Financial Results for the 3rd Quarter of Fiscal Year Ending November 30, 2020

Money Forward, Inc.

October 15, 2020

Contents

Our Business P.2

Financial Performance in FY11/20 Q3 P.9

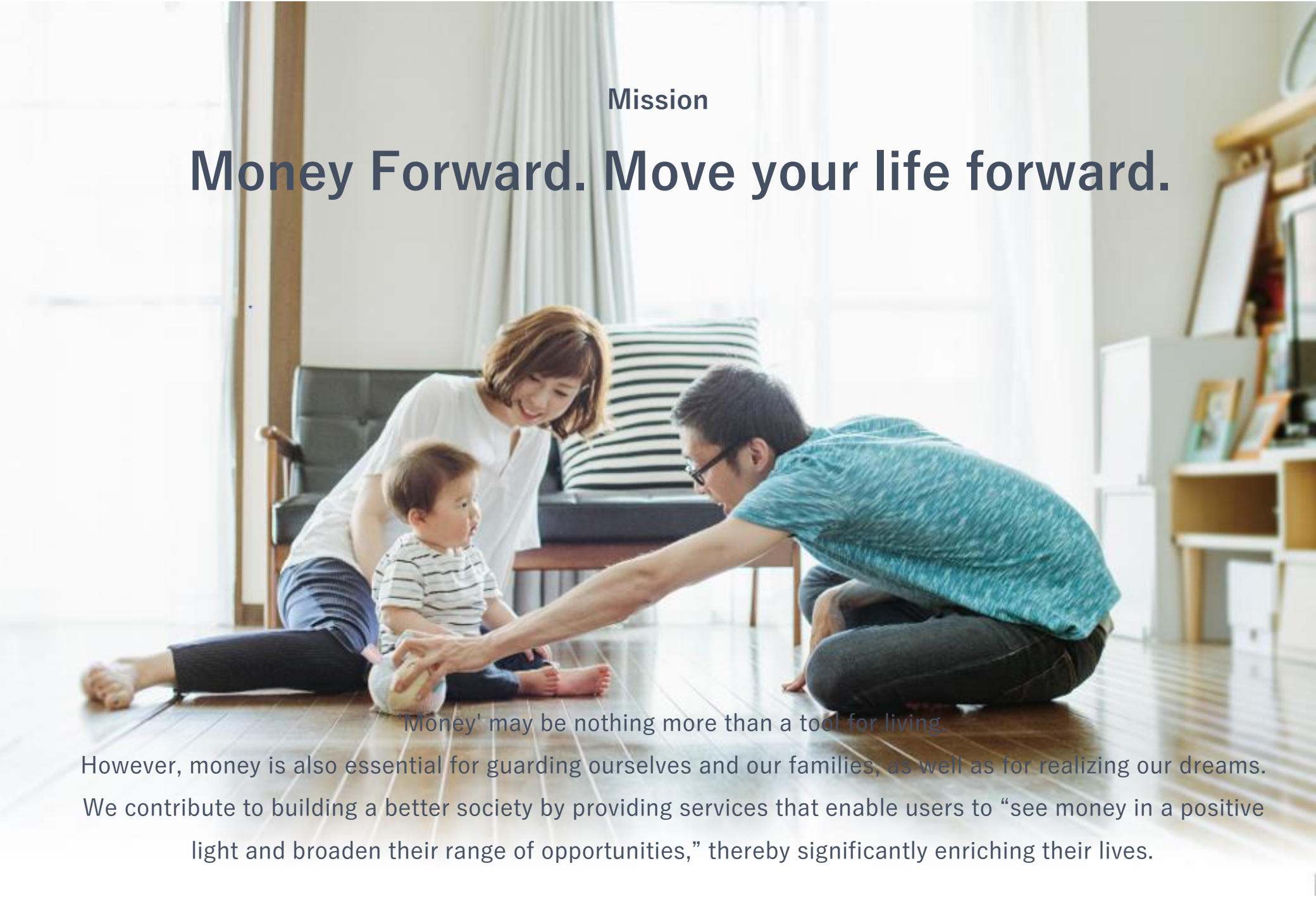
- Money Forward Business P.18
- Money Forward Home P.40
- Money Forward X P.46
- Money Forward Finance P.53

Other Strategic Initiatives P.61

Appendix P.69



Our Business

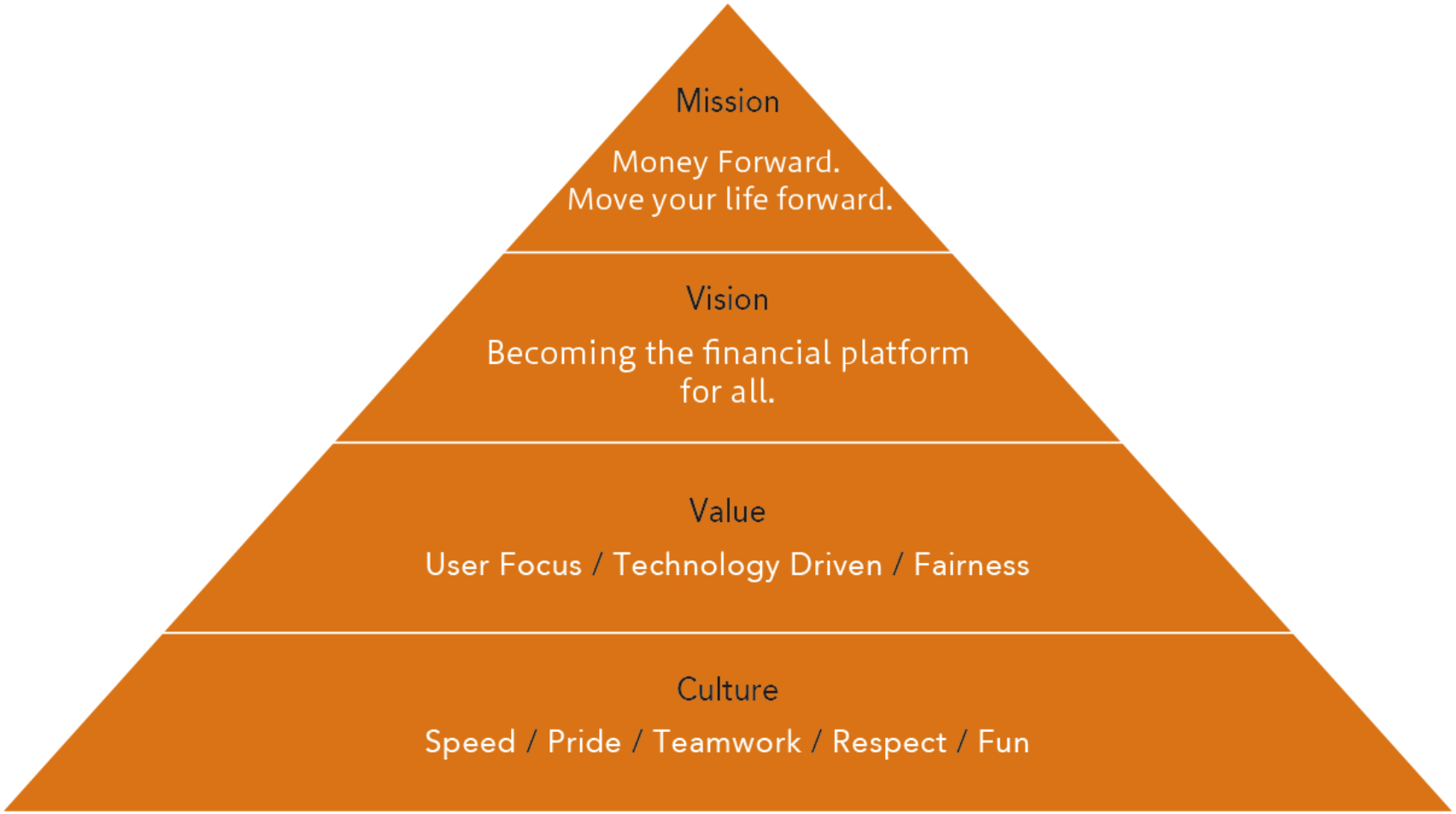


Mission

Money Forward. Move your life forward.

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

Mission / Vision / Value / Culture



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

- Cloud Accounting
- Cloud Tax Return
- Cloud Invoice
- Cloud Payroll
- Cloud Expense
- Cloud My Number
- Cloud Attendance
- Cloud Social Insurance
- Cloud Accounting Plus

Money Forward Company Registration

STREAMED
Cloud-based Bookkeeping Service

Manageboard
Cloud-based Business Analysis Tool

BOXIL
SaaS Marketing Platform

BALES **BALES CLOUD**
Inside Sales support

ワクフリ
Cloud Consulting for Back Office Operation

NEW
V-ONEクラウド
Cash Reconciliation and Receivable Management Cloud Service

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 of *Money Forward ME*

Money Forward Career
Career consulting service specialized in DX field

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

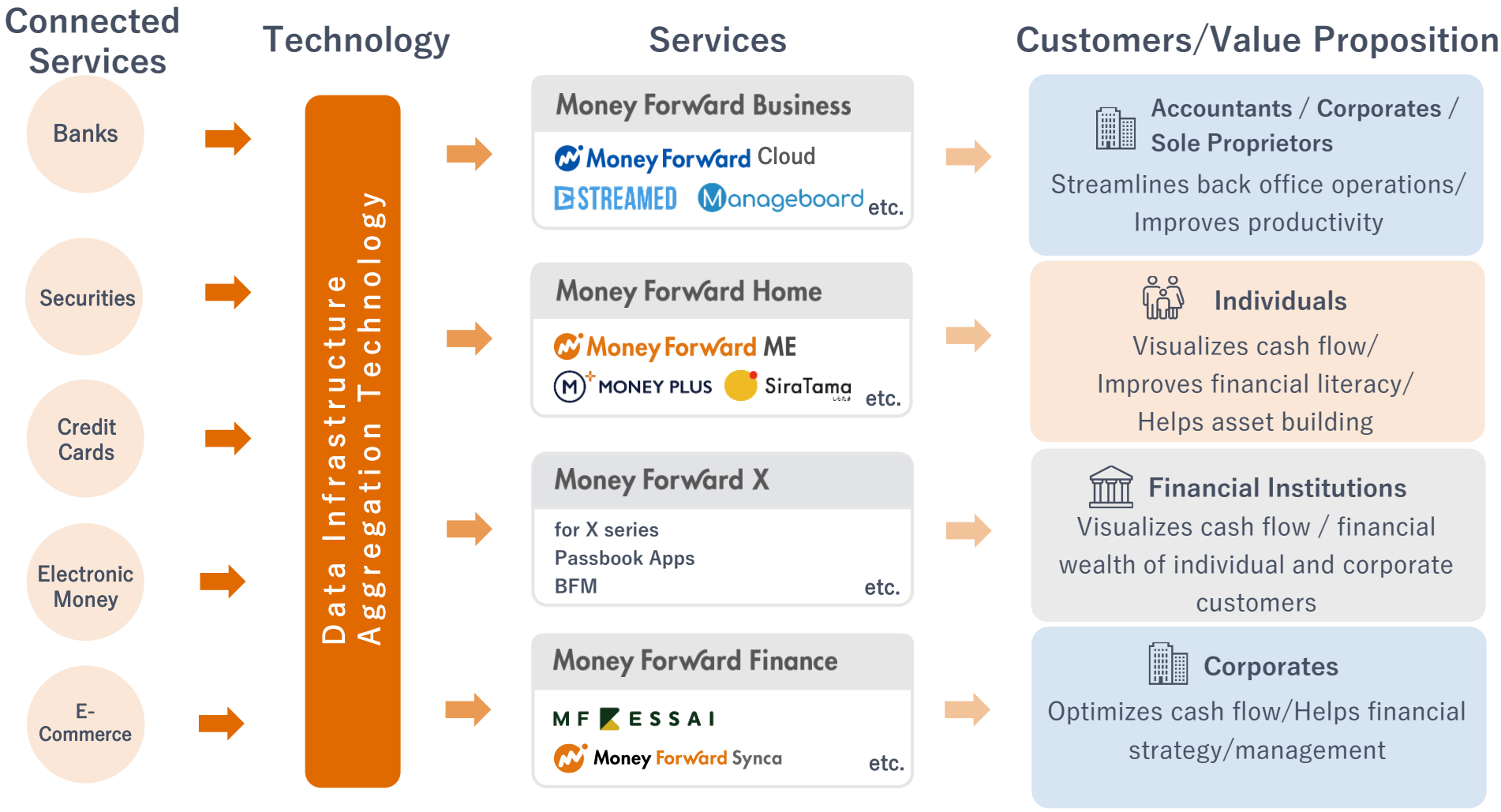
MF ESSAI
アーリーペイメント
Accounts Receivable Financing

Money Forward Synca
Financial Advisory Service for Growing Companies

NEW
HIRAC FUND
Entrepreneurs' Fund Supporting Startups in Seed and Early Stage

Business Model to Achieve Our Vision

Utilize one of the largest data aggregation infrastructure and customer base to achieve our vision “Becoming the Financial Platform for All”.



Competitive Advantage of Money Forward Group

Synergies between Domains	・Continuous expansion of TAM by launching new services and businesses successively ・Enhancement of value for users and brand recognition ・Improvement of CAC[*1] and enhancement of LTV[*2]
High Level of Development and Design	・Accumulated service development knowhow allows to achieve both quality and quickness ・Uniform account aggregation engine and data infrastructure are utilized for multiple services
Strong Corporate Culture and Diverse Talent	・Spread of Mission, Vision, Value and Culture ・High performance engineers and designers ・Sales & Marketing team and corporate function which foster continuous business growth
Success in M&A	・Past experiences in PMI[*3] accelerate the growth when a company joins the group ・Management teams/entrepreneurs of subsidiaries playing key roles in the group level

*1 Customer Acquisition Cost
*2 Lifetime Value
*3 Post Merger Integration

Nationwide Partnership

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



No. of Certified Members:
(Accounting firms and Labor and Social Security Attorney firms)

4,300+[*1]

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

103[*1]

No. of Financial Institutions Served with Our Products:

37[*1]

# of Financial Institutions with API/Scraping Connections

1,110[*2]

*1 As of end of August 2020.
*2 As of October 13, 2020. Counting financial institutions (including Shinkin Banks, Labor Banks and Agricultural and Fishery Cooperative Savings Insurance Corporations) that have API connections or web scraping connections with contracts.



Financial Performance in FY11/20 Q3

Highlights in FY11/20 Q3

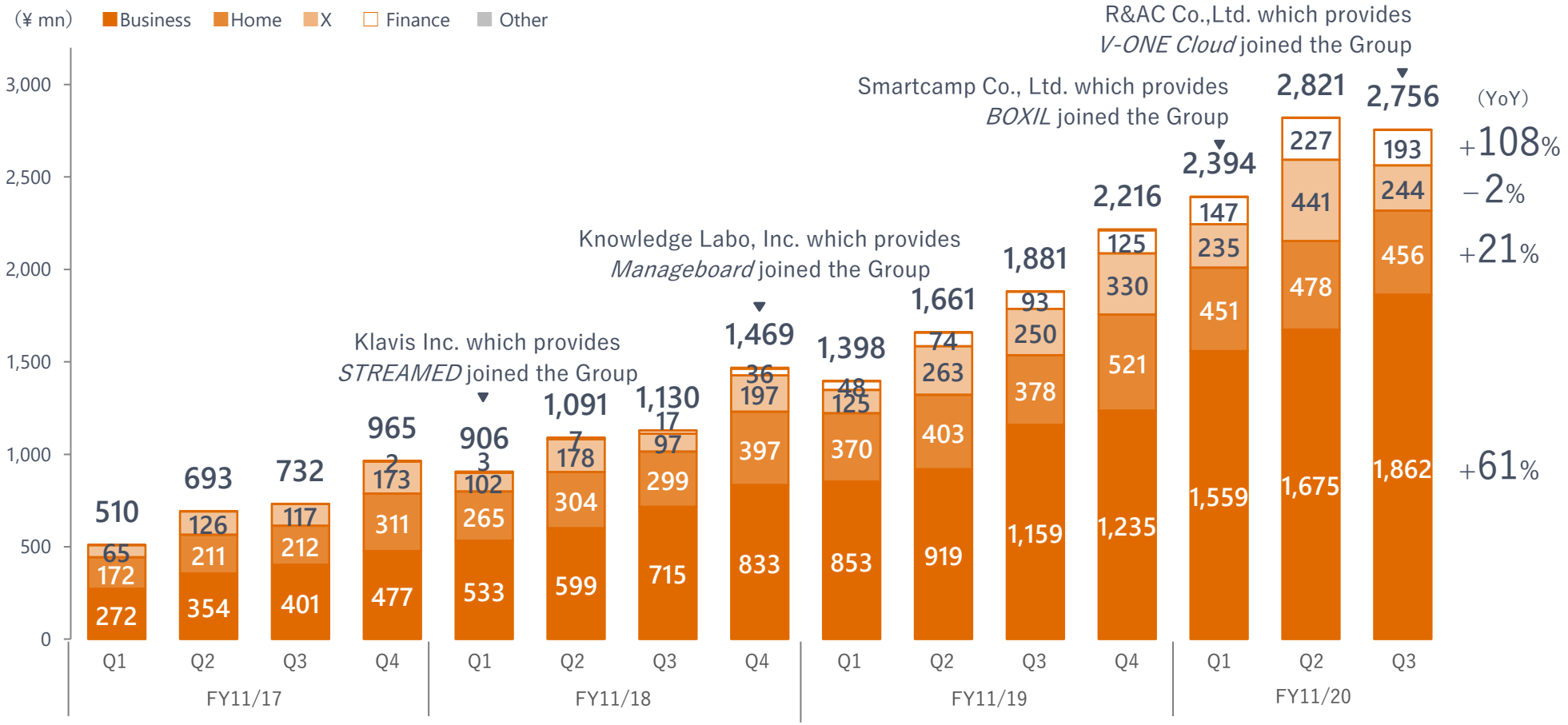
- Q3 YTD net sales and gross margin maintained high growth, increasing by **+61% YoY** to ¥79.7 billion and by **+79% YoY** to ¥53.4 billion, respectively. Net sales achieved **69.6%-71.9%** of our full-year forecast. (FY11/19 Q3 : 69%*2)
- EBITDA excluding advertising expenses continued to be **positive**.
- In Business domain, corporate user acquisition was accelerated. Q3 YTD net sales grew by **+74% YoY**, and Q3 recurring revenue grew significantly by **+110% QoQ**.*3
- In Q4, investment in large-scale marketing is planned within the full-year forecast range in order to further accelerate corporate user acquisition.
- R&AC Co.,Ltd., which offers cloud-based cash reconciliation services with 90%*4 of market share, became a **wholly owned subsidiary**.*5
- Plans to **conduct a stock sprit** to enhance liquidity and expand retail investor base.

*1 Net sales of Smartcamp Co., Ltd. and R&AC Co.,Ltd. have been consolidated from FY11/20 Q1 and FY11/20 Q3, respectively. *2 Ratio is calculated by FY11/19 Q3 YTD net sales divided by FY11/19 actual full-year net sales.
*3 +63% when excluding the M&A impact of R&AC. Refer to P21 for detail,
*4 Refer to P32 for detail. *5 R&AC Co.,Ltd. became a wholly owned subsidiary in October 2020 after step acquisitions.

Q3 Net Sales Maintains High Growth at +47% YoY

Recurring revenue growth accelerated while non-recurring revenue in X and Finance domain decreased. Business domain **achieved high growth** at **+61% YoY**.

