Financial Results for the Full Year Ended November 30, 2020

Money Forward, Inc.

January 14, 2021

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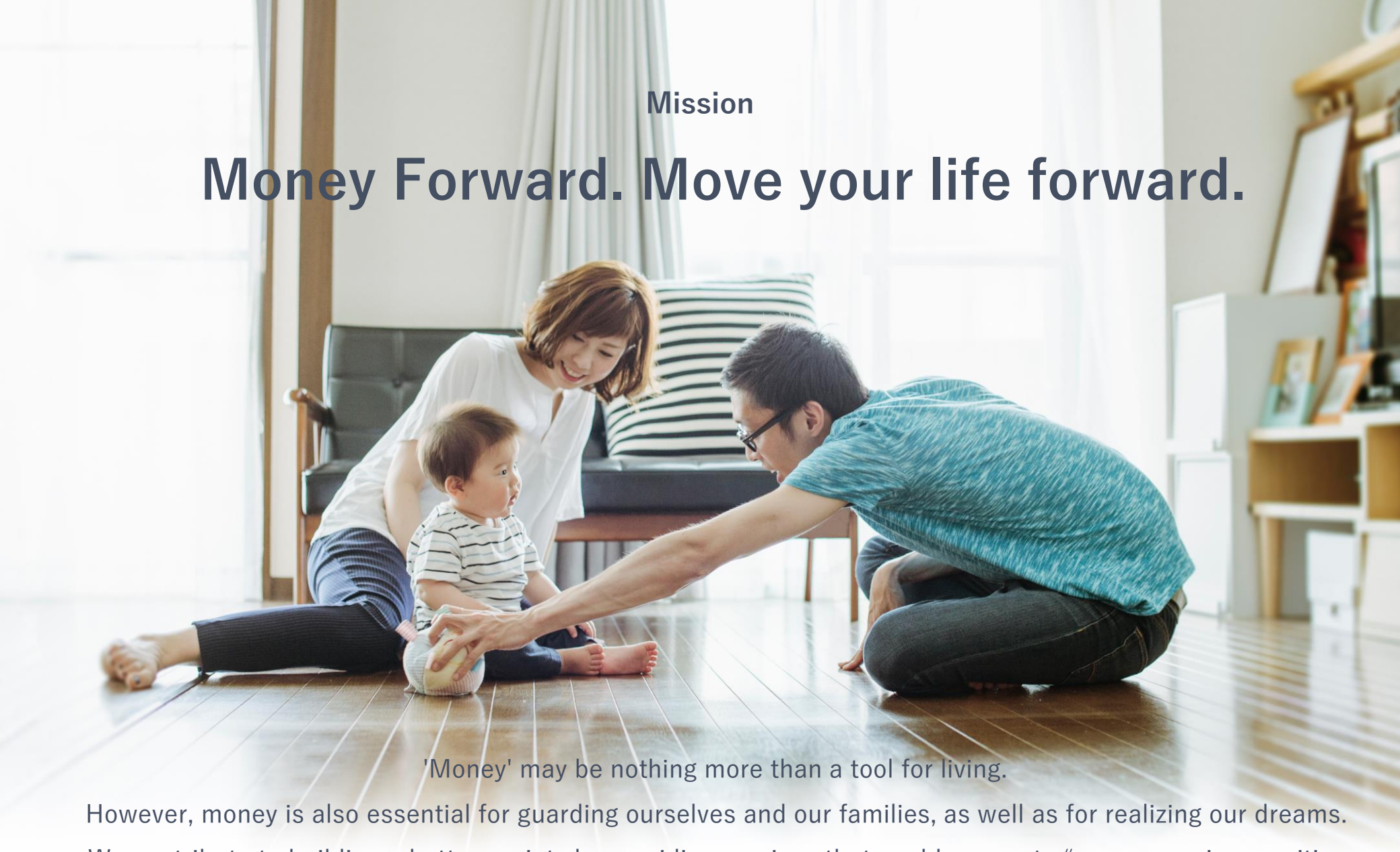
Society We Aspire to/ Addressing Social issues

CEO Message

In 2020, COVID-19 spread around the world and had a great impact on our lives. We would like to express our condolences to those who have lost their lives and our heartfelt sympathy to the bereaved families. For those who have been confirmed to be infected, we hope for a quick recovery.

In addition, we would like to express our heartfelt gratitude to all the medical personnel and related parties who are performing their duties to provide treatment and prevent the spread of infection under the circumstances where the effects of COVID-19 are prolonged, and a state of emergency has been declared by Japanese government for the second time.

Although the economic impact of COVID-19 is unavoidable, we will continue our efforts to help society by improving productivity through digitalization, reducing the risk of infection through the promotion of remote work, and reducing future financial anxiety. In 2021, we will continue to work together to create and deliver better services.

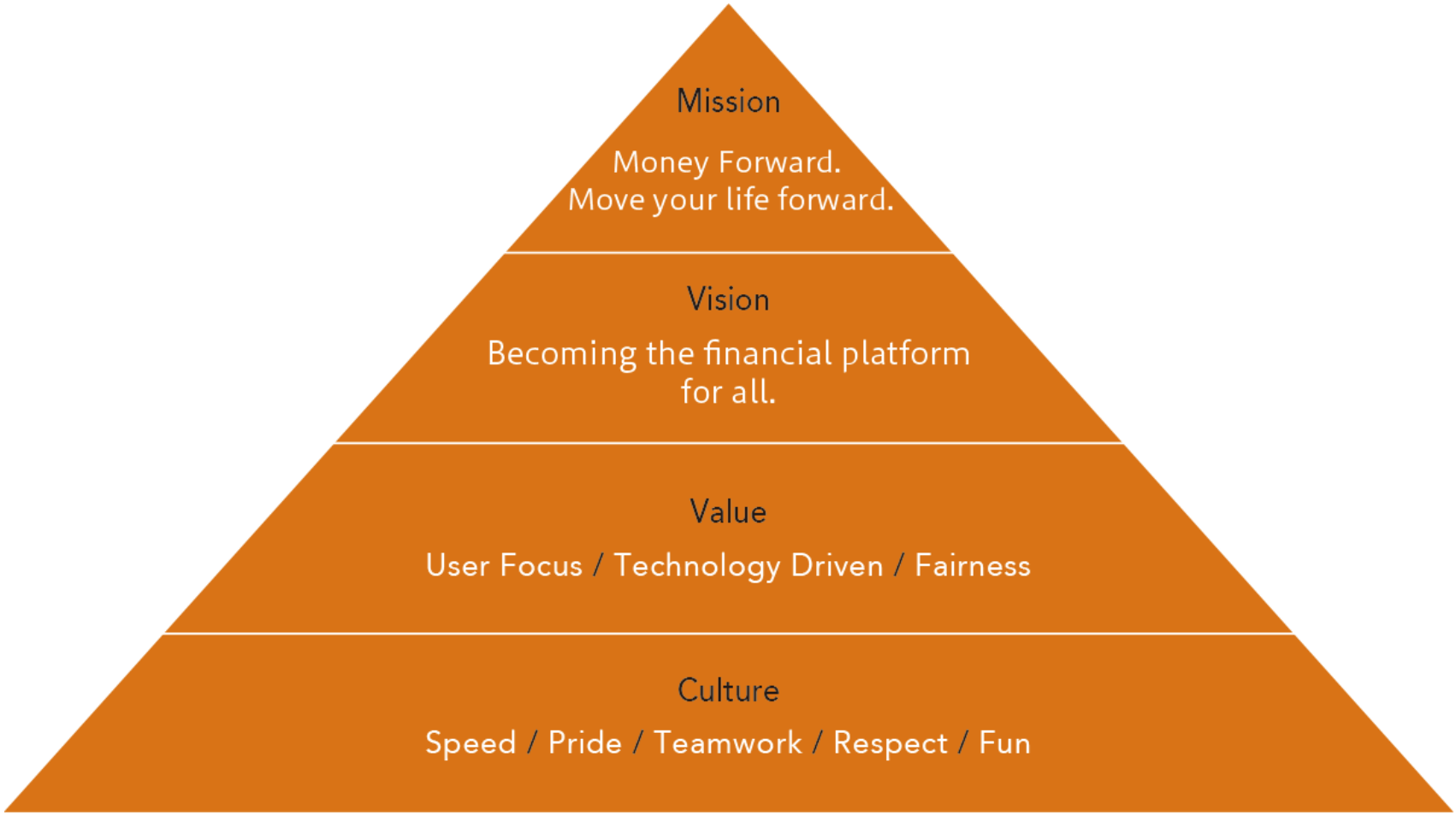


Mission

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.

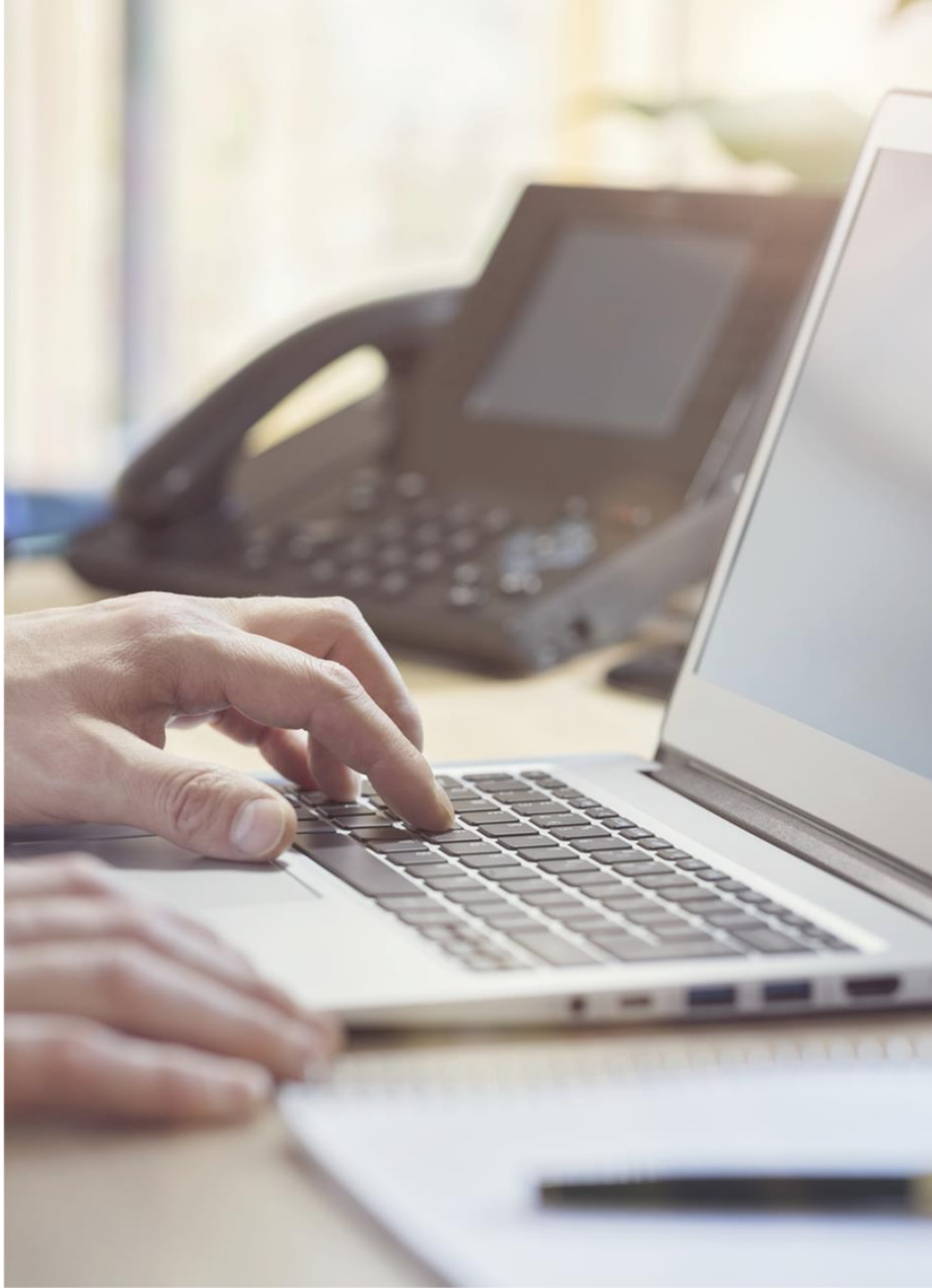
Mission / Vision / Value / Culture



Social Issues for Corporates

- Decreasing working population due to aging society
- Low labor productivity
- Lack of growth capital
- Lack of entrepreneurship
- Ensuring smooth business management and employee safety under remote working conditions
- Cash flow improvement

→ Issues that have become more important during COVID-19 pandemic



Social Issues for Individuals

- Insufficient financial literacy
- Vague anxiety for future financial conditions
  - Low birth rate derived from anxiety for future economy
  - Issues faced by senior citizens such as inheritance and dementia
  - Need for extra ¥20 million in addition to public pension benefits
- Deterioration of household income
- Need to use contactless services

→ Issues that have become more important during COVID-19 pandemic



Solving Social Issues through Business Development in SaaS/Fintech Field

Money Forward Business

Accelerate business growth.

Money Forward Cloud
SaaS Platform for Back Office Operations
Accounting / Tax Return / Invoice / Payroll / Expense / My Number / Attendance / Accounting Plus / Social Insurance / Box

Money Forward Company Registration
Online Platform for Company Registration for SMEs.

New

Money Forward Business Registration
Online Platform for Business Registration for Sole Proprietors

Money Forward Cloud Store
Online Store with Great Deals on Cloud Services

STREAMED
Cloud-based Bookkeeping Service

Manageboard
Cloud-based Business Analysis Tool

BOXIL **BOXIL EXPO**
SaaS Marketing Platform

BALES **BALES CLOUD**
Inside Sales support

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
Lifestyle and finance online magazine

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

New

Money Forward 固定費の見直し
Services to Improve Household Finances by Reviewing Fixed Costs

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.

Money Forward Kessai
BPO and Factoring Service

Money Forward Early Payment
Accounts Receivable Financing

Money Forward Synca
Financial Advisory Service for Growing Companies

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

* Money Forward Kessai changed its name from MF KESSAI in November 2020. The service names were also renamed; *MF KESSAI* was changed to *Money Forward Kessai* and *MF KESSAI Early Payment* was changed to *Money Forward Early Payment*.

Expanding Partnerships Nationwide to Solve Social Issues 9

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



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

4,400+[*1]

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

105[*1]

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

39[*1]

# of API connections with FIs

1,108[*2]

*1 As of end of November 2020

*2 As of 12 January 2021. 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.

Beyond the Anxiety,
There is Something New.

How should we live in the future? What should we do to achieve this?
A great deal of anxiety lies in front of us.
However, we can find hope if we face what we can do now.
Let us face our financial concerns and work on improving our financial health.
Let us review the profit structure of our companies.
Let us make your working style more flexible.
Ask us anything you want to know and you need now.
We will make best effort to provide you with a variety of services and initiatives.
Move Your Money Forward. Move Your Life Forward. Now is the time.

Our Actions During COVID-19 (1/3)

Released services and functions needed during COVID-19 and provide them free of charge to corporates that are in danger of losing business,
and to individuals who are worried about their livelihood.

Summary of Relief Programs for COVID-19

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

- March 31: Launched a website posting information on subsidy and grants for corporates.
- April 4 : Declaration of a state of emergency by the government of Japan.
- April 14 : Launched a website posting information on life support and benefits for individuals.

Money Forward

Cloud Accounting/Tax Return

Launched Functions to Simulate "Subsidy for Sustaining Businesses"
(COVID-19 Subsidy for Small Businesses in Japan)

Money Forward Cloud Accounting/Tax Return

Launched Functions to Simulate Eligibility for Receiving "Subsidy for Sustaining Businesses"

- April 14 : Launched the function.
- Estimate eligibility for receiving "Subsidy for Sustaining Businesses" and expected subsidy amount.

Our Actions During COVID-19 (2/3)

Announced proposals to review conventional business operations with papers and seals that hinder the promotion of remote work in order to contribute to the digitalization of society needed during COVID-19.

Money Forward

Propose for Paperless and Seal-less Society

Released Proposal Document Aiming Paperless and Seal-less Society

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

Money Forward

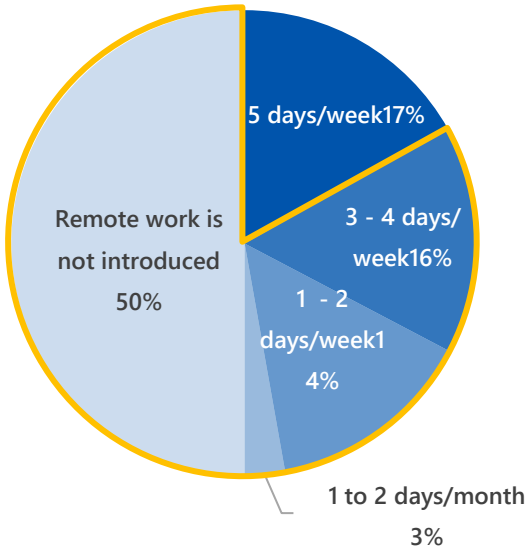
Taking Initiatives to Promote the Use of Electronic Invoicing

Participated in the "Electronic Invoice Promotion Association" as a Founder

- July 29: Established the “Electronic Invoice Promotion Association”, which aims to digitalize business transactions and improve productivity.
- December 14: Decided to establish "Japanese Standard Specification" based on the international standard "Peppol".

Our Actions during COVID-19 (3/3)

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



"Survey on Remote Work of Accounting Department"

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



Promoting Remote Work for Back Office by Sharing Our Operation

- Smooth transition to remote work for closing accounts at our Finance and Accounting Division using *Money Forward Cloud Accounting.*
- Shared the operation of our Finance and Accounting Division on the website.

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



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

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

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



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

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

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

ESG Initiatives to Achieve a Sustainable Society

We have set 3 priority themes to "solve the financial issues of all people and create a society where people can take on challenges."

User Forward

- Provide services that solve financial issues for a diverse range of users (corporates, sole proprietors, and individuals)
- Solve users' problems with technology and design
- Promote investment in security to ensure the safety

Society Forward

- Contribute to DX of society with diverse partners
- Promoting activities to realize a better social system
- Practice environmentally friendly management

Talent Forward

- Create diverse growth opportunities to draw out the potential of employees
- Management's commitment to member development
- Create an environment that accepts diverse viewpoints regardless of gender, nationality, age, and educational background

Foundations Supporting 3 Key Themes

Penetration of Money Forward's Mission/Vision/Value/Culture

Governance that Balances Offense and Defense



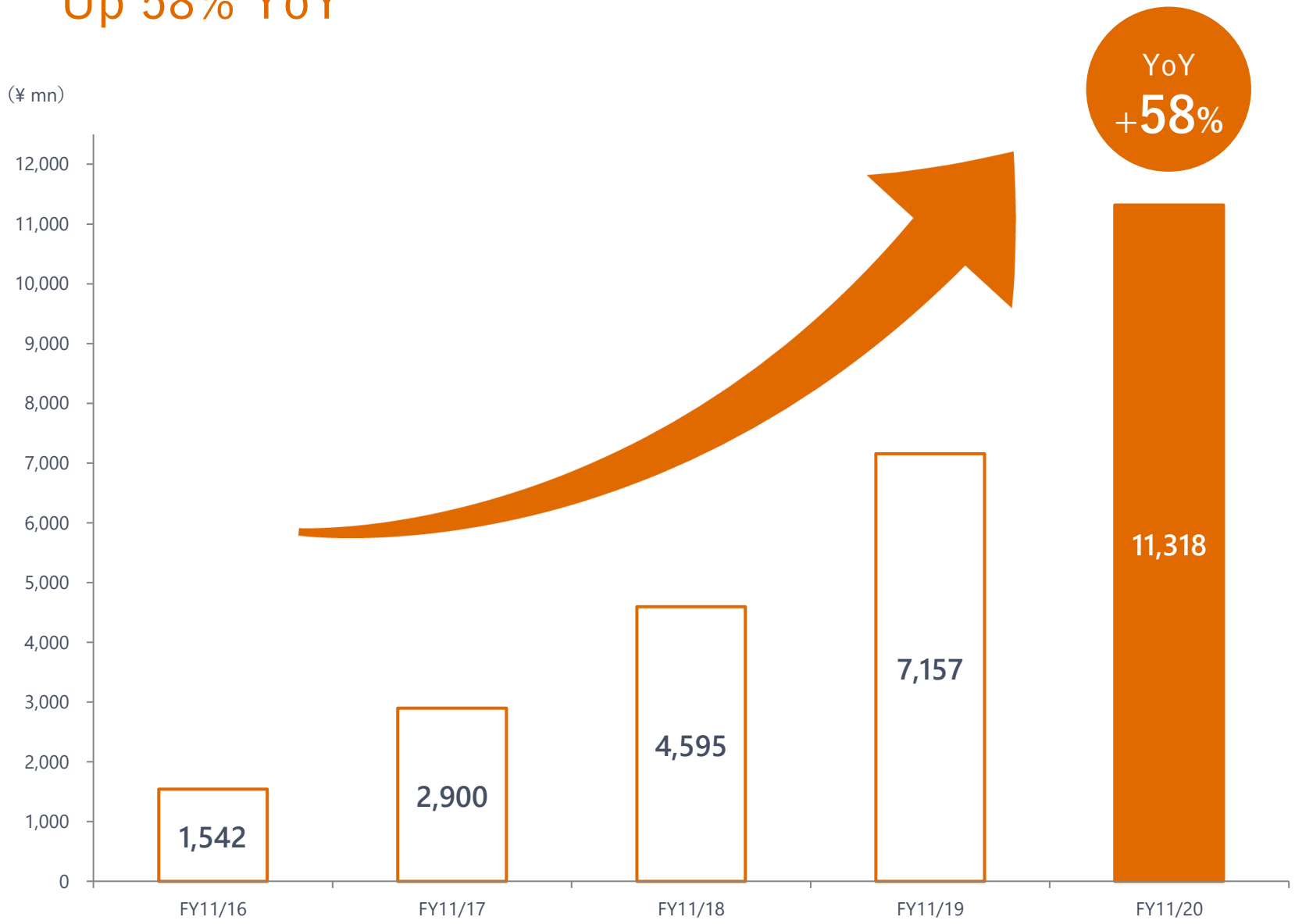
Financial Performance in FY11/20

Highlights in FY11/20

- Net sales, operating profit, and EBITDA **achieved initial forecasts** for four consecutive fiscal years since IPO.
- Consolidated net sales increased **58% YoY** to ¥11.3 billion (initial forecast: ¥11.1 billion to ¥11.5 billion). Net sales in Business domain grew **75% YoY** to ¥7.3 billion, driving high growth.
- Gross profit grew **76% YoY** to ¥7.6 billion, and EBITDA was negative ¥2.2 billion (initial forecast: negative ¥1.9 billion to negative ¥2.8 billion). EBITDA excluding advertising expenses was positive at ¥1.2 billion.
- SaaS ARR*1, which is the total of the Group's recurring revenue, reached **¥8.3 billion**.
- The number of paying customers*2 for the Group (individuals, sole proprietors, and corporations) exceeded **420,000**.

