CEO of Klavis, Inc., who joined Money Forward group in 2017 by M&A is in charge of the strategy planning and execution of group-wide as CSO.



Naoya Kanesaka

Director, Executive Officer and CFO, Money Forward, Inc.
Representative Director, Money Forward Synca, Inc.

- 2007-2014: Goldman Sachs (Tokyo and San Francisco offices). Engaged in advisory services for cross-border M&As and financing.
- Joined Money Forward, Inc. in 2014. As CFO, led IPO, domestic and global financing, M&A and alliances.
- Founded and appointed as CEO of Money Forward Synca, Inc. in Sep 2019.



Tatsuya Kanto

Executive Officer and CSO, Money Forward, Inc.
Representative Director & CEO. Klavis, Inc.

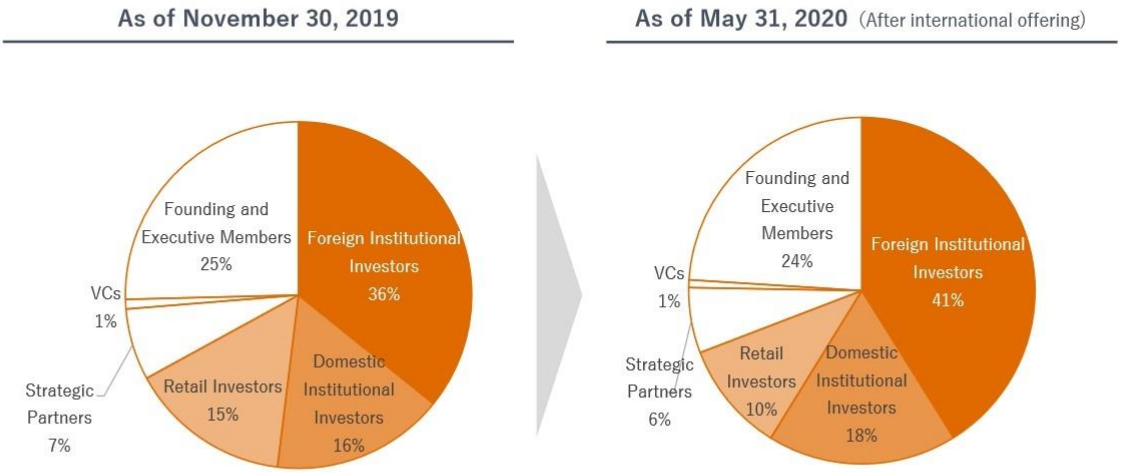
- Was involved in project management and launched overseas bases in a software company in 2001.
- Joined Macromill, Inc, in 2006 and engaged in M&A and foundation of JV.
- Founded Klavis, Inc in 2012 and serves as Representative Director and CEO.
- Joined Money Forward group in 2017.

As for strengthening our management structure, we reappointed Kanesaka as CFO as of July 1. Kanesaka is one of the members that has been driving the growth of Money Forward since 2014, and we decided to have him take the lead again as CFO for the firm's future development.

Another management member is Kanto. Kanto is the founder and CEO of Klavis that joined the Group in 2017. He will serve as the CSO and take charge of formulating and implementing group-wide strategies. In this way, we have been strengthening the management team. Kanesaka and Kanto have already made great achievements, and they are contributing significantly to the growth of Money Forward.

Institutional Investors are Continuously Increasing 57

Foreign institutional investors account for 41% and domestic institutional investors for 18%. Foreign institutional investors increased after the international offering in February. We will start initiatives for retail investors.



As for the ratio by shareholder type, the ratio of institutions investors has continued to rise. As of the end of November last year, overseas institutional investors held 36% of our shares. Domestic institutional investors held 16% of our shares. However, as of the end of May, following the issuance of new shares for an overseas offering, overseas institutional investors held 41% of our shares, and domestic institutional investors held 18% of our shares. Institutional investors hold just shy of 60% of our shares in total. Retail investors hold 10% of our shares. We think this is a slightly low number, so we hope to take measures to increase retail investors going forward.