YoY +47%

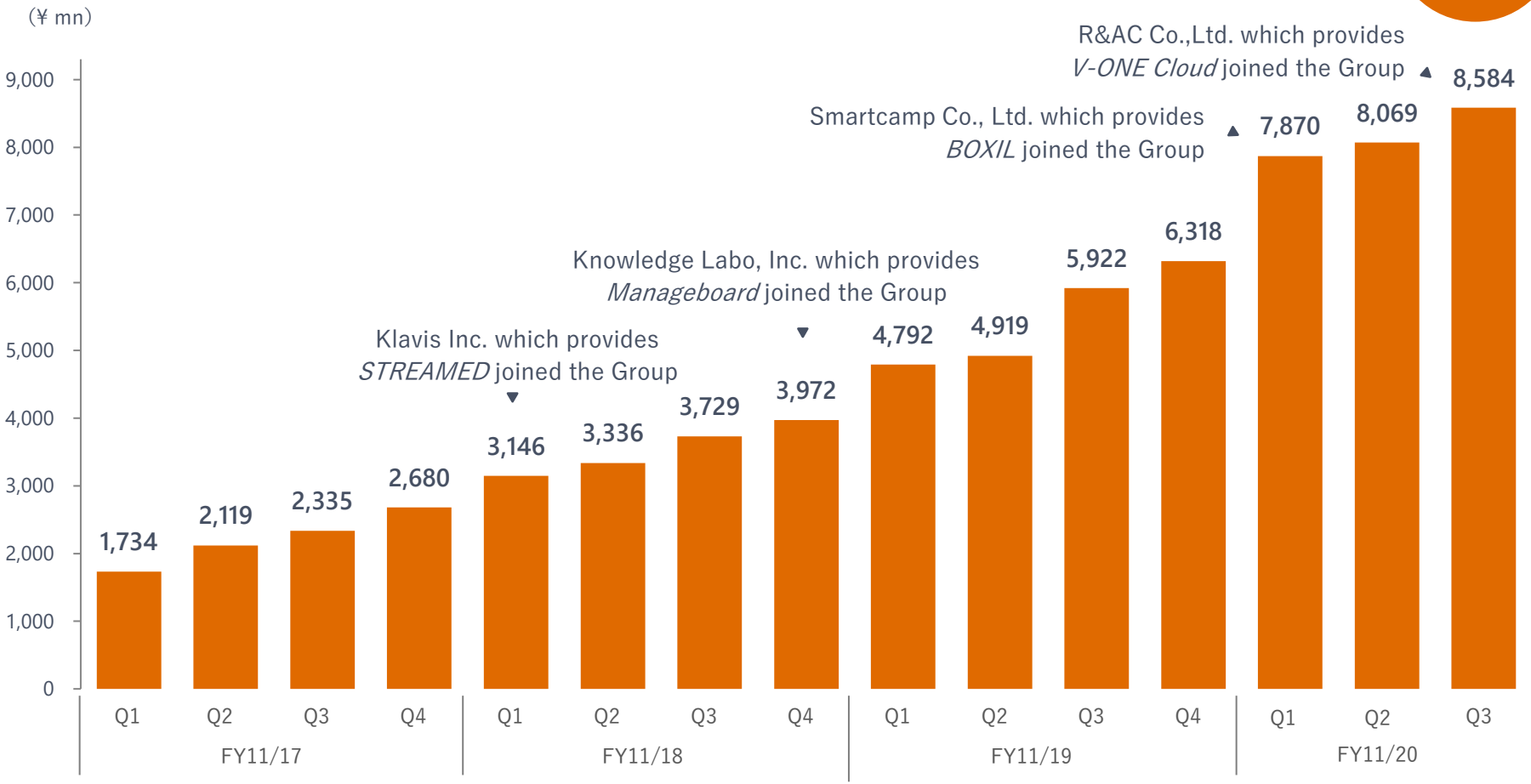


* Figures for net sales of "Other" domain are omitted from the graph.
* Net sales of R&AC Co., Ltd. (monthly charge of *V-ONE Cloud* etc.) is included from FY11/20 Q3. (August only)

Acceleration in Group ARR Growth

Group ARR growth achieved +45% YoY.

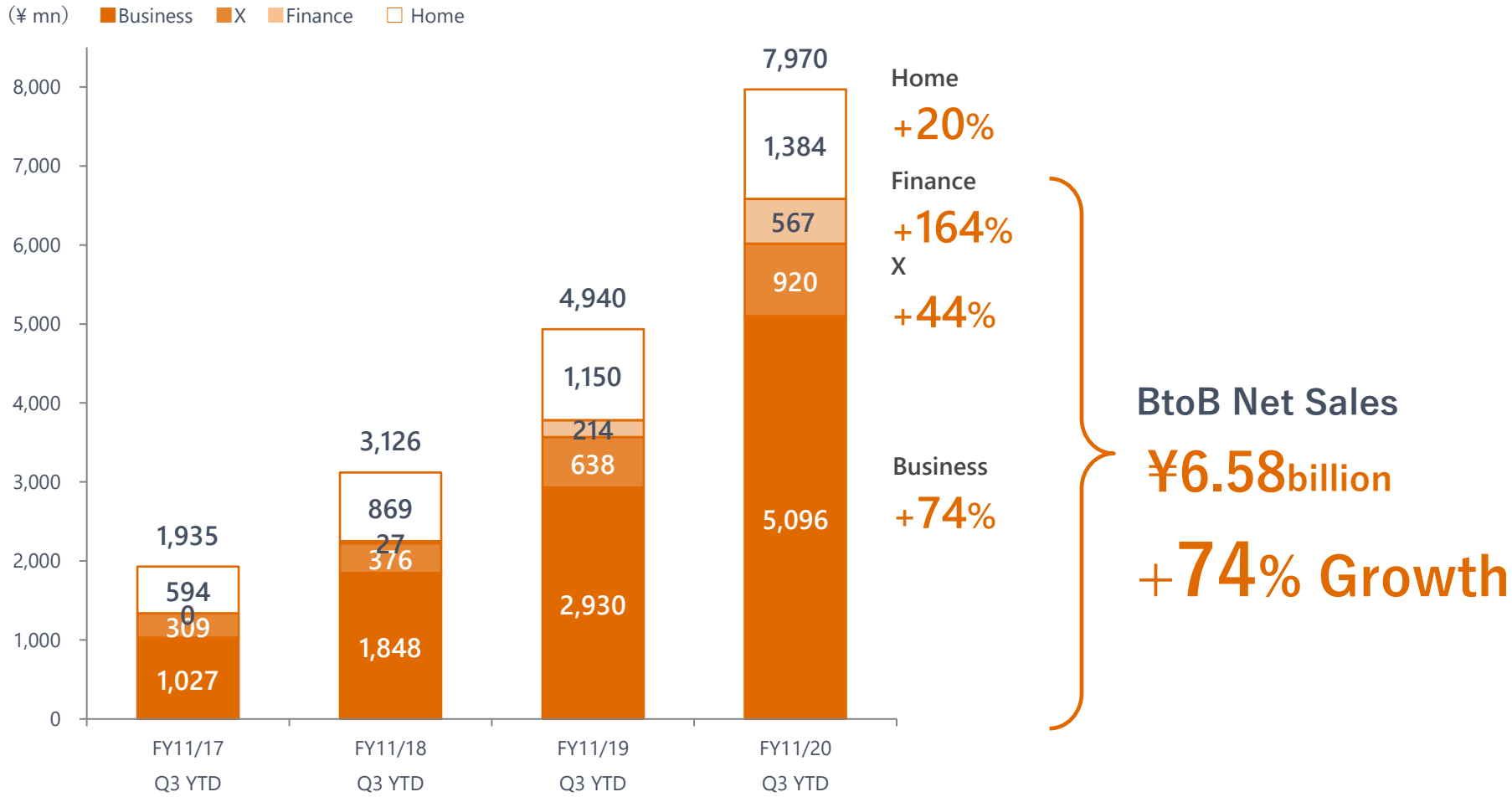
YoY
+45%



* Group ARR is calculated by multiplying group MRR of 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 net sales of *MF KESSAI* of Finance domain. *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 Q4, to FY11/20 Q3 net sales) from FY11/20 Q1. *Subscription revenue of R&AC Co.,Ltd. (monthly charge of *V-ONE Cloud* etc.) is included from FY11/20 Q3. (August only)

Q3 YTD BtoB Net Sales Grew +74% YoY

Business, X and Finance domains **achieved rapid growth**.



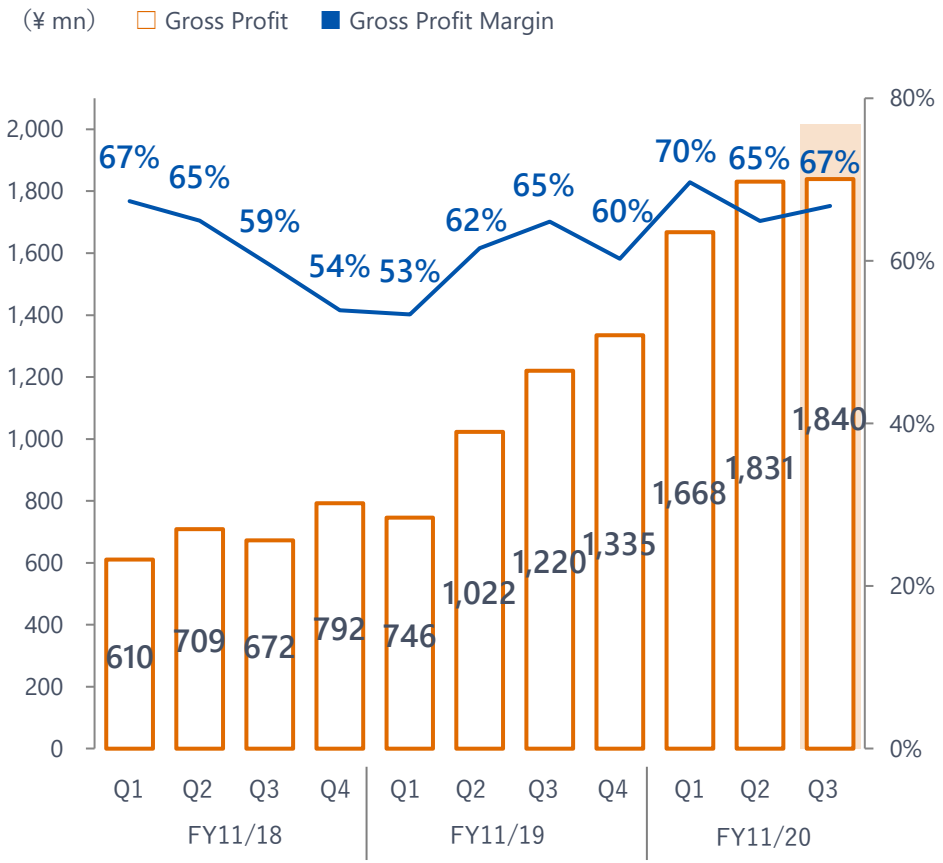
* Figures for net sales of “Other” domain are omitted from the graph. *BtoB net sales are the sum of net sales from Business, X and Finance domain.
* Net sales of Klavis Inc. were consolidated from FY11/18 Q1, Knowledge Labo, Inc. and Wakufuri, Inc. from FY11/18 Q4, Smartcamp Co., Ltd. from FY11/20 Q1 and R&AC Co.,Ltd. from FY11/20 Q3 (August only) in Business domain.

Gross Profit / EBITDA (Quarterly Trend)

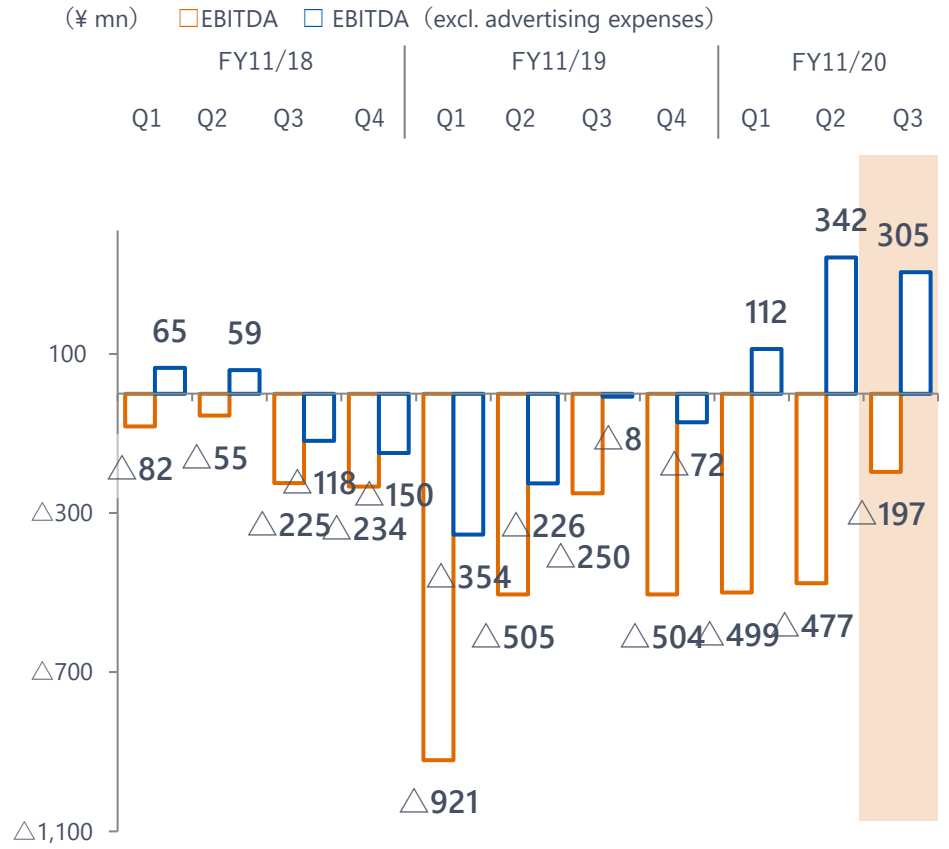
Both gross profit and EBITDA **improved**.

Plans to execute a large marketing investment in Business domain in Q4.

Gross Profit



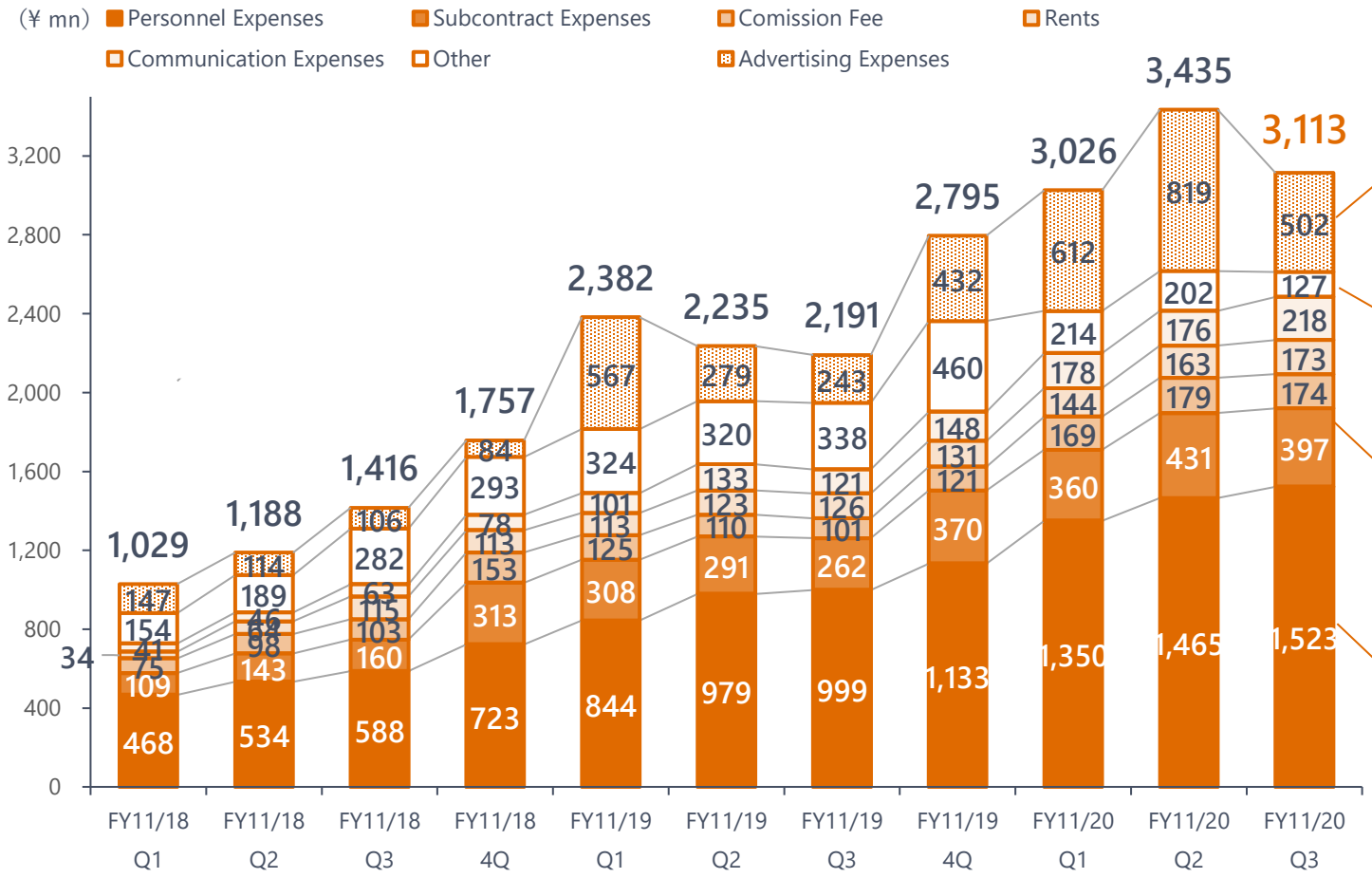
EBITDA



* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses * From FY20/11, Started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities. *Plans to add back share-based remuneration expenses to EBITDA and disclose it as Non-GAAP EBITDA from FY21/11 onwards.

Breakdown of Expenses (Cost of Sales & SGA)

Advertising expenses decreased from Q2, when campaign expenses were concentrated.



Advertising Expenses
・Although decreased from Q2 when campaigns were concentrated, executed active investments mainly for web marketing.

Other
・Deducted the impact of capitalizing software.*1 (approx. ¥290mn)

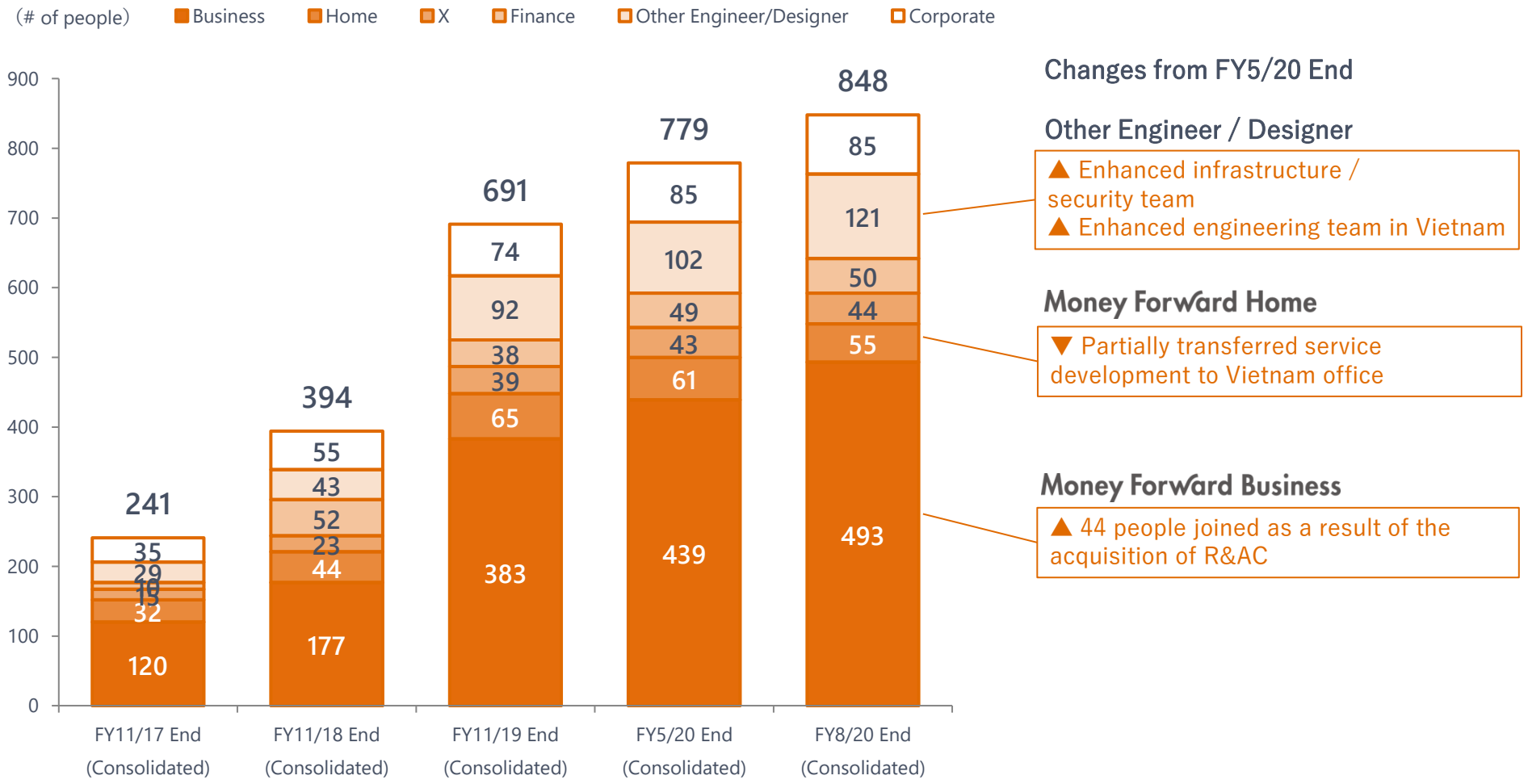
Subcontract Expenses
・Decreased from Q2 when projects were concentrated in X domain.