*1 SaaS ARR is 12 times the MRR of the last month of each period in Home domain, Business domain, and X domain. For the definition of SaaS ARR, please refer to page 21.
*2 The number of paying customers is the sum of paying users of *Money Forward ME* in Home domain and customers paying for *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *Money Forward Certified Membership*, etc. in Business domain as of the end of November 2020.

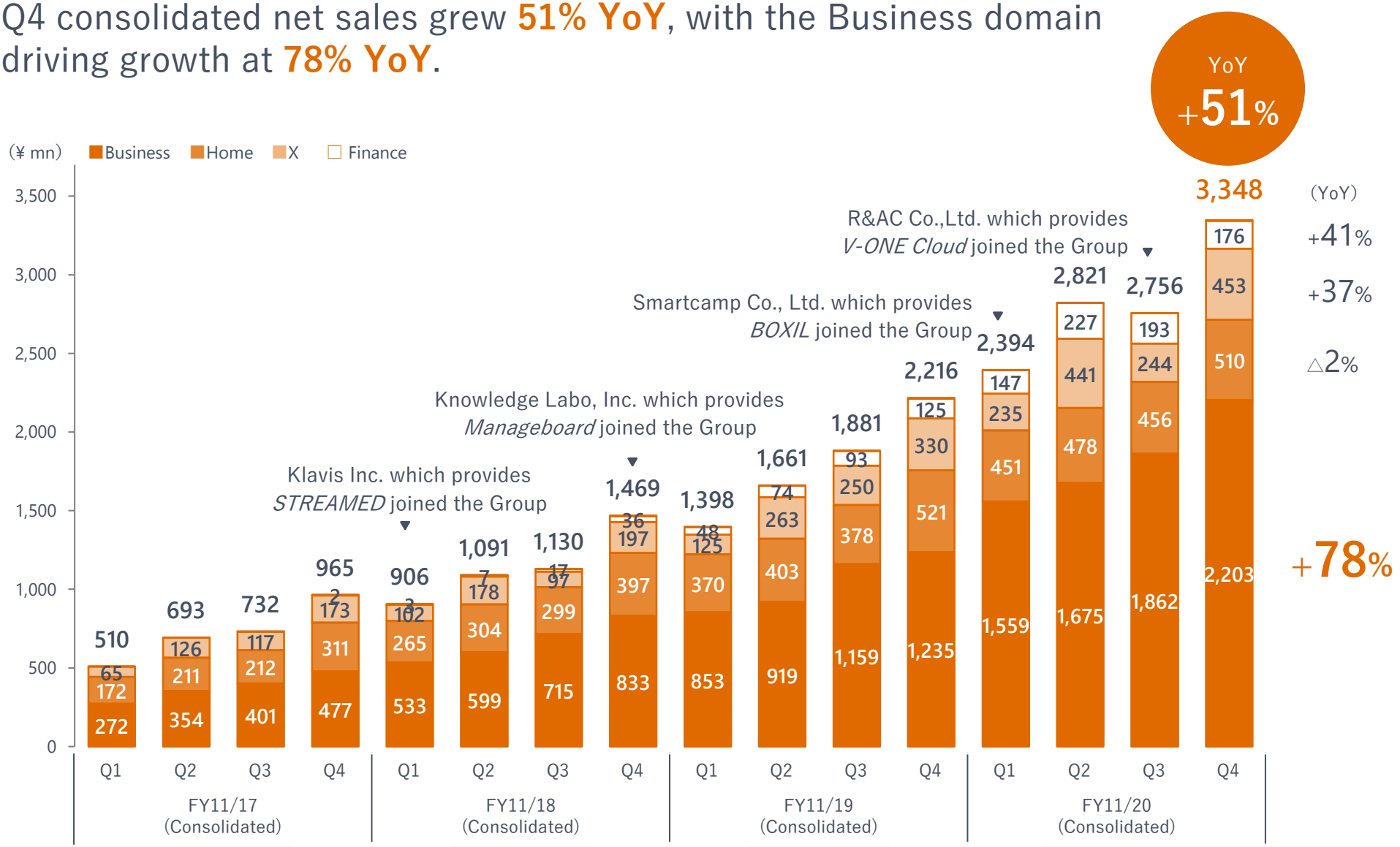
Consolidated Net Sales Continued to Grow Strongly, Up 58% YoY



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

Q4 Consolidated Net Sales Reached a Record High

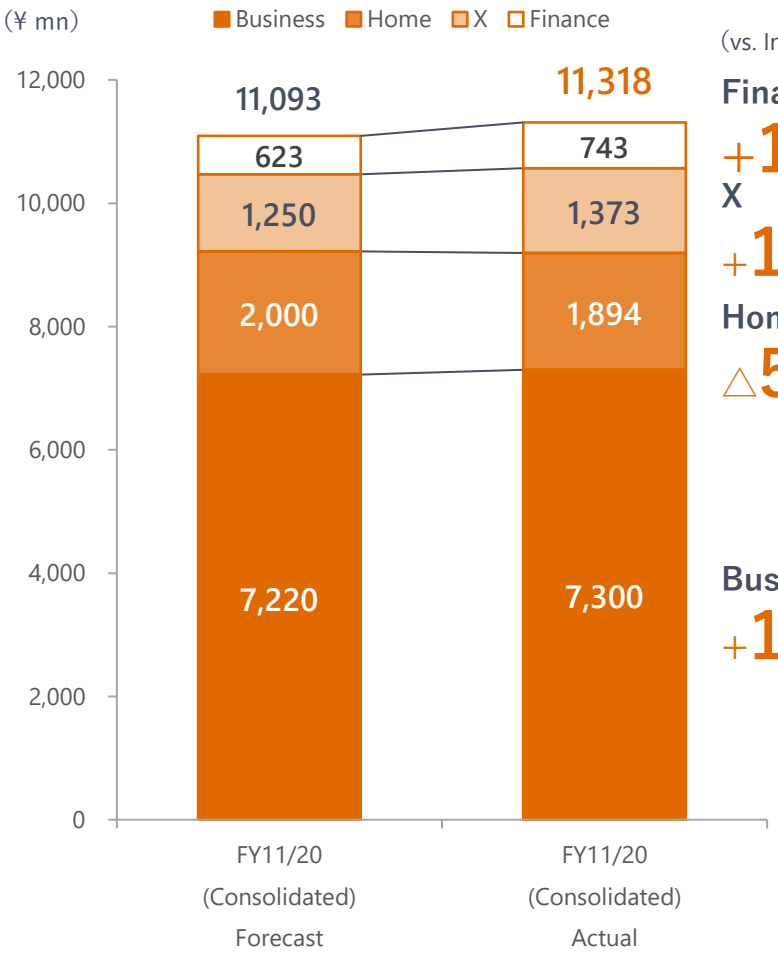
Q4 consolidated net sales grew **51% YoY**, with the Business domain driving growth at **78% YoY**.



* The total net sales of each domain do not necessarily correspond to the consolidated net sales as "Other" net sales are omitted in the graph. R&AC's net sales are consolidated from Q3 FY11/20. (Q3 FY11/20: 1 month, Q4 FY11/20: 3 months)

Consolidated Net Sales vs. Initial Forecasts

Consolidated net sales were within the forecast range (¥11.1 billion to ¥11.5 billion).
3 domains achieved the forecast.



(vs. Initial Forecast)

Finance +19%

- Cumulative transaction volume for *Money Forward Kessai*, an online factoring and BPO service, exceeded ¥30 billion.

X +10%

- Steadily acquired new customers and projects, which led to record high net sales.

Home △5%

- The number of users exceeded 11.5 million and the number of paying users exceeded 280,000.
- Approx. ¥230 million, which was expected to be generated from offline events in forecast, was completely cancelled due to the impact of COVID-19.

Business +1%

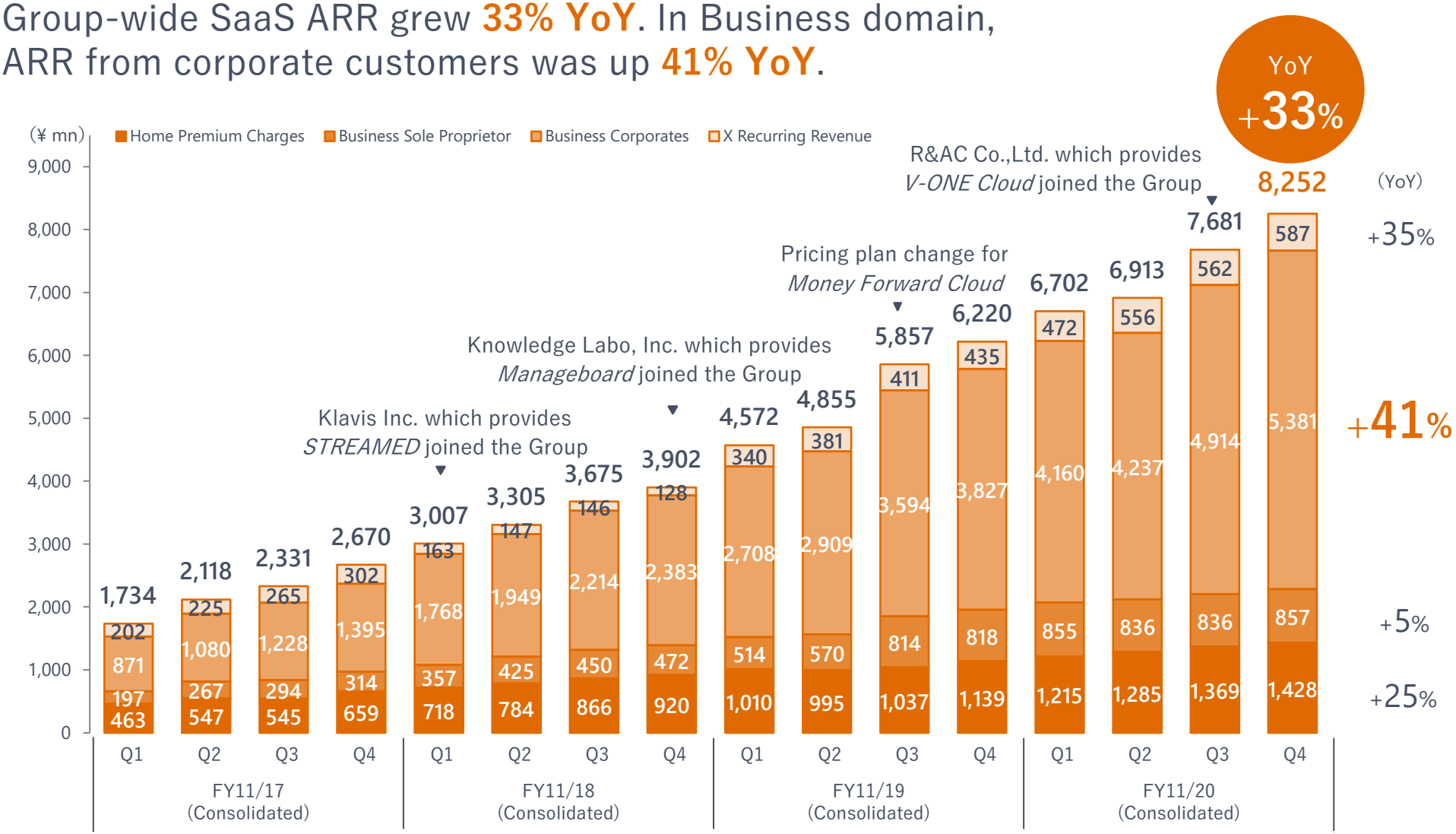
- The number of corporate customers increased steadily due to the progress of cloud penetration.
- ARPA*1 for web channel was lower than expected due to a higher-than-expected ratio of annual customers (the churn rate was improved).
- R&AC joined the Group.

*1 For the definition of ARPA, please refer to page 89.

* "Forecast" in the chart above is based on the lower limit net sales of ¥11,1 million announced on January 14, 2020. Net sales of "Other" are omitted.

SaaS ARR*1 Reached ¥8.25 billion

Group-wide SaaS ARR grew **33% YoY**. In Business domain, ARR from corporate customers was up **41% YoY**.

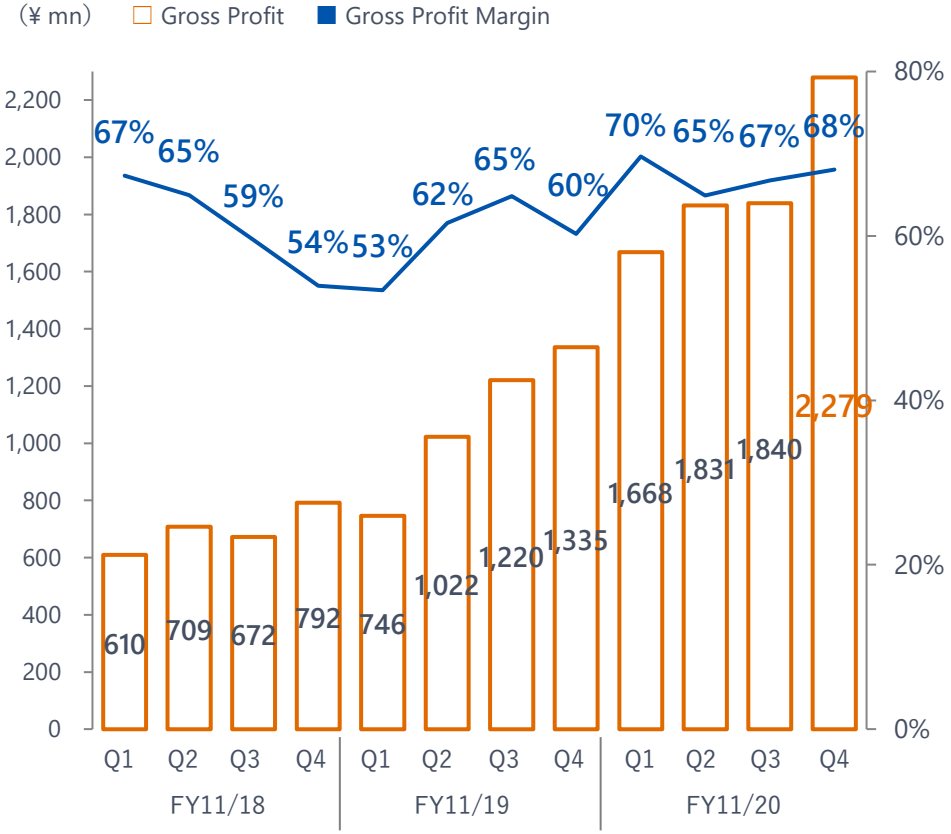


*1 SaaS ARR is 12 times of the SaaS MRR of the last month of each fiscal year. “Business Sole Proprietor” is revenue from services for sole proprietors in *Money Forward Cloud*. “Business Corporates” is revenue from services for corporates including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, and *Money Forward Certified Membership*. In order to adjust for seasonal factors of *STREAMED*, its MRR is calculated as one-third of the billing revenue of *STREAMED* in Q1 of each fiscal year. Non-recurring revenue of each business and net sales of Smartcamp are not included. *1 For the definition of ARR and MRR, please refer to page 89.

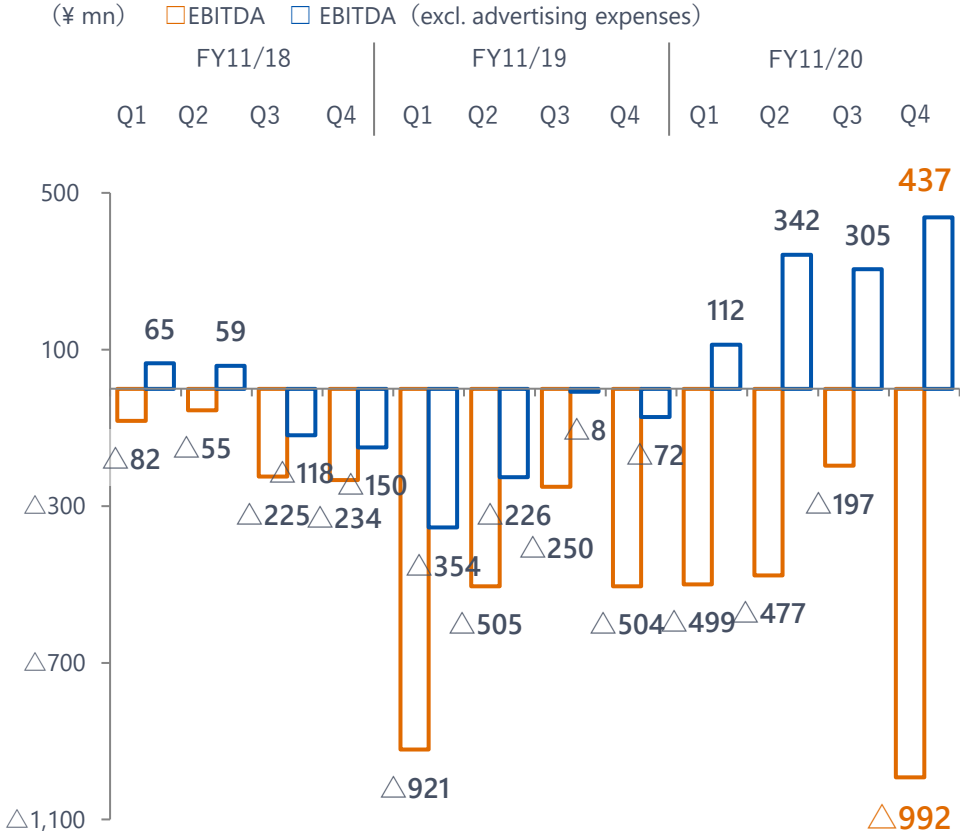
Gross Profit / EBITDA (Quarterly Trend)

Q4 saw record-high gross profit and EBITDA excluding advertising expenses remained positive. In addition, Large marketing investments were executed in Business domain.

Gross Profit



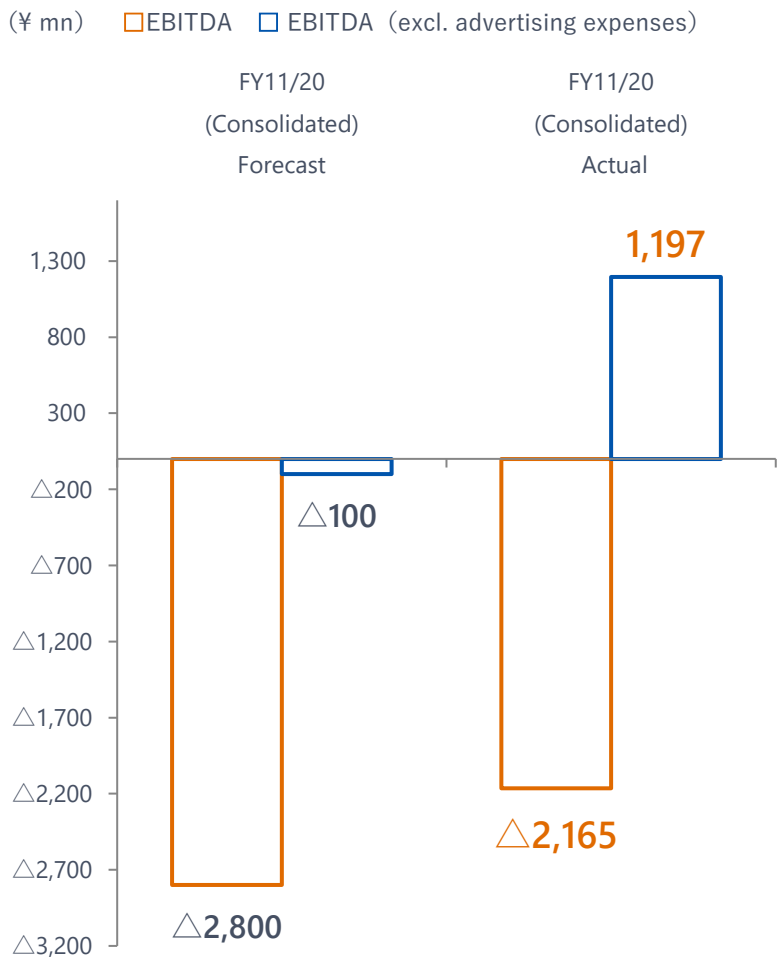
EBITDA



* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses * From FY11/20, started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities. *Share-based remuneration expenses will be added to EBITDA from FY11/20. Based on the new definition, EBITDA for FY11/20 is negative ¥1,956 million.

