Money Forward, Inc.

Q3 Financial Results Briefing for the Fiscal Year Ending November 2020

October 15, 2020

Presentation

Moderator: Ladies and gentlemen, thank you for your patience. It's time now, so we'll begin the online earnings presentation for Q3 of the fiscal year ending November 2020 of Money Forward, Inc. Thank you for watching today. This briefing will last up to 90 minutes, including questions and answers.

First, let me introduce the two speakers. First, Yosuke Tsuji, President and CEO.

Tsuji: Thank you.

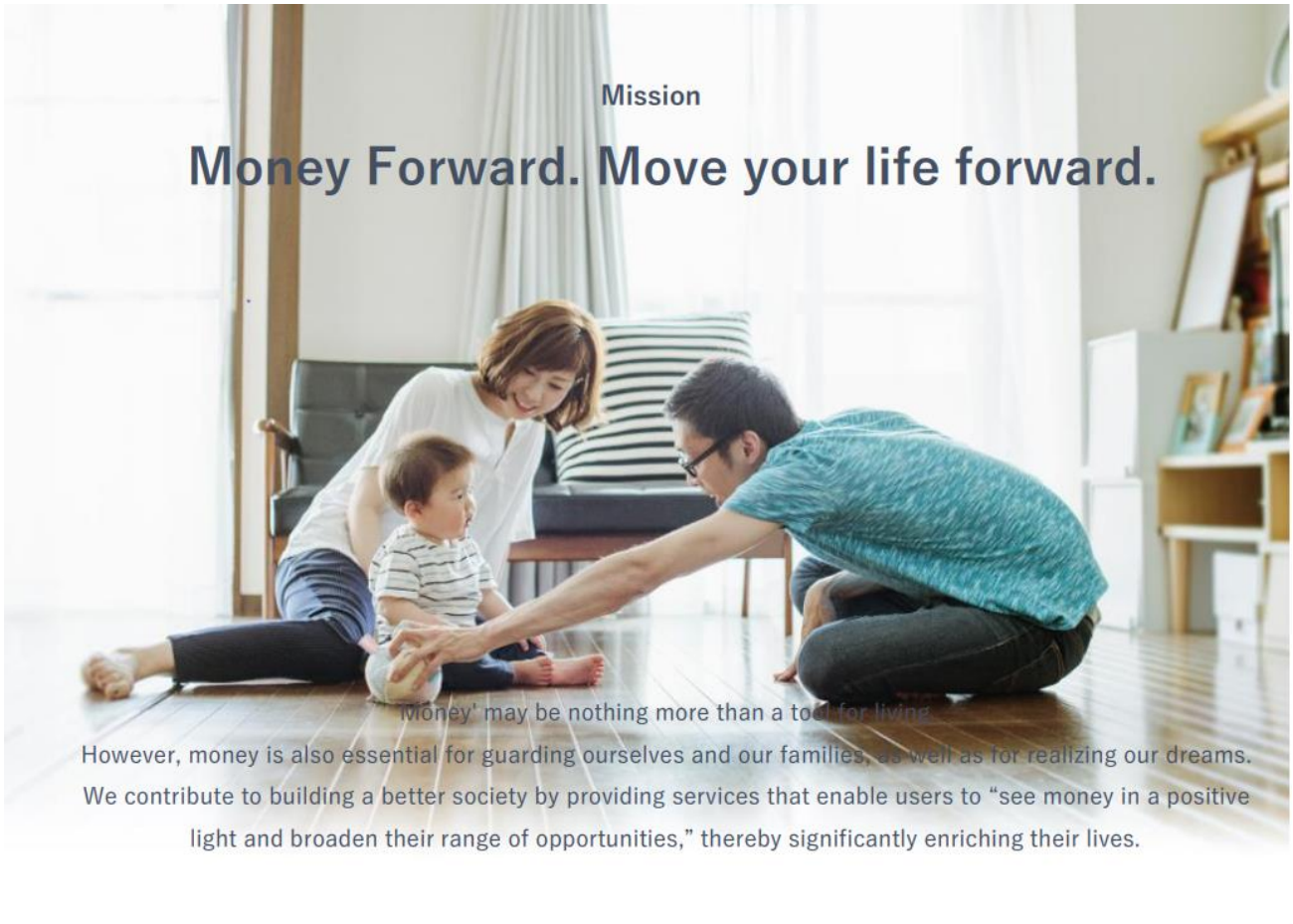
Moderator: And Naoya Kanesaka, Director and CFO.

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

Next, I will introduce the agenda for today's briefing meeting. First, Mr. Tsuji will give his greetings followed by an explanation of the results for Q3 of the fiscal year ending November 2020 for about 40 minutes. After that, we'll have a Q&A session. Questions that could not be answered in time will be answered individually after the briefing.

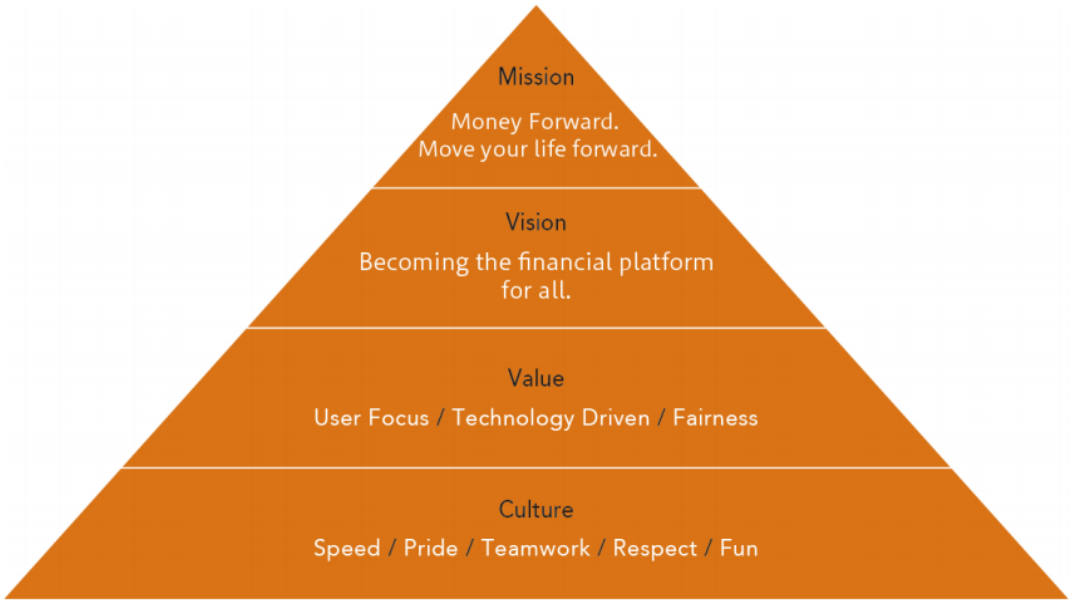
First, we'll answer the questions from analysts and investors for about 20 minutes. After that, we'll answer the questions from the media. This meeting is scheduled to end around 6:30 PM. I will now turn the conference over to Yosuke Tsuji, President and CEO. Please go ahead.

Tsuji: Good evening, everyone. This is Tsuji of Money Forward. Thank you for participating in our briefing meeting for Q3 of the fiscal year. This briefing is held online due to COVID-19. Let me begin.



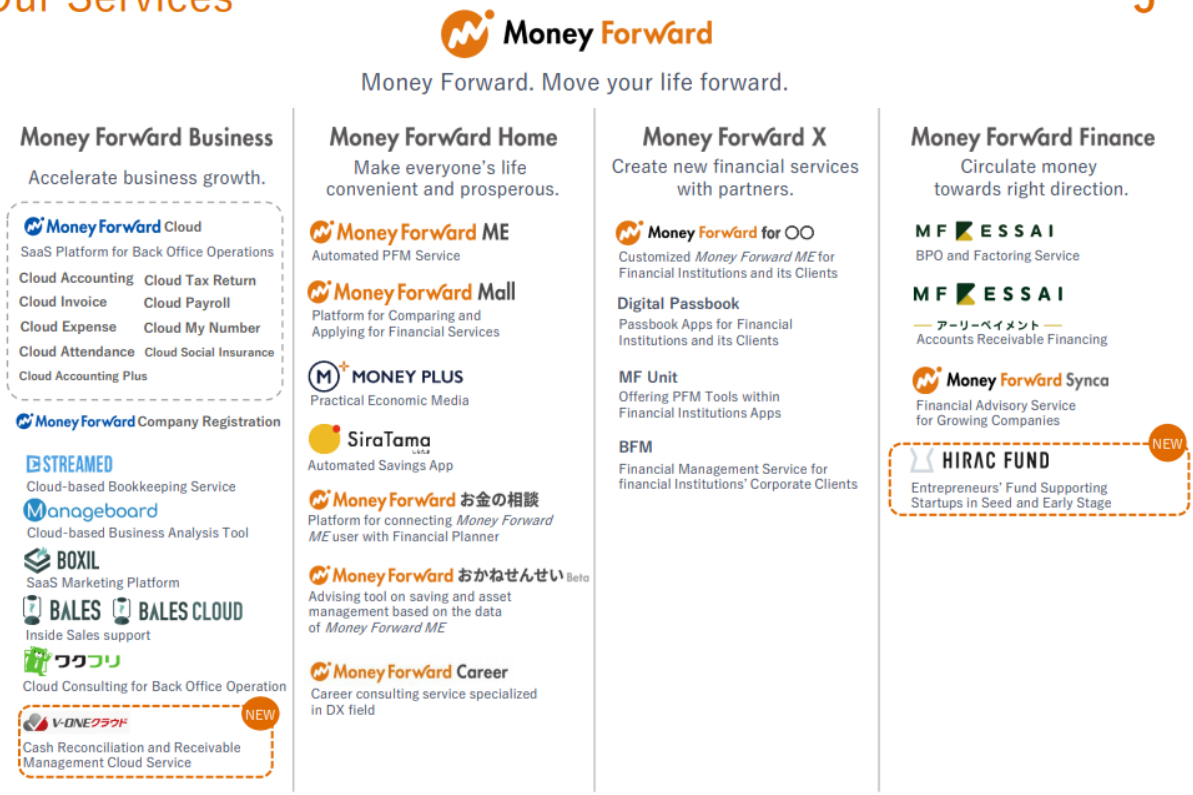
Today, I would like to explain our business, our Q3 results, and other strategic initiatives. At Money Forward, our mission is “Money Forward. Move your life forward.” We are doing business intending to solve problems related to money by using the power of technology.

Mission / Vision / Value / Culture



We cherish mission, vision, value, and culture, or MVVC. Our business is operated with a focus on the MVVC shown here.

Our Services

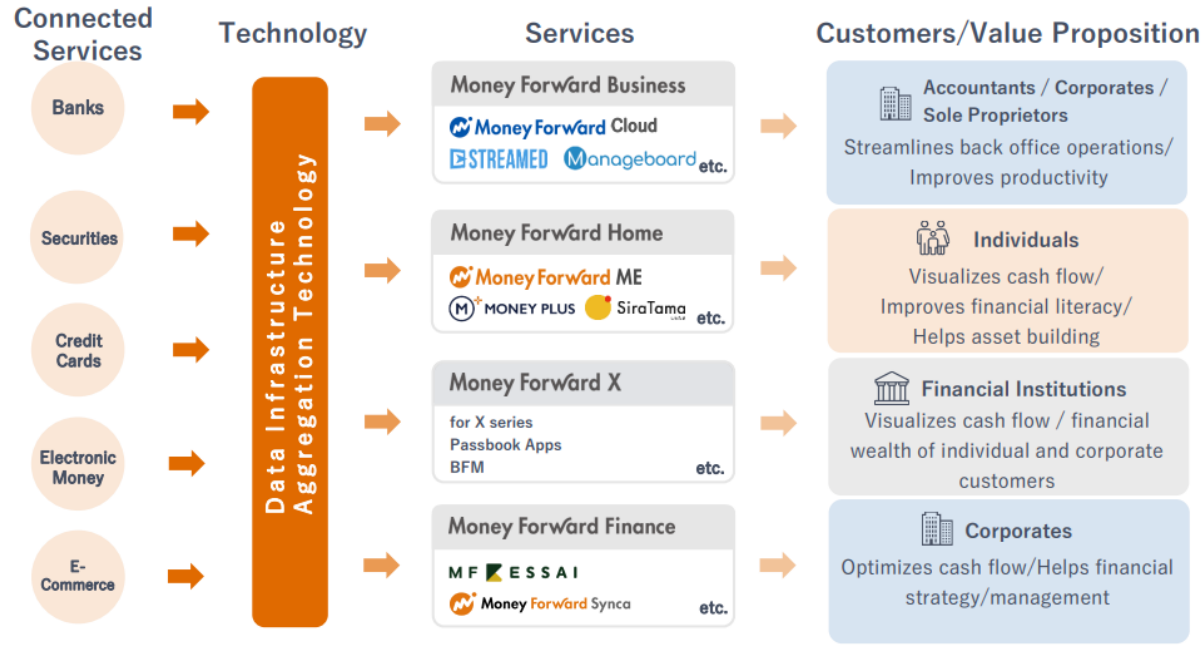


Currently, our business is divided into four major domains. Money Forward Business, which offers services mainly for SMEs in the cloud. As I will explain later, we added V-ONE Cloud, a clearing service, to our service lineup.