Personnel Expenses
・Increased by hiring new grads and raising salary.
・Increased by the acquisition of R&AC.

*1 From FY20/11, Started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities. * “Other expenses” include taxes and dues, guarantee fee, R&D, travel and transportation expenses, among others.

Full-time Employees

Number of employees in Business domain increased due to the acquisition of R&AC.

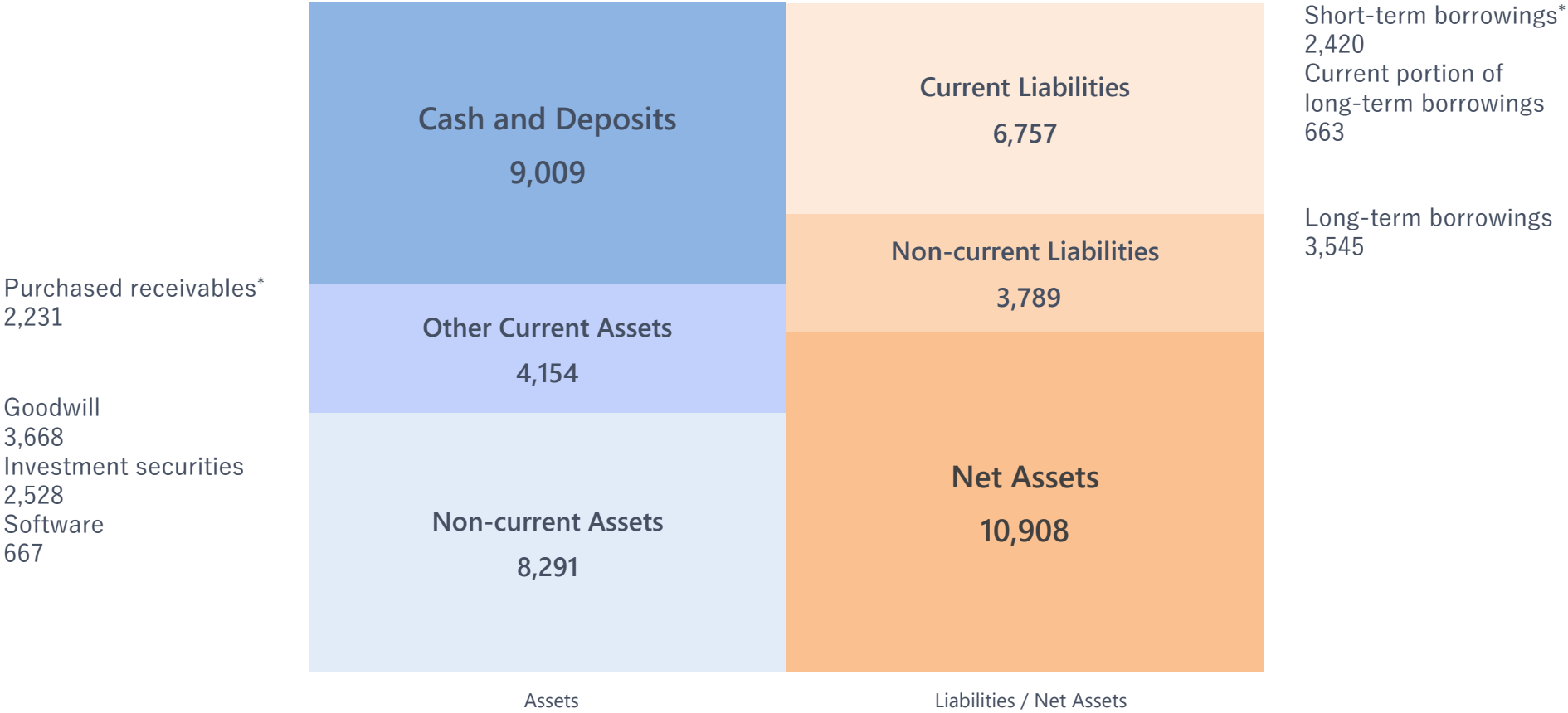


* Other Engineer/Designer includes CISO Dept., CTO Dept., Account Aggregation Dept., MONEY FORWARD VIETNAM etc. Corporate includes CEO's Office, Corporate Planning Dept., Finance Dept., Administrative Dept., Human Resource Dept., Fintech Research Office, etc.

Balance Sheet

We **maintain sound financial base** with more than ¥9 billion of cash/deposits and more than ¥10 billion of net assets. ¥325 million of gain will be recorded in Q4 due to the partial sale of investment securities.

(¥ mn)



Purchased receivables*
2,231

Goodwill
3,668
Investment securities
2,528
Software
667

Short-term borrowings*
2,420
Current portion of long-term borrowings
663

Long-term borrowings
3,545

* Recorded at MF KESSAI, Inc.


Money Forward Business

Money Forward Business Highlights in FY11/20 Q3

- Q3 YTD net sales maintained high growth at **+74% YoY**.
- Corporate user acquisition was solid in each sales channel. Addition in recurring revenue*1 accelerated significantly by **+110% QoQ** (**+63% QoQ** when excluding M&A impact of R&AC.) *2
- ARPA rose **by 9.9% QoQ to ¥68,446**.*3
- Customer Churn Rate was **1.1%***4, improved from Q2 largely due to seasonality. (Churn after tax return season ended in Q2.)
- MRR Churn Rate continued to achieve **negative churn**. (**negative 1.2%***5)

*1 Recurring revenue in Business domain such as *Money Forward Cloud, STREAMED, Manageboard*, etc. Net sales from Smartcamp Co., Ltd. are not included.
*2 +110% includes the new consolidation impact of R&AC Co.,Ltd. (Increase in recurring revenue from Q1 to Q2 : ¥41 million. Increase in recurring revenue from Q2 to Q3 : ¥86 million.) When excluding the M&A impact, increase in recurring revenue grew by 63% from Q2 to Q3 with 67 ¥million.
*3 Annualized figure of August 2020, including the new consolidation impact of R&AC Co.,Ltd. ARPA excluding M&A impact was ¥65,907. (+5.8% QoQ)
*4 The figure is 3-month average up to August 2020. *5 The figure is 21-month average up to August 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.82 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

ARPA Rose Significantly and Churn improved from Q2

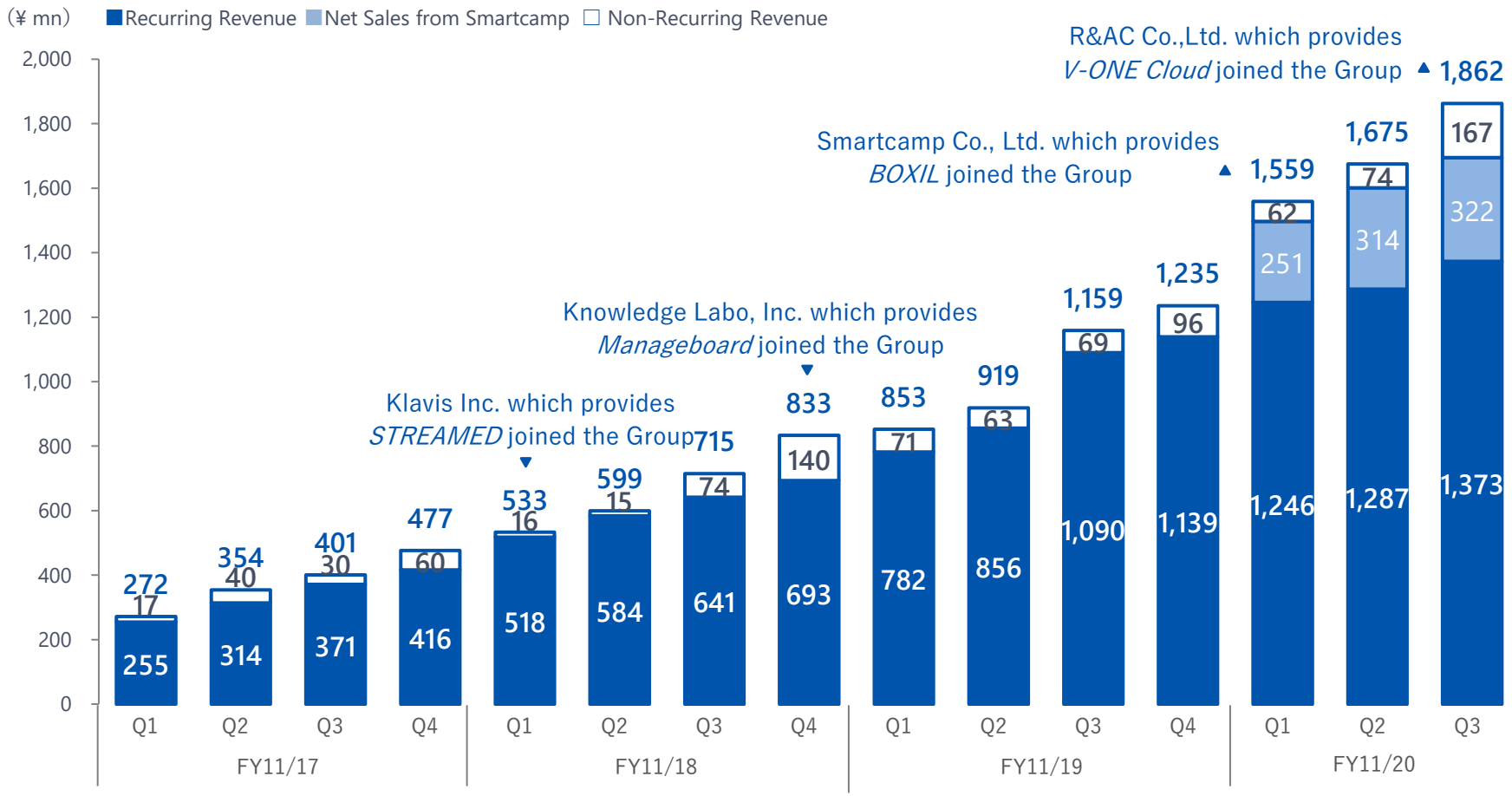
	FY11/20 Q1	FY11/20 Q2	FY11/20 Q3
ARPA*1	¥61,558	¥62,297	¥68,446
Customer Churn Rate*2	1.4%	2.2%	1.1%
MRR Churn Rate*3	- 2.6%	- 1.4%	- 1.2%

*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*. ARPA is calculated based on ARR of last month of each period divided by number of customers at the end of each period.
*2 The figure is 3-month average of each quarter.
*3 The figure indicates the MRR from the beginning of FY11/19 which is before the introduction of new pricing plan. (Q1=15-month average, Q2=18-month average, Q3=21-months average)
* Please refer to P.82 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

Net Sales from Money Forward Business

Maintained solid growth at **+61% YoY**.
Addition in recurring revenue accelerated at **+110% QoQ** *1.
Acquisition of R&AC also contributed to the growth.

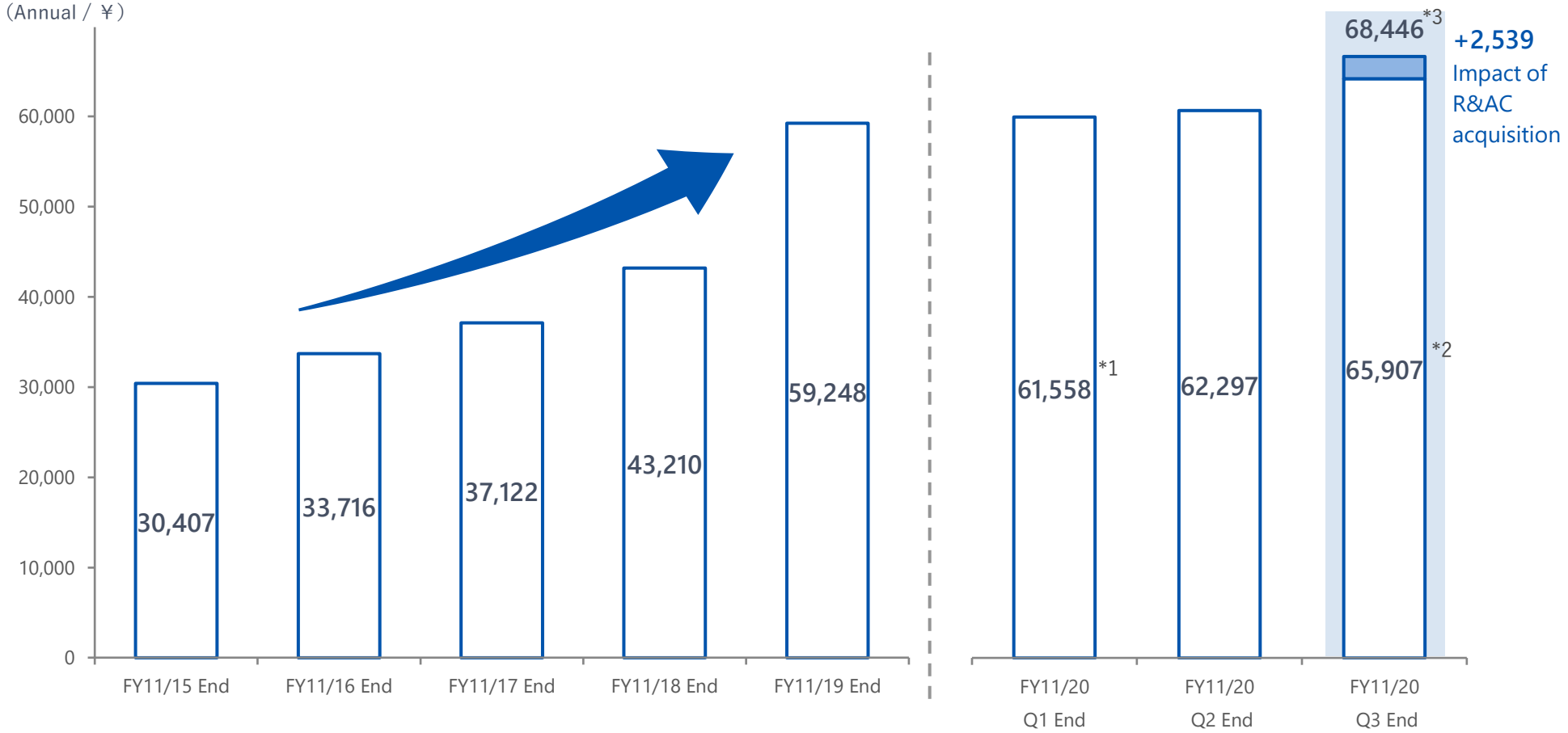
YoY +61%



*1 +110% includes the new consolidation impact of R&AC Co.,Ltd. (Increase in recurring revenue from Q1 to Q2 : ¥41 million. Increase in recurring revenue from Q2 to Q3 : ¥86 million.) When excluding the M&A impact, increase in recurring revenue grew by 63% from Q2 to Q3 with 67 ¥million.
* Net sales of R&AC Co.,Ltd. are included from FY11/20 Q3. (August only)

Increase in ARPA Accelerated

ARPA rose significantly due to (i) an increase in the number of customers per accountants, (ii) an increase in the number of medium-sized corporate customers with higher ARPA, and (iii) the acquisition of R&AC.



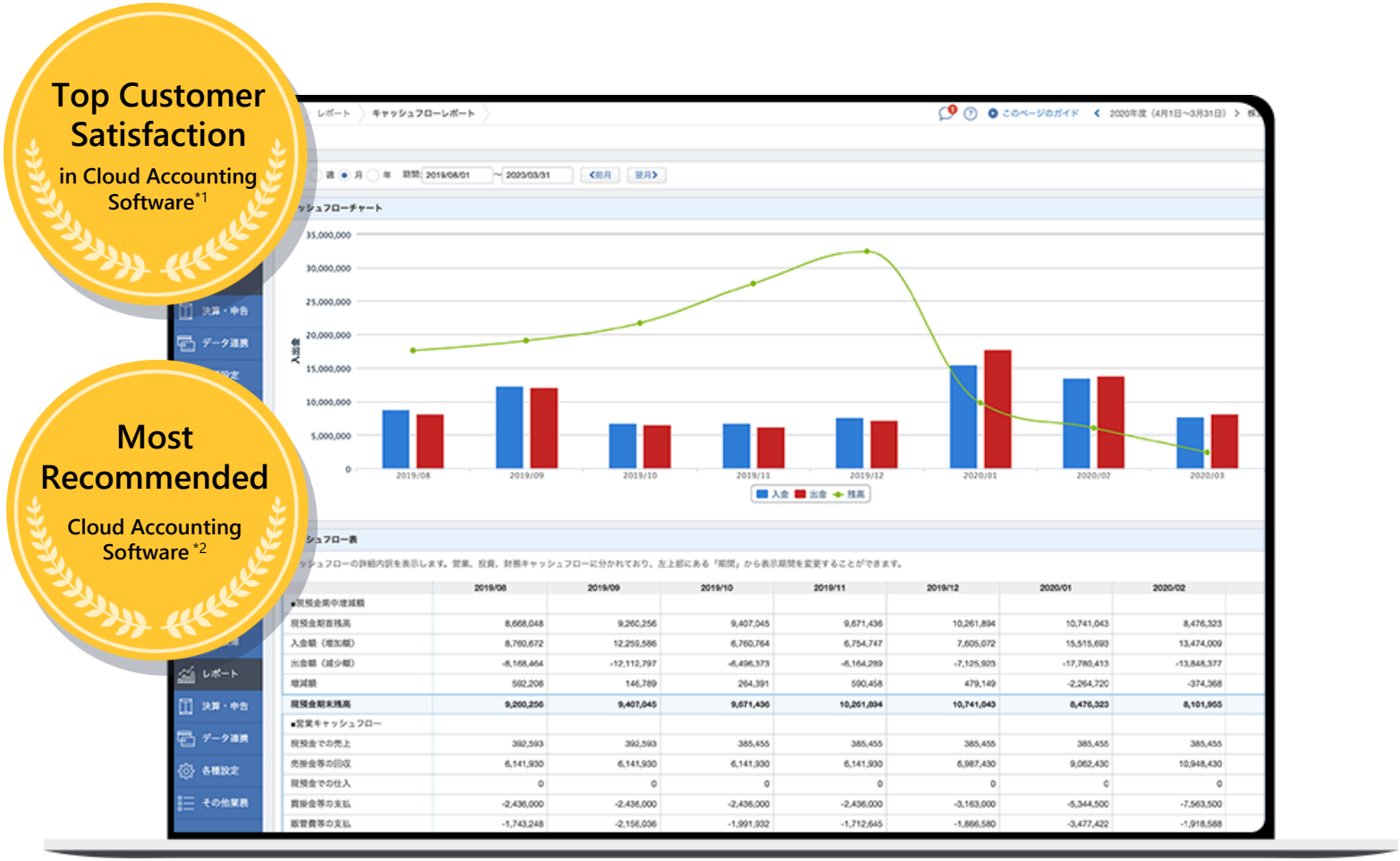
*1 ARPA of FY11/20 Q1 end excludes seasonal factors of cloud-based bookkeeping service *STREAMED.* *2 ARPA excluding the impact of R&AC Co.,Ltd.
*3 ARPA including the impact of R&AC Co.,Ltd. * Annualized figure as of the end of each quarter/fiscal year.
* Please refer to P.82 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

Products and Go-To-Market Aligned with Customers

	Accountants & their clients	Sole Proprietors	SMEs	Corporates
Products	Money Forward *Cloud* SaaS Platform for Back Office Operations Accounting/Payroll/Attendance STREAMED Cloud-based Bookkeeping Service Manageboard Cloud-based Business Analysis Tool	Personal Plan	Business Plan Money Forward *Cloud* SaaS Platform for Back Office Operations Tax Return (for sole proprietors)/ Accounting (for SMEs)/Payroll/Attendance/ Expense/Invoice/Social Insurance/My Number Provides as bundle package	Money Forward *Cloud* SaaS Platform for Back Office Operations Accounting Plus/ Payroll/Attendance/Expense/ Invoice/Social Insurance V-ONE *Cloud* Cash Reconciliation and Receivable Management Cloud Service
Go-To-Market	Field Sales Online Subscription	Online Subscription		Field Sales Inside Sales
Recent Update	- No of clients per accounting office increased.	- Tax filling season ended in Q2.	- The ratio of annual plan increased. - No of applications increased.	- *V-ONE Cloud* was added to the service lineup. - No of applications increased. - Launch of new services was announced.