Consolidated EBITDA vs. Initial Forecast

EBITDA fell within the range of initial forecast with a loss of ¥2.2 billion. EBITDA excluding advertising expenses was positive at ¥1.2 billion.

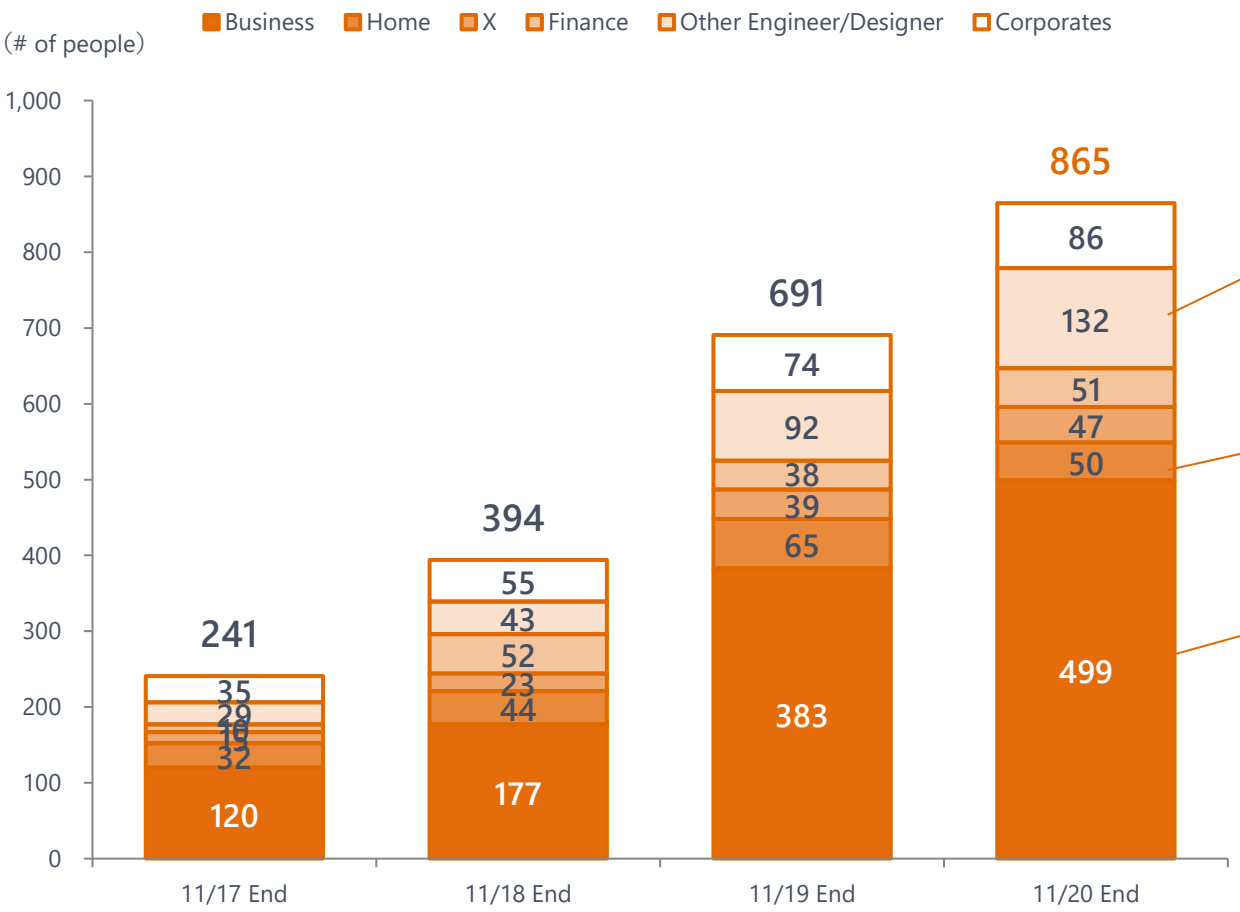


- EBITDA excluding advertising expenses remained positive in all quarters.
- Cost was reduced due to the introduction of remote work.
- Hiring pace slowed down with the shift to remote work, resulting in lower personnel expenses.
- Expanded marketing investment in Business domain in Q4.

* Initial forecast for EBITDA and EBITDA excl. advertising expenses are calculated based on the lower end of forecasts.
* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses.

Full-time Employees

In addition to the acquisition of R&AC, strengthened our engineers and designers, especially in business domain.



Changes from FY11/19 End

Other Engineer / Designer

▲ Enhanced infrastructure / security team
▲ Enhanced engineering team in Vietnam

Money Forward Home

▼ Partially transferred development function to Vietnam office

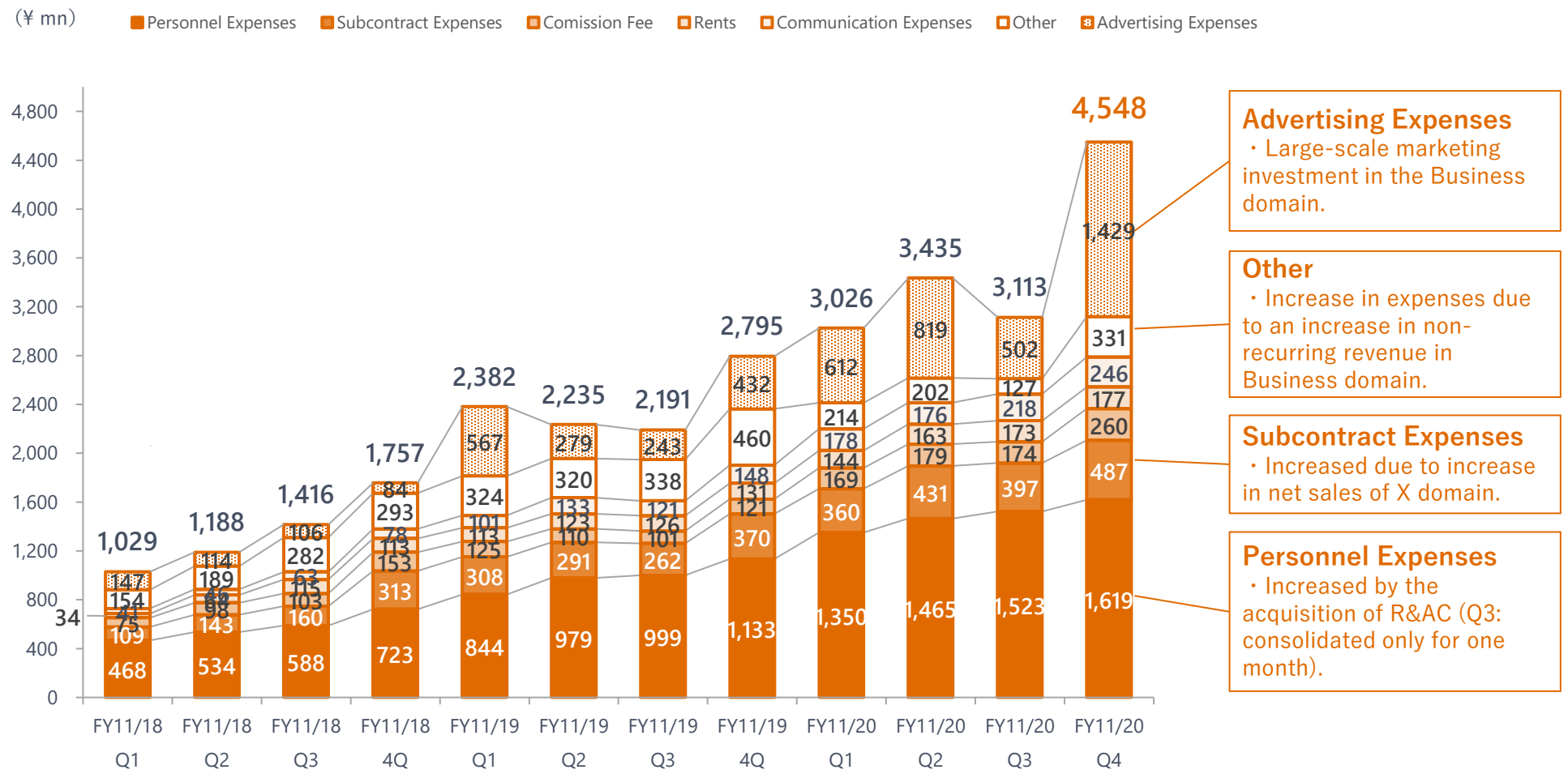
Money Forward Business

▲ Continued hiring for *Money Forward Cloud* team
▲ Approx. 50 people joined as a result of 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., People Forward Dept., Fintech Research Office, etc.

Breakdown of Expenses (Cost of Sales & SGA)

Executed large-scale marketing investment in Q4.



Advertising Expenses
・Large-scale marketing investment in the Business domain.

Other
・Increase in expenses due to an increase in non-recurring revenue in Business domain.

Subcontract Expenses
・Increased due to increase in net sales of X domain.

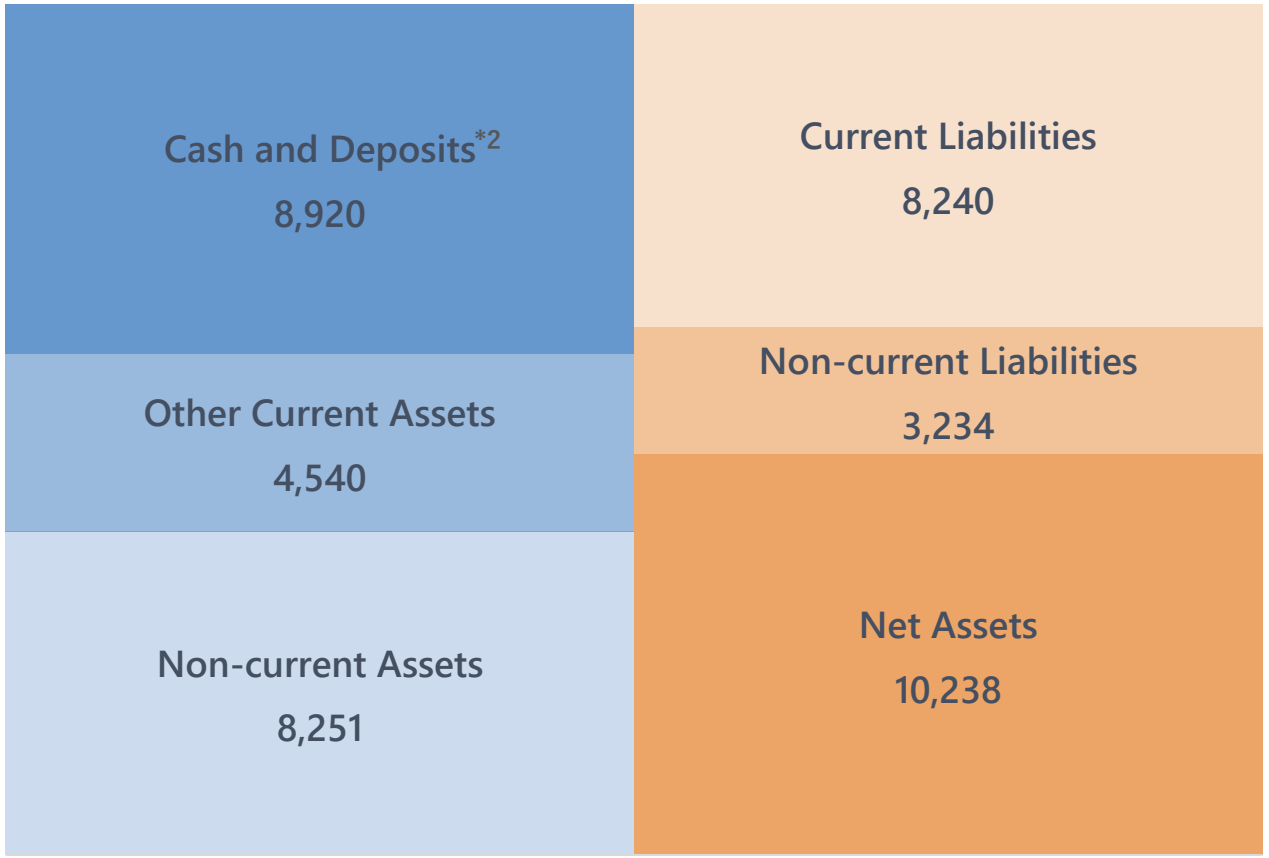
Personnel Expenses
・Increased by the acquisition of R&AC (Q3: consolidated only for one month).

* “Other expenses” include amortization, fee related to subsidy implementation, recruiting/training expenses, professional fee, taxes and dues, etc.

Balance Sheet

Maintain a **high level of financial soundness**, with cash and deposits of approx. ¥9 billion and net assets of over ¥10 billion.

(¥ mn)



Purchased receivables*1
2,210

Goodwill
3,548
Investment securities
2,230
Software
1,016

Short-term borrowings*1
2,510
Current portion of long-term borrowings
968

Long-term borrowings
3,068

*1 Related to Money Forward Kessai.
*2 Includes ¥340 million of investment funds from external investors in HIRAC FUND.


Money Forward Business

Money Forward Business Highlights in FY11/20 Q4

- Q4 net sales reached a **record high** of ¥2.2 billion, growing significantly **78% YoY**. Recurring revenue from corporate customers also continued to grow **41% YoY**.
- In addition to **accelerated growth in recurring revenue from corporate customers**[*1], non-recurring revenue (mainly from corporate customers) and Smartcamp net sales were also solid.
- Started disclosing the number of paying customers and ARPA in a more granular manner. The number of paying customers, both corporates and sole proprietors, increased steadily and exceeded **140,000**[*2].
- Customer churn rate was **0.8%**[*3], **the lowest level ever**.

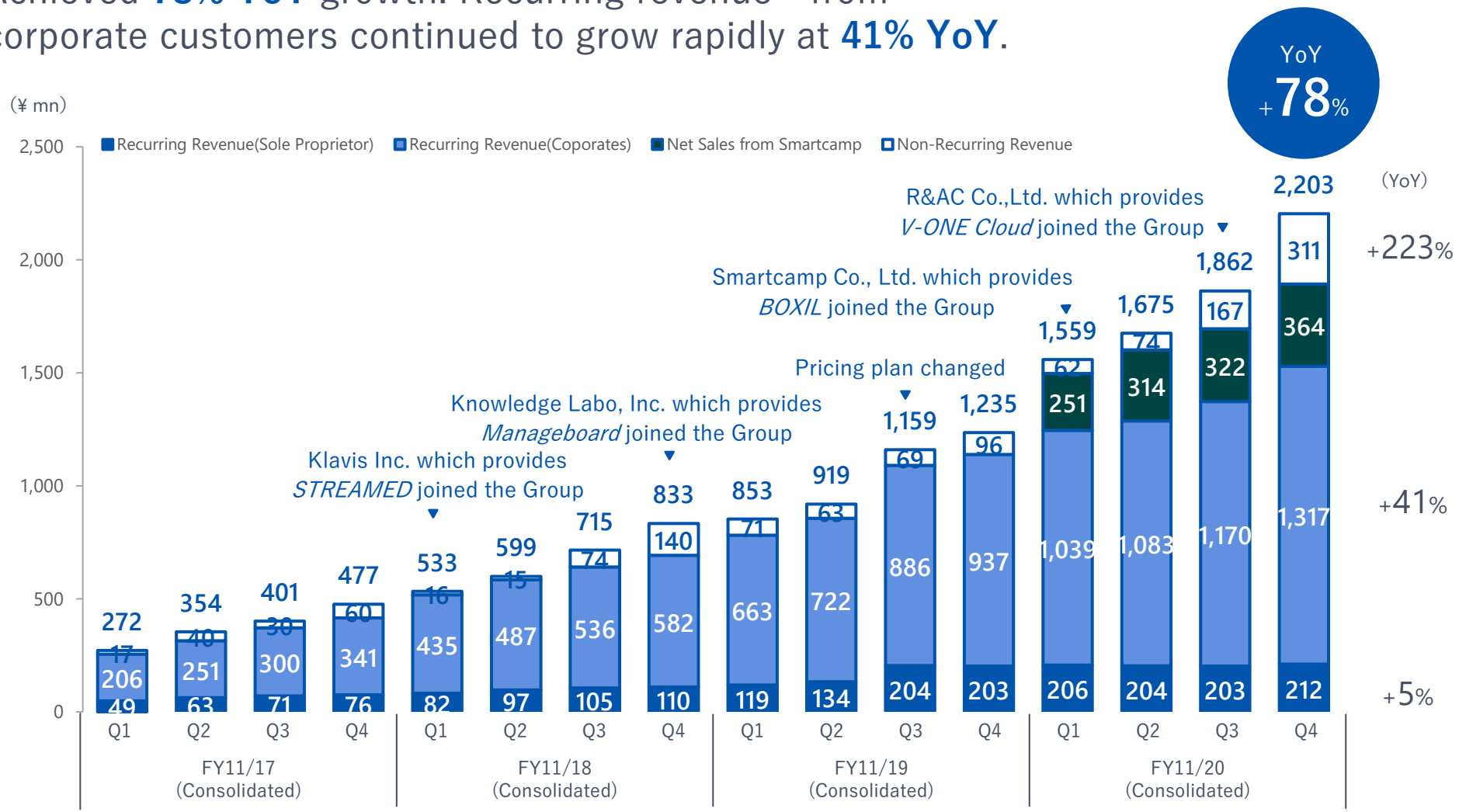
*1 The increase in recurring revenue was 81% QoQ. (Includes the impact of the acquisition of R&AC. Increase in recurring revenue from Q2 to Q3: ¥86 million, Increase in recurring revenue from Q3 to Q4: ¥156 million). If excluding the impact of the acquisition: +70%. (Increase in recurring revenue from Q2 to Q3: ¥67 million. Increase in recurring revenue from Q3 to Q4: ¥114 million) .

*2 For the definition of the number of paying customers, please refer to page 31.

*3 3-month average up to November 2020.

Net Sales (Quarterly Trend)

Achieved **78% YoY** growth. Recurring revenue*1 from corporate customers continued to grow rapidly at **41% YoY**.



*1 R&AC recorded recurring revenue (corporate) of ¥19 million and non-recuring revenue of ¥16 million in Q3 (consolidated for one month only), and recurring revenue (corporate) of ¥61 million and non-recurring revenue of ¥64 million in Q4.

* Recuring Revenue (Sole Proprietor) is revenue from services for sole proprietors in *Money Forward Cloud*. Recuring Revenue (Corporate) is revenue from services for corporates including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, and *Money Forward Certified Membership*.

ARPA and Number of Paying Customers are Broken down into Corporates and Sole Proprietors

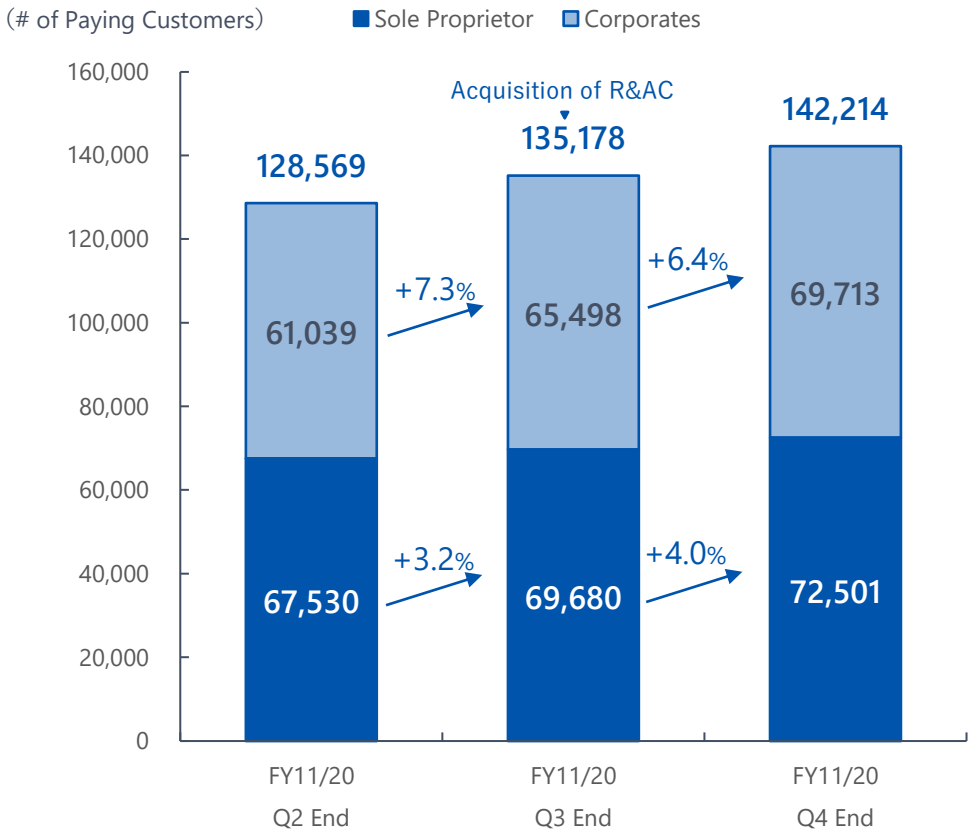
	Previous Disclosure (FY11/20 Q4 End)	Future Disclosure (FY11/20 Q4 End)	
ARPA*1	Corporates & Sole Proprietors (weighted average) ¥71,691	→	Corporates ¥77,189
			Sole Proprietors ¥11,821
Paying Customers	Not Disclosed	→	Corporates 69,713
			Sole Proprietors 72,501

*1 In the previous disclosure, one accounting office was counted as one account when calculating APRA. In future disclosures, such accounting office and their clients will be counted separately. For definitions of ARPA and number of paying customers, please refer to page 89.