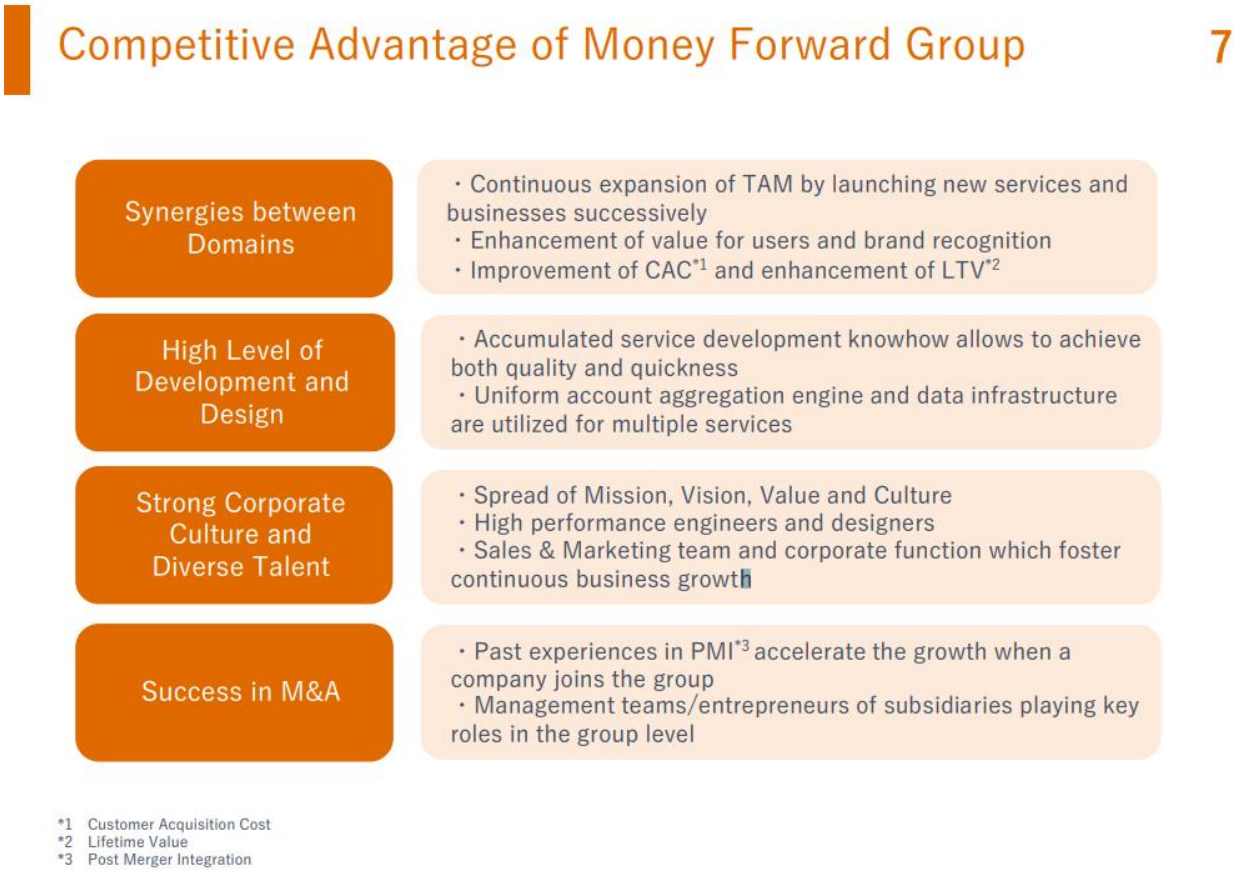
We also have Money Forward Home for individuals, and Money Forward X for financial institutions. And based on our new mission, “Circulate money towards the right direction,” we’re working to create novel financial services in Money Forward Finance. In the first quarter, V-ONE Cloud and HIRAC FUND were newly added to the service lineup.

Business Model to Achieve Our Vision 6

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



The business model is designed to realize our vision. We have a lineup of various integrated services, and we leverage these services, along with one of the largest data integration platforms and customer base in Japan, to offer services to various users, as shown on the right. These users include professionals, corporations, sole proprietors, individuals, and financial institutions.



As we offer services that span multiple domains, we believe the Group's competitive advantages are as follows:

The first advantage is the four domains explained earlier. We create synergies by managing multiple domains. By increasingly broadening our domains and services, our reachable market is continuing to expand.

Awareness of Money Forward is growing, both in enhancing the value offered to users and brand awareness. Also, by managing multiple domains, we can reduce customer acquisition costs and increase lifetime value.

Second, we wrote superior service development and design capabilities. As you saw, we have developed a multitude of services in the eight years since our founding, and we have accumulated a significant amount of service development know-how. Our design capabilities have also improved. We are creating new services while leveraging our data infrastructure and technology to aggregate common accounts between multiple services. We have really improved our design capabilities, allowing us to create good services for users.

For the third advantage, we wrote a strong corporate culture and diverse talent. We are a company that cherishes mission, vision, value, and culture. And we have very talented engineers and designers, with high aspirations, who are putting their skills to work.

In addition, sales and marketing, back office, the infrastructure supporting operations, and corporate functions have become increasingly important as we manage various businesses. We are working together with reliable members of each department. The greatest value of Money Forward is its people.

Since going public, we have acquired five companies that have joined our group. Although we were not experts, we quickly developed know-how in post-merger integration, or PMI. From the beginning, the

management team or entrepreneurs of the companies that joined the Group have participated in the entire Group's management. This has helped boost our management capabilities.

These four points are the main competitive advantages.

Nationwide Partnership 8

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.

Our partnerships are spread across the country, including over 4,300 members, comprising accounting firms and certified social insurance labor consultant offices, as well as over 100 Chambers of Commerce and Industry and 37 financial institutions. We hope to provide services that solve problems related to money and society together with excellent partners throughout Japan.

That was a brief explanation of our business.

Highlights in FY11/20 Q3 10

- 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.

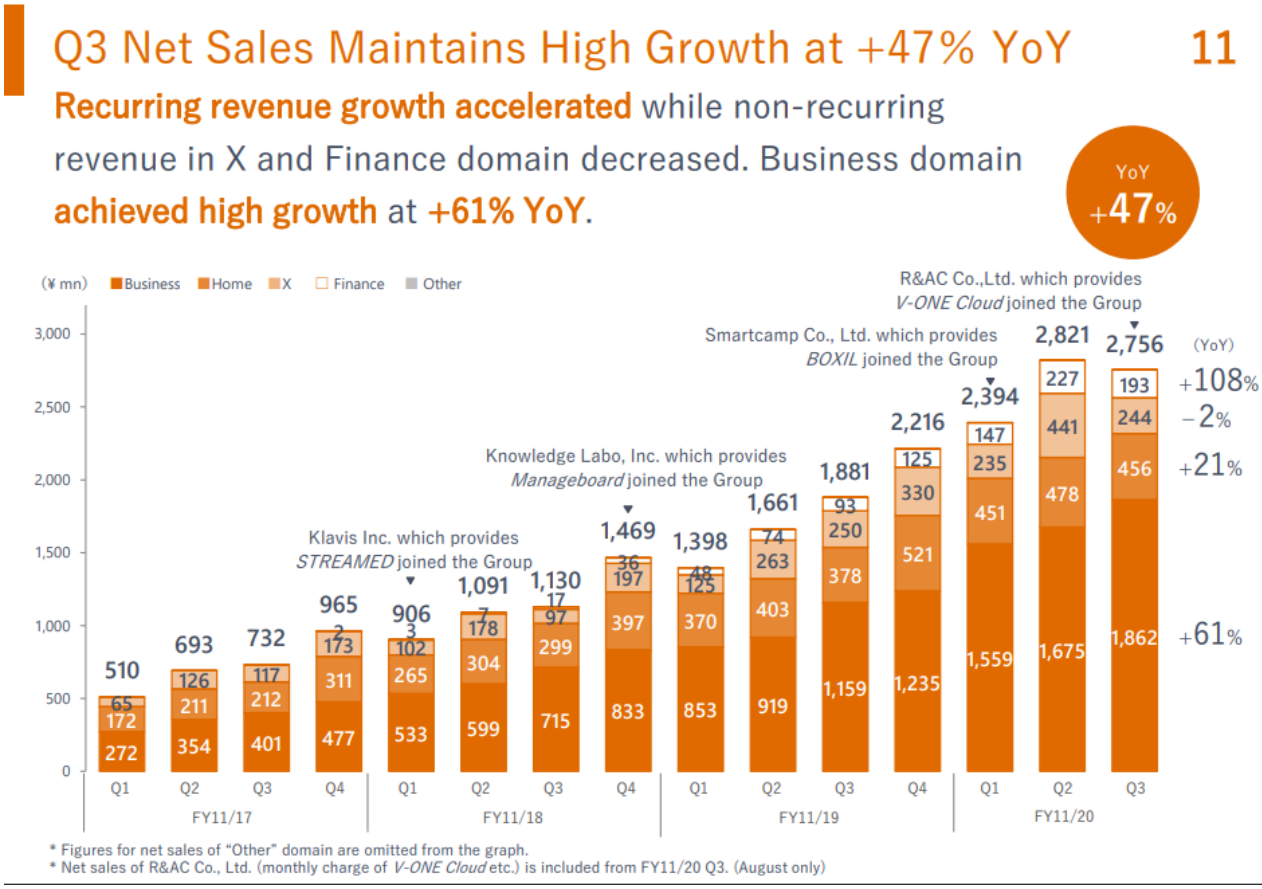
*1 Net sales of Smartcamp Co., Ltd. and R&AC Co.,Ltd. have been consolidated from FY11/20 Q1 and FY11/20 Q3, respectively. *2 Ratio is calculated by FY11/19 Q3 YTD net sales divided by FY11/19 actual full-year net sales.
*3 +63% when excluding the M&A impact of R&AC. Refer to P21 for detail,
*4 Refer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

I will now move on to the main topic. Let me explain the results for Q3. In the cumulative Q3, net sales increased 61% YoY to JPY7.97 billion, and gross profit expanded 79% YoY to JPY5.34 billion. We maintained strong growth on both metrics. We made steady progress against initial guidance, and no change has been made to forecasts.

We continued to post positive EBITDA, excluding advertising expenses. In the Business domain, acquisition of corporate users saw acceleration. In cumulative Q3, net sales grew 74% YoY. The latest results' key point is the sharp growth in recurring revenue in Q3, up 110% compared to Q2. The addition of R&AC to the Group lifted recurring revenue, but even excluding this boost, the growth rate was 63%, indicating an accelerated acquisition of corporate users.

In addition, we aim to accelerate the acquisition of corporate users, which is already brisk, even further through large marketing investments in the Business domain in the fourth quarter, September to November, which has already gotten off to a start. We plan to make these investments within the range of our initial plan. Accordingly, investments in Q4 will be of a significant amount.

The next point is about the cloud-based clearing service. We added R&AC to the group, which is the dominant player for this service in Japan. We plan to implement a stock split aimed at improving liquidity and increasing individual shareholders. Those were the highlights for Q3.



Next, I'll go over net sales. Net sales are based on recurring revenue, so we have seen a steady ongoing increase, with a 47% YoY growth. We saw a slight decrease in the total amount in Q3 compared to Q2, but this was largely due to a decrease in initial fees in the X and finance domains and the dropout of OEM development fees.

In other words, we experienced a slight decline in non-recurring revenue, but growth has accelerated in recurring revenue, which is what we consider to be most important. We realized robust growth in the business domain, up 61% YoY. Home grew 21%, and X fell 2%. These are due to the decline in non-recurring revenue. Finance also saw a drop in non-recurring revenue, which was as planned.

Acceleration in Group ARR Growth

Group ARR growth achieved +45% YoY.