No.1 Customer Satisfaction Cloud Accounting Software[*1*2] 24

Continue to enhance the quality of service functions and customer success.



*1 Based on research by Money Forward, Inc. as of July 2020. (Survey for 1,335 employees who are using cloud accounting software for corporate using fast ask.) The denominator is the number of each service they use, and the numerator is the number of each service they answered as “very satisfied.”

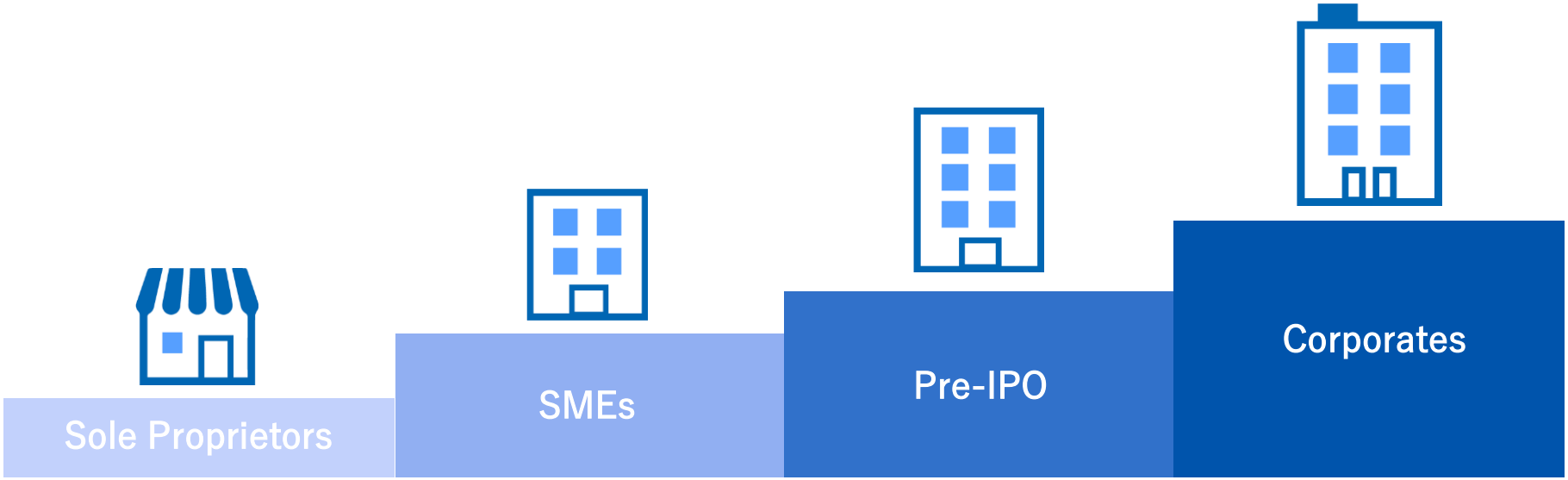
*2 Based on research by Money Forward, Inc. as of July 2020. (Survey for 1,335 employees who are using cloud accounting software for corporate using fast ask.) The denominator is the number of each service they use, and the numerator is the number of each service they scored 9 or more out of 10,

Cloud Shift Owing to Policy Reforms and Deregulations 25

Policy Reform etc.	Related Services	Expected Impacts
Amendment of Electronic Books Maintenance Act (October 2020)	Expense/ Accounting	UX will be improved since users can use digital payment report for reimbursement / journal entry.
Application of invoice system (from October 2023)	Accounting/ Invoice/Cloud Box	More users will switch from package software which does not support the new system. Demand for electronic invoice will increase.
Tax deduction incentive for online tax filing (from February 2021)	Tax Return	Demand for cloud tax return system will increase
Electronic submission of year-end tax adjustment (from October 2020)	Payroll	UX will be improved as users can collect and submit documents online.
Electronic submission of social insurance (from April 2020)	Social Insurance	Demand for creating online social insurance document will increase.

Product Strategy

In addition to the products for sole proprietors and SMEs, **Our product lineup is expanded for Pre-IPO companies and medium-sized corporates.**



- Money Forward Cloud Accounting
- Money Forward Cloud Tax Return
- Money Forward Cloud Invoice
- Money Forward Cloud Expense
- Money Forward Cloud Payroll
- Money Forward Cloud Attendance
- Money Forward Cloud Social Insurance

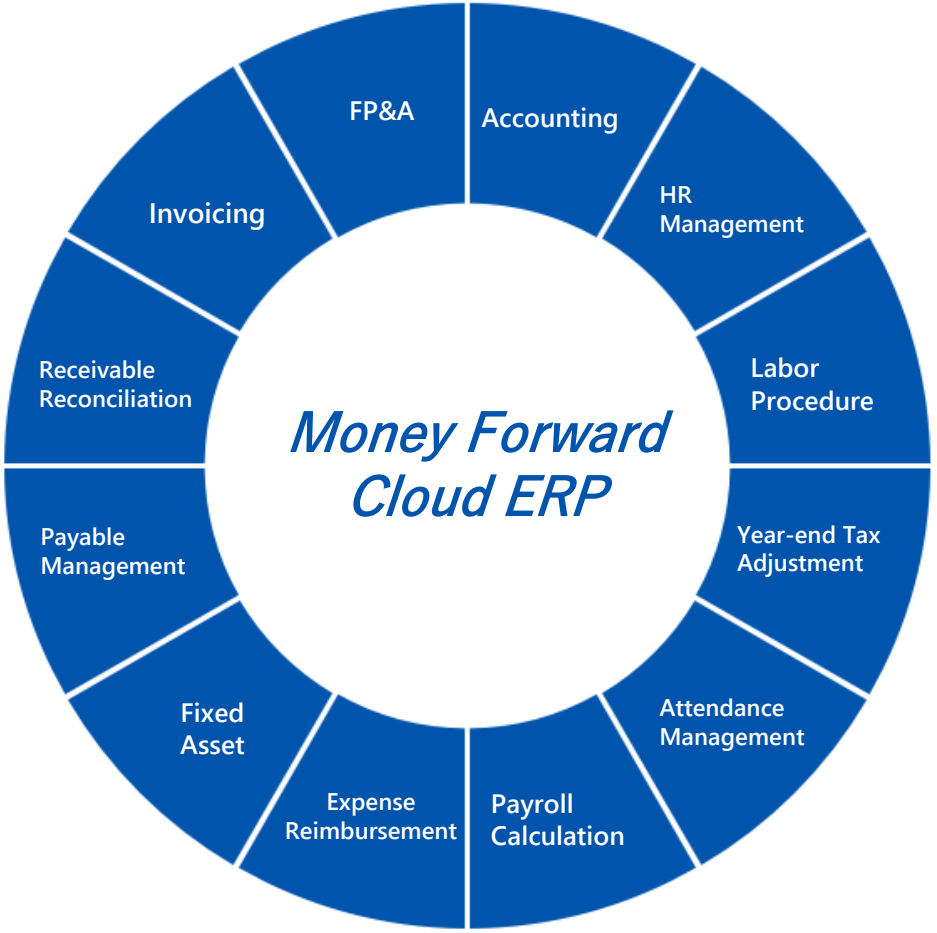
- Money Forward Cloud Accounting Plus
- Money Forward Cloud Invoice
- Money Forward Cloud Expense
- Money Forward Cloud Payroll
- Money Forward Cloud Attendance
- Money Forward Cloud Social Insurance

New services will be added

Planning to Launch *Money Forward Cloud ERP*

Money Forward Cloud ERP

Cloud ERP is a way to boost operational efficiency in back-office



Features of *Money Forward Cloud ERP*

1. Reduction of expenses

- As it is subscription model, no need to purchase a long-term contract or pay upfront fee.

2. Fast and flexible introduction

- No need to own hardware or a server.
- Business units and services to be implemented are flexible, allowing for migration on a trial basis.

3. Automatic update

- Automatic and timely update for tax reform, etc.

4. Connection with third party SaaS services

- Less manual work by flexible data connection with third party SaaS services.

5. Security and internal control function

- Secure management of employee accounts by SAML*1 connection and user provisioning*2 function.

*1 Authentication information standard for user authentication between different Internet domains.
*2 Creating, maintaining, and deleting user accounts on the system.

Responding to New Work Style

Since the data is on the cloud, users can outsource some operation to external partners in **a secure environment**. For example, communication with an auditor can be more efficient. Enables users to **work more flexibly**.

Case : Interactions with External Providers

Money Forward
Cloud Expense

Checks if expense requests are in accordance with internal regulations



Expense Process Agent

Money Forward
Cloud Accounting Plus

Directly accesses to accounting data and related vouchers



Auditor

Medium-sized Corporates using *Money Forward Cloud* 30

Introduction of Payroll, Attendance, Expense and Accounting Plus has been **accelerated in pre-IPO / public companies**.

<Corporates（Example)>

Dole

丸紅新電力 MARUBENI POWER RETAIL

Kellogg's

世界の山ちゃん®

KAGOME 野菜生活 Farm

MISS PARIS GROUP

Hospice 日本ホスピスホールディングス株式会社

JAFCO

BIZREACH

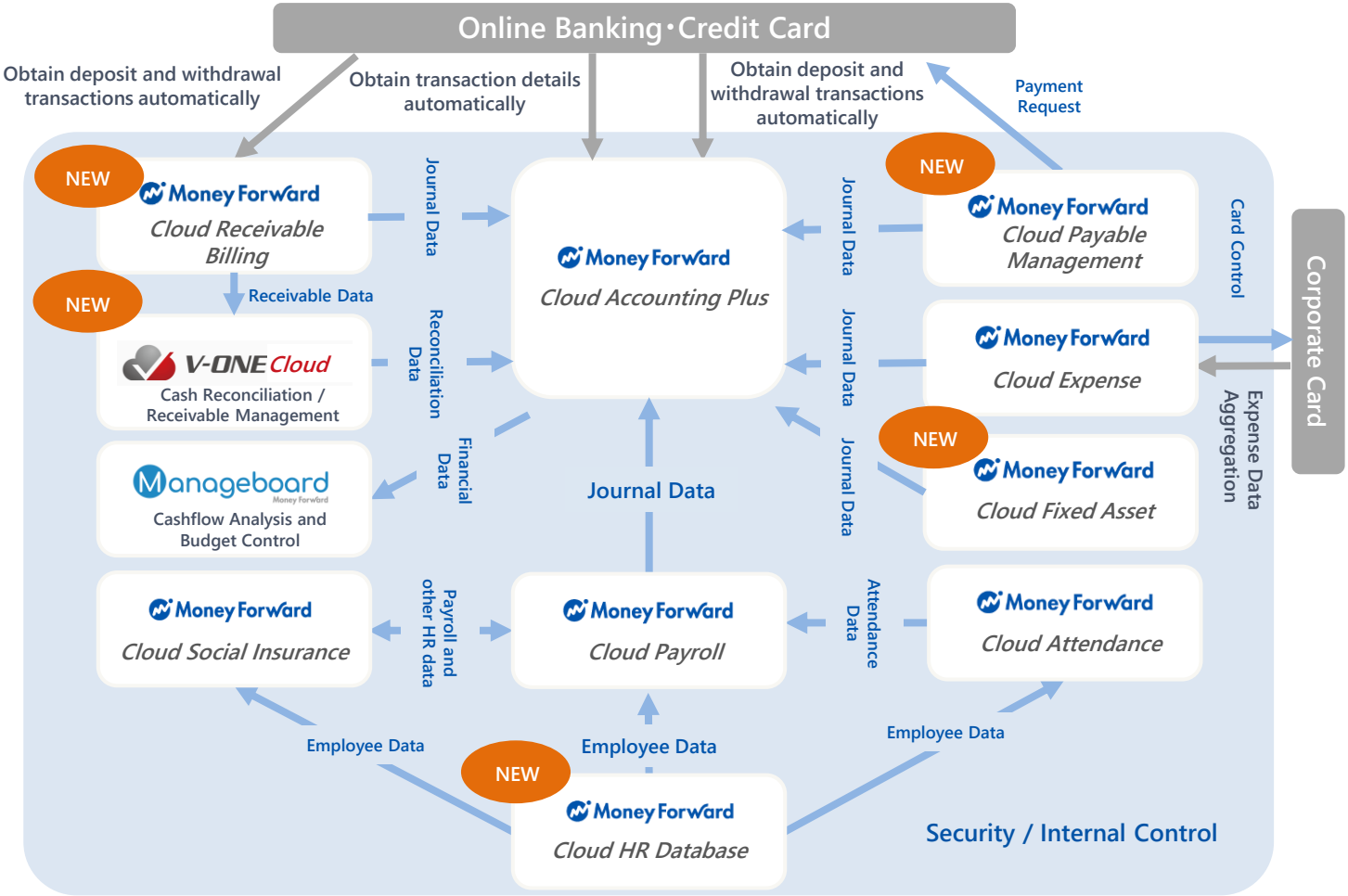
WingArc 1ST The Data Empowerment Company

Japan Digital Design

* 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.

Expand Product-lineup for Medium-sized Corporates 31

4 new services for medium-sized corporates will be released, delivering **data connection between all operations** in accounting/finance and HR areas.



*1 *Money Forward Cloud ERP* is to be released after adding several new services to medium-size corporation. New services include *Money Forward Receivable Billing* and *Money Forward Payable Management*, which will be released by the end of 2021.

Acquisition of R&AC Co.,Ltd.

Acquired **R&AC which provides *V-ONE Cloud,* No.1 software specialized in cash reconciliation and receivable management***. The service is introduced to more than **500 companies from medium-sized to large corporates**.



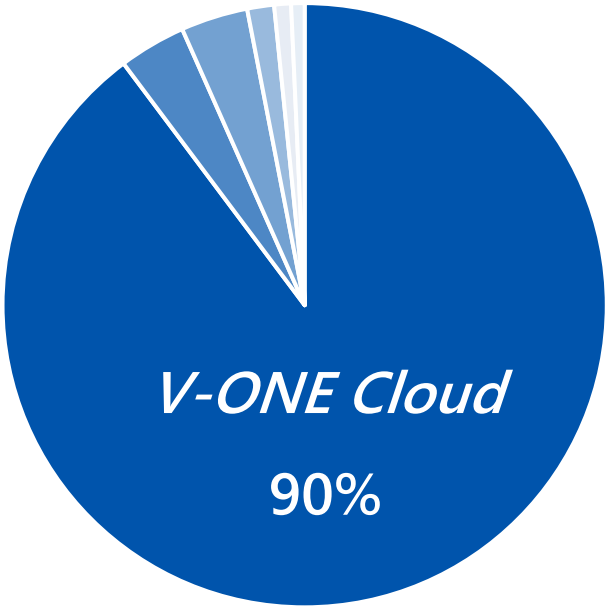
Tomoyasu Takayama

R&AC Co.,Ltd.
Representative Director and CEO

-After engaged in planning and sales of accounting systems, Tomoyasu experienced system implementation and operational consultation at numerous companies from medium-sized to large public corporates.

- In November 2004, founded R&AC Co.,Ltd. and was appointed as Representative Director/CEO.

Market Share of Cloud-based Cash Reconciliation Software*2



*1 According to research by Shopper's Eye Inc. (July 22, 2020): No.1 in number of companies using cloud-based cash reconciliation software.
*2 Created based on the footnote#1 document.

Synergy between R&AC and *Money Forward Cloud* 1/2

Promotes cross-sell of *Accounting Plus*, etc. by partnering with R&AC whose customer base mainly comprises of medium to large corporates.

Expanding Access to a Medium to Large Corporate Customer Base

CASIO
JAL JAPAN AIRLINES
弁護士ドットコム®
JFR GROUP
大丸松坂屋百貨店
NTT Communications
NTTファイナンス
KING OF TIME
K LINE KINKAI KAWASAKI KINKAI KISEN KAISHA, LTD.
STAR FESTIVAL
NEOJAPAN
Reserve LINK
LIVESENSE
RHEOS CAPITAL WORKS
HORIBA Explore the future
AIRU
MEIKO
東洋大学 TOYO UNIVERSITY
株式会社 浅沼商会
NISSEI

* 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.

Synergy between R&AC and *Money Forward Cloud* 2/2

Enables to provide **one-stop service** from invoicing to accounting.

Expansion of Service Lineup

Money Forward *Cloud Invoice*

V-ONE *Cloud*

Victory-ONE G4

Money Forward *Cloud Accounting Plus*

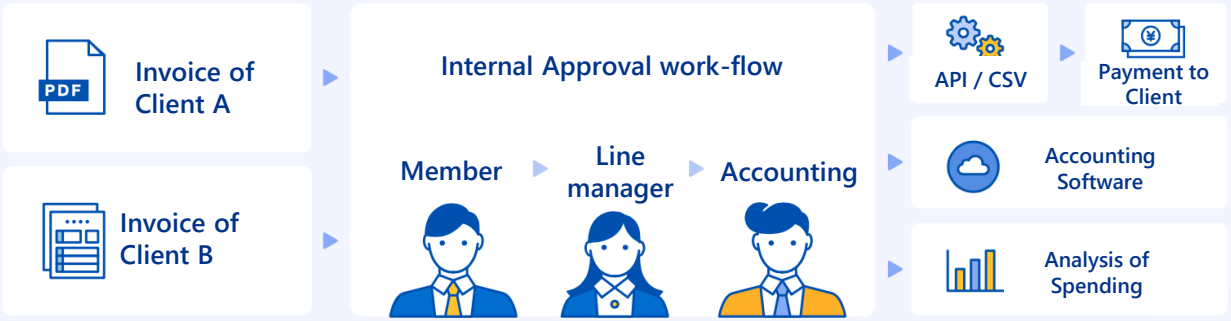


(To be released in December 2020)

Money Forward Cloud Payable Management

From internal approval to payments, **payment management will go paperless**. It also connects automatically with accounting software.

Manage Invoices efficiently



Get internal approval of received invoices in form of paper or PDF.

After approval is complete, you can request payment through API or CSV import.

To connect with accounting software, export journal data through API or CSV export.

The analysis feature allows you to check payment status by client.