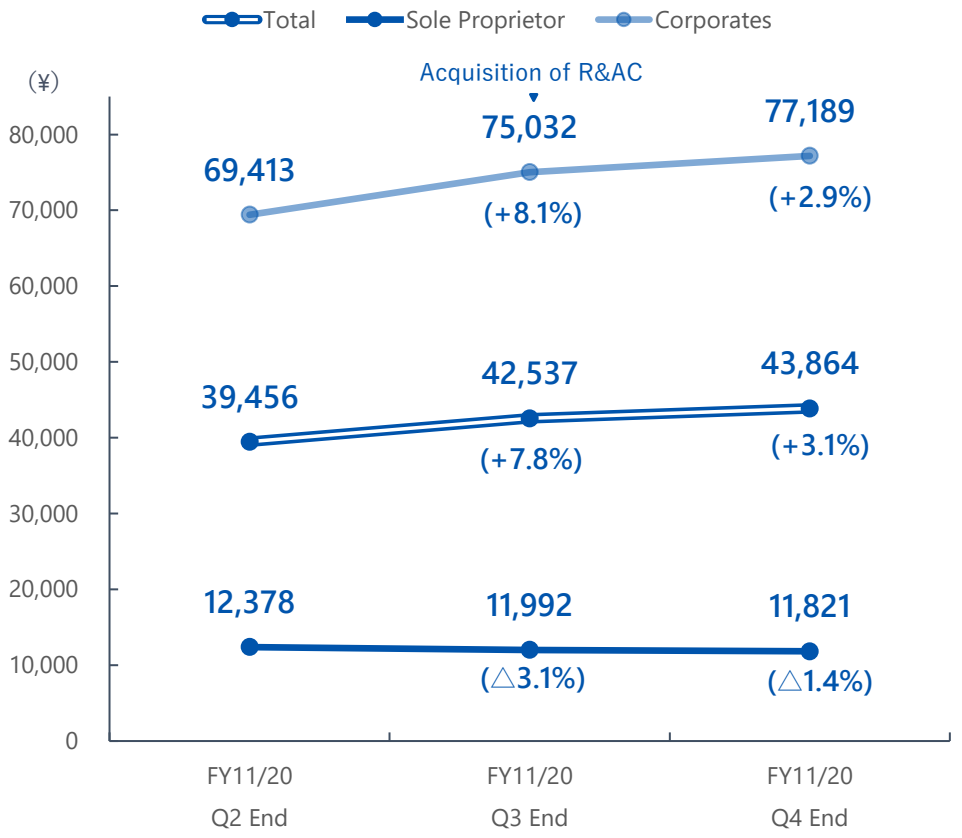
Steady Growth in Number of Paying Customers & ARPA 31

Number of corporate paying customers increased **6.4% QoQ**, and ARPA for corporate customers grew steadily by **2.9% QoQ**.

Paying Customers



ARPA



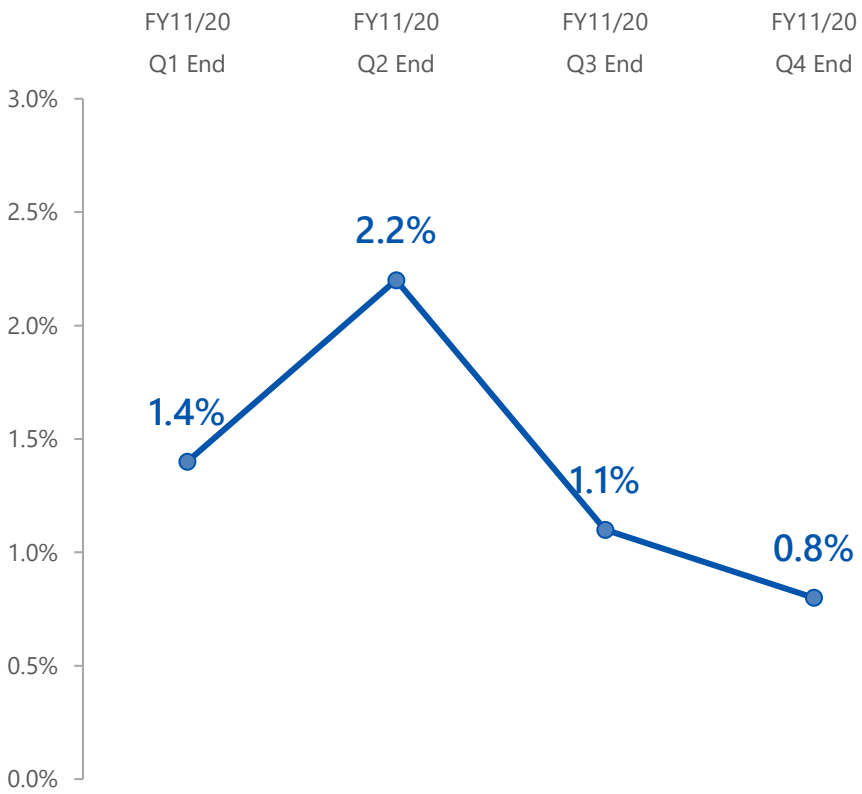
* Number of paying customer(Sole Proprietor) includes those subscribing services for sole proprietors in *Money Forward Cloud*. Number of paying customer (Corporate) includes corporates, accounting offices and their clients subscribing services for corporates including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, and *Money Forward Certified Membership*. The above figures do not include Smartcamp.

* ARPA is 12 times the MRR of Business domain in the last month of each period (ARR) divided by number of paying customers.

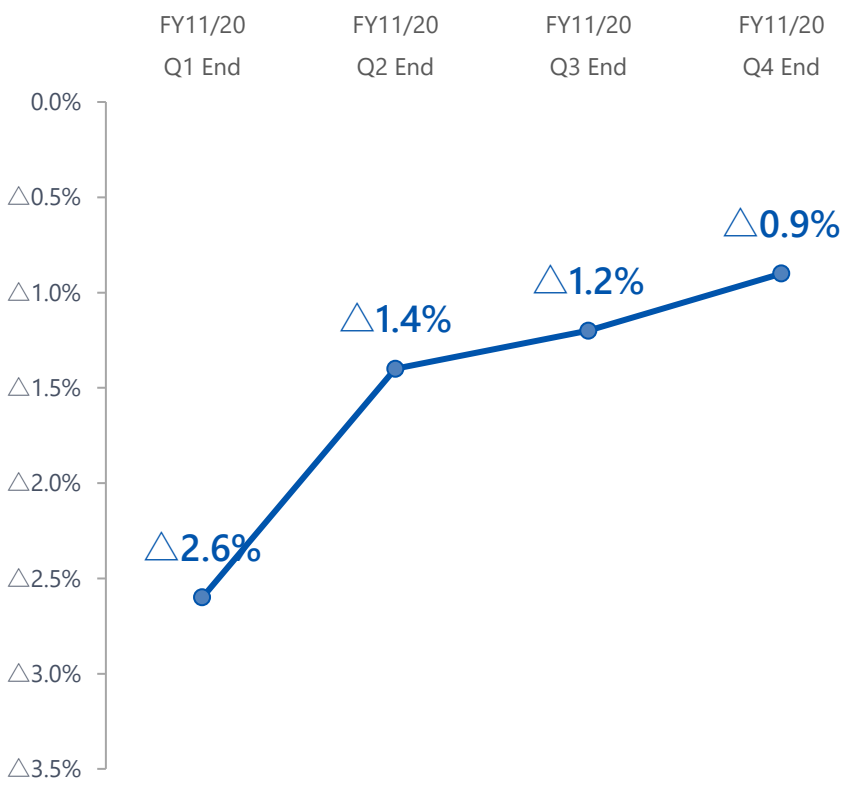
Customer Churn Rate Further Improved to 0.8%

Churn rate further improved due to service improvements, enhanced customer support, and an increase in the ratio of annual subscriptions*1.

Customer Churn Rate*2



MRR Churn Rate*3



*1 Details on the ratio of annual subscriptions will be on P96 and P97.

*2 Three-month average of each quarter.

*3 Figures are from the beginning of FY11/19, before the start of the new pricing plan. (i.e., end of Q1 FY11/20 = 15-month average, end of Q2 FY11/20 = 18-month average, end of Q3 FY11/20 = 21-month average, end of Q4 FY11/20 = 24-month average)

* Please refer to page 89 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

Medium-sized Corporates Using Money Forward Cloud

In addition to small and medium-sized corporates, the implementation is accelerating in listed and pre-IPO companies.

Listed Company

TSE 1st/2nd

AEON, LIKE, JAFCO, giftee*

TSE Mothers

WANTEDLY, Chatwork, UZABASE, Retty, Sun*, feedforce, Makuake, カラダノート, ビザスク, 日本ホスピスホールディングス株式会社

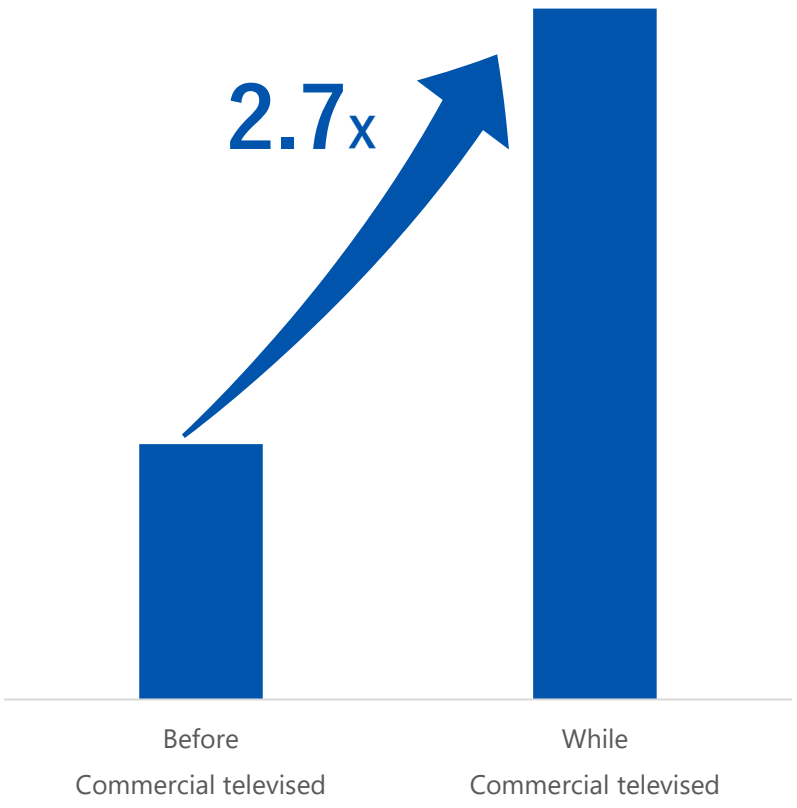
Private / Pre-IPO

BIZREACH, PASONA HR Solution, 丸紅新電力 MARUBENI POWER RETAIL, Kellogg's, SORACOM, KURASHICOM, WingArc 1st The Data Empowerment Company, PR Table, Miss Paris Group, clean planet, SAMURAI INCUBATE, Synspective, Astroscale, COCON, Taimee, 株式会社トライグループ, RevComm Inc, LayerX, FiNC Technologies, CAMPFIRE, Japan Digital Design, お金のデザイン, NEXWAY TIS INTEC Group, STADIUM

Online Document Requests Increased 2.7x

Conducted a large-scale marketing campaign including TV commercials from October to December 2020, which contributes to increased awareness and lead acquisition.

Number of Document Requests*





* The number of online documents of *Money Forward Cloud Accounting Plus* and *Money Forward Cloud ERP* downloaded.

Money Forward Cloud Box Launched

Users will be able to digitize receipts, invoices and other documents and store them in the cloud. **This new service meets the requirements of the revised Electronic Books Maintenance Act**, which came into effect in October 2020.

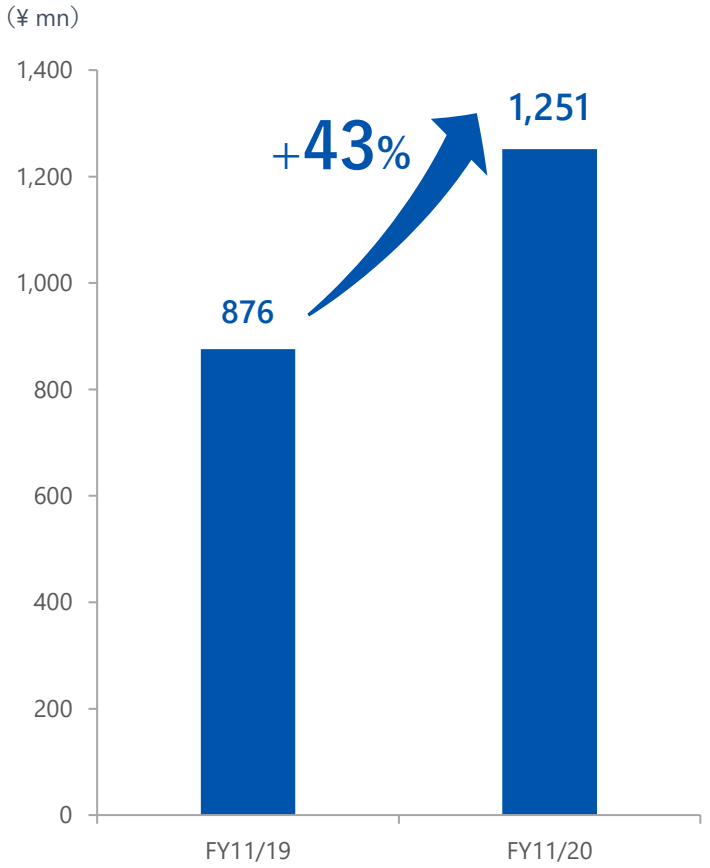
Money Forward Cloud Box



Smartcamp's Solid Growth After Acquisition

Revenue growth accelerated to 43% YoY. *BOXIL EXPO*, a marketing support business, has grown into one of the largest online exhibitions in Japan.

Net Sales*1



Online Exhibition of BOXIL EXPO

- **132** companies and over **10,000** audience participated in all 3 events*2 in 2020, making it one of the largest online exhibitions in Japan.
- Provides useful information through talk sessions.

Schedule	Theme
Jun 2020	Sales / Marketing
Sep 2020	IT / SaaS / Remote Work
Dec 2020	HR
Feb 2021 (planned)	Finance / Accounting / Admin

*1 FY11/19 full-year results are the sum of monthly sales from December 2018 to November 2019, based on the results for FY03/19 and FY03/20.
*2 Indicates "Sales / Marketing", ""IT / SaaS / Remote Work", and "HR". Number of companies and audiences are cumulative total figures.

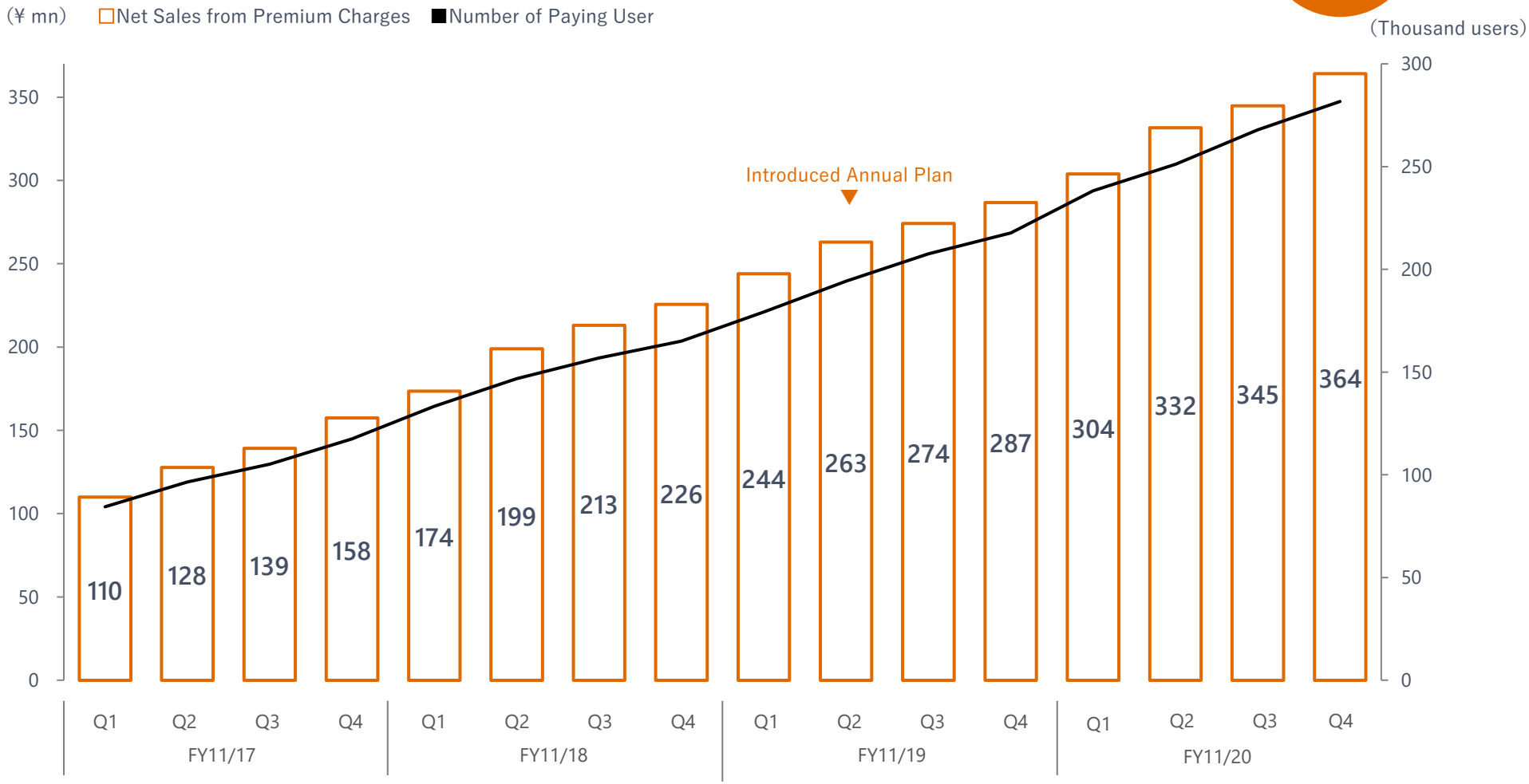
Money Forward Home



Net Sales from Premium Charges

Grew by **27% YoY**.
Number of paying users increased steadily, **exceeding 280,000*1**.