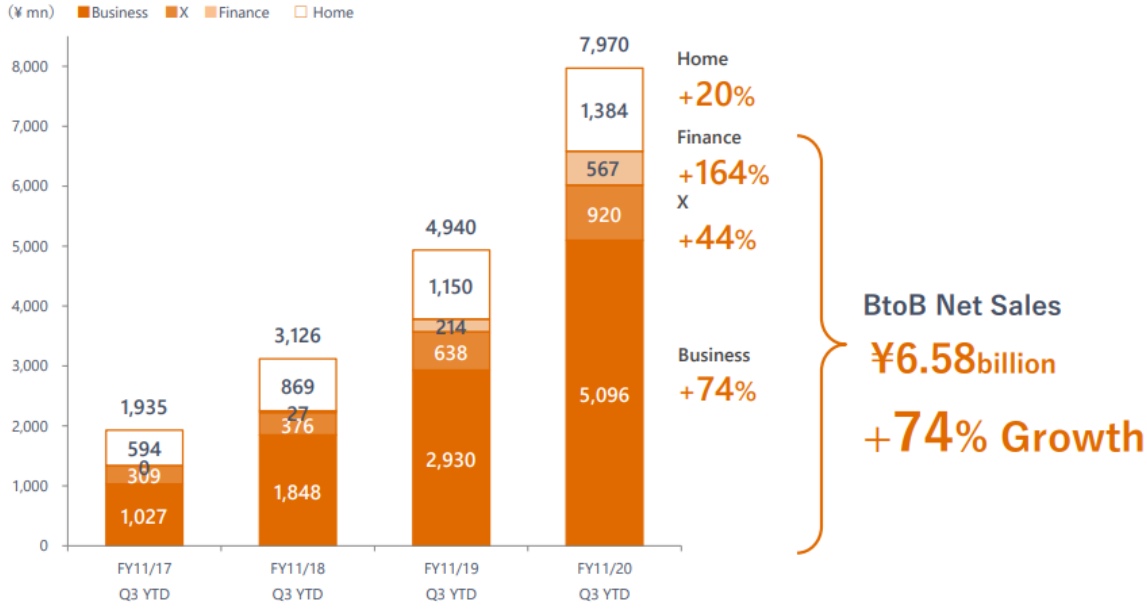
* Group ARR is calculated by multiplying group MRR of last month of each period by 12. Group MRR includes subscription revenue of cloud services such as *Money Forward Cloud* of Business domain, premium charges of Home domain, recurring revenue of X domain and net sales of *MF KESSAI* of Finance domain. *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)

Please turn to page 12.

We place great importance on the group's annual recurring revenue, or ARR, and the growth of ARR has accelerated. Performance from Q2 to Q3 was steady, with a further acceleration in growth, up 45% YoY.

Q3 YTD BtoB Net Sales Grew +74% YoY

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

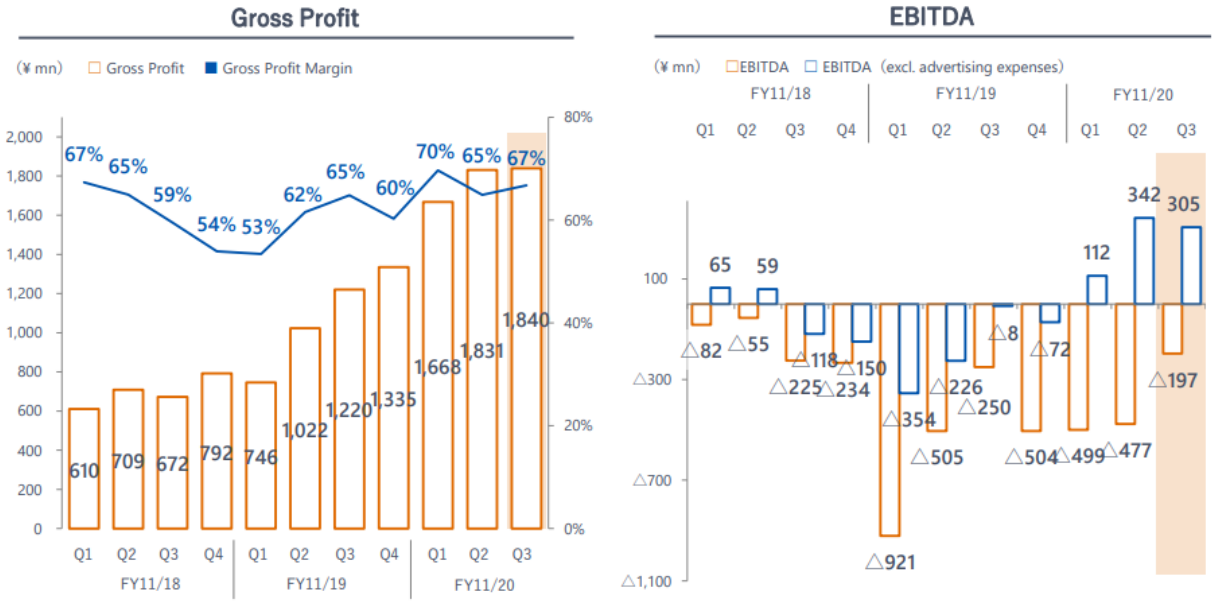


* Figures for net sales of "Other" domain are omitted from the graph. *BtoB net sales are the sum of net sales from Business, X and Finance domain.
* Net sales of Klavis Inc. were consolidated from FY11/18 Q1, Knowledge Labo, Inc. and Wakufuri, Inc. from FY11/18 Q4, Smartcamp Co., Ltd. from FY11/20 Q1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

Looking at each domain, B2B sales expanded 74% YoY, realizing a robust growth rate. This is for cumulative Q3. Finance was up 164%, X up 44%, and Business up 74%. Growth in Home is slightly weak, at 20%, so we'll need to take measures.

Gross Profit / EBITDA (Quarterly Trend) 14

Both gross profit and EBITDA **improved**.
Plans to execute a large marketing investment in Business domain in Q4.

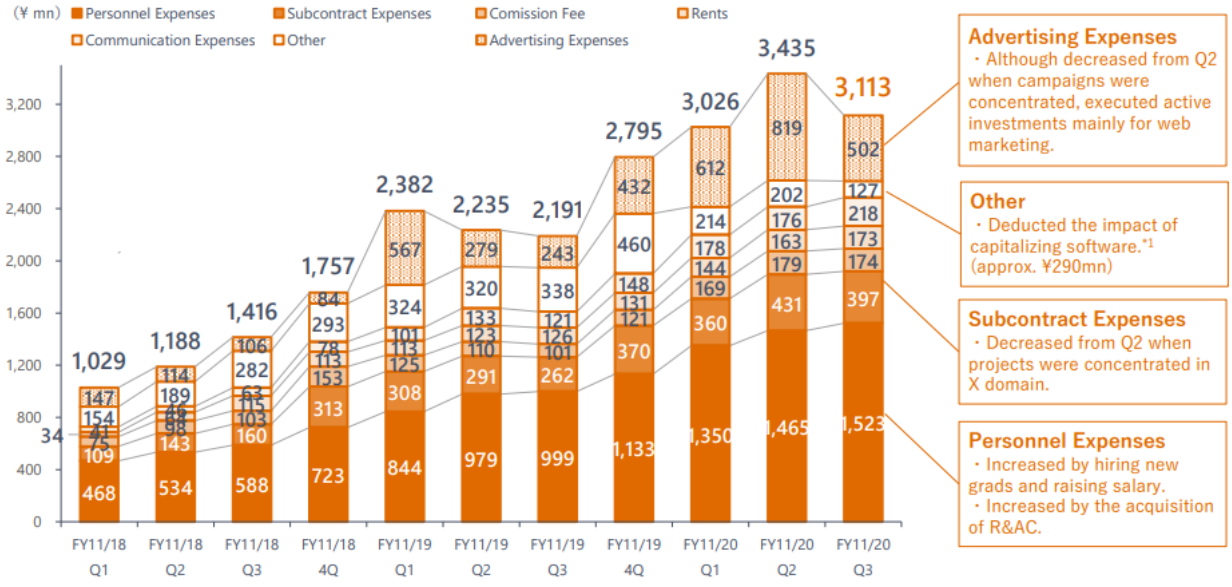


* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses * From FY20/11, Started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities. *Plans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

This page shows the gross profit and EBITDA trends, both of which have improved. Although it is a slight improvement, the gross margin increased to 67% from 65%. EBITDA, excluding advertising expenses, was JPY305 million. Including advertising expenses, it was negative JPY200 million.

Breakdown of Expenses (Cost of Sales & SGA) 15

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

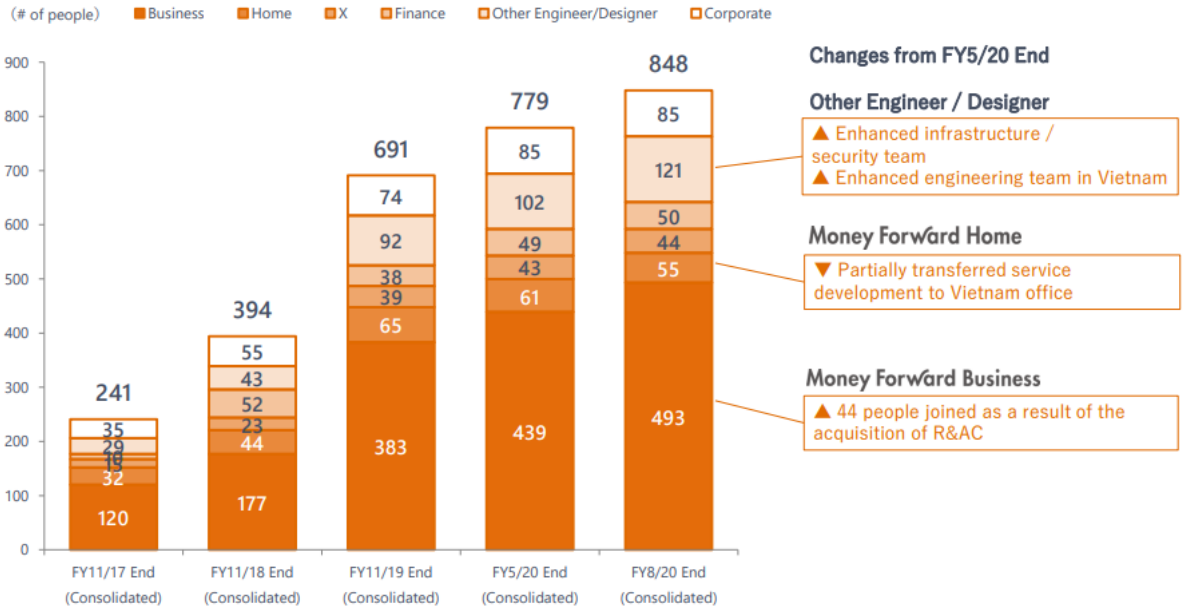


*1 From FY20/11, Started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities. * "Other expenses" include taxes and dues, guarantee fee, R&D, travel and transportation expenses, among others.

As for expenses, the amount of expenses fell in Q3 compared to Q2. This was due to a considerable amount of campaign expenses recorded in Q2, which has subsequently dropped out of Q3. In terms of personnel and outsourcing expenses, as I mentioned earlier, we had a group of development projects in Q2 that lifted non-recurring revenue, which has dropped out in Q3. Thus, outsourcing expenses have fallen in like manner.

Full-time Employees

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

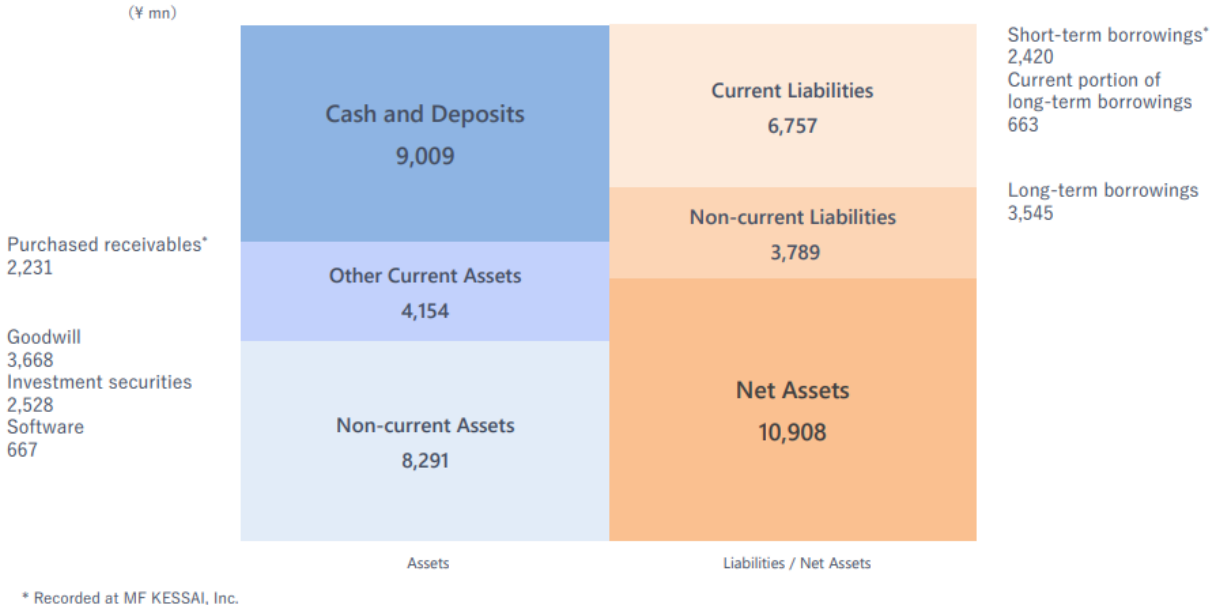


* Other Engineer/Designer includes CISO Dept., CTO Dept., Account Aggregation Dept., MONEY FORWARD VIETNAM etc. Corporate includes CEO's Office, Corporate Planning Dept., Finance Dept., Administrative Dept., Human Resource Dept., Fintech Research Office, etc.