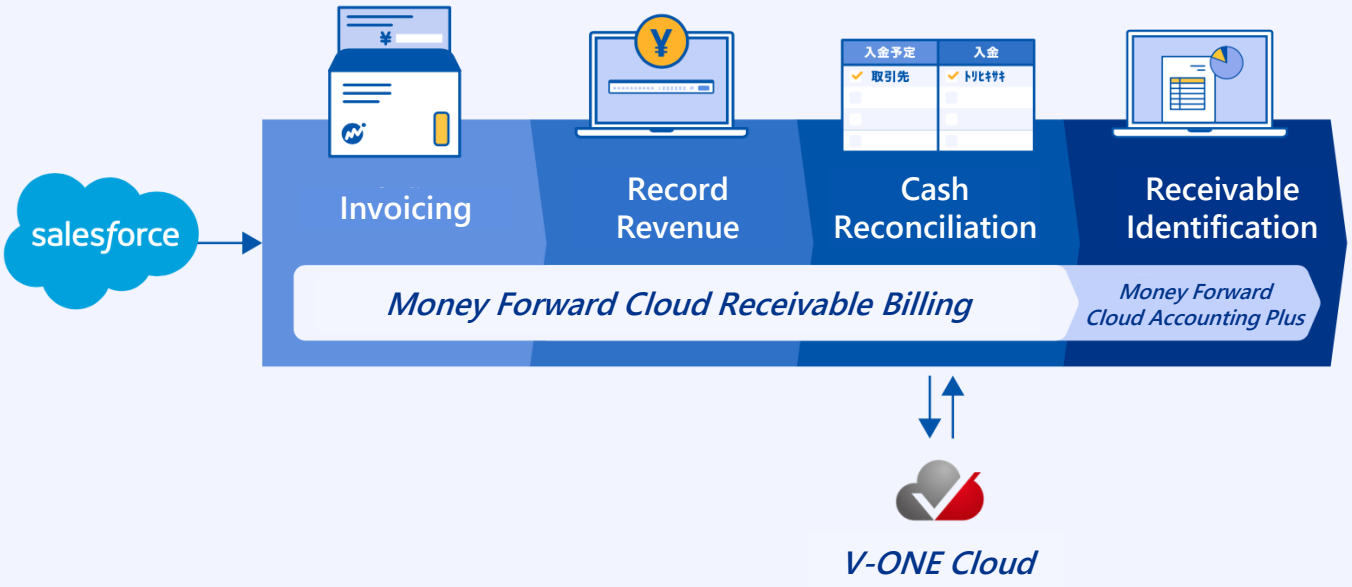
(To be released in Spring 2021)

Money Forward Cloud Receivable Billing

From sales order to cash management, **receivable management can be processed on a one-stop platform**. It also connects automatically with accounting/CRM software.

One-stop Platform for Receivable Management

Based on sales information aggregated from software like salesforce, it allows you to record revenue accurately, issue invoice flexibly, manage its receivables and cash reconciliation.



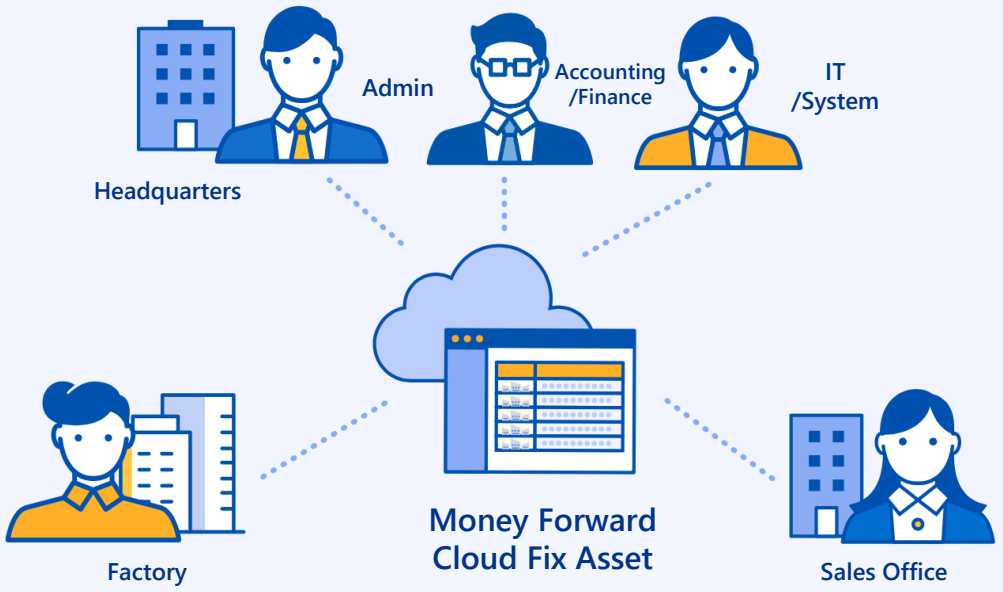
(To be released in Spring 2021)

Money Forward Cloud Fix Asset

Enables to complete fix asset processing in the cloud, including fix asset management and depreciation/write-down. It also connects automatically with accounting software.

Fix Asset Management for All

Developed not only for accounting/finance department, but also for admin, IT/system, factory and sales office. Streamline all operations related to fix asset management.



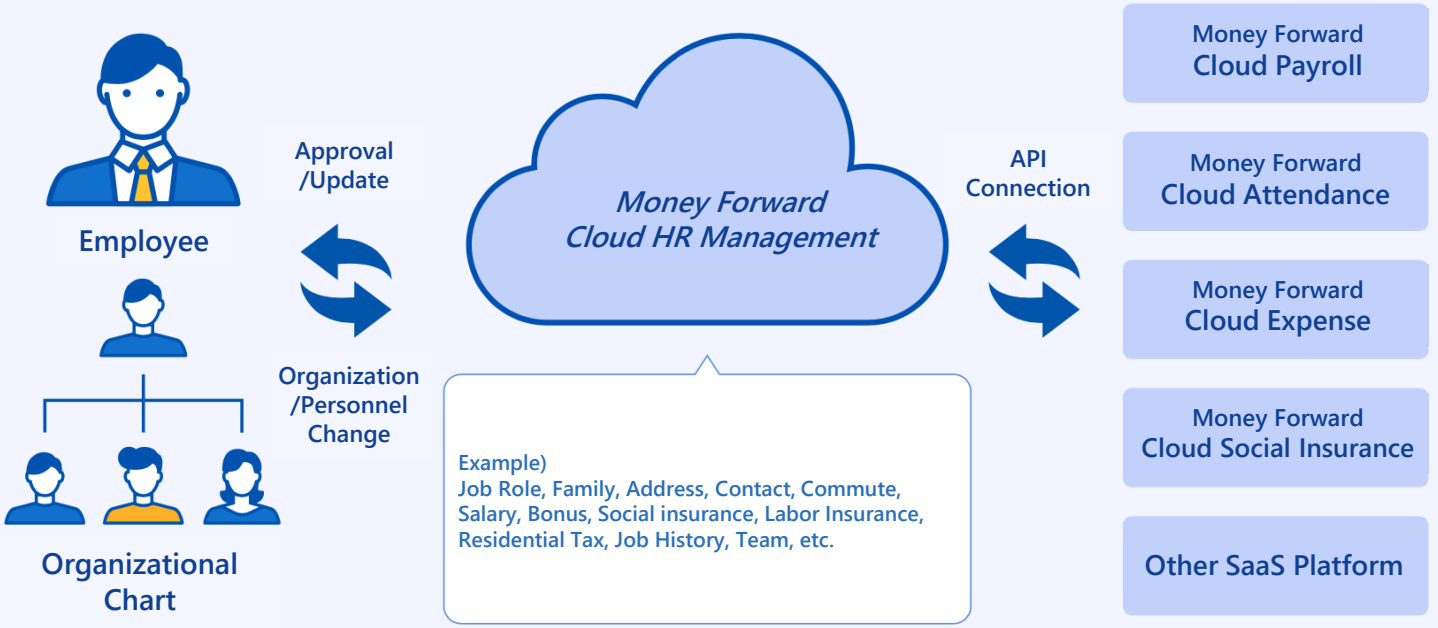
(To be released in 2021)

Money Forward Cloud HR Management

New HR database service provides unified management of employee and personnel change data. This is a one-stop service for HR/labor operations that can connect with other SaaS.

One-stop service for HR/labor operations with the cloud

Employee and personnel change data on *Money Forward Cloud HR Management* can be connected among *Money Forward Cloud Series*, through which provides streamlined and efficient HR/labor operations.



Large Marketing Investments in Q4 with TV Ads

Accelerating the positive momentum of medium-sized corporate customer acquisition. The concept is **“For back-office of medium-sized corporates. All goes well with the cloud.”**



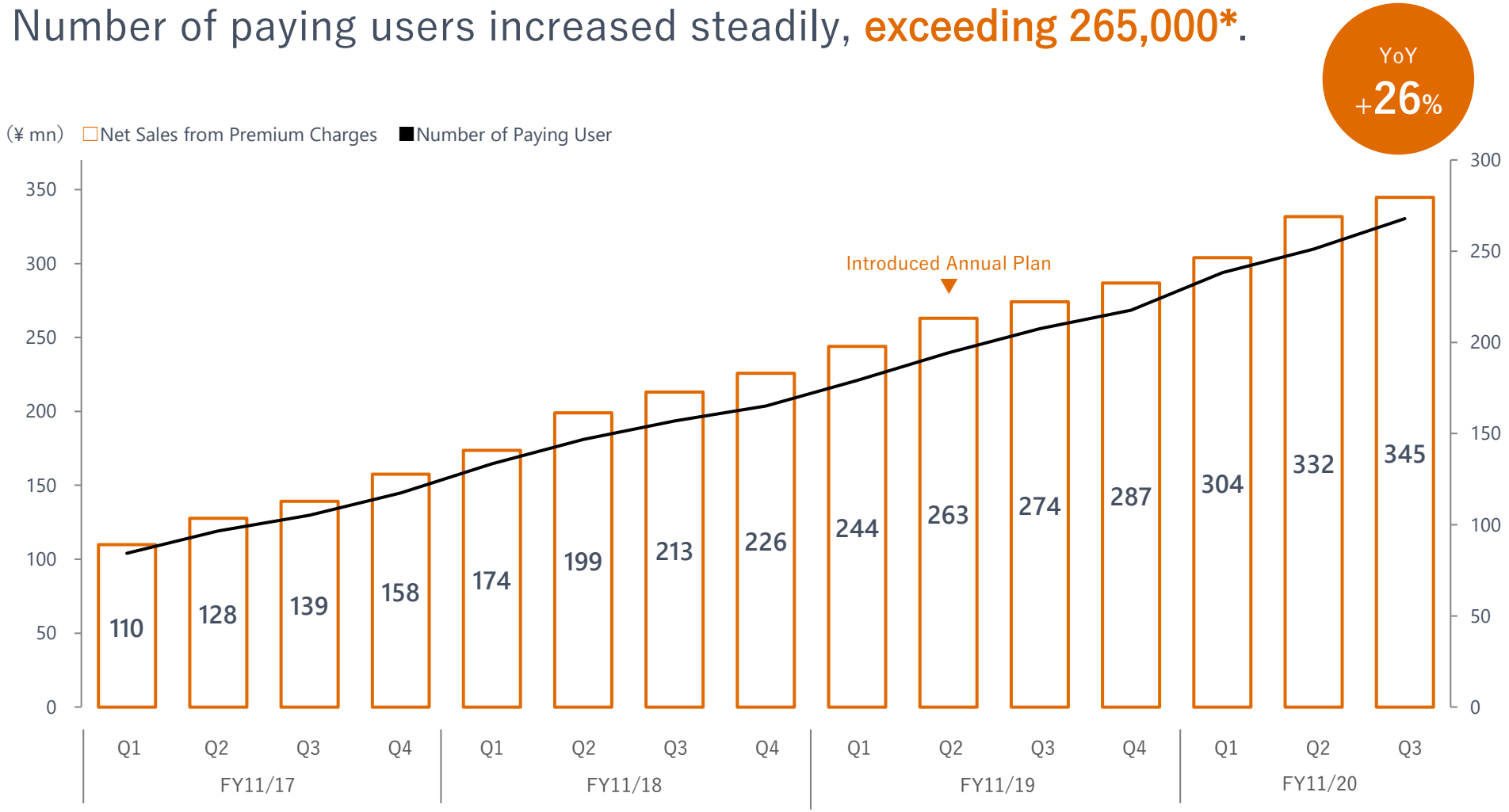
Money Forward Home



Net Sales from Premium Charges

Grew +26% YoY.

Number of paying users increased steadily, **exceeding 265,000***.

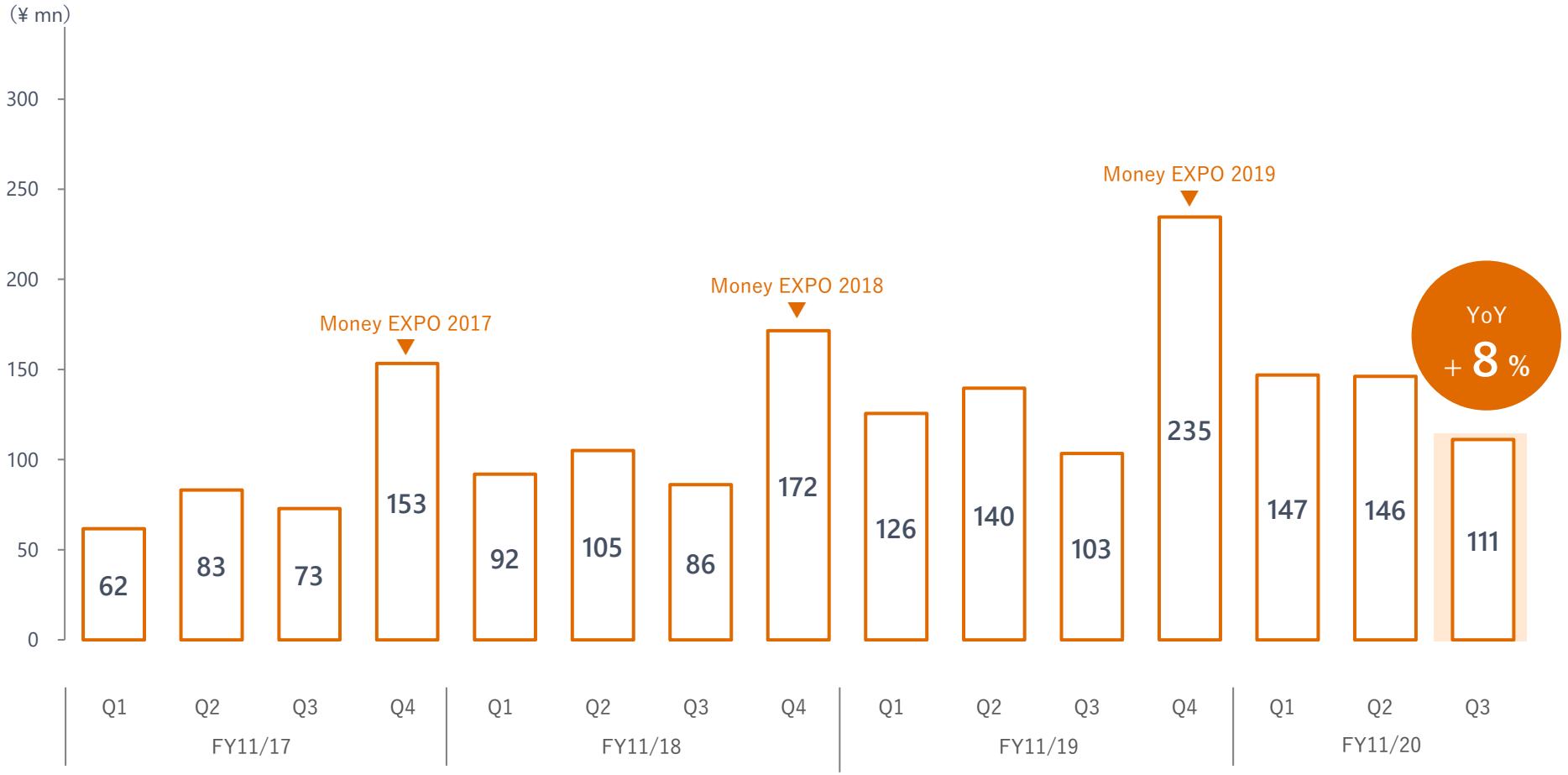


* As of end of August 2020.

Net Sales from Media/Advertising

Grew +8% YoY.

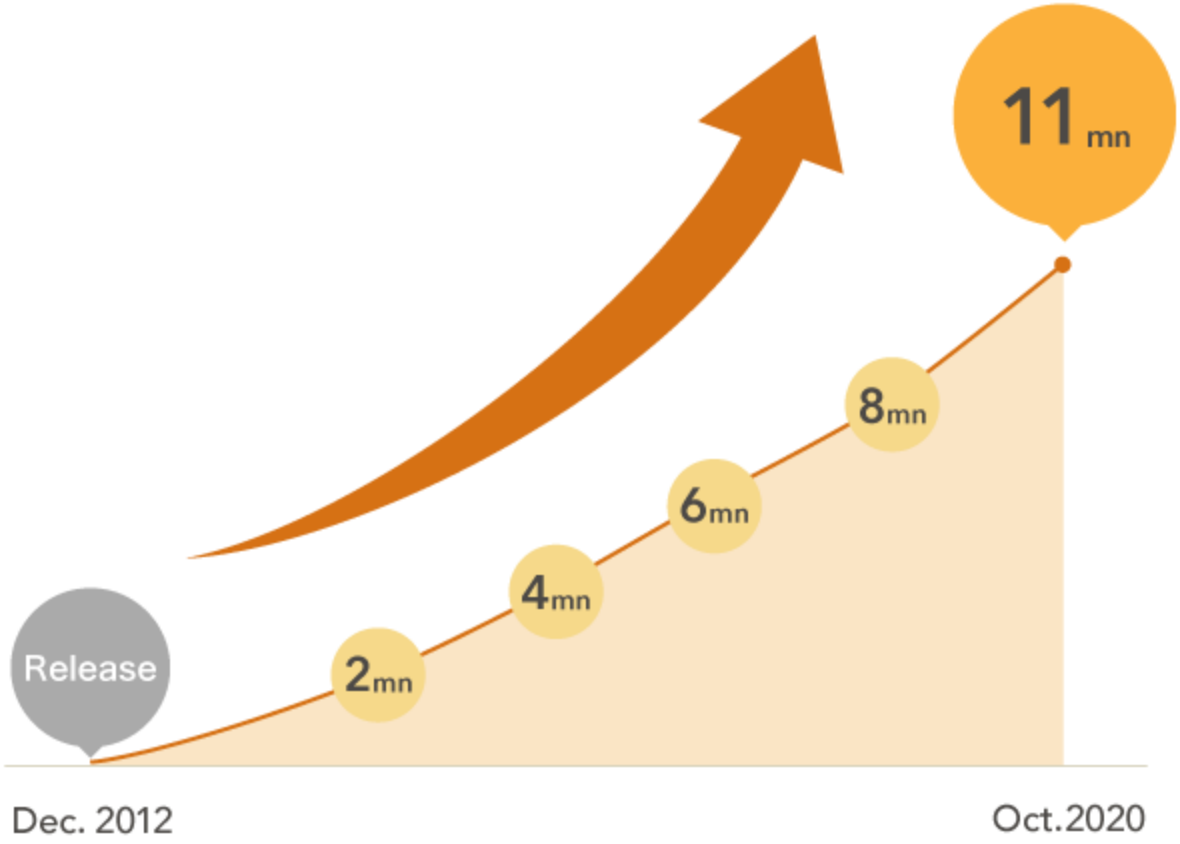
“Money EXPO”, annual user event in November, will be held online in 2020.



* 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*.

Money Forward ME Users Exceed 11 Million

Acquired **500k new users in three months**, maintaining steady growth.



Plan to hold “Money Forward Week” in November

Will hold a special online seminar for 5 consecutive days by financial experts. Aims to reduce individual’s financial anxiety grown with COVID-19.

Money Forward Week

これからの自分のために
お金レベルをアップさせる１週間

11/16(月)-20(金)
オンライン開催



元大阪府知事・元大阪市長
橋下 徹



レオス・キャピタルワークス株式会社代表取締役会長兼社長・最高投資責任者
藤野英人



マネックスグループ株式会社 代表執行役社長 CEO、マネックス証券株式会社 取締役会長
松本 大



AppGrooves / SearchMan 共同創業者
シバタナオキ



家計再生コンサルタント
横山光昭

さわかみ投信株式会社

Capital Asset Planning, Inc.

MONEX

MUFG 三菱UFJ国際投信

EDUCATIONAL SUPPORTER
日興アセットマネジメント

日本財託 ZAITAKU

* 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.

Alert Function for Unauthorized Withdrawal

Promotes *Money Forward ME*'s **notification feature for large sum transactions** in users' bank accounts or credit cards.

Money Forward ME app notifies you when it detect large sum transactions in your bank accounts and credit cards.