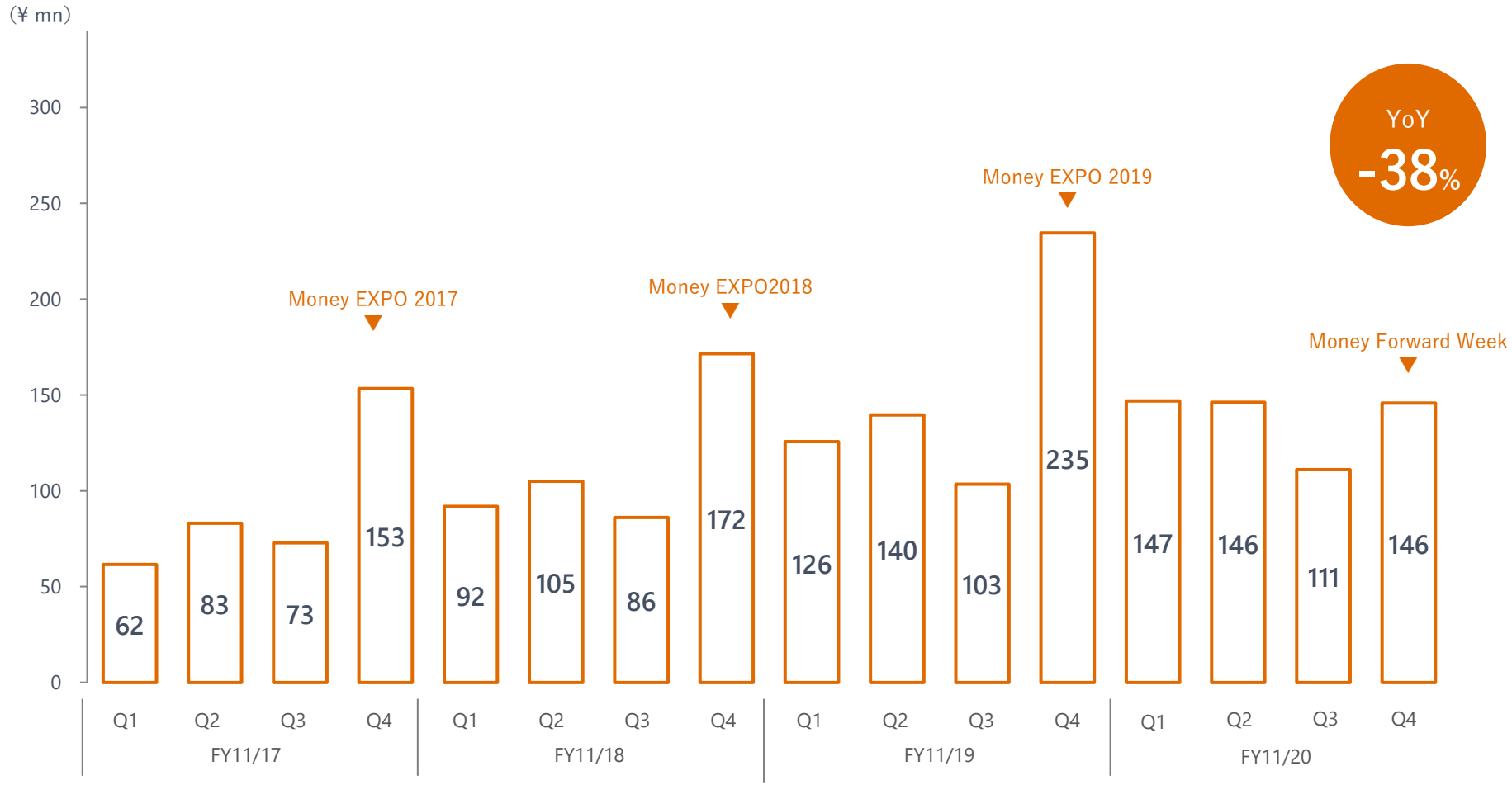
YoY +27%



*1 As of November 2020

Net Sales from Media/Advertising

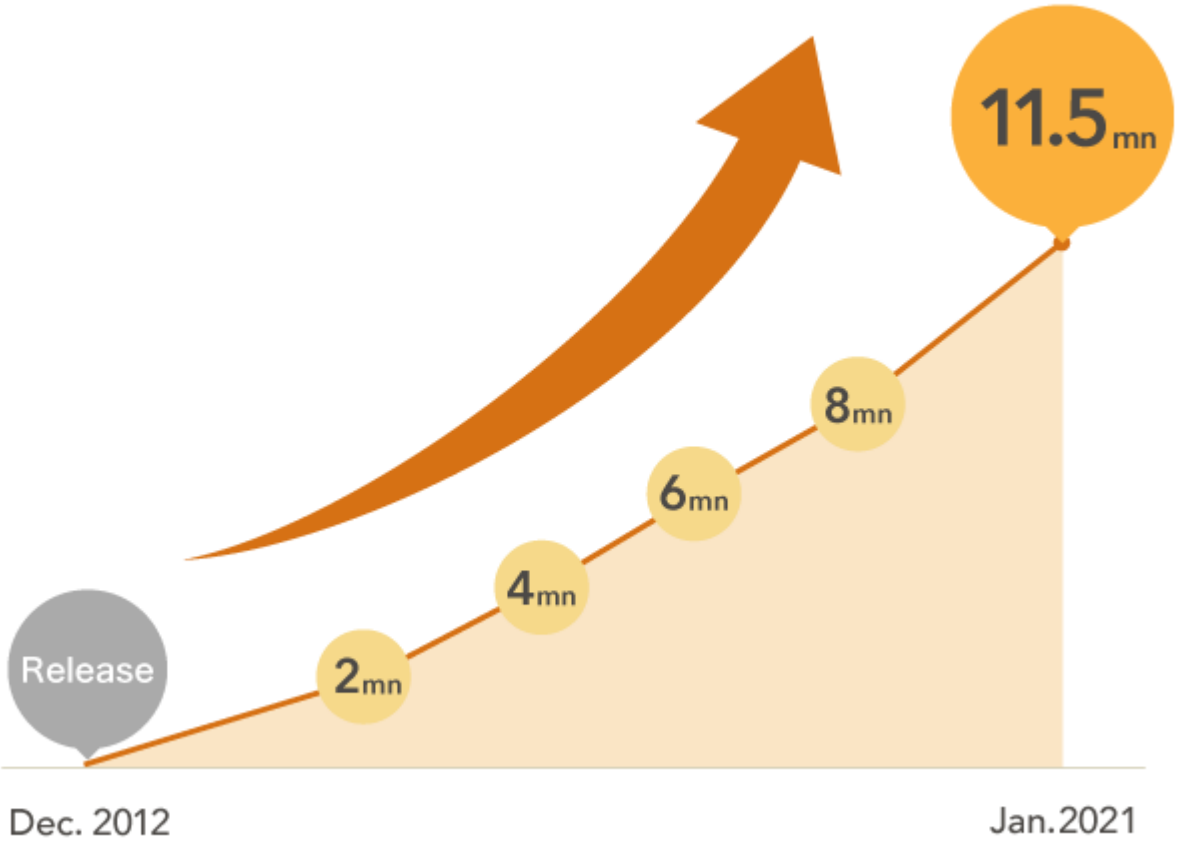
The annual offline event “Money Expo” in Q4 was switched to an online event. The scale of sales decreased significantly, resulting in a YoY decline in net sales.



* Net sales from media/advertising include: 1) advertising sales from *MONEY PLUS* – lifestyle and finance online magazine, 2) sales from events (Money Expo) and seminars, and 3) sales from other PFM services including *Money Forward Money Consultation*.

Money Forward ME Users Exceeds 11.5 Million

The number of new users continued to increase steadily amid growing awareness of household budget management.



Released *Money Forward Fixed Cost Review*

Increase the value proposition and create new monetize opportunities.

Value Proposition



Money Forward ME
Automated PFM service

MONEY PLUS
Lifestyle and finance online magazine

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

Money Forward Career
Career consulting service specialized in DX field

New

Money Forward 固定費の見直し
Services to improve household finances by reviewing fixed costs

SiraTama
Automated Savings App

Money Forward Mall
Platform for Comparing and Applying for Financial Services

* *Money Forward Fixed Cost Review* was released in November 2020.

“Let’s Start Finance Management 2021” Campaign

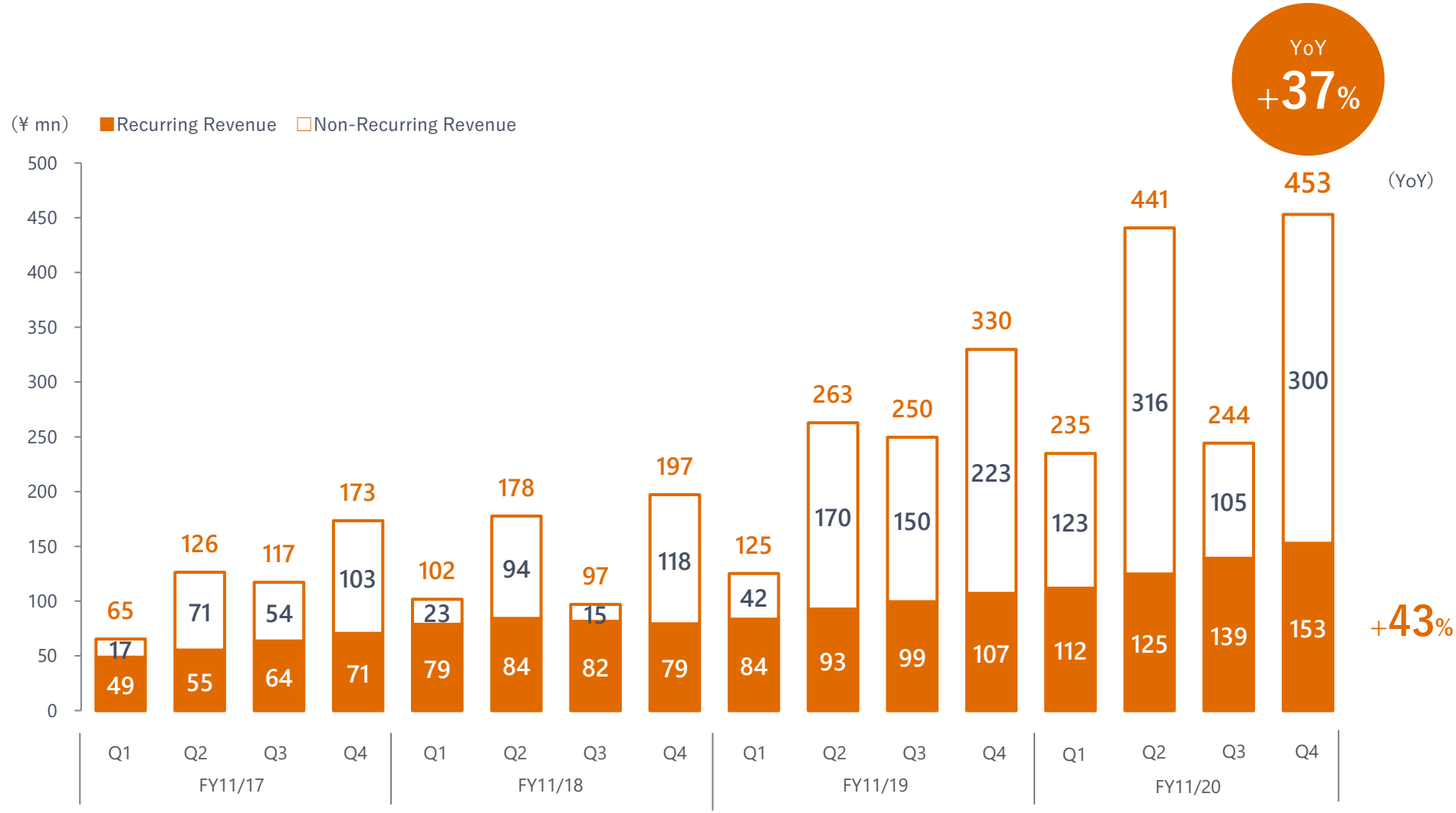
Ran a series of campaign to support household finance management, consisted of activities such as visualization of household finance and learning finance management.




Money Forward X

Net Sales from Money Forward X

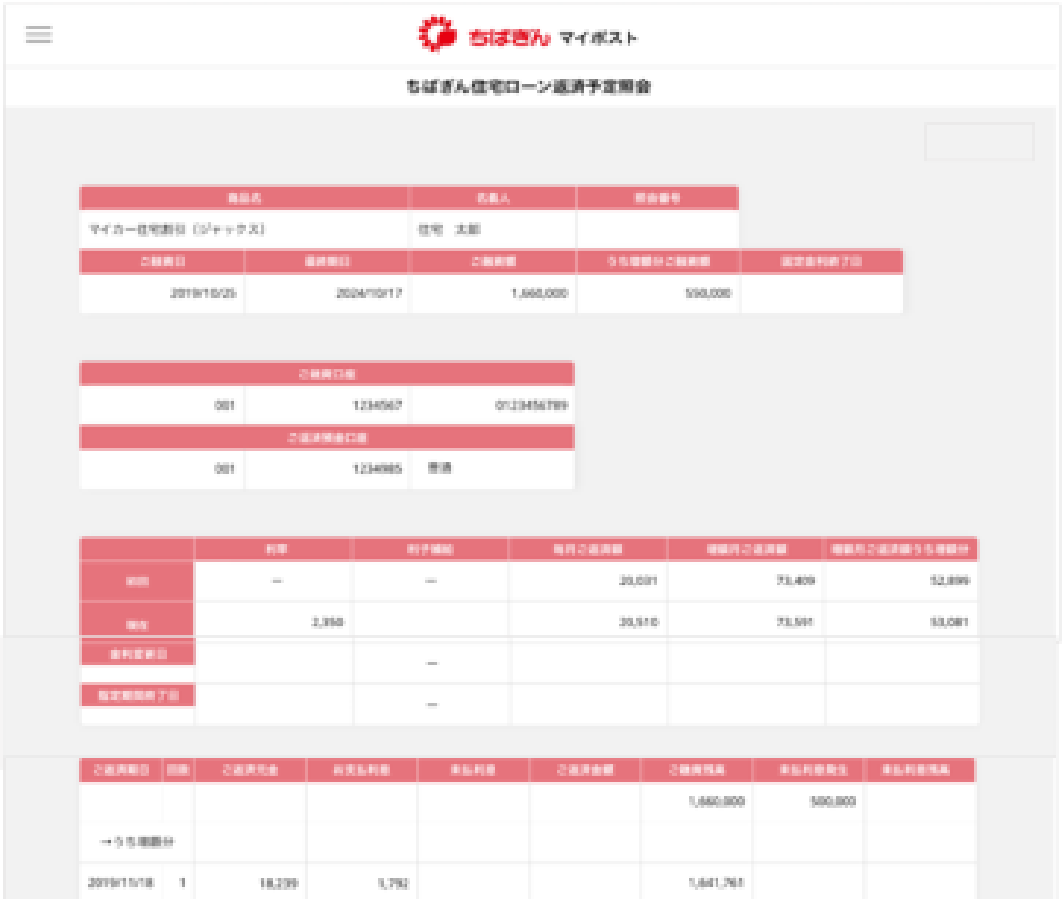
Net sales increased **37% YoY**. Recurring revenue saw significant growth of **43% YoY.**



* 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.

Development of Web Service for Chiba Bank's Customers

Developed *Chiba Bank My Post*, which allows customers to check their housing loan information on the web. Considering to expand this service to other regional banks.



ちばぎん

Money Forward

UI/UX Design Consulting for Shizuoka Bank

Provided consultation for UI/UX design for Shizuoka Bank's Internet branch application, *Shizugin WebWallet App*.

静岡銀行 SHIZUOKA BANK

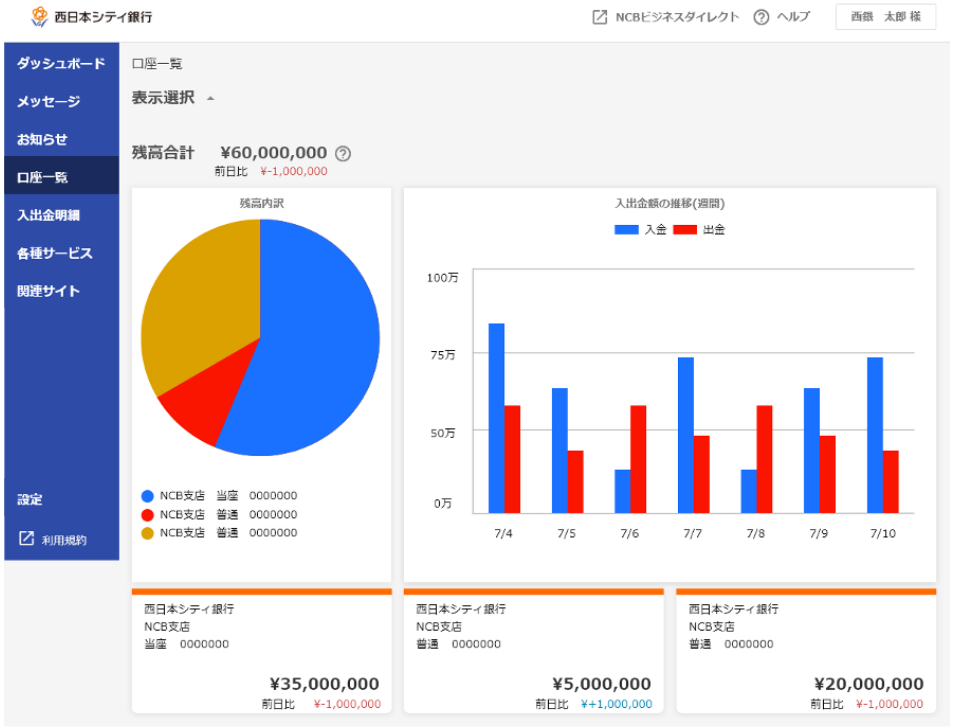
Money Forward





NCB Business Station for Nishi-Nippon City Bank
Jointly developed with NTT Data

In addition to financial services, various corporate services are provided online through the platform.



西日本シティ銀行

NTT DATA

Money Forward

Alliance with Financial Institutions
(Service for Individual Customers)

Money Forward for X Series

Developing customized *Money Forward ME* for financial institutions and its clients.

- SBI Sumishin Net Bank
- Yamaguchi FG
- Shizuoka Bank
- Toho Bank
- Gunma Bank
- Shiga Bank
- Okazaki Shinkin Bank
- Michinoku Bank
- Tsukuba Bank
- Sompo Japan Nipponkoa Himawari Life Insurance
- Tochigi Bank
- Mizuho Bank
- North Pacific Bank
- JA Bank
- Tokushima Taisho Bank NEW

Passbook Apps

Developing passbook apps for financial institutions and its clients.

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

MF Unit Series

Offering PFM tools within financial institutions apps

Asset Monitoring Unit

- JAL Card
- Sendai Bank
- Taiko Banka

PFM Unit

- Akita Bank
- Awa Bank
- Labour Bank
- Hokuriku Bank

Alliance with Financial Institutions
(Service for Individual Customers)

Other Projects

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

au PAY 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.

One Stock (for Nomura Securities)
Visualizes future and current assets and helps financial planning

NEW

Chiba Bank My Post (for Chiba Bank)
Developed Chiba Bank's "Chiba Bank My Post," which allows users to check their mortgage information on the web

NEW

Shizugin WebWallet Application (for Shizuoka Bank)
Worked on UI/UX design for Shizuoka Bank's Internet branch application

Alliance with Financial Institutions
(Service for Individual Customers)

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

横浜銀行 NTT DATA



〈Hamagin〉 Business Connect

北陸銀行 NTT DATA



Hokugin Business Portal

NEW

西日本シティ銀行 NTT DATA



NCB Business Station

Business Financial Management

岡崎信用金庫



Okashin Cash Management Service

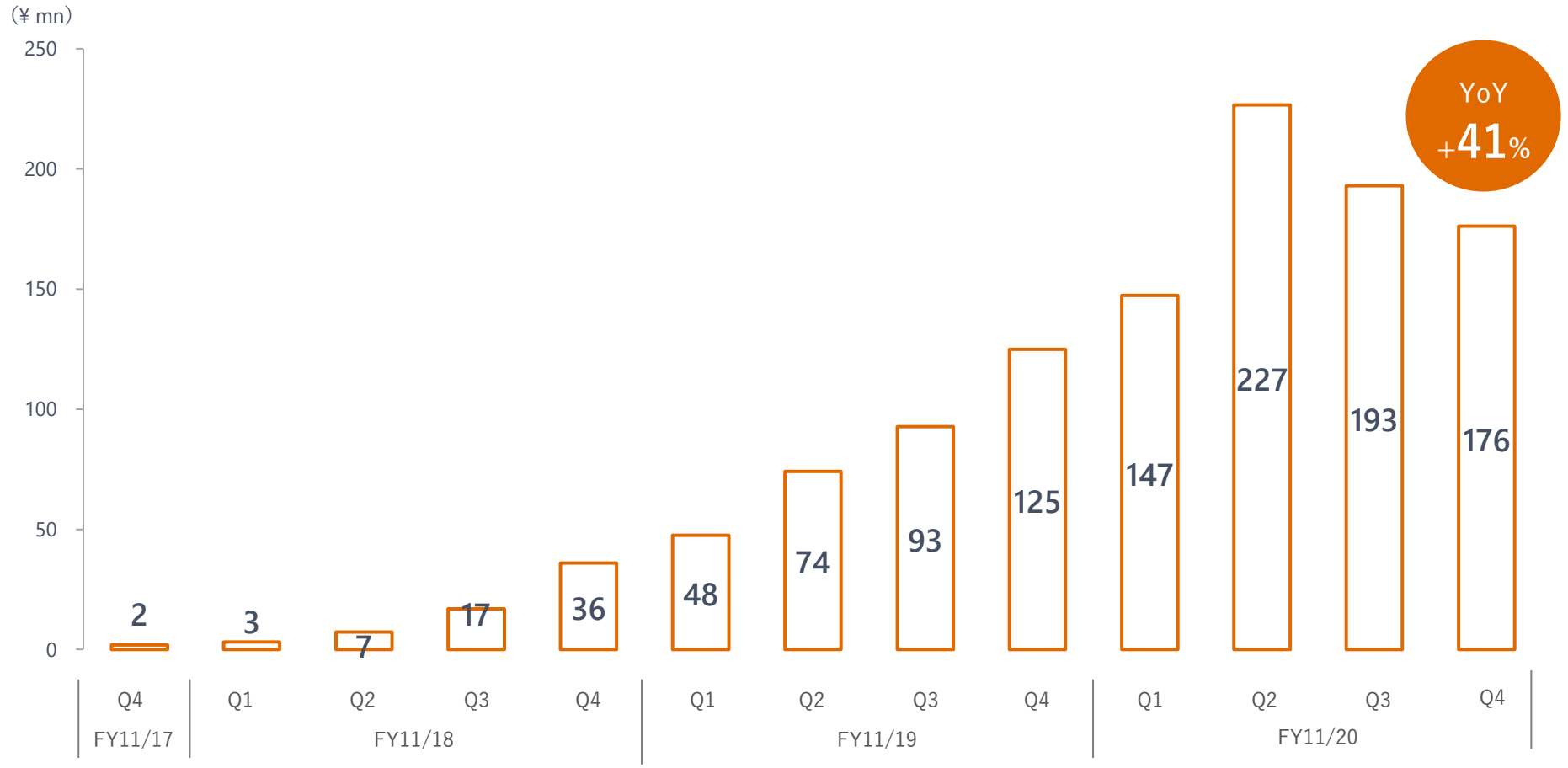
“One-stop Cash Management”

Business financial management service for financial institutions


Money Forward Finance

Net Sales from Money Forward Finance

Q4 achieved net sales growth of **41% YoY**. Due to tighter credit control, the amount of transactions in the factoring business decreased from Q3.