Note that a major part of the cost comes from the number of full-time employees. The addition of R&AC has led to an increase of 44 full-time employees. That is the most important point.

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.



As for the balance sheet, we have cash and deposits exceeding JPY9 billion, and net assets over JPY10 billion. We continue to see no issues in our financial position. Also, note that we recorded a gain on the sale of some investment securities in Q4. That concludes the overall summary.

Money Forward Business Highlights in FY11/20 Q3 19

- 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.

Next, I will move on to an explanation for each domain. First is Money Forward Business.

As I stated earlier, net sales grew 74% YoY. Acquisition of corporate users was favorable through all channels, including accounting firms, web, and direct sales. The increase in recurring sales accelerated rapidly, up 110% from Q2.

ARPA Rose Significantly and Churn improved from Q2 20

	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.

Average revenue per account, or ARPA, was JPY68,446, up about 10% from Q2. Excluding the contribution from R&AC, ARPA was up 5.8%, a steady increase.

As for the churn rate, we typically see a boost in personal customers during the tax return season, so the churn rate inevitably increases. Now that the tax return season is over, the impact has run its course, and the churn rate improved to 1.1%.

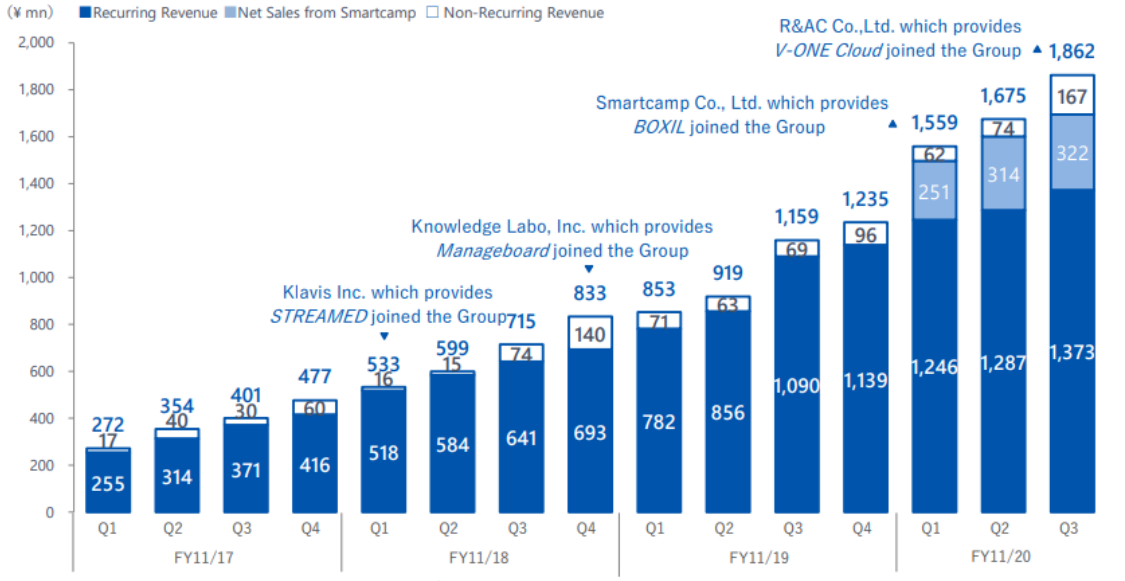
The churn rate based on monthly recurring revenue, or MRR, was negative 1.2%. We continued to maintain negative churn. We understand the churn rate is at healthy levels for MRR and ARR.

This list indicates the KPIs explained earlier.

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%

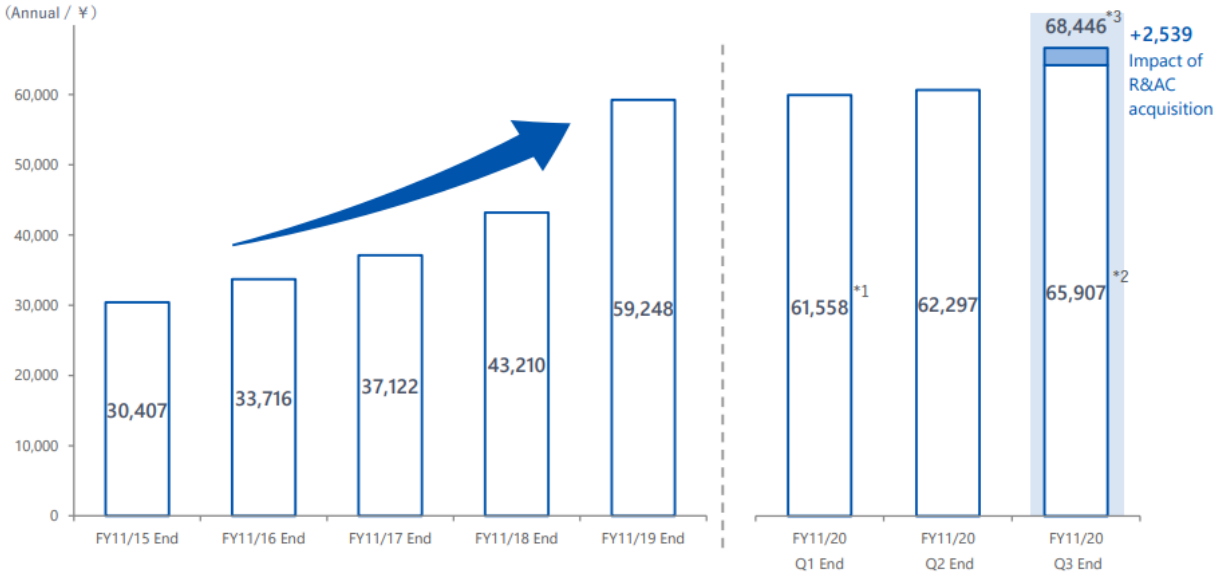


*1 +110% includes the new consolidation impact of R&AC Co.,Ltd. (Increase in recurring revenue from Q1 to Q2 : ¥41 million. Increase in recurring revenue from Q2 to Q3 : ¥86 million.) When excluding the M&A impact, increase in recurring revenue grew by 63% from Q2 to Q3 with 67 ¥million.
* Net sales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

This is the net sales trend. We saw a steady acceleration in recurring revenue growth. Also, the addition of R&AC to the Group contributed to revenue growth, starting from Q3.

Increase in ARPA Accelerated

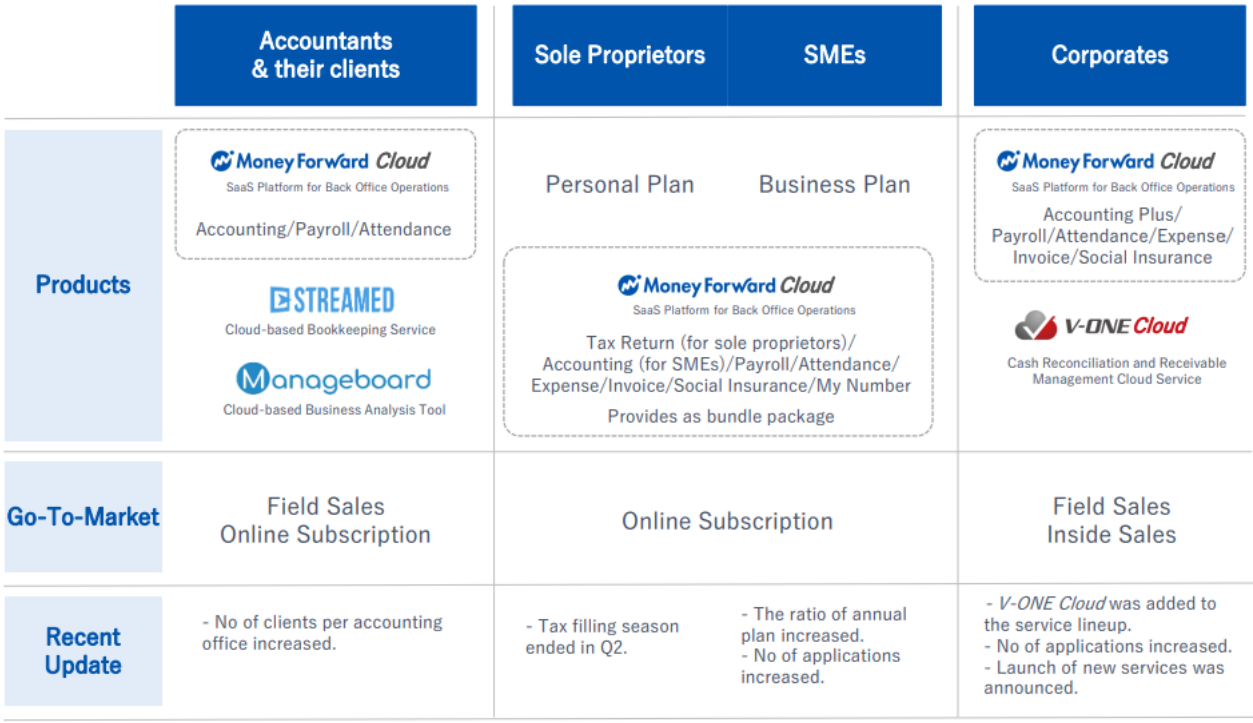
ARPA rose significantly due to (i) an increase in the number of customers per accountants, (ii) an increase in the number of medium-sized corporate customers with higher ARPA, and (iii) the acquisition of R&AC.



*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.

As stated earlier, ARPA grew about 10% from Q2 to JPY68,446. Even when the contribution from the addition of R&AC is excluded, ARPA was JPY65,907.

Products and Go-To-Market Aligned with Customers 23



Given that we offer products tailored to each customer segment and have established separate approach structures, I'd like to take this opportunity to organize these various services. First, the top row shows the customer classification. We have accounting firms and their clients. We offer the Money Forward cloud service, STREAMED, which is an automated bookkeeping service, and Manageboard, which is a cloud-based financial analysis software.

Most contracts are acquired through field sales and via the web. Recently, we have seen a significant increase in the number of clients per accounting firm adopting our services, reflecting that our services are highly convenient for accounting firms.

The box in the middle represents our services for sole proprietors and SMEs. We have a personal plan and a business plan. This is offered as a package under Money Forward Cloud that allows users to use all kinds of services. We are offering a plan where all the services shown here can be used in one package, and we approach our customers entirely through web contracts.

The number of subscriptions from sole proprietors increases the most during tax return season, and now that the season is over, the number has settled down. In terms of SMEs, we have seen an increase in the ratio of customers subscribing to the annual plan. We are promoting this plan, given that it significantly reduces the churn rate, and the ratio of the annual plan is increasing. Also, we recently see a sharp increase in the number of applications.

We have newly devoted energy to acquiring mid-sized corporate users. In addition to Accounting Plus, Payroll, Attendance, Expense, Invoice, and Social Insurance service lineup, we offer the newly joined V-ONE Cloud service. The main sales approach in this category is field sales and inside sales, i.e., personal sales activities. We also announced an enhancement of the lineup, which I will speak of later.

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,

As for these services, we are glad to report that a third-party survey has found that we are the number one recommended cloud accounting software with the highest customer satisfaction. The most important will continue to be improvements in product quality. Services that match customer needs, customer success, and developing services that truly solve customer problems will be crucial.

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.

In addition, all kinds of regulatory changes are slated to take place, spurred by policy amendments and looser regulations, in part due to the start of the Suga administration and the establishment of a Digital Agency, which will likely push for Japan's digital transformation. We have many services that are related to these regulatory changes, and we believe the tailwind will help accelerate our growth.

First, an amendment of the Electronic Bookkeeping Act will make it possible for cloud-based expense and accounting services to easily import digital statements, making it more convenient for users.

Second, an invoice policy will be applied. This policy is closely related to services such as accounting, invoicing, and cloud storage box. It will spur companies to switch accounting software or increase the usage of electronic invoices.

