

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended February 29, 2024
(Based on Japanese GAAP)**

April 12, 2024

Company name: Money Forward, Inc.
 Stock exchange listing: Tokyo
 Stock code: 3994 URL: <https://corp.moneyforward.com>
 Representative: Representative Director, President and CEO Yosuke Tsuji
 Group Executive Officer and Accounting Department Manager
 Inquiries: Shun Matsuoka TEL 03(6453)9160
 Scheduled date to file Quarterly Securities Report: April 12, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended February 29, 2024 (from December 1, 2023 to February 29, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		SaaS ARR		EBITDA		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended February 29, 2024	9,544	40.5	25,500	39.5	529	–	(992)	–	(1,135)	–
Three months ended February 28, 2023	6,791	42.8	18,275	41.6	(704)	–	(1,625)	–	(1,670)	–

(Note) Comprehensive income (millions of yen)

Three months ended February 29, 2024: (989) (-%). Three months February 28, 2023: (1,875) (-%)

	Profit attributable to owners of parent		Earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Three months ended February 29, 2024	(1,318)	–	(24.33)	–
Three months ended February 28, 2023	(1,705)	–	(31.73)	–

(Note 1) SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of STREAMED, its MRR is calculated as one-third of the revenue from STREAMED in Q1 and Q2 of each fiscal year (rounded to the nearest million yen).

(Note 2) EBITDA=Operating profit(loss) + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses.

(Note 3) Diluted earnings per share for the three months ended February 29, 2024 is not disclosed although the company has dilutive shares, due to its net loss position.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2024	84,939	34,105	31.4
As of November 30, 2023	88,282	34,660	31.5

(Reference) Equity (millions of yen)

Three months ended February 29, 2024: 26,705. Year ended November 30, 2023: 27,822.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended November 30, 2023	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00
Year ending November 30, 2024	–	–	–	–	–
Year ending November 30, 2024 (Forecast)	–	0.00	–	0.00	0.00

(Note) Revisions to most recent dividend forecast: No

3. Forecast of consolidated financial results for the year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

Percentages indicate year-on-year changes

	Net sales		SaaS ARR		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	39,500 ~42,000	30.0 ~38.3	30,005 ~31,613	29.6 ~36.6	1,000 ~3,000	—

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	(3,898) ~(1,898)	—	(4,397) ~(2,397)	—	(4,725) ~(2,725)	—	(86.92) ~(50.13)

(Note 1) Revisions to most recent financial forecast: No

(Note 2) Rounded to the nearest million yen.

(Note 3) SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of STREAMED, its MRR is calculated as one-third of the revenue from STREAMED in Q1 and Q2 of each fiscal year.

(Note 4) EBITDA=Operating profit(loss) + depreciation and amortization + tax expenses included in operating expenses +share-based remuneration.

(Note 5) The advertising expenses to sales ratio are expected to be 15.0-17.0%, and the personnel and subcontract expenses to sales ratio are expected to be 64.0-69.0%.

4. Notes

(1) Changes in significant subsidiaries during the three months ended February 29, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: Yes

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 29, 2024	54,414,865 shares	As of November 30, 2023	54,235,305 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	124,478 shares	As of November 30, 2023	115,124 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended February 29, 2024	54,197,925 shares	Three months ended February 28, 2023	53,770,916 shares
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*Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

*Regarding the proper use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements)

The forward-looking statements in this document, including earnings forecasts, are based on information currently available and assumptions that the company believes are reasonable. These statements are not guarantees of future performance, and actual results may differ significantly due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of November 30, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	38,855,733	30,754,179
Notes and accounts receivable - trade, and contract assets	4,139,325	4,601,531
Operational investment securities	3,667,981	3,904,543
Inventories	12,008	27,974
Purchased receivables	5,827,883	7,176,052
Other	2,650,063	3,742,522
Allowance for doubtful accounts	(155,775)	(125,442)
Total current assets	54,997,220	50,081,361
Non-current assets		
Property, plant and equipment	1,163,345	1,121,688
Intangible assets		
Goodwill	3,843,595	3,894,992
Customer-related intangible assets	–	439,435
Software	7,848,892	8,756,560
Software in progress	1,772,113	1,699,750
Other	459	443
Total intangible assets	13,465,061	14,791,181
Investments and other assets		
Investment securities	16,640,845	17,071,637
Leasehold and guarantee deposits	984,183	1,001,316
Other	1,031,754	872,081
Total investments and other assets	18,656,783	18,945,035
Total non-current assets	33,285,190	34,857,905
Total assets	88,282,410	84,939,267