Money Forward Kessai Exceeded ¥30 billion in Cumulative Transaction Volume



* Money Forward Kessai changed its name from MF KESSAI in November 2020. The service names were also renamed; *MF KESSAI* was changed to *Money Forward Kessai* and *MF KESSAI Early Payment* was changed to *Money Forward Early Payment*.

Improved Efficiency of Screening Operations

By expanding the scope of technology-based screening operations, Money Forward Kessai have reduced screening time to maximum 1 business day*.

Money Forward Kessai



*Excluding cases where there is incomplete or insufficient information required for screening, or where the credit amount per business partner is ¥10 million or more.

Money Forward Synca Assisted M&A

Provided M&A advisory service to Nagisa joining the Mediado group.

Nagisa



Mr. Yoshiyuki Yokoyama
President and Representative Director of Nagisa Corporation (front row, right)

It was good to learn all the details of M&A, including negotiations, procedures, steps to be taken, and potential risk from Synca. It was also very reassuring for us to know that we could always rely on Synca for advice on practical matters, including M&A schemes.

HIRAC FUND Closed 1st Fund, Total of ¥3.04 Billion

In addition to experienced entrepreneurs, financial institutions and corporates have joined as LPs. We will further accelerate our investment activities.



Other Strategic Initiatives



Plan to review the composition of Board of Directors and transfer authority to executive divisions in order to strengthen the supervisory function of Board of Directors and improve the speed of management execution.

Proposed Composition of Board of Directors

Current

Internal Board of Directors (7)



\+

External Board of Directors (5)



Nomination and Compensation Committee (Advisory Committee) *3

External Directors account for a majority of the Committee

Plans to change the composition of Board of Directors to one in which External Directors account for the majority

Proposal

Internal Board of Directors (4)



Yosuke Tsuji	Naoya Kanesaka	Masanobu Takeda	Takuya Nakade
Representative Director, President and CEO	Director, Executive Officer and CFO	Director, Executive Officer and COO of Money Forward Business Company	Director, Executive Officer and CTO

3 retiring directors will continue to be involved in the management of the Group. (Taki: Executive Officer and CoPA*1; Head of Fintech Research Institute, Ichikawa: Executive Officer and CISO, Ban: Executive Officer and CLCO*2)

\+

External Board of Directors (5)



Nobuaki Kurumatani	Masaaki Tanaka	Akira Kurabayashi	Etsuko Okajima	Ryoko Ueda

*5 External Directors are planned to remain unchanged from last year.

Nomination and Compensation Committee (Advisory Committee) *3

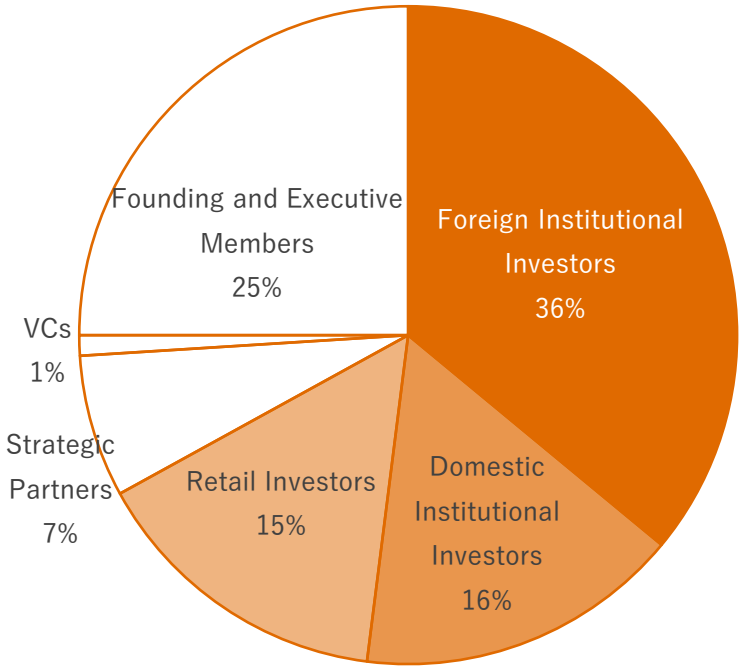
External Directors account for a majority of the Committee

*1 CoPA is an abbreviation for Chief of Public Affairs. *2 CLCO is an abbreviation for Chief Legal & Compliance Officer.
*3 Proposes personnel changes for directors and corporate auditors, and compensation for directors and executive officers.

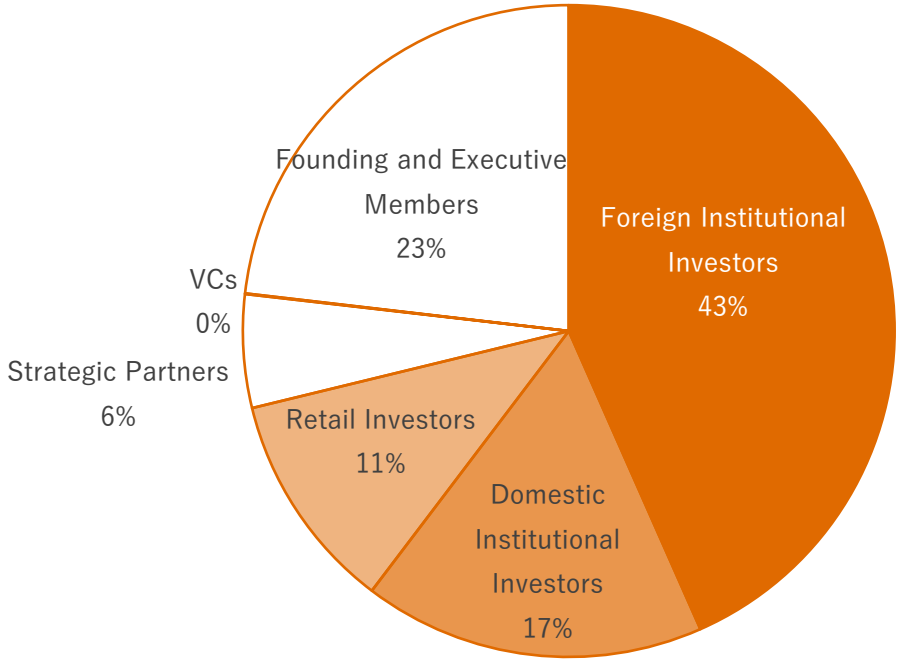
Continued Increase in Institutional Investors Ratio

The ratio of foreign institutional investors has increased due to the issuance of new shares by way of international offering in February 2020. Plans to promote measures for individual investors too.

As of November 30, 2019



As of November 30, 2020



Raising Brand Awareness and Contribute to Digitalization 60

Promoted partnerships with 3 soccer clubs, including a top partner agreement with Yokohama F. Marinos.

Yokohama F. Marinos
(J1)
Signed a top partner contract

Avispa Fukuoka
(to be promoted to J1 next term)
Signed a partner contract with the Kyushu/Okinawa branch

Hokkaido Consadole Sapporo
(J1)
Signed a partner contract with the Hokkaido Branch Office



Growth Strategy

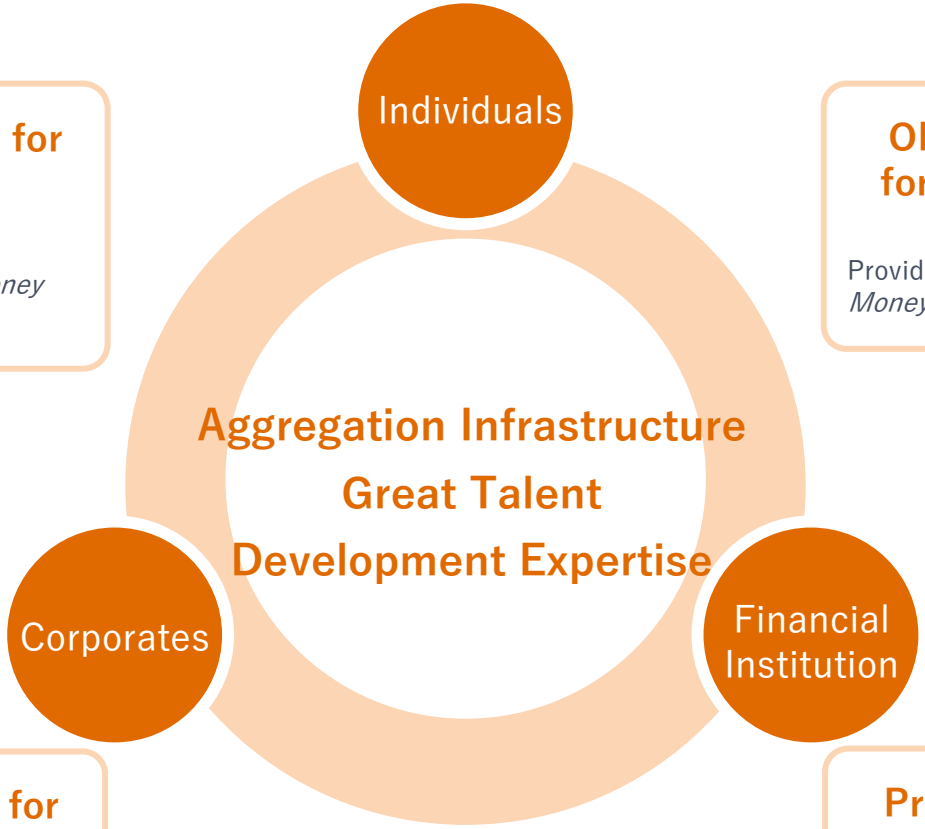
Group-wide Growth Strategy

Strategic investment in Business domain	• Focus on Business domain, which has the highest growth potential, in order to expand the user base and increase added value • For details, please refer to the following pages
Synergies between domains	• Continuous expansion of TAM by launching new services and businesses successively • Enhancement of value for users and brand recognition • Recruitment of diverse and talented human resources
Secure competitive advantage by investing in technology	• Expand investment in technology to further expand the value provided • Continue to recruit and train engineers and designers to strengthen product development and design capabilities
Success in M&A	• Past experiences in PMI[*1] accelerate the growth when a company joins the Group • Management teams/entrepreneurs of subsidiaries playing key roles in the group level

*1 PMI ＝Post Merger Integration

Create Synergies by Operating Multiple Domains

In addition to the continued growth of existing businesses, promote new initiatives that leverage the customer base of individuals, corporates, and financial institutions. Aiming to further increase added value for users.



Cross-selling of Services for Sole Proprietors (Home × Business)

Linkage of *Money Forward ME* and *Money Forward Cloud Tax Return*, etc.

OEM Provision of Services for Individuals (Home × X)

Providing functions of *Money Forward ME* in *Money Forward for X*, *MF Unit*, etc.

Cross-selling of Services for Corporates (Business × Finance)

Linkage between *Money Forward Cloud Accounting* and *Money Forward Early Payment*, an accounts receivable finance service, etc.

Product Dev with Financial Institutions (Finance × X)

Money Forward Kessai started a demonstration experiment with Fukuoka Bank for the joint business of factoring.

Secure Competitive Advantage by Investing in Tech

To further solve users' problems with the power of technology and data, we are promoting R&D in the focused area of "autonomy and usability".

Value Provided	R&D Focus Areas
Visualization of current situation / discovery of problems	**Automation & Security** Identify issues by securely and automatically collecting data and visualizing the current situation. **Account Aggregation** Data collection by API*1 and scraping*2 / common user ID, etc. **Infrastructure & Security** Labor-saving cloud infrastructure*3 Single sign-on (SSO)*4, etc.
Visualization of future / problem solving	**Autonomy & Usability** Anticipate future challenges through advanced technology and propose actions to solve them. **Machine Learning / Deep Learning** Predicting and analyzing future of household finances/accounting **Natural Language Processing** Improving prediction and analysis accuracy by structuring transaction data **UI/UX** Visualization of prediction results / Suggestion of action candidates

*1 Technology for sharing data, etc. between different software and services. *2 Technology for extracting specific information from websites, etc.
*3 A service for renting out the infrastructure for providing cloud services.
*4 A system that allows users to log in to multiple web services, cloud services, and applications by simply authenticating with one set of IDs and passwords once.

Business Direction in Each Domain

Business	• Further increase the corporate market share of cloud accounting by strengthening the provision of added value to accounting firms • Strengthen product development, sales and marketing for medium-sized corporates • Implement measures to expand sole proprietor user base, including collaboration with Home domain
Home	• Further expand user base and restructure media/advertising services • Expand the value provided from "visualization of transactions" to "action for improvement" by utilizing data for users
X	• Co-creation of new services with partners who have large customer bases • Expansion of added value based on accumulated data
Finance	• Emphasize capital efficiency and leverage debt and external funds (LP investments) • Money Forward Kessai: Collaboration with financial institutions and careful credit management • Money Forward Synca / HIRAC FUND: Focus on startup support and create synergy with Business domain

Value-added Services for Accounting Firms

Provide not only software but also useful information for accounting firms and their clients to promote DX.

Provide Useful Information Through Professional Community



- Free sessions to discuss the role of accounting firms and the future they should aim for.
- Sharing of case studies of support for small and medium-sized enterprises by accounting firms.

Customer Success for Accounting Firms

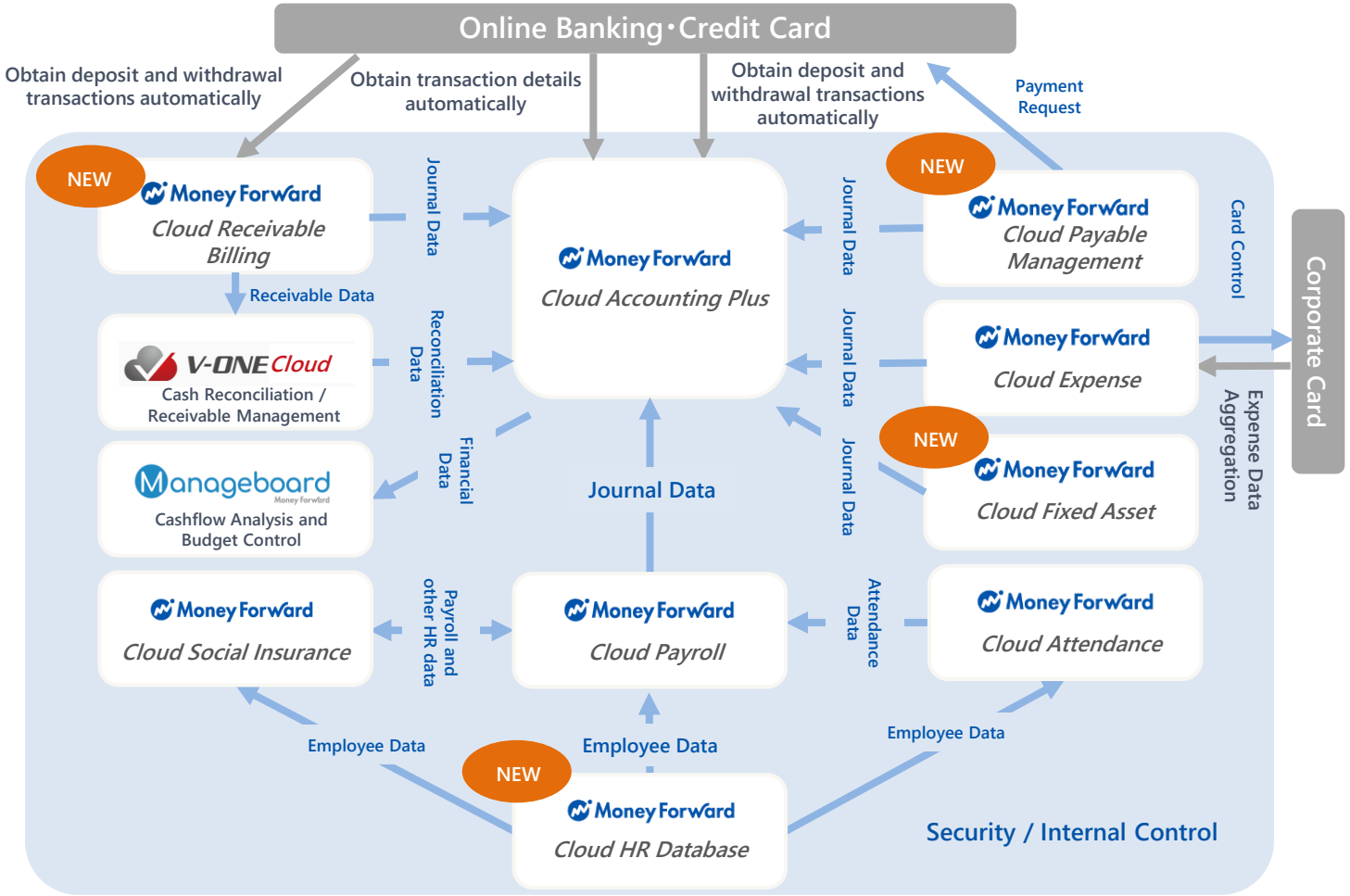
BizBASE ポータル
Money Forward



- Launched *BizBASE Portal*, a community site exclusively for accounting firms to share know-how on the use of *Money Forward Cloud* and to lead customer success for professional firms.

Expand Product-lineup for Medium-sized Corporates

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



Measures to Expand Base of Sole Proprietor User

Enhance measures to acquire users without relying on advertising through collaboration with *Money Forward ME* and *Money Forward Business Registration*.

Connection with *Money Forward ME*

Money Forward ME × Money Forward クラウド確定申告



- Connection with *Money Forward ME* allows users to link their household income and expense data to their tax returns data and complete electronic filing process.
- To capture the tax return needs of *Money Forward ME* users.

Money Forward Business Registration



- A service that allows sole proprietors to create the necessary documents for opening a business on the web for free.
- The service aims to connect the business registration process to the use of cloud tax return.



Forecasts for FY11/21

Policy for Growth Investment and Profitability

Investment Policy for Future Growth

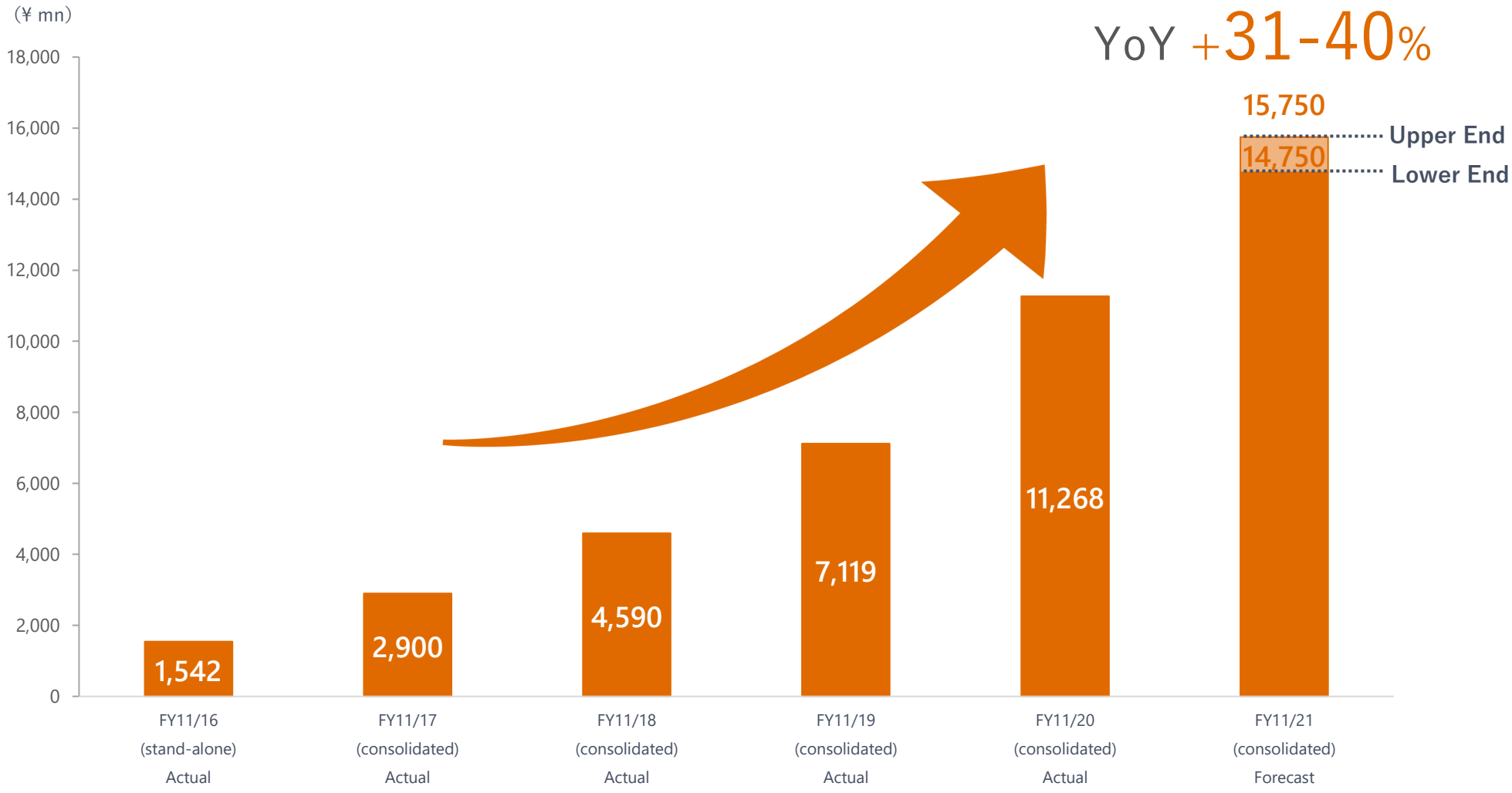
- As a **subscription business model**, we focus on **maximizing medium-to-long term cash flow**.
- Investment for future growth to be executed **as long as unit economics metrics are reasonable and sound**, with an eye on external environment as well as competitions.
- Selectively pursue strategically meaningful M&A opportunities with emphasis on financial discipline.
- Aims to further strengthen partnership with our existing investment partner, Mekari Group which is a leading company in the cloud accounting and HR market for SMBs in Indonesia.