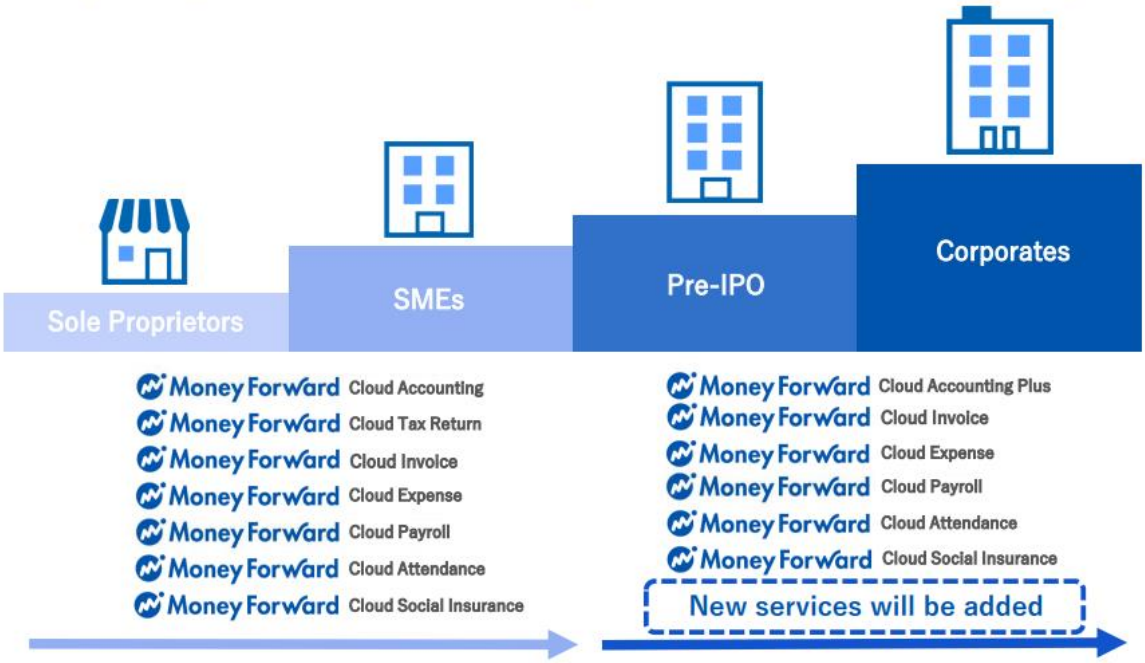
Third, electronic tax returns. This is related to the tax return service.

Fourth, electronic year-end adjustments are related to our payroll service.

Fifth, mandatory electronic application for social insurance is closely related to our social insurance service. The entire country's DX will likely be accelerated through the adoption of our services.

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.**



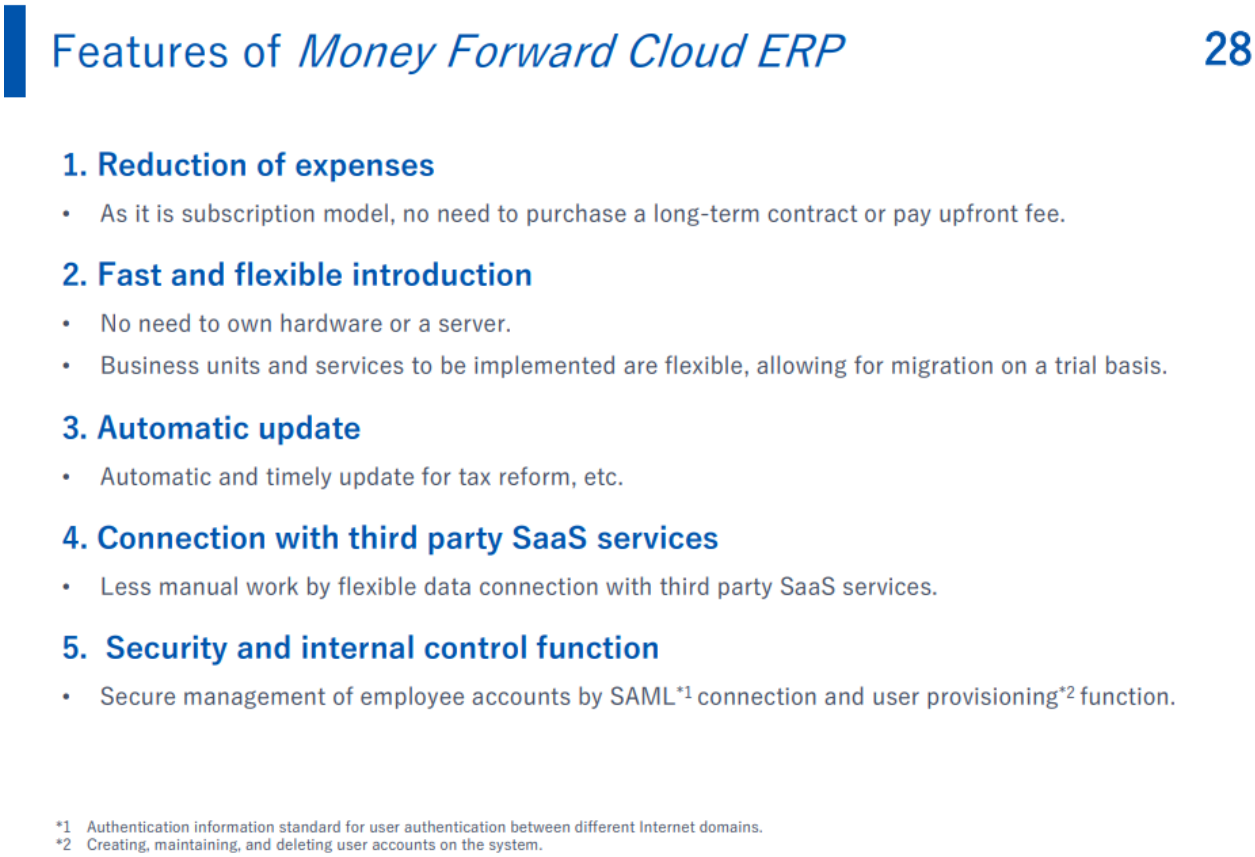
Next, I would like to talk about our product strategy. We have made very steady progress in product development. We are now able to provide services that meet the needs of various user categories, including sole proprietors, SMEs, companies preparing to IPO, and mid-sized companies.

Money Forward Cloud ERP

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



With that in mind, we launched a service called Money Forward Cloud ERP. We aim to realize a drastic improvement in back-office productivity with a cloud-based ERP. The league of services described on the right will be offered, ranging from financial accounting to HR management and labor procedures.



Next, I have described five characteristics of Money Forward Cloud ERP. First, it will be offered as a subscription model, meaning that cost will be reduced compared to the existing package or software. Although this depends on various courses or combinations, there are many cases where the price is one-half, and the cost is less than a half.

A second characteristic is the reduction of installation time and a flexible installation process. It doesn't require users to purchase hardware or conduct setup. They can easily start using the service, free of initial costs, making it possible to realize full-fledged implementation in two to three months.

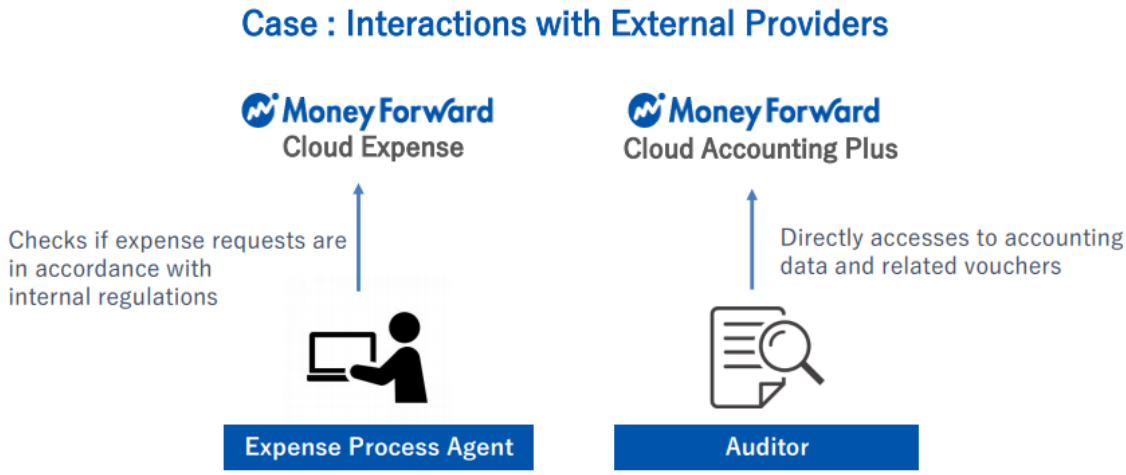
Third, tax and legal amendments. Recently, there have been numerous updates according to regulatory amendments. Our software makes these updates automatically.

Fourth, our software connects with other SaaS services via API. Thus, these services are being used very conveniently.

Fifth, security and internal control. Security is the most important, and we are properly taking measures on this front.

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**.



As for adapting to new ways of work, when using our services, the data is stored in the cloud, such as for Cloud Expense and Accounting Plus. In terms of Cloud Accounting Plus, auditing firms can access the data to audit even from the outside. In terms of expenses, we provide an expense check function to make sure that expense applications comply with regulations, so our services are a great fit for teleworking needs, and the demand for our services is likely expanding.

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)>

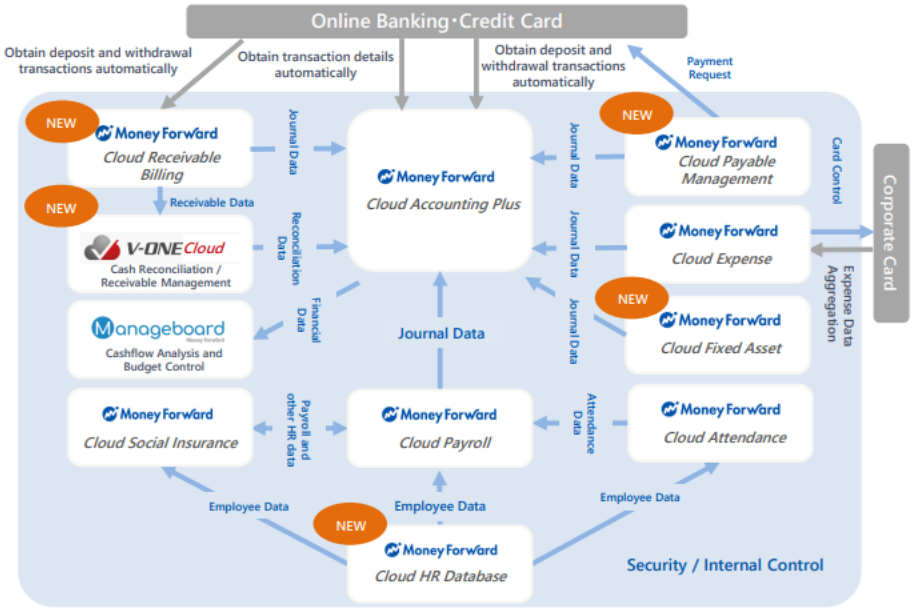


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In fact, we are seeing a growing number of mid-sized companies introducing our services, including Dole, Kellogg, Sekai no Yamachan, Kagome, JAFCO, BizReach, WingArc, and Japan Digital Design, a 100% subsidiary of MUFG.

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.

This slide shows the product lineup designed for mid-sized companies. We added four new products on our own, along with V-ONE Cloud, which joined our group, totaling five new services. Services like Cloud Billing and V-ONE Cloud are fully integrated with the cloud, connecting data without manual entry. We are realizing a world where back-office productivity improves drastically.

Acquisition of R&AC Co.,Ltd.

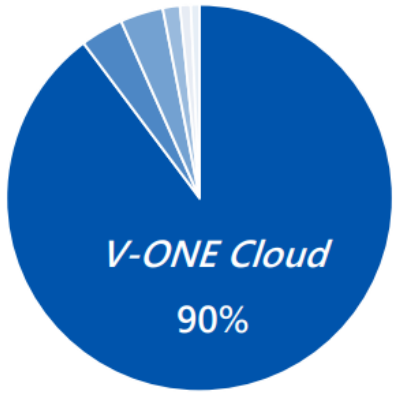
Acquired **R&AC which provides *V-ONE Cloud,* No.1 software specialized in cash reconciliation and receivable management***. The service is introduced to more than **500 companies from medium-sized to large corporates.**



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.

I will go over each one briefly. R&AC, which joined our group, is headed by President Takayama, and possesses a product with a dominant market share of 90%.

Synergy between R&AC and *Money Forward Cloud* 1/2 33

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



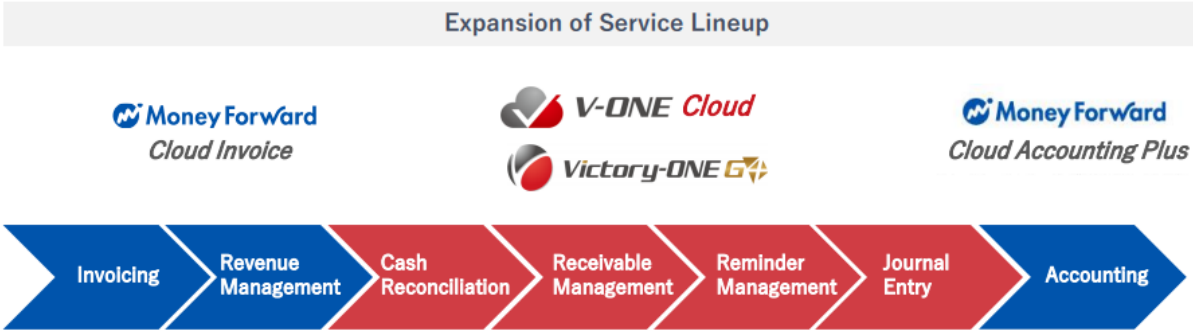
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Over 500 mid-sized to large companies have introduced the service. As shown in the logos here, prominent Japanese companies are using the service, including CASIO, JAL, and Bengo.com.