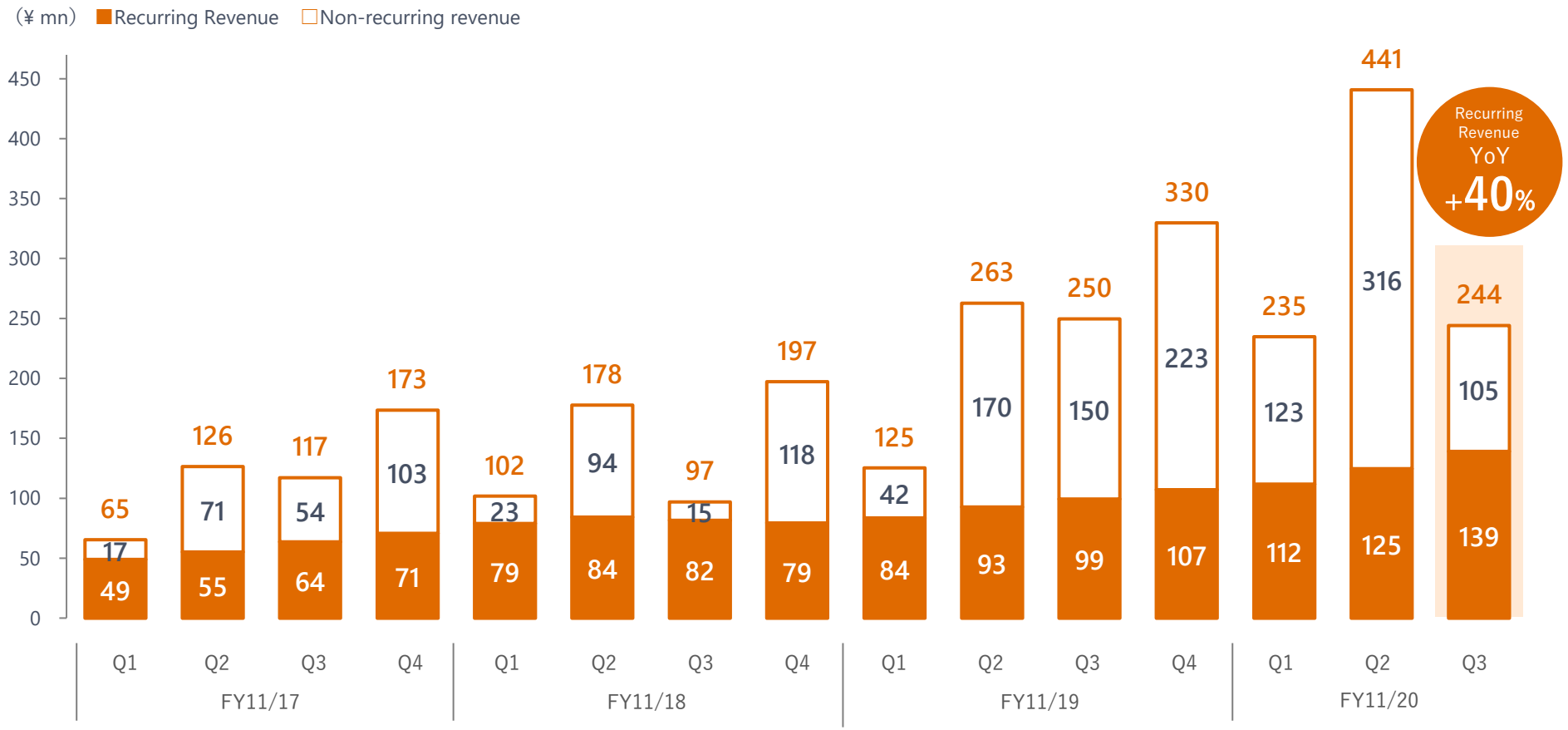
Voice of Customer

- You can see your deposits and withdrawals in real time, so you can immediately notice any unauthorized withdrawals.
- It's convenient to check if there are any unauthorized withdrawals without having to update the passbook.
- It's not a fraudulent withdrawal, but it was good that I was able to notice the hack of my account on the linked service.


Money Forward X

Net Sales from Money Forward X

Non-recurring revenue decreased from Q2 when large projects were concentrated, while **recurring revenue saw solid growth**. Inquiries from financial institutions for DX are increasing.



* 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.

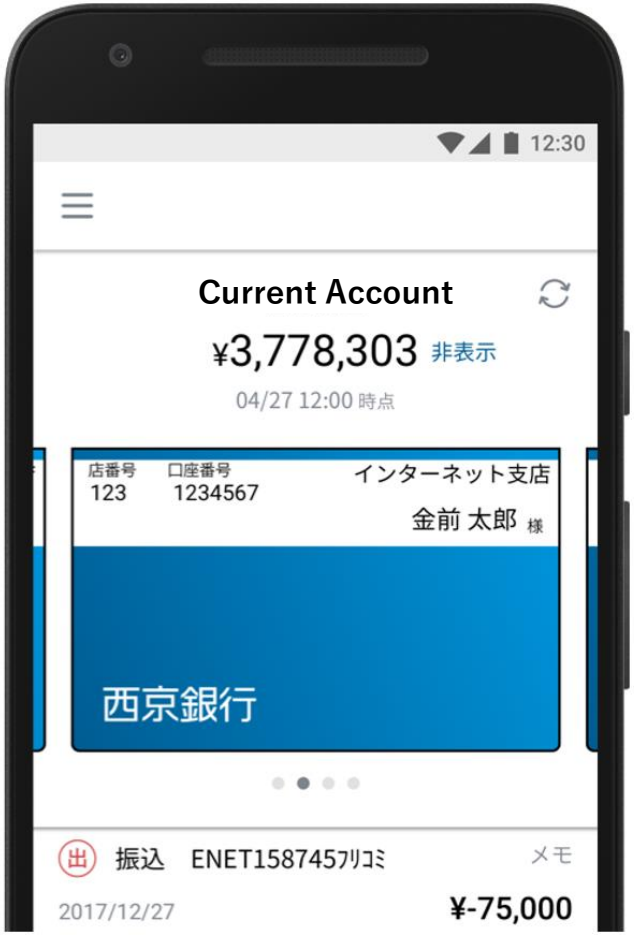
Launched *Passbook App* for Saikyo Bank

Passbook App enables its users to easily check banking transactions online.

SAIKYO 西京銀行

Passbook App

Powered by Money Forward

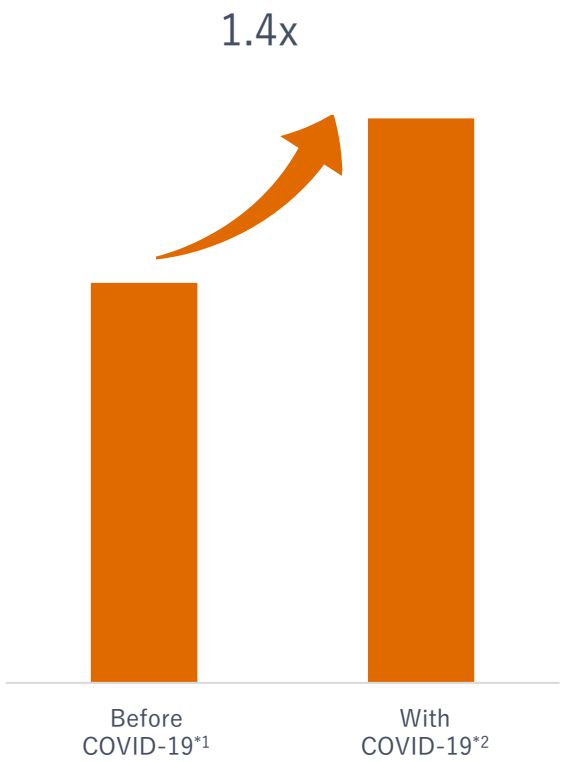


* The names of companies, products, and services (including logos, etc.) mentioned in this document are trademarks of the respective companies or registered trademarks of the respective rights holders.

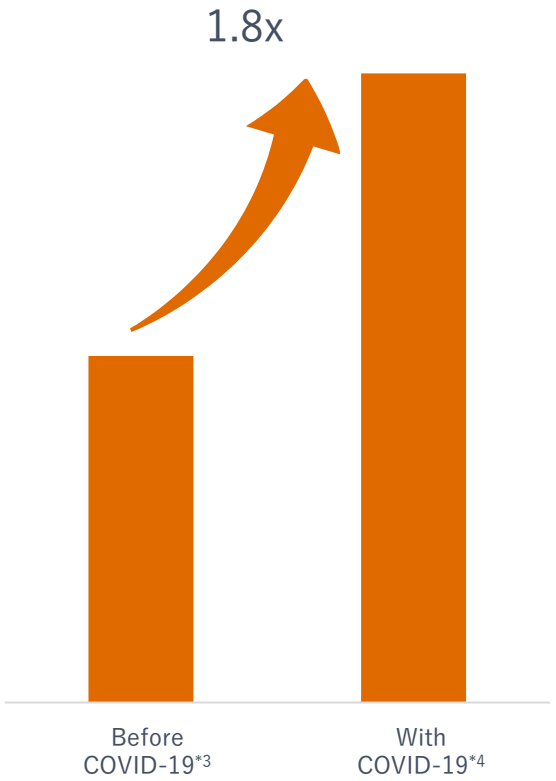
Passbook App Active Users Increased by 1.8x

Due to COVID-19, **demand for *Passbook App*** by which users can check their bank transaction online **has been increasing**.

Change in New ID Registration



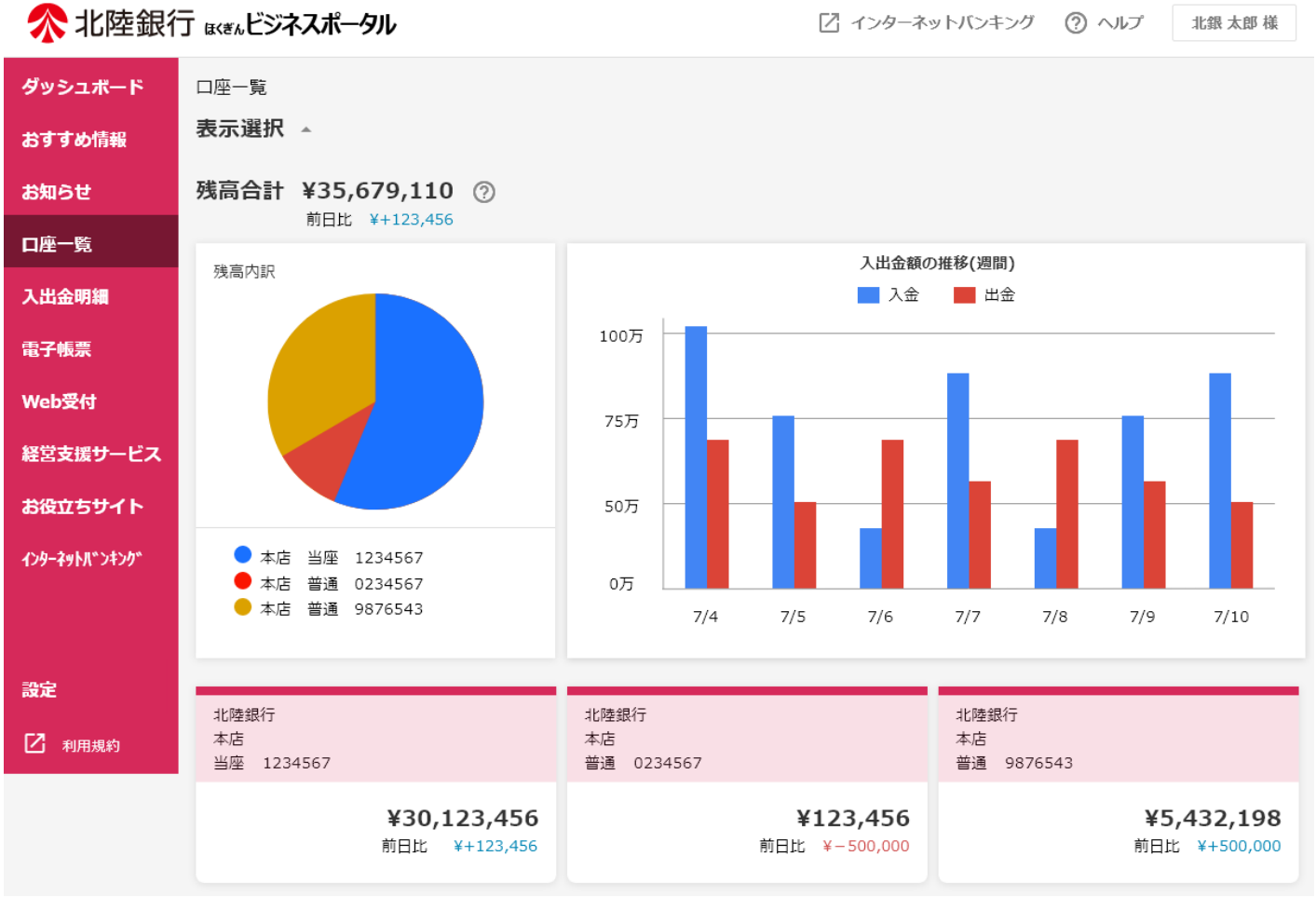
Change in MAU



*1 The 3-month average up to February 2020. *2 The 6-month average up to August 2020. *3 MAU in January 2020. *4 MAU in August 2020.

Launched *Hokugin Business Portal* Developed with NTT DATA

Manages deposit/withdrawal information of multiple accounts. Allows the bank to access with its corporate customers without meeting them in person.



北陸銀行 Hokuriku Bank

NTT DATA

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.

Alliance with Financial Institutions (Service for Individual Customers) 51

Money Forward for X Series (15 services)

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
- Sompo Japan Nipponkoa Himawari Life Insurance
- Tochigi Bank
- Mizuho Bank
- North Pacific Bank
- JA Bank

MF Unit Series (7 services)

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

Passbook Apps (16 services)

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
- Iyo Bank NEW

Other Projects (5 services)

***Lending Manager* (for Docomo)**
Advising loan amounts and repayment plans.

***au WALLET App* (for KDDI)**
Visualizing outstanding amount and detailed statement of 2,000+ financial institutions

***Money Compass* (for Tokai Tokyo Securities)**
Provides “asset management functions” for an app offering investment services, insurance, pension and other functions

***SAFETY* (for Iyo Bank)**
Visualizes deposit balance and transactions including credit card payment and helps understand future cash shortage.

***OneStock* (for Nomura Securities)**
Visualizes future and current assets and helps financial planning

* 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.

Alliance with Financial Institutions (Service for Corporate Customers) 52

Expanded service lineup for corporate customers, with **an increase in number of introduction by financial institutions.**

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

横浜銀行 NTT DATA



〈Hamagin〉 Business Connect

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

NEW

北陸銀行 NTT DATA



Hokugin Business Portal

Business Financial Management

岡崎信用金庫



Okashin Cash Management Service

"One-stop Cash Management"

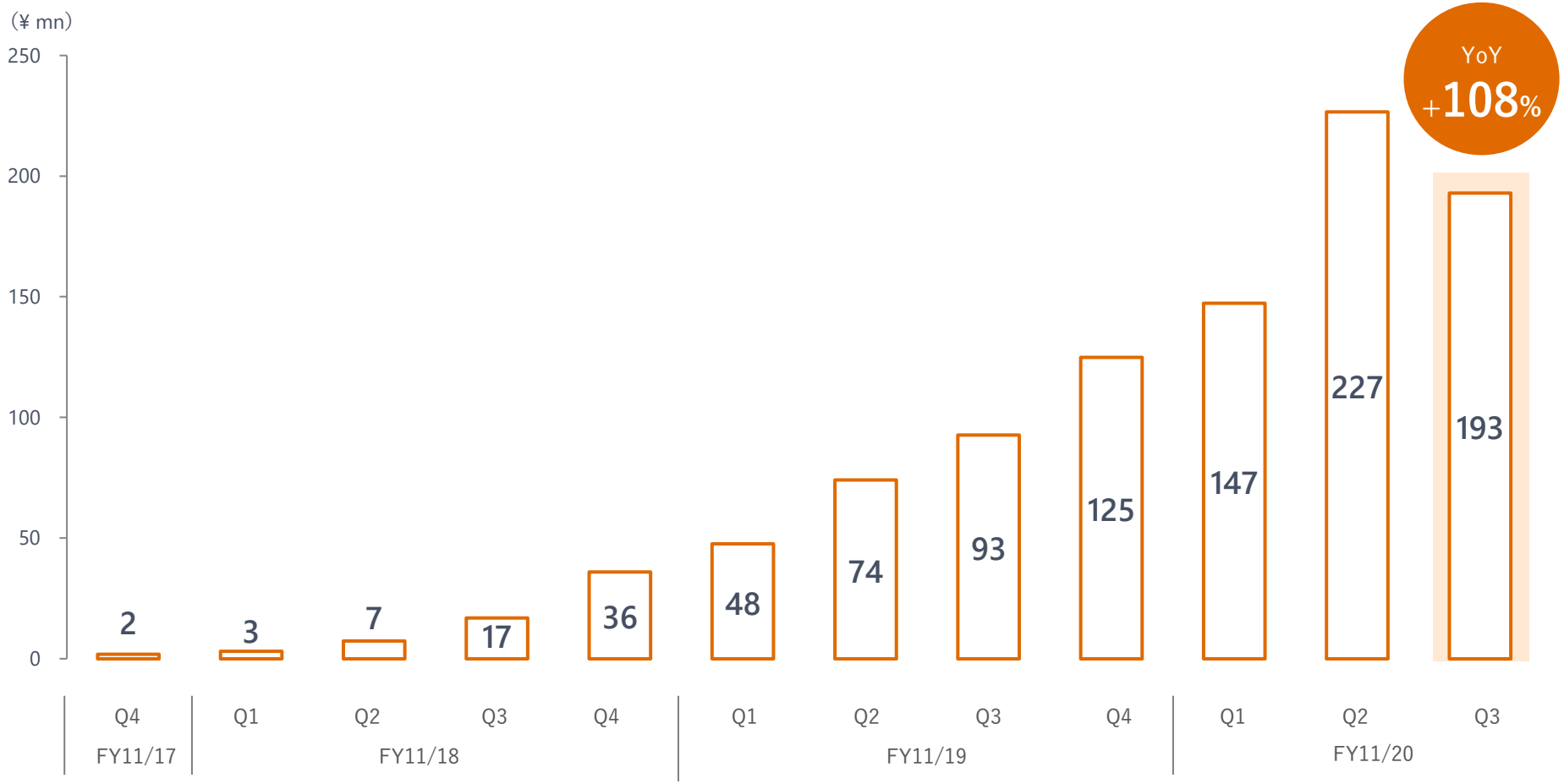
Business financial management service for financial institutions

* 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

Net Sales from Money Forward Finance

Although decreased from Q2 when fee from a large OEM project was recorded, Q3 achieved solid growth of **+108% YoY**.



MF KESSAI and The Bank of Fukuoka Began Demonstration Experiment for Commercialization

Aims to provide financial services that foster the growth of startups by researching and analyzing their capital needs.

MF KESSAI　福岡銀行

Provides *MF KESSAI Early Payment*
to foster the growth of startup companies

* 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.

Partnership with The Mitsubishi UFJ Factors Limited

Provide *MF KESSAI* by OEM model. Customers of Mitsubishi UFJ Factors can outsource invoicing operation and **focus on essential work**.

SEIKYŪ+ powered by MF KESSAI



MF KESSAI × MUFG 三菱UFJファクター株式会社

Concluded business alliance
with an aim to reduce a workload of more corporates

Launch of Entrepreneurs' Fund *HIRAC FUND*

Provides hands-on support for various issues for startups by members with expertise in management, investment, R&D, HR, sales and PR, etc.

HIRAC FUND

Open ("HIRAC") the door for new possibilities



Participation of Japan's Leading Entrepreneurs as LP

Experienced entrepreneurs participated in *HIRAC FUND* community as LP.
Aims to contribute to the expansion of Japan's startup ecosystem together.