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.

Consolidated Net Sales Forecasts for FY11/21

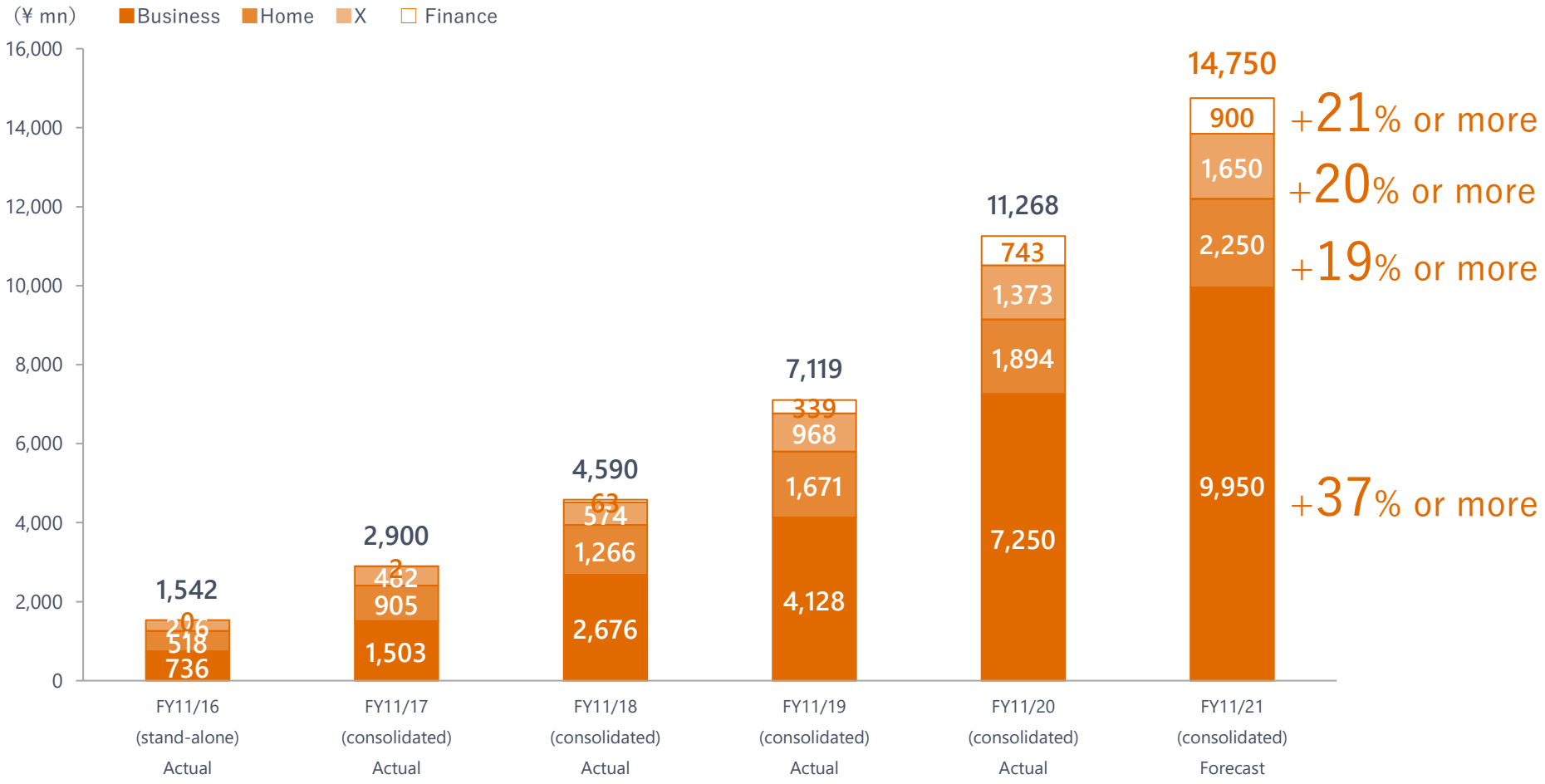
Net sales are expected to grow by **31%-40% YoY** to ¥14.8-¥15.8 billion.



* Excludes net sales of Wakufuri from FY11/18, FY11/19 and FY11/20 results as it will no longer be consolidated from FY11/21.
* Net sales and operating loss of Wakufuri for FY11/20 are approximately ¥50 million and ¥2 million, respectively.

Net Sales Forecasts by Domain

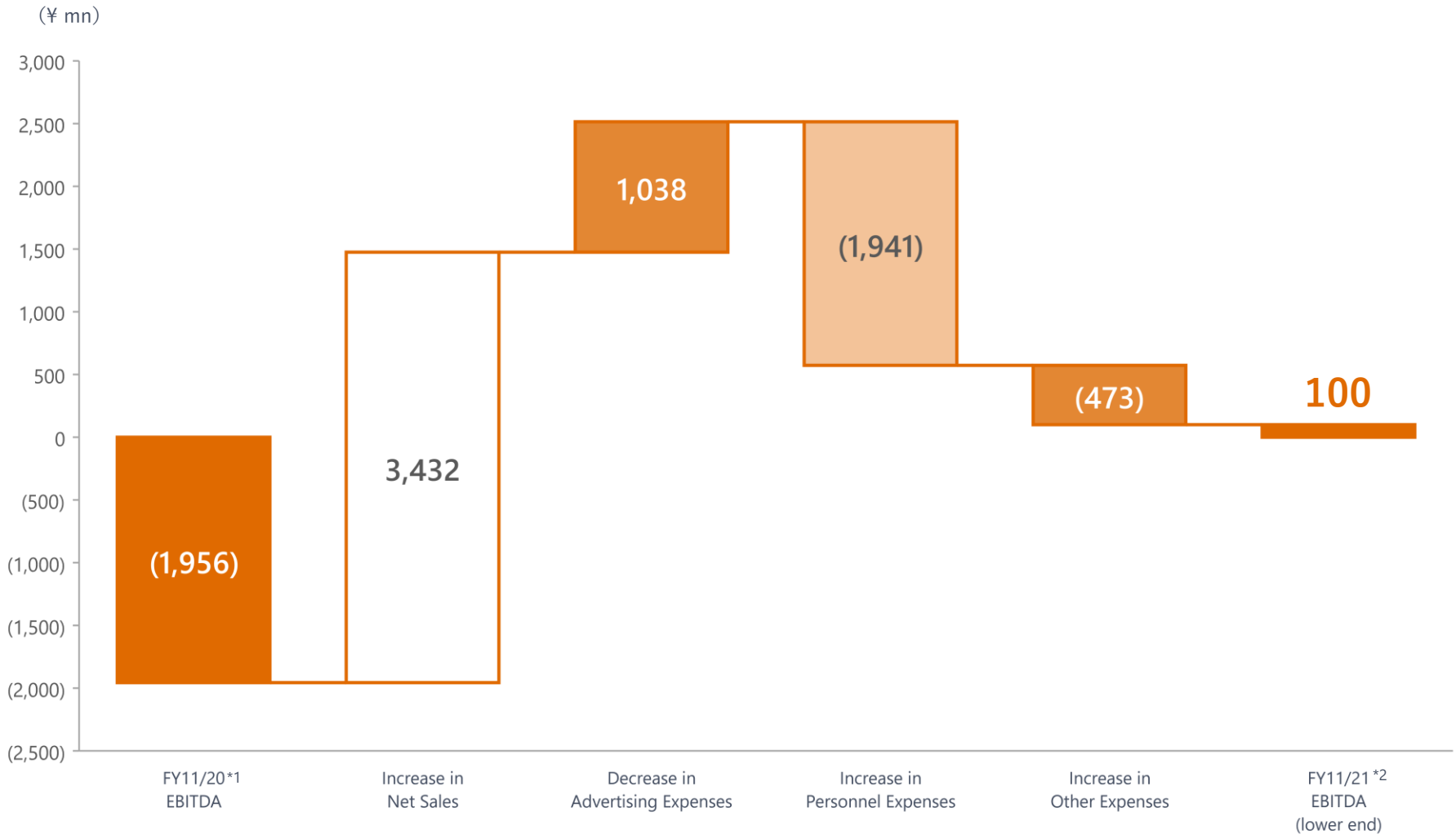
Continuous growth is expected in all domains. Growth of **more than 37% YoY** is expected in Business domain.



* Breakdown of the lower end of FY11/21 net sales forecasts of ¥14.8 billion.
* Excludes net sales of Wakufuri from FY11/18, FY11/19 and FY11/20 results as it will no longer be consolidated from FY11/21.

EBITDA Waterfall Forecasts

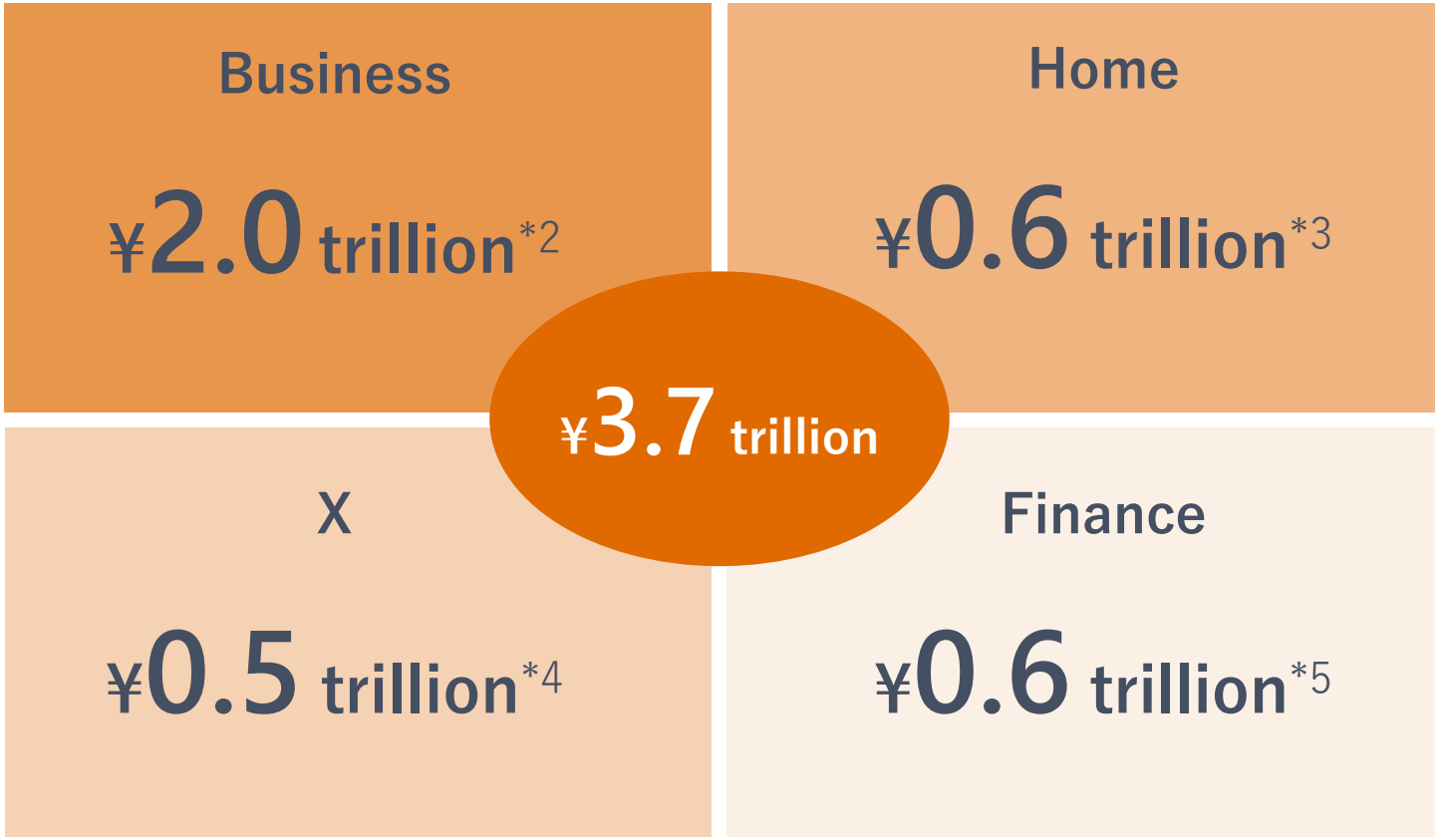
FY11/21 EBITDA is expected to be ¥100-500 million, in line with sales growth.



*1 FY11/21 EBITDA(revised definition) = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses. FY11/20 EBITDA based on the previous definition is negative ¥2,164 million. *2 Assuming FY11/21 EBITDA 100 million (lower end of the forecast).

Immense Total Addressable Market (TAM*1)

TAM of the four domains of Money Forward Group totals ¥3.7 trillion.



* All footnotes are described on page 75.

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.

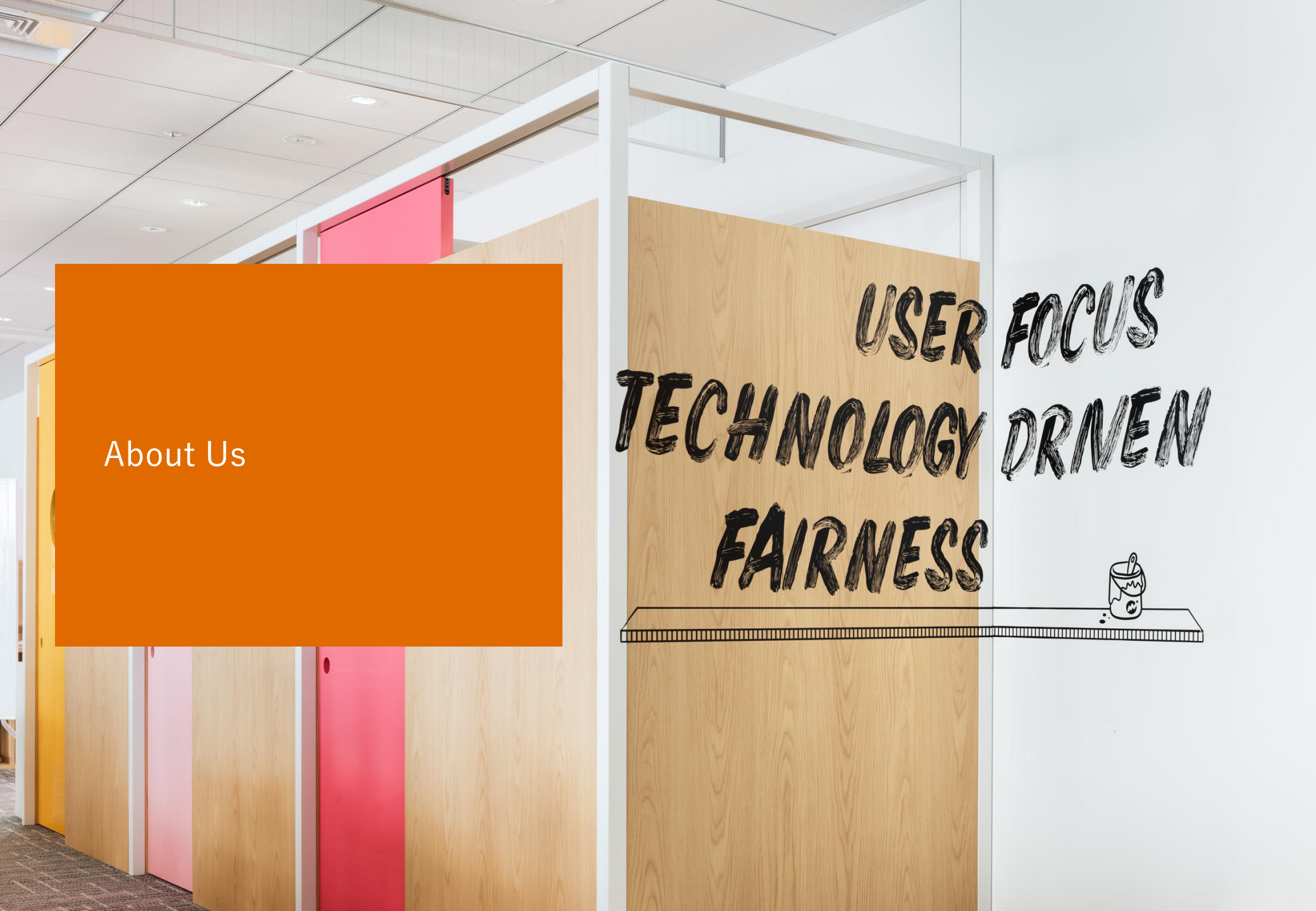
*5 Calculated by annual required working capital for corporate under revenue of ¥500 million multiplied by ratio of post payment settlement usage as well as annual fee potentially charged by Money Forward Kessai for its service. Working capital = receivable + inventory - payable. Data based on Small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



Money Forward. Move your life forward.

Appendix

About Us





Yosuke Tsuji

Representative Director, President and CEO

Yosuke Tsuji worked at Sony Corporation and Monex Securities before establishing Money Forward, Inc. in 2012. He currently serves as an Executive Officer of the Japan Association of New Economy (JANE) and committee member of the METI Fintech Review Conference.
Kyoto University Faculty of Agriculture (BS), Wharton School, University of Pennsylvania(MBA).

Awards (including awards to Money Forward)

Jan. 2014	US Embassy's Award at the Entrepreneur Awards Japan (TEAJ) 2014
Feb. 2014	JVA Chief Judge's Award at the Japan Venture Awards (JVA) 2014
Mar. 2014	Grand Prize at the Financial Innovation Business Conference (FIBC) 2014
Nov. 2016	Ranked in Forbes Japan's "Japan's Top 10 Entrepreneurs" for two consecutive years
Dec. 2016	Selected by *Nikkei Business* magazine as one of "The 100 Most Influential People for Japan 2017"
Feb. 2018	Judges Association's Special Award at the Japan Venture Awards 2018

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)

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 Home Company CSO
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.



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.



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*.



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.



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.



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.



Naomichi Tomiyama

Executive Officer. Money Forward, Inc.
Representative Director, Money Forward 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 Money Forward Kessai, Inc. in 2017.



Satoshi Furuhashi

Executive Officer. Money Forward, Inc.
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.



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.



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.

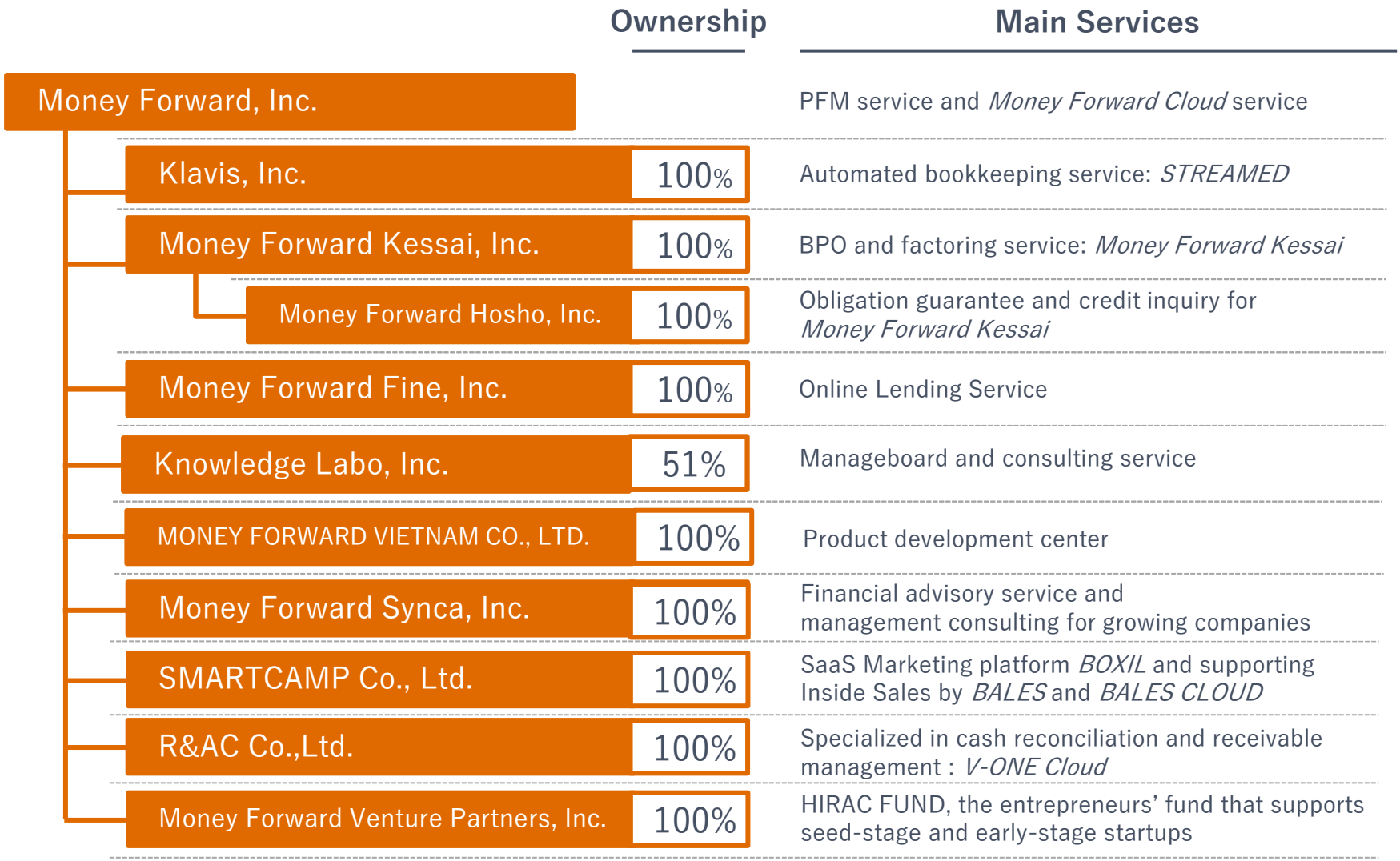


Youkou Takano

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 January 14, 2021

Alliance with Financial Institutions (APIs)

Contracted with **all 123 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	123	1	253	—	13	—	719	—
Corporates	117	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 January 12, 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.