This is a clearing service that has a very good affinity with our existing services. We hope to strengthen cross-selling with Accounting Plus and other services.

Synergy between R&AC and *Money Forward Cloud* 2/2 34

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

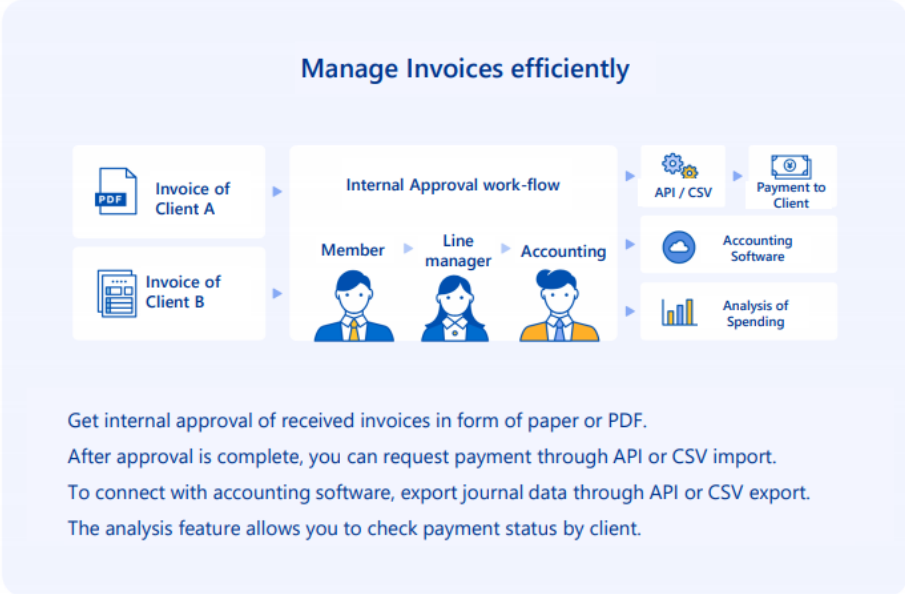


In terms of these services, when thinking about the user story, the user would first create an invoice and manage sales in Money Forward Cloud Invoice. The user would then use V-ONE Cloud for automatic clearing of deposits, management of receivables and reminders, and journal entries. Finally, Cloud Accounting Plus would be used for accounting management that comprehensively manages all necessary processes, with the goal of significantly increasing productivity.

(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.

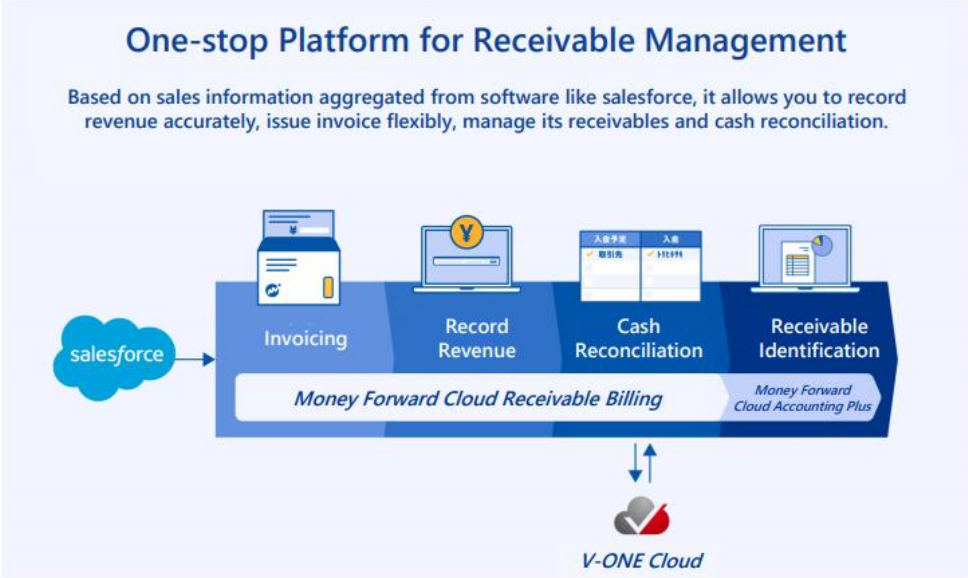


Another service that we plan on releasing in December this year is Cloud Debt Payment. This service turns the numerous steps involved in debt management paperless, and debt payments can be made while automatically linking data with the accounting software.

(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.



The next service is billing. We expect to release this around the spring, and it will be a one-stop management solution for the troublesome processes from ordering to deposit management. Those who use Salesforce can create bills based on that data, and operations will be significantly easier when using this service for booking sales, clearing, and checking receivables.

(To be released in Spring 2021)

Money Forward Cloud Fix Asset

37

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

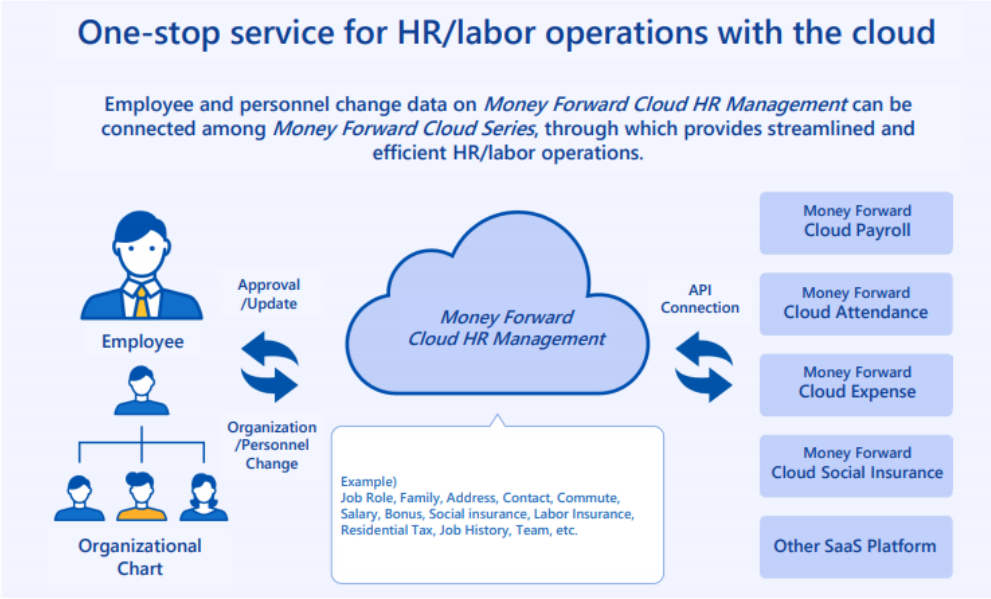


Another service is Cloud Fixed Assets. Many companies manage their fixed assets with separate software or use Excel. This service will be unique to the cloud, and it will make fixed asset management easier. In addition, it can connect automatically with accounting software.

(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.



Another service is HR management. HR management and personnel database are becoming increasingly important. The master platform of the various SaaS services we offer, such as Payroll, Attendance, Expense, and Social Insurance, is the personnel database. When updating the Cloud HR Management database, each service's master data will also be updated automatically via an API connection. This will help companies significantly reduce the number of procedures, so we plan to release an HR management service.

This concludes my explanation of the additional services.

Large Marketing Investments in Q4 with TV Ads 39

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.”**

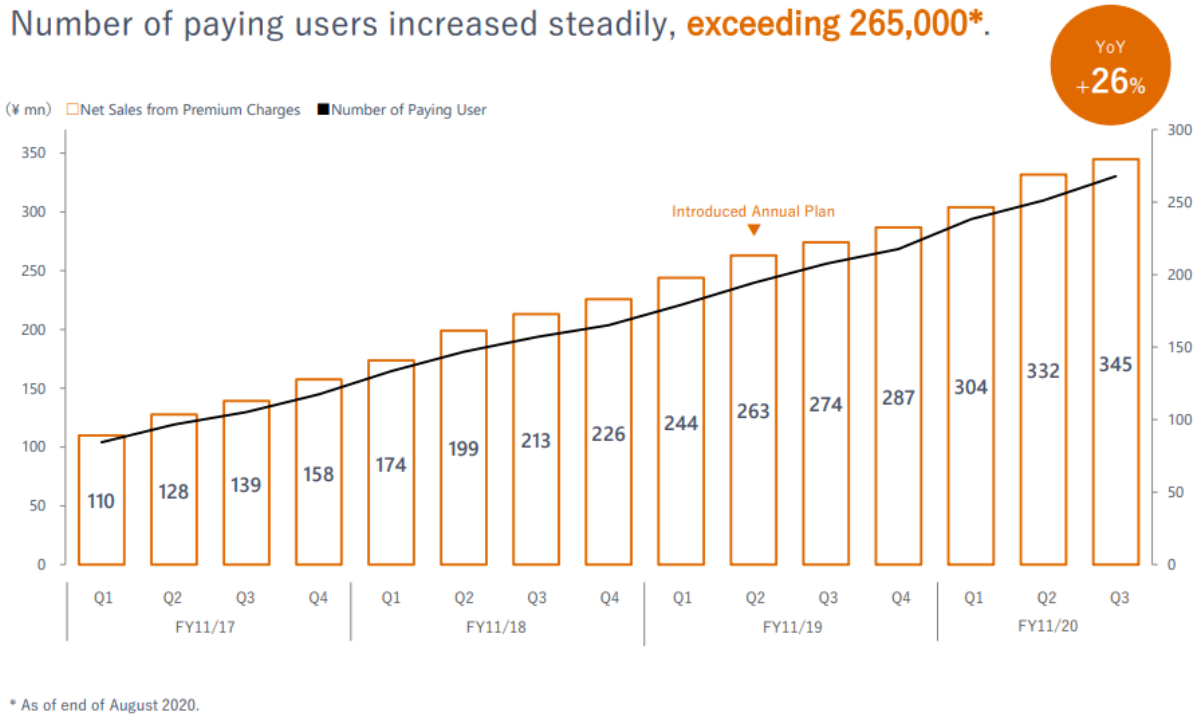


At the outset, I talked about a large-scale marketing initiative. We plan to execute a large marketing investment in Q4, including a TV commercial. We plan to start airing a commercial on Money Forward Cloud ERP, with the slogan, “Back-office work at mid-sized companies. Done well when it’s in the cloud.” It’s also available on YouTube, so please check it out if you’re interested. That’s all for my explanation of the business domain.

Net Sales from Premium Charges

Grew **+26%** YoY.

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



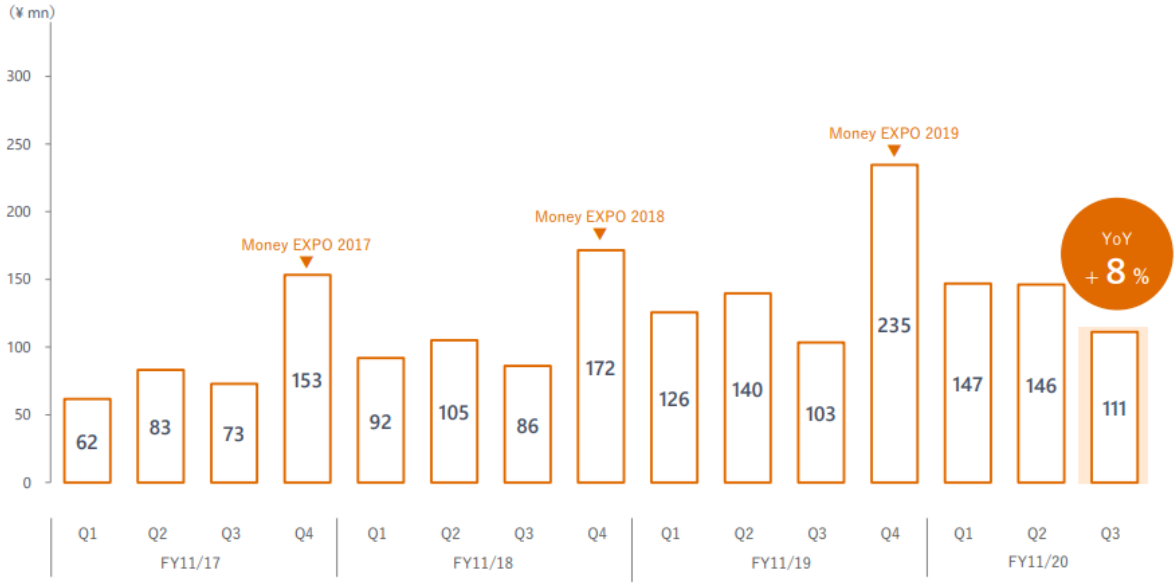
* As of end of August 2020.

Next, I will go over the home domain. A large part of revenue in this domain comes from premium charges. Premium charges increased steadily, up 26% YoY. The number of billed users has exceeded 265,000 people.

Net Sales from Media/Advertising 42

Grew +8% YoY.