浅原大輔
HEROZ株式会社
取締役CFO



有安 伸宏
起業家・エンジェル投資家



河野 貴輝
株式会社ティーケーピー
代表取締役社長



小泉 文明
株式会社メルカリ
取締役 President 会長



高野 秀敏
株式会社キープレイヤーズ
代表取締役



竹林 史貴
株式会社LOB
代表取締役社長CEO



丹下 大
株式会社SHIFT
代表取締役社長



千葉 功太郎
DRONE FUND/千葉道場ファンド
代表パートナー
慶應義塾大学特別招聘教授



土屋 尚史
株式会社グッドパッチ
代表取締役社長兼CEO



鶴岡 裕太
BASE株式会社
代表取締役CEO



仲 暁子
ウォンテッドリー株式会社
代表取締役CEO



永見 世央
ラクスル株式会社
取締役CFO



林 隆弘
HEROZ株式会社
代表取締役CEO



深津 貴之
株式会社 THE GUILD
代表取締役



間下 直晃
株式会社ブイキューブ
代表取締役社長



松本 恭攝
ラクスル株式会社
代表取締役社長CEO



元榮 太一郎
弁護士ドットコム創業者
前代表取締役会長



山口 功一郎
暁翔キャピタル株式会社
代表取締役社長



山口 勝幸
Chatwork株式会社
取締役副社長COO



山本正喜
Chatwork株式会社
代表取締役CEO



吉田 浩一郎
株式会社クラウドワークス
代表取締役社長CEO

Investment Portfolio by *HIRAC FUND*

Invested in 3 startups with tremendous growth potential.



D2C brand specialize in women healthcare

WRAY

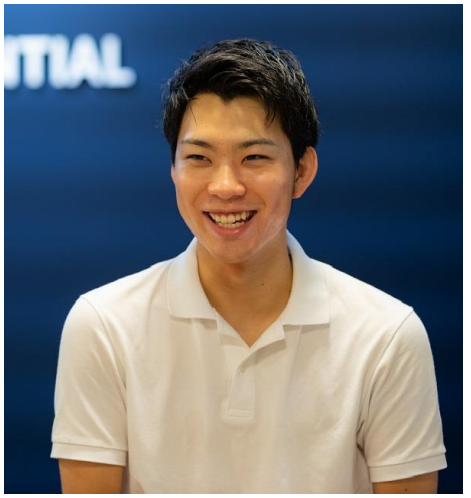
Yukiko Taniuchi
WRAY inc.
Representative Director



Onboarding support SaaS for employees

Onn
Best onboarding for All

Kanta Akiyama
Workside, Inc.
Representative Director



Sports platform business

TENTIAL

Yujiro Nakanishi
TENTIAL inc.
Representative Director

Advisory of Large-Scale Fundraising by Money Forward Synca

Advised beBit,Inc., which offers DX driving SaaS *USERGRAM* and consulting service, **to raise 2.5 billion yen**.



beBit × Money Forward Synca

beBit,Inc., Director and Vice President, Katsuhiko Nakajima
Working with Money Forward Synca was like a “CFO project team.” They helped deeply including the project management. Also, they brought out the abilities of our team and brought us new experience, which was beyond my expectation.

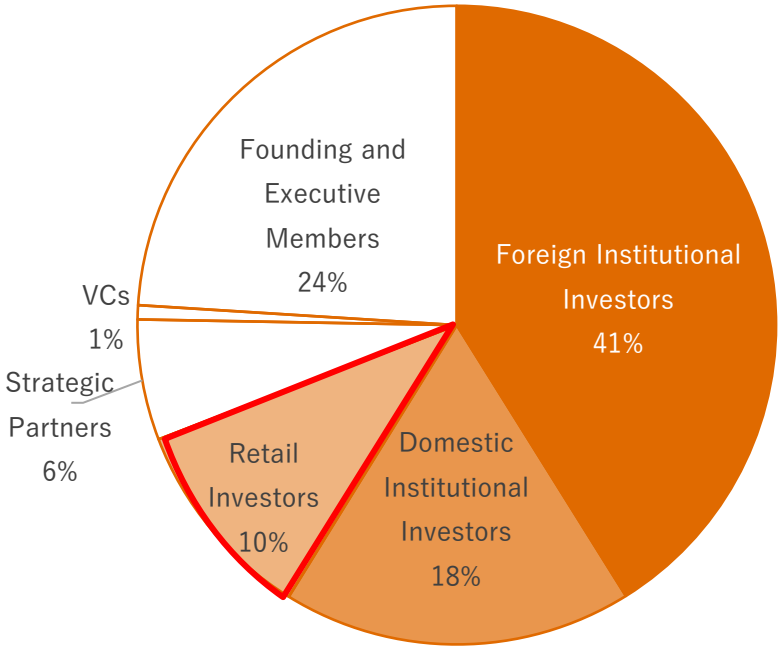
Other Strategic Initiatives



New Initiative for Retail Investors

Will start **new initiatives such as stock split** to increase fan investors.

Investors as of May 31, 2020



Initiatives to Be Carried Out

1. Stock Split
2. Briefing Session for Retail Investors
3. Distribution of IR Email

Announcement of Stock Split

Plans to conduct a 2-for-1 stock sprit to enhance liquidity and expand retail investors.

YTD Share Price



Recent 3-month average stock unit price:*1
¥0.7million yen

2-for-1 stock sprit

Stock unit price after stock sprit:
approx. less than ¥ 0.5 million*2

- Announcement date: October 15,2020
- Record date: November 30, 2020
- Effective date: December 1, 2020

*1 Calculated based on stock price from July 9, 2020 to October 9, 2020. *2 Based on the stock price of October 14, 2020.

Implementing Initiatives to Solve Social Issues

Promoted initiatives such as compiling information in support of COVID-19 and making proposals for paperless and seal-less society.



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



Promoting for Paperless Back Office



Efforts to Promote Electronic Invoicing



Released Proposal Document Aiming Paperless and Stamp-less Society

Alliance with Financial Institutions (APIs)

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	125	1	253	—	13	—	719	—
Corporates	119	8	253	—	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 October 13rd, 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.

Policy for Growth Investment and Profitability

Policy for Growth Investment

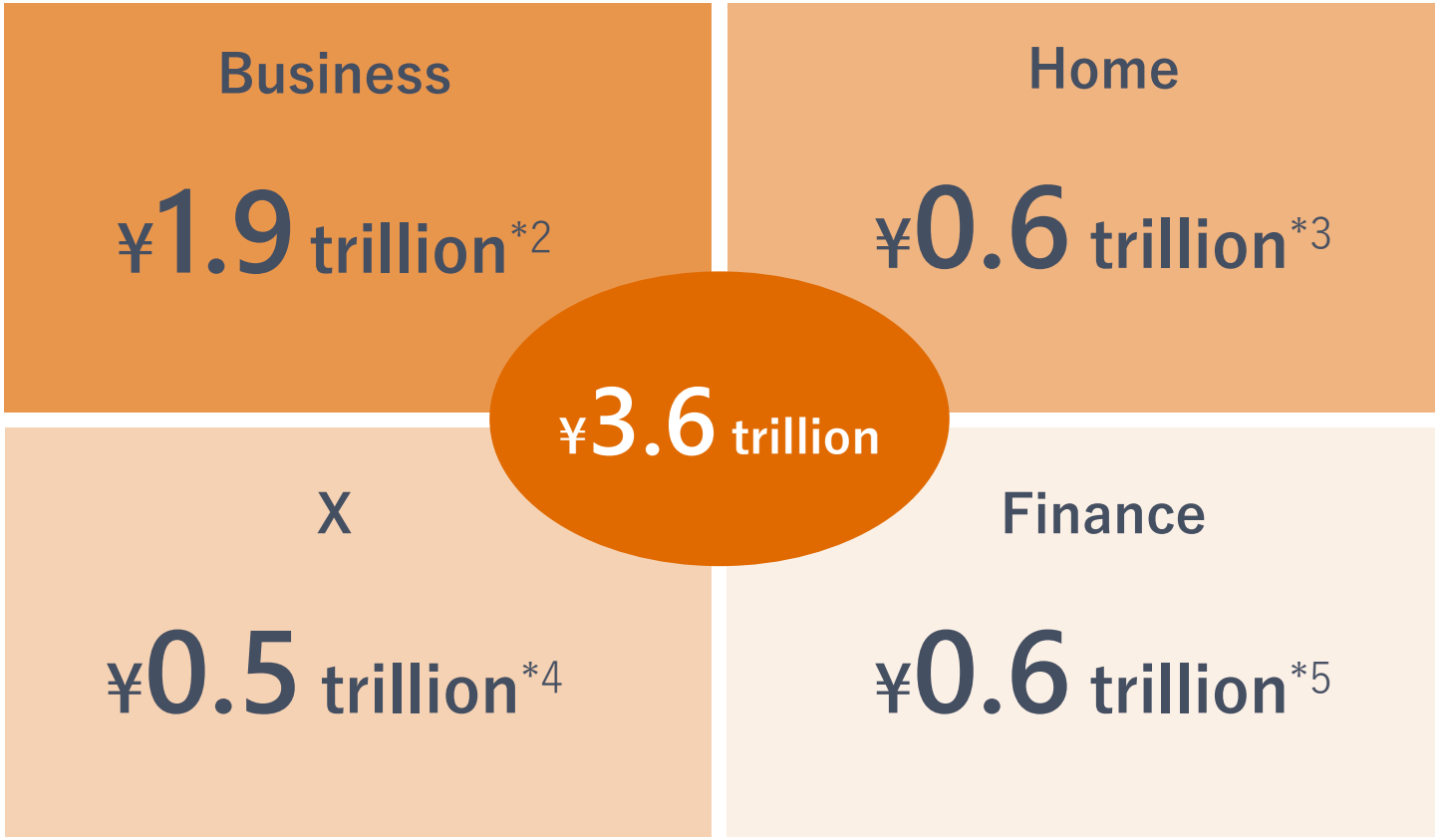
- As a **Subscription business model**, we focus on **maximizing medium-to-long term cash flow**.
- In FY11/20, **investment will be accelerated** toward second half in the Business domain, which is a SaaS business.
- Such investment to be executed **as long as unit economics metrics are reasonable and 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*)

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



* All footnotes are described on P83.



Money Forward. Move your life forward.

Appendix

Impact of COVID-19 Outbreak

The negative impacts remained within expectations. New customer acquisition was solid amid the expansion of remote work.

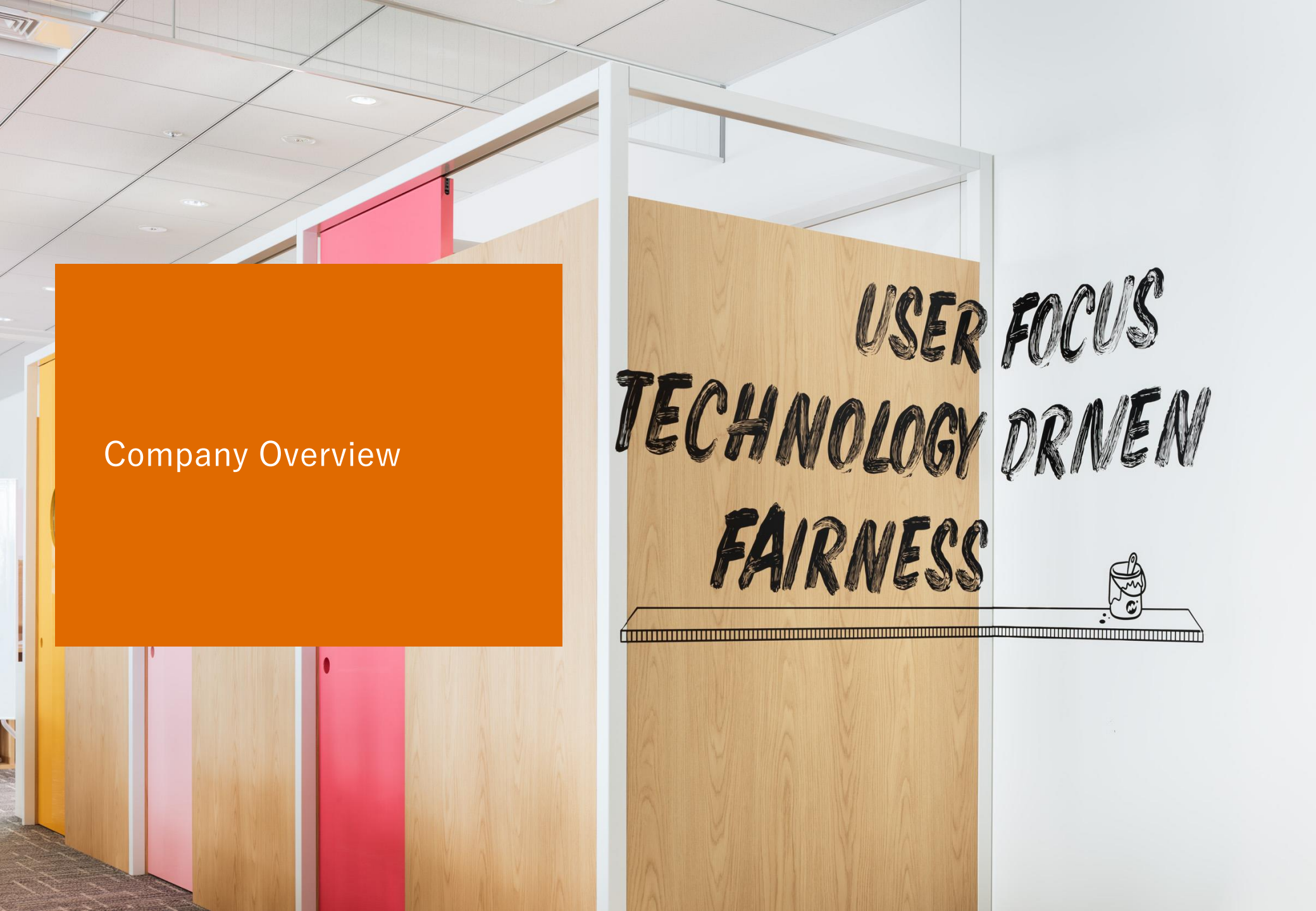
	Impacts
Business	• Corporate customer acquisition remains solid through webinar and online meetings. • Special demand for *BOXIL* have settled down, growing at a normal pace.
Home	• Acquisition of *Money Forward ME* users remains steadily. • Continued to postpone events, switching to online to monetize.
X	• Inquiries for new projects continued to be active. • The pace of growth in the number of new users of *Passbook App* is accelerating.
Finance	• Outstanding funding needs have settled down, growing at a normal pace. • Inquiries for Money Forward Synca increased.

Market Needs and Our Response to COVID-19

Promoting DX in the society through various services.

	Market Needs	Solutions We Provide
Business	• Want to conduct remote work.	• Enable to access from multiple devices, data is shared in real time. • Data linkage enable to cut manual input and paperwork. • Electronic storage of receipts eliminate need for submission of papers.
Home	• Want to use non-contact payment. • Anxiety of money for a sudden absence.	• Automatically imports e-money etc. data into PFM app. • Alert to prevent overuse and unauthorized withdrawals. • Free consultation to FP for money related issues.
X	• Wish to provide services that accelerate DX as face-to-face interaction with customers is decreasing. (Financial institution)	• Provides *Passbook Apps* to check bank account at anytime and anywhere. • Portal website for bank's corporate customers enables to visualizes SMEs' cash flow in a timely manner.
Finance	• Want to collect working capital quickly. • Want to raise funds for the future.	• Online Receivable financing by MF KESSAI. • Money Forward Synca provides advisory for finance.

Company Overview





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)

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



Toshio Taki

Director and Executive Officer
Head of Money Forward Fintech Institute

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



Takashi Ichikawa

Director, Executive Officer and CISO

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



Naoya Kanesaka

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

- 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.
- Joined Money Forward, Inc. in 2014. As CFO, led IPO, domestic and global financing, M&A and alliance.
- Founded and appointed as CEO of Money Forward Synca, Inc. in Sept 2019.



Takuya Nakade

Director, Executive Officer and CTO

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



Hirokazu Ban

Director, Executive Officer and Administration Division Manager

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



Masanobu Takeda

Director, Executive Officer and COO of Money Forward Business Company

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

Members of Board of Directors (External Directors) 75

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 Served as Director at Morgan Stanley from 2011 to 2015. Appointed Executive Chairman of the Board of Nippon Paint Holdings Co., Ltd. in March 2019. In March 2020, he was inaugurated Chairman of the Board Representative Executive Officer President & CEO.



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.

Founded ProNova Inc in 2007, and currently serves as CEO of the company. Worked at Mitsubishi Corporation, McKinsey & Company, and Globis Group, where she served as President of Globis Managment Bank Inc. Holds an MBA from Harvard University.



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.

Other Key Management Members (1/2)

Management members who have key roles in the growing group.



Tatsuya Kanto

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

・Worked in a software development company and was involved in project management and launched overseas bases.
・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 by M&A.



Kiminobu Tahira

Executive Officer, Money Forward Home Company COO

・Was involved in business development of systems for the distribution industry at NEC Corporation.
・At Rakuten, Inc., experienced setting up marketing division of Rakuten Ichiba, constructing reward program and facilitated business alliance.
・Joined Money Forward, Inc. as Head of marketing department after leading retail marketing at Monex, Inc.



Kazuya Yamada

Executive Officer, Money Forward Business Company CSO

・Passed Japanese CPA examination and joined Deloitte Touche Tohmatsu LLC, in 2016.
・Served as Executive Officer and CFO in a startup.
・Joined Money Forward, Inc. in 2014 and served as Head of CEO office, Head of MF Cloud development before appointed as Money Forward Business Company CSO.



Daisuke Motokawa

Executive Officer, Alliance Strategy Head,
Head of Money Forward X

・Joined NTT DOCOMO, INC. in 2003 and engaged in solution sales for large corporations.
・Was transferred to FeliCa Networks, Inc. and in charge of business planning of mobile wallet and newly set up big data business.
・Returned to NTT DOCOMO, INC. and experienced NFC/Fintech.
・Joined Money Forward, Inc. in 2016.



Naoki Kuroda

Executive Officer, Fukuoka Office Head

・Joined Monex, Inc. in 2008,
・From 2012, developed bulletin board system and other web services and offered marketing consulting.
・Joined Money Forward, Inc. in 2013 soon after its foundation.
・After engaged in the development of *Money Forward ME* and *Money Forward Cloud* series, serves as PO of *Money Forward Cloud Expense*.



Daisuke Sergio Ito

Executive Officer and CDO
Head of Design Strategy Office

・Joined FreeBit Co., Ltd. in 2003 and engaged in PR, corporate branding and business strategy in CEO Office.
・Moved to the US to learn art in 2006 and became a freelance designer and came back to Japan in 2010.
・Has been representing AN INC.
・Appointed as CDO in 2020.

Other Key Management Members (2/2)

Management members who have key roles in the growing group.



Junichi Kanda

Executive Officer, External Relation Head

・Joined the Bank of Japan in 1994.
・MA on Yale University.
・Temporally transferred to Financial Services Agency from 2015 to 2017 and was involved in investigation and policy planning related to Japan's payment structure and Fintech.
・Joined Money Forward, Inc. in 2017.



Satoshi Furuhashi

Representative Director and CEO, SMARTCAMP Co., Ltd.
Representative Director of Money Forward Ventures Partner, Inc.

・Engaged in institutional sales at Mizuho Bank, Ltd.
・Experienced business development and customer acquisition at Speee, Inc.
・Founded Smartcamp Co.,Ltd, which offers *BOXIL* and was appointed as Representative Director.
・Joined Money Forward group by M&A in 2019.



Seiko Harada

Executive Officer, Cross-functional Business Head

・After graduating from university, engaged in marketing and PR in an entertainment industry.
・Joined GREE, Inc. in 2011 as PR. After engaged in setting up an industry group, was transferred to business development and creative department of social game. After 2016, engaged in setting up social media marketing business.
・Joined Money Forward, Inc. in 2018.



Naomichi Tomiyama

Executive Officer. Money Forward, Inc.
Representative Director, MF KESSAI, Inc.

・Joined KPMG AZUSA LLC and engaged in financial and internal control audit.
・Was involved in many voluntary and legal liquidation projects in a consulting company.
・Joined Money Forward, Inc. in 2014 and was involved in strategy planning and new business development.
・Appointed as Representative Director in MF KESSAI, Inc. in 2017.



Hidetsugu Kunimi

Representative Director, Knowledge Labo, Inc.

・After engaged in financial audit and consulting at Deloitte Touche Tohmatsu LLC, experienced many M&As and turnarounds at Deloitte Touche Tohmatsu Financial Advisory LLC.
・Founded Knowledge Labo, Inc. in 2013 and serves as Representative Director.
・Joined Money Forward group in 2018 by M&A.



Youkou Takano

CIO

・Joined Yahoo Japan Corporation in 2006 and engaged in development and maintenance of internal systems and infrastructures. Led engineering team and executed cyberattack countermeasures and information system strategy. Also, modernized the internal IT environment as head of information security department.
・Joined Money Forward, Inc in 2019.