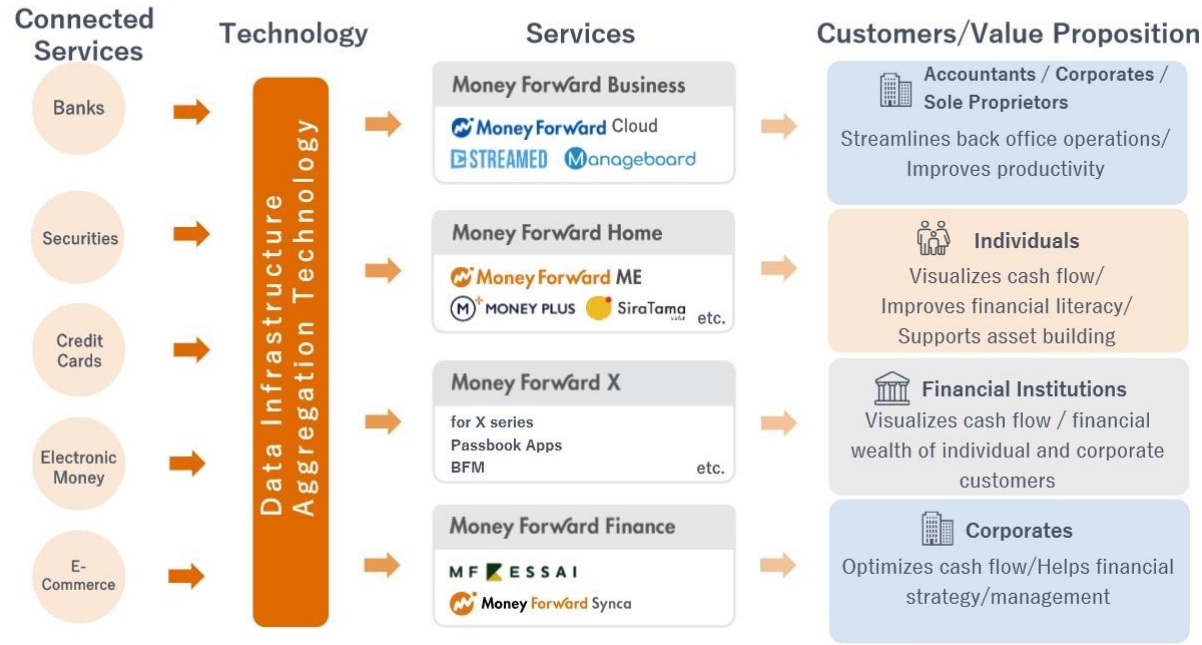
Please see page 58. As for our policy for growth investments and achieving profitability, we have not made any particular changes to the content. Our policy for growth investments in the future will focus on maximizing medium-to long-term cash flows, given that we operate a subscription business model. We will be implementing growth investments steadily. While we say that we will implement growth investments, we will also be executing investments weighing the investment returns vis-a-vis the soundness of management indicators.

We've been pushing for M&A deals even since going public. First, we have a broad strategic framework. We determined whether we are in line with this strategy. We also look at whether the deals are overvalued in light of its finances. We look carefully for deals that are both strategic and financially disciplined when executing deals. Although we now receive many inquiries about M&A deals, we intend to execute deals carefully.

Also, we have not made any changes to our policy of achieving profitability. We hope to turn EBITDA positive in the next fiscal year, and we will be pushing for the early realization of listing our shares on the prime market of TSE:1.

Group-wide Growth Strategy 59

Leveraging data infrastructure and user base based on aggregation technology to create business synergies and new businesses continuously.

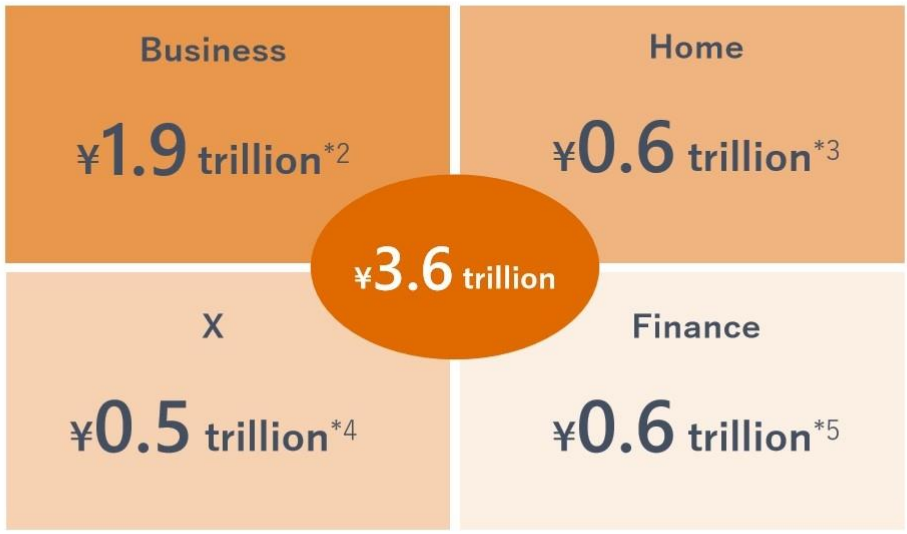


As for the Group's growth strategy, we will be leveraging our API data infrastructure and connection technology (e.g., connection services, technology, and account aggregation for banks and securities companies) to offer services based on information gathered using our UI/UX and service-creating technologies. Our business model is to offer services in four domains: Money Forward Business, Home, X, and Finance. We think this is our strength.

While there is a variety of value provided to users as shown on the right, we hope to create business synergies between these domains to continuously create new services in our new businesses, in order to grow steadily.

Immense Total Addressable Market (TAM*) 60

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



* All footnotes are described on P76.

We have been very lucky in that we operate our business in a field with a huge addressable market. Money Forward Business, Home, X, and Finance each operate in an extremely large business market. We understand that the TAM is around JPY3.6 trillion, though there are many ways of calculating this figure, and we hope to realize growth while steadily capturing the market needs.



Junpei Watanabe, who serves as our creative director, created an ad copy, “Life beyond worries,” against the backdrop of the current COVID-19 outbreak. There are various worries every day, and everyone is in the midst of struggles. Both individuals and companies are now facing an unprecedented crisis. Even under the current situation, we are taking the initiative in our daily business activities aimed at contributing as much as possible through our services. This concludes my presentation. Thank you for your attention.