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

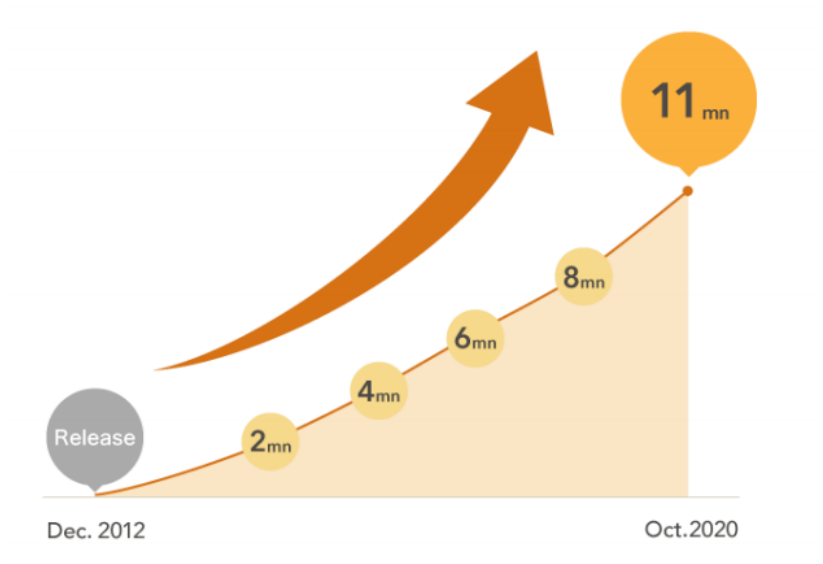


* Net sales from media/advertising include: 1) advertising sales from MONEY PLUS - practical economic media, 2) sales from events (Money EXPO) and seminars, and 3) sales from other PFM services including *Money Forward Money Consultation*.

Another source of revenue is media advertising revenue. It's difficult to make any definitive statements given the impact of COVID-19. That said, net sales grew 8% YoY. In addition, we typically hold a real-life event called Money Expo in November. This year, we plan to hold it online.

Money Forward ME Users Exceed 11 Million 43

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



The number of Money Forward ME users increased by 500,000 people in three months, perhaps in part due to COVID-19, as it continued to deliver steady growth. The number of users exceeded 1.1 million people.

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.



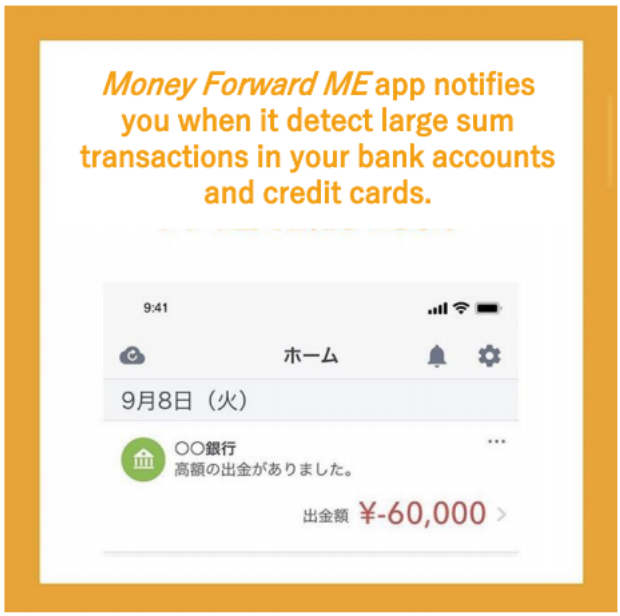
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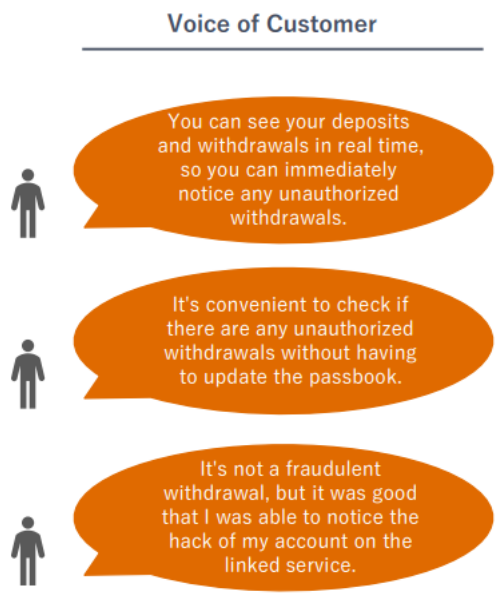
In connection with Money Expo mentioned earlier, we will hold Money Forward Week, a special online seminar conducted by money professionals for five consecutive days. This seminar is aligned with our vision of solving personal money problems. Through such seminars, we hope to help many people gain knowledge and useful information. Speakers at the event will include Mr. Hashimoto, former governor of Osaka, Mr. Fujino of Rheos Capital, Mr. Matsumoto of Monex, Mr. Shibata, and Mr. Yokoyama (FP).

Money Forward ME

Alert Function for Unauthorized Withdrawal

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

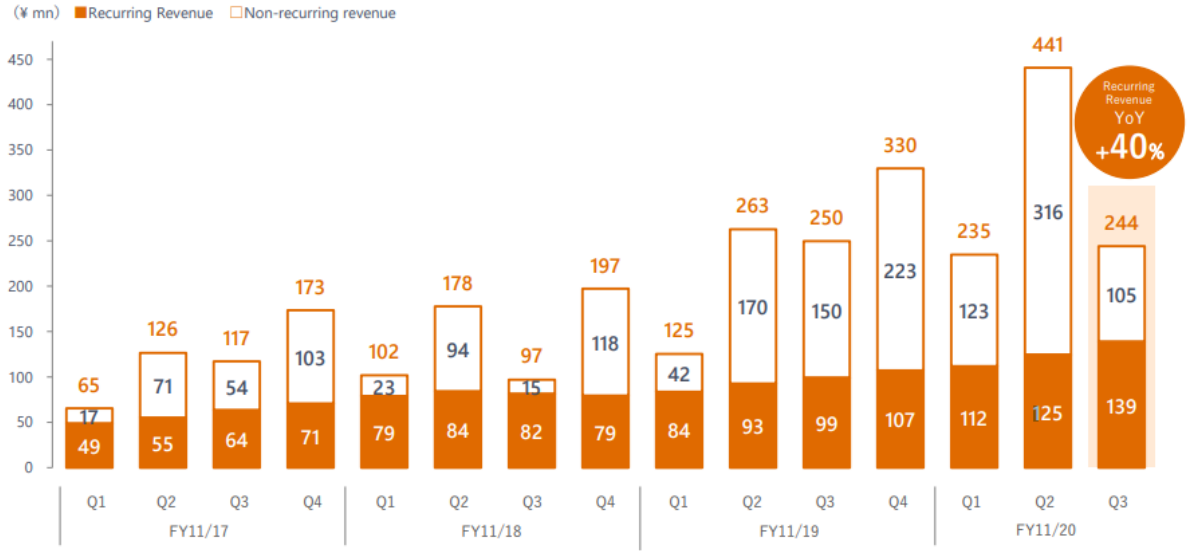




Much news of fraudulent bank app withdrawals has been reported. On Money Forward ME, users will be notified on the app when there is a large amount of withdrawal, and this amount can be customized by the user. We received feedback that this function to respond quickly to fraudulent withdrawals is convenient, and a growing number of people are using the app considering recent needs. That's all for Money Forward Home.

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.

Next, I'll talk about Money Forward X. We mainly develop services tailored to financial institutions. As I stated earlier, large-scale projects were concentrated in Q2, and some of that dropped out in Q3. There was a decrease of roughly JPY200 million compared to Q2. However, recurring revenue has increased steadily, up 40% YoY.

Launched *Passbook App* for Saikyo Bank 48

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

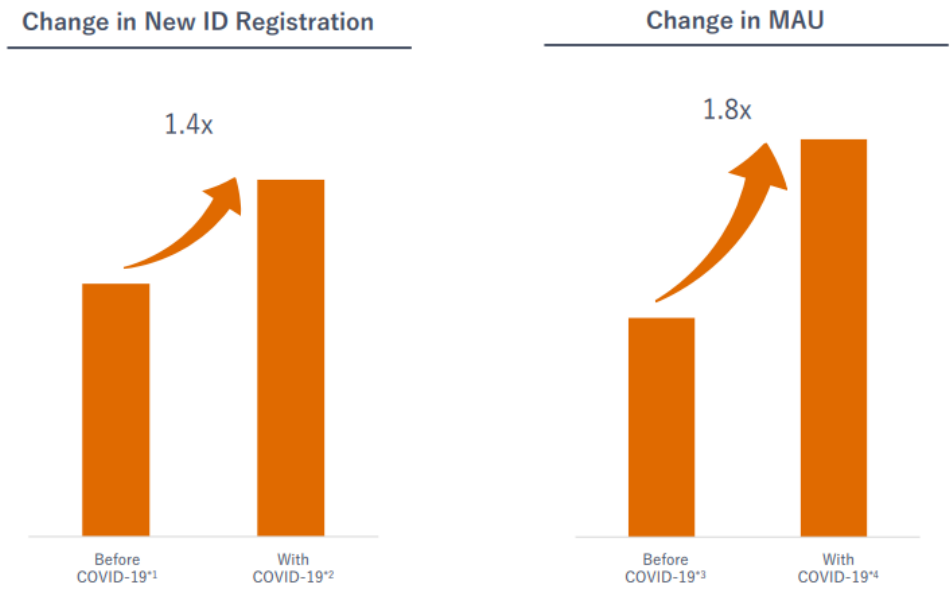


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Fortunately, we see a significant increase in inquiries from financial institutions interested in digitalization or DX, and we feel there is a huge demand. One of the major products that cater to this demand is our passbook app. We started offering this passbook app to Saikyo Bank.

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**.



*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.

In fact, the passbook app allows confirmation of transactions without face-to-face contact, so the monthly active users, or MAU, have increased by about 1.8 times in “with coronavirus” compared to “before coronavirus.” We feel the demand is growing robustly.

Launched *Hokugin Business Portal* Developed with NTT DATA 50

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



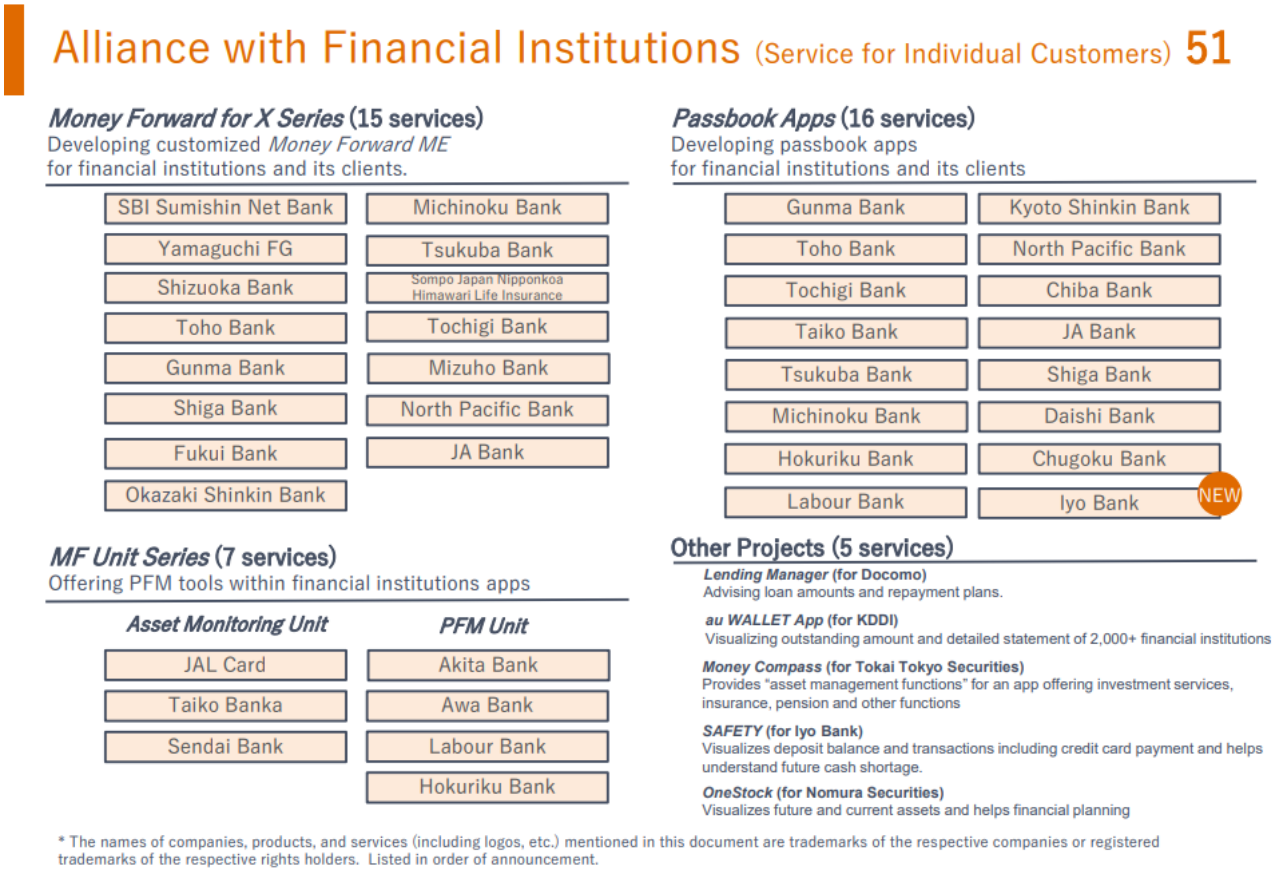
北陸銀行 Hokuriku Bank

NTT DATA

Money Forward

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The service I just explained is for individual users, and this one here is a service for corporate users. We jointly developed a service called Hokugin Business Portal, which we offer to Hokuriku Bank.