Share Price and Trading Volume since IPO (After Stock Split*1)



* As of January 12, 2021.

*1 2-for-1 split for each common share held by shareholders written or recorded in the closing shareholder registry on the record date, November 30, 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

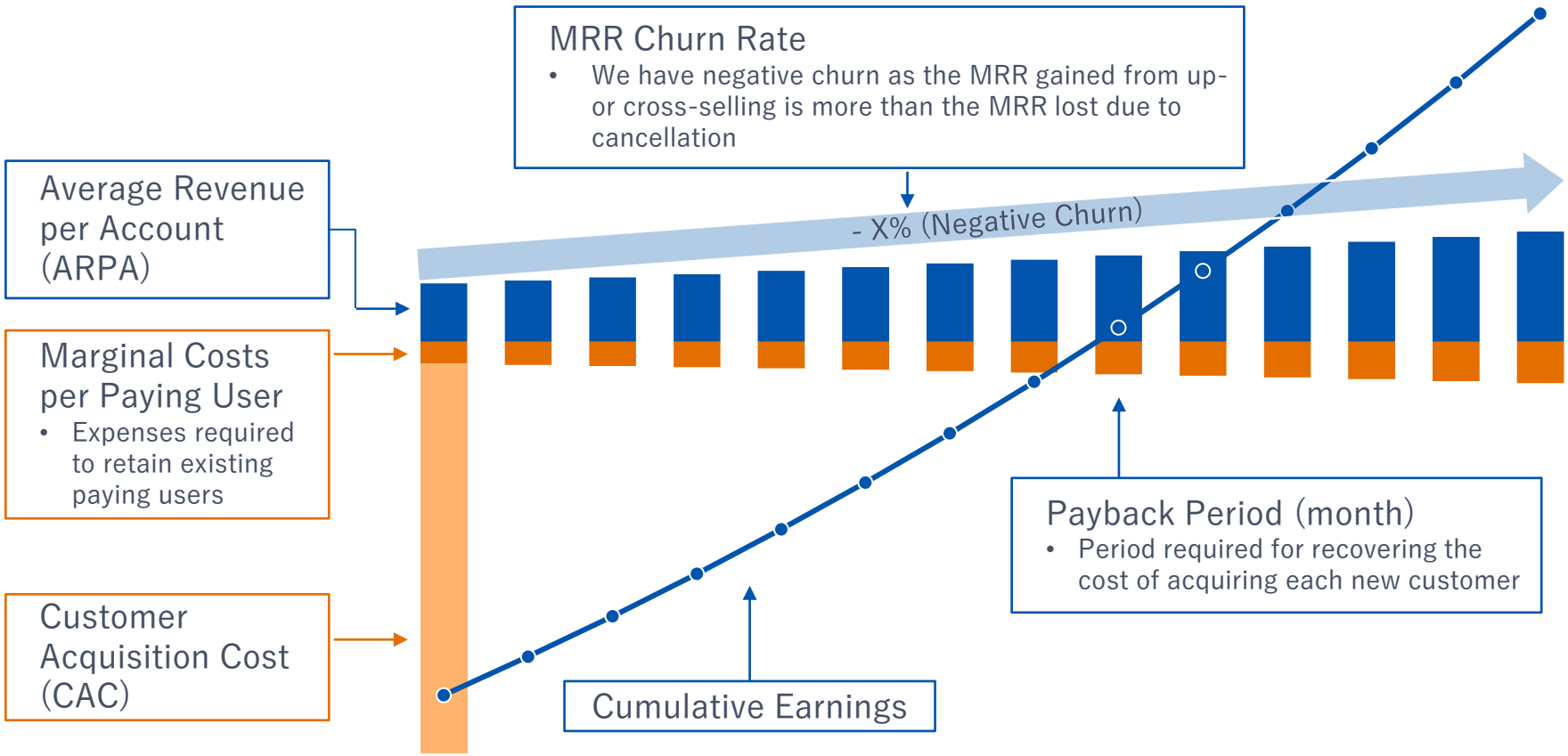
- Investment in sales, marketing and customer success to be accelerated as long as unit economics metrics are reasonable and sound.
- Investment decisions to be made based on the unit economics metrics described in next page.

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
SaaS ARR	Calculated by multiplying SaaS MRR of a particular period by 12. SaaS MRR includes: 1) net sales from premium charges in Home domain, 2) recurring revenue from sales of *Money Forward Cloud* and other cloud services such as *STREAMED, Manageboard , V-ONE Cloud, and Money Forward Certified Membership*, 3) recurring revenue in X domain. In order to adjust for seasonal factors of *STREAMED* in Q1, MRR is calculated as one-third of the billing revenue of *STREAMED* in Q1 of each fiscal year. Non-recurring revenue of each business and net sales of Smartcamp are not included.
Customer	Paid subscribers in the Business domain, which is a total of (1) accounting firms and their clients, 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: [number of customers churn 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.



Products and Services

Money Forward Cloud – SaaS Platform for Back Office

Money Forward Cloud provides various products for back office operations.



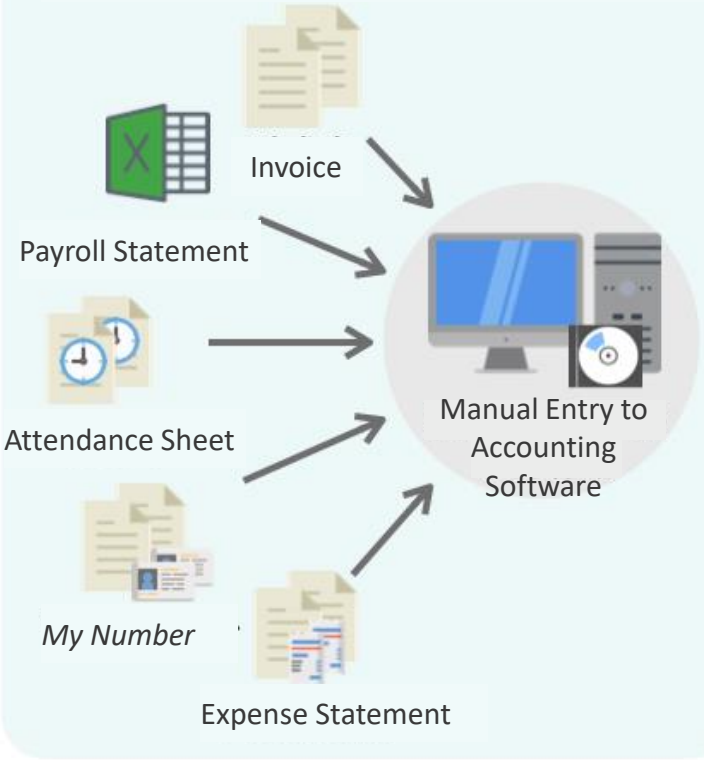
Money Forward Cloud

- 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
- Money Forward Cloud Box

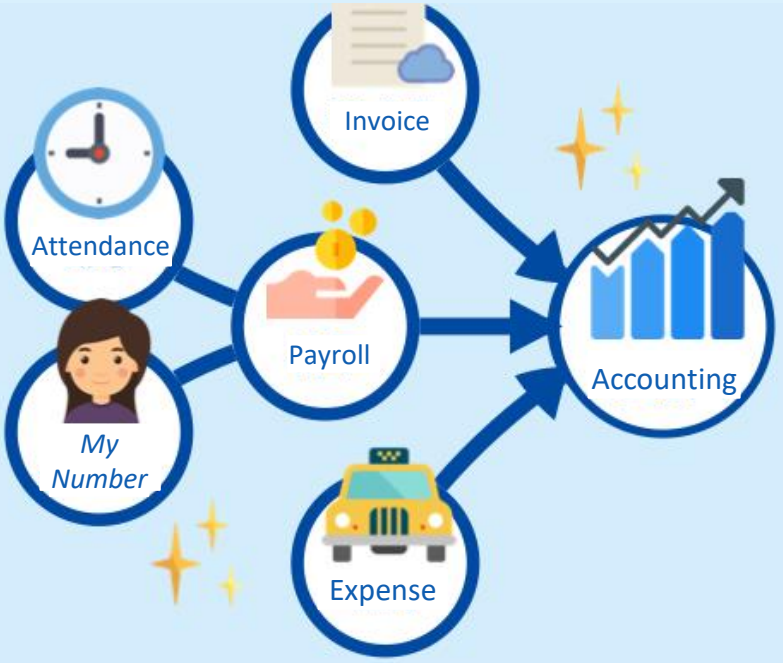
Providing a Paradigm Shift - Integrated Back Office

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.

Conventional Back Office
- Manual entries based on paperwork



Money Forward Cloud
- Integration of back office functions



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

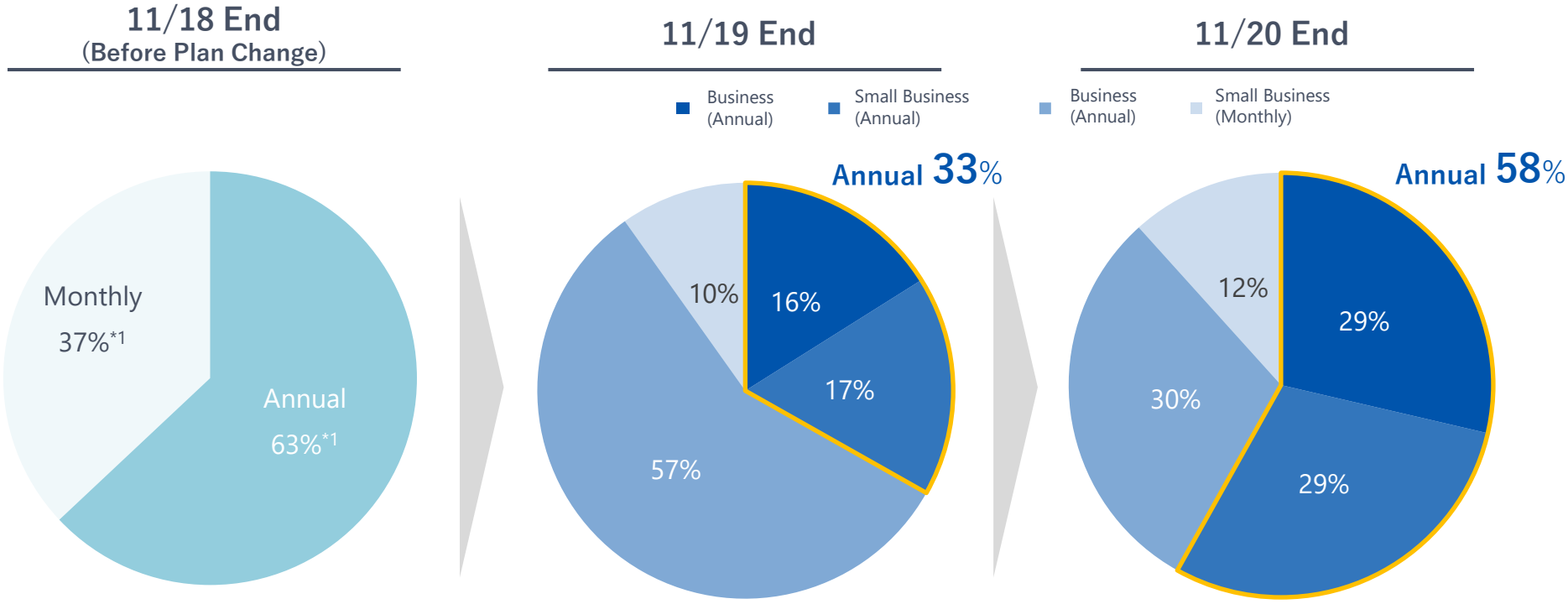
Business Domain – Price Table

	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 **Social Insurance** ¥100/employee

* All listed prices are excluding tax.

Money Forward Cloud – Sales Mix for SMEs (Web Channel)

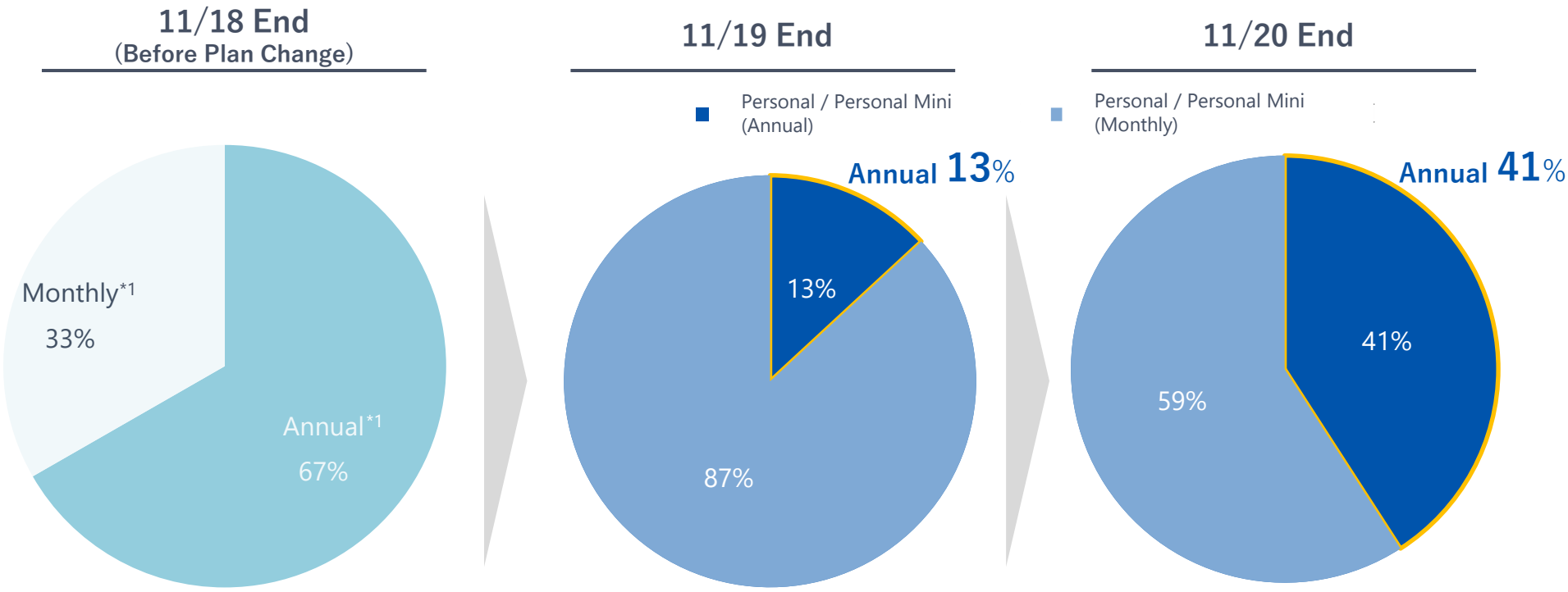
Annual pricing ratio has steadily increased by **25ppts YoY**, resulting in a stable customer churn rate.



*1 Definition of annual/monthly pricing ratio at the end of 11/18 is based on the number of Money Forward Cloud Accounting paying accounts

Money Forward Cloud – Sales Mix for Sole Proprietors (Web Channel)

Annual pricing ratio has steadily increased by **28ppts YoY**, resulting in a stable customer churn rate.



*1 Definition of annual/monthly pricing ratio at the end of 11/18 is based on the number of Money Forward Cloud Tax Return paying accounts.

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 **¥1 trillion**[*1].

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







*1 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 ¥0.9 trillion, along with the expansion of SaaS market in Japan.

SaaS potential market size[*1]		Advertising costs to net sales ratio[*2]		
¥6.0 tn	×	15.6%	=	**¥0.9 tn**

*1 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.
*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 December, 2020.

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.

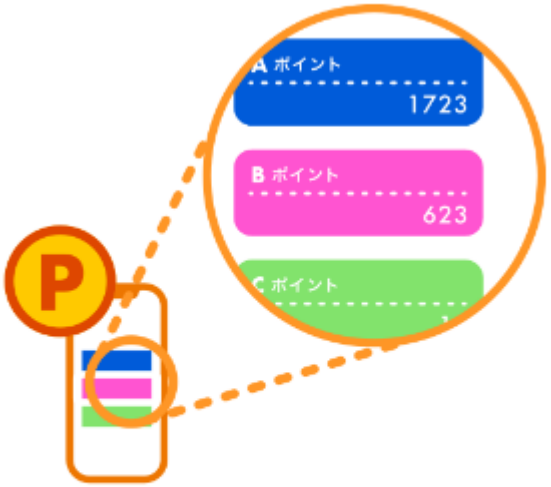


* As of October 2019

Money Forward ME - Automated PFM Service

Money Forward ME is the No.1 PFM app in Japan[*1], reaching 11.5 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



Money Forward ME[*1] is continued to be No.1 PFM service



Manage your financial services easily

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

*1 Macromill, Inc “PFM app currently used” (Nov. 18 to 19, 2020) Survey targets: 1,034 PFM app users in their 20s to 60s.
*2 Based on research by Money Forward, Inc. as of December, 2020.

Money Forward 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.



Approve

Send Invoice

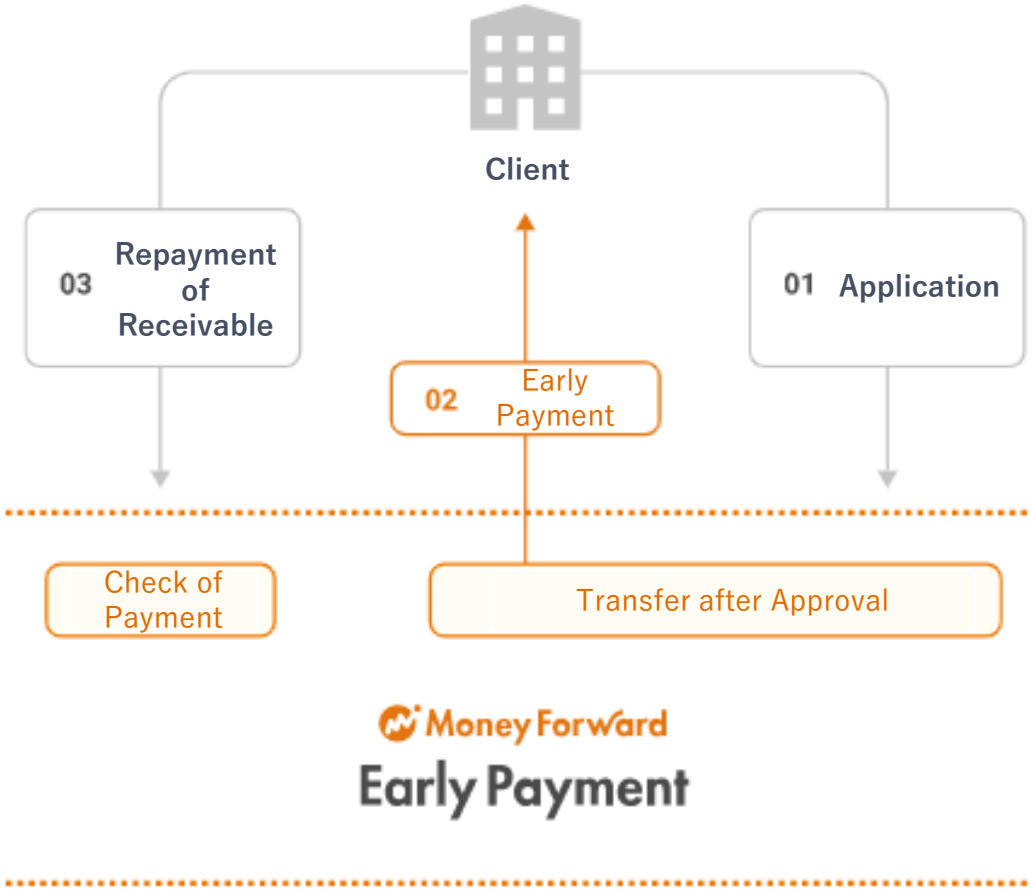
Collect Receivable

Check Payment Status

Send Reminder

Money Forward Early Payment
Accounts Receivable Financing

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



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