Money Forward Group Structure



* As of October 15, 2020

Share Price and Trading Volume since IPO



* As of October 12, 2020.

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

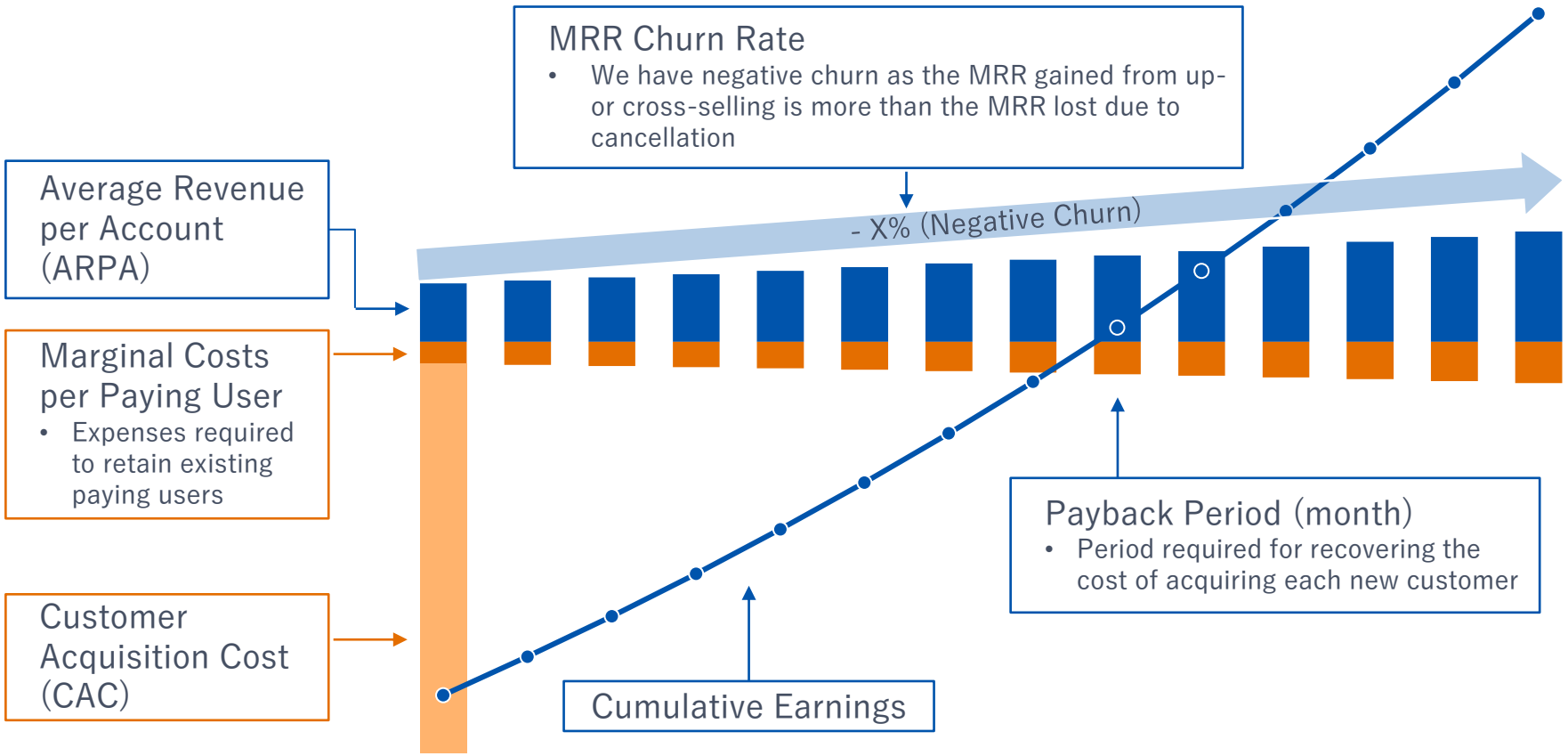
- Investment in sales, marketing and customer success to be accelerated as long as unit economics metrics are reasonable and sound.
- Investment decisions to be made based on the unit economics metrics described in next page.

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 period by 12
Group ARR	Calculated by multiplying Group MRR of a particular period by 12. Group MRR includes: 1) recurring revenue from sales of *Money Forward Cloud* and other cloud services, net sales from retained customers of Smartcamp Co., Ltd., and recurring revenue from sales of *V-ONE Cloud* and other services by R&AC 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 recurring customer rate (the ratio of net sales from customers who commenced transactions prior to end of (N-2) quarter, to current N quarterly net sales).
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 period by the number of Customers
Customer Churn Rate	Average monthly churn rate of a particular period. Calculated as: 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 of a particular period. 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. Negative amount (Negative Churn) refers to the status when the revenue increase for existing customers by upselling/cross-selling exceeds the revenue decrease due to customer churn.

* 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

Money Forward Cloud – SaaS Platform for Back Office

Money Forward Cloud provides various products for back office operations.



Money Forward Cloud

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

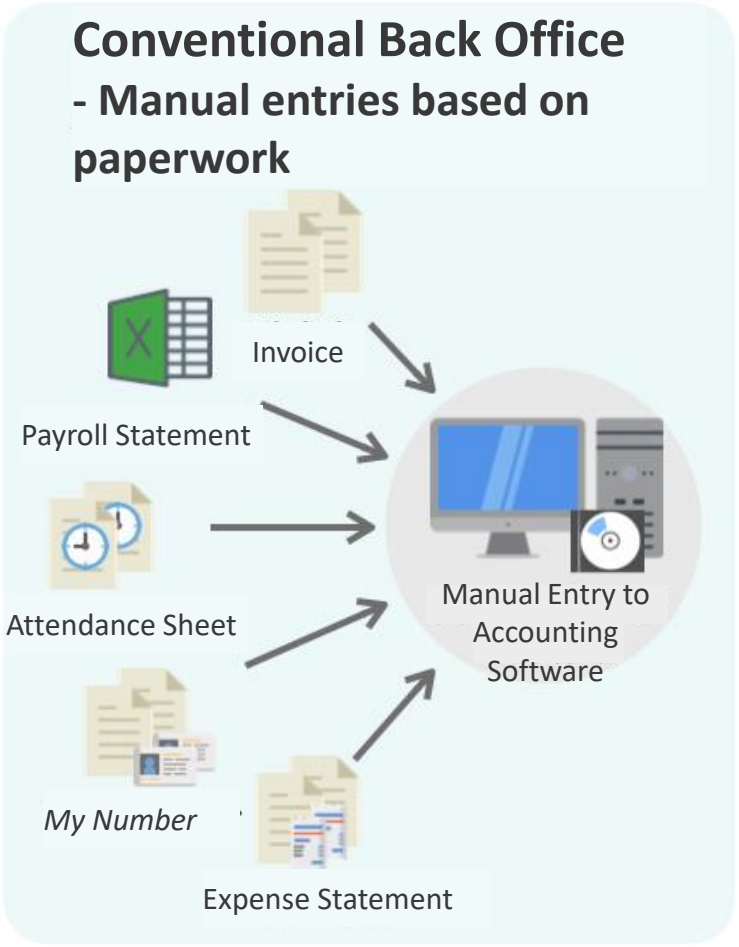
Money Forward Cloud Attendance

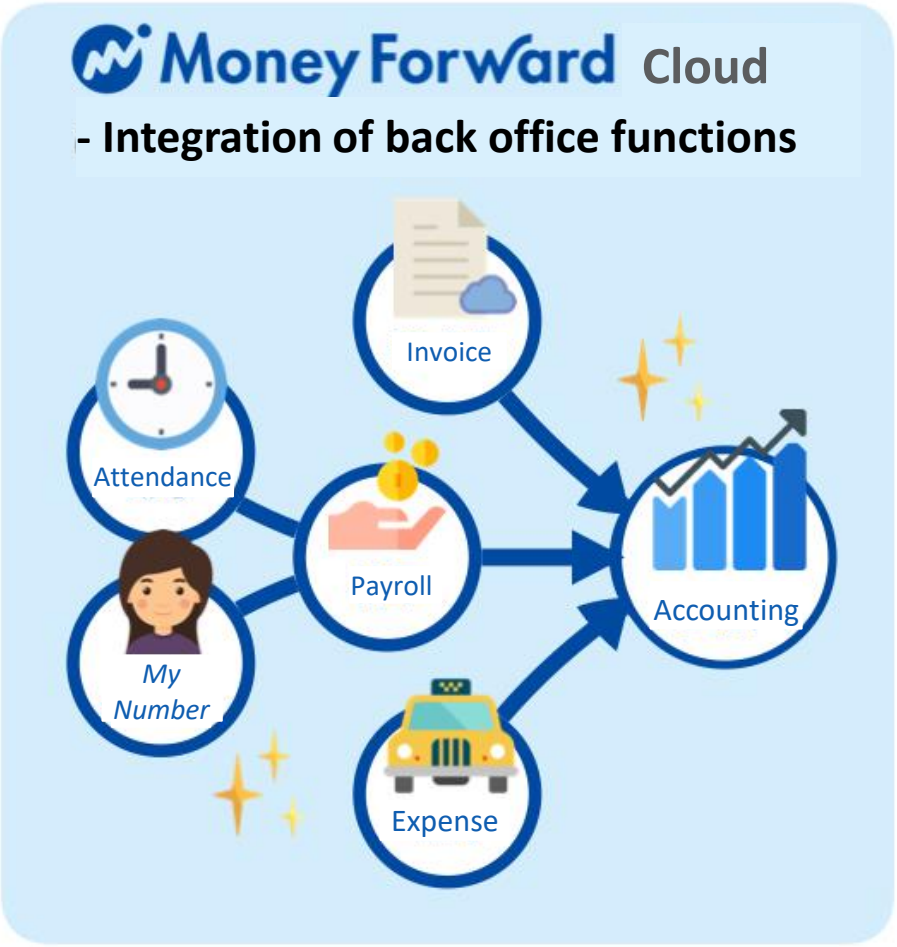
Money Forward Cloud Social Insurance

Money Forward Cloud Accounting Plus

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.





Why *Money Forward Cloud* is the Right Choice (1/2)

Automated operations enable users to reduce cost and time for back office operations significantly.

Reduced the time spending on monthly “accounting operations” by approximately **50%**[*1]

Manual input

Ave **19 hours**/month

→

Automated input

Ave **9 hours**/month

Saved **¥1 million per year**[*2] in expense reimbursement

Submit/Approve by Paper

Ave **¥1.6 million**

→

Submit/Approve by Smartphone

Ave **¥0.3 million**

+Cloud Expense fee (¥ 0.3 million)

*1 Based on the results of the internet survey "*Money Forward Cloud Accounting and Tax Return* user Questionnaire“ in September 2019.

*2 When company has 100 employees, their hourly rate is ¥1,500 and 50 of them claim expense reimbursement on a monthly basis.

Why *Money Forward Cloud* is the Right Choice (2/2)

	Conventional Software	Money Forward *Cloud*
Access from multiple devices	×	○
Automated journal entry	×	○ Automated input and suggestion of journal entry classification
Easy to co-work with accountants	△ Need to send data	○
Co-work on accounting operations	△	○
Initial Cost	×	○ No initial Cost
Automated Software Update	× Charges additional fee or manual update	○
Introduction	× Need installation	○ No need to install
Risk of Data leakage/loss	× Loss with PC malfunction or storage failure	○ Automated backup almost reduced the risk to Zero
HR/Invoice Tools	× Need to manage with Excel or install other software	○ Various software can be used and able to connect to accounting software

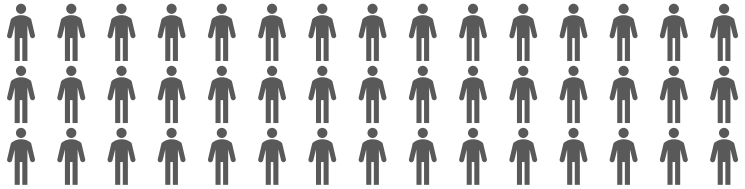
Business Domain – Price Table

	Accountants & their clients	Sole Proprietors	SMEs	Corporates
Distribution	Field sales	WEB marketing		Field sales/ Inside sales
Price (Example)	**Small Business** Monthly: ¥3,980 Annual: ¥35,760 (¥2,980/month) **Business** Monthly: ¥5,980 Annual: ¥59,760 (¥4,980/month) **STREAMED** min ¥10,000 **Manageboard** min ¥9,800	**Personal Mini** Monthly: ¥980 Annual: ¥9,600 (¥800/month) **Personal** Monthly: ¥1,280 Annual:¥11,760 (¥980/month) **Personal Plus** Annual: ¥35,760 (¥2,980/month)	**Small Business** Monthly: ¥3,980 Annual: ¥35,760 (¥2,980/month) **Business** Monthly: ¥5,980 Annual: ¥59,760 (¥4,980/month)	**Accounting Plus** Min ¥29,800 **V-ONE Cloud** Min ¥33,000 **Expense** ¥500/employee **Payroll** ¥300/employee **Attendance** ¥300/employee

＊All listed prices are excluding tax.

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, Inc. 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 20 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, Inc. 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.

BOXIL - SaaS Marketing Platform

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.

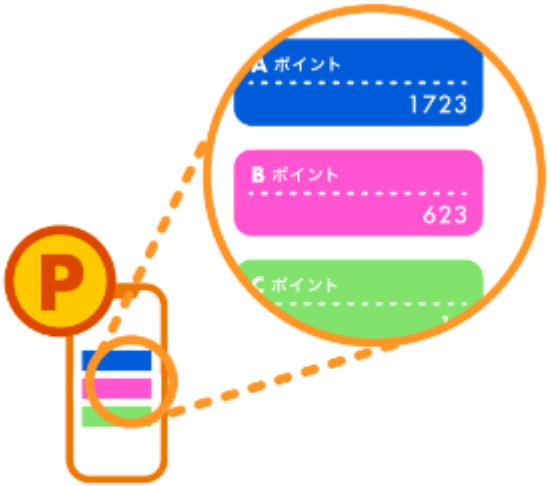


* As of October 2019.

Money Forward ME - Automated PFM Service

Money Forward ME is the No.1 PFM app in Japan[*1], reaching 11 million users. Number of financial services that can be connected.is also No.1[*2].

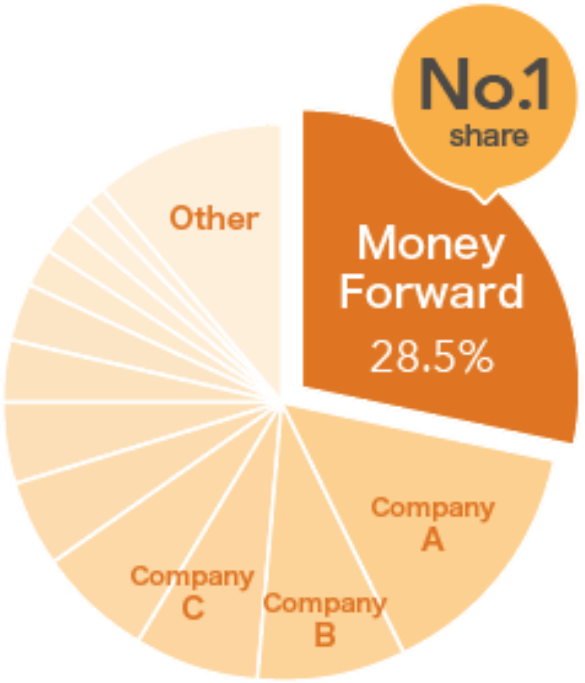
Integrates 2,600+ [*2] financial services and automatically creates household accounting books



Manage your financial services easily

By aggregating your financial data and visualize your expenditure, you can find what you are wasting.

One in four PFM app users are using *Money Forward ME*[*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 July 9th , 2020

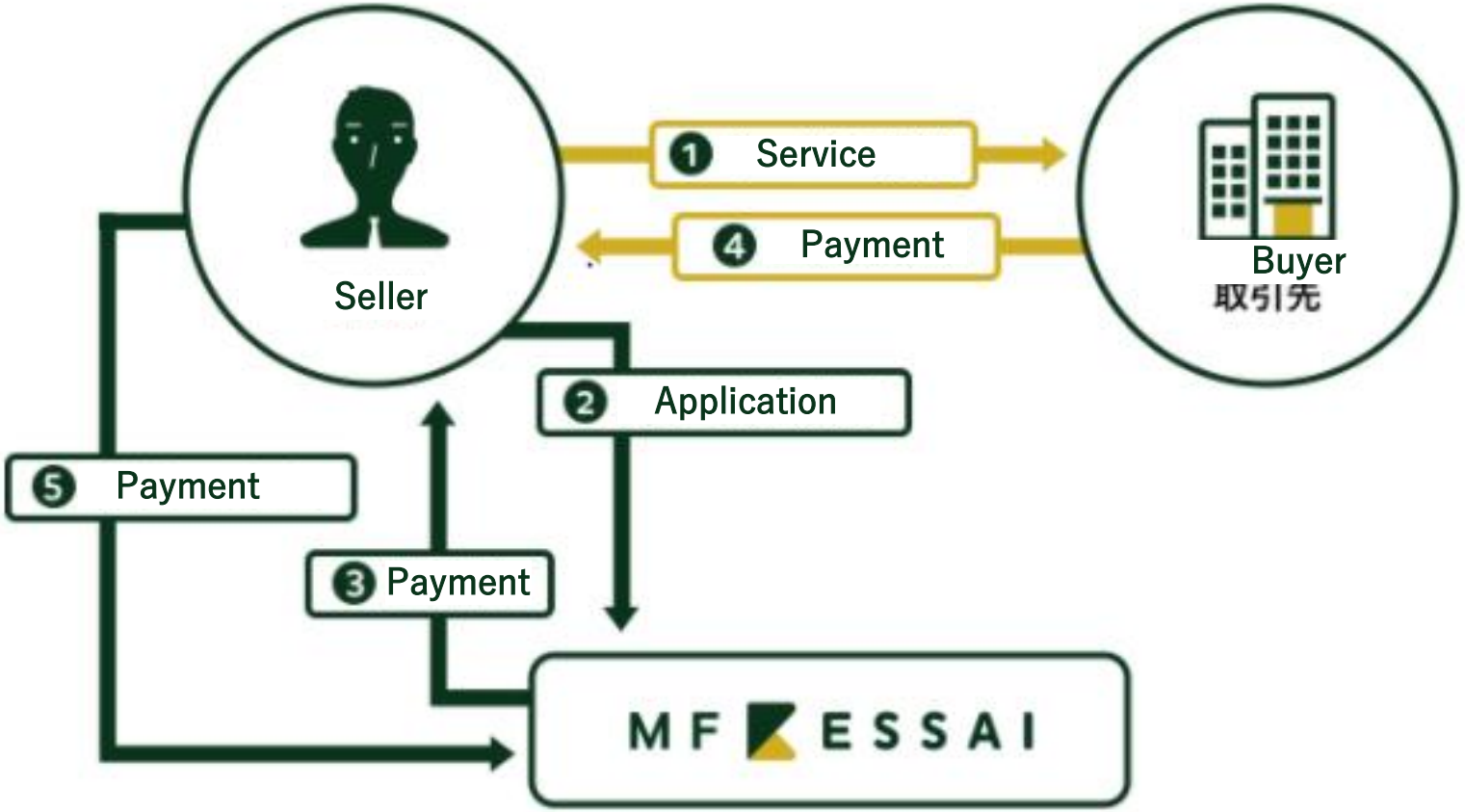
MF KESSAI - BPO and Online Invoicing Service

Offers total invoicing service. Takes only a few seconds at the shortest for approval process with 100% payment guarantee. Enables corporate to easily and safely introduce deferred payment.



MF KESSAI Early Payment
- Accounts Receivable Financing

Enables corporates to improve cash flow by selling their accounts receivable before the payment due date.



Disclaimer

The forward-looking statements and other contents included in this material are determined based on information currently available and may be subject to change due to macro economic trends, changes in the market environment or industry in which the Group operates, or for other internal/external factors. Money Forward, Inc. shall not represent or warrant the accuracy or completeness of the information contained in this material.

This material is an excerpt translation of the original Japanese material and is only for reference purposes. In the event of any discrepancy between this translated material and the original Japanese material, the latter shall prevail.