Through these activities, we have expanded our partnership with financial institutions to 43 firms in terms of personal services.

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

Business Financial Management

横浜銀行 NTT DATA



〈Hamagin〉 Business Connect

NEW

北陸銀行 NTT DATA



Hokugin Business Portal

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

岡崎信用金庫



Okashin Cash Management Service "One-stop Cash Management"

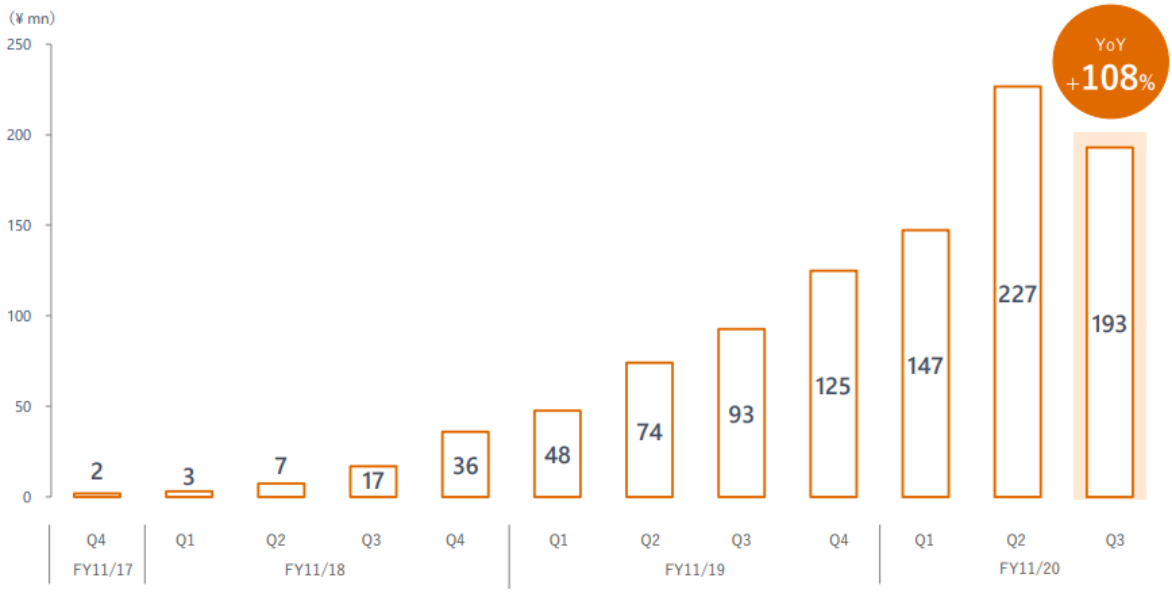
Business financial management service for financial institutions

* 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.

This slide is on corporate services offered to financial institutions. We have been broadening our service lineup for corporate services, and we have seen an increase in financial institution users adopting our member portal sites or Business Financial Management, such as Yokohama Bank, Hokuriku Bank, and Okazaki Shinkin Bank. That's all for the explanation on Money Forward X.

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**.



Lastly, I will go over Money Forward Finance. In Finance, net sales decreased slightly compared to Q2, but this was due to a sharp increase in Q2 due to non-recurring revenue received for OEM development projects. Despite the dropout of this non-recurring revenue, net sales grew 108% YoY, maintaining steady growth.

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.

Also, we are providing an increasing number of services in partnership with The Bank of Fukuoka. We are providing MF KESSAI Early Payment together with The Bank of Fukuoka designed to support SMEs' growth. We are currently conducting demonstration experiments. If they go well, we aim to offer the service to The Bank of Fukuoka customers.

Partnership with The Mitsubishi UFJ Factors Limited 56

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



Another company we are partnering with is Mitsubishi UFJ Factors. We are advancing initiatives to circulate new money to SMEs by offering MF KESSAI in OEM format to Mitsubishi UFJ Factors. I've just covered our initiatives regarding MF KESSA in the Finance Business.

Launch of Entrepreneurs' Fund *HIRAC FUND* 57

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



The other new initiative is the launch of HIRAC FUND, a venture capital fund. The name HIRAC is derived from the Japanese word "hiraku," which means "open" in the sense of opening new possibilities. Although Money Forward is still a startup, we were helped by the advice of all kinds of business managers, especially in the early days.

We launched this fund to be of even a small support to next-generation ventures by sharing our experience in management, recruitment, sales, and PR. We intend to provide not just capital but hands-on support.

Participation of Japan's Leading Entrepreneurs as LP 58

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



It's very important for Japan to foster many ventures that not only aim to go public but aim even further to achieve a market cap of JPY100 billion or even JPY1 trillion after they go public. Experienced entrepreneurs who share our aspirations have joined the community as LPs. Most of them manage their own companies, but they also participate as LPs to shore up the entire startup industry while also growing their own businesses.

We have a spate of wonderful partners, including Mr. Kawano of TKP Corporation, Mr. Koizumi of Mercari, and President Tange of SHIFT, just to name a few. We hope to foster wonderful startups together while creating a truly effective community and sharing know-how.

JAFCO has also joined as an LP. JAFCO was the very first capital to invest in us, so we are deeply indebted to them. I'm very happy to work with them in this way.

Investment Portfolio by *HIRAC FUND* 59

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

We have already made investments through HIRAC FUND. As you see here, we have invested in three companies. We hope to provide support to them, not just in terms of capital but also in many other ways to help them grow.

WRAY released a D2C brand specializing in women's healthcare, TENTIAL released an insole and mask, both of which are superb products. Please check out their websites if you are interested. Also, Mr. Akiyama is developing a SaaS product that supports employee onboarding against the backdrop of onboarding difficulties due to COVID. That's all for our HIRAC FUND initiatives.

Advisory of Large-Scale Fundraising by Money Forward Synca

60

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



beBit × Money Forward Synca

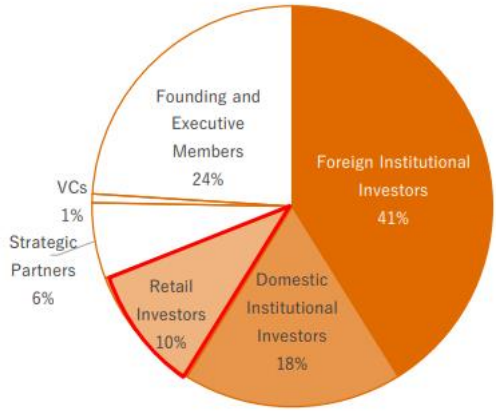
beBit,Inc., Director and Vice President, Katsuhiko Nakajima
Working with Money Forward Synca was like a "CFO project team." They helped deeply including the project management. Also, they brought out the abilities of our team and brought us new experience, which was beyond my expectation.

Another company we manage in the finance domain is Money Forward Synca, which is headed by CFO Kanesaka. This company provides support to various startups, including consulting support to a diverse group of companies. This time, the company has supported the execution of large-scale financing. We have supported beBit, led by President Endo, in financing JPY2.5 billion ever since its founding, and we believe we have been of certain help. That's all for my explanation of the finance domain.

New Initiative for Retail Investors 62

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

Investors as of May 31, 2020



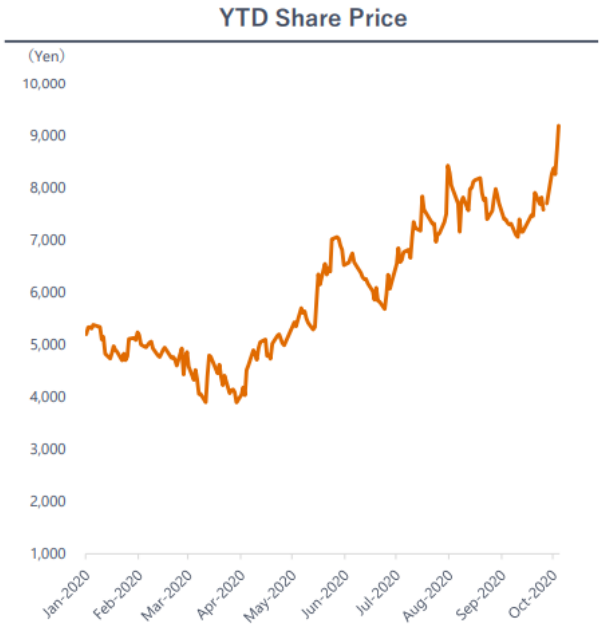
Initiatives to Be Carried Out

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

Lastly, I will go over our strategic initiatives. As stated at the outset, about 10% of the Company's shares are owned by retail investors. We hope to increase such investors through a stock split, briefing meeting for retail investors, and the distribution of IR emails.

Announcement of Stock Split

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



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.

We plan on a two-for-one stock split. The average investment price was JPY764,000 over the last three months, so we hope to split that into two to bring the level down to below JPY500,000. This will take effect on December 1.

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

In addition, at Money Forward, we look to help solve issues faced in society. Towards this end, we have aggregated helpful information related to COVID-19, made proposals about going paperless or hanko stamp-less, and participated in the founding of the electronic invoice promotion council. Through these activities, we can be in close contact with users. We hope to be of as much help as possible in improving usability and realizing regulatory amendments.

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.

This slide is about our API contracts with banks and financial institutions. We have entered an agreement with all 125 partnering banks. I would like to express my deep appreciation to everyone involved. As a result of these API agreements, we have now constructed Japan's largest account aggregation platform. I believe we have laid a solid foundation.

Policy for Growth Investment and Profitability 66

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

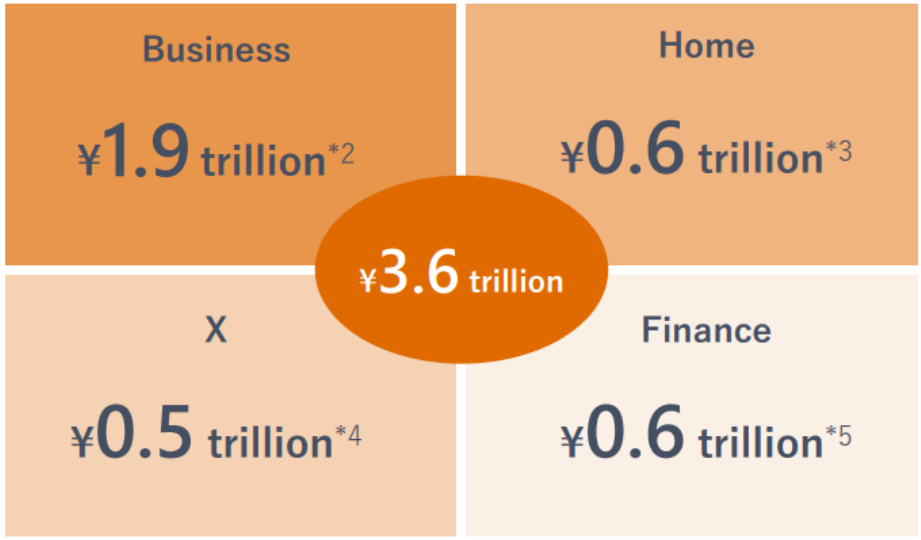
- Aim at **turning EBITDA positive** in FY11/21 by strengthening the revenue base and boosting cash flow generation by the above investments.
- We plan to further improve the enterprise value by **listing on the first/prime section of the Tokyo Stock Exchange** as soon as possible.

Lastly, I would like to go over our growth investments and policy towards turning profitable. We haven't changed this slide's content for some time, so I apologize for sharing the same slide with you again. Our business is based on a subscription model, so we are focused on maximizing our longer-term cash flows, rather than the short-term cash flows. We intend to make growth investments in the business domain. We will make growth investments, but at the same time, we will maintain the soundness of management indicators. We intend to carry out M&As deals with strategic and financial discipline.

In the next fiscal year, we aim to achieve positive EBITDA. We look to work towards enhancing our corporate value even further, with the goal of being listed on the prime market, TSE:1, at an early stage.

Immense Total Addressable Market (TAM*) 67

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



* All footnotes are described on P83.

As I stated in the beginning, we do business in the domains of Business, Home, X, and Finance, each of which has a large potential market. The potential is huge, so we hope to offer value through our services in these domains steadily and drive the company's growth. By doing so, we hope to reward our shareholders.

That's all for my explanation on the Q3 financial results.

Thank you for listening.