(Thousands of yen)

	As of November 30, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	370,317	335,977
Short-term borrowings	4,937,000	5,957,000
Current portion of long-term borrowings	3,488,750	3,361,500
Accounts payable - other	8,563,985	7,496,767
Accrued expenses	1,519,897	1,682,326
Income taxes payable	219,037	149,767
Deposits received	5,422,686	3,227,318
Contract liabilities	4,849,429	5,306,701
Provision for bonuses	297,960	184,157
Provision for bonuses for directors (and other officers)	80,042	89,280
Provision for point card certificates	260,316	208,920
Other	771,154	439,957
Total current liabilities	30,780,576	28,439,674
Non-current liabilities		
Long-term borrowings	8,947,869	8,273,169
Convertible-bond-type bonds with share acquisition rights	12,000,000	12,000,000
Bonds payable	1,000,000	1,000,000
Retirement benefit liability	6,454	6,027
Provision for bonuses	6,288	11,205
Provision for directors' bonuses	1,317	1,205
Other	879,440	1,102,748
Total non-current liabilities	22,841,370	22,394,355
Total liabilities	53,621,947	50,834,030
Net assets		
Shareholders' equity		
Share capital	26,716,695	26,753,828
Capital surplus	7,595,957	7,633,089
Retained earnings	(8,378,442)	(9,697,319)
Treasury shares	(1,352)	(1,442)
Total shareholders' equity	25,932,858	24,688,155
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,766,439	1,929,343
Foreign currency translation adjustment	123,445	88,326
Total accumulated other comprehensive income	1,889,884	2,017,669
Share acquisition rights	504,492	950,586
Non-controlling interests	6,333,228	6,448,825
Total net assets	34,660,463	34,105,236
Total liabilities and net assets	88,282,410	84,939,267

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Three months ended February 28, 2023	Three months ended February 29, 2024
Net sales	6,791,543	9,544,098
Cost of sales	2,519,471	3,004,245
Gross profit	4,272,072	6,539,853
Selling, general and administrative expenses	5,897,243	7,532,417
Operating loss	(1,625,171)	(992,564)
Non-operating income		
Interest income	172	1,070
Dividend income	1,348	–
Foreign exchange gains	22,521	–
Subsidy income	966	1,752
Other	4,531	1,263
Total non-operating income	29,540	4,086
Non-operating expenses		
Interest expenses	27,412	35,224
Loss on investments in investment partnerships	10,795	–
Share of loss of entities accounted for using equity method	34,573	86,853
Foreign exchange losses	–	24,228
Other	1,769	473
Total non-operating expenses	74,550	146,780
Ordinary loss	(1,670,181)	(1,135,257)
Extraordinary income		
Gain on reversal of share acquisition rights	297	280
Total extraordinary income	297	280
Extraordinary losses		
Loss on retirement of non-current assets	1,173	72
Total extraordinary losses	1,173	72
Loss before income taxes	(1,671,058)	(1,135,049)
Income taxes	92,542	111,829
Loss	(1,763,601)	(1,246,879)
Profit (loss) attributable to non-controlling interests	(57,703)	71,996
Loss attributable to owners of parent	(1,705,897)	(1,318,876)

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Three months ended February 28, 2023	Three months ended February 29, 2024
Loss	(1,763,601)	(1,246,879)
Other comprehensive income		
Valuation difference on available-for-sale securities	(63,825)	293,021
Foreign currency translation adjustment	(47,744)	(35,118)
Share of other comprehensive income of entities accounted for using equity method	–	(77)
Total other comprehensive income	(111,570)	257,826
Comprehensive income	(1,875,171)	(989,053)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,837,309)	(1,191,091)
Comprehensive income attributable to non- controlling interests	(37,861)	202,037